

# TOADMAN INTERACTIVE AB (PUBL)

INTERIM REPORT JANUARY-DECEMBER 2019

## TOADMAN INTERACTIVE IN SHORT

Toadman Interactive (under name change to EG7) is a group of companies within the gaming industry that develops, markets, publishes and distributes PC, console and mobile games to the global gaming market. The company employs 100+ game developers and develops its own original IP:s, as well as act as consultants to other publishers around the world through its game development divisions Toadman Studios and Antimatter Games. In addition, the group's marketing department Petrol has contributed to the release of 1,500+ titles, of which many are world famous brands such as Call of Duty, Destiny, Dark Souls and Rage. The group's publishing and distribution department Sold Out holds expertise in both physical and digital publishing and has previously worked with Team 17, Rebellion and Frontier Developments. The Group is headquartered in Stockholm with 180 employees in 8 offices worldwide.

Nasdaq First North Ticker Symbol: TOAD  
More information: [www.toadmaninteractive.com](http://www.toadmaninteractive.com)



TOADMAN

# INTERIM REPORT JANUARY-DECEMBER 2019

## October-December 2019 in short

- Net revenue amounted to 56 740 KSEK (66 460 in the previous quarter).
- EBITDA before one-off costs amounted to 4 613 KSEK and EBITDA amounted to -17 387 KSEK (13 326). EBIT amounted to -30 946 KSEK (1 953).
- Net profit after tax amounted to -25 968 KSEK (-7 832).
- Cash and cash equivalents amount to 105 740 KSEK (13 360).
- Net debt was 126 372 KSEK (121 059).
- Earnings per share amounted to -0,000832 SEK.

## Pro forma Q4 2019 (including Sold Out)

- Revenue amounted to 155 000 KSEK.
- EBITDA before one-off costs amounted to 14 000 KSEK and EBITDA after one-off costs amounted to -8 000 KSEK.

## Significant events during the quarter

- The management has been strengthened with Christopher Bergstresser as COO and Andreas Jonsson as CTO.
- Toadman acquired the assets of Tangentix Ltd for 50 KGBP, thereby adding the game streaming service Game Sessions to its portfolio.
- A new trailer for the game IGI: Origins has been released with more than 1 million views on Youtube.
- Acquired the game publisher Sold Out and thereby created a one-stop-shop concept within the industry.
- Acquired 100% of the rights for Project Osiris from Leyou.

## January-December 2019 in short

- Net revenue amounted to 151 645 KSEK.
- EBITDA before one-off costs amounted to 22 960 KSEK and EBITDA amounted to 3 098 KSEK and EBIT amounted to -22 777 KSEK.
- Net profit after tax amounted to -28 091 KSEK.
- Net debt was 126 372 KSEK.
- Earnings per share amounted to -0,0009 SEK.

## Significant events after the quarter

- Signed agreement to publish the title Descenders and another unannounced title.
- Announced name change to Enad Global 7 (EG7) to clarify the new group structure.
- Announced the vampire-shooter EvilEvil (Project Osiris).
- The title Zombie Army 4: Dead War, published by the subsidiary Sold Out, was released.
- The release date for Westmark Manor was set to early summer 2020.

## PRO FORMA GROUP Q4 2019

REVENUE	ADJUSTED EBITDA	EBITDA	FTE	TOTAL PROJECTS	GROUP COMPANIES
<b>155 mSEK</b>	<b>14 mSEK</b>	<b>-8 mSEK</b>	<b>178</b>	<b>20+</b>	<b>8</b>

# THE NEW GROUP

## Description of the new group

During the quarter, the Group made a major acquisition in the form of game publisher Sold Out in England and structured the company into three divisions. These are game development, marketing and publishing. Subsequent to the end of the financial year, the Group has submitted a proposal for a name change that is proposed to be approved on an EGM on March 3, 2020.

In addition, a new legal unit has been formed for the game development part that consists of Toadman Studios.

## Group divisions

**Game Development:** The game development division includes Toadman Studios and Antimatter Games. The business is to develop games on their own and others' behalf. At present, the focus is mainly on own games, but some development is being done on behalf of others.

**Marketing:** The marketing division consists of Petrol Advertising based in California, USA. The marketing work is mainly done on behalf of external customers, but marketing projects are also carried out internally on the own games and some of the games placed, as well as general marketing measures for the Group.

**Publishing:** The publishing division consists of Sold Out based in London, England. The company has mainly published physical games but has recently begun transforming to also work with digital publishing. The division will also assist with the publishing work for the group's own games.

**Enad Global 7 (EG7):** The Group company that manages and develops the various operations at Group level.

## The Group's non-audited financial figures for Q4-2019 on a pro forma basis:

- **Total Group:** Revenue amounted to approximately SEK 155 million, adjusted EBITDA of SEK 14 million, and EBITDA of SEK -8 million.
- **Game development:** Revenue amounted to approximately SEK 18 million, adjusted EBITDA of SEK 2 million and EBITDA of SEK -16 million.
- **Marketing:** Revenue amounted to approximately SEK 25 million, adjusted EBITDA of SEK 3 million and EBITDA SEK -1 million.
- **Publishing:** Revenue amounted to approximately SEK 112 million and EBITDA to SEK 9 million.

### Financial figures pro forma

Q4-2019 MSEK	Revenue	Adjusted EBITDA	EBITDA	FTE
<b>The Group</b>	<b>155</b>	<b>14</b>	<b>-8</b>	<b>180</b>
Game development	18	2	-16	100
Marketing	25	3	-1	60
Publishing	112	9	9	20

Financial Overview of the Toadman Group	Quarter				Accumulated	Full Year
	2019-10-01 2019-12-31	2019-07-01 2019-09-30	2019-04-01 2019-06-30	2019-01-01 2019-03-31	2019-01-01 2019-12-31	2017-09-01 2018-12-31
	3 months	3 months	3 months	3 months	12 months	16 months
Net revenue (KSEK)	56,740	66,460	13,618	14,827	151,645	73,110
Net revenue growth	-15%	388%	-8%	-	-	-
EBITDA (KSEK)	-17,387	13,326	4,802	2,357	3,098	6,382
EBITDA margin (%)	Neg	20%	35%	16%	Neg	9%
Operating profit (EBIT) (KSEK)	-30,946	1,953	4,445	1,771	-22,777	5,728
Operating margin (EBIT margin)	Neg	3%	33%	12%	Neg	8%
Items affecting comparability (KSEK)	22 000	0	-2,138	0	19 862	8,233
Adjusted EBITDA (KSEK)	4,613	13,326	2,664	2,357	22 960	14,615
Net debt (KSEK)	126,372	121,059	99,465	-24,599	126,372	-14,596
Equity ratio	34%	39%	38%	75%	34%	65%
Average number of FTEs	161	164	81	79	125	47
Total number of shares	31,209,159	22,091,519	21,626,196	16,978,761	31,209,159	15,178,761
Earnings per share (SEK)	-0.000832	-0.000355	0.000191	0.0000925	-0.000900	0.000261



# A Word From the CEO

## **Gaming Company Undergoing Strong Growth** *"A strong end of the year"*

During the fourth quarter, our focus was on acquiring Sold Out and adding another business division with publishing, as well as the integration of Petrol. On a pro forma basis, our turnover has gone from about SEK 15 million in Q4-2018 to SEK 155 million in Q4-2019, and from SEK 66 million in Q3-2019 to SEK 155 million in Q4-2019. The organic growth slowed somewhat, mainly due to the fact that partly Petrol has focused on working with Toadman's internal gaming project and the name change to EG7.

### **Acquisition of the game publisher Sold Out**

We have been very active on the acquisition front in 2019. First, we acquired the British gaming studio Antimatter Games and later the reputed marketing firm Petrol in Los Angeles. These companies granted us access to other verticals in the gaming industry.

The next natural step was to investigate game publishers where Sold Out stood out as a very well managed and profitable company. We really found each other and in December 2019 we officially welcomed founders James Cato and Garry Williams along with the 18 employees at Sold Out to our group family.

Sold Out reported sales of SEK 389.9 million and an adjusted EBIT corresponding to SEK 30.1 million last fiscal year and will therefore be an important puzzle piece in our rapidly growing gaming group. In total, Sold Out currently publishes over 15 titles, all with right to a share of the revenue.

### **Name change to EG7**

The acquisitions that we have performed mean that we are no longer just a gaming company but a gaming group that covers the entire value chain from bringing games from concept to consumer.

In order to clarify the new group structure, we have therefore decided to change our name to EG7, which stands for Enad Global 7. This symbolizes that we are a cohesive unit operating on all seven continents.

Toadman will of course still remain but as a gaming studio in the EG7 group. The current corporate structure allows us to reinvest the profits that Petrol and Sold Out generate in our own game



development projects with high revenue potential. This way we can reduce the risk associated with our own game development.

### **EvilvEvil (Project Osiris)**

During the fourth quarter, we acquired 100% of the rights to Project Osiris from Leyou, which we view as an important step forward in creating a diversified gaming portfolio with high potential.

We could later reveal that Project Osiris is EvilvEvil, a vampire-themed first-person shooter. EvE will be the first project to take full advantage of the entire group's expertise in game development, marketing and publishing.

A teaser trailer for EvilvEvil is available on our website and we will present more at GDC on March 16-20.

### **Future prospects**

The fourth quarter has been one of the most important quarters ever for us. We have now reached a number of sub-goals regarding acquisitions and our gaming portfolio.

We remain strategic when it comes to our acquisition strategy and we are constantly evaluating new exciting opportunities for further expansion.

Quarter one 2020 will mainly be about gathering and coordinating while we place greater emphasis on further strong growth during quarter two.

When others choose to sit back, we switch up instead and I hope you look forward to accompanying us on this journey as much as I do.

### **Robin Flodin**

CEO, Toadman Interactive AB (Publ)



## EVILVEVIL

### EVILVEVIL

EvilvEvil is a co-op first-person vampire shooter by Toadman Studios and will be supported by publisher Sold Out, and creative agency Petrol. The game has a player-directed, continuously updated storyline where players can cooperate online to progress through the story. EvilvEvil is a self-developed IP that, along with future revenue generated by the title, is 100% owned by EG7.

# FINANCIAL OVERVIEW

## The Quarter October-December 2019

### Net revenue and EBIT

Net revenue for the fourth quarter of 2019 amounted to 56 740 KSEK (66 460 previous quarter), which is mainly attributable to marketing and games development services. EBIT amounted to -30 946 KSEK.

### Game development

During the fourth quarter, 6 439 (2 629) KSEK was capitalized as an intangible asset - in-house game development. The investments are mainly attributable to EvilvEvil and '83. Depreciation and amortization during the period amounted to -13 559 (-11 373) KSEK.

### Financial net

The financial net for the fourth quarter was 1 601 (-6 631) KSEK.

### Tax

Tax on the net profit amounted to 3 337 (-3 197) KSEK.

## The period January-December 2019

### Net revenue and EBIT

The net revenue for the period January-December 2019 amounted to 151 645 KSEK. EBIT was -22 777 KSEK.

### Game development

During the period, 12 765 KSEK was capitalized as an intangible asset - in-house game development. Depreciation and amortization during the period amounted to -25 875 KSEK.

### Financial net

The financial net for the period was -5 317 KSEK due to the financing of the acquisition of Petrol.

### Tax

Tax on the net profit of the period amounted to -258 KSEK.

## Financial Position

### Financial position and liquidity

At the end of the quarter, the Group had 105 740 (13 360) KSEK in cash. The company will invest further in project-financed and own titles.

### Operational cash flow

The cash flow from operations amounted to 7 479 KSEK.

### Financing

To finance recent and upcoming acquisitions, Toadman has signed bond loans, which as of July 17, 2019, are traded on Nasdaq First North. The initial loan amount amounts to SEK 220 million and runs for three years.

### Investments and acquisitions

Toadman is further exploring opportunities to grow within the value chain and sees good potential in expanding in development of games in the future.

### Earnout payments

No earnout payments have been done during the fourth quarter.

## Other Information

### Significant events after the quarter

Signed agreement to publish the title Descenders and another unannounced title.

Announced name change to Enad Global 7 (EG7) to clarify the new group structure.

Announced the vampire-shooter EvilvEvil (Project Osiris).

The title Zombie Army 4: Dead War, published by the subsidiary Sold Out, was released.

The release date for Westmark Manor was set to early summer 2020.

### Personnel

As of this report's publication date, the Group has 178 employees, which can be compared to 27 employees at the beginning of the calendar year 2018. The company continues to expand through organic growth and acquisitions in order to work on large projects and to complete further investments in its own games.

## Share and ownership

Toadman's share is listed on Nasdaq First North Stockholm with the ticker symbol 'TOAD'. The share price was SEK 27.25 per share on February 26, 2020. The total number of shares outstanding is 31 209 159 as of December 31, 2019.

Owner	# of shares	Capital %
Robin Flodin	3,815,691	12.2%
Rasmus Davidsson	3,815,691	12.2%
Alan Hunter	2,323,718	7.4%
Ben Granados	2,323,718	7.4%
Consensus Asset Management AB	2,039,000	6.5%
Johan Svensson	1,946,885	6.2%
Alexander Albedj	1,737,155	5.6%
Länsförsäkringar Fonder	1,425,000	4.6%
Garry Williams	1,386,320	4.4%
James Cato	1,386,320	4.4%
Others	9,009,661	28.9%
<b>Total</b>	<b>31,209,159</b>	<b>100.0%</b>

## Related party transactions

The company did not make any transactions with related parties in 2019.

## Risks

Risks with the Company's share are described in Toadman's Company Description, which was published on January 30, 2019. It can be downloaded from the Company's website [www.toadmaninteractive.com](http://www.toadmaninteractive.com)

## Auditor

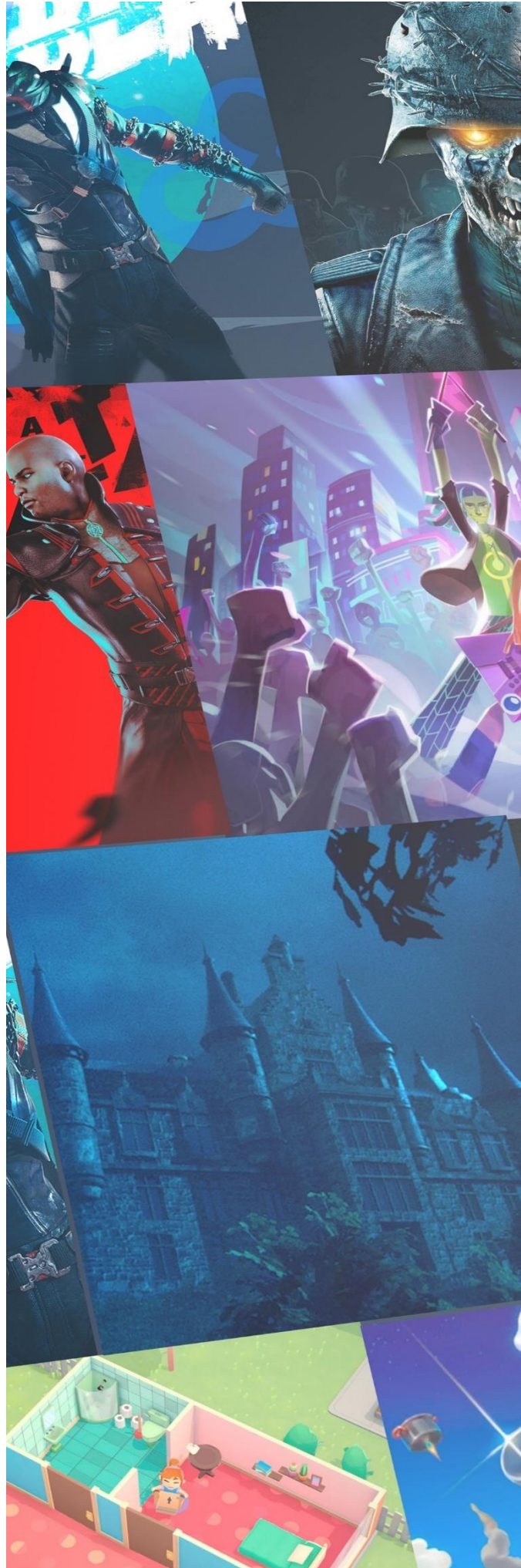
Toadman's auditor is Ernst & Young Aktiebolag. This interim report has not been audited.

## Certified Advisor

As a company listed on Nasdaq First North Stockholm, the company has an obligation to use a Certified Advisor. Toadman has appointed:

## Eminova Fondkommission AB

info@eminova.se  
+46 (0) 8-684 211 00





# ACQUISITION DURING THE QUARTER

## **Sold Out**

Sold Out is a London-based leading video game publisher and distributor specializing in digital and physical publishing (so-called publishing) for console and PC formats. After an extended period in the PC retail market segment, Sold Out 2014 was founded by Gary Williams and James Cato, who have decades of industry experience and recognized expertise from various game developers. Sold Out currently has 18 employees with a full-service offering for game developers who want to take their game titles to market, with services ranging from publishing and sales to marketing and lifecycle management.

Sold Out is proud to have a global network of distribution partners as well as strong relationships with platform owners and first parties, such as Sony, Microsoft, Nintendo, Steam and Epic Game Store. Their business model consists of three integrated processes to take a game title to the market; "Digital publishing", "Digital / Physical publishing" and "Physical publishing". Sold Out is particularly well positioned for the transformation from physical publishing to digital publishing, where the company has a strong market position to grow within the digital publishing segment.

Sold Out reported net sales and adjusted EBIT of 33.2 million pounds, corresponding to SEK 389.9 million and 2.6 million pounds respectively, corresponding to SEK 30.1 million, for the financial year ended 31 March 2019.

On November 26, 2019 Toadman and the shareholders of Sold Out entered into a share purchase agreement which stipulates the terms of the Transaction. Following the Transaction, the Group has a strengthened business model that generates revenue from all parts of the industry's value chain.

For Toadman, the Transaction will create opportunities for future revenue synergies in such a way that Sold Out becomes the Group's distribution and distribution arm. Both for Toadman's own game title development and by creating new business opportunities for Sold Out through partnerships with Petrol Advertising's broad customer base that spans all major verticals with industry-leading customers.

Furthermore, Sold Out will benefit from Petrol Advertising's marketing expertise in its publishing and distribution offering. Finally, Petrol Advertising will also strengthen its customer offering by linking strong distribution partners in Europe with their international clients. All in all, the three entities as a joint group can handle all major processes and activities in the go-to-market journey for a game developer, for both internal and external clients. Achieving these synergies will result in improved sales growth and profitability in the Group.

# THE GAMING INDUSTRY

The gaming industry is the fastest growing part of the entertainment industry and is estimated to have generated about 135 BNUSD in 2018 - an increase of 10% in revenue. 53% or 71.7 BNUSD of this revenue relates to PC or console games. The number of active players is estimated to be 2.2 billion, of which 47% are classified as paying players.

Asia Pacific (APAC) with China at the forefront is the largest geographic market and accounts for close to half of total sales. The second largest in terms of turnover is North America, closely followed by Europe, the Middle East and Africa (EMEA). All geographic markets are expected to show continued strong growth in the coming years with an average global market growth (CAGR) of 6.2% by 2020.

Digital distribution of games on PC and console, via online platforms such as Steam, represented 76% of sales in 2018. In the mobile segment, all sales are digital, but digital distribution also dominates in sales of PC and console games.<sup>1</sup>

## **Business Model and Vision**

Toadman specializes in role-playing games (RPG) and strives to become one of the world's leading developers and publishers in the genre. It also happens that we make other games - such as IGI 3, which is a game in the "shooting" category.

One of the main principles for Toadman's business philosophy is resource efficiency, which permeates both the Company's business strategy and working methods. By communicating a clear and shared vision of the end product, keeping time-consuming processes such as meetings and approvals to a minimum and building a team of motivated and versatile individuals, Toadman has succeeded in achieving profitability and productivity. This provides the Company with a stable platform for future growth. The management's many years of industry experience means that Toadman can identify and initiate discussions with potential acquisitions that can complement the Company's offer. An acquisition-driven growth strategy would also enable Toadman to strengthen its global presence and gain access to employees in new markets.

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<sup>1</sup> <https://www.gamesindustry.biz/articles/2018-12-18-global-games-market-value-rose-to-usd134-9bn-in-2018>

# GAME PIPELINE

Below follows an updated pipeline on Toadman's current projects.

## ZOMBIE ARMY 4

Zombie Army 4: Dead War is a third person shooter developed by Rebellion Developments and published by Sold Out. The title is a spin-off of the well-known game series Sniper Elite.



Q1 2020

## WESTMARK MANOR

Westmark Manor is a story-driven survival game with elements of horror, mystery and the occult. The title is developed by Nodbrim Interactive and is published by Toadman Studios, which is entitled to a portion of the revenue generated by the game. The title will initially be digitally distributed through Steam.



Q2-Q3 2020

## MOVING OUT

Moving Out is a puzzle game developed by Team 17 and is published by Sold Out. In Moving Out, players can train alone or with friends to learn what it is like to move furniture. You thought moving was boring, think again!



Q2 2020

## NO STRAIGHT ROADS

No Straight Roads is a music-based action and adventure game developed by Metronomics and published by Sold Out. The title puts sound and music at the center with innovative weapons that allow the player to switch between rock and EDM.



2020

### EVILVEIL

EvilEvil is a vampire-themed first-person shooter developed by Toadman Studios, published by Sold Out and marketed by Petrol. The game has a story that is constantly updated based on the aggregated choices the players make. EvilEvil also has a strong cooperative online element where players can collaborate with other players. EvilEvil is a self-developed IP.



Q3-Q4 2020

### RADICAL RABBIT STEW

Radical Rabbit Stew is an action arcade game developed by Pugstorm and published by Sold Out. Take your spoon and shoot the crazy rabbits to free the space chefs. Radical Rabbit Stew combines classic pixel graphics with easy-to-access gameplay.



2020

### '83

'83 is an FPS game developed by Antimatter Games. The title takes place in a scenario where the Cold War is no longer cold. '83 puts two big platoons of players against each other in massive maps where they have to fight to reach a number of vulnerable targets. A wealth of weapons as well as land and air vehicles are available.



2021-2022

### PROJECT I.G.I

Project I.G.I, the sequel to the critically acclaimed game series, is being developed by Toadman Studios and Antimatter Games. The title is an FPS game where the player is asked to sneak undetected through the various levels. At the time of writing, the trailer for the game has over 1.1 million views.



2021

### DESCENDERS

Descenders is a downhill mountain biking game developed by RageSquid and published by Sold Out. The game is a modern version of an extreme sport with procedurally generated tracks. Descenders will be available both physically and digitally on Playstation 4 and Nintendo Switch



Q1-Q2 2020

### GESTALT: Steam & Cinder

Gestalt: Steam & Cinder is an action-adventure game developed by Metamorphosis Games and published by Sold Out. The title is inspired by steampunk and 16-bit games. Gestalt will be available for Nintendo Switch, Playstation 4, Xbox One and PC.



2020

### KEYWE

KeyWe is a postal distribution game developed by Stonewheat & Sons and published by Sold Out. Players take on the role of Jeff and Debra, two kiwi birds working in a small post office. The title is being developed for PC and will be launched in 2021.



2021

### DISJUNCTION

Disjunction is an action RPG game developed by Ape Tribe Games and published by Sold Out. The story takes place in a dystopian version of future New York City and takes the player on a journey with three main characters. The title will be released on Nintendo Switch, Playstation 4, Xbox One and PC.



Q3 2020

### PROJECT ANUBIS

An RPG game currently in test phase. Fully financed by Toadman, expected launch 2020-2021.



2021-2022

### Project Hathor

A prototype phase game based on a well-known IP. The game is fully funded by Toadman and is expected to launch in 2020.



2020

### Block'n'Load 2

Sequel to a game that Toadman owns and is out on the market. Expected launch 2020-2021.



2020-2021

### UNDISCLOSED PROJECT

TBA

### UNDISCLOSED PROJECT

TBA

## GROUP COMPANIES

### Petrol Advertising

At the end of June 2019, Toadman Interactive entered into an agreement with the owners of the world-leading US-based marketing agency Petrol Advertising on an acquisition for the equivalent of 171 MSEK.

The purchase price corresponds to a multiple of 6.8x times Petrol's 2018 adjusted EBIT. It is Toadman Interactive's single largest acquisition to date and the payment was partly in cash and partly in shares.

Of course, in tough competition in the global gaming market, it is important to have games that stand out and are discovered by players. Through the acquisition, Toadman Interactive gains world-leading expertise within the Group to market its own games, but also to be able to offer these services to other game developers.

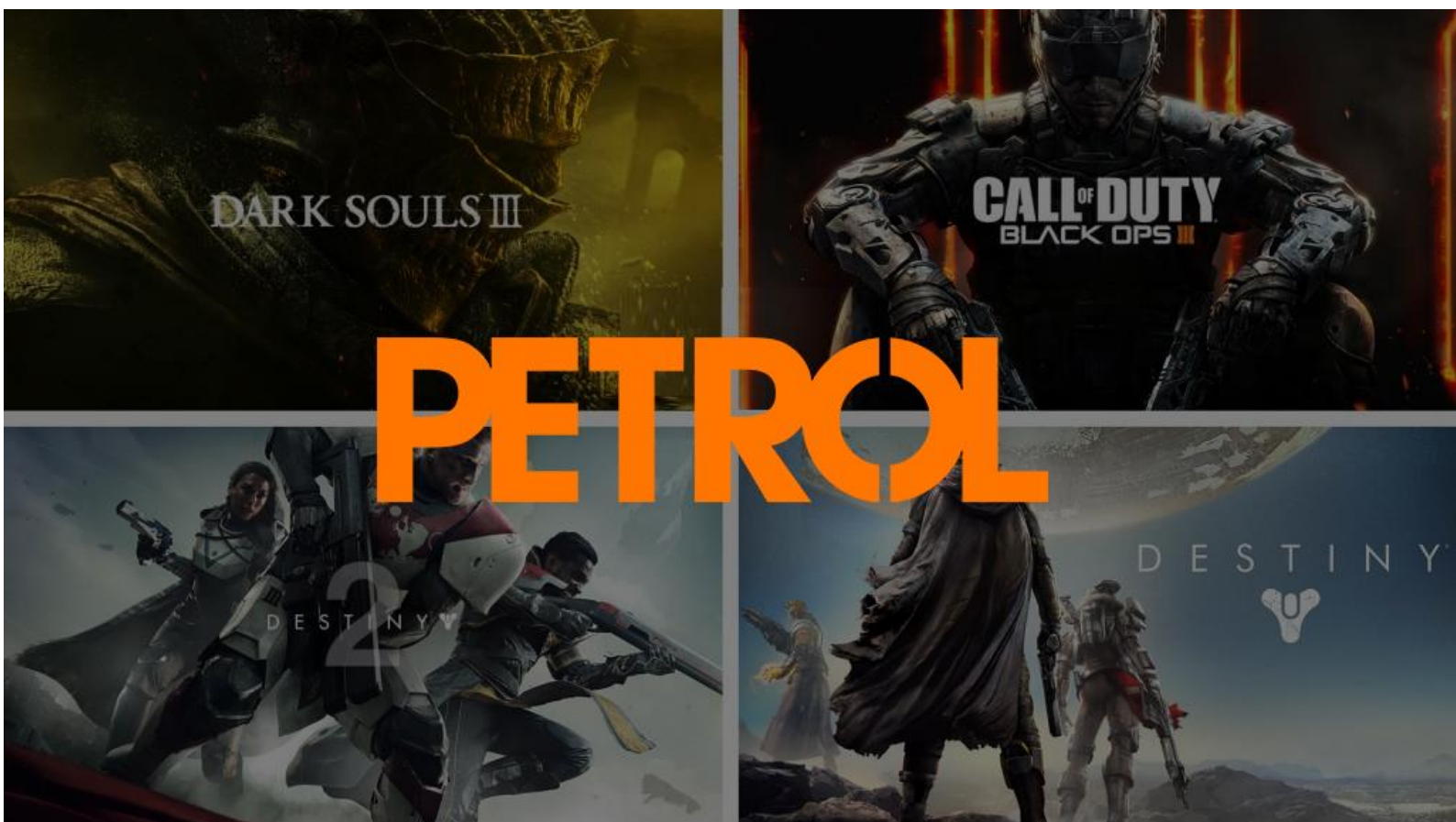
The acquisition of Petrol also means new diversified revenue streams for the Group through Petrol's existing operations, which contributes to the Group's ongoing cash flow and reduces the overall business risk in the company.

By paying part of the acquisition in shares, this means that Petrol's founder has become a new major shareholder in Toadman and thus invested long-term in the company's success.

Below is an overview of Petrol's revenue streams, selection of projects and distribution of revenues. The next page shows a selection of Petrol's work during Q2-2019. In the future, we will be able to increase the flow of information on Petrol, so that shareholders can better follow the development of the business area.

In 2019, Petrol celebrates 16 years as a company and having won over 170 industry awards through the times crowned by seven final places and three medals in the Promax Game Awards for:

1. Gold medal for best product logo design for Rage.
2. Silver medal for best box art for Call of Duty – Black Ops 4 Standard Packaging.
3. Silver medal for best box art (limited edition, special edition eller collector's edition) – Call of Duty – Black Ops 4 Mystery Box Edition.



## **Antimatter Games**

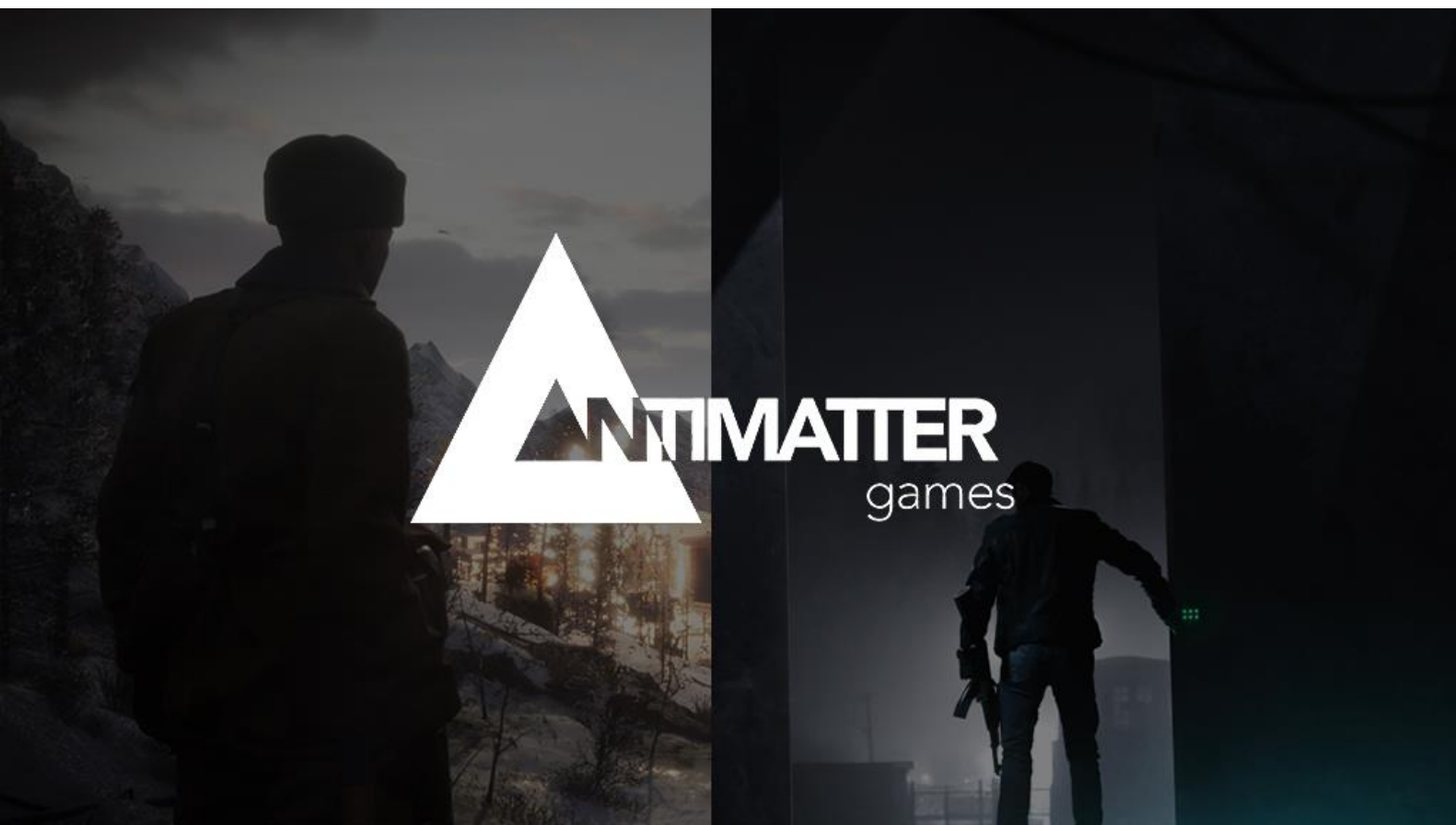
The agreement to acquire the British gaming studio Antimatter Games is in line with the Group's goal to become a leading gaming group with its own games. Antimatter Games was acquired for a total of 1.58 MSEK (132 KGBP) including a cash balance of 3.45 MSEK (300 KGBP) included with the purchase.

Antimatter Games, founded in 2013, currently has 20 employees and is the largest game development studio in the south west of the United Kingdom. The acquisition means, among other things, that Toadman Interactive becomes the full owner of a game under development called '83. It is a game within the popular first-person shooter multiplayer genre that takes place in an alternate history as the Cold War gets hot and a new world war begins in 1983.

The first '83 trailer was released in March 2019 and has been viewed by hundreds of thousands of people on YouTube and received millions of views on other social media. '83 is expected to be ready for launch in 2021.

Antimatter Games had a turnover of approximately 14 MSEK in 2018 and made an operating profit (EBIT) of about 3 MSEK, which is mainly due to the development of the game Rising Storm 2.

Antimatter Games and its employees will be consolidated with Toadman Interactive's other game development operations, with significant cost and development synergies as a result.



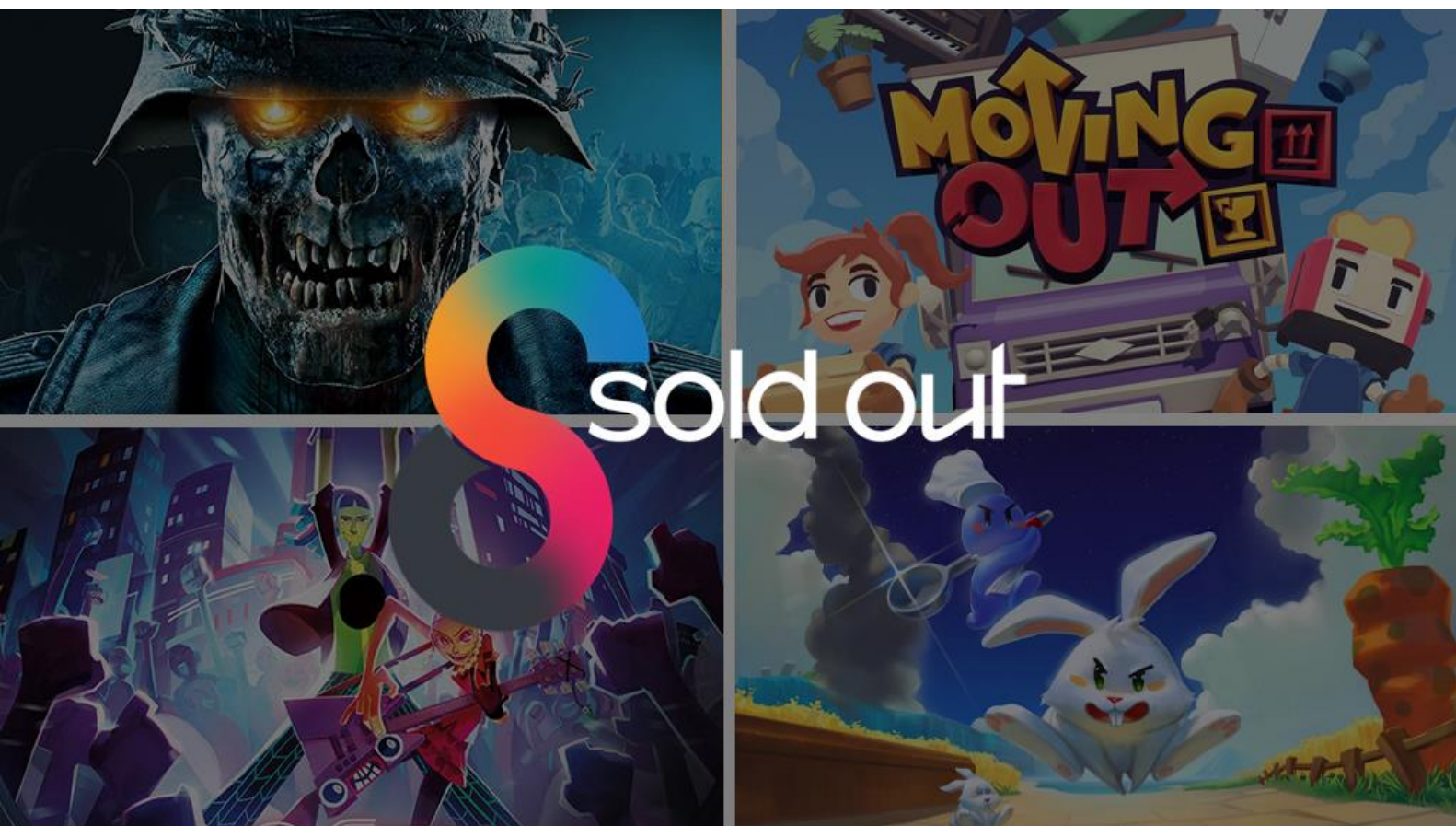


## Sold Out

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Sold Out reported net sales and adjusted EBIT of £ 33.2 million, corresponding to SEK 389.9 million and £ 2.6 million, respectively, corresponding to SEK 30.1 million, for the fiscal year ended March 31, 2019.



## Income Statement – Group

	Quarter				Accumulated	Full Year
	2019-10-01 2019-12-31	2019-07-01 2019-09-30	2019-04-01 2019-06-30	2019-01-01 2019-03-31	2019-01-01 2019-12-31	2017-09-01 2018-12-31
	<i>3 months</i>	<i>3 months</i>	<i>3 months</i>	<i>3 months</i>	<i>12 months</i>	<i>16 months</i>
Net revenue	56,740	66,460	13,618	14,827	151,645	73,110
Own work capitalized	6,439	2,629	1,987	1,710	12,765	458
Other revenue	-2,911	3,879	2,750	224	3,942	2,543
<b>Total revenue</b>	<b>60,268</b>	<b>72,968</b>	<b>18,355</b>	<b>16,761</b>	<b>168,352</b>	<b>76,111</b>
<i>Operating expenses</i>						
Cost of goods sold	-24,673	-20,700	-3,279	-2,604	-51,256	-16,183
Other external expenses	-20,178	-10,466	-3,285	-4,183	-38,112	-27,158
Personnel expenses	-32,548	-28,328	-6,933	-7,599	-75,408	-26,199
Other expenses	-256	-148	-56	-18	-478	-189
<b>Operating profit before depreciation and amortization (EBITDA)</b>	<b>-17,387</b>	<b>13,326</b>	<b>4,802</b>	<b>2,357</b>	<b>3,098</b>	<b>6,382</b>
Depreciation and amortization	-13,559	-11,373	-357	-586	-25,875	-654
<b>Operating profit (EBIT)</b>	<b>-30,946</b>	<b>1,953</b>	<b>4,445</b>	<b>1,771</b>	<b>-22,777</b>	<b>5,728</b>
<b>Financial net</b>	<b>1,601</b>	<b>-6,631</b>	<b>-431</b>	<b>144</b>	<b>-5,317</b>	<b>669</b>
<b>Profit before tax</b>	<b>-29,345</b>	<b>-4,678</b>	<b>4,014</b>	<b>1,915</b>	<b>-28,094</b>	<b>6,397</b>
Tax expense for the period	3,337	-3,197	80	-478	-258	-1,872
Deferred tax	40	43	44	134	261	-567
<b>NET PROFIT</b>	<b>-25,968</b>	<b>-7,832</b>	<b>4,138</b>	<b>1,571</b>	<b>-28,091</b>	<b>3,958</b>

As the Group was first formed at the acquisition of Artplant at the end of June 2018, no periodic comparative figures for 2018 are presented.

Comparative figures for the full year 2018 comprise 16 months instead of 12 as a result of the transition to the calendar year as a financial year.

## Balance Sheet - Group

	2019-12-31	2019-09-30	2019-06-30	2019-03-31	2018-12-31
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible non-current assets	510,210	211,919	208,432	9,707	8,162
Tangible non-current assets	8,999	7,822	7,987	240	247
Financial non-currents assets	2,534	1,311	1,288	968	860
<b>Total non-current assets</b>	<b>521,743</b>	<b>221,052</b>	<b>217,707</b>	<b>10,915</b>	<b>9,269</b>
<b>Current assets</b>					
Current receivables	12,118	-	-	-	-
Cash and cash equivalents	87,236	110,053	92,453	34,311	23,556
<b>Total current assets</b>	<b>105,740</b>	<b>13,360</b>	<b>25,135</b>	<b>24,599</b>	<b>14,596</b>
<b>TOTAL ASSETS</b>	<b>205,094</b>	<b>123,413</b>	<b>117,588</b>	<b>58,910</b>	<b>38,152</b>
	<b>726,837</b>	<b>344,465</b>	<b>335,295</b>	<b>69,825</b>	<b>47,421</b>
<b>EQUITY AND LIABILITIES</b>					
Equity	250,126	133,025	127,355	52,350	30,662
Deferred tax liabilities	111,172	50,533	49,296	7,549	7,579
Non-current liabilities	232,112	134,419	124,600	0	0
Current liabilities	133,427	26,488	34,044	9,926	9,180
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>726,837</b>	<b>344,465</b>	<b>335,295</b>	<b>69,825</b>	<b>47,421</b>

## Cash Flow Statement – Group

	Quarter				Full Year	
	2019-10-01 2019-12-31	2019-07-01 2019-09-30	2019-04-01 2019-06-30	2019-01-01 2019-03-31	2019-01-01 2019-12-31	2017-09-01 2018-12-31
	3 months	3 months	3 months	3 months	12 months	16 months
<b>OPERATING ACTIVITIES</b>						
Operating profit	-30,946	1,953	4,445	1,771	-22,777	5,728
Depreciation	13,559	10,931	799	586	25,875	654
Exchange rate differences in intra-group items	-2,727	635	-112	112	-2,092	131
Financial items and tax	2,916	-9,699	-504	46	-7,241	541
<b>Cash flow from operating activities before changes in working capital</b>	<b>-17,198</b>	<b>3,820</b>	<b>4,628</b>	<b>2,515</b>	<b>-6,235</b>	<b>7,054</b>
Cash flow from changes in working capital	24,677	-29,295	-11,008	-10,351	-25,977	-14,851
<b>Cash flow from operating activities</b>	<b>7,479</b>	<b>-25,475</b>	<b>-6,380</b>	<b>-7,836</b>	<b>-32,212</b>	<b>-7,797</b>
<b>INVESTMENT ACTIVITIES</b>						
Cash flow from investment activities	-7,493	57	-111,948	-2,383	-121,767	-2,383
<b>Cash flow from investment activities</b>	<b>-7,493</b>	<b>57</b>	<b>-111,948</b>	<b>-2,383</b>	<b>-121,767</b>	<b>-2,383</b>
<b>FINANCING ACTIVITIES</b>						
Cash flow from financing activities	93,694	13,321	118,792	20,293	246,100	24,116
<b>Cash flow from financing activities</b>	<b>93,694</b>	<b>13,321</b>	<b>118,792</b>	<b>20,293</b>	<b>246,100</b>	<b>24,116</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>93,680</b>	<b>-12,097</b>	<b>464</b>	<b>10,074</b>	<b>92,121</b>	<b>13,936</b>
<b>Cash and cash equivalents at start of period</b>	<b>13,360</b>	<b>25,134</b>	<b>24,599</b>	<b>14,596</b>	<b>14,596</b>	<b>772</b>
Cash flow for the period	93,680	-12,097	464	10,074	92,121	13,936
Exchange rate differences	-1,300	323	71	-71	-977	-112
<b>Cash and cash equivalents at end of period</b>	<b>105,740</b>	<b>13,360</b>	<b>25,134</b>	<b>24,599</b>	<b>105,740</b>	<b>14,596</b>
<b>Specification of cash and cash equivalents</b>						
Total cash balance	105,740	13,360	25,134	24,599	105,740	14,596
<i>of which are blocked</i>	-1,268	-1,268	-1,568	-1,568	-1,268	-1,568
<b>Available cash at the end of the period</b>	<b>104,472</b>	<b>12,092</b>	<b>23,566</b>	<b>23,031</b>	<b>104,472</b>	<b>13,028</b>

## Changes in Equity – Group

	2019-12-31			
	Share Capital	Other Shareholder Contributions	Other Equity	Total Equity
<b>Opening balance 2019-01-01</b>	<b>569</b>	<b>24,635</b>	<b>5,458</b>	<b>30,662</b>
Rights issues	636	247,455		248,091
Rights issues transaction costs				0
Bonus issue	43		-43	0
Exchange difference foreign subsidiaries			-2,074	-2,074
Deferred tax on equity			1,539	1,539
Net profit for the period			-28,092	-28,092
<b>Closing balance 2019-12-31</b>	<b>1,248</b>	<b>272,090</b>	<b>-23,212</b>	<b>250,126</b>

## Income Statement – Parent Company

	Quarter				Accumulated	Full Year
	2019-10-01 2019-12-31	2019-07-01 2019-09-30	2019-04-01 2019-06-30	2019-01-01 2019-03-31	2019-01-01 2019-12-31	2017-09-01 2018-12-31
	<i>3 months</i>	<i>3 months</i>	<i>3 months</i>	<i>3 months</i>	<i>12 months</i>	<i>16 months</i>
Net revenue	18,482	21,341	13,428	14,637	67,888	72,573
Own work capitalized	6,448	2,628	804	1,204	11,084	458
Other revenue	-3,008	3,875	641	195	1,703	1,785
<b>Total revenue</b>	<b>21,922</b>	<b>27,844</b>	<b>14,873</b>	<b>16,036</b>	<b>80,675</b>	<b>74,816</b>
<i>Operating expenses</i>						
Cost of goods sold	-16,105	-15,630	-7,750	-6,042	-45,527	-25,067
Other external expenses	-9,699	-4,290	-2,721	-3,360	-20,070	-25,188
Personnel expenses	-5,312	-3,957	-4,623	-4,646	-18,538	-17,894
Other expenses	-256	-148	-56	-18	-478	0
<b>Operating profit before depreciation and amortization (EBITDA)</b>	<b>-9,450</b>	<b>3,819</b>	<b>-277</b>	<b>1,970</b>	<b>-3,938</b>	<b>6,667</b>
Depreciation and amortization	-29	-22	-22	-22	-95	-99
<b>Operating profit (EBIT)</b>	<b>-9,479</b>	<b>3,797</b>	<b>-299</b>	<b>1,948</b>	<b>-4,033</b>	<b>6,568</b>
<b>Financial net</b>	<b>2,228</b>	<b>-6,572</b>	<b>-453</b>	<b>171</b>	<b>-4,626</b>	<b>817</b>
<b>Profit before tax</b>	<b>-7,251</b>	<b>-2,775</b>	<b>-752</b>	<b>2,119</b>	<b>-8,659</b>	<b>7,385</b>
Appropriations	3,333				3,333	-2,773
Tax expense for the period	0	0	0	0	0	-1,831
Deferred tax	341	287	-287	0	341	0
<b>NET PROFIT</b>	<b>-3,577</b>	<b>-2,488</b>	<b>-1,039</b>	<b>2,119</b>	<b>-4,985</b>	<b>2,781</b>

As the parent company changed the fiscal year to calendar year at the end of 2018, no periodic comparative figures from 2018 are presented.

Comparative figures for the full year 2018 comprise 16 months instead of 12 as a result of the transition to the calendar year as a financial year. As a result, the comparative figures from quarter 5, 2018 are four months instead of three.

## Balance Sheet – Parent Company

	2019-12-31	2019-09-30	2019-06-30	2019-03-31	2018-12-31
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible non-current assets	96,328	5,094	2,466	1,662	458
Tangible non-current assets	479	87	109	131	152
Financial non-currents assets	522,887	235,082	235,991	9,226	8,301
<b>Total non-current assets</b>	<b>619,694</b>	<b>240,263</b>	<b>238,566</b>	<b>11,019</b>	<b>8,911</b>
<b>Current assets</b>					
Current receivables	26,939	74,380	60,323	34,750	25,899
Cash and cash equivalents	25,890	9,689	18,472	22,599	11,550
<b>Total current assets</b>	<b>52,829</b>	<b>84,069</b>	<b>78,795</b>	<b>57,349</b>	<b>37,449</b>
<b>TOTAL ASSETS</b>	<b>672,523</b>	<b>324,332</b>	<b>317,361</b>	<b>68,368</b>	<b>46,360</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>	<b>274,185</b>	<b>118,778</b>	<b>121,306</b>	<b>51,485</b>	<b>29,540</b>
<b>Deferred tax liabilities</b>	<b>110,414</b>	<b>52,356</b>	<b>51,073</b>	<b>9,382</b>	<b>9,382</b>
<b>Non-current liabilities</b>	<b>232,113</b>	<b>120,000</b>	<b>120,505</b>	<b>0</b>	<b>0</b>
<b>Current liabilities</b>	<b>55,811</b>	<b>33,198</b>	<b>24,477</b>	<b>7,501</b>	<b>7,438</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>672,523</b>	<b>324,332</b>	<b>317,361</b>	<b>68,368</b>	<b>46,360</b>

## Cash Flow Statement – Parent Company

	Quarter				Full Year	
	2019-10-01 2019-12-31	2019-07-01 2019-09-30	2019-04-01 2019-06-30	2019-01-01 2019-03-31	2019-01-01 2019-12-31	2017-09-01 2018-12-31
	<i>3 months</i>	<i>3 months</i>	<i>3 months</i>	<i>3 months</i>	<i>12 months</i>	<i>16 months</i>
<b>OPERATING ACTIVITIES</b>						
Operating profit	-9,478	3,796	-299	1,948	-4,033	6,568
Depreciation	29	22	22	22	95	99
Financial items and tax	-464	-4,425	-48	102	-4,835	689
<b>Cash flow from operating activities before changes in working capital</b>	<b>-9,913</b>	<b>-607</b>	<b>-325</b>	<b>2,072</b>	<b>-8,773</b>	<b>7,356</b>
Cash flow from changes in working capital	10,508	-16,991	-9,698	-8,718	-24,899	-17,773
<b>Cash flow from operating activities</b>	<b>595</b>	<b>-17,598</b>	<b>-10,023</b>	<b>-6,646</b>	<b>-33,672</b>	<b>-10,417</b>
<b>INVESTMENT ACTIVITIES</b>						
Cash flow from investment activities	-84,394	8,815	-112,882	-2,130	-190,591	-2,921
<b>Cash flow from investment activities</b>	<b>-84,394</b>	<b>8,815</b>	<b>-112,882</b>	<b>-2,130</b>	<b>-190,591</b>	<b>-2,921</b>
<b>FINANCING ACTIVITIES</b>						
Cash flow from financing activities	100,000	0	118,778	19,825	238,603	24,116
<b>Cash flow from financing activities</b>	<b>100,000</b>	<b>0</b>	<b>118,778</b>	<b>19,825</b>	<b>238,603</b>	<b>24,116</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>16,201</b>	<b>-8,783</b>	<b>-4,127</b>	<b>11,049</b>	<b>14,340</b>	<b>10,778</b>
Cash and cash equivalents at start of period	9,689	18,472	22,599	11,550	11,550	772
Cash flow for the period	16,201	-8,783	-4,127	11,049	14,340	10,778
<b>Cash and cash equivalents at end of period</b>	<b>25,890</b>	<b>9,689</b>	<b>18,472</b>	<b>22,599</b>	<b>25,890</b>	<b>11,550</b>
<b>Specification of cash and cash equivalents</b>						
Total cash balance	25,890	9,689	18,472	22,599	25,890	11,550
<i>of which are blocked</i>	1,268	1,268	1,568	1,568	1,568	1,568
<b>Available cash at the end of the period</b>	<b>24,622</b>	<b>8,421</b>	<b>16,904</b>	<b>21,031</b>	<b>24,322</b>	<b>9,982</b>



## Changes in Equity – Parent Company

	2019-12-31				
	Share Capital	Capitalization Reserve	Share Premium Reserve	Non- Restricted Equity	Total Equity
<b>Balance at the beginning of the year 2019-01-01</b>	<b>569</b>	<b>458</b>	<b>24,635</b>	<b>3,878</b>	<b>29,540</b>
Rights issues	637		247,454		248,091
Bonus issue	43			-43	0
Capitalization reserve		11,084		-11,084	0
Deferred tax on equity			1,539		1,539
Net profit for the year				-4,985	-4,985
<b>Closing balance 2019-12-31</b>	<b>1,249</b>	<b>11,542</b>	<b>273,628</b>	<b>-12,234</b>	<b>274,185</b>

## Definitions

**Net revenue:** Revenue from sales less discounts and after elimination of any related party transactions.

**Net revenue growth:** Increase in sales from the previous period as a percentage.

**EBITDA:** Earnings before interest, tax, depreciation and amortization of tangible and intangible non-current assets

**EBITDA margin (%):** EBITDA as a percentage of net revenue.

**Operating profit (EBIT):** Earnings before financial items and tax.

**EBIT margin (%):** Operating profit as a percentage of net sales.

**Non-recurring items:** Non-recurring operating items in normal operations.

**Adjusted EBITDA:** EBITDA adjusted by non-recurring items.

**Adjusted EBITDA margin (%):** EBITDA adjusted by non-recurring items as a percentage of net sales.

**Adjusted operating profit (adjusted EBIT):** EBIT adjusted by non-recurring items.

**Adjusted operating margin (adjusted EBIT margin):** EBIT adjusted by non-recurring items as a percentage of net sales

**Net debt:** Interest-bearing liabilities less interest-bearing assets and cash and cash equivalents.

**Net debt / EBITDA:** Net debt as a percentage of EBITDA.

**Equity ratio:** Equity as a percentage of total assets.

**Average number of employees:** The average number of employees during the period.

**Number of shares:** Total number of shares outstanding.

**Earnings per share:** Net profit for the period divided by the total number of shares outstanding

## **For More Information, Please Contact:**

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### **Om Toadman**

Toadman Interactive (under name change to EG7) is a group of companies within the gaming industry that develops, markets, publishes and distributes PC, console and mobile games to the global gaming market. The company employs 100+ game developers and develops its own original IP:s, as well as act as consultants to other publishers around the world through its game development divisions Toadman Studios and Antimatter Games. In addition, the group's marketing department Petrol has contributed to the release of 1,500+ titles, of which many are world famous brands such as Call of Duty, Destiny, Dark Souls and Rage. The group's publishing and distribution department Sold Out holds expertise in both physical and digital publishing and has previously worked with Team 17, Rebellion and Frontier Developments. The Group is headquartered in Stockholm with 200 employees in 8 offices worldwide.

Nasdaq First North Ticker Symbol: TOAD

### **Certified Advisor**

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### **Accounting Policies**

This interim report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's

general advice. Applied accounting principles are in accordance with the K3 rules (BFNAR 2012: 1).

2019 is the first year that the Company applies calendar year as fiscal year.

In December 2017, a subsidiary was registered in Germany - Toadman Interactive GmbH. The operations of the German subsidiary were modest and did not lead to the introduction of consolidated accounts. When on June 28, 2018, the company acquired the Norwegian gaming studio Artplant AS with subsidiaries in Russia, the activities of the subsidiaries became more significant and the group consolidated since the beginning of the year. This means that, since the interim report as of 2018-08-31, the company presents consolidated figures in accordance with the K3 rules.

The acquisition analysis regarding Artplant AS with subsidiaries in Russia is closed and the additional purchase price was redeemed with shares as of June 28, 2019.

The Russian subsidiary is not yet consolidated. We believe that this is of no decisive importance to give a true and fair view of the Group.

Since the Group was first formed at the acquisition of Artplant at the end of June 2018, no periodic comparative figures for the Group from the first quarter of 2018 are presented.

The acquisition analysis regarding Petrol Advertising is closed and the purchase price was paid with shares and cash as of 26 June, 2019.

### **Auditing**

This report has not been audited by the Company's auditor.

### **Next Report**

The next report (Q1 2020) will be published on May 27, 2020.

### **Important Information**

This information is information that Toadman Interactive AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, at 08:00 CET on 27 February 2020.

# The Board's Declaration

The Board of Directors and CEO ensure that this interim report gives a true and fair view of the company's operations and financial position.

Stockholm, February 27, 2020

<b>Robin Flodin</b>	<b>Alexander Albedj</b>	<b>Sven Folkesson</b>	<b>Marie-Louise Gefwert</b>	<b>Gunnar Lind</b>
<i>CEO and board member</i>	<i>Chairman of the board</i>	<i>Member of the board</i>	<i>Member of the board</i>	<i>Member of the board</i>



**TOADMAN**