

Interim report Q3 2021

July 1 – September 30

Highlights Q3 2021

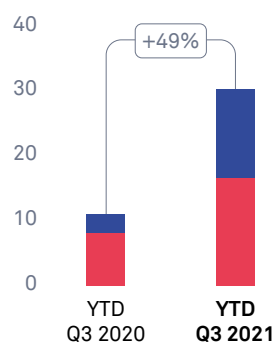
- Revenue growth of 42 per cent on a constant currency basis, 49 per cent YTD
- Gross profit increased by 38 per cent at a gross margin of 72 per cent
- Consumer connections of 383M down 6 per cent, up 5 per cent YTD
- RPM of DKK 8.62, 128 per cent growth compared to Q3 last year, and up 53 per cent from previous quarter
- The overall performance YTD is in line with expectations



Interim report Q3 2021

REVENUE AND REVENUE GROWTH*

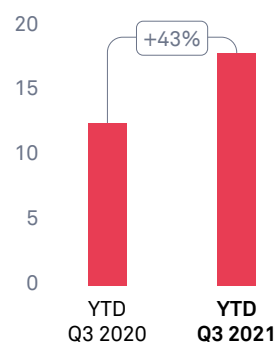
mDKK



■ Subscriptions
■ Commissions

GROSS PROFIT*

mDKK



■ Gross profit

* Figures are on a constant currency basis.



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Quarter in review

- Q3 Recognized revenue increased by 37 per cent to DKK 8.9M (Q3 2020: DKK 6.5M). The growth was driven by a consistent performance on Subscription revenue while Commission revenue grew 113% mainly rooted in a high increase in RPM.
- Revenue on a constant currency basis increased by 42 per cent to DKK 9.1M (Q3 2020: DKK 6.4M).
- The gross profit on a constant currency basis increased by 40 per cent to DKK 6.6M (Q3 2020: DKK 4.7M) at a gross margin of 72 per cent (Q3 2020: 74 per cent).
- Q3 Consumer connections decreased by 6 per cent to 383M (Q3 2020: 408M) largely due to a strong Q3 performance last year, and delayed pick-up in partner traffic.
- Traffic will always fluctuate over the quarters. YTD figures are up 5% and the overall development is in line with expectations.
- RPM grew by 128 per cent to DKK 8.62 (Q3 2020: DKK 3.77) which is up 53 per cent from the previous quarter, largely driven by higher conversion rates stemming from focused product optimization.



Financial highlights of the first three quarters

- In the first nine months of 2021, Recognized revenue grew by 41 per cent to DKK 23.9M (YTD 2020: 16.9M).
- Revenue on a constant currency basis grew by 49 per cent to DKK 24.7M (YTD 2020: DKK 16.5M). All revenue growth is attributed to organic growth.
- In the first nine months of 2021, gross profit on a constant currency basis increased by 43 per cent to DKK 17.9M (Q3 2020: DKK 12.5M) at a gross margin of 72 per cent (Q3 2020: 76 per cent).
- Consumer connections increased by 5 per cent to 1,150M (YTD 2020: 1,090M).
- RPM grew by 165 per cent to DKK 7.01 (YTD 2020: DKK 1.97)



Financial calendar

Interim financial report Q4, 2021
February 24, 2022

Annual General Meeting, 2022
April 27, 2022

Interim financial report Q1, 2022
May 25, 2022

Interim financial report Q2, 2022
August 25, 2022

Interim financial report Q3, 2022
November 24, 2022

Interim financial report Q4, 2022
February 23, 2023



Financial highlights and key figures

	Q3 2021	Q3 2020	2021 YTD	2020 YTD	2020
Key Metrics					
Consumer connections (Traffic)	383,013,333	407,614,185	1,150,112,633	1,090,622,607	1,489,011,372
<i>y/y Growth</i>	-6%	93%	5%	85%	78%
Revenue on a constant currency basis (kDDK)	9,080	6,390	24,690	16,526	24,348
<i>Revenue Growth</i>	42%	47%	49%	33%	43%
Organic Revenue Growth	42%	47%	49%	33%	43%
Subscription Revenue, on a constant currency basis (kDDK)	5,780	4,852	16,633	13,644	18,745
<i>y/y Growth</i>	19%	28%	22%	22%	23%
Commission Revenue, on a constant currency basis (kDDK)	3,301	1,538	8,057	2,882	5,603
<i>y/y Growth</i>	115%	171%	180%	123%	223%
Commission Revenue per Mille (RPM)*, on a constant currency basis in DKK	8.62	3.77	7.01	2.64	3.76
<i>y/y Growth</i>	128%	40%	165%	21%	81%
Gross Margin, on a constant currency basis	72%	74%	72%	76%	75%
* Commission Revenue per thousand consumer connections					
Financial Ratios					
Operating profit before interest, depreciation & amortisations (EBITDA) margin (%)	-62%	-27%	-72%	-39%	-34%
Operating profit margin (EBIT) (%)	-84%	-58%	-96%	-61%	-57%



CEO COMMENTS

Following the growth plan

We are seeing continued growth in both the music and entertainment industries alike. Rapid improvements in internet connectivity and device adoption provide a thriving environment for entertainment streaming, driving a surge in demand for content and the services linking consumers to it.

Demand is so strong that it's starting to transcend streaming. Entertainment, and more specifically, music, has become ubiquitous. Across social media, messaging, websites, games, even the metaverse, we see users listening, viewing and engaging with entertainment. Artists and labels see this as an opportunity and are signing license agreements to make their content available across an even greater array of platforms and services.

As the supply of content and the entertainment ecosystem grows, it's our job to empower consumers to navigate quickly and securely to this content. Linkfire is uniquely positioned to provide immense value for consumers, artists, labels and other stakeholders within entertainment as this market grows and becomes even more complex. This is constituted by our market position, unparalleled partnerships and premium technology.

Our year to date performance is in line with financial targets and we continue to follow our growth trajectory. During Q3, we announced a multi-year renewal to our agreement with Sony Music Entertainment further cementing our relationship as well as our position in the market.

Traffic in Q3 was slightly lower than the same period in 2020, which performed very strongly. Traffic is not a linear measurement and is dependent on a variety of factors such as music releases and partner technology adaptation. In short, we don't see any negative tendencies, and have seen a healthy overall stability in our traffic numbers, which are up 5% YTD in line with expectations.

We continue to invest in strengthening our market position and top line growth. Initiatives supporting this, such as increasing traffic and RPM are all key focus areas of ours. We retain our focus on expansion initiatives such as maturing our operations in Ghana and other geographical markets, growing the business organically, as well as executing the M&A agenda, most recently by acquiring key competitor smartURL.

Consistent focus on growth

During the third quarter we continued to increase traffic monetisation demonstrating that we understand our growth levers and how to affect the resulting outcome.

RPM, our ability to monetize the traffic that runs through our service, increased significantly during the quarter to an all-time high



I want to extend my gratitude for what Gogi Gupta and the smartURL team have done for the industry for so long. We are proud to team up and bring the industry to its next phase. Thank you to everyone involved in the process.

Lars Ettrup, CEO & Co-founder



of DKK 8.6, up 128% from last year and 53% from Q2 2021. This is predominantly a result of increased conversion rates stemming from focused product optimization and increases in partner revenue. Recent RPM development sets a good basis for future growth.

During the quarter, we have focused on expansion initiatives with the aim to drive traffic up further going forward.

Linkfire has expanded its operations to Sub-Saharan Africa by establishing a local office in Accra, Ghana. The expansion is part of Linkfire's ambition to grow its position and further strengthen traffic numbers in fast-growing markets like Africa and Asia. The goal is to increase traffic in the region from 3.5 million to 35 million per month within the next 24 months. Africa represents a strong growth opportunity for Linkfire - the cumulative annual growth rate for the music industry across the region is expected to reach 10-14 percent between 2021 and 2025. Our experience is that African artists are not just popular regionally, but are increasingly reaching a more global audience.

After the reporting period, Linkfire completed the acquisition of US-based smartURL, a key global competitor in the market for smart links. The acquisition will immediately solidify Linkfire's market position and boost traffic and commission revenue over time. Building upon smartURL's solid foundation, Linkfire's unparalleled features and monetization capabilities will elevate the combined offering to the next level. The acquisition of smartURL adds millions of monetizable consumer connections to Linkfire's business, supporting the strategy of driving growth in that area. The closing is expected to be between the end of this year and early next year, which marks the seller's delivery of the asset, ready for integration and value creation.

In addition to the above we are focusing intensely on establishing our traffic partners offering as an off-the-shelf service in order to decrease time to market and improve scalability of the offering. This is a long term game for Linkfire and taps into the expansive market for music discovery in all environments across the digital world.

M&A agenda going forward

In recent months, we have identified a wider range of M&A opportunities than previously anticipated. Both within areas of traffic growth but also market positioning and complimentary entertainment verticals. Areas of particular interest for growth opportunities are podcasts and audiobooks, which not only is a strong fit for our product and technology but also an area of entertainment that is maturing very fast. Spoken Word's share of audio listening has increased by 40% over the last seven years; 8% this year alone according to recent studies.

Linkfire is focused on opportunities that can generate growth by driving traffic and by improving RPM. The acquisition of smartURL after the reporting period is a good example of that, providing a strengthened footprint for Linkfire in both those focus areas. The partnership with smartURL's former owner, a leading media agency operating in the global entertainment industry for over 12 years, further brings relevant and improved monetization opportunities for our traffic.

I look forward to continuing these efforts during the fourth quarter of 2021 and beyond.

Lars Ettrup
CEO

24 month goal for the African market

+1000%

The goal is to increase traffic in the region from 3.5 million to 35 million per month within the next 24 months. Africa represents a strong growth opportunity for Linkfire.



New collaborations

The partnership with smartURL's former owner, a leading media agency operating in the global entertainment industry for over 12 years, further brings relevant and improved monetization opportunities for our traffic.



Management Report

Financial performance for the quarter

Revenue

Revenue increased by DKK 2,374 thousand, or 36 per cent, from DKK 6,506 thousand in the third quarter of 2020 to DKK 8,880 thousand in the same period of 2021. The fastest growing revenue line, Commissions, increased by DKK 1,746 thousand, or 113 per cent compared to Q3 2020, while Subscription revenue increased by DKK 628 thousand, or 13 per cent.

Cost

Cost of sales increased by DKK 865 thousand, or 54 per cent, from DKK 1,615 thousand in Q3 of 2020 to DKK 2,480 thousand in the third quarter of 2021. The increase is mainly related to improved baseline and scalability of server and hosting environments, to ensure compliant and premium service delivery.

In the third quarter of 2021, other external expenses increased by DKK 3,060 thousand, or 172 per cent, from DKK 1,776 thousand in Q3 2020 to DKK 4,836. The notable increase in expenses relates to new hires and increased staff, as well as the continued and rising employment of freelance staff as relocations take longer than usual during the pandemic. We have also seen an increase in consultant costs as we continue to focus on exploring our options for geographic expansion.

Staff costs increased by DKK 2,870 thousand, or 59 per cent, from DKK 4,887 thousand in the third quarter of 2020 to DKK 7,757 thousand in the same period of 2021. As a percentage of revenue, staff costs increased from 75 per cent to 87 per cent, primarily driven by new hires during the period.

Earnings

Other operating income increased by 678 thousand between the third quarter of 2020 and the third quarter of 2021.

Depreciation, amortisation and impairment increased by DKK 1 thousand, or 0 per cent, from DKK 1,982 thousand in the third quarter of 2020 to DKK 1,983 thousand in the third quarter of 2021. This represents a decrease in relation to revenue from 30 per cent in the third quarter of 2020 to 22 per cent in Q3 2021.

Operating loss increased by DKK 3,744 thousand, or 100 per cent, from DKK 3,754 thousand in Q3 2020 to DKK 7,498 thousand in Q3 2021. This is an increase in re-

Recognized Revenue for the quarter

8.9M

Revenue increased by DKK 2,374 thousand, or 36 per cent, from DKK 6,506 thousand in the third quarter of 2020 to DKK 8,880 thousand in the third quarter of 2021.



lation to revenue from (58) per cent in Q3 2020 to (84) per cent in the third quarter of 2021. The increase was primarily due to increased other external expenses and staff costs.

Net financial items

Financial income increased by DKK 61 thousand, or 161 per cent, from DKK 38 thousand in the third quarter of 2020 to DKK 99 thousand in the third quarter of 2021.

Financial expenses increased by DKK 1,104 thousand, or 66 per cent, from DKK 1,661 thousand in the third quarter of 2020 to DKK 2,765 thousand in Q3 of 2021.

Income tax

The tax for the year, which comprises deferred tax recognised in the income statement, increased by DKK 612 thousand, or 54 per cent, from DKK 1,128 thousand in Q3 of 2020 to DKK 1,740 thousand in Q3 2021. Income tax benefits relate to tax credit for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.

Net Profit/(loss)

Loss for the period increased by DKK 4,175 thousand, or 98 per cent, from DKK 4,249 thousand in Q3 of 2020 to DKK 8,424 thousand in Q3 of 2021. This represents a decrease in relation to revenue from (65) per cent in the third quarter of 2020 to (95) per cent in the third quarter of 2021.

Cash flow and financing

Cash flow from operations for Q3 2021 was DKK (26,409 thousand) (Q3 2020: DKK (1,022 thousand)).

Investment activities reduced cash flows with DKK 5,011 thousand in Q3 2021 (Q3 2020: DKK 3,409 thousand).

Cash flow from financing activities for Q3 2021 was DKK (5,072 thousand) (Q3 2020: DKK 4,859 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.

Q3 2021 Gross profit decreased to DKK (2,078 thousand) (Q3 2020: DKK 1,242 thousand).

Operating loss in Q3 2021 was DKK (7,671 thousand) (Q3 2020: DKK (3,352 thousand)). Loss after tax was DKK (8,565 thousand) (Q3 2020: DKK (3,801 thousand)).

Total equity amounted to DKK 96,855 thousand by September 30, 2021 (2020: DKK 3,892 thousand).



Financial performance first three quarters

Revenue

Revenue increased by DKK 6,996 thousand, or 41 per cent, from DKK 16,946 thousand in the first three quarters of 2020 to DKK 23,942 thousand in the first three quarters of 2021. The fastest growing revenue line, Commissions, increased by DKK 5,206 thousand, or 184 per cent compared to YTD 2020, while Subscriptions increased by DKK 1,791 thousand, or 13 per cent.

Cost

Cost of sales increased by DKK 2,479 thousand, or 60 per cent, from DKK 4,106 thousand in the first nine months of 2020 to DKK 6,585 thousand YTD 2021. The increase is mainly related to improved server and hosting cost to ensure premium service delivery, as well as an increase in traffic and users. The comparison period from the previous year includes a deduction of cost of sales due to received server credits from our largest supplier.

Other external expenses increased by DKK 10,124 thousand, or 198 per cent, from DKK 5,124 thousand in the first three quarters of 2020 to DKK 15,248 in the first three quarters of 2021, of which 5,574 thousand was attributable to costs in connection with the listing on Nasdaq First North Premier Growth Market in Stockholm during the second quarter.

Staff costs increased by DKK 6,565 thousand, or 46 per cent, from DKK 14,265 thousand in the first three quarters 2020 to DKK 20,830 thousand in the third quarter of 2021. As a percentage of revenue, staff costs increased from 84 per cent to 87 per cent. The increase in staff costs was primarily driven by new hires during the year.

Earnings

Other operating income increased from none in the first nine months of 2020 to DKK 1,557 in the first nine months of 2021.

Depreciation, amortisation and impairment increased by DKK 2,207 thousand, or 59 per cent, from DKK 3,715 thousand in the first three quarters of 2020 to DKK 5,922 thousand YTD 2021. This represents an increase in relation to revenue from 22 per cent in the first three quarters of 2020 to 25 per cent YTD 2021. The increase was primarily due to an increase in amortisation of intangible assets. Increased amortisation mainly derives from the final release of, and customer migration to, the relaunched Linkfire Platform holding extensive scalability and functionality improvements.

Operating loss increased by DKK 12,822 thousand, or 125 per cent, from DKK 10,264 thousand in the first three quarters of 2020 to DKK 23,086 thousand in the first three quarters of 2021. This represents a decrease in relation to revenue from (61) per cent in the first three quarters of 2020 to (96) per cent in YTD 2021. The increase was primarily due to increased cost, especially related to the transaction cost in connection with the IPO.

Net financial items

Financial income increased by DKK 371 thousand, or 94 percent, from DKK 395 thousand in the first three quarters of 2020 to DKK 766 thousand YTD 2021.

Recognized Revenue
for the first three quarters

23.9M

Revenue increased by DKK 6,996 thousand, or 41 per cent, from DKK 16,946 thousand in the first three quarters of 2020 to DKK 23,942 thousand in the first three quarters of 2021.



Financial expenses increased by DKK 1,761 thousand, or 52 per cent, from DKK 3,390 thousand in the first three quarters of 2020 to DKK 5,151 thousand in the first three quarters of 2021.

Income tax

The tax for the year, which comprises deferred tax recognised in the income statement, increased by DKK 959 thousand, or 28 per cent, from DKK 3,382 thousand YTD 2020 to DKK 4,341 thousand YTD 2021. Income tax benefits for all three quarters relate to tax credit for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.

Net Profit/(loss)

Loss for the period increased by DKK 13,253 thousand, or 134 per cent, from DKK (9,877 thousand) in the first three quarters of 2020 to DKK (23,130 thousand) in the first three quarters of 2021. This represents a decrease in relation to revenue from (58) per cent in the first nine months of 2020 to (97) per cent YTD 2021.

Balance Sheet

Total assets amounted to DKK 152,524 thousand (YTD 2020: DKK 60,827 thousand), with an equity of DKK 98,528 thousand (YTD 2020: DKK 4,154 thousand).

Cash flow and financing

Cash flow from operations for YTD 2021 was DKK (24,737 thousand) (YTD 2020: DKK 542 thousand).

Investment activities reduced cash flow with DKK 12,219 thousand in YTD 2021 (YTD 2020: DKK 10,293 thousand).

Cash flow from financing activities for YTD 2021 was DKK 110,397 thousand (YTD 2020: DKK 6,845 thousand), mainly affected by the proceeds from capital increase in connection with the IPO.

Parent company

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

YTD 2021 Gross profit decreased to DKK (7,849 thousand) (YTD 2020: DKK 2,198 thousand).

Operating loss YTD 2021 was DKK (24,285 thousand) (YTD 2020: DKK (9,032 thousand)). Loss after tax was DKK (24,222 thousand) (YTD 2020: DKK (8,491 thousand)).

Total equity amounted to DKK 96,855 thousand by September 30, 2021 (2020: DKK 3,892 thousand).

**Cash flow from financing
for the first three quarters**

110.4M

Cash flow from financing activities for YTD 2021 was DKK 110,397 thousand (YTD 2020: DKK 6,845 thousand), mainly affected by the proceeds from capital increase in connection with the IPO.



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, 2021, share capital amounted to 583.392,22 DKK, and the total number of issued shares was 58,339,222. The company has one class of shares. Each share entitles the holder to one vote at the general meetings.

Shareholder structure

A list of top 10 shareholders in Linkfire A/S can be found on the company's website.

Incentive programs

Share-based incentive programs in place ahead of the listing have been exercised.

The Group has established share-based incentive programmes comprising equity-settled programmes (warrants) for Key Management Personnel and other employees. The purpose of these programmes is to ensure common goals for Management, employees and shareholders. Share-based incentives in place ahead of Linkfire's listing on Nasdaq First North Premier Growth Market in Stockholm have been allocated to the Board of Directors. No further warrants have been allocated, while the Board of Directors expects to initiate allocations in the fourth quarter.

Subsequent Events

On November 4, 2021 Linkfire acquired smartURL in an asset buy-out agreement from parent company Gupta Media LLC. The consideration is up to USD 4.8M for smartURL which will be paid through a combination of cash and equity. Upon closing, Linkfire will pay an initial consideration of USD 2.35M, equally divided in cash and Linkfire shares. The initial payment in cash, amounting to USD 1.175M, is financed through own funds. The number of Linkfire shares paid to the seller will be determined via a five-day pre-signing and a five-day post-signing volume-weighted average price ("VWAP") in Linkfire's share. To illustrate the share issue, based on the November 3, 2021 closing price, the share issue as part of the initial consideration amounts to 1,358,792 shares.



Contact

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investors@linkfire.com
CFO: **Tobias Demuth**,
investors@linkfire.com



About Linkfire

Linkfire A/S the parent company of the Linkfire Group is a limited liability company incorporated and headquartered in Denmark, with its head office in Artillerivej 86, 2300 Copenhagen and additional offices in the US, New York and Los Angeles, in Lisbon, Portugal, and in Accra, Ghana.

The Group is on a mission to empower entertainment discovery everywhere. Linkfire is a technology company providing marketing and promotional services within the music and entertainment industries. Through its offering, the Group simplifies music discovery for consumers and generates traffic for digital service providers. Furthermore, the platform enhances marketing related decision making for labels and creators. In 2020 Linkfire facilitated 1.5 billion consumer connections across the world.



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 01.07.2021 – 30.09.2021 for Linkfire A/S.

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

The Parent's financial statements have been prepared in accordance with the Danish Financial statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and Parent's assets, liabilities and financial position at 30.09.2021 and of the results of the Group's activities and cash flows for the period 01.07.2021 – 30.09.2021.

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

Copenhagen, November 18 2021

Executive Board

Lars Wiberg Etrup
CEO & Co-founder

Tobias Demuth
CFO

Board of Directors

Jesper Møller
Chairman

Thomas Rudbeck

Charlotte Klinge

Thomas Weilby Knudsen



The independent auditor's review report on the interim financial statements

To the shareholders of Linkfire A/S

We have reviewed the interim financial statements of Linkfire A/S for the accounting period 01.07.2021 to 30.09.2021, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies.

Management's responsibility for the interim financial statements

Management is responsible for the preparation of interim financial statements in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU, and Danish disclosure requirements for listed companies, and for such internal control as Management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial statements. We conducted our review in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish audit regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared, in all material respects, in accordance with the applicable financial reporting framework. This also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the interim financial statements.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements for the accounting period 01.07.2021 to 30.09.2021 have not been prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU, and Danish disclosure requirements for listed companies.

Copenhagen, November 18 2021

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	Q3 2021	Q3 2020	2021 YTD	2020 YTD	2020
Revenue	8,880	6,506	23,942	16,946	24,699
Cost of sales	-2,480	-1,615	-6,585	-4,106	-5,995
Gross profit	6,400	4,891	17,357	12,840	18,704
Other external expenses	-4,836	-1,776	-15,248	-5,124	-6,613
Staff costs	-7,757	-4,887	-20,830	-14,265	-20,461
Other operating income	678	-	1,557	-	-
Depreciation, amortisation and impairment losses	-1,983	-1,982	-5,922	-3,715	-5,823
Operating profit/(loss)	-7,498	-3,754	-23,086	-10,264	-14,193
Financial income	99	38	766	395	509
Financial expenses	-2,765	-1,661	-5,151	-3,390	-4,305
Profit/(loss) before tax	-10,164	-5,377	-27,471	-13,259	-17,989
Tax for the year	1,740	1,128	4,341	3,382	4,528
Profit/(loss) for the year	-8,424	-4,249	-23,130	-9,877	-13,461
Other comprehensive income					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):					
Exchange differences on translation of foreign operations	-1	50	-8	-114	166
Other comprehensive income for the year, net of tax	-1	50	-8	-114	166
Total comprehensive income for the year	-8,425	-4,199	-23,138	-9,991	-13,295
Attributable to:					
Shareholders of Linkfire ApS					
Earnings per share (DKK)	-0.15	-0.40	-0.55	-0.94	-1.28
Earnings per share, diluted (DKK)	-0.14	-0.36	-0.54	-0.84	-1.14



Balance Sheet

kDKK	Q3 2021	Q3 2020	2020
Assets			
Non-current assets			
Intangible assets	58,174	49,715	51,503
Property, plant and equipment	356	70	168
Right-of-use assets	2,470	3,542	3,226
Deposits	971	418	427
Total non-current assets	61,971	53,745	55,324
Current assets			
Trade receivables	2,870	2,031	2,195
Income tax receivables	8,869	3,382	4,528
Other receivables	3,608	856	664
Prepayments	1,789	391	292
Cash	73,417	422	783
Total current assets	90,553	7,082	8,462
Total assets	152,524	60,827	63,786



Balance Sheet

kDKK	Q3 2021	Q3 2020	2020
Equity and liabilities			
Equity			
Share capital	584	106	108
Retained earnings	97,928	-467	-73
Translation reserve	16	10	124
Other capital reserve	-	4,505	4,750
Total equity	98,528	4,154	4,909
Non-current liabilities			
Interest bearing liabilities	33,546	29,753	33,617
Lease liabilities	1,020	2,266	1,809
Total non-current liabilities	34,566	32,019	35,426
Current liabilities			
Interest-bearing liabilities	2,353	6,880	3,995
Contract liabilities	6,951	8,143	5,702
Lease liabilities	1,472	1,386	1,487
Trade payables	3,404	3,719	2,888
Other payables	5,250	4,526	9,379
Total current liabilities	19,430	24,654	23,451
Total liabilities	53,996	56,673	58,877
Total equity and liabilities	152,524	60,827	63,786



Statement of changes in Equity

kDKK	Share capital	Retained earnings	Translation reserve	Other capital reserve	Total
Balance at 1 January, 2021	108	-73	124	4,750	4,909
Net profit/(loss) for the period	-	-23,130	-	-	-23,130
Other comprehensive income	-	-	-108	-	-108
Total comprehensive income	108	-23,203	16	4,750	-18,329
Capital increase	476	125,197	-	-	125,673
Transaction cost	-	-8,950	-	-	-8,950
Share-based payments	-	4,884	-	-4,750	134
Balance at 30 September, 2021	584	97,928	16	-	98,528
During the period no dividend was paid.					
Balance at 1 January, 2020	104	6,912	-83	3,093	10,026
Net profit/(loss) for the period	-	-9,877	-	-	-9,877
Other comprehensive income	-	-	93	-	93
Total comprehensive income	104	-2,965	10	3,093	242
Capital increase	2	2,498	-	-	2,500
Share-based payments	-	-	-	1,412	1,412
Balance at 30 September, 2020	106	-467	10	4,505	4,154



Cash flow statement

kDKK	Q3 2021	Q3 2020	2021 YTD	2020 YTD	2020
Operating loss	-7,498	-3,754	-23,086	-10,264	-14,193
Depreciation, amortisation and impairment losses	1,983	1,982	5,922	3,715	5,823
Change in working capital	-20,318	-3,662	-5,451	2,997	2,113
Share-based payment expense	-	398	134	1,412	1,657
Gain on disposal	-	-	-	-	-6
Cash flow from ordinary operating activities	-25,833	-5,036	-22,481	-2,140	-4,606
Income taxes received	-	4,529	-	4,529	4,177
Interest received	99	38	766	395	-
Interest paid	-672	-553	-3,022	-2,242	-3,402
Cash flow from operating activities	-26,406	-1,022	-24,737	542	-3,831
Development expenditures	-4,465	-3,357	-11,544	-10,241	-13,657
Investments in property, plant and equipment	-	-52	-129	-52	-173
Change in deposits	-546	-	-546	-	-10
Cash flow from investing activities	-5,011	-3,409	-12,219	-10,293	-13,840
Proceeds from borrowings	-	7,457	5,760	11,364	12,059
Repayment of borrowings	-9,223	-2,755	-10,960	-5,891	-1,668
Payment of principal portion of lease liabilities	-387	-343	-1,123	-1,128	-1,667
Transaction cost from capital increase	-	-	-8,952	-	-
Proceeds from capital increase	4,538	500	125,672	2,500	6,481
Cash flow from financing activities	-5,072	4,859	110,397	6,845	15,205
Change in cash and cash equivalents					
Net cash flow	-36,489	428	73,441	-2,906	-2,467
Net foreign exchange difference	-1,178	-277	-807	-212	-289
Cash, Begin	111,084	270	783	3,539	3,539
Cash, End	73,417	421	73,417	421	783



Notes Glossary

- 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



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 July 1 - September 30, 2021 has been prepared in accordance with IAS 34 “Interim financial statements” as adopted by the EU and additional requirements in the Danish Financial Statements Act. The parent company condensed interim financial statements have been included according to the Danish Executive Order on the Preparation of Interim Financial Reports.

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

Accounting policies

Except for the changes below, the condensed consolidated interim financial statements have been prepared using the same accounting policies as set out in note 1 of the 2020 annual report which contains a full description of the accounting policies for the Group and the parent company. The annual report for 2020 can be found on Linkfire’s web-site: <https://investors.linkfire.com/investors#reports-and-presentations>.

Changes in accounting policies:

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

Significant accounting judgements, estimates, and assumptions

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities.

The significant accounting judgements, estimates and assumptions applied in these consolidated interim financial statements are the same as disclosed in note 2 in the annual report for 2020 which contains a full description of significant accounting judgements, estimates and assumptions.



Notes

2 Revenue specification

	Q3 2021	Q3 2020	2021 YTD	2020 YTD	2020
Revenue by business segment					
kDKK					
Subscriptions	5,582	4,954	15,911	14,120	19,148
Commissions	3,298	1,552	8,031	2,826	5,551
Total	8,880	6,506	23,942	16,946	24,699
%-split					
Subscriptions	63	76	66	83	78
Commissions	37	24	34	17	22
Total	100	100	100	100	100
Geographic information					
As an online platform, the Group generates revenue from customers located worldwide.					
For this purpose, internal reporting divides revenue according to the NAM (Northern America), the EMEA region (Europe, Middle East and Africa) as well as APAC (Asia and Oceania) and LATAM (Latin America and the Caribbean).					
kDKK					
NAM	5,064	2,543	13,761	6,274	9,486
EMEA	2,460	3,219	6,844	8,987	12,609
APAC	1,218	675	2,941	1,497	2,328
LATAM	138	69	396	188	275
Total	8,880	6,506	23,942	16,946	24,699
%-split					
NAM	57	39	57	37	38
EMEA	28	49	29	53	51
APAC	14	11	12	9	9
LATAM	1	1	2	1	1
Total	100	100	100	100	100



Notes

3 Share-based payment plans

2015 Warrant program:

During the third quarter of 2021 the company did not grant any warrants and no warrants were exercised under this program. The total share based compensation expense recognised for Q3 2021 is 0 kDKK (Q3 2020: 0 kDKK).

2020 Warrant programs:

During the third quarter of 2021 the company did not grant any warrants and no warrants were exercised under this program. The total share based compensation expense recognised for Q3 2021 is 0 kDKK (Q3 2020: 398 kDKK).

4 Income tax

kDKK	Q3 2021	Q3 2020	2021 YTD	2020 YTD	2020
Current tax for the year income	1,740	1,128	4,341	3,382	4,528
Changes in deferred tax	-	-	-	-	-
Recognised as receivable tax credit	8,869	3,382	8,869	3,382	4,528
Income tax benefits for all periods relate to tax credit for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.					
Tax calculated as 22% of profit/loss before tax	2,236	1,183	6,044	2,917	3,958
Non-capitalised tax assets	-	-	-	-	-
Non-deductible expenses	-496	-55	-1,703	465	570
Effective tax	1,740	1,128	4,341	3,382	4,528
Tax rate for the year (%)	17.1%	21%	15.8%	25.5%	25.2%

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



Notes

5 Intangible assets

kDKK	Completed development projects	Development projects in progress	Total
Cost at 1 July 2021	55,765	9,720	65,485
Transfers	-	-	-
Additions	-	4,465	4,465
Cost at 30 September 2021	55,765	14,185	69,950
Amortisation and impairment at 1 July 2021	-10,152	-	-10,152
Amortisation during the year	-1,624	-	-1,624
Amortisation and impairment at 30 September 2021	-11,776	-	-11,776
Carrying amount at 30 September 2021	43,989	14,185	58,174
Cost at 1 July 2020	18,050	33,583	51,633
Transfers	-	-	-
Additions	-	3,357	3,357
Cost at 30 September 2020	18,050	36,940	54,990
Amortisation and impairment at 1 July 2020	-3,611	-	-3,611
Amortisation during the year	-1,664	-	-1,664
Amortisation and impairment at 30 September 2020	-5,275	-	-5,275
Carrying amount at 30 September 2020	12,775	36,940	49,715



Notes

6 Non-current liabilities and other current financial liabilities

Lease liabilities:

Non-current and current lease liabilities, of 1 mDKK and 1.5 mDKK respectively.



Interim statement of comprehensive income for the parent company

kDKK	Q3 2021	Q3 2020	2021 YTD	2020 YTD	2020
Gross profit	-2,078	1,242	-7,849	2,198	3,045
Other external expenses					
Staff costs	-4,626	-2,919	-12,201	-8,516	-11,648
Other operating income	678	-	678	-	-
Depreciation, amortisation and impairment losses	-1,645	-1,675	-4,913	-2,714	-4,351
Operating profit/(loss)	-7,671	-3,352	-24,285	-9,032	-12,954
Financial income	99	38	441	395	508
Financial expenses	-2,733	-1,615	-4,719	-3,236	-4,109
Profit/(loss) before tax	-10,305	-4,929	-28,563	-11,873	-16,555
Tax for the year	1,740	1,128	4,341	3,382	4,528
Profit/(loss) for the year	-8,565	-3,801	-24,222	-8,491	-12,027
<i>Proposed distribution of profit and loss:</i>					
Proposed dividend	-	-	-	-	-
Retained earnings	-8,565	-3,801	-24,222	-8,491	-12,027
Profit/(loss) for the year	-8,565	-3,801	-24,222	-8,491	-12,027



Balance Sheet

kDKK	Q3 2021	Q3 2020	2020
Assets			
Completed development projects	43,989	47,238	48,861
Development projects in progress	14,185	2,477	2,642
Total intangible assets	58,174	49,715	51,503
Other fixtures and fittings, tools and equipment	213	70	94
Leasehold improvements	-	-	2
Total property, plant and equipment	213	70	96
Deposits	510	418	427
Investments in subsidiaries	-	-	-
Total fixed asset investments	510	418	427
Total fixed assets	58,897	50,203	52,026
Trade receivables	2,870	2,032	2,195
Other receivables	3,527	854	489
Receivables from group enterprises	264	-	-
Income tax receivables	8,869	3,382	4,528
Prepayments	1,789	317	280
Total receivables	17,319	6,585	7,492
Cash	71,989	383	700
Total current assets	89,308	6,968	8,192
Total assets	148,205	57,171	60,218



Balance Sheet

kDKK	Q3 2021	Q3 2020	2020
Equity and liabilities			
Share capital	584	106	108
Reserve for development costs	45,375	38,778	40,173
Retained earnings	50,896	-34,992	-35,925
Total equity	96,855	3,892	4,356
Interest bearing liabilities	33,547	28,829	32,780
Total non-current liabilities	33,547	28,829	32,780
Current portion of non-current liabilities other than provisions	2,353	2,091	3,120
Interest bearing liabilities	-	4,789	3,995
Prepayments from customers	6,950	8,144	5,702
Trade payables	3,375	3,718	2,886
Payables to group enterprises	-	1,182	1,764
Other payables	5,125	4,526	5,615
Total current liabilities	17,803	24,450	23,082
Total liabilities	51,350	53,279	55,862
Total equity and liabilities	148,205	57,171	60,218



Statement of changes in Equity

kDKK	Share capital	Share premium	Reserve for development costs	Retained earnings	Total
2021					
Equity beginning of period	108	-	40,174	-35,925	4,357
Increase of capital	475	125,489	-	-292	125,672
Transferred from share premium	-	-	-	-	-
Transfer to reserves	-	-	5,202	-5,202	-
Transaction cost from capital increase	-	-	-	-8,952	-8,952
Proposed dividend	-	-	-	-	-
Profit/(loss) for the period	-	-	-	-24,222	-24,222
Equity end of period	583	125,489	45,376	-74,593	96,855
2020					
Equity beginning of period	104	-	32,887	-23,108	9,883
Increase of capital	2	2,498	-	-	2,500
Transferred from share premium	-	-	-	-	-
Transfer to reserves	-	-	5,891	-5,891	-
Transaction cost from capital increase	-	-	-	-	-
Proposed dividend	-	-	-	-	-
Profit/(loss) for the period	-	-	-	-8,491	-8,491
Equity end of period	106	2,498	38,778	-37,490	3,892