



Q1

INTERIM REPORT

January - April 2019

TargetEveryone AB (publ) 556526-6748

First quarter

- Net sales amounted to MSEK 3.4 (7.5)
- EBITDA before extraordinary costs amounted to MSEK -7.8 (-4.0)
- EBT amounted to MSEK -14.6 (-10.4)
- Earnings per share before dilutions amounted to SEK -0.25 (-0.32)
- Signed totally seven new customers
- Accumulated cost reductions to a total of approximately 30 %

Significant events after the reporting period

- Announcement of MSEK 43.4 right issue



Signed brands per Q1

About TargetEveryone

TargetEveryone is a global MARTECH company, enabling our clients to streamline their 1-1 digital marketing, content and experiences within one SasS online platform. The company's strategy is to approach both the enterprise segment and the SME-segment with two different platforms that are based on the same technology, but with different modules and interfaces. Our unique solution makes marketers able to easily target exactly the customers they want, and communicate with them in the channels they prefer, to maximize ROI. Our clients can easily segment their customers based on CRM data, market data and transactional data. Further, they can use a campaign editor to quickly build campaigns, and distribute these through our multichannel distribution system either by Email, SMS or SMS landing pages. The enterprise customers are served with our new platform SpectrumOne, combining market analysis, customer segmentation and communication tools, while the SME-customers are provided an online subscription solution through Targeteveryone.com. Both solutions are based on big data to analyze and refine the customers behavior and demands. TargetEveryone's headquarter is in Oslo, with branch offices in Sweden, Holland, India and USA. TargetEveryone is listed on Nasdaq First North in Stockholm and Merkur Market in Oslo.

www.targeteveryone.com

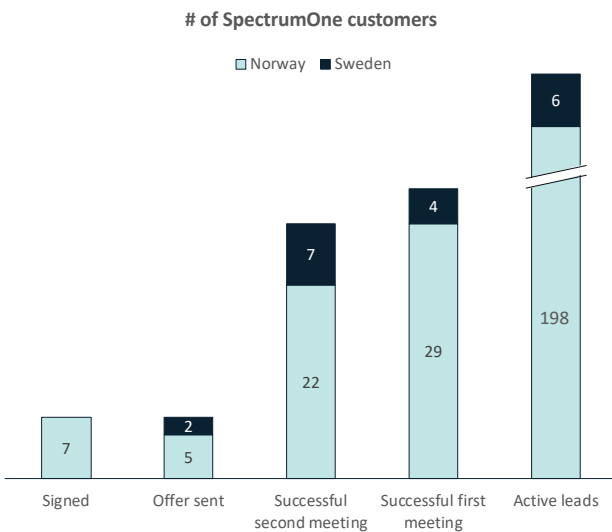
CEO statement

Fix before grow – important milestones reached

We have put a challenging time behind us. In late 2018, we saw that the legacy business was not sustainable and we carried significant development costs and non-value generating costs. As first quarter proceeded, we also experienced that finalization of SpectrumOne demanded more of us than expected. But now we have reached important milestones with a streamlined legacy platform and a shippable SpectrumOne platform. We are excited to see a growing pipeline and new signings that proves our concept. Our new clients are now using SpectrumOne and we receive great feedback. As a consequence of our clarified strategy and removal of non-core activities, we now also have been able to cut fixed costs by approximately 30 %, as well as free our attention towards our clients.

Customers and general pipeline

Even though the sales have been delayed we were proud to have signed 7 customers by Q1. For the next quarters we expect customer acquisition to increase steadily as our product reaches increased acceptance in the market. As anticipated, our software can be applied to a number of different industries with customers coming from Auto, Insurance, Banking, Advertisement Agencies, B2B and B2C. This spread proves that the market sees the value of our marketing platform, and only in the Nordics we are presented with a potential of + 1.000 customers.



We currently have a strong pipeline built up after only four months of concentrated work on our

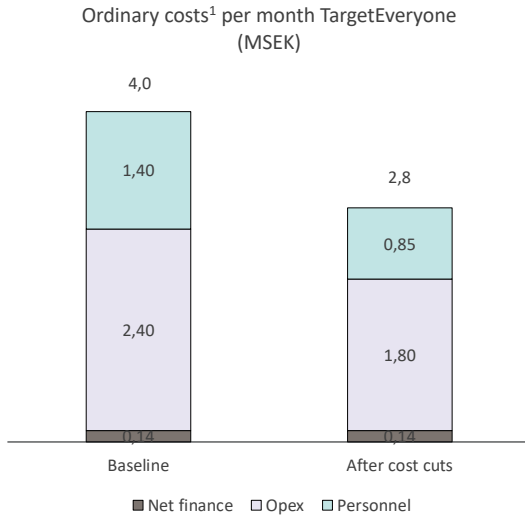
new SaaS solution. Several offers are sent, many successful meetings have been held and almost 200 active leads are started. The customers with monthly licenses below the expected TSEK 50 average have shorter lead times than the customers with higher licenses. Thus, the medium customers are dominating the customers closest to signing, but we expect this to even out through the second half of the year.

It is also satisfying to see that we have managed to sign three advertising agencies with Foll, Schjærven and Createurene, out of two reasons: Firstly, these are leading advertising agencies in Norway and Sweden, in the front of the development of the marketing industry, who knows what's generating value to their customers. Secondly, their portfolio of strong brands will give a quick entrance to customers that are very suitable to SpectrumOne.

Cost cuts

As a result of the clear strategic focus, we have now been able to reduce costs substantially across the whole operation. TargetEveryone had a lot of different product and sales initiatives that demanded too much resources to handle, without generating sufficient revenue or profitability. Contracts with non-value adding partners are now terminated and the legal group

structure is reduced. By directing our efforts towards SpectrumOne, we have discontinued the direct sales and new product development of our legacy platform. This led to staff reduction and the termination of our responsibilities



1) Costs before capitalization. Temporary financial expenses and costs related to financing are not included. Baseline is December 2018

towards our Indian Subsidiary. Coming out of Q1, we have now reduced our staff to 12 dedicated employees and our ordinary fixed cost base by 30 %, without affecting our ability to handle our clients or continue development. We rather experience a more focused and effective company after the changes of which the full effect will be from July 2019.

SpectrumOne delay

Development of deep technology software requires highly skilled people and significant time. Compared to other companies we are proud of what we have created for our customers in such a short time. In 15 months, we have developed SpectrumOne with a total cost of approximately MSEK 15. We launched our first version of SpectrumOne in January, but experienced that there still were some adjustments that had to be done before it was fully shippable. Parallely, we also experienced that the sales process of our SaaS platform required longer lead time than expected. SaaS

sales cycles are longer than typical product sales of our legacy platform, and we now anticipate typical sales cycle to be 2-6 months.

Capital increase

Even though we always want to please our shareholders we believe the upcoming right issues will be a good solution for everyone in the long run. It is both costly and resource demanding to not have a solid financing. With a successful right issue, we now will receive a funding that both brings us to cash positivity and also gives us room to expand further. Both our board members and our management are heavily invested in our company because we believe so strongly in the product and the market, and we will also use our right to invest further in the right issue.

TargetEveryone's future

In essence, TargetEveryone now is a brand-new company ready for the future with only two value pockets; SpectrumOne and online subscription sales of our legacy platform. We daily see examples that the Martech market is an attractive spot for investors with high growth rates, a lot of opportunities and consequently high valuations. Analysts such as Gartner predicts that the market for marketing software will grow tremendously over the next years, with expected investments from close to all medium-large companies, regardless of industry. We in TargetEveryone have now been through some challenging months, but are more motivated than ever to go ahead with our state of art Martech platform, generate value for both our clients and shareholders, and then look beyond our Nordic home market for future growth.

Stockholm, May 2019
 Torkel Johannessen
 CEO

OPERATIONS

CUSTOMERS AND NEW BUSINESSES

The revenue from the first quarter consisted of legacy revenue due to the delay in SpectrumOne. During the first quarter the media agencies Foll, Schjærven and Createurene were signed, as well as Nespresso (Denmark and Finland), Insignia (Importer of Jaguar, Range Rover, Aston Martin) and 24SevenOffice. The customers with monthly licenses below the expected TSEK 50 average have shorter lead times than the customers with higher licenses. Thus, the medium customers are dominating the customers closest to signing, but this is expected to even out through the second half of the year. Since SpectrumOne is a new software, the duration of the contracts has been reduced to ease the entrance into a business relationship. This affects the ARR, but represent low risk since based on customer feedback. The contract lengths will be normalized going forward.

REVENUE AND EARNINGS

The consolidated income statement for the first quarter of 2019 comprises the parent company TargetEveryone AB and the subsidiaries VMSPay Sweden AB, TargetEveryone Sweden AB, TargetEveryone AS and Indian TargetEveryone IT Ltd. The 30 % ownership of Cloud Explorers AS is also included in the results.

First quarter

Net sales for the first quarter of the year amounted to SEK 3.4 (7.5) million, a decrease of SEK 4.1 million or 54 %. The lower net sales are caused by lost revenue from VMSPay Sweden AB that was discontinued in May 2018, and loss of legacy customers. The gross profit amounted to SEK 1.5 (2.5) million for the consolidated operations, with a gross margin at 44 % (33.0 %). The gross margin is higher than first quarter last year due to the discontinue of VMSPay Sweden, that generated low gross margin.

Operating expenses excluding direct costs and depreciation amounted to SEK 11.1 (6.6) million. The personnel costs have decreased compared to previous quarter due to reduction of employees. The majority of the cost reductions from lay-offs will have effect from April, and all reductions from July. Other external costs have decreased compare to previous quarter, both because of less one-off costs, but also reduction of ordinary cost items. Depreciation and amortizations amounts to SEK 4.4 (2.4) million including share of earnings from associated companies. This refers to intangible fixed assets that arose after acquisitions of the Norwegian companies TargetEveryone AS and Cloud Explorers AS, and capitalized development costs. The increase compare to last year is because SpectrumOne development costs started to depreciate in January.

Operating profit (EBIT) for the period amounted to SEK -14.1 (-6.4) million, and the operating margin is negative. Net financial items amounted to SEK -0.5 (-4.0) million. Net financials in first quarter last year included interest expenses related to convertible loans. Earnings before tax for the period amounted to SEK -14.6 (-10.4) million. Earnings per share before and after dilution amounted to SEK -0.25 (-0.32).

In total, there has been extraordinary costs related to the convertible bond issue at approximately SEK 1.9 million in the first quarter.

CASH FLOW AND FINANCIAL POSITION

Fourth quarter

Cash flow from operating activities before changes in working capital amounted to SEK -10.2 (-4.2) million for the first quarter. Changes in working capital have affected cash flow by SEK 4.0 (4.8) million, mainly because of increase in account payables. Consequently, cash flow from operating activities after changes in working capital amounted to SEK -6.2 (0.6) million. Investment activities had a cash flow effect of SEK

-1.9 (-5.6) million during the period consisting of capitalized development costs. Cash flow from financing activities was SEK 4.4 (-2.5) million after receiving the new convertible loan and repayment of other short-term debt, which in total generated a cash flow effect at SEK -3.7 (7.5) million.

EQUITY AND SHARE

The average number of shares amounted to 54,188,407 before and 54,188,407 after dilution. The number of registered shares at the end of the quarter amounted to 54,188,407. The company's equity ratio amounts to 53.0 (35.4) %. The Group's equity decreased SEK 12.5 million in the first quarter.

Significant events after the reporting period

By April 11, a SEK 43.4 million right issue was announced.

Investments

No material investments in tangible assets was made in the first quarter.

Personnel

The number of employees at the end of the quarter amounted to 16 (40) persons, of which 3 persons receive compensation through invoicing from their own companies. The Swedish companies have 1 employee and the Norwegian has 15. Six employees were laid off or resigned during the quarter with effect from February to July. There will be 12 FTEs from July.

Parent company

Parent company sales for the first quarter amounted to SEK 0.0 (1.1) million and other income to SEK 0.0 (0.1) million. Profit before tax for the period amounted to SEK -4.0 (-4.5) million.

Transactions with related parties

Fredric Forsman, chairman of the board, has

during the quarter invoiced the Company for legal services amounting to SEK 0.36 million.

RISKS

Regarding risks, please refer to the Annual Report 2018.

ACCOUNTING POLICIES

From fiscal year 2014, the annual and consolidated financial statements are established by applying the Swedish Annual Accounts Act and the Swedish Accounting Standards Board BFNAR 2012:1 Annual report and consolidated (K3).

AUDIT

This report has not been reviewed by an auditor.

ANNUAL REPORT

TargetEveryone AB's annual report has been available on the website - www.targeteveryone.com, from April 11, 2019.

UPCOMING REPORTS AND EVENTS

Annual General Meeting, May 15, 2019
Half year Report 2019, August 20, 2019
Interim Report Q3 2019, October 29, 2019

Stockholm May 2019

Fredric Forsman, chairman of the board
Matt Harris, board member
Erik Fagerlid, board member

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INCOME STATEMENT - GROUP

SEK, thousands	Q1 19	Q1 18	FY 18
Net revenue	3 419	7 498	21 548
Other income	-	136	2 469
Total revenue	3 419	7 634	24 017
Cost of services	-1 908	-5 020	-13 471
Other external costs	-7 453	-3 776	-22 717
Personnel costs	-3 728	-2 845	-11 005
Depreciation and amortization	-3 796	-2 206	-14 468
Other expenses	-	-1	-4 169
Share of earnings from associated companies	-603	-201	-2 632
<i>Total operating expenses</i>	<i>-17 488</i>	<i>-14 049</i>	<i>-68 462</i>
Operating profit	-14 069	-6 415	-44 445
Interest income and similar items	71	13	1 049
Interest expenses and similar items	-617	-3 963	-7 430
<i>Net financial</i>	<i>-546</i>	<i>-3 950</i>	<i>-6 381</i>
Earnings before tax	-14 616	-10 365	-50 826
Tax on profit	1 033	591	2 204
Earnings	-13 582	-9 774	-48 622
Number of shares on average before dilution	54 188 407	30 830 799	43 433 218
Earnings per share, before dilution	-0,25	-0,32	-1,12
Number of shares on average after dilution	54 188 407	30 830 799	44 171 146
Earnings per share, after dilution	-0,25	-0,32	-1,10

BALANCE SHEET – GROUP

SEK, thousands	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
ASSETS			
<i>Fixed assets</i>			
Intangible assets			
Capital expenditure for research and development	72 040	76 580	72 739
Total Intangible assets	72 040	76 580	72 739
Tangible assets			
Equipment, tools and installations	250	304	258
Total tangible assets	250	304	258
Financial assets			
Shares in associated companies	8 836	11 871	9 440
Other financial assets	89	47	60
Total financial assets	8 925	11 918	9 500
Total fixed assets	81 215	88 802	82 497
<i>Current assets</i>			
Receivables			
Account receivables	2 638	7 116	2 456
Other receivables	1 568	29 421	1 775
Prepayments and accrued income	733	2 230	722
Total receivables	4 939	38 767	4 953
Cash and bank balance	863	1 549	4 580
Total current assets	5 802	40 316	9 533
TOTAL ASSETS	87 017	129 118	92 030

BALANCE SHEET - GROUP

SEK, thousands	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
Equity	46 162	45 694	58 661
Share capital	108 377	61 662	108 377
Other capital contribution	105 609	-	105 609
Other equity	-167 824	-15 968	-155 325
Total equity	46 162	45 694	58 661
Provisions	10 236	14 464	11 269
Deferred taxes	10 236	14 464	11 269
Long-term liabilities	19 318	2 975	2 459
Convertible loans	17 165	-	-
Other long-term liabilities	2 153	2 975	2 459
Short-term liabilities	11 303	65 985	19 641
Bank overdraft	-	502	482
Account payables	6 584	8 796	4 736
Convertible loans	-	38 279	-
Other current liabilities	2 097	12 630	11 904
Accrued expenses and deferred income	2 622	5 778	2 519
Total liabilities	30 621	68 960	22 100
TOTAL EQUITY AND LIABILITIES	87 018	129 118	92 030

SHAREHOLDER'S EQUITY - GROUP

Group	Share capital	Not registered share cap.	Other contributed capital	Currency translation reserve	Retained earnings	Total shareholder capital
Opening balance Jan 1, 2019	108 377	-	105 609	4 367	-159 692	58 661
Translation difference	-	-	-	1 082	-	1 082
Earnings	-	-	-	-	-13 582	-13 582
Closing balance Mar 31, 2019	108 377	-	105 609	5 449	-173 274	46 161

Group	Share capital	Not registered share cap.	Other contributed capital	Currency translation reserve	Retained earnings	Total shareholder capital
Opening balance Jan 1, 2018	141 654	7 515	107 236	305	-206 202	50 508
New issue	12 525	-7 515	-	-	-	5 010
Translation difference	-	-	-	-50	-	-50
Earnings	-	-	-	-	-9 774	-9 774
Equity reduction	-92 517	-	-107 236	-	199 753	-
Closing balance Mar 31, 2018	61 662	-	-	255	-16 223	45 694

CASH FLOW STATEMENT – GROUP

SEK, thousands	Q1 19	Q1 18	FY 18
Cash flow from operating activities before working capital changes	-10 216	-4 209	-30 649
Changes in working capital	3 978	4 774	7 146
Cash flow from operating activities after working capital changes	-6 238	565	-23 503
Cash flow from investing activities	-1 895	-5 592	9 544
Cash flow from financing activities	4 416	-2 451	9 512
Cash flow for the period	-3 717	-7 478	-4 447
Cash and cash equivalents at beginning	4 580	9 027	9 027
Cash and cash equivalents at end	863	1 549	4 580

INCOME STATEMENT – PARENT COMPANY

SEK, thousands	Q1 19	Q1 18	FY 18
Net revenue	0	1 000	5 155
Other income	-	135	141
Total revenue	0	1 135	5 296
Other external costs	-3 494	-1 609	-11 696
Personnel costs	-	-164	-219
Other expenses	-	-	-589
<i>Total operating expenses</i>	<i>-3 494</i>	<i>-1 773</i>	<i>-12 504</i>
Operating profit	-3 494	-638	-7 208
Share of earnings from associated companies	-	-	-40 576
Interest income and similar items	48	-	3 011
Interest expenses and similar items	-529	-3 873	-6 099
<i>Net financial</i>	<i>-481</i>	<i>-3 873</i>	<i>-3 088</i>
Earnings before tax	-3 975	-4 511	-50 872
Group contribution	-	-	-
Tax on profit	-	-	-
Earnings	-3 975	-4 511	-50 872

BALANCE SHEET – PARENT COMPANY

SEK, thousands	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
ASSETS			
<i>Fixed assets</i>			
Financial assets			
Shares in subsidiaries	60 931	65 941	60 931
Shares in associated companies	12 072	12 072	12 072
Total financial assets	73 003	78 013	73 003
Total fixed assets	73 003	78 013	73 003
<i>Current assets</i>			
Receivables			
Account receivables	135	60	135
Receivables from group companies	4 982	7 178	69
Other receivables	1 563	27 864	1 717
Prepayments and accrued income	372	2 463	571
Total receivables	7 052	37 565	2 492
Cash and bank balance	60	164	2 184
Total current assets	7 112	37 729	4 676
TOTAL ASSETS	80 115	115 742	77 679

BALANCE SHEET – PARENT COMPANY

SEK, thousands	Dec 31, 2018	Mar 31, 2018	Dec 31, 2018
EQUITY and LIABILITIES			
<i>Equity</i>			
Restricted equity			
Share capital	108 377	61 662	108 377
Other equity	-	3	3
Total restricted equity	108 377	61 665	108 380
Unrestricted equity			
Share premium reserve	105 606	-	105 606
Accumulated loss	-150 962	4 531	-100 086
Earnings	-3 975	-4 511	-50 872
Total unrestricted equity	-49 331	20	-45 352
Total equity	59 046	61 685	63 028
<i>Liabilities</i>			
Long-term liabilities			
Convertible loans	17 165	-	-
Total long-term liabilities	17 165	-	-
Short-term liabilities			
Account payables	1 981	2 266	2 451
Convertible loans	-	38 279	-
Other current liabilities	1 105	47 739	11 146
Accrued expenses and deferred income	816	4 055	1 054
Total short-term liabilities	3 901	54 060	14 651
Total liabilities	21 066	54 060	14 651
TOTAL EQUITY AND LIABILITIES	80 112	115 742	77 679