

**Announcement no. 8-2023**

Company announcement/Half-year report

Copenhagen, 30 August 2023

## **Hypefactors H1, 2023: Growth and further improved AI reputation technology**

The AI tech company Hypefactors presents the financial report figures for first half of 2023. Revenue for the period amounted to DKK 5.417m, compared to DKK 4.528m in H1/2022, corresponding to an increase of 20%. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to DKK 1.253m compared to H1/2022 which showed an EBITDA of DKK -0.198m. Hypefactors reached an annual recurring revenue (ARR) of DKK 11.5m per June 30, 2023, (June 30, 2022: 9.9m) which is an increase over the last twelve months of 16%.

Hypefactors is developing AI-based technology with the vision to be the world's leading authority on real-time corporate trust and reputation insights. 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. In H1/2023, the technology was improved and refined, making the unique tech assets stronger than ever before.

### **Tech innovations**

Again in H1-2023, Hypefactors continued to launch major upgrades to its artificial intelligence, increasing the quality of the company's media insights solution to a level that is unmatched in the industry. Our AI technology stack, called 'Atlastic.ai' was improved on several dimensions, including the NOI (Names of Interest, which is our proprietary AI-based named entity recognition (NER)), the reputation-AI, and the ESG-AI (which can categorize media coverage in all languages along 26 environmental, social and governance dimensions to facilitate ESG sustainability reporting and compliance).

Worth mentioning is also the launch of our unique AI solution program for more precise print media processing in media intelligence. It enables Hypefactors to deliver a magnitude larger print coverage than any competitor within media intelligence, and to deliver a superior solution to large enterprises with cross-border media presence. In October 2022, Hypefactors kicked off a 10-months AI development project named 'New Print PDF Processing Program'. The special AI effort was backed by the Innovation Fund Denmark and was finalized on time mid 2023. The AIs developed are uniquely

superior for its multilingual and multi-modal qualities: It includes an encoder design also found in modern generative AIs like ChatGPT, and is combined with computer vision algorithms and an automated reasoning engine also found for development of safety-critical systems such as satellites. It will benefit current and new clients. Hypefactors is exploring additional global business and partnership opportunities for this unique AI solution.

We further boosted the machine learning operations architecture: Originally designed in 2021, first launched in May 2022, upgraded in December 2022 and again in May 2023, it now enables scaling AI enrichments up to 100 billion machine learning operations per day.

Our AIs encompass all the typical traits and benefits of our DNA: Multilingual for more than 100 languages, accelerated for 24/7 billion-scale operation on the world's media coverage and directly integrated to end-user product features for the benefit of all current and new clients.

### Income Statement, H1-2023

DKK	H1-2023	H1-2022
<b>Revenue</b>	5,417,133	4,528,437
Work on own account recognised in assets	3,566,553	3,627,572
Expenses for raw materials and consumables	-2,334,695	-2,475,154
Other external expenses	-697,503	-697,503
<b>Gross profit / loss</b>	6,292,086	4,983,352
Staff expenses	-5,089,492	-5,181,332
<b>Earnings before depreciation</b>	1,252,594	-197,980
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-2,769,219	-3,111,449
<b>Profit / loss before financial income and expenses</b>	-1,516,625	-3,309,429
Financial income	2,270	0
Financial expenses	-1,117,554	-954,987
Profit/loss before tax	-2,631,908	-4,264,416
Tax on profit/loss for the year	784,642	592,316
<b>Net profit / loss for the period</b>	-1,847,267	-3,672,100

### Outlook and capital resources

The demand for comprehensive media intelligence and reputation tracking tech solutions is expected to continue to grow. The company still expects to reach an ARR in the range of DKK 13-15m by the end of 2023. The board of directors continuously seeks to optimize the capital structure of the company, by balancing the need for a sufficiently strong capital structure with the protection of the shareholders best interest by avoiding heavy dilution. The board expects to strengthen the capital structure in H2-2023. The company will continue to invest in further continued development of AI technology and commercial scaling to ensure long-term ARR growth.

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## **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 several 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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