

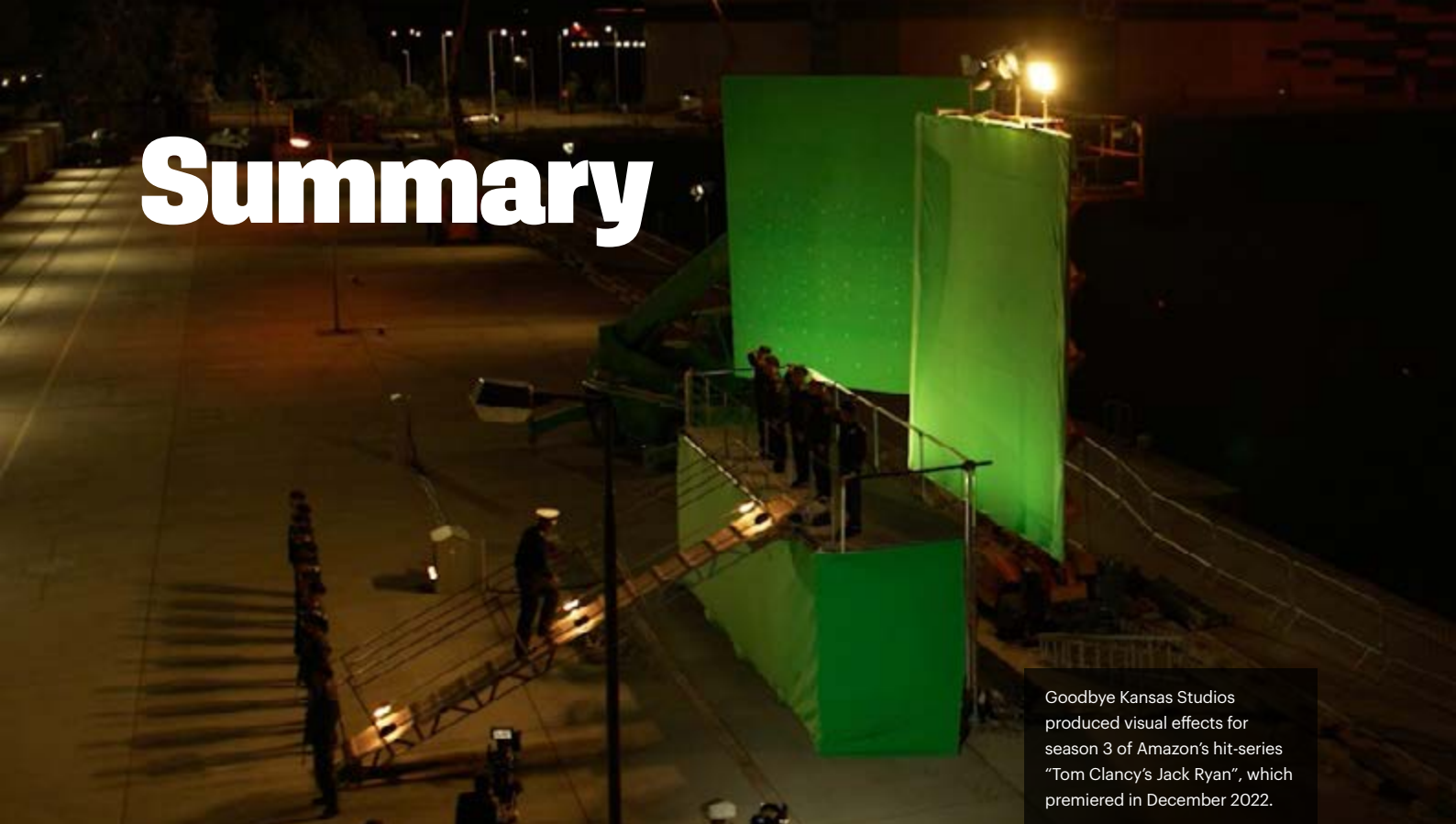
# Q4

**GOODBYE  
KANSAS**  
GROUP

Goodbye Kansas Group • Year-end Report • January – December 2022



# Summary



Goodbye Kansas Studios produced visual effects for season 3 of Amazon's hit-series "Tom Clancy's Jack Ryan", which premiered in December 2022.


## Fourth quarter, October 1 – December 31, 2022

- Net sales increased by 10 percent to SEK 85.3 million (77.3) primarily due to increased sales of VFX projects from Studios in business area Visual Content & Brand.
- Adjusted EBITDA amounted to SEK -5.2 million (-7.8). The loss is due to losses in non-core businesses. Adjusted EBITDA excludes non-recurring costs of SEK -7.2 million.
- EBITDA amounted to SEK -12.3 million (-14.3).
- EBIT amounted to SEK -30.3 million (-40.1), of which amortization of goodwill amounted to SEK -7.3 million (-7.4).
- Profit before tax amounted to SEK -38.5 million (-46.4).
- Earnings per share before and after dilution amounted to -0.10 SEK (-0.12).
- Cash and cash equivalents amounted to SEK 3.6 million (38.0) on December 31, 2022.

## Full year, January 1 – December 31, 2022

- Net sales increased by 9 percent to SEK 288.3 million (263.5) primarily driven by increased demand for services in Visual Content & Brand.
- Adjusted EBITDA amounted to SEK -33.1 million (-36.8). The loss is primarily due to lower sales in the third quarter due to delayed projects in Visual Content & Brand. Adjusted EBITDA excludes non-recurring costs of SEK -14.3 million related to structural measures.
- EBITDA amounted to SEK -47.4 million (-61.2).
- EBIT amounted to SEK -117.7 million (-134.3), of which amortization of goodwill amounted to SEK -29.0 million (-29.5).
- Profit before tax amounted to SEK -103.8 million (-150.6).
- Earnings per share before dilution amounted to -0.32 SEK (-0.40) and after dilution amounted to -0.32 SEK (0.39).
- Cash and cash equivalents amounted to SEK 3.6 million (38.0) on December 31, 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 Year-end Report for the period January 1 – December 31, 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.



For the second consecutive year, Goodbye Kansas Studios won a Silver at the Epica Awards, this time for a trailer for Ubisoft's game "Skull & Bones".

## Significant events during the fourth quarter

- 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.
- The Board 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. Based on its strong market position, scalable technical platform and quickly growing underlying markets, Studios is expected to have good possibilities to become an internationally leading company and achieve long-term growth. The Board also decided to introduce new financial targets: an average annual sales growth of 20% and an EBITDA margin exceeding 10% by 2024 at the latest.
- An extraordinary general meeting ("EGM") 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 now wholly owned subsidiaries. The EGM also decided to introduce an incentive program 2023/2026.
- Goodbye Kansas Group entered an LOI concerning the subsidiary Sayduck Oy. The LOI has been entered with a potential buyer who wants to remain un-named and is not a legally binding agreement but gives the counterpart an opportunity to commence commercial and technical due diligence. A sale is expected to give a positive one-off gain and an addition of liquidity to the company. Sayduck has developed a SaaS solution for 3D-based visualization of e-commerce products through AR.
- Goodbye Kansas Group signed an agreement with Erik Penser Bank regarding Certified Adviser services. Erik Penser Bank assumed the role as Certified Adviser on December 12, 2022.

- Goodbye Kansas Studios was awarded a Silver at the Epica Awards for its production of the "Skull & Bones" trailer. The jury for the Epica Awards is composed of media representatives and includes more than 200 magazines and websites across the world.

## Significant events after the period

- After the period, on January 27, 2023, the final outcome of the rights issues, which had previously been resolved by an EGM, was announced. In total 1,689,946,608 shares, corresponding to approximately 76.3 percent of the preferential rights issue, were subscribed with the use of subscription rights and an additional 538,897,147 shares were subscribed without the use of subscription rights, corresponding to approximately 24.3 percent of the preferential rights issue. The preferential rights issue had a total subscription of 100.6 percent and it was therefore oversubscribed. Hence, no underwriting guarantees were used. The set-off issues were fully subscribed.
- After the period, on February 10, 2023, Goodbye Kansas Group received a significant order from a recurring international client to produce a cinematic game trailer. The order value amounts to 5 MUSD, corresponding to approximately 52 MSEK, which makes it one of the largest orders in the company's history. Goodbye Kansas Studios have initiated production and expect to complete the project during the fourth quarter 2023. Goodbye Kansas had previously, in relation to the order, communicated that an agreement was imminent.
- The company received a Remarks statement from Nasdaq regarding violation of the regulations. The matter concerned is that the company mistakenly announced a new customer agreement before it was signed. The error was corrected, after which the agreement was signed and announced on February 10. The company has submitted a statement to Nasdaq and is awaiting further information.



# CEO letter

Stefan Danieli

Dear shareholder,

We ended 2022 with intensive work to regain a more robust financial structure and create prerequisites for making Studios into a long-term profitable business and the core business of Goodbye Kansas Group. The rights issues which commenced in the quarter were finalized after the period and added SEK 121 million in new equity. The group's sales increased in the fourth quarter and Studios had a positive development and was profitable in the quarter. In parallel, our cost optimization program began to show results and work to divest non-core businesses has continued.

In line with the previously communicated outlook, Goodbye Kansas Group was able to show growth in the fourth quarter. The group's net sales increased by 10 percent during the quarter compared to the previous year to SEK 85.3 million (77.3). Adjusted EBITDA increased somewhat to SEK -5.2 million (-7.8).

Several of the previously delayed projects in Studios began production during the quarter which contributed to increased net sales. Demand for VFX and game trailer services from Goodbye Kansas Studios remain high and we continue to win significant orders. After the period we were able to confirm one of the company's largest orders to date, amounting to approximately SEK 50 million for a game trailer, and we see good opportunities that intensified sales activities will result in more significant orders. Previously delayed projects have begun in the fourth

quarter and we have therefore seen increased use of our production resources during the period. This is the single most important explanation to the increased sales and the positive result in Studios, and strengthens our belief that we have chosen the right path in identifying Studios as our future core business. Long-term we continue to focus on larger projects and strategic customers, while we work on improving our processes for production planning. We are optimistic regarding our development during the full year 2023 but we see a weak beginning of the year in terms of our results due to the strategic shift to larger projects.

#### **Successful capital raising**

After the period we completed the rights issues that had previously been decided by an EGM. We carried out a preferential rights issue of approximately SEK 66.5

million before deduction of transaction costs as well as two set-off issues by way of set-off of debt amounting to approximately SEK 54.9 million. The preferential rights issue was oversubscribed and the set-off issues were fully subscribed and I therefore want to thank all shareholders for your continued support.

We have now secured long-term and sustainable financing of our business and together with other decisions related to narrowing the focus of our business and a cost optimization program, we believe that we will reach our financial targets of an average annual sales growth of 20% and an EBITDA margin exceeding 10% by 2024 at the latest.

### **Strong demand in Visual Content & Brand**

The Studio business in Visual Content & Brand shows a positive development with high demand, a strong order book and increased activity compared to the corresponding period last year. The business area has a positive operating profit during the fourth quarter, driven by increased sales of VFX-projects. The business has world leading technology and proven creative capabilities and is well positioned for continued growth. While we have a positive outlook on our full year we also see that the transition to larger projects leads to poorer results in the first quarter 2023.

Our strategic focus for Studios is to focus on larger and longer projects and a broader service offering in closely related business segments. Our long-term belief in Studios remain strong and we see great potential to increase sales in the segments Animation and In Game services, while continuing to grow within existing segments (VFX and game trailers). This is where we can use our creative capabilities and technology to create an attractive offering for both existing and new customers. We are also in several interesting discussions concerning strategic collaborations with international partners to both strengthen our production capacity globally and secure long term sales.

We have a strong order book and our focus in the near term is to ensure sufficient resources to execute these projects. We also need to improve our production planning in order to increase efficiency with less variety in use of resources. This is a challenge that we must meet in order to capitalize on the high customer demand that we see in

the market. We also need to continue to intensify our sales efforts to strengthen our pipeline with new projects to maintain a high use of capacity in production.

### **Update on non-core businesses**

We have previously decided to undertake a number of structural measures in order to create prerequisites for a sound, sustainable and long term profit development. When we now increase the focus on Studios in Visual Content & Brand, we will in time divest businesses in the business areas IP & Products and Games & Apps. Proceeds from these divestments will be invested in Studios. We continuously review our strategic options for non-core businesses and we can in certain instances chose alternative paths than a divestment, for instance continue to own the business or divest single assets. Our actions will be guided by how we create most value for shareholders.

During the quarter we entered LOIs related to divestments of Sayduck and Plotagon Production and more divestments can take place going forward. The divestment process for Plotagon Production has been paused for the time being while a due diligence process has commenced in Sayduck, which is expected to be completed during the first quarter 2023.

We see strong interest for many of our business and despite the more challenging market environment we have a positive outlook on finding suitable buyers. The successful capital raisings mean that we do not have to force any sales but rather, this gives us maneuverability to find the best solution for both the company and our shareholders.

We are also preparing a launch of Hello Kitty, in close dialogue with the IP-owner Sanrio. As previously communicated, the game development has been completed for soft-launch which is expected to occur later this year.

### **Cost optimization program**

We have a strong focus on reducing our costs to realize annual cost reduction of SEK 15-20 million. We are already close to the lower interval thanks to decided and/or completed actions. The main focus area is now to optimize our office space in Stockholm and improve efficiency in the use of production resources, both employees and free-lance workers.

## CEO LETTER

Another important aspect of increasing profitability is use our resources more effectively in production. To this end, we will introduce better planning tools to facilitate planning of projects and booking of staff resources and make it easier to follow-up on project profitability.

Hard work will be required to achieve our financial goals but we now have the right prerequisites to actually do the job. I am convinced that our strong customer relationships and our high quality services combined with a more sound capital structure, a more narrow business focus and strong cost focus means that we are on the right path.

Stefan Danieli  
CEO,  
Goodbye Kansas Group

# Key figures

Group

SEK'000	2022 Q4	2021 Q4	2022 Full year	2021 Full year
<b>Net sales</b>	<b>85,332</b>	<b>77,260</b>	<b>288,331</b>	<b>263,479</b>
Capitalized work for own account	2,538	3,468	12,687	21,195
<b>Total revenue</b>	<b>88,560</b>	<b>81,352</b>	<b>309,068</b>	<b>292,597</b>
<b>EBITDA adjusted</b>	<b>-5,180</b>	<b>-7,849</b>	<b>-33,093</b>	<b>-36,761</b>
<b>EBITDA</b>	<b>-12,337</b>	<b>-14,319</b>	<b>-47,368</b>	<b>-61,234</b>
<b>Number of employees, average</b>	<b>215</b>	<b>250</b>	<b>218</b>	<b>276</b>
<b>Assets</b>	<b>274,403</b>	<b>344,649</b>	<b>274,403</b>	<b>344,649</b>
<b>Cash liquidity %</b>	<b>34%</b>	<b>70%</b>	<b>34%</b>	<b>70%</b>
<b>Equity/assets ratio %</b>	<b>-4%</b>	<b>35%</b>	<b>-4%</b>	<b>35%</b>
<b>Equity per share, SEK</b>	<b>-0.03</b>	<b>0.32</b>	<b>-0.03</b>	<b>0.32</b>
<b>Earnings per share (SEK)</b>				
- before dilution (SEK)	-0.10	-0.12	-0.32	-0.40
- after dilution (SEK)	-0.10	-0.12	-0.32	-0.39
Number of shares at the end of the period	390,961,044	378,461,044	390,961,044	378,461,044
Number of shares at the end of the period after full dilution	395,961,044	387,461,044	395,961,044	387,461,044

## Group description

The group financial statements consolidate the parent company and its subsidiaries' operations until 31 December 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 increased to SEK 85.3 million during the fourth quarter and the primary reason for the increase is a greater amount of initiated VFX projects in Visual Content & Brand. The group's sales pipeline remains strong compared to the corresponding period last year. Profitability has been negatively affected by losses in non-core operations. A cost optimization program has been initiated during the quarter and work to improve efficiency, increase sales and sign larger and longer customer contracts has intensified to improve long term profitability.

## Visual Content & Brand

Net sales for Visual Content & Brand which includes the company Goodbye Kansas Studios amounted to SEK 79.7 million (72.7).

The business area recovered following a poor third quarter with a number of projects that were delayed. Net sales has primarily increased due to a larger amount of VFX projects that were initiated compared to the corresponding period last year. The increased sales together with more efficient operations has resulted in a profitable business on a Adjusted EBITDA level. Sales to the gaming sector amounted to SEK 41.1 million (40.5) during the quarter and accounted for 52 percent of sales. Sales from film and tv amounted to SEK 34.5 million (30.9) and also increased compared to the corresponding period last year. The business area has maintained a long term perspective and have built a strong sales pipeline to the film and TV sectors. The business area is also well positioned to meet the demands from adjacent market segments such as Animation and In Game services.

## IP & Products

Net sales for IP & Products, which includes the companies Infinite Entertainment, Vobling and Sayduck, amounted to SEK 4.5 million (3.6).

Infinite Entertainment's net sales amounted to SEK 0 million (0) during the fourth quarter. Infinite Entertainment develops film and TV projects and IPs, either internally or in co-production with external creators and partners.

Vobling's net sales increased to SEK 3.1 million (2.0) during the fourth quarter of 2022. Vobling has completed development of its VR-based training product for fire training, VR Fire Trainer and has signed reseller agreements with some of Europe's largest companies in Fire and Safety.

Sayduck's net sales during the quarter amounted to SEK 1.5 million (1.6). License revenues' share of total revenue amounted to 67 percent in the quarter. A Letter of Intent has been signed related to the divestment of Sayduck and a due diligence process is ongoing and we are hopeful that a sale will be completed during the first half of 2023.

## Games & Apps

Net sales for Games & Apps which includes the companies Virtual Brains and Plotagon amounted to SEK 1.1 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 Q3 due to a shared decision with the IP-owner Sanrio to postpone the launch. 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 300 million registered users. The app has previously been soft launched and is now undergoing a wider launch globally.





## VISUAL EFFECTS FOR AMAZON'S HIT-SERIES

The third season of Amazon's hit series Tom Clancy's Jack Ryan premiered in December 2022, with John Krasinski in the leading role with Clancy's unwilling hero CIA analyst Jack Ryan. Goodbye Kansas Studios has delivered visual effects to the series ever since the first season 2018, testament to the company's strategy to build long term customer relationships and the quality of VFX that we can deliver.

Goodbye Kansas' VFX production for season 3 was led by VFX Supervisor Jim Parsons, who has previously worked with the company's production of VFX for BBC's thriller series 'Vigil'.

– A large part of the visual effects that were required for season 3 of Jack Ryan take place at sea but as opposed to the submarine in 'Vigil' this time it was a Russian warship, says Parsons.

– There are no corresponding warships in reality but we designed and created our digital ships inspired by similar ships in the Russian fleet in order to create an authentic feeling.

One of the VFX-scenes take place in a harbor in which the only real elements in the shot were the actors, while ships, harbor and water was digitally created. This is a classic example of so called invisible VFX.

– The viewer should never sense a visual effect but only experience that this is actually filmed for real, says Jim Parsons. One might think that it is frustrating that people do not see our work but this is the whole point with VFX, to create the illusion of reality. If no one suspects VFX is at play, we have succeeded.

The series' leading VFX Supervisor contacted Goodbye Kansas after the delivery to thank the team personally and congratulate them on the high quality of effects.

– This was obviously a fantastic moment. We always do our utmost when creating VFX but it always pleasing when a customer is so satisfied that they want to congratulate the whole team!



**It always  
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they want to  
congratulate the  
whole team!"**

Jim Parsons,  
VFX Supervisor

# Financial development

## **Fourth quarter,** **October 1 – December 31, 2022**

### **Sales and earnings**

Net sales during the period amounted to SEK 85.3 million (77.3). Sales during the quarter increased by +10 percent mainly due to increased sales of VFX projects in Visual Content & Brand.

Adjusted EBITDA amounted to SEK -5.2 million (-7.8). The adjusted EBITDA excludes non-recurring expenses amounting to SEK -7.2 million and the somewhat improved result is due increased sales of VFX-projects in Studios. EBITDA amounted to SEK -12.3 million (-14.3).

EBIT amounted to SEK -30.3 million (-40.1). The quarter includes amortization of goodwill and licenses of SEK -7.3 million (-7.4) and depreciation of development costs of SEK -6.2 million (-5.3).

Earnings per share before and after dilution amounted to -0.10 SEK (-0.12).

Net sales for Visual Content & Brand amounted to SEK 79.7 million (72.7) and accounts for 93 percent of group sales. The business area has increased sales due to a larger amount of VFX projects. 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 52 percent of total sales in Visual Content & Brand.

During the fourth quarter, business areas IP & Products had net sales amounting to SEK 4.6 million (3.7) and Games & Apps had net sales amounting to SEK 1.1 million (0.9).

### **Investments**

Investments relate to product development of services, mobile games, products, software and IP, and amount to a total of SEK -6.3 million (-6.0) during the fourth quarter.

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

Cash flow amounted to SEK -4.9 million (-6.9) during the fourth quarter. The group's cash and cash equivalents amounted to SEK 3.6 million (38.0) on 31 December 2022.

## **Full year,** **October 1 – December 31, 2022**

### **Sales and earnings**

Net sales during the period amounted to SEK 288.3 million (263.5). The increase is due to increased demand from customers in the studio business.

Adjusted EBITDA amounted to SEK -33.1 million (-36.8). The adjusted EBITDA excludes non-recurring expenses amounting to SEK -14.3 million (24.5). EBITDA amounted to SEK -47.4 million (-61.2).

EBIT amounted to SEK -117.7 million (-134.3) and includes amortization of goodwill of SEK -29.0 million and depreciation of development costs of SEK -19.6 million.

Earnings per share before dilution amounted to -0.32 SEK (-0.40) and after dilution amounted to -0.32 SEK (-0.39).

Net sales for Visual Content & Brand amounted to SEK 268.9 million (241.1). The reasons for the development are the same as for the quarter. Business areas IP & Products had net sales of SEK 14.9 million (16.9) and Games & Apps had net sales of SEK 4.6 million (4.4).

### **Investments**

Investments amounted to a total of SEK -54.6 million (-34.6) during the full year.

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

Cash flow amounted to SEK -34.4 million (12.6). The group's cash and cash equivalents amounted to SEK 3.6 million (38.0) on December 31, 2022.

### **Dividends**

Goodbye Kansas Group currently needs its liquidity to fund its expansion and the board intends to propose that no dividend is paid out 2023.

### **Employees**

The average number of employees in the Group amounted to 215 (250) during the period.

# FINANSIELL UTVECKLING

## 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. Erik Penser Bank AB is the company's Certified Adviser.

On 31 December, 2022 the total number of shares amounted to 390,961,044 and the number of shareholders amounted to approximately 7,100. After the period, a preferential rights issue and two set-off issues were completed, after which the number of shares in the company increased by 2,215,445,916 to a total of 2,606,406,960 shares.

## 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.

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 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 write-downs 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.

## 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 49.8 million on 31 December 2022. Goodwill is amortized on a straight-line basis over 5 years as of the date of closing. The value of other intangible assets amounted to SEK 133.5 million on December 31, 2022 and 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 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.

On 31 December 2022, the group's equity was negative and amounted to SEK -12.1 million, however, the set-off issues and preferential rights issue in January 2023 increased equity by a total of SEK 121 million.

## Financing

The Group has SEK 154.5 million in external debt funding on 31 December 2022, of which SEK 89.5 million is accounted for as non-current liabilities and SEK 65.0 million is accounted for as current liabilities and includes an additional bridge loan of SEK 15 million which was taken during the fourth quarter, where SEK 10 million was

# FINANSIELL UTVECKLING

received in 2022 and SEK 5 million was received in January 2023. Moreover, the Group has received significant financial support during 2020-2022 due to deferred tax payment in the Swedish companies, SEK 72 million in total of which SEK 4.7 million was received in the fourth quarter. Repayment plans and extensions have been received for all these deferred tax payments which is why they are now classified as financial debt; SEK 64.4 million as long term and SEK 7.6 million as short term.

On December 21, 2022, an EGM resolved on two set-off issues and a preferential rights issue, with a subscription period 11-25 January 2023. The rights issues were completed after the period. In connection to the set-off issues, the company raised equity by way of set-off of debt amounting to SEK 54.8 million and the preferential rights issue resulted in gross proceeds of SEK 66.5 million, before deduction of transaction costs.

## Capital needs

Cash and cash equivalents amounted to SEK 3.6 million (38.0) at the end of the period. The rights issues that were completed after 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 its financial goals. The company also has a possibility to raise up to SEK 175 million over a three-year period, through directed issues to LDA Capital.

## Key figures – definitions

Cash liquidity = current assets/current liabilities.

## Financial calendar

Interim Report Q1	May 19, 2023
Interim Report Q2	August 31, 2023
Interim Report Q3	November 17, 2023

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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, February 28, 2023

Board of Directors,  
Goodbye Kansas Group AB (publ)

# Profit & Loss

## Condensed Consolidated Income Statement

SEK'000	2022 Q4	2021 Q4	2022 Full year	2021 Full year
<b>REVENUE</b>				
Net sales	85,332	77,260	288,331	263,479
Capitalized work for own account	2,538	3,468	12,687	21,195
Other operating revenue	690	624	8,050	7,922
<b>Total income</b>	<b>88,560</b>	<b>81,352</b>	<b>309,068</b>	<b>292,597</b>
<b>OPERATING EXPENSES</b>				
Other external costs	-51,046	-49,366	-177,812	-162,568
Employee benefit expenses	-49,851	-46,305	-178,625	-191,262
<b>Earnings before depreciation and amortization (EBITDA)</b>	<b>-12,337</b>	<b>-14,319</b>	<b>-47,368</b>	<b>-61,234</b>
Depreciation and amortization	-17,954	-25,791	-70,344	-73,076
<b>Earnings before interest and tax (EBIT)</b>	<b>-30,291</b>	<b>-40,110</b>	<b>-117,712</b>	<b>-134,309</b>
<b>FINANCIAL ITEMS</b>				
Results from other securities and long-term receivables	-1,124	-	-375	-6,005
Interest income	-7	-	1	3
Interest expense	-4,384	-6,824	-12,443	-12,280
Currency differences and other financial items	-2,711	566	-281	2,006
<b>Total financial items</b>	<b>-8,226</b>	<b>-6,258</b>	<b>-13,097</b>	<b>-16,275</b>
<b>Profit after financial items</b>	<b>-38,517</b>	<b>-46,368</b>	<b>-130,809</b>	<b>-150,584</b>
Tax	-2	429	-13	330
Deferred tax	662	-93	4,413	-93
<b>Profit/loss for the period</b>	<b>-37,857</b>	<b>-46,032</b>	<b>-126,409</b>	<b>-150,348</b>

# Balance Sheet

## Consolidated Statement on Financial Position

SEK'000	Dec 31, 2022	Dec 31, 2021
<b>ASSETS</b>		
Intangible assets	183,351	198,363
Tangible assets	19,816	25,393
Non-current financial assets	5,608	5,611
<b>Total non-current assets</b>	<b>208,774</b>	<b>229,367</b>
Current receivables	62,006	77,332
Cash and cash equivalents	3,623	37,950
<b>Total current assets</b>	<b>65,629</b>	<b>115,282</b>
<b>Total assets</b>	<b>274,403</b>	<b>344,649</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	11,168	10,811
Share premium and other equity	103,102	255,183
Profit/loss for the period	-126,409	-150,348
<b>Equity attributable to parent company shareholders</b>	<b>-12,140</b>	<b>115,646</b>
Minority interest	-	6,182
<b>Equity</b>	<b>-12,140</b>	<b>121,828</b>
<b>Provision for taxes</b>	<b>3,530</b>	<b>7,943</b>
Non-current liabilities	89,524	50,145
Current liabilities	193,489	164,733
<b>Total liabilities</b>	<b>283,013</b>	<b>214,878</b>
<b>Total Equity and liabilities</b>	<b>274,403</b>	<b>344,649</b>
Company mortgage	18,000	18,000
Contingent liabilities	127,257	104,304

# Cash Flow

## Consolidated Statement of Cash Flow

SEK'000	2022 Q4	2021 Q4	2022 Full year	2021 Full year
<b>OPERATING ACTIVITIES</b>				
Earnings before interest and tax (EBIT)	-30,290	-40,109	-117,712	-134,309
Adjustments for non-cash flow items	19,585	33,570	64,124	81,805
Received interest	0	0	3	3
Interest expense	-246	1,681	-5,170	-3,774
Income tax paid	447	215	261	-80
Changes in working capital	-4,776	-49,088	24,022	55,717
<b>Cash flow from the operating activities</b>	<b>-15,281</b>	<b>-53,730</b>	<b>-34,471</b>	<b>-637</b>
<b>INVESTMENT ACTIVITIES</b>				
Capitalized expenditure on product development	-6,137	-5,397	-48,197	-33,354
Divestments of intangible fixed assets	-	-41	-	-
Acquisition of tangible fixed assets	-138	-617	-1,999	-2,050
Divestments of intangible fixed assets	-	38	-	471
Acquisitions of group companies	-	-	-4,366	-599
Other changes in financial assets	-	-	-	669
Divestment of financial fixed assets	-	-	-	225
<b>Cash flow from investment activities</b>	<b>-6,275</b>	<b>-6,017</b>	<b>-54,562</b>	<b>-34,638</b>
<b>FINANCING ACTIVITIES</b>				
Rights issue	-	53,976	-	53,976
Proceeds from loans	17,216	-	63,327	25,000
Repayment of loans	-558	-1,166	-8,681	-29,370
Transactions with minority	-	-	-	-1,741
<b>Cash flow from financing activities</b>	<b>16,658</b>	<b>52,810</b>	<b>54,646</b>	<b>47,865</b>
<b>In-/decrease of cash</b>	<b>-4,898</b>	<b>-6,937</b>	<b>-34,387</b>	<b>12,590</b>
Cash and cash equivalents at the beginning of the period	8,491	44,881	37,950	25,336
Translation differences cash and cash equivalents	30	6	60	24
Cash and cash equivalents at the end of the period	3,623	37,950	3,623	37,950

# Equity

## Consolidated Statement of Changes in Equity

SEK'000	Share capital	Other contributed capital	Other equity incl. retained earnings	Parent company's shareholding	Minority interest	Total equity
<b>Balance at January 1, 2021</b>	<b>2,862</b>	<b>343,772</b>	<b>-172,507</b>	<b>174,127</b>	<b>4,776</b>	<b>178,903</b>
Profit/loss for the period			-150,348	-150,348		-150,348
Non-cash issue, GBK Holding	161	15,139		15,300		15,300
Offset issue, additional consideration Sayduck	65	5,940		6,005		6,005
Preferential rights issue	7,723	56,268	36,031	100,022		100,022
Issue expenses		-18,813		-18,813		-18,813
Acquisition of minority interests			-5,680	-5,680	1,268	-4,411
Currency translation differences			-4,967	-4,967	138	-4,829
<b>Balance at December 31, 2021</b>	<b>10,811</b>	<b>402,306</b>	<b>-297,470</b>	<b>115,646</b>	<b>6,182</b>	<b>121,828</b>
<b>Balance at January 1, 2022</b>	<b>10,811</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			-126,409	-126,409		-126,409
Offset issue, March 7, 2022	357		4,423	4,780		4,780
Issue expenses		-15		-15		-15
Acquisition of minority interests			15	15	-6,182	-6,168
Currency translation differences			-6,157	-6,157	-	-6,157
<b>Balance at December 31, 2022</b>	<b>11,168</b>	<b>402,291</b>	<b>-425,599</b>	<b>-12,140</b>	<b>-</b>	<b>-12,140</b>