

“ **Narrowing in on profitability with a stabilized cost base** ”

HIGHLIGHTS Q2 2023 COMPARED TO Q2 2022

- Recognized revenue increased by 25 per cent to DKK 12.5 million (DKK 10.0 million)
- Gross profit increased by 53 per cent to DKK 10.5 million (DKK 6.9 million) at a gross margin of 84 per cent (68 per cent)
- EBITDA improved by 85 per cent to negative DKK 2.4 million (negative DKK 15.8 million)
- EBITDA ratio of negative 19%, an improvement of 88%
- Revenue Per Mille (RPM) increased by 51 percent to DKK 8.59 (DKK 5.70)
- Launched first-ever YouTube Music pre-save (July) and expanded into podcasts in an exclusive partnership with Apple (August)

WEBCAST AND REPORT MATERIAL

Linkfire hosts an interim report Q2 webcast for investors and media on August 24, 2023, at 10.00 AM CET. The report is presented by Lars Ettrup, Co-founder & CEO, and Tobias Demuth, CFO.

The presentation for the webcast can be downloaded 30 minutes before the webcast starts, and a recording of the event will be available after the webcast. The Q&A session is moderated through a chat function, which can be accessed via the webcast link below.

Link to webcast:
<https://lnk.to/Q2-23>

Link to report material:
[bio.to/LINKFI_IR](https://lnk.to/LINKFI_IR)



ABOUT LINKFIRE

Linkfire empowers music marketing for millions of artists and creators. Through smart links generated with its proprietary technology, Linkfire connects billions of fans with their favorite artists, driving streams, sales, and fan engagement, providing leading data insights, superior user experience, and a quality marketplace for fans, artists, and creators.

Linkfire's customers and partners count many of the biggest names in the industry, such as Apple, Amazon, Sony Music, Universal Music, and Warner Music, in addition to thousands of artists and creators directly.

Headquartered in Copenhagen, Denmark, and listed on Nasdaq First North Premier in Stockholm (LINKFI), you can find more information on investors.linkfire.com.

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Q2 IN REVIEW

FINANCIAL HIGHLIGHTS

Income Statement (DKK thousand)	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	FY 2022	2022 YTD	2023 YTD
Recognized Revenue	8,880	9,756	11,231	10,039	14,527	16,793	13,104	12,547	52,590	21,270	25,651
y/y Growth (%)	36%	26%	51%	31%	64%	72%	17%	25%	56%	31%	21%
Gross Profit	6,400	7,021	8,064	6,857	11,300	13,343	10,726	10,495	39,564	14,921	21,221
y/y Growth (%)	31%	20%	48%	24%	77%	90%	33%	53%	62%	36%	42%
Operating loss before interest, taxes, depreciation & amortization (EBITDA)	(6,193)	(11,791)	(12,428)	(15,810)	(6,279)	(5,359)	(2,148)	(2,363)	(39,875)	(28,238)	(4,511)
y/y Growth (%)	249%	548%	320%	65%	1%	-55%	-83%	-85%	31%	125%	-84%
Balance Sheet (DKK thousand)	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	FY 2022	2022 YTD	2023 YTD
Intangible assets	58,174	69,876	84,678	89,472	70,332	74,372	74,659	74,499	74,372	89,472	74,499
Cash and cash equivalents	73,417	45,946	21,488	4,681	4,395	7,027	6,707	1,200	7,027	4,681	1,200
Total assets	152,524	143,932	136,823	118,643	98,212	101,349	101,507	96,657	101,349	118,643	96,657
Equity	98,527	87,526	79,801	62,007	29,126	43,543	31,430	31,669	44,097	62,007	31,669
Financial ratios	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	FY 2022	2022 YTD	2023 YTD
Gross Margin (%)	72%	72%	72%	68%	78%	79%	82%	84%	75%	70%	83%
Operating profit before interest, depreciation & amortizations (EBITDA) margin (%)	(62)%	(121)%	(111)%	(157)%	(43)%	(32)%	(16)%	(19)%	(76)%	(133)%	(18)%

INSIGHTS

Earnings improved significantly as a result of strategic focus to improve capital efficiency and thereby focusing on activities with short-term return profiles.

Compared to Q2 2022

- EBITDA improved by 85% (EBITDA margin improved 138%-points)
- External expenses decreased 51%
- Recorded revenue increased by 25%

2023 Revenue Guidance

14-33% Revenue Growth 60-70M DKK Revenue

40% 2018-2022 compound annual growth rate

22% Revenue growth to achieve 2023 EBITDA breakeven

2023 EBITDA Guidance (5M) - 5M DKK

LINKFIRE MAINTAINS ITS MID-TERM FINANCIAL TARGET OF 20-40% ORGANIC REVENUE GROWTH AND A GROSS MARGIN OF APPROXIMATELY 80%

Q2 IN REVIEW

KEY FIGURES

Key Metrics	Q3 2021	y/y Growth (%)	Q4 2021	y/y Growth (%)	Q1 2022	y/y Growth (%)	Q4 2022	y/y Growth (%)	Q2 2022	y/y Growth (%)	Q3 2022	y/y Growth (%)	Q1 2023	y/y Growth (%)	Q2 2023	y/y Growth (%)	FY 2022	y/y Growth (%)	2022 YTD	y/y Growth (%)	2023 YTD	y/y Growth (%)
Consumer connections (Traffic) (Million)	383	-6%	454	14%	481	36%	487	7%	538	30%	577	51%	367	-24%	410	-24%	2083	30%	1019	33%	777	-24%
Consumer connections, Platform (Million)	371	7%	418	23%	371	22%	368	-12%	342	-9%	337	-9%	357	-4%	403	18%	1417	-3%	713	5%	759	7%
Consumer connections, Partners (Million)	12	-77%	36	-29%	110	116%	119	230%	197	418%	240	1900%	10	-91%	7	-96%	666	383%	307	245%	17	-94%
Revenue, on constant currency basis (DKK thousand)	9,080	42%	9,830	26%	11,141	46%	15,154	54%	9,525	20%	12,957	43%	12,260	10%	11,663	22%	48,778	41%	20,666	33%	23,924	16%
Subscription Revenue, on constant currency basis (DKK thousand)	5,780	19%	6,220	22%	6,560	26%	7,880	27%	6,455	14%	9,227	60%	8,107	24%	8,144	26%	30,122	32%	13,015	21%	16,251	25%
Commission Revenue, on constant currency basis (DKK thousand)	3,301	115%	3,610	33%	4,581	88%	7,274	101%	3,071	32%	3,730	13%	4,154	-9%	3,519	15%	18,656	60%	7,652	61%	7,672	0%
Commission Revenue per Mille (RPM)*, on constant currency basis (DKK)	8.62	128%	7.96	16%	9.52	38%	14.95	88%	5.70	-8%	6.46	-25%	11.33	19%	8.59	51%	8.96	23%	10.74	21%	10.10	(6)%

* Commission Revenue per thousand consumer connections

INSIGHTS

- **Costly partner traffic decreased by 190 million as a consequence of the strategic decision to discontinue this activity for the time being. This led to an overall decrease in consumer connections but an improvement in monetization metrics (RPM).**

Compared to Q2 2022:

- **Consumer connections decreased by 24%**
- **RPM increased by 51%**

- **Future goal is to operate at the new cost base while maintaining steady revenue growth, improving earnings further**
- **As per the reporting date, the Company has a cash preparedness of DKK 19,508 thousand including credit lines and cash at hand.**



***“ Q2 2023 earnings demonstrate the success of our reshaped break-even strategy, and we’ll continue this path diligently.*”**

In the second quarter of 2023, our company saw a significant positive development in earnings, with an 85% improvement in EBITDA compared to the same quarter last year. This improvement is a result of our focused commercial as well as corporate strategy and represents a major step in our plan to break even.

We are proud of our disciplined execution during the quarter. We remain committed to balancing growth and profitability, and we believe that our growth strategies, flexible operating model, and talented teams will drive profitable growth in the future.

Both commission revenue and subscription revenue increased compared to last year and contributed to better unit economics. Our commission revenue per thousand consumer connections, or RPM, increased by 51% to DKK 8.59. Overall, with these positive developments, we remain confident in our outlook and goal of breaking even in 2023.

Expansion of partnerships with both YouTube Music and Apple

In July, we expanded our partnership with YouTube Music by bringing to market the first-ever YouTube Music pre-save (see our announcement [here](#)). Pre-saves offer valuable insights into fan engagement and provide artist teams with a direct connection to their fans. This enables them to generate excitement for their upcoming releases. Linkfire’s music tracking capabilities allow artists and their teams to accurately measure the impact of their pre-saves and see how many people are engaging with their music before its release.

Linkfire Expands To Podcasting

Earlier this week, on August 21st, we launched our new product **Linkfire for Podcasts**, with an exclusive integration with Apple that allows us to expand into the multibillion-dollar podcast industry (see our announcement [here](#)). **Linkfire for Podcasts** is a powerful marketing and

analytics toolkit built for podcasters and offers compelling new insights for creators worldwide.

We are excited to drive the impact of YouTube Music pre-save and the product **Linkfire for Podcasts** to the benefit of partners and creators in the audio entertainment industry.

Delisting from Nasdaq First North Premier

On July 17, 2023, we announced that we intend to initiate a delisting of the company’s shares from Nasdaq First North Premier Growth Market Stockholm (see our announcement [here](#)).

The announcement follows a period of very limited liquidity in the trading of the Company’s shares and a volatile and weak share price development (92% down since the IPO as of the announcement date), which have made it difficult for the Company to meaningfully perform on its objectives of being listed on Nasdaq First North. We expect a delisting to result in significant cost savings, improve profitability, and strengthen the basis for the Company’s continued ambition to return strong shareholder value. We do believe there are many potential venues for Linkfire to return more meaningful value to its shareholders than currently, and we are ongoingly assessing all options.

We firmly believe that the rest of 2023 will bring many new and remarkable accomplishments for Linkfire, and we are excited to continue the journey with all of you. Thank you for your continued support.

Founders Lars Etrup (CEO) & Jeppe Faurfelt (COO)

DELISTING Q&A FOR SHAREHOLDERS

Background for the delisting proposal

On July 17, 2023, Linkfire announced that it intends to initiate a delisting of the company's shares from Nasdaq First North Premier Growth Market Stockholm (see the announcement [here](#)). Linkfire's Proposal follows a period of low liquidity and weak share price development, making it difficult to achieve the objectives of being listed on Nasdaq First North. If the proposal is adopted, the Company will request the delisting of its shares from Nasdaq First North, resulting in significant cost savings, improved profitability, and a stronger basis for returning shareholder value.

Linkfire went public on Nasdaq First North Premier Growth Market Stockholm in June 2021 to expand globally and increase financial flexibility. The IPO targets were to grow revenue and gross margin, raise growth capital, and create shareholder value. In 2022 the Company grew revenue by 56% and increased its gross margin to 75%. Despite the agility in adjusting to market conditions and growth in 2023, the Company's stock price has dropped 92% since the IPO as of the announcement date.

This Q&A is an extraordinary measure to ensure that the company's shareholders have access to the full scope of information.

Delisting process

- The delisting proposal must be approved by a two-thirds (2/3) vote and capital present at an EGM.
- If the proposal is approved, the Company will request Nasdaq to delist its shares from trading.
- The application for delisting will be filed no earlier than 3 months after the announcement published on 17 July.
- Until Nasdaq approves the delisting, the Company's shares will remain tradable.
- The last day of trading will be determined by Nasdaq and is expected to occur within 2-4 weeks from the Company's filing of the application for delisting. The Company will publicly announce when the application is filed and when Nasdaq approves the delisting.

The company invites all shareholders to participate in the continued growth journey of Linkfire. The company will continue to work tirelessly to return shareholder value. Information about investor relations will be published [here](#).

Q: Why is Linkfire delisting?

A: Delisting is a crucial step in our continued journey, as it will achieve significant operational savings while enabling growth and profitability. Despite recent positive trading trends and strong results, the liquidity in the company's stock remains very low. The intention to delist is based on the desire to improve the current company valuation in a private setting. Despite efforts to improve investor relations in combination with strong operational performance, a significant increase in valuation seems to require material investments and time. Delisting would incur immediate savings, aligning with the Company's breakeven plan both in the long and the short term.

Q: Why is the company not staying listed to see if the price goes up with time?

A: When the company listed on First North's Premier segment, it intended to move to a bigger exchange later. However, since the IPO in 2021, the continued decrease in share price has eliminated that option. The company believes that delisting now would result in a more accurate valuation than investing in resetting the current valuation in the public market.

Q: Why delist and potentially re-list on a bigger venue?

A: The Board is determined to increase the value of Linkfire and implicitly the valuation. That is the main objective. The mean is not decisive whether a re-listing, trade sale, private investment or something else, but the ability to return broad shareholder value is. As for re-listing, on a larger venue, liquidity is more accessible, potentially resulting in increased shareholder value. When transferring shares directly to a larger venue the shares maintain their current valuation, whereas this is not the case when delisting with the potential to re-list in the future.

Q: Why is the company delisting without a BidCo?

A: After examining various prospects, uncertainties regarding the potential bid's attractiveness, and the inability to generate shareholder value through the expensive BidCo process, the company chose to delist without a bid. Although the company recognizes that some shareholders may be unable to retain their shares, analysis of the cap table indicates that it is only applicable to a very limited number of shareholders.

Q: Assuming the proposal to delist is approved, is Linkfire planning to be traded on any over-the-counter platform?

A: If the Company's shares are delisted from trading on Nasdaq First North Premier Growth Market Stockholm, there will no longer be a marketplace for trading the shares. Instead, any future trades will be conducted over the counter. The company is currently exploring OTC platforms and expects to maintain share registration with Euroclear.

Q: How will the company keep the shareholders informed about quarterly reports?

A: Linkfire will continue publishing quarterly reports and earnings calls to shareholders after delisting, as it is a priority to keep our stakeholders informed and up-to-date.

Financial Performance Q2 2023

Revenue

Revenue increased by DKK 2,508 thousand, or 25 per cent, from DKK 10,039 thousand in the second quarter of 2022 to DKK 12,547 thousand in the same period of 2023. Commission revenue increased by DKK 77 thousand, or 2 per cent, compared to Q2 2022, while Subscription revenue showed good improvements, increasing by DKK 2,431 thousand, or 37 per cent. While our subscription revenue figures have seen steady growth quarter over quarter since last year, the commission revenue is impacted by the increased focus on short and mid-term value as expected. It should be noted that non-recurring subscription revenue of DKK 1,329 thousand was recorded in Q2 2023.

Costs

Cost of sales decreased by DKK 1,130 thousand, or 36 per cent, from DKK 3,181 thousand in Q2 of 2022 to DKK 2,051 thousand in the second quarter of 2023. The decrease is centered around savings in server and hosting costs, still ensuring compliant and premium service delivery in line with our growth.

In the second quarter of 2023, external expenses decreased by DKK 3,895 thousand, or 51 per cent, from DKK 7,584 thousand in the comparable period in 2022 to DKK 3,686 thousand. The decrease in expenses compared to the same quarter last year relates to a strong focus on cost optimizations in order to shorten the break-even point. Staff costs decreased by DKK 4,387 thousand, or 32 per cent, from DKK 13,560 thousand in the second quarter of 2022 to DKK 9,172 thousand in the same period of 2023. As a percentage of revenue, staff costs improved from 135 per cent to 73 per cent.

Earnings

Depreciation, amortization, and impairment increased by DKK 1,181 thousand, or 32 per cent, from DKK 3,663 thousand in the second quarter of 2022 to DKK 4,843 thousand in the second quarter of 2023. The increase is mainly related to a bigger amount of completed development projects that started being amortized in 2023.

EBIT improved by DKK 12,251 thousand, or 63 per cent, from negative DKK 19,473 thousand in Q2 2022 to negative DKK 7,222 thousand in Q2 2023. This represents (58) per cent in relation to revenue in the second quarter of 2023 compared to (194) per cent in Q2 2022.

Net financial items

Financial income decreased by DKK 283 thousand, or 46 per cent, from DKK 610 thousand in the second quarter of 2022 to DKK 328 thousand in the second quarter of 2023.

Financial expenses increased by DKK 638 thousand, or 149 per cent, from DKK 428 thousand in the second quarter of 2022 to DKK 1,066 thousand in the second quarter of 2023.

Income tax

The tax for the year, which comprises deferred tax recognized in the income statement, decreased by DKK 92 thousand, or 7 per cent, from DKK 1,375 thousand in Q2 of 2022 to DKK 1,283 thousand in Q2 2023. Income tax benefits related to tax credits for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.

Net Profit/(loss)

Loss for the period decreased by DKK 11,252 thousand, or 63 per cent, from DKK 17,915 thousand in Q2 of 2022 to DKK 6,663 thousand in Q2 of 2023. This presents (53) per cent in relation to revenue in the second quarter of 2023 compared to (178) per cent in Q2 2022. We expect to continue in this line of improvement, knowing that actions and cost-cutting measures initiated during 2022 are taking full effect from Q2 2023 and are expected to continue during the entire 2023.

Cash flow and financing

Cash flow from operations for Q2 2023 was DKK 9,960 thousand (Q2 2022: DKK (9,120 thousand)). Investment activities reduced cash flows by DKK 3,580 thousand in Q2 2023 (Q2 2022: DKK 7,424 thousand). Cash flow from financing activities for Q2 2023 was DKK 8,291 thousand (Q2 2022: DKK (685 thousand)). The decrease in the cash balance since the previous quarter is mainly related to the changes in the working capital.

Financial Performance H1 2023

Revenue

Revenue increased by DKK 4,381 thousand, or 21 per cent, from DKK 21,270 thousand in the first half of 2022 to DKK 265,651 thousand in the same period of 2023. Commission revenue slightly decreased by DKK 428 thousand, or 5 per cent, compared to H1 2022, while Subscription revenue showed good improvements, increasing by DKK 4,809 thousand, or 37 per cent. It should be noted that non-recurring subscription revenue of DKK 2,658 thousand was recorded in the first half of 2023.

Costs

Cost of sales decreased by DKK 1,919 thousand, or 30 per cent, from DKK 6,438 thousand in the first half of 2022 to DKK 4,430 thousand in the same period of 2023. The decrease is centered around the same reasons described for the Q2 2023 performance.

In the first half of 2023, external expenses decreased by DKK 7,106 thousand, or 48 per cent, from DKK 14,732 thousand in the comparable period in 2022 to DKK 7,627 thousand. The decrease in expenses compared to the same period last year relates to a strong focus on cost optimizations in order to shorten the break-even point. Staff costs decreased by DKK 8,798 thousand, or 33 per cent, from DKK 26,903 thousand in the first half of 2022 to DKK 18,105 thousand in the same period of 2023. As a percentage of revenue, staff costs improved from 126 per cent to 71 per cent.

During the first half of 2023, Linkfire continued cost optimization measures aimed at delivering on the plan to show EBITDA profitability during 2023. Efforts included headcount optimization, along with the implementation of an improved budgeting process as well as a continuous review of subscription and tooling costs across the organization. Company-wide strategic efforts to adjust focus on yielding short-term value over long-term hyper growth were also continued from 2022.

Earnings

Depreciation, amortization, and impairment increased by DKK 2,508 thousand, or 34 per cent, from DKK 7,287 thousand in the first half of 2022 to DKK 9,796 thousand in the same period of 2023. The increase is mainly related to a bigger amount of completed development projects that started being amortized in 2023.

EBIT improved by DKK 21,219 thousand, or 60 per cent, from negative DKK 35,525 thousand in H1 2022 to negative DKK 14,307 thousand in H1 2023. This represents (56) per cent in relation to revenue in the first half of 2023 compared to (167) per cent in H1 2022.

Net financial items

Financial income decreased by DKK 40 thousand, or 6 per cent, from DKK 726 thousand in the first half of 2022 to DKK 686 thousand in the same period of 2023.

Financial expenses increased by DKK 763 thousand, or 79 per cent, from DKK 967 thousand in the first half of 2022 to DKK 1,730 thousand in the same period of 2023.

Income tax

The tax for the year, which comprises deferred tax recognized in the income statement, decreased by DKK 143 thousand, or 5 per cent, from DKK 2,750 thousand in H1 2022 to DKK 2,697 thousand in H1 2023. Income tax benefits related to tax credits for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.

Net Profit/(loss)

Loss for the period decreased by DKK 20,273 thousand, or 61 per cent, from DKK 33,017 thousand in the first half of 2022 to DKK 12,733 thousand in the same period of 2023. This presents (50) per cent in relation to revenue in the first half of 2023 compared to (155) per cent in H1 2022. We expect to continue in this line of improvement, as described in the quarterly performance..

Cash flow and financing

Cash flow from operations for the first half of 2023 was DKK 3,299 thousand (H1 2022: DKK (23,827 thousand). Investment activities reduced cash flows by DKK 7,928 thousand in the first half of 2023 (H1 2022: DKK 12,687 thousand). Cash flow from financing activities for H1 2023 was DKK 5,741 thousand (H1 2022: DKK (5,342 thousand).

Other

Shares and share capital

Linkfire A/S is a publicly listed company since June 28, 2021, and was established in 2014.

As per June 30, 2023, share capital amounted to DKK 1,150 thousand, and the total number of issued shares was 114,989,051. The company has one class of shares. Each share entitles the holder to one vote at the general meetings.

Shareholder structure

A list of Linkfire's largest shareholders can be found in note 11 of the interim report.

Incentive programs

Share-based incentive programs (warrants) in place ahead of the listing on Nasdaq First North Premier Growth Market in Stockholm have been exercised.

The General Meeting of Linkfire has, in the company's Articles of Association, authorized the Board of Directors to establish a share-based incentive program comprising equity-settled programs (warrants) for key employees, consultants, and members of the executive management. The purpose of the program is to create possibilities for Linkfire to retain and incentivize certain key employees and consultants.

During the second quarter of 2023, the company did not grant any warrants, and no warrants were exercised under this program.

Subsequent Events

On July 17 2023, The Board of Directors of Linkfire decided, subject to approval by an Extraordinary General Meeting, to initiate a delisting of the Company's shares from trading on Nasdaq First North Premier Growth Market Stockholm. In accordance with good practice on the Swedish stock market, such an application for delisting will be filed earliest 3 months after the date of the mentioned announcement.

On August 7 2023, Linkfire announced the closing of further participation in its existing credit facility of up to DKK 4.5 million, from ICS Investment Management LLC, CEC Partners Holdings LLP, as well as KRC s.r.o. under the same framework of terms as announced on May 9. Further participation in its existing credit facility diversifies and strengthens the Company's capital preparedness as a result of the continued commitment from Linkfire's major shareholders.

The framework facility has a duration of 5 years. It is repayable in whole or in part in the interim in case of future equity or debt raises during the term of the loan.

There have not been any other subsequent events after the reporting period which could influence the evaluation of the interim report.

Financial Calendar

Interim financial report, Q3 2023 Nov 23, 2023

Interim financial report, Q4 2023 Feb 22, 2024

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For more information about us, visit about.linkfire.com or email us at investors@linkfire.com

GLOSSARY

Subscription Revenue	Subscription revenue is generated from recurring subscription fees which customers pay to use the Company's platform.
Commission Revenue	When consumers discover music and are funneled from the Linkfire discovery layer to various Digital Service Providers, Linkfire, in some cases, generates commission revenue through affiliate partnerships.
Digital Service Providers	Stores and/or services where consumers play music, purchase other related content or sign up for subscriptions, e.g., Apple Music, Amazon, Ticketmaster, etc.
Consumer Connections	Represent the number of unique visitors on Linkfire's smart links and are a key driver for Commission revenue in conjunction with the ability to monetize traffic, reflected in the RPM.
Commission Revenue per Mille (RPM)	RPM is an important metric to Linkfire. It represents the commission revenue generated per thousand consumer connections for the period.
Constant Currency	Figures on a constant currency basis are an important measure to Linkfire as the majority of revenue is made in USD. This measure highlights the clean growth, adjusted for exchange rate impact in period-to-period comparison.

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The Board of Directors and the Executive Board have today considered and approved the interim report for the period 01.04.2023 – 30.06.2023 for Linkfire A/S.

The interim report is presented in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's and Parent's assets, liabilities, and financial position on 30.06.2023 and of the results of the Group's activities and cash flows for the period 01.04.2023 – 30.06.2023.

We believe that the management's review contains a fair review of the affairs and conditions referred to therein.

Copenhagen, August 24, 2023

Lars Ettrup
CEO & Co-founder

Tobias Demuth
CFO

Board of Directors

Jesper Møller
Chairman

Executive Board

Charlotte Klinge

Thomas Weilby Knudsen

Peter Balint

Ole Larsen

THE INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM FINANCIAL STATEMENTS

To the shareholders of Linkfire A/S

We have reviewed the interim financial statements of Linkfire A/S for the accounting period 01.04.2023 to 30.06.2023, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies.

Management's responsibility for the interim financial statements

Management is responsible for the preparation of interim financial statements in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU, and Danish disclosure requirements for listed companies, and for such internal control as Management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial statements. We conducted our review in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish audit regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared, in all material respects, in accordance with the applicable financial reporting framework. This also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of

inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements for the accounting period 01.04.2023 to 30.06.2023 have not been prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU, and Danish disclosure requirements for listed companies.

Copenhagen, August 24, 2023

Deloitte Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Claus Jorch Andersen

State-Authorised Public Accountant
Identification No (MNE) mne33712

Interim consolidated statement of comprehensive income

DKK thousand	Q2 2023	Q2 2022	2023 YTD	2022 YTD	FY 2022
Revenue	12,547	10,039	25,651	21,270	52,590
Cost of Sales	(2,051)	(3,181)	(4,430)	(6,348)	(13,026)
Gross Profit	10,495	6,857	21,221	14,921	39,564
External Expenses	(3,686)	(7,584)	(7,627)	(14,732)	(28,915)
Staff Costs	(9,172)	(13,560)	(18,105)	(26,903)	(46,708)
Other staff Costs	-	(1,524)	-	(1,524)	(3,817)
EBITDA	(2,363)	(15,810)	(4,511)	(28,238)	(39,875)
Depreciation, amortization and impairment losses	(4,843)	(3,663)	(9,796)	(7,287)	(34,414)
EBIT	(7,207)	(19,473)	(14,307)	(35,525)	(74,289)
Financial Income	328	610	686	726	1,042
Financial Expenses	(1,068)	(428)	(1,732)	(967)	(2,316)
Profit/(loss) before tax	(7,946)	(19,290)	(15,351)	(35,767)	(75,563)
Tax for the year	1,283	1,375	2,607	2,750	5,477
Profit/(loss) for the year	(6,662)	(17,915)	(12,744)	(33,017)	(70,087)
Attributable to:					
Earnings per share (DKK)	(0.06)	(0.30)	(0.11)	(0.56)	(1.0)
Earnings per share, diluted (DKK)	(0.06)	(0.30)	(0.11)	(0.56)	(0.9)
Other comprehensive income					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):					
Exchange differences on translation of foreign operations	231	121	451	335	-47
Other comprehensive income for the year, net of tax	231	121	451	335	-47
Total comprehensive income for the year	(6,431)	(17,794)	(12,293)	(32,682)	(70,134)

Balance Sheet

DKK thousand	Q2 2023	Q2 2022	FY 2022
Assets			
Non-current assets			
Intangible assets	74,499	89,472	74,372
Property, plant and equipment	120	508	281
Right-of-use assets	5,313	7,140	5,157
Deposits	1,424	1,209	1,206
Total non-current assets	81,356	98,329	81,017
Current assets			
Trade Receivables	2,659	4,465	5,026
Income tax receivables	8,158	8,250	5,500
Other receivables	384	292	579
Prepayments	2,900	2,626	2,200
Cash	1,200	4,681	7,027
Total Current Assets	15,302	20,314	20,332
Total assets	96,657	118,643	101,349

DKK thousand	Q2 2023	Q2 2022	FY 2022
Equity and liabilities			
Equity			
Share capital	1,150	596	1,150
Retained Earnings	28,784	60,599	41,991
Translation reserve	52	(17)	(399)
Other capital reserve	1,683	829	1,220
Total Equity	31,669	62,007	43,962
Non-current liabilities			
Interest bearing liabilities	25,618	20,969	24,206
Lease liabilities	1,951	4,240	2,345
Other payables	814	4,800	1,000
Total non-current liabilities	28,383	30,009	27,551
Current liabilities			
Interest-bearing liabilities	10,166	4,800	2,250
Contract liabilities	7,932	6,795	9,927
Lease liabilities	3,262	3,143	3,356
Trade payables	6,514	6,130	9,481
Other payables	8,731	5,759	4,822
Total current liabilities	36,605	26,627	29,837
Total liabilities	64,988	56,636	57,388
Total equity and liabilities	96,657	118,643	101,349

Statement of changes in Equity

DKK thousand	Share capital	Retained earnings	Translation reserve	Other capital reserve	Total
Balance at 1 January, 2023	1,150	41,991	(399)	1,220	43,962
Net profit/(loss) for the period	-	(12,744)	-	-	(12,744)
Other comprehensive income	-	-	451	-	451
Total Comprehensive income	1,150	29,247	52	1,220	31,669
Capital increase	-	-	-	-	-
Transaction cost	-	-	-	-	-
Share-based payments	-	(463)	-	463	-
Balance at 30 June, 2023	1,150	28,784	52	1,683	31,669
<i>During the period no dividend was paid</i>					
Balance at 1 January, 2022	584	86,464	(352)	429	87,125
Net profit/(loss) for the period	-	(33,017)	-	-	(33,017)
Other comprehensive income	-	-	335	-	335
Total Comprehensive income	584	53,447	(17)	429	54,443
Capital increase	12	7,552	-	-	7,564
Transaction cost	-	-	-	-	-
Share-based payments	-	(400)	-	400	-
Balance at 30 June, 2022	596	60,599	(17)	829	62,007

During the period no dividend was paid

Cash flow statement

DKK thousand	Q2 2023	Q2 2022	2023 YTD	2022 YTD	FY 2022
Operating Loss	(7,207)	(19,473)	(14,307)	(35,520)	(74,289)
Depreciation, amortization and impairment losses	4,843	3,663	9,796	7,287	34,414
Change in working capital	(7,776)	6,513	809	4,089	9,209
Share-based payment expense	239	197	463	400	791
Cash flow from ordinary operating activities	(9,900)	(9,099)	(3,239)	(23,754)	(29,875)
Income taxes received	-	-	-	-	5,500
Interest paid	(60)	(21)	(60)	(83)	(120)
Cash flow from operating activities	(9,960)	(9,120)	(3,299)	(23,837)	(24,495)
Development expenditures	(3,732)	(7,380)	(7,912)	(12,380)	(26,144)
Investments in property, plant and equipment	-	-	-	(250)	(263)
Change in deposits	152	(44)	(16)	(57)	(102)
Cash flow from investing activities	(3,580)	(7,424)	(7,928)	(12,687)	(26,509)
Proceeds from borrowings	9,225	-	9,225	-	11,549
Repayment of borrowings	-	334	(1,000)	(3,312)	(14,521)
Payment of principal portion of lease liabilities	(934)	(1,019)	(2,484)	(2,031)	(4,080)
Transaction cost from capital increase	-	-	-	-	(3,092)
Proceeds from capital increase	-	-	-	-	22,500
Cash flow financing activities	8,291	(685)	5,741	(5,342)	12,356
Change in cash and cash equivalents					
Net cash flow	(5,249)	(17,229)	(5,486)	(41,866)	(38,649)
Net foreign exchange difference	(258)	422	(341)	601	(271)
Cash, Begin	6,707	21,489	7,027	45,947	45,947
Cash, End	1,200	4,681	1,200	4,681	7,027

Part of the acquisition of SmartURL was a non-cash investment (payment in shares) of DKK 7,563 thousand and DKK 1,000 thousand in estimated earn-out. The non-cash parts of the acquisition are excluded (presented net) in the cash flow from investing activities and financing activities.

As per the reporting date, the Company has a cash preparedness of DKK 19,508 thousand including credit lines and cash at hand.

NOTES GLOSSARY

1	Going Concern	7	Income tax
2	Subsequent Events	8	Intangible Assets
3	Uncertainties of recognition and measurement.	9	Guarantees, contingent liabilities and collateral
4	General information	10	Risks and uncertainties
5	Revenue specification	11	Share and share capital
6	Share-based payment plans		

NOTES

1 Going Concern

In 2022, Linkfire concluded the process of securing necessary financing to continue its operations. The equity financing of DKK 45 million was divided into two equal tranches whereof the first tranche was settled in Q4 2022, while the second tranche would settle latest in May 2023. Second tranche was committed by the largest new shareholder participating in the first tranche, Maverick Capital Limited ("Maverick"), at the same price per share of SEK 0.60. Linkfire had the option to waive the commitment if, and to the extent that Linkfire was able to obtain financing in the amount of DKK 22.5 million or more at more favorable terms elsewhere. On May 9 2023, Linkfire secured a debt facility of up to DKK 22.5 million from Egor Romanyuk, managing partner of Maverick, waiving the second tranche of the previously announced directed share issue. On August 7 2023, Linkfire announced the closing of further participation in its existing credit facility of up to DKK 4.5 million, mainly from existing shareholders. For more information, please refer to note 2 of the interim report.

Linkfire is continuing its path towards profitability and with a strong improvement in earnings in Q2 as well as a structurally lighter cost base, the company's management remains confident in its plan to reach EBITDA profitability during 2023. In its reshaped form, the company's management is confident in the presence of sufficient operating flexibility to mitigate the expectation of difficult operating conditions.

The above-mentioned financing, including the new debt facility, is expected to last until the company breaks even on EBITDA and potentially until the company generates sufficient cash from operations to sustain investments into innovation as well as servicing loan obligations. Current budgets and plans are still considered achievable at the signing date. Linkfire is continuously optimizing its capital preparedness and options as complementary to the secured equity financing.

Management has, on this background, decided to prepare the financial statements on a going concern basis.

2 Subsequent Events

On July 17, 2023, The Board of Directors of Linkfire has decided, subject to approval by an Extraordinary General Meeting, to initiate a delisting of the Company's shares from trading on Nasdaq First North Premier Growth Market Stockholm. In accordance with good practice on the Swedish stock market, such an application for delisting will be filed the earliest three months after the date of the mentioned announcement.

On August 7, 2023, Linkfire announced the closing of further participation in its existing credit facility of up to DKK 4.5 million from ICS Investment Management LLC, CEC Partners Holdings LLP, as well as KRC s.r.o. under the same framework of terms as announced on May 9. Further participation in its existing credit facility diversifies and strengthens the Company's capital preparedness as a result of the continued commitment from Linkfire's major shareholders.

The framework facility has a duration of 5 years. It is repayable in whole or in part in the interim in case of future equity or debt raises during the term of the loan.

There have not been any other subsequent events after the reporting period which could influence the evaluation of the interim report.

NOTES

3 Uncertainties of recognition and measurement

At each reporting date, it is required to assess whether there is any indication that an asset may be impaired. The current uncertainties in the market and the share price from the last capital increase, among others, indicate that an impairment assessment needs to be performed, with main focus on the carrying amount of the intangible assets.

As a result of Management's impairment assessment, the conclusion was that the carrying amount of the intangible assets is lower than their recoverable amount, and therefore, no impairment recognition is needed.

4 General information

Linkfire A/S is a limited liability company and is incorporated in Denmark. The parent company and its subsidiaries (referred to as the "Group" or "Linkfire") are on a mission to frictionlessly connect fans to the world of entertainment. Linkfire is a technology company providing marketing and promotional services within the music and entertainment industries.

Basis of preparation

The interim report (condensed consolidated interim financial statements) for the period April 1 - June 30, 2023, has been prepared in accordance with IAS 34 "Interim financial statements" as adopted by the EU and additional requirements in the Danish Financial Statements Act.

These condensed consolidated interim financial statements incorporate the results of Linkfire A/S and its subsidiaries. The condensed consolidated interim financial statements refer to certain key performance indicators, which Linkfire and others use when evaluating the performance of Linkfire. These are referred to as alternative performance measures (APMs) and are not defined under IFRS. The figures and related subtotals give management and investors important information to enable them to fully analyze Linkfire's business and trends. The APMs are not meant to replace but to complement the performance measures defined under IFRS.

Accounting policies

Except for the changes below, the condensed consolidated interim financial statements have been prepared using the same accounting policies as set out in note 1 of the 2022 annual report, which contains a full description of the accounting policies for the Group and the parent company. The annual report for 2022 can be found on Linkfire's website: <https://investors.linkfire.com/>. All statements are prepared in DKK as this is the official and functional currency of the operating and reporting activities. Any reference to other currencies (mainly USD, EUR, or SEK) serve purely as informative and is not official.

Changes in accounting policies:

No changes to the accounting policies were made in the period.

Significant accounting judgements, estimates, and assumptions

As part of the preparation of the interim report, Management makes a number of accounting estimates and assumptions as a basis for recognizing and measuring the Group's assets, liabilities, income, and expenses as well as judgments made in applying the entity's accounting policies. The estimates, judgments, and assumptions made are based on experience gained and other factors that are considered prudent by Management in the circumstances but which are inherently subject to uncertainty and volatility.

The significant accounting judgments, estimates, and assumptions applied in these consolidated interim financial statements are the same as disclosed in note 4 in the annual report for 2022, which contains a full description of significant accounting judgments, estimates, and assumptions.

The income tax receivable recognized in the balance sheet relates to the utilization of the tax credit scheme under Section 8X of the Income Tax Act, whereby the company can receive payment for the tax value of tax losses originating from research and development expenses. The criteria for applying the scheme are fulfilled for current and prior periods based on a discretionary assessment. As a consequence, there is a risk that the tax authorities may evaluate that the criteria are not met.

NOTES

5 Revenue Specification

	Q2 2023	Q2 2022	2023 YTD	2022 YTD	FY 2022
Revenue by business segment					
DKK thousand					
Subscriptions	9,020	6,590	17,947	13,139	32,100
Commissions	3,526	3,449	7,703	8,131	20,490
Total	12,547	10,039	25,651	21,270	52,590
%-split					
Subscriptions	72	66	70	62	61
Commissions	28	34	30	38	39
Total	100	100	100	100	100
Geographic Information					
As an online platform, the Group generates revenue from customers located worldwide. For this purpose, internal reporting divides revenue according to the NAM (Northern America), the EMEA region (Europe, Middle East, and Africa) as well as APAC (Asia and Oceania), and LATAM (Latin America and the Caribbean).					
DKK thousand					
NAM	7,900	6,339	16,148	13,349	34,253
EMEA	3,288	2,493	6,837	5,269	13,143
APAC	1,089	1,071	2,136	2,364	4,331
LATAM	270	136	530	288	863
Total	12,547	10,039	25,651	21,270	52,590
%-split					
NAM	63	63	63	63	65
EMEA	26	25	27	25	25
APAC	9	11	8	11	8
LATAM	2	1	2	1	2
Total	100	100	100	100	100

* A total of DKK 1,329 thousand correspond to non-recurring subscription revenue recognized in Q2 2023 (Q2 2022: DKK 0).

6 Share-based payment plans

IPO Warrant Program:

The Board of Directors, the Board of Management, and other employees have been granted warrants. The warrants are measured at fair value at the grant date and are recognized as an expense in staff costs over the vesting period. Expenses are set off against equity (equity-settled share-based payments). The fair value of the warrants issued is measured at the calculated market price at the grant date based on the Black & Scholes valuation method.

During the second quarter of 2023, the company did not grant any warrants, and no warrants were exercised under this program.

The total share based compensation expense recognized for Q2 2023 is DKK 239 thousand (Q2 2022: DKK 197 thousand).

The Board of Directors decided:

1. On 15 June 2021, to issue warrants to members of the Board of Directors in the company. The warrant terms entitle warrant holders to subscribe for up to a total amount of 737,080 shares of nominal DKK 0.01 each.

The warrants are to be vested linearly over 36 months after the grant date.

2. On 27 April 2022, to issue warrants to key employees, consultants, and members of the executive management in the company. The warrant terms entitle warrant holders to subscribe for up to a total amount of 3,010,764 shares of nominal DKK 0.01 each.

The warrants are to be vested linearly over 36 months after the grant date.

3. On 27 April 2022, to issue warrants to members of the board of directors in the company. The warrant terms entitle warrant holders to subscribe for up to a total amount of 368,540 shares of nominal DKK 0.01 each.

The warrants are to be vested linearly over 36 months after the grant date.

4. On February 23, 2023, to issue warrants to the executive management, the senior leadership team, key employees and contracted staff within the authorization granted by the annual general meeting on 27 April 2022. In total, the grants cover 2,676,000 warrants of which 936,000 warrants have been granted to the executive management and senior leadership, and the remaining 1,740,000 warrants have been granted to key employees and contracted staff.

Incentive Programs

Share-based incentive programs (warrants) in place ahead of the listing on Nasdaq First North Premier Growth Market in Stockholm have been exercised. The General Meeting of Linkfire has, in the company's Articles of Association, authorized the Board of Directors to establish a share-based incentive program comprising equity-settled programs (warrants) for key employees, consultants, and members of the executive management. The purpose of the program is to create possibilities for Linkfire to retain and incentivize certain key employees and consultants. No further warrants have been allocated other than the ones described above.

7 Income tax

DKK thousand	Q2 2023	Q2 2022	2023 YTD	2022 YTD	FY 2022
Current tax for the year income	1,283	1,375	2,607	2,750	5,477
Changes in deferred tax	-	-	-	-	-
Recognized as receivable tax credit	8,158	8,250	8,158	8,250	30,250
<i>Income tax benefits for all periods relate to tax credit for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.</i>					
Tax calculated as 22% of profit/loss before tax	1,748	4,244	3,377	7,869	16,624
Non-capitalised tax assets	(365)	(2,769)	(570)	(4,919)	(10,747)
Non-deductible expenses	(100)	(100)	(200)	(200)	(400)
Effective tax	1,283	1,375	2,607	2,750	5,477
Tax rate for the year (%)	16.2%	7.1%	17.0%	7.7%	7.2%

Due to the uncertainty of utilization of the tax loss carry-forward, the Group has not recognized any deferred tax assets.

The Danish Tax Authorities have requested Linkfire to share its calculations for received payouts under the Tax Credit Scheme. 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's management believes in having solid documentation for its innovative development in the global audio entertainment market and welcomes control as an important part of such a supportive arrangement for innovation in Denmark. Under this program, the Tax Authorities encourage innovation in Denmark, supporting Danish loss-making, innovative companies by paying out the tax value of qualified research and development costs. Linkfire received DKK 5.5 million in 2022 and expects to receive DKK 5.5 million in 2023. The program is a great driver for keeping innovation in Denmark and for global exposure to Denmark as an accommodating and innovative business market.

8 Intangible Assets

DKK thousand	Acquired Intellectual Property Rights	Completed development projects	Development projects in progress	Total
Cost at 1 January 2023	-	118,008	-	118,008
Transfers	-	-	-	-
Additions	-	-	7,912	7,912
Cost at 30 June 2023	-	118,008	7,912	125,920
Amortization and impairment at 1 January 2023	-	(43,636)	-	(43,636)
Amortization and impairment during the year	-	(7,785)	-	(7,785)
Amortization and impairment at 30 June 2023	-	(51,421)	-	(51,421)
Carrying amount at 30 June 2023	-	66,587	7,912	74,499
Cost at 1 January 2022	8,298	74,979	-	83,277
Transfers	-	-	-	-
Additions	12,387	-	12,381	24,768
Cost at 30 June 2022	20,685	74,979	12,381	108,045
Amortization and impairment at 1 January 2022	-	(13,401)	-	(13,401)
Amortization and impairment during the year	-	(5,172)	-	(5,172)
Amortization and impairment at 30 June 2022	-	(18,573)	-	(18,573)
Carrying amount at 30 June 2022	20,685	56,406	12,381	89,473

9 Guarantees, contingent liabilities and collateral

The group has provided a bank guarantee to Euroclear of DKK 127 thousand.

In order to secure the Company's balance with Danske Bank, a mortgage has been granted with mortgages in simple receivables, operating inventories and equipment, and intellectual property rights at a total book value of DKK 77,662 thousand (Q2 2022: DKK 94,755 thousand).

10 Risks and Uncertainties

Linkfire is exposed to various risks, both operational and financial. Operational risks mainly comprise industry risk, commission revenue risk, data partnership risk, subscription revenue risk and management, management and key employee risk, privacy regulation risk, and risks related to taxation. Financial risks mainly comprise capital management risk, credit risk, foreign currency risk and liquidity risk. For more information on the above risks and uncertainties related to Linkfire's operating environment and operations, please see Linkfire's Annual report for 2022.

CONSOLIDATED FINANCIAL STATEMENTS
NOTES

11 Shares and Share Capital

Linkfire A/S is a publicly listed company since June 28, 2021, and was established in 2014.

As per June 30, 2023, share capital amounted to DKK 1,150 thousand, and the total number of issued shares was 114,989,051. The company has one class of shares. Each share entitles the holder to one vote at the general meetings.

At the reporting date, the list of Linkfire's largest shareholders is as follows:

Name	Num. Of Shares	Capital
Maverick Fund Open-ended PCC Ltd	33,274,179	28.94%
NorthCap Partners ApS (NCP)	14,961,911	13.01%
Rocket Group ApS (CEO, Lars Ettrup)	12,161,785	10.58%
Kuok Meng Ru	11,091,393	9.65%
ICS Investment Management LLC	11,091,393	9.65%
Barreson Limited	3,748,900	3.26%
Jeppe Faurfelt	3,713,930	3.23%
Thomas Rudbeck	2,316,751	2.01%
Gupta Media LLC	1,192,864	1.04%