



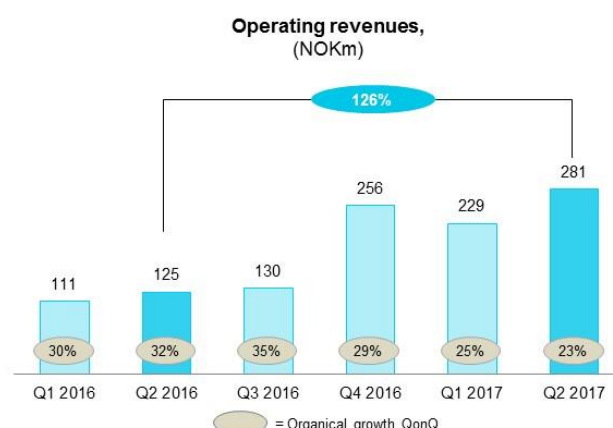
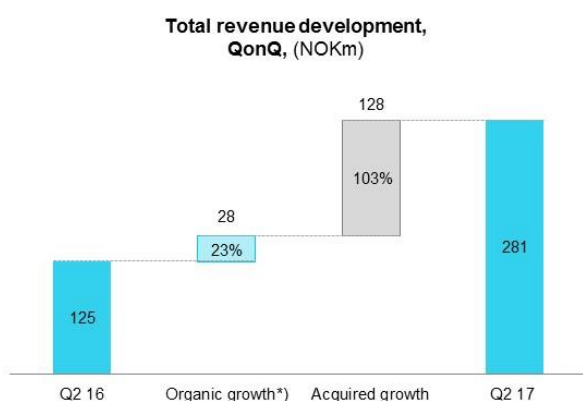
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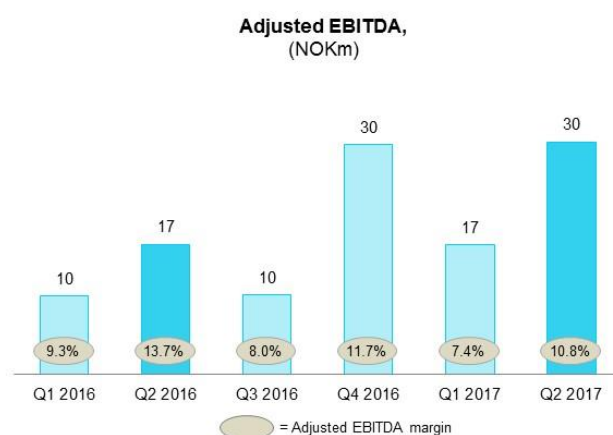
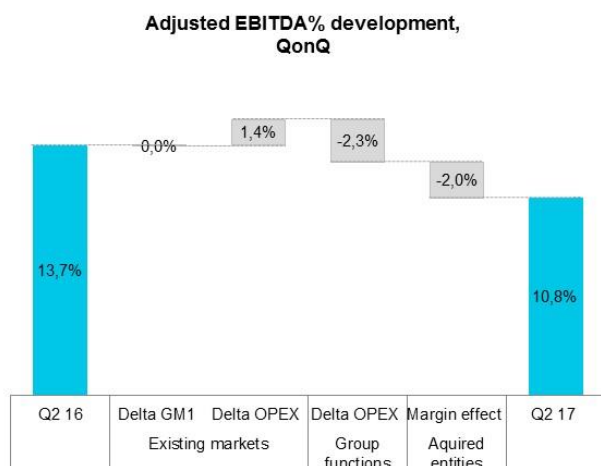
LINK Mobility Group ASA Financial Results Second quarter 2017

Highlights second quarter 2017

- Continued strong revenue growth of 126 per cent. Organic growth of 23 per cent, 35 per cent for the mobile messaging segment
- High acquisition activity with signed term sheets for GMS in Spain, Vianett in Norway, Voicecom in Bulgaria and SMSAPI in Poland
- Stating an outlook for 2017 of pro forma revenue of NOK 1.800 – 1.900 million and proforma adjusted EBITDA of NOK 230 – 255 million
- Strong cash position of NOK 464 million funding future acquisitions
- Entering Google's Early Access Program for RCS (Rich Communications Services) business messaging
- Signed the first major multichannel mobile messaging agreement with Norsk Tipping.
- LINK Germany transformed to secure future growth



*) Organic growth is calculated based on assumptions as Responsfabrikken Aps and Linus AS are merged with respectively Link Mobility Denmark and Link Mobility Norway

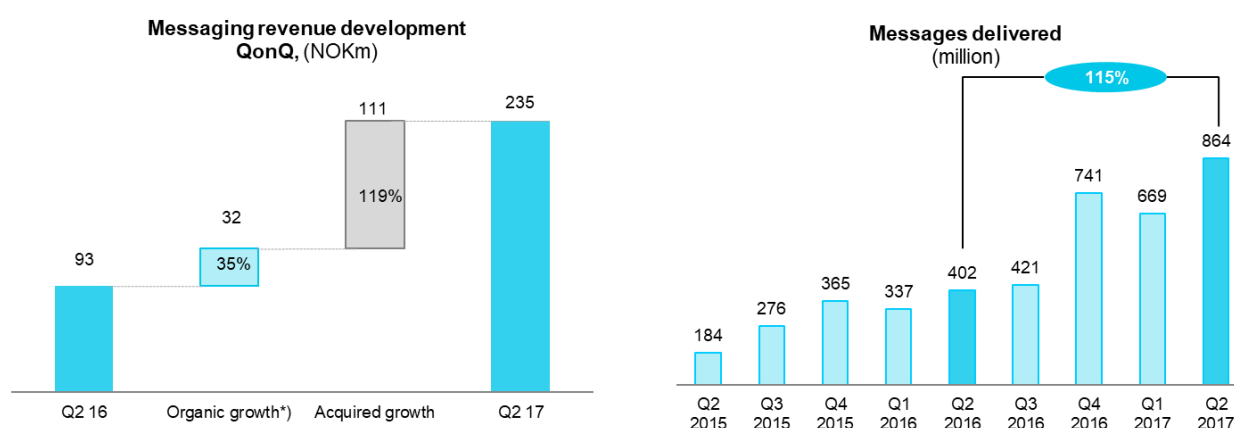


Existing markets are defined as the subsidiaries as reported in second quarter in 2016. Acquired business include the acquisition of Responsfabrikken, Labyrintti Group, Whatever Mobile Group, Linus, Golbalmouth MARKETING AB and Didimo-Jet Group.

Strong organic growth and successful acquisitions

LINK Mobility Group ASA (LINK) confirms its strategy, and reports solid revenue growth in the second quarter of 2017. The strong figures are the result of high organic growth and successful acquisitions. In addition to delivering solid results for the quarter, LINK has signed multiple term sheets which will further strengthen the market position in Norway and Spain through the acquisitions of Vianett and GMS, and entering the Polish and Bulgarian market through the acquisitions of SMSAPI and Voicecom. LINK has become 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 281 million in the second quarter, up 126 per cent compared with corresponding period last year. The overall market conditions have been favorable, resulting in a messaging volume of 864 million, and an organic growth in the Mobile Messaging segment of 35 per cent (see graphs below).



*) Organic growth is estimated as Responsfabrikken Aps and Linus AS are merged with respectively Link Mobility Denmark and Link Mobility Norway as of Q1 and Q2 2017

The adjusted EBITDA for the second quarter is reported at NOK 30 million, an increase of NOK 13 million from same quarter last year. The EBITDA margin is reported at 10,8 per cent, a decrease of 2,9 percentage points versus same quarter last year. The reduction in margin of respectively 2,3 and 2,0 percentage points is due to:

- group functions, investing in organizational capabilities to prepare for further profitable growth
- margin effect of acquired entities, LINK has acquired mobile messaging companies in Germany and Spain with lower margins than existing entities diluting total margins.

Net finance items are reported at negative NOK 21 million, impacted by accruals for currency loss of NOK 13,8 million. Net operating profit excluding currency loss is positive with NOK 5,7 million. In the third quarter, LINK will use derivative financial instruments to hedge currency risk related to borrowings in foreign currency. LINK expects that the hedging relationship will be highly effective, and qualify for hedge accounting in accordance with IAS 39. Consequently, the currency fluctuations in P&L are expected to be reduced significantly.

The financial position is good, with a solid cash position of NOK 464 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. The bond will provide LINK with required flexibility to pursue its growth strategy as the bond facility funds 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. LINK has also signed term sheets regarding Vianett AS in Norway, GMS in Spain, SMSAPI in Poland and Voicecom in Bulgaria.

(Amounts in NOK million)	2016 reported	2016 Pro forma 1**)	2016 Pro forma 2***)
Operating revenues	622	1.019	1.325
Adjusted EBITDA*	67	122	168
Adjusted EBITDA margin*	10,9 %	12,0 %	12,7%
Number of messages (million)	1.901	2.973	4.142

*) Adjusted for costs related to acquisitions and share based compensations.

**) Proforma 1: includes full year effect of the acquisitions of Responsfabrikken, Whatever Mobile Group, Labyrintti Group, Linus AS, Globalmouth Marketing AB and Didimo-Jet Group. All acquisitions are closed.

***) Proforma 2: includes the full year effect of the signed term sheets with Vianett AS in Norway, GMS in Spain, SMSAPI in Poland and Voicecom in Bulgaria assuming all transactions are closed. LINK has calculated the financials based on information from the target companies. During the due diligence of the target companies, LINK may find discrepancies that necessitate an update of the proforma financials for 2016.

Outlook 2017

As a result of the positive development of LINK both in terms of organic growth and the numerous attractive acquisitions LINK has planned and executed during 2017, LINK will give the market an estimated pro forma outlook for the full year 2017. The outlook for 2017 should enable the market to get a better understanding of LINK, and a better view on the potential development of LINK in 2017 and beyond. The outlook is based on the following key factors:

- the estimated 2017 financials based on pro forma figures for 2016.
- the estimated financials for 2017 reflecting the full year effects from the acquisitions that LINK has completed so far in 2017, and the acquisitions that LINK has announced to the market that currently are under progression
- 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 outlook of 2017 is based on the stated assumptions, and the pro forma financials (full-year effect of all acquisitions expected to be closed in 2017) should therefore be in the range of:

- Revenues*) NOK 1.800 to 1.900 million
- EBITDA*) NOK 230 to 255 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 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 2017 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.

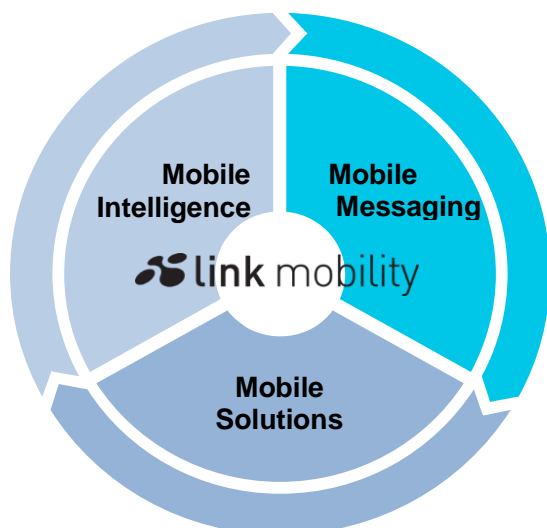
LINK Mobile Invoice was launched in 2016, and has received positive feedback from the market. Many clients want to move from traditional invoicing to a mobile solution that makes it quicker, easier and more cost effective to invoice the end-users. Customers are pleased that LINK has an independent product that can provide solutions from several of the major payment players. Whether it's VIPPS, MobilePay, STREX, BankAxept or Debit Cards the customer wants to use, we plan to provide them all.

In the second quarter LINK delivered mobile services to more than 80 million unique mobile subscribers. LINK's international business was also picking up through enterprise with global customers. In the second 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 83.6 per cent 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 403 new contracts in the second quarter, whereof 225 contracts with new customers and 178 new contracts with existing customers. The following new contracts of significant financial and strategic importance were signed in the second quarter:

- DNB, the largest financial service group in Norway, has been selected to be a part of the Early Access Program from Google for RCS business messaging. DNB will use RCS (Rich Communication Services) to upgrade business SMS with rich media, interactivity and stronger branding. Telenor, DNB, Google and LINK will during the pilot work closely together to develop a best-in-class user experience for end-users.
- Norsk Tipping, a NOK 32 billion revenue government owned company assigned by the government to offer games that create excitement and entertainment within responsible limits, has chosen LINK as partner of its mobile multi-channel services.
- ING-DiBa, with more than 8 million customers and one of the largest private banks in Germany, will work in cooperation with LINK Mobility for their campaign "DiBaDu und Dein Verein". ING-DiBa sponsors volunteer work in German clubs and associations with a total of EUR 1 million.
- Telefónica, the main operator in Spain with presence in 21 countries, chose Link Mobility's SMS Service to reach SME in the carrier footprint in LATAM countries (Chile, Argentina, Brazil, Perú).
- Sector Alarm, one of the leading Alarm System companies in Europe with a revenue approximately 2 billion, has chosen LINK as their digital communication provider.
- Sociedad Estatal Correos y Telégrafos, the public mail service and market leader in physical communications and deliveries in Spain, through our Partner INKA Marketing, has chosen LINK's White Label SMS Solution to be offered to its customers.

- Volvo Finans AB, the financing company of the car maker Volvo, has implemented LINK messaging and solutions to improve customer experience.
- C More Entertainment AB, a leading premium supplier of film, series and sports in the Nordic's, has chosen LINK's messaging services on their CRM platform
- Himla AB, a retail chain that is expanding in the Swedish market, has started using LINK solutions for customer club recruitment and messaging for improved customer experience
- TakeOffer, Danish online travel club, has extended their contract with LINK to include project management and ongoing development of their travel app.

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

Group Income Statement

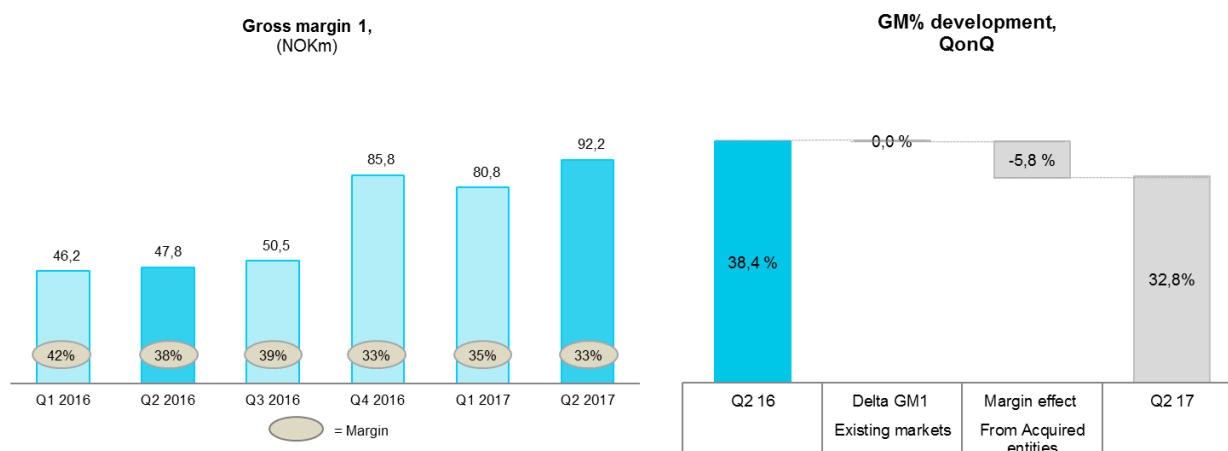
Operating revenues amounted to NOK 281 million (NOK 125 million) or a growth of 126 per cent versus same quarter last year. The strong growth was due to organic growth and the successful acquisitions last quarters. The organic growth is driven by the Mobile Messaging business segment with a growth rate of 35 per cent versus last year. A lower organic growth rate of 23 per cent for total revenue is due lower growth rates for Direct carrier billing and Consulting which is not a strategic area for LINK.

Revenues by business segment					
segment	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Transactions	93	94	200	183	235
Direct carrier billing	9	11	21	14	11
Licenses	19	20	30	28	30
Consulting	4	5	5	4	5
Total	125	130	256	229	281
Revenues by operating segment					
segment	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Norway	78	75	107	96	106
Sweden	24	24	34	31	34
Denmark	20	29	35	29	30
Finland and Baltics	2	2	18	16	17
Germany			62	57	64
Spain					29
Total	125	130	256	229	281

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 focuses on standardized scalable solutions rather than tailor made products within the Consulting area.

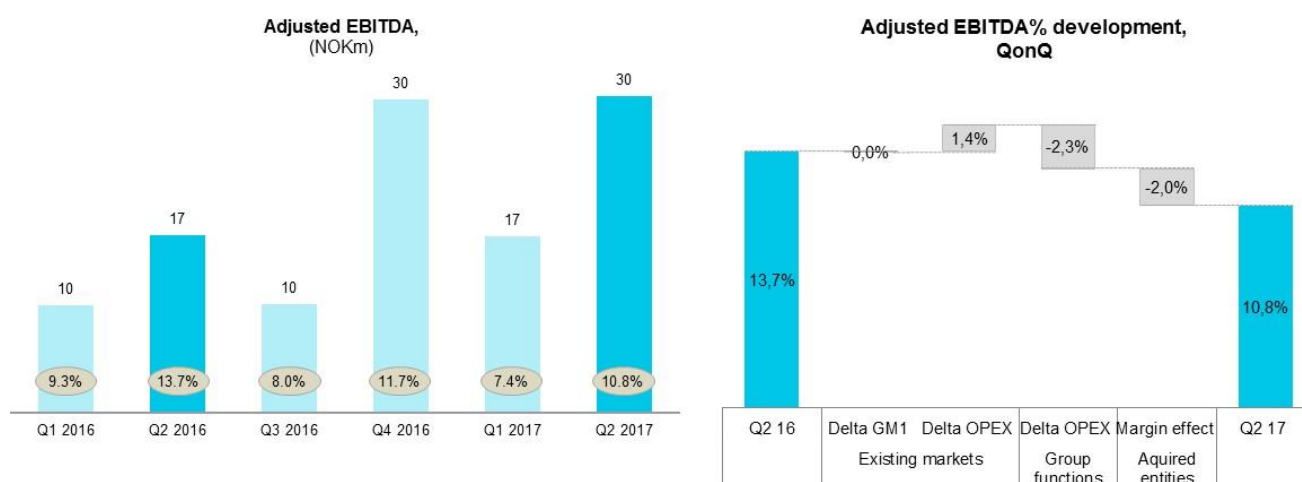
Total gross margin was 33 per cent (38 per cent). The 5,8 percentage points reduction in gross margin is due to the dilutive effect of lower margins from acquired companies in Germany and Spain. The subsidiaries acquired the last quarters are messaging companies with lower gross margin which dilute total margins (see graphs below). LINK is expecting long-term margin improvements in the acquired businesses as they are to start focusing on LINK's Mobile Solutions.



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 second quarter 16,4 per cent of net operating revenues (17,0 per cent).

Adjusted EBITDA, before non-recurring cost, was NOK 30 million (NOK 17 million), equaling an adjusted EBITDA margin of 10,8 per cent (13,7 per cent) or a reduction of 2.9 percentage points. The reduction in margin versus same quarter last year is due to:

- 0 per cent regarding change in GM1 margins in existing markets
- +1,4 per cent due to lower OPEX on existing markets
- -2,3 per cent due to higher opex regarding Group functions
- -2,0 per cent due to the dilutive effect of lower margins on acquired business



EBITDA is reported at NOK 21 million (NOK 11 million) for the second quarter due to NOK 9,2 million (NOK 5,9 million) in cost related to acquisitions and share based compensation.

Financial items amounted to a negative NOK 21,2 million (NOK 3 million in loss). NOK 8,5 million (NOK 0,9 million) were interest expenses on sellers' credits and the senior secured bond. Due to the value decline of NOK in the second quarter, the net impact of currency loss amounted to NOK 13,8 million. In

the third quarter, LINK will use derivative financial instruments to hedge currency risk related to borrowings in foreign currency. LINK expects that the hedging relationship will be highly effective and qualify for hedge accounting in accordance with IAS 39. Consequently, the currency fluctuations in P&L are expected to be reduced significantly.

Net operating profit excluding currency loss is positive with NOK 5,7 million.

Balance sheet, financing and liquidity

Non-current assets amounted to NOK 893 million (NOK 288 million), the increase is mainly due to acquisitions as a book value of NOK 842 million refers to customer relations, technology and goodwill from acquired subsidiaries. Investments in R&D amounted to NOK 14,6 million (NOK 7 million) resulting in NOK 44 million in book value.

Trade receivables and other receivables amounted to NOK 202 million (NOK 95 million), the increase is mainly a result of acquisitions. The cash balance is strong with NOK 464 million (NOK 46 million) after the completion of the senior secured bond of EUR 50 million.

Total equity amounted to NOK 612 million (NOK 170 million) or 39,2 per cent of balance sheet value (39,6 per cent). Long term liabilities amounted to NOK 612 million (NOK 120 million), of which NOK 466 million is related to the bond and NOK 145 million related to seller's credit. Interest bearing debt to finance institutions was repaid with the completion of the bond. Further details can be found in Note 6 "Long term liabilities".

Net cash from operating activities for the first half of 2017 was positive with NOK 47 million (NOK 16 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. Going forward LINK will focus on the following:

- Strengthen of the LINK Mobile Messaging position in a growing market.
- Continue to develop world leading LINK Mobile Solutions and Mobile Intelligence services.
- Continue the consolidation within our existing markets
- Continue the expansion into other major European markets.

LINK has a clear ambition to continue to grow its business in a market that is expanding rapidly. 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 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%.

Consolidated Income Statement

<i>Consolidated Income Statement</i>	<i>Note</i>	<i>2Q 2017</i>	<i>2Q 2016</i>	<i>YTD 2017</i>	<i>YTD 2016</i>	<i>2016</i>
Operating revenues	3	281 313	124 527	510 123	235 058	621 606
Total operating revenues		281 313	124 527	510 123	235 058	621 606
Cost of services rendered		189 075	76 702	337 767	140 993	391 255
Personell costs		46 194	21 133	94 369	48 141	114 610
Other operating expenses		15 703	9 661	31 050	17 700	48 310
Total operating expenses		250 971	107 496	463 185	206 834	554 175
Adjusted EBITDA*	3	30 342	17 031	46 938	28 224	67 431
Share based compensation		5 384	4 085	11 012	7 689	18 038
Expenses related to acquisitions		3 841	1 835	7 765	1 955	11 939
EBITDA		21 118	11 111	28 161	18 580	37 454
Depreciation intangible assets		8 558	7 917	16 109	14 325	24 274
Operating profit	3	12 559	3 194	12 052	4 255	13 180
Interest income		527	149	721	393	718
Other financial income		211		349		11 037
Interest expenses	6	8 638	851	14 348	2 281	7 867
Other financial expenses		13 316	2 386	14 934	4 159	6 980
Net financial items		-21 216	-3 088	-28 212	-6 047	-3 092
Profit before tax		-8 657	106	-16 161	-1 792	10 088
Income tax		-569	-614	-1 077	146	5 417
Profit for the period		-8 087	720	-15 084	-1 938	4 671
Earnings per share (NOK/share)						
Earnings per share		-0,603	0,075	-1,137	-0,201	0,466
Diluted earnings per share	5	-0,603	0,071	-1,137	-0,192	0,423
Profit attributable to:						
Owners of the company		-8 087	720	-15 084	-1 938	4 671
Statement of comprehensive income						
Profit for the period		-8 087	720	-15 084	-1 938	4 671
Exchange rate differences Group		28 391	41	26 897	41	-973
Total comprehensive income		20 304	761	11 813	-1 897	3 697

* Before share-based compensation and expenses related to acquisitions.

Consolidated Balance Sheet

<i>Consolidated Balance Sheet</i>	<i>Note</i>	<i>2Q 2017</i>	<i>2Q 2016</i>	<i>2016</i>
Assets				
Non-current assets				
Intangible assets	8	886 974	281 861	757 752
Equipment and fixtures		3 685	6 192	6 304
Deferred tax assets		2 507		2 136
Total non-current assets		893 166	288 053	766 192
Current assets				
Trade receivables and other receivables		201 932	95 005	169 513
Cash and cash equivalents		464 033	45 761	187 924
Total current assets		665 965	140 766	357 437
Total assets		1 559 131	428 819	1 123 629
Equity and liabilities				
Share capital	7	13 509	10 266	13 087
Share premium	7	426 623	133 536	399 749
Other equity	8	171 547	26 124	152 433
Total equity		611 679	169 926	565 269
Deferred tax				
Deferred tax		52 160	11 262	46 280
Total deferred tax		52 160	11 262	46 280
Long-term liabilities				
Seller's credit	6	144 805	73 992	117 332
Debt to financial institutions			44 567	88 350
Bond loan	6	466 464		
Other long-term liabilities		444	1 209	
Total long-term liabilities		611 712	119 768	205 682
Short-term liabilities				
Trade and other payables		250 373	120 550	204 954
Tax payable		5 426	7 313	8 245
Short-term debt to financial institutions				73 378
Short-term interest bearing debt	6	27 781		19 821
Total short-term liabilities		283 580	127 863	306 398
Total liabilities		947 452	258 893	558 360
Total equity and liabilities		1 559 131	428 819	1 123 629

Statement of changes in equity

Statement of changes in equity

	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				-15 084	-15 084
Exchange rate differences				26 897	26 897
Total comprehensive income for the year				11 813	11 813
Contributions by and distributions to owners					
Issue of share capital		422	26 874		27 296
Employee share-option schemes				7 301	7 301
Total contributions by and distributions to owners		422	26 874	7 301	34 598
Balance at 30.06.2017		13 509	426 623	171 547	611 679
	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</i>	2Q 2017	2Q 2016	YTD 2017	YTD 2016	2016
Cash flow from operating activities					
Profit before tax	-8 657	106	-16 161	-1 792	10 088
Taxes paid	-6 001	-98	-9 197	-738	-8 284
Depreciation and amortization	8 558	7 917	16 109	14 325	24 274
Adjustment for share-based payment	5 384	1 095	11 012	4 699	18 038
Adjustment for expenses related to acquisitions	4 049		7 973		11 939
Net interest in profit and loss	8 111	3 088	13 627	6 047	3 093
Interest received	121	141	315	385	
Net Exchange rate adjustments (unrealised)	14 531		14 531		
Change in trade receivables and other receivables	-20 566	-11 001	-7 275	3 701	-65 103
Change in trade and other payables	2 720	20 438	20 543	-10 640	69 222
Change social security tax share based payment	-985		-3 711		-11 021
Other change in operating activities	-1 919		-621		
Net cash flow from operating activities	5 346	21 686	47 145	15 987	52 246
Cash flow from investing activities					
Acquisition of subsidiary, net of cash acquired		-17 339	-12 454	-17 339	-118 571
Purchase price adjustment subsidiary, net of cash	-3 134		-19 313		
Expenses related to acquisitions	-4 049		-7 973		-11 939
Purchase of tangible assets	-115	-1 611	-523	-2 462	-4 042
Purchase of intangible assets	-14 608	-7 017	-22 921	-10 092	-24 444
Net cash flow from investing activities	-21 906	-25 967	-63 184	-29 893	-158 996
Cash flow from financial activities					
Net interest paid	-2 179	-1 186	-5 655	-2 221	-5 060
Proceed from borrowings		21 000	447 924	21 000	147 000
Repayment of borrowings		-2 700	-159 850	-5 400	-16 117
Proceeds from issuing new shares	6 555	6 255	7 407	6 255	129 842
Net cash flow from financial activities	4 376	23 369	289 826	19 634	255 665
Foreign exchange effect on cash	1 922	-253	2 321	-41	-1 065
Net change in cash and cash equivalents	-10 262	18 834	276 108	5 687	147 850
Cash and cash equivalents at the beginning for the period	474 295	26 927	187 924	40 075	40 075
Cash and cash equivalents at the end of the period	464 033	45 761	464 033	45 761	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 per cent of the subsidiaries LINK Mobility AS in Norway, LINK Mobility AB in Sweden, LINK Mobility Group in Denmark, Linus AS in Norway, Globalmouth Marketing AB in Sweden, Link Mobility Group in Germany, Link Mobility Group in Finland, LINK Mobility SIA in the Baltics and Didimo Group 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 second 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 second quarter of 2017 were approved by the Board of Directors of Link Mobility Group ASA on the 9th of August 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 per cent 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.

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 3rd of 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 Revenue and 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 that of other companies.

Adjusted EBITDA means EBITDA deducted by expenses related to share-based compensation and acquisitions. 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.

Note 3 – Segment reporting

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

<i>Revenues by business segment</i>	2Q 2017	2Q 2016	YTD 2017	YTD 2016	2016
Transactions	235 177	92 683	418 083	170 748	465 339
Direct carrier billing	11 224	9 326	25 637	21 266	53 397
Licenses	29 611	18 540	57 368	35 977	85 763
Consulting	5 301	3 979	9 035	7 067	17 107
Total	281 313	124 527	510 123	235 058	621 606

<i>Direct costs by business segment</i>	2Q 2017	2Q 2016	YTD 2017	YTD 2016	2016
Transactions	175 312	66 049	308 826	119 677	339 352
Direct carrier billing	8 831	7 059	19 119	14 718	36 195
Licenses	4 775	3 315	8 952	5 954	13 171
Consulting	156	279	869	645	2 537
Total	189 075	76 702	337 767	140 993	391 255

<i>Revenues per country (operating segment)</i>	2Q 2017	2Q 2016	YTD 2017	YTD 2016	2016
Norway	106 248	78 440	201 813	152 284	333 954
Sweden	33 969	23 879	65 361	43 127	100 715
Denmark	30 245	20 228	59 374	39 485	100 976
Baltics	1 305	1 979	2 982	3 779	7 948
Germany	64 190		120 782		61 986
Finland	15 874		30 330		16 028
Spain	29 482		29 482		
Total	281 313	124 527	510 123	235 058	621 606

<i>Direct costs per country (operating segment)</i>	2Q 2017	2Q 2016	YTD 2017	YTD 2016	2016
Norway	61 949	47 708	120 514	91 436	203 855
Sweden	25 595	15 993	49 675	27 822	69 627
Denmark	16 934	11 504	29 893	18 846	53 977
Baltics	1 012	1 497	2 289	2 889	5 977
Germany	49 508		93 030		48 813
Finland	8 431		16 720		9 006
Spain	25 646		25 646		
Total	189 075	76 702	337 767	140 993	391 255

<i>Adjusted EBITDA per country (operating segment)</i>	2Q 2017	2Q 2016	YTD 2017	YTD 2016	2016
Norway	24 380	12 448	35 976	18 263	50 793
Sweden	2 319	2 077	2 350	4 051	8 327
Denmark	4 408	2 440	8 186	6 408	15 973
Baltics	-8	69	126	-498	278
Germany	6 031		11 073		4 629
Finland	3 257		5 676		4 228
Spain	2 494		2 494		
Group cost	-12 538		-18 943		-16 799
Adjusted EBITDA	30 342	17 031	46 938	28 224	67 431

* All EBITDA figures are before share-based compensation and expenses related to acquisitions

<i>EBIT per country (operating segment)</i>	2Q 2017	2Q 2016	YTD 2017	YTD 2016	2016
Norway	21 933	4 782	30 627	5 685	13 884
Sweden	1 593	1 229	-58	1 859	4 951
Denmark	2 748	2 279	5 804	6 102	13 536
Baltics	-10	65	121	-505	263
Germany	5 652		10 256		4 015
Finland	3 032		5 237		4 216
Spain	2 702		2 702		
Group cost	-25 092	-5 160	-42 637	-8 887	-27 685
EBIT	12 559	3 194	12 052	4 255	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 1 126 674 outstanding options to executive management and other key employees of LINK. Of the 1 126 674 outstanding options, the following average strike prices are agreed:

Average strike price	Remaining share options
28	291 674
35	66 667
45	383 333
119	50 000
147	50 000
158	50 000
166	235 000
	<hr/>
	1 126 674

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 5,4 million (including accrued social security tax) has been charged as an expense for the second quarter.

Note 6 - Long-term liabilities

LINK Mobility Group ASA completed February 10th 2017 the issuance of EUR 50 million senior secured bonds in the Nordic bond market. Settlement was on the 24th of February 2017, with final maturity the 24th of February 2022. The bond will be used to redeem sellers credit, as well to finance the company's growth strategy. 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	48,7	466,5	24.02.2022	5 years	4,75 %	Half yearly

Accrued interest bond is classified under short term interest bearing debt in balance statement.

Sellers 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	16,7	DKK	21,5	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	28,7	30.09.2019	3 years	5 %	Quarterly
Acquisition of Whatever Mobile Group	7,0	EUR	66,9	30.09.2019	3 years	5 %	Quarterly
Acquisition of Didimo Group	2,2	EUR	20,9	31.03.2020	3 years	5 %	Quarterly
Total			164,6				

Sellers credit from the acquisition of PSWincom is classified as short-term interest-bearing debt in balance statement due to maturity within 12 months.

Note 7 – Increase in share capital

The total of 233 329 new shares with par value NOK 1 were issued in the second quarter, increasing the share capital from 13 276 009 to NOK 13 509 338.

The Board of Directors decided to increase the share capital with NOK 16 667 by issuing 16 667 new shares with par value NOK 1 at the price NOK 35 per share at its meeting April 3rd 2017. The shares were issued to Markus Lindstrøm. Pursuant to the share option agreement, 16 667 options were earned on the 8th of March 2017, with a strike price of NOK 35 and a deadline to subscribe within the 8th of June 2019. The options were exercised by Markus Lindstrøm on April 3rd 2017.

The Board of Directors decided to increase the share capital with NOK 216 662 by issuing 216 662 new shares with par value NOK 1 at the price NOK 27,80 per share at its meeting May 3rd 2017. The shares were issued to key employees. Pursuant to the share option agreement, 216 662 options were earned on the 30th of April 2017, with a strike price of NOK 27,80 and a deadline to subscribe within the 30th of October 2018. The options were exercised on May 3rd 2017.

Note 8 – Business combinations

Post-closing adjustments to purchase of previous acquisitions - Linus AS

In accordance with the Share Purchase Agreement date 19 September 2016 the preliminary purchase price in the acquisition of Linus was after the closing subject to an upwards or downwards earn-out adjustment based on actual achieved EBITDA for the financial year ending in 31 December 2016. Final earn-out adjustment agreed upon in Q2 2017 amounts to NOK 5,5 million in downward adjustment. This resulted in a deviation from accrual booked in Q4 2016 amounted to NOK 0,6 million. The deviation is booked as expense in Q2 under other financial expenses.

Post-closing adjustments to purchase of previous acquisitions - Whatever Mobile

In accordance with the Share Purchase Agreement date 21 September 2016 overdue receivables at closing date was disregarded for the purposes of determining the Working Capital of the companies. Collected overdue receivables until 30 June 2017 had to be paid by LINK. In Q2 a total of NOK 3,1 million was added to the purchase price as adjustment for collected overdue receivables, booked as additional goodwill.

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 have prolonged the depreciation period of the customer relationships acquisitions to 10 years (from the acquisition date).

Note 10 – Events after the reporting period

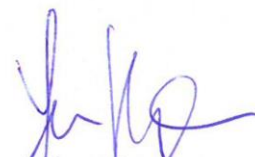
No significant events after the reporting period recorded

Declaration on the financial statements


We confirm that the financial statements for second quarter 2017, to the best of our knowledge, have been prepared in accordance with International Financial Reporting Standards (IFRS), gives a true and fair view of the company's and group's consolidated assets, liabilities, financial position and results of operations, and that the first half-year report of 2017 includes a fair review of the development, results and position of the company and group, together with a description of the most central risks and uncertainty factors facing the companies.

Oslo, 09.08.2017

The Board of Link Mobility Group ASA


Jens Rugseth
Chairman of the board


Ingeborg Liahjell
Board Member


Rune Syversen
Board Member


Tove Giske
Board Member


Anita Huun
Board Member


Lillian N Flora
Board Member


Arild Hustad
CEO

Ingjerd Blekeli Spiten
Board Member


Søren Sundahl
Board Member


Bjørn-Christian Pedersen
Board Member



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