



A very strong start to the year

Q1/22 webcast and conference call

May 25, 2022

Lars Ettrup, CEO and Co-founder

Tobias Demuth, CFO

First things first

Conference call dial-ins

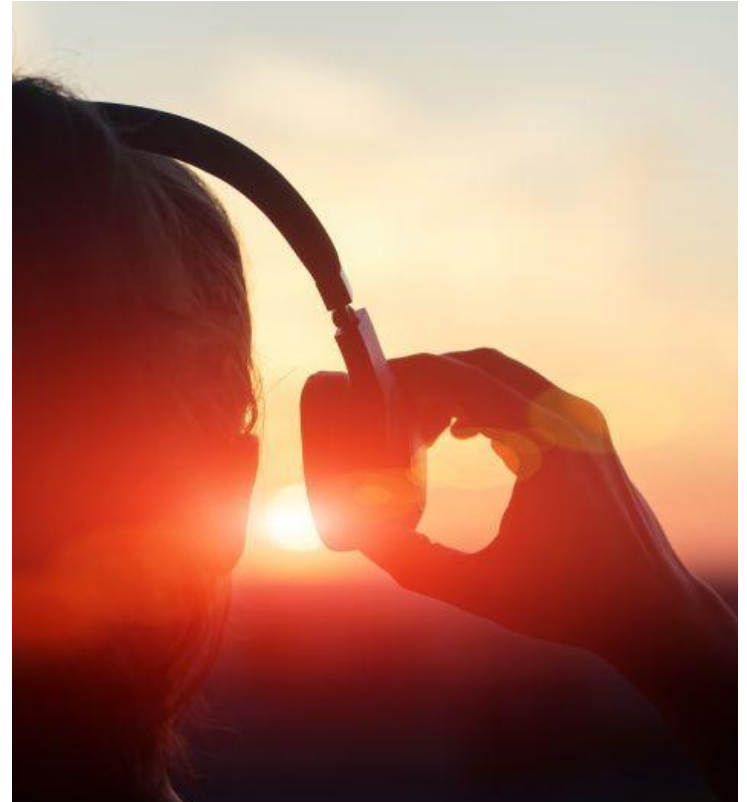
US +1 646 722 4902

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Agenda

- 01** Business, strategy & market updates
- 02** Business highlights Q1/22
- 03** Financial performance Q1/22
- 04** Outlook
- 05** Q&A

Presenting today



Lars Ettrup
Co-founder and CEO



Tobias Demuth
CFO



01

Business, strategy & market updates

“We’re building the largest recommendation network for music and entertainment.

Value Proposition

Music and entertainment are transcending the traditional streaming services.

Discovery and consumption happens increasingly more across social media, the open web, publishers and other formats.

We provide links and technical integrations that connects consumers fast and frictionless to music and entertainment services wherever they engage online.

Business Model

We send consumers to the music streaming services and make money when we drive new sales and sign ups.

Our products generate traffic in the billions and are used daily by top artists, labels and social media applications.

Currently, the predominant part of our revenue comes from customers subscribing to our products.

Future revenue growth is mainly expected to come from sales and sign-ups.

Connecting billions of consumers to entertainment

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

Connections 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

11.2M

DKK revenue in Q1/22

46%

Revenue growth YoY
on constant currency basis

The war in Ukraine

We stand with all the people affected and condemn war in its every form. We continue to support our employees and partners who have been directly or indirectly impacted.

Business risk

North America is our largest geographical market, followed by EMEA.
Our financial exposure to Russia is limited.

We do not have local organizations in Russia or Ukraine but most of our
industry partners have decided to self-censor.

We are also continuously monitoring that our technology is not used for
spreading misinformation.

For more information on alternatives for showing support or aiding the humanitarian crisis, we've compiled a few links at **<https://bio.to/ukraine>**.

We continue to see an optimistic market with three major market developments

Increased competition for streaming subscribers

The fight for market share is fueled by subscriber growth.

Increased competition expected to increase the cost to acquire leads for growth.

Represents a material opportunity for companies with valuable industry reach.

Music is transcending traditional streaming

COVID expedited technological adoption fueling options to consume and discover.

Music increasingly exists in games, social media, live streaming and more and the industry must embrace the complexity.

Linkfire's offering and market position helps navigate the abundance of options.

Lowered human attention span

The time consumers spend on social media is still increasing and the human digital attention span is decreasing.

Consumers and business alike needs someone to cut through the noise and market complexity.

Linkfire is the missing link.

Music streaming subscriber growth alone represents a significant opportunity for Linkfire

\$2.3bn

Annualized Opportunity

Based on latest known Customer Acquisition Cost (CAC)

New music streaming users

Subscriber market of music streaming set to increase by more than 600M until 2030.*

\$4.5bn

Annualized Opportunity

Based on latest known CHURN

The churn rate is the percentage of users who unsubscribe over a specific period of time.

Competition for users

Users will switch streaming services. Retention and cannibalisation will be strong growth enabler.

It's expected that 100-150m users will switch services every year. We expect this development to increase CAC.**

* <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.

Continue monetization and grow consumer connections (traffic)



Increase traffic monetization further

Continue improving our RPM

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

Amazon Music affiliate agreement in Q2/2022.



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.



Expand industry footprint

Continue value creation for subscription customers

Investing in product development to continue to grow and create value.

Expanded Apple Music data agreement in Q2/2022.



EBITDA breakeven in 2023

Running a sustainable business

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.

Additional and selected growth opportunities

Vertical Expansion

Market for spoken word is growing continuously

Collaboration with partners on the product roll-out and exploring potential acquisition targets.

Adoption to the Metaverse

Adoption of metaverse is faster for the consumers that Linkfire already reaches

Entertainment is quickly transcending streaming services.

The metaverse hence 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.

In Q1/22 we almost doubled our revenue from APAC (incl. Japan).

Japan is the second biggest music market globally.

02

Business highlights Q1/2022

Q1 Highlights



Industry footprint

New and expanded agreements

RPM increased 38% to DKK 9.52 - a record high.

New affiliate agreement with Amazon Music in Q2/2022.

Expanded data agreement with Apple Music in Q2/2022.



Scalability

Lowered time-to-market and product improvements

Product improvements drive faster implementation which leads to improved commercial efficiency.

A direct effect is increased traffic which grew 36% y/y in Q1/2022.



Organizational development

Focus on talent density and commercial value

Attracting top talent.

Implementing performance management and job levels.

Streamlining and optimizing organization towards commercial output.



smartURL integration

Consolidating the market

Increased traffic, customer base, industry footprint and monetization capabilities.

Integration expected to be completed in Q2/2022.

03

Financial performance Q1/22

Key performance metrics Q1/22

Comparative period Q1/21

Consumer Connections

481M

354M

36% increase in consumer connections.

Impacted by expected positive development in partner traffic.

RPM

DKK 9.52

DKK 6.87

Highest quarterly RPM ever.

38% growth compared to same quarter last year.

Further demonstrated ability to monetize traffic.

Revenue
(on constant currency basis)

11.1 mDKK

7.6 mDKK

CCB Revenue growth of 46%

Subscription revenue grew 26%

Commission revenue grew 88%

Recorded revenue grew 51%

Gross Profit
(on constant currency basis)

8.0 mDKK

5.6 mDKK

CCB gross profit **growth of 44%**

At a **gross margin of 72%**

Key financial metrics Q1/22

Comparative period Q1/21

EBITDA

(12.4 mDKK)

(3.0 mDKK)

Focused on hiring competencies **developing talent density** to support **growth** & commercial value creation.

We expect cost stabilization and cost to revenue ratio to improve starting Q2/2022.

Intangible Assets

84.7 mDKK

53.4 mDKK

Continued investments into product innovation.

Acquisition of smartURL accounts for 20.7 mDKK.

Total Equity

79.8 mDKK

1.2 mDKK

Capital raised in connection with IPO is the biggest development factor.

Cash flow

(24.6 mDKK)

(0.4 mDKK)

Negatively impacted by regular seasonality between incoming and outgoing payments as well as debt repayment

Continued investments in product development.

Furthermore, expecting improved EBITDA performance from Q1/2022 starting Q2/2022.

04

Outlook and guidance

Our outlook and financial guidance

Mid-term targets (3-5 yrs from IPO)

50-70%

Organic Growth

≈80%

Gross Margin

Financial guidance for 2022

Expected **revenue in the range of DKK 50-60 million**, corresponding to a yearly growth of 48-78%, and **EBITDA 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

Thank you for joining us!

Our **Q2/22** interim report is out on **August 25, 2022**.

In the meantime, you can reach us via phone or through investors@linkfire.com.

Lars Ettrup

CEO

+45 61 33 99 53

Tobias Demuth

CFO

+45 27 84 44 68

Laura Lindholm

Head of IR and Corporate Communications

+46 70 511 26 22

APPENDIX

Linkfire as an investment

A recap of our investment case

1 Unique offering to Penetrate the Market

- 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

2 Operating in Nascent, Fast Growing Market

- 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

3 Multifaceted Growth Opportunities

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

4 Solid Foundation for Future Growth

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



History of Linkfire

