Caybon

INTERIM REPORT JANUARY - MARCH 2023

First Quarter 2023

January – March 2023

- Net Sales increased by 6% to 255,544 (241,446) TSEK, of which 15% is acquired growth, 2% is exchange rate related and 11% is negative organic growth.
- EBITDA decreased with 57% to 12,096 (28,133) TSEK, adjusted* EBITDA decreased 61% to 12,096 (31,067) TSEK
- EBITA decreased 81% to 4,453 (23,115) TSEK, adjusted* EBITA decreased 83% to 4,453 (26,049) TSEK
- EBITA-margin amounted to 1.7% (9.6), adjusted* EBITA-margin amounted to 1.7% (10.8)
- Net Profit for the period amounted to -8,821 (9,164) TSEK
- Cash Flow from operations was -4,259 (1,459) TSEK**
- It should be noted that FMG Group was not part of Caybon Group during the first quarter 2022.

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

***As of 1 January 2023, Caybon changed the presentation of the Cash flow Statement. More information can be found in the Cash flow and Financial position part of the report.*

Significant events during the first quarter

- There are no significant events to be reported during the 1st quarter 2023

Significant events after the first quarter

- As of April 19, 2023 Facebook has shut down "instant articles" which was communicated by Meta back in October 2022. Since then Newsner has prepared well to shift business to other platforms and alternative sources for revenue generation. Even though Newsner has reduced its dependency on Facebook and "instant articles", we nevertheless expect this to have a short term impact on revenues.

5.8%
Net Sales Growth Q1

998 M
SEK Revenue (LTM)

5.6%
EBITA-margin (LTM)

TSEK	2023 Jan-Mar	2022 Jan-Mar	Chg, %	LTM	2022 Full year
Net Sales	255 544	241 446	6%	997 712	983 615
Gross profit	134 083	130 783	3%	533 784	530 501
Gross profit margin, %	*52,5%*	*54,2%*	*-3%*	*53,5%*	*53,9%*
EBITDA	12 096	28 133	-57%	84 034	100 071
EBITDA-margin, %	*4,7%*	*11,7%*	*-59%*	*8,4%*	*10,2%*
Adjusted EBITA	4 453	26 049	-83%	66 548	88 144
Adjusted EBITA-margin, %	*1,7%*	*10,8%*	*-84%*	*6,7%*	*9,0%*
Net Profit	-8 821	9 164	-196%	-16 569	1 416
Cash flow from operations	-4 259	1 459	-392%	72 995	78 662

EBITDA, EBITA and Net Profit are affected by non-recurring items amounting to 0 (2,934) TSEK for the period Jan-Mar. Specification can be found in note 6.

Tougher times, but we're still on the right track

After a strong finish to 2022, the first quarter of 2023 has been more challenging for Caybon. We had anticipated this, due to both the current market situation and the first quarter's tendency to be one of the slower periods of the calendar year. But there are good reasons to remain optimistic as we navigate the present tougher conditions.

The first quarter of the calendar year is traditionally not one of the stronger quarters for us. We have seen that in Q1 this year for Mediaplanet and FMG in the Campaign segment, as well as Splay One in the Network segment. This is also visible in the outcome for the quarter.

But with strong performance elsewhere in the business and our proactive countermeasures, we are confident that we can rise to the challenge.

Acquisitive sales growth

FMG's contribution has helped drive the growth in net sales for the Group in the first quarter.

Caybon reports net sales of 255,544 (241,446) TSEK in the first quarter, a 6% increase overall. However, organic growth is still negative and down by 11%, while exchange rate contributes 2% and 15% comes from acquired growth. The overall earnings for Q1 are lower than last year, with adjusted EBITA reported at 4,453 (26,049).

Campaign segment

As the figures show, we faced some profitability challenges in the Campaign segment in Q1. A combination of factors explain these challenges. Mediaplanet's US operations continued to underperform, while the current market conditions and global uncertainties have continued to affect media spend for both Mediaplanet and FMG. However, this has been balanced somewhat by the positive movements and increased sales that we are seeing in other business areas, such as N365. In the Campaign segment sales grew and amounted to 196,687 (167,869). This growth was mostly driven by the acquisition of FMG. The Campaign segment reports lower EBITA at 6,007 (24,303), due to Mediaplanet not reaching the same performance level as last year and a relatively weak first quarter performance by FMG. Nevertheless, we are continuing to invest in the Campaign segment in 2023, and we believe that this investment will also pay off in the latter part of the year.

Network segment

In the Network segment net sales declined 19% to 60,302 (74,383) TSEK. EBITA declined slightly to 5,240 (5,902) TSEK. The negative effect in net sales is solely derived from the Splay One business area. Its negative organic growth is a an effect of our ongoing organizational restructuring process there, as well as the changes we are making to the product mix. These are important and necessary changes and I am confident they will result in an improved performance in the longer term. It's important to remember that turning a business around takes time, but we are on the right track and I expect to see positive results in the future. There are already signs of this in our ability to mitigate the impact on earnings.

Elsewhere in the business, I'm pleased to report that Newsner continues to perform strongly. Q1 revenue and earnings were stable and were little affected by the macro environment and the general decline in media spend.

Outlook

A few weeks has now passed since Facebook shut down the editorial concept "Instant Articles". Since we learned about Facebook's changes back in October, we have been focusing on alternative features and platforms for revenue generation and so far we've experienced less of a negative effect than we initially anticipated.

This makes me confident that we will continue to expertly manage any changes to the revenue stream from the loss of Facebook Instant Articles.

We have also taken proactive countermeasures as we adjust to the current circumstances. In Q1 Caybon launched a cost reduction plan and we should see some positive effects from that initiative in the coming quarters.

Overall, the current uncertain macro environment and its impacts on overall media spend will continue to have some effects on our business for as long as these conditions remain. However, I do believe that we are on the right path, and we should see an improvement in profit levels in the next few quarters.

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, 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 all the way 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.

Campaign segment includes the four brands: Mediaplanet, N365, Appelberg and Future Media Group (FMG) which all have a business model which is largely campaign based. 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.

Mediaplanet produces some 800 topic-based campaigns for around 7 500 clients annually. These campaigns are distributed via own digital sites as well as through partnerships with global media publishers. Revenues are generated from editorial content in print as well as designated campaign. Mediaplanet has 13 offices across Europe and North America.

N365 creates editorial-style advertising campaigns for around 180 B2C clients and operates mainly in Scandinavia and UK. The revenue model is based on performance-based campaigns for clients where a site with editorial content is created and consumer traffic is 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 B2B clients. 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 different kinds of content marketing solutions - i.e., the value propositions that is developed with their media partners. In addition, FMG have their own offerings towards end clients, independent from their media partners, 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 fully with digital marketing, and a key aspect 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. Revenues are primarily based on number of readers and clicks on advertising which is 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 consumers want to consume and thereby create engagement and conversion for the B2C client base.

Advertising spend is increasing globally and the form of advertising is constantly undergoing change, where traditional media and communication channels are being replaced with digital and online-based media of various types. Caybon's offer is broad via its different brands and Caybon is continuously adapting its client offering to the current market trends and client needs.

appelberg mediaplanet Newsner

N365 SPLAY ONE FMG FUTURE MEDIA GROUP

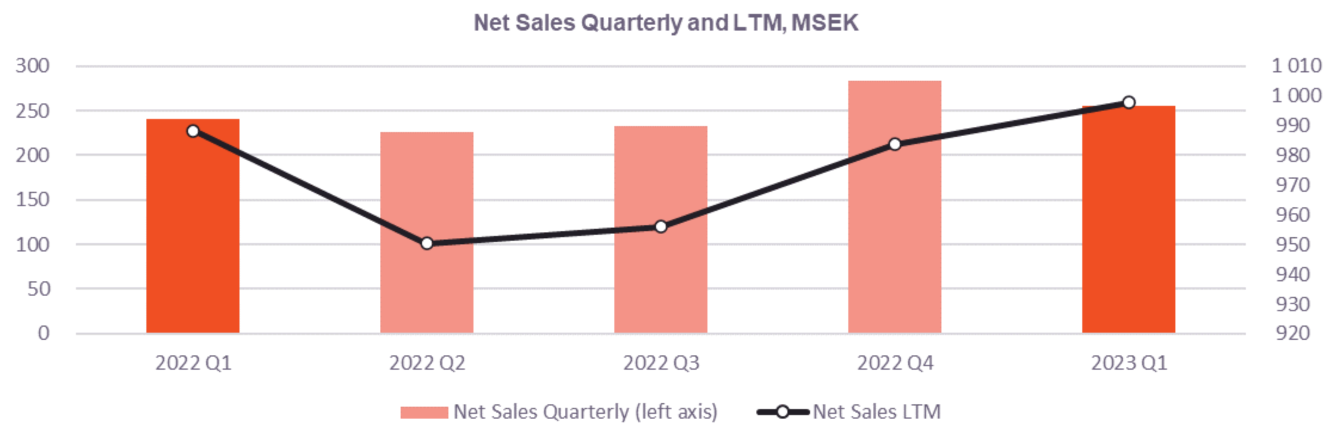
Group earnings January to March 2023

Net Sales

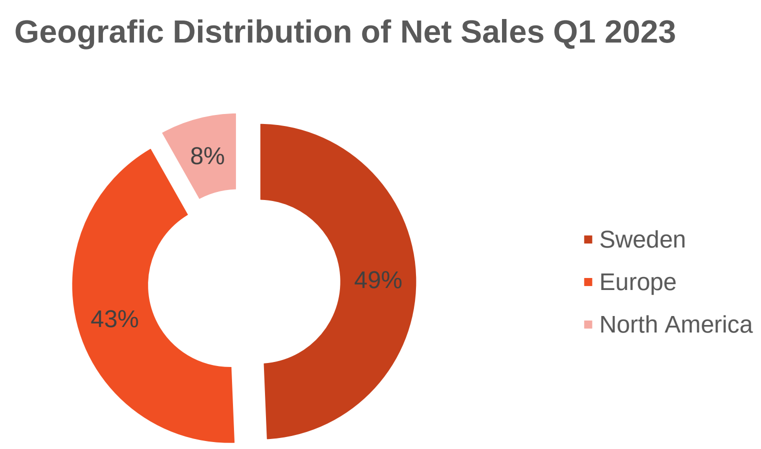
Net Sales increased by 6% to 255,544 (241,446) TSEK. The increase is mainly derived from the acquisition of FMG Group that had a positive impact of 15%. Fx had a positive effect of 2% and the organic growth was negative with 11%. The decrease in organic growth is seen across both segments. In the campaign segment it is mainly the business area Mediaplanet and the underperformance of the US operations that has contributed to negative organic growth. And in the network segment it is the business area Splay One, as our resizing continues, which is the main reason for the decline in sales.

In addition the lower client demand is an effect of general uncertainty in the global environment which also affect the demand from our clients customers.

Net Sales last twelve months (LTM) is now at 997,712 MSEK as shown in the graph below. The proportion of revenues from various forms of digital marketing amounted to 78% (72) in the first quarter.



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



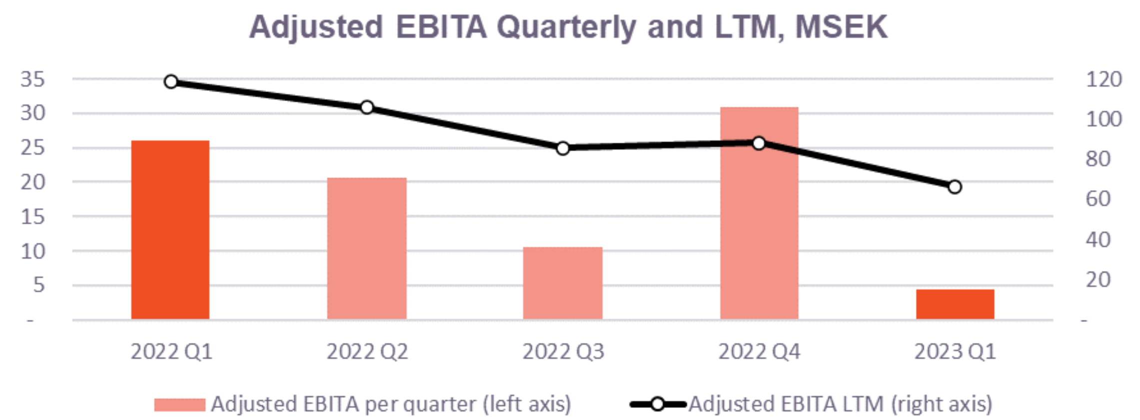
Earnings

For Caybon gross profit is an important figure. Gross profit is 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 first quarter increased 3% to 134,083 (130,783) TSEK also derived by the acquisition of FMG Group. Gross profit margin for the quarter decreased to 52.5% (54.2%). Since FMG Group was not included in last year's figures, the gross margin figures are not fully comparable from a business mix perspective.

EBITDA decreased 57% to 12,096 (28,133) TSEK in the quarter. There were no non-recurring items in the period 0 (2,934). The decline is mainly attributable to the campaign segment and the US operations of the business area Mediaplanet in combination with a weak first quarter from the latest addition FMG that have a negative contribution to EBITDA. The decrease is also derived from increased expenses due to inflation, salary revisions as well as spending more on general overhead such as travel and recruiting.

EBITA was 4,453 (23,115) TSEK. This represents an EBITA-margin of 1.7% (9.6). Adjusted EBITA amounted to 4,453 (26,049). Adjusted EBITA-margin amounted to 1.7% (10.8).

Net Profit for the first quarter amounted to -8,821 (9,164) TSEK.



	Campaign		Network		HQ	
TSEK	2023 Jan-Mar	2022 Jan-Mar	2023 Jan-Mar	2022 Jan-Mar	2023 Jan-Mar	2022 Jan-Mar
Net Sales	196 687	167 869	60 302	74 383	0	0
EBITDA	6 627	24 766	5 338	5 990	-7 163	-7 378
EBITDA-margin	*3,4%*	*14,8%*	*8,9%*	*8,1%*		
EBITA	6 007	24 303	5 240	5 902	-7 319	-7 455
EBITA-margin, %	*3,1%*	*14,5%*	*8,7%*	*7,9%*		

	IFRS adjustments		Eliminations		Group	
TSEK	2023 Jan-Mar	2022 Jan-Mar	2023 Jan-Mar	2022 Jan-Mar	2023 Jan-Mar	2022 Jan-Mar
Net Sales	0	0	-1 445	-805	255 544	241 446
EBITDA	7 307	4 683	-12	73	12 096	28 133
EBITDA-margin					*4,7%*	*11,7%*
EBITA	537	291	-12	73	4 453	23 115
EBITA-margin, %					*1,7%*	*9,6%*

Segment reporting is prepared on Swedish Gaap basis (K3), IFRS adjustments are presented in IFRS adjustments.
Overhead items that is not allocated out to the segmets are part of HQ and eliminations between segments are presented under Eliminations
Affecting EBITDA, EBITA and Net Profit are non-recurring items amounting to 0 (2,934) TSEK for the period Jan-Mar. Specification can be found in note 6.

Group Cash Flow and Financial Position

Cash Flow

As of January 1, Caybon changed the presentation of cash flow and now presents net interest paid or received below operating activities. This to give a more fair picture of the cash flow generated from the actual operations as the interest mainly comprices interest related to the bond which is more connected to the financing of the business. With this change, the starting point of the cash flow will be *operating income* instead of previously presented *income before tax.* Previous periods are adjusted to follow the same principle and thus comparable.

January to March

In the first quarter, cash flow from **operations** before changes in working capital amounted to -4,619 (23,740) TSEK. Cash flow from changes in working capital in the period amounted to 360 (-22,281) TSEK. Cash flow from operations after changes in working capital amounted to -4,259 (1,459) TSEK. The deterioration is mainly explained by the weaker operating income for the period. However, as a result from a strong performance from the changes in working capital in the quarter, the effect from the decline in the profit from operations are to some extent neutralised in the total cash flow from operations.

Cash flow from **investing activities** amounted to -812 (-8,239) TSEK in the quarter. Last year this category was effected by the purchase of own bond.

Cash-flow from **financing activities** amounted to -8,799 (-15,108) TSEK. We have an increase derived by the selling of own bond during first quarter, (which is further elaborated under *"Financial position"* below).
Due to a change in presentation of the bond to only show net a position (also explained under *"Financial position"),* the selling of bond is now as of Q1 2023 included under financing activities.
There's also an increase in net interest paid, directly related to increased interest payments for the public bond.

Cash flow for the period amounted to -13,870 (-21,888) TSEK.

Financial position

Caybon had a cash position of 96,489 (197,437) TSEK at the end the period. Total debt amounted to 650,648 (676,911) TSEK at the end of the quarter. Excluding long- and short-term lease liability financial debt amounted to 587,724 (613,254) TSEK. Caybon's total debt to bond holders amounted to 600 MSEK of which 25 MSEK is held by Caybon.

During the first quarter Caybon sold of a portion of the holdings in the own bond in order to have a stronger cash position in the current times of macroeconomic uncertainty. The trade was made under par value at 78% for a selling price of 10,7 MSEK, the initial acquisition value was 13,8 MSEK. Caybon's net debt amounted to 554,158 (440,745) TSEK. Net Debt to Adjusted EBITDA proforma* was 5.6 times (3.2).

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 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 is reversed. The change is effective from Q1 2023 and not retroactively changed in previous statements. Any result of trading in own bond will effect the period that the trade is made.

So when comparing total debt and financial debt to previous periods, note that own holdings were not part of the calculation.

*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.

Net Sales and Earnings per segment

The Caybon group consists of six brands which are organised in two segments. The Campaign segment includes the brands Mediaplanet, N365, Appelberg and FMG, who all have a business model which is largely campaign based. The segment has various campaign concepts where media buyers connect with their clients. Revenues depend on the number of campaigns launched and the margin depends on the production and distribution efficiency. The Network segment includes the brands Newsner and Splay One who work fully with digital marketing. A key aspect 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.

Campaign segment

Net sales in the first quarter increased compared to last year and amounted to 196,687 (167,869) TSEK, an increase that is derived from the acquisition of FMG. However, on a like-for-like basis there was a decline in sales compared to last year, this is solely connected to the business area Mediaplanet and mainly attributable to the US operations. The other business areas within the segment contributed to increase the net sales. In general the business areas in the segment have seen negative effects on customer demand from the uncertainties in the global environment following the war in Ukraine, increasing inflation among other things. EBITA declined to 6,007 (24,303) TSEK, the EBITA-margin amounted to 3.1% (14.5). The negative EBITA-effect is primarly derived from the lower sales within the business area Mediaplanet, together with a slow start to the year from FMG that had a negative contribution in terms of EBITA. The segment also saw effects of increased expenses as a result of inflation that contribute in a negative way.

Campaign **TSEK**	**2023** **Jan-Mar**	**2022** **Jan-Mar**	**Chg, %**	**LTM**	**2022** **Full year**
Net Sales	196 687	167 869	*17%*	728 335	699 516
EBITDA	6 627	24 766	*-73%*	57 608	75 747
EBITDA-margin	*3,4%*	*14,8%*	*-77%*	*7,9%*	*10,8%*
EBITA	6 007	24 303	*-75%*	55 466	73 762
EBITA-margin, %	*3,1%*	*14,5%*	*-79%*	*7,6%*	*10,5%*

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

The Campaign segment corresponds to 77% (69) of group net sales in Q1. The increase is due to the addition of FMG to the segment from July 2022.

Network segment

Net sales in the first quarter decreased to 60,302 (74,383) TSEK. The detoriation is attributable to the Splay One business area, due to a shift from and lower demand in larger productions and video-on-demand services, to a larger focus on ads and influencer marketing. The general uncertainty following the macroeconomic trends are also a factor behind the decline. EBITA for the first quarter decreased to 5,240 (5,902) corresponding to an EBITA-margin of 8.7% (7.9). The drop in net sales, as a effect of the resizing of the Splay One organisation and change in product mix, has not affected EBITA in equally portions. This is mainly due to the cost efficiency measures taken within Splay One.

The Network segment corresponds to 23% (31) of group net sales in Q1.

Network **TSEK**	**2023** **Jan-Mar**	**2022** **Jan-Mar**	***Chg, %***	**LTM**	**2022** **Full year**
Net Sales	60 302	74 383	*-19%*	273 999	288 080
EBITDA	5 338	5 990	*-11%*	37 782	38 433
EBITDA-margin	*8,9%*	*8,1%*	*10%*	*13,8%*	*13,3%*
EBITA	5 240	5 902	*-11%*	37 425	38 088
EBITA-margin, %	*8,7%*	*7,9%*	*9%*	*13,7%*	*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 550 full-time equivalent employees at the end of March 2023 (476), with the large increase coming from the acquisition of FMG. On a like-for-like basis this corresponds to a decrease of 12 persons and an addition of 86 following the acquisition of FMG.

Effects of war in Ukraine and other macro economic 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 had an effect on 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. For Caybon this has mainly shown in the Campaign segment, while the Network Segment so far has seen limited direct effects on its business.

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 2023-03-31 Priveq is the main owner of Caybon with 56.5% of the shares. The CEO and founder Richard Båge also holds 23% of the shares and other management and former staff hold the remaining 20.5%. The total numbers of shares outstanding is 1,418,121.

Significant events during the first quarter

No significant events in the first quarter.

Significant events after the first quarter

Meta announced on October 14, 2022 the shutdown of Facebook instant articles (FBIA) during April 2023. The discontinuation will in the short term impact our article revenues. Newsner has prepared well to shift business to other platforms and alternative sources for revenue generation and therefore reduced its dependency on Facebook and "instant articles", but nevertheless we expect this to have an impact on revenues and earnings in the short term.

Stock warrant program

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

Seasonality

The first and third quarters are usually weaker and the second and fourth quarters are usually the stronger ones.

The third quarter from July to September is typically the weakest quarter of the year as it to a certain extent is affected by a fewer number of calendar days and lower business activity due to the holiday season in the Nordics 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 also 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 a largely 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 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

Annual general meeting	May 25, 2023
Interim report Q2	Aug 25, 2023

Signatures

Stockholm on May 5, 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
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 5 May 2023 at 08:00 CEST.

Condensed statement of profit and loss

TSEK	*Note*	**2023 Jan-Mar**	**2022 Jan-Mar**	**2022 Jan-Dec**
Net Sales	2,3	255 544	241 446	983 615
Other Income	4	147	528	1 729
Total Sales		**255 691**	**241 974**	**985 344**
Production costs		-121 608	-111 191	-454 843
Other external costs		-19 712	-18 156	-83 243
Personnel costs		-102 274	-84 261	-345 446
Depreciation and amortization		-9 054	-5 438	-29 202
Other operating expenses		-	-234	-1 740
Operating Income		**3 042**	**22 695**	**70 868**
Net financial items		**-9 450**	**-10 508**	**-53 824**
Income before tax		**-6 407**	**12 187**	**17 044**
Tax		-2 414	-3 022	-15 628
Profit/Loss for the period		**-8 821**	**9 164**	**1 416**
Profit for the period attributable to:				
Owners of the parent company		-8 821	9 164	1 416
Other Comprehensive Income				
Items that may be classified to profit/loss				
Translation differences		-588	1 986	9 449
Comprehensive income for the period		**-9 409**	**11 150**	**10 865**
Comprehensive Income for the Period attributable to:				
Owners of the parent company		-9 409	11 150	10 865

Condensed statement of Financial Position

TSEK	2023-03-31	2022-03-31
Assets		
Non-current assets		
Intangible assets	838 293	655 066
Financial assets	-	38 728
Tangible assets	8 263	4 738
Right-of-use assets	61 753	61 875
Other long-term assets	2 887	3 801
Deferred tax assets	6 587	247
Total non-current assets	**917 783**	**764 455**
Current assets		
Accounts receivabe	133 290	146 753
Tax receivables	3 544	1 608
Other current assets	46 664	32 196
Cash and cash equivalents	96 489	197 437
Short-term lease claim	-	1 149
Total current assets	**279 987**	**379 144**
Total Assets	**1 197 771**	**1 143 600**
Equity		
Share capital	1 418	1 389
Additional paid in capital	210 399	178 429
Revaluation reserve	12 421	5 544
Retained earnings incl. profit for the period	53 507	68 103
Total Equity	**277 745**	**253 466**
Liabilities		
Non-current liabilities		
Non-current interest-bearing liabilities	570 584	613 254
Lease liability	38 636	48 756
Other non-current liabilities	4 537	1 147
Total non-current liabilities	**613 758**	**663 158**
Current liabilities		
Current interest-bearing liabilities	17 140	-
Lease liability	24 287	14 900
Account payables	84 017	64 161
Tax liabilities	19 031	16 722
Conditional consideration	19 667	-
Other current liabilities	142 125	131 193
Total current liabilities	**306 268**	**226 977**
Total Liabilities	**920 026**	**890 134**
Total Equity and liabilities	**1 197 771**	**1 143 600**

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				-8 821	-8 821
Other comprehensive income for the period			-588		-588
Comprehensive Income for the Period	-	-	**-588**	**-8 821**	**-9 409**
Issue of shares					-
Warrant premiums					-
Transaction with owners	-	-	-	-	-
Closing balance 2023-03-31	**1 418**	**210 399**	**12 420**	**53 507**	**277 745**

Consolidated Cash Flow Statement

TSEK		2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Operating Activities				
Operating Income		3 042	22 695	70 868
Adjustment for items not affecting cash-flow	5	8 935	5 286	28 897
Taxes paid		-16 596	-4 241	-14 666
Cash flow from operating activities before changes in working capital		**-4 619**	**23 740**	**85 099**
Cash Flow from changes in working capital		**360**	**-22 281**	**-6 437**
Changes in current assets		10 725	10 197	31 124
Changes in current liabilities		-10 365	-32 478	-37 561
Cash Flow from operating activities		**-4 259**	**1 459**	**78 662**
Investing Activities				
Investments in non-current assets		-453	-644	-5 640
Investments in non-current intangible assets		-359	-	-
Business combination	7	-	-	-111 801
Investments in financial assets		-	-8 728	-8 728
Net change of depositions		-	-	1 660
Amortization of lease asset		-	1 133	1 133
Cash Flow from investing Activiites		**-812**	**-8 239**	**-123 376**
Financing Activities				
Warrant premiums		-	-	1 973
Repayment of other loans		-	-	-2 860
Proceeds from bond		10 725	-	-
Net interest paid		-12 903	-9 508	-41 895
Repayment of lease liability		-6 621	-5 600	-24 842
Cash Flow from financing activities		**-8 799**	**-15 108**	**-67 624**
Cash Flow for the period		-13 870	-21 888	-112 338
Cash and cash equivalents at the beginning of the period		110 366	217 955	217 955
Exchange rate differences in cash and cash equivalents		-6	1 370	4 749
Cash and cash equivalents at the end of the period		**96 489**	**197 437**	**110 366**

Parent Company condensed statement of Profit or Loss

TSEK	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Net Sales	2 112	2 163	9 278
Other external costs	-1 960	-4 071	-14 970
Operating Income	**152**	**-1 908**	**-5 692**
Net financial items	**-9 369**	**-10 227**	**-50 216**
Group Allocations	-	-	70 000
Income before tax	**-9 217**	**-12 135**	**14 092**
Tax	-	-	-9 264
Profit/Loss for the period	**-9 217**	**-12 135**	**4 828**

Parent Company statement of Comprehensive Income

TSEK	2023 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec
Profit/Loss for the period	-9 217	-12 135	4 828
Other comprehensive income for the period	-	-	-
Comprehensive income for the period	**-9 217**	**-12 135**	**4 828**

Parent Company condensed statement of Financial Position

TSEK	2023-03-31	2022-03-31
Assets		
Non-current assets		
Financial long-term assets		
Shares in Group Companies	320 823	288 823
Financial assets	-	38 728
Receivables from Group companies	444 688	368 300
Total non-current assets	**765 510**	**522 798**
Current Assets		
Receivables from Group Companies	3 783	-
Other current assets	4 805	6 958
Cash and cash equivalents	11 785	66 939
Total current assets	**20 374**	**246 950**
Total Assets	**785 884**	**769 748**
Equity and Liabilities		
Equity		
Restricted Equity		
Share capital	1 418	1 389
Unrestricted Equity		
Other paid-in equity	210 399	178 429
Retained earnings	-8 894	-15 695
Profit/Loss for the period	-9 217	-12 135
Total unrestricted equity	192 288	150 599
Total Equity	**193 706**	**151 988**
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	17 156	17 760
Total current liabilities	**17 156**	**17 760**
Total Equity and liabilities	**785 884**	**769 748**

Notes

General information

Caybon Holding AB with corporate identity number 559049-5056 is a public limited company registered in Sweden with 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 and valuation 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 includes the four business areas: Mediaplanet, N365, Appelberg and FMG. These four businesses all have a business model which is largely campaign based. 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.
Network segment includes the brands Newsner and Splay One. These two brands work fully with digital marketing, and a key aspect 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 based on Swedish Gaap (K3) accounting standards. Caybon does not follow up assets or liabilities per business segment. Caybon follows costs for staff and over-head functions on a group level and these income statement items are presented under HQ. IFRS adjustments and Elimination between segments which are also made on a Group level are presented separately.

Segment reporting January – March

	Campaign		Network		HQ	
TSEK	2023 Jan-Mar	2022 Jan-Mar	2023 Jan-Mar	2022 Jan-Mar	2023 Jan-Mar	2022 Jan-Mar
Net Sales	196 687	167 869	60 302	74 383	0	0
EBITDA	6 627	24 766	5 338	5 990	-7 163	-7 378
EBITDA-margin	*3,4%*	*14,8%*	*8,9%*	*8,1%*		
EBITA	6 007	24 303	5 240	5 902	-7 319	-7 455
EBITA-margin, %	*3,1%*	*14,5%*	*8,7%*	*7,9%*		

	IFRS adjustments		Eliminations		Group	
TSEK	2023 Jan-Mar	2022 Jan-Mar	2023 Jan-Mar	2022 Jan-Mar	2023 Jan-Mar	2022 Jan-Mar
Net Sales	0	0	-1 445	-805	255 544	241 446
EBITDA	7 307	4 683	-12	73	12 096	28 133
EBITDA-margin					*4,7%*	*11,7%*
EBITA	537	291	-12	73	4 453	23 115
EBITA-margin, %					*1,7%*	*9,6%*

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

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

Affecting EBITDA, EBITA and Net Profit are non-recurring items amounting to 0 (2,934) TSEK for the period Jan-Mar.
These are mainly derived from HQ. Specification 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, 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
TSEK	**Jan-Mar**	**Jan-Mar**	**Jan-Mar %**	**Jan-Mar %**
Sweden	126 088	88 829	49,3%	36,8%
Europe	108 535	119 747	42,5%	49,6%
North America	20 921	32 871	8,2%	13,6%
Total net sales	**255 544**	**241 446**	**100%**	**100%**

Note 4 – Other Income

TSEK	**2023**	**2022**	**2022**
	Jan-Mar	**Jan-Mar**	**Jan-Dec**
IFRS 16 interest	-	-	23
Reimbursment absense of employees	-	11	11
Profit from sale of tangible assets	-	-	260
Rental income	147	-	106
FX gains	-	264	321
Other income	-	253	1 009
Total other income	**147**	**528**	**1 729**

Note 5 – Adjustment for items not affecting cash-flow

	2023	**2022**	**2022**
TSEK	**Jan-Mar**	**Jan-Mar**	**Jan-Dec**
Depreciation and amortization - tangible and intangible assets	2 187	1 047	6 432
Depreciation - right of use assets	6 769	4 391	22 770
Net effect sale/disposal of fixed assets	-20	11	41
Other	-1	-163	-346
Total adjustment for items not affecting cash-flow	**8 935**	**5 286**	**28 897**

Note 6 – Non-reccuring items

TSEK	**2023**	**2022**	**2022**
	Jan-Mar	**Jan-Mar**	**Jan-Dec**
IPO items	-	2 641	9 159
Acquisition items	-	-	2 652
Splay One restructuring items	-	293	1 695
Total non-recurring items	-	**2 934**	**13 506**

Note 7 – Acquisitions and Purchase Price Allocation

Caybon announced the acquisition of Future Media Group "FMG" in July and FMG will be 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 comprised of a combination of cash and of newly issued shares in Caybon.The parties have agreed on a potential, additional earnout 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 are met and the earn-out compensation is included in the Purchase Price Allocation at a enterprise value of 180 MSEK. FMG consists of five business areas in the digital marketing space and is based in Sweden and Norway. With their inhouse 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 2022. The acquisition has contributed with 93,3mSEK in net sales and 17,6mSEK in EBIT during 2022. If the acquisition would have been consolidated from the 1st of January 2022, the acquisition would have contributed with 180,6mSEK in net sales and 28,7mSEK in EBIT.

Acquisition costs amount to 2,652 TSEK included in operating costs during the third quarter 2022, these are presented as non-recurring items. Goodwill that arises from the acquisition is estimated to 166,628 TSEK and acquisition-related intangible assets of 21,000 TSEK which is subject to amortization over a five-year period. The amortization 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 amortization.

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
Deffered 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 Jan-Mar	2022 Jan-Mar	2022 Jan-Dec	2021 Full Year	2020 Full Year
Key figures					
Net Sales	255 544	241 446	983 615	924 991	628 146
Other Income	147	528	1 729	2 867	7 225
Total Revenue	255 691	241 974	985 344	927 858	635 371
Gross profit	134 083	130 783	530 501	497 788	361 608
Gross profit margin, %	*52,5%*	*54,2%*	*53,9%*	*53,8%*	*57,6%*
Non-recurring items	-	2 934	13 506	6 096	5 080
Adjusted EBITDA	12 096	31 067	113 577	131 537	88 557
Adjusted EBITDA-margin, %	*4,7%*	*12,9%*	*11,5%*	*14,2%*	*14,1%*
Adjusted EBITA	4 453	26 049	88 144	112 913	69 015
Adjusted EBITA-margin, %	*1,7%*	*10,8%*	*9,0%*	*12,2%*	*11,0%*
Adjusted EBIT	3 042	25 629	84 374	106 395	61 022
Adjusted EBIT-margin, %	*1,2%*	*10,6%*	*8,6%*	*11,5%*	*9,7%*
EBITDA	12 096	28 133	100 071	125 441	83 478
EBITDA-margin, %	*4,7%*	*11,7%*	*10,2%*	*13,6%*	*13,3%*
EBITA	4 453	23 115	74 638	106 817	63 935
EBITA-margin, %	*1,7%*	*9,6%*	*7,6%*	*11,5%*	*10,2%*
Operating Income (EBIT)	3 042	22 695	70 868	100 299	55 943
EBIT-margin, %	*1,2%*	*9,4%*	*7,2%*	*10,8%*	*8,9%*
Profit/Loss for the Period	-8 821	9 164	1 416	47 424	10 844
Cash Flow from operations	-4 259	1 459	78 662	100 890	82 568
Total Assets	1 197 771	1 143 600	1 260 539	1 168 517	835 686
Financial debt	587 724	613 254	612 125	612 677	493 093
Total debt	650 648	676 911	681 616	680 020	522 091
Equity	277 745	253 466	287 154	242 316	188 617
Capital Employed	928 393	930 376	968 769	922 336	710 708
Return on Capital Employed LTM	5,5%	12,6%	7,5%	12,3%	7,8%
Return on Equity LTM	-6,2%	22,0%	0,5%	22,0%	5,8%
Equity/Asset-ratio	23,2%	22,2%	22,8%	20,7%	22,6%
Net Debt	554 158	440 745	539 669	432 065	439 296
Adjusted EBITDA LTM	94 606	137 378	113 577	131 537	88 557
Net Debt/Adjusted EBITDA LTM Proforma*	5,6	3,2	4,3	3,3	5,0
Average no. Of employees LTM	543	465	516	462	375
No. Of employees (end of period)	550	476	543	471	365

**When calculating Net debt to Adjusted EBITDA, the adjusted EBITDA has been calculated proforma, i.e., to include all of the last twelve months of FMG's EBITDA.*

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

Definitions 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 amortizations 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 amortizations 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 show 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 present how the revenue split between digital and print products/services looks like.