

Interim report 1, 2020 – Substantial growth and increased profitability

Speqta AB (plc) Interim Report for quarter 1, 2020 has now been made public and is available at: <https://speqta.com/investors/financial-reports>



Significant event during first quarter

- Revenues increased by 98% to KSEK 46,301 (23,371).
- EBITDA profit increased by 110% and amounted to KSEK 8,483 (4,035).
- Cash flow from operating activities amounted to KSEK 13,957 (-1,409). Cash and cash equivalents amounted to KSEK 83,561 (3,477) at the end of the period.
- The AdTech segment increased sales by 27% to KSEK 14,634 (11,549). EBITDA, excluding mgmt. fee, increased by 21% to KSEK 821 (677).
- The C&C segment increased sales by 168% to KSEK 31,667 (11,822). EBITDA, excluding mgmt. fee, increased 144% to KSEK 12,262 (5,025).
- Speqta's set new goals is to reach sales of SEK 600 million in 2022, with at least a 20% EBITDA margin, driven by both organic growth (above 20% CAGR) and acquisitions. The Board of Directors proposes to the Annual General Meeting that no dividend for 2019 will be paid, in light of the fact that the company continues to prioritize growth and new acquisition opportunities.
- On January 31, 2020, Speqta acquired 100% of the shares in Eone OY, which owns Finland's strongest online brand in loan brokerage – Rahalaitos.fi. The Initial purchase price amounted to SEK 251.7 million (EUR 23.5 million), plus additional consideration, up to a maximum of SEK 198.3 million (EUR 18.63 million), depending on the outcome of Eone's EBITDA for 12 and 24 months after taking over. The purchase price was paid through a combination of cash and shares in Speqta. Investors in the private placement consisted of a number of Swedish and international institutional investors such as Acervo, Alcur, Erik Selin, Länsförsäkringar Fonder and Swedbank Robur.
- COVID-19 and Speqta C&C Personal finance: The loan market is characterized by lower demand for loans as well as changed credit requirements from lenders, which has in short term negatively affected Finnish Rahalaito's operations and our affiliate sites in Sweden and Norway.
- COVID-19 and Speqta C&C Food & Beverage: Vinklubben has been affected positively due to changed consumption patterns and fewer restaurant visits.
- COVID-19 and Speqta C&C Vouchers & Best-in Test: The vertical has a high exposure to travel and hotels, where demand has fallen, while other discount codes have benefited from the trend of increasing e-commerce. We have linked a number of exclusive discount codes to industries favored by COVID-19.
- Shopello BidBrain™, Shopello's CPO model, was launched on January 9. The service means that the e-retailer no longer has to pay for clicks, which do not lead to purchases, but only for clicks that generate sales. Shopello BidBrain™ allows online retailers to decide for themselves how much of the sales or profits they want to spend on traffic. By the end of March, some 20 major e-retailers had joined Speqta's newly launched AI engine Shopello BidBrain™.
- COVID-19. Speqta AdTech: Shopello's volumes developed positively in March due to the trend of increasing e-commerce. However, some customers have reduced or stopped their marketing activities, especially retailers that have both physical stores and e-commerce. Speqta has experienced changed opportunities, to reach potential new customers to offer Shopello BidBrain™, since potential customers decline meetings as a result of COVID-19. In the short term, it may affect revenue growth, but not in the medium or longer term, as the Shopello BidBrain™ AI engine is the future of traffic acquisition in, for example, Google advertising.

Significant events following the period

- COVID-19 Speqta C&C Personal Finance / Rahalaitos: In April, the Finnish government presented a proposal in response to the effects of the pandemic. The proposal means, among other things, that a new temporary interest cap of 10% against the previous 20% can be introduced in 2020 and that direct marketing can be banned temporarily. When, and if, the proposal is introduced is not announced as of today. In this context, it is important to point out that Rahalaitos is a broker of loans, not a loan provider. The broker position in the value chain is profitable and Rahalaitos

works primarily with other channels than direct market- ing and that, in the autumn of 2019, when a similar interest rate cap was introduced in Finland, Rahalaito's results and position was further strengthened. In the longer term, we are looking at the possibilities of using the broker platform in other countries where favorable terms for loan comparison are available.

- The nomination committee proposes that the registered audit firm PricewaterhouseCoopers AB (PwC) is elected as auditor until the end of the next annual general meeting. The nomination committee's proposal is in accordance with the recommendation of the audit committee.

CEO comments, short summary

"Strong position in growing industry"

Speqta may now report its first quarter in its growth journey and we have made several important progresses during the period. We have successfully launched the

AI service Shopello BidBrain™ and acquired Rahalaitos, Finland's largest online loan broker. In March, the COVID-19 pandemic strengthened Speqta's positive development within E-commerce, while consumer loan services were adversely affected. At the same time, we continue to strengthen our positions in performance-based marketing.

The growth

In the first quarter, sales increased by 98% to SEK 46.3 million (23.4). Organic growth was +/-0%. We had good organic growth within Content & Comparison ("C&C"), in the vertical Food & Beverage and within the Speqta AdTech segment. But due to COVID-19, the development was negative in the rest of C&C, especially in Norway, which had a negative effect on organic growth. EBITDA increased by +110% to SEK 8.5 million (4.0) with an EBITDA margin of 18.3% (17.3). We are financially strong, with cash flow from operating activities amounting to KSEK 13,957 (-1,409) and cash and cash equivalents, that, at the end of the period, amounted to KSEK 83,561 (4,874).

Positive start for Shopello BidBrain™

During the first quarter, some 20 major e-retailers joined our newly launched AI engine Shopello BidBrain™. Speqta AdTech increased sales by 27% to SEK 14.6 million (11.5). EBITDA improved by 21% and amounted to SEK 0.8 million (0.7). The EBITDA margin will increase as volumes on the platform increase. During March, we saw growth in e-commerce due to the COVID-19 pandemic. This led to positive effects on Shopello's volumes, although some customers reduced or stopped their marketing, especially retailers with both physical stores and e-commerce. The pandemic has also made it more difficult to reach new potential customers with the offer of Shopello BidBrain™, as they have declined meetings in times when they themselves are busy with handling the pandemic internally. It may affect revenue growth in the short term, but not in the medium or longer term as the AI engine Shopello BidBrain™ is the future of traffic acquisition in, for example, Google advertising.

Acquisitions and growth within Content & Comparison

The acquisition of market leader Rahalaitos in January this year was a major strategic step as well as a transformative acquisition. We have moved up the value chain and become a lender, which complements the affiliate business. Sales in Speqta's Content & Comparison increased by 168% to SEK 31.7 million (11.8), mainly as a result of the acquisition of Rahalaitos and great development in the vertical Food & Beverage. Rahalaitos also contributed that the EBITDA in the C&C segment, increased by 144% to SEK 12.3 million (5.0) and with an EBITDA margin of 39% (42%). During the quarter, the COVID-19 pandemic affected Rahalaitos as there was less demand for loans and changed credit requirements from lenders, and thus sales as well as EBITDA were lower than expected. Vinklubben has continued to grow strongly with good profitability, partly positively influenced by the pandemic, when people choose not to go to a restaurant, but to a greater extent choose to try new / existing wines at home.

Outlook

During the COVID-19 pandemic, the trend of increased e-commerce and more consumer decisions being made online, has been further strengthened. We believe that changed consumer patterns during the pandemic will, to a large extent, continue to exist and that e-commerce will become a more established buying behavior in a growing number of industries. The strong e-commerce trend also means that more and more companies are evaluating their marketing and are looking for performance-based solutions.

During the pandemic, in April we also focused on strengthening our positions including; SEO ranking on our comparison sites, continued product development and also reviewed the organization, where we made a number of cost savings. It gives us a good starting point when society returns to normal. Naturally, the loan market is affected by the general economy but for comparison sites, the actual paralysis of society and the uncertainties surrounding the quarantine, affect more than just the business cycle. We are convinced that a well-functioning economy, in both recessions and boom, requires a transparent loan market and that market leaders become even stronger after times of change. For another quarter, we have shown that Speqta benefits from offering the best performance-based lead generating platforms, using data and AI. This continues to make us confident in achieving our long-term financial goals, since we have a strong position in a growing industry.

Calendar of events

Interim report January–June	August 25
Interim report January–September	November 17

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 May 14, 2020 at 07:00 CET.

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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@hcorp.se