



MAG INTERACTIVE

MAG INTERACTIVE AB [PUBL]
INTERIM REPORT SEP—FEB 2023/24

2023/24

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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 DEC 2023 UNTIL FEB 2024

- Adjusted EBITDA for the period was 19,708 KSEK (8,445 KSEK), an increase of 11,263 KSEK
- The Group's Net sales for the period was 71,886 KSEK (96,113 KSEK), a decrease of 25%
- The Group's game contribution for the period was 53,474 KSEK (42,944 KSEK), an increase of 25%
- Average revenue per daily active user (ARPDau) for the period was 6.6 US cents (7.8 US cents), a decrease of 15%
- Earnings per share during the quarter was -0.48 SEK/share (-0.12 SEK/share)
- Adjusted earnings per share during the quarter was 0.19 SEK/share (-0.16 SEK/share)
- The cost of user acquisition for the period was 8,248 KSEK (41,171 KSEK)
- Daily and monthly active users (DAU and MAU) were 1.2 million and 3.1 million respectively during the quarter, a decrease of 11% and 17%

SUMMARY OF THE PERIOD SEP 2023 UNTIL FEB 2024

- Adjusted EBITDA for the period was 38,823 KSEK (6,697 KSEK), an increase of 32,126 KSEK
- The Group's Net sales for the period was 148,631 KSEK (193,439 KSEK), a decrease of 23%
- The Group's game contribution for the period was 108,337 KSEK (76,079 KSEK), an increase of 42%
- Average revenue per daily active user (ARPDau) for the period was 6.7 US cents (7.8 US cents), a decrease of 14%
- Earnings per share during the period was -0.31 SEK/share (-0.54 SEK/share)
- Adjusted earnings per share during the period was 0.32 SEK/share (-0.63 SEK/share)
- The cost of user acquisition for the period was 19,440 KSEK (92,325 KSEK)
- Daily and monthly active users (DAU and MAU) were 1.1 million and 3.0 million respectively during the period, a decrease of 10% and 17%

SIGNIFICANT EVENTS DURING AND AFTER THE PERIOD DEC 2023 UNTIL FEB 2024

- Crozzle, a new crossword game with a decoration theme, was soft-launched in the American market during the quarter.
- During the quarter the earn out period relating to the acquisition of Apprope AB ended, and the final payment of 9.9 MSEK was paid. On 10 January, 2024 the Board of Directors decided to merge the subsidiary Apprope AB with the parent MAG Interactive AB (publ). The merger will be in effect during Q3.
- The earn out period relating to the acquisition of Sventertainment also ended during the quarter, this did not result in any payouts.
- During the quarter the parent company received a decision of rejection from the Swedish Tax Agency regarding RnD claims (forskningsavdrag) for the period January 2021 to July 2023, which led to the reversal and repayment of all deductions from 2020-2023 with a negative impact on Cash and cash equivalents and the Profit and loss statement of 16.8 MSEK. On March 26, the Administrative Court of Appeal rejected the appeal for the period January 2015 to March 2020, resulting in reversed reservation and a negative impact on the Profit and loss statement of 5.3 MSEK but with no effect on Cash and cash equivalents. More information can be found on pages 18-19 of the report.





MAG INTERACTIVE

FROM THE CEO SUSTAINED PROFITABILITY

2023/24

Another profitable quarter

We can look back at a quarter that was in most regards an expected continuation of the previous quarter. The live games continue to be stable compared to Q1 in terms of daily active users (DAU) and the overall business continues to be profitable with a solid profit margin and healthy cash generation. Our quarterly revenues were 72 MSEK, and we generated an adjusted EBITDA of 20 MSEK which makes for a 27% adjusted EBITDA margin. The adjusted cash flow of the quarter was 10.2 MSEK.

Focused effort to get Crozzle to global launch

The new crossword game Crozzle, which was soft launched in December of 2023, is our big bet to get a new fresh product into the market. This is also the first game to come out of our modular game making process, making it even more exciting. We believe that this competitive crossword game offers an opportunity to generate attention from word game lovers as it offers something completely new in the market.

Metrics in the early stages of the soft launch look promising and in line with our expectations. We will need a few more months to balance the game, add more content and fine tune the marketing campaigns before making the final call if the game can go global or not. We aim to get the game to an official global launch before the next quarterly report, but, as always, we will be informed by data when making our decision.

User acquisition volumes are based on performance

We invested 8 MSEK in User Acquisition (UA) during Q2. This is well below our ambition level, which is closer to 30 MSEK per quarter. The majority of the investments were behind Wordzee, followed by QuizDuel and Tile Mansion. The key to unlocking the higher levels of UA investments that we aim for is continuous improvement of our games as well as optimization of our advertising creatives. Some factors will always be outside our control, for example, extraordinary volumes of UA from competitors targeting the same audience. The way to cope with such events is to monitor our profitability projections per campaign and stay disciplined.



UA volumes cannot be predictably kept at a determined level when you are targeting a certain profitability profile, instead of a monthly UA spend budget. As challenging as this is in terms of fluctuating top line revenues, it is still the most reasonable way to operate if you want to run a consistently profitable operation. We have always held on to investing purely based on ROI models and will continue to do so in the future. We generally target to get 1.5 - 2x the money we invest, seen over a 2-3 year time period, and most campaigns result in a full payback within 6-9 months. The money we invested in UA a year ago has been recouped and will continue to generate profit as planned.

Our number one focus is to get UA investments back on track and start growing again. Wordzee and QuizDuel are working on improving the games' life time value (LTV) and as such giving the UA team the best possible opportunity to scale up UA.

Modular product development

In addition to the soft launch of Crozzle, we are developing game core mechanics that we can both run as in-game events in our current live games and release as new stand alone games.

New core mechanics include puzzle game mechanics such as solitaire, tile matching and match-3. All of these are traditionally stronger in terms of in-game monetization potential than word and trivia and have the potential to boost the average revenue per daily active user (ARPDau) when used in events in our established games.

Our modular way of building reduces development risk and boosts the overall throughput by being applicable to multiple games. We believe that this way of working will make the company be both more efficient and faster at getting new games to market.

Adjustments related to RnD claims (Forskningsavdrag)

We have a more complex quarter to report than usual due to the outcome of processes relating to the RnD claims (Forskningsavdrag) we have claimed during the last few years. As previously communicated we have decided to reverse and repay previous claims – as our applications were rejected. This doesn't mean that we will lay down our claims against the Swedish Tax Agency as we still believe we are entitled to said claims.

Any future wins in the RnD claims case will have a positive impact on our financial reporting.





MAG INTERACTIVE

FROM THE CEO SUSTAINED PROFITABILITY

2023/24

Financial stability allows us to build value

Our strategic focus continues to bear fruit, evidenced by sustained profitability and robust cash flow. In a world where some companies struggle with debt exposure and challenging balance sheets, we are profitable and debt free. We have always been conscious about not hiring too quickly or adding unnecessary costs, which is why we are in a good position today from a financial standpoint. We will continue to be efficient and look for opportunities to reduce cost wherever it can be done without harming the long term value development of the company. Our strong cash flow also unlocks potential for future M&A opportunities.

Crozzle's positive soft launch development as well as the exciting roadmaps for continued improvements of our live games make for a strong first half of our financial year from a product perspective. Our ambition now is to translate this momentum into renewed growth of UA investments to take us closer to our long term goal of 500 MSEK of yearly revenues.

Thanks to everyone at MAG for your great contributions this quarter and to our shareholders for the continued support of our mission to entertain millions of players around the world.

A handwritten signature in blue ink, appearing to read 'd. hasselberg'.

DANIEL HASSELBERG, CEO



SUMMARY OF THE BUSINESS' KEY PERFORMANCE INDICATORS

2023/24

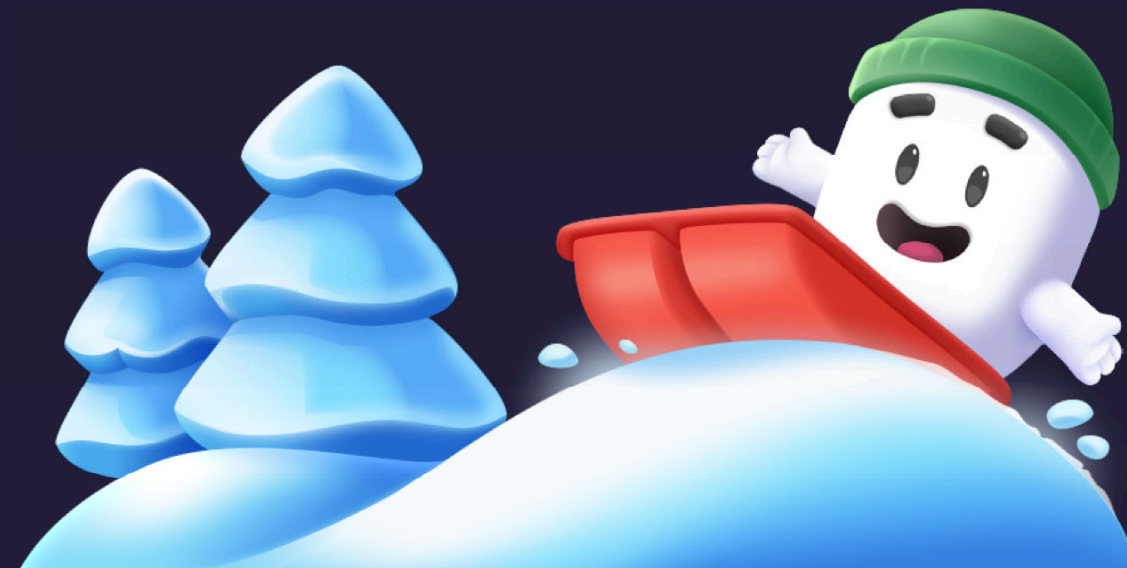
		Not	Dec 23-Feb 24	Dec 22-Feb 23	Y/Y change	Sep 23-Feb 24	Sep 22-Feb 23	Y/Y change	FY 22/23
Net sales	KSEK	1	71,886	96,113	-25%	148,631	193,439	-23%	362,182
Currency (USD)	SEK/USD		10.30	10.44	-1%	10.62	10.73	-1%	10.65
Net sales USD (In-app + advertising)	KUSD		6,982	9,208	-24%	13,999	18,025	-22%	34,018
In-app purchases	KSEK	1	34,741	46,152	-25%	71,153	90,332	-21%	170,314
Advertising sales	KSEK	1	37,145	49,961	-26%	77,478	103,107	-25%	191,793
User acquisition	KSEK		-8,248	-41,171	-80%	-19,440	-92,325	-79%	-126,472
Game contribution	KSEK	3	53,474	42,944	25%	108,337	76,079	42%	187,472
EBITDA	KSEK		-1,911	9,826		18,223	9,829		56,064
EBITDA margin ¹	%		-3%	10%	-13	12%	5%	7	15%
Adjusted EBITDA	KSEK	5	19,708	8,445		38,823	6,697		52,381
Adjusted EBITDA margin ¹	%		27%	9%	19	26%	3%	23	14%
EBIT	KSEK		-16,322	-4,161		-10,430	-17,988		21
EBIT margin ¹	%		-23%	-4%	-18	-7%	-9%	2	0%
Adjusted EBIT	KSEK	5	5,297	-5,542		10,170	-21,120		-3,662
Adjusted EBIT margin ¹	%		7%	-6%	13	7%	-11%	18	-1%
Profit	KSEK		-12,587	-3,093		-8,186	-14,322		561
Earnings per share	SEK		-0.48	-0.12		-0.31	-0.54		0.02
Adjusted earnings per share	SEK	5	0.19	-0.16		0.32	-0.63		-0.09
Free cashflow	KSEK		-14,327	8,430		-4,858	-12,490		5,897
Average employees			108	105	3%	108	104	4%	106
Daily active users (DAU)	Millions		1.2	1.3	-11%	1.1	1.3	-10%	1.3
Monthly active users (MAU)	Millions		3.1	3.7	-17%	3.0	3.6	-17%	3.4
Monthly unique payers (MUP)	Thousand		41	51	-19%	41	51	-20%	48
ARPPDAU	US \$ cent		6.6	7.8	-15%	6.7	7.8	-14%	7.4

¹Y/Y change in percentage points

MAG's unique growth game

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. Among other events, themed and seasonal Journeys like Ocean Odyssey and Haunted Halloween frequently give players extra opportunities to engage with the game, progress, and earn special rewards. Player engagement and sense of progression are strong focuses for Wordzee as they are key drivers in revenue growth and player loyalty.

The logo for Wordzee, featuring the word "WORDZEE!" in a bold, white, sans-serif font with a thick pink and purple gradient shadow.

Europe's biggest trivia game on mobile

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.



Ruzzle - reliable evergreen success

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.

Word Domination - evergreen with engaged player base

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.

WordBrain - evergreen with stable revenue stream

The word puzzle game WordBrain has been live for over eight 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.



CONSOLIDATED PROFIT/LOSS AND CASH FLOW FOR THE PERIOD DEC 2023 UNTIL FEB 2024

2023/24

OPERATING INCOME

The Group's net sales for the period totalled 71,886 KSEK (96,113 KSEK), a decrease of 25%.

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

Own work capitalised totalled 9,967 KSEK (8,149 KSEK).

Other operating income for the period totalled to 587 KSEK (251 KSEK) and consists mainly of an adjustments of reserved earn-out for Approe.

OPERATING EXPENSES, EBITDA AND OPERATING PROFIT/LOSS

Operating expenses totalled 84,351 KSEK (94,687 KSEK). Of these, 16,874 KSEK (19,572 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 8,248 KSEK (41,171 KSEK) were costs of user acquisition and 7,960 KSEK (7,152 KSEK) were other external operating expenses.

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

The personnel costs, EBITDA and EBIT for the period contains the reimbursed RnD Claims (forskningsavdrag) after rejection by The Swedish Tax Agency and the reversed reservations regarding the retroactive RnD Claims (forskningsavdrag) after the rejection from the Administrative Court of Appeal. Read more on pages 18-19 and see Note 5: Adjusted Personnel costs, EBITDA, EBIT and profit/loss.

Personnel costs totalled 51,269 KSEK (26,793 KSEK), an increase of 91%. Personnel costs adjusted for RnD Claims (forskningsavdrag) were 29,184 KSEK (28,174 KSEK) an increase of 4%.

EBITDA for the period was -1,911 KSEK (9,826 KSEK). Adjusted EBITDA was 19,708 KSEK (8,445 KSEK).

Depreciation of tangible and intangible assets totalled 14,410 KSEK (13,987 KSEK), of which 8,520 KSEK (8,145 KSEK) was depreciation of capitalized development expenses. The Group's operating profit (EBIT) was -16,322 KSEK (-4,161 KSEK). Adjusted EBIT was 5,297 KSEK (-5,542 KSEK). Profit/loss before tax -15,801 KSEK (-3,881 KSEK).

FINANCIAL ITEMS

Financial income totalled 1,641 KSEK (571 KSEK) and financial expenses totalled 1,120 KSEK (290 KSEK). The financial income refers to interest from cash & cash equivalent, and the financial expenses mainly to interest expenses, exchange rate loss and interest on financial leasing. The interest expense of 618 KSEK (6 KSEK) pertains to the charged interest expense due to the rejected and reimbursed RnD Claims (forskningsavdrag) that were previously made.

PROFIT/LOSS FOR THE PERIOD

Profit/loss before the period -12,587 KSEK (-3,094 KSEK). Earnings per share was -0.48 SEK/share (-0.12 SEK/share).

Adjusted earnings per share was 0.19 KSEK (-0.16 KSEK). 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 5,577 KSEK (19,638 KSEK). Cash flow from investing activities was -19,904 KSEK (-11,208 KSEK). Cash flow from financing activities was -2,722 KSEK (-2,673 KSEK).

Adjusted cash flow from operating activities and the cash flow for the period were affected by the reimbursed RnD Claims (forskningsavdrag) after rejection by The Swedish Tax Agency. The cash flow from investing activities and the cash flow for the period were affected by the final payment of the earn out for the acquisition of Approe. Adjusted cash flow from operating activities was 22,990 KSEK (18,257 KSEK), adjusted cash flow from investing activities was -10,052 KSEK (-8,193 KSEK) and adjusted cash flow for the period was 10,216 KSEK (7,391 KSEK). See Note 6: Adjusted cash flow.



CONSOLIDATED PROFIT/LOSS FOR THE PERIOD SEP 2023 UNTIL FEB 2024

2023/24

OPERATING INCOME

The Group's net sales for the period totalled 148,631 KSEK (193,439 KSEK), a decrease of 23%.

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

Own work capitalised totalled 22,236 KSEK (19,288 KSEK). See below for further details of impairments and depreciation of capitalised expenses.

Other operating income for the period totalled to 1,153 KSEK (1,309 KSEK) and consists mainly of an adjustments of reserved earn-out for Approe.

OPERATING EXPENSES, EBITDA AND OPERATING PROFIT/LOSS

Operating expenses totalled 153,797 KSEK (204,208 KSEK). Of these, 35,028 KSEK (40,906 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 19,440 KSEK (92,325 KSEK) were costs of user acquisition and 17,166 KSEK (17,271 KSEK) were other external operating expenses.

The personnel costs, EBITDA and EBIT for the period contains the reimbursed RnD Claims (forskningsavdrag) after rejection by The Swedish Tax Agency and the reversed reservations regarding the retroactive RnD Claims (forskningsavdrag) after the rejection from the Administrative Court of Appeal. Read more on pages 18-19 and see Note 5: Adjusted Personnel costs, EBITDA, EBIT and profit/loss.

Personnel costs totalled 82,163 KSEK (53,706 KSEK) an increase of 53%. Personnel costs adjusted for RnD Claims (forskningsavdrag) were 60,597 KSEK (56,838 KSEK) an increase of 7%. The average number of employees during the period was 108 (104), an increase of 4%.

EBITDA for the period was 18,223 KSEK (9,829 KSEK). Adjusted EBITDA for the period was 38,823 KSEK (6,697 KSEK).

Depreciation and impairments of tangible and intangible assets totalled 28,652 KSEK (27,817 KSEK), of which 16,892 KSEK (16,077 KSEK) was depreciation of capitalised development expenses.

The Group's operating profit (EBIT) was -10,430 KSEK (-17,988 KSEK). Adjusted EBIT was 10,170 KSEK (-21,120 KSEK). Profit/loss before tax -10,442 KSEK (-18,522 KSEK).

FINANCIAL ITEMS

Financial income totalled 2,439 KSEK (1,300 KSEK) and financial expenses totalled 2,452 KSEK (1,834 KSEK). The financial income referred to interest income from cash & cash equivalent, and the financial expenses were mainly attributable to exchange rate losses from cash and cash equivalents, interest expense and interest on financial leasing. The interest expense of 618 KSEK (7 KSEK) pertains to the charged interest expense due to the rejected and reimbursed RnD Claims (forskningsavdrag) that were previously made.

PROFIT/LOSS FOR THE PERIOD

Profit/loss for the period totalled -8,186 KSEK (-14,322 KSEK).

Earnings per share was -0.31 SEK/share (-0.54 SEK/share).

Adjusted earnings per share was 0.32 KSEK (-0.63 KSEK).

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



PARENT COMPANY PROFIT/LOSS FOR THE PERIOD DEC 2023 UNTIL FEB 2024

2023/24

OPERATING INCOME

The parent company's net sales for the period were 65,075 KSEK (82,065 KSEK), a decrease of 21% compared with the same period the previous year.

OPERATING EXPENSES AND OPERATING PROFIT/LOSS

Operating expenses totalled 81,744 KSEK (86,023 KSEK).

Of these 15,359 KSEK (17,482 KSEK) were sales related costs originating primarily from fees to Apple App Store and Google Play, costs of user acquisition were 6,896 KSEK (33,736 KSEK) and 15,309 KSEK (13,644 KSEK) was other external operating expenses.

Personnel costs totalled 44,181 KSEK (21,161 KSEK), an increase of 109%. The personnel costs for the period contains the reimbursed previously made RnD Claims (forskningsavdrag) and reversed reservations regarding the retroactive RnD Claims (forskningsavdrag).

Depreciation of tangible and intangible assets totalled 1,320 KSEK (1,337 KSEK).

The parent company's operating profit/loss for the period was -17,749 KSEK (-4,898 KSEK). This was affected by the reimbursed previously made RnD Claims (forskningsavdrag) and reversed reservations regarding the retroactive RnD Claims (forskningsavdrag). Read more on pages 18-19.

FINANCIAL ITEMS

Financial income totalled 884 KSEK (558 KSEK) and financial expenses totalled 907 KSEK (3 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. The financial expenses also include an expense interest of 597 KSEK as a result of the rejected and reimbursed RnD Claims (forskningsavdrag) that were previously made.

PROFIT/LOSS FOR THE PERIOD

Profit/loss for the period totalled to -14,307 KSEK (-3,513 KSEK).



PARENT COMPANY PROFIT/LOSS FOR THE PERIOD SEP 2023 UNTIL FEB 2024

2023/24

OPERATING INCOME

The parent company's net sales for the period were 132,584 KSEK (161,914 KSEK), a decrease of 18% compared with the same period the previous year. The same period last year contains a non-recurring income of 14,7 MSEK.

OPERATING EXPENSES AND OPERATING PROFIT/LOSS

Operating expenses totalled 147,678 KSEK (179,945 KSEK)

Of these costs 31,706 KSEK (36,218 KSEK) were sales related costs originating primarily from fees to Apple App Store and Google Play. Costs of user acquisition were 15,600 KSEK (71,759 KSEK) and 31,903 KSEK (29,577 KSEK) was other external operating expenses.

Personnel costs totalled 68,470 KSEK (42,390 KSEK), an increase of 62%. The personnel costs for the period contains the reimbursed previously made RnD Claims (forskningsavdrag) and reversed reservations regarding the retroactive RnD Claims (forskningsavdrag). Read more on pages 18-19.

Depreciation and impairments of tangible and intangible assets totalled 2,641 KSEK (6,089 KSEK). For comparison, see Note 4: Depreciation and write-downs of tangible and intangible non-current assets.

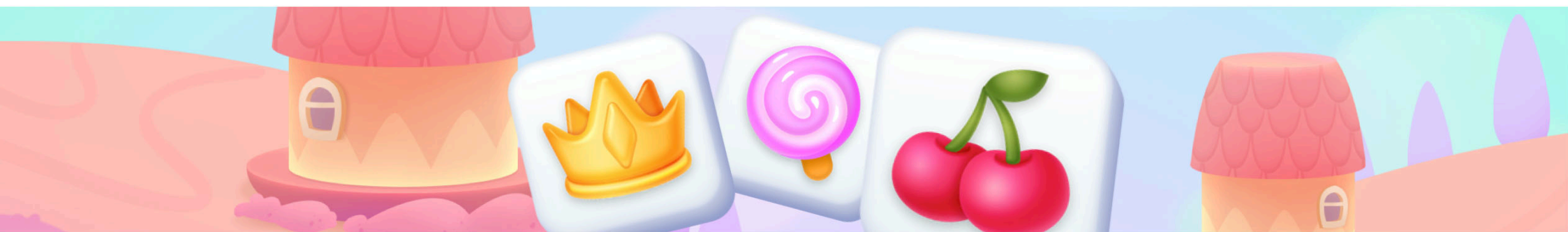
The parent company's operating profit for the period was -17,201 KSEK (-22,661 KSEK). This was affected by the reimbursed previously made RnD Claims (forskningsavdrag) and reversed reservations regarding the retroactive RnD Claims (forskningsavdrag). Read more on pages 18-19.

FINANCIAL ITEMS

Financial income totalled 1,677 KSEK (829 KSEK) and financial expenses totalled 11,724 KSEK (827 KSEK). The financial income referred to exchange rate gains from cash and cash equivalents and interest income from cash & cash equivalent. The financial expenses referred to exchange rate losses from cash and cash equivalents, a write-down of shares in subsidiaries by 10,000 KSEK in the comparison period and a expense interest of 597 KSEK was also included as an result of the rejected and reimbursed RnD Claims (forskningsavdrag) that were previously made.

PROFIT/LOSS FOR THE PERIOD

Profit/loss for the period totalled to -23,926 KSEK (-18,800 KSEK).



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

2023/24

NON-CURRENT ASSETS

Intangible non-current assets at the end of the period totalled 214,861 KSEK (221,525 KSEK), of which 125,878 KSEK (125,507 KSEK) relates to goodwill and 88,983 KSEK (96,018 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 no longer includes an expected retroactive RnD Claims (forskningsavdrag) from 2020 for the parent company's since a rejection was received in March 2024. For more information, see pages 18-19.

Trade and other receivables at the end of the period totalled 31,293 KSEK (45,979 KSEK).

Cash and cash equivalents at the end of the period totalled 110,358 KSEK (107,274 KSEK).

EQUITY

Equity at the end of the period totalled 330,106 KSEK (322,361 KSEK), corresponding to 12.5 SEK/share (12.2 SEK/share). The equity/assets ratio at the same time was 81.0% (72.8%).

LIABILITIES

There are no longer any Other current liabilities for the earn-out concerning the acquisition of Approe AB and Sventertainment AB as the earn-out period ended during the quarter. These are in their entirety settled as of the report date.

The group has interest bearing debt of 24,140 KSEK (33,552 KSEK) which refers to financial lease.



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

2023/24

The Parent company's Assets consists mainly of Participation in group companies which, at the end of the period totalled 127,453 KSEK (134,679 KSEK). The change in shares in subsidiaries during the period is shareholder's contribution to Sventertainment AB of 4,000 KSEK and a write down of shares in Subsidiaries for Apprope AB due to the write down of the reserved Earn-out amount by -1,227 KSEK. A write down of shares in Subsidiaries for Sventertainment by -10,000 KSEK was also made as a result of an impairment test.

Other intangible assets of 14,100 KSEK (17,860 KSEK) consist of acquired intellectual rights from FEO Media AB, which was merged with the Parent company in 2020, and the write-down of these assets.

Trade and other receivables that totalled 28,706 KSEK (39,503 KSEK), and Cash and cash equivalents that totalled 65,783 KSEK (71,912 KSEK).

The Assets were financed mainly by Equity that at the end of the period totalled 224,615 KSEK (232,631 KSEK) and by Liabilities that totalled 33,537 KSEK (56,075) KSEK.

There are no longer any Other current liabilities for the earn-out concerning the acquisition of Apprope AB and Sventertainment AB as the earn-out period ended during the quarter. These are in their entirety settled as of the report date.



KEY INDICATORS FOR THE BUSINESS PERIOD DEC 2023 UNTIL FEB 2024

2023/24



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 34,741 KSEK (46,152 KSEK), a decrease of 25% compared to the same period the previous year.

The Group's net sales from in-app advertising were 37,145 KSEK (49,961 KSEK), a decrease of 26% 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 53,474 KSEK (42,944 KSEK), an increase of 25% compared to the same period the previous year.

COMMENTS ON THE DISTRIBUTION OF INCOME AND CONTRIBUTIONS FROM SALES ACTIVITIES

Sales from ads and in-app purchases are down as a consequence from lowered marketing investments. Contribution remains on the same high level as we have seen in the last few quarters, and significantly higher than the same period 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 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 1.2 million (1.3 million), a decrease of 11% compared with the same period the previous year.

MAU for the period 3.1 million (3.7 million), a decrease of 17% compared with the same period the previous year.

MUP for the period 41 thousand (51 thousand), a decrease of 19% compared with the same period the previous year.

ARPDau for the period 6.6 US \$ cent (7.8 US \$ cent), a decrease of 15% compared with the same period the previous year.

COMMENTS TO THE KPIs

DAU and ARPDau have stabilized at a lower level due to reduced marketing volumes compared to the start of the previous fiscal year, when a larger volume of high-monetizing players was acquired from marketing campaigns, primarily of Wordzee.



RnD Claims (forskningsavdrag)

Under the RnD Claims (Forskningsavdrag) scheme, Swedish companies are eligible deduct from the employer's social security contributions for employees engaged in qualified research or development. The group has previously utilized this opportunity but has, as of the report date, reversed and repaid previously made mentioned deductions. Further information on this can be found below and on the following page in this report.

Research and Development in the Group

The Group maintains a high academic level in its daily operations in order to stay competitive over time. To defend and grow its position in the market, the assessment is that research needs to be an integrated and systematic part of the business. The results of the research are used for commercial purposes and can often lead to the development of the Group's platform for the development and operation of games, and can also be applied directly to the Group's products.

Rejection and appeal against retroactive RnD Claims (Forskningsavdrag)

The application for retroactive RnD Claims (Forskningsavdrag) from 2020, which was rejected by the administrative court last year, has been appealed, and after the end of the quarter, the parent company also received a rejection from the Administrative Court of Appeal. As a result, all reservations regarding RnD Claims have been reversed. The Group continues to monitor the issue and is evaluating options for both appealing the decision and future deduction opportunities.

Rejection regarding ongoing RnD Claims (Forskningsavdrag)

In December 2023, the parent company received a decision of rejection from the Swedish Tax Agency regarding RnD Claims (Forskningsavdrag), totalling 12.5 MSEK, made from January 2021 to July 2023. The parent company is considering appealing the decision, evaluating the possibility of retroactively making deductions for periods outside the decision, and in connection with that also reviewing the management of both old and new deductions for the group. Due to the Swedish Tax Agency's rejection and in accordance with the principle of prudence, the group has decided during the quarter to repay the entire amount for previously made deductions. The total amount for previously made and now repaid deductions is 16.8 MSEK and has negatively affected the Group's results and liquidity during the quarter. In addition, an expense interest of 618 KSEK has been paid according to the decisions.

Regardless of the outcome of the RnD claims (forskningsavdrag), the group will continue to conduct the research and development it deems necessary for our game development.

At the end of the quarter, all previously made RnD Claims (forskningsavdrag) have been reversed and repaid. No adjustments in historical periods have been made as a result of the reversal. The effect these deductions have had on EBIT and EBITDA is reported on the following page.

RESEARCH AND DEVELOPMENT CONTO.

2023/24

Amounts in MSEK

Items related to RnD Claims (forskningsavdrag)	FY 19/20	FY 20/21	FY 21/22	FY 22/23	YTD 23/24	Ack.	Effect on				
							Personell costs	EBITDA	EBIT	Profit/ loss after fin. items	Profit/loss for the period
Retroactive RnD Claims	7.6			-2.3	-5.3	0.0	X	X	X	X	X
RnD Claims	1.3	4.0	5.1	5.8	-16.3	0.0	X	X	X	X	X
Interest expense for RnD Claims					-0.6	-0.6				X	X
Tax effect RnD Claims	-1.9	-0.9	-1.1	-0.7	4.4	-0.2 *					X
Total	7.0	3.1	4.1	2.7	-17.8	-0.8					

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

Effect of Items related to RnD Claims (forskningsavdrag) on the Consolidated statement of comprehensive income

	FY 19/20	FY 20/21	FY 21/22	FY 22/23	YTD 23/24	Accumulated
Personell costs	-73.9	-95.8	-102.2	-106.1	-82.2	
Adjustment for items related to RnD Claims (forskningsavdrag)	-8.9	-4.0	-5.1	-3.5	21.6	0.0
Personell costs excluding effect of RnD Claims	-82.8	-99.9	-107.4	-109.6	-60.6	
EBITDA	21.2	56.6	101.4	56.1	18.2	
Adjustment for items related to RnD Claims (forskningsavdrag)	-8.9	-4.0	-5.1	-3.5	21.6	0.0
EBITDA excluding effect of RnD Claims	12.2	52.6	96.2	52.6	39.8	
EBIT	-16.6	7.4	11.4	0.0	-10.4	
Adjustment for items related to RnD Claims (forskningsavdrag)	-8.9	-4.0	-5.1	-3.5	21.6	0.0
EBIT excluding effect of RnD Claims	-25.5	3.3	6.3	-3.4	11.1	
Profit/loss before tax	-22.6	6.3	17.4	0.9	-10.4	
Adjustment for items related to RnD Claims (forskningsavdrag)	-8.9	-4.0	-5.1	-3.5	22.2	0.6
Profit/loss before tax excluding effect of RnD Claims	-31.6	2.2	12.3	-2.6	11.8	
Profit/loss for the period	-17.4	7.0	11.3	0.6	-8.2	
Adjustment for items related to RnD Claims (forskningsavdrag)	-7.0	-3.1	-4.1	-2.7	17.8	0.8
Profit/loss for the period excluding effect of RnD Claims	-24.4	3.9	7.2	-2.2	9.6	

PARENT COMPANY AND GROUP

The parent company MAG Interactive AB (publ), corporate ID number 556804-3524, has its registered office in Stockholm with 83 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 six subsidiaries in the group. MAG Games Ltd, with its registered office in Brighton and 21 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 three companies and was acquired during the first quarter 2020/21 and has 7 employees. Apprope AB, is a developer of mobile casual games with focus on games within the word category, with 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 2022/2023.

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 2022/2023.

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.

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

FURTHER REPORTING DATES

Interim Report Q3 March 2024 – May 2024

June 26, 2024

Interim and Year-End Report Q4 Sep 2023 – Aug 2024

October 23, 2024

AUDIT

This report has not been reviewed by auditors.

PRESENTATION

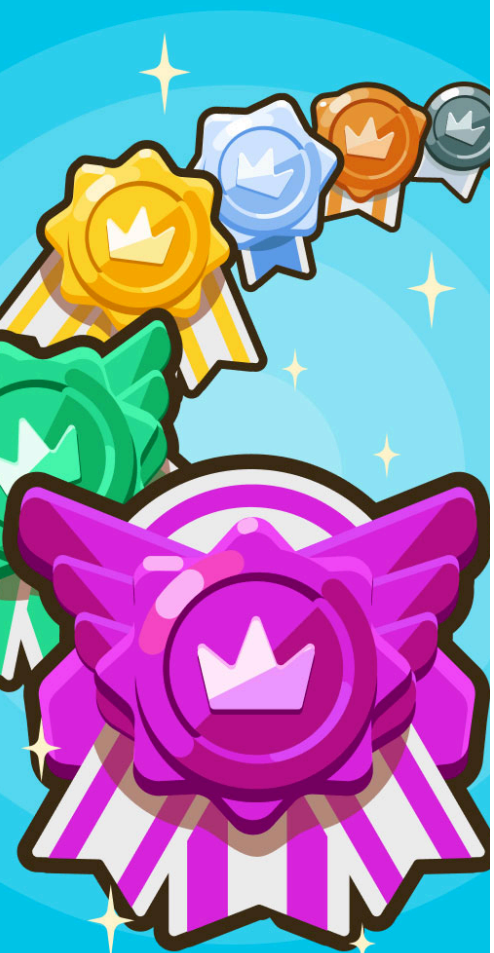
On April 17th, 2024 at 10:00 CET, CEO Daniel Hasselberg and CFO Magnus Wiklander will present the Interim Report live on Twitch. The presentation is held in English. Link to the Twitch feed www.twitch.com/maginteractive

Daniel Hasselberg will also take questions on the social media platform X, formally known as Twitter, during the course of the day, write to [@d_hasselberg](https://twitter.com/d_hasselberg) or [@maginteractive](https://twitter.com/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 April 17, 2024

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**2023/24**

Amounts in KSEK	Note	Dec 23-Feb 24	Dec 22-Feb 23	Sep 23-Feb 24	Sep 22-Feb 23	FY 22/23
Operating income						
Net sales	1	71,886	96,113	148,631	193,439	362,182
Own work capitalised		9,967	8,149	22,236	19,288	33,709
Other operating income		587	251	1,153	1,309	1,159
Total		82,439	104,512	172,020	214,037	397,050
Operating expenses						
Sales related costs	2	-16,874	-19,572	-35,028	-40,906	-79,056
User acquisition		-8,248	-41,171	-19,440	-92,325	-126,472
Other external expenses		-7,960	-7,152	-17,166	-17,271	-29,325
Personnel costs	5	-51,269	-26,793	-82,163	-53,706	-106,134
Total operating expenses		-84,351	-94,687	-153,797	-204,208	-340,986
EBITDA	5	-1,911	9,826	18,223	9,829	56,064
Depreciation and write-downs of tangible and intangible non-current assets	4	-14,410	-13,987	-28,652	-27,817	-56,043
Operating profit/loss (EBIT)	5	-16,322	-4,161	-10,430	-17,988	21
Financial items						
Interest income		1,641	571	2,439	1,300	2,310
Interest expense		-1,120	-290	-2,452	-1,834	-1,450
Total financial items		521	281	-13	-534	860
Profit/loss before tax	5	-15,801	-3,881	-10,442	-18,522	881
Taxes		3,214	787	2,256	4,200	-320
Profit/loss for the period	5	-12,587	-3,094	-8,186	-14,322	561
Other comprehensive result						
Exchange rate differences		-203	-52	-1,260	281	2,263
Total comprehensive income for the period		-12,790	-3,146	-9,446	-14,041	2,824

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)	-0.48	-0.12	-0.31	-0.54	0.02
Earnings per share fully diluted (based on average number of shares)	-0.48	-0.12	-0.31	-0.54	0.02
Average number of shares during the period ('000)	26,495	26,495	26,495	26,495	26,495
Average number of shares fully diluted 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
Number of shares fully diluted at the end of the period ('000)	26,495	26,495	26,495	26,495	26,495

**CONSOLIDATED BALANCE SHEET
ASSETS****2023/24**

Amounts in KSEK	Note	29/2 2024	13.5 2023	31/8 2023
ASSETS				
Goodwill		125,878	125,507	126,466
Other intangible assets		88,983	96,018	88,769
Total intangible assets	4	214,861	221,525	215,234
Right-of-use assets		22,133	31,831	27,042
Equipment, tools, fixtures and fittings		2,288	4,793	3,615
Total tangible assets	4	24,421	36,624	30,658
Other long-term receivables		4,092	4,098	4,111
Deferred tax assets ¹		6,389	13,760	8,524
Total financial non-current assets		10,481	17,858	12,635
Total non-current assets		249,763	276,007	258,527
Current assets				
Trade and other receivables		31,293	45,979	36,937
Current tax assets		800	8,410	6,577
Other current receivables		7,222	972	3,357
Prepaid expenses and accrued income		8,041	4,098	7,209
Cash and cash equivalents		110,358	107,274	122,429
Total current assets		157,715	166,733	176,509
TOTAL ASSETS		407,478	442,741	435,037

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 4.6 MSEK, Deferred tax Asset booked for Lease Liability is 5.0 MSEK per report date. These are netted and reported as Deferred tax assets.

CONSOLIDATED BALANCE SHEET LIABILITIES AND EQUITY

2023/24

Amounts in KSEK	Note	29/2 2024	13.5 2023	31/8 2023
EQUITY AND LIABILITIES				
Equity				
Share capital		688	688	688
Other external capital		285,377	285,051	285,047
Reserves		118	-605	1,378
Retained earnings incl. profit/loss for the period		43,923	37,226	52,109
Total equity		330,106	322,361	339,222
Long-term liabilities				
Deferred tax liabilities ¹		19,466	26,815	23,857
Long-term lease liabilities		13,051	23,462	18,659
Total long-term liabilities		32,517	50,276	42,517
Current liabilities				
Trade and other payables		11,556	28,826	11,822
Current tax liability		1,083	397	1,908
Accrued expenses and prepaid income		12,923	13,390	13,100
Short-term lease liabilities		11,089	10,090	10,342
Other current liabilities		8,203	17,400	16,126
Total current liabilities		44,855	70,103	53,298
TOTAL EQUITY AND LIABILITIES		407,478	442,741	435,037

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 4.6 MSEK, Deferred tax Asset booked for Lease Liability is 5.0 MSEK per report date. These are netted and reported as Deferred tax assets.

CONSOLIDATED CASH FLOW STATEMENT**2023/24**

Amounts in KSEK	Note	Dec 23-Feb 24	Dec 22-Feb 23	Sep 23-Feb 24	Sep 22-Feb 23	FY 22/23
Operating activities						
Operating profit/loss (EBIT)		-16,322	-4,161	-10,430	-17,988	21
Adjustments for items not part of cash flow						
LTIP		174	207	349	413	409
Write-down of Earn-out		-466		-966		-261
Depreciations and write-downs	4	14,410	13,987	28,652	27,817	56,043
Reversal retroactive RnD claims (Forskningsavdrag) due to rejection from the Administrative Court of Appeal		5,290		5,290		
Interest received		1,641	437	2,439	709	1,899
Interest paid		-771	-170	-1,001	-434	-990
Tax paid		474	515	-1,077	362	-2,031
Cash flow from operating activities before change in working capital		4,431	10,815	23,256	10,879	55,090
Change in current operating receivables		-5,074	1,535	701	-1,016	5,339
Change in current operating liabilities		6,219	7,288	3,407	125	-17,459
Change in working capital		1,146	8,823	4,108	-891	-12,120
Cash flow from operating activities		5,577	19,638	27,365	9,988	42,970
Investing activities						
Capitalized work		-9,967	-8,149	-22,236	-19,288	-33,709
Investments in and merged tangible non-current assets		-85	-44	-135	-205	-364
Payment for acquisition of subsidiary, net of cash acquired		-9,852	-3,015	-9,852	-3,015	-3,015
Change in financial investments					30	15
Cash flow from investing activities		-19,904	-11,208	-32,223	-22,478	-37,073
Free cashflow		-14,327	8,430	-4,858	-12,490	5,897
Financing activities						
Warrants				-18		
Amortized leasing liabilities		-2,722	-2,673	-5,133	-5,468	-10,379
Cash flow from financing activities		-2,722	-2,673	-5,151	-5,468	-10,379
Increase/decrease in cash and cash equivalents						
Cash flow for the period		-17,049	5,757	-10,009	-17,958	-4,481
Effects of exchange rate changes		-449	-13	-2,062	-708	970
Opening cash and cash equivalents		127,856	101,530	122,429	125,940	125,940
Closing cash and cash equivalents		110,358	107,274	110,358	107,274	122,429

**CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY****2023/24**

KSEK	Share capital	Other external capital	Reserves	Retained earnings	Total equity
Opening balance 1/9 2023	688	285,047	1,378	52,109	339,222
Profit/loss for the period				-8,186	-8,186
Exchange rate differences			-1,260		-1,260
Total comprehensive income			-1,260	-8,186	-9,446
LTIP		330			330
Closing balance 29/2 2024	688	285,377	118	43,923	330,106

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				-14,322	-14,322
Exchange rate differences			281		281
Total comprehensive income			281	-14,322	-14,041
LTIP		413			413
Closing balance 13.5 2023	688	285,051	-605	37,226	322,361

PARENT COMPANY'S INCOME STATEMENT

2023/24

Amounts in KSEK	Note	Dec 23-Feb 24	Dec 22-Feb 23	Sep 23-Feb 24	Sep 22-Feb 23	FY 22/23
Operating income						
Net sales		65,075	82,065	132,584	161,914	308,466
Other operating income		240	396	533	1,458	1,688
Total operating income		65,315	82,461	133,118	163,372	310,154
Operating expenses						
Sales related costs		-15,359	-17,482	-31,706	-36,218	-70,523
User acquisition		-6,896	-33,736	-15,600	-71,759	-96,985
Other external expenses		-15,309	-13,644	-31,903	-29,577	-56,678
Personnel costs		-44,181	-21,161	-68,470	-42,390	-81,554
Total operating expenses		-81,744	-86,023	-147,678	-179,945	-305,740
EBITDA		-16,429	-3,561	-14,560	-16,573	4,414
Depreciation of tangible and intangible non-current assets	4	-1,320	-1,337	-2,641	-6,089	-8,732
Operating profit/loss		-17,749	-4,898	-17,201	-22,661	-4,318
Financial items						
Financial income		884	558	1,677	829	1,867
Financial expenses		-907	-3	-11,724	-827	-433
Total financial items		-23	555	-10,046	2	1,434
Profit/loss before tax		-17,772	-4,343	-27,247	-22,659	-2,884
Taxes		3,466	830	3,321	3,860	-331
Profit/loss for the period		-14,307	-3,513	-23,926	-18,800	-3,215

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

2023/24

Amounts in KSEK	Note	29/2 2024	13.5 2023	31/8 2023
ASSETS				
Goodwill		0	0	0
Other intangible assets		14,100	17,860	15,980
Total intangible assets	4	14,100	17,860	15,980
Equipment, tools, fixtures and fittings		2,075	3,476	2,738
Total tangible non-current assets	4	2,075	3,476	2,738
Participation in Group companies		127,453	134,679	135,418
Other long-term receivables		6,699	8,331	3,765
Long-term receivables from Group companies		217	425	171
Total financial non-current assets		134,369	143,436	139,355
Total non-current assets		150,544	164,771	158,073
Current assets				
Trade and other receivables		28,706	39,503	31,425
Short-term receivable from Group companies		332	104	316
Other receivables		5,733	8,787	7,553
Prepaid expenses and accrued income		7,053	3,627	5,811
Total current assets		41,825	52,022	45,105
Cash and cash equivalents		65,783	71,912	85,275
TOTAL ASSETS		258,151	288,705	288,452

PARENT COMPANY'S BALANCE SHEET

LIABILITIES AND EQUITY

2023/24

Amounts in KSEK	Note	29/2 2024	13.5 2023	31/8 2023
EQUITY AND LIABILITIES				
Restricted equity				
Share capital		688	688	688
Non-restricted equity				
Other external capital		316,766	316,440	316,436
Retained earnings incl. profit/loss for the period		-92,839	-84,498	-68,913
Total equity		224,615	232,631	248,211
Long-term liabilities				
Deferred tax liabilities		2,905	3,679	3,292
Total long-term liabilities		2,905	3,679	3,292
Current liabilities				
Trade and other payables		10,308	24,901	9,165
Liabilities to Group companies		1,890	1,681	2,741
Other liabilities		7,067	14,033	14,856
Accrued expenses and prepaid income		11,368	11,781	10,187
Total current liabilities		30,632	52,396	36,949
TOTAL EQUITY AND LIABILITIES		258,151	288,705	288,452

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 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.
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

2023/24

Dec 23-Feb 24 Dec 22-Feb 23 Sep 23-Feb 24 Sep 22-Feb 23 FY 22/23

Amounts in KSEK

NOTE 1: DISTRIBUTION OF NET SALES

In-app purchases	34,741	46,152	71,153	90,332	170,314
Advertising income	37,145	49,961	77,478	103,107	191,793
Other					75
Total	71,886	96,113	148,631	193,439	362,182

NOTE 2: SALES RELATED COSTS

Platform fee	-10,164	-11,998	-20,854	-25,035	-48,238
Server costs	-4,829	-5,433	-10,104	-11,207	-21,768
Other sales related costs	-1,881	-2,140	-4,070	-4,664	-9,049
Total sales related costs	-16,874	-19,571	-35,028	-40,906	-79,056

NOTES TO THE INTERIM REPORT

2023/24

	Dec 23-Feb 24	Dec 22-Feb 23	Sep 23-Feb 24	Sep 22-Feb 23	FY 22/23
Amounts in KSEK					
NOTE 3: GAME CONTRIBUTION					
Group					
In-app purchases	34,741	46,152	71,153	90,332	170,314
Advertising income	37,145	49,961	77,478	103,107	191,793
Other					75
Net sales	71,886	96,113	148,631	193,439	362,182
Platform fee	-10,164	-11,998	-20,854	-25,035	-48,238
User acquisition	-8,248	-41,171	-19,440	-92,325	-126,472
Game contribution	53,474	42,944	108,337	76,079	187,472

NOTES TO THE INTERIM REPORT

2023/24

Dec 23-Feb 24 Dec 22-Feb 23 Sep 23-Feb 24 Sep 22-Feb 23 FY 22/23

Amounts in KSEK

NOTE 4: DEPRECIATION AND WRITE-DOWNS OF TANGIBLE AND INTANGIBLE NON-CURRENT ASSETS

Group

Right-of-use assets	-2,622	-2,570	-5,207	-5,195	-10,316
Equipment, tools, fixtures and fittings	-704	-708	-1,423	-1,415	-2,850
Intellectual properties	-2,565	-2,565	-5,130	-5,130	-10,260
Own work capitalized	-8,520	-8,145	-16,892	-16,077	-32,617
Total	-14,411	-13,988	-28,652	-27,817	-56,043

Parent

Goodwill				-3,412	-3,412
Equipment, tools, fixtures and fittings	-380	-397	-761	-797	-1,560
Intellectual properties	-940	-940	-1,880	-1,880	-3,760
Total	-1,320	-1,337	-2,641	-6,089	-8,732

NOTES TO THE INTERIM REPORT

2023/24

	Dec 23-Feb 24	Dec 22-Feb 23	Sep 23-Feb 24	Sep 22-Feb 23	FY 22/23
Amounts in KSEK					
NOTE 5: ADJUSTED PERSONNEL COSTS, EBITDA, EBIT AND PROFIT/LOSS					
Personnel costs	-51,269	-26,793	-82,163	-53,706	-106,134
Net retroactive RnD Claims	5,290		5,290		2,331
Net ongoing RnD Claims	16,795	-1,381	16,276	-3,132	-5,753
Total adjustments of personnel costs	22,085	-1,381	21,566	-3,132	-3,422
Adjusted personnel costs	-29,184	-28,174	-60,597	-56,838	-109,556
EBITDA	-1,911	9,826	18,223	9,829	56,064
Write-down of Earn-out Appropre	-466		-966		-261
Net retroactive RnD Claims	5,290		5,290		2,331
Net ongoing RnD Claims	16,795	-1,381	16,276	-3,132	-5,753
Total adjustments of EBITDA	21,619	-1,381	20,600	-3,132	-3,683
Adjusted EBITDA	19,708	8,445	38,823	6,697	52,381

**NOTES TO THE INTERIM REPORT
CONTO.****2023/24**

	Dec 23-Feb 24	Dec 22-Feb 23	Sep 23-Feb 24	Sep 22-Feb 23	FY 22/23
Amounts in KSEK					
COND. NOTE 5: ADJUSTED PERSONNEL COSTS, EBITDA, EBIT AND PROFIT/LOSS					
EBIT	-16,322	-4,161	-10,430	-17,988	21
Write-down of Earn-out Appropre	-466		-966		-261
Net retroactive RnD Claims	5,290		5,290		2,331
Net ongoing RnD Claims	16,795	-1,381	16,276	-3,132	-5,753
Total adjustments of EBIT	21,619	-1,381	20,600	-3,132	-3,683
Adjusted EBIT	5,297	-5,542	10,170	-21,120	-3,662
Profit/loss for the period	-12,587	-3,094	-8,186	-14,322	561
Write-down of Earn-out Appropre	-466		-966		-261
Net retroactive RnD Claims	5,290		5,290		2,331
Net ongoing RnD Claims	16,795	-1,381	16,276	-3,132	-5,753
Expense interest of reimbursed RnD Claims	618		618		
Deferred tax on RnD Claims	-4,550	284	-4,443	645	705
Total adjustments of the profit/loss for the period	17,687	-1,097	16,775	-2,487	-2,978
Adjusted profit/loss for the period	5,100	-4,191	8,589	-16,809	-2,417
Adjusted earnings per share	0.19	-0.16	0.32	-0.63	-0.09

NOTES TO THE INTERIM REPORT**2023/24**

	Dec 23-Feb 24	Dec 22-Feb 23	Sep 23-Feb 24	Sep 22-Feb 23	FY 22/23
Amounts in KSEK					
NOTE 6: ADJUSTED CASH FLOW					
Cash flow from operating activities	5,577	19,638	27,365	9,988	42,970
Adjustments					
Net ongoing RnD Claims	16,795	-1,381	16,276	-3,132	-5,753
Expense interest of reimbursed RnD Claims	618		618		
Adjusted cash flow from operating activities	22,990	18,257	44,259	6,856	37,217
Cash flow from investing activities	-19,904	-11,208	-32,223	-22,478	-37,073
Adjustments					
Earn out	9,852	3015	9,852	3,015	3,015
Adjusted Cash flow from investing activities	-10,052	-8,193	-22,371	-19,463	-34,058
Cash flow for the period	-17,049	5,757	-10,009	-17,958	-4,481
Adjustments	27,265	1634	26,746	-117	-2,738
Adjusted Cash flow	10,216	7,391	16,737	-18,075	-7,219

GOOD TIMES