

# Interim Report

1 July – 30 September 2021

## Interim report Q3 2021

Awardit AB (publ), listed on the NASDAQ First North Growth Market, submits the following report for the period 1 July – 30 September 2021.

### July – September 2021

- Revenue amounted to MSEK 130.0 (62.0 MSEK July – September 2020)
- Operating result EBIT amounted to MSEK 6.5 (5.8)
- Operating margin EBIT amounted to 5.0 (9.3) per cent
- Operating result EBITA amounted to MSEK 15.1 (7.7)
- Operating margin EBITA amounted to 11.6 (12.4) per cent
- Earnings per share after tax amounted to SEK 0.23 (0.65)
- EBITA per share amounted to SEK 2.03 (1.15)

### January – September 2021

- Revenue amounted to MSEK 305.5 (191.7 MSEK January – September 2020)
- Operating result EBIT amounted to MSEK 19.1 (17.4)
- Operating margin EBIT amounted to 6.3 (9.1) per cent
- Operating result EBITA amounted to MSEK 36.0 (22.9)
- Operating margin EBITA amounted to 11.8 (11.9) per cent
- Earnings per share after tax amounted to SEK 0.99 (1.90)
- EBITA per share amounted to SEK 5.14 (3.44)

### Important events during the period

- On 1 July, the owners of The Inspiration Company TIC AB (TIC) and Awardit signed a share transfer agreement relating to all shares in TIC. Payment was made and access was completed on 1 July. The purchase price amounted to MSEK 60, half of which was paid in cash and half in the form of Awardit shares in an offset issue in mid-August.
- Awardit held an Extraordinary General Meeting on 16 August. The General Meeting resolved to carry out a private placement of MSEK 30, without preferential rights, in order to finalise the acquisition of TIC. The issue entailed a dilution of approximately 2.7 per cent. A resolution on a new authorisation for the Board of Directors regarding the issue of shares was also made by the General Meeting.

- On 30 August, Awardit and the owner of Prämie Direkt GmbH signed a Term Sheet, meaning that Awardit acquires 100 per cent of the shares in Prämie Direkt GmbH. The purchase price has been agreed at MEUR 17.5, of which MEUR 14.0 is to be paid in cash and MEUR 3.5 is to be paid in Awardit shares.

## Key figures

All key figures in the table below are in accordance with IFRS.

	2021	2020	2021	2020	2020
	3 months	3 months	9 months	9 months	12 months
	JUL-SEP	JUL-SEP	JAN-SEP	JAN-SEP	JAN-DEC
Revenue, MSEK	130.0	62.0	305.5	191.7	280.5
Operating result, EBIT	6.5	5.8	19.1	17.4	29.9
Operating margin, EBIT	5.0%	9.3%	6.3%	9.1%	10.7%
Operating result, EBITA	15.1	7.7	36.0	22.9	37.4
Operating margin, EBITA	11.6%	12.4%	11.8%	11.9%	13.3%
Cash liquidity, %	121%	133%	121%	133%	97%
Equity/assets ratio, %	41.0	56.0%	41.0%	56.0%	49.7%
No. of employees	99	50	99	50	50
Earnings per share	0.23	0.65	0.99	1.90	3.28
EBITA per share	2.03	1.15	5.14	3.44	5.59

**EBIT** – Operating result before interest and taxes.

**EBITA** – Operating result before interest, taxes, depreciation and amortisation (including write-offs of customer contracts).

**Cash liquidity, %** – Current assets (excl. inventories) as a percentage of short-term liabilities.

**Equity/assets ratio, %** – Equity in relation to the balance sheet total.

**No. of employees** – Number of employees in the Group at the end of the period.

**Earnings per share** – Earnings after tax divided by the number of shares, based on the average number of shares during the period.

**EBITA per share** – EBITA divided by the number of shares, based on the average number of shares during the period.

## CEO's comments

There is no doubt that Awardit now is back in a position of strong organic growth after Covid-19, although we still see some impact on parts of the business. We are now in the fourth quarter, which historically is the absolute strongest in all parts of our business, from a seasonal perspective, and we have high hopes for a strong conclusion again this year. In the last two years, revenue during the fourth quarter compared with the third has, on average, been around 50 per cent higher. This year, we began the fourth quarter very strongly with an organic growth in revenue of 113 per cent (excluding MBXP and TIC) in October, compared to 2020.

During the third quarter, Awardit achieved a revenue of MSEK 130 (MSEK 62), with an EBITA result of MSEK 15.1 (MSEK 7.7), which means an increase of 110 and 96 per cent, respectively. Organic growth, excluding the most recent acquisitions MBXP and TIC, was approximately 24 and 74 per cent, respectively. MBXP remains the part of the Group where we continue to see some impact on the business, which is why the fourth quarter will be particularly interesting, as we now see that development is currently going in the right direction. MBXP's net revenue amounted to MSEK 34.3, and the EBITA result was MSEK 1.7. The new acquisition TIC's revenue amounted to MSEK 18.0, with an EBITA result of MSEK 0.0. The third quarter is normally TIC's weakest, from a seasonal perspective, and the company is performing according to budget for the full year. We expect an EBITA contribution of MSEK 4-6 from TIC during the current quarter.

Awardit's EBITA margin during the third quarter was 11.6 per cent (12.4 per cent). The decrease is attributable to MBXP and TIC. An adjusted EBITA margin, excluding MBXP and TIC, was 17 per cent, which is an improvement compared with the corresponding period in 2020 (12.4 per cent) and the second quarter of this year (12.7 per cent). Sales successes for Zupergift have continued, and a positive effect on the result of approximately MSEK 0.4 from so-called breakage (expired values) has materialised during the third quarter. With the corresponding share of breakage during the fourth quarter, the positive effect on the result will be approximately MSEK 2.6. We also expect the EBITA margin will gradually strengthen over time.

We have seen a very positive development in our Giftcards business area during the autumn, with a record number of new customers on our SaaS platform. These will contribute to continued growth in the future. There is still great potential that more companies will discover that gift cards, or Branded Payments as we also call it, can have a wider scope and be of greater strategic importance than "just" as gifts.

Our latest acquisition, TIC, is included in the Group as of 1 July, and incomes are classified, as with MBXP, as 100 per cent B2B in our segment reporting. Since the end of August, we have been actively working on the integration of TIC in the Group, in terms of purchasing, IT platform and organisation, amongst others. We are maintaining a higher rate of integration compared with previous acquisitions, as the similarities with the Parent Company's core business within B2B are significant. Cost savings of approximately MSEK 2 per year have been realised.

Work on the ongoing acquisition process relating to German Prämie Direkt is in the final phase. Due diligence has been completed without any negative aspects being identified. All that remains now is the work on the final share purchase agreement. The goal is to be able to close the deal during the current year. We view the German-speaking markets as very interesting for continued growth.

We have implemented organisational changes entailing that our business area Partnerships has merged with B2C Loyalty, with a common business area manager. At the same time as we have done away with the COO role. We have also appointed a Sales and Marketing Manager via an internal recruitment, and have an ongoing recruitment of a new CFO.

The Board of Directors of Awardit had previously communicated its intention to discuss the issue of dividends relating to the financial year 2020 during the autumn. The issue has been discussed, and it has been decided to put the dividends on hold in view of the fact that Awardit's cash flow has been reinvested in new acquisitions. The ambition for Awardit to be a dividend company remains, however this is with the provision that the capital is not needed for the continued acquisition strategy, through which we believe that greater shareholder value can be created.

Prämie Direkt is Awardit's third acquisition in 2021 and, upon completion, approximately MSEK 450 has been added in revenue pro forma rolling twelve months. With the current growth rate, our ambition is for Awardit to become a billion company in turnover in 2022. We see good opportunities to combine our strong organic growth with continued acquisitions in the Nordic region and Europe, and aim to become one of the largest companies in Europe within loyalty, motivation and gift card programmes. But that's in the long run - here and now, I and my fantastic employees are investing in delivering our best fourth quarter ever!



Niklas Lundqvist  
CEO  
Awardit AB (publ.)

## Financial comments for the Group: July – September

Revenue during the first half of the year amounted to MSEK 130.0 (MSEK 62.0 July – September 2020), which means an increase of 110 per cent. Adjusted for sales growth attributable to the acquisition of MBXP and TIC, the Group achieved revenue of MSEK 77.7, which corresponds to an increase of 25.3 per cent compared with the corresponding period last year.

The gross margin in the Group was 31.1 per cent during the third quarter of the year. This can be compared with 28.0 per cent in the same period last year, or 29.5% for the full year 2020. MBXP's gross margin during the quarter amounted to approximately 37.5 per cent, and for TIC the corresponding margin was 36.9 per cent. This contributed to the improvement compared with the third quarter last year.

The operating result EBITA amounted to MSEK 15.1 (7.7), which means an EBITA margin of 11.6 (12.4) per cent.

The operating result EBIT amounted to MSEK 6.5 (5.8), which means an EBIT margin of 5.0 (9.3) per cent.

The result after financial items amounted to MSEK 3.0 (5.3). Interest expenses amounted to MSEK 3.5 (0.5). MSEK 0.9 of these represent a cost for resolution of discounted debt connected to the additional purchase price for MBXP.

The result after tax amounted to MSEK 1.7 (4.3). Deferred tax affects the 'Result after tax' by MSEK 1.0.

The comprehensive income for the period amounted to MSEK 1.7 (4.3). The difference against the 'Result after tax' is made up of translation differences.

## Financial comments for the Group: January – September

Revenue during the first nine months of the year amounted to MSEK 305.5 (MSEK 191.7 January – September 2020), which means an increase of 59.4 per cent. Adjusted for growth in revenue attributable to the acquisition of MBXP and TIC, the Group achieved revenue of MSEK 222.9, which corresponds to an increase of 16.3 per cent compared with the corresponding period last year.

The gross margin in the Group was 31.3 per cent during the first nine months of the year. This can be compared with a 28.9 per cent gross margin in the same period last year, or 29.5 per cent for the full year 2020. Personnel costs as a share of net revenue are relatively stable, at around 13 per cent.

The operating result EBITA amounted to MSEK 36.0 (22.9), which means an EBITA margin of 11.8 (11.9) per cent.

The operating result EBIT amounted to MSEK 19.1 (17.4), which means an EBIT margin of 6.3 (9.1) per cent.

The result after financial items amounted to MSEK 9.8 (15.6). Interest expenses amounted to MSEK 9.3 (1.7). MSEK 4.1 of these represent a cost for resolution of discounted debt connected to the additional purchase price for MBXP. Adjusted for this item, interest expenses are approximately MSEK 5.2, which is explained by increased acquisition credits connected to the acquisitions of MBXP and TIC, as well as interest expenses for MBXP's external loans.

The result after tax amounted to MSEK 6.9 (12.7). Deferred tax affects the 'Result after tax' by MSEK 2.7.

The comprehensive income for the period amounted to MSEK 7.7 (12.5). The difference against the 'Result after tax' is made up of translation differences (exchange rate differences).

## Balance sheet items, 30 September 2021

Liquid assets at the end of the period amounted to MSEK 94.6 (34.5). During the third quarter of the year, the Group's cash was mainly affected by loans and the purchase price connected to the acquisition of TIC, as well as increased working capital.

Interest-bearing liabilities amounted to MSEK 88.5 (46.5). These consist primarily of bank loans and promissory notes.

The Group's inventory value as of 30 September 2021 was MSEK 38.7, which is MSEK 22.2 higher than at the turn of the year 2020/2021, when the inventory value was MSEK 16.5.

MBXP & TIC have affected the inventory value by a total of approximately MSEK 16.4.

Another factor that has pushed up inventory levels is early purchases ahead of Christmas shopping in order to counteract potential delivery problems in the wake of the pandemic. In comparison, the inventory value as of 30 September 2020 was approximately MSEK 7.6.

Equity at the end of the period amounted to MSEK 282.2 (154.1) which corresponds to SEK 37.9 (23.1) per share.

The equity/assets ratio was 41.0 (56.0) per cent.

## Cash flow, January – September 2021

The cash flow from operating activities amounted to MSEK -7.3 (14.3). Prior to the change in working capital, the cash flow is MSEK 17.7.

The cash flow from investing activities amounted to MSEK -27.1 (-5.7).

The cash portion of the purchase price for TIC of MSEK 30.0 constitutes the main part.

The cash flow from financing activities amounted to MSEK 100.7 (-9.7). The Company carried out a private placement at the end of June, which contributed MSEK 90.0 to the Company (before issue costs). During the period, acquisition credit was repaid to the amount of MSEK 20.3, while new loans of MSEK 47.0 were taken. The dividends during the period amount to approximately MSEK 11.3.

Liquid assets at the end of the period amounted to MSEK 94.6 (34.5).



## Owners

Shareholders	Shareholding	Proportion
Visionalis AB	2 090 000	27.6%
Niklas Lundqvist	1 111 550	14.7%
Consensus Asset Management AB	348 959	4.6%
Johan Hagman	339 612	4.5%
Samir Taha (via Sultanen Invest AB)	325 000	4.3%
S Thorberg Inspiration Investment Ltd	196 131	2.6%
Filip Engelbert	172 653	2.3%
Jonas Nordlander	172 652	2.3%
Claudio Simatovic (via Paradidel AB)	132 211	1.7%
Henrik Olander (via House of Cash AB)	125 910	1.7%
<b>Total ten largest shareholders</b>	<b>5 014 678</b>	<b>66.2%</b>
Other shareholders	2 563 066	33.8%
<b>Total</b>	<b>7 577 744</b>	<b>100.0%</b>

The above ownership table refers to 30 September 2021.

## Consolidated Income Statement

		2021-07-01	2020-07-01	2021-01-01	2020-01-01	2020-01-01
Amounts in TSEK	Note	2021-09-30	2020-09-30	2021-09-30	2020-09-30	2020-12-31
Net revenue	2	126 211	61 574	299 785	190 209	278 613
Capitalised work for own account		1 870	-	2 550	194	194
Other operating income		1 961	412	3 173	1 259	1 717
<b>Total operating income</b>		<b>130 042</b>	<b>61 987</b>	<b>305 508</b>	<b>191 662</b>	<b>280 524</b>
<b>Operating expenses</b>						
Commodities		-86 972	-44 340	-206 040	-135 156	-196 350
Other external expenses		-11 368	-2 120	-19 962	-9 115	-11 771
Personnel costs		-16 657	-7 780	-43 167	-24 235	-34 603
Depreciation and amortisation of tangible and intangible fixed assets		-8 609	-1 927	-16 884	-5 590	-7 519
Other operating expenses		86	-43	-335	-204	-399
<b>Total operating expenses</b>		<b>-123 520</b>	<b>-56 211</b>	<b>-286 388</b>	<b>-174 300</b>	<b>-250 643</b>
<b>Operating result</b>		<b>6 521</b>	<b>5 776</b>	<b>19 120</b>	<b>17 362</b>	<b>29 881</b>
Financial income		42	6	53	26	27
Financial expenses		-3 520	-501	-9 437	-1 724	-2 190
Result from interests in Group and associated companies		-	-20	37	-20	-
<b>Result from financial items</b>		<b>-3 478</b>	<b>-515</b>	<b>-9 348</b>	<b>-1 718</b>	<b>-2 163</b>
<b>Result before tax</b>		<b>3 043</b>	<b>5 261</b>	<b>9 772</b>	<b>15 643</b>	<b>27 718</b>
Income tax		-2 333	-1 127	-5 501	-3 575	-6 155
Deferred tax	4	972	214	2 681	646	333
<b>Result for the year</b>		<b>1 682</b>	<b>4 348</b>	<b>6 953</b>	<b>12 714</b>	<b>21 896</b>
		2021-07-01	2020-07-01	2021-01-01	2020-01-01	2020-01-01
		2021-09-30	2020-09-30	2021-09-30	2020-09-30	2020-12-31
Earnings per share before dilution (SEK), note 1		0.23	0.65	0.99	1.90	3.28
Earnings per share after dilution (SEK)		0.23	0.65	0.99	1,90	3,28
Outstanding shares at the end of the period		7 577 744	6 678 683	7 577 744	6 678 683	6 720 559
Average number of shares during the period		7 446 546	6 678 683	7 002 909	6 678 683	6 682 289

Note 1: Based on the average number of shares during the period.

## Consolidated Report of Comprehensive Income

	2021-07-01 2021-09-30	2020-07-01 2020-09-30	2021-01-01 2021-09-30	2020-01-01 2020-09-30	2020-01-01 2020-12-31
<b>Result for the period</b>	<b>1 682</b>	<b>4 348</b>	<b>6 953</b>	<b>12 714</b>	<b>21 896</b>
<b>Other total result:</b>					
Translation differences	822	-2	733	-204	-267
<b>Comprehensive income for the period</b>	<b>2 504</b>	<b>4 346</b>	<b>7 686</b>	<b>12 510</b>	<b>21 629</b>

## Consolidated Balance Sheet

Amounts in TSEK	2021-09-30	2020-09-30	2020-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
Goodwill	272 098	131 930	137 678
Customer relations	91 293	32 415	31 413
Platform	68 932	8 622	8 358
Other intangible fixed assets	5	25	20
Usufruct assets	4 607	2 011	1 627
Interests in associated companies	6 524	25	–
Equipment, tools and installations	503	127	101
Deferred tax assets	2 107	526	–
<b>Total fixed assets</b>	<b>446 068</b>	<b>175 681</b>	<b>179 197</b>
<b>Current assets</b>			
Inventory	38 666	7 587	16 450
Advances to suppliers	2 203	–	818
Accounts receivable	64 704	51 432	72 356
Current tax receivables	9 182	1 499	1 063
Other receivables	25 187	36	75
Prepaid expenses and accrued income	8 280	4 414	6 725
Liquid assets	94 645	34 474	28 308
<b>Total current assets</b>	<b>242 867</b>	<b>99 443</b>	<b>125 796</b>
<b>TOTAL ASSETS</b>	<b>688 935</b>	<b>275 123</b>	<b>304 992</b>

## Consolidated Balance Sheet (cont.)

Amounts in TSEK	2021-09-30	2020-09-30	2020-12-31
<b>EQUITY</b>			
<b>Equity that can be attributed to the Parent Company's owners</b>			
Share capital	758	668	672
Other contributed capital	235 396	109 119	112 426
Reserves	332	-338	-401
Earned result, including results for the year	45 760	44 679	38 807
<b>Total equity</b>	<b>282 245</b>	<b>154 127</b>	<b>151 504</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Borrowing from credit institutions	81 935	27 642	15 634
Liabilities relating to usufruct assets	3 391	91	52
Other long-term liabilities	97 873	15 809	16 003
Deferred tax liabilities	30 758	6 666	6 453
Other provisions	23 355	1 839	2 092
<b>Total long-term liabilities</b>	<b>237 312</b>	<b>52 046</b>	<b>40 234</b>
<b>Short-term liabilities</b>			
Borrowing from credit institutions	6 544	3 002	12 424
Liabilities relating to usufruct assets	1 387	1 576	1 225
Overdraft facilities	-	-	-
Advances from customers	17 567	2 565	17 148
Accounts payable	99 498	44 006	46 164
Current tax liabilities	5 239	1 507	2 903
Other liabilities	13 547	4 685	18 672
Accrued expenses and prepaid income	25 596	11 609	14 719
<b>Total short-term liabilities</b>	<b>169 378</b>	<b>68 950</b>	<b>113 254</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>688 935</b>	<b>275 123</b>	<b>304 992</b>

## Consolidated Cash Flow Statement

		2021-07-01	2020-07-01	2021-01-01	2020-01-01	2020-01-01
Amounts in TSEK	Note	2021-09-30	2020-09-30	2021-09-30	2020-09-30	2020-12-31
<b>Cash flow from operating activities</b>						
Operating result		6 521	5 776	19 120	17 362	29 889
Adjustments for items not included in the cash flow						
- Reversal of depreciation		8 610	1 927	16 884	5 590	7 519
- Other items not effecting cash		-1 606	-2	-1 658	-233	-305
Interest received		42	6	53	25	27
Interest paid		-2 440	-309	-4 753	-1 156	-1 428
Paid tax		-7 829	-1 145	-11 942	-6 230	-6 978
<b>Cash flow from operating activities before changes in working capital</b>		<b>3 298</b>	<b>6 253</b>	<b>17 705</b>	<b>15 358</b>	<b>28 724</b>
<u>Changes in working capital</u>						
Increase/decrease in inventories and work in progress		-3 456	1 505	-10 165	11 835	2 153
Increase/decrease in other current receivables		79 571	4 338	41 248	24 672	1 409
Increase/decrease in other short-term liabilities		-53 036	5 195	-56 065	-37 606	-14 800
<b>Total changes in working capital</b>		<b>23 078</b>	<b>11 039</b>	<b>-24 983</b>	<b>-1 100</b>	<b>-11 237</b>
<b>Cash flow from operating activities</b>		<b>26 376</b>	<b>17 292</b>	<b>-7 278</b>	<b>14 258</b>	<b>17 486</b>
<b>Cash flow from investing activities</b>						
Investments in intangible fixed assets		-2 043	-181	-4 913	-5 714	-5 961
Investments in tangible fixed assets		-	-	-	-	-
Investments in business acquisitions		-23 025	-	-22 181	-	-2 438
Sales of financial fixed assets		-	-17	-	-17	-
Divestment of subsidiaries		-	-	-37	-	12
<b>Cash flow from investing activities</b>		<b>-25 068</b>	<b>-198</b>	<b>-27 056</b>	<b>-5 731</b>	<b>-8 387</b>
<b>Cash flow from financing activities</b>						
Issue of shares		-144	-	86 256	-	-
Transaction costs for issue of shares		-	-	-	-	-
Change in overdraft facility		-	-2 368	-	-2 529	-2 529
Repayment of loans		-7 046	-3 002	-20 293	-6 004	-8 589
Repayment of loans relating to usufruct assets		-647	-379	-1023	-1 174	-1 563
Loans		20 159	-	47 023	-	-
Dividend		-3 764	-	-11 291	-	-3 764
<b>Cash flow from financing activities</b>		<b>8 558</b>	<b>-5 749</b>	<b>100 673</b>	<b>-9 706</b>	<b>-16 444</b>
<b>Cash flow for the period</b>		<b>9 867</b>	<b>11 345</b>	<b>66 338</b>	<b>-1 179</b>	<b>-7 344</b>
Liquid assets at the beginning of the period		84 779	23 129	28 308	35 652	35 652
<b>Liquid assets at the end of the period</b>		<b>94 646</b>	<b>34 474</b>	<b>94 646</b>	<b>34 474</b>	<b>28 308</b>

## Consolidated Statement of Changes in Equity

Amounts in TSEK	Attributable to the Parent Company's shareholders				
	Share capital	Other contributed capital	Reserves	Earned result incl. results for the year	Total
<b>Opening balance as of 2020-01-01</b>	<b>668</b>	<b>109 119</b>	<b>-135</b>	<b>31 965</b>	<b>141 617</b>
<b>Comprehensive income</b>					
Result for the year				21 896	21 896
<b>Other comprehensive income</b>					
Translation differences			-267		-267
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>-267</b>	<b>21 896</b>	<b>21 629</b>
<b>Transactions with shareholders</b>					
Dividend				-15 054	-15 054
Non-cash issue	4	3 307			3 311
<b>Total transactions with shareholders</b>	<b>4</b>	<b>3 307</b>	<b>–</b>	<b>-15 054</b>	<b>-11 743</b>
<b>Closing balance as of 2020-12-31</b>	<b>672</b>	<b>112 426</b>	<b>-401</b>	<b>38 807</b>	<b>151 504</b>
<b>Opening balance as of 2021-01-01</b>	<b>672</b>	<b>112 426</b>	<b>-401</b>	<b>38 807</b>	<b>151 504</b>
<b>Comprehensive income</b>					
Result for the year				6 953	6 953
<b>Other comprehensive income</b>					
Translation differences			733		733
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>733</b>	<b>6 953</b>	<b>7 686</b>
<b>Transactions with shareholders</b>					
Non-cash issue	27	36 773			36 800
New issue	59	89 941			90 000
Transaction costs for issues		-3 744			-3 744
<b>Total transactions with shareholders</b>	<b>86</b>	<b>122 970</b>	<b>–</b>	<b>–</b>	<b>123 056</b>
<b>Closing balance as of 2021-09-30</b>	<b>758</b>	<b>235 396</b>	<b>332</b>	<b>45 760</b>	<b>282 245</b>

## Parent Company Income Statement

Amounts in TSEK	2021-07-01 2021-09-30	2020-07-01 2020-09-30	2021-01-01 2021-09-30	2020-01-01 2020-09-30	2020-01-01 2020-12-31
<i>Operating income</i>					
Net revenue	16 549	13 278	48 859	41 606	57 918
Capitalised work for own account	-	-	-	194	194
Other operating income	47	44	134	186	230
<b>Total operating income</b>	<b>16 596</b>	<b>13 321</b>	<b>48 993</b>	<b>41 986</b>	<b>58 341</b>
<i>Operating expenses</i>					
Commodities	-8 509	-7 324	-24 938	-23 007	-29 410
Other external expenses	-2 889	-1 484	-7 529	-4 609	-6 917
Personnel costs	-36	-42	-242	-894	-861
Depreciation of tangible fixed assets	-258	-255	-773	-555	-813
Other operating expenses	-	-	-14	-	1
<b>Total operating expenses</b>	<b>-11 693</b>	<b>-9 105</b>	<b>-33 497</b>	<b>-29 067</b>	<b>-38 000</b>
<b>Operating result</b>	<b>4 903</b>	<b>4 216</b>	<b>15 497</b>	<b>12 919</b>	<b>20 341</b>
Result from interests in Group companies	-	-	15 000	2 800	2 800
Result from interests in associated companies	-	-23	-	-23	-23
Interest expenses and similar result items	668	-	530	-	-
<b>Result from financial items</b>	<b>-896</b>	<b>-292</b>	<b>-1 466</b>	<b>-955</b>	<b>-1 207</b>
	<b>-228</b>	<b>-315</b>	<b>14 064</b>	<b>1 823</b>	<b>1 570</b>
<b>Result before tax</b>	<b>4 675</b>	<b>3 901</b>	<b>29 561</b>	<b>14 742</b>	<b>21 912</b>
Deferred tax	30		771	-	
Tax on the result for the year	-176	-835	-3 005	-2 562	-4 099
<b>Result for the year</b>	<b>4 529</b>	<b>3 066</b>	<b>27 327</b>	<b>12 180</b>	<b>17 813</b>



## Parent Company Balance Sheet

Amounts in TSEK	2021-09-30	2020-09-30	2020-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Capitalised development expenditure	5 706	6 231	6 085
<b>Total intangible assets</b>	<b>5 706</b>	<b>6 231</b>	<b>6 085</b>
<b>Financial fixed assets</b>			
Interests in Group companies	380 730	183 881	189 720
Receivables from Group companies	25 982	-	-
Deferred tax assets	771	-	-
<b>Total financial fixed assets</b>	<b>407 483</b>	<b>183 881</b>	<b>189 720</b>
<b>Total fixed assets</b>	<b>413 190</b>	<b>190 113</b>	<b>195 805</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Accounts receivable	12 100	11 680	18 607
Receivables from Group companies	8 831	281	374
Other receivables	18	16	268
Prepaid expenses and accrued income	3 163	681	2 372
<b>Total current receivables</b>	<b>24 111</b>	<b>12 658</b>	<b>21 621</b>
Cash and bank balances	43 275	223	45
<b>Total current assets</b>	<b>67 386</b>	<b>12 881</b>	<b>21 666</b>
<b>TOTAL ASSETS</b>	<b>480 576</b>	<b>202 994</b>	<b>217 471</b>

## Parent Company Balance Sheet (cont.)

Amounts in TSEK	2021-09-30	2020-09-30	2020-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	758	668	672
Fund for development expenditure	1 373	1 396	1 377
<b>Total restricted equity</b>	<b>2 131</b>	<b>2 064</b>	<b>2 049</b>
<b>Unrestricted equity</b>			
Premium fund	228 041	101 764	105 071
Retained earnings	23 343	20 561	5 526
Result for the year	27 327	12 180	17 813
<b>Total unrestricted equity</b>	<b>278 711</b>	<b>134 505</b>	<b>128 410</b>
<b>Total equity</b>	<b>280 841</b>	<b>136 569</b>	<b>130 459</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	51 051	27 642	15 634
Liabilities to Group companies	-	9 950	-
Other long-term liabilities	132 241	17 500	17 500
<b>Total long-term liabilities</b>	<b>183 292</b>	<b>55 092</b>	<b>33 134</b>
<b>Short-term liabilities</b>			
Liabilities to credit institutions	6 544	3 002	12 424
Advances from customers	182	-	-
Accounts payable	1 566	5 450	7 624
Liabilities to Group companies	2 658	-	17 900
Current tax liabilities	236	192	746
Other liabilities	1 069	770	12 176
Accrued expenses and prepaid income	4 189	1 919	3 007
<b>Total short-term liabilities</b>	<b>16 443</b>	<b>11 334</b>	<b>53 878</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>480 576</b>	<b>202 994</b>	<b>217 471</b>

## Notes to the interim report

### Note 1 Accounting principles

Awardit AB applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report has been prepared 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.

## Note 2 Operating segments

Net revenue, distributed by goods and services, is as follows:

	2021-07-01	2020-07-01
<b>The Group</b>	<b>2021-09-30</b>	<b>2020-09-30</b>
Sale of goods	75 699	54 940
Sale of services	50 512	6 634
<b>Total net revenue</b>	<b>126 211</b>	<b>61 574</b>

Net revenue, distributed by geographical markets, is as follows:

	2021-07-01	2020-07-01
<b>The Group</b>	<b>2021-09-30</b>	<b>2020-09-30</b>
Sweden	86 651	58 295
Norway	3 284	1 618
Denmark	35 602	1 576
Finland	674	85
<b>Total net revenue by geographical market</b>	<b>126 211</b>	<b>61 574</b>

Net revenue, distributed by operating segments, is as follows:

	2021-07-01	2020-07-01
<b>The Group</b>	<b>2021-09-30</b>	<b>2020-09-30</b>
B2B	81 833	22 175
B2C	44 379	39 402
<b>Total net revenue per operating segment</b>	<b>126 211</b>	<b>61 574</b>

Operating result after depreciation, distributed by segment, is as follows:

	2021-07-01	2020-07-01
<b>The Group</b>	<b>2021-09-30</b>	<b>2020-09-30</b>
B2B	4 968	7 517
B2C	1 553	-1 741
<b>Operating result after depreciation per operating segment</b>	<b>6 521</b>	<b>5 776</b>

### Note 3 Business acquisitions

#### The Inspiration Company TIC AB

On 1 July 2021, Awardit AB (publ) acquired 100% of the equity instruments in The Inspiration Company TIC AB ("TIC") and thereby gained a controlling influence in the company. The acquisition was made to further strengthen Awardit's presence in the Nordic market for loyalty and motivation programmes in the B2B segment.

The purchase price amounted to MSEK 60, including approximately MSEK 10 in cash. The acquisition calculation is preliminary and may change after the publication of the interim report.

TIC was founded in 1999 and provides B2B loyalty and motivation programmes. TIC's net revenue and EBITDA profit for the financial year 2020/21 amounted to MSEK 99.4 and MSEK 10.4, respectively.

The acquired business contributed a net revenue of MSEK 18 and a net result of MSEK -0.6 to the Group for the period 1 July - 30 September 2021. If the acquisition had been completed on 1 January 2021, the consolidated pro forma for net revenue and result before tax, as of 30 September 2021, would show MSEK 71.4 and MSEK 4.0, respectively. These amounts have been calculated using the subsidiary's results, with adjustment for: differences in accounting principles between the Group and the subsidiary, and the additional depreciation that would have arisen provided that the adjustment to fair value for tangible and intangible fixed assets had been applied from 1 January 2021, together with attributable tax effects.

The details of the business acquisition are as follows:

<b>Fair value of consideration transferred</b>	<b>TSEK</b>
Amount settled in cash	30 000
Amount settled with equity instruments	30 000
Contingent consideration	0
<b>Total purchase price</b>	<b>60 000</b>

**Assets and liabilities reported as a result of the acquisition (fair value)**

Intangible assets - <i>Customer relations</i>	6 575
Intangible assets - <i>Technology</i>	0
Other fixed assets	4 663
Inventory	771
Accounts receivable and similar receivables	20 524
Receivables from Group companies	780
Shares in associated company, Leader Island AB 28.5%	6 500
Tax receivables	1 877
Loan	-82
Short-term portion of loan	-73
Deferred tax liability	-2 398
Current tax liability	-1 976
Other liabilities	-11 860
Accounts payable and similar liabilities	-6 872
Liquid assets	6 975
<b>Acquired identifiable net assets</b>	<b>25 404</b>
<b>Goodwill on acquisition</b>	<b>34 596</b>
Acquisition cost that is report as an expense in the results	282

**Consideration transferred**

The acquisition of TIC was settled with TSEK 30 000 cash and equity instruments of TSEK 30 000. Acquisition costs amounting to TSEK 282 have not been included in the consideration transferred, but have been recognised in the consolidated income statement included in the item 'Other external expenses'.

**Goodwill**

A goodwill item of MSEK 34.6 relates primarily to expected synergies, on both the cost and sales side, as well as TIC's customer base.

## MBXP ApS

On 15 April 2021, Awardit AB (publ.) acquired 100% of the equity instruments in MBXP ApS (“MBXP”) and thereby gained a controlling influence in the company. The acquisition was made to further strengthen Awardit's presence in the Nordic market for digital vouchers and gift cards.

The initial purchase price amounted to MDKK 5 (MSEK 6.8) with a contingent consideration of nine (9) times MBXP's average EBITDA result for 2021 and 2022, with deductions for the initial purchase price and interest-bearing liabilities. The acquisition calculation is preliminary and may change after the publication of the interim report.

When calculating the contingent 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%. The contingent consideration may be settled in cash or through a combination of cash and equity instruments in Awardit AB. It is the management of Awardit that decides whether any equity instrument is to be paid. Upon submission of this interim report, the assessment has been made that everything will be settled through cash payment, which is why the contingent consideration in its entirety has been reported as an ‘other’ long-term financial liability. The value of the liability will be reconsidered every reporting date.

### Sensitivity analysis

EBITDA is the basis for calculating the contingent consideration. If our assessment of EBITDA, in the three different scenarios, were to be reduced or increased by 10%, the contingent consideration would be 16.3% lower (corresponding to MSEK 8.9) and 16.3% higher (corresponding to MSEK 8.9).

MBXP is the Nordic region's largest distributor of digital gift cards and other vouchers in physical retail and grocery stores. 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 highly-trafficked parts of the stores. The company achieved sales of approximately MDKK 96, with an EBITDA result of approximately MDKK 2.2 during the financial year 2019/2020. The deal also means that Awardit invests MDKK 6 in MBXP via a new issue and lends MDKK 19 for refinancing purposes.

The acquired business contributed a net revenue of MSEK 62.8 and a net result of MSEK -6.3 to the Group for the period 15 April - 30 September 2021. If the acquisition had been completed on 1 January 2021, the consolidated pro forma for net revenue and net result, as of 30 September 2021, would show MSEK 97.6 and MSEK -12.1, respectively. These amounts have been calculated using the subsidiary's results, with adjustment for: differences in accounting principles between the Group and the subsidiary, and the additional depreciation that would have arisen provided that the adjustment to fair value for tangible and intangible fixed assets had been applied from 1 January 2021, together with attributable tax effects.



The details of the business acquisition are as follows:

Acquisition price: 1.3600

<b>Fair value of consideration transferred</b>	<b>TDKK</b>	<b>TSEK</b>
Amount settled in cash	–	–
Amount settled with equity instruments	5 000	6 800
Contingent consideration	54 608	74 267
<b>Total purchase price</b>	<b>59 608</b>	<b>81 067</b>
<b>Assets and liabilities reported as a result of the acquisition (fair value)</b>		
Intangible assets - <i>Customer relations</i>	45 552	61 951
Intangible assets - <i>Technology</i>	42 126	57 291
Other fixed assets	4 775	6 494
Inventory	9 256	12 588
Accounts receivable and similar receivables	28 231	38 394
Loan	-27 576	-37 503
Short-term portion of loan	-9 060	-12 322
Deferred tax liability	-17 432	-23 708
Provisions	-17 106	-23 264
Other liabilities	-2 317	-3 151
Accounts payable and similar liabilities	-68 349	-92 955
Liquid assets	621	848
<b>Acquired identifiable net assets</b>	<b>-11 279</b>	<b>-15 339</b>
<b>Goodwill on acquisition</b>	<b>70 887</b>	<b>96 406</b>
Acquisition cost that is report as an expense in the results	838	1 140

### **Consideration transferred**

The acquisition of MBXP was settled with equity instruments of TSEK 6 800. Acquisition costs amounting to TSEK 1 140 have not been included in the consideration transferred, but have been recognised in the consolidated income statement included in the item 'Other external expenses'.

### **Goodwill**

A goodwill item of MSEK 96.4 relates primarily to expected synergies, on both the cost and sales side, MBXP's customer base, and the technology platform Paytjek.

**Note 4 Amounts reported directly in equity**

Aggregated current and deferred tax for the period, attributable to items not recognised in the income statement or other comprehensive income, but directly in equity:

	2021-07-01	2020-07-01
<b>The Group</b>	<b>2021-09-30</b>	<b>2020-09-30</b>
Deferred tax: Issue costs	3 744	-

## Financial definitions

### Return on equity

Result after tax divided by equity.

### Equity per share

Equity attributed as of the balance sheet date, divided by the number of shares at the end of the period.

### Operating result (EBIT)

Operating result before interest and taxes.

### Operating margin (EBIT margin)

Operating result EBIT divided by the net revenue.

### EBITA

Result before interest, taxes, amortisation and depreciation (incl. goodwill write-offs).

### EBITA margin

EBITA divided by the net revenue.

### Earnings per share

Result for the period after tax divided by the number of shares.

### Working capital

Current assets minus short-term liabilities.

### Equity/assets ratio

Closing equity divided by the balance sheet total.

### Profit margin

Result after tax divided by the net revenue.

## Calendar for financial information

25 February 2022 Year-end report 2021

## 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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