



ANNUAL REPORT 2023/2024

MAG INTERACTIVE AB (PUBL)

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ABOUT MAG

MAG Interactive is a leading mobile game developer focused on casual social games. With passionate, creative teams and a data-driven business model, MAG delivers world-class gaming experiences to millions of players worldwide. MAG specializes in word games and trivia, with a portfolio of titles including QuizDuel, Wordzee, Primetime, Word Mansion, Tile Mansion, Ruzzle, Word Domination and WordBrain, that have been downloaded over 350 million times. MAG has studios in Stockholm and Brighton and was listed in 2017 on the Nasdaq First North Premier Growth Market with the ticker MAGI.



 **350 M+**
DOWNLOADS

 **220**
MILLION HOURS
PLAYED DURING 2023/2024

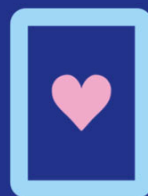
112
EMPLOYEES

15+
NATIONALITIES
EMPLOYED

43 % WOMEN &
NON-BINARY
57 % MEN

MAG'S GAMES
PLAYED IN
195
COUNTRIES

204 M
GAME CONTRIBUTION
2023/2024



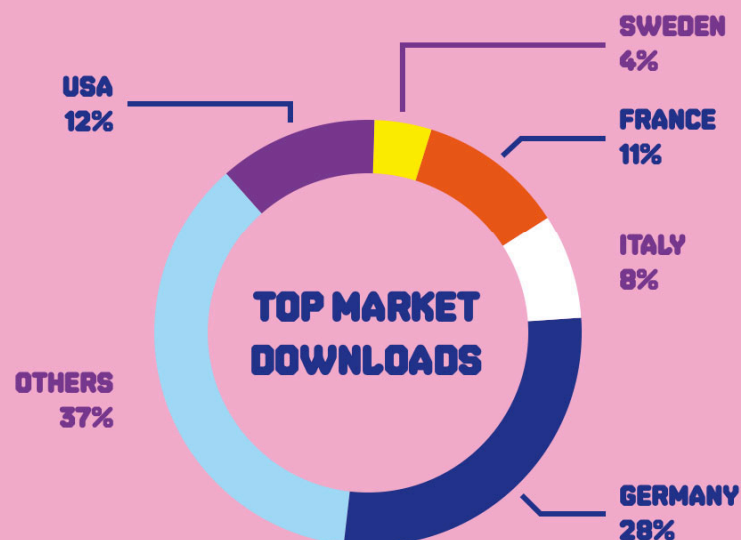
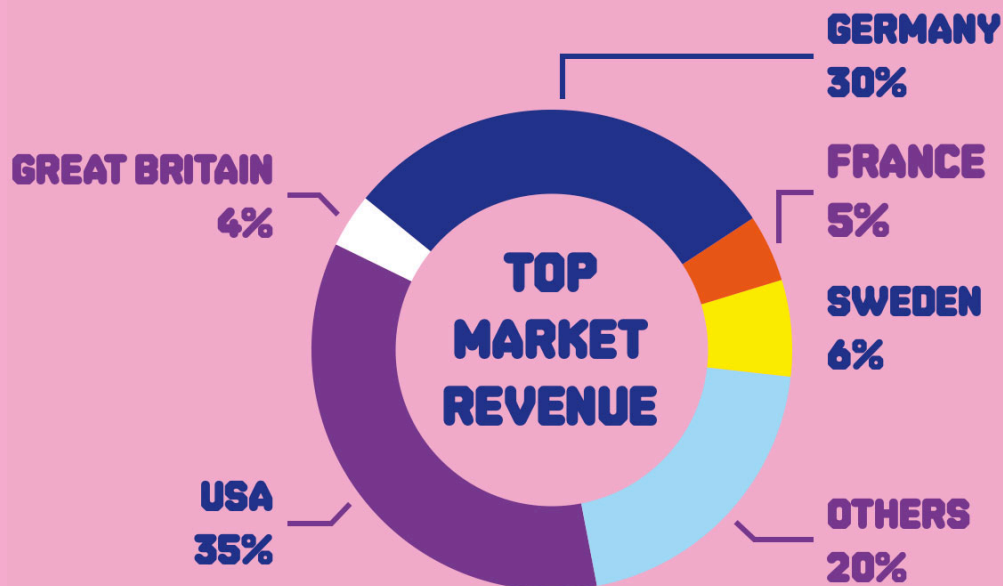
283M
NET SALES
2023/2024

MAG IN NUMBERS

DURING THE YEAR

5,5 M DOWNLOADS

11 M UNIQUE PLAYERS



A YEAR IN BRIEF

- MAG's ability to remain profitable with strong EBITDA during challenging times highlights the robustness of its operations. The company is laying a foundation for future growth by continuing to invest in both evergreen and growth titles and new opportunities that will drive long-term value creation.
- Adjusted EBITDA increased to 76 MSEK compared to the previous year (52 MSEK).
- Crozzle, a new crossword game with a decoration theme, was soft-launched this year in the U.S. market.
- QuizDuel increased its revenue over the year and is once again the largest game in the portfolio in terms of revenue.
- Several new games in various development phases were tested in the market.
- MAG's strategy to build a modular platform to streamline the new game development process and enhance existing games continued throughout the year. Wordalot was released on the new platform at the end of the year.
- The company has maintained a strong financial position, creating favorable conditions for both potential acquisitions and marketing.

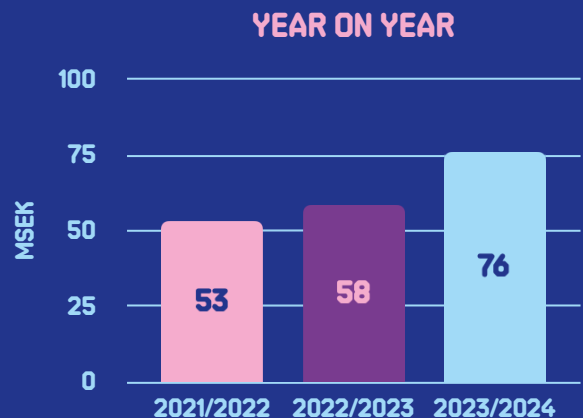


KEY NUMBERS

NET SALES



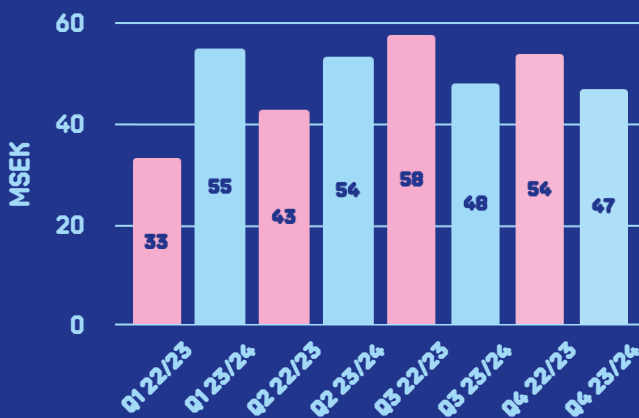
ADJUSTED EBITDA



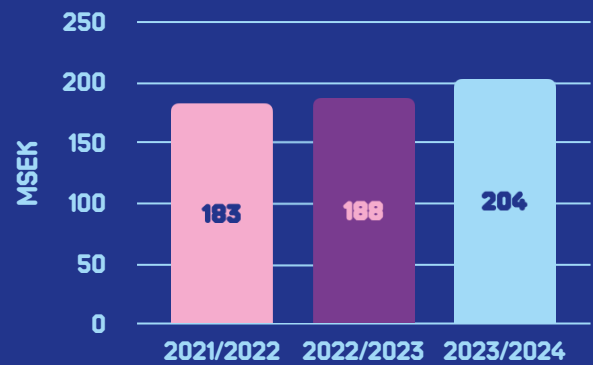
KEY NUMBERS

GAME CONTRIBUTION

PER QUARTER 2022/23 - 2023/24

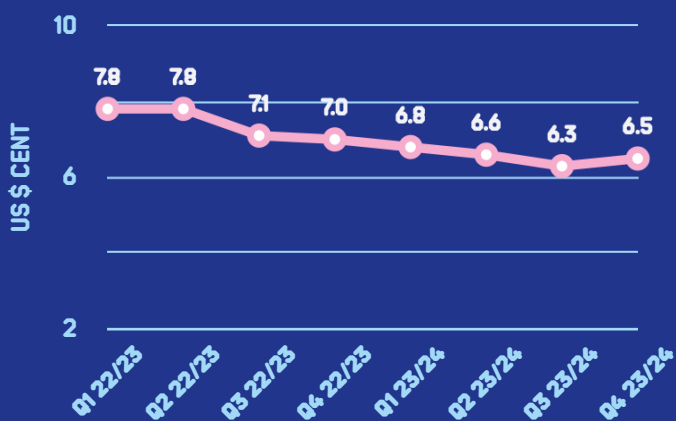


YEAR ON YEAR

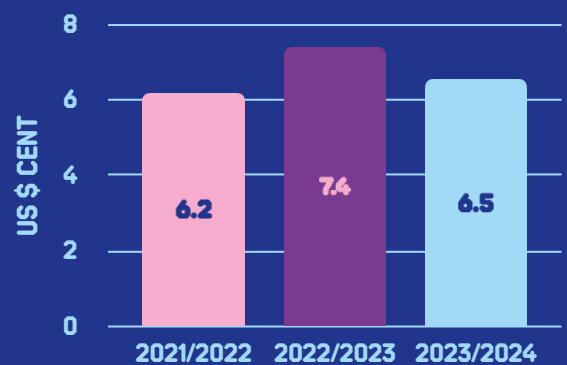


ARPPDAU

PER QUARTER 2022/23 - 2023/24



YEAR ON YEAR



WORD FROM THE CEO

BUILDING FOR FUTURE GROWTH

This year, while we did not achieve revenue growth after four consecutive years of success, our ability to remain profitable during challenging times highlights the robustness of our business. We are building a foundation for future growth by continuing to invest in both our evergreen titles and new opportunities that will drive long-term value.

Our focus remains on delivering more value to our players by enhancing the richness of our content, increasing gameplay variation, and offering more engaging live operations in our largest games. Central to achieving this is our new modular platform, which enables us to create features that can benefit multiple games at once. This will allow our teams to be more productive and agile, delivering faster updates and a more compelling player experience.

Better content and player experiences naturally lead to increased engagement, and we have consistently demonstrated the ability to convert this engagement into revenue. By improving our long-term revenue per player (LTV), we will not only drive immediate revenue growth but also unlock greater scale in user acquisition (UA). This, in turn, will reignite the company's growth engine.

One of our key milestones this year was the soft launch of the new crossword game Crozzle. This was our first new game to reach soft launch in several years and was enabled by our investment in people, technology, and innovation. For the first time, a significant portion of the content in this game was created using generative AI technology. This breakthrough demonstrates our ability to build ambitious products that would have been difficult to achieve with traditional resources. AI is transforming how we approach game development and opening doors to opportunities that will enhance both the player experience and our operational efficiency.

The combination of strengthening our existing portfolio and investing in our new platform and games is our path to sustainable growth. As we move through this investment phase, we are diligently controlling and reducing operational costs wherever possible, ensuring that we remain profitable while positioning the company for future expansion.





Our continued profitability, combined with a debt-free balance sheet, positions us to take calculated risks and invest confidently in future growth opportunities.

ADAPTING OUR PORTFOLIO WITH A MODULAR PLATFORM

Over the past year, we have made significant progress with our modular game-making strategy, which is becoming the cornerstone of our future development. The platform is designed to improve the efficiency of our live operations and content creation across all major games. We have successfully migrated one of our smaller live games, Wordalot, to the platform, proving the scalability and flexibility of this new system.

The successful launch of Wordalot on the modular platform in Q4 was a pivotal moment for the company. It validated the platform's ability to integrate existing games and is paving the way for the migration of our larger live games. This will allow us to deploy new

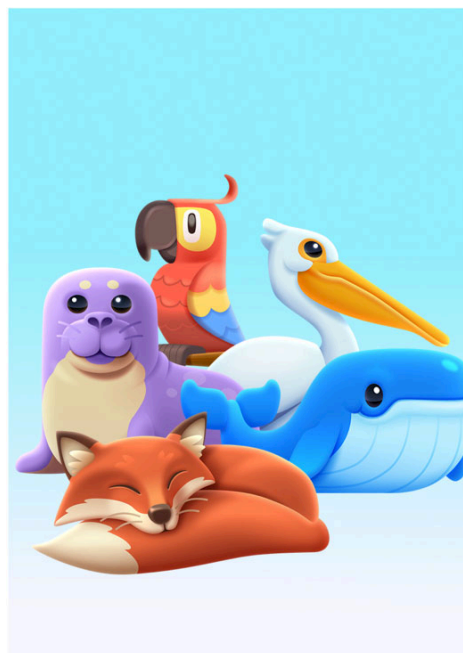
**"WE ARE BUILDING A FOUNDATION FOR
FUTURE GROWTH BY CONTINUING TO
INVEST IN BOTH OUR EVERGREEN TITLES
AND NEW OPPORTUNITIES THAT WILL
DRIVE LONG-TERM VALUE"**

events, features, and updates across games simultaneously without additional development effort, accelerating both speed and quality.

Our vision is to become a faster, more efficient developer, leveraging a common toolset to boost performance across our portfolio.

AN EXCITING YEAR AHEAD

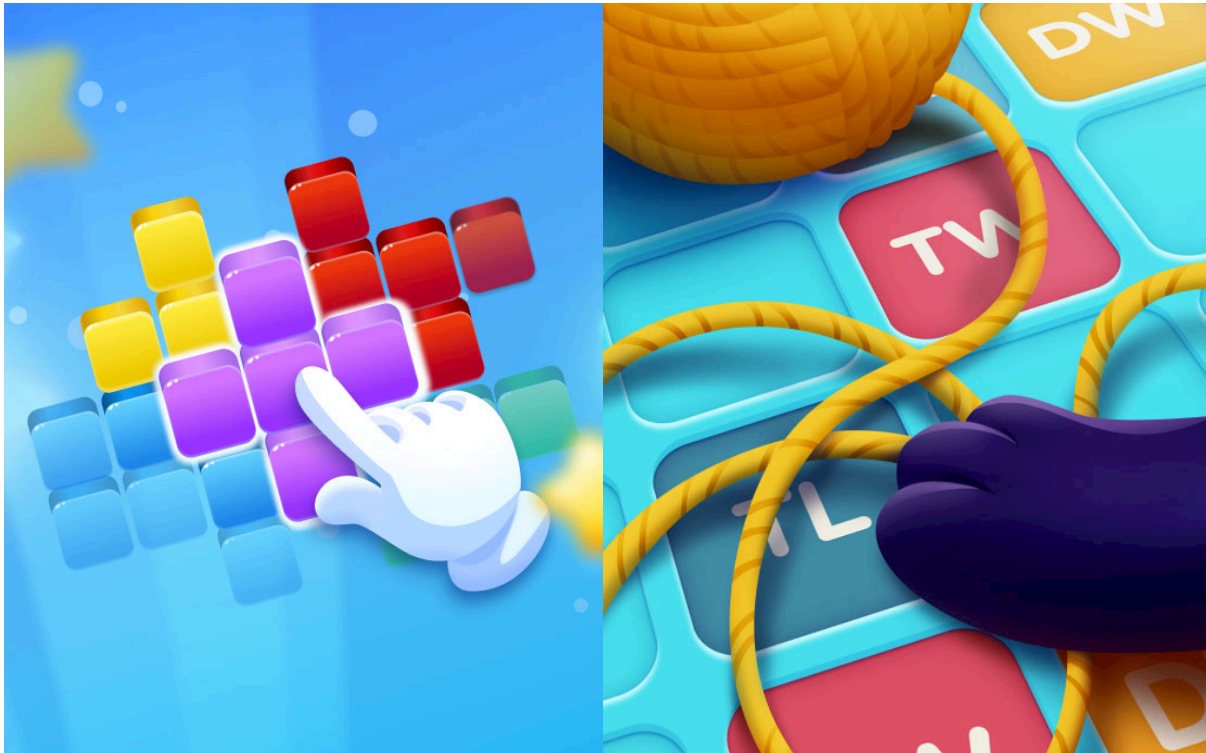
Despite a decline in revenue and DAU, primarily a result of lower-than-expected user acquisition volumes, we have maintained profitability on both a quarterly and annual basis. This has been achieved through careful cost control and operational efficiency, even as we made substantial investments in our new platform and game development initiatives.



During the financial year 2024/25, we plan to globally launch Crozzle, provided we meet our UA investment payback targets of 180 days. Additionally, we aim to scale UA volumes across other games in the portfolio, leveraging the capabilities of our new platform to unlock an increased variety of gameplay.

Finally, I want to thank all employees and shareholders of MAG for your continued support and confidence in our exciting future.

MAG'S BUSINESS MODEL



CASUAL GAMES FOR A WIDE AUDIENCE

MAG develops accessible games for a large audience worldwide with a focus on the casual segment of players, the broadest target audience for mobile games. MAG has made a name for itself as an expert in word, puzzle and trivia game categories, but the company also develops games outside of these categories.

The company's goal is to engage these players for many years into the future. The games are managed as living products; MAG continuously updates content and features and improves performance to keep the games relevant to players long-term. New content helps products and their game communities to be kept active for a long time. This is called offering "games as a service". Games that are continuously kept active become more profitable in the long run.

FREE-TO-PLAY AS BUSINESS MODEL

MAG's games use the "free-to-play" business model, meaning the games are free to download and play. It is the most common revenue model in the mobile market. The games generate revenue through advertising as well as by offering users opportunities for in-game purchases, known as in-app purchases (IAP). The free-to-play model lowers the barrier for players; because no payment is required, the games are available to a wide audience.

A PORTFOLIO OF PROFITABLE EVERGREENS AND GROWTH GAMES

The strength of MAG's game portfolio is its range. Part of the portfolio consists of evergreens, games that have loyal user base, low or non-existent marketing costs and high profitability. The company's goal is that all games released should have the potential to become an evergreen in the future.

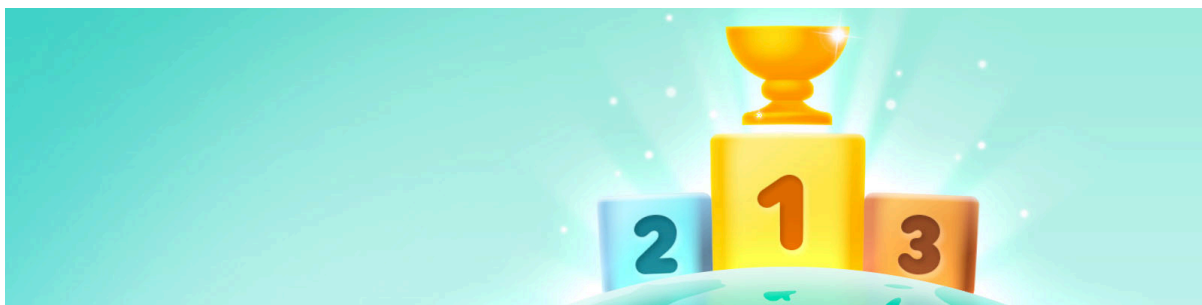
Another part is growth games, games that MAG expects will contribute to increased growth and in which the company actively invests user acquisition (UA).

The third part is new game development. MAG is constantly investing in the development of new games that in the future could become the next hit and growth game. The company continuously has several games in various stages of development on which market tests are carried out. These games are not included in the balance sheet. By having several games in different development phases, the company spreads out its financial risks.

MAG sets high requirements for new games to be released and to have the potential to reach tens of millions of players during their lifetime.

A SUCCESSFUL BUSINESS MODEL

MAG's business model has proven to be successful. All games MAG has launched have reached over one million downloads, and the company has reached over 350 million players across its entire portfolio. MAG continues to develop and market new and existing free-to-play games to a casual audience with the goal of achieving an EBIT margin of at least 20% over time.



ACQUISITIONS

MAG'S STRATEGY FOR ACQUISITIONS

Acquisitions are not part of MAG's primary business model, but they function as a value-creating complement to internal game development.

Over the years, MAG has made several acquisitions of both studios and individual games. It is important for MAG that the companies it acquires fit into its corporate culture and that the games it acquires can complement its existing game portfolio.

Several games in MAG's portfolio are directly or indirectly the result of acquisitions. WordBrain and QuizDuel were directly acquired, and Wordzee was developed by the company's studio in Brighton, which was acquired in 2015.

The acquisitions the company has made over the years have paid off well financially, and its games have been successfully integrated into MAG's portfolio. The structure for acquisitions always aims to reflect how future value is expected to arise and, in this way, to balance potential and risk. The acquisition process, which is thorough in identifying both people and products that fit the business, has the potential to create more value for MAG in the future. The company holds discussions on an ongoing basis with different game studios about acquisitions.



GROWTH GAMES

WORDZEE

Wordzee is MAG's unique word game where players challenge each other to form words from letter tiles placed on a special game board. The player who fills the entire board takes home "Wordzee" and extra bonus points. The game was developed by MAG's studio in Brighton and is one of the company's main growth products. Wordzee was released globally in November 2019 and has shown a high average revenue per daily active user (ARPDau) ever since.

Wordzee encourages player engagement with fun daily challenges and many special events that all offer exclusive rewards. Unique and seasonal events are continuously added and consistently active, with alternating durations and themes that vary urgency of play and appeal to an increasingly broad range of players. Player engagement and sense of progression are strong focuses for Wordzee as they are key drivers in revenue growth and player loyalty.

Wordzee continues to evolve with new features and optimizations on monetization and remains a strong growth product for MAG.



GROWTH GAMES

QUIZDUEL

QuizDuel is a social trivia game where players challenge friends and other players worldwide in quizzes. The game was released in 2012 and has reached over 100 million downloads in total. QuizDuel is a strong brand in both Sweden and Germany, the game's largest market, where a quiz show with the same name is also broadcast on TV.

The game was launched in a new version in 2019 and, alongside classic quiz duels of six rounds with three knowledge questions, has introduced new game modes and events, including: *Solo*, *Question Streak*, *Arena* and *Quinder*. The game is MAG's largest product in terms of daily active users and also the largest mobile trivia game in Europe.

Like many other games in MAG's portfolio, QuizDuel has seen positive impact from events on its in-game economy, increased revenue and more paying players. *Question Streak Leagues*, where players compete on leaderboards for highest streaks, is among several of the game's successful permanent game modes and features that contributes significantly to player engagement and loyalty. Additionally, progression displays like exclusive avatar frames encourage persistent revenues through more stable long-term engagement.

Thanks to many improvements within the game, QuizDuel is still increasing its revenue after ten years. MAG sees continued growth potential in the product.



EVERGREENS

WORD DOMINATION

Word Domination is a tactical word game where players compete against each other in real-time in exciting word battles. The game was released globally in 2018 and has reached over 10 million downloads. In Word Domination, the opponents challenge each other over five rounds and collect points by spelling words on a common board. With “booster cards”, players can tactically deploy time-limited advantages.

The game enjoys a highly engaged player base, the majority of which are long-time fans that have been playing Word Domination for a year or more.



EVERGREENS

RUZZLE

Ruzzle is MAG's first word game success; it was launched globally in 2012 and has been downloaded over 60 million times. In Ruzzle, the player is challenged to find as many words as possible from a given set of letters within two minutes. The game is one of MAG's most important evergreens with a very loyal player base and generates long-term predictable revenue.

Ruzzle continues to be a pillar in MAG's portfolio, in terms of both player engagement and revenue, and is a benchmark for how MAG wants to build future evergreens.



EVERGREENS

WORDBRAIN

The word puzzle game WordBrain has been live for over ten years and has grown into a strong evergreen for MAG with a stable revenue stream. In WordBrain, the player searches for secret words based on specific letter combinations on specific boards. The game has been downloaded over 40 million times in total and reached number one in 118 countries in the word game category on Apple's App Store.

WordBrain has a stable and dedicated player base and is an important evergreen for the company. MAG continues to deliver new content to the game in the form of new puzzles and events.



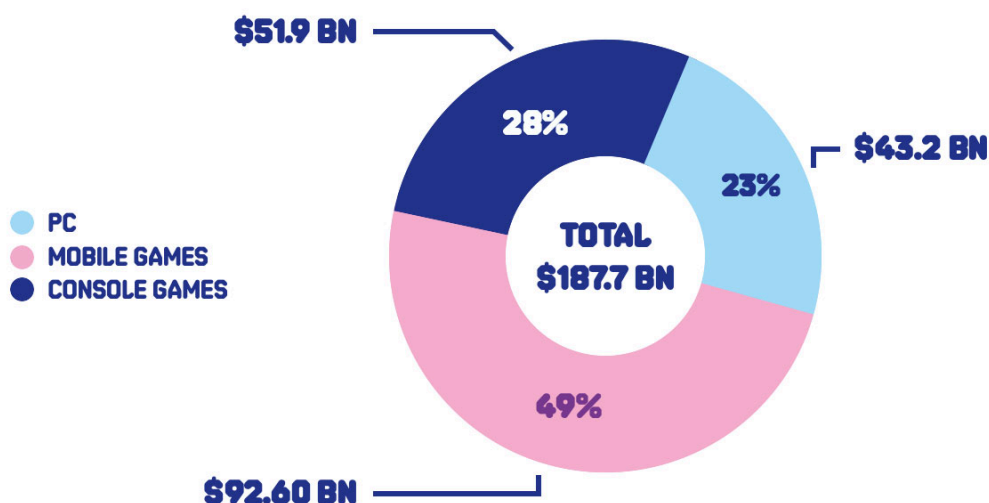
THE MARKET

MACRO MOBILE TRENDS

According to Newzoo's Global Games Market Report 2024, mobile gaming is projected to generate \$92.6 billion this year, accounting for 48% of global game revenues and reflecting a 3.0% year-on-year growth. Despite mobile's dominance, its share of the total gaming market is expected to gradually decline, as other segments like PC gaming grow more rapidly.

Newzoo forecasts the global games market to reach \$187.7 billion in 2024, a 2.1% increase from the previous year. The player base will also expand to 3.42 billion, a 4.5% rise year-on-year. Mobile gaming will account for 2.85 billion of these players. Growth in emerging markets, supported by increased smartphone access and stronger mobile networks, continues to play a key role in driving mobile gaming's expansion.

2024 GLOBAL GAMES MARKET



Newzoo's *Games Market Report 2024*

Looking ahead, Newzoo notes that the global games market is expected to grow at a compound annual growth rate (CAGR) of 3.1% through 2027, reaching \$213.3 billion. However, mobile gaming faces growing challenges related to privacy regulations and evolving user acquisition strategies, which may slow revenue growth in comparison to other segments.

REGIONAL DYNAMICS

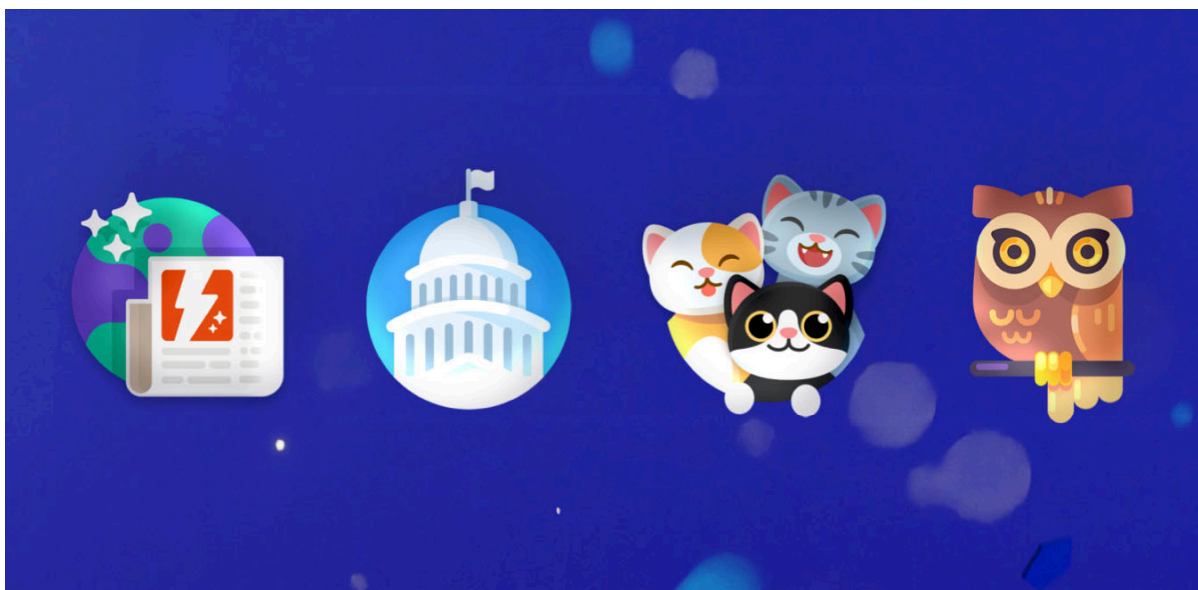
Mobile gaming remains dominant in the Asia-Pacific (APAC) region, home to 53% of global players (1.8 billion in 2024). Growth is driven by Central and Southeast Asia. Meanwhile, regions like the Middle East & Africa and Latin America are seeing faster player growth, with increases of 16% and 10%, respectively. In North America and Europe, player growth is slower, at 2.9% and 2.4% year-on-year, respectively. However, these regions remain critical for revenue generation (*Newzoo, 2024*).

In the U.S., the largest mobile gaming market, revenues reached \$22.2 billion in 2023, with expectations to grow to \$33.5 billion by 2028 (*Sensor Tower Global Mobile Games Market Outlook 2024*).

IMPACT OF GENERATIVE AI ON GAME DEVELOPMENT

Generative AI is having a significant impact on game development, helping developers streamline content creation and accelerate production timelines. Tools like OpenAI's ChatGPT have enabled studios to create game assets and content more efficiently, allowing development teams to focus more on creative tasks. However, the rise of AI has also raised concerns about job displacement, intellectual property rights, and maintaining high-quality content in games (*Newzoo, 2024*).

Currently, generative AI is seen as an enhancement to human creativity rather than a replacement. However, the long-term impact of AI on the gaming industry remains uncertain as developers explore how best to integrate this technology into their workflows (*Newzoo, 2024*).



PLATFORM POLICIES AND INDUSTRY CHALLENGES

The mobile gaming industry is undergoing significant changes due to evolving platform policies. The European Union's Digital Markets Act (DMA) has forced major platforms like Apple and Google to allow alternative app marketplaces and payment systems within their ecosystems. This has opened up new opportunities for companies like Epic Games and Microsoft, who are expanding their mobile gaming offerings to capitalize on these regulatory changes (*Newzoo, 2024*).

On the other hand, privacy regulations, including Apple's App Tracking Transparency (ATT), have made it more difficult for mobile gaming companies to track user behavior and optimize advertising. This has driven up user acquisition costs and pushed developers to reconsider their monetization strategies (*Newzoo, 2024*).

MARKET OUTLOOK

For MAG, the focus remains on Western Europe and the U.S., regions where the highest-monetizing players are concentrated. Although growth in these regions has slowed, MAG is well-positioned to take advantage of new opportunities as app marketplaces evolve and monetization models shift. By continuing to deliver engaging, high-quality player experiences, MAG is set to return to growth in the competitive mobile gaming landscape.

Sources:

[Newzoo - Global Games Market Report 2024](#)

[Sensor Tower - Global Mobile Games Market Outlook 2024](#)

SUSTAINABILITY

Sustainability for MAG means working long-term, both internally and externally, to create the best possible conditions for future-proofing the company and minimizing our climate impact. MAG complements its focus on climate impact with continuous work to address diversity and inclusion matters both within the company and in the larger community.

DIVERSITY AND INCLUSION

MAG believes an inclusive, equal, and diverse culture is integral to the company's success. Therefore, we strive for our internal and external efforts to reflect this vision throughout the organization. The diversity and inclusion work at MAG involves:

- Management taking responsibility for and prioritizing diversity work
- Working to attract and retain women
- Increasing the number of women in senior and leadership roles
- Recruiting from various backgrounds
- Creating work methods and initiatives that promote a culture characterized by diversity and inclusion
- Making parental leave policy and benefits clear to encourage employees to take parental leave
- Sharing diversity goals internally

Having more women represented at the company is not the only focus of MAG's diversity work, but it is an important one. At the end of the financial year 2023/2024, 43% of MAG employees identified as women and/or non-binary, an increase of 5% compared to the same period in the previous year. This is nearly 20% higher than the average number of women employed in Sweden's gaming industry, which, according to the Swedish Game Trade Association's Game Developer Index Report 2023, stands at 23.4%. Striving for and maintaining a balanced gender distribution will remain a key priority for MAG in the coming years, as the company is convinced that diversity and inclusion are essential to building a successful organization.

ACTIVITIES THAT DRIVES DIVERSITY EFFORTS WITHIN MAG:

AWARENESS DAYS: a yearly event that specifically highlights diversity and inclusion matters for proactive and educational purposes; all employees participate in workshops on diversity and inclusion.

TEAM TALKS: MAG has been conducting continuous surveys since 2019 to examine how its employees feel in general; results are discussed within individual teams, with the HR department, or in both settings. Since 2023, MAG has been conducting an expanded survey with a focus on diversity and discrimination to use and develop proactive measures as part of our diversity efforts.

REDUCING LANGUAGE BARRIERS: MAG has English as the official language in its offices but also offers three levels of Swedish lessons to all employees at the Stockholm office.

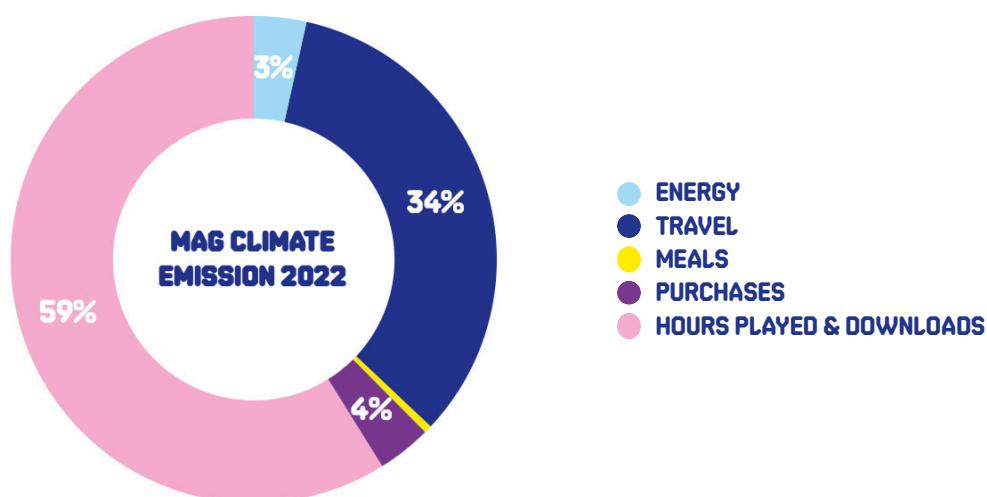
PARENTAL LEAVE: MAG encourages all employees to take time off and spend time with their child(ren) and to that end offers a generous parental leave package.

ONBOARDING: MAG adapts the introduction of all employees to their specific needs to give them the best possible start at MAG; the goal is for all employees to have the same conditions when they start.

DIVERSITY & INCLUSION GROUP: MAG has a dedicated group that works to address diversity and inclusion issues and meets regularly to follow up on the overall goals and upcoming initiatives to promote them. The group is open to all employees to participate.

MAG'S CLIMATE IMPACT 2023

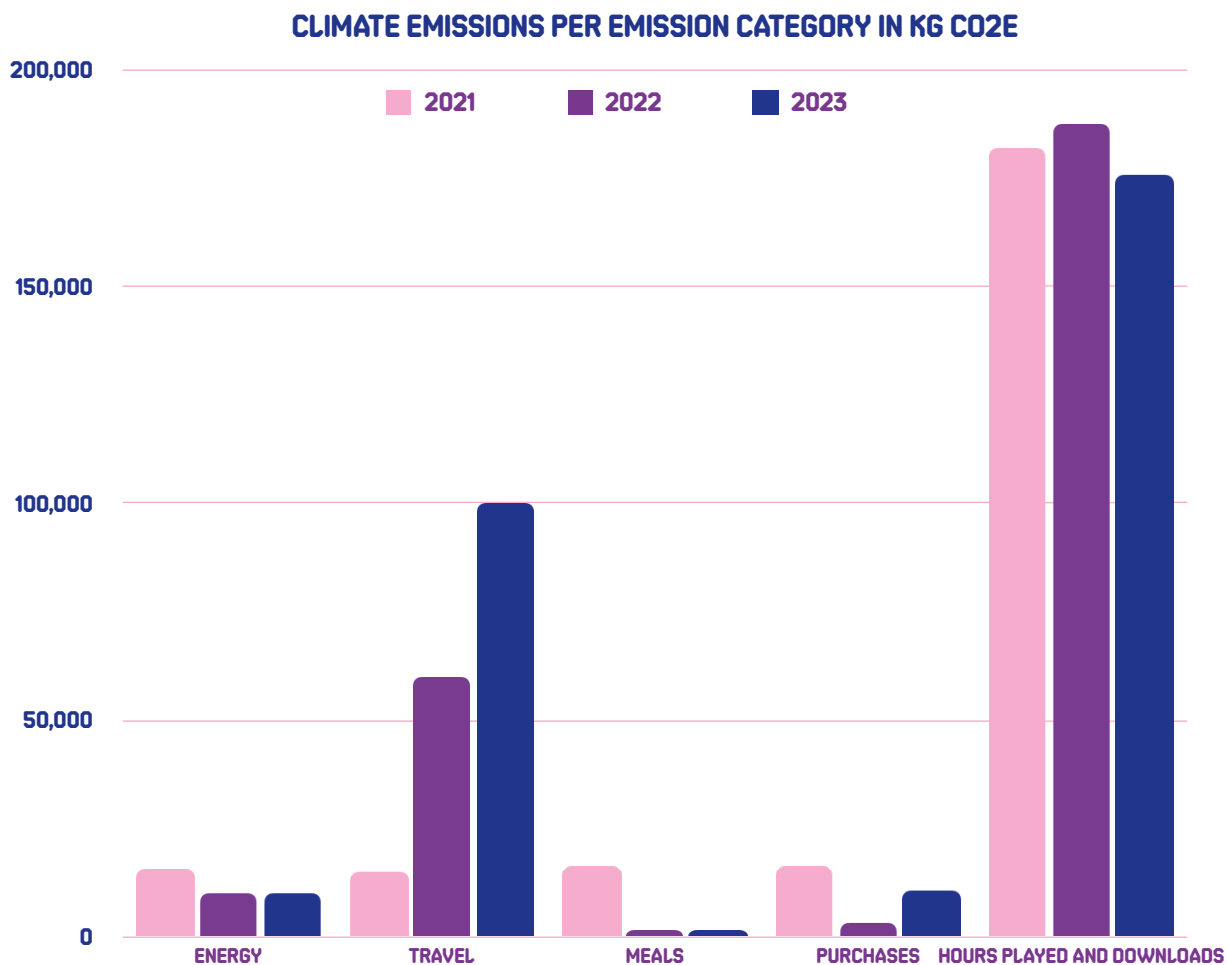
Since 2019, MAG has striven to reduce our climate impact and to compensate for all our carbon emissions. With the help of the company Go Climate, MAG creates a climate report that details how much CO₂ (carbon dioxide) MAG generates through, for example, server operation, flights, electricity use, and hardware purchases.



MAG offsets its carbon emissions with the help of Go Climate for flights, energy, meals, purchases, as well as gaming hours & downloads. To ensure that these climate contributions have the best impact, they are allocated to Go Climate's Gold Standard Initiatives, which are specific climate projects that support three of the UN's global sustainability goals.

MAG's primary sources of emissions have historically been energy, flights, and purchases. The majority of its electricity use comes from renewable energy sources. The Stockholm office is powered by green electricity, and the servers in Google Cloud are also carbon neutral and use green electricity.

Since 2020, MAG has also offset its players' impact on climate. The calculations of these CO₂ emissions are based on the number of hours of gameplay and game downloads from the internet. MAG Interactive's climate footprint for 2023 was 298.3 metric tons of carbon dioxide equivalents, which is higher than the 262.9 metric tons of carbon dioxide equivalents in 2022. To reduce the company's long-term climate impact, MAG now has a more restrictive travel policy.



PLAYING FOR THE PLANET

Since the beginning of 2020, MAG has been part of the the Playing for the Planet Alliance, an initiative facilitated by the United Nations Environment Programme that brings together game companies around the world with the common goal of using gaming to raise awareness and inspire action for climate and environment.. As part of this alliance, MAG has worked on:

- Creating inspiring and educational content about the environment in MAG's games
- Striving to achieve a carbon-neutral footprint as a company through carbon offset measures and being mindful of resource usage in its operations

Also in 2024, MAG undertook an environmental initiative through Playing for the Planet. For the 2024 campaign, MAG chose to focus on highlighting the issue of waste management and how it can be improved. Several of MAG's games launched activities to raise awareness about the importance of reducing waste and recycling where waste was unavoidable: MAG's popular trivia game QuizDuel engaged its players in Germany, Switzerland, and Austria with a special quiz on the topic of waste and recycling. The word-puzzle games Wordzee and WordBrain also released special events highlighting waste and recycling.



DEFINITIONS

Term	Description
<i>Net sales</i>	Total game revenue, drawn from In-app purchases and advertising sales. MAG records the full value of items sold as In-app purchases and reports the platform share as Sales related costs. The Platform fee is normally 30%, but sometimes 15%, of the item price (Apple and Google).
<i>In-app purchases</i>	The value of purchases made in an app through Google Play or Apple App Store or other such store.
<i>Advertising sales</i>	Net sales from ads in the games.
<i>Activated costs for own account</i>	Development work activated to the balance sheet. The company activates personnel costs, including social fees and other related costs such as office space, for infrastructure to the games, games in soft launch and live games. Soft launch is the last development phase prior to global launch and the probability of a global launch is high. MAG has not had any write-downs of activated costs for own account since the company went public.
<i>Platform fee</i>	30% of the In-app purchases are costs to the platform, primarily Google Play and Apple App Store. Certain platforms offer a 15% discount for subscriptions, and currently also a discount of 15% for the first million USD of revenue for the year.
<i>User acquisition</i>	Marketing costs with direct connection to one of the games and with measurable effect and demands on ROI (return on investment). A common ROI requirement is to have the investment paid back as net revenues within six or nine months, and longer periods can be relevant in situations with strong retention and long term monetization.
<i>Game contribution</i>	Net sales minus platform fees (primarily to Google and Apple) minus user acquisition.

EBITDA	Profit/loss before financial items, taxes, depreciations and write-downs.
Equity/asset ratio	Equity as a percentage of balance sheet total.
DAU	Average number of Daily Active Users for the days during the period. Calculated as the sum of DAU for the individual games in such a way so that a player that plays more than one game in one day is counted once per game.
MAU	Average number of Monthly Active Users over the months during the period. Calculated as the sum of MAU for the individual games in such a way so that a player that plays more than one game in one month is counted once per game. An average over the months in the period is calculated.
MUP	Average Monthly Unique Payers during the period is the total number of unique users that makes an In-app purchase in a game. Counted in such a way that a user that makes purchases in more than one game during the month is counted once per game. An average over the months in the period is calculated.
ARPPDAU	Daily average Net sales per daily active user (DAU). If nothing else is stated this is measured in US cents.



BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITORS



THE BOARD OF DIRECTOR'S OF MAG INTERACTIVE (from the upper left row)

**JONAS ERIKSSON, DANIEL HASSELBERG, ÅSA LINDER, BRITT BOESKOV, TAINA MALÉN,
ASBJØRN SØNDERGAARD**

BOARD OF DIRECTORS

According to MAG Interactive's articles of association, the board of directors shall consist of five to ten members appointed by the general meeting, without deputy members. MAG Interactive's board of directors currently consists of six members appointed by the annual general meeting (AGM) 2024 until the AGM to be held in 2025 for the financial year 2023/2024. The Company's financial year is between 1 September - 31 August.

Share holdings are valid per 30 September 2024.

JONAS ERIKSSON, CHAIRMAN OF THE BOARD

Jonas Eriksson, born in 1967, is a member and Chairman of the board of directors of MAG Interactive since 2021.

Other assignments: Jonas Eriksson is also Chairman of the board of United Robots AB and Media Research AB as well as a board member of LRF Media Aktiebolag.

Previous assignments: Jonas Eriksson has been, but is no longer, CEO and Editor-in

Chief of News agency TT, CEO of Canal Plus (now C More), CEO of Bonnier Tidskrifter, CEO of LNK TV Litauen, chairman of Retriver, chairman of SF Bio, chairman of Bonnier Home Entertainment, a member of the board of directors of TV4 and MTV Media Finland.

Education: Holds a Bachelor's degree of Science in Business and Economics from Mittuniversitet in Sundsvall.

Shares: Jonas Eriksson owns 75,930 shares in the company.

Jonas Eriksson is independent to large shareholders and to the company and the executive management.

Jonas Eriksson has attended the compulsory stock market training for the Board of Directors and Senior Management.



DANIEL HASSELBERG, CEO AND BOARD MEMBER

Daniel Hasselberg, born in 1973, is a board member since 2014 and CEO of MAG Interactive since 2013. Daniel Hasselberg was also Chairman between the years 2010 and 2013.

Other assignments: Daniel Hasselberg is also a member of the board of directors of MAG Games Limited, MAG United AB, NMO Invest AB and Sventertainment AB.

Previous assignments: Deputy member of the board of directors of Gaming on the Tail AB and member of the board of directors of Sonetel.

Education: Holds a M.Sc. in Engineering Physics from Uppsala University.

Shares: Daniel Hasselberg owns 3,226,666 shares in the company.

Daniel Hasselberg is neither independent to the large shareholders or to the company and the executive management team.

Daniel Hasselberg has attended the compulsory stock market training for the Board of Directors and Senior Management.

BRITT BOESKOV, BOARD MEMBER

Britt Boeskov, born in 1978, is a member of the board of directors of MAG Interactive since 2023.

Other assignments: Britt Boeskov is an independent advisor and professional board member. Britt Boeskov holds non-executive directorships at Racecourse Media Group, UK; Gaming1 Group, Belgium and Mindway.ai, Denmark, and is a board member of Better Collective (BETCO).



Previous assignments: She previously spent 17 years at Kindred Group (KIND) in various executive roles, including COO, CPO and CXO.

Education: Boeskov holds a Master's degree from Copenhagen Business School in Intercultural Communication and Management.

Shares: Britt Boeskov owns 22,000 shares in MAG Interactive.

Britt Boeskov is independent in relation to large shareholders and to the company and the executive management.

Britt Boeskov has attended the compulsory stock market training for the Board of Directors and Senior Management.

**ÅSA LINDER, BOARD MEMBER**

Åsa Linder, born in 1972, is a member of the board of directors of MAG Interactive since 2023.

Other assignments: Åsa Linder has various assignments as an independent interim consultant within economics and finance but has no other ongoing board assignments.

Previous assignments: Åsa has worked as an auditor at PwC, financial manager at Bonnier AB, and CFO at Svensk Filmindustri. In the role of an independent consultant, Åsa has

worked with clients such as Sweco, Max Matthiessen, MTG, AniCura, Tele2, and OKQ8. Åsa Linder has experience as a board member from SF Norge, Motion Blur, and Bonnier Solutions.

Education: Åsa Linder holds a Master of Science in Business Administration and Economics from Uppsala University and has studied at Université de Lausanne, École des Hautes Études Commerciales.

Shares: Åsa Linder owns 20,000 shares in MAG Interactive.

Åsa Linder is independent in relation to large shareholders and to the company and the executive management.

Åsa Linder has attended the compulsory stock market training for the Board of Directors and Senior Management.

TAINA MALÉN, BOARD MEMBER

Taina Malén, born in 1967, is a member of the board of directors of MAG Interactive since 2018.

Other assignments: Taina Malén is engaged as an advisor, mentor, and interim consultant, focusing on marketing, branding, and business development. She is also a board member of BRAKA Consulting AB.

Previous assignments: Taina Malén has worked as COO and CMO at Star Stable Entertainment for 10 years. She is a co-

founder of Esportal and a former operational board member. Taina Malén has held several positions within the music and record label industry, including serving as Nordic Marketing Director at CANAL+ and Deputy CEO at MSL PR. She is a co-founder and investor in

Esportal AB, where she also sits on the board. Previously, Taina Malén has been a board member of companies such as WIMP (now TIDAL) and Telegram Records.

Education: Has an education in Business Economy from Handelshögskolan Stockholm.

Shares: Taina Malén does not own any shares or other financial instruments in the company.

Taina Malén is independent to large shareholders and to the company and the executive management.

Taina Malén has attended the compulsory stock market training for the Board of Directors and Senior Management.

**ASBJØRN SØNDERGAARD, BOARD MEMBER**

Asbjørn Søndergaard, born in 1980, is a member of the board of directors of MAG Interactive since 2020.

Other assignments: Asbjørn Søndergaard is the CEO and chairman of the board of directors of Tactile Games ApS.

Previous assignments: Asbjørn Søndergaard has no previous or completed assignments.

Education: Holds a degree in business development, media technology and games.

Shares: Asbjørn Søndergaard owns 55,000 shares in MAG Interactive, privately and through other companies.

Asbjørn Søndergaard is independent to large shareholders and to the company and the executive management.

Asbjørn Søndergaard has attended the compulsory stock market training for the Board of Directors and Senior Management.



EXECUTIVE MANAGEMENT IN MAG INTERACTIVE

(from the left)

MARIE LUNDGREN, MAGNUS WIKLANDER, MAGNUS HOLMSTRÖM, DANIEL HASSELBERG AND KAJ NYGREN.

DANIEL HASSELBERG, CEO

Daniel Hasselberg is the Chief Executive Officer of MAG Interactive since 2013 and member of the board of directors since 2014. For more information, read “The Board of Director’s of MAG Interactive” above.

MAGNUS WIKLANDER, CFO

Magnus Wiklander, born in 1973, is the Chief Financial Officer of MAG Interactive since 2017.

Other assignments: Magnus Wiklander is also a board member of Liphax AB and substitute in the boards of Sventertainment AB. Previous assignments: In the past five years, Magnus Wiklander has been, but is no longer, a member of the board of directors of M Wiklander AB, as well as Chief Financial Officer of Widespace AB.

Education: Holds a M.Sc. in Engineering Physics from Chalmers Institute of Technology, as well as a M.Sc. in Advanced Communication from Imperial College.

Warrants: Magnus Wiklander holds 80,000 warrants (warrant option program, 2021) and 25 000 (warrant option program, 2022) in the company.

Shares: Magnus Wiklander owns 77,231 shares in the company.



KAJ NYGREN, CTO

Kaj Nygren, born in 1970, is the Chief Technology Officer of MAG Interactive since 2010.

Other assignments: Kaj Nygren is also a member of the board of directors of MAG Games Limited and Playful Days AB.

Previous assignments: In the past five years, Kaj Nygren has been, but is no longer, a member of the board of directors of MAG Interactive.

Education: Holds a M.Sc. in Computer Science from the Royal Institute of Technology (KTH).

Shares: Kaj Nygren owns 3,100,439 shares in the company.



MARIE LUNDGREN, HEAD OF PEOPLE & CULTURE



Marie Lundgren, born in 1986, is the Head of People and Culture of MAG Interactive since 2022.

Other assignments: Marie Lundgren has no ongoing or completed assignments.

Education: Marie Lundgren holds a Bachelor's Degree in Human Resources from Stockholm University.

Warrants: Marie Lundgren holds 25,000 warrants (warrant option program, 2022) in the company.

Shares: Marie Lundgren owns 1,500 shares in the company through the long term share savings program 2023/26.

MAGNUS HOLMSTRÖM, HEAD OF PRODUCTION

Magnus Holmström, born in 1977, is the Head of Production of MAG Interactive since 2019.

Other assignments: Magnus Holmström has no ongoing or completed assignments.

Education: Magnus Holmström has studied the Masters program of Media Technology at Mid Sweden University.

Shares: Magnus Holmström owns no shares in the company.



AUDITORS

Öhrlings PricewaterhouseCoopers AB, with the address Torsgatan 21, 113 97 Stockholm, is the auditor of the Company since the annual general meeting held on 11 December 2013. The authorised public accountant Henrik Boman, who is a member of FAR (professional institute for authorised public accountants) is the auditor-in-charge.

OWNERSHIP STRUCTURE

MAG Interactive AB (publ) is the parent company of the Group, which consists of MAG Interactive AB (publ) and one wholly owned subsidiary in the United Kingdom, with the company name MAG Games Limited. In the beginning of December 2017 MAG Interactive was listed on NASDAQ First North Premier Growth Market with first day of trading on 8 December 2017. In conjunction with the listing the company all previous preference shares were converted to common shares. The total number of shares is 26,494,653.

As listed on the company website as of September 30, 2024, the major owners are:

OWNERS	NUMBER OF SHARES	%
DANIEL HASSELBERG	3,300,666	12.5
KAJ NYGREN	3,100,439	11.7
AVANZA PENSION	2,907,576	11.0
SWEDBANK ROBUR	2,091,352	7.9
NORDNET PENSIONS FÖRSÄKRING AB	1,739,560	6.6
DIDNER & GERGE	1,618,879	6.1
ANDERS LARSSON	1,444,560	5.5
FREDRIK STENH	1,353,256	5.1
JOHAN PERSSON	1,112,560	4.2
MARTIN POULSEN INVEST AB	894,500	3.4

CORPORATE GOVERNANCE

MAG Interactive is a Swedish public limited liability company. As a Company listed on Nasdaq First North Premier Growth Market, the Company applies Swedish laws (e.g. the Swedish Companies Act (2005:551) and the Swedish Annual Accounts Act (1995:1554)) and regulations, the Company's articles of association, internal rules and instructions, and the Nasdaq First North - Rulebook, as well as other Swedish and foreign laws and regulations, as applicable. The Company also applies the Swedish Corporate Governance Code (the "Code").

The Code defines a norm for good corporate governance on a higher level of ambition than the Swedish Companies Act and other regulations' minimum requirements. The Code is based on the principle "comply or explain". This means that the Company is not required to apply every rule of the Code at all occasions, but may choose alternative solutions deemed to better respond to particular circumstances, provided that the Company openly discloses all such deviations, describes the alternative solution and states the reason for the deviation.

The Company does comply with the Code, with the exception of one point. This relates to the Nomination committee where Kaj Nygren is chairman while also being a member of the company management.

REASONS FOR DEVIATING FROM THE CODE

A large share of the ownership of the company is within the founding team, who are also still part of the company management, and according to the company code the four largest shareholders shall be in the nomination committee. Kaj Nygren was appointed member of the nomination committee representing NMO Invest, Playful days as well as the other active founders.

No review of the company's half-year or nine-month report has been done.

THE ANNUAL GENERAL MEETING

According to the Swedish Companies Act, the general meeting is a company's highest decision-making body. The general meeting may resolve upon every issue for the company, which is not specifically reserved for another company body's exclusive competence. At the annual general meeting, which shall be held within six months from the end of the financial year, shareholders exercise their voting rights on issues, such as adoption of income statements and balance sheets, appropriation of the company's profits or losses, discharge of liability for the board of directors and the CEO for the financial year, the appointment of members of the board of directors and auditor, and remuneration for the board of directors and the auditor.

Besides the annual general meeting, extraordinary general meetings may be convened. In accordance with the Company's articles of association, all general meetings shall be convened through announcements in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and by posting the notice to the meeting on the Company's website. An announcement shall simultaneously be placed in Svenska Dagbladet with information that the meeting has been convened.

The annual general meeting 2025 will be held on Wednesday 22 January 2025 in Stockholm at the company headquarter at Drottninggatan 95A.

RIGHT TO ATTEND GENERAL MEETINGS

All shareholders who are directly registered in the share register kept by Euroclear Sweden AB ("Euroclear"), six bank days prior to the general meeting, and who has notified the Company of their intention to attend the general meeting at the latest by the date specified in the notice convening the meeting, shall be entitled to attend the general meeting and vote according to the number of shares they hold. Shareholders may attend general meetings in person or through a proxy, and may also be accompanied by not more than two assistants. One share on company gives right to one vote at the general meeting given that notice was given according the process described above.

SHAREHOLDER INITIATIVES

Shareholders who wish to have a matter discussed at the general meeting must submit a written request in that regard to the board of directors. Requests must normally be received by the board of directors at least seven weeks prior to the general meeting.

NOMINATION COMMITTEE

The annual general meeting held on 15 November 2017 resolved to adopt an instruction for the nomination committee. According to the instruction for the nomination committee, the main rule is that the nomination committee shall consist of five members, whereof four members are appointed by the four largest shareholders in the Company as of the last banking day in April the financial year before the annual general meeting, and one is the chairman of the board of directors. The instruction for the nomination committee complies with the Code with respect to the appointment of committee members. The members of the nomination committee shall be announced not later than six months prior to the annual general meeting.

NOMINATION COMMITTEE FOR THE MAG INTERACTIVE AB [PUBL] ANNUAL GENERAL MEETING 2025:

- Joachim Spetz - representing Swedbank Robur Fonder
- Kaj Nygren - representing NMO Invest AB and Playful Days AB
- Johan Persson - representing himself, Fredrik Stenh and Anders Larsson
- Adjunct: Jonas Eriksson, Chairman of the board at MAG Interactive AB

THE BOARD OF DIRECTORS

The board of directors is the highest decision-making body after the general meeting, and is also the highest executive body. The board of directors' responsibility is regulated on various levels. The board of directors' responsibility is mainly regulated in the Swedish Companies Act. Pursuant to the Swedish Companies Act, the board of directors is responsible for the company's organisation and the administration of the company's affairs. Furthermore, the board of directors shall continuously assess the company's financial position, as well as ensure that the company's organisation is formed in a way that the accounting, asset management and the company's financial conditions are otherwise controlled in a secure manner.

The board of directors' responsibility is further regulated in the Company's articles of association, directions given by the general meeting and rules of procedure for the board of directors of the Company adopted by the board of directors.

The assignments of the board of directors include, inter alia, to set objectives and strategies, ensure that there are effective systems for follow-up and control of the Company's operations, and ensure that there is satisfactory control of the Company's compliance with legislation and other regulations applicable to the Company's operations. The board of directors decides on the Company's business direction, strategy, business plan, resources and capital structure, organisation, acquisitions, major investments, divestments, annual and interim reports and other general issues of a strategic nature. In addition, the board of directors addresses issues and makes decisions regarding other matters considered to be outside the scope of the CEO's authority.

The board of directors shall also define appropriate guidelines to govern the Company's conduct in society, with the aim of ensuring the Company's long-term value creation capability, as well as ensure that the Company's disclosure of information is characterized by transparency and is accurate, reliable and relevant. In addition, the assignments of the board of directors include appointing, evaluating and if necessary removing the CEO.

Members of the board of directors are appointed annually by the annual general meeting for the period until the end of the next annual general meeting. According to the Company's articles of association, the members of the board of directors to be elected by the general meeting shall consist of a minimum of five members and a maximum of ten members, with no deputy board members. At the date of the Prospectus, the Company's board of directors consists of six members elected by the general meeting. The board members are presented in detail in the section "Board of directors, executive management and auditors". MAG Interactive's board of directors follows a written

procedure, which has been adopted by the board of directors and is reviewed annually. Among other things, the procedure for the board of directors regulates the board of directors' role and responsibility, the board of directors' way of working and how the work is divided within the board of directors. The board of directors also adopts instructions for the CEO of the Company, including instructions for financial reporting.

BOARD MEETINGS DURING THE YEAR

The board of directors held a total of eight (8) meetings during the financial year, where one (1) of the meetings were by correspondence. In four of the seven meetings all members of the board were present, while in three meetings all but one member were present.

RENUMERATION TO MEMBERS OF THE BOARD OF DIRECTORS

Fees and other remuneration for members of the board of directors, including the chairman of the board, are resolved upon by the general meeting. The annual general meeting held on January 17, 2024 resolved that the total amount of fees to the board members, until the next annual general meeting, will be SEK 1,330,000. SEK 450,000 to the chairman and SEK 220,000 to each of the other members. The CEO of MAG will not be remunerated for the board work.

EVALUATION OF THE BOARD

As part of the board year calendar an evaluation of the board work is conducted. It is scheduled to be presented at the ordinary meeting in August/September each year. The evaluation is led by the chairman and consists of a survey completed by each one of the members of the board. The survey that covers areas such as effectiveness of the preparatory work, communication with the CEO, communication with and by the management team, the effectiveness of the financial reporting.

COMMITTEES

REMUNERATION COMMITTEE

The board of directors has internally established a remuneration committee. The remuneration committee consists of four members: Jonas Eriksson is Chairman of the remuneration committee. All of the members are independent of the Company and its management.

The CEO of the company, also member of the board, is not part of the remuneration committee. The remuneration committee's main tasks are to prepare the board of

directors' decisions on issues concerning, among other things, terms of employment and remuneration to the executive management. Furthermore, the remuneration committee shall monitor and evaluate, both ongoing and finalized, programs for variable remuneration to the executive management and also follow and evaluate the application of the current principles for remuneration to MAG Interactive's executive management. The remuneration committee shall also support and advise the board on matters related to the appointment of the CEO and other members of the executive management, as well as matters related to performance evaluation and succession planning for members of the executive management.

AUDIT COMMITTEE

The board of directors of the Company has established an audit committee consisting of the chairman of the board, Jonas Eriksson and board member Åsa Linder. The audit committee and its instruction were established at the regular board meeting in January 17, 2024.

The audit committee's remit is to prepare the board of directors' work to assure the quality of the company's financial reporting. The committee is also tasked with delivering its evaluation of the audit process to the nominating committee in connection with drafting the nominating committee's proposals to the AGM regarding the appointment of auditors and the amount of audit fees. The audit committee met five (5) times during the fiscal year 2023/2024, the period September 2023 to August 2024. All of the members were present at all meetings.

CEO AND EXECUTIVE MANAGEMENT

The CEO's responsibilities are regulated at various levels. By legislation the CEO's responsibilities are mainly regulated in the Swedish Companies Act. According to the Swedish Companies Act, the CEO shall attend to the day-to-day management according to the guidelines and instructions set out by the board. In addition, the CEO shall take all measures necessary in order to maintain the Company's accounting according to applicable laws and regulations and to have an adequate asset management. The CEO shall comply with the Code and Nasdaq First North - Rulebook, as well as other Swedish and international laws and regulations, as applicable.

The CEO must also adhere to the Company's articles of association, directions given by the general meeting, the instructions for the CEO, including instructions for financial reporting, and other internal directions and guidelines established by the board of directors. The division of work between the board of directors and the CEO is described in the instructions for the CEO, including instructions for financial reporting. The CEO reports to the board of directors and is responsible for the operational management of the Company and to execute the resolutions passed by the board of directors. The CEO shall control and monitor that the matters to be dealt with by the board of directors according to applicable legislation, the articles of association or internal instructions are presented to the board of directors, and shall continuously keep the chairman of the board of directors informed about the performance of the Company's operations, its earnings and financial position, as well as any other events, circumstances or conditions that cannot be assumed to be irrelevant to the board of directors or to the shareholders.

The CEO shall ensure that the Company has issued policies and/or instructions in all main areas of the Company's operations and that the policies and instructions are communicated and applied within the organisation.

The CEO shall also ensure that the Company has a current authorization manual that is properly observed and that the Company's accounting is performed in a way that is compliant with applicable legislation.

The CEO and the other members of the executive management are presented in greater detail in the section "Board of directors, executive management and auditors".

RENUMERATION FOR THE CEO AND EXECUTIVE MANAGEMENT

Salaries and other employment conditions are to be sufficient for MAG Interactive's ability to recruit and maintain highly competent members of the executive management. Remunerations within the Company shall be based on the employee's position, responsibilities and performance. Remuneration for the executive management constitutes a fixed salary, long term incentives and other benefits such as pensions and insurances. Such other benefits can be offered in accordance with the levels and practice which is applied in the country where the member of the executive management is employed and shall not constitute a material part of the total remuneration.

In addition to fixed salary, the members of the executive management team are entitled to variable salary. The variable salary is determined by the board of directors and must be linked to predetermined and measurable criteria and designed with the aim of promoting the Company's value creation and business strategy both in the short term and the long term. Targets for variable salary shall be linked partly to the outcome of specific financial targets for the Company and partly to individual targets attributable to each executive's role and function at the Company. The size of the variable salary shall not exceed SEK 750,000 per executive and financial year.

Furthermore, the annual general meeting may decide to offer long term incentive programmes such as share and share price related incentive programmes. These incentive programmes shall be intended to contribute to long term valuable growth and provide a common interest for value creation for shareholders and employees.

Neither the CEO, nor any of the members of the executive management team, are entitled to any severance pays in the event of termination of the employment.

LONG TERM INCENTIVE PROGRAMS

A total of 602,169 warrants, employee stock options and two share savings program have been issued to employees and management of the company. This represents a total potential dilution of 2.3%. The different programs are described below.

ESOP AND WARRANTS 2022

The annual general meeting 2022 resolved to issue up to 264,946 personnel stock options. 262,169 options were issued on March 1, 2022 and subscribed for by 91 employees. Each option entitles the holder to one share, and the exercise price is SEK 31.4 per share. The run time period for the options is March 1, 2022 to March 1, 2025. All options are subject to a three year vesting scheme, meaning that for each 12 months period one third of the programs options are vested.

The annual general meeting 2022 resolved to issue 264,946 warrants to members of the management teams members within the group. 75,000 of the warrants were subscribed

to in February 2022. One warrant entitles subscription to one shares and the strike price is SEK 31.4. The number of shares that each warrant entitles to can under certain circumstances be recalculated. The run time period for the warrants is March 1, 2022 to March 1, 2025.

SHARE SAVINGS PROGRAM 2023

The annual general meeting 2023 resolved to issue no more than 130,000 share rights whereof 65,000 retention shares and 65,000 performance shares to employees and management.

The program means that management and all employee will be offered participation free of charge to receive MAG shares, conditional upon that the employee makes an own initial investment in the company's share. For each investment share the participant may receive after a three year performance period free of charge receive one MAG share (investment share). Additional fulfillment of a performance criteria during the program receive maximum one additional share (performance share) free of charge. The share savings program was signed for by 46 people, the term is April 2023 - March 2026.

SHARE SAVINGS PROGRAM 2024

The annual general meeting 2024 resolved to issue no more than 135,000 share rights whereof 45,000 retention shares and 90,000 are two different types of performance shares to employees and management.

The program means that management and all employee will be offered participation free of charge to receive MAG shares, conditional upon that the employee makes an own initial investment in the company's share. For each investment share the participant may receive after a three year performance period free of charge receive one MAG share (investment share). Additional fulfillment of performance criteria during the program receive up to two additional shares (performance shares) free of charge. The share savings program was signed for by 44 people, the term is March 2024 - February 2027.

INTERNAL CONTROL

The board of directors' and the CEO's responsibilities for internal control is governed by the Swedish Companies Act and the Code.

According to the Swedish Companies Act, the board of directors is responsible for the company's organisation and management of the company's affairs and shall ensure that the company's organisation is structured in such a way that accounting, asset management and the company's financial conditions are controlled in a satisfactory manner.

The CEO shall, according to the Swedish Companies Act, manage the day-to-day business according to the guidelines and instructions issued by the board of directors. Furthermore, the CEO shall take necessary measures to ensure that the Company's bookkeeping is done in accordance with the law and that the asset management is handled in a satisfactory manner.

According to the Code, it is the responsibility of the board of directors to ensure that there are effective systems for follow-up and control of the company's operations.

Internal control is by practice defined as a process affected by the board of directors, the CEO, other members of the executive management and other employees and which is intended to provide a reasonable assurance that a company's goals are met, with respect to: appropriate and efficient operations, reliable reporting and compliance with applicable laws and regulations. The process for the Company's internal control is based on the control environment which provides the discipline and structure for the other four components of the process: risk assessment, control activities, information and communication, and monitoring.

Internal control over financial reporting is intended to provide reasonable assurances regarding the reliability of the external financial reporting in the form of quarterly and annual reports and financial statements as well as that the external financial reporting is prepared in accordance with applicable legislation and accounting standards and other requirements for listed companies. Ultimately, the responsibility for the internal control rests with the board of directors, which continuously evaluates the Company's risk management and internal control.

INTERNAL CONTROL FOR THE COMPANY

RISK ASSESSMENT

As a part of the assignment and of the yearly calendar, the board and executive team work to evaluate risk including all areas, including but not limited to financial risks and key business risks. Risks have been regularly reported to the board. The board and the audit committee have regularly discussed a the audit committee is integrated in the risk evaluation work. As a part of the yearly routine the risk map is updated by the executive management team and the updated risk policy is adopted by the board as part of the Board calendar.

CONTROL ACTIVITIES

Control activities are implemented at all levels, both in group functions and in local companies as well in the relation between the two. The internal control starts with the division of work between the board and the CEO and management team as described in the CEO work instruction. The responsibilities are further divided within the management team and documented to the board.

The group and local routines for control are implemented in policies and work instructions for the financial and accounting team as well as other functions and relates to such areas as four eye verifications, approval policies and routines.

INFORMATION AND COMMUNICATION

All policies and instruction are available to all relevant sta in the company and are introduced to employees both as part of the onboarding process and training periods as well as on a regular basis when evaluating work and routines on the teams.

MONITORING

The board and management team regularly evaluates the control policies that are adopted for the respective areas.

AUDIT

The Company's statutory auditor is appointed by the annual general meeting. The auditor shall audit the Company's annual report and accounts, the consolidated accounts and the significant subsidiaries, as well as the management by the board of directors and the CEO. Following each financial year, the auditor shall submit an audit report to the annual general meeting.

According to the Company's articles of association, the Company shall have one to two auditors, with or without any deputy auditor(s), or a registered auditing company. MAG Interactive's auditor is Öhrlings PricewaterhouseCoopers AB, with Henrik Boman as auditor-in-charge. The Company's auditor is presented in more detail in the section "Board of directors, executive management and auditors – Auditors".

The total fee for the Company's auditor in the financial year 2023/2024 amounted to SEK 559,000. In addition, the Company paid SEK 38,000 to Öhrlings PricewaterhouseCoopers AB for services rendered in the financial year 2023/2024.

EXPECTED FUTURE DEVELOPMENT, NOTABLE RISKS AND UNCERTAINTIES

THE COMPANY IS EXPOSED TO COMPETITION FROM COMPANIES ENGAGED IN THE PROVISION OF OTHER FORMS OF ENTERTAINMENT AND LEISURE THAN MOBILE GAMING

The Company is exposed to competition both from other mobile gaming companies as well as from companies engaged in the provision of other forms of entertainment and leisure. Competition within the broader entertainment industry is intense and the Company's existing and potential customers may be attracted to competing forms of entertainment, such as other forms of online games, social media applications, music and video streaming services, as well as offline activities such as traditional board games, reading, watching television, and shopping. These other forms of entertainment compete for the discretionary time and income of the Company's customers. If the Company is unable to sustain sufficient interest in the Company's mobile games in comparison with other forms of entertainment, including new forms of entertainment, it could have a material adverse effect on the Company's business, financial position and results of operation.

THE COMPANY RELIES ON DIGITAL APP STORES TO DISTRIBUTE THE COMPANY'S GAMES

The Company relies on distributing the Company's games through digital app stores, with the dominant app stores being Google's Google Play for Android and Apple's App Store for iOS. The Company is subject to the distributors' standard terms and conditions for application developers, which govern the promotion, distribution and operation of games on the relevant app store. The Company's business could be harmed if a distributor discontinues or limits the access to its respective platform, modifies its terms of service or other policies, including the provisions on share of net sales. The distributors have broad discretion to unilaterally change its standard terms and conditions and any such changes may be unfavorable for the Company, and have a material adverse effect on the Company's business, financial position and results of operation. The Company's business could also be harmed should the digital app stores be unavailable for players or should players experience issues with these platforms or their in-app purchasing functionality.

THE COMPANY IS LARGELY DEPENDENT ON ATTRACTING AND RETAINING KEY EMPLOYEES

The Company's success largely depends on the Company's key employees, including the Chief Executive Officer and other members of the executive management, and on the continued ability to identify, attract, hire, train and retain qualified executives, game designers, product managers, engineers and other key employees. The Company's ability to attract, hire and retain qualified employees depends on a number of factors, some of which are beyond the Company's control, including the competitive environment on the local employment markets in which the Company operates. The loss of a key employee due to, for example, such employee quitting in order to work for a competitor, may result in loss of important knowhow and may significantly delay or prevent the achievement of development objectives or the implementation of the Company's business strategy. If the Company is unable to attract, hire and retain key employees, it could have a material adverse effect on the Company's business, financial position and results of operation.

BUSINESS ACQUISITIONS AND INTEGRATING ACQUIRING OPERATIONS MAY INVOLVE UNCERTAINTIES AND HIDDEN OBLIGATIONS AND COULD DIVERT THE ATTENTION OF THE COMPANY'S MANAGEMENT AND OTHERWISE DISRUPT THE COMPANY'S OPERATIONS

As a part of the Company's strategy, the Company may in the future explore, and have in the past carried out, acquisitions to target new intellectual property, strengthen the Company's market position in selected game genres, and grow the Company's game development talent. There is a risk that the Company fails to generate the expected benefits. There is also a risk connected to tax liabilities or other hidden obligations related to effected or any future business acquisitions, or that the Company will otherwise face disputes related to its acquisitions. In addition, the acquired companies may have engaged in unfavorable practices that were unknown to the Company before the business acquisition was effected, and which may make it more difficult to integrate the operations, create liabilities or cause other problems. Furthermore, the Company's estimates and assumptions of effected and planned business acquisitions and their benefits may not prove to be correct. The Company could fail to integrate the operations, systems, technologies, products and personnel of each acquired company. The inefficiencies, lack of control and potential delay that may result if such integration is not implemented, as well as unforeseen difficulties and expenditures that may arise in connection with integration, could have an adverse effect on the Company's business. Such acquisitions and integration processes could divert the Company's management's attention from other business concerns and also lead to the use of resources that are needed in other parts of the Company's business. Any of the above could have a material adverse effect on the Company's business, financial position and results of operation.

THE COMPANY IS DEPENDENT ON ITS INTELLECTUAL PROPERTY RIGHTS AND THE COMPANY COULD BE SUBJECT TO ALLEGATIONS OF INTELLECTUAL PROPERTY RIGHTS INFRINGEMENTS

Intellectual property rights are an essential element in the Company's business. The Company relies on a combination of different intellectual property rights such as trademarks, copyright, design rights, protection for compilations, and trade secrets. Despite the Company's efforts to protect its intellectual property rights, unauthorized parties may attempt to copy or otherwise attempt to obtain and use the Company's technology, games or brands. There is a risk that the actions taken by the Company will not be sufficient to protect its intellectual property rights. Should the Company fail to protect and retain its intellectual property rights, it could have a material adverse effect on the Company's business, financial position and results of operation. There is a risk that the Company may be regarded as infringing intellectual property rights of other parties. Intellectual property litigation may be protracted and expensive and the results are difficult to predict. As a result of any court judgment or settlement the Company may be obligated to cancel the launch of a new game, stop offering certain features, pay royalties or settlement costs, purchase licenses or modify its games and features. Should the Company be regarded as infringing intellectual property rights of other parties, it could have a material adverse effect on the Company's business, financial position and results of operation.

INABILITY TO PAY DIVIDENDS

The Company's dividend policy is subject to e.g. the Company's performance and financial condition, possible future acquisitions, expected future results of operation, investments, cash flows, terms of the Company's indebtedness, other means of distribution, and other factors. In addition, Swedish law limits the Company's ability to propose and declare dividends to certain funds legally available for that purpose. As the amount of future dividend payments the Company may make, if any, will depend upon the Company's future earnings, financial condition, cash flows, working capital requirements, the terms of the Company's outstanding indebtedness and other factors, there can be no certainty whether a dividend will be proposed or declared for any given year, or whether a dividend made a certain year will be maintained the following year.

RESEARCH AND DEVELOPMENT

A number of games are in early phase of development, but with a high uncertainty of being released as they need to pass through a number of toll gates on the way to a green light for global launch.

FINANCIAL REPORTS

BOARD OF DIRECTORS REPORT

The Board of directors and the CEO of MAG Interactive AB (publ), 556804-3524, hereby present the annual report for the financial year 2023/2024 (ending August 31, 2024).

OPERATIONS

MAG Interactive is a leading mobile game developer focused on casual social games. With passionate, creative teams and a data-driven business model, MAG delivers world-class gaming experiences to millions of players worldwide. MAG specializes in word games and trivia, with a portfolio of titles including Quizkampen, Wordzee, Primetime, Word Bubbles, Word Mansion, Tile Mansion, Ruzzle, Word Domination, WordBrain and Crozzle that have been downloaded over 350 million times. Revenue is mainly derived from in-app purchases and advertisements.

THE GROUP

The MAG Interactive AB (publ) group consists of, in addition to the parent company, MAG Interactive AB (publ) (incorporated in Sweden with registration number 556804-3524 and with its site in Stockholm), MAG Games Ltd (incorporated in United Kingdom and with its site in Brighton), MAG United AB (incorporated in Sweden with registration number 559182-8230 and with its site in Stockholm), Sventertainment AB (incorporated in Sweden with registration number 559155-8464 and with its site in Stockholm).

All major games in the portfolio are published by MAG Interactive AB, except for the trivia app Primetime, which is developed and published by Sventertainment AB.

The group has 112 employees as of the end of the financial year, of which MAG Interactive AB (publ) has 84, MAG Games Ltd has 21, MAG United AB has 0, the Sventertainment AB has 7.

GROUP PERFORMANCE 2023/2024

OPERATING INCOME

The Group's net sales for the period totalled 283,432 KSEK (362,182 KSEK), a decrease of 22%. The group's net sales was primarily attributable to the games Quizkampen, Wordzee, Ruzzle, WordBrain, Word Domination, Wordbubbles, Primetime, Word Mansion and Tile Mansion. Own work capitalized totalled 46,168 KSEK (33,709 KSEK). Other operating income 1,596 KSEK (1,159 KSEK) consist mainly of adjustments of reserved earn-out for Approe, exchange rate gains and rental income from subletting of office space, see note 6 – Other operations income.

OPERATING EXPENSES, EBITDA AND OPERATING PROFIT/LOSS

Operating expenses totalled 335,817 KSEK (397,029 KSEK). Of these, 107,525 KSEK (205,527 KSEK) were sales related costs, of which cost for user acquisition were 40,632 KSEK (126,472 KSEK). During the year, user acquisition costs are mainly attributable to the games Wordzee, Quizduel, Word Mansion, Tile Mansion and Crozzle.

Personnel expenses totalled 136,160 KSEK (106,134 KSEK), an increase of 28%. The personell expenses include a reversal of research deductions for more information see Note 4 – Key estimates and judgments for accounting purposes, Research deduction (Forskningsavdrag). The average number of employees during the period was 107 (106) an increase of 1%. EBITDA for the period was 55,237 KSEK (56,064 KSEK). Adjusted EBITDA for the period was 75,837 KSEK (52,381 KSEK), see note 11.

Depreciation and impairments of tangible and intangible assets totalled 59,859 KSEK (56,043 KSEK), of which 34,868 KSEK (32,617 KSEK) was depreciation of capitalized development expenses. During the financial year, the Intellectual Property Rights in the Group for Sventertainment's game Primetime were written down by 2 MSEK. This was the result of impairment testing.

The Group's operating profit/loss was -4,621 KSEK (21 KSEK) and profit/loss before tax -3,701 KSEK (881 KSEK). The financial net totalled 920 KSEK (860 KSEK) and referred to interest from cash & cash equivalent, exchange rate differences from cash and cash equivalents, interest expense and interest on financial leasing. Profit/loss after tax totalled -3,216 KSEK (561 KSEK). The profit/loss after tax per share was -0.12 SEK/share (0.02 SEK/share) and the profit after tax per share fully diluted was -0.12 SEK/share (0.02 SEK/share). The average number of shares during the period was 26,494,653 (26,494,653) and the average number of shares fully diluted was 26,494,707 (26,494,653).

THE GROUP'S FINANCIAL POSITION AT THE END OF THE YEAR

Intangible non-current assets at the end of the period totalled 213,992 KSEK (215,234 KSEK), of which 126,184 KSEK (126,466 KSEK) relates to goodwill and 87,808 KSEK (88,769 KSEK) to other intangible assets. The latter consists primarily of capitalized development expenses on own account and acquired intellectual property. Trade and other receivables at the end of the period totalled 28,993 KSEK (36,937 KSEK). Cash and cash equivalents at the end of the period totalled 121,835 KSEK (122,429 KSEK). Total assets at the end of the year were 402,054 KSEK (435,037 KSEK).

Equity at the end of the period totalled 334,972 KSEK (339,222 KSEK), corresponding to 12.6 SEK/share (12.8 SEK/share). The equity/assets ratio at the same time was 83,3% (78.0%). The group has interest bearing debt of 19,935 KSEK (29,001 KSEK) referring to financial lease.

PARENT COMPANY PERFORMANCE 2023/2024

OPERATING INCOME

The parent company's net sales for the period were 276,120 KSEK (308,466 KSEK), a decrease of 10% compared with the same period the previous year.

OPERATING EXPENSES AND OPERATING PROFIT/LOSS

Operating expenses totalled 295,653 KSEK (314,472 KSEK). Of these costs 103,802 KSEK (167,508 KSEK) were sales related costs, of which costs of user acquisition were 40,632 KSEK (96,985 KSEK).

Personnel costs totalled 111,916 TSEK (81,554 KSEK). Depreciation and impairments of tangible and intangible assets totalled 17,274 KSEK (8,732 KSEK). The parent company's operating profit (EBIT) for the period was -18,352 KSEK (-4,318 KSEK). The financial net was -41,995 KSEK (1,434 KSEK), with the largest financial expense being a write-down of shares in subsidiaries amounting to 43,700 KSEK. Of this, 18,700 KSEK relates to Sventertainment AB and 25,000 KSEK to MAG Games Ltd, due to impairment testing. These impairment tests did not reveal any additional surplus values in the group except for a small surplus value in intellectual property for Sventertainment, which has been written down by 2 MSEK as of the balance sheet date. This means that the total effect on the group for these impairments is 2 MSEK. Profit after tax totalled to -59,250 KSEK (-3,215 KSEK).

FINANCIAL POSITION AT THE END OF THE YEAR

The parent company's intangible non-current assets at the end of the financial year totalled 40,718 KSEK (15,980 KSEK). The Parent company's Financial non-current assets consists mainly of Participation in group companies which, at the end of the period totalled 24,252 KSEK (135,418 KSEK). Participation in group companies consists of shares in the following subsidiaries, MAG Games Ltd 22,202 KSEK, MAG United 50 KSEK and Sventertainment AB 2,000 KSEK. Trade and other receivables totalled 27,593 KSEK (31,425 KSEK) and Cash and cash equivalents totalled 108,644 KSEK (85,275 KSEK) at the end of the year. Total assets at the end of the year were 214,307 KSEK (288,452 KSEK). Equity at the end of the period totalled 182,649 KSEK (248,211 KSEK) and Liabilities totalled 31,658 KSEK (40,241 KSEK).

KEY INDICATORS

DISTRIBUTION OF REVENUES BY BUSINESS MODEL

The Group's net sales are distributed primarily between in-app purchases (purchases made inside games via for example the Apple App Store or Google Play) and in-app advertising. The Group's net sales from in-app purchases for the period were 139,566 KSEK (170,314 KSEK), an decrease of 18% compared to the previous year. The Group's net sales from in-app advertising were 142,721 KSEK (191,793 KSEK), an decrease of 26% compared with the same period the previous year.

GAME CONTRIBUTION

Games that are marketed by MAG Interactive have different cost levels in their distribution cost (Sales-related costs) and marketing cost (user acquisition), not least relating to which phase the games are in. The Group therefore reports the total contribution from games activities according to the following model: Net income minus platform fees (primarily originating from fees to Apple App Store and Google Play) and user acquisition. User acquisition includes digital advertising and other advertising associated directly with the company's products, as well as services and charges directly attributable to user acquisition. General marketing of the company and brand is not included in the cost of user acquisition. The Group's game contribution was 203,606 KSEK (187,472 KSEK), an increase of 9% compared to previous year.

OTHER KEY INDICATORS

The company monitors its operations according to a number of key performance indicators that reflect how the games industry in general measures its business activities. These indicators are defined as;

DAU and MAU, the number of unique daily and monthly users respectively that use one of the company's products, presented as an average over the period, adjusted for the number of days in the months in the period. Each individual game's unique users are summed up to present the company's total unique users.

MUP is the number of unique users who made a purchase in one of the company's products. A purchase is defined as a purchase in accordance with the above definition of in-app purchases and to a value greater than zero.

ARPDau is calculated as the company's daily average of net sales during the period divided by DAU. The Swedish national bank (Riksbanken) average exchange rate per month is used for translation into USD.

DAU for the financial year was 1.12 million (1.25 million), a decrease of 11% compared with the previous year. MAU for the financial year was 2.90 million (3.50 million), a decrease of 16% compared to the previous year. MUP for the period was 41 thousand (48 thousand), a decrease of 13% compared with the previous year. ARPDau for the financial year was 6.52 dollar cent (7.37 dollar cent), an decrease of 12% compared with the previous year.

CORPORATE GOVERNANCE

For details about MAG Interactive AB (publ) corporate governance please refer to the section Corporate governance in this report.

SIGNIFICANT EVENTS DURING THE YEAR

- Crozzle, a new crossword game with a decoration theme, was soft-launched in the American market during the year.
- During the year the earn out period relating to the acquisition of Apprope AB ended, and the final payment of 9.9 MSEK was paid.
- The earn out period relating to the acquisition of Sventertainment ended during the year, this did not result in any payouts.
- During the year, the Group's applications for research deductions (forskningsavdrag) were rejected. The background and effect of the reversal is presented in note 4.
- On April 18th, 2024, a merger of the subsidiary Apprope AB into the parent company MAG Interactive AB (publ) was made.
- On Mars 1th, 2024 the Share Saving Program 2024/2027 for employee and management which was approved by the AGM on January 17 2024, was initiated.

SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

- No significant events have occurred since the close of the financial year.

PROPOSED DISTRIBUTION OF EARNINGS

(SEK)

The Annual General Meeting has at its disposal:

Premium fund	315,933,072
Retained earnings	-74,721,806
Profit/loss for the year	-59,249,981
Total	181,961,285

The Board of Directors and the Chief Executive Officer proposes appropriation of retained losses as follows:

To be distributed to shareholders as a dividend	26,494,653
Carried forward	155,466,632

DIVIDEND

The Board of Directors proposes to the Annual General Meeting on January 22, 2025, that a dividend be distributed for the financial year 2023/2024 amounting to 1 SEK per share, totaling 26,494,653 SEK.

The Board's assessment is that the proposed dividend is consistent with the requirements imposed by the nature, scope, and risks of the business on the size of the equity, as well as the company's ability to meet its future obligations.

THE GROUPS' FIVE-YEAR OVERVIEW

(KSEK)

	8/31/2024	8/31/2023	8/31/2022	8/31/2021	8/31/2020
Net sales	283,432	362,182	327,774	286,584	217,566
Profit/loss before tax	-3,701	881	17,381	6,264	-22,636
Balance sheet total	402,054	435,037	460,776	476,568	411,985
Equity/asset ratio %	83.32%	77.98%	72.92%	67.86%	76.18%

ANNUAL GENERAL MEETING

The annual general meeting for MAG Interactive AB (publ) will be held on Wednesday January 22, 2025 in Stockholm. For more details see the section Annual general meeting in Corporate governance.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in KSEK

		Financial year	
	Note	2023/2024	2022/2023
Net sales	5	283,432	362,182
Own work capitalized	15	46,168	33,709
Other operating income	6	1,596	1,159
Total income		331,196	397,050
Operating expenses			
Sales-related costs	7	-107,525	-205,527
Other external expenses	8	-32,273	-29,325
Personnel costs	9	-136,160	-106,134
Depreciation and impairment of tangible and intangible non-current assets	10	-59,859	-56,043
Total operating expenses		-335,817	-397,029
Operating profit/loss	11	-4,621	21
Financial items			
Financial income		4,433	2,310
Financial expenses		-3,513	-1,450
Net financial items	12	920	860
Profit/loss before tax		-3,701	881
Tax expenses	13	485	-320
Profit/loss for the year		-3,216	561
Other comprehensive income		2023/2024	2022/2023
Items that can be transferred to profit/loss for the year			
Exchange rate differences		-530	2,263
Total other comprehensive income for the year, after tax		-530	2,263
Total comprehensive income for the year		-3,746	2,824
The profit/loss and total comprehensive income for the year are attributable in full to the parent company's shareholders.			
		2023/2024	2022/2023
Earnings per share calculated on basis of profit/loss attributable to the parent company's shareholders (expressed as SEK per share).	14	-0.12	0.02
Earnings per share fully diluted calculated on basis of profit/loss attributable to the parent company's shareholders (expressed as SEK per share).	14	-0.12	0.02

CONSOLIDATED BALANCE SHEET

Amounts in KSEK

	Note	8/31/2024	8/31/2023
ASSETS			
Non-current assets			
Intangible assets			
Goodwill		126,184	126,466
Other intangible assets		87,808	88,769
Total intangible assets	<u>15</u>	213,992	215,234
Tangible assets			
Right-of-use assets	<u>16</u>	18,282	27,042
Equipment, tools, fixtures and fittings	<u>17</u>	1,777	3,615
Total tangible assets		20,059	30,658
Financial non-current assets	<u>18</u>		
Other long-term receivables	<u>19</u>	4,102	4,111
Deferred tax asset	<u>20</u>	3,721	8,524
Total financial non-current assets		7,823	12,635
Total non-current assets		241,874	258,527
Current assets			
Current receivables	<u>18</u>		
Trade and other receivables	<u>21</u>	28,993	36,937
Tax assets	<u>22</u>	464	6,577
Other current receivables	<u>23</u>	2,058	3,357
Prepaid expenses and accrued income	<u>24</u>	6,829	7,209
Total short-term receivables		38,344	54,080
Cash and cash equivalents	<u>18, 25</u>	121,835	122,429
Total current assets		160,179	176,509
TOTAL ASSETS		402,054	435,037

CONSOLIDATED BALANCE SHEET

Amounts in KSEK

	Note	8/31/2024	8/31/2023
EQUITY AND LIABILITIES			
Equity that can be attributed to the parent company's shareholders			
Share capital	<u>26</u>	688	688
Other external capital		284,544	285,047
Reserves		847	1,378
Retained earnings incl. profit/loss for the year		48,893	52,109
Total equity		334,972	339,222
LIABILITIES			
Long-term liabilities			
Deferred tax liabilities	<u>27</u>	18,088	23,857
Long-term lease liabilities	<u>16</u>	8,243	18,659
Total long-term liabilities		26,331	42,517
Current liabilities	<u>18</u>		
Trade and other payables		9,628	11,822
Current tax liability		1,461	1,908
Short-term lease liabilities	<u>16</u>	11,693	10,342
Other current liabilities	<u>28</u>	4,473	16,126
Accrued expenses and prepaid income	<u>29</u>	13,497	13,100
Total current liabilities		40,751	53,298
Total liabilities		67,082	95,815
TOTAL EQUITY AND LIABILITIES		402,054	435,037

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in KSEK

	Share capital	Other external capital	Reserves	Retained earnings and profit/ loss for the	Total equity
Opening balance as of 9/1/2022	688	284,638	-886	51,548	335,988
Profit/loss for the year				561	561
Exchange rate			2,263		2,263
Total comprehensive income			2,263	561	2,824
LTIP <u>30</u>		409			409
Closing balance 8/31/2023	688	285,047	1,378	52,109	339,222
Opening balance as of 9/1/2023	688	285,047	1,378	52,109	339,222
Profit/loss for the year				-3,216	-3,216
Exchange rate			-530		-530
Total comprehensive income			-530	-3,216	-3,746
LTIP <u>30</u>	0	-503			-503
Closing balance 8/31/2024	688	284,544	849	48,892	334,972

CONSOLIDATED CASH FLOW STATEMENT

Amounts in KSEK

	Note	8/31/2024	8/31/2023
Cash flow from operating activities			
Operating profit/loss		-4,621	21
Adjustment for items not included in cash flow	31	63,698	56,191
Interest received		4,433	1,899
Interest paid		-872	-28
Interest leasing	16	-734	-962
Tax paid		-1,669	-2,031
Cash flow from operating activities before change in working capital		60,235	55,090
Change in current operating receivables		9,623	5,339
Change in current operating liabilities		-1,069	-17,459
Total change in working capital		8,554	-12,120
Cash flow from operating activities		68,789	42,970
Cash flow from investing activities			
Investment in and acquisition of tangible non-current assets	17	-328	-364
Capitalized work	15	-46,168	-33,709
Payment for acquisition of subsidiary, net of cash acquired		-9,852	-3,015
Change in financial investments		0	15
Cash flow from financing activities		-56,348	-37,073
Free cashflow		12,441	5,897
Cash flow from financing activities	32		
Option scheme	30	-18	0
Amortized leasing liabilities	16	-10,859	-10,379
Cash flow from financing activities		-10,877	-10,379
Change in Cash and cash equivalents			
Cash flow for the year		1,564	-4,481
Exchange rate difference in cash and cash equivalents		-2,157	970
Opening cash and cash equivalents		122,429	125,940
Closing cash and cash equivalents	25	121,835	122,429

PARENT COMPANY'S INCOME STATEMENT

Amounts in KSEK

	Note	Financial year	
		2023/2024	2022/2023
Operating income			
Net sales	<u>5</u>	276,120	308,466
Other operating income	6	1,181	1,688
Total operating income		277,301	310,154
Operating expenses			
Sales-related costs	<u>7</u>	-103,802	-167,508
Other external expenses	<u>8</u>	-62,661	-56,678
Personnel costs	<u>9</u>	-111,916	-81,554
Depreciation and impairments of tangible and intangible non-current assets	<u>10</u>	-17,274	-8,732
Total operating expenses		-295,653	-314,472
Operating profit/loss		-18,352	-4,318
Financial items			
Write-down of shares in subsidiaries	<u>34</u>	-43,700	0
Financial income		4,432	1,867
Financial expenses		-2,727	-433
Net financial items	<u>12</u>	-41,995	1,434
Profit/loss after financial items		-60,347	-2,884
Profit/loss before tax		-60,347	-2,884
Tax	<u>13</u>	1,097	-331
Profit/loss for the year		-59,250	-3,215

The parent company has no items as other comprehensive income. Therefore the total comprehensive income corresponds with the profit/loss for the year.

PARENT COMPANY'S BALANCE SHEET

Amounts in KSEK

	Note	8/31/2024	8/31/2023
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	33	12,665	0
Other intangible assets		28,053	15,980
Total intangible assets	15	40,718	15,980
Tangible assets			
Equipment, tools, fixtures and fittings	17	1,466	2,738
Total tangible assets		1,466	2,738
Financial non-current assets			
	18		
Participation in Group companies	33, 34	24,252	135,418
Deferred tax assets	20	0	0
Long-term receivables from Group companies	35	65	171
Other long-term receivables	19	3,766	3,766
Total financial non-current assets		28,083	139,355
Total non-current assets		70,267	158,073
Current assets			
Current receivables			
	18		
Trade and other receivables		27,593	31,425
Trade and other receivables Group	35	77	0
Tax assets	22	23	6,263
Other current receivables	23	1,284	1,290
Other current receivables Group	35	190	316
Prepaid expenses and accrued income	24	6,229	5,811
Total current receivables		35,396	45,105
Cash and cash equivalents	18, 25	108,644	85,275
Total current assets		144,040	130,380
TOTAL ASSETS		214,307	288,452

PARENT COMPANY'S BALANCE SHEET

Amounts in KSEK

	Note	8/31/2024	8/31/2023
EQUITY			
Restricted equity			
Share capital	<u>26</u>	688	688
Non-restricted equity			
Premium fund		315,933	316,436
Retained earnings		-74,722	-65,698
Profit/loss for the year		-59,250	-3,215
Total non-restricted equity		181,961	247,523
TOTAL EQUITY		182,649	248,211
LIABILITIES			
Long-term liabilities			
Deferred tax liabilities	<u>27</u>	5,779	3,292
Total long-term liabilities		5,779	3,292
Current liabilities			
	<u>18</u>		
Trade and other payables		8,985	9,165
Trade and other payables Group companies	<u>35</u>	2,935	2,741
Other liabilities	<u>28</u>	3,165	14,856
Accrued expenses and prepaid income	<u>29</u>	10,794	10,187
Total current liabilities		25,879	36,949
TOTAL LIABILITIES		31,658	40,241
TOTAL EQUITY AND LIABILITIES		214,307	288,452

CHANGE IN EQUITY IN THE PARENT COMPANY

Amounts in KSEK	Note	Share capital	Premium fund	Retained earnings and profit/loss for the year	Total equity
Opening balance as of 9/1/2022		688	316,027	-65,699	251,017
Profit/loss of the year				-3,215	-3,215
LTIP	<u>30</u>		409		409
Closing balance 8/31/2023		688	316,436	-68,914	248,211
Opening balance as of 9/1/2023		688	316,436	-68,914	248,211
Profit/loss of the year				-59,250	-59,250
LTIP	<u>30</u>		-503		-503
Effect of Merger	<u>33</u>			-5,808	-5,808
Closing balance 8/31/2024		688	315,933	-133,972	182,649

PARENT COMPANY'S CASH FLOW STATEMENT

Amounts in KSEK

	Note	8/31/2024	8/31/2023
Cash flow from operating activities			
Operating profit/loss		-18,352	-4,318
Adjustment for items not included in cash flow	31	22,079	9,141
Interest received	12	4,432	1,867
Interest paid	12	-872	-6
Tax paid		-715	-48
Cash flow from operating activities before change in working capital		6,573	6,636
Change in current operating receivables		2,077	4,210
Change in current operating liabilities		-1,826	-12,139
Total change in working capital		251	-7,929
Cash flow from operating activities		6,824	-1,293
Cash flow from investing activities			
Investments in tangible non-current assets	17	-244	-93
Change in long-term receivables		106	147
Change in financial investments		-4,000	-4,700
Pay out of earn-out		-9,852	-3,015
Cash flow from investing activities		-13,990	-7,661
Free cashflow		-7,166	-8,954
Cash flow from financing activities			
Option scheme	30	-18	0
Effect of merger	33	32,408	-
Cash flow from financing activities		32,390	0
Decrease/increase in cash and cash equivalents			
Cash flow for the year		25,224	-8,954
Exchange rate difference in cash and cash equivalents		-1,855	-427
Opening balance cash and cash equivalents		85,275	94,657
Closing balance cash and cash equivalents	25	108,644	85,275

NOTES

NOTE 1 - GENERAL INFORMATION

The consolidated accounts cover the parent company MAG Interactive AB (publ) (parent company), corp. ID no. 556804-3524 and its subsidiary (the Group). The parent company is a public limited liability company with its registered office in Stockholm. The address of the head office is Drottninggatan 95A, SE-113 60 Stockholm, Sweden. The parent company is listed on NASDAQ Stockholm First North Premier Growth Market since December 8, 2017. MAG Interactive AB (publ) is a company that operates in the field of games for mobile platforms.

If nothing else is stated amounts are in thousands of Swedish krona (KSEK). Information in parentheses refers to the comparative year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant accounting policies applied in producing these consolidated accounts are described below. Unless otherwise specified, these policies have been applied consistently for all years presented.

2.1 BASIS ON WHICH THE STATEMENTS HAVE BEEN PREPARED

These annual accounts contain MAG Interactive AB (publ)'s published consolidated accounts, and the accounting policies chosen to prepare these are the IFRS (International Financial Reporting Standards). The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Complementary Accounting Rules for Groups as well as IFRS and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. They have been prepared in accordance with the acquisition value method.

The preparation of financial statements in accordance with IFRS requires the use of a number of important estimates for accounting purposes. Further, management is also required to make certain judgements when applying the Group's accounting policies. The areas that involve a high degree of assessment, that are complex and areas in which assumptions and estimates are of significant importance to the consolidated accounts are described in note 4.

New and amended accounting policies applied by the Group

Several new standards and/or interpretations have been published by IASB and are being applied by the Group for the first time for financial years beginning September 1, 2023. Of these amendments, the following have impacted the Group's financial statements:

Amendments to IAS 1 and IFRS Practice Statement 2, "Disclosure of Accounting Policies"

The amendments to IAS 1 and IFRS Practice Statement 2 "Disclosure of Accounting Policies" require disclosures of "material" accounting policies instead of the previous "significant" accounting policies. Accounting policies are considered material if they relate to material transactions, events, or conditions, and if the accounting policy has changed during the period, involves a choice of policy, is entity-specific, requires significant judgments and estimates, or involves complex accounting. The Group has adjusted its disclosures regarding the Group's accounting policies in accordance with these principles.

New Standards and Interpretations not yet applied by the Group

Several new standards and/or interpretations have been published by IASB that will take effect for financial years beginning after January 1, 2024, and have not been applied in the preparation of these financial statements. These new standards and interpretations are not expected to have a material impact on the Group's financial statements in the current or upcoming periods, nor on future transactions.

When IFRS 18 comes into force in 2027, this will affect the presentation of the Group's financial statements. The Group has not yet fully analysed the effects of this standard.

2.2 CONSOLIDATED ACCOUNTS

Subsidiaries are all entities over which the parent company, MAG Interactive AB, has control. The acquisition method is used when recording the Group's business combinations. The purchase price of an acquisition of a subsidiary consists of the fair value of assets and liabilities transferred that the Group incurs to the former owners of the acquired company. The purchase price also includes the fair value of all liabilities that are the consequence of a contingent consideration agreement. Identifiable acquired assets and debts taken over in a business combination are initially valued at their fair value on the acquisition date.

Acquisition-related costs are expensed as incurred and reported in the income statement under Other Operating Income or Other External Costs.

Any contingent consideration to be transferred by the Group is recorded at the fair value on the acquisition date. Subsequent changes in the fair value of a contingent consideration classified as a liability are recognised in accordance with IFRS 9 in the income statement and reported under the line Other Operating Income.

Goodwill is valued initially as the amount by which the total purchase price and any fair value of a holding without a controlling influence on the date of acquisition exceeds the fair value of identifiable acquired net assets. If the purchase price is lower than the fair value of the acquired company's net assets, the difference is recorded directly in the income statement.

The accounting policies for subsidiaries have been changed as necessary in order to guarantee the consistent application of the Group's policies.

TRANSLATION OF FOREIGN CURRENCY

(a) Functional currency and reporting currency

Items included in the financial statements for the various entities in the Group are valued in the currency used in the financial environment of which each company is primarily operational (functional currency). The consolidated accounts use Swedish kronor (SEK), which is the Group's reporting currency.

(b) Transactions and balance sheet items

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction date or on the date when the items are revalued. Exchange rate gains and losses that arise when paying for such transactions and when translating monetary assets and liabilities in foreign currency at the exchange rate on the balance sheet date are recorded in the income statement.

Exchange rate gains and losses attributable to cash and cash equivalents are recorded in the income statement as financial income or expenses. All other exchange rate gains or losses are recorded in the item "Other operating income/Other operating expenses" in the income statement.

(c) Group companies

The profit/loss and financial position of all Group companies with a functional currency that is different from the reporting currency are translated into the Group's reporting currency and all exchange rate differences that arise are recognised in other comprehensive income.

Goodwill and adjustments to fair value that arise from the acquisition of a foreign business are treated as assets and liabilities in that business and are translated at the exchange rate on the balance sheet date. Exchange rate differences are recorded in other comprehensive income.

INTANGIBLE ASSETS

(a) Goodwill

In order to test the impairment requirement, goodwill acquired in a business combination is allocated to cash generating units or groups of cash generating units that are expected to benefit from synergies in the acquisition.. In the Group, a cash-generating unit corresponds to a game, a game portfolio, or a game studio.

The impairment of goodwill is tested annually or more often if events or changes in conditions indicate a possible reduction in value. The carrying amount of the cash generating unit to which goodwill has been assigned is compared with the recoverable amount, which is the higher of the value in use and the fair value minus sales-related costs. Any impairment is recorded immediately as an expense and is not cancelled.

(b) Acquired intellectual rights to mobile games

Intellectual rights to games for mobile platforms that have been acquired separately are recorded at the cost of acquisition. Intellectual rights to games for platforms that have been acquired through a business combination are recorded at fair value on the acquisition date. Intellectual rights have a definable useful life and are recorded at the cost of acquisition minus accumulated depreciation. Depreciation is performed on a straight-line basis in order to allocate the cost of intellectual rights over their estimated useful life of 3–10 years.

(c) Capitalized expenditure for development works in respect of games for platforms

Costs of maintenance of games for platforms are recorded as expenses as they arise. Development expenses that are directly attributable to the development and testing of identifiable and unique games, and infrastructure for games, for platforms that are controlled by the Group are recorded as intangible assets when the following criteria are met:

- it is technically possible to produce the game for platforms so that it can be used,
- MAG Interactive's intention is to produce the game for platforms and to use or sell it,
- the conditions exist to use or sell the game on platforms,
- it can be shown how the game for platforms generates probable future financial benefits,
- adequate technical, financial and other resources to complete development and to use or sell the game on platforms are available, and
- the expenses attributable to the game for platforms during its development can be calculated in a reliable way.

Directly attributable expenses that are capitalized as a part of a game for platforms include expenses for employees and a reasonable proportion of indirect expenses. Other development expenses that do not meet these criteria are recorded as expenses when they arise. Development expenses that have previously been recorded as an expense are not recorded as an asset in the subsequent period. Development expenses for games for platforms that are recorded as an asset are depreciated during their estimated useful life, which does not exceed three years.

IMPAIRMENT OF INTANGIBLE ASSETS

Intangible assets that have an indeterminate useful life or intangible assets that are not ready for use are not depreciated, but are tested annually in respect of a possible impairment requirement. Assets that are depreciated are assessed with regard to any value reduction whenever events or changes in conditions indicate that the carrying amount may perhaps not be recoverable. An impairment is performed to the amount by which the asset's carrying amount exceeds its recoverable value.

The recoverable value is the higher of an asset's fair value minus sales-related costs and the value in use. When assessing an impairment requirement, assets are grouped at the lowest levels where there are essentially identifiable cash flows (cash-generating units) typically individual games, a game portfolio, or a game studio.

TANGIBLE ASSETS

All tangible non-current assets are recorded at the cost of acquisition deductions for depreciation. The cost of acquisition includes expenses that can be attributed directly to the acquisition of the asset.

Depreciation of assets in order to allocate their cost of acquisition down to the calculated residual value over the estimated useful life is performed on a straight-line basis as follows:

Equipment - 5 years

The residual values and useful life of assets are reviewed at the end of each reporting period and adjusted as required. An asset's carrying amount is written down immediately to its recoverable value if the asset's carrying amount exceeds its estimated recoverable value.

FINANCIAL INSTRUMENTS

(a) Financial Assets - Classification and valuation

The Group classifies and measures initially its financial assets at amortized cost (debt financial instruments). The classification of investments in debt financial instruments is dependent on the Group's business model of managing financial assets and the contractual terms for the assets cash flows.

Financial assets measured at amortized cost

Assets held for the purpose of collecting contractual cash flows, where these cash flows only consists of capital amounts and interest, are valued at amortized cost. The recorded amount of these assets are adjusted for expected reported credit losses. Interest income from these financial assets is recorded with the effective interest rate method and is included in the financial income. The Group's financial assets that are measured at amortized cost consist of other non-current receivables, accounts receivable, other current receivables, accrued income and cash and cash equivalents.

The Group's account receivables refer to revenue from in-app purchases in mobile games and sponsorship and advertising revenue from ad displays as well as sponsorship collaborations in mobile games. The counterparties for these receivables are mobile gaming platforms for in-app purchases, and ad networks or other partners for sponsorship and advertising revenue.

(b) Financial Liabilities - Classification valuation

Financial liabilities measured at amortized cost

The Group's financial liabilities are measured at amortized cost after initial recognition using the effective interest method (discounted present value). The financial liabilities include other long-term liabilities, trade payables, other short-term liabilities, and accrued expenses. Trade payables are classified as current liabilities if they fall due within one year; otherwise, they are classified as long-term liabilities.

Financial Liabilities Measured at Fair Value

Contingent considerations are recognized at fair value at the acquisition date. Subsequent changes in the fair value of a contingent consideration classified as a liability are recognized in accordance with IFRS 9 in the income statement and reported under the line Other Operating Income or Other External Costs.

Derecognition of financial liabilities

Financial liabilities are derecognized when the obligations specified in the contract have adjusted, been discharged or expires. The difference between the recognized value for a financial liability, fully or partially, that has been extinguished or transferred to another party and the reimbursement that has been paid including the transferred assets that is not cash or assumed liabilities, are recognised in the profit or loss.

When the terms of a financial liability are renegotiated, and not derecognised from the balance sheet, the gain or loss is recognised in the profit or loss. The gain or loss occurs from the difference between the original contractual cash flows and the modified cash flows discounted with the original effective interest rate.

(c) Impairment of financial assets - Assets that are recognised at amortized cost

The Group assesses the future expected credit losses that are connected to assets recognised to amortized cost. The Group reports a credit reserve for these expected credit losses at each reporting date. As for accounts receivables, the Group applies the simplified approach to credit loss provisioning, meaning the reserve will correspond to the expected loss over the entire life of the trade receivable. To identify whether there is a need for impairment of financial assets, an assessment is made of the future expected credit losses based on both historical and forward-looking variables. These variables are based on the grouping of financial assets according to allocated credit risk characteristics and days past due.

SHARE CAPITAL

Ordinary shares are classified as equity. Transaction costs that are directly attributable to the issuance of new ordinary shares or options are recognised, net after tax, in equity as a deduction from the proceeds. As of the end of the financial year 2023/2024, only ordinary shares exist in MAG Interactive AB (publ).

DIVIDENDS

Dividends to the parent company's shareholders are recognized as a liability in the consolidated financial statements in the period in which the dividend is approved by the parent company's shareholders.

CURRENT AND DEFERRED INCOME TAX

The tax expense for the period includes current tax and deferred tax. Tax is recorded in the income statement, except when the tax relates to items recorded in other comprehensive income or directly in equity. In such cases, the tax is also recorded in other comprehensive income or equity.

The current tax expense is calculated on the basis of the tax rules adopted on the balance sheet date or adopted in practice in the country where the parent company and its subsidiaries operate and generate taxable income.

Deferred tax is recorded for all temporary differences that arise between the tax value of assets and liabilities and their carrying amounts in the consolidated accounts. A deferred tax liability is not recorded if it arises as a consequence of the initial recording of goodwill. Deferred income tax is calculated by applying the tax rates (and laws) that have been adopted or announced as of the balance sheet date and that are expected to apply when the relevant deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recorded to the extent that it is likely that future tax surpluses will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are settled when there is a legal right to settle for the relevant tax receivables and tax liabilities, and when the deferred tax receivables and tax liabilities are attributable to taxed charged by one single tax authority and relate to either the same tax subject or different tax subjects where there is an intention to settle the balances by means of net payments.

LEASES

The material leasing contracts within the Group consists of office rental agreements and car leases.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Liabilities arising from a lease are initially measured on a present value basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is the case for leases in the Group, the lessee's incremental borrowing rate is used, which is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

To determine the incremental borrowing rate, the Group:

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are valued at acquisition cost and include the amount at which the lease liability was originally measured.

Right-of-use assets are generally depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. If the Group is reasonably certain of exercising a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments for short-term contracts and low-value leases are expensed on a straight-line basis in the income statement. Short-term contracts refer to agreements with a lease term of 12 months or less. Examples of the Group's low-value contracts include printers and mobile phones.

REVENUE RECOGNITION

The Group's income comes from in-app purchases on platforms, advertising and sponsorship income attributable to these games and a smaller revenue stream from royalties.

Sales in games take place in various mobile device platforms and revenue is recognized when these are delivered to the customer, which is when control passes to the customer. For in-game sales, the gross payment flow from the end user always goes to the mobile platform, which deducts its fee. This fee is typically 30% of the price paid by the end user before the money reaches the Group. Some mobile platforms offer a 15% discount for subscriptions. Currently, a 15% discount is also given on the first million USD on one of the platforms. The assessment is that the Group should recognise the full revenue gross and the platform's share of the revenue should be recognised as an outgoing expense item, resulting in the same net effect as net-recognised revenue. This assessment is based on the Group acting as the principal and having control over these transactions.

We assess control by analysing whether we have the right to determine pricing, are responsible for delivering the promised good or service, and bear credit risk. If these criteria are met, we are deemed to have control, and revenue is therefore recognised gross.

The Group also receives revenue from advertisements displayed in the company's games. This revenue is recognized as the advertisements are displayed and the company receives compensation for these. This also applies to sponsorship and advertising revenue.

The Group also has some royalty revenue associated with the granting of rights to use the company's games in other contexts. MAG Interactive then receives a proportion of income from this, which is recorded as it arises.

No substantial element of financing is deemed present as the sales are made with a credit term of 30–60 days. Furthermore, all contracts with customers have an original expected period of at most one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied obligations is not disclosed.

EMPLOYEE BENEFITS

(a) Pension Obligations

The Group companies have defined contribution pension plans. Contributions are recognised as personnel costs when they fall due for payment. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments will benefit the Group.

(b) Short-term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as other current liabilities in the balance sheet.

(c) Share-based Payments

The Group has several share-based compensation plans where the Group receives services from employees in exchange for the Group's equity instruments. Information about these plans can be found in the Note on Stock Option Programs.

(d) Employee Stock Option Programs and Share Match Programs

The service that entitles employees to the allocation of options through the Group's employee stock option programs and share match programs is recognised continuously as a personnel cost with a corresponding increase in equity.

The total cost is recognised over the vesting period. At the end of each reporting period, the Group re-evaluates its estimates of the number of shares expected to vest based on service conditions. Any deviation from the original estimates that the re-evaluation gives rise to is recognised in the income statement, with corresponding adjustments made in equity. The social security contributions arising from the allocation of stock options are considered an integral part of the allocation. At the end of each reporting period, the Group re-evaluates its estimates of the value of the options and re-assesses the social security contributions.

(e) Warrants

The Group also has warrant programs for the management team where warrants have been acquired at market value. Premiums received for warrants are recognised under Other Contributed Capital in the balance sheet. Since the participants have acquired the warrants at fair value, no cost is recognised for the program.

2.3 SUMMARY OF THE PARENT COMPANY'S SIGNIFICANT ACCOUNTING POLICIES

MAG Interactive AB (publ)'s (the parent company's) set of accounts is prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. In cases where the parent company applies other accounting policies than the Group's accounting policies in the consolidated accounts, this is specified below.

Financial risks

The parent company is exposed to a number of different financial risks in its activities: market risk (currency risk, interest rate risk), credit risk and liquidity risk. The parent company's general risk management policy focuses on the unpredictability of the financial markets and attempts to minimize potential unfavourable effects on the Group's financial results. For more information about financial risks, please refer to note 3.

Estimates and judgements

The preparation of financial statements in accordance with RFR 2 requires the use of a number of important estimates for accounting purposes. Management is also required to make certain judgements when applying the parent company's accounting policies. The areas that involve a high degree of judgement, that are complex or areas in which assumptions and estimates are of significant importance for the annual report are described in note 4.

Formats

The income statement and balance sheet follow the format of the Swedish Annual Accounts Act. The statement of changes in equity follows the Group's format, but must contain the components specified in the Swedish Annual Accounts Act. It also means there is a difference in designations compared with the consolidated accounts, primarily in respect of financial income and expenses and equity.

Participation in subsidiaries

Participations in subsidiaries are recorded at the cost of acquisition after a deduction for any impairments. The cost of acquisition includes acquisition-related expenses. When there is an indication that participations in subsidiaries have decreased in value, a calculation of the recoverable value or value in use is performed. If this is lower than the carrying amount, an impairment is performed. Impairments are recorded in the item "Profit/loss from participations in Group companies".

Capitalized development expenses

Development expenses that are directly attributable to the development and testing of identifiable and unique games, and infrastructure for games, for platforms that are controlled by the Group are recorded as intangible assets in the Group when the criteria for capitalization in IAS 38 are met. No development expenses are capitalized in the parent company.

Acquired intellectual property rights to games on mobile platforms

Acquired intellectual property rights that have been obtained by the parent company through a merger are treated in the same way in the parent company as in the Group, meaning they are recognised at acquisition cost. These intellectual property rights to games on mobile platforms that were acquired through a business combination are recognised at fair value on the acquisition date. Intellectual property rights have a determinable useful life and are recognised at acquisition cost minus accumulated depreciation. Depreciation is calculated on a straight-line basis to allocate the cost of the intellectual property rights over their estimated useful life of 3-10 years.

Depreciation of Goodwill

Merger goodwill for Appropé AB has arisen during the financial year and is amortized on a straight-line basis over five years from the acquisition date (January 2021). The amortization of merger goodwill is reported in the income statement under the item Depreciation and impairment of tangible and intangible non-current assets

Financial instruments

IFRS 9 is not applied in the parent company and financial instruments are valued at the cost of acquisition.

However the parent company must apply the impairment rules in IFRS 9 and assess whether there is any indication of impairment in any of the financial fixed assets. An impairment is performed if the declined value of the asset is assessed as permanent. Impairment for interest-bearing financial assets recorded at amortized cost is calculated as the difference between the asset's recorded amount and the present value of the management's estimate of future cash flows discounted with the asset's original effective interest rate. Impairment for other financial fixed assets is determined as the difference between the recorded amount and the highest of the fair value deducted for acquisition cost and the present value future cashflow based on the management's estimation.

Leasing

The parent has chosen not to apply IFRS 16 Leasing. Instead the parent applies RFR2 IFRS Leasing p 2-12. This means that the right of use asset and leasing liability are recorded as an expense on a straight line basis over the leasing period and not in the balance sheet.

NOTE 3 - FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Group is exposed to a number of different financial risks in its activities: market risk (currency risk), credit risk, liquidity risk and interest risk. The Group's general risk management policy focuses on the unpredictability of the financial markets and attempts to minimize potential unfavourable effects on the Group's financial results. The Group does not use derivative instruments to hedge its risk exposure.

Risk management is performed by Group Finance in accordance with policies adopted by the Board. The Board draws up written policies for general risk management and for specific areas such as currency risk, interest risk, credit risk, the use of derivative instruments and financial instruments that are not derivatives, as well as the investing of excess liquidity.

(a) Currency risk

Currency risk (transaction risk)

The Group operates on an international level and is exposed to currency risks arising from various currency exposures, in particular in respect of the US dollar (USD). Currency risks also arise when future business transactions are expressed in a currency that is not the entity's functional currency. The Group's product purchases takes place mainly in USD, then in order of SEK, EUR and GBP. In order to manage the currency risk of outflows in USD, the Group has USD bank accounts but also SEK, EUR and GBP accounts. The Group's revenues are mainly in USD and SEK, and a small part of the revenues are received in EUR. The Group does not currently hedge any foreign currencies.

Exposure

The Group's primary exposure to foreign currency risk at the end of the reporting period, expressed in thousands of SEK was as follows:

As at August 31	2023/2024			2022/2023		
	SEK/USD	SEK/EUR	SEK/GBP	SEK/USD	SEK/EUR	SEK/GBP
Trade receivables	22,401	613	0	28,367	117	0
Trade payables	-4,041	-216	-264	-5,568	-466	-658
Total	18,360	397	-264	22,799	-349	-658

Sensitivity

The Group is primarily exposed to changes in USD/SEK, EUR/SEK and GBP/SEK exchange rates. The Group's risk exposure in foreign currencies:

For the year ending August 31	Impact on profit/loss before tax	Impact on profit/loss before tax
	2023/2024	2022/2023
USD/SEK exchange rate—increase/ decrease 10 %	+/- 1 836	+/- 2 280
EUR/SEK exchange rate—increase/ decrease 10 %	+/- 40	+/- 35
GBP/SEK exchange rate—increase/ decrease 10 %	+/- 26	+/- 66

The Group has a holding in a foreign business in the United Kingdom, the net assets of which are exposed to currency risks. The Group's policy is not to hedge the translation exposure related to net foreign assets to reduce translation risk in the consolidated financial statements.

(b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises through cash and cash equivalents, bank balances and credit exposure with customers, including receivables.

Only banks and financial institutions that have a minimum rating of "A" from independent agencies are accepted. The Group's customers consist primarily of private individuals to whom sales are made through payment with major credit cards to reduce credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Group's accounts receivable and debt instruments recognized at amortized cost are within the field of application of the model for expected credit losses: The Group applies the simplified approach to measuring expected credit losses, which entails using the expected credit losses over the entire period of the receivable as the starting point. The expected credit losses are based on the customers' payment profiles together with the credit losses for the same period. They are then adjusted to reflect current and forward-looking information on macroeconomic factors affecting the customers' ability to settle the receivables. The Group has historically had low customer losses, and believes that this also reflects the situation going forward since the Group's customers are well-established companies with high credit ratings.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

(c) Liquidity risk and interest

Cash flow forecasts are drawn up by the Group's operational companies and are aggregated by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity reserve closely in order to make sure that the Group has sufficient cash funds to meet the need of operating activities. The table below analyses the Group's non-derivative financial liabilities broken down according to the time remaining on the balance sheet date until the contractual due date. The amounts quoted in the table are the contractual, non-discounted cash flows.

As of August 31, 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade and other payables	11,632	190	0	0	0	11,822
Leasing liabilities	2,439	7,925	11,201	7,436	0	29,001
Other current liabilities	3,525	14,509	-	-	-	18,034
Accrued expenses and prepaid income	9,190	3,546	363	0	0	13,100

As of August 31, 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade and other payables	9,488	140	0	0	0	9,628
Leasing liabilities	2,435	8,966	5,212	3,322	0	19,935
Other current liabilities	4,698	879	357	-	-	5,934
Accrued expenses and prepaid income	9,595	3,563	0	339	0	13,497

3.2 MANAGING CAPITAL

The Group's objective with regard to the capital structure is to secure the Group's ability to continue its activities so that it can continue to generate a return for shareholders and value for other stakeholders, and to maintain an optimal capital structure in order to keep down the costs of capital.

To maintain or adjust the capital structure, the Group can change or abstain the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets in order to reduce liabilities.

NOTE 4 - IMPORTANT ESTIMATES AND JUDGEMENTS FOR ACCOUNTING PURPOSES

Estimates and judgements are reviewed periodically and are based on historical experience and other factors, including expectations of future events considered reasonable under the prevailing circumstances.

4.1 IMPORTANT ESTIMATES AND JUDGEMENTS FOR ACCOUNTING PURPOSES

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result from these will, by definition, seldom correspond with the actual outcome. The estimates and assumptions that involve a risk of significant adjustments to carrying values of assets and liabilities during the next financial year are set out in general terms below.

Impairment testing of Goodwill

Every year the Group investigates whether there is an impairment requirement for goodwill, in accordance with the accounting policy described in note 2 - Summary of significant accounting policies (Intangible assets). The recoverable values of cash-generating units have been defined by means of calculating the value in use. Certain estimates must be made for these calculations. The carrying amount of goodwill totals 126,184 KSEK as of August 31, 2024 (126,466 KSEK as of 31 August 2023).

Valuation of tax loss carry forwards

Deferred tax assets are only recorded for tax loss carry forwards for which it is likely that they can be utilized against future taxable surpluses and against taxable temporary differences. Every year the Group investigates whether it is appropriate to capitalize new deferred tax receivables in respect of the year's or previous years' tax loss carry forwards.

Retained expenses for development expenses

The Group has retained expenses for development expenses in respect of mobile games that are recorded as intangible assets. After the initial recording, the impairment requirement is tested as soon as there are indications that the asset has reduced in value. The Group performs estimates of the useful life in connection with the initial recording. The useful life is tested every year and adjusted as required. The Group's retained expenses for development expenses are depreciated over three years. As of August 31 2024, retained expenses for development expenses totaled 57,755 KSEK (46,455 KSEK as of August 31, 2023).

NOTE 5 - DISTRIBUTION OF NET SALES

The Group reports the operations into one segment according to IFRS' definition. To give a better understanding of the business the main sources of Net sales are split in two revenue streams; In-app purchases and Advertising sales.

	Group		Parent	
	2023/2024	2022/2023	2023/2024	2022/2023
In-app purchases	139,566	170,314	139,566	156,972
Advertising sales	142,721	191,793	135,410	151,419
Other	1,144	75	1,144	75
Total	283,432	362,182	276,120	308,466
The Group's distribution by country	2023/2024	2022/2023		
Sweden	283,432	362,182		
Total	283,432	362,182		

The Group's income distributed by registered office and company

All games in the portfolio are published by MAG Interactive AB, except Primetime which Sventertainment is the developer and publisher of. Both offices are registered in Sweden.

NOTE 6 - OTHER OPERATING INCOME

	Group		Parent	
	2023/2024	2022/2023	2023/2024	2022/2023
Intercompany revenue	-	-	735	961
Exchange rate gains	393	897	209	726
Write down earn-out	966	261	-	-
Other	237	1	237	1
Total other operating income	1,596	1,159	1,181	1,688

NOTE 7 - SALES-RELATED COSTS

	Group		Parent	
	2023/2024	2022/2023	2023/2024	2022/2023
Platform fee	39,194	48,238	39,194	44,383
User acquisition	40,632	126,472	40,632	96,985
Other sales charges	27,699	30,817	23,976	26,140
Total sales-related costs	107,525	205,527	103,802	167,508

NOTE 8 - REMUNERATION PAID TO AUDITORS

	Group		Parent	
	2023/2024	2022/2023	2023/2024	2022/2023
PwC				
The audit assignment	630	649	559	535
Other services	38	51	38	51
Sum PwC	668	700	597	586
Other auditors				
The audit assignment	337	277	0	0
Tax consultancy	0	0	0	0
Other services	880	115	880	115
Sum other auditors	1,217	392	880	115
Total	1,885	1,092	1,477	701

NOTE 9 - PERSONNEL COSTS

	Group		Parent	
	2023/2024	2022/2023	2023/2024	2022/2023
Costs of employee benefits				
Salaries and remuneration	71,237	65,737	49,880	46,779
Social security contributions*	41,119	16,250	37,259	13,088
Pension costs	6,268	5,935	4,778	4,293
Employee stock options & Share match program	670	357	446	264
Total	119,293	88,279	92,363	64,424

*The item includes a reversed research deduction; for more information, see the next page

	Group		Parent	
	2023/2024	2022/2023	2023/2024	2022/2023
Chief Executive Officer				
Salaries and remunerations	1,984	1,886	1,984	1,886
Variable remuneration	107	107	107	107
Social security contributions	657	626	657	626
Pension costs	456	431	456	431
Total	3,204	3,050	3,204	3,050
Other Senior Executives				
Salaries and remunerations	7,288	6,377	7,288	6,377
Variable remuneration	428	430	428	430
Social security contributions	1,957	2,621	1,957	2,621
Pension costs	1,219	1,470	1,219	1,470
Warrants & Share match program	192	52	192	52
Total	11,085	10,950	11,085	10,950
Sum salaries and remuneration	133,582	102,279	106,652	78,424

Fee to Board members	Group		Parent	
	2023/2024	2022/2023	2023/2024	2022/2023
Chairman of the Board, Jonas Eriksson	450	450	450	450
Board member, Taina Malén	220	220	220	220
Board member, Andras Vajlok	-	110	-	110
Board member, Teemu Huuhtanen	-	110	-	110
Board member, Asbjørn Søndergaard	220	220	220	220
Board member, Britt Boeskov	220	110	220	110
Board member, Åsa Linder	220	110	220	110
Board member, Daniel Hasselberg	-	-	-	-
Total	1,330	1,330	1,330	1,330

Average no of employees

	Group				Parent			
	2023/2024		2022/2023		2023/2024		2022/2023	
	Average number of employees	Of which male	Average number of employees	Of which male	Average number of employees	Of which male	Average number of employees	Of which male
Sweden	86	52	86	53	77	44	75	45
UK	21	15	19	13	0	0	0	0
Total	107	67	105	65	77	44	75	45

Gender distribution in the Group (incl. subsidiaries) for Board members and other senior executives

	2023/2024		2022/2023	
	Number on balance sheet date	Of which male	Number on balance sheet date	Of which male
Board members	6	3	6	3
CEO and other senior executives	5	4	6	5

There is a mutual period of notice of six months in force between the company and the CEO.

Research deduction (Forskningsavdrag)

The Group previously made ongoing research deductions since mid-2020, based on the research and development conducted by the company to remain competitive over time. In 2020, an application was also made for a retroactive deduction for the years 2015-2020. The corresponding amount of 7,621 KSEK was balanced and could be found in the balance sheet under the line Tax assets and reported in Note 22 for the comparison year. The application for a retroactive deduction was rejected by the Administrative Court during the fiscal year 2022/2023, and an appeal was submitted. In connection with the appeal, the amount for the expected retroactive deduction was revised to 5,290 KSEK. After a rejection from the Court of Appeal during the third quarter of 2023/2024, all balanced items related to this were reversed.

The parent company also received a decision during the fiscal year from the Swedish Tax Agency to reject ongoing research deductions, totalling 12.5 MSEK, made between January 2021 and July 2023. The Group repaid and reversed all research deductions previously made within the group during the period from 2020 to 2023 during the year. The total amount of previously made and now repaid deductions is 16.8 MSEK, which negatively affected the Group's profit and liquidity during the fiscal year. No adjustments to historical periods were made as a result of the reversal. Additionally, an interest expense of 618 KSEK has been paid according to the decisions. Regardless of the outcome of the research deduction, the Group will continue to pursue the research and development deemed necessary for our game development. See the effect of the research deductions in the tables below.

Amounts in MSEK

Items related to RnD Claims (forskningsavdrag)	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Ack.
Retroactive RnD Claims	7.6			-2.3	-5.3	0.0
RnD Claims	1.3	4.0	5.1	5.8	-16.3	0.0
Interest expense for RnD Claims					-0.6	-0.6
Tax effect RnD Claims (forskningsavdrag)	-1.9	-0.9	-1.1	-0.7	4.4	-0.2
Total	7.0	3.1	4.1	2.7	-17.8	-0.8

* Tax effect due to change in tax rates in previous periods

Items related to RnD Claims (forskningsavdrag)	Effect on				
	Personell costs	EBITDA	EBIT	Profit/loss after fin. items	Profit/loss for the period
Retroactive RnD Claims	X	X	X	X	X
RnD Claims	X	X	X	X	X
Interest expense for RnD Claims				X	X
Tax effect RnD Claims (forskningsavdrag)					X

NOTE 10 - DEPRECIATION AND IMPAIRMENT OF TANGIBLE AND INTANGIBLE NON-CURRENT ASSETS

	Group		Parent	
	2023/2024	2022/2023	2023/2024	2022/2023
Goodwill	0	0	9,499	3,412
Intangible assets	47,128	42,877	6,260	3,760
Right-of-use assets	10,564	10,316	-	-
Equipment, tools, fixtures and fittings	2,166	2,850	1,515	1,560
Total Depreciation and impairment of tangible and intangible non-current assets	59,859	56,043	17,274	8,732

NOTE 11 - EBITDA AND ADJUSTED EBITDA

	Note	Group	
		8/31/2024	8/31/2023
Operating profit/loss		-4,621	21
Depreciation and impairments of tangible and intangible non-current assets	10	59,859	56,043
EBITDA		55,237	56,064
Write-down of earn-out Approe	34	-966	-261
Adjustment of expected amount retroactive R&D deductions	4	5,290	2,331
Ongoing R&D deductions	4	16,276	-5,753
Total adjustment on EBITDA		20,600	-3,683
Adjusted EBITDA		75,837	52,381

NOTE 12 - FINANCIAL ITEMS

	Group		Parent	
	2023/2024	2022/2023	2023/2024	2022/2023
Profit/loss from shares in subsidiaries	-	-	-43,700	0
Profit/loss from shares in subsidiaries	-	-	-43,700	0
Interest income	4,433	1,899	4,432	1,867
Exchange rate gains on cash and cash equivalents	0	411	0	0
Financial income	4,433	2,310	4,432	1,867
Interest expenses	-872	-28	-871	-6
Exchange rate loss on cash and cash equivalents	-1,907	-427	-1,855	-427
Interest leasing	-734	-962	-	-
Other financial expenses	0	-33	0	0
Financial expenses	-3,513	-1,450	-2,727	-433
Net financial items	920	860	-41,995	1,434

NOTE 13 - TAX

	Group		Parent	
	2023/2024	2022/2023	2023/2024	2022/2023
Current tax:				
Current tax on profit/loss for the year	-549	-2,243	-193	-12
Deferred tax:				
Deferred tax	1,034	1,923	1,290	-318
Total tax in Group's PnL	485	-320	1,097	-331

Income tax on the profit before taxation differs from the theoretical amount that would have arisen from the use of the Swedish tax rate:

	2023/2024	2022/2023	2023/2024	2022/2023
Profit/loss before tax	-3,701	881	-60,347	-2,884
Tax calculated according to the tax rate in Sweden (20,6%)	762	-181	12,430	593
Effect of foreign tax rate	-120	-195	-	-
Tax effects of:				
Non-deductible income	202	1	3	1
Non-deductible expenses	-2,803	-2,237	-12,627	-1,700
Deferred tax on intangible assets	2,381	1,889	1,290	775
Deferred tax asset on leasing liabilities	1,868	5,974	-	-
Deferred tax liabilities on right-of-use assets	-1,805	-5,571	-	-
Tax expense	485	-320	1,097	-331

NOTE 14 - EARNINGS PER SHARE

Earnings per share are calculated by dividing the profit/loss attributable to the parent company's shareholders by the number of shares as of August 31, 2024 (26,494,653). See note 26 for the number of shares.

	2023/2024	2022/2023
Earnings per share calculated on basis of profit/loss attributable to the parent company's shareholders (expressed as SEK per share).	-0.12	0.02
Earnings per share fully diluted calculated on basis of profit/loss attributable to the parent company's shareholders (expressed as SEK per share).	-0.12	0.02

NOTE 15 - INTANGIBLE ASSETS

Intellectual property rights to games on platforms

	Group		Parent	
	2023/2024	2022/2023	2023/2024	2022/2023
Opening balance, purchase value	82,600	82,600	37,600	37,600
Merger of subsidiary	0	0	25,000	0
Closing balance, purchase value	82,600	82,600	62,600	37,600
Opening balance, depreciation	-40,287	-30,027	-21,620	-17,860
Merger of subsidiary	-	-	-6,667	0
Depreciation	-10,260	-10,260	-6,260	-3,760
Closing balance, depreciation	-50,547	-40,287	-34,547	-21,620
Opening balance, write-downs	0	0	0	0
Write downs	-2,000	0	0	0
Closing balance write-downs	-2,000	0	0	0
Closing balance	30,053	42,313	28,053	15,980

Capitalized expenditure for development works on mobile platforms

	Group	
	2023/2024	2022/2023
Opening balance	203,244	187,009
Capitalized development costs	46,168	33,709
Disposal, finished projects	-	-17,474
Closing balance	249,412	203,244
Opening balance, depreciation	-156,789	-141,646
Depreciation	-34,868	-32,617
Disposal, finished projects	-	17,474
Closing balance, depreciation	-191,657	-156,789
Closing balance	57,755	46,455

Goodwill

	Group		Parent	
	2023/2024	2022/2023	2023/2024	2022/2023
Opening balance	162,248	161,160	68,237	68,237
Merger of subsidiary	-	-	47,494	0
Exchange rate differences	-281	1,088	0	0
Closing balance	161,967	162,248	115,731	68,237
Opening balance, depreciation	0	0	-68,236	-64,824
Merger of subsidiary	-	-	-25,330	0
Depreciation	0	0	-9,499	-3,412
Closing balance, depreciation	0	0	-103,065	-68,236
Opening balance, write-down	-35,782	-35,782	0	0
Write-down	0	0	0	0
Closing balance, write-down	-35,782	-35,782	0	0
Closing balance	126,184	126,466	12,665	0

Impairment testing of goodwill for the Group

The value of goodwill is tested annually against the estimated recoverable value, which is either the value in use or the fair value less sales-related costs. Goodwill has been tested against the value in use as of 8/31/2024 and as of 8/31/2023. The value in use is based on estimated assessments of future cash flows before tax, which are based on reasonable and verifiable assumptions that represent the best estimates of the economic conditions that are expected to prevail.

The goodwill in the group consists of goodwill from the acquisitions of MAG Games Ltd, FEO Media AB (Quizduel) and Approe AB.

MAG Games and Approe are fully integrated into MAG Interactive AB (publ), and all of the Group's games (excluding Quizduel) are considered the smallest cash-generating unit for which the valuation of goodwill from MAG Games and Approe can be performed. The assessment of future cash flows is based on the budget for the upcoming year and projections for the subsequent four years. Cash flows after the forecast period (5 years) are calculated with an assumed growth rate of 2 percent per annum.

FEO Media AB (merged in 2019/2020) and the game Quizduel are also fully integrated into MAG Interactive AB (publ), but as Quizduel differs from the rest of the portfolio, it is considered the smallest cash-generating unit for which the valuation of goodwill from FEO Media can be performed. For Quizduel, the assessment of future cash flows is based on the budget for the coming year and projections for the subsequent four years. Cash flows after the forecast period (5 years) are calculated with an assumed growth rate of 2 percent per annum.

Key assumptions in this assessment include the discount rate, sales growth, and EBITDA margins. The pre-tax discount rate is 12.1 percent for August 31, 2024 (August 31, 2023: 12.3 percent). No reasonably possible change in key assumptions would cause the carrying amount to exceed the recoverable value.

Impairment of Intellectual property rights to games on platforms

During the financial year, the Intellectual Property Rights for the game Primetime were written down by 2 MSEK. This was the result of impairment testing, where the rights were tested against fair value less sales-related costs.

NOTE 16 - RIGHT-OF-USE ASSETS AND LEASES

Effect on IFRS 16 in the income statement	Offices		Lease cars		Total	
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023
Depreciation	-10,325	-9,904	-239	-412	-10,564	-10,316
Interest	-726	-956	-8	-6	-734	-962
Total	-11,051	-10,860	-247	-418	-11,298	-11,278

Costs for short-term lease agreements and leasing agreements for which the underlying asset has smaller value are recorded as external operating costs in the income statement. The totalled amount for short-term leasing agreements for the financial year is 681 KSEK (630 KSEK). A sublet of a right-of-use-asset for parts of the office space is 163 KSEK for the year (0 KSEK) and is found in the income statement under Other operating income. The total cash flow for leasing agreements was 10,859 KSEK (10,379 KSEK).

The maturity analysis for leasing debts is presented in note 3.

Right of use asset	Offices		Lease cars		Total	
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023
Opening balance	64,720	65,829	1,590	1,452	66,310	67,281
New contracts	0	0	288	0	288	0
Extension of existing lease contract	0	0	247	297	247	297
Revaluation of existing lease contract	1,473	-2,237	0	0	1,473	-2,237
Ended lease contract	0	0	-537	-159	-537	-159
Currency effect	-285	1,127	0	0	-285	1,127
Closing balance	65,908	64,720	1,588	1,590	67,496	66,310
Opening balance, depreciation	-37,713	-27,358	-1,554	-1,301	-39,267	-28,659
Depreciation	-10,325	-9,904	-239	-412	-10,564	-10,316
Ended lease contract	0	0	537	159	537	159
Currency effect	81	-451	0	0	81	-451
Closing balance, depreciation	-47,957	-37,713	-1,256	-1,554	-49,213	-39,267
Closing balance	17,951	27,007	331	36	18,282	27,042

The leasing agreements run for a period of 3 years with options to extend or terminate the agreement. The terms are for maximising the flexibility in handling the agreements. Options to extend or terminate agreements are included in the asset and liability if it is reasonably certain that they will be exercised.

Obligations in respect of operational leasing

The parent company rents office space and cars according to non-retractable operational leasing agreements. The leasing periods are 3 years and most of the leasing agreements can be extended at the end of the lease period in exchange for a fee that corresponds with a competitive fee.

Future minimum lease charges for non-retractable operational lease agreements are as following:

	Group		Parent	
	2023/2024	2022/2023	2023/2024	2022/2023
Within 0-1 year	-	-	10,262	9,247
Within 1-5 years	-	-	3,647	13,407
After more than 5 years	-	-	0	0
Total	0	0	13,909	22,654

NOTE 17 - EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	Group		Parent	
	2023/2024	2022/2023	2023/2024	2022/2023
Opening cost of acquisition	12,861	17,666	11,126	11,033
Purchases	359	381	244	93
Sales/disposals	-171	-5,841	0	0
Exchange rate differences	-28	655	-	-
Closing accumulated cost of acquisition	13,022	12,861	11,369	11,126
Opening depreciation	-9,246	-11,685	-8,388	-6,828
Depreciation for the year	-2,177	-2,850	-1,515	-1,560
Sales/disposals	171	5,841	-	-
Exchange rate differences	7	-552	-	-
Closing accumulated depreciation	-11,245	-9,246	-9,903	-8,388
Closing carrying amount	1,777	3,615	1,466	2,738

NOTE 18 - FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets measured at amortized cost*	Group		Parent	
	8/31/2024	8/31/2023	8/31/2024	8/31/2023
Other long-term receivables	4,102	4,111	3,766	3,765
Receivables from Group companies	-	-	332	487
Trade and other receivables	28,993	36,937	27,593	31,425
Other current receivables	139	175	137	92
Cash and cash equivalents	121,835	122,429	108,644	85,275
Total	155,069	163,652	140,472	121,044

Financial liabilities measured at amortized cost*	Group		Parent	
	8/31/2024	8/31/2023	8/31/2024	8/31/2023
Liabilities from Group companies	-	-	2,935	2,741
Trade and other payables	9,628	11,822	8,985	9,165
Other current liabilities	398	269	29	40
Total	10,026	12,091	11,949	11,946

Financial liabilities measured at real value	Group		Parent	
	8/31/2024	8/31/2023	8/31/2024	8/31/2023
Level 1	-	-	-	-
Level 2	-	-	-	-
Level 3 Earn-out short term	0	10,818	0	10,818
Level 3 Earn-out long term	0	0	0	0
Total	0	10,818	0	10,818

*During the year, the Group identified that certain items, which do not constitute financial instruments under IFRS, were incorrectly included in the note "Financial Instruments by Category" in previous financial statements. These items have now been corrected and excluded from the note in accordance with applicable accounting principles. To ensure accurate and comparable presentation, the Group has updated the reporting for both the current year and the prior year's comparative figures. The corrected items include, among others, prepaid and accrued expenses, tax and VAT, which do not qualify as financial instruments and have therefore been excluded from the note. This correction does not impact the Group's results, equity or cash flows for any of the reported years. The adjustment relates solely to the classification in the notes and aims to comply with IFRS requirements for the presentation of financial instruments.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques, which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

In addition to the financial instruments listed in the tables (above), the Group has financial liabilities in form of leasing liabilities, which are reported and valued in accordance to IFRS 16. See note 16.

There were no transfers between the levels during the year. The changes in level 3 consists of the payment (9,852 KSEK) and the adjustment (966 KSEK) of the earn-out from the acquisition of Appropo AB. This is calculated by a prognosis of the EBIT for the company. See table below.

Financial liabilities measured at real value	Group		Parent	
	2023/2024	2022/2023	2023/2024	2022/2023
Opening value earn-out	10,818	14,094	10,818	14,094
Pay-out	-9,852	-3,015	-9,852	-3,015
Write-down	-966	-261	-966	-261
Closing value earn-out	0	10,818	0	10,818

NOTE 19 - OTHER LONG-TERM RECEIVABLES

Other long-term receivables relate to deposits for office premises.

	Group		Parent	
	8/31/2024	8/31/2023	8/31/2024	8/31/2023
Opening value	4,111	4,124	3,766	3,766
Withdrawal	0	-48	0	0
Currency effect	-9	35	-	-
Closing value	4,102	4,111	3,766	3,766

NOTE 20 - DEFERRED TAX ASSET

The Group has recorded deferred tax assets in respect of the tax loss carryforwards in the Sventertainment group. The tax loss carryforwards have been capitalized as the Group considers it likely that it will be possible to set off the remaining deficit against future taxable profits. The group also records deferred tax on leases and right-of-use-assets, these are presented net. There are no non-capitalized deficits in the Group.

	Group		Parent	
	Leasing-liabilities/ Right-of-use assets	Tax loss carry forward	Total Group	Tax loss carry forward
Opening balance as of 9/1/2022	0	2,919	2,919	1,093
Recorded in the income statement	5,974	-369	5,605	-1,093
Closing balance 8/31/2023	5,974	2,550	8,524	0
Opening balance as of 9/1/2023	5,974	2,550	8,524	0
Recorded in the income statement	-1,868	830	-1,038	0
Closing balance 8/31/2024	4,106	3,380	7,487	0
Amounts offset against deferred tax liabilities acc. to offsetting rules	-3,766	0	-3,766	0
Net deferred tax assets	340	3,380	3,721	0

NOTE 21 - TRADE AND OTHER RECEIVABLES IN THE GROUP

	8/31/2024	8/31/2023
Trade and other receivables in the group	28,993	36,937
Total	28,993	36,937

Amounts recorded for each currency for the Group's trade and other receivables are as follows:

	8/31/2024	8/31/2023
SEK	6,325	8,453
EUR	587	117
USD	22,081	28,367
Total	28,993	36,937

The maximum exposure to credit risk as of the balance sheet date is the carrying amount of trade and other receivables stated above. The fair value of trade and other receivables corresponds to their carrying amount, as there is no significant discount effect.

No trade or other receivables have been pledged as collateral for any debt.

As of August 31, 2024, trade and other receivables totalling 1,618 KSEK were due, without it being considered that an impairment requirement existed for the Group. The receivables due mainly relate to a number of customers who have not previously experienced any payment difficulties and payment has been received shortly after the balance date.

An age analysis of these trade and other receivables is shown below:

	8/31/2024	8/31/2023
1-30 days	1,536	4,144
31 - 60 days	47	0
More than 61 days	35	228
Total trade and other receivables due	1,618	4,372

The Group has no mortgage as security.

NOTE 22 - TAX ASSETS

	Group		Parent	
	8/31/2024	8/31/2023	8/31/2024	8/31/2023
Retroactive R&D tax-deductions*	-	5,290	-	5,290
Other Tax Assets	464	1,287	23	973
Total	464	6,577	23	6,263

*An expected R&D tax deduction (Forskningsavdrag) from 2020 for the parent company's application of a retroactive deduction of employer's contributions related to R&D. After a rejection from the Court of Appeal during the third quarter of 2023/2024, all balanced items related to this were reversed. For more information see note 9 - Personell costs

NOTE 23 - OTHER CURRENT RECEIVABLES

	Group		Parent	
	8/31/2024	8/31/2023	8/31/2024	8/31/2023
Current receivables, employees	137	96	137	92
Tax receivables	319	1,313	319	362
VAT receivables	1,601	1,869	828	836
Other items	1	79	0	0
Total	2,058	3,357	1,284	1,290

NOTE 24 - PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent	
	8/31/2024	8/31/2023	8/31/2024	8/31/2023
Prepaid expenses	6,829	7,209	6,229	5,811
Total	6,829	7,209	6,229	5,811

NOTE 25 - CASH AND CASH EQUIVALENTS

	Group		Parent	
	8/31/2024	8/31/2023	8/31/2024	8/31/2023
Bank balances	121,835	122,429	108,644	85,275
Total	121,835	122,429	108,644	85,275

NOTE 26 - EQUITY

	Number of ordinary shares	Share capital
As of August 31, 2023	26,494,653	688,173
As of August 31, 2024	26,494,653	688,173

Share capital as of August 31, 2024 consists of 26,494,653 shares, consisting of ordinary shares with a quota value of SEK 0.026. The shares have a voting value of 1 vote/share. All shares issued by the parent company are fully paid. As of the closing date of August 31, 2024, the company has one outstanding option scheme, one warrant program and two Share savings program. See note 30.

NOTE 27 - DEFERRED TAX

The change in deferred tax liabilities during the year is described below:

	Group			Parent	
	Acquired intellectual rights to mobile games	Capitalized expenditure for development mobile games	Right-of-use assets/ Leases	Total	Acquired intellectual rights to mobile games
Opening balance as of 9/1/2022	10,829	9,345	0	20,175	4,066
Recorded in the income statement	-2,114	225	5,571	3,682	-775
Closing balance 8/31/2023	8,715	9,570	5,571	23,857	3,292
Opening balance as of 9/1/2023	8,715	9,570	5,571	23,857	3,292
Recorded in the income statement	-2,526	2,328	-1,805	-2,003	-2,425
Attributable to merger	-	-	-	-	4,912
Closing balance 8/31/2024	6,189	11,898	3,766	21,854	5,779
Amounts offset against deferred tax assets acc. to offsetting rules	0	0	-3,766	-3,766	-
Net deferred tax liabilities	6,189	11,898	0	18,088	5,779

The parent company's deferred tax liability is attributable to the merger of FEO Media AB June 23 2020 and the merger of Apprope AB April 18 2024.

The group's recorded deferred tax on leases and right-of-use-assets are presented net.

NOTE 28 - OTHER CURRENT LIABILITIES

	Group		Parent	
	8/31/2024	8/31/2023	8/31/2024	8/31/2023
Personnel related liabilities	226	165	29	40
VAT	181	85	-	-
Taxes and social security contributions	3,575	4,591	3,135	3,998
Short-term liability for earn-out	0	10,818	0	10,818
Other	491	467	0	0
Total	4,473	16,126	3,165	14,856

NOTE 29 - ACCRUED EXPENSES AND PREPAID INCOME

	Group		Parent	
	8/31/2024	8/31/2023	8/31/2024	8/31/2023
Accrued expenses	4,449	3,970	2,074	1,676
Accrued salaries, employers contribution, holiday pay and bonuses	9,048	9,130	8,719	8,511
Total	13,497	13,100	10,794	10,187

NOTE 30 - LONG-TERM INCENTIVE PROGRAMS

ABOUT THE LONG-TERM INCENTIVE PROGRAMS 2021/2024

LTIP 2021/2024 consisted of two long-term incentive programs; (1) employee stock option program and (2) warrants for the management. These ended during the financial year, and as the stock price was below the exercise price no shares were subscribed.

ABOUT THE LONG-TERM INCENTIVE PROGRAM 2022/2025

LTIP 2022/2025 consists of two long-term incentive programs; (1) employee stock option program and (2) warrants for the management.

Employee stock option program 2022/2025 (ESOP 2022/2025)

In total, the ESOP 2022/2025 consist of no more than 264,946 employee stock options, entitling to subscription for an equal number of shares. Each employee stock option entitles the holder to acquire one (1) new share against cash consideration at an exercise price of SEK 31.4. The long-term incentive program includes an issue of options and transfer of shares and/or options. As of the closing date, 210,470 options were active out of the original 262,169. The difference is due to employees who have left.

The allotted employee stock options will be vested over a three-year period in accordance with the following:

- a) 1/3 of the allotted employee stock options will be vested on March 1, 2023;
- b) 1/3 of the allotted employee stock options will be vested on March 1, 2024; and
- c) 1/3 of the allotted employee stock options will be vested on March 1, 2025.

The employee stock options shall be allotted without consideration. The holders can exercise allotted and vested employee stock options during the period from and including April 1, 2025 up to and including May 1, 2025.

MAG Interactive's stock option program for employees was approved by the shareholders at the Annual General Meeting held on January 19, 2022. The reasons for the long-term incentive program is that it should contribute to the possibilities to retain and attract qualified personnel and to increase motivation for the employees by being involved in and working for a positive value increase of the shares during the period covered by the ESOP 2022/2025.

In order to enable delivery of shares under the ESOP 2022/2025, an issue of not more than 264,946 warrants, free of charge, has been made to MAG United AB. Each warrant entitles to subscription for one (1) share in MAG Interactive AB (publ) during the period from February 1, 2022, or later date on which the warrants are registered, up to and including July 25, 2025 at an exercise price of 31.4 SEK and 264,946 to an exercise price of 0 SEK. If the options are exercised in full the share capital will increase by 6,103 SEK. Subscription of employee stock option must take place on May 1, 2025. The board has the right to extend the subscription period. There can be no over-subscription.

MAG United AB has been granted permission to transfer shares to the participants in the ESOP 2022/2025 program in connection with exercise of the employee stock options in accordance with a number of terms.

Program	Number of stock options	Exercise price	Exercise time	Price
ESOP 2022/2025	262,169	31.4	April 1, 2025-May 1, 2025	SEK 0
Total/Average	262,169	31.4	April 1, 2025-May 1, 2025	SEK 0

Current value of ongoing program

The employee stock options do not have a market value since they are not transferable. The value of the options at the allotted date was 0 SEK.

Costs for share related incentive programs

The total cost for developing and executing on the ESOP 2022/2025 program was 200 KSEK.

WARRANT PROGRAM 2022/2025:3

In total, the warrant program 2022/2025:3 consist of no more than 264,946 warrants, entitling to subscription for an equal number of shares. Each warrant of series 2022/2025:3 entitles to subscription for one (1) share in MAG Interactive AB (publ) during the period from April 1, 2025 up to and including June 2, 2025. Subscription for new shares by way of exercising warrants of series 2022/2025:3 shall be made at a price per share corresponding to 150 % of the volume-weighted average trading price of MAG Interactive AB (publ)'s share on Nasdaq First North during the period from January 20, 2022 up to and including January 28, 2022. The subscription price may not be less than the quota value of the shares.

If the warrants of series 2022/2025:3 are exercised in full the share capital will increase by 1,299 SEK. There can be no over-subscription.

The warrants of series 2022/2025:3 shall be issued at a subscription price corresponding to the market value, calculated in accordance with the Black & Scholes valuation formula by an independent valuation firm appointed by the company, immediately after the expiration of the measurement period on January 28, 2022.

The issuance of warrants entails a dilution effect corresponding to a maximum of approximately 0,19% of the active shares and votes in the company if the proposed warrants are exercised in full.

Program	Number of warrants	Exercise price	Exercise time	Price
2022/2025:3	75,000	31.4	April 1, 2025 - June 2, 2025	SEK 3.53
Buy-back 23-24*	-25,000			
Total/Average	50,000	31.4	April 1, 2025 - June 2, 2025	SEK 3.53

* During the year 2023-2024 25,000 warrants were bought back from an employee who ended their position.

The total costs for administration are estimated to amount to approximately 200 KSEK.

ABOUT THE LONG-TERM INCENTIVE PROGRAM 2023/2026

LTIP 2023/2026 consists of a Share Savings program for employee and management.

Share Savings program 2023/2026 (ESMP 2023/2026)

Share Savings program 2023/2026 consist of no more than 130,000 share rights whereof 65,000 retention shares and 65,000 performance shares. The program means that management and all employee will be offered participation free of charge to receive MAG shares, conditional upon that the employee makes an own initial investment in the company's shares. For each investment share, the participant may receive after a three year performance period free of charge receive one MAG share (investment share). Additional fulfillment of a performance criteria during the program receive maximum one additional share (performance share) free of charge, after the performance period. A criteria for the participant to have the opportunity to receive the retention- and/or performance share is that the participant is employed during the entire performance period and has kept their shares.

Allotment of performance shares, shall be received if the average revenue during the period from 1 March 2025, up to 28 February 2026 compared to the average revenue 1 March 2022 up to 28 February 2023 has grown. Performance fulfillment is calculated to a maximum of one (1) share at 20% average annual revenue growth with pro -rated allotment in case of performance fulfillment between 5% and 20% average annual revenue growth (CAGR). The number of performance shares to be allotted will be rounded upwards to the nearest whole number of shares.

MAG Interactive's share savings program for management and employees was approved by the shareholders at the Annual General Meeting held on January 18, 2023. The reasons for the long-term incentive program is that it should contribute to the possibilities to retain and attract qualified personnel and to increase motivation for the employees by being involved in and working for a positive value increase of the shares during the period covered by the ESMP 2023/2026. If the share saving program are exercised in full the share capital will increase by 3,377 SEK.

MAG United AB has been granted permission to transfer shares to the participants in the ESMP 2023/2026 program in connection with exercise of the share saving program in accordance with a number of terms.

Program	Number of shares	Exercise price	Exercise time	Price
ESMP, retention shares	65,000	0	Q2 report 2026	SEK 0
ESMP, performance shares	65,000	0	Q2 report 2026	SEK 0
Total	130,000	0	Q2 report 2026	SEK 0

Cost for share related program

The total costs for administration are estimated to amount of approximately 200 KSEK.

ABOUT THE LONG-TERM INCENTIVE PROGRAM 2024/2027

LTIP 2024/2027 consists of a Share Savings program for employee and management.

Share Savings program 2024/2027 (ESMP 2024/2027)

Share Savings program 2024/2027 consist of no more than 135,000 share rights whereof 45,000 retention shares and 90,000 performance shares. The program means that management and all employee will be offered participation free of charge to receive MAG shares, conditional upon that the employee makes an own initial investment in the company's shares. For each investment share, the participant may receive after a three year performance period free of charge receive one MAG share (investment share). Additional fulfilment of a performance criteria during the program receive maximum two additional shares (performance shares) free of charge, after the performance period. A criteria for the participant to have the opportunity to receive the retention- and/or performance share is that the participant is employed during the entire performance period and has kept their shares.

Allotment of performance shares (A), shall be received if the average revenue during the period from 1 March 2026, up to 28 February 2027 compared to the average revenue 1 March 2023 up to 28 February 2024 has grown. Performance fulfilment of performance share A is calculated to a maximum of one (1) share at 15% average annual revenue growth with prorated allotment in case of performance fulfilment between 5% and 15% average annual revenue growth (CAGR). The number of performance shares to be allotted will be rounded upwards to the nearest whole number of shares.

Allotment of performance share (B) shall be received if the average revenue reaches 500 MSEK by the end of the performance period, with a linear allocation starting from the achievement of the target for performance share A up to a total revenue of 500 MSEK. The number of performance shares to be allotted will be rounded upwards to the nearest whole number of shares.

MAG Interactive's share savings program for management and employees was approved by the shareholders at the Annual General Meeting held on January 17, 2024. The reasons for the long-term incentive program is that it should contribute to the possibilities to retain and attract qualified personnel and to increase motivation for the employees by being involved in and working for a positive value increase of the shares during the period covered by the ESMP 2024/2027.

If the share saving program are exercised in full the share capital will increase by 3,506 SEK.

MAG United AB has been granted permission to transfer shares to the participants in the ESMP 2024/2027 program in connection with exercise of the share saving program in accordance with a number of terms.

Program	Number of shares	Exercise price	Exercise time	Price
ESMP, retention shares	45,000	0	Q2 report 2027	SEK 0
ESMP, performance shares A	45,000	0	Q2 report 2027	SEK 0
ESMP, performance shares B	45,000	0	Q2 report 2027	SEK 0
Total	135,000	0	Q2 report 2027	SEK 0

Cost for share related program

The total costs for administration are estimated to amount of approximately 200 KSEK.

EMPLOYEE STOCK OPTIONS, WARRANTS AND SHAREHOLDER PROGRAM

Employee stock options

Due dates	Number signed	Exercise price (weighted sum)	Active as per Aug 31, 2024	Exercise price (weighted sum)	Vested as per Aug 31, 2024
March 1, 2025	262,169	31.4	210,470	31.4	140,313
Total	262,169	31.4	210,470	31.4	140,313

Warrants

Due dates	Number signed	Exercise price (weighted sum)	Active as per Aug 31, 2024	Exercise price (weighted sum)	Vested as per Aug 31, 2024
March 1, 2025	75,000	31.4	50,000	31.4	33,333
Total	75,000	31.4	50,000	31.4	33,333

Share Savings program

Due dates	Number signed	Exercise price (weighted sum)	Active as per Aug 31, 2024	Exercise price (weighted sum)	Vested as per Aug 31, 2024
March 1 2026	130,000	-	127,200	-	0
March 1 2027	135,000	-	135,000	-	0
Total	265,000	-	262,200	-	0

Total	602,169		522,670		173,647
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Share of total numbers of shares	2.27%		1.97%		0.66%
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NOTE 31 - ADJUSTMENT FOR ITEMS NOT INCLUDED IN THE CASH FLOW

	Group		Parent	
	8/31/2024	8/31/2023	8/31/2024	8/31/2023
Depreciation of tangible assets	2,166	2,850	1,515	1,560
Depreciation and write-off of intangible assets	47,128	42,877	15,759	7,172
Depreciation of right of use assets	10,564	10,316	-	-
Write-down of earn-out	-966	-261	-	-
LTIP	-485	409	-485	409
Reversal of RnD deduction reserve	5,290	-	5,290	-
Total	63,698	56,191	22,079	9,141

NOTE 32 - CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES

	Leases
Opening balance as of 9/1/2022	40,620
Cash flows	-10,379
Items not part of cash flow:	
Revaluation and termination of leasing agreements	-2,496
Exchange rate differences	1,256
Closing balance 8/31/2023	29,001

Opening balance as of 9/1/2023	29,001
Cash flows	-10,859
Items not part of cash flow:	
New lease agreements	288
Extension of existing lease agreements	247
Revaluation of leasing agreements	1,473
Termination of leasing agreements	-39
Exchange rate differences	-175
Closing balance 8/31/2024	19,936

The parent has no liabilities that are reported in financing activities during the financial year.

NOTE 33 - MERGER OF APPROPE AB

Apprope AB has per April 18, 2024 merged with the mother company MAG Interactive AB (publ):

Company name	Company reg. no.	Date of merger
Apprope AB	556899-3967	2024-04-18

The merger of Apprope AB with its parent MAG Interactive AB (publ) was completed on April 18, 2024. Net income totalled 13,192 KSEK and EBIT totalled 5,590 KSEK has been included in MAGs profit and loss as of April. Consolidated values of assets and liabilities has been included in MAGs balance sheet as per below.

The subsidiary's assets, liabilities and consolidated revaluations as of the merger date recorded in the parent company summarized to the following:

Balance sheet in summary Apprope AB, KSEK	4//18/2024
Goodwill	15,831
IP	16,668
Current assets	1,703
Prepaid expenses and accrued income	32,408
Total assets	66,610
Deferred tax liabilities	4,569
Current liabilities	98
Total liabilities	4,667

A merger difference of 5,808 TSEK has arisen in connection with the transaction and is reported in the parent's balance sheet as equity.

NOTE 34 - HOLDINGS AND INVESTMENTS IN SUBSIDIARIES

The Group's holdings and investments in subsidiaries

Name	Country of registration and operation	Business activity	Proportion of ordinary shares owned directly by the parent company (%)
MAG Games Ltd	UK	Development	100
MAG United AB	Sweden	Warrants	100
Sventertainment AB	Sweden	Development	100

MAG Games Ltd and MAG United AB and Sventertainment AB are consolidated into the Group. The proportion of voting rights in subsidiaries which is owned directly by the parent company, does not differ from the proportion of ordinary shares owned.

The Parent company's shares in Group companies	8/31/2024	8/31/2023
Opening balance cost of acquisition	135,418	130,979
Shareholder contribution	4,000	4,700
Adjustment of earn-out	-966	-261
Write-down	-43,700	-
Merger	-70,500	-
Closing balance	24,252	135,418

Name	Country of registration and operation	Business activity	Proportion of ordinary shares owned directly by the Parent (%)	Carrying amount 8/31/2024	Carrying amount 8/31/2023
MAG Games Ltd	UK	Development	100	22,202	47,202
MAG United AB	Sweden	Warrants	100	50	50
Sventertainment AB	Sweden	Development	100	2,000	16,700
Approepe AB	Sweden	Development	-	-	71,466
Total				24,252	135,418

NOTE 35 - INTERCOMPANY RECEIVABLES AND LIABILITIES

	Parent	
	8/31/2024	8/31/2023
Intercompany receivables		
Accounts receivable, group	77	0
Long-term receivables (LTIP)	65	171
Other short-term receivables group	190	316
Total	332	487
Intercompany liabilities		
Trade and other payables	2,935	2,741
Total	2,935	2,741
Group net	-2,603	-2,254

NOTE 36 - ASSOCIATED PARTIES

Dividend

No dividend has been paid to related parties within the past financial year 2023/2024 or during the comparative year 2022/2023.

Remuneration to senior executives

For information regarding remuneration to senior executives, see note 9.

Redemption of shares

No associated parties have redeemed shares during the past financial year 2023/2024 or during the comparative year 2022/2023.

Associated company

No transactions were made between associated companies during the past financial year 2023/2024 or during the comparative year 2022/2023.

NOTE 37 - PLEDGED ASSETS

	Group		Parent	
	8/31/2024	8/31/2023	8/31/2024	8/31/2023
Rental deposit	4,102	4,111	3,766	3,766
Total	4,102	4,111	3,766	3,766

NOTE 38 - SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

No significant events have occurred since the close of the financial year.

APPROVAL OF THE FINANCIAL STATEMENT

The Board of Directors and the CEO confirms that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position and profits. The annual accounts have been prepared in accordance with accepted accounting practice and provide a fair view of the parent company's financial position and profits.

The Statutory Administration Report for the Group and the parent company provides a fair summary of developments in the Group's and the parent company's business activities, financial position and profits, and describes the significant risks and uncertainty factors faced by the parent company and the companies that are part of the Group.

Stockholm, as per digital signature.

Jonas Eriksson
Chairman of the Board

Taina Malén
Board Member

Britt Boeskov
Board Member

Asbjørn Søndergaard
Board Member

Åsa Linder
Board Member

Daniel Hasselberg
CEO and Board Member

Our audit report has been submitted as per digital signature.
Öhrlings PricewaterhouseCoopers AB

Henrik Boman
Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of MAG Interactive AB (publ), corporate identity number 556804-3524

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of MAG Interactive AB (publ) for the financial year 1st of September 2023 to 31st of August 2024. The annual accounts and consolidated accounts of the company are included on pages 50-113 in this document. In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 August 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 August 2024 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1-49. The Board of Directors and the Managing Director are responsible for the other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of MAG Interactive AB (publ) for the financial year 1st of September 2023 to 31st of August 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Stockholm the date indicated by the electronic signature.

Öhrlings PricewaterhouseCoopers AB

Henrik Boman

Authorized Public Accountant