

Interim report Q1 2022

January 1 – March 31



Very strong start to the year – continued top-line performance with further demonstration of increased ability to monetize consumer connections

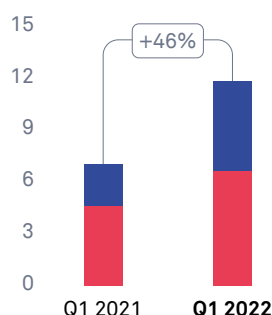
HIGHLIGHTS Q1 2022 COMPARED TO Q1 2021

- Revenue growth of 46 per cent on a constant currency basis
- Gross profit on a constant currency basis increased with 44 per cent at a gross margin of 72 per cent
- Consumer connections of 481M, up 36 per cent
- RPM of DKK 9.52, up 38 per cent
- Successfully completed acquisition of key global competitor smartURL

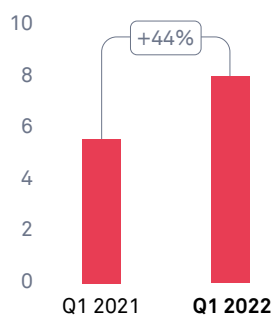


Interim report Q1 2022

REVENUE AND
REVENUE GROWTH*
mDKK



GROSS PROFIT*
mDKK



■ Subscriptions
■ Commissions

■ Gross profit

* Figures are on a constant currency basis.

Quarter in review

- Q1 Recognized revenue increased by 51 per cent to DKK 11.2M (Q1 2021: DKK 7.4M).
- Revenue on a constant currency basis increased by 46 per cent to DKK 11.1M (Q1 2021: DKK 7.6M).
- The gross profit on a constant currency basis increased by 44 per cent to DKK 8.0M (Q1 2021: DKK 5.6M) at a gross margin of 72 per cent (Q1 2021: 73 per cent).
- Focus during Q1 was on further expanding and solidifying the business and securing a good integration of smartURL.
- Q1 Consumer connections increased by 36 per cent to 481M (Q1 2021: 354M) and was positively impacted by the expected positive development in partner traffic.
- RPM grew by 38 per cent to DKK 9.52 (Q1 2021: DKK 6.87) and reached the highest quarterly RPM in Linkfire's history.



Table of contents

Highlights	2
Financial highlights and key figures	3
CEO Comments	4
Management Report	7
Glossary	11
Statement by the Board of Directors and the Executive Board	12
The independent auditor's review report on the interim financial statements	13
Financial statements for the period January 1 - March 31	15



Webcast and conference call

A webcast and conference call is arranged on May 25, 2022 at 10.00 AM CEST. The presentation material for the webcast can be downloaded on <https://investors.linkfire.com/> 30 minutes before the webcast starts. A recording will be available on the investor website later the same day.

Webcast and conference call details

US: +1 646 722 4902
UK: +44 333 300 9273
DK: +45 787 23 250
SE: +46 856 642 695

Material and webcast link:
bio.to/LINKFI_IR



Financial highlights and key figures

	Q1 2022	Q1 2021	FY 2021
Key Metrics			
Consumer connections (Traffic)	481,286,498	354,217,461	1,603,957,986
<i>y/y Growth</i>	36%	24%	9%
Revenue on a constant currency basis (tDKK)	11,141	7,646	34,521
<i>Revenue Growth</i>	46%	57%	42%
Organic Revenue Growth	46%	57%	42%
Subscription Revenue, on a constant currency basis (tDKK)	6,560	5,211	22,853
<i>y/y Growth</i>	26%	24%	22%
Commission Revenue, on a constant currency basis (tDKK)	4,581	2,434	11,667
<i>y/y Growth</i>	88%	258%	108%
Commission Revenue per Mille (RPM)*, on a constant currency basis in DKK	9.52	6.87	7.27
<i>y/y Growth</i>	38%	190%	92%
Gross Margin, on a constant currency basis	72%	73%	72%
* Commission Revenue per thousand consumer connections			
Financial Ratios			
Operating profit before interest, depreciation & amortisations (EBITDA) margin (%)	(111)%	(40)%	(91)%
Operating profit margin (EBIT) (%)	(143)%	(66)%	(117)%

Financial guidance for 2022

For the financial year 2022, Linkfire expects its revenue to be in the range of DKK 50-60 million, corresponding to a yearly growth of 48-78%, and its EBITDA to be a loss in the range of DKK 22-32 million. In order to achieve our guidance, performance on the following key drivers is required:

- Continued strong RPM performance
- Traffic growth and expansion of the discovery network
- Continued product innovation and development
- Continued inflow of new subscription customers and ability to upsell to existing customers

In 2022, Linkfire expects continued investments into reaching its mid-term growth target in accordance with the announced growth strategy in the IPO “(Initial Public Offering)” prospectus. Possible deviations from the guided range depend on investments into new strategic opportunities supporting our announced growth strategy.



CEO COMMENTS

Very strong start to the year

Last year, we delivered good top-line performance in line with our expectations and very strong improvements in our ability to monetize consumer connections (traffic). During Q1/2022, we continued to further scale up our business and focused on securing a good integration of smartURL.

I am proud to share that our strategy continues to deliver and resulted in a very strong start to this year. We continued to perform on the top-line and also delivered our highest quarterly RPM ever.

In Q1, our consumer connections (traffic) was impacted by the expected positive development in partner traffic. The strong growth in RPM continued from H2/2021 and further demonstrates our increased ability to monetize consumer connections.

In the beginning of Q1/22, we further solidified our market position by completing the acquisition of key global competitor smartURL. In an increasingly complex digital marketing world, smartURL was the first to provide a smart link solution for the global music industry. The acquisition brought along an impressive roster of clients and artists like Britney Spears, My Morning Jacket, H.E.R., and rock legends Toto.

The acquisition is expected to increase our traffic and commission revenue. The financial effect of the acquisition on our Q1/22 development is insignificant. The integration project is proceeding and we will come back to the results of the integration in our next interim report. The acquisition, which was also our first, has already contributed to expanding our footprint and developing our industry partnerships.

The target of our geographical expansion plan is to grow our position and increase traffic in fast-growing markets like Africa and Asia. We are seeing promising results of our efforts in Ghana, where we opened an office in November 2021. Our expansion plans for Japan are led out of our office in Los Angeles and focus on both our subscription and commission businesses.

We continue to ensure that funds from our IPO are used efficiently by primarily deploying them on further scaling up the organization as well as other activities that directly contribute to our financial targets.



The strong growth in RPM continued from H2/2021 and further demonstrates our increased ability to monetize consumer connections.

Lars Ettrup, CEO & Co-founder



In January, we announced that we expect EBITDA profitability for the full year 2023, under the assumption that we are performing on the mid-term financial goals announced in connection with our IPO.

One of the main objectives with going public in Q2/2021 was to accelerate the execution of our growth strategy, which is focused on growing our customer and partner base, increasing our traffic and driving higher monetization of traffic. Since the IPO, we have further strengthened our leading market position by renewing our global agreements with Sony Music and Warner Music and have also expanded our agreement with Apple Music.

Market

In 2020 and 2021, shifting consumer habits and demographics were amplified by the first global pandemic in a century. In 2022 we generally continue to see an optimistic market, especially considering the globally decreasing 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 in many areas across industries and the entertainment industry is no exception. We have seen a general trend revolving around music as an engagement component across formats and platforms. We continue to follow and take part in the development of the metaverse and a hybrid between physical and digital events surrounding entertainment discovery, to continue to drive incremental value to the industries we work with.

During the past months, key players within entertainment streaming have lost subscribers for the first time in many years. Music streaming has been exempted from this development, but we are seeing changing market shares and dynamics as well as a harder fight for subscribers than ever before. I am extremely proud that our team has built a market position that enables us to provide value to our customers and partners as well as to the consumers.

The market for spoken word is growing continuously and we are increasingly anticipating a move into adjacent verticals related to spoken word.

Outlook

Looking into 2022, our focus and strategy remain unchanged and we continue working with our plan to take us to our mid-term financial targets of 50-70% organic revenue CAGR and approximately 80% gross margin.

We have laid a strong foundation for continued growth in 2022 and I remain confident in our mid-term financial targets and our financial guidance for 2022.



Since the IPO, we have further strengthened our leading market position by renewing our global agreements with Sony Music and Warner Music and have also expanded our agreement with Apple Music.

Lars Ettrup, CEO & Co-founder



In order to grow our traffic we are investing into expanding our partnership network, utilizing Linkfire's technology across multiple formats such as social media, the open web, publishers and more. In our Q4/21 interim report, we communicated that we have initiated the establishment of two partner teams in both the US and Europe, adding even more speed to our partnership plans.

In Q2/2022 we took another major step in cementing our market position by signing a multi-year marketing and affiliate agreement with Amazon Music. Stronger affiliate collaborations enable the growth of our traffic commissions, as the majority of consumer connections still remain unmonetized. We will come back to the impact of this agreement on our performance in our next interim report, but would like to emphasize that this agreement is a perfect example of our ability to scale our business.

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. I am very proud of our team that has now taken several major steps in strengthening our position as a trusted and reliable partner for entertainment and music discovery worldwide. We have continued to scale up the organization and have further developed our talent density. I am truly excited to continue our growth journey surrounded by such great people.

I look forward to further showing the results of our continued focus on growing our traffic, increasing monetization and expanding our market position.

I would also like to state that Linkfire stands with all the people affected by the war in Ukraine. We condemn war in its every form and have supported our employees and partners who have been directly or indirectly impacted.

Lars Ettrup

Co-founder and CEO



In Q2/2022 we took another major step in cementing our market position by signing a multi-year marketing and affiliate agreement with Amazon Music. Stronger affiliate collaborations enable the growth of our traffic commissions, as the majority of consumer connections still remain unmonetized.

Lars Ettrup, CEO & Co-founder



Management Report

Financial performance for the quarter

Revenue

Revenue increased by DKK 3,814 thousand, or 51 per cent, from DKK 7,417 thousand in the first quarter of 2021 to DKK 11,231 thousand in the same period of 2022. The fastest growing revenue line, Commissions, increased by DKK 2,274 thousand, or 94 per cent compared to Q1 2021, while Subscription revenue increased by DKK 1,540 thousand, or 31 per cent.

Revenue increased in Q1
2022 compared to Q1 2021

+51%

Costs

Cost of sales increased by DKK 1,191 thousand, or 60 per cent, from DKK 1,976 thousand in Q1 of 2021 to DKK 3,167 thousand in the first quarter of 2022. The increase is centred around server and hosting costs, improved baseline and scalability as well as ensuring compliant and premium service delivery.

In the first quarter of 2022, other external expenses increased by DKK 4,994 thousand, or 232 per cent, from DKK 2,154 thousand in Q1 2021 to DKK 7,148. The notable increase in expenses relate to 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. Costs related to being listed brought up the baseline costs as well, along with continued increased expenses related to market expansion.

Staff costs increased by DKK 7,101 thousand, or 114 per cent, from DKK 6,243 thousand in the first quarter of 2021 to DKK 13,344 thousand in the same period of 2022. As a percentage of revenue, staff costs increased from 84 per cent to 119 per cent, primarily driven by new hires during the period. We expect a ROI within 2022 on our 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.

Depreciation, amortisation and impairment increased by DKK 1,656 thousand, or 84 per cent, from DKK 1,968 thousand in the first quarter of 2021 to DKK 3,624 thousand in the first quarter of 2022. This represents 32 per cent in relation to revenue.

Earnings

Operating loss increased by DKK 11,128 thousand, or 226 per cent, from DKK 4,925 thousand in Q1 2021 to DKK 16,053 thousand in Q1 2022. This is an increase in relation to revenue from (66) per cent in Q1 2021 to (143) per cent in the first quarter of 2022.



Net financial items

Financial income decreased by DKK 1,009 thousand, or 90 per cent, from DKK 1,124 thousand in the first quarter of 2021 to DKK 115 thousand in the first quarter of 2022.

Financial expenses decreased by DKK 702 thousand, or 57 per cent, from DKK 1,241 thousand in the first quarter of 2021 to DKK 539 thousand in the first quarter of 2022, mainly as a result of restructuring debt reducing interests.

Financial expenses
decreased in Q1 2022
compared to Q1 2021

↓ 57%

Income tax

The tax for the year, which comprises deferred tax recognised in the income statement, increased by DKK 116 thousand, or 9 per cent, from DKK 1,259 thousand in Q1 of 2021 to DKK 1,375 thousand in Q1 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 11,319 thousand, or 299 per cent, from DKK 3,782 thousand in Q1 of 2021 to DKK 15,101 thousand in Q1 of 2022. This represents a decrease in relation to revenue from (51) per cent in the first quarter of 2021 to (133) per cent in the first quarter of 2022.

Cash flow and financing

Cash flow from operations for Q1 2022 was DKK (14,717 thousand) (Q1 2021: DKK (1,555 thousand)).

Investment activities reduced cash flows with DKK 5,263 thousand Q1 2022 (Q1 2021: DKK 3,635 thousand).

Cash flow from financing activities for Q1 2022 was DKK (4,657 thousand) (Q1 2021: DKK 4,796 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.

Q1 2022 Gross profit decreased to DKK (4,872 thousand) (Q1 2021: DKK 218 thousand).

Operating loss in Q1 2022 was DKK (16,113 thousand) (Q1 2021: DKK (4,963 thousand)). Loss after tax was DKK (15,034 thousand) (Q1 2021: DKK (4,661 thousand)).

Total equity amounted to DKK 77,801 thousand by March 31, 2022 (2021: DKK 305 thousand).

Other

Shares and share capital

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



As per March 31, 2021, 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 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. The newly issued shares are subject to a lock-up period of 12 months.

Shareholder structure

A list of top 10 shareholders in Linkfire can be found on the company's investor website and the list is updated regularly.

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 2023.

No further warrants have been allocated.

Risks and uncertainties

Linkfire is exposed to various risks, both operational and financial. Operational risks mainly comprise of industry risk, commission revenue risk, data partnership risk, subscription revenue risk, management and key employee risk, privacy regulation risk and risks related to taxation. Financial risks mainly comprise of 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.



Subsequent Events

Decisions of the annual general meeting

The annual general meeting of Linkfire A/S was held on April 27, 2022. At the meeting, the shareholders approved the audited annual report and the consolidated financial statements for the financial year 2021, the appropriation of the loss as recorded in the approved annual report, discharge of liability to members of the board of directors and the executive management and the remuneration report for the financial year 2021.

Further, Jesper Møller (chairman), Charlotte Klinge and Thomas Weilby Knudsen were re-elected to the board of directors and Petra von Rohr and Ole Larsen joined the board as new members.

Deloitte was re-elected as auditor and warrants were issued to the new board members, Petra von Rohr and Ole Larsen. The shareholders also approved the proposals from the nomination committee. The meeting also prolonged existing authorisations to the board on issuance of new shares, purchase of own shares and a key employee warrant program with one year.

The regulatory press release published by Linkfire on April 27, 2022 details all decisions made by the Annual General Meeting.

Linkfire initiated annual guidance

In April 2022, Linkfire initiated annual financial guidance. Further information can be found under the heading *Outlook* in the beginning of this interim report.

Multi-year affiliate agreement with Amazon Music

In April 2022, Linkfire signed a multi-year affiliate agreement with Amazon Music. Through the new agreement, Amazon Music leverages a custom strategy for user acquisition that has been designed with Linkfire to cover multiple touchpoints of fan interaction across its vast and growing discovery network.

Linkfire's affiliate agreements monetize traffic when consumers sign up to a digital service provider or transact through a smart link. The new agreement further strengthens Linkfire's global market position within entertainment discovery and also supports Linkfire's strategic ambition to further increase traffic monetization.

Linkfire published its first Annual report as a listed company

In April 2022, Linkfire published its Annual report for 2021. The report is available in English on Linkfire's investor relations website at <https://investors.linkfire.com/>. The report includes the audited annual financial statements for 2021 and the Remuneration report.



Financial calendar

Interim financial report Q2, 2022
August 25, 2022

Interim financial report Q3, 2022
November 24, 2022

Interim financial report Q4, 2022
February 23, 2023



IR Website

<https://investors.linkfire.com>



Glossary

Subscription Revenue	Subscription revenue is generated from recurring subscription fees which customers pay to use the Company's platform.
Commission Revenue	When consumers discover music and are 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 01.01.2022 – 31.03.2022 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 31.03.2022 and of the results of the Group's activities and cash flows for the period 01.01.2022 – 31.03.2022.

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

Copenhagen, May 25 2022

Executive Board

Lars Wiberg Etrup
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 01.01.2022 to 31.03.2022, 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 01.01.2022 to 31.03.2022 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, May 25 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	Q1 2022	Q1 2021	FY 2021
Revenue	11,231	7,417	33,697
Cost of sales	(3,167)	(1,976)	(9,320)
Gross profit	8,064	5,440	24,378
External expenses	(7,148)	(2,154)	(16,853)
Other external expenses			(6,867)
Staff costs	(13,344)	(6,243)	(31,170)
Depreciation, amortisation and impairment losses	(3,624)	(1,968)	(8,913)
Operating profit/(loss)	(16,053)	(4,925)	(39,425)
Financial income	115	1,124	3,091
Financial expenses	(539)	(1,241)	(4,743)
Profit/(loss) before tax	(16,476)	(5,042)	(41,077)
Tax for the year	1,375	1,259	5,500
Profit/(loss) for the year	(15,101)	(3,782)	(35,577)
Attributable to:			
Earnings per share (DKK)	(0.26)	(0.35)	(0.77)
Earnings per share, diluted (DKK)	(0.26)	(0.31)	(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	214	(78)	(476)
Other comprehensive income for the year, net of tax	214	(78)	(476)
Total comprehensive income for the year	(14,887)	(3,704)	(36,053)



Balance Sheet

kDKK	Q1 2022	Q1 2021	FY 2021
Assets			
Non-current assets			
Intangible assets	84,678	53,412	69,876
Property, plant and equipment	792	169	669
Right-of-use assets	7,834	2,925	8,688
Deposits	1,165	427	1,153
Total non-current assets	94,469	56,932	80,386
Current assets			
Trade receivables	10,542	2,276	6,238
Income tax receivables	6,875	5,787	5,500
Other receivables	796	665	543
Prepayments	2,652	579	1,588
Cash	21,488	753	45,946
Total current assets	42,353	10,060	59,815
Total assets	136,823	66,992	140,200



Balance Sheet

kDKK	Q1 2022	Q1 2021	FY 2021
Equity and liabilities			
Equity			
Share capital	596	108	584
Retained earnings	78,711	(3,855)	86,464
Translation reserve	(138)	46	(352)
Other capital reserve	632	4,884	429
Total equity	79,801	1,183	87,125
Non-current liabilities			
Interest bearing liabilities	20,635	33,275	21,496
Lease liabilities	4,448	1,595	4,958
Other payables	4,800	0	0
Total non-current liabilities	29,883	34,870	26,454
Current liabilities			
Interest-bearing liabilities	4,800	11,826	7,200
Contract liabilities	8,506	8,455	6,166
Lease liabilities	3,562	1,388	3,836
Trade payables	5,042	3,634	4,831
Other payables	5,229	5,637	4,588
Total current liabilities	27,139	30,939	26,621
Total liabilities	57,022	65,809	53,075
Total equity and liabilities	136,823	66,992	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	0	(15,101)	0	0	(15,101)
Other comprehensive income	0	0	214	0	214
Total comprehensive income	584	71,363	(138)	429	72,238
Capital increase	12	7,552	0	0	7,563
Transaction cost	0	0	0	0	0
Share-based payments	0	(203)	0	203	0
Balance at 31 March, 2022	596	78,711	(138)	632	79,801
<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	0	(3,782)	0	0	(3,782)
Other comprehensive income	0	0	(78)	0	(78)
Total comprehensive income	108	(3,855)	46	4,750	1,049
Capital increase	0	0	0	0	0
Transaction cost	0	0	0	0	0
Share-based payments	0	0	0	134	134
Balance at 31 March, 2021	108	(3,855)	46	4,884	1,183

During the period no dividend was paid.



Cash flow statement

kDKK	Q1 2022	Q1 2021	FY 2021
Operating loss	(16,053)	(4,046)	(39,425)
Depreciation, amortisation and impairment losses	3,624	1,968	8,913
Change in working capital	(2,429)	1,384	(7,603)
Share-based payment expense	203	134	563
Cash flow from ordinary operating activities	(14,654)	(559)	(37,552)
Income taxes received	0	0	4,528
Interest received	0	245	1,557
Interest paid	(63)	(1,241)	(4,020)
Cash flow from operating activities	(14,717)	(1,555)	(35,487)
Development expenditures	(5,001)	(3,532)	(16,573)
Acquisition of business	0	0	(8,298)
Investments in property, plant and equipment	(250)	(103)	(634)
Change in deposits	(12)	0	(728)
Cash flow from investing activities	(5,263)	(3,635)	(26,233)
Proceeds from borrowings	0	5,604	0
Repayment of borrowings	(3,646)	(435)	(8,916)
Payment of principal portion of lease liabilities	(1,011)	(373)	(2,424)
Transaction cost from capital increase	0	0	(8,259)
Proceeds from capital increase	0	0	125,489
Cash flow from financing activities	(4,657)	4,796	105,890
Change in cash and cash equivalents			
Net cash flow	(24,637)	(394)	44,169
Net foreign exchange difference	179	364	994
Cash, Begin	45,946	783	783
Cash, End	21,488	753	45,946



Notes

- 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
- 7 Guarantees, contingent liabilities and collateral



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 January 1 - March 31, 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. 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 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 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 3 in the annual report for 2021 which contains a full description of significant accounting judgements, estimates and assumptions.



Notes

2 Revenue specification

	Q1 2022	Q1 2021	FY 2021
Revenue by business segment stream			
kDKK			
Subscriptions	6,549	5,009	22,079
Commissions	4,682	2,408	11,618
Total	11,231	7,417	33,697
%-split			
Subscriptions	58	68	66
Commissions	42	32	34
Total	100	100	100
Geographic information			
As an online platform, the Group generates revenue from customers located worldwide.			
For this purpose, internal reporting divides revenue according to the NAM (Northern America), the EMEA region (Europe, Middle East and Africa) as well as APAC (Asia and Oceania) and LATAM (Latin America and the Caribbean).			
kDKK			
NAM	7,007	4,288	19,441
EMEA	2,779	2,169	9,573
APAC	1,291	862	4,129
LATAM	153	97	554
Total	11,231	7,417	33,697
%-split			
NAM	62	58	58
EMEA	25	29	28
APAC	11	12	12
LATAM	1	1	2
Total	100	100	100



Notes

3 Share-based payment plans

2020 Warrant programs:

During the first 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 Q1 2022 is 0 kDKK (Q1 2021: 134 kDKK).

IPO Warrant Program:

During the first 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 Q1 2022 is 203 kDKK (Q1 2021: 0 kDKK).

4 Income tax

kDKK	Q1 2022	Q1 2021	FY 2021
Current tax for the year income	1,375	1,259	5,500
Changes in deferred tax	0	0	0
Recognised as receivable tax credit	6,875	5,787	5,500
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	3,625	1,109	9,036
Non-capitalised tax assets	(2,150)	0	(2,025)
Non-deductible expenses	(100)	150	(1,511)
Effective tax	1,375	1,259	5,500
Tax rate for the year (%)	8.3%	25.0%	13.4%

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	Acquired Intellectual Property Rights	Completed development projects	Development projects in progress	Total
Cost at 1 January 2022	8,298	74,979	0	83,277
Transfers	0	0	0	0
Additions	12,387	0	5,001	17,388
Cost at 31 March 2022	20,685	74,979	5,001	100,665
Amortisation and impairment at 1 January 2022	0	(13,402)	0	(13,402)
Amortisation during the year	0	(2,586)	0	(2,586)
Amortisation and impairment at 31 March 2022	0	(15,988)	0	(15,988)
Carrying amount at 31 March 2022	20,685	58,991	5,001	84,678
Cost at 1 January 2021	0	55,764	2,642	58,406
Transfers	0	0	0	0
Additions	0	0	3,532	3,532
Cost at 31 March 2021	0	55,764	6,174	61,938
Amortisation and impairment at 1 March 2021	0	(6,903)	0	(6,903)
Amortisation during the year	0	(1,623)	0	(1,623)
Amortisation and impairment at 31 March 2021	0	(8,526)	0	(8,526)
Carrying amount at 31 March 2021	0	47,238	6,174	53,412



Notes

6 Non-current liabilities and other current financial liabilities

Lease liabilities:

Non-current and current lease liabilities of 4.4 mDKK and 3.6 mDKK, respectively

7 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 96,808 (Q1 2021: DKK 56,521k).



Interim statement of comprehensive income for the parent company

kDKK	Q1 2022	Q1 2021	FY 2021
Revenue	11,230	7,417	33,697
Cost of sales	(3,167)	(1,976)	(9,320)
External expenses	(12,936)	(5,222)	(32,835)
Other external expenses	0	0	(6,867)
Gross profit	(4,872)	218	(15,324)
Staff costs	(8,594)	(3,547)	(17,754)
Depreciation, amortisation and impairment losses	(2,647)	(1,635)	(6,576)
Operating profit/(loss)	(16,113)	(4,963)	(39,654)
Financial income	13	245	1,888
Financial expenses	(309)	(1,202)	(4,232)
Profit/(loss) before tax	(16,409)	(5,920)	(41,998)
Tax for the year	1,375	1,259	5,500
Profit/(loss) for the year	(15,034)	(4,661)	(36,498)



Balance Sheet

kDKK	Q1 2022	Q1 2021	FY 2021
Assets			
Completed development projects	58,992	47,238	61,578
Development projects in progress	5,001	6,174	0
Acquired Intellectual Property Rights	20,685	0	8,298
Total intangible assets	84,678	53,412	69,876
Other fixtures and fittings, tools and equipment	658	86	516
Total property, plant and equipment	658	86	516
Deposits	507	427	508
Total fixed asset investments	507	427	508
Total fixed assets	85,843	53,924	70,900
Trade receivables	10,542	2,276	6,238
Other receivables	646	640	448
Income tax receivables	6,875	5,787	5,500
Prepayments	2,652	572	1,588
Total receivables	20,715	9,276	13,774
Cash	19,983	670	45,083
Total current assets	40,699	9,946	58,858
Total assets	126,542	63,870	129,758



Balance Sheet

kDKK	Q1 2022	Q1 2021	FY 2021
Equity and liabilities			
Share capital	595	108	583
Reserve for development costs	63,993	53,412	61,578
Retained earnings	13,213	(53,825)	23,110
Total equity	77,801	(305)	85,271
Interest bearing liabilities	20,635	33,275	21,496
Other payables	4,800	0	0
Total non-current liabilities	25,435	33,275	21,496
Current portion of non-current liabilities other than provisions	4,800	2,227	7,200
Interest bearing liabilities	0	9,599	0
Prepayments from customers	8,506	8,455	6,166
Trade payables	5,021	3,625	4,800
Payables to group enterprises	992	1,491	1,258
Other payables	3,987	5,505	3,567
Total current liabilities	23,306	30,901	22,990
Total liabilities	48,741	64,175	44,487
Total equity and liabilities	126,542	63,870	129,758



Statement of changes in Equity

kDKK	Share capital	Share premium	Reserve for development costs	Retained earnings	Total
2022					
Equity beginning of period	583	0	61,578	23,110	85,271
Increase of capital	12	7,552	0	0	7,563
Transferred from share premium	0	(7,552)	0	7,552	0
Transfer to reserves	0	0	2,415	(2,415)	0
Profit/-loss for the period	0	0	0	(15,033)	(15,033)
Equity end of period	595	0	63,993	13,214	77,801
2021					
Equity beginning of period	108	0	51,503	(47,255)	4,356
Increase of capital	0	0	0	0	0
Transferred from share premium	0	0	0	0	0
Transfer to reserves	0	0	1,909	(1,909)	0
Profit/-loss for the period	0	0	0	(4,661)	(4,661)
Equity end of period	108	0	53,412	(53,825)	(305)