LINK Mobility Group Holding ASA

Interim financial report First quarter 2023

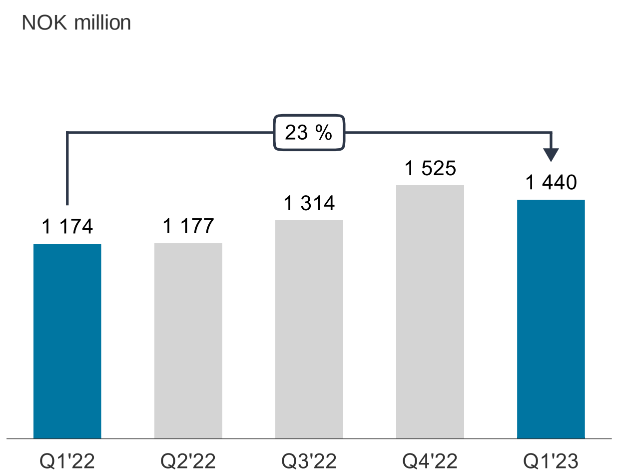
10 May 2023

linkmobility.com

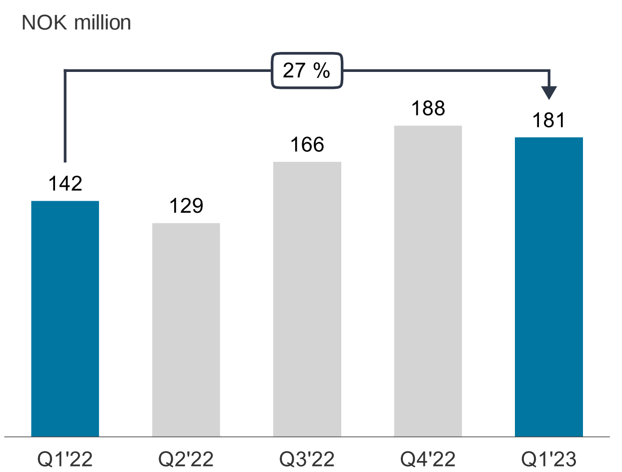
Highlights first quarter

- **Stronger Q1 than expected after increased traction in the US**
- **Revenue reported at NOK 1 440 million. Organic growth in fixed currency 12%**
- **Gross profit reported at NOK 398 million. Organic growth in fixed currency 13%**
- **Adjusted EBITDA reported at NOK 181 million. Organic growth in fixed currency 16%**
- **Cash generation after capex and interest of NOK 118 million in the quarter**
  - Group leverage reduced to 4.3x from 4.6x previous quarter
- **LINK signed a record 826 new and expanding agreements in the first quarter**

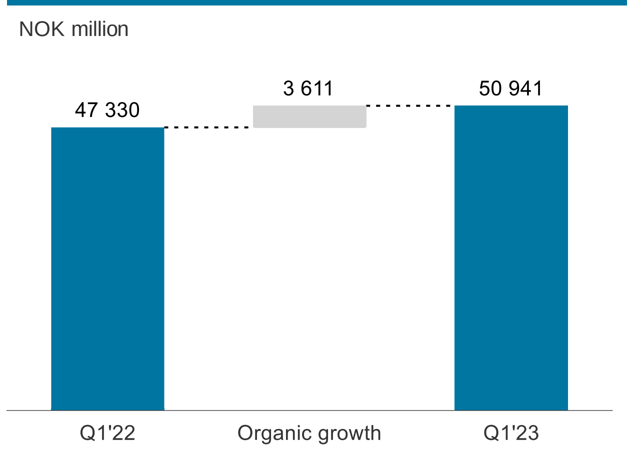
Total operating revenues NOKm



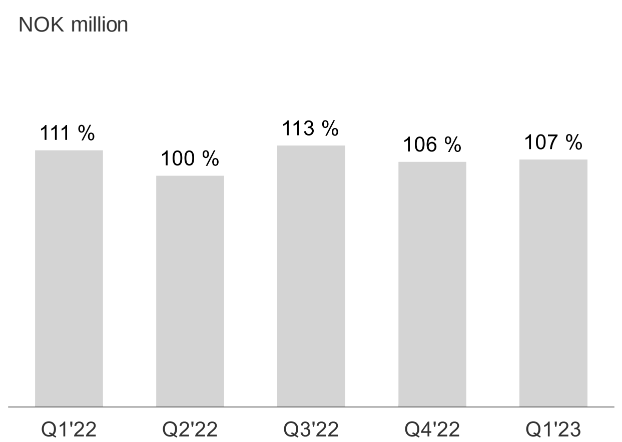
Adjusted EBITDA NOKm



Customer accounts



Net retention rate in fixed currency



Strong quarter with traction in the US

LINK Mobility (LINK) reports revenue of NOK 1,440 million, growing 23% in the first quarter of 2023 with strong FX tailwind. Organic revenue growth in fixed currency was 12%. Gross profit and adjusted EBITDA was reported at NOK 398 million and NOK 181 million, with organic growth in fixed currency of 13% and 16% respectively. The US business performed better than planned, whilst Europe as expected saw moderate underlying growth with high same period last year comparables and softness in the retail markets in Q1 23. Cost initiatives were executed according to plan. Strong free cash flow generation in the quarter of NOK 118 million. LINK reiterates its forward-looking statement for 2023 for an organic adjusted EBITDA growth of 12-15% in fixed currency.

LINK experienced strong momentum in the US with a high contract backlog for messaging solutions and a broader geographical exposure to critical events messaging across the continent. Critical events messaging amounted to USD 1.4 million in Q1 23 related to winter storms. Messaging solutions gained traction from a catch-up effect related to a delayed build-up of contract backlog last year.

LINK's commercial focus resulted in a strong contract backlog growth in Europe driven by the preferred customer channel. SMS remains the channel of choice globally with more than 5 billion active users. The forecasted annual gross profit contribution from new contract wins, not including the US, increased by 45% YoY in Q1 23. A2P SMS grew by 55%, as traditional products were the solutions of choice in an uncertain macroeconomic landscape.

Reported revenue increased 23% to NOK 1,440 million in the first quarter YoY, with organic revenue growth at 12% in fixed currency. Underlying growth was driven by a more than doubling of US revenue and Global Messaging revenue growth of 25%. Europe experienced moderate growth as expected with high covid comparables in the same period last year and softer mobile marketing volumes in the first quarter following a stronger Q4 22.

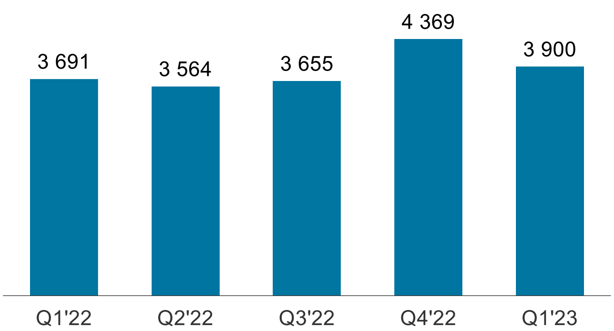
Gross profit grew 24% to NOK 398 million in Q1 23, with an organic gross profit growth in fixed currency of 13%. A larger contribution form the high margin US business offset the dilution effect from more Global Messaging revenue, the low margin aggregator business, bringing gross profit growth in line with revenue growth.

Adjusted EBITDA increased 27% to NOK 181 million in the first quarter, with an organic growth at 16% in fixed currency. Adjusted EBITDA margin improved slightly to 12.5% compared to same period last year.

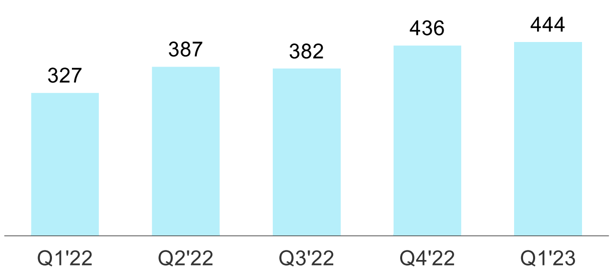
Cost initiatives were executed as scheduled with an annualized FCF effect of NOK 96 million completed by end Q1 23. The full run-rate FCF effect, including both opex and capex, is forecasted at NOK 116 million by year end 2023. Reported costs were elevated by FX as NOK depreciated versus most other currencies.

Reported messaging volumes increased by 8% and grew less than revenue in the first quarter. The difference reflected a higher share of non-messaging revenue like licences and professional services and destination mix effects in Global Messaging towards higher priced countries.

SMS One-way messaging (mill messages)



Other messaging (mill messages)



Forwarding-looking statement

LINK expects organic adjusted EBITDA growth of 12-15% in fixed currency for 2023, driven by higher gross profit growth than in 2022 and opex savings from cost reduction initiatives. The increased growth in profitability reflects significantly improved commercial momentum with increased inflow of new business, opex reductions progressing ahead of target partly offsetting underlying cost increases and dilutive effect on growth from non-recurring covid traffic to disappear after Q1 23. Macroeconomic uncertainty remains, customer churn is however expected to remain at a low level.

LINK aims to become a top 5 global CPaaS player and sees long-term organic revenue growth at 20% per year with traction on adoption of advanced CPaaS solutions. Pro forma annual revenue of NOK 10 billion, from both accretive acquisitions and organic growth, is targeted for 2025. LINK's highly scalable business model will support a pro forma adjusted EBITDA margin in the 15-17% range at that revenue level.

Forward-looking statement	2023
Organic adjusted EBITDA growth in fixed currency	12 - 15%

Forward-looking statement	2025
Pro forma revenue (NOK million)	10 000
Pro forma adjusted EBITDA margin	15 - 17%

New agreements signed

LINK signed record high new and expanding agreements at 826 in the first quarter, securing significant new revenue and future growth potential. The new agreements consisted of 545 signed direct customer contracts, 69 signed partner framework agreements and 212 new partner customers.

Market trends towards advanced solutions

Market adoption for selected CPaaS products are accelerating as observed by LINK's record number for new contract wins.

In the market for notification use cases, applied for essential information, there is stable demand and growth momentum estimated in the high single-digits. Growth is driven mainly by alerts, reminders, payment and security products while demand for two-factor authentication (2FA) use cases are stable.

Mobile marketing use cases are increasingly adopting new channels. Demand for new channels with a richer feature set are accelerating and use cases are evolving from one-way mass communication to more conversational solutions. European retail markets are still challenging and partly driven by inventories. Q1 23 was weaker, following a strong Q4 22 supported by discount marketing.

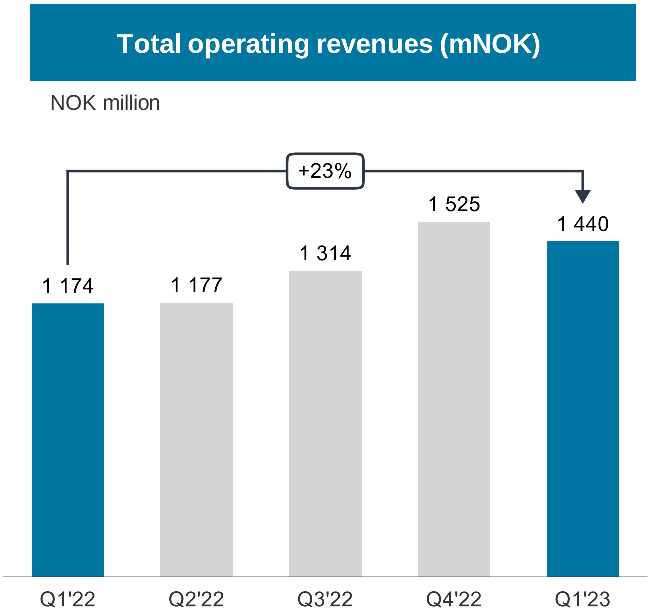
Customer service is growing quickly albeit from lower volumes contributing about 10% of group revenue. Parts of IVR (automated telephone systems) are being replaced by messaging services which enhance consumer interaction and reduce supplier costs. Chatbots and new channels in demand are more time-consuming to implement and scale.

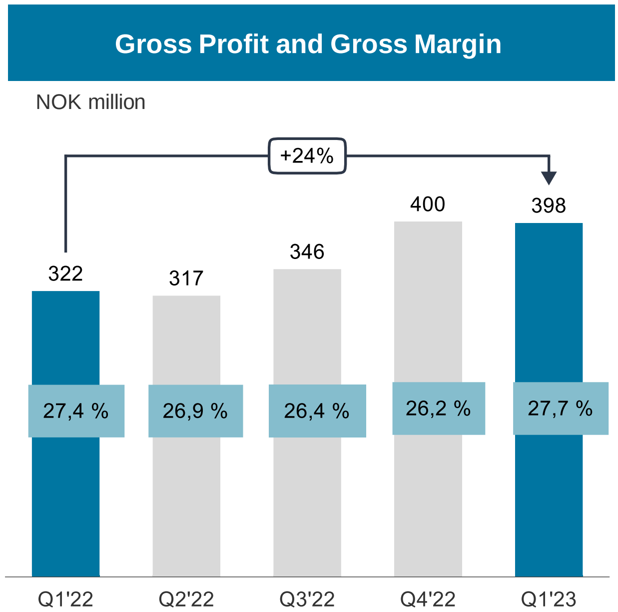
Financial Review

(Figures in brackets refer to the same period last year)

Group income statement

Total operating revenue amounted to NOK 1 440 million (NOK 1 174 million) or a reported growth of 23% versus the same period last year. Organic revenue growth in fixed currency was 12% with currency translation effects in the quarter of NOK 128 million related to depreciation of NOK against foreign currencies. Solid revenue growth momentum in the US from signed contracts during second half of 2022 combined with critical event messaging totalling NOK 14 million during the quarter. Critical event messaging was mainly related to winter storms in new geographical areas for the subsidiary Message Broadcast. Enterprise business revenue growth in Europe was 4% still negatively impacted by non-recurring covid-related traffic same period last year across especially Northern and Central regions. In the beginning of the first quarter LINK observed softer retail volumes in Europe following a strong fourth quarter and reflecting the somewhat more volatile business environment.





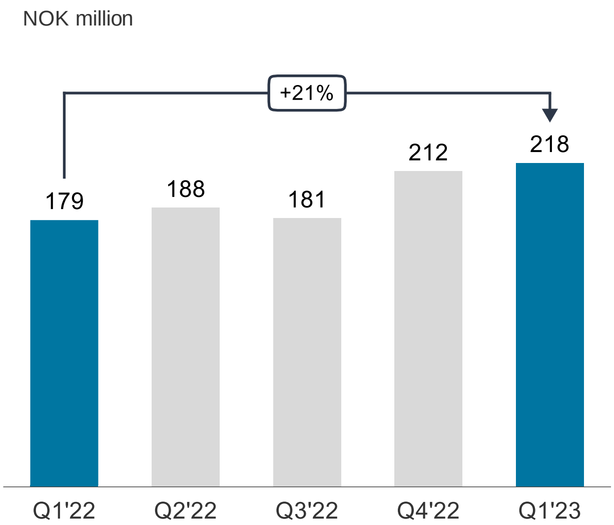
Reported gross profit growth reported at 24% to NOK 398 million in the quarter. In fixed currency the gross profit growth was 13%, slightly higher than the revenue growth driven by higher share of revenues deriving from the US with higher margin. In fixed currency the growth in gross profit in the US was 106%, driven by a higher order backlog from second half of 2022 and contribution from critical event messaging through broader geographical exposure. The gross profit from European enterprise segments remained stable yoy in fixed currency negatively impacted by non-recurring covid traffic last year and a more volatile business environment.

The gross profit margin expanded to 27.7% (27.4%) positively impacted by higher share of revenue from US, partly offset by revenue expansion in the Global Messaging segment with lower margin level compared to same period last year.

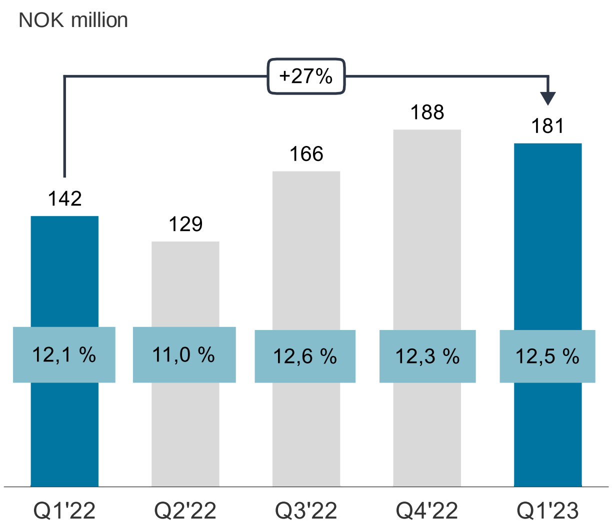
Total operating expenses amounted to NOK 218 million (NOK 179 million) or a reported growth of 21% compared to same quarter last year. In stable currency the growth in operating expenses was 10%. The growth in operating expenses was related to investments in commercial capabilities in the US including onboarding of customer base late 2022 and general cost inflation partly offset by cost initiatives. The cost reduction initiatives implemented delivered according to plan and is expected to yield full effect during the last two quarters of 2023 and will contribute to continued strong cash flow generation. The effect of the initiatives was NOK 17 million on opex during the quarter compared to run-rate as of second quarter 2022.

Adjusted EBITDA, before non-recurring cost, was reported at NOK 181 million (NOK 142 million) or 12.5% of total revenues (12.1%). The growth in adjusted EBITDA was driven by the organic growth in gross profit partly offset by increased operating expenses. Gross profit to adjusted EBITDA conversion was reported at 45% (44%).

Operating expenses



Adjusted EBITDA and margin



EBITDA after non-recurring items was reported at NOK 167 million (NOK 115 million) after deduction of non-recurring cost of NOK 14 million (NOK 28 million) related to acquisitions, share option programs and restructuring costs. The non-recurring costs decreased mainly driven by lower costs connected to share-options related to vesting of initial tranches and impacts related to reductions in workforce. Lower costs related to restructuring compared to previous quarter as most of the cost initiatives was concluded during the fourth quarter of 2022. M&A costs declined compared to same quarter last year due to lower activity.

First quarter depreciation and amortization expense were NOK 108 million (100 million). The increase compared to same quarter last year relates, in part, to increased depreciation of internally generated intangible assets from finalization of projects at year end 2022. The largest increase is a result of the effect of foreign exchange translation on intangible assets acquired through M&A activity in previous years.

Net financial expense was negative NOK 71 million (negative NOK 6 million). The change was mainly related to a net currency loss of NOK 32 million due to net impact of changes in USD/NOK and EUR/NOK exchange rates; this is compared to a net currency gain of NOK 26 million in the same quarter last year. Interest expenses are comparatively higher because of foreign currency on outstanding credit denominated in EUR.

Balance sheet, financing, and liquidity

Non-current assets amounted to NOK 9 383 million (NOK 8 589 million). The increase is largely attributable to the currency revaluation of goodwill and other intangible assets, which includes the purchase of a customer base in the US that was finalized in Q4 2022.

Trade and other receivables amounted to NOK 1 278 million (NOK 865 million). The increase is driven by organic growth, timing of collections and impact from changes in foreign currency exchange rates.

Trade and other payables were reported at NOK 1 324 million (NOK 936 million). The increase is driven by organic growth, timing of payables and impact from changes in foreign currency exchange rates.

Total equity amounted to NOK 5 508 million (NOK 5 021 million) or 47% (49%) of balance sheet value. The increase was mainly related to foreign exchange effects offset by losses from the net investment hedge.

Long-term liabilities amounted to NOK 4 718 million (NOK 4 203 million). The largest components are external debt through a bond loan and deferred tax liability. External debt is subject to currency adjustment which is the main driver for the increase (NOK 566 million); deferred tax liabilities decreased slightly (NOK 26 million). The net increase is offset by decreases in IFRS 16 lease liabilities and other long-term liabilities.

Short-term borrowings amounted to NOK 41 million (NOK 53 million). The prior year comparative included a holdback to Teracomm that was settled in Q2 2022 (NOK 16 million); the current period comparative is limited to accrued interest.

Net cash flow from operating activities was NOK 147 million (NOK 18 million). The improvement from same quarter last year was mainly driven by improved profitability through organic growth and improved working capital development.

Net cash from investing activities was negative NOK 35 million (negative NOK 50 million). There are no acquisitions in the comparable periods and the decrease is attributable to lower capitalization related to internally generated intangible assets in the current period; this is the result of cost control measures.

Net cash flow from financing activities was negative NOK 4 million (negative NOK 7 million). The same quarter last year included negative NOK 3 million in other interest expenses related to cash balances.

Cash and cash equivalents were NOK 964 million at the end of the quarter (NOK 802 million). The cash balance improved compared to previous quarter and compared to the same quarter last year. The improved cash position quarter over quarter was related to positive cash flow from operations and positive currency effects on cash.

Condensed consolidated income statement

NOK '000	Note	Q1 2023	Q1 2022	Year 2022
Total operating revenues	3	1 439 748	1 173 825	5 190 049
Direct cost of services rendered		-1 041 335	-852 016	-3 805 181
Gross profit	3	**398 413**	**321 809**	**1 384 869**
Payroll and related expenses		-140 153	-117 715	-471 458
Other operating expenses		-77 603	-61 688	-288 190
Adjusted EBITDA	3	**180 657**	**142 406**	**625 221**
Restructuring cost		-3 806	-7 492	-71 937
Share based compensation	6	-7 436	-13 845	-43 631
Expenses related to acquisitions		-2 664	-6 222	-32 021
EBITDA		**166 751**	**114 848**	**477 632**
Depreciation and amortization	7	-108 489	-99 867	-415 592
Impairment of intangible assets and goodwill	7	-	-	-180 360
Operating profit (loss)		**58 261**	**14 980**	**-118 320**
Finance income and finance expenses				
Net currency exchange gains (losses)		-32 011	26 190	93 776
Net interest expense		-38 720	-34 533	-148 556
Net other financial expenses		-12	2 404	17 670
Finance income (expense)		**-70 742**	**-5 938**	**-37 109**
Profit (loss) before income tax		**-12 481**	**9 042**	**-155 429**
Income tax		15 708	-8 283	4 323
Profit (loss) for the period		**3 227**	**759**	**-151 106**
Earnings per share (NOK/share):				
(Loss) earnings per share (NOK/share):		0,01	0,00	-0,51
Diluted (loss) earnings per share		0,01	0,00	-0,51

Condensed consolidated statement of comprehensive income

NOK '000	Q1 2023	Q1 2022	Year 2022
Profit (loss) for the period	**3 227**	**759**	**-151 106**
Total effect - foreign exchange	337 249	-103 946	271 850
Gains and losses net investment hedge	-83 619	26 391	-49 875
Tax on OCI that may be reclassified to P&L	18 396	-5 806	10 973
OCI that may be reclassified to P&L FCCS	272 026	- 83 361	232 947
OCI that will not be reclassified to P&L	-	-	-
Total Other Comprehensive Income (OCI)	**272 026**	**-83 361**	**232 947**
Total Comprehensive Income	**275 253**	**-82 602**	**81 841**

Condensed consolidated statement of financial position

NOK '000	Note	Q1 2023	Q1 2022	Year 2022
Assets				
Non-current assets				
Goodwill		6 163 614	5 500 984	5 788 277
Other intangible assets		3 014 431	2 859 336	2 929 503
Right-of-use-assets		44 600	61 100	47 865
Equipment and fixtures		22 600	21 616	22 143
Deferred tax assets		134 995	143 206	133 145
Other long term assets		3 087	2 887	2 876
Non-current assets		**9 383 327**	**8 589 128**	**8 923 810**
Current assets				
Trade and other receivables		1 277 511	865 253	1 243 758
Cash and cash equivalents		963 671	801 599	826 851
Current assets		**2 241 182**	**1 666 852**	**2 070 609**
Total assets		**11 624 509**	**10 255 980**	**10 994 419**
Equity & Liabilities				
Shareholders equity		5 507 720	5 020 885	5 225 521
Total equity		**5 507 720**	**5 020 885**	**5 225 521**
Long-term liabilities				
Long-term borrowings	5	4 162 944	3 597 287	3 837 096
IFRS 16 liability, non-current	5	31 511	43 142	34 381
Deferred tax liabilities		517 268	543 037	533 064
Other long term liabilities	5	6 200	19 238	11 006
Total non-current liabilities		**4 717 923**	**4 202 704**	**4 415 547**
Short-term liabilities				
Borrowings, short term	5	41 499	53 358	5 470
IFRS 16 liability, current	5	14 433	16 582	14 217
Trade and other payables		1 323 853	936 344	1 331 086
Tax payable		19 081	26 108	2 578
Total current liabilities		**1 398 867**	**1 032 392**	**1 353 351**
Total liabilities		**6 116 789**	**5 235 095**	**5 768 898**
Total liabilities and equity		**11 624 509**	**10 255 980**	**10 994 419**

Condensed consolidated statement of changes in equity

YTD Q1 2023 (NOK '000)	Note	Share capital	Share premium	Other equity	Retained earnings	Other reserves	Total equity
Total Opening Balance		**1 479**	**5 667 588**	**733 228**	**-1 069 565**	**-107 210**	**5 225 521**
Changes in Net Income		-	-	-	3 227	-	3 227
Total Other Comprehensive Income (OCI)		-	-	-	272 026	-	272 026
Total Comprehensive Income		**-**	**-**	**-**	**275 253**	**-**	**275 253**
Changes due to issue of stock		1	-	-	-	-	-
Share based payment		-	-	6 947	-	-	6 947
Closing Balance	**8**	**1 479**	**5 667 588**	**740 175**	**-794 313**	**-107 210**	**5 507 720**

YTD Q1 2022 (NOK '000)	Note	Share capital	Share premium	Other equity	Retained earnings	Other reserves	Total equity
Total Opening Balance		**1 471**	**5 661 307**	**-464 193**	**-235 108**	**126 081**	**5 089 557**
Changes in Net Income		-	-	-	759	-	759
Total Other Comprehensive Income (OCI)		-	-	-	-83 361	-	-83 361
Total Comprehensive Income		**-**	**-**	**-**	**-82 602**	**-**	**-82 602**
Changes due to issue of stock		-	-67	-	-	-	-67
Share based payment		-	-	13 996	-	-	13 996
Closing Balance	**8**	**1 471**	**5 661 239**	**-450 197**	**-317 710**	**126 081**	**5 020 885**

Condensed consolidated statement of cash flows

NOK '000	Note	Q1 2023	Q1 2022	Year 2022
Net cash flows from operating activities				
Profit before income tax		**-12 481**	**9 042**	**-155 429**
Adjustments for:				
Taxes paid		123	-12 528	-58 213
Finance income (expense)		70 742	5 938	37 109
Depreciation and amortization		108 489	99 867	595 952
Employee benefit - share based payments		6 947	13 996	47 833
Net losses (gains) from disposals		-	32	32
Change in other provisions		-3 247	-4 830	24 585
Change in trade and other receivables		46 300	18 343	-290 208
Change in trade and other payables		-69 940	-111 347	219 084
Net cash flows from operating activities		**146 934**	**18 514**	**420 745**
Net cash flows from investing activities				
Payment for equipment and fixtures		-801	-3 486	-8 084
Payment for intangible assets		-34 276	-46 544	-172 217
Payment for acquisition of subsidiary, net of cash acquired		-	-	-61 477
Disposal of subsidiary		-	-	-
Net cash flows from investing activities		**-35 078**	**-50 030**	**-241 778**
Net cash flows from financing activities				
Proceeds on issue of shares		-	-67	6 289
Proceeds from borrowings	5	-	-	-
Repayment of borrowings		-	-	-81 429
Interest paid		-838	-2 891	-141 967
Principal elements of lease payments		-3 564	-3 677	-15 931
Net cash flows from financing activities		**-4 402**	**-6 635**	**-233 037**
Net increase (decrease) in cash and cash equivalents		**107 454**	**-38 152**	**-54 070**
Effect of foreign exchange rate changes		29 366	-3 867	37 304
Cash and equivalents at beginning of period		826 851	843 618	843 618
Cash and equivalents at end of the period		**963 671**	**801 599**	**826 851**

Selected notes to the accounts

Note 1 – General information

The Board of Directors approved the condensed interim financial statements for the three months ended 31 March 2023 for publication on 10 May 2023. The Group financial statements for first quarter have not been subject to audit or review by auditors; figures for FY2022 are audited.

LINK Mobility Group Holding ASA (LINK) is a public limited company registered in Norway. The Company is one of Europe's leading CPaaS providers within mobile communication, specializing in messaging and digital services. Headquartered in Oslo, Norway, the Group has 672 employees and operates in 18 countries.

Note 2 – Basis for preparation and significant accounting policies

The consolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 "Interim Financial Reporting." The condensed interim financial statements do not include all information and disclosures required in the annual financial statement and should be read in accordance with the Group's annual report for 2022, which has been prepared according to IFRS as adopted by the EU.

The preparation of interim financial statements requires the Group to make certain estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, and expenses. Estimates and judgements are continually evaluated by the Group based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. Actual results may differ from these estimates. The most significant judgements used in preparing these interim financial statements and the key areas of estimation uncertainty are the same as those applied in the consolidated annual report for 2022.

Goodwill and other Intangible assets with an indefinite useful economic life are not amortized but are tested annually for impairment. The company performs an impairment test for goodwill on an annual basis or when there are circumstances which would indicate that the carrying value of goodwill may be impaired. When assessing impairment, assets are grouped into cash generating units (CGU's).

The presentation currency of the consolidated financial statement is Norwegian kroner (NOK), which is also the functional currency of the parent company. Unless otherwise stated, amounts presented are in thousands of NOK.

The accounting policies applied in the preparation of the consolidated interim financial statements are consistent with those applied in the preparation of the annual IFRS financial statements for the year ended December 31, 2022, except for the adoption of new and amended standards as set out below.

Hedging

The Group applies hedge accounting for hedges that meet the criteria for hedge accounting. The Group has a hedge of net investments in foreign operations.

At the inception of each hedge relationship, the Group designates and documents the hedge accounting relationship, risk management objective, and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to change in the hedged item's fair value of cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they were designated.

Hedge relationships that meet the requirements for hedge accounting are accounted for in the Group's consolidated financial statements as follows:

Hedge of a net investment

A hedge of a net investment in a foreign operation is accounted for in a similar way to a cash flow hedge. Foreign exchange gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized directly in comprehensive income while any foreign exchange gains or losses relating to the ineffective portion are recognized in the income statement. On disposal of the foreign entity, the cumulative foreign exchange gains or losses recognized in other comprehensive income is reclassified to the income statement.

Exchange rate risk

Net investment hedge accounting is applied when possible.

For information related to amendments to standards, new standards, and interpretations effective from 01 January 2023, please refer to the Group Annual Report for 2022. None of the amendments, standards, or interpretations effective from 01 January 2023 have had a significant impact on the Group's consolidated interim financial information.

Note 3 – Segment reporting

The Group reports revenue, gross profit (revenue less direct costs), gross margin (gross profit divided by revenue) and adjusted EBITDA in functional operating segments to the Board of Directors (the Group's chief operating decision makers). While LINK uses all four measures to analyze performance, the Group's strategy of profitable growth means that adjusted EBITDA is the prevailing measure of performance (refer to alternate performance measures).

An examination of operating units based on market maturity and product development as well as geography identifies five natural reporting segments. These are Northern Europe, Western Europe, Central Europe, Northern America and Global Messaging; these represent market clusters. Generally, regions are segregated into similar geographic locations as these follow similar market trends. Global Messaging includes all regions with aggregator traffic; the other four have enterprise traffic.

The regions are:

Northern Europe

The Nordics is composed of Norway, Sweden, Denmark, Finland and Baltics (discontinued during 2022).

Central Europe

Central Europe is composed of Bulgaria, Romania, North Macedonia, Poland, Hungary, Germany, Austria, and the Netherlands.

Western Europe

Western Europe is composed of Spain, France, the United Kingdom, and Italy.

Northern America

Northern America is composed of the US market currently includes the entity Message Broadcast.

Global Messaging

Global messaging is comprised of non-enterprise traffic and is representative of either stand-alone business or as a component of revenues in countries included above. If a business is comprised of both enterprise and wholesale/aggregator transactions, the latter is segregated here. The Swiss operation Horisen Messaging is included here.

Wholesale/aggregator business is defined as an operating unit within LINK's industry, and that use LINK connections in markets where they do not have such connections themselves. This business can generally be referred to, at least partly, as a direct competitor that use LINK connections. Smaller local aggregators cannot be expected to be covered efficiently by Global Messaging and as such they are still subject to local handling (not a focus area though because they are generally low margin and switch easily).

Revenue per segment	Q1 2023	Q1 2022	Year 2022
Northern Europe	356 091	334 682	1 364 335
Central Europe	311 018	258 511	1 183 616
Western Europe	388 850	348 206	1 423 472
North America	107 076	42 003	276 309
Global Messaging	276 713	190 425	942 317
Total revenues	**1 439 748**	**1 173 825**	**5 190 049**

Gross profit by segment	Q1 2023	Q1 2022	Year 2022
Northern Europe	102 442	96 339	375 816
Central Europe	91 252	86 547	361 792
Western Europe	88 568	80 238	317 179
North America	89 680	37 482	246 594
Global Messaging	26 470	21 204	83 487
Total gross profit	**398 413**	**321 809**	**1 384 869**

Adj. EBITDA by segment	Q1 2023	Q1 2022	Year 2022
Northern Europe	64 298	59 604	226 653
Central Europe	56 228	55 450	232 052
Western Europe	40 133	42 654	153 469
North America	50 369	16 553	139 703
Global Messaging	16 800	12 314	47 998
Group Costs	-47 170	-44 168	-174 653
Total adjusted EBITDA	**180 657**	**142 406**	**625 221**

Reconciliation of adjusted EBITDA to Group profit (loss) before income tax	Q1 2023	Q1 2022	Year 2022
Adjusted EBITDA	180 657	142 406	625 221
Non-recurring items	-13 906	-27 559	147 589
Depreciation and amortization	-108 489	-99 867	595 952
Operating profit	**58 261**	**14 980**	**-118 320**
Finance income (expense)	-70 742	-5 938	-37 109
Profit (loss) before income tax	**-12 481**	**9 042**	**-155 429**

* Non-recurring items are expenses related to significant one-time, non-recurring events such as acquisitions and restructuring activities and share-based compensation

Note 8 – Earnings per share

The Group's earnings per share is calculated as below:

NOK '000	Q1 2023	Q1 2022	Year 2022
Net (loss) income	3 227	759	-151 106

Weighted average number of ordinary shares (basic)	Q1 2023	Q1 2022	Year 2022
Issued ordinary shares at 01 January	295 890	294 252	294 252
Effect of shares issued (07 July 2022)			588
Effect of shares issued (14 November 2022)			929
Effect of shares issued (24 November 2022)			120
Weighted average number of ordinary shares	**295 890**	**294 252**	**295 890**
Basic earnings (loss) per share (NOK)	0,01	0,00	(0,51)

Weighted average number of ordinary shares (diluted)	Q1 2023	Q1 2022	Year 2022
Weighted average number of ordinary shares (basic)	295 890	294 252	295 890
Effect of share options on issue	1 356	-	2 076
Weighted average number of ordinary shares (diluted)	**297 246**	**294 252**	**297 966**
Diluted (loss) earnings per share (NOK)	0,01	0,00	(0,51)
Number of outstanding ordinary shares per 01.01	295 890	294 252	294 252
Number of outstanding ordinary shares per period end	295 890	294 252	295 890

ALTERNATIVE PERFORMANCE MEASURES (“APM'S”)

The financial information in this report is prepared under International Financial Reporting Standards (IFRS), as adopted by the EU. To enhance the understanding of LINK’s performance, the Group presents several alternative performance measures (“APM’s”). An APM is defined by the European Securities and Markets Authority (ESMA) guidelines as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS).

Below, LINK presents certain APMs, including gross margin, EBITDA, adjusted EBITDA, and adjusted EBITDA margin. APMs such as EBITDA are commonly reported by companies in the markets in which LINK competes and are widely used by investors when comparing performance on a consistent basis without regard to factors such as depreciation and amortization, which can vary significantly, depending upon accounting methods (particularly when acquisitions have occurred) or based on non-operating factors.

LINK uses the following APMs:

Gross Profit
Gross Profit means revenues less direct costs of services rendered.

Gross margin
Gross margin means gross profit as a percentage of total operating revenues.

Adjusted EBITDA
Adjusted EBITDA means EBITDA adjusted by expenses related to significant one-time, non-recurring events such as acquisitions and restructuring activities, and share-based compensation. LINK has presented adjusted EBITDA in the consolidated statement of profit and loss because management believes the measure provides useful information regarding operating performance.

Adjusted EBITDA margin
Adjusted EBITDA margin is presented as adjusted EBITDA as a percentage of total operating revenues in the respective periods.

EBITDA

EBITDA means earnings before interest, taxes, amortization, depreciation, and impairments. LINK has presented EBITDA in the consolidated statement of profit and loss because management believes that the measure provides useful information regarding the Group’s ability to service debt and to fund capital expenditures and provides a helpful measure for comparing its operating performance with that of other companies.

See below for a reconciliation of EBITDA to Adjusted EBITDA, and adjusted EBITDA margin.

NOK '000	Q1 2023	Q1 2022	Year 2022
Operating profit (loss, ("EBIT")	**58 261**	**14 980**	**-118 320**
Depreciation and amortization	108 489	99 867	595 952
EBITDA	**166 751**	**114 848**	**477 632**
Add: Restructuring cost	3 806	7 492	71 937
Add: Share based compensation	7 436	13 845	43 631
Add: Expenses related to acquisitions	2 664	6 222	32 021
Adjusted EBITDA	**180 657**	**142 406**	**625 221**
Operating revenues	1 439 748	1 173 825	5 190 049
Adjusted EBITDA	**180 657**	**142 406**	**625 221**
Adjusted EBITDA margin	**12,5 %**	**12,1 %**	**12,0 %**

Net debt

The Group monitors Net debt according to Bond loan terms which includes interest-bearing debt and debt like arrangements. Net debt is derived from the balance sheet and consists of both current and non-current liabilities such as bond loan, other debt from financial institutions and current and non-current lease liabilities less cash and cash equivalents. Sellers credits, holdback and earn-outs are included to the extent they are interest-bearing.

Net debt/LTM Adjusted EBITDA

LINK measures leverage ratio as Net debt/Last Twelve Months Adjusted EBITDA. The measure provides useful information about the financial position. Due to the significant M&A activity LINK use Last Twelve Months Proforma Adjusted EBITDA to calculate net debt to present a comparable measure over time.

Below is a reconciliation of Net debt and Net debt/Adjusted EBITDA ratio:

NOK '000	Q1 2023	Year 2022
Bond loan - Principal	3 835 050	3 737 777
IFRS 16 liabilities	45 945	48 599
Sellers Credit (interest-bearing)	-0	-0
Less cash	-963 671	-826 851
Net debt	**2 917 323**	**2 959 524**
LTM adjusted EBITDA (proforma)	675 383	638 488
Net debt/LTM adjusted EBITDA	**4,3**	**4,6**

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