



Q2

INTERIM REPORT

April - June 2019

TargetEveryone AB (publ) 556526-6748

Second quarter

- Net sales amounted to MSEK 2.9 (6.1)
- EBITDA before extraordinary costs amounted to MSEK -6.7 (-1.7)
- EBT amounted to MSEK -12.4 (-4.0)
- Earnings per share before dilutions amounted to SEK -0.22 (-0.08)
- MSEK 26.3 right issue completed
- Accumulated cost reductions to a total of approximately 45 %

Significant events after the reporting period

- Hosni Teque-Omeirat appointed as new CEO



Signed TargetEveryone brands

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 and USA. TargetEveryone is listed on Nasdaq First North in Stockholm and Merkur Market in Oslo.

www.targeteveryone.com

CEO statement

A great opportunity

As the new CEO of TargetEveryone I will welcome all existing and potential shareholders to a company back on the offensive. After a challenging time, I am now entering a company with a great opportunity to be a real player in an accelerating market. I am both exited and impatient to use my experience to sign and onboard new customers to our amazing solution SpectrumOne. I have been working with sales for many years and strongly believe that we will succeed in the market going forward. After several cost cuts, we now have a team that is dedicated with clear responsibilities, as we have kept only the people and partners that are vital to our success. This also makes the path to positive cash flow much shorter. I am looking forward to this fall and a fresh start for TargetEveryone!

A great opportunity

I joined TargetEveryone for two reasons – the team and SpectrumOne.

TargetEveryone has been through a very tough process with a lot of cost cuts, restructuring of operations, and termination of loss-making activities with no prospects. The outcome of this process is a much leaner company with only dedicated people left that truly contribute with value-generation to our core business. After evaluating this team, I find this as a key strength that I really believe will secure success going forward.

As a long-term shareholder I have heard much about SpectrumOne, and I admit that I have been disappointed of all the postponements. Thus, it was critical for me, that SpectrumOne was a ready and sustainable product with real opportunity, before I decided to join TargetEveryone. After assessing this carefully, I am now certain that this represent a material and tangible opportunity for us.

Coming out of the restructuring phase, I now see a company back on the offensive. I see a company with a highly skilled team and an amazing product in a high-growth market. All in

all, a great opportunity for me, the CEO team, our customers and our shareholders.

Full market attention

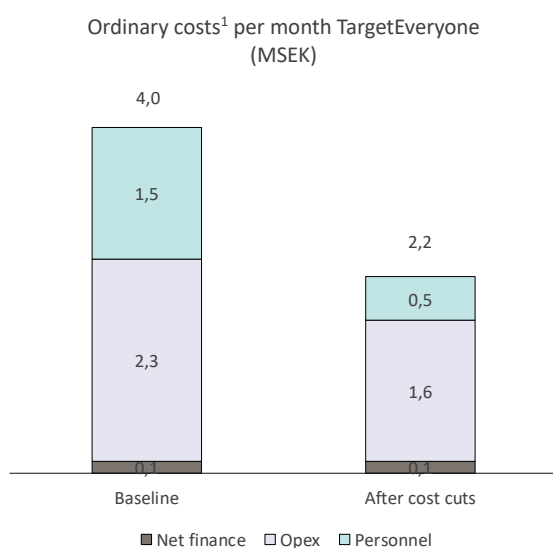
In addition to the restructuring process, the biggest challenge to TargetEveryone has been to accelerate the signing of new SpectrumOne customers. The product is new to the market, hence we must find the most efficient way to convince the customers of its excellence. This is TargetEveryone's ultimate goal going forward.

Both my professional passion and experience is sales and business development. After evaluating the situation, I strongly believe that we quickly can change this. Accordingly, I will put full attention into the sales and go-to market strategy. Considering our short presence in the market, we have managed to build up an impressive pipeline, and I feel sure that we will quickly capitalize on this one, if we approach the customers in the right manner.

I am also happy to see proof of concept through both Nordic and International customers. We have got very satisfying customer testimonial, where Agria Försäkring has had great commercial success with our system so far.

Further cost cuts

TargetEveryone had built up a lot more costs and obligations than the company could carry. Over the last year, this situation has been dramatically changed, and we communicated a 30 % cost cut by the end of spring. By Q2, we have continued this process which now represent an accumulated cost reduction of approximately 45 % compare to the ordinary fixed cost level by the end of last year.



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

This will gradually take effect during the Fall. The last cost cuts have been downsizing of personnel as a result of the removal of some remaining non-core activities that we were committed to. These cuts will have a positive cash flow effect

since these activities generated less revenue than costs. Consequently, our burn-rate is significantly lower and our need for new customers are correspondingly reduced to reach positive cash flow. It is TargetEveryone's fundamental financial goal to reach positive cash flow as fast as possible and the combination of high income potential and low costs makes this goal closer than ever.

Transparency

I believe in an open dialogue and transparent information. I am looking forward to communicate both with customers, partners and investors, and it is my goal to increase the frequency and transparency both through vlogs, newsletters, meetings and presentations. We will be clear about our market goals, and it is my and TargetEveryone's obligation to keep these promises.



Stockholm, August 2019
Hosni Teque-Omeirat
CEO

OPERATIONS

CUSTOMERS AND NEW BUSINESSES

The revenue from the second quarter consisted of legacy revenue due to the delay in SpectrumOne. Several customers had been signed, but the revenue from these will not be visible before they are operative in the system. As the first customer started the onboarding in June, the SpectrumOne revenue is expected to grow in the third quarter.

By the end of the quarter, Electrolux was signed for SpectrumOne. This shows that our solutions are attractive to a wide scope of industries, such as retail, cars and insurance.

REVENUE AND EARNINGS

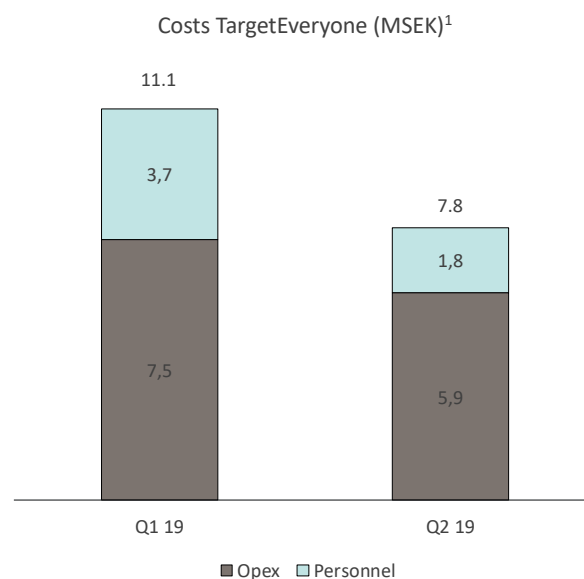
The consolidated income statement for the second quarter of 2019 comprises the parent company TargetEveryone AB and the subsidiaries TargetEveryone Sweden AB, VMSPplay Sweden AB, TargetEveryone AS and Indian TargetEveryone IT Ltd. The 30 % ownership of Cloud Explorers AS is also included in the results.

Second quarter

Net sales for the second quarter of the year amounted to SEK 2.9 (6.1) million, a decrease of SEK 3.2 million or 53 %. The lower net sales are caused by lost revenue from VMSPplay Sweden AB that was discontinued in May 2018 and ceased legacy customers. The gross profit amounted to SEK 1.1 (2.0) million for the consolidated operations, with a gross margin at 38 % (33 %). The gross margin is higher than second quarter last year due to the discontinuation of VMSPplay Sweden that generated low gross margin, and removal of low-margin legacy customers.

Operating expenses excluding direct costs and depreciation amounted to SEK 7.8 (5.9) million. This is a reduction from SEK 11.1 in first quarter both affected by reductions in personnel and

operating expenses. The majority of the cost reductions in first quarter took effect in April, but a significant share is included in May and June.



¹) Includes extraordinary costs related to financing of approximately SEK 1.9 million in Q1 and SEK 1.4 million in Q2

Further cost reductions were executed during second quarter to an accumulated level of approximately 45 % compare to the beginning of the year when fully effectuated. Depreciation and amortizations amounts to SEK 4.4 (2.2) 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. The running development costs are similar to second quarter last year.

Operating profit (EBIT) for the period amounted to SEK -11.0 (-4.0) million, and the operating margin is negative. Net financial items amounted to SEK -1.3 (-0.01) million and have increased due to the new convertible loan and bridge loan prior to the right issue. Earnings before tax for the period amounted to SEK -12.4 (-4.0) million.

Earnings per share before and after dilution amounted to SEK -0.22 (-0.08).

In total, there has been extraordinary costs related to the financing process at approximately SEK 1.4 million in the second quarter.

First half year

Net sales for the first half year amounted to SEK 6.3 (13.6) million, a decrease of SEK 7.3 million. The gross profit was SEK 2.6 (4.5) million for the consolidated operations, with a gross margin at 41% (33%). Operating expenses excluding direct costs and depreciation amounted to SEK 19.0 (12.5) million. The personnel costs are at approximately the same level, while operating expenses are higher. The majority of this deviation consists of extraordinary costs related to two funding processes and shut-down costs from legacy business. Depreciation amounts to SEK 8.8 (4.6) million including share of earnings from associated companies. This primarily relates to intangible fixed assets arising after acquisitions of the Norwegian companies TargetEveryone AS and Cloud Explorers AS, and capitalized development costs. The depreciations have increase compare to last year because of reduced depreciation period for the intangible assets from TargetEveryone AS, and activated development costs in January. Operating profit (EBIT) for the period amounted to SEK -25.1 (-10.3) million. Net financial items amounted to SEK -1.9 (-4.0) million. The Group is charged with interest expenses for convertible loans and short-term loans. Profit before tax for the period amounted to SEK -27.0 (-14.4) million. Earnings per share before and after dilution amounted to SEK -0.47 (-0.31).

CASH FLOW AND FINANCIAL POSITION

Second quarter

Cash flow from operating activities before changes in working capital amounted to SEK -8.0 (-1.7) million for the second quarter. Changes in

working capital have affected cash flow by SEK 2.9 (1.7) million, mainly because of increased account payables. Consequently, cash flow from operating activities after changes in working capital amounted to SEK -5.1 (0.0) million. Investment activities had a cash flow effect of SEK -3.0 (-0.5) million during the period consisting of capitalized development costs from SpectrumOne. Cash flow from financing activities was SEK 9.1 (0.0) million after receiving a bridge loan prior to the right issue, which in total generated a cash flow effect at SEK 1.0 (-0.6) million for the period.

First half year

Cash flow from operating activities before changes in working capital amounted to SEK -18.3 (-5.9) million for the first half year. Changes in working capital had a positive impact on cash flow of SEK 6.8 (6.5) million. This is primarily a result of an increase in accounts payables. Cash flow from operating activities after changes in working capital amounted to SEK -11.4 (0.5) million. Investment activities affected cash flow negative during the period with SEK 4.9 (6.1) million due to investments in intangible assets. Financing activities amounted to SEK 13.5 (-2.5) million are explained by issuance of a new convertible loan and bridge loan prior to the right issue in second quarter.

EQUITY AND SHARE

The average number of shares amounted to 54,188,407 (43,174,642) before and 54,188,407 (43,912,571) 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 52 (73) %. The Group's equity decreased SEK 2.8 million in the second quarter.

Significant events after the reporting period

At July 5, TargetEveryone announced that Torkel Johannessen would leave his position as CEO. In August, Hosni Teque-Omeirat was appointed as new CEO.

Investments

No material investments in tangible assets was made in the second quarter, except the investments described in the cash flow section.

Personnel

The number of employees at the end of the quarter amounted to 12 (42) persons, of which 3 persons receive compensation through invoicing from their own companies. The Swedish companies have 1 employee and the Norwegian has 11. Due to discontinuation of non-core activities that TargetEveryone no longer is committed to, further reductions have been executed. Five employees were laid off or resigned during the quarter with effect from September to December.

Parent company

Parent company sales for the first quarter amounted to SEK 0.0 (0.5) million and other income to SEK 0.0 (0.1) million. Profit before tax for the period amounted to SEK -3.9 (1.5) 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

Interim Report Q3 2019, October 29, 2019

Interim Report Q4 2019, February 18, 2020

Stockholm August 2019

Fredric Forsman, chairman of the board

Erik Fagerlid, board member

Hosni Teque-Omeirat, board member

For further information contact:

Hosni Teque-Omeirat, CEO, +46 70-225 18 77,

hosni@targeteveryone.com

Vegard Brattum, CFO, +47 977 00 338,

vegard@targeteveryone.com

Certified Adviser:

Mangold Fondkommission AB (556585-1267)

Box 55 691102 15 Stockholm

Phone: +46 8 503 015 50

ca@mangold.se

www.mangold.se

INCOME STATEMENT - GROUP

SEK, thousands	Q2 19	Q2 18	YTD 19	YTD 18
Net revenue	2 865	6 117	6 284	13 615
Other income	-	2 182	-	2 318
Total revenue	2 865	8 299	6 284	15 933
Cost of services	-1 784	-4 090	-3 692	-9 110
Other external costs	-5 932	-3 393	-13 385	-7 169
Personnel costs	-1 838	-2 524	-5 566	-5 369
Depreciation and amortization	-3 744	-2 217	-7 540	-4 423
Other expenses	-	-6	-	-7
Share of earnings from associated companies	-616	-	-1 219	-201
<i>Total operating expenses</i>	<i>-13 914</i>	<i>-12 230</i>	<i>-31 402</i>	<i>-26 279</i>
Operating profit	-11 049	-3 931	-25 118	-10 346
Interest income and similar items	67	265	138	278
Interest expenses and similar items	-1 389	-348	-2 006	-4 311
<i>Net financial</i>	<i>-1 322</i>	<i>-83</i>	<i>-1 868</i>	<i>-4 033</i>
Earnings before tax	-12 371	-4 014	-26 986	-14 379
Tax on profit	539	590	1 572	1 181
Earnings	-11 832	-3 424	-25 414	-13 198
Number of shares on average before dilution	54 188 407	43 174 642	54 188 407	43 174 642
Earnings per share, before dilution	-0,22	-0,08	-0,47	-0,31
Number of shares on average after dilution	54 188 407	43 912 571	54 188 407	43 912 571
Earnings per share, after dilution	-0,22	-0,08	-0,47	-0,30

BALANCE SHEET – GROUP

SEK, thousands	Jun 30, 2019	Jun 30, 2018	Dec 31, 2018
Fixed assets			
Intangible assets			
Goodwill	-	4 509	-
Capital expenditure for research and development	71 609	71 628	72 739
Total intangible assets	71 609	76 137	72 739
Tangible assets			
Equipment, tools and installations	211	314	258
Total tangible assets	211	314	258
Financial assets			
Shares in associated companies	8 220	11 871	9 440
Other financial assets	90	50	60
Total financial assets	8 310	11 921	9 500
Total fixed assets	80 129	88 372	82 497
Current assets			
Receivables			
Account receivables	1 927	4 042	2 456
Other receivables	21 276	23 984	1 775
Prepayments and accrued income	1 493	374	722
Total receivables	24 696	28 400	4 953
Cash and bank balance	1 832	924	4 580
Total current assets	26 527	29 324	9 533
TOTAL ASSETS	106 656	117 696	92 030

BALANCE SHEET - GROUP

SEK, thousands	Jun 30, 2019	Jun 30, 2018	Dec 31, 2018
Equity			
Share capital	108 377	106 308	108 377
Not registered share capital	26 255	-	-
Other capital contribution	111 217	105 272	105 609
Other equity	-189 963	-125 331	-155 325
Total equity	55 886	86 249	58 661
Provisions			
Deferred taxes	9 697	12 371	11 269
Total provisions	9 697	12 371	11 269
Long-term liabilities			
Convertible loans	16 181	-	-
Other long-term liabilities	2 179	3 081	2 459
Total long-term liabilities	18 360	3 081	2 459
Short-term liabilities			
Bank overdraft	-	277	482
Account payables	10 227	6 994	4 736
Convertible loans	-	3 429	
Other current liabilities	9 709	1 822	11 904
Accrued expenses and deferred income	2 777	3 473	2 519
Total short-term liabilities	22 713	15 995	19 641
Total liabilities	41 073	19 076	22 100
TOTAL EQUITY AND LIABILITIES	106 656	117 696	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	108 377	-	105 609	5 449	-173 274	46 161
Apr 1, 2019						
Costs new issue	-	-	-6 157	-	-	-6 157
Convertible bonds, equity part	-	-	1 227	-	-	1 227
Not registered capital	-	26 255	-	-	-	26 255
Translation difference	-	-	-	388	-155	233
Earnings	-	-	-	-	-11 832	-11 832
Closing balance	108 377	26 255	100 679	5 837	-185 261	55 886
Jun 30, 2019						

Group	Share capital	Not registered share cap.	Other contributed capital	Currency translation reserve	Retained earnings	Total shareholder capital
Opening balance	61 662	-	-	255	-16 223	45 694
Apr 1, 2018						
New issue	44 646	-	9 527	-	-	54 173
Costs new issue	-	-	-8 914	-	-	-8 914
Translation difference	-	-	-2 640	2 065	2 640	2 065
Earnings	-	-	-	-	-3 424	-3 424
Equity reduction	-	-	107 236	-	-107 236	-
Closing balance	106 308	-	105 209	2 320	-124 243	89 594
Jun 30, 2018						

SHAREHOLDER'S EQUITY – GROUP

Group	Share capital	Not registered share cap.	Other contributed capital	Currency translation reserve	Retained earnings	Total shareholder capital
Opening balance	108 377	-	105 609	4 367	-159 692	58 661
Jan 1, 2019						
Costs new issue	-	-	-6 157	-	-	-6 157
Convertible bonds, equity part	-	-	1 227	-	-	1 227
Not registered capital	-	26 255	-	-	-	26 255
Translation difference	-	-	-	1 470	-155	1 315
Earnings	-	-	-	-	-25 414	-25 414
Closing balance	108 377	26 255	100 679	5 837	-185 261	55 886
Jun 30, 2019						

Group	Share capital	Not registered share cap.	Other contributed capital	Currency translation reserve	Retained earnings	Total shareholder capital
Opening balance	141 654	7 515	107 236	305	-206 202	50 508
Jan 1, 2018						
New issue	57 171	-7 575	9 527	-	-	59 123
Costs new issue	-	-	-8 914	-	-	-8 914
Translation difference	-	-	-2 640	2 015	2 640	2 015
Earnings	-	-	-	-	-13 198	-13 198
Equity reduction	-92 517	-	-	-	92 517	-
Closing balance	106 308	-60	105 209	2 320	-124 243	89 534
Jun 30, 2018						

CASH FLOW STATEMENT – GROUP

SEK, thousands	Q2 19	Q2 18	YTD 19	YTD 18
Cash flow from operating activities before working capital changes	-8 011	-1 714	-18 227	-5 923
Changes in working capital	2 866	1 677	6 844	6 451
Cash flow from operating activities after working capital changes	-5 145	-37	-11 383	528
Cash flow from investing activities	-2 956	-533	-4 851	-6 125
Cash flow from financing activities	9 070	-55	13 486	-2 506
Cash flow for the period	969	-625	-2 748	-8 103
Cash and cash equivalents at beginning	863	1 549	4 580	9 027
Cash and cash equivalents at end	1 832	924	1 832	924

INCOME STATEMENT – PARENT COMPANY

SEK, thousands	Q2 19	Q2 18	YTD 19	YTD 18
Net revenue	0	500	0	1 500
Other income	-	97	-	232
Total revenue	0	597	0	1 732
Other external costs	-2 596	-1 113	-6 090	-2 722
Personnel costs	-	-55	-	-219
Other expenses	-	-	-	-
<i>Total operating expenses</i>	<i>-2 596</i>	<i>-1 168</i>	<i>-6 090</i>	<i>-2 941</i>
Operating profit	-2 596	-571	-6 090	-1 209
Share of earnings from associated companies	-	2 081	-	2 081
Interest income and similar items	37	263	85	263
Interest expenses and similar items	-1 374	-318	-1 903	-4 191
<i>Net financial</i>	<i>-1 337</i>	<i>-55</i>	<i>-1 818</i>	<i>-3 928</i>
Earnings before tax	-3 933	1 455	-7 908	-3 056
Group contribution	-	-	-	-
Tax on profit	-	-	-	-
Earnings	-3 933	1 455	-7 908	-3 056

BALANCE SHEET – PARENT COMPANY

SEK, thousands	Jun 30, 2019	Jun 30, 2018	Dec 31, 2018
Fixed assets			
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
Current assets			
Receivables			
Account receivables	135	135	135
Receivables from group companies	11 660	16 553	69
Other receivables	21 274	22 238	1 717
Prepayments and accrued income	906	160	571
Total receivables	33 976	39 086	2 492
Cash and bank balance	980	109	2 184
Total current assets	34 956	39 195	4 676
TOTAL ASSETS	107 958	117 208	77 679

BALANCE SHEET – PARENT COMPANY

SEK, thousands	Jun 30, 2019	Jun 30, 2018	Dec 31, 2018
Equity			
Restricted equity			
Share capital	108 377	106 308	108 377
Other equity	-	3	3
Total restricted equity	108 377	106 311	108 380
Unrestricted equity			
Share premium reserve	132 542	105 269	105 606
Accumulated loss	-156 570	-100 100	-100 086
Earnings	-7 908	-3 668	-50 872
Total unrestricted equity	-31 936	1 501	-45 352
Total equity	76 441	107 812	63 028
Liabilities			
Long-term liabilities			
Convertible loans	16 181	-	-
Total long-term liabilities	16 181	-	-
Short-term liabilities			
Account payables	4 030	3 067	2 451
Convertible loans	-	3 429	
Other current liabilities	9 101	395	11 146
Accrued expenses and deferred income	2 205	2 505	1 054
Total short-term liabilities	15 336	9 396	14 651
Total liabilities	31 517	9 396	14 651
TOTAL EQUITY AND LIABILITIES	107 958	117 208	77 679