

Interim Report 3, 2021: Stable quarter aiming for the future



Speqta AB (plc) interim report for the period January 1–September 30, 2021, is published and available on: <https://speqta.com/en/investors/financial-reports>

Third quarter summary

- During the third quarter, revenues amounted to KSEK 38 732 (43 746).
- EBITDA amounted to KSEK 35 526 (10 074), which is a margin of 92% (23). Adjusted EBITDA amounted to KSEK 7 305 (10 074), which is a margin of 19% (23).
- **AdTech:** Continued development of the service Bidbrain, following the launch in June 2021. The algorithm, functionality and processes have been improved.
- **AdTech:** Several openings have been announced: CTO, Head of AI and developers.
- **C&C:** Vinklubben continues to deliver results above expectations and with an organic growth of 58%, during the quarter, primarily because of the investments made at the end of 2020 and in the beginning of 2021.

Significant events following the period

- **C&C:** In October, Rahalaitos experienced a substantial increase in applications, following the end of the temporary regulation with a 10% interest rate cap and a ban on direct marketing. Compared to a "normal pandemic month", application volumes increased by +66%, which was probably caused by a temporary volume peak due to direct marketing. Continued restrictions exist in Finland, due to a sharp increase in Covid cases during the autumn, but from October there is a gradual return to the levels that prevailed before the corona outbreak.
- **C&C:** Rahalaitos has recruited Tuomas Riski, as CEO. Tuomas has solid experience from having been both country manager and CEO within loan brokerage and banking, and most recently worked for the competitor Zmarta.
- **C&C:** Rahalaitos has recruited Ilari Heldan as Head of Digital Marketing and Sales. He has a comprehensive background from well-known companies such as Bonnier, Aller and Lendomatic.

- Speqta has entered into an agreement with Sambla for the sale of the subsidiary Rahalaitos for a maximum purchase price of MEUR 48.4 (MEUR 45.5 cash free basis) through the sale of all shares. The purchase price is paid in cash and is divided into approximately MEUR 40.4 (MEUR 37.5 cash free basis) which will be paid at the beginning of December 2021, and an additional purchase price of a maximum of MEUR 8.0. Capital gain from the transaction is estimated to MSEK 37.3.
- The Board of Directors has decided to withdraw the company's financial targets, as a result of the sale of Rahalaitos.

CEO Comments

Speqta acquired Rahalaitos in January 2020, for MEUR 23.5 and now receives approx. MEUR 40.4* in cash, with an additional purchase price of up to MEUR 8.0, which means a total of approx. MEUR 48.4**. The deal should be seen in light of the fact that Rahalaitos was affected by the pandemic and the temporary credit regulation. During the last twelve months, and until September 2021, Rahalaito's turnover was MEUR 8.7 with an EBITDA of MEUR 3.0. Rahalaitos has therefore been a successful acquisition for Speqta.

The financial strength we now have after the sale of Rahalaitos means fantastic opportunities to continue building our position in the fast-growing segment for performance-based marketing. Speqta's strength when we enter this exciting stage is the forces of innovation, as well as our deep insights and knowledge of how the market works, what are the driving forces and what the competitive situation looks like.

We have now begun the strategic review, which was announced in connection with the sale of Rahalaitos. The review has not been given any time limits, as we want to capture all the opportunities that will contribute to our continued value creation for our shareholders.

** = 37,5 MEUR cash free basis, ** = 45,5 MEUR cash free basis*

The third quarter, 2021

Sales during the quarter amounted to MSEK 38.7 (43.7), still affected by the strategically important transition from the Shopello business to the more profitable SaaS service - Bidbrain. EBITDA amounted to MSEK 35.5 (10.1) and was positively affected by impairment of the earnout, from the successful acquisition of the Finnish credit broker, Rahalaitos. Adjusted EBITDA amounted to MSEK 7.3 (10.1).

AdTech: Growing interest in Bidbrain

We continue to see a growing interest in our new AI tool - Bidbrain, which we recently launched as a SaaS service. With Bidbrain, we have a solution that targets the global market for Google Shopping Ads, which today is valued at just over \$70 billion. Already, more than a third of e-retailers' revenue is generated from paid advertising, and that area is expected to continue to grow. We continue the work of developing the service to improve insights and algorithms, as well as increase the number of data sources in the AI engine, to get more stable and better results. Part of this work is to strengthen the organization with, among other things, a CTO (Chief Technology Officer), a Head of AI and more developers.

C&C: Positive with released restrictions

During the end of the third quarter, pandemic restrictions in Norway and Sweden began to ease. For most of the quarter, however, the affiliate business continued to be affected by the pandemic.

As of 1 October, the temporary regulation in Finland concerning direct marketing of loans and the interest rate cap of 10% ceased. The volumes for loan applications rose directly in October, by + 66%, compared with a "normal pandemic month". I am also pleased that in October we recruited Tuomas Riski as the new CEO of Rahalaitos and also Ilari Helden as the new Head of Digital Marketing and Sales. All the above-mentioned events mean that we started the fourth quarter in the best possible way and have now created the best conditions for us to reach the highest possible additional purchase price in the agreement with Sambla.

Vinklubben continues its successful development and has produced another strong quarter. This confirms the strength in the new strategy that we established just over a year ago and which meant that Vinklubben has, among other things, increased its capacity and improved segmentation.

Outlook

We now see that consumption behaviors are beginning to return to normal, after the restrictions have ceased in Norway and Sweden. We believe that this will increase demand within affiliation. This in turn creates the right conditions for a return on the investments we made during the pandemic, which I am very much looking forward to.

With Bidbrain Speqta creates a niche position within AI among e-retailers. We continue to invest in improved functionality and performance, while preparing for a larger and broader launch. In the short term, we do not expect a significant contribution, but in the long term, Bidbrain is expected to increase Speqta's business and margins significantly.

The sale of Rahalaitos creates new, great opportunities and therefore we are now initiating a strategic review. With a cash position of almost SEK 300 million, no interest-bearing liabilities and several exciting strategic opportunities ahead of us, I am very optimistic and expectant about our future.

Fredrik Lindros, CEO Speqta AB (Plc)

Calendar of events

Year-end report 2021: February 23, 2022

Interim report Q1 2022: May 5, 2022

Annual General Meeting: May 25, 2022

Interim report Q2 2022: August 24, 2022

Interim report Q3 2022: November 10, 2022

This information is such information that Speqta AB (plc) is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted, through the agency of the contact person below, for publication on November 11, 2021 at 07:00 CET.

Contact:

Fredrik Lindros

CEO Speqta AB (plc)

fredrik.lindros@speqta.com

+46 723 10 66 66

www.speqta.com

About Speqta

Speqta offers the best performance-based lead generating platforms using data and AI and to grow organically as well as through acquisitions in new and existing markets. Speqta has two business areas Speqta AdTech and Speqta Content & Comparison. The company is listed on Nasdaq First North Premier Growth Market in Stockholm under the ticker "speqt". The company's Certified adviser is Västra Hamnen Corporate Finance AB, telephone number: +46 40 20 02 50, e-mail: ca@vhcorp.se