

# POINTS TO PROFIT

Q2 2021

# TODAY'S PRESENTER



**Niklas Lundqvist,**  
CEO

- Founder and member of the Board of Directors since 1999
- Bachelor of Laws and LLM, Uppsala University and Maastricht University Economics  
Gothenburg School of Business, Uppsala University

# AWARDIT IN BRIEF

## BROAD OFFERING TO CATER ALL NEEDS

 Strategy & Concept

 Design & UX


 SaaS-platform


 Partnerships


 Loyalty marketplace


 Customer support


## ATTRACTIVE FUNDAMENTALS FUELING GROWTH AGENDA


 Largest company and platform for loyalty-, incentive- and gift card programs in the Nordics. RTM proforma revenue approx. SEK 550m


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

 +150 programs with more than 15 million members

 Strong organic growth and rising profitability

 Three business areas; Loyalty, Gift cards & Partnerships

 Ambition to be become one of the absolute leaders in Europe

 Nine completed acquisitions since IPO in Dec 2017



## Q2'21 Summary



Growth rate of 62% with revenue accelerating from SEK 69m to SEK 112m. 20% organic.



EBITA increase of 122% from SEK 6,4m to SEK 14,2m. 78% organic.



Increased margins



Two closed acquisitions, MBXP & TIC, adding SEK 240m



Zupergift increases with breakage margin yet to come



Share issue of SEK 90m adding new investors and strengthened position for further acquisitions

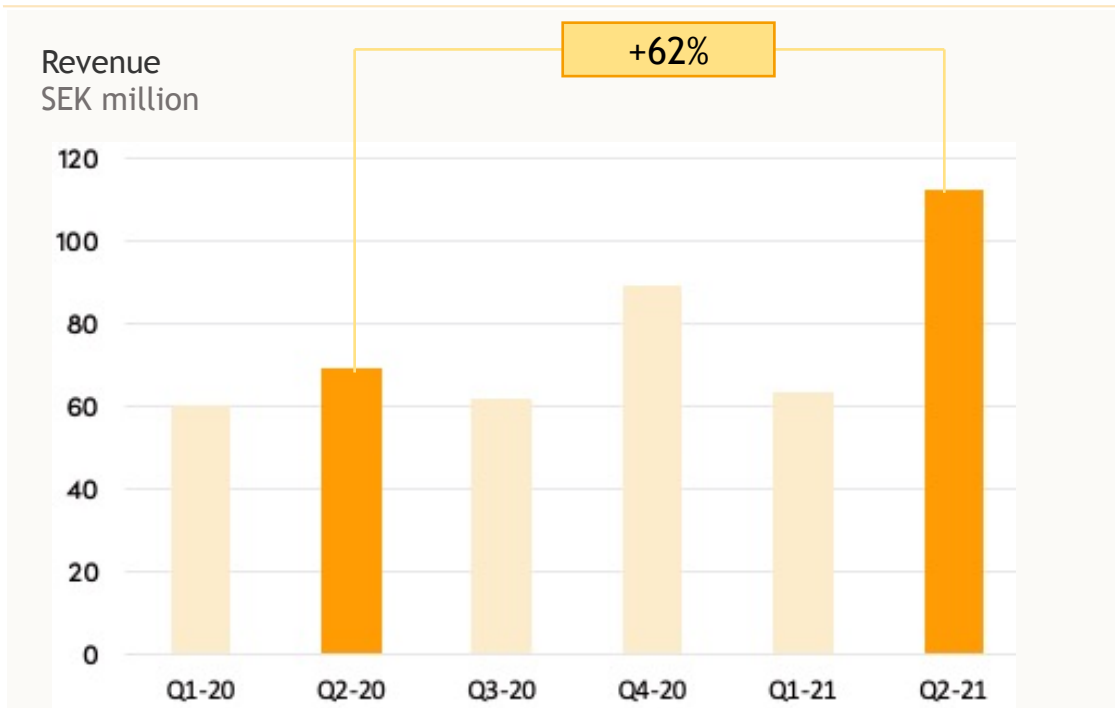


Indirect Q2'21 pandemic is estimated at SEK 10m in lower revenues



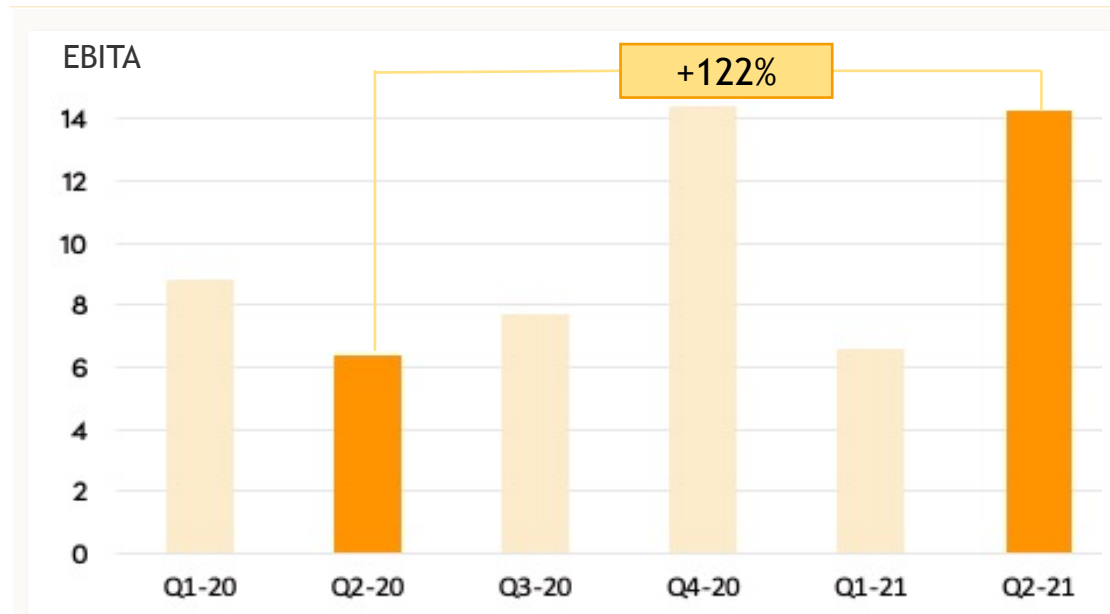
# REVENUE GROWTH IS REACCELERATING TO NEW LEVELS

## RETURNING TO ORGANIC GROWTH



- Organic growth of approx. 20%. Accelerated over the quarter.
- MBXP contributes to revenue but can do better
- Covid-19 continues to have indirect impact on sales of approx. SEK 10m in lost revenue opportunity

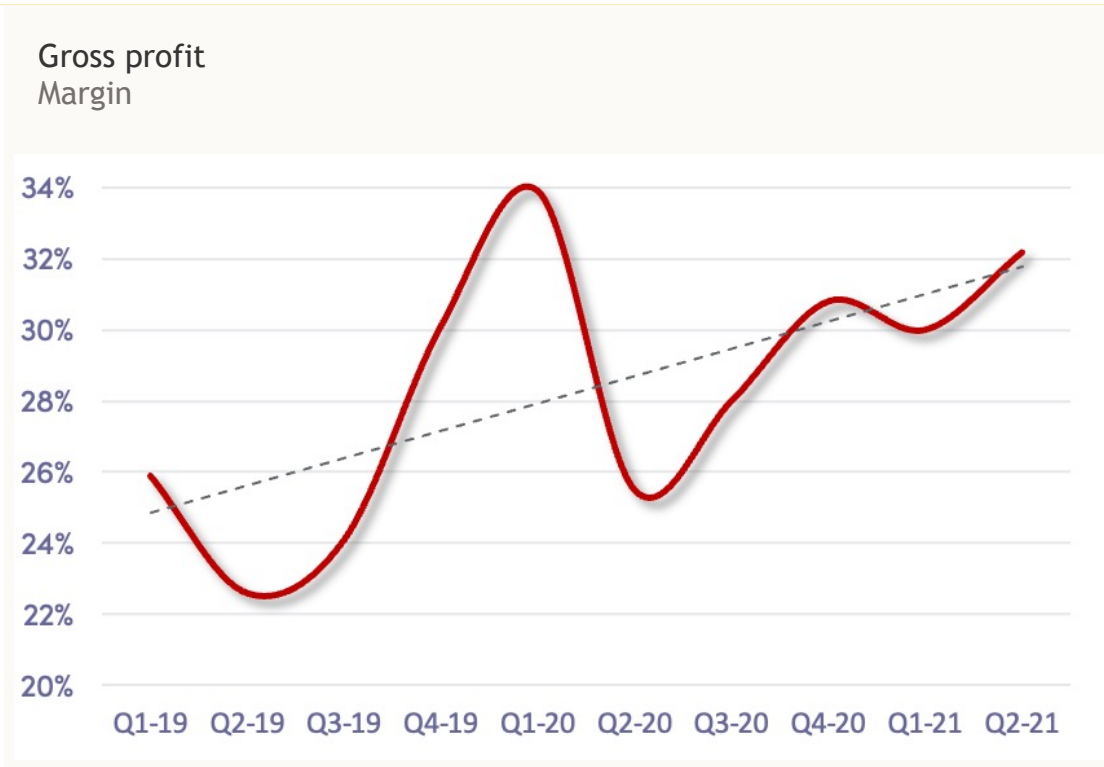
## BOTH INCOME STREAMS ABOUT TO EXPERIENCE INCREASED MARKET ACTIVITY



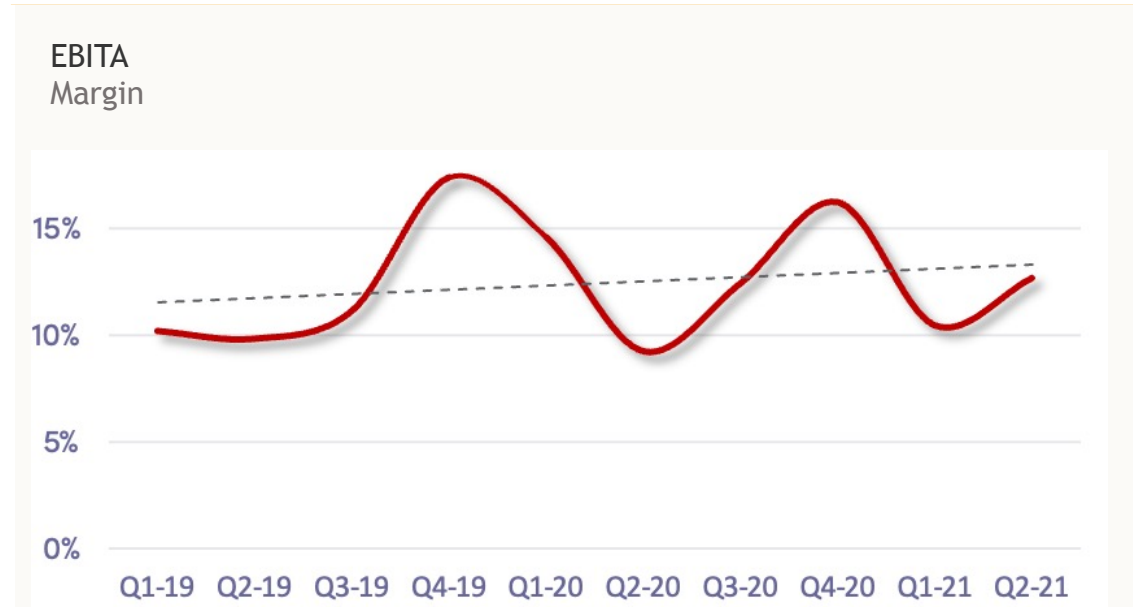
- Strong profitability during the past quarter, breakage to come
- Significant EBITA-contribution from MBXP in Q2-21 of SEK 2.8m
- Transaction costs were 1,1m. EBITA has not been adjusted for that

# GROSS MARGIN ON THE RISE WITH PROFITABILITY TO TAKE OFF

## GROSS MARGIN DEVELOPMENT



## STEADILY INCREASING EBITA MARGIN SOON TO ENJOY BREAKAGE



- 1 Positive trend over time, both Gross Margin and EBITA
- 2 B2B sales with higher gross margin representing a larger share of total sales. MBXP GM 35%.
- 3 Zupergift will incur breakeage from Q3. ZG sales grew rapidly from Q3-20, hence breakeage contribution should follow that pattern.



Awardit IPO

Acquisition of Crossroads Loyalty Solutions AB



Acquisition of Motivation Service AB



Acquisition of Retain 24 Sverige AB



Acquisition of assets from Goyada AB



Acquisition of The Inspiration Company TIC AB

Dec-2017

Jan-2018

April-2018

Nov-2018

Okt-2019

Nov-2019

Dec-2019

March-20

April-21

June-21

Acquisition of Sponsorhuset AB

Acquisition of remaining shares in Rewardit AB

Acquisition of Market2member AB

Acquisition of MBXP ApS

SPONSORHUSET









# CUSTOMER ACQUISITION STRATEGY

## TARGET AUDIENCES



## DRIVING FORCES FOR OUR CUSTOMERS

-  Achieve a greater "share of wallet"
-  Reduce price and discount focus
-  Increase customer lifetime and reduce churn
-  Establish a more responsive and cost-effective customer communication
-  Offer attractive value-add services
-  Stimulate own personnel or reseller through rewarding results, activity, competency and engagement

# BUSINESS MODEL

ATTRACTIVE OFFERING YIELDING LONG-TERM VALUE CREATION FOR AWARDIT'S CUSTOMER



## Loyalty

- ✓ Set-up fees
- ✓ Monthly fees
- ✓ Sale of points
- ✓ Loyalty marketplace
- ✓ Expert Service



## Gift Cards

- ✓ Set-up fees
- ✓ Monthly fees
- ✓ Loading fees
- ✓ Commissions
- ✓ Breakage
- ✓ Expert service



## Partnerships

- ✓ Commissions
- ✓ Sale of points
- ✓ Campaign fees

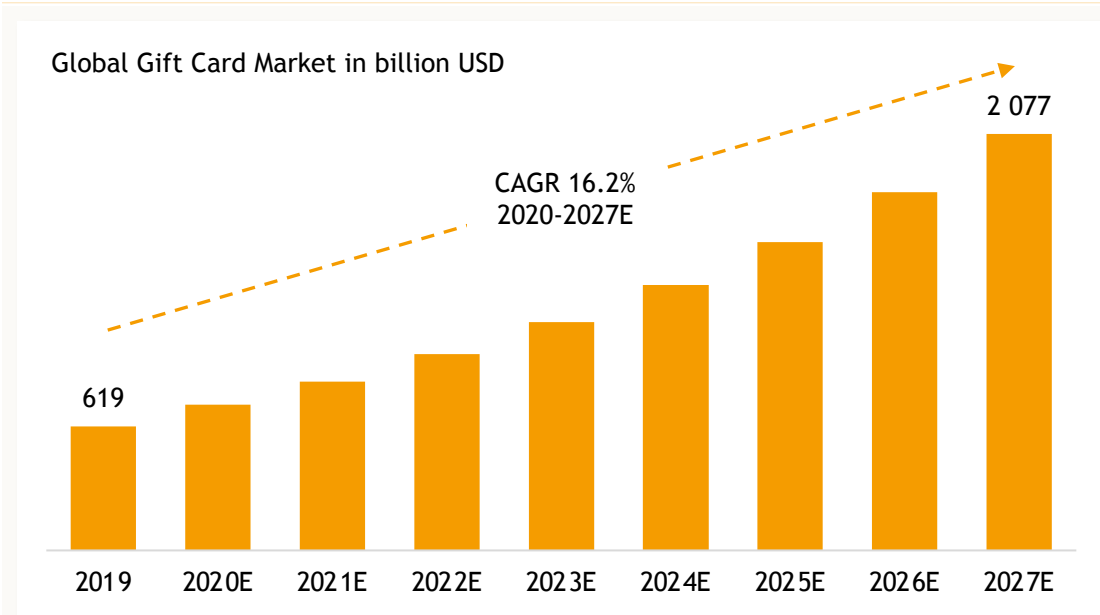
Extensive customer portfolio



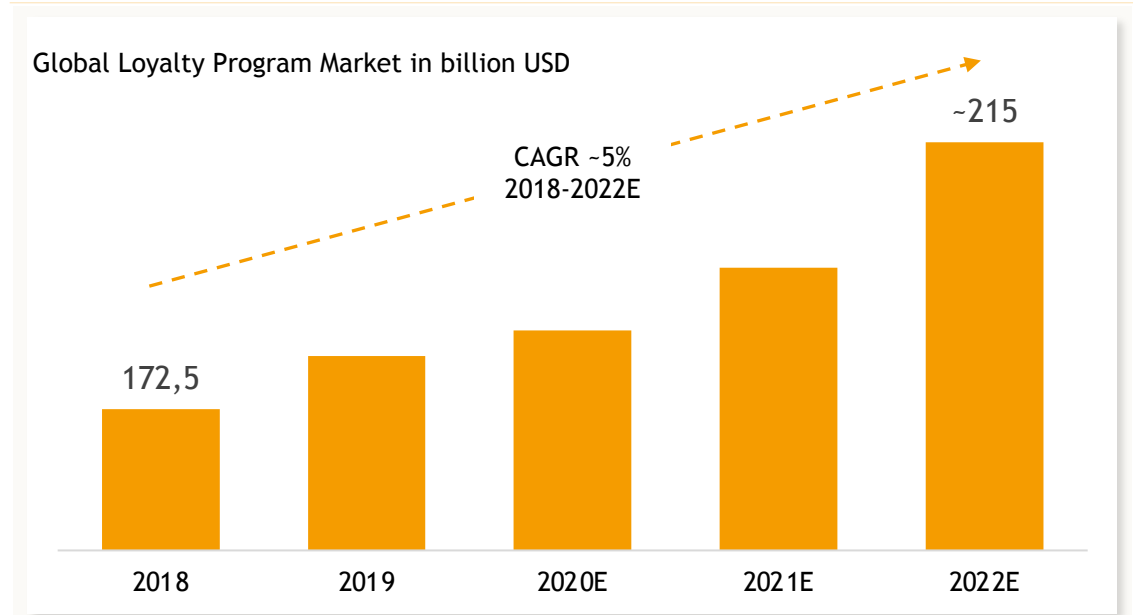


# EXPOSED TO MASSIVE GLOBAL MARKETS

## STABLE DOUBLE DIGIT GROWTH



## DIGITAL LOYALTY PROGRAM GROWTH UNDERPINNED BY DIGITAL TRANSITION



- The expanding adoption of smartphones is expected to increase the gift card market by offering flexible payment methods for customers
- Modern technology has created ways for smartphone users to integrate everything in one convenient package
- Environmentally friendly driven shift from plastic to digital gift cards contributes to a more flexible product

- Outsourcing the reward program comes with strong cost benefits related to expensive technology platform
- The growing footprint of the adoption of loyalty program strategy by buyers indicate the willingness of both the supplier and buyers to partner on a global scale
- Growth in online buying culture and high adoption of smartphones has raised the need for a digital loyalty program strategy

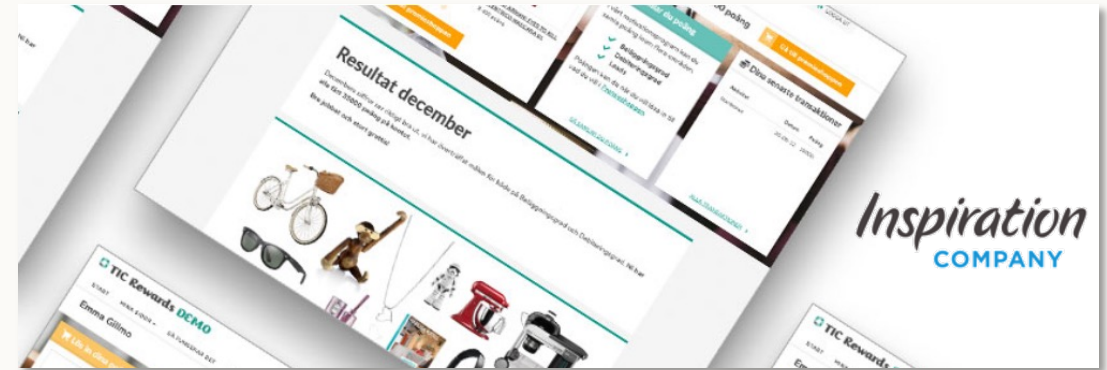
# ACQUISITION OF MBXP AND THE INSPIRATION COMPANY AB

## ACQUISITION OF MBXP



- ✓ Founded 2012
- ✓ Largest distributor in the Nordics of digital gift cards and other vouchers in the physical retail and grocery trade
- ✓ The MBXP Group also includes Paygoo Prepaid MasterCard, which is a debit card that can be used online or in store if they accept MasterCard
- ✓ Revenue increase ~134% from DKK 41m 2015/16 to DKK 96m 2019/20
- ✓ The MBXP Group has agreements with chains such as Reitan, Axfood, Coop Sweden, Coop Denmark, Coop Norway, ATG, Circle K, and others

## THE INSPIRATION COMPANY



- ✓ Founded 1999
- ✓ Awardits largest B2B-competitor. Identical business model
- ✓ Revenue 2020/21 approx SEK 97m, EBITDA approx SEK 11m. Organic growth during pandemic
- ✓ Forecast 2021/22 slightly lower revenue but higher EBITDA. 2022/23 expected 25% lower revenue and EBITDA due to loss of major customer SGDS to Awardit prior to acquisition



# WELL POSITIONED FOR GROWTH UPTICK POST PANDEMIC



Integration of TIC and MBXP



Increased organic growth (regardless of pandemic). In July organic growth was 50%!



Continued work on business oriented synergies (cross selling) within group



Continued building of partnership network based on Open Banking / Account & Card linking



New record of signed agreement worth in excess of SEK 100m pa in full roll-out which is expected by early 2022



Additional value creating acquisitions



Become a European leader on a fragmented market

# MANAGEMENT TEAM



**Niklas Lundqvist, CEO**

- Founder and member of the Board of Directors since 1999
- Bachelor of Laws and LLM, Uppsala University and Maastricht University Economics Gothenburg School of Business, Uppsala University



**Henrik Olander, COO**

- COO since 2021. CEO & owner of Crossroads until 2018.
- MSc in Economics, University of Gothenburg and Erasmus University. Executive MBA, Copenhagen Business School



**Rickard Jidéus, CFO**

- Employed since 2013 with previous experience from SEB Venture Capital
- Bachelor in Finance, Jönköping International Business School



**Johan Hagman, Loyalty B2B Business Area Manager**

- Employed since 2001
- Master of Statistics and Bachelor of Investigative Sociology, Stockholm University



**Anna Törner, Loyalty B2C Business Area Manager**

- Employed since 2014
- MSc in Economics at Umeå University



**Anders Svanberg, Partnerships Business Area Manager**

- Employed and member in management team since 2018
- Lux Business School, Business Administration at Stockholm University



**Mattias Lundqvist, Giftcards Business Area Manager**

- Employed since 2013
- Industrial Economics, Chalmers and the Universidad Politécnica de Madrid



**Christian Lindholm, CIO**

- Employed since 2021
- Master of Business Administration, Gothenburg School of Business, Bachelor of Information Technology, Halmstad University and Unitec Institute of Technology, Auckland



**Jonas Sjögren, CPO**

- Employed since 2015
- Purchasing, Institute of Business Administration

# BOARD OF DIRECTORS

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**Niklas Lundqvist, Member Board of Directors**

- Founder and member of the Board of Directors since 1999
- Bachelor of Laws and LLM, Uppsala University and Maastricht University Economics Gothenburg School of Business, Uppsala University



**Samir Taha, Member Board of Directors, Chairman**

- Member of the Board of Directors since 2000
- MSc in Economics, Uppsala University



**Olle Isberg, Member Board of Directors**

- Member of the Board of Directors since 2002
- Stockholm School of Economics, Stockholm



**Charlotte Eisner, Member Board of Directors**

- Member of the Board of Directors since 2017
- Master of Science in Business Administration, School of Business, Economics and Law at the University of Gothenburg



**Claudio Simatovic, Member Board of Directors**

- Member of the Board of Directors since 2020
- Founder and previous CEO of several companies including Retain24 Sverige AB



**Peter Borsos, Member Board of Directors**

- Member of the Board of Directors since 2020
- Economics Master of Economics (Örebro University, Freie Universität Berlin and University of Massachusetts)



# LARGEST SHAREHOLDERS

JUNE 30, 2021

Shareholder	Shares	% Ownership	% Votes
Visionalis AB	2 100 000	28,5%	28,5%
Niklas Lundqvist	1 111 550	15,1%	15,1%
Johan Hagman	339 612	4,6%	4,6%
Samir Taha (gm Sultanen Invest AB)	320 519	4,3%	4,3%
Consensus Asset Management AB	195 000	2,6%	2,6%
Filip Engelbert	172 653	2,3%	2,3%
Jonas Nordlander	172 652	2,3%	2,3%
Modelio Equity AB	150 000	2,0%	2,0%
Claudio Simatovic (gm Paradidel AB)	132 211	1,8%	1,8%
Henrik Olander (gm House of cash AB)	125 910	1,7%	1,7%
Other shareholders	2 557 504	34,7%	34,7%
<b>Total</b>	<b>7 377 611</b>	<b>100.0%</b>	<b>100.0%</b>

# INCOME STATEMENT

SEK thousand	Q2'21	Q2'20	2020	2019
Revenue	111,277	68,816	278,613	304,119
Activated work for own account	680	83	194	622
Other operating income	426	344	1,717	2,217
<b>Total operating income</b>	<b>112,382</b>	<b>69,244</b>	<b>280,524</b>	<b>306,959</b>
<b>Operating expenses</b>				
Merchandise	-75,470	-51,263	-196,350	-224,841
Other external costs	-6,008	-3,602	-11,771	-12,113
Personnel costs	-16,268	-7,917	-34,603	-30,730
D&A	-6,358	-1,854	-7,519	-6,297
Other operating costs	-401	-60	-399	-67
<b>Total operating expenses</b>	<b>-104,505</b>	<b>-64,697</b>	<b>-250,643</b>	<b>-274,048</b>
<b>Operating result</b>	<b>7,876</b>	<b>4,546</b>	<b>29,881</b>	<b>32,911</b>
Financial income	9	5	27	121
Financial costs	-5,458	-546	-2,190	-2016
Results from units in the group and associated companies	-	-	-	-
<b>Net result from financial items</b>	<b>-5,449</b>	<b>-541</b>	<b>-2,163</b>	<b>-1,896</b>
<b>Profit before tax</b>	<b>2,428</b>	<b>4,005</b>	<b>27718</b>	<b>31,016</b>
Income tax	-1,824	-1,141	-6155	-7,431
Deffered tax	1,506	216	333	875
<b>Net profit</b>	<b>2,109</b>	<b>3,080</b>	<b>21,896</b>	<b>24,460</b>

# SEGMENT REPORTING

Group, revenue by geography	Q2'21	Q2'20	2020	2019
Sweden	75,237	67,410	260,515	279,510
Norway	4,180	926	10,596	13,010
Denmark	31,371	436	6,873	10,422
Finland	489	43	629	1,176
<b>Total</b>	<b>111,277</b>	<b>68,816</b>	<b>278,613</b>	<b>304,119</b>

Group, revenue by segment	Q2'21	Q2'20	2020	2019
B2B	49,145	23,899	98,513	94,395
B2C	62,132	44,917	180,100	209,724
<b>Total</b>	<b>111,277</b>	<b>68,816</b>	<b>278,613</b>	<b>304,119</b>

Operating profit after depreciation	Q2'21	Q2'20
B2B	7,371	5,641
B2C	505	-1,114
<b>Total</b>	<b>7,876</b>	<b>4,527</b>

# BALANCE SHEET

SEK thousand	Q2'21	Q2'20	2020	2019
<b>Assets</b>				
<b>Long-term assets</b>				
Goodwill	234,197	131,930	137,678	131,900
Customer relationships	88,790	33,418	31,413	35,423
Platform	65,786	8,965	8,358	4,289
Other intangible assets	10	30	20	40
Usufruct assets	5,060	2,395	1,627	2,984
Shares in associated companies	169	25	-	25
Equipment, tools and installations	510	138	101	175
Deffered tax asset	762	526	-	526
<b>Total long-term assets</b>	<b>395,284</b>	<b>177,427</b>	<b>179,197</b>	<b>175,362</b>
<b>Short-term assets</b>				
Inventories	28,539	8,860	16,450	19,422
Current tax assets	8,042	232	818	-
Accounts receivable	128,459	53,519	72,356	73,348
Tax claims	1,310	1,478	1,063	1,401
Other short-term receivables	21,791	33	75	1,678
Prepaid expenses and accrued income	5,691	6,672	6,725	5,532
Cash and cash equivalents	84,779	23,129	28,308	35,652
<b>Total Short-term assets</b>	<b>278,611</b>	<b>93,923</b>	<b>125,796</b>	<b>137,033</b>
<b>Total Assets</b>	<b>673,895</b>	<b>271,350</b>	<b>304,992</b>	<b>312,395</b>

SEK thousand	Q2'21	Q2'20	2020	2019
<b>SHAREHOLDERS EQUITY AND LIABILITIES</b>				
<b>Equity</b>	<b>249,885</b>	<b>149,781</b>	<b>151,504</b>	<b>141,617</b>
Long-term liabilities	215,677	53,968	40,234	49,942
Short-term liabilities	208,332	67,601	113,254	120,836
<b>TOTAL SHAREHOLDERS EQUITY AND LIABILITIES</b>	<b>673,894</b>	<b>271,350</b>	<b>304,992</b>	<b>312,395</b>

# CASH FLOW STATEMENT

SEK thousand	Q2'21	Q2'20	2020	2019
Cashflow from operations				
Profit before tax for continuing operations	7,877	4,546	29,889	32,911
Adjustments for non-cash items				
Repayment of depreciation	6,357	2,224	7,519	6,297
Other items not affecting cashflow	-183	-136	-305	-353
interest received	9	5	27	121
Interest Paid	-2,050	-337	-1,428	-1,188
Paid income tax	-2,186	-1,439	-6,978	-8,854
Cash flow from operations before change in working capital	9,823	4,863	28,724	28,934
Change in working capital	-56,601	15,608	11,237	3,425
Cash flow from operations	-46,778	20,471	17,486	25,510
Cash flow from investing activities	-1,900	-5,179	-8,387	-21,771
Cash flow from financing activities	99,688	-1,036	-16,444	3,886
Cash flow for the period	51,010	14,256	-7,344	7,625
Cash and cash equivalents, opening balance	33,769	8,872	35,652	28,028
Cash and cash equivalents, ending balance	84,779	23,129	28,398	35,652



# CONTACT DETAILS

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