

Continued growth for the core business. The result affected by an eventful year for MBXP

October - December 2023

- Net revenue increased with 45.1 percent to MSEK 428.1 (295.0), of which -0.7 percent organic.
- EBITA result amounted to MSEK 47.2 (31.9) and EBITA margin amounted to 11.0 (10.8) percent.
- EBITA per share, before and after dilution, amounted to SEK 5.44 (3.82).
- Operating result EBIT amounted to MSEK -101.0 (19.6), and EBIT margin amounted to -23.6 (6.6) percent.
- The result for the quarter amounted to MSEK 24.7 (1.0) and earnings per share after tax, before and after dilution amounted to SEK 2.85 (0.12).
- The Board of Directors proposes that SEK 2.30 (2.25) per share be paid in dividends for the financial year 2023.

+45.1%

Growth net sales
Q4 2023 compared to Q4 2022

+48.1%

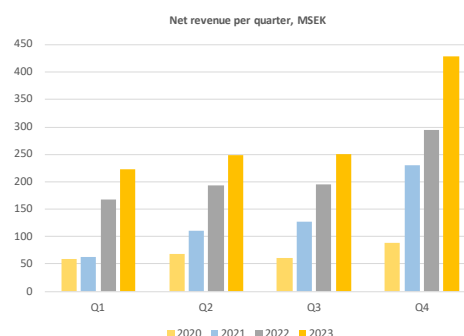
Growth EBITA-result
Q4 2023 compared to Q4 2022

11.0%

EBITA margin Q4 2023

Summary of significant events after the end of the reporting period

- On 17 January, an extraordinary general meeting was held where Simon Damkjær Wille was elected as a board member until the next ordinary annual general meeting, and it was decided to adopt instructions for appointment to the nomination committee.
- The Danish tax authority began a VAT investigation in MBXP in 2022, where a partial decision was obtained in February. This means an estimated provision of MSEK 6.7 compared to the previous assessment of MSEK 33.3.



Key figures

	Quarter 4 2023	Quarter 4 2022 ³	Full Year 2023	Full Year 2022 ³
Net revenue, MSEK	428.1	295.0	1 147.4	852.3
Gross margin, %	36.2%	26.6%	33.6%	28.6%
Adjusted EBITA, MSEK ¹	50.3	31.9	84.0	85.5
Adjusted EBITA-margin, %	11.8%	10.8%	7.3%	10.0%
EBITA, MSEK	47.2	31.9	76.2	85.5
EBITA margin, %	11.0%	10.8%	6.6%	10.0%
Operating profit (EBIT), MSEK	-101.0	19.6	-104.8	45.2
EBIT margin, %	-23.6%	6.6%	-9.1%	5.3%
Quick ratio, %	133.0%	97.1%	126.1%	97.1%
Equity/assets ratio, %	36.8%	40.3%	36.8%	40.3%
Cash flow from operating activities, MSEK	16.1	62.0	32.3	82.4
EBITA per share, before and after dilution, SEK	5.45	3.82	8.83	10.25
Number of employees, end of period	280	143	280	143

¹ Adjusted EBITA is excluding acquisition costs

² The Group has MSEK 160 in unused credit space within the revolving credit facility with Nordea

³ Comparable numbers for 2022 have been adjusted and includes correction of errors MBXP (see note 6)

Awardit delivers a stable result in the core business after an eventful year

Ending an eventful year, we delivered a stable result for our core business during the fourth quarter, and thus for the year as a whole.

During the year, Connex in Austria and IPO in Germany were acquired, which significantly strengthened the company's position in DACH. A consolidation of these acquisitions in combination with organic growth and a fundamentally profitable business place us in a strong position to continue our journey with the aim of becoming the leading player in Europe. In terms of turnover and profits, we are well positioned for being able to achieve significantly higher levels in the future and for 2024 to be our best year ever.

The year has also been affected by turbulence in the subsidiary MBXP, where an internal audit has shown that a number of serious errors in the company's accounting have been committed for the period 2021-2023 under the previous management. As a consequence of this internal audit, several measures have been taken, where, among other things, the reserved expected additional purchase price has been dissolved in its entirety and goodwill attributable to the acquisition of MBXP has been written down to SEK 0 million (see note 6).

Net sales during the fourth quarter amounted to SEK 428.1 (295.0) million, which means a sales increase of 45.1 percent. The comparable net sales for the quarter amounted to SEK 292.8 (295.0) million, which means an organic decrease of 0.7 percent. The year-on-year comparison turnover is negatively affected by a sale of a seldom recurring character during last year's fourth quarter of SEK 16.8 million. Adjusted for this, organic growth for the fourth quarter was 5.3 percent and growth for Awardit's core business (ie excl. MBXP, PD, IPO, Connex) was 12.8 percent (1.4 percent before adjustment for non-recurring sales). For the full year, turnover increased by 34.6 percent to SEK 1,147.4 (852.3) million, where acquired turnover during the year amounted to SEK 251.7 million (Connex from 1 February and IPO from 1 November). The comparable net sales amounted to SEK 895.7 (852.3) million, which means an organic increase of 5.1 percent. The current year has begun with organic sales growth in January of 2 percent.

The EBITA result for the fourth quarter was SEK 47.2 (31.9) million, which is an increase by 48.2 percent compared to the previous year. The year's EBITA result is negatively affected by corrections in MBXP of errors in previous periods of SEK 3.0 million. Notification has been received from the Danish tax authority related to the ongoing tax case, where a reservation of SEK 33.3 million was previously included. After revaluation of the risk, the provisioned amount has been adjusted down to SEK 6.7 million. The EBITA result is also affected by a reservation made of SEK 4.0 million due to Awardit losing a dispute with Goyada's bankruptcy estate in the Court of Appeal, concerning recovery in bankruptcy, which was previously won in the District court. The verdict will be appealed to the Supreme Court. The acquisition cost for IPO amounts to SEK 3.2 million. A reservation for expected credit loss (MBXP) of SEK 5.7 million. Adjusted for these extraordinary items, the adjusted EBITA result for the fourth quarter of the year is SEK 62.9 million. For the full year, EBITA amounted to SEK 76.2 (85.5) million, of which measures carried out in MBXP contribute negatively by approximately SEK 3 million. The EBITA margin amounted to 6.6 (10.0) percent.

Connex, one of the leading loyalty and gift card companies in Austria and the DACH region, was acquired by Awardit on 1 February 2023. On 1 November our latest acquisition was made, IPO, which is one of the leading loyalty companies in rewards management on the German market. Through the

acquisitions of Connex and the IPO, a turnover of approx. SEK 408.6 million and an EBITA of approx. SEK 27.5 million are added to the group, based on the financial year 22/23. We see that both Connex and IPO complement our previous operations in DACH very well. Through the acquisitions, Awardit has established itself as a leading player with a proforma turnover of approx. SEK 597 million in the region. During the year, our German subsidiary Prämie Direkt was affected by continued challenging market conditions in the German market and during the fourth quarter of the year had a negative volume development compared to the previous year. We see potential for further synergy gains within the framework of our business in DACH and are in an excellent position to continue to consolidate these markets, as well as turn Prämie Direkt back into growth. Through Connex, we also have a growing business in many CEE countries (e.g. Poland, Czech Republic, Slovakia, Hungary) and the UK, which can form a bridgehead for further growth of the group.

Awardit's Nordic loyalty business has had continued growth, both in B2B and B2C, during the year. The growth comes primarily from a positive development in existing programs, where many customers, despite a challenging market situation and in some cases declining sales in general, still continue to grow their business with us. This shows the strength and resilience against tougher times in our core business. The margin in the loyalty programs remains good, with some negative impact from increased sales of Zupergift, which is reported as part of the loyalty business and makes a positive contribution in absolute terms but has a diluting effect on the average margin.

The gift card business through Retain24 has shown good growth, increased profitability, and has launched more than ten new customers during the year. Zupergift has successfully maintained its position as a leading gift card on the Nordic market. During the year, the sales value for Zupergift amounted to approximately SEK 76 (97) million of which SEK 40 (43) million in the fourth quarter and the positive profit effect from breakage (due values) to SEK 9.9 (4.4) million of which SEK 5.5 (3.7) million during the fourth quarter.

A review has been made of possible synergies and cost savings within Awardit, where SEK 15-20 million of savings on a full-year basis will be realized during the year in order to balance the cost increases that the company's expansive agenda entails in combination with prevailing inflation. The savings will be achieved primarily through synergies in DACH, but also through the centralization of certain administrative roles, as well as streamlining existing staffing.

Through our leading position in both the Nordics and DACH, we have good opportunities for continued good organic growth, to achieve coordination gains and to strengthen our margins over time. We also see good potential in further complementary acquisitions, both in current and potentially new markets. With a cash position of over SEK 287 million at the end of the year, we are well equipped for our continued journey towards becoming the leading player in Europe within full-scale loyalty, incentive and gift card solutions.

I would like to extend a big thank you to all employees for their fantastic commitment in 2023. I look forward to continuing on our journey together.

Erik Grohman
President & CEO
Awardit AB (publ)

Significant events

During the fourth quarter

- On 26 October, a share transfer agreement was signed between Awardit AB (publ) and the owner of the leading German loyalty company, IPO PrämienServices GmbH ("IPO") through which Awardit has acquired 100 percent of the shares in IPO. The purchase price amounted to SEK 92.4 million (EUR 7.8m), on a debt- and cash-free basis, and will be paid in cash as of the point of accession, on 31 October (see further note 4)
- On 7 December, Polaris Private Equity fund V through Fayes Investeringar 1 AB acquired Visionals shareholding of 2,088,272 shares (24.1%) and became the largest owner in Awardit.
- In the internal audit it in MBXP, that was finalized on 18 December, there has been discovered, among other things, incorrect accrual of income and costs between 2022 and 2023, incorrectly handled customer and supplier invoices, payment to a partner that was made outside the company's books and that parts of the granted covid support were received on incorrect grounds and will likely have to be repaid. The intern audit as initiated due to the poor profitability of MBXP during the first half of the year and shows that a number of serious errors int the company's accounting for the period 2021-2023 have been committed under the previous management. As a consequence of the internal audit, Awardit has decided to dissolve the previously reserved expected additional purchase price and write down the group's goodwill attributable to MBXP in its entirety. The board has also decided to write down other intangible fixed assets attributable to technology and customer relations by approximately SEK 20 million (including deferred tax) (see further note 6).

After the end of the reporting period

- On 17 January, an extraordinary general meeting was held where Simon Damkjær Wille was elected as a board member until the next ordinary annual general meeting, and it was decided to adopt instructions for appointment to the nomination committee.
- The Danish tax authority began a VAT investigation in MBXP in 2022, where a partial decision was obtained in February. This means an estimated provision of MSEK 6.7 compared to the previous assessment of MSEK 33.3.

Financial calendar 2024/2025

24 April 2024	Publication of Annual report 2023
7 May 2024	Interim report January - March 2024
16 May 2024	Annual general meeting
13 August 2024	Interim report April - June 2024
5 November 2024	Interim report July - September 2024
20 February 2025	Year-end report 2024

Financial Overview

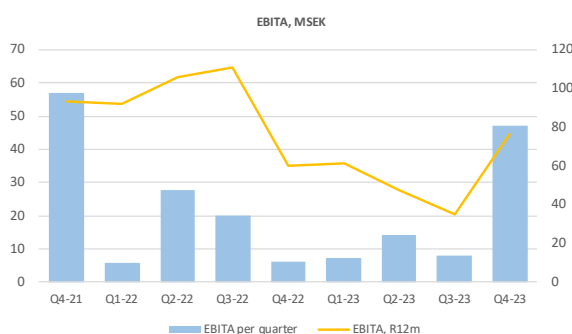
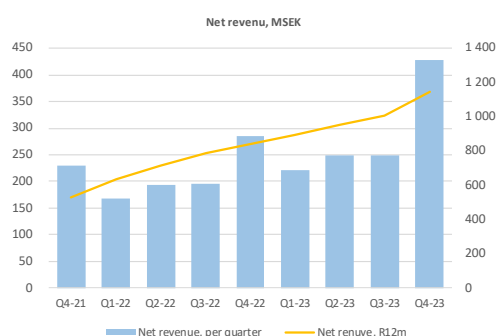
Net revenue

October to December

Net revenue amounted to MSEK 428.1 (295.0), an increase by 45.1 percent. Organic growth amounted to -0.7 percent. Last year, the Swedish business had a positive effect of a one-off deal of MSEK 16.8. A similar deal has not been made during 2023. Adjusted for this deal, the revenue increase would be 5.3 percent. The currency-adjusted organic growth amounted to -2.7 percent. Connex was acquired on 1 February and IPO was acquired on 1 November. They contributed MSEK 135.3 to revenue for the quarter.

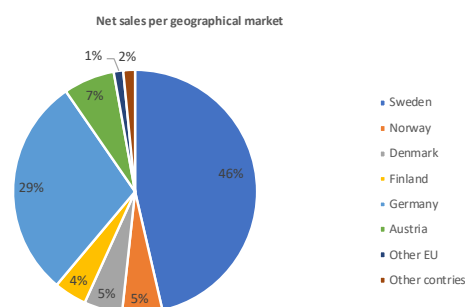
In terms of net revenue, the Swedish loyalty business is on par with last year, despite the business of a rarely recurring nature, while Prämie Direkt is lagging. The loyalty business area has also lost two customers since previous year, which affects the net revenue negatively for the quarter. Our major customers in both B2B and B2C showed continued good growth.

Within the Giftcard business area, we are experiencing continued positive development of new customers on our SaaS platform, as well as increased sales through new channels within our Swedish Giftcard business.



January to December

Net revenue amounted to MSEK 1,147.4 (852.3), an increase by 34.6 percent. Organic growth amounted to 5.1 percent. The currency-adjusted organic growth amounted to 2.0 percent. Connex was acquired on 1 February and IPO was acquired on 1 November. They contributed MSEK 251.7 to revenue for the period.



Gross result and operating result (EBIT)

October to December

Gross margin amounted to 36.2 (26.6) percent. The increase in gross margin is mainly attributable to Connex, which has a higher margin in its business than other companies in the Group. Comparable gross margin amounted to 32.0 percent. Increase sales in programs and parts of the business with a lower margin, e.g. Zupergift, have a certain diluting effect on the margin.

Other external expenses have increased by MSEK 24.1 compared to the corresponding quarter last year, of which MSEK 12.8 is attributable to acquired businesses. The comparison with the previous year is affected by the fact that we have increased the costs for the previous year by MSEK 14.5 in MBXP, linked to the correction of errors that were identified in the internal audit that was carried out (see note 6). Other external expenses are affected negative of a provision for a potential incorrect VAT handling in MBXP of MSEK 6.7, MSEK 3.2, attributable to the acquisition of IPO, MSEK 4.0, in the provision of loss in Court of appeal regarding a legal dispute against Goyada's bankruptcy estate which was previously won in the District court and the reservation for expected credit losses in MBXP of MSEK 5.7. Other factors that have an impact includes higher consulting costs within the Swedish operations and higher sales costs within the German operations.

Personnel costs have increased by MSEK 23.8 compared to the corresponding quarter last year, of which the full increase is attributable to acquired businesses. Comparable personnel costs are on par with the corresponding quarter of the previous year. The total personnel cost corresponds to 12.4 percent of revenue, compared to 9.9 percent for the corresponding quarter last year.

Write-downs and depreciations have increased by MSEK 140.3 compared to the corresponding quarter last year, of which MSEK 111.8 refers to impairment of goodwill and MSEK 24.9 refers to impairment of customer relations and capitalised development costs linked to the acquisition of MBXP, which is in line with what was communicated during December. The remaining increase comes mainly from acquired business and is mainly linked to surplus values.

The EBITA result amounted to MSEK 47.2 (31.9), meaning an EBITA margin of 11.0 (10.8) percent. The EBITA result is negatively affected primarily by adjustments linked to the outcome of the internal audit report of MBXP where the adjustments have been booked during December, as well as what has been described above under other external costs. Cleared for these non-recurring items and other operating items, the EBITA-result would have amounted to MSEK 62.9. Connex and IPO contributed positively to the quarters EBITA-result with MSEK 23.4. Organic EBITA-result amounted to MSEK 23.1 and cleared for the non-recurring items and other operating-disturbing items; the organic EBITA-result would have amounted to MSEK 39.6.

The operating result (EBIT) amounted to MSEK -100.9 (19.6), which corresponds to an EBIT margin of -23.6 (6.6) percent.

January to December

Gross margin amounted to 33.6 (28.6) percent. The increase in gross margin is mainly attributable to Connex, which has a higher margin in its business than other companies in the Group. Comparable gross margin amounted to 28.8 percent. The gross margin is also diluted by increased sales in programmes and parts of the business with a lower margin, e.g., Zupergift.

Other external expenses have increased by MSEK 48.2 compared to the corresponding period last year, of which MSEK 27.3 is attributable to acquired businesses. The comparison with the previous year is affected by the fact that we have increased the costs for the previous year by MSEK 14.5 in MBXP, linked to the correction of errors that were identified in the internal audit that was carried out (see note 6). Other external expenses are affected negative of a provision for a potential incorrect VAT handling in MBXP of MSEK 6.7, acquisition costs by MSEK 7.8 (Connex and IPO), MSEK 4.0, in the provision of loss in Court of appeal regarding a legal dispute against Goyada's bankruptcy estate which was previously won in the District court and the reservation for expected credit losses in MBXP of MSEK 5.7. Other factors that have an impact includes higher consulting costs within the Swedish operations and higher sales costs within the German operations.

Personnel costs have increased by MSEK 82.4 compared to the corresponding period last year, of which MSEK 76.2 is attributable to acquired businesses. Comparable personnel costs have increased by MSEK 6.2. The total personnel cost corresponds to 15.8 percent of revenue, compared to 11.6 percent for the corresponding period last year. The increase in personnel costs in comparable operations is mainly attributable to the strengthening of the organisation carried out in 2022.

Write-down and depreciations have increased by MSEK 153.9 compared to the corresponding period last year, of which MSEK 111.8 refers to impairment of goodwill and MSEK 24.9 refers to impairment of customer relations and capitalised development costs linked to the acquisition of MBXP, which is in line with what was communicated during December. The remaining increase comes mainly from acquired business and is mainly linked to surplus values.

The EBITA result amounted to MSEK 76.2 (85.5), meaning an EBITA margin of 6.6 (10.0) percent. The EBITA result is mainly negatively affected by adjustments linked to the outcome of the internal audit report of MBXP where the adjustments have been booked during December as well as what has been described above under other external costs. Connex and IPO contributed positively to the period's EBITA-result with MSEK 24.7. Organic EBITA-result amounted to MSEK 51.6 and cleared for non-recurring items and other operating-disturbing items; the organic EBITA-result would have amounted to MSEK 72.0.

The operating result (EBIT) amounted to MSEK -104.7 (45.2), which corresponds to an EBIT margin of -9.1 (5.3) percent.

Net financial items and result for the period

October to December

Net financial items amounted to MSEK 125.8 (-8.1). The financial income is positively affected by exchange rate gains of MSEK 1.4 (2.7), as well as interest income of MSEK 1.9 (0) and other financial income of MSEK 1.7 (0) of which are attributable to a fair value calculation of financial assets at Connex. Financial expenses amounted to MSEK -8.0 (-10.5), of which MSEK -3,4 (-2.3) is the resolution of discounted debt linked to the contingent consideration for MBXP. Adjusted for this item, interest expenses are MSEK -2.6 (-1.2). Net financial items also consist of exchange rate losses of MSEK -1.6 (-5.9), as well as other financial costs of MSEK -0.3 (-1,1).

The financial net is positively affected by the write-down of the additional contingent consideration for MBXP with MSEK 128.9. Considering the final result for the period 2021-2022 (see note 6), according to the share price agreement no additional purchase price shall be paid and therefore the board has decided to dissolve the reserved additional purchase price in its entirety.

The result after financial items amounted to MSEK 24.9 (11.5). The result after tax amounted to MSEK 24.7 (1.0). Deferred tax affects the result positively after tax by MSEK 9.7 (1.8).

The difference between the result for the period and the comprehensive income amounted to MSEK -15.3 (5.4) and is attributable to translation differences.

January to December

Net financial items amounted to MSEK 113.9 (-30.7). The financial income is positively affected by exchange rate gains of MSEK 4.9 (9.5), as well as interest income of MSEK 4.8 (0) and other financial income of MSEK 5.0 (0). Financial expenses amounted to MSEK -28.9 (-39.3), of which MSEK -12.2 (-17.0) is the resolution of discounted debt linked to the contingent consideration for MBXP. Adjusted for this item, interest expenses are MSEK -8.3 (-5.9). Net financial items also consist of exchange rate losses of MSEK -6.6 (-15.1), the largest part of which is attributable to translation differences in Awardit AB, as well as other financial costs of MSEK -1.8 (-1.2).

The financial net is positively affected by the dissolution of the additional contingent consideration for MBXP with MSEK 128.9. Considering the final result for the period 2021-2022 (see note 6), according to the share price agreement no additional purchase price shall be paid and therefore the board has decided to dissolve the reserved additional purchase price in its entirety.

The result after financial items amounted to MSEK 9.2 (14.5). The result after tax amounted to MSEK 5.4 (-0.5). Deferred tax affects the result positively after tax by MSEK 16.2 (6.0).

The difference between the result for the period and the comprehensive income amounted to MSEK -9.0 (27.8) and is attributable to translation differences.

Cash flow

October to December

Cash flow from operating activities after changes in working capital amounted to MSEK 16.1 (62.0).

Other short-term receivables increase mainly due to increased accounts receivables linked to the higher sales in December.

Short-term liabilities increase mainly due to increased accounts payables and advances from customers, where the majority is attributable to MBXP, Connex and also IPO's operations. Cash flow is negatively affected by acquisition made, as well as accrual effect between payment of supplier invoices and receivable of customer invoices, where an equalization will take place in the first quarter of the year.

Cash flow from investing activities amounted to MSEK -49.2 (1.0), where MSEK -1.4 (-0.8) refers to investment in intangible fixed assets (capitalised development expenditure) and MSEK 0 (1.7) refers to investment in financial assets and MSEK -48.6 refers to business acquisition (note 4).

Cash flow from financing activities amounted to MSEK 72.8 (-22.2) where MSEK 80.0 refers to new utilization within the credit facility to finance the acquisition of IPO, MSEK -3.4 refers to the amortization of

right-of-use assets and MSEK -3.8 refers to amortization of debt in IPO's business. Previous year, we repaid our bank loans that we had with Swedbank in connection with the bank change to Nordea.

January to December

Cash flow from operating activities after changes in working capital amounted to MSEK 33.0 (82.4).

The change in working capital follows the same pattern as last year, with current receivable and payables increasing during the fourth quarter due to the seasonality of our business, where the fourth quarter is the quarter with the highest revenue.

Cash flow from investing activities amounted to MSEK -34.0 (-2.9), where MSEK -6.8 (-2.4) refers to investment in intangible fixed assets (capitalised development expenditure) and MSEK 21.5 refers to the investment in Connex. Connex's funds at the time of the acquisition were MSEK 107.8, meaning there will be a positive effect on investment activities, as existing funds are higher than what we paid in cash (parts were paid by way of Awardit-shares). In November IPO was acquired and affects investments in business acquisition by MSEK -48.6, which gives a net effect of MSEK -27.1 (note 4).

Cash flow from financing activities amounted to MSEK 35.3 (-66.3) where during the year we have raised MSEK 160.0 as new loans within the existing framework of the credit facility at Nordea to finance the purchase price for Connex and IPO, MSEK -12.0 relates to the final payment of MBXP's loans with Danske Bank and Vækstfonden, and MSEK -80.0 refers to amortization of the credit facility, MSEK -10.9 refers to the amortization of right-of-use assets and MSEK -3.8 refers to amortization of debt within IPO's business. In May, dividend of MSEK -19.5 was paid out to the shareholders.

Balance sheet items 31 December 2023

Cash and cash equivalents at the end of the period amounted to MSEK 287.7 (257.1). The quarter's impact on cash and cash equivalents is positive with MSEK 34.0, of which MSEK 9.4 comes from acquired business (IPO).

Interest-bearing liabilities amounted to MSEK 195.0 (226.5). These mainly consist of bank loans. The contingent consideration for the acquisition of MBXP is dissolved in its entirety.

The Group's inventory value as of 31 December 2023 was MSEK 82.0 (51.6), which is MSEK 30.4 higher than at the corresponding time last year, due to the acquisition of Connex and IPO, which has affected the inventory value by MSEK 32.7.

Share option programme

The Company will issue a maximum of 250,000 subscription warrants in a series 2022/2025. As of 31 December 2023, 124,650 subscription warrants have been subscribed out of 250,000. As the price for the subscription 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.

The company will issue a maximum of 295,000 subscription warrants in a series 2023/2026. As of 31 December 2023, 59,200 subscription warrants have been subscribed for out of 295,000. As the subscription price for the warrants is SEK 219.40, there is no dilution effect.

The warrants did not initially entail any cost as a valuation of the options at fair value through the Black-Scholes valuation model corresponds to the premium the company received. All outstanding warrants are covered by Awardit's right of first refusal in the event of transfers, and the company has further reserved the right to buy back warrants if employment ends.

Employees

The average number of employees in the Group for the quarter was 249 (136) and for the period January to December 222 (134). On 31 December 2023, the number of employees was 280 (143 as of 31 December 2022). The increase essentially comes from acquired business.

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 for the period January to December amounted to MSEK 159.9 (138.1). The result before tax amounted to MSEK 31.9 (24.3). The Parent Company's cash and cash equivalents amounted to MSEK 156.6 (76.0). Equity amounted to MSEK 557.3 (510.6). No significant investments have taken place in tangible fixed assets. Investments in Group companies amounted to MSEK 125.5 (0).

The Parent Company's interest-bearing liabilities were MSEK 170.0 at the end of the period, compared with MSEK 214.9 as of 31 December 2022. Net debt consists in full of utilised credit facility. The Parent Company has no significant transactions with related parties, other than transactions with subsidiaries.

Development by Operating Segment

Awardit helps companies increase their revenue and profitability by implementing and operating full-scale loyalty programmes ("Loyalty") and giftcard solutions ("Giftcards").

Loyalty

October to December

Net revenue amounted to MSEK 314.0 (236.1), an increase by 33.0 percent, of which Connex contributed with MSEK 38.5 and IPO with 49.0. Comparable sales growth amounted to -4.1 percent where Prämie Direkt contributes with negative revenue growth. The Loyalty business in the Nordic market, is in terms of revenue on par with previous year, where the previous year was positively affected by a one-off deal of MSEK 16.8, which we did not have a corresponding deal in 2023. Currency-adjusted organic growth amounted to -5.1 percent.

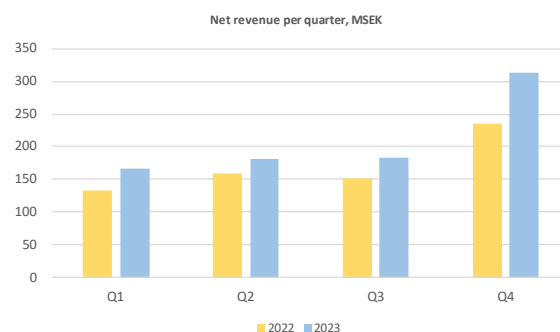
The EBITA result amounted to MSEK 26.8 (41.2), which corresponded to an EBITA margin of 8.5 (17.5) percent. Connex and IPO affects the EBITA result positively with MSEK 13.3. Comparable EBITA-result amounts to MSEK 13.6 (41.2), where the worse development of the EBITA margin is mainly due to lower turnover compared to the previous year, which has a negative effect on the gross margin of MSEK 2.6, lower other operating income which is largely due to the fact that we have moved the reporting of breakage (overdue values) Zupergift to be included in net revenue. The EBITA result is also negatively affected by acquisitions costs (IPO) of MSEK 3.2 and that we, as of 31 December have reserved MSEK 4.0 due to a lost case in Court of appeal against Goyada's bankruptcy estate. Other external expenses are also affected by higher consultancy fees in the Swedish business and higher sales costs in the German business compared to previous year.

January to December

Net revenue amounted to MSEK 843.6 (680.3), an increase by 24.0 percent, of which Connex and IPO contributed with MSEK 131.0. Comparable revenue growth amounted to 4.7 percent, which is mainly explained by continued strong growth within existing programmes within the Nordic loyalty business. Currency-adjusted organic growth amounted to 2.6 percent.

The EBITA result amounted to MSEK 57.2 (83.4), which corresponded to an EBITA margin of 6.8 (12.3) percent. The period has been burdened by acquisition costs relating to Connex and IPO of MSEK 7.8. Connex and IPO affects the EBITA result positively with MSEK 12.9. Comparable EBITA result amounts to MSEK 44.3.

Group	2023-10-01	2022-10-01	2023-01-01	2022-01-01
Amounts, TSEK	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Net revenue	313,985	236,101	843,600	680,283
EBITA	26,828	41,205	57,226	83,441
EBITA-margin, %	8.5%	17.5%	6.8%	12.3%
Operating result	21,254	34,055	35,561	63,336
Operating margin, %	6.8%	14.4%	4.2%	9.3%



Giftcards

October to December

Net revenue amounted to MSEK 114.1 (58.9), an increase by 93.8 percent, of which Connex contributed with MSEK 47.8. Comparable revenue growth amounted to 12.6 percent. In our Swedish Giftcard business we see continued positive development of new customers on our SaaS platform, as well as increased sales through new channels. Currency-adjusted organic growth amounted to 7.1 percent.

The EBITA result amounted to MSEK 20.4 (-9.4), which corresponded to an EBITA margin of 17.8 (-15.9) percent. Connex affects the EBITA result positive with MSEK 10.0. Comparable EBITA result amounts to MSEK -10.3. The comparison with the previous year is affected by the fact that we have corrected errors in MBXP for 2022, which has a negative effect on EBITA for 2022 of MSEK -25.7 (see note 6), a reservation of a potential incorrect VAT handling in MBXP of MSEK 6.7 as well as a provision of an uncertain accounts receivable (MBXP) of MSEK 5.7.

The operating result is negatively affected by the write-down of goodwill MBXP of MSEK 118.8 and the write-down of customer relations and balanced development expenses of MSEK 24.9 linked to the acquisition of MBXP, which is in line with what was communicated in December.

January to December

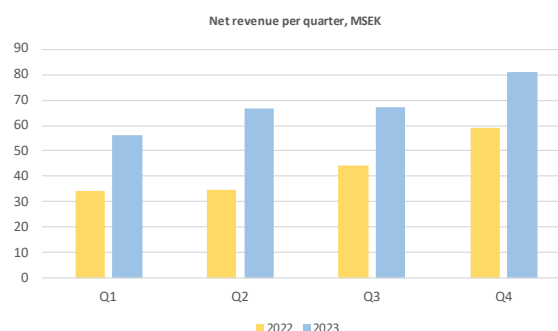
Net revenue amounted to MSEK 303.8 (172.0), an increase by 76.6 percent, of which Connex contributed with MSEK 120.7. Comparable revenue growth amounted to 6.5 percent. Currency-adjusted organic growth amounted to -0.3 percent.

The EBITA result amounted to MSEK -7.5 (2.0), which corresponded to an EBITA margin of -2.5 (1.2) percent. Connex affects the EBITA result positively with MSEK 11.8. Comparable EBITA result amounted to MSEK -19.3, which is negatively affected by the weaker development in MBXP, which is negatively affected by the correction of errors linked to the outcome of the internal audit report in MBXP, a reservation of a potential incorrect VAT handling in MBXP of MSEK 33.3 where we have an ongoing case with the Tax Authority and where we are awaiting the final announcement as well as a provision of an uncertain accounts receivable (MBXP) of MSEK 5.7.

The operating result is negatively affected by the write-down of goodwill MBXP of MSEK 118.8 and the write-down of customer relations and balanced development expenses of MSEK 24.9 linked to the acquisition of MBXP, which is in line with what was communicated in December.

Group	2023-10-01	2022-10-01	2023-01-01	2022-01-01
Amounts, TSEK	2023-12-31	2022-12-31 ¹	2023-12-31	2022-12-31 ¹
Net revenue	114,080	58,864	303,815	171,995
EBITA	20,360	-9,350	19,009	2,020
EBITA-margin, %	17.8%	-15.9%	6.3%	1.2%
Operating result	-122,184	-14,485	-140,304	-18,139
Operating margin, %	-107.1%	-24.6%	-46.2%	-10.5%

¹ Comparable numbers for 2022 have been adjusted and includes correction of errors MBXP (see note 6)



Consolidated Income Statement

Amounts, TSEK	Note	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	3,6	428,065	294,965	1,147,415	852,279
Capitalised work for own account		1,373	758	6,823	2,387
Other operating income	5	3,639	11,493	13,417	21,870
Total operating income		433,078	307,217	1,167,655	876,536
Operating expenses					
Commodities	6	-273,240	-216,480	-761,650	-608,413
Other external expenses	6	-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
Financial income		5,074	2,680	14,759	9,483
Financial expenses		-7,950	-10,506	-28,909	-39,251
Impairment of investments in Group companies		128,912	-	128,912	-
Result from interests in Group and associated companies		-251	-225	-864	-887
Result from financial items		125,785	-8,051	113,898	-30,655
Result before tax		24,855	11,519	9,155	14,543
Tax		-113	-10,524	-3,804	-15,007
Result for the period		24,741	995	5,351	-465
Attributable to:					
The Parent Company's shareholders		24,741	995	5,351	-465
Stock data					
Earnings per share before dilution, SEK ¹		2.86	0.12	0.62	-0.06
Earnings per share after dilution, SEK ¹		2.86	0.12	0.62	-0.06
Outstanding shares at the end of the period		8,660,848	8,335,518	8,660,848	8,335,518
Average number of shares during the period		8,660,848	8,335,518	8,629,219	8,335,518

¹ Based on the average number of shares during the period² Comparable numbers for 2022 have been adjusted and includes correction of errors MBXP (see note 6)

Consolidated Report of Comprehensive Income

Group	2023-10-01	2022-10-01	2023-01-01	2022-01-01
Amounts, TSEK	2023-12-31	2022-12-31 ¹	2023-12-31	2022-12-31 ¹
Result for the period	24,741	995	5,351	-465
Other total result:				
Translation differences	-15,334	5,377	-9,020	27,802
Comprehensive income for the period	9,407	6,372	-3,669	27,337
Attributable to:				
The Parent Company's shareholders	9,407	6,372	-3,669	27,337

¹ Comparable numbers for 2022 have been adjusted and includes correction of errors MBXP (see note 6)

Consolidated Report of Net Financial Items

Group	2023-10-01	2022-10-01	2023-01-01	2022-01-01
Amounts, TSEK	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Exchange rate gains	1,449	2,675	4,919	9,473
Interest income	1,916	5	4,813	9
Other financial income	1,708	-	5,028	-
Total financial income	5,074	2,680	14,759	9,483
Interest expenses	-2,648	-852	-7,668	-5,362
Interest expenses, right-of-use assets	16	-309	-631	-583
Discount, seller reversal	-	-85	-	-697
Discount, contingent consideration	-3,420	-2,253	-12,197	-16,320
Exchange rate loss	-1,626	-5,867	-6,566	-15,127
Other financial expenses	-271	-1,140	-1,847	-1,162
Total financial expenses	-7,950	-10,506	-28,909	-39,251
Impairment of investments in Group companies	128,912	-	128,912	-
Result from interests in Group and associated companies	-251	-225	-864	-887
Total net financial items	125,785	-8,051	113,898	-30,655

Consolidated Balance Sheet

Amounts, TSEK	Note	2023-12-31	2022-12-31 ¹	2021-12-31 ¹
Assets				
Fixed assets				
Goodwill		331,688	375,959	360,604
Customer relations		114,296	117,900	129,905
Platform		43,671	64,119	71,470
Brand		69,039	48,284	42,210
Other intangible assets		3,474	-	-
Equipment, tools and fittings		8,103	316	510
Right-of-use assets		22,724	11,032	7,764
Interests in associated companies		7,142	8,006	6,081
Deferred tax assets		23	39	47
Total fixed assets		600,159	625,656	618,591
Current assets				
Inventory		81,992	51,574	52,664
Advances to suppliers		172	521	223
Accounts receivable		294,593	231,429	181,414
Current tax receivable		10,155	1,924	10,742
Other receivables		37,951	77,781	56,002
Prepaid expenses and accrued income		15,052	13,712	8,619
Other short-term receivables		27,820	-	-
Cash and cash equivalents		287,717	257,092	240,221
Total current assets		755,452	634,033	549,885
TOTAL ASSETS		1,355,611	1,259,689	1,168,476

¹ Comparable numbers for 2022 and 2021 have been adjusted and includes correction of errors MBXP (see note 6)

Consolidated Balance Sheet (cont.)

Amounts, TSEK	Note	2023-12-31	2022-12-31 ¹	2021-12-31 ¹
EQUITY	7			
Equity that can be attributed to the Parent Company's owners				
Share capital		866	834	834
Other contributed capital		479,705	438,563	434,448
Translation differences		18,297	27,317	515
Earned result, including result for the year		25,946	40,504	39,968
Total Equity		524,814	507,217	475,765
LIABILITIES				
Long-term liabilities				
Advances from customers		64,233	-	-
Borrowing from credit institutions	8	170,000	89,297	104,175
Liabilities relating to right-of-use assets		9,953	6,677	5,565
Other long-term liabilities		17,273	-	87,381
Deferred tax liabilities		56,091	55,241	56,749
Other provisions		5,025	1,637	15,731
Total long-term liabilities		322,574	152,852	269,601
Short-term liabilities				
Borrowing from credit institutions		2,581	11,930	43,049
Liabilities relating to right-of-use assets		12,229	5,162	2,944
Advances from customers		105,693	61,180	47,233
Accounts payable		240,778	289,535	192,237
Current tax liabilities		23,484	18,781	11,528
Other liabilities		45,958	134,588	34,284
Accrued expenses and prepaid income		77,500	78,444	91,835
Total short-term liabilities		508,224	599,620	423,109
TOTAL LIABILITIES AND EQUITY		1,355,611	1,259,689	1,168,476

¹ Comparable numbers for 2022 and 2021 have been adjusted and includes correction of errors MBXP (see note 6)

Consolidated Cash Flow Statement

		2023-10-01	2022-10-01	2023-01-01	2022-01-01
Amount, TSEK	Note	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Cash flow from operating activities					
Operating result		-100,930	19,570	-104,743	45,197
Adjustment for non-cash items					
- Reversal of depreciations		152,694	12,359	194,530	40,557
- Other items not affecting cash		-1,010	17,260	-17,282	14,909
Interest received		1,916	5	4,813	9
Interest paid		-1,876	-3,512	-8,449	-7,744
Paid tax		-6,520	-4,474	-22,557	-11,217
Cash flow from operating activities before changes in working capital		44,274	41,208	46,311	81,711
<u>Changes in working capital</u>					
Increase/decrease in inventory and work in progress		-2,320	-3,533	4,898	2,160
Increase/decrease in other current receivables		-126,108	-180,892	98,945	-76,967
Increase/decrease in other short-term liabilities		100,267	205,259	-117,141	75,527
Total change in working capital		-28,161	20,834	-13,298	720
Total cash from operating activities		16,113	62,042	33,014	82,431
Cash flow from investing activities					
Investment in intangible fixed assets		-1,373	-758	-6,823	-2,387
Investment in tangible fixed assets		-	-	-57	-40
Investments in business acquisition		-48,554	-	-27,085	-
Investments in financial assets		-	1,701	-	-502
Divestment of subsidiaries		-	49	-	39
Total cash flow from investing activities		-49,927	991	-33,965	-2,891
Cash flow from financing activities					
Stock options		-	-	1,635	4,115
Amortisation of liabilities		-7,214	-112,240	-106,829	-160,460
Borrowings	8	80,000	90,000	160,000	90,000
Total Cash flow from financing activities		-	-	-19,487	-
		72,785	-22,240	35,319	-66,345
Change in cash and cash equivalents					
		38,973	40,794	34,368	13,196
Cash and cash equivalents at start of period					
Exchange rate difference in cash and cash equivalents		253,676	214,644	257,092	240,221
Cash and cash equivalents at end of period		-4,930	1,654	-3,741	3,675
Cash flow from operating activities		287,717	257,092	287,717	257,092

¹ Comparable numbers for 2022 have been adjusted and includes correction of errors MBXP (see note 6) – operating result is adjusted against other items not affecting cash

Consolidated Statement of Changes in Equity, summary

Amounts, TSEK	2023-12-31	2022-12-31
Equity at the beginning of the period	507,217	505,595
Correction of errors (after tax)	-	-29,830
Adjusted Equity as of 1 January 2022	-	475,765
Dividend	-19,487	-
Non-cash issue	39,167	-
Stock options	1,635	4,115
Comprehensive income for the period	-3,719	27,337
Equity at the end of the period	524,814	507,217
Equity attributable to:		
The Parent Company's shareholders	524,814	507,217
Number of outstanding shares at the beginning of the period	8,335,518	8,335,518
Non-cash issue	325,330	-
Number of outstanding shares at the end of the period	8,660,848	8,335,518

Parent Company Income Statement

	2023-10-01	2022-10-01	2023-01-01	2022-01-01
Amounts, TSEK	2023-12-31	2022-12-31	2023-12-31	2022-12-31
<i>Operating income</i>				
Net revenue	51,485	46,914	159,850	138,113
Capitalised work for own account	-	134	2,869	617
Other operating income	29	1,932	2,411	2,250
Total operating income	51,514	48,980	165,130	140,980
<i>Operating expenses</i>				
Commodities	-33,050	-29,622	-102,612	-84,457
Other external expenses	-6,294	-5,948	-27,419	-22,617
Personnel costs	-51	-319	-294	-689
Depreciation and amortisation of tangible and intangible assets	-390	-266	-1,439	-1,054
Other operating expenses	171	-1	-538	-146
Total operating expenses	-39,614	-36,155	-132,302	-108,962
Operating result	11,901	12,825	32,828	32,018
Other interest income and similar items	2,183	2,489	7,222	9,202
Results from shares in Group companies	5,248	-	5,248	-
Interest expenses and similar result items	-5,166	-4,129	-13,366	-16,054
Result from financial items	2,264	-1,640	-896	-6,852
Appropriations	-	-900	-	-900
Result before tax	14,165	10,285	31,932	24,266
Tax	-2,919	-2,120	-6,588	-5,005
Result for the year	11,247	8,165	25,344	19,261

Parent Company Balance Sheet

Amounts, TSEK	Note	2023-12-31	2022-12-31
ASSETS			
Fixed assets			
Intangible assets			
Capitalised development expenditure		6,577	5,147
Total intangible assets		6,577	5,147
Financial fixed assets			
Interests in Group companies	9	563,680	561,851
Receivables from Group companies		51,363	28,397
Total financial fixed assets		615,043	590,248
Total fixed assets		621,620	595,395
Current assets			
Current receivables			
Inventory		243	-
Accounts receivable		40,868	38,172
Receivables from Group companies		32,166	35,032
Other receivables		-	4
Prepaid expenses and accrued income		6,270	5,092
Total current receivables		79,547	78,300
Cash and cash equivalents		156,626	75,968
Total current assets		236,173	154,268
TOTAL ASSETS		857,793	749,663

Parent Company Balance Sheet (cont.)

Amounts, TSEK	Note	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted Equity			
Share capital		866	834
Fund for development expenditure		3,401	1,438
Total restricted Equity		4,267	2,272
Unrestricted Equity			
Premium fund		472,011	431,208
Retained earnings		55,668	57,857
Result for the year		25,344	19,261
Total unrestricted Equity		533,023	508,326
Total Equity		557,290	510,598
Long-term liabilities			
Liabilities to credit institutions	8	169,552	89,297
Total long-term liabilities		169,552	89,297
Short-term liabilities			
Advances from customers		-	383
Accounts payable		7,624	7,886
Liabilities to Group companies		108,388	6,163
Current tax liabilities		2,928	861
Other liabilities		2,356	127,121
Accrued expenses and prepaid income		9,655	7,353
Total short-term liabilities		130,952	149,768
TOTAL LIABILITIES AND EQUITY		857,793	749,663

Notes

Note 1 Accounting principles

Awardit AB (publ.) 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 and calculation methods have been used in the Interim report as in the Annual report for 2022, except as noted below.

All amounts in the interim report are, unless otherwise stated, rounded to the nearest million, which means that rounding differences may occur.

New accounting principles 2023 and beyond

Awardit has made the assessment that new or changed standards and Interpretation statements will not have any significant effect on the Group's financial statements.

Note 2 Other material information**Seasonal effects**

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, which will affect the accrual of Breakage. The second and third quarters are to be seen as normalised operations.

Transactions with related parties

In addition to salaries and other remuneration to the company management and board fees, according to the resolution of the annual general meeting, no transactions have taken place with related parties.

Significant risks and uncertainties

Awardit's significant risks and uncertainty factors are described in the annual report for 2022 on the pages 15 - 16 and pages 52 - 56.

The Group's operations are diversified in terms of offers, customer segments and geography, which in itself means a spread of risk. It has proven to be a strength in times of challenge, such as the energy crisis that arose in Germany in the wake of the war in Ukraine. Where turnover has been affected by the fact that the energy companies have cancelled their planned campaigns, but they have succeeded in rescheduling and selling campaigns to new customer segments instead.

Note 3 Operating segments

As of 2023, the Group will monitor operations in the Loyalty and Giftcards business areas. Where MBXP, Retain24 and parts of Connex are part of the Giftcards business area, other companies are part of the Loyalty business area.

Group	Loyalty		Giftcards		Elimin.		Total	
Amounts, TSEK	2023	2022 ¹	2023	2022 ¹	2023	2022	2023	2022 ¹
Net revenue, external	843,600	680,283	308,815	171,995	-	-	1,147,415	852,279
Net revenue, internal (between segments)	15,901	7,637	17,125	4,830	-33,025	-12,467	-	-
Net revenue	859,500	687,920	320,940	176,825	-33,025	-12,467	1,147,415	852,279
EBITA	57,226	83,441	19,009	2,020			76,265	85,462
EBITA margin, %	6.8%	12.3%	6.3%	1.2%			6.6%	10.0%
Operating result	35,561	63,336	-140,304	-18,139			-104,743	45,197
Operating margin, %	4.2%	9.3%	-46.2%	-10.5%			-9.1%	5.3%

Distribution of Income

Group Amounts, TSEK	Loyalty		Giftcards		Totalt	
	2023	2022 ¹	2023	2022 ¹	2023	2022 ¹
Products	749,761	621,512	124,123	5,894	873,884	627,406
Services	93,839	58,771	179,692	166,102	273,531	224,873
Sum net revenue	843,600	680,283	303,815	171,996	1,147,415	852,279

¹ Comparable numbers for 2022 have been adjusted and includes correction of errors MBXP (see note 6)

Note 4 Information on acquisitions

Connex Marketing GmbH

On 1 February 2023, Awardit AB (publ.) acquired 100 percent of the shares of the Austrian loyalty and giftcard company Connex Marketing GmbH ("Connex"). The acquisition was made to further strengthen Awardit's presence in the DACH region. With the acquisition of Connex, we are well equipped for our continued journey towards becoming the leading player in Europe. Net revenue and EBIT result for the financial year 2022 amounted to MSEK 189.2 (MEUR 17.8) and MSEK 18.2 (MEUR 1.7) respectively.

The acquisition of Connex was settled in cash to the sum of MSEK 81.7 (MEUR 7.2), and with Awardit shares to a value of MSEK 39.2 (MEUR 3.5). The total purchase price for Connex amounted to MSEK 120.9 (MEUR 10.7), which exceeded the net fair value of all identified assets and liabilities by MSEK 38.9. Acquisition costs of MSEK 4.6 have been recognised as other external expenses in the consolidated income statement. Excess values are attributed to customer relations, software development, brand and goodwill. Goodwill pertains to expected synergy effects on both the cost and sales side, customer relations to Connex's customer base, brand to the renowned name, and software development to the company's technical platform. Customer relationships are depreciated over 6 years, the technology platform over 5 years, and the brand over 15 years. Goodwill is not impaired according to IFRS, but is tested for impairment once a year.

Acquisition analysis, Connex Marketing GmbH

Estimated purchase price, TSEK	
Amount settled in cash	81,670
Amount settled with Awardit shares	39,233
Total purchase price	120, 903

Acquired net assets at the time of acquisition, TSEK	Reported value in the Company	Fair value adjustment	Fair value in the Group
Intangible fixed assets	1,339	35,449	36,789
Other fixed assets	49,446	-	49,446
Current assets	108,550	-	108,550
Cash and cash equivalents	107,766	-	107,766
Other liabilities	-212,433	-8,150	-220,583
Net identifiable assets/liabilities	54,669	27,299	81,968
Goodwill		38,935	38,935
Estimated purchase price	54,669	66,234	120,903

Note 4 (cont.)**IPO PrämienServices GmbH**

On 1 November 2023 Awardit acquired all shares in IPO PrämienServices GmbH ("IPO"). The acquisition was made to further strengthen Awardit's presence in the DACH-region. If the acquisition had been completed 1 January 2022, IPO would have contributed to the group's net revenue for the full year with approximately MSEK 202 and EBITA with approximately MSEK 5 (approximately MSEK 10 adjusted for various shareholder related costs).

The acquisition was settled with MSEK 74.7 (MEUR 6.3) in cash at the time of acquisition as well as a deferred amount of MSEK 6.7 (MEUR 0.6) which must be settled against any tax liability attributable to the previous owners. The total purchase price for IPO amounted to approximately MSEK 81.5 (MEUR 6.9), which exceeded the net of fair value for all identifiable assets and liabilities by MSEK 27.5. Acquisition costs of TSEK 3 200 have been expensed as other external costs in the consolidated income statement. Surplus values are attributable to customer relations, brand and goodwill. Goodwill relates to expected synergy effects on both the cost and sales side, customer relations to IPO's customer base and the brand to the well-reputed name. Customer relations are depreciated over 7 years, the brand is depreciated over 15 years. Goodwill is not depreciated in accordance with IFRS but is tested for impairment once a year.

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

Preliminary acquisition analysis IPO PrämienServices GmbH (tkr)

Estimated purchase price, TSEK			
Amount settled in cash			74,729
Deferred amount			6,729
Total purchase price			81,458

Acquired net assets at the time of acquisition	Reported value in the Company	Fair value adjustment	Fair value in the Group
Intangible fixed assets	-	31,523	31,523
Other fixed assets	11,728	-	11,728
Current assets	30,234	-	30,234
Cash and cash equivalents	21,554	-	21,554
Other liabilities	-32,601	-8,825	-41,427
Net identifiable assets/liabilities	30,915	22,698	53,612
Goodwill		27,486	27,846
Estimated purchase price	30,915	50,544	81,458

Note 5 Other operating income

Group	2023-10-01	2022-10-01	2023-01-01	2022-01-01
Amounts, TSEK	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Translation differences	774	491	4,247	1,821
Recovered bad debts	57	-	121	-
Rental income	360	170	1,345	620
Government grant	273	-479	1,076	751
Invoiced administration, service, and handling fees	-878	1,462	732	2,553
Marketing contribution	301	3,637	1,248	4,680
Breakage (expired values) ¹	-	5,466	-	9,913
Other	2,754	746	4,648	1,531
Total other operating income	3,639	11,493	13,417	21,870

¹ Breakage for Supergift is reported as part of net sales from January 2023.

Note 6 Correction of errors

During the autumn, an internal audit of the subsidiary MBXP was initiated due to the company's poor profitability during the first half of 2023. Within the framework of the internal audit, it was found, among other things, incorrect accruals of income and costs between 2022 and 2023, incorrectly handled customer and supplier invoices, missing gift card debt linked to a customer, payment to a collaboration partner that was made outside the company's accounting, and that parts of covid support were received on incorrect grounds and probably must be repaid. Regarding the covid support, the result for 2021 has been adjusted by SEK 3.5 million, which refers to the amount of support, and the result for 2022 has been adjusted by SEK 11.0 million, which refers to the potential fine amount. With regard to the erroneously received covid support, the company's auditor has submitted a request for self-correction to the Swedish Business Administration and MBXP has filed a police report, with the aim of protecting the company as much as possible.

MBXP was acquired in April 2021, whereby a preliminary purchase price of SEK 6.8 million (DKK 5 billion) was paid to the sellers in the form of Awardit shares. In addition, a purchase price of nine times MBXP's average EBITDA result for 2021 and 2022 with deductions for the preliminary purchase price and interest-bearing liabilities was agreed. In light of the final result for the period 2021-2022, according to the share transfer agreement, no additional purchase price shall be paid and therefore the board of Awardit has decided to dissolve the reserved debt for additional purchase price in its entirety. Awardit's assessment is that the cash flow forecasts that were presented in connection with the acquisition, and which were the basis for the acquisition, were not found to be substantially incorrect, which means that the original acquisition analysis has not been corrected.

Awardit's assessment is that, after implemented changes, corrections and savings, MBXP can be continued profitably within the framework of Awardit's operations and deliver a positive contribution to the group's EBITA results in 2024.

Note 6 Correction of errors, cont.

The errors have been corrected by recalculating all affected items according to the internal audit report as follows:

Amounts, TSEK	2022	Increase/ decrease	2022 after correction
Net revenue	862,297	-10,018	852,279
Commodities	-607,198	-1,215	-608,413
Other external expense	-67,377	-14,480	-81,857
Effect on operating profit	187,722	-25,713	162,009
EBIT	70,910	-25,713	45,197
EBITA	111,174	-25,713	85,461
Result for the year	25,248	-25,713	-465

Balance sheet (extract)

Amounts, TSEK	2022	Increase/ decrease	2022 after correction
Accounts receivable	236,891	-5,461	231,429
Net assets	1,265,151	-5,461	1,259,689
Translation differences	31,031	-3,715	27,316
Earned result, including result for the year	95,561	-55,057	40,504
Advances from customers	34,869	26,310	61,180
Accrued expenses and prepaid income	51,444	27,000	78,444
Total liabilities and Equity	1,265,151	-5,462	1,259,689

The adjustment of balanced income includes a correction of the year's income from 2021 by TSEK -10,825 as well as correction of the opening balance debt amount in previous years of TSEK -19,005, total MSEK 29,830.

Note 7 Equity

As of 31 December 2023, the Group's equity amounted to MSEK 524.8 (507.2), which corresponds to SEK 60.6 (58.6) per share. In February, a non-cash issue was carried out. The share issue included 325,330 shares and related to part payment for the acquisition of Connex. The number of registered shares amounts to 8,660,848 after the non-cash issue.

Change in number of shares and share capital:

	No. of shares	Share capital, SEK
Opening balance 2023-01-01	8,335,518	833,552
Non-cash issue, Connex	325,330	32,533
Closing balance 2023-12-31	8,660,848	866,085

Note 8 Borrowing from credit institutions

	2023-12-31	2022-12-31
Nordea	170,000	89,297
Total borrowings	170,000	89,297

Agreed covenants regarding the revolving credit facility at Nordea are: The Group's net liability/EBITDA measured as a rolling twelve-month value may not exceed 2.50 as of the record date and that the equity/assets ratio measured as a rolling twelve-month value as of the record date may not be less than 25 percent. As of the record date of 31 December 2023, Awardit fulfils the agreed covenants.

The Group has MSEK 160 in unutilised credit in the RCF with Nordea.

Note 9 Shares in subsidiaries

Parent company Amounts, TSEK	2023-12-31	2022-12-31
Opening acquisition value	561,851	561,800
Investment	125,493	51
Write-down	-123,664	-
Closing acquisition value	563,680	561,851

The Parent Company holds shares in the following subsidiaries and step-down subsidiaries:

Name	Corporate identity no.	Residence	Capital Share	No of shares	Booked amount	
					2023-12-31	2022-12-31
Rewardit AB	556942-7296	Stockholm, Sweden	100%	7,031	3,110	3,110
Sponsorhuset AB	556831-3109	Gothenburg, Sweden	100%	111,296	12,185	12,185
- Zappa Events AB	556666-3711	Gothenburg, 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	Gothenburg, 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	-	-
- IPO PrämienServices GmbH	HRB 106578	Weingarten, Germany	100%	2	-	-
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	6,800	130,464
- Convenient Card AB	556708-0311	Stockholm, Sweden	100%	2,000	-	-
- MBXP Finland ApS (filial)	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	60,282
Prämie Direkt GmbH	HRB 4715 PI	Elmshorn, Germany	100%	1	181,136	181,136
Connex Marketing GmbH	FN 135472 z	Wels, Austria	100%	1	125,492	-
- Connex Loyalty GmbH	FN 223134 p	Wels, Austria	100%	1	-	-
- Connex Deutschland GmbH	HRB 79879	Frankfurt/Main, Germany	100%	1	-	-
- Connex CEE s.r.o.	35 938 137	Bratislava, Slovakia	100%	1	-	-
Closing balance					563,680	561,851

Note 10 Significant events after the end of the reporting period

- On 17 January, an extraordinary general meeting was held where Simon Damkjær Wille was elected as a board member until the next ordinary annual general meeting, and it was decided to adopt instructions for appointment to the nomination committee.
- The Danish tax authority began a VAT investigation in MBXP in 2022, where a partial decision was obtained in February. This means an estimated provision of MSEK 6.7 compared to the previous assessment of MSEK 33.3.

Key figures - quarterly

	2023				2022			
	Q4	Q3	Q2	Q1	Q4 ¹	Q3	Q2	Q1
Net revenue, MSEK	428.1	249.5	247.9	221.9	295.0	196.0	193.9	167.4
Comparable net revenue, MSEK	292.8	209.2	200.7	192.9	257.3	154.7	133.2	87.1
Gross profit, MSEK	154.8	77.7	82.4	70.9	78.5	55.1	63.7	46.6
Gross margin, %	36.2%	31.1%	33.2%	32.0%	26.6%	28.1%	32.9%	27.8%
EBITA, MSEK	47.2	7.9	14.0	7.1	31.9	20.1	27.8	5.7
EBITA margin, %	11.0%	3.2%	5.6%	3.2%	10.8%	10.3%	14.3%	3.4%
Result for the period, MSEK	24.7	1.0	-7.8	-12.6	1.0	3.2	7.7	-12.4
Cash flow from operating activities, MSEK	16.1	15.6	19.8	-18.5	62.0	33.8	2.1	-15.4
Quick ratio, %	133%	115%	92%	104%	97%	128%	140%	144%
Equity, MSEK	524.8	574.2	586.5	594.0	507.2	530.7	519.8	499.9
Equity/asset ratio, %	38.7%	46.5%	44.6%	42.9%	40.3%	50.9%	49.3%	49.5%
Number of employees at the end of the period	280	256	251	250	143	143	135	135
Share data								
EBITA per share before and after dilution, SEK	5.45	0.92	1.62	0.83	3.82	2.42	3.34	0.68
Earnings per share before and after dilution, SEK	2.86	0.11	-0.90	-1.47	0.12	0.39	0.92	-1.49
Cash flow from operating activities per share, SEK	1.9	1.8	2.3	-2.2	7.4	4.0	0.2	-1.9
Equity per share, SEK	60.76	66.3	67.7	69.6	58.6	63.7	62.4	60.0
Average number of shares during the period, thousands	8,661	8,661	8,661	8,534	8,336	8,336	8,336	8,336
Number of shares end of period, thousands	8,661	8,661	8,661	8,661	8,336	8,336	8,336	8,336

1 The key figures for 2022 have been recalculated based on the correction of errors linked to the internal audit MBXP

Alternative key figures - use and reconciliation

In addition to the financial key figures established in accordance with IFRS, Awardit presents financial key figures that are not defined according to IFRS or the Annual accounts act, so-called alternative key figures. The alternative key figures aim to provide supplementary Information that contributes to analysing Awardit's operations and development.

EBITA

EBITA is a measure that Awardit considers relevant to investors, analysts and other stakeholders who want to understand the earnings generation before depreciation of intangible fixed assets. The key figure is an expression of the operating profit before depreciation and write-downs of intangible assets.

Group	2023-10-01	2022-10-01	2023-01-01	2022-01-01
Amounts, TSEK	2023-12-31	2022-12-31 ¹	2023-12-31	2022-12-31 ¹
Operating result	-100,930	19,570	-104,743	45,197
Depreciation and amortization of intangible assets	148,118	12,284	180,978	40,265
EBITA	47,188	31,854	76,235	85,462

¹ Comparable numbers for 2022 have been adjusted and includes correction of errors MBXP (see note 6)

Adjusted EBITA

Group	2023-10-01	2022-10-01	2023-01-01	2022-01-01
Amounts, TSEK	2023-12-31	2022-12-31 ¹	2023-12-31	2022-12-31 ¹
EBITA	47,188	31,854	76,235	85,462
Acquisition costs	3,200	-	7,822	-
Adjusted EBITA	50,388	20,130	84,057	85,462

¹ Comparable numbers for 2022 have been adjusted and includes correction of errors MBXP (see note 6)

Net liabilities

The Group believes that the key figure is relevant for readers of the financial reports as a supplement in order to assess the possibility of dividends, to carry out strategic investments, and to assess the Group's ability to live up to financial commitments. The key figure is an expression of how large the financial leverage is in the Company in absolute terms, after a deduction for cash and cash equivalents.






	2023-12-31	2022-12-31
Long-term interest-bearing debt	179,953	95,974
Short-term interest-bearing debt	15,003	130,178
Sum interest-bearing debt	194,956	226,152
Cash and cash equivalents	-287,717	-257,092
Net debt (+)/-receivable (-)	-92,761	-30,940

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 and lease	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, considering actual time worked.	Shows how many employees, on average, worked within the Group during the period.
Comparable net revenue	Net revenue excluding acquired net revenue for the part of the period to which it is not comparable, i.e. included in the corresponding period of the previous year.	Shows how the organic turnover develops excluding acquired, non-comparable net revenue.

This is Awardit

Awardit in brief

-  Market leader in full-scale loyalty programmes and giftcard solutions, with a wide range of offers for all needs
-  Founded in 1999
-  12 acquisitions since IPO in December 2017
-  Offices in Stockholm (HQ), Gothenburg, Copenhagen, Elmshorn (Germany) and Wels (Austria)
-  280 employees as of 2023-12-31

Business concept



Awardit helps companies increase their revenue and profitability by implementing and operating full-scale loyalty programmes ("Loyalty") and giftcard solutions ("Giftcards"). Revenues from the parts of the business that are primarily aimed at consumers make up segment B2C, and the others make up the segment B2B. Awardit acts as, among other things, a bank for digital point currencies, and provides everything from proprietary, stand-alone loyalty programmes to complex coalition programmes, with hundreds of partners and clearing transactions between them.

By offering turnkey solutions on a SaaS basis, start-up and operating costs can be kept low. Awardit also offers strategic and operationally oriented services, aimed at maximising the value of the programme. From the customer's perspective, Awardit is a one-stop-shop that assists with strategy for the programme, technical operation on a SaaS basis, implementation and operational service, for example trading with point redemption products, partner network, data analysis and campaign execution, all with the aim of maximising the benefit of the programme and reducing the burden on the customer's organisation.

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

Business model

Attractive offers that provide long-term value creation for Awardit's customers.

 Loyalty	Revenue within Loyalty consists of set-up charges, monthly fees, sales of points and products, loyalty marketplace and expert services. Within Loyalty, revenue can also come about via partnerships. This revenue consists of commissions, sales of points, and promotional fees.
 Giftcards	Revenue within Giftcards consists of set-up charges, monthly fees, charging fees, commissions, breakage (private labels) and expert services.

Ownership

Shareholders	Shareholding	Share
Polaris Private Equity Fund V K/S through Fayes Investeringar 1 AB	2,088,272	24.1%
Niklas Lundqvist	1,023,841	11.8%
Filip Engelbert	471,953	5.4%
Jonas Nordlander	401,952	4.6%
Consensus Asset Management AB	306,700	3.5%
Samir Taha (Sultanen Invest AB)	300,000	3.5%
Johan Hagman	292,837	3.4%
Magellan Privatstiftung	292,797	3.4%
S Thorberg Inspiration Investment Ltd	146,331	1.7%
Fredrik Landgren	100,388	1.2%
Total ten largest owners	5,425,071	62.6%
Other shareholders	3,235,777	37.4%
Total	8,660,848	100.0%

The above reflects the ownership structure as of 31 December 2023

Annual General Meeting 2024

Awardit's Annual General Meeting will be held on 16 May 2024 in Stockholm. All General Meeting documents, including the Annual Report, will be available on the Company's Website no later than three weeks prior to the General Meeting. The documents will also be available at the company's head office and can be sent by post to those shareholders who so request and state their postal address.

Proposal for disposition of profit

The board proposes that a dividend of SEK 2.30 (2.25) per share, a total of approximately MSEK 19.9, be paid for the financial year 2023.

Nomination committee

Ahead of the 2024 Annual General Meeting and in accordance with the instructions that apply to Awardit's nomination committee, the following nomination committee has been appointed. The nomination committee consists of Niklas Lundqvist, Samir Taha, Roger Hagborg and Louis de Geer. Roger Hagborg is the chairman of the nomination committee.

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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