

LINK Mobility Group ASA signs Term Sheet regarding acquisition of SMS.it in Italy, the first Mobile Internet Services Provider

LINK Mobility Group ASA ("LINK"), one of Europe's leading and fastest growing providers of B2C mobile messaging and mobile services, has entered into a term sheet regarding the acquisition of Italian mobile messaging company SMS Italia Srl ("SMS.it").

SMS.it is one of the leading mobile messaging providers in Italy. Established in 1996, SMS.it was the first in the world to provide mobile Internet services and the first mobile messaging provider on a global scale. Located in Milan, with offices in Bologna, SMS.it is a mobile operator owning an independent mobile network, fixed network, signalling and SS7 interconnection, and has in place interworking agreements with all the Italian mobile operators and the primary MVNOs. SMS.it doubled its revenues every year in last two years.

"I am really happy to announce that we have signed a firm term sheet to acquire SMS.it the first global provider of mobile messaging services all the way back in 1996. This is our second investment in Italy and the fit between Total Connect and SMS.it is very good. We will now have a solid platform to develop and grow LINK in Italy through our strong sales focus and innovation of mobile messaging and solutions services. The Italian market is experiencing strong growth and we really look forward to take a big slice of this growth going forward." says Arild E. Hustad, CEO of LINK.

"We are very pleased with the opportunity to combine strengths and expertise of SMS.it with LINK Mobility. And it should also be stated that SMS.it was the first in the world providing mobile internet services. Our two companies have a strong cultural fit and a similar approach to clients and partners. Joining LINK Mobility enhances the access for our clients to industry leading and innovative solutions, while still maintaining focus on the local proximity to our clients, as well as the quality of service and assistance that is highly valued by our clients." says Daniele Preda, Managing Director of SMS.it.

The agreed enterprise value of the transaction is EUR 8.011 million, on a cash-free and debt-free basis and assuming a normalized level of working capital. The enterprise value is based on an estimated adjusted EBITDA of EUR 1.161 million multiplied by a factor of 6.9. SMS.it expects to report revenues for 2017 of Euro 10.8 million.

The purchase price under the transaction, subject to customary adjustments, is expected to be settled as follows:

- 1/3 of the purchase price in cash upon closing,
- 1/3 of the purchase price as escrow, and
- 1/3 of the purchase price of shares in LINK valued at the share price at close of trading on the Oslo Stock Exchange yesterday, 26 January 2018, being NOK 144.80 per LINK share.

LINK intends to acquire all shares in SMS.it in an acquisition of its holding company A2P Ventures Ltd from the seller Horizon Ventures Ltd and the acquisition is conditional upon a satisfactory result of a due diligence process to be performed by LINK, and upon LINK and the seller agreeing on the terms and conditions of a final share purchase agreement for the consummation of the transaction, containing, inter alia, customary closing conditions. The acquisition is furthermore subject to approval of the Board of Directors of LINK.

The transaction is expected to close on or about 31 March 2018.

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About LINK Mobility Group ASA

LINK Mobility Group ASA is one of Europe's leading providers within mobile communications, specialized in mobile messaging services, mobile solutions and mobile data intelligence. The Group offers a wide range of scalable services and solutions across industries and sectors due to the growing demand of digital convergence between businesses and customers, platforms and users. The Group is headquartered in Oslo/Norway and is listed on the Oslo Stock Exchange (ISIN: NO0010219702). LINK Mobility continues to experience strong organic growth with a high degree of recurring revenue as customers tend to move more business activities onto the mobile platforms. In 2016, LINK Mobility had a total turnover of 924 million NOK now with offices in Norway, Sweden, Denmark, Finland, Latvia, Estonia, Bulgaria, Germany, Spain, Poland, France, Italy, Switzerland and Austria.

This information is subject of the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.