

# Q2

**GOODBYE  
KANSAS**  
GROUP

Goodbye Kansas Group • Interim Report • January – June 2023



Goodbye Kansas Studios produced the cinematic trailer for Creative Assembly's game Total War: Pharaoh

# Summary

The trailer for Total War: Pharaoh has received the most views out of all trailers produced for a Total War game.

## **Second quarter** **1 April – 30 June, 2023**

- Net sales increased by 17 percent to SEK 80.4 million (68.6) due to growth in all segments in Goodbye Kansas Studios.
- EBITDA amounted to SEK –14.4 million (–9.6). The loss during the second quarter is due to restructuring costs, increased costs for personnel and inflation adjustment of costs such as rent.
- Adjusted EBITDA amounted to SEK –8.7 million (–6.8). Adjusted EBITDA excludes non-recurring costs related to restructuring measures of SEK –5.7 million.
- EBIT amounted to SEK –32.6 million (–26.0), of which amortization of goodwill and licenses amounted to SEK –10.4 million (–10.5).
- Profit before tax amounted to SEK –28.1 million (–25.9).
- Earnings per share before dilution amounted to –1.24 SEK (–11.68) and after dilution –1.20 SEK (–11.53).\*
- Cash and cash equivalents amounted to SEK 25.2 million (12.8) on June 30, 2023.

## **First half-year** **1 January – 30 June, 2023**

- Net sales decreased by 4 percent to SEK 152.0 million (159.0) primarily due to weaker development in Goodbye Kansas Studios during the first quarter.
- EBITDA amounted to SEK –29.4 million (–8.0). The loss during the first half-year is due to restructuring costs, increased costs for personnel and inflation adjustment of costs such as rent.
- Adjusted EBITDA amounted to SEK –21.3 million (–2.0). Adjusted EBITDA excludes non-recurring costs related to restructuring measures of SEK –8.1 million.
- EBIT amounted to SEK –64.7 million (–40.8), of which amortization of goodwill and licenses amounted to SEK –20.9 million (–20.9).
- Profit before tax amounted to SEK –61.1 million (–42.3).
- Earnings per share before dilution amounted to –2.70 SEK (–20.09) and after dilution –2.61 SEK (–19.83).\*
- Cash and cash equivalents amounted to SEK 25.2 million (12.8) on June 30, 2023.

\* Values for earnings per share have been recalculated to reflect the reversed share split 1:200 decided upon at the AGM on April 13, 2023.

“Goodbye Kansas Group” or “the Company” 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 Year-end Report for the period January 1 – June 30, 2023. 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.



## Significant events during the second quarter

- At the company's annual general meeting ("AGM") on April 13, 2023, Marina Andersson and Anna Ljungdahl were elected new Board members. The Board now includes Per Anders Wärn (Chairman), Staffan Eklöv, Adrian Politowski, Mikko Setälä, Marina Andersson and Anna Ljungdahl.
- The AGM decided upon a consolidation of shares at a ratio of 1:200 whereby 200 shares are consolidated into one new share. The Board determined the record date to May 9th, 2023.
- Goodbye Kansas Group's subsidiary Vobling AB has signed renewed and updated reseller agreements with its partners Dafo Brand AB and Gloria GmbH. The agreements include the Nordic countries as well as several important markets in Europe.
- Goodbye Kansas Group AB's subsidiary, Vobling AB, was honored with the prestigious "Product of the Year 2023" award by the trade organization, FeuerTrutz, in Germany. The prize is of great value for the product VR Fire Trainer's marketing and sales efforts on the strategically important German market.
- Goodbye Kansas Group received a decision from the Disciplinary Committee of Nasdaq Stockholm by which the company is ordered to pay a fine corresponding to four annual fees, amounting to SEK 0.5 million, for breach of the rulebook concerning an order from a

client. The company mistakenly announced an order before an agreement was finalized. At the company's initiative, the mistake was corrected a few hours later and subsequently the order was signed and announced on February 10, 2023.

## Significant events after the end of the period

- On August 30, 2023, the Board of Goodbye Kansas Group decided to amend the plan for the mobile game Hello Kitty AR: Kawaii World which is ready for soft launch. The previous plan to launch the game based on the IP Hello Kitty will not be followed through, and the company will instead focus its efforts on finding alternative ways to exploit the developed game.
- In August 2023, Karoline Duvmo began in the role as the company's new Head of Finance and a member in the executive management team. Karoline has significant experience from prior finance positions in several industries, most recently as CFO of Convini.
- In July 2023, the company entered a new rental agreement for its head office in Stockholm. The new agreement means that the company will reduce its office space as of October 2023 and will result in annual savings close to SEK 15 million, in total more than SEK 50 million, until the first half of 2027.





# CEO comments

Stefan Danieli

Dear shareholder,

Our long term work to create profitability continues and is based on, in line with our updated strategy, working structurally on increasing sales combined with achieving significant cost reductions. During the second quarter we saw increased demand for studio services which resulted in net sales increasing by 17% compared to the corresponding period last year, to SEK 80.4 million. Our profit in the second quarter is negatively impacted by increased personnel costs and inflation adjusted rent, which resulted in Adjusted EBITDA amounting to SEK -8.7 million. It is pleasing to see that we have been able to undertake a number of measures during the quarter which will decrease operational costs and contribute to achieving profitability going forward. We are working hard to create growth and develop our sales activities in existing and new segments for Studios. As communicated in previous Interim Reports, we see continued volatility going forward and even though we have a strong pipeline, the near-term will be challenging in terms of sales and liquidity.

Studios yet again shows growth following a weak start of the year. We have been able to initiate more VFX and game trailer projects which has positively impacted the development for Goodbye Kansas Studios. During the quarter we have produced some low-margin projects which has, as expected, negatively impacted our profit. This development combined with higher personnel costs and an inflation adjusted rent led to Adjusted EBITDA decreasing somewhat to SEK -8.7 million (-6.8).

## **Initiatives to reduce costs**

For a longer period of time we have evaluated different possibilities for a more efficient use of office space. During the quarter we were able to renegotiate the terms of our rental agreement following constructive discussions with our landlord, and thereby significantly reduce office space in our head office in Stockholm. The new contract, effective as of October this year, means a significant cost reduction for the company and we estimate that the annual savings will amount to close to SEK 15 million

## CEO COMMENTS

up until the first half of 2027. This gives us a solution with space that is better adapted to our needs while we maintain our important Performance Capture-studio. In parallel, we continue to make our organization structure more lean and to review our personnel costs in Studios. We have terminated additional employments during the quarter but it will take a few months before we will see an impact on our results. We have also introduced new processes for resource allocation in projects which will improve efficiency in our use of resources. This is an additional measure we believe will contribute to achieving profitability.

### Continued development for Studios

We continue to narrow our business portfolio in order to focus more on existing studio services and the adjacent segments Animation and In-Game. In parallel to cost measures and continued cost control, our work continues to increase long-term sales in Studios. In the long-term we want to focus on larger projects with strategic clients and improve our processes for production planning.

The development for film and TV production in the US is important for Goodbye Kansas Studios. During the quarter, a strike began in the US which initially included scriptwriters and later expanded to also include actors. This strike is still ongoing and it is obviously difficult to determine how long it will last. The second quarter's result has not been impacted by the strike, however our sales efforts have suffered. So far, the productions that we are targeting have only paused and not been cancelled. I am therefore hopeful that our sales have only been postponed but obviously the uncertainty related to how long the strike will last is negative to us and the entire VFX-industry. We could potentially face a situation where an end to the strike could entail a brief and significant increase in demand for VFX-services but also an accompanying lack of resources (similar to the situation we experienced after the pandemic).

In light of the above, we can conclude that the decision to broaden the focus of Studios to include more segments has contributed to us not being as dependent on single studio services and this will in time lead to a more stable development. This is made evident now that sales of VFX-projects have halted significantly while we maintain high sales activity in the game trailers and In Game segments.

### Update on Other operations

As part of a narrowed business focus and our increased focus on Studios, we continue to review our strategic

alternatives for non-core operations in order to divest, alternatively discontinue, companies or single assets.

These businesses are relatively small and the financial impact is limited but we are obviously keen to run an efficient divestment process.

Since the summer 2022, we have communicated that the mobile game Hello Kitty will be launched during the third quarter 2023. However, yesterday we announced the decision to not proceed with a launch process and instead work to find alternative ways to exploit the developed game. The Board's decision follows lengthy discussions with the IP-owner in order to agree upon strategy and terms for the launch. Factors such as a weaker ad market and a continued increase of marketing costs to reach players has led to a weakening market for mobile games, and we have determined that the expected returns from a launch have decreased significantly. We have now been forced to conclude that it is not possible for us to come to an agreement with the IP-owner concerning an amended launch strategy. To summarize, these factors led to the conclusion that a launch could not be made at acceptable commercial terms. It is obviously regretful that the launch will not take place as originally planned but with the right partner, we continue to see opportunities to adapt the game to another IP and other platforms while minimizing the need for additional investment from us.

### Increased profitability

It will require hard work to achieve a stable profitability and considering the poor results we see that our financial situation can become strained again during the coming quarters. Should our sales development weaken, and if we are unable to realize asset sales, we see an obvious risk for us needing to seek additional funding before the end of this year. However, I am convinced that it is possible to achieve profitability and financial stability when we are successful in completing the previously described efficiency measures and realize the potential for sales growth in Studios. We have the resources to complete the job and will focus on sales activities for VFX, game trailers and adjacent segments to both existing and new clients. Through our strong customer relationships, high quality services, engaged workers and focused work to reduce costs, Goodbye Kansas Group can reach sustainable profitability.

Stefan Danieli,  
CEO,  
Goodbye Kansas Group

# Key figures

Group

SEK Thousands	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
<b>Net sales</b>	<b>80,389</b>	<b>68,583</b>	<b>151,967</b>	<b>158,999</b>	<b>288,331</b>
Capitalized work for own account	1,860	3,581	3,687	6,688	12,687
<b>Total revenue</b>	<b>82,517</b>	<b>75,578</b>	<b>156,812</b>	<b>170,080</b>	<b>309,068</b>
<b>Adjusted EBITDA</b>	<b>-8,656</b>	<b>-6,811</b>	<b>-21,273</b>	<b>-2,038</b>	<b>-33,093</b>
<b>EBITDA</b>	<b>-14,403</b>	<b>-9,559</b>	<b>-29,368</b>	<b>-7,965</b>	<b>-47,368</b>
<b>Number of employees, average</b>	<b>203</b>	<b>215</b>	<b>207</b>	<b>222</b>	<b>218</b>
<b>Assets</b>	<b>253,706</b>	<b>303,411</b>	<b>253,706</b>	<b>303,411</b>	<b>274,403</b>
<b>Cash liquidity</b>	<b>50%</b>	<b>45%</b>	<b>50%</b>	<b>45%</b>	<b>34%</b>
<b>Equity/Assets-ratio</b>	<b>12%</b>	<b>26%</b>	<b>12%</b>	<b>26%</b>	<b>-4%</b>
<b>Equity per share, SEK*</b>	<b>1.32</b>	<b>39.86</b>	<b>1.32</b>	<b>39.86</b>	<b>-6.21</b>
<b>Earnings per share, SEK*</b>					
- Before dilution	-1.24	-11.68	-2.70	-20.09	-64.67
- After dilution	-1.20	-11.53	-2.61	-19.83	-63.85
Number of shares at the end of the period	22,172,603	390,961,044	22,172,603	390,961,044	390,961,044
Number of shares at the end of the period after full dilution	22,947,603	395,961,044	22,947,603	395,961,044	395,961,044

\* Values for historic earnings and equity per share have been recalculated to reflect the reversed share split 1:200 decided upon at the AGM on April 13, 2023.

## Group description

The group financial statements consolidate the parent company and its subsidiaries' operations until March 31 2023. The Group is organized in two parts: Goodbye Kansas Studios and other operations. Goodbye Kansas studios offers visual content for film,

TV and games. Other operations include the companies Infinite Entertainment which develops IP for film and TV, Vobling which offers VR-training solutions, Sayduck which offers a SaaS platform for 3D-based visualization of e-retailers' products through AR, Virtual Brains

which develops games and applications, and Plotagon Production which offers an app for 3D animation.



## CASE: A SCARAB BEETLE STEALS THE SHOW

A little over a year ago, Goodbye Kansas Studios was contacted by Creative Assembly, initiating discussions of a cinematic announcement trailer for their upcoming game **Total War: Pharaoh**; showcasing not only the Pharaoh, the conflict with the sea people and a lush environment but also the sheer atmosphere introduced in the game.

Executive Creative Producer Jan Cafourek and Director Bengt Anton Runsten quickly recognized that an alternative approach would be needed to meet all demands within the budget frame and presented the idea of heroing a humble scarab beetle as a carrier of the story concepts, as it battles its way from the banks of the Nile to the vast desert battlefields outside Giza. Through its rather limited perspective, our little scarab beetle - itself being a mythological symbol of ancient Egypt - experiences the struggle of life, the pyramids, the weather changes, the Pharaoh and also the battlefields of war.

Senior Producer Calum Hart explains, that whilst bringing the scarab beetle to life through keyframe animation, the team also took new ventures in creating this piece:

*“To really elevate our scarab beetle & its*

*habitat in being such key characters in this cinematic, our artists were keen to scan and recreate the desert soil from scratch, digging up location scouted-sediments and collaborating with Lund University for the scarabs anatomical accuracy, to really heighten the experience that we become so close to.”*

Jan Cafourek continues:

*“It is also very easy to get caught in the moment and overwork the personality and the drama of the scarab beetle, however, we chose to dial it down to almost an Attenborough-style documentary to accentuate the concepts rather than the character itself, as we wanted the audience to also embrace the Pharaoh and the scenes of the battle as much.”*

Markus Manninen, CEO Goodbye Kansas Studios, concludes:

*“This cinematic truly demonstrates Goodbye Kansas Studios’ expertise in creative storytelling as well as in the technical skills to bring a concept to the screen in such fantastic manner. The positive responses on the historical detail accuracy and symbolic references incorporated in the trailer by our team have been overwhelming, and a delight to achieve such authenticity.”*



**This cinematic truly demonstrates Goodbye Kansas Studios’ expertise in creative storytelling as well as in the technical skills to bring a concept to the screen in such fantastic manner.**

Markus Manninen  
CEO  
Goodbye Kansas Studios

# Financial development

## **Second quarter** **1 April – 30 June 2023**

### **Sales and earnings**

Net sales during the quarter amounted to SEK 80.4 million (68.6). Sales during the quarter increased by 17 percent compared to the corresponding quarter last year, which was a weak quarter.

Adjusted EBITDA amounted to SEK -8.7 million (-6.8).

Adjusted EBITDA excludes non-recurring expenses amounting to SEK -5.7 million and the worse result depends on a worse result for non-core operations. EBITDA amounted to SEK -14.4 million (-9.6).

EBIT amounted to SEK -32.6 million (-26.0). The quarter includes amortization of goodwill and licenses of SEK -10.4 million (-10.5) and depreciation and write-downs of development costs of SEK -6.2 million (-5.0).

Earnings per share before dilution amounted to -1.24 SEK (-11.68) and after dilution -1.20 SEK (-11.53).

Net sales for Goodbye Kansas Studios amounted to SEK 76.5 million (64.9) during the quarter which correspond to 95 percent of the Group's net sales. Sales to the games sector amounted to SEK 34.5 million (31.4) and accounted to 45 percent of Goodbye Kansas Studios' net sales. VFX-services account for 47 percent of the segments' sales and sales activities in the segment have been negatively impacted by the ongoing strike among script-writers and actors in the US which began in May 2023. Sales from Animation accounted for 8 percent of Studios' sales. A majority of the business area's sales is invoiced in foreign currency, USD but also EUR and GBP.

Other operations which includes the companies Infinite Entertainment, Vobling, Sayduck, Virtual Brains and Plotagon Production, amounted to SEK 3.9 million (3.7).

### **Investments**

Investments historically relate to product development of services, mobile games, products, software and IP. These amounted to a total of SEK -3.1 million (-17.0) during the second quarter. The decrease is primarily due to

reduced investments in the Hello Kitty game, which was completed for soft launch in 2022 but has so far been paused this year.

### **Cash flow and cash equivalents**

Cash flow amounted to SEK -14.5 million (-32.3) during the second quarter. The Group's cash and cash equivalents amounted to SEK 25.2 million (12.8) on June 30, 2023.

## **First half-year** **January 1 – June 30, 2023**

### **Sales and earnings**

Net sales during the first half-year amounted to SEK 152.0 million (159.0).

Adjusted EBITDA amounted to SEK -21.3 million (-2.0). Adjusted EBITDA excludes non-recurring expenses amounting to SEK -8.1 million (-5.9). EBITDA amounted to SEK -29.4 million (-8.0).

EBIT amounted to SEK -64.7 million (-40.8) and includes amortization of goodwill and licenses of SEK -20.9 million (-20.9) and depreciation and write-downs of development costs of SEK -11.4 million (-9.0).

Earnings per share before dilution amounted to -2.70 SEK (-20.09) and after dilution -2.61 SEK (-19.83).

Net sales for Goodbye Kansas Studios amounted to SEK 143.5 million (149.4). Other operations has net sales of SEK 8.5 million (9.6).

The explanations for the development during the period are the same as for the quarter.

### **Employees**

The average number of employees in the Group amounted to 203 (215) during the second quarter.

### **Risks and uncertainties**

Goodbye Kansas Group's business is exposed to risks related to its own operations, the overall market and financial risks. The business's primary risks relate to



## FINANCIAL DEVELOPMENT

delays in larger projects, ensuring sufficient funding until the company is profitable and its dependence on key individuals. A complete description of the Group's risks is available in the most recently published Annual Report.

### Financial position

The value of the Group's total goodwill amounted to approximately SEK 46.2 million (87.8) at the end of the period. 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 primarily 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 3-5 years is applied for development costs.

### Financing

During the first quarter 2023, the Group completed a preferential rights issue and two rights issues by way of set-off, whereby the company received approximately SEK 66.5 million in gross proceeds and additionally SEK 54.8 million in debt was converted into new shares in the company. During the first quarter 2023, also an additional SEK 18 million were approved as deferred tax. During the second quarter, some repayments of loans have occurred and outstanding interest-bearing loans amounts to SEK 114.4 million (132.0) on June 30, 2023.

The company also has a possibility to raise approximately SEK 1 million per month up until June 2024, through directed issues to LDA Capital.

### Capital needs

Cash and cash equivalents amounted to SEK 25.2 million (12.8) at the end of the period. The rights issues that were completed during the period strengthens the company's balance sheet and the proceeds are expected to cover the company's liquidity needs for the business plan and to achieve profitability. In the short term, the company needs to achieve its sales goals in order to meet its requirements for working capital - if these efforts fail and should we not succeed in realizing asset sales, we will face a situation where we need to raise additional funding already in 2023.

### Parent company

The parent company's operations mainly relate to group functions. Net sales amounted to SEK 28.3 million (29.4) during the period January-June 2023 and sales primarily related to invoicing to subsidiaries. EBIT amounted to SEK -7.1 million (-10.4) and profit after tax amounted to SEK -25.8 million (-26.3). The average number of employees amounted to 20 (19).

### The share

The Goodbye Kansas Group-share (with ticker GBK) is listed on Nasdaq First North Growth Market and has ISIN code SE0020179158. Erik Penser Bank AB is the company's Certified Adviser.

On January 1, 2023, the number of shares amounted to 390,961,044 and the number of shareholders amounted to approximately 7,100. Following the preferential rights issue and two rights issues by way of set-off that were completed during the first quarter, the number of shares increased by 4,043,559,415 to 4,434,520,459 shares.

The company's AGM on April 13, 2023, decided upon a consolidation of shares with a ratio of 1:200 and record date on May 9, 2023. As of the date of this report, the number of shares thereby amounts to 22,172,603 shares.

### 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 2022.

### Financial calendar

Interim Report Q3 17 November 2023

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

### Review

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

Stockholm August 31, 2023

Board of Directors,  
Goodbye Kansas Group AB (publ)

# Profit & Loss

## Condensed Consolidated Income Statement

SEK Thousands	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
<b>REVENUE</b>					
Net sales	80,389	68,583	151,967	158,999	288,331
Capitalized work for own account	1,860	3,581	3,687	6,688	12,687
Other operating income	268	3,414	1,158	4,393	8,050
<b>Total income</b>	<b>82,517</b>	<b>75,578</b>	<b>156,812</b>	<b>170,080</b>	<b>309,068</b>
<b>OPERATING EXPENSES</b>					
Other external costs	-47,001	-39,244	-90,466	-88,522	-177,812
Employee costs	-49,919	-45,893	-95,714	-89,523	-178,625
<b>Earnings before depreciation and amortization (EBITDA)</b>	<b>-14,403</b>	<b>-9,559</b>	<b>-29,368</b>	<b>-7,965</b>	<b>-47,368</b>
Depreciation and amortization	-18,266	-16,449	-35,377	-32,833	-70,344
<b>Earnings before interest and tax (EBIT)</b>	<b>-32,601</b>	<b>-26,008</b>	<b>-64,678</b>	<b>-40,798</b>	<b>-117,712</b>
<b>FINANCIAL ITEMS</b>					
Results from other securities and long-term receivables	55	-161	52	1,139	-375
Interest income	6	-	206	0	1
Interest expense	-1,160	-1,339	-2,425	-3,998	-12,443
Currency differences and other financial items	5,605	1,605	5,721	1,310	-281
<b>Total financial items</b>	<b>4,506</b>	<b>105</b>	<b>3,553</b>	<b>-1,549</b>	<b>-13,097</b>
<b>Profit after financial items</b>	<b>-28,095</b>	<b>-25,903</b>	<b>-61,124</b>	<b>-42,347</b>	<b>-130,809</b>
Tax	1	-9	-	-9	-13
Deferred tax	662	3,089	1,324	3,089	4,413
<b>Profit/loss for the period</b>	<b>-27,432</b>	<b>-22,823</b>	<b>-59,800</b>	<b>-39,267</b>	<b>-126,409</b>

# Balance Sheet

## Consolidated Statement on Financial Position

SEK Thousands	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>ASSETS</b>			
Intangible assets	156,749	196,930	183,351
Tangible assets	18,478	24,258	19,816
Non-current financial assets	5,608	5,611	5,608
<b>Total non-current assets</b>	<b>180,835</b>	<b>226,800</b>	<b>208,774</b>
Current receivables	47,684	63,784	62,006
Cash and cash equivalents	25,187	12,828	3,623
<b>Total current assets</b>	<b>72,871</b>	<b>76,612</b>	<b>65,629</b>
<b>Total assets</b>	<b>253,706</b>	<b>303,411</b>	<b>274,403</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	126,677	10,947	11,168
Share premium and other equity	388,492	402,291	402,291
Retained earnings	-485,824	-335,319	-425,599
<b>Equity</b>	<b>29,346</b>	<b>77,919</b>	<b>-12,140</b>
<b>Provisions for taxes</b>	<b>2,240</b>	<b>4,854</b>	<b>3,530</b>
Non-current liabilities	75,725	50,739	89,524
Current liabilities	146,464	169,899	193,489
<b>Total liabilities</b>	<b>222,189</b>	<b>220,638</b>	<b>283,013</b>
<b>Total equity and liabilities</b>	<b>253,775</b>	<b>303,411</b>	<b>274,403</b>
Company mortgage	18,000	18,000	18,000
Contingent liabilities	127,257	104,304	127,257

# Cash Flow

## Consolidated Statement of Cash Flow

SEK Thousands	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
<b>OPERATING ACTIVITIES</b>					
Earnings before interest and tax (EBIT)	-32,602	-26,008	-64,678	-40,798	-117,712
Adjustments for non-cash flow items	18,089	12,827	34,519	28,396	64,124
Received interest	6	-3	206	1	3
Interest expense	-130	-889	-2,685	-2,345	-5,170
Income tax paid	-	-851	-125	-612	261
Changes in working capital	9,377	4,090	5,636	-7,649	24,022
<b>Cash flow from operating activities</b>	<b>-5,260</b>	<b>-10,834</b>	<b>-27,127</b>	<b>-23,008</b>	<b>-34,471</b>
<b>INVESTING ACTIVITIES</b>					
Capitalized expenditure on product development	-3,081	-16,988	-5,303	-28,595	-48,197
Acquisition of tangible fixed assets	-1,700	-861	-1,843	-1,405	-1,999
Acquisitions of group companies	-	-4,366	-	-4,366	-4,366
<b>Cash flow from investing activities</b>	<b>-4,781</b>	<b>-22,215</b>	<b>-7,146</b>	<b>-34,366</b>	<b>-54,562</b>
<b>FINANCING ACTIVITIES</b>					
Rights issue	-	-	66,464	-	-
Rights issue costs	-	-	-12,099	-	-
Proceeds from loans	-	3,043	23,096	36,111	63,327
Repayment of loans	-4,420	-2,327	-21,631	-3,881	-8,681
<b>Cash flow from financing activities</b>	<b>-4,420</b>	<b>716</b>	<b>55,830</b>	<b>32,230</b>	<b>54,646</b>
<b>In-/decrease of cash</b>	<b>-14,461</b>	<b>-32,333</b>	<b>21,557</b>	<b>-25,144</b>	<b>-34,387</b>
Cash and cash equivalents at the beginning of the period	39,643	45,155	3,623	37,950	37,950
Translation differences cash and cash equivalents	5	6	7	22	60
Cash and cash equivalents at the end of the period	25,187	12,828	25,187	12,828	3,623



# 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
<b>Balance at 1 January 2022</b>	<b>10,810</b>	<b>402,306</b>	<b>-297,470</b>	<b>115,646</b>	<b>6,182</b>	<b>121,828</b>
Profit/loss for the period			-39,267	-39,267		-39,267
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			-5,042	-5,042		-5,042
<b>Balance at 30 June 2022</b>	<b>10,947</b>	<b>402,291</b>	<b>-335,319</b>	<b>77,919</b>	<b>-0</b>	<b>77,919</b>
Profit/loss for the period			-87,142	-87,142		-87,142
Registration of set-off issue	220		-220	-		-
Acquisition of minority interests			-1,802	-1,802	0	-1,802
Currency translation differences			-1,115	-1,115		-1,115
<b>Balance at 31 December 2022</b>	<b>11,167</b>	<b>402,291</b>	<b>-425,599</b>	<b>-12,140</b>	<b>-</b>	<b>-12,140</b>
<b>Balance at 1 January 2023</b>	<b>11,167</b>	<b>402,291</b>	<b>-425,599</b>	<b>-12,140</b>	<b>-</b>	<b>-12,140</b>
Profit/loss for the period			-59,800	-59,800		-59,800
Set-off issue #1	47,766		2,397	50,163		50,163
Set-off issue #2	4,457		224	4,681		4,681
Preferential rights issue	63,287		3,176	66,463		66,463
Issue expenses		-13,799		-13,799		-13,799
Currency translation differences			-6,222	-6,222	-	-6,222
<b>Balance at 30 June 2023</b>	<b>126,677</b>	<b>388,492</b>	<b>-485,824</b>	<b>29,345</b>	<b>-</b>	<b>29,345</b>