

## Interim Report 1, 2021 - Innovation, expansion and stable profitability



Speqta AB (plc) interim report for the period January 1 – March 31 2021, is published and available on:

<https://speqta.com/en/investors/financial-reports>

### Significant event during first quarter

- Revenues amounted to KSEK 42 795 (46 301).
- EBITDA amounted to KSEK 7 626 (8 483), which is a margin of 18% (18).
- **AdTech: Bidbrain.** During the first half of 2021, the SaaS service will be developed for launch. During the quarter, the service was in a closed beta mode.
- **AdTech: Malin Blomberg** was recruited as CEO of Shopello, AdTech and Bidbrain. Malin has experience of scaling up online companies, SaaS and e-commerce and took up the position on April 12, 2021.
- **AdTech: Ted Sahlström** was appointed as CMO/Product Manager for Bidbrain. Ted has a solid SaaS background from, for example, Match2One, Taskrunner and Mirus Online Media.
- **C&C: Vinklubben** has expanded its capacity and improved segmentation. The first tests of the new expanded segmentation are very positive and have, among other things, resulted in increased conversion among wine importers. This means that Vinklubben, from the second quarter of this year onwards, will increase its capacity by approximately 20%–25% compared to previous years.

## Significant events after the period

- **C&C: Affilijet.** In Norway, during the quarter, Affilijet has developed positively. Speqta has conquered top positions for the most competitive keywords in the attractive segment for private loans. This is a result of the strategic improvement work in 2020, and Affilijet has now created a strong position before the recovery following the pandemic.
- **C&C: Rahalaitos.** This year, Rahalaitos, Finland's leading online credit broker, has taken top positions among the most competitive keywords within credits in Finland. Thus, Speqta has reached an important intermediate goal towards the synergy goal, to strengthen the site's traffic acquisition. It will also positively affect the return to more normal levels when the pandemic is over.
- **Speqta has signed** a new lease for the Stockholm office from July. The office is less expensive, but at the same time larger to enable both expansion and provide more social spaces to stimulate meetings that are more spontaneous and creative but at the same time productive and innovative. After the pandemic, Speqta will work with a mix of presence in the office and remotely, to maximize our development potential and productivity, as well as to be a company that is competitive in the future as well.
- **The annual report** for the financial year 2020 has been published and is available on the company's website.
- **Speqta AB's** shareholders have been summoned to the Annual General Meeting on Tuesday, May 18, 2021, which will be conducted completely without the physical presence of shareholders, proxies and outsiders, and that shareholders will instead be given the opportunity to exercise their voting rights by postal ballot.

## CEO comments

Speqta reports another profitable quarter as a result of a focus on product development, investments and innovation. Among other things, we have made significant progress with improvements to our sites and established excellent results in search engine optimization. Bidbrain, our new AI-based SaaS service for e-retailers, is met with great interest and the preparation before the launch is going according to plan. The potential for Bidbrain is large with a global market, today worth more than USD 70 billion. In the first quarter, sales amounted to MSEK 42.8 (46.3). A strong quarter, given a weaker market for our comparison sites compared with the previous year, when the effects of the pandemic were first seen in March, 2020. EBITDA amounted to MSEK 7.6 million (8.5) with a margin of 18% (18). Although we are still experiencing a challenging market situation during the pandemic, we have worked hard to maintain profitability at a good level.

## AdTech: Transition to SaaS

During the second quarter of this year, we will launch the first version of Bidbrain, our unique AI-based SaaS service for e-retailers. We are convinced that Bidbrain is a necessary service for those who want to be a winner within e-commerce. Today, it is not enough to pay a single cost, for all online ads. In Google's Shopping Ads, an auction process takes place, and a successful e-retailer must be able to use structured data and AI to make the right decision at every opportunity. The e-retailers who can be the most granular in their decisions, will also be the most efficient and win the most conversions and customers. One of Bidbrain's great strengths is that the service offers e-retailers an AI engine that is powered with the same incentives as themselves: To maximize growth and conversions given a desired ROAS (Return On Ad Spend).

The global market for search ads is estimated, by 2025, to reach 211 billion USD (2019: 143 billion). Today, Google's market share is 72%, and we estimate, at this point, the Google Shopping Ads market to exceed USD 70 billion. It is thus a very large

market that Bidbrain is targeting, and it feels promising, with the significant attention we have received for our AI-based SaaS service, even before the launch during coming quarter.

It is also great that we now have our new, expanded team for Bidbrain in place. The team is led by Malin Blomberg who is the CEO and with Ted Sahlström as CMO / Product Manager. Both Malin and Ted have solid experience of building online and SaaS companies, which is of great importance when Bidbrain is to be launched and expand globally.

Sales decreased, compared to the previous year, due to a shift within Shopello where the focus now is on larger and more profitable customers. This affects sales negatively, but profitability only marginally, which also means that we get a more sustainable business. In parallel, sales and development resources are focused on the SaaS service Bidbrain, which is expected to create larger volumes and, above all, better profitability at a later stage. The reason for this is that the SaaS service Bidbrain has a high gross margin per krona earned, which is the difference from Shopello's revenues, where the gross margin is lower because we first have to purchase traffic and then re-invoice it with a surcharge.

### **C&C: Investments for "post-Covid"**

Throughout 2020, we invested in improving the content of our sites and in search engine optimization, in order to increase visibility and maximize growth opportunities, after the effects of the pandemic subside. Investments continued during the first quarter and we can now see the result from our successful work. In Norway, this year we have reached top positions, for the most relevant keywords in attractive segments for personal loans, which also proves that the Affiljet strategy of running comparison sites in collaboration with strong media houses, works well and creates results. During the quarter, Lånakuten's site in Sweden was improved, underwent a re-design and relaunched.

Rahalaitos makes a very strong quarter again, despite stable but lower volumes during the pandemic. A contributing factor to this is that Rahalaitos has, during the quarter, reached top positions, for the most competitive keywords, within credits, in Finland. The three important synergies and value creators that were set up during the acquisition in January 2020 were:

- Speqta would complement Rahalaito's strength to build a brand with the ability to generate traffic
- The operations complement each other geographically
- Speqta was able to take a step up in the value chain by becoming a credit broker

Seeing the results of the long-term work is of course stimulating, just as traffic procurement is a project that never ends and there is more left to optimize.

In Sweden, after extensive marketing activities at the end of last year, Vinklubben has now expanded its capacity with improved segmentation. The strengthened offer has led to good results for wine importers with increased conversion of new end customers. For Speqta, this means that from the second quarter of this year onwards, Vinklubben will increase its capacity by approximately 20–25% compared to previous years.

Sales within Content & Comparison amounted to MSEK 33.9 (31.7), which is an increase of 7%. Both Rahalaitos and Vinklubben had good progress during the first quarter of the year. Other sites are still negatively affected by the pandemic, but our assessment is that we will see increased demand during the third quarter when the pandemic releases its grip. EBITDA amounted to MSEK 12.1 (12.3) with an EBITDA margin of 36% (39).

## Outlook

The strategic work with our sites' content and search engine optimization has given us a very good starting point for the return to a more normal market situation, which we believe will take place after the summer. With the success in Finland, we have also demonstrated our ability to create successful and value-creating acquisitions. Work on the new AI-based SaaS service Bidbrain is going according to plan and we see great opportunities for Bidbrain. However, we are preparing for the fact that it may take time to build up larger volumes for the new SaaS service.

During the pandemic, we have transformed our business into fully remote and after the pandemic will work with a mix of time in the office and remote. We do this to maximize development and productivity, and to be a company that is competitive in the future as well. Therefore, and from July, we will establish a new HQ, to get a more modern workplace adapted to the new way of working. In terms of cost control, the new office is cheaper, but also larger to make room for both expansion and more social spaces to thereby stimulate meetings that are more spontaneous and creative but at the same time productive and innovative.

Speqta is a profitable and innovative tech company that has created a strong position in the market for performance-based marketing. With optimism and confidence, I look forward to a year, with continued innovative power, growth and strong profitability. Fredrik Lindros, CEO Speqta AB (plc)

## Calendar of events

Annual General Meeting 2021: May 18, 2021

Interim report Q2 2021: August 24, 2021

Interim report Q3 2021: November 11, 2021

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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)