Linkfire

Empowering entertainment discovery everywhere

Annual report 2021

Linkfire A/S • Artillerivej 86, 3. • 2300 København S • CVR no. 35 83 54 31

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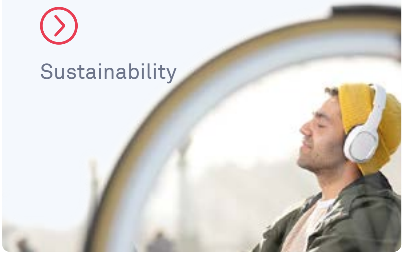
Sustainability



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The Linkfire share

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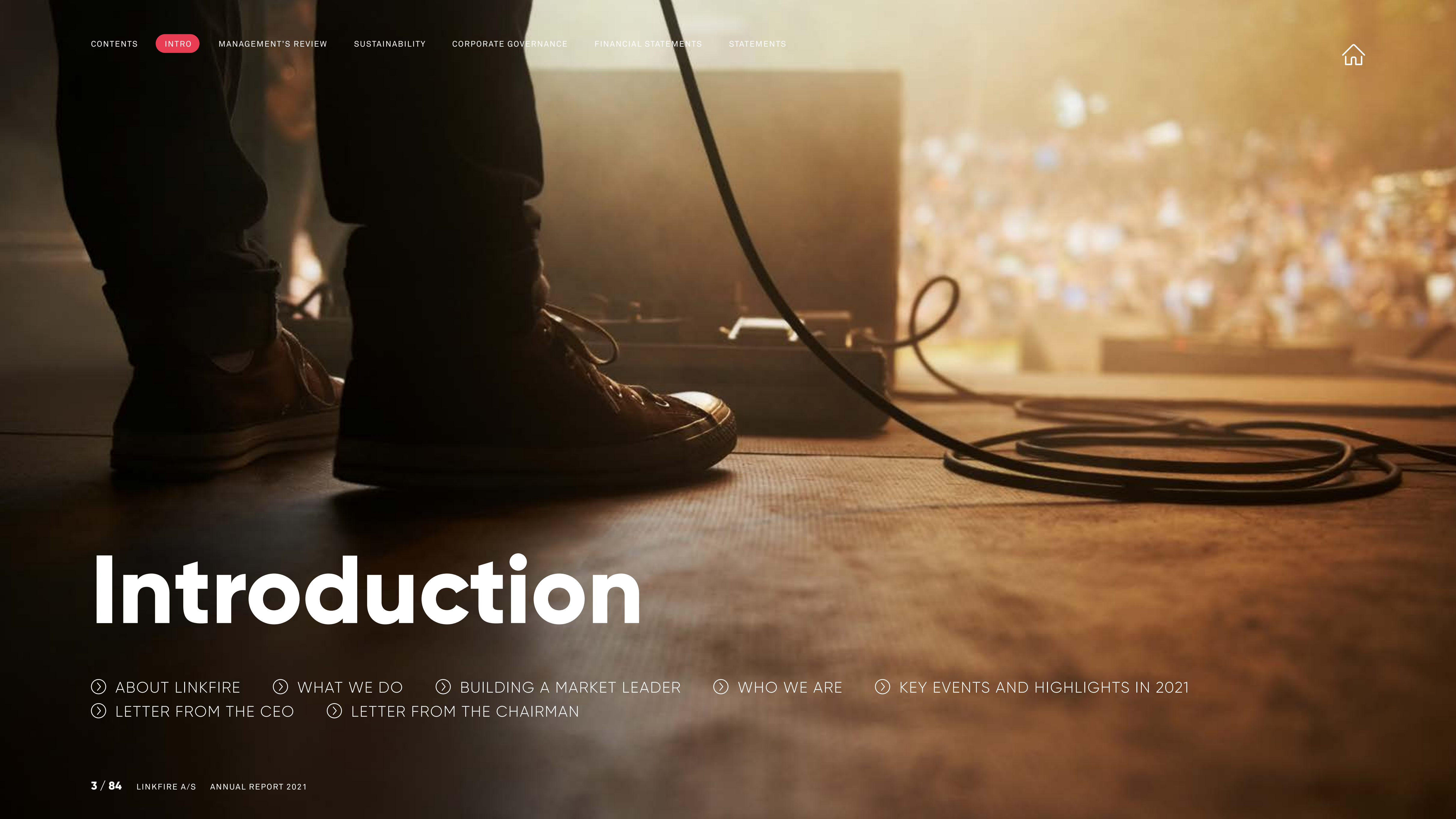

Introduction

ABOUT LINKFIRE
WHAT WE DO
BUILDING A MARKET LEADER
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KEY EVENTS AND HIGHLIGHTS IN 2021
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ABOUT LINKFIRE

Empowering entertainment discovery everywhere

Linkfire is the world's leading off-platform entertainment discovery network. Our smart links connect billions of consumers across the globe to the content they love, in the apps they love.

Since 2014, we've become a trusted partner to the music industry's biggest names, as well as thousands of soon-to-be biggest names. Linkfire is headquartered in Copenhagen, with offices in New York City, Los Angeles, Lisbon and Accra.

Read more about Linkfire at https://www.linkfire.com

EMPOWERING ENTERTAINMENT DISCOVERY EVERYWHERE

What we do

Music has the unique power to unite us all. It transcends cultures, languages, and borders. The music and entertainment industries are however transforming in a way that has left companies within and around these industries in a constantly uncertain and changing operating environment. In addition to the industry transformation, the market is fragmented and split across many different platforms and services.

Marketing efforts have traditionally been built on past behavior, but in an increasingly complex digital marketing world, insight on the consumers' willingness to pay for content, their interest in engaging with multiple mediums simultaneously and a shift towards short-form content have become crucial.

In this new operating environment, consumers and fans want to engage with bespoke content on their own terms, and digital technology makes it easier than ever. Since we started, we've become a trusted partner to the music industry's biggest names, as well as thousands of soon-to-be biggest names.

We empower entertainment discovery everywhere by simplifying it. For this purpose, we have built leading digital marketing solutions for the entertainment and music industries. Linkfire enables entertainment discovery everywhere by simplifying music and entertainment discovery for consumers and supporting traffic generation for digital music and entertainment content providers.

Consumer connections

1.6 billion

In 2021, 1.6 billion consumers were connected through Linkfire. We help consumers make fast, safe and wise decisions in a complex market and present them with contextual, bespoke and curated options, so that music and entertainment discovery can happen anywhere. We empower everyone from major labels to independent artists with unparalleled audience insights.

Headquartered

Copenhagen

We are headquartered in Copenhagen, Denmark, with offices in New York City and Los Angeles, United States, Lisbon, Portugal and Accra, Ghana.

Listed

LINKFI

Linkfire is listed on Nasdaq First North Premier Growth Market, Sweden with the trading code LINKFI.

EMPOWERING ENTERTAINMENT DISCOVERY EVERYWHERE

Building a market leader

2014 - 2015

Linkfire is founded and the first version of the marketing platform was developed in collaboration with Danish record labels.

2016 - 2017

Going international. The platform became widely used throughout Denmark and Europe. All three major music labels - Universal Music Group, Sony Music Group, and Warner Music Group – joined Linkfire.

2018

Conquering the US. Linkfire opened its first US offices, followed by a quick increase of adoption by the big US record labels.

2019

Building a market leader. Linkfire secures its position as the global market leader by connecting more fans with music than any other competitor.

2020

Scaling up. Independent record labels, independent musicians, podcasters, and the first large US film studio started using Linkfire.

2021

Linkfire is listed and becomes a publicly listed company on Nasdaq First North Premier Growth Market in Sweden

EMPOWERING ENTERTAINMENT DISCOVERY EVERYWHERE

Who we are

Music and entertainment has the unique power to transcend cultures, languages, and borders - and Linkfire is immensely proud to embrace that same spirit across our global organization.

We're a passionate team of developers, engineers, product managers, and more, drawn from every corner of the globe. All of us live and breathe music, so when we say "we rock," we really do mean it.

Read more about Linkfire at https://www.linkfire.com

Founded
2014

Founded in 2014 by the current CEO and CCO, who wanted to simplify the marketing workflows within the increasingly fragmented digital music industry.

Employees
100+

Read more about our people on page 28

Listed
2021

Listed on Nasdaq First North Premier Growth: 2021

Key events and highlights in 2021

Q1

In January, Linkfire renewed the agreement for providing its SaaS Marketing Platform to Universal Music Group globally.

Q2

In June, Linkfire was listed on Nasdaq First North Premier Growth Market in Sweden.

Q3

In August, Linkfire collaborated with Apple to launch new feature in Apple for Artists service and announced a multi-year renewal of agreement with Sony Music.

In August, Linkfire renewed the agreement for providing its SaaS Marketing Platform to Sony Music Entertainment globally.

Q4

In November, Linkfire opened a local office in Accra, Ghana, as part of Linkfire's ambition to grow its position and increase traffic in fast-growing markets like Africa and Asia.

In November, Linkfire also partnered with smartURL, the pioneer in the music smart linking space.

In December, Linkfire renewed the agreement for providing SaaS Marketing Platform to Warner Music globally.

Letter from the CEO

2021 got off to a strong start with solid growth throughout the business and key performance indicators, and a successful listing on Nasdaq First North Premier Growth Market in Sweden.

This year we have seen significant growth within commission revenue and RPM*. The 2021 numbers are a strong statement that, despite COVID-19 still impacting the entertainment industry at large, the underlying growth in digitalization of music consumption is continuing.

The listing in June 2021 was an exciting step for Linkfire and it has supported us in our continued growth journey, the scaling of our operations and the expansion of our market position globally. Sweden has a strong standing in the global music and entertainment industry and a listing in Stockholm takes us closer to that.

Following the completion of the IPO, our focus has been set on scaling the business. During the year we have been working with expanding our offering and our geographic presence, both organically and through pursuing M&A opportunities. In line with our strategy to grow traffic monetisation, we continuously strive to improve and expand upon our affiliate agreements with partners.

Linkfire has seen a very promising development in both the business and in the markets. Traffic continues to grow as the output of new music and content in our markets sustains a high level.

At the same time, we have achieved improvements in traffic monetization, measured in RPM. RPM increased by 92 percent year-on-year and commission revenues grew by 108 percent, compared to the previous year.

During 2021, continuous optimization and development of new offerings for the music and entertainment industry alongside industry partnerships, have been key drivers in Linkfire's growth. Since the listing in June, the ambition has been and still is, to hire top talent to support the underlying commercial drivers. The effects of these investments have revealed their potential during the year. Initiatives in product optimization led to higher conversion rates as the main driver which contributed to the strong RPM growth.

A clear signal of the company gaining return on its continued investments in

* see glossary on page 83

"I would like to send my thanks to all our shareholders, customers, colleagues and business partners for contributing to the prosperity of our growth. Linkfire now expects to be profitable in 2023 and I invite you all to be a part of our exciting journey!

Lars Ettrup, CEO & Co-founder

product optimization, which can lead to further monetization improvements and growth. These improvements come at a high gross margin and are scalable as Linkfire utilizes its own data and traffic to continue to optimize.

A milestone is that we have expanded our operations to Sub-Saharan Africa, as we established a local office in Accra, Ghana. The expansion is part of Linkfire's ambition to grow in position and increase traffic in fast-growing markets like Africa and Asia. Strategically well located close to other key markets like Nigeria, Ghana is a fast-growing entertainment market in itself. And the trend is clear: songs released from Africa are not only consumed on the continent, but also outside by a global audience.

We continue to be excited over the fast growth that happens in the music and entertainment industries. Covid has brought along an expedited technological development and maturity in many areas across the music and entertainment industries. Every day, 60,000 songs are uploaded to streaming services, which cements the market volume Linkfire is approaching. And that's just the songs. Entertainment, music and spoken word has become ubiquitous. Across social media, messaging, websites, games, even the metaverse, we see users listening, viewing and engaging with entertainment. To meet these trends, we signed an agreement to acquire smartURL, the pioneer in the music smart linking space, and all related assets from Gupta Media, LLC. SmartURL's strong position and expertise in the global entertainment ecosystem and their passion for servicing labels, artists and consumers makes them an ideal acquisition for Linkfire. We've been competing head-to-head with smartURL for years now and have continuously been impressed by their prominent industry position and foothold. The acquisition further solidifies our position as one of the leading marketing platforms for music and entertainment.

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. The acquisitions, expansions and growth of the year strengthens our position as a trusted and reliable partner for entertainment and music discovery worldwide. I am impressed and proud of the dedicated work performed at Linkfire. Hence, I would like to send my thanks to all our shareholders, customers, colleagues and business partners for contributing to the prosperity of our growth. Linkfire now expects to be profitable in 2023 and I invite you all to be a part of our exciting journey!

Best regards
Lars Ettrup, CEO & Co-founder

Letter from the Chairman

Since it was founded in 2014, Linkfire has made an impressive and convincing journey. The team has built an impressive business and have taken a key position in the marketing ecosystem for music and entertainment globally.

In 2021 Linkfire took a major step in our growth journey when we had our initial listing on the Stockholm Nasdaq First North Premier. The listing was a success and Linkfire managed to raise capital to continue our journey and expand even more rapidly.

Another of the main events of 2021 was the acquisition of smartURL, our first major acquisition as a listed company. The acquisition further solidified Linkfire's market position, as Linkfire's unparalleled features and monetization capabilities have elevated the combined offering to the next level.

We also expanded into new geographical areas, most recently by opening a new office in Accra, Ghana. Ghana was the chosen location to strategically place ourselves in the midst of the African market, which contains strong growth opportunities for Linkfire, with Ghana and Nigeria as key markets.

The past year was in many ways unprecedented. Despite this, Linkfire succeeded in both proving the strength of our strategy and business model, as well as delivered a resilient performance in an ever-changing market environment.

In the beginning of 2022, Linkfire was ranked #8 amongst the top 100 Danish startups in 2021 in Leap's yearly report based on digital marketing performance – another indication of the great work that has and will be done by the company.

As Chairman, I look forward to supporting Linkfire on its continued development as a listed company.

Best regards
Jesper Møller, Chairman of the board

Management's review

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- OUR GROWTH STRATEGY
- GROWING COMMISSION REVENUE
- A SCALABLE AND FLEXIBLE BUSINESS MODEL
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Market update

As the digital landscape continues to transform and new consumption behaviors evolve, the opportunity to help consumers discover music and entertainment arises. Besides music being on the rise, the consumption of spoken word as a content form is reaching all-time highs, creating new opportunities for marketing and experience-sharing.

The growing and changing entertainment market represents promising growth opportunities for Linkfire, which has a strong and unique market position to provide immense value for consumers, artists, labels and other stakeholders within entertainment, as this market grows and becomes even more complex. In addition to our market position, this is enabled by our unparalleled partnerships and our premium technology.

The thrill of discovering a new song for the first time has not changed, but the path guiding consumers to their favorite content is. Music and entertainment still has the ability to communicate to others how a person is feeling in a specific moment.

Our solutions, key strengths and competitive advantage

We have built two products that globally provide seamless connections to music and entertainment. Our offering consists of the **Marketing Platform** and the **Discovery Network**.

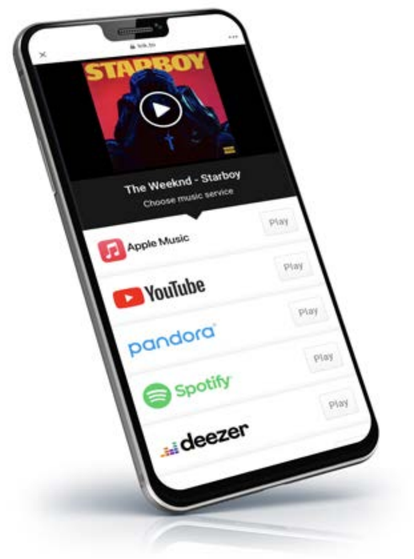
The **Linkfire Marketing Platform** is a SaaS marketing platform allowing labels and artists, its customers, to create Smart Links for music products such as songs, albums, tickets and merchandise, which can be shared on websites and applications. The Smart Links route consumers to a landing page from which they can easily engage further with the content.

Furthermore, the platform offers complex data insights, helping Linkfire's customers to better understand their target audiences, and consumer journeys.

The **Linkfire Discovery Network** is a network of Smart Links on partner websites and applications as well as traffic channels, which connects consumers to music products. The service enables Linkfire's Traffic Partners to have the Smart Linking technology deeply integrated in the partner application. The discovery network is currently among others integrated in the multi-messaging application Snapchat.

In other words, Linkfire simplifies music discovery for consumers and supports traffic and lead generation for Digital Service Providers such as Apple Music, Spotify and Pandora.

Subscription revenue is generated from customers using the Linkfire Marketing Platform and commission revenue whenever a potential consumer signs up for or transacts at Digital Service Providers, with whom Linkfire has an affiliate agreement, through a Linkfire link.



Key strengths and competitive advantage

A leader and consolidator in a fast growing music and entertainment market

Linkfire's Smart Links are driving billions of consumer connections, more than any of its direct competitors. The recorded music industry is estimated to double in size by 2030. Linkfire is uniquely positioned to join the growth.

Strong partnership network

Linkfire has a unique partner-ship network, with partners including Apple Music, Youtube, Deezer, Snapchat and Ticketmaster among many others.

A large and broad customer base

Linkfire works with the largest music labels world-wide, its marketing platform encompasses over 85,000 users and is used by the vast majority of Billboard's Top 100 artists and their teams.

A scalable and flexible business model

Linkfire's business model is highly scalable – the output of new revenue contracts vastly supersedes the cost of contract acquisition. You can read more about our business model under the heading *A scalable and flexible business model.*

A privacy-first service offering

Linkfire links and landing pages do not rely on cookies, which lowers the barriers for entering a commercial discussion with Linkfire, and future-proofs the business.

Our growth strategy

Linkfire has a unique offering to penetrate the market, operates in a nascent, fast growing market with multifaceted growth opportunities and has a solid foundation for future growth. Our growth strategy is divided into growing subscription revenue, and growing commission revenue.

Growing subscription revenue

There are two main ways of growing subscription revenue: by adding new clients and by increasing user monetisation.

1 2 3 4

Expanding the customer base

We aim to grow our customer base both through inbound leads and through lead acquisition which it has initiated. The Linkfire Marketing Platform currently has 85,000 users, which can be compared with the total number of artists with content on Spotify of 8.0 million, signaling a large upside. In the coming years, the estimation is that most upside in subscription revenue will originate from signing new customers.

Adding value to our customers

The way to remain relevant for the market and our customers is by ensuring that our platform is innovative, market-leading and compliant. We believe if we keep adding value to our customers' business, we are able to grow our own. We expect subscription contract renegotiations to account for a substantial part of our growth in the near term.

Entering and expanding into new geographies

Linkfire believes that there is significant potential to increase subscription revenue by expanding in new geographies. A number of territories is used as a potential upsell argument when negotiating with enterprise customers. Furthermore, localisation is essential when expanding into new geographies, for example by ensuring the platform is well adopted to non-English-speaking customers, or creating a local presence by opening offices in new geographies. Moreover, M&A opportunities are consistently evaluated as a way of entering new geographies.

Expanding into adjacent verticals

Linkfire has, since 2021, explored the opportunities of expanding into adjacent verticals within the entertainment industry.

Growing commission revenue

Commission revenue has two components: commission rates and traffic. Thus, to improve it, the Company needs to influence either one or both of the components.

1 2 3 4

1 Increasing revenue per mille (RPM)

Improving Linkfire's key monetisation metric, RPM, is very important for growing commission revenues. RPM can be improved by increasing the commission rates. Linkfire currently focuses on two tactics: signing new deals (e.g. affiliate payment on user leads from a Digital Service Provider that Linkfire did not have an agreement with in the first place), and negotiating better deals. Possibilities include increased commission rates, wider trigger points (e.g. moving from paid sign-up to lead) and more trigger points (e.g. adding win-backs as a commissionable action – users that revisit the sign-up flow through a Linkfire link and sign up).

2 Improving algorithmic optimisation in the discovery layer

Linkfire is actively working to optimise the algorithmic that successfully arranges Digital Service Providers in discovery layers and on Linkfire landing pages. This is eventually to increase relevance and conversion rates. The product development will also allow for increased placement options on the inventory, allowing for a maturation of Linkfire's advertising efforts.

3 Entering partnerships with new Traffic Partners

In 2021, Linkfire continued expanding upon its roster of Traffic Partners. Traffic Partners are using music as engagement in their offering, and are overall divided into two segments - web partners and enterprise applications. Linkfire obtained a foothold into the latter by operating Snapchat and Twitch during 2021. While Snapchat and Twitch have 250 million DAU and 150 million MAU respectively, there are several other potential Traffic Partners with even more users that could generate additional user traffic. Enterprise applications is a long term focus of Linkfire's.

Web partners are direct integrations of Linkfire's technology into existing websites and applications. These integrations are lighter than the enterprise applications and Linkfire is developing a shelf product to cater for this market based on the integrated partners in 2021. Entering new traffic partnerships is expected to affect traffic generation exponentially, which in turn may generate revenue. Furthermore, partnerships with additional traffic channels improve the Company's client offering and position when negotiating other partnerships.

4 Acquiring traffic

Linkfire will likely have opportunities to engage in M&A activity or paid acquisition of traffic on occasion. The main motives for engaging in M&A or paid acquisition would be to buy consumer traffic. Linkfire sees potential in acquiring undervalued inventory which is currently not, or not optimally monetised on, and making it profitable. There are also intangible benefits of acquiring competitors, including better offering for partnerships, and a higher market share and influence over the Smart Linking market. By utilising website traffic data, the Company deems it would be reliable and relatively simple to determine the value of potential acquisitions.

A scalable and flexible business model

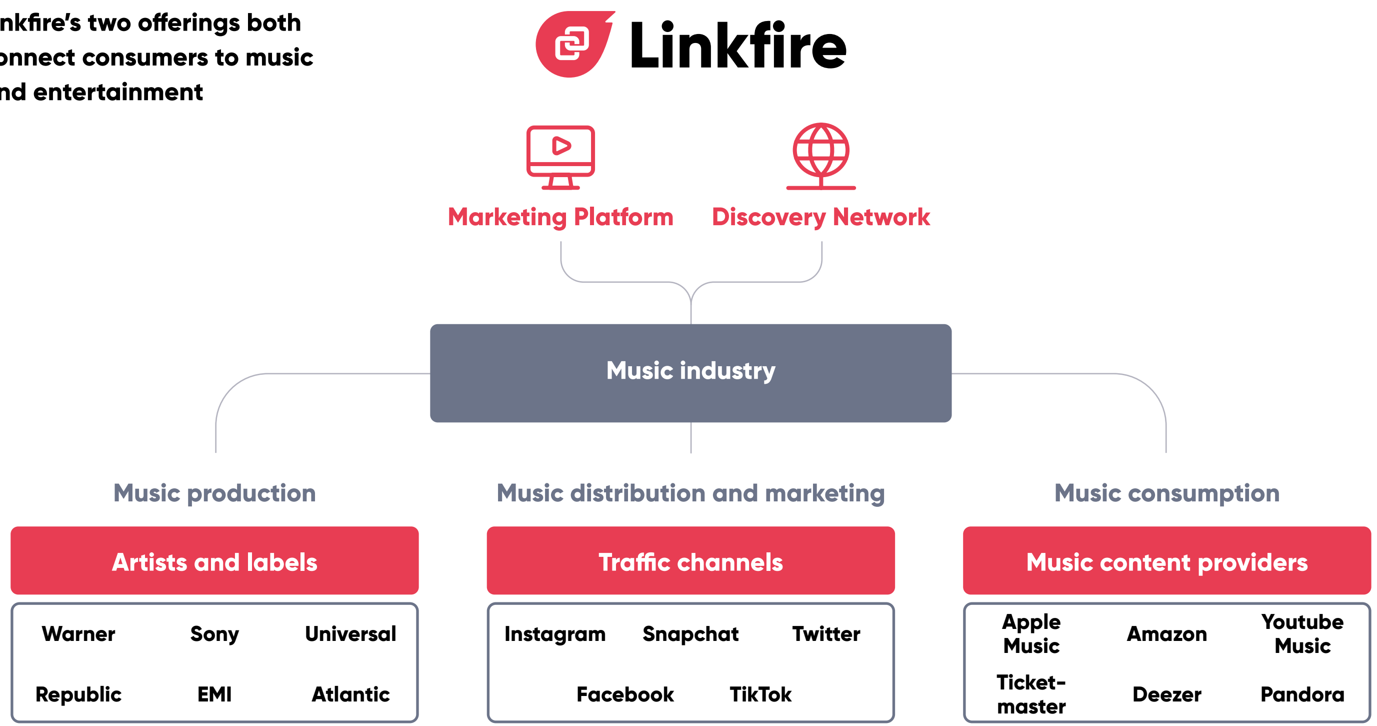
Linkfire's business of providing a digital marketing platform and generating leads is highly scalable. As a digital product, the cost of adding one more user to the platform or redirecting one more consumer to a streaming service is minimal.

Linkfire currently focuses mainly on the music industry, the service offering is flexible, and the company is exploring its options to address adjacent verticals such as video on demand, podcasts, audiobooks and video gaming.

Linkfire's services could easily be tailored to suit needs in these industries, which together make up for a total addressable market of over USD 400 billion. This market size refers to total music market, total film industry, US podcast market, gaming video content market and book market.

At the core of Linkfire's services is its SaaS marketing platform. The platform enables artists and record labels to create Smart Links that automatically

Linkfire's two offerings both connect consumers to music and entertainment



personalize the experience for consumers, so that every click is unique and contextual to that consumer journey. These Smart Links are versatile in nature and can be shared on any website or application. When clicked, they connect consumers directly to a range of music and entertainment products across streaming services, ticketing vendors and e-commerce stores though Smart Links landing pages. Linkfire's customers can view detailed insights on consumer journeys and specific behaviors such as service click-through, downloads, purchases, streams and more.

Linkfire is remunerated through subscription fees and commission fees. Subscription fees are generated from customers subscribing to the marketing platform. Commission fees are generated from consumers signing up for or transacting at a Digital Service Provider, with whom Linkfire has an affiliate agreement, via a Linkfire Smart Link.

The business model is supported by an efficient and scalable technology platform, enabling rapid expansion of the customer base, extension of partnerships and an easy integration of the services with various applications.

Financial targets

Linkfire has set the following Mid-term* financial targets:

Growth

Organic revenue shall grow at a compounded annual growth rate between 50-70 percent

Gross profit

The gross margin shall amount to approximately 80 percent

* Mid-term is 3-5 years from IPO

Financial performance and key figures

+42%
Revenue Growth

42% growth on a constant currency basis to DKK 34.5M

Subscription revenue grew 22%

Commission revenue grew 108%

36% recorded revenue growth to DKK 33.7M

72%
Gross Margin

36% growth on a constant currency basis to DKK 25.0M

Gross margin on a constant currency basis of 72%

1,604M
Consumer Connections

1,604M consumers were connected to entertainment

9% growth in consumer connections

Mainly driven by an uptake in Platform traffic

DKK 7.27
RPM

Revenue Per Mille Consumer Connections of DKK 7.27

92% growth year over year

Financial performance and key figures (continued)

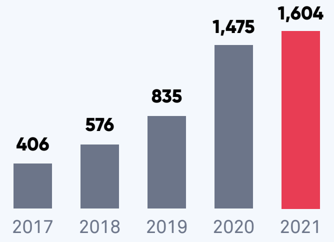
DKK'000	Note	2021	2020	2019	Local GAAP not CCB 2018*	Local GAAP not CCB 2017*
Key Metrics						
Consumer connections (Traffic)		1,603,957,986	1,475,350,156	834,577,974	575,707,449	406,011,000
y/y Growth (%)		*9%*	*77%*	*45%*	*42%*	*-%*
Revenue on constant currency basis		34,521	24,348	17,003	13,665	10,924
Revenue Growth (%)		*42%*	*43%*	*24%*	*25%*	*111%*
Organic Revenue Growth (%)		42%	43%	24%	25%	111%
Subscription Revenue, on constant currency basis		22,853	18,745	15,268	12,254	10,464
y/y Growth (%)		*22%*	*23%*	*25%*	*17%*	*102%*
Commission Revenue, on constant currency basis		11,667	5,603	1,736	1,411	460
y/y Growth (%)		*108%*	*223%*	*23%*	*207%*	*-%*
Commission Revenue per Mille (RPM)*, on constant currency basis in DKK		7.27	3.80	2.08	2.45	1.13
y/y Growth (%)		*92%*	*83%*	*-15%*	*116%*	*-%*
Gross Margin (%), on constant currency basis		72%	76%	61%	81%	80%

* Commission Revenue per thousand consumerconnections

DKK'000	Note	2021	2020	2019	Local GAAP not CCB 2018*	Local GAAP not CCB 2017*
Income Statement						
Recognized Revenue	5	33,697	24,699	17,227	13,665	10,924
Operating loss before interest, depreciation & amortisation (EBITDA)		(30,512)	(8,371)	(10,243)	(9,658)	(4,545)
Operating loss before interest & taxes (EBIT)		(39,425)	(14,193)	(12,993)	(10,065)	(4,950)
Operating loss before interest & taxes (EBIT) excl. IPO Cost		(32,558)	-	-	-	-
Result of financial items		(1,652)	(3,796)	(16,002)	(13,430)	(6,983)
Profit after tax		(35,577)	(13,461)	(11,850)	(9,952)	(4,163)
Balance Sheet						
Intangible Assets	12	69,876	51,503	42,163	30,894	19,595
Additions, property, plant and equipment	13	634	173	41	92	142
Cash and cash equivalents		45,946	783	3,539	291	1,341
Total assets		140,201	63,786	60,408	39,551	25,599
Equity		87,126	4,909	10,026	(10,525)	(574)
Financial Ratios						
Operating profit before interest, depreciation & amortisations (EBITDA) margin (%)		-91%	-34%	-59%	-71%	-42%
Operating profit margin (EBIT) (%)		-117%	-57%	-75%	-74%	-45%

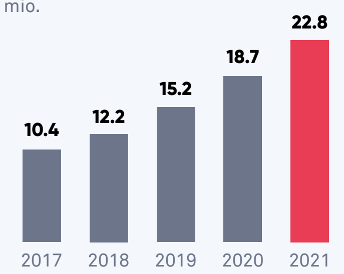
CONSUMER CONNECTIONS

Million



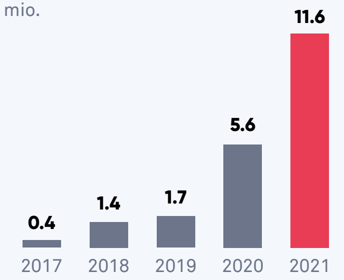
SUBSCRIPTION REVENUE

DKK mio.



COMMISSION REVENUE

DKK mio.



Outlook for 2022

Revenue guidance

In 2022, Linkfire expects continued revenue growth and guides revenue in the range between DKK 50-60M for the full financial year. This is corresponding to a yearly growth of 48-78%.

In order to achieve our guidance, performance on the following key drivers is required:

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

We maintain our mid-term financial target of 50-70% organic revenue growth.

EBITDA guidance

In 2022, Linkfire expects continued investments into reaching our mid-term growth target in accordance with the announced growth strategy in the IPO prospectus. As a consequence of those investments we expect an EBITDA ranging between negative DKK 22-32M. Possible deviations from the guided range depend on investments into new strategic opportunities supporting our announced growth strategy.

EBITDA guidance is based on key assumptions drawing from the announced use of proceeds including continued investments into product development, sales and marketing initiatives and corporate matters.

Strategy execution

In 2022, Linkfire will continue executing on our growth strategy and focus on expansion of the discovery network as well as RPM improving initiatives such as increasing the number of affiliate partners. We will continue to innovate and develop our product offerings in both the marketing platform and for our partner integrations.

Linkfire will continue the market expansion efforts in emerging markets across Africa and Asia namely out of Accra, Ghana and specifically focused on Japan.

Lastly, we are actively seeking development opportunities into adjacent entertainment verticals especially focused on the share-of-ear industries such as podcasts and audiobooks.

Forward-looking statements

Statements about the future expressed in the annual report reflect Linkfire's current expectations for future events and financial results. The nature of these statements is affected by risk and uncertainties. Therefore, the company's actual results may differ from the expectations expressed in the management commentary.

Financial review

Revenue

Revenue increased by DKK 8,998 thousand, or 36 per cent, from DKK 24,699 thousand in all the quarters of 2020 to DKK 33,697 thousand in the quarters of 2021. The fastest growing revenue line, Commissions, increased by DKK 6,067 thousand, or 109 per cent compared to FY 2020, while Subscriptions increased by DKK 2,931 thousand, or 15 per cent.

Cost

Cost of sales increased by DKK 3,325 thousand, or 55 per cent, from DKK 5,995 thousand during 2020 to DKK 9,320 thousand FY 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.

External expenses increased by DKK 10,240 thousand, or 155 per cent, from DKK 6,613 thousand in 2020 to DKK 16,853 in 2021. The notable increase in expenses relates to one-off expenses to new hires and increased staff globally as well as new premises in the US. The continued and rising employment of freelance staff supporting the hybrid remote model contributes to the increase. Cost related to being listed brought up the baseline cost as well along with increased expense related to market expansion.

Other external expenses are attributable to costs in connection with the listing on Nasdaq First North Premier Growth Market in Stockholm during the second quarter.

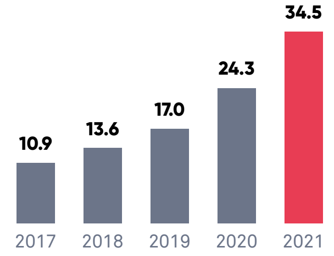
Staff costs increased by DKK 10,709 thousand, or 52 per cent, from DKK 20,461 thousand in 2020 to DKK 31,170 thousand in 2021. As a percentage of revenue, staff costs increased from 83 per cent to 93 per cent. The increase in staff costs was primarily driven by new hires during the year. Linkfire is at a different stage of scale than a year ago, and investments into attracting and retaining top talent and excellent leadership has a strategic focus when driving our continued growth.

Earnings

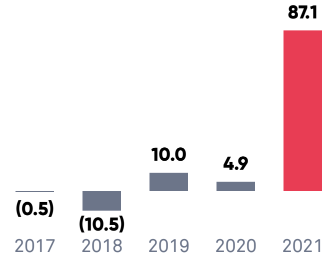
Depreciation and amortisation increased by DKK 3,090 thousand, or 53 per cent, from DKK 5,823 thousand in 2020 to DKK 8,913 thousand FY 2021. This represents an increase in relation to revenue from 24 per cent in 2020 to 26 per cent FY 2021. The increase was primarily due to an increase in amortisation 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 25,232 thousand, or 158 per cent, from DKK 14,193 thousand in 2020 to DKK 39,425 thousand in 2021. This represents a increased in relation to revenue from (57)

REVENUE
DKK mio.



EQUITY
DKK mio.



per cent in 2020 to (117) per cent in FY 2021. The increase was primarily due to increased cost, especially related to the transaction cost in connection with the IPO and one-off hiring cost.

Net financial items

Financial income increased by DKK 4,091 thousand, or 498 percent, from DKK 509 thousand in 2020 to DKK 4,600 thousand FY 2021.

Financial expenses increased by DKK 1,947 thousand, or 45 per cent, from DKK 4,305 thousand in 2020 to DKK 6,252 thousand in 2021.

Income tax

The tax for the year, which comprises deferred tax recognised in the income statement, increased by DKK 972 thousand, or 21 per cent, from DKK 4,528 thousand FY 2020 to DKK 5,500 thousand FY 2021. Income tax benefits for all four quarters relate to tax credit for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.

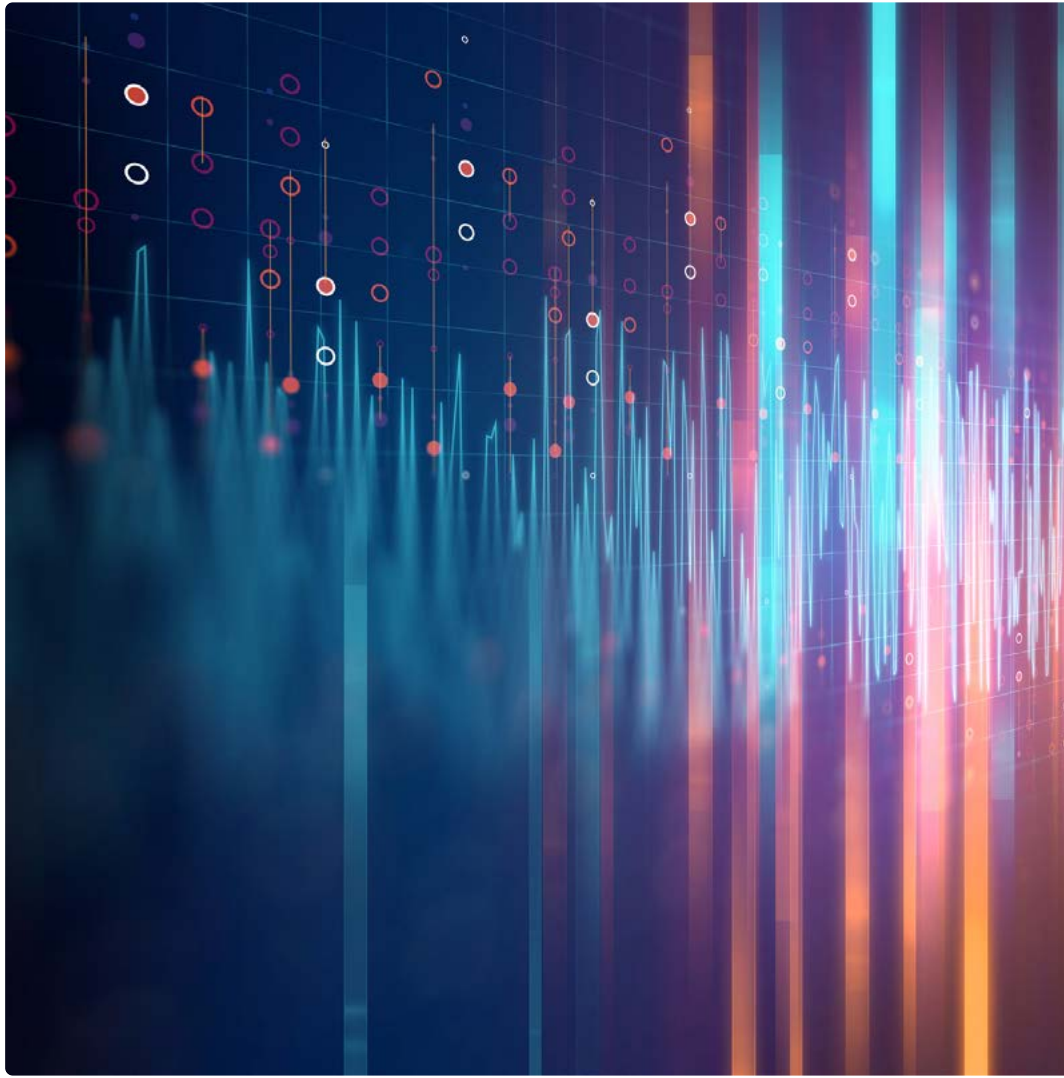
Net Profit/(loss)

Loss for the period increased by DKK 22,116 thousand, or 164 per cent, from DKK (13,461 thousand) in the four quarters of 2020 to DKK (35,577 thousand) in the four quarters of 2021. This represents a decrease in relation to revenue from (55) per cent in FY 2020 to (106) per cent FY 2021.

Balance Sheet

Total assets amounted to DKK 140,201 thousand (FY 2020: DKK 63,786 thousand), with an equity of DKK 87,126 thousand (2020: DKK 4,909 thousand).

Intangible assets increased by DKK 18,373, or 36 per cent, from DKK 51,503 thousand in 2020 to DKK 69,876 thousand in 2021. The increase is driven by prepaid intangible assets relating to the acquisition of smartURL as well as capitalization of internal development projects during the year.



Cash increased by DKK 45,163 thousand, or 5,768 per cent, from DKK 783 thousand in 2020 to DKK 45,946 thousand in 2021. The increase is mainly related to the successful capital raise in connection with the company's listing on Nasdaq First North Premier Growth Market in Stockholm in June 2021.

Total equity increased by DKK 82,616 thousand, or 1,683 per cent, from DKK 4,909 thousand in 2020 to DKK 87,126 thousand in 2021. The increase is mainly related to the successful capital raise in connection with the company's listing on Nasdaq First North Premier Growth Market in Stockholm in June 2021.

Non-current interest bearing liabilities decreased by DKK 12,224 thousand, or 36 per cent, from DKK 33,617 thousand in 2020 to DKK 21,496 thousand in 2021. The decrease is mainly related to the partial repayment of loans from the Danish Growth Fund.

Cash flow and financing

Cash flow from operations for FY 2021 was DKK (35,716 thousand) (FY 2020: DKK 3,832 thousand).

Investment activities reduced cash flow with DKK 26,233 thousand in FY 2021 (FY 2020: DKK 13,840 thousand).

Cash flow from financing activities for FY 2021 was DKK 106,073 thousand (FY 2020: DKK 15,205 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.

The development in parent company activities is in all material aspects covered in the financial review of the group figures.

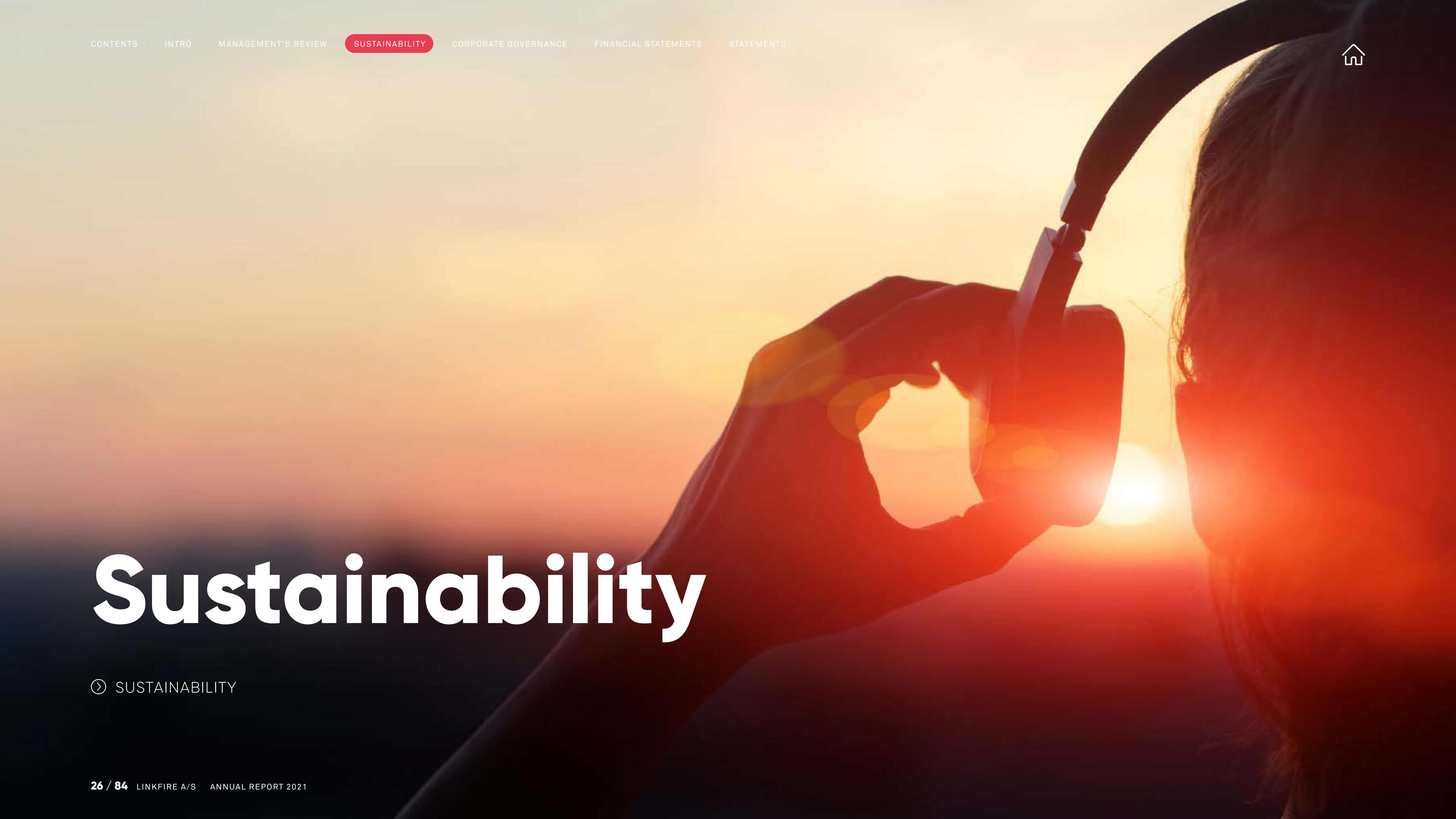
Uncertainty in recognition and measurement

Development projects in progress and completed development projects have a net value of DKK 0 million (2020: DKK 2.6 million) respectively DKK 61.6M (2020: DKK 48.9 million) in the annual report. Development projects are measured at cost price reduced with amortization and write-downs. The measurement of development projects are dependable on future earnings, which there is a natural uncertainty related to.

Subsequent Events

On January 11, 2022 the company completed the acquisition of global competitor smartURL with a planned share issuance of 1,192,864 new shares. The share price in the issuance of 8.4451 SEK per share has been determined via a five-day pre-signing and a five-day post-signing volume-weighted average price (”VWAP”) in Linkfire's share. The agreement was signed on November 4, 2021. The issuance corresponds to a dilution of 2% increasing the number of shares and voting rights in Linkfire from 58,339,222 to 59,532,086. The newly issued shares are subject to a lock-up period of 12 months.

No further matters, which would influence the evaluation of the annual report, have occurred.



Sustainability

SUSTAINABILITY

Sustainability

At Linkfire, we believe that progressive companies operate in the interest of all their stakeholders and have an increasingly important role to play in society. We believe that operating in a responsible way enables us to add value to society and to the communities that we operate in.

Stakeholder engagement

Linkfire's ambition is to develop and formalize its stakeholder engagement during 2022. The aim of this formalization is to ensure that Linkfire has a good understanding of the expectations of parties that have an interest in the company, and that can either affect or be affected by its business operations.

Materiality analysis and sustainability strategy

The UN Global Compact (UNGC) will constitute the overall framework for our forthcoming sustainability strategy and the related reporting. The UN's Sustainable Development Goals (UN SDGs) are aimed at eradicating extreme poverty, reducing inequalities and injustices in the world, promoting peace and justice and addressing the climate crisis.

Linkfire will conduct a materiality analysis during 2022 as the basis of its sustainability strategy. The analysis will initially consider all UN SDGs, and the sustainability strategy will then focus on those SDG's that are the most relevant for Linkfire's business and the company's ability to create real, measurable impact.

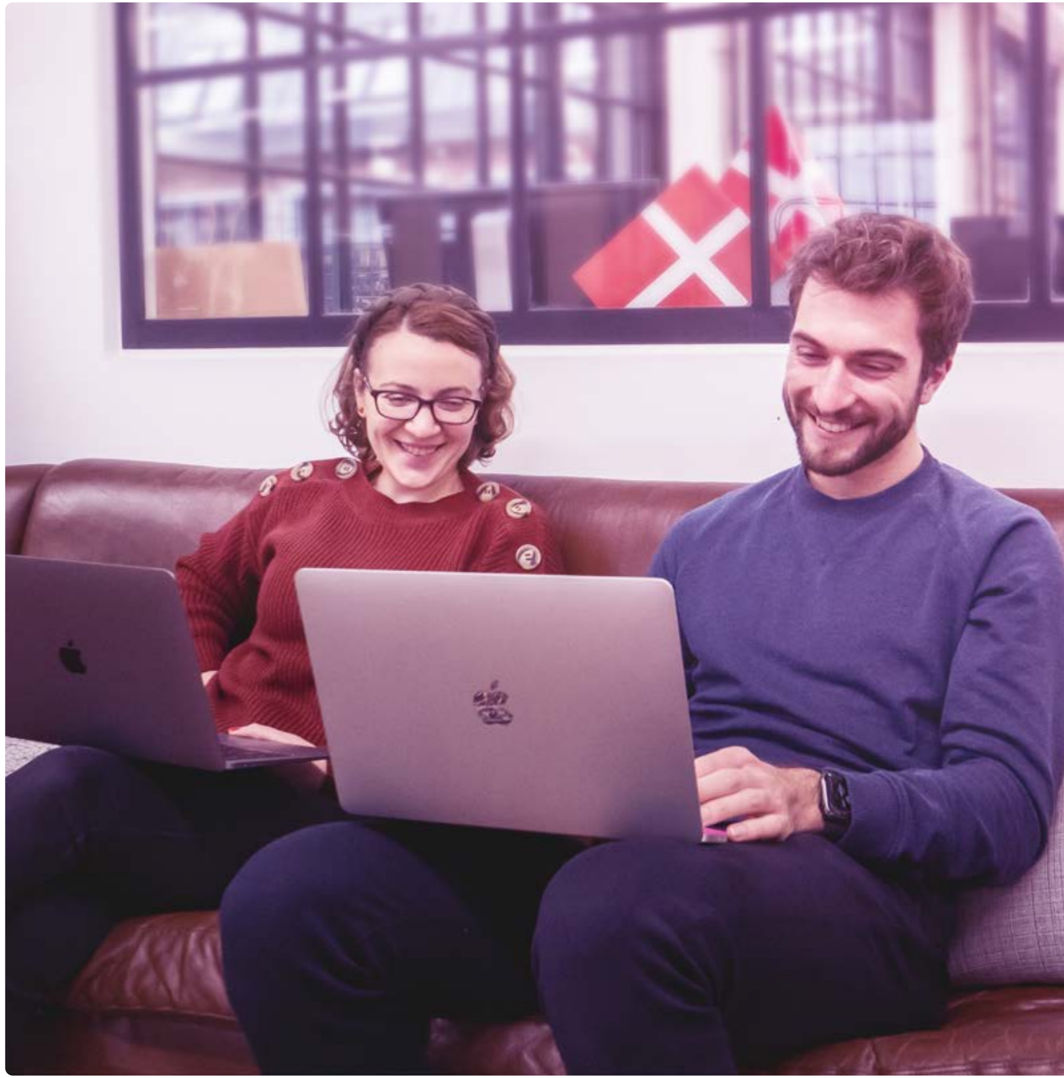
The materiality analysis is done in order to identify those environmental, social and governmental topics that are relevant for and have a high impact on Linkfire's business and that are relevant for our internal and external stakeholders.

Our People

We have our roots and heart in music, and there's no template for the perfect piece of music or a Linkfire employee. In fact, we see differences as an advantage. We work in flat hierarchies, with a culture that values voicing your opinion and owning your field of expertise. We hire the most talented people out there, and embrace the diverse way of thinking, backgrounds and experiences they bring.

We collaborate across projects and time zones, because we believe that smart ideas get smarter when we're together. And as we continue to grow, we're dedicated to keeping the same entrepreneurial approach we've had since day one.

Linkfire is dedicated to provide an enjoyable, respectful and safe work environment for everyone, both in the office environment as well as in remote and online collaborations. Linkfire expects partners and suppliers to commit to the same ethical standard and comply with all requirements set forth in the company's Code of Conduct.



Corporate governance

- THE SHARE AND SHAREHOLDERS
- RISK MANAGEMENT
- BOARD OF DIRECTORS
- EXECUTIVE MANAGEMENT TEAM
- LEADERSHIP TEAM
- CORPORATE GOVERNANCE

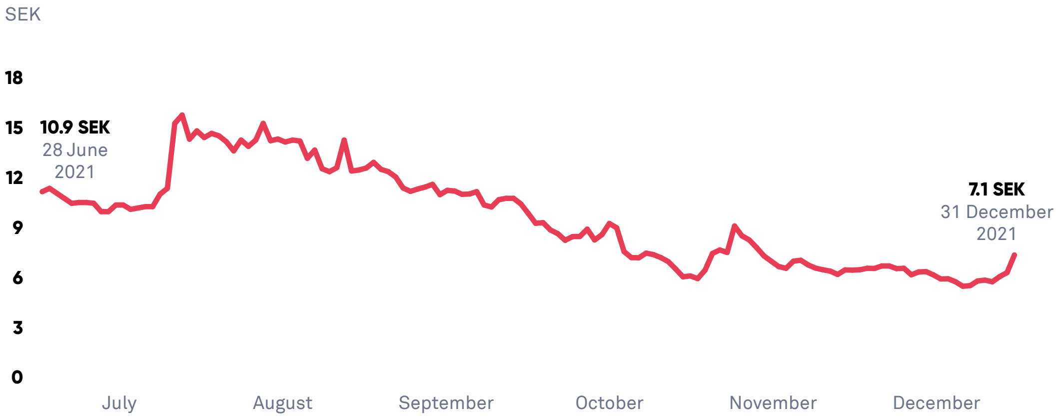
The share and shareholders

Linkfire was listed on June 28, 2021 and is traded on the Nasdaq First North Premier Growth Market. Linkfire's trading code is LINKFI.

The number of shares outstanding on December 31, 2021 was 58,339,222. Each share entitles the holder to one vote, which means that all shares hold equal voting rights and equal rights to the company's earnings and capital.

The closing price for the share on the last trading day of the year, December 31, 2021, was 7.1 SEK, corresponding to a market capitalization of approximately 414,2 mSEK.

SHARE PRICE 2021



About Nasdaq First North Premier Growth Market

Nasdaq First North Growth Market is a registered SME growth market. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated market, as defined in EU legislation (as implemented in national law). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. Linkfire's Certified Adviser is Aktieinvest FK AB, www.aktieinvest.se.

Our share

Trading code (ticker)	LINKFI
Market	First North Premier Growth Market, Sweden
ISIN	DK0061550811
First day of trading	June 28, 2021
Trading currency	SEK
Opening price on first day of trading (June, 28)	11.3 SEK
Closing price on last day of trading (Dec, 31)	7.1 SEK
Share price development in 2021	-36.6%
Market capitalization on last day of trading (Dec, 31)	414.2 mSEK

Further information on Linkfires shareholders and the share is continuously updated on the company's website at www.linkfire.com.

Individuals with an insider position

As a listed company Linkfire maintains a logbook on individuals with insider positions in order to ensure compliance with the rules and legislation on insider trading. In May 2021, the Board of Directors adopted an insider policy and an instruction for insider lists.

Annual General Meeting

The Annual General Meeting for the financial year 2021 will take place on April 27, 2022. For further information, please visit the Investor website on www.linkfire.com.

Financial calendar

April 27, 2022	Annual General Meeting 2022
May 25, 2022	Interim financial report Q1, 2022
August 25, 2022	Interim financial report Q2, 2022
November 24, 2022	Interim financial report Q3, 2022
February 23, 2023	Interim financial report Q4, 2022

Analysts

Pareto Securities
Stefan Wård
+46 8 402 5287
stefan.ward@paretosec.com

Joakim Walldoff
+46 8 402 52 85
joakim.walldoff@paretosec.com

Investor relations

The information provided by Linkfire to its shareholders and the capital market is intended to provide a fair picture of the company's performance, minimize the risk of unfounded rumor and speculation and increase interest in the company's share. The ambition is to provide continuous, relevant and clear information.

If you need more information about Linkfire as an investment, you can contact us via the email investors@linkfire.com.

Share price at 31 December 2021

7.1 SEK

Trading code (ticker)

LINKFI

Annual General Meeting 2022

April, 27

Read more about Linkfire at https://www.linkfire.com

Risk management

Uncertainties about future events can potentially have negative impact in any business operations and it is important to carefully analyze such risk factors that might affect the future development of the Linkfire share.

Linkfire is on an ongoing basis assessing and evaluating the potential risk factors. Critical risks in the business environment are strategically managed and operationally handled in the daily processes. The significant risk factors are described below.

Industry
Linkfire is a technology company providing marketing and promotional services for artists and record labels. The music and entertainment industries are young industries characterized by innovation and rapid technological development, evolving industry standards and practices as well as changing customer and consumer needs and preferences. In order to remain successful and execute on its growth strategy, Linkfire must continuously effectively adapt to, respond to and also anticipate such changes, and develop its technology and service offering on a timely and cost-effective basis.

Covid-19
It is predicted that the covid-19 pandemic will continue to influence Linkfire in terms of shifts in consumer behavior and artists ability to perform live music as well as more operational influence such as travel restrictions. The changes may both be of an adverse nature but Linkfire is at the same time experiencing positive outcomes such as a faster shift to online consumption of music and easier global recruitment of high skilled employees as hybrid workforms are gaining traction.

Commission revenue
Linkfire is striving to let commissions be a growing part of the business and if Linkfire does not succeed in building new affiliate partnerships with Digital Service Providers (such as Apple Music, Pandora, Amazon and Ticketmaster) that ambition may fail. However, it is Linkfire's opinion that the market for monetization of music related internet traffic is growing.

Data Partnerships
A key part of Linkfire's strategy is to integrate the Linkfire marketing platform with third-party application providers and Social Media Platforms. The integration provides Linkfire with valuable data and insights on consumer patterns on digital service platforms to be shared with Linkfire's subscription customers. Any changes or restrictions on the APIs (application programming interfaces) may limit the functionality and accessibility of Linkfire's services but Linkfire evaluates the risk of this materializing as low.

Subscription revenues
The core of the Linkfire business is the subscriptions to Linkfire's link generator and a major part of its subscription revenues are generated from contracts with major music labels, such as Universal Music Group, Sony Music Entertainment and Warner Music Group. None of these major agreements are up for re-negotiation in 2022.

Management and key employees
Linkfire is highly dependent on our management team and employees with people being our biggest asset. It is crucial to Linkfire to be able to attract, retain, develop and motivate a diverse and thriving management and staff to ensure the right competencies and skills to succeed as a business.

Privacy regulation

Linkfire maintains a high focus on privacy compliance as well as other regulatory issues. As emphasis on privacy security is an increasing success factor, Linkfire will maintain this focus in order to stay both compliant and an attractive provider of services and partner.

Risks related to taxation

The company is subject to a number of tax regulations in Denmark and in other jurisdictions, which involves for example corporate income tax including the Danish tax credit regime for R&D activities, VAT, social security taxes and transfer pricing regulations. The tax considerations made by the company are based on interpretations of current tax laws, tax treaties and other tax regulations and the requirements of the relevant tax authorities.

Financial risks

The company may not show profitability in the future and may experience uneven cash flows

The company has historically incurred significant costs for the development of its current operations and expects that such costs will continue to incur in the future to a certain extent. Such activities, together with anticipated general and administrative expenses and the anticipated increase of costs and expenses associated with the company's growth strategy, could result in the company sustaining significant losses and/or operating costs for the foreseeable future. There is a risk that the company will not earn sufficient revenues or reach and maintain profitability to conduct its operations in accordance with set goals and strategies, which could impair the Company's ability to sustain operations or to obtain any required additional funding.

In addition, the company may experience uneven cash flows, including due to seasonality in user traffic, for example due to the occurrence of big music releases or shows. Moreover, upfront payments from contracts with major labels, which make up for a large part of the company's revenues, normally occur three times per year, which also contributes to uneven cash flows.

Risks related to future financing needs

As part of its business strategy, the company wants to increase its subscription user base and expand its market position further through scaling and expanding its operations organically as well as through potential M&A opportunities. The company is also exploring the opportunities of expanding into new geographical markets as well as into adjacent verticals within the entertainment industries. In light of the above-mentioned growth plans, the company believes it is not unlikely that it may have to turn to the capital market to finance its business further in the future, e.g. to pursue new M&A opportunities that may arise due to consolidation trends in the industry. If additional financing cannot be raised when needed, if financing cannot be raised on terms favorable to the company, or if such financing should prove insufficient to fund the company's future operations, this could have a material adverse effect on the company's ability to conduct business operations as planned, pursue M&A activities, its growth strategy and ultimately its financial position.

Risks related to foreign currency exposure

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's revenues are mainly invoiced in USD, while the majority of the company's expenses, such as employee costs, are denominated in DKK. Currency fluctuations could cause currency transaction losses or gains which the company cannot predict and if the currency fluctuations are detrimental to the company, it could have a material adverse effect on the company's results of operations and cash flows. A ten per cent increase in USD exchange rate against DKK for the financial year 2021, with all other factors being unchanged, would have had an effect on profit before tax of DKK 3,691 thousand. The exposure is calculated based on the effect on full year recognized revenue in USD as well as the average net assets in USD for the year. Furthermore, fluctuations in the value of USD and other foreign currencies may make the company's subscriptions more expensive for international customers, which could harm its business.

Risks related to credit

Credit risk is the risk that a counterparty will not meet its obligations towards the Group, resulting in a financial loss. The Group is exposed to credit risk primarily related to its trade and other receivables, receivables from group enterprises, contract assets and cash held at financial institutions. The Group considers accounts receivables in default when they are due more than 90 days, and the outstanding amount is written off when there is a court order of bankruptcy from the counterparty. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Risks related to interest rate
Interest rate risk arises in relation to interest-bearing assets and liabilities.

The Group's interest-bearing debt to credit institutions of DKK 16,590 thousand (2020: DKK 26,112 thousand) at 31 December 2021 is subject to a variable rate of interest based on a 3-month CIBOR plus a premium, whereas DKK 12,106 thousand (2020: DKK 11,500 thousand) has a fixed interest rate of 5%.

If market interest rates increased by one percentage point, the interest rate sensitivity as calculated based on the loan balance to credit institutions as per the end of 2021 would result in a yearly increase in interest expenses of DKK 287 thousand (2020: DKK 376 thousand). A corresponding decrease in market interest rates would have the opposite impact.

Board of Directors

	Jesper Møller Chairman of the board (since 2021)	**Thomas Weilby** Board member (since 2020)
Born	1956	1972
Professional background	Seasoned Danish CEO level executive with a current focus on non-executive board positions and advisory roles in Northern Europe. Key experiences from food and service industries. The latest operational experience was 9 years as CEO of a confectionery manufacturer with full value chain responsibility. Previous job experiences from Coca-Cola, Carlsberg, ISS, Nestlé, Q8, BP and more. Solid experience with strategy processes, product development/ innovation, category management, concept development, financial reporting, governance, CSR, Sports Management.	Thomas Weilby has more than 10 years of experience as the General Partner of Northcap Partners, an investment company focusing on ICT start-ups in Northern Europe. Weilby has worked with venture capital (VC) for more than a decade and has gained extensive experience in establishing new businesses across Europe and has specialised in maturing businesses for the US market. Weilby has a special interest in cloud computing and SaaS businesses and has held several senior management positions in IT and Internet-based companies. In addition to this, Weilby is active on several boards of portfolio companies, as well as ad hoc projects on other companies.
Education	Master's degree in Administration and Management at Copenhagen Business School, Denmark.	M.Sc. in Business and Economics from Aarhus University.
Other ongoing assignments	Chairman of the board of Thornæs Destilleri. Deputy Chairman and Member of Audit Committee and Remuneration Committee of Brøndbyernes IF A/S. Board member at KFI Erhvervsdrivende Fond. Chairman at Entrepreneurship Denmark. Board Member at Ungdomsbureauet. Chairman at The Great Belt Committee.	Chairman of the board of directors of 22. Maj APS and Insurance Business Applications ApS. Board member of Visiopharm A/S. Member of the management in IVS II GP ApS, Lekamo ApS, Lekamo Holding ApS, NCP-IVS III GP ApS and Northcap Partners ApS. CEO of IVA A/S.
Previous positions	Chairman at Mangaard & Partners. Advisory Board member at Lakrids by Johan Bülow. Director of Executive Services at AS3 Executive. CEO at Toms Gruppen A/S.	Chairman of the Board of Directors of Comparo A/S, Falcon.io ApS Kolibri Technology A/S and Komfo ApS. Board member of 22. Maj ApS, GAN Integrity Solutions Holding ApS, Insurance Business Applications ApS and Intelepeer. Member of the management in Anpartsselskabet AF 21. Juli 2005.
Position of dependency	Independent in relation to the company and the management and in relation to Major Shareholders.	Independent in relation to the company and the management, but not independent in relation to Major Shareholders.
Shareholding	142,304 shares and 368,540 warrants.	N/A

Board of Directors

	Thomas Rudbeck Board member (since 2019)	**Charlotte Klinge** Board member (since 2021)
Born	1968	1972
Professional background	Thomas Rudbeck is a long-time investor in Linkfire and has an extensive experience from the financial industry. Rudbeck is Co-Founder Capital Four Management Fondsmæglerselskab A/S, and has previously served as Head of Credit Trading and Structured Derivatives Trading at Nordea and Senior Dealer at Nykredit Markets.	Charlotte Klinge has +15 years of experience within organizational development. Klinge has extensive C-level experience including in-depth expertise in sustainability from several en-terprises. Furthermore, Klinge has a strong focus on how to swiftly generate organizational structures that create motivation, trust and well-being along with effectiveness in flexible governance structures. She has extensive board experience and acts as a private investor and advisor.
Education	M.Sc. in Accounting and Finance from Copenhagen Business School, B.Sc. in Business and Economics from Storstrøms Business School.	M.Sc. in Ecotoxicology from Copenhagen University.
Other ongoing assignments	Board member of Copenhagen Cutlery A/S, Copenhagen Food Collective ApS and Fondsmæglerselskabet SRV Capital A/S. CEO of Bragesgade 8A ApS, Ejendomsselskabet Heimdalsgade 35-37, KØBENHAVN ApS, RM80 ApS and Sturlasgade, København ApS. Member of the management in Bobhund ApS.	CEO of Charlotte Klinge Consulting, CEO of CK Holding 2019 ApS
Previous positions	Board member and CEO of Skurup Holding ApS. Member of the management in Bergman Rock ApS.	Board Member of Cope IT
Position of dependency	Independent in relation to the Company and the management and in relation to Major Sha-reholders.	Independent in relation to the company and the management and in relation to Major Shareholders.
Shareholding	2,331,751 shares and 184,270 warrants.	121,400 shares and 184,270 warrants.

Executive management team

	Lars Ettrup Co-founder & CEO (since 2014)	**Tobias Demuth** CFO (since 2017)
Born	1982	1989
Professional background	Lars Ettrup has extensive experience within the technology business sector, from having served as CTO at Nodes (Digital Agency), as well as from having founded and exited Social Media Agency and Look Curious ApS in 2015.	Tobias Demuth is a finance professional with 12 years of experience with the last 6+ years in financial management positions in global companies. Demuth started his financial career at Deloitte as a Financial Auditor which he held for more than 5 years.
Education	M.Sc. in eBusiness from the IT-University in Copenhagen, Bachelor's Degree in Film & Digital Media from Middlesex University.	Bachelor in Business Administration from University of Aarhus.
Other ongoing assignments	Member of the management in Ettrup Invest ApS and Rocket Group ApS.	-
Previous positions	-	-
Shareholding	9,777,400 shares.	392,764 shares.

Leadership team

	Jeppe Faurfelt Co-founder & CCO (since 2014)	**Andrea Arcari** CBDO (since 2017)	**Jannik Jepsen** CTO (since 2016)
Born	1984	1988	1989
Professional background	As co-founder and CCO of Linkfire, Jeppe Faurfelt has gained a vast experience within commercial strategy, operations, and developing the client-facing organisation to drive overall business growth. Before joining Linkfire, Faurfelt served as a project manager for the MeWe Group, a full-service ad agency specialising in business development, branding, and unique digital solutions. In addition, Faurfelt worked as a marketing project manager for Downtown.dk, where focusing on brand management and website tracking.	Andrea Arcari is a professional musician who recently turned entrepreneur. Arcari has a background in partnerships and operations, and has an experience from free-launching as Process and Operations Consultant founding several companies and working as Artist and Band Manager.	Jannik Jepsen has a M.Sc. in Interaction Design, and an extensive experience from various projects on consumer connectivity within in-car infotainment systems in collaboration with brands such as Volvo and Continental. Jepsen has had various student jobs related to Web and graphical design for eCommerce and marketing purposes, and has more than 5 years of experience of managing and developing Linkfire's infrastructure, technology and product.
Education	B.Sc. in Social Science and Business Studies from Roskilde Universitetscenter.	Bachelor's Degree in Foreign Language and Literature.	M.Sc. in Interaction from Aalborg University.
Other ongoing assignments	-	-	Director of JJepsen Holding ApS.
Previous positions	-	-	-
Shareholding	3,713,930 shares.	906,787 shares.	503,923 shares.

Corporate governance

Linkfire is a Danish public limited liability company (aktieselskab) governed by the Danish Companies Act, other applicable laws and regulations, the company's articles of association and internal policy documents.

As a listed company on First North Premier Growth Market, Linkfire's corporate governance is also governed by the Nasdaq First North Growth Market rulebook and the Swedish Corporate Governance Code. The main corporate laws and rules on governance in a Danish public limited liability company listed on First North Premier are to a large extent materially similar to the corresponding Swedish rules.

General meeting

Pursuant to the Danish Companies Act, the shareholders' right to pass resolutions is exercised at the general meeting of the company and the general meeting is Linkfire's superior decision-making body. The general meeting may resolve upon every issue which does not specifically fall within the scope of the exclusive powers of another corporate body such as the Board of Directors or the executive management.

The date of the Annual General Meeting 2022 was announced in connection with the interim report for January-September 2021 pursuant to the Code. The deadline for submission of requests for specific business to be included in the agenda was announced on the corporate website on March 2, 2022.

Nomination Committee

According to the Code, Linkfire shall have a nomination committee, the duties of which shall include the preparation and drafting of proposals regarding the election of members of the Board of Directors, the chair of the Board of Directors, the Chair of the general meeting and auditors. In addition, the nomination committee shall propose fees for the board members and the auditor.

The nomination committee for the 2022 AGM consists of:

- Thomas Weilby Knudsen (chair) (appointed by Northcap Partners);
- Jesper Møller;
- Lars Ettrup (appointed by Rocket Group ApS);
- Jeppe Faurfelt (appointed by Faurfelt Invest ApS).

As several of the major shareholders in Linkfire refrained from appointing members to the Nomination Committee Lars Ettrup and Jeppe Faurfelt were appointed as next in line from the top of the shareholder register. As a consequence the Code's recommendation on the majority of the Nomination Committee being independent of the company and its executive management and the recommendation on the committee not being chaired by a Board Member have not been met. The process of appointment of members of the Nomination Committee resulted in information on member names not being available on the company website in a timely fashion as recommended in the Code.

Board of Directors

The members of the Board of Directors are elected at the annual general meeting for the period until the end of the next annual general meeting. According to Linkfire's Articles of Association, the Board of Directors shall consist of between three and five members and currently, the Board of Directors is composed of four ordinary board members elected at the general meeting.

In 2021 11 meetings were held by the Board of Directors with attendance of all Directors.

The Board of Directors will conduct a formal self assessment and assessment of the executive management during the financial year 2022.

Independence

The majority of the members of the Board of Directors of a Danish public limited company must not be executive officers of the company and an executive officer may not chair or vice chair the Board of Directors.

According to the Code, the majority of the board members elected by the general meeting shall be independent of Linkfire and its management. According to the Code, at least two of the board members who are independent in relation to Linkfire and its management shall also be independent in relation to major shareholders (who directly or indirectly control ten per cent or more of all shares and voting rights).

The Board of Directors perceive the requirement for independence to be accomodated.

Board committees

The Board of Directors has established two committees: the audit committee and the remuneration committee. The Board of Directors has adopted rules of procedure for both committees.

Audit committee

The audit committee is comprised of Thomas Weilby Knudsen (Chair), Thomas Rudbeck and Jesper Møller. The audit committee's role is mainly to monitor the financial position, to monitor the effectiveness of Linkfire's internal control, internal audit and risk management, to be informed about the audit of the annual report and the consolidated financial statements, to review and monitor the auditor's impartiality and independence and to monitor Linkfire's compliance with law and regulations related to financial matters. Following the IPO of Linkfire two meetings in the Audit committee were held in 2021 with attendance of all members.

Remuneration committee

The remuneration committee is comprised of Jesper Møller (Chair) and Charlotte Klinge. The remuneration committee's role is primarily to prepare matters regarding remuneration and other terms of employment for the executive management and other key employees. The remuneration committee shall also monitor and evaluate ongoing and completed programs for variable remuneration to the executive management and monitor and evaluate the implementation of the guidelines for remuneration to the executive management which the annual general meeting has adopted. Following the IPO of Linkfire the remuneration committee has not met.

Remuneration

Remuneration to Board of Directors

Fees and other remuneration to board members elected by the general meeting are resolved by the general meeting. At the extraordinary general meeting on 15 June 2021 it was resolved that the chairman of the Board of Directors will be entitled to receive an annual remuneration of DKK 250,000, and that the other members of the board will be entitled to receive an annual remuneration of DKK 125,000. It was furthermore resolved that participation in the remuneration committee and audit committee will entitle the chairman of such committees to receive DKK 50,000 per year and other members of such committees to receive DKK 25,000 per year.

Remuneration to Management

Remuneration to management consists of base salary, pension, share-based remuneration and benefits in kind. For the 2021 financial year, the total remuneration paid to Linkfire's leadership amounted to DKK 5,301 thousand and included base salary and benefits in kind and pension contributions. Members of Linkfire's leadership will participate in the company's warrant-based incentive programs when allocated.

Remuneration policy

The overall objective of Linkfire's remuneration policy is to attract, motivate and retain qualified members of the board and the executive management as well as to secure the alignment of the interests of the Board of Directors and the executive management with the interests of the company's shareholders and other stakeholders. The remuneration of the Board of Directors and the executive management shall be designed to support the strategic goals of the company and to promote value creation for the benefit of the shareholders.

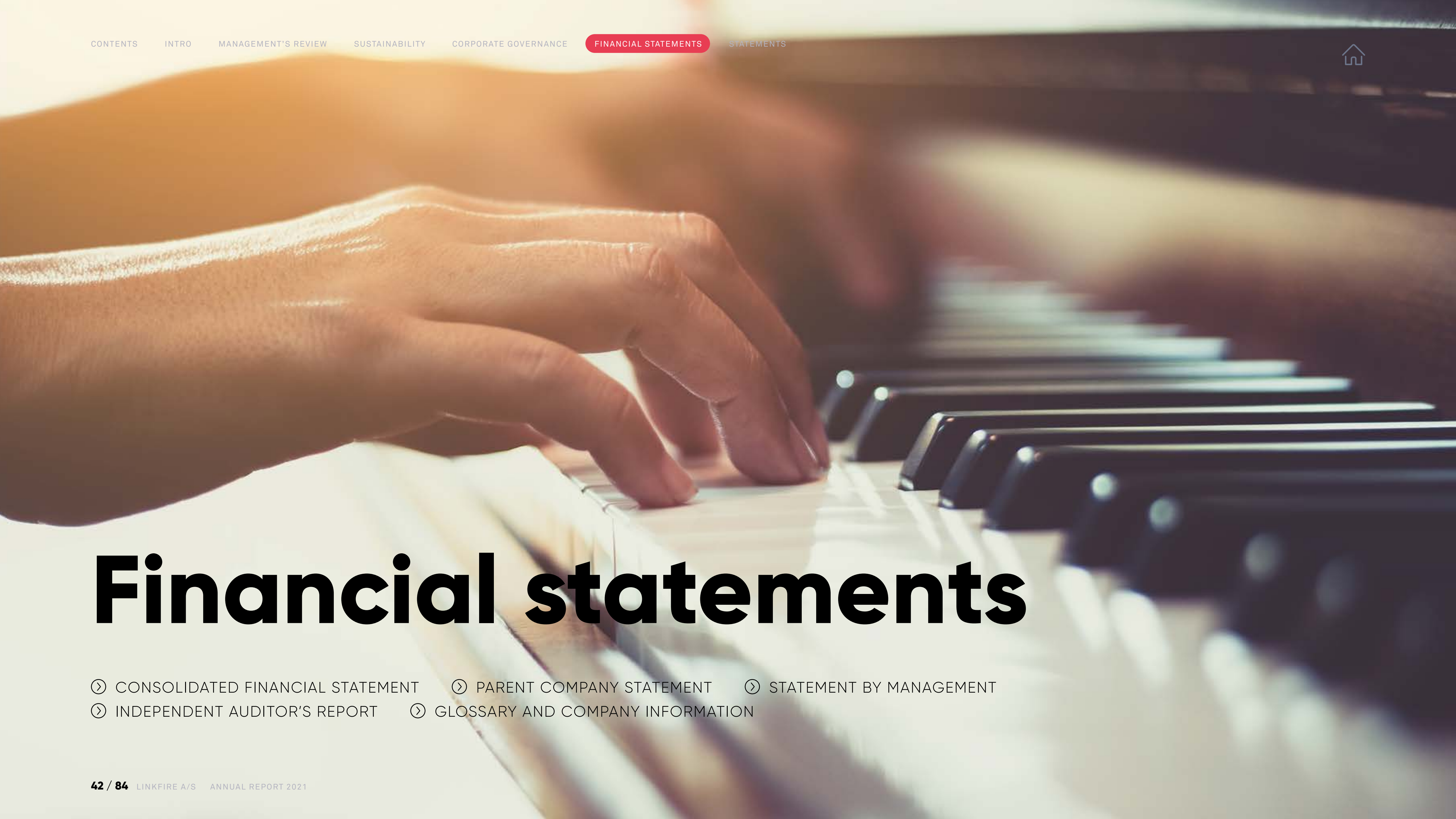
External audit

Deloitte Statsautoriseret Partnerselskab has been Linkfire's auditor since 2016.

Linkfire's auditor is appointed by the annual general meeting for the period until the end of the next annual general meeting. At the annual general meeting held on 30 April 2021, Deloitte was re-elected as Linkfire's auditor.

The auditor's office address is
Weidekampsgade 6,
DK-2300 Copenhagen,
Denmark.

Read more about Linkfire at
https://www.linkfire.com



Financial statements

CONSOLIDATED FINANCIAL STATEMENT
PARENT COMPANY STATEMENT
STATEMENT BY MANAGEMENT
INDEPENDENT AUDITOR'S REPORT
GLOSSARY AND COMPANY INFORMATION

Consolidated statement of comprehensive income

DKK'000	Note	2021	2020
Revenue	5	33,697	24,699
Cost of sales		(9,320)	(5,995)
Gross profit		**24,378**	**18,704**
External expenses		(16,853)	(6,613)
Other external expenses		(6,867)	-
Staff costs	6	(31,170)	(20,461)
Depreciation and amortisation	8	(8,913)	(5,823)
Operating profit/(loss)		**(39,425)**	**(14,193)**
Financial income	9	3,091	509
Financial expenses	10	(4,743)	(4,305)
Profit/(loss) before tax		**(41,077)**	**(17,989)**
Tax for the year	11	5,500	4,528
Profit/(loss) for the year		**(35,577)**	**(13,461)**
Attributable to:			
Earnings per share (DKK)		(0.77)	(1.27)
Earnings per share, diluted (DKK)		(0.76)	(1.13)

DKK'000	Note	2021	2020
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		(476)	166
Other comprehensive income for the year, net of tax		**(476)**	**166**
Total comprehensive income for the year		**(36,053)**	**(13,295)**

Consolidated statement of financial position

DKK'000	Note	31/12/21	31/12/20
Assets			
Non-current assets			
Intangible assets	12	69,876	51,503
Property, plant and equipment	13	669	168
Right-of-use assets	14	8,688	3,226
Deposits	15	1,153	427
Total non-current assets		**80,386**	**55,324**
Current assets			
Trade receivables	16	6,238	2,195
Income tax receivables		5,500	4,528
Other receivables		543	664
Prepayments		1,588	292
Cash		45,946	783
Total current assets		**59,815**	**8,462**
Total assets		**140,201**	**63,786**

DKK'000	Note	31/12/21	31/12/20
Equity and liabilities			
Equity			
Share capital	18	584	108
Retained earnings		86,464	(73)
Translation reserve		(352)	124
Other capital reserve	20	429	4,750
Total equity		**87,126**	**4,909**
Non-current liabilities			
Interest bearing liabilities	19	21,496	33,617
Lease liabilities	14	4,958	1,809
Total non-current liabilities		**26,454**	**35,426**
Current liabilities			
Interest-bearing liabilities	19	7,200	3,995
Contract liabilities	5	6,166	5,702
Lease liabilities	14	3,836	1,487
Trade payables		4,831	2,888
Other payables		4,588	9,379
Total current liabilities		**26,621**	**23,451**
Total liabilities		**53,075**	**58,877**
Total equity and liabilities		**140,201**	**63,786**

Consolidated statement of changes in equity

DKK'000	Share capital	Retained earnings	Translation reserve	Other capital reserve	Total
2021					
Balance at 1 January, 2021	**108**	**(73)**	**124**	**4,750**	**4,909**
Net profit/(loss) for the period	-	(35,577)	-	-	(35,577)
Other comprehensive income	-	-	(476)	-	(476)
Total comprehensive income	**108**	**(35,650)**	**(352)**	**4,750**	**(31,144)**
Capital increase	476	125,489	-	-	125,965
Transaction cost	-	(8,259)	-	-	(8,259)
Share-based payments	-	4,884	-	(4,321)	563
Balance at 31 December, 2021	**584**	**86,464**	**(352)**	**429**	**87,125**

During the period no dividend was paid.
The capital increase for the year is paid in full.

DKK'000	Share capital	Retained earnings	Translation reserve	Other capital reserve	Total
2020					
Balance at 1 January, 2020	**104**	**6,912**	**(83)**	**3,093**	**10,026**
Net profit/(loss) for the period	-	(13,622)	-	-	(13,622)
Other comprehensive income	-	142	207	-	349
Total comprehensive income	**104**	**(6,568)**	**124**	**3,093**	**(3,247)**
Capital increase	4	6,495	-	-	6,499
Share-based payments	-	-	-	1,657	1,657
Balance at 31 December, 2020	**108**	**(73)**	**124**	**4,750**	**4,909**

During the period no dividend was paid.

Cash flow statement

DKK'000	Note	2021	2020
Operating loss		(39,425)	(14,193)
Depreciation and amortisation		8,913	5,823
Change in working capital	17	(7,603)	2,114
Share-based payment expense	7	563	1,657
Gain on disposal		-	(6)
Cash flow from ordinary operating activities		**(37,552)**	**(4,606)**
Income taxes received		4,528	4,176
Interest received		1,557	0
Interest paid		(4,020)	(3,403)
Cash flow from operating activities		**(35,487)**	**(3,832)**
Development expenditures	12	(16,573)	(13,658)
Prepaid intellectual property rights		(8,298)	-
Investments in property, plant and equipment	13	(634)	(173)
Change in deposits		(728)	(10)
Cash flow from investing activities		**(26,233)**	**(13,840)**

DKK'000	Note	2021	2020
Proceeds from borrowings	19	-	12,058
Repayment of borrowings	19	(8,916)	(1,668)
Payment of principal portion of lease liabilities	14	(2,424)	(1,667)
Transaction cost from capital increase		(8,259)	-
Proceeds from capital increase		125,489	6,481
Cash flow from financing activities		**105,890**	**15,205**
Change in cash and cash equivalents			
Net cash flow		44,169	(2,468)
Net foreign exchange difference		994	(288)
Cash, Begin		783	3,539
Cash, End		**45,946**	**783**

Notes to the consolidated financial statements

1. Accounting policies
2. Adoption of new and amended standards
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12. Intangible assets
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17. Working capital changes
18. Share capital and earnings per share
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21. Financial risks
22. Liabilities arising from financing activities
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Notes to the consolidated financial statements

1. Accounting policies

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 financial statements are presented in Danish kroner (DKK). All amounts have been rounded to nearest DKK thousand, unless otherwise indicated. The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention, except where IFRS explicitly requires use of other values.

For the purpose of clarity, the financial statements and the notes to the financial statements are prepared using the concepts of materiality and relevance. This means that line items not considered material in terms of quantitative and qualitative measures or relevant to financial statement users are aggregated and presented together with other items in the financial statements. Similarly, information not considered material is not presented in the notes.

The accounting policies, except as described below, have been applied consistently during the financial year and for the comparative figures.

Basis of consolidation
The consolidated financial statements comprise the financial statements of Linkfire A/S (the Parent) and subsidiaries which are entities controlled by Linkfire A/S. The Group controls an entity when it directly or indirectly owns more than 50% of the voting rights or may otherwise exercise a controlling influence.

Name	Country	Ownership
Linkfire Inc.	USA	100%
Linkfire Sociedade Unipeossal Lda.	Portugal	100%

Principles of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries.

The consolidated financial statements are prepared by combining items of a uniform nature and subsequently eliminating intercompany transactions, internal shareholdings and balances and unrealised intercompany gains or losses. The financial statements used for consolidation are prepared in accordance with the Group’s accounting policies.

The accounting items of subsidiaries are recognised 100% in the consolidated financial statements. Investments in subsidiaries are offset by the interest’s share of subsidiaries’ net assets at the acquisition date at fair value.

Accounting policies are described in full in this note below.

Foreign currency translation
Transactions denominated in currencies other than the functional currency are considered transactions in foreign currency.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency applying the exchange rates at the transaction date. Foreign exchange rate adjustments arising between the transaction date and the date of payment are recognised in the income statement under financial income or financial expenses.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the date of transaction or the exchange rate in the latest financial statements is recognised in the income statement under financial income or financial expenses.

Cash flow statement
The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities for the year as well as the Group’s cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are calculated based on operating profit/loss, adjusted for the cash flow effect of non-cash operating items, working capital changes, financial expenses paid and income tax paid.

Cash flows from investing activities comprise payments in connection with the acquisition and sale of non-current intangible assets, property, plant and equipment as well as financial assets.

Notes to the consolidated financial statements

1. Accounting policies (continued)

Cash flows from financing activities comprise payments arising from changes in the size or composition of the Group's share capital and dividend paid. Cash and cash equivalents comprise cash at bank and in hand.

Income statement

Revenue

The Group recognizes revenue from the following major sources being subscriptions and commissions. Revenue mainly derives from subscription fees charged for customers' access to the Group's marketing platform software. For software contracts, the total contract sum is allocated to the separate performance obligations for the purpose of revenue recognition.

Revenue recognition requires an agreement with the customer, which creates enforceable rights and obligations between the parties, has commercial substance, and identifies payment terms. In addition, it must be probable that the consideration determined in the contract will be collected.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and exclude amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of the licence or service to a customer. All revenue is derived from contracts with customers.

Subscription fees

Subscription fees cover licence, hosting and maintenance, as is standard in the software as a service subscription offering. The licence is not distinct from the hosting service, revenue is therefore recognised over time, as the customers are receiving and consuming the benefits of the Group's perfor- mance while performing. The hosting service and maintenance is therefore bundled to one performance obligation together with the licence.

Revenue is recognized over the duration of the contract.

Commissions

Affiliate partners are creating tokens and supplying these to Linkfire, which allows the affiliate partners to track referrals from Linkfire. Linkfire is implementing the tokens in their infrastructure, and in return the affiliate partners are paying commissions based on the result of approved transactions and qualifying purchases. Commissions are treated as one performance obligation, as they constitute a series of services. Revenue is recognized on a running basis because the affiliate partner receives and consumes the benefits of the Group's performance while performing.

The recognition point in time is when the revenue generating conversion, according to individual contract, is earned by the affiliate partner.

Cost to obtain a contract

The Group pays sales commission to its employees based on the contracts that they obtain for sales of licences. The commissions are expensed when incurred as the underlying customer contracts have a duration of less than a year. These are one-off payments directly related to specific sales, and are as such to be recognized as incremental costs.

Cost of sales

Cost of sales comprise costs incurred to achieve the year's revenue including hosting and transaction costs.

External expenses

Other external expenses comprise sales and marketing costs, external consultancy costs, other employee-related costs, IT and software costs, investor relations costs, loss allowances for doubtful trade receivables and other administrative expenses.

Other external expenses

Other external expenses comprise expenses of an extraordinary nature. The expenses recognized in 2021 relate to the First North listing and associated consultancy expenses.

Staff costs

Staff costs consist of salaries, sales commissions, bonuses, pensions and social costs, share-based payments, vacation pay, and other benefits. Salaries, bonuses, pensions and social costs, share-based payments, vacation pay, and other benefits are recognised in the year in which the associated services are rendered by the employees.

Share-based payments

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-sett-

Notes to the consolidated financial statements

1. Accounting policies (continued)

led share-based payments). The fair value of the warrants is measured using the Black & Scholes valuation method or other generally accepted valuation techniques. The calculation takes into account the terms and conditions under which the warrants are granted. Fair value is not subsequently remeasured. If subsequent modifications to a warrant program increase the value of the warrants granted, measured before and after the modification, the increase is recognized as an expense. If the modification occurs before the vesting period, the increase in value is recognized as an expense over the period for services to be received. If the modification occurs after the vesting date, the increase in value is recognized as an expense immediately. Consideration received for warrants sold is recognized directly in equity.

Financial income and financial expenses
Financial income and expenses include interest income, interest expense, amortisation of borrowing issue costs and realised and unrealised exchange gains and losses.

Tax
Tax on the profit/loss for the year comprises the year's current tax and changes in deferred tax.

The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to items recognised in other comprehensive income and directly in equity, respectively, is recognised in other comprehensive income or directly in equity. Exchange rate adjustments of deferred tax are recognised as part of the adjustment of deferred tax for the year.

Current tax payable and receivable is recognised in the balance sheet as the expected tax on the taxable income for the year, adjusted for tax paid on account. The current tax charge for the year is calculated based on the tax rates and rules enacted at the balance sheet date.

Deferred tax is calculated using the liability method on all temporary differences between the accounting and taxable values of assets and liabilities.

Deferred tax assets are assessed yearly and only recognised to the extent that it is more likely than not that they can be utilised. Deferred tax assets, including the tax value of tax losses carried forward, are recognised as other non-current assets and measured at the amount at which they are expected to be realised, either by setting off deferred tax liabilities or by setting off tax on future earnings within the same legal entity or a jointly taxed entity.

Deferred tax is measured based on the tax legislation and statutory tax rates in the respective countries that will apply under the legislation in force on the balance sheet date when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the income statement.

The Group recognises deferred tax assets relating to losses carried forward when Management finds that these can be offset against taxable income in the foreseeable future. An assessment is made taking into consideration the effect of restrictions in utilisation in local tax legislation. Future taxable income is assessed based on budgets as well as Management's expectations regarding growth and operating margin in the coming years.

Balance sheet

Intangible assets
Intangible assets with determinable useful lives comprises completed and in progress development projects and are measured at cost less accumulated amortization and impairment losses. Completed development projects by the Group are recognised as an asset if the cost of development is reliably measurable and an analysis shows that future economic benefits from using the software exceed the cost. Cost is defined as development costs incurred to make the software ready for use and consists primarily of direct salaries and other directly attributable development costs.

Once a software application has been developed, the cost is amortised over the expected useful life on a straight-line basis. If the useful life cannot be estimated, it is tested for impairment yearly or if indications of impairment arise.

Amortisation and impairment charges are recognised in the income statement.

The amortization periods used are 5 -10 years.

Notes to the consolidated financial statements

1. Accounting policies (continued)

Expected useful lives are reassessed regularly. The Group regularly reviews the carrying amounts of its finite-lived intangible assets to determine whether there is an indication of an impairment loss.

Intangible assets are tested for impairment if indications of impairment exist. Intangible assets are written down to their recoverable amount if the carrying amount exceeds the higher of the fair value less costs to sell and the value in use. Depreciation and impairment charges are recognized in the income statement.

Property, plant and equipment
Property, plant and equipment comprises other fixtures and fittings, tools and equipment and are measured at cost less accumulated depreciation and accumulated impairment. Other fixtures and fittings, tools and equipment are depreciated on a straight-line basis over the expected useful lives of the finite-lived assets, which are as follows:

Other fixtures and fittings, tools and equipment – 3-5 years

Property, plant and equipment is tested for impairment if indications of impairment exist. Property, plant and equipment is written down to its recoverable amount if the carrying amount exceeds the higher of the fair value less costs to sell and the value in use. Depreciation and impairment charges are recognised in the income statement.

Leases
When entering into an agreement, the Group assesses whether an agreement is a lease agreement or contains a lease element.

The right-of-use asset is measured at cost, which is calculated as the present value of the lease obligation plus any direct costs related to the entering into of the lease and prepaid lease payments.

The right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the useful life of the asset.

The Group leases properties which include a service element in the payments to the lessor. This service is deducted from the lease payment when measuring the lease obligation. Where the Group cannot reliably separate lease and non-lease items, it is considered a single lease payment.

Short leases with a maximum lease term of 12 months and leases where the underlying asset has a low value are not recognised in the statement of financial position.

The lease term is defined as the non-cancellable period of a lease together with periods covered by options to extend the lease if it is reasonably certain that the options will be exercised and periods covered by options to terminate the lease if it is reasonably certain that the options will not be exercised. A number of leases contain extension and termination options in order to guarantee operational flexibility in managing the leases.

The lease obligation, which is recognised under “Lease liabilities”, is measured at the present value of the remaining lease payments, discounted by the Group’s incremental loan interest rate, if the implicit interest rate is not stated in the lease agreement or cannot reasonably be determined. The lease obligation is subsequently adjusted if:

- The value of the index or interest rate on which the lease payments are based changes.
- There is a change in the exercise of options to extend or shorten the lease period due to a material event or a material change in circumstances which is within the control of the lessee.
- The lease term is changed as a result of exercising an option to extend or shorten the lease term.

Subsequent adjustments of the lease obligation are recognised a correction to the right-of-use asset. However, if the right-of-use asset has a value of DKK 0, a negative reassessment of the right-of-use asset is recognised in the income statement.

Deposits
On initial recognition, deposits are measured at fair value and subsequently at amortised cost less impairment losses, if any.

Notes to the consolidated financial statements

1. Accounting policies (continued)

Trade receivables
For trade receivables, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and, in respect of trade receivables, a general provision is also made based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking any credit enhancements held by the Group into account. Trade receivables are written off when all possible options have been exhausted and there is no reasonable expectation of recovery.

The cost of allowances for expected credit losses and write-offs for trade receivables are recognised in the income statement under other external expenses.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables in note 16. The Group does not hold collateral as security.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Interest-bearing liabilities
Debt to credit institutions and other interest-bearing liabilities. Interest-bearing liabilities are measured at amortized cost.

Trade payables and other payables
Other payables include bonus and commission accruals, vacation pay obligations, payroll taxes and VAT. Payables are measured at cost.

2. Adoption of new and amended standards

Implementation of amended standards and interpretation effective for the financial year 2021 have had no impact on the annual report for 2021. The new and amended standards and interpretations that have been issued, but are not yet effective, up to the date of issuance of Linkfire's financial statements are disclosed below. Linkfire intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021, effective 1 April 2021.
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework, effective 1 January 2022.
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use, effective 1 January 2022.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract, effective 1 January 2022.
- Annual Improvements 2018-2020, effective 1 January 2022.
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current, effective 1 January 2023.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies, effective 1 January 2023.
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates, effective 1 January 2023.
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, effective 1 January 2023.

Linkfire does not expect that the amended standards will have a significant impact on the financial statements of Linkfire.

Notes to the consolidated financial statements

3. Critical accounting judgements and key sources of estimation uncertainty

As part of the preparation of the financial statements, Management makes a number of accounting estimates and assumptions as a basis for recognising and measuring the Group's assets, liabilities, income and expenses as well as judgements made in applying the entity's accounting policies. The estimates, judgements 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 assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur, for which reason the actual results may differ from the estimates and judgements made. The accounting policies are described in detail in note 1 to the financial statements to which we refer.

Management considers the following accounting estimates and judgements to be significant in the preparation of the financial statements.

Development costs
The Group capitalises costs for software development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project and the expected period of benefits. At 31 December 2021, the carrying amount of capitalised development costs was DKK 69,875k (2020: DKK 51,503k). In 2021, DKK 16,573 thousand were capitalised.

Determining the lease term of contracts with renewal and termination options – Group as lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

Share-based payments
Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model, including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 7.

The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur, for which reason the actual results may differ from the estimates and judgements made.

At 31 December 2021, the carrying amount of share-based payments was DKK 429 thousand (2020: DKK 4,750k).

Deferred tax
Linkfire has not accounted for deferred tax assets related to tax losses carried forward. Linkfire's tax losses can be carried forward indefinitely. The deferred tax assets shall be recognized based on expected earnings for the next 3-5 years and the possibility to utilize the deferred tax assets to be offset against positive taxable income in each jurisdiction.

The Group has concluded that the deferred tax assets will not be fully recoverable using the estimated future taxable income based on business plans and budgets for the Group. Deferred tax assets not recognized has a total value of DKK 4,100 thousand (2020: 2,075 thousand).

4. Segment information

For management purposes and based on internal reporting information, Linkfire is organised in only one operating segment, as the information reported includes operating results at a consolidated level only. The company setup and costs related to the main nature of the business are not attributable to any specific revenue stream or customer type and are therefore borne centrally. The results of the single reporting segment are shown in the statement of comprehensive income.

For the split of revenue per business segment, please refer to note 5.

Notes to the consolidated financial statements

5. Revenue

DKK'000	2021	2020
Revenue by business stream		
Subscriptions	22,079	19,148
Commissions	11,618	5,551
Total	**33,697**	**24,699**
%-split		
Subscriptions	66	78
Commissions	34	22
Total	**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), which represent approximately 58%, 28%, 12% and 2% (2020: 38%, 51%, 9% and 1%), respectively, of revenue.

	2021	2020
tDKK		
NAM	19,441	9,496
EMEA	9,573	12,623
APAC	4,129	2,311
LATAM	554	268
Total	**33,697**	**24,699**
%-split		
NAM	58	38
EMEA	28	51
APAC	12	9
LATAM	2	1
Total	**100**	**100**

In 2021, two customers exceeded 10% of total revenue and accumulated for 39%.

Notes to the consolidated financial statements

5. Revenue (continued)

DKK'000	2021	2020
Contract balances (liability)		
Cost at 1 January	5,702	8,691
Recognised during the year	(22,079)	(19,148)
Additions	22,543	16,159
Cost at 31 December	**6,166**	**5,702**

Management expects that 96.0% of the transaction price allocated to the unsatisfied contracts as of the year ended 2021 will be recognised as revenue during the next reporting period (DKK 6.0 million). The remaining 4.0%, DKK 0.2 million, will be recognised in the financial year 2023.

6. Staff costs

DKK'000	2021	2020
Gross salaries	38,071	29,319
Share-based payments	562	1,657
Other social security costs	1,314	383
Other staff costs	2,728	120
	42,675	**31,479**
Capitalized salaries	(11,506)	(11,018)
Total	**31,170**	**20,461**
Average numbers of employees during the year	68	53
Board of Directors and Key Management Personnel		
Salaries	5,106	4,907
Share-based payments	532	791
Other social security costs	79	61
Other staff costs	412	10
Total	**6,129**	**5,769**

Employment contracts for members of the Key Management Personnel contain terms and conditions that are common to those of their peers in similar companies, including terms of notice and non-competitive clauses.

Notes to the consolidated financial statements

7. Share-based payments

DKK'000	2021	2020
Cost of share-based payments	562	1,657
Total	**562**	**1,657**

Costs of share-based payments are recognised as staff costs with a corresponding effect in equity. Consideration received for warrants sold is recognised directly in equity. The share-based incentive programs will only be settled in shares and no cash.

The board of directors was authorised on

1. 11 September 2015 to issue warrants to a number of the Company's board members and key employees. The Warrant Terms entitle the Warrant Holders to subscribe for up to a total of 8,873 shares of nominal DKK 0.01 each.
The warrants are granted to the Warrant Holder at the signing of the issued subscription agreement.
The warrants are to be vested until February 2020 and exercised until January 2028.
The authorisation was exercised in full in connection with the public listing in June 2021.

2. 27 February 2020 to issue warrants to a number of the Company's board members and key employees. The Warrant Terms entitle the Warrant Holders to subscribe for up to a total of 956 shares of nominal DKK 0.01 each.
The warrants are granted to the Warrant Holder at the signing of the issued subscription agreement.
The warrants are to be vested until May 2020 and exercised until February 2028.
The authorisation was exercised in full in connection with the public listing in June 2021.

3. 28 February 2020 to issue warrants to all employees in the company. The warrant terms entitle the Warrant Holders to subscribe for up to a total of 5,732 shares of nominal DKK 0.01 each.
The warrants are granted to the Warrant Holder at the signing of the issued subscription agreement.
The warrants are to be vested linearly from 24 to 36 months after the grant date.
The authorisation was exercised in full in connection with the public listing in June 2021.

4. 15 June 2021 to issue warrants to key employees, consultants and members of executive management in the company. The warrant terms entitle the Warrant Holders to subscribe for up to a total of 3,010,764 shares of nominal DKK 0.01 each.
The warrants are granted to the Warrant Holder at the signing of the issued subscription agreement.
The warrants are to be vested linearly over 36 months after the grant date.

Specification of outstanding warrants:

Number of warrants	Weighted average exercise price DKK	Boards of Directors	Key Management Personell	Employees & Advisors	Total
Outstanding at 1 January 2020	14.57	75	494	760	1,329
Granted	16.47			4	4
Exercised	-				-
Cancelled	16.47		(29)	(46)	(75)
Outstanding at 31 December 2020	**14.45**	**75**	**465**	**718**	**1,258**
Corporate conversion	1	200	1,250	1,928	3,378
Granted	8.20	849	-	-	849
Transferred	4.47	(168)	-	168	-
Exercised	3.71	(112)	(1,639)	(2,642)	(4,392)
Cancelled	4.47	(107)	(76)	(172)	(355)
Outstanding at 31 December 2021	**8.77**	**737**	**-**	**-**	**737**

Notes to the consolidated financial statements

7. Share-based payments (continued)

Outstanding warrants have the following charasteristics

Warrants outstanding	Weighted average exercise price DKK	Vesting period	Exercise period	2021	2020
Warrants granted in 2015-2018 (exercised at IPO)	3.54	Jan 19 - Feb 20	Jan 19 - Jan 28	-	687
Warrants granted in 2019 (exercised at IPO)	15.49	Sep 19 - Mar 23	Jan 20 - Jan 28	-	567
Warrants granted in 2020 (exercised at IPO)	16.47	Jan 20 - Apr 23	Jan 22 - Jan 28	-	4
Warrants granted in 2021	8.77	Jul 21 - Jun 24	Jun 24 - Jun 26	737	-
Outstanding at 31 December				**737**	**1,258**

DKK'000	2021	2020
Average remaining life of outstanding warrants at 31 December (years)	5	3.3
Exercise price for outstanding warrants at 31 December (DKK)	8.77	1-16.47

The fair value of the warrants issued is measured at calculated market price at the grant date based on the Black & Scholes valuation method. The calculation is based on the following assumptions at the grant date:

	Warrants granted in 2021	Warrants granted in 2020	Warrants granted in 2019	Warrants granted in 2015-2018
Average share price (DKK)	8.77	16.47	16.47	5.38
Expected volatility rate (% p.a.)	0.54	0.40	0.40	0.40
Risk-free interest rate (% p.a.)	-	-	-	-
Expected warrant life (no. years)	5.00	5.00	5.00	6 - 8
Exercise price (DKK)	**8.77**	**16.47**	**13.17 - 16.47**	**1 - 9**

Fair value all warrants, after dilution (DKK'000)

Expected volatility rate is applied based on the annualised volatility on relevant peer groups derived from the standard deviation of daily observations over 12 months ending June 2021.

Notes to the consolidated financial statements

8. Depreciation and amortisation

DKK'000	2021	2020
Amortisation of intangible assets	6,499	4,317
Depreciation of property plant and equipment	134	45
Depreciation of right-of-use assets	2,280	1,461
Total	**8,913**	**5,823**

9. Financial income

DKK'000	2021	2020
Foreign exchange income and other adjustments	1,534	509
Other financial income	1,557	-
Total	**3,091**	**509**

10. Financial expenses

DKK'000	2021	2020
Interest expenses	4,249	3,314
Foreign exchange losses and other adjustments	313	802
Interest on lease liabilities	181	189
Total	**4,743**	**4,305**

11. Tax for the year

DKK'000	2021	2020
Current tax for the year income	5,500	4,528
Changes in deferred tax		
Recognised as receivable tax credit	5,500	4,528

Income tax benefits for both the years 2021 and 2020 relate to tax credits for research and development expenses at the applicable tax rate under the Danish Corporate Income Tax Act.

DKK'000	2021	2020
Tax calculated as 22% of profit/loss before tax	9,036	3,958
Non-capitalised tax assets	(2,025)	1,140
Non-deductible expenses	(1,511)	(570)
Effective tax	**5,500**	**4,528**
Tax rate for the year (%)	13.8%	25.2%

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

Deferred tax asset not recognized has a total value of DKK 4,100 thousand (2020: 2,075 thousand).

Notes to the consolidated financial statements

12. Intangible assets

DKK'000	Prepaid Intellectual Property Rights	Completed development projects	Development projects in progress	Total
2021				
Cost at 1 January	-	55,764	2,642	58,406
Transfers	-	19,215	(19,215)	-
Additions	8,298	-	16,573	24,871
Cost at 31 December	**8,298**	**74,979**	**-**	**83,277**
Amortisation and impairment at 1 January	-	(6,903)	-	(6,903)
Amortisation during the year	-	(6,499)	-	(6,499)
Amortisation and impairment at 31 December	**-**	**(13,402)**	**-**	**(13,402)**
Carrying amount at 31 December	**8,298**	**61,577**	**-**	**69,875**
2020				
Cost at 1 January	-	18,050	26,699	54,990
Transfers	-	37,714	(37,714)	-
Additions	-	-	13,657	3,416
Cost at 31 December	**-**	**55,764**	**2,642**	**58,406**
Amortisation and impairment at 1 January	-	(5,276)	-	(5,276)
Amortisation during the year	-	(1,627)	-	(1,627)
Amortisation and impairment at 31 December	**-**	**(6,903)**	**-**	**(6,903)**
Carrying amount at 31 December	**-**	**48,861**	**2,642**	**51,503**

Completed development projects comprise software development costs related to development of the existing software. The software is under continuous development for the use of customers and partners and is sold as i) a license to use the software for a given period, and ii) as an integration component on websites and in applications. Users have access to upgrades and new functionalities during the contract period.

Development costs for the year cover both development of the front-end and the back-end part of the software solution. Both parts are to increase the user experience, functionalities within the software as well as expand upon the technical applications of the software in order to increase the Group's revenue by maintaining existing customers and partners and acquire new customers and partners.

It is Management's assessment that the expected useful lives of the finite-lived assets, as well as the expected future revenue streams from the assets, are sufficient to cover the value of recognised developed software at the reporting date.

In 2021, Linkfire expensed DKK 10,141 thousand (2020: 4,057 thousand) for development projects not meeting the recognition criteria applicable to internally generated intangible assets.

Prepaid intellectual property rights relate to the acquisition of smartURL. The prepaid amount is part of the total acquisition price which includes the prepayment as an upfront element, the share issue described in note 24, and an earn-out element that is dependent on future performance of the assets.

A total consideration of up to USD 4.8 million, has been agreed between the parties, as disclosed to the market on 4 November 2021.

Notes to the consolidated financial statements

13. Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Total
2021			
Cost at 1 January	200	121	321
Additions	634	-	634
Disposals	-	-	-
Cost at 31 December	**834**	**121**	**955**
Depreciation at 1 January	(33)	(119)	(152)
Depreciation during the year	(132)	(2)	(134)
Depreciation at 31 December	**(165)**	**(121)**	**(286)**
Carrying amount at 31 December	**669**	**-**	**669**
2020			
Cost at 1 January	33	121	154
Additions	173	-	173
Disposals	-6	0	(6)
Cost at 31 December	**200**	**121**	**321**
Depreciation at 1 January	(11)	(102)	(113)
Depreciation during the year	(22)	(17)	(39)
Depreciation at 31 December	**(33)**	**(119)**	**(152)**
Carrying amount at 31 December	**167**	**2**	**169**

14. Right-of-use assets

DKK'000	Offices	Vehicles	Equipment	Total
2021				
Cost at 1 January	5,060	-	975	6,035
Additions	7,548	81	113	7,742
Cost at 31 December	**12,608**	**81**	**1,088**	**13,777**
Depreciation at 1 January	(2,368)	-	(441)	(2,809)
Depreciation during the year	(1,887)	(47)	(346)	(2,280)
Depreciation at 31 December	**(4,255)**	**(47)**	**(787)**	**(5,089)**
Carrying amount at 31 December	**8,353**	**34**	**301**	**8,688**
2020				
Cost at 1 January	4,969	-	737	5,706
Additions	91	-	238	329
Cost at 31 December	**5,060**	**-**	**975**	**6,035**
Depreciation at 1 January	(1,224)	-	(123)	(1,347)
Depreciation during the year	(1,144)	-	(318)	(1,462)
Depreciation at 31 December	**(2,368)**	**-**	**(441)**	**(2,809)**
Carrying amount at 31 December	**2,692**	**-**	**534**	**3,226**

Notes to the consolidated financial statements

14. Right-of-use assets (continued)

Carrying amounts of lease liabilities and movements during the period:

DKK'000	2021	2020
At 1 January	3,296	4,444
Additions	7,742	329
Accrual of interest	181	189
Payments	(2,424)	(1,667)
Exchange rate adjustments	(1)	1
At 31 December	**8,794**	**3,296**
Non-Current	**4,958**	**1,487**
Current	**3,836**	**1,809**

The following amounts have been recognised in the income statement:

DKK'000	2021	2020
Depreciation expense of right-of-use assets	2,280	1,461
Interest expense on lease liabilities	181	189
Expense relating to short-term leases (included in other external expenses)		-
Total amount recognised in the income statement	**2,461**	**1,650**

The Group had total outflow for leases of DKK 2,424 thousand (2020: DKK 1,667 thousand).

The Group leases offices, and lease terms are negotiated on an individual basis and contain different terms and conditions. As part of COVID-19, no rent concession has been received.

15. Deposits

DKK'000	2021	2020
Cost at 1 January	427	417
Additions	81	10
Cost at 31 December	**508**	**427**

Notes to the consolidated financial statements

16. Trade receivables

DKK'000	31 dec. 2021	31 dec. 2020
Trade receivables	6,238	2,195
Write-downs	-	-
Total	**6,238**	**2,195**

Expected credit loss
The following table details the maturity of trade receivables. The Group has assessed their expected credit losses on an individual level, and has deemed their expected losses immaterial, for which reason there has not been made a matrix for expected credit loss on groups of receivables, furthermore the historical losses on trade receivables are limited as shown in the maturity analysis.

DKK'000	Not past due	Overdue by 0-15 days	Overdue by 16-30 days	Overdue by >30 days	Write-downs	Carrying amount of receivables
31 december 2021						
Trade receivables	5,516	112	3	607	-	6,238
31 december 2020						
Trade receivables	421	1,702	7	65	-	2,195
1 januar 2020						
Trade receivables	4,949	35	-	112	-	5,096

17. Working capital changes

DKK'000	2021	2020
Change in receivables and prepayments	(5,219)	2,562
Change in trade payables and other debt etc	(2,384)	(449)
Total	**(7,603)**	**2,113**

18. Share capital and earnings per share

At 31 December 2021, the share capital consisted of 58,339,222 (2020: 10,808,661) shares with a nominal value of DKK 0.01 each.

The shares are not divided into classes and carry no right to fixed income.

DKK'000	2021
Issued and fully paid shares:	
At 1 January 2020, 10,413,893 shares of DKK 0.01 each	104
Capital increase	4
At 31 December 2020	**108**
Corporate conversion	292
Capital increase	183
Share capital at 31 December 2021	**583**

Notes to the consolidated financial statements

18. Share capital and earnings per share (continued)

DKK'000	2021	2020
Earnings per share		
The calculation of earnings per share is based on the following:		
Profit/(loss) for the year	(35,577)	(13,461)
Average number of ordinary shares for calculation of earnings per share:	**46,318,136**	**10,533,664**
Average diluted effect of outstanding share options	695,065	1,234,761
Average number of shares for calculation of diluted earnings per share:	**47,013,201**	**11,768,425**
Earnings per share (EPS)	(0.77)	(1.28)
Earnings per share, diluted (DEPS)	(0.77)	(1.14)

19. Interest-bearing liabilities

DKK'000	2021	2020
Non-current borrowings		
Debt to credit institutions	19,385	31,610
Other	2,111	2,007
Total	**21,496**	**33,617**
Current borrowings		
Debt to credit institutions	7,200	3,995
Convertible loan	-	-
Total	**7,200**	**3,995**

For a specification of the debt that is due after 5 years please refer to note 21 of the notes to the consolidated financial statements.

20. Other capital reserve

Other capital reserve is used to recognise the value of equity-settled share-based payments provided to employees, including Key Management Personnel, as part of their remuneration. Refer to note 7 for further details of these plans.

Notes to the consolidated financial statements

21. Financial risks

Capital Management
The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The capital structure of the Group consists of net debt and equity. Management reviews the capital structure continually to consider if the current capital structure is in accordance with the Group's and shareholders' interests.

Financial risk management
Due to the nature of its operations, investments, and financing, the Group is exposed to a number of financial risks. It is Group policy to operate with a low risk profile so that currency risk, interest rate risk and credit risk only occur in commercial relations. The scope and nature of the Group's financial instruments appear from the income statement and statement of financial position in accordance with the accounting policies applied. Provided below is information about factors that may influence amounts, time of payment, or the reliability of future payments, where such information is not provided directly in the financial statements. This note addresses only financial risks directly related to the Group's financial instruments.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations towards the Group, resulting in a financial loss. The Group is exposed to credit risk primarily related to its trade and other receivables, receivables from group enterprises, contract assets and cash held at financial institutions. The Group considers accounts receivables in default when they are due more than 90 days, and the outstanding amount is written off when there is a court order of bankruptcy from the counterparty. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Foreign currency risk
Currency risk is the risk that arises from changes in exchange rates and affects the Group's result.

The general objective of the Group's currency risk management is to limit and delay any adverse impact of exchange rate fluctuations on earnings and cash flows and thus increase the predictability of the financial results. The Group also aims at balancing incoming and outgoing payments in local currency as much as possible as well as monitoring the development in exchange rates and adjust price lists when required.

The greatest exposure in foreign currency is to USD, and in 2021, 84% (2020: 76%) of the Group's revenue was denominated in USD. In order to minimise the currency risk related to transactions in USD, the Company's revenues are mainly invoiced in USD, while the majority of the Group's expenses, such as employee costs, are denominated in DKK. The Group is thus offering as much as possible revenue in EUR to match the main cost driver, as DKK is tied to EUR. Meanwhile optimising cost placements in USD to utilise incoming USD payments. However, currency fluctuations could cause currency transaction losses or gains which the Company cannot predict, and if the currency fluctuations are detrimental to the Group, it could have a material adverse effect on the Group's business, results of operations and financial position. Furthermore, fluctuations in the value of USD and other foreign currencies may make the Group's subscriptions more expensive for international customers, which could harm its business.

DKK'000	2021	2020
Sensitivity to a 10% increase in USD exchange rate		
Effect on profit before tax	3,691	1,914
Effect on pre-tax equity	3,691	1,914

Notes to the consolidated financial statements

21. Financial risks (continued)

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

DKK'000	Assets		Liabilities		Net assets	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Currency						
USD	23,179	2,850	1,174	7,733	22,005	(4,883)
EUR	3,137	201	209	930	2,928	(729)
Other	1,394	3	60		1,334	3

Liquidity risk

The Group ensures sufficient liquidity resources by liquidity management. In order to limit the Group's counterparty risk, deposits are only made in well-reputed banks.

At 31 December 2021, the Group's cash and cash equivalents amounted to DKK 45,946k (2020: DKK 783k).

The cash reserve and expected cash flow for 2022 are considered to be adequate to meet the obligations of the Group as they fall due.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments which include estimated interest payments:

DKK'000	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended on 31 December 2021					
Interest-bearing liabilities	3,600	3,600	18,758	2,738	28,696
Lease liabilities	959	2,876	4,959	-	8,794
Trade and other payables	7,843	1,576	-	-	9,419
Total	**12,402**	**8,052**	**23,717**	**2,738**	**46,909**
Year ended on 31 December 2020					
Interest-bearing liabilities	172	5,418	31,170	2,858	39,618
Lease liabilities	-	1,486	2,015	-	3,501
Trade and other payables	3,415	5,169	372	19	8,795
Total	**3,587**	**12,073**	**33,557**	**2,877**	**51,914**

Interest rate risk

Interest rate risk arises in relation to interest-bearing assets and liabilities.

The Group's interest-bearing debt to credit institutions of DKK 16,590 thousand (2020: DKK 26,112 thousand) at 31 December 2021 is subject to a variable rate of interest based on a 3-month CIBOR plus a premium, whereas DKK 12,106 thousand (2020: DKK 11,500 thousand) has a fixed interest rate of 5%.

Notes to the consolidated financial statements

21. Financial risks (continued)

If market interest rates increased by one percentage point, the interest rate sensitivity as calculated based on the loan balance to credit institutions as per the end of 2021 would result in a yearly increase in interest expenses of DKK 287 thousand (2020: DKK 376 thousand). A corresponding decrease in market interest rates would have the opposite impact.

Financial instruments

DKK'000	2021	2020
Financial assets measured at amortised cost		
Deposits	1,153	427
Trade receivables	6,238	2,195
Other receivables	543	664
Cash	45,946	783
Total	**53,880**	**4,069**
Financial liabilities measured at amortised cost		
Interest-bearing loan	28,696	37,612
Trade payables	4,831	2,888
Other payables	4,588	9,379
Total	**38,115**	**49,879**

Classification of financial assets measured at amortised cost
Since the Group's financial instruments measured at amortised cost are either short-term and/or exposed to floating interest rates, Management has assessed that the carrying amount is a reasonable approximation of fair value.

22. Liabilities arising from financing activities

DKK'000	Other borrowings	Lease liabilities	Total
2021			
Liabilities at 1 January	48,587	3,296	**51,883**
Adjustment to 1 January balance*	(10,975)	-	**(10,975)**
Loans raised	-	7,742	**7,742**
Repayments	(8,916)	(2,424)	**(11,340)**
Foreign exchange rate movements	-	(1)	**(1)**
Other	-	181	**181**
Liabilities at 31 December	**28,696**	**8,794**	**37,490**
2020			
Liabilities at 1 January	37,037	4,444	**41,481**
Loans raised	12,356	329	**12,685**
Repayments	(2,432)	(1,667)	**(4,099)**
Foreign exchange rate movements	-	1	**1**
Other	1,626	189	**1,815**
Liabilities at 31 December	**48,587**	**3,296**	**51,883**

* Beginning balance included Trade payables and Other payables which is incorrect.

There is no ultimate Parent, as no owner holds the majority of the voting rights.

Notes to the consolidated financial statements

23. Related parties

Shareholders	Registered office	Basis of influence
Rocket Group ApS	Copenhagen	
NCP-IVS Fund III K/S	Hellerup	
Faurfelt Invest ApS	Copenhagen	

There is no ultimate Parent, as no owner holds the majority of the voting rights.

Other related parties
Other related parties of the Group with significant influence comprise the Board of Directors and the Executive Board and their related parties. The transactions with the Board of Directors and the Executive Board only consist of normal remuneration as disclosed in note 6, other than transactions mentioned below.

All agreements relating to these transactions are based on market price (arm's length). The Company has the outstanding balances with related parties as per the below table:

DKK'000	2021	2020
Ettrup Invest ApS		
Interest-bearing liabilities	-	4
Lars Ettrup		
Interest-bearing liabilities	13	6
Jeppe Faurfelt		
Interest-bearing liabilities	-	373

24. Events after the reporting period

On January 11, 2022 the company completed the acquisition of global competitor smartURL with a planned share issuance of 1,192,864 new shares. The share price in the issuance of 8.4451 SEK per share has been determined via a five-day pre-signing and a five-day post-signing volume-weighted average price ("VWAP") in Linkfire's share. The agreement was signed on November 4, 2021. The issuance corresponds to a dilution of 2% increasing the number of shares and voting rights in Linkfire from 58,339,222 to 59,532,086. The newly issued shares are subject to a lock-up period of 12 months.

No further matters, which would influence the evaluation of the annual report, have occurred.

25. Guarantees, contingent liabilities and collateral

The group has provided a bank guarantee to Euroclear of DKK 145k.

In order to secure the Company's balance with Danish Growth Fund, a mortgage has been granted with mortgages in simple receivables, operating inventories and equipment and intellectual property rights at a total book value of DKK 76,630 (2020: DKK 53,794k).

Parent Company

Parent company income statement

DKK'000	Note	2021	2020
Revenue		33,697	24,699
Cost of sales		(9,320)	(5,995)
External expenses		(32,835)	(15,658)
Other external expenses		(6,867)	-
Gross profit		**(15,325)**	**3,045**
Staff costs	2	(17,754)	(11,648)
Other Operating Income		(0)	-
Depreciation and amortisation	3	(6,576)	(4,351)
Operating profit/(loss)		**(39,655)**	**(12,954)**
Financial income	4	1,888	508
Financial expenses	5	(4,232)	(4,109)
Profit/(loss) before tax		**(41,998)**	**(16,556)**
Tax for the year	6	5,500	4,528
Profit/(loss) for the year		**(36,498)**	**(12,027)**
Proposed distribution of profit and loss:			
Proposed dividend		0	0
Retained earnings		(36,498)	(12,027)
Profit/(loss) for the year		**(36,498)**	**(12,027)**

Parent company statement of financial position

DKK'000	Note	31/12/21	31/12/20
Assets			
Completed development projects		61,578	48,861
Development projects in progress		0	2,642
Prepaid intellectual property rights		8,298	-
Total intangible assets	7	**69,876**	**51,503**
Other fixtures and fittings, tools and equipment		516	94
Leasehold improvements		-	2
Total property, plant and equipment	8	**516**	**96**
Deposits		508	427
Investments in subsidiaries		0	-
Total fixed asset investments	9	**508**	**427**
Total fixed assets		**70,900**	**52,026**
Trade receivables		6,238	2,195
Other receivables		448	489
Income tax receivables		5,500	4,528
Prepayments		1,588	280
Total receivables		**13,774**	**7,492**
Cash		**45,083**	**700**
Total current assets		**58,858**	**8,192**
Total assets		**129,758**	**60,218**

DKK'000	Note	31/12/21	31/12/20
Equity and liabilities			
Share capital		583	108
Reserve for development costs		61,578	51,503
Retained earnings		23,110	(47,256)
Total equity		**85,271**	**4,356**
Interest bearing liabilities		21,496	32,780
Total non-current liabilities	10	**21,496**	**32,780**
Current portion of non-current liabilities other than provisions	10	7,200	3,120
Interest bearing liabilities		-	3,995
Prepayments from customers		6,166	5,702
Trade payables		4,800	2,886
Payables to group enterprises		1,258	1,764
Other payables		3,567	5,615
Total current liabilities		**22,990**	**23,082**
Total liabilities		**44,487**	**55,862**
Total equity and liabilities		**129,758**	**60,218**

Parent company statement of changes in equity

DKK'000	Share capital	Share premium	Reserve for develop-ment costs	Retained earnings	Total
2021					
Equity beginning of period	108	-	51,503	(47,255)	4,356
Increase of capital	475	125,489	-	(292)	125,672
Transferred from share premium	-	(125,489)	-	125,489	-
Transfer to reserves	-	-	10,075	(10,075)	-
Transaction cost from capital increase	-	-	-	(8,259)	(8,259)
Proposed dividend	-	-	-	-	-
Profit/(loss) for the period	-	-	-	(36,498)	(36,498)
Equity end of period	**583**	**-**	**61,578**	**23,110**	**85,271**

DKK'000	Share capital	Share premium	Reserve for develop-ment costs	Retained earnings	Total
2020					
Equity beginning of period	104	-	42,163	(32,384)	9,883
Increase of capital	4	6,495	-	-	6,499
Transferred from share premium	-	(6,495)	-	6,495	-
Transfer to reserves	-	-	9,340	(9,340)	-
Transaction cost from capital increase	-	-	-	-	-
Proposed dividend	-	-	-	-	-
Profit/(loss) for the period	-	-	-	(12,027)	(12,027)
Equity end of period	**108**	**-**	**51,503**	**(47,256)**	**4,356**

Notes to the parent financial statements

1. Accounting policies
2. Staff costs
3. Depreciation and amortisation
4. Other financial income
5. Other financial expenses
6. Tax on profit/loss for the year
7. Intangible assets
8. Property, plant and equipment
9. Financial assets
10. Interest-bearing liabilities
11. Unrecognised rental and lease commitments
12. Guarantees, contingent liabilities and collateral
13. Subsequent events

Notes to the parent financial statements

1. Accounting policies

The separate parent financial statements have been incorporated in the annual report because a separate set of financial statements is required for the Parent under the Danish Financial Statements Act requirements for annual reports of reporting class B enterprises with additions of certain provisions for reporting class C.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably. Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item. Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement. Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Cash flow statement
Referring to section 86(4) of the Danish Financial Statements Act, no cash flow statement have been prepared.

Income statement

Gross profit or loss
Gross profit or loss comprise revenue, own work capitalised, other operating income, cost of sales and external expenses with reference to section 32 of the Danish Financial Statements Act.

Revenue
Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at the fair value of the consideration fixed.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory write-downs.

External expenses
Other external expenses comprise sales and marketing costs, external consultancy costs, other employee-related costs, IT and software costs, investor relations costs, loss allowances for doubtful trade receivables and other administrative expenses.

Other external expenses
Other external expenses comprise expenses of an extraordinary nature. The expenses recognized in 2021 relate to the First North listing and associated consultancy expenses.

Staff costs
Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation and amortisation
Depreciation and amortisation relating to property, plant and equipment and intangible assets comprise Depreciation and amortisation for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity bythe portion attributable to entries directly in equity.

Notes to the parent financial statements

1. Accounting policies (continued)

Balance sheet

Intellectual property rights etc
Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs that are reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects. Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated it is impairment testet yearly.

For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortization periods used are 5 -10 years. Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated. Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period. Estimated useful lives and residual values are reassessed annually. Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Income tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost. Cash comprises cash in hand and bank deposits.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Notes to the parent financial statements

2. Staff costs

DKK'000	2021	2020
Wages and salaries	26,776	21,597
Other social security costs	361	138
Other staff costs	2,123	931
	29,260	**22,666**
Staff costs classified as assets	(11,506)	(11,018)
Total	**17,754**	**11,648**
Average numbers of employees at balance sheet date	46	39

For information about remuneration to Board of Directors and Key Management Personnel and Share-based payments please refer to note 6 and 7 in the notes to the consolidated financial statements

3. Depreciation and amortisation

DKK'000	2021	2020
Amortisation of intangible assets	6,499	4,317
Depreciation of property plant and equipment	76	34
Total	**6,575**	**4,351**

4. Other financial income

DKK'000	2021	2020
Foreign exchange gains	1,210	507
Other financial income	678	1
Total	**1,888**	**508**

5. Other financial expenses

DKK'000	2021	2020
Other interest expenses	3,864	3,314
Foreign exchange losses and other adjustments	212	712
Other financial expenses	156	83
Total	**4,232**	**4,109**

6. Tax on proft/loss for the year

DKK'000	2021	2020
Current tax	(5,500)	(4,528)

Notes to the parent financial statements

7. Intangible assets

DKK'000	Prepaid Intellectual Property Rights	Completed devel-opment projects	Devel-opment projects in progress	Total
2021				
Cost at 1 January	-	55,764	2,642	58,406
Transfers	-	19,215	(19,215)	-
Additions	8,298	-	16,573	24,871
Cost at 31 December	**8,298**	**74,979**	**-**	**83,277**
Amortisation and impairment at 1 January	-	(6,903)	-	(6,903)
Amortisation during the year	-	(6,499)	-	(6,499)
Amortisation and impairment at 31 December	**-**	**(13,402)**	**-**	**(13,402)**
Carrying amount at 31 December	**8,298**	**61,577**	**-**	**69,875**
2020				
Cost at 1 January	-	18,050	26,699	44,749
Transfers	-	37,714	(37,714)	-
Additions	-	-	13,657	13,657
Cost at 31 December	**-**	**55,764**	**2,642**	**58,406**
Amortisation and impairment at 1 January	-	(2,586)	-	(2,586)
Amortisation during the year	-	(4,317)	-	(4,317)
Amortisation and impairment at 31 December	**-**	**(6,903)**	**-**	**(6,903)**
Carrying amount at 31 December	**-**	**48,861**	**2,642**	**51,503**

Please refer to the description in note 12 in the consolidated financial statements.

Development costs for the year cover both development of the front-end and the back-end part of the software solution. Both parts are to increase the user experience and functionalities within the software in order to increase the Group's revenue by maintaining existing customers and acquire new customers. Development projects in progress and completed development projects have a net value of DKK 61,577k and DKK 0 (2020: DKK 48,861k and DKK 2,642k) in the annual report. Development projects are measured at cost reduced by amortisation and write-downs. The measurement is subject to considerable uncertainty.

In 2021, Linkfire expensed DKK 10,141 thousand (2020: 4,057 thousand) for development projects not meeting the recognition criteria applicable to internally generated intangible assets.

Prepaid intellectual property rights relate to the acquisition of smartURL. The prepaid amount is part of the total acquisition price which includes the prepayment as an upfront element, the share issue described in note 24, and an earn-out element that is dependent on future performance of the assets.

A total consideration of up to USD 4.8 million, has been agreed between the parties, as disclosed to the market on 4 November 2021.

Notes to the parent financial statements

8. Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Total
2021			
Cost at 1 January	116	121	237
Additions	498		498
Disposals	-		-
Cost at 31 December	**614**	**121**	**735**
Depreciation at 1 January	(22)	(119)	(141)
Depreciation during the year	(75)	(2)	(77)
Depreciation at 31 December	**(97)**	**(121)**	**(218)**
Carrying amount at 31 December	**517**	**-**	**517**
2020			
Cost at 1 January	33	121	154
Additions	89	-	89
Disposals	-6	0	(6)
Cost at 31 December	**116**	**121**	**237**
Depreciation at 1 January	(11)	(102)	(113)
Depreciation during the year	(11)	(17)	(28)
Depreciation at 31 December	**(22)**	**(119)**	**(141)**
Carrying amount at 31 December	**94**	**2**	**96**

9. Financial assets

DKK'000	Investments in group enterprises	Deposits
2021		
Cost at 1 January	-	426
Additions	-	82
Cost at 31 December	**-**	**508**

Name	Country	Ownership
Linkfire Inc.	USA	100%
Linkfire Sociedada Unipeossal Lda.	Portugal	100%

Notes to the parent financial statements

10. Interest-bearing liabilities

DKK'000	2021	2020
Non-current borrowings		
Debt to credit institutions	19,385	31,610
Other	2,111	2,007
Total	**21,496**	**33,617**
Current borrowings		
Debt to credit institutions	7,200	3,995
Convertible loan	-	-
Total	**7,200**	**3,995**

For a specification of the debt that is due after 5 years please refer to note 21 of the notes to the consolidated financial statements.

11. Unrecognised rental and lease commitments

DKK'000	2021	2020
Liabilities under rental or lease agreements until maturity in total	335	998

12. Guarantees, contingent liabilities and collateral

The group has provided a guarantee to Euroclear of DKK 145k.

In order to secure the Company's balance with Danske Bank, a mortgage has been granted with mortgages in simple receivables, operating inventories and equipment and intellectual property rights at a total book value of DKK 76,630 (2020: DKK 53,794k).

13. Subsequent events

On January 11, 2022 the company completed the acquisition of global competitor smartURL with a planned share issuance of 1,192,864 new shares. The share price in the issuance of 8.4451 SEK per share has been determined via a five-day pre-signing and a five-day post-signing volume-weighted average price ("VWAP") in Linkfire's share. The agreement was signed on November 4, 2021. The issuance corresponds to a dilution of 2% increasing the number of shares and voting rights in Linkfire from 58,339,222 to 59,532,086. The newly issued shares are subject to a lock-up period of 12 months.

No further matters, which would influence the evaluation of the annual report, have occurred.

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report for the financial year 01.01.2021 – 31.12.2021 for Linkfire A/S.

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

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and Parent's assets, liabilities and financial position at 31.12.2021 and of the results of the Group's activities and cash flows for the financial year 01.01.2021 – 31.12.2021.

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

The annual report is submitted for adoption at the Annual General Meeting.

Copenhagen, 6 April 2022

Executive Management

Lars Wiberg Ettrup

Tobias Elstrøm Demuth

Copenhagen, 6 April 2022

Board of Directors

Jesper Eigen Møller

Jesper Møller
Chairman

Thomas Weilby Knudsen

Thomas Weilby Knudsen

Charlotte Klinge

Charlotte Klinge

Thomas Rudbeck

Thomas Rudbeck

Independent auditor's report

To the shareholders of Linkfire A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Linkfire A/S for the financial year 01.01.2021 - 31.12.2021, 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, for the Group as well as the Parent. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 31.12.2021, and of the results of its operations and cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Furthermore, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 31.12.2021, and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act as well as the preparation of parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 06.04.2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen
Claus Jorch Andersen
State Authorised Public Accountant
Identification No (MNE) mne33712

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.

Company information

The Company
Linkfire A/S
Artillerivej 86, 3.
2300 København S

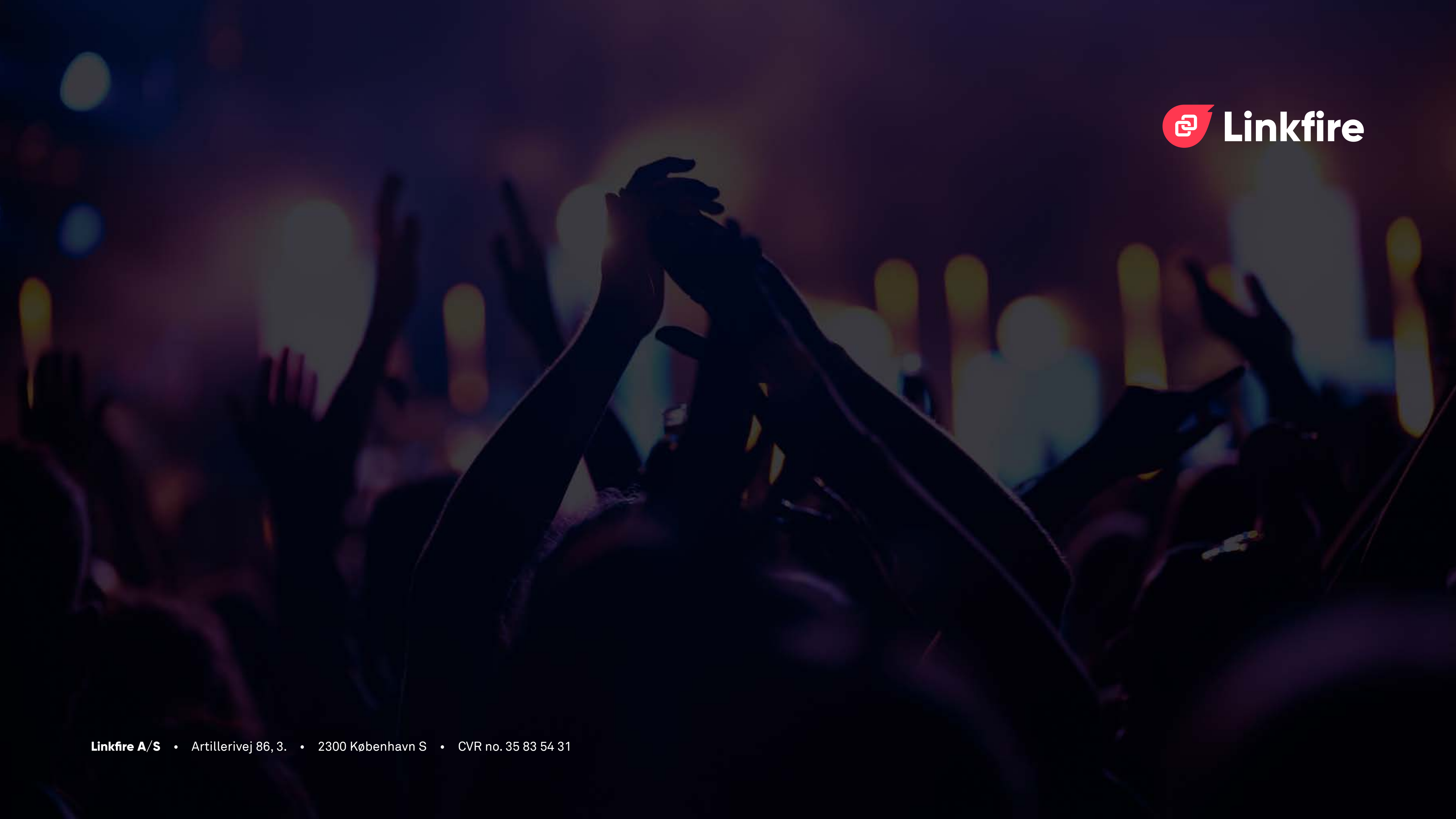
Business Registration No.: 35 83 54 31
Registered office: Copenhagen

Date of incorporation: 15.04.2014
Financial year: 01.01.2021 - 31.12.2021

Board of Directors
Jesper Møller, Chairman
Thomas Weilby Knudsen
Charlotte Klinge
Thomas Rudbeck

Executive Board
Lars Wiberg Ettrup
Tobias Demuth

Auditors
Deloitte Statsautoriseret
Revisionspartnerselskab



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