

Announcement (Selskabsmeddelelse) no. 12-2021
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H1, 2021: 54% growth in ARR and further AI tech advancements

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

Revenue for the period amounted to DKK 2,530m, compared to DKK 1,971m in H1/2020, corresponding to an increase of 28%. Hypefactors reached an annual recurring revenue (ARR) of DKK 5,7m as per June 30, 2021, (June 30, 2020: 3,7m) which is an increase over the last twelve months of 54%.

Earnings before interest, tax, depreciation and amortization (EBTIDA) amounted to a negative of DKK 2,231m compared to H1/2020 which showed a negative EBTIDA of DKK 2,887m.

More enterprise clients signed up for Hypefactors, incl. NNIT, Chr. Hansen and Saxo Bank. More than 17,500 companies and other organizations now use one or more parts of Hypefactors' platform; the majority of them is on a 'freemium' solution. For H1/2021, the main commercial focus was on direct sales to enterprise clients utilizing the full media intelligence platform from day one.

The period was still commercially affected by the Covid19. Especially focus markets UK and Portugal were negatively affected by lockdowns, postponing dialogues with potential customers

Artificial intelligence developments

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. The company kept investing in technology by improving the total media intelligence platform, adding more data, more automation and more AI.

When it comes to data, the crawler capacity for Hypefactors unique and inhouse developed news media crawler were expanded by 200%, making millions of new sources available for the users.

In regard to automation and flexibilities of the platform, several innovations and improvements were included. E.g. automatic notifications on media updates can be now set on a very refine schedule and reach-outs to journalists can be scheduled to any desirable moment.

For artificial intelligence, more innovations were implemented: A completely new print media data processing engine, now equipped with a hybrid computer vision AI that synergizes machine-learned AIs with symbolic reasoning AIs (e.g. automated theorem provers also used by Intel and AMD during

chip development). The new engine is heavily multi-lingual and automatically adapts to unseen print sources using its symbolic reasoning AI. Both benefits expedite future commercial rollouts to other markets.

Hypefactors' advertisement detection AI cleaning earned news media data got updated, adjusting for recent new advertising trends, as well as increasing its ability to reason multi-lingually.

Major advances in our extremely important reputation AI were on the agenda. Through both algorithmic advances in machine learning, as well as drastically increased data curated by a team of in-house recruited linguists with language and cultural backgrounds world-wide, Hypefactors are set to release this new AI in Q3 2021. It incorporates the latest scientific advances in natural language processing from to deliver unprecedented accuracy, precision and automation to commercial end-users.

Income Statement

DKK	1H2021	1H2020
Net turnover	2,529,778	1,970,937
Capitalized development	3,002,280	1,089,832
Direct costs	-2,115,657	-1,853,747
Other external costs	-1,096,130	-807,600
Gross profit/loss	2,320,271	399,422
Staff costs	-4,551,396	-3,286,903
EBITDA	-2,231,125	-2,887,481
Depreciation	-2,340,300	-1,847,922
Financial items	-412,536	-192,613
Profit before tax	-4,983,961	-4,927,016
Tax	0	1,083,944
Net profit	-4,983,961	-3,843,072

Balance sheet

DKK	1H2021	2020
Assets		
Intangible assets	12,722,320	11,852,513
Tangible assets	96,918	93,248
Financial assets	233,940	233,940
Fixed assets	13,053,178	12,179,701
Receivables	2,863,991	1,848,507
Cash	1,346,419	189,756
Current assets	4,210,410	2,038,263
Total assets	17,263,588	14,217,964

DKK	1H2021	2020
Liabilities and equity		
Share capital	955,250	866,884
Retained earnings	-1,702,465	-3,130,139
Total equity	-747,215	-2,263,255
Tax provision	0	0
Provisions	0	0
Long-term debt	3,500,000	296,748
Short-term debt	14,510,803	16,184,471
Total debt	18,010,803	16,481,219
Total Liabilities and equity	17,263,588	14,217,964

Outlook

The demand for comprehensive media intelligence tech solutions is expected to continue to grow and 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 turbulence and uncertainties surrounding the covid-19 related changes in macro- and microeconomic matters, seems to be decreasing which is expected to have a positive effect on demand. The short-term financial ambition is still to become 'cashflow positive', understood as invoiced revenue exceeding operating costs.

For H2/2021, Hypefactors has the ambition to launch API solutions, making the combination of global media data, automation and enrichments by powerful AI, available for integration directly into other existing IT infrastructure or platforms. This will make the technology available for more users and could provide additional revenue streams.

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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