

# Q3

**GOODBYE  
KANSAS**  
GROUP

Goodbye Kansas Group • Interim Report • January – September 2023



Goodbye Kansas Studios produced the cinematic trailer for CDPR's game Cyberpunk 2077: Phantom Liberty.

# Summary

The trailer for Cyberpunk 2077:  
Phantom Liberty

## **Third quarter** **July 1 – September 30, 2023**

- Net sales increased by 75 percent to SEK 77.2 million (44.0) due to a larger amount of VFX- and game trailer projects in Studios.
- EBITDA amounted to SEK 1.6 million (–27.1). The positive result is mainly due to increased net sales in Studios and decreased employee costs.
- Adjusted EBITDA amounted to SEK 2.5 million (–25.9). Adjusted EBITDA excludes non-recurring costs of SEK 0.9 million (1.2).
- EBIT amounted to SEK –145.5 million (–46.6) and the significant decrease is due to a write-down of assets amounting to SEK –131.5 million related to the subsidiaries that were declared bankrupt after the end of the period.
- Profit before tax amounted to SEK –146.8 million (–49.9).
- Earnings per share\* before dilution amounted to –6.52 SEK (–25.21) and after dilution –6.30 SEK (–24.89).
- Cash and cash equivalents amounted to SEK 12.5 million (8.5) on September 30, 2023.

## **First nine months** **January 1 – September 30, 2023**

- Net sales increased by 13 percent to SEK 229.1 million (203.0) due to increased sales in Studios.
- EBITDA amounted to SEK –27.7 million (–35.0). The loss is due to restructuring costs, increased costs for employees and an inflation adjustment of costs such as rent.
- Adjusted EBITDA amounted to SEK –18.8 million (–27.9). Adjusted EBITDA excludes non-recurring costs related to restructuring amounting to SEK 9.0 million (7.1).
- EBIT amounted to SEK –210.2 million (–87.4) and the significant decrease is due to a write-down of assets amounting to SEK –132.7 million related to the subsidiaries that were declared bankrupt after the end of the period.
- Profit before tax amounted to SEK –207.9 million (–92.3).
- Earnings per share\* before dilution amounted to –9.22 SEK (–45.30) and after dilution –8.91 SEK (–44.73).
- Cash and cash equivalents amounted to SEK 12.5 million (8.5) on September 30, 2023.

\* Comparative figures for earnings per share have been adjusted to reflect the reverse split 1:200 that was decided by 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 – September 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.

## SUMMARY



### Significant events during the third quarter

- 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 which will result in annual savings close to SEK 15 million, in total more than SEK 50 million, until the first half of 2027.
- On August 9, 2023, Goodbye Kansas Group's CEO Stefan Danieli also took over the role as CEO of the subsidiary Goodbye Kansas Studios. The previous Head of Studios Markus Manninen left the company at his own request and also resigned from the position as Deputy CEO of Goodbye Kansas Group.
- 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.
- On August 30, 2023, the Board of Goodbye Kansas Group decided to amend the plan for the mobile game Hello Kitty AR: Kawaii World. 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.



### Significant events after the end of the period

- On October 24, 2023, the Board of Goodbye Kansas Group decided to declare bankruptcy for its subsidiaries Goodbye Kansas Studios AB, Goodbye Kansas Holding AB, Virtual Brains AB, Goodbye Kansas Infinite AB and Previsible AB. The strikes in Hollywood have since the beginning of May 2023 halted productions for the film and TV-industry, which accounts for approximately 50 percent of the company's sales, and this has created an unsustainable financial situation for Goodbye Kansas Group. As a consequence of strikes in Hollywood and a unsustainable financial situation for Goodbye Kansas Group, the Board believes that the five subsidiaries do not have sufficient liquidity for their short-term working capital needs, and that the Company's total indebtedness is unsustainable in the long term. The listed parent company Goodbye Kansas Group AB will continue to operate, and preparations are being made for a capital raise in order to finance an acquisition of the studio business from the estate and secure sufficient working capital.
- On October 24, 2023, Board members Marina Anderson and Anna Ljungdahl have requested to leave their Board assignments in Goodbye Kansas Group. They were appointed as Board members in connection with the Annual General Meeting in April 2023 but decided to leave due to the change in circumstances compared to when they were appointed.
- On October 25, 2023, the Board of Goodbye Kansas Group resolved on a rights issue of units, consisting of shares and warrants, with preferential rights for existing shareholders. If fully subscribed, the rights issue will initially provide Goodbye Kansas with gross proceeds of approximately SEK 55.4 million before deduction of transaction costs, and if the warrants are fully exercised, Goodbye Kansas can be provided with additional gross proceeds of approximately SEK 15.8 million before deduction of transaction costs. The Board's ambition is to secure 100 percent of the rights issue through subscription and guarantee commitments. The rights issue is conditional upon approval by an extraordinary general meeting on November 30, 2023.
- On November 14, 2023, Goodbye Kansas Group entered into an agreement to acquire all relevant assets and rights from the estates of Goodbye Kansas Studios AB and Goodbye Kansas Holding AB. The transaction means that the company now continues to execute its strategy to narrow focus on the studio business in a new structure. The purchase price amounts to SEK 5.0 million and includes the studio business including ongoing customer projects, inventories, intangible assets and other business-critical rights and assets, including foreign subsidiaries.
- On November 14, 2023, the company published an updated outlook. Due to the major changes being made to the business, the Board provides the following outlook:  
**2024:** Sales of SEK 225-250 million and a positive EBITDA.  
**2025:** Sales of SEK 280-310 million and an EBITDA-margin of 10 percent.
- On November 8, 2023, the union for actors in Hollywood, SAG-AFTRA, reached an agreement with the largest film studios which ended a strike that has been ongoing since the summer. The strikes in Hollywood are thereby over since script writers reached an agreement last month.
- An extraordinary general meeting on November 30 needs to approve a significant transaction with a closely related party between Goodbye Kansas Group and the company's Chairman Per Anders Wärn. In connection to the agreement to acquire assets from the bankruptcy estate, Per Anders Wärn provided a security commitment for the agreed purchase price of SEK 5.0 million.



# CEO comments

Stefan Danieli

Dear shareholder,

Even though we show strong growth for the third quarter and have received significant international acclaim for projects such as One Piece for Netflix and Cyberpunk 2077 for CD Projekt Red, it has without doubt been a tough and turbulent period for Goodbye Kansas Group. It began already with the pandemic but challenges have not stopped arising. The situation has progressively worsened with lengthy strikes on our single most important market the US. After the period, when closing our quarterly figures we determined that the company's situation was unsustainable and decided to declare five subsidiaries bankrupt, including the Group's largest business Goodbye Kansas Studios. The plan is now to continue to run the studio business in a new structure with a new and robust funding and it is pleasing that the estate trustee recently accepted the company's offer for the studio business. We have also announced plans to complete a rights issue before year-end and work on the rights issue is progressing according to plan. Despite tough news for our employees, external partners and shareholders, I remain optimistic regarding our outlook, not the least considering the positive result development during the third quarter, where Group sales increased by 75 percent, and we report a positive EBITDA. The result during the quarters indicate the earnings potential from our future core business, also taking into account the impact from further cost reductions.

On October 24, 2023, the subsidiaries Goodbye Kansas Studios AB, Goodbye Kansas Holding AB, Virtual Brains AB (Hello Kitty), Goodbye Kansas Infinite AB and Prevable AB were declared bankrupt. The single most important explanation to the poor development has been lengthy strikes in Hollywood among both writers and actors. The strikes began in the beginning of May and July 2023 and have halted productions in film and TV, a market that over time has accounted for 50 percent of the

company's sales. This led to an unsustainable financial situation for Goodbye Kansas Studios, and thereby the entire Group, and we had to undertake extraordinary measures.

The book value of the subsidiaries that were declared bankrupt has been written down to nil which led to a write-down of assets amounting to SEK -131.5 million during the quarter. In addition to the studio business, these are companies that have debts that exceed the

## CEO COMMENTS

value of their assets. We do not plan to make any additional offers to repurchase remaining assets or businesses from the estate.

### **Promising future for the studio business in new structure**

It is pleasing that our offer to repurchase the studio business from the estate has been accepted. The offer that we provided relates to the actual operations and necessary intangible assets and the business has been acquired debt-free. This constitutes an important part of achieving a sustainable financial situation and is a prerequisite for us being able to create a profitable business.

We are planning to maintain our strategic focus on the studio business which includes VFX, game trailers, animation and In-Game. In these segments, we can use our creative capabilities and technology to provide an attractive offering to both existing and new customers. We will intensify our sales efforts while working on organizational structure and system support in order to increase efficiency and profitability as well as continue to improve capacity use. The business has world leading technology and proven creative capabilities and is well positioned for future growth.

### **Coming rights issues**

An important prerequisite for this plan is that we also complete a capital raise. The Board has therefore proposed a rights issue of units, including shares and warrants with preferential rights for existing shareholders. If fully subscribed, Goodbye Kansas Group will initially raise proceeds of SEK 55.4 million before transaction costs and if all warrants are exercised Goodbye Kansas Group can later raise an additional SEK 15.8 million before transaction costs.

We believe that these rights issues ensure a solid financial base and sufficient working capital until we achieve profitability in the studio business.

The Board's ambition is to secure the rights issue to 100 percent through subscription commitments and guarantee commitments. Shareholders will make a decision on the rights issue at an extraordinary general meeting on November 30, 2023.

### **Positive long-term outlook**

With a long-term robust funding, lower debt and additional cost savings, the studio business has international competitiveness and good possibilities of achieving profitability. We have a strong sales pipeline with both game

trailer and VFX projects, that are currently paused, projects we believe will resume during the coming year. We have updated the market on our outlook for the coming two years where 2024 is expected to be a turn-around year in many respects and we expect sales of SEK 225 – 250 million and that we achieve a positive EBITDA. For 2025, we expect sales of SEK 280 – 310 million and that we achieve an EBITDA-margin of 10 percent. However, we understand the magnitude of the challenge and even though the strikes among writers and actors have come to an end, it might take some time before we get back to a more normalized market.

Regardless, we must increase efficiency in our projects while also implementing additional cost reductions and debt write-downs during Q4 2023 and Q1 2024. These measures are in addition to the previous cost program in 2023 amounting to approximately SEK 30 million, which will be fully implemented from the first half of 2024. During the third quarter, the company entered into an updated rental agreement for its headquarters in Stockholm. The new agreement means that the company reduced its rental space as of October 2023 and generate annual savings of close to SEK 15 million, or more than SEK 50 million until the first half of 2027.

Our other remaining subsidiaries – Plotagon Production AB and Vobling AB – remain operational and it is pleasing to see that Vobling, which was restructured in the spring, continues to show positive results. At the same time we maintain focus on divesting these businesses, which are not strategic core operations, in the near-term.

### **Increased profitability**

Considering the very tough circumstances we have succeeded in recreating a business that has a greater potential. A sustainable financial situation, continued cost focus and a more normalized market means that Goodbye Kansas Group is on the right path.

Equally important as reducing costs is that we are successful in our sales efforts. We have the resources to do the job and will focus on new sales of VFX, game trailers and adjacent segments to both existing and new customers. 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	Q3 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
<b>Net sales</b>	<b>77,175</b>	<b>44,000</b>	<b>229,143</b>	<b>202,999</b>	<b>288,331</b>
Capitalized work for own account	1,827	3,461	5,513	10,149	12,687
<b>Total revenue</b>	<b>78,458</b>	<b>50,428</b>	<b>235,270</b>	<b>220,508</b>	<b>309,068</b>
<b>Adjusted EBITDA</b>	<b>2,503</b>	<b>-25,875</b>	<b>-18,770</b>	<b>-27,913</b>	<b>-33,093</b>
<b>EBITDA</b>	<b>1,631</b>	<b>-27,066</b>	<b>-27,737</b>	<b>-35,032</b>	<b>-47,368</b>
<b>Number of employees, average</b>	<b>189</b>	<b>212</b>	<b>201</b>	<b>219</b>	<b>218</b>
<b>Assets</b>	<b>93,449</b>	<b>278,680</b>	<b>93,449</b>	<b>278,680</b>	<b>274,403</b>
<b>Cash liquidity</b>	<b>34%</b>	<b>30%</b>	<b>34%</b>	<b>30%</b>	<b>34%</b>
<b>Equity/Assets-ratio</b>	<b>-122%</b>	<b>9%</b>	<b>-122%</b>	<b>9%</b>	<b>-4%</b>
<b>Equity per share, SEK*</b>	<b>-5.15</b>	<b>12.77</b>	<b>-5.15</b>	<b>12.77</b>	<b>-6.21</b>
<b>Earnings per share, SEK*</b>					
- Before dilution	-6.52	-25.21	-9.22	-45.30	-64.67
- After dilution	-6.30	-24.89	-8.91	-44.73	-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	399,961,044	22,947,603	399,961,044	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 September 30, 2023. After the period, the Board decided to declare bankruptcy for the subsidiaries Goodbye Kansas Studios AB, Goodbye Kansas Holding

AB, Virtual Brains AB, Goodbye Kansas Infinite AB and Preivable AB. Since the Goodbye Kansas Group has successfully repurchased the studio business from the estate. The Group is thereby now structured in two parts: Goodbye Kansas Studios and other operations. Goodbye Kansas

Studios includes the studio business which offers visual content for film, TV and games. Other operations includes the companies Vobling which offers solutions for VR-training and Plotagon Production which offers an app for 3D-animation.



## CASE: CREATING A CG IDRIS ELBA FOR THE CYBERPUNK UNIVERSE

Goodbye Kansas Studios was given an opportunity to produce a cinematic trailer for Cyberpunk 2077's expansion, Phantom Liberty, by the recurring client CD PROJEKT RED (CDPR).

"Betrayal" was a key theme in the trailer, with the script and narrative coming to life through the minds of Fredrik Löfberg and Jan Bartkowicz (CDPR) who paid particular attention to character staging and nuances.

Production of the project began in 2020 and travel restrictions to the UK due to COVID-19 meant that our team had to direct actors Idris Elba (Agent Solomon Reed) and Zora Bishop (So Mi) via a video conference call from Stockholm to a mocap stage in London.

Director Fredrik Löfberg comments: *"The primary objective we set out to achieve was the creation of a narrative that had a grounded and relatable quality. We aimed to develop a story that revolved around friendship and betrayal, which are universal and emotionally resonant concepts. To bring this narrative to life, we took a holistic approach, meticulously tailoring every project element to support and enhance these core themes."*

Production challenges were met with tenacity and determination to produce a realistic digi-double of Idris Elba with cybernetic enhancements, with faith in our facial animation capabilities.

Head of Facial Modeling, Jonas Törnqvist, goes into more detail: *"Creating a realistic human is one of the hardest things to do in VFX, and recreating a well-recognizable actor such as Idris Elba makes it even harder. Since this production occurred during COVID-19, we were also forced to scan and direct Idris Elba remotely, making this an even tougher challenge. We ended up 3D scanning over 100 facial expressions and built a 3D model of him recreating his face, hair, eyes and teeth down to the pore level."*

Art Director, Mikael Widegren, describes the cinematic choices for this trailer: *"It was imperative to us that we made it feel like a part of the Cyberpunk 2077 universe that CDPR has built, allowing the visuals and cinematography to reflect the narrative."*



**We aimed to develop a story that revolved around friendship and betrayal, which are universal and emotionally resonant concepts."**

Fredrik Löfberg  
Director

# Financial development

## Third quarter July 1 – September 30, 2023

### Sales and earnings

Net sales during the quarter amounted to SEK 77.2 million (44.0). Sales increased by 75 percent compared to the corresponding period last year. The increase is driven by both VFX and game trailer projects in Studios.

Adjusted EBITDA amounted to SEK 2.5 million (-25.9). Adjusted EBITDA excludes non-recurring expenses amounting to SEK 0.9 million (1.2) and the improved result is primarily due to increased sales. EBITDA amounted to SEK 1.6 million (-27.1).

EBIT amounted to SEK -145.5 million (-46.6). EBIT includes amortization of goodwill and licenses of SEK -7.8 million (-20.9) and write-downs of SEK -131.5 million (-1.8). Write-downs relate to the parent company's assets in subsidiaries that have been declared bankrupt after the period and consolidated over values related to these subsidiaries. Earnings per share before dilution amounted to -6.52 SEK (-25.21) and after dilution amounted to -6.30 SEK (-24.89).

Net sales for Goodbye Kansas Studios amounted to SEK 73.6 million (39.8) during the quarter which corresponds to 95 percent of the Group's net sales. Sales to the games sector amounted to SEK 38.5 million (19.1) and accounted for 52 percent of Goodbye Kansas Studios' net sales. VFX-services accounted for 36 percent of the segments' sales and sales activities in the segment have been negatively impacted by recently concluded strikes among scriptwriters and actors in the US. Sales of Animation services accounted for 12 percent of Studios' sales. A majority of the business area's sales is invoiced in the foreign currencies USD, EUR and GBP.

Other operations which includes the companies Infinite Entertainment, Vobling, Sayduck, Virtual Brains and Plotagon Production, amounted to SEK 7.5 million (4.3).

### Investments

Investments historically relate to product development of services, mobile games, products, software and IP. Investments amounted to a total of SEK 7.7 million (36.1)

during the third 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 -12.7 million (-36.7) during the third quarter. The Group's cash and cash equivalents amounted to SEK 12.5 million (8.5) on September 30, 2023.

## First nine months, January 1 – September 30, 2023

### Sales and earnings

Net sales during the first nine months amounted to SEK 229.1 million (203.0).

Adjusted EBITDA amounted to SEK -18.8 million (-29.7). Adjusted EBITDA excludes non-recurring expenses amounting to SEK 9.0 million (7.1). EBITDA amounted to SEK -27.7 million (-35.0).

EBIT amounted to SEK -210.2 million (-87.4) and includes amortization of goodwill and licenses of SEK -28.7 million (-31.4) and depreciation and write-downs of assets in subsidiaries of SEK -132.7 million (-1.8).

Earnings per share before dilution amounted to -9.22 SEK (-45.30) and after dilution -8.91 SEK (-44.73).

Net sales for Goodbye Kansas Studios amounted to SEK 216.9 million (189.2). Other operations had net sales of SEK 12.2 million (13.8). 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 189 (212) during the period. The decrease is due to a reduction of the number of employees across all parts of the business.

### Risks and uncertainties

Goodbye Kansas Studios is the Group's single most important business and it is dependent on achieving a certain capacity use in order to achieve profitability.



## FINANCIAL DEVELOPMENT

The business's profitability is affected by shifting demand in the market for studio services. Demand is affected by a number of factors, including overall economic conditions but also customers' competitive situation and market. The pandemic and more recently strikes in the US have led to delays in film and TV productions which has had a significant impact on the company's sales and profitability. The effect has been negative during the periods that the pandemic and strikes have been ongoing but have also led to a delayed demand which can result in difficulties regarding resource planning. Also changes in foreign exchange rates affect profitability.

A shift in the market dynamic may also lead to write-downs of activated development costs for projects that the Group has invested in.

The Group's competitors can achieve competitive advantages through a more established brand and more efficient use of financial, technological and marketing resources.

The Group includes an organization with limited resources and can therefore be dependent on a limited number of key individuals. In addition, the Group's partners may be forced to make priorities which are not in line with the company's which in turn can lead to delays in completing projects.

### Comments on the balance sheet

Since the Board concluded that the Group's financing situation was unsustainable, five subsidiaries were declared bankrupt, including the Group's largest business Goodbye Kansas Studios. This decision has led to the Group making a write-down of SEK -131.5 million. After the period, the estate trustee has accepted the offer made by Goodbye Kansas Group to acquire the studio business and important intangible assets. The business has been acquired debt-free.

After the period, the Board has made a control balance sheet for the parent company in accordance with the Swedish Companies Act and it has been reviewed by the company's auditor. The control balance sheet shows that the parent company's equity amounts to SEK 26.6 million.

The Board of Directors has called for an extra general meeting on 30 November 2023.

The value of the Group's total goodwill amounted to SEK 0.8 million (57.1). 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 a 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.

The Group's equity amounted to SEK 114.1 million (25.0) at the end of the period.

### Financing

Cash and cash equivalents amounted to SEK 12.5 million (8.5) at the end of the period. The Board believes that current liquidity is insufficient to meet the company's working capital needs up until the company has a profitable business. Therefore the Board has proposed a preferential rights issue of units, including shares and warrants with preferential rights for existing shareholders. If fully subscribed, the rights issue will initially provide Goodbye Kansas with gross proceeds of approximately SEK 55.4 million before deduction of transaction costs, and if the warrants are fully exercised, Goodbye Kansas can later be provided with additional gross proceeds of approximately SEK 15.8 million before deduction of transaction costs.

The Board believes that these rights issues ensure sufficient funding and working capital until the studio business is profitable. Shareholders will make a decision on the preferential rights issue at an extraordinary general meeting on November 30, 2023.

The bankruptcies in the Group subsidiaries lead to a significant reduction in long and short term debt, primarily due to that Covid-related tax debt disappears.

# FINANCIAL DEVELOPMENT

## The share

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

At the end of the period, the number of shares amounted to 22,172,603 and the number of shareholders amounted to approximately 7,600.

## 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

Year-End Report Q4	February 9, 2024
Annual Report 2023	March 15 2024

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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 17 November 2023

Board of Directors,  
Goodbye Kansas Group AB (publ)

# Profit & Loss

## Condensed Consolidated Income Statement

SEK Thousands	Q3 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
<b>REVENUE</b>					
Net sales	77,175	44,000	229,143	202,999	288,331
Capitalized work for own account	1,827	3,461	5,513	10,149	12,687
Other operating income	-544	2,967	614	7,360	8,050
<b>Total income</b>	<b>78,458</b>	<b>50,428</b>	<b>235,270</b>	<b>220,508</b>	<b>309,068</b>
<b>OPERATING EXPENSES</b>					
Other external costs	-39,565	-38,243	-130,031	-126,765	-177,812
Employee costs	-37,262	-39,251	-132,976	-128,774	-178,625
<b>Earnings before depreciation and amortization (EBITDA)</b>	<b>1,631</b>	<b>-27,066</b>	<b>-27,737</b>	<b>-35,032</b>	<b>-47,368</b>
Depreciation and amortization	-147,151	-19,556	-182,461	-52,390	-70,344
<b>Earnings before interest and tax (EBIT)</b>	<b>-145,520</b>	<b>-46,622</b>	<b>-210,198</b>	<b>-87,421</b>	<b>-117,712</b>
<b>FINANCIAL ITEMS</b>					
Results from other securities and long-term receivables	86	-390	138	749	-375
Interest income	4	8	210	8	1
Interest expense	-1,202	-4,060	-3,627	-8,058	-12,443
Currency differences and other financial items	-132	1,120	5,589	2,430	-281
<b>Total financial items</b>	<b>-1,244</b>	<b>-3,322</b>	<b>2,310</b>	<b>-4,872</b>	<b>-13,097</b>
<b>Profit after financial items</b>	<b>-146,764</b>	<b>-49,944</b>	<b>-207,888</b>	<b>-92,293</b>	<b>-130,809</b>
Tax	-4	-2	-4	-11	-13
Deferred tax	2,206	662	3,530	3,751	4,413
<b>Profit/loss for the period</b>	<b>-144,562</b>	<b>-49,284</b>	<b>-204,361</b>	<b>-88,553</b>	<b>-126,409</b>

# Balance Sheet

## Consolidated Statement on Financial Position

SEK Thousands	Sep. 30, 2023	Sep. 30, 2022	Dec. 31, 2022
<b>ASSETS</b>			
Intangible assets	18,183	193,455	183,351
Tangible assets	17,469	21,348	19,816
Non-current financial assets	5,823	5,612	5,608
<b>Total non-current assets</b>	<b>41,475</b>	<b>220,414</b>	<b>208,774</b>
Current receivables	39,499	49,775	62,006
Cash and cash equivalents	12,475	8,491	3,623
<b>Total current assets</b>	<b>51,974</b>	<b>58,266</b>	<b>65,629</b>
<b>Total assets</b>	<b>93,449</b>	<b>278,680</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	102,569	402,291
Retained earnings	-629,292	-88,553	-425,599
<b>Equity</b>	<b>-114,122</b>	<b>24,963</b>	<b>-12,140</b>
<b>Provisions for taxes</b>	<b>55</b>	<b>4,192</b>	<b>3,530</b>
Non-current liabilities	56,001	57,661	89,524
Current liabilities	151,515	191,864	193,489
<b>Total liabilities</b>	<b>207,516</b>	<b>249,525</b>	<b>283,013</b>
<b>Total equity and liabilities</b>	<b>93,449</b>	<b>278,680</b>	<b>274,403</b>
Company mortgage	18,000	13,320	18,000
Contingent liabilities	127,257	113,529	127,257

# Cash Flow

## Consolidated Statement of Cash Flow

SEK Thousands	Q3 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022	Full year 2022
<b>OPERATING ACTIVITIES</b>					
Earnings before interest and tax (EBIT)	-145,520	-72,631	-210,198	-87,421	-117,712
Depreciation and amortization	15,604	34,177	49,734	50,561	68,321
Write-downs	131,547	1,829	132,727	1,829	2,023
Other non-cash items	6,599	-9,424	5,809	-10,238	-11,386
Adjustments for non-cash flow items	153,751	28,971	188,270	44,540	64,124
Received interest	5	-1	211	3	3
Interest expense	-279	-3,467	-2,964	-4,923	-5,170
Income tax paid	-161	-425	-286	-186	261
Changes in working capital	-10,150	40,537	-4,514	28,798	24,022
<b>Cash flow from operating activities</b>	<b>-2,354</b>	<b>-7,016</b>	<b>-29,481</b>	<b>-19,190</b>	<b>-34,471</b>
<b>INVESTING ACTIVITIES</b>					
Capitalized expenditure on product development	-7,256	-30,453	-12,559	-42,060	-48,197
Acquisition of tangible fixed assets	-433	-1,317	-2,276	-1,861	-1,999
Acquisitions of group companies	-	-4,366	-	-4,366	-4,366
<b>Cash flow from investing activities</b>	<b>-7,689</b>	<b>-36,136</b>	<b>-14,835</b>	<b>-48,287</b>	<b>-54,562</b>
<b>FINANCING ACTIVITIES</b>					
Rights issue	-	-	66,464	-	-
Rights issue costs	-	-	-12,099	-	-
Proceeds from loans	-	13,043	23,096	46,111	63,327
Repayment of loans	-2,662	-6,569	-24,293	-8,123	-8,681
<b>Cash flow from financing activities</b>	<b>-2,662</b>	<b>6,474</b>	<b>53,168</b>	<b>37,988</b>	<b>54,646</b>
<b>In-/decrease of cash</b>	<b>-12,705</b>	<b>-36,678</b>	<b>8,852</b>	<b>-29,489</b>	<b>-34,387</b>
Cash and cash equivalents at the beginning of the period	25,187	45,155	3,623	37,950	37,950
Translation differences cash and cash equivalents	-7	14	-	30	60
Cash and cash equivalents at the end of the period	12,475	8,491	12,475	8,491	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			-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			-5,042	-5,042		-5,042
<b>Balance at 30 September 2022</b>	<b>10,947</b>	<b>402,291</b>	<b>-384,605</b>	<b>28,633</b>	<b>-0</b>	<b>28,633</b>
Profit/loss for the period			-37,856	-37,856		-37,856
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			-204,361	-204,361		-204,361
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			-5,129	-5,129	-	-5,129
<b>Balance at 30 September 2023</b>	<b>126,677</b>	<b>388,492</b>	<b>-629,292</b>	<b>-114,122</b>	<b>-</b>	<b>-114,122</b>