

Financial presentation

Q1 2023

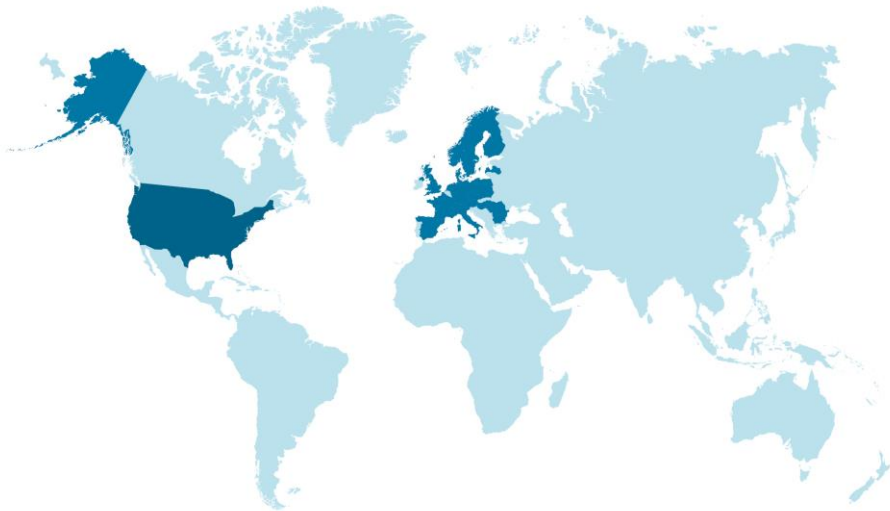
10 May 2023

LINK in short

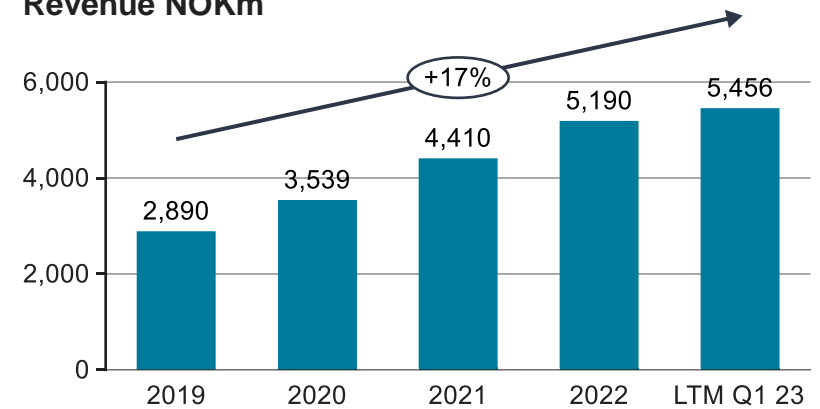
#1 in Europe for enterprise digital messaging - Established player for more than 20 years

~ 700 employees in 30 offices across 18 countries

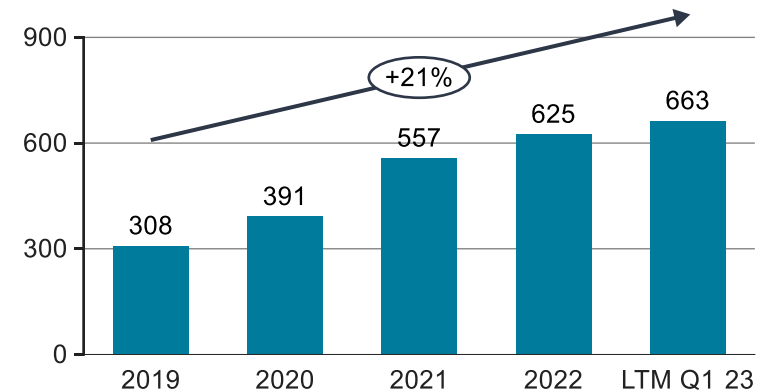
17 billion messages sent annually by 51,000 customers



Revenue NOKm



Adjusted EBITDA NOKm



Q1 2023 highlights

Stronger than expected first quarter

Revenue reported at NOK 1 440 million. Organic growth in fixed currency 12%

- US reporting a 119% revenue growth with traction on messaging services and diversification of critical events messaging
- Europe reported modest revenue growth as expected at 4% held back by high comparables due to significant covid traffic same period last year

Gross profit reported at NOK 398 million. Organic growth in fixed currency 13%

- Increased margins for enterprise clients due to mix effects with a higher portion of revenue deriving from high margins clients and products

Adjusted EBITDA reported at NOK 181 million. Organic growth in fixed currency 16%

- Opex reductions delivered as plan with a contribution of NOK 17 million in the quarter

High cash generation after capex and interest of NOK 118 million

- Group leverage reduced to 4.3x from 4.6x previous quarter

LINK signed all-time high 826 new and expanding agreements in the first quarter

- Forecasted gross profit contribution from new contracts in the last two recent quarters significantly higher than historical averages

Reported figures impacted by NOK depreciation

NOKm	Q1 2022	Organic growth	FX effect	Q1 2023
Revenue	1 174	138	128	1 440
Organic growth (%)		12%		
Gross profit	322	41	35	398
Organic growth (%)		13%		
Adjusted EBITDA	142	23	16	181
Organic growth (%)		16%		

Gross profit growth better than expected

Europe as expected whilst US exceeds expectations

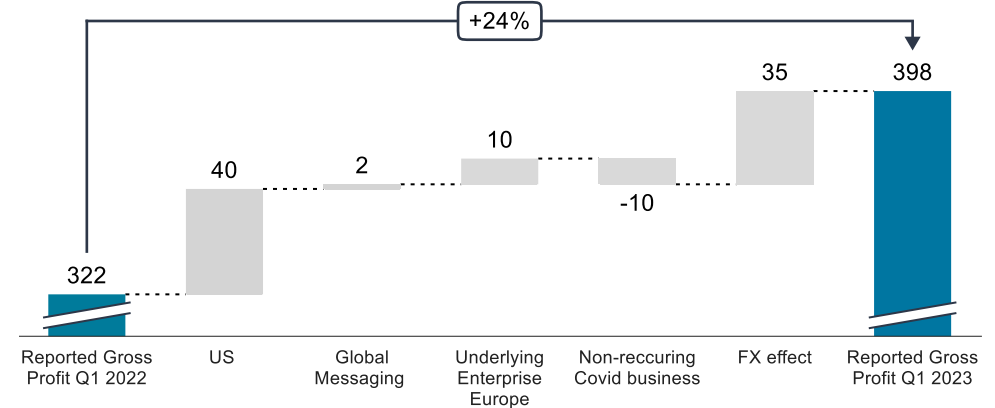
US reporting high gross profit growth

- Strong momentum for messaging solutions
 - Catch-up effect from build-up of contract backlog last year
 - Two new clients signed end of last year started to contribute to the P&L
- Critical events messaging amounting to USD 1.4 million in Q1 23
 - Related to winter storms from broader geographical exposure enabled by new clients

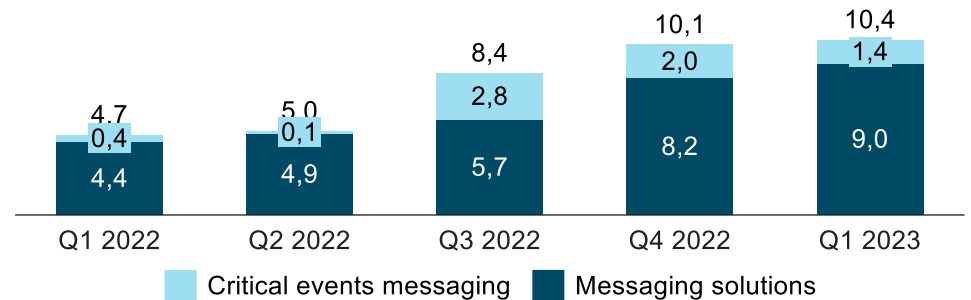
Moderate underlying growth in Europe as expected

- High comparables as Q1 2022 experienced large volumes due to covid testing
- Softer European retail volumes in January and February following a stronger Q4 22
- High order backlog into 2023 expected to improve growth momentum gradually through the year

Organic gross profit development in NOKm



Quarterly US revenue USDm

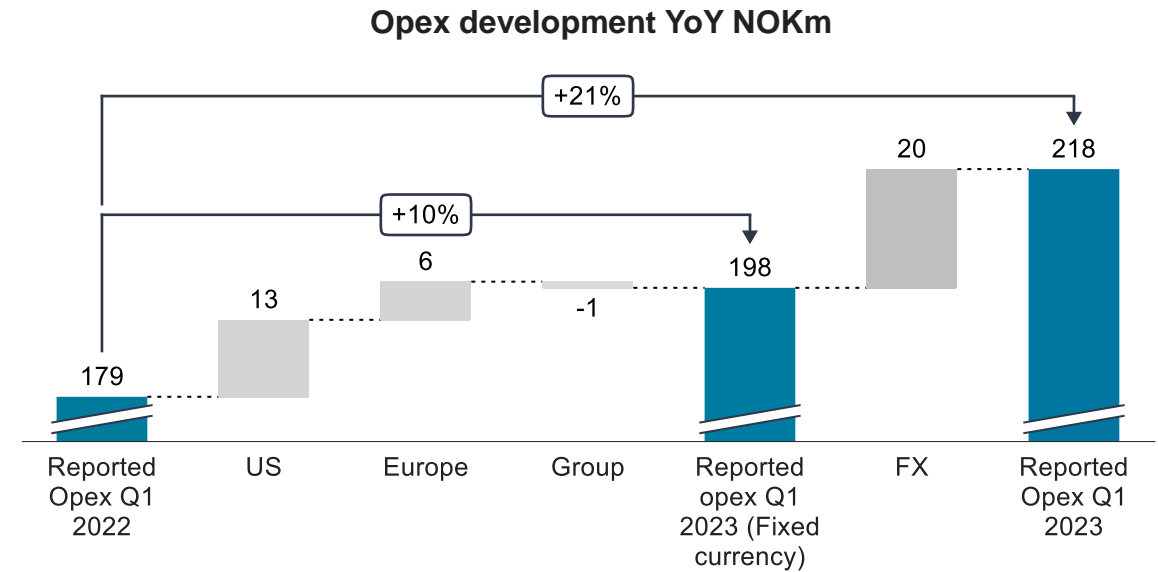


Cost reduction initiatives delivered according to plan

Reported costs higher with NOK depreciation

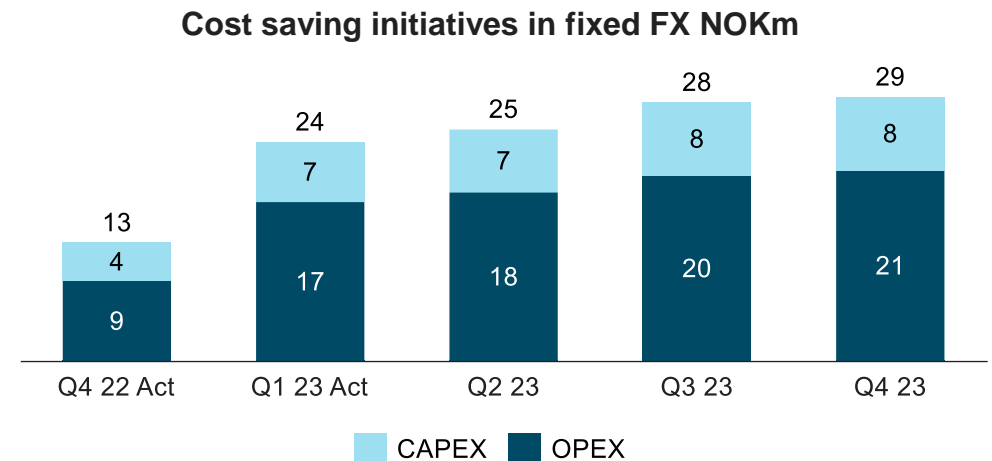
Opex growth of 10% in stable currency

- Investments in commercial capabilities in the US through 2022 and onboarding of customer base with full effect in the quarter
- Limited growth in opex in European footprint at 5%
- Cost reductions at Group level drives decline YoY in group costs



Cost initiatives delivering according to communicated plans

- Total cash savings from cost initiatives expected at NOK 105 million level as previously communicated.
- Depreciation of NOK impacts nominal effect of cost reductions



Strong growth in European contract backlog

SMS remains the channel of choice with more than 5 billion global users

Clear step up in new contract wins following commercial refocus last year

- High contract backlog into 2023 to materialize in P&L throughout the year
 - Historically 75% of gross profit recorded in P&L within 12 months

New contract wins increased 45% YoY in Q1 23

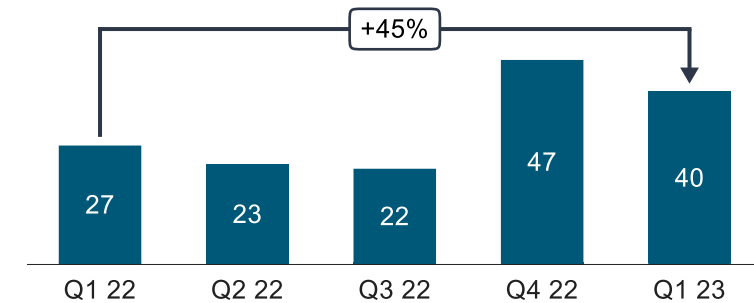
- Forecasted gross profit contribution from new wins NOK 40 million

Preferred customer channel SMS saw strong growth of 55%

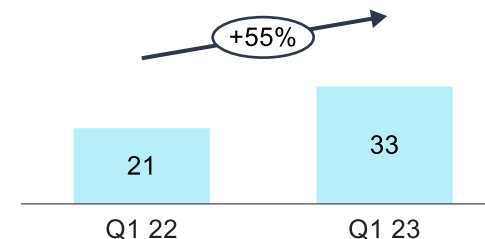
- Traditional products chosen in uncertain macroeconomic landscape

CPaaS contributed NOK 7 million in expected new contract gross profit

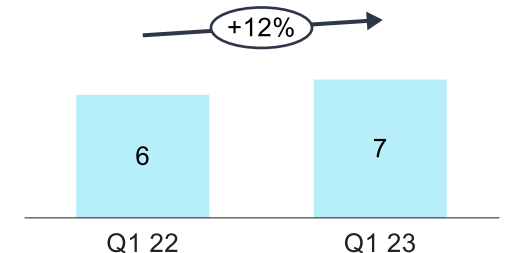
Gross profit contribution from new contract wins



A2P



CPaaS



LINK grows and retains customers

Base expanding quarter by quarter

51' active customer accounts, growing 8% YoY

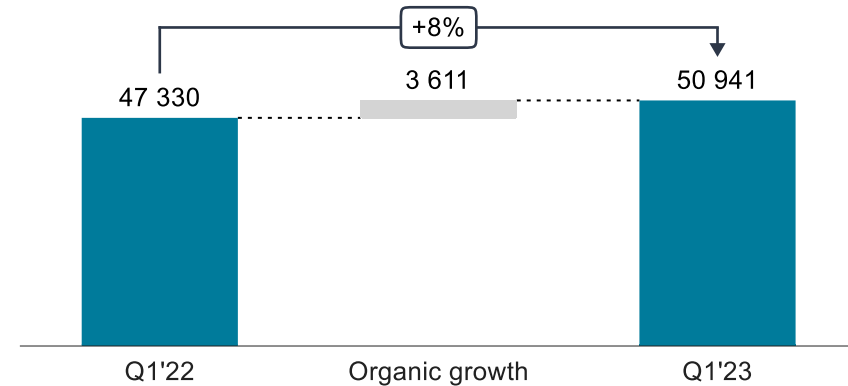
Organic growth 3,611 new customer accounts

Record new agreements signed

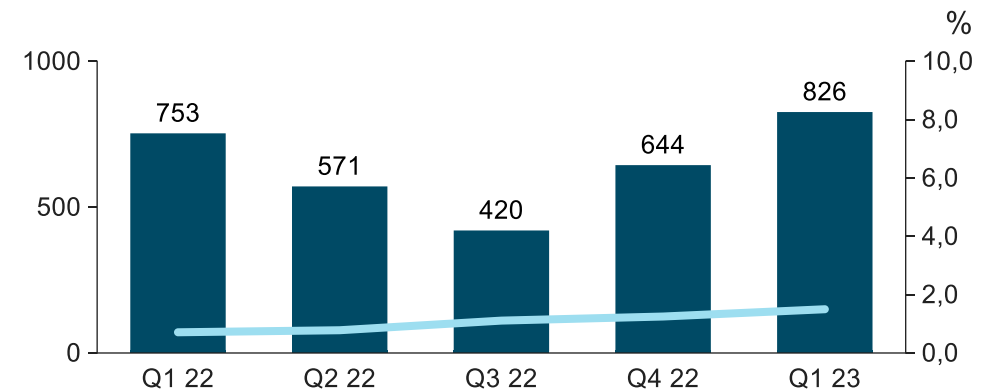
Contract wins grew 10% YoY to 826

Customer churn remained low at 1.5% in Q1 23

Customer accounts



New agreements signed in quarter / Customer churn (%)



Q1 on-track to deliver 2023 forward-looking statement

Forward-looking statement 2023 reiterated

Gross profit growth expected to be higher than in 2022

Organic adjusted EBITDA growth expected to be 12-15% in fixed currency

- Supported by execution on opex savings



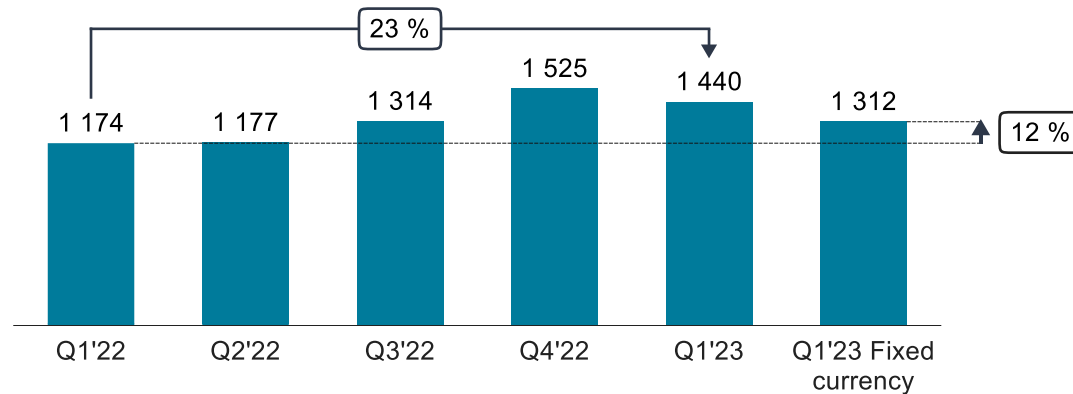
Financial review

Q1 2023

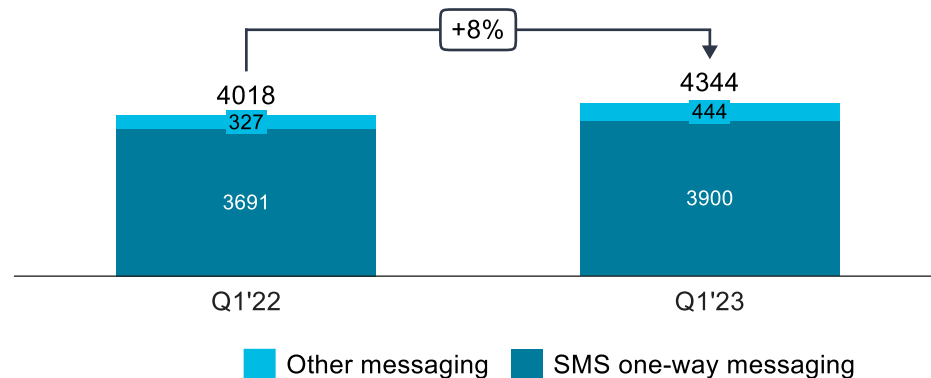
Reported revenue growth of 23%

FX tailwind contributed 11 percentage points

Reported revenue NOKm



Reported volume (mill transactions)



Organic revenue growth of 12% in fixed currency

- Higher than expected revenue contribution from the US
 - Critical events related revenue of NOK 14 million from winter storms
 - Messaging solutions growth driven by signed contracts in H2 22
- European footprint in line with expectations with strong comparable Q1 22
 - Enterprise retail segments somewhat softer than in Q4 but good traction on new contract signings both for local and global clients
 - Continued high growth momentum in Global Messaging

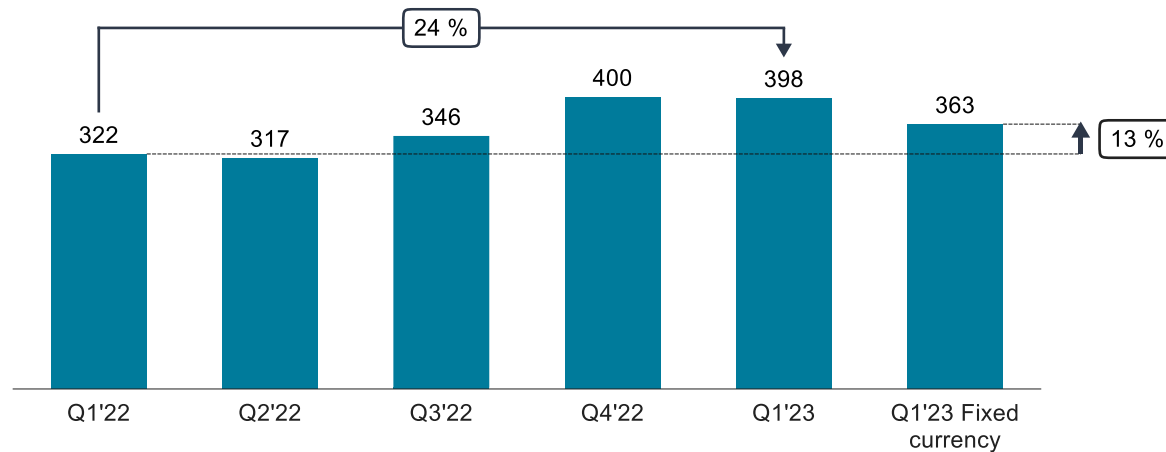
Reported volume growth for Q1 23 at 8% and lower than revenue growth

- Higher share of non-messaging revenue like licences and professional services
- Destination mix effects in Global Messaging towards higher priced countries

Gross profit growth of 24%

FX tailwind contributed 11 percentage points to gross profit growth

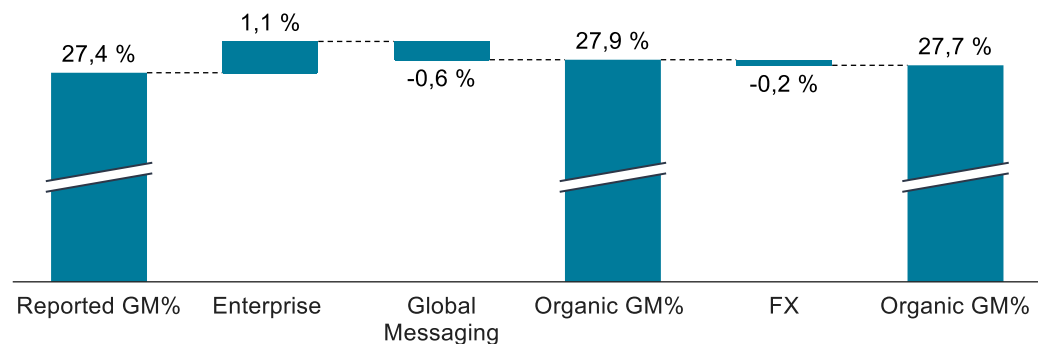
Gross profit NOKm



Organic gross profit growth 13% in fixed currency

- Large contribution to growth from high margin US business
- Gross profit growth in European negatively impacted by comparables
 - Q1 22 included high margin covid traffic especially in Austria

Gross margin (%)



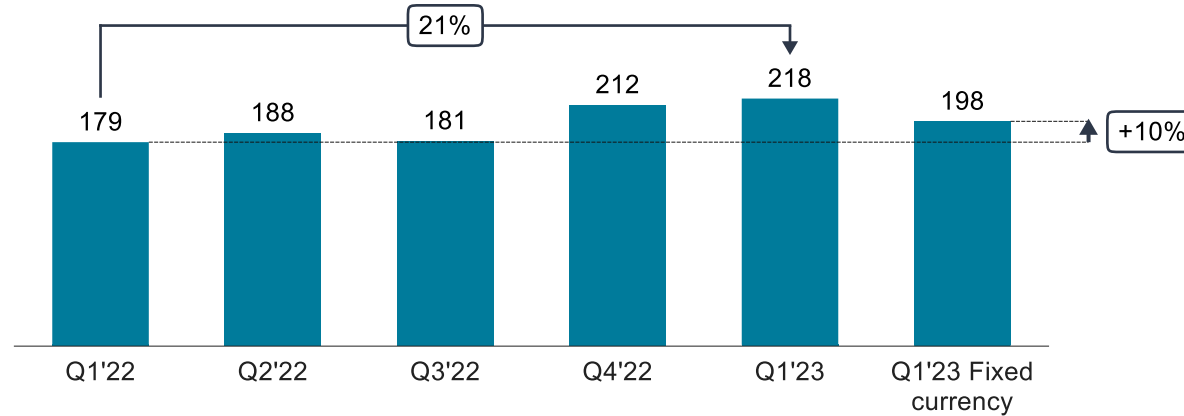
Gross margin slightly improved with mix effects

- Enterprise segment contributed positively by 1.1 percentage points
 - Large share of high margins clients and products
 - Central Europe margin dilution YoY with discontinuation of covid traffic
- Global Messaging higher share of revenue with dilution effect

Adjusted EBITDA growth of 27%

FX tailwind contributed 11 percentage points to reported adjusted EBITDA growth

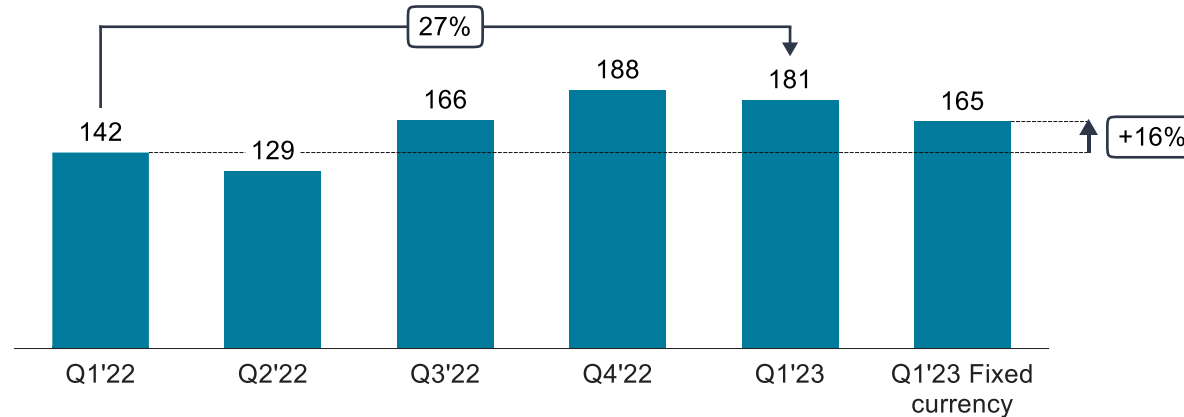
Opex NOKm



Organic growth in opex of 10% in fixed currency

- US main contributor to opex growth
 - Investments through 2022 and adding on customer base late Q4 22
- European opex growth managed at 5% in fixed currency
 - Cost initiatives executed according to plan

Adjusted EBITDA NOKm



Organic growth in adjusted EBITDA 16% in fixed currency

- Higher than expected gross profit contribution from the US
- Managed opex growth with cost initiatives

P&L - Non-recurring costs shifted to lower level

NOK in millions	Q1 2023	Q1 2022	Full Year 2022
Total operating revenues	1 440	1 174	5 190
Direct cost of services rendered	(1 041)	(852)	(3 805)
Gross profit	398	322	1385
Operating expenses	(218)	(179)	(760)
Adjusted EBITDA	181	142	625
Non-recurring costs	(14)	(28)	(148)
EBITDA	167	115	478
Depreciation and amortization	(108)	(100)	(416)
Impairment of intangible assets and goodwill	-	-	(180)
Operating profit (loss)	58	15	(118)
Net financials	(71)	(6)	(37)
Profit (loss) before income tax	(12)	9	(155)
Income tax	16	(8)	4
Profit (loss) for the period	3	1	(151)

Non-recurring costs of NOK 14 million

- Share-option cost of NOK 7 million
- Restructuring costs of NOK 4 million
- Costs related to M&A of NOK 3 million

Depreciation and amortization NOK 108 million

- Depreciation of intangible assets NOK 20 million from internal R&D
- Depreciation of PPA's NOK 83 million
- Depreciation of leasing arrangements and fixed assets NOK 5 million

Net financial items negative NOK 71 million

- Negative currency effect of NOK 32 million with limited cash impact
- Interest NOK 39 million reflecting outstanding EUR 370 million bond

Solid balance sheet

NOK in millions	Q1 2023	Q1 2022	Year 2022
Non-current assets	9 383	8 589	8 924
Trade and other receivables	1 278	865	1 244
Cash and cash equivalents	964	802	827
Total assets	11 625	10 256	10 994
Equity	5 508	5 021	5 226
Deferred tax liabilities	517	543	533
Long-term borrowings	4 163	3 597	3 837
Other long term liabilities	38	62	45
Total non-current liabilities	4 718	4 203	4 416
Trade and other payables	1 324	936	1 331
Other short term liabilities	75	96	22
Total current liabilities	1 399	1 032	1 353
Total Liabilities	6 117	5 235	5 769
Total liabilities and equity	11 625	10 256	10 994

Non-current assets increased mainly due to currency effects

- Marginal additions related to PPA

Cash on balance sheet NOK 964 million

- Expanding QoQ from free cash flow generation and positive FX impact

Equity NOK 5,508 million and equity percentage of 47%

Receivables and payables increased with organic growth and currency effects

Net interest-bearing debt* of NOK 2.917 million

*Calculated according to the company's bond terms

LINK leverage trending down

Strong growth in adjusted EBITDA and high cash conversion drives leverage down to 4.3x

NOK '000	Q2 2022	Q3 2022	Q4 2022	Q1 2023	LTM Q1 2023
Adjusted EBITDA	129	166	188	181	663
Change working capital	89	(103)	66	(27)	24
Taxes paid	(6)	(10)	(30)	0	(46)
Non-recurring costs M&A	(18)	(15)	(53)	(7)	(93)
Net cash flow from operating activities	194	38	170	147	549
Add back non-recurring costs M&A	18	15	53	7	93
Adjusted cash flow from operations	212	53	223	154	642
Capex	(45)	(38)	(47)	(35)	(165)
Interest	(69)	(1)	(69)	(1)	(140)
Cash flow after capex and interest	98	14	107	118	337

Adjusted LTM cash flow from operations NOK 549 million

Reported cash flow from operations include M&A related expenses
FCF generated after capex and interest of NOK 337 million

Working capital varies significantly between quarters

LTM build mainly reflects periodization and not higher underlying WC
WC remains net negative and a funding source for organic growth

High cash conversion LTM

Adjusted cash flow from operations 97% to adjusted EBITDA
Free cash flow after interest and capex 51% to adjusted EBITDA

Cost reduction initiatives support FCF and adjusted EBITDA in 2023

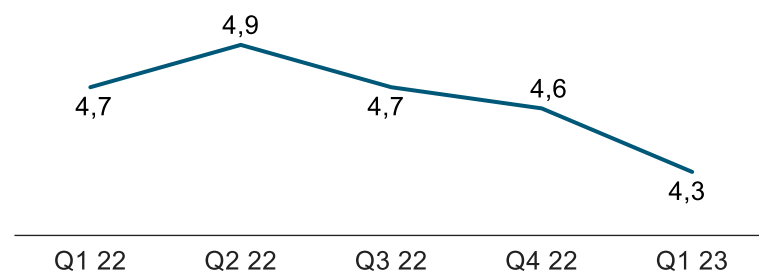
LTM Q1 23 leverage reduced to 4.3x during first quarter

FCF and growth in adjusted EBITDA to continue deleveraging trend

LINK's EUR 370 million fixed coupon bond matures in December 2025

Fixed interest rate at 3.375% secured for 2.5 years

Leverage (Net debt / LTM proforma adjusted EBITDA)*

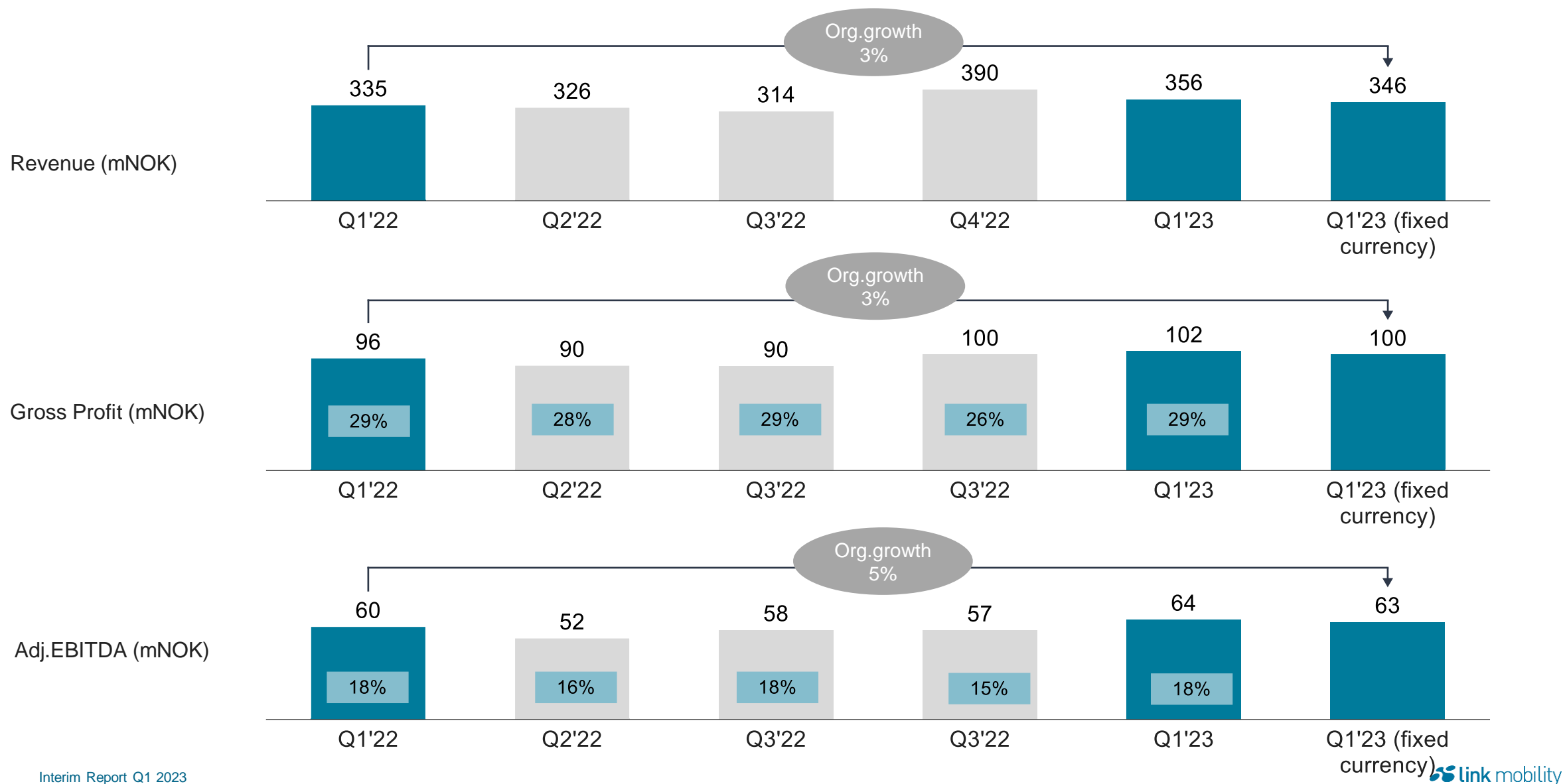


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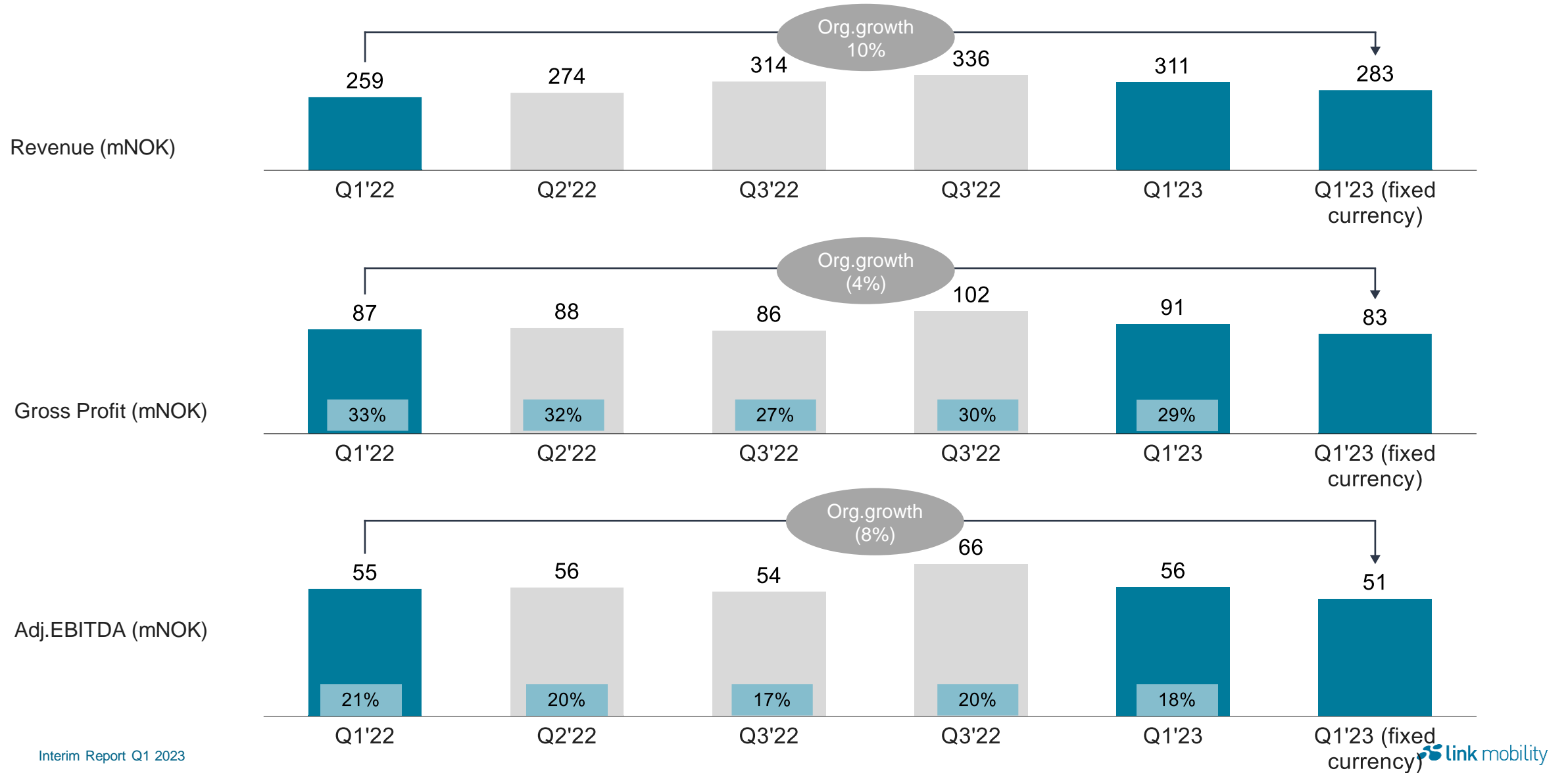
Appendix

Q1 2023

Northern Europe



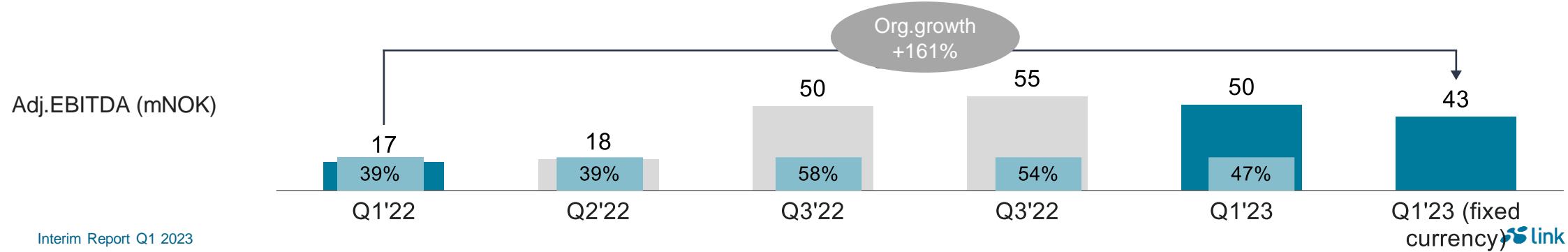
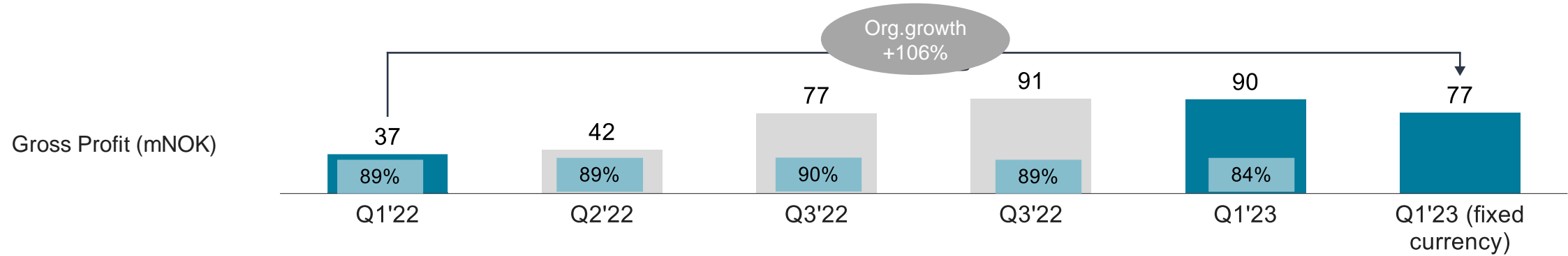
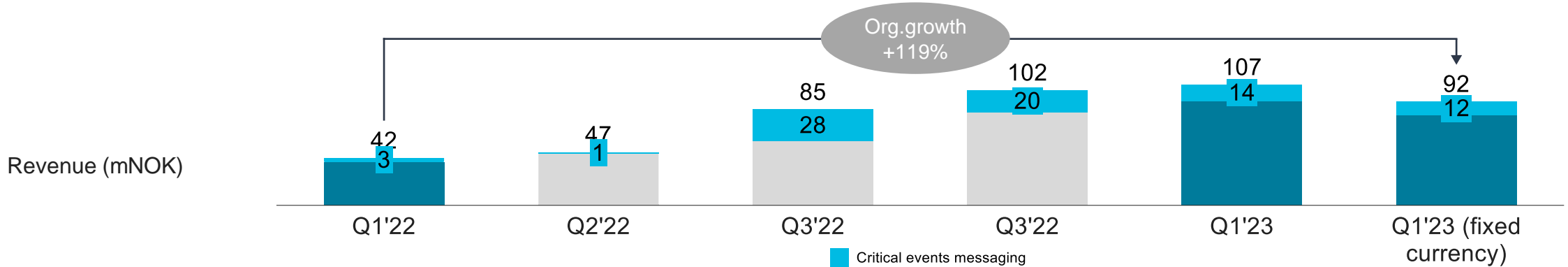
Central Europe



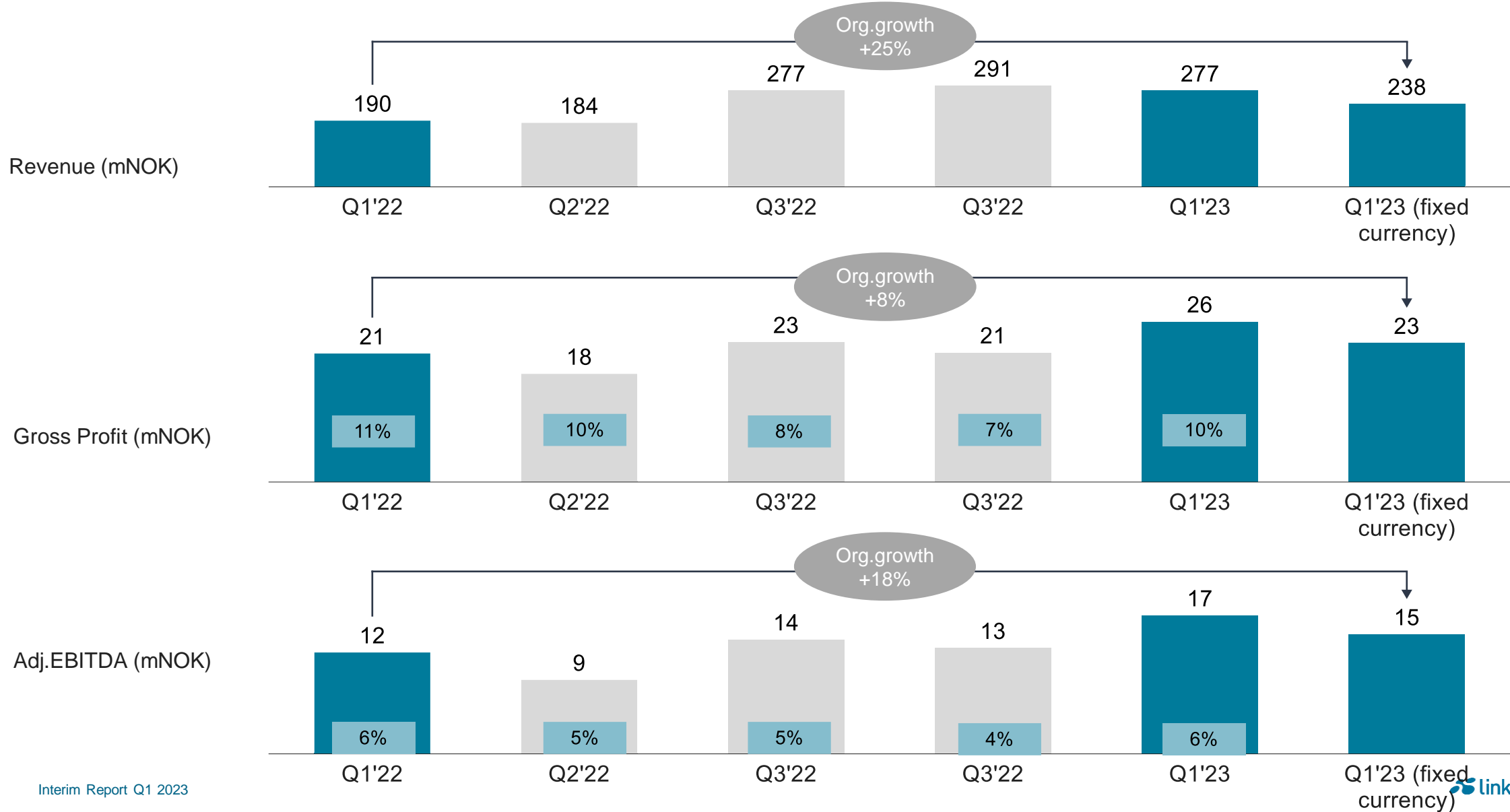
Western Europe



North America



Global Messaging



Q&A

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