



Interim report

Q3 2022

July 1 – September 30

“ Promising growth across revenue streams and stable margins place us firmly on target to reach operational profitability in 2023

HIGHLIGHTS Q3 2022 COMPARED TO Q3 2021

- Revenue growth of 43 per cent on a constant currency basis
- Recognized revenue increased by 65 per cent to DKK 14.64M (Q3 2021: DKK 8.88M)
- Gross profit on a constant currency basis increased by 54 per cent at a gross margin of 78 per cent
- EBITDA was neutral to the comparison period at negative DKK 6.16M (Q3 2021: negative DKK 6.19M)
- Consumer connections of 577M, up 51 per cent
- RPM fell by 25 percent to DKK 6.46 (Q3 2021: DKK 8.62)
- Multi-year agreement with Apple extended and expanded to help artists and creators grow their audiences
- DKK 45M raised in a directed share issue
- Reduced annual, mid-term organic revenue growth target to 20-40 per cent (previously 50-70 per cent), while maintaining a mid-term gross margin target of 80 per cent.

WEBCAST AND REPORT MATERIAL

Linkfire hosts an interim report webcast for investors and media on November 24th, 2022 at 10.00 AM CEST. 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/Q3call>

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

About Linkfire - Empowering Entertainment Discovery Everywhere

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

In 2021, Linkfire enabled 1.6 billion consumer connections and the company's revenue amounted to DKK 34.5M, an annual growth of 42 per cent. Co-founded in 2014 and headquartered in Copenhagen, Linkfire today employs a global workforce and also has offices in New York and Los Angeles. Linkfire's share (LINKFI) is listed on Nasdaq's First North Premier Growth Market in Stockholm. Learn more at www.linkfire.com or follow @Linkfire on LinkedIn and @getlinkfire on Twitter and Instagram.

Q3 in Review

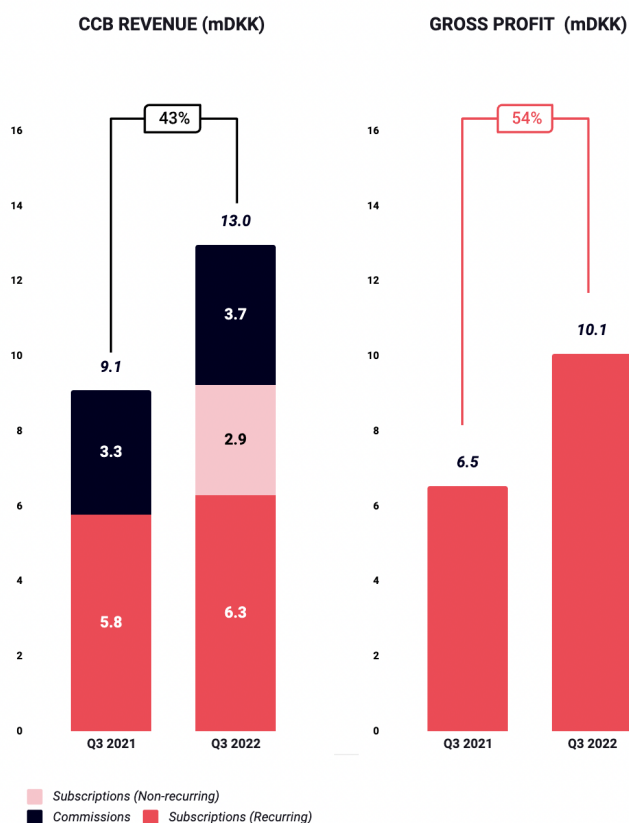


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- Revenue on a constant currency basis increased by 43 per cent to DKK 12.96M (Q3 2021: DKK 9.10M).
- Recognized revenue increased by 65 per cent to DKK 14.64M (Q3 2021: DKK 8.80M).
- New deals with Amazon and Apple started to take effect in Q3, driving substantial revenue growth in the period.
- The gross profit on a constant currency basis increased by 54 per cent to DKK 10.01M (Q3 2021: DKK 6.544M) at a gross margin of 78 per cent (Q3 2021: 72 per cent).
- During the quarter the goal was to structure the organization with a focus on driving value in the short and mid-term, including further cost reduction measures to shorten the estimated timeline to profitability.
- EBITDA was neutral to Q3 2021 at negative DKK 6.16M which marks a 61% improvement to Q2 2022 EBITDA
- Consumer connections increased by 51 per cent to 577M (Q3 2021: 383M), continuing to reflect the positive effects of investments in partner traffic.
- RPM fell by 25 percent to DKK 6.46 (Q3 2021: DKK 8.62), rebounding from DKK 5.7 in Q2 2022. This is mainly due to a significant increase in new partner traffic, that is yet to be optimized for monetization.
- Recorded DKK 2.93M in non-recurring revenue from deals aimed at increasing MRR through an expanded offering in 2023.
- Over a period the Company has evaluated financing options in the range of DKK 40-50M. As of the reporting date of November 24th 2022, the financing has been concluded.
- Evaluated revenue guidance and growth targets in light of tightening market conditions and the above mentioned focus on short term financial self-sufficiency.
- Impairment loss of DKK 22.66M related to intangible assets in Q3. For further description of the matter reference is made to note 2 of the interim report.

Financial highlights and key figures

	Q3 2022	Q3 2021	2022 YTD	2021 YTD	FY 2021
Key Metrics					
Consumer connections (Traffic)	577,245,887	383,013,333	1,596,948,384	1,150,112,633	1,603,957,986
y/y Growth	51%	(6)%	39%	5%	9%
Revenue, on constant currency basis (kDKK)	12,957	9,080	33,712	24,690	34,521
Revenue Growth	43%	42%	37%	49%	42%
Organic Revenue Growth	43%	42%	37%	49%	42%
Subscription Revenue, on constant currency basis (kDKK)	9,227	5,780	22,330	16,634	22,853
y/y Growth	60%	19%	34%	22%	22%
Commission Revenue, on constant currency basis (kDKK)	3,730	3,301	11,382	8,057	11,667
y/y Growth	13%	115%	41%	180%	108%
Commission Revenue per Mille (RPM)*, on constant currency basis (DKK)	6.46	8.62	7.13	7.01	7.27
y/y Growth	(25)%	128%	2%	165%	92%
Gross Margin, on constant currency basis	78%	72%	73%	72%	72%
* Commission Revenue per thousand consumer connections					
Income Statement (kDKK)					
Recognized Revenue	14,642	8,880	35,911	23,942	33,697
Operating loss before interest, taxes, depreciation & amortization (EBITDA)	(6,164)	(6,193)	(34,402)	(17,164)	(30,512)
Operating loss before interest & taxes (EBIT)	(6,164)	(6,193)	(34,402)	(17,164)	(30,512)
Operating loss before interest & taxes (EBIT) excl. IPO Cost	(6,164)	211	(34,402)	(10,760)	(23,645)
Result of financial items	(416)	(1,988)	(657)	(4,385)	(1,652)
Profit after tax	(67,459)	(18,340)	(138,752)	(50,556)	(80,502)
Balance Sheet (kDKK)					
Intangible assets	70,332	58,174			69,876
Additions, property, plant and equipment	13	-			634
Cash and cash equivalents	1,875	73,417			45,946
Total assets	95,692	152,524			140,200
Equity	29,126	98,527			87,125
Financial ratios					
Operating profit before interest, depreciation & amortizations (EBITDA) margin (%)	(157)%	(62)%	(96)%	(72)%	(91)%
Operating profit margin (EBIT) (%)	(157)%	(84)%	(96)%	(96)%	(91)%

Financial guidance (*revised in October*) and expectations for 2022 (*maintained*)

For the financial year 2022, Linkfire maintains its financial guidance revised in August expecting its revenue to be in the range of DKK 50-60M, corresponding to a yearly growth of 48-78%, and its EBITDA to be in the range of negative DKK 32-42M (until August: DKK 22-32M).

As a result of the adjusted focus initially covered in the Q2 interim report, Linkfire reduces its annual mid-term organic revenue growth target to 20-40 per cent (previously 50-70 per cent), while maintaining its mid-term gross margin target of 80 per cent. This adjustment includes staff reductions initiated to reduce the investment into further developing the Discovery Network, and an increased focus on yielding short-term value from the Marketing Platform for both the Subscription revenue and the Commission revenue.

The result of this is the main reason for adjusting our revenue growth target. Reversely, the remaining initiatives are proven and have shown faster-than-expected returns, providing confidence in our revenue guidance and allowing us to continue focusing on fewer initiatives that will return upside faster.

In order to achieve our guidance, continued strong RPM and subscription performance, as well as continued product maintenance, innovation and development are required.

Q3 achievements reassuring profitability in 2023

Focusing on cost control along with business initiatives with a quicker rate of return will ensure reaching profitability in 2023.

In Q3, revenue driven by our traffic commission agreements began to reveal its potential, showing healthy growth in consumer connections and traffic monetisation. In line with our adjusted revenue growth target of 20-40 per cent (previously 50-70 per cent), the organization continues to deliver value through proven, financially sustainable strategies, which in Q3 materialized in a 61% improvement of EBITDA compared to last quarter.

In addition to building momentum towards profitability through the streamlining of our organization and its cost base, our performance in Q3 keeps us in line with our financial guidance for the full year 2022. This is largely attributable to the positive impact of the new agreements with Amazon Music and Apple, both of which have continued to show increasing promise through Q3 and early Q4.

Navigating the new and ever-changing market conditions to ensure long-term financial health

Through the first three quarters of 2022, we have been heavily impacted by the volatility and changing conditions in the market. We have adjusted our internal focus to the parts of our business that have shorter recoupment timelines. This focus has led to healthy, organized cost-reduction initiatives.

“Through three quarters of 2022, we have experienced every condition in the market change at a moment's notice. It is more important than ever that we align our internal focus with that of the market in order to deliver value to our customers and shareholders.

In the face of recent challenges, we've fought hard to embrace our culture and values to drive us toward the future we envision for the Linkfire organization as a whole.

Lars Ettrup, Co-founder and CEO

Shortening our timeline to operational profitability has meant scaling back on certain long-term investments as well as our company-wide growth targets. As part of this restructuring which began in Q2, we made staff reductions shortly after closing the Q3 reporting period. This was a tough but necessary decision as we are a small and close-knit group. We believe that reducing our investment into further developing our Discovery Network is the right decision as the rate of return on those projects was not conducive to operating in the current market conditions.

In addition to operational cost-reductions, a revised budget process and increased focus on our cash flow metrics have seen us take significant steps toward the agile and efficient organization we want to be. We are confident that Linkfire is in a suitable position to bring value to our customers and shareholders.

The next generation of Bio Links

Bio links have been on our radar as an important step in our journey to empower entertainment discovery everywhere. Our next generation bio link launched in early Q3, enables artists to create an aesthetically pleasing micro-site, while promoting multiple assets at once. The ability for an artist to quickly and easily showcase their most relevant assets is an invaluable part of the discovery process, and has huge potential in a world where consumers do not have the patience to navigate a full scale website to find the desired information.

Our next generation bio link is a feature we are extremely proud of as it goes far beyond just a link for artists; it allows design customizations to complete the visual identity for any brand while our best-in-class insights provide users with data that can help guide them improve performance and monetization strategy. We expect this initiative to contribute positively to the growth of both subscription and commission revenue.

Extended and expanded deal with Apple

Early in the quarter, we were proud to announce that we have extended our multi-year agreement with Apple. The expanded deal enhances Linkfire's technology and client offering, creating an even better platform for Linkfire's customers and partners.

Scaling monetization in sync with traffic growth

In the third quarter, we saw synergies of marketing and affiliate agreements signed earlier in the year, sparking the projected growth in consumer connections. Our current traffic numbers have tremendous potential and are still growing steadily, but significant untapped potential remains while we focus on monetizable and profitable traffic.

RPM is our most indicative metric in the traffic monetization arena. The challenge in front of us is rooted in the fact that our traffic is growing at a solid pace, requiring us to scale our monetization strategies in synchronization with traffic growth, while ensuring our cost levels don't follow suit. We are seeing this as a massive opportunity. A company-wide strategic initiative to increase RPM across the board was put into place in Q3. The outcome will take a few months to materialize and we are already seeing signs of success in early Q4.

Securing funding for our path to profitability

In order for us to secure our path to financial self-sufficiency in 2023, we had a great opportunity to secure a round of funding in October. After the close of the reporting period, we have raised DKK 45M in a directed share issue, of which DKK 9M has been issued as a bridge financing. The participating investors are Maverick Capital Limited, ICS Investment Management LLC, and Kuok Meng Ru, Group CEO and Founder of Caldecott Music Group. While securing financial stability, we also believe that the tech and music industry experience as well as relationships related to these new shareholders will be a catalyst for business growth in the near future.

Market update

Consumer habits across demographics continue to change as the world returns to pre-pandemic behavior, fueling demand for physical events and concerts. This benefits the entire industry and enhances opportunities for Linkfire.

While music streaming has so far been exempted from vast losses of subscribers that other entertainment streaming services have faced, inflation and rising borrowing costs are tightening the markets for luxury services, increasing price elasticity of demand as well as competition in the market.

I remain confident that our industry relationships and positioning enable us to provide the best consumer connections to entertainment discovery, while

empowering labels and artists to guide the journey. We are continuously monitoring and analyzing the markets for podcasts and audiobooks, evaluating our opportunities for vertical expansion.

" We continued to show promising growth and stability in our core offerings throughout Q3, honing in on monetization and cost controlling. We remain on target to attain our financial expectations for the full year, as well as our goal of reaching profitability by 2023, while adjusting our mid-term growth target to 20-40 per cent.

Lars Ettrup, Co-founder and CEO

Outlook

With a closer eye on our margins and cash flow, we have been and will continue to actively evaluate our direct and operational costs across the company.

During the last two years, our focus has been on scaling our revenue and traffic growth, but we believe that with a collective effort, we can offer the same quality of service at a lower cost as we begin to take advantage of some previously untapped economies of scale. This will be a catalyst for margin improvements and bottom line growth.

We are confident that we have made and will continue to make the necessary adjustments to our organization, and look forward to executing our focused strategy.

Internally, we are making organization-wide efforts to bring our people closer together, focusing on communication and involvement to ensure that our employees remain motivated and take pride in their work. We are confident that our organization is fundamentally committed to provide the highest level of service to our customers and partners, while continuing to probe the market for opportunities that could function harmoniously with our current values and offering.

Lars Ettrup
CEO & Co-founder

Management Report

Financial Performance Q3 2022

Revenue

Revenue increased by DKK 5,662K, or 65 per cent, from DKK 8,880K in the third quarter of 2021 to DKK 14,642K in the same period of 2022. Commission revenue increased by DKK 1,127K, or 34 per cent compared to Q3 2021, while Subscription revenue outgrew commission revenue for the first time in years, increasing by DKK 4,635K, or 83 per cent. Our revenue figures have seen steady growth quarter over quarter for the entire year, but most notably in this last quarter were the effects of new deals signed during the quarter, significantly increasing revenue related to subscriptions. It should be noted that non-recurring subscription revenue of DKK 2.93M was recorded in Q3 2022.

Costs

Cost of sales increased by DKK 747K, or 30 per cent, from DKK 2,480K in Q3 of 2021 to DKK 3,227K in the third quarter of 2022. The increase is centered around server and hosting costs, improved baseline and scalability as well as ensuring compliant and premium service delivery in line with our traffic growth. Considering the growth of our traffic in the same period, we see this as a healthy development, although our intention is to continuously focus on limiting the increase in our server and hosting costs relative to our traffic growth, so as to improve margins.

In the third quarter of 2022, external expenses increased by DKK 2,301K, or 48 per cent, from DKK 4,836K in the comparable period in 2021 to DKK 7,137K. The notable increase in expenses compared to the same quarter last year, relates to increased staff globally as well as the continued employment of freelance staff supporting the hybrid remote model. Staff costs increased by DKK 2,685K, or 35 per cent, from DKK 7,757K in the third quarter of 2021 to DKK 10,442K in the same period of 2022. As a percentage of revenue, staff costs decreased from 87 per cent to 71 per cent.

During the third quarter of 2022, Linkfire continued to evaluate cost cutting measures aimed at delivering on the plan to show EBITDA profitability for the full year 2023. Efforts included the implementation of an improved budgeting process as well as internal 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 initiated. All costs related to the staff reductions in Q2 were recorded in the third quarter, paving the way for a healthier cost base in Q4 of 2022 and into 2023.

Earnings

Depreciation, amortization and impairment increased by DKK 25,374K, or 1,280 per cent, from DKK 1,983K in the third quarter of 2021 to DKK 27,357K in the third quarter of 2022. The significant increase is mainly related to the impairment loss recognised for the intangible assets.

Operating loss increased by DKK 2,687K, or 33 per cent, from DKK 8,176K in Q3 2021 to DKK 10,863K in Q3 2022. This presents (74) per cent in relation to revenue in the third quarter of 2022 compared to (92) per cent in Q3 2021.

Net financial items

Financial income decreased by DKK 620K, or 80 per cent, from DKK 777K in the third quarter of 2021 to DKK 157K in the third quarter of 2022.

Financial expenses decreased by DKK 2,193K, or 79 per cent, from DKK 2,766K in the third quarter of 2021 to DKK 573K in the third quarter of 2022. This is mainly an effect to the delayed accrual of interest on loans recognized in Q3 2021.

Income tax

The tax for the year, which comprises deferred tax recognised in the income statement, decreased by DKK 376K, or 22 per cent, from DKK 1,740K in Q3 of 2021 to DKK 1,364K in Q3 2022. Income tax benefits relate to tax credit for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.

Net Profit/(loss)

Loss for the period increased by DKK 1,490K, or 22 per cent, from DKK 8,424K in Q3 of 2021 to DKK 9,914K in Q3 of 2022. This presents (68) per cent in relation to revenue in the third quarter of 2022 compared to (95) per cent in Q3 2021. This is reflective of the fact that Linkfire was still operating as an organization in hyper growth during the early stages of Q3 2022. Actions and cost cutting measures initiated during Q3 2022 will not take full effect until early Q1 2023, by which time we also expect to see improved returns on agreements signed during the year 2022.

Cash flow and financing

Cash flow from operations for Q3 2022 was DKK (5,780K) (Q3 2021: DKK (26,406K). Investment activities reduced cash flows by DKK 7,197K in Q3 2022 (Q3 2021: DKK 5,011K). Cash flow from financing activities for Q3 2022 was DKK (700K) (Q3 2021: DKK (5,072K)).

Financial Performance for the first three quarters of 2022

Revenue

Revenue increased by DKK 11,970 thousand, or 50 per cent, from DKK 23,942 thousand in the first three quarters of 2021 to DKK 35,911 thousand in the same period of 2022. The fastest growing revenue line, Commissions, increased by DKK 4,525 thousand, or 56 per cent compared to the first three quarters of 2021, while Subscription revenue increased by DKK 7,444 thousand, or 47 per cent. This is on pace with the growth seen in all other areas of the business, as we have scaled to be a significantly larger organization across the board in 2022 as compared to 2021.

Costs

Cost of sales increased by DKK 2,990 thousand, or 45 per cent, from DKK 6,585 thousand in the first three quarters of 2021 to DKK 9,575 thousand in the same period in 2022. The increase is centered around server and hosting costs, improved baseline and scalability as well as ensuring compliant and premium service delivery.

In the first three quarters of 2022, external expenses increased by DKK 13,028 thousand, or 147 per cent, from DKK 8,842 thousand in the comparable period in 2021 to DKK 21,870 thousand. Other external expenses amounted to DKK 6,406 thousand in 2021, but were eliminated in the same time period in 2022.

Staff costs increased by DKK 16,515 thousand, or 79 per cent, from DKK 20,830 thousand in the first three quarters of 2021 to DKK 37,345 thousand in the same period of 2022. As a percentage of revenue, staff costs increased from 87 per cent to 104 per cent. Again, this pertains not to an increase in the cost of the individual employee, but to the growth of the organization from the year 2021 to 2022, and with contractions in that area taking effect toward the end of 2022, we expect to see this figure regress closer to that from 2021.

Earnings

Depreciation, amortization and impairment increased by DKK 28,723 thousand, or 485 per cent, from DKK 5,922 thousand in the first three quarters of 2021 to DKK 34,645 thousand in the first three quarters of 2022. The significant increase is mainly related to the impairment loss recognised for the intangible assets.

Operating loss increased by DKK 23,302 thousand, or 101 per cent, from DKK 23,086 thousand in the first three quarters of 2021 to DKK 46,388 thousand in the first three quarters of 2022. This is an increase in relation to revenue from (96) percent in the first three quarters of 2021 to (129) per cent in the same period 2022.

Net financial items

Financial income increased by 117 DKK thousand, or 15 per cent, from DKK 766 thousand in the first three quarters of 2021 to DKK 883 thousand in the first three quarters of 2022.

Financial expenses decreased by DKK 3,611 thousand, or 70 per cent, from DKK 5,151 thousand in the first three quarters of 2021 to DKK 1,540 thousand in the first three quarters of 2022. This is mainly an effect to the delayed accrual of interest on loans recognized in 2021.

Income tax

The tax for the year, which comprises deferred tax recognised in the income statement, decreased by DKK 226 thousand, or 5 per cent, from DKK 4,341 thousand in the first three quarters of 2021 to DKK 4,114 thousand in the first three quarters of 2022. Income tax benefits relate to tax credit for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.

Net Profit/(loss)

Loss for the period increased by DKK 19,802 thousand, or 86 per cent, from DKK 23,130 thousand in the first three quarters of 2021 to DKK 42,932 thousand during the same period in 2022. This represents a decrease in relation to revenue from (97) per cent in the first three quarters of 2021 to (120) per cent in the first three quarters of 2022. This is reflective of the fact that in 2022, Linkfire has been an organization in hyper growth, significantly scaling costs to invest in future returns. Actions and cost cutting measures initiated during 2022 will not take full effect until 2023, by which time we also expect to see improved returns on agreements signed during the year 2022, moving us in the direction of an operational break-even early in 2023.

Cash flow and financing

Cash flow from operations for the first three quarters of 2022 was DKK (18,058 thousand) (first three quarters of 2021: DKK 24,737 thousand). Investment activities reduced cash flows with DKK 19,884 thousand in the first three quarters of 2022 (first three quarters of 2021: DKK 12,219 thousand). Cash flow from financing activities for the first three quarters of 2022 was DKK (6,042) thousand (first three quarters of 2021: DKK 110,397 thousand).

These condensed consolidated interim financial statements and any comments hereon 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.

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 2021.

Uncertainties of recognition and measurement

Linkfire's management has recorded an impairment loss of DKK 22,659 thousand related to intangible assets in Q3. For further description of the matter reference is made to note 2 of the interim report.

Going concern

In Q3, Linkfire continued and concluded the process of securing necessary financing in the range of DKK40-50M to ensure its operations towards profitability. Details surrounding the financing are covered in press material released following the closing of the reporting period and is therefore covered under Subsequent Events.

Alongside external financing, Linkfire continued its initiatives to structure the organization with a focus on driving value in the short and mid-term, including further cost reduction measures to shorten the estimated timeline to profitability.

As of the reporting date of November 24th 2022, the above-mentioned financing agreement has been concluded.

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

Other

Shares and share capital

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

As per September 30, 2022, share capital amounted to 595,320.86 DKK, and the total number of issued shares was 59,532,086. The company has one class of shares. Each share entitles the holder to one vote at the general meetings.

In connection to the completion of the acquisition of smartURL, Linkfire issued shares related to the share component of the acquisition. In accordance with the authorization from the extraordinary general meeting held on May 28, 2021 and on the terms for acquiring smartURL that were announced on November 4, 2021, the Board of Directors resolved upon the capital increase and issuance of 1,192,864 shares in Linkfire against contribution in kind of the smartURL business. The share issue resulted in a capital increase of DKK 11,928.64 and a share premium of DKK 7,551,526.95, totalling a value of the share issue of DKK 7,563,455.59. The value of the share issue has been recorded on the acquired asset in the balance sheet.

The agreement was signed on November 4, 2021 and closed on December 14, 2021. The issuance of the shares increased the number of shares and voting rights in Linkfire from 58,339,222 to 59,532,086 on 11 January 2022. The issued shares are subject to a lock-up period of 12 months.

No active business has been taken over and granted as part of the mentioned acquisition and thus no inherited revenue, cost nor liabilities have been taken over. The acquisition surrounds a stand-alone asset that Linkfire is solely responsible for extracting revenue from. Therefore, in Linkfire management's opinion the acquisition is not subject to IFRS 3.

Shareholder structure

A list of Linkfire's largest shareholders can be found in note 10 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 programmes (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 incentivise certain key employees and consultants.

In the third quarter of 2022 the Board of Directors issued 139,393 warrants to four key employees. The Board of Directors further expects to exercise the authorisation and initiate allocations before the ordinary General Meeting 2023. The General Meeting has on two occasions allocated warrants to board members as stipulated in Linkfire's articles of association.

No further warrants have been allocated.

Subsequent Events

On October 11 2022 Linkfire initiated further actions to ensure profitable operations in 2023 and adjusted the mid-term revenue growth target to 20-40 per cent (previously 50-70 per cent). Along these lines, Linkfire has carried statutory staff negotiations as a measure to reduce its costs. The staff reductions are to reduce the investment into further developing the Discovery Network, and an increased focus on yielding short-term value from the Marketing Platform for both the Subscription revenue and the Commission revenue. The related severance cost of the mentioned dismissals, is estimated to be around DKK 2,3M in total for Q4.

On October 21 2022 Linkfire announced a capital raise of DKK 45M in a directed share issue to Maverick Capital Limited, including a bridge loan of DKK 9M.

On November 10 2022 Linkfire announced that additional investors, Kuok Meng Ru and ICS Investment Management LLC were to participate in Linkfire's previously announced directed share issue.

On November 14 2022 Linkfire held an Extraordinary General Meeting authorizing the board of directors to increase the share capital of the Company without pre-emption rights for the existing shareholders at market price. As part of tranche 1, the issuance comprises a total of 55,456,965 shares at a subscription price of DKK 0.4057 per share, representing a total value of DKK 22,5 million. The total number of issued shares as per the reporting date amounts to 114,989,051.

On 21 November 2022 the Company's board of directors has resolved to issue up to 55,459,965 new shares in the Company corresponding to shares of a nominal value of DKK 554,569.65 pursuant to the authorization in the Company's articles of association approved on the extraordinary meeting held on 14 November 2022 and in accordance the company's announcements dated 21 October 2022 and 10 November 2022.

Financial Calendar

Interim financial report Q4, 2022

February 23, 2023

Contact

investors@linkfire.com

Glossary

Subscription Revenue	Subscription revenue is generated from recurring subscription fees which customers pay to use the Company's platform.
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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.
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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.
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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.
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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.
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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.
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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 01.07.2022 – 30.09.2022 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.

The Parent's financial statements have been prepared in accordance with the Danish Financial statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and Parent's assets, liabilities and financial position at 30.09.2022 and of the results of the Group's activities and cash flows for the period 01.07.2022 – 30.09.2022

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

Copenhagen, November 24, 2022

Executive Board

Lars Wiberg Ettrup

CEO & Co-founder

Tobias Demuth

CFO

Board of Directors

Jesper Møller

Chairman

Charlotte Klinge

Thomas Weilby Knudsen

Petra von Rohr

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 01.07.2022 to 30.09.2022, 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 01.07.2022 to 30.09.2022 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, November 24, 2022

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

kDKK	Q3 2022	Q3 2021	2022 YTD	2021 YTD	FY 2021
Revenue	14,642	8,880	35,911	23,942	33,697
Cost of Sales	(3,227)	(2,480)	(9,575)	(6,585)	(9,320)
Gross Profit	11,415	6,400	26,336	17,357	24,378
External Expenses	(7,137)	(4,836)	(21,870)	(8,842)	(16,853)
Other External Expenses	-	-	-	(6,406)	(6,867)
Staff Costs	(10,442)	(7,757)	(37,345)	(20,830)	(31,170)
Other staff Costs	-	-	(1,524)	-	-
Other Operating Income	-	(0)	-	1,557	-
EBITDA	(6,164)	(6,193)	(34,402)	(17,164)	(30,512)
Depreciation, amortization and impairment losses	(27,357)	(1,983)	(34,645)	(5,922)	(8,913)
EBIT	(33,521)	(8,176)	(69,047)	(23,086)	(39,425)
Financial Income	157	777	883	766	3,091
Financial Expenses	(573)	(2,766)	(1,540)	(5,151)	(4,743)
Profit/(loss) before tax	(33,937)	(10,164)	(69,704)	(27,471)	(41,078)
Tax for the year	1,364	1,740	4,114	4,341	5,500
Profit/(loss) for the year	(32,573)	(8,424)	(65,590)	(23,130)	(35,578)
Attributable to:					
Earnings per share (DKK)	(0.55)	(0.15)	(1.1)	(0.55)	(0.77)
Earnings per share, diluted (DKK)	(0.54)	(0.14)	(1.1)	(0.54)	(0.76)
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	(308)	(1)	335	(8)	(476)
Other comprehensive income for the year, net of tax	(308)	(1)	335	(8)	(476)
Total comprehensive income for the year	(32,881)	(8,425)	(65,255)	(23,138)	(36,054)

Balance Sheet

kDKK	Q3 2022	Q3 2021	FY 2021
Assets			
Non-current assets			
Intangible assets*	70,332	58,174	69,876
Property, plant and equipment	303	356	669
Right-of-use assets	6,002	2,470	8,688
Deposits	1,254	971	1,153
Total non-current assets	77,891	61,971	80,386
<i>Current assets</i>			
Trade Receivables	3,092	2,870	6,238
Income tax receivables	9,625	8,869	5,500
Other receivables	609	3,608	543
Prepayments	2,600	1,789	1,588
Cash	4,395	73,417	45,946
Total Current Assets	20,321	90,554	59,815
Total assets	98,212	152,524	140,200

Balance Sheet

kDKK	Q3 2022	Q3 2021	FY 2021
Equity and liabilities			
Equity			
Share capital	596	584	584
Retained Earnings	27,827	97,928	86,464
Translation reserve	(325)	16	(352)
Other capital reserve	1,028	-	429
Total Equity	29,126	98,527	87,125
Non-current liabilities			
Interest bearing liabilities	22,509	33,547	21,496
Lease liabilities	3,290	1,021	4,958
Other payables	4,800	-	-
Total non-current liabilities	30,599	34,567	26,454
Current liabilities			
Bank credits	2,520	-	-
Interest-bearing liabilities	3,600	2,353	7,200
Contract liabilities	14,448	6,951	6,166
Lease liabilities	2,986	1,471	3,836
Trade payables	9,667	3,404	4,831
Other payables	5,267	5,250	4,588
Total current liabilities	38,487	19,429	26,621
Total liabilities	69,087	53,997	53,075
Total equity and liabilities	98,212	152,524	140,200

Statement of changes in Equity

kDKK	Share capital	Retained earnings	Translation reserve	Other capital reserve	Total
Balance at 1 January, 2022	584	86,464	(352)	429	87,125
Net profit/(loss) for the period	-	(65,590)	-	-	(65,590)
Other comprehensive income	-	-	27	-	27
Total Comprehensive income	584	20,874	(325)	429	21,562
Capital increase	12	7,552	-	-	7,563
Transaction cost	-	-	-	-	-
Share-based payments	-	(599)	-	599	-
Balance at 30 September, 2022	596	27,827	(325)	1,028	29,126
<i>During the period no dividend was paid</i>					
Balance at 1 January, 2021	108	(73)	124	4,750	4,909
Net profit/(loss) for the period	-	(23,130)	-	-	(23,130)
Other comprehensive income	-	-	(108)	-	(108)
Total Comprehensive income	108	(23,203)	16	4,750	(18,329)
Capital increase	476	125,197	-	-	125,673
Transaction cost	-	(8,950)	-	-	(8,950)
Share-based payments	-	4,884	-	(4,750)	134
Balance at 30 September, 2021	584	97,928	16	-	98,528
<i>During the period no dividend was paid</i>					

Cash flow statement

kDKK	Q3 2022	Q3 2021	2022 YTD	2021 YTD	FY 2021
Operating Loss	(33,521)	(7,498)	(69,047)	(23,086)	(39,425)
Depreciation, amortization and impairment losses	27,357	1,983	34,645	5,921	8,913
Change in working capital	11,779	(20,319)	15,864	(5,451)	(7,603)
Share-based payment expense	199	-	599	134	563
Gain on disposal	-	-	-	-	-
Cash flow from ordinary operating activities	5,814	(25,833)	(17,940)	(22,482)	(37,552)
Income taxes received	-	-	-	-	4,528
Interest paid	-	99	0	766	1,557
Interest received	(35)	(672)	(118)	(3,021)	(4,020)
Cash flow from operating activities	5,780	(26,406)	(18,058)	(24,737)	(35,487)
Development expenditures	(7,138)	(4,465)	(19,519)	(11,544)	(16,573)
Prepaid intellectual property rights	-	-	-	-	(8,298)
Investments in property, plant and equipment	(13)	(0)	(263)	(129)	(634)
Change in deposits	(45)	(546)	(102)	(546)	(728)
Cash flow from investing activities	(7,197)	(5,011)	(19,884)	(12,219)	(26,233)
Proceeds from borrowings	2,520	-	2,520	5,760	-
Repayment of borrowings	340	(9,223)	(2,972)	(10,960)	(8,916)
Payment of principal portion of lease liabilities	(1,040)	(387)	(3,071)	(1,123)	(2,424)
Transaction cost from capital increase	-	-	-	(8,952)	(8,259)
Proceeds from capital increase	-	4,538	-	125,672	125,489
Cash flow financing activities	1,820	(5,072)	(3,523)	110,397	105,890
Change in cash and cash equivalents					
Net cash flow	402	(36,489)	(41,464)	73,442	44,170
Net foreign exchange difference	(688)	(1,178)	(86)	(808)	994
Cash, Begin	4,681	111,084	45,947	783	783
Cash, End	4,395	73,417	4,395	73,417	45,947

Notes Glossary

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

Notes

1 Subsequent Events

On October 11 2022 Linkfire initiated further actions to ensure profitable operations in 2023 and adjusted the mid-term revenue growth target to 20-40 per cent (previously 50-70 per cent)

On October 21 2022 Linkfire announced a capital raise of DKK 45M in a directed share issue to Maverick Capital Limited,, involving a bridge loan of DKK 9M.

On November 10 2022 Linkfire announced that additional investors, Kuok Meng Ru and ICS Investment Management LLC were to participate in Linkfire's previously announced directed share issue.

On November 14 2022 Linkfire held an Extraordinary General Meeting authorizing the board of directors to increase the share capital of the Company without pre-emption rights for the existing shareholders at market price. As part of tranche 1, the issuance comprises a total of 55,456,965 shares at a subscription price of DKK 0.4057 per share, representing a total value of DKK 22,5 million. The total number of issued shares as per the reporting date amounts to 114,989,051.

On 21 November 2022 the Company's board of directors has resolved to issue up to 55,459,965 new shares in the Company corresponding to shares of a nominal value of DKK 554,569.65 pursuant to the authorization in the Company's articles of association approved on the extraordinary meeting held on 14 November 2022 and in accordance the company's announcements dated 21 October 2022 and 10 November 2022.

With reference to these considerations, there are no longer any uncertainties regarding the going concern.

2 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, Linkfire recognised an impairment loss of kDKK 19,651 in the Acquired Intellectual Property Rights, and an impairment loss of kDKK 3,008 in the Completed development projects, totalling a recognition of kDKK 22,659 in impairment losses.

The adjustment in the Acquired Intellectual Property Rights is related to the value of SmartURL. Even though the asset is showing good results, including indirect developments with enterprise clients, in Linkfire's Management opinion the value of the asset lies in the integration with the Platform as a whole and not in value of the isolated asset itself. This is a financial measure and not an expression of management's belief in the commercial potential of the acquired asset.

On the other hand, the adjustment in the Completed development projects is related to outdated advertising projects, which comprises assets that are not being commercialized any more.

Notes

3 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 July 1 - September 30, 2022 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 2021 annual report which contains a full description of the accounting policies for the Group and the parent company. The annual report for 2021 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 are 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 recognising and measuring the Group's assets, liabilities, income and expenses as well as judgements made in applying the entity's accounting policies. The estimates, judgements 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.

Apart from the full description of significant accounting judgements, estimates and assumptions disclosed in note 3 in the annual report for 2021, new estimates have been made in connection with the presentation of the interim report. These estimates relate mainly to discretionary factors regarding the assessment of impairment requirements on intangible assets as described in note 2 of the interim report.

Notes

4 Revenue Specification

	Q3 2022	Q3 2021	2022 YTD	2021 YTD	FY 2021
Revenue by business segment					
kDKK					
Subscriptions	10,217	5,582	23,355	15,911	22,079
Commissions	4,425	3,298	12,556	8,031	11,618
Total	14,642	8,880	35,911	23,942	33,697
%-split					
Subscriptions	70	63	65	66	66
Commissions	30	37	35	34	34
Total	100	100	100	100	100
Geographic Information					
<p>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).</p>					
kDKK					
NAM	9,369	5,064	22,721	13,761	19,441
EMEA	3,639	2,460	8,906	6,843	9,573
APAC	1,432	1,218	3,795	2,941	4,129
LATAM	202	138	488	396	554
Total	14,642	8,880	35,911	23,942	33,697
%-split					
NAM	64	57	63	57	58
EMEA	25	28	25	29	28
APAC	10	14	11	12	12
LATAM	1	1	1	2	2
Total	100	100	100	100	100

Notes

5 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 calculated market price at the grant date based on the Black & Scholes valuation method.

During the third quarter of 2022 the company did not grant any warrants and no warrants were exercised under this program.

The total share based compensation expense recognised for Q3 2022 is 199 kDKK (Q3 2021: 214 kDKK).

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.

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 programmes (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 incentivise certain key employees and consultants. In the third quarter of 2022 the Board of Directors issued 139,393 warrants to four key employees. The Board of Directors further expects to exercise the authorisation and initiate allocations before the ordinary General Meeting 2023. The General Meeting has on two occasions allocated warrants to board members as stipulated in Linkfire's articles of association. No further warrants have been allocated.

Notes

6 Income tax

kDKK	Q3 2022	Q3 2021	2022 YTD	2021 YTD	FY 2021
Current tax for the year income	1,364	1,740	4,114	4,341	5,500
Changes in deferred tax	-	-	-	-	-
Recognized as receivable tax credit	9,625	8,869	9,625	8,869	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	7,466	2,236	15,335	6,044	9,036
Non-capitalised tax assets	(6,002)	-	(10,920)	-	(2,025)
Non-deductible expenses	(100)	(496)	(300)	(1,703)	(1,511)
Effective tax	1,364	1,740	4,114	4,341	5,500
Tax rate for the year (%)	4.0%	17.1%	5.9%	15.8%	13.8%

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

Notes

7 Intangible Assets

kDKK	Acquired Intellectual Property Rights	Completed development projects	Development projects in progress	Total
Cost at 1 January 2022	8,298	74,979	-	83,277
Transfers	-	-	-	-
Additions	12,387	-	19,519	31,906
Cost at 30 September 2022	20,685	74,979	19,519	115,183
Amortization and impairment at 1 January 2022	-	(13,403)	-	(13,403)
Amortization and impairment during the year	(20,685)	(10,765)	-	(31,450)
Amortization and impairment at 30 September 2022	(20,685)	(24,168)	-	(44,853)
Carrying amount at 30 September 2022	0	50,811	19,519	70,332
Cost at 1 January 2021	-	55,764	2,642	58,406
Transfers	-	-	-	-
Additions	-	-	11,544	11,544
Cost at 30 September 2021	-	55,764	14,186	69,950
Amortization and impairment at 1 January 2021	-	(6,903)	-	(6,903)
Amortization and impairment during the year	-	(4,873)	-	(4,873)
Amortization and impairment at 30 September 2021	-	(11,776)	-	(11,776)
Carrying amount at 30 September 2021	-	43,988	14,186	58,174

Notes

8 Guarantees, contingent liabilities and collateral

The group has provided a bank guarantee to Euroclear of DKK 145k.

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 74,336k (Q3 2021: DKK 65,008k).

9 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 2021.

Notes

10 Shares and Share Capital

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

As per September 30, 2022, share capital amounted to 595,320.86 DKK, and the total number of issued shares was 59,532,086. The company has one class of shares. Each share entitles the holder to one vote at the general meetings. In connection to the completion of the acquisition of smartURL, Linkfire issued shares related to the share component of the acquisition. In accordance with the authorization from the extraordinary general meeting held on May 28, 2021 and on the terms for acquiring smartURL that were announced on November 4, 2021, the Board of Directors resolved upon the capital increase and issuance of 1,192,864 shares in Linkfire against contribution in kind of the smartURL business. The share issue resulted in a capital increase of DKK 11,928.64 and a share premium of DKK 7,551,526.95, totalling a value of the share issue of DKK 7,563,455.59. The value of the share issue has been recorded on the acquired asset in the balance sheet.

The agreement was signed on November 4, 2021 and closed on December 14, 2021. The issuance of the shares increased the number of shares and voting rights in Linkfire from 58,339,222 to 59,532,086 on 11 January 2022. The issued shares are subject to a lock-up period of 12 months.

No active business has been taken over and granted as part of the mentioned acquisition and thus no inherited revenue, cost nor liabilities have been taken over. The acquisition surrounds a stand-alone asset that Linkfire is solely responsible for extracting revenue from. Therefore, in Linkfire management's opinion the acquisition is not subject to IFRS 3.

On November 14 2022 Linkfire held an Extraordinary General Meeting authorizing the board of directors to increase the share capital of the Company without pre-emption rights for the existing shareholders at market price. As part of tranche 1, the issuance comprises a total of 55,456,965 shares at a subscription price of DKK 0.4057 per share, representing a total value of DKK 22,5 million. The total number of issued shares as per the reporting date amounts to 114,989,051.

Shareholder structure.

On 21 November 2022 the Company's board of directors has resolved to issue up to 55,459,965 new shares in the Company corresponding to shares of a nominal value of DKK 554,569.65 pursuant to the authorization in the Company's articles of association approved on the extraordinary meeting held on 14 November 2022 and in accordance the company's announcements dated 21 October 2022 and 10 November 2022.

At the reporting date, the list of Linkfire's largest shareholders is as follows (pending final share settlement expected latest by 5 Dec 2022):

<u>Name</u>	<u>Num. Of Shares</u>	<u>Capital</u>
Maverick Fund Open-ended PCC Ltd	33,274,179	28.94%
NorthCap Partners ApS (NCP)	14,961,911	13.01%
Rocket Group Aps	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%
Ophir Asset Management Pty Ltd	3,124,123	2.72%
Thomas Rudbeck	2,316,751	2.01%