

“ **Steady revenue growth with significantly improved profitability** ”

HIGHLIGHTS Q1 2023 COMPARED TO Q1 2022

- Recognized revenue increased by 17 per cent to DKK 13.1 million (Q1 2022: DKK 11.2 million)
- Gross profit increased by 33 per cent to DKK 10.7 million (Q1 2022: DKK 8.0 million) at a gross margin of 82 per cent
- EBITDA improved by 83 per cent to negative DKK 2.1 million (Q1 2022: negative DKK 12.4 million)
- EBITDA ratio of negative 16%, an improvement of 95%
- Revenue Per Mille (RPM) increased by 19 percent to DKK 11.33 (Q1 2022: DKK 9.52)

WEBCAST AND REPORT MATERIAL

Linkfire hosts an interim report Q1 webcast for investors and media on May 25, 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/Q1-23>

Link to report material:
bio.to/LINKFI_IR



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ABOUT LINKFIRE

Empowering entertainment discovery everywhere

Linkfire is the world's leading off-platform entertainment discovery network. Our smart links connect billions of consumers across the globe to the content they love in the apps they love. Since 2014, we have become a trusted partner to, among others, Apple, Universal, Sony, Warner, and Amazon, as well as thousands of soon-to-be biggest names. Linkfire is headquartered in Copenhagen, with offices in New York City and Los Angeles

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

Q1 IN REVIEW

Income Statement (DKK thousand)	Q1 2023	Q1 2022
Recognized Revenue	13,104	11,231
Operating loss before interest, taxes, depreciation & amortization (EBITDA)	(2,148)	(12,428)
Operating loss before interest & taxes (EBIT)	(7,100)	(16,053)
Result of financial items	(306)	(424)
Profit after tax	(6,082)	(15,101)

Balance Sheet (DKK thousand)

Intangible assets	74,659	84,678
Additions, property, plant and equipment	-	-
Cash and cash equivalents	6,707	21,488
Total assets	101,507	136,823
Equity	38,100	79,801

Financial ratios

Operating profit before interest, depreciation & amortizations (EBITDA) margin (%)	-16%	-111%
Operating profit margin (EBIT) (%)	-54%	-143%

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 Q1 2022:

- EBITDA improved by 83% (EBITDA margin improved 100%-points)
- External expenses were down 45%
- Recorded revenue increased by 17%

- Costly partner traffic decreased by 100 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 of monetization metrics (RPM).

Compared to Q1 2022:

- Consumer connections decreased by 24%
- RPM increased by 19%

- Future goal is to operate at the new cost base while maintaining steady revenue growth, improving earnings further

FINANCIAL HIGHLIGHTS AND KEY FIGURES

Key Metrics	Q1 2023	Q1 2022
Consumer connections (Traffic) (Million)	367	481
y/y Growth	-24%	36%
Consumer connections, Platform (Million)	357	371
y/y Growth	-4%	19%
Consumer connections, Partners (Million)	10	110
y/y Growth	-91%	166%
Revenue, on constant currency basis (DKK thousand)	12,260	11,141
Revenue Growth	10%	46%
Organic Revenue Growth	10%	46%
Subscription Revenue, on constant currency basis (DKK thousand)	8,107	6,560
y/y Growth	24%	26%
Commission Revenue, on constant currency basis (DKK thousand)	4,154	4,581
y/y Growth	-9%	88%
Commission Revenue per Mille (RPM)*, on constant currency basis (DKK)	11.33	9.52
y/y Growth	19%	38%
Gross Margin, on constant currency basis	83%	72%

* Commission Revenue per thousand consumer connections

2023 Revenue Guidance

14-33%
Revenue Growth

60-70M DKK
Revenue

40% 2018-2022 compound annual growth rate

22% Revenue growth needed to achieve EBITDA breakeven in 2023

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%

Strategy Execution

Performance on the following drivers is required to achieve our guidance

- Continued strong RPM performance
- Sustained traffic levels on a year-on-year basis
- Continued inflow of new platform users, free and paid
- Retention and expansion of existing subscription contracts
- Continued product innovation and development



“ Q1 2023 earnings performance is a testament to our reshaped strategy

Q1 of 2023 has shown strong development in earnings, with an 83% improvement in EBITDA compared to Q1 of last year. This is a testament to the narrowed commercial focus and a major step in our breakeven plan.

We are pleased with our disciplined execution during the quarter, which resulted from our narrowed commercial focus. We remain laser-focused on balancing growth and profitability, and we are confident that our growth strategies, flexible operating model, and talented teams will drive profitable growth in the future.

Keywords are the bottom line and narrowed commercial focus

Last year, a substantial part of Linkfire's consumer connections and, to some degree, revenue came from subsidized activities, such as third party traffic partners. The improved earnings performance can be attributed to the commercial focus on growth predominantly through our Marketing Platform.

Overall, we are content with the development of the business, in which subscription revenue continued to deliver solid growth, whereas commission revenue declined slightly to last year, yet contributing with significantly better unit economics. RPM, commission revenue per thousand consumer connections, increased 19% to DKK 11.33, which is second to the highest level in our history, only surpassed by the very strong Q4 of 2022. Based on the solid development in our underlying metrics and earnings, we remain highly confident about the outlook and the goal of breaking even in 2023.

Growing in the long tail of music and entertainment

Content creation is at its all time peak, and the number of artists globally is increasing exponentially. In February 2023, Spotify reported 100,000 new tracks uploaded to their platform daily, while the music production service Bandlab

has more than 60 million users on their platform, up from just 10 million two years ago, highlighting the user potential. The music market is growing fast, and Linkfire wants to equip emerging artists with the necessary marketing tools to become a successful and sustainable business.

Since we released the next generation artist bio link in the fall of 2022, we have seen good adoption and engagement metrics in the area, and we are turning up our delivery focus to this business segment. Ultimately, we believe the artist bio link will become the default standard for more coherent artist marketing strategies and seamless fan experiences.

Overall, we are optimistic about the future of the music and entertainment market, and we will continue to innovate and improve our products to meet the needs of artists and their audiences.

Debt facility raise up to 22.5 million

On May 9, 2023, a debt facility of up to DKK 22.5 million was secured, which waived the second tranche of a previously announced directed share issue (see our announcement [here](#)). The debt raise allows us to focus on our core business operations without diluting existing shareholders. We have worked hard to get the best possible deal for all stakeholders of Linkfire, and we believe we have succeeded in that effort with this deal. We are confident that we can generate strong financial performance in the coming quarters and expand our market share in the music and entertainment industry.

We are convinced that 2023 will be a year of new and great achievements for Linkfire, both operationally and financially.

Founders Lars Ettrup (CEO) & Jeppe Faurfelt (CCO)

Financial Performance Q1 2023

Revenue

Revenue increased by DKK 1,873 thousand, or 17 per cent, from DKK 11,231 thousand in the first quarter of 2022 to DKK 13,104 thousand in the same period of 2023. Commission revenue decreased by DKK 505 thousand, or 11 per cent, compared to Q1 2022, while Subscription revenue showed good improvements, increasing by DKK 2,378 thousand, or 36 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 1.33 million was recorded in Q1 2023.

Costs

Cost of sales decreased by DKK 789 thousand, or 25 per cent, from DKK 3,167 thousand in Q1 of 2022 to DKK 2,378 thousand in the first 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 first quarter of 2023, external expenses decreased by DKK 3,208 thousand, or 45 per cent, from DKK 7,148 thousand in the comparable period in 2022 to DKK 3,940 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 4,411 thousand, or 33 per cent, from DKK 13,344 thousand in the first quarter of 2022 to DKK 8,933 thousand in the same period of 2023. As a percentage of revenue, staff costs improved from 119 per cent to 68 per cent.

During the first quarter of 2023, Linkfire continued cost optimization measures aimed at delivering on the plan to show EBITDA profitability for the full year 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 1,328 thousand, or 37 per cent, from DKK 3,624 thousand in the first quarter of 2022 to DKK 4,952 thousand in the first 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 9,953 thousand, or 56 per cent, from negative DKK 16,053 thousand in Q1 2022 to DKK 7,100 thousand in Q1 2023. This represents (54) per cent in relation to revenue in the first quarter of 2023 compared to (143) per cent in Q1 2022.

Net financial items

Financial income increased by DKK 243 thousand, or 211 per cent, from DKK 115 thousand in the first quarter of 2022 to DKK 358 thousand in the first quarter of 2023.

Financial expenses increased by DKK 124 thousand, or 23 per cent, from DKK 539 thousand in the first quarter of 2022 to DKK 664 thousand in the first quarter of 2023.

Income tax

The tax for the year, which comprises deferred tax recognized in the income statement, decreased by DKK 51 thousand, or 4 per cent, from DKK 1,375 thousand in Q1 of 2022 to DKK 1,324 thousand in Q1 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 9,021 thousand, or 60 per cent, from DKK 15,101 thousand in Q1 of 2022 to DKK 6,082 thousand in Q1 of 2023. This presents (46) per cent in relation to revenue in the first quarter of 2023 compared to (134) per cent in Q1 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 Q1 2023 and are expected to continue during the entire 2023.

Cash flow and financing

Cash flow from operations for Q1 2023 was DKK 6,661 thousand (Q1 2022: DKK (14,717 thousand)). Investment activities reduced cash flows by DKK 4,348 thousand in Q1 2023 (Q1 2022: DKK 5,263 thousand). Cash flow from financing activities for Q1 2022 was DKK (2,550 thousand) (Q1 2022: DKK (4,657 thousand)). The slight decrease in the cash balance since the previous quarter is mainly related to the completion of Tranche 1 of the share issue financing at the end of 2022, offset by an improvement in the working capital.

Other

Shares and share capital

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

As per March 31, 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 Q1, the Board of Directors of Linkfire A/S decided 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. The purpose of the warrant program is to create possibilities for the company to retain and incentivize certain key employees by offering a long-term ownership engagement. 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.

Subsequent Events

At the Annual General Meeting on April 26, 2023, Peter Balint was elected as a new board member while Petra von Rohr decided to step down from the Board of Directors. All other board members were re-elected, and proposals for the Annual General Meeting were passed.

The regulatory press release published by Linkfire on April 26, 2023, details all decisions made by the Annual General Meeting.

On May 9, 2023, Linkfire announced that it had secured a debt facility from Egor Romanyuk, managing partner of Maverick, of up to DKK 22.5 million with a monthly interest rate of 1.5 percent accruing on each draw of the facility, which the company considers more attractive than a draw of Tranche 2. As a result, Linkfire waived the second tranche of the Share Issue. This financing results from a diligent process exploring both equity and debt options, and the Company is convinced that the best possible deal has been obtained.

The 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, Q2 2023 Aug 24, 2023

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 01.01.2023 – 31.03.2023 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 31.03.2023 and of the results of the Group's activities and cash flows for the period 01.01.2023 – 31.03.2023.

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

Copenhagen, May 25, 2023

Executive Board

Charlotte Klinge

Thomas Weilby Knudsen

Peter Balint

Ole Larsen

Lars Ettrup

CEO & Co-founder

Tobias Demuth

CFO

Board of Directors

Jesper Møller

Chairman

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 01.01.2023 to 31.03.2023, 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 01.01.2023 to 31.03.2023 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, May 25, 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	Q1 2023	Q1 2022	FY 2022
Revenue	13,104	11,231	52,590
Cost of Sales	(2,378)	(3,167)	(13,026)
Gross Profit	10,726	8,064	39,564
External Expenses	(3,940)	(7,148)	(28,915)
Staff Costs	(8,933)	(13,344)	(46,708)
Other staff Costs	-	-	(3,817)
EBITDA	(2,148)	(12,428)	(39,875)
Depreciation, amortization and impairment losses	(4,952)	(3,624)	(34,414)
EBIT	(7,100)	(16,053)	(74,289)
Financial Income	358	115	1,042
Financial Expenses	(664)	(539)	(2,316)
Profit/(loss) before tax	(7,406)	(16,476)	(75,563)
Tax for the year	1,324	1,375	5,477
Profit/(loss) for the year	(6,082)	(15,101)	(70,087)
Attributable to:			
Earnings per share (DKK)	(0.05)	(0.26)	(1.0)
Earnings per share, diluted (DKK)	(0.05)	(0.26)	(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	220	214	-47
Other comprehensive income for the year, net of tax	220	214	-47
Total comprehensive income for the year	(5,862)	(14,887)	(70,134)

Balance Sheet

DKK thousand	Q1 2023	Q1 2022	FY 2022	DKK thousand	Q1 2023	Q1 2022	FY 2022
Assets				Equity and liabilities			
Non-current assets				Equity			
Intangible assets	74,659	84,678	74,372	Share capital	1,150	596	1,150
Property, plant and equipment	232	792	281	Retained Earnings	35,685	78,711	41,991
Right-of-use assets	6,062	7,834	5,157	Translation reserve	(179)	(138)	(399)
Deposits	1,576	1,165	1,206	Other capital reserve	1,444	632	1,220
Total non-current assets	82,528	94,469	81,017	Total Equity	38,100	79,801	43,962
Current assets				Non-current liabilities			
Trade Receivables	2,494	10,542	5,026	Interest bearing liabilities	20,217	20,635	24,206
Income tax receivables	6,875	6,875	5,500	Lease liabilities	2,652	4,448	2,345
Other receivables	360	796	579	Other payables	1,202	4,800	1,000
Prepayments	2,543	2,652	2,200	Total non-current liabilities	24,071	29,883	27,551
Cash	6,707	21,488	7,027	Current liabilities			
Total Current Assets	18,979	42,353	20,332	Interest-bearing liabilities	5,672	4,800	2,250
Total assets	101,507	136,823	101,349	Contract liabilities	13,460	8,506	9,927
				Lease liabilities	3,257	3,562	3,356
				Trade payables	9,863	5,042	9,481
				Other payables	7,084	5,229	4,822
				Total current liabilities	39,336	27,139	29,837
				Total liabilities			
				Total liabilities	63,407	57,022	57,388
				Total equity and liabilities			
				Total equity and liabilities	101,507	136,823	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	-	(6,082)	-	-	(6,082)
Other comprehensive income	-	-	220	-	220
Total Comprehensive income	1,150	35,909	(179)	1,220	38,100
Capital increase	-	-	-	-	-
Transaction cost	-	-	-	-	-
Share-based payments	-	(224)	-	224	-
Balance at 31 March, 2023	1,150	35,685	(179)	1,444	38,100
<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	-	(15,101)	-	-	(15,101)
Other comprehensive income	-	-	214	-	214
Total Comprehensive income	584	71,363	(138)	429	72,238
Capital increase	12	7,552	-	-	7,564
Transaction cost	-	-	-	-	-
Share-based payments	-	(203)	-	203	(0)
Balance at 31 March, 2022	596	78,711	(138)	632	79,801

During the period no dividend was paid

Cash flow statement

DKK thousand	Q1 2023	Q1 2022	FY 2022
Operating Loss	(7,100)	(16,053)	(74,289)
Depreciation, amortization and impairment losses	4,952	3,624	34,414
Change in working capital	8,584	(2,429)	9,209
Share-based payment expense	224	203	791
Cash flow from ordinary operating activities	6,661	(14,654)	(29,875)
Income taxes received	-	-	5,500
Interest received	-	-	-
Interest paid	-	(63)	(120)
Cash flow from operating activities	6,661	(14,717)	(24,495)
Development expenditures	(4,180)	(5,001)	(26,144)
Investments in property, plant and equipment	-	(250)	(263)
Change in deposits	(168)	(12)	(102)
Cash flow from investing activities	(4,348)	(5,263)	(26,509)
Proceeds from borrowings	-	-	11,549
Repayment of borrowings	(1,000)	(3,646)	(14,521)
Payment of principal portion of lease liabilities	(1,550)	(1,011)	(4,080)
Transaction cost from capital increase	-	-	(3,092)
Proceeds from capital increase	-	-	22,500
Cash flow financing activities	(2,550)	(4,657)	12,356
Change in cash and cash equivalents			
Net cash flow	(237)	(24,637)	(38,649)
Net foreign exchange difference	(83)	179	(271)
Cash, Begin	7,027	45,947	45,947
Cash, End	6,707	21,489	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.

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
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6	Share-based payment plans		

NOTES

1 Going Concern

In 2022, Linkfire concluded the process of securing the 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. The 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. For further description, please refer to note 2 of the interim report.

Linkfire is continuing its path towards profitability and with a strong improvement in earnings in Q1 as well as a structurally lighter cost base, the company's management remains confident in its plan to reach EBITDA profitability for the full year of 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 secured equity financing.

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

2 Subsequent Events

At the Annual General Meeting on April 26, 2023, Peter Balint was elected as a new board member while Petra von Rohr decided to step down from the Board of Directors. All other board members were re-elected, and the Annual General Meeting proposals were passed. The regulatory press release published by Linkfire on April 26, 2023, details all decisions made by the Annual General Meeting.

On May 9, 2023, Linkfire announced that it had secured a debt facility from Egor Romanyuk, managing partner of Maverick, of up to DKK 22.5 million with a monthly interest rate of 1.5 percent accruing on each draw of the facility, which the company considers more attractive than a draw of Tranche 2. As a result, Linkfire waived the second tranche of the Share Issue. This financing results from a diligent process exploring both equity and debt options, and the Company is convinced that the best possible deal has been obtained.

The 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

CONSOLIDATED FINANCIAL STATEMENTS

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 the 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 January 1 - March 31, 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) serves purely as informative and is not official.

Changes in accounting policies:

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

Significant accounting judgments, 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 recognising 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.

5 Revenue Specification

	Q1 2023	Q1 2022	FY 2022
Revenue by business segment			
DKK thousand			
Subscriptions	8,927	6,549	32,100
Commissions	4,177	4,682	20,490
Total	13,104	11,231	52,590
%-split			
Subscriptions	68	58	61
Commissions	32	42	39
Total	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	8,251	7,007	34,253
EMEA	3,545	2,779	13,143
APAC	1,048	1,291	4,331
LATAM	260	153	863
Total	13,104	11,230	52,590
%-split			
NAM	63	62	65
EMEA	27	25	25
APAC	8	11	8
LATAM	2	1	2
Total	100	100	100

* A total of DKK 1,329 thousand correspond to non-recurring subscription revenue recognized in Q1 2023 (Q1 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 first quarter of 2023, the company granted 936,000 warrants to the executive management and senior leadership and 1,740,000 warrants to key employees and contracted staff.

No warrants were exercised under this program.

The total share based compensation expense recognized for Q1 2023 is DKK 224 thousand (Q1 2022: DKK 203 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.

CONSOLIDATED FINANCIAL STATEMENTS
NOTES

7 Income tax

DKK thousand	Q1 2023	Q1 2022	FY 2022
Current tax for the year income	1,324	1,375	5,477
Changes in deferred tax	-	-	-
Recognized as receivable tax credit	6,875	6,875	5,500
<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	1,629	3,625	16,624
Non-capitalised tax assets	(205)	(2,150)	(10,747)
Non-deductible expenses	(100)	(100)	(400)
Effective tax	1,324	1,375	5,477
Tax rate for the year (%)	17.9%	8.3%	7.2%

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

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	-	-	4,180	4,180
Cost at 31 March 2023	-	118,008	4,180	122,188
Amortization and impairment at 1 January 2023	-	(43,636)	-	(43,636)
Amortization and impairment during the year	-	(3,893)	-	(3,893)
Amortization and impairment at 31 March 2023	-	(47,529)	-	(47,529)
Carrying amount at 31 March 2023	-	70,479	4,180	74,659
Cost at 1 January 2022	8,298	74,979	-	83,277
Transfers	-	-	-	-
Additions	12,387	-	5,001	17,388
Cost at 31 March 2022	20,685	74,979	5,001	100,665
Amortization and impairment at 1 January 2022	-	(13,402)	-	(13,402)
Amortization and impairment during the year	-	(2,586)	-	(2,586)
Amortization and impairment at 31 March 2022	-	(15,988)	-	(15,988)
Carrying amount at 31 March 2022	20,685	58,991	5,001	84,678

9 Guarantees, contingent liabilities and collateral

The group has provided a bank guarantee to Euroclear of DKK 145 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 77,673 thousand (Q1 2022: DKK 96,808 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.

11 Shares and Share Capital

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

As per March 31, 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%