

Steady revenue growth with significantly improved profitability

Q1 2023 webcast

May 25, 2023

Lars Ettrup, CEO & Co-founder Tobias Demuth, CFO

#### Practicalities and disclaimer

#### **O&A** session and material

Questions can be raised via the **chat function** or sent to **investors@linkfire.com.** 

All material is available at bio.to/LINKFI\_IR
or can be downloaded on investors.linkfire.com.

Webcast recording available later today.

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#### Agenda

- **01** Business & market updates
- **02** Business highlights 2023
- 03 Financial performance Q1
- **04** Outlook
- **05** Q&A

#### Presenting today



**Lars Ettrup** CEO & Co-founder



Tobias Demuth
CFO



# "Steady revenue growth with EBITDA improving 83% compared to last year

Revenue up 17% to DKK 13.1M (Q1 2022: DKK 11.2M)

Gross profit up 33% to DKK 10.7M (Q1 2022: DKK 8.0M) at a gross margin of 82%

EBITDA improved 83% to negative DKK 2.1M (Q1 2022: negative DKK 12.4M)

EBITDA ratio of negative 16%, an improvement of 95% to Q1 2022





#### **Business recap**

# We help music and audio creators promote their products

Optimize promotional impact, drive music streams, increase ticket sales and recommend audio content to billions of fans globally











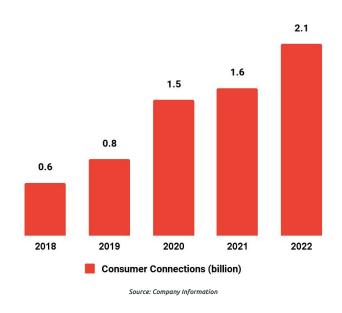
Powering promotional links and micro-sites for thousands of artists worldwide





#### **Business recap**

# "We connect billions of consumers to streaming, ticketing and merch services





#### **Business recap**

#### Subscriptions

# The leading marketing platform for artists and labels

#### 61% of total revenue 2022

Customers are record labels, artists and distributors.

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

Unparalleled data partnerships with leading streaming and ticketing services.



#### Commission

# Monetising traffic sent to service providers and shops

#### 39% of total revenue 2022

Some services pay a fee if Linkfire drives a sign up or transaction.

Commissions are driven by high traffic growth and good deals with services.

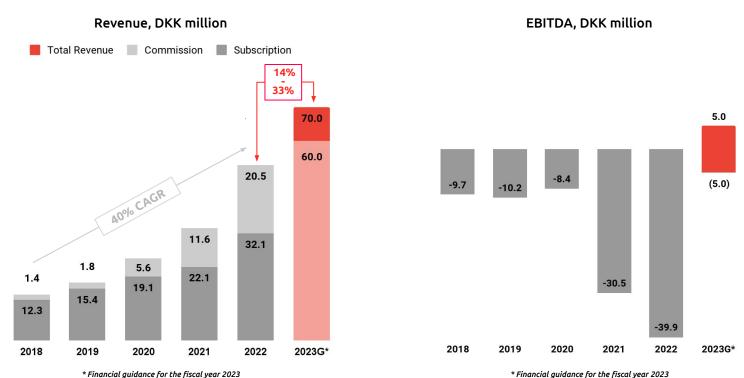
High gross margin income stream. Revenue is split with the artists / labels.





#### Company recap

## Solid financial trajectory and underlying metrics





#### Strategic focus

## Focus on break-even and our core operations



# EBITDA breakeven in 2023

## Running a streamlined and more focused organization

Fewer strategic objectives. Focus on our core business.

Expecting EBITDA breakeven in 2023.



# Focusing on our SaaS Platform & Customers

## Improving offering and marketing funnel

Improve our core product offering and dedicate more resources to optimising our marketing funnel.

New Artist bio link is key objective.



# Continue increasing traffic monetization

#### Continue improving our RPM

Improve on existing deals, negotiate new and increase click-through rates.

Maintaining solid RPM performance in Q1/23.



#### **Vertical Expansion**

## Expand beyond music into audio and spoken word

We're currently working on expanding our product offering to related verticals.

Working with numerous partners across verticals such as Apple, Amazon & Google.





#### **Business Highlights**

### Q1 2023 Highlights



#### **Profitability**

#### Improved EBITDA by 83%

EBITDA improved by 83% to negative DKK 2.1 million.

Q1 2022 negative DKK 12.4 million.

Results from narrowed commercial focus.



#### **Sustainable Growth**

#### Less quantity, higher quality

Consumer connections decreased 24%, impacted by a decrease in partner traffic.

RPM increased 19% to DKK 11.3 from DKK 9.52 in Q1 2022.

Gross profit improved 33% to DKK 10.7 million from DKK 8.0 million.



#### **Creator Growth**

#### **Promising unit metrics**

Artists and creators globally is increasing exponentially.

100,000 new tracks on Spotify daily. Bandlab +60 million users, up from just 10 million two years ago.

RPM performance in Q1 was second highest level in our history.



#### **Funding**

#### Secured debt facility

Secured a debt facility of up to DKK 22.5 million.

Support statement from our current major shareholder.

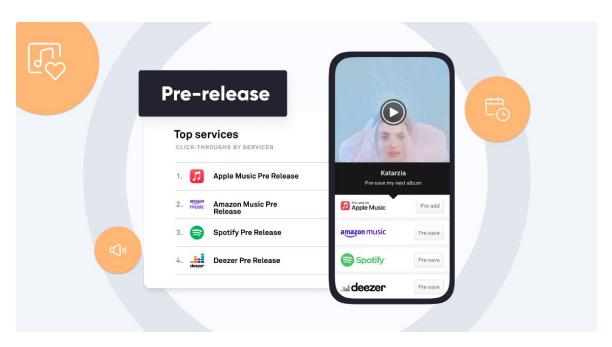
Waives the second tranche, resulting in no further shareholder dilution in tranche 2.



#### **Business Highlights**

# Launched Amazon Music pre-save

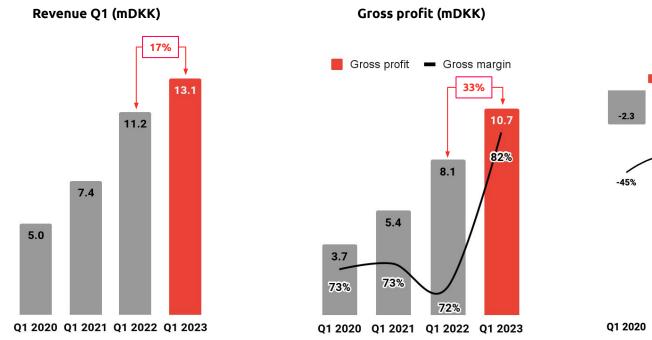
Maximizing artist exposure. Option to monetize.

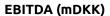


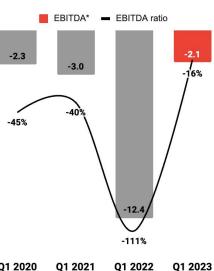




## Key financial metrics **Q1 2023**

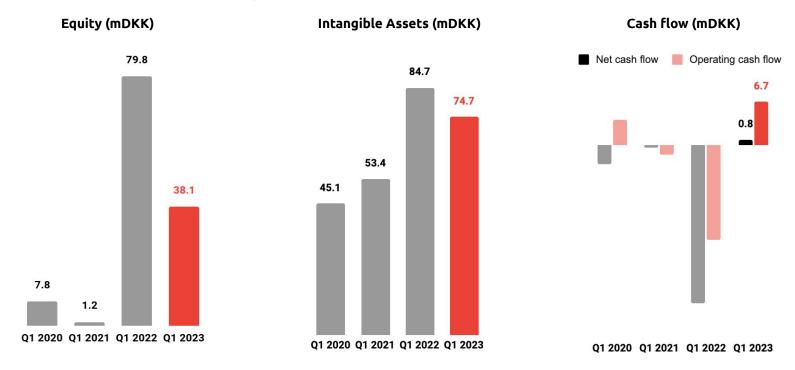








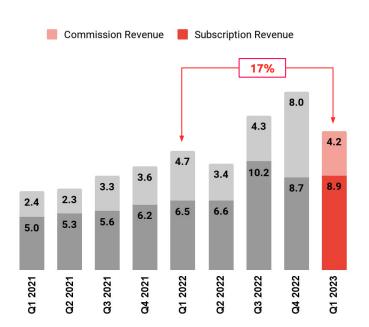
## Key financial metrics **Q1 2023**





## **Key performance metrics Q1 2023**

#### Revenue (mDKK)



#### Subscription Revenue (mDKK)

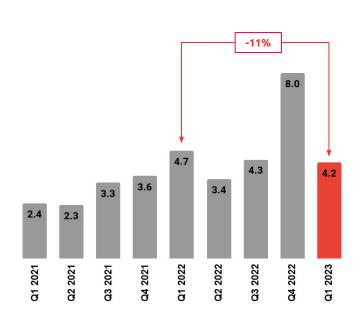


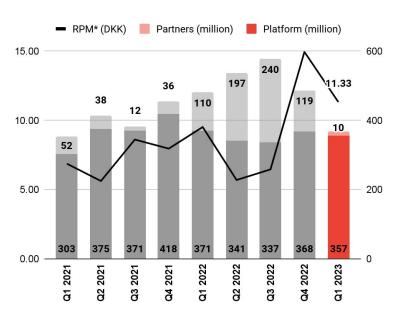


## **Key performance metrics Q1 2023**

#### Commission Revenue (mDKK)

#### **Commission Revenue Drivers**





\* Revenue per Mille on a constant currency basis - Commission Revenue per thousand Consumer Connections

18





#### Outlook and guidance

## Our outlook and financial guidance

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

20-40%\*

Organic Growth

**≈80%** 

**Gross Margin** 

Financial guidance for 2023

In 2023, Linkfire expects continued revenue growth and guides <u>revenue within the range between DKK 60-70 million for the full financial year</u>. This corresponds to a yearly growth of 14-33%.

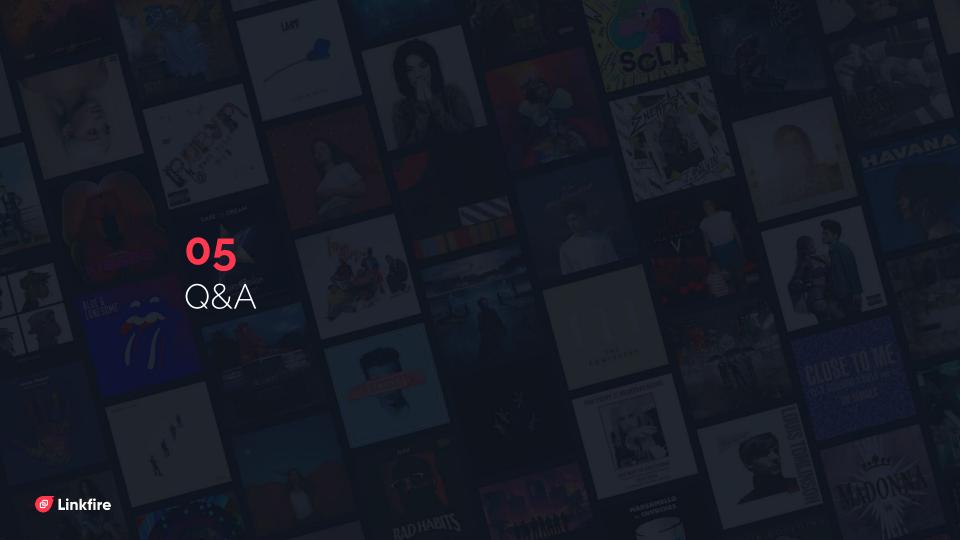
To achieve our guidance, performance on the following key drivers is required:

- Continued strong RPM performance
- Sustained traffic levels on a year-on-year basis
- · Continued inflow of new platform users, free and paid
- Continued ability to retain and expand existing subscription contracts
- Continued product innovation and development

Linkfire expects to achieve EBITDA breakeven for the year and guides **EBITDA within the range between negative (DKK 5 million) to positive DKK 5 million for the full financial year.** Linkfire is committed to reaching breakeven, while the guidance on both sides of neutral EBITDA takes into account the inherited uncertainty of balancing around the breakeven point.

Continued investments into innovation and development of our offering are expected throughout the year and are the basis for expecting continued growth in the coming years. Possible deviations from the guided ranges depend on investments into new strategic opportunities supporting our announced growth and long-term growth and profitability strategy.







Our Q2/23 interim report is out on August 24, 2023. In the meantime, you can reach us via phone or through investors@linkfire.com.

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