

Announcement no. 4-2022

Inside Information/Company announcement

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Solid revenue growth and more AI developments in 2021

The media tech company Hypefactors presents solid growth figures for 2021. Key figures are:

- ARR: 58% growth
- Revenue: 60% growth

Revenue for the period amounted to DKK 6,787m, compared to DKK 4,234m in 2020, corresponding to an increase of 60%. Earnings before interest, tax, depreciation, and amortization (EBTIDA) amounted to a negative of DKK 2,846m compared to 2020 which showed a negative EBTIDA of DKK 3,858m. An improvement of 26%. Hypefactors reached an annual recurring revenue (ARR) of DKK 7,751m per December 31, 2021, (2020: 4,910m) which is an increase over the last twelve months of 58%.

2021 was a positive year for Hypefactors. More new clients joined, and, at the same time, the company continued to invest in the ambitious development of the company's software platform and technology, which i.a. provides users with better and more automated data-driven media intelligence and media reputation/trust management.

CEO Casper Janns comments:

"Significant positive steps ahead were taken in 2021. A growing number of clients joined Hypefactors and our AI based technology continued to develop and improve. The solid commercial progress and the increasing demand for an easier, more data-driven and measurable approach to media intelligence and reputation management, makes us enthusiastic and positive about our ability to unleash the substantial international market potential."

Commercial traction

Commercially, the company continue the positive trend and increased its client base. More than 19,000 companies and other organizations use one or more parts of Hypefactors platform; most of them is on a 'freemium' solution. Still, for 2021 the main commercial focus was on direct sales to enterprise clients utilizing the full media intelligence platform. 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 2021, the platform was expanded, improved, and further refined, so that the unique tech assets are now even stronger.

Technology Assets

Hypefactors launched several innovations. When it comes to monitoring data, the crawler capacity for Hypefactors' inhouse developed news media crawler were expanded by 200%, making millions of new sources available for the users. Regarding 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 (AI), 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. Hypefactors also launched its next generation 'Reputation AI'. Through algorithmic advances in machine learning, as well as drastically increased data curated by a team of in-house recruited linguists with diverse language and cultural backgrounds, Hypefactors incorporated the latest scientific advances in natural language processing to deliver unprecedented accuracy, precision, and automation to commercial end-users. AI-assisted reputation tracking is a core feature of Hypefactors and enables large scale tracking from social media, news websites, tv, radio and reviews across the world.

These real-time reputation insights can reveal early-stage opportunities and/or defensively as an on-going protective measure to pre-empt so-called media shitstorms. The fourth generation AI is a significant leap from the previous generation. It is 2x larger in size, 2x architecturally more sophisticated, and built using 2x more data. Where the third generation AI was primarily developed for serving PR/Communications use cases, this generation AI can additionally serve other business areas such as Finance, Risk Management and Competitive Intelligence. Furthermore, Hypefactors launched a 'Presence AI'. The Presence AI sets a leaping new standard for measuring media impact, as it automatically determines whether specific news coverage is exclusively focused on a specific brand/company/topic vs. being focused on more brands/companies/topics. This is important insight for clients when evaluating media impact and relevance.

To further commercialize the data and AI assets, Hypefactors launched a dedicated brand for API solutions, that make it possible to fuel Hypefactors' data into other IT solutions. The brand 'Atlastic.ai' widens the use of media intelligence tech to business segments beyond PR/communications. Atlastic.ai opens the Hypefactors global media data set and data enrichment AIs for integration into other existing IT infrastructure and platforms typically found at large enterprises. The Atlastic.ai technology can help these enterprises get the full picture of important situations and make better-informed decisions. The company deliver machine-readable data feeds of relevant, structured, and enriched media content for a wide range of applications and segments, including market and competitor research, ESG topics, reputation and crisis management, supply chain issues and financial analysis. Atlastic.ai leverages the multi-year development of data and AI technology assets spurred by the Hypefactors solution.

Income Statement, 2021

DKK	2021	2020
Revenue	6,787,000	4,234,030
Work on own account recognised in assets	6,472,128	3,732,325
Expenses for raw materials and consumables	-3,103,240	-2,417,113
Other external expenses	-3,566,894	-2,421,158
Gross profit / loss	6,588,994	3,128,084
Staff expenses	-9,435,459	-6,986,366
Earnings before depreciation	-2,846,466	-3,858,282
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-5,497,383	-3,850,254
Profit / loss before financial income and expenses	-8,343,849	-7,708,536
Financial income	2,999	3,372
Financial expenses	-840,972	-2,346,427
Profit / loss before tax	-9,181,822	-10,051,591
Tax on profit / loss for the year	1,550,475	776,423
Net profit / loss for the year	-7,631,347	-9,275,168

Balance sheet, 31 December

DKK	2021	2020
Assets		
Development projects in progress	12,803,597	11,852,513
Intangible assets	12,803,597	11,852,513
Other fixtures and fittings, tools and equipment	0	93,248
Property, plant and equipment	0	93,248
Deposits	233,940	233,940
Fixed asset investments	233,940	233,940
Fixed assets	13,037,537	12,179,701
Trade receivables	1,635,592	896,440
Other receivables	0	67,862
Corporation tax receivable from	1,419,891	847,056
Prepayments	40,656	37,149
Receivables	3,096,139	1,848,507
Cash at bank and in hand	427,769	189,756

Currents assets	3,523,907	2,049,058
Assets	16,561,444	14,306,397
DKK	2021	2020
Liabilities and equity		
Share capital	970,665	866,884
Reserve for development costs	12,116,905	11,267,384
Retained earnings	-15,482,172	-14,295,960
Equity	-2,394,601	-2,263,515
Other payables	4,000,000	296,748
Long-term debt	4,000,000	296,748
Credit institutions	663,000	4,000,000
Trade payables	3,286,085	3,458,880
Payables to group enterprises	392,811	918,005
Other payables	4,567,073	4,297,829
Deferred income	6,047,076	3,509,757
Short-term debt	14,956,045	16,956,045
Debt	18,956,045	16,956,045
Liabilities and equity	16,561,444	14,217,964

Capital resources

In 2021 the Company has realized a significant growth. After the balance sheet date, and to support the growth of the business and strengthen the equity and capital resources, a group of investors committed to a private placement (capital increase) in combination with a conditional commitment from Vaekstfonden (Danish state's investment fund) to issue a loan. This will strengthen the liquidity by MDKK 10,0 bringing MDKK 6,0 from the investors and MDKK 4,0 from Vaekstfonden.

Outlook

The demand for comprehensive media intelligence tech solutions is expected to continue to grow. Current turbulence and uncertainties surrounding the Covid19 and Ukraine war related changes in macro and microeconomic matters is expected not to affect the long-term market potential. The company expects to continue to deliver growth and reach an ARR in the range of DKK 10.5-12M by the end of 2022. Continued investments in technology and commercial scaling to ensure long-term ARR growth is expected to result in a negative EBITDA.

Annual report

The full revised annual report for 2021 will shortly be made available for download at www.hypefactors.com/investor. When available a company announcement will be released.

General meeting / financial calendar

The company's annual general meeting will be held on May 25, at 16:00 at Hypefactors' premises, Kronprinsessegade 8B in Copenhagen K. This is an update to the financial calendar.

About Hypefactors A/S

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