

## Interim report 3, 2020 – Strong profitability and focus on AI as SaaS



Speqta AB (plc) Interim Report for quarter 3, 2020 has now been made public and is available at: <https://speqta.com/en/investors/financial-reports>

### Significant event during third quarter

- Revenues increased by 72% to KSEK 43 746 (25 505).
- EBITDA profit increased by 165% and amounted to KSEK 10 074 (3 804) an operating margin of 23% (17).
- Sales in the C&C Segment increased by 170% and amounted to KSEK 30 773 (11 389). EBITDA, excluding management fee, increased by 68% to KSEK 11 521 (6 837).
- Sales in the AdTech Segment amounted to KSEK 12 973 (14 112). EBITDA, excluding management fee and items affecting comparability, increased by 216% to KSEK 973 (308).
- **C&C: Rahalaitos strong quarter.** The temporary regulation, on July 1, includes an interest rate cap of 10% and a ban on direct marketing for the rest of the year. This meant that, at the beginning of the third quarter, many consumers were able to compare new credit terms, which increased volumes for Rahalaitos, and which also strengthened its position as the leading Finnish credit broker and comparison site. During September, volumes were lower as Finland has an increasing number of Covid cases, which has led to restraint among consumers.
- **C&C: Covid-19 update Personal finance.** During the third quarter, the affiliation sites began their recovery, following the Covid-19 decline. A decline characterized by lower demand for credit, as well as changed credit requirements from lenders. Volumes are not back to normal levels but are expected to return during 2021.
- **C&C: Covid-19 Shopping (Vouchers & Best-in-test).** The third quarter was marked by a clear recovery for the discount code sites, after the Covid-19 decline. The market has therefore stabilized and returned to normal.
- **AdTech.** Volume peaks during the second quarter returned to more normal levels, during the third quarter. New development and testing of next generation AI service, to meet the shift in the market. Recruitment to cope with the upcoming launch of the SaaS service.
- **New CFO.** Adam Jonsson has been appointed CFO, replacing Ulrika Jones, who left the company. Adam comes most recently from the iGaming company Enlabs, listed on the First North Growth Market. He will begin November 16th, 2020. Svante Godén with previous experience as CFO and senior roles in companies such as Spotify, Storytel and A3 (formerly AllTele) has been interim-CFO.

### Significant events following the period

- **AdTech: Bidbrain™.** Next generation AI-based bidding, for Google Shopping Ads has been launched under the name Bidbrain™. The launch was initially done as a closed beta version. The AI service will later be launched as a SaaS solution and aims at a global market under the domain [bidbrain.com](https://bidbrain.com). Bidbrain™ is pushed into the customer's own Google Ads account and requires hardly any installation, while the bidding becomes transparent. The tests during the autumn at e-retailers have shown very positive results.
- **C&C: First Finnish Affilijet cooperation.** Speqta has signed its first Finnish Affiliate Cooperation Agreement with the leading media house Sanoma, to handle Ilta-Sanomat's investment in discount codes. Ilta-Sanomat (is.fi) is the largest news site in Finland and reaches most people in the country every day. The collaboration with Speqta's Affiliate initially gives Ilta-Sanomat access to a high-quality site that lists the best offers and discount codes on the Finnish market. Revenues from the collaboration build up over time, as traffic, especially from search engines, increases. The

partnership will begin in the fall of 2020 and revenues are projected to the end of 2020 and expected to be more comprehensive in 2021.

- **C&C: Affilijet.** Credit card comparison for Dagbladet.no (Aller Media) - Speqta has, through its service Affilijet, extended its cooperation agreement with the leading Nordic media house Aller Media, by also taking responsibility for the credit card comparison service on Dagbladet.no. The service will be launched at the end of 2020 and revenues are expected at the beginning of 2021.
- **C&C: Vinklubben SMART.** Speqta launched its first social media service. The name is an abbreviation that stands for Social Media Automation in Real Time and is a unique service in performance-based marketing that helps wine importers to target marketing for specific products and that is adapted in real time. The result is that advertising is directed to where there is distribution, which provides a better consumer experience, but also that the distribution for the wine importer increases for specific products. The development has been done in collaboration with one of Sweden's largest wine importers, Nigab, which has tested the service with two different campaigns, and which led to both increased sales and increased distribution.

### **CEO comments, short summary**

During the quarter, we have shown that Speqta is a profitable and innovative tech company. We have developed the next generation of AI services for online merchants - Bidbrain™ - which we have high expectations of and introduced a new service for social media on Vinklubben. Our Finnish credit broker Rahalaitos reported a strong quarter and we have begun a new Affilijet collaboration within comparison services, with Finland's leading media house Sanoma.

### **AdTech: With Bidbrain™ as SaaS, we aim globally**

During the quarter, we focused on the development of the next generation AI service for e-retailers - Bidbrain™. We are convinced that AI is the future of bidding for ads on Google. By releasing a locked beta version of our unique AI service, as a SaaS solution, we move up to the next level. Because the AI service is pushed into the customer's own Google Ads account, almost no installation is required while bidding becomes transparent. We have chosen to separate Bidbrain™, as a global service and therefore launch the domain [bidbrain.com](http://bidbrain.com).

During the autumn, Bidbrain™ was tested on a number of e-retailers in various industries. The tests have shown very positive results, with solid sales growth and with lower advertising costs. The service has been completely customized, according to the wishes of large e-retailers and should be able to be managed, based on the same incentives as the e-retailers have. Thanks to these results, we have high expectations for Bidbrain™. We get strong positive responses in the meetings with the larger e-retailers, but at the same time we experience that the decision-making processes are longer, compared with the smaller e-retailers, which is also due to the pandemic. We are now preparing a wider launch with the domain [bidbrain.com](http://bidbrain.com) and are recruiting additional skilled sellers. The new SaaS platform expects to generate revenue in 2021 at the earliest.

### **C&C: Strong quarter for Rahalaitos, Vinklubben's social media service and Affilijet successes**

Within the vertical Personal Finance, Rahalaitos reported a strong quarter, which had a positive effect on both sales and profitability for the Personal Finance vertical. During the second quarter, the Finnish Parliament decided to temporarily regulate the credit market. Beginning on July 1 and until the end of the year, this also includes a lowering of the interest rate cap. This is driving demand for credit comparison services, which has also had a positive impact on market leader Rahalaitos. In September, volumes were again affected by the pandemic in Finland, which thus also led to market restraint.

Other comparison sites within Personal Finance have continued to recover after the effects of the pandemic during the second quarter, but we believe it will be some time before they return to normal levels. Within the vertical Food & Beverages, we made an exciting product launch during the quarter. Vinklubben has launched Speqta's first social media service - Vinklubben SMART. It is a unique service in performance-based marketing that helps wine importers target marketing for specific products and that can be adjusted in real time. Test runs show that the service creates both increased sales and increased distribution. This is proof of our innovative power as a tech company and that we can develop new services within an already established segment.

We have recently made significant progress within Affilijet and once again proved that we are the media houses' best friend. In October we reported that Affilijet signed an agreement to expand the cooperation with Aller Media. Since May this year, Speqta is the sole provider of services regarding discount codes for the media house Dagbladet.no - one of Norway's largest news sites with more than 1,5 million unique daily readers. The new agreement means that we also have the exclusive right to deliver Dagbladet's credit card comparison service. In November, we announced a new collaboration between Affilijet and Finland's leading media house Sanoma, on performance-based marketing. Initially, the agreement means that Speqta handles Iltä-Sanomat's investment in discount codes, where revenues build up over time and while SEO traffic picks up speed. Iltä-Sanomat (is.fi) with its 78 million visits in October is the largest news site we have worked with so far.

### **Future perspectives**

I became CEO just over a year ago and Speqta has, during this period, as to some extent has been marked by the pandemic, proved that it is a solid and profitable tech company with innovative strength. E-commerce continues to grow, and AI services are the future of traffic acquisition. Speqta has a strong position in AI services and it is promising to see the positive response we get at customer meetings when we present Bidbrain™ to the largest e-retailers. So promising that we are now taking our AI service to the next level, as a SaaS platform under the domain name [bidbrain.com](http://bidbrain.com).

We have also proved that we are an important partner to the media houses. I am proud that we have added Sanoma to the list of partners with leading media houses such as Aller Media, Nettavisen and Expressen. Through the collaboration with Sanoma, Affilijet, within Content & Comparison, is thus established in three Nordic countries.

We also have every reason to be pleased with the acquisition of Rahalaitos. It was a major strategic step and a transformative acquisition. Although Rahalaitos, to some extent, has been negatively affected by Covid-19, it has proven to be a robust, profitable company that gives us access to a new and growing market.

Speqta has a strong position in the growing online market, where performance-based marketing is increasing in importance and more and more people understand its strategic role. With Speqta's strong position, I am confident that Speqta will continue to grow and reach the long-term financial goals. **Fredrik Lindros, CEO Speqta AB (plc)**

### **Calendar of events**

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

Inter report Q1 2021: **May 12, 2021**

Annual General Meeting 2021: **May 18, 2021**

Interim report Q2 2021: **August 24, 2021**

Interim report Q3 2021: **November 11, 2021**

The Nomination Committee, for the Annual General Meeting in May 2021, consists of the following members: Jari Piipponiemi (appointed by Toni Heikkonen), Mikael Riese Harstad Chairman (appointed by Andre Lavold, Jonas Söderqvist (Representative of Own Holdings), and Fredrik Burvall (Chairman of the Board). Shareholders have the opportunity to submit proposals to the Nomination Committee until 14 February 2021, to the address:

The Nomination Committee, Speqta AB (plc), Regeringsgatan 29, 5tr, SE-111 53 Stockholm, and: [valberedning@speqta.com](mailto:valberedning@speqta.com)

*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 17, 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@vhcorp.se](mailto:ca@vhcorp.se)