

Interim report Q2 2021

January 1 – June 30

Highlights Q2 2021

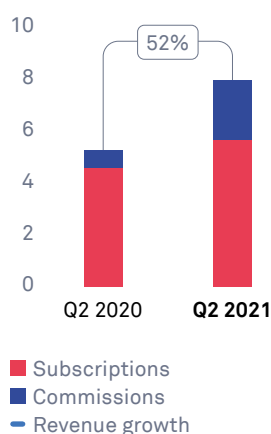
- Revenue growth y/y of 42 per cent, 52 per cent on constant currency basis
- Gross profit increased by 38 per cent at a gross margin of 72 per cent
- Consumer connections 413M in Q2'21, up 4 per cent compared to Q2 last year
- RPM of DKK 5.62, 236 per cent growth y/y



Interim report Q2 2021

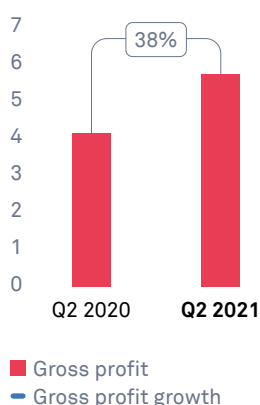
REVENUE AND REVENUE GROWTH*

mDKK



GROSS PROFIT*

mDKK



* Figures are on a constant currency basis.

Quarter in review

- Q2 Recognized revenue increased by 42 per cent to DKK 7.6M (Q2 2020: DKK 5.4M). The growth was driven by a consistent performance on Subscription revenue while Commission revenue grew +200 per cent mainly rooted in a high increase in RPM.
- Revenue on a constant currency basis increased by 52 per cent to DKK 8.0M (Q2 2020: DKK 5.3M).
- The gross profit on a constant currency basis increased by 38 per cent to DKK 5.7M (Q2 2020: DKK 4.1M) at a gross margin of 72 per cent (Q2 2020: 79 per cent).
- Q2 Consumer connections increased by 4 per cent to 413M (Q2 2020: 397M) largely deriving from an uptake in platform activity.



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- In Q2 last year consumer connections increased by 133 per cent compared to the same quarter the year before, following the outbreak of covid-19. We managed to maintain and further grow the high traffic volume in Q2 2021.
- RPM grew by 236 per cent to DKK 5.62 (Q2 2020:DKK 1.67).
- Earnings are extraordinarily affected by expenses totalling DKK 5.6M related to the completion of the initial public offering on Nasdaq First North Premier Growth Market in Stockholm.

Financial highlights of the first half year

- In the first six months of 2021, recognized revenue grew by 44 per cent to DKK 15.1M (YTD 2020: 10.4M).
- Revenue on a constant currency basis grew by 54 per cent to DKK 15.6M (YTD 2020: DKK 10.1M). All revenue growth is attributed to organic growth.
- In the first six months of 2021, gross profit on a constant currency basis increased by 47 per cent to DKK 11.3M (Q2 2020: DKK 7.7M) at a gross margin of 72 per cent (Q2 2020: 76 per cent).
- Consumer connections increased by 12 per cent to 767M (YTD 2020: 683M).
- RPM grew by 215 per cent to DKK 6.20 (YTD 2020: DKK 1.97)



Financial calendar

Interim financial report Q3, 2021
November 18, 2021

Interim financial report Q4, 2021
February 24, 2022



Financial highlights and key figures

	Q2 2021	Q2 2020	2021 YTD	2020 YTD	2020
Key Metrics					
Consumer connections (Traffic)	412,881,839	396,521,282	767,099,300	683,008,422	1,489,011,372
<i>y/y Growth (%)</i>	4%	133%	12%	80%	78%
Revenue, on constant currency basis (kDKK)	7,964	5,252	15,610	10,136	24,348
<i>Revenue Growth (%)</i>	52%	28%	54%	25%	43%
<i>Organic Revenue Growth (%)</i>	52%	28%	54%	25%	43%
Subscription Revenue, on constant currency basis (kDKK)	5,643	4,588	10,854	8,792	18,745
<i>y/y Growth (%)</i>	23%	21%	23%	19%	23%
Commission Revenue, on constant currency basis (kDKK)	2,322	664	4,756	1,344	5,603
<i>y/y Growth (%)</i>	250%	105%	254%	86%	223%
Commission Revenue per Mille (RPM)*, on constant currency basis (whole DKK)	5.62	1.67	6.20	1.97	3.76
<i>y/y Growth (%)</i>	236%	8%	215%	3%	81%
<i>Gross Margin (%), on constant currency basis</i>	72%	79%	72%	76%	75%
* Commission Revenue per thousand consumer connections					
Financial Ratios					
Operating profit before interest, depreciation & amortisations (EBITDA) margin (%)	(125%)	(46%)	(77%)	(46%)	(34%)
Operating profit margin (EBIT) (%)	(151%)	(61%)	(103%)	(62%)	(57%)



CEO COMMENTS

New chapter for Linkfire with our IPO on Nasdaq First North Premier Growth Market

Linkfire started a new and exciting chapter during the second quarter of 2021. On 28 June 2021, we became a listed company on Nasdaq First North Premier Growth Market in Stockholm. The IPO attracted strong interest from both Swedish and international investors and we raised about SEK 150M.

Growth throughout the business

The second quarter showed satisfying financial results, demonstrating steady progress in delivering on our strategy as well as our long-term vision to empower entertainment discovery everywhere. We achieved continued growth throughout the business with revenue growing by 52 per cent to DKK 8.0M on a constant currency basis. Our growth is based on a consistent stable performance for subscription revenue, as well as +200 per cent growth in commission revenue.

It is a strategic priority for Linkfire to increase traffic monetization and the second quarter showed a continued promising trajectory. Our commission revenue grew by 250 per cent to DKK 2.3M, driven by an improvement in our RPM that increased by 236 per cent to DKK 5.62.

Traffic continues to grow

Linkfire saw steep traffic growth in the second quarter last year, during the peak of the covid-19 restrictions



I am proud of the warm welcome we received on the stock exchange and look forward to continuing scaling and expanding our key position in the marketing ecosystem for music and entertainment globally.

Lars Ettrup, CEO & Co-founder



globally. Today, I am pleased to see that we have managed to normalize the traffic levels and continue to grow from the 2020 levels. Consumer connections in the second quarter increased by 4 per cent to 413M. Looking ahead, we are focusing both strategically and operationally on further accelerating the traffic growth, as it is key to utilize our improving monetization abilities as shown in the growing RPM.

Upgraded our product

We are continuously working to extend our offering to customers and consumers. As part of these efforts, we have been working with Apple to launch a new feature in their Apple Music for Artists service. This resulted in an expanded agreement with Apple that was signed on 5 August 2021.

Another example of new products and features is our recently launched Publisher toolkit. The toolkit helps publishers to automatically identify artists, songs, tickets and merchandise, and to create contextual shopping and streaming links for readers globally to discover associated products and services. Through the new toolkit, publishers can automatically tap into Linkfire's affiliate network and get rewarded by the largest affiliate platforms on the market.

Focus on scaling the business

Following the completion of the IPO, our focus is now on scaling the business. We are working to expand our offering and our geographic presence, both organically and through pursuing M&A opportunities.

Towards the end of the quarter we have initiated the expansion of our presence in Africa and in Asia. Africa represents a large traffic opportunity in a maturing market which we are seeking to develop further through physical presence in the region. Asia is an interesting market at large, and it holds the world's second largest music market, Japan, which is increasingly adding to our revenue mix. We see potential value in being physically present there as well.

We are continuously working to grow our traffic partnerships, either by adding new partners or by expanding our engagement with current partners. Traffic partnerships are integrations of Linkfire's technology into apps and websites, connecting consumers from the environments they know to the music products they discover. They are a key part of Linkfire's business model, driving monetizable consumer traffic through Linkfire's services. Partnerships are also a key driver in developing Linkfire's technology and client offering, creating an even better platform for all our users and partners.

Let me finish by saying again how proud I am over the warm welcome we received in connection with our listing on Nasdaq First North Premier Growth Market. From customers, partners, employees as well as new and existing shareholders. Thank you for all the support and for your sincere passion for our vision. This is a testament to how far we have come since we started in 2014, and to the exciting journey that we are on.

Lars Ettrup
CEO



New collaborations

We have been working with Apple to launch a new feature in their Apple Music for Artists service. This resulted in an expanded agreement with Apple that was signed on 5 August 2021.

Revenue growth in Q2

+52%

We achieved continued growth throughout the business with revenue growing by 52 per cent to DKK 8.0M on a constant currency basis.



Management Report

Financial performance for the quarter

Revenue

Revenue increased by DKK 2,250 thousand, or 42 per cent, from DKK 5,395 thousand in the second quarter of 2020 to DKK 7,645 thousand in the second quarter of 2021. The fastest growing revenue line, Commissions, increased by DKK 1,713 thousand, or 280 per cent compared to Q2 2020, while Subscriptions increased by DKK 537 thousand, or 11 per cent.

Cost

Cost of sales increased by DKK 1,000 thousand, or 89 per cent, from DKK 1,128 thousand in the second quarter of 2020 to DKK 2,128 thousand in the second quarter of 2021. The increase is mainly related to improved server and hosting cost to ensure premium service delivery as well as increased traffic and users. The comparison period includes a deduction of cost of sales for the period due to received server credits from our largest supplier.

Other external expenses increased by DKK 6,454 thousand, or 358 per cent, from DKK 1,805 thousand in the second quarter of 2020 to DKK 8,258 thousand in the second quarter of 2021, of which 5,574 thousand was attributable to costs in connection with the listing on Nasdaq First North Premier Growth Market in Stockholm. The remaining increase mainly relates to increases in the use of freelance staff as relocations take longer than usual during the pandemic, as well as increased advertising cost.

Staff costs increased by DKK 1,883 thousand, or 38 per cent, from DKK 4,948 thousand in the second quarter of 2020 to DKK 6,830 thousand in the second quarter of 2021. As a percentage of revenue, staff costs decreased from 92 per cent to 89 per cent. The increase in staff costs was primarily driven by new hires during the year. The decrease in staff costs relative to revenue was attributable to the scalability of the business model.

Earnings

Other operating income remained non-existent between the second quarter of 2020 and the second quarter of 2021.

Depreciation, amortisation and impairment increased by DKK 1,152 thousand, or 141 per cent, from DKK 818 thousand in the second quarter of 2020 to DKK 1,971 thousand in the second quarter of 2021. This represents an increase in relation to revenue from 15 per cent in the second quarter of 2020 to 26 per cent in the

Recognized Revenue for the quarter

7.6M

Revenue increased by DKK 2,250 thousand, or 42 per cent, from DKK 5,395 thousand in the second quarter of 2020 to DKK 7,645 thousand in the second quarter of 2021.



second quarter of 2021. The increase was primarily due to an increase in amortisation of intangible assets. Increased amortisation mainly derives from the final release of, and customer migration to, the relaunched Linkfire Platform holding extensive scalability and functionality improvements.

Operating loss increased by DKK 8,239 thousand, or 149 per cent, from DKK 3,303 thousand in the second quarter of 2020 to DKK 11,542 thousand in the second quarter of 2021. This represents a increase in relation to revenue from (61) per cent in the second quarter of 2020 to (151) per cent in the second quarter of 2021. The increase was primarily due to increased cost, especially related to the transaction cost in connection with the IPO.

Net financial items

Financial income increased by DKK 169 thousand, or 66 per cent, from DKK 253 thousand in the second quarter of 2020 to DKK 421 thousand in the second quarter of 2021. The increase was primarily due to the exchange rate development of USD to DKK and the residual adjustment during the quarter on payables in USD.

Financial expenses increased by DKK 201 thousand, or 21 per cent, from DKK 944 thousand in the second quarter of 2020 to DKK 1,145 thousand in the second quarter of 2021. The increase was primarily caused by the exchange rate development of USD to DKK and the residual adjustment during the quarter on receivables in USD.

Income tax

The tax for the year, which comprises deferred tax recognised in the income statement, increased by DKK 242 thousand, or 22 per cent, from DKK 1,100 thousand in the second quarter of 2020 to DKK 1,341 thousand in the second quarter of 2021. Income tax benefits for both quarters 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 8,029 thousand, or 277 per cent, from DKK 2,895 thousand in the second quarter of 2020 to DKK 10,924 thousand in the second quarter of 2021. This represents a decrease in relation to revenue from (54) per cent in the second quarter of 2020 to (143) per cent in the second quarter of 2021.

Cash flow and financing

Cash flow from operations for Q2 2021 was DKK 3,224 thousand (Q2 2020: DKK (2,393 thousand)).

Investment activities reduced cash flows with DKK 3,573 thousand in Q2 2021 (Q2 2020: DKK 3,478 thousand).

Cash flow from financing activities for Q2 2021 was DKK 110,673 thousand (Q2 2020: DKK 5,564 thousand), mainly affected by the proceeds from capital increase in connection with the IPO.

Parent company

Linkfire A/S, Denmark, is the parent company of the Group, which consists of two further subsidiaries in the US and Portugal.

Cash flow from financing for the quarter

110.7M

Cash flow from financing activities for Q2 2021 was DKK 110,673 thousand (Q2 2020: DKK 5,564 thousand), mainly affected by the proceeds from capital increase in connection with the IPO.



Q2 2021 Gross profit decreased to DKK (5,989 thousand) (Q2 2020: DKK 580 thousand).

Operating loss in Q2 2021 was DKK 11,651 thousand (Q2 2020: DKK 2,889 thousand). Loss after tax was DKK 10,996 thousand (Q2 2020: DKK 2,431 thousand).

Total equity amounted to DKK 100,882 thousand by June 30, 2021 (2020: DKK 7,193 thousand).

Financial performance first half year

Revenue

Revenue increased by DKK 4,622 thousand, or 44 per cent, from DKK 10,440 thousand in the first half of 2020 to DKK 15,062 thousand in the first half of 2021. The fastest growing revenue line, Commissions, increased by DKK 3,459 thousand, or 272 per cent compared to YTD 2020, while Subscriptions increased by DKK 1,163 thousand, or 13 per cent.

Cost

Cost of sales increased by DKK 1,614 thousand, or 65 per cent, from DKK 2,491 thousand in the first half of 2020 to DKK 4,104 thousand in the first half of 2021. The increase is mainly related to improved server and hosting cost to ensure premium service delivery as well as increased traffic and users. The comparison period includes a deduction of cost of sales for the period due to received server credits from our largest supplier.

Other external expenses increased by DKK 7,065 thousand, or 211 per cent, from DKK 3,348 thousand in the first half of 2020 to DKK 10,413 thousand in the first half of 2021, of which 5,574 thousand was attributable to costs in connection with the listing on Nasdaq First North Premier Growth Market in Stockholm.

Staff costs increased by DKK 3,695 thousand, or 39 per cent, from DKK 9,379 thousand in the first half of 2020 to DKK 13,073 thousand in the second quarter of 2021. As a percentage of revenue, staff costs decreased from 90 per cent to 87 per cent. The increase in staff costs was primarily driven by new hires during the year. The decrease in staff costs in relation to revenue was due to scalability of the business model.

Earnings

Other operating income increased from none in the first half of 2020 to DKK 879 in the first half of 2021.

Depreciation, amortisation and impairment increased by DKK 2,206 thousand, or 127 per cent, from DKK 1,733 thousand in the first half of 2020 to DKK 3,939 thousand in the first half of 2021. This represents an increase in relation to revenue from 17 per cent in the first half of 2020 to 26 per cent in the first half of 2021. The increase was primarily due to an increase in amortisation of intangible assets. Increased amortisation mainly derives from the final release of, and customer migration to, the relaunched Linkfire Platform holding extensive scalability and functionality improvements.

Recognized Revenue
for the first half year

15.1M

Revenue increased by DKK 4,622 thousand, or 44 per cent, from DKK 10,440 thousand in the first half of 2020 to DKK 15,062 thousand in the first half of 2021.



Operating loss increased by DKK 9,078 thousand, or 139 per cent, from DKK 6,510 thousand in the first half of 2020 to DKK 15,588 thousand in the first half of 2021. This represents a decrease in relation to revenue from (62) per cent in the first half of 2020 to (103) per cent in the first half of 2021. The increase was primarily due to increased cost, especially related to the transaction cost in connection with the IPO.

Net financial items

Financial income increased by DKK 309 thousand, or 87 per cent, from DKK 357 thousand in the first half of 2020 to DKK 666 thousand in the first half of 2021. The increase was primarily due to the exchange rate development of USD to DKK and the residual adjustment during the quarter on payables in USD.

Financial expenses increased by DKK 657 thousand, or 38 per cent, from DKK 1,729 thousand in the first half of 2020 to DKK 2,385 thousand in the first half of 2021. The increase was primarily due to the exchange rate development of USD to DKK and the residual adjustment during the quarter on receivables in USD.

Income tax

The tax for the year, which comprises deferred tax recognised in the income statement, increased by DKK 347 thousand, or 15 per cent, from DKK 2,254 thousand in the first half of 2020 to DKK 2,601 thousand in the first half of 2021. Income tax benefits for both quarters 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 9,078 thousand, or 161 per cent, from DKK (5,628 thousand) in the first half of 2020 to DKK (14,706 thousand) in the first half of 2021. This represents a decrease in relation to revenue from (54) per cent in the first half of 2020 to (98) per cent in the first half 2021.

Balance Sheet

Total assets amounted to DKK 180,950 thousand (YTD 2020: DKK 59,906 thousand), with an equity of DKK 102,445 thousand (YTD 2020: DKK 7,416 thousand).

Cash flow and financing

Cash flow from operations for YTD 2021 was DKK (1,669 thousand) (YTD 2020: DKK 1,564 thousand).

Investment activities reduced cash flow with DKK 7,208 thousand in YTD 2021 (YTD 2020: DKK 6,885 thousand).

Cash flow from financing activities for YTD 2021 was DKK 115,469 thousand (YTD 2020: DKK 1,985 thousand), mainly affected by the proceeds from capital increase in connection with the IPO.

Parent company

Linkfire A/S, Denmark, is the parent company of the Group, which consists of two further subsidiaries in the US and Portugal.

YTD 2021 Gross profit decreased to DKK (5,771 thousand) (YTD 2020: DKK 957 thousand).

Cash flow from financing
for the first half year

115.5M

Cash flow from financing activities for YTD 2021 was DKK 115,469 thousand (YTD 2020: DKK 1,985 thousand), mainly affected by the proceeds from capital increase in connection with the IPO.



Operating loss in YTD 2021 was DKK 16,614 thousand (YTD 2020: DKK 5,680 thousand). Loss after tax was DKK 15,657 thousand (YTD 2020: DKK 4,690 thousand).

Total equity amounted to DKK 100,882 thousand by June 30, 2021 (2020: DKK 7,193 thousand).

Other

Shares and share capital

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

As per June 30, 2021, share capital amounted to 577,854.39 DKK, and the total number of issued shares was 57,785,439. The company has one class of shares. Each share entitles the holder to one vote at the general meetings.

Shareholder structure

A list of top 10 shareholders in Linkfire A/S can be found on the company's website.

Incentive programs

Share-based incentive programs in place ahead of the listing have been exercised.

The Group has established share-based incentive programmes comprising equity-settled programmes (warrants) for Key Management Personnel and other employees. The purpose of these programmes is to ensure common goals for Management, employees and shareholders. As per June 30, 2021 no warrants have been allocated, while the Board expects to initiate allocations in the third quarter.

Subsequent Events

On 28 July 2021, Pareto Securities AB exercised the over-allotment option that was part of Linkfire's IPO. The exercise of the over-allotment option was in respect of 553,783 shares, raising SEK 6.2M (approx. DKK 4.5M) for Linkfire.

On 30 July 2021, CFO Tobias Demuth was appointed by the board of directors to the Executive Management of Linkfire. Tobias Demuth replaced Jeppe Faurfelt, CCO, who continues in his role as part of Linkfire's Leadership Team.

On 5 August 2021, Linkfire signed a new agreement with Apple, including a new integration with Linkfire and the global Apple Music for Artists service. The agreement is for two years.



Contact

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CFO: **Tobias Demuth**,
investors@linkfire.com



About Linkfire

Linkfire A/S the parent company of the Linkfire Group is a limited liability company incorporated and headquartered in Denmark, with its head office in Artillerivej 86, 2300 Copenhagen and additional offices in the US, New York and Los Angeles and in Lisbon, Portugal. The Group is on a mission to empower entertainment discovery everywhere. Linkfire is a technology company providing marketing and promotional services within the music and entertainment industries. Through its offering, the Group simplifies music discovery for consumers and generates traffic for digital service providers. Furthermore, the platform enhances marketing related decision making for labels and creators. In 2020 Linkfire facilitated 1.5 billion consumer connections across the world.



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



Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today considered and approved the interim report for the period 01.04.2021 – 30.06.2021 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 30.06.2021 and of the results of the Group's activities and cash flows for the period 01.04.2021 – 30.06.2021.

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

Copenhagen, August 25 2021

Executive Board

Lars Wiberg Etrup
CEO & Co-founder

Tobias Demuth
CFO

Board of Directors

Jesper Møller
Chairman

Thomas Rudbeck

Charlotte Klinge

Thomas Weilby Knudsen



The independent auditor's review report on the interim financial statements

To the shareholders of Linkfire A/S

We have reviewed the interim financial statements of Linkfire A/S for the accounting period 01.04.2021 to 30.06.2021, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies.

Management's responsibility for the interim financial statements

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

Auditor's responsibility

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

A review of financial statements in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements for the accounting period 01.04.2021 to 30.06.2021 have not been prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU, and Danish disclosure requirements for listed companies.

Copenhagen, August 25, 2021

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Bjørn Winkler Jakobsen

State-Authorised Public Accountant
Identification No (MNE) mne32127

Mads Juul Hansen

State-Authorised Public Accountant
Identification No (MNE) mne44386



Interim consolidated statement of comprehensive income

kDKK	Q2 2021	Q2 2020	2021 YTD	2020 YTD	2020
Revenue	7,645	5,395	15,062	10,440	24,699
Cost of sales	(2,128)	(1,128)	(4,105)	(2,491)	(5,995)
Gross profit	5,517	4,267	10,957	7,949	18,704
Other external expenses	(8,258)	(1,805)	(10,413)	(3,348)	(6,613)
Staff costs	(6,830)	(4,948)	(13,072)	(9,379)	(20,461)
Other operating income	-	-	879	-	-
Depreciation, amortisation and impairment losses	(1,971)	(817)	(3,939)	(1,732)	(5,823)
Operating profit/(loss)	(11,542)	(3,303)	(15,588)	(6,510)	(14,193)
Financial income	422	252	666	357	509
Financial expenses	(1,145)	(944)	(2,385)	(1,729)	(4,305)
Profit/(loss) before tax	(12,265)	(3,995)	(17,307)	(7,882)	(17,989)
Tax for the year	1,341	1,100	2,601	2,254	4,528
Profit/(loss) for the year	(10,924)	(2,895)	(14,706)	(5,628)	(13,461)
Other comprehensive income					
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>					
Exchange differences on translation of foreign operations	24	(57)	(7)	(164)	166
Other comprehensive income for the year, net of tax	24	(57)	(7)	(164)	166
Total comprehensive income for the year	(10,900)	(2,952)	(14,713)	(5,792)	(13,295)
<i>Attributable to:</i>					
Shareholders of Linkfire ApS					
Earnings per share (DKK)	(0.32)	(0.28)	(0.43)	(0.54)	(1.28)
Earnings per share, diluted (DKK)	(0.31)	(0.25)	(0.42)	(0.48)	(1.14)



Balance Sheet

kDKK	Q2 2021	Q2 2020	2020
Assets			
Non-current assets			
Intangible assets	55,333	48,022	51,503
Property, plant and equipment	192	30	168
Right-of-use assets	2,601	3,848	3,226
Deposits	425	417	427
Total non-current assets	58,551	52,317	55,324
Current assets			
Trade receivables	2,482	410	2,195
Income tax receivables	7,129	6,430	4,528
Other receivables	1,039	123	664
Prepayments	664	355	292
Cash	111,084	270	783
Total current assets	122,398	7,588	8,462
Total assets	180,950	59,906	63,786



Balance Sheet

kDKK	Q2 2021	Q2 2020	2020
Equity and liabilities			
Equity			
Share capital	578	105	108
Retained earnings	101,820	3,283	(73)
Translation reserve	47	(79)	124
Other capital reserve	-	4,107	4,750
Total equity	102,445	7,416	4,909
Non-current liabilities			
Interest bearing liabilities	33,393	21,322	33,617
Lease liabilities	1,267	2,563	1,809
Total non-current liabilities	34,660	23,885	35,426
Current liabilities			
Interest-bearing liabilities	10,585	9,559	3,995
Contract liabilities	6,200	6,936	5,702
Lease liabilities	1,388	1,386	1,487
Trade payables	18,905	4,714	2,888
Other payables	6,767	6,010	9,379
Total current liabilities	43,845	28,605	23,451
Total liabilities	78,505	52,490	58,877
Total equity and liabilities	180,950	59,906	63,786



Statement of changes in Equity

kDKK	Share capital	Retained earnings	Translation reserve	Other capital reserve	Total
Balance at 1 January, 2021	108	(73)	124	4,750	4,909
Net profit/(loss) for the period	-	(14,706)	-	-	(14,706)
Other comprehensive income	-	-	(77)	-	(77)
Total comprehensive income	108	(14,779)	47	4,750	(9,874)
Capital increase	470	120,665	-	-	121,135
Transaction cost	-	(8,950)	-	-	(8,950)
Share-based payments	-	4,884	-	(4,750)	134
Balance at 30 June, 2021	578	101,820	47	-	102,445
<i>During the period no dividend was paid.</i>					
Balance at 1 January, 2020	104	6,912	(83)	3,093	10,026
Net profit/(loss) for the period	-	(5,628)	-	-	(5,628)
Other comprehensive income	-	-	4	-	4
Total comprehensive income	104	1,284	(79)	3,093	4,402
Capital increase	1	1,999	-	-	2,000
Share-based payments	-	-	-	1,014	1,014
Balance at 30 June, 2020	105	3,283	(79)	4,107	7,416



Cash flow statement

kDKK	Q2 2021	Q2 2020	2021 YTD	2020 YTD	2020
Operating loss	(11,542)	(3,303)	(15,588)	(6,510)	(14,193)
Depreciation, amortisation and impairment losses	1,970	818	3,939	1,733	5,823
Change in working capital	13,483	252	14,867	6,660	2,113
Share-based payment expense	-	493	134	1,014	1,657
Gain on disposal	-	-	-	-	(6)
Cash flow from ordinary operating activities	3,911	(1,740)	3,352	2,897	(4,606)
Income taxes received	-	-	-	-	4,177
Interest paid	422	253	666	357	(3,402)
Interest received	(1,109)	(905)	(2,349)	(1,690)	-
Cash flow from operating activities	3,224	(2,393)	1,669	1,564	(3,831)
Development expenditures	(3,547)	(3,478)	(7,079)	(6,885)	(13,657)
Investments in property, plant and equipment	(26)	-	(129)	-	(173)
Change in deposits	-	-	-	-	(10)
Cash flow from investing activities	(3,573)	(3,478)	(7,208)	(6,885)	(13,840)
Proceeds from borrowings	156	3,906	5,760	3,906	12,059
Repayment of borrowings	(1,303)	-	(1,737)	(3,136)	(1,668)
Payment of principal portion of lease liabilities	(363)	(342)	(736)	(785)	(1,667)
Transaction cost from capital increase	(8,952)	-	(8,952)	-	-
Proceeds from capital increase	121,135	2,000	121,135	2,000	6,481
Cash flow from financing activities	110,673	5,564	115,470	1,985	15,205
Change in cash and cash equivalents					
Net cash flow	110,323	(306)	109,931	(3,335)	(2,467)
Net foreign exchange difference	8	59	370	67	(289)
Cash, Begin	753	518	783	3,539	3,539
Cash, End	111,084	271	111,084	271	783



Notes Glossary

- 1 General information
- 2 Revenue specification
- 3 Share-based payment plans
- 4 Income tax
- 5 Intangible assets
- 6 Non-current liabilities and other current financial liabilities



Notes

1 General information

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

Basis of preparation

The interim report (condensed consolidated interim financial statements) for the period April 1 - June 30, 2021 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. The parent company condensed interim financial statements have been included according to the Danish Executive Order on the Preparation of Interim Financial Reports.

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 analyse the 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 2020 annual report which contains a full description of the accounting policies for the Group and the parent company. The annual report for 2020 can be found on Linkfire’s web-site: <https://investors.linkfire.com/investors>.

Changes in accounting policies:

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

Significant accounting judgements, estimates, and assumptions

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities.

The significant accounting judgements, estimates and assumptions applied in these consolidated interim financial statements are the same as disclosed in note 2 in the annual report for 2020 which contains a full description of significant accounting judgements, estimates and assumptions.



Notes

2 Revenue specification

	Q2 2021	Q2 2020	2021 YTD	2020 YTD	2020
Revenue by business segment					
tDKK					
Subscriptions	5,320	4,783	10,329	9,166	19,148
Commissions	2,325	612	4,733	1,273	5,551
Total	7,645	5,395	15,062	10,440	24,699
%-split					
Subscriptions	70	89	69	88	78
Commissions	30	11	31	12	22
Total	100	100	100	100	100
Geographic information					
As an online platform, the Group generates revenue from customers located worldwide.					
For this purpose, internal reporting divides revenue according to the NAM (Northern America), the EMEA region (Europe, Middle East and Africa) as well as APAC (Asia and Oceania) and LATAM (Latin America and the Caribbean).					
tDKK					
NAM	4,375	1,978	8,663	3,732	9,486
EMEA	2,242	2,969	4,412	5,768	12,609
APAC	866	387	1,728	822	2,328
LATAM	162	61	259	118	275
Total	7,645	5,395	15,062	10,440	24,699
%-split					
NAM	57	37	58	36	38
EMEA	30	55	29	55	51
APAC	11	7	11	8	9
LATAM	2	1	2	1	1
Total	100	100	100	100	100



Notes

3 Share-based payment plans

2015 Warrant program:

During the second quarter of 2021 the company did not grant any warrants and no warrants were exercised under this program. The total share based compensation expense recognised for Q2 2021 is 0 tDKK (Q2 2020: 0 tDKK).

2020 Warrant programs:

During the second quarter of 2021 the company did not grant any warrants and no warrants were exercised under this program. The total share based compensation expense recognised for Q2 2021 is 0 tDKK (Q2 2020: 493 tDKK).

4 Income tax

kDKK	Q2 2021	Q2 2020	2021 YTD	2020 YTD	2020
Current tax for the year income	1,341	1,100	2,601	2,254	4,528
Changes in deferred tax	-	-	-	-	-
Recognised as receivable tax credit	7,129	6,430	12,916	11,761	4,528
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.					
Tax calculated as 22% of profit/loss before tax	2,698	879	3,807	1,734	3,958
Non-capitalised tax assets	-	-	-	-	-
Non-deductible expenses	(1,357)	221	(1,207)	520	570
Effective tax	1,341	1,100	2,601	2,254	4,528
Tax rate for the year (%)	10.9%	27.5%	15.0%	28.6%	25.2%

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



Notes

5 Intangible assets

kDKK	Completed development projects	Development projects in progress	Total
Cost at 1 April 2021	55,765	6,173	61,938
Transfers	-	-	-
Additions	-	3,547	3,547
Cost at 31 June 2021	55,765	9,721	65,485
Amortisation and impairment at 1 April 2021	(8,527)	-	(8,527)
Amortisation during the year	(1,625)	-	(1,625)
Amortisation and impairment at 30 June 2021	(10,152)	-	(10,152)
Carrying amount at 30 June 2021	45,613	9,721	55,333
Cost at 1 April 2020	18,050	30,105	48,155
Transfers	-	-	-
Additions	-	3,478	3,478
Cost at 30 June 2020	18,050	33,583	51,633
Amortisation and impairment at 1 April 2020	(3,104)	-	(3,104)
Amortisation during the year	(507)	-	(507)
Amortisation and impairment at 30 June 2020	(3,611)	-	(3,611)
Carrying amount at 30 June 2020	14,439	33,583	48,022



Notes

6 Non-current liabilities and other current financial liabilities

Debt to credit institutions:

As per June 30, 2021 Linkfire has drawn 8.3 mDKK on the credit facility established with Danske Bank.

Lease liabilities:

Non-current and current lease liabilities, of 1.4 mDKK and 1.3 mDKK respectively.



Interim statement of comprehensive income for the parent company

kDKK	Q2 2021	Q2 2020	2021 YTD	2020 YTD	2020
Gross profit	(5,989)	580	(5,771)	957	3,045
Other external expenses	-	-	-	-	-
Staff costs	(4,028)	(2,955)	(7,575)	(5,599)	(11,648)
Depreciation, amortisation and impairment losses	(1,634)	(514)	(3,268)	(1,038)	(4,351)
Operating profit/(loss)	(11,651)	(2,889)	(16,614)	(5,680)	(12,954)
Financial income	421	253	342	358	508
Financial expenses	(1,108)	(894)	(1,986)	(1,621)	(4,109)
Profit/(loss) before tax	(12,338)	(3,531)	(18,258)	(6,943)	(16,555)
Tax for the year	1,342	1,100	2,601	2,254	4,528
Profit/(loss) for the year	(10,996)	(2,431)	(15,657)	(4,690)	(12,027)
<i>Proposed distribution of profit and loss:</i>					
Proposed dividend	-	-	-	-	-
Retained earnings	(10,996)	(2,431)	(15,657)	(4,690)	(12,027)
Profit/(loss) for the year	(10,996)	(2,431)	(15,657)	(4,690)	(12,027)



Balance Sheet

kDKK	Q2 2021	Q2 2020	2020
Assets			
Completed development projects	45,613	41,138	48,861
Development projects in progress	9,720	6,884	2,642
Total intangible assets	55,333	48,022	51,503
Other fixtures and fittings, tools and equipment	97	30	94
Leasehold improvements	-	-	2
Total property, plant and equipment	97	30	96
Deposits	426	417	427
Investments in subsidiaries	-	-	-
Total fixed asset investments	426	417	427
Total fixed assets	55,856	48,469	52,026
Trade receivables	2,482	410	2,195
Other receivables	1,005	108	489
Income tax receivables	7,129	6,430	4,528
Prepayments	663	355	280
Total receivables	11,279	7,303	7,492
Cash	110,754	190	700
Total current assets	122,033	7,493	8,192
Total assets	177,889	55,962	60,218



Balance Sheet

kDKK	Q2 2021	Q2 2020	2020
Equity and liabilities			
Share capital	578	105	108
Reserve for development costs	43,150	37,457	40,173
Retained earnings	57,154	(30,369)	(35,925)
Total equity	100,882	7,193	4,356
Interest bearing liabilities	33,393	20,356	32,780
Total non-current liabilities	33,393	20,356	32,780
Current portion of non-current liabilities other than provisions	2,289	2,015	3,120
Interest bearing liabilities	8,296	7,544	3,995
Prepayments from customers	6,200	6,936	5,702
Trade payables	18,894	4,714	2,886
Payables to group enterprises	1,293	1,194	1,764
Other payables	6,642	6,010	5,615
Total current liabilities	43,614	28,413	23,082
Total liabilities	77,007	48,769	55,862
Total equity and liabilities	177,889	55,962	60,218



Statement of changes in Equity

kDKK	Share capital	Share premium	Reserve for development costs	Retained earnings	Total
2021					
Equity beginning of period	108	-	40,173	(35,925)	4,356
Increase of capital	470	120,957	(292)	-	121,135
Transferred from share premium	-	-	-	-	-
Transfer to reserves	-	-	2,977	(2,977)	-
Transaction cost from capital increase	-	-	-	(8,952)	(8,952)
Proposed dividend	-	-	-	-	-
Profit/(loss) for the period	-	-	-	(15,657)	(15,657)
Equity end of period	578	120,957	42,858	(63,511)	100,882
2020					
Equity beginning of period	104	-	32,887	(23,108)	9,883
Increase of capital	1	1,999	-	-	2,000
Transferred from share premium	-	-	-	-	-
Transfer to reserves	-	-	4,570	(4,570)	-
Proposed dividend	-	-	-	-	-
Profit/(loss) for the period	-	-	-	(4,690)	(4,690)
Equity end of period	105	1,999	37,457	(32,368)	7,193