

A decorative header featuring a dark blue background with a light blue grid pattern. A solid blue square is positioned in the upper left. Below it, a yellow and white triangle points downwards. To the right, a cluster of overlapping triangles in orange, blue, and dark blue is visible.

# LINK Mobility Group Holding ASA

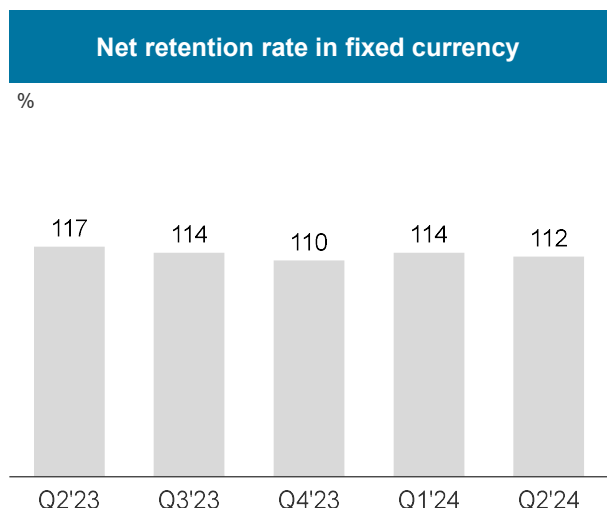
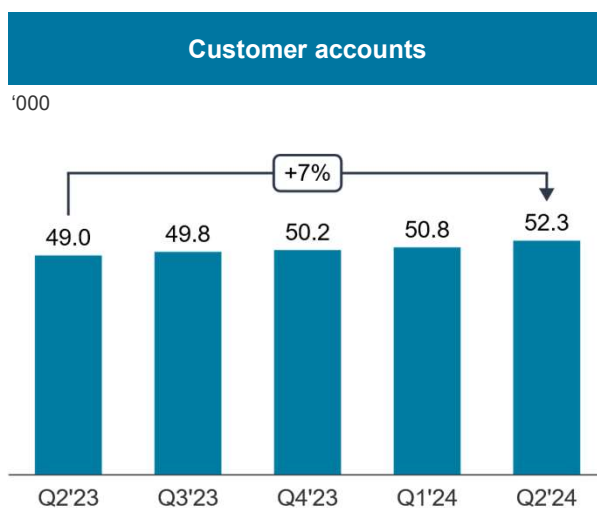
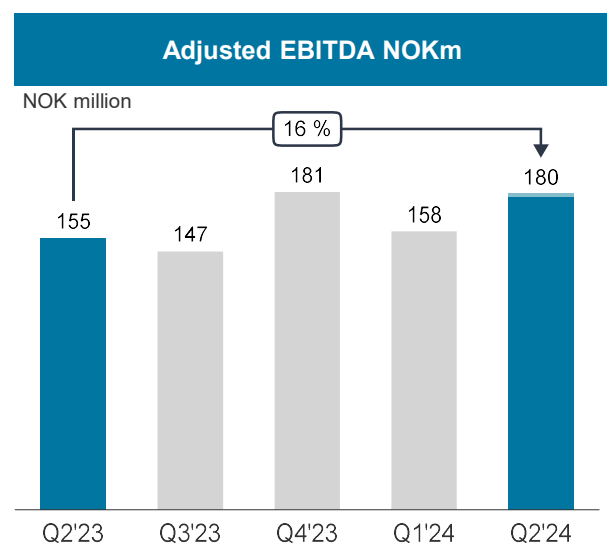
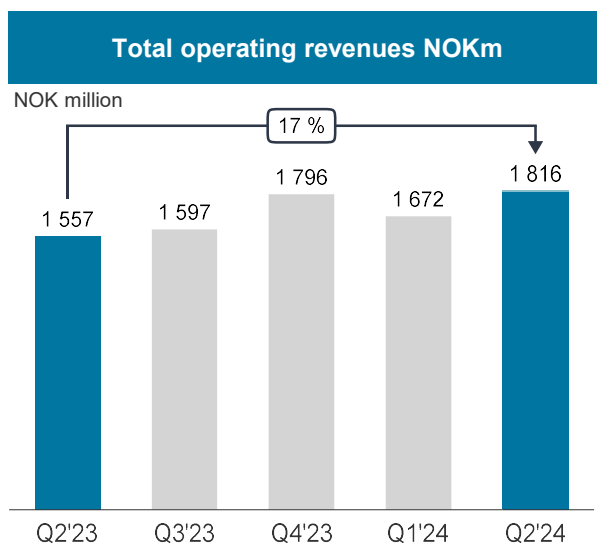
# Interim financial report

# Second quarter 2024

14 August 2024

# Highlights second quarter

- Revenue NOK 1 816 million, organic growth in fixed currency 17%
- Gross profit NOK 379 million, organic growth in fixed currency 12%
- Adjusted EBITDA NOK 180 million, organic growth in fixed currency 16%
- Solid commercial results with NOK 48 million in closed won gross profit
- M&A execution and disciplined capital deployment.
  - M&A pipeline discussions continuing as expected – acquired EZ4U in Portugal
  - Bond and share buy backs progressing through second quarter



# Delivering another strong quarter

LINK Mobility (LINK) reported revenue of NOK 1,816 million, growing 17% in the second quarter 2024 with a marginal negative currency impact. Gross profit and adjusted EBITDA were reported at NOK 379 million and NOK 180 million respectively, with organic growth in fixed currency at 12% and 16%. In the quarter LINK executed on the inorganic growth strategy by entering the Portuguese market through the acquisition of EZ4U. The second quarter was strong commercially and LINK closed an all-time high level of contracts with NOK 48 million whereof NOK 16 million in more advanced CPaaS solutions. Buy-back programs for both own shares and own debt progressed as planned in the quarter while the financial position remained strong and supporting further organic and inorganic growth.

In the first half of 2024, LINK have delivered solid topline growth of 18% through healthy volume growth from both existing and new clients. Topline growth transitioned into gross profit growth for the first six months of 12% while the highly scalable business model resulted in adjusted EBITDA growth of 17% in the same period. Results are strong and in the high end of expectations impacted by solid performance in the enterprise segment.

Reported revenue increased 17% YoY to NOK 1,816 million in the second quarter with limited currency impact. Growth was driven by solid volume growth of 23% and healthy growth momentum across all regions. Growth was supported by high net retention rate of 112% and contribution from new clients; both supported by strong backlog of contracts signed over the last quarters. Underlying growth in the enterprise segment was 15% while the Global Messaging segment growth was 22% in the quarter.

Gross profit grew 12% to NOK 379 million in the second quarter with limited currency impact and supported by organic gross profit growth of 13% in the enterprise segment and growth of 4% in the Global messaging segment.

The overall gross margin declined YoY impacted by extraordinary lower-margin volumes sent by a large enterprise client in Central Europe in the quarter and increased share of Global Messaging revenue. These effects was partly offset by increased share of OTT volumes. Underlying customer margins were stable.

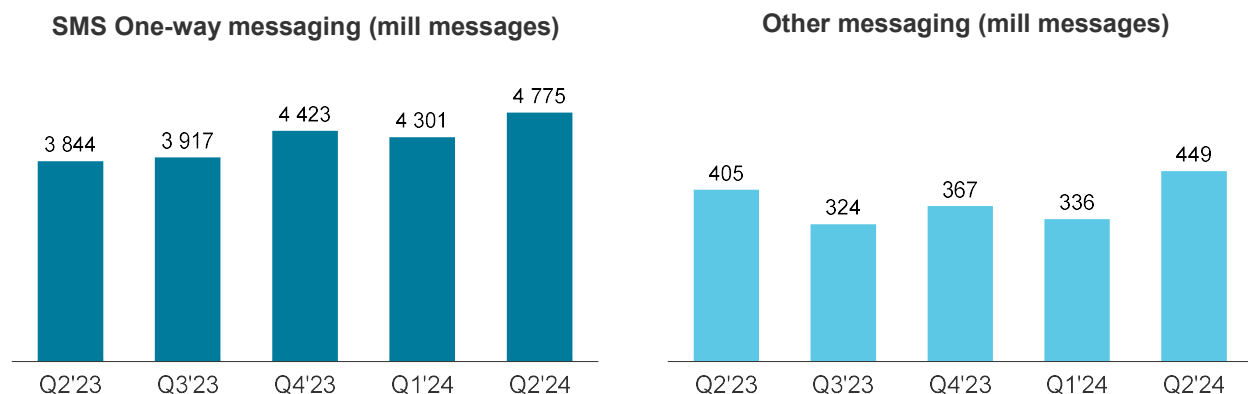
Adjusted EBITDA increased 16% to NOK 180 million in the second quarter, with organic growth at 16% in fixed currency and higher than gross profit growth supported by the scalable business model where operating expenses grew less than gross profit. Adjusted EBITDA margin remained stable as decline in gross margin was offset by lower opex to sales ratio.

LINK's recurring and growing business is driven by more than 50,000 loyal customers continuing to increase their usage. The industry continues to observe increased adoption rates for digital messaging and traction on higher margin CPaaS solutions including OTT channels like RCS and What's App. The announced support for RCS on Apple phones is expected to drive further demand for advanced messaging solutions across the LINK footprint. A highly scalable business model drives higher organic adjusted EBITDA growth compared to organic gross profit growth.

The strong financial position enables LINK to continue its proven track record of inorganic growth with more than 30 acquisitions completed in Europe during the last decade. There is substantial scope for further accretive inorganic EBITDA growth through multiple arbitrage transactions in a still highly fragmented industry. Discussions across a diverse M&A pipeline are progressing and are constructive. Smaller bolt-ons in existing markets are a priority to realize further scale, whilst the pipeline also includes several level-up opportunities in both Europe and beyond.

In the second quarter LINK acquired the company EZ4U and expanding its footprint into the Portuguese market. The acquisition is in line with LINKs disciplined M&A strategy and was closed at an EV/Cash EBITDA multiple of 7x.

Total reported messaging volumes increased by 23% in the second quarter and higher than revenue growth in fixed FX impacted by extraordinary high messaging volumes in Central Europe in the quarter. Underlying average price per message increased reflecting a combination of increased SMS price per message and a higher share of higher priced new OTT (richer content internet distributed) channel volumes which improve ROI for clients compared to traditional one-way SMS messaging (telco distributed).



## LINK well positioned for value generation in 2024 and beyond

LINK has a transparent and highly cash generative European business with a large and diverse customer base. The business is supported by a very low customer churn and a high and growing contract backlog. Beyond its recurring nature, LINK sees a significant upsell and new sale potential from higher margin multi-channel / two-way messaging solutions in Europe.

LINK has a strategy for inorganic growth through accretive M&A, leveraging its proven track record for inorganic growth with more than 30 acquisitions completed in Europe the last decade. There is substantial scope for further accretive inorganic EBITDA growth through multiple arbitrage transactions in a still highly fragmented industry. The M&A approach is to be disciplined, accretive and opportunistic within the framework of a conservative financial policy. The remaining EUR bond, maturing in December 2025, is to be refinanced with net debt in the 2 - 2.5x adjusted EBITDA range, well below to the current incurrence test at 3.5x adjusted EBITDA.

LINK's business has delivered a historical organic gross profit growth in the high single digits. As the business is highly scalable, organic adjusted EBITDA growth is expected to be higher than organic gross profit growth.

## Acquisitions and pro forma

LINK acquired EZ4U in Portugal in Q2 24. The closing of this acquisition affects the pro forma financials of the group. The tables below show updated pro forma figures (full-year effect of closed acquisitions) for Q2 24 and LTM Q2 24 in reported currency. The financials are based on management estimates given the information available.

Proforma financials (NOK '000)	Q2 '24	LTM Q2 '24
Revenue	1,819,782	6,898,251
Gross Profit	380,433	1,443,426
Adj.EBITDA	180,468	670,948

## New agreements signed in second quarter 2024

LINK signed 802 new and expanding agreements in the second quarter, securing significant new revenue and future growth potential. The new agreements consisted of 602 signed direct customer contracts, 41 signed partner framework agreements and 159 new partner customers.

## Market trends towards advanced solutions

Market adoption for selected CPaaS products are accelerating as observed by LINK's new contract wins growing strongly year-over year for these products.

In the market for notification use cases, applied for essential information, there is stable demand and underlying 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 and solutions. Demand for new channels with a richer feature set, like RCS and WhatsApp, and marketing automation solutions are accelerating and use cases are evolving from one-way mass communication to multi-channel conversational solutions. The announced support for RCS on Apple phones is expected to drive further demand for advanced messaging solutions across the Link footprint. European retail markets overall however remain somewhat negatively affected by macroeconomic uncertainty.

Customer service is posting strong growth from a lower base contributing about 10% of group revenue. Parts of IVR (automated telephone systems) are being replaced by messaging services. Due to large cost saving potentials and enhanced consumer interaction through chatbots, customer service use cases continue to gain traction.

# Financial Review

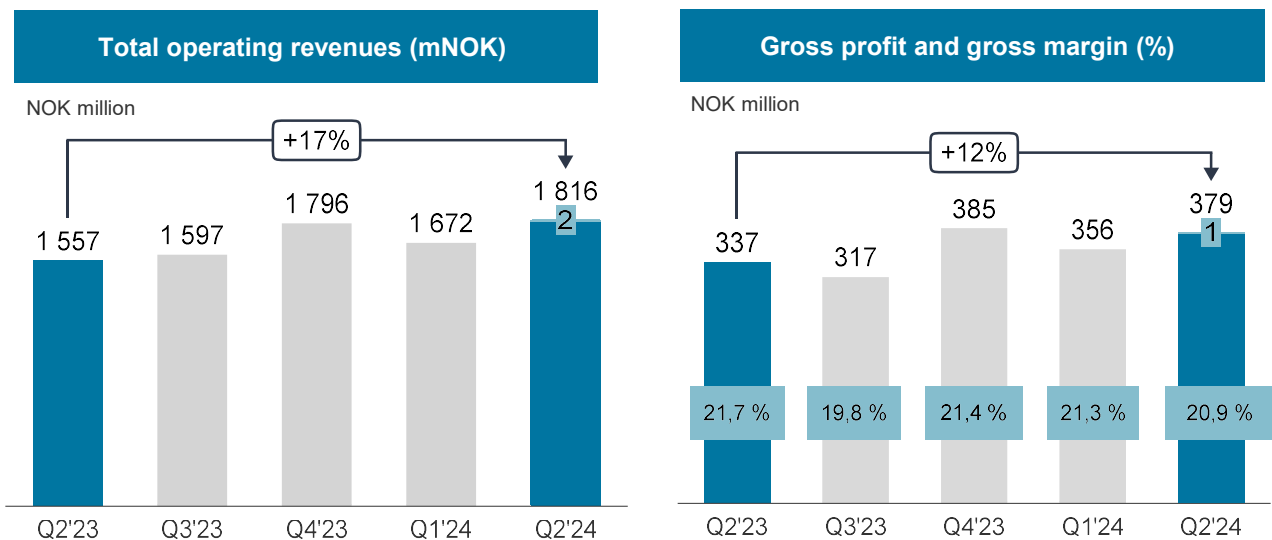
(Figures in brackets refer to the same period last year)

*Following the divestment of Message Broadcast LLC completed on January 3<sup>rd</sup>, 2024, the US subsidiary is reported as discontinued operations in the profit and loss statement and as assets held for sale in the balance sheet in all prior period comparatives. Please refer to note 9 for details.*

## Group income statement

Total operating revenue amounted to NOK 1 816 million (NOK 1 557 million) or a reported growth of 17% versus the same period last year. Organic revenue growth in fixed currency was 17% with negative currency translation effects in the quarter of NOK 3 million related to appreciation of NOK. In addition, acquired growth in the quarter was NOK 2 million related to EZ4U in Portugal closed in May.

Enterprise revenue growth was NOK 181 million or 15% in fixed currency reflecting a healthy growth momentum from existing and new clients across the footprint. As in the previous quarter we observed solid, double-digit growth in Western Europe and Central Europe while growth momentum in Northern Europe improved QoQ. Central Europe grew 31% YoY, positively impacted by extraordinary high volumes. The market continue to develop towards multi-channel conversational messaging including channels with richer feature sets improving conversion rates in retail campaigns and supporting customer interaction in clients value chains. Solid volume growth in the Global messaging segment translated into revenue growth of NOK 81 million or 22% YoY in fixed currency.



Gross profit reported at NOK 379 million with an organic growth YoY of NOK 42 million or 12% in fixed currency. Organic gross profit growth momentum in the Enterprise segment was 13% in fixed currency and in the high end of expectations. The extraordinary low-margin traffic volumes in Central Europe translates into a lower gross profit growth compared to revenue growth.

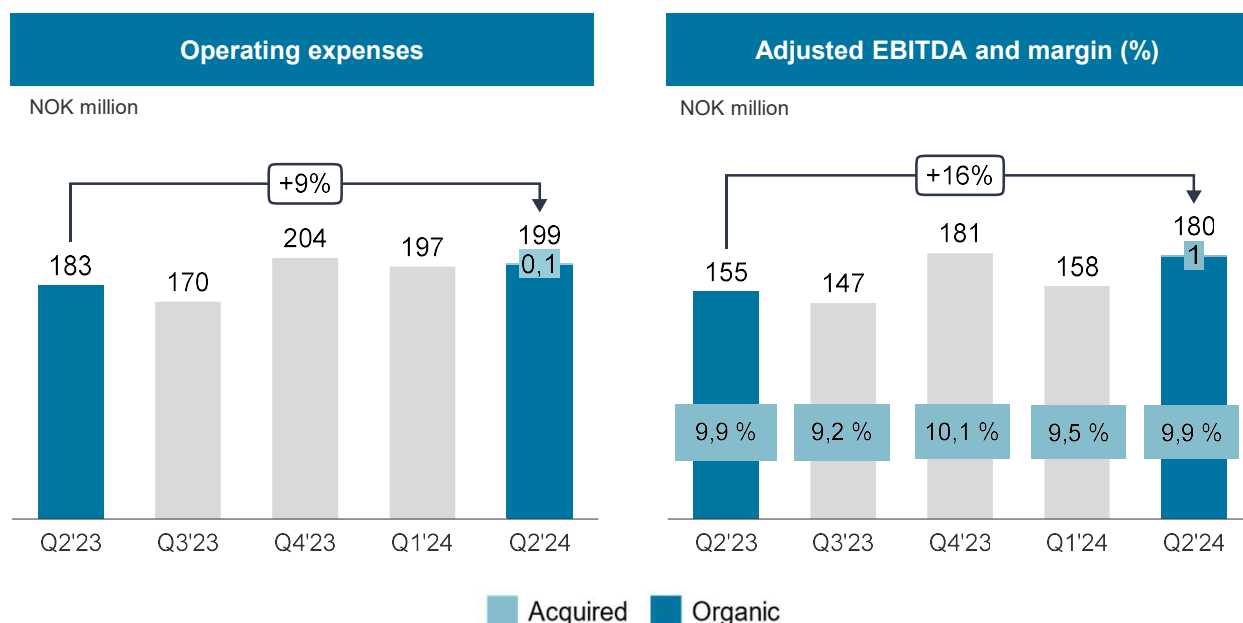
Reported gross profit growth in the Global Messaging segment was NOK 1 million or 4% YoY in fixed currency. The margin in the Global Messaging segment remained stable QoQ and is expected to remain in the historical high single digit level.

The total Group gross profit margin was reported at 20.9% (21.7%). The extraordinary low-margin enterprise traffic volumes in Central Europe impacted margin negatively by 0.9 percentage points. In addition, the low-margin Global Messaging segment impacts total margin negatively YoY by 0.5 percentage points. The reported Enterprise gross margin eroded by 0.4 percentage points YoY to 25.5% in fixed currency impacted by the extraordinary low-margin volumes in Central Europe partly offset by positive impact from increased adoption of higher margin OTT channels such as RCS.

Total operating expenses amounted to NOK 199 million (NOK 183 million) or a reported growth of 9% compared to same quarter last year with limited currency impact. The increase is mainly related to personnel and license costs and driven by inflation and organic growth.

Adjusted EBITDA, before non-recurring cost, was reported at NOK 180 million (NOK 155 million) or 9.9% of total revenues (9.9%). In fixed currency the growth in adjusted EBITDA was 16% or NOK 25 million driven by gross profit expansion of NOK 42 million partly offset by NOK 17 million growth in operating expenses.

Gross profit to adjusted EBITDA conversion was reported at 47% (46%) due to lower growth rate on operating expenses.



EBITDA after non-recurring items was reported at NOK 168 million (NOK 106 million) after deduction of non-recurring cost of NOK 12 million (NOK 48 million) related to acquisitions, share option programs and restructuring costs. The non-recurring costs related to restructuring was recorded at NOK 5 million (NOK 6 million) mainly related to severance agreements. M&A costs was NOK 2 million in the quarter (NOK 3 million) mainly related to EZ4U acquisition. Costs related to share-options was reported at NOK 5 million (NOK 40 million) and includes a correction of previous periods of NOK 3 million related to terminations. Share-option costs recognized relates only to LTIP programs from 7 December 2022 and bonus shares linked to employee share option programs.

Second quarter depreciation and amortization expense were NOK 84 million (NOK 86 million). The decrease compared to same quarter last year is mainly attributable to the effect of foreign exchange translation on intangible assets (negative NOK 2 million).

Net financial expense was negative NOK 6 million (negative NOK 43 million). The YoY change was largely attributable to the offset of bond interest expense caused by interest from cash deposits and linked to the repurchase of own bonds; the effect of these initiatives provided NOK 33 million in interest income and a net interest expense of NOK 9 million.

## Balance sheet and cash flow

All comparative figures presented in the balance sheet and related to the US subsidiary are presented under their respective balance sheet line items as “available for sale.”

Non-current assets amounted to NOK 7 215 million (NOK 6 638 million). The two largest components of non-current assets are goodwill and other intangible assets. Goodwill is moderately lower because of currency revaluation; other intangible assets are also revalued for currency but are also amortized and hence have a declining profile as compared to the prior period. Prior year comparative goodwill and other intangible assets related to the US subsidiary are removed and presented together with net current assets held as available for sale (NOK 3 047 million). The investment in bonds is representative of the repurchase of EUR 74 million of our own bond outstanding and this is the largest comparative increase over the prior period (NOK 843 million). The company held no own bonds as of the first half of 2023.

Trade and other receivables amounted to NOK 1 821 million (NOK 1 219 million). The impact from changes in foreign currency exchange rates is negative NOK 31 million YoY. Trade and other receivables includes seller's credit and earn-out receivable from the sale of the US subsidiary and reclassified to current receivable since last quarter (NOK 397 million). The remainder of the increase is driven by organic growth and timing of collections. In the prior year, trade and other receivables related to the US subsidiary were NOK 85 million and are presented with current assets held as available for sale.

Trade and other payables were reported at NOK 1 450 million (NOK 1 326 million). The impact from changes in foreign currency exchange rates is negative NOK 30 million YoY; the increase is driven by organic growth and timing of payables. Prior year trade and other payables held by the US subsidiary and deferred tax liabilities comprise the amount presented as short-term liabilities held as available for sale.

Total equity amounted to NOK 5 498 million (NOK 5 647 million) or 48% (47%) of balance sheet value. The decrease was mainly related to the effect of the repurchase of LINK shares presented as treasury shares (NOK 180 million). Smaller effects from foreign exchange and the net investment hedge quantify the remainder of the change.

Long-term liabilities amounted to NOK 4 476 million (NOK 4 598 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 decrease (negative NOK 93 million). Deferred tax liabilities declined YoY by NOK 14 million; the decrease is related to amortization of intangible assets.

Short-term liabilities, which include trade and other payables, amounted to NOK 1 582 million (NOK 1 701 million). Short-term borrowings are representative of accrued interest on the bond loan. IFRS 16 lease liabilities (current) are slightly lower due to currency revaluation and lease terminations. Tax payable has increased by NOK 79 million, which includes a NOK 63 million accrual related to the sale of the US subsidiary.

Net cash flow from operating activities was NOK 87 million (NOK 207 million). The working capital build in the second quarter this year compared to a release same period last year is the main contributor to the decline in cash flow from operations YoY.

Net cash from investing activities was negative NOK 70 million (negative NOK 37 million). The acquisition of EZ4U is NOK 40 million in second quarter this year; there was an acquisition of an Italian customer base in the prior year (NOK 7 million). Ordinary capex increased yoy from salary inflation and higher project activity.

Net cash flow from financing activities was negative NOK 809 million (negative NOK 76 million). Year-to-date, a total of EUR 64 million of bonds were repurchased (NOK 731 million) and NOK 180 million of LINK shares were repurchased. There were no comparable transactions in the same period last year.

Total cash and cash equivalents were NOK 2 519 million at the end of the quarter (NOK 1 042 million). In the prior year, the US subsidiary held NOK 47 million at year-end; this is presented as part of current assets held as available for sale.



# Condensed consolidated income statement

NOK '000	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
Total operating revenues	3	1 816 068	1 557 000	3 487 584	2 889 672	6 282 126
Direct cost of services rendered		-1 436 916	-1 219 630	-2 752 881	-2 243 570	-4 934 441
<b>Gross profit</b>	3	<b>379 151</b>	<b>337 369</b>	<b>734 703</b>	<b>646 102</b>	<b>1 347 685</b>
Payroll and related expenses		-127 536	-119 711	-248 548	-234 410	-464 155
Other operating expenses		-71 861	-62 854	-147 957	-126 599	-270 408
<b>Adjusted EBITDA</b>	3	<b>179 754</b>	<b>154 805</b>	<b>338 198</b>	<b>285 093</b>	<b>613 121</b>
Restructuring cost		-4 838	-5 822	-7 061	-9 470	-29 014
Share based compensation	7	-5 191	-40 111	-18 914	-47 547	-98 177
Expenses related to M&A		-1 905	-2 524	-4 652	-4 766	-8 078
<b>EBITDA</b>		<b>167 820</b>	<b>106 348</b>	<b>307 572</b>	<b>223 310</b>	<b>477 853</b>
Depreciation and amortization	8	-83 543	-86 032	-166 264	-163 278	-337 535
Impairment cost	8	-	-	-	-	-
<b>Operating profit (loss)</b>		<b>84 277</b>	<b>20 316</b>	<b>141 308</b>	<b>60 032</b>	<b>140 317</b>
<b>Finance income and finance expenses</b>						
Net currency exchange gains (losses)		-523	-4 004	227 353	-36 041	44 319
Net interest expense		-9 476	-38 381	-26 202	-77 156	-139 667
Net other financial income (expenses)	10	3 957	-152	76 267	-147	6 002
<b>Finance income (expense)</b>		<b>-6 042</b>	<b>-42 537</b>	<b>277 418</b>	<b>-113 345</b>	<b>-89 345</b>
<b>Profit (loss) before income tax</b>		<b>78 235</b>	<b>-22 222</b>	<b>418 726</b>	<b>-53 313</b>	<b>50 972</b>
Income tax		-16 271	6 556	-103 717	16 150	-12 616
<b>Profit (loss) from continuing operations</b>		<b>61 964</b>	<b>-15 666</b>	<b>315 009</b>	<b>-37 162</b>	<b>38 356</b>
Profit (loss) from discontinued operations	10	-0	-324	-0	24 399	28 926
<b>Profit (loss) for the period</b>		<b>61 964</b>	<b>-15 990</b>	<b>315 009</b>	<b>-12 763</b>	<b>67 282</b>
<b>Earnings per share (NOK/share):</b>						
Earnings (loss) per share from continuing operations		0,21	-0,05	1,05	-0,13	0,13
Diluted (loss) earnings per share from continuing operations		0,20	-0,05	1,03	-0,13	0,13
Earnings (loss) per share from discontinued operations		-0,00	-0,00	-0,00	0,08	0,10
Diluted (loss) earnings per share from discontinued operations		-0,00	-0,00	-0,00	0,08	0,09



# Condensed consolidated statement of comprehensive income

NOK '000	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
<b>Profit (loss) for the period</b>	<b>61 964</b>	<b>-15 990</b>	<b>315 009</b>	<b>-12 763</b>	<b>67 282</b>
Total effect - foreign exchange	-78 853	141 216	-534 544	478 462	195 641
Gains and losses net investment hedge	27 170	-29 450	-14 820	-113 069	-69 037
Tax on OCI that may be reclassified to P&L	-5 977	6 479	3 260	24 875	15 188
<b>OCI that may be reclassified to P&amp;L</b>	<b>-57 660</b>	<b>118 245</b>	<b>-546 104</b>	<b>390 268</b>	<b>141 793</b>
Actuarial gains and losses	0	0	0	0	-1 757
<b>OCI that will not be reclassified to P&amp;L</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1 757</b>
<b>Total Other Comprehensive Income (OCI)</b>	<b>-57 660</b>	<b>118 245</b>	<b>-546 104</b>	<b>390 268</b>	<b>140 036</b>
<b>Total Comprehensive Income</b>	<b>4 304</b>	<b>102 255</b>	<b>-231 095</b>	<b>377 505</b>	<b>207 318</b>

# Condensed consolidated statement of financial position

NOK '000	Note	Q2 2024	Q2 2023	Year 2023
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill		4 447 895	4 505 526	4 388 870
Other intangible assets		1 730 667	1 919 223	1 773 601
Right-of-use-assets		33 323	53 829	43 988
Equipment and fixtures		19 904	19 890	20 432
Deferred tax assets		136 821	137 289	142 934
Investment in bonds	5	843 341	-	-
Other long-term receivables		2 810	2 572	2 523
<b>Non-current assets</b>		<b>7 214 761</b>	<b>6 638 330</b>	<b>6 372 348</b>
<b>Current assets</b>				
Trade and other receivables	5	1 821 083	1 218 701	1 380 412
Cash and cash equivalents		2 519 112	1 042 045	1 096 596
Current assets held as available for sale		-	3 046 773	2 831 510
<b>Current assets</b>		<b>4 340 195</b>	<b>5 307 519</b>	<b>5 308 518</b>
<b>Total assets</b>		<b>11 554 956</b>	<b>11 945 849</b>	<b>11 680 866</b>
<b>Equity &amp; Liabilities</b>				
Shareholders equity		5 497 523	5 647 209	5 514 093
<b>Total equity</b>		<b>5 497 523</b>	<b>5 647 209</b>	<b>5 514 093</b>
<b>Long-term liabilities</b>				
Long-term borrowings	6	4 187 532	4 280 959	4 008 320
Lease liabilities	6	22 343	39 399	31 421
Deferred tax liabilities		256 700	270 696	274 431
Other long-term liabilities	6	9 349	6 623	6 834
<b>Total non-current liabilities</b>		<b>4 475 924</b>	<b>4 597 677</b>	<b>4 321 006</b>
<b>Short-term liabilities</b>				
Borrowings, short-term	6	5 926	6 090	2 741
Lease liabilities	6	12 337	16 016	14 549
Trade and other payables		1 449 761	1 326 008	1 493 639
Tax payable		113 486	34 096	38 014
Short-term liabilities held as available for sale		-	318 754	296 825
<b>Total current liabilities</b>		<b>1 581 509</b>	<b>1 700 963</b>	<b>1 845 768</b>
<b>Total liabilities</b>		<b>6 057 433</b>	<b>6 298 640</b>	<b>6 166 773</b>
<b>Total liabilities and equity</b>		<b>11 554 956</b>	<b>11 945 849</b>	<b>11 680 866</b>

# Condensed consolidated statement of changes in equity

YTD Q2 2024 (NOK '000)	Note	Share capital	Share premium	Treasury funds	Other equity	Retained earnings	Other reserves	Total equity
<b>Total Opening Balance</b>		<b>1 585</b>	<b>5 670 341</b>	<b>-</b>	<b>925 387</b>	<b>-378 434</b>	<b>-335 987</b>	<b>5 882 891</b>
Changes in Net Income		-	-	-	-	315 009	-	315 009
Total Other Comprehensive Income (OCI)		0	0	-	-	-546 104	-	-546 104
<b>Total Comprehensive Income</b>		<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-231 095</b>	<b>-</b>	<b>-231 095</b>
Changes due to issue of stock		8	14 415	-	-	-	-	14 423
Changes due to repayment of equity		-	-	-180 320	-	-	-	-180 320
Share based payment		-	-	-	11 623	-	-	11 623
<b>Closing Balance</b>	<b>8</b>	<b>1 593</b>	<b>5 684 756</b>	<b>-180 320</b>	<b>937 010</b>	<b>-609 529</b>	<b>-335 987</b>	<b>5 497 523</b>

YTD Q2 2023 (NOK '000)	Note	Share capital	Share premium	Other equity	Retained earnings	Other reserves	Total equity
<b>Total Opening Balance</b>		<b>1 479</b>	<b>5 667 588</b>	<b>101 729</b>	<b>-439 426</b>	<b>-105 850</b>	<b>5 225 521</b>
Changes in Net Income		-	-	-	-12 763	-	-12 763
Total Other Comprehensive Income (OCI)		-	-	205 748	269 600	-85 280	390 069
<b>Total Comprehensive Income</b>		<b>-</b>	<b>-</b>	<b>205 748</b>	<b>256 837</b>	<b>-85 280</b>	<b>377 306</b>
Changes due to issue of stock		1	1 676	-	-	-	1 677
Share based payment		-	-	42 577	-	-	42 577
<b>Closing Balance</b>	<b>8</b>	<b>1 479</b>	<b>5 669 265</b>	<b>350 055</b>	<b>-182 589</b>	<b>-191 130</b>	<b>5 647 080</b>

# Condensed consolidated statement of cash flows

NOK '000	Note	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
<b>Net cash flows from operating activities</b>						
Profit before income tax from continuing operations		78 235	-22 222	418 726	-53 313	50 972
Taxes paid		-25 815	-13 848	-45 166	-13 724	-41 635
Finance income (expense)		6 043	42 537	-277 308	113 345	89 345
Depreciation and amortization		83 637	86 032	167 145	163 278	337 535
Employee benefit - share based payments		3 480	35 631	11 623	42 577	78 565
Net losses (gains) from disposals		-	-174	-	-174	-248
Change in other provisions		15 914	-2 946	29 437	-3 016	20 384
Change in trade and other receivables		28 032	-85	-16 991	-16 463	-201 025
Change in trade and other payables		-102 998	82 160	-48 131	10 259	198 402
<b>Net cash flows from operating activities from cont. operations</b>		<b>86 530</b>	<b>207 086</b>	<b>239 336</b>	<b>242 768</b>	<b>532 296</b>
<b>Net cash flows from operating activities from discount operations</b>		<b>-</b>	<b>35 315</b>	<b>-</b>	<b>146 567</b>	<b>190 902</b>
<b>Net cash flows from investing activities</b>						
Payment for equipment and fixtures		-910	-346	-3 189	-1 148	-5 857
Payment for intangible assets		-33 068	-29 460	-64 397	-49 540	-110 270
Payment for acquisition of subsidiary, net of cash	11	-39 682	-7 227	-39 682	-7 227	-
Disposal of subsidiary		3 675	-	2 211 993	-	-
<b>Net cash flows from investing activities from cont. operations</b>		<b>-69 984</b>	<b>-37 034</b>	<b>2 104 725</b>	<b>-57 915</b>	<b>-116 127</b>
<b>Net cash flows from investing activities from discount operations</b>		<b>-</b>	<b>-18 757</b>	<b>-</b>	<b>-32 954</b>	<b>-63 986</b>
<b>Net cash flows from financing activities</b>						
Proceeds on issue of shares		-1	1 677	14 423	1 677	2 759
Repayment of equity		-140 559	-	-180 320	-	-
Proceeds from borrowings	6	-	-	-	-	-
Repayment of borrowings		-592 661	-	-730 813	-	-117 038
Interest paid		-72 130	-72 716	-72 942	-73 555	-150 264
Principal elements of lease payments		-3 388	-4 568	-8 553	-8 132	-16 583
<b>Net cash flows from financing activities from cont. operations</b>		<b>-808 740</b>	<b>-75 608</b>	<b>-978 206</b>	<b>-80 010</b>	<b>-281 127</b>
<b>Net cash flows from financing activities from discount operations</b>		<b>-</b>	<b>-876</b>	<b>-</b>	<b>-876</b>	<b>-2 506</b>
<b>Net change in cash and cash equivalents</b>		<b>-792 195</b>	<b>110 127</b>	<b>1 365 855</b>	<b>217 580</b>	<b>259 452</b>
Cash and equivalents at beginning of period		3 363 234	963 671	1 108 232	826 851	826 851
Effect of foreign exchange rate changes		-51 928	15 100	45 025	44 466	21 928
Less: CCE at end of the period (held for sale)		-	-46 852	-	-46 852	-11 636
<b>CCE at end of the period from cont. operations</b>		<b>2 519 112</b>	<b>1 042 045</b>	<b>2 519 112</b>	<b>1 042 045</b>	<b>1 096 596</b>

# Selected notes to the accounts

## Note 1 – General information

The Board of Directors approved the condensed interim financial statements for the three months ended 30 June 2024 for publication on 14 August 2024. The Group financial statements for the second quarter have not been subject to audit or review by auditors; figures for FY2023 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 602 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 2023, which has been prepared according to IFRS® accounting standards as adopted by the EU and the Norwegian Accounting Act.

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 2023.

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). 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, 2023.

## 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 2024, please refer to the Group Annual Report for 2023. None of the amendments, standards, or interpretations effective from 01 January 2024 have had a significant impact on the Group's consolidated interim financial information.

## Note 3 – Segment reporting

*Beginning in the first quarter 2024, the Netherlands as a CGU has been moved from Central to Western Europe following an internal reorganization. All historical segment financials are presented to reflect this change.*

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 four natural reporting segments. These are Northern Europe, Western Europe, Central Europe 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, and Austria

### **Western Europe**

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

### **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).



<i>Revenue per segment</i>	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
Northern Europe	383 094	366 172	751 965	722 264	1 489 934
Central Europe	452 791	341 673	831 159	640 497	1 369 426
Western Europe	531 575	480 653	1 038 829	881 697	1 842 380
Global Messaging	448 608	368 502	865 631	645 214	1 580 386
<b>Total revenues</b>	<b>1 816 068</b>	<b>1 557 000</b>	<b>3 487 584</b>	<b>2 889 672</b>	<b>6 282 126</b>

<i>Gross profit by segment</i>	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
Northern Europe	108 853	99 790	213 777	202 232	409 637
Central Europe	108 931	95 019	205 744	176 472	373 343
Western Europe	130 309	112 547	254 114	210 914	448 403
Global Messaging	31 059	30 013	61 069	56 483	116 302
<b>Total gross profit</b>	<b>379 151</b>	<b>337 369</b>	<b>734 703</b>	<b>646 102</b>	<b>1 347 685</b>

<i>Adj. EBITDA by segment</i>	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
Northern Europe	68 546	59 282	133 280	123 580	255 007
Central Europe	76 108	68 113	142 069	118 828	249 606
Western Europe	69 964	55 781	136 198	101 427	221 535
Global Messaging	19 622	19 994	31 210	36 794	74 352
Group Costs	-54 485	-48 365	-104 559	-95 534	-187 379
<b>Total adjusted EBITDA</b>	<b>179 754</b>	<b>154 805</b>	<b>338 198</b>	<b>285 093</b>	<b>613 121</b>

<i>Reconciliation of adjusted EBITDA to Group profit (loss) before income tax</i>	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
Adjusted EBITDA	179 754	154 805	338 198	285 093	613 121
Non-recurring items*	-11 934	-48 457	-30 626	-61 783	135 269
Depreciation and amortization	-83 543	-86 032	-166 264	-163 278	337 535
<b>Operating profit</b>	<b>84 277</b>	<b>20 316</b>	<b>141 308</b>	<b>60 032</b>	<b>140 317</b>
Finance income (expense)	-6 042	-42 537	277 418	-113 345	-89 345
<b>Profit (loss) before income tax</b>	<b>78 235</b>	<b>-22 222</b>	<b>418 726</b>	<b>-53 313</b>	<b>50 972</b>

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

## Note 4 – Related party transactions

Balances and transactions between LINK Mobility Group Holding ASA and its subsidiaries, have been eliminated on consolidation and are not disclosed in this note. As of 30 June 2024, the Group has not entered any transactions with related parties.

## Note 5 – Assets

Investment in bonds is representative LINK's own holding of bonds. To date, LINK has repurchased EUR 74 million of its five-year senior unsecured fixed rate bond issue.

In FY2023, investments in own bonds is included as a reduction long-term borrowings.

NOK '000

Non-current assets	YTD 2024	Year 2023
Investment in bonds	843 341	112 405
<b>Total</b>	<b>843 341</b>	<b>112 405</b>

Current assets	YTD 2024	Year 2023
Trade receivables	1 132 054	1 258 454
Unbilled revenue	182 112	173 563
Earn-out receivable	396 568	-
Other short-term receivables	110 350	- 51 604
<b>Total</b>	<b>1 821 083</b>	<b>1 380 412</b>

The above trade receivables and other receivables represent the Group's maximum exposure to credit risk at the balance sheet date.

Trade accounts receivable relate to the sale of mobile messaging transactions, payment services, licenses, and consulting services; these are within the normal operating cycle.

Unbilled revenue are representative of an estimate for messaging traffic. An accrual for revenue is made to best reflect volumes in advance of when an invoice from the telecommunications provider is received.

The earn-out receivable related to the divestment of Message Broadcast LLC (US subsidiary) is comprised of a seller note of USD 10 million and an earn-out component of up to USD 30 million.

## Note 6 – Debt

On 15 December 2020, LINK Mobility Group Holding ASA (LINK) successfully completed the issuance of EUR 200 million senior unsecured bonds, with a EUR 350 million borrowing limit. Part of the proceeds from the bond issue were used to repay the remaining outstanding senior facility agreement (SFA).

On 23 June 2021, LINK issued EUR 170 million new bonds in LINK's outstanding 5-year senior unsecured 3.375% fixed rate bond issue, raising the total outstanding amount to EUR 370 million. The bonds were issued at par.

The bonds have a 5-year tenor and a fixed coupon of 3.375% p.a.; any outstanding bonds are to be repaid in full at the maturity date.

NOK '000

Non-current financial liabilities	YTD 2024	Year 2023
Bond loan	4 187 533	4 008 320
Lease liability	22 343	31 421
Other long-term liabilities	9 349	6 834
<b>Total</b>	<b>4 219 225</b>	<b>4 046 575</b>

NOK '000

Current liabilities	YTD 2024	Year 2023
Lease liability	12 337	14 549
Debt to financial institutions/bond loan*	5 926	2 741
<b>Total</b>	<b>18 263</b>	<b>17 290</b>

\* Instalments falling due within a 12-month period, including non-capitalized interest, are classified as current.

## Note 7 – Options

In Q2 2024, an expense of NOK 5 million was recognized in relation to the LTIP, COB, and employee option programs. This includes a correction of previous periods of NOK 3 million related to terminations.

Please refer to the annual report for 2023 and to Company press releases regarding details for the respective option programs.

## Note 8 – Depreciation, amortization and impairment

Depreciation and amortization are comprised of the following amounts:

NOK '000	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
Equipment and fixtures	2 020	2 226	4 108	4 186	7 720
Right-of-use-assets	3 466	4 652	8 017	8 462	17 356
Intangible assets acquisitions*	56 333	56 217	111 900	109 877	221 549
Intangible assets - subsidiaries**	21 724	22 937	42 239	40 753	90 910
<b>D&amp;A from cont. operations</b>	<b>83 543</b>	<b>86 032</b>	<b>166 264</b>	<b>163 278</b>	<b>337 535</b>
D&A from discount. operations	-	12 860	-	14 992	24 857
<b>Total depreciation and amortization</b>	<b>83 543</b>	<b>98 892</b>	<b>166 264</b>	<b>178 271</b>	<b>362 391</b>

\* Acquisitions: depreciation of allocated surplus values from purchase price allocations on acquisitions (Group level)

\*\* Subsidiaries: depreciation of amounts booked in subsidiary balances. Includes book values from acquisitions

There is no impairment of intangible assets or goodwill in the periods presented.

## Note 9 – Earnings per share

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

NOK '000	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
Net (loss) income from continuing operations	61 964	-15 666	315 009	-37 162	38 356
Net (loss) income from discontinued operations	-0	-324	-0	24 399	28 926
Owners of LINK Mobility Group Holding ASA	61 964	-15 990	315 009	-12 763	67 282
Weighted average number of ordinary shares (basic)	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
Issued ordinary shares at 01 January	297 059	295 890	297 059	295 890	295 890
Effect of shares issued (05 June 2023)		175			175
Effect of shares issued (08 November 2023)					909
Effect of shares issued (22 December 2023)					85
Effect of shares issued (04 April 2024)	1 647		1 647		
<b>Weighted average number of ordinary shares</b>	<b>298 706</b>	<b>296 065</b>	<b>298 706</b>	<b>295 890</b>	<b>297 059</b>
Basic earnings (loss) per share from total operations	0,21	- 0,05	1,05	- 0,04	0,23
Basic earnings (loss) per share from continuing operations	0,21	- 0,05	1,05	- 0,13	0,13
Basic earnings (loss) per share from discontinued operations	- 0,00	- 0,00	- 0,00	0,08	0,10
Weighted average number of ordinary shares (diluted)	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
Weighted average number of ordinary shares (basic)	298 706	296 065	298 706	295 890	297 059
Effect of share options on issue	8 143	7 336	8 143	7 336	8 478
<b>Weighted average number of ordinary shares (diluted)</b>	<b>306 849</b>	<b>303 401</b>	<b>306 849</b>	<b>303 226</b>	<b>305 537</b>
Diluted earnings (loss) per share from total operations	0,20	- 0,05	1,03	- 0,04	0,22
Diluted (loss) earnings per share from continuing operations	0,20	- 0,05	1,03	- 0,13	0,13
Diluted (loss) earnings per share from discontinued operations	- 0,00	- 0,00	- 0,00	0,08	0,09

## Note 10 – Discontinued Operation

Operations presented as discontinued operations include Message Broadcast LLC (US subsidiary), which was effectively sold upon the signing of a sales and purchase agreement (SPA) on 07 November 2023.

Discontinued operations represent a separate major line of business that has been disposed.

Discontinued operations are excluded from the results of continuing operations and are presented on a single line after tax in the income statement. Discontinued operations are also excluded from the segment reporting (note 3).

The profit (loss) of the disposed US subsidiary presented as discontinued operations until disposal, and subsequent adjustments are shown in the table below:

Statement of profit and loss from discontinued operations	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
Total revenue	-	95 375	-	202 450	398 683
Gross profit	-	72 335	-	162 016	317 354
Adjusted EBITDA	-	36 590	-	86 959	167 668
Operating profit (loss)	-	21 110	-	66 130	127 835
Finance income (expense)	-	10	-	75	- 49 576
Profit (loss) before income tax	-	21 120	-	66 205	78 259
Income tax	-	36	-	36	162
<b>Profit (loss) from Message Broadcast LLC</b>	<b>-</b>	<b>21 084</b>	<b>-</b>	<b>66 170</b>	<b>78 096</b>

The figures presented above are only representative of the US subsidiary. As a result of the disposal, related expenses are also classified in the discontinued operations line item in the condensed consolidated income statement.

Statement of profit and loss from discontinued operations (continued):

NOK '000	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
Profit (loss) from Message Broadcast LLC	-	21 084	-	66 170	78 096
Currency option premium	-	-	-	-	- 12 573
Legal fees	-	-	-	-	- 5 904
Excess value amortization, management fee, and intercompany loan interest	-	- 27 796	-	- 54 271	- 55 923
Profit (loss) from discontinued operations before income tax	-	-6 712	-	11 898	3 697
Income tax (amortization of deferred tax liability)	-	6 387	-	12 501	25 229
<b>Profit (loss) from discontinued operations</b>	<b>-</b>	<b>- 324</b>	<b>-</b>	<b>24 399</b>	<b>28 926</b>

The currency option premium is representative of costs incurred to secure a EUR call option (EUR/USD).

The accumulated amounts for discontinued operations recognized in other comprehensive income (OCI) within equity are as follows:

NOK '000	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
Message Broadcast LLC	-	- 40 359	-	- 123 568	- 104 650
<b>Total</b>	<b>-</b>	<b>- 40 359</b>	<b>-</b>	<b>- 123 568</b>	<b>- 104 650</b>

The divestment of Message Broadcast LLC (US subsidiary) was closed on 03 January 2024. The amount of the transaction is USD 260 million, including a seller note of USD 10 million and an earn-out component of up to USD 30 million. The earn-out is linear from USD 7.5 million, increasing with revenue growth to match historic Message Broadcast LLC performance for full payout.

Details of the sale of the US subsidiary are as presented below:

NOK '000	YTD 2024
Consideration received or receivable	
Cash	2 223 629
Fair value of contingent consideration	387 549
<b>Total disposal consideration</b>	<b>2 611 178</b>
Carrying amount of net assets sold	2 534 684
<b>Gain on sale before income tax and reclassification of foreign currency translation reserve</b>	<b>76 493</b>
Reclassification of foreign currency translation reserve	197 071
Income tax expense on gain	- 60 706
<b>Gain on sale after income tax</b>	<b>212 859</b>

If operations of the discontinued operation achieve certain performance criteria during the period 01 January 2024 to 31 December 2024, as specified in an earn-out clause in the SPA, additional cash consideration of up to USD 30 million will be receivable. The earn-out is recognized as a financial asset at fair value through the profit or loss and is included in long-term receivables in the consolidated statement of financial position.

The carrying amounts of assets and liabilities as at the date of sale (03 January 2024) were:

NOK '000	YTD 2024
Goodwill	1 689 345
Other intangible assets	867 678
<b>Total current assets held as available for sale*</b>	<b>2 557 023</b>

\* The amounts presented are held in LINK Mobility Group Holding ASA as excess values. Other amounts held in the US subsidiary are included in the total amount presented as current assets held as available for sale in the consolidated statement of financial position.



## Note 11 – Business combinations

### Acquisition during the period

2024	Main business activity	Date of business combination
Curiosity Layer – Investigação e Comunicação Lda. (hereafter EZ4U)	Provider of mobile messaging services and mobile solutions	28 May 2024

### Acquisition of EZ4U

On 28 May 2024, LINK Mobility Group AS acquired the Portuguese company EZ4U. The acquisition expands LINK's geographical reach in Europe to Portugal and offers numerous upselling opportunities through superior local customer success services in Portuguese.

The purchase price is settled through cash upon closing. The transaction includes an earn-out structure related to financial performance for FY 2024.

EZ4U was founded in 2010 and is headquartered in Porto. The company is dedicated to enterprise messaging with focus on SMS, RCS, WhatsApp, email, IVR and chatbots. EZ4U's software platform and APIs facilitate seamless communications between businesses and customers, serving more than 500 clients across such diverse sectors as healthcare, transportation and retail.

### Purchase price specification

NOK '000	EZ4U
Cash	39 459
Earn-out <sup>1)</sup>	17 111
<b>Total consideration</b>	<b>56 570</b>

<sup>1)</sup> Earn-out - The purchase price of EZ4U includes an earn-out payment based on financial performance at the end of FY2024.

**Identifiable assets and liabilities recognized on the date of the business combination:**

Assets assumed in connection with the business combinations have been recognized at the estimated fair value on the date of the business combination. Management has identified customer relations as the major asset. The purchase price is cash upon closing.

Note that the estimates are provisional and may be subject to change during the measurement period, which is one year from the date of the acquisition.

NOK '000	EZ4U
Customer relationships	34 020
Trademark	216
Equipment and fixtures	103
Other non-current assets	18
Trade and other receivables	1 526
Cash and cash equivalents	9 776
Deferred tax liability	(7 144)
Trade and other payables	(2 696)
<b>Fair value of identifiable net assets acquired</b>	<b>35 819</b>

**Goodwill**

NOK '000	EZ4U
Total consideration	56 570
Fair value of identifiable net assets acquired	35 819
<b>Goodwill</b>	<b>20 751</b>

Goodwill originating from the business combination is primarily related to anticipated synergies from ongoing operations and the benefit of integrating the entire business into the group. No impairment has been recognized after the business combination.

Goodwill that has arisen as part of the business acquisition is not tax deductible.

**Identifiable assets and liabilities recognized on the date of the business combination**

Assets assumed in connection with the business combinations have been recognized at the estimated fair value on the date of the business combination. Management has identified customer relations as a major asset.

Note that the estimates are provisional and may be subject to change during the measurement period, which is one year from the date of the acquisition.

## Responsibility statement

We confirm that, to the best of our knowledge, the consolidated interim financial statements for the first half of 2024 have been prepared in accordance with IFRS as adopted by the EU and IAS 34 *Interim Financial Reporting*, give a true and fair view of the Company's and Group's assets, liabilities, financial position and results of operations. To the best of our knowledge, the interim report for the first half of 2024 includes a fair review of important events that have occurred during the period and their impact on the condensed financial statements and the principal risks and uncertainties for the remaining half of 2024.

Oslo, 14 August 2023

The Board of LINK Mobility Group Holding ASA

Andre Alexander Christensen

Chairman of the Board

Robert Joseph Nicewicz Jr

Board Member

Grethe Helene Viksaas

Board Member

Sara Katarina Murby Forste

Board Member

Jens Rugseth

Board Member

Sabrina Emma Gosman

Board Member

## 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.

APM figures presented in the following tables are exclusive of Message Broadcast LLC (US subsidiary), except for LTM adjusted EBITDA (proforma) for year 2023.

### **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	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
Operating profit (loss, ("EBIT"))	84 277	20 316	141 308	60 032	140 317
Depreciation and amortization	83 543	86 032	166 264	163 278	337 535
<b>EBITDA</b>	<b>167 820</b>	<b>106 348</b>	<b>307 572</b>	<b>223 310</b>	<b>477 853</b>
Add: Restructuring cost	4 838	5 822	7 061	9 470	29 014
Add: Share based compensation	5 191	40 111	18 914	47 547	98 177
Add: Expenses related to acquisitions	1 905	2 524	4 652	4 766	8 078
<b>Adjusted EBITDA</b>	<b>179 754</b>	<b>154 805</b>	<b>338 198</b>	<b>285 093</b>	<b>613 121</b>
Operating revenues	1 816 068	1 557 000	3 487 584	2 889 672	6 282 126
<b>Adjusted EBITDA</b>	<b>179 754</b>	<b>154 805</b>	<b>338 198</b>	<b>285 093</b>	<b>613 121</b>
<b>Adjusted EBITDA margin</b>	<b>9,9 %</b>	<b>9,9 %</b>	<b>9,7 %</b>	<b>9,9 %</b>	<b>9,8 %</b>

#### 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. Payable seller's credits, holdback and earn-outs are included in net debt 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 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	Q2 2024	Year 2023
Bond loan - Principal	4 258 296	4 073 812
IFRS 16 liabilities	34 680	51 927
Less cash	-2 519 112	-1 108 232
Less: Bond assets	-851 659	-
<b>Net debt</b>	<b>922 205</b>	<b>3 017 506</b>
<b>LTM adjusted EBITDA (proforma)</b>	<b>670 948</b>	<b>782 186</b>
<b>Net debt/LTM adjusted EBITDA</b>	<b>1,4</b>	<b>3,9</b>

\* Calculated according to bond agreement

