

Quarterly Update | Q2 2024

Investor Presentation

August, 2024

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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 2024 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.

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Linkfire Q2 2024 In Review

KEY FIGURES

COMPARED TO Q2 2023

-5%

REVENUE GROWTH

178%

IMPROVED EARNINGS

8%

REDUCTION IN EXTERNAL
EXPENSES

51%

REDUCTION IN STAFF COSTS

HIGHLIGHTS



~4x positive
EBITDA
compared to
budget



31%
Commission
revenue growth
compared to
previous year



Improved
subscription
retention by 18%
compared to
previous quarter



Reduced overall
costs by 32%
compared to
previous year

H1 2024

**EBITDA
break-even**

BEST EVER - Consistent since April
2024

**Cash
break-even**

GOAL for H2 - Achieved in July 2024

FY 2024 GUIDANCE

DKK 46M - 51M

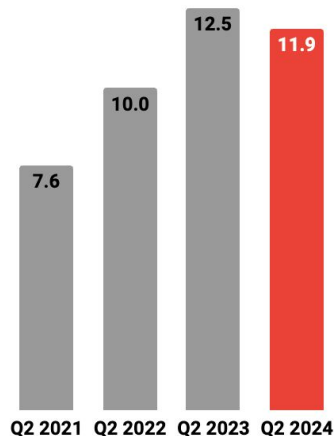
REVENUE

DKK 5M - 10M

EBITDA

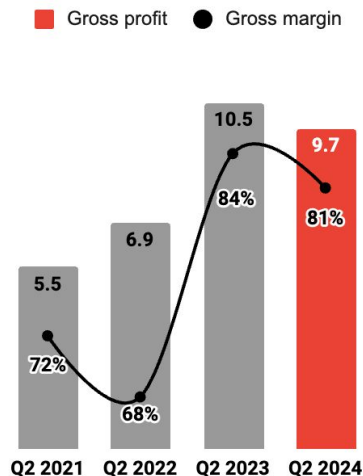
Key Financial Metrics Q2 2024

Revenue (mDKK)



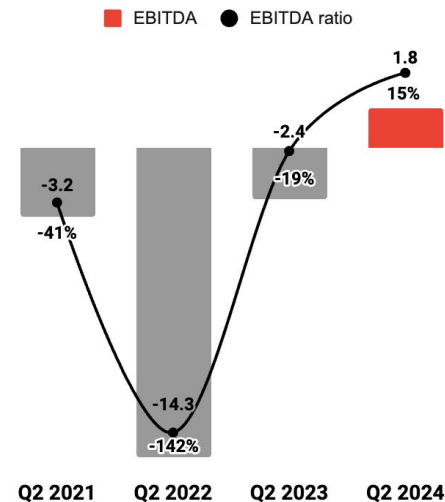
- Q2 2023 includes DKK 1.3 million of non-recurring revenue from Apple Podcasts (DKK 0 in Q2 2024).

Gross Profit (mDKK)



- Increase in Commission revenue and savings in server costs mitigated the negative impact of the subscription revenue decrease and the increase in revenue shares to customers from the Wallet Program.

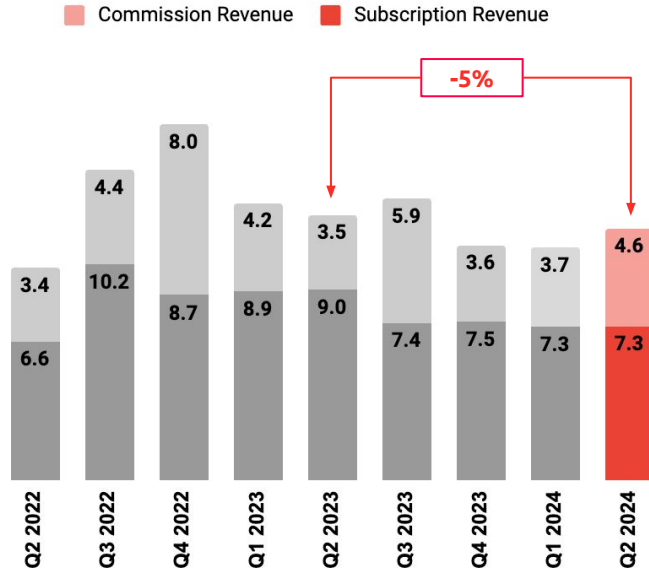
EBITDA (mDKK)



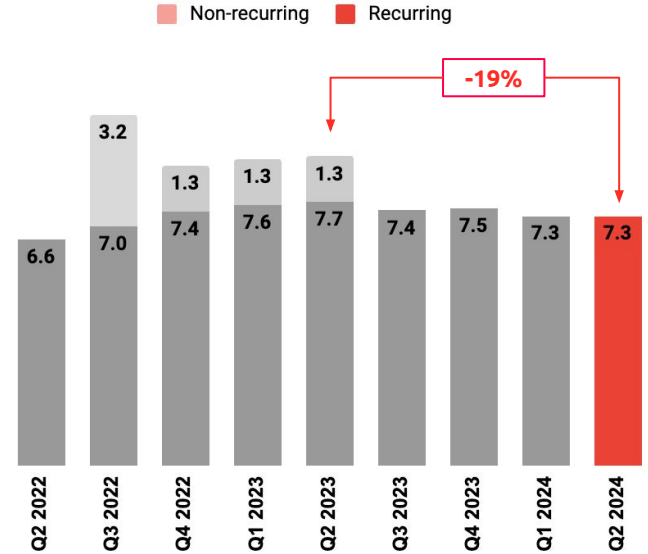
- Continuous cost control initiatives and a great performance in Commission revenue contributed in making Q2 2024 the most profitable quarter in Linkfire's history.

Key Performance Metrics Q2 2024

Revenue (mDKK)

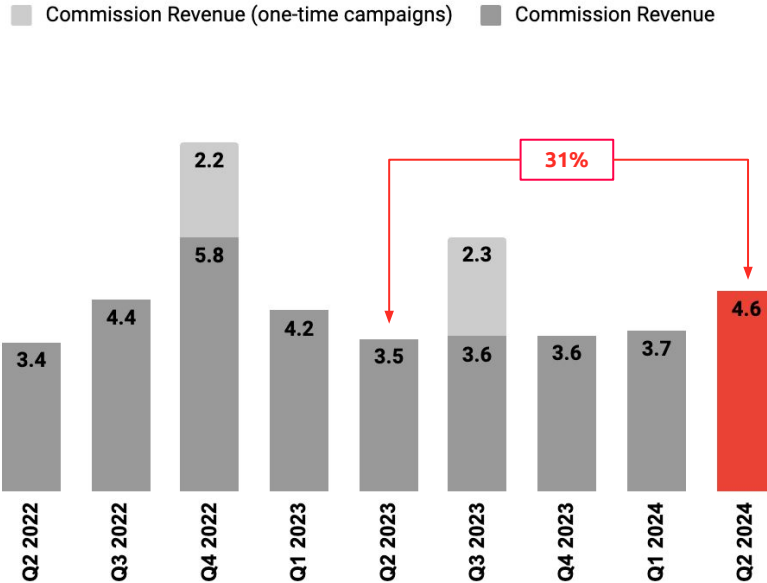


Subscription Revenue (mDKK)

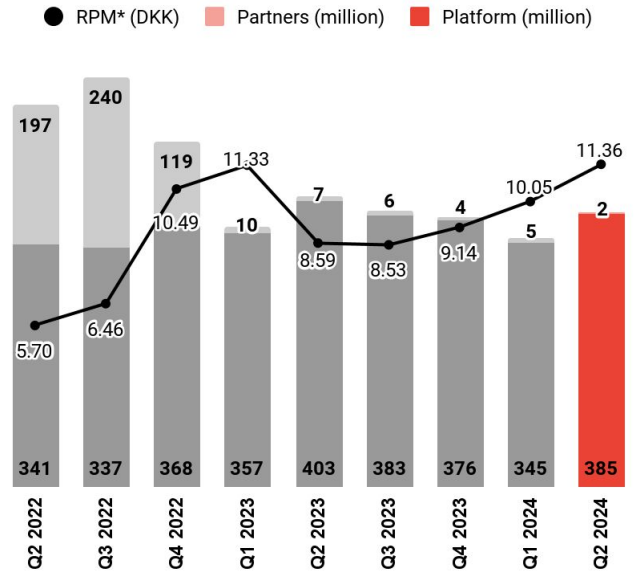


Key Performance Metrics Q2 2024

Commission Revenue (mDKK)



Commission Revenue Drivers



* Revenue per Mille on a constant currency basis: Commission Revenue per thousand Consumer Connections, adjusted to exclude one-time campaigns

Q2 In Review - Financial Highlights

Income Statement (DKK thousand)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	FY 2022	FY 2023
Recognized Revenue	10,039	14,642	16,793	13,104	12,547	13,321	11,113	10,984	11,914	52,590	50,084
y/y Growth (%)	31%	65%	72%	17%	25%	(9)%	(34)%	(16)%	(5)%	56%	-5%
Gross Profit	6,857	11,415	13,343	10,726	10,495	11,163	8,562	8,310	9,750	39,564	40,945
y/y Growth (%)	24%	78%	90%	33%	53%	(2)%	(36)%	(23)%	(7)%	62%	3%
Operating loss before interest, taxes, depreciation & amortization (EBITDA)	(15,810)	(6,164)	(5,359)	(2,148)	(2,363)	158	(3,572)	(1,052)	1,842	(39,876)	(8,572)
y/y Growth (%)	(65)%	0%	(55)%	83%	85%	103%	33%	51%	178%	-31%	79%
Key Metrics	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	FY 2022	FY 2023
Consumer connections (Traffic) (Million)	538	577	486	367	410	389	381	350	387	2,083	1,546
Consumer connections, Platform (Million)	342	337	368	357	403	383	376	345	385	1,417	1,518
Consumer connections, Partners (Million)	197	240	119	10	7	6	4	5	2	666	27
Financial ratios	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	FY 2022	FY 2023
Gross Margin (%)	68%	78%	79%	82%	84%	84%	77%	76%	82%	75%	82%
Operating profit before interest, depreciation & amortizations (EBITDA) margin (%)	(157)%	(42)%	(33)%	(16)%	(19)%	1%	(32)%	(10)%	15%	(76)%	(17)%

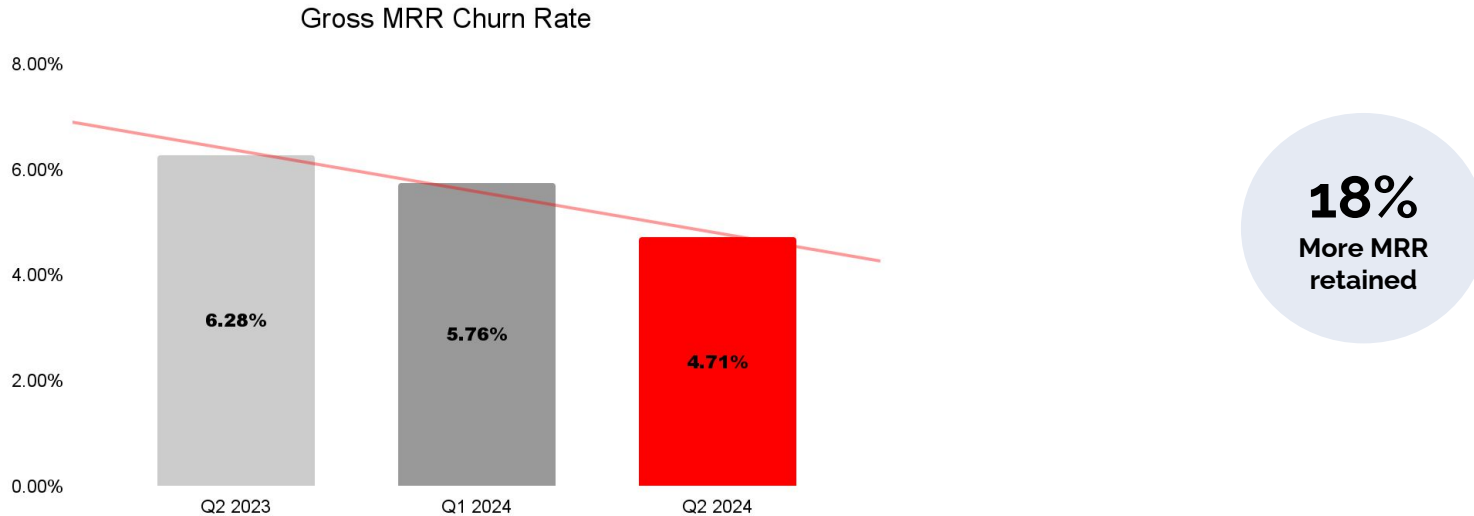
Insights

- Despite the slight decrease in revenue, EBITDA for Q2 2024 shows an improvement of 178% compared to the same quarter in 2023, being the most profitable quarter in Linkfire's history. Consistent EBITDA break-even is expected to continue for the rest of the year and beyond.
- As per the release date of this quarterly update, the Company has a cash preparedness of DKK 3,087 thousand, including credit lines and cash at hand.

Subscription revenue

Monthly Recurring Revenue (MRR) is the predictable total revenue generated by a business from all the active subscriptions in a particular month

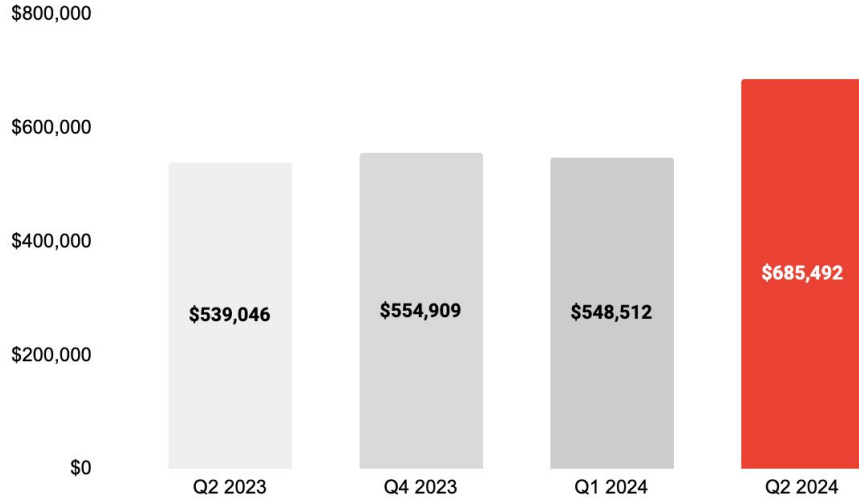
Positive MRR* Retention Trend



In Q2 2024, we aimed to delight our customers, maintain MRR, and accomplished a quarter with a gross MRR churn rate of 4.71%. This marks an 18% improvement over Q1 2024 and 25% more MRR retained than in Q2 2023.

Growing Performance & Expansion Planning

Linkfire Commission Revenue



The second quarter of 2024 showed consistent and growing performance for Commission revenue, traffic, and RPM (Revenue per Mille). Additionally, in Q2 we began executing various Wallet expansion projects that are expected to boost inventory and revenue in the second part of 2024. These projects include expanding Linkfire Wallet to major labels and adding new ad inventory, along with enhancing program reporting and payout processes.



EBITDA & Cash Break-even

Running a streamlined and more focused organization

Consistent EBITDA break-even since April and expected to continue.

Preliminary July numbers show positive cash break-even, which is expected to be maintained during Q3.



Debt ReFinancing & Capital Raise

Ensuring sufficient cash towards achieving break-even

Despite achieving cash break-even shortly, quarterly interest payments still represent a heavy burden for the company.

After securing sufficient cash runway with an equity raise, top priority for Q3 is to refinance current debt with better terms.



Reaccelerate subscription growth

Implement strategies to boost subscription growth

Focus on Enterprise sales in music, and podcast verticals

Finalize paid industry collaborations

Maintain customer satisfaction and high retention rates



Wallet Expansion

Grow advertising inventory

Introducing new and innovative ad inventory

Expanding Linkfire Wallet to organisations with high level of traffic, including some of the major music marketing players

Subsequent Events

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 needed 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, which was delivered in March 2024.

In April 2024, Linkfire received the decision by The Danish Tax Authorities, who deemed Linkfire ineligible, demanding repayment of DKK 12.3M including interest for 2020 and 2021, and rejecting payment of the expected funds corresponding to FY 2022, which was recognized as tax receivable of DKK 5.5 million. Many Danish software companies are facing the same decision from The Danish Tax Authorities regarding R&D under the Tax Credit Scheme. Based on the advice from tax specialists from Deloitte and Bech Bruun, Linkfire appealed the decision to the Danish Tax Tribunal, including a deferred payment request, meaning no payments need to be made until the Tax Tribunal makes a final ruling.

Other

On August 1, 2024, Linkfire renewed the agreement for providing its Saas Marketing Platform to Sony Music Entertainment globally. As one of the world's largest record labels, Sony Music Entertainment has been an important partner to Linkfire for over half a decade. The new agreement extends until July 31, 2025.

On August 21, 2024, Linkfire held an Extraordinary General Meeting to approve a Warrant Agreement with New Venture Securitization Company SCS. The agreement includes the issuance of warrants to purchase 7,838,000 shares for an upfront payment of USD 1,500,000, which will contribute with operations and growth initiatives, as well as a key piece in the debt refinancing, among other initiatives. The agreement was approved unanimously.



Thank you!

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