



advertly®

# Interim Report

Second quarter 2023 (April-June)  
Advertly AB (publ)

## Adverty delivers more than 3x compared to same period in 2022

Summary	Second quarter		First six months		Full-year
	2023-04-01	2022-04-01	2023-01-01	2022-01-01	2022-01-01
	2023-06-30	2022-06-30	2023-06-30	2022-06-30	2022-12-31
(SEK thousands, unless otherwise stated)					
Total income	8 355	2 760	12 846	4 800	17 273
Gross profit	2 932	567	4 458	512	5 322
Gross profit - margin	35%	21%	35%	11%	31%
Operating profit before depreciation/amortisation (EBITDA)	-2 377	-5 853	-6 619	-10 793	-19 390
Operating profit after depreciation/amortisation (EBIT)	-3 921	-7 010	-9 623	-13 046	-24 263
Profit before tax	-4 280	-7 010	-10 142	-13 093	-24 310
Profit for the period	-4 280	-7 010	-10 142	-13 093	-24 310
Cash flow for the period	-2 669	-8 840	2 177	12 055	-3 272
Earnings per share, SEK *	-0,13	-0,22	-0,32	-0,41	-0,76
Earnings per share, SEK **	-0,13	-0,22	-0,32	-0,41	-0,76
Equity per share, SEK *	0,51	1,18	0,51	1,18	0,83
Equity per share, SEK **	0,51	1,18	0,51	1,18	0,83
Number of shares	31 811 688	31 811 688	31 811 688	31 811 688	31 811 688

\* Calculated on the actual number of shares outstanding at the end of each period.

\*\* Calculated on the number of shares outstanding at close of latest period.

### Significant events during the period

- Co-founder Pontus Dahlström steps in as new CFO
- The company and Turborilla announces exciting partnership to grow its sport portfolio
- The company secures funding to get to black figures
- The company and Leauge-M announces partnership for DACH region
- The company and The Bond Digital announces partnership for Turkiye
- The company partners with Mediafarm to enable In-play advertising in Poland
- The company announces new new partnership with Pushfire
- The company announces strategic partnership and SSP integration with Luna Media
- The company launches new technology in collobration with NumberEight

### Significant events after the end of the period

- No significant events

**CEO's message:**

The numbers speak for themselves in the CEO's message this quarter.

Once again, we have delivered an extremely strong quarter, the second-best in our history. With revenue of SEK 8.355 million and a growth of 203% compared to the same period last year, we are reaching SEK 50 million in total revenues for 2023 with similar growth trajectory as previous years.

The increase from the first to the second quarter of 2023 was 86%, compared to a 35% increase during the same period last year.

Even the gross profit increased significantly, amounting to SEK 2.932 million compared to SEK 567 thousand for the same period the previous year, resulting in a gross margin of 35% for the second quarter of 2023.

We see that the cost-saving measures are now fully effective starting from the third quarter this year, which will make a significant difference in the cost structure going forward.

Finally, I want to mention that we are pleased with the long-term financing solution we have implemented, which ensures full funding for the company from now on.

"Do More, Make It Count."

Jonas Söderqvist  
CEO  
Adverty AB (publ)

**Adverty in brief**

Swedish advertising technology company Adverty has launched the world's first programmatic platform for automated, seamless advertising in mobile games.

The platform is based on patented technology which, among other things, is based on studies of the eye, its field of vision and perceptual capacity. The advertising platform is available on some of the world's largest trading venues for automated trading of digital ads.

The operations are conducted from the Company's own offices in Stockholm, with technological development also being performed in Ukraine. Sales and business development also take place in countries including the UK, Turkiye and the US. We also have reseller partners in several countries around the world.

This report pertains to the Company's operations during the period 1 January to 30 June 2023.

**Sales and earnings**

Net sales amounted to SEK 12,622 thousand (4,527) for the first six months of the year, and to SEK 8,213 thousand (2,672) for the second quarter. The reported loss for the first six months of the year amounted to SEK 10,142 thousand (13,093), and to SEK 4,280 thousand (7,010) for the second quarter, essentially over budget and plan.

Earnings per share for the first six months of the year amounted to a loss of SEK 0.32 (0.41), and to SEK 0.13 (0.22) for the second quarter, calculated on the number of shares outstanding at the close of the period reported here.

**Investments**

Adverty's investments in the first six months of the year amounted to SEK 3,439 thousand (3,804), and to SEK 1,711 thousand (1,882) in the second quarter. The investments pertain mostly to intangible assets in the form of capitalised development expenses.

**Depreciation/amortisation**

Earnings for the first six months of the year were burdened by SEK 3,003 thousand (2,253) in depreciation/amortisation, and to SEK 1,544 thousand (1,157) for the second quarter. These items pertain primarily to the amortisation of intangible assets.

**Liquidity and financing**

At the end of the period, the Company held SEK 4,085 thousand (17,236) in cash and cash equivalents. As of the reporting date, the Company held interest-bearing liabilities of SEK 12,577 thousand (528).

**Equity, share capital and number of shares**

As of 30 June 2023, Adverty's equity amounted to SEK 16,207 thousand (37,566). The share capital is divided between 31,811,688 shares with a quotient value of SEK 0.047 per share. All shares are of a single series, conveying equal entitlement to vote and participate in the Company's earnings.

**The share**

Adverty's shares are traded on NGM Nordic SME under the symbol ADVT and bear the ISIN code SE0011724889.

**Employees**

As of 30 June 2023, Adverty had a total of 21 employees, of whom 8 were directly employed by the Company and 13 of whom were full-time consultants based in Sweden, England, US, Germany, Ukraine and Turkiye. Of the 21 employees, 6 are women and 15 are men. Adverty's objective is to increase the number of women.

**Transactions with related parties**

No transactions with related parties occurred during the reporting period.

**Accounting policies**

This interim report has been prepared in accordance with the Swedish Accounting Standards Board's guideline BFNR 2012:1 Annual and Consolidated Financial Statements, K3. The Company's assets and liabilities are stated at cost and nominal value, respectively, unless otherwise stated.

**Review**

This report has been reviewed by the Company's auditors.

**Future report dates**

Adverty will publish recurring financial information in accordance with the following schedule:

15 November 2023	Interim report, January – September 2023
14 February 2024	Year-end report, January – December 2023

**Adverty AB (publ), 19 July 2023**  
*Board of Directors*

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**Publication**

This is information such that Adverty AB (publ) is required to publish under the EU Market Abuse Regulation. The information was submitted for publication under the auspices of the aforementioned contact, for publication on 20 July 2023.



## Income statement

(SEK thousands)	Second quarter		First six months		Full-year
	2023-04-01	2022-04-01	2023-01-01	2022-01-01	2022-01-01
	2023-06-30	2022-06-30	2023-06-30	2022-06-30	2022-12-31
<b>Operating income</b>					
Net sales	8 213	2 672	12 622	4 527	16 685
Capitalised work for own account	0	0	0	0	0
Other operating income	142	87	224	273	588
<b>Total operating income</b>	<b>8 355</b>	<b>2 760</b>	<b>12 846</b>	<b>4 800</b>	<b>17 273</b>
<b>Operating expenses</b>					
Raw materials and consumables	-5 423	-2 193	-8 388	-4 288	-11 951
Other external expenses	-1 763	-3 135	-4 030	-5 380	-11 013
Personnel costs	-3 388	-3 155	-6 634	-5 650	-13 138
Depreciation/amortisation	-1 544	-1 157	-3 003	-2 253	-4 873
Other operating expenses	-157	-129	-414	-275	-561
<b>Total operating expenses</b>	<b>-12 276</b>	<b>-9 769</b>	<b>-22 469</b>	<b>-17 845</b>	<b>-41 536</b>
<b>Operating profit</b>	<b>-3 921</b>	<b>-7 010</b>	<b>-9 623</b>	<b>-13 046</b>	<b>-24 263</b>
<b>Profit from financial items</b>					
Interest income and similar income items	0	0	0	0	0
Interest expenses and similar income items	-359	0	-520	-47	-47
Exchange rate gains/losses	0	0	0	0	0
<b>Total profit from financial items</b>	<b>-359</b>	<b>0</b>	<b>-520</b>	<b>-47</b>	<b>-47</b>
<b>Profit before tax</b>	<b>-4 280</b>	<b>-7 010</b>	<b>-10 142</b>	<b>-13 093</b>	<b>-24 310</b>
Tax	0	0	0	0	0
<b>Profit for the period after tax</b>	<b>-4 280</b>	<b>-7 010</b>	<b>-10 142</b>	<b>-13 093</b>	<b>-24 310</b>

## Balance sheet

(SEK thousands)

	2023-06-30	2022-06-30	2022-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets	22 945	20 889	22 512
Tangible assets	30	32	26
Financial assets	45	0	45
<b>Total fixed assets</b>	<b>23 019</b>	<b>20 922</b>	<b>22 583</b>
<b>Current assets</b>			
Inventory	0	0	0
Other current assets	8 390	3 923	9 450
Cash and cash equivalents	4 084	17 236	1 908
<b>Total current assets</b>	<b>12 474</b>	<b>21 159</b>	<b>11 358</b>
<b>TOTAL ASSETS</b>	<b>35 494</b>	<b>42 081</b>	<b>33 941</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>16 207</b>	<b>37 566</b>	<b>26 349</b>
<b>Non-current liabilities</b>			
Non-current liabilities to credit institutions	12 577	528	577
<b>Total non-current liabilities</b>	<b>12 577</b>	<b>528</b>	<b>577</b>
<b>Current liabilities</b>			
Accounts payable	2 714	813	3 343
Other current liabilities	733	717	680
Accrued expenses and prepaid income	3 262	2 456	2 992
<b>Total current liabilities</b>	<b>6 710</b>	<b>3 986</b>	<b>7 015</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>35 494</b>	<b>42 081</b>	<b>33 941</b>

**Cash flow statement**

	Second quarter		First six months		Full-year
	2023-04-01	2022-04-01	2023-01-01	2022-01-01	2022-01-01
	2023-06-30	2022-06-30	2023-06-30	2022-06-30	2022-12-31
(SEK thousands)					
<b>OPERATING ACTIVITIES</b>					
Operating profit	-3 921	-7 010	-9 623	-13 046	-24 263
Depreciation/amortisation	1 544	1 157	3 003	2 253	4 873
Interest received	0	0	0	0	0
Interest paid	-359	0	-520	-47	-47
Exchange rate fluctuations	0	0	0	0	0
Tax expense paid	0	0	0	0	0
<b>Cash flow from operating activities before changes in working capital</b>	<b>-2 736</b>	<b>-5 853</b>	<b>-7 139</b>	<b>-10 840</b>	<b>-19 437</b>
<b>Cash flow from changes in working capital</b>					
Increase (-) / decrease (+) in operating receivables	-3 689	-1 097	1 060	-17	-5 544
Increase (+) / decrease (-) in operating liabilities	1 466	-78	-305	-5 978	-2 949
<b>Cash flow from operating activities</b>	<b>-4 959</b>	<b>-7 028</b>	<b>-6 385</b>	<b>-16 835</b>	<b>-27 930</b>
<b>INVESTING ACTIVITIES</b>					
Acquisitions of intangible assets	-1 711	-1 882	-3 429	-3 804	-8 042
Acquisitions of tangible assets	0	0	-10	0	0
Acquisitions of financial assets	0	0	0	0	-45
<b>Cash flow from investing activities</b>	<b>-1 711</b>	<b>-1 882</b>	<b>-3 439</b>	<b>-3 804</b>	<b>-8 087</b>
<b>FINANCING ACTIVITIES</b>					
Change in non-current loans	4 000	70	12 000	70	120
New share issues	0	0	0	32 624	32 624
<b>Cash flow from financing activities</b>	<b>4 000</b>	<b>70</b>	<b>12 000</b>	<b>32 695</b>	<b>32 744</b>
<b>Cash flow for the period</b>	<b>-2 669</b>	<b>-8 840</b>	<b>2 177</b>	<b>12 055</b>	<b>-3 272</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>6 754</b>	<b>26 075</b>	<b>1 908</b>	<b>5 180</b>	<b>5 180</b>
<b>Cash and cash equivalents at end of period</b>	<b>4 084</b>	<b>17 236</b>	<b>4 084</b>	<b>17 236</b>	<b>1 908</b>



## Change in equity

<b>Second quarter 2023 (SEK thousands)</b> <b>1 Apr 2023 – 30 Jun 2023</b>	<b>Share capital</b>	<b>Development expenditure fund</b>	<b>Other capital contributions</b>	<b>Accum. profit and profit for the year</b>	<b>Total equity</b>
Amount at beginning of period	1 495	22 561	110 773	-114 342	20 486
Bonus/new share issue	0	0	0	0	0
Provision, development expenditure fund	0	225	0	-225	0
Profit for the period	0	0	0	-4 280	-4 280
Amount at end of period	1 495	22 786	110 773	-118 847	16 207

<b>Second quarter 2022 (SEK thousands)</b> <b>1 Apr 2022 – 30 Jun 2022</b>	<b>Share capital</b>	<b>Development expenditure fund</b>	<b>Other capital contributions</b>	<b>Accum. profit and profit for the year</b>	<b>Total equity</b>
Amount at beginning of period	1 602	19 759	110 666	-87 450	44 577
Bonus/new share issue	0	0	0	0	0
Provision, development expenditure fund	0	780	0	-780	0
Profit for the period	0	0	0	-7 010	-7 010
Amount at end of period	1 602	20 540	110 666	-95 241	37 566

<b>First six months 2023 (SEK thousands)</b> <b>1 Jan 2023 – 30 Jun 2023</b>	<b>Share capital</b>	<b>Development expenditure fund</b>	<b>Other capital contributions</b>	<b>Accum. profit and profit for the year</b>	<b>Total equity</b>
Amount at beginning of period	1 495	22 248	110 773	-108 167	26 349
Bonus/new share issue	0	0	0	0	0
Provision, development expenditure fund	0	538	0	-538	0
Profit for the period	0	0	0	-10 142	-10 142
Amount at end of period	1 495	22 786	110 773	-118 847	16 207

<b>First six months 2022 (SEK thousands)</b> <b>1 Jan 2022 – 30 Jun 2022</b>	<b>Share capital</b>	<b>Development expenditure fund</b>	<b>Other capital contributions</b>	<b>Accum. profit and profit for the year</b>	<b>Total equity</b>
Amount at beginning of period	1 064	18 900	78 580	-80 509	18 035
Bonus/new share issue	538	0	32 087	0	32 624
Provision, development expenditure fund	0	1 640	0	-1 640	0
Profit for the period	0	0	0	-13 093	-13 093
Amount at end of period	1 602	20 540	110 666	-95 241	37 566

<b>Full-year 2022 (SEK thousands)</b> <b>1 Jan 2022 – 31 Dec 2022</b>	<b>Share capital</b>	<b>Development expenditure fund</b>	<b>Other capital contributions</b>	<b>Accum. profit and profit for the year</b>	<b>Total equity</b>
Amount at beginning of period	1 064	18 900	78 580	-80 509	18 035
Bonus/new share issue	431	0	32 193	0	32 624
Provision, development expenditure fund	0	3 348	0	-3 348	0
Profit for the period	0	0	0	-24 310	-24 310
Amount at end of period	1 495	22 248	110 773	-108 167	26 349