

Interim Report 1, 2022: A pure Adtech company



Speqta AB (plc) interim report for the period January 1–March 31, 2022 is published and available on: <https://speqta.com/en/investors/financial-reports>

During the fourth quarter of 2021, Eone Oy (“Rahalaitos”) was divested and during the first quarter of 2022, Mytaste Food & Beverage AB (“Vinklubben”) was also divested. As previously communicated, Speqta Affilijet AB and Leads on Top AB (jointly “Affilijet”) will be divested. This means that the income statements for 2022 and 2021, in the report, have been recalculated in accordance with current Accounting Rules and therefore exclude divested operations, as well as operations under divestment, and which are thus reported separately below. Financial information and comments about the operations in this report focus on continuing operations, unless otherwise stated.

First quarter summary

- Revenues during the first quarter amounted to KSEK 3 901 (8 815).
- EBITDA amounted to KSEK -6 001 (-4 510). The EBITDA margin was -154% (-51).
- Earnings per share (including divested operations) amounted to SEK 0,03 / share (-0,07).
- Cash flow from operating activities (including divested operations) amounted to KSEK -13 911 (-3 793). Larger payments of Accounts payable, attributable to the divestment of Rahalaitos, had a negative effect on cash flow.
- Cash and cash equivalents at the end of the period amounted to KSEK 296 851 (28 516).
- Speqta signed an agreement for the sale of all shares in Vinklubben to Viva Wine Group AB. The purchase price amounted to KSEK 120 000, on a Cash and Debt-free basis. The transaction was completed on April 1, 2022.
- Speqta completed the strategic review in connection with the divestment of Vinklubben. With the SaaS service Bidbrain, Speqta will focus entirely on E-commerce marketing and AI-based bidding. Speqta also intends to divest Affilijet.
- The Board of Directors proposes a dividend of SEK 4.80 / share to the Annual General Meeting. For complete proposals, see the notice available on the company's website.

CEO Comment

Over the past twelve months, I can state that Speqta has undergone a transformation and is today a technology-focused company. A year ago, we had a cash balance of MSEK 28.5 and after selling both Rahalaitos and Vinklubben, we are debt-free, fully invest in Adtech and have, at the beginning of April, MSEK 417 in cash (before transaction costs). Due to the strong liquidity, the Board has proposed a dividend of MSEK 316 or the equivalent of SEK 4.80 per share, which reflects part of the value that Speqta has realized during the past twelve months.

The transformation of Speqta is still ongoing and we are working on the sale of Affilijet and the comparison sites. We expect, however, that the purchase price will be significantly lower than for the assets we sold earlier. We still manage Rahalaitos operationally and strive to get as much of the earnout as possible. During the quarter, the Finnish loan market was first affected by restrictions linked to the omicron virus and later by the conflict in Ukraine, which increases uncertainty about consumption patterns in Finland.

Our strategy today is to concentrate on the business within Adtech. We believe that the future of e-commerce is about AI and using the enormous amount of transaction data that the industry generates for more advanced bidding. In this way, e-retailers become more accurate and thus more profitable. E-retailers will need to build this competence on their own or acquire it through partners. We are convinced that all e-retailers, and not just the big players, want access to this technology. That is why we launched our AI service Bidbrain as a SaaS service, in the summer of 2021.

Since the launch, about 30 customers have tested Bidbrain and we have adjusted the service, from what we learned from the customer feedback. Today, we see three main areas that we must prioritize. The first is about continuing to recruit the right competence, where we've come far with two new stars to the AI team and a new CTO. Second, we need to improve Bidbrain's performance even further and make the product more scalable, in order to withstand a more comprehensive rollout. Third, we need to enhance the subscription model to be able to address a larger share of the market. In the latter, we launched on May 4, which meant a new subscription model that we believe is attractive to more customers.

In the report we are excluding Rahalaitos and Vinklubben but also the planned divestment of Affilijet, leading to a more transparent reporting of our core business. Shopello, our affiliate network that mediates traffic, generated revenues of MSEK 3.6 during the quarter, distributed across 17 countries. We have thousands of customer stores, for which we buy traffic, and get paid through a surcharge on traffic costs. However, we perceive limited future prospects for Shopello's business model and revenues from Shopello have recently decreased. But since it is a low-margin product, gross profit is not affected to the same extent. Bidbrain's SaaS revenues, which have a higher margin, amounted to MSEK 0.3 for the quarter, are so far modest and generated by about 12 invoiced stores. Average revenue, per store through Bidbrain is KSEK 7.4 / month and so far we have not started marketing and customer intake on a large scale.

With plenty of cash and a focused strategy, we at Speqta see ourselves as a well-financed start-up business that is in an early phase in an attractive and growing market. We will now continue to listen to the feedback customers provide and adjust the service so that we are better prepared for a future upscaling of the business.

We believe in AI and Bidbrain and welcome everyone who wants to join our continued journey.

Fredrik Lindros, CEO Speqta AB (publ)

Calendar

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 (publ) 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 May 5, 2022 at 07:00 CET.

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About Speqta

Speqta is an Adtech company that offers traffic generating services in eCommerce using data and AI. The company has two services: The Affiliate network Shopello and the SaaS service Bidbrain, and 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