



MAG INTERACTIVE

MAG INTERACTIVE AB [PUBL]
INTERIM REPORT SEP—MAY 2022/23

2022/23

INTERIM REPORT SEP—MAY 2022/23

ABOUT

MAG INTERACTIVE AB [PUBL]

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 BUBBLES, 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. FOR MORE INFORMATION VISIT WWW.MAGINTERACTIVE.COM.

SUMMARY OF THE PERIOD MAR 2023 UNTIL MAY 2023

- The Group's adjusted Net sales for the period was 88,648 KSEK (76,456 KSEK) an increase of 16%. The comparison period is adjusted for a nonrecurring income of 14.7 MSEK and the adjusted EBITDA and result per share relate to the same nonrecurring income as well as revaluation of incentive programs. See note 4 for details
- Adjusted EBITDA for the period was 23,231 KSEK (10,965 KSEK)
- The Group's game contribution for the period was 57,451 KSEK (45,841 KSEK), an increase of 25%
- Average revenue per daily active user (ARPDau) for the period was 7.1 US cents (5.8 US cents), an increase of 22%
- Adjusted result per share during the quarter was 0.31 SEK/share (-0.18 SEK/share)
- The cost of user acquisition for the period was 19,152 KSEK (21,589 KSEK)
- Daily and monthly active users (DAU and MAU) were 1.3 million and 3.4 million respectively during the quarter, a decrease of 12% and 20%

SUMMARY OF THE PERIOD SEP 2022 UNTIL MAY 2023

- The Group's adjusted Net sales for the period was 282,087 KSEK (223,067 KSEK) an increase of 26% The adjustment relates to the same nonrecurring income as in the quarter, adjustment of EBITDA and profit per share includes revaluation of incentive programs
- Adjusted EBITDA for the period was 32,889 KSEK (50,685 KSEK)
- The Group's game contribution for the period was 133,530 KSEK (147,734 KSEK), a decrease of 10%
- Average revenue per daily active user (ARPDau) for the period was 7.6 US cents (5.8 US cents), an increase of 30%
- Adjusted earnings per share during the period was -0.24 SEK/share (0.30 SEK/share)

SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD SEP 2022 UNTIL MAY 2023

- No significant events were registered during the period





MAG INTERACTIVE

FROM THE CEO STRENGTHENED PROFITABILITY

2022/23

Strengthened profitability in a competitive environment

The revenues in Q3 reached 89 MSEK - a 16% year over year growth when adjusting for a transfer bonus from an advertising partner last year. The SEK was 8% weaker against the USD compared to last year, which contributed positively to the growth as a majority of the revenues are generated in USD. The adjusted EBITDA for the period more than doubled compared to last year.

The previous quarters' user acquisition (UA) investments are continuing to pay off and our disciplined approach to fixed costs ensures that the profitability quickly shows when UA investments decrease.

The slowdown of UA investments we see in Q3 highlights the dynamics we often describe during periods of accelerating UA. The older cohorts of users continue to generate revenues and eventually catch up and surpass the quarterly UA investments and contribute to a boost in quarterly profitability. We have gradually invested less in UA since the peak investment level in Q1. As a result, the EBITDA margin has moved from 0% in Q1 to 10% in Q2 and now 26% in Q3.

After a period of continuously decreasing UA opportunities, we have seen positive signals in the market in the early part of Q4 with increased investments in UA compared to the end of Q3. This is encouraging for the future prospects of our biggest growth game Wordzee. We are decreasing the targeted payback time for UA slightly in Q4 compared to the earlier quarters of the year.

Stepwise growth

The long term growth trend we have shown over the last four years has developed in steps. The dynamics of user acquisition mean that during periods of high growth we will have a pressure on profitability in the short term, but as older cohorts of acquired users become a bigger part of all revenues the profitability of the business improves. We have recently posted a blog post on our [Medium account](#) for a thorough breakdown of how this works.

During some quarters we have been able to find great opportunities for UA investments and during other quarters the opportunities have been more limited. These opportunities are evaluated daily and are based on our models for predicting future return on investment on each advertising campaign which in turn are impacted by market dynamics. That is why growth rates and profit margins vary quite a bit between quarters, but the long term development is a growing business with strengthening margins.



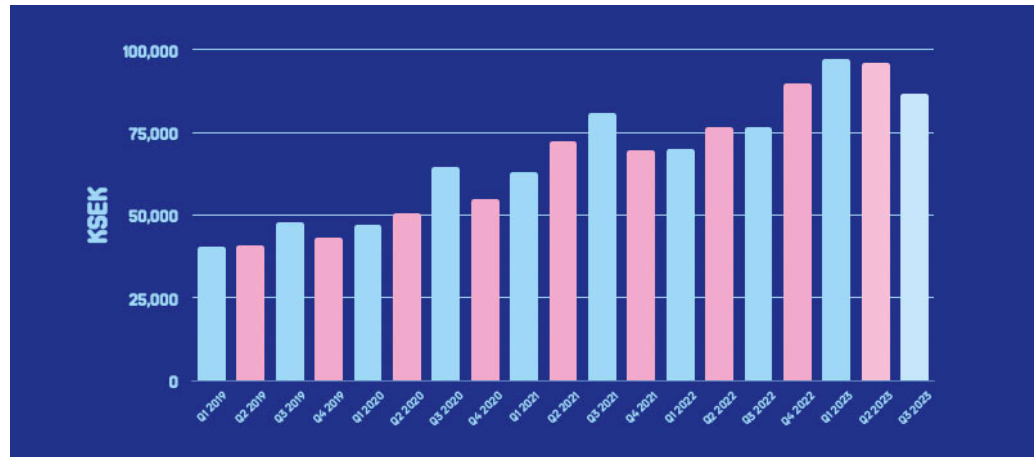


MAG INTERACTIVE

FROM THE CEO STRENGTHENED PROFITABILITY

2022/23

We expect the future to look like the past in this respect and show a long term growth trend with quarterly fluctuations in revenue and EBITDA driven by UA volumes. To visualize this long term pattern, I share a summary below of the last 19 quarters of revenue. We have over this time more than doubled the size of our business and show a consistency over time I believe is worth remembering when looking at our financial goals.



Net sales development, adjusted for a one time ad network transfer bonus of 14.7 MSEK received in Q3 2022.

The path to our financial goals

Our financial goal as a company is to grow significantly faster than the industry average while generating an EBIT margin of 20%. Given the profitability profile we require from our UA operations we would be able to achieve that goal when we get to around 125 MSEK in quarterly revenues. Our operating costs are not closely correlated with the volumes of players or our user acquisition which means that growing our revenue base has a very significant and positive impact on our bottom line. 125 MSEK per quarter in revenues with a 20% EBIT margin would result in 100 MSEK of yearly EBIT. We believe this goal is both achievable and inspiring.

If we were able to keep the average pace of the last four years going forward, it would take about two years to get to our goal. An important note though is that during such a journey we would still see ups and downs in terms of revenue growth and profit margins for the reasons described earlier. In addition to UA dynamics we also have a fairly pronounced seasonality in our business which adds to the fluctuating pattern which is important to consider when looking at individual quarters.





MAG INTERACTIVE

FROM THE CEO STRENGTHENED PROFITABILITY

2022/23

Creating opportunities for further growth

To get to 125 MSEK and beyond in quarterly revenues we need to continue our mission of improving our live games, investing cleverly in profitable UA and developing more games to add to our games portfolio. We have high confidence in our development capabilities and are focused on becoming as efficient and fast as possible in creating new content and testing game concepts that we believe are big opportunities for MAG.

To quantify the opportunities of new games we believe it is reasonable to expect a new game to exceed 100 MSEK in yearly revenues during multiple years around its peak and over the game's lifetime generate more than 500 MSEK. For context our yearly budget for all new game development combined fluctuates between 15-25 MSEK depending on whether we have released a new game recently or not.

Worth noting is that the big winners in the categories we are going after with our new games are generating at least ten times the amount of revenue mentioned above as a reasonable expected level. What is really driving us is to hit it big and make a game that can make a billion SEK per year during its peak years. We could have a more aggressive approach to organizational growth with such goals in mind, but we prefer to control our profitability by launching first and recruiting later.

In addition to our internal product development we are actively looking for M&A opportunities to take advantage of our strong cash position. Throughout the last ten years we have made a number of value-creating acquisitions. We believe that there are more opportunities for us in this area in the future as well.

New games continue to improve

We currently have two games that we internally consider to be soft launch candidates. This means that we have a good view of what the products will become, promising early metrics and a team ready to build the content needed for more scaled up tests.

We have continued our modular approach to game development which we will benefit from even further in the coming year when we expect additional games to be built on top of the same template. More shared source code, modules and game designs significantly increases speed, lowers error rates and gives us confidence that we can greatly improve our throughput of games to the market in 2023/24.





MAG INTERACTIVE

FROM THE CEO STRENGTHENED PROFITABILITY

2022/23

Notable updates from the live-games portfolio

A new progression system is currently being tested in Wordzee. The initial tests indicate that this could be what we have been looking for in terms of a backbone for an even stronger long term retention. During Q4 we will roll this out to a bigger audience and hopefully enable increased UA on the back of even stronger Lifetime Value (LTV) metrics.

In Q3 the QuizDuel team has been building a league system for its strongest game mode, *Question Streak*. They have also developed a new progression system that will be the foundation for more exciting things to come later in the year. Both of these important steps for the game will go live early Q4.

New game mechanics have been introduced in Tile Mansion leading to a significant uplift in retention. Seeing this improvement gives us continued confidence in the growth potential of Tile Mansion.

The fourth quarter is always tough from a seasonality standpoint, but we are excited to see all three of our growth games come into the quarter with exciting product improvements.

The impact of AI

We are currently using generative AI tools across multiple functions and departments in the company. During the coming months this work will intensify as more tools become available and easier to use. The potential for more efficient development of game content, code generation and game ideation is significant and we look forward to being at the forefront of this development. As a relatively small company with a high density of engineers in leadership positions combined with a curious and open minded organization, we believe we are well positioned to take advantage of this new wave of technology.

Team strength

The teams at MAG are packed with talented and highly motivated people with a passion for games. A smart and modular approach to making games, combined with world class talent is the foundation for winning in the games market in 2023 and beyond. We are proud of our track record of hit games over the last ten years as well as our doubling in size of the business since 2018. But the future is always more exciting than the past and we are confident that the best is yet to come for MAG. A big thanks to both shareholders and MAGers for being part of our continued journey.

DANIEL HASSELBERG, CEO



SUMMARY OF THE BUSINESS' KEY PERFORMANCE INDICATORS

2022/23

		Mar 23-May 23	Mar 22-May 22	Y/Y change	Sep 22-May 23	Sep 21-May 22	Y/Y change	FY 21/22
Net sales	KSEK	88,648	91,162	-3%	282,087	237,773	19%	327,774
Adjusted Net sales	KSEK	88,648	76,456	16%	282,087	223,067	26%	313,068
Currency (USD)	SEK/USD	10.42	9.65	8%	10.63	9.25	15%	9.54
Net sales USD (In-app + advertising)	KUSD	8,507	7,924	7%	26,533	24,113	10%	32,819
In-app purchases	KSEK	41,875	30,624	37%	132,207	85,581	54%	125,667
Advertising sales	KSEK	46,772	45,830	2%	149,879	137,464	9%	187,379
Other net sales ²	KSEK	1	14,708	-100%	1	14,728	-100%	14,728
User acquisition	KSEK	-19,152	-21,589	-11%	-111,477	-50,111	122%	-93,410
Game contribution	KSEK	57,451	45,841	25%	133,530	147,734	-10%	182,627
EBITDA	KSEK	23,291	25,631	-9%	33,120	64,305	-48%	101,360
EBITDA margin ¹	%	26%	28%	-2	12%	27%	-15	31%
Adjusted EBITDA	KSEK	23,231	10,965	112%	32,889	50,685	-35%	53,232
Adjusted EBITDA margin ¹	%	26%	14%	12	12%	23%	-11	17%
EBIT	KSEK	9,173	11,938	-23%	-8,816	23,843	-137%	11,395
Operating profit margin ¹	%	10%	13%	-3	-3%	10%	-13	3%
Adjusted EBIT	KSEK	9,113	-2,728	-434%	-9,047	10,223	-188%	-951
Profit	KSEK	8,253	9,999	-17%	-6,068	21,485	-128%	11,303
Earnings per share	KSEK	0.31	0.38	-17%	-0.23	0.81	-128%	0.43
Free cashflow	KSEK	3,914	30,644	-87%	-8,552	38,655	-122%	33,539
Average employees		106	113	-6%	105	113	-7%	112
Daily active users (DAU)	Millions	1.3	1.5	-12%	1.3	1.5	-16%	1.5
Monthly active users (MAU)	Millions	3.4	4.3	-20%	3.5	4.8	-26%	4.5
Monthly unique payers (MUP)	Thousand	47	47	-0%	50	48	4%	49
ARPPDAU	US \$ cent	7.1	5.8	22%	7.6	5.8	30%	6.2

¹Y/Y change in percentage points

² Transfer bonus from Applovin and other

Game experience improvements bolster revenue increases

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 released globally in November 2019 and has shown a high average revenue per daily active user (ARPDau) since then.

Q3 saw strengthened revenue for Wordzee with ARPDau increasing significantly compared to the same quarter last year. The overall ARPDau growth is due in part to an influx of highly monetizing players and to targeted improvements made to the overall game experience.

Further improvements to events

Wordzee released several events during Q3 in line with the game's continuous event schedule; both collection events—a redesigned *Minigolf event*—and several *Journey-events*, such as *Easter* and *Odyssey*. Technical improvements were also achieved to make the design and delivery of recurring events run smoother and faster. Events are important overall as an engagement driver for Wordzee and the team will continue to optimize on its content going forward.

Optimized player progression and new leaderboard

The Wordzee team began significant improvements to the game experience in Q3. Progression features, for example, are rewards like unique avatar frames and backgrounds that players can earn with dedicated play and display as achievements. Another example is an upcoming regional leaderboard where players can compete with broader social engagement. These quality additions aim to improve long-term retention, particularly amongst paying players. Optimizations of these improvements will continue into Q4 as early testing shows promising results.



Europe's biggest trivia game on mobile

In the social trivia game QuizDuel, players challenge friends and other players around the world in quizzes. In addition to classic quiz duels of six rounds with three knowledge questions, there are many other game modes and events, including *Solo*, *Question Streak*, *Quinder*, *Star Cup* and *Arena*. The game is MAG's largest product in terms of daily active users and also the largest mobile trivia game in Europe.

Events boost retention and revenues

QuizDuel's events—including *Solo*, *Quinder* and *Question Streak*—continue to perform well. Player retention was higher and average revenue per active daily user (ARPDau) was consistently higher and more stable in Q3 compared to the same quarter last year. The game sees increased player engagement and higher revenues when events are live. The game team attributes these increases in part to the strategy of running constant events, giving players more ways to play and earn rewards. *Question Streak* in particular was high-performing during Q3.

Ad optimization also contributed to increased player retention in Q3. The game team will continue to experiment with ad frequency and type to optimize the player journey into Q4.

New event formats highlight player progression

In Q4 the game team looks to convert *Question Streak* from an event to a permanent feature and increase the progression of streaks by adding player leagues. Leagues will refresh every week, with top players moving on to more competitive leagues with higher rewards. Another change to enhance player progression will expand the use of stars earned in *Star Cup* to all game modes.

The game team began a roll out of a new game engine in Q2, for improved stability, cost efficiency and future production speed. As the new engine continues to roll out to also include the game's biggest market, Germany, MAG sees significant opportunities to further optimize the game for long-term players.



Core gameplay overhaul boosts player retention

Tile Mansion is a puzzle adventure that combines core mechanics inspired by mahjong with a renovation and decoration meta. The game is developed by MAG's game studio Apprope and was built based on the game engine of the word-puzzle game Word Mansion. After 2022's release in the largest English-language markets, Tile Mansion was subsequently released in Germany, France, Brazil and Mexico.

The biggest changes to Tile Mansion's core gameplay since its release were implemented in Q3. Players now collect new golden tiles which give extra energy for prolonged play but disappear if unused. Golden tiles are designed to create more engagement by introducing a new dimension of strategy to regular tile game mechanics while facilitating longer playtime per session. Two new features were also added to increase engagement: Bonus tiles are now awarded for completing levels quickly, and bonus boosters are earned for each level completed in a row but disappear once a winning streak has ended. Altogether, these new features have had a substantial positive impact on retention.

New features aim for higher revenues

Tile Mansion's average revenue per daily active user (ARPDau) remained high in Q3. The game team is exploring taking advantage of the boost in player retention as potential for even higher ARPDau in Q4. Optimizations are planned with the aim of re-balancing the in-game economy to best fit the new bonus system and golden tile mechanic.

To enhance the player's sense of progression in the game, a new star wheel mechanic will also be tested in Q4. It is a quicker side game that provides another way to earn stars and advance the larger, recently enhanced story in the Tile Mansion world.

Tile Mansion's innovations are expanding its loyal player base, and MAG is excited to see the game's potential and future growth in 2023.



Stories, boosters spell success for Word Domination

The tactical word game Word Domination was released globally in 2018 and has reached over 10 million downloads. In Word Domination, opponents meet in five rounds where they collect points by spelling words on a game board. With “booster cards” players can tactically play out time-limited advantages.

The strategy implemented in Q2 of encouraging booster purchase and *Stories* collection event play proved a reliable and significant success for Word Domination in Q3. Additionally, new booster-release schedule optimization complimented this success by stabilizing player retention at a high level. Revenues are up as a result, with in-app purchases (IAP) seeing a considerable uplift compared to the same quarter last year.

To solidify and expand the game's loyal player base, the Live Operations (Live Ops) team will build a monthly tournament mode in Q4, where loyal players compete for elite status. The aim of this feature is also to increase engagement by enhancing players' sense of progression. After its first year with Live Ops, MAG is excited to see Word Domination flourish as an evergreen game in its portfolio.

Ruzzle - reliable evergreen success

Ruzzle, launched globally in 2012, is MAG's first successful word game. It is one of MAG's most important evergreens, has a very loyal player base and generates long-term predictable revenue. Its loyal player base makes it an evergreen game that MAG seeks to replicate throughout its portfolio. In Q3 a monthly ad-free offer was introduced as an option to enhance player experience. The team will also optimize promotion of booster features in the coming quarter to reach more players beyond its loyal base.

WordBrain - evergreen with stable revenue stream

The word game WordBrain has been live for over eight years and has grown into a strong evergreen for MAG with a stable player base and revenue stream. The game has been downloaded over 40 million times and reached #1 in 118 countries in the word game category on Apple's App Store.

Some new features aimed at increasing player engagement are planned for Q4 and beyond, including an achievement trophy collection and a difficult monthly challenge for advanced players. Live Ops sees the potential in enhancing the player progression journey as a way to strengthen the game's evergreen status.



CONSOLIDATED PROFIT/LOSS AND CASH FLOW FOR THE PERIOD MAR 2023 UNTIL MAY 2023

2022/23

OPERATING INCOME

The Group's net sales for the period totalled 88,648 KSEK (91,162 KSEK), a decrease of 3%. The same period last year contains an extraordinary income of 14,7 MSEK, see note 4 and the adjusted Net sales for comparison between the periods.

Own work capitalised totalled 8,056 KSEK (7,861 KSEK).

The group's net sales was primarily attributable to the games Wordzee, Quizduel, Ruzzle, WordBrain, Word Domination, Tile Mansion, Primetime, Wordbubbles and Word Mansion.

OPERATING EXPENSES, EBITDA AND OPERATING PROFIT/LOSS

Operating expenses totalled 74,690 KSEK (74,904 KSEK). Of these, 19,763 KSEK (16,815 KSEK) were sales related costs, primarily originating from fees to Apple App Store and Google Play, as well as server costs. In addition to this 19,152 KSEK (21,589 KSEK) were costs of user acquisition and 6,755 KSEK (8,276 KSEK) were other external operating expenses. The difference in other external operating expenses against the comparison period is attributable to a temporary positive effect from a discount on office rent.

User acquisition costs during the period are mainly attributable to the games Wordzee and Tile Mansion.

Personnel expenses totalled 29,020 KSEK (28,224 KSEK), an increase of 3%

EBITDA for the period was 23,291 KSEK (25,631 KSEK). The same period last year contains an extraordinary income of 14,7 MSEK, see note 4 and the adjusted EBITDA for comparison between the periods.

Depreciation of tangible and intangible assets totalled 14,119 KSEK (13,693 KSEK), of which 8,279 KSEK (7,762 KSEK) was depreciation of capitalized development expenses.

The Group's operating profit was 9,173 KSEK (11,938 KSEK) and profit before tax 10,384 KSEK (12,587 KSEK).

FINANCIAL ITEMS

Financial income totalled 1,486 KSEK (1,183 KSEK) and financial expenses totalled -275 (-534 KSEK). The financial income referred to exchange rate gains from cash and cash equivalents and interest income from cash & cash equivalent, and the financial expenses to interest on financial leasing and other interest.

PROFIT/LOSS AFTER TAX

Profit after tax totalled 8,253 KSEK (9,999 KSEK).

The profit after tax per share was 0.31 SEK/share (0.38 SEK/share).

The average number of shares during the period was 26,494,653 (26,494,653).

CASH FLOW FOR THE PERIOD

The Group's cash flow from operating activities during the quarter was 12,041 KSEK (38,763 KSEK). Cash flow from investing activities was -8,127 KSEK (-8,119 KSEK). Cash flow from financing activities was -2,495 KSEK (-2,421 KSEK).



CONSOLIDATED PROFIT/LOSS FOR THE PERIOD SEP 2022 UNTIL MAY 2023

2022/23

OPERATING INCOME

The Group's net sales for the period totalled 282,087 KSEK (237,773 KSEK), an increase of 19%. The same period last year contains an extraordinary income of 14,7 MSEK, see note 4 and the adjusted Net sales for comparison between the periods.

Own work capitalised totalled 27,344 KSEK (25,201 KSEK). See below for further details of capitalised expenses as well as impairments and depreciation of the same.

The group's net sales was primarily attributable to the games Wordzee, Quizduel, Ruzzle, WordBrain, Tile Mansion, Word Domination, Word Mansion, Primetime and Wordbubbles.

OPERATING EXPENSES, EBITDA AND OPERATING PROFIT/LOSS

Operating expenses totalled 278,898 KSEK (202,359 KSEK). Of these, 60,669 KSEK (47,762 KSEK) were sales related costs, primarily originating from fees to Apple App Store and Google Play, as well as server costs. In addition to this 111,477 KSEK (50,111 KSEK) were costs of user acquisition and 24,025 KSEK (23,915 KSEK) were other external operating expenses.

Personnel expenses totalled 82,727 KSEK (80,570 KSEK) an increase of 3%. The average number of employees during the period was 105 (113) a decrease of 7%.

EBITDA for the period was 33,120 KSEK (64,305 KSEK). The same period last year contains an extraordinary income of 14,7 MSEK, see note 4 and the adjusted EBITDA for comparison between the periods.

Depreciation and impairments of tangible and intangible assets totalled 41,936 KSEK (40,462 KSEK), of which 24,357 KSEK (22,878 KSEK) was depreciation of capitalised development expenses.

The Group's operating profit was -8,816 KSEK (23,843 KSEK) and profit before tax -8,138 KSEK (28,459 KSEK).

FINANCIAL ITEMS

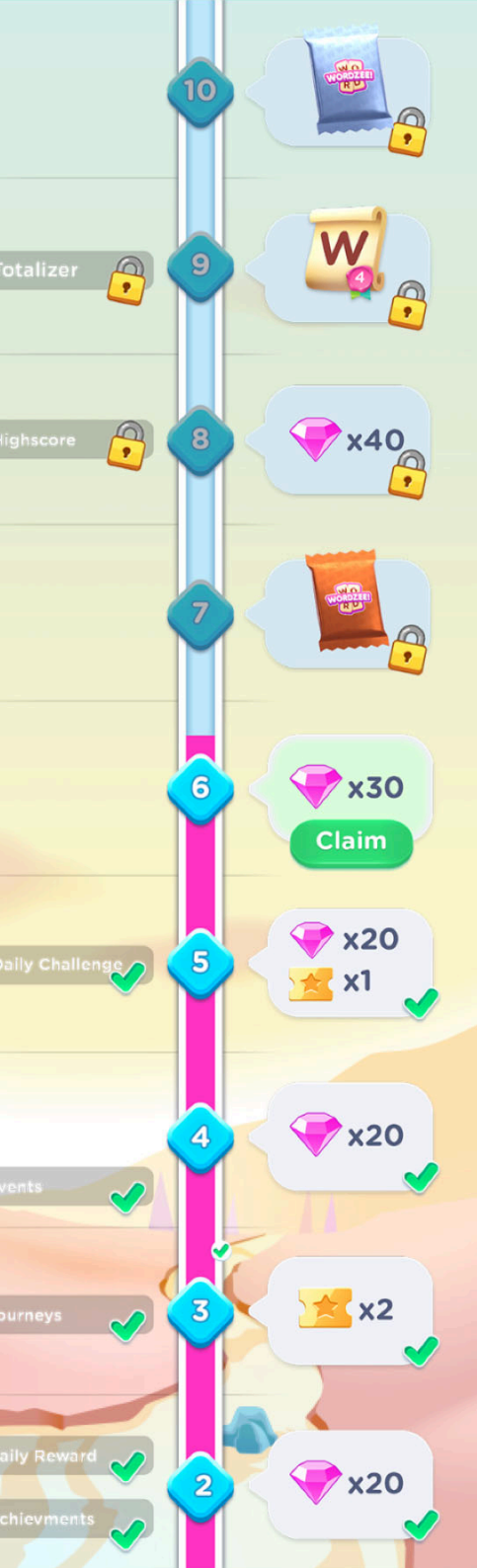
Financial income totalled 2,786 KSEK (5,484 KSEK) and financial expenses totalled -2,109 KSEK (-868 KSEK). The financial income referred to exchange rate gains from cash and cash equivalents and interest income from cash & cash equivalent, and the financial expenses were mainly attributable to financial leasing.

PROFIT/LOSS AFTER TAX

Profit after tax totalled -6,068 KSEK (21,485 KSEK).

The profit after tax per share was -0.23 SEK/share (0.81 SEK/share).

The average number of share during the period was 26,494,653 (26,494,653).



PARENT COMPANY PROFIT/LOSS FOR THE PERIOD MAR 2023 UNTIL MAY 2023

2022/23

OPERATING INCOME

The parent company's net sales for the period were 77,399 KSEK (75,205 KSEK), an increase of 3% compared with the same period the previous year. The same period last year contains an extraordinary income of 14,7 MSEK.

OPERATING EXPENSES AND OPERATING PROFIT/LOSS

Operating expenses totalled 69,889 KSEK (65,095 KSEK).

Of these 17,712 KSEK (14,440 KSEK) were sales related costs originating primarily from fees to Apple App Store and Google Play, costs of user acquisition were 15,853 KSEK (14,803 KSEK) and 13,382 KSEK (14,256 KSEK) was other external operating expenses.

Personnel expenses totalled 22,942 KSEK (21,595 KSEK) an increase of 6%.

Depreciation of tangible and intangible assets totalled 1,323 KSEK (4,774 KSEK).

The parent company's operating profit for the period was 7,467 KSEK (6,723 KSEK).

FINANCIAL ITEMS

Financial income totalled 1,021 KSEK (666 KSEK) and financial expenses totalled -2 KSEK (0 KSEK). The financial income and expenses referred to exchange rate gains and losses from cash and cash equivalents and interest income from cash & cash equivalent.

PROFIT AFTER TAX

Profit after tax totalled to 6,693 KSEK (5,079 KSEK).



PARENT COMPANY PROFIT/LOSS FOR THE PERIOD SEP 2022 UNTIL MAY 2023

2022/23

OPERATING INCOME

The parent company's net sales for the period were 239,313 KSEK (194,976 KSEK), an increase of 23% compared with the same period the previous year. The same period last year contains an extraordinary income of 14,7 MSEK.

OPERATING EXPENSES AND OPERATING PROFIT/LOSS

Operating expenses totalled 249,834 KSEK (178,438 KSEK)

Of these costs 53,931 KSEK (40,574 KSEK) were sales related costs originating primarily from fees to Apple App Store and Google Play. Costs of user acquisition were 87,611 KSEK (35,115 KSEK) and 42,959 KSEK (42,071 KSEK) was other external operating expenses.

Personnel expenses totalled 65,332 KSEK (60,677 KSEK) an increase of 8%.

Depreciation and impairments of tangible and intangible assets totalled 7,411 KSEK (14,411 KSEK).

The parent company's operating profit for the period was -15,195 KSEK (5,840 KSEK).

FINANCIAL ITEMS

Financial income totalled 1,851 KSEK (4,710 KSEK) and financial expenses totalled -830 KSEK (-3 KSEK). The financial income referred to exchange rate gains from cash and cash equivalents and interest income from cash & cash equivalent.

PROFIT AFTER TAX

Profit after tax totalled to -12,106 KSEK (5,178 KSEK).



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

2022/23

NON-CURRENT ASSETS

Intangible non-current assets at the end of the period totalled 219,434 KSEK (264,090 KSEK), of which 126,205 KSEK (161,087 KSEK) relates to goodwill and 93,229 KSEK (103,003 KSEK) to other intangible assets. Other intangible assets consists primarily of capitalized development expenses on own account and acquired intellectual property.

CURRENT ASSETS

Current tax assets include a reserved amount of 7.6 MSEK from 2021 for the parent company's application of a retroactive deduction of employer's contributions related to R&D. The application was rejected by the administrative court during the quarter. The decision will be appealed, as suggested by the company's tax advisors. The reserved amount has not been written-down.

Cash and cash equivalents at the end of the period totalled 110,326 KSEK (131,994 KSEK).

EQUITY

Equity at the end of the period totalled 331,885 KSEK (345,857 KSEK), corresponding to 12.5 SEK/share (13.1 SEK/share). The equity/assets ratio at the same time was 76.2% (68.7%).



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

2022/23

LIABILITIES

Other long-term liabilities is 0 KSEK (37,950 KSEK). There is no residual of the long-term part of the earn-out for the acquisition of Apprope AB and Sventertainment AB. The long-term liabilities regarding earn-out for Sventertainment AB has been written down fully by 32,250 KSEK during the previous year. The remaining part of the earn-out for Apprope AB is reported under Other short-term liabilities. The earn-out for Apprope AB is structured as profit sharing, and is based on the EBIT for the company over three years after the acquisition. The amount in the balance is an estimated amount based of projections, it may be updated in future reports. An earn out of 3,015 KSEK (3,308 KSEK) was paid for Apprope AB during the year.

The group has interest bearing debt of 31,508 KSEK (43,356 KSEK) which refers to financial lease.

THE PARENT COMPANY'S FINANCIAL POSITION AT THE END OF THE PERIOD

The Parent company's Assets consists mainly of Participation in group companies which, at the end of the period totalled 134,679 KSEK (176,151 KSEK), Trade and other receivables that totalled 33,520 KSEK (25,116 KSEK), and Cash and cash equivalents that totalled 75,346 KSEK (105,906 KSEK).

The Assets were financed mainly by Equity that at the end of the period totalled 239,145 KSEK (272,943 KSEK) and by Liabilities that totalled 46,167 KSEK (87,031) KSEK.



KEY INDICATORS FOR THE BUSINESS PERIOD MAR 2023 UNTIL MAY 2023

2022/23

DISTRIBUTION OF REVENUES BY BUSINESS MODEL

The Group's net sales are distributed primarily between in-app purchases (purchases made inside games) and in-app advertising.

The Group's net sales from in-app purchases for the period were 41,875 KSEK (30,624 KSEK), an increase of 37% compared to the same period the previous year.

The Group's net sales from in-app advertising were 46,772 KSEK (45,830 KSEK), an increase of 2% compared with the same period the previous year.

GAME CONTRIBUTION

Cost levels of games marketed by MAG Interactive differ from game to game, both in their distribution costs (sales related costs) and marketing costs (performance based marketing). Additionally, these cost differences can be affected by the particular phase each game is in. The Group therefore reports the total contribution from games activities according to the following model: net sales generated from the games, including royalties, minus platform fees (mainly to fees for Apple AppStore and Google Play) and performance-based marketing. Performance based marketing includes digital advertising and other advertising associated directly with the company's products, as well as services and charges directly attributable to performance-based marketing. General marketing of the company and brand is not included in the cost of direct marketing.

The Group's contribution from sales activities for the period was 57,451 KSEK (45,841 KSEK), an increase of 25% compared to the same period the previous year.

COMMENTS ON THE DISTRIBUTION OF INCOME AND CONTRIBUTIONS FROM SALES ACTIVITIES

Increase in in-app purchases reflects the growth in Wordzee combined with its relatively strong in-app economy. The game contribution is calculated after user acquisition and is higher due to higher net sales and lower levels of user acquisition.



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 follows;

DAU and MAU are defined as 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. The value is reported as an average value over the three months in the period.

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

THE BUSINESS'S KEY INDICATORS DURING THE PERIOD

DAU for the period 1.3 million (1.5 million), a decrease of 12% compared with the same period the previous year.

MAU for the period 3.4 million (4.3 million), a decrease of 20% compared with the same period the previous year.

MUP for the period 47 thousand (47 thousand), a decrease of 0.21% compared with the same period the previous year.

ARPDau for the period 7.1 US \$ cent (5.8 US \$ cent), an increase of 22% compared with the same period the previous year.

COMMENTS TO THE KPIs

DAU is declining due to the company's focus on marketing targeting higher monetizing users. This is also the main driver behind the increase in ARPDau compared to the same quarter the previous year. Compared to the previous quarter DAU is on the same level.

PARENT COMPANY

The parent company MAG Interactive AB (publ), corporate ID number 556804-3524, has its registered office in Stockholm with 80 employees. A big part of the Group's business activity is in the parent company, with employees, agreements, intangible assets (incl. IP) and revenues. There are ten subsidiaries in the group. MAG Games Ltd, with its registered office in Brighton and 20 employees, has only Group internal invoicing and carries out development and other functions in the company's operations. MAG United AB, with its registered office in Stockholm, has no employees. Sventertainment AB, with its registered office in Stockholm, is the developer and publisher of the trivia app Primetime. Sventertainment is a subsidiary group consisting of six companies and was acquired during the first quarter 2020/21 and has 8 employees. Apprope AB, is the developer being mobile casual games like Word Mansion. Apprope AB was acquired during the second quarter of 2020/21 and has 2 employees.

ACCOUNTING PRINCIPLES

The consolidated accounts for the MAG Interactive AB Group ("MAG Interactive") have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU as well as RFR 1 Complementary Accounting Rules for Groups and the Swedish Annual Accounts Act. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and RFR 1 Complementary Accounting Rules for Groups. The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Annual Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The application of RFR 2 means that the parent company, in the interim report for the legal entity, applies all of the EU-adopted IFRS and statements as far as is possible within the framework of the Swedish Annual Accounts Act, the Swedish Act on Safeguarding Pension Commitments and with due reference to the relationship between accounting and taxation. For a more detailed description of the accounting policies applied for the Group and the parent company in this interim report, see Note 2 in the annual report for 2021/2022.



RISKS AND UNCERTAINTIES

Like all other companies, MAG Interactive is exposed to risks in its business activities. To name some of these risks: dependence on key persons, exchange rate fluctuations, delays in launches, unsuccessful launches, changes in external sales partners when such changes are entirely beyond the company's control. The company's Board of Directors and management work on an ongoing basis on risk management in order to minimize these effects. For more information regarding the risks and uncertainties, please refer to the annual report of 2021/2022.

MAG Interactive does not have any significant exposure to the Russian market.

CURRENCY EFFECTS

MAG Interactive is exposed to a large number of currencies based on the way that Google Play and Apple App Store operate. The most important market for the company is USA. In addition most of the advertising income is realized in USD, and the majority of the direct marketing is purchased in USD. The most important currency is thus USD.

CERTIFIED ADVISER

FNCA Sweden AB is appointed as the Company's Certified Adviser and ensures that the Company complies with the Nasdaq First North rules. FNCA does not hold any shares in MAG Interactive.

PERSONNEL

The average number of employees during the quarter was 106 compared to 113 the same period the previous year.

CONTACT

Further information is available on the company's website: maginteractive.se/investor-relations

Or contact

Daniel Hasselberg, CEO, at daniel@maginteractive.se

Magnus Wiklander, CFO, at magnus.wiklander@maginteractive.se

MAG INTERACTIVE AB (PUBL)

Drottninggatan 95A

113 60 Stockholm

Sweden



OTHER DISCLOSURES CONTO.

2022/23



FURTHER REPORTING DATES

Interim and Year-End Report Q4 September 2022 – August 2023

October 18, 2023

Interim Report Q1 September – November 2023

January 17, 2024

Annual General Meeting 2022/2023

January 17, 2024

AUDIT

This report has not been reviewed by auditors.

PRESENTATION

On June 28th, 2023 at 10:00 CET, CEO Daniel Hasselberg and CFO Magnus Wiklander will present the Interim Report live on Twitch. The presentation is held in English. Link to the Twitch feed www.twitch.com/maginteractive

Daniel Hasselberg will also take questions on Twitter during the course of the day, write to @d_hasselberg or @maginteractive.

More information is available at maginteractive.se/investors

STATEMENTS ABOUT THE FUTURE

Certain formulations can be, or interpreted to be, forecasts about the future. In cases where such statements are made, MAG Interactive's management and Board of Directors have assessed the assumptions behind these statements as being reasonable. There are, however, risks in all statements about the future, and the actual outcome with regard to the external environment and the company may deviate significantly from what has been stated. What is stated with reference to the future is made in the light of the information that the company has at the time of the statement, and the company assumes no obligation to update such statements if new information arrives at a later date that in any way changes the conditions relating to the statement.





ASSURANCE BY THE BOARD OF DIRECTORS

Stockholm June 28, 2023

DANIEL HASSELBERG
CEO, Board member

JONAS ERIKSSON
Chairman of the Board

TAINA MALÉN
Board member

BRITT BOESKOV
Board member

ASBJOERN SOENDERGAARD
Board member

ÅSA LINDER
Board member

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**2022/23**

Amounts in KSEK	Note	Mar 23-May 23	Mar 22-May 22	Sep 22-May 23	Sep 21-May 22	FY 21/22
Operating income						
Net sales	1, 4	88,648	91,162	282,087	237,773	327,774
Own work capitalised		8,056	7,861	27,344	25,201	30,486
Other operating income		1,278	1,511	2,587	3,691	37,811
Total operating income		97,981	100,535	312,018	266,664	396,070
Operating expenses						
Sales related costs	2	-19,763	-16,815	-60,669	-47,762	-66,720
User acquisition		-19,152	-21,589	-111,477	-50,111	-93,410
Other external expenses		-6,755	-8,276	-24,025	-23,915	-32,335
Personnel costs		-29,020	-28,224	-82,727	-80,570	-102,245
Total operating expenses		-74,690	-74,904	-278,898	-202,359	-294,710
EBITDA	4	23,291	25,631	33,120	64,305	101,360
Depreciation and write downs of tangible and intangible non-current assets	3	-14,119	-13,693	-41,936	-40,462	-89,966
Operating profit/loss (EBIT)	4	9,173	11,938	-8,816	23,843	11,395
Financial items						
Interest income		1,486	1,183	2,786	5,484	7,129
Interest expense		-275	-534	-2,109	-868	-1,143
Total financial items		1,211	649	677	4,616	5,986
Profit/loss after financial items		10,384	12,587	-8,138	28,459	17,381
Taxes		-2,130	-2,587	2,070	-6,974	-6,077
Profit/loss for the period		8,253	9,999	-6,068	21,485	11,303
Other comprehensive result						
Exchange rate differences		1,450	-471	1,731	764	870
Total comprehensive income for the period		9,703	9,528	-4,337	22,249	12,173
The profit/loss and total comprehensive income for the year are attributable in full to the parent company's shareholders.						
Earnings per share (based on average number of shares)		0.31	0.38	-0.23	0.81	0.43
Average number of shares during the period ('000)		26,495	26,495	26,495	26,495	26,495
Number of shares at the end of the period ('000)		26,495	26,495	26,495	26,495	26,495

**CONSOLIDATED BALANCE SHEET
ASSETS****2022/23**

Amounts in KSEK	Note	31/5 2023	31/5 2022	31/8 2022
ASSETS				
Goodwill		126,205	161,087	125,377
Other intangible assets		93,229	103,003	97,937
Total intangible assets		219,434	264,090	223,314
Right-of-use assets		29,698	41,223	38,622
Equipment, tools, fixtures and fittings		4,251	6,585	5,981
Total tangible assets		33,949	47,808	44,603
Other long-term receivables		4,102	4,121	4,124
Deferred tax assets ¹		11,410	1,830	2,920
Total financial non-current assets		15,512	5,951	7,044
Total non-current assets		268,896	317,849	274,961
Current assets				
Trade and other receivables		38,948	33,947	42,009
Current tax assets		9,238	10,874	9,905
Other current receivables		1,209	1,753	1,565
Prepaid expenses and accrued income		6,868	7,349	6,396
Cash and cash equivalents		110,326	131,994	125,940
Total current assets		166,590	185,918	185,815
TOTAL ASSETS		435,485	503,766	460,776

1. Due to the changes in IAS 12 deferred taxes related to Lease Liabilities and Right-of-use Assets is booked from the fiscal year 22/23 onwards. Deferred Tax liability booked for Right-of-use Assets is 6,1 MSEK, Deferred tax Asset booked for Lease Liability is 6,5 MSEK per report date.

CONSOLIDATED BALANCE SHEET LIABILITIES AND EQUITY

2022/23

Amounts in KSEK	Note	31/5 2023	31/5 2022	31/8 2022
EQUITY AND LIABILITIES				
Equity				
Share capital		688	688	688
Other external capital		284,873	284,431	284,638
Reserves		845	-992	-886
Retained earnings incl. profit/loss for the period		45,480	61,730	51,548
Total equity		331,885	345,857	335,988
Long-term liabilities				
Deferred tax liabilities ¹		26,595	23,543	20,175
Long-term lease liabilities		21,199	32,314	29,623
Other long-term liabilities		0	37,950	11,200
Total long-term liabilities		47,794	93,806	60,998
Current liabilities				
Trade and other payables		12,843	20,199	24,157
Current tax liability		532	320	1,530
Accrued expenses and prepaid income		17,238	17,919	14,499
Short-term lease liabilities		10,309	11,042	10,997
Other current liabilities		14,884	14,623	12,607
Total current liabilities		55,806	64,103	63,790
TOTAL EQUITY AND LIABILITIES		435,485	503,766	460,776

1. Due to the changes in IAS 12 deferred taxes related to Lease Liabilities and Right-of-use Assets is booked from the fiscal year 22/23 onwards. Deferred Tax liability booked for Right-of-use Assets is 6,1 MSEK, Deferred tax Asset booked for Lease Liability is 6,5 MSEK per report date.

CONSOLIDATED CASH FLOW STATEMENT**2022/23**

Amounts in KSEK	Note	Mar 23-May 23	Mar 22-May 22	Sep 22-May 23	Sep 21-May 22	FY 21/22
Operating activities						
Operating profit/loss (EBIT)		9,173	11,938	-8,816	23,843	11,395
Adjustments for items not part of cash flow						
LTIP		-179	-578	234	-128	78
Write-down of Earn-out		0	0	0	0	-32,250
Depreciations and write-downs	3	14,119	13,693	41,936	40,462	89,966
Interest received		502	38	1,212	38	183
Interest paid		-275	-284	-709	-868	-1,143
Tax paid		-693	-957	-331	-2,409	-3,888
Cash flow from operating activities before change in working capital		22,647	23,849	33,526	60,938	64,341
Change in current operating receivables		4,173	4,920	3,225	-2,612	-9,398
Change in current operating liabilities		-14,779	9,994	-14,704	9,404	13,058
Change in working capital		-10,606	14,914	-11,479	6,792	3,660
Cash flow from operating activities		12,041	38,763	22,047	67,730	68,001
Investing activities						
Capitalized work		-8,056	-7,861	-27,344	-25,201	-30,486
Investments in and merged tangible non-current assets		-90	-259	-288	-565	-666
Payment for acquisition of subsidiary, net of cash acquired		0	0	-3,015	-3,308	-3,308
Change in financial investments		19	1	48	-2	-2
Cash flow from investing activities		-8,127	-8,119	-30,599	-29,075	-34,462
Free cashflow		3,914	30,644	-8,552	38,655	33,539
Financing activities						
Warrants		0	265	0	265	265
Amortized short-term loan		0	0	0	0	-137
Amortized leasing liabilities		-2,495	-2,686	-7,963	-8,148	-10,506
Cash flow from financing activities		-2,495	-2,421	-7,963	-7,883	-10,378
Increase/decrease in cash and cash equivalents						
Cash flow for the period		1,419	28,215	-16,515	30,780	23,161
Effects of exchange rate changes		1,633	713	901	5,699	7,264
Opening cash and cash equivalents		107,274	103,066	125,940	95,515	95,515
Closing cash and cash equivalents		110,326	131,994	110,326	131,994	125,940

**CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY****2022/23**

KSEK	Share capital	Other external capital	Reserves	Retained earnings	Total equity
Opening balance 1/9 2022	688	284,638	-886	51,548	335,988
Profit/loss for the period				-6,068	-6,068
Exchange rate differences			1,731		1,731
Total comprehensive income			1,731	-6,068	-4,337
LTIP		234			234
Closing balance 31/5 2023	688	284,873	845	45,480	331,885
KSEK	Share capital	Other external capital	Reserves	Retained earnings	Total equity
Opening balance 1/9 2021	688	284,295	-1,756	40,245	323,472
Profit/loss for the period				21,485	21,485
Exchange rate differences			764		764
Total comprehensive income			764	21,485	22,249
LTIP		136			136
Closing balance 31/5 2022	688	284,431	-992	61,730	345,857

PARENT COMPANY'S INCOME STATEMENT

2022/23

Amounts in KSEK	Note	Mar 23-May 23	Mar 22-May 22	Sep 22-May 23	Sep 21-May 22	FY 21/22
Operating income						
Net sales		77,399	75,205	239,313	194,976	266,450
Other operating income		1,280	1,388	2,738	3,713	5,335
Total operating income		78,679	76,592	242,051	198,689	271,784
Operating expenses						
Sales related costs		-17,712	-14,440	-53,931	-40,574	-56,902
User acquisition		-15,853	-14,803	-87,611	-35,115	-68,285
Other external expenses		-13,382	-14,256	-42,959	-42,071	-57,472
Personnel costs		-22,942	-21,595	-65,332	-60,677	-75,126
Total operating expenses		-69,889	-65,095	-249,834	-178,438	-257,785
EBITDA		8,789	11,497	-7,783	20,251	13,999
Depreciation of tangible and intangible non-current assets	3	-1,323	-4,774	-7,411	-14,411	-19,170
Operating profit/loss		7,467	6,723	-15,195	5,840	-5,171
Financial items						
Financial income		1,021	666	1,851	4,710	5,108
Financial expenses		-2	0	-830	-3	-12,926
Total financial items		1,019	666	1,021	4,707	-7,818
Profit/loss after financial items		8,486	7,390	-14,174	10,547	-12,988
Taxes		-1,792	-2,311	2,067	-5,369	-3,966
Profit/loss for the period		6,693	5,079	-12,106	5,178	-16,954

The parent company has no items recorded as other comprehensive income, and total comprehensive income therefore corresponds with the profit/loss for the period.

PARENT COMPANY'S BALANCE SHEET

ASSETS

2022/23

Amounts in KSEK	Note	31/5 2023	31/5 2022	31/8 2022
ASSETS				
Goodwill		0	6,824	3,412
Other intangible assets		16,920	20,680	19,740
Total intangible assets		16,920	27,504	23,152
Equipment, tools, fixtures and fittings		3,093	4,613	4,205
Total tangible non-current assets		3,093	4,613	4,205
Participation in Group companies		134,679	176,151	130,979
Other long-term receivables		6,345	3,765	4,858
Long-term receivables from Group companies		147	264	318
Total financial non-current assets		141,171	180,180	136,155
Total non-current assets		161,185	212,297	163,512
Current assets				
Trade and other receivables		33,520	25,116	33,847
Short-term receivable from Group companies		307	96	75
Other receivables		9,399	10,787	10,841
Prepaid expenses and accrued income		5,555	5,772	5,587
Total current assets		48,782	41,771	50,350
Cash and cash equivalents		75,346	105,906	94,657
TOTAL ASSETS		285,312	359,974	308,519

PARENT COMPANY'S BALANCE SHEET LIABILITIES AND EQUITY

2022/23

Amounts in KSEK	Note	31/5 2023	31/5 2022	31/8 2022
EQUITY AND LIABILITIES				
Restricted equity				
Share capital		688	688	688
Non-restricted equity				
Other external capital		316,262	315,821	316,027
Retained earnings incl. profit/loss for the period		-77,804	-43,566	-65,698
Total equity		239,145	272,943	251,017
Long-term liabilities				
Deferred tax liabilities		3,486	4,377	4,066
Other provisions		0	37,950	11,200
Total long-term liabilities		3,486	42,327	15,266
Current liabilities				
Trade and other payables		11,000	13,583	19,543
Liabilities to Group companies		2,144	3,307	3,462
Other liabilities		14,531	13,190	8,120
Accrued expenses and prepaid income		15,007	14,624	11,112
Total current liabilities		42,681	44,705	42,236
TOTAL EQUITY AND LIABILITIES		285,312	359,974	308,519

Term	Description
Net sales	Total game revenue, drawn from In-app purchases and advertising sales. MAG records the full value of items sold as In-app purchases (mainly Apple and Google) and reports the platform share as Sales related costs. The Platform fee is normally 30% of the sales value.
In-app purchases	The value of purchases made in an app through Google Play or Apple App Store or other such store.
Advertising sales	Net sales from ads in the games.
Activated costs for own account	Development work activated to the balance sheet. The company activates personnel costs, including social fees and other personell 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.
Platform fee	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.
User acquisition	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.
Game contribution	Net sales generated from the games, including royalties, minus platform fees (primarily to Google and Apple) minus direct performance marketing (user acquisition).
EBITDA	Profit/loss before financial items, taxes, depreciation and write-downs.
Equity/asset ratio	Equity end of period 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 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.
ARPDau	Daily average Net sales per daily active user (DAU). If nothing else is stated this is measured in US cents.

NOTES TO THE INTERIM REPORT

2022/23

Mar 23-May 23 Mar 22-May 22 Sep 22-May 23 Sep 21-May 22 FY 21/22

Amounts in KSEK

NOTE 1: DISTRIBUTION OF NET SALES

In-app purchases	41,875	30,624	132,207	85,581	125,667
Advertising income	46,772	45,830	149,879	137,464	187,379
Other	1	14,708	1	14,728	14,728
Total	88,648	91,162	282,087	237,773	327,774

NOTE 2: SALES RELATED COSTS

Platform fee	-12,045	-9,026	-37,080	-25,222	-37,031
Server costs	-4,345	-4,828	-13,758	-13,370	-18,156
Other sales related costs	-3,373	-2,962	-9,831	-9,170	-11,533
Total sales related costs	-19,763	-16,816	-60,669	-47,762	-66,720

Mar 23-May 23 Mar 22-May 22 Sep 22-May 23 Sep 21-May 22 Helår 21/22

Amounts in KSEK

NOTE 3: DEPRECIATION AND WRITE DOWNS OF TANGIBLE AND INTANGIBLE NON-CURRENT ASSETS

Group

Goodwill	0	0	0	0	-35,782
Right-of-use assets	-2,564	-2,649	-7,759	-7,666	-10,317
Equipment, tools, fixtures and fittings	-711	-717	-2,125	-2,223	-2,942
Intellectual properties	-2,565	-2,565	-7,695	-7,695	-10,260
Own work capitalized	-8,279	-7,762	-24,357	-22,878	-30,665
Total	-14,119	-13,693	-41,936	-40,462	-89,966

Parent

Goodwill	0	-3,412	-3,412	-10,236	-13,647
Equipment, tools, fixtures and fittings	-383	-422	-1,179	-1,355	-1,763
Intellectual properties	-940	-940	-2,820	-2,820	-3,760
Total	-1,323	-4,774	-7,411	-14,411	-19,170

NOTES TO THE INTERIM REPORT

2022/23

	Mar 23-May 23	Mar 22-May 22	Sep 22-May 23	Sep 21-May 22	FY 21/22
Amounts in KSEK					
NOTE 4: ADJUSTED NET SALES, EBITDA AND EBIT					
Net sales	88,648	91,162	282,087	237,773	327,774
Transfer bonus from Applovin	0	-14,706	0	-14,706	-14,706
Adjusted Net sales	88,648	76,456	282,087	223,067	313,068
EBITDA	23,291	25,631	33,120	64,305	101,360
Transfer bonus from Applovin	0	-14,706	0	-14,706	-14,706
Write-down of Earn-out	0	0	0	0	-32,250
Social contribution from re-evaluation of option programs	-60	40	-231	1,086	-1,172
Total adjustments of EBITDA	-60	-14,666	-231	-13,620	-48,128
Adjusted EBITDA	23,231	10,965	32,889	50,685	53,232
EBIT	9,173	11,938	-8,816	23,843	11,395
Profit for the period	8,253	9,999	-6,068	21,485	11,303
Transfer bonus from Applovin	0	-14,706	0	-14,706	-14,706
Write-down of Earn-out	0	0	0	0	-32,250
Social contribution from re-evaluation of option programs	-60	40	-231	1,086	-1,172
Write-down of Goodwill	0	0	0	0	35,782
Total adjustments of EBIT	-60	-14,666	-231	-13,620	-12,346
Adjusted EBIT	9,113	-2,728	-9,047	10,223	-951
Adjusted profit for the period	8,193	-4,667	-6,299	7,865	-1,043
Adjusted earnings per share	0.31	-0.18	-0.24	0.30	-0.04

NOTES TO THE INTERIM REPORT

2022/23

	Mar 23-May 23	Mar 22-May 22	Sep 22-May 23	Sep 21-May 22	FY 21/22
Amounts in KSEK					
NOTE 5: GAME CONTRIBUTION					
Group					
In-app purchases	41,875	30,624	132,207	85,581	125,667
Advertising income	46,772	45,830	149,879	137,464	187,379
Other	1	14,708	1	14,728	14,728
Net sales	88,648	91,162	282,087	237,773	327,774
Transfer bonus from Applovin	0	14,706	0	14,706	14,706
Net sales without Transfer bonus	88,648	76,456	282,087	223,067	313,068
Platform fee	-12,045	-9,026	-37,080	-25,222	-37,031
User acquisition	-19,152	-21,589	-111,477	-50,111	-93,410
Game contribution	57,451	45,841	133,530	147,734	182,627

GOOD TIMES