

Linkfire to raise DKK 45 million in a directed share issue and obtain bridge financing

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Linkfire A/S ("Linkfire" or the "Company") has resolved to carry out a directed share issue of 110,913,930 shares in two tranches at a determined subscription price of DKK 0.4057 (approximately SEK 0.60) per share (the "Share Issue"). The shares will be issued to Maverick Capital Limited ("Maverick") and the proceeds from the Share Issue amount to DKK 45 million (approximately SEK 66.5 million). The Share Issue is subject to approval by an Extraordinary General Meeting ("EGM"), planned to be held on 14 November 2022. Linkfire has also reached an agreement with affiliates of Maverick for a bridge financing arrangement of DKK 9 million ("Bridge Financing").

As described in Linkfire's Q2 2022 interim report, Linkfire has been evaluating financing options to resume the Company's growth strategy towards profitability next year. The Board of Directors has made an overall assessment, carefully considering different financing possibilities, including a rights issue, and has concluded that the Share Issue is in the best interest of the Company and its shareholders in general.

Lars Ettrup, CEO and Co-founder, comments:

"Maverick's investment of approximately SEK 66.5 million enables Linkfire to continue executing on our long-term growth strategy and our commitment to achieve profitability in 2023. We have continued to improve our financial performance and market position during 2022, with promising growth in consumer connections through our platform and an expected positive revenue trajectory. As a response to the changing macroeconomic environment, we recently initiated necessary cost reductions to streamline the organization and reduce operational risk. Maverick is an experienced investment firm with a strong track record in the tech and public sectors. We look forward to continue delivering on our strategy with Maverick on board."

The Share Issue

- The directed share issue comprises a maximum of 110,913,930 new shares in Linkfire, to be issued at a determined subscription price of DKK 0.4057 (approx. SEK 0.60) per share, which means that the Company will raise DKK 45 million (approximately SEK 66.5 million) before deduction of transaction costs.

- The subscription price in the directed share issue has been determined by the Board of Directors after negotiations with Maverick. The subscription price entails a 54 percent discount compared to the closing price on Nasdaq First North Premier Growth Market on 20 October 2022. The Board of Directors considers the subscription price to be fair and to reflect the market price of the Company's shares in the current market.
- The Share Issue is subject to the Board of Directors obtaining an authorization by an Extraordinary General Meeting ("EGM"), planned to be held on 14 November 2022 to resolve on the Share Issue. The notice convening the EGM is published today through a separate press release and will be available, together with the other documents required under the Danish Companies Act, on Linkfire's website investors.linkfire.com, as well as at the Company's headquarters at Artillerivej 86, 3rd Floor, 2300 Copenhagen, Denmark.
- The Share Issue is divided into two tranches of DKK 22.5 million (approx. SEK 33.3) million each, in each case against issuance of 55,456,965 shares to Maverick. Settlement of the first tranche shall occur no later than 5 business days following approval by the EGM. Settlement of the second tranche shall occur no later than 180 days after settlement of the first tranche. Maverick has an unconditional obligation to subscribe for the shares in the Share Issue, however, Linkfire has a right to waive the second tranche if and to the extent that Linkfire is able to obtain equity financing in the amount of SEK 33.3 million or more at more favourable terms elsewhere.
- Maverick has agreed not to transfer or dispose of its shareholdings in Linkfire for a period of 180 days following settlement of the first tranche and for a period 180 days following settlement of the second tranche ("Lock-up period"). The lock-up is subject to customary exceptions.
- The dilution of the first tranche of the Share Issue is approximately 48 percent of the number of shares and votes in Linkfire. Assuming tranche 2 of the Share Issue is completed at the determined subscription price per share of DKK 0.4057 (approx. SEK 0.60), the maximum dilution of the Share Issue is approximately 65 percent of the number of shares and votes in Linkfire. If the second tranche of the Share Issue is completed at the determined price, the number of shares in the Company will increase by 110,913,930, which means that the total number of shares will increase from 59,532,086 to 170,446,016. The share capital will increase by approximately DKK 1,109,139,30, from approximately DKK 595,320.86 to approximately DKK 1,704,460.16.
- The Board of Directors has made an overall assessment and carefully considered the possibility to raise capital through a preferential rights issue, but considers a preferential rights issue would entail a risk that the Company cannot provide for its immediate capital needs and that it would be substantially more costly for the Company. Following discussions with certain major shareholders in the Company, including the Company's founders, the Board of Directors has also concluded that there is a high risk that it would not be subscribed for by existing shareholders holding a large proportion of the Company's shares. Further, the proposed Share Issue will strengthen the shareholder base with a new

and experienced institutional investor, provide certainty of funds and bridge financing at market terms, and be executed in a time and cost efficient manner. The Board of Directors' overall assessment is that there are strong reasons for deviating from the shareholders' preferential rights and that the Share Issue is in the best interest of both the Company and its shareholders.

- The takeover rules for certain trading platforms issued by the Swedish Corporate Governance Board does not apply to Linkfire as a Danish Company and Maverick does not, at this point, intend to voluntarily submit an offer for all shares in Linkfire.

Use of proceeds

Linkfire runs two main revenue streams – the Marketing Platform and the Discovery Network. The Marketing Platform revenue stream has reached profitability and currently accounts for about 90% of Linkfire's total revenue, while Linkfire has invested materially into the Discovery Network as part of its long-term growth strategy. During Q2 and Q3 2022, the Company has made necessary cost reductions to ensure that Linkfire can deliver on its plan to show EBITDA profitability and positive operating cash flow for the full year of 2023.

To continue its expansion and growth plans, before the Company runs its operations with a positive cash flow, further capital is needed. The capital shall support Linkfire's strategic focus to maximize revenue generated from the Marketing Platform on both Subscription and Commission revenue.

The Company intends to use the net proceeds from the Share Issue to finance the following activities:

- Finance its continued investments into product and market development supporting growth initiatives.
- Repayment of the Bridge Financing.
- Finance its ongoing operations towards its committed path to EBITDA profitability in 2023 and general corporate purposes to ensure sufficient working capital.

Bridge Financing

- The Bridge Financing of DKK 9 million is on market terms, including an interest of 5 per cent p.a. and will mature on the earliest of i) 31 December 2022 and ii) 10 business days following settlement of the first tranche of the Share Issue. Linkfire will not provide any security for the bridge financing, but Linkfire undertakes to repay the bridge financing with proceeds from the Share Issue.

Linkfire intends to invite investors, analysts and the media to a webcast presentation, to provide a status update on the business and the directed share issue. The invitation will be issued separately.

About Maverick Capital Limited

Maverick Capital is a licensed fund manager and collective investment fund regulated by Dubai Financial Supervisory Authority (DFSA). The fund is primarily investing into the tech-sector and holds strong capabilities within listed companies, M&A, tech-sector, growth companies as well as a strong capital foundation and network.

Advisors

Pareto Securities acts as Manager, Setterwalls Advokatbyrå and Bruun & Hjejle Advokatpartnerselskab are the legal advisors to Linkfire, and Baker McKenzie is the legal advisor to Pareto Securities in connection with the directed share issue.

For further information, please contact:

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About Linkfire – Empowering entertainment discovery everywhere

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

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

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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision to acquire or subscribe for shares in connection with the Share Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by Pareto Securities AB (the "Manager"). The Manager is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

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Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Growth Market's rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any

"manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in the Company have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "EU Target Market Assessment"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "UK Target Market Assessment" and, together with the EU Target Market Assessment, the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Manager will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in the Company and determining appropriate distribution channels.

This information is information that Linkfire is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2022-10-21 14:15 CEST.

Attachments

[Linkfire to raise DKK 45 million in a directed share issue and obtain bridge financing](#)