



FANTASMA GAMES AB (PUBL) INTERIM REPORT Q1 2022



First quarter, Jan – Mar 2022

- Net sales for the Group amounted to MSEK 4.8 (1.1), corresponding to an increase of 349%
- Gaming revenue for the Group amounted to MSEK 4.1 (1.1) for the quarter, corresponding to an increase of 279%
- EBITDA for the Group amounted to MSEK -0.6 (-0.7), an improvement of 12%.
- Earnings per share after dilution for the Group amounted to SEK -0.65 (-0.35)

Highlights

- Fantasma Games reports its best quarter ever, with net sales of MSEK 4.8, up 349%, and gaming revenue of MSEK 4.1, up 279%.
- Fantasma Games releases its first game in Spain and Greece, an important step in the further expansion into new markets and operators.
- Release of exclusive games with the major English operator Paddy Power/Betfair.
- Fantasma Games releases games with leading operators, such as Gamesys, Entain and Veikkaus, in markets such as England and Finland.

349%

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4,1

Gaming revenue for the Group amounted to MSEK 4.1 (1.1) for the quarter, corresponding to an increase of 279%

12%

EBITDA for the Group amounted to MSEK -0.6 (-0.7), an improvement of 12%



Key Figures, the Group

	Q1 2022 jan-mar	Q1 2021 jan-mar	FY 2021 jan-dec
Gaming turnover, MSEK	1 056	657	2 997
Gaming margin, %	3.6%	3.1%	3.0%
Gross gaming revenue, MSEK	38	20	91
Net sales, TSEK	4 809	1 072	7 772
Cost of services sold, TSEK	-744	0	-1 672
Gaming revenue, TSEK	4 065	1 072	6 100
EBITDA, TSEK	-574	-655	-4 666

Equity per share

Before dilution (SEK)	6.90	8.25	9.08
After dilution (SEK)	5.66	6.69	7.21

Earnings per share

Before dilution (SEK)	-0.80	-0.43	-2.93
After dilution (SEK)	-0.65	-0.35	-2.32

Number of shares

Number of shares at the beginning of the period	2 977 966	2 056 596	2 056 596
Number of shares at the end of the period	3 034 090	2 756 596	3 034 090
Outstanding warrants during the period	660 000	560 000	660 000
Average number of shares before dilution	3 006 028	2 406 596	2 545 343
Average number of shares after dilution	3 666 028	2 966 596	3 205 343

Definitions, key figures

Term	Definition	Calculation example
GAMING TURNOVER	Customers' total stakes.	1 000 MSEK
WINNINGS	The players' winnings in relation to gaming sales (called "RTP" or "Return To Player" in the industry).	960 MSEK
GAMING PROFIT	Gaming sales less all payments to customers (called "GGR" or "Gross Gaming Revenue" in the industry).	40 MSEK
GAMING MARGIN	Gaming profit's share of the gaming sales.	4%
NET SALES	The Company's total sales revenue, partly from own games for variable remuneration, and partly from games sold for fixed remuneration.	4 MSEK
COST OF SERVICES SOLD	Excl. costs for distribution, certification, etc. of own games.	- 1 MSEK
GAMING REVENUE	Net sales less cost of services sold.	3 MSEK

THE QUARTER IN BRIEF

Net sales amounted to MSEK 4.8 (1.1), corresponding to an increase of 349 per cent, where gaming revenue amounted to MSEK 4.1 (1.1) for the quarter, corresponding to an increase of 279 per cent. Organic sales, through Fantasma Games, accounted for MSEK 2.8, and acquired growth, through Wiener Games, accounted for MSEK 1.9.

A contributing factor behind Fantasma Games' growth was that total gaming sales increased to MSEK 1 056 (657), an increase of 61 per cent, during the first quarter, and that gaming profit increased to MSEK 38 (20), which corresponds to an increase of 88 per cent. A contributing factor behind the higher game profit, compared to gaming revenue, is that the game margin was 3.6 (3.1) per cent.

Fantasma Games strongest quarter ever

Fantasma Games started the year with its best month ever, in terms of gaming revenue, in January 2022, which has been followed by two more strong months, resulting in the best quarter so far in Fantasma's history. I am proud and pleased that we can now deliver on our growth strategy, which has meant that, during the quarter, we delivered world-class games to leading players, increased our exposure, and broadened our valued gaming portfolio.

Fantasma Games opened the year strongly, and in February we released the game Medallion Megaways™ on Relax Gaming's platform, which was very successful and a strong contributor to the gaming revenue during the period. We have also expanded our total reach through giants such as Entain, Gamesys and Veikkaus, who have begun launching the Fantasma Games game portfolio. Collaborations with these leading players have contributed with completely new players who are expected to generate revenue for a long time to come.

We also completed a successful exclusive launch of the game Alice in Adventureland with Paddy Power and Betfair in March. The launch was positively received, by both players and companies, who decided to launch four more of our games during the month of April. Through these successful launches and collaborations, we show time and time again that our games are appreciated, while the resulting exposure further strengthens the brand.

Wiener Games, which was acquired in 2021, reported a strong quarter of MSEK 1.9 in net sales, resulting in the company's best quarter ever. The result has been achieved through hard work and by utilising synergy effects in game development, which we further believe will contribute positively to both the Group's and Wiener Games' future development. Wiener Games understands and develops with the market, and during the quarter started a large NFT project, which will ensure ongoing revenues throughout the year 2022. In addition, the company has several ongoing development projects, which we have high hopes will deliver additional cash flow and growth moving forward.

New markets with great opportunities ahead

We are now continuing to take significant steps towards major gaming markets in 2022, where we have already entered the important US market via the leading player BetMGM, and see continued opportunities to gain market share in Italy, Greece, and Colombia, as well as regulated provinces in Canada.

During the quarter, Fantasma Games launched two games in Spain and the Netherlands, which is a first step towards a number of new markets in 2022, such as the USA, Canada and Italy, in 2022. Through these collaborations, we have high hopes of delivering our entire valued game portfolio to key operators in 2022. Our distribution partners, Relax Gaming and Scientific Games, have now proven that they increase our reach through new markets and new operators. The Group's goal is to reach 250 qualitative operators before the end of 2023, which I feel confident in being able to state that we are well on our way to reaching.

Right now, our strategy for continued growth is primarily focused on launching games in the US and Italy, in order to continue to take important market shares. In the US, the games are launched exclusively with one of the largest operators, BetMGM, which remain exclusive for four weeks and are then ready to be launched to other leading operators in the regulated states in the US. In Italy, an exclusive launch is now taking place with one of the leading operators, Poker Stars.

The fact that leading players in the US and Italy want to launch our games exclusively is proof that our games are world class, and that they are expected to deliver in relation to market demand. Overall, we see great opportunities to both strengthen Fantasma Games' brand and continue our growth journey as a result.

Conditions for a continued year of growth and scalability

We continued to show growth during the second quarter, following a powerful momentum from the beginning of the year, by achieving our best month so far, with MSEK 30 in gaming profit in April, compared with the previous record from January of MSEK 15.

We will soon be launching two new games, in addition to the launches of existing games in new markets, as well as maintaining a high pace in game production for launches after that, which we have high hopes will contribute to further strong growth.

We have already delivered records in existing markets, and are now entering the most important market, the US, with a world-leading partner. The US is a market with strong growth, where Scientific Games, our distribution partner, is a leader, and has all available operators connected to its platform. We constantly strive to create even better, and more, games, something that is possible through the stable foundation we have now established, and with a world-class team. We are ready to continue proving the scalability of our business model, and deliver results in conjunction with our continued expansion in the global market.



FREDRIK JOHANSSON
CEO and co-founder

SIGNIFICANT EVENTS

During the first quarter, 2022

- Fantasma Games first out on a brand new streaming platform
- New operators provide revenue records for Fantasma Games
- Fantasma Games launches gaming portfolio for social gaming with one of the fastest growing players in the market

Fantasma Games launches gaming portfolio for social gaming with one of the fastest growing players in the market

After the end of the period

- Fantasma Games expands to the US with BetMGM
- Fantasma Games breaks new records in April
- Fredrik Johansson takes over as CEO of Fantasma Games

Fantasma Games breaks new records in April



Gaming sales

The ultimate measure of the popularity of Fantasma Games' gaming is the total gaming sales, as it demonstrates the total stakes in the Company's own products. During the first quarter of 2022, gaming sales amounted to MSEK 1 056 (657), which is an increase of 61 per cent compared with the same quarter last year.

Gaming profit and gaming margin

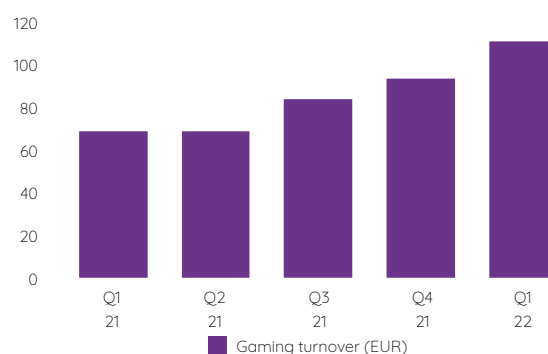
The gaming profit, i.e. the remainder after winnings are paid out to the customers, is the amount that forms the basis for Fantasma Games' revenue linked to its own games. During the quarter gaming profit amounted to MSEK 38 (20), corresponding to an increase of 88 per cent compared with the same period last year. The fact that the increase was higher in game profit than in gaming sales is in part explained by the gaming margin being better during the period; 3.6 (3.1) per cent, which is as much as 0.5 percentage points higher than the corresponding period last year.

Gaming profit - underlying growth

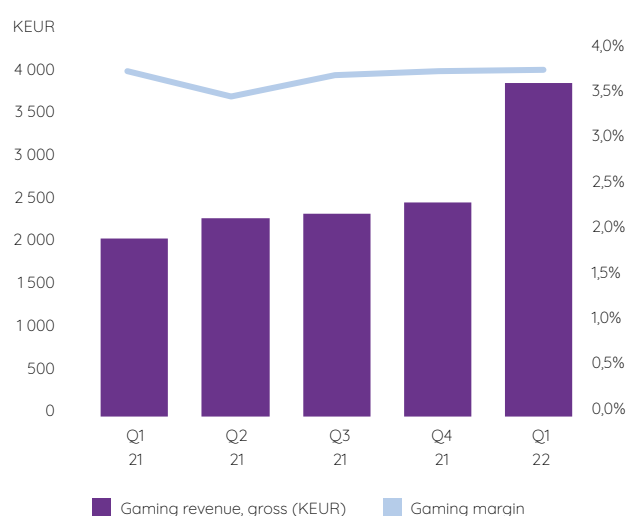
The so-called long-tail gaming profit (gaming profit from games older than six months) continue to grow as a share of total gaming profit, and during the quarter accounted for 73% of the total gaming profit. This growth is the foundation of the Company's ability to increase revenue from its own games over time.

Variations between quarters are completely natural, and mainly depend on how many games we launch during the period (since a large part of the revenue arises early, in connection with the games being released).

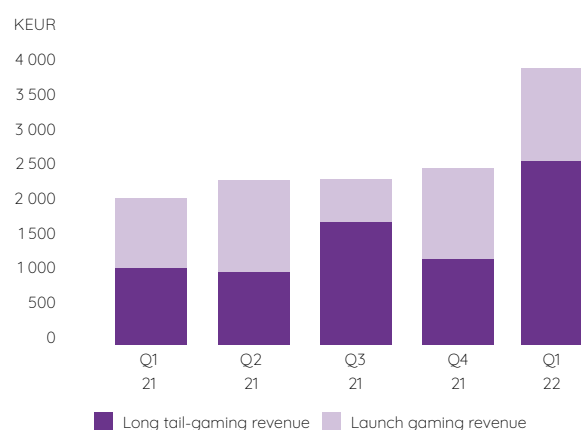
MEUR



KEUR



KEUR



FINANCIAL OVERVIEW

Revenue

In order to more clearly illustrate the expenses that are directly attributable to the generation of the Group's revenue, since the fourth quarter 2021 'cost of services sold' is reported separately as a deduction on net sales, which results in a so-called "gaming revenue". Fantasma Games consider the comparison acceptable as the gaming revenue corresponds to previously reported net sales in Fantasma Games. Corresponding adjustments have been made for the Parent Company in the comparative period. See the table for comparison below. What was previously communicated as gaming revenue has now been replaced by the term 'gaming profit'.

The total reported gaming revenue for the quarter amounted to MSEK 4.1 (1.1), which corresponds to an increase of 279 per cent.

Costs and profitability

During the quarter, Fantasma Games' cost of services sold amounted to TSEK 744 (0).

Other external expenses during the period amounted to MSEK -2.1 (-1.0), personnel costs to MSEK -4.1 (-2.2), depreciation and impairment to MSEK -1.8 (-0.4), and other operating expenses to TSEK -23 (-9).

Financial position

The Group's cash and cash equivalents amounted to MSEK 5.7 at the end of the period. The subscription period for the warrants issued in connection with the listing in 2021 will begin in May 2022. Based on the Company's volume-weighted share price during the measurement period, the company assesses that these warrants will bring in up to approximately MSEK 5, before costs. The company assesses that its current liquidity, including planned raising of capital, is sufficient to finance the existing plans for the next 12 months.

279%
increased gaming revenue



FINANCIAL REPORTING

A consequence of the formation of the subsidiary Fantasma Games Incentive AB, and that Wiener Games OOD was acquired during the fourth quarter of 2021, is that Fantasma Games has become a Group, and accordingly figures are now on a group level. This means that comparative figures for the Group as of the first quarter of 2022 refer to the operations in the Parent Companies in which all the Company's operations were conducted before the Group was formed.

Consolidated income statement in summary

(TSEK)	Q1 2022 jan-mar	Q1 2021 jan-mar	FY 2021 jan-dec
Operating income			
Net income	4 809	1 072	7 772
Capitalised work on own account	1 563	1 418	6 164
Other operating income	0	7	40
Total income	6 372	2 497	13 976
Operating expenses			
Cost of services sold	-744	0	-1 672
Other external expenses	-2 110	-953	-6 214
Personnel costs	-4 070	-2 191	-10 684
Depreciation and amortisation	-1 827	-381	-2 573
Other operating expenses	-23	-9	-71
Total operating expenses	-8 773	-3 533	-21 215
Operating profit	-2 401	-1 036	-7 238
Financial expenses	0	0	10
Profit before tax	-2 401	-1 036	-7 228
Tax on profit	0	0	-223
Net profit	-2 401	-1 036	-7 451

Consolidated balance sheet in summary

(TSEK)	2022-03-31	2021-03-31	2021-12-31
ASSETS			
Non-current assets			
Intangible assets	30 025	6 048	30 276
Property, plant and equipment	8	0	8
Financial assets	252	11	250
Total non-current assets	30 285	6 059	30 534
Current assets			
Current receivables	4 372	1 253	3 724
Cash and cash equivalents	5 743	17 301	8 105
Total current assets	10 114	18 555	11 829
Total assets	40 400	24 613	42 363
EQUITY AND LIABILITIES			
Equity			
Share capital	759	689	759
Contributed capital	44 260	34 124	44 083
Accumulated earnings incl profit/loss for the period	-24 286	-15 468	-21 739
Total equity	20 732	19 344	23 103
Long-term liabilities			
Other long-term liabilities	15 206	0	15 344
Total long-term liabilities	15 206	0	15 344
Current liabilities			
Trade accounts payable	700	1 740	376
Other current liabilities	3 761	3 529	3 540
Total current liabilities	4 461	5 269	3 916
Total equity and liabilities	40 400	24 613	42 363

Consolidated cash flow analysis in summary

(TSEK)	Q1 2022 jan-mar	Q1 2021 jan-mar	FY 2021 jan-dec
From operating activities			
Operating profit	-2 401	-1 036	-7 238
Adjustment for non cash flow related items	1 827	381	2 573
Interest and other financing costs	0	0	-117
Paid taxes	-10	0	-72
Cash flow from operating activities before changes in working capital	-584	-656	-4 854
Cash flow from changes in working capital			
Increase/decrease in accounts receivables	-626	-419	-601
Increase/decrease in accounts payables	552	2 269	1 014
Cash flow from operating activities	-658	1 194	-4 442
Investing activities			
Investments in intangible assets	-1 563	-1 432	-6 197
Investments in other financial assets	0	9	-6 429
Cash flow from investing activities	-1 563	-1 423	-12 627
Financing activities			
New share issue	0	17 271	24 913
Downpayment of loan	-141	0	0
Cash flow from financing activities	-141	17 271	24 913
Cash flow for the period	-2 362	17 042	7 845
Cash and cash equivalents at the beginning of the period	8 105	260	260
Cash and cash equivalents at the end of the period	5 743	17 301	8 105



Group change in equity in summary

(TSEK)	Share capital	Development expenditure reserve	Share premium reserve	Other non-restricted equity	Total equity
At period start 2022-01-01	759	8 521	44 260	-30 436	23 103
Adjustment development expenditure reserve		755		-755	0
Calculation differences				30	30
Profit for the period				-2 401	-2 401
At period end 2022-03-31	759	9 276	44 260	-33 562	20 732

(TSEK)	Share capital	Development expenditure reserve	Share premium reserve	Other non-restricted equity	Total equity
At period start 2021-01-01	103	4 996	17 528	-19 017	3 610
Previous year's earnings				-563	-563
Appropriation of profit acc. to resolution of the AGM				563	563
Development expenditure fund		1 418		-1 418	0
Disavement of deprecitation		-380		380	0
Cancellation of warrants			-21		-21
Bonus issue	411	-411			0
New share issue	175		20 825		21 000
Costs for share issue			-4 208		-4 208
Profit for the period				-1 036	-1 036
At period end 2021-03-31	689	5 623	34 124	-21 091	19 344



The Parent Company's income statement in summary

(TSEK)	Q1 2022 jan-mar	Q1 2021 jan-mar	FY 2021 jan-dec
Operating income			
Net income	2 880	1 072	7 092
Capitalised work on own account	1 563	1 418	6 164
Other operating income	0	7	41
Total income	4 443	2 497	13 297
Operating expenses			
Cost of services sold	-744	0	-1 672
Other external expenses	-1 916	-953	-6 233
Personnel costs	-2 710	-2 191	-9 869
Depreciation and amortisation	-810	-381	-2 233
Other operating expenses	-20	-9	-71
Total operating expenses	-6 199	-3 533	-20 078
Operating profit	-1 756	-1 036	-6 782
Financial expenses	0	0	17
Profit before tax	-1 756	-1 036	-6 765
Tax on profit	0	0	0
Net profit	-1 756	-1 036	-6 765

The Parent Company's balance sheet in summary

(TSEK)	2022-03-31	2021-03-31	2021-12-31
ASSETS			
Non-current assets			
Intangible assets	9 714	6 048	8 960
Financial assets	24 282	11	24 282
Total non-current assets	33 996	6 059	33 242
Current assets			
Current receivables	1 515	1 253	1 255
Cash and cash equivalents	5 569	17 301	7 981
Total current assets	7 084	18 555	9 236
Total assets	41 080	24 613	42 478
EQUITY AND LIABILITIES			
Equity			
Share capital	759	689	759
Development expenditure fund	9 276	5 623	8 521
Contributed capital	44 269	34 124	44 269
Accumulated earnings incl profit/loss for the period	-32 229	-21 091	-29 717
Total equity	22 075	19 344	23 831
Long-term liabilities			
Other long-term liabilities	15 111	0	15 111
Total long-term liabilities	15 111		15 111
Current liabilities			
Trade accounts payable	693	1 740	438
Other current liabilities	3 201	3 529	3 098
Total current liabilities	3 894	5 269	3 536
Total equity and liabilities	41 080	24 613	42 478

The Parent Company's cash flow analysis in summary

(TSEK)	Q1 2022 jan-mar	Q1 2021 jan-mar	FY 2021 jan-dec
From operating activities			
Operating profit	-1 756	-1 036	-6 782
Adjustment for non cash flow related items	811	381	2 232
Interest and other financing costs	0	0	-110
Paid taxes	-74	0	-58
Cash flow from operating activities before changes in working capital	-1 019	-656	-4 717
Cash flow from changes in working capital			
Increase/decrease in accounts receivables	-259	-419	-232
Increase/decrease in accounts payables	430	2 269	990
Cash flow from operating activities	-849	1 194	-3 960
Investing activities			
Investments in intangible assets	-1 563	-1 432	-6 197
Investments in other financial assets	0	9	-6 888
Cash flow from investing activities	-1 563	-1 423	-13 085
Financing activities			
New share issue	0	17 271	24 766
Cash flow from financing activities	0	17 271	24 766
Cash flow for the period	-2 412	17 042	7 721
Cash and cash equivalents at the beginning of the period	7 981	260	260
Cash and cash equivalents at the end of the period	5 569	17 301	7 981



The Parent Company's change in equity in summary

(TSEK)	Share capital	Development expenditure reserve	Share premium reserve	Other non-restricted equity	Total equity
At period start 2022-01-01	759	8 521	44 269	-29 717	23 831
Adjustment development expenditure reserve		755		-755	0
Profit for the period				-1 756	-1 756
At period end 2022-03-31	759	9 276	44 269	-32 229	22 075

(TSEK)	Share capital	Development expenditure reserve	Share premium reserve	Other non-restricted equity	Total equity
At period start 2021-01-01	103	4 996	17 528	-19 017	3 610
Previous year's earnings				-563	-563
Appropriation of profit acc. to resolution of the AGM				563	563
Development expenditure fund		1 418		-1 418	0
Disavement of deprecitation		-380		380	0
Cancellation of warrants			-21		-21
Bonus issue	411	-411			0
New share issue	175		20 825		21 000
Costs for share issue			-4 208		-4 208
Profit for the period				-1 036	-1 036
At period end 2021-03-31	689	5 623	34 124	-21 091	19 344



OTHER INFORMATION

Accounting principles

Fantasma Games AB's annual report and consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012:1 Annual report and consolidated accounts (K3).

During 2021, an adjustment was made for the classification of revenue, see below for more information. The accounting principles are otherwise unchanged compared with the previous year.

Consolidated financial statements

Fantasma Games AB prepared consolidated financial statements for the first time as of the final accounts of 31 December 2021. During the last quarter of 2021, Wiener Games OOD was acquired and the subsidiary Fantasma Games Incentives was formed. As a result, the Group was created, which is why comparative figures describe the operations in the Parent Companies, in which all of the Group's operations were conducted before the Group was formed. The subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The Group's final accounts have been prepared in accordance with the acquisition method. The time of acquisition is the time when the controlling influence is obtained. Identifiable assets and liabilities are initially valued at fair values at the time of acquisition. The minority's share of the acquired net assets is valued at fair value. Goodwill consists of the difference between the acquired identifiable net assets at the time of acquisition and the acquisition value, including the value of the minority interest, and is initially valued at acquisition value.

Balances between Group companies are eliminated in their entirety.

Subsidiaries in other countries prepare their annual accounts in a foreign currency. Upon consolidation, the items in these companies' balance sheets and income statements are translated at the rate for the balance sheet date, and the spot rate for the day and business event, respectively. The exchange rate differences that arise are reported in accumulated exchange rate differences in the Group's equity.

Foreign currencies

Transactions in foreign currency are translated according to the spot rate on the transaction date.

Regarding the valuation of transactions and balance sheet items when currency hedging is applied, see the section on

financial instruments, subheading documented hedges of financial liabilities in foreign currency (hedge accounting).

Revenue

Revenue is reported at the fair value of the remuneration received, or that will be received, less VAT, discounts and similar deductions. Revenue from royalties is accrued in accordance with the financial meaning of the agreement in question. Royalties are based on the outcome of sales and are reported in accordance with the terms of the underlying agreement.

During the quarter, an adjustment was made in the classification of revenue. The change means that revenue is reported before deductions for the Company's sales costs, and that these are reported as a separate item. Corresponding adjustments have been made in the comparative period 2020.

The Company's view is that the adjustment of revenue provides a better view of the Company's accounts.

Related party transactions

During the period, the company has received assistance from Board member Christina Andersson via Gidde AB regarding ongoing IR work. The total sum amounted to SEK 130 000 (ex VAT). In addition, rent for Fantasma's premises in Stockholm has also been paid to a company controlled by CEO Fredrik Johansson, CF Digital Developments AB, corresponding to an amount of SEK 35 000 per month (ex VAT).

Financial calendar

Fantasma Games intends to publish financial reports during the year as follows:

- Interim report April – June 2022; 10 August 2022
- Interim report July – September 2022; 9 November 2022

Review

This interim report has not been subject to review by the Company's auditors. The Board of Directors and the CEO confirm that the interim report provides a true and fair view of the Company's operations, position and performance, and describes significant risks and uncertainties faced by the Company.

Stockholm, 11 May 2022

Fredrik Johansson, CEO

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Fantasma Games AB (publ)

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Corporate identity number: 559074-0881

This information is such that Fantasma Games AB (publ) is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted, through the care of the above contact person, for publication on 11 May 2022, at 8:30 CET.

Information on Nasdaq First North Growth Market

Nasdaq First North Growth Market is a registered SME marketplace for growth companies, in accordance with the Markets in Financial Instruments Directive (EU2014/65) implemented in the national legislation in Denmark, Finland and Sweden. The marketplace is part of the Nasdaq group. Issuers on the Nasdaq First North Growth Market are not subject to the regulation applicable to Issuers whose shares are listed on a regulated market, as defined in EU law (and implemented in national law). Instead, they

are subject to less extensive rules and regulations that are adapted for smaller growth companies. The risk of investing in an Issuer on the Nasdaq First North Growth Market may therefore be higher than investing in an Issuer listed on a regulated market. All Issuers of shares listed for trading on the Nasdaq First North Growth Market have a Certified Adviser who monitors compliance with the rules. Nasdaq approves Issuers' applications for admission to trading.

All companies whose shares are admitted to trading on First North have a Certified Adviser who monitors compliance with the rules. Nasdaq Stockholm approves the application for admission to trading on First North. The Company's Certified Adviser is Mangold Fondkommission AB. Contact information: ca@mangold.se. Phone: +46 8 503 015 50.





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