



Interim Report

Second quarter 2021

A large, solid blue circle with a thin orange border, containing the text "Q2" in a large, white, serif font.

Q2

Today's presenters



Chief Executive Officer

Guillaume van Gaver



Chief Financial Officer

Thomas Berge

Second quarter report 2021 highlights



LINK transformed from a European CPaaS provider to a global CPaaS player

- Increasing the footprint to the U.S. as well as Latin America and Asia-Pacific when Soprano is included



Pro forma* LTM revenue NOK 4,362 million, pro forma* adjusted EBITDA NOK 622 million

- Soprano will add an additional NOK 683 million in revenue and NOK 182 million in adjusted EBITDA
- Delivered on M&A strategy as communicated in the IPO with 5 closed acquisitions**



Pent-up demand as societies reopen drove organic revenue growth in local currency to 23%

- Reported revenue growth including acquired entities 26%



Reported adjusted EBITDA at NOK 119 million, an increase of 22% including acquired entities

- Q2 profitability last year helped by cost reduction initiatives implemented due to pandemic uncertainty



Launched an additional significant WhatsApp agreement with customer service for Deutsche Post

- Diverse customer base of close to 50,000 accounts including Message Broadcast and Soprano footprint
 - Extensive opportunities to cross-sell broad LINK product portfolio including WhatsApp globally

LINK growth supported by reopening of societies

- LINK delivers two broad product categories
 - Notification messages and marketing messages
- Logistics and ecommerce notifications
 - Increasing with digitalization of transactions
- Marketing volumes for retailers and hospitality
 - Recently been impacted by government restrictions
- LINK has advanced marketing products and established use cases
 - Clients have increased volumes with societies reopening



Deutsche Post - Improved Customer Service with WhatsApp from LINK



Deutsche Post's customer service added WhatsApp from LINK as new channel

- Deutsche Post owns DHL which already uses WhatsApp from LINK
- DHL early adopter of LINK's mobile logistics solutions



Deutsche Post service already sees substantial volumes via LINK platform

- High volume growth expected with continuous new use cases
- The WhatsApp supported chatbot enhances both customer service and operational efficiencies



LINK positioned as DHL's backbone for mobile messaging globally

- DHL Express, which handles 70% of all B2C shipments, and DHL IT Services Digital Assistant use LINK mobile communications



LINK's WhatsApp service to be rolled out globally through DHL's footprint

- As part of cooperation with DHL centralized Digital Assistant program



LINK with leading position in emerging OTT's and RCS channels

- Companies increasingly deliver messages through OTT's and RCS channels
- The new richer higher margin channels are expanding fast
 - WhatsApp traffic increased around 5 times from end Q1 21
 - RCS traffic more than doubled from March to June
- LINK has developed a feature proven RCS Gateway
 - 90 operators directly connected with routing capability to 200+ countries
 - More operators in pipeline to be onboarded
- LINK has a close partnership with Facebook to scale WhatsApp traffic
 - Facebook sees LINK's global clients as platform to scale WhatsApp as a new channel
 - Gateway with implemented reporting and partner services on top
 - LINK to publish quarterly investor updates on WhatsApp as an example

LINK has 90 operators
connected to state
of the art RCS Gateway with
routing capability to 200+
countries



LINK preferred Facebook
partner for
WhatsApp communication

Please refer to QR code for
an interactive investor
update



link mobility

GTM drives organic growth potential

LINK has a threefold go-to-market (GTM) methodology

Enterprise

- Direct salesforce (local and global accounts) to work with and expand our large enterprise customer base

Partner

- Launched improved partner program with added benefits which increased growth in Q2 21

SSU (self-sign-up)

- Increased e-commerce focus, including a SSU rebrand, will pick up speed in H2 21

GTM methodology contributes to increased growth rates

- Combined with lower customer acquisition costs and improved operational efficiencies

LINK added an estimated annual revenue contribution of NOK 67 million from Q2 21 closings

- Signed 420 customers contracts
- Signed 33 partner framework agreements
 - Added 145 new partner customers

LINK has a strong partner community



Platinum



Gold



Certified

LINK with proven M&A track record

LINK has completed 29 acquisitions since 2014

- Of which 5 since the IPO in October 2020

Clearly defined M&A strategy

- From target identification through to integration and synergies

De-risking M&A through target selection

- Solid technical platform and messaging focus
- Established and profitable with very low churn

Integration and synergies

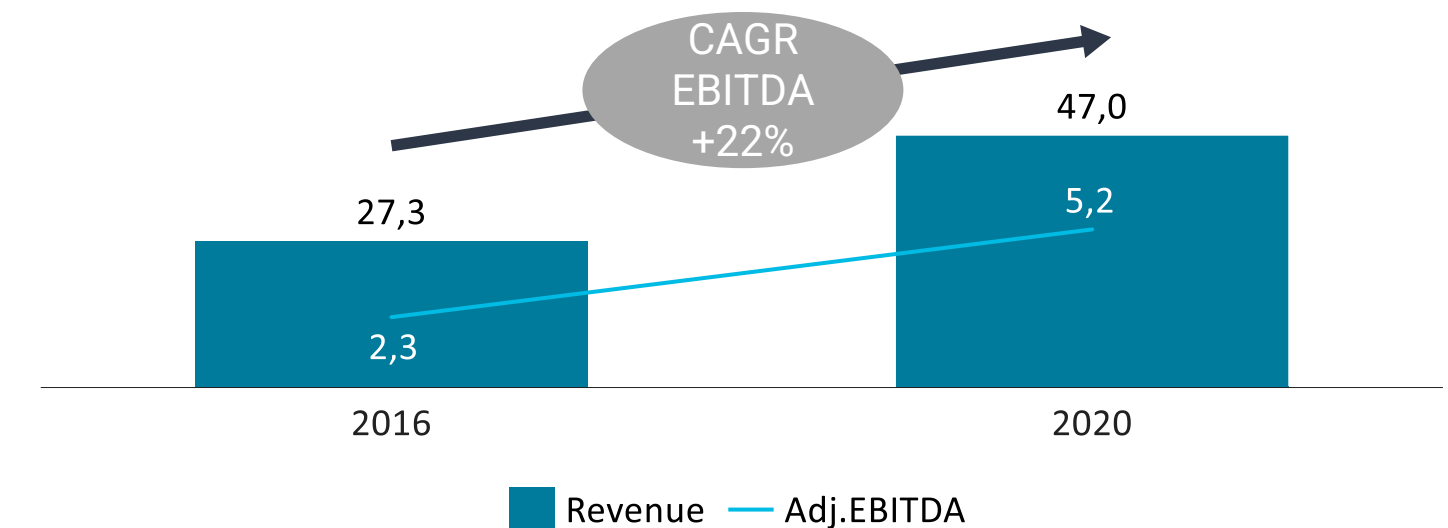
- COGS reduction through optimal routing
- Cross-selling of group customer portfolio



- First acquisition outside of Scandinavia in 2016
 - Leading messaging provider in Germany
- LINK has significantly increased scale by leveraging its global reach to acquire new clients and improved operational efficiency through best practices
 - Notably onboarded DHL Express as a client and increased gross margin through routing efficiencies
- The acquisition shows LINK's ability to drive growth by combining industry and market knowledge with branding and financial expertise

Development in revenue and adjusted EBITDA

EUR million



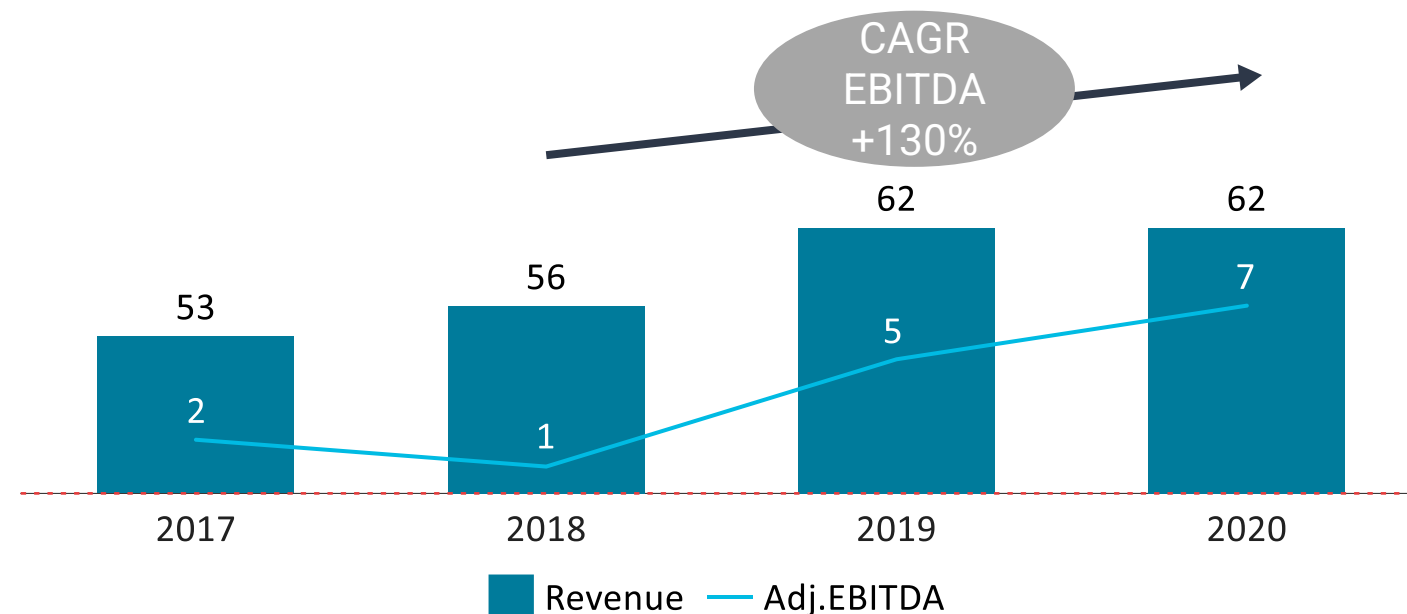
Acquisitions directly accretive and fast growing

netsize

- Leading enterprise-focused A2P player in France
 - LINK acquired Netsize in January 2019, when revenue and gross profit had been flat or declining for several years
- LINK restarted growth through implementation of key initiatives integrating the business and streamlining the operations
 - Efficiency gains improved cost position
- Increased effectiveness has extracted synergies

Development in revenue and adjusted EBITDA

EUR million

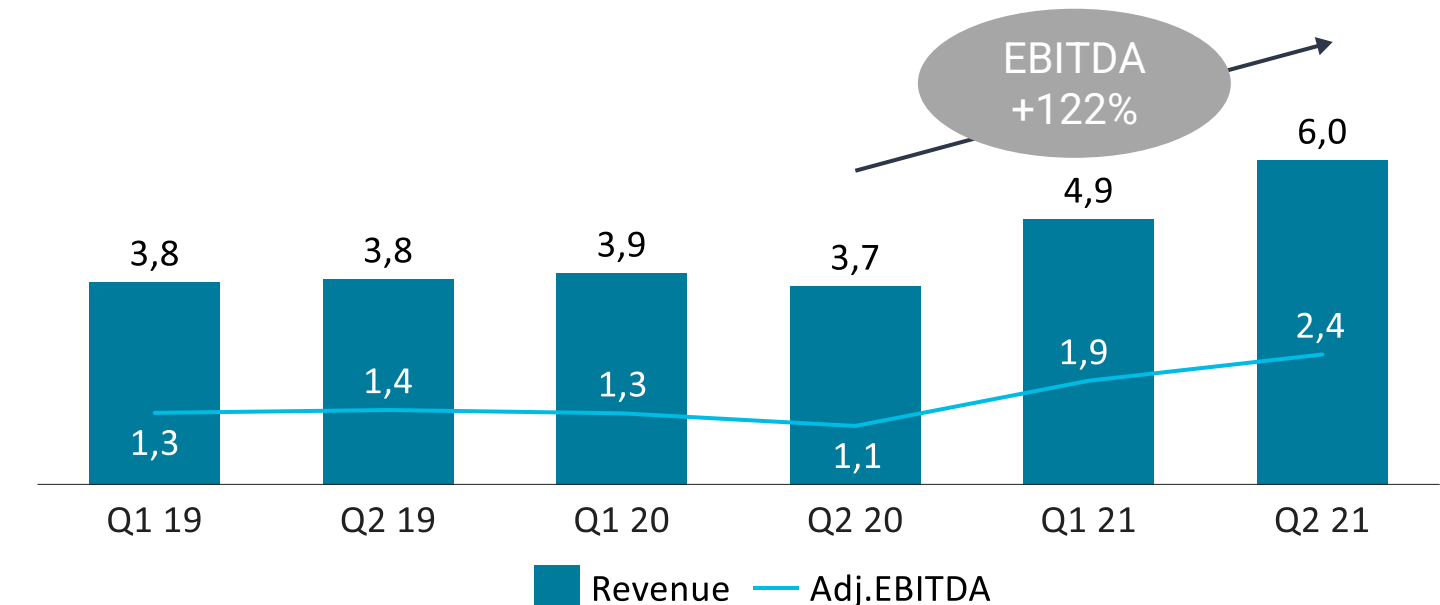


websms|

- Leading messaging provider in Austria with significant business in Germany and Switzerland
- Consolidated LINKs business units in the country since the acquisition in November 2020
- Solid growth across all client segments and positive impact of governmental traffic related to vaccinations and covid restrictions

Development in revenue and adjusted EBITDA

EUR million



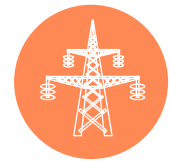
LINK closed the acquisition of Message Broadcast in California on 24 June 2021



Founded in 1998, Message Broadcast is a leading provider of customer engagement solutions to large enterprise customers in the U.S.



Sticky revenue model generating >150% net revenue retention as a result of expanding use cases with existing customers



Deeply entrenched enterprise relationships with strong market position in the American utilities vertical, a substantial share of largest players current customers



Primary use case and customer value proposition - Deliver highly reliable communication to utility consumers during critical times (e.g., natural disasters, planned power outages, etc.)



Experienced and motivated leadership team to continue leading the business and driving continued growth

Facts and figures¹

~330 NOKm

FY21E revenue

~60%

YoY revenue growth
(local currency)

~285 NOKm

~86% gross margin

FY21E gross profit

Approx. 500 bps PF increase in
Link margin²

~200 NOKm

~60% margin

FY21E EBITDA

Approx. 400 bps PF increase in
Link margin²

Strong customer base across multiple verticals



Utility



Telecom



Healthcare



Finance &
tech



McKesson

AMGEN

IBM

Soprano acquisition expected to be formally signed shortly



Founded in 1994, Soprano is a leading global CPaaS provider for large enterprises, partners and governments in multiple industries



Highly experienced and heavily invested management team ready to join forces with LINK



Headquartered in Sydney Australia, with stronghold in APAC region. Regional offices in Europe, North America, South America and Southeast Asia



Unique white label SaaS solution with 13 global carrier/MNOs as strategic partners. More than 4,000 enterprise clients



The acquisition of Soprano is progressing, and SPA is expected to be signed shortly

Facts and figures¹

~717 NOKm

FY21E revenue

18%

YoY revenue growth

~382 NOKm

53% gross margin

FY21E gross profit

Approx. 408 bps PF increase in Link margin

~174 NOKm

24% margin

FY21E cash EBITDA

Approx. 187 bps PF increase in Link margin

113%

Net retention rate²

14

Countries

~200

Employees

~10bn

2021E messages

Forward looking statement to 2024 – Higher margins with accretive M&A

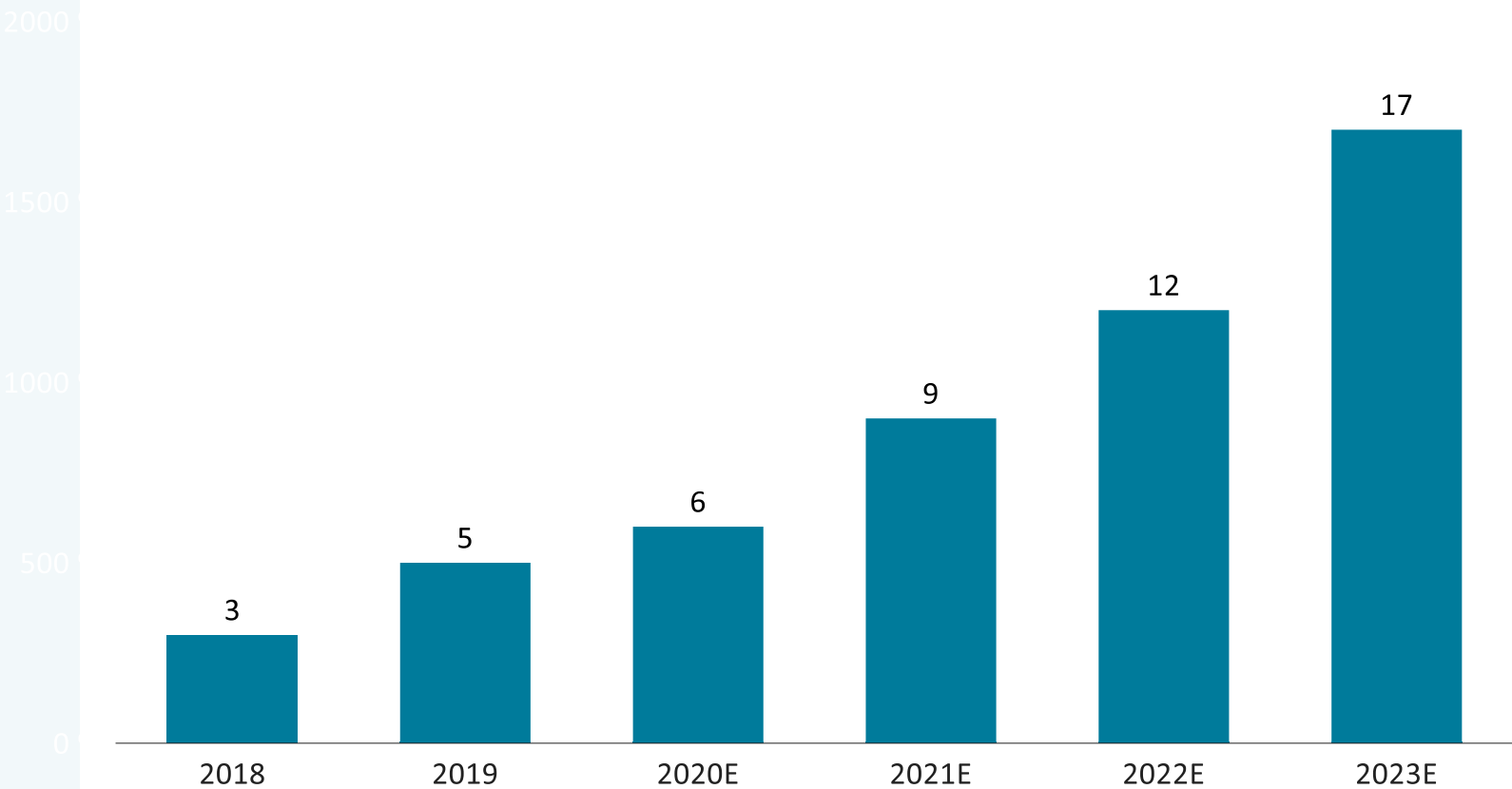
Forward looking statement to 2024 based on GTM initiatives and M&A pipeline

- Pro forma revenue NOK 10,000 million
- Pro forma adjusted EBITDA margin 15-17%
 - Up from previous 13-15% range reflecting Message Broadcast acquisition
 - Range to be raised further to 18-20% upon closing of Soprano

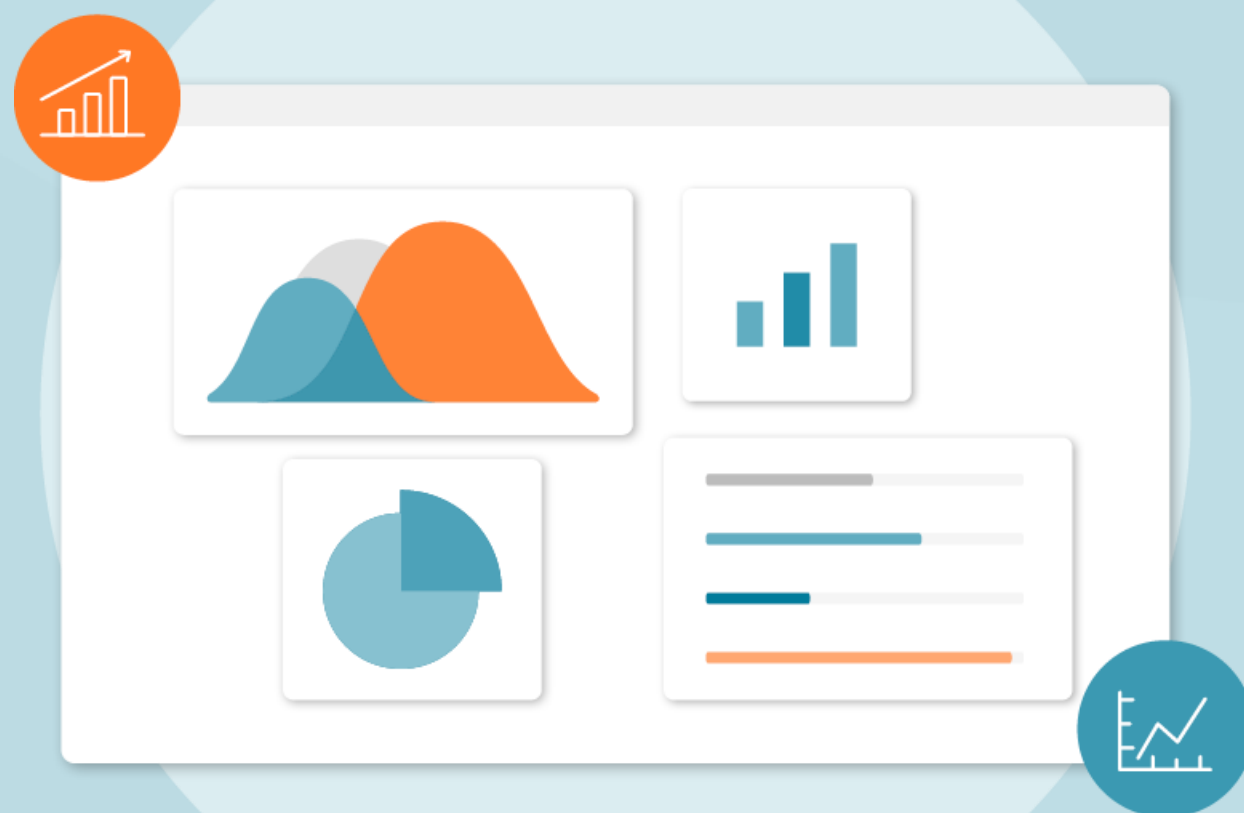
Key outlook assumptions

- Gradual increase in organic growth to 20% with full effect from go-to-market (GTM) strategy
- Margin expansion through operating leverage inherent in the scalable business model
- Additional growth with continued M&A in highly fragmented global industry

Leveraging digitalization trend
Global CpaaS market expected to triple in 3 years



Source: IDC Worldwide



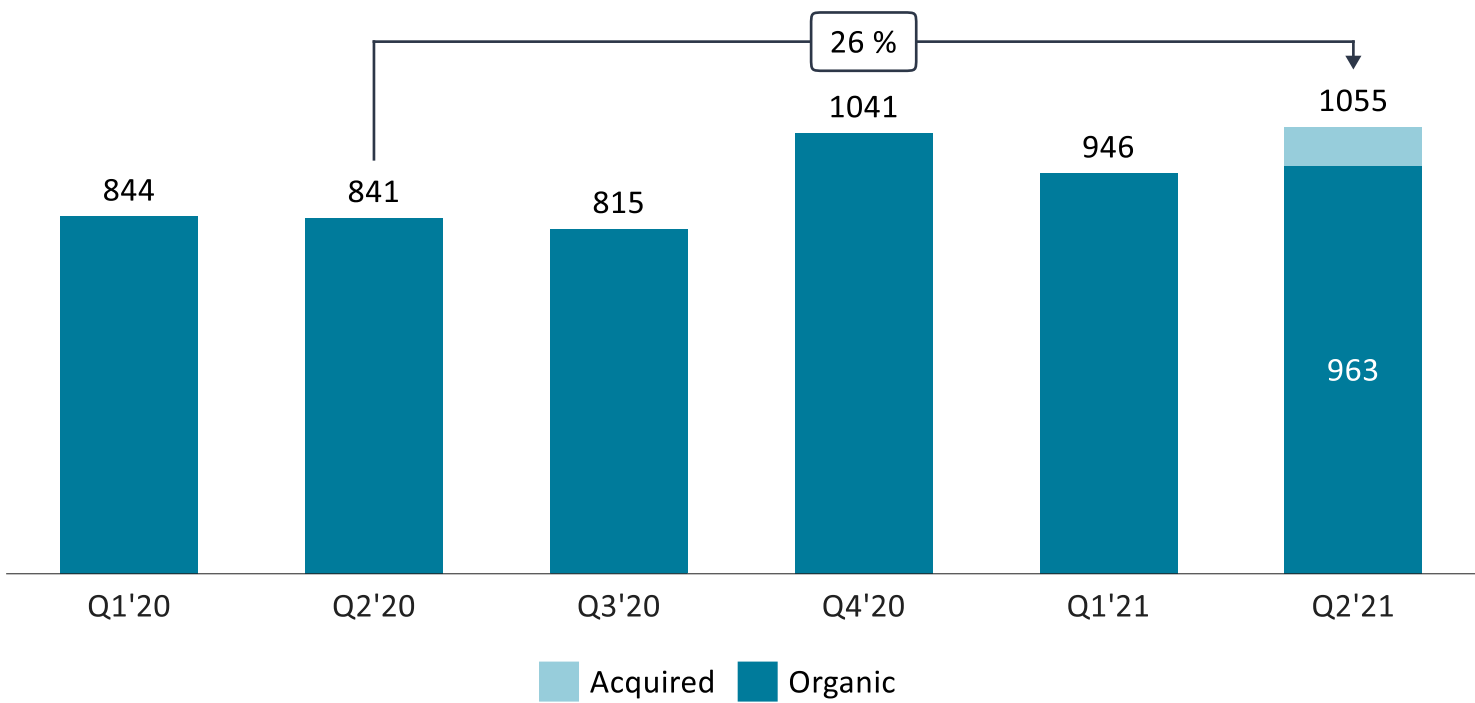
Financial Review

Second quarter 2021

Organic growth above 20% in local currency with reopening of societies

Total reported revenue

NOK millions



All-time high reported revenue at NOK 1,055 million or a growth of 26% including acquired entities

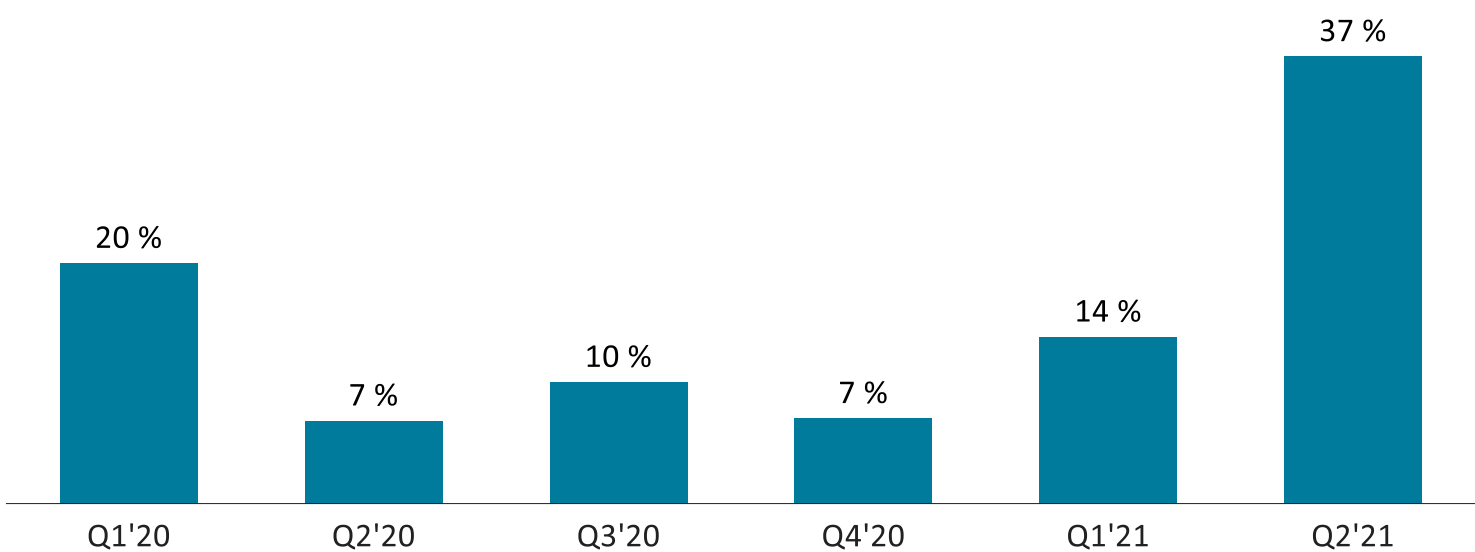
Reported organic revenue growth of 23% in local currency

- FX headwind of -8% year over year due to currency fluctuation last year

Organic growth above 20% target due to

- Catch-up effect from reopening of societies in Q2 21
- Softer Q2 20 volumes with initial lockdowns

Reported volume growth yoy %

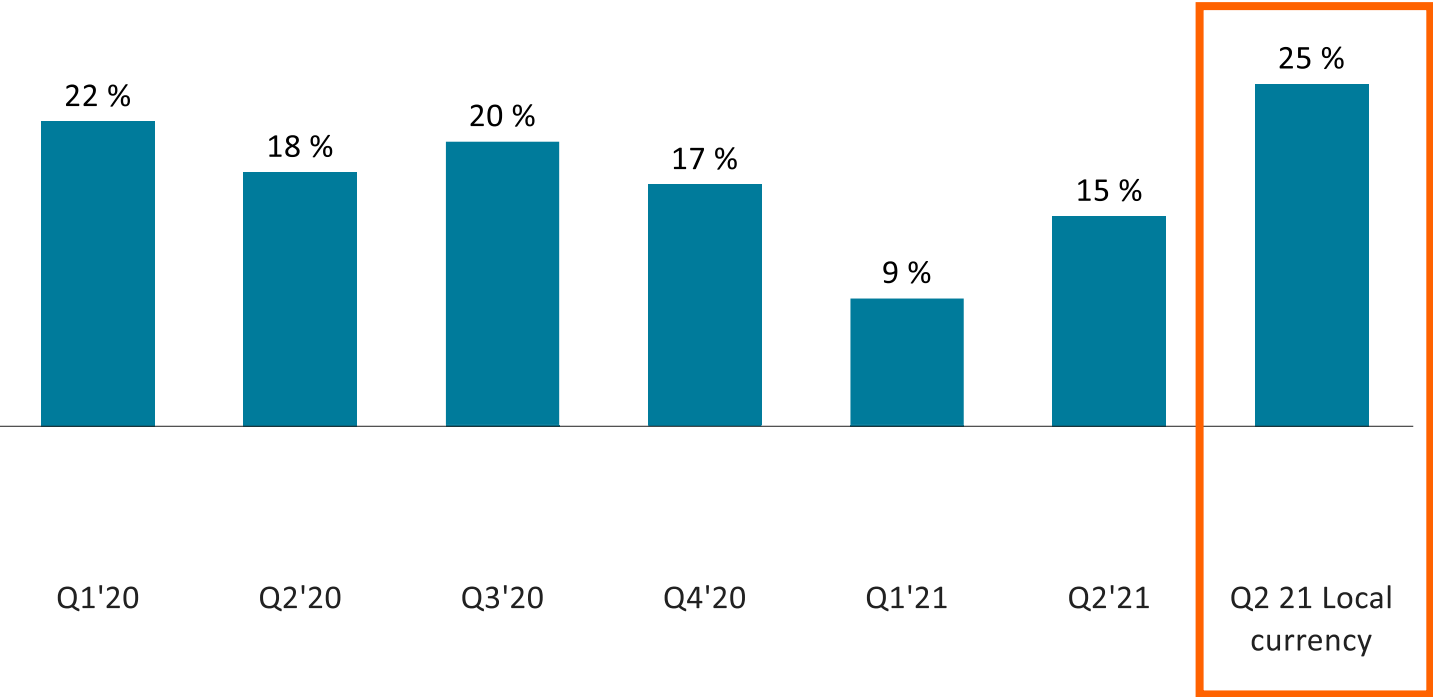


Reported volume growth for Q2 21 at 37% including acquired entities which is higher than reported revenue growth due to;

- FX effects impacting revenue negatively
- Higher aggregator volumes with lower prices
- Regional mix effects as countries with lower COGS and prices see stronger rebound

Strong organic pro forma revenue growth of 25% in local currency

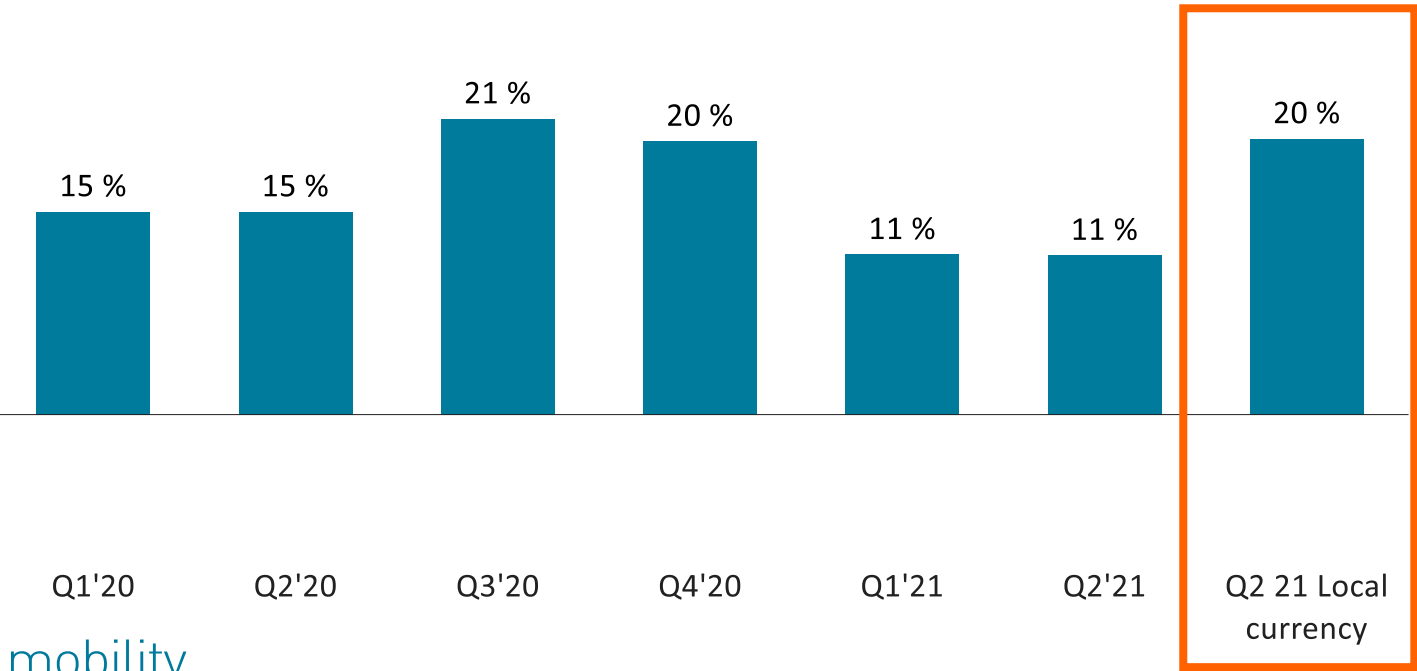
Total Group



Total pro forma* organic revenue growth of 25% in local currency driven by

- Accelerated market demand for more advanced CPaaS products
- Reopening of societies after strict lockdowns in Q1 21 as enterprises are re-engaging communication activities towards end-users
- Softer Q2 20 reflecting initial lockdowns especially in Central and Western Europe

Enterprise segment



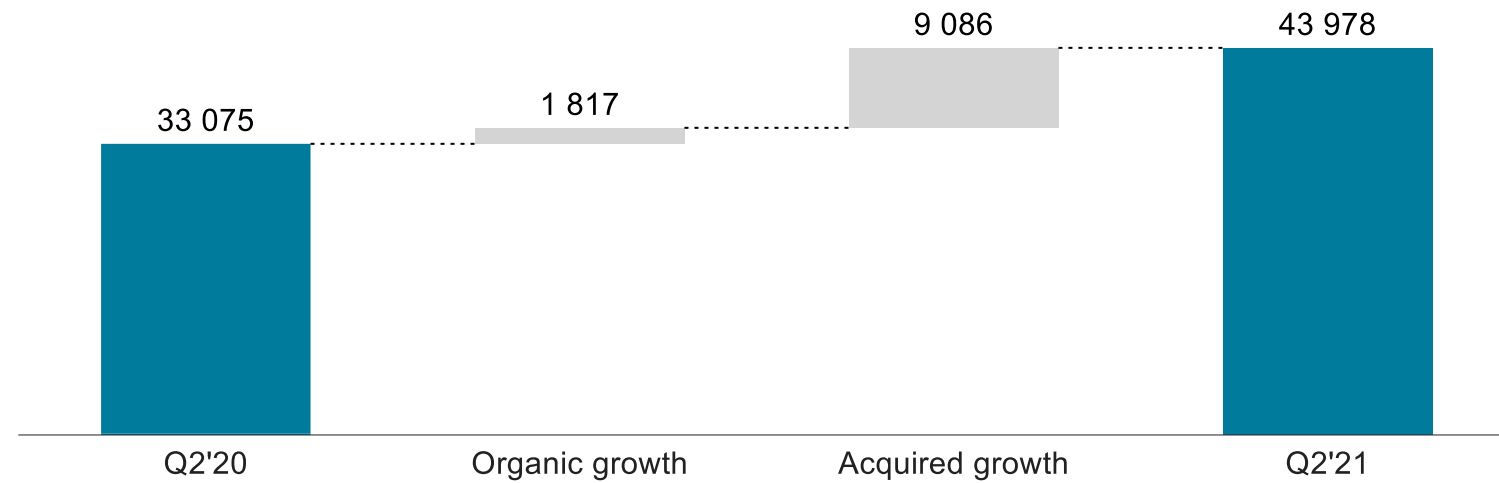
Enterprise pro forma* organic revenue growth in local currency of 20%

- Growth observed across all product categories, regions and customer segments

The deviation between total and enterprise pro forma growth rates reflects increased revenue in Q2 21 from the aggregator segment.

Solid customer growth and net retention rate

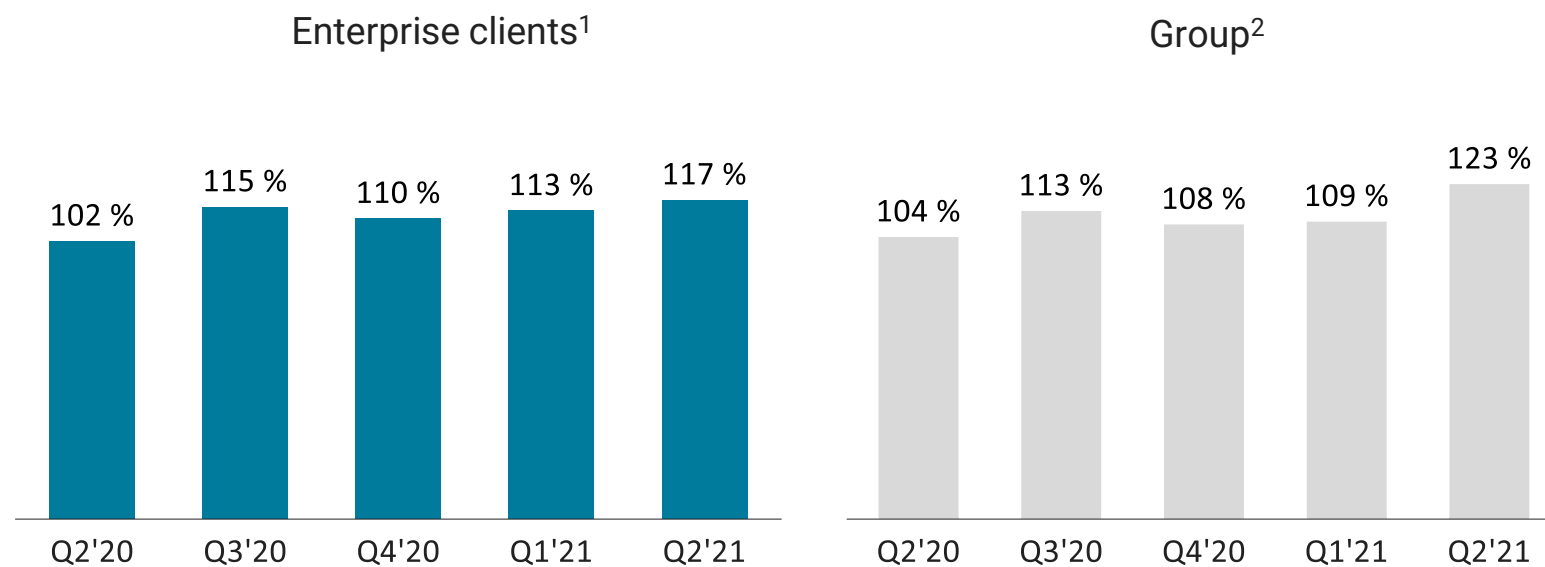
Customer accounts



Active customer accounts at 44,000 accounts

- M&A added 9,086 new customers
- Organic GTM strategy resulted in 1,817 new customers
- Customer churn remained low at under 2%

Pro forma net retention rate in local currency



Strong pro forma enterprise net retention rate of 117% in local currency

- Pro forma figures include all closed acquisitions

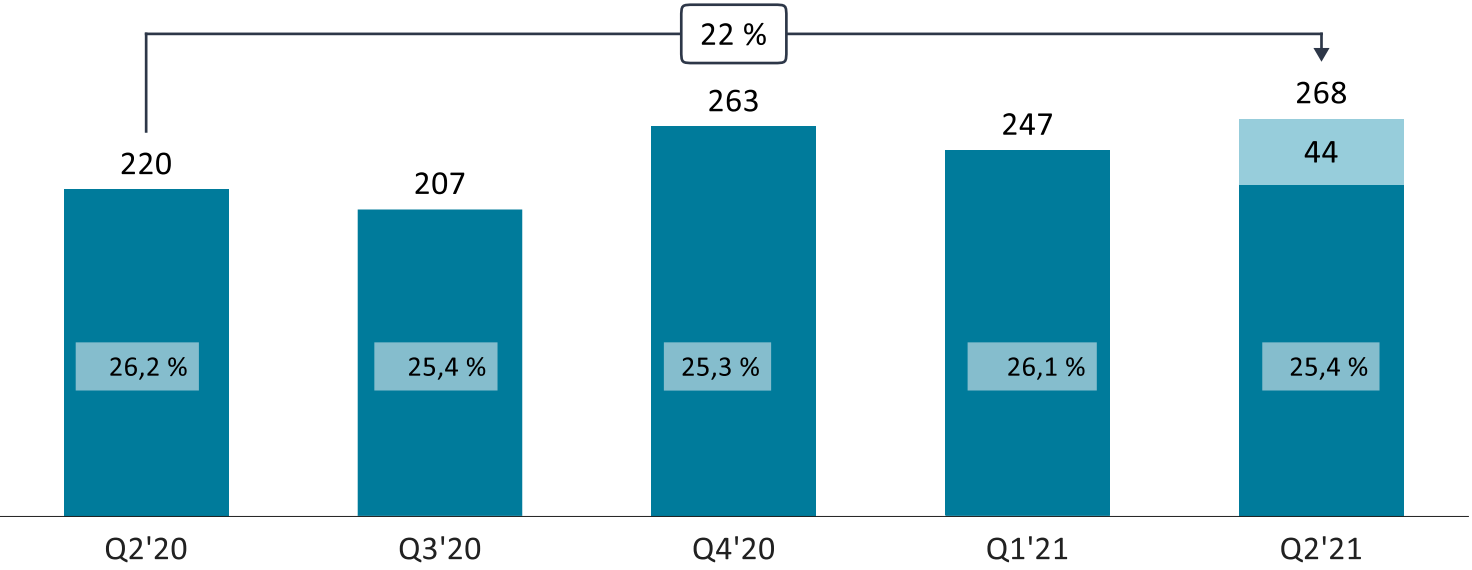
Group pro forma net retention rate of 123% in Q2 21

- Higher aggregator volumes increased group net retention above the expansion reported for the enterprise segment

Strong growth in gross profit and adjusted EBITDA

Reported gross profit / gross profit margin

NOK millions / percentage



Reported gross profit growth of 22% to NOK 268 million

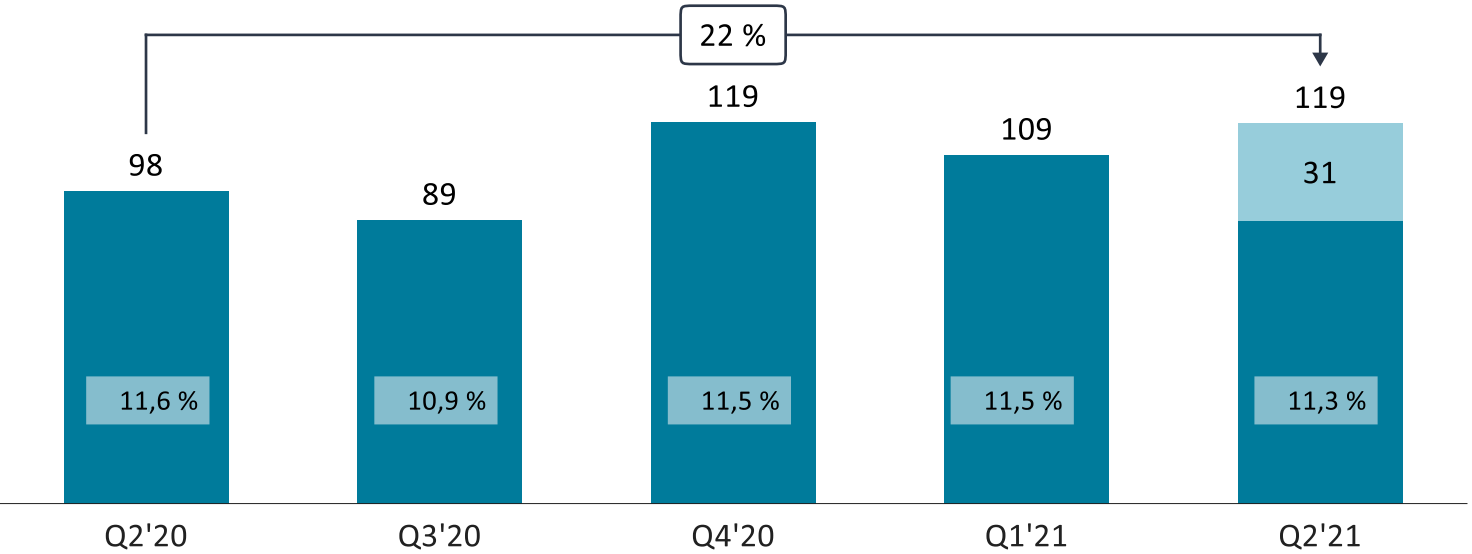
- Pro forma* organic growth of 12% in local currency compared to same quarter last year
- Reported gross profit negatively impacted by currency effects compared to Q2 20

Gross profit margin 25% in Q2 21

- Higher aggregator revenue with lower profitability diluted the margin
- Q2 20 margin helped by favourable volume mix due to lockdowns
 - Shift towards more profitable clients in logistics and the public sector especially in the more profitable Nordic region with little lock-downs Q2 last year

Reported adjusted EBITDA / EBITDA margin


NOK millions / percentage



Reported adjusted EBITDA growth of 22% to NOK 119 million

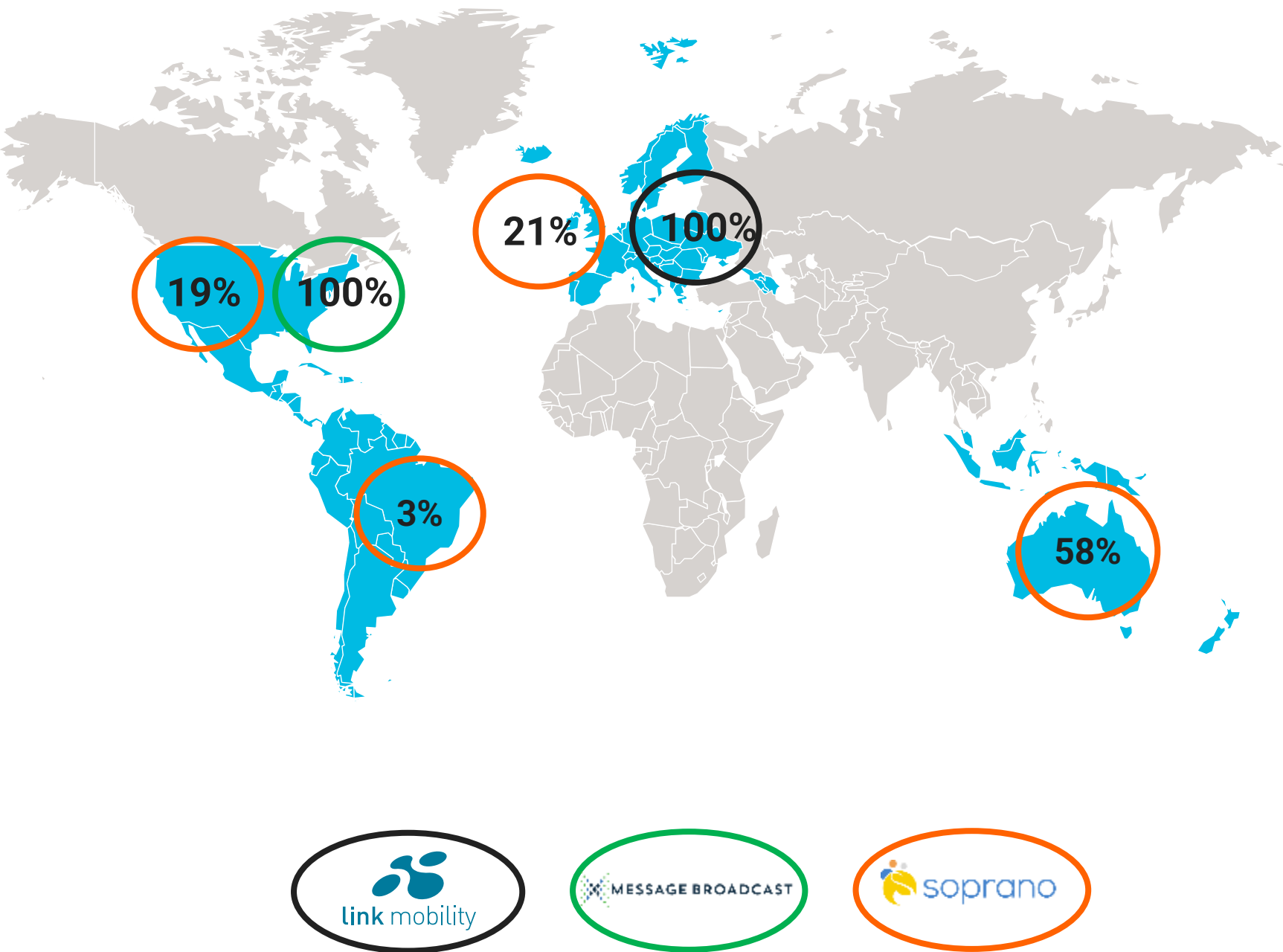
- Q2 20 profitability increased by cost savings reflecting pandemic uncertainty amounting to approximately NOK 10 million
- Modest OPEX increases in later quarters to adapt to a global footprint and continued investments in GTM channels

Global CPaaS player in high growth markets – Illustration including Soprano

LTM Q2 2021 NOKm	Reported ¹	+	Closed acquisitions ²	+	 ³	=	All entities
Revenue	3,856		506		683		5,045
Gross Profit	985		323		366		1,674
GP. Margin	26%		64%		54%		33%
Adj. EBITDA	437		186		182		804
EBITDA margin	11%		37%		27%		16%

Illustrative footprint new global LINK

Share of 2020 sales from different regions (ex. Global Messaging Platform for Soprano)



(1) Unaudited reported LTM Q2 21 figures for LINK
(2) Unaudited full-year effect of WebSMS, Tismi, MarketingPlatform, AMM and Message Broadcast
(3) Unaudited LTM Q2 21 figures (Australian GAAP) obtained from Soprano, including full year-effect of Silver Street acquisition

Reported Income statement – Second quarter 2021

NOK in millions	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Total operating revenues	1 055	841	2 001	1 684
Direct cost of services rendered	-787	-620	-1 486	-1 255
Gross profit	268	220	515	429
Operating expenses	-149	-123	-287	-247
Adjusted EBITDA	119	98	228	183
Restructuring cost	-81	-11	-137	-23
EBITDA	38	87	91	160
Depreciation and amortization	-69	-56	-136	-108
Operating profit (loss)	-31	31	-45	53
Net financials	-22	57	-74	-295
Profit (loss) before income tax	-53	88	-119	-242
Income tax	-1	-16	16	-3
Profit (loss) for the period	-54	72	-103	-245
Minority Interest Income	-0	-	-0	-
Owner's income	-54	72	-104	-245

Revenue increased 26% YoY to NOK 1,055 million

Gross profit grew 22% to NOK 268 million

Adjusted EBITDA increased 22% to NOK 119 million

Non-recurring costs of NOK 81 million

- Share option cost NOK 40 million (no cash effects)
- M&A related costs NOK 35 million (Tismi, AMM, Message Broadcast)
- Restructuring costs NOK 6 million

Depreciation and amortization of NOK 69 million

- Depreciation of R&D at NOK 18 million, an increase of NOK 8 million compared to same quarter last year from internal development projects
- Depreciation of acquired assets of NOK 45 million

Net financial items at negative NOK 22 million constituted

- Net currency exchange loss of NOK 1 million
- Interest costs of NOK 21 million

Balance sheet

NOK in million	Q2 2021	Q2 2020	Year 2020
Non current assets	8 767	5 560	6 000
Trade and other receivables	816	615	749
Cash and cash equivalents	808	578	952
Total assets	10 391	6 752	7 700
Equity	5 050	2 425	4 304
Deferred tax liabilities	549	323	313
Long-term borrowings	3 769	3 076	2 079
Other long term liabilities	67	61	33
Trade and other payables	905	817	927
Other short term liabilities	51	50	45
Total liabilities and equity	10 391	6 752	7 700

Non current assets increased mainly due to acquisitions

Cash on balance sheet NOK 808 million

Equity NOK 5,050 million and equity percentage 49%

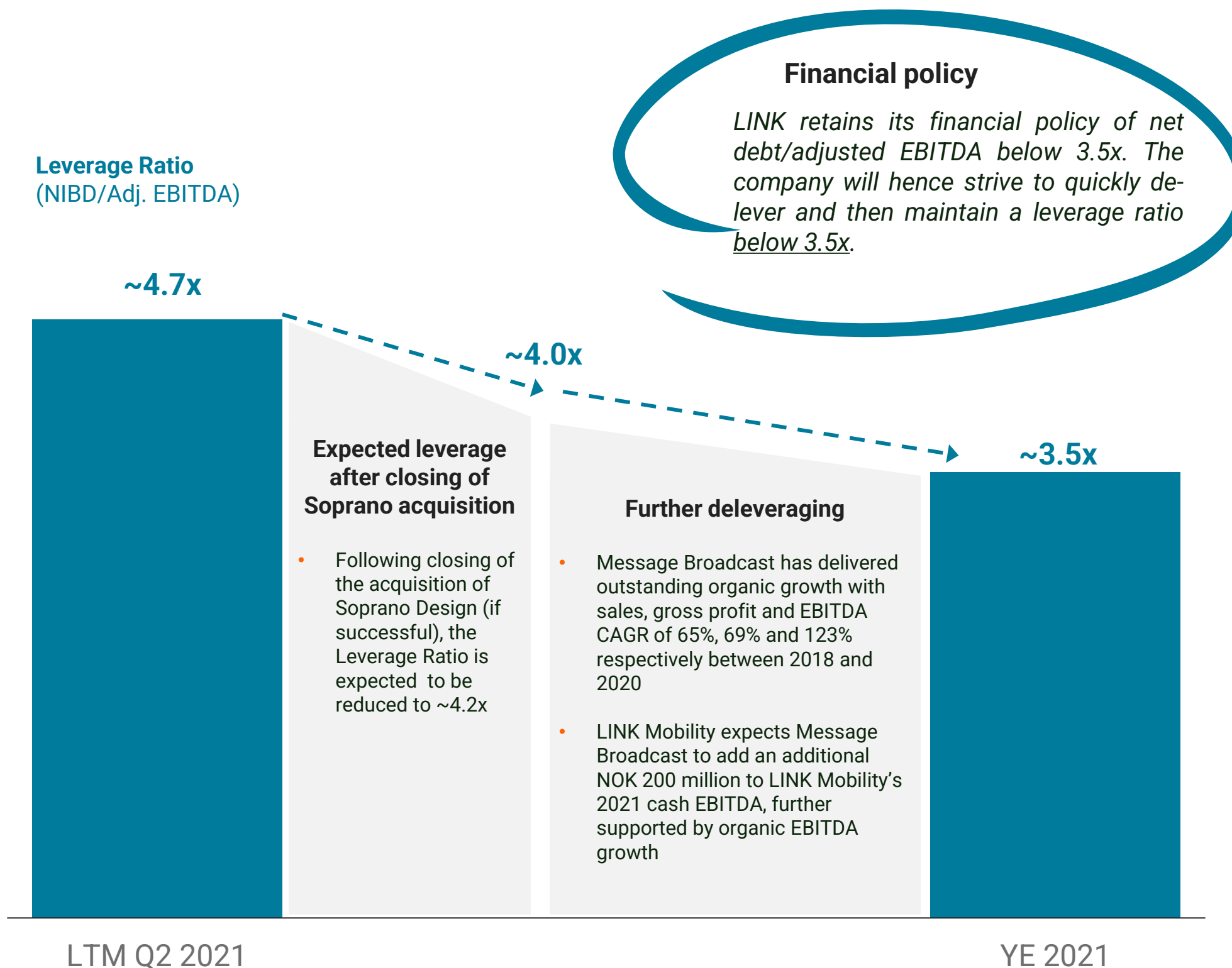
Working capital negative NOK 89 million

- Source of financing for organic growth initiatives

Interest bearing debt NOK 3.7 billion

- Net debt NOK 2.9 billion

Leverage ratio to return towards target <3.5 this year



LTM Q2 21 leverage at 4.7x

- Temporary high leverage due to the acquisition of Message Broadcast

The acquisition of Soprano will reduce leverage to 4.0x after closing

- Transaction to be settled 95% in shares

YE 21 leverage expected around 3.5x

- EBITDA and cash contribution from fast growing acquisitions

Cash flow

NOK in million	Q2 2021	YTD 2021	Year 2020
Net cash flows from operating activities	87	69	364
Net cash flows from investing activities	-1 770	-1 857	-660
Net cash flows from financing activities	1 673	1 669	1 135
Effect of foreign exchange rate changes	10	-25	-34
Net change in cash and cash equivalents	1	-144	805
Cash and equivalents at beginning of period	807	952	147
Cash and equivalents at end of the period	808	808	952

Cash flow from operations of NOK 87 million

- Cash conversion to adjusted EBITDA 73%

Acquisitions closed during the quarter:

- NOK 40 million – Marketing Platform (net of cash)
- NOK 115 million – AMM (net of cash)
- NOK 1,590 million – Message Broadcast (net of cash)

Cash flow from financials reflect new bond issue of EUR 170 million

- AMM sellers subscribed for new shares in LINK for NOK 62 million
- Interest paid of NOK 37 million
- Settlement of debt at closing of acquisitions of NOK 21 million



Q&A

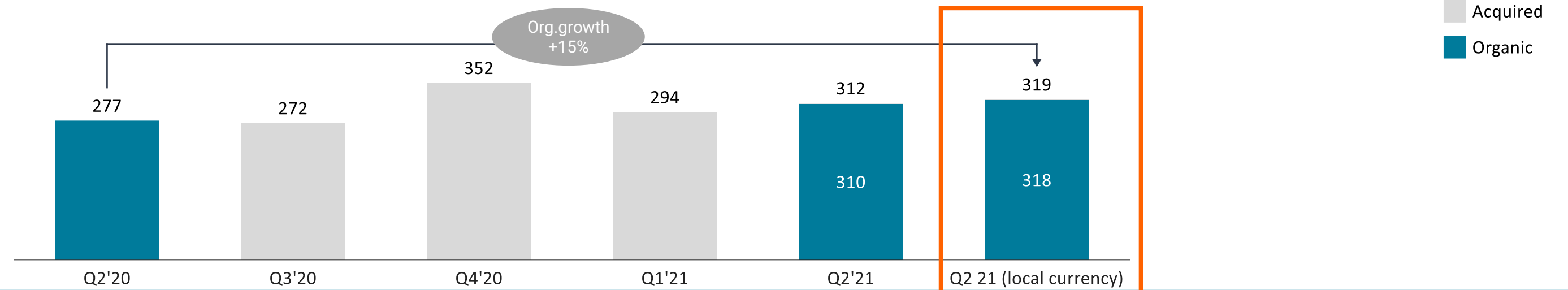


Appendix

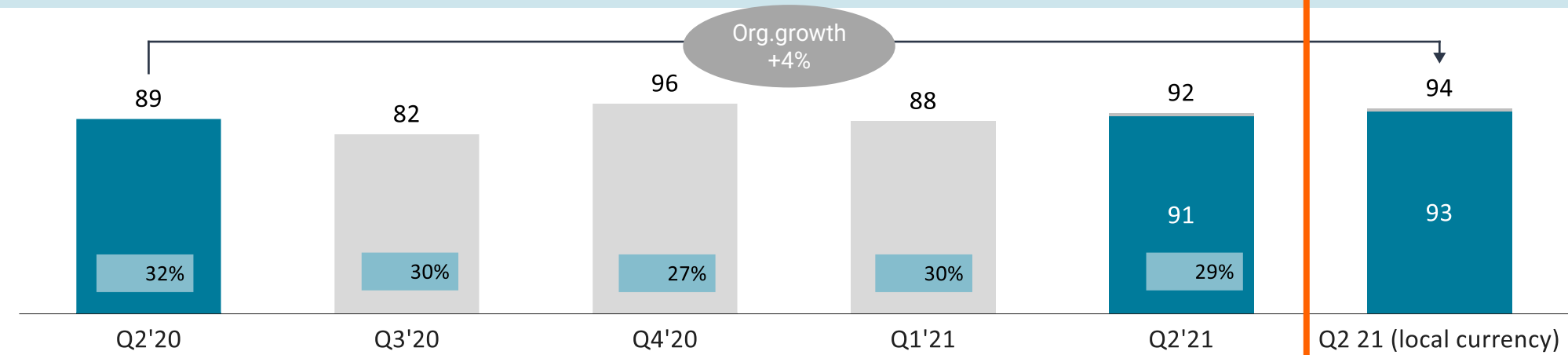
Segment information

Northern Europe

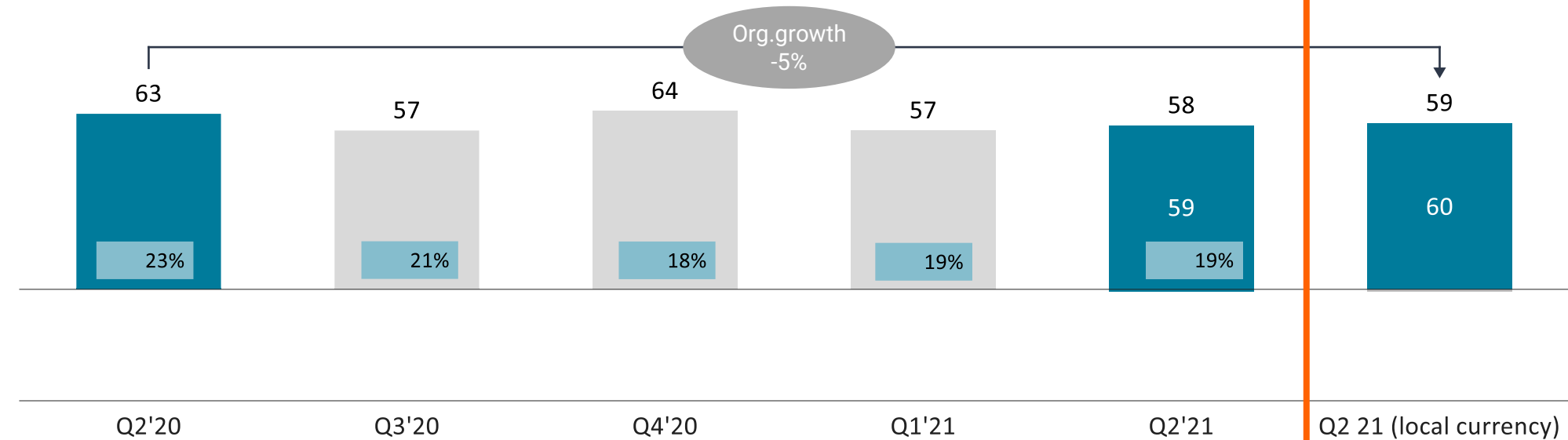
Revenue (NOKm)



Gross Profit (NOKm / %)

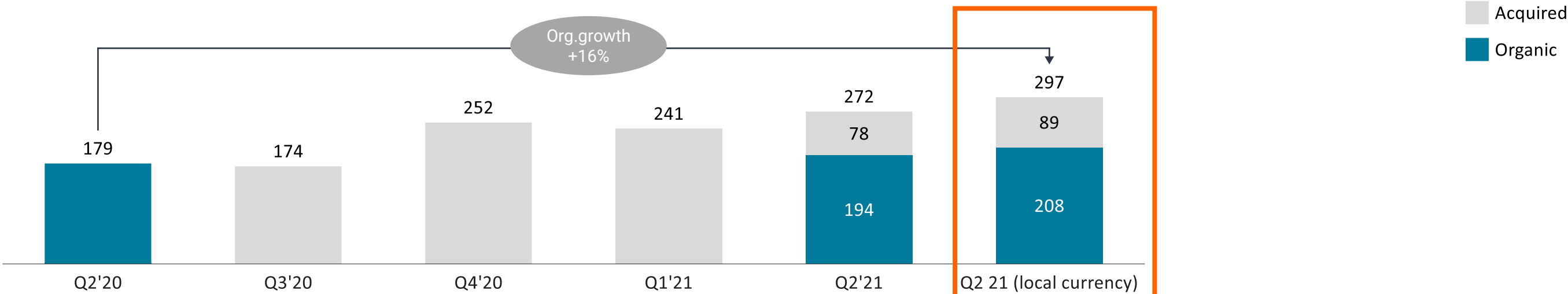


Adjusted EBITDA before group cost (NOKm / %)

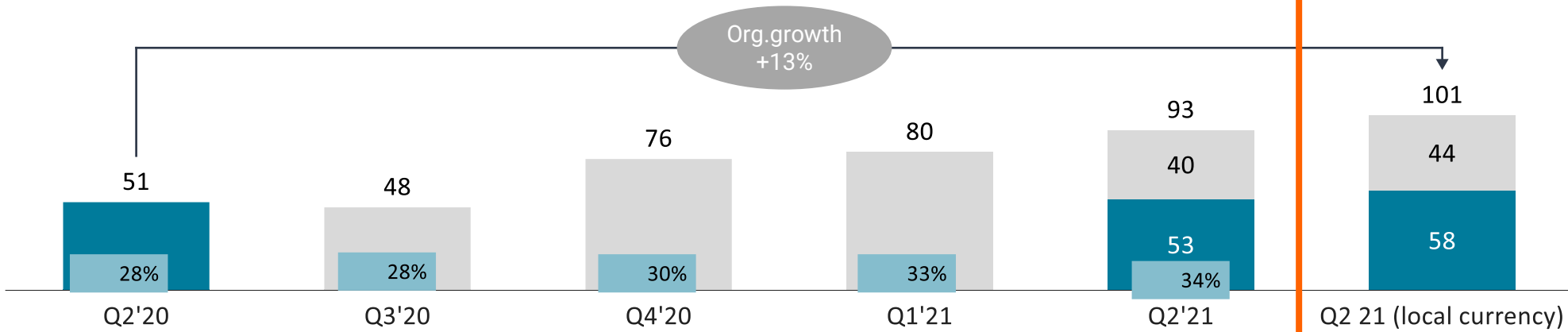


Central Europe

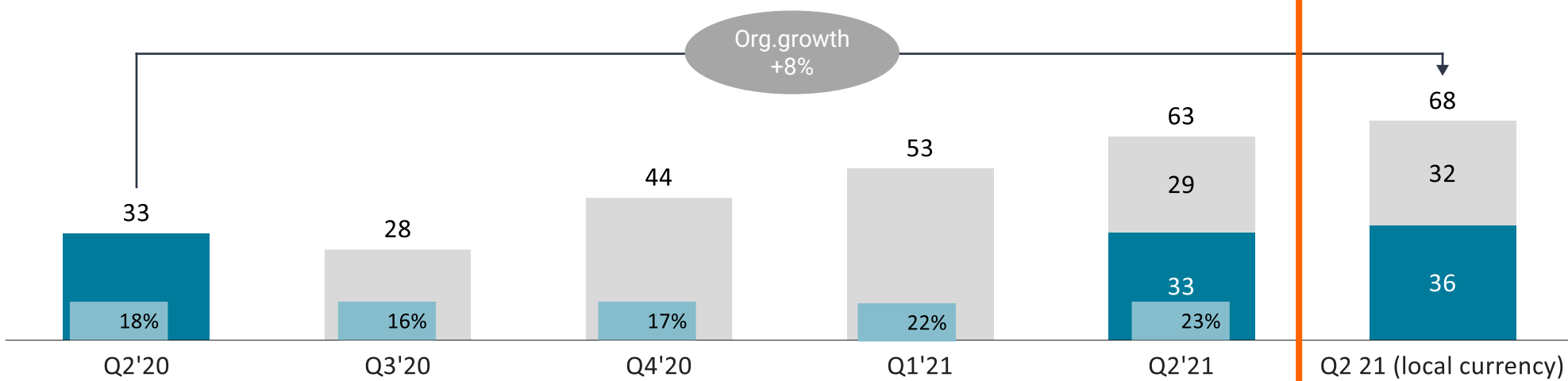
Revenue (NOKm)



Gross Profit (NOKm / %)

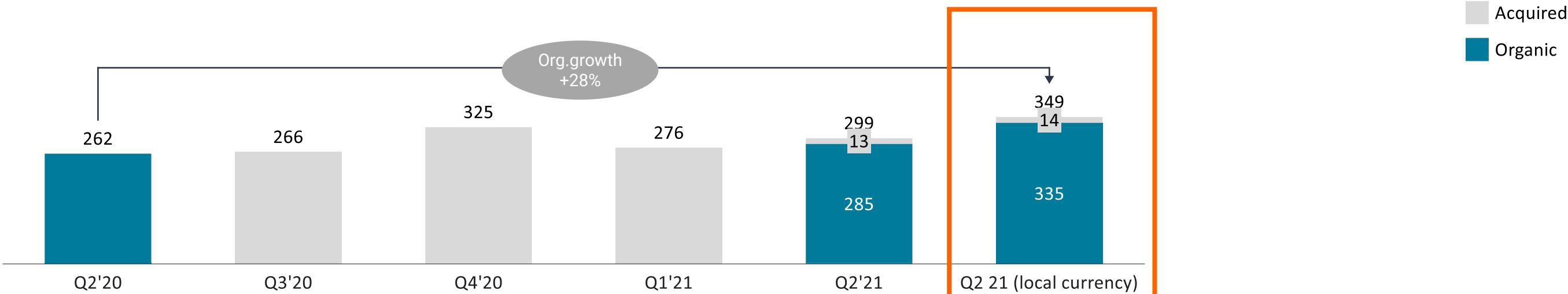


Adjusted EBITDA before group cost (NOKm / %)

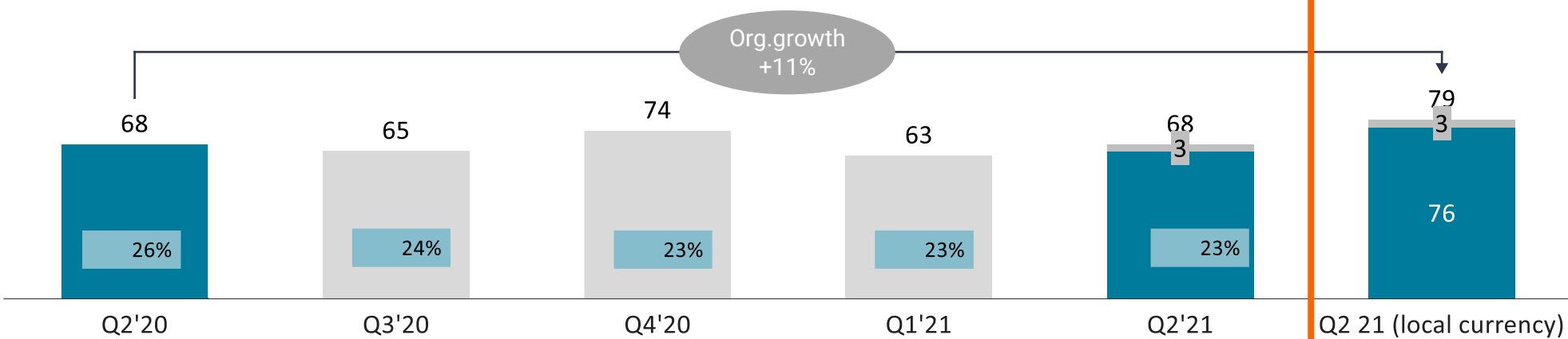


Western Europe

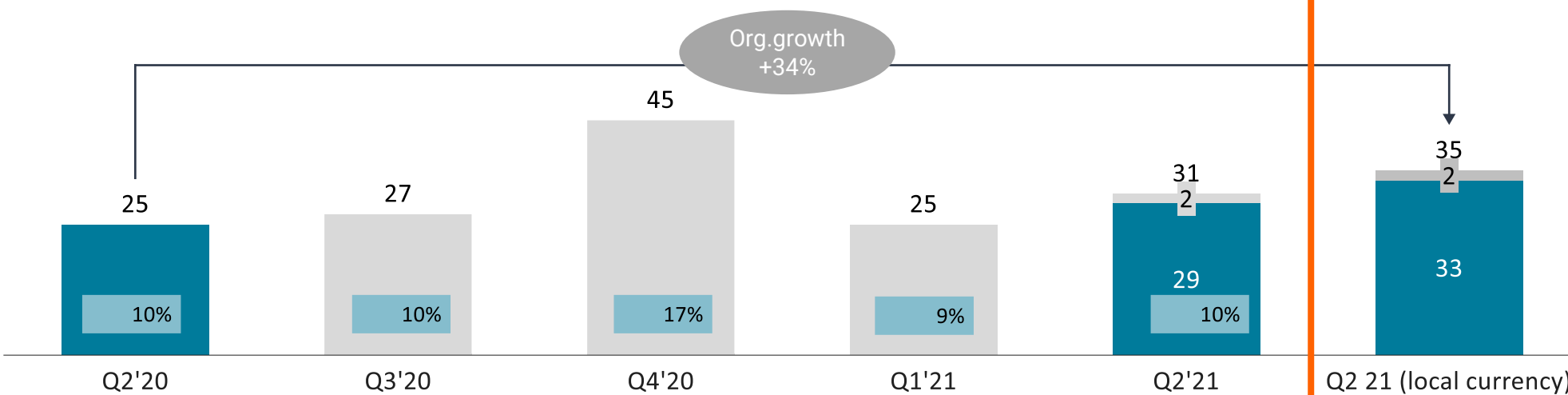
Revenue (NOKm)



Gross Profit (NOKm / %)

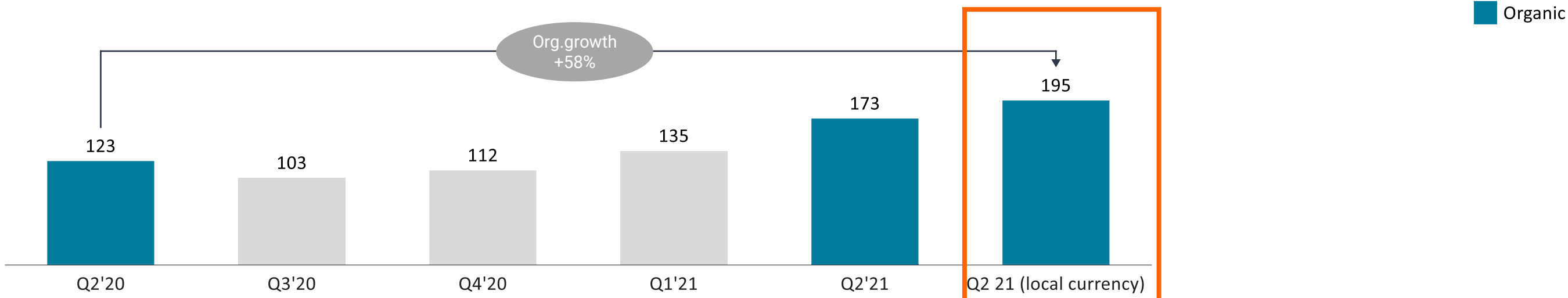


Adjusted EBITDA before group cost (NOKm / %)

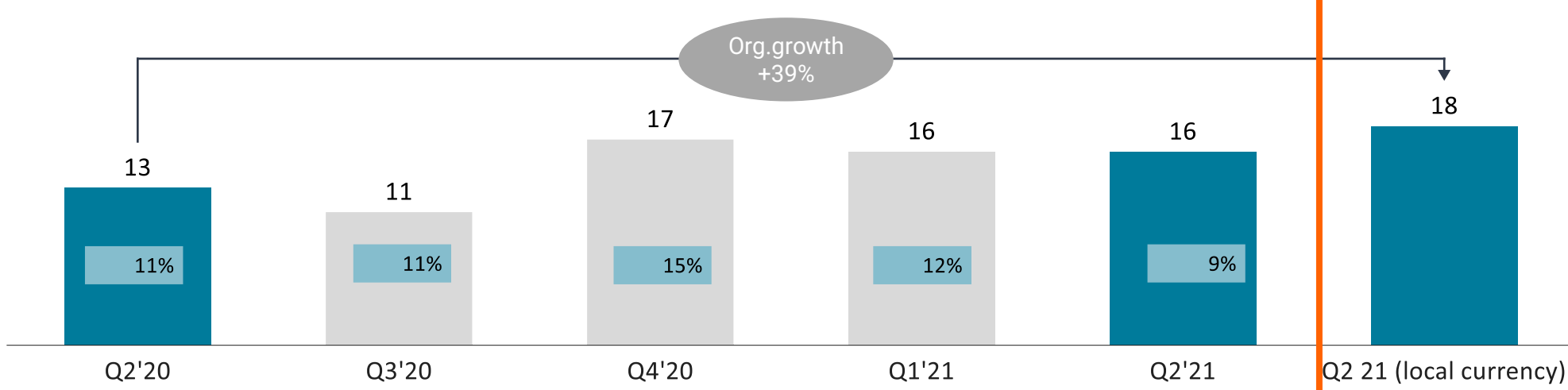


Global Messaging

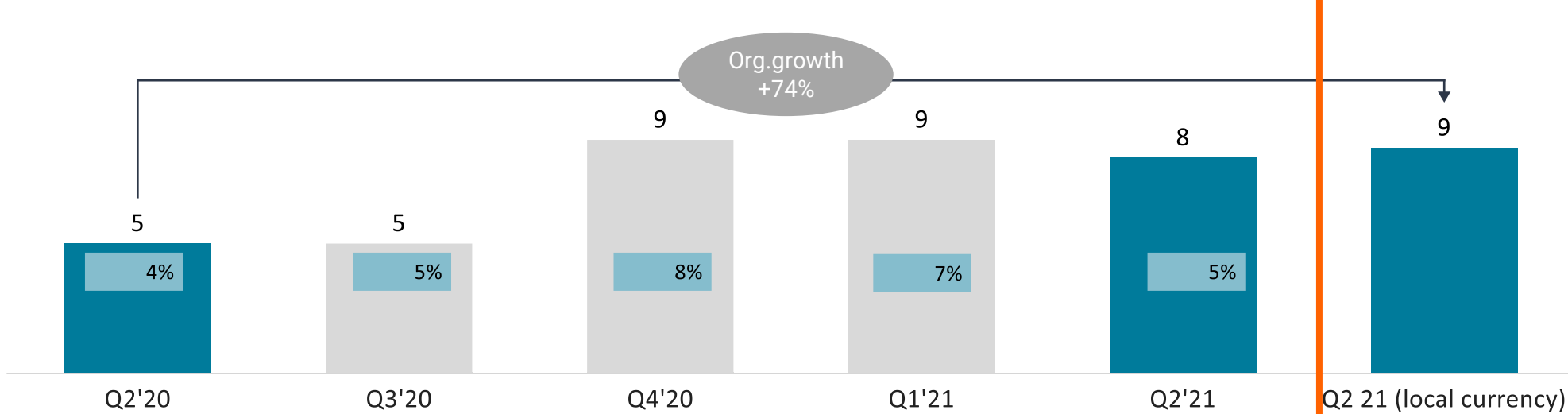
Revenue (NOKm)



Gross Profit (NOKm / %)



Adjusted EBITDA before group cost (NOKm / %)





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