

“Reaching EBITDA break-even through earnings focus

HIGHLIGHTS Q3 2023 COMPARED TO Q3 2022

- EBITDA improved by 103 per cent to DKK 0.2 million (negative DKK 6.2 million)
- EBITDA ratio of 1 per cent (negative 42 per cent), an improvement of 102 per cent
- Recognized revenue decreased by 9 per cent to DKK 13.3 million (DKK 14.6 million)
- Gross profit decreased by 2 per cent to DKK 11.2 million (DKK 11.4 million) at a gross margin of 84 per cent (78 per cent)
- Revenue Per Mille (RPM) increased by 122 percent to DKK 14.34 (DKK 6.46)
- Downward adjusted 2023 Financial Guidance on Revenue and EBITDA
- Secured debt financing to consolidate debt and support operations until cash flow break-even in 2024

WEBCAST AND REPORT MATERIAL

Linkfire hosts an interim report Q3 webcast for investors and media on November 23, 2023, at 10.00 AM CET. The report is presented by Lars Ettrup, Co-founder & CEO, and Tobias Demuth, CFO.

The presentation for the webcast can be downloaded 30 minutes before the webcast starts, and a recording of the event will be available after the webcast. The Q&A session is moderated through a chat function, which can be accessed via the webcast link below.

Link to webcast: <https://lnk.to/Q3-23>

Link to report material: bio.to/LINKFI_IR

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ABOUT LINKFIRE

Linkfire empowers music and audio marketing for millions of artists and creators. Through smart links generated with its proprietary technology, Linkfire connects billions of fans with their favorite artists, driving streams, sales, and fan engagement, providing leading data insights, superior user experience, and a quality marketplace for fans, artists, and creators.

Linkfire's customers and partners count many of the biggest names in the industry, such as Apple, Amazon, Sony Music, Universal Music, and Warner Music, in addition to thousands of artists and creators directly.

Headquartered in Copenhagen, Denmark, and listed on Nasdaq First North Premier in Stockholm (LINKFI), you can find more information on investors.linkfire.com.



Q3 IN REVIEW

FINANCIAL HIGHLIGHTS

Income Statement (DKK thousand)	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	FY 2022	2022 YTD	2023 YTD
Recognized Revenue	8,880	9,756	11,231	10,039	14,642	16,793	13,104	12,547	13,321	52,590	35,911	38,971
y/y Growth (%)	36%	26%	51%	31%	65%	72%	17%	25%	-9%	56%	50%	9%
Gross Profit	6,400	7,021	8,064	6,857	11,415	13,343	10,726	10,495	11,163	39,564	26,336	32,383
y/y Growth (%)	31%	20%	48%	24%	78%	90%	33%	53%	-2%	62%	52%	23%
Operating loss before interest, taxes, depreciation & amortization (EBITDA)	(6,193)	(11,791)	(12,428)	(15,810)	(6,164)	(5,359)	(2,148)	(2,363)	158	(39,875)	(34,402)	(4,354)
y/y Growth (%)	-249%	-548%	-320%	-65%	0%	55%	83%	85%	103%	-31%	-100%	87%
Balance Sheet (DKK thousand)	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	FY 2022	2022 YTD	2023 YTD
Intangible assets	58,174	69,876	84,678	89,472	70,332	74,372	74,659	74,499	74,555	74,372	70,332	74,555
Cash and cash equivalents	73,417	45,946	21,488	4,681	4,395	7,027	6,707	1,200	396	7,027	4,395	396
Total assets	152,524	143,932	136,823	118,643	98,212	101,349	101,507	96,657	97,992	101,349	98,212	97,992
Equity	98,527	87,526	79,801	62,007	29,126	43,658	38,100	31,669	27,889	44,097	29,126	27,889
Financial ratios	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	FY 2022	2022 YTD	2023 YTD
Gross Margin (%)	72%	72%	72%	68%	78%	79%	82%	84%	84%	75%	73%	83%
Operating profit before interest, depreciation & amortizations (EBITDA) margin (%)	(62)%	(121)%	(111)%	(157)%	(42)%	(32)%	(16)%	(19)%	1%	(76)%	(96)%	(11)%

INSIGHTS

The company reached its first ever positive EBITDA, and met its break-even target in Q3.

Compared to Q3 2022

- EBITDA improved by 103% (EBITDA margin improved 43%-points)
- External expenses decreased by 44%

→ As per the reporting date, the Company has a cash preparedness of DKK 37,600 thousand, including credit lines and cash at hand, whereof approx. DKK 16,900 thousand will repay existing credit line debt in Q4.

2023 Adjusted Revenue Guidance

(5)-5% Revenue Growth

50-55M DKK Revenue

Previously 14-33% Revenue Growth

Previously 60-70M DKK Revenue

2023 Adjusted EBITDA Guidance (10M)-(5M) DKK

Previously (5M) - 5M DKK

LINKFIRE MAINTAINS ITS MID-TERM FINANCIAL TARGET OF 20-40% ORGANIC REVENUE GROWTH AND A GROSS MARGIN OF APPROXIMATELY 80%

Q3 IN REVIEW

KEY FIGURES

Key Metrics

	Q3 2021	y/y Growth (%)	Q4 2021	y/y Growth (%)	Q1 2022	y/y Growth (%)	Q2 2022	y/y Growth (%)	Q3 2022	y/y Growth (%)	Q4 2022	y/y Growth (%)	Q1 2023	y/y Growth (%)	Q2 2023	y/y Growth (%)	Q3 2023	y/y Growth (%)	FY 2022	y/y Growth (%)	2022 YTD	y/y Growth (%)	2023 YTD	y/y Growth (%)
Consumer connections (Traffic) (Million)	383	-6%	454	14%	481	36%	538	30%	577	51%	487	7%	367	-24%	410	-24%	389	-33%	2,083	30%	1,596	39%	1,165	-27%
Consumer connections, Platform (Million)	371	7%	418	23%	371	22%	342	-9%	337	-9%	368	-12%	357	-4%	403	18%	383	14%	1,417	-3%	1,049	0%	1,142	9%
Consumer connections, Partners (Million)	12	-77%	36	-29%	110	116%	197	418%	240	1900%	119	230%	10	-91%	7	-96%	6	-98%	666	383%	547	441%	23	-96%
Revenue, on constant currency basis (DKK thousand)	9,080	42%	9,830	26%	11,141	46%	9,525	20%	12,957	43%	15,154	54%	12,260	10%	11,663	22%	12,484	-4%	48,778	41%	33,623	37%	36,408	8%
Subscription Revenue, on constant currency basis (DKK thousand)	5,780	19%	6,220	22%	6,560	26%	6,455	14%	9,227	60%	7,880	27%	8,107	24%	8,144	26%	6,911	-25%	30,122	32%	22,242	34%	23,162	4%
Commission Revenue, on constant currency basis (DKK thousand)	3,301	115%	3,610	33%	4,581	88%	3,071	32%	3,730	13%	7,274	101%	4,154	-9%	3,519	15%	5,574	49%	18,656	60%	11,382	41%	13,246	16%
Commission Revenue per Mille (RPM)*, on constant currency basis (DKK)	8.62	128%	7.96	16%	9.52	38%	5.70	1%	6.46	-25%	14.95	88%	11.33	19%	8.59	51%	14.34	122%	8.95	23%	7.13	2%	11.37	60%

* Commission Revenue per thousand consumer connections

INSIGHTS

- **Costly partner traffic decreased by 234 million as a consequence of the strategic decision to discontinue this activity for the time being. This led to an overall decrease in consumer connections but an improvement in monetization metrics (RPM).**

Compared to Q3 2022:

- **Consumer connections decreased by 33% overall, while consumer connections through our Platform increased by 14%**
 - **RPM increased by 122%**
- **Future goal is to operate at the new cost base while maintaining steady revenue growth, improving earnings further.**
- **Q4 is expected to be affected by one-off costs related to structural changes in the organization during the quarter. This is reflected in the updated guidance.**

UPDATE FROM OUR FOUNDERS:



“Diligent operating efficiency led us to our first ever positive EBITDA quarter.”

In the third quarter of 2023, our company achieved a significant earnings uplift, reaching our EBITDA break-even goal. This progress is due to our strategic commercial and corporate initiatives, marking a crucial step towards becoming a self-sustainable business.

We are incredibly proud of our team's disciplined execution. Our unwavering commitment to balance growth and profitability continues, and we are confident that our growth strategies, increasingly efficient operating model, and dedicated team will drive our profitable growth moving forward.

Growth is compromised slightly to ensure performance on earnings parameters. An example here is the slight revenue decline but stable gross profit. Moreover, EBITDA improved by 103% despite the slight revenue decrease. Our top priority is focusing on the core operations of our business and fulfilling our promise to shareholders to become a sustainable enterprise.

Product launch: the Linkfire Wallet Beta Program

During this quarter, Linkfire successfully rolled out the Linkfire Wallet Beta Program, carefully selecting a cohort of 3,000 customers for its inaugural deployment. This program represents a strategic innovation, introducing fresh revenue streams for creators by leveraging refined ad products developed in partnership with leading record labels, global streaming services, and digital creators.

The initiation of the Linkfire Wallet Beta Program is a testament to Linkfire's forward-looking approach in the ad-tech landscape, cementing our position as innovators in the creative economy.

Furthermore, the Linkfire Wallet Beta Program has been instrumental in enrolling 55 million additional user visits for the quarter into advertising opportunity inventory, enhancing

our advertising capabilities and providing a robust foundation for continued expansion.

Continued partnership with Sony Music and Warner Music

In August and October, we renewed our agreements with Sony Music Entertainment and Warner Music Group to provide our SaaS Marketing Platform globally. As two of the world's largest record labels, Sony Music Entertainment and Warner Music Group have been important partners to Linkfire for nearly a decade.

These strategic partnerships have significantly contributed to Linkfire's growth and success in the industry, and we are grateful for their continued trust and collaboration.

Linkfire for Podcasts launch

In August, we introduced a beta version of our new product, Linkfire for Podcasts. This exclusive integration with Apple allows us to tap into the multibillion-dollar podcast industry (see our [announcement](#)). Shortly, we will launch it for all creators globally. We are eager for Linkfire for Podcasts to drive value for partners and creators in the audio entertainment industry.

Delisting from Nasdaq First North Premier

In July, we announced our intention to delist our shares from Nasdaq First North Premier Growth Market Stockholm. This decision is due to limited liquidity and a volatile share price. We expect the delisting to improve profitability, reduce costs, and enhance shareholder value and plan to initiate it in 2023, pending approval by the EGM.

With promising new product offerings, continued focus on our operations, and ongoing partnerships, we are excited to continue this journey with all of you and appreciate your continued support.

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

Financial Performance Q3 2023

Revenue

Revenue decreased by DKK 1,321 thousand, or 9 per cent, from DKK 14,642 thousand in the third quarter of 2022 to DKK 13,321 thousand in the same period of 2023. Commission revenue increased by DKK 1,570 thousand, or 36 per cent, compared to Q3 2022, while Subscription revenue decreased by DKK 2,776 thousand, or 27 per cent. Our recurring subscription revenue figures have seen steady growth quarter over quarter since last year, but it should be noted that non-recurring subscription revenue of DKK 3,230 thousand was recorded in Q3 2022.

Costs

Cost of sales decreased by DKK 1,068 thousand, or 33 per cent, from DKK 3,227 thousand in Q3 of 2022 to DKK 2,158 thousand in the third quarter of 2023. The decrease is centered around savings in server and hosting costs, still ensuring compliant and premium service delivery in line with our growth.

In the third quarter of 2023, external expenses decreased by DKK 3,155 thousand, or 44 per cent, from DKK 7,137 thousand in the comparable period in 2022 to DKK 3,983 thousand in the third quarter of 2023. The decrease in expenses compared to the same quarter last year relates to a strong focus on cost optimizations in order to shorten the break-even point. Staff costs decreased by DKK 3,420 thousand, or 33 per cent, from DKK 10,442 thousand in the third quarter of 2022 to DKK 7,022 thousand in the same period of 2023. As a percentage of revenue, staff costs improved from 71 per cent to 53 per cent.

Earnings

Depreciation, amortization, and impairment decreased by DKK 22,496 thousand, or 82 per cent, from DKK 27,357 thousand in the third quarter of 2022 to DKK 4,862 thousand in the third quarter of 2023. The decrease is mainly related to impairment losses of intangible assets recognized in Q3 2022.

EBIT improved by DKK 28,818 thousand, or 86 per cent, from negative DKK 33,521 thousand in Q3 2022 to negative DKK 4,703 thousand in Q3 2023. This represents (35) per cent in relation to revenue in the third quarter of 2023 compared to (229) per cent in Q3 2022.

Net financial items

Financial income decreased by DKK 275 thousand, or 175 per cent, from DKK 157 thousand in the third quarter of 2022 to DKK 432 thousand in the third quarter of 2023.

Financial expenses increased by DKK 507 thousand, or 88 per cent, from DKK 573 thousand in the third quarter of 2022 to DKK 1,080 thousand in the third quarter of 2023.

Income tax

The tax for the year, which comprises deferred tax recognized in the income statement, decreased by DKK 65 thousand, or 5 per cent, from DKK 1,364 thousand in Q3 of 2022 to DKK 1,299 thousand in Q3 2023. Income tax benefits related to tax credits for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.

Net Profit/(loss)

Loss for the period decreased by DKK 28,523 thousand, or 88 per cent, from DKK 32,575 thousand in Q3 of 2022 to DKK 4,052 thousand in Q3 of 2023. This represents (30) per cent in relation to revenue in the third quarter of 2023 compared to (222) per cent in Q3 2022. We expect to continue in this line of improvement, constantly optimizing costs and focusing on short and mid-term value initiatives.

Cash flow and financing

Cash flow from operations for Q3 2023 was DKK (3,864) thousand (Q3 2022: DKK 5,780 thousand). Investment activities reduced cash flows by DKK 3,947 thousand in Q3 2023 (Q3 2022: DKK 7,197 thousand). Cash flow from financing activities for Q3 2023 was DKK 6,929 thousand (Q3 2022: DKK 1,820 thousand). The decrease in the cash balance since the previous quarter is mainly related to the changes in the working capital.

Financial Performance YTD 2023

Revenue

Revenue increased by DKK 3,060 thousand, or 9 per cent, from DKK 35,911 thousand in the first three quarters of 2022 to DKK 38,971 thousand in the same period of 2023. Commission revenue increased by DKK 1,142 thousand, or 9 per cent, compared to the first three quarters of 2022, while Subscription revenue also showed good improvements, increasing by DKK 2,033 thousand, or 9 per cent. It should be noted that non-recurring subscription revenue of DKK 2,658 thousand was recorded in the first three quarters of 2023 (DKK 2,930 thousand in the same period of 2022).

Costs

Cost of sales decreased by DKK 2,987 thousand, or 31 per cent, from DKK 9,575 thousand in the first three quarters of 2022 to DKK 6,588 thousand in the same period of 2023. The decrease is centered around the same reasons described for the Q3 2023 performance.

In the first three quarters of 2023, external expenses decreased by DKK 10,260 thousand, or 47 per cent, from DKK 21,870 thousand in the comparable period in 2022 to DKK 11,609 thousand. The decrease in expenses compared to the same period last year relates to a strong focus on cost optimizations in order to shorten the break-even point. Staff costs decreased by DKK 12,218 thousand, or 33 per cent, from DKK 37,345 thousand in the first three quarters of 2022 to DKK 25,127 thousand in the same period of 2023. As a percentage of revenue, staff costs improved from 104 per cent to 64 per cent.

During the first three quarters of 2023, Linkfire continued cost optimization measures aimed at delivering on the plan to show EBITDA profitability during 2023 as we can see during Q3. Efforts included headcount optimization, along with the implementation of an improved budgeting process as well as a continuous review of subscription and tooling costs across the organization. Company-wide strategic efforts to adjust focus on yielding short-term value over long-term hyper growth were also continued from 2022.

Earnings

Depreciation, amortization, and impairment decreased by DKK 19,987 thousand, or 58 per cent, from DKK 34,645 thousand in the first three quarters of 2022 to DKK 14,657 thousand in the same period of 2023. The decrease is mainly related to the recognition of impairment losses of intangible assets during 2022.

EBIT improved by DKK 50,037 thousand, or 72 per cent, from negative DKK 69,047 thousand in the first three quarters of 2022 to negative DKK 19,010 thousand in the same period of 2023. This represents (49) per cent in relation to revenue in the first three quarters of 2023 compared to (192) per cent in the same period of 2022.

Net financial items

Financial income increased by DKK 235 thousand, or 27 per cent, from DKK 883 thousand in the first three quarters of 2022 to DKK 1,117 thousand in the same period of 2023.

Financial expenses increased by DKK 1,270 thousand, or 82 per cent, from DKK 1,540 thousand in the first three quarters of 2022 to DKK 2,810 thousand in the same period of 2023.

Income tax

The tax for the year, which comprises deferred tax recognized in the income statement, decreased by DKK 208 thousand, or 5 per cent, from DKK 4,114 thousand in the first three quarters of 2022 to DKK 3,907 thousand in the same period of 2023. Income tax benefits related to tax credits for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.

Net Profit/(loss)

Loss for the period decreased by DKK 48,796 thousand, or 74 per cent, from DKK 65,592 thousand in the first three quarters of 2022 to DKK 16,796 thousand in the same period of 2023. This presents (43) per cent in relation to revenue in the first three quarters of 2023 compared to (183) per cent in the same period of 2022. We expect to continue in this line of improvement, as described in the quarterly performance.

Cash flow and financing

Cash flow from operations for the first three quarters of 2023 was DKK (7,164 thousand) (same period of 2022: DKK (18,058 thousand). Investment activities reduced cash flows by DKK 11,875 thousand in the first three quarters of 2023 (same period of 2022: DKK 19,884 thousand). Cash flow from financing activities for the first three quarters of 2023 was DKK 12,670 thousand (same period of 2022: DKK (3,523 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 September 30, 2023, share capital amounted to DKK 1,150 thousand, and the total number of issued shares was 114,989,051. The company has one class of shares. Each share entitles the holder to one vote at the general meetings.

Shareholder structure

A list of Linkfire's largest shareholders can be found in note 11 of the interim report.

Incentive programs

Share-based incentive programs (warrants) in place ahead of the listing on Nasdaq First North Premier Growth Market in Stockholm have been exercised.

The General Meeting of Linkfire has, in the company's Articles of Association, authorized the Board of Directors to establish a share-based incentive program comprising equity-settled programs (warrants) for key employees, consultants, and members of the executive management. The purpose of the program is to create possibilities for Linkfire to retain and

incentivize certain key employees and consultants.

During the third quarter of 2023, the company did not grant any warrants, and no warrants were exercised under this program.

Tax Credit Scheme

The Danish Tax Authorities have requested Linkfire to share its calculations for received payouts under the Tax Credit Scheme for FY 2020 and 2021. Under this program, the Tax Authorities encourage innovation in Denmark, supporting Danish loss-making, innovative companies with paying out the tax value of qualified research and development costs. The program is a great driver for keeping innovation in Denmark and for global exposure to Denmark as an accommodating and innovative business market. This is a regular procedure conducted by the Tax Authorities. The event prompted management to reiterate the implicit uncertainty in receiving payouts under the Tax Credit Scheme since calculations and assumptions can be challenged. Linkfire received DKK 4.5 million in 2021 (for FY 2020) and DKK 5.5 million in 2022 (for FY 2021), and expects to receive DKK 5.5 million in 2023 (for FY 2022). Linkfire's management believes in having solid documentation for its innovative development in the global audio entertainment market and welcomes the control as an important part of such a supportive arrangement for innovation in Denmark. Linkfire delivered its first batch of documentation to the Tax Authorities, who had an initial proposal to change Linkfire's taxable income, and need to see further documentation. The receipt of DKK 5.5 million in 2023 has been delayed as a result of the process.

Subsequent Events

On October 11, 2023, Linkfire renewed the agreement for providing its SaaS Marketing Platform to Warner Music Group globally. As one of the world's largest record labels, Warner Music Group has been an important partner to Linkfire for over half a decade. The new agreement extends until April 30, 2024.

On November 22, 2023, Linkfire announced that it has secured debt financing of DKK 37.3 million from Kuok Meng Ru, shareholder of Linkfire and Group CEO & Founder of Caldecott Music Group ("CMG"), as an expression of his commitment to and belief in the Company's potential. The loan will be deployed to repay part of Linkfire's existing loans under the previously announced credit facility, contribute to financing Linkfire's operations until cash flow break-even expected in 2024, and allow Linkfire to continue various avenues in its pursuit of maximizing shareholder value.

On November 22, 2023, Linkfire announced that it had adjusted its Financial Guidance for 2023. For the financial year 2023, Linkfire expects its revenue to be in the range of DKK 50-55 million (previously DKK 60-70 million), corresponding to a yearly growth of negative 5 per cent to positive 5 per cent (previously 14-33 per cent), and its EBITDA to be in the range of negative DKK 5-10 million (previously negative DKK 5 million to positive 5 million).

There have not been any other subsequent events after the reporting period that could influence the evaluation of the interim report.

Auditor

This report has not been reviewed by an auditor.

Financial Calendar

Interim financial report, Q4 2023	Feb 22, 2024
Annual Report, 2023	Apr 4, 2024
Interim financial report, Q1 2024	May 23, 2024
Interim financial report, Q2 2024	Aug 22, 2024
Interim financial report, Q3 2024	Nov 21, 2024
Interim financial report, Q4 2024	Feb 20, 2025

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For more information about us, visit about.linkfire.com or email us at investors@linkfire.com

GLOSSARY

Subscription Revenue

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

Commission Revenue

When consumers discover music and are funneled from the Linkfire discovery layer to various Digital Service Providers, Linkfire, in some cases, generates commission revenue through affiliate partnerships.

Digital Service Providers

Stores and/or services where consumers play music, purchase other related content, or sign up for subscriptions, e.g., Apple Music, Amazon, Ticketmaster, etc.

Consumer Connections

Represent the number of unique visitors on Linkfire's smart links and are a key driver for Commission revenue in conjunction with the ability to monetize traffic, reflected in the RPM.

Commission Revenue per Mille (RPM)

RPM is an important metric to Linkfire. It represents the commission revenue generated per thousand consumer connections for the period.

Constant Currency

Figures on a constant currency basis are an important measure to Linkfire as the majority of revenue is made in USD. This measure highlights the clean growth, adjusted for exchange rate impact in period-to-period comparison.

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The Board of Directors and the Executive Board have today considered and approved the interim report for the period 01.07.2023 – 30.09.2023 for Linkfire A/S.

The interim report is presented in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's and Parent's assets, liabilities, and financial position on 30.09.2023 and of the results of the Group's activities and cash flows for the period 01.07.2023 – 30.09.2023.

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

Copenhagen, November 23, 2023

Executive Board

Lars Ettrup

CEO & Co-founder

Tobias Demuth

CFO

Board of Directors

Jesper Møller

Chairman

Charlotte Klinge

Thomas Weilby Knudsen

Peter Balint

Ole Larsen

CONSOLIDATED FINANCIAL STATEMENTS

Interim consolidated statement of comprehensive income

DKK thousand	Q3 2023	Q3 2022	2023 YTD	2022 YTD	FY 2022
Revenue	13,321	14,642	38,971	35,911	52,590
Cost of Sales	(2,158)	(3,227)	(6,588)	(9,575)	(13,026)
Gross Profit	11,163	11,415	32,383	26,336	39,564
External Expenses	(3,983)	(7,137)	(11,609)	(21,870)	(28,915)
Staff Costs	(7,022)	(10,442)	(25,127)	(37,345)	(46,708)
Other staff Costs	-	-	-	(1,524)	(3,817)
EBITDA	158	(6,164)	(4,353)	(34,402)	(39,875)
Depreciation, amortization and impairment losses	(4,862)	(27,357)	(14,657)	(34,645)	(34,414)
EBIT	(4,704)	(33,521)	(19,010)	(69,047)	(74,289)
Financial Income	432	157	1,117	883	1,042
Financial Expenses	(1,080)	(573)	(2,812)	(1,540)	(2,316)
Profit/(loss) before tax	(5,351)	(33,937)	(20,705)	(69,704)	(75,563)
Tax for the year	1,299	1,364	3,907	4,114	5,477
Profit/(loss) for the year	(4,052)	(32,573)	(16,798)	(65,590)	(70,087)
Attributable to:					
Earnings per share (DKK)	(0.04)	(0.55)	(0.15)	(1.11)	(1.0)
Earnings per share, diluted (DKK)	(0.04)	(0.54)	(0.15)	(1.11)	(0.9)
Other comprehensive income					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):					
Exchange differences on translation of foreign operations	272	(308)	725	335	-47
Other comprehensive income for the year, net of tax	272	(308)	725	335	-47
Total comprehensive income for the year	(3,780)	(32,881)	(16,073)	(65,255)	(70,134)

Balance Sheet

DKK thousand	Q3 2023	Q3 2022	FY 2022
Assets			
Non-current assets			
Intangible assets	74,555	70,332	74,372
Property, plant and equipment	69	303	281
Right-of-use assets	4,478	6,002	5,157
Deposits	1,442	1,254	1,206
Total non-current assets	80,543	77,891	81,017
Current assets			
Trade Receivables	5,138	3,092	5,026
Income tax receivables	9,458	9,625	5,500
Other receivables	364	609	579
Prepayments	2,094	2,600	2,200
Cash	396	4,395	7,027
Total Current Assets	17,449	20,321	20,332
Total assets	97,992	98,212	101,349

DKK thousand	Q3 2023	Q3 2022	FY 2022
Equity and liabilities			
Equity			
Share capital	1,150	596	1,150
Retained Earnings	24,494	27,827	41,991
Translation reserve	324	(325)	(399)
Other capital reserve	1,921	1,028	1,220
Total Equity	27,889	29,126	43,962
Non-current liabilities			
Interest bearing liabilities	30,024	22,509	24,206
Lease liabilities	1,463	3,290	2,345
Other payables	814	4,800	1,000
Total non-current liabilities	32,301	30,599	27,551
Current liabilities			
Interest-bearing liabilities	14,107	3,600	2,250
Contract liabilities	8,157	14,448	9,927
Lease liabilities	2,911	2,986	3,356
Trade payables	5,139	9,667	9,481
Other payables	7,489	5,267	4,822
Total current liabilities	37,802	38,487	29,837
Total liabilities	70,103	69,087	57,388
Total equity and liabilities	97,992	98,212	101,349

Statement of changes in Equity

DKK thousand	Share capital	Retained earnings	Translation reserve	Other capital reserve	Total
Balance at 1 January, 2023	1,150	41,991	(399)	1,220	43,962
Net profit/(loss) for the period	-	(16,798)	-	-	(16,798)
Other comprehensive income	-	-	725	-	725
Total Comprehensive income	1,150	25,193	326	1,220	27,889
Capital increase	-	-	-	-	-
Transaction cost	-	-	-	-	-
Share-based payments	-	(701)	-	701	-
Balance at 30 September, 2023	1,150	24,492	326	1,921	27,889
<i>During the period no dividend was paid</i>					
Balance at 1 January, 2022	584	86,464	(352)	429	87,125
Net profit/(loss) for the period	-	(65,590)	-	-	(65,590)
Other comprehensive income	-	-	27	-	27
Total Comprehensive income	584	20,874	(325)	429	21,562
Capital increase	12	7,552	-	-	7,564
Transaction cost	-	-	-	-	-
Share-based payments	-	(599)	-	599	-
Balance at 30 September, 2022	596	27,827	(325)	1,028	29,126

During the period no dividend was paid

Cash flow statement

DKK thousand	Q3 2023	Q3 2022	2023 YTD	2022 YTD	FY 2022
Operating Loss	(4,703)	(33,521)	(19,010)	(69,047)	(74,289)
Depreciation, amortization and impairment losses	4,862	27,357	14,657	34,645	34,414
Change in working capital	(4,046)	11,779	(3,238)	15,864	9,209
Share-based payment expense	238	199	701	599	791
Cash flow from ordinary operating activities	(3,650)	5,814	(6,890)	(17,940)	(29,875)
Income taxes received	-	-	-	-	5,500
Interest received	-	-	-	-	-
Interest paid	(214)	(35)	(274)	(118)	(120)
Cash flow from operating activities	(3,864)	5,780	(7,164)	(18,058)	(24,495)
Development expenditures	(3,929)	(7,138)	(11,842)	(19,519)	(26,144)
Investments in property, plant and equipment	-	(13)	-	(263)	(263)
Change in deposits	(18)	(45)	(34)	(102)	(102)
Cash flow from investing activities	(3,947)	(7,197)	(11,875)	(19,884)	(26,509)
Proceeds from borrowings	7,715	2,520	16,940	2,520	11,549
Repayment of borrowings	-	340	(1,000)	(2,972)	(14,521)
Payment of principal portion of lease liabilities	(786)	(1,040)	(3,270)	(3,071)	(4,080)
Transaction cost from capital increase	-	-	-	-	(3,092)
Proceeds from capital increase	-	-	-	-	22,500
Cash flow financing activities	6,929	1,820	12,670	(3,523)	12,356
Change in cash and cash equivalents					
Net cash flow	(882)	402	(6,369)	(41,464)	(38,649)
Net foreign exchange difference	78	(688)	(263)	(87)	(271)
Cash, Begin	1,200	4,681	7,027	45,947	45,947
Cash, End	396	4,395	396	4,395	7,027

Part of the acquisition of SmartURL was a non-cash investment (payment in shares) of DKK 7,563 thousand and DKK 1,000 thousand in estimated earn-out. The non-cash parts of the acquisition are excluded (presented net) in the cash flow from investing activities and financing activities.

As per the reporting date, the Company has a cash preparedness of DKK 37,600 thousand including credit lines and cash at hand, whereof approx. DKK 16,900 thousand will repay existing credit line debt in Q4.

NOTES GLOSSARY

1	Going Concern	7	Income tax
2	Subsequent Events	8	Intangible Assets
3	Uncertainties of recognition and measurement.	9	Guarantees, contingent liabilities, and collateral
4	General information	10	Risks and uncertainties
5	Revenue specification	11	Share and share capital
6	Share-based payment plans		

NOTES

1 Going Concern

On November 22, 2023, Linkfire announced that it has secured debt financing of DKK 37.3 million from Kuok Meng Ru, shareholder of Linkfire and Group CEO & Founder of Caldecott Music Group ("CMG"), as an expression of his commitment to and belief in the Company's potential. The facility has a duration of 2.5 years and it is repayable in whole or in part in the interim in case of future equity or debt raises during the term of the loan. The loan will be deployed to repay part of Linkfire's existing loans under the previously announced credit facility, contribute to financing Linkfire's operations until cash flow break-even expected in 2024, and allow Linkfire to continue various avenues in its pursuit of maximizing shareholder value.

Linkfire is continuing its path towards profitability and with a strong improvement in earnings in Q3 as well as a structurally lighter cost base, the company's management remains confident in its plan to continue the EBITDA profitability shown in Q3 in the future and extend it to reach cash flow breakeven in 2024. In its reshaped form, the company's management is confident in the presence of sufficient operating flexibility to mitigate the expectation of difficult operating conditions.

The above-mentioned financing is expected to last until the company reaches cash flow breakeven consistently. Current budgets and plans are still considered achievable at the signing date. Linkfire is continuously optimizing its capital preparedness and options as complementary to the secured debt financing.

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

2 Subsequent Events

On October 11 2023, Linkfire renewed the agreement for providing its Saas Marketing Platform to Warner Music Group globally. As one of the world's largest record labels, Warner Music Group has been an important partner to Linkfire for over half a decade. The new agreement extends until April 30, 2024.

On November 22, 2023, Linkfire announced that it has secured debt financing of DKK 37.3 million from Kuok Meng Ru, shareholder of Linkfire and Group CEO & Founder of Caldecott Music Group ("CMG"), as an expression of his commitment to and belief in the Company's potential. The loan will be deployed to repay part of Linkfire's existing loans under the previously announced credit facility, contribute to financing Linkfire's operations until cash flow break-even expected in 2024, and allow Linkfire to continue various avenues in its pursuit of maximizing shareholder value.

On November 22, 2023, Linkfire announced that it had adjusted its Financial Guidance for 2023. For the financial year 2023, Linkfire expects its revenue to be in the range of DKK 50-55 million (previously DKK 60-70 million), corresponding to a yearly growth of negative 5 per cent to positive 5 per cent (previously 14-33 per cent), and its EBITDA to be in the range of negative DKK 5-10 million (previously negative DKK 5 million to positive 5 million).

There have not been any other subsequent events after the reporting period which could influence the evaluation of the interim report.

3 Uncertainties of recognition and measurement

At each reporting date, it is required to assess whether there is any indication that an asset may be impaired. The current uncertainties in the market and the share price from the last capital increase, among others, indicate that an impairment assessment needs to be performed, with the main focus on the carrying amount of the intangible assets.

As a result of Management's impairment assessment, the conclusion was that the carrying amount of the intangible assets is lower than their recoverable amount. Therefore, no impairment recognition is needed.

4 General information

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

Basis of preparation

The interim report (condensed consolidated interim financial statements) for the period July 1 - September 30, 2023, has been prepared in accordance with IAS 34 "Interim financial statements" as adopted by the EU and additional requirements in the Danish Financial Statements Act.

These condensed consolidated interim financial statements incorporate the results of Linkfire A/S and its subsidiaries. The condensed consolidated interim financial statements refer to certain key performance indicators, which Linkfire and others use when evaluating the performance of Linkfire. These are referred to as alternative performance measures (APMs) and are not defined under IFRS. The figures and related subtotals give management and investors important information to enable them to fully analyze Linkfire's business and trends. The APMs are not meant to replace but to complement the performance measures defined under IFRS.

Accounting policies

Except for the changes below, the condensed consolidated interim financial statements have been prepared using the same accounting policies as set out in note 1 of the 2022 annual report, which contains a full description of the accounting policies for the Group and the parent company. The annual report for 2022 can be found on Linkfire's website: <https://investors.linkfire.com/>. All statements are prepared in DKK as this is the official and functional currency of the operating and reporting activities. Any reference to other currencies (mainly USD, EUR, or SEK) serves purely as informative and is not official.

Changes in accounting policies:

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

Significant accounting judgments, estimates, and assumptions

As part of the preparation of the interim report, Management makes a number of accounting estimates and assumptions as a basis for recognizing and measuring the Group's assets, liabilities, income, and expenses as well as judgments made in applying the entity's accounting policies. The estimates, judgments, and assumptions made are based on experience gained and other factors that are considered prudent by Management in the circumstances but which are inherently subject to uncertainty and volatility.

The significant accounting judgments, estimates, and assumptions applied in these consolidated interim financial statements are the same as disclosed in note 4 in the annual report for 2022, which contains a full description of significant accounting judgments, estimates, and assumptions.

The income tax receivable recognized in the balance sheet relates to the utilization of the tax credit scheme under Section 8X of the Income Tax Act, whereby the company can receive payment for the tax value of tax losses originating from research and development expenses. The criteria for applying the scheme are fulfilled for current and prior periods based on a discretionary assessment. As a consequence, there is a risk that the tax authorities may evaluate that the criteria are not met.

5 Revenue Specification

	Q3 2023	Q3 2022	2023 YTD	2022 YTD	FY 2022
Revenue by business segment					
DKK thousand					
Subscriptions	7,441	10,217	25,388	23,355	32,100
Commissions	5,880	4,310	13,583	12,441	20,490
Total	13,321	14,642	38,971	35,911	52,590
%-split					
Subscriptions	56	70	65	65	61
Commissions	44	29	35	35	39
Total	100	99	100	100	100
Geographic Information					
As an online platform, the Group generates revenue from customers located worldwide. For this purpose, internal reporting divides revenue according to the NAM (Northern America), the EMEA region (Europe, Middle East and Africa) as well as APAC (Asia and Oceania) and LATAM (Latin America and the Caribbean).					
DKK thousand					
NAM	8,133	9,369	24,292	22,721	34,253
EMEA	3,307	3,639	10,093	8,906	13,143
APAC	1,654	1,432	3,830	3,795	4,331
LATAM	226	202	757	489	863
Total	13,321	14,642	38,971	35,911	52,590
%-split					
NAM	61	64	62	63	65
EMEA	25	25	26	25	25
APAC	12	10	10	11	8
LATAM	2	1	2	1	2
Total	100	100	100	100	100

* A total of DKK 0 thousand corresponds to non-recurring subscription revenue recognized in Q3 2023 (Q3 2022: DKK 3,230 thousand).

6 Share-based payment plans

IPO Warrant Program:

The Board of Directors, the Board of Management, and other employees have been granted warrants. The warrants are measured at fair value at the grant date and are recognized as an expense in staff costs over the vesting period. Expenses are set off against equity (equity-settled share-based payments). The fair value of the warrants issued is measured at the calculated market price at the grant date based on the Black & Scholes valuation method.

During the third quarter of 2023, the company did not grant any warrants, and no warrants were exercised under this program.

The total share-based compensation expense recognized for Q3 2023 is DKK 238 thousand (Q3 2022: DKK 199 thousand).

The Board of Directors decided:

1. On 15 June 2021 to issue warrants to members of the Board of Directors in the company. The warrant terms entitle warrant holders to subscribe for up to a total amount of 737,080 shares of nominal DKK 0.01 each.

The warrants are to be vested linearly over 36 months after the grant date.

2. On 27 April 2022, to issue warrants to key employees, consultants, and members of the executive management in the company. The warrant terms entitle warrant holders to subscribe for up to a total amount of 3,010,764 shares of nominal DKK 0.01 each.

The warrants are to be vested linearly over 36 months after the grant date.

3. On 27 April 2022, to issue warrants to members of the board of directors in the company. The warrant terms entitle warrant holders to subscribe for up to a total amount of 368,540 shares of nominal DKK 0.01 each.

The warrants are to be vested linearly over 36 months after the grant date.

4. On February 23, 2023 to issue warrants to the executive management, the senior leadership team, key employees, and contracted staff within the authorization granted by the annual general meeting on 27 April 2022. In total, the grants cover 2,676,000 warrants, of which 936,000 warrants have been granted to the executive management and senior leadership, and the remaining 1,740,000 warrants have been granted to key employees and contracted staff.

Incentive Programs

Share-based incentive programs (warrants) in place ahead of the listing on Nasdaq First North Premier Growth Market in Stockholm have been exercised. The General Meeting of Linkfire has, in the company's Articles of Association, authorized the Board of Directors to establish a share-based incentive program comprising equity-settled programs (warrants) for key employees, consultants, and members of the executive management. The purpose of the program is to create possibilities for Linkfire to retain and incentivize certain key employees and consultants. No further warrants have been allocated other than the described above,

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7 Income tax

DKK thousand	Q3 2023	Q3 2022	2023 YTD	2022 YTD	FY 2022
Current tax for the year income	1,299	1,364	3,907	4,114	5,477
Changes in deferred tax	-	-	-	-	-
Recognized as receivable tax credit	9,458	9,625	9,458	9,625	30,250
<i>Income tax benefits for all periods relate to tax credit for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.</i>					
Tax calculated as 22% of profit/loss before tax	1,177	7,466	4,555	15,335	16,599
Non-capitalised tax assets	222	(6,002)	(348)	(10,920)	(10,722)
Non-deductible expenses	(100)	(100)	(300)	(300)	(400)
Effective tax	1,299	1,364	3,907	4,114	5,477
Tax rate for the year (%)	24.3%	4.0%	18.9%	5.9%	7.2%

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

The Danish Tax Authorities have requested Linkfire to share its calculations for received payouts under the Tax Credit Scheme for FY 2020 and 2021. Under this program, the Tax Authorities encourage innovation in Denmark, supporting Danish loss-making, innovative companies with paying out the tax value of qualified research and development costs. The program is a great driver for keeping innovation in Denmark and for global exposure to Denmark as an accommodating and innovative business market. This is a regular procedure conducted by the Tax Authorities. The event prompted management to reiterate the implicit uncertainty in receiving payouts under the Tax Credit Scheme since calculations and assumptions can be challenged. Linkfire received DKK 4.5 million in 2021 (for FY 2020) and DKK 5.5 million in 2022 (for FY 2021), and expects to receive DKK 5.5 million in 2023 (for FY 2022). Linkfire's management believes in having solid documentation for its innovative development in the global audio entertainment market and welcomes the control as an important part of such a supportive arrangement for innovation in Denmark. Linkfire delivered its first batch of documentation to the Tax Authorities, who had an initial proposal to change Linkfire's taxable income, and need to see further documentation. The receipt of DKK 5.5 million in 2023 has been delayed as a result of the process.

8 Intangible Assets

DKK thousand	Acquired Intellectual Property Rights	Completed development projects	Development projects in progress	Total
Cost at 1 January 2023	-	118,008	-	118,008
Transfers	-	-	-	-
Additions	-	-	11,861	11,861
Disposals	-	118,008	11,861	129,869
Cost at 30 September 2023	-	118,008	11,861	129,869
Amortization and impairment at 1 January 2023	-	(43,636)	-	(43,636)
Amortization and impairment during the year	-	(11,679)	-	(11,679)
Amortization and impairment at 30 September 2023	-	(55,315)	-	(55,315)
Carrying amount at 30 September 2023	-	62,693	11,861	74,555
Cost at 1 January 2022	8,298	74,979	-	83,277
Transfers	-	-	-	-
Additions	12,387	-	19,519	31,906
Disposals	20,685	74,979	19,519	115,183
Cost at 30 September 2022	20,685	74,979	19,519	115,183
Amortization and impairment at 1 January 2022	-	(13,403)	-	(13,403)
Amortization and impairment during the year	(20,685)	(10,765)	-	(31,450)
Amortization and impairment at 30 September 2022	(20,685)	(24,168)	-	(44,853)
Carrying amount at 30 September 2022	0	50,811	19,519	70,332

9 Guarantees, contingent liabilities and collateral

The group has provided a bank guarantee to Euroclear of DKK 122 thousand.

In order to secure the Company's balance with the Danish Growth Fund, a mortgage of DKK 9,000 thousand has been granted with mortgages in simple receivables, operating inventories and equipment, and intellectual property rights at a total book value of DKK 80,125 thousand (Q3 2022: DKK 74,336 thousand).

10 Risks and Uncertainties

Linkfire is exposed to various risks, both operational and financial. Operational risks mainly comprise industry risk, commission revenue risk, data partnership risk, subscription revenue risk and management, management and key employee risk, privacy regulation risk, and risks related to taxation. Financial risks mainly comprise capital management risk, credit risk, foreign currency risk and liquidity risk. For more information on the above risks and uncertainties related to Linkfire's operating environment and operations, please see Linkfire's Annual report for 2022.

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11 Shares and Share Capital

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

As per September 30, 2023, share capital amounted to DKK 1,150 thousand, and the total number of issued shares was 114,989,051. The company has one class of shares. Each share entitles the holder to one vote at the general meetings.

At the reporting date, the list of Linkfire's largest shareholders is as follows:

Name	Num. Of Shares	Capital
Maverick Fund Open-ended PCC Ltd	33,274,179	28.94%
NorthCap Partners ApS (NCP)	14,961,911	13.01%
Rocket Group ApS (CEO, Lars Ettrup)	12,161,785	10.58%
Kuok Meng Ru	11,091,393	9.65%
ICS Investment Management LLC	6,005,697	5.22%
CEC Partners	5,977,244	5.20%
Barreson Limited	3,748,900	3.26%
Jeppe Faurfelt	3,713,930	3.23%
Thomas Rudbeck	2,316,751	2.01%
Gupta Media LLC	1,192,864	1.04%