

## Linkfire initiates further actions to ensure profitable operations in 2023 and adjusts the mid-term revenue growth target

**In Q2 2022, Linkfire (LINKFI.ST) took action to focus on business initiatives generating value in the short term in order to solidify and secure the near-term efficiency of its global operations.**

Along these lines, Linkfire has initiated statutory staff negotiations as a measure to reduce its costs. The negotiations are expected to be finalized during October and are expected to affect approximately 35-40 employees out of Linkfire's current global team of around 100 employees.

Linkfire runs two main revenue streams - the Marketing Platform and the Discovery Network. The Marketing Platform revenue stream has reached profitability and currently accounts for about 90% of Linkfire's total revenue. Linkfire has invested materially into the Discovery Network as part of its long-term growth strategy. This investment remains relevant with high long-term growth potential.

The staff reductions are initiated to reduce the investment into further developing the Discovery Network, and an increased focus on yielding short-term value from the Marketing Platform for both the Subscription revenue and the Commission revenue.

As a result of the adjusted focus, Linkfire reduces its annual mid-term organic revenue growth target to 20-40 per cent (previously 50-70 per cent), while maintaining its mid-term gross profit target of 80 per cent.

Linkfire maintains its full-year guidance for 2022 as communicated in the Q2 Interim report, expecting its revenue for the full year to be in the range of DKK 50-60M, corresponding to a yearly growth of 48-78 per cent, and its EBITDA to be in the range of negative DKK 32-42M.

### **Lars Ettrup, CEO and co-founder, comments:**

*"We have during the past years successfully developed and invested in our Discovery Network business with clear positive results. Driving Linkfire towards profitability and a positive operating cash flow next year however requires continuous evaluation of current investments and a continued focus on initiatives that return an upside faster. In the current market conditions, we want to minimize our operational risks, as we ensure that our operations are profitable in 2023.*

*The employees affected by the negotiations have done an excellent job in scaling the business and reaching a market position where traffic commissions significantly contribute to the monetization of our consumer connections. The team has built products and secured partner agreements that will continue to contribute to our business. Continuing with the same investment pace into this business would however going forward carry a higher risk than before.*

*Together with the actions in Q2, we have now taken and initiated the necessary actions to ensure both a positive operating cash flow as well as profitable operations during 2023."*

The actions announced and taken during Q2 are expected to reduce Linkfire's operating expenses by 10-15 per cent in H2 2022 compared to H1 2022. The actions taken are expected to reduce Linkfire's operating expenses by an additional 30-35 per cent when in full effect, compared to the expected Q3 2022 cost baseline.

Linkfire will provide an update on the results of the statutory negotiations as well as the expected financial effect in connection with its Q3 2022 interim report.

**For further information, please contact:**

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**About Linkfire - Empowering entertainment discovery everywhere**

Linkfire makes entertainment marketing easy. We optimize impact, drive streams, increase ticket sales and recommend audio content to billions of fans and listeners on a global scale. Our SaaS marketing platform transformed music marketing and we are now building a global recommendation network for audio entertainment discovery to connect even more fans and listeners to the content they love. Linkfire's customers and partners include most artists on Billboard's annual Hot 100, all major music labels, global audio and music streaming services, social media apps and media publishers.

In 2021, Linkfire enabled 1.6 billion consumer connections and the company's revenue amounted to DKK 34.5M, an annual growth of 42 per cent. Co-founded in 2014 and headquartered in Copenhagen, Linkfire today employs a global team with offices in New York and Los Angeles. Linkfire's share (LINKFI) is listed on Nasdaq's First North Premier Growth Market in Stockholm. Learn more about us on [about.linkfire.com](http://about.linkfire.com) and more about our offering on [linkfire.com](http://linkfire.com). To keep up with our latest news, follow @Linkfire on LinkedIn and @getlinkfire on Twitter and Instagram.

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*This information is information that Linkfire is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2022-10-11 08:00 CEST.*

## **Attachments**

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[Linkfire initiates further actions to ensure profitable operations in 2023 and adjusts the mid-term revenue growth target](#)