

# FANTASMA GAMES AB (PUBL) ANNUAL REPORT 2022



# CONTENT

Fantasma Games	3
The year in brief	4
Word from the CEO	5
Business and market	7
Goals for the group	12
Stock	13
Administration report	14
Corporate governance	16
Accounts	18
Notes	24
Declaration of the board of directors	31



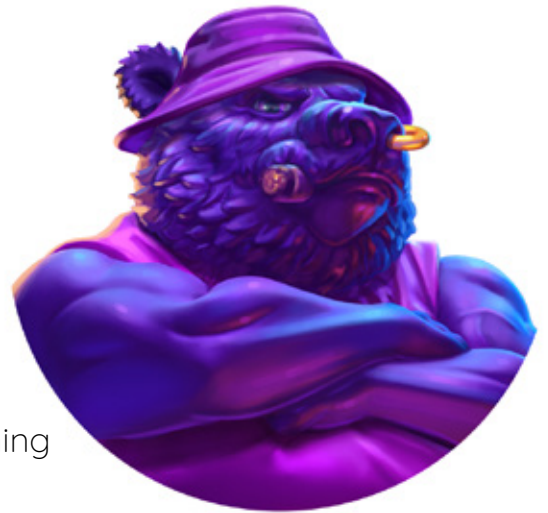
# FANTASMA GAMES IN BRIEF

Fantasma Games is a Swedish gaming studio founded in 2016 with the goal of creating innovative and high-quality slot games. Through experience from leading operators and gaming companies, there is a deep understanding of both the market in general and what the players want. Fantasma Games AB has been listed on the Nasdaq First North Growth Market since 2021, and has 35 employees in Stockholm and Sofia, Bulgaria.

## Vision

# SLOTS BEYOND GAMBLING

Bringing gaming experience into the world of gaming



## Mission -

'Fantasma Games shall, via distribution partners, create, and make available, casino games that are surprisingly good, and thereby create a position in the market that makes the Company an obvious choice for all operators and players.'

## Fantasma Games as an investment

### Operates in a growth market

The global market for casino games is growing rapidly. That growth is driven by strong trends, such as increased digitisation, new markets, and increased interest in playing online. In addition, deregulation means that new markets become accessible.

### Efficient game production

Fantasma Games' efficient game production means a low production cost, which in turn means that the games can achieve profitability faster.

### Smart distribution

Fantasma Games' distribution takes place via distribution partners in order to reach as many operators and players as possible. Through distribution partners, we can enter new markets quickly, and as such be at the forefront when new markets open up to online gaming.

### Scalable business model

Fantasma Games' growth is driven by the Company producing more games and increasing its reach among operators in new markets. In addition, the Company's existing, already developed, gaming portfolio is an important source of growth, as these are continuously launched in new markets.

# THE YEAR IN BRIEF

## 176%

Revenue amounted to MSEK 38.6 (14), corresponding to an increase of 176%

## 335%

Gaming revenue amounted to MSEK 26.6 (6.1), corresponding to an increase of 335%

## 299%

Net sales amounted to MSEK 31 (7.8), corresponding to an increase of 299%

## 18%

EBITDA amounted to MSEK 5.5 (-4.7), corresponding to an EBITDA margin of 14% (-33%)

# 2022

### Significant events during the year

- Revenue records were broken in January, April, May, November and December
- In April, the Board of Directors appointed Fredrik Johansson as CEO
- Several games launched with the casino giant Light & Wonder, previously Scientific Games – an important step into the growing North American market - which is expected to be the company's largest market
- New operators launch Fantasma Games' games, including Gamesys, BetMGM, Entain, Lottomatica, Sisal and Veikkaus, which strengthens the company's position in several markets
- Subscription warrants (TO1) were exercised, and Fantasma Games received MSEK 7.2 during Q2
- At an Extraordinary General Meeting on 30 September 2022, there was a resolution on a new incentive programme; see more on page 13



### After the end of the period

- In March 2023, Fantasma Games reaches its highest gross gaming revenue to date, beating the previous record from December 2022, as a result of several successful game releases during Q1, as well as successful collaboration with both existing and new operators
- Fantasma goes live with several new operators in Q1, including Caesar Palace, Bet365, Draft Kings and Rush Street

Term	Definition	2022	2021
GAMING TURNOVER	Players' total wagers	6 064 MSEK	2 997 MSEK
RETURN TO PLAYER	The players' winnings in relation to gaming turnover (known as "RTP" in the industry)	5 740 MSEK	2 906 MSEK
GROSS GAMING REVENUE	Gaming turnover less return to player (known as "GGR" in the industry)	324 MSEK	91 MSEK
GAMING MARGIN	Gross Gaming revenue's share of the gaming turnover	5.3%	3.0%
NET SALES	The Company's total sales revenue, partly from own games for variable remuneration, and partly from games sold for fixed remuneration	31 MSEK	7.8 MSEK
COST OF SERVICES SOLD	Excl. costs for distribution, certification, etc. of own games	- 4.4 MSEK	-1.7 MSEK
GAMING INCOME	Net sales less cost of services sold	26.6 MSEK	6.1 MSEK



## SUCCESSFUL LAUNCHES IN GROWING MARKETS

Increased global expansion. Further developed and strengthened production. These pivotal events meant that Fantasma Games reached yet another new milestone in 2022. It is also proof that our scalable business model works. We are now continuing the work of developing new, attractive games, expanding into new markets, taking advantage of existing partners, and initiating new collaborations.

Factors such as increased digitisation, a growing interest in playing online, and the deregulation of new markets are contributing to the rapid growth of the global market for casino games. Fantasma Games' strategy to be a part of this growth is to cost-effectively develop attractive games that are distributed via partners.

This gives us the opportunity to grow quickly on a geographic scale, and to reach a large number of players – at the same time being able to increase profitability. Although we have increased the production rate of new games, the cost base remains at about the same level, which demonstrates the scalability of our business model.

In 2022, we decided to increase the annual production even further and release even more attractive games.

### Long-term and strong relationships

Over a number of years, we have built a foundation for producing quality games that will increase interest among operators and players on a global scale. An important aspect of that process is to establish long-term and strong relationships with distribution partners and operators around the world. We are therefore proud that we have partnered with many world-leading brands, which have given us access to an array of new and important gaming markets. This will in all likelihood open the door to an increasingly greater reach in future game launches.

### Launching in a number of new markets

An important milestone in our global expansion was the successful launch in the US in 2022. The first game was launched in collaboration with the market-leading player BetMGM, which was followed by successful collaborations with leading players in several states. The US went from being a completely new market in 2021 to becoming our third largest in 2022 – despite only launching four games in the US market during the year. This is proof of the growth potential of the American market.

Launches took place in parallel in a number of other markets, such as Italy, Greece, Spain and Belgium. The new markets also mean access to new operators, where new collaborations with leading operators, such as BetMGM, Entain, Flut-

**Launches took place in parallel in a number of other markets, such as Italy, Greece, Spain and Belgium. The new markets also mean access to new operators, where new collaborations with leading operators**

ter Entertainment and Lottomatica, were created during the year.

The combination of the fact that we have advanced our position in new markets, with the fact that we have taken market shares in existing markets, has created good conditions for

# 22%

New markets accounted for approximately 22 per cent of our total gross gaming revenue

even better reach with each new launch. New markets accounted for approximately 22 per cent of our total gross gaming revenue during the year, of which North America alone accounted for approximately 19 per cent; the US with 13 per cent and Canada with six per cent.

Existing markets were also a contributing factor behind our strong growth during the year. The fastest growing was England, which accounted for 19 per cent of our total gross gaming revenue in 2022, compared to four per cent the previous year.

### Successful launches and strengthened production

Our successful game launches meant that our games quickly became profitable. The majority of our games achieved profitability within 180 days, which was also one of the goals we set in connection with our listing on First North in 2021. Production increased in 2022, which will be reflected in the number of launches during 2023. We have also strengthened the team in order to make this possible.

### Proof the business model works

We have good opportunities over the coming year to take more market shares in the markets where we launched our games in 2022. We will focus primarily on the US, Italy, the Netherlands, and Greece, where we already have proof of our success. We will also continue to focus on England, but also on other markets, such as Spain and Portugal.

### The majority of our games achieved profitability within 180 days, which was also one of the goals we set in connection with our listing on First North in 2021

Our games were introduced during the first quarter of 2023 via major operators, such as Draftkings, Caesars Palace and, most recently, Rush Street. This significantly strengthens our reach in the US, and paves the way for continued growth in this important market.

**Fredrik Johansson**  
CEO

# 19%

The fastest growing was England, which accounted for 19 per cent of our total gross gaming revenue



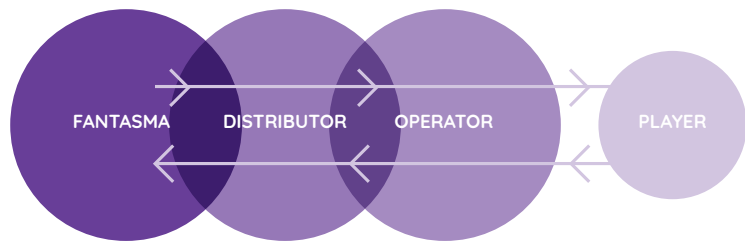
# BUSINESS AND MARKET

Fantasma Games is a Stockholm-based gaming studio founded in 2016. We are an efficient team of employees spanning several nationalities, all united in creating gaming success based on the vision "slots beyond gambling". The business has its origins in its own gaming studio operations under the same name, with its registered office in Stockholm, Sweden. In addition to game production, it is through Fantasma Games that the overall goals for the Group are determined, and where strategic and financial decisions are governed and monitored. Fantasma Games is also the Parent Company in the Group, and as such reports the Group's complete financial results. Wiener Games, based in Sofia, Bulgaria, was acquired in 2021. In common for these businesses is that the companies operate as B2B actors in the global online casino market. In addition, Fantasma Games Incentive AB is also part of the Group.

The core of Fantasma Games' sales is to have a good relationship with both distributors and operators. The Company's sales team works long-term on, for example, planning campaigns for upcoming game launches in collaboration with the operators. Fantasma Games' games reach the players via distribution partners who have integrated their licensed platforms for a large number of operators, who in turn offer the games to the end customer, that is to say, the player. From the money the operator retains, the operator pays a certain royalty to the distributor, who takes a certain portion of the royalty received for distributing the game, and Fantasma Games receives the remaining funds.

On this basis, Fantasma Games has adopted a business model based on the Company placing focus on creating attractive content and capitalising on existing infrastructure by distributing its games via partners in order to achieve maximum reach.

## PARTERS



## DISTRIBUTOR

RELA:::  
G A M I N G

LIGHT &  
WONDER™

## OPERATORS

LeoVegas.com

BETMGM

DRAFT  
KINGS

PADDYPOWER.

RUSH STREET  
INTERACTIVE

### 1. Business model

Through distribution partnerships, Fantasma Games can attain a relatively small, agile and cost-effective organisation. Complete focus can be placed on production, analysis, and sales. A low cost burden sets the foundation for a business with very good margins as volumes increase.

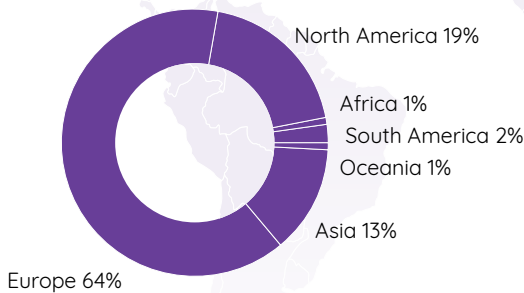
When the games are distributed via partners, a certain proportion of Fantasma Games' revenue is paid to the distributor. That cost will, for the foreseeable future, be less, by a good margin, than the costs and investments that a complete and, for each jurisdiction, licensed distribution platform would entail for Fantasma Games. From a purely financial perspective, this means that the costs distributors incur for licences, platform development, and compliance are low for Fantasma Games. Distribution through partnerships also means that Fantasma Games can work with several parallel distributors relatively easily and at minimal cost, and thereby reach new markets and operators.



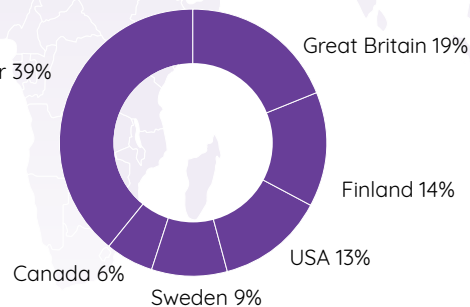
## 2. Constantly extending reach

As Fantasma Games' distribution partners grow larger and stronger by affiliating with more suppliers, meaning an expanded range, so does the appetite for new operators to join these networks. This, combined with the strengthening of Fantasma Games' brand, means that Fantasma Games can offer its games to operators that previously weren't available. In addition, this also creates opportunities for Fantasma Games to initiate unique collaborations with selected operators, which in turn leads to increased exposure and fixed revenues.

Global revenue per continent



Global revenue per country



### Licensing and certification

Fantasma Games distributes its games globally via external platforms (distributors) that are integrated with hundreds of operators. In most cases, this means that the party that distributes the Company's games is responsible for having a valid gaming licence in each jurisdiction, for both its platform and the games on the platform. Fantasma Games therefore does not need its own gaming licence as long as their games are distributed via other people's licensed platforms.

### Wiener Games

A gaming studio based in Sofia, Bulgaria, with a primary focus on the production of customised casino games for external customers. The customers mainly consist of other gaming studios and operators who lack the capacity and resources to produce games themselves, or who are in need of support during parts of the production, for example, in connection with development, design, concept development, etc. The Company has been around since 2016, currently has approximately 20 employees, and has, since its formation, built a strong brand reputation with returning customers, including Electric Elephant and Leo-Vegas.

Wiener Games' revenue model is based on fixed remuneration for time designated, and therefore includes a limited business risk. The size of the revenue is based entirely on the size of the projects, and varies from project to project. For the Group, the acquisition of Wiener Games means that Fantasma Games can not only increase its own production capacity when needed, but also that it can now better meet the increasing demand from external parties for unique content.

### Environmental, social and corporate governance

Fantasma Games' premise is diversity and diversification. By these means, we attain a dynamic and creative work environment, with great respect for each individual and the differences that exist in terms of values and culture. Currently, five nationalities are represented among our employees. The well-being and motivation of each employee is central to Fantasma achieving its goals. We therefore prioritise evaluations in the form of conversations, and encourage physical activity through, among other things, healthcare subsidies. Environmentally, the footprint of an online company without physical goods or its own server halls is limited.

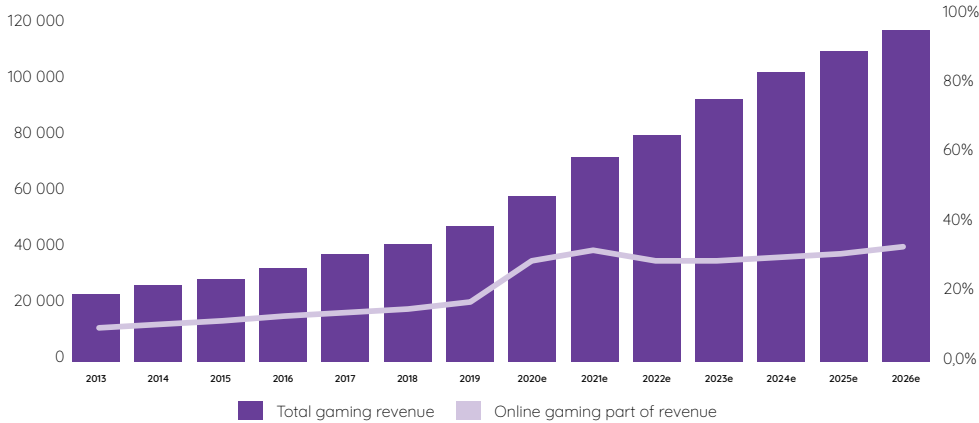


### Market

The growth of online casinos is primarily driven by increasing digitisation, which means that an ever increasing number of people are playing online instead of offline. Online gambling accounted for nearly 30 per cent in 2022. In a forecast, market analysis company H2 Gambling Capital, estimates that the development will continue, which means an annual growth of around 10 per cent up to 2026.

In addition to the overall digitisation of society, the growth is rooted in increased smartphone use. At present, the percentage of casino games that take place via mobile phones often makes up over 50 per cent of the total game volume for most online operators in Europe. The growth is also promoted by an increased understanding of the legislators for this type of gambling and business.

#### Growth for online casinos



50%

At present, the percentage of casino games that take place via mobile phones often makes up over 50 per cent of the total game volume

23%

The global market for online games was estimated in 2020 to be around USD 87 billion, according to H2GC, an increase of 23 per cent compared to the previous year.

The online casino market can be divided into live casino and Random Number Generator (RNG), in other words, slots. The RNG market is

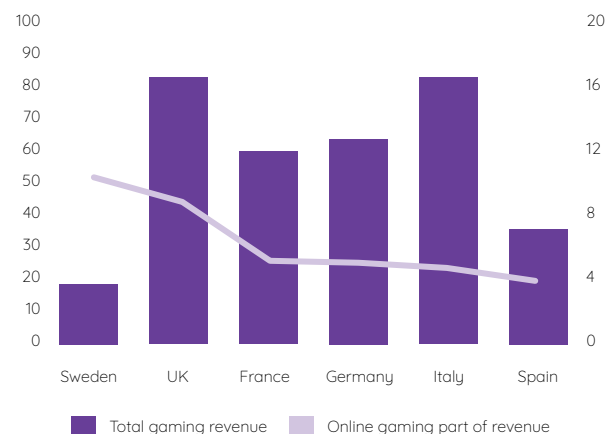
the largest, with an estimated value of 14,3 billion euro compared to around 6,5 billion euro for live casino. Fantasma Games focuses on slots and has reached a good market position in a short space of time. With a global market that is growing, talented developers, and a relatively low cost base, the potential is great, both in terms of growth and profitability.

#### Countries with different levels of maturity

Different countries have reached different levels of maturity in terms of the percentage of games that take place online. In the mature markets, which include the Nordic countries and the UK, a majority of the games are played online. Several other large European markets, however, have not come as far.

The gaming industry is individually regulated in each country. As such, there is no common international gaming legislation with which to refer. Historically, gambling for money has been restricted to the state and/or charitable organisations. Over the past 15 years, many countries, especially in Europe, have introduced new gaming legislation, which not only means that online gambling is permitted, but also that gambling licences can even be applied for by private players. In 2019, for example, Switzerland and Sweden introduced new gaming legislation.

#### Countries level of maturity



In the United States, online gambling has long been banned, and it is only in recent years that the first states have passed their own gaming legislation. This has resulted in the American market growing rapidly right now. At present, six states offer gambling with slots. Several other states are currently in the process of permitting gambling. In 2022, the US became the third largest market for Fantasma Games.

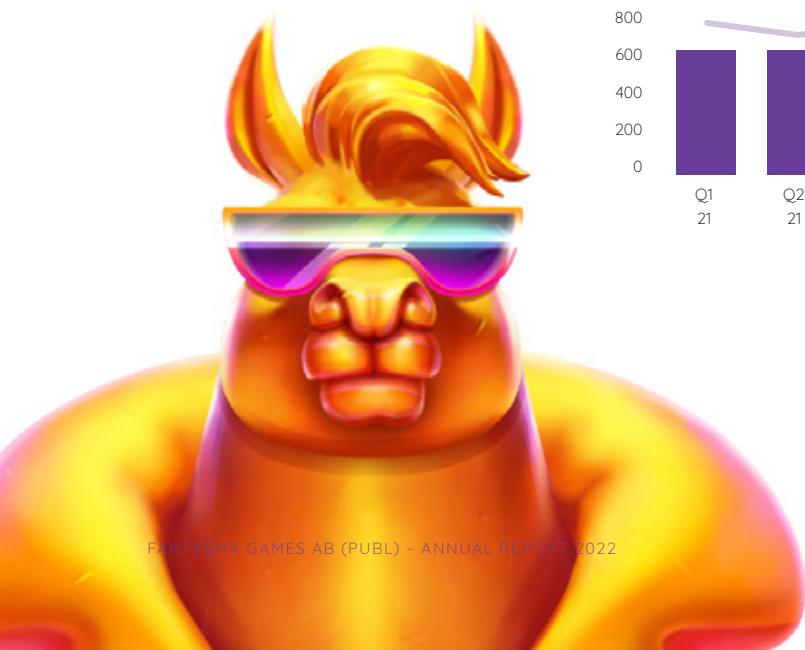
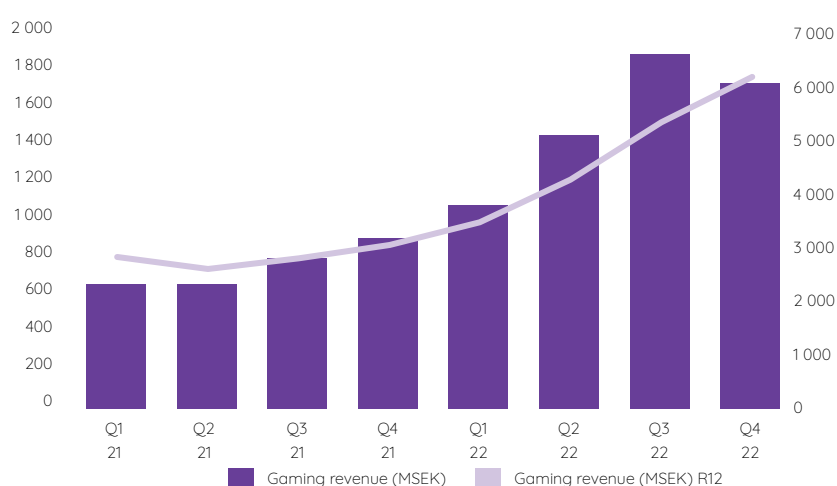
As a B2B supplier, Fantasma Games aims its business at the operators, who in turn own the relationship with the players. These operators are generally licensed in a number of countries, but they operate in a global market and allow games from different geographical regions.

## KEY FIGURES

(TSEK)	FY 2022 Jan-Dec	FY 2021 Jan-Dec
Gaming turnover, MSEK	6 064	2 997
Gross gaming revenue, MSEK	324	91
Gaming margin, %	5,3%	3,0%
Net sales, MSEK	31,0	7,8
Operating revenue, MSEK	38,6	14,0
Cost of services sold, MSEK	-4,4	-1,7
Gaming income, MSEK	26,6	6,1
Operating costs, MSEK	-40,7	-21,2
EBITDA, MSEK	5,5	-4,7
EBITDA margin	14%	-60%
<b>Equity per share</b>		
Before dilution, SEK	6,89	9,30
After dilution, SEK	6,89	8,18
<b>Earnings per share</b>		
Before dilution, SEK	-0,95	-2,99
After dilution, SEK	-0,95	-2,63
<b>Number of shares</b>		
Number of shares at the beginning of the period	3 034 090	2 056 596
Number of shares at the end of the period	3 556 535	3 034 090
Outstanding warrants	210 000	660 000
Average number of shares before dilution	3 341 242	2 476 458
Average number of shares after dilution	3 341 242	2 815 059

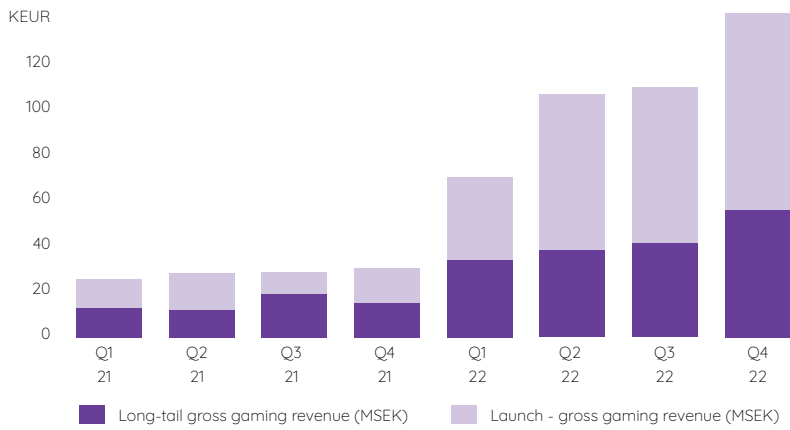
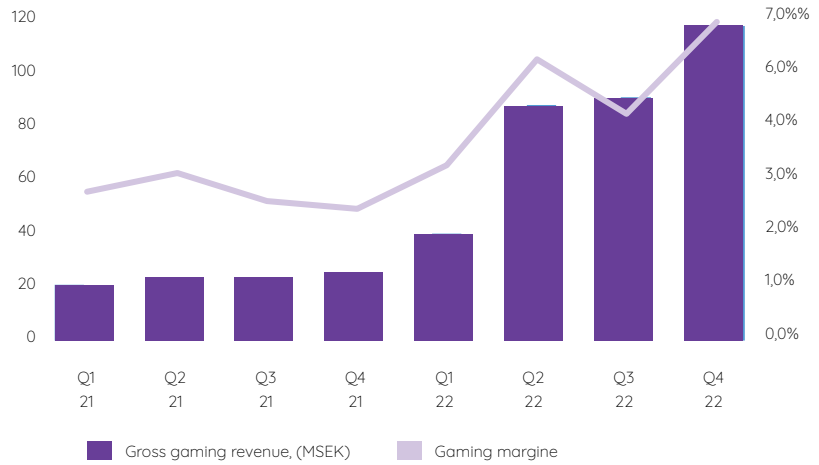
## Gaming turnover

Gaming turnover, in other words, customers' total wagers, in 2022 amounted to MSEK 6 064 (2 997), which is an increase of 102 per cent compared to the previous year.



### Gross gaming revenue and gaming margin

The gross gaming revenue, in other words, the balance after winnings are paid out to the players, is the amount that forms the basis for Fantasma Games' income associated with its own games. For the full year, gross gaming revenue amounted to MSEK 324 (91), corresponding to an increase of 256 per cent. The fact that the gross gaming revenue increased more than the gaming turnover is due to the fact the gaming margin for the full year 2022 amounted to 5.33 (3.0) per cent. Our games reached new markets in 2022, where the interest in a slightly higher gaming margin is greater than in those markets in which we operated in 2021, while the gaming margin in 2021 was below the theoretical gaming margin for our games.



### Gross gaming revenue - underlying growth

Our so-called long-tail gross gaming revenue (gross gaming revenue from games older than six months) continues to grow as a percentage of total gross gaming revenue. This growth is the foundation of our ability to increase the Company's net sales 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 release of the games). In 2022, 43 per cent of the gross gaming revenue came from the long-tail gross gaming revenue, corresponding to MSEK 138, and related to 18 games at the end of the financial year.



# GOALS FOR THE GROUP

In conjunction with the IPO in 2021, financial and strategic goals were set until the end of the financial year 2023.

## Financial goals:

- **Average annual growth of 30 per cent..**  
The compound annual growth rate (“CAGR”) is 94 per cent for total revenue, and 162 per cent for net gaming revenue for the years 2020 to 2022.
- **EBITDA margin of 50 per cent with positive cash flow**  
The EBITDA margin is positive for the first time for the full year 2022 and amounted to 14 per cent, compared to -33 per cent for 2021. The cash flow from operating activities is positive for the full year 2022, but the cash flow for the period is negative (MSEK -2.4), as the redemption of subscription warrants totalling MSEK 6.8 is included. With increased income and a maintained cost base, we hope to be able to reach the goals in 2023.



## Strategic goals:

- **At least 50 per cent of the in-house produced games shall be profitable within 180 days of launch.**  
In 2022, eight games were released, of which five were profitable within 180 days. Three of the games were released in the second half of 2022 and, as of the closing date 2022, had not generated revenue in 180 days. The conditions for achieving the goal are strengthened as more operators and markets are available in 2023.
- **At least 250 qualitative operators in the group’s network.**  
As of the closing date 2022, we had over 250 qualitative operators, with a number of ongoing discussions with new operators. In Q1 2023 alone, a number of leading operators have been added across multiple markets, including Draft Kings, Rush Street and Bet365.

**In order to achieve the financial and strategic goals, Fantasma Games works according to a growth strategy consisting of the following steps.**

## Fantasma Games strategy

### 1. Attractive gaming portfolio

Fantasma Games strives to continuously and systematically create new and interesting games for operators and players, based on the concept of ‘Slots beyond gambling’. This is reflected in the game’s functions, as well as in the graphics, and creates the best possible gaming experience. Game development is efficient, which means a low production cost that enables the games to quickly reach profitability.

### 2. Maximise reach through distributors and operators

Fantasma Games reaches the end user, the player, via agreements with distributors and operators. The equation is simple – the more distributors and operators that offer our products, the more players. Therefore, Fantasma Games has agreements with the leading distributors in the world, and is constantly looking for new options to be able to maximise the reach among markets and operators. Fantasma Games uses its distributors’ licences to enter new markets, and thereby reach new operators, which creates cost-effective growth.

### 3. Strong relationships

Strong customer relationships, for example, with distributors and operators, are an important cornerstone of Fantasma Games’ growth strategy. Close relationships ensure good exposure when launching new games, build a better long-tail in the games, and create a solid understanding of the types of games that the operators want to be able to offer their players. With a relatively small organisation, Fantasma Games is agile and adapts production at short notice, which is appreciated by operators.

### 4. Acquisition

The gaming market is characterised by a strong consolidation trend. Fantasma Games sees great opportunities to acquire companies, such as the acquisition of Wiener Games in 2021, or acquisitions that strengthen the Company’s business deals.

The strategic goals reflect the described strategic initiatives regarding increased scope, and that an increased proportion of the games produced should reach profitability even more quickly.

# STOCK

## Trading and market value

Fantasma Games has been listed on Nasdaq First North Growth Market since 18 March 2021 under the ticker FAGA and with ISIN code SE0015557053. As of the last trading day during the period, 30 December 2022, the last closing price was SEK 41.3 per share, which corresponds to a market value of approximately MSEK 146.9 based on 3 556 535 outstanding shares.

## Share capital

As of 31 December 2022, the registered share capital amounted to SEK 889 133.75, divided into 3 556 535 shares with a quota value of SEK 0.25 per share. The Company has only one class of shares, and all shares have the same right to dividends and repayment of invested capital, as well as one vote at the Annual General Meeting.

## Ownership and major shareholders

The Company's shareholders with holdings as of 31 December 2022, including subsequent known changes that have taken place up to the date of the report, are shown below.

Shareholder (directly and indirectly via the Company)	No. of shares	Proportion of votes and capital, %
Fredrik Johansson*	507 166	14.3%
Karl Lindstedt	327 500	9.2%
KL Capital	207 671	5.8%
Christina Andersson	203 420	5.7%
Oliver Jönsson	189 483	5.3%
Pontus Lindvall	168 545	4.7%
Martin Fagerlund*	166 716	4.7%
Tianzhi Zhou	131 186	3.7%
Björn W Ericsson	118 000	3.3%
Eric Holmberg*	93 900	2.6%
Other	1 442 948	40.7%
<b>Total</b>	<b>3 556 535</b>	<b>100.00%</b>

\*The shareholder is a Board member of the Company.

## Subscription warrants, convertibles and share-related incentive programmes

	Year decided	No. of warrants	Subscription period	Subscription price (SEK)	Paid pre-mium (SEK)	Holder
<b>Incentive programme 2021/2024</b>	2021	100 000	2024/10/21 -- 2024/12/21	SEK 65	SEK 1.85	The Company's senior executives and key personnel
<b>Incentive programme 2022/2025</b>	2022	110 000	2025/09/30 -- 2025/11/30	SEK 50	SEK 2.67	The Company's senior executives and key personnel

### Incentive programme 2021/2024

At the Extraordinary General Meeting on 21 October 2021, there was a resolution on a private placement of a total of 100 000 subscription warrants within the framework of an incentive programme for both existing and future senior executives, key individuals and employees of the Company, and any subsidiaries that may be included in the Company's Group from time to time. All subscription warrants were subscribed for by the subsidiary Fantasma Games Incentive AB, and then transferred to the participants in the incentive programme. Each subscription warrant entitles the holder to subscribe for one share at a subscription price corresponding to sixty-five (65) kronor during the period from 21 April 2024 to 21 December 2024. Upon full exercise of the subscription warrants, the Company's share capital will increase by a maximum of SEK 25 000, and entail a dilution of approximately three per cent.

### Incentive programme 2022/2025

At the Extraordinary General Meeting on 30 September 2021, there was a resolution on a private placement of a total of 110 000 subscription warrants within the framework of an incentive programme for both existing and future senior executives, key individuals and employees of the Company, and any subsidiaries that may be included in the Company's Group from time to time. All subscription warrants were subscribed for by the subsidiary Fantasma Games Incentive AB, and then transferred to the participants in the incentive programme. Each subscription warrant entitles the holder to subscribe for one share at a subscription price corresponding to fifty (50) kronor during the period from 30 September 2025 to 30 November 2025. Upon full exercise of the subscription warrants, the Company's share capital will increase by a maximum of SEK 27 500, and entail a dilution of approximately three per cent.

# ADMINISTRATION REPORT

The Board of Directors and the CEO of Fantasma Games AB (publ), with its registered office in Stockholm and corporate identity number 559074-0881, hereby submit the annual report for the financial year 2022. Figures in brackets refer to the previous year. All amounts are expressed in thousands of kronor (TSEK) unless otherwise stated.

## Multi-year comparison\*, Group

	2022	2021*
Net sales	30 984	7 772
Profit after financial items	-2 926	-7 182
Profit in % of net sales	-9%	-93%
Balance sheet total	42 811	37 289
Equity/assets ratio (%)	67%	62%
Cash flow (%)	328%	302%

## Multi-year comparison, Parent Company\*\*

Flerårsjämförelse, moderbolag*	2022	2021*	2020	2019	2018	2016/2017
Gaming turnover	20 558	7 092	4 515	1 241	392	149
Profit after financial items*	-1 962	-6 806	-563	-6 363	-4 212	-2 882
Equity/assets ratio (%)*	68%	64%	59,07	10,25	neg	78,23

\*Definitions of key figures, see notes

\*Corrected, see note 14

In previous years, turnover has consisted of net reported revenue after deduction of fees. As of 2021, the gross income and deductions are reported separately.

Sales (TSEK)	Group		Parent company	
	2022	2021	2022	2021
Net sales	30 984	7 772	20 558	7 092
Cost of services sold	-4 429	-1 672	-4 429	-1 672
<b>Gaming revenue</b>	<b>26 555</b>	<b>6 100</b>	<b>16 128</b>	<b>5 420</b>

Since Fantasma Games made an adjustment in the classification of revenue during 2021, the total gaming revenue is now reported, in other words, net sales less the cost of services sold, in order to more clearly illustrate the company's costs directly attributable to services sold. The comparison is acceptable as the gaming revenue corresponds to previously reported net sales in Fantasma Games. The total reported gaming revenue for the full year amounted to MSEK 26.6 (6.1) for the Group, corresponding to an increase of 335 per cent, and MSEK 16.1 (5.4) for the Parent Company, corresponding to an increase of 198 per cent.

## Costs and result

Operating expenses amounted to MSEK 40.7 (21.1) in 2022, and are primarily characterised by the investments the Company has made in improving its own production, increased depreciation costs attributable to the increase in the gaming portfolio and depreciation on goodwill, and that the comparative figures only include Fantasma Games AB until the first of December 2021. Cost of services sold has increased to MSEK 4.4 ( 1.7), for both the Group and the Parent Company, as an effect of the increased net sales. Of the total operating expenses, personnel costs



amounted to MSEK 19.3 (10.7), other external expenses to MSEK 9.1 (6.2), and depreciation and amortisation to MSEK 7.6 (2.5). The operating profit amounted to MSEK -2.1 (-7.2).

The Parent Company's costs amounted to MSEK 29.3 (20.1), of which personnel costs amounted to MSEK 11.7 (9.9), other external expenses MSEK 8.7 (6.2), and depreciation and amortisation amounted to MSEK 4.3 (2.2).

### Financial position

Cash and cash equivalents amounted to MSEK 5.8 (8.1), and total current assets amounted to MSEK 15.2 (11.8) at the end of the period for the Group. The Company assesses that its current liquidity is sufficient to finance the existing plans for 2023.

### Risk management

Provided that a company has a good distribution of games, the biggest risk for companies like Fantasma is that the majority of the games produced do not generate revenue that covers the development costs. That risk cannot be completely avoided, but by developing methods and processes for evaluating the games, this risk is reduced while the quality level is continuously raised. As part of this, several game prototypes are developed before the company decides which games will be further developed, and consequently entail additional costs. Furthermore, senior advisors, both internal and external, are given the chance to offer suggestions and criticism. At the same time, it is always a risk-based balance that determines whether

the company should spend more time on a game or go straight to launch. At a somewhat difficult to define juncture, game development companies reach a point where more production time has a diminishing commercial benefit.

### Acquisition of Wiener Games

On 29 November 2021, Fantasma Games completed the acquisition of Wiener Games OOD, a game producer based in Bulgaria. The acquisition means that Fantasma Games will be able to increase the pace of its own game development, while Wiener Games' operations provide completely new revenue streams. This also means that Fantasma Games will be able to make more games for selected operators without any added resource burden on the Swedish part of the business.

The deal also includes a contingent consideration, based on future results (EBIT 2021-2024), which can amount to a maximum of MEUR 1.8, and is paid either through newly issued shares in Fantasma Games or in cash, which Fantasma Games has the right to decide.

Due to the correction of an error in the calculation of the contingent consideration for the acquisition of Wiener Games, amounts for 2021 and 2022 have been amended, see Note 14. The correction affects the impairment of goodwill, as well as financial items in the Group's and Parent Company's income statement, and in addition, intangible fixed assets, equity, and other liabilities in the Group's and the Parent Company's balance sheet.



# CORPORATE GOVERNANCE

Fantasma Games AB (publ) is a Swedish public limited company, with its registered office in Stockholm municipality. Corporate governance at Fantasma Games is based on Swedish legislation, the Company's Articles of Association, Nasdaq First North's regulations before issuers, and internal rules and regulations. The Company does not apply the Swedish Code of Corporate Governance.

## General meeting

In accordance with the Swedish Companies Act (2005:551), the General Meeting is the Company's highest decision-making body. At the General Meeting, the shareholders exercise their voting rights on key issues, such as resolution on the results and balance sheets, appropriation of the Company's profit/loss, granting discharge from liability for the Board members and CEO, election of Board members and auditors, and remuneration to the Board of Directors and auditors.

The Annual General Meeting shall be held within six months from the end of the financial year. In addition to the Annual General Meeting, notice can also be given of an Extraordinary General Meeting. According to the Articles of Association, notice of a General Meeting is given via an announcement in Post- och Inrikes Tidningar and on

the Company's website. Information that a summons has been issued shall be announced in Svenska Dagbladet.

## Composition of the Board of Directors

The Board members are appointed by the shareholders at the Annual General Meeting for the period until the end of the next Annual General Meeting. According to the Articles of Association, the Board of Directors of Fantasma Games shall consist of a minimum of three and a maximum of six ordinary members, and it is the Annual General Meeting that decides on the exact number of Board members. The Articles of Association have no special provisions on the appointment and dismissal of Board members.

## Board members

As of the reporting date, the Company's Board of Directors consists of six ordinary members, including the Chair of the Board, without deputies. Martin Fagerlund and Fredrik Johansson were elected at the Annual General Meeting on 5 February 2021, Johan Königslehner was elected at the Extraordinary General Meeting on 21 October 2021, and Eric Holmberg, Antonia Svensson and Johan Styren were elected at the Annual General Meeting on 25 May 2022, all until the end of the 2023 Annual General Meeting.

Name	Position	Elected	Year of birth	Shares	Warrants	Independence in relation to	
						The Company and company management	Bolagets större aktieägare
Eric Holmberg	SO	2022	1982	93 900	15 000	Independent	Independent
Antonia Svensson	LE	2022	1987	0	10 000	Independent	Independent
Martin Fagerlund	LE	2020	1981	166 716	10 000	Independent	Independent
Johan Styren	LE	2022	1982	0	10 000	Independent	Independent
Johan Königslehner	LE	2021	1972	1 019	10 000	Independent	Independent
Fredrik Johansson	LE	2017	1981	507 166	24 902	Dependent	Dependent

Independence refers to a non-obvious position of dependence, such as common corporate involvement in another form, or other financial dealings that are not reflected in the common commitment as Board members of Fantasma Games.

## Remuneration to the Board of Directors

Remuneration is paid to the Chair and members of the Board in accordance with the decision of the Annual General Meeting. At the Annual General Meeting on 5 May 2022, it was resolved that fees to the Board members, including the Chair, who do not receive a salary from the Company, shall be paid in a price base amount (SEK 52 500). The Company's Board members are not entitled to any benefits after they have resigned as Board members.

## Senior executives

The management team consists of three people, all of whom are based in Sweden.

## CEO

The CEO is appointed and dismissed by the Board of Directors, and his work is evaluated on an ongoing basis by the Board. The Company's CEO leads the day-to-day operations. A written instruction defines the division of responsibilities between the Board of Directors and the CEO.



Name	Position	Year of birth	Employed since	Shares	Warrants
Fredrik Johansson	CEO	1981	2017	507 166	24 902
Tianzhi Zhou	CPO	1991	2019	131 286	37 098
Axel Billgren	Senior Business Controller	1993	2022	1 823	10 000

The CEO reports to the Board of Directors and presents a specific CEO report at each Board meeting, which includes information on how the business is developing based on the decisions made by the Board of Directors.

### Remuneration to management

The CEO's remuneration is determined by the Board of Directors. Remuneration to other senior executives is decided by the CEO after consultation with the Chair of the Board.

### Related party transactions

The Group's key individuals consist of the Board of Directors, the CEO, and Group Management, in part through their ownership in Fantasma Games, but also through their role as senior executives.

The Company is located in premises at Regeringsgatan 88 in Stockholm, which, since 1 October 2017, has been sublet by CF Digital Developments AB, one of Fredrik Johansson's wholly owned companies, to which reimbursement in the form of rent has been paid, for a total of SEK 200 000 for 2018, SEK 381 890 for 2019, SEK 468 838 for 2020, SEK 420 000 for 2021, and SEK 457 611 for 2021. Fantasma Games AB moved to Frejgatan 32 in December 2022, and will not pay rent to CF Digital Developments AB during 2023. No further related party transactions between these key individuals and the Company were carried out during the year other than remuneration in the form of salary and fees.

### Rules and legislation

The gaming industry is individually regulated in each country. As such, there is no common international gaming legislation with which to refer. This arrangement is not expected to change.

Historically, gambling for money has been restricted to the state and/or charitable organisations. Over the past 15 years, many countries, especially in Europe, have introduced new gaming legislation. In most countries, new gambling legislation means that online gambling will be permitted, and that gaming licences can also be applied for by private players. In 2019, for example, Switzerland and Sweden introduced new gaming legislation. In the US, online gambling has long been banned, and it is only in recent years that the first states have passed their own gaming legislation.

### Environment, sustainability and social responsibility

Fantasma Games does not conduct any activities that are subject to licence in accordance with the Environmental Code (1998:808). As the Company develops games that constitute software, which does not result in a physical product, there is limited environmental focus in the product development itself. In the operational activities, the management team seeks to ensure responsible behaviour towards both the environment and society in terms of purchasing, operations, etc.

### Dividend and dividend policy

Fantasma is a company under construction, and has historically not paid any dividends to shareholders and has not adopted any dividend policy. The Company does not plan to pay dividends in the coming years either, but intends to reinvest any profits in the business.

### Certified Adviser

Since 17 March 2023, the Company's certified adviser is Erik Penser Bank.

## APPROPRIATION OF PROFIT/LOSS

### Proposal on appropriation of the company's profit

At the disposal of the Annual General Meeting:

Balanced loss	-32 475 018
Free premium fund	50 770 630
Loss for the year	-1 961 708
	16 333 904
The Board of Directors proposes to be transferred to a new account	16 333 904

# ACCOUNTS

## PROFIT AND LOSS STATEMENT

(TSEK)	Not	Group		Parent Company	
		2022	2021*	2 022	2021*
<b>Operating revenue</b>					
Net sales		30 984	7 772	20 558	7 092
Capitalised work on own account		7 508	6 164	7 508	6 164
Other revenue		113	40	113	41
<b>Total operating revenue</b>		<b>38 605</b>	<b>13 976</b>	<b>28 178</b>	<b>13 297</b>
<b>Operating expenses</b>					
Cost of services sold		-4 429	-1 672	-4 429	-1 672
Other external expenses	2	-9 107	-6 214	-8 666	-6 233
Personnel costs	3	-19 324	-10 684	-11 677	-9 869
Depreciation and amortisation		-7 581	-2 485	-4 319	-2 233
Other operating expenses		-245	-71	-200	-71
<b>Total operating expenses</b>		<b>-40 686</b>	<b>-21 127</b>	<b>-29 291</b>	<b>-20 078</b>
<b>Operating profit</b>		<b>-2 081</b>	<b>-7 150</b>	<b>-1 112</b>	<b>-6 782</b>
Other interest income and similar profit and loss items*		4	85	0	85
		-849	-117	-850	-110
<b>Profit after financial expenses</b>		<b>-2 926</b>	<b>-7 182</b>	<b>-1 962</b>	<b>-6 806</b>
Tax on profit for the year	4	-242	-223	0	0
<b>Profit for the year</b>		<b>-3 168</b>	<b>-7 405</b>	<b>-1 962</b>	<b>-6 806</b>

\*Corrected, see Note 14



## BALANCE SHEET

(TSEK)	Note	Group		Parent Company	
		2022-12-31	2021-12-31*	2022-12-31	2021-12-31*
<b>ASSETS</b>					
<b>Fixed assets</b>					
Intangible fixed assets					
Capitalised expenditure on development work and similar work	5	13 554	10 241	12 127	8 932
Concessions, patents, licences, trademarks, etc.	6	22	28	22	28
Goodwill	7	12 944	14 933	0	0
<b>Total intangible fixed assets</b>		<b>26 520</b>	<b>25 202</b>	<b>12 149</b>	<b>8 960</b>
<b>Tangible fixed assets</b>					
Plant and machinery	8	40	8	0	0
<b>Total tangible fixed assets</b>		<b>40</b>	<b>8</b>	<b>0</b>	<b>0</b>
<b>Financial fixed assets</b>					
Interests in Group companies*	9	0	0	19 221	19 221
Receivables from Group companies		0	0	480	0
Other long-term receivables	10	971	250	279	28
<b>Total financial assets</b>		<b>971</b>	<b>250</b>	<b>19 980</b>	<b>19 249</b>
<b>Total fixed assets</b>		<b>27 530</b>	<b>25 460</b>	<b>32 129</b>	<b>28 210</b>
<b>Current assets</b>					
<b>Short-term receivables</b>					
Accounts receivable		5 337	2 628	930	172
Receivables from Group companies		0	0	5	186
Tax assets		0	0	0	0
Other receivables		309	491	287	292
Prepaid expenses and accrued income	11	3 825	604	3 821	604
		<b>9 471</b>	<b>3 724</b>	<b>5 042</b>	<b>1 255</b>
Cash and cash equivalents		5 777	8 105	5 308	7 981
<b>Total current assets</b>		<b>15 248</b>	<b>11 829</b>	<b>10 350</b>	<b>9 236</b>
<b>Total assets</b>		<b>42 779</b>	<b>37 289</b>	<b>42 480</b>	<b>37 445</b>

\*Corrected, see Note 14

(TSEK)	Not	Group		Parent Company	
		2022-12-31	2021-12-31*	2022-12-31	2021-12-31*
<b>EQUITY AND LIABILITIES</b>					
<b>Equity, Group</b>					
Share capital		889	759		
Coother contributed capital		51 221	44 260		
Other equity incl. profit for the year*		-23 490	-21 999		
<b>Total equity attributable to the Parent Company's shareholders</b>		<b>28 620</b>	<b>23 019</b>		
<b>Equity, Parent Company</b>					
Restricted equity					
Share capital				889	759
Development expenditure fund				11 716	8 521
				<b>12 605</b>	<b>9 279</b>
<b>Unrestricted equity</b>					
Premium fund*				50 770	44 083
Balanced result*				-32 475	-22 767
Profit for the year*				-1 962	-6 806
				<b>16 334</b>	<b>14 510</b>
<b>Total equity, Parent Company</b>				<b>28 939</b>	<b>23 789</b>
<b>Long-term liabilities</b>					
	12				
Provisions*		9 510	10 120	8 397	10 120
Other liabilities		15	234	0	0
<b>Total long-term liabilities</b>		<b>9 525</b>	<b>10 354</b>	<b>8 397</b>	<b>10 120</b>
<b>Short-term liabilities</b>					
Advances from customers		1 280	1 479	1 280	1 479
Accounts payable		703	376	685	394
Liabilities to Group companies		0	0	0	43
Current tax liability		0	208	0	0
Other liabilities		616	562	1 145	329
Accrued expenses and prepaid income		2 034	1 291	2 034	1 291
<b>Total short-term liabilities</b>		<b>4 633</b>	<b>3 916</b>	<b>5 144</b>	<b>3 536</b>
<b>Total equity and liabilities</b>		<b>42 779</b>	<b>37 289</b>	<b>42 480</b>	<b>37 445</b>

\*Corrected, see Note 14

## CASH FLOW ANALYSIS

(TSEK)	Not	Group		Parent Company	
		2 022	2 021	2 022	2 021
<b>Operating activities</b>					
Operating profit		-2 081	-7 238	-1 112	-6 782
Adjustment for items not included in the cash flow	13	7 597	2 573	4 321	2 232
Interest received		4			
Interest paid		-2	-117	-2	-110
Paid income tax		-216	-72	-63	-58
<b>Cash flow from operating activities before changes in working capital</b>		<b>5 301</b>	<b>-4 854</b>	<b>3 144</b>	<b>-4 717</b>
<b>Cash flow from changes in working capital</b>					
Decrease(+)/increase(-) in accounts receivable		-2 405	-308	-759	-6
Decrease(+)/increase(-) in receivables		-3 213	-310	-3 216	-226
Increase/decrease in operating receivables		328	-387	247	-179
Increase/decrease in short-term liabilities		320	1 400	310	1 168
<b>Cash flow from operating activities</b>		<b>331</b>	<b>-4 458</b>	<b>-275</b>	<b>-3 960</b>
<b>Investment activities</b>					
Acquisition of capitalised expenditure for research, etc.	5	-7 508	-6 164	-7 508	-6 164
Acquisition of concessions, patents, licences etc.	6	-46	-33	0	-33
Acquisition of Group companies	9	-1 698	-6 686	-1 458	-6 879
Acquisition of financial fixed assets		-250		-250	
New lending to external parties	10	0	-18	0	-18
Repayment of loans from external parties	10	0	292	0	9
<b>Cash flow from investment activities</b>		<b>-9 501</b>	<b>-12 610</b>	<b>-9 216</b>	<b>-13 085</b>
<b>Financing activities</b>					
New share issue for the year		6 818	24 947	6 818	24 766
Amortisation of long-term loans			-33	0	0
<b>Cash flow from financing activities</b>		<b>6 818</b>	<b>24 913</b>	<b>6 818</b>	<b>24 766</b>
<b>Changes in cash and cash equivalents</b>		<b>-2 352</b>	<b>7 845</b>	<b>-2 673</b>	<b>7 721</b>
Cash and cash equivalents at the beginning of the period		8 105	260	7 981	260
Exchange rate differences in cash and cash equivalents		25	0	0	0
Cash and cash equivalents at the end of the period		5 778	8 105	5 308	7 981

## CHANGES IN EQUITY, THE GROUP

(TSEK)	Share capital	Other contributed capital	Other equity			Total equity
			Balanced result incl. Profit for the year	Fund for development fees	Accumulated exchange rate differences	
At the beginning of the period 2022-01-01	759	44 260	-30 358	8 521	-163	23 019
Capitalised development fees			-7 508	7 508		0
Dissolution due to the year's depreciation			4 312	-4 312		0
New share issue	131	7 116				7 246
Issue costs		-428				-428
Allocation of subscription warrants		274				274
Conversion differences					1 677	1 677
Profit for the period			-3 168			-3 168
<b>At the end of the period 2022-12-31</b>	<b>889</b>	<b>51221</b>	<b>-36 722</b>	<b>11 716</b>	<b>1 515</b>	<b>28 620</b>

(TSEK)	Share capital	Other contributed capital	Other equity			Total equity
			Balanced result incl. Profit for the year	Fund for development fees	Accumulated exchange rate differences	
At the beginning of the period 2022-01-01	759	44 260	-30 358	8 521	-163	23 019
Capitalised development fees			-6 164	6 164		0
Dissolution due to the year's depreciation			2 228	-2 228		0
Fund issue	411			-411		0
New share issue	244	30 784				31 028
Issue costs		-4 208				-4 208
Allocation of subscription warrants		177				177
Cancellation of option programme		-21				-21
Conversion differences					-163	-163
Profit for the year			-7 405			-7 405
<b>At the end of the period 2021-12-31</b>	<b>759</b>	<b>44 260</b>	<b>-30 358</b>	<b>8 521</b>	<b>-163</b>	<b>23 019</b>

\*Corrected, see Note 14

## CHANGES IN EQUITY, THE PARENT COMPANY

(TSEK)	Share capital	Fund for development fees	Premium fund	Other unrestricted equity	Profit for the year	Total equity
At the beginning of the period 2022-01-01	759	8 521	44 083	-22 767	-6 806	23 790
Capitalised development fees		7 508		-7 508		0
Dissolution due to the year's depreciation		-4 312		4 312		0
Fund issue						0
New share issue	131		7 116			7 246
Issue costs			-428			-428
Allocation of subscription warrants				294		294
Cancellation of option programme						0
Appropriation of profit acc. to resolution of the AGM				-6 806	6 806	0
Loss for the year					-1 962	-1 962
<b>At the end of the period 2022-12-31</b>	<b>889</b>	<b>11 716</b>	<b>50 771</b>	<b>-32 475</b>	<b>-1 962</b>	<b>28 939</b>

(TSEK)	Share capital	Fund for development fees	Premium fund	Other unrestricted equity	Profit for the year	Total equity
At the beginning of the period 2021-01-01	103	4 996	17 528	-18 454	-563	3 610
Capitalised development fees		6 164		-6 164		0
Dissolution due to the year's depreciation		-2 228		2 228		0
Fund issue	411	-411				0
New share issue	245		30 784			31 029
Issue costs			-4 208			-4 208
Allocation of subscription warrants				186		186
Cancellation of option programme			-21			-21
Appropriation of profit acc. to resolution of the AGM				-563	563	0
Loss for the year					-6 806	-6 806
<b>At the end of the period 2021-12-31</b>	<b>759</b>	<b>8 521</b>	<b>44 083</b>	<b>-22 767</b>	<b>-6 806</b>	<b>23 789</b>

\*Corrected, see Note 14

# NOTES

## Note 1

### Accounting and valuation principles

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1. Årsredovisning och koncernredovisning (K3). Under 2021 har bolaget förvärvat 100% av aktierna i Wiener Games OOD samt bildat dotterbolaget Fantasma Games Incentives AB. I och med detta upprättar Bolaget koncernredovisning fr.o.m. 29 november 2021. Koncernens resultaträkning, kassaflödesanalys samt förändringar i eget kapital före 29 november 2021 innehåller endast moderbolaget. Redovisningsprinciperna är oförändrade jämfört med föregående år.

### Consolidated financial statements

#### Subsidiaries

Subsidiaries are companies in which the Parent Company directly or indirectly holds more than 50 per cent of the voting rights, or otherwise has a controlling influence. Controlling influence means a right to formulate a company's financial and operational strategies in order to obtain financial benefits. The reporting of business acquisitions is based on the unit view. This means that the acquisition analysis is prepared as of the time when the acquirer gains a controlling influence. From this point on, the acquirer and the acquired unit are considered as an accounting unit. The application of the unit view also means that all assets (including goodwill) and liabilities, as well as revenue and expenses, are included in their entirety, including for partly owned subsidiaries.

The acquisition value for subsidiaries is calculated at the sum of fair value at the time of acquisition for paid assets, with the addition of incurred and acquired liabilities, as well as issued equity instruments, expenses that are directly attributable to the business combination, and any contingent consideration. The acquisition analysis determines the fair value at the time of acquisition of acquired identifiable assets and assumed liabilities. From the time of acquisition, the consolidated financial statements include the acquired company's revenues and expenses, identifiable assets and liabilities, as well as goodwill incurred.

#### Goodwill

Consolidated goodwill arises when the acquisition value upon acquisition of interests in subsidiaries exceeds the value of the acquired company's identifiable net assets determined in the acquisition analysis. Goodwill is reported at acquisition value less accumulated depreciation and any impairment.

#### Contingent consideration

If, at the time of acquisition, it is probable that the purchase price will be adjusted at a later date and the amount can be estimated in a reliable manner, the amount shall be included in the estimated final acquisition value of the acquired unit. Adjustment of the value of the contingent consideration within twelve months from the time of acquisition

affects the goodwill/negative goodwill. Adjustments later than twelve months after the acquisition date are reported in the Group's income statement.

#### Revenue recognition

The Group's revenue mainly consists of two revenue streams. One, which relates to Fantasma Games, is royalty based on how much revenue its games realise. Income is recognised at the fair value of what has been received or will be received. Revenue recognition takes place based on the customer's reported accounts, which then equals actual sales.

In previous years, sales consisted of net reported revenue after deductions for fees. From 2021 onwards, revenue and deductions are reported as costs of services sold.

The second revenue stream, which relates to Wiener Games, is based on services rendered and invoiced on an ongoing basis. For service assignments on an ongoing basis, the income attributable to an executed service assignment is reported as income as work is performed and materials are delivered or consumed.

#### Foreign currencies

Assets and liabilities in a foreign currency have been translated at the closing day exchange rate. Transactions in foreign currency have been translated at the spot rate on the transaction date. The subsidiary Wiener Games OOD's accounting currency is BGN, where the balance sheet has been translated at the closing day exchange rate and the income statement at the average rate for the period from the Group's formation. Exchange rate differences that arise from the translation of foreign subsidiaries are reported in the Group's equity.

#### Financial instruments

Financial instruments are reported at acquisition value. Financial instruments reported in the balance sheet include accounts receivable and other receivables, as well as accounts payable and other liabilities. The instruments are reported in the balance sheet when the Company becomes a party to the instrument's contractual conditions. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred, and the Company has transferred virtually all risks and benefits associated with ownership. Financial liabilities are removed from the balance sheet when the obligations have been settled or otherwise ceased.

#### Share-based payments with equity instruments

Share-based payments that are settled with equity instruments are payments through which the Company acquires goods or services as compensation for the Company's equity instruments.

During the year, Fantasma Games AB issued subscription warrants to the subsidiary Fantasma Games Incentives AB, through which the Group's employees can subscribe for



warrants in the Parent Company. The employees pay fair value for the options and the settlement for subscription warrants is reported directly in equity.

### Equity

The Group's equity is reported in the items Share capital, Other contributed capital, and Other equity including the result for the year, where Other contributed capital consists of unrestricted share premium fund in the Parent Company and Other equity consists of result for the year, balanced result, issued subscription warrants, and translation difference.

### Tangible fixed assets

Tangible fixed assets are reported at acquisition value less accumulated depreciation and any impairment. The assets are depreciated on a straight-line basis over the assets' estimated useful life, except for land, which is not depreciated. The useful life is reviewed on each balance sheet date. The following periods of use apply:

Machinery and other technical equipment  
No. of years: 2-7

### Intangible fixed assets

Intangible fixed assets are reported at acquisition value less accumulated depreciation and impairment. The capitalisation model is applied to internally generated intangible assets. Depreciation is made on a straight-line basis over the estimated useful life. The depreciation period for internally generated intangible fixed assets amounts to three years.

Capitalised expenditure on development work and similar work  
No. of years: 3

Concessions, patents, licences, trademarks and similar rights  
No. of years: 5

### Leasing

A financial leasing agreement is a leasing agreement according to which the financial risks and benefits associated with owning an asset are essentially transferred from the lessor to the lessee. An operational leasing agreement is a leasing agreement that is not a financial leasing agreement. There are no financial leasing agreements within the Group.

### Income tax

Current taxes are valued on the basis of the tax rates and tax rules that apply on the balance sheet date. Deferred tax receivables are valued on the basis of the tax rates and tax rules decided before the balance sheet date. Deferred tax assets relating to deficit deductions or other future tax-related deductions are reported to the extent that it is probable that the deduction can be settled against surpluses in future taxation. Receivables and liabilities are reported net only when there is a legal right to offset. Current tax, as well as changes in deferred tax, are reported in the income statement, unless the tax is attributable to an event or transaction that is reported directly in equity. In such cases, the tax effect is also reported in equity.

### Accounts receivable and other receivables

Receivables are reported as current assets with the exception of items maturing more than 12 months after the balance sheet date, which are classified as fixed assets. Receivables are recognised at the amount that is expected to be paid after deductions for individually assessed bad or doubtful debts.

### The Parent Company's accounting and valuation principles

The same accounting and valuation principles are applied in the Parent Company as in the Group, except in the cases specified below.

### Year-end appropriations

Changes in untaxed reserves are reported as appropriations in the income statement. Group contributions are reported as year-end appropriations. Group contributions made to a subsidiary are, however, reported as an increase in the interest's reported value.

### Shares and interests in subsidiaries

Shares and interests in subsidiaries are reported at acquisition value after deduction of any impairment. The acquisition value includes the purchase price paid for the shares, as well as acquisition costs. Any capital contributions and group contributions are added to the acquisition value when they are provided. Dividends from subsidiaries are reported as revenue.

### Equity

Equity is divided into restricted and unrestricted capital, in accordance with the division of the Swedish Annual Accounts Act.

### Leasing

All leasing agreements where the Company is the lessee are reported as operational leasing, regardless of whether the agreements are financial or operational. The leasing fee is reported as an expense on a straight-line basis over the leasing period.

All leasing fees are of an operational nature and, as such, have been expensed on a straight-line basis over the leasing period.

### Estimates and assessments

#### Goodwill and shares in subsidiaries

Every year the Group investigates whether there is any impairment need for goodwill and shares in subsidiaries. The calculations are based on an assessment of the expected growth rate and margin development based on the business plan for the coming year, management's long-term expectations for the business, and the historical development.

#### Capitalised expenditure for development expenses

The Group has capitalised expenditure for development expenses relating to games that are reported as intangible assets. After the first account, the need for impairment is tested as soon as there are indications that the asset has decreased in value. The useful life is tested every year and

adjusted if necessary. The Group's capitalised expenditure for development expenses is depreciated over three years. Styrelsen anser att nedskrivningsbehov per 2022-12-31 ej föreligger

## Not 2

Remuneration to auditor	Group		Parent Company	
	2022	2021	2022	2021
PWC				
Audit	451	282	348	282
Tax advice	-	-	-	-
Other services	246	186	246	186

## Not 3

Average number of employees	Group		Parent Company	
	2022	2021	2022	2021
The average number of employees is based on attendance hours paid by the company related to normal working hours				
Average number of employees has been	37	30	16	12
<b>Salaries and remuneration</b>				
Board of Directors and CEO:				
Salaries and remuneration	986	1 484	986	1 484
Pension	248	138	248	138
<b>Total remuneration</b>	<b>1 234</b>	<b>1 622</b>	<b>1 234</b>	<b>1 622</b>
Other employees:				
Salaries and remuneration	14 029	6 340	7 143	5 620
Pension	362	246	362	246
<b>Total remuneration</b>	<b>14 392</b>	<b>6 585</b>	<b>7 506</b>	<b>5 865</b>
Social costs	3 461	2 354	2 700	2 259
<b>Total</b>	<b>19 086</b>	<b>10 561</b>	<b>11 439</b>	<b>9 746</b>

## Not 4

Tax on the profit for the year	Group		Parent Company	
	2022	2021	2022	2021
Current tax	242	223	0	0
Reconciliation effective tax				
Profit before tax	-2 926	-7 182	-1 962	-6 806
Tax costs (SE: 20.6%, BG:10%)	-845	-1 234	-404	-1 402
Tax effect of:				
Group results, not taxable	669	52	0	0
Non-deductible costs	37	17	37	17
Tax-related adjustments	13	3	0	0
Deficit deductions incurred this year	368	1 385	368	1 385
<b>Total</b>	<b>242</b>	<b>223</b>	<b>0</b>	<b>0</b>

## Not 5

Capitalised expenditure on development work and similar work	Group		Parent Company	
	2022	2021	2022	2021
Opening acquisition value	13 140	5 668	11 832	5 668
Purchases	7 508	6 164	7 508	6 164
Through the acquisition of subsidiaries	0	1 314	0	0
Conversion differences	118	0	0	0
Closing accumulated acquisition values	20 766	13 140	19 339	11 832
Opening depreciation	-2 900	-671	-2 900	-671
Depreciation for the year	-4 312	-2 229	-4 312	-2 229
Closing accumulated depreciation	-7 212	-2 900	-7 212	-2 900
Closing reported value	13 554	10 241	12 127	8 932

## Not 6

Concessions, patents, licenses, trademarks, etc.	Group		Parent Company	
	2022	2021	2021	2021
Opening acquisition value	33	0	33	0
Purchases	0	33	0	33
Closing accumulated acquisition values	33	33	33	33
Opening depreciation	-5	0	-5	0
Depreciation for the year	-7	-5	-7	-5
Closing accumulated depreciation	-11	-5	-11	-5
Closing reported value	22	28	22	28

## Not 7

Goodwill	Group		Parent Company	
	2022	2021*	2022	2021
Opening acquisition value	15 186	0	0	0
Through the acquisition of subsidiaries*	0	15 186		
Conversion differences	1 339	0	0	0
Closing accumulated acquisition values*	16 525	15 186	0	0
Opening depreciation	-253	0		
Depreciation for the year*	-3 305	-253		
Conversion differences	-22	0	0	0
Closing accumulated depreciation	-3 580	-253	0	0
Closing reported value	12 944	14 933	0	0

\*Corrected, see Note 14

## Not 8

Maskiner och andra tekniska anläggningar	Group		Parent Company	
	2022	2021	2022	2021
Opening acquisition value through the acquisition of subsidiaries	35	0	0	0
Purchases	46	0		
Through the acquisition of subsidiaries	0	35	0	0
Conversion difference	3	0	0	0
Closing accumulated acquisition values	84	35	0	0
Opening depreciation	-27	0	0	0
Depreciation for the year	-15	-27	0	0
Conversion difference	-2	0		
Closing accumulated depreciation	-44	-27	0	0
Closing reported value	40	8	0	0

## Not 9

Interests in Group companies	Site	Capital share %	Reported value	
			2022	2021
<b>Company</b>				
<b>Corporate Identity Number</b>				
Wiener Games OOD*				
202680682	Sofia	100,00%	19 196	19 196
Fantasma Games Incentive AB				
559332-4352	Stockholm	100,00%	25	25
			19 221	19 221
Weiner Games OOD				
Opening acquisition value			19 196	0
Purchases			0	19 196
Closing accumulated acquisition values			19 196	19 196
Closing reported value			19 196	19 196
Fantasma Games Incentive AB				
Opening acquisition value			25	0
Purchases			0	25
Closing accumulated acquisition values			25	25
Closing reported value			25	25

\*Corrected, see Note 14

**Not 10**

	Group		Parent Company	
	2022	2021	2022	2021
<b>Other long-term receivables</b>				
Opening acquisition value	250	20	28	20
Through the acquisition of subsidiaries	0	487	0	0
New loans	524	18	251	18
Amortisations	20	-292	0	-9
Reclassifications	178	17	0	-1
Closing accumulated acquisition values	971	250	279	28
Closing reported value	971	250	279	28

**Not 11**

	Group		Parent Company	
	2022	2021	2022	2021
<b>Prepaid expenses and accrued income</b>				
Accrued income	3 392	419	3 388	419
Prepaid expenses	433	185	433	185
	<b>3 825</b>	<b>604</b>	<b>3 821</b>	<b>604</b>

**Not 12**

	Group		Parent Company	
	2022	2021	2022	2021*
<b>Long-term liabilities</b>				
Provision for contingent consideration relating to the acquisition of Wiener Games*	9 510	10 120	8 397	10 120
Other liabilities	15	233	0	0
	<b>9 525</b>	<b>10 353</b>	<b>8 397</b>	<b>10 120</b>

\*Corrected, see note 14

**Not 13**

	Group		Parent Company	
	2022	2021	2022	2021*
<b>Items not included in cash flow analysis</b>				
Depreciation	7 581	2 485	4 319	2 233
Unrealised exchange rate gains and losses	16	88	2	-1
	<b>7 597</b>	<b>2 573</b>	<b>4 321</b>	<b>2 232</b>



#### Note 14 - Correction of errors

In conjunction with the acquisition of Wiener Games in November 2021, an error was made in calculating the contingent consideration. In the Group, as of 31 December 2021, the incorrect calculation of the contingent consideration resulted in goodwill, and the liability for the contingent consideration, being valued too high, which in turn affects the depreciation of goodwill and the financial items. In equity, the result for the year and the conversion difference are affected.

For the Parent Company, as of 31 December 2021, shares and interests, and the liability for the contingent consideration, were reported at too high a value, and the financial items were affected. In equity, the result for the year is affected.

Group (TSEK) - 2021-12-31 Balance sheet excluding equity (extract)	According to the previously determined annual report - 2021-12-31	Correction of errors	After correction of errors
Intangible fixed assets	30 276	-5 074	25 202
Other long-term liabilities	-15 344	4 991	-10 354
<b>Net</b>		<b>-83</b>	
<b>Equity</b>			
Conversion difference	-32	-129	-162
Profit for the year	-7 451	46	-7 405
Other equity	30 586	0	30 586
<b>Total equity</b>	<b>23 103</b>	<b>-83</b>	<b>23 019</b>

Profit and loss statement (extract)	According to the previously determined annual report - 2021-12-31	Correction of errors	After correction of errors
Depreciation and impairment	-2 573	88	-2 485
Financial items	10	-42	-32
<b>Net</b>		<b>46</b>	

Parent Company (TSEK) - 2021-12-31 Balance sheet (extract)	According to the previously determined annual report - 2021-12-31	Correction of errors	After correction of errors
Financial fixed assets	24 282	-5 033	19 249
Other long-term liabilities	-15 111	4 991	-10 120
<b>Net</b>		<b>-42</b>	
<b>Equity</b>			
Profit for the year	-6 765	-42	-6 807
Other equity	30 596	0	30 596
Total equity	23 831	-42	23 789
<b>Summa eget kapital</b>	<b>23 103</b>	<b>-83</b>	<b>23 019</b>

Profit and loss statement (extract)	According to the previously determined annual report - 2021-12-31	Correction of errors	After correction of errors
Financial items	17	-42	-25
<b>Net</b>		<b>-42</b>	

#### Note 15

Pledged collateral	Group		Parent Company	
	2022	2021	2022	2021
No pledged collateral	0	0	0	0

#### Note 16 Definition of key figures

##### Equity/assets ratio

Adjusted equity as a percentage of the balance sheet total.

##### Cash flow

Total current assets including cash as a percentage of short-term liabilities.

# DECLARATION OF THE BOARD OF DIRECTORS

The annual report has been approved for issuance by the Board of Directors and the CEO on 11 April 2023. The Company's income statement and balance sheet will be subject to approval at the Annual General Meeting on 25 May 2023.

Stockholm, 11 April 2023

Eric Holmberg  
Chair of the Board

Antonia Svensson

Johan Styren

Martin Fagerlund

Johan Königslehner

Fredrik Johansson  
CEO

Our auditor's report was submitted on 12 April 2023  
Öhrlings PricewaterhouseCoopers AB

Niclas Bergenmo  
Chartered Accountant

# FANTASMA GAMES

Fantasma Games AB (publ)  
Regeringsgatan 88, 111 39 Stockholm

