

Year-end report 2019, Interim Report 4, 2019 - Continued profitable growth, new financial targets and new segment

Speqta AB (plc) year-end report and interim report for the period October 1 – December 31 2019, is published and available on <https://speqta.com/en/investors/financial-reports>



Significant events during fourth quarter

- Revenues during fourth quarter increased by 32% to KSEK 27,463 (20,757).
- EBITDA increased by 16% to KSEK 4,136 (3,567) and EBITDA-margin was 15% (17).
- Adjusted EBITDA increased by 5% to KSEK 4,136 (3,945), corresponding to a margin of 15% (19).
- Earnings per share SEK -0.01 (0.02)
- Segment Shopping sales increased by 40% and to KSEK 24,086 (17,238). EBITDA increased by 15% and amounted to KSEK 3,983 (3,453).
- Segment Food & Beverages sales fell by -7% to KSEK 3,316 (3,548). EBITDA fell by -12% to KSEK 1,683 (1,912).
- Vinklubben launched a brand new platform and website in November, to create a meeting place for wine interested consumers and wine importers. Vinklubben had a challenging quarter with client cancellations.
- Shopello's CPO model was run as a pilot with selected customers, such as Cervera. The result was positive and the launch took place January 9.

Significant events following fourth quarter

- The Board has adopted new financial targets:

Growth and profitability: The targets are to reach a turnover of SEK 600 million in 2022, with an EBITDA margin of at least 20%, driven by organic growth (exceeding 20% CAGR) and acquisition.

Leverage: The goal is to have a net debt / EBITDA of 1.5–2.5 x. All cash parts of any future consideration for the acquisition, are included as a liability in net debt.

Dividends: Speqta does not intend to make any dividends before 2022.

- The Board of Directors proposes to the Annual General Meeting that no dividend for 2019 should be made, given that the company continues to prioritize growth and new acquisition opportunities.
- On January 31, 2020, Speqta acquired 100% of the shares in Eone OY, owner of Finland's strongest credit comparison brand: Rahalaitos.fi. The initial purchase price was SEK 251.7 million (EURO 23.5 million), plus additional consideration amounting to a maximum of SEK 198.3 million (EURO 18.63 million) based on the total outcome of Eone's EBITDA for 12 and 24 months respectively, after the taking over. The purchase price was paid through a combination of cash and shares in Speqta. Investors in the private placement were made up of a number of Swedish and international institutional investors such as Acervo, Alcur, Erik Selin, Länsförsäkringar Fonder and Swedbank Robur. During the last financial year (Nov 2018–Oct 2019), Eone's sales was approximately SEK 149 million, with an EBITDA of approximately SEK 56 million and an EBIT of approximately SEK 55 million. The Eone acquisition took place on 31 January 2020 and will be consolidated from 1 February 2020.

- Shopello BidBrain™, Shopello's CPO model was launched January 9. The service means that the e-retailer no longer has to pay for clicks not leading to purchases, but only for clicks that generate sales. Shopello BidBrain™ allows online retailers to decide for themselves how much of the sales or profit they want to spend on traffic.
- Beginning with the first quarter of 2020, Speqta will report two new segments: AdTech and Content & Comparison.

CEO comments, short summary

The new Speqta is formed

Speqta has made two major strategic leaps. We have acquired Finnish Rahalaitos and launched our new AI-based e-commerce service. At the same time, we report our strongest year ever financially, and thus lay a good foundation for continued profitable growth.

In January, we announced our transformative acquisition of Rahalaitos, Finland's largest online credit broker. With the acquisition, we are climbing up the value ladder and expanding our business to become a credit broker, which in turn complements our affiliate business. Last year, Rahalaitos reached 1.5 times Speqta's turnover, an EBITDA that was 3 times as large and an EBIT that was 20 times larger than Speqta's.

Our strongest year ever

2019 is the best year ever in Speqtas history. Sales increased by 72% to SEK 101.9 million mainly due to organic growth. EBITDA increased by 120% to SEK 17.7 million. We have shown strong growth over a longer period and have had positive EBITDA results for nine consecutive quarters. In the fourth quarter, sales increased by 32% to SEK 27.5 million and EBITDA increased by 16% to SEK 4.1 million. This proves that our strategy is working.

New segments reflect our continued growth

We have made a strategic review which has led us to consolidate our operations into two new business areas that better reflect our future growth. Beginning with the first quarter of 2020, we will report two new segments:

Business area AdTech. Here Shopello is included, being a part of a central organization for technology. Within AdTech the focus is to continue to grow organically.

Business area Content & Comparison (C&C). This include the businesses that use content and comparisons to inspire and help consumers make decisions online. C&C has three verticals: Personal finance, Food & Beverage and Vouchers & Best-in-test. Growth will be organically and through continued acquisitions

Outlook

We are taking a strong position in an exciting and growing market. More and more consumer decisions are made online, while e-commerce and online marketing is increasing rapidly. We will continue to be a growth company that grows both organically and through acquisitions. In the coming quarters, we will focus on bringing in new large customers and transferring selected existing customers to Shopello BidBrain™. At the same time, during 2019 we have established ourselves at a new level of sales, which means that comparisons between years and years have become more challenging, while we will continue to strengthen our organization.

Calendar of events

Annual report	April 16,
Interim report January–March	May 14
Interim report January–June	August 25
Interim report January–September	November 17

The information in this interim report is such Speqta AB (plc) must publish it in accordance with REGULATION (EU) No 596/2014 (market abuse regulation). The information was submitted for publication on February 27, 2020 at 08:30 (CET).

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About Speqta

Speqta is a digital media house that owns and operates a leading international advertising network as well as several digital products and services within performance-based marketing of e-commerce stores. Speqta has two business areas Speqta Shopping and Speqta Food & Beverage. The company is listed on Nasdaq First North Premier Growth Market in Stockholm under the ticker "speqt".

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