

# Quarterly update | Q4 2023

Investor Presentation

February, 2024

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### Forward-looking statement disclaimer

This presentation contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, for example, contain wording such as “believes”, “deems”, “estimates”, “anticipates”, “aims”, “expects”, “assumes”, “forecasts”, “targets”, “intends”, “could”, “will”, “should”, “would”, “according to estimates”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “to the knowledge of” or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions concerning the future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability and general economic and regulatory environment and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company’s knowledge. Forward-looking statements are inherently associated with both known and unknown risks, uncertainties, and other factors that could cause the actual results, including the Company’s cash flow, financial condition and results of operations, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favourable than the results expressly or implicitly assumed or described in those statements. The Company can give no assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.

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### Audit disclaimer

The 2023 figures presented in this presentation have not undergone an audit process by a certified external auditor. As such, there may be limitations and inherent uncertainties in the accuracy and completeness of these figures. The absence of an audit does not necessarily imply inaccuracies; however, it is important to recognize that unaudited figures may not provide the same level of assurance as audited financial statements. The annual audit for FY 2023 will take place during April 2024.

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# Linkfire Q4 2023 In Review

## LINKFI

Nasdaq First North Growth  
Market, Sweden

Delisted from January 18, 2024

→ [investors.linkfire.com](https://investors.linkfire.com)

### KEY FIGURES

COMPARED TO Q4 2022

**-34%**

REVENUE GROWTH

**33%**

IMPROVED EARNINGS

**47%**

REDUCTION IN EXTERNAL  
EXPENSES

### HIGHLIGHTS



Renewed  
agreement  
with Warner  
Music Group



Received debt  
financing of DKK  
37.3 million



Launched into  
podcasts in  
exclusive  
partnership with  
Apple



Re-shaped  
organisation  
towards Cash  
break-even  
expected in H2  
2024

### FY 2023

**82%**

GROSS MARGIN - BEST EVER

**DKK 50M**

REVENUE - (GUIDANCE DKK 50M - 55M)

**DKK (7.9)M**

EBITDA - BEST EVER  
(GUIDANCE DKK (5)M - (10)M)

#### MID-TERM FINANCIAL TARGETS

**20 - 40%**

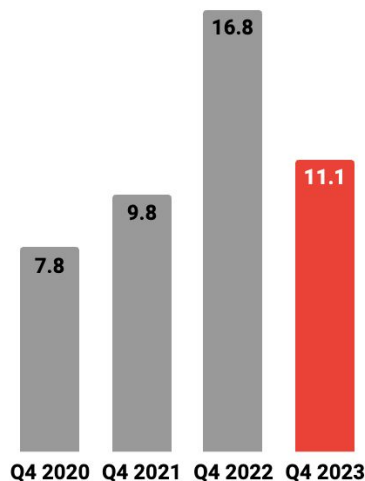
REVENUE GROWTH

**~ 80%**

GROSS MARGIN

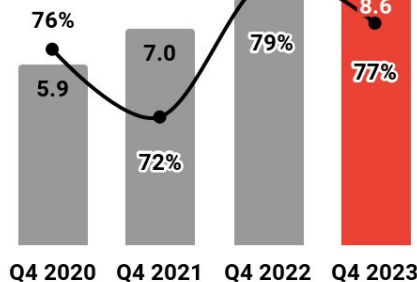
# Key financial metrics Q4 2023

### Revenue (mDKK)



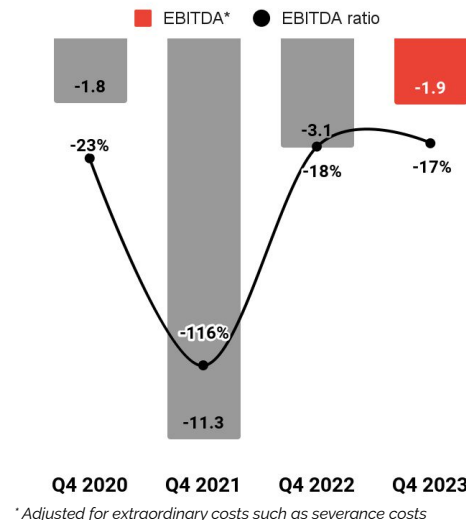
Q4 2022 represented the best revenue quarter in the history of Linkfire mainly due to extraordinary campaigns generating commission revenue.

■ Gross profit ● Gross margin



Big savings in the cost of sales, mainly around server costs, reduced the negative impact of the lower revenue.

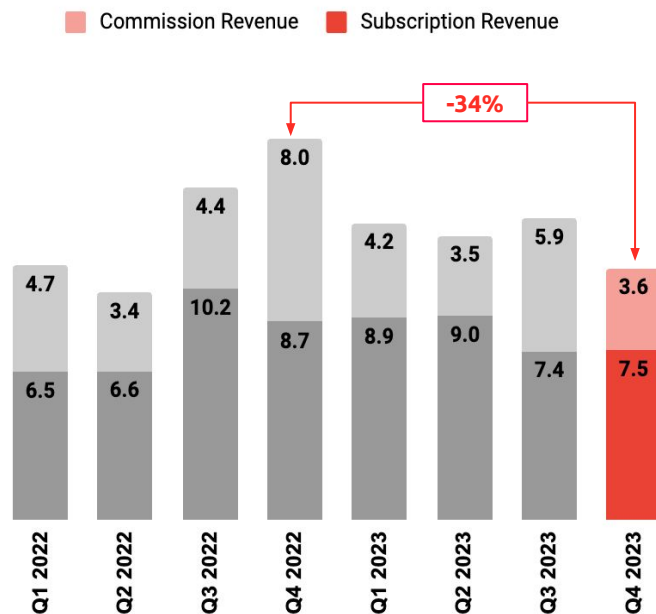
### Adjusted EBITDA (mDKK)



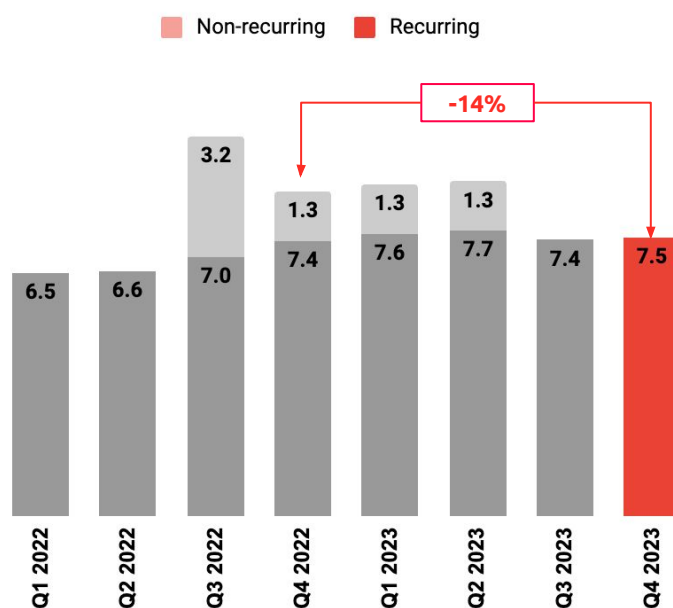
In Q4 2023, one time severance costs were recognised for a total of DKK 1.7 million (DKK 2.3 million in Q4 2022).

## Key performance metrics Q4 2023

Revenue (mDKK)

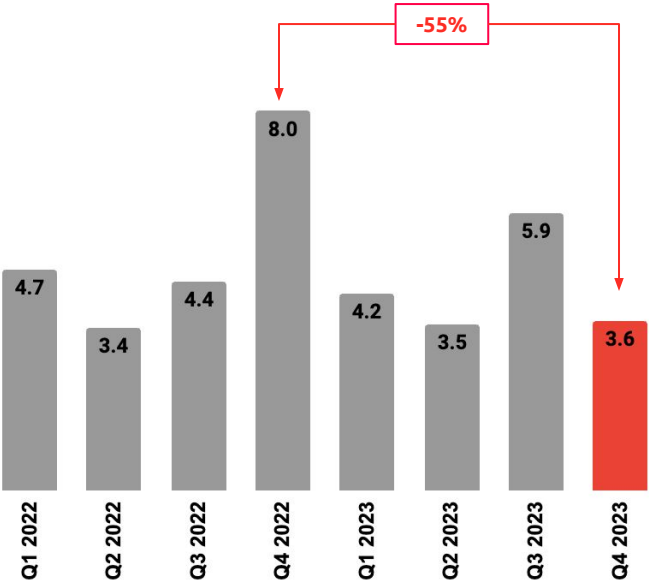


Subscription Revenue (mDKK)

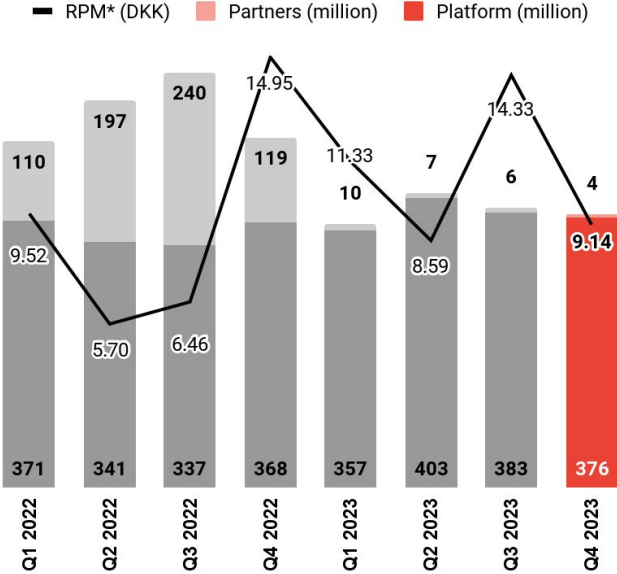


# Key performance metrics Q4 2023

Commission Revenue (mDKK)



Commission Revenue Drivers



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

# Q4 IN REVIEW - FINANCIAL HIGHLIGHTS

Income Statement (DKK thousand)	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2022	FY 2023
Recognized Revenue	9,756	11,231	10,039	14,642	16,793	13,104	12,547	13,321	11,113	52,590	50,084
y/y Growth (%)	26%	51%	31%	65%	72%	17%	25%	-9%	-34%	56%	-5%
Gross Profit	7,021	8,064	6,857	11,415	13,343	10,726	10,495	11,163	8,562	39,564	40,945
y/y Growth (%)	20%	48%	24%	78%	90%	33%	53%	-2%	-36%	62%	3%
Operating loss before interest, taxes, depreciation & amortization (EBITDA)	(11,791)	(12,428)	(15,810)	(6,164)	(5,359)	(2,148)	(2,363)	158	(3,572)	(39,875)	(7,925)
y/y Growth (%)	-548%	-320%	-65%	0%	55%	83%	85%	103%	33%	-31%	80%
Balance Sheet (DKK thousand)	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2022	FY 2023
Intangible assets	69,876	84,678	89,472	70,332	74,372	74,659	74,499	74,555	74,995	74,372	74,995
Cash and cash equivalents	45,946	21,488	4,681	4,395	7,027	6,707	1,200	396	4,667	7,027	4,667
Total assets	143,932	136,823	118,643	98,212	101,349	101,507	96,657	97,992	102,431	101,349	102,431
Equity	87,526	79,801	65,670	29,126	43,962	38,100	31,669	27,889	19,875	44,097	19,875
Financial ratios	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2022	FY 2023
Gross Margin (%)	72%	72%	68%	78%	79%	82%	84%	84%	77%	75%	82%
Operating profit before interest, depreciation & amortizations (EBITDA) margin (%)	(121)%	(111)%	(157)%	(42)%	(32)%	(16)%	(19)%	1%	(32)%	(76)%	(16)%



## Q4 IN REVIEW - FINANCIAL HIGHLIGHTS

Key Metrics	Q4 2021	y/y Growth (%)	Q1 2022	y/y Growth (%)	Q2 2022	y/y Growth (%)	Q3 2022	y/y Growth (%)	Q4 2022	y/y Growth (%)	Q1 2023	y/y Growth (%)	Q2 2023	y/y Growth (%)	Q3 2023	y/y Growth (%)	Q4 2023	y/y Growth (%)
Consumer connections (Traffic) (Million)	454	14%	481	36%	538	30%	577	51%	487	7%	367	-24%	410	-24%	389	-33%	380	-22%
Consumer connections, Platform (Million)	418	23%	371	22%	342	-9%	337	-9%	368	-12%	357	-4%	403	18%	383	14%	376	2%
Consumer connections, Partners (Million)	36	-29%	110	116%	197	418%	240	1900%	119	230%	10	-91%	7	-96%	6	-98%	4	-96%
Revenue, on constant currency basis (DKK thousand)	9,830	26%	11,141	46%	9,525	20%	12,957	43%	15,154	54%	12,260	10%	11,663	22%	12,484	-4%	10,499	-31%
Subscription Revenue, on constant currency basis (DKK thousand)	6,220	22%	6,560	26%	6,455	14%	9,227	60%	7,880	27%	8,107	24%	8,144	26%	6,911	-25%	7,019	-11%
Commission Revenue, on constant currency basis (DKK thousand)	3,610	33%	4,581	88%	3,071	32%	3,730	13%	7,274	101%	4,154	-9%	3,519	15%	5,574	49%	3,480	-52%
Commission Revenue per Mille (RPM)*, on constant currency basis (DKK)	7.96	16%	9.52	38%	5.70	1%	6.46	-25%	14.95	88%	11.33	19%	8.59	51%	14.34	122%	9.14	-39%

\* Commission Revenue per thousand consumer connections

## INSIGHTS

- Q4 2022 represented the best revenue quarter in the history of Linkfire due to extraordinary campaigns. Despite the decrease in revenue, EBITDA for Q4 2023 shows an improvement of 33% compared to the same quarter in 2022, due to the continuous focus on cost reductions.
- Costly partner traffic decreased by 115 million as a consequence of the strategic decision to discontinue this activity for the time being.
- One time severance costs were recognised for a total of DKK 1.7 million (DKK 2.3 million in Q4 2022).
- As per the release date of this quarterly update, the Company has a cash preparedness of DKK 9,240 thousand, including credit lines and cash at hand.

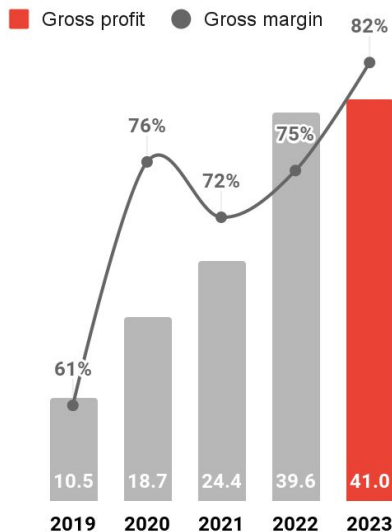
# Key financial metrics

## Full year 2023

### Full year revenue (mDKK)

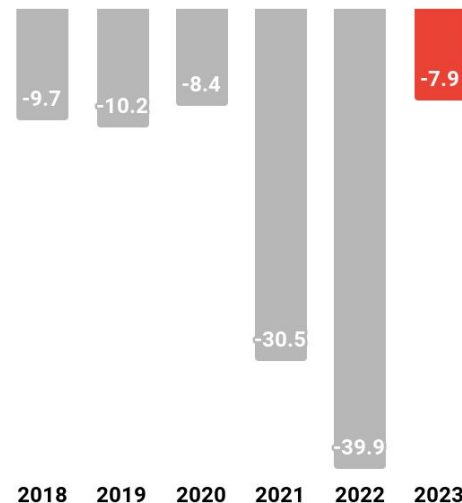


### Full year gross profit (mDKK)



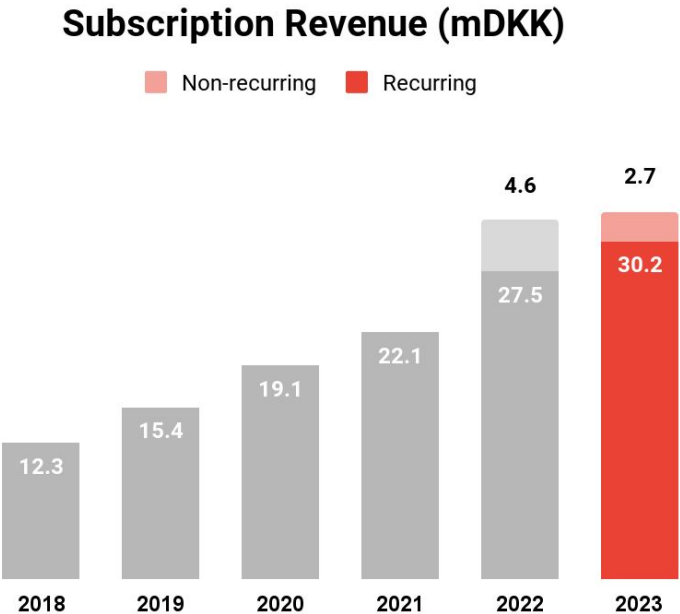
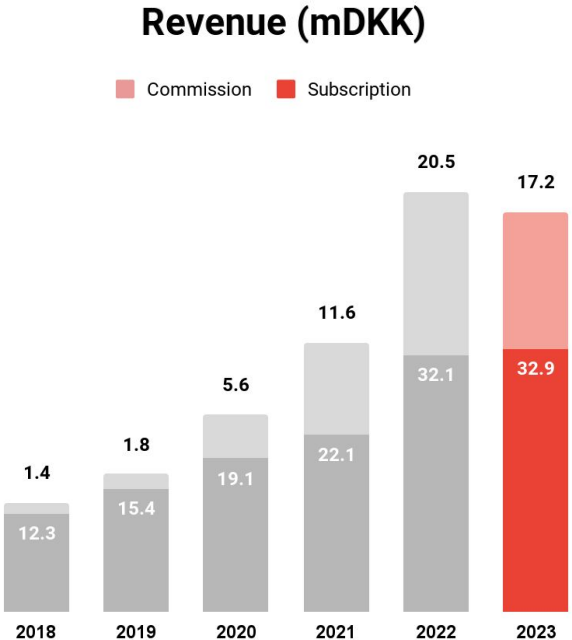
\*2018 was pre-IFRS conversion and Gross Profit is incomparable

### Full year EBITDA (mDKK)



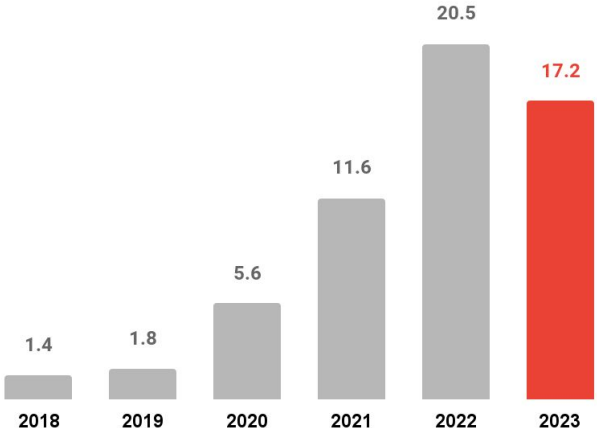
In 2023, one time severance costs were recognised for a total of DKK 1.7 million (2022: DKK 3.8 million).

# Key performance metrics full year 2023

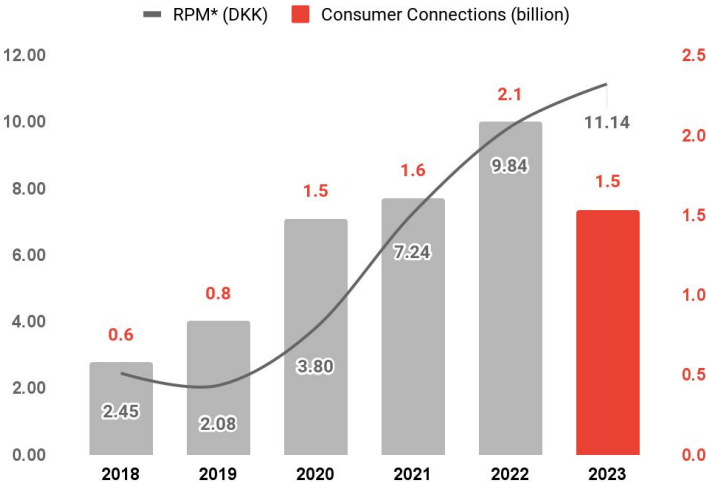


# Key performance metrics full year 2023

Commission Revenue (mDKK)



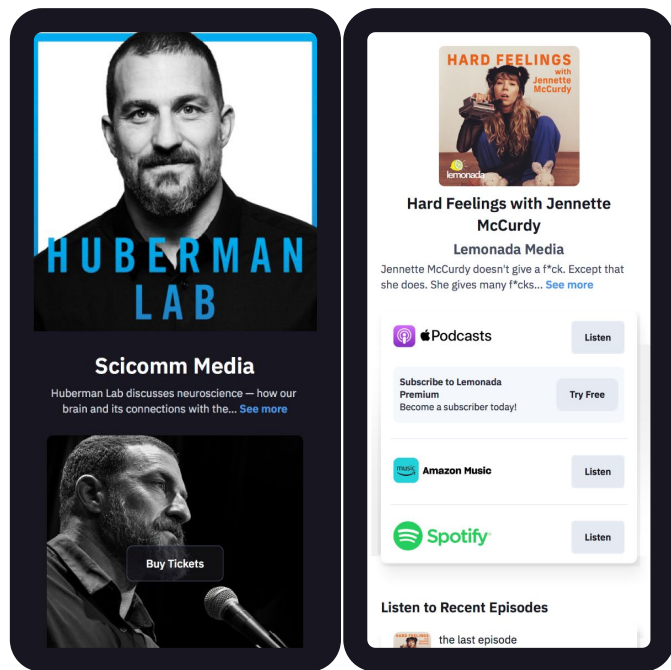
Commission Revenue Drivers



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

The decrease in Consumer Connections compared to 2022 is mainly explained by the strategic decision to discontinue costly partner traffic, which contributed with 0.6 billion connections in 2022, while only 0.03 billion in 2023.

## Podcast launch



## Podcasts

In 2023, Linkfire expanded into its second vertical: Podcasts. Leveraging the same foundational infrastructure of its music offering, Linkfire tailored its solutions to address the unique challenges faced by podcasters.

Launched in partnership with Apple Podcasts, Linkfire for Podcasts introduces groundbreaking listening data attribution, garnering significant attention from key players in the industry.



WONDERY



Podcast launch

THE VERGE

HOT POD / APPLE / TECH

Apple Podcasts now shows creators who's really paying for their shows

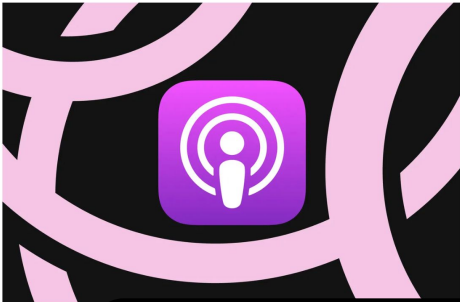
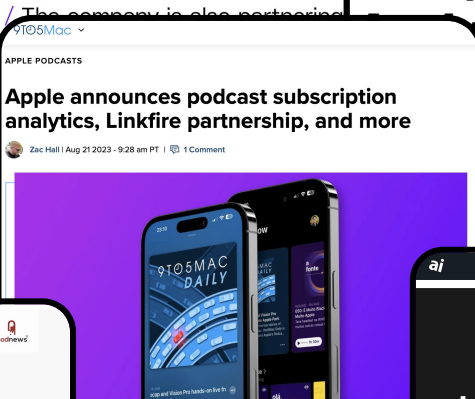


Illustration by



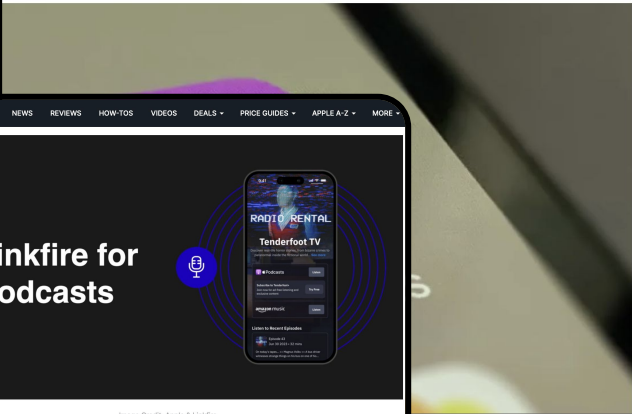
9TO5Mac

TC TechCrunch

Apple Podcasts gain new creator tools, including Subscription analytics and Linkfire integration

sarahpereztc / 9:00 AM PDT • August 21, 2023

Comment



Linkfire for Podcasts

Image Credit: Apple & Linkfire

Apple has also announced a new partnership with Linkfire, a marketing platform, to help creators market their podcasts.

appleinsider

podnews.net



Linkfire Expands To Podcasting with Powerful Marketing Toolkit Built for Podcasters

Linkfire

## Focus on break-even and our core operations



### EBITDA and Cash breakeven in 2024

#### Running a streamlined and more focused organization

Fewer strategic objectives.  
Focus on our core business.

Consistent EBITDA break-even expected from Q2 24, and Cash break-even during H2 24.



### Debt refinancing

#### Ensuring enough cash to secure operations towards break-even goal

Current debt comes with high interest payments on a quarterly basis. We are looking into a full or partial refinancing where interest is accrued for the first 18-24 months.

Target is to complete the transaction during H1 2024.



### Continue increasing traffic monetization

#### Continue improving our RPM

Publicly launch Linkfire Wallet to unlock more inventory, Improve on existing deals, negotiate new and increase click-through rates.



### Vertical Expansion

#### Expand beyond music into audio and spoken word

Launch Podcast product in Dec 2024.

Currently onboarding Enterprise customers in collaboration with Apple.

### Tax Credit Scheme

The Danish Tax Authorities have requested Linkfire to share its calculations for received payouts under the Tax Credit Scheme for FY 2020 and 2021. Under this program, the Tax Authorities encourage innovation in Denmark, supporting Danish loss-making, innovative companies with paying out the tax value of qualified research and development costs. The program is a great driver for keeping innovation in Denmark and for global exposure to Denmark as an accommodating and innovative business market. This is a regular procedure conducted by the Tax Authorities. The event prompted management to reiterate the implicit uncertainty in receiving payouts under the Tax Credit Scheme since calculations and assumptions can be challenged. Linkfire received DKK 4.5 million in 2021 (for FY 2020) and DKK 5.5 million in 2022 (for FY 2021), and expected to receive DKK 5.5 million in November 2023 (for FY 2022).

Linkfire's management believes in having solid documentation for its innovative development in the global audio entertainment market and welcomes the control as an important part of such a supportive arrangement for innovation in Denmark. Linkfire delivered its first batch of documentation to the Tax Authorities, who had an initial proposal to change Linkfire's taxable income, and need to see further documentation. Therefore, the Tax Authorities were invited to Linkfire's office for a walkthrough of our product and developments during the challenged years, and asked Linkfire to prepare additional documentation to prove the innovative element of the developments, with a deadline in March 2024. The receipt of DKK 5.5 million in 2023 for FY 2022 has been delayed as a result of the process. In the scenario where the Tax Authorities consider the documentation insufficient and rule against the company, Linkfire will be required to pay back the money received for FY 2020 and FY 2021, which combined can amount up to DKK 10 million, and won't be receiving the expected funds corresponding to FY 2022, which is currently recognized as tax receivable of DKK 5.5 million.

### Subsequent Events

#### Change in Management

From January 1, 2024, co-founder and former Chief Commercial Officer, Jeppe Faarfelt, assumed the position as CEO of the Company as previous CEO Lars Ettrup stepped down and departed the operations of the Company. Furthermore, Tobias Demuth, former CFO, has also stepped down from February 14, 2024. This change is a natural step in Linkfire's journey, and it has been in mutual planning for months towards becoming a financially self-sustainable company with a tight focus on cost and a lighter organizational structure while still pursuing opportunities for growth.

#### Other

On January 18, 2024 Linkfire had its last trading day on Nasdaq First North Growth Market. The delisting furthermore supports a lighter management setup.

There have not been any other significant subsequent events after the reporting period.



# Thank you!

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