

POINTS TO PROFIT

Interim Report Q4 2023



Erik Grohman

CEO

- Background in online retail & services (EssilorLuxottica, Zmarta, Betsson) and FMCG (Unilever, Scan)
- Master of Science in Business Administration and Economics, Stockholm University

AWARDIT IN BRIEF

 MARKET LEADER IN LOYALTY AND GIFTCARD SOLUTIONS WITH A BROAD OFFERING TO CATER FOR ALL NEEDS

 Strategy & Concept

 Design & UX


 SaaS-platform


 Partnerships


 Loyalty marketplace

 Customer support


 FOUNDED IN 1999


 12 ACQUISITIONS SINCE IPO IN DEC 2017


 280 EMPLOYEES


 OFFICES IN STOCKHOLM (HQ), GOTHENBURG, COPENHAGEN, HAMBURG, WELS (AU) AND WEINGARTEN (DE)


 ATTRACTIVE FUNDAMENTALS FUELING GROWTH AGENDA


 Largest company and platform for loyalty-, incentive- and giftcard solutions in the Nordics and with a strong position in DACH


 Our vision is to become the leader in our industry on the European market. On our journey we will continue to help our customers to improve their customer satisfaction, retention and sales

 SaaS-toolbox that covers all parts of the loyalty- incentive- and giftcard program value chain

 +250 programs reaching more than 15 million consumers in Nordics and wide reach in DACH

 Strong organic growth, highly scalable and profitable over time

 Two business areas; Loyalty & Giftcards

 Track record of 12 completed acquisitions. The European market remains fragmented with potential to consolidate further.

AWARDIT TIMELINE



Awardit IPO

Acquisition of Crossroads Loyalty Solutions AB

Acquisition of Market2member AB



Acquisition of Motivation Service AB



Acquisition of Retain 24 Sverige AB



Acquisition of MBXP ApS



Acquisition of Prämie Direkt GmbH



Acquisition of IPO PrämienServices GmbH

Dec-2017

Jan-2018

April-2018

Nov-2018

Okt-2019

Nov-2019

Dec-2019

March-20

April-21

July-21

Dec-21

Feb-23

Nov-23

Acquisition of Sponsorhuset AB

Acquisition of remaining shares in Rewardit AB

Acquisition of assets Goyada AB

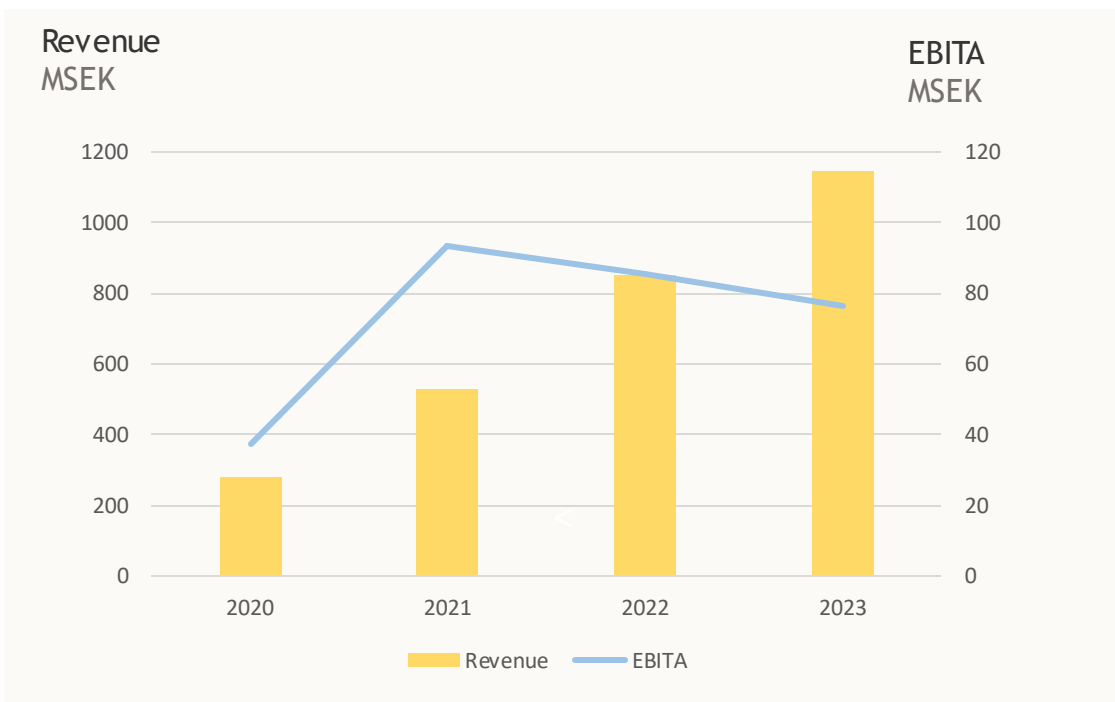
Acquisition of The Inspiration Company AB

Acquisition of Connex Marketing GmbH



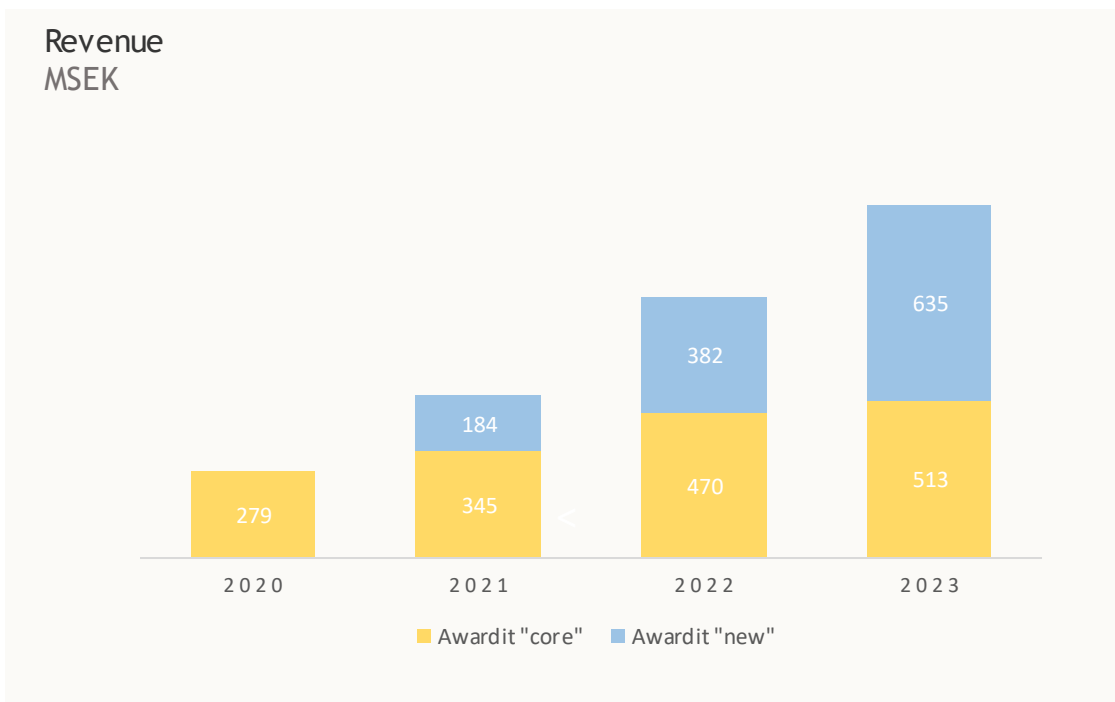
AWARDIT ON STRONG GROWTH PATH IN 2023

2023 was the highest revenue year ever



- MSEK 1,147 revenues for FY 2023
- MSEK 76.2 EBITA for FY 2023
- Underlying growth of “core” business combined with acquisitions in 2021 and 2023 are the main growth drivers

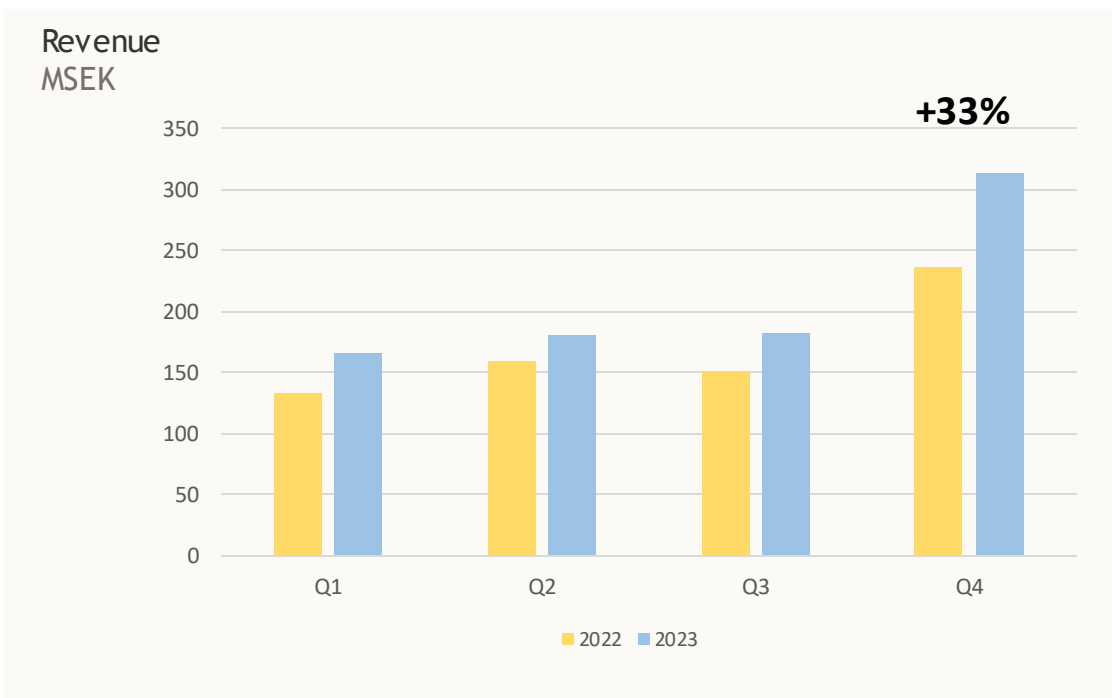
Combined growth from “core” business and acquisitions in 2020–2023



- Solid growth within Awardit “core” business (excluding acquisitions made in 2021 and 2023; TIC, MBXP, PrämieDirekt, Connex, IPO)
- +9% in FY 2023 (+13% adjusted for seldom occurring sales in 2023)
- Growth from existing clients, new customers, extraordinary events

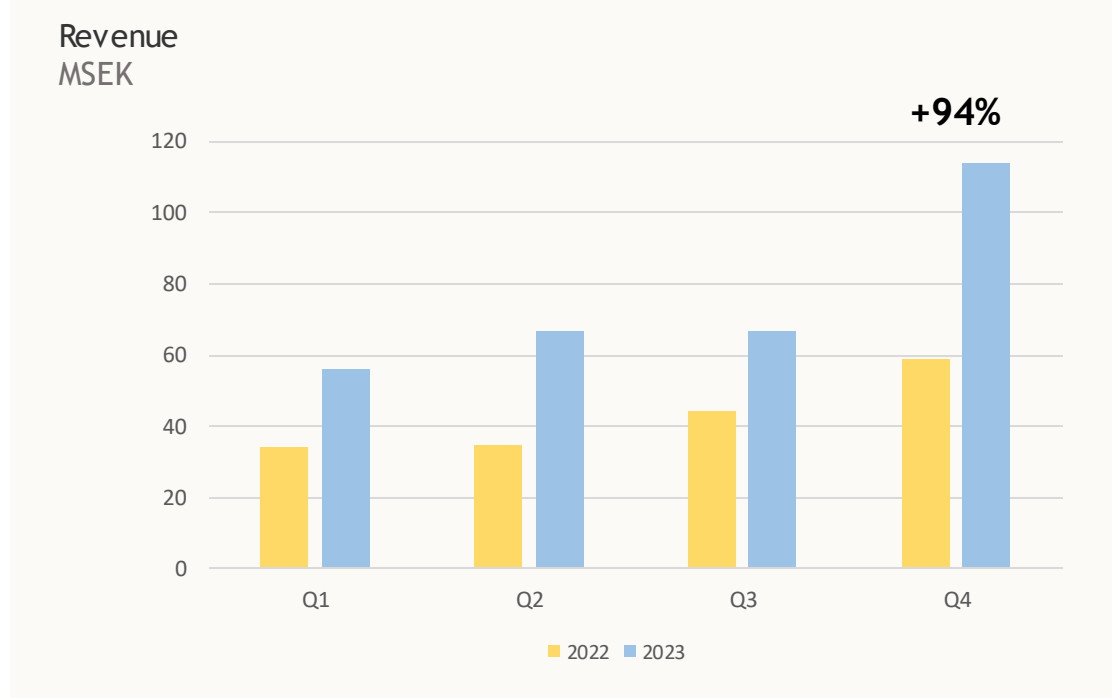
Q4; BOTH LOYALTY AND GIFTCARDS SHOW SUBSTANTIAL GROWTH

LOYALTY – NET REVENUE PER QUARTER



- MSEK 314.0 (236.1) revenues; 33% growth, organic growth of -4.1%
- Strong development of Nordics, existing customers with continued growth
- MSEK 16.8 seldom recurring sales in 2022 Q4 comps
- German market situation remained challenging, PD negative growth
- Connex adds MSEK 38.5 and IPO MSEK 49.0 to Loyalty revenues in Q4

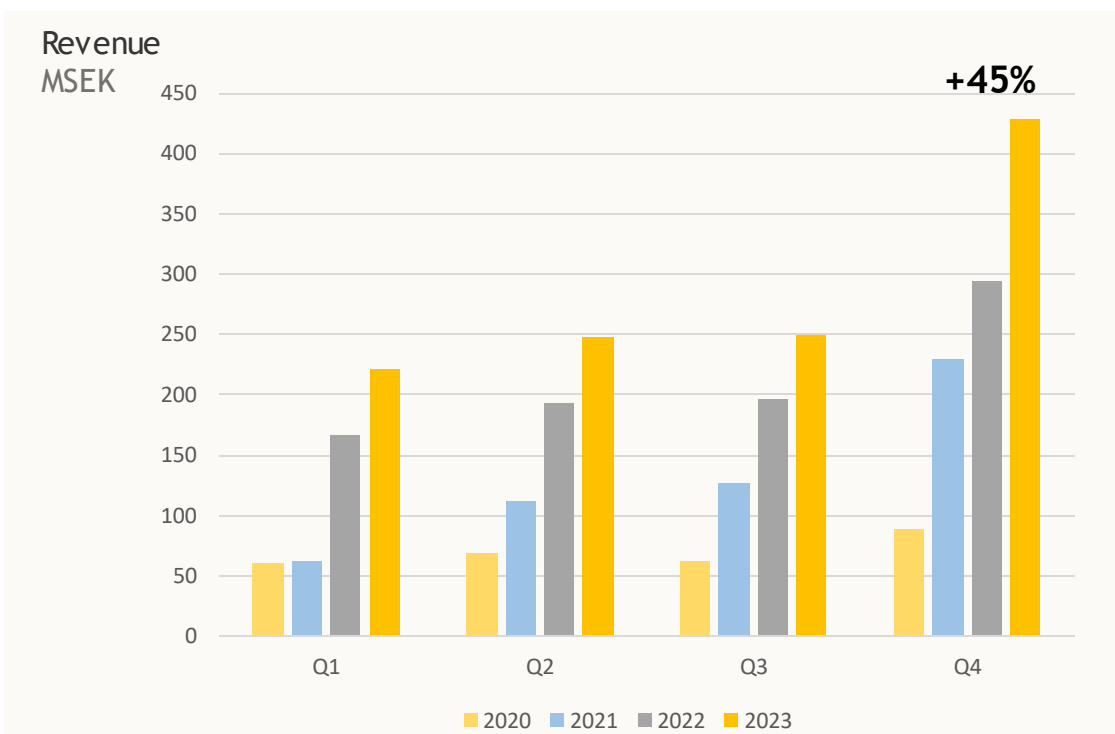
GIFTCARDS – NET REVENUE PER QUARTER



- MSEK 114.1 (58.9) revenues; 93.8% growth, organic growth of 12.6%
- Organic growth from new customers on our SaaS platform within Sweden giftcard
- MBXP back to y-o-y growth in organic net revenue
- Connex adds MSEK 47.8 to Giftcards revenues in Q4

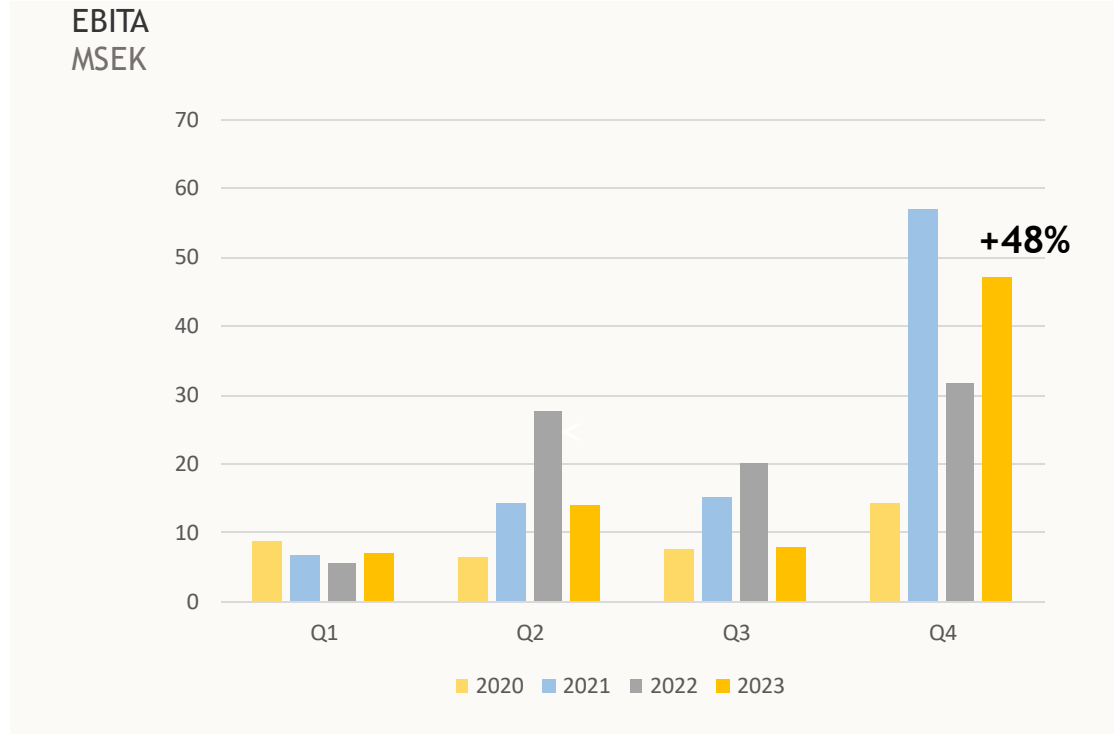
Y-O-Y GROWTH IN REVENUES AND EARNINGS

QUARTERLY CONTINUED REVENUE GROWTH



- MSEK 428.1 (295.0) revenues; Connex and IPO contributed MSEK 135.3
- 45.1% growth of which -0,7% organic (adjusted organic growth of 5,5%)
- Growth in Nordic loyalty, decline in Prämie Direkt
- MSEK 41 (40) in Zupergift net revenues

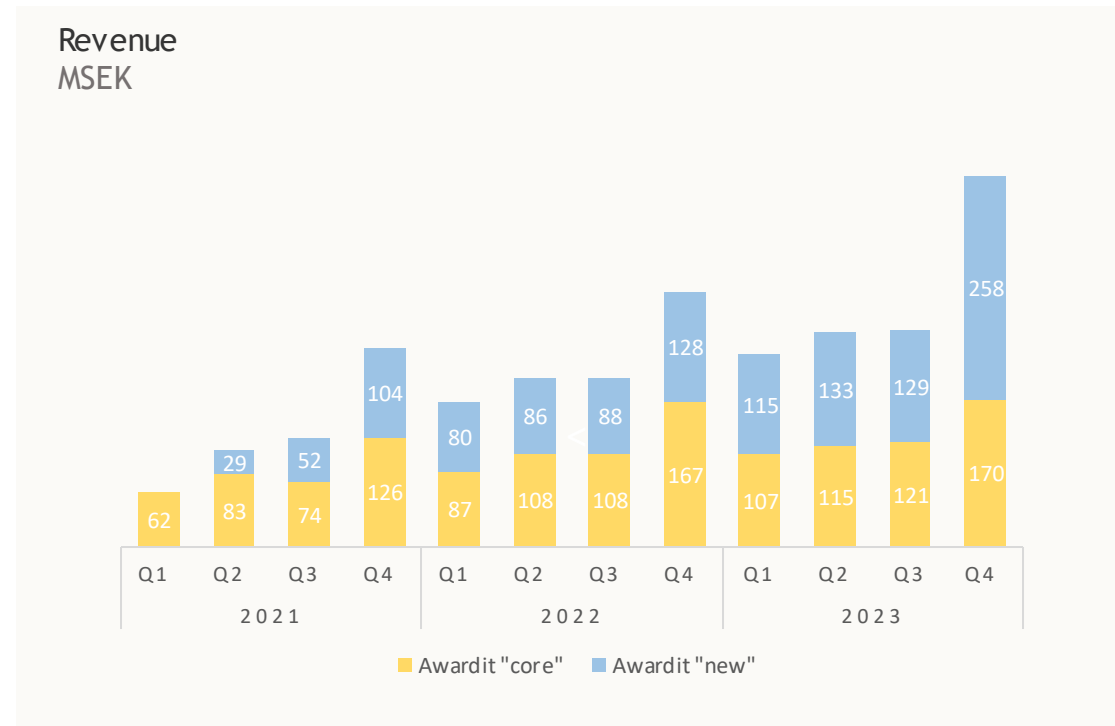
EBITA AFFECTED BY ADJUSTMENTS IN MBXP



- +48% EBITA in Q4 (MSEK 47.2) vs Q4 2022 (MSEK 31.9)
- Adjusted EBITA of MSEK 62.9
- Contribution from Connex and IPO MSEK 23.4 for Q4
- MSEK 4.4 (MSEK 5.5) breakage from Zupergift, included in net revenues

CORE BUSINESS CONTINUES TO STAND STRONG

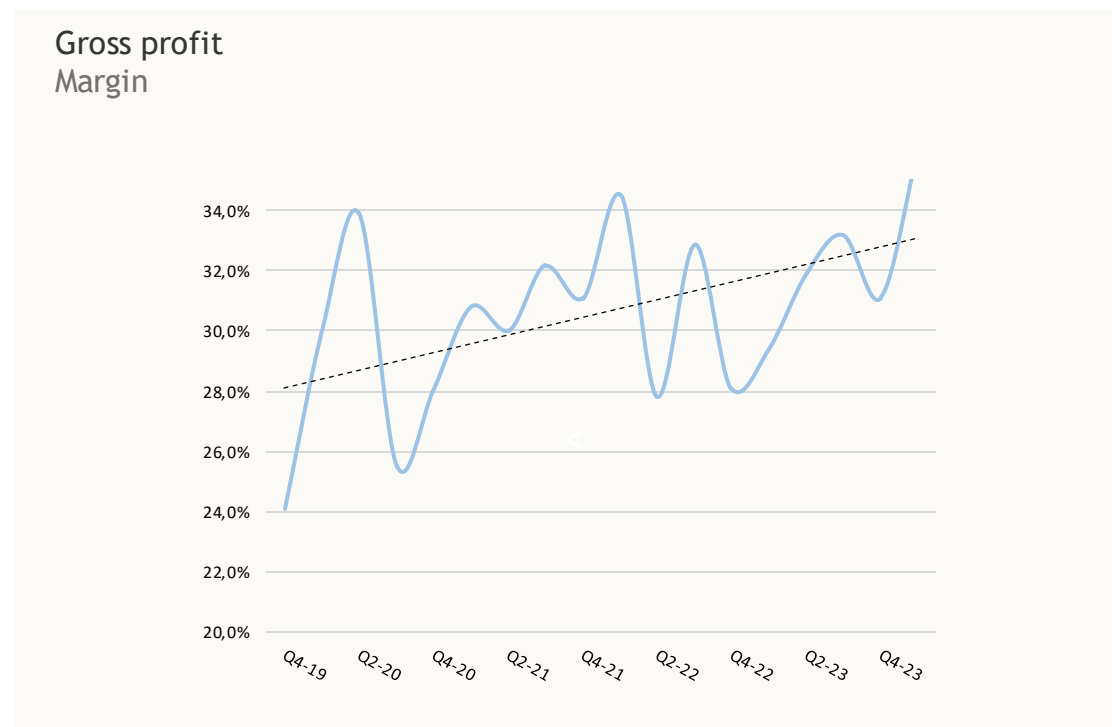
Continued underlying growth of “core” business



- Continued growth within Awardit “core” business (excluding acquisitions made in 2021 and 2023; TIC, MBXP, PrämieDirekt, Connex, IPO) +1.4% in Q4 2023
- 13% growth in “core business”, adjusted for seldom recurring sales in Q4 2022 of MSEK 16.8
- Connex & IPO adds additional MSEK 135.3 to Awardit “new” in Q4 2023

GROSS MARGIN STRENGTHENED OVER TIME

GROSS MARGIN DEVELOPMENT



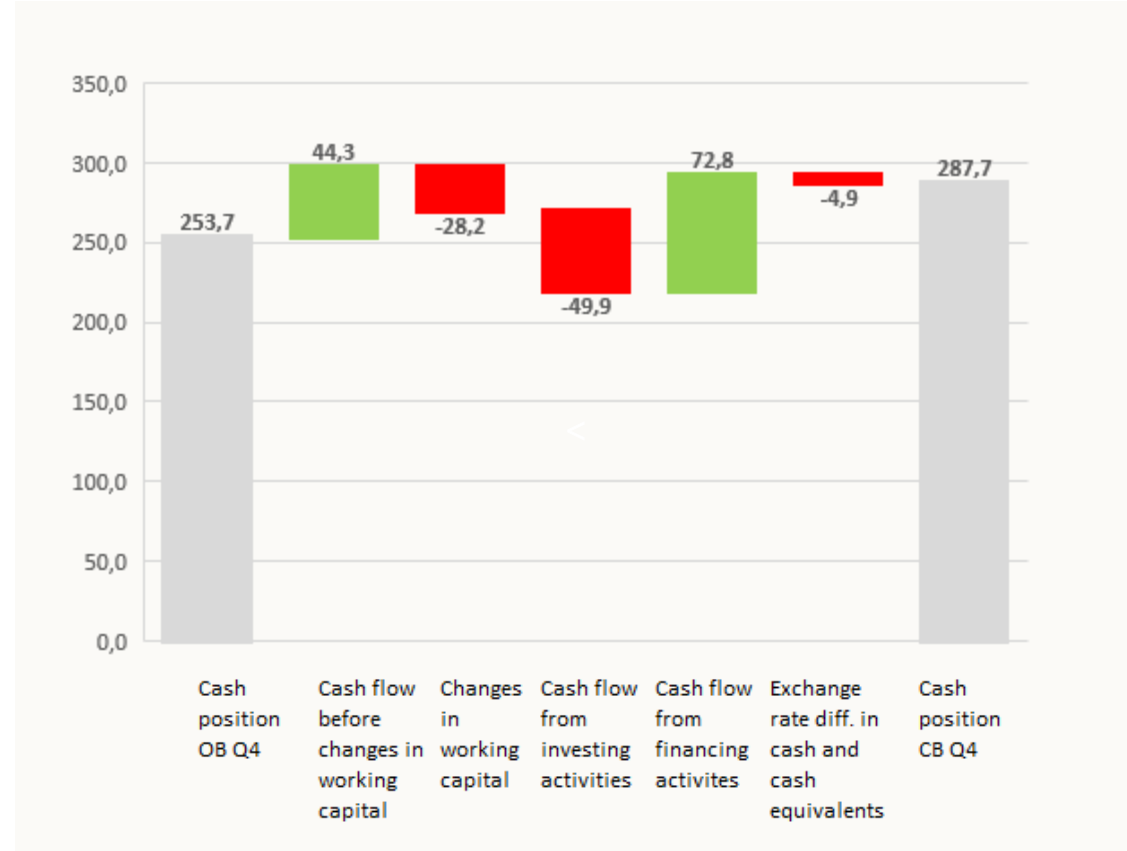
- Gross margin in Q4 2023 was 36.2%, compared to 29.6% in Q4 2022
- Connex contributes with higher margin, comparable Gross margin of 32.0%
- Zupergift sales and channel mix affects gross margins of Awardit CLS (Loyalty)

P&L DEVELOPMENT SUPPORTING SUSTAINED LEVELS OF PROFITABILITY

Amounts, TSEK	2023-10-01	2022-10-01	2023-01-01	2022-01-01
	2023-12-31	2022-12-31 ²	2023-12-31	2022-12-31 ²
Net revenue	428,065	294,965	1,147,415	852,279
Capitalised work for own account	1,373	758	6,823	2,387
Other operating income	3,639	11,493	13,417	21,870
Total operating income	433,078	307,217	1,167,655	876,536
Operating expenses				
Commodities	-273,240	-216,480	-761,650	-608,413
Other external expenses	-53,740	-29,685	-130,085	-81,856
Personnel expenses	-52,931	-29,127	-181,183	-98,792
Depreciation and amortisation of tangible and intangible assets	-152,694	-12,359	-194,530	-40,557
Other operating expenses	-1,403	3	-4,951	-1,721
Total operating expenses	-534,008	-287,647	-1,272,398	-831,339
Operating result	-100,930	19,570	-104,743	45,197
EBITA	47,188	31,854	76,235	85,462

- Commodities increase mainly driven by higher turnover, product mix and sales of Zupergift through lower margin channels/programs
- Other external expenses increase in the quarter from the addition of Connex and IPO with MSEK 12.8, other increase comes from expected credit losses in MBXP of MSEK 5.7, acquisition costs IPO MSEK 3.2 and reservation loss legal dispute of MSEK 4.0
- Personnel costs in Q4 at 12.4% (9.9%) of revenues, affected by Connex and IPO

Q4 2023; POSITIVE CASH FLOW MSEK 16.1 FROM OPERATING BUSINESS



- Cash movement for Q4 is positive with MSEK 39.0
- Investing activities: Negative MSEK -49.2 of which investments in IPO (MSEK -48.6)
- Financing activities: Positive net effect MSEK 72.8.
- Cash conversion FY 2023: 29% (71% FY 2022)



WELL POSITIONED FOR CONTINUED SUCCESS



Continued organic growth of the existing business lays the foundation for higher revenues and improved results in 2024 and beyond.



Acquisitions of Connex and IPO provide a strong position in DACH. Perfect fit with Prämie Direkt and potential to continue growing in the region, and to benefit from synergies of scale.



Projects ongoing to realize procurement savings, cross selling opportunities and other business oriented synergies within the group. Cost savings of MSEK 15-20 to be realized within 2024.



Potential to launch Supergift and other own brand giftcards such as Hotelbox in additional variants and in new markets, Supergift launched in DACH through Connex sales channels



Steady flow of new customers - both within the Giftcard and Loyalty segments. Strong pipe of new prospective customers.



Additional value creating acquisitions identified. Cash position of MSEK 287 at end of 2023 provides buying power.



Internal audit of MBXP completed, business projected to be back to full year profitability in 2024.



Vision to become the leader on the European market.

CONTACT DETAILS

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