



Press release, 10 June 2021

## **Linkfire intends to list its shares on Nasdaq First North Premier Growth Market**

**Linkfire A/S (“Linkfire” or the “Company”), a leader within the smart linking market for music, today announces the intention to list its shares on Nasdaq First North Premier Growth Market. Linkfire’s business consists of two solutions; Linkfire Marketing Platform, which is a SaaS marketing platform, and Linkfire Discovery Network, a network of Smart Links on various social medias, connecting consumers to music products. In connection with the intended listing, Linkfire is planning an offer to the public in Sweden and to institutional investors in Sweden and internationally. The offering is expected to consist of new shares in Linkfire issued by the Company (the “Offering”).**

### **Background**

Linkfire wants to expand its market position further through scaling and expanding its operations organically as well as through potential M&A opportunities and believes that a listing and offering would support the Company to pursue these growth opportunities. The Offering and listing are furthermore expected to provide Linkfire with improved access to capital markets, improved knowledge of the Company among customers, investors and other stakeholders, and a more diversified shareholder base of both Swedish and international investors.

The listing and the Offering are expected to be completed during late June 2021, subject to market conditions and approval by Nasdaq Stockholm that Linkfire fulfils the applicable listing requirements.

### **Lars Ettrup, CEO, comments:**

*“A listing on First North Premier is an exciting step for Linkfire. We are ready for it and it will support us in our continued growth journey, scaling our operations and expanding our market position globally. Sweden has a strong standing in the global music and entertainment industry and a listing in Stockholm would take us closer to that.”*

### **Jesper Møller, Chairman of the Board, comments:**

*“The Linkfire team has built an impressive business, taking a key position in the marketing ecosystem for music and entertainment globally. As Chairman, I look forward to supporting the company on its continued development as a listed company.”*

### **The Offering**

- The Offering will consist of new shares to be issued by Linkfire and will be directed to the general public in Sweden and to institutional investors in Sweden and internationally.
- Full terms and conditions will be available in a prospectus to be prepared by Linkfire in connection with the listing and the Offering, which is expected to be made available on Linkfire’s website, <http://investors.linkfire.com>.
- First day of trading in the Company's shares on Nasdaq First North Premier Growth Market is expected in late June 2021.

### **About Linkfire A/S**

Linkfire provides digital marketing services for the entertainment and music industries. The Company’s offering consists of two solutions: the Linkfire Marketing Platform and the Linkfire Discovery Network. The Linkfire Marketing Platform is a SaaS marketing platform allowing labels and artists, the 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 Company's Smart Linking technology deeply integrated in the partner application. The discovery network is currently integrated in the multi-messaging application Snapchat, as well as the streaming service Twitch.

Linkfire's platform has over 85,000 subscribers, including the vast majority of the top 100 Billboard artists and the three largest record labels: Universal Music Group, Sony Music Entertainment and Warner Music Group. In 2020, 1.5 billion consumers were connected through Linkfire. The Company was founded in 2014 by Lars Ettrup and Jeppe Faurfelt, and is headquartered in Copenhagen, Denmark, with additional offices in the US, in New York and Los Angeles, and in Lisbon, Portugal. As of 31 December 2020, Linkfire had 59 employees, most of which were stationed in Copenhagen. In 2020, the Company's revenue amounted to DKK 24.7 million, corresponding to a year-on-year growth of 43 percent. 78 percent of its revenue in 2020 was made up of subscription revenue and 22 percent of commission revenue.

#### Financial development<sup>1)</sup>

DKK thousand	Q1 (Jan-Mar)		Full Year	
	Group IFRS		Group IFRS	
	2021	2020	2020	2019
<b>Revenue</b>	<b>7,417</b>	<b>5,045</b>	<b>24,699</b>	<b>17,227</b>
<b>Revenue CCB<sup>2)</sup></b>	<b>7,646</b>	<b>4,884</b>	<b>24,348</b>	<b>17,003</b>
<i>Revenue CCB growth, %<sup>3)</sup></i>	<i>57%</i>	<i>22%</i>	<i>43%</i>	<i>-</i>
<b>Gross profit</b>	<b>5,441</b>	<b>3,682</b>	<b>18,704</b>	<b>10,482</b>
<i>Gross margin, %<sup>4)</sup></i>	<i>73%</i>	<i>73%</i>	<i>76%</i>	<i>61%</i>
<b>Consumer connections in thousands<sup>5)</sup></b>	<b>354,217</b>	<b>286,487</b>	<b>1,489,011</b>	<b>834,578</b>
<i>Consumer connections in thousands growth, %<sup>6)</sup></i>	<i>24%</i>	<i>68%</i>	<i>78%</i>	<i>-</i>
<b>Commission Revenue per mille<sup>7)</sup> (DKK)</b>	<b>6.87</b>	<b>2.37</b>	<b>3.76</b>	<b>2.08</b>
<i>Commission Revenue per mille growth, %<sup>8)</sup></i>	<i>190%</i>	<i>1%</i>	<i>81%</i>	<i>-</i>

- 1) IFRS performance metrics: Revenue and Gross profit derived from the Company's audited consolidated full year financial statements and its reviewed Q1 2021 interim report with comparable figures for Q1 2020. Remaining metrics being alternative performance metrics not defined according to IFRS and has neither been audited nor reviewed by the Company's auditor.
- 2) Revenue in original currencies converted to DKK at a currency conversion constant for the comparative periods (CCB).
- 3) Percentage change in the period's revenue CCB compared to the previous period.
- 4) Gross profit in relation to the Company's revenue.
- 5) Number of consumer connections in thousands to music products from Linkfire Smart Links. Non-financial measure.
- 6) Consumer connections growth defined as period-over-period growth of consumer connections.
- 7) Commission Revenue divided by the number of thousand consumers connected. Demonstrates the Commission Revenue generated per thousand Consumer connections.
- 8) Commission Revenue per mille growth defined as period-over-period growth of revenue per mille.

## Overview of the first quarter 2021

The Company's total revenue for the period January – March 2021 amounted to DKK 7.4 million (DKK 5.0 million). Gross profit amounted to DKK 5.4 million (DKK 3.7 million) and the gross margin amounted to 73 percent (73 percent). The total consumer connections amounted to 354 million (286 million), corresponding to a 24 percent increase year on year.

The Commission Revenue per mille, a central internal metric for the Company, increased to DKK 6.87 (DKK 2.37). This corresponds to a 190 percent increase year on year and is a strong indicator on how Linkfire works to increase the monetization levels of its 1.5 billion consumer connections.<sup>1</sup>

## Financial targets

Linkfire has set the following mid-term<sup>2</sup> financial goals:

- 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

## Key strengths and competitive advantages

- 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

The Company has a unique partnership network, with partners including Apple Music, Youtube, Deezer, Snapchat, Twitch and Ticketmaster among many others.

- A large and broad customer base

Linkfire works with the largest music labels worldwide, its marketing platform encompasses over 85,000 users and are 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.

- 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.

## Advisors

Pareto Securities is Global Coordinator and Sole Bookrunner, Setterwalls Advokatbyrå and Bruun & Hjejle Advokatpartnerselskab are the legal advisers to Linkfire and Baker McKenzie is the legal advisor to Pareto Securities. In relation to the general public, Avanza is acting as Retail Distributor and Nordnet is acting as Selling Agent.

## For further information, please contact:

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## Important information

This announcement does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in Linkfire in any jurisdiction, neither from Linkfire nor from someone else.

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<sup>1</sup> Total amount of consumer connections in 2020.

<sup>2</sup> The term mid-term refers to a time period of 3-5 years.

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This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. Any offering of the securities referred to in this announcement will be made by means of a prospectus that will be published on Linkfire's website following approval by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) following the Danish Financial Supervisory Authority ceding the authority to review and approve the Prospectus to the Swedish Financial Supervisory Authority. No one should invest in any securities referred to in this announcement except on the basis of information contained in a prospectus which should be read before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the securities. Any approval by the Swedish Financial Supervisory Authority of a prospectus should not be understood as an endorsement of the securities that are the subject of such prospectus.

In any EEA Member State other than Sweden (each, a "**Relevant Member State**"), this announcement is only addressed to and is only directed at qualified investors in that Relevant Member State within the meaning of article 2(e) of the Prospectus Regulation, that is, only to investors who can receive the offer without an approved prospectus in such Relevant Member State.

This announcement is only being distributed to and is only directed at (a) persons who are located outside the United Kingdom, or (b) persons who are located in the United Kingdom that either (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), or (ii) are high net worth entities or other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). This announcement must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this announcement must satisfy themselves that it is lawful to do so.

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#### **Forward-looking statements**

This announcement contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for Linkfire's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which Linkfire operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this announcement are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of

many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this announcement are free from errors and readers of this announcement should not place undue reliance on the forward-looking statements in this announcement. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this announcement, unless it is not required by law or Nasdaq First North Premier Growth Market rule book for issuers.

#### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Linkfire have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Linkfire may decline and investors could lose all or part of their investment; the shares in Linkfire offer no guaranteed income and no capital protection; and an investment in the shares in Linkfire is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

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

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