

Announcement no. 9-2022

Inside Information/Company announcement

Copenhagen, 30 August 2022

Hypefactors H1, 2022: 74% ARR growth and more powerful media technology

The media tech company Hypefactors presents solid growth figures for first half of 2022. Key figures are:

- ARR: 74% growth
- Revenue: 79% growth

Revenue for the period amounted to DKK 4.528m, compared to DKK 2.530m in H1/2021, corresponding to an increase of 79%. Earnings before interest, tax, depreciation, and amortization (EBITDA) amounted to DKK -0.198m compared to H1/2021 which showed an EBITDA of DKK -2.231m. Hypefactors reached an annual recurring revenue (ARR) of DKK 9.9m per June 30, 2022, (June 30, 2021: DKK 5.7m) which is an increase over the last twelve months of 74%. 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 for the purpose of making the effect of communication measurable, as well as optimizing workflows through automated and easy-to-use solutions. A combination of unique in-house crawler technology and partnership agreements makes it possible to monitor everything from print, online and broadcast media to review sites and social media platforms like Facebook, Instagram, Twitter, YouTube, Pinterest and TikTok. In H1/2022, the platform was expanded, improved, and refined, making the unique tech assets stronger than ever before.

Tech assets

The company launched its Names of Interest (NOI) technology in June 2022. NOI tech is an implementation of Hypefactors' proprietary AI-based named entity recognition (NER), which is now taken to a new level of precision and scale with NOI. NOIs are the media equivalent of 'points of interests' used in global navigation tech. The AI underlying NOI automatically identifies and classifies names of products, services, companies, governments, foundations (or any legal body), countries, states, regions, cities, villages, landmarks, persons, sport events and special occasions that one may find useful or interesting.

By applying the NOI enrichments live and ongoingly on all global media data, Hypefactors lays a new technological foundation from which new levels of media monitoring precision can be achieved, new

PR/comms product solutions can be built using NOI's personalization and recommendations, and new solutions can be built for data-driven decision-making business segments like marketing and finance.

In combination with recent data enrichment additions to Hypefactors' Atlantic media intelligence technology, incl. automated analysis of brand reputation and trust across earned media mentions, the inclusion of automated NER technology is an important cornerstone of the total solution. NOI is powered by AI-based NER developed by Hypefactors' team of AI engineers and linguists. It builds upon our pre-existing multi-lingual AI construction methods also used for our Reputation-AI and our Presence-AI. The proprietary approach contributes to Hypefactors' unique tech asset and IP base. NOI is the pivotal technology taking media intelligence to the next level, and it is the cornerstone for a sleeve of new innovative product features planned for the second half of 2022 and 2023.

Income Statement, H1-2022

DKK	H1-2022	H1-2021
Revenue	4,528,437	2,529,778
Work on own account recognised in assets	3,627,572	3,002,280
Expenses for raw materials and consumables	-2,475,154	-2,115,657
Other external expenses	-697,503	-1,096,130
Gross profit / loss	4,983,352	2,320,271
Staff expenses	-5,181,332	-4,551,396
Earnings before depreciation	-197,980	-2,231,125
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-3,111,449	-2,340,300
Profit / loss before financial income and expenses	-3,309,429	-4,571,425
Financial income	0	0
Financial expenses	-954,987	-412,536
Profit / loss before tax	-4,264,416	-4,983,961
Tax on profit / loss for the year	592,316	0
Net profit / loss for the year	-3,672,100	-4,983,961

Balance sheet, 30 June

DKK	H1-2022	H1-2021
Assets		
Development projects in progress	13,319,724	12,722,320
Intangible assets	13,319,724	12,722,320
Other fixtures and fittings, tools and equipment	0	96,918
Property, plant and equipment	0	96,918
Deposits	233,940	233,940
Fixed asset investments	233,940	233,940
Fixed assets	13,553,664	13,053,178
Trade receivables	3,042,478	1,868,316
Corporation tax receivable from	2,019,891	847,056
Prepayments	202,475	148,619
Receivables	5,264,843	2,863,991
Cash at bank and in hand	1,292,969	1,346,419
Currents assets	6,557,812	4,210,410
Assets	20,111,476	17,263,588

DKK	H1-2022	H1-2021
Liabilities and equity		
Share capital	1,113,866	955,250
Reserve for development costs	12,633,028	11,811,435
Retained earnings	-13,283,597	-13,513,900
Equity	463,297	-747,215
Other payables	4,186,207	3,500,000
Long-term debt	4,186,207	3,500,000
Trade payables	3,559,352	4,010,212
Payables to group enterprises	841,304	841,304
Other payables	3,773,442	4,642,759
Deferred income	7,287,874	5,016,528
Short-term debt	15,461,972	14,510,803
Debt	19,648,179	18,010,803
Liabilities and equity	20,111,476	17,263,588

Outlook and capital resources

The demand for comprehensive media intelligence tech solutions is expected to continue to grow. The company still expects to reach an ARR in the range of DKK 10.5-12.0m 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. The board of directors continuously seeks to optimize the capital structure of the company. To support the growth of the business and strengthen the equity and capital resources, a group of investors injected MDKK 6.0 into the company (in a private placement, capital increase) in combination with a conditional commitment from Vækstfonden (Danish state's investment fund) to issue a loan of MDKK 4.0. The first loan tranche (MDKK 2.0) from Vækstfonden was paid out to the company in Q3, 2022.

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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