

# Quarterly Update | Q3 2024

Investor Presentation

November, 2024

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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

## Q3 2024

### In Review

### KEY FIGURES

COMPARED TO Q3 2023


**9%**  
RECURRING REVENUE  
GROWTH

**18x**  
IMPROVED EARNINGS


**5%**  
REDUCTION IN EXTERNAL  
EXPENSES

**56%**  
REDUCTION IN STAFF COSTS

### HIGHLIGHTS




**25%**  
EBITDA/Sales  
ratio



**34%** Recurring  
commission  
revenue growth  
compared to  
previous year



Secured warrant  
agreement of **\$1.5**  
million



Reduced overall  
costs by **38%**  
compared to  
previous year

## YTD 2024

**EBITDA**  
**break-even**

BEST EVER - Consistent since April  
2024

**Cash**  
**break-even**

Operational cash break-even -  
Achieved for the first time in Q3 2024

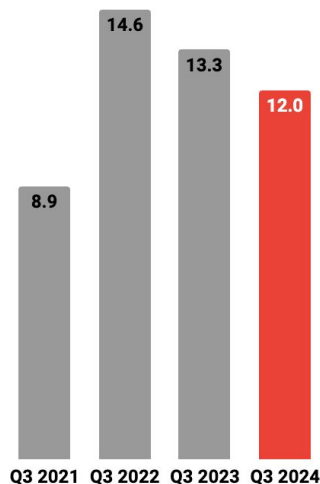
### FY 2024 GUIDANCE

**DKK 46M - 51M**  
REVENUE

**DKK 5M - 10M**  
EBITDA

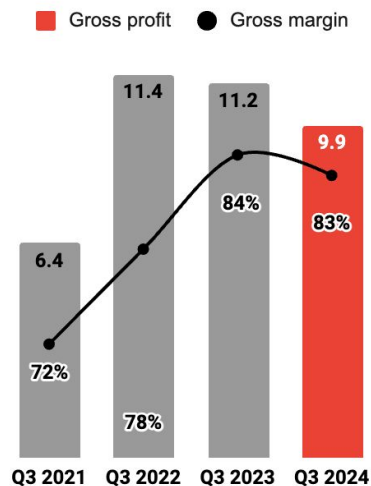
## Key Financial Metrics Q3 2024

Revenue (mDKK)



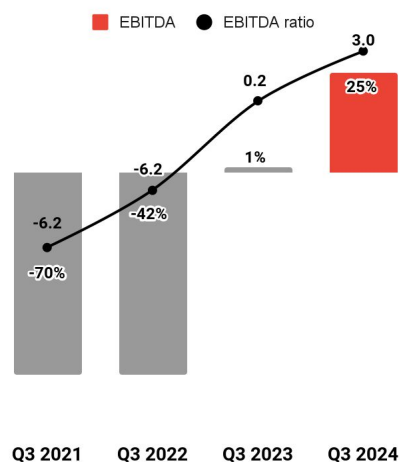
- Q3 2023 includes DKK 2.3 million of one-off commission revenue from Apple (DKK 0 in Q3 2024).

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.

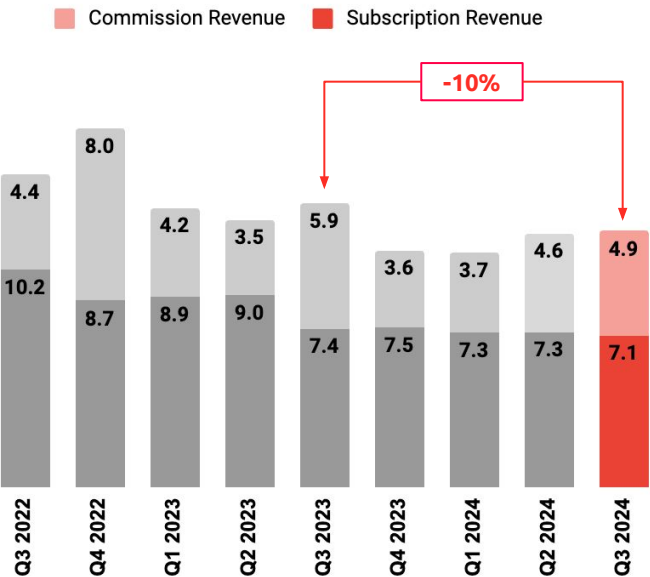
EBITDA (mDKK)



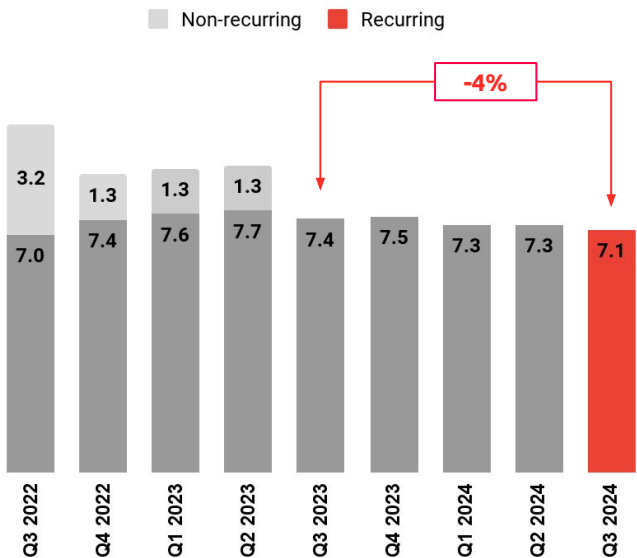
- Continuous cost control initiatives and a great performance in Commission revenue contributed in making Q3 2024 the most profitable quarter in Linkfire's history.

# Key Performance Metrics Q3 2024

Revenue (mDKK)

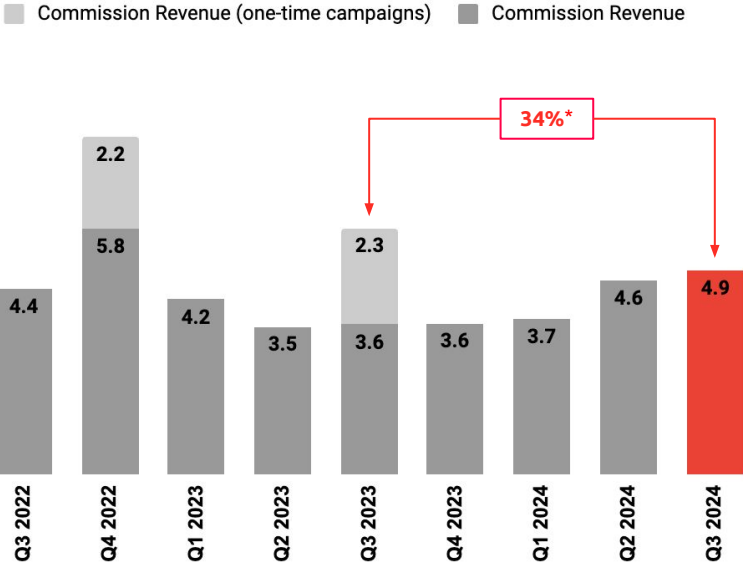


Subscription Revenue (mDKK)



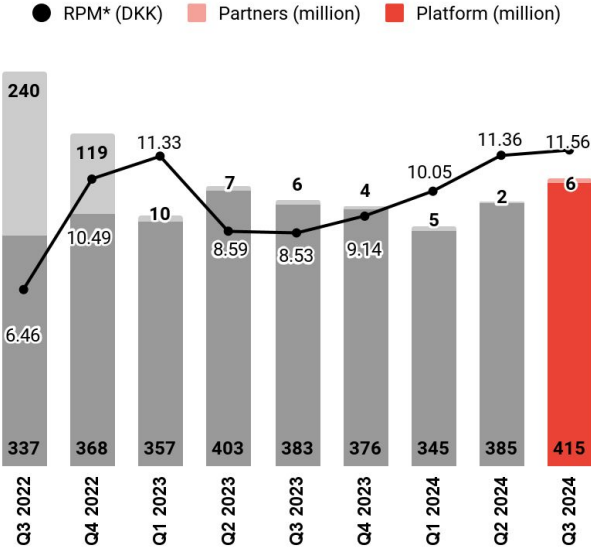
# Key Performance Metrics Q3 2024

Commission Revenue (mDKK)



\* Growth adjusted to exclude one-time campaigns

Commission Revenue Drivers



\* Revenue per Mille: Commission Revenue per thousand Consumer Connections, adjusted to exclude one-time campaigns

## Q3 In Review - Financial Highlights

Income Statement (DKK thousand)	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	FY 2022	FY 2023
Recognized Revenue	14,642	16,793	13,104	12,547	13,321	11,113	10,984	11,914	12,004	52,590	50,084
y/y Growth (%)	65%	72%	17%	25%	(9)%	(34)%	(16)%	(5)%	(10)%	56%	-5%
Gross Profit	11,415	13,343	10,726	10,495	11,163	8,562	8,310	9,750	9,907	39,564	40,945
y/y Growth (%)	78%	90%	33%	53%	(2)%	(36)%	(23)%	(7)%	(11)%	62%	3%
Operating loss before interest, taxes, depreciation & amortization (EBITDA)	(6,164)	(5,359)	(2,148)	(2,363)	158	(3,572)	(1,052)	1,842	3,029	(39,876)	(8,572)
y/y Growth (%)	0%	(55)%	83%	85%	103%	33%	51%	178%	1822%	-31%	79%
Key Metrics	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	FY 2022	FY 2023
Consumer connections (Traffic) (Million)	577	486	367	410	389	381	350	387	421	2,083	1,546
Consumer connections, Platform (Million)	337	368	357	403	383	376	345	385	415	1,417	1,518
Consumer connections, Partners (Million)	240	119	10	7	6	4	5	2	6	666	27
Financial ratios	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	FY 2022	FY 2023
Gross Margin (%)	78%	79%	82%	84%	84%	77%	76%	82%	83%	75%	82%
Operating profit before interest, depreciation & amortizations (EBITDA) margin (%)	(42)%	(33)%	(16)%	(19)%	1%	(32)%	(10)%	15%	25%	(76)%	(17)%

## Insights

- Despite the decrease in revenue, EBITDA for Q3 2024 shows an improvement of ≈18x compared to the same quarter in 2023 and a 64% improvement compared to previous quarter, 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 6,519 thousand, including outstanding balance from the warrant agreement and cash at hand.



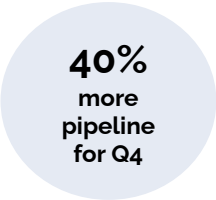
## Subscription Growth Reacceleration

In Q3, our renewed focus on accelerating subscription growth has paid off, reflected in strong subscription metrics. Key outcomes and initiatives include:

- **17% QoQ New MRR Growth:** By strategically optimizing our subscription model—including discontinuing free access for new customers—we achieved a 17% rise in new MRR and 40% more pipeline for Q4.
- **Strategic Partnerships & Market Penetration:** Paid partnerships with Digital Service Providers (DSPs) and increased podcast market penetration have continued to drive value, resulting in some revenue gains this quarter and a larger revenue impact expected in the next two quarters.
- **Expansion and Retention:** In Q3, we set up important initiatives for expansion and retention, such as strategies to prevent churn, product innovation, and a focused price increase campaign. These efforts are expected to significantly increase Q4, making it our strongest quarter of 2024, with a projected net MRR increase of 2.5%.



**17%**  
More new  
MRR



**40%**  
more  
pipeline  
for Q4

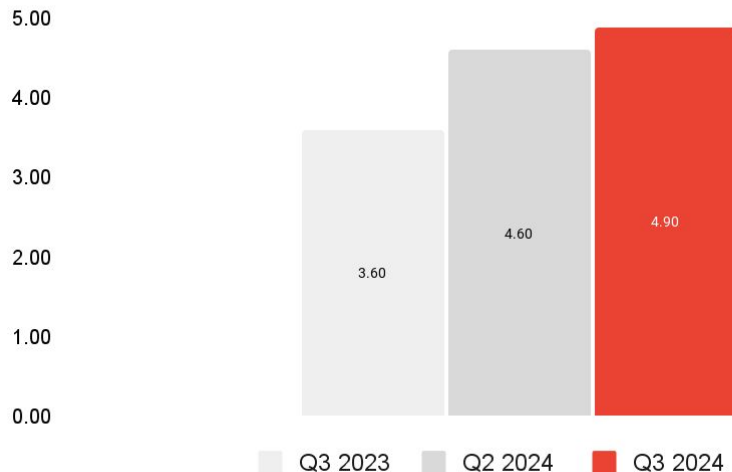
## Podcast Market Expansion Begins To Yield Revenue

- **Transition from trial to converted enterprise customers:** We successfully concluded the trial phase with key brands such as the BBC, Lemonada Media, and Bumper, that have become paying Linkfire customers by Q4.
- **Strengthened market position post-competitor exit:** In September 2024, a major competitor (Chartable, acquired by Spotify in 2022) retired their podcast product, making Linkfire the leading alternative for podcast creators and distributors. This transition has been highlighted in niche media, reinforcing our market dominance and visibility among potential customers.
- **Consistent growth:** Over 100 new podcasters engage with Linkfire on a trial basis each month. With the end of our freemium model, we're seeing an increase in conversions to paid plans, directly supporting our commercial goals and solidifying revenue from this vertical.



## Sustained Growth and Expansion

Linkfire Commission Revenue (mDKK)



Q3 2024 delivered strong momentum across key commercial metrics:

- **Commission Revenue:** Achieved a 34% increase YoY and a 6.5% rise QoQ
- **Traffic Growth:** Expanded by 8.2% YoY and 8.8% QoQ
- **RPM (Revenue per Mille):** Rose 35% YoY and 2% QoQ

Additionally, we advanced our Wallet expansion projects in Q3, aimed at increasing monetizable inventory. These initiatives are expected to drive further revenue growth in Q4 2024.



### **EBITDA & Cash Break-even**

#### **Running a streamlined and more focused organization**

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

Positive operating cash break-even achieved in Q3, and expected to be maintained during Q4.



### **Debt ReFinancing & Capital Raise**

#### **Ensuring sufficient cash towards achieving full break-even**

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

A long term solution to refinance current debt with better terms remains essential.



### **Reaccelerate subscription growth**

#### **Optimize approaches to maximize subscriber growth**

Conclude major label contract renewals.

Focus on Enterprise sales in music, and podcast verticals and expand paid DSP services.

Maintain customer satisfaction and high retention rates.



### **Wallet Expansion**

#### **Grow advertising inventory**

Introduce a new and innovative ad inventory designed to extend the consumer journey to perform multiple actions.

Expand Linkfire Wallet to Enterprise customers with high levels of traffic

## 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. The case will proceed to an initial external expert opinion and an assessment at the district court, with proceedings anticipated to commence in the second half of 2025.

### Other

On November 1 2024, Linkfire renewed the agreement for providing its Saas Marketing Platform to Warner Music Group globally. As one of the world's largest record labels, Warner Music Group has been an important partner to Linkfire for close to a decade. The new agreement extends until October 31, 2025.

# Thank you!

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