Caybon

INTERIM REPORT JULY - SEPTEMBER 2023

The quarter in brief

July – September 2023

- Net Sales decreased by 3% to 225,435 (232,435) TSEK, of which 4% is exchange rate related and 7% is negative organic growth.
- EBITDA decreased by 75% to 3,558 (14,180) TSEK, adjusted* EBITDA decreased 69% to 5,775 (18,532) TSEK.
- EBITA amounted to -4,939 (6,458) TSEK, adjusted* EBITA amounted to -2,722 (10,810) TSEK.
- EBITA margin amounted to -2.2% (2.8), adjusted* EBITA-margin amounted to -1.2% (4.7).
- Net Profit for the period amounted to -20,176 (-6,768) TSEK.
- Cash Flow from operations was 586 (5,606) TSEK.

January – September 2023

- Net Sales increased by 6% to 743,388 (700,012) TSEK, of which 11% is acquired growth, 3% is exchange rate related and 8% is negative organic growth.
- EBITDA decreased by 54% to 29,528 (63,742) TSEK, adjusted* EBITDA decreased 58% to 31,745 (75,172) TSEK.
- EBITA decreased 87% to 6,191 (45,918) TSEK, adjusted* EBITA decreased 85% to 8,408 (57,348) TSEK.
- EBITA margin amounted to 0.8% (6.6), adjusted* EBITA margin amounted to 1.1% (8.2).
- Net Profit for the period amounted to -47,315 (5,911) TSEK.
- Cash Flow from operations was 7,553 (34,340) TSEK.
- It should be noted that FMG Group was not part of Caybon Group during the first half of 2022.

Adjusted amounts exclude non-recurring items and aim to give a picture of the underlying development; see note 6.

Significant events after the third quarter

On October 18th the held EGM in Caybon Holding AB (i) approved the issue of a convertible loan amounting to maximum 25 MSEK and ii) authorized for the board of directors to resolve on capital increases, by an amount corresponding to not more than 25% of the share capital after such issues(s).

The 25 MSEK convertible loan was settled October 25th with use of proceeds primarily allocated to redeeming 19 MSEK of short-term liabilities.

-3%
Net Sales Growth Q3

1,027
MSEK Revenue (LTM)

3.8%
Adj EBITA margin (LTM)

TSEK	2023 Jul-Sep	2022 Jul-Sep	Chg, %	2023 Jan-Sep	2022 Jan-Sep	Chg, %	LTM	2022 Full year
Net Sales	225 435	232 435	-3%	743 388	700 012	6%	1 026 991	983 615
Gross profit	112 455	124 656	-10%	378 035	373 022	1%	535 915	530 501
Gross profit margin, %	*49,9%*	*53,6%*	*-7%*	*50,9%*	*53,3%*	*-5%*	*52,2%*	*53,9%*
EBITDA	3 558	14 180	-75%	29 528	63 742	-54%	65 856	100 071
EBITDA-margin, %	*1,6%*	*6,1%*	*-74%*	*4,0%*	*9,1%*	*-56%*	*6,4%*	*10,2%*
Adjusted EBITA	-2 722	10 810	-125%	8 408	57 348	-85%	39 203	88 144
Adjusted EBITA-margin, %	*-1,2%*	*4,7%*	*-126%*	*1,1%*	*8,2%*	*-86%*	*3,8%*	*9,0%*
Net Profit	-20 176	-6 768	198%	-47 315	5 911	-901%	-51 810	1 416
Cash flow from operations	586	5 606	-90%	7 553	34 340	-78%	51 876	78 662

Non-recurring items amounting to 2,217 (4,351) TSEK for the period Jul-Sep and 2,217 (11,430) for the period Jan-Sep affect EBITDA, EBITA and Net Profit. For further explanation see note 6.

Positive EBITDA despite the prevailing market conditions

In a macro-economic environment that continues to be challenging, Caybon is still delivering positive EBITDA.

Negative sales growth

Caybon showed negative growth in net sales for the Group in the third quarter, due to business areas Newsner in the Network segment and FMG in the Campaign segment. Other business areas reported stable or higher net sales.

Caybon reported net sales of 225,435 (232,435) TSEK in the third quarter, which represented a negative growth of 3%. Organic growth was negative and down by 7%, while exchange rate contributed positively by 4%. The earnings came in lower, with adjusted EBITDA at 5,775 (18,532) TSEK and adjusted EBITA at -2,722 (10,810) TSEK.

Campaign segment

Both Mediaplanet and FMG have continued to be affected by weak market conditions and global uncertainties that have continued to dampen media spend.

FMG has found it particularly tough, with turnover decreasing and negative results in Q3.

Compared with Q3 last year, Mediaplanet has a slightly higher turnover and adjusted EBITA.

The new CRM is now in use and will hopefully improve efficiency as of Q4)

Although Q3 is seasonally a weaker quarter than Q2, Mediaplanet has performed much better in Q3 than it did in the previous quarter, both in terms of turnover and profitability (EBITA). It is too early for us to suggest that this indicates a break in the current difficult trend, but it is positive news and gives us a base to work from.

N365 is doing somewhat better than Q3 last year, and together with Mediaplanet, business areas US operations are doing much better, which is very encouraging.

The Campaign segment's net sales grew and amounted to 178,687 (175,542) TSEK. This increase was due to the improvement in the performances of both Mediaplanet and N365. The segment reported an adjusted EBITA of 3,678 (8,705) TSEK.

Network segment

In the Network segment, net sales declined by 15% to 49,439 (57,853) TSEK, while adjusted EBITA declined to 112 (7,238) TSEK.

Splay One still has ongoing organisational restructuring challenges and those have negatively impacted earnings. However, revenue is stable year-on-year and we have managed to halve the negative result of last year.

For Newsner, the decline in revenue in this quarter is both an effect of the earlier discontinued Facebook Instant Articles (FBIA) revenue model as well as Facebook's recent reductions in referral traffic to external news sites. The latter has had a significant effect for Newsner and other news publishers across the board.

Outlook

The global economy remains gloomy and uncertain and this will likely affect the media spending and our business performance for the rest of this year and likely a large part of next year.

As I mentioned in our Q2 report, it is hard to estimate when our advertising markets will recover fully. That being said we expect the fourth quarter to be seasonally stronger than the third.

Richard Båge, CEO

About Caybon

Caybon is a world-leading digital media company focused on branded content that drives tangible results.

Caybon is a group of scalable, digitally focused marketing companies specialised in content and distribution. The purpose is to offer advertisers and organisations a way to communicate with their target group in an editorial and relevant context. The various offerings include a range of solutions from online media, videos, performance-related advertising and events, as well as printed products. Revenues in turn are derived from content production as well as various forms of advertising solutions. The clients range from small to medium-sized companies up to multinational groups. The client base is thus diversified in terms of both size, sector and geography. The six brands within the Group are grouped into two business segments: Campaign and Network.

The Campaign segment includes the four brands Mediaplanet, N365, Appelberg and Future Media Group (FMG), which all have largely campaign-based business models. The segment has various campaign concepts where we connect media buyers with their clients. Revenues depend on the number of campaigns launched and the margin depends on the production and distribution efficiency.

Each year, Mediaplanet produces some 800 subject-based campaigns for around 7,500 clients. These campaigns are distributed via the brands' own digital sites, as well as through partnerships with global media publishers. Revenues are generated from printed editorial content as well as designated campaigns. Mediaplanet has 13 offices across Europe and North America.

N365 creates editorial-style advertising campaigns for around 180 B2C clients and mainly operates in Scandinavia and the UK. The revenue model is built on performance-based campaigns for clients, where a site with editorial content is created and consumer traffic procured to the site. Success is highly dependent on how well the campaigns perform in terms of the client connections and conversions generated.

Appelberg has 30 years' experience of producing marketing and communication content for a wide range of B2B clients, including Swedish-based multinationals. Appelberg operates in Sweden.

FMG acts as a business development partner towards media partners (publishers/media channels), in creating new or improved value propositions towards advertisers. FMG also offers contextual advertising and various kinds of content marketing solutions - i.e., the value propositions that are developed with its media partners. In addition, and independent from its media partners, FMG has its own offerings for end clients, such as marketing consultancy, content strategy and production. FMG operates in Sweden and Norway.

Network segment includes Newsner and Splay One. These two brands work exclusively with digital marketing, and a key strength is that they have access to the consumers via distribution networks such as Facebook, Instagram, Tiktok and Youtube. The revenue model is largely based on the achieved performance in terms of advertiser client connection and engagement.

Newsner is one of the world's leading social news networks and one of the biggest publishers on Facebook. Advertising revenue is generated by creating viral social stories on Facebook and other platforms. Revenues are primarily based on the number of readers and clicks on advertising which are sold digitally in connection with this content.

Splay One is the Nordic powerhouse for branded entertainment and influencer marketing. The aim is to create advertising content that young audiences want to consume and thereby create engagement and conversion for the B2C client base.

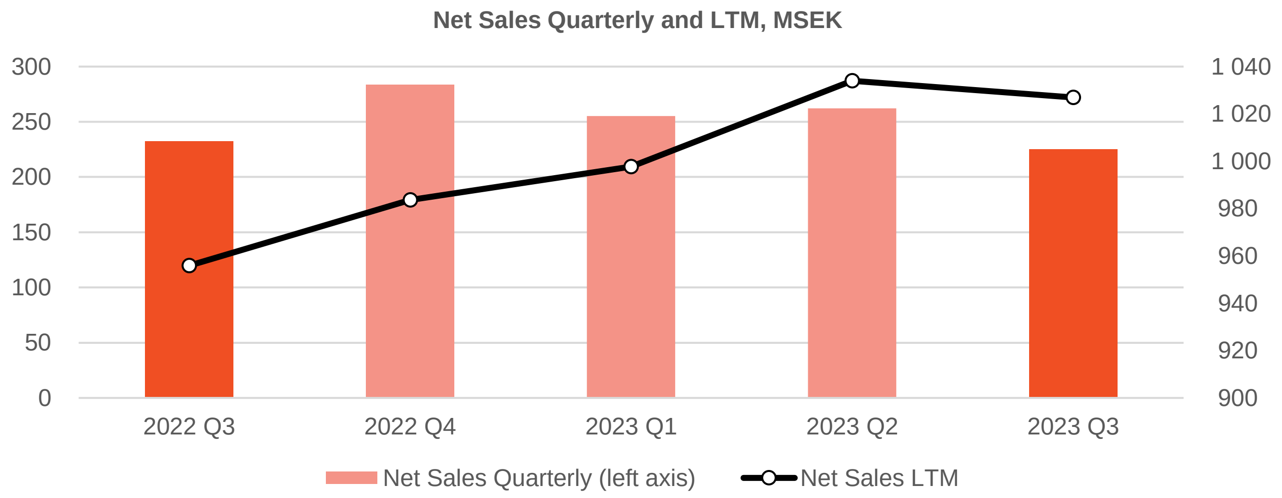
Total advertising spend is increasing globally. However, the form of advertising is undergoing substantial change. The traditional media and communication channels are being replaced with digital and online-based media of various types which are offered by Caybon's different brands. Caybon is continuously adapting its client offering to the current market trends and client needs.

Group earnings, July to September 2023

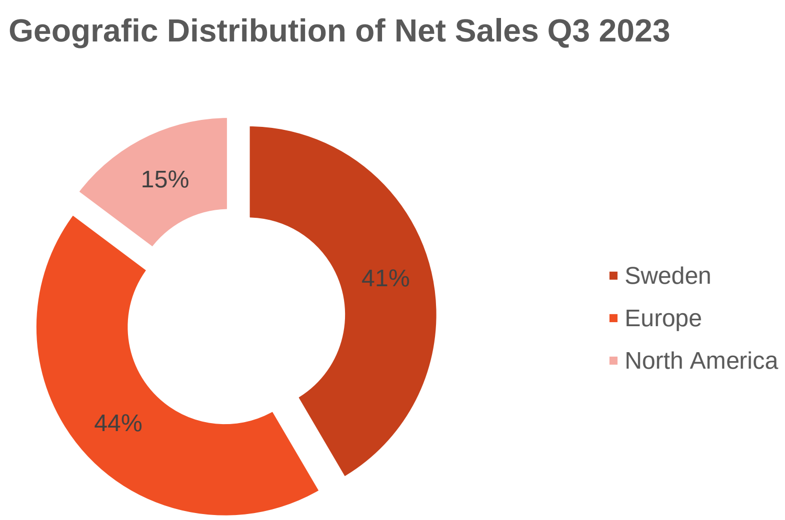
Net Sales

Net Sales decreased by 3% to 225,435 (232,435) TSEK. Fx had a positive effect of 4%, while organic growth was -7%. The negative organic growth was derived from the network segment. In the campaign segment there are positive signals such as growth in net sales compared to last year in both business areas Mediaplanet and N365. However, the latest addition FMG, saw a significant decline in their net sales as an effect of the weaker market conditions. In the Network segment the decrease is mainly from the business area Newsner. For Newsner there is partly a decrease stemming from the discontinuation of Facebook Instant Articles that took place in April of this year, alongside a negative effect derived from a decrease in referral traffic from Facebook, since the beginning of Q3. This was visible not only for Newsner, but for other publishers as well.

Net Sales for the last twelve months (LTM) now stands at 1,027 MSEK, as shown in the graph below. The proportion of revenues from various forms of digital marketing amounted to 73% (71) in the third quarter.



Caybon has 16 offices in 13 countries. The distribution of total revenues in the third quarter is shown in the pie chart below. Further information on the geographic distribution of revenues can be found in note 3.



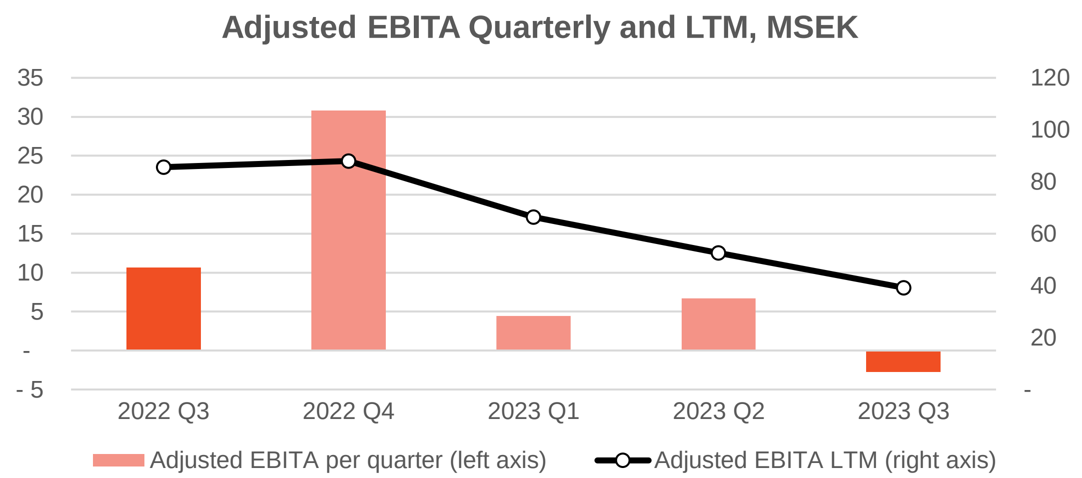
Earnings

Gross profit is an important figure for Caybon because it refers to the profit remaining after the cost for purchases of distribution capacity for the campaign or on behalf of the client. The gross profit for the third quarter decreased by 10% to 112,455 (124,656) TSEK. Gross profit margin for the quarter decreased to 50% (54). This was mainly due to a business mix effect. Business area Newsner, having a relatively higher margin business, decreasing their net sales and N365, having a lower margin business, increasing their net sales.

EBITDA decreased 75% to 3,558 (14,180) TSEK in the quarter. Non-recurring items for the period amounted to 2,217 (4,351). The decline in EBITDA is mainly attributable to weaker net sales of FMG and Newsner.

EBITA was -4,939 (6,458) TSEK. This represented an EBITA margin of -2.2% (2.8). Adjusted EBITA amounted to -2,722 (10,810). Adjusted EBITA margin amounted to -1.2% (4.7).

Net Profit for the third quarter amounted to -20,176 (-6,768) TSEK, other than what is described above; this was also affected by the increased interest rates and the resulting higher interest cost for Caybon.



	Campaign		Network		HQ	
TSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jul-Sep	2022 Jul-Sep	2023 Jul-Sep	2022 Jul-Sep
Net Sales	178 687	175 542	49 439	57 853	-	-
EBITDA	2 067	9 223	216	7 320	-6 911	-9 784
EBITDA-margin	*1,2%*	*5,3%*	*0,4%*	*12,7%*		
EBITA	1 461	8 705	112	7 238	-7 107	-9 860
EBITA-margin, %	*0,8%*	*5,0%*	*0,2%*	*12,5%*		

	IFRS adjustments		Eliminations		Group	
TSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jul-Sep	2022 Jul-Sep	2023 Jul-Sep	2022 Jul-Sep
Net Sales	-	-	-2 691	-959	225 435	232 435
EBITDA	8 226	7 507	-40	-86	3 558	14 180
EBITDA-margin					*1,6%*	*6,1%*
EBITA	634	462	-40	-86	-4 939	6 458
EBITA-margin, %					*-2,2%*	*2,8%*

Segment reporting is prepared on Swedish Gaap basis (K3), IFRS adjustments are presented in IFRS adjustments.

Overhead items that are not allocated out to the segmets are part of HQ and eliminations between segments are presented under Eliminations

EBITDA, EBITA & Net Profit are affected by non-recurring items amounting to 2,217 (4,351) TSEK for the period Jul-Sep. For further explanation see note 6.

Group earnings, January to September 2023

Net Sales

Net Sales increased by 6% to 743,388 (700,012). The increase was an effect of FMG group not being part of Caybon in the first half of 2022. This is also reflected in the campaign segment's growth. Excluding FMG Group and on a like-for-like basis organic growth (excluding Fx effects) amounted to -8%. Acquired growth was 11% and Fx had a positive effect of 3%. The decrease in organic growth was a combined effect of, struggles in Mediaplanet' s US operations year-to-date, Splay who saw lower net sales due to a shift in demand from larger productions and video-on-demand services, with a larger focus now on ads and influencer marketing as well as a challenging Q3 for FMG and Newsner.

Earnings

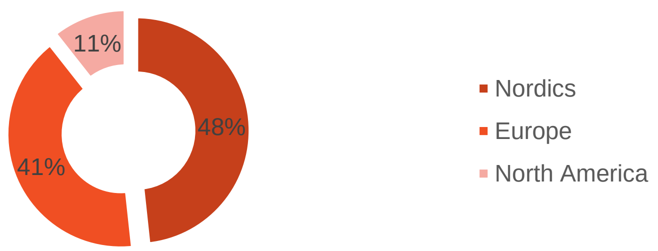
The gross profit for the period increased 1% to 378,035 (373,022) TSEK, while the gross profit margin amounted to 51% (53). As FMG group was not part of Caybon last year, these increases are not fully comparable on a like-for-like basis. Similar explanation as in the development of the third quarter are also applicable for the year-to-date variations, i.e a business mix effect following a stronger performance for N365.

EBITDA decreased by 54% to 29,528 (63,742) TSEK. This is explained by the aforementioned factors in the various business areas, primarily related to business areas Mediaplanet, Newsner and FMG. Non-recurring items for the period amounted to 2,217 (11,430) TSEK, this year containing implementation costs for Mediaplanet' s new CRM-system and last year mainly comprising of costs connected to the strategic review, the process of making the group IPO-ready and acquisition costs related to the FMG purchase.

EBITA amounted to 6,191 (45,918) TSEK, which represented a decrease of 87%. The decrease in EBITA was the result of a weaker performance in both segments compared to last year. The EBITA margin declined to 0.8 (6.6)%.

Net Profit for the period amounted to -47,315 (5,911) TSEK.

Geografic Distribution of Net Sales YTD 2023



	Campaign		Network		HQ	
TSEK	2023 Jan-Sep	2022 Jan-Sep	2023 Jan-Sep	2022 Jan-Sep	2023 Jan-Sep	2022 Jan-Sep
Net Sales	569 933	493 508	179 491	210 273	-	-
EBITDA	16 186	49 596	13 047	25 622	-22 296	-29 428
EBITDA-margin	*2,8%*	*10,0%*	*7,3%*	*12,2%*		
EBITA	14 424	48 182	12 744	25 364	-22 803	-29 657
EBITA-margin, %	*2,5%*	*9,8%*	*7,1%*	*12,1%*		

	IFRS adjustments		Eliminations		Group	
TSEK	2023 Jan-Sep	2022 Jan-Sep	2023 Jan-Sep	2022 Jan-Sep	2023 Jan-Sep	2022 Jan-Sep
Net Sales	-	-	-6 036	-3 769	743 388	700 012
EBITDA	22 438	16 972	152	982	29 528	63 742
EBITDA-margin					*4,0%*	*9,1%*
EBITA	1 672	1 048	152	982	6 191	45 918
EBITA-margin, %					*0,8%*	*6,6%*

Segment reporting is prepared on Swedish Gaap basis (K3), IFRS adjustments are presented in IFRS adjustments.

Overhead items that are not allocated out to the segmets are part of HQ and eliminations between segments are presented under Eliminations

EBITDA, EBITA and Net Profit are affected by non-recurring items amounting to 2,217 (11,430) TSEK for the period Jan-Sep.
These are mainly derived from HQ. Further explanation can be found in note 6.

Group Cash Flow and Financial Position

Cash Flow

July to September
In the third quarter, cash flow from **operations** before changes in working capital amounted to 1,168 (13,836) TSEK. Cash flow from changes in working capital in the period amounted to -582 (-8,230) TSEK. Cash flow from operations after changes in working capital amounted to 586 (5,606) TSEK. The deterioration is mainly explained by the weaker operating income for the period. However, due to a tight grasp of net working capital, the cash movements from operations did not take the full negative effect from the weaker operating income year-over-year.

Cash flow from **investing activities** amounted to 439 (-112,334) TSEK in the quarter. The large delta compared to last year was due to the acquisition of FMG that took place during Q3 last year. The investing activities showed a positive amount in the third quarter, due to the business area Mediaplanet's investment in a new CRM in which the implementation costs were released to the P&L and not activated as presented in previous quarters. This will not be visible in the year-to-date movement.

Cash flow from **financing activities** amounted to -23,077 (-17,728) TSEK. There was an increase in net interest paid, directly related to increased interest payments for the public bond.

Cash flow for the period amounted to -22,052 (-124,456) TSEK.

January to September
In the year-to-date period, cash flow from **operations** before changes in working capital amounted to 8,014 (53,644) TSEK. The weaker earnings compared with last year is the main factor behind the decrease. Also income tax payments related to previous year's high performance and profit have been falling due and paid in retrospect. Cash flow from changes in working capital in the period amounted to -461 (-19,304) TSEK, positively affected by a strong performance in managing the working capital. Cash flow from operations after changes in working capital amounted to 7,553 (34,340) TSEK.

Cash flow from **investing activities** amounted to -2,971 (-121,108) TSEK in the quarter. Last year this category was affected by own bond purchase as well as the acquisition of FMG.

Cash flow from **financing activities** amounted to -53,156 (-48,112) TSEK. Due to a change in presentation of the bond to only show a net position (also explained under *"Financial position"),* the sale of bond is as of Q1 2023 included under financing activities. The increase in net interest paid related to the public bond is to some extent offset by the positive effect from the selling transaction of the bond.

Cash flow for the period amounted to -48,574 (-134,880) TSEK.

Financial position

Caybon had a cash position of 63,126 (86,888) TSEK at the end of the period. Total debt amounted to 657,071 (683,734) TSEK at the end of the quarter. Excluding long and short-term lease liability financial debt amounted to 588,879 (611,548) TSEK. Caybon's total debt to bond holders amounted to 600 MSEK, of which 25 MSEK is held by Caybon. Caybon's net debt amounted to 593,946 (558,094) TSEK. Net Debt to Adjusted EBITDA was 8.5 times, last year 4.3 times (proforma*.)

In the first quarter Caybon made a new assessment, which resulted in a more accurate presentation of the total bond position. The debt part and the own holding of the bond has previously been presented separately in assets and liabilities, but as of Q1 2023 we present only a net position as a long-term interest-bearing debt, to align to IFRS9. With this change, the previous write-down of the own bond holding has been reversed.

The change was effective from Q1 2023 and previous statements are unchanged. Any result of future trading in own bond will affect the period in which the trade is made.

*When calculating Net debt to Adjusted EBITDA, the adjusted EBITDA has been calculated proforma, i.e., to include the last twelve months of FMG's EBITDA, affecting the key ratio for the figure of 2022.

Net Sales and Earnings per segment

Campaign segment

Net sales in the third quarter increased compared to last year and amounted to 178,687 (175,542) TSEK. Improvements were seen within business area N365 and Mediaplanet compared to last year. FMG however, as already stated, saw a significant decline in their net sales as an effect of the general market conditions. EBITA declined to 1,461 (8,705) TSEK, and the EBITA margin amounted to 0.8% (5). The negative EBITA effect was primarily derived from FMG and the fact that higher proportion of net sales was derived from N365, with a lower gross margin product mix, as large portions of the sales are used for media buying on behalf of clients. The segment also saw the effect of increased expenses due to the inflation.

The net sales for the year-to-date period (Jan-Sep) was positively impacted by the acquisition of FMG, resulting in a total net sales increase to 569,933 (493,508) TSEK. EBITA decreased to 14,424 (48,182) TSEK, with EBITA margin at 2.5% (9.8). The negative effects on EBITA were mainly attributable to the business area Mediaplanet and their north American operations, together with FMG's Q3 performance.

Campaign TSEK	2023 Jul-Sep	2022 Jul-Sep	Chg, %	2023 Jan-Sep	2022 Jan-Sep	Chg, %	LTM	2022 Full year
Net Sales	178 687	175 542	*2%*	569 933	493 508	*15%*	777 049	700 624
EBITDA	2 067	9 223	*-78%*	16 186	49 596	*-67%*	43 445	76 854
EBITDA-margin	*1,2%*	*5,3%*	*-78%*	*2,8%*	*10,0%*	*-72%*	*5,6%*	*11,0%*
EBITA	1 461	8 705	*-83%*	14 424	48 182	*-70%*	41 112	74 869
EBITA-margin, %	*0,8%*	*5,0%*	*-84%*	*2,5%*	*9,8%*	*-74%*	*5,3%*	*10,7%*

Segment reporting is prepared on Swedish Gaap basis (K3), i.e. excluding IFRS adjustments.

The campaign segment corresponded to 79% (76) of group net sales in Q3 and 77% (71) for the year-to-date.

Network segment

Net sales in the third quarter decreased to 49,439 (57,853) TSEK. This decline was primarily derived from the business area Newsner. For Newsner the decrease is partly stemming from the discontinuation of Facebook Instant Articles that took place in April of this year, alongside a negative effect derived from a decrease in referral traffic from Facebook since the beginning of Q3, affecting other publishers as well. EBITA for the third quarter decreased to 112 (7,238), corresponding to an EBITA margin of 0.2% (12.5).

In the Network segment net sales reached 179,491 (210,273) TSEK for the year-to-date period. The decrease is attributable to both business areas. Splay saw a smaller decline due to a shift in focus, from and lower demand for, larger productions and video-on-demand services, (products with averagely higher turnover sales) to a larger focus now on ads and influencer marketing. Newsner saw the effect of the above explained details from the third quarter. EBITA amounted to 12,744 (25,364) TSEK. The EBITA margin amounted to 7.1% (12.1).

The Network segment corresponds to 22% (25) of group net sales in Q3 and 24% (30) year-to-date.

Network TSEK	2023 Jul-Sep	2022 Jul-Sep	*Chg, %*	2023 Jan-Sep	2022 Jan-Sep	*Chg, %*	LTM	2022 Full year
Net Sales	49 439	57 853	*-15%*	179 491	210 273	*-15%*	257 298	288 080
EBITDA	216	7 320	*-97%*	13 047	25 622	*-49%*	25 859	38 433
EBITDA-margin	*0,4%*	*12,7%*	*-97%*	*7,3%*	*12,2%*	*-40%*	*10,1%*	*13,3%*
EBITA	112	7 238	*-98%*	12 744	25 364	*-50%*	25 468	38 088
EBITA-margin, %	*0,2%*	*12,5%*	*-98%*	*7,1%*	*12,1%*	*-41%*	*9,9%*	*13,2%*

Segment reporting is prepared on Swedish Gaap basis (K3), i.e. excluding IFRS adjustments.

Other information

Organisation and staff

Caybon had a total of 524 full-time equivalent employees at the end of September 2023 (547). This corresponds to a decrease of 23 persons.

Effects of war in Ukraine and other macroeconomic factors

The war in Ukraine has not directly or specifically had impact on Caybon's business. Caybon has no clients or revenue from Russia or Ukraine. However, the war has influenced the global and European economy as a whole. In addition, other factors such as increasing inflation, supply chain issues and increased interest rates create an overall uncertainty for Caybon's clients.

Parent Company

The Parent Company of the Caybon Group is Caybon Holding AB. All subsidiaries are wholly owned within the Group. The only operations in the parent company Caybon Holding AB are management services performed by the CEO and CFO as well as financing.

Owners and Share Capital

As per 2023-09-30 Priveq is the main owner of Caybon, with 55,8% of the shares. The CEO and founder Richard Båge also holds 22,7% of the shares and other management and former staff hold the remaining 21,5%. The total numbers of outstanding shares are 1,436,634.

Significant events during the third quarter

There are no significant events to be reported during the 3rd quarter 2023.

Significant events after the third quarter

On October 18th the held EGM in Caybon Holding AB (i) approved the issue of a convertible loan amounting to maximum 25 MSEK and ii) authorized for the board of directors to resolve on capital increases, by an amount corresponding to not more than 25% of the share capital after such issues(s).

The 25 MSEK convertible loan was settled October 25th with use of proceeds primarily allocated to redeeming 19 MSEK of short-term liabilities.

Stock warrant programme

The group issued a warrant programme in October 2022. The programme was allocated to senior management and key personnel. The programme included 13,998 warrants, which can be redeemed for shares in the company. Exercise of the warrants can take place on three occasions during the period August 2025 to March 2026. Each warrant gives the right to buy one share in the company. At the time of subscription, Caybon also undertook to subsidise the premium paid for the warrants.

Seasonality

The first and third quarters are usually weaker, the second quarter a bit stronger and the fourth quarter the strongest.

The third quarter from July to September is typically the weakest quarter of the year as it is to a certain extent affected by a fewer number of calendar days and lower business activity due to the holiday season in the Nordic Region and Europe. Finally, the fourth quarter is normally the strongest for all business areas, as it is a busy time for all our clients and consumer-related advertising is busy towards the end of the year.

Risks

The risks for Caybon vary between the business areas and segments. The main commercial risk is the changing behaviour of advertisers or consumers and there is a need to be able to quickly adapt to new media consumption behaviours. Caybon is largely a digitally focused marketing group which should be well positioned to deal with this trend. Another key risk is the dependence on a few key distribution platforms such as Facebook and Youtube or other major national media distributors. Should one or several of these change their terms of business in a significant way this will have a significant impact on one or several business areas. More information about Caybon's risks can be found in the annual report for 2022.

Financial Calendar

Year-end Report	Feb 26 2024

Signatures of the Board of Directors

The Board of Directors and the CEO hereby certify that the Interim report for January-September 2023 provides a fair and accurate overview of the operations, position and results of the parent company and the Group, and describes the significant risks and uncertainties faced by the parent company and the companies in the Group.

Stockholm, October 30, 2023

Johan Kinnander
Chairman

Richard Båge
CEO & Board member

Mats Hjerpe
Board member

Johanna Svensson
Board member

Eola Änggård Runsten
Board member

This report has not been reviewed by the company’s auditors.

Caybon Holding AB
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Caybon Holding AB is required to disclose this information pursuant to EU Market Use Regulation 596/2014. The information was provided by the above contact persons for publication on 30 Oct 2023 at 08:00 CET.

Condensed statement of profit and loss

TSEK	*Note*	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Net Sales	2,3	225 435	232 435	743 388	700 012	983 615
Other Income	4	1 114	418	1 417	1 177	1 729
Total Sales		**226 549**	**232 854**	**744 805**	**701 189**	**985 344**
Production costs		-114 095	-108 198	-366 770	-328 167	-454 843
Other external costs		-22 538	-25 321	-65 556	-61 698	-83 243
Personnel costs		-85 874	-85 027	-282 951	-247 482	-345 446
Depreciation and amortization		-9 901	-9 649	-27 566	-20 589	-29 202
Other operating expenses		-485	-128	-	-100	-1 740
Operating Income		**-6 343**	**4 532**	**1 962**	**43 153**	**70 868**
Net financial items		**-16 488**	**-12 669**	**-46 639**	**-34 402**	**-53 824**
Income before tax		**-22 832**	**-8 138**	**-44 677**	**8 751**	**17 044**
Tax		2 656	1 370	-2 638	-2 840	-15 628
Profit/Loss for the period		**-20 176**	**-6 768**	**-47 315**	**5 911**	**1 416**
Profit for the period attributable to:						
Owners of the parent company		-20 176	-6 768	-47 315	5 911	1 416
Other Comprehensive Income						
Items that may be classified to profit/loss						
Translation differences		-1 587	2 958	4 386	10 569	9 449
Comprehensive income for the period		**-21 763**	**-3 810**	**-42 929**	**16 480**	**10 865**
Comprehensive Income for the Period attributable to:						
Owners of the parent company		-21 763	-3 810	-42 929	16 480	10 865

Condensed statement of Financial Position

TSEK	2023-09-30	2022-09-30
Assets		
Non-current assets		
Intangible assets	835 974	821 252
Financial assets	-	38 752
Tangible assets	8 268	5 376
Right-of-use assets	66 683	71 457
Other long-term assets	3 444	3 956
Deferred tax assets	6 595	1 222
Total non-current assets	**920 964**	**942 015**
Current assets		
Accounts receivabe	137 763	143 668
Tax receivables	5 358	3 933
Other current assets	46 608	32 656
Cash and cash equivalents	63 126	86 888
Total current assets	**252 854**	**267 145**
Total Assets	**1 173 818**	**1 209 160**
Equity		
Share capital	1 437	1 418
Additional paid in capital	210 399	210 399
Revaluation reserve	17 394	14 128
Retained earnings incl. profit for the period	34 994	64 850
Total Equity	**264 225**	**290 795**
Liabilities		
Non-current liabilities		
Non-current interest-bearing liabilities	571 738	594 408
Lease liability	41 189	44 930
Other non-current liabilities	3 961	5 018
Total non-current liabilities	**616 889**	**644 356**
Current liabilities		
Current interest-bearing liabilities	17 140	17 140
Lease liability	27 004	27 256
Account payables	95 765	76 763
Tax liabilities	16 782	19 810
Other current liabilities	136 014	133 039
Total current liabilities	**292 704**	**274 008**
Total Liabilities	**909 593**	**918 364**
Total Equity and liabilities	**1 173 818**	**1 209 160**

Consolidated Statement of Changes in Equity

TSEK	Share Capital	Additional paid in capital	Revaluation reserve	Retained earnings incl. profit for the period	Total equity
Opening balance 2022-01-01	**1 389**	**178 429**	**3 559**	**58 939**	**242 315**
Profit for the period				1 416	1 416
Other comprehensive income for the period			9 449		9 449
Comprehensive Income for the Period	**-**	**-**	**9 449**	**1 416**	**10 865**
Issue of shares	30	31 970			32 000
Warrant premiums				1 973	1 973
Transaction with owners	**30**	**31 970**	**-**	**1 973**	**33 973**
Closing balance 2022-12-31	**1 418**	**210 399**	**13 008**	**62 328**	**287 154**
Opening balance 2023-01-01	**1 418**	**210 399**	**13 008**	**62 328**	**287 154**
Profit for the period				-47 315	-47 315
Other comprehensive income for the period			4 386		4 386
Comprehensive Income for the Period	**-**	**-**	**4 386**	**-47 315**	**-42 929**
Issue of shares	19			19 981	20 000
Warrant premiums					-
Transaction with owners	19	-	-	**19 981**	20 000
Closing balance 2023-09-30	**1 437**	**210 399**	**17 394**	**34 994**	**264 225**

Consolidated Cash Flow Statement

TSEK		2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Operating Activities						
Operating Income		-6 343	4 532	1 962	43 153	70 868
Adjustment for items not affecting cash-flow	5	9 922	9 469	27 541	20 311	28 897
Taxes paid		-2 411	-165	-21 488	-9 820	-14 666
Cash flow from operating activities before changes in working capital		**1 168**	**13 836**	**8 014**	**53 644**	**85 099**
Cash Flow from changes in working capital		**-582**	**-8 230**	**-461**	**-19 304**	**-6 437**
Changes in current assets		3 062	22 349	-8 915	46 865	31 124
Changes in current liabilities		-3 644	-30 579	8 454	-66 169	-37 561
Cash Flow from operating activities		**586**	**5 606**	**7 553**	**34 340**	**78 662**
Investing Activities						
Investments in non-current assets		-1 031	-533	-2 113	-1 688	-5 640
Investments in non-current intangible assets		1 470	-	-858	-	-
Business acquisitions	7	-	-111 801	-	-111 801	-111 801
Investments in financial assets		-	-	-	-8 752	-8 728
Net change of depositions		-	-	-	-	1 660
Amortization of lease asset		-	-	-	1 133	1 133
Cash Flow from investing Activiites		**439**	**-112 334**	**-2 971**	**-121 108**	**-123 376**
Financing Activities						
Warrant premiums		-	-	-	-	1 973
Repayment of other loans		-	-	-	-	-2 860
Proceeds from bond		-	-	10 725	-	-
Net interest paid		-15 697	-10 882	-43 602	-29 926	-41 895
Repayment of lease liability		-7 380	-6 846	-20 279	-18 186	-24 842
Cash Flow from financing activities		**-23 077**	**-17 728**	**-53 156**	**-48 112**	**-67 624**
Cash Flow for the period		-22 052	-124 456	-48 574	-134 880	-112 338
Cash and cash equivalents at the beginning of the period		85 689	210 649	110 366	217 955	217 955
Exchange rate differences in cash and cash equivalents		-510	696	1 334	3 813	4 749
Cash and cash equivalents at the end of the period		**63 126**	**86 888**	**63 126**	**86 888**	**110 366**

Parent Company condensed statement of Profit or Loss

TSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Net Sales	2 566	2 095	8 265	6 906	9 278
Other external costs	-2 763	-2 956	-9 398	-11 847	-14 970
Operating Income	**-198**	**-861**	**-1 133**	**-4 941**	**-5 692**
Net financial items	**-15 722**	**-10 063**	**-40 129**	**-30 447**	**-50 216**
Group Allocations	-	-	-	-	70 000
Income before tax	**-15 919**	**-10 924**	**-41 262**	**-35 388**	**14 092**
Tax	-	-	-	-	-9 264
Profit/Loss for the period	**-15 919**	**-10 924**	**-41 262**	**-35 388**	**4 828**

Parent Company statement of Comprehensive Income

TSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
Profit/Loss for the period	-15 919	-10 924	-41 261	-35 388	4 828
Other comprehensive income for the period	-	-	-	-	-
Comprehensive income for the period	**-15 919**	**-10 924**	**-41 261**	**-35 388**	**4 828**

Parent Company condensed statement of Financial Position

TSEK	2023-09-30	2022-09-30
Assets		
Non-current assets		
Financial long-term assets		
Shares in Group Companies	320 823	320 823
Financial assets	-	38 752
Receivables from Group companies	444 688	374 688
Total non-current assets	**765 510**	**734 262**
Current Assets		
Receivables from Group Companies	6 010	35 855
Other current assets	3 474	6 248
Cash and cash equivalents	670	1 309
Total current assets	**10 154**	**43 412**
Total Assets	**775 665**	**777 674**
Equity and Liabilities		
Equity		
Restricted Equity		
Share capital	1 437	1 418
Unrestricted Equity		
Other paid-in equity	210 399	210 399
Retained earnings	11 087	-15 695
Profit/Loss for the period	-41 261	-35 388
Total unrestricted equity	180 225	159 316
Total Equity	**181 662**	**160 734**
Long-term liabilities		
Non-current interest bearing liabilities	575 022	600 000
Total non-current liabilities	**575 022**	**600 000**
Current liabilities		
Short term liabilities	18 981	16 940
Total current liabilities	**18 981**	**16 940**
Total Equity and liabilities	**775 665**	**777 674**

Notes

General information

Caybon Holding AB with corporate identity number 559049-5056 is a public limited company registered in Sweden with its registered office in Stockholm. The Company's address is Birger Jarlsgatan 43, 111 45 Stockholm. Unless otherwise stated, all amounts are shown in SEK thousands (TSEK). All figures in brackets () are comparative figures for the same period in the previous year, unless otherwise stated. Totals in tables do not always match the sum of the lines in the tables due to rounding. The reported total amounts show the fair representation of the period.

Note 1 - Accounting policies

This Interim Report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting, as well as in the Swedish Annual Accounts Act (Årsredovisningslagen). The Interim report for the Parent Company is prepared in accordance with chapter 9 Interim report in the Annual Accounts Act. The accounting policies and basis of calculation applied in this interim report are the same as those described in Caybon's Annual Report for 2022 (note 1), which was prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

Note 2 – Segment reporting

Campaign segment consists of the four business areas of Mediaplanet, N365, Appelberg and FMG. These four businesses all have business models which are largely campaign based. The campaign segment has various campaign concepts where we connect media buyers with their clients. Revenues depend on the number of campaigns launched and the margin depends on the production and distribution efficiency.
Network segment consists of the brands Newsner and Splay One. These two brands work exclusively with digital marketing, and a key strength is that they have access to the consumers via distribution platforms and networks such as Facebook, Instagram, Tiktok and Youtube. The revenue model is largely based on the achieved performance in terms of advertiser client connection and engagement.

Caybon follows the two business segments on revenues and down to EBIT in its internal management reporting and bases its reporting on Swedish Gaap (K3) accounting standards. Caybon does not follow up assets or liabilities per business segment. Caybon follows costs for staff and overhead functions at a Group level, and these income statement items are presented under HQ. IFRS adjustments and Elimination between segments which are also made at a Group level are presented separately.

Segment reporting July – September

	Campaign		Network		HQ	
	2023	2022	2023	2022	2023	2022
TSEK	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep
Net Sales	178 687	175 542	49 439	57 853	-	-
EBITDA	2 067	9 223	216	7 320	-6 911	-9 784
EBITDA-margin	*1,2%*	*5,3%*	*0,4%*	*12,7%*		
EBITA	1 461	8 705	112	7 238	-7 107	-9 860
EBITA-margin, %	*0,8%*	*5,0%*	*0,2%*	*12,5%*		

	IFRS adjustments		Eliminations		Group	
	2023	2022	2023	2022	2023	2022
TSEK	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep	Jul-Sep
Net Sales	-	-	-2 691	-959	225 435	232 435
EBITDA	8 226	7 507	-40	-86	3 558	14 181
EBITDA-margin					*1,6%*	*6,1%*
EBITA	634	462	-40	-86	-4 939	6 459
EBITA-margin, %					*-2,2%*	*2,8%*

Segment reporting is prepared on Swedish Gaap basis (K3), IFRS adjustments are presented in IFRS adjustments.

Overhead items that are not allocated out to the segmets are part of HQ and eliminations between segments are presented under Eliminations

EBITDA, EBITA and Net Profit are affected by non-recurring items amounting to 2,217 (4,351) TSEK for the period Jul-Sep.
These are derived from Mediaplanet during 2023 and mainly HQ during last year. Further explanation can be found in note 6.

Segment reporting January – September

	Campaign		Network		HQ	
	2023	2022	2023	2022	2023	2022
TSEK	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep
Net Sales	569 933	493 508	179 491	210 273	0	0
EBITDA	16 186	49 596	13 047	25 622	-22 296	-29 428
EBITDA-margin	*2,8%*	*10,0%*	*7,3%*	*12,2%*		
EBITA	14 424	48 182	12 744	25 364	-22 803	-29 657
EBITA-margin, %	*2,5%*	*9,8%*	*7,1%*	*12,1%*		

	IFRS adjustments		Eliminations		Group	
	2023	2022	2023	2022	2023	2022
TSEK	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep	Jan-Sep
Net Sales	0	0	-6 036	-3 769	743 388	700 012
EBITDA	22 438	16 972	152	982	29 528	63 743
EBITDA-margin					*4,0%*	*9,1%*
EBITA	1 672	1 048	152	982	6 191	45 918
EBITA-margin, %					*0,8%*	*6,6%*

Segment reporting is prepared on Swedish Gaap basis (K3), IFRS adjustments are presented in IFRS adjustments.

Overhead items that are not allocated out to the segmets are part of HQ and eliminations between segments are presented under Eliminations

EBITDA, EBITA and Net Profit are affected by non-recurring items amounting to 2,217 (11,430) TSEK for the period Jan-Jun. These are derived from Mediaplanet during 2023 and mainly HQ during last year. Further explanation can be found in note 6.

Note 3 – Geographical distribution of total revenue

Caybon has 16 offices and operations in 13 countries. The key geographical regions are Sweden, the rest of Europe and North America. The geographical distribution of total revenue in these regions is shown in the table below.

	2023	2022	2023	2022	2023	2022
TSEK	**Jul-Sep**	**Jul-Sep**	**Jan-Sep**	**Jan-Sep**	**Jan-Sep %**	**Jan-Sep %**
Sweden	93 702	108 824	359 005	293 130	48,3%	41,9%
Europe	98 458	96 880	305 484	322 052	41,1%	46,0%
North America	33 274	26 731	78 898	84 830	10,6%	12,1%
Total net sales	**225 435**	**232 435**	**743 388**	**700 012**	**100,0%**	**100,0%**

Note 4 – Other Income

TSEK	**2023**	**2022**	**2023**	**2022**	**2022**
	Jul-Sep	**Jul-Sep**	**Jan-Sep**	**Jan-Sep**	**Jan-Dec**
IFRS 16 interest	-	-	-	-	23
Reimbursment absense of employees	-	7	-	18	11
Profit from sale of tangible assets	-	-	-	-	260
Rental income	317	-	914	-	106
FX gains	-	372	-7	836	321
Other income	797	39	510	323	1 009
Total other income	**1 114**	**418**	**1 417**	**1 177**	**1 729**

Note 5 – Adjustment for items not affecting cash flow

	2023	**2022**	**2023**	**2022**	**2022**
TSEK	**Jul-Sep**	**Jul-Sep**	**Jan-Sep**	**Jan-Sep**	**Jan-Dec**
Depreciation and amortization - tangible and intangible assets	2 309	2 603	6 801	4 666	6 432
Depreciation - right of use assets	7 592	7 045	20 766	15 924	22 770
Net effect sale/disposal of fixed assets	-	-7	-20	-	41
Other	21	-172	-7	-279	-346
Total adjustment for items not affecting cash-flow	**9 922**	**9 469**	**27 541**	**20 311**	**28 897**

Note 6 – Non-recurring items

TSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec
IPO items	-	1 612	-	8 100	9 159
Acquisition items	-	2 652	-	2 652	2 652
Splay One restructuring items	-	87	-	678	1 695
Implementation costs for Mediaplanet new CRM-system	2 217	-	2 217	-	-
Total non-recurring items	**2 217**	**4 351**	**2 217**	**11 430**	**13 506**

Note 7 – Acquisitions and Purchase Price Allocation

Caybon announced the acquisition of Future Media Group "FMG" in July and FMG is part of Caybon as of 1st of July 2022. Caybon acquired all the shares of FMG for a total upfront acquisition price, expressed as Enterprise Value, of 160 MSEK. Consideration was made, comprising a combination of cash and newly issued shares in Caybon. The parties have agreed on a potential additional earn-out compensation, which is dependent on the level of operating earnings (EBIT) for FMG in 2022-2024. Total enterprise value, including earn-out compensation, could as a maximum amount to 220 MSEK if all EBIT targets are met during 2022-2024. The EBIT targets during 2022 were met and the earn-out compensation is included in the Purchase Price Allocation at an enterprise value of 180 MSEK. FMG consists of five business areas in the digital marketing space and is based in Sweden and Norway. With its in-house capabilities FMG develops, designs and executes marketing concepts for publishers and media channels, in order to create attractive value propositions towards advertisers. Through competitive intelligence, trend analysis and co-creation with partners FMG seeks to innovate digital marketing to help clients develop new revenue streams. FMG is consolidated in the Campaign segment of Caybon as of July 1st, 2022. The acquisition has contributed 93.3 MSEK in net sales and 17.6 MSEK in EBIT in 2022. If the acquisition had been consolidated from the 1st of January 2022, the acquisition would have contributed 180.6 MSEK in net sales and 28.7 MSEK in EBIT.

Acquisition costs amounting to 2,652 TSEK were included in operating costs for the third quarter of 2022, and these are presented as non-recurring items. Goodwill that arises from the acquisition is preliminarily estimated to be 166,628 TSEK and acquisition-related intangible assets of 21,000 TSEK, which are subject to amortisation over a five-year period. The amortisation charge is approximately 4,200 TSEK on a yearly basis. Deferred tax connected to the acquisition-related intangible assets is 4,326 TSEK, which is released over the same five-year period as the amortisation.

Effect on the financial position

Fixed assets	724
Right-of-use assets	18 200
Accounts receivables	18 124
Other current assets	11 638
Cash and cash equivalents	7 121
Long-term lease liability	-12 643
Accounts payable	-11 915
Short-term lease liability	-5 659
Tax liabilities	-5 169
Other current liabilities	-33 704
Sum of identified assets and liabilities	**-13 284**
Goodwill/acquisition-related intangibles	187 628
Deferred tax on acquisition-related intangibles	-4 326
Total consideration	**170 018**

Effect on cash flow from the acquisition

Purchase amount	170 018
Regards to:	
Cash and cash equivalents (acquired)	-7 121
Issue of shares	-32 000
Debt to be converted to shares	-19 096
Net cash outflow	**-111 801**

Information of previous acquisitions can be found in the previously published annual reports.

Multi-year overview and Alternative Performance Measures

TSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Jan-Dec	2021 Full Year	2020 Full Year
Key figures							
Net Sales	225 435	232 435	743 388	700 012	983 615	924 991	628 146
Other Income	1 114	418	1 417	1 177	1 729	2 867	7 225
Total Revenue	226 549	232 854	744 805	701 189	985 344	927 858	635 371
Gross profit	112 455	124 656	378 035	373 022	530 501	497 788	361 608
Gross profit margin, %	*50%*	*54%*	*51%*	*53%*	*54%*	*54%*	*58%*
Non-recurring items	2 217	4 351	2 217	11 430	13 506	6 096	5 080
Adjusted EBITDA	5 775	18 532	31 745	75 172	113 577	131 537	88 557
Adjusted EBITDA-margin, %	*2,6%*	*8,0%*	*4,3%*	*10,7%*	*11,5%*	*14,2%*	*14,1%*
Adjusted EBITA	-2 722	10 810	8 408	57 348	88 144	112 913	69 015
Adjusted EBITA-margin, %	*-1,2%*	*4,7%*	*1,1%*	*8,2%*	*9,0%*	*12,2%*	*11,0%*
Adjusted EBIT	-4 126	8 883	4 179	54 583	84 374	106 395	61 022
Adjusted EBIT-margin, %	*-1,8%*	*3,8%*	*0,6%*	*7,8%*	*8,6%*	*11,5%*	*9,7%*
EBITDA	3 558	14 180	29 528	63 742	100 071	125 441	83 478
EBITDA-margin, %	*1,6%*	*6,1%*	*4,0%*	*9,1%*	*10,2%*	*13,6%*	*13,3%*
EBITA	-4 939	6 458	6 191	45 918	74 638	106 817	63 935
EBITA-margin, %	*-2,2%*	*2,8%*	*0,8%*	*6,6%*	*7,6%*	*11,5%*	*10,2%*
Operating Income (EBIT)	-6 343	4 532	1 962	43 153	70 868	100 299	55 943
EBIT-margin, %	*-2,8%*	*1,9%*	*0,3%*	*6,2%*	*7,2%*	*10,8%*	*8,9%*
Profit/Loss for the Period	-20 176	-6 768	-47 315	5 911	1 416	47 424	10 844
Cash Flow from operations	586	5 606	7 553	34 340	36 767	100 890	82 568
Total Assets	1 173 818	1 209 160	1 173 818	1 209 160	1 260 539	1 168 517	835 686
Financial debt	588 879	611 548	588 879	611 548	612 125	612 677	493 093
Total debt	657 071	683 734	657 071	683 734	681 616	680 020	522 091
Equity	264 225	290 795	264 225	290 795	287 154	242 316	188 617
Capital Employed	921 296	974 530	921 296	974 530	968 769	922 336	710 708
Return on Capital Employed LTM	3,1%	7,7%	3,1%	7,7%	7,5%	12,3%	7,8%
Return on Equity LTM	-18,7%	6,7%	-18,7%	6,7%	0,5%	22,0%	5,8%
Equity/Asset-ratio	22,5%	24,0%	22,5%	24,0%	22,8%	20,7%	22,6%
Net Debt	593 946	558 094	593 946	558 094	539 669	432 065	439 296
Adjusted EBITDA LTM	70 149	108 197	70 149	108 197	113 577	131 537	88 557
Net Debt/Adjusted EBITDA LTM Proforma	8,5	4,3	8,5	4,3	4,3	3,3	5,0
Average no. Of employees LTM	540	498	540	498	516	462	375
No. Of employees (end of period)	524	547	524	547	543	471	365

Some of these key ratios are not defined according to IFRS and are therefore defined on the next page.

Definitions of Caybon Key Ratios

Average no. of employees	The average of the number of employees for the period refers to the average of the number of employees at the end of each calendar month.
No. of employees (end of period)	The number of employees refers to the number of full-time equivalents at the end of each calendar month.
Total Revenue	Total revenue is the sum of Net Sales and other income as shown in the Income Statement.
Net Sales	Net Sales as shown in the Income Statement.
Gross Profit	Total revenue minus production costs as shown in the Income Statement. The production costs for Caybon refers to costs for media distribution procured outside the group, and gross profit thus shows the profit available to cover costs for in-house production and sales.
Gross Profit margin	Gross profit divided by Net Sales. Gross profit margin thus shows the proportion of Net Sales available to cover costs for in-house production and sales.
EBITDA	Earnings before interest, tax, depreciation on material and intangible assets (D), as well as amortisations on intangible assets from acquisitions (A).
EBITDA margin	EBITDA divided by Net Sales.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability.
EBITA	Earnings before interest, tax and amortisations on intangible assets from acquisitions (A).
EBITA margin	EBITA divided by Net Sales.
Adjusted EBITDA	EBITA adjusted for items affecting comparability.
EBIT	Earnings before interest and tax. EBIT shows the earnings generated by the business before any financing costs.
EBIT margin	EBIT divided by Net Sales. EBIT margin shows the proportion of Net Sales generated by the business before any financing costs.
Adjusted EBIT	EBIT adjusted for items affecting comparability.
Financial Debt	All short and long-term interest-bearing debt, excluding long and short-term lease liability. Financial Debt shows the sum of total lending from financial institutions and investors.
Organic Growth	Growth in Net Sales from entities which have been part of the group for the last 12-month period and adjusted for exchange rate changes. The purpose of Organic Growth is to show the growth generated by the existing business.
Total Debt	All short and long-term interest-bearing debt, including long and short-term lease liability. The purpose of total debt is to show all debt that generates a financial expense in the Income Statement.
Net Debt	Total Debt minus cash and cash equivalents as well as holdings of Caybon's own bond. The purpose of Net Debt is to show the remaining debt after available cash that could be used to repay debt.
Capital Employed	Equity plus Total Debt. Capital Employed shows the total funding needs of the business, irrespective of whether it is Equity or Debt.
Return on Capital Employed	EBIT for the last 12 months divided by the average of Capital Employed at the beginning of the 12-month period and Capital Employed at the end of the 12-month period. Return on Capital Employed shows the earnings available as returns to all financing of the company irrespective of Equity or Debt.
Return on Equity	Profit for the last 12-month period divided by the average of Equity at the beginning of the 12-month period and the Equity at the end of the 12-month period. Return on Equity shows the earnings available as shareholders of company as a percentage.
Net Debt/Adjusted EBITDA LTM	Net Debt divided with Adjusted EBITDA for the last twelve months. The purpose of this measure is to show the earnings capacity of the business in relation to the Net Debt that needs to be serviced.
Proportion of revenues from digital marketing	Total revenue from various digital form of marketing divided with Total Revenue. Used to show the revenue split between digital and print products/services.