



Delivering on the strategy

Webcast presentation Year-end report, Q4 2021

Conference call, 24 February 2022, 10.00 CET

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Agenda

- 01** Business highlights FY & Q4 2021
- 02** Financial performance FY & Q4 2021
- 03** Market & Outlook
- 04** Q&A

Presenting today



Lars Ettrup
Co-founder and CEO



Tobias Demuth
CFO

01

Business Highlights FY & Q4 2021

Empowering Entertainment Discovery Everywhere



Entertainment is transcending streaming services.

Both discovery and consumption now also happens across social media apps, games and the metaverse.

Market complexity increases by the day and there is more than ever a need for a middleman like Linkfire to help guide consumers.



ROBLOX



Connecting billions of consumers to entertainment

In 2021, Linkfire connected **1,6B consumers** to music and entertainment services

Connection happens in two offerings - **Marketing Platform** and the **Discovery Network**

Linkfire's marketing platform is used daily by **major records labels** and **top artists globally**

The Discovery Network spans across **social media platforms** and **publishers** that all have our service installed.

HQ in **Copenhagen**. Offices in Los Angeles, New York, Lisbon, Accra.



2014

Founded in

≈100

FTEs in 5 offices

33.7M

DKK revenue in 2021

42%

Revenue growth YoY
on constant currency basis

2021 Highlights



IPO concluded in June 2021

Raised 156M SEK

Linkfire went public raising appx. SEK 156M (DKK 115M) to accelerate execution of the growth strategy.



RPM sustained revenue growth

RPM grew 92% year on year

Growth primarily from increased conversion rates as a result of product optimization.

Improved commission rates from partners.



Traffic grew from 2020 record level

Traffic up 9% year on year

Growth mainly derived from uplift in Platform traffic.

Dec 2021 Partner Traffic saw a 64% growth compared to Dec 2020.

A trend we see continuing into 2022



Commission revenue drives growth

Grew by 108% year on year

As a result of the growing traffic and mainly the strong RPM performance the commission revenue more than doubled year over year.

2021 Highlights



Acquisition of smartURL

Consolidating the market

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

In 2022 the deal is expected to bring revenue equivalent to 15% of the 2021 revenue.



Launched presence in Africa

1,000% growth in the next 24 months

The goal is to increase consumer connections (traffic) in the region from 3.5 million to 35 million per month within 24 months.



Partner sales offices in US and now Europe

Driving up traffic

Traffic partnerships is core to our growth strategy and we are excited to expand efforts with a dedicated team covering EMEA.

Focus is publishers and brands.



Top talent joining Linkfire

100+ employees by end of 2021

Growth focus on roles directly contributing to top-line growth as well as senior level hires adding to the professionalisation of the organisation.

2021 Performance

+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

36% growth on a constant
currency basis to DKK 25.0M

Gross margin on a constant
currency basis of 72%

1,604M

Consumer Connections

1,604M consumers were
connected to entertainment

9% growth in consumer
connections

Mainly driven by an uptake in
Platform traffic

DKK 7.27

RPM

Revenue Per Mille Consumer
Connections of DKK 7.27

92% growth year over year

Q4, 2021 Performance

+26%

Revenue Growth

26% growth on a constant
currency basis to DKK 9.8M

Subscription revenue grew 22%

Commission revenue grew 33%

26% recorded revenue growth to
DKK 9.8M

72%

Gross Margin

21% growth on a constant
currency basis to DKK 7.1M

Gross margin on a constant
currency basis of 72%

454M

Consumer Connections

454M consumers were connected
to entertainment

14% increase in consumer
connections

Partner traffic up 64% in Dec21
compared to Dec20

DKK 7.96

RPM

Revenue Per Mille Consumer
Connections of DKK 7.96

16% growth compared to same
quarter last year

Driven by product optimization

02

Financial performance FY & Q4 2021

Consolidated income statement

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

Continuous investments into COS, 72% gross margin

Other external expenses increased as a result of concentrated hiring, geographical and market expansion

Staff costs increased by expansion through new hires and retention initiatives of current staff

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

Consolidated Income Statement

| kDKK | Q4 2021 | Q4 2020 | 2021 | 2020 |
|--|-----------------|----------------|-----------------|-----------------|
| Revenue | 9,756 | 7,753 | 33,697 | 24,699 |
| Cost of sales | (2,735) | (1,889) | (9,320) | (5,995) |
| Gross profit | 7,021 | 5,864 | 24,377 | 18,704 |
| Other external expenses | (7,639) | (1,489) | (22,887) | (6,613) |
| Staff costs | (9,941) | (6,196) | (30,771) | (20,461) |
| Other operating income | - | - | 1,557 | - |
| Depreciation, amortisation and impairment losses | (2,991) | (2,108) | (8,913) | (5,823) |
| Operating profit/(loss) | (13,550) | (3,929) | (36,637) | (14,193) |
| Financial income | 2,278 | 113 | 3,043 | 509 |
| Financial expenses | (1,104) | (915) | (6,251) | (4,305) |
| Profit/(loss) before tax | (12,373) | (4,731) | (39,845) | (17,989) |
| Tax for the year | 1,159 | 1,146 | 5,500 | 4,528 |
| Profit/(loss) for the year | (11,214) | (3,585) | (34,345) | (13,461) |

Consolidated Balance Sheet

Assets

| kDKK | 2021 | 2020 |
|---------------------------------|----------------|---------------|
| Non-current assets | | |
| Intangible assets | 69,876 | 51,503 |
| Property, plant and equipment | 669 | 168 |
| Right-of-use assets | 6,974 | 3,226 |
| Deposits | 1,153 | 427 |
| Total non-current assets | 78,672 | 55,324 |
| Current assets | | |
| Trade receivables | 11,176 | 2,195 |
| Income tax receivables | 5,500 | 4,528 |
| Other receivables | 1,050 | 664 |
| Prepayments | 1,588 | 292 |
| Cash | 45,946 | 783 |
| Total current assets | 65,260 | 8,462 |
| Total assets | 143,932 | 63,786 |

Equity and Liabilities

| kDKK | 2021 | 2020 |
|--------------------------------------|----------------|---------------|
| Equity | | |
| Share capital | 584 | 108 |
| Retained earnings | 86,576 | (73) |
| Translation reserve | (63) | 124 |
| Other capital reserve | 429 | 4,750 |
| Total equity | 87,526 | 4,909 |
| Non-current liabilities | | |
| Interest bearing liabilities | 21,393 | 33,617 |
| Lease liabilities | 3,244 | 1,809 |
| Total non-current liabilities | 24,637 | 35,426 |
| Current liabilities | | |
| Interest-bearing liabilities | 7,200 | 3,995 |
| Contract liabilities | 11,611 | 5,702 |
| Lease liabilities | 3,835 | 1,487 |
| Trade payables | 4,718 | 2,888 |
| Other payables | 4,405 | 9,379 |
| Total current liabilities | 31,769 | 23,451 |
| Total liabilities | 56,406 | 58,877 |
| Total equity and liabilities | 143,932 | 63,786 |

Consolidated Cash Flow Statement

DKK 102M

Cash flow from financing activities

Operating loss is impacted by cost related to the IPO

We will maintain investments into sustainable growth and R&D

Acquisition of business relates to the prepayment for smartURL

Repayment of debt - saving 20% on financial expenses

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

Q4 exchange rate gains related to exchanging SEK to operating currencies

| kDKK | Q4 2021 | Q4 2020 | 2021 | 2020 |
|---|-----------------|----------------|-----------------|-----------------|
| Operating loss | (13,551) | (3,929) | (36,637) | (14,193) |
| Depreciation, amortization and impairment losses | 2,991 | 2,108 | 8,913 | 5,823 |
| Change in working capital | (417) | (884) | (5,869) | 2,114 |
| Share-based payment expense | 429 | 245 | 563 | 1,657 |
| Gain on disposal | - | (6) | - | (6) |
| Cash flow from ordinary operating activities | (10,548) | (2,466) | (33,030) | (4,605) |
| Income taxes received | 4,528 | (352) | 4,528 | 4,176 |
| Interest received | - | (395) | 765 | - |
| Interest paid | (975) | (1,161) | (3,996) | (3,403) |
| Cash flow from operating activities | (6,995) | (4,374) | (31,733) | (3,832) |
| Development expenditures | (5,029) | (3,416) | (16,573) | (13,658) |
| Acquisition of business | (8,298) | - | (8,298) | - |
| Investments in property, plant and equipment | (373) | (121) | (502) | 173 |
| Change in deposits | (182) | (10) | (728) | (10) |
| Cash flow from investing activities | (13,882) | (3,547) | (26,101) | (13,841) |
| Proceeds from borrowings | - | 695 | 5,760 | 12,058 |
| Repayments of borrowings | (7,307) | 4,224 | (18,267) | (1,668) |
| Payment of principal portion of lease liabilities | (1,301) | (539) | (2,423) | (1,667) |
| Transaction cost from capital increase | (139) | - | (9,901) | - |
| Proceeds from capital increase | - | 500 | 125,672 | 6,481 |
| Cash flow from financing activities | (8,747) | 8,360 | 101,651 | 15,204 |
| Change in cash and cash equivalents | | | | |
| Net cash flow | (29,624) | 439 | 43,816 | (2,468) |
| Net foreign exchange difference | 2,153 | (77) | 1,347 | (288) |
| Cash, Begin | 73,417 | 421 | 783 | 3,539 |
| Cash, End | 45,946 | 783 | 45,946 | 784 |

03

Market & Outlook

Maintaining our Mid-term financial targets (3-5 yrs)

50-70%

Organic Revenue Growth

≈80%

Gross Margin

Continue monetization and expand traffic footprint

Increase traffic monetization further

Continue improving our RPM

Product development, improved affiliate deals and new affiliate deals are key to the growth of RPM

Grow consumer connections

Expand Discovery Network

Developing the roster of traffic partners, retaining and growing platform is at the core of our ability to grow traffic and

Retain market position

Stay ahead of the market

Investing in product development to continue to support our core Platform customers is a key focus of ours.

Aiming for profitability

Running a sustainable business

It is key to Linkfire to be able to satisfy investor value long term.

The product of our strategic focus is a one-to-many effect in scaling. We expect that to lead to EBITDA breakeven in FY 2023.

Fast tracking growth and gearing up for the future

Vertical Expansion

Podcast is next!

Collaboration with partners on the product roll-out and exploring potential acquisition targets to fast-track efforts.

Metaverse

We believe the hype!

Entertainment are quickly transcending streaming services. The metaverse represents a big opportunity for Linkfire.

M&A Agenda

Continue to explore

We see a strong M&A path both in terms of traffic foothold and vertical expansions.

M&A is not a prerequisite for meeting our targets.

Geographical Expansion

Africa, Japan & SE Asia

Africa is growing rapidly and becoming increasingly global.

Japan is the second biggest music market globally and SE Asia is a top performing emerging market

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