Caybon

INTERIM REPORT OCTOBER - DECEMBER 2023

## The quarter in brief

### October – December 2023

- Net Sales decreased by 9% to 258,511 (283,603) TSEK, of which 0% is exchange rate related and 9% is negative organic growth.
- EBITDA decreased by 70% to 11,014 (36,329) TSEK, adjusted* EBITDA decreased 64% to 13,999 (38,404) TSEK.
- EBITA amounted to 2,314 (28,720) TSEK, adjusted* EBITA amounted to 5,299 (30,796) TSEK.
- EBITA margin amounted to 0.9% (10.1), adjusted* EBITA-margin amounted to 2.0% (10.9).
- Net Profit for the period amounted to -17,396 (4,495) TSEK.
- Cash Flow from operations was 2,469 (45,666) TSEK.

### January – December 2023

- Net Sales increased by 2% to 1,002,047 (983,615) TSEK, of which 8% is acquired growth, 2% is exchange rate related and 8% is negative organic growth.
- EBITDA decreased by 59% to 40,542 (100,071) TSEK, adjusted* EBITDA decreased 60% to 45,744 (113,577) TSEK.
- EBITA decreased 89% to 8,505 (74,638) TSEK, adjusted* EBITA decreased 84% to 13,706 (88,144) TSEK.
- EBITA margin amounted to 0.8% (7.6), adjusted* EBITA margin amounted to 1.4% (9).
- Net Profit for the period amounted to -64,711 (1,416) TSEK.
- Cash Flow from operations was 10,766 (78,658) 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 fourth quarter

On Jan 4th Caybon completed a written procedure with its bondholders to postpone the interest payment due on Dec 3th 2023 until March 3rd 2024.
On Feb 7th Caybon's largest shareholder Priveq announced the sale of its shares to Richard Båge who subsequently is Caybon's largest shareholder.
Furthermore, Caybon is currently conducting constructive discussions with its largest shareholder and certain bondholders to agree on a long-term solution for Caybon's capital structure.

**-9%**
**Net Sales Growth Q4**

**1,002**
**MSEK Revenue (LTM)**

**1.4%**
**Adj EBITA margin (LTM)**

| TSEK | 2023 Oct-Dec | 2022 Oct-Dec | Chg, % | 2023 Jan-Dec | 2022 Jan-Dec | Chg, % |
|---|---|---|---|---|---|---|
| Net Sales | 258 511 | 283 603 | -9% | 1 002 047 | 983 615 | 2% |
| Gross profit | 130 781 | 158 001 | -17% | 508 369 | 530 501 | -4% |
| *Gross profit margin, %* | *50,6%* | *55,7%* | *-9%* | *50,7%* | *53,9%* | *-6%* |
| EBITDA | 11 014 | 36 329 | -70% | 40 542 | 100 071 | -59% |
| *EBITDA-margin, %* | *4,3%* | *12,8%* | *-67%* | *4,0%* | *10,2%* | *-60%* |
| Adjusted EBITA | 5 299 | 30 796 | -83% | 13 706 | 88 144 | -84% |
| *Adjusted EBITA-margin, %* | *2,0%* | *10,9%* | *-81%* | *1,4%* | *9,0%* | *-85%* |
| Net Profit | -17 396 | -4 495 | 287% | -64 711 | 1 416 | -4670% |
| Cash flow from operations | 2 469 | 45 666 | -95% | 10 766 | 78 658 | -86% |

Non-recurring items amounting to 2,984 (2,076) TSEK for the period Oct-Dec and 5,201 (13,506) for the period Jan-Dec affect EBITDA, EBITA and Net Profit. For further explanation see note 6.

# Navigating through change

**Caybon has been negatively affected by the economic down-turn during 2023 which has affected the media spend from our clients in most business areas. Several actions have been taken to address these challenges.**

### Negative sales growth

Due to negative growth in all business areas except for N365 and Splay One, Caybon showed negative growth in net sales for the Group in the fourth quarter.

Caybon reported net sales of 258,511 (283,603) TSEK in the fourth quarter, which represented a negative growth of 9%. Organic growth was negative and down by 9%, while exchange rate movements was 0%. The earnings came in lower, with adjusted EBITDA at 13,999 (38,404) TSEK and adjusted EBITA at 5,299 (30,796) 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. In order to address the weak performance, both business areas have taken some important decisions and actions this quarter. For example,

FMG has scaled back from their investment in the Netherlands as well as closed one of its business units in Sweden in order to put more focus on its core products and services.

Mediaplanet continues its efforts in trying to increase the benefits of the newly implemented CRM system and has also appointed a new CEO who will start February 2024.

On a positive note, business area N365 continues to outperform last year's quarters and so also for Q4. It is primarily the business areas' US operations which is doing well. This is very encouraging since the US market is an important market for Caybon.

The segment's net sales declined and amounted to 189,776 (206,525) TSEK. This decrease was due to the weaker performances of both Mediaplanet and FMG. The segment reported an adjusted EBITA of 8,325 (26,096) TSEK.

### Network segment

In the Network segment, net sales declined by 9% to 70,529 (77,807) TSEK, while adjusted EBITA declined to 4,577 (13,794) TSEK.

Splay One has faced ongoing organizational restructuring and resizing challenges throughout the year, negatively impacting net sales. However, in Q4 they reported an increase in net sales.

For Newsner, the reason for the decline in revenue continues to be an effect of the earlier discontinued Facebook Instant Articles (FBIA) revenue model, as well as Facebook's reductions in referral traffic to external news sites. The revenue from video however remains intact and the portion of revenue deriving from other platforms than Facebook continue grow.

### Outlook

The global economy remains uncertain, despite a few improved macro indicators. It is likely this will keep affecting the media spending and our business performance, for a large part of 2024.

We are keeping a close eye on the economy and its impact on traditional media. Our strategy is balanced, focusing on sales, culture and innovation while being mindful of risks and keeping cost low and investments selective.

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.

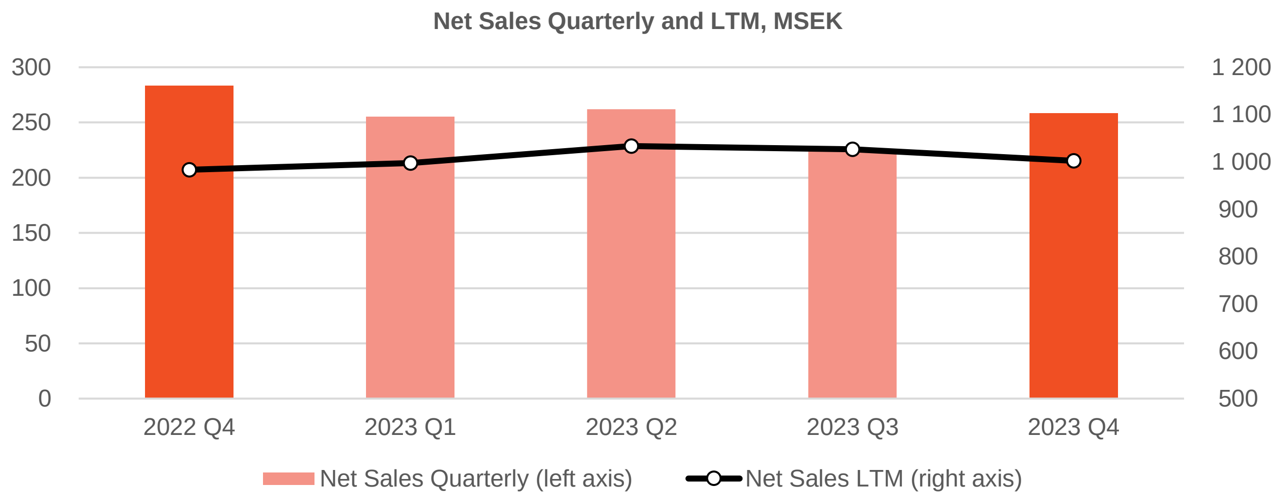
## Group overview, October to December 2023

**Net Sales**

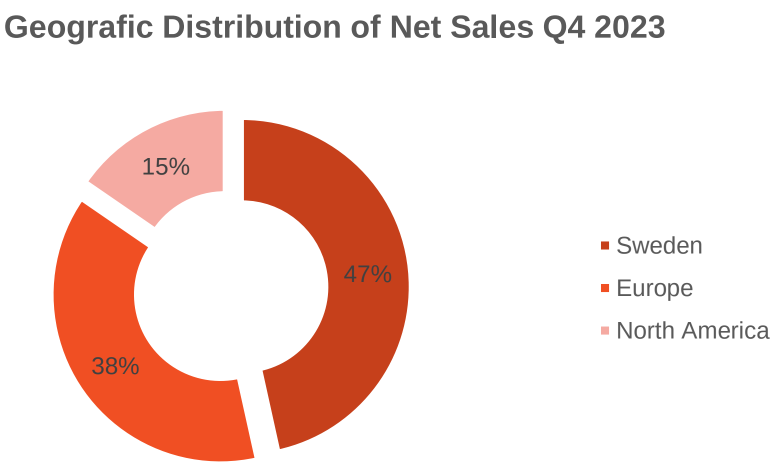
Net Sales decreased by 9% to 258,511 (283,603) TSEK. Fx barely had an effect of rounded 0%, while organic growth was -9%. The negative organic growth derived from both segments. On a positive note, sales growth compared to last year within business area N365 also continued in Q4. But the general market conditions still created headwinds for business areas FMG and Mediaplanet who saw declines in their net sales compared to last year.

In the Network segment the decrease was driven by business area Newsner. For Newsner the decrease was and still is primarily stemming from the discontinuation of Facebook Instant Articles that took place in April of this year, as well as a negative effect derived from a decrease in referral traffic from Facebook since the beginning of Q3, affecting other publishers as well. The decrease in referral traffic has started to recover since Q3 but was still under normal levels in Q4. Business area Splay One saw a break in their previous decreasing net sales trend as their inventory of channels and views in their network increased in the quarter.

Net Sales for the last twelve months (LTM) now stands at 1,002 MSEK, as shown in the graph below. The proportion of revenues from various forms of digital marketing amounted to 76% (72) in the fourth quarter. The increase is due to the relative sales growth coming from N365.




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



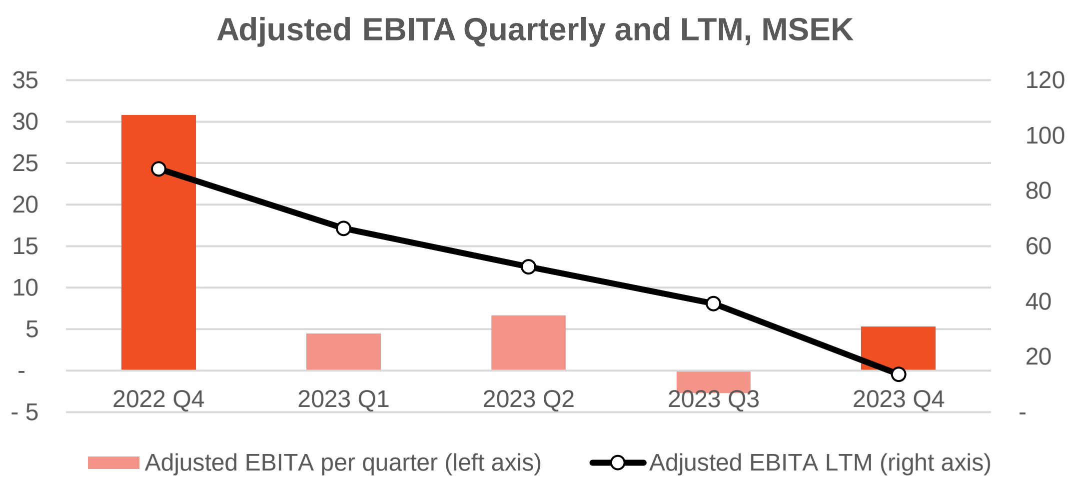
### Earnings

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 fourth quarter decreased by 17% to 130,781 (158,001) TSEK. Gross profit margin for the quarter decreased to 51% (56). 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. The trend-breaking increase of net sales in business area Splay One, as the inventory of channels and views in their network increased, contributed to a net sales increase year-over-year for the business area, however as the margins for these ad products are lower, it contributed to a negative margin effect on gross profit for the group.

EBITDA decreased 70% to 11,014 (36,329) TSEK in the quarter. The decline in EBITDA is mainly attributable to weaker net sales of FMG, Mediaplanet and Newsner.

EBITA was 2,314 (28,720) TSEK. This represented an EBITA margin of 0.9% (10.1). Adjusted EBITA amounted to 5,299 (30,796) TSEK. Adjusted EBITA margin amounted to 2% (10.9). Non-recurring items for the period amounted to 2,984 (2,076) TSEK for which details can be found in note 6.

Net Profit for the fourth quarter amounted to -17,396 (-4,495) TSEK, other than what is described above; this was also affected by the increased interest rates and the resulting higher interest cost for Caybon. Interest expenses for the quarter amounted to -15,845 (-13,002) TSEK.




| TSEK | Campaign 2023 Oct-Dec | Campaign 2022 Oct-Dec | Network 2023 Oct-Dec | Network 2022 Oct-Dec | HQ 2023 Oct-Dec | HQ 2022 Oct-Dec |
|---|---|---|---|---|---|---|
| Net Sales | 189 776 | 206 525 | 70 529 | 77 807 | - | - |
| EBITDA | 8 358 | 26 668 | 4 679 | 12 811 | -10 676 | -8 848 |
| EBITDA-margin | *4,4%* | *12,9%* | *6,6%* | *16,5%* | | |
| EBITA | 7 835 | 26 096 | 4 577 | 12 724 | -10 863 | -8 951 |
| EBITA-margin, % | *4,1%* | *12,6%* | *6,5%* | *16,4%* | | |

| TSEK | IFRS adjustments 2023 Oct-Dec | IFRS adjustments 2022 Oct-Dec | Eliminations 2023 Oct-Dec | Eliminations 2022 Oct-Dec | Group 2023 Oct-Dec | Group 2022 Oct-Dec |
|---|---|---|---|---|---|---|
| Net Sales | - | - | -1 794 | -729 | 258 511 | 283 603 |
| EBITDA | 8 549 | 7 507 | 104 | -1 810 | 11 014 | 36 328 |
| EBITDA-margin | | | | | *4,3%* | *12,8%* |
| EBITA | 661 | 660 | 104 | -1 810 | 2 314 | 28 720 |
| EBITA-margin, % | | | | | *0,9%* | *10,1%* |

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 segments are part of HQ and eliminations between segments are presented under Eliminations

EBITDA, EBITA & Net Profit are affected by non-recurring items amounting to 2,984 (2,076) TSEK for the period Oct-Dec. For further explanation see note 6.

# Group overview, January to December 2023

### Net Sales

Net Sales increased by 2% to 1,002,047 (983,615). 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 8% and Fx had a positive effect of 2%. The downturn in organic growth is partly due to a declining demand för media spending from clients within both Mediaplanet and FMG, due to the prevailing macroeconomic conditions. As well as Splay One who saw lower net sales, due to a shift in demand from larger productions and video-on-demand services to ads and influencer marketing, and a challenging second half of the year for Newsner following changes in the referral traffic from Facebook.

### Earnings

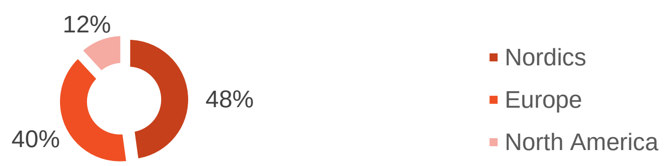
The gross profit for the period decreased 4% to 508,369 (530,501) TSEK, while the gross profit margin amounted to 51% (54). As FMG group was not part of Caybon last year, these changes are not fully comparable on a like-for-like basis. Similar explanation as in the development of the fourth quarter are also applicable for the year-to-date variations, where the margin is affected by a stronger performance for N365 and a weaker performance in Newsner.

EBITDA decreased by 59% to 40,542 (100,071) 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 5,201 (13,506) TSEK, this year mainly connected to the business area Mediaplanet and the implementation costs for their new CRM-system alongside costs associated with the change of CEO of the business area. While last year it was 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 8,505 (74,638) TSEK, which represented a decrease of 89%. 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% (7.6).

Net Profit for the period amounted to -64,711 (1,416) TSEK, which is affected by increased interest costs. Interest costs amounted to -62,007 (44,742) TSEK for the full year.

**Geografic Distribution of Net Sales YTD 2023**




| | Campaign | | Network | | HQ | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **TSEK** | **Jan-Dec** | **Jan-Dec** | **Jan-Dec** | **Jan-Dec** | **Jan-Dec** | **Jan-Dec** |
| Net Sales | 759 831 | 699 516 | 250 020 | 288 080 | - | - |
| EBITDA | 24 517 | 75 747 | 17 727 | 38 433 | -32 945 | -37 869 |
| EBITDA-margin | *3,2%* | *10,8%* | *7,1%* | *13,3%* | | |
| EBITA | 22 232 | 73 762 | 17 321 | 38 088 | -33 639 | -38 200 |
| EBITA-margin, % | *2,9%* | *10,5%* | *6,9%* | *13,2%* | | |

| | IFRS adjustments | | Eliminations | | Group | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **TSEK** | **Jan-Dec** | **Jan-Dec** | **Jan-Dec** | **Jan-Dec** | **Jan-Dec** | **Jan-Dec** |
| Net Sales | - | - | -7 804 | -3 982 | 1 002 047 | 983 615 |
| EBITDA | 30 987 | 24 479 | 257 | -720 | 40 542 | 100 071 |
| EBITDA-margin | | | | | *4,0%* | *10,2%* |
| EBITA | 2 333 | 1 709 | 257 | -720 | 8 505 | 74 638 |
| EBITA-margin, % | | | | | *0,8%* | *7,6%* |

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 segments 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 5,201 (13,506) TSEK for the period Jan-Dec.
These are, not solely, but mainly derived from Mediaplanet during 2023 and mainly HQ during last year. Further explanation can be found in note 6.

## Group Cash Flow and Financial Position

### Cash Flow

*October to December*

In the fourth quarter, cash flow from **operations** before changes in working capital amounted to 11,609 (31,365) TSEK. Cash flow from changes in working capital in the period amounted to -9,140 (14,301) TSEK. Cash flow from operations after changes in working capital amounted to 2,469 (45,666) TSEK. The deterioration is largely due to weaker operating income, combined with a negative effect in working capital changes compared to last year. While previous quarters saw positive year-over-year improvements in working capital, the fourth quarter experienced a negative shift, aligning the total year changes in working capital to last year's level.

Cash flow from **investing activities** amounted to -853 (-3,740) TSEK in the quarter. Last year a larger investment was made in office infrastructure, which resulted in a high outflow that year.

Cash flow from **financing activities** amounted to -2,322 (-19,485) TSEK. The positive movements in financing activities are mainly because the interest payment for the public bond was postponed. Additionally, a favourable difference arose from settling a vendor debt and issuing a new convertible loan.

**Cash flow for the period** amounted to -706 (22,441) TSEK.

*January to December*

For the full year, cash flow from **operations** before changes in working capital amounted to 19,662 (85,099) TSEK. The weaker earnings compared with last year is the main factor behind the decrease. Also, income tax payments related to previous year's profit have been paid. Cash flow from changes in working capital in the period amounted to -8,896 (-6,441) TSEK. Cash flow from operations after changes in working capital amounted to 10,766 (78,658) TSEK.

Cash flow from **investing activities** amounted to -4,188 (-123,376) TSEK in the quarter. This year's investment related mainly to the purchase of office equipment and last year this category was affected by own bond purchase as well as the acquisition of FMG.

Cash flow from **financing activities** amounted to -55,847 (-67,621) TSEK.
The earlier increases that have been seen in interest payments this year were counterbalanced in Q4, as the interest payment on the public bond was postponed, aligning the year-to-date payments more closely with last year's levels. Additionally, the sale of our own bonds during the year and positive net difference that arose from settling a vendor debt and issuing a new convertible loan contributed positively to the cash flow movements in our financing activities.

**Cash flow for the period** amounted to -49,269 (-112,339) TSEK.

### Financial position

Caybon had a cash position of 60,836 (110,366) TSEK at the end of the period. Total interest-bearing debt amounted to 665,407 (681,616) TSEK at the end of the quarter. Excluding long and short-term lease liability financial debt amounted to 597,315 (612,125) 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 604,571 (539,669) TSEK. Net Debt to Adjusted EBITDA was 13.2 times, last year 4.3 times (proforma*.)

From 2023 the total bond position will be presented as a liability in accordance with IFRS 9. The debt part and the own holding of the bond has previously been presented separately in assets and liabilities, but as of 2023 we present only a net position as a long-term interest-bearing debt. 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 fourth quarter decreased compared to last year and amounted to 189,776 (206,525) TSEK. The positive signals and net sales growth compared to last year that has previously been seen within business area N365 also continued in Q4. But the general market conditions still created headwinds for business areas FMG and Mediaplanet who saw declines in their net sales compared to last year. EBITA declined to 7,835 (26,096) TSEK, and the EBITA margin amounted to 4.1% (12.6). The decline in EBITA predominantly stemmed from business areas FMG and Mediaplanet. It should be noted that FMG, as previously communicated, had an unprecedentedly strong Q4. This exceptional performance set a high bar, making it challenging for this year's Q4 to match that level. The margin decline is mainly due to higher proportion of net sales 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 together with an inability to increase prices given the current market conditions.

The net sales for the period (Jan-Dec) were positively impacted by the acquisition of FMG, resulting in a total net sales increase to 759,831 (699,516) TSEK. EBITA decreased to 22,232 (73,762) TSEK, with EBITA margin at 2.9% (10.5). The negative effects on EBITA were mainly attributable to the business area Mediaplanet's operations, together with FMG's performance.

| Campaign<br>TSEK | 2023<br>Oct-Dec | 2022<br>Oct-Dec | Chg, % | 2023<br>Jan-Dec | 2022<br>Jan-Dec | Chg, % |
|---|---|---|---|---|---|---|
| Net Sales | 189 776 | 206 525 | -8% | 759 831 | 699 516 | 9% |
| EBITDA | 8 358 | 26 668 | -69% | 24 517 | 75 747 | -68% |
| EBITDA-margin | 4,4% | 12,9% | -66% | 3,2% | 10,8% | -70% |
| EBITA | 7 835 | 26 096 | -70% | 22 232 | 73 762 | -70% |
| EBITA-margin, % | 4,1% | 12,6% | -67% | 2,9% | 10,5% | -72% |

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

The campaign segment corresponded to 73% (73) of group net sales in Q4 and 76% (71) for the year-to-date.

### Network segment

Net sales in the fourth quarter decreased to 70,529 (77,807) TSEK. This decline was primarily derived from the business area Newsner. For Newsner the decrease was still and primarily stemming from the discontinuation of Facebook Instant Articles that took place in April of this year but also a negative effect derived from a decrease in referral traffic from Facebook since the beginning of Q3, affecting Newsner as well as other publishers. The decrease in referral traffic has started to recover since Q3 but was still under normal levels in Q4. EBITA for the fourth quarter decreased to 4,577 (12,724), corresponding to an EBITA margin of 6.5% (16.4).

In the Network segment net sales reached 250,020 (288,080) TSEK for the full year. The decrease is attributable to both business areas. Splay One 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 in the third and fourth quarter. EBITA amounted to 17,321 (38,088) TSEK. The EBITA margin amounted to 6.9% (13.2).

The Network segment corresponds to 27% (27) of group net sales in Q4 and 24% (29) year-to-date.

| Network<br>TSEK | 2023<br>Oct-Dec | 2022<br>Oct-Dec | Chg, % | 2023<br>Jan-Dec | 2022<br>Jan-Dec | Chg, % |
|---|---|---|---|---|---|---|
| Net Sales | 70 529 | 77 807 | -9% | 250 020 | 288 080 | -13% |
| EBITDA | 4 679 | 12 811 | -63% | 17 727 | 38 433 | -54% |
| EBITDA-margin | 6,6% | 16,5% | -60% | 7,1% | 13,3% | -47% |
| EBITA | 4 577 | 12 724 | -64% | 17 321 | 38 088 | -55% |
| EBITA-margin, % | 6,5% | 16,4% | -60% | 6,9% | 13,2% | -48% |

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 December 2023 (543). This corresponds to a decrease of 19 persons.

## Effects of war and other macroeconomic factors

Nor the war in Ukraine or the Israel/Palestine conflict has had a direct or specific impact on Caybon's business. Caybon has no clients or revenue from these areas. However, both conflicts have 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 and its 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 2023-12-31 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 fourth 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 issuances. The 25 MSEK convertible loan was settled October 25th with use of proceeds primarily allocated to redeeming 19 MSEK of short-term liabilities.

On 4th of December Caybon Holding AB (publ) announced the postponement of interest payment on its bonds and initiated a written procedure to obtain the bondholders' approval to postpone the interest payment. The written procedure was approved and concluded on 4th January 2024.

## Significant events after the fourth quarter

Caybon announced on 7th of February that its largest shareholder, Priveq Investment V (A) AB and Priveq Investment V (B) AB (together "**Priveq**"), has sold all its shares in Caybon to Richard Båge, CEO and founder of Caybon. Richard Båge will as a result of the transaction become the majority shareholder of Caybon.

Since Priveq is no longer a shareholder, they have also withdrawn their two seats as members of the board in Caybon Holding AB.

Caybon is currently conducting constructive discussions with its largest shareholder and certain bondholders to agree on a long-term solution for Caybon's capital structure.

## 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.

There is a risk that no agreement on a long-term solution for Caybon's capital structure will be entered into with Caybon's largest shareholder and certain bondholders. More information about Caybon's risks can be found in the annual report for 2022.

**Financial Calendar**

| | |
|---|---|
| Annual Report 2023 | April 30, 2024 |
| Interim Report Q1 2024 | May 8th, 2024 |

## Signatures of the Board of Directors

The Board of Directors and the CEO hereby certify that the Interim report for January-December 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, February 23, 2024

Johan Kinnander
*Chairman*

Richard Båge
*CEO & Board member*

Eola Änggård Runsten
*Board member*

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

Caybon Holding AB
Corp reg. no. 559049-5056
Birger Jarlsgatan 43
111 45 Stockholm

**For more information please contact:**

Richard Båge, Chief Executive Officer
Email: richard.bage@caybon.com

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 23 Feb 2024 at 08:00 CET.

## Condensed statement of profit and loss

| TSEK | *Note* | 2023 Oct-Dec | 2022 Oct-Dec | 2023 Jan-Dec | 2022 Jan-Dec |
|---|---|---|---|---|---|
| Net Sales | 2,3 | 258 511 | 283 603 | 1 002 047 | 983 615 |
| Other Income | 4 | 100 | 1 074 | 837 | 1 729 |
| **Total Sales** | | **258 611** | **284 677** | **1 002 884** | **985 344** |
| | | | | | |
| Production costs | | -127 830 | -126 676 | -494 515 | -454 843 |
| Other external costs | | -24 194 | -21 546 | -89 423 | -83 243 |
| Personnel costs | | -95 209 | -97 964 | -378 160 | -345 446 |
| Depreciation and amortization | | -10 110 | -8 613 | -37 675 | -29 202 |
| Other operating expenses | | -363 | -2 162 | -243 | -1 740 |
| **Operating Income** | | **905** | **27 716** | **2 867** | **70 868** |
| | | | | | |
| **Net financial items** | | **-10 568** | **-19 422** | **-57 207** | **-53 824** |
| | | | | | |
| **Income before tax** | | **-9 664** | **8 294** | **-54 341** | **17 044** |
| | | | | | |
| Tax | | -7 732 | -12 788 | -10 370 | -15 628 |
| **Profit/Loss for the period** | | **-17 396** | **-4 495** | **-64 711** | **1 416** |
| | | | | | |
| **Profit for the period attributable to:** | | | | | |
| Owners of the parent company | | -17 396 | -4 495 | -64 711 | 1 416 |
| | | | | | |
| **Other Comprehensive Income** | | | | | |
| **Items that may be classified to profit/loss** | | | | | |
| Exchange differences on translation of foreign operations | | -7 466 | -1 120 | -3 080 | 9 449 |
| **Comprehensive income for the period** | | **-24 862** | **-5 615** | **-67 791** | **10 865** |
| | | | | | |
| **Comprehensive Income for the Period attributable to:** | | | | | |
| Owners of the parent company | | -24 862 | -5 615 | -67 791 | 10 865 |

# Condensed statement of Financial Position

| TSEK | 2023-12-31 | 2022-12-31 |
| --- | --- | --- |
| **Assets** | | |
| **Non-current assets** | | |
| Intangible assets | 833 706 | 839 345 |
| Financial assets | - | 31 581 |
| Tangible assets | 8 914 | 8 571 |
| Right-of-use assets | 66 382 | 68 469 |
| Other long-term assets | 4 049 | 2 836 |
| Deferred tax assets | 672 | 6 602 |
| **Total non-current assets** | **913 724** | **957 403** |
| | | |
| **Current assets** | | |
| Accounts receivable | 123 313 | 139 445 |
| Tax receivables | 3 526 | 1 894 |
| Other current assets | 55 313 | 51 431 |
| Cash and cash equivalents | 60 836 | 110 366 |
| **Total current assets** | **242 988** | **303 136** |
| **Total Assets** | **1 156 712** | **1 260 539** |
| | | |
| **Equity** | | |
| Share capital | 1 437 | 1 418 |
| Additional paid in capital | 210 399 | 210 399 |
| Revaluation reserve | 9 928 | 13 008 |
| Retained earnings incl. profit for the period | 17 599 | 62 328 |
| **Total Equity** | **239 363** | **287 154** |
| | | |
| **Liabilities** | | |
| **Non-current liabilities** | | |
| Non-current interest-bearing liabilities | 572 315 | 594 985 |
| Lease liability | 37 353 | 44 109 |
| Other non-current liabilities | 3 673 | 4 825 |
| **Total non-current liabilities** | **613 342** | **643 919** |
| | | |
| **Current liabilities** | | |
| Current interest-bearing liabilities | 25 000 | 17 140 |
| Lease liability | 30 739 | 25 382 |
| Account payables | 74 852 | 94 146 |
| Tax liabilities | 17 529 | 31 382 |
| Other current liabilities | 155 888 | 141 749 |
| **Total current liabilities** | **304 007** | **329 467** |
| **Total Liabilities** | **917 349** | **973 386** |
| **Total Equity and liabilities** | **1 156 712** | **1 260 539** |

# 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 | | | | -64 711 | -64 711 |
| Other comprehensive income for the period | | | -3 080 | | -3 080 |
| **Comprehensive Income for the Period** | **-** | **-** | **-3 080** | **-64 711** | **-67 791** |
| Issue of shares | 19 | | | | 19 |
| Contribution from earn-out compensation | | | | 19 981 | 19 981 |
| **Transaction with owners** | **19** | **-** | **-** | **19 981** | **20 000** |
| **Closing balance 2023-12-31** | **1 437** | **210 399** | **9 928** | **17 599** | **239 363** |

## Consolidated Cash Flow Statement

| TSEK | | 2023 Oct-Dec | 2022 Oct-Dec | 2023 Jan-Dec | 2022 Jan-Dec |
|---|---|---|---|---|---|
| **Operating Activities** | | | | | |
| Operating Income | | 905 | 27 716 | 2 867 | 70 868 |
| Adjustment for items not affecting cash-flow | 5 | 10 164 | 8 523 | 37 731 | 28 897 |
| Taxes paid | | 540 | -4 874 | -20 936 | -14 666 |
| **Cash flow from operating activities before changes in working capital** | | **11 609** | **31 365** | **19 662** | **85 099** |
| **Cash Flow from changes in working capital** | | **-9 140** | **14 301** | **-8 896** | **-6 441** |
| Changes in current assets | | -1 727 | -10 286 | 9 045 | 39 709 |
| Changes in current liabilities | | -7 413 | 24 587 | -17 941 | -46 150 |
| **Cash Flow from operating activities** | | **2 469** | **45 666** | **10 766** | **78 658** |
| **Investing Activities** | | | | | |
| Investments in non-current assets | | -853 | -3 764 | -3 825 | -5 640 |
| Business acquisitions | 7 | - | - | - | -111 801 |
| Investments in financial assets | | - | 24 | -908 | -8 728 |
| Regulation of financial assets | | - | - | 545 | 1 660 |
| Amortization of lease asset | | - | - | - | 1 133 |
| **Cash Flow from investing activities** | | **-853** | **-3 740** | **-4 188** | **-123 376** |
| **Financing Activities** | | | | | |
| Warrant premiums | | - | 1 973 | - | 1 973 |
| Repayment of other loans | | -19 000 | -2 860 | -19 000 | -2 860 |
| Proceeds from issued convertible note | | 25 000 | - | 25 000 | - |
| Proceeds from bond | | - | - | 10 725 | - |
| Net interest paid | | -634 | -12 044 | -44 605 | -41 892 |
| Repayment of lease liability | | -7 688 | -6 554 | -27 967 | -24 842 |
| **Cash Flow from financing activities** | | **-2 322** | **-19 485** | **-55 847** | **-67 621** |
| Cash Flow for the period | | -706 | 22 441 | -49 269 | -112 339 |
| Cash and cash equivalents at the beginning of the period | | 63 126 | 86 888 | 110 366 | 217 955 |
| Exchange rate differences in cash and cash equivalents | | -1 582 | 1 037 | -261 | 4 749 |
| **Cash and cash equivalents at the end of the period** | | **60 836** | **110 366** | **60 836** | **110 366** |

## Parent Company condensed statement of Profit or Loss

| TSEK | 2023<br>Oct-Dec | 2022<br>Oct-Dec | 2023<br>Jan-Dec | 2022<br>Jan-Dec |
|---|---|---|---|---|
| Net Sales | 3 321 | 2 372 | 11 587 | 9 278 |
| Personnel costs | -3 020 | -2 156 | -10 533 | -8 434 |
| Other external costs | -1 200 | -967 | -3 084 | -6 535 |
| **Operating Income** | **-898** | **-751** | **-2 031** | **-5 692** |
| | | | | |
| **Net financial items** | **-16 409** | **-19 769** | **-56 537** | **-50 216** |
| | | | | |
| Group Allocations | - | 70 000 | - | 70 000 |
| **Income before tax** | **-17 307** | **49 480** | **-58 568** | **14 092** |
| | | | | |
| Tax | 5 | -9 264 | 5 | -9 264 |
| **Profit/Loss for the period** | **-17 302** | **40 216** | **-58 563** | **4 828** |

## Parent Company statement of Comprehensive Income

| TSEK | 2023<br>Oct-Dec | 2022<br>Oct-Dec | 2023<br>Jan-Dec | 2022<br>Jan-Dec |
|---|---|---|---|---|
| Profit/Loss for the period | -17 302 | 40 216 | -58 563 | 4 828 |
| Other comprehensive income for the period | - | - | - | - |
| **Comprehensive income for the period** | **-17 302** | **40 216** | **-58 563** | **4 828** |

# Parent Company condensed statement of Financial Position

| TSEK | 2023-12-31 | 2022-12-31 |
|---|---|---|
| **Assets** | | |
| Non-current assets | | |
| Financial long-term assets | | |
| Shares in Group Companies | 320 823 | 320 823 |
| Financial assets | - | 31 581 |
| Receivables from Group companies | 444 688 | 444 688 |
| **Total non-current assets** | **765 510** | **797 092** |
| | | |
| Current Assets | | |
| | | |
| Receivables from Group Companies | 28 726 | 26 466 |
| Other current assets | 3 730 | 5 911 |
| Cash and cash equivalents | 1 535 | 1 594 |
| **Total current assets** | **33 990** | **33 971** |
| **Total Assets** | **799 501** | **831 063** |
| | | |
| **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 | -13 722 |
| Profit/Loss for the period | -58 563 | 4 828 |
| *Total unrestricted equity* | 162 922 | 201 505 |
| **Total Equity** | **164 359** | **202 923** |
| | | |
| **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 | 60 119 | 28 140 |
| **Total current liabilities** | **60 119** | **28 140** |
| **Total Equity and liabilities** | **799 501** | **831 063** |

## 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. From 2023 the total bond position for Caybon will be presented as a liability in accordance with IFRS 9. 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.

### 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 October – December

| | Campaign | | Network | | HQ | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| TSEK | Oct-Dec | Oct-Dec | Oct-Dec | Oct-Dec | Oct-Dec | Oct-Dec |
| Net Sales | 189 776 | 206 525 | 70 529 | 77 807 | - | - |
| EBITDA | 8 358 | 26 668 | 4 679 | 12 811 | -10 676 | -8 848 |
| EBITDA-margin | *4,4%* | *12,9%* | *6,6%* | *16,5%* | | |
| EBITA | 7 835 | 26 096 | 4 577 | 12 724 | -10 863 | -8 951 |
| EBITA-margin, % | *4,1%* | *12,6%* | *6,5%* | *16,4%* | | |

| | IFRS adjustments | | Eliminations | | Group | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| TSEK | Oct-Dec | Oct-Dec | Oct-Dec | Oct-Dec | Oct-Dec | Oct-Dec |
| Net Sales | - | - | -1 794 | -729 | 258 511 | 283 603 |
| EBITDA | 8 549 | 7 507 | 104 | -1 810 | 11 014 | 36 328 |
| EBITDA-margin | | | | | *4,3%* | *12,8%* |
| EBITA | 661 | 660 | 104 | -1 810 | 2 314 | 28 720 |
| EBITA-margin, % | | | | | *0,9%* | *10,1%* |

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 segments 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 2,984 (2,076) TSEK for the period Oct-Dec.
These are, not solely, but mainly derived from Mediaplanet during 2023 and mainly HQ during last year. Further explanation can be found in note 6.

### Segment reporting January – December

| TSEK | Campaign 2023 Jan-Dec | Campaign 2022 Jan-Dec | Network 2023 Jan-Dec | Network 2022 Jan-Dec | HQ 2023 Jan-Dec | HQ 2022 Jan-Dec |
|---|---|---|---|---|---|---|
| Net Sales | 759 831 | 699 516 | 250 020 | 288 080 | - | - |
| EBITDA | 24 517 | 75 747 | 17 727 | 38 433 | -32 945 | -37 869 |
| EBITDA-margin | *3,2%* | *10,8%* | *7,1%* | *13,3%* | | |
| EBITA | 22 232 | 73 762 | 17 321 | 38 088 | -33 639 | -38 200 |
| EBITA-margin, % | *2,9%* | *10,5%* | *6,9%* | *13,2%* | | |

| TSEK | IFRS adjustments 2023 Jan-Dec | IFRS adjustments 2022 Jan-Dec | Eliminations 2023 Jan-Dec | Eliminations 2022 Jan-Dec | Group 2023 Jan-Dec | Group 2022 Jan-Dec |
|---|---|---|---|---|---|---|
| Net Sales | - | - | -7 804 | -3 982 | 1 002 047 | 983 615 |
| EBITDA | 30 987 | 24 479 | 257 | -720 | 40 542 | 100 071 |
| EBITDA-margin | | | | | *4,0%* | *10,2%* |
| EBITA | 2 333 | 1 709 | 257 | -720 | 8 505 | 74 638 |
| EBITA-margin, % | | | | | *0,8%* | *7,6%* |

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 segments 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 5,201 (13,506) TSEK for the period Jan-Dec.
These are, not solely, but mainly 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.

| TSEK | 2023 Oct-Dec | 2022 Oct-Dec | 2023 Jan-Dec | 2022 Jan-Dec | 2023 Jan-Dec % | 2022 Jan-Dec % |
|---|---|---|---|---|---|---|
| Sweden | 120 108 | 142 367 | 479 262 | 435 497 | 47,8% | 44,3% |
| Europe | 98 551 | 117 300 | 404 035 | 439 352 | 40,3% | 44,7% |
| North America | 39 852 | 23 936 | 118 750 | 108 766 | 11,9% | 11,1% |
| **Total net sales** | **258 511** | **283 603** | **1 002 047** | **983 615** | **100,0%** | **100,0%** |

### Note 4 – Other Income

| TSEK | 2023 Oct-Dec | 2022 Oct-Dec | 2023 Jan-Dec | 2022 Jan-Dec |
|---|---|---|---|---|
| IFRS 16 interest | - | - | - | 23 |
| Reimbursement absense of employees | - | 23 | 21 | 11 |
| Profit from sale of tangible assets | - | 260 | - | 260 |
| Rental income | -32 | 108 | 502 | 106 |
| FX gains | 178 | 32 | 52 | 321 |
| Other income | -46 | 651 | 262 | 1 009 |
| **Total other income** | **100** | **1 074** | **837** | **1 729** |

### Note 5 – Adjustment for items not affecting cash flow

| TSEK | 2023 Oct-Dec | 2022 Oct-Dec | 2023 Jan-Dec | 2022 Jan-Dec |
|---|---|---|---|---|
| Depreciation and amortization - tangible and intangible assets | 2 221 | 1 614 | 9 021 | 6 432 |
| Depreciation - right of use assets | 7 888 | 6 847 | 28 654 | 22 770 |
| Net effect sale/disposal of fixed assets | 69 | 10 | 50 | 41 |
| Other | -14 | 52 | 6 | -346 |
| **Total adjustment for items not affecting cash-flow** | **10 164** | **8 523** | **37 731** | **28 897** |

### Note 6 – Non-recurring items

| TSEK | 2023 Oct-Dec | 2022 Oct-Dec | 2023 Jan-Dec | 2022 Jan-Dec |
|---|---|---|---|---|
| IPO items | - | 1 005 | - | 9 159 |
| Acquisition items | - | - | - | 2 652 |
| Splay One restructuring items | - | 1 071 | - | 1 695 |
| Costs associated with the new CRM-system, Mediaplanet | 984 | - | 3 201 | - |
| Costs associated with Written procedure of Bond | 840 | - | 840 | - |
| Costs associated with change of CEO Mediaplanet | 1 160 | - | 1 160 | - |
| **Total non-recurring items** | **2 984** | **2 076** | **5 201** | **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 Oct-Dec | 2022 Oct-Dec | 2023 Jan-Dec | 2022 Jan-Dec | 2021 Full Year | 2020 Full Year |
|---|---|---|---|---|---|---|
| **Key figures** | | | | | | |
| Net Sales | 258 511 | 283 603 | 1 002 047 | 983 615 | 924 991 | 628 146 |
| Other Income | 100 | 1 074 | 837 | 1 729 | 2 867 | 7 225 |
| Total Revenue | 258 611 | 284 677 | 1 002 884 | 985 344 | 927 858 | 635 371 |
| Gross profit | 130 781 | 158 001 | 508 369 | 530 501 | 497 788 | 361 608 |
| Gross profit margin, % | *51%* | *56%* | *51%* | *54%* | *54%* | *58%* |
| Non-recurring items | 2 984 | 2 076 | 5 201 | 13 506 | 6 096 | 5 080 |
| Adjusted EBITDA | 13 999 | 38 404 | 45 744 | 113 577 | 131 537 | 88 557 |
| *Adjusted EBITDA-margin, %* | *5,4%* | *13,5%* | *4,6%* | *11,5%* | *14,2%* | *14,1%* |
| Adjusted EBITA | 5 299 | 30 796 | 13 706 | 88 144 | 112 913 | 69 015 |
| *Adjusted EBITA-margin, %* | *2,0%* | *10,9%* | *1,4%* | *9,0%* | *12,2%* | *11,0%* |
| Adjusted EBIT | 3 889 | 29 791 | 8 068 | 84 374 | 106 395 | 61 022 |
| *Adjusted EBIT-margin, %* | *1,5%* | *10,5%* | *0,8%* | *8,6%* | *11,5%* | *9,7%* |
| EBITDA | 11 014 | 36 329 | 40 542 | 100 071 | 125 441 | 83 478 |
| *EBITDA-margin, %* | *4,3%* | *12,8%* | *4,0%* | *10,2%* | *13,6%* | *13,3%* |
| EBITA | 2 314 | 28 720 | 8 505 | 74 638 | 106 817 | 63 935 |
| *EBITA-margin, %* | *0,9%* | *10,1%* | *0,8%* | *7,6%* | *11,5%* | *10,2%* |
| Operating Income (EBIT) | 905 | 27 716 | 2 867 | 70 868 | 100 299 | 55 943 |
| *EBIT-margin, %* | *0,3%* | *9,8%* | *0,3%* | *7,2%* | *10,8%* | *8,9%* |
| Profit/Loss for the Period | -17 396 | -4 495 | -64 711 | 1 416 | 47 424 | 10 844 |
| Cash Flow from operations | 2 469 | 45 666 | 10 766 | 78 658 | 100 890 | 82 568 |
| Total Assets | 1 156 490 | 1 260 539 | 1 156 490 | 1 260 539 | 1 168 517 | 835 686 |
| Financial debt | 597 315 | 612 125 | 597 315 | 612 125 | 612 677 | 493 093 |
| Total debt | 665 407 | 681 616 | 665 407 | 681 616 | 680 020 | 522 091 |
| Equity | 239 363 | 287 154 | 239 363 | 287 154 | 242 316 | 188 617 |
| Capital Employed | 904 770 | 968 769 | 904 770 | 968 769 | 922 336 | 710 708 |
| Return on Capital Employed LTM | 0,3% | 7,5% | 0,3% | 7,5% | 12,3% | 7,8% |
| Return on Equity LTM | -24,6% | 0,5% | -24,6% | 0,5% | 22,0% | 5,8% |
| Equity/Asset-ratio | 20,7% | 22,8% | 20,7% | 22,8% | 20,7% | 22,6% |
| Net Debt | 604 571 | 539 669 | 604 571 | 539 669 | 432 065 | 439 296 |
| Adjusted EBITDA LTM | 45 744 | 113 577 | 45 744 | 113 577 | 131 537 | 88 557 |
| Net Debt/Adjusted EBITDA LTM Proforma | 13,2 | 4,3 | 13,2 | 4,3 | 3,3 | 5,0 |
| Average no. Of employees LTM | 535 | 516 | 535 | 516 | 462 | 375 |
| No. Of employees (end of period) | 524 | 541 | 524 | 541 | 471 | 365 |

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

# Definitions of Caybon Alternative Performance Measures

| | |
|---|---|
| **Average no. of em-ployees** | The average of the number of employees for the period refers to the average of the number of em-ployees 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 avail-able to cover costs for in-house production and sales. |
| **EBITDA** | Earnings before interest, tax, depreciation on material and intangible assets (D), as well as amorti-sations 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 busi-ness 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 pur-pose 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 pur-pose 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, irrespec-tive 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 Em-ployed shows the earnings available as returns to all financing of the company irrespective of Eq-uity 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 earn-ings 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 reve-nues 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. |