

## Year-end report 2020, Interim Report 4, 2020 - Innovation, expansion and stable profitability



Speqta AB (plc) year-end report and interim report for the period January 1 – December 31 2020, is published and available on <https://speqta.com/en/investors/financial-reports>

### Significant event during fourth quarter

- Revenues increased by 62% to KSEK 44 611 (27 463).
- EBITDA profit increased by 544% to KSEK 26 650 (4 136), a margin of 60% (15). Adjusted EBITDA increased by 53% to KSEK 6 330 (4 136), a margin of 14% (15).
- Sales in the AdTech segment amounted to KSEK 12 865 (15 757). EBITDA, excl. mgmt. fees and items affecting comparability, increased by 277% to KSEK 249 (-141).
- Sales in the C&C Segment increased by 173% and amounted to KSEK 31 746 (11 644). EBITDA, excl. mgmt. fee, increased by 74% to KSEK 11 338 (6 520)
- AdTech: Bidbrain. Next-generation AI-based bidding for Google Shopping Ads has been secretly launched, under the name Bidbrain. The launch was initially released as a closed beta version. The AI service will later be launched as a SaaS solution and is aiming for the global market, under the domain bidbrain.com. Bidbrain places bids in the customer's own Google Ads account, and the service requires almost no installation and at the same time the bidding becomes transparent. Tests done during the autumn, at e-retailers, have shown very positive results.
- C & C: Affilijet. Starts a comparison service of electricity contracts, with Dagbladet.no (Aller Media) - Through its service Affilijet, Speqta has extended its cooperation agreement with the leading Nordic media house Aller Media, by also taking responsibility for the comparison service for electricity contract, on Norwegian Dagbladet.no. The service started at the beginning of 2021 and revenues are estimated for the latter part of 2021.
- C&C: Affiliate. Credit card comparison for Dagbladet.no (Aller Media) - Through its service Affilijet, Speqta has 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 started 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 – Vinklubben SMART. 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.
- C & C: First Finnish Affilijet cooperation. Speqta has signed its first Finnish Affiliate Cooperation Agreement with the leading media house Sanomat, to handle Ilta-Sanomat's investment in discount codes. Ilta-Sanomat (is.fi) is the largest news site in Finland and reaches most of the country daily. 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 cooperation began in the fall of 2020 and develops over time and we believe that revenue will gradually increase during the 2021.
- C & C: Rahalaito's temporary regulation extended to September 2021 - At the end of December 2020, the temporary regulation that began July 1, 2020, was extended due to the pandemic. The temporary regulation is in force until September 30, 2021. The effects of this regulation is that the applications through Rahalaitos are expected to remain at low but stable levels, as it did during the fourth quarter of 2020.
- C & C: Covid-19 second wave. The recovery that began in the third quarter was interrupted due to the second wave of the pandemic, which occurred in the fourth quarter. Investments have been made in improving the content of the sites to increase the opportunities to create growth in 2021.

## Significant events following the period

- AdTech: Malin Blomberg has been recruited as CEO of Shopello, AdTech and Bidbrain. Malin has a background from Tradedoubler and after that has been CEO of various SaaS and online businesses, such as Instoremedia, Yalloytrade and Lasingoo. At Econova, she was responsible for e-commerce, in the role of Head of Digital & Marketing. Malin will take up the position on April 12, 2021 and will be part of Speqta's management team.
- AdTech is expanding. Several vacant roles have been added, in order to launch the global SaaS service Bidbrain during the first half of the year. An experienced CMO/Product Manager has been brought in and the sales force has increased.

## CEO comments, short summary

For another quarter, Speqta has proven to be a profitable tech company with innovative power. Despite the impact of the pandemic during the quarter, Speqta reported a stable development with good profitability. We secretly launched our unique AI-based SaaS service Bidbrain and are preparing for launch in the first half of this year. Vinklubben had a record quarter with the new innovation SMART and within Affilijet, we started a new collaboration with Finnish Sanoma on comparison services, and in Norway a new vertical together with Aller Media. Our Finnish loan intermediary Rahalaitos reported a stable quarter, despite lower demand for loans due to the pandemic.

### AdTech: Bidbrain will launch during the first half year.

During the quarter, we launched a closed beta version of our unique AI-based SaaS service for e-retailers. Future winners in e-commerce will be those who, on a daily basis, use structured data and AI. Our AI service simplifies bidding on Google Shopping's ads while allowing e-retailers to transparently view all bids. E-retailers can therefore use an AI engine, which is driven by the same incentives as themselves: To maximize growth and conversions, given a desired ROAS (Return On Ad Spend).

The service is groundbreaking, the way e-retailers and digital agencies can purchase AI bidding. Therefore, it is hopeful that the tests of Bidbrain are positive and that e-retailers and digital agencies are showing increased interest. During the quarter, we began to create a larger, more efficient organization and aim to, during the first half of 2021, globally launch Bidbrain as a SaaS service. We have recruited an experienced CMO/Product Manager and expanded our sales force.

I am also very happy about the recruitment of Malin Blomberg, as CEO of Shopello, AdTech and Bidbrain. Malin has solid experience of building Online and SaaS companies, which will be important for Bidbrain's global expansion. We see that there is an enormous potential demand for Bidbrain due to strong growth in e-commerce and we estimate the global market for Google Shopping ads at more than USD 65 billion. Today, these ads are purchased by e-retailers, with either manual rules, through media agencies or Google's own services. Bidbrain is controlled, in such a way that the customer puts a desired return on their advertising and the SaaS service's MRR (Monthly Recurring Revenue) will be a license fee and a percentage of the advertising cost.

### C&C: Stable Rahalaitos, new innovative service for Vinklubben and continued Affilijet expansion

Rahalaitos had a stable development in the quarter, which had a positive effect on the Personal Finance vertical. During the second wave of the pandemic, consumers' need for credit was lower, but Rahalaitos has maintained its strong position in the market by further developing its methods of traffic optimization. The Finnish Parliament has decided to extend the temporary regulation of the loan market, until September this year. This means an opportunity for lower interest rates, for the consumers, during this period.

In the vertical Food & Beverages, Vinklubben had its best fourth quarter and full year ever. The record results are partly due to the new social media service Vinklubben SMART, which was launched during the fourth quarter. It is a unique service that helps wine importers target marketing for specific products and is also adjusted in real time. Vinklubben SMART is yet another proof of Speqta's innovative power and ability to think outside the box, even in established segments.

Affiliate is an attractive offer to the media houses in performance-based marketing. During the quarter, we released information about several significant collaborations that show the strength of our market position. We have expanded the collaboration with Aller Media for comparison services on the Norwegian dagbladet.no. Speqta is now the sole provider of services regarding discount codes, credit cards and electricity contracts. The comparison service for electricity contracts is also our new vertical, which we hope to be able to launch together with other media partners in the future. We have also entered into a new collaboration with Finland's leading media house Sanoma, where we manage Iita-Sanomati's investment in discount codes.

With my background from the media industry, it is gratifying to see Affiliate's success, which shows that we can use performance based marketing and give the media houses new revenue streams and also to help them with their digital transformation.

## Future perspectives

2021 will be an eventful year for Speqta. We have high expectations on Bidbrain for the launch this year. The global market potential is enormous, but we expect that it may take time to build up larger volumes. Bidbrain is transparent, efficient and easy, and the future of e-commerce. With the help of AI, the tool lowers e-retailer's sales cost and significantly increases revenue. As for our comparison sites, we believe in a recovery to more normal levels after the summer.

## Fredrik Lindros, CEO Speqta AB (plc)

### Calendar of events

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**

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 **February 23, 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)