

Empowering Entertainment Discovery Everywhere

Investor brief

MAY 2022

- 01** Linkfire today
- 02** The Opportunity
- 03** The Business
- 04** Growth Opportunities & Outlook
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01

Linkfire today



The first contextual music and entertainment discovery network

Value proposition

- Connect consumers **frictionlessly** to music and entertainment services across social, apps and the open web.
- Built a powerful entertainment **recommendation engine** covering over 100 million products and 500+ services.
- Used daily by all major record labels globally and key entertainment players like **Apple Music**, **Amazon Music** and **Youtube Music**.

Company information

- Public listed company on NASDAQ Stockholm (**NASDAQ: LINKFI.ST**).
- Founded in 2014 as a response to the increasingly complex nature of digital music marketing.
- ≈120 Employees with offices in **Copenhagen** (HQ), Los Angeles, New York, Lisbon and Accra.

Financial information

42%

Revenue Growth

108%

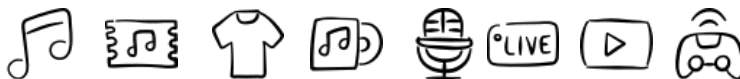
Commission Growth

72%

Gross Margin

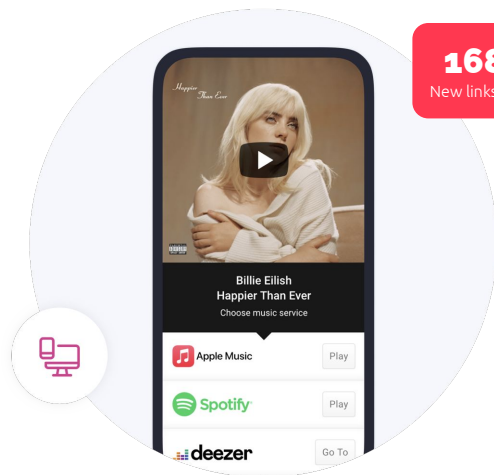
1.6bn

Consumer Connections



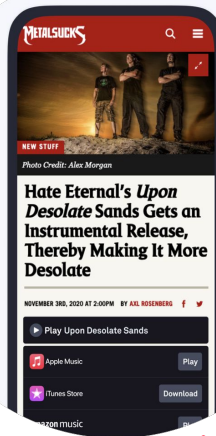
A world-class entertainment discovery network

Leveraging traffic from millions of artist and influencer links, landing pages and publishers.



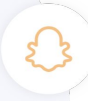
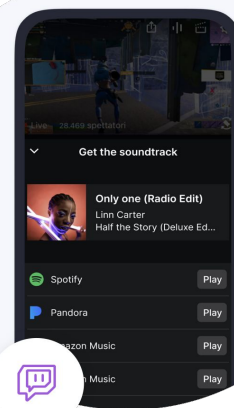
168,000

New links every month



300%

Monthly impression growth



Linkfire Smart Link Platform

Smart Link Platform is used daily by major records labels and top artists globally.



BMG

Linkfire Discovery Network

Growing number of entertainment publishers and social media apps leveraging Linkfire's technology.



SnapChat

lost.fm

BLABBERMOUTH.NET

A trusted partner in entertainment



BUSINESS 11/15/2019

Linkfire Strikes Apple Music Deal to Provide Artists Additional Streaming Data

ACCESSWIRE

Linkfire Enters Multi-Year Marketing and Affiliate Agreement With Amazon Music



April 22, 2022 · 3 min read

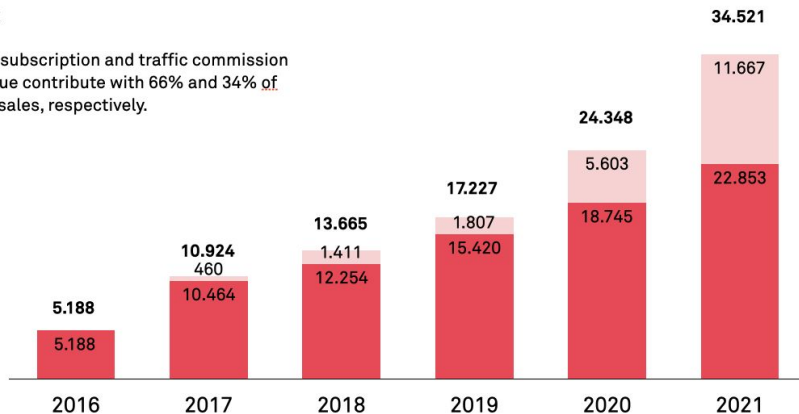
NEWS AND UPDATES

We're partnering with YouTube to give you deeper streaming insights

Financial Performance

DKKk

SaaS subscription and traffic commission revenue contribute with 66% and 34% of 2021 sales, respectively.



Growth y/y

■ Subscriptions

■ Commission

Growth y/y					
SaaS Subscription	102 %	17 %	26 %	23 %	22 %
Traffic Commission	n.a.	207 %	28 %	223 %	108 %
Total	111 %	25 %	26 %	43 %	42 %

Key financials for 2021

42%

Revenue Growth

108%

Commission Growth

72%

Gross Margin

1.6bn

Consumer Connections

7.27 DKK

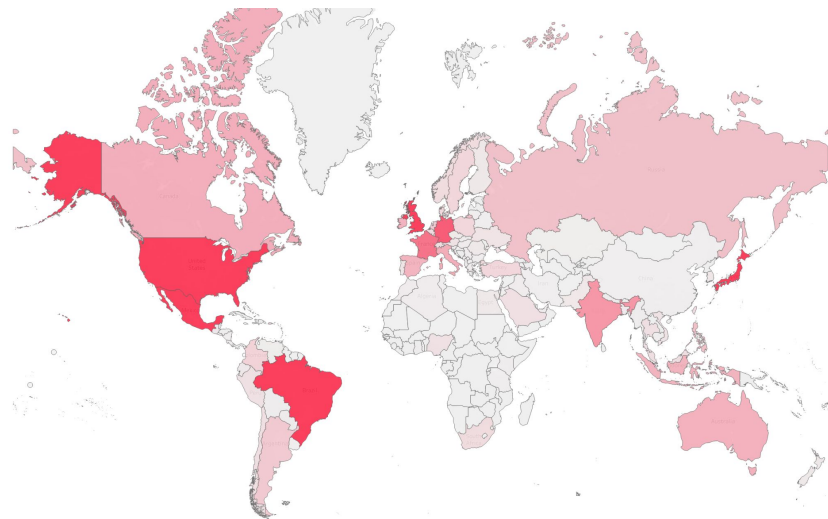
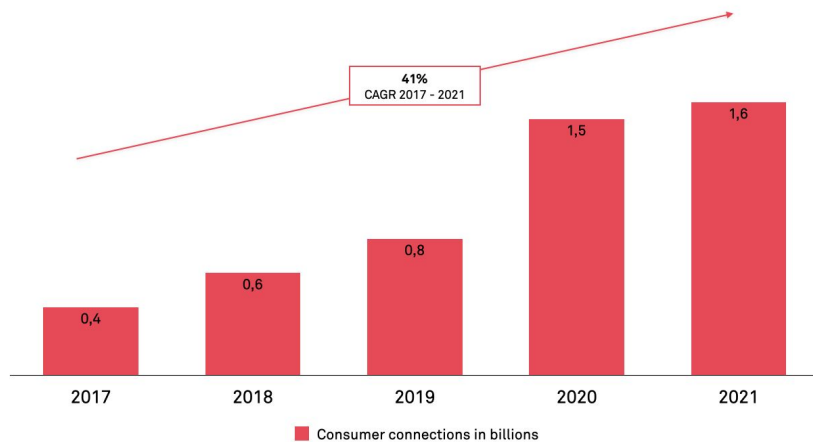
RPM (Revenue Per Mille)

92%

RPM Growth

We connect consumers in the billions

Across Linkfire artist inventory, social media and publisher partners.



Source: Company Information



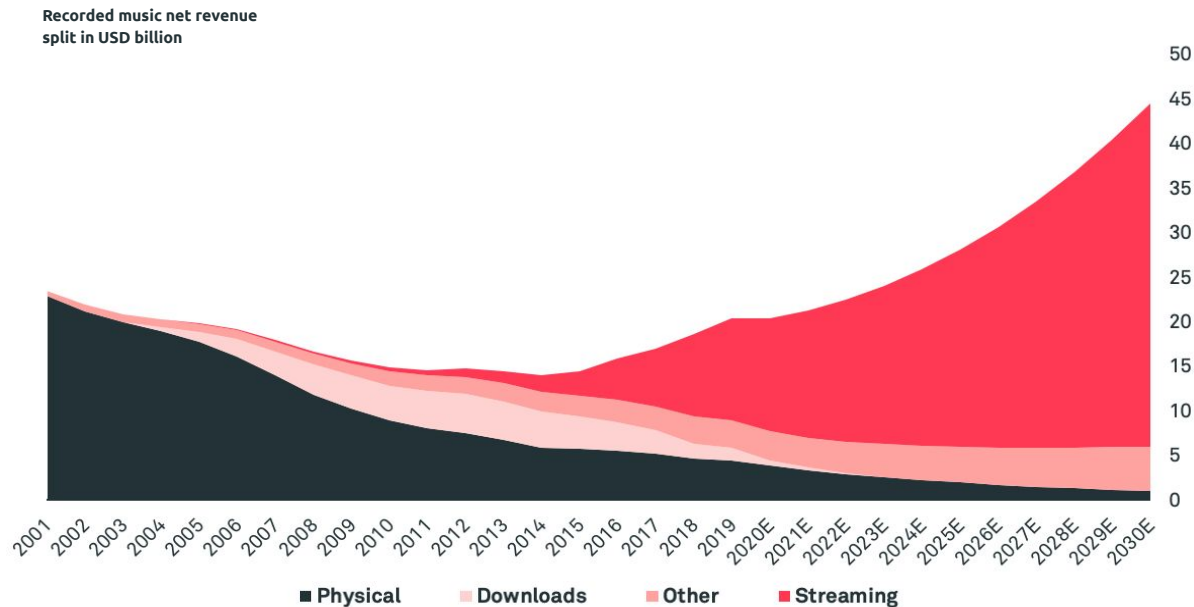
02

The Opportunity

Entertainment is growing

The music industry is expected to double in the next decade.

Adjacent entertainment verticals follow same trajectory.



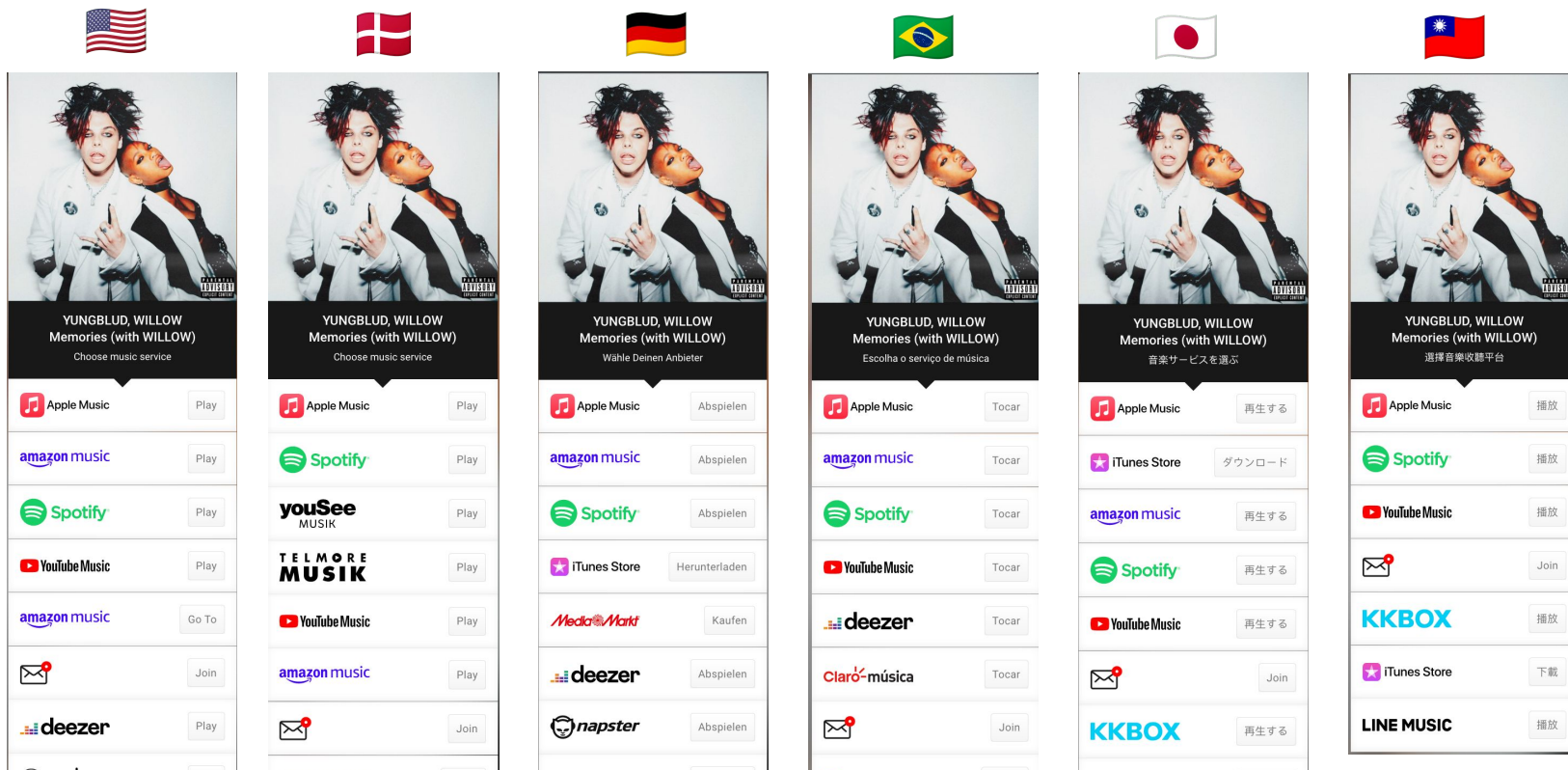
Supply is at an all time high

OVER 60,000 TRACKS ARE NOW UPLOADED TO SPOTIFY EVERY DAY. THAT'S NEARLY ONE PER SECOND.



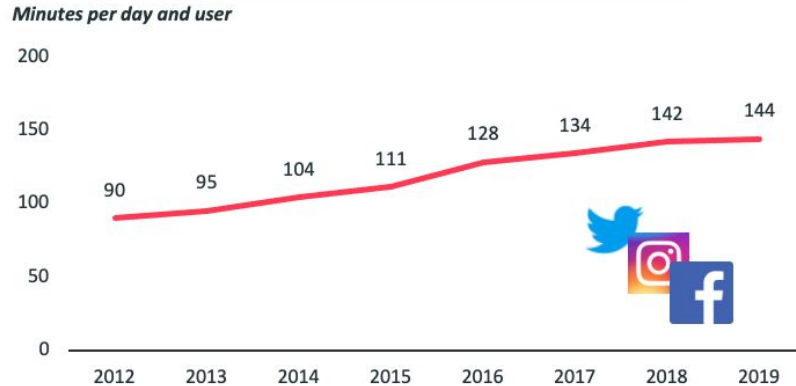
Source: <https://www.musicbusinessworldwide.com/>

Global market is becoming increasingly complex

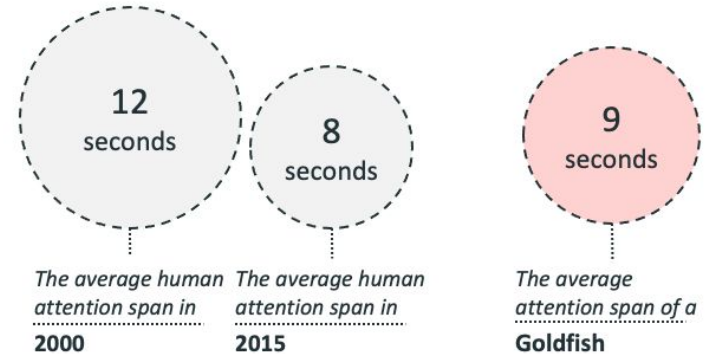


Time spent on SoMe is up - human attention span in decline

Time spent on social media



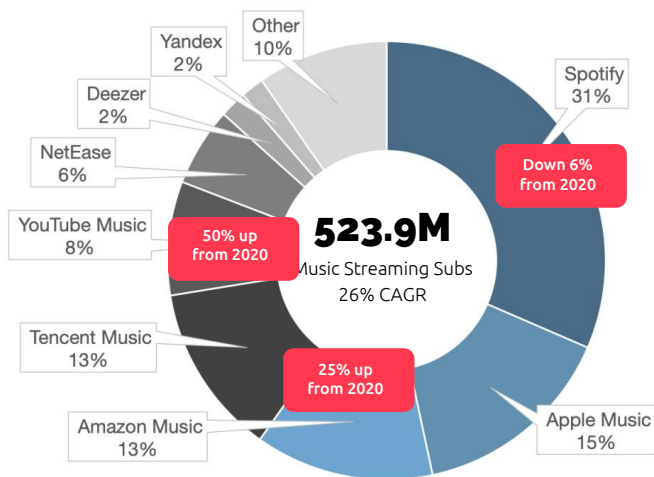
Human digital attention span



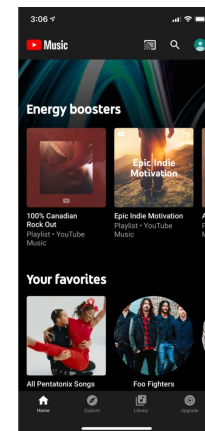
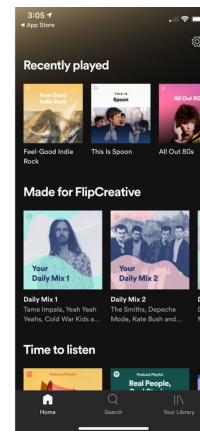
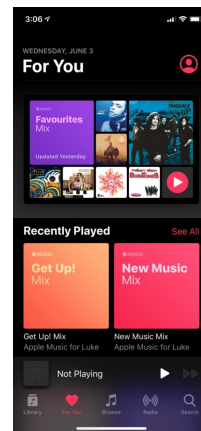
Source: Music & Social Media: A Consumer Perspective, GlobalWebIndex, Digital 2020 – Global Digital Overview, Microsoft Attention Span Study

Competition for subscribers is escalating

Offerings are undifferentiated and the move into vertical expansion is imminent to increase stickiness and margins



Global streaming music
subs market, Q2/2021



<https://www.midiaresearch.com/blog/music-subscriber-market-shares-q2-2021>

Demand transcends streaming

Entertainment is becoming ubiquitous. Discovery and consumptions happens across the open web, social and increasingly across the metaverse.

Roblox, Sony Music Partner To Bring More Artists to the Game

Snap inks deal with Universal Music Group to bring major artists to the platform

Warner Music signs with TikTok as more record companies jump on social media bandwagon

Streaming Services

Social Media

Radio

Embedded in apps

Metaverse



Gaming

Voice

Commute

Open web

Live streaming

Physical

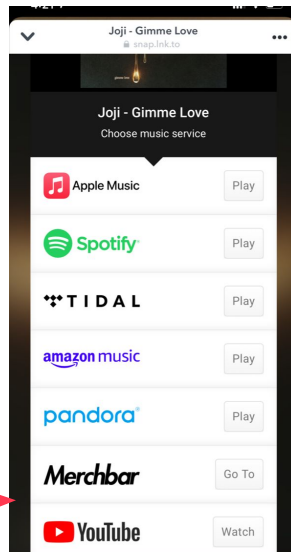
Social media apps needs music to retain users



SnapChat

≈300M users

	30%
	30%
	8%
	8%



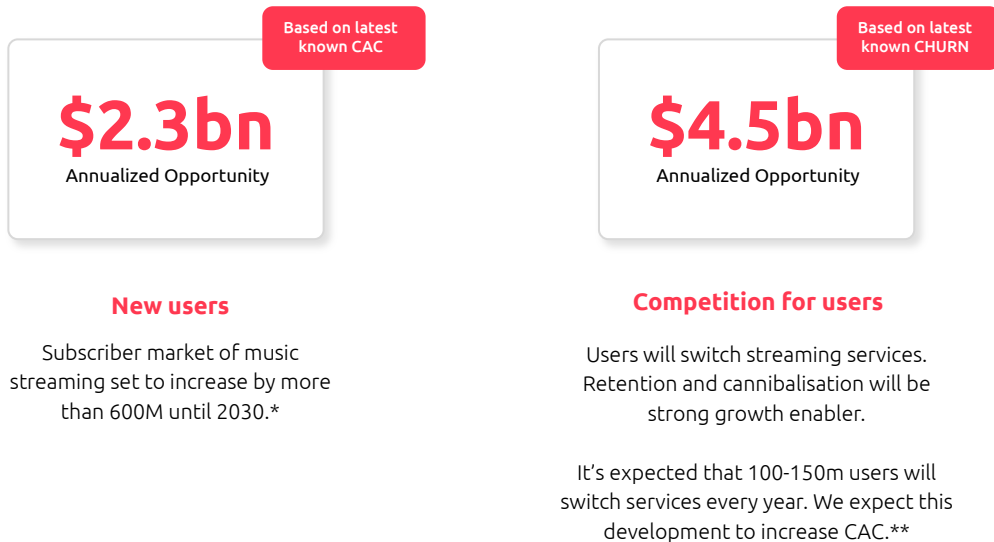
Social Media Apps

- Users demand integrations to their favorite apps.
- Global user base. Use different streaming services.
- Prefer to partner rather than to build.
- No clear data on music consumption to leverage their license negotiations with artists and labels.

Linkfire Value Proposition

- Plug n' play. Customise or whitelabel.
- Covers all services globally.
- Provides valuable data to aid understanding of music consumption and value to artists and labels.
- No cookies - all context

Subscriber growth alone represents significant opportunity



* <https://www.goldmansachs.com/insights/pages/infographics/music-in-the-air-2020/>

** Latest published churn figures from Spotify was Q4-2019, reporting an annualized churn rate of 4.8%. We expect this to rise but are using the reported figure for modeling.

03

The Business

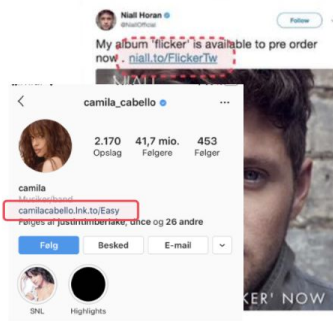
We're the missing link



Linkfire provides links, widgets and light-weight integrations that works where consumers discover music and entertainment.

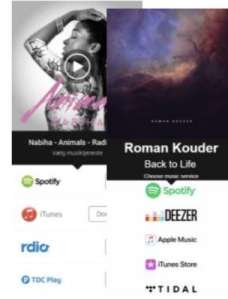
We act as a simple intermediary that recommends and connects consumers directly to any music or entertainment product, across any service.

Example: How Linkfire works



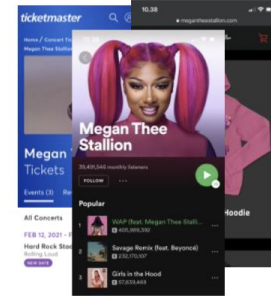
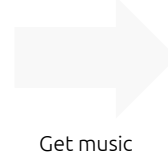
Discovery

Consumers discovers content across the open web, social or metaverse.



Linkfire

Recommends and provide one-click connections to the music and entertainment across services.



Consumption

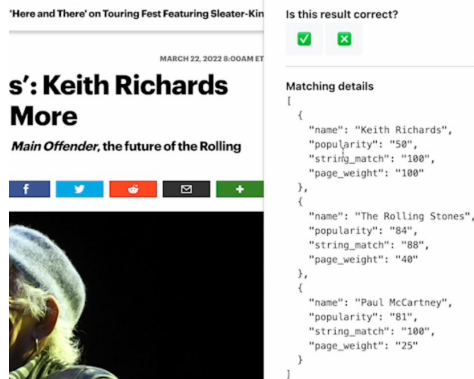
Consumers are connected to the relevant product in the relevant service.

Automated recommendations

Real-time identification of artists, songs and albums.

Identify

95% accuracy.



The image shows a news article snippet on the left and a JSON object on the right. The article is titled "s': Keith Richards More" and mentions "Main Offender, the future of the Rolling". The JSON object, titled "Matching details", contains three entries for different artists: Keith Richards, The Rolling Stones, and Paul McCartney, each with fields for name, popularity, string_match, and page_weight.

```
{
  "name": "Keith Richards",
  "popularity": "50",
  "string_match": "100",
  "page_weight": "100"
},
{
  "name": "The Rolling Stones",
  "popularity": "84",
  "string_match": "88",
  "page_weight": "40"
},
{
  "name": "Paul McCartney",
  "popularity": "81",
  "string_match": "100",
  "page_weight": "25"
}
}
```

Match

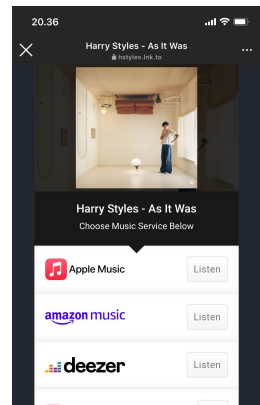
Across 100M products

Music Datasets

Genre of the song (Rock, Hip Hop)
Era the song was recorded (1980s, 2000s)
Origin or **region** most associated with the artist (London, New York)
Language of the artist (English, Spanish, Portuguese)
Artist type (Mixed, Female, Male)
Mood (Rowdy, Somber)
Tempo (Fast, #BPMs)
Style (Industrial, Jump Blues)

Recommend

Contextual to user



Publisher integrations

Light-weight and customisable widgets for publishers.



System Of A Down guitarist/vocalist Daron Malakian later commented on the performance on Instagram, writing, "I don't know much about machinegunkelly, it's always an honor when someone covers your song, so I can't hate the guy for giving it a shot."

Discover artists mentioned in this article



Machine Gun Kelly

Discover: mgk.lnk.to

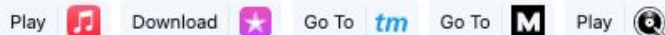


System of a Down

Discover: systemofadown.lnk.to



Discover Saxon

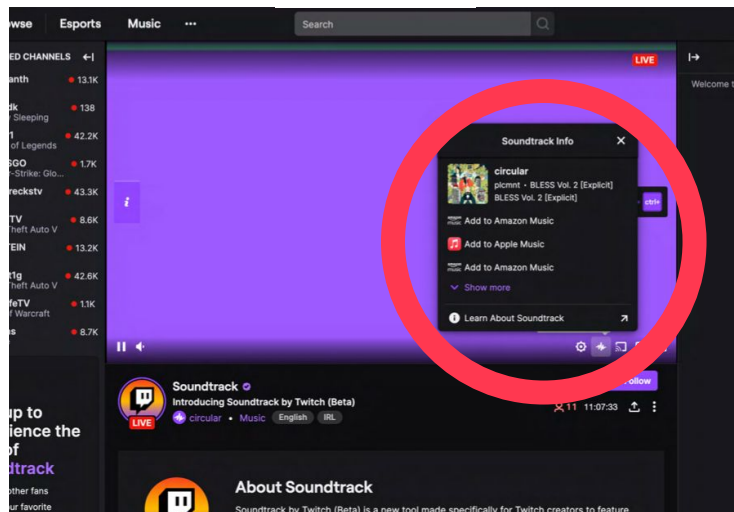
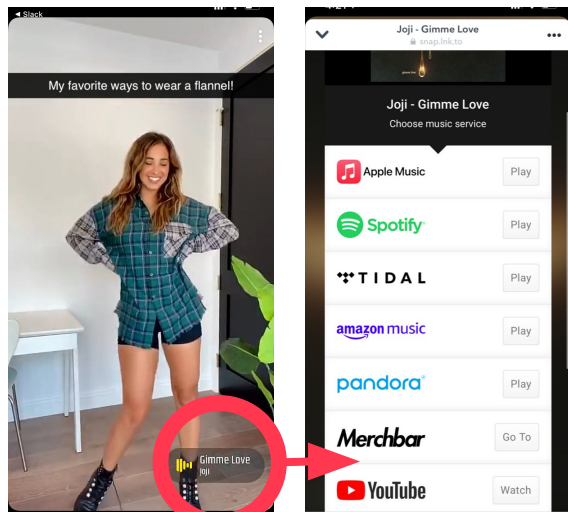


May contain affiliate links

In a new interview with **Ruben Mosqueda** of **Photo Concerto**, **SAXON** frontman **Biff** was asked if he can picture himself retiring in the not-too-distant future. He responded

Native integrations

Light-weight and customisable widgets for social media, apps and games.



Subscription Revenue

The leading marketing platform for artists and labels

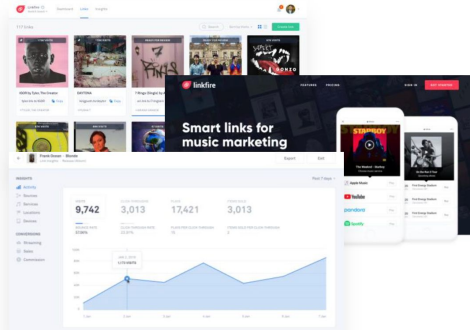
66% of total revenue 2021

Customers pay a subscription fee to access the platform.

Key customers are major record labels, artists and distributors.

Features include smart links, widgets, micro-sites and data insights

Unparalleled data partnerships with leading digital service providers.



Commission Revenue

Monetising traffic sent to service providers and shops

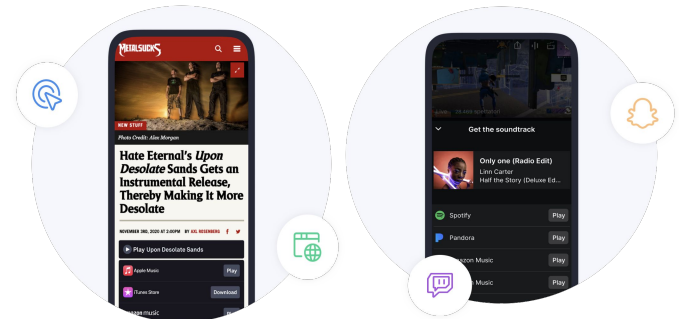
34% of total revenue 2021

Service providers pay when consumers sign up or transact through a Linkfire link.

High gross margin income stream: win-win for Linkfire and partners.

Links published daily by major record labels and artists.

Integrated with large social media platforms and publisher websites.



04

Growth Opportunities & Outlook

A recap of our investment case

A recap of our investment case

- The preferred marketing platform among labels and artists
- A strong and growing customer portfolio
- Flexible offering and pricing structure
- Two types of traffic accelerate growth in consumer connections
- Monetizing traffic represents an unique opportunity
- Partnerships are key to cementing market position and growth

- A growing music industry
- Social media enables music discovery
- Digital Service Providers are growing, but their offering is almost identical
- Competitive landscape - a nascent, fragmented market set for consolidation
- Future total addressable market amounts to USD +400bn

- Growing the marketing platform and consumer traffic
- User inflow fuelling subscription revenue growth
- Traffic partners to catapult volume of consumer connections
- Stronger affiliate partnerships will rapidly grow traffic commissions

- Strong historical revenue development
- Strong underlying growth for SaaS offering with commission revenue about to accelerate growth



2021 Performance Highlights

+42%

Revenue Growth

42% growth on a constant currency basis to DKK 34,5M

Subscription revenue grew 22%

Commission revenue grew 108%

36% recorded revenue growth to DKK 33.7M

72%

Gross Margin

31% gross profit growth on a constant currency basis to DKK 19.4M

Gross margin on a constant currency basis of 72%

1.6B

Consumer Connections

Traffic running through Linkfire.

1.6B consumers were connected to entertainment in 2021.

9% growth in consumer connections.

+92%

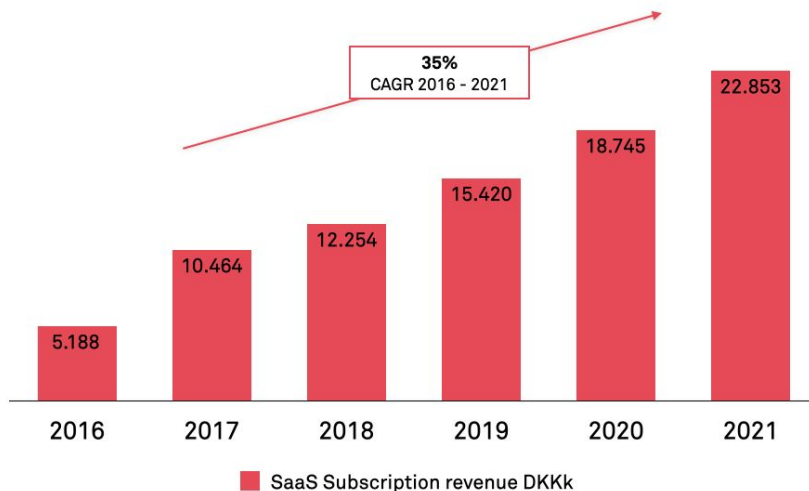
RPM

Monetisation of traffic.

Revenue Per Mille Consumer Connections of DKK 7.27

92% growth compared to last year

Growing SaaS Subscription revenue

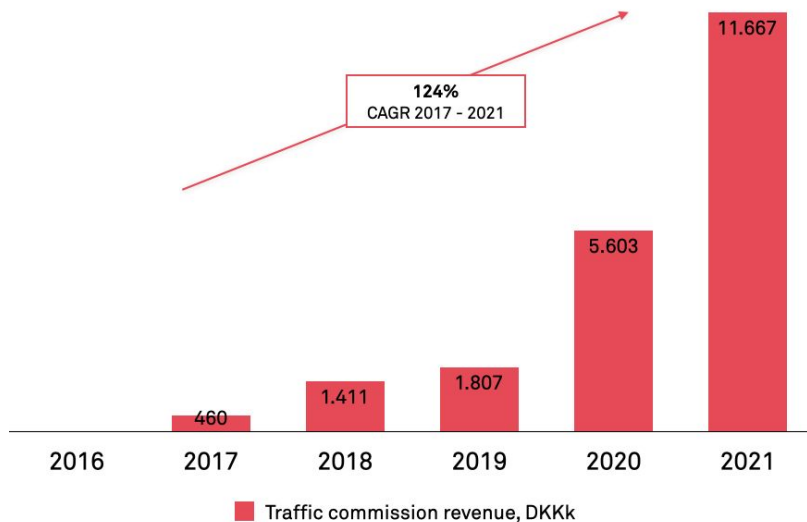


Source: Company Information

- **Retain** and **grow** existing contracts
- Grow in the **long tail** (Smaller accounts)
- Enter **adjacent** entertainment verticals
- **Geographical** expansion
- Execute on **M&A** agenda



Growing Traffic Commission revenue



Source: Company Information

- Grow **traffic**
- **Improve** commission agreements
- **Expand** number of commission agreements
- Improve **recommendation engine**
- Enter **adjacent** entertainment **verticals**
- **Geographical** expansion
- Execute on **M&A** agenda



Financial Outlook

Mid-term financial targets (3-5 yrs)

50-70%

Organic Growth

≈80%

Gross Margin

Financial guidance for 2022

Linkfire expects its **revenue to be in the range of DKK 50-60 million**, corresponding to a yearly growth of 48-78%, and its **EBITDA to be in the range of negative DKK 22-32 million**.

In order to achieve our guidance, performance on the following key drivers is required:

- Continued strong RPM performance
- Traffic growth and expansion of the discovery network
- Continued product innovation and development
- Continued inflow of new subscription customers and ability to upsell to existing customers

In 2022, Linkfire expects continued investments into reaching its mid-term growth target in accordance with the announced growth strategy in the IPO prospectus. Possible deviations from the guided range depend on investments into new strategic opportunities supporting our announced growth strategy.

05 Q&A

Further information

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History of Linkfire

