

Linkfire A/S intends to initiate a delisting of its shares from Nasdaq First North Premier Growth Market Stockholm

The Board of Directors of Linkfire A/S ("Linkfire" or the "Company") has today decided, subject to approval by an Extraordinary General Meeting, to initiate a delisting of the Company's shares from trading on Nasdaq First North Premier Growth Market Stockholm (the "Proposal"). In accordance with good practice on the Swedish stock market, such an application for delisting will be filed earliest 3 months after the date of this announcement.

The Proposal follows a period of very limited liquidity in the trading of the Company's shares and a very weak share price development, which have made it difficult for the Company to meaningfully perform on its objectives of being listed on Nasdaq First North Premier Growth Market.

Furthermore, a delisting is expected to result in significant cost savings, improving profitability and strengthening the basis for the Company's continued ambition to return strong shareholder value.

The Board will convene an Extraordinary General Meeting ("EGM") where the Proposal will be considered. Due to the holiday season and mindful of less shareholder attention in this period, Linkfire will wait to convene the EGM until the beginning of August. The EGM will be held at the end of August to treat the proposal. If the Proposal is adopted at the EGM, the Company will request Nasdaq First North Premier Growth Market Stockholm to delist the Company's shares from trading. In accordance with good practice on the Swedish stock market, such an application for delisting will be filed earliest 3 months after the date of this announcement. Delisting the Company's shares from trading on Nasdaq First North Premier Growth Market Stockholm is conditional on the request being approved. Until Nasdaq, following the application from the Company has resolved on a delisting, the Company's shares will continue to be tradable until the last day of trading determined by Nasdaq. Following the last day of trading, the Company's share will be deleted from trading on Nasdaq First North Premier Growth Market Stockholm. The Company will publish a company announcement in connection with the filing of the application for delisting with Nasdaq and subsequently upon receiving Nasdaq's approval of the delisting and determination of the last day of trading. There will be no obligation for the Company's shareholders to sell their shares in connection with the delisting process.

Background for proposed delisting

Linkfire listed its shares on Nasdaq First North Premier Growth Market Stockholm on 28 June 2021 in an oversubscribed Initial Public Offering ("IPO"), attracting new global investors and setting the basis for the execution of its business plan and growth strategy. The main objectives of the IPO were to lay the foundation for continued global expansion, both organically and by way of market consolidation. The IPO was expected to increase financial flexibility, to raise growth capital if needed, and to utilize the Company's shares for financing acquisitions while at the same time improving the conditions for creating shareholder value and tradability. The Company had the ambition to move to a bigger stock exchange over time and will continue to actively evaluate options for trading on a bigger stock exchange in due course, with the purpose to increase liquidity in the share to the benefit of all shareholders.

In the IPO, Linkfire set up mid-term targets for organic revenue CAGR (compound annual growth rate) of 50-70% and a gross margin of approximately 80%. In 2022, Linkfire's first full year of being listed, the Company grew revenue by 56% and increased its gross margin to 75%.

During 2022 as capital markets turned less positive towards high growth but loss-making companies, Linkfire showed the necessary business agility to adjust to fast-changing market conditions, reduced its operating cost base significantly, and narrowed the commercial focus to the least capital-intensive core business areas with a shorter return on investment profiles.

In Q1 2023, Linkfire showed continued revenue growth while improving EBITDA by 83% and reaching a gross margin of 82% as planned, and on track to reach the announced break-even point in 2023.

Despite the good performance and business agility, the share price has dropped approximately 92% since the IPO and until 17 July 2023. When raising funds in 2022, the market cap of the company was set lower than the Company's annual revenue, resulting in a significant dilution of its existing shareholders.

Even though the liquidity in the Company's share has been trending better than the market average and peer medians in 2023, the share price development does not reflect the potential of the business, and liquidity remains very limited. Even minor trades in Linkfire's shares can impact the share price significantly.

The limited liquidity in the trading of the Company's shares as well as the weak share price development, have made it difficult for the Company to meaningfully perform on its objectives with being listed on Nasdaq First North Premier Growth Market.

Furthermore, being publicly listed also comes with significant costs for the Company. Costs that under the current trading liquidity and share price development conditions, are hard to justify from a shareholder value perspective. The estimated direct costs related to being listed is approx. DKK 2 million, while indirect costs make up approximately DKK 1 million.

Through a delisting and the related cost savings, the Board of Directors of Linkfire expects to continue the Company's growth journey and positive development while continuing to significantly improve profitability and strengthen the basis for its continued ambition to return strong shareholder value.

Outlook

During 2022 Linkfire refocused its strategy towards its core business, discontinuing capital-intensive growth initiatives with longer return profiles such as the paid acquisition of traffic - an initiative that gained strong traction to increase traffic and it is an area that the Management and the Board of Directors of Linkfire believe in the potential of when the timing is right again.

Linkfire continues to focus on developing and expanding its marketing platform, including organic traffic generation and traffic monetization efforts in product and partner development. There is substantial potential in expanding the user base in the longer tail of the music industry, launching in adjacent market verticals such as spoken word (podcast, audiobooks, and similar), as well as evolving on the traffic monetization abilities benefitting both Linkfire as a business and the artist community as a whole.

In the recently published "Music in the Air" industry report, Goldman Sachs estimates a continued strong outlook for the music industry, expecting a compound annual growth rate of 7.3% driven by a continued expansion of streaming usage globally and more efficient and structured monetization in the industry. Linkfire believes the company is in a good position to be a driving force of this development and continue its path toward being a sustainably run and meaningfully growing business.

The Company remains confident in its existing plans and outlook. Linkfire maintains its financial guidance for 2023 of DKK 60-70 million in revenue and an EBITDA in the range of negative DKK 5 million to positive DKK 5 million.

Proposed delisting process

The proposed delisting of the Company from trading on Nasdaq First North Premier Growth Market Stockholm will be considered as the only item on the agenda at the EGM besides the election of the Chairman of the EGM. The EGM will be convened separately after the holiday period at the beginning of August. It will require that two-thirds (2/3) of the votes and capital present at the EGM vote in favor of the Proposal. At the EGM, participants will have the opportunity for further explanation and discussion.

If the Proposal is adopted at the EGM, the Company will request Nasdaq First North Premier Growth Market Stockholm to delist the Company's shares from trading. In accordance with good practice on the Swedish stock market, such an application for delisting will be filed earliest 3 months after the date of this announcement. Delisting the Company's shares from trading on Nasdaq First North Premier Growth Market Stockholm is conditional on the request being approved. Until Nasdaq, following the application from the Company has resolved on a delisting, the Company's shares will continue to be tradable until the last day of trading determined by Nasdaq. Following the last day of trading, the Company's share will be deleted from trading on Nasdaq First North Premier Growth Market Stockholm. The Company will publish a company announcement in connection with the filing of the application for delisting with Nasdaq and subsequently upon receiving Nasdaq's approval of the delisting and determination of the last day of trading. The last day of trading is expected to occur within 2-3 weeks from the Company's filing of the application for delisting.

There will be no obligation for the Company's shareholders to sell their shares in connection with the delisting process.

Significance for the Company's shareholders

Linkfire believes it is important to keep shareholders informed about the operation of the business and thus will continue its quarterly reports to the shareholders and quarterly earnings calls.

A delisting of the Company's share from trading on Nasdaq First North Premier Growth Market Stockholm will mean there will no longer be a marketplace for trading in the Company's share. Instead, any future trades in the Company's stock will be over-the-counter. For this reason, the liquidity of the Company's shares will decrease further. This will also mean that it becomes more difficult to buy and sell shares in the Company and that dealing in the Company's shares may require legal assistance, which the parties in any over-the-counter transactions must finance themselves.

By delisting, the Company will no longer be covered by, among other things, the disclosure obligations in the Market Abuse Regulation (MAR) and the set of rules that apply to companies admitted to trading on Nasdaq First North Premier Growth Market Sweden. However, the Company will continue to be covered by, among other things, the rules in the Danish Companies Act and the Annual Accounts Act.

There may be changes in a shareholder's tax legal position in relation to the shares, as these will cease to be listed on a regulated stock exchange.

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About Linkfire

Linkfire empowers music 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.

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 2023-07-17 07:46 CEST.

Attachments

[Linkfire A/S intends to initiate a delisting of its shares from Nasdaq First North Premier Growth Market Stockholm](#)