

Announcement (Selskabsmeddelelse) no. 8-2020
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H1, 2020: Strongest half-year financial performance

The media intelligence company Hypefactors, that delivers a tech platform (SaaS solution) for better media intelligence and reputation management, presents financial results for first half of 2020.

H1/2020 was the strongest half-year period for Hypefactors so far. Revenue for the period amounted to DKK 1.971m, compared to DKK 0.861m in 2019, corresponding to an increase of 129%. Revenue for H1/2019 passed the revenue obtained during the full year of 2019 (DKK 1.950m).

Earnings before interest, tax, depreciation and amortization (EBTIDA) amounted to a negative of DKK 2.887m compared to H1/2019 which showed a negative EBTIDA of DKK 6.720m. An improvement of 133%

Hypefactors reached an annual recurring revenue (ARR) of DKK 3.7m as per June 30, 2020, (2019: 1.7m) which is an increase over the last twelve months of 118%. The ARR increased by DKK 1.0m in H1/2020 compared to an increase of DKK 0.35m in H1/2019 – an increase of 186%.

There was a significant influx of enterprise clients from several countries. Main focus was Denmark, United Kingdom and Portugal.

More than 14.000 companies and other organizations now use one or more parts of Hypefactors' platform; the majority of them is on a 'freemium' solution. For H1/2020, the main commercial focus was on direct sales to enterprise clients utilizing the full media intelligence platform from day one.

Hypefactors combine data, analytics, technology and tools to provide a unified and easy-to-use experience. The Hypefactors platform includes national and global media monitoring, analytics, media reporting, media database, digital newsrooms and news distribution. The artificial intelligence (AI) and machine learning solution helps businesses save time, reduce costs, and improve business critical areas such as communications and reputation management.

Income statement 1. January – 30 June

DKK	1H 2020	1H 2019
Net turnover	1.970.937	861.050
Capitalized development	1.089.832	2.542.439
Direct costs	-1.853.747	-2.105.613
Other external costs	-807.600	-900.399
Gross profit	399.422	397.477
Staff costs	-3.286.903	-7.117.874
EBITDA	-2.887.481	-6.720.397
Depreciations	-1.847.922	-1.407.017
Financial items	-191.613	-168.290
Profit before tax	-4.927.016	-8.295.704
Tax	1.083.944	1.825.055
Net profit	-3.843.073	-6.470.649

Balance sheet 30 June

<u>ASSETS</u>		
DKK	1H 2020	1H 2019
Intangible assets	11.236.185	11.838.876
Tangible assets	83.591	0
Financial assets	229.854	222.850
FIXED ASSETS	11.549.630	12.061.726
Receivables	1.860.773	3.964.835
Cash	1.196.739	2.200.459
CURRENT ASSETS	3.057.512	6.165.294
TOTAL ASSETS	14.607.142	18.227.020

<u>EQUITY AND LIABILITIES</u>		
DKK	1H 2020	1H 2019
Share capital	866.884	866.884
Retained earnings	2.301.698	14.285.860
TOTAL EQUITY	3.168.582	15.152.744
Tax provision	0	0
Provisions	0	0
Long term debt	0	0
Short term debt	11.438.560	3.074.276
TOTAL DEBT	11.438.560	3.074.276
TOTAL EQUITY AND LIABILITIES	14.607.142	18.227.020

The H1/2020 report has been approved by the board of directors.

The period

Hypefactors is innovative media intelligence tech, developed with artificial intelligence and machine learning, that makes the effect of communication measurable and the workflows more automated and easier for users. In the first half of the year, the platform was expanded, improved, and further refined by highly skilled specialists, so that the unique tech assets are now even stronger.

International media monitoring is an integral part of Hypefactors' platform. Increasing amounts of media data were made easily accessible to users. A combination of unique inhouse crawler technology and partnership agreements make it possible to monitor everything from print, online and broadcast media to review sites and social media platforms like Facebook, Instagram, Twitter, YouTube, Pinterest (new to the platform) and TikTok (new to the platform).

Estimation of the readership numbers on the individual media websites is a central part of the impact analysis that communication specialists need. Hypefactors have increased the precision further by using a combination of both data from the leading authority in the field and self-developed artificial intelligence; this in order to estimate the readership numbers as accurately as possible.

In addition, there have been significant new developments in areas such as the AI-based and automated reputation analysis (incl. tonality analysis), where new versions were implemented.

The period was commercially affected by the Covid19. In late Q1 and most of Q2 many dialogues with potential customers were postponed due to the situation. Especially UK and Portugal were negatively affected by lockdowns.

Outlook

The demand for comprehensive media intelligence tech solutions is expected to continue to grow. Current turbulence and uncertainties surrounding the covid-19 related changes in macro- and microeconomic matters, make it difficult to release outlook scenarios with a high degree of certainty. The long-term market potential is expected not to be affected.

The company is experiencing substantial interest in the market to access a media intelligence solution that is better, cheaper or both compared to traditional press clippings solutions. The ambition for the current financial year is, on a continuous basis, to deliver monthly cashflow positive results, understood as invoiced revenue exceeding operating costs.

The Board of Directors is working to strengthen the company's capital base to support the growth strategy.

About Hypefactors A/S

Hypefactors is an integrated AI powered Earned Media tech platform to support better media intelligence and reputation management.

Hypefactors combine data, analytics, technology and tools to provide a unified and easy-to-use experience. With all the tools to automate and ease the work, and all the facts to document the results. In addition to media monitoring across the different media channels, the platform provides access to a number of facts, incl. automated documentation of the monetary value and quality assessment of each third party media mention. The platform also contains other time-saving tools such as automatically generated media reports and a mobile app giving access to real-time media mentions. The company is listed at Nasdaq Growth Market in Copenhagen, Denmark.

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