



Interim Report

First quarter 2022

Guillaume Van Gaver, CEO
Thomas Berge, CFO

A large, solid blue circle with a thin orange border, containing the text "Q1" in a large, white, sans-serif font.

Q1

LINK facts and figures

Global CPaaS Player in High Growth Markets

2000

FOUNDING YEAR

#1

MESSAGING PLAYER IN EUROPE

>14 bn

MESSAGES SENT IN 2021*

30

OFFICES GLOBALLY

19

COUNTRIES IN OUR GROUP

~47 k

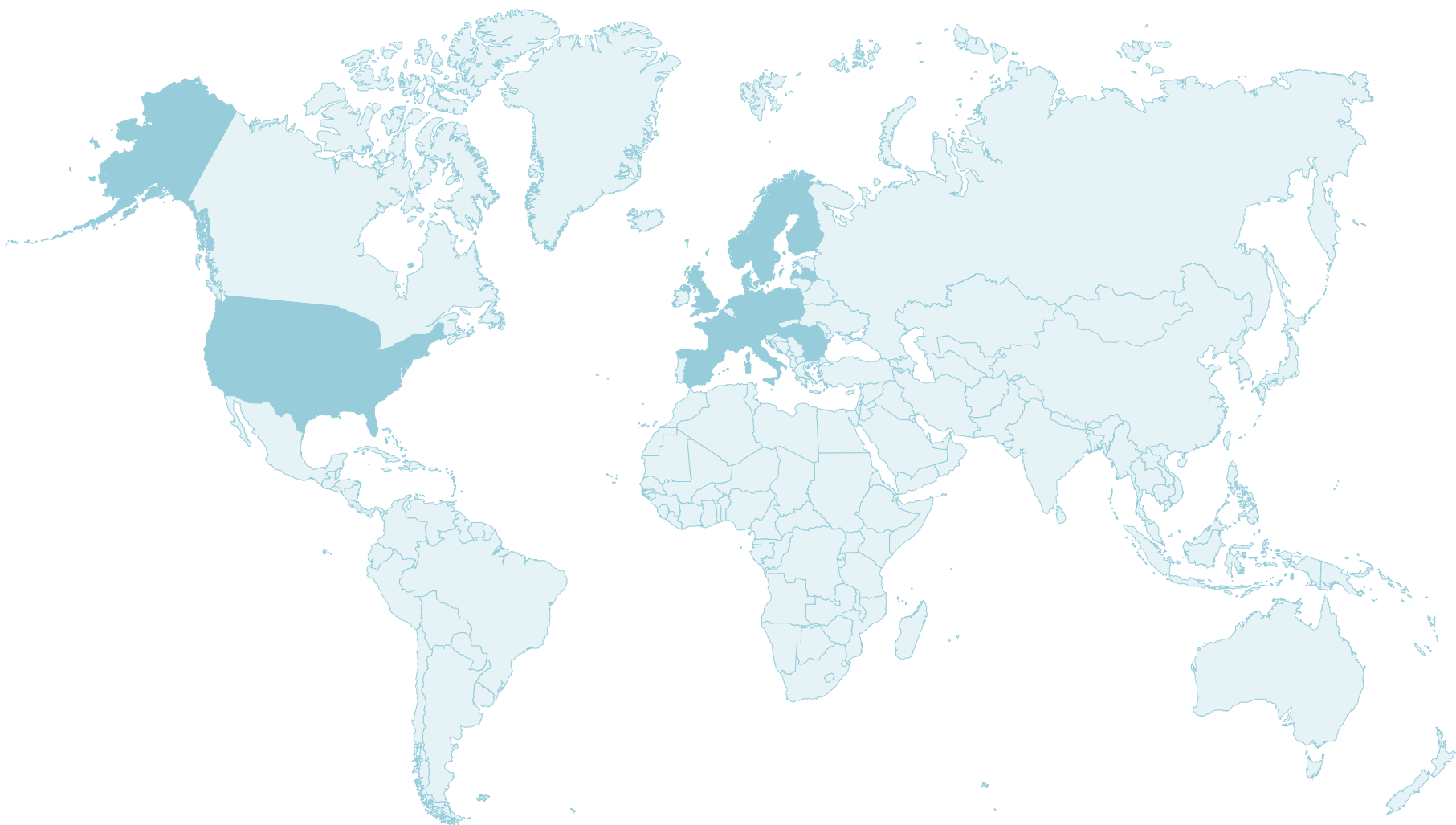
HAPPY CLIENTS WORLDWIDE*

4.7 bn

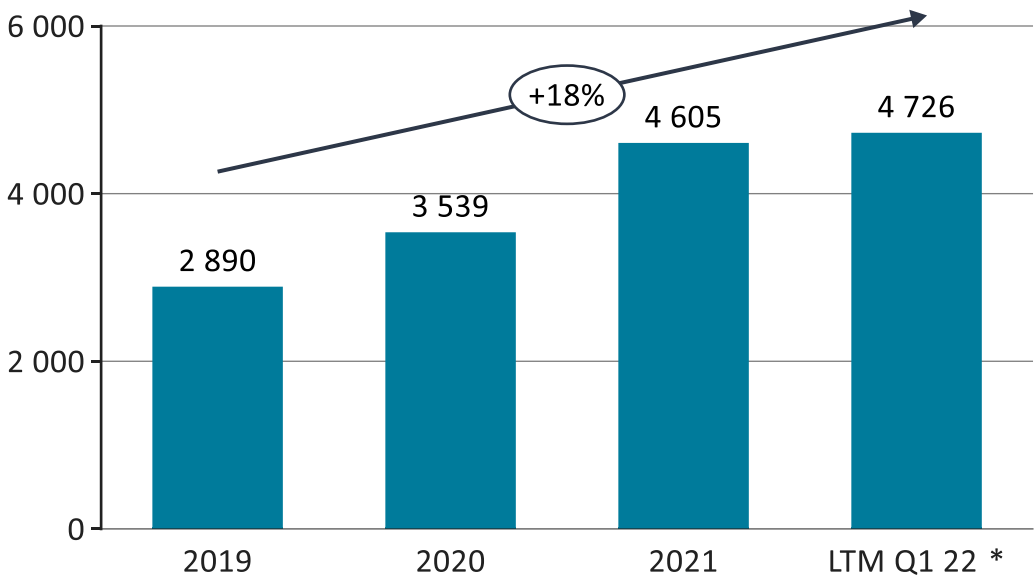
NOK LTM revenue Q1 22*

619 m

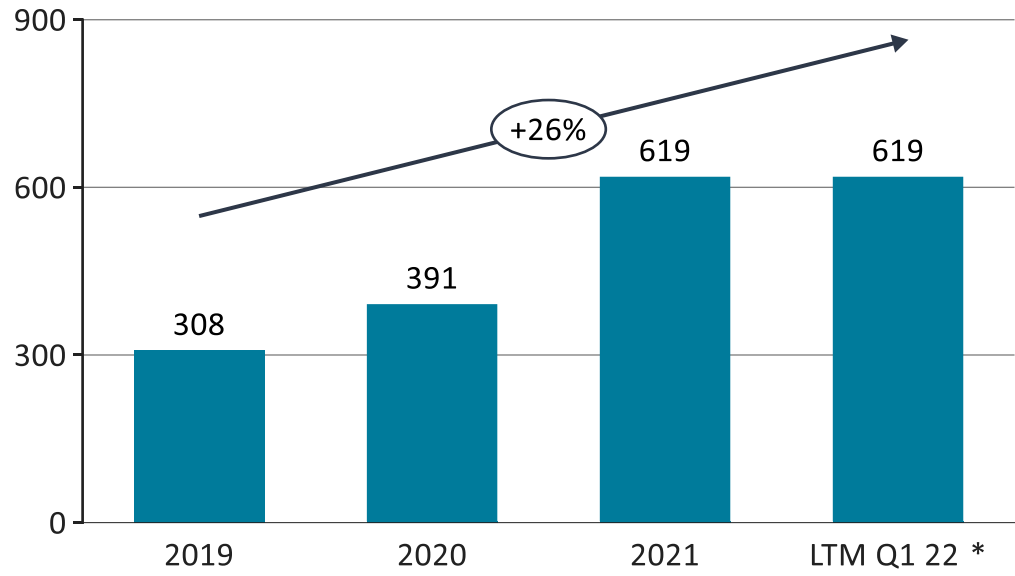
NOK LTM adj. EBITDA Q1 22*



Revenue NOKm



Adjusted EBITDA NOKm



First quarter report 2022 highlights

Global CPaaS Player in High Growth Markets



Revenue grew 24% to NOK 1,174 million

- 15% organic revenue growth in fixed currency supported by a larger contribution from Global Messaging



Gross profit increased 30% to NOK 322 million

- Gross margin expansion with higher margin contribution from U.S. acquisition Message Broadcast
- Organic gross profit growth in fixed currency of 9%



Adjusted EBITDA at NOK 142 million up 30% YoY

- Adjusted EBITDA margin at 12.1% (11.5%)
- Organic adjusted EBITDA increased 8% in fixed currency



LINK signed 753 new agreements in the first quarter of the year (new and expanding)

- Securing significant new revenue and future growth potential



Business with global IT hyperscaler following the Tismi acquisition significantly expanded

- Large revenue potential in providing CPaaS messaging to worldwide IT player

LINK's unique GTM strategy displays traction and CPaaS adoption

LINK has made significant go-to-market (GTM) investments last 2 years

- Advancing LINK's competitive advantage in local adoption of CPaaS solutions
- Implementing right local CPaaS sales culture in the various markets
- 2/3 of salesforce currently working on both A2P and CPaaS opportunities

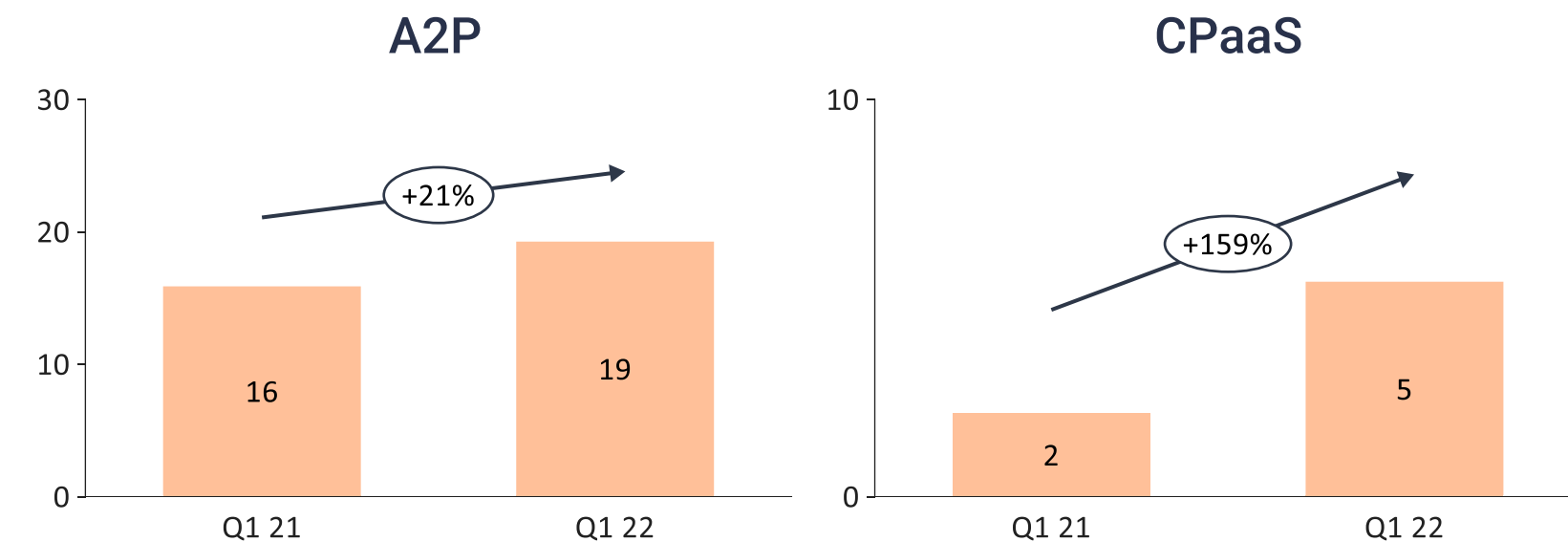
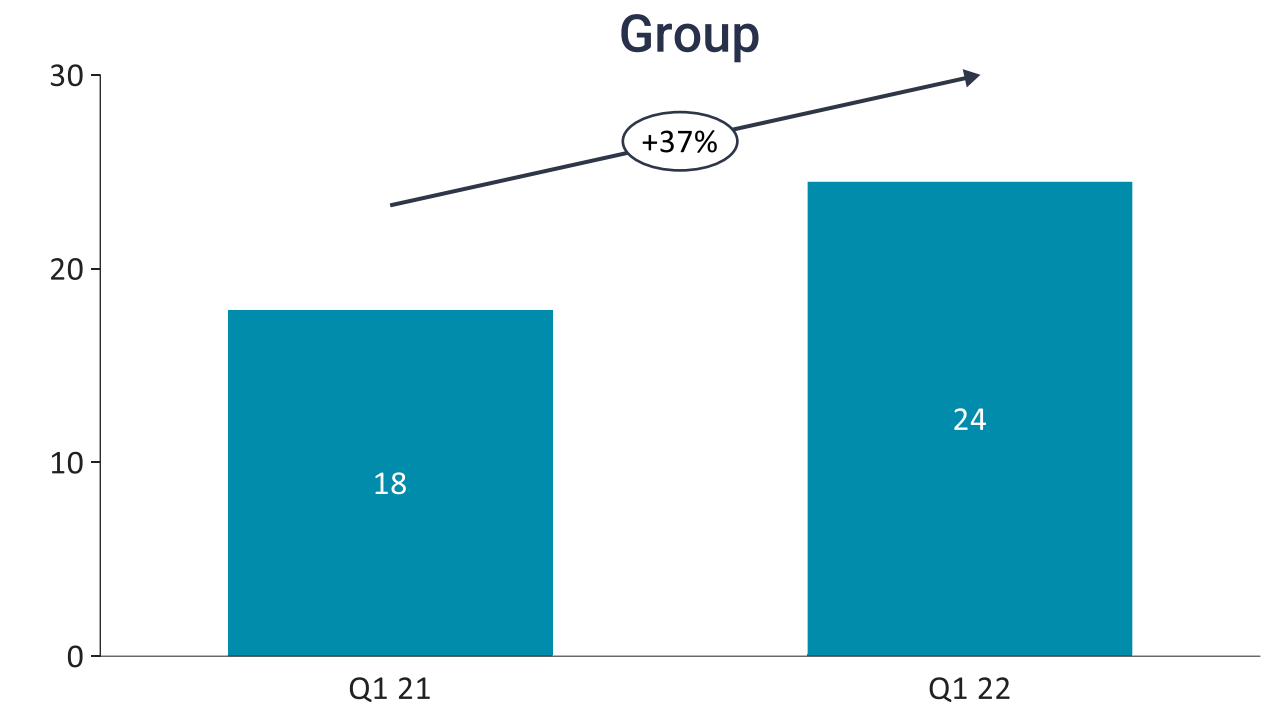
Q1 22 experienced an uplift in customer wins compared to Q1 21

- Expected annualized best estimate gross profit growth of 37%
- Contracts will be implemented gradually and historical data indicates 75% of gross profit will be recorded in the P&L after the first 12 months

LINK's opportunity pipeline shows a clear shift in customer demand

- CPaaS gross margin NOK contribution now on par with A2P for new wins in Q1 22 with many times higher gross profit growth of 159% from a lower base
- Customer discussion increasingly beyond necessity A2P towards CPaaS solutions

Annualized gross profit contribution* from new agreements signed (NOKm)



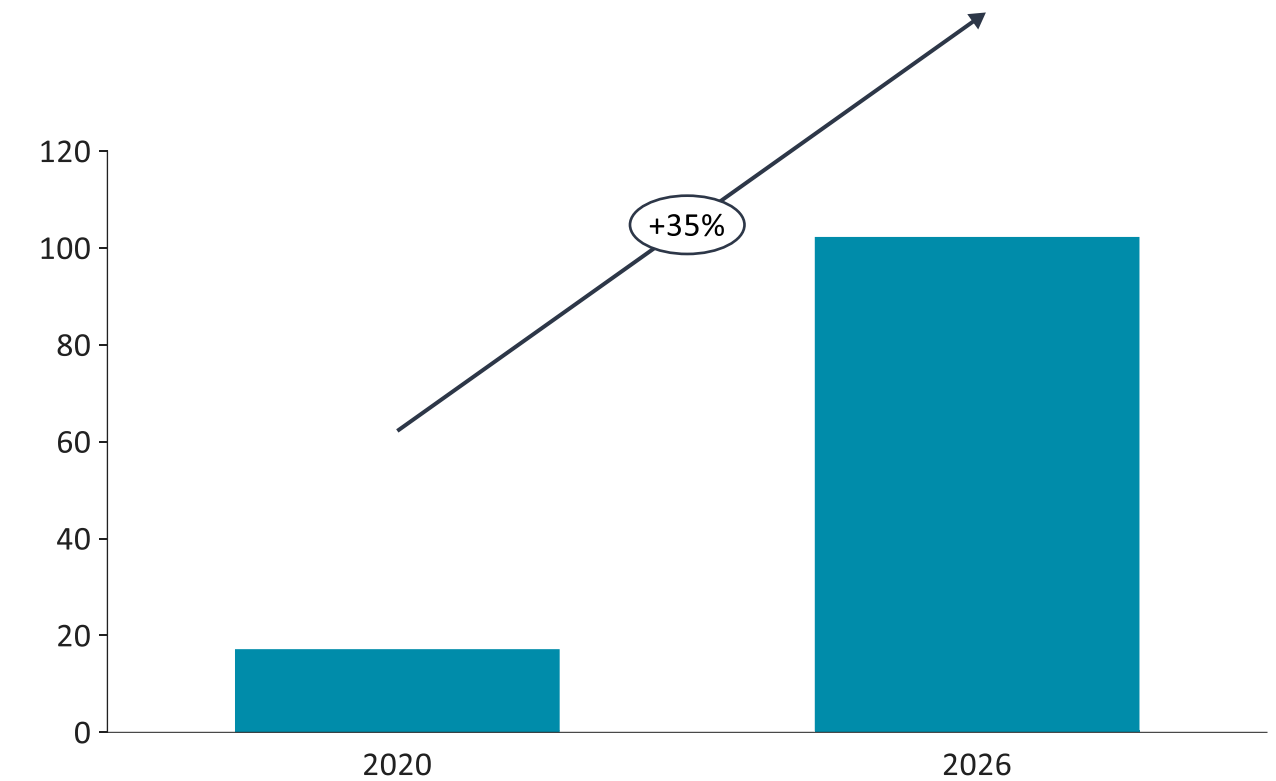
Chatbots increasingly important part of CPaaS

A2P messaging progressively expanding to conversational CPaaS communication

Advanced CPaaS companies offer both chatbot and conversational flows for quick implementation of conversational solutions

- Small business - Set-up through simple GUI*
- Medium business - AI/NLP adaptation for efficient automation of Q&A with customers
- Large business - Conversations use cases implemented by CPaaS solutions layers
 - To mitigate challenge of multitude legacy IT systems
- Chatbots speed up implementation by handling intelligence and logic from CPaaS layers

Chatbot market USD billion (CAGR growth)



Source: Mordor Intelligence

LINK acquired Xenioo in December last year

Omnichannel platform capable to automate conversations between companies / people across a wide range of different text / voice channels

Platform is composed of 4 modules



Acquisition of Tismi allows LINK to grow partnership with global IT hyperscaler

LINK positioned as CPaaS enabler for large enterprises and CPaaS peers

- Tismi acquisition adds telecommunication services and products
 - Licensed mobile network operator (MNO) status in 11 European countries
 - 4 new licences added so far since acquisition in February 2021

Hyperscaler closer to mobile operators through LINK's direct connections

- One time password (OTP) via SMS to new markets
 - Partnership currently being expanded to worldwide coverage
- LINK sees significant growth potential together with global IT hyperscaler
 - Providing CPaaS messaging worldwide in a trusted environment

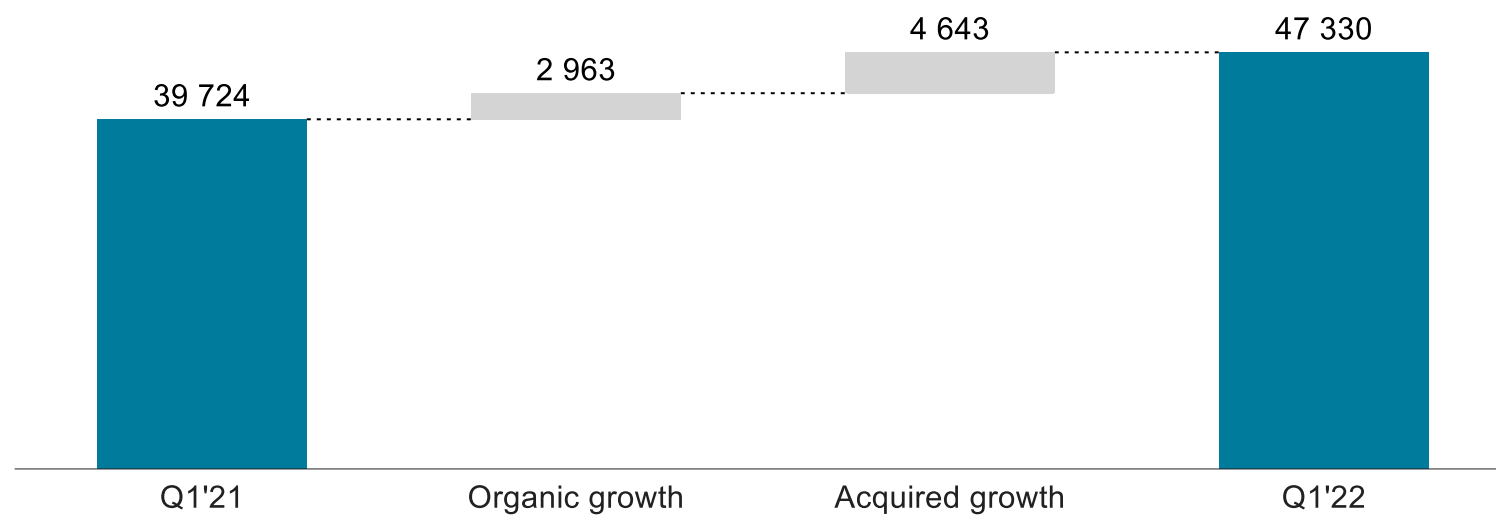
Tismi acquisition added global IT hyperscaler as customer



Hyperscaler cooperation expanded to partnership since acquisition

Large customer base secures recurring revenue and cross-selling opportunities

Customer accounts



47,300 active customer accounts

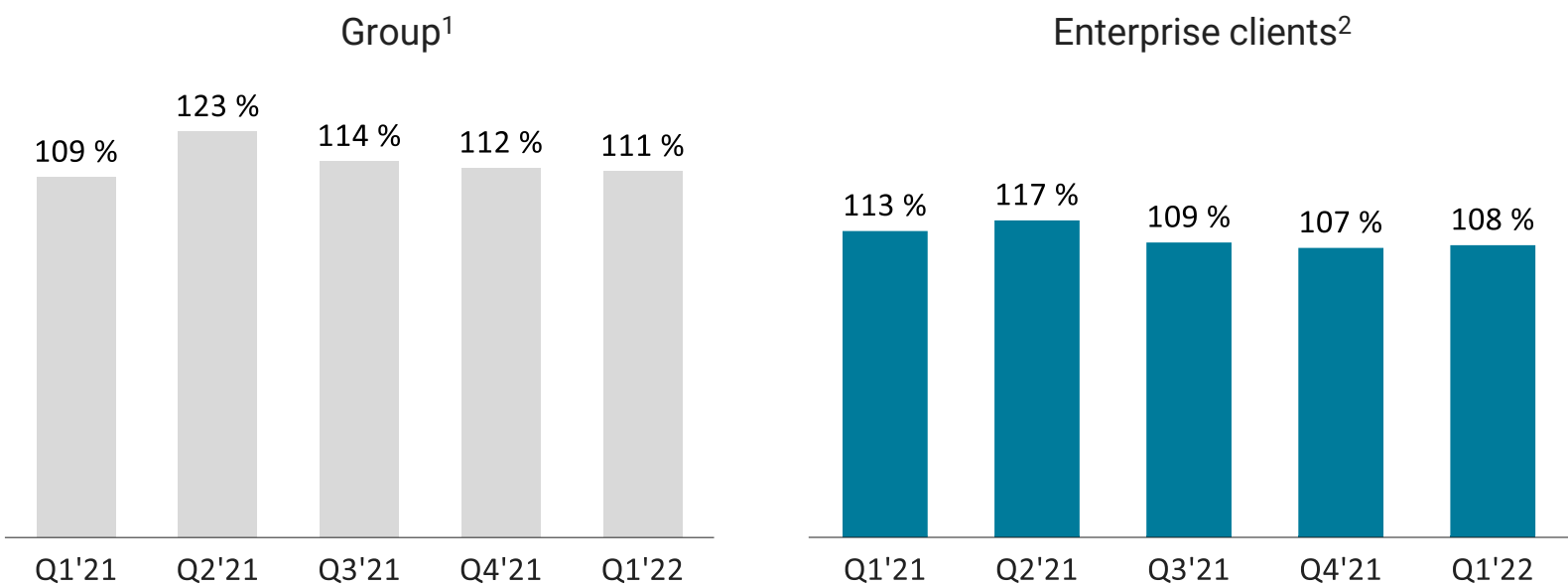
- Organic GTM strategy registered 3,000 new customer accounts
 - Customer churn below historic average of 2-3% secure recurring revenue
- M&A added 4,600 customer accounts

Large and growing customer base provides significant revenue upside

- S-curve adoption of CPaaS omnichannel solutions

Stable group net retention rate (NRR) at 111%

Pro forma NRR in fixed currency



Group pro forma NRR of 111% in Q1 22 in fixed currency

- Decline QoQ impacted by unusual churn of high volume/low margin Nordic customer
- Contribution from new customer wins resulted in organic growth above NRR

Pro forma enterprise NRR of 108% in fixed currency

- Deviation to group due to higher Global Messaging wholesale volumes

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

2022

Confidence in 14 -17% revenue growth for full year of 2022

- Growth rates may vary between quarters as 2021 was impacted by lockdowns, resulting in high and low comparables

Net retention rate expected to remain above 110% for the Enterprise segment for the full year 2022

Gross profits expected to trend upwards in H2 22 with a normal season for high margin critical events messaging in the US

Additional growth through M&A with strict transaction requirements

- Accretive to LINK's valuation
- Deleveraging or at least neutral to leverage

Significant deleveraging effect from organic growth expected by end of 2022 bringing leverage closer to financial policy target of <3.5x

2024

Pro forma revenue NOK 10 billion

- 20% long-term organic growth in mature market
 - S-curve adoption of omnichannel CPaaS solutions
- Pro forma adjusted EBITDA margin 15-17%

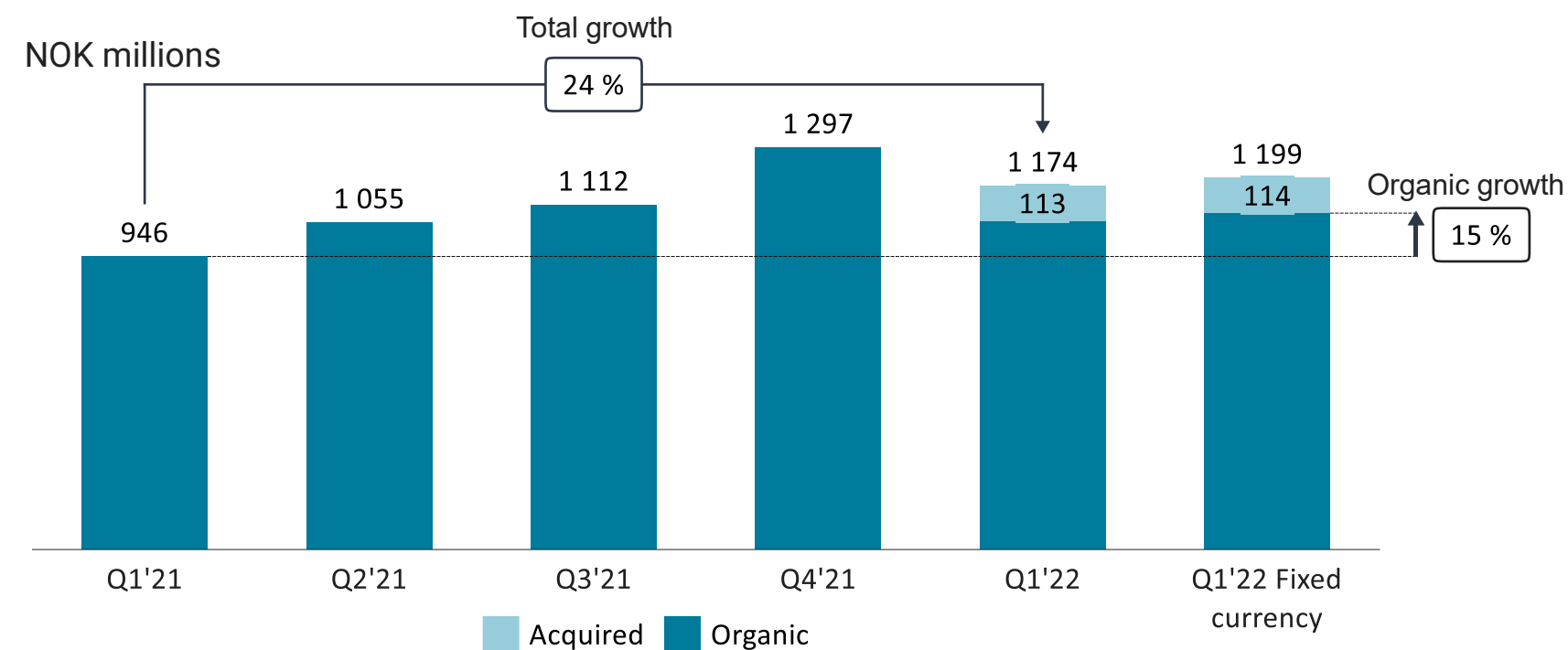


Financial Review

First quarter 2022

Reported organic revenue growth of 15% in fixed currency

Total reported revenue



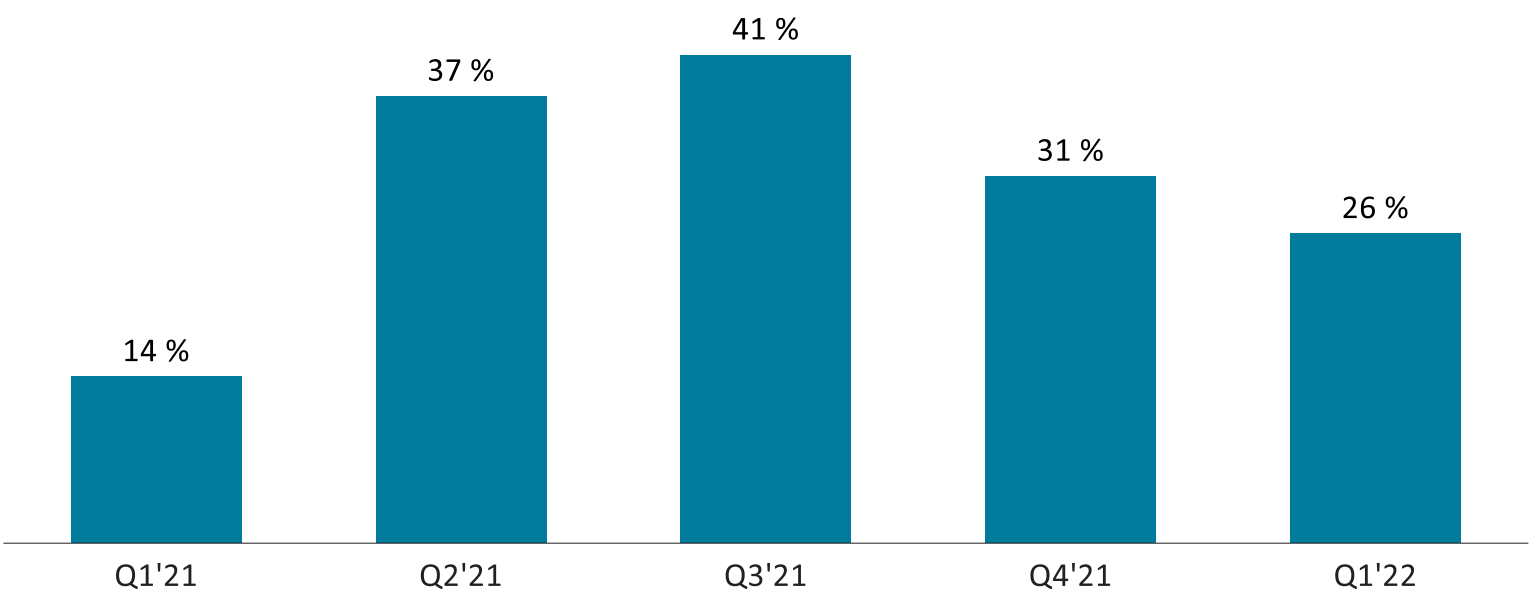
Reported revenue grew 24% to NOK 1,174 million

- Reported revenue growth includes effect from acquired entities

Reported organic revenue growth of 15% in fixed currency

- Organic revenue growth exclude the effect from consolidated acquired entities
- FX headwind of -3% year-over-year due to appreciation of NOK

Reported volume growth % YoY

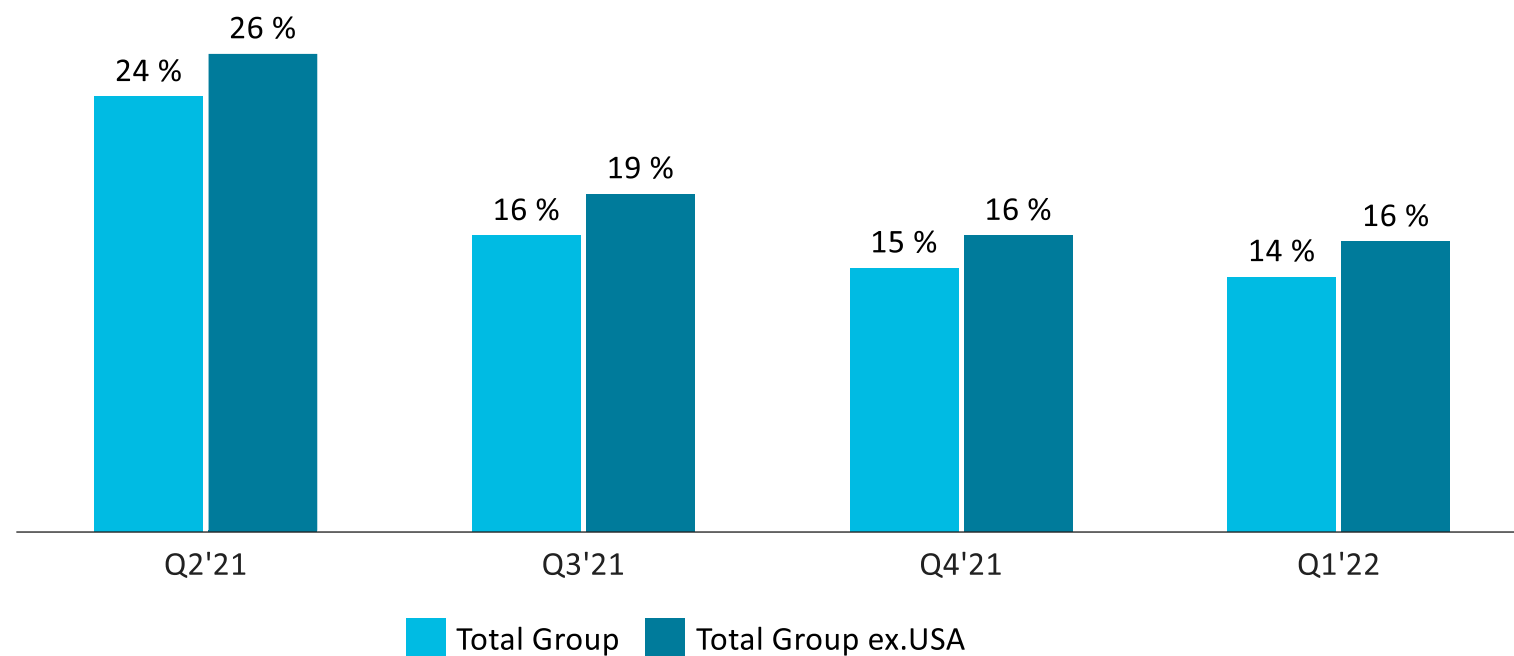


Reported volume growth for Q1 22 at 26% including effect from acquired entities

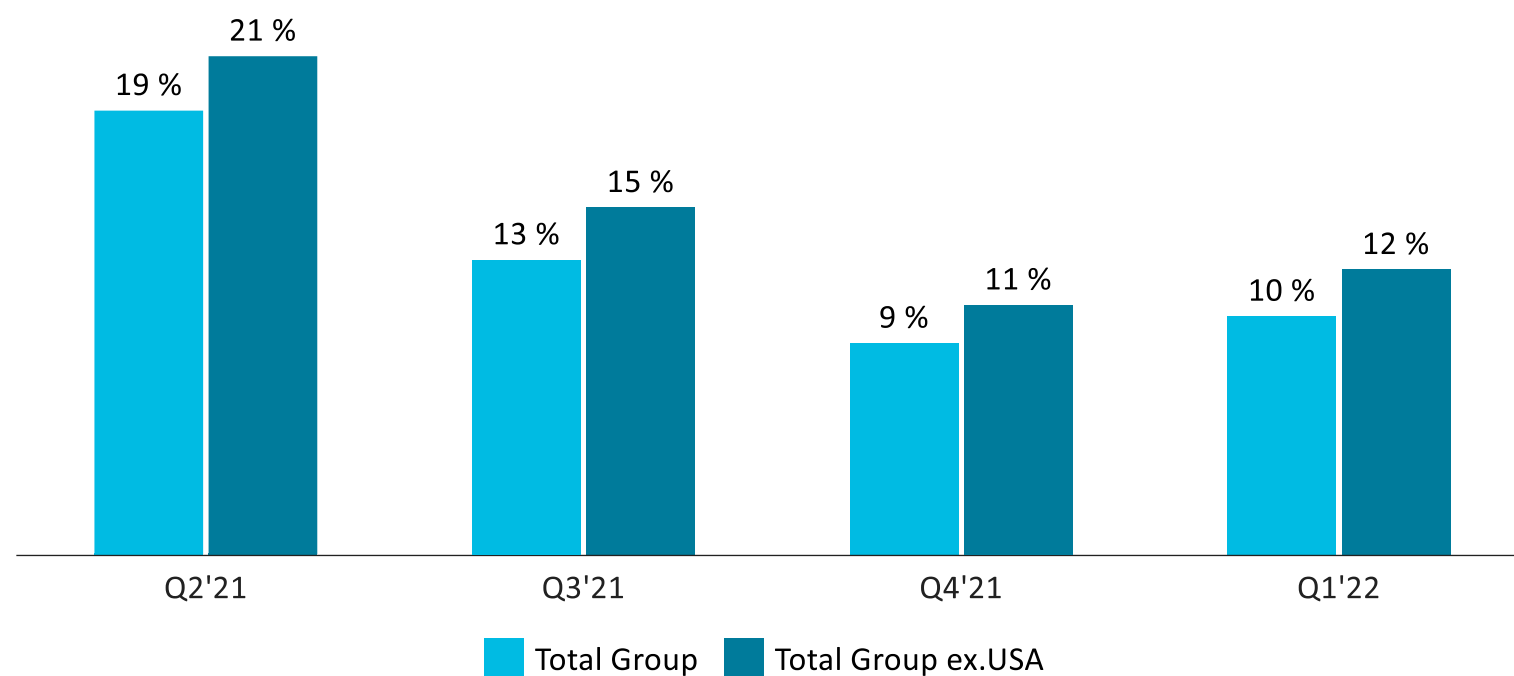
- Volume growth higher than revenue growth reflecting a higher portion derived from the lower price/margin Global Messaging segment

Organic pro forma* total revenue growth of 16% excluding U.S.

Total group (fixed currency)



Enterprise segment (fixed currency)



Total pro forma revenue growth of 16% excl the U.S. in fixed currency

- Higher Global Messaging volume positively impacting total pro forma revenue growth
- The U.S. impacted total pro forma revenue growth rate by a negative 2%

Enterprise pro forma revenue growth of 12% excluding the U.S. in fixed currency

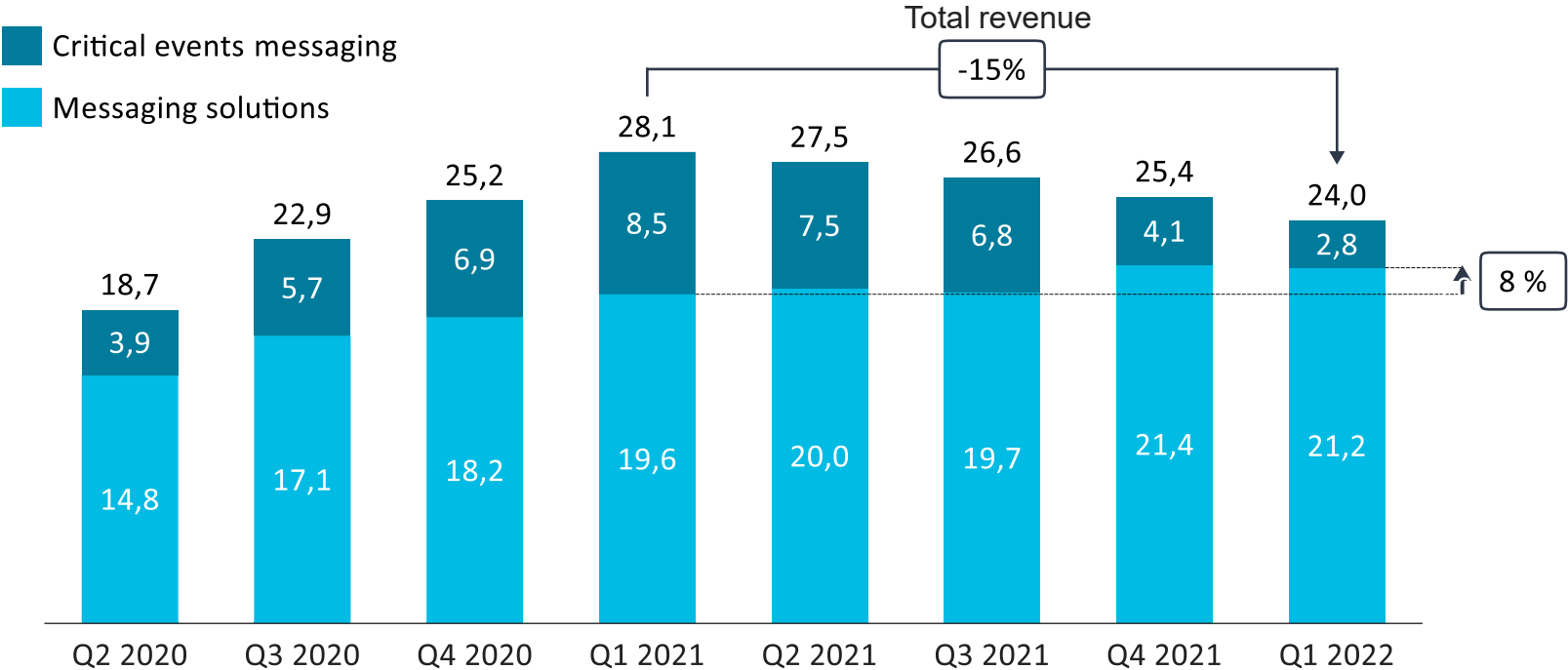
- Nordic at 15% revenue growth, negatively impacted by an unusual churn of a sizeable, but low margin simple use case client in the first quarter
- Central Europe at 7% revenue growth, less than seen in previous quarters
 - Lower growth in Poland as the Ukrainian war has reduced economic activity
 - Covid volumes in Austria flattening out compared to same period last year
- Western Europe revenue growth bounces back at 14% with a strong performance in Italy
 - French retail market starting to normalize, however still behind pre Covid volumes

The U.S. impacted Enterprise pro forma revenue growth by a negative 2%

- High comparables same quarter last year as illustrated on next slide

Message Broadcast set for seasonally strong H2 2022

LTM revenue (USDm)



Message Broadcast has two revenue streams

- Stable revenue from messaging solutions - transactions, licenses, professional services
- Volatile revenue from weather related critical events messaging, historically driven by droughts in Western U.S. and hurricanes in the Gulf of Mexico

Revenue from messaging solutions grew 8% LTM Q1 22

- Solutions revenue softer in Q1 22 due to delays in professional services projects
- Traction on new projects expected to support revenue growth throughout the year

Critical events messaging revenue declined 67% LTM Q1 22

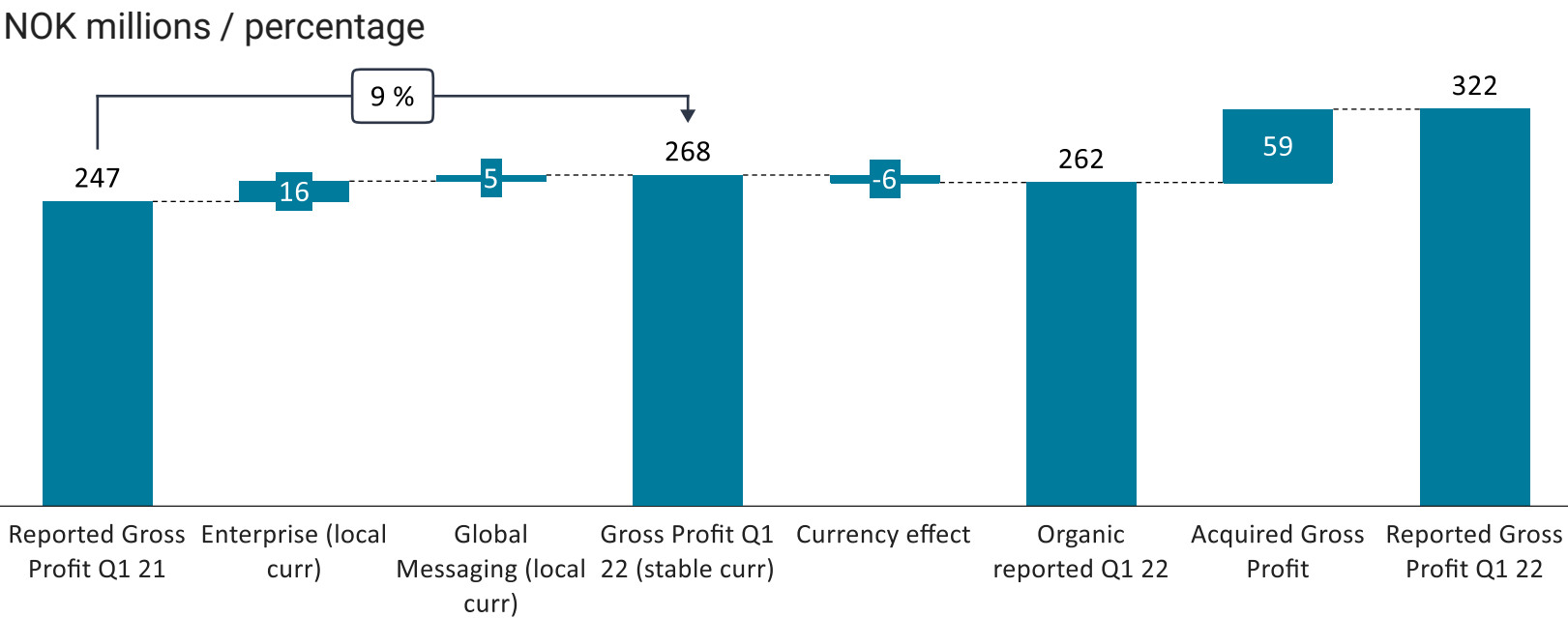
- Abnormal weather patterns in H2 21 resulted in unusually low revenue
- Reversion to normal weather patterns to drive strong revenue growth in H2 22

Message Broadcast added several large new customers

- Supporting revenue growth in both messaging solutions and critical events messaging from a larger and more geographically diverse customer base

Organic gross profit growth of 9% YoY

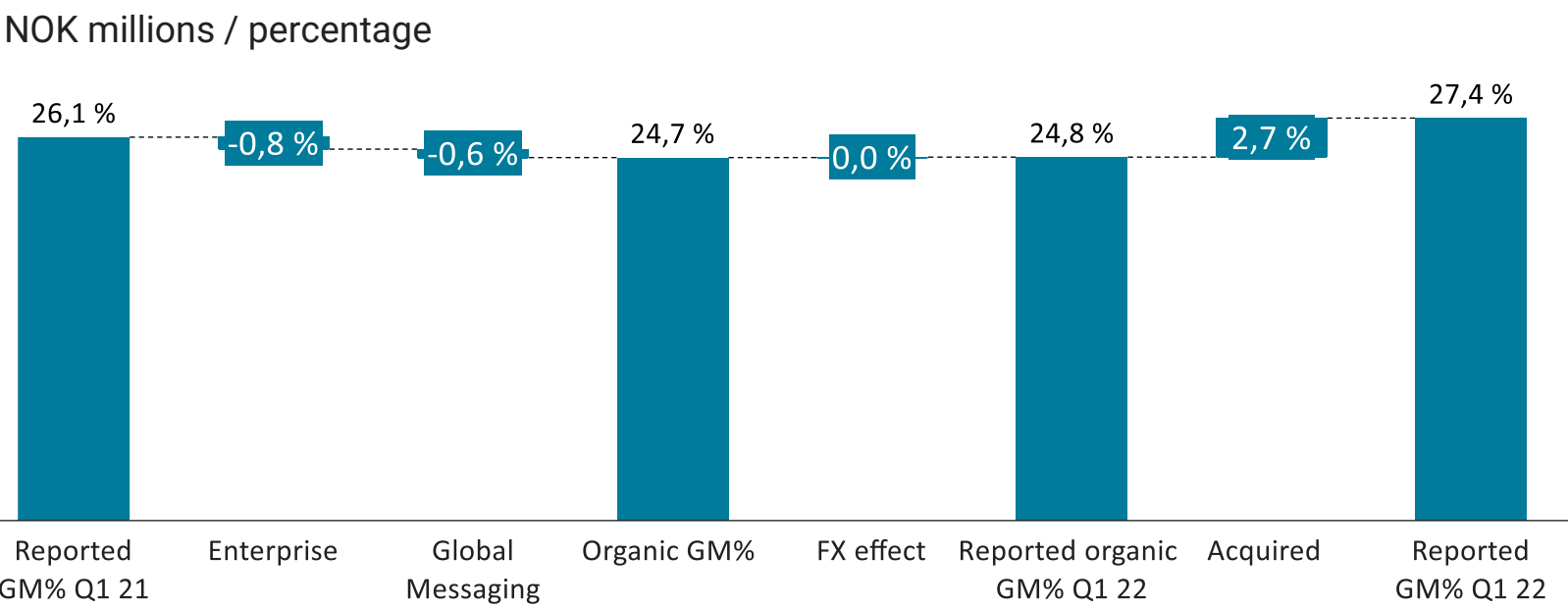
Reported gross profit



Gross profit grew 30% to NOK 322 million

- Organic gross profit growth in fixed currency of 9% driven by the Enterprise segment
- Contribution from consolidated acquired entities amount to NOK 59 million

Gross profit margin



Enterprise margin -0,8 percentage points lower YoY

- -0.4 percentage points as pass through COGS increases in Nordics diluted margins
- -0.3 percentage points as region and country mix effect reduces margins

Global Messaging growth diluted organic gross margin by 0.6 percentage points

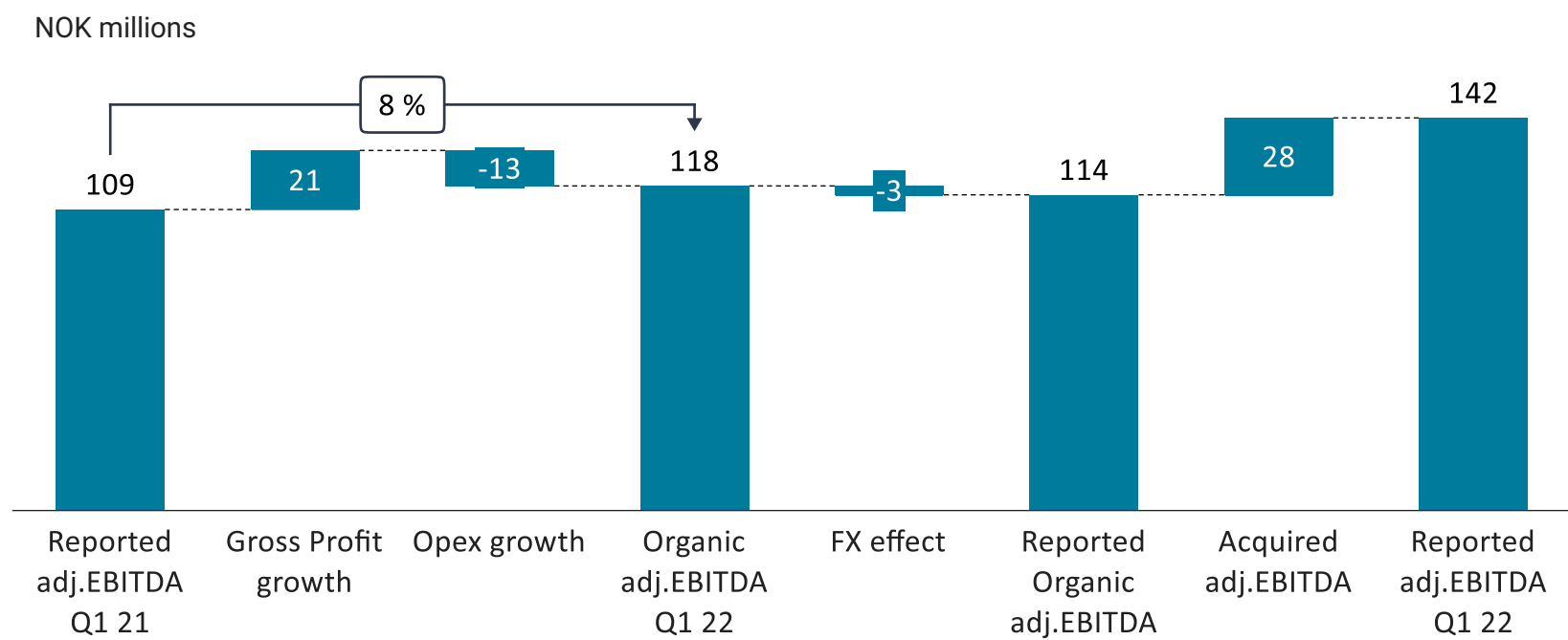
- Higher wholesale revenue with lower profitability dilutes margins compared to Q1 21
- Global messaging margins higher than previous three quarters, and comparable to same period last year

Gross profit margin expanded YoY from 26.1% to 27.4% in the quarter

- Margin positively impacted by consolidation of Message Broadcast

Organic adjusted EBITDA growth even after OPEX investments

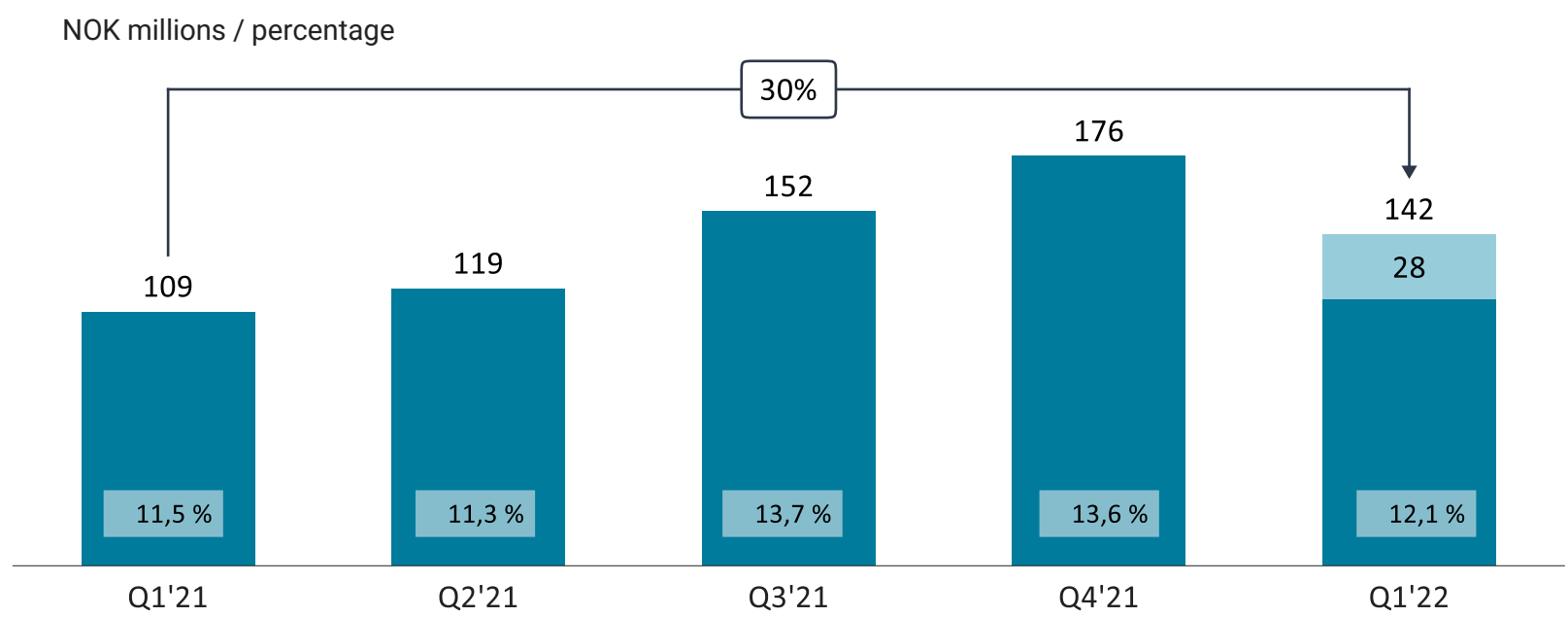
Reported adjusted EBITDA



Adjusted EBITDA of NOK 142 million in Q1 22, a growth of 30% YoY

- Organic adjusted EBITDA growth of 8% in fixed currency
- Negative FX effect of NOK 3 million YoY due to appreciation of the NOK
- Contribution from consolidated acquired entities NOK 28 million

Reported adjusted EBITDA / adjusted EBITDA margin



Adjusted EBITDA margin improved YoY from 11.5% to 12.1% in the quarter

- Seasonally low contribution from high margin U.S. business diluted total adjusted EBITDA margin compared to the last two quarters

P&L first quarter 2022

NOK in millions	Q1 2022	Q1 2021	Year 2021
Total operating revenues	1174	946	4410
Direct cost of services rendered	-852	-699	-3210
Gross profit	322	247	1200
Operating expenses	-179	-138	-644
Adjusted EBITDA	142	109	557
Non-recurring costs	-28	-56	-252
EBITDA	115	53	305
Depreciation and amortization	-100	-68	-338
Operating profit (loss)	15	-14	-33
Net financials	-6	-52	-14
Profit (loss) before income tax	9	-66	-48
Income tax	-8	17	-30
Profit (loss) for the period	1	-50	-78

Revenue of NOK 1.174 million, an increased of 24% YoY
 Gross profit of NOK 322 million, an increased of 30% YoY
 Adjusted EBITDA of NOK 142 million, an increase of 30% YoY

Non-recurring costs of NOK 28 million

- Share option cost NOK 14 million
- M&A related costs NOK 6 million
- Restructuring costs NOK 7 million

Depreciation and amortization of NOK 100 million

- Depreciation of intangible assets of NOK 18 million from internal R&D
- Depreciation of acquired excess values of NOK 75 million deriving from PPA's
- Remaining related to depreciation of leasing arrangements and fixed assets

Net financial items negative NOK 6 million

- Net currency exchange gain of NOK 26 million with no cash effect
- Net interest expenses of NOK 35 million related to outstanding EUR bond
- Net other financial expenses positive NOK 2 million

Strong balance sheet

NOK in millions	Q1 2022	Q1 2021	Year 2021
Non-current assets	8 589	5 966	8 792
Trade and other receivables	865	674	905
Cash and cash equivalents	802	807	844
Total assets	10 256	7 447	10 540
Equity	5 021	4 245	5 090
Deferred tax liabilities	543	306	557
Long-term borrowings	3 597	2 052	3 696
Other long-term liabilities	62	31	64
Total non-current liabilities	4 203	2 389	4 317
Trade and other payables	936	751	1 063
Other short-term liabilities	96	62	71
Total current liabilities	1 032	813	1 134
Total Liabilities	5 235	3 202	5 451
Total liabilities and equity	10 256	7 447	10 540

Non current assets increased due to acquisitions

- Purchase Price Allocations (PPA) of acquisitions closed in the period

Cash on balance sheet NOK 802 million

Equity NOK 5,021 million and equity percentage 49%

Receivables and payables increased

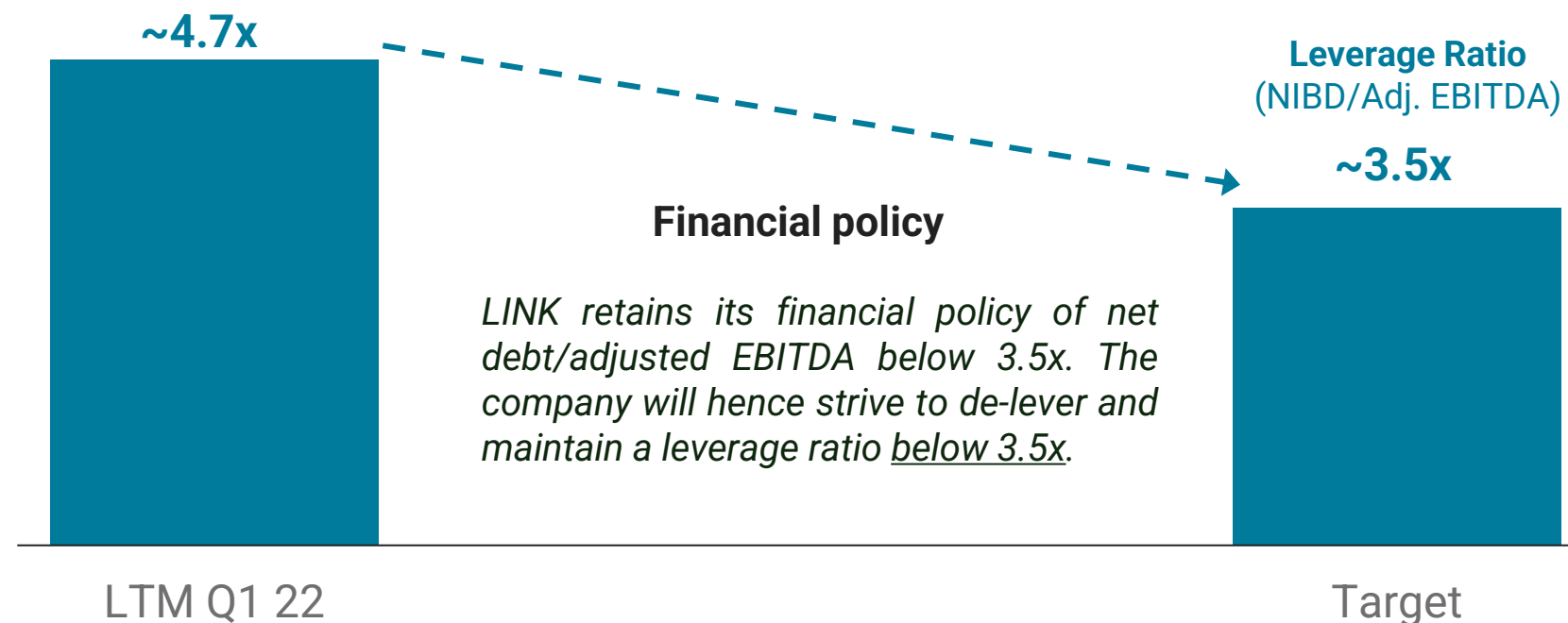
- Reflecting acquired entities and organic growth
- Negative working capital as Payables > Receivables

Net interest bearing debt reported of NOK 2,916 million

LINK generates more than NOK 200 million in net free cash flow per year

Reported free cash flow

NOK '000	Q2 2021	Q3 2021	Q4 2021	Q1 2022	LTM Q1 2022
Adj.EBITDA	119	152	176	142	590
Change working capital	22	-81	113	-98	-37
Taxes paid	-13	-8	-28	-13	-61
Non-recurring costs M&A	-41	-17	-30	-14	-102
Payable Social cost on Share options	-	-	-6	-	-6
Net cash flow from operating activities	87	47	225	19	384
Add back non-recurring costs M&A	41	17	30	14	102
Adj. cash flow from operations	128	64	255	32	486
Capex	-29	-30	-58	-50	-167
Interest	-37	-1	-71	-3	-112
Cash flow after capex and interest	62	33	126	-21	207



Adjusted LTM cash flow from operations NOK 486 million

- Reported cash flow from operations include M&A related expenses
- Free cash flow generated after capex and interest of NOK 207 million

Working capital (WC) varies significantly between quarters

- Stable change WC on LTM basis despite significant revenue growth
- WC is net negative, clients and vendor are funding the organic growth

Cash generation high with LTM cash conversions at

- 82% at adjusted cash flow from operations over adjusted EBITDA
- 35% at free cash flow after interest and capex over adjusted EBITDA

Full year effect from acquisitions to increase cash generation in 2022

Reported LTM Q1 22 leverage at 4.7x

- Significant deleveraging expected from organic growth and high cash conversion
- Bringing leverage closer to the financial policy target of <3.5x by end of 2022

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

- Fixed interest rate at 3.375% secured for more than 3.5 years



Q&A

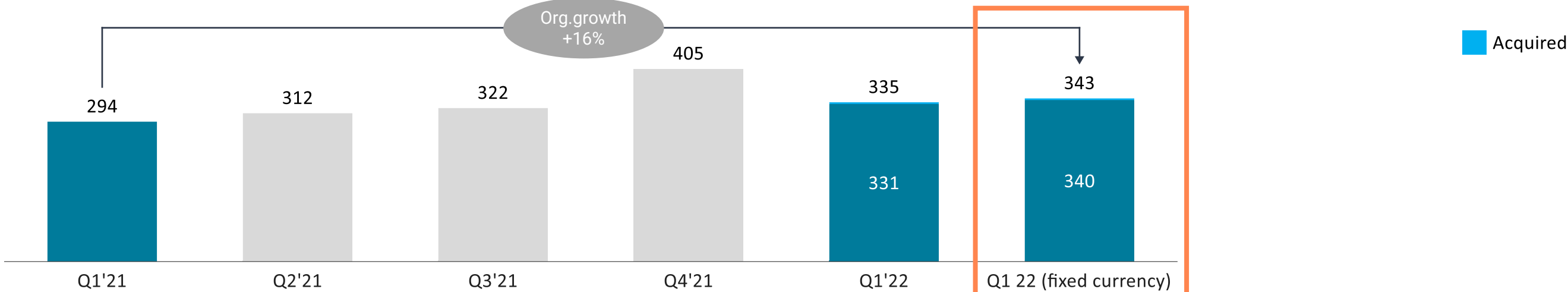


Appendix

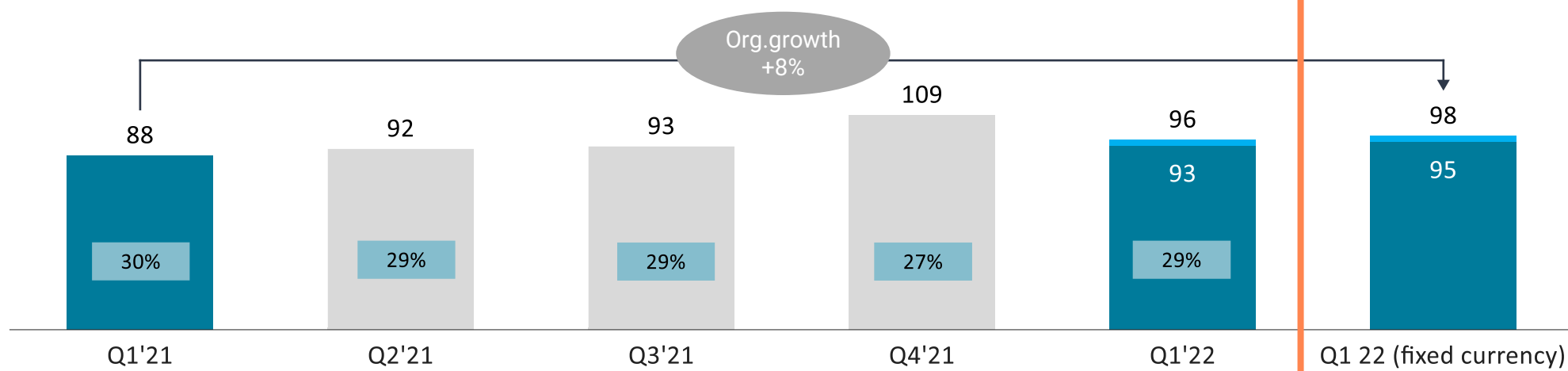
Segment information

Northern Europe

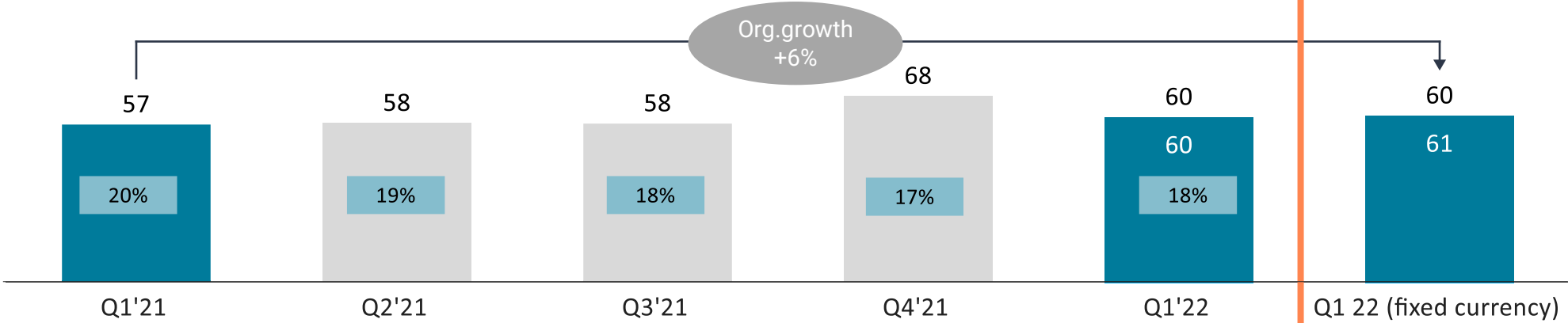
Revenue (NOKm)



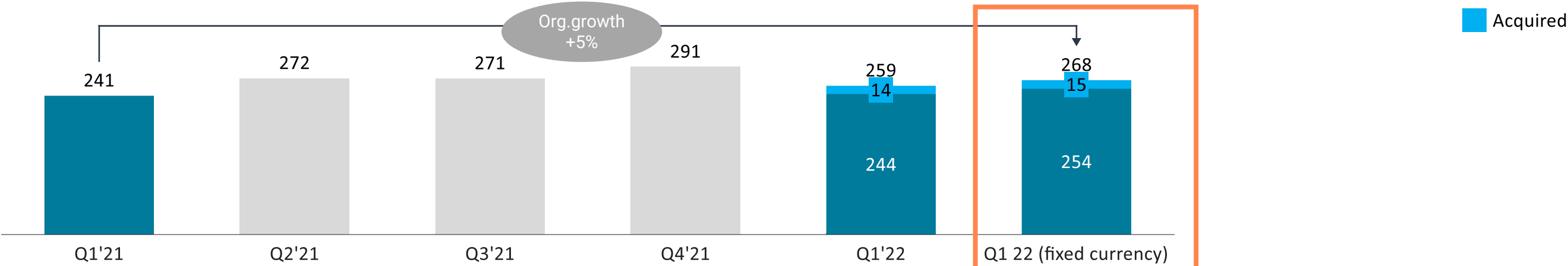
Gross Profit (NOKm / %)



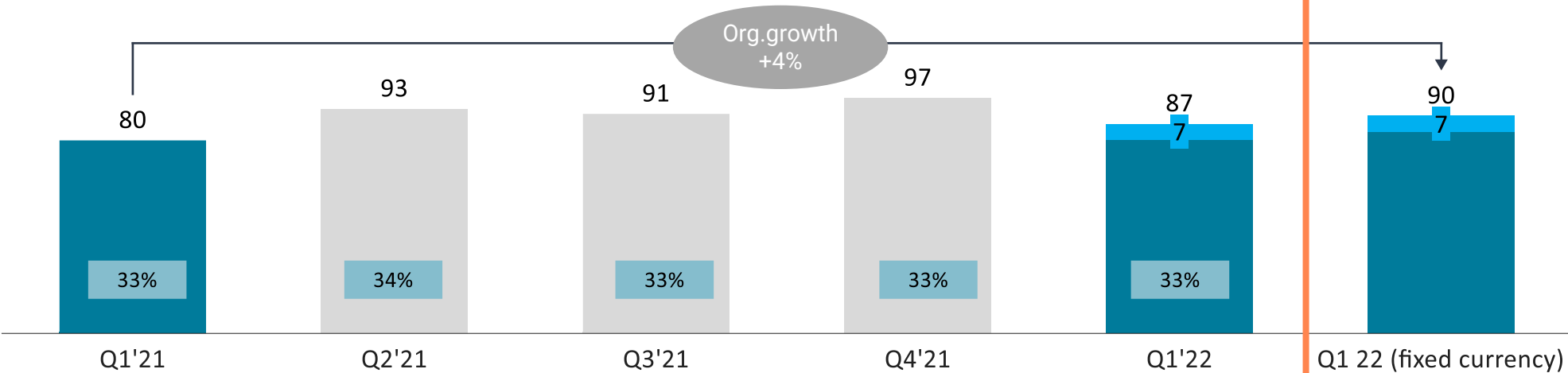
Adjusted EBITDA before group cost (NOKm / %)



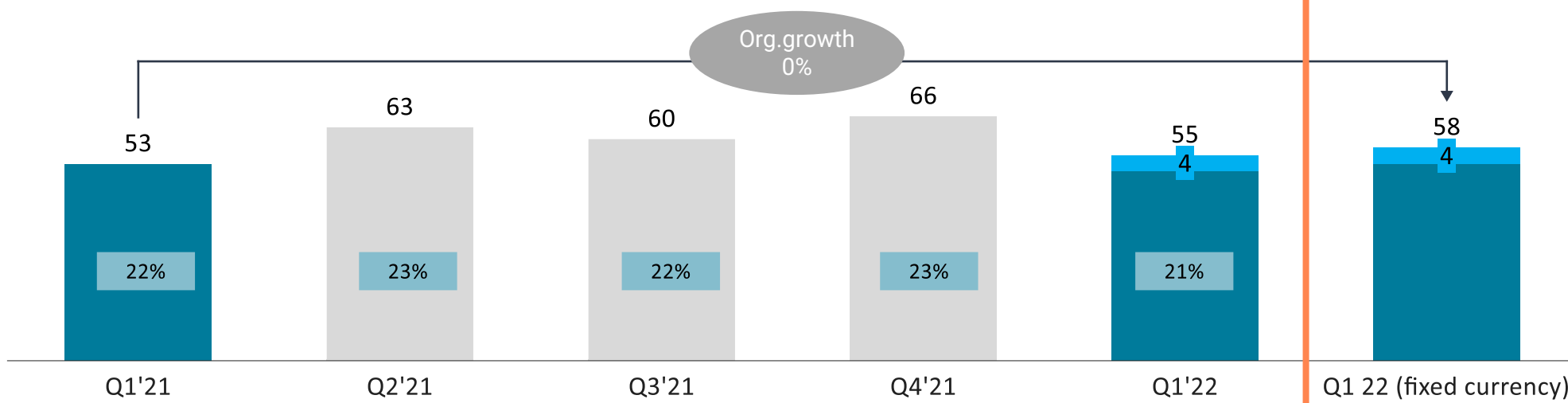
Revenue (NOKm)



Gross Profit (NOKm / %)

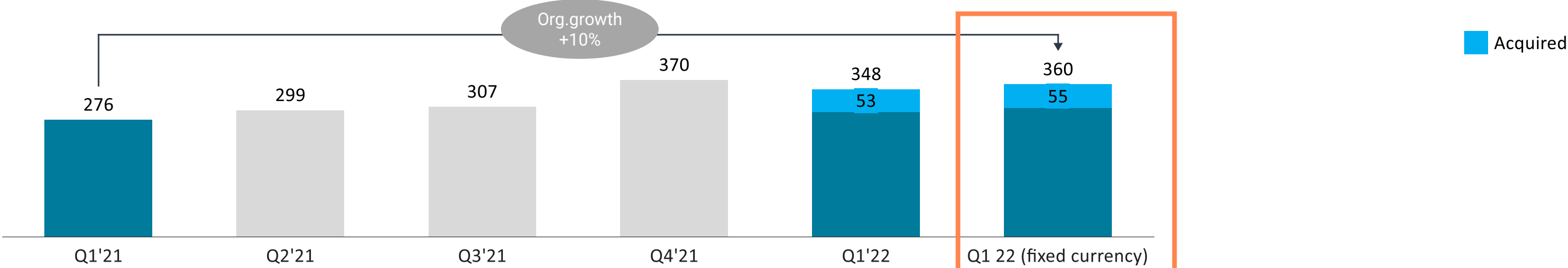


Adjusted EBITDA before group cost (NOKm / %)

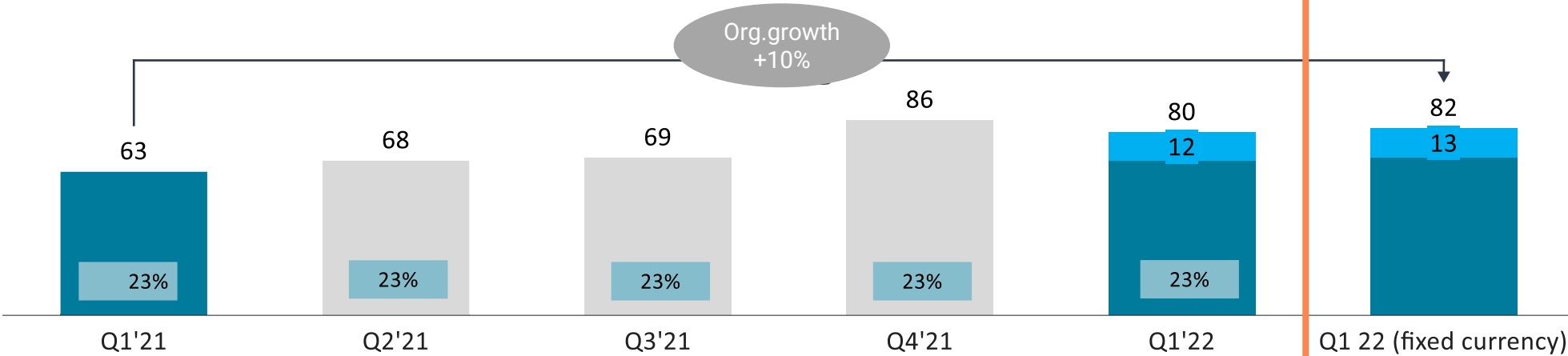


Western Europe

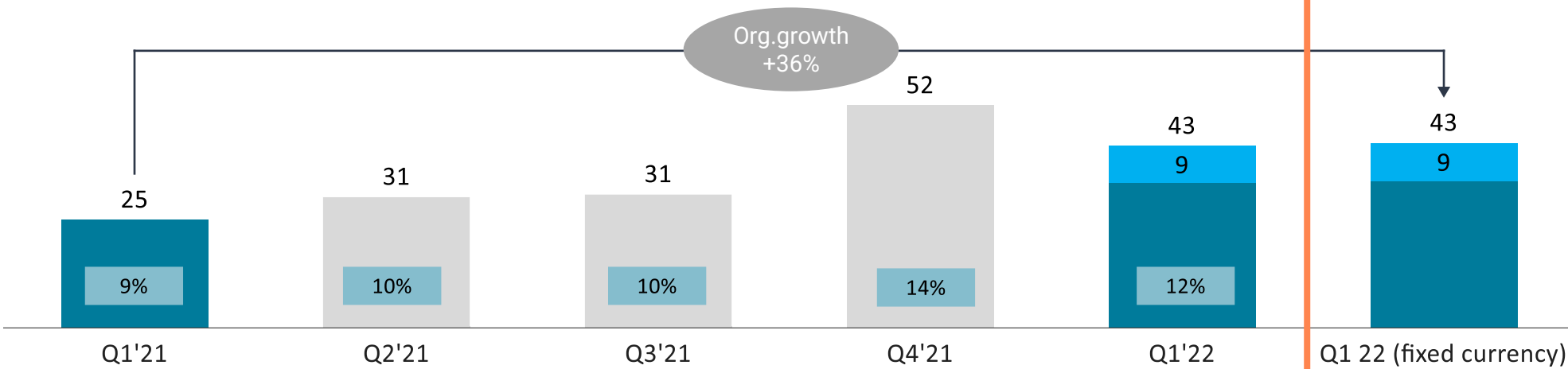
Revenue (NOKm)



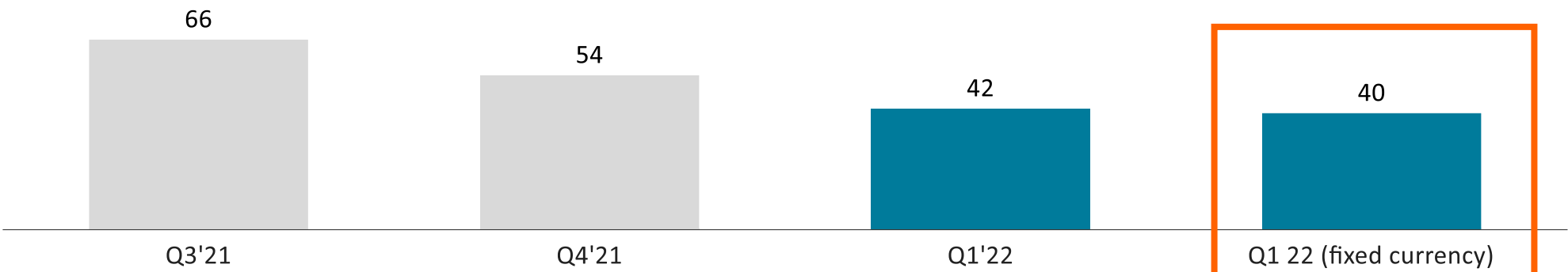
Gross Profit (NOKm / %)



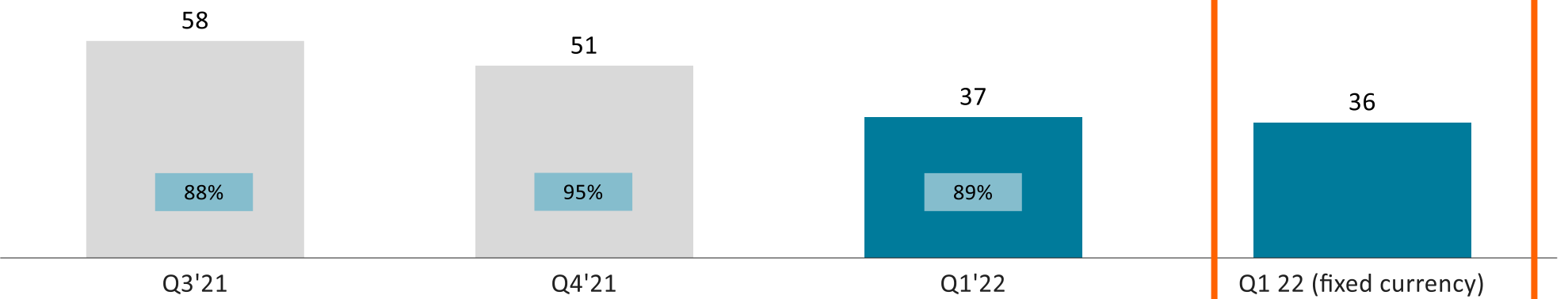
Adjusted EBITDA before group cost (NOKm / %)



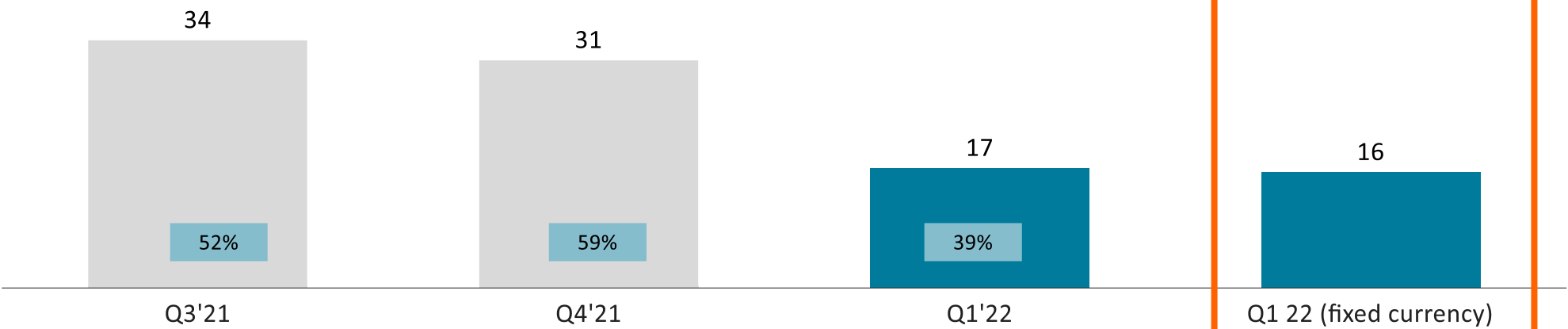
Revenue (NOKm)



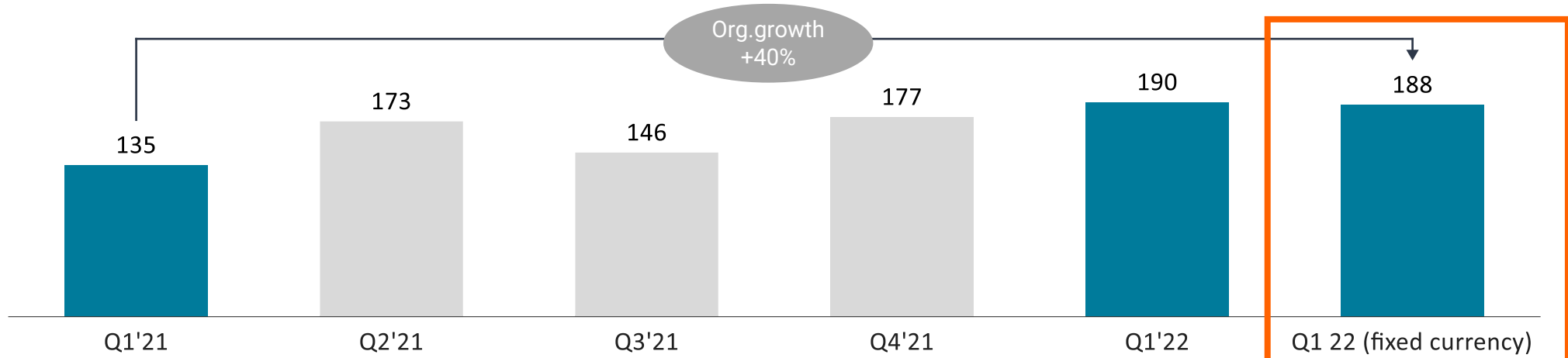
Gross Profit (NOKm / %)



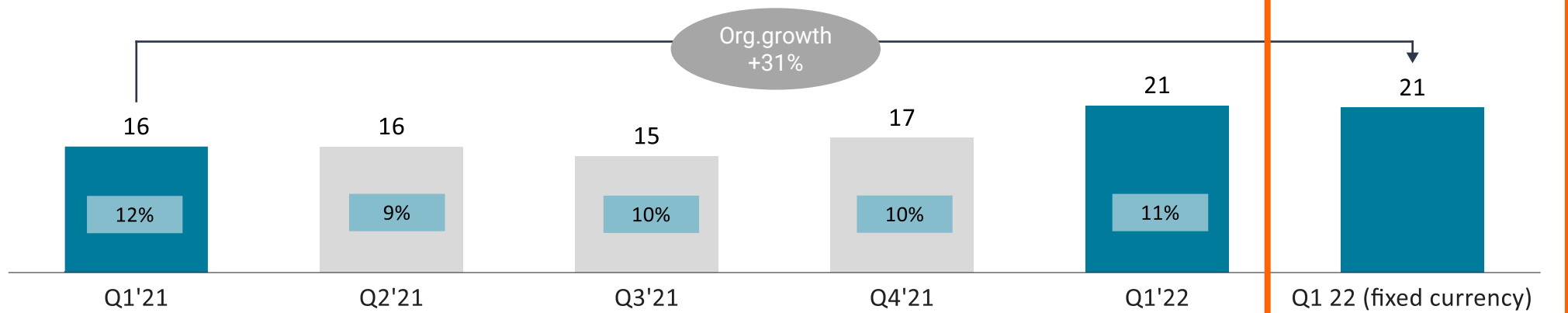
Adjusted EBITDA before group cost (NOKm / %)



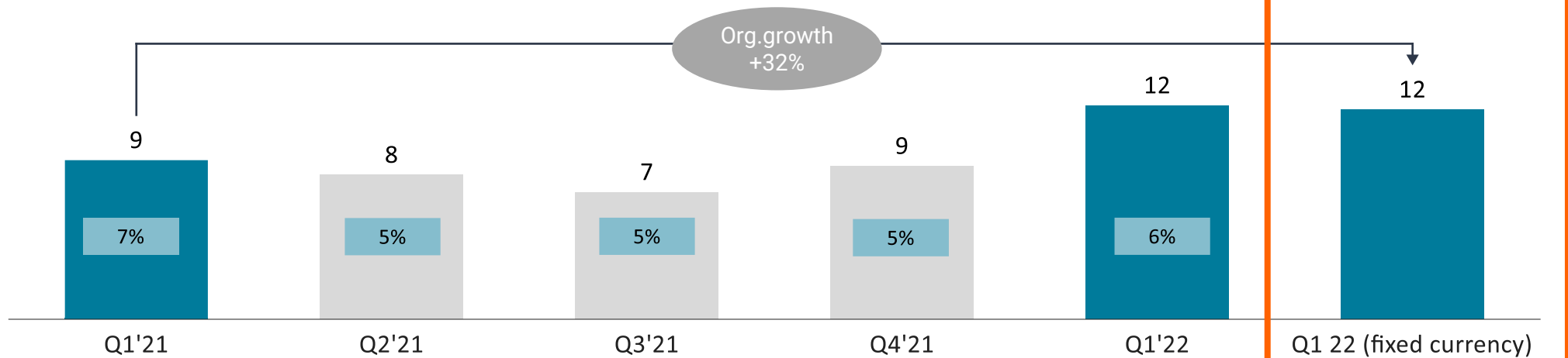
Revenue (NOKm)



Gross Profit (NOKm / %)



Adjusted EBITDA before group cost (NOKm / %)





Follow us

Because every
communication
matters

