

Year-end Report 2021

Q4, October 1 – December 31



Great year with good top-line performance and very strong improvements on underlying growth levers such as our RPM metric, demonstrating our ability to monetize traffic

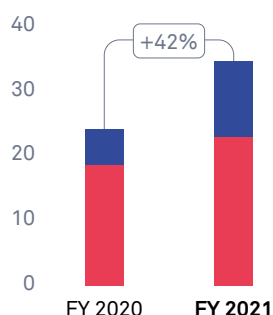
HIGHLIGHTS FY 2021

- Revenue growth of 42 per cent on a constant currency basis
- Gross profit increased by 36 per cent at a gross margin of 72 per cent
- Consumer connections of 1,604M, up 9 per cent
- RPM of DKK 7.27, up 92 per cent
- Successfully took the company public on 28 June 2021
- Acquisition of major global competitor SmartURL
- The overall performance is in line with expectations



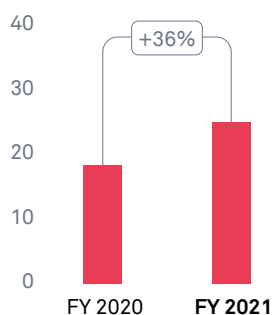
Year-end Report 2021

REVENUE AND REVENUE GROWTH*
mDKK



■ Subscriptions
■ Commissions

GROSS PROFIT*
mDKK



■ Gross profit

* Figures are on a constant currency basis.



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Financial highlights of the full year

- During the year of 2021, recognized revenue grew by 36 per cent to DKK 33.7M (FY 2020: 24.7M).
- Revenue on a constant currency basis grew by 42 per cent to DKK 34.5M (FY 2020: DKK 24.3M). All revenue growth is attributed to organic growth.
- The growth was driven by a consistent performance on Subscription revenue growing 22 per cent while Commission revenue grew 108 per cent, mainly rooted in RPM growth.
- During the year of 2021, gross profit on a constant currency basis increased by 36 per cent to DKK 25.0M (FY 2020: DKK 18.4M) at a gross margin of 72 per cent (FY 2020: 75 per cent).
- Consumer connections increased by 9 per cent to 1,604M (FY 2020: 1,475M).



- RPM grew by 92 per cent to DKK 7.27 (FY 2020: DKK 3.80). No new major affiliate deals were entered during the year, thus the main growth driver is improvement of existing deals in H1 and product optimization in H2.
- All figures in the report have been reviewed by the company auditor, however figures are still subject to year-end closing audit and potential adjustments. Final numbers will be published with the annual report latest on April 6 2022.

Quarter in review

- The quarterly revenue growth profile during 2021 profile was more linear than in 2020. Q4 revenue accounted for 28 per cent of FY 2021 revenue (Q4 2020: 32 per cent).
- Q4 Recognized revenue increased by 26 per cent to DKK 9.8M (Q4 2020: DKK 7.8M).
- Revenue on a constant currency basis increased by 26 per cent to DKK 9.8M (Q4 2020: DKK 7.8M).
- The gross profit on a constant currency basis increased by 21 per cent to DKK 7.1M (Q4 2020: DKK 5.9M) at a gross margin of 72 per cent (Q4 2020: 75 per cent).
- Focus during Q4 was on expansion and solidification of the business, growing the team to 100+ (Q4 2020: 59) and setting the basis for the execution of our strategy in 2022.
- Q4 Consumer connections increased by 14 per cent to 454M (Q4 2020: 408M) largely due to an uptake in platform traffic in the quarter.
- RPM grew by 16 per cent to DKK 7.96 (Q4 2020: DKK 6.83), where Q4 2020 was a strong quarter in terms of RPM performance.



Financial calendar

Annual General Meeting, 2022
April 27, 2022

Interim financial report Q1, 2022
May 25, 2022

Interim financial report Q2, 2022
August 25, 2022

Interim financial report Q4, 2022
November 24, 2022

Interim financial report Q4, 2022
February 23, 2023



Financial highlights and key figures

	Q4 2021	Q4 2020	2021	2020
Key Metrics				
Consumer connections (Traffic)	453,845,353	398,388,765	1,603,957,986	1,475,350,156
<i>y/y Growth</i>	14%	63%	9%	77%
Revenue on a constant currency basis (kDDK)	9,830	7,823	34,521	24,348
<i>Revenue Growth</i>	26%	72%	42%	43%
Organic Revenue Growth	26%	72%	42%	43%
Subscription Revenue, on a constant currency basis (kDDK)	6,220	5,101	22,853	18,745
<i>y/y Growth</i>	22%	24%	22%	23%
Commission Revenue, on a constant currency basis (kDDK)	3,610	2,722	11,667	5,603
<i>y/y Growth</i>	33%	510%	108%	223%
Commission Revenue per Mille (RPM)*, on a constant currency basis in DKK	7,96	6,83	7,27	3,80
<i>y/y Growth</i>	16%	274%	92%	83%
Gross Margin, on a constant currency basis	72%	75%	72%	76%
* Commission Revenue per thousand consumer connections				
Financial Ratios				
Operating profit before interest, depreciation & amortisations (EBITDA) margin (%)	-111%	-23%	-83%	-34%
Operating profit margin (EBIT) (%)	-139%	-51%	-109%	-57%



CEO COMMENTS

2021 was a great year

2021 was a great year for Linkfire, we are delivering on our strategy and I remain confident in our financial targets. We saw good top-line performance in line with our expectations and very strong improvements on underlying growth levers such as our RPM metric illustrating that we're improving our ability to monetize traffic.

At the end of Q2, Linkfire went public, raising appx. 156M SEK in the process to accelerate execution of our growth strategy, focused on growing our customer and partner base, increasing our traffic and driving monetization of that traffic.

The second half of the year was spent on scaling up the business ensuring funds came to efficient use quickly. Funds have primarily been deployed to scale the company beyond the 100+ employee mark, focusing mainly on sales and product roles that contribute directly to our organic revenue target.

Following the strong growth in traffic during 2020, I am proud to conclude that we managed to maintain and further grow the high traffic volume during 2021. A stronger focus on optimizing our product and offering during the year, to improve our RPM performance (traffic monetization), has contributed to the 92 percent RPM increase this year.

In Q4 2021, Linkfire acquired US-based smartURL, a key global competitor in the market for smart links. The acquisition will solidify Linkfire's market position and boost traffic and commission revenue over time. The acquisition adds millions of monetizable consumer connections to Linkfire's business, supporting the strategy of driving growth in that area.

During 2021, we have initiated the establishment of two partner teams in both the US and Europe adding even more speed to our partnership plans. Both initiatives will drive traffic and contribute directly to making Linkfire a profitable company, which we expect will happen in 2023 as communicated to the market in January this year.

In H2 of 2021, Linkfire has also expanded its operations to Sub-Saharan Africa by establishing a local presence in Accra, Ghana. The expansion is part of Linkfire's ambition to grow its position and increase traffic in fast-growing markets like Africa and Asia. The goal is to increase consumer connections (traffic) in the region from 3.5 million to 35 million per month within 24 months.



I firmly believe that we have laid a strong foundation for continued growth in 2022 and I remain confident in our financial targets. I look forward to continuing our amazing journey in 2022 and beyond.

Lars Ettrup, CEO & Co-founder



In addition to the above, we have concluded senior level recruitments in various roles of the business, as announced to the market during December through February. I am beyond proud that our company is able to attract candidates of this calibre and I am truly excited to continue our growth journey surrounded by such great people.

Market

Generally we are seeing an optimistic market, especially considering the increasing retreat of covid restrictions. This will fuel physical events and concerts to the benefit of the industry at large and expand upon the opportunities for Linkfire.

Covid has brought along an expedited technological development and maturity in many areas across industries and the entertainment industry is no exception. We have seen a general trend where music transcends the traditional streaming services, serving as engagement components across platforms like TikTok, Roblox and Fortnite. We are especially excited to follow and take part in the development of the metaverse and a hybrid between physical and digital events surrounding entertainment discovery.

The market for spoken word is growing continuously. Linkfire is increasingly anticipating a move into adjacent verticals related to spoken word. Many of our partners and customers are already present across verticals and the more channels we can help them reach, the merrier.

Outlook

Looking into 2022 our focus and strategy remain unchanged and we maintain our mid-term financial targets of 50-70% revenue CAGR and approximately 80% gross margin. Supporting our vision of empowering entertainment discovery everywhere, we have a razor sharp focus on growing our traffic, increasing monetization and retaining our market position.

In order to grow our traffic we are investing into expanding our partnership network, utilizing Linkfire's technology across multiple formats such as websites, applications, the metaverse and more.

Product optimization and development will be focused on improving our traffic monetization capabilities such as improving algorithms and expanding our offering of monetizable options in the Linkfire discovery network.

We already see promising results and we expect the acquisition of smartURL to contribute positively in all aspects of our strategy.

I firmly believe that we have laid a strong foundation for continued growth in 2022 and I remain confident in our financial targets.

Personally, I've been thoroughly impressed with the pace of maturity within the company. Switching from a private start-up to a public scale-up is not an easy endeavour. We've managed to build not only a strong platform for growth but also a framework for modelling and projecting future growth and initiatives allowing us to make smart investment decisions.

Lars Ettrup

CEO



Metaverse

We are especially excited to follow and take part in the development of the metaverse and a hybrid between physical and digital events surrounding entertainment discovery.

24 month goal for the African market

+1000%

The goal is to increase consumer connections (traffic) in the region from 3.5 million to 35 million per month within 24 months.



Management Report

Financial performance for the full year

Revenue

Revenue increased by DKK 8,998 thousand, or 36 per cent, from DKK 24,699 thousand in all the quarters of 2020 to DKK 33,697 thousand in the quarters of 2021. The fastest growing revenue line, Commissions, increased by DKK 6,067 thousand, or 109 per cent compared to FY 2020, while Subscriptions increased by DKK 2,931 thousand, or 15 per cent.

Cost

Cost of sales increased by DKK 3,325 thousand, or 55 per cent, from DKK 5,995 thousand during 2020 to DKK 9,320 thousand FY 2021. The increase is mainly related to improved server and hosting cost to ensure premium service delivery, as well as an increase in traffic and users.

Other external expenses increased by DKK 16,274 thousand, or 246 per cent, from DKK 6,613 thousand in 2020 to DKK 22,887 in 2021, of which 6,273 thousand was attributable to costs in connection with the listing on Nasdaq First North Premier Growth Market in Stockholm during the second quarter. The notable increase in expenses relates to one-off expenses to new hires and increased staff globally as well as new premises in the US. The continued and rising employment of free-lance staff supporting the hybrid remote model contributed to the increase. Cost related to being listed brought up the baseline cost as well along with increased expense related to market expansion.

Staff costs increased by DKK 10,310 thousand, or 50 per cent, from DKK 20,461 thousand in 2020 to DKK 30,771 thousand in 2021. As a percentage of revenue, staff costs increased from 83 per cent to 91 per cent. The increase in staff costs was primarily driven by new hires during the year and ROI is expected within 2022. Linkfire is at a different stage of scale than a year ago, and investments into attracting and retaining top talent and excellent leadership has a strategic focus when driving our continued growth.

Earnings

Other operating income increased from none in 2020 to DKK 1,557 for FY 2021.

Depreciation, amortisation and impairment increased by DKK 3,090 thousand, or 53 per cent, from DKK 5,823 thousand in all quarters of 2020 to DKK 8,913 thousand FY 2021. This represents an increase in relation to revenue from 24 per cent in 2020 to 26 per cent FY 2021. The increase was primarily due to an increase

Recognized Revenue
for all four quarters

33.7M

Revenue increased by DKK 8,998 thousand, or 36 per cent, from DKK 24,699 thousand in all the quarters of 2020 to DKK 33,697 thousand in the quarters of 2021.



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 22,443 thousand, or 158 per cent, from DKK 14,193 thousand in 2020 to DKK 36,637 thousand in 2021. This represents a decrease in relation to revenue from (57) per cent in 2020 to (109) per cent in FY 2021. The increase was primarily due to increased cost, especially related to the transaction cost in connection with the IPO and one-off hiring cost.

Net financial items

Financial income increased by DKK 2,535 thousand, or 498 percent, from DKK 509 thousand in 2020 to DKK 3,043 thousand FY 2021.

Financial expenses increased by DKK 1,947 thousand, or 45 per cent, from DKK 4,305 thousand in all quarters of 2020 to DKK 6,251 thousand in all quarters of 2021.

Income tax

The tax for the year, which comprises deferred tax recognised in the income statement, increased by DKK 972 thousand, or 21 per cent, from DKK 4,528 thousand FY 2020 to DKK 5,500 thousand FY 2021. Income tax benefits for all four 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 20,884 thousand, or 155 per cent, from DKK (13,461 thousand) in 2020 to DKK (34,353 thousand) in 2021. This represents a decrease in relation to revenue from (55) per cent in FY 2020 to (102) per cent FY 2021.

Balance Sheet

Total assets amounted to DKK 143,932 thousand (FY 2020: DKK 63,786 thousand), with an equity of DKK 87,526 thousand (2020: DKK 4,909 thousand).

Cash flow and financing

Cash flow from operations for FY 2021 was DKK (31,733 thousand) (FY 2020: DKK 3,832 thousand).

Investment activities reduced cash flow with DKK 26,101 thousand in FY 2021 (FY 2020: DKK 13,841 thousand).

Cash flow from financing activities for FY 2021 was DKK 101,651 thousand (FY 2020: DKK 15,204 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.

FY 2021 Gross profit decreased to DKK (14,493 thousand) (FY 2020: DKK 3,045 thousand).

**Cash flow from financing
for all four quarters**

101.7M

Cash flow from financing activities for FY 2021 was DKK 101,651 thousand (FY 2020: DKK 15,204 thousand), mainly affected by the proceeds from capital increase in connection with the IPO.



Operating loss FY 2021 was DKK (37,745 thousand) (FY 2020: DKK (12,954 thousand)). Loss after tax was DKK (35,266 thousand) (FY 2020: DKK (12,027 thousand)).

Total equity amounted to DKK 85,671 thousand by December 31, 2021 (2020: DKK 4,356 thousand).

Financial performance for the quarter

Revenue

Revenue increased by DKK 2,003 thousand, or 26 per cent, from DKK 7,753 thousand in the fourth quarter of 2020 to DKK 9,756 thousand in the same period of 2021. The fastest growing revenue line, Commissions, increased by DKK 862 thousand, or 32 per cent compared to Q4 2020, while Subscription revenue increased by DKK 1,141 thousand, or 23 per cent.

Cost

Cost of sales increased by DKK 847 thousand, or 45 per cent, from DKK 1,889 thousand in Q4 of 2020 to DKK 2,735 thousand in the fourth quarter of 2021. The increase is mainly related to improved baseline and scalability of server and hosting environments, to ensure compliant and premium service delivery.

In the fourth quarter of 2021, other external expenses increased by DKK 6,150 thousand, or 413 per cent, from DKK 1,489 thousand in Q4 2020 to DKK 7,639. The notable increase in expenses relates to one-off expenses to new hires and increased staff globally as well as new premises in the US. The continued and rising employment of freelance staff supporting the hybrid remote model contributes to the increase. Cost related to being listed brought up the baseline cost as well, along with increased expenses related to market expansion.

Staff costs increased by DKK 3,745 thousand, or 60 per cent, from DKK 6,196 thousand in the fourth quarter of 2020 to DKK 9,941 thousand in the same period of 2021. As a percentage of revenue, staff costs increased from 80 per cent to 102 per cent, primarily driven by new hires during the period. We expect a ROI within 2022 on our strong staff investments. Linkfire is at a different stage of scale than a year ago, and investments into attracting and retaining top talent and excellent leadership is in focus during our continued growth.

Earnings

There is no change in other operating income between the fourth quarter of 2020 and the fourth quarter of 2021.

Depreciation, amortisation and impairment increased by DKK 883 thousand, or 42 per cent, from DKK 2,108 thousand in the fourth quarter of 2020 to DKK 2,991 thousand in the fourth quarter of 2021. This represents 31 per cent in relation to revenue.

Operating loss increased by DKK 9,621 thousand, or 245 per cent, from DKK 3,929 thousand in Q4 2020 to DKK 13,550 thousand in Q4 2021. This is an increase in relation to revenue from (51) per cent in Q4 2020 to (139) per cent in the fourth quarter of 2021. The increase was primarily due to increase in other external expenses including one-off hiring costs.

Recognized revenue
for the quarter

9.8M

Revenue increased by DKK 2,003 thousand, or 26 per cent, from DKK 7,753 thousand in the fourth quarter of 2020 to DKK 9,756 thousand in the same period of 2021.



Net financial items

Financial income increased by DKK 2,164 thousand, or 1,913 per cent, from DKK 113 thousand in the fourth quarter of 2020 to DKK 2,278 thousand in the fourth quarter of 2021. The steep increase is mainly related to exchange rate gains from the conversion of SEK proceeds from capital increase to DKK and USD.

Financial expenses increased by DKK 186 thousand, or 20 per cent, from DKK 915 thousand in the fourth quarter of 2020 to DKK 1,101 thousand in Q4 of 2021.

Income tax

The tax for the year, which comprises deferred tax recognised in the income statement, increased by DKK 13 thousand, or 1 per cent, from DKK 1,146 thousand in Q4 of 2020 to DKK 1,159 thousand in Q4 2021. 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 7,629 thousand, or 213 per cent, from DKK 3,585 thousand in Q4 of 2020 to DKK 11,214 thousand in Q4 of 2021. This represents a decrease in relation to revenue from (46) per cent in the fourth quarter of 2020 to (115) per cent in the fourth quarter of 2021.

Cash flow and financing

Cash flow from operations for Q4 2021 was DKK (6,995 thousand) (Q4 2020: DKK (4,374 thousand)).

Investment activities reduced cash flows with DKK 13,882 thousand Q4 2021 (Q4 2020: DKK 3,547 thousand).

Cash flow from financing activities for Q4 2021 was DKK (8,747 thousand) (Q4 2020: DKK 8,360 thousand).

Parent company

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

Q4 2021 Gross profit decreased to DKK (6,644 thousand) (Q4 2020: DKK 847 thousand).

Operating loss in Q4 2021 was DKK (13,459 thousand) (Q4 2020: DKK (3,922 thousand)). Loss after tax was DKK (11,045 thousand) (Q4 2020: DKK (3,537 thousand)).

Total equity amounted to DKK 85,671 thousand by December 31, 2021 (2020: DKK 4,356 thousand).

Financial income for the quarter

2.3M

This is an increase of DKK 2,164 thousand, or 1,913 per cent, from DKK 113 thousand in the fourth quarter of 2020 to DKK 2,278 thousand in the fourth quarter of 2021.



Other

Shares and share capital

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

As per December 31, 2021, share capital amounted to 583.392,22 DKK, and the total number of issued shares was 58,339,222. 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 can be found on the company's website.

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. However, warrants allocated to the Board of Directors have not yet been exercised as per the company's Articles of Association.

The General Meeting of Linkfire has in the company's Articles of Association authorised 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. The Board of Directors expects to exercise the authorisation and initiate allocations before the ordinary General Meeting 2022.

No further warrants have been allocated.

Subsequent Events

On January 11, 2022 the company completed the acquisition of global competitor SmartURL with a planned share issuance of 1,192,864 new shares. The share price in the issuance of 8.4451 SEK per share has been determined via a five-day pre-signing and a five-day post-signing volume-weighted average price ("VWAP") in Linkfire's share. The agreement was signed on November 4, 2021 and closed on December 14, 2021. The issuance corresponds to a dilution of 2% increasing the number of shares and voting rights in Linkfire from 58,339,222 to 59,532,086. The newly issued shares are subject to a lock-up period of 12 months.



Contact

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CFO: **Tobias Demuth**,
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About Linkfire

Linkfire is the world's leading SaaS marketing platform for the music and entertainment industries. Linkfire's offering consists of two solutions: the Linkfire SaaS Marketing Platform for labels and artists and the Linkfire Discovery Network connecting consumers to music products through apps and partner websites. Linkfire's platform has over 85,000 users, including the vast majority of the top 100 Billboard artists and largest record labels. In 2021, 1.6 billion consumers were connected through Linkfire and the Company's revenue amounted to DKK 33.7 million, corresponding to a year-on-year growth of 36 per cent. Linkfire has more than 100 employees and is headquartered in Copenhagen, with additional offices in New York, Los Angeles, Lisbon and Accra. Linkfire ("LINKFI") is listed on Nasdaq First North Premier Growth Market, Sweden.



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 01.10.2021 – 31.12.2021 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 31.12.2021 and of the results of the Group's activities and cash flows for the period 01.10.2021 – 31.12.2021.

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

Copenhagen, February 24 2022

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 01.10.2021 to 31.12.2021, 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 01.10.2021 to 31.12.2021 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, February 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	Q4 2021	Q4 2020	2021	2020
Revenue	9,756	7,753	33,697	24,699
Cost of sales	-2,735	-1,889	-9,320	-5,995
Gross profit	7,021	5,864	24,377	18,704
Other external expenses	-7,639	-1,489	-22,887	-6,613
Staff costs	-9,941	-6,196	-30,771	-20,461
Other operating income	-	-	1,557	-
Depreciation, amortisation and impairment losses	-2,991	-2,108	-8,913	-5,823
Operating profit/(loss)	-13,550	-3,929	-36,637	-14,193
Financial income	2,278	113	3,043	509
Financial expenses	-1,101	-915	-6,251	-4,305
Profit/(loss) before tax	-12,373	-4,731	-39,845	-17,989
Tax for the year	1,159	1,146	5,500	4,528
Profit/(loss) for the year	-11,214	-3,585	-34,345	-13,461
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	-117	280	-8	166
Other comprehensive income for the year, net of tax	-117	280	-8	166
Total comprehensive income for the year	-11,331	-3,305	-34,353	-13,295
Attributable to:				
Shareholders of Linkfire ApS				
Earnings per share (DKK)	-0.19	-0.33	-0.74	-1.27
Earnings per share, diluted (DKK)	-0.19	-0.30	-0.73	-1.13



Balance Sheet

kDKK	2021	2020
Assets		
Non-current assets		
Intangible assets	69,876	51,503
Property, plant and equipment	669	168
Right-of-use assets	6,974	3,226
Deposits	1,153	427
Total non-current assets	78,672	55,324
Current assets		
Trade receivables	11,176	2,195
Income tax receivables	5,500	4,528
Other receivables	1,050	664
Prepayments	1,588	292
Cash	45,946	783
Total current assets	65,260	8,462
Total assets	143,932	63,786



Balance Sheet

kDKK	2021	2020
Equity and liabilities		
Equity		
Share capital	584	108
Retained earnings	86,576	-73
Translation reserve	-63	124
Other capital reserve	429	4,750
Total equity	87,526	4,909
Non-current liabilities		
Interest bearing liabilities	21,393	33,617
Lease liabilities	3,244	1,809
Total non-current liabilities	24,637	35,426
Current liabilities		
Interest-bearing liabilities	7,200	3,995
Contract liabilities	11,611	5,702
Lease liabilities	3,835	1,487
Trade payables	4,718	2,888
Other payables	4,405	9,379
Total current liabilities	31,769	23,451
Total liabilities	56,406	58,877
Total equity and liabilities	143,932	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	-	-34,343	-	-	-34,343
Other comprehensive income	-	-	-187	-	-187
Total comprehensive income	108	-34,416	-63	4,750	-29,621
Capital increase	476	125,197	-	-	125,673
Transaction cost	-	-9,089	-	-	-9,089
Share-based payments	-	4,884	-	-4,321	563
Balance at 31 December, 2021	584	86,576	-63	429	87,526
During the period no dividend was paid.					
Balance at 1 January, 2020	104	6,912	-83	3,093	10,026
Net profit/(loss) for the period	-	-13,622	-	-	-13,622
Other comprehensive income	-	142	206	-	348
Total comprehensive income	104	-6,568	123	3,093	-3,248
Capital increase	4	6,495	-	-	6,499
Share-based payments	-	-	-	1,657	1,657
Balance at 31 December, 2020	108	-73	123	4,750	4,908

During the period no dividend was paid.



Cash flow statement

kDKK	Q4 2021	Q4 2020	2021	2020
Operating loss	-13,551	-3,929	-36,637	-14,193
Depreciation, amortisation and impairment losses	2,991	2,108	8,913	5,823
Change in working capital	-417	-884	-5,869	2,114
Share-based payment expense	429	245	563	1,657
Gain on disposal	-	-6	-	-6
Cash flow from ordinary operating activities	-10,548	-2,466	-33,030	-4,605
Income taxes received	4,528	-352	4,528	4,176
Interest received	-	-395	765	-
Interest paid	-975	-1,161	-3,996	-3,403
Cash flow from operating activities	-6,995	-4,374	-31,733	-3,832
Development expenditures	-5,029	-3,416	-16,573	-13,658
Acquisition of business	-8,298	-	-8,298	-
Investments in property, plant and equipment	-373	-121	-502	-173
Change in deposits	-182	-10	-728	-10
Cash flow from investing activities	-13,882	-3,547	-26,101	-13,841
Proceeds from borrowings	-	695	5,760	12,058
Repayment of borrowings	-7,307	4,223	-18,267	-1,668
Payment of principal portion of lease liabilities	-1,301	-539	-2,423	-1,667
Transaction cost from capital increase	-139	-	-9,091	-
Proceeds from capital increase	-	3,981	125,672	6,481
Cash flow from financing activities	-8,747	8,360	101,651	15,204
Change in cash and cash equivalents				
Net cash flow	-29,624	439	43,816	-2,468
Net foreign exchange difference	2,153	-77	1,346	-287
Cash, Begin	73,417	421	783	3,539
Cash, End	45,946	783	45,945	784



Notes Glossary

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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

All figures in the report have been reviewed by the company auditor, however figures are still subject to year-end closing audit and potential adjustments. Final numbers will be published with the annual report latest on the 6 April 2022.

The interim report (condensed consolidated interim financial statements) for the period October 1 - December 31, 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#reports-and-presentations> and the parent company have also been prepared with the same accounting policies as set out in the note 1 of the annual report for the parent company information.

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

	Q4 2021	Q4 2020	2021	2020
Revenue by business segment				
kDKK				
Subscriptions	6,169	5,028	22,079	19,148
Commissions	3,587	2,725	11,618	5,551
Total	9,756	7,753	33,697	24,699
%-split				
Subscriptions	63	65	66	78
Commissions	37	35	34	22
Total	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).				
kDKK				
NAM	5,664	3,222	19,419	9,496
EMEA	2,745	3,636	9,597	12,623
APAC	1,187	815	4,128	2,311
LATAM	160	80	553	269
Total	9,756	7,753	33,697	24,699
%-split				
NAM	58	42	58	39
EMEA	28	47	28	51
APAC	12	10	12	9
LATAM	2	1	2	1
Total	100	100	100	100



Notes

3 Share-based payment plans

2015 Warrant program:

During the fourth 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 Q4 2021 is 0 tDKK (Q4 2020: 0 tDKK).

2020 Warrant programs:

During the fourth 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 Q4 2021 is 0 tDKK (Q4 2020: 245 tDKK).

IPO Warrant Program:

During the fourth 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 Q4 2021 is 429 tDKK (Q4 2020: 0 tDKK).

4 Income tax

kDKK	Q4 2021	Q4 2020	2021	2020
Current tax for the year income	1,159	1,146	5,500	4,528
Changes in deferred tax	-	-	-	-
Recognised as receivable tax credit	5,500	4,528	5,500	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	2,722	1,041	8,766	3,958
Non-capitalised tax assets	-	-	-	-
Non-deductible expenses	-1,563	106	-3,266	571
Effective tax	1,159	1,147	5,500	4,529
Tax rate for the year (%)	9.4%	24.2%	13.8%	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	Prepaid Intellectual Property Rights	Completed development projects	Development projects in progress	Total
Cost at 1 October 2021	-	55,765	14,186	69,950
Transfers	-	19,215	-19,215	0
Additions	8,298	0	5,029	13,327
Cost at 31 December 2021	8,298	74,980	0	83,278
Amortisation and impairment at 1 October 2021	-	-11,777	0	-11,777
Amortisation during the year	-	-1,625	0	-1,625
Amortisation and impairment at 31 December 2021	0	-13,401	0	-13,401
Carrying amount at 31 December 2021	8,298	61,579	0	69,877
Cost at 1 October 2020	-	18,050	36,940	54,990
Transfers	-	37,714	-37,714	-
Additions	-	-	3,416	3,416
Cost at 31 December 2020	-	55,764	2,642	58,406
Amortisation and impairment at 1 October 2020	-	-5,276	-	-5,276
Amortisation during the year	-	-1,627	-	-1,627
Amortisation and impairment at 31 December 2020	-	-6,903	-	-6,903
Carrying amount at 31 December 2020	0	48,861	2,642	51,503



Notes

6 Non-current liabilities and other current financial liabilities

Lease liabilities:

Non-current and current lease liabilities, of 3.2 mDKK and 3.8 mDKK respectively.



Interim statement of comprehensive income for the parent company

kDKK	Q4 2021	Q4 2020	2021	2020
Gross profit	-6,644	847	-14,493	3,045
Other external expenses	-	-	-	-
Staff costs	-5,153	-3,131	-17,354	-11,648
Other operating income	-	-	678	-
Depreciation, amortisation and impairment losses	-1,663	-1,638	-6,576	-4,351
Operating profit/-loss	-13,459	-3,922	-37,745	-12,954
Financial income	2,278	112	2,719	508
Financial expenses	-1,022	-873	-5,741	-4,109
Profit/-loss before tax	-12,204	-4,683	-40,767	-16,555
Tax for the year	1,159	1,146	5,500	4,528
Profit/-loss for the year	-11,045	-3,537	-35,266	-12,027
<i>Proposed distribution of profit and loss:</i>				
Proposed dividend	-	-	-	-
Retained earnings	-11,045	-3,537	-35,266	-12,027
Profit/-loss for the year	-11,045	-3,537	-35,266	-12,027



Balance Sheet

kDKK	2021	2020
Assets		
Completed development projects	61,578	48,861
Development projects in progress	-	2,642
Prepaid intellectual property rights	8,298	-
Total intangible assets	69,876	51,503
Other fixtures and fittings, tools and equipment	516	94
Leasehold improvements	-	2
Total property, plant and equipment	516	96
Deposits	508	427
Investments in subsidiaries	-	-
Total fixed asset investments	508	427
Total fixed assets	70,900	52,026
Trade receivables	11,177	2,195
Other receivables	955	489
Income tax receivables	5,500	4,528
Prepayments	1,588	280
Total receivables	19,220	7,492
Cash	45,083	700
Total current assets	64,303	8,192
Total assets	135,203	60,218



Balance Sheet

kDKK	2021	2020
Equity and liabilities		
Share capital	583	108
Reserve for development costs	48,031	40,173
Retained earnings	37,057	-35,925
Total equity	85,671	4,356
Interest bearing liabilities	21,393	32,780
Total non-current liabilities	21,393	32,780
Current portion of non-current liabilities other than provisions	7,200	3,120
Interest bearing liabilities	-	3,995
Prepayments from customers	11,611	5,702
Trade payables	4,686	2,886
Payables to group enterprises	1,258	1,764
Other payables	3,384	5,615
Total current liabilities	28,139	23,082
Total liabilities	49,532	55,862
Total equity and liabilities	135,203	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	475	125,489	-	-292	125,672
Transferred from share premium	-	-125,489	-	125,489	-
Transfer to reserves	-	-	7,858	-7,858	-
Transaction cost from capital increase	-	-	-	-9,091	-9,091
Proposed dividend	-	-	-	-	-
Profit/-loss for the period	-	-	-	-35,266	-35,266
Equity end of period	583	0	48,031	37,057	85,671
2020					
Equity beginning of period	104	-	32,887	-23,108	9,883
Increase of capital	4	6,495	-	-	6,499
Transferred from share premium	-	-6,495	-	6,495	-
Transfer to reserves	-	-	7,286	-7,286	-
Transaction cost from capital increase	-	-	-	-	-
Proposed dividend	-	-	-	-	-
Profit/-loss for the period	-	-	-	-12,027	-12,027
Equity end of period	108	0	40,173	-35,925	4,356