



Annual Report 2020

LINK Mobility Group Holding ASA

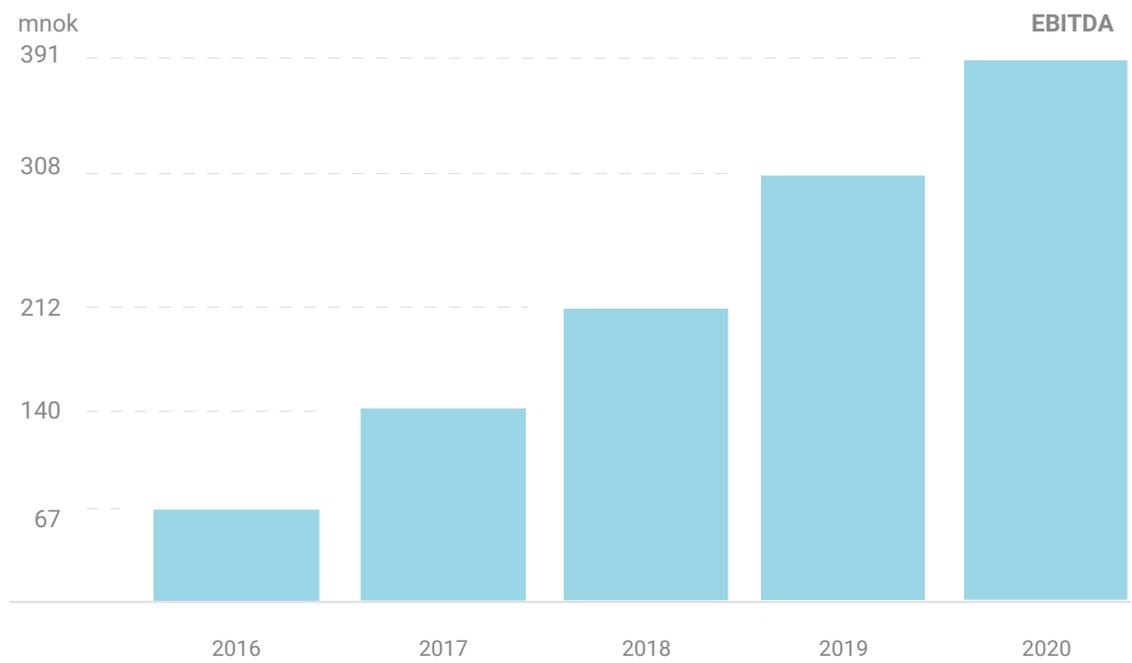
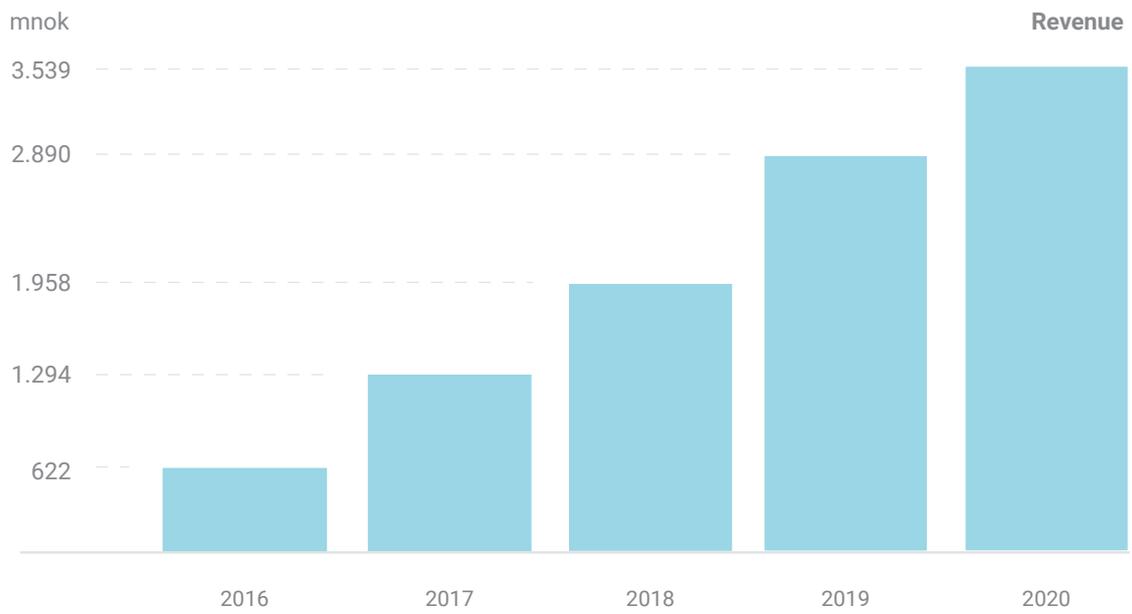
LINK in brief	04
Message from the CEO	07
Sustainability	11
• Environmental factors	15
• Social factors	16
• Governance	18
• Implementation of ESG	20
Report from the Boards of Directors	21
• Market position and development	22
• Comments related to the financial statements	23
• Risks	24
• Shareholders and shares	26
• Organization, workforce, and management	27
• Corporate governance	28
• Events after the reporting period	30
• Forward looking statements	30
• Financial statements	33

**LINK has 500 employees in
26 offices across 18 European countries**

Including Tismi in the Netherlands, acquired in February 2021

Serving more than 40.000 customers

Sending over 10 billion messages a year





Message from the CEO

2020 was a transformative year for LINK Mobility. The company started the year privately owned with no knowledge of coronaviruses or government lockdowns. As the pandemic storm entered last winter, we initially braced for impact in preparation for the engulfing uncertainty. Focus was on cost cutting and cash preservation. The first impact on the business was however a spike in demand as governments and enterprises had to communicate with their citizens and customers. The chosen channel in many cases being mobile messaging, resulting in numerous new use cases for LINK.

During 2020, we at LINK presented our strategy for the coming years. Based on LINK's leading position in the European application-to-person (A2P) SMS market, we described how we intend to expand further into the rapidly evolving communication-platform-as-a-service (CPaaS) market and to enter new geographic regions. In October 2020, LINK listed on the Oslo Stock Exchange with strong interest from international institutional investors. In December 2020, LINK issued a new 5-year bond.

In November 2020, LINK announced its largest acquisition to date, claiming the market leader position in Austria through

WebSMS, which opens-up for additional expansion in the DACH region (Germany, Austria and Switzerland). In February this year, we entered the Benelux countries with the acquisition of Tismi, a solutions company and CPaaS enabler, in the Netherlands. In April this year, we acquired MarketingPlatform in Denmark which will enable LINK to significantly expand our CPaaS offering within multi-channel marketing campaign and customer data management.

The worldwide digitalization trend has been accelerated by the pandemic. Black and white messaging, with reference to SMS, will increasingly be joined by more colourful rich messaging through RCS (SMS 2.0) over the telecom networks and new over-the-top (OTT) channels like WhatsApp and Viber.

LINK is uniquely positioned for this transition, having developed Norway to the world's leading messaging market over the past 20 years. After the pandemic storm, LINK is a much stronger company, publicly listed, with little debt and strong cash balances.

At LINK we are united, dedicated and enthusiastic to continue our rapid growth in Europe and beyond.

Oslo 26 April 2021

Guillaume Van Gaver CEO



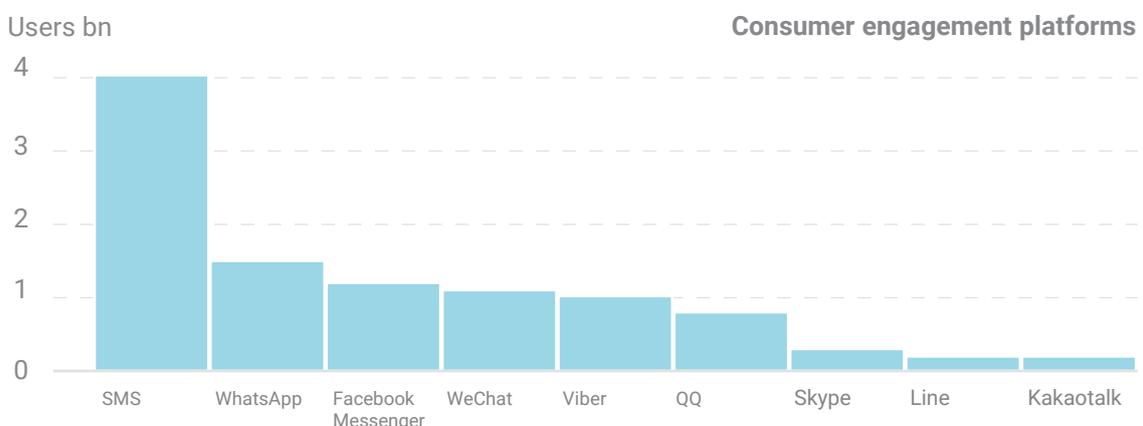
LINK AND THE DIGITAL MESSAGING INDUSTRY

LINK has been operating in the digital messaging industry for two decades. The company was founded in Norway in 2001, when short message service (SMS) from person-to-person (P2P) was well established, while application-to-person (A2P) SMS was new. LINK developed the A2P market in Norway throughout the 2000s, which today is the most mature and advanced messaging market in the world.

From its foothold in Norway, LINK first expanded in Scandinavia and then beyond with the acquisition of Whatever Mobile in Germany in 2016. Since 2016, LINK has completed more than 20 acquisitions across Europe and the company is now the market leader in mobile digital messaging on the continent.

A2P messaging is an application that sends thousands or millions of one-way messages from an enterprise or government entity to customers or citizens. Mobile users will recognize both notifications and marketing types of messages. The importance of digital messaging has naturally grown with the increased penetration of mobile phones, as A2P messaging utilizes the telecom networks. LINK will orchestrate the messages from enterprises or governments and send them through all relevant telecom operator networks to the end users. The telecom operators are thus channel suppliers to LINK.

Until the shift from mobile phones to smart phones, telecom networks was the only digital messaging channel. However, with the rise of new internet-based apps there are now a multitude of new possibilities. WhatsApp, Facebook Messenger, WeChat, Viber and many other over-the-top (OTT) channels are now the preferred way to communicate for many people. OTT refers to internet streamed content, historically devices that go “over-the-top” of the cable TV box.



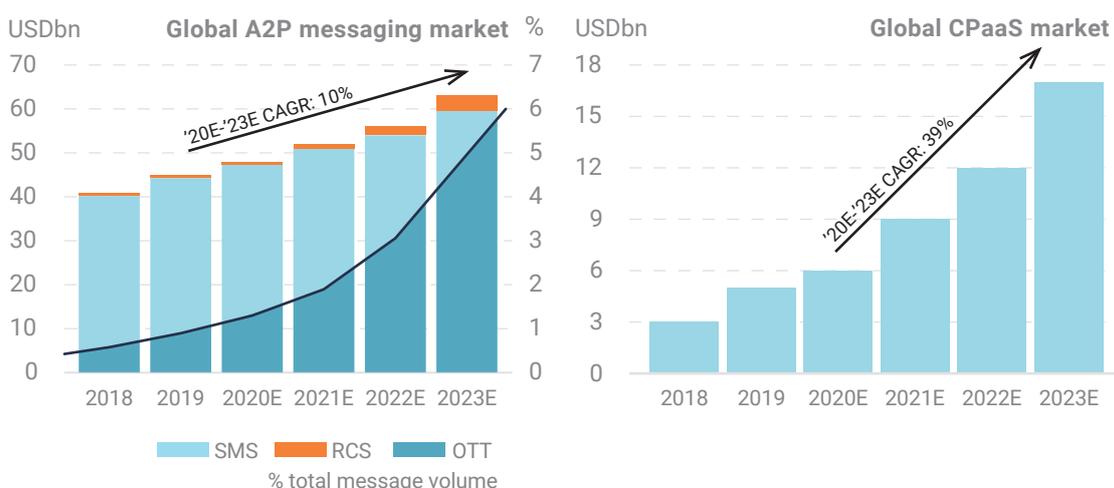
Source: Mobilesquared

These new channels provide vast new opportunities for digital communication, but also greatly increases complexity. Orchestration is no longer just between telecom operators, but in addition the multitude of new internet-based channels. This shift has given rise to a new industry, communication-platform-as-a-service (CPaaS), to manage the complexity and facilitate for the opportunities these new technologies present.

Whilst standard SMS is limited to 160 signs in black and white, the new OTT channels have no such limitations. SMS is also evolving to SMS 2.0 or rich communication services (RCS), which is being adopted in several European countries. RCS can offer similar features to the new OTT channels, but is distributed over the telecom networks.

Digital messages will become much more colourful and interesting with the new mediums. Richer content gives more user engagement. Engaged customers are more loyal and enterprises increasingly see the importance of investing in digital messaging solutions. As the chart below illustrates, the CPaaS market is expected to triple over the coming years.

Although the new and colourful RCS and OTT channels are still small in volumes, A2P messaging has already evolved to solutions. In mature markets like Norway, A2P messages include a link to a landing page with rich content. Advanced digital messaging solutions are therefor already more widespread than the low RCS and OTT volumes would indicate. The new technologies will however make the experiences more seamless and establish two-way messaging or digital conversations as the standard for enterprises and governments to interact with customers and citizens.



Source: Juniper research

Source: IDC Worldwide



SUSTAINABILITY

Sustainability

The Board of Directors of LINK has adopted a policy to reflect the company’s commitment to integrate environmental, social and governance (ESG) factors into its daily operations and as a part of its strategic processes.



ESG factors:

Environmental	Social	Governance
<ul style="list-style-type: none"> • Sustainability • Developing sustainable technologies • Minimising emissions • Waste management • Energy efficiency • Climate change 	<ul style="list-style-type: none"> • Corporate Social Responsibility • Respect for human rights • Labor/ Health and Safety • Equality and Diversity • Data Security and Privacy 	<ul style="list-style-type: none"> • Organizational Structure • Board composition • Corruption • Competition • Incentive programs/ Remuneration • Tax

The Board has considered ESG in relation to LINK’s business operations and reviewed factors based on the UN sustainable development goals (SDG), the Ten Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises. LINK has concluded that the factors in the table below represents the most significant risks and opportunities for the company.

Significant ESG factors for LINK

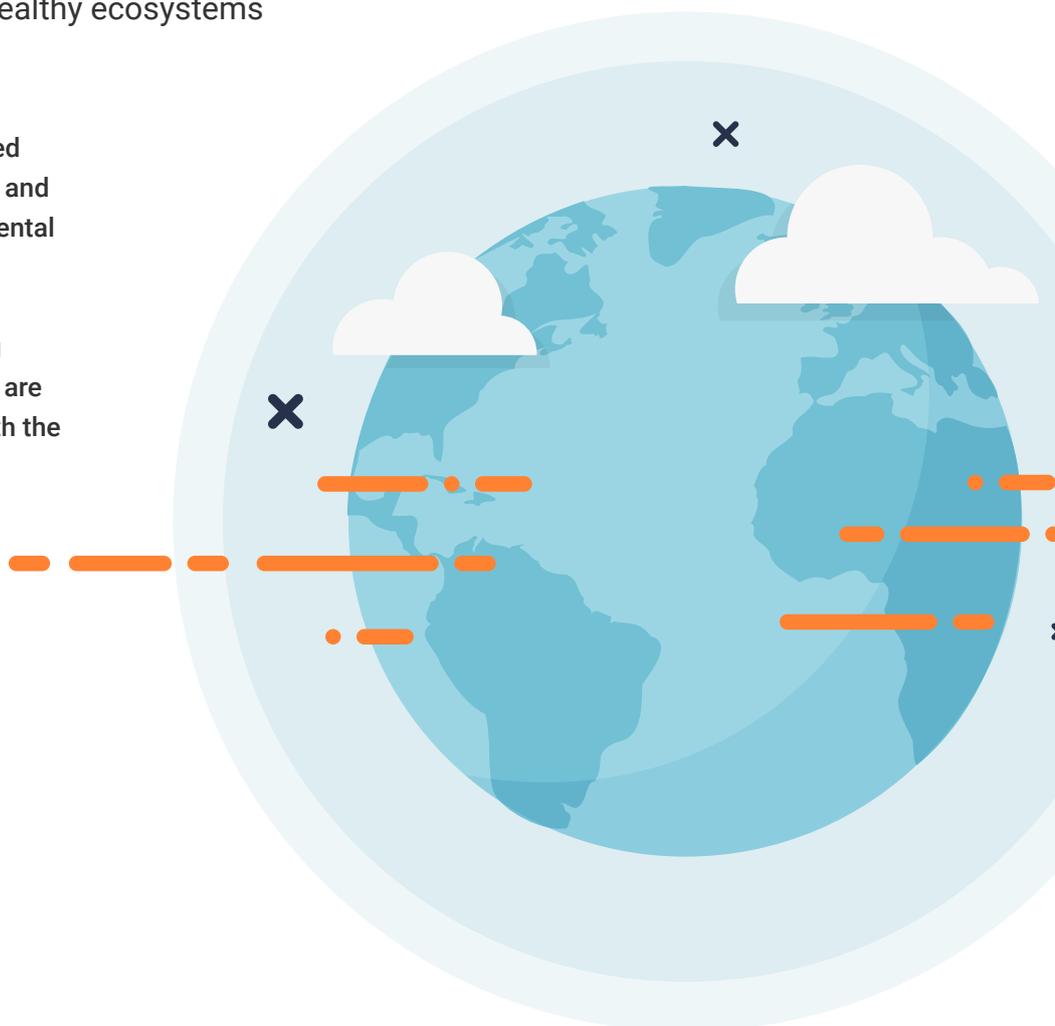
Factors	References	Actions
Sustainable technologies	UN SDG 9	LINK strives to contribute to the development of more sustainable technologies
Energy efficiency	UN SDG 7	As a significant consumer of data storage, LINK is able to positively affect energy consumption
Climate change	UN SDG 13	Take urgent action to combat climate change and its impacts, including mitigating business risks
Respect for human rights	Ten Principles of the UN Global Compact	LINK conducts its business in compliance with the Ten Principles of the UN Global Compact
Labour, health and safety	UN SDG 8	LINK seeks to be a preferred employer through ensured standards
Equality and diversity	UN SDG 5	LINK is operating in many countries and can influence gender equality through best practices
Data security and privacy	UN SDG 16 OECD Guidelines for Multinational Enterprises	Heighten security to better manage cyber-attacks and other issues related to breaches of information privacy
Corruption	UN SDG 16 Ten Principles of the UN Global Compact OECD Guidelines for Multinational Enterprises	Enhance due diligence to limit scope for corruption

EU taxonomy regulation

In accordance with the Paris agreement goals, the global community must define measures for sustainability and how to reach agreed reductions in the environmental impact. The EU has created a classification system for environmentally sustainable activities, the EU taxonomy regulation. To align with the regulation a company must relate to six environmental objectives:

- I. Climate change mitigation - A company's impact on the environment
- II. Climate change adaptation - The environment's impact on a company
- III. Sustainable use and protection of water and marine resources
- IV. Transition to a circular economy, waste prevention and recycling
- V. Pollution prevention and control
- VI. Protection of healthy ecosystems

The Board has considered the taxonomy regulation and concluded the environmental objectives **I, II and IV** to be the most relevant for LINK's digital messaging business. The objectives are commented together with the ESG factors below.



Environmental factors

Developing sustainable technologies

The mobile communications industry is exposed to rapid technological changes that may be accelerated by increased focus on sustainability. LINK strives to contribute to the development of more sustainable technologies, which will be positive for the environment and give the company a competitive advantage. LINK develops software for digital messaging solutions which enable smartphone notifications and marketing services. Notifications facilitate for online distribution, making it easy for customers to track orders and delivery times. Digital notifications also lessen the need for paper-based mail systems in relation to appointments and confirmations. Digital marketing engages customers seamlessly through to purchase on their smartphones, freeing up time and reducing pollution related to transportation. In addition to this, we see traction for two products that will reduce paper consumption:

- Mobile Invoice is a LINK innovation that allows companies to take their existing paper invoicing flows and move them completely into a mobile only digital environment
- Our Mobile KYC (Know You Customer) antifraud solutions. KYC procedures are currently time-consuming and paper intensive, but with this specialized innovation we provide a fully digitalized KYC flow

Minimising emissions

LINK contributes to reduced carbon emissions by prioritizing video conferencing to travel. LINK started with group-wide meetings for all employees in 17 countries well before the pandemic. All subsidiaries are further encouraged to consider the environmental impact of its activities and to implement processes to reduce their environmental footprint.

Waste management

The LINK Code of Conduct requires all subsidiaries to ensure that activities to reduce waste are implemented, hereunder recycling.

Energy efficiency

LINK can influence energy consumption through choice of server sites and hosting providers. By only working with established suppliers and requiring documented energy efficiencies, LINK contributes to reduced consumption. LINK will enhance its due diligence processes related to procurement in 2021. The company operates in several countries and continuously assesses opportunities to optimize the use of or merger of server sites to further minimize energy consumption.

Climate change

LINK's suppliers might be affected by issues resulting from climate change, hereunder flooding and loss of power. Risks are mitigated through server site redundancies and working with established hosting providers that can document backup and continuity routines.

Social factors

Corporate social responsibility

LINK has initiated a corporate social responsibility (CSR) program based on the UN sustainable development goals (SDG). The following goals were considered when LINK selected its CSR initiative:

- **SDG 5:** Gender Equality
- **SDG 7:** Ensure access to affordable, reliable, sustainable, and modern energy
- **SDG 7.3:** By 2030, double the global rate of improvement in energy efficiency
- **SDG 8:** Promote inclusive and sustainable economic growth, employment, and decent work for all
- **SDG 8.2:** Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation, including through a focus on high value added and labour-intensive sectors
- **SDG 9:** Build resilient infrastructure, promote sustainable industrialization, and foster innovation
- **SDG 9.8:** Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020
- **SDG 13:** Take urgent action to combat climate change and its impacts
- **SDG 13.1:** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
- **SDG 13.2:** Integrate climate change measures into national policies, strategies and planning
- **SDG 16:** Promote just, peaceful, and inclusive societies
- **SDG 16.5:** Substantially reduce corruption and bribery in all their forms
- **SDG 16.10:** Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements



LINK employees have voted Climate Action to be LINK's number one common CSR initiative, on which the company will have full focus and engagement across all countries. This represents SDG 13 above. CSR at LINK is fully described in the LINK Mobility CSR strategy document.

Respect for human rights

Respect for human rights is vital for upholding the fundamental fabric between all human beings. The LINK Code of Conduct ensures that all managers and employees commit to operate consistent with the UN Guiding Principles on Business and Human Rights and the Ten Principles of the UN Global Compact. LINK complies with all applicable laws and respect internationally recognized human rights wherever it operates. LINK has applied to join the UN Global Compact as part of its increased focus on sustainability.

Labour, health and safety

LINK, including all subsidiaries, respects the right of its employees to establish or join trade unions and representative organizations of their own choosing. Currently there are no union agreements at the group level, while the French subsidiary has a Work Council as required. LINK observes and ensures that standards of employment and industrial relations are aligned with comparable employers. LINK takes adequate steps to ensure occupational health and safety in its operations.

Equality and diversity

LINK aims for its workforce to be truly representative of all sections of society and for each employee to feel respected and able to perform at their best. It is LINK's purpose to:

- Provide equality, fairness and respect for all employees
- Not unlawfully discriminate because of characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality and ethnic or national origin), religion or belief, sex and sexual orientation
- Oppose and avoid all forms of unlawful discrimination. This includes in pay and benefits, terms and conditions of employment, dealing with grievances and discipline, dismissal, redundancy, leave for parents, requests for flexible working, selection for employment, promotion, training or other developmental opportunities

LINK is committed to encourage equality, diversity and inclusion in the workplace and believes it to facilitate for better business results. LINK considers focus on equality and diversity an important element in attracting, recruiting and retaining skilled employees. As an international company located in several geographies with extensive use of online work methods, LINK has a country agnostic advantage in its talent search.

Data security and privacy

Proliferation of cyber-attacks and other issues related to breaches of information privacy are key risk factors and an important motivation for LINK's heightened focus on security. LINK's processes for managing IT security and data protection are fully described in the LINK IT Security Policy and the LINK Personal Data Protection Policy.

Governance

Organizational structure

LINK is organized as a Norwegian holding company with several subsidiaries in various European countries. The holding company, LINK Mobility Group Holding ASA, is listed on the Oslo Stock Exchange.



Board composition

The composition of the Board must ensure that it can attend to the common interests of all shareholders and meet the needs of the company. The Board of Directors of LINK has adopted the LINK Corporate Governance Policy to reflect the company's commitment to good corporate governance. Through good governance of the business, the company intends to create profitability and increased shareholder value. For specifics on the Board and its governance work, please refer to the "Report from the Board of Directors" section later in this report.

Corruption

Corruption undermines any legitimate business operation. Bribery and corruption are therefore a risk for any sustainable business. LINK will enhance its due diligence processes related to procurement in 2021. LINK's approach to corruption is fully described in the LINK Anti-Bribery and Anti-Corruption Policy.

Competition

LINK complies with all applicable antitrust laws and managers are required to take action to avoid even the appearance of any wrongdoing. All LINK employees must demonstrate their awareness of antitrust laws when engaging with competitors, customers, resellers, partners, distributors or suppliers and seek further guidance from the LINK's Legal Function when in doubt. LINK's approach to competition is fully described in the LINK Anti-Trust Policy.

Incentive programs and remuneration

LINK has a Compensation Committee that prepares guidelines for incentive programs and remunerations. LINK's Nomination Committee proposes remuneration for Board members. For further details, please refer to the "Report from the Board of Directors" section later in this report.

Tax

LINK consists of more than 40 entities in 17 countries, where each entity has its tax residence in the country where it is located. The parent company, LINK Mobility Group Holding ASA, is registered in Norway and thus has its tax residency there.

Implementation of ESG

To ensure implementation of and compliance with ESG policies, LINK follows the compliance standard ISO19600. External and internal issues of relevance to compliance have been assessed by the compliance function since its establishment in 2019 and with mandate given by the Global Leadership Team (GLT). From 2020, compliance is part of LINK's long-term strategy and the approval of main policies has consequently been lifted to the Board level.

The boundaries for the compliance management system (CMS) are set out in the compliance team mandate. Unless otherwise instructed by GLT for specific projects, the compliance function will cover the LINK group organization and systems. LINK subsidiaries will be accountable for compliance in their organizations, with support from the group compliance function. LINK's Legal and Compliance team will prioritize key focus area in conjunction with GLT.

A person wearing a light blue button-down shirt is seated at a wooden desk. Their hands are resting on the desk, with one hand holding a yellow pencil. The desk is cluttered with several documents featuring various business charts and graphs, including pie charts and bar charts. A silver laptop is open in front of them. The overall scene suggests a professional meeting or a review of business performance.

REPORT FROM THE BOARD OF DIRECTORS

Report from the Board of Directors

LINK Mobility Group Holding ASA (LINK) is the Oslo Stock Exchange listed parent company of the group. LINK is headquartered in Oslo and has 500 employees across Europe with offices located in 17 countries. Please refer to the “Sustainability” section for further details on organizational structure.

LINK has 20 years of experience in providing mobile messaging services and mobile solutions for companies, public services and organizations. After several years of expansion, LINK is now the leader within mobile messaging and solutions in Europe. From this footprint, LINK is uniquely positioned to benefit from increased usage of mobile solutions within Europe and to expand beyond Europe.

Market position and development

The overall market trend towards digital conversations continues with new messaging channels offering more scope for personalization. New RCS (SMS 2.0) and OTT (internet streaming) channels are increasingly an addition to the core SMS product, supporting the growth of CPaaS solutions. The total market for digital messaging continued to grow in 2020 as more private companies, public services and organizations used mobile platforms and solutions as a central part of their communication strategy. In 2020 (2019), LINK sent 10.7 billion messages (9.7) (including the full year effect of acquired entities) on behalf of its 40.600 (31.800) customers.

The market for mobile messaging solutions is expected to continue to grow strongly over the coming years with vast opportunities presented by the new CPaaS technologies. LINK is experiencing increased demand for more advanced mobile solutions such as conversational messaging including new channels like WhatsApp and Viber. The Nordics and the French market are among the most innovative in the world when it comes to adopting digital mobile solutions and technologies. LINK has decades long experience in the Nordics and has in recent years leveraged its knowledge and capabilities in France and other European markets.

LINK continues to experience a high degree of recurring revenue from existing clients and an expansion of use cases combined with increased revenue per customer. Most customers increase their use of LINK’s mobile services and include more advanced solutions. LINK’s customers realise high returns-on-investment (ROI) through both higher revenue from better communication with their end users and lower costs with more efficient internal processes.

LINK has a clearly stated twofold strategy for continued growth. The company aims to drive organic growth by increasing its market share in existing markets and to enter new markets through acquisitions. Increased organic growth is supported by LINK’s threefold go-to-market (GTM) strategy.

Larger enterprise customers are approached directly by dedicated salespeople, small and medium sized enterprises (SME) are acquired through local brands self-sign-up (SSU) portals

and a partner model expands the customer base and product offering. LINK delivers high value services to its enterprise customers through new innovative CPaaS solutions such as conversational and channel agnostic messaging. High value use cases are standardized and offered through SSU portals at a higher price point per message to SMEs. Partners scale the business as LINK solutions are sold to partner customers and partner applications are offered to LINK customers.

LINK's extensive experience in and use case library from the most innovative and advanced markets for digital messaging gives the company a clear competitive advantage for continued growth in Europe and beyond.

Comments related to the financial statements

In accordance with the Norwegian Accounting Act §3.3.a the Board confirms that the company fulfils the requirements necessary to operate as a going concern and the 2020 financial statements have been prepared on the basis of that assumption. As a listed company, LINK Mobility Group Holding ASA prepared the consolidated financial statements for the financial year 2020 in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union.

Acquisitions

On 16th November 2020, LINK announced signing and closing of the acquisition of the Austrian CPaaS companies SMS.AT and ATMS operating under the WebSMS brand. WebSMS holds an MNO license in Austria and is considered the local market leader, with more than 5000 enterprise clients. WebSMS also has significant business in Germany and Switzerland.

Revenue, costs, and profits

LINK reported revenue of NOK 3 539 million in 2020, an increase of 22% from NOK 2 890 in 2019. LINK's gross margin was NOK 899 million (NOK 753 million).

Operating costs (including payroll and related services and other operating expenses) were NOK 606 million (NOK 542 million) and include non-recurring costs of NOK 97 million connected to restructuring, share based compensation and acquisitions. Depreciation and amortization were NOK 271 million (NOK 247 million).

Net financial items amounted to a negative NOK 427 million (NOK 194 million), whereof interest and other financial expenses amounting to NOK 326 million were primarily related to LINK's Senior Facility Agreement (SFA). The SFA was refinanced in December 2020 with the issuance of a 5-year EUR 200 million bond. There was a negative currency effect of NOK 101 million in 2020.

LINK's total tax expense was a positive NOK 77 million (negative NOK 2 million). The net loss for the year was NOK 328 million (negative NOK 233 million).

Annual result and allocation

The Board proposes that the 2020 net loss will be transferred to accumulated losses.

Financial position, cash flow and liquidity

(Figures in brackets refer to balance 31 December 2020, unless otherwise specified)

As of 31 December 2020, LINK's total assets amounted to NOK 7 700 million (NOK 6 071 million), of which intangible assets were NOK 5 806 million (NOK 5 152 million). Intangible assets are mainly comprised of goodwill equal to NOK 3 983 million (NOK 3 390 million). Trade receivables and other receivables amounted to NOK 749 million (NOK 668 million) and cash and cash equivalents to NOK 952 million (NOK 147 million).

Total equity was NOK 4 304 (NOK 2 340 million) and constituted of NOK 1 million in share capital, a share premium of NOK 4 883 million and NOK 580 million in accumulated losses and accumulated translation differences.

Long-term liabilities were NOK 2 425 million (NOK 2 847 million) and consisted mainly of the 5-year EUR 200 million bond issued in December 2020.

LINK's cash flow from operating activities during 2020 was NOK 364 million (NOK 198 million).

Cash flow from investing activities were a negative NOK 660 million (negative NOK 434 million). Main elements were the acquisition of WebSMS in November 2020 and a payment of an earn-out related to the Netsize acquisition in 2019.

Cash flows from financing activities amounted to NOK 1 135 million (NOK 215 million), stemming from the recapitalization and refinancing of LINK through the IPO in October 2020 and the bond issuance in December 2020.

Risks

The Group has identified three types of risks that can prevent successful implementation of its business strategy or manage its growth effectively. Market risk, financial risk and acquisition risk. The Global Leadership Team (GLT) is responsible for risk management at LINK. The below section describes how GLT evaluates and mitigates these risks and includes a comment to the risks related to the global pandemic.

Market risk

LINK's market share for A2P mobile services and more advanced CPaaS solutions have grown rapidly over time through both organic growth and acquisitions and the company now benefits from a unique competitive position. Extensive market experience gives LINK a competitive advantage in building long-term customer relationships based on high quality services, system integrations and development of new products and solutions. This results in a very low customer churn and recurring revenue for LINK.

LINK's revenue, costs and profits are subjected to the risk of changes in customer and supplier prices. As the market is expanding, margin pressure is observed and anticipated for some products. The price pressure is likely to be focused on low-value wholesale/bulk SMS and basic mobile payment services. LINK will hence continue its strategy of delivering high value-added services to its enterprise customers through new innovative CPaaS solutions, leveraging its expertise to protect and increase margins.

LINK's channel-agnostic messaging solutions could benefit from reduced message delivery costs over time. The growth in OTT channels alongside the traditional telecom operator networks is likely to lead to competition between channel providers for messaging volume.

Financial risk

LINK's activities expose it to financial risks, such as price, currency, liquidity, interest rate and credit. Overall, these risks are regarded as low and manageable.

By being the leading provider and thus the largest buyer of SMS in its markets, LINK can purchase SMS from the telecom operators at favorable prices. Additionally, LINK's position ensures priority from the operators, which secures high quality in terms of deliverability.

LINK's subsidiaries operate using their local currencies. Revenue and cost transactions are usually carried out in the same currency. This natural hedge reduces the currency risk and protects margins. There is however a translation effect to LINK's reporting currency NOK as changes in NOK to underlying currencies will impact reported figures. LINK is also exposed to exchange rate risk in relation to its 5-year EUR 200 million outstanding bond issued on 15 December 2020. The bond has a EUR 350 million borrowing limit and a fixed coupon of 3.375% p.a. LINK's significant cash flow exposure to EUR lessens this foreign exchange (FX) risk. LINK has applied for the bond to be listed on the Oslo Stock Exchange

LINK considers its liquidity risk to be limited and has sufficient liquidity available on bank accounts and through established facilities as of year-end 2020. LINK had marginal losses on trade receivables in 2020 and has established efficient routines for the handling of overdue trade receivables across its footprint.

Management of financial risk is performed with the emphasis on keeping the financial risk at a minimum and the main principle is to minimize exposure to financial risk. There are no financial assets or liabilities held for speculative purposes.

Acquisition risk

The strategy of acquiring new businesses will require the successful purchase of suitable companies at sound multiples and that integration of acquired companies is managed to realize synergies through scale advantages. The results of the prior year's acquisitions confirm that management has such expertise. During 2020, the organizational structure and key functions were further developed and restructured to ensure even more efficient integration of new businesses.

In our corporate governance, the board has established routines and procedures regarding possible takeovers. This procedure does not include any content regarding counter measures like poison pills or other defense measures to hinder a possible takeover of the group.

Global pandemic

The coronavirus pandemic continues to be a challenge across the world and has led to numerous government restrictions and lockdowns across LINK's footprint. The duration of such measures is uncertain and represents a significant uncertainty on the future economic outlook which cannot be predicted. However, the successful discovery of several vaccines and mass vaccinations in many countries give hope for a gradual return of activity throughout 2021. At the date of this report, LINK has taken measures to ensure the safety of its employees in compliance with local regulations and a crisis organization was established last year. LINK's diversified portfolio of companies across Europe and mix of customers is a valuable asset as the need to communicate is essential for both governments and private businesses during the pandemic and will help to reduce the effect from lower mobile marketing volumes. Longer-term the pandemic is likely to have accelerated the secular digitalization trend with numerous new use cases created during 2020.

Shareholders and shares

On 5 October 2020, LINK issued a total of 53,200,000 new shares, each with a nominal value of NOK 0.005, in relation to the initial public offering (IPO) on 20 October 2020 at a subscription price of NOK 47.00 per share. Following the issuance, the share capital of LINK was NOK 1,336,993.70, comprising 267,398,740 shares, each with a nominal value of NOK 0.005.

On 16 November 2020, LINK announced the acquisition of WebSMS in Austria. In connection with the acquisition, the company issued a total of 3,512,299 new shares, each with a nominal value of NOK 0.005, at a subscription price of NOK 47.00 per share. Following the issuance, the share capital of the company was NOK 1,354,555.195, comprising 270,911,039 shares, each with a nominal value of NOK 0.005.

Each share represents one vote at the company's general meeting. LINK does not have multiple share classes.

The Board was also authorized to acquire own shares on behalf of the company, with an aggregate nominal value of up to NOK 107.099, with a minimal amount paid per share NOK 0,005 and the maximum NOK 200. The authorization is valid until the annual general meeting in 2021. For shares relating to the employee share incentive programs please refer to note 17.

The LINK Mobility Group Holding ASA share closed at NOK 46.46 on the Oslo Stock Exchange at year-end 2020, slightly down from the subscription price in the IPO of NOK 47 per share. The shares are freely tradable and to the knowledge of the Board there are no shareholders' agreement in the company regarding exercise of voting power or limiting trading in the shares in general. However, in connection with the IPO and for company acquisitions, major shareholders and shares issued to majority sellers can be subject to customary 12 – 18 months lockups from the time of completion.

The company at year-end 2020 had 1 500 shareholders, of which the largest 10 shareholders combined controlled 2/3 of the company. Abry Partners, represented by Citibank as nominee, was the largest single shareholder with a 34.55% stake through subsidiary holdings.

Organization, workforce, and management

LINK's workforce, coupled with its technology, is the most important asset both in terms of serving LINK's customers of today and for the future development of the company. To strengthen innovation and development capacity, LINK has established a development hub in Bulgaria with more than 50 employees at the end of 2020. LINK has also strengthened strategic functions within the finance, legal, project management and sales and technology departments by reorganizing existing competences and recruiting new employees. Regional segments have also been restructured to maximize synergies.

By the end of 2020, LINK had 500 employees. 34.6% of the total LINK workforce are women, comparing to 33.2% in 2019. The Global Leadership Team (GLT) consists of 8 people, 2 women and 6 men.

The working environment is regarded as positive. Average sick leave was 2.9% in 2020, compared to 1.9% the previous year. None of LINK's subsidiaries or the parent company recorded work related accidents that resulted in personal injury or property damage.

Corporate governance

Applicable legislation and principles

LINK is subject to reporting requirements on corporate governance as set out in section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance cf. section 7 of the continuing obligations of companies listed on the Oslo Stock Exchange.

LINK has adopted and implemented a corporate governance policy to safeguard the interests of the company's shareholders, employees, customers and other stakeholders. These policies and associated rules and practices are intended to create increased predictability and transparency and thus reduce uncertainty related to the business. LINK's Corporate Governance Policy as adopted by the Board on September 7th, 2020 and the Code of Conduct for the Nomination Committee is presented in the annual report.

Risk management and internal control

LINK's processes to manage risk are based on a top-down approach, where the group organization defines policies and procedures in order to enable the group entities to implement locally. Internal controls are implemented by functional area; Finance, HR, IT Security, and Compliance, and each area provides support and information from group level to local entities depending on requirements. Internal annual audits are performed for compliance with GDPR. Policies are accessible to employees in LINK Intranet, and training is provided or planned depending on area.

LINK is in the process of strengthening its internal control as part of its strategy #LINK25, to ensure compliance in the group as a whole, hereunder by extending its abilities to provide support through tools and resources, and by increasing training and internal audits. As a company with frequent acquisitions, the processes to onboard new entities and colleagues will have particular attention.

Nomination committee

LINK's Articles of Association provides that LINK shall have a Nomination Committee comprising of two to three members elected by the General Meeting of LINK, which shall be independent of the board and executive management. The current members of the Nomination Committee are Tor Malmo (Chairman) and Oddny Svergja.

The General Meeting sets guidelines for the duties of the Nomination Committee and a Code of Conduct for the Nomination Committee was elected by an Extraordinary General Meeting (EGM) in the Company on September 7th, 2020. The Nomination Committee's duties are to propose candidates for election to the Board and to propose remuneration to be paid to such members.

Audit committee

LINK has an Audit Committee that consist of Board members who are independent of management. The Audit Committee follows up the financial report process, monitor the systems for internal control and risk, maintain ongoing contact with LINK's elected auditor

regarding the audit of the annual accounts and evaluate and monitor the auditor's independence. PWC has been the auditor of LINK since 2019. In the last decade, the group has had 2 auditors.

Composition of the Board of Directors

The composition of the Board of Directors shall ensure that the Board can attend to the common interests of all shareholders and meet the company's need for expertise, capacity and diversity. LINK's Articles of Association stipulates that the company shall have a Board consisting of 5 to 9 members elected by the General Meeting, in addition to any employee representative members. The Articles of Association further determines that the Chairman of the Board shall be elected by the General Meeting and that Board members are elected for one-year terms.

The majority of the shareholder-elected members of the Board of Directors shall be independent of the company's executive personnel and material business connections. In addition, at least two of the members of the board must be independent of the company's major shareholder(s). For the purposes of the LINK Corporate Governance Policy, a major shareholder shall mean a shareholder that controls 10% or more of the company's shares or votes.

There were 6 members on the Board at the beginning of 2020, and 7 members at the end of 2020, 3 women and 4 men. The Board members are elected every year at the annual general meeting (AGM). For more information regarding the Board members, please refer to the "Members of the Board section" below. The Board held 19 Board meetings in 2020 and arranged eight General Meetings. The average Board meeting attendance by Board members was 100%.

The Board of Directors has adopted principles regarding, inter alia, the key tasks of the Board, the relationship with the auditor, related party transactions, information to the market and shareholders as well as relationships with subsidiaries. The Board is responsible for LINK's strategic development and shall adopt plans and budgets and keep itself informed regarding the company's financial position.

Remuneration committee

LINK has a Remuneration Committee that consist of Board members who are independent of management. The Remuneration Committee prepares remuneration guidelines for executive personnel including the main principles for the company's remuneration policy. The guidelines are communicated to the AGM. The Remuneration Committee may liaise with external compensation consultants. The remuneration of senior executives is currently threefold. An individual fixed salary, variable salary elements based on a group-wide set of KPIs and incentives linked to share price performance.

Provisions regarding the General Meeting

LINK has not adopted any special procedures regarding the General Meeting that deviates from provisions applicable for Norwegian public limited liability companies that are listed on the Oslo Stock Exchange.

Environmental, social and governance (ESG)

LINK is committed to maintain high ethical standards with regards to values and ethics in order to secure a sound corporate culture and to preserve LINK by helping the employees to promote standards of good business practice. LINK aspires to be a responsible company in terms of labour standards and equality and to become leading in terms ESG. Please refer to the “Sustainability” section earlier in this report.

Events after the reporting period

On 12th February 2021, LINK announced the acquisition of Dutch CPaaS enabler Tismi. Tismi is a provider of telecommunication services and products and holds operator status in 8 European countries. The company’s main business comprises of providing virtual mobile phone numbers, smart traffic routing and signaling services to Enterprise customers and CPaaS providers.

In connection with the acquisition of Tismi, LINK issued a total of 1,226,637 new shares each with a nominal value of NOK 0.005, at a subscription price of NOK 54.76 per share. Following the issuance, the share capital of the company was NOK 1,360,688.38, comprising 272,137,676 shares, each with a nominal value of NOK 0.005.

On 15th April 2021, LINK announced the acquisition of MarketingPlatform in Denmark. The company has developed an omnichannel marketing platform with an integrated customer data platform (CDP) giving customers a unified profile view. Omnichannel output is to e-mail, SMS, app, web and social media. MarketingPlatform is active across markets in Denmark, Sweden, Norway, Perú and Spain with focus on enterprise, large and medium sized customers. Software development is located in Macedonia. The company’s revenues are primarily related to software licenses. The transaction is planned to close during Q2 2021.

Legal proceedings

There are currently only a few and immaterial legal proceedings against the company and none against any director.

Forward looking statement

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

2024

Forward looking statement Amounts are in million NOK **2024**

Pro forma revenue	10.000
Pro forma adjusted EBITDA* margin	13-15%

* EBITDA adjusted for expenses related to significant one-time, non-recurring events such as acquisitions and restructuring activities.

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

Oslo 26 April 2021

The Board of Directors of LINK Mobility Group Holding ASA

Jens Rugseth
Chairman of the board



Sara Murby Forste
Board member



Charles Joseph Brucato III
Board member



Katherine Ji-Young Woo
Board member



Robert Joseph Nicewicz Jr
Board member



Grethe Helene Viksaas
Board member



Ralph Paul Choufani
Board member



Guillaume Alain Van Gaver
Chief Executive Officer



Responsibility Statement

We confirm that, to the best of our knowledge, the consolidated financial statements for the year ended 31 December 2020 have been prepared in accordance with IFRS as adopted by the EU, that the financial statements for the parent company for the year ended 31 December 2020 have been prepared in accordance with IFRS as adopted by the EU, that they give a true and fair view of the Company's and Group's assets, liabilities, financial position and results of operations, and that the Report of the Board of Directors gives a true and fair review of the development, performance, and financial position of the Company and the Group and includes a description of the principal risks and uncertainties that they face.

26 April 2021



Jens Rugseth
Chairman of the board



Sara Murby Forste
Board member



Charles Joseph Brucato III
Board member



Katherine Ji-Young Woo
Board member



Robert Joseph Nicewicz Jr
Board member



Grethe Helene Viksaas
Board member



Ralph Paul Choufani
Board member



Guillaume Alain Van Gaver
Chief Executive Officer

Consolidated income statement for the period ended 31 December

(Amounts in NOK 1000)	Note	2020	2019
Revenue	6	3,539,231	2,890,025
Total operating revenue		3,539,231	2,890,025
Direct cost of services rendered		-2,640,012	-2,137,125
Payroll and related expenses	8	-404,060	-317,845
Other operating expenses	9	-201,553	-224,642
Depreciation and amortization	7, 13, 14	-271,389	-247,369
Total operating expenses		-3,517,013	-2,926,981
Operating profit (loss)		22,218	-36,955
Finance income and finance expenses			
Net currency exchange gains (losses)	10	-101,218	3,785
Net interest expense	10	-207,093	-192,369
Net other financial expenses	10	-118,735	-5,317
Total finance income (expense)		-427,047	-193,901
Loss before income tax		-404,829	-230,856
Income tax	22	76,823	-2,178
Loss for the period		-328,006	-233,034
Loss attributable to:			
Owners of the company		-328,006	-233,034
Earnings per share (NOK/share):			
Earnings per share (NOK/share):		-1.21	-1.09
Diluted earnings per share		-1.21	-1.09

The accompanying notes are an integral part of these financial statements.

Consolidated statement of Comprehensive Income for the period ended 31 December

(Amounts in NOK 1000)	31/12/2020	31/12/2019
Profit (loss) for the period	-328,006	-233,034
Other comprehensive income		
Items that may be reclassified to profit or loss		
Translation differences of foreign operations	134,373	-12,603
Other comprehensive income for the period	134,373	-12,603
Total comprehensive income for the period	-193,632	-245,637

Consolidated statement of financial position for the period ended 31 December

(Amounts in NOK 1000)

ASSETS	Note	2020	2019
Goodwill	5, 13	3,982,843	3,389,875
Other intangible assets	5, 13	1,823,494	1,761,704
Deferred tax asset	22	140,551	56,858
Equipment and fixtures	14	25,083	21,493
Right-of-use assets	7	26,513	24,283
Other non-current assets		1,313	1,292
Total non-current assets		5,999,796	5,255,505
Trade and other receivables	15, 18	748,547	668,068
Cash and cash equivalents	16, 18	952,144	147,198
Total current assets		1,700,691	815,266
TOTAL ASSETS		7,700,487	6,070,771
EQUITY AND LIABILITIES			
Share capital		1,355	1,081
Share premium and other reserves		4,882,513	2,725,406
Accumulated translation differences		259,748	125,374
Retained earnings (accumulated losses)		-839,718	-511,713
Total equity	17	4,303,897	2,340,149
Liabilities			
Long-term borrowings	18, 19	2,078,515	2,487,304
Lease liabilities	7	30,624	12,020
Deferred tax liabilities	22	313,090	309,101
Other long-term liabilities		2,398	38,758
Total non-current liabilities		2,424,628	2,847,182
Short-term borrowings	18, 19	27,244	48,218
Lease liabilities	18, 19	8,619	13,090
Trade and other payables	18, 21	927,171	819,180
Income tax payable	22	8,928	2,953
Total current liabilities		971,963	883,440
Total liabilities		3,396,590	3,730,622
TOTAL EQUITY AND LIABILITIES		7,700,487	6,070,771

The accompanying notes are an integral part of these financial statements.

The Board of Directors of LINK Mobility Group Holding ASA

Oslo, 26 April 2021



Jens Rugseth
Chairman of the board



Sara Murby Forste
Board member



Charles Joseph Brucato III
Board member



Katherine Ji-Young Woo
Board member



Robert Joseph Nicewicz Jr
Board member



Grethe Helene Viksaas
Board member



Ralph Paul Choufani
Board member



Guillaume Alain Van Gaver
Chief Executive Officer

Consolidated statement of Changes in Equity for the period ended 31 December

(Amounts in NOK 1000)	Note	Share capital	Share premium	Currency translation reserve	Retained earnings (accumulated losses)	Total equity
Balance at 01 January 2019		1,068	2,694,969	137,977	-278,678	2,555,336
Profit (loss) for the period		-	-	-	-233,034	-233,034
Other comprehensive income (loss) for the period, net of income tax		-	-	-12,603	-	-12,603
Total comprehensive income for the period		-	-	-12,603	-233,034	-245,637
Issue of ordinary shares		14	30 437	-	-	30,451
Reduction of capital		-	-	-	-	-
Balance at 31 December 2019	17	1,081	2,725,406	125,374	-511,713	2,340,149
Balance at 01 January 2020		1,081	2,725,406	125,374	-511,713	2,340,149
Profit (loss) for the period		-	-	-	-328,006	-328,006
Other comprehensive income (loss) for the period, net of income tax		-	-	134,373	-	134,373
Total comprehensive income for the period		-	-	134,373	-328,006	-193,632
Issue of ordinary shares		286	2,538,146	-	-	2,538,432
Redemption of preference shares		-13	-411,744	-	-	411,757
Share based payment		-	30,704	-	-	30,704
Balance at 31 December 2020	17	1,355	4,882,513	259,748	-839,718	4,303,897

The accompanying notes are an integral part of these financial statements.

Consolidated statement of cash flows for the period ended 31 December

(Amounts in NOK 1000)

Cash flows from operating activities	Note	2020	2019
Loss before income tax		-404,829	-230,856
Adjustments for:			
Taxes paid		-41,431	-36,430
Finance income (expense)	10	427,047	193,901
Depreciation and amortization	13,14	271,389	247,369
Share based payment expense		34,711	-
Change in trade and other receivables	15	-8,383	-31,255
Change in trade and other payables	21	104,513	1,757
Change in other provisions		-19,185	53,843
Net cash flows from operating activities		363,832	198,328
Cash flows from investing activities			
Payment for equipment and fixtures	14	-9,255	-9,972
Payment for intangible assets	13	-105,817	-120,861
Payment for acquisition of subsidiary, net of cash acquired	5	-397,234	-303,285
Purchase price adjustment acquisition of subsidiary	10	-147,902	-
Net cash flows from investing activities		-660,209	-434,117
Cash flows from financing activities			
Proceeds on issue of shares		2,373,513	-
Repayment of equity		-411,757	-
Other financial items	19	-	-8,130
Proceeds from borrowings	19	2,687,634	502,891
Repayment of borrowings	19	-3,259,081	-97,927
Interest paid		-243,386	-168,659
Principal elements of lease payments		-11,615	-13,111
Net cash flows from financing activities		1,135,309	215,063
Effect of foreign exchange rate changes		-33,987	-686
Net change in bank deposits, cash and equivalents		804,946	-21,412
Cash and equivalents at beginning of period		147,198	168,610
Cash and equivalents at end of the period		952,144	147,198

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements for the period ended 31 December 2020

1. General information
2. Adoption of new and revised International Financial Reporting Standards (IFRSs)
3. Summary of significant accounting policies
4. Critical accounting judgments and key sources of estimation uncertainty
5. Business combination
6. Segment reporting
7. Leasing
8. Payroll and related expenses
9. Other operating expenses
10. Net finance income and finance expense
11. Earnings per share
12. Transactions with related parties
13. Intangible assets
14. Equipment and fixtures
15. Trade and other receivables
16. Cash and cash equivalents
17. Share capital and shareholder information
18. Classes and categories of financial instruments
19. Interest-bearing liabilities
20. Financial instruments, risk management objectives, and policies
21. Trade and other payables
22. Income tax
23. Contingencies and legal claims
24. Events after the reporting date
25. Alternate performance measures (“APMs”)

1. General information

LINK Mobility Group Holding ASA (formerly Victory Partners VIII Norway Holding AS) is the parent company of LINK Mobility Pecunia AS (formerly Victory Partners VIII Norway AS), and is headquartered in Oslo, Norway. LINK is Europe's leading provider of mobile and CPaaS solutions specializing in messaging, digital services and intelligent data usage.

LINK Mobility Group Holding ASA owns 100% of LINK Mobility Pecunia AS, which in turn owns 100% LINK Mobility Group AS. The Group's subsidiaries as at 31 December 2020 are listed below.

Name of entity	Date of acquisition	Place of business / Country of registration	Ownership interest
LINK Mobility Group AS	09/10/2018	Oslo, Norway	100%
LINK Mobility AS	09/10/2018	Oslo, Norway	100%
LINK Mobility AB	09/10/2018	Stockholm, Sweden	100%
LINK Mobility SIA	09/10/2018	Riga, Latvia	100%
LINK Mobility A/S	09/10/2018	Kolding, Denmark	100%
LINK Mobile A/S	09/10/2018	Kolding, Denmark	100%
LINK Mobility Oy	09/10/2018	Tampere, Finland	100%
Labyrintti International Oy	09/10/2018	Tampere, Finland	100%
LINK Mobility GmbH	09/10/2018	Hamburg, Germany	100%
GfMB Gesellschaft für Mobiles Bezahlen	09/10/2018	Hamburg, Germany	100%
LINK Mobility Spain S.L.U	09/10/2018	Madrid, Spain	100%
LINK Mobility EAD	09/10/2018	Sofia, Bulgaria	100%
LINK Mobility Sp.z.o.o	09/10/2018	Gliwize, Poland	100%
LINK Mobility SAS	09/10/2018	Paris, France	100%
Horisen Messaging AG	09/10/2018	Rorschach, Switzerland	100%
Simple SMS Group	09/10/2018	Wels, Austria	100%
Archynet s.r.s	09/10/2018	Torino, Italy	100%
SMS IT Srl	09/10/2018	Milan, Italy	100%
Multiwizz SAS	20/11/2018	Marseille, France	100%
Hay Systems Ltd	14/12/2018	Edinburgh, Scotland	100%
Dream Interactive Ltd	18/12/2018	Budapest, Hungary	100%
Netsize Espana S.L.U.	09/01/2019	Madrid, Spain	100%
Netsize Internet Payment Exchange AB	09/01/2019	Stockholm, Sweden	100%
Netsize S.A.	09/01/2019	Boulogne- Billancourt, France	100%
Netsize Societa' A Responsabilita' Limitada	09/01/2019	Rome, Italy	100%
Netsize UK Ltd.	09/01/2019	London, United Kingdom	100%
Allterpay EOOD	29/07/2019	Sofia, Bulgaria	100%
Tera Communications AD	29/07/2019	Sofia, Bulgaria	100%
Tera Communications DOOEL	29/07/2019	Skopje, Republic of North Macedonia	100%
Teracomm RO SRL	29/07/2019	Bucharest, Romania	100%
Teravoice EAD	29/07/2019	Sofia, Bulgaria	100%
Evawin SAS	30/08/2019	Le Coteau, France	100%
Inwave SAS	30/08/2019	Le Coteau, France	100%
Bamberger Invest GmbH*	16/11/2020	Trattberg, Austria	100%
BK Invest Alpha GmbH*	16/11/2020	Vienna, Austria	100%
atms Telefon- und Marketing Services GmbH*	16/11/2020	Vienna, Austria	100%
sms.at Mobile Internet Services GmbH*	16/11/2020	Graz, Austria	100%

* collectively referred to as the WebSMS group or WebSMS.

2. Adoption of new and revised International Financial Reporting Standards (IFRS)

A number of new or amended IFRS standards issued by the International Accounting Standards Board (IASB) and IFRS interpretations issued by the IFRS Interpretations Committee (IFRS IC) are effective for accounting periods commencing on or after 01 January 2020. The Group was established during 2018, and the requirements arising from revised IFRSs or IFRIC interpretations are embedded in the recognition, measurement and disclosures relevant to the consolidated financial statements of the Group from the date of establishment. The accounting policies adopted have been described in note 3 (summary of significant accounting policies).

Standards and interpretations affecting amounts reported in the current period

The following new and revised IFRSs and IFRIC interpretations have been adopted in the current period and have affected the amounts reported, presentation and disclosures in these financial statements.

Standard/ Interpretation	Title	Date of issue	Applicable to accounting periods commencing on
Amendment to IFRS 3	Business Combinations	October 2018	01 January 2020

As at the date of authorisation of these financial statements; new Standards and Interpretations have been issued by the IASB but were not effective for the financial year ended 31 December 2020.

Management anticipates that these Standards and Interpretations will be adopted in the Group's financial statements for the period beginning 01 January 2021 or later. Management has not yet considered the extent of the potential impact of the adoption of these new and revised/amended Standards and Interpretations.



3. Summary of significant accounting policies

3.1 General information

LINK Mobility Group Holding ASA ("the Company") is a limited liability Company incorporated and domiciled in Norway. The address of the registered office is Langkaia 1 – Havneleret, 0150 Oslo, Norway. LINK Mobility Group Holding ASA is the parent company of the LINK Mobility Pecunia AS, which in turn is the parent company of LINK Mobility Group AS ("the Group"). The Group provides services in mobile communication and specialises in mobile messaging services, mobile solutions and mobile intelligence.

These consolidated financial statements were approved for issue by the Board of Directors on date 26 April 2021. Minor rounding differences may be present and the total may deviate from the total of the individual amounts. This is due to the rounding of whole figures to thousands for presentation purposes.

3.2 Basis for preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union. The consolidated financial statements have been prepared on the historical cost basis.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in applying the Group's accounting policies. Areas involving a high degree of judgment or complexity, and areas in which assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4 (critical accounting judgements and key sources of estimation variances). The consolidated financial statements have been prepared on a going-concern basis.

The presentation currency of the consolidated financial statement is Norwegian kroner (NOK), which is also the functional currency of the parent company.

3.3 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, which are entities controlled by the Company. Control is achieved when the Group has power over the investee, is exposed, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control noted above. The financial statements of the subsidiaries are prepared for the same reporting periods as the parent company and consistent accounting policies are applied. The results of subsidiaries acquired or disposed of during the year are included in the income statement from the date when control is obtained and until control ceases, respectively. Intercompany transactions, balances, revenues, expenses and unrealised Group internal gains or losses are eliminated on consolidation.

When the group ceases to consolidate an investee because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in the carrying amount recognised in profit or loss. The fair value of the retained interest becomes the initial carrying amount for the purposes of subsequent accounting for the investment.

3.4 Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred and all the identifiable assets and liabilities of acquired entities are measured at fair values at the date of acquisition, except deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured at the amount by which the total consideration transferred exceeds the net fair value of assets acquired. Goodwill is not amortised, but its value is tested for impairment at least annually, or more frequently when there is an indication that the cash-generating unit to which goodwill has been allocated, may be impaired. Goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

When the consideration transferred by the Group in a business combination includes contingent consideration arrangements, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments recognised in goodwill. Measurement period adjustments arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.5 Revenue recognition

Revenues are recognised when services are rendered and measured based on the consideration to which the Group expects to be entitled in a contract with a customer net of discounts and sales related taxes. The Group recognises revenue when it transfers control of a product or service to a customer.

When the Group is acting as an agent, amounts are collected on behalf of the principal. In order to determine whether the Group is acting as a principal or an agent, the risks and rewards associated with the service in question are assessed. When the Group is acting as an agent, amounts are collected on behalf on the principal. In order to determine whether the Group is acting as a principal or an agent, the Group assesses whether the Group controls the service before it is provided to the customer. Where the Group does not control the service, the Group is considered an agent in the transaction.

Revenues primarily comprise sale of services that enable customers to communicate by mobile phone with their customers. In order to be able to render these services, the Group needs to obtain services from one or more telecommunication operators.

The services rendered are split into the following groups:

Type of service	Timing of recognition	Measurement of revenue
Mobile messaging transactions	The Group provides mobile messaging services via SMS and other messaging channels such as Apps, Facebook, Messenger, WhatsApp, and email. Revenue from messaging is recognised when the message service has been provided; when the messages are delivered to the recipient.	The revenue is based on the price specified in the sales contract, net of discounts and value added tax.
Payment services	The Group offers payment solutions where the customer can get their customers (the end users) to pay for services by charging their mobile phone account or credit/debit card. As payment for these services, the Group is entitled to remuneration related to the processed transactions/payment. Revenue is recognised when the payment service is rendered.	The Group acts as an agent for this type of service and the performance obligation is to arrange for the provision of services by another party. Consequently, only the income from the processed transactions is recognised as revenue.
Licences	License revenue consists of revenue from monthly fees paid by customers for access to Group platforms and solutions. No proprietary rights are transferred to the customer. The revenue is recognised throughout the duration of the license agreement.	The revenue is based on the price specified in the sales contract, net of discounts and value added tax.
Consulting services	Revenue from consulting services is recognised in the accounting period during which the services are rendered.	The revenue is based on the price specified in the sales contract, net of discounts and value added tax.

3.6 Foreign currency translation

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated after the transaction date.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement as financial items. All other foreign exchange gains and losses are presented on a net basis in the income statement as other operating expenses. Exchange differences are recognised in profit or loss in the period in which they arise.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are considered as assets and liabilities of the foreign entity and translated at the closing rate. These exchange differences are recognised in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation), or a disposal involving loss of control over a subsidiary that includes a foreign operation, all of the exchange differences accumulated in a separate component of equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss.

3.7 Intangible assets

Goodwill and intangible assets acquired in a business combination are recognised initially as set out in 3.4 Business Combinations above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

Separately acquired intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Subsequent to initial recognition, separately acquired intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired in a business combination.

Internally generated intangible assets – technology

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development of the Groups technical platforms and products is recognised if, and only if, all the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired in a business combination.

3.8 Equipment and fixtures

Equipment and fixtures are initially recognised at cost, which includes the purchase price (including duties and non-refundable purchase taxes) and any directly attributable costs of bringing the asset to the location and condition necessary for it to be able to operate in the intended manner. Equipment and fixtures are subsequently recognised at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognised so as to reduce the cost of assets less their residual values over their useful lives, using the straight-line method. Depreciation commences when the assets are ready for their intended use.

Estimated useful life, depreciation method and residual values are reviewed at least annually. The straight-line depreciation method is used as this best reflects the consumption of the assets, which often is the passage of time. Residual value is estimated to be zero for all assets.

Repair and maintenance is expensed as incurred. If new parts are capitalised, replaced parts are derecognised and any remaining net carrying amount is recognised in operating profit (loss) as loss on disposal.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are

expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of equipment and fixtures is determined as the difference between the sales proceeds and the carrying amount of the asset and is presented as other income or other expenses in the income statement.

3.9 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Goodwill and intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Any impairment loss recognised for goodwill is not reversed in a subsequent period.

3.10 IFRS 16 Leases

The Group initially applied IFRS 16 from 01 January 2019; IFRS 16 is applied using the modified retrospective approach. When applying the modified retrospective method, a lessee measures the right-of-use asset at either its carrying amount as if IFRS 16 had always been applied since the commencement date (discounted using the incremental borrowing rate at the date of initial application), or at an amount equal to the lease liability (adjusted for previously recognised prepaid or accrued lease payments). The choice between the two options shall be made on a lease-by-lease basis.

The Group has chosen to measure the right-of-use asset at an amount equal to the lease liability for all leases by using the lessee's incremental borrowing rate; the rate may differ from country to country.

The lessee's incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value of the right-of-use asset in a similar economic environment.

The Group used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. Specifically, the Group:

- did not recognise right-of-use assets and liabilities for leases with a lease term that ends within 12 months from the date of application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct cost from the measurement of the right-of-use assets at the date of initial application; and
- used hindsight when determining the lease term.

The Group has elected to use the exemptions in the standard on short-term lease contracts and for lease contracts where the underlying asset is of low value. These leases are recognised as operation expenses in the profit and loss.

3.11 Government grants

The Group receives Government grant as part of the “Skattefunn” arrangement in Norway, which is an arrangement to stimulate research and development in Norway. The government grant is initially recognised as a deduction to the carrying amount of the relevant asset. The amount is subsequently credited to profit or loss on a straight-line basis over the estimated useful life of the related asset.

3.12 Financial Instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The categorisation of financial instruments (financial assets and liabilities) for measurement purposes is based on the nature and purpose of the financial instrument and is determined on initial recognition. The Group presents financial assets and liabilities in the following classes: trade and other receivables, cash and cash equivalents, trade and other payables, long term borrowings and short-term borrowings.

Financial assets

The financial assets held by the group, primarily trade and other receivables, are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and are thus measured subsequently at amortised cost less loss allowances. The impairment model in IFRS 9 Financial Instruments requires the recognition of impairment provisions based on expected credit losses (ECL). The Group recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition. The impairment is calculated by taking into account the historic evidence of the level of credit losses experienced and the ageing profile of the trade receivables. Individual trade receivables are impaired when management assesses them not to be wholly or partially collectible.

Financial liabilities

The Group does not have financial liabilities held-for-trading or liabilities designated as at fair value through profit or loss.

Trade and other payables include trade payables and other current and non-current, non-interest-bearing financial liabilities. Borrowings (long term and short term) include bank loans and overdrafts. These liabilities are initially recognised in the statement of financial position at fair value (net of any transaction costs), and subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised, and the consideration paid and payable is recognised in profit or loss

3.13 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and commercial papers with original maturities of three months or less.

The Group presents the statement of cash flows using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items. Interest received and paid, and dividends received, are reported as a part of operating activities. Dividends distributed are included as a part of financing activities. Value Added Tax and other similar taxes are regarded as collection of tax on behalf of authorities.

3.14 Employee benefits

The Group operates a defined contribution plan for post-retirement benefits. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate entity (insurance company). The Group has no legal or constructive obligations to pay further contributions to the pension plan for benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.15 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit before tax because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's current tax liability is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax is recognized based on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets arising from deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.16 Provisions

Provisions for e.g. workforce reductions (restructuring), onerous contracts and legal claims are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation, and discounted to its present value.

4. Critical accounting judgements and key sources of estimation variances

In the application of the Group's accounting policies, as described in note 3 (summary of significant accounting policies), management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. Estimates and judgments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered to be relevant. Future events may cause these estimates to change and actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Changes in accounting estimates are recognised in the period when the changes occurred, if they apply to that period. If the changes also apply to future periods, the effect will be distributed between the current period and future periods.

Business combinations

The Group has finalised certain acquisitions in FY2020. Refer to note 5 (business combinations) for further details. In order to account for the business combinations and determine the fair value of the underlying assets and liabilities in accordance with IFRS 3, management has used significant judgement. In order to calculate the fair value of the intangible assets in the acquired companies, the expected future cash flows have been reconciled to the purchase price of the acquired companies. The reconciliation is performed via a Business Enterprise Valuation (BEV). Intangible assets have been valued using the Multi Excess Earnings Method ("MEEM") and Relief From Royalty Method ("RFR"). The methods are considered to be appropriate for the type of assets being valued (MEEM for customer relationships and RFR for technology and trade name). The excess of the consideration over the fair value of the net identifiable assets acquired is recognised as goodwill.

Significant input used in the estimation of fair values utilising the above methods are as follows:

- The remaining estimated useful life of customer relationships is between 7 and 10 years
- The remaining estimated useful life of technology is 10 years
- Revenue growth and EBITDA (earnings before interest, tax, depreciation and amortisation) margins are based on estimates of growth and margins in the respective companies

Estimated impairment of goodwill and other intangible assets

The carrying amounts of non-current tangible and intangible assets are assessed by means of impairment tests whenever there is an indication of impairment. Any impairment of goodwill is assessed at least annually. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. As of 31 December 2020, the amount of goodwill tested for impairment amounted to KNOK 3 982 843 (FY2019 - KNOK 3 389 875). No impairment losses were recognised in FY2020 (FY2019 - nil). Please refer to notes 3 (summary of significant accounting policies) and 12 (intangible assets) for further details related to the impairment testing methodology and results.

Deferred tax assets

Management judgment is required in determining provisions for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognized. The Group is also subject to income taxes in various jurisdictions. Judgment is required in determining the Group's provision for income taxes. There may be transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax liability and expense in the period in which such determination is made.

Purchase price of subsidiaries – earn-out

Periodically, the Group acquires subsidiaries where the preliminary purchase price is based on an assumption that the acquired company will achieve a target EBITDA for the current financial year. The final purchase price is subject to an upwards or downwards earn-out adjustment based on the company's actual achieved EBITDA. The earn-out adjustment is accounted for in the income statement as finance income or expense.

5. Business combinations

Acquisitions during the period

2020	Main business activity	Date of business combination	Proportion of voting equity acquired	Acquiring entity
Bamberger Invest Alpha GmbH BK Invest GmbH ATMS Telefon- und Marketing GmbH "SMS.AT" Mobile Internet Services GmbH Hereafter referred to as the webSMS Group	Provider of mobile messaging services and mobile solutions	16 November 2020	100%	LINK Mobility Group AS

Acquisition of webSMS

On 16 November 2020, LINK Mobility Group AS acquired 100% of the voting equity instruments of Bamberger Invest Alpha GmbH and BK Invest GmbH and through these two holding companies, indirectly 100% of the shares of ATMS Telefon- und Marketing Services GmbH (ATMS) and "SMS.AT" Mobile Internet Services GmbH (SMS.AT). These entities are headquartered in Graz, Austria and are collectively referred to as WebSMS.

The purchase price is settled in cash and shares upon closing. The remainder of the purchase price is held in escrow until 01 March 2022. There is no earn-out amount related to this acquisition.

ATMS and SMS.AT are the operational companies in the WebSMS group of companies. The core products relate to mobile messaging through SMS and WhatsApp channels. Customers are mainly in the financial services and IT sectors.

Revenue and net profit, in the period from the date of acquisition until 31 December 2020:

Amounts in NOK 1 000	webSMS Group
Revenue	23.556
Net profit	2.744

Estimated revenue and net profit, as if the acquisition had occurred 01 January 2020

Amounts in NOK 1 000	webSMS Group
Revenue	161.892
Net profit	30.706

Consideration transferred

Amounts in NOK 1 000	webSMS Group
Cash	220,951
Share consideration ¹	159,891
Escrow ²	53.297
Total consideration	434,138
Repayment of external debt ³	122,986
Total cash transferred at closing	397,234

¹Share consideration: As part of the consideration, LINK Mobility Group Holding ASA issued 3 512 299 ordinary shares to the sellers of webSMS Group. The shares were issued at a fair value of NOK 47.00 per share.

²Escrow: An amount of EUR 5 090 289 (Euro five million ninety thousand two hundred eighty nine) shall be paid into and held back by an Escrow Agent in one or more escrow accounts. This holdback amount shall remain in the escrow account until 01 March 2022; the escrow amount is to be adjusted by costs of the Escrow Agent, interest, and withholding tax, if any.

³Payment for acquisition of subsidiary: As part of the acquisition of webSMS, LINK Mobility repaid external debt on behalf of webSMS. This, in addition to the cash and escrow amounts above, are included as payment for acquisition of subsidiary in the statement of cash flows.

Identifiable assets and liabilities recognised on the date of the business combination

Assets assumed in connection with the business combinations have been recognised at the estimated fair value on the date of the business combination. Management has identified technology and customer relations as major assets.

Note that the estimates are provisional and may be subject to change during the measurement period, which is one year from the date of the acquisition.

Amounts in NOK 1 000	webSMS Group
Customer relations	108,019
Technology	30,453
Equipment and fixtures	1,285
Trade and other receivables	26,173
Cash and cash equivalents	10,026
Other long-term liabilities	(104,376)
Deferred tax liability	(32,475)
Trade and other payables	(12,519)
Short-term debt to financial institutions	(20,727)
Corporation tax liability	(9,336)
Other short-term liabilities	(11,362)
Fair value of identifiable net assets acquired	-14,840

Goodwill

Amounts in NOK 1 000	webSMS Group
Consideration transferred	434,138
Fair value of identifiable net assets acquired	-14,840
Goodwill	448, 978

Goodwill originating from the business combination is primarily related to anticipated synergies from ongoing operations and the benefit of integrating the entire business into the group. No impairment has been recognised subsequent to the business combination.

Goodwill that has arisen as part of the business acquisition is not tax deductible.

Acquisition related expenses

Amounts in NOK 1 000	webSMS Group
Incurred 2020	8.395
Total	8.395

Expenses related to acquisitions are reported under other operating expenses in income statement for 2020.

6. Segment reporting

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

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

The Nordics

The Nordics is comprised of Norway, Sweden, Denmark, and Finland.

Central Europe

Central Europe is comprised of Bulgaria, Romania, North Macedonia, Poland, Hungary, Germany, and Austria.

Western Europe

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

Global Messaging

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

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

Revenue per segment	2020	2019
Northern Europe	1,169,382	980,105
Central Europe*	765,980	596,805
Western Europe	1,125,316	956,616
Global Messaging	478,553	356,499
Total	3,539,231	2,890,025

Gross profit per segment	2020	2019
Northern Europe	350,957	312,713
Central Europe	218,603	167,235
Western Europe	276,462	232,853
Global Messaging	53,198	40,100
Total	899,220	752,901

Adjusted EBITDA per segment	2020	2019
Northern Europe	240,485	194,266
Central Europe	129,283	101,021
Western Europe	127,826	83,834
Global Messaging	27,150	26,603
Group Costs	-133,902	-97,783
Total	390,842	307,941

Reconciliation of adjusted EBITDA to Group profit (loss) before income tax	2020	2019
Adjusted EBITDA	390,842	307,941
Non-recurring items*	-97,235	-97,527
Depreciation and amortization	-271,389	-247,369
Operating profit	22,218	-36,955
Finance income (expense)	-427,047	-193,901
Total	-404,829	-230,856

*Non-recurring items

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

Disaggregation of revenue

The Group's operations are conducted through its subsidiaries in the countries listed below. The Group derives its revenue from contracts with customers for the transfer of services as described in the table provided in note 3 to the financial statements.

Revenue per business line	2020	2019
Mobile messaging transactions	3,325,620	2,686,616
Payment services	35,414	28,822
Licenses	155,456	159,266
Consulting services	22,740	15,321
Group	3,539,231	2,890,025

Revenue per geographical region

France	696,036	544,167
Norway	671,976	590,204
Germany	504,875	405,657
Sweden	422,297	352,183
Switzerland	375,494	220,906
Italy	196,588	175,166
Poland	190,325	178,502
Denmark	122,076	113,331
Spain	89,725	116,400
Bulgaria*	84,386	46,456
Finland	78,405	78,292
Austria	47,081	20,770
United Kingdom	30,387	23,178
Hungary	18,925	19,933
Latvia	6,383	4,079
Romania*	3,423	516
Macedonia	849	286
Total	3,539,231	2,890,025

*In FY2019, revenue for direct carrier billing products in Bulgaria and Romania was recognized on a gross basis. After a review of the relationships and in accordance with IFRS 15 (principal vs. agent), this revenue is recognized on a net basis. Comparative figures are presented accordingly.

7. Leases

(Amounts in NOK 1000)

This note provides information for leases where the group is a lessee.

Amounts recognised in the balance sheet

The balance sheet shows the following amounts related to leases:

	2020	2019
Right-of-use assets		
Buildings	25,818	21,687
Vehicles	763	1,697
Equipment	-68	899
Total	26,513	24,283
Lease liabilities		
Current	8,619	13,090
Non-current	30,624	12,020
Total	39,244	25,110

Amounts recognised in the profit or loss

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets	2020	2019
Buildings	-23,353	-8,401
Vehicles	-970	-1,420
Equipment	-25	-1,638
Total	-24,348	-11,459
Interest expense (included in finance expense)	-2,670	-3,565
Expense related to short-term leases (included in other operating expenses)		-556
Expense related to leases of low-value assets that are not shown above as short-term leases (included in other operating expenses)		
The total cash outflow for leases in 2020 was KNOK 13,179 (2019: KNOK 11,510).		

The Group's leasing activities and how these are accounted for:

The Group leases office space, equipment and vehicles. Rental contracts are typically made for fixed periods between 1 and 10 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate (buildings) for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

From 01 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the group under residual value guarantees;
- The exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Group subsidiaries, which do not have recent third-party financing; and
- Makes adjustments specific to the lease (i.e. term, country, currency and security).

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Variable lease payments:

The Group is not exposed to variable lease payments.

Extension and termination options:

Extension and termination options are included in certain property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are mutually exercisable and are evaluated accordingly.

8. Payroll and related expenses

	2020	2019
Wages and salaries	318,743	238,556
Social security tax	62,135	54,162
Pension expense	13,174	12,457
Other benefits	10,006	12,670
Total payroll and related expenses	404,060	317,845
The number of labor years employed during the financial year:	649	494

The pension plans in the Group comply with the pension legislation enacted in respective countries. The pension plans require that the Group pays premiums to public or private administrative pension plans on a mandatory, contractual or voluntary basis. There are no further obligations once the annual premiums are paid. The premiums are accounted for as personnel expenses as soon as they are incurred. Pre-paid premiums are accounted for as an asset to the extent that future benefits can be determined as plausible.

Remuneration of key group employees

Key group employees are defined as employees who are part of LINK Group management. In FY2020 and as at 31 December 2020, Group management consisted of the following individuals (amounts in NOK):

Name and position	Employed since	Salary	Bonus	Pension expense	Other remuneration
Guillaume Alain Van Gaver (CEO)	September 2019	4,288,280	178,789		1,347,796
Thomas Berge (CFO)	September 2016	2,278,687	1,931,000	74,220	
Torbjørn Krøvel (CTO)	January 2019	1,912,500	968,250	73,164	
Lin Ackema (Chief People and Strategy Officer)	October 2020	425,000		18,102	
Fredrik Nyman (CCO)	November 2007	1,623,600	233,640	332,931	21,607
Benoit Bole (COO Western Europe)	January 2019	1,839,672	296,020		577,621
Ina Rasmussen (COO Northern Europe)	January 2015	1,541,180	974,930	75,613	
Hendrik Faasch (COO Central Europe)	August 2020	1,929,726	804,053		
Total		15,838,645	5,386,682	574,030	1,947,023

The CEO has a performance based bonus of up to 7 months salary; the amount of the bonus is determined by the successful completion of key management business objectives that are set by the Board of Directors.

The CFO has a performance based bonus, limited to 40% of his annual base salary. The criteria for this bonus is a combination of quantitative and qualitative targets determined by the Board of Directors. In addition, he participates in an accelerator bonus program; if all targets are met, he is eligible to receive up to 2 months of his base salary.

The remaining key Group employees are included in the common bonus agreement for LINK employees. The bonus is calculated on the basis of achievement of budgeted Group income and EBITDA, and other quantitative and qualitative criteria that are determined on an annual basis. The annual bonus is capped at the equivalent of 3 months of salary.

In addition to the common bonus agreement, the key Group employees also participate in an accelerator bonus plan. Targets are based on actual performance as compared to budgeted targets. The maximum accelerator bonus is equal to 2 months of base salary.

Share based remuneration

The Company has two programs for share based remuneration for its employees: the Restricted Share Unit (RSU) program and the long-term incentive plan (LTI) option program. Fair value of the RSU's and LTI's are calculated at the time of allocation and expensed over the vesting period.

The Company issued 3,769,092 RSU's and 2,000,000 LTI's in Q4 2020 to selected employees, including management. Fair value of RSU's and LTI's were calculated to NOK 46.995 (for all practical purposes equal to the share price) and NOK 20.3 at the grant date, respectively.

Grant date for both RSU's and LTI's is set at 20.10.2020. The "strike price" of RSU's is NOK 0.005 (equal to the nominal value of the shares) and the strike price of the LTI's is NOK 47.

An expense of NOK 35 million (including accrued social security tax) related to share options has been recorded in the fourth quarter. The expenses related to the RSU and LTI are NOK 27 million and NOK 8 million, respectively.

The tables below shows an overview of the outstanding LTI's and RSU's:

	Number of options	Average price
Vested LTI's	-	
Unvested LTI's	2,000,000	47.00
Total outstanding options	2,000,000	47.00

	Strike price	Number of options	Vesting date	Expiration date
	47.00	2,000,000	10/20/2021	10/20/2028
Sum		2,000,000		

	Number of options	Average price	Number of options	Average price
Total unvested LTI's as at 01.01.2021	2,000,000	47.00	2,000,000	47.00
Assigned LTI's				
Cancelled LTI's				
Dropped LTI's				
Expired LTI's in the period				
Exercised LTI's in the period				
Total outstanding LTI's as at 01.01.2021	2,000,000	47.00	2,000,000	47.00

Name	Grant date	Number of LTI's granted	Number of LTI's vested at 31.12.2020	Expiry date	Exercise price range
Guillaume Alain Van Gaver	10/20/2020	220,000	0	10/20/2028	47.00
Thomas Berge	10/20/2020	118,000	0	10/20/2028	47.00
Torbjørn Krøvel	10/20/2020	100,000	0	10/20/2028	47.00
Fredrik Nyman	10/20/2020	88,000	0	10/20/2028	47.00
Benoit Bole	10/20/2020	88,000	0	10/20/2028	47.00
Hendrik Faasch	10/20/2020	88,000	0	10/20/2028	47.00
Ina Rasmussen	10/20/2020	88,000	0	10/20/2028	47.00
Lin Ackema	10/20/2020	88,000	0	10/20/2028	47.00
Others (not specified)	10/20/2020	1,122,000	0	10/20/2028	47.00
Sum		2,000,000	-		

	Number of RSU's	Average price
Vested RSU's	-	
Unvested RSU's	3,769,092	0.005
Total outstanding RSU's	3,769,092	

	Strike price	Number of options	Vesting date	Expiration date
	0.005	3,769,092	10/20/2021	10/20/2028
Sum		3,769,092		

	Number of options	Average price	Number of options	Average price
Total unvested RSU's as at 01.01.2021	3,769,092	0.005	3,769,092	0.005
Assigned RSU's				
Cancelled RSU's				
Dropped RSU's				
Expired RSU's in the period				
Exercised RSU's in the period				
Total outstanding RSU's as at 01.01.2021	3,769,092	0.005	3,769,092	0.005

Name	Grant date	Number of RSU's granted	Number of RSU's vested at 31.12.2020	Expiry date	Exercise price range
Guillaume Alain Van Gaver	10/20/2020	1,237,209	0	10/20/2028	47.00
Thomas Berge	10/20/2020	878,775	0	10/20/2028	47.00
Torbjørn Krøvel	10/20/2020	340,847	0	10/20/2028	47.00
Fredrik Nyman	10/20/2020	340,847	0	10/20/2028	47.00
Benoit Bole	10/20/2020	340,847	0	10/20/2028	47.00
Hendrik Faasch	10/20/2020	68,169	0	10/20/2028	47.00
Ina Rasmussen	10/20/2020	102,256	0	10/20/2028	47.00
Lin Ackema	10/20/2020	68,169	0	10/20/2028	47.00
Others (not specified)	10/20/2020	391,973	0	10/20/2028	47.00
Sum		3,769,092	-		

As at 31.12.2021 there was a total of NOK 4,006,460 accrued in social security expenses, based on a weighted average of the social security tax rates in the recipients countries.

Fair value of the RSUs and options are calculated using a Black-Scholes option pricing model. The following assumptions are used in the calculations:

- The share price is set equal to the offer price on October 20th 2020 (date of completion of the Initial Public Offering (IPO)) of Link Mobility Group Holding ASA.
- The strike price for the RSUs is set equal to the nominal share value (NOK 0.005).
- Expected volatility is set identical to historical volatility, equal to 61 % in the calculations.
- We assume that historical volatility of a selected group comparable companies within the CPaaS-universe is an indication of future volatility.
- We assume that the employees will exercise the options at the mid-point between earliest and latest possible exercise possibility.
- Risk free rate used in the calculations is set equal to the rate of Norwegian treasury bills and Government Bonds corresponding to the lifetime of the option.

Remuneration to the Board of Directors

The Board of Directors did not receive any remuneration for the year ended 31 December 2020. On 09 October 2020, the Company's general meeting resolved the following remuneration for the board of directors for the period from 02 October 2020 until the annual general meeting is held in 2021:

Name	Remuneration
Jens Rugseth (Chair)	600,000
Robert Joseph Nicewicz Jr.	350,000
Charles Joseph Brucato III	350,000
Katherine Ji-Young Woo	350,000
Ralph Paul Choufani	350,000
Grethe Viksaas	350,000
Sara Murby Forste	350,000

Robert Joseph Nicewicz Jr., Charles Joseph Brucato III, Ralph Paul Choufani, and Katherine Ji-Young Woo have all waived their right to remuneration and therefore the Company will not remunerate these board members in accordance with the amounts set in the table above.

No loans, advances, or guarantees have been granted to key group employees or Board members.

9. Other operating expenses

(Amounts in NOK 1000)	2020	2019
Advisors and consultants	35,586	57,819
IT, licenses and hosting	53,899	49,529
Restructuring costs	14,471	39,796
Cost related to acquisition of subsidiaries	15,123	27,168
Sales and marketing cost	29,479	26,635
Cost for premises	11,163	7,831
Inventory and equipment	6,883	6,518
Bad debts expense	9,750	1,086
Other expenses*	25,197	8,259
Total other operating expenses	201,553	224,642

* Other expenses include variable operating expenses related to overhead, travel costs and other operating expenses.

The table below summarises audit fees for the period 01.01.2020 - 31.12.2020 (01.01.2019 - 31.12.2019) and fees for audit related services, tax services and other services incurred by the Group during the period. Fees include both Norwegian and foreign subsidiaries.

	2020	2019
Audit fee	5,450	5,768
Other attestation services	-	336
Tax consulting services	795	213
Other services*	7,322	579
Total fee to auditor	13,568	6,895

* In addition to expensed amounts, an additional NOK 6,946k is included here that has been booked to equity. These are fees paid in relation to the IPO in FY2020.

10. Net finance income and expenses

(Amounts in NOK 1000)

The Group's finance income and expense is comprised of gains (losses) from foreign exchange and from exposure to interest expenses related to loans from financial institutions. Interest amounts are presented as a sum of interest on borrowings offset by amortised cost recognised in the profit and loss.

All categories of financial income and expense are presented on a net basis.

Net financial income and expenses	2020	2019
Net currency exchange gains (losses) ¹	-101,218	3,785
Net interest expense	-207,093	-192,369
Net other financial expense	-118,735	-5,317
Total finance income	-427,047	-193,901

Net interest expense	2020	2019
Interest expense financial institutions	-196,728	-181,494
Other interest expenses	-7,533	-8,515
Interest expense leases	-2,670	-2,360
Interest expense bond loan	-163	-
Total net interest expense	-207,093	-192,369

Net other financial expenses	2020	2019
Amortized loan set-up costs	-2,529	-8,254
Previously capitalized loan set-up costs	-73,698	-
Earn-out payment from M&A transactions ²	-37,967	-
Other financial (expenses) income	-4,000	2,937
Total net other financial expenses	-118,194	-5,317

¹ Foreign currency gain/loss is presented on a net basis here and in the Consolidated Statement of Profit and Loss. Exposure to fluctuations in foreign currency comes from external lending denominated in EUR. Refer to note 18 (interest-bearing liabilities) and note 19 (financial instruments, risk management objectives, and policies) for further details.

²The earn-out related to the acquisition of the Netsize Group was settled in full in 2020; there are no earn-out balances payable at the end of FY2020. In total, the earn-out paid for the Netsize Group was NOK 142.1 million; other payments of purchase price adjustments amounted to NOK 5.8 million. Total purchase price adjustments amounted to NOK 147.9 million.

11. Earnings per share

(Amounts in NOK 1000)

The Group's earnings per share are calculated as below:

	2020	2019
Net income	-328,006	-233,034
Non-controlling interests	-	-
Owners of LINK Mobility Group Holding ASA	-328,006	-233,034
Weighted average number of ordinary shares (basic)		
Issued ordinary shares at 01 January	213,656	10,547
Effect of shares issued (29 July 2019)		67
Effect of shares issued (30 August 2019)		68
Effect of shares issued (07 January 2020)	219	
Share split (15 September 2020)	213,875	213,656
Effect of shares issued (15 September 2020)	324	
Effect of shares issued (05 October 2020)	53,200	
Effect of shares issued (16 November 2020)	3,512	
Weighted average number of ordinary shares (basic) at 31 December	270,911	213,656
Basic earnings/(loss) per share (NOK)	-1.21	-1.09
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares (basic)	270,911	213,656
Effect of share options on issue	-	-
Weighted average number of ordinary shares (diluted) at 31 December	270,911	213,656
Diluted earnings/(loss) per share (NOK)	-1.21	-1.09
Number of outstanding ordinary shares per 01.01	213,656	10,547
Number of outstanding ordinary shares per 31.12	270,911	213,656

12. Transactions with related parties

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

During the year, the Group has not entered into any transactions with related parties.

At 31 December 2020, the Company had no balances with related parties.

13. Intangible assets

(Amounts in NOK 1000)

Year ended 31 December 2019	Trade name	Customer relations	Technology	Goodwill	Total
Opening net book value	326,925	949,124	434,647	3,100,713	4,811,409
Net additions from acquired businesses (PPA)	-	100,479	64,155	305,005	469,639
Additions in the period	-	1,443	118,095	-	119,538
Net additions from acquired businesses	-	-	4,614	-	4,614
Disposals in the period	-	-	-927	-	-927
Exchange differences	-	-4,590	-1,893	-15,841	-22,324
Impairment charge*	-	-	-46,137	-	-46,137
Amortization charge	-13,209	-106,978	-64,046	-	-184,233
Closing net book amount	313,716	939,479	508,509	3,389,876	5,151,580

At 31 December 2019

Cost	330,227	1,070,058	635,477	3,389,876	5,425,639
Accumulated amortisation and impairment	-16,511	-130,579	-126,968	-	-274,059
Net book amount	313,716	939,479	508,509	3,389,876	5,151,580

Estimated useful life	25	7-10	3-10	Indefinite
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Amortisation method	Straight-line	Straight-line	Straight-line
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* The impairment charge is primarily comprised of the impairment of 100% of the cumulative capitalised investment in Joyn AS.

Year ended 31 December 2020	Trade name	Customer relations	Technology	Goodwill	Total
Opening net book value	313,716	939,479	508,509	3,389,876	5,151,580
Net additions from acquired businesses (PPA)	-	100,550	29,352	448,978	578,880
Additions in the period	-	-	105,235	-	105,235
Net additions from acquired businesses	-	7,469	1,101	-	8,570
Disposals in the period	-	-	-	-	-
Exchange differences	-	36,213	20,442	143,988	200,643
Impairment charge	-	-	-	-	-
Amortization charge	-13,209	-116,726	-108,636	0	-238,571
Closing net book amount	300,507	966,985	556,002	3,982,843	5,806,337

At 31 December 2020

Cost	330,227	1,214,290	7791,607	3,982,843	6,318,967
Accumulated amortisation and impairment	-29,720	-247,305	-235,605	0	-512,630
Net book amount	300,507	966,985	556,002	3,982,843	5,806,337

Estimated useful life	25	7-10	3-10	Indefinite
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Amortisation method	Straight-line	Straight-line	Straight-line
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Trade name

The LINK name was established in 2008 and has become a known name within the mobile solutions industry. The estimated useful life is determined to be 25 years and is amortised accordingly. The trade name has not been allocated to specific CGUs.

Customer Relationships

For customer relationships identified and recognised through business combinations, the amortisation period is estimated to be between 7-10 years. The amortisation period is based on an analysis of customer churn and the remaining useful life of the customer relationships recognised in the balance sheet.

Technology

Amortisation of capital expenditure for the development of Group technology is between 3-10 years. For technology acquired through business combinations, the amortisation period is between 7-10 years based on an evaluation of the technological solution.

Goodwill

Goodwill generated from business combinations is primarily related to anticipated growth prospects for the acquired businesses. No impairment has been recognised subsequent to the business combination.

Impairment test

“Goodwill and other intangible assets with an indefinite useful life are not amortised. They are tested for impairment on an annual basis at a cash generating unit (hereafter “CGU”) level, and more frequently if there are indications that amounts may be impaired. In accordance with IAS 36 - Impairment of Assets, the carrying amount of the CGU to which goodwill has been allocated is compared with the recoverable amount of the CGU. The recoverable amount is determined based on value-in-use calculations. These calculations use cash flow projections reflective of management’s best estimate extended over a five year period. The assumed growth rate has been based on the management growth estimate for the next five years and subsequently reduced to 2% for the purpose of determining the terminal value. The pre-tax discount rates applied to the cash flows are calculated based on the weighted average cost of capital (WACC) specific to each CGU and are within the range of 7.7% - 12.0%.

Based on the calculations referred to above, it has been concluded that the recoverable amount exceeds the carrying amount of each CGU. No impairment has been recognized for FY2020 (FY2019 - nil).

Goodwill has been allocated to each CGU as presented in the table below. The Group classifies each country in it operates in as a CGU:

	Goodwill
Norway	806,490
Sweden	216,193
Denmark	271,829
Finland	219,262
Germany	728,794
Spain	179,614
Poland	267,599
Bulgaria	64,990
France	414,272
Switzerland	168,923
Italy	148,955
Austria	474,152
United Kingdom	6,765
Hungary	15,005
Total	3,982,843

The impairment test shows that the recoverable amounts significantly exceed the carrying amount of the CGUs.

Sensitivity analysis

In connection with the impairment testing of intangible assets, a sensitivity analysis has been performed. The sensitivity analysis has tested changes in terminal growth; if no terminal growth (zero-rated) is used, there is still impairment headroom for all CGU's with the exception of Hungary. The estimates used to determine future cash flows and WACC when calculating value in use are subject to uncertainty. The assumptions are described as follows:

Budgeted period - The basis for the projection of the future cash flows estimated is based on the financial budget of one year. The budget in combination with the forecasts represent management's best estimate of the range of economic conditions that will exist over a five-year period. The forecasted years are estimated based on the company's strategic initiatives.

Local currency and Fx rates - All CGU's forecasted projections are done using NOK.

Terminal value - terminal value is calculated using the Gordon growth formula based on previous year cash-flow, user-specified long-term growth and WACC for the specific CGU.

WACC - future cash flows are discounted to present value using a discounted rate based on a calculation of a weighted average cost of capital (WACC). The pre-tax WACC is based on an average interest rate adjusted for each CGU.

Management have concluded that no foreseeable change in any of the key assumptions used in the impairment test would cause the carrying amounts of the cash-generating units with significant goodwill to exceed recoverable amounts.

14. Equipment and fixtures

(Amounts in NOK 1000)

Period ended 31 December 2019	
Opening net book amount	11,601
Additions	18,038
Net additions from acquired businesses	5,397
Disposals	-7,902
Depreciation charge	-5,488
Translation differences	-155
Closing net book amount 31.12	21,493
Period ended 31 December 2020	
Opening net book amount	21,493
Additions	9,394
Net additions from acquired businesses	1,485
Disposals	0
Depreciation charge	-7,975
Translation differences	685
Closing net book amount 31.12	25,083
Cost	39,516
Accumulated depreciation	-14,433
Net book amount 31.12	25,083
Estimated useful life, depreciation plan and residual value is as follows:	
Economic (useful) life	3-5 years
Depreciation plan	Linear

15. Trade and other receivables

(Amounts in NOK 1000)

	2020	2019
Trade receivables	517,436	534,902
Accrued revenue	161,743	15,818
Prepayments	64,594	118,640
Other receivables	4,774	-
Total trade and other receivables	748,547	669,360

The above trade receivables and other receivables represent the Group's maximum exposure to credit risk at the balance sheet date.

Trade accounts receivable relate to the sale of mobile messaging transactions, payment services, licenses, and consulting services; these are within the normal operating cycle.

Accrued revenues are representative of an estimate for messaging traffic. An accrual for revenue is made to best reflect volumes in advance of when an invoice from the telecommunications provider is received.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. Based on historical trends, the Group recognises a loss allowance of 100% against all receivables over 120 days past due, unless it is probable that the receivable will be collected based on past experience with customer and financial position of the debtor. Additional allowances for specific balances are recognised based on past experience and an analysis of the financial position of the debtor along with other relevant factors.

There is no loss allowance related to accrued revenues.

The Group has recognised a provision for bad debts of KNOK 29 617 (FY2019 - KNOK 27 882). Trade receivables recognised as a part of business combinations are recognised at fair value on the date of acquisition, allowance for impairment amounted to KNOK 302 (FY2019 - KNOK 15 776).

Aging report - Trade receivables

(in thousands of NOK)	2020	%	2019	%
Not past due	359,489	69 %	325,620	61 %
1-30 days overdue	110,614	21 %	122,144	23 %
31-60 days overdue	12,083	2 %	34,381	6 %
61-90 days overdue	22,321	4 %	13,645	3 %
91-180 days overdue	7,314	1 %	19,577	4 %
More than 180 days overdue	5,615	1 %	19,535	4 %
Total	517,436	100 %	534,902	100 %

16. Cash and cash equivalents

(Amounts in NOK 1000)

	2020	2019
Cash and cash equivalents	952,144	147,198
Total cash and cash equivalents	952,144	147,198

Restricted cash	2020	2019
Taxes withheld	4,628	8,148
Other restricted cash	7,516	6,222
Total restricted cash	12,143	14,370

In FY 2019, the Group converted EUR 15 million from the Revolving Facility (EUR 25 million) under the Senior Facility Agreement (EUR 25 million) to establish an Overdraft Facility (note 18 - interest-bearing liabilities). This is referred to as the cash pool arrangement established with Danske Bank.

The cash pool is a zero-balancing cash-pool, including the automatic transfers of funds between a master account and subsidiary accounts to cover deposit and withdrawal activity within the arrangement.

LINK Mobility Group AS is the cash pool administrator/master and holder of the top accounts in different currencies (defined as Facility Accounts). In addition to Facility Accounts, various transactional accounts exist in the same currency as the Facility Account; these are defined as Detail Accounts.

Funds deposited into a Detail Account are automatically and instantly transferred to a Facility Account. Similarly, funds withdrawn from a Detail Account are automatically and instantly transferred from a Facility Account. The Detail Accounts maintain a balance of zero, whereas each Facility Account holds the credit or debit balance of the funds available for drawing in the cash pool.

A Facility Account (and its balance) is owned solely by LINK and creates rights and obligations only between LINK and the bank. The balance on the Facility Accounts is subject to interest calculations between LINK and the bank. Transactions (deposits or withdrawals) cannot be performed on a Facility Account, but must be performed using a Detail Account.

The Bank registers each transaction between each Facility Account and each Detail Account in the cash pool and the total balance thereof. This balance reflects the intra-Group balance between LINK and each Detail Account Holder. The participating entities of the Group have internal balances toward LINK through the use of the Detail Accounts.

17. Share capital and shareholder information

Share capital as at 31 December 2020 is KNOK 1 355 (2019: KNOK 1 081), being 270 911 039 ordinary shares (2019: 10 682 803 ordinary shares) at a nominal value of NOK 0.005/share (2019: NOK 0.10/share). There are no preference shares in FY2020 (2019: 129 158 preference shares at a nominal value of NOK 0.10/share).

All shares were fully paid; each ordinary share carries one vote at any general meeting.

	2020	2019
Ordinary shares opening balance 2020/2019	10,682,803	10,547,465
Issue of ordinary shares (29 July 2019)		67,259
Issue of ordinary shares (30 August 2019)		68,079
Issue of ordinary shares (07 January 2020)	10,934	
Conversion of nominal value from NOK 0.10 to NOK 0.005		
Share split (15 September 2020)	213,874,740	
Issue of ordinary shares (15 September 2020)	324,000	
Issue of ordinary shares (05 October 2020)	53,200,000	
Issue of ordinary shares (16 November 2020)	3,512,299	
Ordinary shares at the end of the period	270,911,039	10,682,803
Preference shares:		
Preference shares opening balance 2020/2019	129,158	129,158
Share split (15 September 2020)	2,583,160	
Settlement of preference shares	-2,583,160	
Preference shares at the end of the period	-	129,158
Total number of shares at the end of the period	270,911,039	10,811,961

LINK Mobility Group Holding ASA has the following major shareholders as at 31 December 2020:

Name of shareholder	Type of account	Ownership interest
Citibank, N.A.	Nominee	34.55%
State Street Bank and Trust Comp	Nominee	7.37%
KARBON INVEST AS	Ordinary	5.89%
Goldman Sachs & Co. LLC	Nominee	4.68%
FOLKETRYGDFONDET	Ordinary	3.58%
SUNDAHL APS	Ordinary	3.15%
State Street Bank and Trust Comp	Nominee	3.03%
Brown Brothers Harriman & Co.	Nominee	2.68%

JPMorgan Chase Bank, N.A., London	Nominee	1.49%
Skandinaviska Enskilda Banken AB	Nominee	1.37%
CLEARSTREAM BANKING S.A.	Nominee	1.29%
VERDIPAPIRFONDET NORGE SELEKTIV	Ordinary	1.07%
Morgan Stanley & Co. Int. Plc.	Nominee	1.07%
		71.22%

Major shareholders are defined as shareholders who own more than 1% of the share capital.

The company's trustees (Board Members, management) hold ownership interests and rights to shares:

Name of shareholder	Total number of shares
Karbon Invest AS (controlled by Jens Rugseth)	15,945,105
Sundahl Aps (controlled by EVP M&A and Global Messaging Søren Sundahl)	8,526,201
Guillaume Alain Van Gaver	164,010

18. Classes and categories of financial instruments

Share capital as at 31 December 2020 is KNOK 1 355 (2019: KNOK 1 081), being 270 911 039 ordinary shares (2019: 10 682 803 ordinary shares) at a nominal value of NOK 0.005/share (2019: NOK 0.10/share). There are no preference shares in FY2020 (2019: 129 158 preference shares at a nominal value of NOK 0.10/share).

All shares were fully paid; each ordinary share carries one vote at any general meeting.

12/31/2020	Carrying value	
	Amortised cost	Total
Current financial assets		
Trade receivables	517,436	517,436
Cash and cash equivalents	952,144	952,144
Non-current financial liabilities		
Borrowings	2,078,515	2,078,515
Lease liabilities	8,619	8,619
Current liabilities		
Borrowings	27,244	27,244
Liabilities	30,624	30,624
Trade payables	524,059	524,059

The financial assets held by the Group are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and are thus measured subsequently at amortised cost less loss allowances.

All financial liabilities are measured at amortized cost.

The carrying amounts of financial assets and liabilities approximate their fair value as at 31 December 2020. Arrangements with financial institutions are entered into on market terms, and the carrying value at the reporting date has been assessed as approximating fair value.

The recognised amounts constitute a reasonable approximation of fair value.

19. Interest-bearing liabilities

Interest bearing liabilities are measured at amortised cost.

Non-current financial liability	2020	2019
Debt to financial institutions	5,235	2,464,374
Bond loan	2,073,280	
Long-term lease liability	30,624	12,020
Sellers credit		22,930
Total	2,109,140	2,499,323

Current liabilities	2020	2019
Sellers credit short-term	24,340	3,791
Short-term lease liability	8,619	13,090
Debt to financial institutions/bond loan*	2,904	44,426
Total	35,863	61,308

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

The book value of borrowings is estimated to approximate their fair value.

Facility / Currency	Debt out-standing	Amortized cost EUR	Amortized cost NOK	Maturity	Term	Interest p. a.	Due date Interest
Bond loan	200,000	198,015	2,073,280	15 Dec 2025	5 year	3,375 % p.a.	Half yearly
Holdback amount Teracom - EUR		1,562	16,350	29 July 2021		No interest accrues	
Holdback amount Inwave - EUR		763	7,990	18 Jun 2021		No interest accrues	
Total			2,097,620				

	2020	2019
Principal amount	2,094,345	2,554,308
Transaction costs	-21,228	-78,279
Amortization	163	11,274
Accrued interest and fees	2,904	41,504
Carrying amount	2,076,184	2,528,807

The table above excludes a presentation of sellers credit.

Maturity analysis of borrowings (including interest)

	< 3 months	3 months - 1 year	1 - 2 years	2 - 5 years	Total
Bond loan		71,666	71,666	2,309,539	2,452,871
Lease liabilities		8,619	10,208	20,416	39,243
Sellers Credit		24,340			24,340
Total		104,625	81,874	2,329,955	2,516,454

Collateral and guarantees:

On 15 December 2020, LINK Mobility Group Holding ASA (LINK) successfully completed the issuance of EUR 200 million senior unsecured bonds, with a EUR 350 million borrowing limit.

The bonds have a 5-year tenor and a fixed coupon of 3.375% p.a.; any outstanding bonds are to be repaid in full at the maturity date.

Part of the proceeds from the bond issue were used to repay the remaining outstanding senior facility agreement (SFA).

(Amounts in NOK 1 000)	2020	2019
Bond principal	2,094,345	
Transaction costs ¹	-21,228	
Debts secured by collateral	2,073,280	

¹ The bond loan is initially measured at fair value net of transaction costs and it is subsequently measured at amortized cost using the effective interest rate method. Consequently, the transaction cost will be amortized over the life of the bond loan. The carrying value of the bond loan will be equal to the principal amount of EUR 200 million at maturity in FY2025.

Covenants

Under the bond terms, the Group is required to comply with the following financial covenants at the respective quarterly and annual test dates:

- Publish interim accounts (quarterly reports) in the English language on the Group website (or other relevant platform) no later than 60 days after the end of the relevant interim period.
- Publish annual financial statements in the English language on the Group website (or other relevant platform) no later than 120 days after the end of the fiscal year.

A compliance certificate is to be provided with a copy of the financial reports; the compliance certificate is to be signed by the Chief Executive Officer or the Chief Financial officer to certify that the financial reports are fairly representative of its financial condition as at the date of those financial statements.

Accounting standards are to be consistently applied.

Financial Indebtedness:

Except as permitted, the Issuer shall not, and shall procure that no other Group Company will, incur any additional Financial Indebtedness or maintain or prolong any existing Financial Indebtedness.

Negative Pledge:

Excluding Permitted Security, the Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over any of its/their assets (whether present or future).

Disposals of Business:

The Issuer shall not, and shall ensure that no other Group Company will, sell, transfer or otherwise dispose of all or substantial part of its assets or operations unless the transaction is carried out at fair market value, on terms and conditions customary for such transaction and such transaction would not have a Material Adverse Effect.

Distribution:

Except as permitted, the Issuer shall not, and shall procure that no other Group Company will make any Distribution.

Incurrence Test:

The incurrence test is met if the Leverage Ratio is less than, for any additional Financial Indebtedness (3.50x) or for Distributions (1.50x).

The Interest Coverage Ratio exceeds 3.0x.

Compliance with the Incurrence Test is subject to in each cash, that no Event of Default is outstanding or would result from the relevant event for which compliance with the Incurrence Test is required.

Movements in borrowings

See table below for changes in liabilities arising from financing activities, both cash flows and no cash flow changes.

	Sellers credits	Other	Senior facilities	Total
31/12/2018	7,267	-	2,100,001	2,107,269
Cash flows	-	-	-	-
New debt	22,792	2,923	509,776	535,491
Cancellation of debts	-3,507	-	-96,269	-99,776
Effects of foreign exchange	168	-	-10,279	-10,110
Transaction costs	-	-	-10,961	-10,961
Amortization	-	-	9,659	9,659
Interest and fees paid	-	-	-175,705	-175,705
Interest and fee expenses	-	-	179,656	179,656
31/12/2019	26,721	2,923	2,505,877	2,535,522

	Bond loan	Sellers credits	Other	Senior facilities	Total
31/12/2019	-	26,721	2,923	2,505,877	2,535,522
New debt	2,122,800	-	2,312	562,521	2,687,634
Cancellation of debts	-	-3,791	-	-3,255,289	-3,259,081
Effects of foreign exchange	-28,455	1,410	-	151,751	124,706
Transaction costs	-21,228	-	-	-	-21,228
Amortization	163	-	-	73,698	73,862
Interest and fees paid	-	-	-	-235,571	-235,571
Interest and fee expenses	2,904	-	-	197,012	199,917
31/12/2020	2,076,184	24,340	5,235	-	2,105,759

20. Financial instruments, risk management objectives, and policies

Through its operations the Group is exposed to the the following financial risks;

- Interest rate risk
- Foreign exchange risk
- Credit risk
- Liquidity risk

Interest rate risk

Interest rate risk arises as a consequence of long-term debt. In December 2020 the Company successfully completed the issuance of EUR 200 million senior unsecured bonds, with a EUR 350 million borrowing limit (refer to note 18 for further details).

The sensitivity analysis below is based on the exposure to changes in interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount outstanding at reporting date was outstanding for the whole year. A one percent increase or decrease represents management's assessment of reasonable and possible changes in interest rates.

If interest rates had been one percent higher/lower and all other variables were held constant, the Group's profit (and corresponding equity) for the period ended 31 December 2020 would decrease/increase by KNOK 2 000 (FY2019 KNOK 4 672). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Foreign exchange risk

The Group undertakes business in foreign currencies and is consequently exposed to fluctuations in exchange rates. Foreign exchange risk arises from transactions related to operations conducted, and assets and liabilities arising in foreign currencies. The Group undertakes transactions denominated in NOK, DKK, EUR, SEK, PLN, BGN, CHF, GBP, HUF, RON and MKD. Revenue and cost transactions within foreign subsidiaries are normally carried out in the same currency, which mitigates the currency risk.

However, as the Group's overall financial reporting is presented in NOK, changes in the value of DKK, EUR, SEK, PLN, BGN, CHF, GBP, HUF, RON or MKD in relation to NOK affect the Group's overall revenue, profit or loss and financial position. Based on exposure throughout the year and balances at the period-end, the Group assesses that fluctuations in NOK/EUR, NOK/SEK and NOK/CHF have the most significant impact on the financial reporting of financial assets and liabilities. The table below summarises the impact a change in these currencies will have on the consolidated income statement and on retained earnings/accumulated losses as at 31 December 2020. The analysis is based on the assumption that the foreign exchange rates increase or decrease by 10%, all other variables held constant.

	31 December 2020		
(amounts in NOK 1000)	NOK/EUR impact	NOK/SEK impact	NOK/CHF impact
Trade receivables	33,439	7,156	4,134
Trade payables	22,632	13,726	2,638
Borrowings	209,406	-	-

Credit Risk

Credit risk is the risk of a counterparty defaulting. The Group's credit risk is limited to trade and other receivables and is mitigated by the Group's guidelines to ensure that credit sales are only made to customers with high credit rating. Customers with a low credit rating are required to prepay for services rendered by the Group.

The Group's credit risk related to trade receivables is assessed to be limited due to the high number of diverse customers in the Group's customer base. Refer to note 14 for additional information related to trade and other receivables. The carrying value of trade and other receivables represent the Group's maximum exposure to credit risk at the balance sheet date.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations when they mature, resulting in default. The Group considers its liquidity risk to be limited, and has sufficient liquidity available on bank accounts as of year-end.

Refer to notes 18 and 20 for information about maturity of trade and other payables and borrowings.

The Group has no credit facilities. Subsidiaries receive all funding from the Group and are not permitted to raise external financing independently.

The Group has financial debt covenants related to the senior unsecured bonds. Refer to note 18 for information about the bond covenants.

Capital management

The Group focuses on maintaining sufficient cash resources to ensure the ability to finance further activities.

21. Trade and other payables

(Amounts in NOK 1000)

Trade and other payables	2020	2019
Trade payables	524,059	451,809
Public duties	53,791	31,144
Accrued vacation pay	25,401	21,445
Accrued expenses	323,920	314,311
Total trade and other payables	927,171	818,709

Trade payables is comprised of amounts outstanding for trade purchases. Accrued expenses are representative of accrued cost of goods sold for which a final invoice has not been received.

Trade and other payables are due within three months.

22. Income tax

(Amounts in NOK 1000)

Specification of income tax expense

The tax benefit/(expense) is calculated based on profit before income tax and consists of current tax and deferred tax.

	2020	2019
Deferred tax expense (income)	-116,053	-30,338
Current tax expense	39,230	32,516
Income tax expense (income)	-76,823	2,178

Income tax payable (balance sheet)	2020	2019
Income tax payable	8,928	2,953
Current tax liabilities (balance sheet)	8,928	2,953

Effective Tax Rate

The difference between income tax calculated at the applicable income tax rate and the income tax expense attributable to loss before income tax was as follows:

	2020	2019
Profit/(loss) before income tax	-404,829	-230,856
Statutory income tax rate*	22.0 %	22.0 %
Expected income tax expense/(benefit)	-89,062	-50,788
Tax effect on non-taxable income/expenses	-2,117	2,192
Effect of changes in tax rules and rates	-9,417	-
Non deductible interest, interest cap rules	28,256	40,281
Change in deferred tax asset not recognized	-4,483	10,408
Income tax expense/income (-) for the year	-76,823	2,092
Effective tax rate	19.0 %	-0.9 %

* The statutory income tax rate based on the currently enacted tax rate in Norway.

Specification of the tax effect of temporary differences and losses carried forward**Tax losses and interest cap for which no deferred tax asset has been recognised**

	2020	2019
Unused tax loss carry forward	97,280	164,474
Interest cap	312,784	183,094
Potential tax benefit unused tax losses, 22 %	21,402	36,184
Potential tax benefit interest cap, 22 %	68,812	40,281

The unused tax loss carry forward balances are related to LINK Mobility Group Holding ASA. For this company the benefit from the unused tax losses is uncertain. These can be carried forward indefinitely.

Interest cap is related to LINK Mobility Group Holding ASA, LINK Mobility Pecunia AS and to LINK Mobility Group AS. The benefit from the interest cap carried forward is uncertain and the amount can be carried forward for 10 years.

Unrecognised temporary differences

	2020	2019
Temporary differences for which deferred tax liabilities have not been recognised	-21,065	-65,703
Unrecognised tax liabilities relating to the above temporary differences, 22 %	-4,634	-14,455

The temporary differences are related to LINK Mobility Group ASA and form part of the net tax asset that has not been recognised.

Tax effect of temporary differences and tax losses carried forward as of 31 December

Deferred tax assets:	2020	2019
Tangible and intangible assets	9,952	1,451
Total tax effect of temporary differences	9,952	1,451
Deferred tax asset arising from tax losses carried forward	130,599	55,407
Deferred tax assets	140,551	56,858
<hr/>		
Deferred tax liabilities:	2020	2019
Intangible assets (mainly due to PPA business combinations)	313,090	303,421
Untaxed reserves	-	5,635
Other	-	45
Deferred tax liabilities	313,090	309,101

23. Contingencies and legal claims

As at 31 December 2020 and as at the date of signing of this annual report, certain Group subsidiaries are involved in ongoing legal proceedings as either defendant or as plaintiff. Due to the uncertain outcome for all of these ongoing proceedings, there are no provisions (contingent or otherwise) accounted for in the financial statements or disclosed elsewhere in the notes to the financial statements. Claims for which Group entities are defendants are deemed to be low risk as the majority are covered by guarantees as a result of acquisitions (M&A).

A list of ongoing legal proceedings is provided as follows:

Entity	Counterparty	Claim	Position
Tera Communications AD	Customer	€ 136,000	Defendant
Tera Communications AD	Customer	€ 12,000	Defendant
Netsize Srl	Customer	€ 262,000	Defendant
Netsize S.A.	Public Authority	€ 150,000	Defendant
Netsize S.A.	Operator	€ 1,000,000	Defendant
Netsize Espana S.L.U.	Supplier	€ 380,000	Defendant
LINK Mobility GmbH	Supplier	€ 250,000	Defendant
Teracomm RO SRL	Customer	€ 460,000	Defendant
LINK Mobility Spain S.L.U.	Supplier	€ 275,000	Defendant
LINK Mobility EAD	Customer	€ 112,000	Plaintiff
Tera Communications AD	Customer	€ 5,000	Plaintiff
LINK Mobility GmbH	Supplier	€ 1,000,000	Plaintiff
LINK Mobility Group AS	Seller (SPA)	€ 2,800,000	Plaintiff
LINK Mobility Group AS	Seller (SPA)	€ 4,465,000	Plaintiff

24. Events after the reporting date

(Amounts in NOK 1000)

As at 31 December 2020, there was a business acquisition that had been initiated but not yet concluded. The acquisition presented below was closed in FY2021.

2021	Main business activity	Date of business combination	Proportion of voting equity acquired	Acquiring entity
Tismi B.V. Tismi Mobile B.V.	CPaaS enabler with national operator licenses in multiple European countries.	01 March 2021	100%	LINK Mobility Group AS

On 12th February 2021, LINK announced the acquisition of Dutch CPaaS enabler Tismi. Tismi was established in 2008 in the Netherlands and is today headquartered in Bunnik, Netherlands. Tismi is a provider of telecommunication services and products and holds licensed operator status in 8 European countries. The company's main business comprises of providing virtual mobile phone numbers, smart traffic routing and signaling services to Enterprise customers and CPaaS providers.

The transaction values Tismi at an enterprise value of EUR 20 million. The purchase price will be settled partly with cash, sellers' credit and shares in LINK. The transaction was closed on 10 March 2021.

On 15 April 2020, LINK Mobility Group Holding ASA entered into a definitive agreement for the acquisition of MarketingPlatform based in Denmark. The acquisition is not complete as at the date of these financial statements.

MarketingPlatform was established in Denmark in 2011 and is today headquartered in Vejen. The company has developed an omnichannel marketing platform with an integrated customer data platform (CDP) giving customers a unified profile view.

Omnichannel output is to e-mail, SMS, app, web and social media. MarketingPlatform is active across markets in Denmark, Sweden, Norway, Perú and Spain with focus on enterprise, large and medium sized customers. Software development is located in Macedonia. The company's revenues are primarily related to software licenses.

25. Alternate performance measures ("APMs")

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

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

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

LINK uses the following APMs:

Gross Profit

Gross Profit means revenues less direct costs of services rendered.

Gross margin

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

Adjusted EBITDA

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

Adjusted EBITDA margin

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

EBITDA

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

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

	2020	2019
Operating profit (loss), ("EBIT")	22,218	-36,955
Add: Depreciation intangible assets	271,389	247,369
EBITDA	293,607	210,414
Add: Restructuring costs	47,400	69,967
Add: Share-based compensation	34,711	-
Add: Expenses related to acquisitions	15,123	27,168
Adjusted EBITDA	390,841	307,549
Operating revenues	3,539,231	2,890,025
Adjusted EBITDA	390,841	307,549
Adjusted EBITDA margin	11.0 %	10.6 %

Annual Report / 01.01.2020 - 31.12.2020

LINK Mobility Group Holding ASA

Income Statement

(Amounts in NOK 1000)

For the period ended 31 December

	Note	2020	2019
Other operating expenses	6	-369	-394
Total operating expenses		-369	-394
Operating loss		-369	-394
Finance income and finance expenses			
Net currency exchange gains (losses)		33,656	-
Net interest expense		-3,461	-
Net other financial (expenses) income		-6	1
Total finance income (expense)	7	30,189	1
Profit (loss) before income tax		29,820	-392
Income tax	14	-725	-
Profit (loss) for the period		29,095	-392

Trade and other payables are due within three months.

Statement of financial position

(Amounts in NOK 1000)

For the period ended 31 December

ASSETS	Note	2020	2019
Investment in LINK Mobility Pecunia AS	5	6,899,176	2,696,092
Other long term receivables	10	-	30,451
Total non-current assets		6,899,176	2,726,543
Cash and cash equivalents	8, 10	122,234	22
Total current assets		122,234	22
TOTAL ASSETS		7,021,410	2,726,565
EQUITY AND LIABILITIES			
Share capital		1,355	1,081
Share premium and other reserves		4,906,672	2,725,406
Retained earnings (accumulated losses)		28,701	-393
Total equity	9	4,936,728	2,726,094

Liabilities

Long-term borrowings	11	2,073,280	-
Loans and borrowings - intercompany		510	425
Total non-current liabilities		2,073,790	425
Short-term borrowings	10, 11	2,945	-
Trade payables and other payables	10, 13	7,222	46
Current tax liabilities	14	725	-
Total current liabilities		10,892	46
Total liabilities		2,084,682	471
TOTAL EQUITY AND LIABILITIES		7,021,410	2,726,565

Statement of Comprehensive Income

(Amounts in NOK 1000)

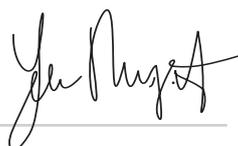
For the period ended 31 December

	2020	2019
Profit (loss) for the period	29,095	-392
Other comprehensive income		
Items that may be reclassified to profit or loss		
Translation differences of foreign operations		
Other comprehensive income for the period		
Total comprehensive income for the period	29,095	-392

The Board of Directors of LINK Mobility Group Holding ASA

Oslo, 26 April 2021

Jens Rugseth
Chairman of the board



Sara Murby Forste
Board member



Charles Joseph Brucato III
Board member



Katherine Ji-Young Woo
Board member



Robert Joseph Nicewicz Jr
Board member



Grethe Helene Viksaas
Board member



Ralph Paul Choufani
Board member



Guillaume Alain Van Gaver
Chief Executive Officer



Statement of Changes in Equity

(Amounts in NOK 1000)

For the period ended 31 December

	Note	Share capital	Share premium	Retained earnings (accumulated losses)	Total equity
Balance at 01 January 2019		1,068	2,694,969	-1	2,696,036
Profit for the period		-	-	-392	-392
Other comprehensive income (loss) for the year, net of income tax		-	-	-	
Total comprehensive income for the year		-	-	-392	-392
Issue of ordinary shares		14	30,437	-	30,451
Balance at 31 December 2019	8	1,081	2,725,406	-393	2,726,094
Balance at 01 January 2020		1,081	2,725,406	-393	2,726,094
Profit for the year		-	-	29,095	29,095
Other comprehensive income (loss) for the year, net of income tax		-	-	-	
Total comprehensive income for the year		-	-	29,095	29,095
Issue of ordinary shares		273	2,150,562		2,150,835
Share based payment		-	30,704	-	30,704
Balance at 31 December 2020	8	1,355	4,906,672	28,701	4,936,728

The accompanying notes are an integral part of these financial statements.

Statement of cash flows

(Amounts in NOK 1000)

For the period ended 31 December

Cash flows from operating activities	Note	2020	2019
Profit before income tax		29,820	-392
Adjustments for:		-	-
Finance income (expense)		-30,189	
Change in trade and other payables	10, 13	38,387	-40
Change in other provisions		-345	
Net cash flows from operating activities		37,672	-433
Cash flows from investing activities	Note	2020	2019
Net cash outflow, capital increase subsidiary	5	-3,081,749	-
Expenses related to acquisitions		-	-
Net cash flows from investing activities		-3,081,749	-
Cash flows from financing activities	Note	2020	2019
Proceeds on issue of shares	9	2,368,423	-
Repayment of equity		-1,299,422	
Proceeds from borrowings		2,101,572	425
Net cash flows from financing activities		3,170,573	425
Effect of foreign exchange rate changes		-4,285	-
Net change in bank deposits, cash and equivalents		126,497	-8
Cash and equivalents at beginning of period		22	30
Cash and equivalents at end of the period		122,234	22

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements for the period ended 31 December 2020

1. General information
2. Adoption of new and revised International Financial Reporting Standards (IFRSs)
3. Summary of significant accounting policies
4. Critical accounting judgments and key sources of estimation uncertainty
5. Investment in subsidiaries
6. Other operating expenses
7. Net finance income and expenses
8. Cash and cash equivalents
9. Share capital and shareholder information
10. Classes and categories of financial instruments
11. Interest-bearing liabilities
12. Financial instruments risk management objectives and policies
13. Trade and other payables
14. Income tax
15. Contingencies and legal claims

1. General information

LINK Mobility Group Holding ASA (formerly Victory Partners VIII Norway Holding AS) is the parent company of LINK Mobility Pecunia AS (formerly Victory Partners VIII Norway AS), and is headquartered in Oslo, Norway. LINK is Europe's leading provider of mobile and CPaaS solutions specializing in messaging, digital services and intelligent data usage.

LINK Mobility Group Holding ASA owns 100% of LINK Mobility Pecunia AS, which in turn owns 100% LINK Mobility Group AS. The Company's subsidiary as at 31 December 2020 is listed below.

Victory Partners VIII Norway Holding AS was registered as a company on 09 May 2018 and is the parent company of Victory Partners VIII Norway AS. Although there are very few transactions during the period between 09 May - 09 October in Victory Partners VIII Norway Holding AS, figures for the entire period are presented for FY2018 comparatives. The majority of the transactions occurred during the period between 09 October 2018 and 31 December 2018.

Victory Partners VIII Norway AS is the parent company of LINK Mobility Group AS which owns 100 percent of all its subsidiaries.

Name of entity	Date of acquisition	Place of business / country of registration	Ownership interest
LINK Mobility Pecunia AS	29/06/2018	Oslo, Norway	100%

2. Adoption of new and revised International Financial Reporting Standards (IFRS)

A number of new or amended IFRS standards issued by the International Accounting Standards Board (IASB) and IFRS interpretations issued by the IFRS Interpretations Committee (IFRS IC) are effective for accounting periods commencing on or after 01 January 2020. The Group was established during 2018, and the requirements arising from revised IFRSs or IFRIC interpretations are embedded in the recognition, measurement and disclosures relevant to the consolidated financial statements of the Group from the date of establishment. The accounting policies adopted have been described in note 3 (summary of significant accounting policies).

Standards and interpretations affecting amounts reported in the current period

The following new and revised IFRSs and IFRIC interpretations have been adopted in the current period and have affected the amounts reported, presentation and disclosures in these financial statements.

Standard/ Interpretation	Title	Date of issue	Applicable to accounting periods commencing on
Amendment to IFRS 3	Business Combinations	October 2018	01 January 2020

As at the date of authorisation of these financial statements; new Standards and Interpretations have been issued by the IASB but were not effective for the financial year ended 31 December 2020.

Management will continue to follow the development of changes to Standards and Interpretations issued by the IASB throughout 2021.

3. Summary of significant accounting policies

3.1 General information

LINK Mobility Group Holding ASA ("the Company") is a limited liability Company incorporated and domiciled in Norway. The address of the registered office is Langkaia 1 – Havneleret, 0150 Oslo, Norway. LINK Mobility Group Holding ASA is the parent company of the LINK Mobility Pecunia AS, which in turn is the parent company of LINK Mobility Group AS ("the Group"). The Group provides services in mobile communication and specialises in mobile messaging services, mobile solutions and mobile intelligence.

These financial statements were approved for issue by the Board of Directors on date 26 April 2021. Minor rounding differences may be present and the total may deviate from the total of the individual amounts. This is due to the rounding of whole figures to thousands for presentation purposes.

3.2 Basis for preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union. The financial statements have been prepared on the historical cost basis.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in applying the Group's accounting policies. Areas involving a high degree of judgment or complexity, and areas in which assumptions and estimates are significant to the financial statements are disclosed in note 4 (critical accounting judgements and key sources of estimation variances). The financial statements have been prepared on a going-concern basis.

The presentation currency of the financial statement is Norwegian kroner (NOK).

3.3 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, which are entities controlled by the Company. Control is achieved when the Group has power over the investee, is exposed, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control noted above. The financial statements of the subsidiaries are prepared for the same reporting periods as the parent company and consistent accounting policies are applied. The results of subsidiaries acquired or disposed of during the year are included in the income statement from the date when control is obtained and until control ceases, respectively. Intercompany transactions, balances, revenues, expenses and unrealised Group internal gains or losses are eliminated on consolidation.

When the group ceases to consolidate an investee because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in the carrying amount recognised in profit or loss. The fair value of the retained interest becomes the initial carrying amount for the purposes of subsequent accounting for the investment.

3.4 Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred and all the identifiable assets and liabilities of acquired entities are measured at fair values at the date of acquisition, except deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured at the amount by which the total consideration transferred exceeds the net fair value of assets acquired. Goodwill is not amortised, but its value is tested for impairment at least annually, or more frequently when there is an indication that the cash-generating unit to which goodwill has been allocated, may be impaired. Goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

When the consideration transferred by the Company in a business combination includes contingent consideration arrangements, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments recognised in goodwill. Measurement period adjustments arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.5 Revenue recognition

Revenues are recognised when services are rendered and measured based on the consideration to which the Company expects to be entitled in a contract with a customer net of discounts and sales related taxes. The Company recognises revenue when it transfers control of a product or service to a customer.

In order to determine whether the Company is acting as a principal or an agent, the Company assesses whether the Company controls the service before it is provided to the customer. Where the Company does not control the service, the Company is considered an agent in the transaction.

Revenues primarily comprise sale of services that enable customers to communicate by mobile phone with their customers. In order to be able to render these services, the Company needs to obtain services from one or more telecommunication operators.

The services rendered are split into the following groups:

Type of service	Timing of recognition	Measurement of revenue
Mobile messaging transactions	The Group provides mobile messaging services via SMS and other messaging channels such as Apps, Facebook, Messenger, WhatsApp, and email. Revenue from messaging is recognised when the message service has been provided; when the messages are delivered to the recipient.	The revenue is based on the price specified in the sales contract, net of discounts and value added tax.
Payment services	The Group offers payment solutions where the customer can get their customers (the end users) to pay for services by charging their mobile phone account or credit/debit card. As payment for these services, the Group is entitled to remuneration related to the processed transactions/payment. Revenue is recognised when the payment service is rendered.	The Group acts as an agent for this type of service and the performance obligation is to arrange for the provision of services by another party. Consequently, only the income from the processed transactions is recognised as revenue.

Licences	License revenue consists of revenue from monthly fees paid by customers for access to Group platforms and solutions. No proprietary rights are transferred to the customer. The revenue is recognised throughout the duration of the license agreement.	The revenue is based on the price specified in the sales contract, net of discounts and value added tax.
Consulting services	Revenue from consulting services is recognised in the accounting period during which the services are rendered.	The revenue is based on the price specified in the sales contract, net of discounts and value added tax.

3.6 Foreign currency translation

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated after the transaction date.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement as financial items. All other foreign exchange gains and losses are presented on a net basis in the income statement as other operating expenses. Exchange differences are recognised in profit or loss in the period in which they arise.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are considered as assets and liabilities of the foreign entity and translated at the closing rate. These exchange differences are recognised in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation), or a disposal involving loss of control over a subsidiary that includes a foreign operation, all of the exchange differences accumulated in a separate component of equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss.

3.7 Intangible assets

Goodwill and intangible assets acquired in a business combination are recognised initially as set out in 3.4 Business Combinations above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or Companies of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

Separately acquired intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Subsequent to initial recognition, separately acquired intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired in a business combination.

Internally generated intangible assets – technology

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development of the Company's technical platforms and products is recognised if, and only if, all the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired in a business combination.

3.8 Equipment and fixtures

Equipment and fixtures are initially recognised at cost, which includes the purchase price (including duties and non-refundable purchase taxes) and any directly attributable costs of bringing the asset to the location and condition necessary for it to be able to operate in the intended manner. Equipment and fixtures are subsequently recognised at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognised so as to reduce the cost of assets less their residual values over their useful lives, using the straight-line method. Depreciation commences when the assets are ready for their intended use.

Estimated useful life, depreciation method and residual values are reviewed at least annually. The straight-line depreciation method is used as this best reflects the consumption of the assets, which often is the passage of time. Residual value is estimated to be zero for all assets.

Repair and maintenance is expensed as incurred. If new parts are capitalised, replaced parts are derecognised and any remaining net carrying amount is recognised in operating profit (loss) as loss on disposal.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of equipment and fixtures is determined as the difference between the sales proceeds and the carrying amount of the asset and is presented as other income or other expenses in the income statement.

3.9 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Goodwill and intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Any impairment loss recognised for goodwill is not reversed in a subsequent period.

3.10 IFRS 16 Leases

The Company initially applied IFRS 16 from 01 January 2019; IFRS 16 is applied using the modified retrospective approach. When applying the modified retrospective method, a lessee measures the right-of-use asset at either its carrying amount as if IFRS 16 had always been applied since the commencement date (discounted using the incremental borrowing rate at the date of initial application), or at an amount equal to the lease liability (adjusted for previously recognised prepaid or accrued lease payments). The choice between the two options shall be made on a lease-by-lease basis.

The Company has chosen to measure the right-of-use asset at an amount equal to the lease liability for all leases by using the lessee's incremental borrowing rate; the rate may differ from country to country.

The lessee's incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value of the right-of-use asset in a similar economic environment.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. Specifically, the Company:

- did not recognise right-of-use assets and liabilities for leases with a lease term that ends within 12 months from the date of application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct cost from the measurement of the right-of-use assets at the date of initial application; and
- used hindsight when determining the lease term.

The Company has elected to use the exemptions in the standard on short-term lease contracts and for lease contracts where the underlying asset is of low value. These leases are recognised as operation expenses in the profit and loss.

3.12 Financial Instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The categorisation of financial instruments (financial assets and liabilities) for measurement purposes is based on the nature and purpose of the financial instrument and is determined on initial recognition. The Company presents financial assets and liabilities in the following classes: trade and other receivables, cash and cash equivalents, trade and other payables, and borrowings.

Financial assets

The financial assets held by the Company, primarily trade and other receivables, are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and are thus measured subsequently at amortised cost less loss allowances. The impairment model in IFRS 9 Financial Instruments requires the recognition of impairment provisions based on expected credit losses (ECL).

The Company recognises a loss allowance for expected credit losses on trade receivables. The amount of

expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition. The impairment is calculated by taking into account the historic evidence of the level of credit losses experienced and the ageing profile of the trade receivables. Individual trade receivables are impaired when management assesses them not to be wholly or partially collectible.

Financial liabilities

Trade and other payables include trade payables and other current and non-current, non-interest-bearing financial liabilities. Borrowings (long term and short term) include bank loans and overdrafts. These liabilities are initially recognised in the statement of financial position at fair value (net of any transaction costs), and subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised, and the consideration paid and payable is recognised in profit or loss.

3.13 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and commercial papers with original maturities of three months or less.

The Company presents the statement of cash flows using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items. Interest received and paid, and dividends received, are reported as a part of operating activities. Dividends distributed are included as a part of financing activities. Value Added Tax and other similar taxes are regarded as collection of tax on behalf of authorities.

3.14 Employee benefits

The Company operates a defined contribution plan for post-retirement benefits. A defined contribution plan is a pension plan under which the Company pays fixed contributions to a separate entity (insurance company). The Company has no legal or constructive obligations to pay further contributions to the pension plan for benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.15 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit before tax because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's current tax liability is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax is recognized based on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets arising from deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.16 Provisions

Provisions for e.g. workforce reductions (restructuring), onerous contracts and legal claims are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation, and discounted to its present value.

4. Critical accounting judgements and key sources of estimation variances

In the application of the Company's accounting policies, as described in note 3 (summary of significant accounting policies), management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. Estimates and judgments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered to be relevant. Future events may cause these estimates to change and actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Changes in accounting estimates are recognised in the period when the changes occurred, if they apply to that period. If the changes also apply to future periods, the effect will be distributed between the current period and future periods.

Business combinations

The Company has finalised certain acquisitions in FY2020; refer to note 5 (business combinations) for further details. In order to account for the business combinations and determine the fair value of the underlying assets and liabilities in accordance with IFRS 3, management has used significant judgement. In order to calculate the fair value of the intangible assets in the acquired companies, the expected future cash flows have been reconciled to the purchase price of the acquired companies. The reconciliation is performed via a Business Enterprise Valuation (BEV). Intangible assets have been valued using the Multi Excess Earnings Method ("MEEM") and Relief From Royalty Method ("RFR"). The methods are considered to be appropriate for the type of assets being valued (MEEM for customer relationships and RFR for technology and trade name). The excess of the consideration over the fair value of the net identifiable assets acquired is recognised as goodwill.

Significant input used in the estimation of fair values utilising the above methods are as follows:

- The remaining estimated useful life of customer relationships is between 7 and 10 years
- The remaining estimated useful life of technology is 10 years
- Revenue growth and EBITDA (earnings before interest, tax, depreciation and amortisation) margins are based on estimates of growth and margins in the respective companies

Estimated impairment of goodwill and other intangible assets

The carrying amounts of non-current tangible and intangible assets are assessed by means of impairment tests whenever there is an indication of impairment. Any impairment of goodwill is assessed at least annually. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. As of 31 December 2020, the amount of goodwill tested for impairment amounted to KNOK 3 982 843

(FY2019 - KNOK 3 389 875). No impairment losses were recognised in FY2020 (FY2019 - nil). Please refer to notes 3 (summary of significant accounting policies) and 12 (intangible assets) for further details related to the impairment testing methodology and results.

Deferred tax assets

Management judgment is required in determining provisions for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognized. The Company is also subject to income taxes in various jurisdictions. Judgment is required in determining the Company's provision for income taxes. There may be transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax liability and expense in the period in which such determination is made.

Purchase price of subsidiaries – earn-out

Periodically, the Company acquires subsidiaries where the preliminary purchase price is based on an assumption that the acquired company will achieve a target EBITDA for the current financial year. The final purchase price is subject to an upwards or downwards earn-out adjustment based on the company's actual achieved EBITDA. The earn-out adjustment is accounted for in the income statement as finance income or expense.

5. Investment in subsidiaries

The Company has the following investment in a subsidiary:

Acquisitions during the period:

Entity	Country	Industry	Date of acquisition	Proportion of voting equity acquired
LINK Mobility Pecunia AS	Norway	Mobile messaging services and solutions	29 October 2018	100%

The above company has been acquired with the purpose of establishing the Company's activities under new ownership. The acquired entity is the holding company of LINK Mobility Group AS which provides mobile communication services and specializes in messaging, digital services and data intelligence. 100% of the voting equity interest of the company was acquired on 29 June 2018 whereby LINK Mobility Group Holding ASA gained control of LINK Mobility Pecunia AS.

The total amortized cost as of 31 December 2020:

(Amounts in NOK 1 000)	LINK Mobility Pecunia AS
Consideration, cash as of 29 June 2018	45
Capital increase subsidiary	2,696,047
Capital increase subsidiary	300,000
Capital increase debt conversion	2,691,380
Capital increase contribution in kind	1,181,001
Employee share schemes in subsidiary	30,704
Total amortized cost	6,899,176

6. Other operating expenses

(Amounts in NOK 1000)

	2020	2019
Advisors and consultants	200	291
Other expenses ¹	169	103
Total other operating expenses	369	394

¹ Other expenses are representative of license fees and insurance premiums.

Auditor's fees

The table below summarises audit fees for the period 01.01.2020 - 31.12.2020 (01.01.2019 - 31.12.2019) and fees for audit related services, tax services and other services incurred by the Company during the period.

	2020	2019
Audit fee	138	86
Other attestation services	-	58
Tax consulting services	25	-
Other services*	6,983	147
Total fee to auditor	7,146	291

* In addition to expensed amounts, an additional NOK 6,946k is included here that has been booked to equity. These are fees paid in relation to the IPO in FY2020.

7. Net finance income and expenses

(Amounts in NOK 1000)

The Group's finance income and expense is comprised of gains (losses) from foreign exchange and from exposure to interest expenses related to loans from financial institutions. Interest amounts are presented as a sum of interest on borrowings offset by amortised cost recognised in the profit and loss.

All categories of financial income and expense are presented on a net basis.

Net financial income and expenses	2020	2019
Net currency exchange gains (losses) ¹	33,656	-
Net interest expense	-3,298	-
Net other financial expense	-169	1
Total finance income	30,189	1

Net interest expense	2020	2019
Interest expense financial institutions	-2,945	-
Other interest expenses	-353	-
Total net interest expense	-3,298	-

Net other financial expenses	2020	2019
Amortized loan set-up costs	-163	-
Previously capitalized loan set-up costs	-	-
Earn-out payment from M&A transactions	-	-
Other financial (expenses) income	-6	1
Total net other financial expenses	-169	1

¹ Foreign currency gain/loss is presented on a net basis here and in the Statement of Profit and Loss. Exposure to fluctuations in foreign currency comes from external lending denominated in EUR. Refer to note 11 (interest-bearing liabilities) and note 12 (financial instruments, risk management objectives, and policies) for further details.

8. Cash and cash equivalents

(Amounts in NOK 1000)

	2020	2019
Cash and cash equivalents	122,234	22
Total cash and cash equivalents	122,234	22

Restricted cash	12/31/2020	12/31/2019
Restricted cash	-	-
Bank balance in escrow account	-	-
Total cash and cash equivalents	122,234	22

If applicable, cash and cash equivalents include amounts classified as restricted cash. There are no restricted amounts as at 31 December 2020.

9. Share capital and shareholder information

(Amounts in NOK 1000)

Share capital as at 31 December 2020 is KNOK 1 355 (2019: KNOK 1 081), being 270 911 039 ordinary shares (2019: 10 682 803 ordinary shares) at a nominal value of NOK 0.005/share (2019: NOK 0.10/share). There are no preference shares in FY2020 (2019: 129 158 preference shares at a nominal value of NOK 0.10/share).

All shares were fully paid; each ordinary share carries one vote at any general meeting.

The movement in the number of shares during the year was as follows:

	2020	2019
Ordinary shares opening balance 2020/2019	10,682,803	10,547,465
Issue of ordinary shares (29 July 2019)		67,259
Issue of ordinary shares (30 August 2019)		68,079
Issue of ordinary shares (07 January 2020)	10,934	
Conversion of nominal value from NOK 0.10 to NOK 0.005		
Share split (15 September 2020)	213,874,740	
Issue of ordinary shares (15 September 2020)	324,000	
Issue of ordinary shares (05 October 2020)	53,200,000	
Issue of ordinary shares (16 November 2020)	3,512,299	
Ordinary shares at the end of the period	270,911,039	10,682,803
Preference shares:		
Preference shares opening balance 2020/2019	129,158	129,158
Share split (15 September 2020)	2,583,160	
Settlement of preference shares	-2,583,160	
Preference shares at the end of the period	-	129,158
Total number of shares at the end of the period	270,911,039	10,811,961

LINK Mobility Group Holding ASA has the following major shareholders as at 31 December 2020:

Name of shareholder	Type of account	Ownership interest
Citibank, N.A.	Nominee	34.55%
State Street Bank and Trust Comp	Nominee	7.37%
KARBON INVEST AS	Ordinary	5.89%
Goldman Sachs & Co. LLC	Nominee	4.68%
FOLKETRYGDFONDET	Ordinary	3.58%
SUNDAHL APS	Ordinary	3.15%
State Street Bank and Trust Comp	Nominee	3.03%
Brown Brothers Harriman & Co.	Nominee	2.68%
JPMorgan Chase Bank, N.A., London	Nominee	1.49%
Skandinaviska Enskilda Banken AB	Nominee	1.37%
CLEARSTREAM BANKING S.A.	Nominee	1.29%
VERDIPAPIRFONDET NORGE SELEKTIV	Ordinary	1.07%
Morgan Stanley & Co. Int. Plc.	Nominee	1.07%
		71,22%

Major shareholders are defined as shareholders who own more than 1% of the share capital.

The company's trustees (Board Members, management) hold ownership interests and rights to shares:

Name of shareholder	Total number of shares
Karbon Invest AS (controlled by Jens Rugseth)	15,945,105
Sundahl Aps (controlled by EVP M&A and Global Messaging Søren Sundahl)	8,526,201
Guillaume Alain Van Gaver	164,010

10. Classes and categories of financial instruments

(Amounts in NOK 1000)

12/31/2020	Carrying value	
	Amortised cost	Total
Current financial assets		
Cash and cash equivalents	122,234	122,234
Non-current financial liabilities		
Long-term borrowings	2,073,280	2,073,280
Current liabilities		
Short-term borrowings	2,945	2,945
Trade payables	5,631	5,631

The financial assets held by the Company are held within a business model with the objective to hold financial assets in order to collect contractual cash flows and are thus measured subsequently at amortised cost less loss allowances.

All financial liabilities are measured at amortized cost.

The carrying amounts of financial assets and liabilities approximate their fair value as at 31 December 2020. Arrangements with financial institutions are entered into on market terms, and the carrying value at the reporting date has been assessed as approximating fair value.

The recognised amounts constitute a reasonable approximation of fair value.

11. Interest-bearing liabilities

(Amounts in NOK 1000)

Non-current financial liabilities	2020	2019
Debt to financial institutions	2,073,280	-
Total	2,073,280	-

Current liabilities	2020	2019
Debt to financial institutions*	2,945	-
Total	2,945	-

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

Maturity analysis of borrowings (including interest)	< 3 months	3 months - 1 year	1 - 2 years	2 - 5 years	Total
Bond loan	-	71,666	71,666	2,309,539	2,452,871
Total	-	71,666	71,666	2,309,539	2,452,871

The book value of borrowings is estimated to approximate their fair value.

	2020	2019
Principal amount	2,094,345	-
Transaction costs	-21,228	-
Amortization	163	-
Currency translation effects	-	-
Accrued interest and fees	2,945	-
Carrying amount	2,076,225	-

Collateral and guarantees

On 15 December 2020, LINK Mobility Group Holding ASA (LINK) successfully completed the issuance of EUR 200 million senior unsecured bonds, with a EUR 350 million borrowing limit.

The bonds have a 5-year tenor and a fixed coupon of 3.375% p.a.; any outstanding bonds are to be repaid in full at the maturity date.

(Amounts in NOK 1 000)	2020	2019
Bond principal	2,094,345	-
Transaction costs ¹	-21,228	-
Debts secured by collateral	2,073,117	-

¹ The bond loan is initially measured at fair value net of transaction costs and it is subsequently measured at amortized cost using the effective interest rate method. Consequently, the transaction cost will be amortized over the life of the bond loan. The carrying value of the bond loan will be equal to the principal amount of EUR 200 million at maturity in FY2025.

12. Financial instruments, risk management objectives, and policies

Through its operations the Group is exposed to the the following financial risks;

- Interest rate risk
- Foreign exchange risk
- Credit risk
- Liquidity risk

Interest rate risk

Interest rate risk arises as a consequence of long-term debt. In December 2020 the Company successfully completed the issuance of EUR 200 million senior unsecured bonds, with a EUR 350 million borrowing limit (refer to note 18 for further details).

The sensitivity analysis below is based on the exposure to changes in interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount outstanding at reporting date was outstanding for the whole year. A one percent increase or decrease represents management's assessment of reasonable and possible changes in interest rates.

If interest rates had been one percent higher/lower and all other variables were held constant, the Group's profit (and corresponding equity) for the period ended 31 December 2020 would decrease/increase by KNOK 2 000 (FY2019 KNOK 0). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Foreign exchange risk

The Company is a holding company and does not actively undertake business in foreign currencies; as a consequence, exposure to fluctuations in exchange rates is limited. Foreign exchange risk arises from transactions related to operations conducted, and assets and liabilities arising in foreign currencies.

amounts in NOK 1000	2020		
	NOK/EUR impact	NOK/SEK impact	NOK/CHF impact
Borrowings	209,406	-	-

Credit Risk

The Company is a holding company and owns all shares in LINK Mobility Pecunia AS; credit risk is deemed to be low.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations when they mature, resulting in default.

The Company considers its liquidity risk to be limited, and has sufficient liquidity available on bank accounts as of year-end. Obligations are covered by transfer of cash from subsidiaries.

The Company has financial debt covenants related to the senior unsecured bonds. Refer to note 11 for information about the bond covenants.

The Company does not have any credit facilities.

13. Trade and other payables

Trade and other payables	2020	2019
Trade payables	5,631	-
VAT payable	1,545	-
Other accruals	46	46
Total trade and other payables	7,222	46

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. Trade and other payables are due within three months.

14. Income tax

(Amounts in NOK 1000)

Specification of income tax expense

The tax benefit/(expense) is calculated based on profit before income tax and consists of current tax and deferred tax.

	2020	2019
Deferred tax expense (income)	-	-
Current tax expense	725	-
Income tax (income)	725	-

Income tax payable (balance sheet)	2020	2019
Income tax payable	725	-
Current tax liabilities (balance sheet)	725	-

Effective Tax Rate

The difference between income tax calculated at the applicable income tax rate and the income tax expense attributable to loss before income tax was as follows:

	2020	2019
Profit/(loss) before income tax	29,820	-392
Statutory income tax rate*	22%	22%
Expected income tax benefit	6,560	-86
Tax effect on non-taxable income/expenses	-23,973	6
Effect of changes in tax rules and rates*	-	-
Change in temporary differences	-	-
Non deductible interest, interest cap rules	-	-
Current tax expense, interest cap rules	725	
Change in deferred tax asset not recognized	17,412	81
Income tax expense/income (-) for the year	725	0
Effective tax rate	2%	0%

* The statutory income tax rate based on the currently enacted tax rate in Norway.

Specification of the tax effect of temporary differences and losses carried forward

Tax losses carried forward	2020	2019
Unused tax loss carry forward	97,280	366
Interest cap	3,298	-
Potential tax benefit unused tax losses @ 22 %	21,402	81
Potential tax benefit interest cap @ 22 %	725	-

Deferred tax assets related to tax losses have not been recognised as it is deemed unlikely that the company will generate taxable income in the foreseeable future. The tax loss can be carried forward indefinitely.

The benefit from the interest cap carried forward is uncertain and the tax asset is not recognised. The amount can be carried forward for 10 years.

Unrecognised temporary differences	2020	2019
Temporary differences for which deferred tax liabilities have not been recognised	21,065	-
Unrecognised tax liabilities relating to the above temporary differences @ 22 %	4,634	-

The temporary differences are related to unrealized gains from currency translation. Deferred tax liability has not been recognised as it is deemed unlikely that the company will generate taxable income in the foreseeable future.

15. Contingencies and legal claims

The Company is not involved in any disputes or litigation as at the balance sheet date or as at the date these financial statements are approved, that would lead to the recognition of a liability or require additional disclosure. Management and the Board of Directors are not aware of any such incidents that may have a negative impact on the Company.



To the General Meeting of LINK Mobility Group Holding ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LINK Mobility Group Holding ASA, which comprise:

- The financial statements of the parent company LINK Mobility Group Holding ASA (the Company), which comprise the statement of financial position as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of LINK Mobility Group Holding ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in

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authorised accounting firm*



accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Impairment of goodwill</i></p> <p>At the balance sheet date, the book value of goodwill was NOK 3 983 million, distributed between 14 different cash generating units (CGU's). The values involved are significant and constitute a major part of total assets in the balance sheet. No impairment charge was recognized for 2020.</p> <p>Management performs an impairment test at least annually by estimating the recoverable amount of goodwill. The determination of recoverable amount requires application of significant judgement by management, in particular with respect to cash flow forecasts and the applied discount rate.</p> <p>We focused on goodwill due to the pervasive effect of goodwill in the balance sheet and managements use of judgement in estimating recoverable amount.</p> <p>See note 13 in the consolidated financial statement for further explanation of managements use of judgement and impairment review.</p>	<p>We obtained management's impairment review. We satisfied ourselves that the impairment review and the valuation model used, contained the elements required by IFRS. We tested that the impairment model performed mathematical calculations as expected.</p> <p>We questioned management's assumptions on future revenues and margins by comparing them to historical financial data and future budgets approved by management.</p> <p>We evaluated the discount rate used by management by reviewing the elements in the calculation of the discount rate against both internal and external information.</p> <p>Based on our audit procedures we found management's assumptions reasonable.</p> <p>Finally, we considered the adequacy of Financial Statements disclosure in note 13 and found them appropriate.</p>

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial*



Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 26 April 2021

PricewaterhouseCoopers AS

A handwritten signature in blue ink, appearing to read 'Jone Bauge', is written over a faint, light blue circular stamp or watermark.

Jone Bauge

State Authorised Public Accountant

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