



# Following the growth plan

**Webcast presentation Q3 report 2021**

Conference call, 18 November 2021, 10.00 CET

Webcast link: <https://tv.streamfabriken.com/linkfire-q3-2021>

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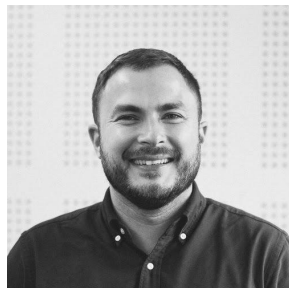
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## Agenda

- 01** Business highlights Q3 2021
- 02** Financial performance Q3 2021
- 03** General business updates
- 04** Q&A

### *Presenting today*



**Lars Ettrup**  
Co-founder and CEO



**Tobias Demuth**  
CFO

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# Business Highlights Q3 2021

# Empowering Entertainment Discovery Everywhere

### Connecting billions of consumers to entertainment

- The global market leading SaaS marketing platform for record labels and artists
- In 2020, Linkfire connected 1,5B consumers to music and entertainment services
- Linkfire's marketing platform is used daily by major records labels and top artists globally
- Linkfire's partners include top tier streaming services and social media applications
- HQ in Copenhagen. Offices in Los Angeles, New York, Lisbon, Accra.



## 2014

Founded in

## ≈90

FTE's in 6 offices

## CPH

HQ in Copenhagen, DK

### Value Proposition

- Streaming has steered **entertainment** into **growth**
- **All time high supply** -> **60k songs** uploaded **daily**
- Demand **transcends streaming** -> **music is ubiquitous**
- **Digital attention** span **decreases** -> Sub 8 seconds
- **Need** -> Fast, secure, **relevant choice**
- **Where** -> In **existing apps** / environments
- **Linkfire** -> the missing link

**Linkfire is a service technology that recommends and connects consumers directly music or entertainment products across any service.**

## Q3 2021 in review



### Acquisition of smartURL

The acquisition will increase traffic, customer base, industry footprint and monetization capabilities.

In the next 12 months the deal is expected to bring revenue equivalent to **15% of the 2021 revenue.**



### RPM sustains revenue growth

**RPM grew 128% compared to last year, 53% over previous quarter.**

Growth is driven by higher conversion rates that stems from focused product optimization.



### Traffic performs As expected

**Traffic is down 6% compared to same quarter last year, but up 5% YTD.**

Traffic are dependent on output of new releases and partners' development initiatives.



### Focus on scaling the business

**Hired 12 new, smart colleagues to contribute to continued growth.**

Product offering undergoing rapid improvement focused on supporting traffic partnerships.

Growing traffic through partners, geographic expansion and acquisitions such as smartURL.

## Q3 2021 Highlights

# +42%

Revenue Growth

42% growth on a constant  
currency basis to DKK 9.1M

Subscription revenue grew 19%

Commission revenue grew 115%

36% recorded revenue growth to  
DKK 8.9M

# +40%

Gross Profit

40% growth on a constant  
currency basis to DKK 6.6M

Gross margin on a constant  
currency basis of 72%

# 383M

Consumer Connections

383M consumers were connected  
to entertainment

6% decrease in consumer  
connections

Dependent on various factors and  
thus not linear period to period

# DKK 8.62

RPM

Revenue Per Mille Consumer  
Connections of DKK 8.62

128% growth compared to  
same quarter last year

53% up from last quarter

## YTD 2021 Highlights

**+49%**

Revenue Growth

49% growth on a constant  
currency basis to DKK 24.7M

Subscription revenue grew 22%

Commission revenue grew 180%

41% recorded revenue growth to  
DKK 23.9M

**+43%**

Gross Profit

43% growth on a constant  
currency basis to DKK 17.9M

Gross margin on a constant  
currency basis of 72%

**1,150M**

Consumer Connections

767M consumers were connected  
to entertainment

5% growth in consumer  
connections

**DKK 7.01**

RPM

Revenue Per Mille Consumer  
Connections of DKK 7.01

165% growth compared to  
same period last year



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# Financial Performance Q3 2021

## Consolidated income statement

**+41%**

YTD Revenue Growth

Commissions equal 37% of total revenue for the quarter, 34% YTD

Continuous investments into COS, 73% gross margin

Other external expenses increased as a result of concentrated staff increases and geographical expansion

Staff cost increased due expansion by new hires

Other operating income relates to gains from stabilization activity post-IPO

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

## Consolidated Income Statement

kDKK	Q3 2021	Q3 2020	2021 YTD	2020 YTD	2020
Revenue	8,880	6,506	23,942	16,946	24,699
Cost of sales	(2,480)	(1,615)	(6,585)	(4,106)	(5,995)
<b>Gross profit</b>	<b>6,400</b>	<b>4,891</b>	<b>17,357</b>	<b>12,840</b>	<b>18,704</b>
Other external expenses	(4,836)	(1,776)	(15,248)	(5,124)	(6,613)
Staff costs	(7,757)	(4,887)	(20,830)	(14,265)	(20,461)
Other operating income	678	-	1,557	-	-
Depreciation, amortisation and impairment losses	(1,983)	(1,982)	(5,922)	(3,715)	(5,823)
<b>Operating profit/(loss)</b>	<b>(7,498)</b>	<b>(3,754)</b>	<b>(23,086)</b>	<b>(10,264)</b>	<b>(14,193)</b>
Financial income	99	38	766	395	509
Financial expenses	(2,766)	(1,661)	(5,151)	(3,390)	(4,305)
<b>Profit/(loss) before tax</b>	<b>(10,164)</b>	<b>(5,377)</b>	<b>(27,471)</b>	<b>(13,259)</b>	<b>(17,989)</b>
Tax for the year	1,740	1,128	4,341	3,382	4,528
<b>Profit/(loss) for the year</b>	<b>(8,424)</b>	<b>(4,249)</b>	<b>(23,130)</b>	<b>(9,877)</b>	<b>(13,461)</b>

## Consolidated Balance Sheet

### Assets

kDKK	Q3 2021	Q3 2020	2020
<b>Non-current assets</b>			
Intangible assets	58,174	49,715	51,503
Property, plant and equipment	356	70	168
Right-of-use assets	2,470	3,542	3,226
Deposits	971	418	427
<b>Total non-current assets</b>	<b>61,971</b>	<b>53,745</b>	<b>55,324</b>
<b>Current assets</b>			
Trade receivables	2,870	2,031	2,195
Income tax receivables	8,869	3,382	4,528
Other receivables	3,608	856	664
Prepayments	1,789	391	292
Cash	73,417	422	783
<b>Total current assets</b>	<b>90,553</b>	<b>7,082</b>	<b>8,462</b>
<b>Total assets</b>	<b>152,524</b>	<b>60,827</b>	<b>63,786</b>

### Equity and Liabilities

kDKK	Q3 2021	Q3 2020	2020
<b>Equity</b>			
Share capital	584	106	108
Retained earnings	97,928	(467)	(73)
Translation reserve	16	10	124
Other capital reserve	-	4,505	4,750
<b>Total equity</b>	<b>98,528</b>	<b>4,154</b>	<b>4,909</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	33,546	29,753	33,617
Lease liabilities	1,020	2,266	1,809
<b>Total non-current liabilities</b>	<b>34,566</b>	<b>32,019</b>	<b>35,426</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	2,353	6,880	3,995
Contract liabilities	6,951	8,143	5,702
Lease liabilities	1,472	1,386	1,487
Trade payables	3,404	3,719	2,888
Other payables	5,250	4,526	9,379
<b>Total current liabilities</b>	<b>19,430</b>	<b>24,654</b>	<b>23,451</b>
<b>Total liabilities</b>	<b>53,996</b>	<b>56,673</b>	<b>58,877</b>
<b>Total equity and liabilities</b>	<b>152,524</b>	<b>60,827</b>	<b>63,786</b>

## Consolidated Cash Flow Statement

# DKK 110M

Cash flow from financing activities

Operating loss is impacted by cost related to the IPO

Change in working capital related to settling IPO related cost

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	Q3 2021	Q3 2020	2021 YTD	2020 YTD	2020
Operating loss	(7,498)	(3,754)	(23,086)	(10,264)	(14,193)
Depreciation, amortization and impairment losses	1,983	1,982	5,922	3,715	5,823
Change in working capital	(20,318)	(3,662)	(5,451)	2,997	2,113
Share-based payment expense	-	398	134	1,412	1,657
Gain on disposal	-	-	-	-	(6)
<b>Cash flow from ordinary operating activities</b>	<b>(25,833)</b>	<b>(5,036)</b>	<b>(22,481)</b>	<b>(2,140)</b>	<b>(4,606)</b>
Income taxes received	-	4,529	-	4,529	4,177
Interest received	99	38	766	395	-
Interest paid	(672)	(553)	(3,022)	(2,242)	(3,402)
<b>Cash flow from operating activities</b>	<b>(26,406)</b>	<b>(1,022)</b>	<b>(24,737)</b>	<b>542</b>	<b>(3,831)</b>
Development expenditures	(4,465)	(3,357)	(11,544)	(10,241)	(13,657)
Investments in property, plant and equipment	(0)	(52)	(129)	(52)	(173)
Change in deposits	(546)	-	(546)	-	(10)
<b>Cash flow from investing activities</b>	<b>(5,011)</b>	<b>(3,409)</b>	<b>(12,219)</b>	<b>(10,293)</b>	<b>(13,840)</b>
Proceeds from borrowings	-	7,457	5,760	11,364	12,059
Repayments of borrowings	(9,223)	(2,755)	(10,960)	(5,891)	(1,668)
Payment of principal portion of lease liabilities	(387)	(343)	(1,123)	(1,128)	(1,667)
Transaction cost from capital increase	-	-	(8,952)	-	-
Proceeds from capital increase	4,538	500	125,672	2,500	6,481
<b>Cash flow from financing activities</b>	<b>(5,072)</b>	<b>4,859</b>	<b>110,397</b>	<b>6,845</b>	<b>15,205</b>
Change in cash and cash equivalents					
Net cash flow	(36,489)	428	73,441	(2,906)	(2,467)
Net foreign exchange difference	(1,178)	(277)	(807)	(212)	(289)
Cash, Begin	111,084	270	783	3,539	3,539
<b>Cash, End</b>	<b>73,417</b>	<b>421</b>	<b>73,417</b>	<b>421</b>	<b>783</b>

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# General Business Update

Music is becoming ubiquitous

### **Snap Adds Sony Music to its Library; Creates New AR Music Lenses**

<https://newsroom.snap.com/en-GB/sounds-sony>

**Pop star Zara Larsson says she's made a seven-figure sum by selling merchandise on the video game platform Roblox.**

The Swedish star, known for hits like Lush Life and Symphony, offers fans in-game items like hats, backpacks and sunglasses to dress up their avatars.

<https://www.bbc.com/news/entertainment-arts-59163449>

## Opportunities

Geographical expansion

**Linkfire Expands Geographically with an Office in Ghana and Expects a Significant Increase in Consumer Connections in the Region**



<https://pr.lnk.to/ghana>

M&A Agenda

**Linkfire buys SmartURL in smart-links consolidation move**



<https://musically.com/2021/11/04/linkfire-buys-smarturl-smart-links/>

## Financial Targets

Mid-term financial targets (3-5 yrs)

**50-70%**

Organic Revenue Growth

**≈80%**

Gross Margin



# 04 Q&A

# Thank you

## Further information

Lars Ettrup, CEO  
+45 6133 9953

Tobias Demuth, CFO  
+45 27 84 44 68

<https://investors.linkfire.com/>  
[investors@linkfire.com](mailto:investors@linkfire.com)