

Continued high growth with improved margin and results

April - June 2022

- Net revenue amounted to MSEK 193.9 (111.3), of which acquired net revenue was MSEK 60.7. MBXP is counted as comparable from 15 April, and is only included in acquired net revenue with half of April, i.e. MSEK 4.9.
- EBITA result amounted to MSEK 27.8 (14.2) and EBITA margin amounted to 14.3 (12.8) percent. EBITA per share, before and after dilution, amounted to SEK 3.34 (2.08).
- Operating result EBIT amounted to MSEK 18.5 (7.9), and EBIT margin amounted to 9.5 (7.1) percent.
- The quarter result amounted to MSEK 7.7 (2.1) and earnings per share after tax, before and after dilution, amounted to SEK 0.92 (0.31).

January – June 2022

- Net revenue amounted to MSEK 361.3 (173.6), of which acquired net revenue was MSEK 141.0.
- EBITA result amounted to MSEK 33.5 (20.9) and EBITA margin amounted to 9.3 (12.0) percent. EBITA per share, before and after dilution, amounted to SEK 4.02 (3.05).
- Operating result EBIT amounted to MSEK 15.0 (12.6), and EBIT margin amounted to 4.1 (7.3) percent.
- The result of the period amounted to MSEK -4.7 (5.3) and earnings per share after tax, before and after dilution, amounted to SEK -0.56 (0.78).

Key figures

	Quarter 2 2022	Quarter 2 2021	6 months 2022	6 months 2021	FY 2021
Net revenue, MSEK	193.9	111.3	361.3	173.6	529.3
Comparable net revenue, MSEK	133.2	111.3	220.3	173.6	344.9
Gross profit, MSEK	63.7	35.8	110.3	54.5	173.0
Gross margin, %	32.9%	32.2%	30.5%	31.4%	32.7%
EBITA, MSEK	27.8	14.2	33.5	20.9	93.2
EBITA margin, %	14.3%	12.8%	9.3%	12.0%	17.6%
Operating profit (EBIT), MSEK	18.5	7.9	15.0	12.6	63.5
EBIT margin, %	9.5%	7.1%	4.1%	7.3%	12.0%
Result for the period, MSEK	7.7	2.1	-4.7	5.3	30.5
Quick ratio, %	140.4%	120.0%	140.4%	120.0%	126.4%
Equity/assets ratio, %	49.3%	37.1%	49.3%	37.1%	43.3%
Cash flow from operating activities, MSEK	2.1	-46.8	-13.4	-33.7	48.7
EBITA per share, before dilution, SEK	3.34	2.08	4.02	3.05	12.94
EBITA per share, after dilution, SEK	3.34	2.08	4.02	3.05	12.94
Earnings per share, before dilution, SEK	0.92	0.31	-0.56	0.78	4.24
Earnings per share, after dilution, SEK	0.92	0.31	-0.56	0.78	4.24
Equity per share, before dilution, SEK	62.4	36.5	62.4	36.5	70.2
Equity per share, after dilution, SEK	62.4	36.5	62.4	36.5	70.2
Number of employees, end of period	135	79	135	79	142

¹⁾ Definition of Key figures can be found on page 24 – Financial definitions

Significant events during the second quarter

- On 4 April, it was announced that the Annual General meeting had resolved, in accordance with the Board of Directors' proposal, to introduce an incentive programme for senior executives, key individuals, and other employees, consisting of a maximum of 250,000 subscription warrants in a series 2022/2025, where each subscription warrant gives the right to subscribe for one (1) new share in Awardit, and to authorise the Board of Directors, within the framework of the current Articles of Association, on one or more occasions until the next Annual General Meeting, decide on an increase in the Company's share capital through a new issue of shares (see more details on the press release on the Company's website).

Significant events after the end of the reporting period

- No significant events to report

Awardit delivers a strong result with continued high growth

Awardit delivers a strong result for the second quarter of 2022, with continued high growth, both organically and through acquired businesses, as well as with an improved operating result.

Seasonally, the second quarter is typically a stable quarter for Awardit, as is the case for this year as well. Net revenue during the quarter increased by 74.3 percent and amounted to MSEK 193.9 (111.3). The acquired businesses MBXP, The Inspiration Company (TIC), and Prämie Direkt (PD) contributed MSEK 86.1. MBXP is counted as comparable from 15 April, and is therefore included in the organic comparison for the majority of the quarter. The organic growth for the second quarter, including MBXP from 15 April, was 19.7 percent. Growth has continued to develop positively during July, with an organic growth of approximately 23 percent.

Revenue for the second quarter has been positively affected by high revenue in existing customers' loyalty programmes, both B2B and B2C. Within B2C, SAS Eurobonus, in particular, had an unusually high revenue at the end of the quarter, which also continued into July before returning to more normal levels in August. In B2B, the migration of customers resulting from the acquisition of TIC to Awardit's technology platform has progressed according to plan and is expected to be completed by the end of the year. Typically, migrated loyalty programmes lose revenue (point redemptions) for a few months after the migration is completed as members' accounts must be reactivated. However, this should not affect the long-term business as outstanding point balances continue to rise, as we have seen in the customer cases migrated so far. TIC was taken over on 1 July 2021 and is thereby designated as organic as of the third quarter of this year. With regards to new customers in loyalty programmes, it can be mentioned that agreements have been concluded with Löffbergs, KaVo and with WAP (WeArePadel) for programmes in all of the company's markets, which will generate income from the third quarter of this year.

The Group's EBITA result for the quarter amounted to MSEK 27.8 (14.2), which means an EBITA margin of 14.3 (12.8) percent. All companies acquired in 2021 (PD, MBXP and TIC) had a positive impact on the EBITA result, with a total of MSEK 7.1. The result for the second quarter has been positively affected with MSEK 2.5 due to so-called breakage (expired values) from Supergift. The EBITA margin will continue to benefit throughout the year from breakage from volumes of Supergift that were sold last year, with the largest volumes sold in the second and fourth quarter in 2021. The result for the second quarter has been negatively affected by an estimated MSEK 1.4, due to the pricing error in connection with platform migration that was discovered and corrected at the beginning of May. Since the error was fixed, there is no impact on the result. Other events of a one-off nature that were discovered during the first quarter have had no negative impact on the results for the second quarter.

The Giftcards business area has had continued success with several newly signed customers, including Norli, Bergans and Ferner. Dormy and Lagerhaus are two customers that during the second quarter launched their gift cards on our SaaS platform. Our own Supergift gift card also continues to be a popular option on the market. However, revenues from Supergift in the quarter is 42 percent lower than the corresponding quarter last year, which is explained by the fact that no decision was made in time for the Summer with regards tax exemption for companies on gifts up to SEK 2,000, as was done during the Covid years 2020 and 2021.

Our German subsidiary Prämie Direkt (PD) increased its revenue and profitability in the second quarter, following a tough first quarter where a number of customers paused their customer loyalty activities and campaigns, with a loss of income as a result. During May and June, the revenue and profitability targets set for PD were achieved. For the second quarter, PD contributed MSEK 2.9

(EBITA) to the Group's profitability. The Company has successfully replaced cancelled campaigns with new ones, both via more campaigns with existing customers and via new customer recruitment. This means reduced dependency on the customers who cancelled campaigns during the first half of the year returning to the planned level of activity. However, tough market conditions in Germany prevail, with the impact of the Ukraine war and inflation, which means that it is still of the utmost importance to identify, sell in and implement new customer cases.

MBXP delivered a stable quarter in line with the seasonal variations of previous years, where the result is typically negatively affected in the first quarter due to a high redemption rate from Christmas sales, then normalising in the second quarter. Sales of the "International Brands" category (Apple, iTunes, etc.), which increased during the pandemic, have remained high, while packaged products such as Morebox have returned to levels approaching pre-Covid sales. During the first half of the year, sales of Paysafe have decreased in favour of our own product Paygoo, which has generated lower exhibited values, but over time gives a better margin in the business. MBXP contributed positively to the Group's quarterly profit with MSEK 3.6 (EBITA).

Despite uncertain times, Awardit stands strong. Historically, the company's business model has proven resilient to fluctuations in the economy. The arguments and driving forces for implementing loyalty programs are strengthened during bad times. However, we are, of course, also affected by external factors, such as pandemics, wars and inflation. We see, among other things, a lower demand for campaign-based programs in the German market as a consequence of the country's economic situation, something that makes it even more important to develop the business with the aim of finding new revenue streams, which we have historically succeeded well in doing. We have also worked further with our roadmap for M&A and have had interesting discussions with a number of potential acquisition objects, where we feel that there is great interest in being part of the consolidation of the market that Awardit has started. We have also resumed discussions that were temporarily paused due to external factors, which entailed a need to recalibrate valuations. During the second quarter, the management team continued its work to develop the Company's leadership, strategy, and implementation capacity. As part of this, a Group CIO has been recruited, starting at the end of August, who will be responsible for all of the Company's IT systems and platforms.

At the current pace, we have high hopes of delivering another record year in terms of results, which is our highest priority. We also see that we have good opportunities to continue to generate strong growth in the second half of the year. With the tough German market situation in mind, we still believe that we will be able to achieve 60 percent growth for the whole year with good margins. As we have chosen not to conclude any acquisitions yet this year it means that this calendar year we will not fulfill our ambition to reach BSEK 1 in turnover. However, with continued growth, healthy margins and a strong cash position, we are very well positioned to fulfill this ambition within the near future. With our existing business in good shape and improved conditions to resume paused acquisition negotiations, we are continuing our journey towards becoming the most successful company in Europe in loyalty, motivation and gift card programs.

Erik Grohman
President and CEO
Awardit AB (publ.)

Financial Overview

Net revenue

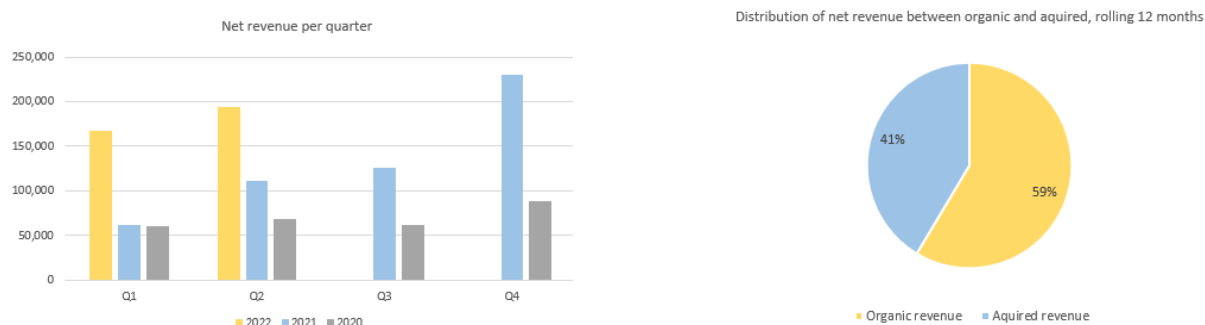
April to June

Net revenue increased by 74.3 percent and amounted to MSEK 193.9 (111.3). The acquired businesses MBXP ApS, The Inspiration Company TIC AB, and Prämie Direkt GmbH contributed MSEK 86.1. MBXP is comparable from 15 April, and is included in the comparable net revenue from that date (half of the revenue in April is considered non-comparable, which corresponds to MSEK 4.9). The comparable net revenue (excluding TIC and Prämie) amounted to MSEK 133.2, an organic increase of 19.7 percent. If MBXP is excluded, the organic increase for the quarter is 30.3 percent.

Revenue has been positively affected by high revenue in existing customers' loyalty programmes, both in B2B and B2C. SAS Eurobonus had an unusually high revenue at the end of the quarter, which was an effect of the strike that was ongoing within SAS.

Prämie Direkt increased its revenue and profitability during the second quarter, following a tough first quarter where a number of customers paused their customer loyalty activities and campaigns. The Company has successfully replaced cancelled campaigns with new ones, both via more campaigns with existing customers and via new customer recruitment.

MBXP delivered a stable result in line with previous years' seasonal variations.



January to June

Net revenue increased by 108.2 percent and amounted to MSEK 361.3 (173.6). The acquired businesses MBXP ApS, The Inspiration Company TIC AB, and Prämie Direkt GmbH contributed MSEK 166.4. MBXP is comparable from 15 April, and is included in the comparable net revenue from that date (half of the revenue in April is considered non-comparable, which corresponds to MSEK 4.9). The comparable net revenue (excluding TIC and Prämie) amounted to MSEK 220.3, an organic increase of 26.9 percent. If MBXP is excluded, the organic increase for the quarter is 34.4 per cent.

Gross result and operating result

April to June

The Group's gross margin was 32.9 (32.2) percent during the second quarter of the year, which is an improvement against the first quarter's 27.8 percent, which was negatively affected by, among other things, price errors when migrating TIC's customers to Awardit's technology platform. The gross margin for acquired businesses amounted to 30.6 percent, while the gross margin for comparable units amounted to 33.9 percent.

The EBITA result amounted to MSEK 27.8 (14.2) which corresponds to an EBIT margin of 14.3 (12.8) percent. The EBITA result for the second quarter has been negatively affected by an estimated MSEK

1.4, due to the pricing error in connection with platform migration that was discovered and corrected at the beginning of May. Since the error was fixed, there is no impact on the result.

The operating result (EBIT) amounted to MSEK 18.5 (7.9), which corresponds to an EBIT margin of 9.5 (7.1) percent. The acquired businesses (MBXP, TIC and Prämie Direkt) contributed positively to the quarter's operating result (EBIT) with MSEK 5.1.

Depreciation has increased by MSEK 3.0 compared to the corresponding quarter of the previous year, which is attributable to depreciation of excess values linked to the business acquisitions made in 2021.

Other external expenses were MSEK 15.4, compared to MSEK 6.0 for the corresponding quarter last year. The external costs have increased by MSEK 9.4, of which MSEK 2.5 refers to comparable operations and the remaining MSEK 6.9 refers to additional operations.

Personnel costs were MSEK 26.1, which corresponds to 13.5 percent of revenue, compared to MSEK 16.3 and 14.6 percent for the corresponding quarter last year. Personnel costs in Swedish kronor have increased by MSEK 9.8, of which MSEK 2.9 refers to comparable operations and the remaining MSEK 6.9 refers to additional operations. Personnel costs in Awardit CLS have increased primarily due to new recruitments, which include taking over personnel from TIC.

The operating result was also positively affected by MSEK 2.5 (0.3) in income for Supergift from so-called breakage (overdue values), the amount is included in other operating income (note 5).

January to June

The Group's gross margin was 30.5 (31.4) percent for the period, which is an improvement against the first quarter's 27.8 percent, which was negatively affected by, among other things, price errors when migrating TIC's customers to Awardit's technology platform. The gross margin for acquired businesses amounted to 26.9 percent, while the gross margin for comparable units amounted to 32.8 percent.

The EBITA result amounted to MSEK 33.5 (20.9) which means an EBITA margin of 9.3 (12.0) percent.

The operating result (EBIT) amounted to MSEK 15.0 (12.6), which corresponds to an EBIT margin of 4.1 (7.3) percent. The acquired businesses (MBXP, TIC and Prämie Direkt) contributed positively to the period's operating result (EBIT) with MSEK 0.2.

Depreciation has increased by MSEK 10.4 compared to the corresponding period last year, where MSEK 8.6 is attributable to depreciation of surplus values linked to the business acquisitions made in 2021.

Other external expenses were MSEK 36.0, compared to MSEK 8.6 for the corresponding period last year. The external expenses have increased by MSEK 27.5, of which MSEK 8.4 refers to comparable operations and the remaining MSEK 19.1 refers to additional operations. The first quarter was negatively affected by a provision for customer losses of MSEK 2.7.

Personnel costs were MSEK 48.7, which corresponds to 13.5 percent of revenue, compared to MSEK 26.5 and 15.3 percent for the corresponding period last year. Personnel costs in Swedish kronor have increased by MSEK 22.2, of which MSEK 4.1 refers to comparable operations and the remaining MSEK 18.1 refers to additional operations. Personnel costs in Awardit CLS have increased primarily due to new recruitments, which include taking over personnel from TIC.

The operating result was also positively affected by MSEK 3.0 (0.3) in income for Supergift from so-called breakage (overdue values), the amount is included in other operating income (note 5). Awardit's outstanding debt to Supergift holders was MSEK 14.8 as of the balance sheet date.

Net financial items and result for the period

April to June

Net financial items amounted to MSEK -8.2 (-5.4). Financial expenses amounted to MSEK -9.6 (-5.5), of which MSEK -4.9 (-3.4) 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 -0.8 (-1.8), 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 -4.0 (-0.2), the largest part of which is attributable to translation differences in Awardit AB. The result after financial items amounted to MSEK 10.4 (2.4). The result after tax amounted to MSEK 7.7 (2.1). Deferred tax affects the result after tax by MSEK 1.4 (1.5).

The difference between the result for the period and the comprehensive income amounted to MSEK 8.1 (-0.2) and is attributable to translation differences.

January to June

Net financial items amounted to MSEK -16.7 (-5.9). Financial expenses amounted to MSEK -18.2 (-5.9), of which MSEK -9.5 (-3.6) 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 -2.6 (-2.1), 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 (-0.2), the largest part of which is attributable to translation differences in Awardit AB. The result after financial items amounted to MSEK -1.7 (6.7). The result after tax amounted to MSEK -4.7 (5.3). Deferred tax affects the result after tax by MSEK 2.8 (1.7).

The difference between the result for the period and the comprehensive income amounted to MSEK 14.8 (-0.1) and is attributable to translation differences.

Cash flow

April to June

Cash flow from operating activities after changes in working capital amounted to MSEK 2.1 (-46.8).

Cash flow from investing activities amounted to MSEK -1.2 (-1.9), where MSEK 0.6 (2.7) refers to investments in intangible fixed assets. Cash flow from financing activities amounted to MSEK -11.8 (99.7), the majority of which relates to amortisation of acquisition credits (note 6), to be compared with the corresponding quarter of the previous year, when both an issue of shares was made and new bank loans were taken out to finance the purchase of MBXP. During the quarter, MSEK 4.2 was also received in payment for the share option programme that was adopted at the extraordinary general meeting on 4 April.

January to June

Cash flow from operating activities after changes in working capital amounted to MSEK -13.4 (-33.7).

Cash flow from investing activities amounted to MSEK -1.9 (-2.0), where MSEK 1.4 (2.9) refers to investments in intangible fixed assets. Cash flow from financing activities amounted to MSEK -27.5 (92.1), the majority of which relates to amortisation of acquisition credits (note 6), to be compared with the corresponding period last year, when both an issue of shares was made and new bank loans were taken out to finance the purchase of MBXP. In April, MSEK 4.2 was also received in payment for the share option programme that was adopted at the extraordinary general meeting on 4 April.

During 2021, a dividend totalling MSEK 7.5 was also paid to the shareholders.

Balance sheet items 30 June 2022

Cash and cash equivalents at the end of the period amounted to MSEK 199.3 (84.8). As cash has been used for ongoing operations, and no major investments have taken place during the quarter, the cash balance is still strong after the share issue that was made in the fourth quarter of 2021. The cash balance is mostly negatively affected by the period's amortisation of acquisition credits of MSEK 30.6.

Interest-bearing liabilities amounted to MSEK 244.5 (167.0). These mainly consist of bank loans and a conditional consideration for the acquisition of MBXP.

The Group's inventory value as of 30 June 2022 was MSEK 45.5 (28.5), which is MSEK 16.9 higher than at the corresponding time last year. The acquired companies (TIC and Prämie) have affected the inventory value by a total of MSEK 9.9, further increases are due to increased revenue and more customer purchases. MBXP is comparable from 15 April and is included in comparable values as of 30 June.

Equity

The Group's equity as of 30 June 2022 amounted to MSEK 519.8 (249.9), which corresponds to SEK 62.4 (36.5) per share.

Share option programme

The company will issue a maximum of 250,000 subscription warrants in a series 2022/2025. As of 30 June, 124,650 warrants have been subscribed out of 250,000. As the subscription price for the warrants is SEK 361.40, there is no dilution effect as options and subscription warrants only have a dilution effect when it would lead to an issue of ordinary shares, which it would not currently do.

Employees

The average number of employees in the Group for the quarter was 123 (74) and for the period January to June 122 (62). On 30 June 2022, the number of employees was 135 (79 as of 30 June 2021).

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 60.0 (32.3). The result before tax amounted to MSEK 8.6 (24.9). The result for 2021 was positively affected by dividends from subsidiaries with MSEK 15.0. The Parent Company's cash and cash equivalents amounted to MSEK 105.4 (66.2). Equity amounted to MSEK 498.2 (247.2). No significant investments have taken place in intangible or

tangible fixed assets. Investments in Group companies amounted to MSEK 0.0 (96.4).

The Parent Company's interest-bearing net liabilities were MSEK 131.9 at the end of the period, compared with MSEK 121.5 as of 31 December 2021. 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	1,021,550	12.3%
Consensus Asset Management AB	428,900	5.1%
Johan Hagman	330,682	4.0%
Filip Engelbert	287,653	3.5%
Jonas Nordlander	287,652	3.5%
Samir Taha (Sultanen Invest AB)	282,500	3.4%
Livförsäkringsaktiebolaget Skandia	248,600	3.0%
S Thorberg Inspiration Investment Ltd	196,331	2.4%
Claudio Simatovic (Paradidel AB)	132,211	1.6%
Total ten largest owners	5,306,079	63.7%
Other shareholders	3,029,439	36.3%
Total	8 335 518	100.0%

The above reflects the ownership structure as of 30 June 2022

Seasonal variations

Awardit's sales are partly affected by seasonal variations. The fourth quarter has historically had the highest income in all parts of the Group, as sales are positively affected by Christmas shopping. The first quarter's profitability is negatively affected by the high gift card sales of private label products in December, this is most clearly seen in MBXP, when much of what is sold in the fourth quarter is redeemed in the first quarter of the following year. The second and third quarters are to be seen as normalised operations.

Consolidated Income Statement

		2022-04-01	2021-04-01	2022-01-01	2021-01-01	2021-01-01
Amounts, TSEK	Note	2022-06-30	2021-06-30	2022-06-30	2021-06-30	2021-12-31
Net revenue	2,3,4	193,925	111,277	361,328	173,574	529,319
Capitalised work for own account		380	680	760	680	3,021
Other operating income	5	5,393	426	7,872	1,213	19,387
Total operating income		199,698	112,382	369,960	175,467	551,727
Operating expenses						
Commodities		-130,212	-75,470	-251,060	-119,067	-356,273
Other external expenses		-15,447	-6,008	-36,049	-8,594	-38,474
Personnel costs		-26,104	-16,268	-48,697	-26,510	-62,925
Depreciation and amortisation of tangible and intangible assets		-9,339	-6,358	-18,644	-8,275	-30,083
Other operating expenses		-79	-401	-539	-421	-464
Total operating expenses		-181,181	-104,505	-354,989	-162,868	-488,219
Operating result		18,517	7,876	14,971	12,599	63,508
Financial income		1,640	9	1,916	11	601
Financial expenses		-9,630	-5,458	-18,232	-5,917	-23,700
Result from interests in Group and associated companies		-173	-	-394	37	-236
Result from financial items		-8,163	-5,449	-16,710	-5,869	-23,336
Result before tax		10,354	2,428	-1,739	6,730	40,172
Tax		-2,653	-318	-2,964	-1,459	-9,667
Result for the period		7,701	2,109	-4,703	5,270	30,506
Attributable to:						
The Parent Company's shareholders		7,701	2,109	-4,703	5,270	30,506
Stock data						
Earnings per share before dilution, SEK ¹		0.92	0.31	-0.56	0.78	4.24
Earnings per share after dilution, SEK ¹		0.92	0.31	-0.56	0.78	4.24
Outstanding shares at the end of the period		8,335,518	7,377,611	8,335,518	7,377,611	8,335,518
Average number of shares during the period		8,335,518	6,841,622	8,335,518	6,781,090	7,199,059

¹ Based on the average number of shares during the period

Consolidated Report of Comprehensive Income

	2022-04-01	2021-04-01	2022-01-01	2021-01-01	2021-01-01
Amounts, TSEK	2022-06-30	2021-06-30	2022-06-30	2021-06-30	2021-12-31
Result for the period	7,701	2,109	-4,703	5,270	30,506
Other total result:					
Translation differences	8,050	-220	14,783	-89	1,401
Comprehensive income for the period	15,751	1,889	10,080	5,182	31,907
Attributable to:					
The Parent Company's shareholders	15,751	1,889	10,080	5,182	31,907

Consolidated Report of Net Financial Items

	2022-04-01	2021-04-01	2022-01-01	2021-01-01	2021-01-01
Amounts, TSEK	2022-06-30	2021-06-30	2022-06-30	2021-06-30	2021-12-31
Exchange rate gains	1,638	-	1,914	-	592
Interest income	2	9	2	11	9
Total financial income	1,640	9	1,916	11	601
Interest expenses	-713	-1,779	-2,524	-2,032	-4,868
Interest expenses, right-of-use assets	-53	-31	-116	-40	-125
Discount, seller reversal	-209	-199	-415	-395	-800
Discount, contingent consideration	-4,682	-3,209	-9,086	-3,209	-11,551
Exchange rate loss	-3,972	-241	-6,090	-241	-6,139
Other financial expenses	-	-	-	-	-217
Total financial expenses	-9,630	-5,458	-18,232	-5,917	-23,700
Result from interests in Group and associated companies	-173	-	-394	37	-236
Total net financial items	-8,163	-5,449	-16,710	-5,869	-23,336

Consolidated Balance Sheet

Amounts, TSEK	Not	2022-06-30	2021-06-30	2021-12-31
Assets				
Fixed assets				
Goodwill		368,761	234,197	360,604
Customer relations		124,510	88,790	129,905
Platform		67,835	65,786	71,470
Brand		44,170	-	42,210
Other intangible assets		-	10	-
Equipment, tools and fittings		383	510	510
Right-of-use assets		6,599	5,060	7,764
Interests in associated companies		8,498	169	6,081
Deferred tax assets		445	762	47
Total fixed assets		621,201	395,284	618,591
Current assets				
Inventory		45,469	28,539	52,664
Advances to suppliers		4,587	8,042	223
Accounts receivable		132,545	128,459	181,414
Current tax receivable		5,018	1,310	10,742
Other receivables		37,603	21,791	56,002
Prepaid expenses and accrued income		8,572	5,691	8,619
Cash and cash equivalents		199,291	84,779	240,221
Total current assets		433,085	278,611	549,885
TOTAL ASSETS		1,054,286	673,895	1,168,476

Consolidated Balance Sheet (cont.)

Amounts, TSEK		2022-06-30	2021-06-30	2021-12-31
EQUITY				
Equity that can be attributed to the Parent Company's owners				
Share capital		834	738	834
Other contributed capital		434,448	205,560	434,448
Translation differences		15,784	-490	1,000
Earned result, including result for the year		68,724	44,077	69,313
Total Equity		519,790	249,885	505,595
LIABILITIES				
Long-term liabilities				
Borrowing from credit institutions	6	78,534	34,384	104,175
Liabilities relating to right-of-use assets		4,641	3,576	5,565
Other long-term liabilities	7	101,756	126,030	87,381
Deferred tax liabilities		56,293	29,172	56,749
Other provisions		17,260	22,514	15,731
Total long-term liabilities		258,484	215,677	269,601
Short-term liabilities				
Borrowing from credit institutions		39,501	9,754	43,049
Liabilities relating to right-of-use assets		2,824	1,690	2,944
Advances from customers		15,186	21,659	27,406
Accounts payable		136,100	139,227	192,237
Current tax liabilities		8,039	1,575	11,528
Other liabilities		31,029	10,691	34,284
Accrued expenses and prepaid income		43,333	23,738	81,832
Total short-term liabilities		276,012	208,332	393,280
TOTAL LIABILITIES AND EQUITY		1,054,286	673,895	1,168,476

Consolidated Cash Flow Statement

		2022-04-01	2021-04-01	2022-01-01	2021-01-01	2021-01-01
Amounts, TSEK	Not	2022-06-30	2021-06-30	2022-06-30	2021-06-30	2021-12-31
Cash flow from operating activities						
Operating result		18,517	7,876	14,971	12,599	63,508
Adjustment for non-cash items						
- Reversal of depreciations		9,339	6,358	18,644	8,274	30,083
- Other items not affecting cash		-3,293	-183	-1,801	-52	2,246
Interest received		-	9	-	11	9
Interest paid		-714	-2,050	-2,525	-2,313	-5,084
Paid tax		-2,986	-2,186	-3,516	-4,113	-16,750
Cash flow from operating activities before changes in working capital		20,863	9,823	25,773	14,406	74,012
Changes in working capital						
Increase/decrease in inventory and work in progress		328	-10,682	3,787	-6,709	-11,104
Increase/decrease in other current receivables		-47,731	-76,093	71,836	-38,323	9,566
Increase/decrease in other short-term liabilities		28,617	30,175	-114,763	-3,029	-23,784
Total change in working capital		-18,786	-56,601	-39,140	-48,061	-25,322
Total cash from operating activities		2,077	-46,778	-13,367	-33,655	48,690
Cash flow from investing activities						
Investment in intangible fixed assets		-638	-2,745	-1,360	-2,870	-6,087
Investments in business acquisition		-	844	-	844	-165,042
Investments in financial assets		-502	-	-502	-	170
Divestment of subsidiaries		-10	-	-10	37	-
Total cash flow from investing activities		-1,150	-1,900	-1,872	-1,988	-170,959
Cash flow from financing activities						
Issue of shares		-	90,000	-	90,000	281,806
Share issue costs		-	-3,600	-	-3,600	-11,767
Stock options		4,115	-	4,115	-	-
Amortisation of liabilities		-15,877	-9,828	-31,614	-13,624	-37,462
Borrowings	6	-	26,880	-	26,865	112,500
Paid dividend		-	-3,764	-	-7,527	-11,291
Total Cash flow from financing activities		-11,762	99,688	-27,499	92,114	333,786
Change in cash and cash equivalents		-10,835	51,010	-42,738	56,471	211,517
Cash and cash equivalents at start of period		209,283	33,769	240,221	28,308	28,308
Exchange rate difference in cash and cash equivalents		843	-	1,808	-	396
Cash and cash equivalents at end of period		199,291	84,779	199,291	84,779	240,221

Consolidated Statement of Changes in Equity, summary

Amounts, TSEK	2022-06-30	2021-03-31	2021-12-31
Equity at the beginning of the period	505,595	151,504	151,504
Non-cash issue	-	6,800	52,145
Stock options	4,115	-	-
New share issue	-	90,000	281,806
Share issue costs	-	-3,600	-11,767
Comprehensive income for the period	10,080	5,182	31,907
Equity at the end of the period	519,790	249,885	505,595
Equity attributable to:			
The Parent Company's shareholders	519,790	249,885	505,595
Number of outstanding shares at the beginning of the period	8,335,518	6,720,559	6,720,559
New share issue	-	64,947	330,420
Non-cash issue	-	592,105	1,284,539
Number of outstanding shares at the end of the period	8,335,518	7,377,611	8,335,518

Parent Company Income Statement

	2022-04-01	2021-04-01	2022-01-01	2021-01-01	2021-01-01
Amounts, TSEK	2022-06-30	2021-06-30	2022-06-30	2021-06-30	2021-12-31
<i>Operating income</i>					
Net revenue	37,931	19,097	60,042	32,311	75,686
Other operating income	244	44	312	87	267
Total operating income	38,175	19,141	60,354	32,398	75,953
<i>Operating expenses</i>					
Commodities	-22,109	-9,598	-35,650	-16,429	-39,648
Other external expenses	-6,347	-2,542	-11,082	-4,640	-10,989
Personnel costs	-200	-201	-323	-205	-553
Depreciation and amortisation of tangible and intangible assets	-263	-258	-523	-515	-1,030
Other operating expenses	-4	-142	-110	-152	-21
Total operating expenses	-28,924	-12,742	-47,688	-21,942	-52,243
Operating result	9,251	6,399	12,666	10,456	23,710
Result from interests in Group companies	-	15,000	-	15,000	15,000
Other interest income and similar items	2,059	-	2,822	-	1,386
Interests expenses and similar result items	-4,816	-348	-6,866	-570	-3,442
Result from financial items	-2,757	14,652	-4,044	14,430	12,945
Result before tax	6,494	21,051	8,622	24,886	36,655
Tax	-1,300	-1,297	-1,781	-2,088	-2,076
Result for the period	5,194	19,753	6,841	22,798	34,579

Parent Company Balance Sheet

Amounts, TSEK	Not	2022-06-30	2021-06-30	2021-12-31
ASSETS				
Fixed assets				
Intangible assets				
Capitalised development expenditure		5,409	5,830	5,584
Total intangible assets		5,409	5,830	5,584
Financial fixed assets				
Interests in Group companies	10	561,851	280,367	561,800
Receivables from Group companies		27,389	25,843	26,193
Deferred tax asset		-	742	-
Total financial fixed assets		589,240	306,951	587,993
Total fixed assets		594,649	312,781	593,577
Current assets				
Current receivables				
Accounts receivables		29,878	13,325	21,998
Receivables from Group companies		29,226	8,161	14,144
Tax receivables		2,443	-	1,796
Other receivables		10	13	1,339
Prepaid expenses and accrued income		4,451	2,032	3,561
Total current receivables		66,008	23,531	42,838
Cash and cash equivalents		105,352	66,230	132,982
Total current assets		171,360	89,761	175,820
TOTAL ASSETS		766,009	402,542	769,397

Parent Company Balance Sheet (cont.)

Amounts, TSEK	2022-06-30	2021-06-30	2021-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted Equity			
Share capital	834	738	834
Fund for development expenditure	1,450	1,372	1,375
Total restricted Equity	2,284	2,109	2,209
Unrestricted Equity			
Premium fund	427,094	198,205	427,094
Retained earnings	61,959	23,345	23,341
Result for the year	6,841	23,575	34,579
Total unrestricted Equity	495,894	245,125	485,014
Total Equity	498,178	247,234	487,223
Long-term liabilities			
Liabilities to credit institutions	59,110	34,384	78,002
Other long-term liabilities	121,186	91,766	115,897
Total long-term liabilities	180,296	126,151	193,899
Short-term liabilities			
Liabilities to credit institutions	39,501	9,754	43,049
Advances from customers	410	150	304
Accounts payable	5,546	2,756	8,915
Liabilities to Group companies	15,230	8,900	10,000
Current tax liabilities	-	373	-
Other liabilities	19,365	4,960	19,276
Accrued expenses and prepaid income	7,483	2,265	6,731
Total short-term liabilities	87,535	29,157	88,275
TOTAL LIABILITIES AND EQUITY	766,009	402,542	769,397

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 2021, published on the website, note 2.21.

The accounting principles are unchanged since the Annual Report 2021, 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 2021, 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 market

	2022-04-01	2021-04-01	2022-01-01	2021-01-01	2021-01-01
Amounts, TSEK	2022-06-30	2021-06-30	2022-06-30	2021-06-30	2021-12-31
Sweden	108,517	80,713	196,309	133,468	380,413
Norway	17,232	11,961	31,392	17,852	52,807
Denmark	12,917	13,952	25,982	16,396	52,440
Finland	6,328	3,725	11,538	4,237	15,433
Germany	48,417	391	94,641	657	25,764
Other EU countries	431	259	1,282	314	1,621
Other countries	83	276	185	649	840
Total	193,925	111,277	361,328	173,574	529,319

Note 3 Net revenue divided into goods and services

	2022-04-01	2021-04-01	2022-01-01	2021-01-01	2021-01-01
Amounts, TSEK	2022-06-30	2021-06-30	2022-06-30	2021-06-30	2021-12-31
Sale of goods	141,380	66,932	260,604	116,079	386,288
Sales of services	52,545	44,344	100,724	57,494	143,031
Total	193,925	111,277	361,328	173,574	529,319

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	Q2, 2022		Q2, 2021		2022	2021	2022	2021
	B2B	B2C	B2B	B2C	Elimination	Elimination	Total	Total
Net revenue	250,933	110,395	90,651	82,923			361,328	173,574
Transactions between segment ¹	2,351	43,873	344	33,607	-46,223	-33,951	-	-
Total revenue	253,284	154,268	90,995	116,530	-46,223	-33,951	361,328	173,574
EBITA	28,342	5,133	20,504	347	-	-	33,475	20,851
EBITA-margin, %	11.3%	4.6%	27.0%	0.4%	-	-	9.3%	12.0%
Operating result	11,951	3,020	15,145	-2,546	-	-	14,971	12,599
Operating margin, %	4.8%	2.7%	19.9%	-2.6%	-	-	4.1%	7.3%

¹The distribution of transactions between segments has been rearranged, as this entry previously showed all B2B transactions as Internal, regardless of whether they were B2B or B2C, but now shows the real transactions that took place between the segments i.e from Awardit CLS and Sponsorhuset (B2C) to other subsidiaries (B2B) and vice versa.

Note 5 Other operating Income

Group	2022-04-01	2021-04-01	2022-01-01	2021-01-01	2021-01-01
Amounts, TSEK	2022-06-30	2021-06-30	2022-06-30	2021-06-30	2021-12-31
Translation differences	434	-290	887	117	375
Recovered customer losses	-	-	-	10	10
Rental income	148	188	282	358	680
Government grant	268	206	574	403	9,821
Invoiced administration, service and handling fees	93	-	968	-	1,369
Marketing contribution	1,589	-	1,790	-	1,044
Breakage (expired values)	2,491	308	2,986	308	4,448
Other	370	14	384	17	1,641
Total other operating income	5,393	426	7,872	1,213	19,387

Note 6 Long-term borrowing from credit institutions

Amounts, TSEK	Due date	2022-06-30	2021-06-30	2021-12-31
Swedbank	2022-12-31	-	8,438	1,688
Swedbank	2022-12-31	-	322	64
Swedbank	2022-06-30	-	1,875	-
Swedbank	2023-08-30	1,210	5,000	2,500
Swedbank	2024-04-30	7,483	18,750	11,250
Swedbank	2024-06-30	6,667	-	10,000
Swedbank	2025-10-30	43,750	-	52,500
Danske Bank - MBXP	2023	5,655	-	8,168
Danske Bank - MBXP	2023	1,854	-	2,710
Vækstfonden - MBXP	2024	3,478	-	4,566
Vækstfonden - MBXP	2024	8,438	-	10,729
Total		78,534	34,384	104,175

During 2021, 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

Group Amounts, TSEK	2022-06-30	2021-06-30	2021-12-31
Seller reversal Awardit CLS	-	16,398	-
Conditional consideration MBXP	101,756	43,172	87,381
Borrowings from credit institutions MBXP ¹	-	64,760	-
Other	-	1,701	-
Total	101,756	126,030	87,381

¹ Bank loan for MBXP which ended up as other long-term liability in Q2, has been reclassified to borrowing from a credit institution in quarter 3 2021

Parent Company Amounts, TSEK	2022-06-30	2021-06-30	2021-12-31
Seller reversal Awardit CLS	-	17,500	-
Conditional consideration MBXP	121,186	74,266	115,897
Total	121,186	91,766	115,897

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 19-20 and pages 42-45 in the Annual Report for 2021. No significant changes have taken place that affect the reported risks.

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 Share In subsidiaries

Parent Company	2022-06-30	2021-06-30	2021-12-31
Opening acquisition value	561,800	189,720	189,720
Investment	51,058	90,647	372,080
Closing acquisition value	561,851	280,367	561,800

Name	Corporate identity no.	Residence	Capital Share	No of shares	Booked amount	
					2022-06-30	2021-06-30
Rewardit AB	556942-7296	Stockholm, Sweden	100%	7,031	3,110	3,110
Sponsorhuset AB	556831-3109	Göteborg, Sweden	100%	111,296	12,185	12,185
- Zappa Events AB	556666-3711	Göteborg, Sweden	99.1%	1,140,000	-	-
Awardit Motivation Service AB	556193-9298	Stockholm, Sweden	100%	4,000	12,140	12,140
Awardit CLS AB	556578-1571	Göteborg, Sweden	100%	333,757	107,426	107,426
- Crossroads Loyalty Solutions AS	984825846	Notodden, Norway	100%	1,000	-	-
- Crossroads Loyalty Solutions ApS	28988710	Fredriksberg, Denmark	100%	1,000	-	-
- Crossroads Loyalty Solutions Oy	2902604-4	Helsinki, Finland	100%	250	-	-
Retain 24 Sverige AB	556635-5516	Stockholm, Sweden	100%	100,000	41,652	41,652
Market2member AB	556743-0169	Stockholm, Sweden	100%	130,534	13,456	13,456
MBXP ApS	34480389	Copenhagen, Denmark	100%	107,000	130,464	90,397
- Convenient Card AB	556708-0311	Stockholm, Sweden	100%	2,000	-	-
- MBXP Finland ApS (branch)	34480389	Copenhagen, Denmark	100%	0	-	-
- MBXP Norge AS	912557421	Oslo, Norway	100%	1	-	-
- MBXP Sweden AB	556987-9728	Malmö, Sweden	100%	500	-	-
- MBXP Sweden 1 AB	559154-7830	Stockholm, Sweden	100%	50,000	-	-
- Paygoo AB	556885-7576	Stockholm, Sweden	100%	197,768	-	-
- Paygoo AS	916390424	Oslo, Norway	100%	1,000	-	-
The Inspiration Company TIC AB	556580-0561	Stockholm, Sweden	100%	1,000	60,282	-
Prämie Direkt GmbH	HRB 4715 PI	Elmshorn, Germany	100%	1	181,136	-
Closing balance					561,851	280,367

Note 11 Significant events after the end of the reporting period

- No significant events to report

Key figures - quarterly

	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net revenue, MSEK ¹	193.9	167.4	229.5	126.2	111.3	62.3	88.4	61.6
Gross profit, MSEK	63.7	46.6	79.3	39.2	35.8	18.7	27.2	17.2
Gross margin, %	32.9%	27.8%	34.5%	31.1%	32.2%	30.0%	30.8%	28.0%
EBITA, MSEK	27.8	5.7	57.2	15.1	14.2	6.6	14.5	7.7
EBITA-margin, %	14.3%	3.4%	24.9%	12.0%	12.8%	10.7%	16.4%	12.5%
Result for the period, MSEK	7.7	-12.4	23.6	1.7	2.1	3.2	9.2	4.3
Cash flow from operating activities, MSEK	2.1	-15.4	56.0	26.4	-46.8	13.1	3.2	17.3
Quick ratio, %	140%	144%	126%	121%	120%	106%	97%	133%
Equity, MSEK	519.8	499.9	505.6	282.2	249.9	154.8	151.5	154.1
Equity/assets ratio, %	49.3%	49.5%	43.3%	41.0%	37.1%	58.2%	49.7%	56.0%
Number of employees at the end of the period	135	135	142	99	79	55	50	50
Stock data								
EBITA per share, before and after dilution, SEK	3.34	0.68	7.35	2.03	2.08	0.99	2.08	1.15
Earnings per share, before and after dilution, SEK	0.92	-1.49	3.02	0.23	0.31	0.47	1.37	0.65
Cash flow from operating activities per share, SEK	0.2	-1.9	7.2	3.5	-6.8	2.0	0.5	2.6
Equity per share, SEK	62.4	60.0	70.2	37.9	36.5	23.0	36.5	23.1
Average number of shares during the period, thousands	8,336	8,336	7,788	7,447	6,842	6,721	6,682	6,679
Number of shares end of period, thousands	8,336	8,336	8,336	7,578	7,378	6,721	6,721	6,679

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

Financial definitions

Key figures	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.
Average number of employees	Average number of employees during the period, taking into account actual time worked.	Shows how many employees, on average, worked within the Group during the period.

Upcoming reports 2022/2023

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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