

An acquisition-intensive year with strong organic growth and good profitability

October - December 2021

- Net revenue amounted to MSEK 229.5 (88.4), of which acquired net revenue was MSEK 103.5.
- Operating result EBIT amounted to MSEK 44.4 (12.5) and EBIT margin amounted to MSEK 19.3 (14.2) per cent.
- EBITA result amounted to MSEK 57.2 (14.5) and EBITA margin amounted to 24.9 (16.4) per cent.
- Earnings per share after tax amounted to SEK 3.02 (1.37) and EBITA per share amounted to SEK 7.35 (2.17).

January – December 2021

- Net revenue amounted to MSEK 529.3 (278.6), of which acquired net revenue was MSEK 184.4.
- Operating result EBIT amounted to MSEK 63.5 (29.9) and EBIT margin amounted to 12.0 (10.7) per cent.
- EBITA result amounted to MSEK 93.2 (37.4) and EBITA margin amounted to 17.6 (13.4) per cent.
- Earnings per share after tax amounted to SEK 4.24 (3.28) and EBITA per share amounted to SEK 12.94 (5.60).
- The Board of Directors proposes that SEK 0 be paid in dividends for the financial year 2021.

Key figures

	Q4 2021	Q4 2020	Full Year 2021	Full Year 2020
Net revenue, MSEK ¹	229.5	88.4	529.3	278.6
EBITA, MSEK	57.2	14.5	93.2	37.4
EBITA margin, %	24.9%	16.4%	17.6%	13.4%
Operating result EBIT, MSEK	44.4	12.5	63.5	29.9
Operating margin EBIT, %	19.3%	14.2%	12.0%	10.7%
Quick ratio, %	126.4%	96.5%	126.4%	96.5%
Equity/assets ratio, %	43.3%	49.7%	43.3%	49.7%
Cash flow from operating activities, MSEK	56.0	3.2	48.7	17.5
EBITA per share, before and after dilution, SEK	7.35	2.17	12.94	5.60
Earnings per share, before and after dilution, SEK	3.02	1.37	4.24	3.28
Equity per share, before and after dilution, SEK	70.2	22.7	70.2	22.7
Number of employees	142	50	142	50

¹ The revenue figures are adjusted to include only net revenue, previously the entire "total operating income" was included

² Definitions of key figures can be found on page 26 – Financial definitions

Significant events during the fourth quarter

- On 1 December, Awardit carried out a private placement of approximately MSEK 192. A large number of Swedish and international institutional investors, including Skandia Liv, participated in the private placement, which was heavily oversubscribed (see more details in the press release on the company's website).
- On 1 December, the owners of Prämie Direkt GmbH and Awardit signed a share purchase agreement for all shares in Prämie Direkt GmbH. The purchase price amounted to MSEK 179.1 (MEUR 17.5), of which MSEK 149.6 (MEUR 14.5) was paid in cash, MSEK 15.4 (MEUR 1.5) in the form of a seller promissory note, and MSEK 15.3 (MEUR 1.5) in Awardit shares through a directed non-cash issue (see also Note 4). In connection with the acquisition, new acquisition credits of MSEK 70 were signed, with a maturity of 48 months and maturity date of 30 October 2025 (see also Note 6).

Significant events after the end of the reporting period

- On 2 February, Awardit appointed Erik Grohman as the new CEO, with effect from 7 March. Founder Niklas Lundqvist continues in the Company, with a focus on acquisitions and business development (see further details in the press release on the company's website).

Awardit's best quarter and year ever

The fourth quarter was by far our best quarter ever, and it ended our best year ever; a year marked by several important acquisitions combined with strong organic and gradually increasing growth, as well as good profitability. The fourth quarter also shows how scalable our platform-based business is, and what increased transaction volumes entail for the margins. Awardit is today a completely different company than just a couple of years ago, and I am convinced that, in terms of size and profitability, we will be at a much higher level in a few more years. We have high ambitions, and the organisation is now being adjusted so that we can become more international, increase business activity, and achieve even better results.

During the fourth quarter, Awardit achieved a revenue of MSEK 229.5 (88.4), with an EBITA result of MSEK 57.2 (14.5), which means an increase of 160 and 296 per cent, respectively. The organic sales growth, excluding the acquisitions, we realised in 2021 was approximately 43 per cent. For the full year, revenue and the EBITA result increased to MSEK 529.3 (278.6) and MSEK 93.2 (37.4), respectively. Organic growth was 24 per cent. In April we took over MBXP, in July The Inspiration Company TIC and in December German Prämie Direkt. MBXP, which was the most pandemic-affected part of the Group, returned to levels comparable to 2019 during the fourth quarter. Revenue amounted to MSEK 52.6 and EBITA to MSEK 25.5. During the period, MBXP received retroactive Covid support totalling MSEK 14, which neutralised the effects that the pandemic has had on the business since our takeover. MSEK 9 of the Covid support has had an impact on the consolidated income statement, the remaining part related to the period before our accession and has thereby not affected the Group's result in terms of accounting. TIC achieved a revenue of MSEK 26.3 with an EBITA contribution to the Group of MSEK 5.8. The corresponding figures for Prämie Direkt, which are included in the consolidated income statement and balance sheet as of 1 December 2021, were MSEK 24.6 and MSEK 5.4, respectively. Prämie Direkt, like other businesses, sees a large part of its sales at the end of the year. As far as Prämie Direkt is concerned, the impact of the pandemic on the business has, relatively speaking, been greater than in the rest of the Group, which is expected to continue until Germany opens up completely. Awardit has lived with the pandemic throughout 2021, and even though organic growth has been strong, some areas in B2C are still not back at 2019 levels.

During the fourth quarter, Awardit's EBITA margin was 25 (16) per cent, which signifies a clear increase compared with both the previous quarter and the corresponding period last year. This demonstrates the scalability of the business and what increased transaction volumes and a normalised performance in MBXP entail for the margins. We expect continued rising margins in the long term but with seasonal variations, and with the reservation that completed acquisitions may have an impact from a shorter perspective. The first quarter of this year began with organic sales growth of 54 per cent in January.

Zupergift has continued to show strong growth and invoiced sales (not to be equated with reported sales in terms of accounting) in 2021 amounted to just under MSEK 100. During the fourth quarter, the positive effect on the result from breakage (overdue values) amounted to MSEK 3.8. The successful launch of Zupergift, without investment in technology, personnel or marketing, is clear proof of the value of our platform-based business model. We have tested B2C marketing of Zupergift and intend to launch the product in the rest of the Nordic region (a launch in Norway has already taken place) and in additional versions (e.g. for entertainment and travel). Adding further private label programmes, through our own launches or acquisitions, is of great interest to us.

In other respects, we continued to work with the integration of TIC in the Group during the period. The goal is to complete this project within six months, after which TIC's technical platform will be replaced, and the organisation incorporated. The migration of Saint Gobain Distribution Sweden, the

largest customer previously on the TIC platform, was completed in January.

When it comes to our foreign acquisitions, MBXP and Prämie Direkt, we do not have as far-reaching ambitions with regards integration, rather the focus is on further developing the business through cross-selling and the launch of new products/services. For example, we are considering launching Zupergift on the German market. Through Prämie Direkt, we have also significantly strengthened our ability to win and manage large international customers on the continent, which we were previously only able to manage fully in the Nordic market.

At the beginning of January, our new CFO, Cecilia Ponthan, took office, and we have since appointed Erik Grohman as the new CEO, starting on 7 March. Erik will be Awardit's first externally recruited CEO, and we are convinced that he, with his international experience of leading digital growth companies, will be a great asset in Awardit's continued journey of success. I will continue to contribute to Awardit's development in a role with full focus on acquisitions and business development. This is something I find very stimulating, and which I also know is crucial in taking Awardit to a leading position in the European market. Assuming continued strong organic growth, the next big milestone is to reach one billion in revenue in 2022. The goal can, of course, be accelerated through acquisitions; the market is still fragmented with many opportunities, and we are well positioned with a cash balance of MSEK 240 at the turn of the year!

In conclusion, I would like to express my greatest thanks to all employees for your involvement in Awardit in 2021!



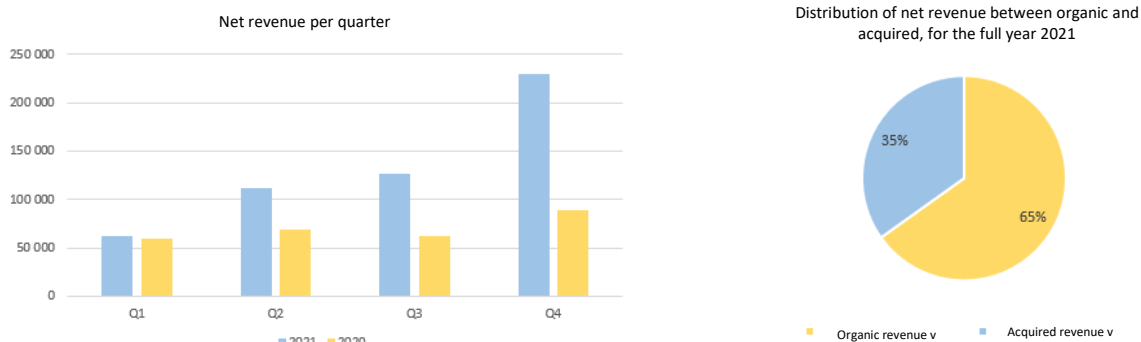
Niklas Lundqvist
President and CEO
Awardit AB (publ.)

Financial Overview

Net revenue

October to December

Net revenue increased by 159.6 per cent and amounted to MSEK 229.5 (88.4). The acquired businesses MBXP, The Inspiration Company TIC AB, and Prämie Direkt GmbH contributed MSEK 103.5. Net revenue excluding the acquired businesses amounted to MSEK 126.0, an organic increase of 42.5 per cent. Growth has accelerated further after the pandemic, as the influx of customers has been good, the range of services has developed, and existing customers have grown. The fourth quarter has historically had the highest income, and 2021 follows the same pattern. The fact that revenue is higher during the fourth quarter is mainly linked to Christmas shopping.



January to December

Net revenue increased by 90.0 per cent and amounted to MSEK 529.3 (278.6). The acquired businesses MBXP, The Inspiration Company TIC AB, and Prämie Direkt GmbH contributed MSEK 184.4. Net revenue excluding the acquired businesses amounted to MSEK 344.9, an organic increase of 23.8 per cent. Awardit's business has had good organic growth for a long time, with a reservation for 2020, and growth increased in 2021, which can be explained by new customers, growth in existing customers, and new products. However, some parts of the B2C business are still not back to pre-pandemic levels.

Gross result and operating result

October to December

The Group's gross margin was 34.5 per cent during the fourth quarter of the year. This can be compared with 30.8 per cent in the corresponding quarter last year. MBXP's gross margin during the quarter amounted to 45.2 per cent, for TIC it was 37.5 per cent and for Prämie Direkt it was 36.5 per cent. This contributed in part to the improvement compared with the fourth quarter last year.

The EBITA result increased to MSEK 57.2 (14.5) and the EBITA margin strengthened from 16.4 to 24.9 per cent.

The operating result (EBIT) amounted to MSEK 44.4 (12.5), which corresponds to an EBIT margin of 19.3 per cent (14.2). The operating result is positively affected by the Covid support which MBXP received retroactively from the Danish state, in the amount of SEK 8.9 (MDKK 6.5). In total, MBXP received MSEK 14.2 (MDKK 10.4), of which MSEK 5.3 (MDKK 3.9) relates to the period before the acquisition, and which is accordingly not reported in the Group's operating result. The operating result was also positively affected by MSEK 3.8 in income for Zupergift from so-called breakage (overdue values). Both amounts are included in other operating income.

January to December

The Group's gross margin was 32.7 per cent for the full year. This can be compared with 29.5 per cent for the corresponding period last year. The acquired businesses contributed to the increase in margins; adjusted for these, the margin comes in at 29.6 per cent.

Personnel costs as a share of net revenue have decreased slightly, from 12.4 to 11.9 per cent.

EBITA profit increased to MSEK 93.2 (37.4) and the EBITA margin strengthened from 13.4 to 17.6 per cent.

The operating result (EBIT) amounted to MSEK 63.5 (29.9), which corresponds to an EBIT margin of 12.0 (10.7) per cent. The operating result is positively affected by the Covid support that MBXP received from the Danish state, in the amount of MSEK 8.9 (MDKK 6.5). In total, MBXP received MSEK 14.2 (MDKK 10.4), of which MSEK 5.3 (MDKK 3.9) relates to the period before the acquisition, and which is accordingly not reported in the Group's operating result. The operating result was also positively affected by MSEK 4.4 in income for Zupergift from so-called breakage (overdue values). Both amounts are included in the item other operating income. Awardit's outstanding debt to Zupergift holders was MSEK 23.9 as of the balance sheet date.

Net financial items and result for the period

October to December

Net financial items amounted to MSEK -14.0 (-0.5). Financial expenses amounted to MSEK -14.3 (-0.5), of which MSEK -7.7 is the resolution of discounted debt linked to the contingent consideration for MBXP, and the seller reversal linked to the acquisition of Awardit CLS (Crossroads). Adjusted for this item, interest expenses are MSEK -1.0, which is explained by increased acquisition credits linked to the acquisitions of MBXP, TIC, and Prämie Direkt, as well as interest expenses for MBXP's external loans. Net financial items also consist of exchange rate losses of MSEK -5.4, the largest part of which is attributable to MBXP. The result after financial items amounted to MSEK 30.4 (12.1). The result after tax amounted to MSEK 23.6 (9.2). Deferred tax affects the result after tax by MSEK 1.7 (-0.3).

The difference between the result for the period and the comprehensive income amounted to MSEK 0.6 (-0.1) and is attributable to translation differences.

January to December

Net financial items amounted to MSEK -23.3 (-2.2). Financial expenses amounted to MSEK -23.7 (-2.2), of which MSEK -12.4 is the cost of resolving the discounted debt linked to the contingent consideration for MBXP, and for seller reversals linked to the acquisition of Awardit CLS (Crossroads). Adjusted for this item, interest expenses are MSEK -5.0, which is explained by increased acquisition credits linked to the acquisitions of MBXP, TIC, and Prämie Direkt, as well as interest expenses for MBXP's external loans. Net financial items also consist of exchange rate losses of MSEK -6.1, the largest part of which is attributable to MBXP. The result after financial items amounted to MSEK 40.2 (27.7). The result after tax amounted to MSEK 30.5 (21.9). Deferred tax affects the result after tax by MSEK 4.4 (0.3).

The difference between the result for the period and the comprehensive income amounted to MSEK 1.4 (-0.3) and is attributable to translation differences.

Cash flow

October to December

Cash flow from operating activities after changes in working capital amounted to MSEK 56.0 (3.2).

Cash flow from investing activities amounted to MSEK -143.9 (-2.7), with the cash portion of the purchase price for Prämie of MSEK 142.9 constituting the main part. Cash flow from financing activities amounted to MSEK 233.1 (-6.7). The Company carried out a private placement during the quarter which added MSEK 191.8 to the Company (before issue costs). During the period, acquisition loans were repaid in the amount of MSEK -16.1, while new loans of MSEK 65.5 were taken.

January to December

Cash flow from operating activities after changes in working capital amounted to MSEK 48.7 (17.5).

Cash flow from investing activities amounted to MSEK -171.0 (-8.4), with the cash portion of the purchase price for TIC and Prämie Direkt of MSEK 165.0 constituting the main part. Cash flow from financing activities amounted to MSEK 333.8 (-16.4). During the period, acquisition loans were repaid in the amount of MSEK 35.4, while new loans of MSEK 112.5 were taken. The dividends during the period amount to MSEK 11.3.

Balance sheet items 31 December 2021

Liquid assets at the end of the period amounted to MSEK 240.2 (28.3). During the fourth quarter of the year, the Group's cash was mainly affected by new share issues and purchase price linked to the acquisition of Prämie Direkt GMBH, as well as increased working capital.

Interest-bearing liabilities amounted to MSEK 259.9 (45.3). These mainly consist of bank loans and seller reversals.

The Group's inventory value as of 31 December 2021 was MSEK 52.7 (16.5), which is MSEK 36.2 higher than at the corresponding time last year. The acquired companies have affected the inventory value by a total of MSEK 22.8. Another factor that has pushed up inventory levels is early purchases ahead of Christmas shopping, in order to counteract potential delivery problems linked to the ongoing pandemic.

Equity

The Group's equity as of 31 December 2021 amounted to MSEK 505.6 (151.5), which corresponds to SEK 70.2 (22.7) per share. In conjunction with the acquisition of MBXP on 15 April, Awardit issued 64 947 new shares via a non-cash issue, in connection with the acquisition of TIC on 1 July, Awardit issued 200 133 new shares via a non-cash issue, and in connection with the acquisition of Prämie Direkt on 1 December, Awardit issued 65 340 new shares via a non-cash issue. All non-cash issues relate to a portion of the total purchase price for the companies. Awardit also made two private placements to Swedish and international institutional investors during 2021. The number of shares increased during the year by 1 614 459, from 6 720 559 shares at the end of 2020 to 8 335 518 shares at the end of 2021. Completed share issues during 2021 correspond to a total dilution in 2021 of 24 per cent.

	No. shares	Dilution	Increase in share capital, SEK
OB 2021-01-01	6 720 559		105 743 034
Private placement ¹	592 105	8.8%	86 255 812
Non-cash issue, MBXP	64 947	0.9%	6 799 951
Non-cash issue, TIC	200 133	2.7%	30 000 000
Non-cash issue, Prämie Direkt	65 340	0.9%	15 345 084
Private placement ²	692 434	9.1%	183 783 309
CB 2021-12-31	8 335 518	24.0%	427 927 190

1) Includes transaction costs of SEK 3 744 148

2) Includes transaction costs of SEK 8 022 910

Workers

The average number of employees in the Group increased to 132 (45) during the full year. On 31 December 2021, the number of employees was 142 (50 as of 31 December 2020).

Parent Company

The Parent Company provides complete solutions for loyalty programmes on a SaaS basis, including trading opportunities and partner networks, based on a self-developed technical platform. Awardit's operations have had uninterrupted growth for many years, even during the pandemic. Growth has accelerated further after the pandemic, as the influx of customers has been good, the range of services has developed, and existing customers have grown.

The Parent Company's net revenue amounted to MSEK 75.7 (57.9). The result before tax amounted to MSEK 36.7 (21.9). The Parent Company's liquid assets amounted to MSEK 133.0 (0.0). Equity amounted to MSEK 487.2 (130.5). No significant investments have taken place in intangible or tangible fixed assets. Investments in Group companies amounted to MSEK 372.0 (0).

The Parent Company's interest-bearing net liabilities were MSEK 121.5 at the end of the period, compared with MSEK 45.5 as of 31 December 2020. The Parent Company has no significant transactions with related parties, other than transactions with subsidiaries.

Ownership

Shareholders	Shareholding	Share
Visionalis AB	2,090,000	25.1%
Niklas Lundqvist	1,111,550	13.3%
Consensus Asset Management AB	405,425	4.9%
Johan Hagman	339,612	4.1%
Samir Taha (gm Sultanen Invest AB)	325,000	3.9%
Filip Engelbert	242,653	2.9%
Jonas Nordlander	242,652	2.9%
S Thorberg Inspiration Investment Ltd	196,331	2.4%
Claudio Simatovic (gm Paradidel AB)	132,211	1.6%
Fredrik Landgren	120,388	1.4%
Total ten largest owners	5,205,822	62.5%
Other shareholders	3,129,696	37.5%
Total	8,335,518	100.0%

Above reflects the ownership structure as of 31 December 2021

Seasonal variations

Awardit's sales are partly affected by seasonal variations. Sales increase in the fourth quarter were linked to Christmas shopping. The fourth quarter has historically had the highest income in all parts of the Group.

Consolidated Income Statement

Amounts, TSEK	Note	2021-10-01	2020-10-01	2021-01-01	2020-01-01
		2021-12-31	2020-12-31	2021-12-31	2020-12-31
Net revenue	2	229,534	88,404	529,319	278,613
Capitalised work for own account		471	-	3,021	194
Other operating income		16,214	458	19,387	1,717
Total operating income		246,219	88,862	551,727	280,524
Operating expenses					
Commodities		-150,233	-61,194	-356,273	-196,350
Other external expenses		-18,512	-2,656	-38,474	-11,771
Personnel costs		-19,757	-10,369	-62,925	-34,603
Depreciation and amortisation of tangible and intangible fixed assets		-13,199	-1,929	-30,083	-7,519
Other operating expenses		-129	-175	-464	-399
Total operating expenses		-201,830	-76,323	-488,219	-250,643
Operating result		44,389	12,539	63,508	29,881
Financial income		548	2	601	27
Financial expenses		-14,263	-466	-23,700	-2,190
Result from interests in Group and associated companies		-273	-	-236	-
Result from financial items		-13,988	-464	-23,336	-2 163
Result before tax		30,401	12,074	40,172	27,718
Income tax		-8,564	-2,580	-14,065	-6,155
Deferred tax		1,716	-312	4,398	333
Result for the year		23,553	9,182	30,506	21,896
Attributable to:					
The Parent Company's shareholders		23,826	9 182	30,779	21,896
Non-controlling interests		-273	-	-273	-
Stock data					
Earnings per share before and after dilution, SEK ¹		3.02	1.37	4.24	3.28
Outstanding shares at the end of the period		8,335,518	6,720,559	8,335,518	6,720,559
Average number of shares during the period		7,787,511	6,682,289	7,199,059	6,682,289

¹ Based on the average number of shares during the period

Consolidated Report of Comprehensive Income

Amounts, TSEK	2021-10-01	2020-10-01	2021-01-01	2020-01-01
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Result for the period	23,553	9,182	30,506	21,896
Other total result:				
Translation differences	664	-63	1,401	-267
Comprehensive income for the period	24,217	9,119	31,907	21,629
Attributable to:				
The Parent Company's shareholders	24,490	9,119	32,180	21,629
Non-controlling interests	-273	-	-273	-

Consolidated Balance Sheet

Amounts, TSEK	Note	2021-12-31	2020-12-31
ASSETS			
Fixed assets			
Goodwill	5	360,604	137,678
Customer relations	5	129,905	31,413
Platform	5	71,470	8,358
Brand	5	42,210	-
Other intangible fixed assets		-	20
Usufruct assets		7,764	1,627
Interests in associated companies		6,081	-
Equipment, tools and fittings		510	101
Deferred tax assets		47	-
Total fixed assets		618,591	179,197
Current assets			
Inventory		52,664	16,450
Advances to suppliers		223	818
Accounts receivable		181,414	72,356
Current tax receivables		10,742	1,063
Other receivables		56,002	75
Prepaid expenses and accrued income		8,619	6,725
Liquid assets		240,221	28,308
Total current assets		549,885	125,796
TOTAL ASSETS		1,168,476	304,992

Consolidated Balance Sheet (cont.)

Amounts, TSEK		2021-12-31	2020-12-31
EQUITY			
Equity that can be attributed to the Parent Company's owners			
Share capital		834	672
Other contributed capital		434,448	112,426
Translation differences		1,000	-401
Earned result, including results for the year		69,586	38,807
Total Equity		505,868	151,504
Equity attributable to non- controlling interests		-273	-
Total equity		505,595	151,504
LIABILITIES			
Long-term liabilities			
Borrowing from credit institutions	6	104,175	15,634
Liabilities relating to usufruct assets		5,565	52
Other long-term liabilities	7	87,381	16,003
Deferred tax liabilities		56,749	6,453
Other provisions		15,731	2,092
Total long-term liabilities		269,601	40,234
Short-term liabilities			
Borrowing from credit institutions		43,049	12,424
Liabilities relating to usufruct assets		2,944	1,225
Advances from customers		27,406	17,148
Accounts payable		192,237	46,164
Current tax liabilities		11,528	2,903
Other liabilities		34,284	18,672
Accrued expenses and prepaid income		81,832	14,719
Total short-term liabilities		393,280	113,254
TOTAL LIABILITIES AND OCH EQUITY		1,168,476	304,992

Consolidated Cash Flow Statement

Amounts, TSEK	Note	2021-10-01	2020-10-01	2021-01-01	2020-01-01
		2021-12-31	2020-12-31	2021-12-31	2020-12-31
Cash flow from operating activities					
Operating result		44,389	12,539	63,508	29,881
Adjustments for items not included in the cash flow					
- Reversal of depreciation		13,199	1,929	30,083	7,519
- Other items not affecting cash		3,904	-84	2,246	-297
Interest received		-44	2	9	27
Interest paid		-331	-272	-5,084	-1,428
Paid tax		-4,808	-748	-16,750	-6,978
Cash flow from operating activities before changes in working capital		56,309	13,366	74,012	28,724
<u>Changes in working capital</u>					
Increase/decrease in inventory and work in progress		-939	-9,682	-11,104	2,153
Increase/decrease in other current receivables		-31,682	-23,263	9,566	1,409
Increase/decrease in other short-term liabilities		32,281	22,807	-23,784	-14,800
Total changes in working capital		-340	-10,138	-25,322	-11,237
Total cash flow from operating activities		55,969	3,228	48,690	17,486
Cash flow from investing activities					
Investments in intangible fixed assets		-1,174	-247	-6,087	-5,961
Investments in business acquisitions		-142,861	-2,438	-165,042	-2,438
Sales of financial fixed assets		170	-	170	-
Divestment of subsidiaries		-	29	-	12
Total cash flow from investing activities		-143,865	-2 656	-170,959	-8,387
Cash flow from financing activities					
Issue of shares		191,806	-	281,806	-
Share issue costs		-8,023	-	-11,767	-
Change in overdraft facility		-	-2,585	-	-2,529
Amortisation of liabilities		-16,146	-389	-37,462	-10,152
Loans		65,477	-	112,500	-
Dividend		-	-3,764	-11,291	-3,764
Total cash flow from financing activities		233,114	-6,738	333,786	-16,444
Cash flow for the period		145,218	-6,166	211,517	-7,344
Liquid assets at the beginning of the period		94,648	34,474	28,308	35,652
Exchange rate difference in liquid assets		355	-	396	-
Liquid assets at the end of the period		240,221	28,308	240,221	28,308

Consolidated Statement of Changes in Equity, summary

	2021-01-01	2020-01-01
Amounts, TSEK	2021-12-31	2020-12-31
Equity at the beginning of the period	151,504	141,617
Dividend	-	-15,054
Non-cash issue	52,145	3,311
New share issue	281,806	-
Share issue costs	-11,767	-
Comprehensive income for the period	32,180	21,629
Change non-controlling interest	-273	-
Equity at the end of the period	505,595	151,504
Equity attributable to		
The Parent Company's shareholders	505,868	151,504
Change in non-controlling interests	-273	-
Number of outstanding shares at the beginning of the period	6,720,559	6,678,683
New share issue	1,284,539	-
Non-cash issue	330,420	41,876
Number of outstanding shares at the end of the period	8,335,518	6,720,559

Parent Company Income Statement

Amounts, TSEK	2021-10-01	2020-10-01	2021-01-01	2020-01-01
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
<i>Operating income</i>				
Net revenue	26,827	16,312	75,686	57,918
Capitalised work for own account	-	-	-	194
Other operating income	133	44	267	230
Total operating income	26,960	16,356	75,953	58,341
<i>Operating expenses</i>				
Commodities	-14,710	-6,403	-39,648	-29,410
Other external expenses	-3,460	-2,308	-10,989	-6,917
Personnel costs	-311	33	-553	-861
Depreciation of tangible fixed assets	-257	-257	-1,030	-812
Other operating expenses	-7	-	-21	-
Total operating expenses	-18,746	-8,934	-52,243	-38,000
Operating result	8,214	7,422	23,710	20,341
Result from interests in Group companies	-	-	15,000	2,800
Result from interests in associated companies	-	-	-	-23
Other interest income and similar items	856	-	1,386	-
Interest expenses and similar result items	-1,976	-252	-3,442	-1,207
Result from financial items	-1,120	-252	12,945	1,570
Result before tax	7,094	7,170	36,655	21,912
Deferred tax	-771	-	-	-
Tax on the result for the year	929	-1,537	-2,076	-4,099
Result for the year	7,252	5,633	34,579	17,813

Parent Company Balance Sheet

Amounts, TSEK	2021-12-31	2020-12-31
ASSETS		
Fixed assets		
Intangible assets		
Capitalised development expenditure	5,584	6,085
Total intangible assets	5,584	6,085
Financial fixed assets		
Interests in Group companies	561,800	189,720
Receivables from Group companies	26,193	-
Deferred tax assets	-	-
Total financial fixed assets	587,993	189,720
Total fixed assets	593,577	195,805
Current assets		
Current receivables		
Accounts receivable	23,045	18,607
Receivables from Group companies	13,097	374
Tax receivables	1,796	253
Other receivables	1,339	15
Prepaid expenses and accrued income	3,561	2,372
Total current receivables	42,838	21,621
Cash and bank balances	132,982	45
Total current assets	175,820	21,666
TOTAL ASSETS	769,397	217,471

Parent Company Balance Sheet (cont.)

Amounts, TSEK	2021-12-31	2020-12-31
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	834	672
Fund for development expenditure	1,375	1,377
Total restricted equity	2,209	2,049
Unrestricted equity		
Premium fund	427,094	105,071
Retained earnings	23,341	5,526
Result for the year	34,579	17,813
Total unrestricted equity	485,014	128,410
Total equity	487,223	130,459
Long-term liabilities		
Liabilities to credit institutions	78,002	15,634
Other long-term liabilities	133,397	17,500
Total long-term liabilities	211,399	33,134
Short-term liabilities		
Liabilities to credit institutions	43,049	12,424
Advances from customers	304	-
Accounts payable	8,915	7,624
Liabilities to Group companies	10,000	17,900
Current tax liabilities	-	746
Other liabilities	1,776	12,176
Accrued expenses and prepaid income	6,731	3,007
Total short-term liabilities	70,775	53,878
TOTAL LIABILITIES AND EQUITY	769,397	217,471

Notes

Note 1 Accounting principles

Awardit AB applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report has been prepared for the Group in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act, and RFR 1 Supplementary Accounting Rules for Groups.

The Parent Company's accounts have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The same accounting principles as for the Group are applied, except in the cases specified in the section "Parent Company accounting principles" in the Annual Report 2020, published on the website, note 2.21.

The accounting principles are unchanged since the Annual Report 2020, published on the website.

For a more detailed description of the accounting principles applied for the Group and the Parent Company in this interim report, see the Annual Report 2020, published on the website.

New accounting principles from the current financial year

No new standards have entered into force that are expected to have an impact on Awardit's accounting.

All amounts in the interim report are, unless otherwise stated, rounded to the nearest million, which means that rounding differences may occur. In texts and tables, numbers between 0 and 0.5 are reported with 0.

Note 2 Net revenue per geographic market¹

Amounts, TSEK	2021-10-01	2020-10-01	2021-01-01	2020-01-01
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Sweden	152,875	80,267	380,413	260,515
Norway	22,622	5,213	52,807	10,596
Denmark	21,425	2,644	52,440	6,872
Finland	6,840	280	15,433	629
Germany	24,701	-	25,764	-
Other EU countries	962	-	1,621	-
Other countries	109	-	840	-
Total	229,534	88,404	529,319	278,613

1 Net revenue is adjusted based on actual geographical distribution for MBXP and other companies. In previous quarters, all revenue for MBXP was handled as revenue within Denmark. Minor adjustments have also been made for the Swedish companies.

Note 3 Net revenue divided into goods and services

Amounts, TSEK	2021-10-01	2020-10-01	2021-01-01	2020-01-01
	2021-12-31	2020-12-31	2021-12-31	2020-12-31
Sale of goods	194,509	80,910	386,288	244,835
Sale of services	35,025	7,494	143,031	33,778
Total	229,534	88,404	529,319	278,613

Note 4 Operating segments

The Group consists of the Parent Company, Awardit AB, and 18 operating wholly owned subsidiaries. The companies are divided into two segments, B2B (Business-to-Business) and B2C (Business-to-Consumer). B2C consists of Awardit CLS AB and Sponsorhuset AB, the remaining subsidiaries are included in B2B.

Amounts, TSEK	Full Year 2021		Full Year 2020		2021	2020	2021	2020
	B2B	B2C	B2B	B2C	Elimination	Elimination	Total	Total
Net revenue	316,797	212,522	100,798	177,815			529,319	278,613
Transactions between segments	76,571	5,227	39,847	5,492	-81,798	-45,339	-	-
Total revenue	393,368	217,749	140,645	183,307	-81,798	-45,339	529,319	278,613
EBITA	80,877	12,310	28,438	8,962	-	-	93,187	37,400
EBITA-margin, %	25.5%	5.8%	28.2%	5.0%	-	-	17.6%	13.4%
Operating result	57,000	6,508	26,704	3,177	-	-	63,508	29,881
Operating margin, %	19.7%	3.1%	26.5%	1.8%	-	-	13.0%	10.7%

Note 5 Business acquisitions

In 2021, Awardit acquired all shares in three companies: MBXP Aps ("MBXP"), The Inspiration Company TIC AB ("TIC"), and Prämie Direkt GmbH ("Prämie Direkt"). The acquisitions, made during the second, third and fourth quarters of 2021, contributed to the period's net revenue of MSEK 184.4 and to EBITA of MSEK 43.9. If the acquisitions had been completed as of 1 January 2021, the acquired companies would have contributed to the Group's net revenue for the full year by approximately MSEK 421 and EBITA by approximately MSEK 57.

MBXP ApS

On 15 April 2021, Awardit AB (publ.) acquired all shares in MBXP ApS ("MBXP") including subsidiaries. The acquisition was made to further strengthen Awardit's presence in the Nordic market for digital vouchers and gift cards. MBXP is the Nordic region's largest distributor of digital gift cards and other vouchers in the physical retail and grocery trade. MBXP sells value codes via integrations to the chains' cash register systems. The products are displayed in stores via specially adapted sales solutions that are placed in high-traffic areas of the stores. The company had a revenue of approximately MDKK 96 with an EBITDA result of approximately MDKK 2.2 during the financial year 2019/2020.

The initial purchase price amounted to MSEK 6.8 (MDKK 5), with an additional consideration corresponding to nine times MBXP's average EBITDA result (after settlement for capitalisation of own work) for 2021 and 2022, with deductions for the initial purchase price and interest-bearing liabilities. The deal further entailed Awardit investing MSEK 8 (MDKK 6) in MBXP via a new share issue and lending MSEK 26 (MDKK 19) for refinancing purposes. The acquisition analysis is preliminary and may change after the publication of the interim report. The total purchase price for MBXP is estimated at MSEK 81.1, which exceeded the net of fair value for all identifiable assets and liabilities by MSEK 98.7. Acquisition costs of TSEK 1 140 have been expensed as other external costs in the consolidated income statement. Surplus values are attributed to customer relations, technology, and goodwill. Goodwill relates to expected synergy effects on both the cost and sales

side, customer relations to MBXP's customer base, and technology to the Paytjek technology platform. Customer relations are depreciated over 8 years, and the technology platform is depreciated over 10 years. Goodwill is not depreciated in accordance with IFRS but is tested for impairment once a year.

Preliminary acquisition analysis

Estimated purchase price, TSEK			
Amount settled with equity instruments			6,800
Additional consideration			74,267
Total purchase price			81,067

Acquired net assets at the date of acquisition	Reported value in the company, TSEK	Fair value adjustment, TSEK	Fair value in the Group, TSEK
Intangible assets - <i>Customer relations</i>		58,964	58,964
Intangible assets - <i>Technology</i>	11,483	45,809	57,291
Other fixed assets	6,494		6,494
Inventory	12,588		12,588
Accounts receivable and similar receivables	38,394		38,394
Loans	-37,503		-37,503
Short-term part of loans	-12,322		-12,322
Deferred tax liability		-23,050	-23,050
Provisions	-23,264		-23,264
Other liabilities	-3,151		-3,151
Accounts payable and similar liabilities	-92,955		-92,955
Liquid assets	845		845
Net identifiable net assets/liabilities	-99,391	81,723	-17,668
Goodwill		98,736	98,736
Estimated purchase price	-99,391	180,458	81,067

Contingent consideration

When calculating the additional consideration of MDKK 54.6 (MSEK 74.3), three different possible outcomes have been assessed, which have subsequently been tested for probability and discounted with an interest rate of 23 per cent. The additional consideration may be settled in cash or through a combination of an equity instrument in Awardit AB. It is the Board of Directors of Awardit that decides whether any equity instrument is to be paid. At the time of submitting this interim report, the assessment is that everything will be settled through a cash payment, which is why the additional consideration in its entirety has been reported as another long-term financial liability. The value of the liability is reassessed every balance sheet date. The additional consideration is valued at fair value via the income statement.

Sensitivity analysis

EBITDA is the basis for calculating the additional consideration. If our assessment of EBITDA in the three different scenarios were to be reduced or increased by 10 per cent, respectively, the additional consideration would increase or decrease by 16.3 per cent (corresponding to MDKK 13.7).

The Inspiration Company TIC AB

On 1 July 2021, Awardit AB (publ.) acquired all shares in The Inspiration Company TIC AB ("TIC"). The acquisition was made to further strengthen Awardit's presence in the Nordic market for loyalty and

motivation programmes in the B2B segment. TIC's net revenue and EBITDA result for the financial year 2020/21 amounted to MSEK 99.4 and MSEK 10.4, respectively.

The acquisition of TIC was settled with MSEK 30 in cash and an equity instrument of MSEK 30. The total purchase price for TIC amounted to MSEK 60, which exceeded the net of fair value for all identifiable assets and liabilities by MSEK 34.7. Acquisition costs of TSEK 282 have been expensed as other external costs in the consolidated income statement. Surplus values are attributed to customer relations and goodwill. Goodwill relates to expected synergy effects on both the cost and sales side, and customer relations to TIC's customer base. Customer relationships are depreciated over 5 years. Goodwill is not depreciated in accordance with IFRS, but is tested for impairment once a year.

Acquisition analysis

Estimated purchase price, TSEK			
Amount settled in cash			30,000
Amount settled with equity instruments			30,000
Total purchase price			60,000

Acquired net assets at the date of acquisition	Reported value in the company, TSEK	Fair value adjustment, TSEK	Fair value in the Group, TSEK
Intangible assets - <i>Customer relations</i>		6,575	6,575
Other fixed assets	4,481		4,481
Inventory	771		771
Accounts receivable and similar receivables	20,670		20,670
Receivables from associated companies	780		780
Shares in associated company Leader Island AB (28.5%)	6,135	220	6,354
Tax receivables	1,877		1,877
Loans	-82		-82
Short-term part of loans	-73		-73
Deferred tax liability	-1,044	-1,354	-2,398
Current tax liabilities	-1,939		-1,939
Other liabilities	-11,860		-11,860
Accounts payable and similar liabilities	-6,872		-6,872
Liquid assets	6,975		6,975
Net identifiable net assets/liabilities	19,819	5,440	25,259
Goodwill		34,741	34,741
Estimated purchase price	19,819	40,181	60,000

Associated company

TIC owns 28.5 per cent of Leader Island AB, which at the time of acquisition had a book value of MSEK 6.1. Leader Island develops and offers a communication platform, StoreChatt, for stores. In conjunction with the acquisition analysis, a fair value in the asset was identified that was TSEK 220 higher than the book value. The associated company will be included in the consolidated financial statements according to the equity method.

Prämie Direkt GmbH

On December 1, Awardit AB (publ) acquired all shares in Prämie Direkt GmbH. The acquisition was made to gain a strong market position in the DACH region. Prämie Direkt has been one of the market-leading loyalty companies in Germany for more than 50 years. The core business consists of providing and operating various forms of loyalty and motivation programmes on a white label basis and providing fulfilment within these. Net revenue and EBIT result for the financial year 2020 amounted to MEUR 18.7 and MEUR 1.2, respectively.

The acquisition of Prämie Direkt was settled in cash with MSEK 165.0 (MEUR 16.0) and with equity instruments of MSEK 15.3 (MEUR 1.5). The total purchase price for Prämie Direkt amounted to MSEK 179.1, which exceeded the net of fair value for all identifiable assets and liabilities by MSEK 88.1. Acquisition costs of TSEK 2 089 have been expensed as other external costs in the consolidated income statement. Surplus values are attributed to customer relations, software development, brand, and goodwill. Goodwill relates to expected synergy effects on both the cost and sales side, customer relations to Prämie Direkt's customer base, the brand to the well-reputed name, and software development for the company's technical platform. Customer relations are depreciated over 7 years, the technology platform is depreciated over 5 years, and the brand is depreciated over 15 years. Goodwill is not depreciated in accordance with IFRS but is tested for impairment once a year.

The acquisition analysis is preliminary and may change after the publication of the interim report.

Preliminary acquisition analysis

Estimated purchase price, TSEK	
Amount settled in cash	149,556
Equity instruments	15,345
Amount settled via reversal/cash	15,423
Adjustment of purchase price based on net liability calculation	-1,329
Total purchase price	178,995

Acquired net assets at the date of acquisition	Reported value in the company, TSEK	Fair value adjustment, TSEK	Fair value in the Group, TSEK
Intangible assets - <i>Customer relations</i>		42,762	42,762
Intangible assets - <i>Software development</i>		9,075	9,075
Intangible assets - <i>Brand</i>		45,473	45,473
Other fixed assets	3,957		3,957
Inventory	11,046		11,046
Accounts receivable and similar receivables	24,936		24,936
Other receivables	2,792		2,792
Deferred tax liability	-1,648	-29,193	-30,841
Provisions	-3,380		-3,380
Other liabilities	-5,264		-5,264
Accounts payable and similar liabilities	-16,446		-16,446
Liquid assets	6,780		6,780
Net identifiable net assets/liabilities	22,774	68,118	90,892
Goodwill		88,103	88,103
Estimated purchase price	22,774	156,221	178,995

Note 6 Long-term borrowing from credit institutions

Amounts, TSEK	Due date	2021-12-31	2020-12-31
Swedbank	2022-12-31	1,688	8,438
Swedbank	2022-12-31	64	322
Swedbank	2022-06-30	-	1,875
Swedbank	2023-08-30	2,500	5,000
Swedbank	2024-04-30	11,250	-
Swedbank	2024-06-30	10,000	-
Swedbank	2025-10-30	52,500	-
Danske Bank - MBXP	2023	8,168	-
Danske Bank - MBXP	2023	2,710	-
Vækstfonden - MBXP	2024	4,566	-
Vækstfonden - MBXP	2024	10,729	-
Total		104,175	15,634

During the year, Awardit took out new loans from Swedbank to finance the acquisitions of MBXP, TIC and Prämie Direkt. The part of the loan that matures within 12 months is handled as a current liability.

Covenants regarding the loans with Swedbank: the Group's net liability/EBITDA measured as a rolling twelve-month value may not exceed 2.75 as of the record date that falls during the period 2021-01-01 to 2021-12-31, and 2.15 as of the record date that falls during the period 2022-01-01 to 2025-12-31. The equity/assets ratio measured as a rolling twelve-month value as of the record date may not be less than 25 per cent.

Note 7 Other long-term liabilities

Amounts, TSEK	2021-12-31	2020-12-31
Seller reversal Awardit CLS	-	16,003
Conditional consideration MBXP	87,381	-
Total	87,381	16,003

The seller reversal regarding Awardit CLS falls due for payment in 2022. The conditional consideration for MBXP falls due for payment in 2023. The amounts are discounted and valued at fair value through profit or loss.

Note 8 Significant risks and uncertainties

The Group's risks and uncertainties are described on pages 20-21 and pages 41-44 in the Annual Report for 2020. No significant changes have taken place that affect the reported risks.

However, the pandemic has impacted parts of the business with lower or, in some cases, no income at all as a result, mainly in the travel and experience segment. If Sweden and the world are affected by new restrictions, it may have a negative effect on the Group's income.

Note 9 Transactions with related parties

In addition to salaries and other remuneration to Company management, as well as board fees, according to the AGM resolution, no transactions have taken place with related parties.

Note 10 Significant events after the end of the reporting period

- On 2 February, Awardit appointed Erik Grohman as the new CEO, with effect from 7 March. Founder Niklas Lundqvist continues in the Company with a focus on acquisitions and business development (see further details in the press release on the Company's website).

Key figures - quarterly

	2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net revenue, MSEK ¹	229.5	126.2	111.3	62.3	88.4	61.6	68.8	59.8
EBITA, MSEK	57.2	15.1	14.2	6.6	14.5	7.7	6.4	8.8
EBITA margin, %	24.9%	12.0%	12.8%	10.7%	16.4%	12.5%	9.3%	14.8%
Result for the period, MSEK	23.6	1.7	2.1	3.2	9.2	4.3	3.1	5.3
Cash flow from operating activities, SEK	56.0	26.4	-46.8	13.1	3.2	17.3	20.5	-23.5
Quick ratio, %	126%	121%	120%	106%	97%	133%	125%	157%
Equity, MSEK	505.6	282.2	249.9	154.8	151.5	154.1	149.8	146.8
Equity/assets ratio, %	43.3%	41.0%	37.1%	58.2%	49.7%	56.0%	55.2%	60.5%
Number of employees at the end of the period	142	99	79	55	50	50	50	49
Stock data								
EBITA per share, before and after dilution, SEK	7.35	2.03	2.08	0.99	2.17	1.15	0.94	1.32
Earnings per share, before and after dilution, SEK	3.02	0.23	0.31	0.47	1.37	0.65	0.46	0.79
Cash flow from operating activities per share, SEK	7.2	3.5	-6.8	2.0	0.5	2.6	3.1	-3.5
Equity per share, SEK	70.2	37.9	36.5	23.0	22.7	23.1	22.4	22.0
Average number of shares during the period, millions	7,788	7,447	6,842	6,721	6,682	6,679	6,679	6,679
Number of shares at the end of the period, millions	8,336	7,578	7,378	6,721	6,721	6,679	6,679	6,721

¹ Net revenue numbers are adjusted to include only net sales, previously the entire "total operating income" was included

Financial definitions

Key figure	Definition/calculation	Purpose
Result on equity	Result after tax divided by equity	Shows how much profit the shareholders' investments generate. The higher the result, the greater the profitability.
Equity per share	Equity attributed as of the balance sheet date, divided by the number of shares at the end of the period	Shows the owners' proportion of the Company's total equity per share.
Operating result (EBIT)	Operating result before interest and taxes	Shows the profitability of the operational activities.
Operating margin (EBIT margin)	Operating result (EBIT) divided by net revenue	Shows the profitability of the operating activities as a percentage of net revenue.
EBITA	Operating result before interest income and interest expenses, taxes, amortisation and impairment of intangible assets	Shows the business's underlying development.
EBITA margin	EBITA divided by net revenue	Shows the business's underlying development as a percentage of net revenue.
EBITA per share	EBITA divided by the number of shares, based on the average number of shares during the period	Since Awardit is an acquiring company that conducts new issues, and EBITA is the performance measure that best reflects operational development, EBITA development at share level is relevant to follow.
Earnings per share	Result for the period after tax divided by the number of shares, based on the average number of shares during the period. Reported both before and after the effect from dilution.	Earnings per share are used to determine the value of the Company's outstanding shares.
Working capital	Current assets minus current liabilities	Shows the capital needed to finance the operating activities.
Equity/assets ratio (%)	Closing equity divided by the balance sheet total	Shows the proportion of assets that are financed with equity. The assets that are not financed with equity are financed with loans.
Profit margin	Result after tax divided by net revenue	Shows how much of each revenue krona constitutes profit.
Quick ratio (%)	Current assets (excl. Inventory) as a percentage of current liabilities	Shows short-term solvency.
Leverage ratio	Net liabilities divided by total capital (net debt + total equity)	Shows the Company's debt level.
Number of employees	The number of employees in the Group at the end of the period	Shows how many employees, in total, were in the Group as of the balance sheet date, regardless of the form of employment.

Annual General Meeting 2022

Awardit's Annual General Meeting will be held on 20 May 2022 in Stockholm. All General Meeting documents, including the Annual Report, will be available on the Company's website no later than three weeks before the General Meeting. The documents will also be available at the Company's head office and can be sent by post to those shareholders who so request and state their postal address.

Proposal for disposition of profit

In connection with the Annual General Meeting, the Board of Directors will not present a dividend proposal for the financial year 2021, and further proposes that unrestricted profits be carried forward.

Upcoming reports and Annual General Meeting 2022

28 April 2022	Annual Report published on the Company's website
13 May 2022	Interim Report, January - March 2022
20 May 2022	Annual General Meeting
19 August 2022	Interim Report, April - June 2022
11 November 2022	Interim Report, July - September 2022
24 February 2023	Year-end Report 2022

About Awardit

Awardit AB (publ.) helps companies increase their revenue and profitability by implementing and running loyalty programmes, motivation programmes and gift card programmes aimed at consumer and corporate customers. Awardit assists customers with software platforms on a SaaS basis, content in the form of trading opportunities, and partner networks, as well as networks for third-party distribution of gift cards. The solutions are generally provided on a white label basis, but Awardit also operates a number of private labels. Awardit is the Nordic region's largest company and platform in the industry.

Awardit has been listed on the Nasdaq First North Growth Market since 2017, which is a so-called Multilateral Trading Facility (MTF).

Other information

This report is issued by the CEO on behalf of the Board of Directors. This interim report has not been subject to review by the Company's auditor.

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President and CEO