

Q3

**GOODBYE
KANSAS**
GROUP

Goodbye Kansas Group • Interim Report • January– September 2022



Goodbye Kansas Studios produced the trailer for the game Skull & Bones

Summary

Goodbye Kansas Studios produced the trailer for Skydance Interactive's & Skybound Entertainment's VR-game The Walking Dead: Saints and Sinners - Retribution.

Third quarter **1 July – 30 September, 2022**

- Net sales decreased by 31 percent to SEK 44.0 million (63.7) primarily due to delayed project starts for the studio business in Visual Content & Brand.
- Adjusted operating profit before depreciation (adjusted EBITDA) amounted to SEK –25.9 million (–7.5). The increased loss is primarily due to reduced sales and an active decision to maintain personnel resources despite lower occupancy rates in order to ensure access to these resources for projects in coming quarters. Adjusted EBITDA excludes non-recurring expenses of SEK 1.2 million.
- Operating profit before depreciation (EBITDA) amounted to SEK –27.1 million (–22.5).
- Operating profit (EBIT) amounted to SEK –46.6 million (–43.8) of which amortization of goodwill amounted to SEK –7.3 million (–9.0).
- Profit before tax amounted to SEK –49.9 million (–52.7).
- Earning per share before dilution amounted to SEK –0.13 (–0.49) and after dilution amounted to SEK –0.12 (–0.45).
- Cash and cash equivalents amounted to SEK 8.5 million (44.9) on 30 September 2022.

First nine months **1 January – 30 September, 2022**

- Net sales increased by 9 percent to SEK 203.0 million (186.2) primarily due to a higher demand on services from Visual Content & Brand.
- Adjusted operating profit before depreciation (adjusted EBITDA) amounted to SEK –27.9 million (–28.9). The result is relatively unchanged compared to the corresponding period last year primarily due to lower sales in the third quarter. Adjusted EBITDA excludes non-recurring expenses amounting to SEK –7.1 million (–18.0) relating to restructuring measures.
- Operating profit before depreciation (EBITDA) amounted to SEK –35.0 million (–46.9).
- Operating profit (EBIT) amounted to SEK –87.4 million (–94.2) of which amortization of goodwill amounted to SEK –21.7 million (–22.1).
- Profit before tax amounted to SEK –92.3 million (–104.2).
- Earning per share before dilution amounted to SEK –0.23 (–0.96) and after dilution amounted to SEK –0.22 (–0.89).
- Cash at hand amounted to SEK 8.5 million (44.9) on 30 September 2022.

“Goodbye Kansas Group” refers to Goodbye Kansas Group AB (publ), org. no. 559019-7462, including its subsidiaries. The Board of Directors and the CEO of Goodbye Kansas Group hereby report the Interim Report for the period 1 January – 30 September 2022. All figures and comments refer to the Group and amounts are denominated in SEK million with the value for the corresponding period last year in brackets, unless otherwise stated.



Goodbye Kansas Studios produced the trailer for Funcom's game Dune: Awakening.

Significant events during the third quarter

- In order to increase the pace of transition and drive the company's continued strategic development, the Board of Goodbye Kansas Group appointed the company's then CFO Stefan Danieli to new CEO. Markus Manninen who is Managing Director of Goodbye Kansas Studios was appointed Deputy CEO of the group.
- Goodbye Kansas Studios received two orders for production of cinematic game trailers for new global customers. The value of the orders amounts to SEK 20 million and SEK 12 million respectively, and the productions were initiated during Q3 and will be completed during Q4 2022 and Q1 2023 respectively.
- Goodbye Kansas Group's subsidiary Plotagon in the business area Games & Apps has now included an export/import tool in their newly launched app Z-Cut (a collaboration with South-Korean Naver Z Corporation which have developed the avatar platform ZEPETO). The tool makes it possible for users to import their ZEPETO avatars into Z-Cut. The app has now been globally launched, and ZEPETO will initiate marketing activities of Z-Cut.
- The Group's subsidiaries Infinite Entertainment and Goodbye Kansas Studios ventured into a collaboration with actor Bill Skarsgård's company Longships Entertainment, to develop not only a new IP but also a whole new way of producing high-end, full CG entertainment content. Bill will both star and co-produce the project.
- Goodbye Kansas Studios produced a trailer for Funcom's game Dune Awakening. The game is inspired by the Legendary Pictures' movie adaptation of Frank Herbert's classical sci-fi books. The game trailer was directed by the visionary artist and author Simon Stålenhag and he has thereby directed his first game trailer.

Significant events after the period

- The Board has resolved on a number of structural measures in the business in order to create conditions for a healthy and resilient long-term development. The intention is to streamline the business and focus on the studio business, which is assessed to be in the best position to deliver long-term profitable growth.
- In connection with the streamlining, new financial targets have been set: An average annual sales growth of 20% and an EBITDA margin exceeding 10% by 2024 at the latest.
- The company has entered into an LOI regarding the divestment of subsidiary Plotagon Production AB, part of business area Games & Apps.
- The Board has resolved on a preferential rights issue of approximately SEK 66.5 million before transaction costs, as well as a directed issue by offsetting debts of approximately SEK 50.2 million, as well as an additional offset issue of approximately SEK 4.7 million to the sellers of minority shares in two of the company's wholly owned subsidiaries. The Board has therefore resolved to summon an extraordinary general meeting on 21 December 2022 and proposes that the general meeting decide on the issues. The rights issue is intended to be secured to approximately 80% through subscription obligations and external guarantees commitments.
- Goodbye Kansas Studios received an order to produce content for a computer game. The order comes from a recurring customer and the value of the order amounts to 10 MSEK. Production commenced in Q3 2022 and will be completed in Q3 2023.

A portrait of Stefan Danieli, the CEO, looking directly at the camera. He is bald, has a light beard, and is wearing a dark blue jacket over a light blue shirt. The background is dark and out of focus, showing what appears to be a studio or office environment with some equipment.

CEO letter

Stefan Danieli

Dear shareholder,

Since I became CEO at the end of September, we have intensified initiatives to address the group's challenges with weak profitability, too high costs, weak financial structure and negative cash flow. In addition to a continued focus on sales growth in the Studio business and its strategic shift towards larger projects, we are taking actions in order to reduce our operative costs. We are also planning to strengthen our balance sheet through a combined preferential rights issue and directed issues by way of offset of debt. At the same time we continue to look at divestments of a number of businesses in line with previous communication. In connection to the changes we have set new financial targets: 20% sales growth and over 10% EBITDA-margin by 2023. I am convinced that these actions combined allow us to create a robust financial structure and the right conditions for a positive sustainable development of the business.

In order to secure sustainable long-term financing of the business we are planning for a rights issue of approximately SEK 66.5 million and a directed issue through offset of debts of approximately SEK 50.2 million, and an additional offset issue of approximately SEK 4.7 million. Our intention is that 80% of the rights issue should be secured through subscription commitments and external guarantee commitments.

Proceeds from the preferential rights issue will partly be used for expansion of the Studio business and partly for repayment of existing loans, primarily related to Covid-19. We need to strengthen our capital structure and there are a number of circumstances leading up

to this decision: postponed project starts in Studios, postponed launch of mobile game Hello Kitty (where this year's completion of development has negatively impacted our cash flows) and delays of divestments of non-core businesses due to the current market climate. In addition to these initiatives we have successfully renegotiated terms for a number of loans, partly related to our offices, which supports our liquidity in the short term. All in all, these solutions contribute to a sustainable financial situation in the company.

In connection to decisions on rights issues and other restructuring measures, we have decided to revise our financial goals. Based on the conditions we foresee, in

which we focus on the Studio business, our conclusion is that the target for the EBITDA-margin needs to be set at 10 percent. The growth target remains unchanged so the financial goals are average annual sales growth of 20 percent and an EBITDA margin over 10 percent by 2024.

The third quarter is impacted by postponed project starts

Goodbye Kansas Group had a weak quarter with lower sales and a worsening result, despite a strong order book in business area Visual Content & Brand. In addition to the third quarter being a seasonally weaker period, as previously communicated, sales were negatively affected by customers' decisions to postpone starts for large VFX-projects in the Studio business. The group's net sales decreased by 31 percent during the quarter compared to the corresponding period last year and amounted to SEK 44.0 million (63.7). Adjusted EBITDA decreased to SEK -25.9 million (-7.5).

Demand for services related to production of VFX and game trailers from Goodbye Kansas Studios remains high and there is a strong orderbook in business area Visual Content & Brand. The postponed project starts do not imply that we have lost business, but the projects have been postponed to the current quarter.

Long-term potential in Studio business despite postponed projects

The studio business in Visual Content & Brand has the strongest orderbook since before the pandemic, better than ever. The business has a strong market position, world-leading technology and proven creative capabilities. This has given us long-term relations with customers such as Netflix, Amazon, Apple+, Warner and Sony Entertainment.

Our strategic priority is to transition to fewer and larger projects in VFX and game trailers, as well as strengthen and expand our service offering to the segments in-game and animation, which are characterized by high growth. Projects that have previously been postponed are now on-going and we will show significant growth during the fourth quarter. Our prognosis for the fourth quarter shows sales growth in line with our financial target and improved result compared to the corresponding period previous year. In addition we have a strong order book which stretches into the first

half-year 2023 and a sales pipeline considerably longer than that. This is a vast improvement compared to the same time last year.

Restructuring of business

In order to support a sound and sustainable development going forward we have decided on a number of structural measures as we previously communicated. We have decided to narrow the focus of the business to the Studio business where we, through our strong customer position, skilled employees and strong technical platform, see the best opportunities to create long-term profitable growth. Remaining businesses in business areas IP & Products and Games & Apps are being strategically reviewed. We have recently communicated that we've signed an LOI regarding the divestment of Plotagon Production and more divestments could materialize going forward.

As we've previously communicated we've decided to divest Sayduck and strategically review Vobling. The divestment process for Sayduck has been prolonged due to global developments during the spring and summer. Our efforts to find an attractive solution and the right long-term owner for the company continues, and we are in concrete discussions with potential buyers.

The Board sees limited synergies between Vobling and other parts of the Group and the Board is reviewing strategic options for the company.

Also the third company in the business area IP & Products - Infinite Entertainment - is undergoing a strategic review and may be divested.

Funds from divestments will be reinvested in the Studio business.

Increasing efficiency in the business

In parallel to larger restructuring measures, we've initiated a new cost optimization program that has potential to lower annual costs by SEK 15-20 million. Focus for the cost optimization program is increased use of capacity, optimization of office space, reduced use of consultants and general cost savings. We must implement more rigorous cost discipline going forward, we have simply failed to take sufficient action previously. In addition to announced cost savings, we will focus on implementing better tools to secure more efficient use of resources and make it easier to lead, administrate and follow up on projects.

CEO LETTER

Stabile capital structure supports growth ambitions

A divestment of non-core businesses combined with a preferential rights issues and the offset issue gives us the means to reach our financial goals of an average growth of 20 percent and an EBITDA-margin exceeding 10 percent by 2024.

We will keep the market informed about the announced rights issues while we maintain full focus on delivering high-quality services to our customers. Following implementation of decided measures I am convinced that Goodbye Kansas Group has a strong position on a growing and very exciting market, and we have the prerequisites to become a profitable growth company

Stefan Danieli
CEO
Goodbye Kansas Group

Key figures

Group

SEK Thousands	Q3 2022	Q3 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Net sales	44,000	63,657	202,999	186,219	263,479
Capitalized work for own account	3,461	3,335	10,149	17,727	21,195
Total revenue	50,428	68,955	220,508	211,244	292,597
Adjusted EBITDA	-25,875	-7,503	-27,913	-28,913	-36,761
EBITDA	-27,066	-22,471	-35,032	-46,916	-61,234
Number of employees, average	212	262	219	259	276
Assets	278,680	348,519	278,680	278,680	344,649
Cash liquidity	30%	45%	30%	45%	70%
Equity/Assets-ratio	9%	25%	9%	25%	35%
Equity per share, SEK	0.06	0.81	0.06	1.35	0.32
Earnings per share, SEK					
- Before dilution	-0.13	-0.49	-0.23	-0.96	-0.40
- After dilution	-0.12	-0.45	-0.22	-0.89	-0.39
Number of shares at the end of the period	390,961,044	108,131,727	390,961,044	108,131,727	378,461,044
Number of shares at the end of the period after full dilution	395,961,044	112,131,727	395,961,044	112,131,727	387,461,044

Group description

The group financial statements consolidate the parent company and its subsidiaries' operations until 30 September 2022.

The group is organized in three business areas: Visual Content & Brand, IP & Products and Games & Apps.

Visual Content & Brand includes the company Goodbye Kansas Studios which offers visual content for film, TV and games. IP & Products includes the companies Infinite Entertainment which develops IP for film and TV, Vobling which offers VR-training solutions and Sayduck

which offers a SaaS platform for 3D-based visualization of e-retailers' products through AR. Games & Apps includes the companies Virtual Brains which develops location based mobile games and Plotagon which offers an app for 3D animation.

Development in the Group

The group's net sales decreased to SEK 44.0 million during the third quarter and the primary reason is that VFX-projects in Visual Content & Brand were delayed. The group's sales pipeline however remains very strong compared to the corresponding period last year. Also profits have been negatively impacted by the reduced sales. Work to increase efficiency, increase cross sales and lengthen customer agreements has intensified in order to improve the long-term profitability.

Visual Content & Brand

Net sales for Visual Content & Brand which includes the company Goodbye Kansas Studios amounted to SEK 39.8 million (59.0).

The business area has been negatively impacted by project starts being delayed until the following quarter. The business maintained production resources during the quarter, despite lower sales, in order to secure the availability of these resources in the fourth quarter, thereby incurring higher costs. Reduced sales coupled with increased employee expenses has led to a larger EBITDA loss. Sales to the gaming sector amounted to SEK 19.1 million (33.1) during the quarter and accounted for 48 percent of sales. Sales from film and tv were maintained and remained flat at SEK 20.7 million compared to the corresponding period last year. We have built a strong sales pipeline to the film and TV sectors. The business area is well positioned to meet the demands from the most challenging projects in film, TV and gaming.

IP & Products

Net sales for IP & Products, which includes the companies Infinite Entertainment, Vobling and Sayduck, amounted to SEK 3.2 million (3.9).

Infinite Entertainment's net sales amounted to SEK 0 million (0) during the third quarter. Infinite Entertainment develops film and TV projects and IPs, either internally or in co-production with external creators and partners. Production of the film "Gordon Hemingway & The Realm of Cthulhu" together with Netflix and the director and producer Spike Lee is still in a planning phase.

The attention for this partnership has led to new discussions related to other projects.

Vobling's net sales decreased somewhat to SEK 1.7 million (2.1) during the third quarter of 2022. Vobling has completed development of its VR-based training product for fire training, VR Fire Trainer. Vobling has signed reseller agreements with some of Europe's largest companies in Fire and Safety, and has during the quarter expanded with new markets and new partners also outside Europe.

Sayduck's net sales during the quarter amounted to SEK 1.5 million (1.7). License revenues' share of total revenue amounted to 61 percent in the quarter. A divestment process for Sayduck was initiated in the second quarter and the sale is expected to be completed in 2022.

Games & Apps

Net sales for Games & Apps which includes the companies Virtual Brains and Plotagon amounted to SEK 1.0 million (0.9).

Virtual Brains is now a project management organization with a limited number of key employees who together with external partners develop mobile games based on licensing agreements with well-known global consumer brands. Production of the mobile game Hello Kitty is completed but the game's launch is scheduled for September 2023 due to a decision from the IP-owner Sanrio. As previously communicated, the game has been developed in collaboration with Keywords Studios, one of the most reputable global game studios.

Plotagon has launched the new app Z-Cut in collaboration with South-Korean ZEPETO, which is Asia's fastest growing Avatar platform with over 290 million registered users. The app has previously been soft launched and is now undergoing a wider launch globally.



CASE: SKULL & BONES

Goodbye Kansas Studios has built a solid reputation as a creator of cinematic game trailers, and clients often return when they have a new game to advertise. Such was the case with the trailer for Ubisoft's game "Skull and Bones", an epic adventure involving all the classic pirate movie ingredients, like storms, fierce battles, beautiful settings and engaging characters.

"After a great collaboration with DDB Paris and Ubisoft on Assassins Creed: Valhalla in 2021, we were given the opportunity to pitch on the release trailer for Skull & Bones. We understood from the start that DDB and Ubisoft were looking for something exceptional, and we eagerly accepted the challenge" says Jan Cafourek, Executive Producer at Goodbye Kansas.

In order to tell a story which spans oceans, continents and time, Goodbye Kansas collaborated closely with DDB and Ubisoft Singapore to find the correct context, tone and tempo of the narrative. One challenge was to show the hero's journey, the rags to riches story, as well as hint at the larger scope of the game's world and the possibilities it offers. And then there were all the technical aspects of a production of this magnitude, including advanced FX and photorealistic digital characters that could connect with the audience and make them forget they're watching a CGI production.

"We have a great team here at Goodbye Kansas and we're constantly pushing ourselves to become better and create beautiful and engaging imagery" says Henrik Eklundh, VFX Supervisor on the project. "Our digital humans are some of the best in the business and we feel we really pushed the boundaries with the main character in this trailer, but we also expanded our capabilities within FX simulation and Houdini integration."

The team were particularly keen to work on the visual effects of the different environments in the story: from sea locations, water, storms and sea battles, each scene required both creativity and a deep understanding of the art of the craft itself.

The complex battle sequences demanded extensive FX simulations and Henrik enjoyed every second of it. "It's an amazing feeling when everything comes together, like in the shot where the pirate ship attacks another ship using a massive flamethrower. That looked incredible!"

For director Emnet Mulugeta, working with the actor portraying the protagonist, David Nzinga, was exciting. "It was a real treat working with him. He brought out the character through a subtlety that really suited the part, and it helped us convey the character's emotional journey naturally and truthfully."

The trailer was released July 7th 2022.



Our digital humans are some of the best in the business and we feel we really pushed the boundaries with the main character in this trailer"

Henrik Eklundh,
VFX Supervisor

Financial development

Third quarter **1 July – 30 September 2022**

Net sales during the period amounted to SEK 44.0 million (63.7). Sales during the quarter decreased by –31 percent mainly due to delayed VFX projects in Visual Content & Brand.

Adjusted EBITDA amounted to SEK –25.9 million (–7.5). The adjusted EBITDA excludes non-recurring expenses amounting to SEK –1.2 million and the worse result is due to lower sales and increased costs to secure sufficient resources ahead of coming projects. EBITDA amounted to SEK –27.1 million (–22.5).

EBIT amounted to SEK –46.6 million (–43.8). The quarter includes amortization of goodwill and licenses of SEK –7.3 million (–9.0) and depreciation of development costs of SEK –4.3 million (–1.6).

Earnings per share before dilution amounted to –0.13 SEK (–0.49) and after dilution amounted to –0.12 SEK (–0.45).

Net sales for Visual Content & Brand amounted to SEK 39.8 million (59.0) and accounts for 90 percent of group sales. The business area has been negatively impacted by projects being delayed until the current quarter. A majority of the business area's sales are invoiced in foreign currencies (USD; EUR and GBP). The gaming industry remains strong and accounts for 48 percent of total sales in Visual Content & Brand.

During the third quarter, business areas IP & Products had net sales amounting to SEK 3.2 million (3.9) and Games & Apps had net sales amounting to SEK 1.0 million (0.9).

Investments

Significant investments relate to product development of mobile games, products, software and IP, and amount to a total of SEK 13.5 million (1.5) during the third quarter, primarily related to the completion of Hello Kitty.

Cash flow and cash equivalents

Cash flow amounted to SEK –4.3 million (22.9) during the third quarter. The group's cash and cash equivalents amounted to SEK 8.5 million (44.9) on 30 September 2022.

First nine months **1 January – 30 September 2022**

Net sales during the period amounted to SEK 203.0 million (186.2). The increase is due to increased demand from customers in the studio business.

Adjusted EBITDA amounted to SEK –27.9 million (–28.9). The adjusted EBITDA excludes non-recurring expenses amounting to SEK –7.1 million (18.0). EBITDA amounted to SEK –35.0 million (–46.9).

EBIT amounted to SEK –87.4 million (–94.2) and includes amortization of goodwill of SEK –21.7 million and depreciation of development costs of SEK –13.3 million.

Earnings per share before dilution amounted to –0.23 SEK (–0.96) and after dilution amounted to –0.22 SEK (–0.89).

Net sales for Visual Content & Brand amounted to SEK 189.2 million (168.4). The reasons for the development are the same as for the quarter. Business areas IP & Products had net sales of SEK 10.3 million (13.2) and Games & Apps had net sales of SEK 3.5 million (3.5).

Employees

The average number of employees in the Group amounted to 212 (262) during the period. The primary reason for a reduced work force is that the business discontinued its operations in the Philippines.

The share

The Goodbye Kansas Group-share (GBK) was renamed from Bublar Group on May 3, 2021. The share is listed on Nasdaq First North Growth Market since 11 November 2019 and was previously listed on NGM MTF as of November 6, 2017. The share has ISIN code SE0010270793. Wildeco Ekonomisk Information AB is the company's Certified Adviser.

On 30 September, 2022 the total number of shares amounted to 390,961,044 and the number of shareholders amounted to approximately 6,900.

Risks and uncertainties

Goodbye Kansas Studios is dependent on being able to reach a certain level of capacity utilization to ensure coverage of fixed costs.

FINANCIAL DEVELOPMENT

It is the Board's assessment that Goodbye Kansas Group has now reached such an established market position that the work can focus on delivering long-term sustainable profitability. But the business's profitability is affected by, among other things, declines in order intake and the pandemic has led to delays in film, TV and VR/AR productions. Fluctuations in exchange rates will also affect profitability.

The markets for the Group's services and products are in a strong growth phase. Market dynamics mean that there is a risk that projects in which the group has invested in will not generate the expected interest among end customers, thus resulting in lower than expected revenues with a negative effect on earnings and cash flows. Shifting market dynamics may also result in writedowns of capitalized development costs. A delay of a commercial launch or lower revenues than estimated may have a material negative impact on the Group's operations, profitability and financial position.

Delays in planned and ongoing projects may also have a negative impact on the Group's business, profitability and financial position. Both the mobile gaming and XR markets are characterized by rapid technological and innovative development and significant competition. The Group's competitors may develop a competitive advantage through a more established brand and a more efficient use of financial, technological and marketing resources.

The Group consists of an organization with limited resources and it may therefore be considered highly dependent on a few key employees. Furthermore, the partners with whom the company has chosen to cooperate with may be forced to set priorities in conflict with the Group's which could lead to delays in the completion of projects.

The group is dependent on securing funding at attractive terms in order to run a sustainable business.

Comments on accounting and valuation principles

This quarterly report has been prepared in accordance with the Annual Accounts Act (ÅRL) and BFNAR 2012:1 (K3). Applied accounting and valuation principles are unchanged compared to the financial statements for 2021.

Comments on balance sheet

The value of the Group's total goodwill amounted to approximately SEK 57.1 million on 30 September 2022. Goodwill is amortized on a straight-line basis over 5 years as of the date of closing. Other intangible assets represent values for proprietary software and proprietary IP. The software solutions are tools to increase productivity in work processes. The IP can be a concept for TV series, movies or games where the goal is to sell the concept to a project and contribute to its success. When such as sale is made the goal is to generate VFX assignments for Goodbye Kansas Group.

A straight-line depreciation model of 3 years is applied for development costs.

Financing

The Group has SEK 79.0 million in external debt funding, of which SEK 47.6 million is accounted for as non-current liabilities and SEK 31.9 million is accounted for as current liabilities in the balance sheet. During the quarter, an agreement for a bridge loan of SEK 15 million was entered of which SEK 10 million came from an existing shareholder and board member.

Moreover, the Group has received significant financial Covid support during 2020-2022 due to deferred tax payment in the Swedish companies, SEK 68 million in total of which SEK 11.5 million is accounted for as non-current liabilities since repayment plans are over three years, and SEK 56.3 million is accounted for as current liabilities even though there is a high likelihood that prolonged repayment plans will be approved also for this debt.

Total liabilities amount to SEK 146.8 million and is deemed as not sustainable for the business's continued operations, which is the main reason for why in addition to a rights issue we carry out a conversion of a majority of non-tax related debt into equity.

Capital needs

Cash and cash equivalents amounted to SEK 8.5 million (44.9) at the end of the period. Due to a postponed launch for the mobile game Hello Kitty and delayed projects in VC&B, management believes that the business will have a capital need amounting to approximately SEK 40 million ahead of 2023. The Board has therefor

FINANCIAL DEVELOPMENT

decided to carry out a rights issue to secure sufficient funding until the company is profitable.

Furthermore, a potential sale of Infinite Entertainment, Sayduck and Vobling could potentially resolve the capital need. Since it is difficult to determine when these divestments will be completed, the Board has determined that a rights issue is necessary.

The company also has a possibility to raise up to SEK 175 million over a three-year period, through directed issues to LDA Capital.

Financial calendar

Interim Report Q4	28 February 2023
Annual Report 2022	23 March 2023

Goodbye Kansas Group's financial reports are available on [goodbyekansasgroup.com](https://www.goodbyekansasgroup.com)

Review

This report has not been reviewed by the company's auditor.

Stockholm, 18 November 2022

Board of Directors,
Goodbye Kansas Group AB (publ)

Profit & Loss

Condensed Consolidated Income Statement

SEK Thousands	Q3 2022	Q3 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
REVENUE					
Net sales	44,000	63,657	202,999	186,219	263,479
Capitalized work for own account	3,461	3,335	10,149	17,727	21,195
Other operating income	2,967	1,963	7,360	7,298	7,922
Total income	50,428	68,955	220,508	211,244	292,597
OPERATING EXPENSES					
Other external costs	-38,243	-38,972	-126,765	-113,202	-162,568
Employee costs	-39,251	-52,454	-128,774	-144,958	-191,262
Earnings before depreciation and amortization (EBITDA)	-27,066	-22,471	-35,032	-46,916	-61,234
Depreciation and amortization	-19,556	-21,309	-52,390	-47,285	-73,076
Earnings before interest and tax (EBIT)	-46,622	-43,780	-87,421	-94,201	-134,309
FINANCIAL ITEMS					
Results from other securities and long-term receivables	-390	-	749	-6,005	-6,005
Interest income	8	2	8	3	3
Interest expense	-4,060	-3,110	-8,058	-5,455	-12,280
Currency differences and other financial items	1,120	-5,837	2,430	1,440	2,006
Total financial items	-3,322	-8,945	-4,872	-10,017	-16,275
Profit after financial items	-49,944	-52,725	-92,293	-104,218	-150,584
Tax	-2	-99	-11	-99	330
Deferred tax	662	99	3,751	-	-93
Profit/loss for the period	-49,284	-52,725	-88,553	-104,317	-150,348

Balance Sheet

Consolidated Statement on Financial Position

SEK Thousands	30 Sep 2022	30 Sep 2021	31 Dec 2021
ASSETS			
Intangible assets	193,455	213,416	198,363
Tangible assets	21,348	26,888	25,393
Non-current financial assets	5,612	5,761	5,611
Total non-current assets	220,414	246,065	229,367
Current receivables	49,775	57,573	77,332
Cash and cash equivalents	8,491	44,881	37,950
Total current assets	58,266	102,454	115,282
Total assets	278,680	348,519	344,649
EQUITY AND LIABILITIES			
Share capital	10,947	3,088	10,811
Share premium and other equity	102,569	184,240	255,183
Retained earnings	-88,553	-104,317	-150,348
Equity attributable to parent company shareholders	24,963	83,012	115,646
Minority interest	-	4,913	6,182
Equity	24,963	87,925	121,828
Provisions for taxes	4,192	8,273	7,943
Non-current liabilities	57,661	25,297	50,145
Current liabilities	191,864	227,024	164,733
Total liabilities	249,525	252,321	214,878
Total equity and liabilities	278,680	348,519	344,649
Company mortgage	18,000	13,320	18,000
Contingent liabilities	104,304	113,529	104,304

Cash Flow

Consolidated Statement of Cash Flow

SEK Thousands	Q3 2022	Q3 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
OPERATING ACTIVITIES					
Earnings before interest and tax (EBIT)	-46,623	-43,780	-87,421	-94,200	-134,309
Adjustments for non-cash flow items	21,207	18,668	49,604	48,235	81,805
Received interest	2	2	3	3	3
Interest expense	-2,578	-3,110	-4,923	-5,455	-3,774
Income tax paid	426	27	-186	-295	-80
Changes in working capital	36,447	68,603	28,798	104,805	55,717
Cash flow from operating activities	3,818	40,410	-19,190	53,093	-637
INVESTING ACTIVITIES					
Capitalized expenditure on product development	-13,465	-1,486	-42,060	-27,957	-33,354
Divestment of intangible fixed assets	--	-	-	41	-
Acquisition of tangible fixed assets	-456	-438	-1,861	-1,433	-2,050
Divestment of tangible fixed assets	-	433	-	433	471
Acquisitions of group companies	-	-	-4,366	-599	-599
Other changes in financial assets	-	-	-	669	669
Divestment of financial fixed assets	-	225	-	225	225
Cash flow from investing activities	-13,921	-1,266	-48,287	-28,621	-34,638
FINANCING ACTIVITIES					
Rights issue	-	-	-	-	53,976
Proceeds from loans	10,000	-	46,111	25,000	25,000
Repayment of loans	-4,242	-14,475	-8,123	-28,204	-29,370
Transactions with minority	-	-1,741	-	-1,741	-1,741
Cash flow from financing activities	5,758	-16,216	37,988	-4,945	47,865
In-/decrease of cash	-4,345	22,928	-29,489	19,527	12,590
Cash and cash equivalents at the beginning of the period	12,822	21,866	37,950	25,336	25,336
Translation differences cash and cash equivalents	14	87	30	18	24
Cash and cash equivalents at the end of the period	8,491	44,881	8,491	44,881	37,950

Equity

Consolidated Statement of Changes in Equity

SEK Thousands	Share capital	Other contributed capital	Other equity incl. retained earnings	Parent company's shareholding	Minority interest	Total equity
Balance at 1 January 2021	2,862	343,772	-172,507	174,127	4,776	178,903
Profit/loss for the period			-104,316	-104,316		-104,316
Non-cash issue, GBK Holding	161	15,138		15,299		15,299
Rights issue, Contingent consideration Sayduck	65	5,940		6,005		6,005
Issue expenses		-3,137		-3,137		-3,137
Acquisition of minority interests			-1,768	-1,768		-1,768
Currency translation differences			-3,198	-3,198	137	-3,061
Balance at 30 September 2021	3,088	361,713	-281,789	83,012	4,913	87,925
Profit/loss for the period			-46,032	-46,032		-46,032
Preferential rights issue	7,722	56,268	36,031	100,022		100,022
Issue expenses		-15,676		-15,676		-15,676
Acquisition of minority interests			-3,939	-3,939	1,269	-2,670
Currency translation differences			-1,742	-1,742	-	-1,742
Balance at 31 December 2021	10,810	402,305	-297,470	115,645	6,182	121,828
Balance at 1 January 2022	10,810	402,306	-297,470	115,646	6,182	121,828
Profit/loss for the period			-88,553	-88,553		-88,553
Offset issue, 7 March 2022	137		4,643	4,780		4,780
Issue expenses		-15		-15		-15
Acquisition of minority interests			1,817	1,817	-6,182	-4,365
Currency translation differences			-8,712	-8,712	-	-8,712
Balance at 30 September 2022	10,947	402,291	-388,275	24,963	-0	24,963