



# Interim Report

Fourth quarter 2021

Guillaume Van Gaver, CEO  
Thomas Berge, CFO

A large, solid blue circle with a thin orange border, containing the text "Q4" in a large, white, sans-serif font.

# Q4

# 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

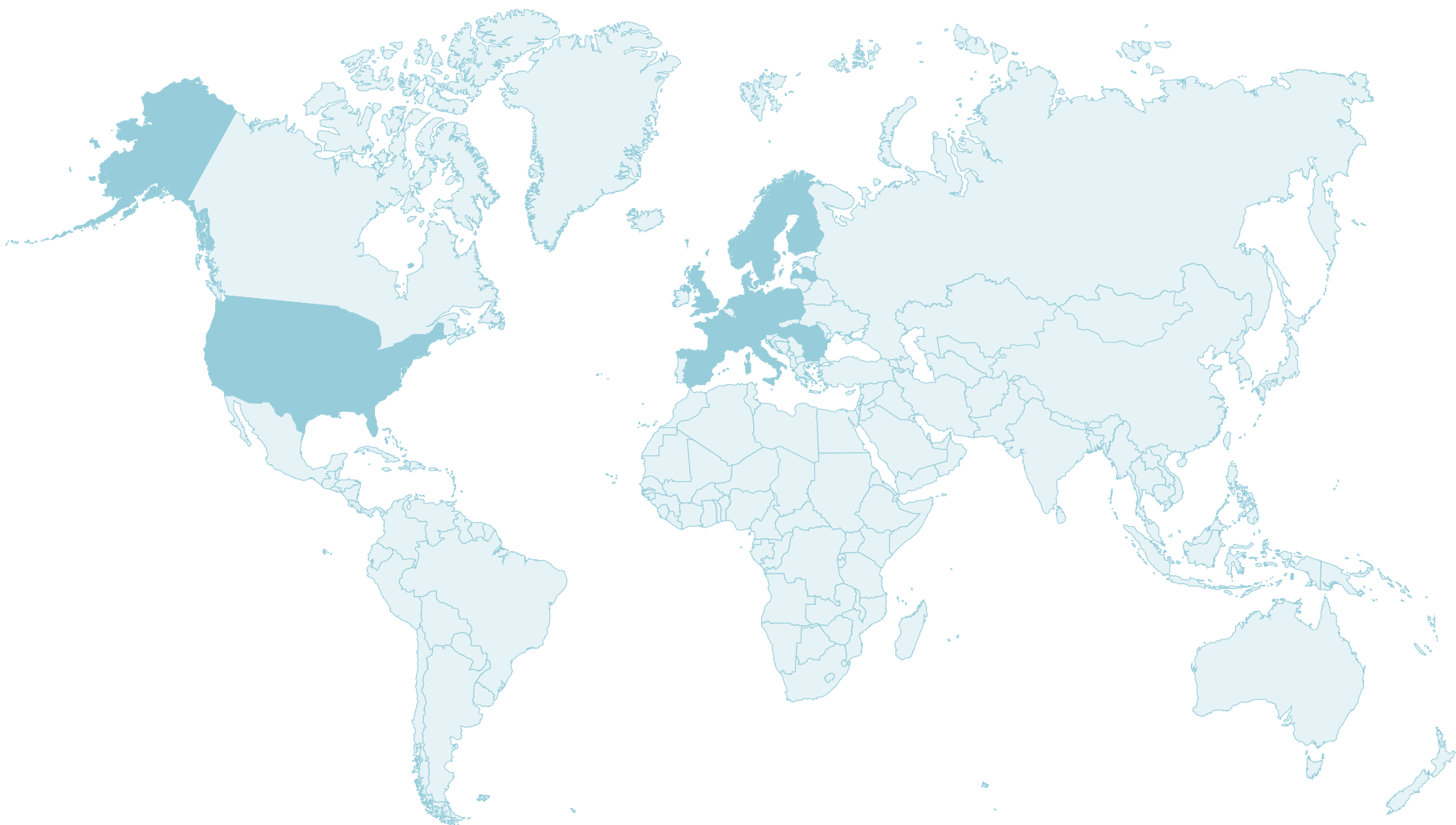
HAPPY CLIENTS WORLDWIDE\*

4.6 bn

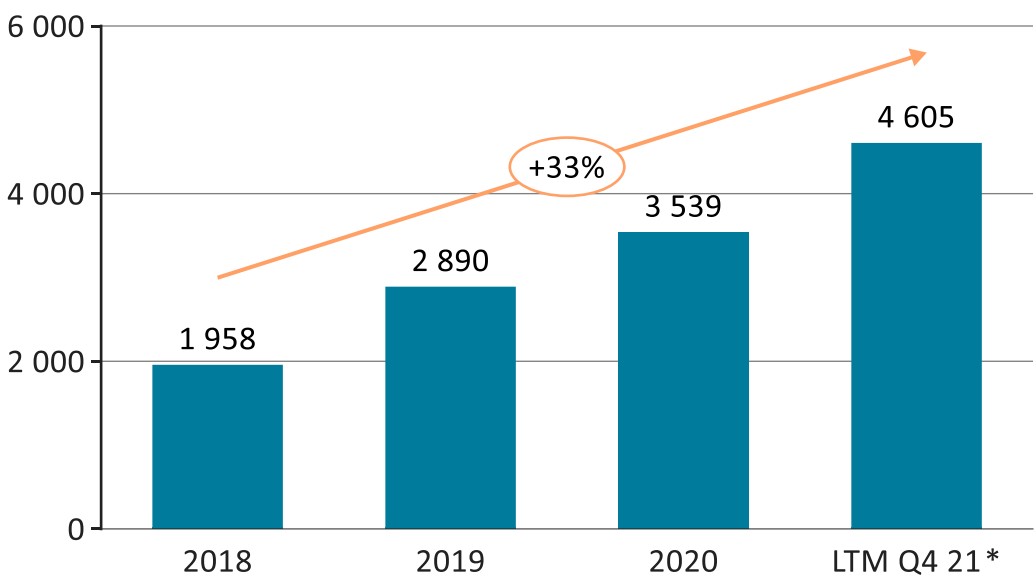
NOK LTM revenue Q4 21\*

619 m

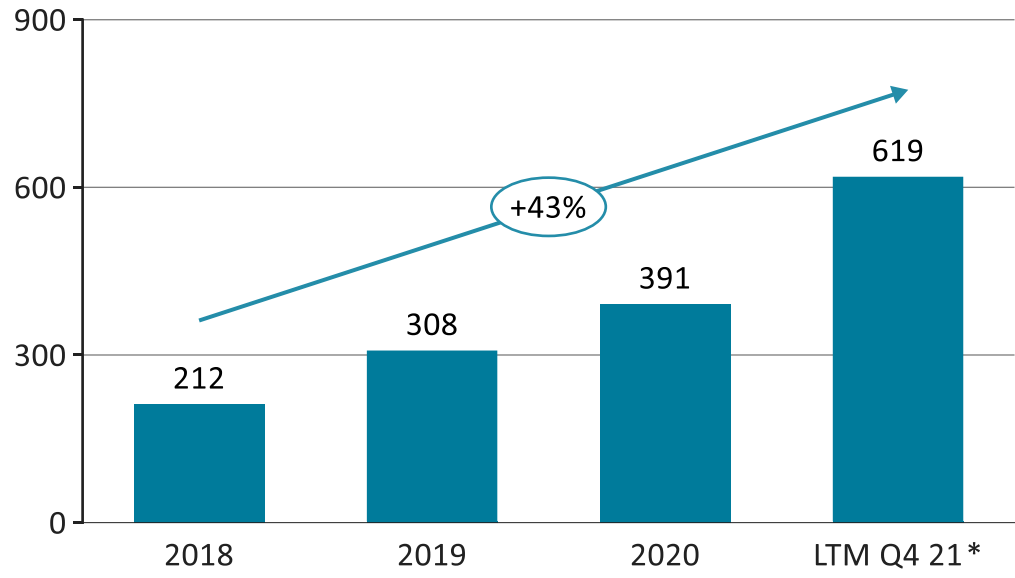
NOK LTM adj. EBITDA Q4 21\*



Revenue NOKm



Adjusted EBITDA NOKm



# Fourth quarter report 2021 highlights

Global CPaaS Player in High Growth Markets



Revenue grew 25% to NOK 1,297 million.

- 16% organic revenue growth in fixed currency supported by a larger contribution from Global Messaging



Gross profit increased 37% to an all-time high of NOK 360 million.

- Gross margin expansion with higher margin contribution from US acquisition Message Broadcast
- Organic gross profit growth in fixed currency of 11%



All-time high adjusted EBITDA at NOK 176 million up 47% year-over-year

- Adjusted EBITDA margin 13.6% (11.5%)
- Organic adjusted EBITDA increased 15% in fixed currency



LINK signed 668 new agreements in the final quarter of the year (new and expanding)

- Securing significant new revenue and future growth potential



LINK awarded 'Best RCS Provider' by Juniper Research in February 2022

- Highlighting LINK's innovative RCS messaging product as a leading proposition for brands

# Status 2021 - First full year as listed entity

Global CPaaS Player in High Growth Markets



Reported revenue grew 25% to NOK 4.4 billion. Pro forma revenue NOK 4.6 billion

- Pro forma revenue growth in fixed currency 16%



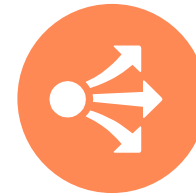
Adjusted EBITDA growth of 42% to NOK 557 million. Pro forma adjusted EBITDA NOK 619 million

- Pro forma adjusted EBITDA growth in fixed currency 8%



LINK ranked an established leader by Juniper Research

- Highlighting LINK's leading position in the industry



Leverage temporarily higher than the financial policy of <3.5x

- Message Broadcast acquisition and walk away from equity financed Soprano transaction
- Significant deleveraging effect from organic growth expected by end of 2022 bringing leverage closer to target



Revenue growth lowered in forward-looking statement from 20% to 14-17% range

- Lockdowns resulted in reduced marketing related messaging and delayed roll-out of GTM
- Adoption of Cpaas products has been more incremental than initially assumed



Message Broadcast underdelivered in H2 21

- Off-trend weather patterns reduced critical events messaging

## 2022

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

- Growth rates may vary between quarter 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%

# Message Broadcast positioned for strong rebound in 2022

Message Broadcast (MB) has a strong position in the US utilities vertical

- Offering tailored messaging solutions and critical events messaging as required by the regulator
  - Utilities face huge fines in case of non-compliant communication

MB revenue partly linked to weather dependent critical events messaging

- Mainly related to droughts in Western US and hurricanes in the Gulf of Mexico
- H2 21 saw off-trend weather patterns
  - Significantly wetter and less hurricanes than normal
- Reversion to on-trend weather patterns expected for 2022

MB has acquired new large customer contracts in H2 21

- New contracts signed in 2021 expected to ramp-up revenue growth in 2022
- Extensive customer pipeline for 2022

Strong contribution to growth and profitability expected from MB in 2022

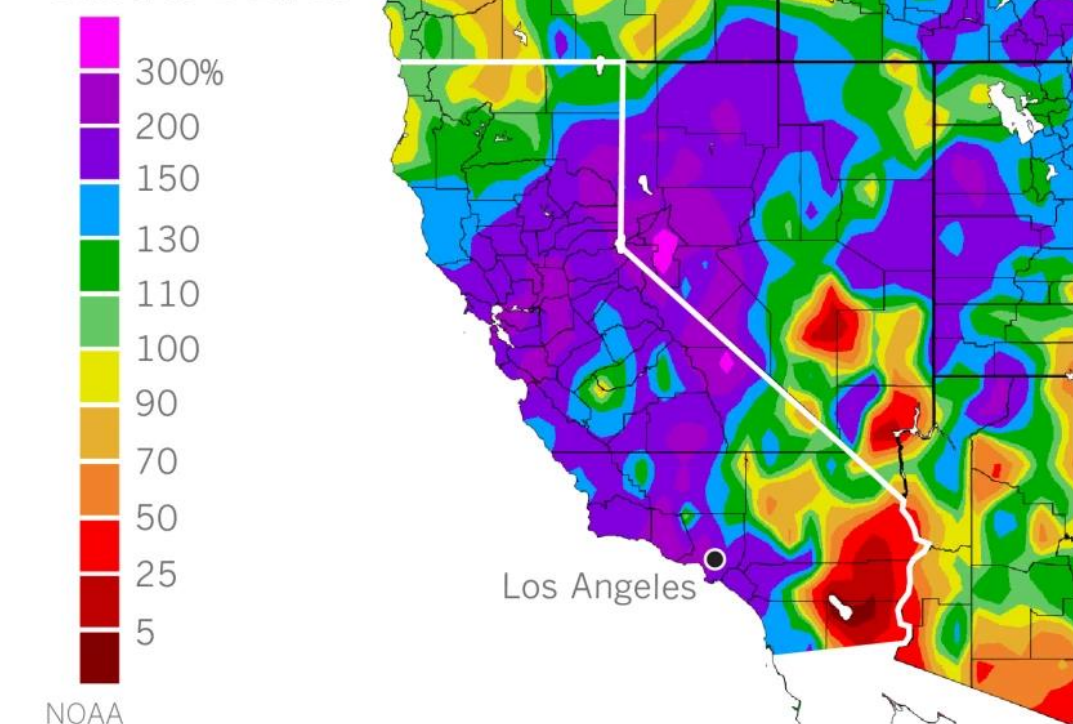


## Western US saw a very wet fall last year

More rain in the last 3 months of the year than the previous 12 months

### Percentage of normal precipitation

Oct. 1 to Dec. 31



Los Angeles Times



# Message Broadcast wins another utility customer on the East Coast

Message Broadcast (MB) signed a large new utility customer in the new year

- Utility has more than 3 million customers
- Market capitalization close to USD 20 billion

MB to provide multichannel CPaaS solutions for end-user dialog

- SMS, voice and email

Eversource on the East Coast won in Q4 21

- Recent wins diversify geographical reach of MB
- MB is headquartered with a historical strong position on the West Coast



# LINK awarded “Best RCS Provider” by Juniper Research

Global CPaaS Player in High Growth Markets

LINK was awarded ‘Best RCS Provider’ Platinum Winner by Juniper Research

- Juniper Research is an established European provider of business intelligence
- Platinum Winner award presented at their 2022 “Future Digital Awards”

RCS\*, or SMS 2.0, is the next generation of traditional SMS messaging

- Richer feature set allows brands to engage in conversations with their customers
  - Drives better open rates, engagement scores and click rates

LINK recently launched its GSMA compliant RCS API

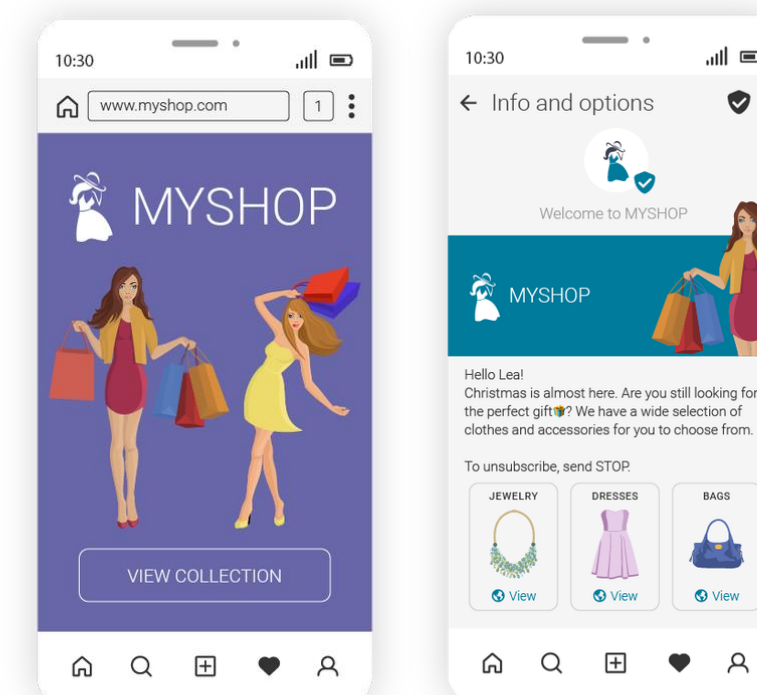
- LINK’s single API and local presence make it easy for brands
- RCS launch partner for over 80 mobile network operators globally

RCS creates value by vastly improving customer engagement

- Generating excellent ROI metrics up to 5x traditional SMS



## Shopping with RCS from LINK





# LINK product development ahead of market adoption

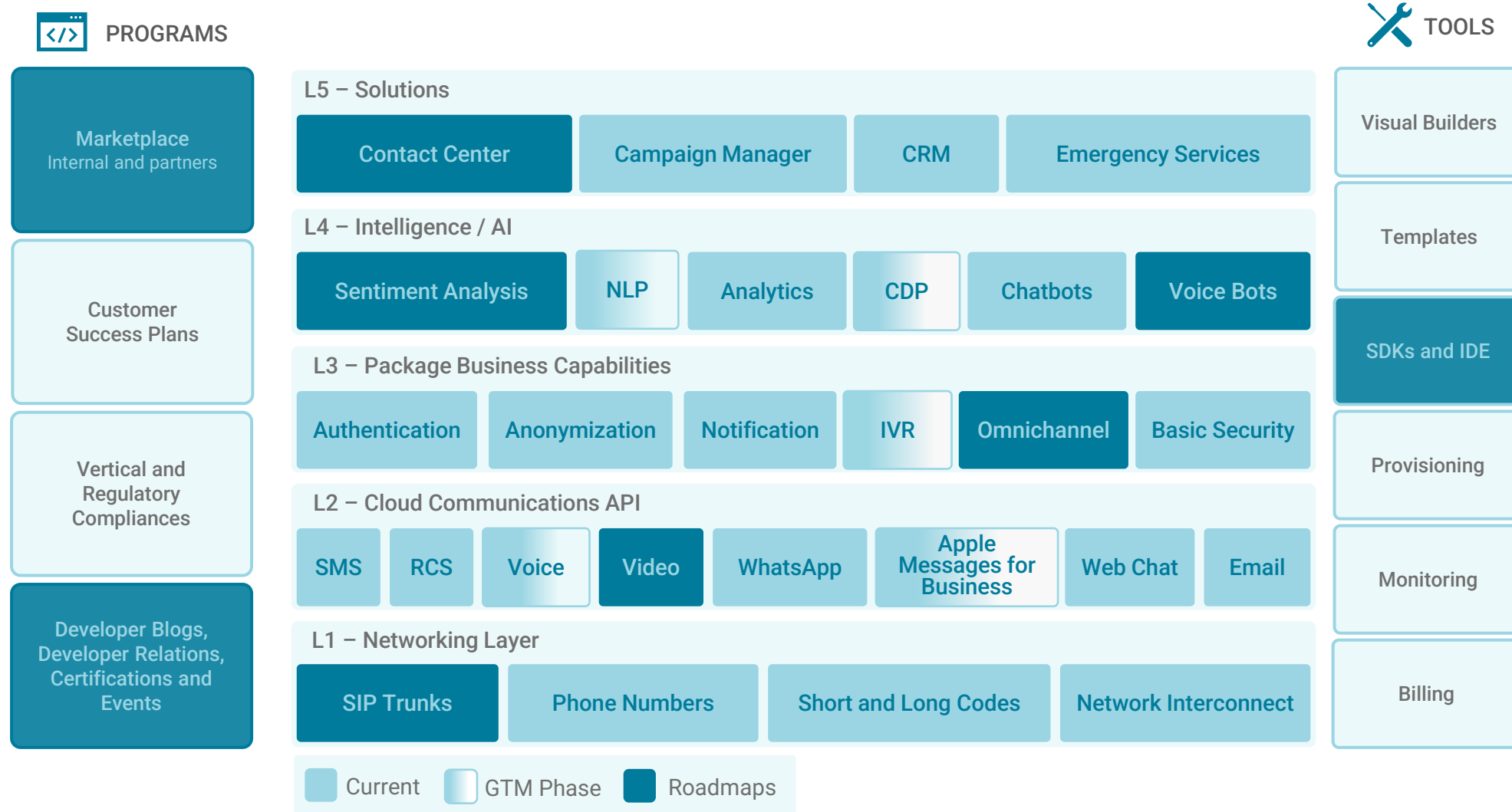
The CPaaS industry is continuously evolving

- LINK develops products to match commercial market demand
- Given incremental market adoption of new solutions LINK is ahead
  - Innovation driven by global tech customers' adaptation of CPaaS
- LINK seen as an innovator and advisor in this space
  - Together with our localized approach, we have strong customer relationships and are poised to capitalize on CPaaS developments
- Current trends see industry developing services on top of CPaaS

LINK's product development roadmap next 2-years

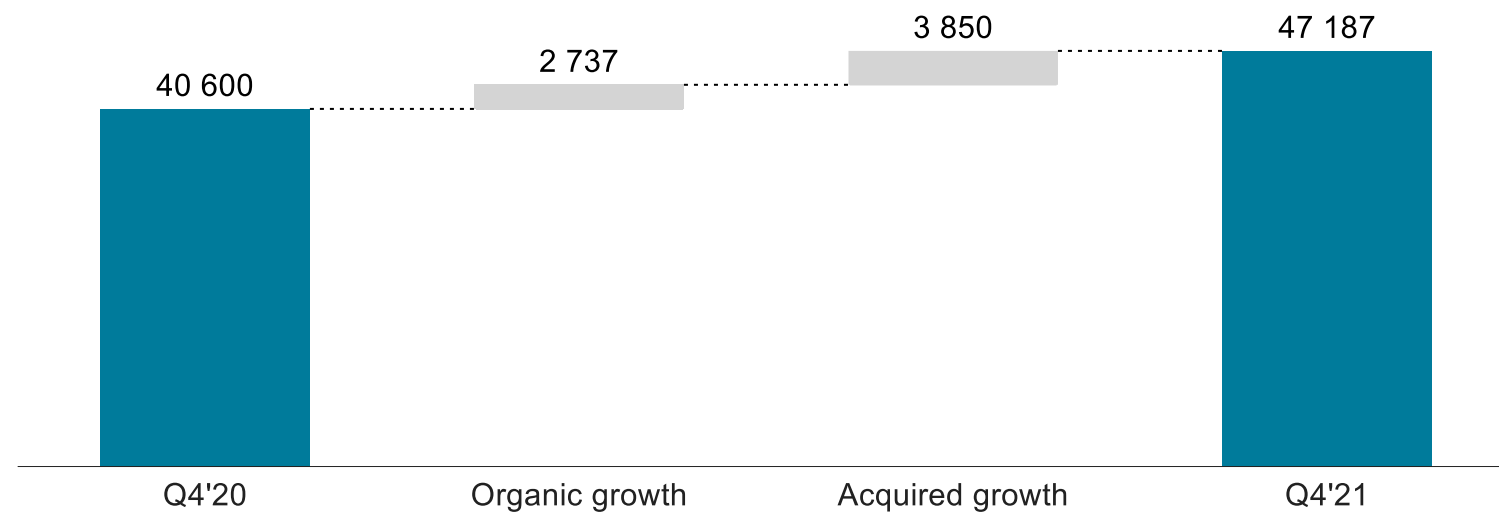
- Horizontal expansion with Voice, Video and significant NLP & AI buildout
- Vertical innovation in SaaS solutions to address three super use cases
  - Notification
  - Marketing
  - Customer care

## LINK CPaaS products



# Large customer base secures recurring revenue and positions for upside

## Customer accounts



47,200 active customer accounts

- Organic GTM strategy registered 2,700 new customer accounts
  - Customer churn remain very low at 1% securing recurring revenue
- M&A added 3,850 customer accounts

Large and growing customer base provides significant revenue upside

- S-curve adoption of CPaaS omnichannel solutions

# Specsavers selected LINK to transform its conversational messaging

LINK has signed a 5-year agreement with Specsavers

- A leader in optometry, audiology, and healthcare services
- Agreement to transform their digital customer communication
  - In Norway, Ireland, Spain, the Netherlands, Denmark, Finland, Sweden, and the UK

Omnichannel engagement strategy includes SMS, Rich SMS and RCS

- Turning customer enquiries into messaging conversations
  - Facilitating for promotional marketing messaging
- Company updates and appointment reminders

Adobe's Campaign Classic Connector integrated with LINK's CPaaS solutions

- Provides real-time, relevant and personalized communications
- Easily managed by multiple business functions
  - Marketing, CRM, customer service and store teams



LINK has a leading value proposition for global brands



# Healthcare fast-tracking digitalization

CPaaS solutions bring significant benefits to the healthcare industry

- Increased patient satisfaction with instantly available information on preferred channel
- Reduced patient waiting times through better use of healthcare professionals time
  - Appointment reminders
  - AI chatbots for initial enquiries
- Cost savings through automation of administrative tasks
  - Appointment bookings
  - Secure payments

LINK already has a significant foothold within healthcare

- Part of National Health Service (NHS) communication and engagement framework in the UK
- Government contracts with several European countries stemming from Covid
  - Pandemic has fast-tracked digital adoption by healthcare institutions
- Large US customers
  - Pharmaceuticals distributor McKesson
  - Biopharmaceutical company Amgen



**Healthcare**

**LINK has foothold in Norway, Poland, Austria, the UK and the US**



**MCKESSON**

**AMGEN**

# Still huge growth potential for digital messaging in Europe

Norway and Sweden early adopters

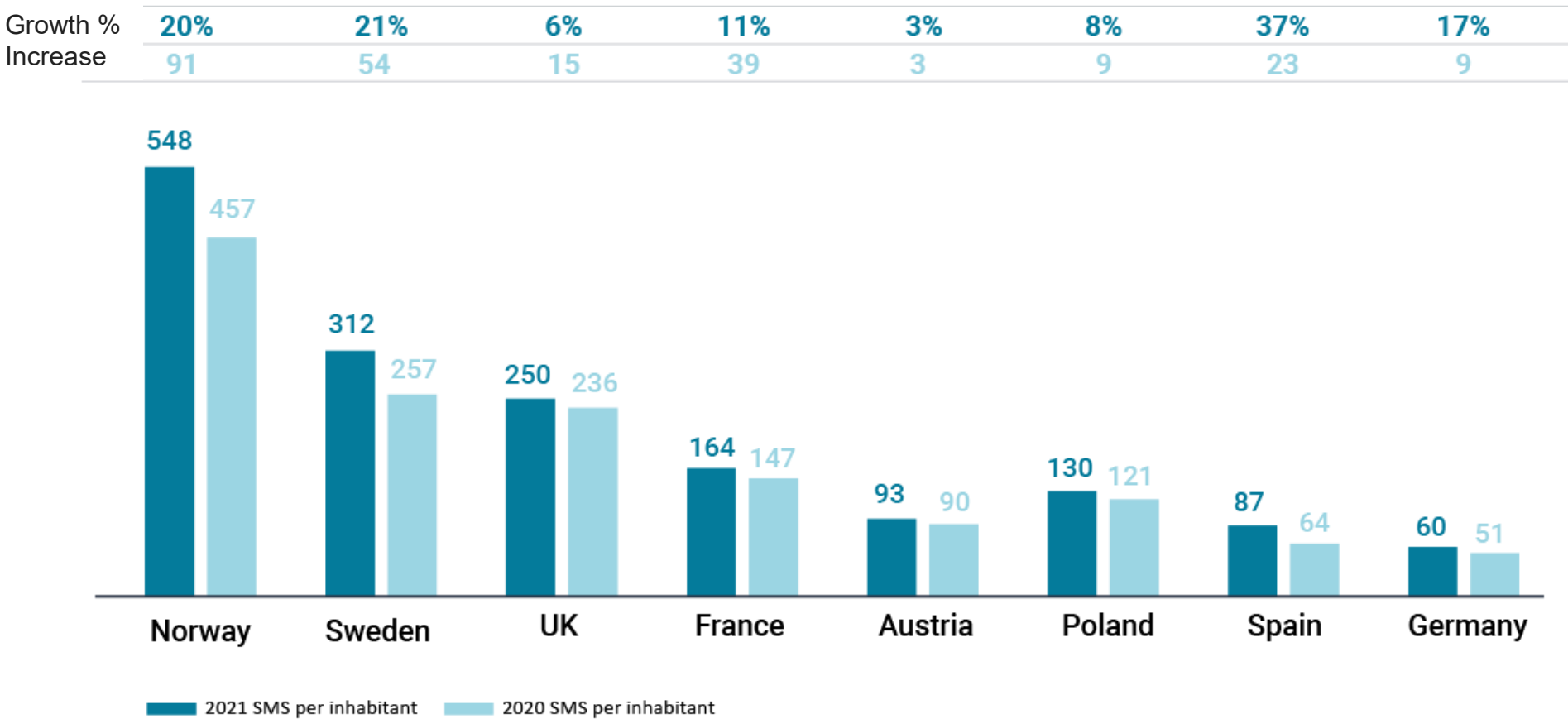
- Markets partly developed by LINK during past decades

UK advanced within digital messaging marketing

Most European countries still early on S-curve

- Significant benefits to be harvested

Adoption of digital messaging\* varies greatly in Europe



\* Annual number of A2P messages per capita

# Acquisitions of solutions companies leverage LINK's large customer base

LINK with proven track-record in acquiring and integrating solutions companies

- LINK searches for technically advanced, commercial immature companies
- Reasonable multiples and technically advanced solutions
- Highly accretive transactions ramping up revenue growth through upselling to existing customer

Win-win combination

- Software engineers from target join LINK and continue their focus on development
- LINK's commercial organization integrates and cross-sells the new solutions
- Leveraging LINK's large customer base and presence in local markets

LINK has an extensive pipeline of cross-sell opportunities

- Tismi generating new opportunities in Austria and France, more countries will be rolled out in 2022
- MarketingPlatform has immediately advanced LINK's marketing offering which is rolled out in the Nordics
- Italian chatbot Xenioo leveraged to both European and US customers



Acquires solution companies

Upsells solutions to large customer base



Voice and number  
masking

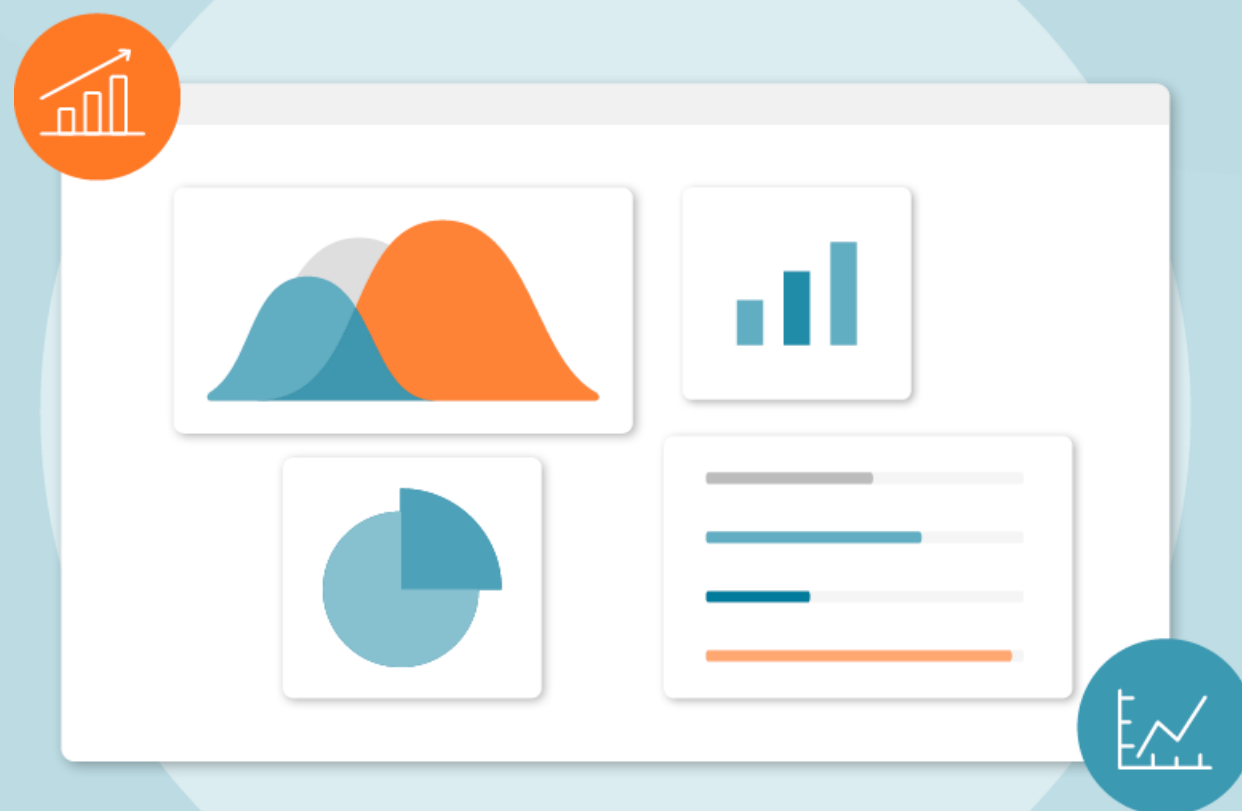


Marketing platform  
with integrated  
customer data  
platform (CDP)



Chatbot



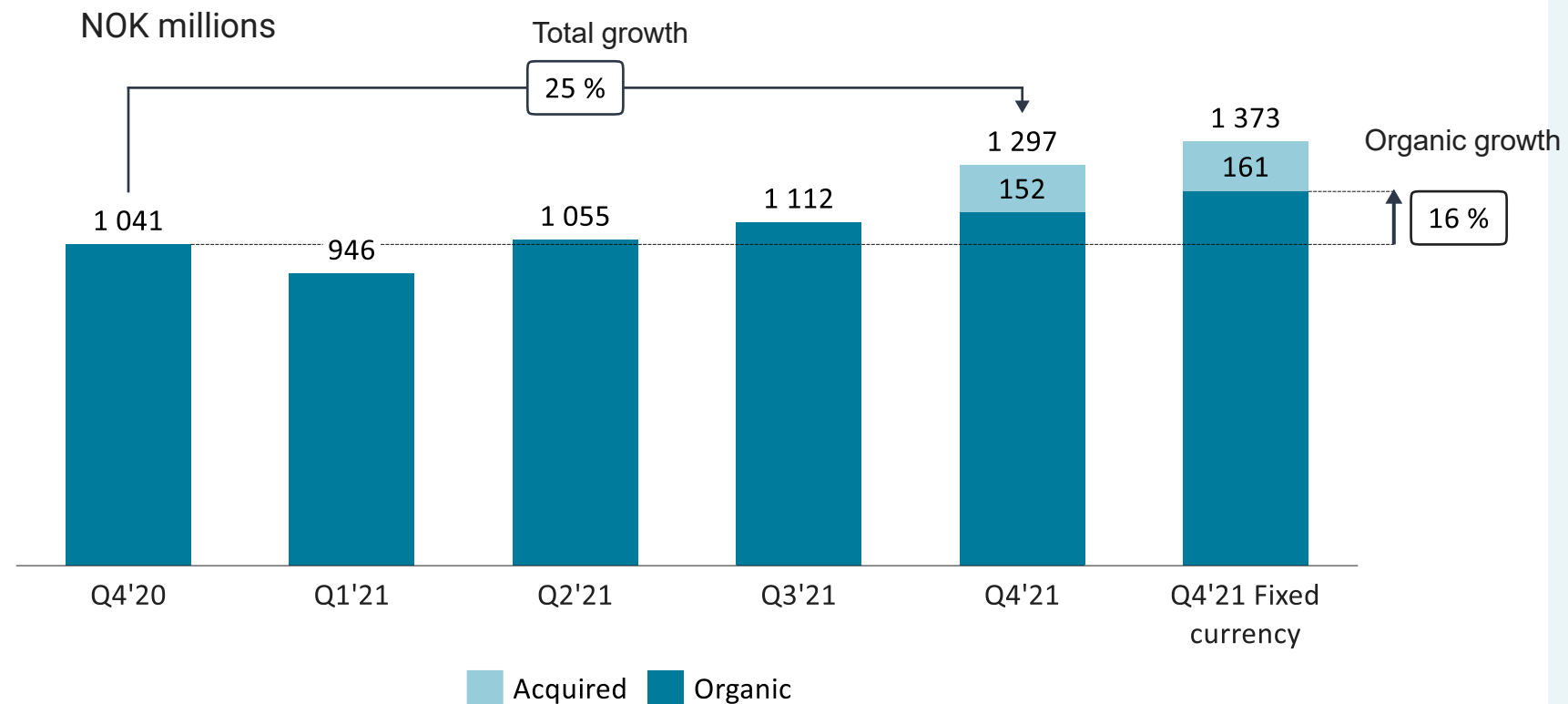


# Financial Review

Fourth quarter 2021

# Reported organic revenue growth of 16% in fixed currency

## Total reported revenue



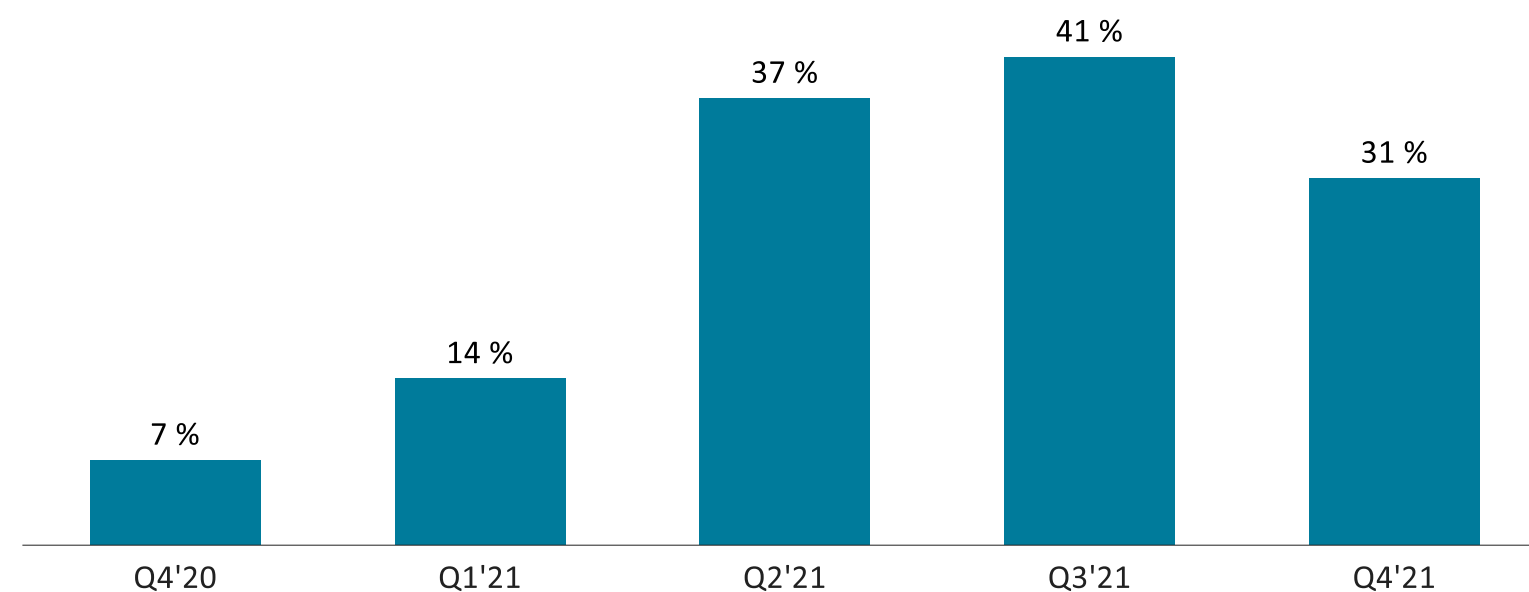
Reported revenue grew 25% to NOK 1,297 million

- Reported growth includes effect from acquired entities

Reported organic revenue growth of 16% in fixed currency

- Organic growth exclude the effect from consolidated acquired entities
- FX headwind of -6% year-over-year due to appreciation of NOK

## Reported volume growth % YoY

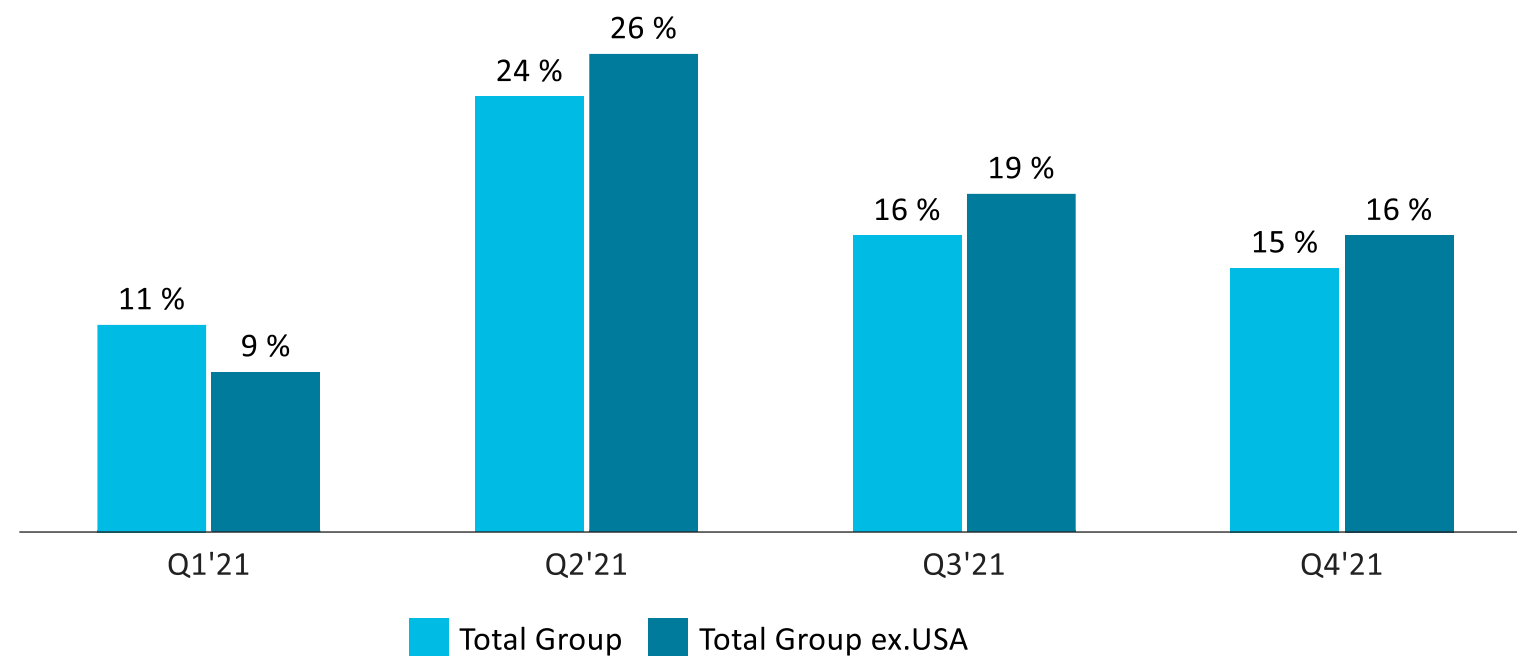


Reported volume growth for Q4 21 at 31% including effect from acquired entities

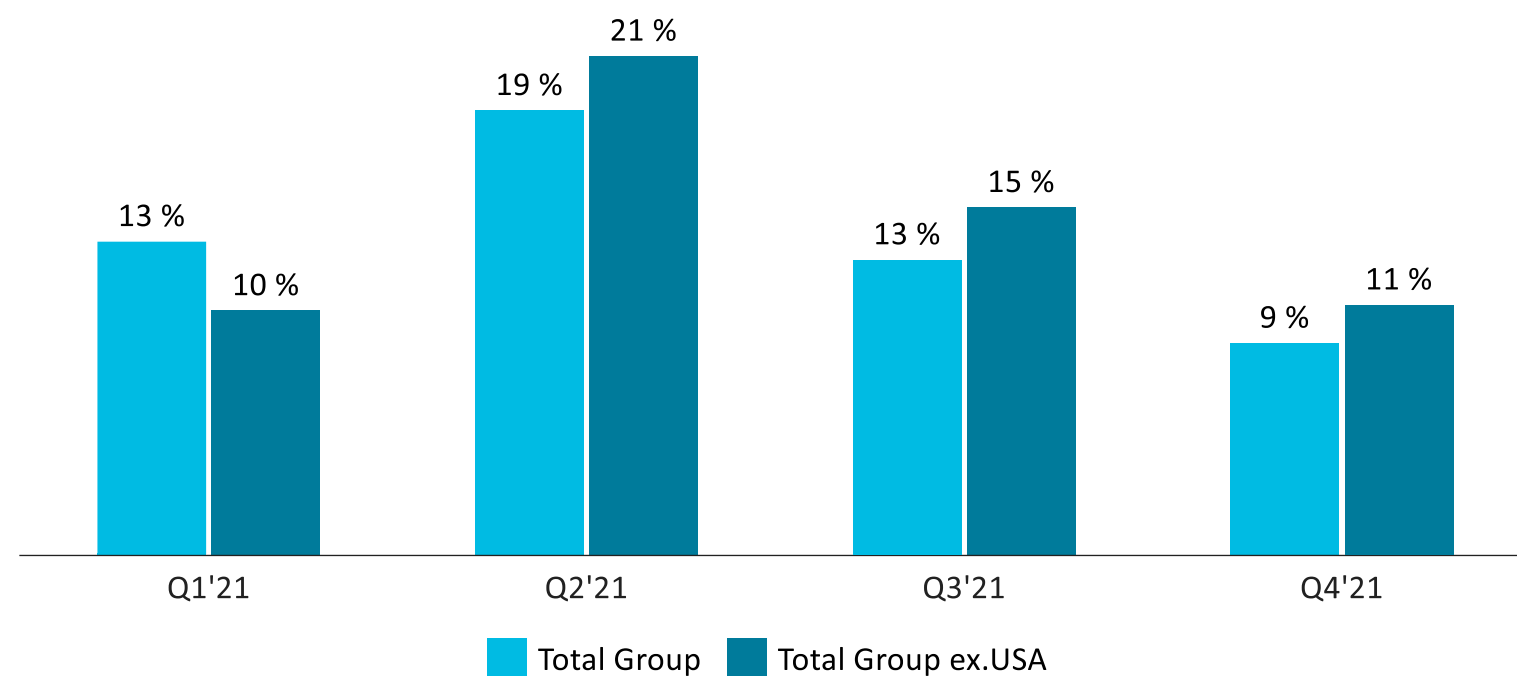
- Volume growth higher than revenue growth reflecting higher portion derived from the low price/margin Global Messaging segment

# Organic pro forma\* total revenue growth of 15% in fixed currency

## Total group (fixed currency)



## Enterprise segment (fixed currency)



### Total pro forma revenue growth of 15% in fixed currency

- Higher Global Messaging volume positively impacting total pro forma revenue growth

### Enterprise pro forma revenue growth of 11% excluding the US

- Nordic run-rate at 17% revenue growth in fixed currency
- Central Europe at 9% revenue growth in fixed currency
  - High Q4 20 driven by volumes from e-commerce and logistics due to lockdowns
- Western Europe growth momentum lagging at 6% growth in fixed currency
  - Marketing activity in the French retail sector remained subdued due to cost savings initiatives as a response to economic uncertainty caused by the pandemic

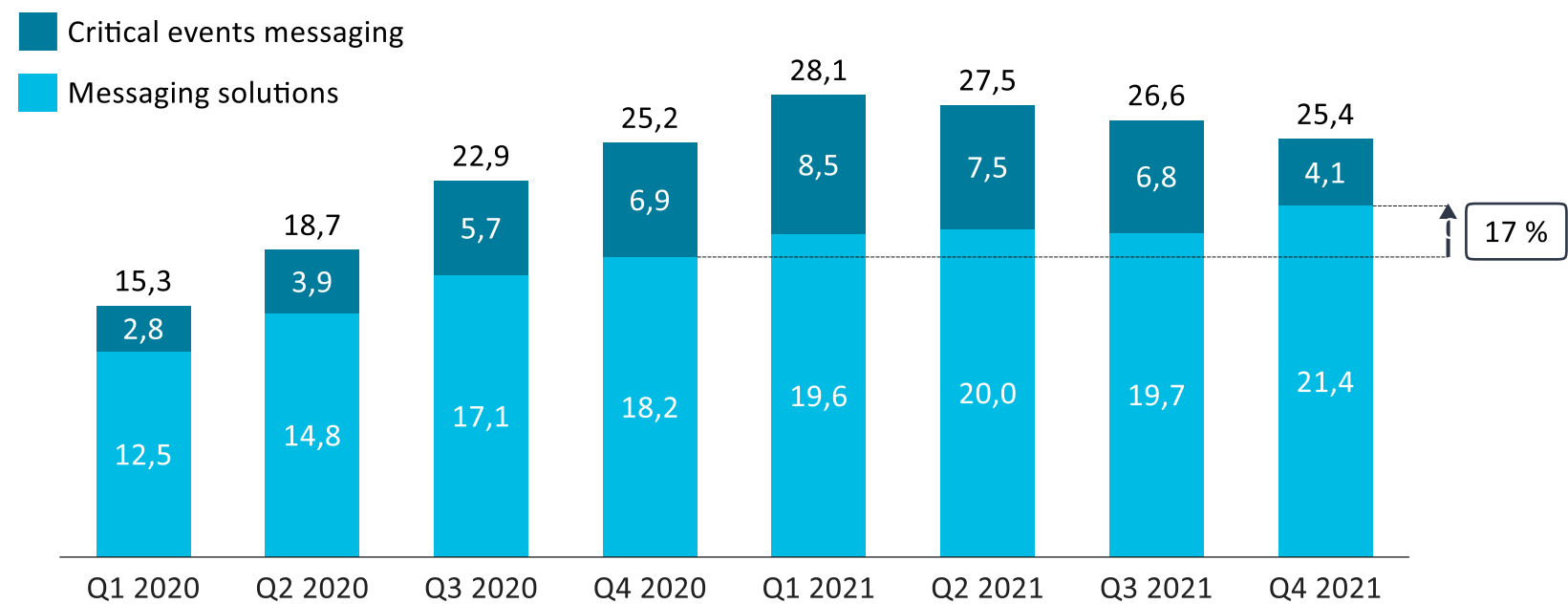
Central and Western Europe impacted total Enterprise growth negatively by approximately 2-3% reflecting the above-mentioned effects

The US impacted Enterprise pro forma revenue growth by a negative 2%

- Message Broadcast experienced unusually low critical event driven volumes in Q4 21

# Message Broadcast underdelivered in H2 21 due to off-trend weather patterns

LTM revenue (USDm)



Message Broadcast has two revenue streams

- Stable revenue from messaging solutions - transactions, licenses, professional services
- Volatile revenue from critical events messaging which is more weather related

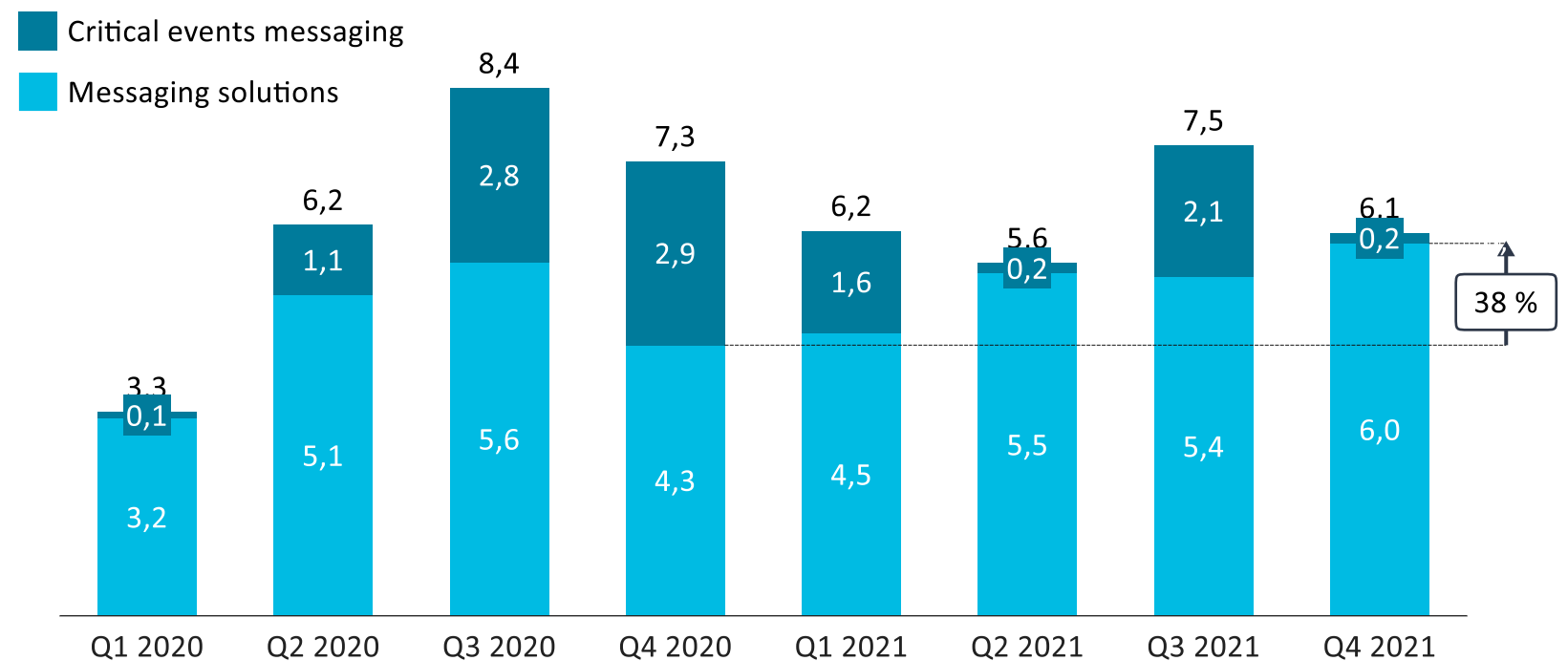
Revenue from messaging solutions grew steadily with 17% growth for FY 2021

- Solutions revenue constitute 84% of total revenue in Q4 21 compared to 72% in Q4 20

Critical events messaging declined in H2 21 due to unusual weather conditions

- Adverse weather requires utilities to shut-down electricity grids and inform their end-users, driving significant messaging volumes towards millions of consumers
- Historically driven by droughts in Western US and hurricanes in the Gulf of Mexico

Revenue by quarter (USDm)

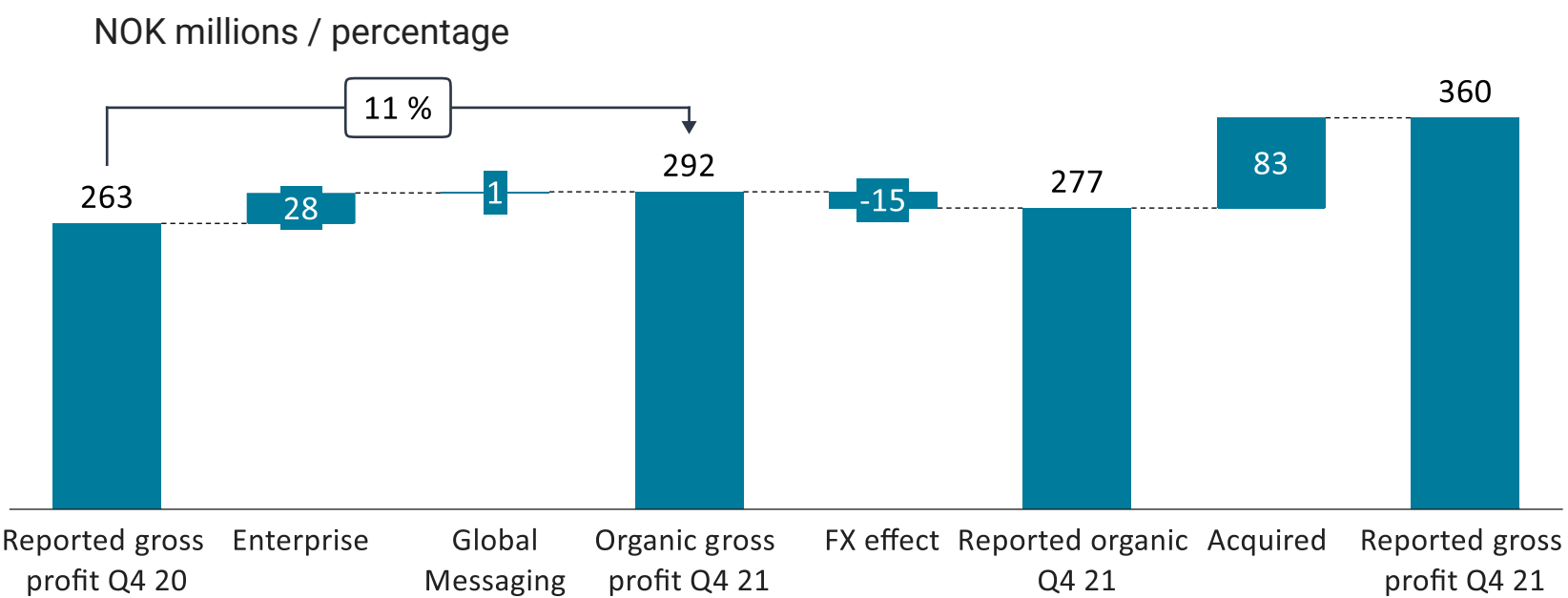


H2 21 was much wetter and saw less hurricanes than the normal situation experienced in 2020, resulting in a negative revenue development

Message Broadcast has added customer during 2021 and has zero churn

# All-time high gross profit

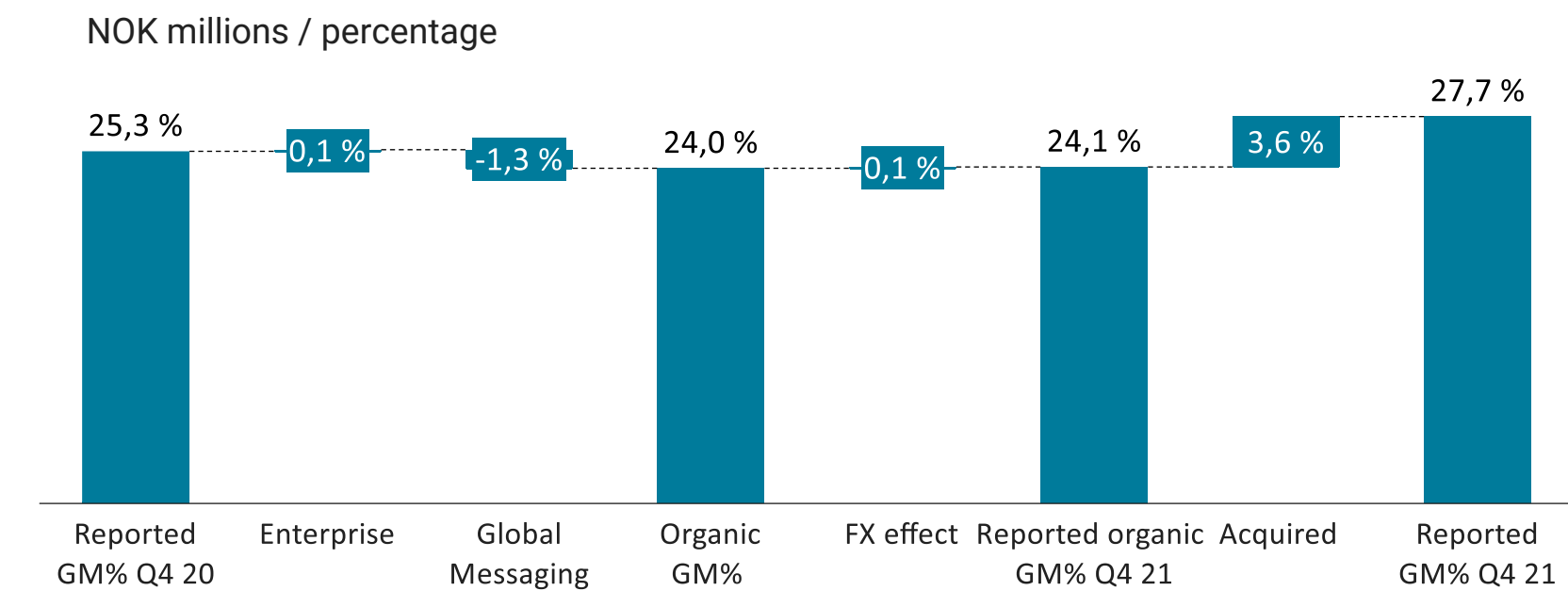
## Reported gross profit



All-time high gross profit of NOK 360 million, a growth of 37%

- Organic gross profit growth in fixed currency of 11%
- Organic growth driven by the Enterprise segment
- Contribution from consolidated acquired entities NOK 83 million

## Gross profit margin



Stable margins in the Enterprise segment

- Increasing +0.1 percentage points to the gross profit margin

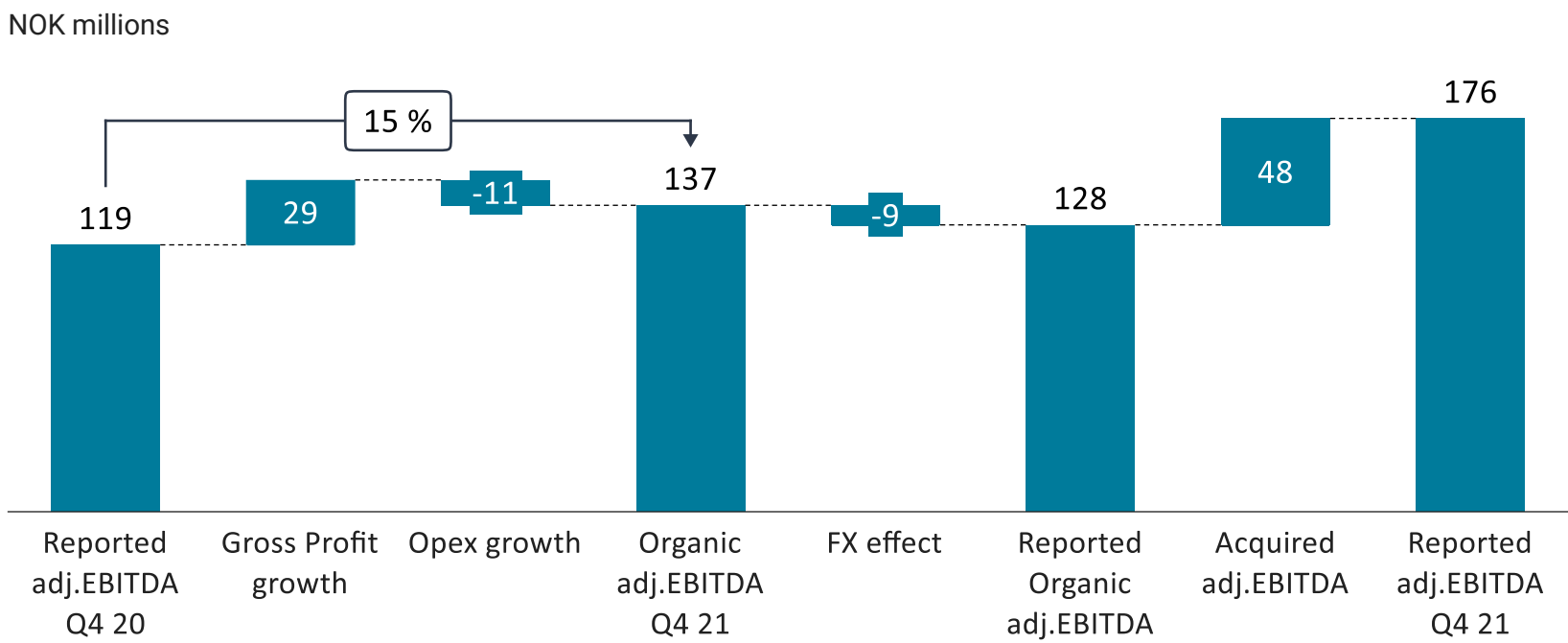
Global Messaging growth diluted organic gross margin by 1.3 percentage points due to lower profitability compared to the Enterprise segment

Gross profit margin expanded to 27.7% (25.3%)

- Margin improvement driven by consolidation of Message Broadcast

# All-time high adjusted EBITDA

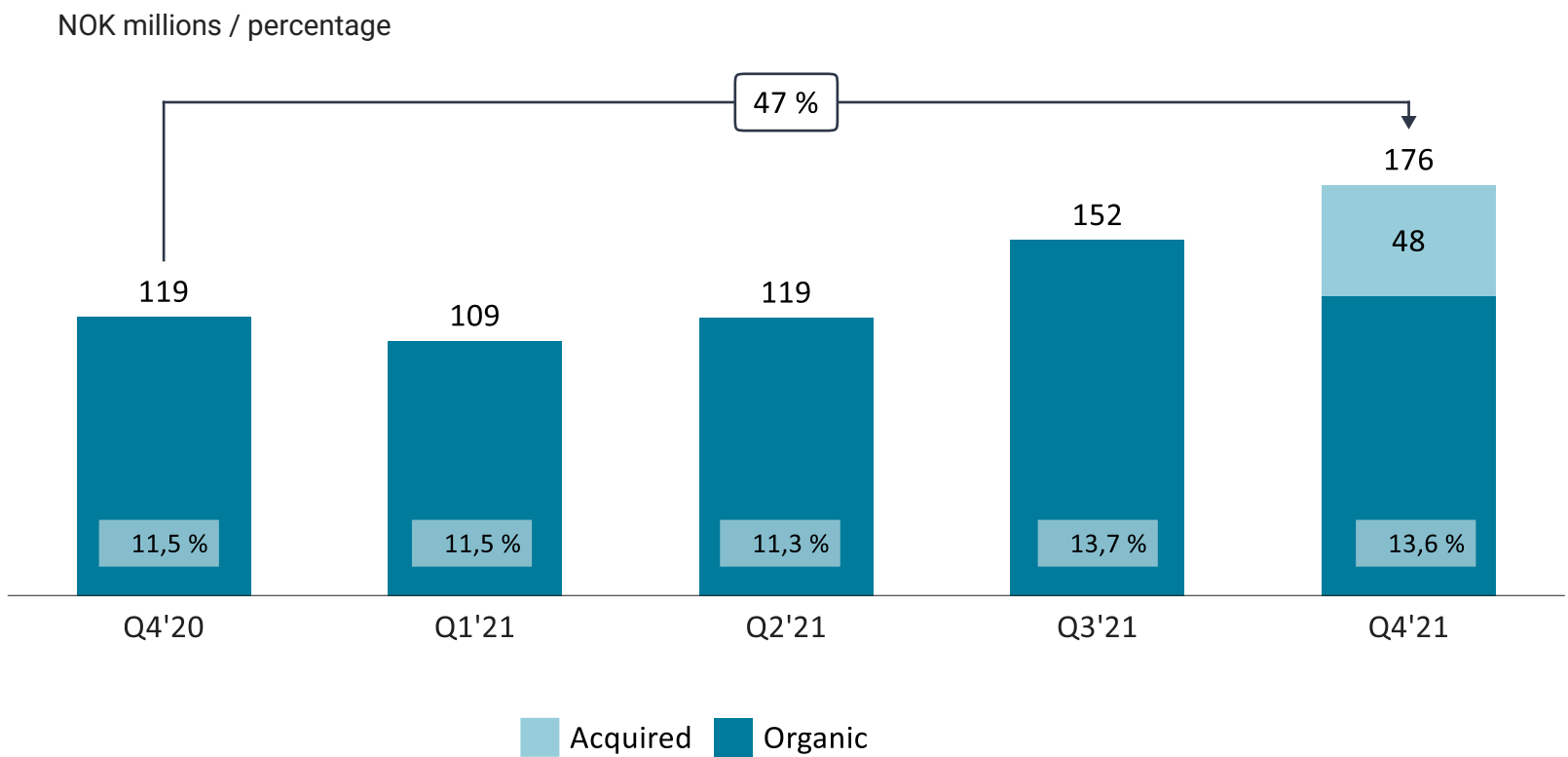
## Reported adjusted EBITDA



All-time high adjusted EBITDA of NOK 176 million, a growth of 47%

- Organically adjusted EBITDA growth of 15% in fixed currency
- Negative FX effect of NOK 9 million YoY due to appreciation of the NOK
- Contribution from consolidated acquired entities NOK 48 million

## Reported adjusted EBITDA / adjusted EBITDA margin



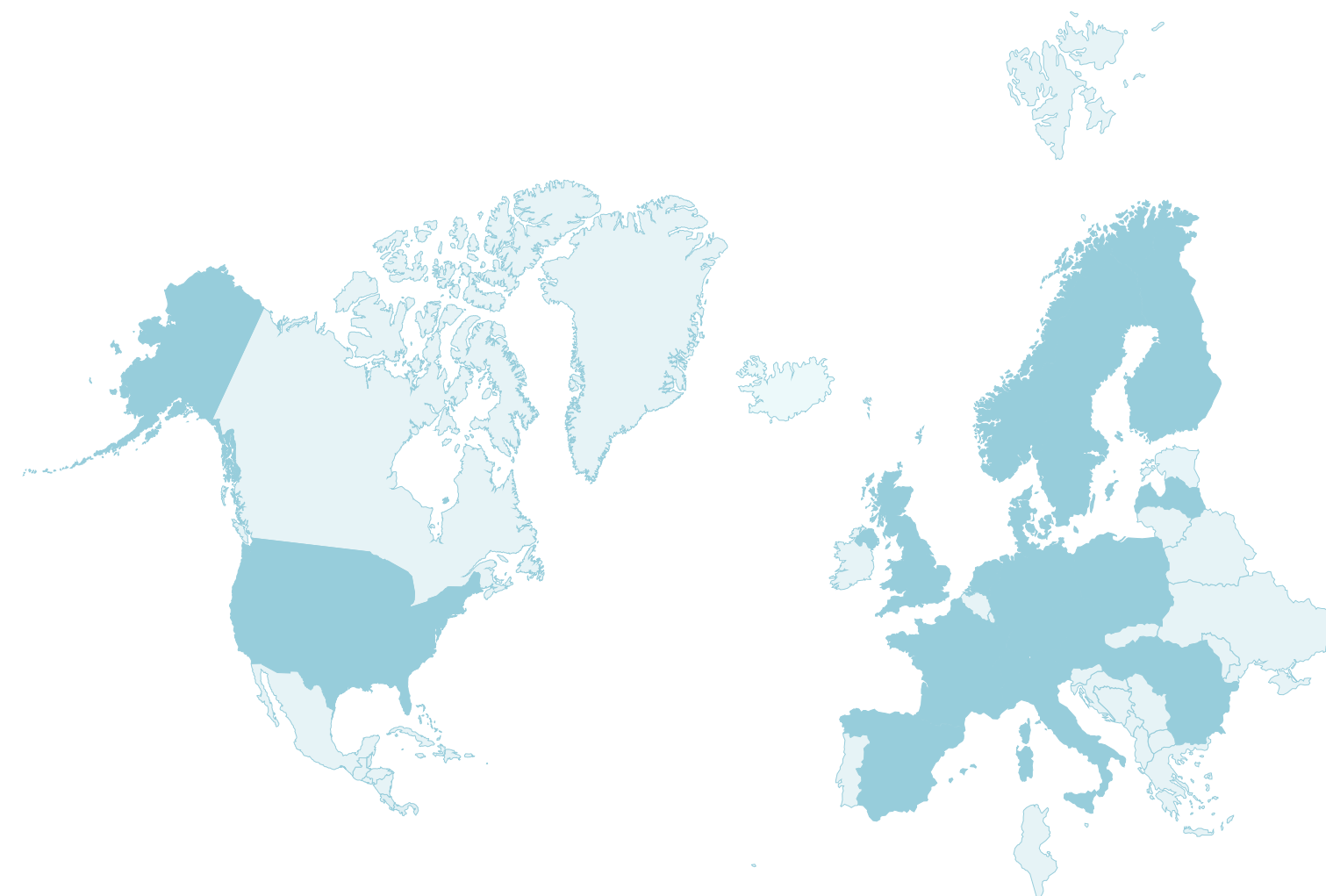
Adjusted EBITDA margin remained stable from Q3 21 at 13.6% in Q4 21



# LINK capturing market share and market position in high growth CPaaS market

LTM Q4 21 NOKm	Reported <sup>1</sup>	Closed acquisitions <sup>2</sup>	All entities (Reported currency)	LTM Q4 20 All entities (reported currency)	LTM Q4 21 All entities (fixed currency)
Revenue	4,410	194	4,605	4,146	4,827
Gross Profit	1,200	123	1,323	1,272	1,389
GP. Margin	27%	63%	29%	31%	29%
Adj. EBITDA	557	63	619	607	656
EBITDA Margin	13%	32%	13%	15%	14%

## Illustrative LINK footprint

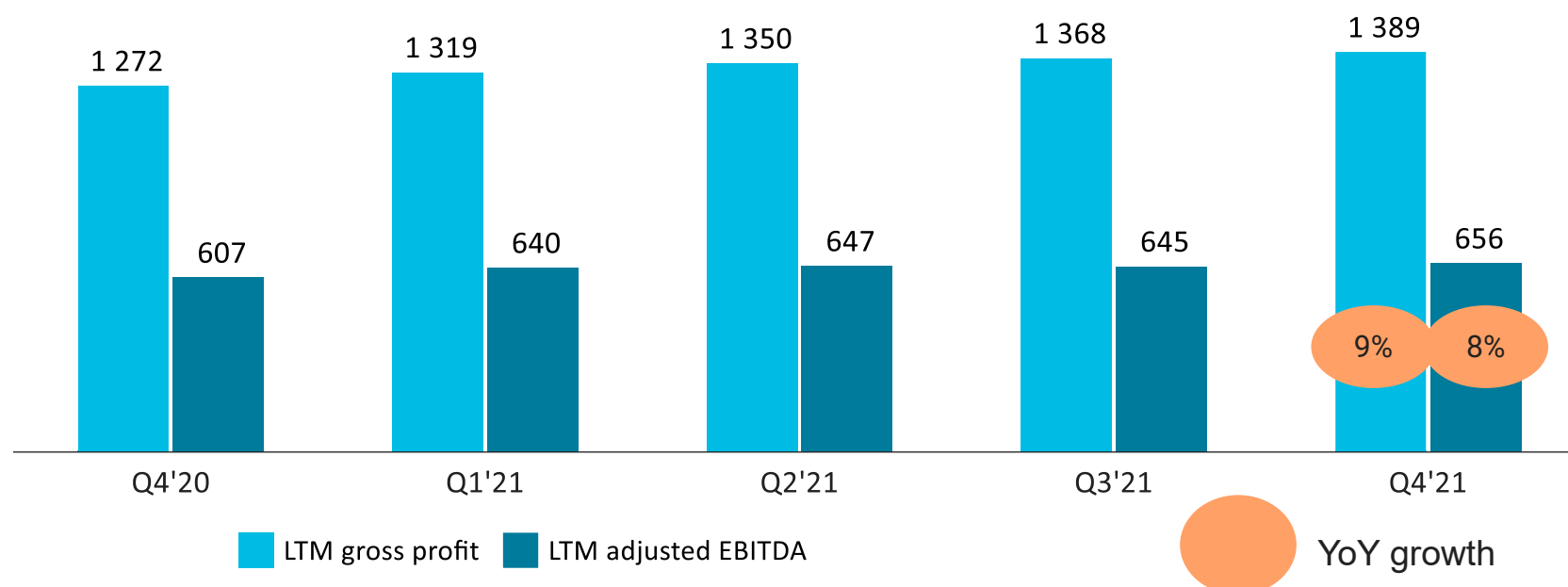


MESSAGE BROADCAST



# Steady growth in pro forma\* figures in fixed currency

## Total group pro forma (fixed currency)



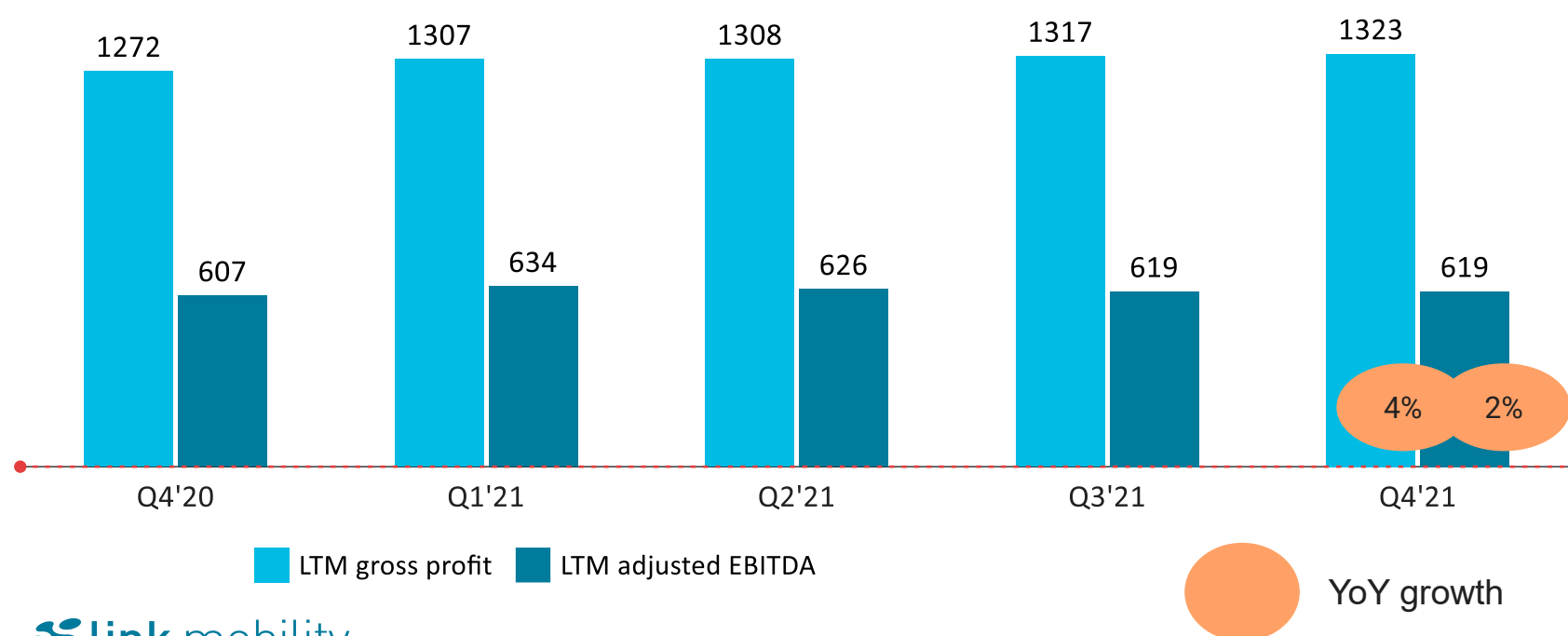
LTM pro forma figures materially negatively impacted by FX especially in H2 21

- LTM adjusted EBITDA as of Q4 21 was NOK 37 million lower due to FX compared to same period last year

Pro forma LTM gross profit in fixed currency grew 9%

- Growth reduced by abnormally low revenue from critical events in the US
- LTM pro forma gross profit growth of 11% excluding the US

## Total group pro forma (reported currency)



Pro forma LTM adjusted EBITDA in fixed currency grew 8%

- Growth reduced by abnormal low revenue from critical events in the US
- LTM pro forma adjusted EBITDA growth of 14% excluding the US

\* Pro forma includes historical financials of acquired entities WebSMS, Tismi, MarketingPlatform, AMM, Message Broadcast, Xenioo and Altiria for comparable data

# Reported Income statement – Fourth quarter 2021

NOK in millions	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Total operating revenues	1 297	1 041	4 410	3 539
Direct cost of services rendered	-937	-778	-3 210	-2 640
<b>Gross profit</b>	<b>360</b>	<b>263</b>	<b>1200</b>	<b>899</b>
Operating expenses	-184	-143	-644	-508
<b>Adjusted EBITDA</b>	<b>176</b>	<b>119</b>	<b>557</b>	<b>391</b>
Non-recurring costs	-55	-71	-252	-97
<b>EBITDA</b>	<b>121</b>	<b>49</b>	<b>305</b>	<b>294</b>
Depreciation and amortization	-100	-111	-338	-271
<b>Operating profit (loss)</b>	<b>21</b>	<b>-62</b>	<b>-33</b>	<b>22</b>
<b>Net financials</b>	<b>96</b>	<b>-37</b>	<b>-14</b>	<b>-427</b>
<b>Profit (loss) before income tax</b>	<b>117</b>	<b>-99</b>	<b>-48</b>	<b>-405</b>
Income tax	-14	85	-30	77
<b>Profit (loss) for the period</b>	<b>103</b>	<b>-15</b>	<b>-78</b>	<b>-328</b>
Minority Interest Income	-	-	-0	-
<b>Owner's income</b>	<b>103</b>	<b>-15</b>	<b>-78</b>	<b>-328</b>

Revenue of NOK 1,297 million, an increased of 25% YoY

Gross profit of NOK 360 million, an increased of 37% YoY

Adjusted EBITDA of NOK 176 million, an increase of 47% YoY

## Non-recurring costs of NOK 55 million

- Share option cost NOK 25 million down from NOK 40 million compared to Q3 21 as the first tranche of the RSU's was released
- M&A related costs NOK 20 million
- Restructuring costs NOK 10 million

## Depreciation and amortization of NOK 100 million

- Depreciation of intangible assets of NOK 19 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 positive NOK 96 million

- Net currency exchange gain of NOK 127 million with no cash effect
- Net interest expenses of NOK 47 million
  - Bond loan NOK 40 million including amortized fees
  - Other NOK 6 million (holdbacks on M&A and leasing)
- Net other financial expenses positive with NOK 16 million due to change in earn-out estimates

# Balance sheet

NOK in million	Q4 2021	Q4 2020
Non current assets	8 771	6 000
Trade and other receivables	905	749
Cash and cash equivalents	844	952
<b>Total assets</b>	<b>10 519</b>	<b>7 700</b>
Equity	5 069	4 304
Deferred tax liabilities	557	313
Long-term borrowings	3 696	2 079
Other long term liabilities	64	33
Trade and other payables	1 063	927
Other short term liabilities	71	45
<b>Total liabilities and equity</b>	<b>10 519</b>	<b>7 700</b>

Non current assets increased due to acquisitions

- Purchase Price Allocations (PPA) of acquisitions closed in Q4 21
  - A2P company Altiria in Spain
  - Solution company Xenioo in Italy

Cash on balance sheet NOK 844 million

Equity NOK 5,069 million and equity percentage 48%

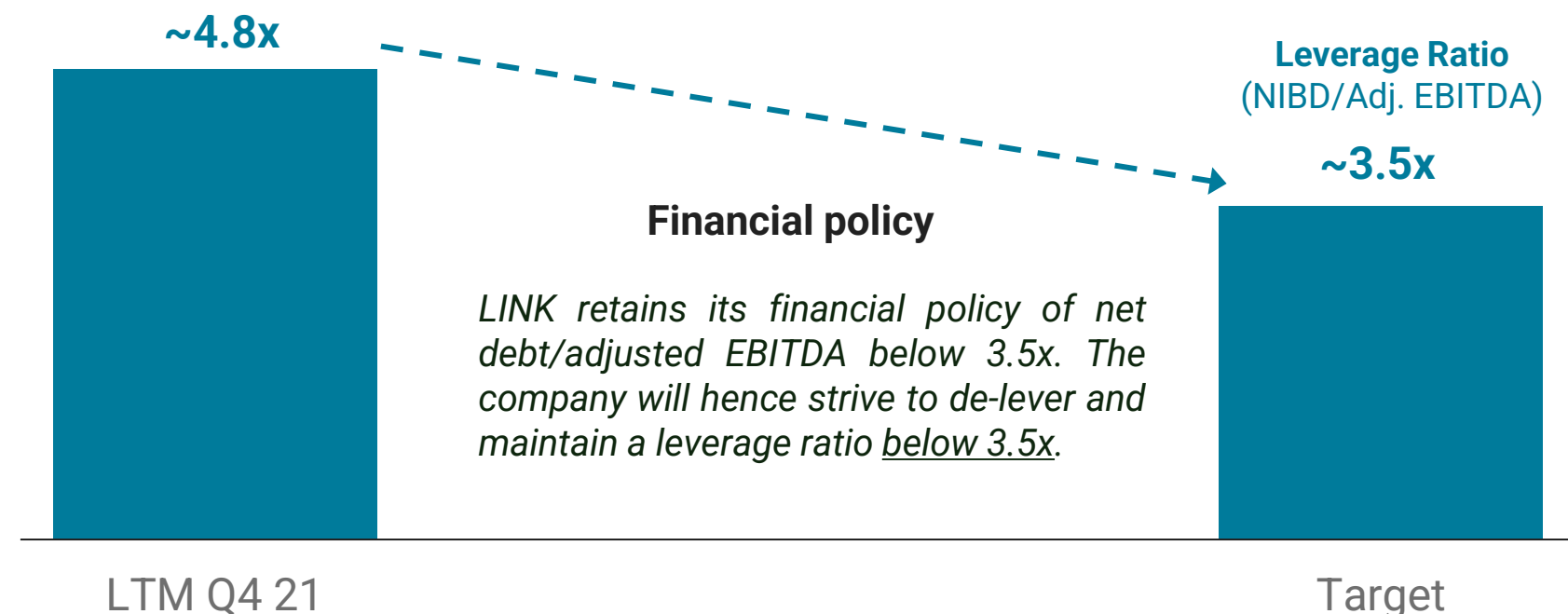
Receivables and payables increased due to acquired entities and organic growth by NOK 156 million and NOK 135 million respectively

Net interest bearing debt of NOK 2,981 million

# LINK generated NOK 450 million in cash flow from core operations last year

## Reported free cash flow

NOK '000	Q1 2021	Q2 2021	Q3 2021	Q4 2021	LTM Q4 2021
<b>Adj.EBITDA</b>	<b>109</b>	<b>119</b>	<b>152</b>	<b>176</b>	<b>557</b>
Change working capital	-104	22	-81	113	-40
Taxes paid	-8	-13	-8	-28	-57
Non-recurring costs M&A	-15	-41	-17	-30	-103
Payable Social cost on Share options	-	-	-	-6	-6
<b>Net cash flow from operating activities</b>	<b>-18</b>	<b>87</b>	<b>47</b>	<b>225</b>	<b>351</b>
Add back non-recurring costs M&A	15	41	17	30	103
<b>Adj. cash flow from operations</b>	<b>-3</b>	<b>128</b>	<b>64</b>	<b>255</b>	<b>453</b>
Capex	-23	-29	-30	-58	-140
Interest	-1	-37	-1	-71	-110
<b>Cash flow after capex and interest</b>	<b>-28</b>	<b>62</b>	<b>33</b>	<b>126</b>	<b>203</b>



Adjusted cash flow from operations NOK 453 million for 2021

- Reported cash flow from operations include M&A related expenses
- Free cash flow generated after capex and interest of NOK 203 million

Working capital (WC) varies significantly between quarters

- WC outflow in Q1 21 relates mainly to time deviations in 2020
- WC outflow in Q3 21 relates mainly to consolidation of Message Broadcast

Cash generation high with full year cash conversions at

- 81% at adjusted cash flow from operations over adjusted EBITDA
- 36% at free cash flow after interest and capex over adjusted EBITDA

Full year effect from acquisitions to increase cash generation in 2022

Reported LTM Q4 21 leverage at 4.8x

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



Q&A



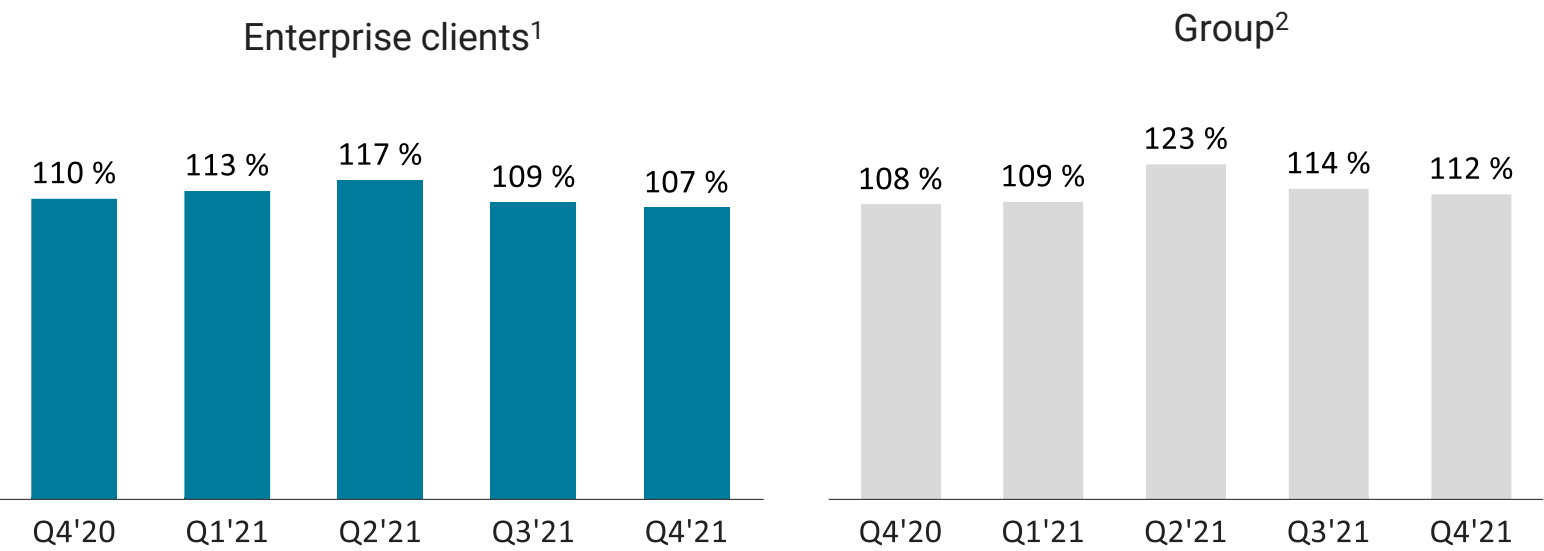


# Appendix

## Net retention rate (NRR)

# Group net retention rate at 112%

Pro forma net retention rate in fixed currency



Group pro forma net retention rate of 112% in Q4 21 in fixed currency

- Higher Global Messaging wholesale volumes increased group net retention above the expansion reported for the enterprise segment

Pro forma enterprise net retention rate of 107% in fixed currency

1) Net retention rate excluding aggregator clients. Includes markets counting for more than 80% of the total transaction revenue. The relative change in revenue from the net of upsale, downsale and churn for customers at the start of the period throughout the last 12 months, not considering new customers  
2) Net retention rate including all client segments

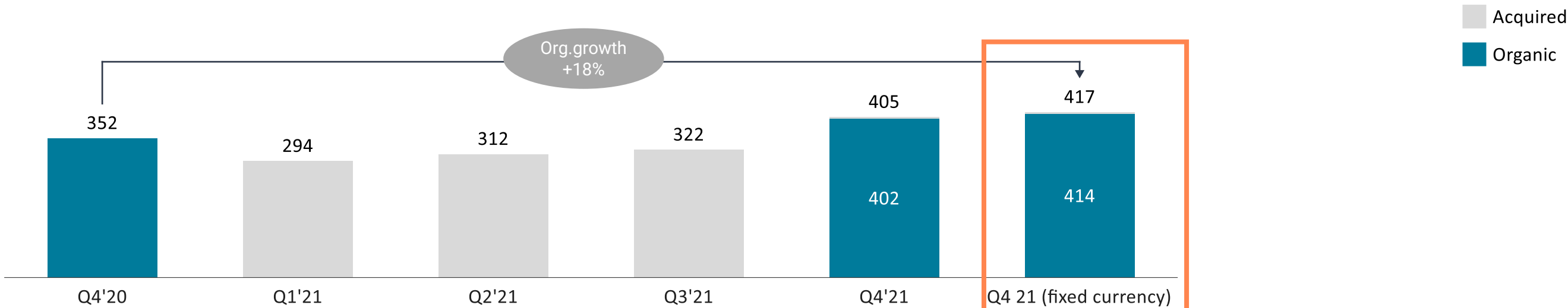


# Appendix

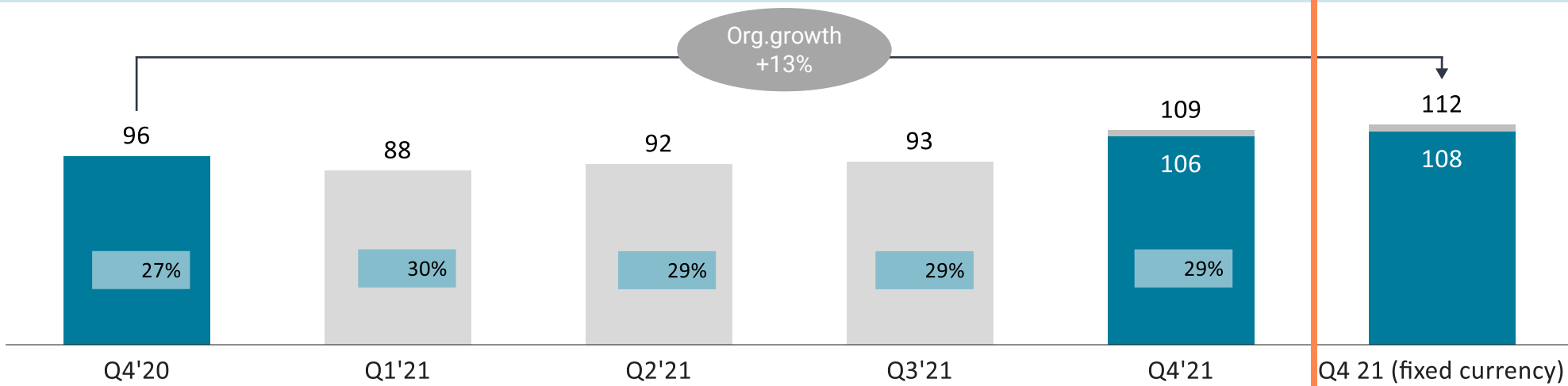
## Segment information

# Northern Europe

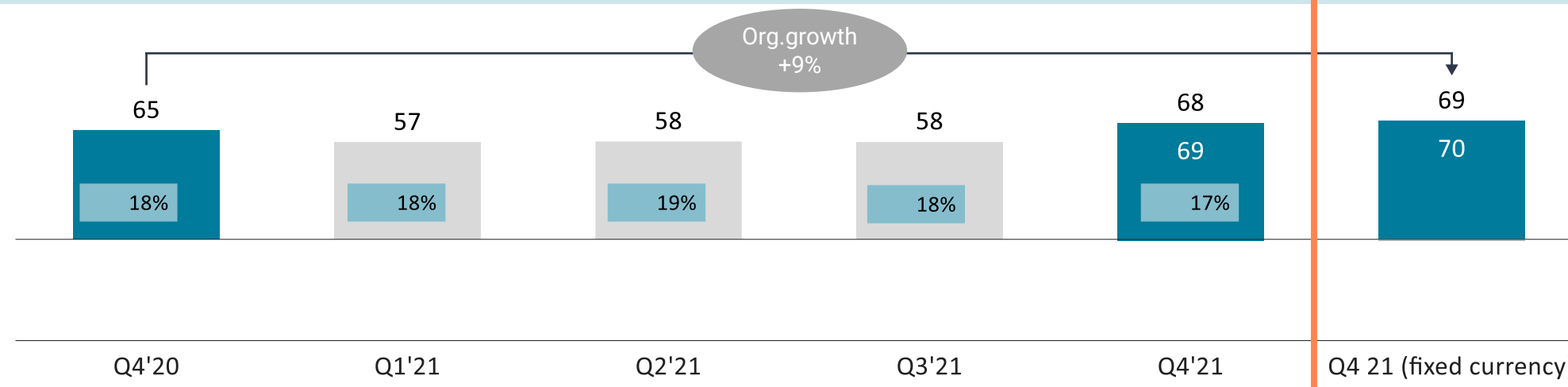
Revenue (NOKm)



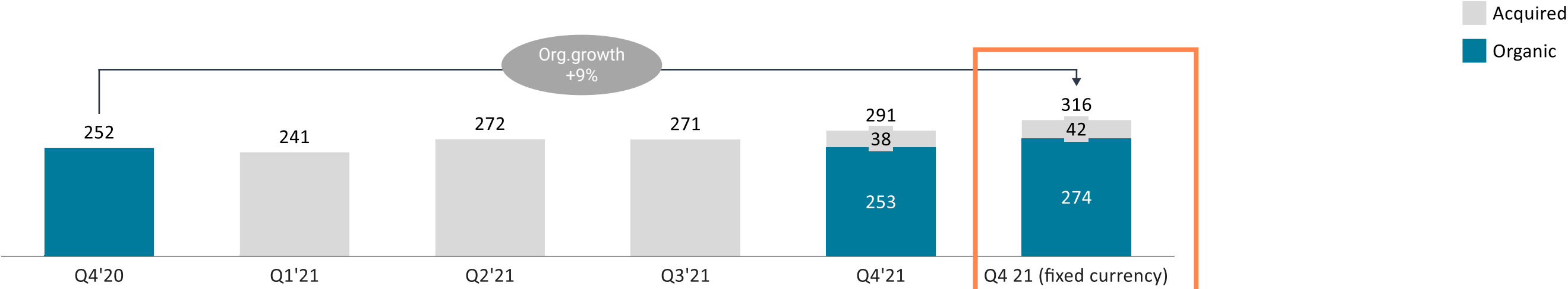
Gross Profit (NOKm / %)



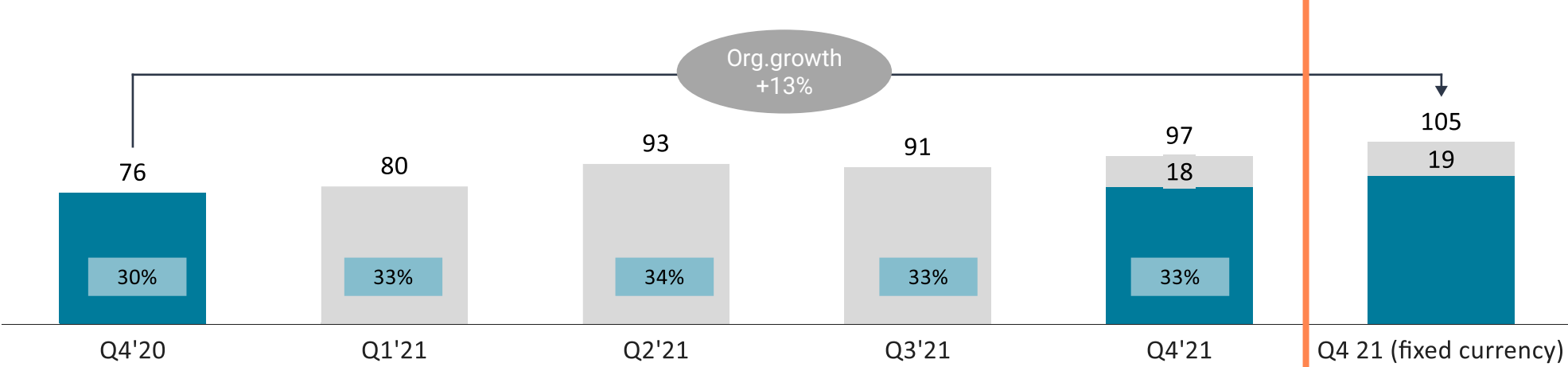
Adjusted EBITDA before group cost (NOKm / %)



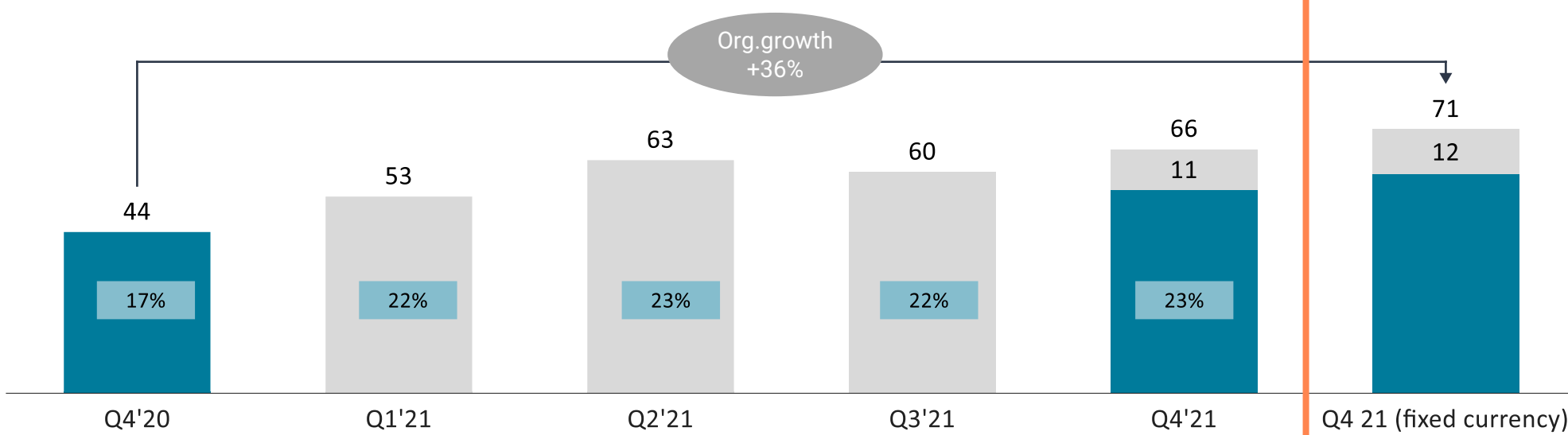
## Revenue (NOKm)



## Gross Profit (NOKm / %)

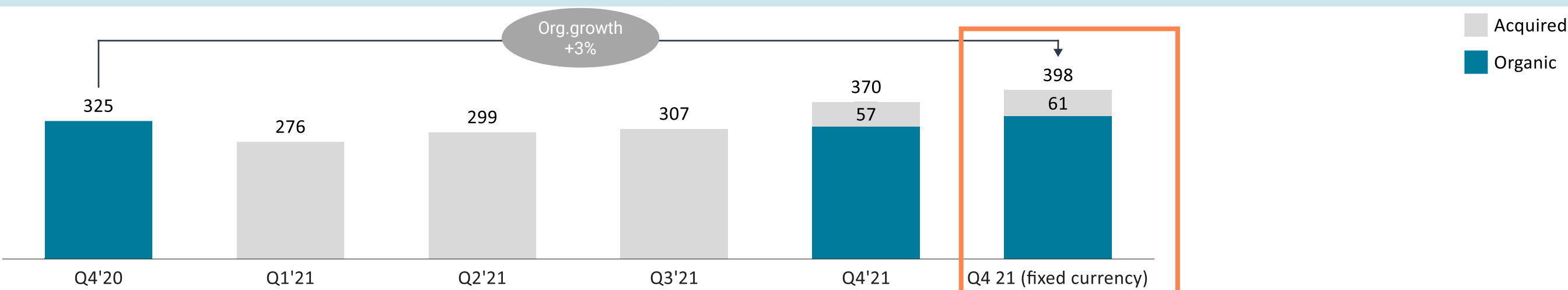


## Adjusted EBITDA before group cost (NOKm / %)

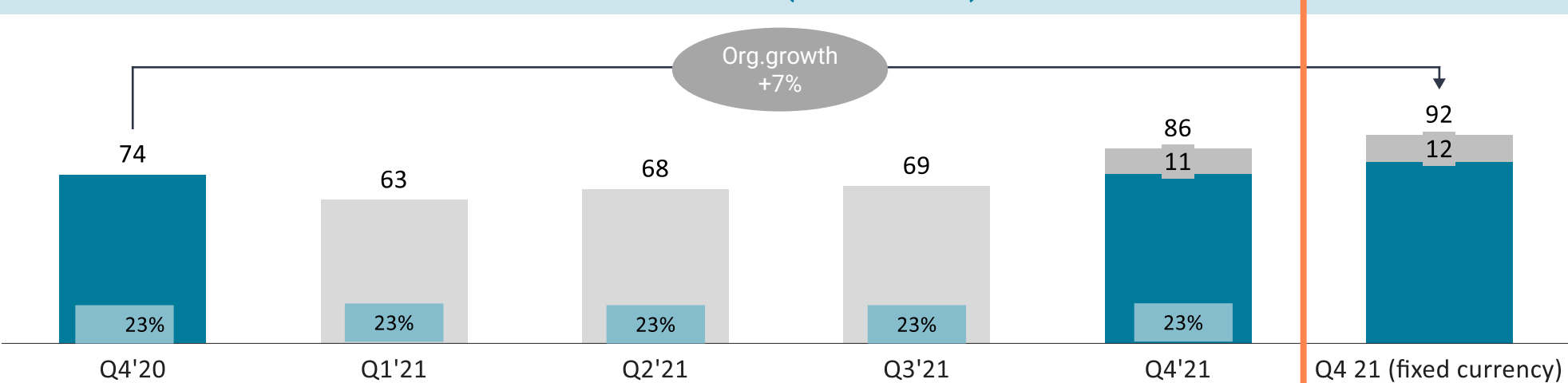


# Western Europe

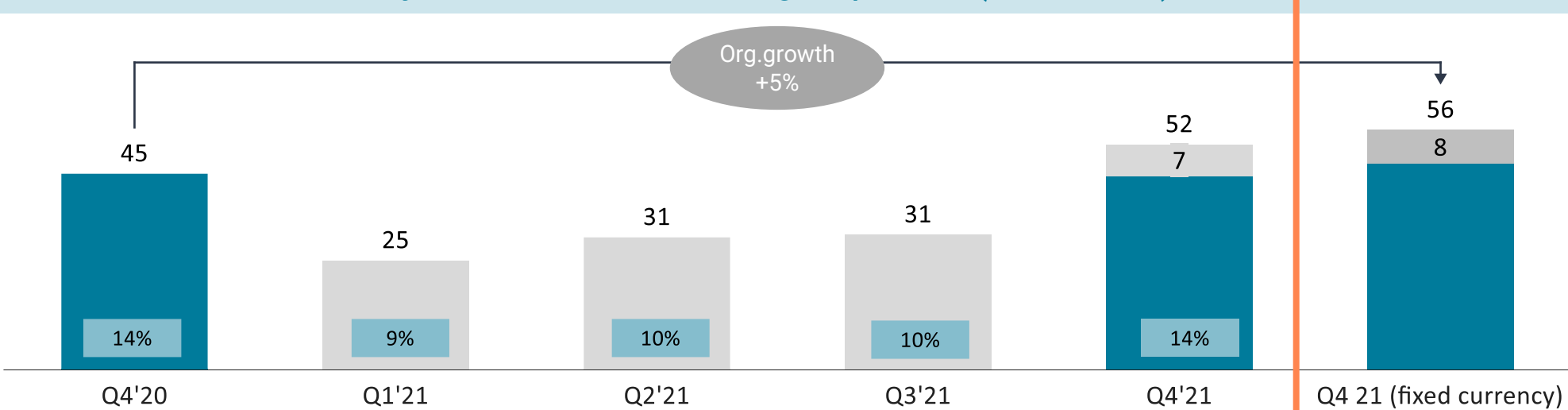
Revenue (NOKm)



Gross Profit (NOKm / %)

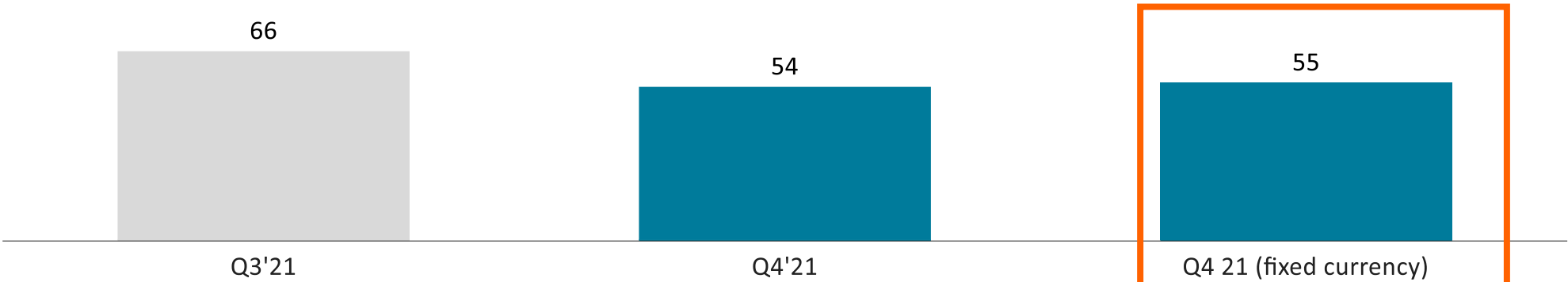


Adjusted EBITDA before group cost (NOKm / %)

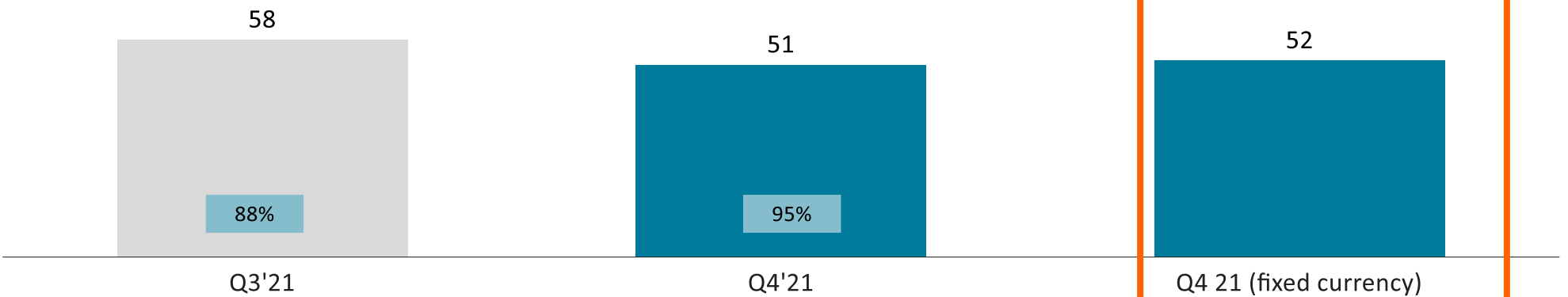




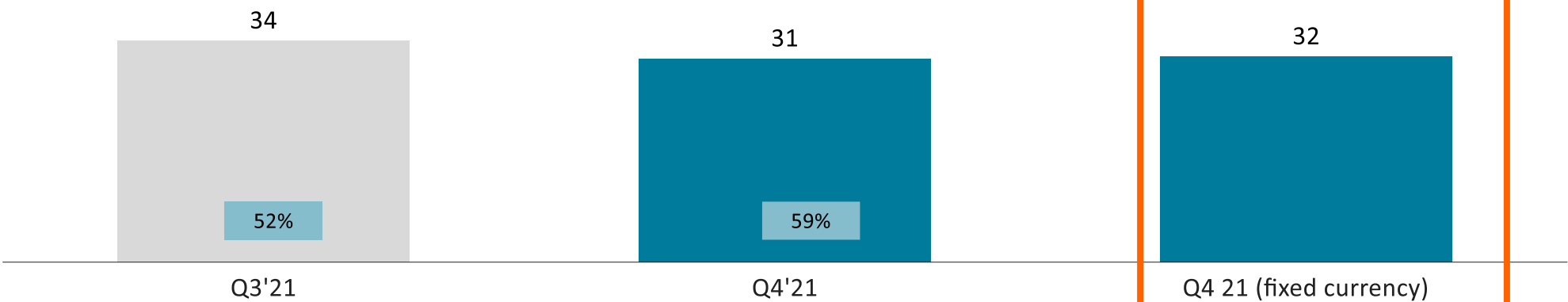
Revenue (NOKm)



Gross Profit (NOKm / %)

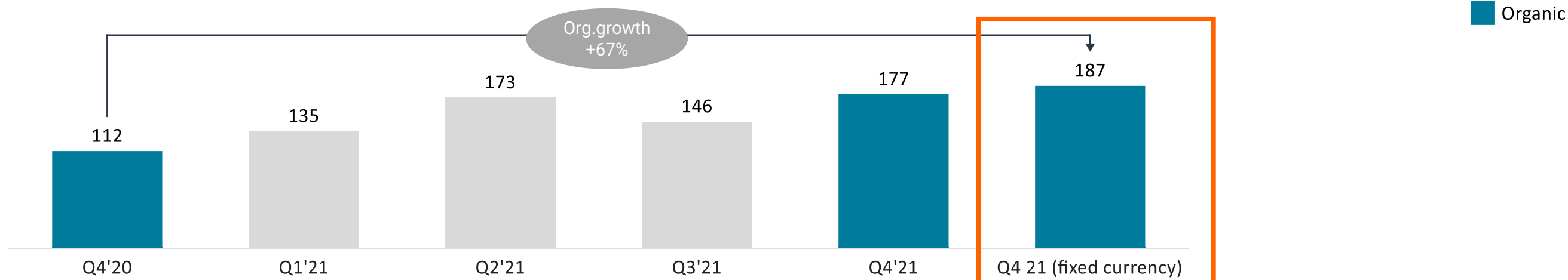


Adjusted EBITDA before group cost (NOKm / %)

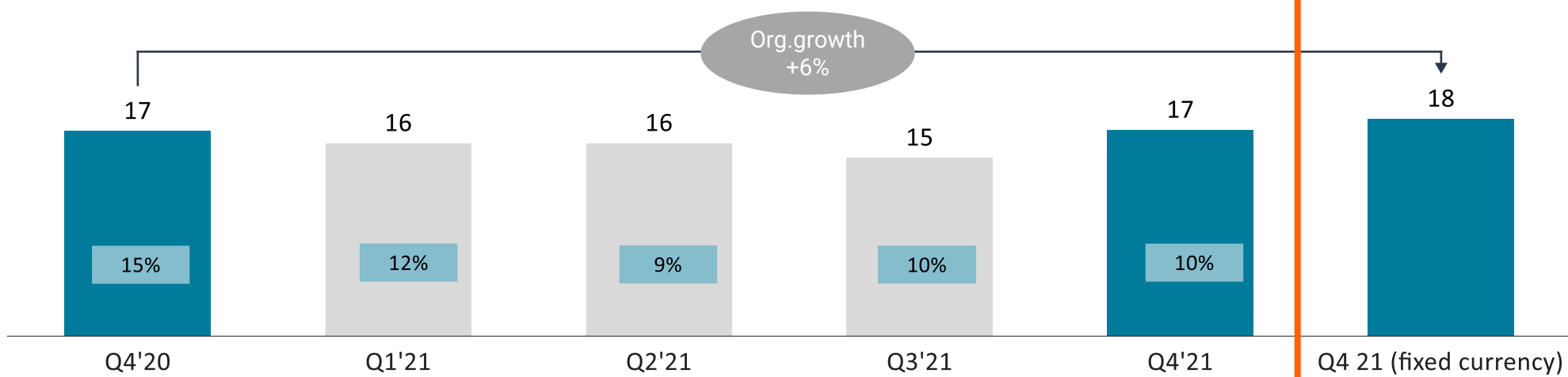


# Global Messaging

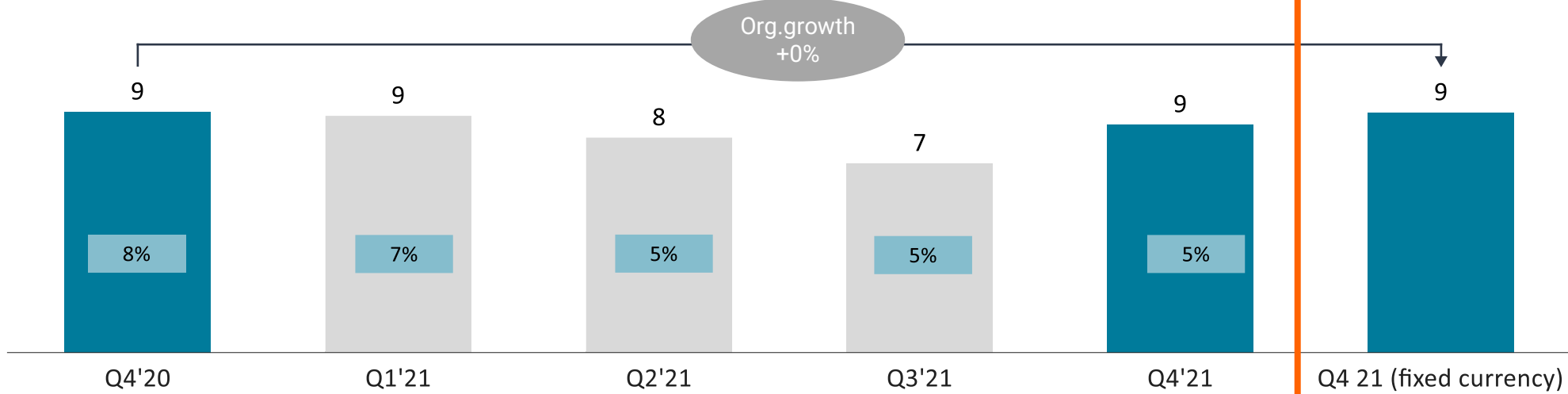
Revenue (NOKm)



Gross Profit (NOKm / %)



Adjusted EBITDA before group cost (NOKm / %)





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