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Q4 2022 Report

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Q4 Highlights

Recovery in market demand for high-performance PC-gaming products

Successful product launches in the quarter - Fractal North receives best case of the year awards.

Sales increased by 17% with an organic decrease of 3%.

Strong end-consumer demand with an organic sales out increase of 31%.

Product margin improves to 37% (32,7).

EBITDA increased to 13 SEKm (3 SEKm).

Tariff exemption extended until 30 September 2023.



Market Development & Demand

With 32 million concurrent players, the leading game platform Steam has set an all-time high.

Twitch's YoY numbers decreases slightly, but has still more than doubled compared to before the pandemic.

China's gaming regulations are beginning to loosen up.

AMD and Nvidia introduced new GPUs in the fourth quarter, capping off a busy year for hardware launches.



NEW STEAM RECORD

32 Million

CONCURRENT PLAYERS



Net sales and Sales out

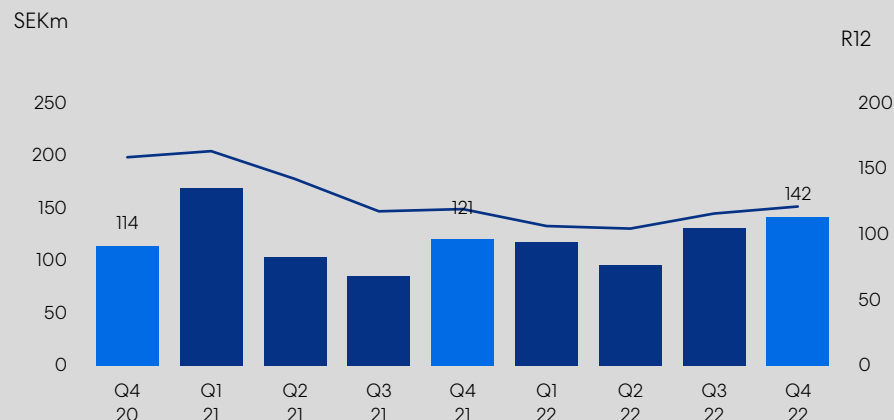
Net sales increased by 17% to 142 SEKm (121) and decreased organically in USD by 3%. Higher sales discounts offset the otherwise higher gross sales.

Full year, net sales increased by 2% and decreased by 14% organically. The second half of the year was stronger with 56% of net sales.

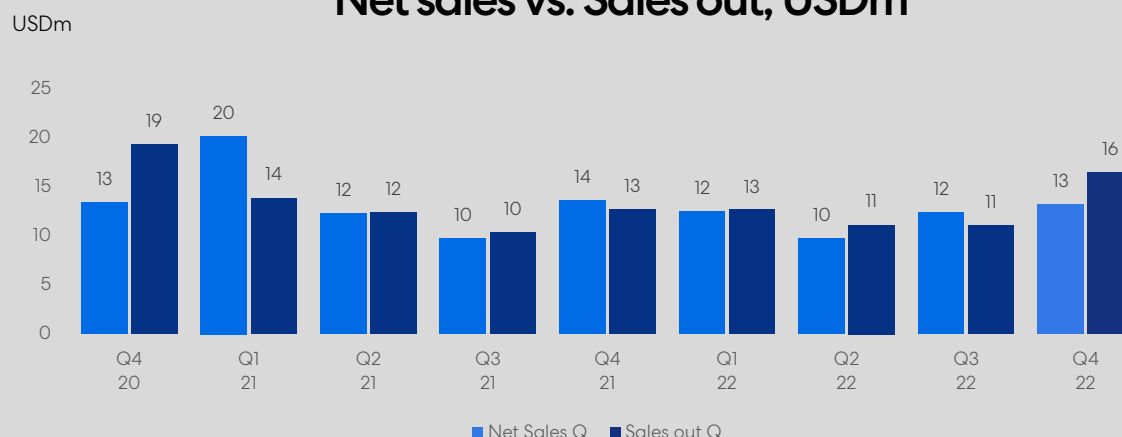
Main drivers of net sales in Q4

- Increased demand and healthy stock levels at the sales channels.
- Successful case series Torrent, Pop and the newly-launched North.
- Better availability and prices of graphics cards.
- Strong sales out - increased by 31% organically.

Net sales, SEKm



Net sales vs. Sales out, USDm



Segment development

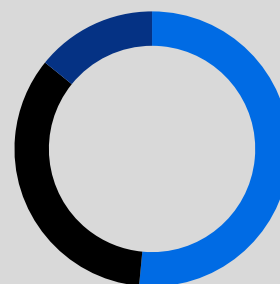
The strongest region in the quarter was Americas with net sales of 73 SEKm (36), corresponding to 52% of total net sales. The increase was mainly driven by successful sales campaigns, general market growth, low comparison figures and lower inventory levels at the retailers.

Net sales in EU amounted to 49 SEKm (59), corresponding to 34% of total net sales and APAC & Other to 20 SEKm (25), 14% of total net sales.

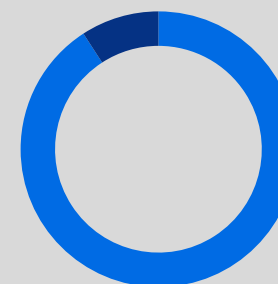
Sales of Cases was 91% (85) of total net sales, which is an increase vs. last year.

Net sales by geography and segment (MSEK)

SEKm	Business Segment					
	Cases		Other		Total	
	Q4		Q4		Q4	
	2022	2021	2022	2021	2022	2021
Geographic market						
Americas	71	33	2	3	73	36
EU	43	51	6	8	49	59
APAC & Other	15	20	5	6	20	26
Total net sales	129	104	13	17	142	121



■ Americas 52% ■ EU 34% ■ APAC & Other 14%



■ Cases 91% ■ Other 9%

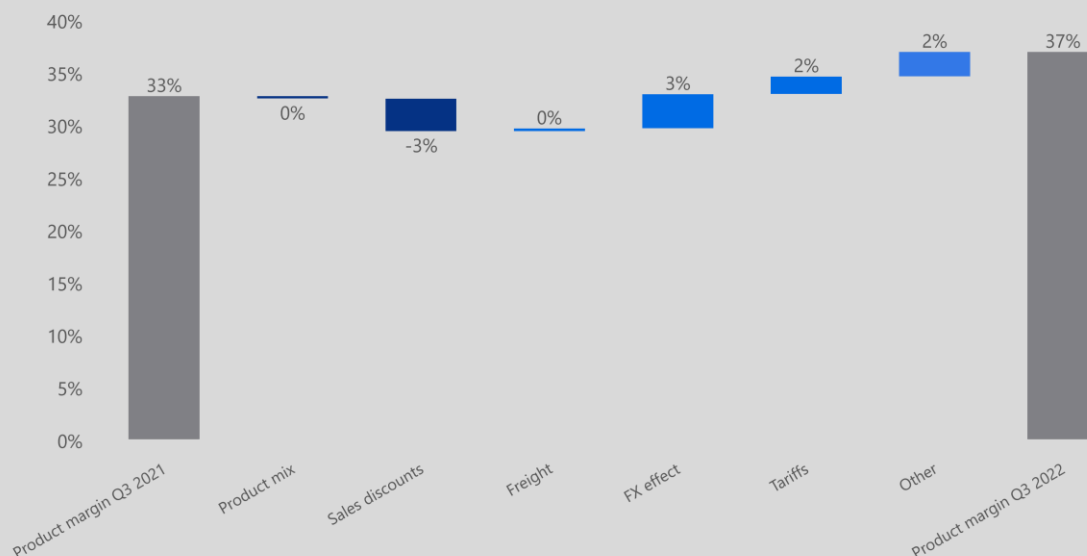
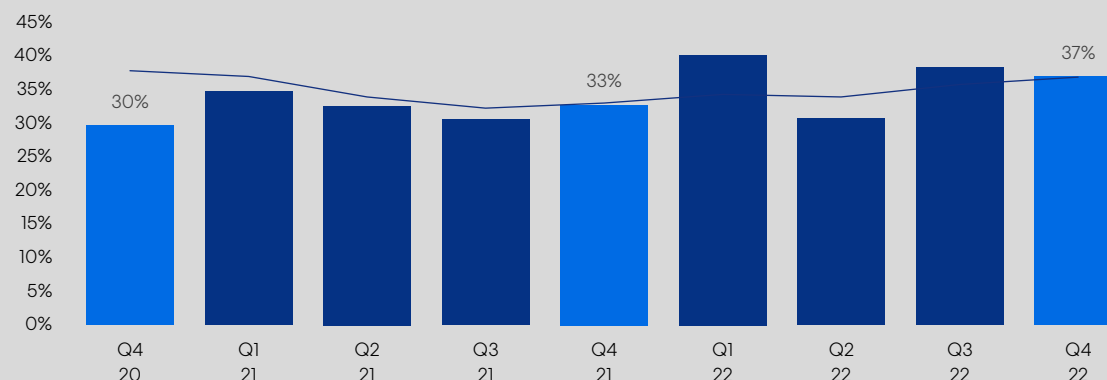
Product margin

The product margin increased to 37% (33) in Q4. Full year, the product margin increased to 37% (33).

Quartely changes

- Positive currency effect increased the margin by approx. 3 percentage points.
- US tariff exemption increased the margin by approx. 2 percentage points.
- Lower freight costs affected the product margin positive by approx. 0.3 percentage points through lower shipping rates which was partially offset by a higher share of sales to the US.
- Lower product costs positively affected the product margin by approximately 1 percentage point.
- Sales discounts affected the margin negatively by approx. 3 percentage points.

Product margin (%)



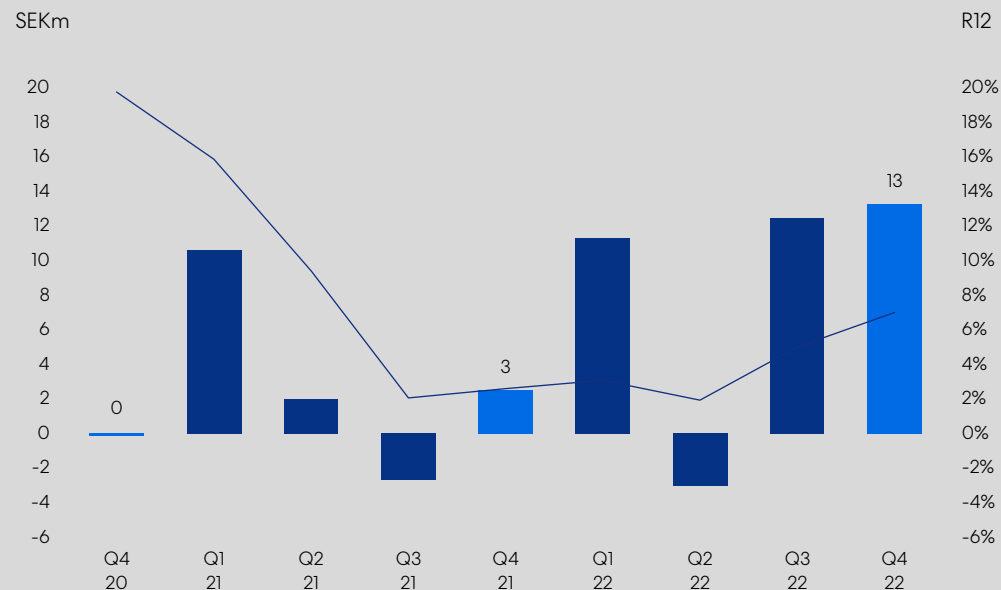
Earnings

EBITDA was 13 SEKm (2) and the EBITDA- margin was 9% (2).

Full year, EBITDA was 34 SEKm (12) and the EBITDA-margin was 7% (3). Items affecting comparability of 21 SEKm was booked in Q1 2021 related to the IPO.

The increase in EBITDA was mainly due to higher sales volumes, higher product result and lower warehouse cost due to decreased stock.

EBITDA (SEKm) and EBITDA-margin (%)



Cash flow

SEKm	Q4		Jan—Dec	
	2022	2021	2022	2021
EBITDA	13,3	2,5	34,0	12,4
Change in NWC	7,8	-9,3	24,3	-47,5
Net tangible and intangible expenditure	-6,1	-4,8	-31,9	-25,7
Operating cash flow	15,0	-11,6	26,4	-60,8

Operating cash flow was positively impacted by higher EBITDA.

The change in NWC was mainly related to lower inventory (34 SEKm), increased account receivables (13 SEKm) and decreased accounts payables (11 SEKm).

Cash flow from investing activities amounted to 6 SEKm (5) and was related to development of new products.

The bank overdraft facility amounted to 110 SEKm (124) and was mainly related to purchases of products in stock. The improvement since Q3 was related to increased sales and lower purchases. Total credit facility amounts to 180 SEKm.

1. Net sales in Q4 increased by 17%, mainly due to increased demand, availability and lower prices on graphics cards, successful product launches as well as healthy stock levels at the sales channels.
2. Positive currency effects, as well as tariff exemption and lower product cost improved the product margin.
3. Other external costs are lower than last year, mainly due to lower warehouse and rework cost.
4. Increased personnel cost due to salary adjustments and higher variable salaries.
5. Financial net mainly related to higher interest expenses and FX translation effects.

Income statement

		Q4		jan—dec	
SEKm		2022	2021	2022	2021
1	Nettoomsättning	141,7	120,7	485,6	478,6
	Aktiverat arbete för egen räkning	1,6	1,6	9,0	8,9
	Övriga rörelseintäkter	0,0	0,1	1,1	0,1
	Summa rörelsens intäkter	143,3	122,4	495,7	487,6
	Rörelsens kostnader				
2	Handelsvaror	-89,3	-81,2	-306,4	-320,4
3	Övriga externa kostnader	-21,6	-22,4	-86,3	-96,8
4	Personalkostnader	-19,0	-16,4	-68,9	-57,9
	Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar	-5,2	-4,2	-18,8	-13,8
	Summa rörelsens kostnader	-135,2	-124,1	-480,4	-489,0
	Rörelseresultat	8,0	-1,6	15,3	-1,4
5	Övriga ränteintäkter och liknande resultatposter	0,0	-	5,5	-
	Räntekostnader och liknande resultatposter	-4,1	-1,5	-7,2	-4,7
	Resultat efter finansiella poster	3,9	-3,2	13,6	-6,1
	Skatt på periodens resultat	-2,0	-1,1	-4,2	-2,3
	Uppskjuten skatt	1,1	2,3	1,2	4,0
	Periodens resultat	3,0	-1,9	10,7	-4,4

Summary and outlook

Sales out increased by 31% in the quarter, driven by improved market demand and successful launches of new products.

Significantly improved product margin and EBITDA in the quarter and Full Year.

We will continue to drive our growth-promoting initiatives focused on delivering high-quality products, a high level of service, expansion into new product categories and increased marketing efforts.

Despite high macro economic and geopolitical uncertainty, we see good opportunities for growth in 2023, based on our attractive product portfolio and the increased market demand.



Q&A

