

2020 Annual Report

Table of Contents

History	3
A message from our CEO	4
Highlights from 2020	5
Modern Commerce	6
Cases	8
About Avensia	11
Avensia's Share	16
The Board	17
Management	18

History

Avensia has its roots in three different companies, all of which were founded in Lund around the turn of the millennium.

- | | |
|------|--|
| 1998 | LUVIT starts on University of Lund and develops a platform for e-learning |
| 2000 | LUVIT is listed on First North
INXL is started with the idea of turning consultancy services into products and product companies. |
| 2001 | Avensia starts as an IT consultancy company within software development |
| 2003 | Avensia founds Mashie together with an entrepreneur |
| 2007 | LUVIT acquires Avensia and INXL and forms a group with a wide range of products and consultants
The company changes its name to Avensia Innovation |
| 2008 | Acquires Stockholm based company Grade, and creates a complete offer within e-learning |
| 2011 | All operations are gathered in the specialized subsidiaries Avensia, Force12, Grade and Mashie |
| 2012 | The group changes its name to InXL innovation and is a conglomerates for specialized IT companies with large product elements |
| 2015 | Grade and Mashie are sold and only Avensia and the smaller Force12 remain, which makes the group e-commerce focused
The group changes its name to Avensia to better reflect the focused direction |
| 2018 | Avensia is growing and establish offices in Chicago, Oslo and Gothenburg and move in to new, larger offices in Lund and Stockholm |
| 2019 | Acquires UK company Insider Trends
Passes 200 employees
Avensia expands with subsidiaries and new office on the Philippines |
| 2020 | Avensia recruits 25% more employees and prepares for continuous growth. |

A message from our CEO

Hello, and welcome to Avensia's Annual Report for 2020.

This was a year unlike any other which presented many unexpected challenges. For Avensia and many others it was also a year where it was essential to care a little extra for people and to remain humble. We are in the fortunate position that our employees can do most of their work remotely, and we are in an industry that has played a very important part during the pandemic. Consequently, we were able to continue recruiting during a year where many were forced to reduce their organizations, and most importantly, we were able to help our customers to continue doing great things.

As the pandemic took hold early in the year, our customers needed to react accordingly. It affected everyone in different ways and we helped our customers with a range of different solutions, from hands-on digital sales optimization, new digital storefronts, omni-channel strategies aligned with the new normal to the implementation of mobile checkout functionality in-store, allowing people to shop more safely and skip queues.

One of the highlights of the year was helping Coop Norway launch their digital commerce and home delivery for food and groceries. The Norwegian government had urged them to start selling food online, and we were able to deliver a solution in just two weeks. Another highlight was the growth in new business that we saw during second part of the year, as we welcomed many new customers including Dormy, Kid Interiør/Hemtex, Megafliis, Nordic Nest and Saint-Gobain Distribution Sweden.

Our solutions and dedicated commerce experts have helped facilitate fast evolution and consistent development in the world of modern commerce, and we also continued to invest in our own organization to ensure we could lead these changes. We increased the number of employees by 25% and entered a number of key strategic partnerships throughout the year. We kept investing in product development, developing existing solutions and launching new ones. Storefront Excite, our platform in the composable commerce world, and Storefront Modern Pay, a new innovative POS and self-checkout solution, are two of the new investments.

2020 was a challenge for everyone, and I'm proud of the way Avensia was able to overcome all obstacles while continuing to provide our customers with what they needed to embrace the new opportunities that presented themselves. We showed speed, courage, and showed how powerful fast and decisive action can be, and as a result we managed to grow sales by 5% and FTEs by 25%, while achieving an operating margin of 1.1%.

We will take these lessons into 2021 and beyond, and with our amazing team we will always make sure our customers are the real winners. We define modern commerce!

Kind regards
Robin Gustafsson
CEO

Highlights from 2020

2020 was a challenging year for everyone, with COVID-19 disrupting the entire world. However, Avensia was able to continue to work alongside our customers to help them develop their business while keeping our people safe and satisfied.

The commerce industry was fortunate in general, as it was less affected than most others. There were

changes, of course, but the businesses that could adapt to these changes experienced real benefits. As Avensia helped customers all over the world navigate these changes and make the most of these new opportunities, our business saw growth throughout 2020.

TURNOVER:

317 MSEK

OPERATING MARGIN:

1,1 PERCENT

REVENUE GROWTH:

5 PERCENT

CO-WORKERS:

283

2020 Highlights and key figures

	2016	2017	2018	2019	2020
Revenue (MSEK)	122,1	168,1	250,0	302,9	316,9
Operating result (MSEK)	14,0	8,5	23,5	26,7	3,4
Earnings before tax (MSEK)	13,9	8,5	23,4	25,8	2,6
Balance sheet total (MSEK)	47,6	68,9	100,4	151,1	166,9
Equity ratio (%)	60	46	47	42	36

A year of momentum

Over the course of 2020 we signed a number of new customers in Europe, APAC and North America, and had the privilege of working on exciting new projects with our existing clients. Our major successes included:

- ✓ **New customer** deals with companies such as American Orthodontic, Fischer & Paykel, Nordic Nest, Dormy, Saint Gobain Distribution Sweden, Apohem, Kid Interiør /Hemtex, Megafliis, Get Inspired, Vita and HTS.
- ✓ Several existing customers **going live with new sites**. To name a few; indiska.com, nk.se, skincity.se, cowab.se and alloffice.se.
- ✓ Major growth in **Norway**. 2020 was really the year when we took the next step in Norway. We hired a lot of new talent, and we saw several new signed customers and new customer go lives. Another milestone in Norway was the launch of an ecommerce and home delivery

solution for food/groceries for major retailer Coop.

Growth and development

In addition to growing our customer base, Avensia itself also expanded in significant ways, including:

- ✓ Increased investment in modern commerce expertise. We **grew staff by 25%** to be able to meet the increased market demand in tech as well as strategic commerce expertise
- ✓ Expansion of our Modern Commerce excellence center in **Cebu**, Philippines where doubled the staff during the year

While 2020 had many challenges it also offered many new opportunities, and we're proud to have been able to navigate a difficult period with this level of success while helping our customers with growth and evolution. This has also set strong foundations for the years ahead, as we look forward to further development in the future.

Modern Commerce

We are living in an ongoing digital evolution, and changes are happening fast and often. In the world of commerce, the evolution has been even more dramatic than in many other industries. The modern commerce landscape, driven by the ever-changing needs and demands from the modern consumer, has experienced a real digital revolution.

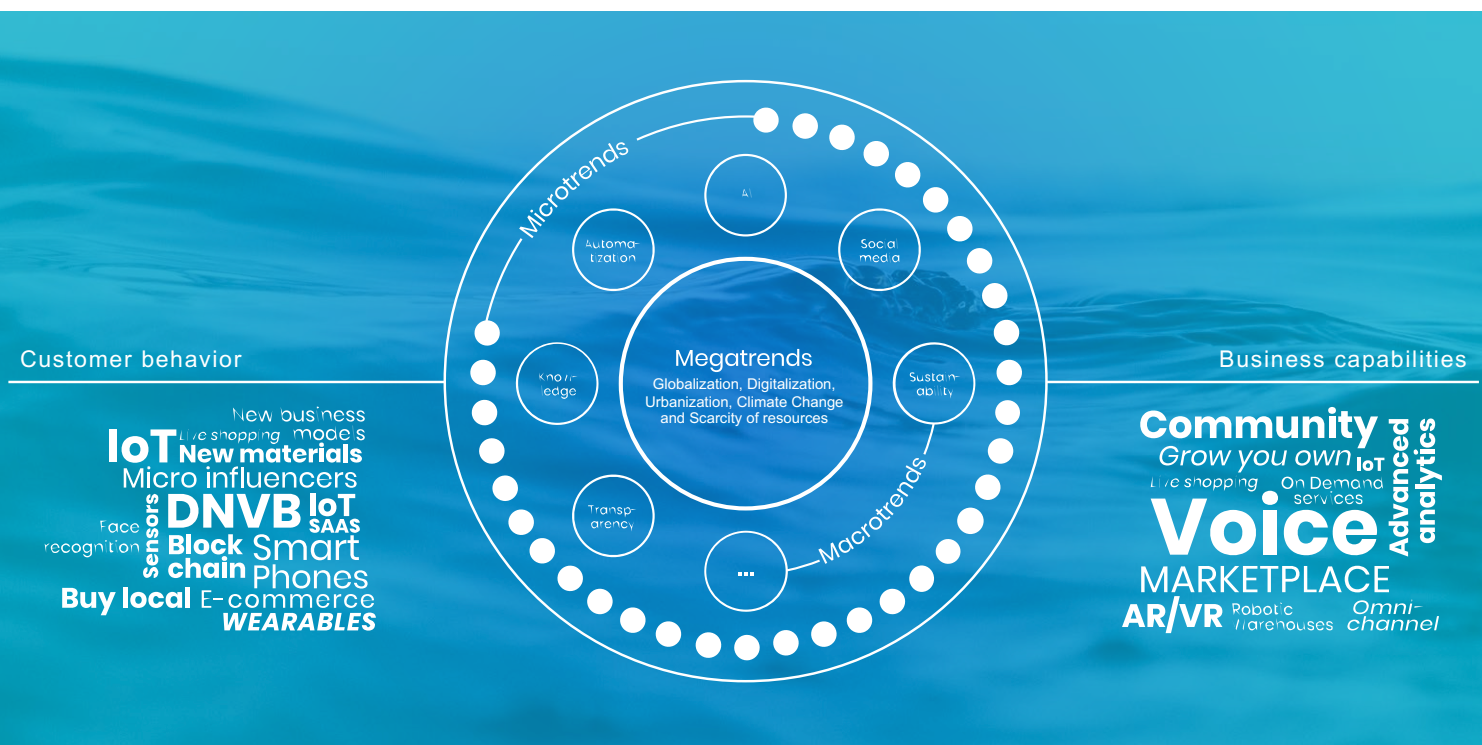
Trends of 2020 and beyond

We see commerce trends on all levels, covering the mega, macro and micro levels. When combined, they all put more pressure and higher demands on all players in the modern commerce landscape, from retailers to tech and strategy partners. It's challenging, but it also leads to great potential for

leveraging new ideas and creating a competitive edge in order to stand out from the crowd

It's important for us to monitor and understand all trends in the commerce space, and even more importantly, be able to help customers capitalize on relevant trends which will help our customers' businesses. We have developed our own model specifically for this:

We visualize the trends based on the level of impact, so mega, macro or micro. The microtrends are then sized according to relevance and popularity, so it's easy to see the overall state of commerce, and how it will look in the coming years.



Key challenges

Based on the trends we have mapped out, we can see a number of key challenges for commerce businesses:

- ✓ **Complexity:** To be able to handle complexity, change and uncertainty
- ✓ **Navigation:** To be able to understand, take actionable decisions and navigate challenging environments
- ✓ **Resilience:** to create resilience, competitive advantage and innovation.

The keys to success

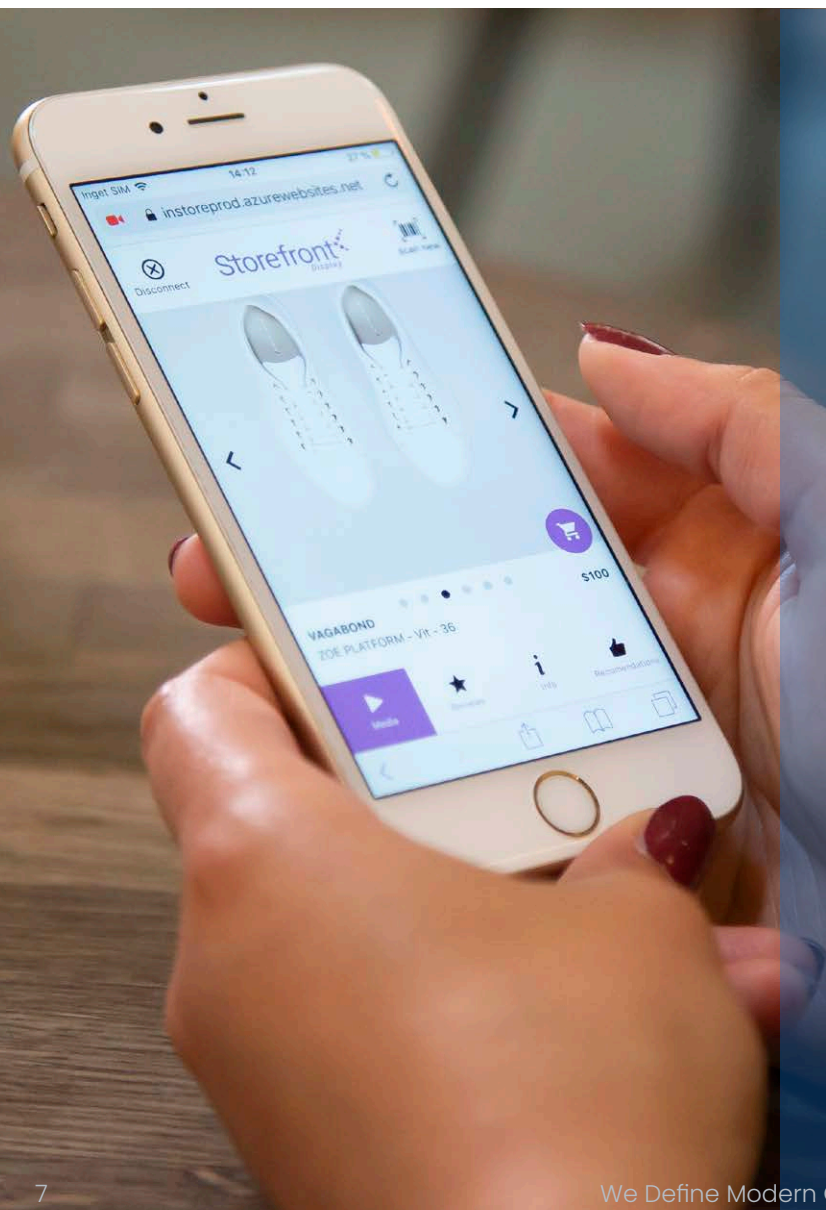
There are three key parameters which directly impact the success for B2B/D2C players as well as B2C retailers:

- ✓ **Industry/segment.** In general terms different segments have faced different challenges during the pandemic. Some have seen a dramatic increase and others have experienced tough challenges. However, there are also big differences within each segment, especially when businesses are able to differentiate themselves in a positive way.
- ✓ **Level of Digitalization.** The businesses that can leverage the power of digitalization have been and will be the big winners. To have a future proof platform is to have full control of all kinds of data in a scalable way and to be able to take decisions and work with continuous improvements based on accurate real time

data. These are major steps towards a more efficient and profitable business. Digital can mean anything from open up for a live video shopping experience to implementing a new master data platform.

- ✓ **Customer experience and loyalty.** We see increased expectations and demands from customers, but at the same time we also see that people are becoming more loyal to the companies that do great things for them – or simplify things with, for example, a unified shopping experience across different channels.

These trends apply to both B2C and B2B, but with slightly more complexity in B2B. An additional trend for some brands and B2B companies is to start to sell direct to consumer (D2C), which can impact margins in a big way when done well.



” It is clear that while modern commerce may be digital-first, it will not operate in isolation from physical retail. In fact, the future is very much omnichannel.

Cases

Here are some of the customer highlights related to current trends. We tend to run these initiatives as a joint venture together with the customer in order to make the process and outcome as positive as possible.

Nordic Nest: Creating a world class customer experience

Competition is tougher and customer demands are increasing. Nordic Nest wanted to provide world class customer experience while exploring the benefits of composable commerce, and Avensia was able to provide the solution with Storefront Excite.



Storefront Excite's powerful performance, along with the headless and component-based approach, offers the opportunity to work in an agile and data-driven way. This, in turn, has allowed Nordic Nest to grow and evolve at the same pace as its customers while consistently delivering a world class customer experience.

Kjell & Company: Introducing live video shopping

Video chat is growing everywhere, especially in the world of commerce. Moving on from live chat functions, more businesses are now exploring video chat and live video shopping which lets customers see their purchases in real time. Avensia has worked with the leading omnichannel home electronic retailer, Kjell & Company, to make this a reality – leveraging the capabilities in their Avensia Storefront e-commerce platform.

The pandemic has led to people only visiting stores when absolutely necessary, so Kjell & Company wanted to recreate an in-store experience online. Avensia already provided the digital platform,



KICKS: Enabling in-store customers through the power of digital commerce

The shift towards mobile shopping has been ongoing for some time, but in 2020 this pattern accelerated significantly. Swedish make-up and skincare company Kicks felt this trend firsthand as their customers were looking for a smoother mobile experience, while also looking for a more connected experience between the store and the online environment.

We help Kicks implement a self-check out solution where customers can use their own device, which allowed them to complete purchases without the need to queue or use cards. Creating this seamless connection between physical and online was not only great for Kicks' customers, but also for the experts in store who now have more time to advise those who need help.

and this allowed them to quickly implement new digital services such as live-stream shopping and one-to-one video calls between customers and tech experts. This allowed customers to safely and securely do shopping online but benefit from the feeling of being in a physical store, rather than a normal online storefront.

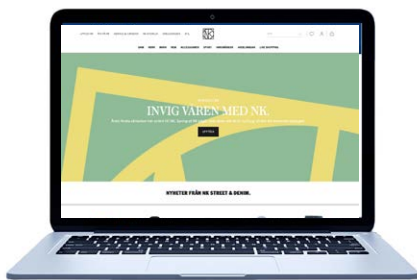


Avensia's modern commerce community

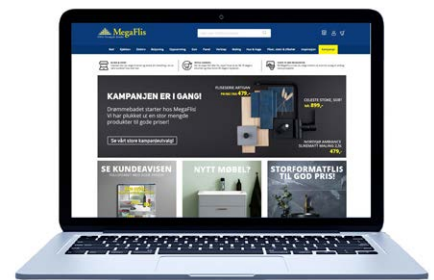
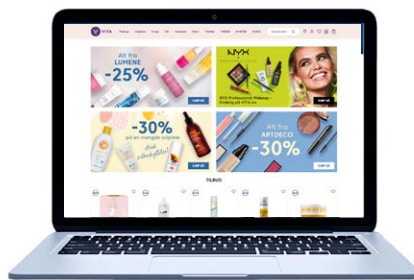
Avensia works with some of the leading B2C retailers and B2B companies from all over the world. Our customers benefit from our 300+ seasoned commerce experts and the 20+ years we have spent at the forefront of our industry. We also continue to innovate with our in-house developed products and add-modules for modern commerce,

and offer leading best-of breed-solutions from our partner ecosystem.

We celebrated a number of wins during a challenging 2020, and here is a selection of some of our new customers and go lives from this year:

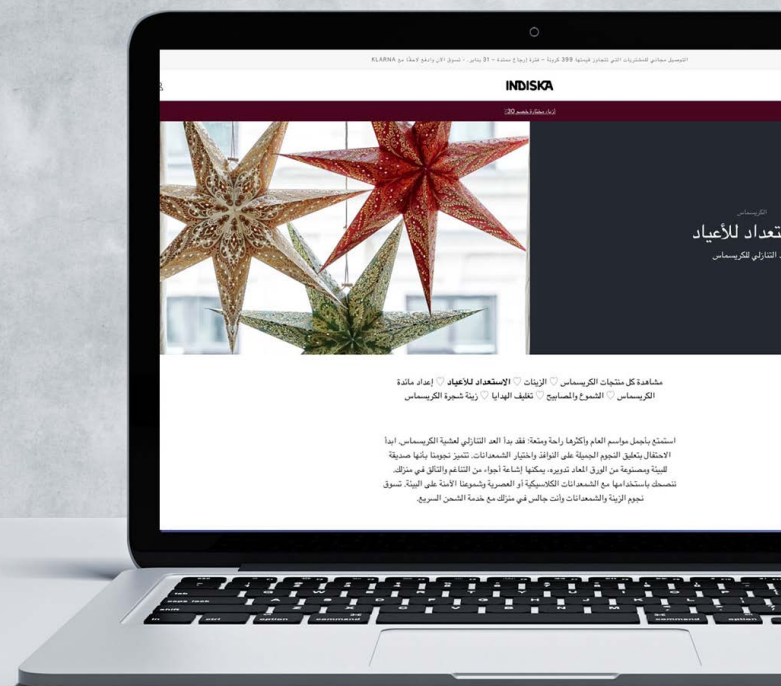


(Nordiska Kompaniet)



INDISKA

Avensia and INDISKA recently added support for several new languages to INDISKA's modern commerce solution, the most challenging of them being Arabic, which is read from right to left.



”

It was a complex project and Ahlsell needed an agency who knew what they were doing. They showed us a good model for how we could solve the task at hand. Value for money.

Mårten Forsell, Head of eBusiness, Ahlsell Sverige

”

To succeed, we need to continuously develop our site and its content. With Avensia as a partner, we have the opportunity to manage our customers' high expectations while meeting our goals for growth.

Jarno Vanhatapio, CEO and Founder, NA-KD

”

The MDM platform is a key component in streamlining our data and better managing our product information to drive supply chain efficiencies.

Trond Aske, CIO, BAMA Gruppen AS

About Avensia

Every day, Avensia sets new standards in modern commerce, pushes the boundaries of what's possible and strives to give you the edge you need to stand out.

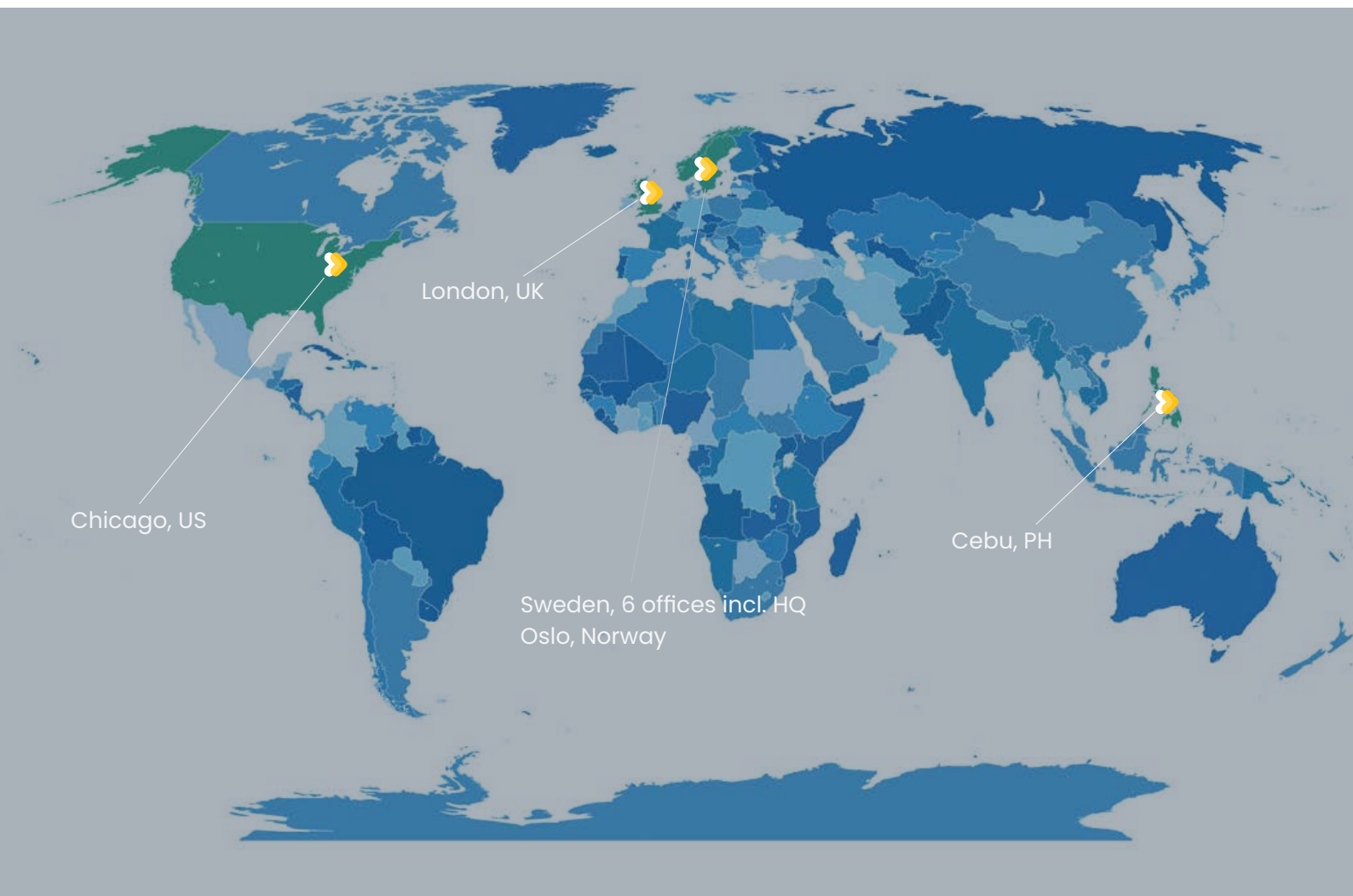
We're proud to work with the best customers and colleagues at Avensia. Our collective experience in multiple fields of modern commerce allows us to help you find the boldest, smartest next steps.

From technical system implementations to strategic business development, we have the tools and expertise to help you with e-commerce solutions, omnichannel strategies, PIM and MDM

implementations, retail instore technology, customer experience and loyalty and more.

Avensia consists of over 300 people dedicated to your success in modern commerce. From offices in Sweden (HQ), Norway, UK, the US and the Philippines, we serve clients globally across the entire spectrum of commerce. This means we know every kind of customer from B2C retailers, including both omnichannel retailers and digital pure players, brands and manufacturers, also including those doing D2C, to B2B companies within wholesale, distribution and manufacturing.

Global presence with customers in EMEA, America and APAC

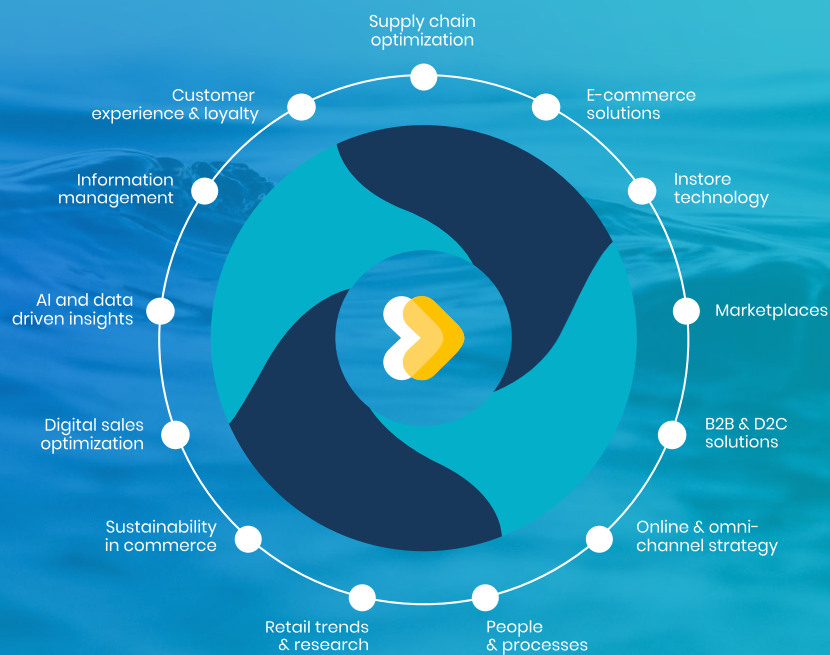


Our modern commerce offering

Avensia's market-leading offer is purpose-built to accelerate growth and revenue for our customers. Combining our commerce expertise with leading best-of-breed partner solutions, as well as our inhouse developed add-on products, we drive business and growth, increase conversion, customer centricity, user experience and operational excellence in any industry – from food and fashion to complex B2B operations and everything in between.

Our modern commerce offering is centered around a core of strategy and technology and includes Channels & Touchpoints, Customer Experience, Insights & Optimization and People.

Ultimately, our success at Avensia comes from shared values and the synergy we create between our customers and ourselves. In order to provide the best possible service, we cover the entire digital commerce landscape:



Why Avensia?

We've been in the business of making lives better for our customers for years, and there are a number of reasons to choose Avensia:

- ✓ Modern commerce is our core, and has been for 20+ years
- ✓ We combine cutting edge technology and strategic commerce expertise
- ✓ Our productified approach secures speed to value and minimized risk
- ✓ Our community engages 300+ modern commerce experts and some of the world's
- ✓ Leading B2B and B2C retailers – omnichannel and online pure players
- ✓ We have a solid financial foundation and a profitable growth
- ✓ Customers benefit from our own IP combined with an ecosystem of leading best-of-breed partner solutions

Some of our strategic partners

We are privileged to work with some of the best and most prominent companies operating in the same industry as ourselves. Technologies from our partners combined with our own knowledge gives our customers solutions for tomorrow's requirements within modern commerce.



Our vision for the future

We are the global driver of modern commerce, and we are committed to doing everything in our power to continue to be a force for positive change. To ensure we stay true to our vision, we have four

core values that we live by: we care for real, we mastermind synergy, we dare bigger, and we are in it to win it. But what do these values really mean?



Care for real

We care for real about our colleagues, customers, company, and communities, and we passionately believe we each make a difference for all of them.

We also believe that care is more than something we feel, it's something we do. So we throw our whole hearts into working with more generosity, more sustainability, and more unity in diversity to empower each other.



Dare bigger

Every day, we dare bigger than we dared the day before. We feel more curiosity than risk in the unknown because we know progress happens at the edge, and setbacks are only temporary.

So we have the guts to show up, challenge the status quo, try new things, make bold decisions, go first and go bigger in an uncertain world because that is the most certain path to success.



Mastermind synergy

With our minds in synergy, we are masters of creating a whole that's greater than its parts. We know progress is more than forward motion. It's pausing to put our heads together, adjust course if necessary, notice intersections and then fuse the best ideas and technologies to move forward faster.

Always looking for things to connect, we zero in on strengths and scalability from diverse perspectives to create best practices that boost everyone's capabilities.



Be in it to win it

When we're in, we're all in with a relentless commitment to see our customers win. For us, it's more than business; it's personal. We live and breathe modern commerce, continually pushing the boundaries of what's possible so our customers can see radical results.

With 20 years of experience, expertise and grit, we go the extra mile for our customers, colleagues and ensure success that's world-class.

By committing to all of this, we will lead our industry into the future and ensure our customers are at the forefront. Every day, in every way, we are here to define modern commerce.

A culture to be proud of

We bring together the sharpest minds in modern commerce – from designers and developers to strategists and communicators. Diversity fuels us, synergy unites us, and curiosity and commitment propel us to the top.

Working with us means having a lot of freedom, with responsibility. We are a dynamic and rapidly growing company where a lot of exciting things happen all the time. Our clients often tell us that we

are fun to work with. This is probably because all our employees, in addition to being highly skilled, are strongly committed to and genuinely interested in the business of our clients.

We think it is important to nurture prosperous consultants, not least as it leads to better results and happier clients. For that reason, we constantly strive to maintain a work environment that enables optimal balance between work and leisure.



Sustainability

Sustainable entrepreneurship means equal treatment and gender equality in all areas that affect our employees. A large part of our work within sustainability is therefore about being a responsible employer. Additional areas of focus are, of course, our own direct environmental impact, our customers' environmental impact and running a responsible business in the areas of IT security and transparency.

At Avensia, we have during the year prepared a sustainability report in line with the UN's sustainability goals for 2030. The report is voluntarily prepared according to GRI (Global Reporting Initiative) standard "Core" and in accordance with ÅRL's legal requirements, Chapter 6. For a detailed report of Avensia's work regarding equal treatment, gender equality and sustainability we refer to the company's sustainability report.

What our employees says;



Selmin Celik, Developer

In my day-to-day work at Avensia I get the opportunity to test my problem-solving skills, have continuous learning opportunities and get creative with code. You'll probably never have a boring day when working as a developer. Whenever you decide to write some code, you're creating something new. Sometimes you'll be amazed at how fast it gets done, and sometimes you'll spend considerable amount of time to find the smallest mistake you have made. But, at the end of the day, you will have great colleagues to laugh about it with!

Maja Håkansson, Developer

Working as a developer at Avensia gives me the opportunity to learn, use and implement new technologies and to influence how I work. Helpful colleagues, a great team spirit and exciting customers, adds to why Avensia offers what I am looking for in a company.



Avensia's share

Avensia AB is traded on NASDAQ Stockholm First North Growth with the ticker AVEN. Avensia had 3,449 shareholders by the end of 2020 and the number of shares amounted to 36,850,918. The

last buying price on 30 December 2020 was 16.85 SEK corresponding to a market capitalization of approximately 621 MSEK.

	2013	2014	2015	2016	2017	2018	2019	2020
Share price, 31 dec, SEK	2.22	4.95	6.15	8.85	8.10	11.60	14.55	16.85
Dividend per share, SEK	0.07	0.10	0.10	0.15	0.18	0.23	0.28	0.30*
Extra dividend, SEK	-	1.00	-	-	-	-	-	-
Directly yield, %	3.2	2.0	1.6	1.7	2.2	2.0	2.0	1.8
Total yield, %	115	126	46	46	-7	45	25	18
Market cap, MSEK	76	169	219	315	288	412	528	621

**Board suggestion*

Share capital and structure

Avensia's share capital amounted to 5.5 MSEK at year-end. The number of shares amounted to 36,850,918, each with a quota value of 0.15 SEK. Each share entitles the holder to one vote and everyone eligible to vote, have the right to vote for all his or her shares at the annual general meeting or any other shareholder meeting. Further – all shares have an equal right to the companies net assets and it's earnings.

Development of share capital 2008 – 2020

Year	Event	Addition	Total	Shares, thousand
2008	Opening value		5,051	33,674
2008	Equity issue	66	5,117	34,115
2015	Equity issue	214	5,331	35,544
2019	New share issue	114	5,445	36,302
2020	New share issue	82	5,527	36,851
	Closing value		5,527	36,851

The largest shareholders per 31 December 2020

Owner	Shares	Share (%)
A5 Invest AB (incl. Gustafsson)	9,509,075	25.80
Valid Asset Management i Skåne AB	8,000,000	21.71
Anders Wehtje Invest AB	3,765,000	10.22
Enter Småbolagsfond	1,046,890	2.84
Försäkringsbolaget Avanza Pension	999,380	2.71
Måns Ola Flodberg	850,000	2.31
Volito Aktiebolag	800,000	2.17
Sijoitusraahasto Aktia Nordic Mic	720,000	1.95
Johan Liljeros	684,055	1.86
Jan Karlander	600,000	1.63
Others	9,876,518	26.80
Total	36,850,918	100.00

Structure of owners

Three shareholders own 10% or more of the company: A5 Invest is owned by the five founders of the original Avensia company, including current CEO Robin Gustafsson. VAM is owned by the founders of the original INXL company, including the chairman of the board Per Wargéus and Fredrik Ljungbeck who is employed in the company. Anders Wehtje Invest AB is owned by Anders Wehtje who is employed as CFO in Avensia.

The Board

Chairman of the Board

Per Wargéus (born 1961), founder and CEO of then INXL in 2000, CEO of Avensia in 2007– 2015, chairman since 2015, member since 2007.

Other board assignments: Chairman of the Board in Advenica AB, Akribian AB, Almi Företagspartner i Skåne AB and NordAmps AB. Member of Connect Sverige Region Syd and Valid Asset Management i Skåne AB. Holdings in Avensia: 4 800 000 shares.



Members of the Board

Roland Vejdemo (born 1957). Board member since 2015.

Other board assignments: Chairman of the Board in NetOnNet. Holdings in Avensia: 0 shares.



Monika Dagberg (born 1969). E-commerce manager at Granngården, board member since 2013.

Other board assignments: Alternate in Pink Competitive AB, board member in Elprogram Konsulterande Ingenjörbyrå AB and IHM E-commerce Manager program. Holdings in Avensia: 0 shares.



Robin Gustafsson (born 1972). Acting CEO since 2021. Previous CEO (2015–2018) and co-founder of Avensia, board member 2007 – 2011 and 2018.

Other board assignments: Board member in CoolStuff AB, Habo Gruppen AB and Simris Alg (publ). Chairman of the Board in Finwire Media & Services AB and A5 Invest AB. Holdings in Avensia: 1 931 935 shares.



Anna Stig (born 1981). Nordic e-commerce manager at Dustin. Board member since 2019.

Other board assignments: No other board assignments. Holdings in Avensia: 0 shares.



Rogier Verheij (born 1967). Board member since 2021.

Other board assignments: Chairman of the Board in TIMEBLOCKR. Holdings in Avensia: 0 shares.



Management



Robin Gustafsson

Acting CEO since 2021. Co-founder of Avensia.

Has a background as a consultant within software development and structural mechanics. Master of Science in Civil Engineering from LTH.

Holdings in Avensia: 1 931 935

Stock options: 0



Anders Wehtje

CFO since 2020.

Has held several positions as CFO

or CEO in various industries and companies over a period of app. 20 years. Bachelor's degree from Stockholm School of Economics.

Holdings in Avensia: 3 835 000

Stock options: 125 000



Fredrik André

Chief Marketing Officer (CMO) since 2020.

Fredrik has 20+ years experience from various marketing and sales management positions in the tech and logistic industry. B.Sc. in Construction and Master in marketing.

Holdings in Avensia: 16 407

Stock options: 125 000



Andreas Wullrich

Chief Operating Officer (COO) since 2020.

Has several years of experience from Connecta and Linq Systems in different managerial functions focusing on growth and expansion. Computer Science and Math at Umeå University.

Holdings in Avensia: 5 000

Stock options: 250 000



Åsa Afshari

Chief People Officer (CPO) since 2019.

Has several years of experience from company EMS ekonomi och Personal as HR consultant. Bachelor degree in Social Science from Linné University in Växjö.

Aktieinnehav: 1 974

Teckningsoptioner: 41 000



Fredrik Esplund

Chief Sales Officer (CSO) since 2020.

Has during several years had roles within sales and delivery, previous from Microsoft.

Holdings in Avensia: 0

Stock options: 0



Kristian Hagset

Chief Growth Officer (CGO), since 2015.

Has had different

leading positions within the e-Commerce industry since 1999. M.Sc. Economics.

Holdings in Avensia: 30 000

Stock options: 125 000



Anders Ekdahl

Chief Technology Officer (CTO), since 2015.

Has several years of experience within e-commerce and mobile development. Computer Science at Pauliskolan in Malmö.

Holdings in Avensia: 2 820

Stock options: 125 000



Nina Quist

Business Management Director, since 2020.

Nina has 15+ years of experience from various senior management positions, both nationally and internationally. B.Sc. Business Administration.

Holdings in Avensia: 3 000

Stock options: 125 000



For more information, contact us on
info@avensia.com



avensia

WE DEFINE MODERN COMMERCE