Press Releases

Checkin.com Group (STO:CHECK) reports continued weak travel volumes during Q2 but breakthrough in fintech after the quarter.

The report in brief:

Q2 2024 (vs Q2 2023):

- **Net revenue decreased to KSEK 20,385 (21,010) which corresponds to a growth of -3 (19)%, of which -3 (19)% was organic.**
- **Gross profit for the period amounted to KSEK 15,312 (17,043) with a margin of 75 (81)%.**
- **EBITDA for the period amounted to KSEK 2,661 (4,317) with a margin of 13 (21)%.**
- **Cash flow from operating activities amounted to KSEK 2,217 (-2,180).**
- **Net Revenue Retention LTM amounted to 103 (114)%.**
- **Cash and cash equivalents amounted to KSEK 35,304 (33,204).**

CEO Letter from Quarterly Report

As the new acting CEO of the group, I can conclude that volumes have remained weak throughout the first half of 2024, which has resulted in revenues and profits largely developing sideways compared to last year. Just like in our Q1 report, this is primarily driven by lower volumes in our important travel segment. Despite a weaker quarter in terms of revenue, we still managed to deliver an EBITDA margin of 18% for the first half of 2024, which is unchanged compared to last year. This shows that we are good at controlling our cost structure, and when the expected volumes eventually come, we will be in a strong position with high operational leverage, where we expect the increased revenues to significantly drive both gross and EBITDA margins upward.

We maintain a strong belief in our main strategy of working hard to sign agreements with the largest companies in our key verticals: Travel, Fintech, and iGaming. In addition to the successful launch of a new travel product during the quarter, it is also exciting to see increased usage from our large Swedish fintech customer, which has resulted in them becoming our second-largest customer in terms of revenue after the quarter. It is also worth noting that, despite significantly increasing prices for our smallest customers and maintaining a strong focus on the largest ones, we continue to sign agreements with smaller customers, with a double-digit number of new such agreements in Q2 alone.

In the Travel vertical, our software, as previously communicated, has successfully prevented unwanted third-party bookings in our largest customer's system, resulting in a significant reduction in this type of bookings compared to the same period last year. Although this has had a negative impact on our volumes for some time, we are convinced that it is beneficial for us as a company in the long term that the software creates such direct value for our customers. Our focus over the past year has been to work closely with this customer to develop the next generation of travel software to simplify the check-in process for all types of bookings and customers. This work has progressed well, the collaboration between the companies is stronger than ever, and the new product is already live on the Irish market. As mentioned in previous reports, the financial potential of this product, if rolled out to more of the customer's markets, is significant.

The travel vertical is, of course, more than just this customer, and we see clear international interest in our software from several other global airlines as well as other groups within the industry. If we succeed in adding a few more customers of similar size in the future, we will significantly increase growth while reducing our dependence on the few large customers we have today.

In a similar way, we are working within fintech, where we continue to develop our collaboration with our Swedish fintech customer. They are already live with our software in more markets than before, including the American market. They have communicated a rollout plan for additional markets, which, if carried out as planned, should not only have a positive impact on our revenues in the second half of 2024 but also provide us with an even more competitive product towards other banks, fintechs, and insurance companies.

Alongside our focus on the largest customers, what we typically refer to as Enterprise customers, we are also putting significant effort into increasing the number of technical partnerships, something we previously called our platform strategy. Through our

technical partnerships, we enable simpler sales processes, reduced integration times, and lower marketing costs, while also efficiently rolling out the software to many new customers through a single integration with each partner's technical platform. The latest example is the agreement with the Salesforce challenger Creatio, where we can not only roll out the technology more easily but also address a broader spectrum of industries and markets than before.

Our decision-making is always based on what we believe is best for Checkin.com Group and our shareholders looking long term. We have previously expressed hopes for leverage in the business once the volumes come, and although the travel vertical's volumes remained weak during Q2, we stand firmly by our belief that we are at a new level as a company, and our expectation for a strong second half of 2024 remains firm.

Christian Karlsson
CEO, Checkin.com Group

The full quarterly report is now published and available on:https://group.checkin.com/investors/reports/

Webcast (Swedish)

Investors, analysts and journalists are invited to a webcast 2024-08-15 08:30 CEST where the company's CEO and CFO will present the report, followed by a Q&A session. The presentation is available through this link: https://www.finwire.tv/webcast/checkin-com/q2-2024/

An English version of the webcast will be published on the company's website later today.

For further information, please contact:

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Certified Adviser

Checkin.com Group's Certified Adviser is Carnegie Investment Bank AB (publ).

About Checkin.com Group

Checkin.com Group creates shareholder value through capital efficient growth achieved by strong organic growth and strategic acquisitions. The Group's advanced technologies and innovations offers a unique end to end solution that reshapes how end users checkin with products and brands online. The comprehensive framework gathers multiple hyper specialized technologies that covers every aspect of an end user's checkin experience.

The company has its headquarters in Stockholm, Sweden, but operates and recruits globally to attract world-leading talent across the globe.

Checkin.com Group's share is since 2021 listed on Nasdaq First North Growth Market under the trading symbol "CHECK".

For more information about the company visit:https://group.checkin.com/investors/

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