



Continued growth throughout the business

Webcast presentation Q2 report 2021

Conference call, 25 August 2021, 10.00 CET - The recording is available [here](#)

Disclaimer

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Agenda

- 01** Linkfire at a glance
- 02** Business highlights Q2 2021
- 03** Financial performance Q2 2021
- 04** General business updates
- 05** Q&A

Presenting today



Lars Ettrup
Co-founder and CEO



Tobias Demuth
CFO

The background is a dense, overlapping collage of various music album covers. Recognizable covers include Ariana Grande's 'Sweetener', Taylor Swift's 'Lover', Billie Eilish's 'When the Party's Over', Justin Bieber's 'Justice', and many others. The covers are tilted at various angles and have a dark, semi-transparent overlay.

01 Linkfire at a glance

Linkfire at a glance

Connecting billions of consumers to music

- The global market leading SaaS marketing platform for labels and artists
- Top major and independent labels use Linkfire with a combined market share of 70%
- Marketing platform services more than 85 000 users as of 2020
- In 2020, Linkfire connected 1,5B consumers to music products (48 per second)

2014

Founded in

≈80

FTE's in 6 offices

CPH

HQ in Copenhagen, DK

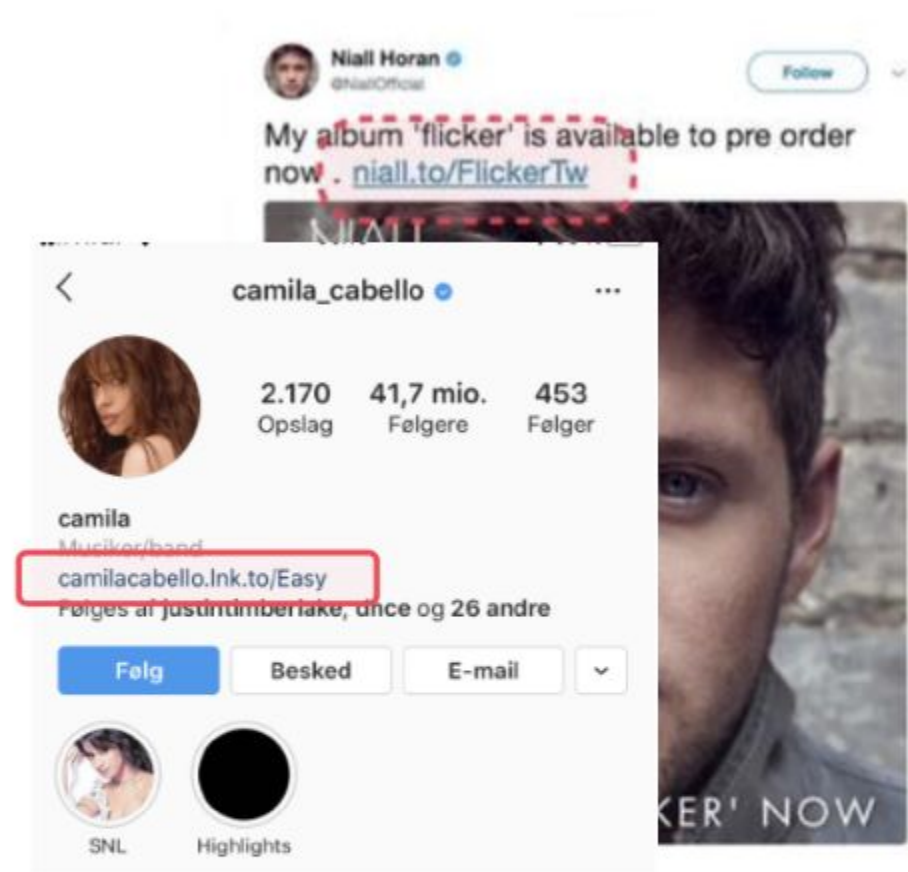
Value Proposition

- Streaming has steered music into growth
- Market Complexity -> 60k songs uploaded daily
- Digital attention span -> Sub 8 seconds
- Need -> Fast, secure, curated choice
- Where -> In existing apps / environments

Linkfire helps consumers navigate a complex market by providing fast and safe links to any music product.

Linkfire at a glance

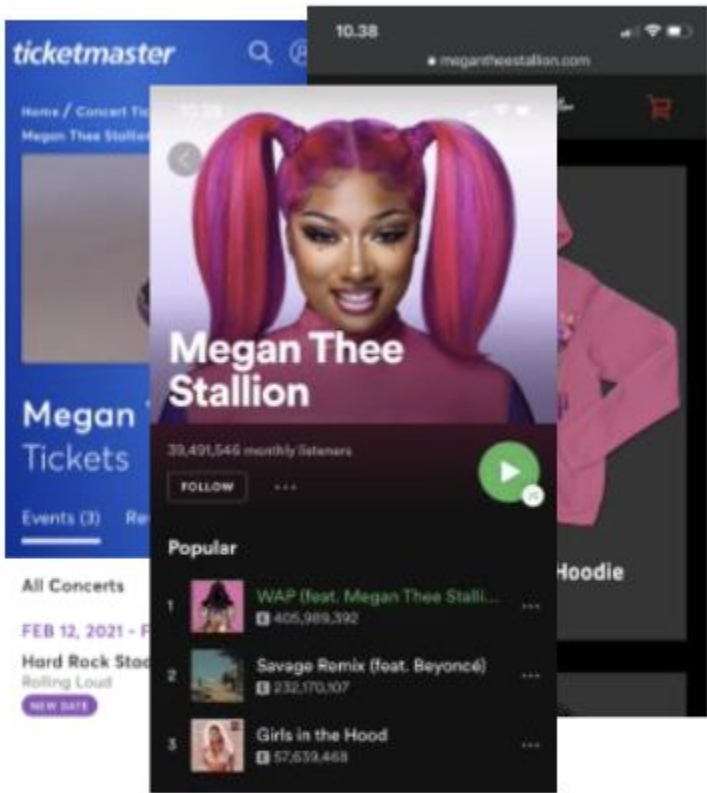
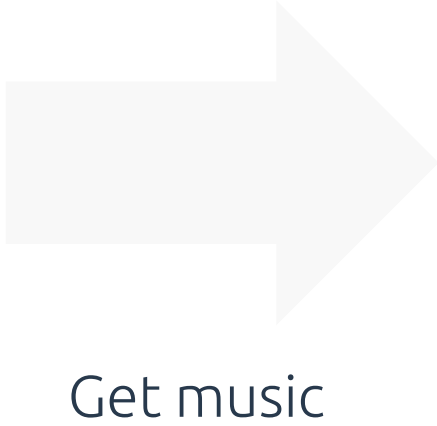
Click link. Get music.



Discovery
Consumers engage with content and discovers music



Linkfire
We curate and provide one-click connections to music products



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

Linkfire at a glance

Subscription Revenue

The leading marketing platform for artists and labels

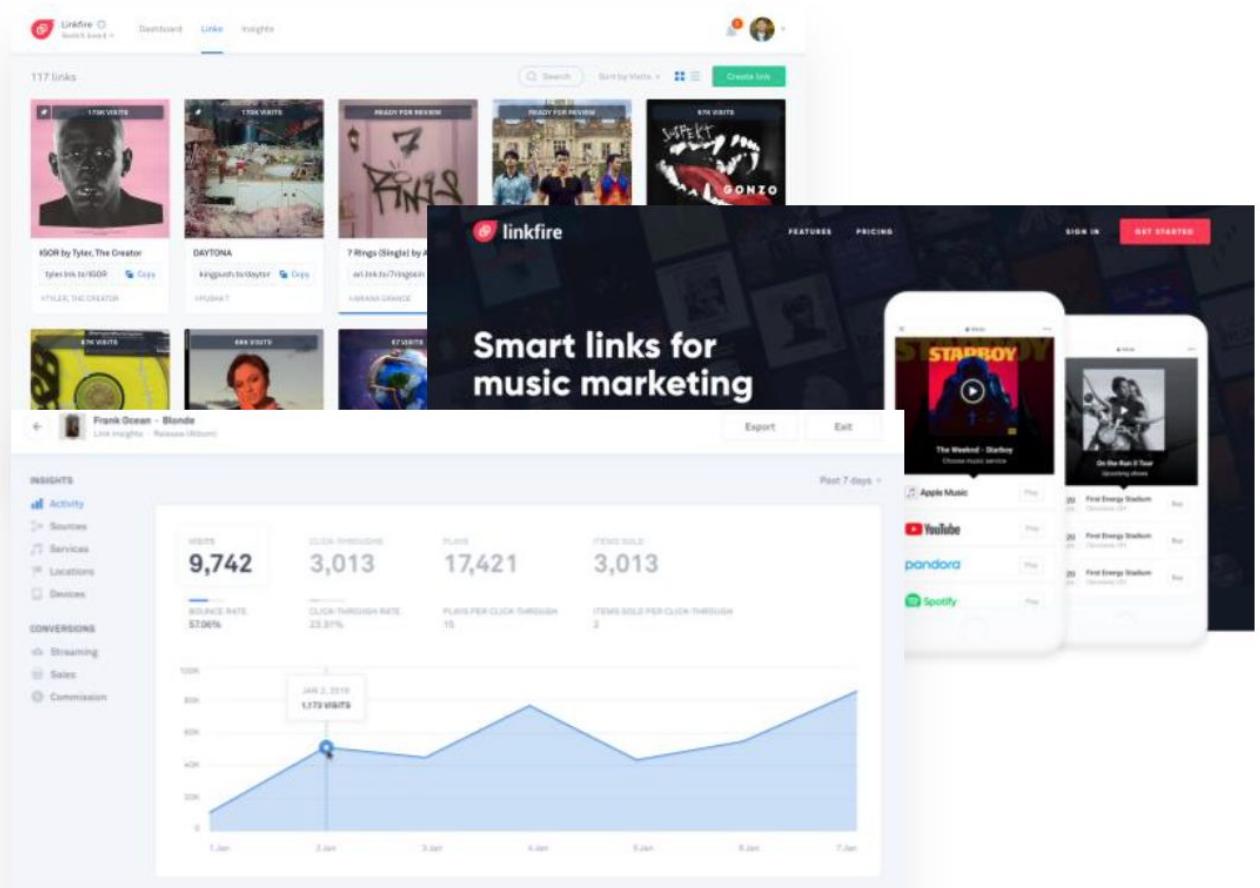
69% of total revenue YTD 2021

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

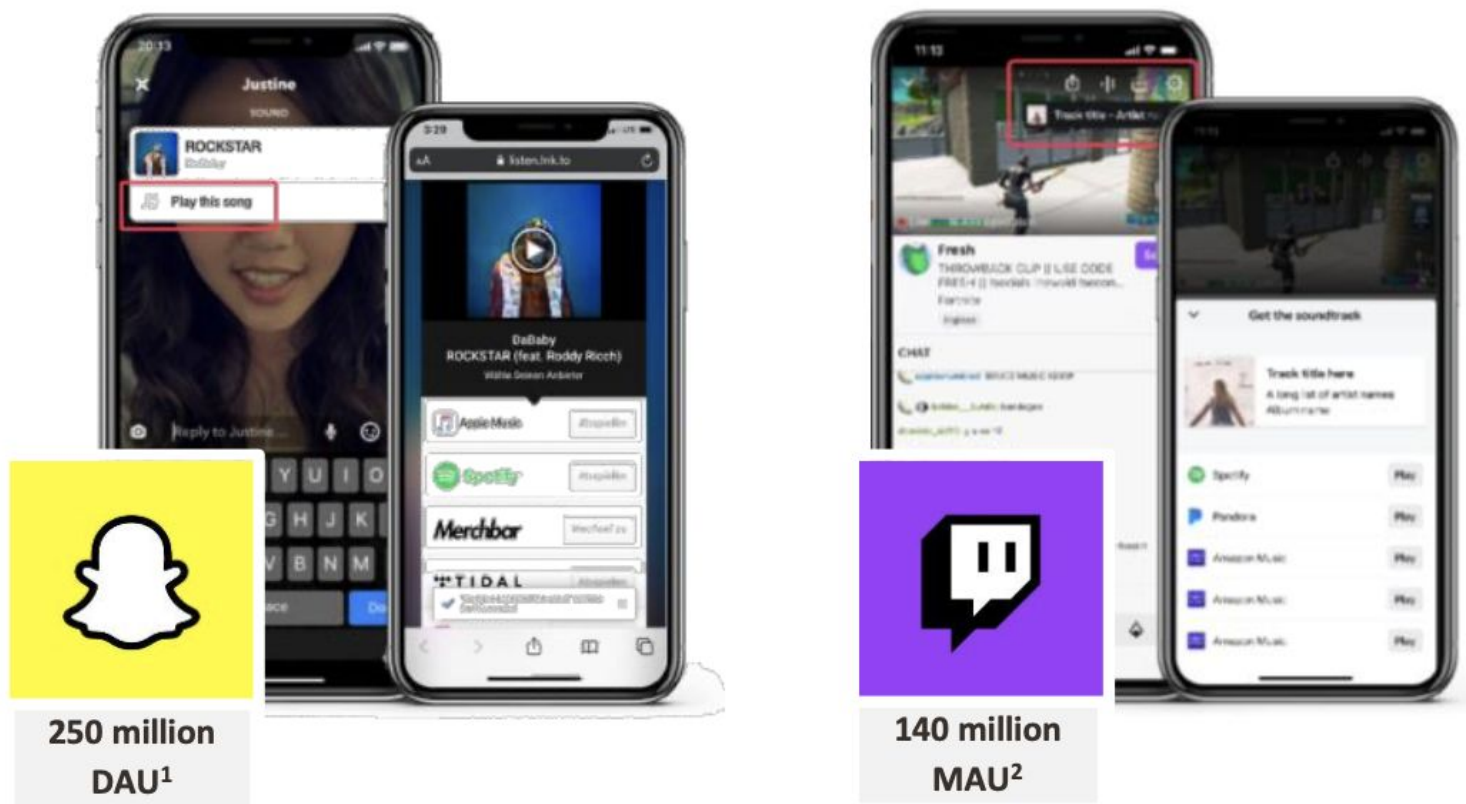
31% of total revenue YTD 2021

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.



02

Business Highlights Q2 2021

Q2 2021 in review



Successful IPO

On June 28 2021, Linkfire successfully completed an initial public offering on Nasdaq First North Premier Growth Market in Stockholm

Raised ≈ SEK 150M



Growing revenue

Consistent growth performance on both subscription and commission revenue

+200% growth on Commission revenue mainly rooted in a solid increase in RPM



Upgraded product

New feature in Apple Music for Artists Service

New Publisher toolkit



Focus on scaling the business

Growing traffic partnerships

Scaling commercial operations

Expansion in Ghana and Japan

Active M&A pipeline

Q2 2021 Highlights

+52%

Revenue Growth

52% growth on a constant
currency basis to DKK 8.0M

Subscription revenue grew 23%

Commission revenue grew 250%

42% recorded revenue growth to
DKK 7.6M

+38%

Gross Profit

38% growth on a constant
currency basis to DKK 5.7M

Gross margin on a constant
currency basis of 72%

413M

Consumer Connections

413M consumers were connected
to entertainment

4% growth in consumer
connections

Up 17% from Q1 2021

+236%

RPM

Revenue Per Mille Consumer
Connections of DKK 5.62

236% growth compared to
same quarter last year

H1 2021 Highlights

+54%

Revenue Growth

54% growth on a constant
currency basis to DKK 15.6M

Subscription revenue grew 23%

Commission revenue grew 254%

44% recorded revenue growth to
DKK 15.1M

+47%

Gross Profit

47% growth on a constant
currency basis to DKK 11.3M

Gross margin on a constant
currency basis of 72%

767M

Consumer Connections

767M consumers were connected
to entertainment

12% growth in consumer
connections

+215%

RPM

Revenue Per Mille Consumer
Connections of DKK 6.20

215% growth compared to
same period last year

03

Financial Performance Q2 2021

Consolidated income statement

+44%
H1 Revenue Growth

CoS increased 65%

Other external expenses include
IPO cost of DKK 5.6M

Staff cost increases due expansion
by new hires

Income tax benefits relate to tax credit
for R&D expenses

Consolidated Income Statement

kDKK	Q2 2021	Q2 2020	2021 YTD	2020 YTD	2020
Revenue	7,645	5,395	15,062	10,440	24,699
Cost of sales	(2,128)	(1,128)	(4,105)	(2,491)	(5,995)
Gross profit	5,517	4,267	10,957	7,949	18,704
Other external expenses	(8,258)	(1,805)	(10,413)	(3,348)	(6,613)
Staff costs	(6,830)	(4,948)	(13,072)	(9,379)	(20,461)
Other operating income	-	-	879	-	-
Depreciation, amortisation and impairment losses	(1,971)	(817)	(3,939)	(1,732)	(5,823)
Operating profit/(loss)	(11,542)	(3,303)	(15,588)	(6,510)	(14,193)
Financial income	422	252	666	357	509
Financial expenses	(1,145)	(944)	(2,385)	(1,729)	(4,305)
Profit/(loss) before tax	(12,265)	(3,995)	(17,307)	(7,882)	(17,989)
Tax for the year	1,341	1,100	2,601	2,254	4,528
Profit/(loss) for the year	(10,924)	(2,895)	(14,706)	(5,628)	(13,461)

Consolidated Balance Sheet

Assets

kDKK	Q2 2021	Q2 2020	2020
Non-current assets			
Intangible assets	55,333	48,022	51,503
Property, plant and equipment	192	30	168
Right-of-use assets	2,601	3,848	3,226
Deposits	425	417	427
Total non-current assets	58,551	52,317	55,324
Current assets			
Trade receivables	2,482	410	2,195
Income tax receivables	7,129	6,430	4,528
Other receivables	1,039	123	664
Prepayments	664	355	292
Cash	111,084	270	783
Total current assets	122,398	7,588	8,462
Total assets	180,950	59,906	63,786

Equity and Liabilities

kDKK	Q2 2021	Q2 2020	2020
Equity			
Share capital	578	105	108
Retained earnings	101,820	3,283	(73)
Translation reserve	47	(79)	124
Other capital reserve	-	4,107	4,750
Total equity	102,445	7,416	4,909
Non-current liabilities			
Interest bearing liabilities	33,393	21,322	33,617
Lease liabilities	1,267	2,563	1,809
Total non-current liabilities	34,660	23,885	35,426
Current liabilities			
Interest-bearing liabilities	10,585	9,559	3,995
Contract liabilities	6,200	6,936	5,702
Lease liabilities	1,388	1,386	1,487
Trade payables	18,905	4,714	2,888
Other payables	6,767	6,010	9,379
Total current liabilities	43,845	28,605	23,451
Total liabilities	78,505	52,490	58,877
Total equity and liabilities	180,950	59,906	63,786

Consolidated Cash Flow Statement

DKK 115M

Cash flow from financing activities

Operating loss is impacted by cost related to the IPO

We will continue investing in sustainable growth

Proceeds from capital increase in connection with IPO is the main driver for the increased net cash flow

kDKK	Q2 2021	Q2 2020	2021 YTD	2020 YTD	2020
Operating loss					
Depreciation, amortization and impairment losses	(11,542)	(3,303)	(15,588)	(6,510)	(14,193)
Change in working capital	1,970	818	3,939	1,733	5,823
Share-based payment expense	13,483	252	14,867	6,660	2,113
Gain on disposal	-	493	134	1,014	1,657
	-	-	-	-	(6)
Cash flow from ordinary operating activities	3,911	(1,740)	3,352	2,897	(4,606)
Income taxes received	-	-	-	-	4,177
Interest paid	422	253	666	357	(3,402)
Interest received	(1,109)	(905)	(2,349)	(1,690)	-
Cash flow from operating activities	3,224	(2,393)	1,669	1,564	(3,831)
Development expenditures					
Investments in property, plant and equipment	(3,547)	(3,478)	(7,079)	(6,885)	(13,657)
Change in deposits	(26)	-	(129)	-	(173)
	-	-	-	-	(10)
Cash flow from investing activities	3,573	(3,478)	(7,208)	(6,885)	(13,840)
Proceeds from borrowings					
Repayments of borrowings	156	3,906	5,760	3,906	12,059
Payment of principal portion of lease liabilities	(1,303)	-	(1,737)	(3,136)	(1,668)
Transaction cost from capital increase	(363)	(342)	(736)	(785)	(1,667)
Proceeds from capital increase	(8,952)	-	(8,952)	-	-
	121,135	2,000	121,135	2,000	6,481
Cash flow from financing activities	110,673	5,564	115,470	1,985	15,205
Change in cash and cash equivalents					
Net cash flow	110,323	(306)	109,931	(3,335)	(2,467)
Net foreign exchange difference	8	59	370	67	(289)
Cash, Begin	753	518	783	3,539	3,539
Cash, End	111,084	271	111,084	271	783

04

General Business Update

Market Update

Growing global music industry

Music industry continues to grow despite Covid-19.

Expected to hit \$152 billion in 2030E at a 6% CAGR.

467 million music subscribers

There were 100 million new music subscribers added in 2020 up from 83 million new net subscribers in 2019.

Streaming is getting competitive

Spotify enjoys first mover advantage but competition is improving their relative position fast.

Spotify 32%, Apple 16%, Amazon 13%, Tencent 13%, Google 8%.

Snapchat expands its music catalogue

Snapchat signs a deal with Universal Music Group, adding its catalog to its Sounds and Lenses features.

Social Media security and privacy

Social media and digital services continues to invest in privacy and security.

TikTok, Roblox, Instagram, YouTube and other have recently announced features that support this.

Financial Targets

Mid-term financial targets (3-5 yrs)

50-70%
Organic Growth

≈80%
Gross Margin

Use of Proceeds

≈55%

Organic Growth Initiatives

Scale commercial and product operations related to organic growth.

Increase Consumer Connections and RPM.

≈35%

Corporate purposes and M&A

Strengthening and developing existing business departments.

Pursuing M&A opportunities.

≈10%

Debt restructuring

Amortizing parts of existing debt.

05 Q&A

Thank you

Further information

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Linkfire at a glance

