

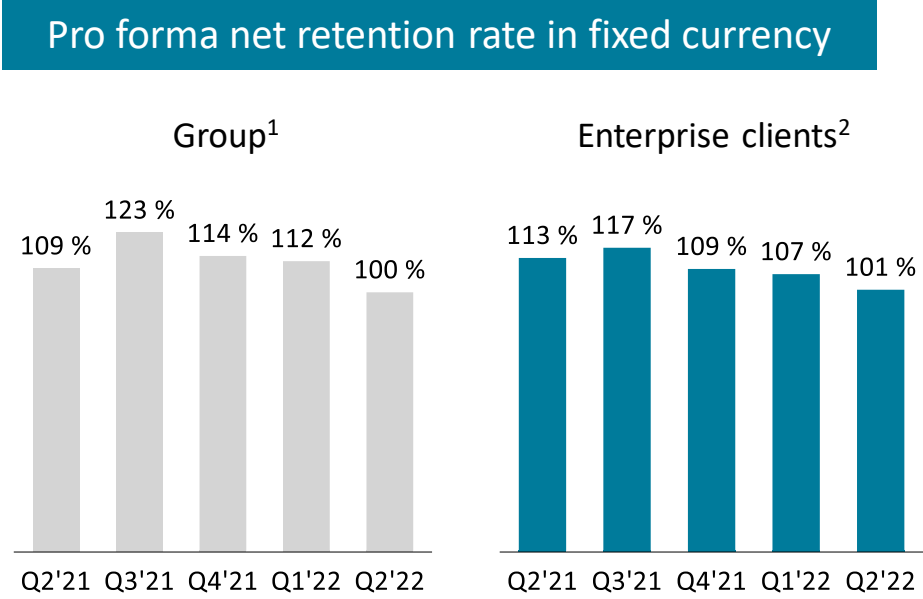
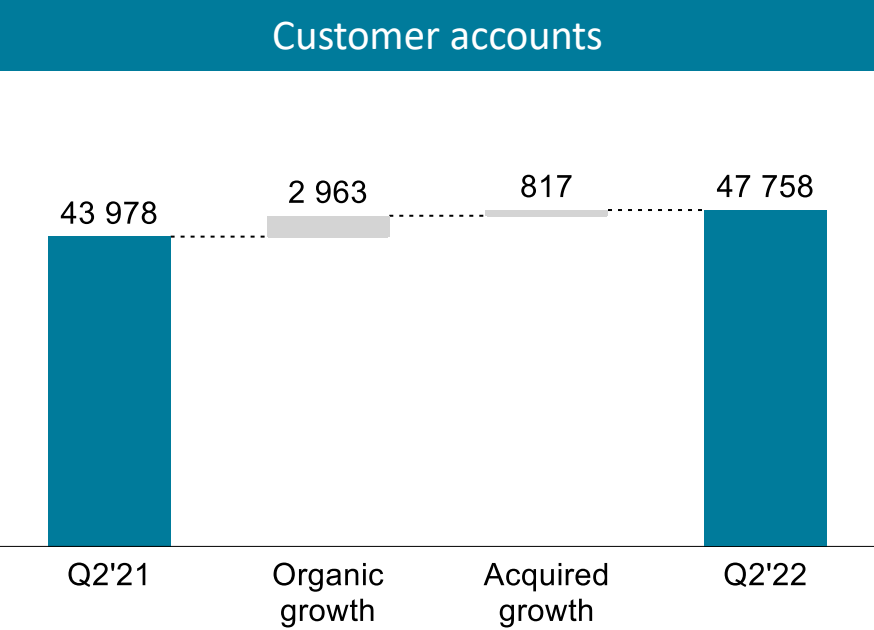
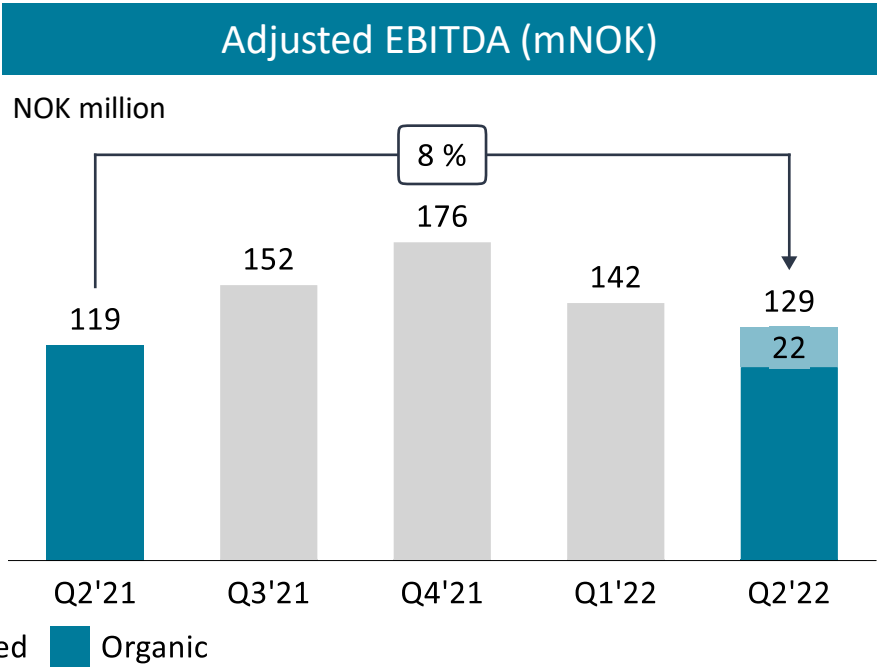
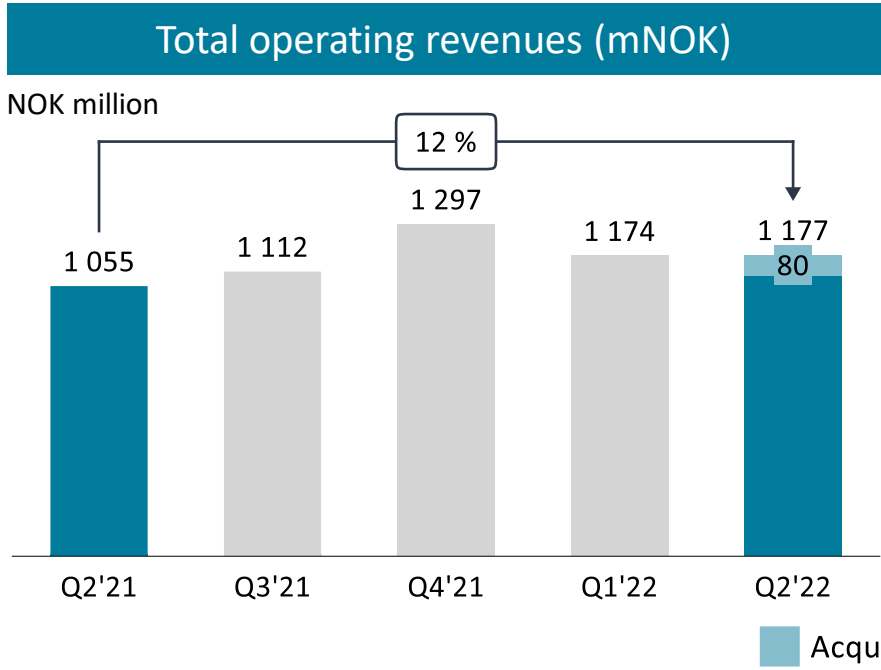
# LINK Mobility Group Holding ASA

## Interim financial report

### Second Quarter 2022

# Highlights Second Quarter

- Reported revenue grew 12% to NOK 1,177 million in Q2 22
  - Organic revenue growth 4% due to high comparables and a softer market
  - Underlying organic growth of 11% when adjusting for high Q2 21 comparables
- Reported gross profit increased 18% to NOK 317 million in the quarter
  - Organic gross profit mirrored the revenue development
- Reported adjusted EBITDA growth of 8% to NOK 129 million
  - OPEX increased by NOK 10 million related to GTM investments initiated since H2 2020
  - OPEX reductions have been implemented to align cost with gross profit growth
- Strong cash flow from operations in excess of NOK 200 million Q2 22
  - Free cash flow of NOK 100 million after capex and interest payments
- LINK signed 571 new and expanding agreements in the second quarter of the year
  - Good momentum in new customer wins with strong potential for future growth
  - Longer ramp up times for new contracts in adoption of more advanced CPaaS solutions



1) Net retention rate (NRR) including all client segments. NRR is net change in revenue from upsale, downsale and churn of existing customers YoY. New customers are excluded  
2) NRR excluding aggregator clients. Includes markets counting for more than 80% of total transaction revenue

# Adapting to challenging macro environment

**LINK Mobility (LINK) reports revenue growth of 12% to NOK 1,177 million in the second quarter of 2022. Organic revenue growth in fixed currency was 4%, whilst underlying organic growth was 11% when adjusting for high Q2 21 comparables. Continued organic growth is supported by a stable performance in customer acquisitions and very low customer churn. Gross profit increased 18% to NOK 317 million. Organic gross profit was affected by the lower revenue growth and mix effects. Adjusted EBITDA grew 8% to NOK 129 million. Organic adjusted EBITDA was negatively impacted by OPEX growth related to commercial investments. OPEX reduction initiatives have been implemented to improve profitability. LINK revises its 2022 forward-looking statement to an organic revenue growth range of 8-12% (14-17%) due to slower than expected growth in H1 22 and increased macroeconomic uncertainty.**

Increased macroeconomic uncertainty impacts the digital messaging industry differently depending on use case. Retail volumes, often linked to mobile marketing use cases, are exposed to a decline while notifications use cases, used for more essential communication, are expected to sustain growth. For efficient customer care solutions, which reduce costs and increase customer satisfaction, new growth opportunities are expected. Overall, LINK is well positioned for continued growth, albeit at lower than historical levels as customers adjust to the new economic climate. Longer-term, LINK sees large upselling potential for its more advanced products as market adoption rates catch up with the rapid technological advances over recent years.

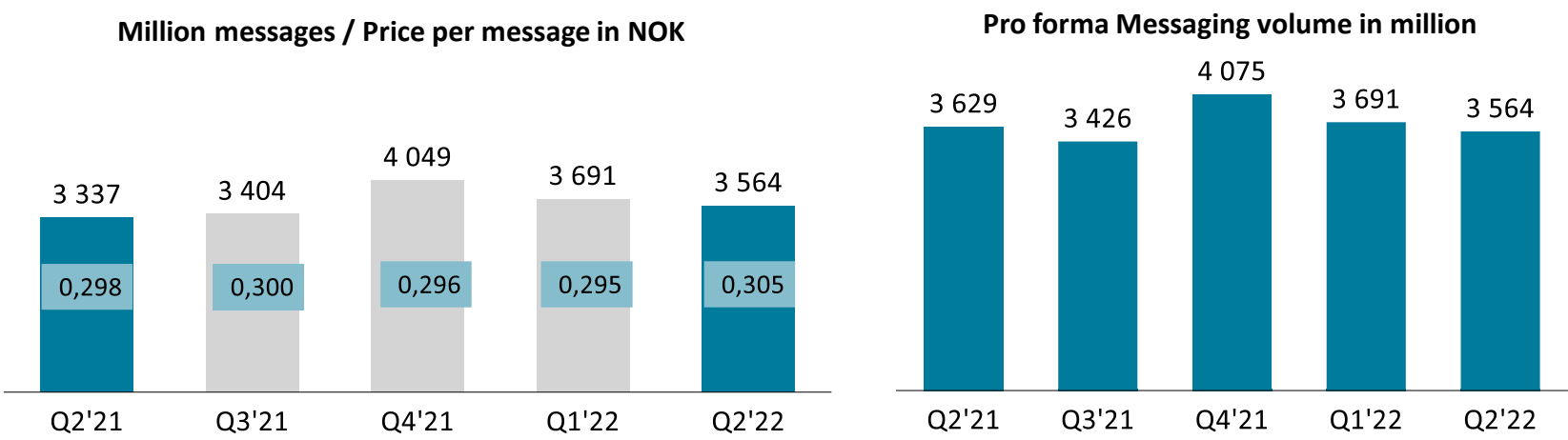
In the current environment, LINK will enhance its focus on current growth and cash generation. Stable performance in customer acquisitions and low churn continue to fuel future growth. However, longer lead times to scale revenue from new advanced CPaaS solutions and a previous focus on building market adoption have reduced the execution of near-term growth opportunities. LINK will now prioritize mature products and selected CPaaS solutions with proven demand and reduce OPEX and CAPEX to ensure continued strong FCF generation. Consolidation of acquired assets will further extract costs and contribute to revenue synergies.

Reported revenue increased 12% to NOK 1,177 million in the quarter compared to the same quarter last year. Organic revenue growth of 4% in fixed currency, whilst underlying organic growth was 11% when adjusting for high Q2 21 comparables. Q2 last year benefitted from the reopening of shops and pent-up demand as lockdowns ended and high Covid related traffic in certain markets. Softer market conditions in Q2 22 reflecting increased macroeconomic uncertainty also contributed to lower organic growth in all markets YoY.

Gross profit grew 18% to NOK 317 million and the gross margin increased to 26.9% (25.4%). Organic gross profit growth in fixed currency was negative 1%. Underlying organic growth was positive 5% when adjusted for high Q2 21 comparables.

Adjusted EBITDA increased 8% to NOK 129 million. Organic adjusted EBITDA in fixed currency declined due to high comparables and higher OPEX related to go-to-market (GTM) commercial investments to build market share for new advanced CPaaS products.

Messaging volumes increased 7% in the second quarter to 3 564 million compared to the same quarter last year. Pro forma organic growth in volumes was negative 2%.



# Acquisitions and pro forma

LINK acquired several companies last year which were consolidated throughout 2021. The effects from these acquisitions have now largely been included in reported last twelve-month (LTM) figures as larger transactions closed more than a year ago. The table below shows reported and pro forma (full-year effect of closed acquisitions) LTM Q2 2022 figures. Pro forma financials are based on management estimates given available information.

LTM Q2 2022 (NOK million)	Reported	Pro forma
Revenue	4 760	4 772
Gross Profit	1 324	1 328
GP.margin	28%	28%
Adj.EBITDA	600	603
Adj.EBITDA margin	13%	13%

# Revised forwarding-looking statement

LINK revises its 2022 forward-looking statement to an organic revenue growth range of 8-12% (14-17%) due to slower than expected growth in H1 22 and increased macroeconomic uncertainty. The net retention rate is expected to be 3-4 percentage points lower than organic revenue growth reflecting historical contribution from new client wins. OPEX increases related to GTM initiatives will be reverted by cost reductions and continued strong cash generation will support deleveraging.

Forward-looking statement	2022
FY organic revenue growth	8 - 12%

LINK retains its ambition to become a top 5 global CPaaS player and sees long-term organic revenue growth of 20% per year with traction on adoption of advanced CPaaS solutions. Reflecting the revised 2022 forward-looking statement, the timeline to reach pro forma annual revenue of NOK 10 billion, from both accretive acquisitions and organic growth, has been extended to 2025 from 2024. LINK’s highly scalable business model will support a pro forma adjusted EBITDA margin in the 15-17% range at a revenue level of NOK 10 billion.

Forward looking statement	2025
Pro forma revenue (NOK million)	10 000
Pro forma adjusted EBITDA margin	15% - 17%

# New agreements signed

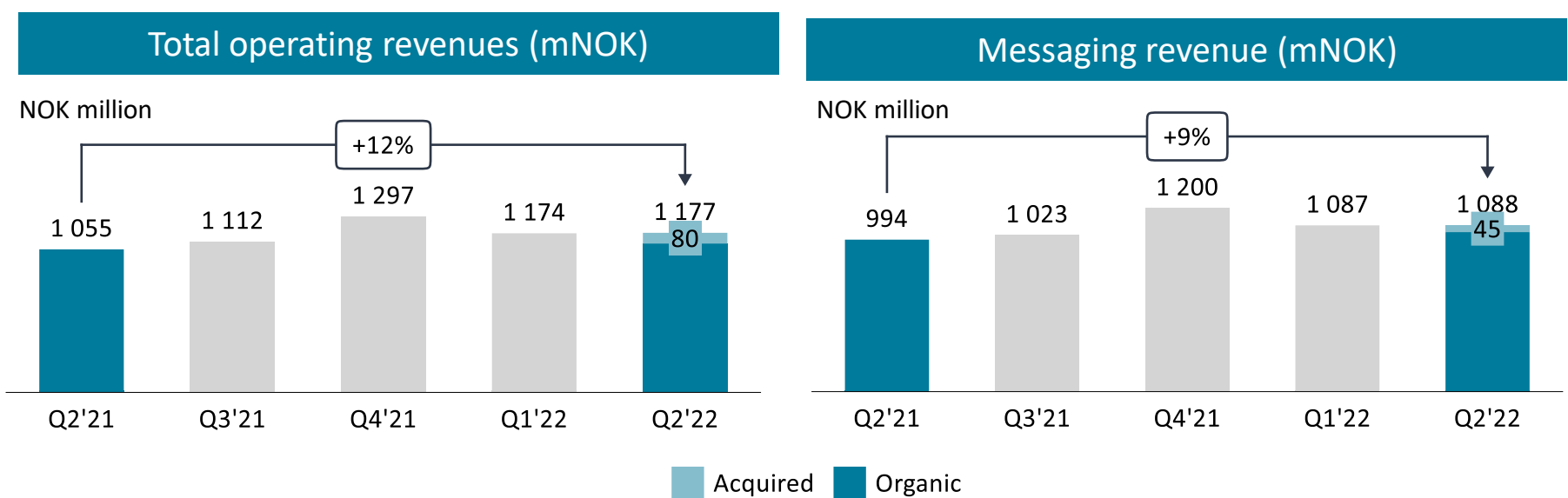
LINK signed 571 new agreements in the second quarter of the year (new and expanding), securing significant new revenue and future growth potential. The new agreements consisted of 401 signed direct customer contracts, 47 signed partner framework agreements and 123 new partner customers.

# Financial Review

(Figures in brackets refer to the same period last year)

## Group income statement

Operating revenue amounted to NOK 1 177 million (NOK 1 055 million) or a reported growth of 12% versus the same period last year including acquisitions. Organic revenue growth in fixed currency was 4% with only limited currency translation effects in the quarter. High comparables driven by reopening of retail after the pandemic and high volumes related to Covid testing and vaccination last year negatively impacted the growth rate by approximately 7 percentage points. LINK observes a softer market in parts of the footprint related to a weaker macroeconomic outlook, which also impacted the second quarter growth momentum. Global messaging revenue remained stable YoY. Messaging revenue grew 9% in the quarter and less than total revenue growth at 12% with a higher contribution from licenses.



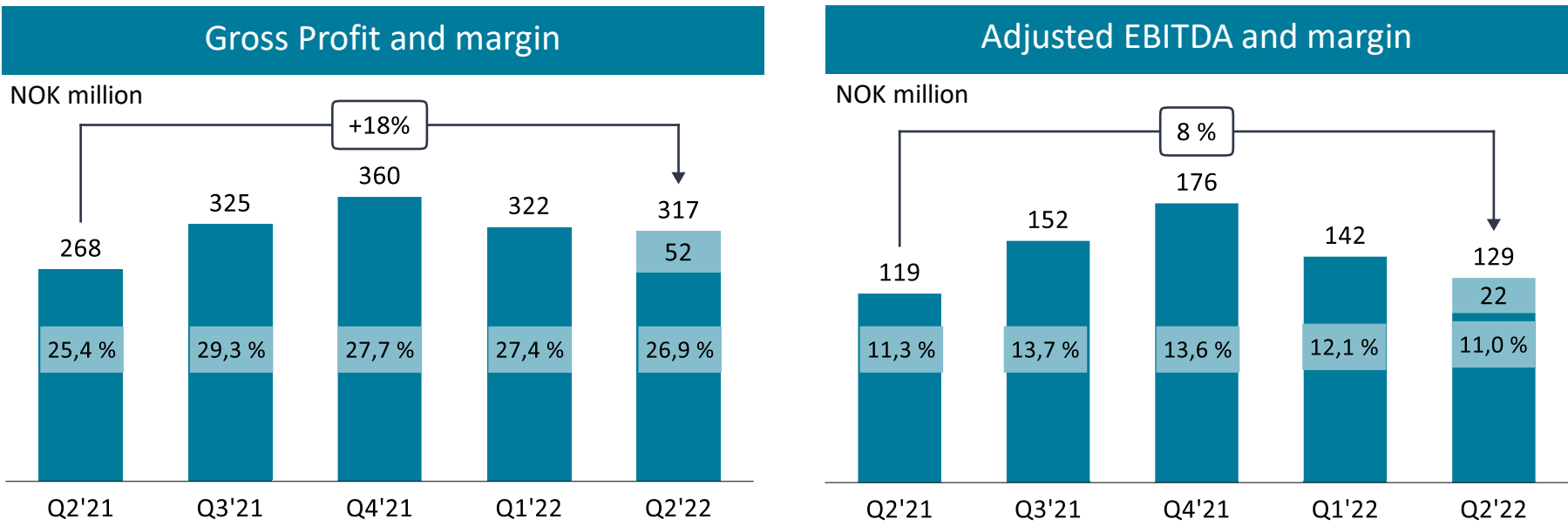
Reported gross profit grew 18% to NOK 317 million in the quarter. Organic gross profit was affected negatively by the high comparables last year reducing organic gross profit growth by ~ 6 percentage points to negative1% compared to same quarter last year in fixed currency

The gross profit margin expanded to 26.9% (25.4%) with a positive effect from the consolidation of Message Broadcast. The enterprise segment impacted the organic gross margin negatively by 1.4 percentage points related to mix effects and price increases passed on to clients lowering gross margin but with stable gross profit per message. The Global messaging segment was accretive to the total gross margin in the quarter.

Total operating expenses amounted to NOK 188 million (NOK 149 million) or a growth of 26%. Organic growth in operating expenses was 7% related to investments in GTM initiatives, centralized billing capabilities and costs related to supporting a larger commercial footprint. LINK has initiated OPEX reduction initiatives to ensure continued strong cash flow generation. In the second quarter, NOK 4 million in costs was recognized reflecting a claim from French tax authorities for telecom tax on revenue in France dating back to 2019. The tax is intended for the mobile operators and LINK is challenging the current claim. The estimated potential liability for periods since 2019 is NOK 13 million and has not been recognized in the second quarter financials.

Adjusted EBITDA, before non-recurring cost, was reported at NOK 129 million (NOK 119 million) or 11.0% of total revenues (11.3%). Organic adjusted EBITDA declined mainly due to high comparables combined with higher GTM investments and negative impact from the recognition of the French telecom tax. Gross profit to adjusted EBITDA conversion remained above 40%.





EBITDA after non-recurring items was reported at NOK 101 million (NOK 38 million) after deduction of non-recurring cost of NOK 28 million (NOK 81 million) related to acquisitions, share option programs and restructuring costs. The non-recurring costs declined mainly due to lower costs connected to share-option programs as initial tranches have vested and lower M&A costs compared to same quarter of last year with less activity.

Second quarter depreciation and amortization was NOK 102 million (69 million). Depreciation and amortization expense was comparatively higher in the second quarter and the first half of 2022 as compared to 2021 related to depreciation of intangible assets acquired in 2021.

In the second quarter, net financial income was NOK 65 million (negative NOK 22 million). The increase was mainly related to a net currency gain of NOK 102 million related to development in EUR/NOK and USD/NOK exchange rates. Interest expenses increased from higher borrowings compared to same quarter last year. Other financial items was positive by NOK 5 million related to positive residual between accrued holdback liability and final settlement amount paid in the second quarter.

## Balance sheet, financing, and liquidity

Non-current assets amounted to NOK 9 143 million (NOK 8 767 million). The increase was mainly attributable to the currency revaluation of goodwill and other intangible assets. There were no acquisitions closed during the first half of 2022.

Trade and other receivables amounted to NOK 938 million (NOK 816 million). The increase was related to timing of collections.

Trade and other payables were reported at NOK 1 079 million (NOK 905 million). The increase was largely attributable to timing of operator payments.

Total equity amounted to NOK 5 362 million (NOK 5 050 million) or 49 percent (49 percent) of balance sheet value. The increase was mainly related to foreign exchange effects on intangible assets and issuance of stocks related to the acquisition of Altiria and share-option incentive programs.

Long-term liabilities amounted to NOK 4 488 million (NOK 4 385 million). The largest components are external debt through a bond loan and deferred tax liability. The increase compared to the same period last year was related to currency adjustment on the bond loan and increased deferred tax liability. Please refer to note 5 for more details.

Net cash from operating activities was NOK 194 million (NOK 87 million), an increase of NOK 107 million mainly explained by positive EBITDA development, positive changes in working capital, and reduced income taxes paid.

Net cash from investing activities was negative NOK 45 million (negative NOK 1 770 million). Out of the total decline compared to same quarter last year NOK 1 741 million was related to the acquisitions of Marketing Platform Aps, AMM S.p.A., and Message Broadcast LLC. Capital expenditures increased mainly due to the centralized billing system, CPaaS solutions and investments in Message Broadcast.

Net cash flow from financing activities was negative NOK 78 million (NOK 1 673 million). In the second quarter of 2021 proceeds from a bond tap of NOK 1 670 million was reported. Higher interest paid of NOK 69 million (NOK 37 million) reflected the bond tap. In the second quarter, LINK settled a holdback amount related to the acquisition of Teracomm in 2019 with NOK 11 million.

Cash and cash equivalents were NOK 902 million at the end of the quarter (NOK 808 million). The increase in the cash balance during the second quarter was mainly related to improved working capital and currency exchange translation effects on foreign currencies of NOK 29 million.

# Condensed consolidated income statement

NOK '000	Note	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Year 2021
Total operating revenues		1 177 236	1 055 228	2 351 061	2 000 964	4 410 136
Direct cost of services rendered		-860 658	-787 017	-1 712 674	-1 485 750	-3 209 707
Gross profit		316 578	268 211	638 388	515 215	1 200 429
Payroll and related expenses		-109 681	-94 052	-227 396	-183 288	-416 968
Other operating expenses		-77 887	-55 088	-139 575	-103 690	-226 803
Adjusted EBITDA		129 010	119 071	271 416	228 237	556 659
Restructuring cost		-11 243	-6 109	-18 735	-12 697	-26 815
Share based compensation	6	-7 376	-40 077	-21 221	-81 391	-149 457
Expenses related to acquisitions		-9 508	-34 857	-15 730	-43 033	-75 870
EBITDA		100 883	38 028	215 730	91 116	304 517
Depreciation and amortization	7	-102 204	-68 713	-202 072	-136 215	-337 706
Operating profit (loss)		-1 322	-30 686	13 659	-45 099	-33 189
Finance income and finance expenses						
Net currency exchange gains (losses)		101 793	-1 108	127 983	-31 430	99 745
Net interest expense		-41 344	-21 453	-75 877	-42 583	-127 518
Net other financial income (expense)		4 791	294	7 196	60	13 291
Finance income (expense)		65 240	-22 267	59 302	-73 954	-14 481
Profit (loss) before income tax		63 918	-52 953	72 961	-119 053	-47 670
Income tax		-25 648	-829	-33 931	15 714	-29 891
Profit (loss) for the period		38 270	-53 781	39 029	-103 339	-77 561
Earnings per share (NOK/share):						
(Loss) earnings per share (NOK/share):		0,13	-0,18	0,13	-0,35	-0,26
Diluted (loss) earnings per share		0,13	-0,18	0,13	-0,35	-0,26



# Condensed consolidated statement of comprehensive income

NOK '000	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Year 2021
Profit (loss) for the period	38 270	-53 781	39 029	-103 339	-77 561
Total effect - foreign exchange	334 931	78 274	230 985	-69 537	-113 432
Gains and losses net investment hedge	-60 563	-16 739	-34 172	28 367	45 743
Tax on OCI that may be reclassified to P&L	13 324	-	7 518	-9 923	-10 063
Total Other Comprehensive Income (OCI)	287 693	61 535	204 331	-51 094	-77 753
Total Comprehensive Income	325 963	7 754	243 361	-154 432	-155 314
Attributable to:					
Owner's equity	325 963	7 588	243 361	-154 598	-155 314

# Condensed consolidated statement of financial position

NOK in thousand	Note	Q2 2022	Q2 2021	Year 2021
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill		5 909 801	5 545 589	5 614 510
Other intangible assets		3 006 153	3 008 898	2 946 506
Right-of-use-assets		56 266	25 937	64 398
Equipment and fixtures		23 839	20 568	20 485
Deferred tax assets		144 136	140 450	142 944
Other long term assets		2 882	25 744	3 011
<b>Non-current assets</b>		<b>9 143 077</b>	<b>8 767 186</b>	<b>8 791 854</b>
<b>Current assets</b>				
Trade and other receivables		937 936	815 551	904 923
Cash and cash equivalents		901 759	807 931	843 618
<b>Current assets</b>		<b>1 839 696</b>	<b>1 623 482</b>	<b>1 748 540</b>
<b>Total assets</b>		<b>10 982 773</b>	<b>10 390 668</b>	<b>10 540 394</b>
<b>Equity &amp; Liabilities</b>				
Shareholders equity		5 362 143	5 049 757	5 089 557
<b>Total equity</b>		<b>5 362 143</b>	<b>5 049 757</b>	<b>5 089 557</b>
<b>Long-term liabilities</b>				
Long-term borrowings	5	3 837 477	3 768 932	3 696 470
IFRS 16 liability, non-current	5	40 500	32 152	45 040
Deferred tax liabilities		590 571	549 077	556 961
Other long-term liabilities	5	19 405	34 794	18 792
<b>Total non-current liabilities</b>		<b>4 487 953</b>	<b>4 384 956</b>	<b>4 317 263</b>
<b>Short-term liabilities</b>				
Borrowings, short-term	5	8 535	28 231	24 423
IFRS 16 liability, current	5	15 873	10 610	16 906
Trade and other payables		1 079 493	904 519	1 062 618
Tax payable		28 776	12 596	29 627
<b>Total current liabilities</b>		<b>1 132 677</b>	<b>955 955</b>	<b>1 133 574</b>
<b>Total liabilities</b>		<b>5 620 630</b>	<b>5 340 911</b>	<b>5 450 837</b>
<b>Total liabilities and equity</b>		<b>10 982 773</b>	<b>10 390 668</b>	<b>10 540 394</b>

# Condensed consolidated statement of changes in equity

YTD Q2 2022 (NOK '000)	Note	Share capital	Share premium	Other equity	Retained earnings	Other reserves	Minority interest	Total equity
Total Opening Balance		1 471	5 661 307	211 726	-918 484	133 539	-	5 089 559
Changes in Net Income		-	-	-	39 029	-	-	39 029
Total Other Comprehensive Income (OCI)		-	-	-	204 331	-	-	204 331
Total Comprehensive Income		-	-	-	243 361	-	-	243 361
Changes due to issue of stock		-	5 372	-	-	-	-	5 372
Share based payment		-	-	23 851	-	-	-	23 851
Closing Balance	9	1 471	5 666 679	235 576	-675 123	133 539	-	5 362 143

YTD Q2 2021 (NOK '000)	Note	Share capital	Share premium	Other equity	Retained earnings	Other reserves	Minority interest	Total equity
Total Opening Balance		1 355	4 875 968	185 693	-840 496	81 442	-	4 303 962
Changes in Net Income		-	-	-	-103 519	-	180	-103 339
Total Other Comprehensive Income (OCI)		-	-	-75 589	-43	57 069	-14	-18 578
Total Comprehensive Income		-	-	-75 589	-103 563	57 069	166	-121 917
Changes due to issue of stock		107	771 885	-	-	-	-	771 992
Share based payment		-	-	77 187	-	-	-	77 187
Non-controlling interest on acquisition of subsidiary		-	-	-	-	-	18 530	18 530
Closing Balance	9	1 462	5 647 853	187 295	-944 058	138 511	18 696	5 049 757

# Condensed consolidated statement of cash flows

NOK '000	Note	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Year 2021
Net cash flows from operating activities						
Profit before income tax		63 918	-52 953	72 961	-119 053	-47 670
Adjustments for:						
Taxes paid		-5 843	-12 740	-18 371	-20 996	-57 224
Finance income (expense)		-65 240	22 267	-59 302	73 956	14 483
Depreciation and amortization		102 204	68 713	202 072	136 215	337 706
Employee benefit - share based payments		9 854	38 807	23 851	77 187	134 505
Net losses (gains) from disposals		-	0	32	0	-88
Change in other provisions		8 388	-4 702	3 558	-5 118	-3 328
Change in trade and other receivables		-20 860	-55 555	-2 517	-6 112	-115 968
Change in trade and other payables		101 356	83 143	-9 991	-66 936	93 529
Net cash flows from operating activities		193 779	86 980	212 292	69 143	355 944
Net cash flows from investing activities						
Payment for equipment and fixtures		-2 681	2 725	-6 167	1 410	-2 506
Payment for intangible assets		-42 371	-31 403	-88 915	-53 444	-137 453
Payment for acquisition of subsidiary, net of cash acquired	8	-0	-1 741 165	0	-1 804 906	-1 869 208
Disposal of subsidiary		-	-	-	-	62
Net cash flows from investing activities		-45 052	-1 769 843	-95 082	-1 856 939	-2 009 105
Net cash flows from financing activities						
Proceeds on issue of shares		5 439	61 858	5 372	61 858	60 807
Proceeds from borrowings	5	-0	1 670 020	-0	1 670 020	1 670 021
Repayment of borrowings		-10 927	-21 356	-10 927	-21 356	-40 898
Interest paid		-68 598	-37 194	-71 489	-38 517	-110 076
Principal elements of lease payments		-3 504	-228	-7 180	-3 269	-11 379
Net cash flows from financing activities		-77 589	1 673 100	-84 224	1 668 736	1 568 476
Net increase (decrease) in cash and cash equivalents						
Effect of foreign exchange rate changes		29 023	10 478	25 156	-25 152	-23 840
Cash and equivalents at beginning of period		801 599	807 216	843 618	952 144	952 144
Cash and equivalents at end of the period		901 759	807 931	901 759	807 931	843 618

## Selected notes to the accounts

### Note 1 – General information

The Board of Directors approved the condensed interim financial statements for the three months ended 30 June 2022 for publication on 16 August 2022. The Group financial statements for second quarter have not been subject to audit or review by auditors; figures for FY2021 are audited.

LINK Mobility Group Holding ASA (LINK) is a public limited company registered in Norway. The Company is one of Europe's leading CPaaS providers within mobile communication, specializing in messaging and digital services. Headquartered in Oslo, Norway, the Group has 705 employees and operates in 19 countries.

### Note 2 – Basis for preparation and significant accounting policies

The consolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 "Interim Financial Reporting." The condensed interim financial statements do not include all information and disclosures required in the annual financial statement and should be read in accordance with the Group's annual report for 2021, which has been prepared according to IFRS as adopted by the EU.

The preparation of interim financial statements requires the Group to make certain estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, and expenses. Estimates and judgements are continually evaluated by the Group based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. Actual results may differ from these estimates. The most significant judgements used in preparing these interim financial statements and the key areas of estimation uncertainty are the same as those applied in the consolidated annual report for 2021.

Goodwill and other Intangible assets with an indefinite useful economic life are not amortized but are tested annually for impairment. The company performs an impairment test for goodwill on an annual basis or when there are circumstances which would indicate that the carrying value of goodwill may be impaired. When assessing impairment, assets are grouped into cash generating units (CGU's).

The presentation currency of the consolidated financial statement is Norwegian kroner (NOK), which is also the functional currency of the parent company. Unless otherwise stated, amounts presented are in thousands of NOK.



The accounting policies applied in the preparation of the consolidated interim financial statements are consistent with those applied in the preparation of the annual IFRS financial statements for the year ended December 31, 2021, except for the adoption of new and amended standards as set out below.

### **Hedging**

The Group applies hedge accounting for hedges that meet the criteria for hedge accounting. The Group has a hedge of net investments in foreign operations.

At the inception of each hedge relationship, the Group designates and documents the hedge accounting relationship, risk management objective, and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to change in the hedged item's fair value of cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they were designated.

Hedge relationships that meet the requirements for hedge accounting are accounted for in the Group's consolidated financial statements as follows:

#### **Hedge of a net investment**

A hedge of a net investment in a foreign operation is accounted for in a similar way to a cash flow hedge. Foreign exchange gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized directly in comprehensive income while any foreign exchange gains or losses relating to the ineffective portion are recognized in the income statement. On disposal of the foreign entity, the cumulative foreign exchange gains or losses recognized in other comprehensive income is reclassified to the income statement.

#### **Exchange rate risk**

Net investment hedge accounting is applied when possible.

For information related to amendments to standards, new standards, and interpretations effective from 01 January 2022, please refer to the Group Annual Report for 2021. None of the amendments, standards, or interpretations effective from 01 January 2022 have had a significant impact on the Group's consolidated interim financial information.

### Note 3 – Segment reporting

The Group reports revenue, gross profit (revenue less direct costs), gross margin (gross profit divided by revenue) 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 five natural reporting segments. These are Northern Europe, Western Europe, Central Europe, Northern America and Global Messaging; these represent market clusters. Generally, regions are segregated into similar geographic locations as these follow similar market trends. Global Messaging includes all regions with aggregator traffic; the other four have enterprise traffic.

The regions are:

#### **Northern Europe**

The Nordics is composed of Norway, Sweden, Denmark, Finland, and Baltics.

#### **Central Europe**

Central Europe is composed of Bulgaria, Romania, North Macedonia, Poland, Hungary, Germany, Austria, and the Netherlands.

#### **Western Europe**

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

#### **Northern America**

Northern America is composed of the US market currently includes the entity Message Broadcast.

#### **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 handling (not a focus area though because they are generally low margin and switch easily).

NOK '000

<i>Revenues by segment</i>	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Year 2021
Northern Europe	325 960	311 630	660 642	605 565	1 333 080
Central Europe	274 238	271 563	532 749	512 734	1 075 264
Western Europe	345 971	298 681	694 177	574 759	1 251 425
North America	47 010	0	89 013	0	119 502
Global Messaging	184 055	173 354	374 478	307 907	630 866
<b>Total revenues</b>	<b>1 177 236</b>	<b>1 055 228</b>	<b>2 351 061</b>	<b>2 000 964</b>	<b>4 410 136</b>

<i>Gross profit by segment</i>	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Year 2021
Northern Europe	90 068	91 708	186 407	180 058	381 904
Central Europe	87 815	92 663	174 362	172 332	360 094
Western Europe	78 893	67 861	159 130	130 870	285 686
North America	41 956	0	79 438	0	108 937
Global Messaging	17 845	15 979	39 048	31 955	63 808
<b>Total gross profit</b>	<b>316 578</b>	<b>268 211</b>	<b>638 388</b>	<b>515 215</b>	<b>1 200 429</b>

<i>Adj. EBITDA by segment</i>	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Year 2021
Northern Europe	52 186	58 114	111 790	115 731	241 137
Central Europe	56 057	62 918	111 507	116 001	241 614
Western Europe	33 623	30 670	76 277	55 981	139 421
North America	18 359	0	34 912	0	65 692
Global Messaging	8 975	8 311	21 280	17 464	33 601
Group Costs	-40 191	-40 941	-84 352	-76 940	-164 806
<b>Total adjusted EBITDA</b>	<b>129 010</b>	<b>119 071</b>	<b>271 416</b>	<b>228 237</b>	<b>556 660</b>

<i>Reconciliation of adjusted EBITDA to Group profit (loss) before income tax</i>	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Year 2021
Adjusted EBITDA	129 010	119 071	271 416	228 237	556 660
Non-recurring items	-28 127	-81 043	-55 686	-137 121	252 142
Depreciation and amortization	-102 204	-68 713	-202 072	-136 215	337 706
<b>Operating profit</b>	<b>-1 322</b>	<b>-30 686</b>	<b>13 659</b>	<b>-45 099</b>	<b>-33 189</b>
Finance income (expense)	65 240	-22 267	59 302	-73 954	-14 481
<b>Profit (loss) before income tax</b>	<b>63 918</b>	<b>-52 953</b>	<b>72 961</b>	<b>-119 053</b>	<b>-47 670</b>

\* Non-recurring items are expenses related to significant one-time, non-recurring events such as acquisitions and restructuring activities and share-based compensation

Note 4 – Related party transactions

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

As of 30 June 2022, the Group has not entered any transactions with related parties.

Note 5 – Debt

On 23<sup>rd</sup> June 2021 LINK issued EUR 170 million new bonds in LINK’s outstanding 5-year senior unsecured 3.375% fixed rate bond issue, raising the total outstanding amount to EUR 370 million. The bonds were issued at par.

NOK '000

Non-current financial liabilities	YTD 2022	Year 2021
Bond loan	3 768 544	3 629 772
Lease liability	40 500	45 040
Hold-back	68 934	66 698
Other long-term liabilities	19 405	18 792
<b>Total</b>	<b>3 897 383</b>	<b>3 760 303</b>

NOK '000

Current liabilities	YTD 2022	Year 2021
Hold-back	-	15 598
Lease liability	15 873	16 906
Debt to financial institutions/bond loan*	8 535	8 856
<b>Total</b>	<b>24 408</b>	<b>41 360</b>

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

The holdback related to the acquisition of TeraComm was settled in Q2 2022 at NOK 11 million and the excess besides foreign exchange loss and transaction charges was recognized in net financial items (NOK 4.7 million)

Note 6 – Options

In Q2 2022, an expense of NOK 7.4 million was recognized in relation to the RSU and LTI program. The quarterly expense includes a NOK 6 million correction of an over-accrual included in prior periods. Please refer to the annual report for 2021 regarding details for the respective option programs.

Note 7 – Depreciation and amortization

Depreciation and amortization are comprised of the following amounts:

NOK '000

Depreciation and amortization	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Year 2021
Equipment and fixtures	1 864	1 739	3 585	3 359	7 077
Right-of-use-assets	4 987	3 262	9 751	7 722	17 622
Intangible assets acquisitions*	76 974	45 392	152 016	88 361	238 359
Intangible assets - subsidiaries**	18 379	18 320	36 720	36 774	74 648
<b>Total depreciation and amortization</b>	<b>102 204</b>	<b>68 713</b>	<b>202 072</b>	<b>136 215</b>	<b>337 706</b>

\* Acquisitions: depreciation of allocated surplus values from purchase price allocations on acquisitions (Group level)

\*\* Subsidiaries: depreciation of amounts booked in subsidiary balances. Includes book values from acquisitions

Note 8 – Business combinations, updated Purchase Price Adjustments related to acquisitions

There were no new or corrections to previously closed business combinations during the second quarter of 2022.

The hold-back related to the TeraComm acquisition was settled in Q2 2022 (refer to note 5 for further details).

Note 9 – Earnings per share

The Group’s earnings per share is calculated as below:

NOK '000	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Year 2021
Owners of LINK Mobility Group Holding ASA	38 270	-53 781	39 029	-103 339	-77 561

Weighted average number of ordinary shares (basic)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Year 2021
Issued ordinary shares at 01 January	294 252	270 911	294 252	270 911	270 911
Effect of shares issued (11 March 2021)				1 227	1 227
Effect of shares issued (31 May 2021)		1 688		1 688	1 688
Effect of shares issued (07 June 2021)		1 723		1 723	1 723
Effect of shares issued (24 June 2021)		16 755		16 755	16 755
Effect of shares issued (11 November 2021)					1 235
Effect of shares issued (14 December 2021)					713
<b>Weighted average number of ordinary shares</b>	<b>294 252</b>	<b>291 077</b>	<b>294 252</b>	<b>292 304</b>	<b>294 252</b>
Basic (loss) earnings per share (NOK)	0,13	(0,18)	0,13	(0,35)	(0,26)

Weighted average number of ordinary shares (diluted)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	YTD 2021
Weighted average number of ordinary shares (basic)	294 252	291 077	294 252	292 304	294 252
Effect of share options on issue	3 046	-	3 046	-	-
Diluted (loss) earnings per share (NOK)	0,13	(0,18)	0,13	(0,35)	(0,26)
Number of outstanding ordinary shares per 01.01	294 252	270 911	294 252	270 911	270 911
Number of outstanding ordinary shares per period end	294 252	291 077	294 252	292 304	294 252
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Declaration on the financial statements

We confirm that the financial statements for the first half of 2022, to the best of our knowledge, have been prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the company’s consolidated assets, liabilities, financial position and results of operations, and that the first half-year report of 2022 includes a fair review of the development, results and position of the company, together with a description of the most central risks and uncertainty factors facing the company.

Oslo, 16 August 2022  
The Board of LINK Mobility Group Holding ASA

Andre Alexander Christensen	Robert Joseph Nicewicz Jr	Jens Rugseth
Chairman of the Board	Board Member	Board Member
Sara Katarina Murby Forste	Katherine Ji-Young Woo	Grethe Helene Viksaas
Board Member	Board Member	Board Member

## ALTERNATIVE PERFORMANCE MEASURES (“APM'S”)

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).

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, 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.

NOK '000	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Year 2021
Operating profit (loss) ("EBIT")	-1 322	-30 686	13 659	-45 099	-33 189
Depreciation and amortization	102 204	68 713	202 072	136 215	337 706
<b>EBITDA</b>	<b>114 848</b>	<b>38 028</b>	<b>215 730</b>	<b>91 116</b>	<b>304 517</b>
Restructuring cost	11 243	6 109	18 735	12 697	26 815
Share based compensation	7 376	40 077	21 221	81 391	149 457
Expenses related to acquisitions	9 508	34 857	15 730	43 033	75 870
<b>Adjusted EBITDA</b>	<b>129 010</b>	<b>119 071</b>	<b>271 416</b>	<b>228 237</b>	<b>556 659</b>
Operating revenues	1 177 236	1 055 228	2 351 061	2 000 964	4 410 136
<b>Adjusted EBITDA</b>	<b>129 010</b>	<b>119 071</b>	<b>271 416</b>	<b>228 237</b>	<b>556 659</b>
<b>Adjusted EBITDA margin</b>	<b>11,0 %</b>	<b>11,3 %</b>	<b>11,5 %</b>	<b>11,4 %</b>	<b>12,6 %</b>

**Net debt**

The Group monitors Net debt according to Bond loan terms which includes interest-bearing debt and debt like arrangements. Net debt is derived from the balance sheet and consists of both current and non-current liabilities such as bond loan, other debt from financial institutions and current and non-current lease liabilities less cash and cash equivalents. Sellers credits, holdback and earn-outs are excluded as they are not interest-bearing.

**Net debt/LTM Adjusted EBITDA**

LINK measures leverage ratio as Net debt/Last Twelve Months Adjusted EBITDA. The measure provides useful information about the financial position. Due to the significant M&A activity LINK use Last Twelve Months Proforma Adjusted EBITDA to calculate net debt to present a comparable measure over time.

Below is a reconciliation of Net debt and Net debt/Adjusted EBITDA ratio:

NOK '000	Q2 2022	Year 2021
Bond loan - Principal	3 723 606	3 695 856
IFRS 16 liabilities	56 374	61 946
Sellers Credit (interest-bearing)	68 934	66 698
Less cash	-901 759	-843 618
<b>Net debt</b>	<b>2 947 154</b>	<b>2 980 882</b>
LTM adjusted EBITDA (proforma)	602 500	619 304
<b>Net debt/LTM adjusted EBITDA</b>	<b>4,9</b>	<b>4,8</b>