Interim Report

Second quarter 2022

Q2

Thomas Berge, Interim CEO
Morten Edvardsen, Interim CFO

LINK facts and figures

2000
FOUNDING YEAR

#1
MESSAGING PLAYER IN EUROPE

>14 bn
MESSAGES SENT IN 2021*

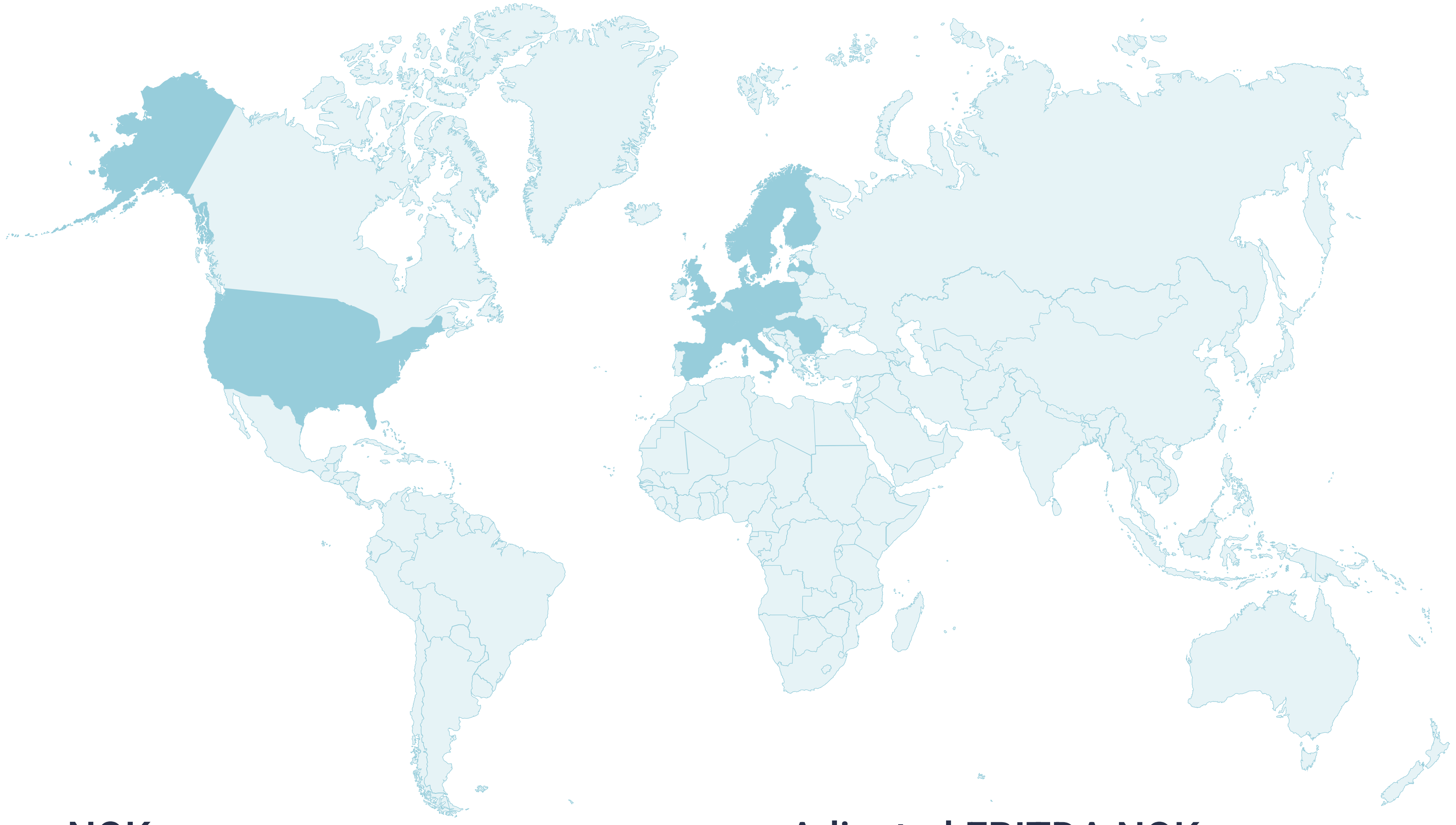
30
OFFICES GLOBALLY

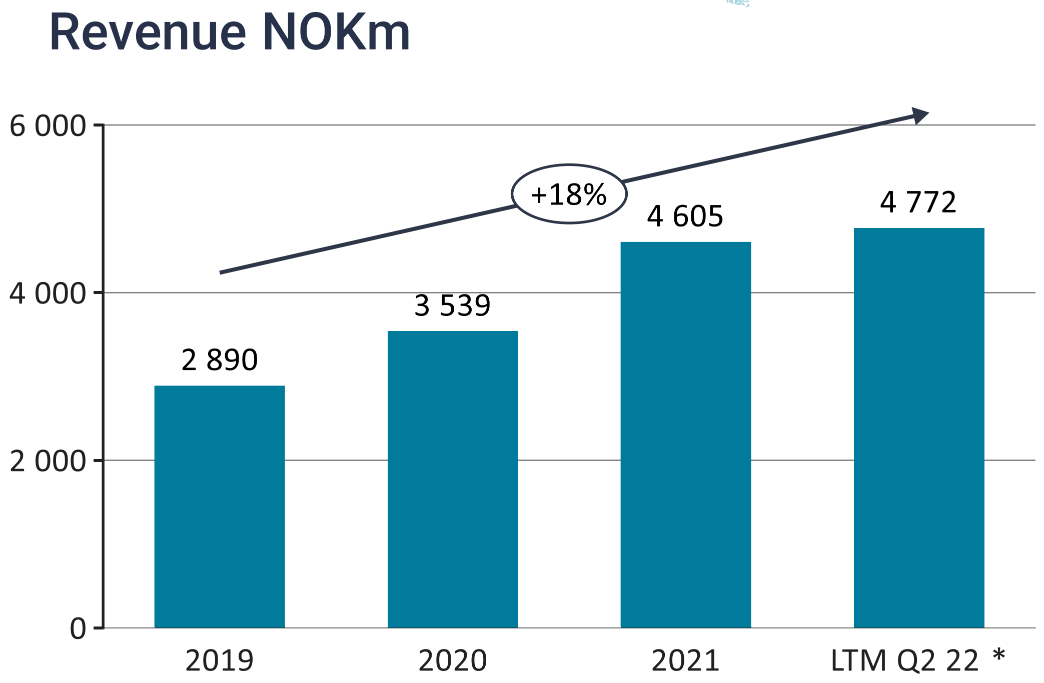
19
COUNTRIES IN OUR GROUP

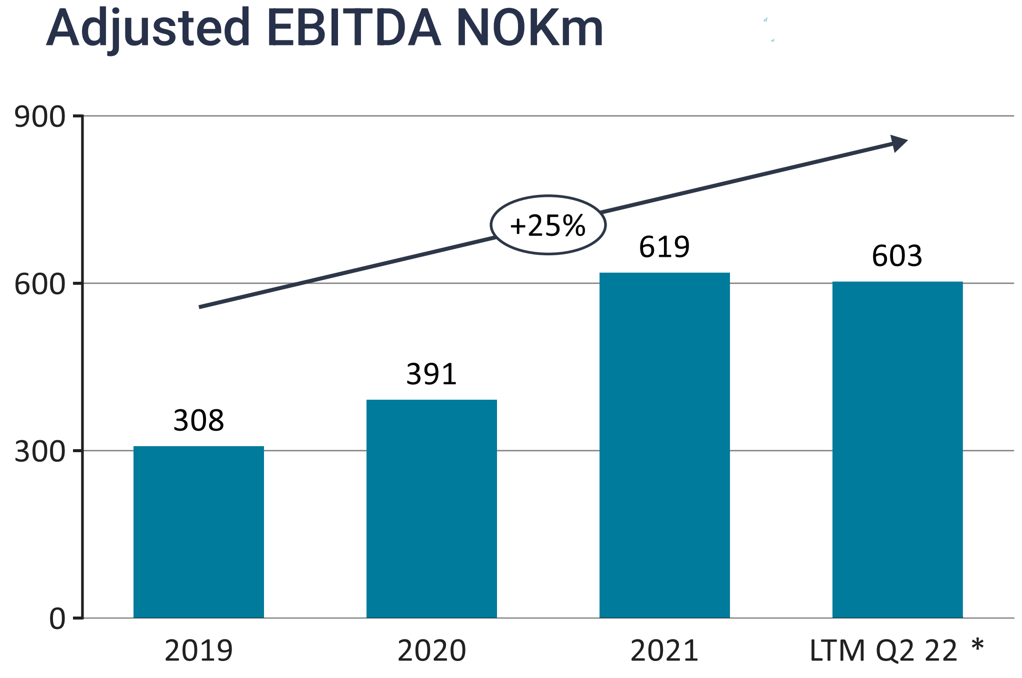
~48 k
HAPPY CLIENTS WORLDWIDE*

4.8 bn
NOK LTM revenue Q2 22*

603 m
NOK LTM adj. EBITDA Q2 22*







link mobility

* Including all closed acquisitions

Implications of challenging macro environment

Macroeconomic uncertainty impacts the digital messaging industry differently depending on use case

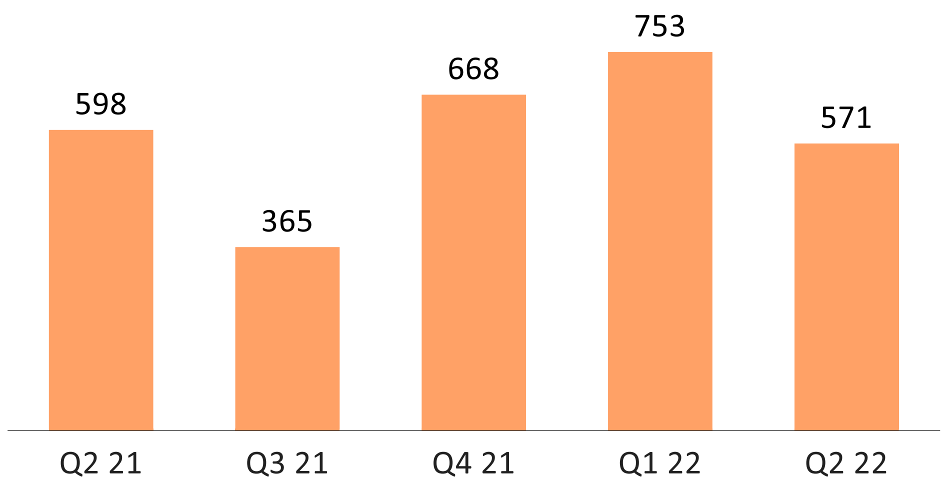
- Headwind for retail volumes related to digital marketing which fluctuate with consumer confidence
- Sustained growth for essential notifications use cases
- New growth opportunities for efficient customer care solutions

LINK well positioned for continued growth, albeit at lower level in challenging macro environment

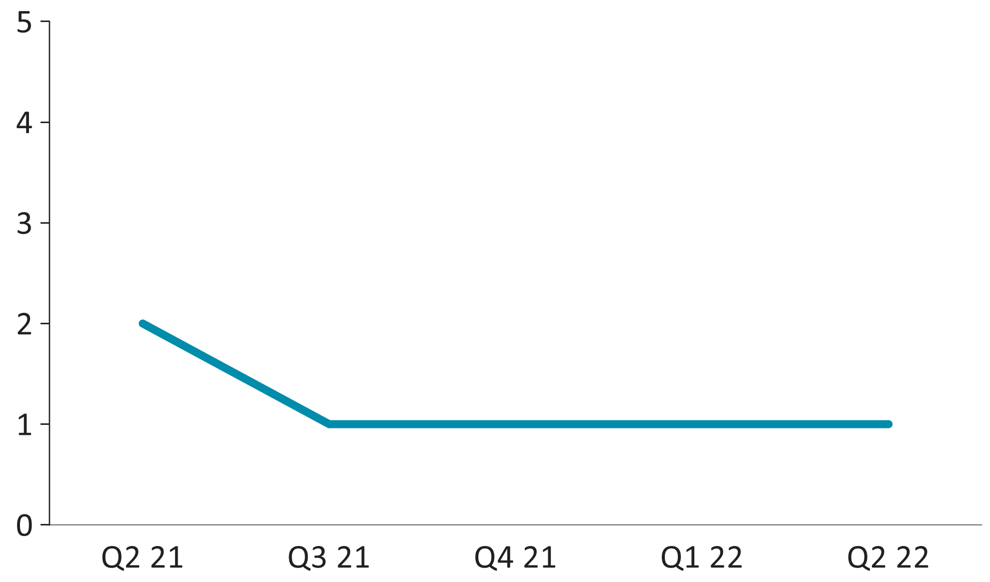
- Retail sector has lowered spend on marketing activities resulting in reduced messaging volumes
- New client wins are however holding up at normal levels
- Churn remains stable at a very low level

Retail volumes expected to recover and normalize again when consumer confidence improves

New agreements signed in quarter



Customer churn %



LINK enhances focus on current growth and cash generation

LINK recalibrates more resources to current market growth opportunities

- Prioritizes mature products and selected CPaaS solutions with proven market demand
  - Advanced CPaaS solutions have low market adoption and longer revenue lead times as clients need to adapt their value chains
  - Previous overinvestments in building market adoption have lowered traction on near-term growth execution

LINK to ensure continued strong FCF generation through execution on

- OPEX reductions - aligning costs to near-term growth expectations
- CAPEX reductions - product development already ahead of market adoption
- Consolidation of acquired assets to extract costs and revenue synergies

Large upselling potential for more advanced products as market adoption rates gain momentum

- Technological advances last 3 years been more rapid than customer penetration

Second quarter report 2022 highlights

Revenue grew 12% to NOK 1,177 million in Q2 22. High Q2 21 comparables reduced organic growth to 4%
- Underlying organic growth at 11%, below previous quarters as certain retail clients in specific markets are reducing spend in a response to a more uncertain macro environment

Gross profit increased 18% to NOK 317 million in the quarter
- Organic gross profit declined 1% due to high comparables and customer mix effects

Adjusted EBITDA growth of 8% to NOK 129 million
- Organic adjusted EBITDA decreased reflecting lower gross profit and OPEX increases
- OPEX increased by NOK 10 million related to GTM investments initiated since H2 2020

Strong cash flow from operations in excess of NOK 200 million in Q2 22
- Free cash flow (FCF) of NOK 100 million after capex and interest payments

LINK signed 571 new agreements in the second quarter of the year (new and expanding)
- 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

Revised forward-looking statement

2022

FY organic revenue growth of 8 - 12%

- Previous 14 -17% range for 2022 reduced due to slower than expected growth in H1 22 and increased macroeconomic uncertainty
- Net retention rate 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 to be reverted by cost reductions
- Continued strong cash generation to support deleveraging

2025 (2024)

Pro forma revenue NOK 10 billion

- Growth contribution from accretive acquisitions
- 20% long-term organic growth in mature CPaaS market
- Pro forma adjusted EBITDA margin 15-17% with scalability

Large growth potential from new contract wins

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

- Enhancing LINK's competitive advantage in adoption of advanced CPaaS solutions
  - Adoption lead times and scalability however vary by solutions

Salesforce resources shifted to mature products and market ready CPaaS solutions

- Customers more focused on well established offerings in current macro environment
- LINK's advanced CPaaS portfolio developed and ready to meet evolving customer demand

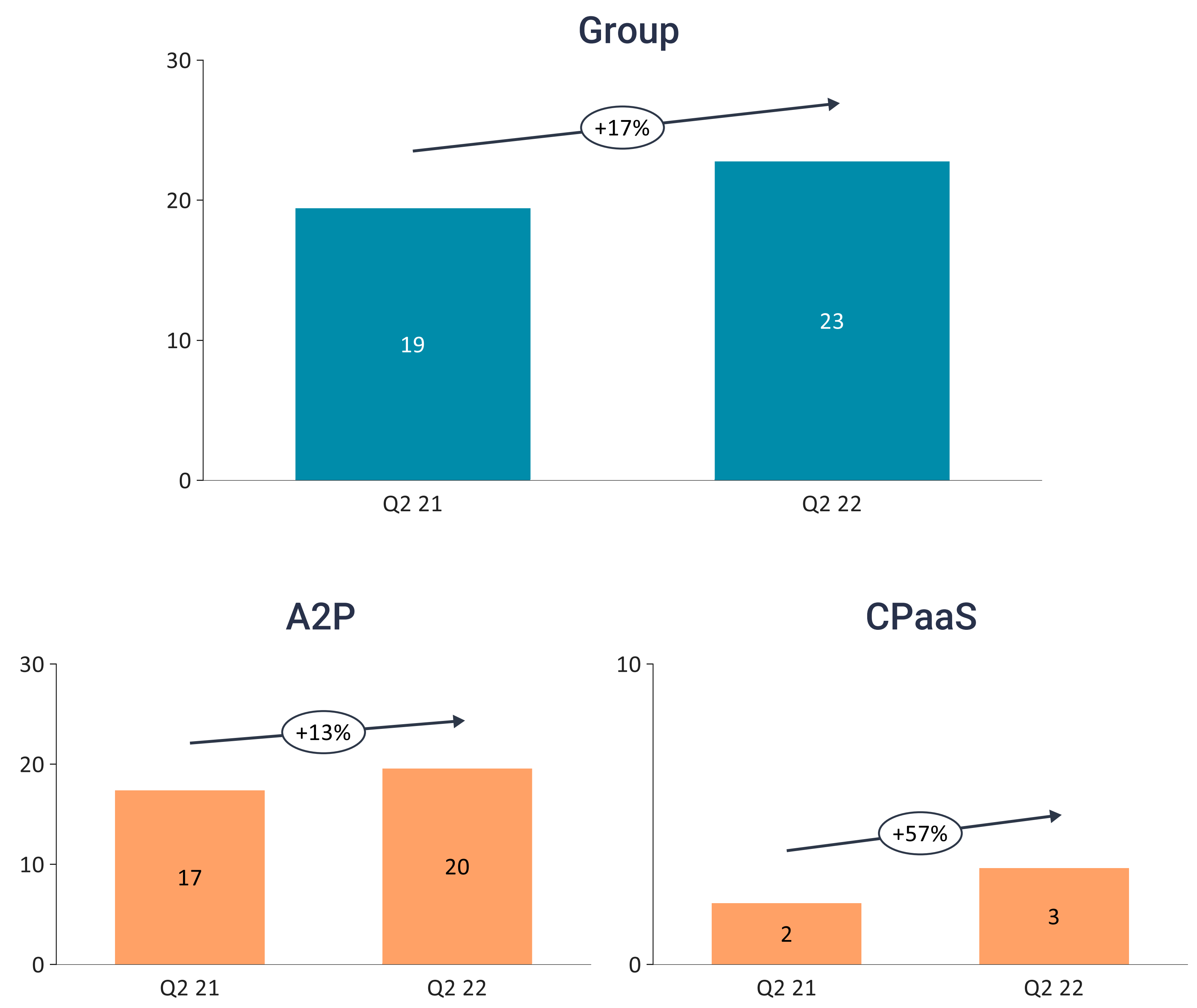
New customer wins continue to support group growth

- Expected annualized best estimate gross profit growth of 17%
- 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 for market ready products

LINK's opportunity pipeline shows large potential for mature products

- A2P SMS remain essential for mission critical messaging with an open rate at 98%
- WhatsApp emerging as an attractive channel within customer care
- Xenioo chatbot easy to implement with immediate cost savings for customers

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



* Yearly forecasted gross profit contribution from signed new agreements in the quarter based on best estimate from CRM system data

Traction on customer care use cases

Acacium – UK's largest healthcare solutions provider

- Offer a range of specialist staff recruitment services via multiple brands
  - Pre-applicant chatbot screening to avoid unsuitable candidates applying
- Weight Management Service for NHS
  - SMS chatbot for patients to update their weight monthly

Acacium Group

Turva – Finnish insurance company

- Proactive customer service through WhatsApp, SMS and IVR
- Significant potential for conversational messaging

turva
Mutual Insurance Company

Global logistics customer

- Advancing customer interactions through chatbots, WhatsApp and live agents
- Pilot in South American country for seamless integration of 1,000 customer advisors

LINK's Xenioo chatbot in popular demand

Marionnaud – Multi-brand European beauty retailer

- Adopting Xenioo combined with WhatsApp as channel for customer chats
  - Seamless chatbot integration with live agents at central or store level
- Proven use case for improved customer satisfaction and reduced costs

Italian banking group

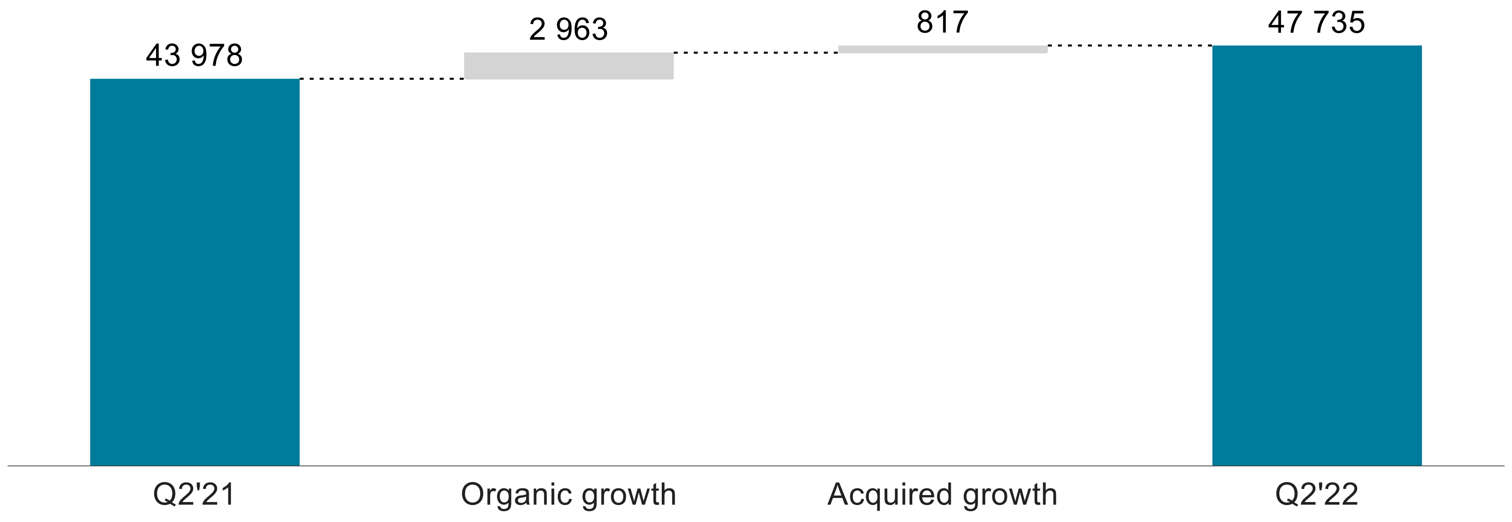
- Customer support improved through Xenioo combined with live agents
  - Increased customer satisfaction and cost efficiencies
- Marketing of essential banking services

Batfast – Multi-sports entertainment

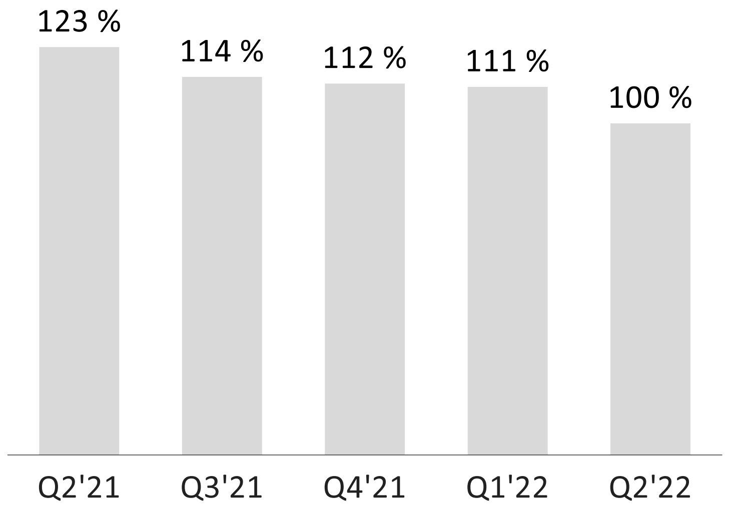
- Virtual reality baseball, cricket and tennis in restaurants / bars
- Applies Xenioo to answer FAQ's and for quick technology support on sites
  - Both usage and customer satisfaction have increased since adoption

Large and stable customer base secures recuring revenue

Customer accounts



Group pro forma NRR* in fixed currency



47,700 active customer accounts

- 3,000 new customer accounts signed last 12 months
- Customer churn at 1% secure recurring revenue

Group pro forma NRR of 100% in Q2 22 in fixed currency

- High Q2 21 comparables reduced growth from existing clients in the current quarter
- Long lead time for advanced products mainly sold to existing clients
- Certain retail clients reduced spending in Q2 22 with increased macro uncertainty

New customers added another 3-4% to Q2 22 organic revenue growth

- Contribution from new wins in line with previous quarters

* Net retention rate including all client segments. NRR is net change in revenue from upsale, downsale and churn of existing customers YoY. New customers are excluded

Versatile business model with diverse use cases and geographical diversification

Most of LINK's revenue driven by stable growth notification use cases

- Reminders, alerts, updates, mission critical communication
    - Linked to essential activities – healthcare, utilities and critical supplies

LINK less exposed to more volatile mobile marketing use cases

- Marketing activity moves more with consumer confidence
    - Effect expected to be less than during Covid lockdowns even in a recession
    - More cautious consumers, but shops remain open

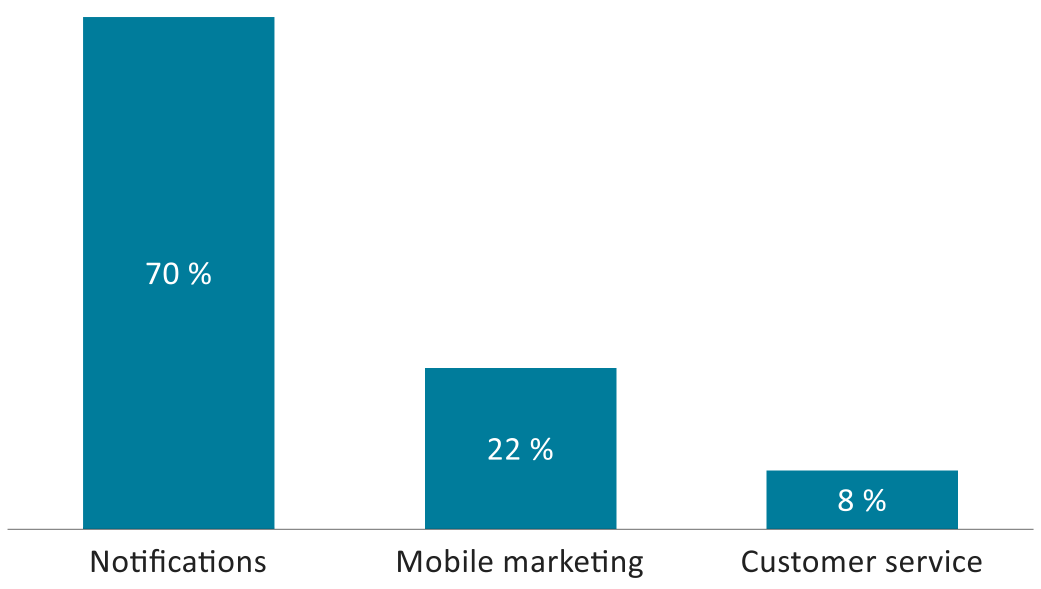
Customer service use cases could be counter cyclical

- Large cost saving potential in customer care through chatbots and digital messaging

LINK has close to 50,000 customers globally

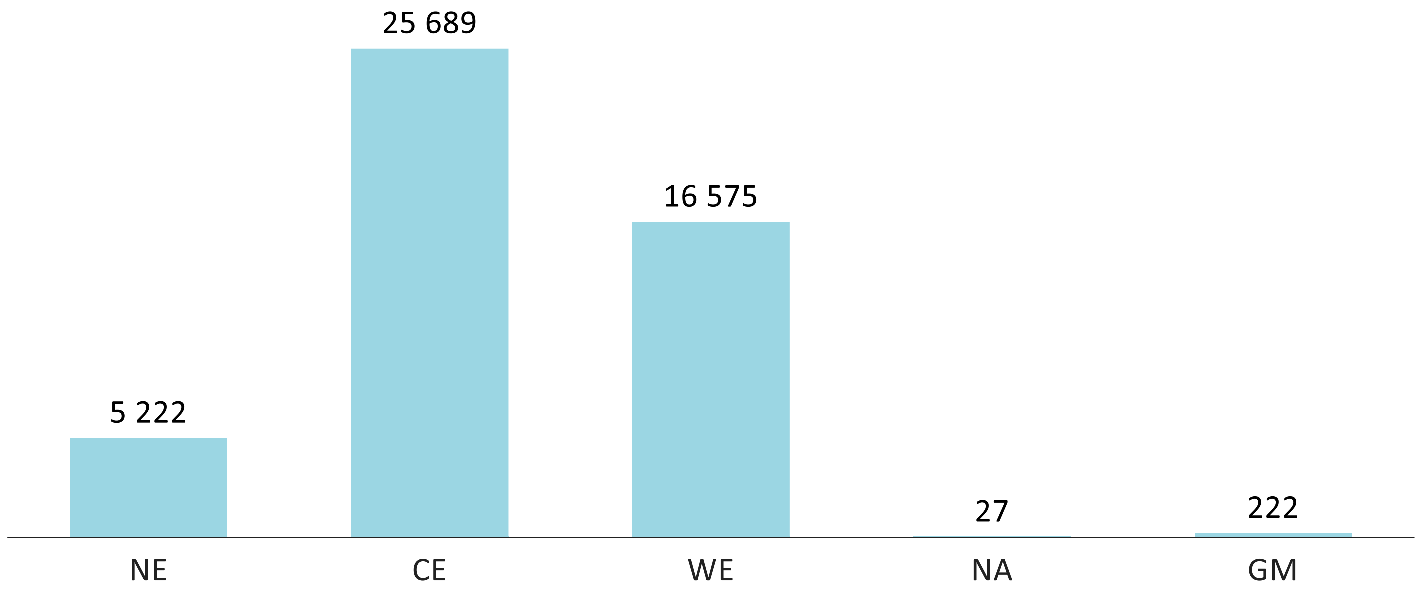
- Continuous cross-selling opportunities through sharing of best practises
    - Between regions and customer use cases

Revenue by use case*



* Estimated from industry classification of customer data

Customers by region



Regional variations in customer type and strength of economies support growth

Northern Europe
- The Nordic countries have strong economies and high social safety nets
  - Even during the pandemic mobile marketing use cases proved more resilient

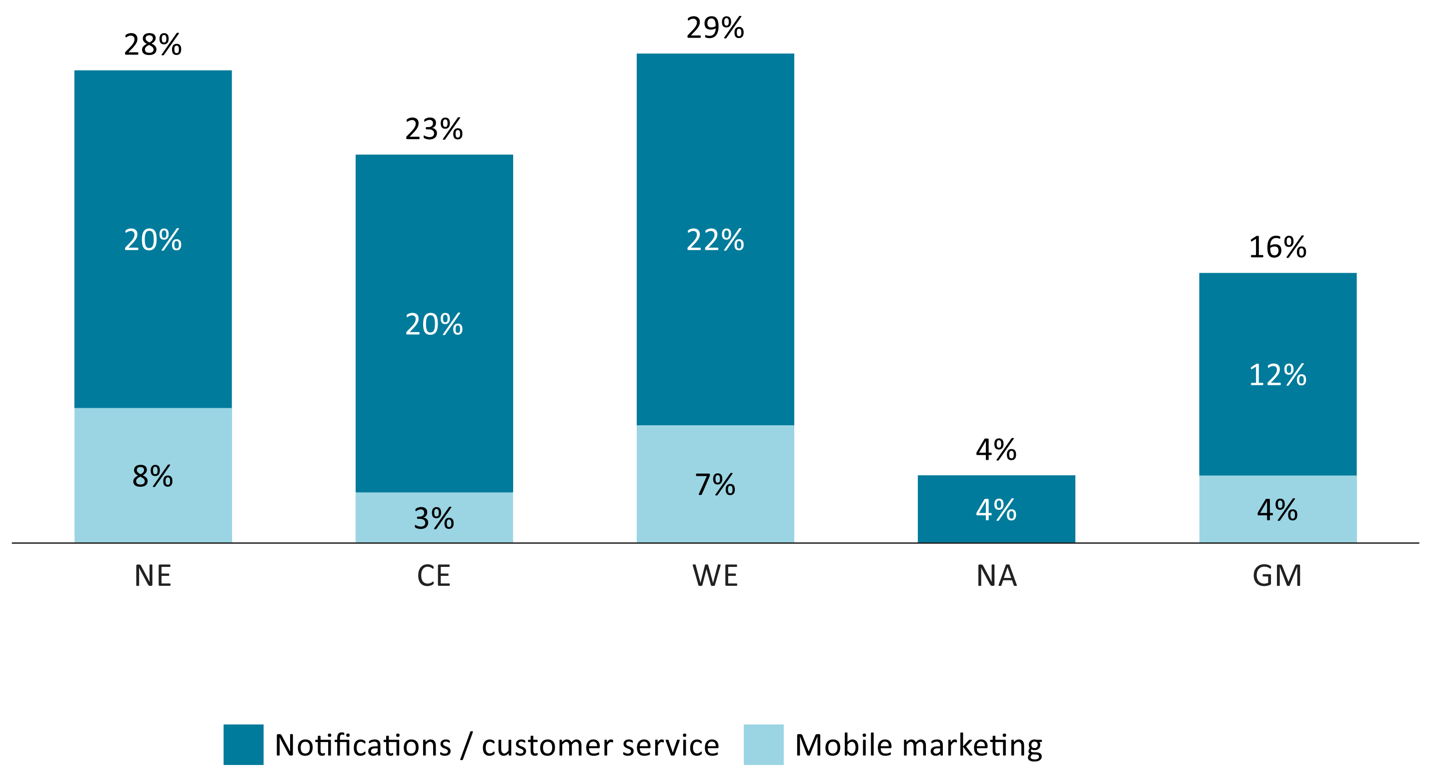
Central Europe
- Mostly notifications business related to logistics and banks
  - Retail activity in Poland and Germany exposed due to geopolitics

Western Europe
- Weaker economies with less consumer protection in a downturn
  - Uncertainty for retail businesses in France, Italy and Spain

North America
- Use cases related to mission critical communication independent of economic activity

Global Messaging
- Low margin wholesale volumes with limited impact on gross profit

Revenue by segment and customer type* %



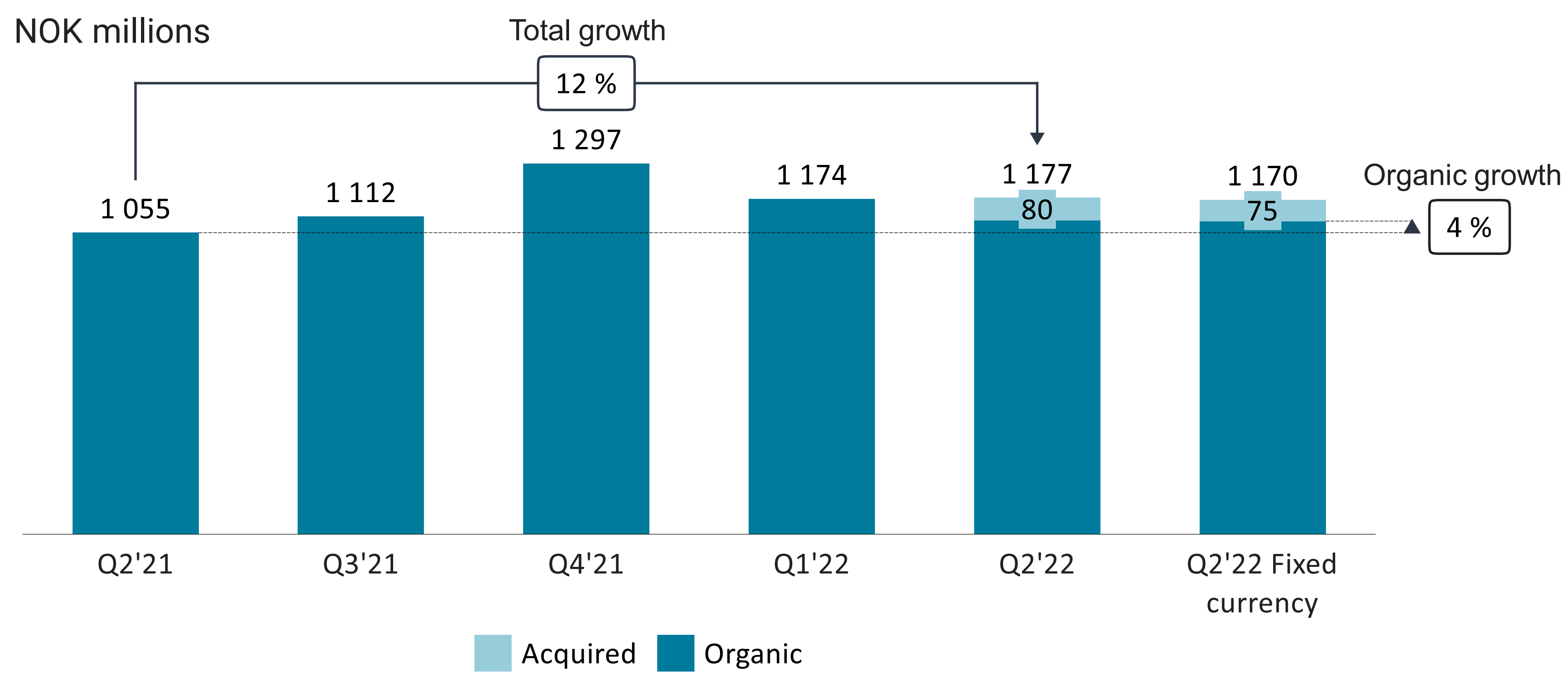
* Segment reporting and estimated from industry classification of customer data

Financial Review

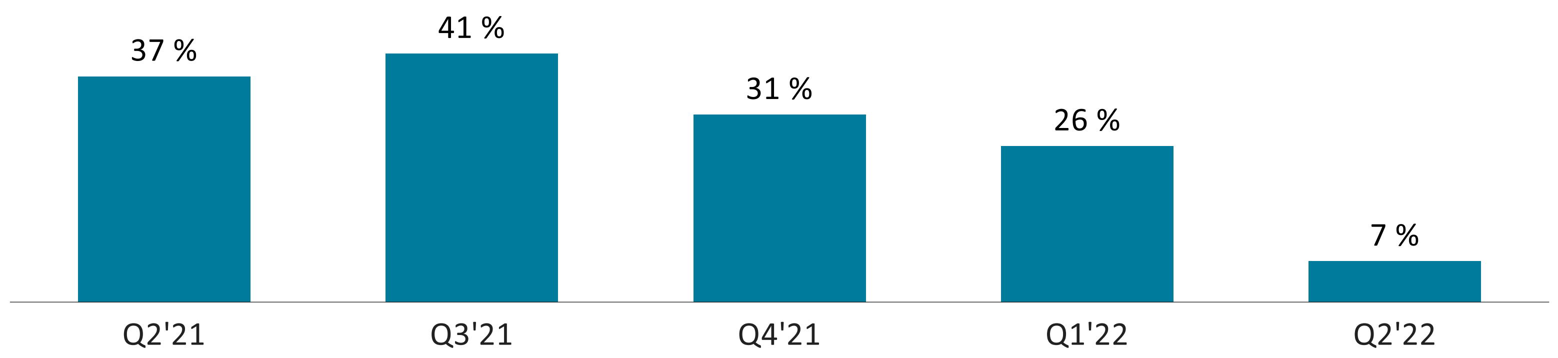
Second quarter 2022

Reported revenue grew 12% to NOK 1,177 million

Total reported revenue



Reported volume growth YoY (%)



Reported revenue growth of 12% including effect from acquired entities

Organic revenue growth of 4% in fixed currency
- Underlying organic growth of 11% when adjusting for high Q2 21 comparables

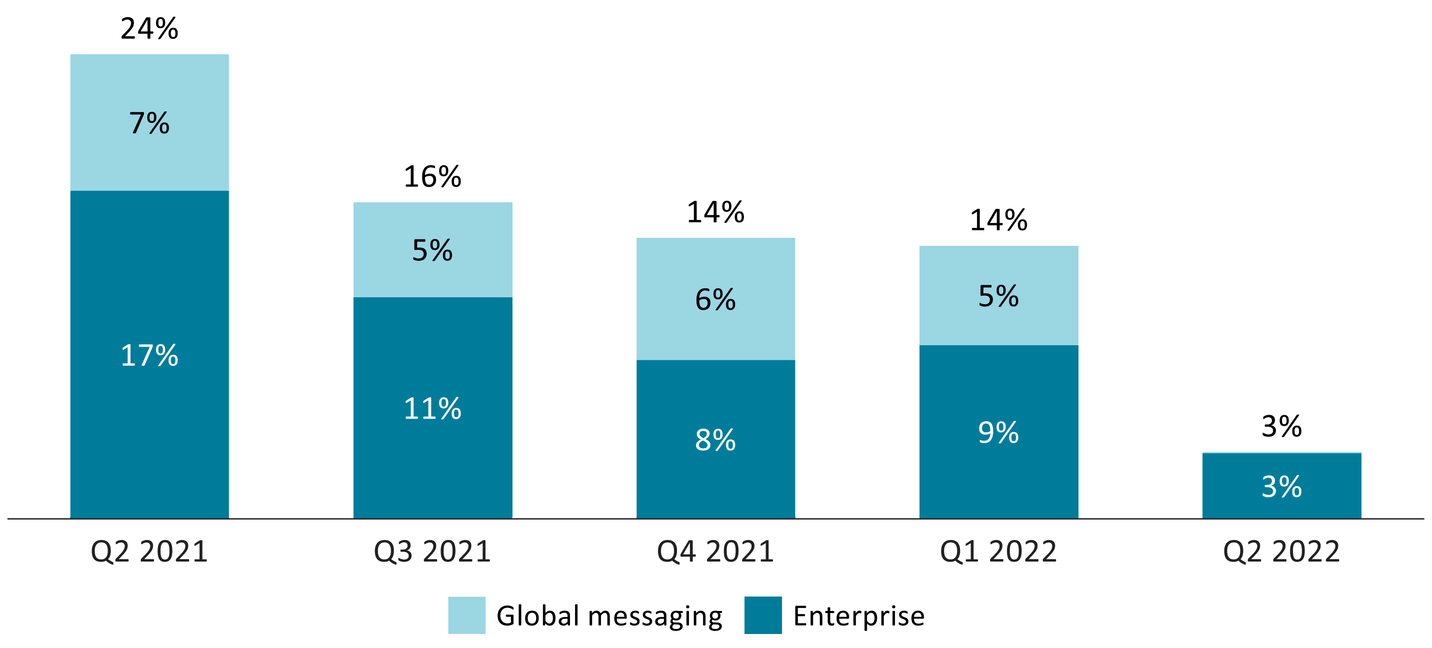
Softer market in Q2 22 with increased macroeconomic uncertainty

Several factors led to high comparables in Q2 last year
- Reopening of shops after lockdowns in Q1 21
- Pent-up demand due to lockdowns in Q1 21
- High Covid related traffic regarding testing and vaccination in certain markets

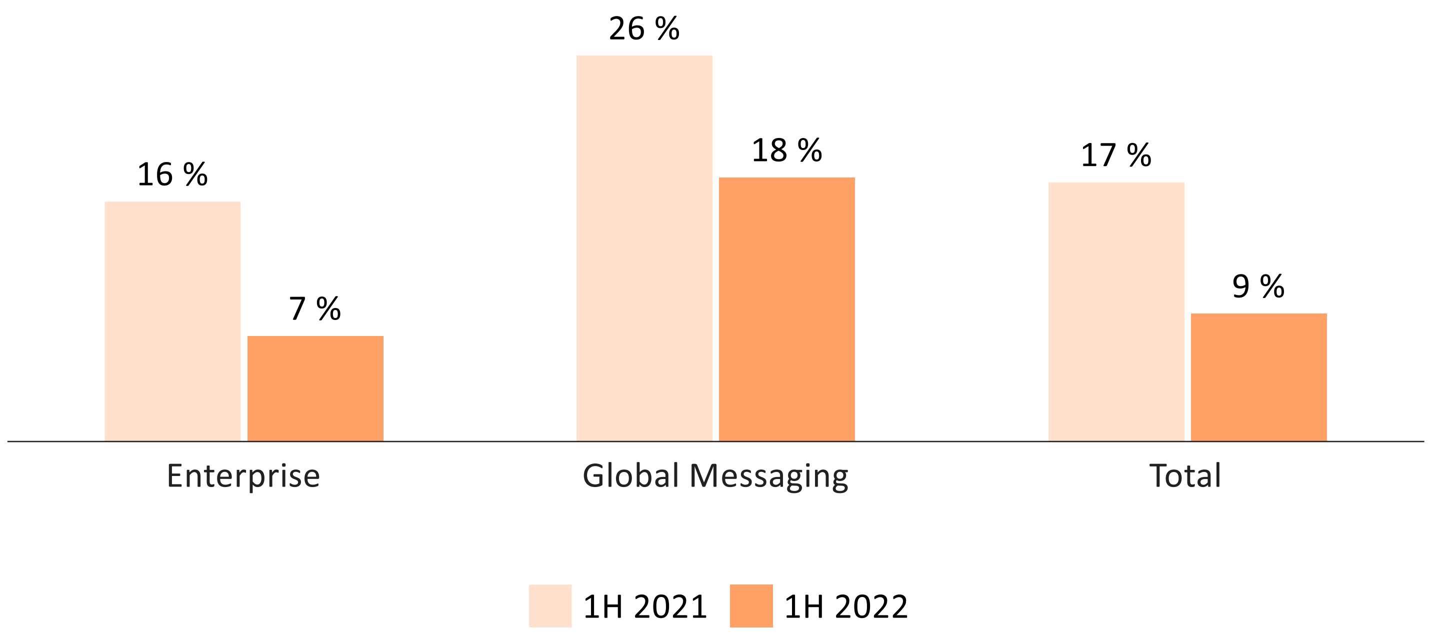
Reported volume growth for Q2 22 at 7% including effect from acquired entities
- Previous quarters more impacted by M&A consolidation effects
- Lower contribution from the Global Messaging segment reduced total volume growth

Pro forma organic revenue growth quarterly low with high comparables

Pro forma organic revenue growth and contribution (fixed curr)



Pro forma organic revenue growth (fixed curr)



Pro forma organic revenue growth of 3% in Q2 22

- High Q2 21 comparables – Underlying pro forma organic growth 10%
- Challenging markets in parts of Central Europe related to geopolitics
- Lower retail spend in France, Italy and Spain reflecting increased macro uncertainty
- Churn of high volume low margin client in the Nordics reduced growth by 1 percentage point

Global Messaging wholesale revenue remained stable YoY

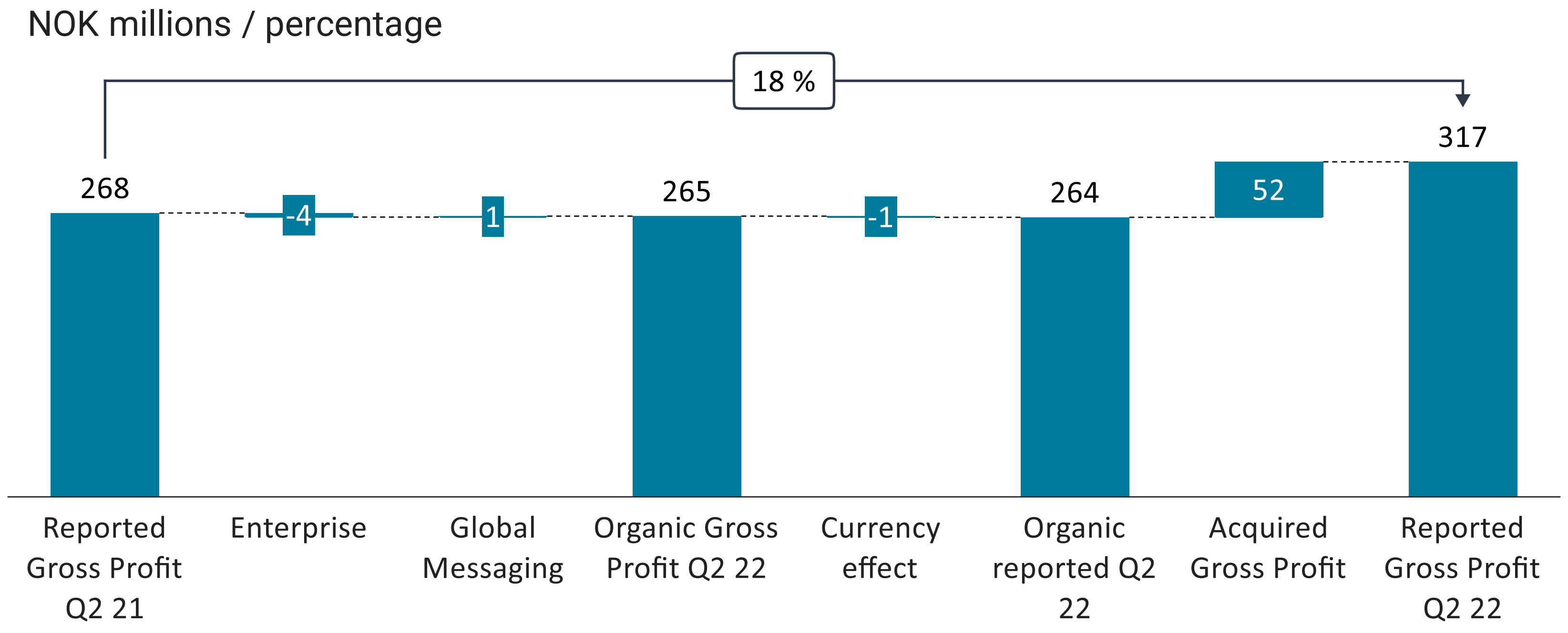
- Compared to 59% growth in Q2 last year

H1 22 pro forma organic revenue growth of 9%

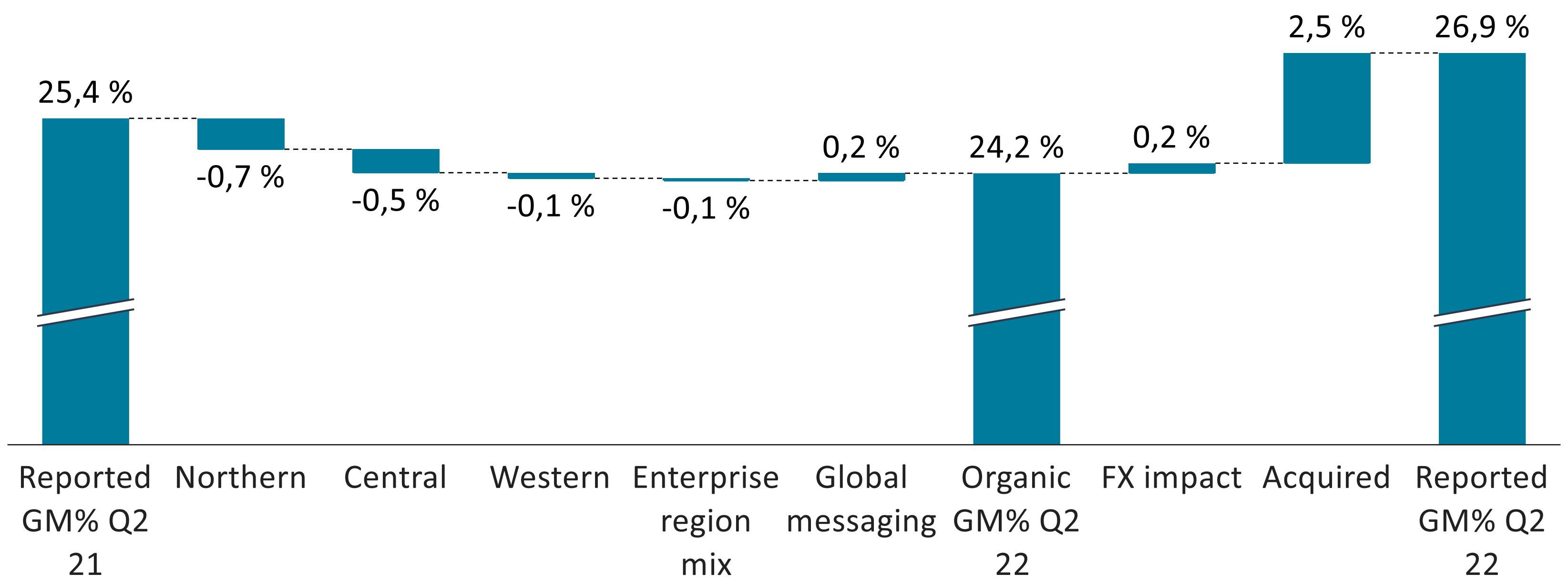
- Underlying pro forma organic revenue growth 12% adjusted for high H1 21 comparables
- H1 last year saw high volumes related to Covid testing and vaccination

Reported gross profit increased by 18% to NOK 317 million

Reported gross profit



Gross profit margin (%)



Organic gross profit declined 1% in fixed currency

- Underlying organic growth of 5% adjusted for high Q2 21 comparables

Contribution from consolidated acquired entities amounted to NOK 52 million

Enterprise segment margin diluted by 1.4 percentage points (pp)

- Explaining deviation between organic revenue growth and organic gross profit growth

Northern Europe -0.7pp

- Pass-through price increases due to higher COGS -0.3pp
- Stronger growth for low margin clients in Sweden and Norway -0.4pp

Central Europe -0.5pp

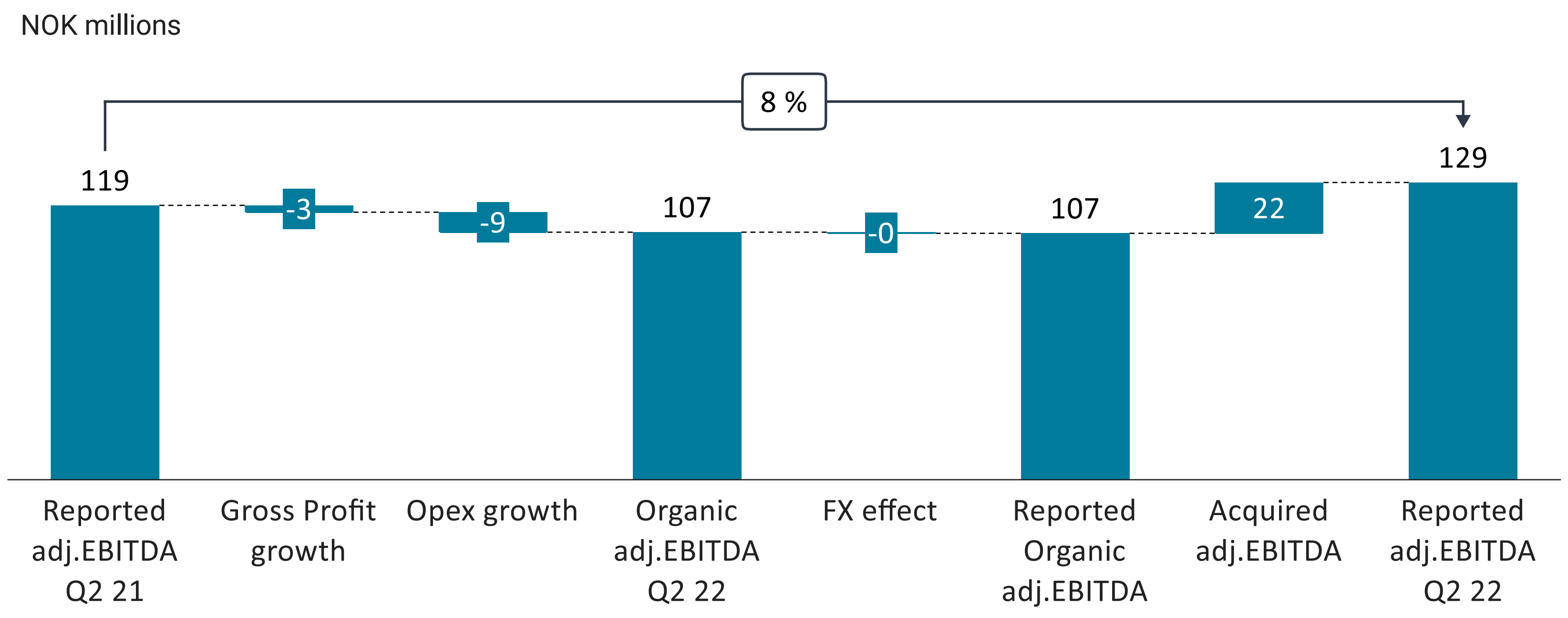
- Large volume growth for Global IT company diluting margin by -0.3pp
- Impact from reduced high margin volume in Austria -0.2pp

Western Europe saw a relatively stable margin development -0.1pp

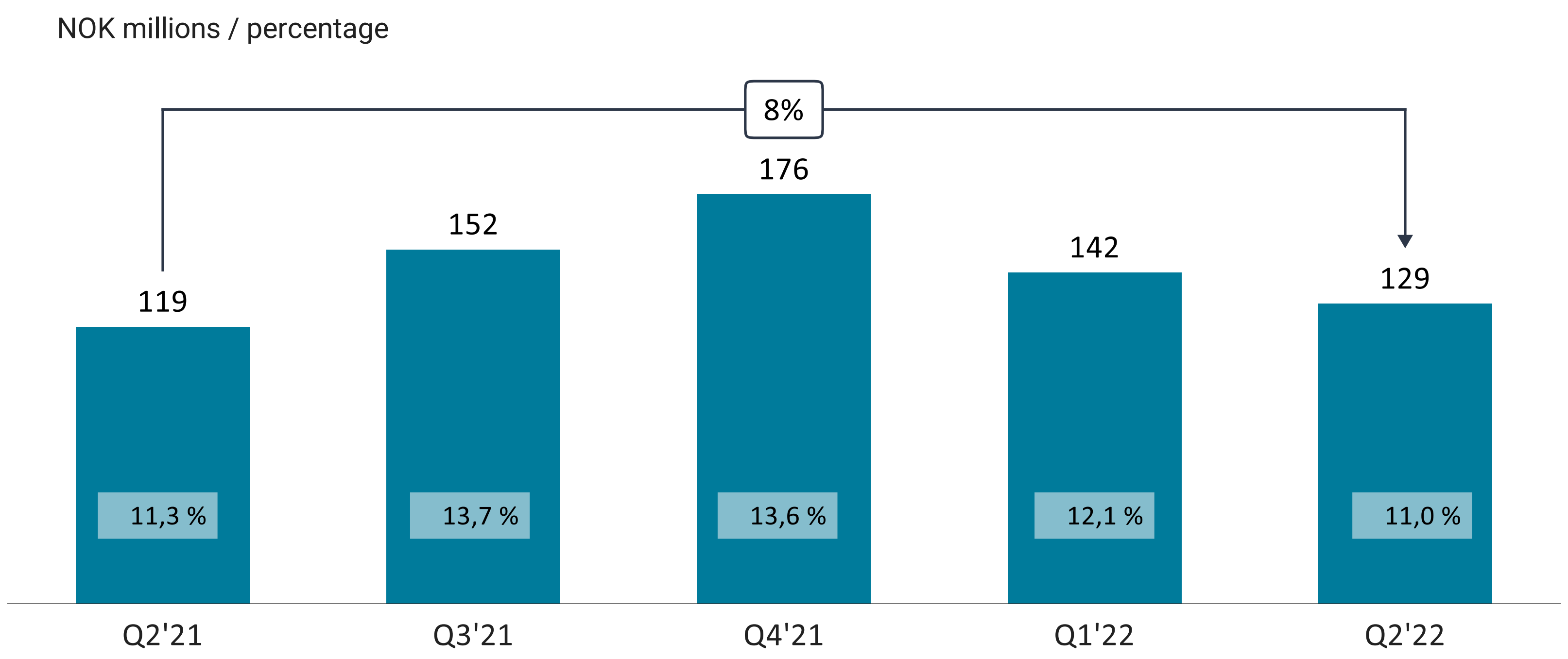
Regional variations in volume mix -0.1pp

Reported Adjusted EBITDA increased by 8% to NOK 129 million

Reported adjusted EBITDA



Reported adjusted EBITDA / adjusted EBITDA margin



Organic adjusted EBITDA declined 10%

- Adjusted EBITDA impacted by lower gross profit due to high comparables
- Higher OPEX of NOK 10 million related to GTM investments initiated since H2 2020
- Provision for French Telco tax claim received for 2019 of NOK 4 million
  - LINK strongly dispute the claim, ongoing legal evaluation
  - Potential exposure of NOK 13 million for period since 2019

Adjusted EBITDA of NOK 129 million was lower than in previous quarters

- Decline from Q1 22 due to higher OPEX and lower gross profit
- Reduction from Q3 and Q4 last year in addition reflected seasonality

P&L second quarter 2022

NOK in millions	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Full Year 2021
Total operating revenues	1 177	1 055	2 351	2 001	4 410
Direct cost of services rendered	(861)	(787)	(1 713)	(1 486)	(3 210)
Gross profit	**317**	**268**	**638**	**515**	**1200**
Operating expenses	(188)	(149)	(367)	(287)	(644)
Adjusted EBITDA	**129**	**119**	**271**	**228**	**557**
Non-recurring costs	(28)	(81)	(56)	(137)	(252)
EBITDA	**101**	**38**	**216**	**91**	**305**
Depreciation and amortization	(102)	(69)	(202)	(136)	(338)
Operating profit (loss)	**(1)**	**(31)**	**14**	**(45)**	**(33)**
Net financials	**65**	**(22)**	**59**	**(74)**	**(14)**
Profit (loss) before income tax	**64**	**(53)**	**73**	**(119)**	**(48)**
Income tax	(26)	(1)	(34)	16	(30)
Profit (loss) for the period	**38**	**(54)**	**39**	**(103)**	**(78)**

Revenue of NOK 1,177 million, an increase of 12% YoY

Gross profit of NOK 317 million, an increase of 18% YoY

Adjusted EBITDA of NOK 129 million, an increase of 8% YoY

Non-recurring costs of NOK 28 million

- Share option cost NOK 7 million
- M&A related costs NOK 10 million
- Restructuring costs NOK 11 million

Depreciation and amortization of NOK 102 million

- Depreciation of intangible assets of NOK 18 million from internal R&D
- Depreciation of acquired excess values of NOK 77 million deriving from PPA's
- Remaining related to depreciation of leasing arrangements and fixed assets

Net financial items positive NOK 65 million

- Net currency exchange gain of NOK 102 million with no cash effect
- Net interest expense of NOK 41 million related to outstanding EUR bond
- Other financial income of NOK 5 million from holdback settlement

Strong balance sheet

NOK in millions	Q2 2022	Q2 2021	Year 2021
Non-current assets	9 143	8 767	8 792
Trade and other receivables	938	816	905
Cash and cash equivalents	902	808	844
Total assets	**10 983**	**10 391**	**10 540**
Equity	**5 362**	**5 050**	**5 090**
Deferred tax liabilities	591	549	557
Long-term borrowings	3 837	3 769	3 696
Other long-term liabilities	60	67	64
Total non-current liabilities	**4 488**	**4 385**	**4 317**
Trade and other payables	1 079	905	1 063
Other short-term liabilities	53	51	71
Total current liabilities	**1 133**	**956**	**1 134**
Total Liabilities	**5 621**	**5 341**	**5 451**
Total liabilities and equity	**10 983**	**10 391**	**10 540**

Non current assets increased mainly due to currency effects

- Marginal additions related to Purchase Price Allocations (PPA)

Cash on balance sheet NOK 902 million

Equity NOK 5,362 million and equity percentage 49%

Receivables and payables increased

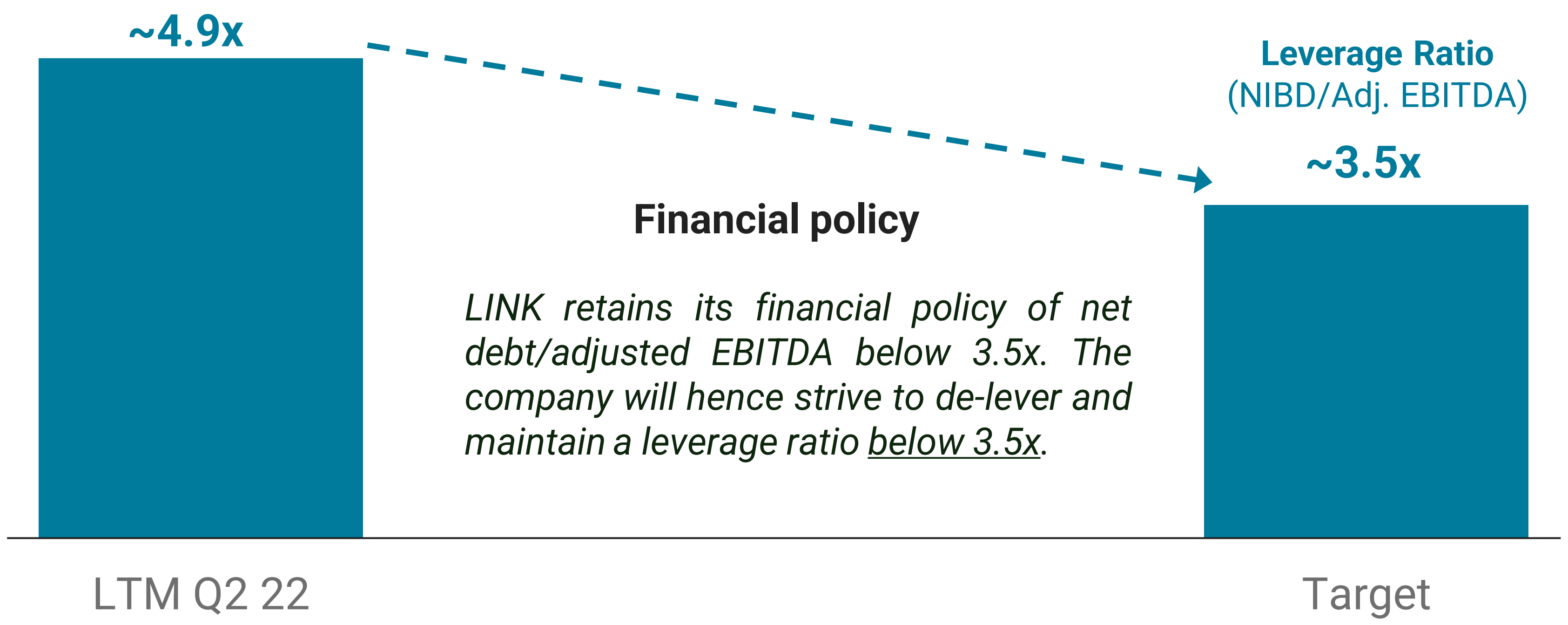
- Reflecting organic development
- Negative working capital as Payables > Receivables

Net interest bearing debt NOK 2,947 million

LINK generates FCF in excess of NOK 200 million annually

Reported free cash flow

NOK '000	Q3 2021	Q4 2021	Q1 2022	Q2 2022		LTM Q2 2022
Adj.EBITDA	**152**	**176**	**142**	**129**		**600**
Change working capital	(81)	113	(98)	91		26
Taxes paid	(8)	(28)	(13)	(6)		(55)
Non-reccuring costs M&A	(17)	(30)	(14)	(21)		(81)
Payable Social cost on Share options	-	(6)	-	-		(6)
Net cash flow from operating activities	**47**	**225**	**19**	**194**		**484**
Add back non-recurring costs M&A	17	30	14	21		81
Adj. cash flow from operations	**64**	**255**	**32**	**215**		**566**
Capex	(30)	(58)	(50)	(45)	-	(183)
Interest	(1)	(71)	(3)	(69)		(143)
Cash flow after capex and interest	**33**	**126**	**(21)**	**101**		**240**



Adjusted LTM cash flow from operations NOK 566 million

- Reported cash flow from operations include M&A related expenses
- Free cash flow generated after capex and interest of NOK 240 million

Working capital (WC) varies significantly between quarters

- Stable WC on LTM basis despite revenue growth
- WC is net negative and a funding source for organic growth

High cash conversion LTM

- 94% at adjusted cash flow from operations to adjusted EBITDA
- 40% at free cash flow after interest and capex to adjusted EBITDA

Full year effect from acquisitions to increase cash generation in 2022

Reported LTM Q2 22 leverage at 4.9x

- Strong FCF to reduce leverage over time

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

- Fixed interest rate at 3.375% secured for more than 3 years

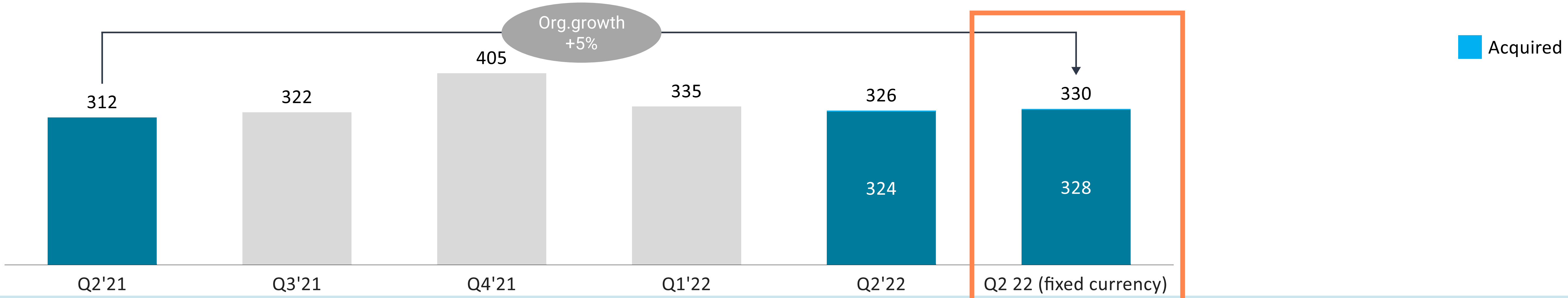
Q&A

Appendix

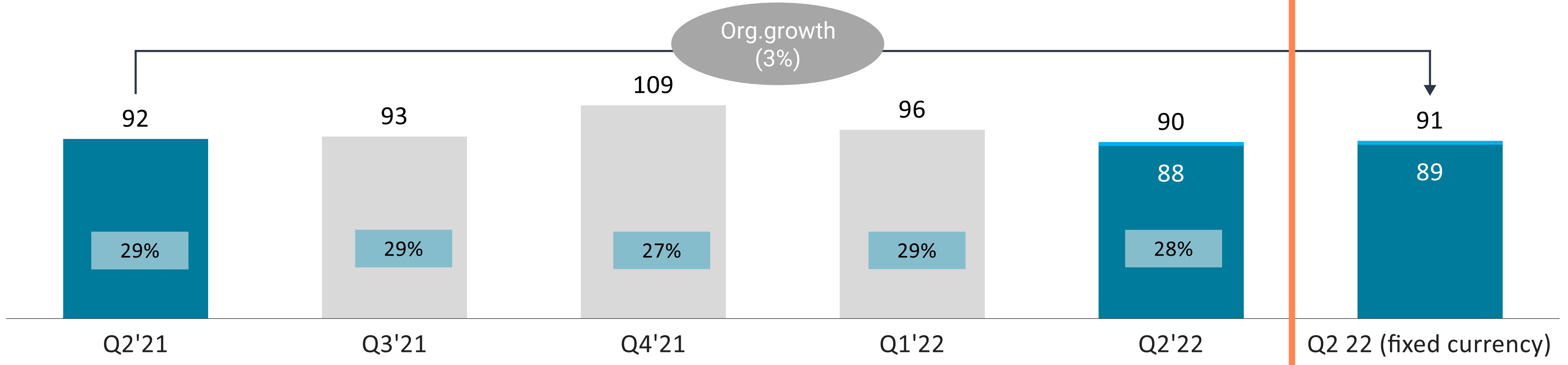
Segment information

Northern Europe

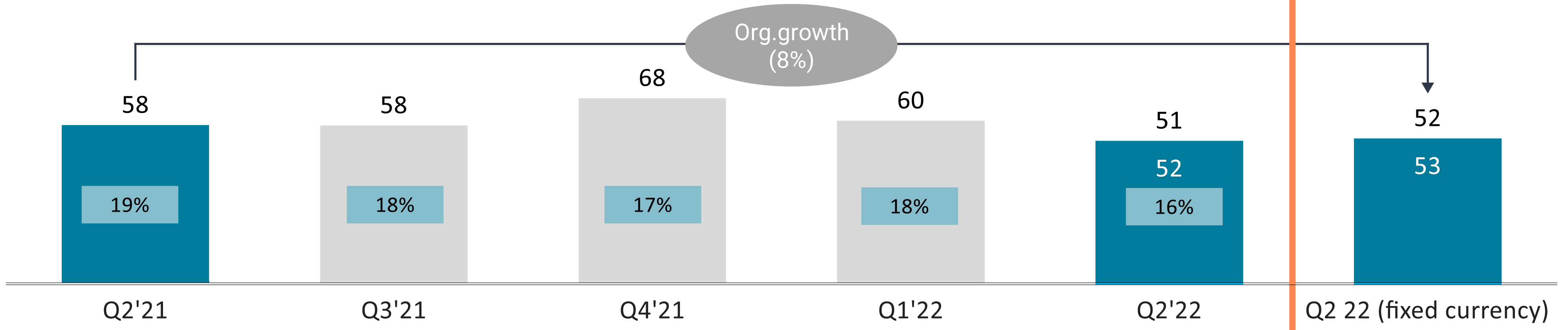
Revenue (NOKm)



Gross Profit (NOKm / %)

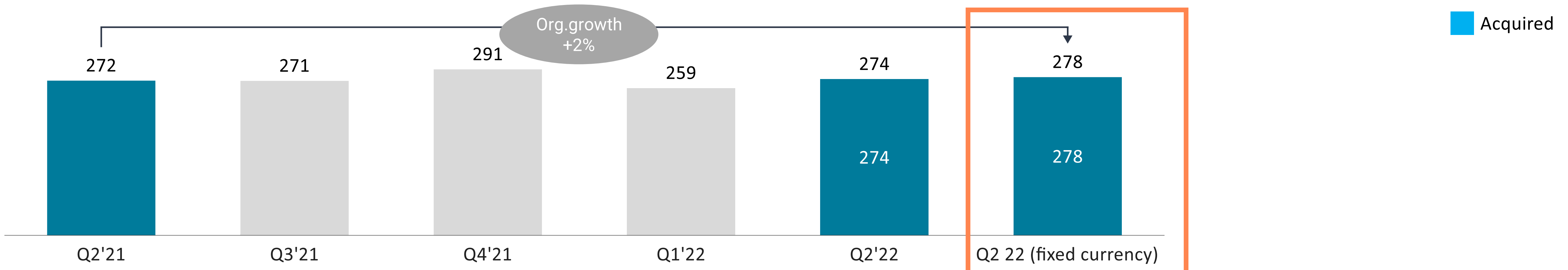


Adjusted EBITDA before group cost (NOKm / %)

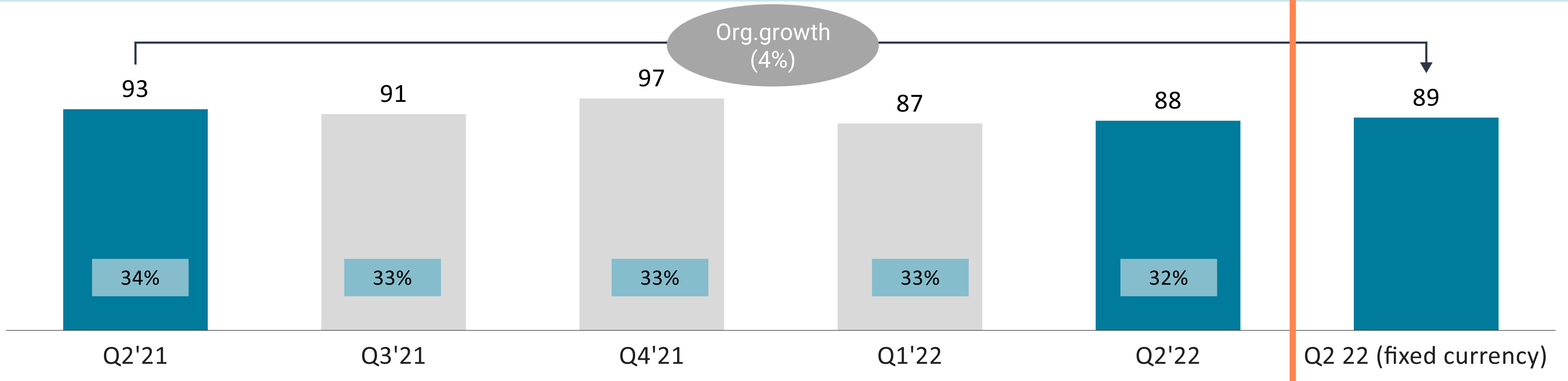


Central Europe

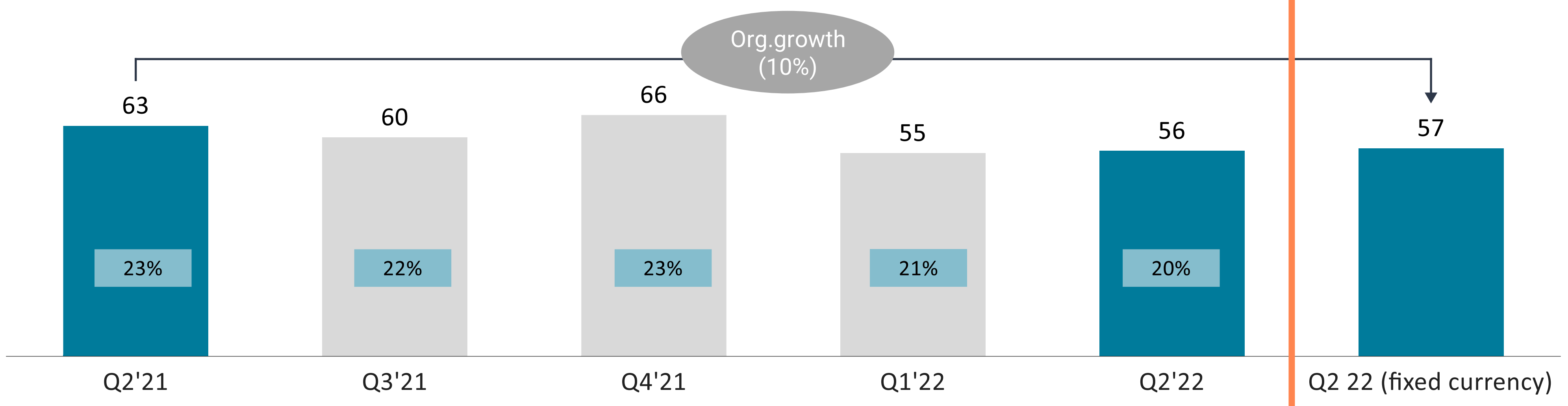
Revenue (NOKm)



Gross Profit (NOKm / %)

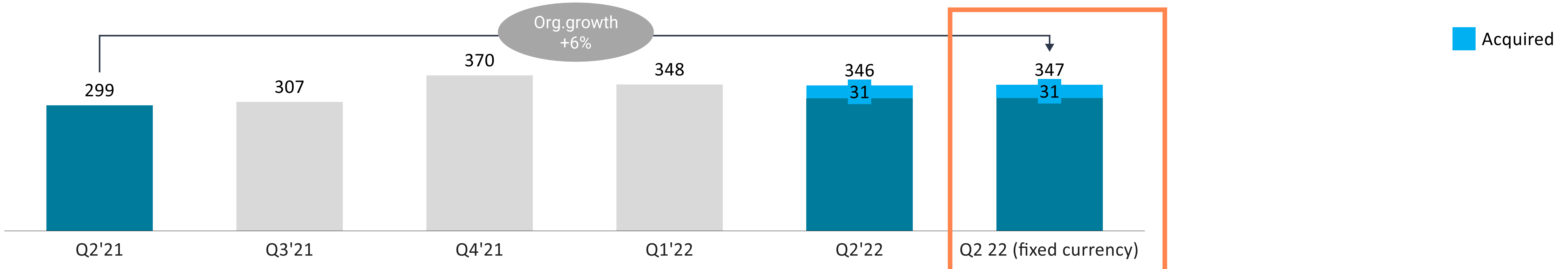


Adjusted EBITDA before group cost (NOKm / %)

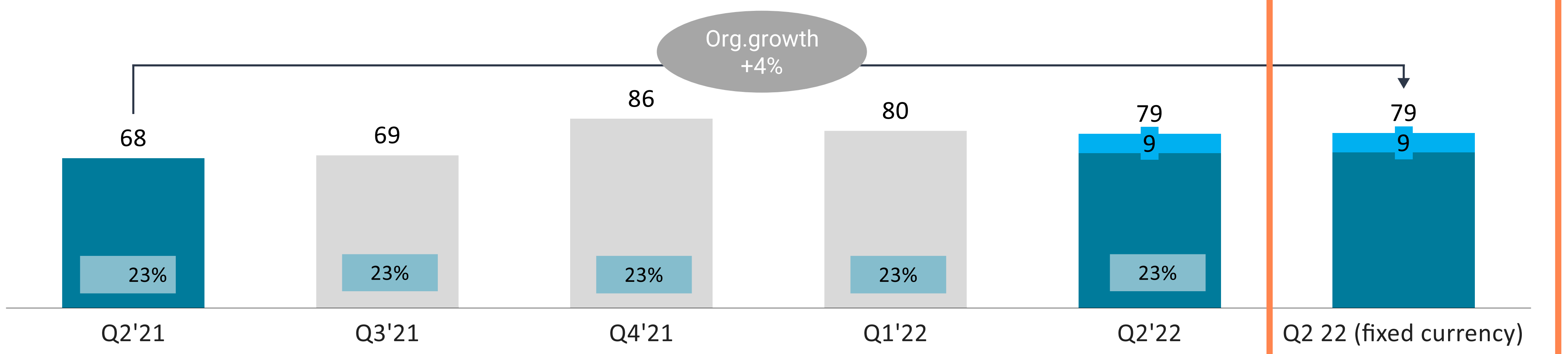


Western Europe

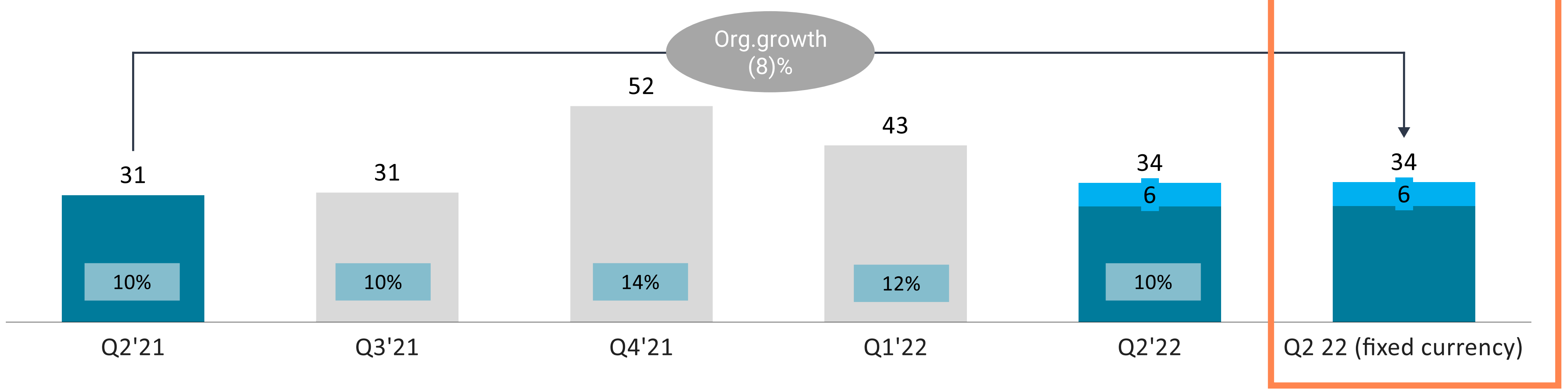
Revenue (NOKm)



Gross Profit (NOKm / %)

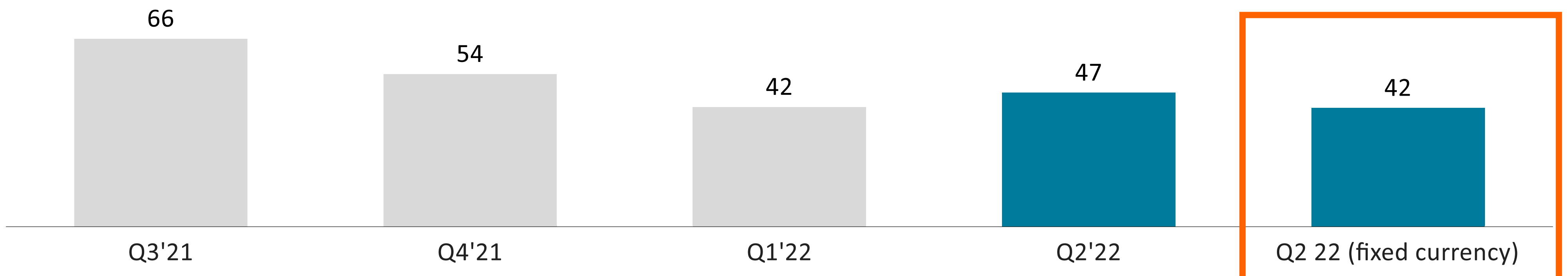


Adjusted EBITDA before group cost (NOKm / %)

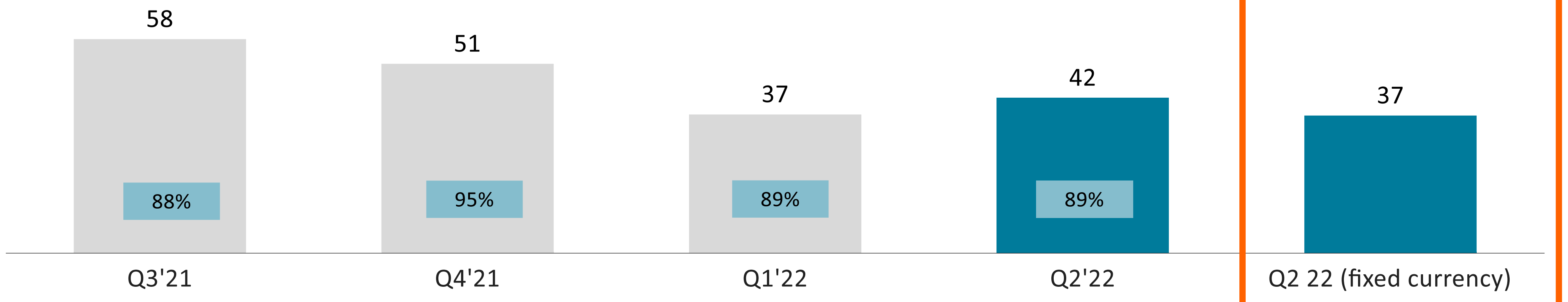


North America

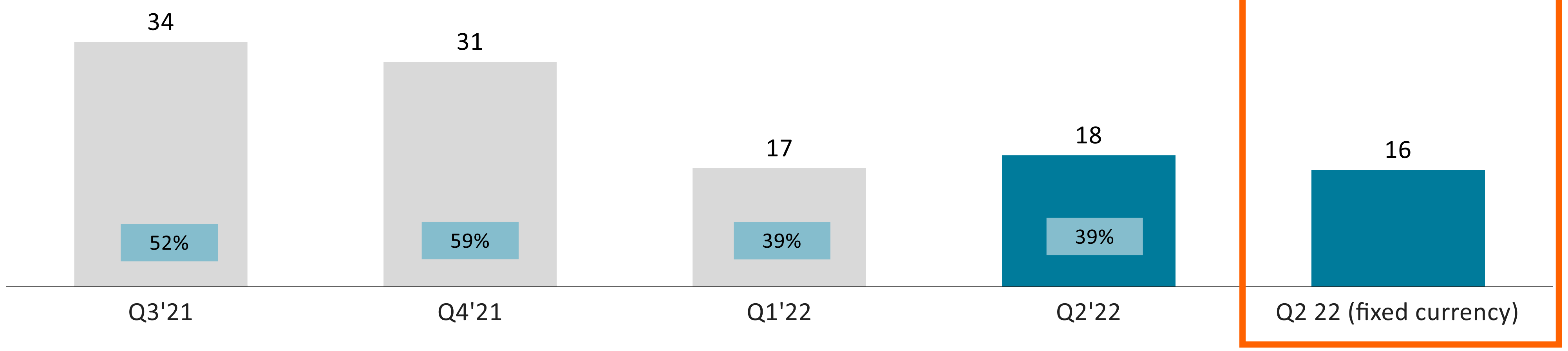
Revenue (NOKm)



Gross Profit (NOKm / %)

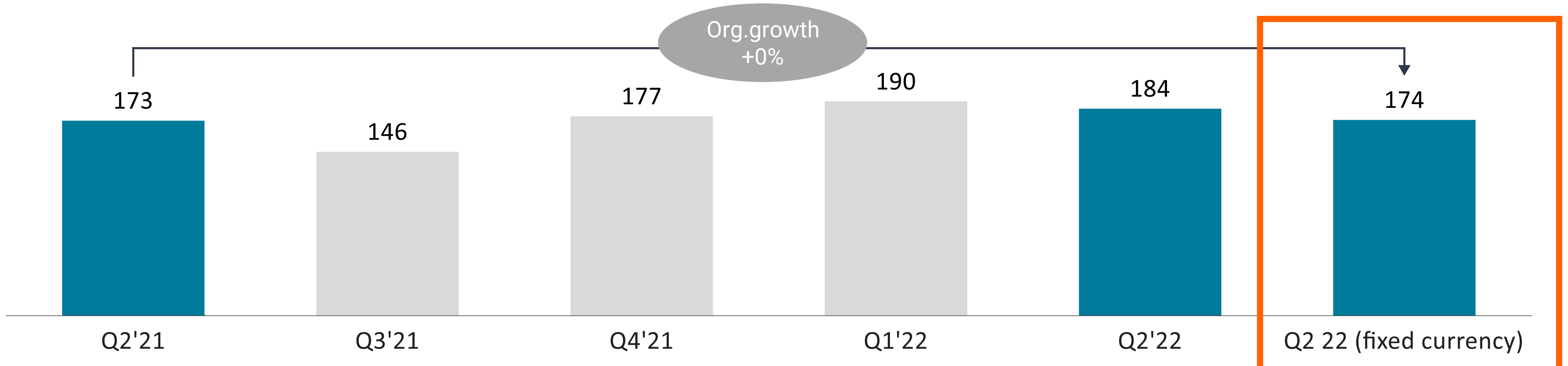


Adjusted EBITDA before group cost (NOKm / %)

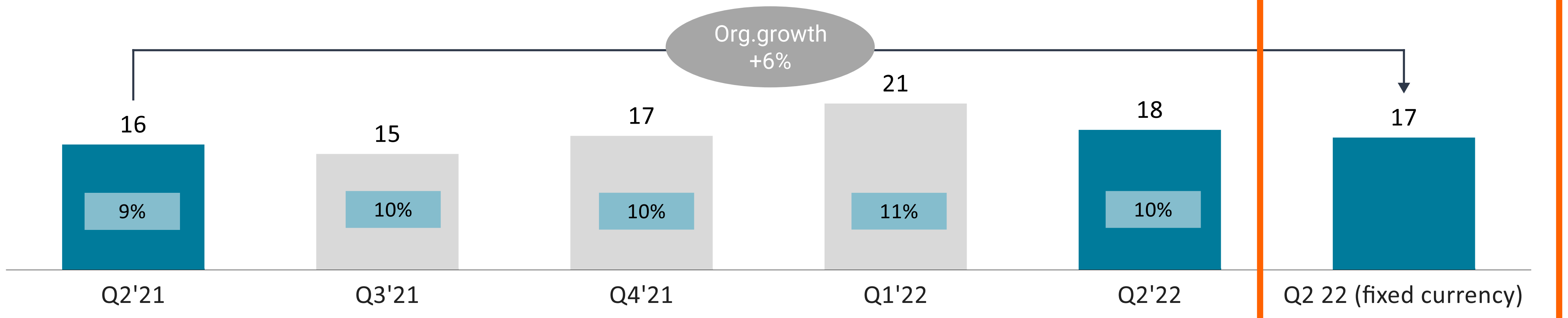


Global Messaging

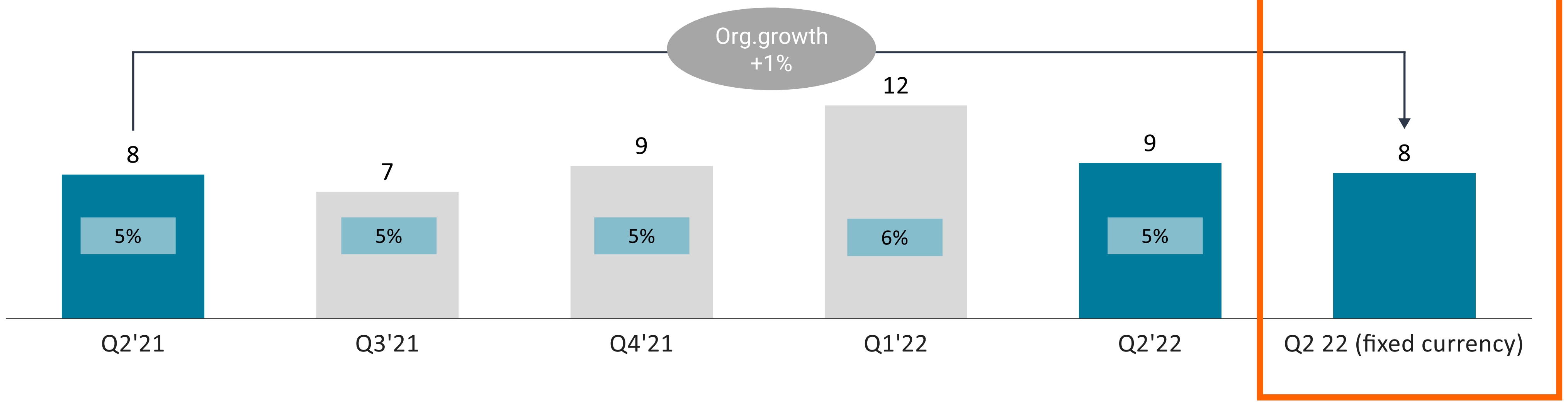
Revenue (NOKm)



Gross Profit (NOKm / %)



Adjusted EBITDA before group cost (NOKm / %)



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