

## Interim report 2, 2020 – Continued growth and maintained profitability



Speqta AB (plc) Interim Report for quarter 2, 2020 has now been made public and is available at: <https://speqta.com/en/investors/financial-reports>

### Significant event during second quarter

- Revenues increased by 68% to KSEK 42 942 (25 633).
- EBITDA profit increased by 356% and amounted to KSEK 23 625 (5 186). Adjusted EBITDA profit amounted to KSEK 5 630 (5 558).
- The AdTech segment increased sales by 35% to KSEK 17 886 (13 276). EBITDA, excluding mgmt. fee items affecting comparability, increased by 70% to KSEK 2 023 (1 190).
- The C&C segment increased sales by 103% to KSEK 25 055 (12 350). EBITDA, excluding mgmt. fee, increased 81% to KSEK 12 646 (7 002).
- **C&C Affiliate & Aller Media.** A co-operative agreement within Affiliate was signed with Aller Media, the leading media house in the Nordic. Under the agreement, Speqta initially operates the digital and fast growing Dagbladet.no's focusing on discount codes, but under the agreement, the parties' mutual goal is to expand this to more attractive verticals over time. Today, Speqta has similar cooperation with Expressen and Nettavisen through Affilijet. Revenues from new cooperation build up over time, as traffic from primarily search engines increases. The cooperation will begin in the summer of 2020 and revenues are expected by the end of 2020 and will be more extensive in 2021.
- **COVID-19 C & C Personal finance:** The lending market is characterized by lower demand for loans as well as changing credit requirements from lenders, which has affected Rahalaitos and our affiliation sites negatively. In June, however, the market began to stabilize, and a recovery has begun.
- **COVID-19 C&C Food & Beverage:** Initially and due to changed consumption patterns Vinklubben has been positively affected. However, the end of the second quarter meant lower volumes as wine importers had fewer projects to market.
- **COVID-19 C&C Vouchers & Best-in-test:** The vertical has had a high exposure to travel and hotels where demand declined, while other discount codes have taken advantage of the trend of increasing e-commerce. Speqta has worked to adjust the mix of customers and the product, to keep up with the shift in demand. The market is now beginning to stabilize and slowly return to normal.
- **COVID-19 AdTech positive effects:** Shopello's volumes have developed positively, due to the trend of increasing e-commerce. April had the strongest increase while in June, e-commerce was lower than expected, which is partly due to the fine weather in the Nordic region.
- **COVID-19 AdTech challenges:** Some e-retailers with business premises have reduced or stopped their marketing. During the pandemic, it has also been challenging to get potential new customers to make decisions about Shopello BidBrain™. Short-term impact on the revenue growth, but not in the medium or long term, because the AI engine is the future to generate traffic within e.g. Google advertising.
- The agreement with ABG Sundal Collier as liquidity provider for the Speqta share has been terminated.

- The AGM on May 18th 2020 re-elected the present board members Fredrik Burvall, Patrik Christiansen, Andreas Friis, Lisa Gunnarsson, André Lavold och Pär Sundberg, and re-elected Fredrik Burvall as chairman of the board of directors. The AGM also elected the registered audit firm PricewaterhouseCoopers AB (PwC), which has appointed Nicklas Renström as auditor in charge.

## Significant events following the period

- **New temporary regulation in Finland.** On July 1, Finland introduced a temporary regulation of the loan market that applies for the rest of the year. The regulation includes an interest rate cap of 10 percent, which gives consumers the opportunity to compare and renegotiate existing loans. This means that Rahalaitos can strengthen its position as the leading Finnish loan intermediary and comparison site. The regulation also includes a ban on direct marketing and the new interest rate cap is a reduction from the existing interest rate cap of 20 percent. Rahalaitos is already today focused on indirect marketing and a majority of the disbursed loans have an interest rate of less than, or close to 10 percent. The start of the third quarter (from July 1) has meant increased volumes compared with the second quarter, which is a consequence of this regulation, but also that the COVID-19 effect has subsided.
- Adam Jonsson has been recruited as new CFO and replaces Ulrika Jones who left the company. Adam is presently CFO at the iGaming company Enlabs which is listed on First North Growth Market. He assumes the position on November 16th 2020. Svante Godén, with previous experience as CFO and senior financial positions in companies like Spotify, Storytel and A3 (previously AllTele), has been appointed interim CFO.

## CEO comments, short summary

*"Our business model has proven its strength despite a challenging market"*

The second quarter of 2020 was a period that created a lot of emotions in the business world. Despite this, Speqta's sales increased by 68% and at the same time we were able to quickly adjust costs and maintain good profitability. During the pandemic, e-commerce volumes increased sharply and in the AdTech segment we had a positive organic growth of 35%. The Content & Comparison segment was negatively affected by the pandemic in the quarter. We believe that the vertical Personal Finance within Content & Comparison will return to normal levels as the effects of the pandemic subside.

## Growth and profitability

In the second quarter, sales increased by 68% to MSEK 42,9 (25,6), which is mainly due to the acquisition of Rahalaitos, Finland's largest online loan intermediary, in the first quarter of 2020. Our segment Speqta AdTech, had positive organic growth, thanks to an increase interest in our AI service Shopello BidBrain™, which focuses primarily on e-retailers. The Group's organic growth amounted to 2%, mainly because the Speqta Content & Comparison segment ("C&C") had a temporary negative organic growth as a result of the COVID crisis.

Adjusted EBITDA was MSEK 5,6 (5,6), with a margin of 13% (22%) and this is due to the fact that we are an online company with a strong underlying growth. We have been able to quickly reduce marketing costs and have managed to maintain good profitability despite the financial industry's difficulties. During the pandemic, it has clearly proven to be an advantage to be a loan intermediary with comparison sites, because then we do not carry any credit risk. EBITDA (unadjusted) was MSEK 23,6 (5,2), positively affected by the fact that the debt for the additional purchase price, related to the acquisition of Rahalaitos, was written down by SEK 21 million during the quarter, due to the pandemic and also since the targets for the additional purchase price were set high.

## AdTech: Increased growth for Shopello

At the beginning of the year, we launched our new AI engine Shopello BidBrain™. The service means that the e-retailers no longer has to pay for clicks that do not lead to a purchase, but only for clicks that lead to sales. Shopello BidBrain™ is a pioneer in the way you place a bid for access to online traffic and we are constantly working to develop the service and Speqta has ongoing dialogues with the largest e-retailers about Shopello BidBrain™. The pandemic has led to a partial delay in the intake of new customers since many companies are occupied dealing with the crisis. We estimate that during the autumn we will be able to accelerate the intake of new customers.

Speqta is now also developing the next generation of AI tools for more efficient and profitable e-commerce, which we are testing together with one of the leading e-commerce stores in the Nordic region. The fact that such a player chooses Speqta is a confirmation of the strength of our offer and our competence. It also shows that technological development never stops and that market leaders in e-commerce also need to develop themselves.

## C & C: Media houses' best friend - Affilijet

During the quarter, we signed a cooperation agreement, with the leading Norwegian media house Aller Media, on performance-based marketing. Initially, the agreement means that we run the digital fast-growth Dagbladet.no's investment in discount codes. The cooperation means that Aller Media receives income from related content and at the same time they take advantage of the enormous potential that performance-based income gives the media houses. We call it Affilijet and is a perfect match - as we are experts in running high-quality comparison sites that take advantage of the media houses' strong position in their respective markets while they know editorial contexts and have strong brands and attractive readerships.

During the quarter, the Finnish Parliament decided to temporarily regulate the loan market, starting on July 1 this year and for the rest of 2020. The regulation includes, among other things, a reduction of the interest rate maximum from 20% to 10%. We welcome this regulation, which enables consumers to compare and renegotiate existing loans. We believe that this is positive for Rahalaitos, which is Finland's leading loan comparison site. When interest rates were regulated in Finland in the autumn of 2019, this had a positive effect on the market leader Rahalaitos.

The vertical Personal Finance has been affected by the fact that during the pandemic consumers did not borrow money to the same extent as before, at the same time as the banks were more restrictive about lending. During the quarter, Rahalaitos had good cost control and at the same time focused on strengthening its brand and gaining market share. Vinklubben has maintained its position as one of the most successful services in the segment, despite the fact that wine importers have delayed new launches and have had some delivery difficulties.

## Outlook

There is a shift in the market for performance-based marketing. Our offerings are strong when we help e-retailers to the smartest way to generate traffic to the store and where we support consumers in making decisions online. With the AI engine Shopello BidBrain™, we

have a unique offer within e-commerce and through our cooperation with Aller Media, Nettavisen and Expressen, we have shown that we are media houses' best friend in an industry that experiences a new online landscape with opportunities for new sources of income. We are also very positive about the development of the vertical Personal Finance as well as Rahalaito's strong position in the market. Personal Finance, which accounts for the majority of the temporary loss, will return to normal as the effects of the pandemic subside. During July and early August, we have seen that the demand for comparison sites increased and that the market is stabilizing.

In a quarter characterized by COVID-19 and an accelerated e-commerce, the demand for performance-based marketing has increased. More and more e-retailers are seeing the benefits of only paying for traffic that leads to purchases, while the media houses have discovered that there are new revenue streams available. With our attractive offering, we strengthened our position during the quarter, which also makes us feel secure in continuing to grow and reach our long-term financial goals.

### **Calendar of events**

Interim report January–September: **November 17, 2020**

Year-end report: **February 23, 2021**

*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 Aug 25, 2020 at 07:00 CET.*

### **Media Contact**

Fredrik Lindros

CEO Speqta AB (plc)

fredrik.lindros@speqta.com

+46 723 10 66 66

[www.speqta.com](http://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](mailto:ca@vhcorp.se)