

SEB

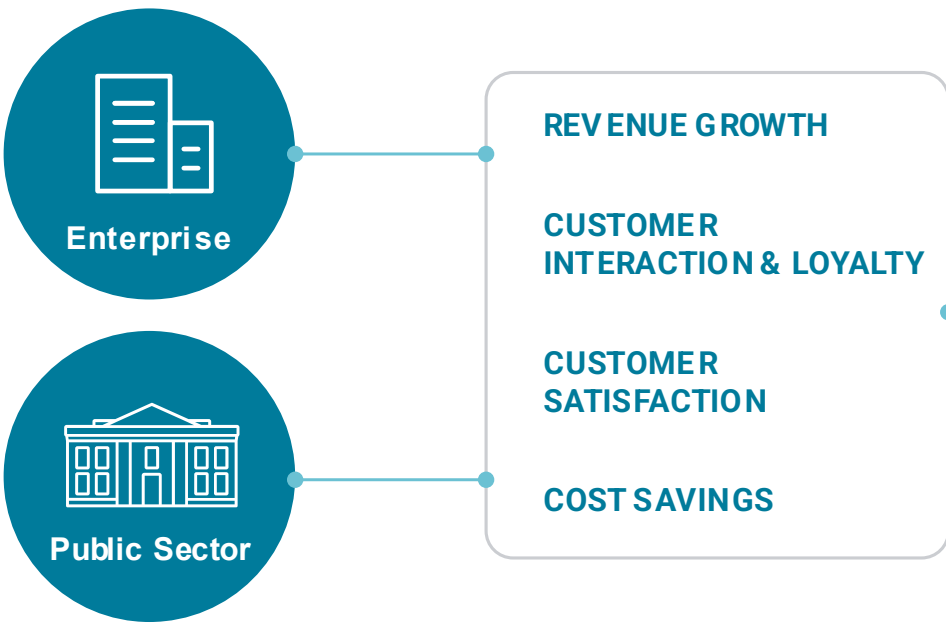
Nordic Seminar

9 January 2023

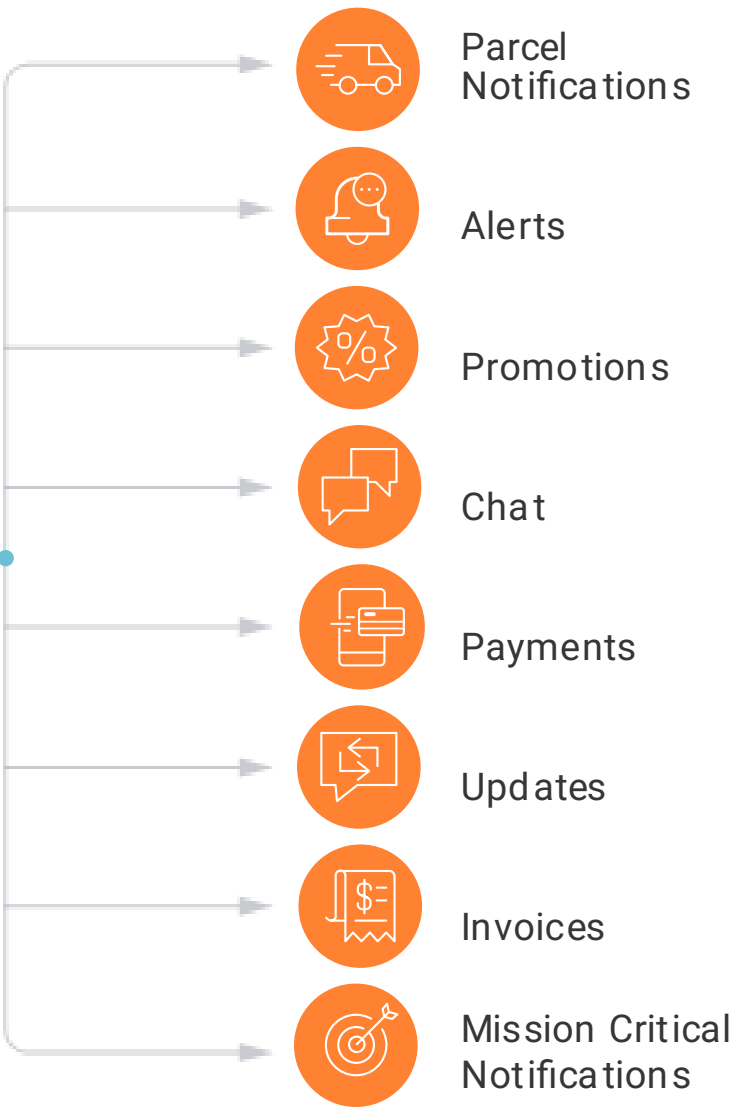


LINK connects businesses to customers and governments to citizens

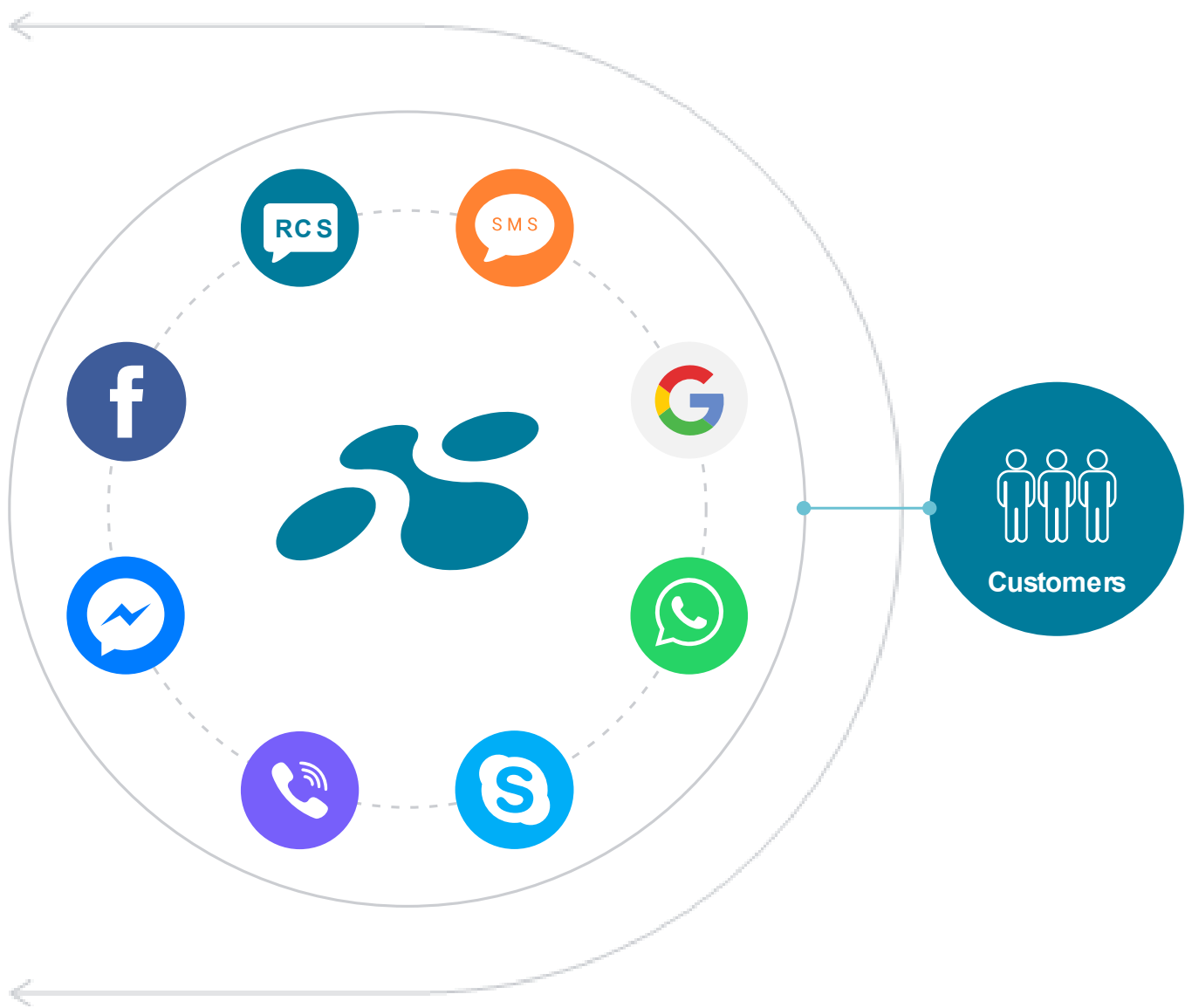
Creating value through digital messaging solutions
- Communication Platform as a Service (CPaaS)



LINK messaging products



On preferred channels



LINK uniquely positioned for future growth

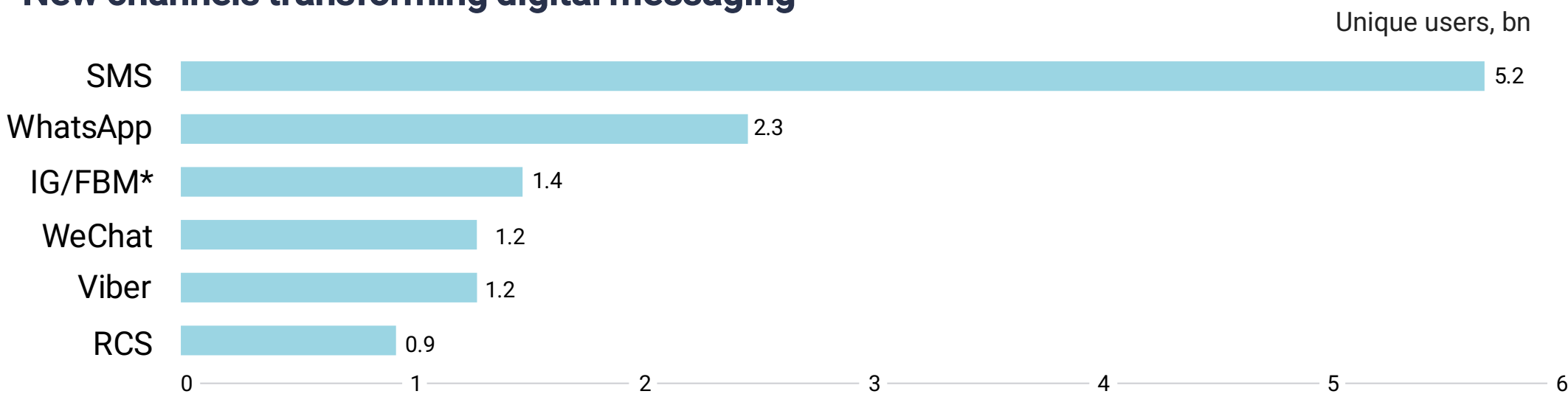
Communication Platform as a Service (CPaaS) fast growing new market

- Use cases moving from one-way SMS messaging
- To multi-channel conversational communication

LINK ranked established leader by Juniper Research highlighting

- Integrations with Customer Relation Management (CRM) platforms
- Ability to capitalize on growth in Contact Center as a Service (CCaaS)
- Local Go to Market (GTM) strategy in Europe and expansion to the US

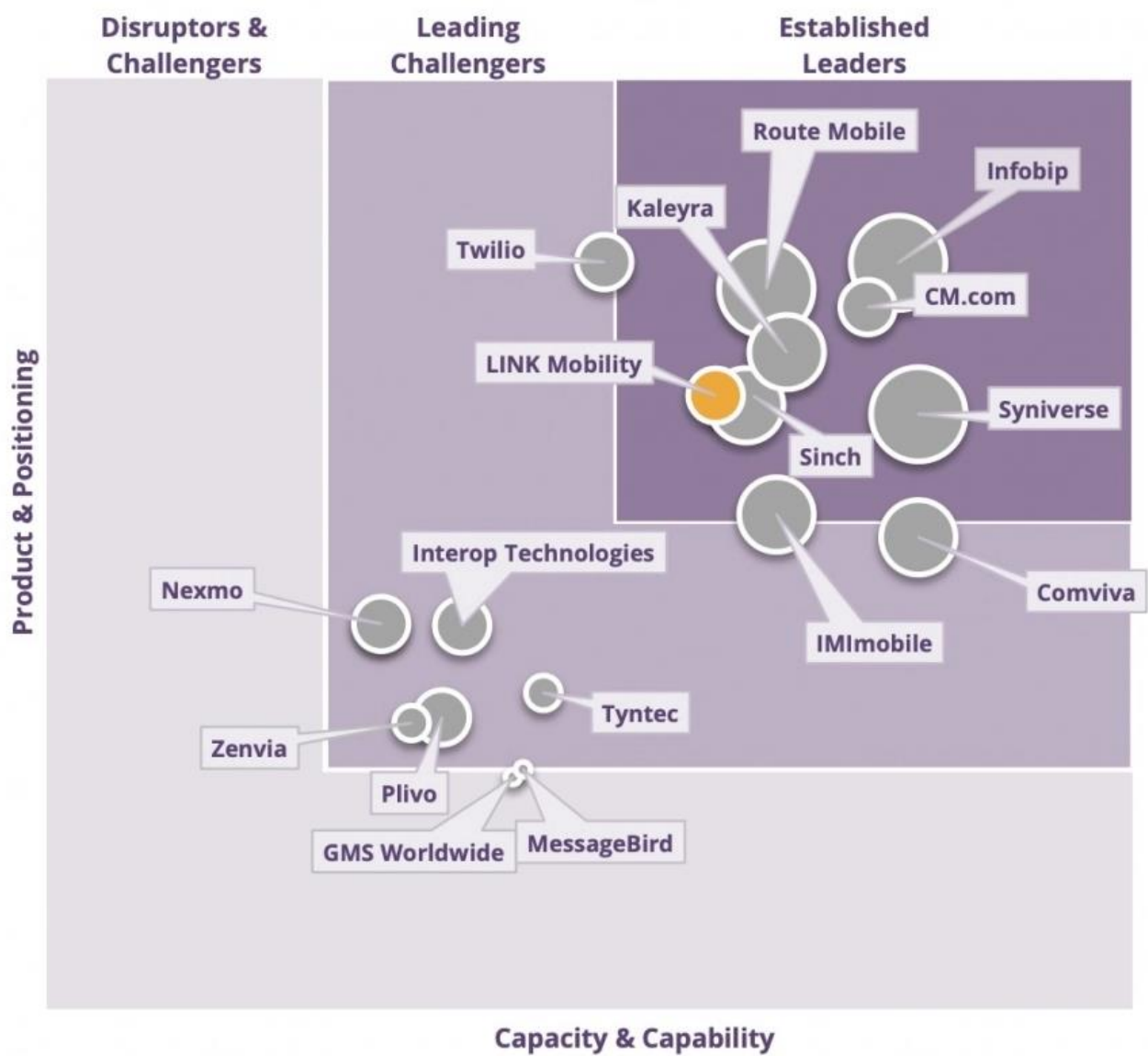
New channels transforming digital messaging



* Instagram/Facebook Messenger

Source: Mobilesquared

Juniper Research Competitor Leaderboard CPaaS Vendors



Source: Juniper Research

LINK facts and figures

2000

FOUNDING YEAR

#1

MESSAGING PLAYER IN EUROPE

~ 15 bn

MESSAGES SENT per year

30

OFFICES GLOBALLY

19

COUNTRIES IN OUR GROUP

~ 50 k

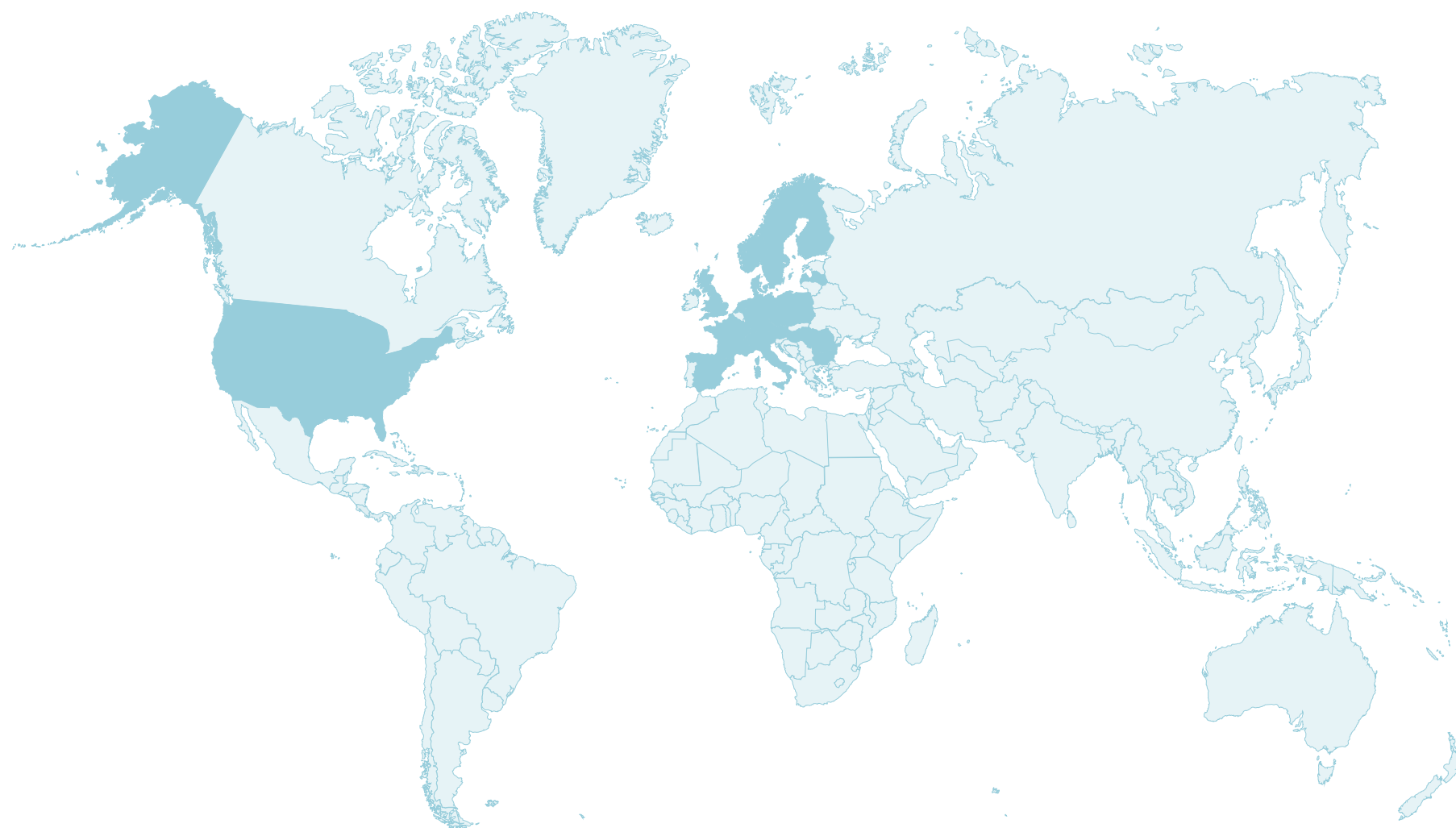
HAPPY CLIENTS WORLDWIDE

NOK 5.0 bn

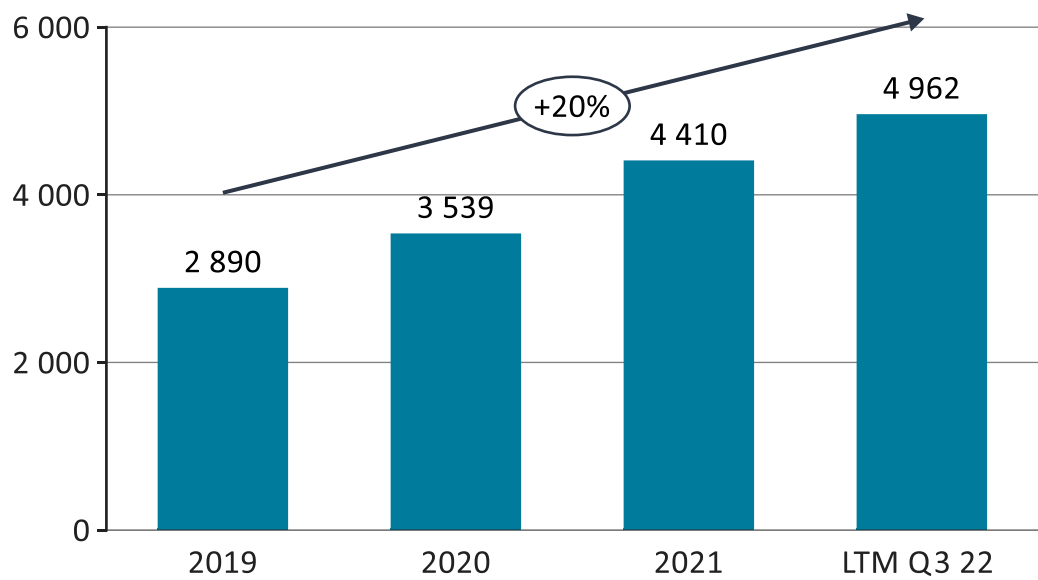
NOK LTM revenue Q3 22

NOK 613 m

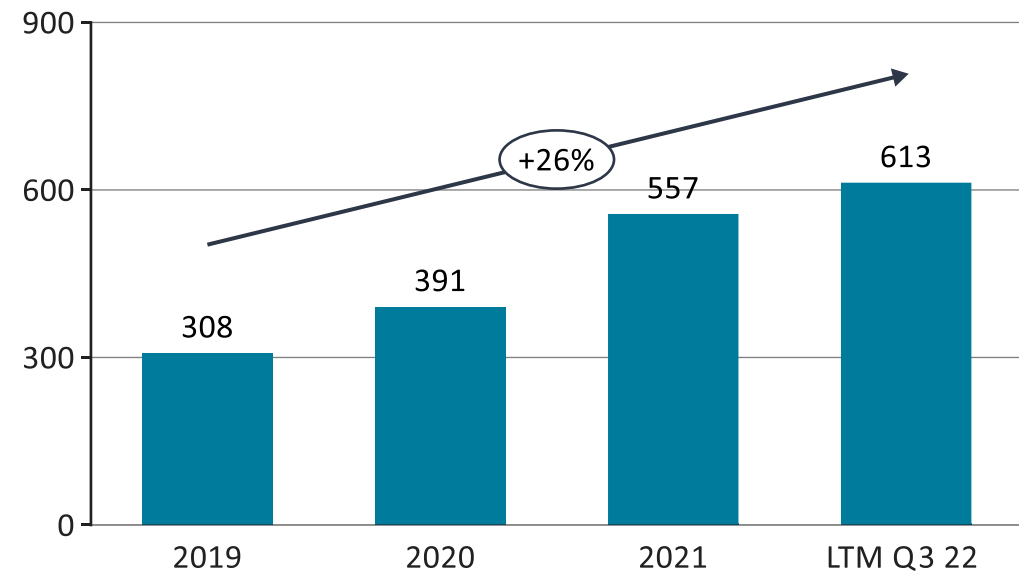
NOK LTM adj. EBITDA Q3 22



Revenue NOKm



Adj. EBITDA NOKm



Significant growth potential for LINK in Europe

Norway and Sweden early adopters

- Markets partly developed by LINK during past decades

UK advanced within digital messaging marketing

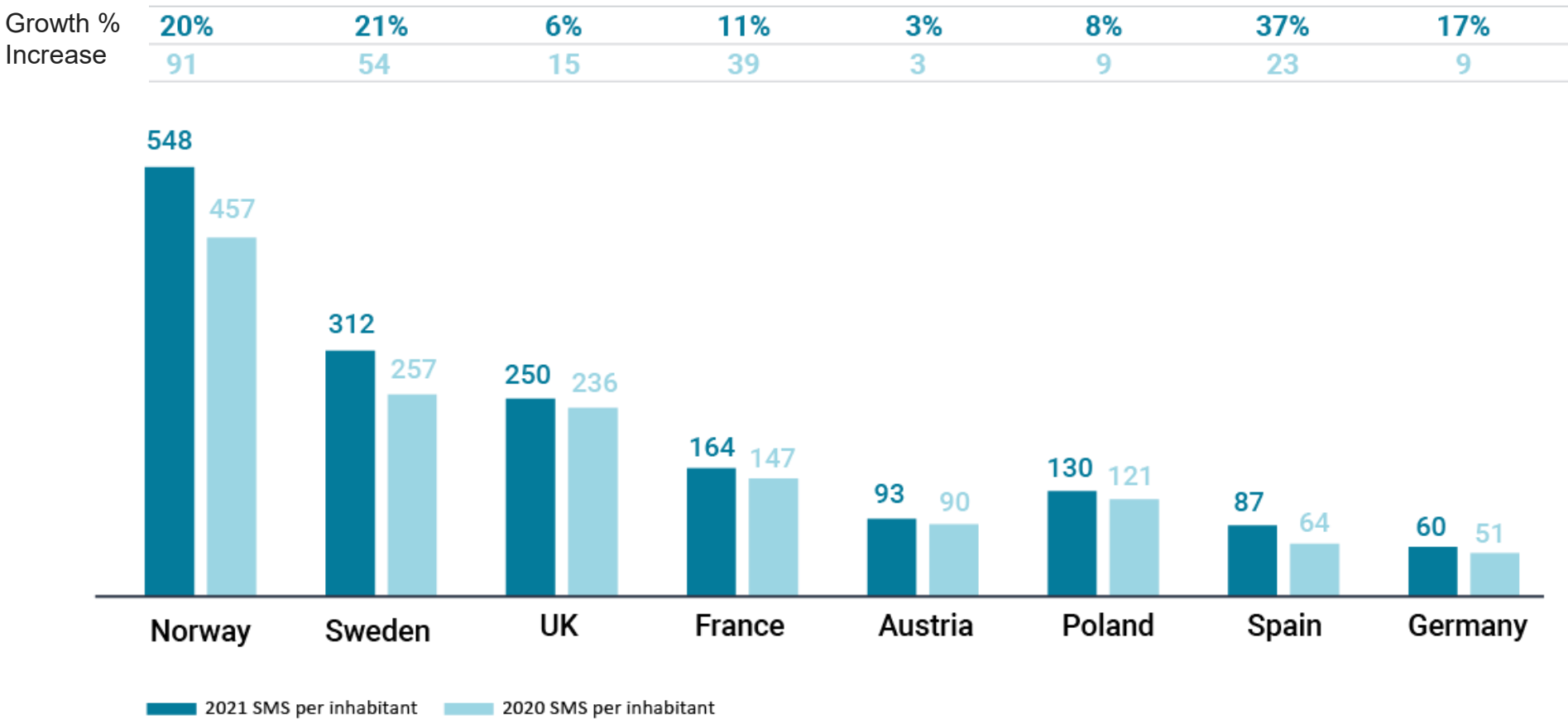
Most European countries still early on S-curve

- Significant benefits to be harvested

Changing political priorities and fragile global supply chains

- Growth potential could benefit players with local presence

Adoption of digital messaging* varies greatly in Europe



* Annual number of A2P messages per capita

Huge opportunities for LINK in the US and globally

Message Broadcast holds strong position with large US utilities

- Offering messaging solutions and critical events messaging as required by regulators
 - Utilities face material regulatory reactions in case of non-compliance
- Recently signed two new utility contracts worth USD 7.6 million
 - Fortune 500 companies with more than 10,000 employees and several million customers

LINK is an official WhatsApp partner

- Trusted Meta provider to increase adoption of WhatsApp globally
 - WhatsApp is the largest digital messaging channel after SMS



LINK's US subsidiary is headquartered in California



Versatile business model with diverse use cases and customers

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

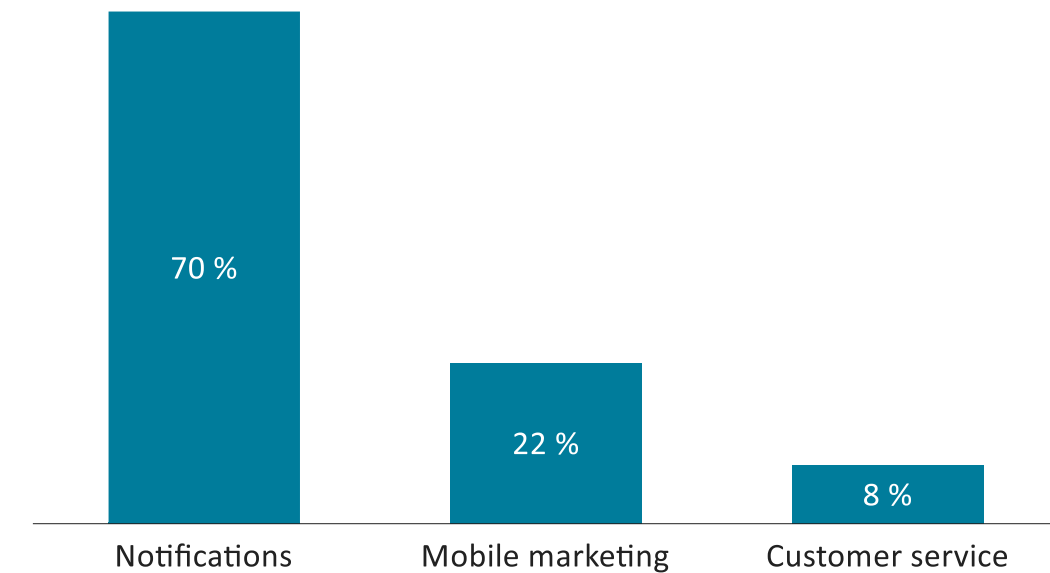
Customer CCaaS use cases could be counter cyclical

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

LINK has close to 50,000 customers globally

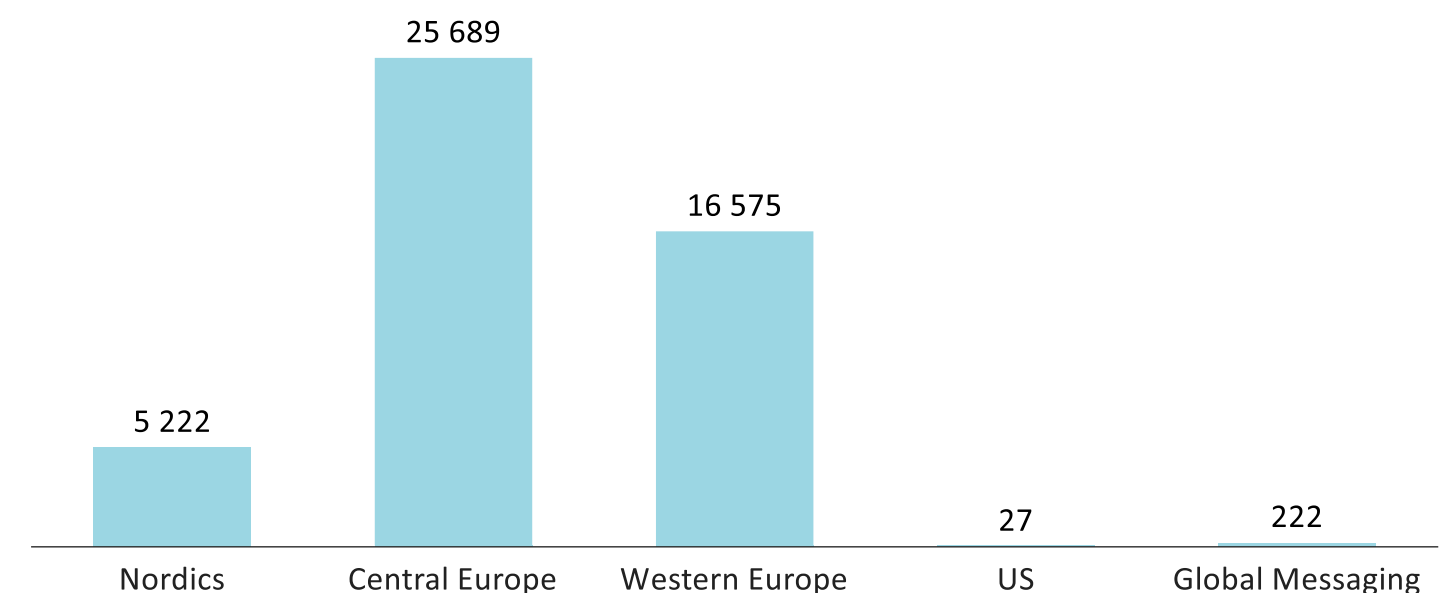
- Continuous cross-selling opportunities through sharing of best practises
 - Between regions and customer use cases

Revenue by use case*



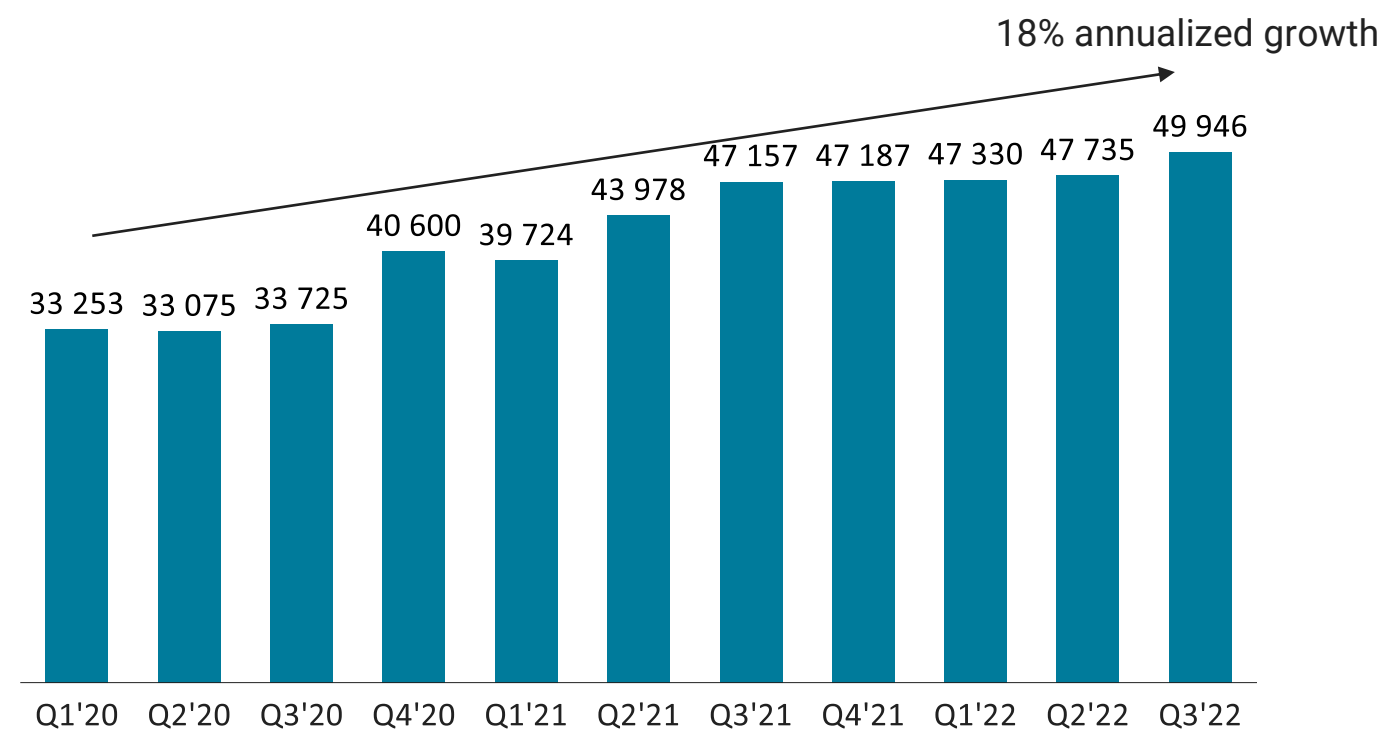
* Estimated from industry classification of customer data

Customers by region



Strong growth in customer accounts and very low churn

Customer accounts



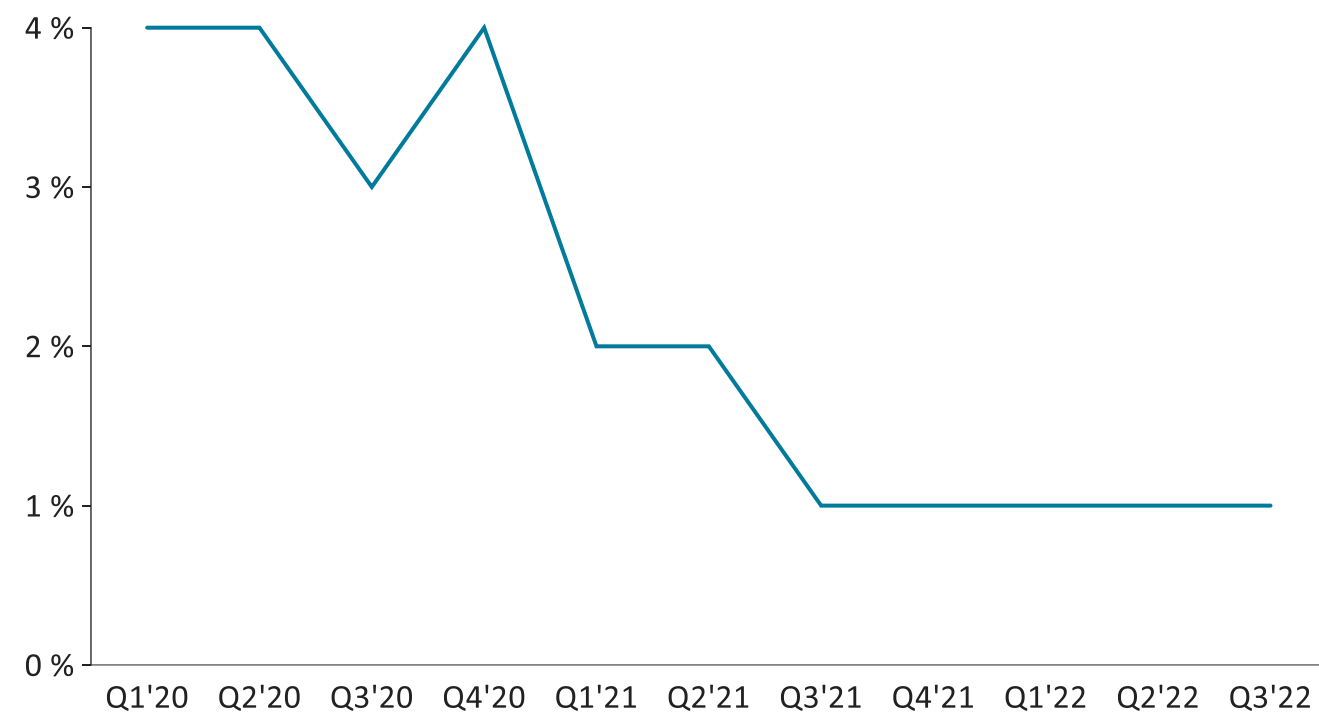
50,000 active customer accounts

- Annualized growth in customer accounts 18%

Low customer concentration

- 10 largest customers only contribute around 20% of group revenue

Customer churn %



Customer churn always been low for LINK

- Sticky enterprise customer relations
 - LINK solutions integrated into IT systems
- High value added solutions
 - Digital messaging very efficient way to communicate

Opex and capex initiatives to support adjusted EBITDA and FCF growth

Opex reductions to support adj. EBITDA growth

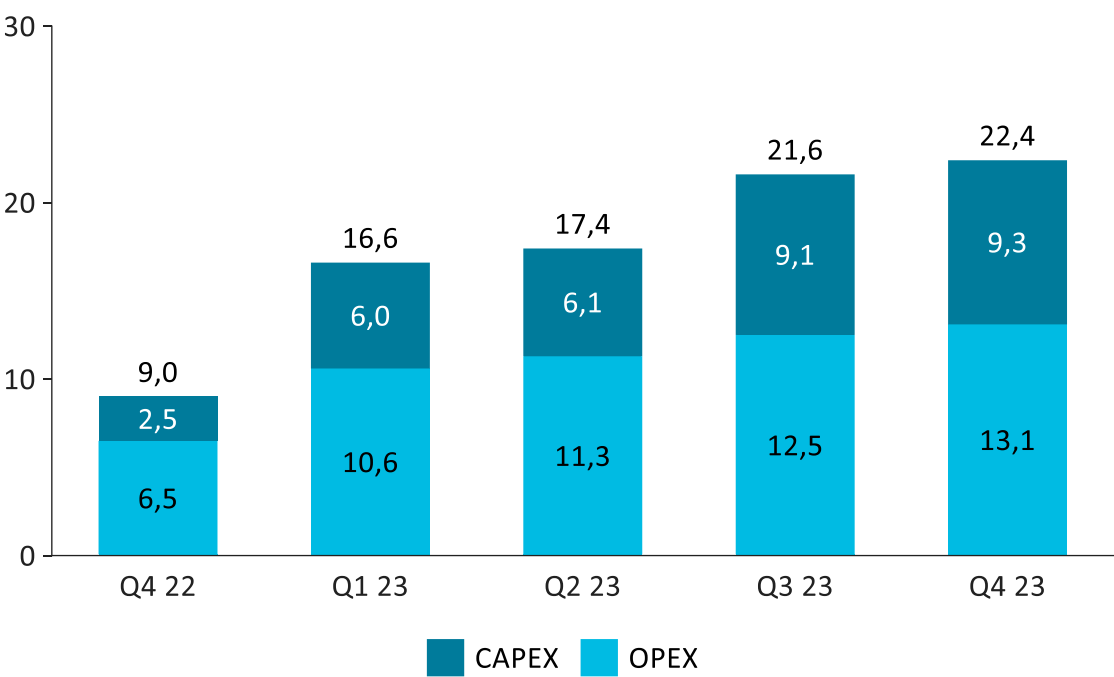
- Annual run rate reduction in Q4 23 NOK 52 million
- Amounting to 8% of current LTM adjusted EBITDA

Lower capex to strengthen free cash flow further

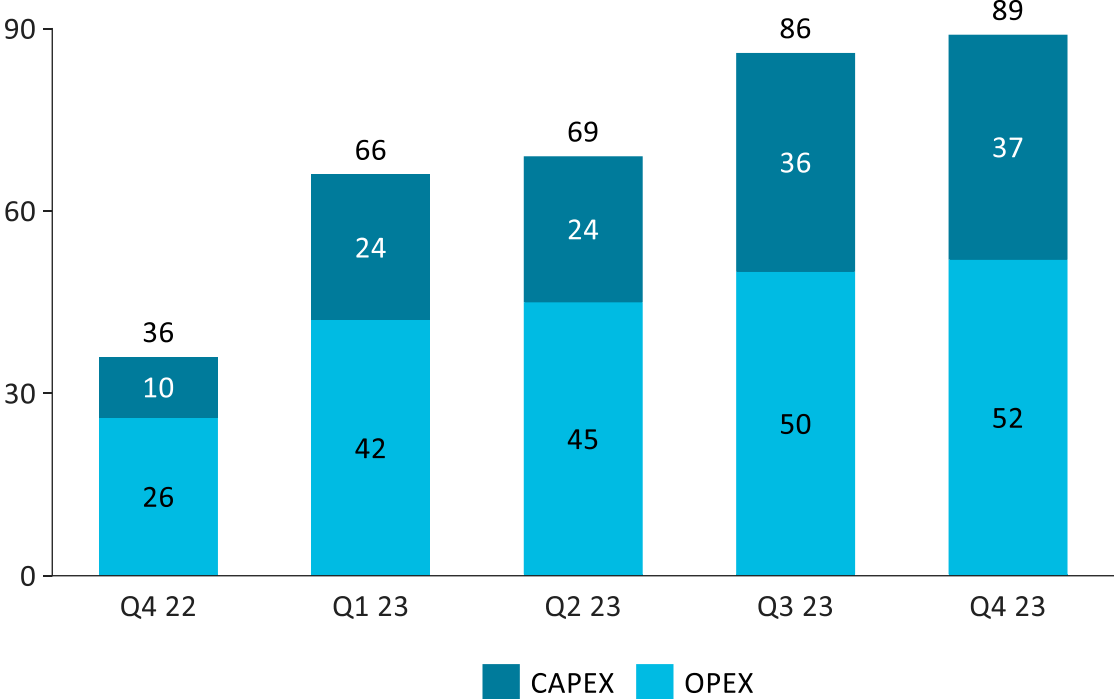
- Annual run rate reduction in Q4 23 NOK 37 million
- Forecasted capex level before initiatives was NOK 180 million per year

Total annual run rate cash savings 41% of current LTM free cash flow

Quarterly savings from Q2 22 cost level (NOKm)



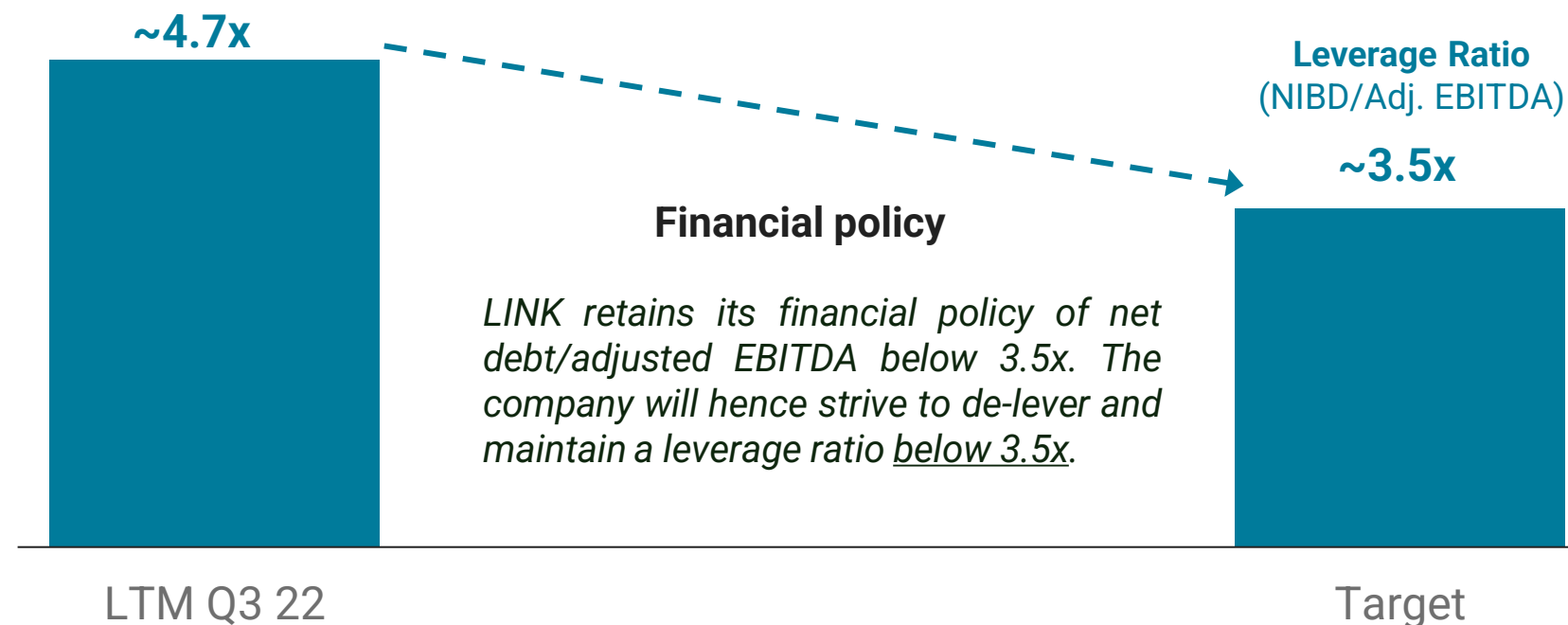
Run rate annual OPEX and CAPEX savings (NOKm)



LINK generates FCF in excess of NOK 200 million per year

Reported free cash flow

NOK '000	Q4 2021	Q1 2022	Q2 2022	Q3 2022	LTM Q3 2022
Adj.EBITDA	176	142	129	166	613
Change working capital	113	(98)	89	(103)	1
Taxes paid	(28)	(13)	(6)	(10)	(57)
Non-recurring costs M&A	(30)	(14)	(18)	(15)	(77)
Payable Social cost on Share options	(6)	-	-	-	(6)
Net cash flow from operating activities	225	19	194	38	476
Add back non-recurring costs M&A	30	14	18	15	77
Adj. cash flow from operations	255	32	212	53	552
Capex	(58)	(50)	(45)	(38)	(191)
Interest	(71)	(3)	(69)	(1)	(143)
Cash flow after capex and interest	126	-21	98	14	218



Adjusted LTM cash flow from operations NOK 552 million

- Reported cash flow from operations include M&A related expenses
- Free cash flow (FCF) generated after capex and interest of NOK 218 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

- Adj. cash flow from operations 90% to adjusted EBITDA
- Free cash flow after interest and capex 36% to adjusted EBITDA

Cost reduction initiatives to support FCF generation in 2023

Reported LTM Q3 22 leverage at 4.7x

- 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 close to 3 years

LINK to execute on profitability and deleveraging in 2023

Main priorities throughout 2023

- Bring organic gross profit growth closer to organic revenue growth
- Increase adjusted EBITDA and FCF
- Reduce leverage with clear trajectory to within financial policy

Several measures implemented to execute on value creation

- Decentralized group governance as local markets best understand customer needs
- Focus on preferred customer channel SMS and selected CPaaS solutions
 - Sell more SMS and switch customers to Rich SMS and RCS
 - Upsell Xenioo and WhatsApp to customers
- Pragmatic, accretive and deleveraging M&A strategy
 - Opportunities expected as private market valuations align with public markets





Q&A



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