

Interim Report Q3, 2023: Continued strong growth during integration work



Speqta AB (publ) Interim Report for the period January 1 – September 30, 2023 is published and available on: <http://speqta.com/en/investors/financial-reports>

The merger with BrightBid is reported as a reversed acquisition according to IFRS. All comparison figures in the report only include BrightBid, if not stated otherwise.

Third quarter results in brief

- ARR grew by 82%, compared to the previous year, to KSEK 61 252 (33 700).
- Net sales in the third quarter amounted to KSEK 17 319 (6 285), an increase of 176%, mainly consisting of organic growth in BrightBid.
- Recurring revenue amounted to KSEK 12 900 (4 594) during the quarter, an increase of 181%.
- The EBITDA result amounted to KSEK -15 519 (-6 946). Adjusted EBITDA amounted to KSEK -11 952 (-6 946), after adjusting for transaction and restructuring costs related to the acquisition of BrightBid.
- Earnings per share amounted to SEK -0.93 (-0.50).
- Cash flow from operating activities amounted to KSEK -19 955 (-7 513). Cost synergies from the integration of BrightBid and Bidbrain have not yet given full effect during the quarter, but will be visible during the next three quarters. Speqta is positive about the development of cash flow in the future with cost synergies in combination with continued growth.
- Cash and cash equivalents at the end of the period amounted to KSEK 43 756 (10 750).
- Speqta's paying customers grew to 494 (264), an increase of 87%.

Events during the quarter

- Speqta's acquisition of BrightBid was completed on 3 July 2023.
- Gustav Westman, founder and CEO of BrightBid, joined Speqta's group management at the same time as Malin Blomberg left her position.
- Changes in the Board of Directors were decided at the Extraordinary General Meeting on 21 July 2023, where Anders Gustafsson, Mikael Lindblom, Christos Stavropoulos, and Gustav Westman were

elected as new members. André Lavold and Jari Piipponiemi resigned as members and were thanked for their contribution to Speqta.

- Fredrik Burvall resigned as Chairman of the Board. Mikael Lindblom was elected as acting Chairman of the Board.
- Several new exciting customer agreements were signed during the quarter, such as Kristiana University and GetAccept.
- BrightBid has been mentioned in British media such as The Times, BBC World Business Report, and Forbes. And listed in the G2 Grid for Search Advertising.

Events after the quarter

- Launched a new service that enables advertising on Google Shopping for Amazon sellers.
- The Board of Directors has invited for an extra general meeting on November 24, 2023. Larger shareholders have suggested Johan RutgerSSon as the new Chairman of the Board.

CEO Comment

The growth journey is in full swing together with BrightBid, which Speqta acquired this summer. In the third quarter, revenues grew by 176% on an annual basis and our ARR by 82% to SEK 61.3 million. The road to profitability is going according to plan and with the integration we have started to realize cost synergies. Together with the growth, this will improve our cash flow in the coming quarters. At the same time, we focus on continued innovation and have recently launched a world-unique solution for Amazon sellers.

The growth is apparent and with the acquisition of BrightBid, we have a leading service in AI-based marketing that solves a clear problem for online advertisers. The number of customers increased by 22% from the last quarter to 494 customers and recurring revenue increased 41% to SEK 12.9 million. This is clear evidence that we have a strong growth at the same time as we are in the middle of the integration with BrightBid, and can now offer both shopping and text advertising. One of the synergies we have already realised is the decision to go to market with one brand. The merger of Speqta's Bidbrain and BrightBid into one service and product is underway and will be called BrightBid. It is a strong, well recognized brand that has recently been mentioned in British media such as The Times, BBC World Business Report and Forbes.

We have a clear plan to realize cost synergies after the acquisition. For example, by removing overlapping support systems and roles, we are gradually reducing the relative cost base. The positive effects have already been seen at the beginning of the fourth quarter and they will continue to be realized during the first half of 2024. At the end of the third quarter, our cash pool amounted to SEK 43.8 million and we believe that this, in combination with current growth and synergies, gives us sufficient financial strength to realize the plan to go towards profitability during 2024.

Our successful ability to innovate. One example is the recently launched world-unique service for sellers on Amazon. At the touch of a button, sellers on Amazon can also advertise on Google Shopping. In this way, we give Amazon sellers a powerful tool to track their returns and optimize their advertising costs, but also an opportunity to strengthen their ranking on Amazon. Further proof of our innovation and ability to understand the search advertising market is BrightBid's placement in September this year in the prestigious G2 Grid for Search Advertising platform.

With the earlier streamlining of the group and the acquisition of BrightBid, we have created a new Speqta. With a clear increase in revenue, synergies and innovation capacity, we start Speqta's journey towards profitable growth.

Fredrik Lindros, CEO Speqta AB (publ)

Financial calendar

Year-end report 2023: February 22, 2024

This information is such information that Speqta AB (publ) 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 09, 2023 at 07:00 CET.

Contact

Fredrik Lindros
CEO Speqta AB (publ)
fredrik.lindros@speqta.com
+46 723 10 66 66
www.speqta.com

About Speqta

Speqta is an Adtech company that offers traffic generating services for digital advertisers using data and AI. The company operates the SaaS service BrightBid, which also includes Bidbrain. Speqta is listed on Nasdaq

First North Premier Growth Market in Stockholm under the ticker "SPEQT". Redeye AB is the company's Certified Adviser.