Financial presentation

Q4 2023

15 February 2024

link mobility

LINK in short

Market leader in Europe - Global ambitions with strong growth credentials

European #1 for enterprise digital messaging

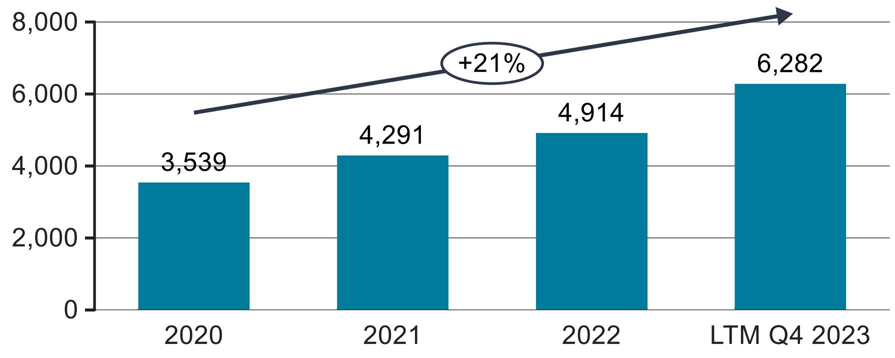
- Attracting and operating customers locally with local languages creating stickiness and upsell opportunities
- High double-digit growth over the last 4 years

Proven M&A achievements with more than 30 acquisitions

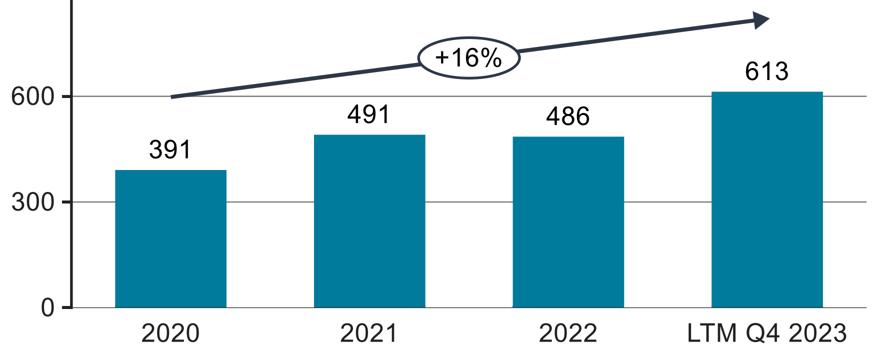
- Expanded throughout Europe from the Nordics since 2016

600 employees in 29 offices across 17 countries serving 50,000 customers

Revenue NOKm



Adjusted EBITDA NOKm



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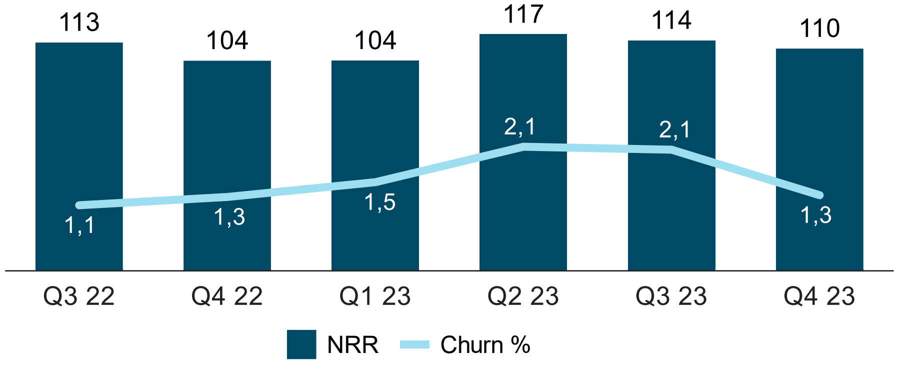
LINK’s recurring and growing business model

Solid European footprint in growing markets supported by megatrends and increased adoption rates

Recurring business with 50’ customers in Europe

- Customers remain and increase their usage

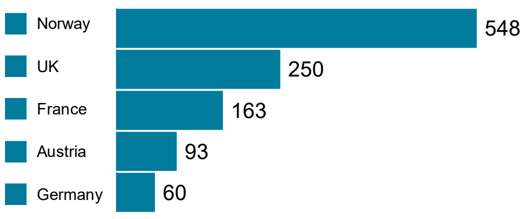
Net retention rate (NRR) and customer churn (%)



Megatrends support digital messaging growth

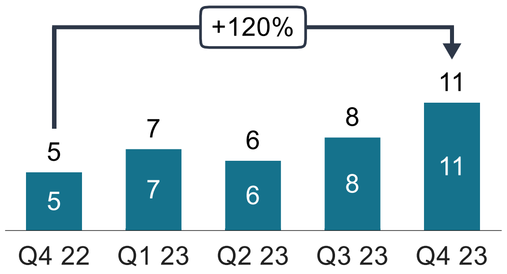
- Increased adoption and traction on higher margin CPaaS solutions

Annual messaging per capita*



*2021 data point

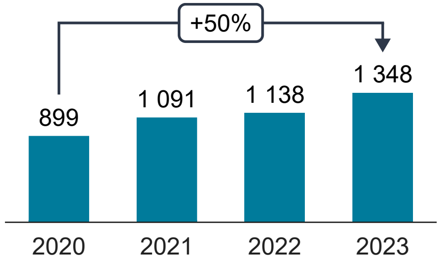
CPaaS GP - Closed won contracts (NOKm)



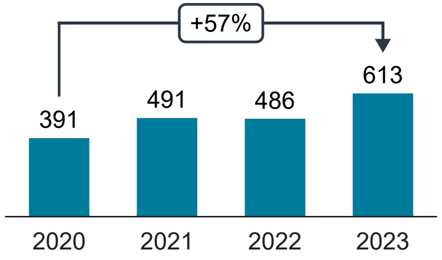
Scalable business model

- Adjusted EBITDA growth versus gross profit growth

Gross profit (NOKm) – growth%

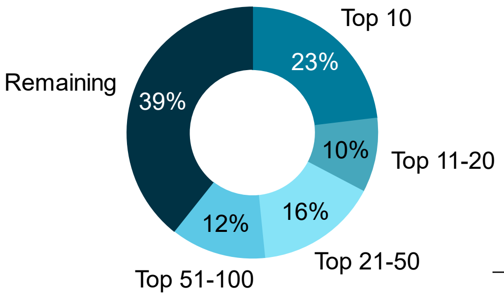


Adjusted EBITDA (NOKm) – growth%

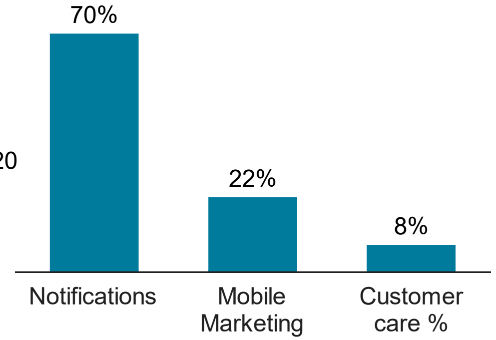


Diversified use cases and industry exposure

- Resilient revenue distribution tilted towards stable notifications



Customer revenue concentration



Q4 2023 highlights - Strong growth with commercial refocus

Organic growth at the high end of expectations

All-time high revenue at NOK 1 796 million
- Organic growth in fixed FX at 14%
- Strong market push related to Black Week and Christmas trading

All-time high gross profit at NOK 385 million
- Organic growth in fixed FX at 13%
- High growth on profitable OTT channels like RCS expands margins
- FY 23 organic gross profit growth in fixed FX was 7%

All-time high adjusted EBITDA at NOK 181 million
- Organic growth in fixed FX at 24%
- FY 23 organic adjusted EBITDA growth in fixed FX was 15%
- Profitability growth supported by cost reductions completed early 2023

Cash reserve NOK 3.4 billion after divestment of Message Broadcast
- Divestment of US subsidiary at highly attractive valuation closed on 3 January 2024

Leverage after close of US divestment at ~1.1x adjusted EBITDA
- Providing ample financing capacity for inorganic growth through M&A

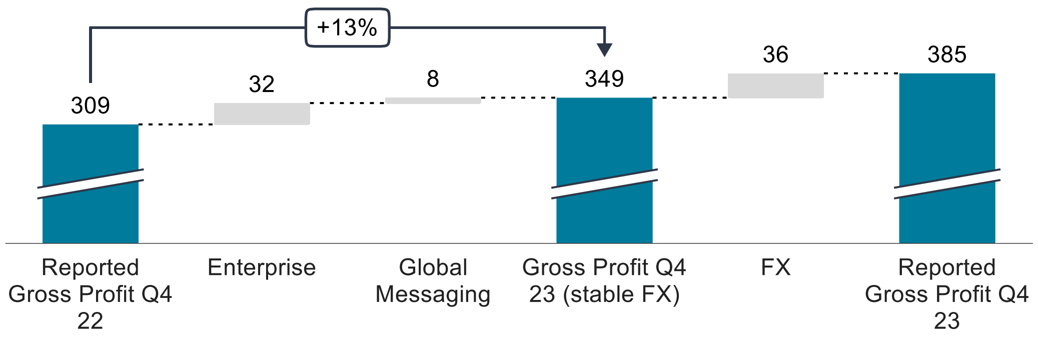
Organic growth and FX effect

NOKm	Q4 2022	Organic growth	FX effect	Q4 2023
Revenue	1 423	193	180	1 796
Organic growth (%)		*14%*		
Gross profit	309	39	36	385
Organic growth (%)		*13%*		
Adjusted EBITDA	133	31	17	181
Organic growth (%)		*24%*		

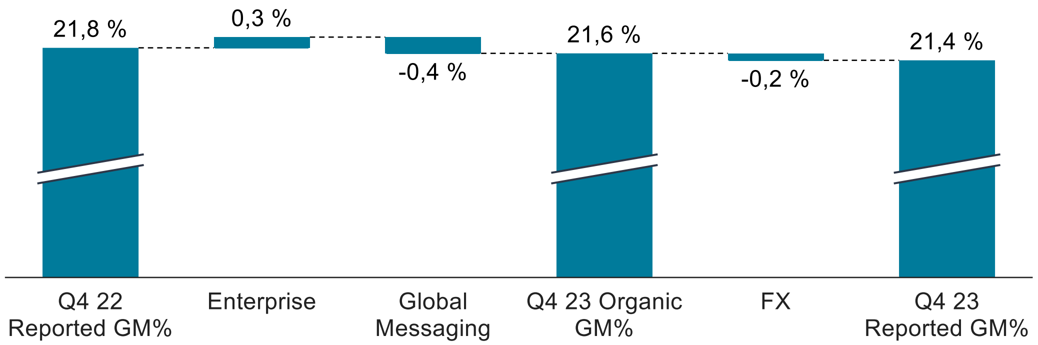
Double digit organic gross profit growth

Higher margin OTT channels drive profitabilitet

Group organic gross profit development (NOKm)



Group gross margin (%)



Enterprise segments delivering growth in the high end of expectations

- Enterprise growth of 11% YoY organically contributing NOK 32 million
- Traction on RCS in seasonally important retail quarter drove OTT volumes
- Normal seasonality with strong market push in activity across sectors
- Growth supported by improved commercial execution

Global Messaging growing 37% in line with topline growth

- Margin returned to historical levels

Positive NOK 36 million FX effect with NOK depreciation

- Reported gross profit growth of 24% to NOK 385 million

Gross margin stable YoY

- Enterprise margin expanded from positive mix towards higher value products

Growth and disciplined capital investment policy

High cash reserves for M&A and debt reduction

High cash reserves of approximately NOK 3.4 billion – Solid headroom for acquisitions and refinancing of bond

- Current EUR 370 million bond, maturing in December 2025, net debt to be managed within 2 - 2.5x adjusted EBITDA range ahead of refinancing

LINK may consider further bond buybacks before refinancing of remaining EUR bond in 2025

- Pending market conditions and competitive implied yield compared to other risk-free options
- EUR 18 million in nominal bonds bought back in December last year and in January this year

LINK may consider share buybacks related to long-term incentive plan (LTI) share options

- Up to 17 million shares can be bought and held as treasury shares for allocation to employees share programs
- Removing dilution effect from potential future shares issues related to the LTI program

Still ample excess cash for disciplined, accretive and opportunistic M&A

- Bolt-ons in Europe main priority
- All targets to be profitable with a diversified customer portfolio and low churn
- Target valuations between 6-9x cash EBITDA before synergies pending growth momentum
- Financing structure optionality through cash, seller’s credit, earn-outs and share issuance (when appropriate)

M&A strategy for additional inorganic growth

LINK completed more than 30 acquisitions last decade

- Historical acquisitions in Europe has generated significant excess equity value
- Expertise and financial capacity to strengthen acquisition activity

M&A play-book guidelines

- Strong local market position and strong telecom operator relationships
- Cash EBITDA positive and cash accretive to LINK from day one
- Solid, well-diversified customer portfolios with low churn
- ~80% overlapping technology strong commercial enterprise focus
- Synergy potential to create further value

Many bolt-ons and several level-up opportunities in Europe have priority

- More than NOK 200 million in additional EBITDA potential from M&A pipeline in Europe
- Acquisitions in Europe will drive cost synergies and enable quicker upselling potential
- Several level-up cases outside Europe in attractive markets in M&A pipeline

Add-on

Smaller bolt-ons to further strengthen market position and realize synergies

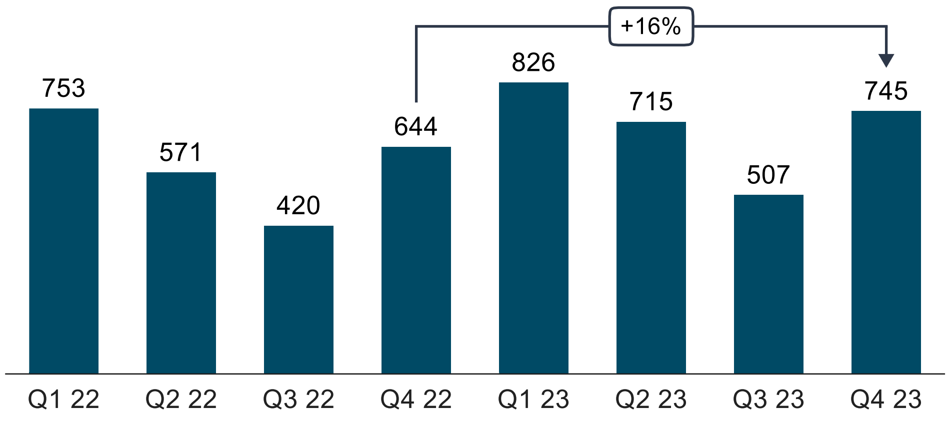
Level-up

Acquire larger companies in new and existing markets

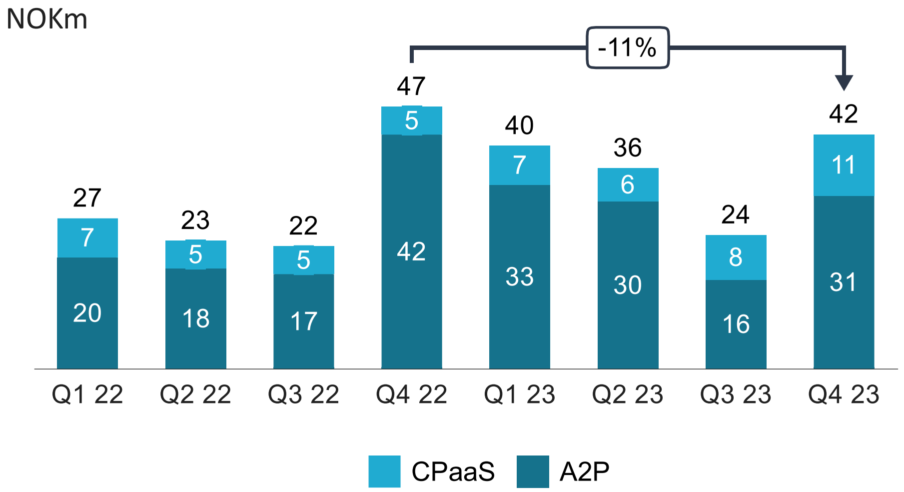
New contract wins - CPaaS traction drives organic growth

New contracts wins established at higher level following commercial refocus

New agreements signed in quarter



Gross profit contribution* from new contract wins



LINK signed 745 new and expanding agreements in Q4 23

- Steady inflow of numerous smaller and medium sized contracts complemented by a few larger contracts

Q4 23 saw CPaaS solutions more than doubling YoY

- A2P contribution somewhat down on very strong Q4 previous year
- Total contract wins established at higher level

* Historically 75% of gross profit recorded in P&L within 12 months

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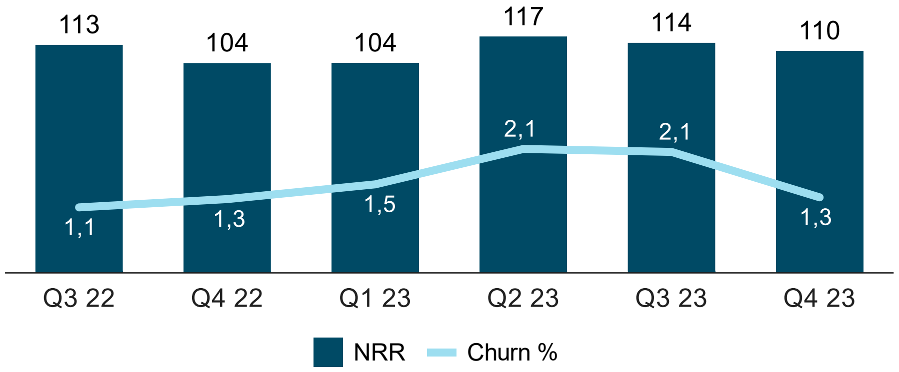
Recurring revenue supported by high NRR and low churn

Customers stay with LINK and increase their usage

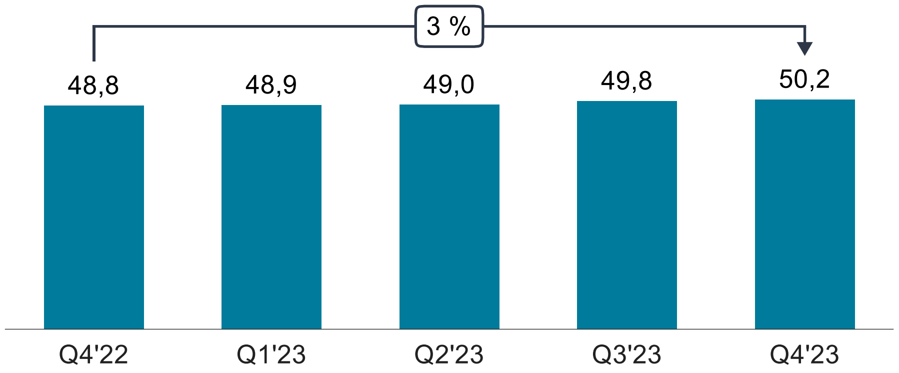
Net retention rate (NRR) and customer churn (%)



Net retention stable well above 100%
- Supporting growth in recurring revenue

Customer churn consistently low
- Enterprise churn below 2% over time
- QoQ decrease as aggregator churn in Global Messaging out of comparables

Customer accounts ('000)*



Steady growing base of 50 000 clients
- Significant upselling potential beyond initial use-case to existing customers
- High commercial success rate in second sale (~70% win-rate)

* Customer accounts pre Q2 2023 have been corrected for inactive accounts

LINK positioned for strong FCF growth in 2024 and beyond

LINK's European business is scalable and highly cash generative

- Organic gross profit growth in high single digits historically
- Organic adjusted EBITDA expected to grow at higher rate than organic gross profit
- Net debt not exceeding 2 - 2.5x adjusted EBITDA range when refinancing in 2025

Diverse M&A pipeline with additional EBITDA potential > NOK 200 million in Europe alone

- Bolt-ons in Europe priority to realize further scale
- Several potential level-up cases in Europe and beyond including the US

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Financial review

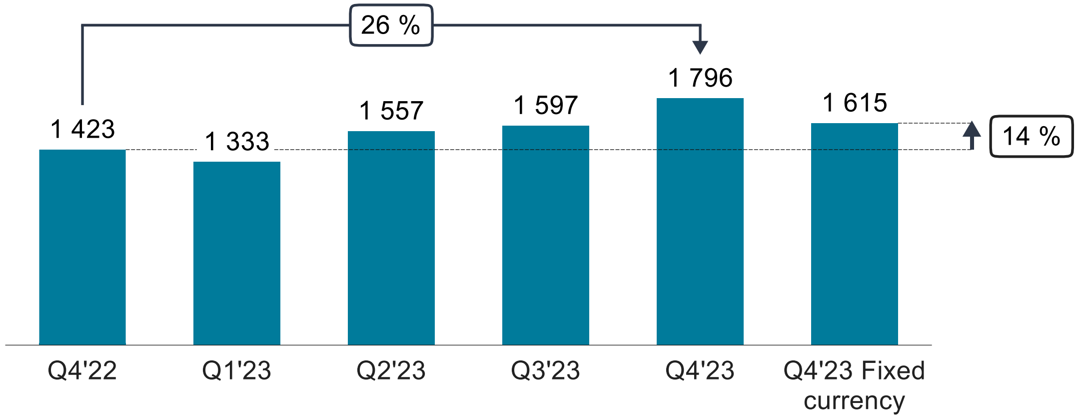
Q4 2023

15 February 2024

All-time high reported revenue – YoY growth of 26%

FX tailwind contributed 12 percentage points to revenue growth

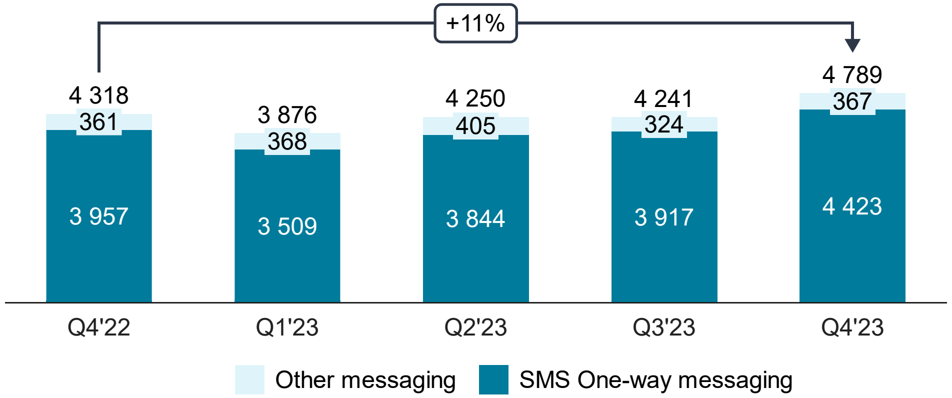
Reported revenue NOKm



Organic revenue growth of 14% in fixed FX

- Enterprise segments grew 9% organically in fixed FX
  - Strong retail push in seasonally peak season
  - Inflationary pressure still impacting spend across enterprises
- Global Messaging segment delivered organic growth of 33% in fixed FX

Reported volume (mill transactions)



Reported volume growth for Q4 23 at 11%

- Higher priced OTT channels continued to gain traction in selected markets
  - Improving ROI for clients compared to traditional SMS messaging
- Lower volume for email more than offset by strong growth for new OTT channels

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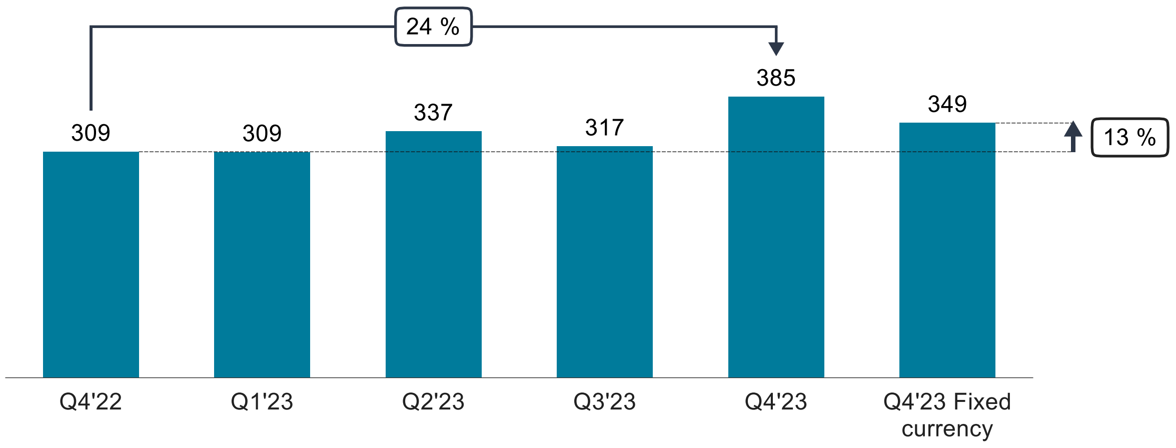
All-time high reported gross profit – YoY growth of 24%

FX tailwind contributed 11 percentage points to gross profit growth

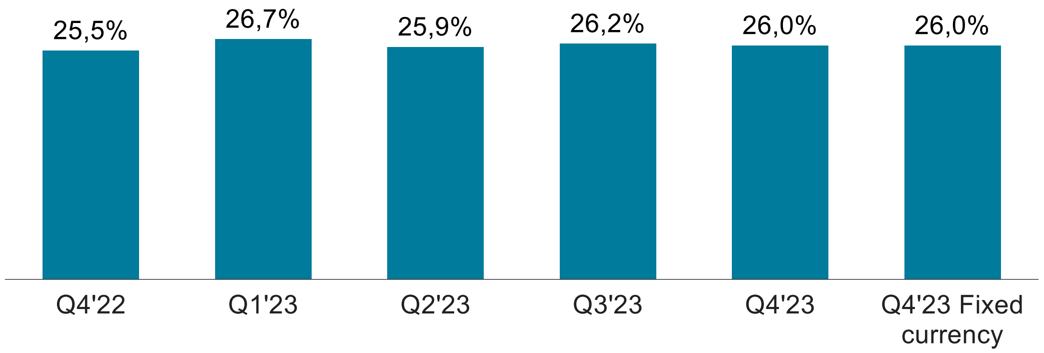
Gross profit NOKm



Organic gross profit growth 13% in fixed FX

- European enterprise segments delivered 11% organic growth
  - Growth supported by closed contracts last quarters
  - Western Europe in the high end of growth expectations in retail
  - Expanded use of higher margin channels like RCS
- Global Messaging organic growth of 37% in fixed FX
  - Returned to high single digit normalized margin in the quarter

Europe enterprise gross margin (%)



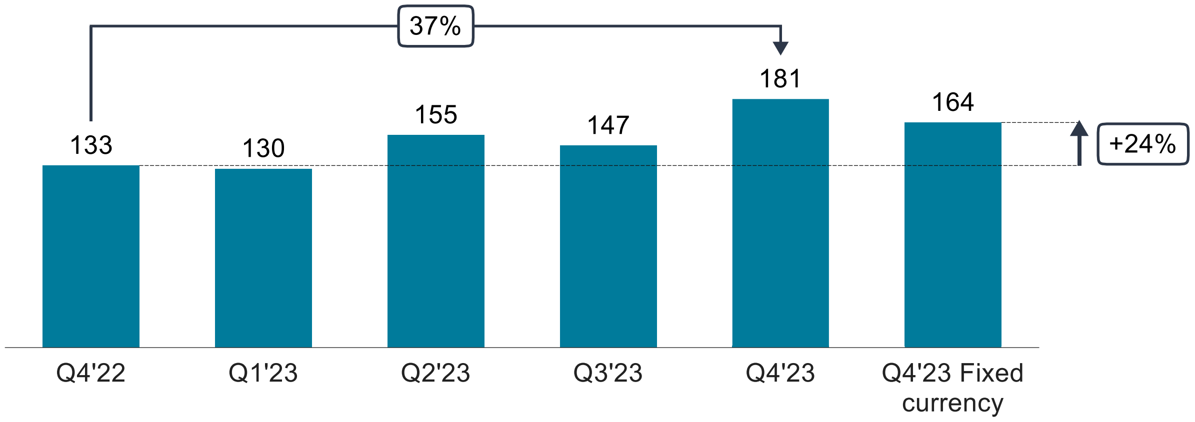
Enterprise gross margin improved YoY to 26%

- Larger portion of messages on high margin OTT channels like RCS

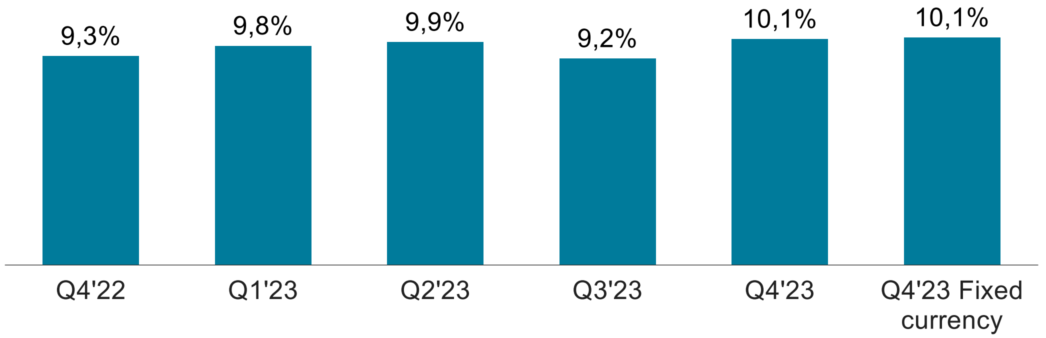
All-time high reported adjusted EBITDA – YoY growth of 37%

FX tailwind contributed 13 percentage points to adjusted EBITDA growth

Adjusted EBITDA NOKm



Adjusted EBITDA margin (%)



Organic growth in adjusted EBITDA 24% in fixed currency

- Adjusted EBITDA growth of NOK 31 million YoY
  - NOK 19 million from ordinary course of business
  - NOK 12 million from cost reduction program initiated late 2022

Total adjusted EBITDA margin expanded 0.8 percentage points

- Enterprise margin expanded 0.9pp YoY to 15.8%
  - Improved gross margin YoY
  - Execution on cost initiatives contributed to margin expansion
- High activity for Global Messaging had a small dilutive effect

P&L

NOK in millions	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Total operating revenues	1 796	1 423	6 282	4 914
Direct cost of services rendered	(1 411)	(1 113)	(4 934)	(3 775)
Gross profit	**385**	**309**	**1348**	**1138**
Operating expenses	(204)	(177)	(735)	(653)
Adjusted EBITDA	**181**	**133**	**613**	**486**
Non-recurring costs	(46)	(62)	(135)	(147)
EBITDA	**135**	**71**	**478**	**339**
Depreciation and amortization	(122)	(106)	(458)	(406)
Impairment cost	-	(180)	-	(180)
Operating profit (loss)	**13**	**(216)**	**20**	**(248)**
Net financials	**25**	**(161)**	**(82)**	**(26)**
Profit (loss) before income tax	**38**	**(377)**	**(61)**	**(274)**
Income tax	(9)	53	13	4
Profit (loss) from continuing operations	**29**	**(324)**	**(49)**	**(270)**
Profit (loss) from discontinued operations	9	45	116	119
Profit (loss) for the period	**37**	**(279)**	**67**	**(151)**

Non-recurring costs of NOK 46 million

- M&A costs of NOK 3 million
- Costs related to restructuring NOK 18 million
  - Organizational changes – partly replacing future option cost
- Share-option costs of NOK 26 million
  - Quarterly LTIP options cost of NOK 14 million
  - Social security cost accrual increase of NOK 12 million

Depreciation and amortization NOK 122 million

- Depreciation of intangible assets from R&D NOK 29 million
- Depreciation of PPA's NOK 87 million
- Depreciation of leasing and fixed assets NOK 6 million

Net financials positive NOK 25 million

- Currency effect gain of NOK 51 million with limited cash effect
- Net interest costs of NOK 28 million mainly related to bond loan
- Other financial items of NOK 13 million related to
  - Positive adjustment of earn-out of NOK 6 million

Discontinued business – Message Broadcast

- Includes transaction related costs of NOK 19 million

Strong cash on balance sheet

NOK in millions	Q4 2023	Q4 2022
Non-current assets	6 537	8 924
Trade and other receivables	1 380	1 244
Cash and cash equivalents	1 097	827
Current assets held as available for sale	2 667	-
Total assets	**11 681**	**10 994**
Equity	**5 514**	**5 226**
Deferred tax liabilities	274	533
Long-term borrowings	4 008	3 837
Other long term liabilities	38	45
Long-term liabilities held as available for sale	193	-
Total non-current liabilities	**4 514**	**4 416**
Trade and other payables	1 494	1 331
Other short term liabilities	55	22
Short-term liabilities held as available for sale	104	-
Total current liabilities	**1 653**	**1 353**
Total Liabilities	**6 167**	**5 769**
Total liabilities and equity	**11 681**	**10 994**

Non-current assets increased mainly due to currency effects

- Total goodwill of NOK 6.1 billion – whereof NOK 1.9 billion related to US

Cash on balance sheet up YoY to NOK 1.1 billion

- Expanding from solid organic growth and seasonal WC release
- NOK 118 million cash outflow related to buy back of own bonds in Q4

Equity NOK 5 514 million and equity percentage of 47%

Receivables and payables increased with organic growth and FX effects

Net interest-bearing debt* of NOK 3 056 million

- Acquisition of 10 EUR million own bonds below par completed in December
- Leverage post closed MB transaction around at 1.1x

* Calculated according to the company's bond terms

Cash flow after CAPEX and interest more than doubled

Yield on cash reserves to offset interest payable on bond loan

Proforma Europe* LTM NOK million	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Adj.EBITDA	**486**	**490**	**534**	**565**	**613**
Change working capital	-35	-16	-32	-48	-7
Taxes paid	-58	-45	-54	-63	-42
Non-reccuring costs M&A	-99	-92	-82	-69	-38
Net cash flow from operating activities	**293**	**336**	**366**	**384**	**527**
Add back non-recurring costs M&A	99	92	82	69	38
Adj. cash flow from operations	**392**	**428**	**448**	**453**	**564**
Capex	-132	-114	-110	-112	-111
Lease and bond	-89	-89	-93	-93	-97
Cash flow after capex and interest	**171**	**225**	**245**	**248**	**357**

High cash conversion from adjusted EBITDA
- LTM improved FCF supported by organic growth momentum
- Cost initiatives supported improved cash generation

CAPEX expected to be in line with historical trends
- Maintain and develop relevant CPaaS product portfolio

Bond interest to be offset by interest income on cash
- Interest yield on cash balances > interest coupon on bond
- Accretive M&A will impact net interest payable

Cash position post US divestment of NOK 3.4 billion
- Capacity for accretive M&A
- Prudent excess cash allocation
  - Further bond buy-back if satisfactory yield
  - Share buy-back linked to current option incentive plans

New conservative net debt policy at 2 - 2.5x adjusted EBITDA
- Well below current incurrence test at 3.5x adjusted EBITDA.

* Proforma FCF for European business – Interest paid excluding bond-tap in June 2021 related to acquisition of Message Broadcast

Appendix

Q4 2023

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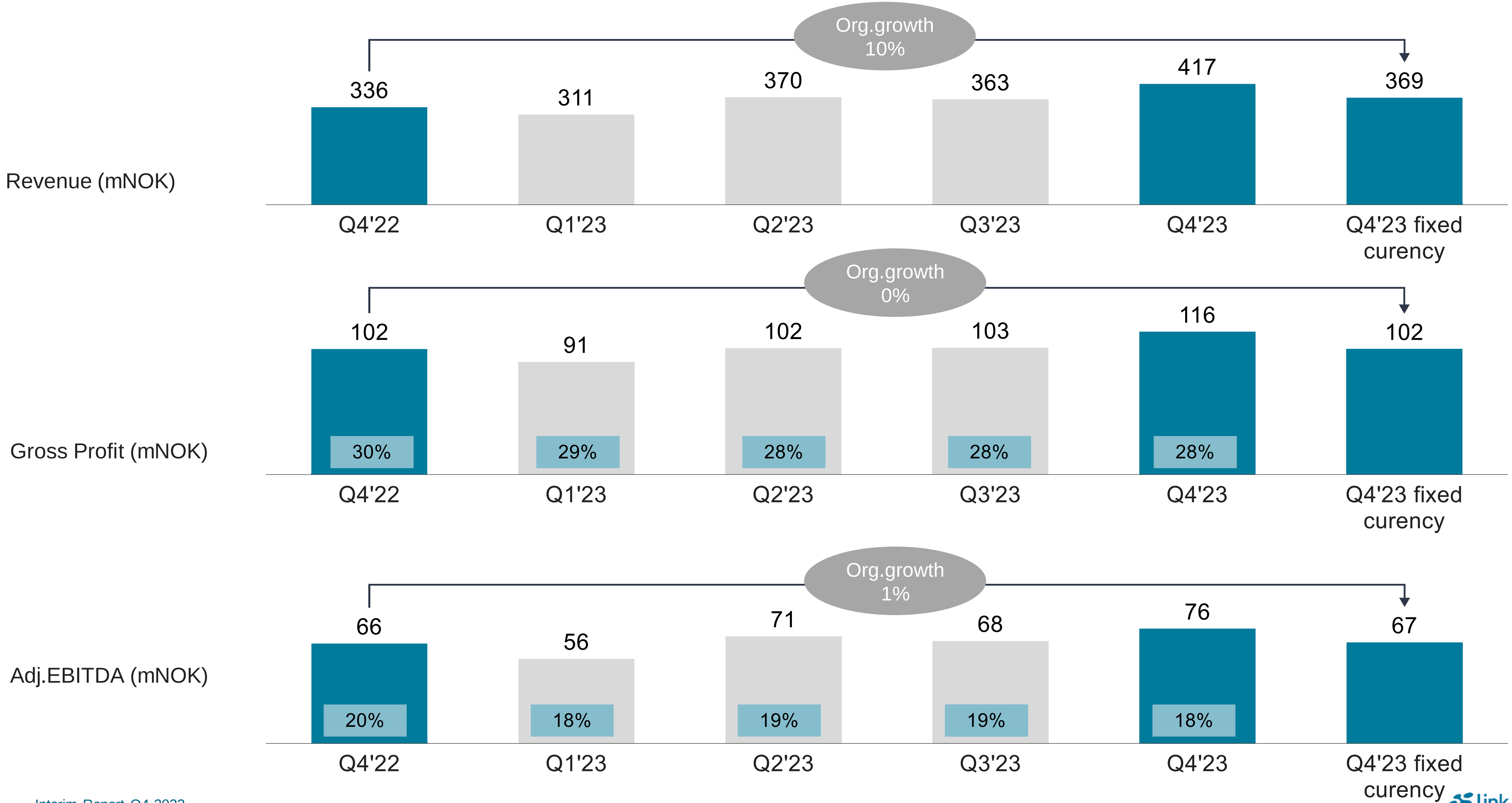
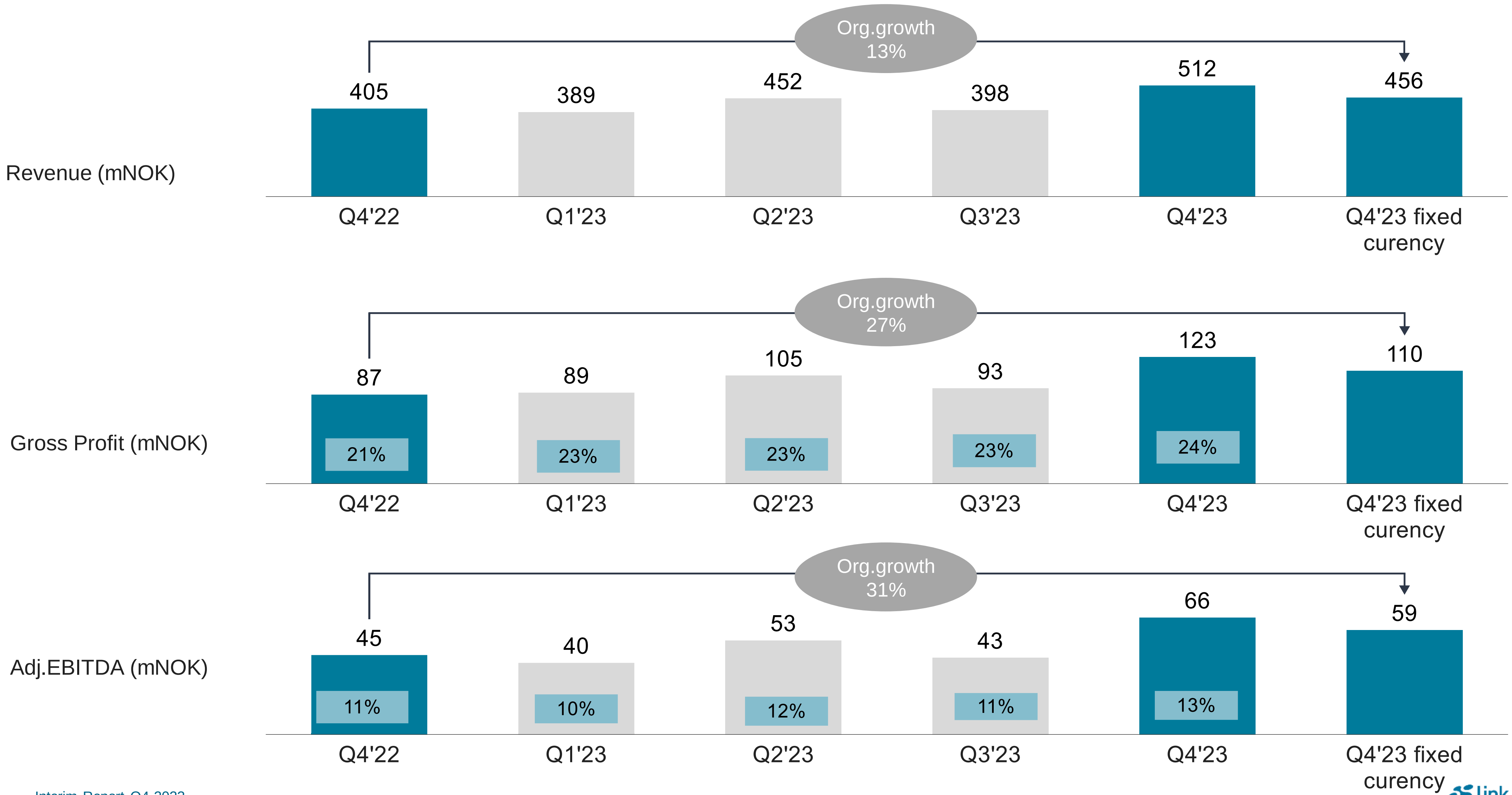
Northern Europe

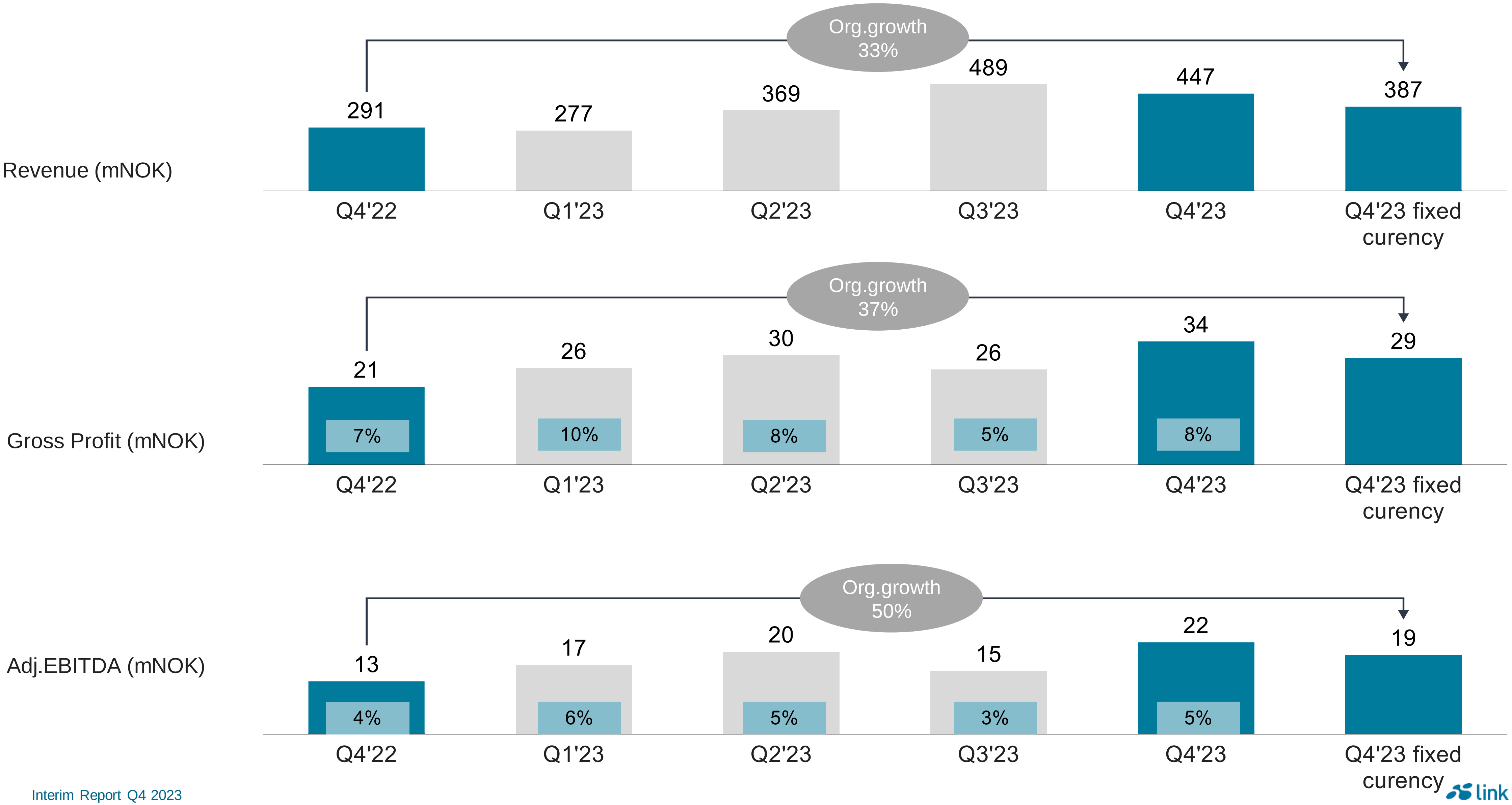
Central Europe



Western Europe



Global Messaging



Q&A

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