

The SOZAP logo is displayed in a bold, white, sans-serif font at the top left of the page. The background of the entire page is a red-tinted photograph of a fishing boat on a river, with a large fish being pulled out of the water. The boat is on the left, and the fish is on the right, both appearing to be part of a fishing operation. The red tint is uniform across the image, creating a cohesive visual theme.

**SOZAP**

# ANNUAL REPORT AND CONSOLIDATED ACCOUNTS 2023

**SOZAP AB (publ)**

SOZAP is a Swedish digital entertainment company that develops qualitative and innovative games with the ambition of building a product portfolio which appeals to a broad target group. SOZAP was founded in 2014 and shortly after established its first development team, focusing on games in the shooter genre. SOZAP has offices in Nyköping (Sweden) and Niš (Serbia), and is listed on the Nasdaq First North Growth Market with the ticker SOZAP.

**For more information, please visit [www.sozap.com](http://www.sozap.com).**

*This report is a translated version of the Swedish original. Every care has been taken in the translation of this document. In the event of discrepancies, the Swedish original will supersede the English translation.*

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# BUSINESS REVIEW

SOZAP is a Swedish digital entertainment company that develops qualitative and innovative games with the ambition of building a portfolio which appeals to a broad target group. The company was founded in 2014 and shortly after established its first development team, focusing on games in the shooter genre. Today, SOZAP consists of several independent development teams, working at one of SOZAP's strategically located studios in Nyköping and Niš (Serbia).

SOZAP currently has 32 employees and two positions on a consulting basis. SOZAP applies a centralized model for concept, infrastructure, and live-ops development, as well as a decentralized model for product development through independent development teams.

SOZAP's games are based on proprietary intellectual property, and the concepts are based on proven and trending game mechanics that SOZAP refines and

adapts. This methodology reduces development risk while offering players a new gaming experience and increased entertainment value.

SOZAP's first game, the mobile game ARMED HEIST, has been downloaded more than 30 million times since its launch in 2019. In addition to ARMED HEIST, the Company has two games launched in 2023, Fishing Tour and Questopia. Both are so-called "casual games" for mobile. With these games, the Company has created a game portfolio that can appeal to and reach a broader target group.



Nyköping

Niš

## VISION

SOZAP's vision is to become a global digital entertainment company for mobile games with competence and ambition at the center, thereby creating the conditions for further development of qualitative and innovative games.

## OPERATIONS

The games SOZAP has released so far are free to play, and the monetization comes mainly from virtual in-app purchases, which provide a higher entertainment value. In addition to virtual in-app purchases, SOZAP receives revenue through in-game advertising. SOZAP uses both interstitial and rewarded ads. Rewarded ads are usually videos that give the player a bonus or advantage if the video is watched in its entirety. Interstitial ads can be static ads or short videos that appear on the game screen but with the ability to be closed down by the player if desired. The largest share of SOZAP's net revenue comes from virtual in-app purchases.

ARMED HEIST

FISHING TOUR

QUESTOPIA





# SUMMARY OF 2023

## FINANCIAL YEAR 2023 – THE GROUP

- Net revenue amounted to MSEK 15.0 (16.6), a decrease of 10 percent, and a decrease of 11 percent in comparable currency.
- Operating result, EBIT, amounted to MSEK -8.9 (-14.3).
- Result for the period amounted to -8.9 (-14.3). The improvement is mainly due to the previous year's impairment of the games Spells & Loot and Legends of Libra.
- Earnings per share were SEK -0.91 (-1.68) before and after dilution.
- Cash flow from operating activities was MSEK -3.0 (-3.1).
- Average Revenue Per Daily Active User (ARPDau) amounted to USD 0.070 (0.064), an increase of 9 percent compared to the previous year.
- Unique Monthly Active Users (MAU) during the period amounted to 0.8 million (1.0).
- The number of outstanding shares at the end of the period was 11 361 120, an increase of

- 2 840 280 as a result of the new share issue that was completed in June and registered in July.
- The number of subscription warrants issued at the end of the period was 250 000, a decrease of 535 000 during the quarter due to the fact that subscription warrants issued to personnel and the Board of Directors expired without having been exercised.

## FINANCIAL YEAR 2023 – THE PARENT COMPANY

- Net revenue amounted to MSEK 15.0 (16.6), a decrease of 10 percent, and a decrease of 11 percent in comparable currency.
- Operating result, EBIT, amounted to MSEK -9.1 (-14.5). The improvement is mainly due to the previous year's impairment of the games Spells & Loot and Legends of Libra.
- Result for the period amounted to -9.0 (-14.5).



## SIGNIFICANT EVENTS DURING THE YEAR

- **May 24:** SOZAP entered into a global publishing agreement with Voodoo SAS, a French game developer and publisher, for Questopia. Under the agreement, Voodoo would market and evaluate Questopia for two months to initiate a global scaling phase. During this period, Voodoo would remain the publisher of Questopia as long as the revenue targets set in the agreement were met. In August, the agreement was adapted to apply only to the Chinese market (see section on August 29 below for more details).
- **May 26:** The Board of SOZAP decided to carry out a rights issue primarily to further develop and launch Fishing Tour. The issue was oversubscribed, which in July provided the Company with the entire amount for a fully subscribed issue, approximately MSEK 11.4 before deducting issue costs.
- **August 29:** In a joint decision with Voodoo SAS ("Voodoo"), SOZAP has decided to initiate discussions on adapting the publishing agreement for Questopia regarding distribution and marketing. Voodoo intends to evaluate scalability in the Chinese market, while SOZAP is responsible for launching the game in the rest of the world.
- **24 October:** SOZAP initiated cost-saving measures with the aim of reducing non-variable expenses by at least MSEK 8 on an annual basis. The measures will come into force with full effect from the second quarter of 2024. The savings program is a consequence of the Company now entering a new phase, with focus on profitability in already launched games, as well as the ongoing launch and further development of Fishing Tour™.

## SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- **April 9:** The Board of SOZAP decided to, conditioned the AGM subsequent approval, carry out a Rights issue. If fully subscribed, the issue will provide the Company with approx. 11.4 MSEK excluding emission costs. 45 percent of the Rights issue is guaranteed through subscription commitments.

# A FEW WORDS FROM OUR CEO

We ended 2023 with a significant revenue growth, a development driven by the global launch of Questopia. Compared to the same period last year, revenue increased by 34 percent, and by 50 percent compared to the third quarter of 2023. With positive results from our initial UA investments in Questopia, we are eagerly looking forward to future game updates and the opportunity to expand user acquisition. During the quarter, our partner Voodoo further developed and adapted Questopia for the Chinese market, and carried out additional market tests with positive results.

In October, we initiated a cost savings program as the Company is now entering a new phase, with focus on profitability in already launched games, as well as the ongoing launch and further development of Fishing Tour™. The restructuring was carried out at the end of the year and will take full effect from the second quarter of 2024. Together with the successful launch of Questopia and sound income from ARMED HEIST, this means we are now focusing on our most promising game title, Fishing Tour.

Two central components are playing a focal part in the development of Fishing Tour: the METAFISH function and our new user interface. METAFISH is an innovative feature that generates an unlimited number of variations of fish, similar to the variety and unpredictability of real fishing. Through METAFISH, we want to create an infinite universe of gaming sessions that encourage user-generated content and social interaction, both in-game and out-of-game. Our user interface, inspired by social media, allows us to run live-ops on a scale that surpasses traditional mobile games. Through this framework, we will offer tailored content adapted to the individual preferences of users. Our assessment is that these components reinforce player engagement and long-term user retention in Fishing Tour even further.

Fishing Tour's positive development continues and, in line with our data-driven strategy, we initiated a global soft launch during the last quarter of 2023. The purpose here being to thoroughly test the technical platform and various UA channels, as well as how the economy and content of the game impact user retention. Development so far shows engagement levels and a conversion to paying users that outstrip both ARMED HEIST and Questopia.

Fishing Tour is showing rolling retention, with 15 percent active iOS users and 10 percent on Android after 30 days.

It is with great enthusiasm that we continue to develop Fishing Tour, and in the spring look forward to launching major updates and getting the game to a point where we can start investing in user acquisition in order to scale the user base.

Our thanks go out to every employee, partner, and shareholder for your continued support and trust. I look forward to continuing our journey in creating exceptional gaming experiences and delivering long-term value to our shareholders.



Rade Prokopovic  
Founder and CEO



# MANAGEMENT REPORT

The Board of Directors and the CEO of SOZAP AB (publ) submit the following Annual Report and consolidated accounts for the financial year 2023.

The Annual Report is prepared in Swedish kronor, SEK. Unless otherwise stated, all amounts are reported in thousands of kronor, TSEK. Information in parentheses refers to the previous year.

## THE BUSINESS

SOZAP develops and distributes mobile games through the platforms of Apple and Google, where users download our games and pay for upgrades and improvements. SOZAP has launched two games in 2023, Fishing Tour and Questopia, both in the casual genre. Questopia was fully launched at the end of the year, while Fishing Tour was in soft launch.

The Company develops games with development teams based in Nyköping and in Niš, Serbia. The number of employees remained stable in 2023. However, redundancies made at the end of the year due to the cost-savings program initiated in October will reduce the number of employees in 2024. At the end of the year, the Group had 32 employees (33) as well as two positions on a consulting basis.

SOZAP's first game launched globally, Armed Heist, is a leading shooter game in the PVE (Player v Enemy) genre. In 2023, the Company focused on optimizing the game's net contribution, thus reducing marketing costs, as the game has a stable organic influx of new players. Regarding Questopia, the Company has spent the first half of the year focusing on finalizing the game to launch it globally in the third quarter and gradually increase marketing in the fourth quarter. Fishing Tour, in turn, has moved from an MVP version to soft launch during the

year. The primary purpose of the marketing has been to collect user data to improve retention and monetization in the game further.

SOZAP AB is the Parent Company of Sozap DOO, 2147194 based in Serbia and consolidated accounts have been prepared.

The conflicts in Ukraine and the Middle East have not significantly impacted the Company because an extremely small percentage of its revenue comes from these regions, and SOZAP has no developments in Ukraine or the Middle East.

The Company has its registered office in Nyköping.

## OWNERS

Name	Number of shares	Capital	Votes
Rade Prokopovic	2 623 432	23,09%	23,09%
Avanza Pension	1 190 050	10,47%	10,47%
Ossian Hellers	801 065	7,05%	7,05%
Ivan Prokopovic	790 949	6,96%	6,96%
Rödgötören AB	605 306	5,33%	5,33%
Nordnet Pension Insurance	558 058	4,91%	4,91%
Claes Wentzel	437 421	3,85%	3,85%
Patrik Bloch with family	384 500	3,38%	3,38%
Augment Partners AB	289 973	2,55%	2,55%
Kristofer Boman	264 265	2,33%	2,33%

*Ownership per 2023-12-30. Source: Modular Finance AB. Composite data from multiple sources, e.g. Euroclear, Morningstar and Finansinspektionen (the Swedish Financial Supervisory Authority)*



## SIGNIFICANT RISKS AND UNCERTAINTIES

The most significant risks and uncertainties are presented below. For a more detailed description, see note 1.

### **SOZAP is reliant on successfully developing new games and improving SOZAP's existing games over time**

An essential part of SOZAP's current revenue is generated from a limited number of games. Since SOZAP's current revenue is generated from a limited number of games, SOZAP needs to successfully develop new games and improve SOZAP's existing games over time, thereby generate growing revenues.

### **SOZAP is dependent on market conditions**

The global market for mobile games is a rapidly evolving market. SOZAP's ability to adapt to changing market conditions is critical to future profitability.

### **SOZAP is exposed to competition from other game developers**

The market for developing mobile games is generally considered to have relatively low barriers to entry and profitability is very high for those who succeed. Overall, this makes the digital gaming industry highly competitive.

### **Innovation and adaptation of games to market trends and preferences may generate lower revenue than estimated**

When launching new game titles, there is a risk that the market will not receive them according to SOZAP's expectations. If this happens, SOZAP may invest resources and capital in games that do not provide expected returns.

### **Capital needs**

SOZAP is in an expansion phase and may need to raise additional capital in the future. There is a risk that capital cannot be raised when the need arises, or at all, or cannot be raised at favorable terms for SOZAP or its shareholders, which could adversely affect SOZAP's business and financial position.

### **Currency risks**

SOZAP's revenues are almost exclusively in USD and EUR, while a large part of its expenses, mainly salary expenses, are in SEK and RSD (Serbian Dinar). Changes in exchange rates may therefore have a material adverse effect on SOZAP's financial position and performance.

# Financial performance during the year

## THE GROUP

### NET REVENUE AND RESULT

Net revenue amounted to MSEK 15.0 (16.6), a decrease of 10 percent compared to the previous year, and a decrease of 11 percent in comparable currency. The decrease is mainly due to lower User Acquisition (UA) to reward the net contribution from Armed Heist, partly offset by the year-end growth of Questopia, which was launched in the third quarter. Fishing Tour has had limited revenue during the year, as it is in soft launch.

Operating expenses amounted to MSEK 38.2 (43.6), a decrease of MSEK 5.4. The decrease is mainly attributable to an impairment of MSEK 6.3 made in the previous year for the games Spells & Loot and Legends of Libra. Operating expenses consist of purchased services (mainly marketing), personnel costs, depreciation and impairment of tangible and intangible fixed assets, and other operating expenses.

The operating result for the year amounted to MSEK -8.9 (-14.3). Result for the year amounted to MSEK -8.9 (-14.3).

### BALANCE SHEET ITEMS

The Company's fixed assets, consisting of intangible, tangible, and financial fixed assets, amounted to MSEK 23.6 (16.0) on December 31. The increase consists of investments in existing and new games. The Company's intangible assets consist of capitalized expenses for development work and similar items.

The Company's current assets, consisting of short-term receivables and cash and cash equivalents, amounted to MSEK 9.8 (15.3) on December 31. Cash and cash equivalents as of December 31 amounted to MSEK 6.3 (12.3).

The Group's equity amounted to MSEK 29.9 (28.5) on December 31.

The Company's short-term liabilities, consisting of the items accounts payable, other liabilities, and accrued expenses and prepaid income, amounted to MSEK 3.4 (2.8) on December 31.

### CASH FLOW

Cash flow from operating activities amounted to MSEK -3.0 (-3.1).

Cash flow from investment activities amounted to MSEK -13.5 (-12.4), mainly related to intangible assets; i.e., the ongoing investment in new game development.

Cash flow for financing activities amounted to MSEK 10.6 (-), as a result of the new share issue carried out in June. Cash flow for the year amounted to MSEK -5.9 (-15.5).

### OUTLOOK FOR THE COMING YEAR

SOZAP's game Questopia (formerly Pocket Worlds Adventure) was launched in the third quarter and saw solid growth in the fourth quarter of 2023. Fishing Tour, which was launched at the beginning of October 2023, shows great potential through the measurement data it generated in the soft launch phase. In October a cost-saving program was initiated, which will yield an effect in 2024. Expected increased sales combined with decreased costs creates the prerequisites for a cash neutral company, seen before investments in marketing for Fishing Tour's growth. On April 9th, the Board decided on a Rights issue with 45 percent subscription commitments. If fully subscribed, the issue will provide the Company with approx. 11.4 MSEK excluding emission costs. The Board of Directors' assessment is therefore that the Company has funding for the next four quarters.

## THE PARENT COMPANY

Net revenue amounted to MSEK 15.0 (16.6) with an operating result of MSEK -9.1 (-14.5) and a result after tax of MSEK -9.0 (-14.5).

The Company's fixed assets, consisting of intangible, tangible, and financial fixed assets, amounted to MSEK 23.6 (15.9) on December 31.

The Parent Company's cash and cash equivalents as of December 31 amounted to MSEK 6.1 (11.7). The decrease is mainly due to spending on investment activities, i.e., the ongoing effort to develop new games.

## MULTI-YEAR OVERVIEW (TSEK)

<b>Group</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Net revenue	14 964	16 584	17 493	10 543
Result after financial items	-8 908	-14 267	-8 171	-2 431
Equity/assets ratio (%)	90	91	94	96

<b>Parent Company</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Net revenue	14 964	16 584	17 493	10 543	9 935
Result after financial items	-9 038	-14 508	-8 642	-2 492	-3 959
Equity/assets ratio (%)	89	90	93	95	95

For definitions of key figures, see Accounting and valuation principles.

## PROPOSAL FOR DISTRIBUTION OF PROFITS

The Board of Directors proposes that available profits (SEK):

Accumulated losses	-57 536 824
Share premium fund	71 887 403
Loss for the year	-9 038 162
	<b>5 312 417</b>
Are appropriated to be carried forward	5 312 417
	<b>5 312 417</b>

The Group's and the Parent Company's results and financial position in general are shown in the following income statements and balance sheets, as well as cash flow statements with notes.

# FINANCIAL REPORTS

## INCOME STATEMENT, THE GROUP

Amounts in TSEK	Period	
	January - December	
	2023	2022
Net revenue	14 964	16 584
Capitalized production	13 274	11 976
Other operating income	1 052	792
	<b>29 290</b>	<b>29 352</b>
<b>Operating expenses</b>		
Services purchased	-1 496	-1 670
Other external expenses	Note 2, 3 -16 738	-14 170
Personnel costs	Note 4, 5 -13 336	-15 334
Depreciation and impairment of tangible and intangible assets	-5 941	-11 569
Other operating expenses	-719	-876
<b>Total operating expenses</b>	<b>-38 230</b>	<b>-43 619</b>
<b>Operating result</b>	<b>-8 940</b>	<b>-14 267</b>
<b>Result from financial items</b>		
Interest income and similar profit and loss items	37	15
Interest costs and similar profit and loss items	-5	-11
<b>Total financial items</b>	<b>32</b>	<b>4</b>
<b>Result after financial items</b>	<b>-8 908</b>	<b>-14 263</b>
<b>Result before tax</b>	<b>-8 908</b>	<b>-14 263</b>
Tax on the result for the year	-35	-73
<b>Result for the year</b>	<b>-8 944</b>	<b>-14 336</b>
Earnings per share (before and after dilution), SEK	-0,91	-1,68

## BALANCE SHEET - THE GROUP

Amounts in TSEK		2023-12-31	2022-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Capitalized expenses for development work and similar items	Note 7	22 766	15 116
		<b>22 766</b>	<b>15 116</b>
<i>Tangible fixed assets</i>			
Equipment, tools and fittings	Note 8	800	847
		<b>800</b>	<b>847</b>
<i>Financial fixed assets</i>			
Other long-term receivables	Note 9	7	7
		<b>7</b>	<b>7</b>
<b>Total fixed assets</b>		<b>23 572</b>	<b>15 970</b>
<b>Current assets</b>			
<i>Short-term receivables</i>			
Accounts receivable		2 289	1 532
Current tax assets		95	73
Other receivables		288	628
Prepaid expenses and accrued income		779	807
Cash and cash equivalents		6 300	12 289
<b>Total current assets</b>		<b>9 752</b>	<b>15 329</b>
<b>TOTAL ASSETS</b>		<b>33 323</b>	<b>31 299</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	Note 13	1 136	852
Other contributed capital	Note 14	67 040	56 722
Other equity, including the result for the year		-38 233	-29 115
<b>Total equity (attributable to the Parent Company's owners)</b>		<b>29 943</b>	<b>28 459</b>
<b>Short-term liabilities</b>			
Accounts payable		1 551	1 394
Other liabilities		435	256
Accrued expenses and prepaid income		1 394	1 190
<b>Total short-term liabilities</b>		<b>3 380</b>	<b>2 840</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33 323</b>	<b>31 299</b>



## CHANGES IN EQUITY – THE GROUP

Amounts in TSEK	Share capital	Other contributed capital	Other equity, including the result for the period	Equity attributable to the Parent Company's shareholders
<b>Equity 2022-01-01</b>	<b>852</b>	<b>56 722</b>	<b>-14 841</b>	<b>42 733</b>
Translation difference			62	62
Result for the year			-14 336	-14 336
<b>Equity 2022-12-31</b>	<b>852</b>	<b>56 722</b>	<b>-29 115</b>	<b>28 459</b>
<b>Equity 2023-01-01</b>	<b>852</b>	<b>56 722</b>	<b>-29 115</b>	<b>28 459</b>
New share issue	284	11 077		11 361
Issue costs		-759		-759
Translation difference			-174	-174
Result for the year			-8 944	-8 944
<b>Equity 2023-12-31</b>	<b>1 136</b>	<b>67 040</b>	<b>-38 233</b>	<b>29 943</b>

## CASH FLOW – THE GROUP

Amounts in TSEK	Period	
	January - December	
	2023	2022
<b>Cash flow from operating activities</b>		
Result before financial items	-8 940	-14 267
Adjustments for items not included in the cash flow	Note 10	11 552
Interest received	37	15
Interest paid	-5	-11
Tax paid and received	-35	-14
<b>Cash flow from operating activities, before changes in working capital</b>	<b>-3 003</b>	<b>-2 725</b>
<b>Cash flow from changes in working capital</b>		
Changes in operating receivables	-973	-243
Changes in operating liabilities	969	-130
<b>Cash flow from changes in working capital</b>	<b>-4</b>	<b>-373</b>
<b>Cash flow from operating activities</b>	<b>-3 007</b>	<b>-3 098</b>
<b>Investment activities</b>		
Investments in intangible fixed assets	-13 274	-11 976
Investments and divestments in tangible fixed assets	-277	-448
Investments and divestments in financial fixed assets	50	-
<b>Cash flow from investment activities</b>	<b>-13 502</b>	<b>-12 423</b>
<b>Financing activities</b>		
New share issues	11 361	-
Issue costs	-759	-
<b>Cash flow from financing activities</b>	<b>10 602</b>	<b>-</b>
<b>Cash flow for the period</b>	<b>-5 907</b>	<b>-15 521</b>
Cash and cash equivalents at the beginning of the period	12 289	27 810
Exchange rate difference in cash and cash equivalents	-82	0
<b>Cash and cash equivalents at the end of the period</b>	<b>6 300</b>	<b>12 289</b>

## INCOME STATEMENT – THE PARENT COMPANY

Amounts in TSEK	Period January – December	
	2023	2022
Net revenue	14 964	16 584
Capitalized production	13 274	11 976
Other operating income	907	739
	<b>29 145</b>	<b>29 299</b>
<b>Operating expenses</b>		
Services purchased	-1 496	-1 670
Other external expenses	Note 2, 3	-22 791
Personnel costs	Note 4, 5	-7 477
Depreciation and impairment of tangible and intangible assets	-5 821	-11 530
Other operating expenses	-630	-828
<b>Total operating expenses</b>	<b>-38 215</b>	<b>-43 811</b>
<b>Operating result</b>	<b>-9 070</b>	<b>-14 512</b>
<b>Result from financial items</b>		
Interest income and similar profit and loss items	Note 6	37
Interest costs and similar profit and loss items		-5
<b>Total financial items</b>	<b>32</b>	<b>4</b>
<b>Result after financial items</b>	<b>-9 038</b>	<b>-14 508</b>
<b>Result before tax</b>	<b>-9 038</b>	<b>-14 508</b>
Tax for the year	-	-
<b>Result for the year</b>	<b>-9 038</b>	<b>-14 508</b>

## BALANCE SHEET – THE PARENT COMPANY

Amounts in TSEK		2023-12-31	2022-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Capitalized expenses for development work and similar items	Note 7	22 766	15 116
		<b>22 766</b>	<b>15 116</b>
<i>Tangible fixed assets</i>			
Equipment, tools and fittings	Note 8	576	772
		<b>576</b>	<b>772</b>
<i>Financial fixed assets</i>			
Interests in Group companies	Note 11, 12	0	50
Other long-term receivables	Note 9	7	7
		<b>7</b>	<b>57</b>
<b>Total fixed assets</b>		<b>23 349</b>	<b>15 945</b>
<b>Current assets</b>			
<i>Short-term receivables</i>			
Accounts receivable		2 289	1 523
Current tax assets		95	73
Other receivables		280	539
Prepaid expenses and accrued income		779	807
<i>Cash and cash equivalents</i>		6 140	11 690
<b>Total current assets</b>		<b>9 583</b>	<b>14 632</b>
<b>TOTAL ASSETS</b>		<b>32 931</b>	<b>30 577</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	Note 13,14	1 136	852
Development expenditure fund		22 766	15 116
		<b>23 902</b>	<b>15 968</b>
<i>Unrestricted equity</i>			
Free share premium fund		71 887	60 810
Balanced profit or loss		-57 537	-34 620
Result for the year		-9 038	-14 508
		<b>5 312</b>	<b>11 682</b>
<b>Total equity</b>		<b>29 214</b>	<b>27 650</b>
<b>Short-term liabilities</b>			
Accounts payable		1 539	1 386
Liabilities to Group companies		552	102
Other liabilities		232	248
Accrued expenses and prepaid income		1 394	1 190
<b>Total short-term liabilities</b>		<b>3 717</b>	<b>2 927</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32 931</b>	<b>30 577</b>

## CHANGES IN EQUITY – THE PARENT COMPANY

Amounts in TSEK	Share capital	Fund for development expenditure	Share premium fund	Profit or loss carried forward	Result for the year	Total
<b>Equity 2022-01-01</b>	<b>852</b>	<b>14 432</b>	<b>60 810</b>	<b>-25 294</b>	<b>-8 642</b>	<b>42 159</b>
Appropriation of funds according to resolution of the Annual General Meeting				-8 642	8 642	0
Fund for development expenditure		684		-684		0
Result for the year					-14 508	-14 508
<b>Equity 2022-12-31</b>	<b>852</b>	<b>15 116</b>	<b>60 810</b>	<b>-34 620</b>	<b>-14 508</b>	<b>27 650</b>
<b>Equity 2023-01-01</b>	<b>852</b>	<b>15 116</b>	<b>60 810</b>	<b>-34 620</b>	<b>-14 508</b>	<b>27 650</b>
Appropriation of funds according to resolution of the Annual General Meeting				-14 508	14 508	0
New share issue	284		11 077			11 361
Issue costs				-759		-759
Fund for development expenditure		7 649		-7 649		0
Result for the year					-9 038	-9 038
<b>Equity 2023-12-31</b>	<b>1 136</b>	<b>22 765</b>	<b>71 887</b>	<b>-57 536</b>	<b>-9 038</b>	<b>29 214</b>



# NOTER

## Note 1 Accounting and valuation principles

### GENERAL INFORMATION

The Annual Report and consolidated accounts have been prepared in accordance with the Annual Accounts Act and BFNAR 2012:1 Annual Report and Consolidated Accounts (K3).

The accounting principles are unchanged compared with the previous year.

The Parent Company and the Group apply the same accounting principles unless otherwise stated below.

### RECOGNITION OF REVENUE

Revenue has been recognized at the fair value of what has been or will be received and is reported to the extent that it is probable that the financial benefits will be credited to the Company and the revenue can be calculated in a reliable manner.

SOZAP develops game applications that are distributed through two digital download stores with which it has an agreement. SOZAP's revenues consist of sales of virtual products offered in the games and advertising revenue from ads displayed in the games.

The revenues consist of "in-ad" revenue, advertising revenue, by displaying ads in the game, and "in-app" revenue generated by game applications, where the player buys equipment and other items in the game to enhance the experience. The majority of advertising revenue is paid out by Google and Apple, while a smaller portion is received from third-party ad networks. In-app revenue is received exclusively from Apple and

Google. Revenues are recognized in the period in which they are consumed, which is exclusively in the month of ad viewing or in-app purchases.

### CONSOLIDATED ACCOUNTS

The Parent Company of the Group is Sozap AB (publ), which also prepares the consolidated accounts for the Group. The Parent Company Sozap AB (Publ) owns 100% of the shares in the Serbian company Sozap DOO.

#### Consolidation method

The consolidated accounts have been prepared in accordance with the acquisition method. This means that the identifiable assets and liabilities of acquired businesses are reported at market value in accordance with the prepared acquisition analysis. If the acquisition value of the business exceeds the estimated market value of the expected net assets according to the acquisition analysis, the difference is reported as goodwill.

#### Subsidiaries

The consolidated accounts include, apart from the Parent Company, all companies in which the Parent Company directly or indirectly has more than 50% of the voting rights or otherwise holds the controlling influence and thus has a right to shape the Company's financial and operational strategies in order to obtain financial benefits.

A subsidiary's income and expenses are included in the consolidated accounts from and including the time of the acquisition up to and including the time when the Parent Company no longer has a controlling influence over the subsidiary.

### Transactions between Group companies

Intra-group receivables and liabilities and transactions between Group companies, as well as unrealized gains, are eliminated in their entirety. Unrealized losses are also eliminated, unless the transaction corresponds to a need for impairment.

Changes in internal profit during the financial year have been eliminated in the consolidated income statement.

### Translation of foreign subsidiaries

The financial statements of foreign subsidiaries have been translated using the current rate method. All balance sheet items have been translated at the closing rate. All items in the income statement have been translated at the average exchange rate for the financial year. Any resulting differences are recognized directly in equity. The subsidiary's reporting currency is the Serbian Dinar. Therefore, translation is carried out using the current exchange rate at the closing date for the balance sheet and the average exchange rate for the income statement. Intra-group transactions have been eliminated in the income statement and balance sheet.

## INTANGIBLE FIXED ASSETS

The Company accounts for games and a gaming platform as internally generated intangible assets under the capitalization model. This means that, in the development phase, all expenses relating to the production of an internally generated intangible asset, such as the development of mobile games, are capitalized and amortized over the estimated useful life of the asset, expected to be three years from global launch, provided that the criteria in BFNAR 2012:1 are met. Examples of expenses that are capitalized are graphics, sound, animation and some percentage of salaries of those working on game projects. Expenses in the early MVP (Minimum Viable Product) process, when concepts are tested and evaluated, are seen as research and are not capitalized. When the development of a specific game starts, the process is seen as in the development phase and capitalization starts.

Intangible fixed assets are reported at cost less accumulated depreciation according to plan and any impairment losses.

## TANGIBLE FIXED ASSETS

Tangible fixed assets are reported at cost less accumulated depreciation according to plan and any impairment losses.

## DEPRECIATION

The depreciation period for intangible fixed assets, i.e., capitalization of development work and similar work, is amortized over three years, which aligns with the industry. The depreciation period for tangible fixed assets, i.e., equipment, tools, and fittings, is generally five years.

Depreciation is applied on a straight-line basis over the expected useful life, taking into account any significant residual value. The following rates of depreciation apply:

Capitalized expenses for development work	3 years
Equipment, tools and fittings	5 years

## FOREIGN CURRENCY RECEIVABLES AND LIABILITIES

Receivables and liabilities in foreign currency have been valued at the exchange rate on the balance sheet date. Exchange rate gains and losses on operating receivables and operating liabilities are reported in operating result, while exchange rate gains and losses on financial receivables and liabilities are reported as financial items.

## FINANCIAL INSTRUMENTS

### The parent company's interests in subsidiaries

The parent company's interests in subsidiaries are reported at acquisition value after deductions for any impairment losses. The acquisition value includes

the purchase price paid for the shares as well as acquisition costs. Any capital injections are added to the acquisition value when they arise.

#### **Accounts receivable/short-term receivables**

Trade and current receivables are recognized as current assets at the amount expected to be paid after deducting individually assessed bad debts.

#### **Loans and accounts payable**

Loan liabilities and accounts payable are initially reported at acquisition value after deduction of transaction costs. If the amount recognized differs from the amount to be repaid at maturity, the difference is accrued as interest expense over the loan term using the instrument's effective interest rate. Hence, at the date of maturity, the recognized amount will agree with the amount to be repaid.

#### **Impairment assessment of financial fixed assets**

At each balance sheet date, an assessment is made as to whether there are indications of a need for impairment of any of the financial fixed assets. Impairment occurs if the decline in value is deemed to be permanent and is tested individually.

All financial instruments are measured and reported based on acquisition value in accordance with BFNAR 2012:1(K3), Chapter 11.

## **LEASING AGREEMENTS**

The Group has no finance leasing agreements, the Parent Company's leasing agreements are operational. Operating leases are recognized as an expense on a straight-line basis over the term of the lease.

## **INCOME TAXES**

Total tax consists of current tax and deferred tax. Taxes are recognized in the income statement except where the underlying transaction is recognized directly in equity, upon which the associated tax effects are also recognized in equity.

#### **Current tax**

Current tax relates to income tax for the current financial year and the unrecognized part of income tax for previous financial years. Current tax is calculated using the tax rate in force at the balance sheet date.

#### **Deferred tax**

Deferred tax is income tax that pertains to future financial years as a result of past events. Reporting takes place in accordance with the balance sheet method. Under this method, deferred tax liabilities and deferred tax assets are reported for temporary differences that arise between the book value and tax base of assets and liabilities, and for other tax deductions or tax losses.

Deferred tax assets are only reported net against deferred tax liabilities if they can be paid with a net amount. Deferred tax is calculated using the tax rate applicable at the balance sheet date. Effects of changes in the applicable tax rates are taken up as income in the period in which the change becomes legally binding. Deferred tax assets are recognized as financial fixed assets and deferred tax liabilities as provisions.

Deferred tax assets relating to loss carry-forwards or other future tax-related deductions are reported to the extent that it is probable that the deductions can be offset against future taxable surpluses.

Due to the link between accounting and taxation, the deferred tax liability related to untaxed reserves is not separately presented in the parent company.

## **EMPLOYEE BENEFITS**

Employee benefits refer to all forms of remuneration that the Company provides to its employees. Short-term benefits include salaries, paid holidays, paid absences, bonuses and post-employment benefits (pensions). Short-term benefits are recognized as an expense and a liability when there is a legal or constructive obligation to pay a benefit as a result of a past event and a reliable estimate of the amount can be made. The Group has established warrant programs for employees and board members, where the Black & Scholes model calculation prices the warrants, which the employee then pays, and

where a premium of 30% is applied to the share price to be paid when the program vests after three years.

The Parent Company only has defined contribution pension plans. Defined contribution plans are classified as plans in which fixed contributions are paid, and there is no obligation to pay anything further than these contributions. Expenditure on defined contribution plans is recognized as an expense during the period in which employees render the related services. The subsidiary has no pension plans.

## CASH FLOW STATEMENT

The cash flow statement is drawn up using the indirect method. The reported cash flow only includes transactions that result in receipts or payments.

In addition to cash on hand, the Company classifies cash and cash equivalents as available balances at banks and other credit institutions and short-term liquid investments that are listed on a marketplace and have a shorter duration than three months from the date of acquisition. Changes in blocked funds are reported in investment activities.

## KEY-FIGURE DEFINITIONS

### Net revenue

Operating main revenue, invoiced expenses, side revenue and revenue corrections.

### Result after financial items

Result after financial income and expenses but before year-end appropriation and taxes.

### Earnings per share

Earnings per share are attributable to the Parent Company's shareholders before and after dilution.

### Equity/assets ratio (%)

Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of the balance sheet total.

## ESTIMATES AND JUDGMENTS

Preparing financial statements and applying accounting principles are often based on management's judgments, estimates, and assumptions that are considered reasonable at the time the judgment is made. Estimates and judgments are based on historical experience as well as on a number of other factors that are considered reasonable given the prevailing circumstances. The results of these are used to assess the carrying values of assets and liabilities, which are not otherwise clear from other sources. In Sozap's case, it is mainly game development costs that are a matter of judgment. The judgments with the largest impact, and thus with the largest risk for discrepancies, are regarding capitalization working hours and regarding impairment testing the estimates of future sales. The actual results may ultimately differ from those estimates and judgments. Estimates and assumptions are regularly reviewed.

With the exception of the judgment in the valuation, capitalization, and depreciation of games and game development costs, there are no significant sources of uncertainty in the estimates and assumptions at the balance sheet date that are deemed to significantly risk causing a material adjustment to the carrying amounts of assets and liabilities during the next financial year.

## SIGNIFICANT RISKS AND UNCERTAINTIES

### SOZAP is reliant on successfully developing new games and improving SOZAP's existing games over time

An essential part of SOZAP's current revenue is generated from a limited number of games. Therefore, SOZAP needs to successfully develop new games and improve SOZAP's existing games over time, thereby diversifying the Group's portfolio of games.

### SOZAP relies on virtual app stores for distribution of SOZAP's games

SOZAP's income is almost exclusively derived from the distribution agreements with Apple and Google, which are based on the distributors' standard terms and conditions.

### **SOZAP is reliant on attracting and retaining key people**

SOZAP's operations and future success largely depend on the knowledge, experience, and creativity of several key people, particularly the management team. Therefore, SOZAP's ability to attract and retain key people is of great importance.

### **SOZAP is dependent on market conditions**

The global market for mobile games is a rapidly evolving market. The growth of the global mobile games market and the level of demand and market acceptance for SOZAP's games are subject to high uncertainty. SOZAP's ability to adapt to changing market conditions is critical to future profitability.

### **SOZAP is exposed to competition from other game developers**

The market for developing mobile games is generally considered to have relatively low barriers to entry and profitability is very high for those who succeed. Overall, this makes the digital gaming industry highly competitive.

### **Risks related to SOZAP's ability to increase sales**

SOZAP relies on in-app purchases on Google and Apple platforms. A substantial part of SOZAP's revenue stems from in-app purchases, but a relatively small proportion of players make in-app purchases when playing SOZAP's games. If the players making in-app purchases stop playing SOZAP's games, or if SOZAP fails to provide offers worth buying, or if the virtual app store makes it more difficult or expensive for players to make in-app purchases, it could have a material adverse effect on SOZAP's business, financial position and performance.

### **Innovation and adaptation of games to market trends and preferences may generate lower revenue than estimated**

When launching new game titles, there is a risk that the market will not receive them according to SOZAP's expectations. If this happens, SOZAP may invest resources and capital in games that do not provide expected returns, and the amount of the game on the balance sheet may have to be written off.

### **Risks related to IT systems**

SOZAP depends on the effective and uninterrupted operation of the IT systems used in the framework of the Group's activities, including game development, which third-party suppliers provide. A substantial breakdown or other disruption of IT systems could adversely affect SOZAP's ability to conduct its business of developing games and providing them to end users.

## **LEGAL RISKS**

### **Risks related to intellectual property rights**

Intellectual property rights are essential to SOZAP's business, so it needs to protect them. SOZAP's most significant rights are unregistered copyrights that arise automatically when they are created, so it is important that SOZAP has sufficient agreements in place to acquire these rights from the employees and consultants who develop them. Regarding registrable rights, SOZAP holds registered trademarks for the names of its games and several domains used or planned to be used in the business.

### **Processing of personal data**

In the framework of SOZAP's activities, SOZAP collects and processes the personal data of employees and players. However, player data is mainly managed by the platform providers Apple and Google. It is essential that personal data is processed under the specific requirements of virtual app stores and applicable data protection legislation.

### **SOZAP is subject to laws and regulations in a number of jurisdictions**

SOZAP operates through companies in Sweden and Serbia and has sales to several countries, including China and the United States. Thus, it is subject to regulations in several different countries and jurisdictions and consequently also exposed to risks related to the implementation of new or amended laws or regulations in these countries and jurisdictions.

### **SOZAP is subject to tax-related risks**

SOZAP operates through companies in Sweden and Serbia. Operations are conducted in accordance with SOZAP's interpretation of applicable tax legislation,



tax treaties and other tax regulations, as well as the position adopted by the relevant tax authorities.

#### Disputes

SOZAP may, from time to time, become involved in disputes in the normal course of business and risk being subject to legal claims from, among others, customers playing SOZAP's games, suppliers, competitors, or other market participants.

## FINANCIAL RISKS

#### Capital needs

SOZAP is in an expansion phase and may need to raise additional capital in the future. There is a risk that cap-

ital cannot be raised when the need arises, or at all, or cannot be raised at favorable terms for SOZAP or its shareholders, which could adversely affect SOZAP's business and financial position.

#### Currency risks

SOZAP's revenues are almost exclusively in USD and EUR, while a large part of its expenses, mainly salary expenses, are in SEK and RSD (Serbian Dinar). Changes in exchange rates may therefore have a material adverse effect on SOZAP's financial position and performance.

## Note 2 Leases

The Company reports all leases, both financial and operational, as operating leases. Operating leases are recognized as an expense on a straight-line basis over the term of the lease.

## Note 3 Remuneration to auditors

Audit engagements refer to the examination of the Company's Annual Report and accounts and the administration of the Company's affairs by the Board of Directors, other tasks which are for the Company's auditor to perform, and consultation and other assistance in response to observations made during the aforementioned performance of examinations and other tasks.

TSEK	Group		Parent Company	
	2023	2022	2023	2022
<b>Öhrlings PricewaterhouseCoopers AB</b>				
Audit engagement	328	389	328	389
	<b>328</b>	<b>389</b>	<b>328</b>	<b>389</b>

## Note 4 Employee and personnel costs

TSEK	Group		Parent Company	
	2023	2022	2023	2022
Average number of employees	32	34	13	15
	<b>32</b>	<b>34</b>	<b>13</b>	<b>15</b>
<b>Salaries and other remuneration<sup>1</sup></b>				
CEO	12	276	12	276
Board members (4)	425	425	425	425
Bonuses and similar remuneration to the Board of Directors and CEO	-	-	-	-
Other employees	8 432	9 586	4 853	6 351
	<b>8 869</b>	<b>10 287</b>	<b>5 290</b>	<b>7 052</b>
<b>Social security contributions</b>				
Pension costs for the Chief Executive Officer	15	19	15	19
Pension costs for board members (4)	-	-	-	-
Pension costs for other employees	238	387	238	387
Other social security contributions according to law and agreement	3 944	4 368	1 723	2 315
	<b>4 197</b>	<b>4 774</b>	<b>1 976</b>	<b>2 721</b>
<b>Total salaries, remuneration, social security contributions and pension costs</b>	<b>13 066</b>	<b>15 061</b>	<b>7 266</b>	<b>9 773</b>

1) Salaries and other remuneration is shown excluding pension contributions.

## Note 5 Remuneration of the CEO and Board of Directors<sup>1</sup>

TSEK	Group		Parent Company	
	2023	2022	2023	2022
Rade Prokopovic, CEO	27	296	27	296
Claes Wentzel, Chair of the Board	164	164	164	164
Annette Colin, board member	87	87	87	87
Daniel Somos, board member	87	87	87	87
Stefan Janse, board member	87	87	87	87
	<b>452</b>	<b>721</b>	<b>452</b>	<b>721</b>

1) Remuneration of the CEO and Board of Directors are including pension contributions, where they exist.

## Note 6 Result from interests in Group companies

	Parent Company	
	2023	2022
Profits and losses on disposals	-26	0
	<b>-26</b>	<b>0</b>

## Note 7 Capitalized expenses for development works and similar works

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Cost, opening balance	39 773	30 995	39 773	30 995
Purchases	13 276	11 976	13 276	11 976
Sales and disposals	-	-3 198	-	-3 198
<b>Accumulated cost, closing balance</b>	<b>53 049</b>	<b>39 773</b>	<b>53 049</b>	<b>39 773</b>
Depreciation, opening balance	-18 360	-16 563	-18 360	-16 563
Sales and disposals	-	3 198	-	3 198
Depreciation for the year	-5 625	-4 994	-5 625	-4 994
<b>Accumulated depreciation, closing balance</b>	<b>-23 985</b>	<b>-18 360</b>	<b>-23 985</b>	<b>-18 360</b>
Opening impairment	-6 298	-	-6 298	-
Impairments for the year	-	-6 298	-	-6 298
<b>Accumulated impairment, closing balance</b>	<b>-6 298</b>	<b>-6 298</b>	<b>-6 298</b>	<b>-6 298</b>
<b>Closing carrying amount</b>	<b>22 766</b>	<b>15 116</b>	<b>22 766</b>	<b>15 116</b>

## Note 8 Equipment, tools, and installations

	Group		Group	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Cost, opening balance	1 170	693	1 035	587
Purchases	282	448	0	448
Translation differences	-24	10	-	-
<b>Accumulated cost, closing balance</b>	<b>1 427</b>	<b>1 151</b>	<b>1 035</b>	<b>1 035</b>
Depreciation, opening balance	-322	-24	-263	-24
Depreciation for the year	-316	-275	-196	-238
Translation differences	11	-4	-	-
<b>Accumulated depreciation, closing balance</b>	<b>-628</b>	<b>-303</b>	<b>-459</b>	<b>-263</b>
<b>Closing carrying amount</b>	<b>800</b>	<b>848</b>	<b>576</b>	<b>772</b>

## Note 9 Other long-term receivables

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Cost, opening balance	7	0	7	0
Additional receivables	0	7	0	7
Accumulated cost, closing balance	7	7	7	7
<b>Closing carrying amount</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>

*Related to rental deposit.*

## Note 10 Adjustment for items not included in the cash flow

	Group		Parent Company	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Depreciation	5 941	5 269	5 821	5 233
Impairments	0	6 298	0	6 298
Translation differences	0	-15	-	-
	<b>5 941</b>	<b>11 552</b>	<b>5 821</b>	<b>11 530</b>

## Note 11 Interests in Group companies

	Parent Company	
	2023-12-31	2022-12-31
Cost, opening balance	50	50
Sales	-50	0
<b>Accumulated cost, closing balance</b>	<b>0</b>	<b>50</b>

## Note 12 Specification of interests in Group companies

Name	Capital share	Number of shares	Book value
Sozap Doo	100%	100	0
			<b>0</b>

Name	Corp. ID No.	Residence
Sozap Doo	RS351600050	Belgrade, Serbia

## Note 13 Equity – number of shares

	Parent Company	
	2023-12-31	2022-12-31
Number, value at beginning of the year	8 520 840	8 520 840
New share issue	2 840 280	0
<b>Number, value at year-end</b>	<b>11 361 120</b>	<b>8 520 840</b>

## Note 14 Equity – options

	Number of warrants in the program	Number of warrants outstanding	Average exercise price per share (SEK)	Number of shares that can be subscribed for under the warrant programs (maximum), per 2022-12-31	Number of shares that can be subscribed for under the warrant programs (maximum), per 2023-12-31
Serie 2020/2023:1	60 500	53 500	16,25	535 000	0
Serie 2020/2023:2	13 000	13 000	18,46	130 000	130 000
Serie 2021/2024:1	150 000	-	-	150 000	150 000
Serie 2021/2024:2	120 000	120 000	16,00	120 000	120 000
	<b>283 000</b>	<b>133 000</b>	<b>n.a.</b>	<b>400 000</b>	<b>400 000</b>
				<b>Of which outstanding as of 2023-12-31:</b>	<b>250 000</b>

No warrants have been issued during 2023.



## Note 15 Pledged assets

There are no pledged assets or contingent liabilities in the Group.

## Note 16 Significant events after the end of the financial year

**April 9:** The Board of SOZAP decided to, conditioned the AGM subsequent approval, carry out a Rights issue. If fully subscribed, the issue will provide the Company with approx. 11.4 MSEK excluding emission costs. 45 percent of the Rights issue is guaranteed through subscription commitments.

## Note 17 Related party transactions

No significant transactions have taken place during the period, apart from transactions between subsidiaries and remuneration to senior executives and board members for the Group and the Parent Company.

## Note 18 Exceptional items affecting comparability

### GROUP AND PARENT COMPANY

In 2022, the paid preliminary tax of TEUR 73 was classified as a current tax asset. An estimated special payroll tax on pension costs of TEUR 148 was classified as an accrued expense. In 2023, paid preliminary tax and estimated special payroll tax on pension costs have been classified as other short-term liabilities. This has had no impact on the result for the year.

# THE BOARD'S ASSURANCE

The Board of Directors and the Chief Executive Officer confirm that this Annual Report provides a true and fair view of the Company's operations and financial position.

Nyköping, April 10, 2024

**Claes Wentzel**

Chair of the Board

**Annette Colin**

Director

**Stefan Janse**

Director

**Daniel Somos**

Director

**Rade Prokopovic**

CEO

Our auditor's report was issued on April 10, 2024

Öhrlings PricewaterhouseCoopers AB

Leonard Daun

Chartered Accountant

# BOARD OF DIRECTORS



## CLAES WENTHZEL (1962)

*Chairman of the Board since 2019*

### Education:

Degree in Business Economics from Stockholm University.

### Other ongoing assignments:

- CFO of Pricer AB.
- Board member of Wenthzel Holding AB, WenCon AB, PeWe International AB and Brf Nybrogatan 57.

### Shareholding:

437 421 shares.

*Independent in relation to SOZAP, its senior management and to major shareholders.*



## ANNETTE COLIN (1965)

*Board member since 2021*

### Education:

Business Administration and Law, Lund University.

### Other ongoing assignments:

- Board member of Colinex Capital AB, Prostalund AB (publ), Initiator Pharma A/S (publ) and NorrDia AB.
- General partner of Stall Piantini Handelsbolag. Operates own company, Colinex Capital AB, since 2008.

### Shareholding:

18 090 shares and 60 000 warrants of series 2021/2024:2 granting the right to subscribe for 60 000 shares.

*Independent in relation to SOZAP, its senior management and to major shareholders.*



### **DANIEL SOMOS (1983)**

*Board member since 2021*

#### **Education:**

MBA, MSc, Stockholm School of Economics.

#### **Other ongoing assignments:**

- Chairman and CEO of Polygrade Holding AB.
- Chairman of GraphN AB.
- Board member and CEO of Mean Reversion AB and Lialum AB.
- Board member of Mibi Games AB, Polynvestor AB, Realsprint AB and Urban Events AB.
- Deputy board member in Dubbelplus AB, Nordic Bytes AB and NB Innovation Factory AB..

#### **Shareholding:**

262 031 shares and 60 000 warrants of series 2021/2024:2 granting the right to subscribe for 60 000 shares.

*Independent in relation to SOZAP, its senior management and to major shareholders.*



### **STEFAN JANSE (1980)**

*Board member since 2020*

#### **Education:**

Marketing, graduate of IHM Business School.

#### **Other ongoing assignments:**

- Board member of the Association for the Nordic Game Industry ekonomisk förening and company within Nordisk Film Sverige AB.
- Sales Director at Nordisk Film Interactive AB.

#### **Shareholding**

0 shares.

*Independent in relation to SOZAP, its senior management and to major shareholders.*

# LEDNING



## **RAĐE PROKOĐOVIĆ (1982)**

**Position:** CEO

**Education:** Education: Business IT, Nackademin.

**Employed in the Group since 2016**

**Shareholding:** 2 698 678 shares



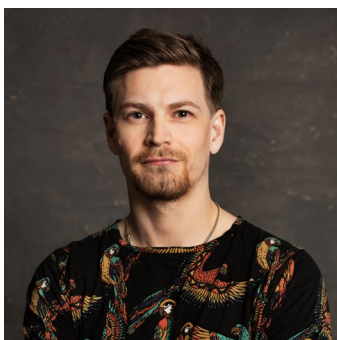
## **KRISTOFER BOMAN (1983)**

**Position:** CTO

**Education:** The Game Assembly in Malmö and studies in Game Programming at Blekinge Institute of Technology.

**Employed in the Group since 2015**

**Shareholding:** 264 265 shares



## **JACOB CHRSTIANSON (1987)**

**Position:** CPO

**Education:** University of Applied Sciences degree, The Game Assembly in Malmö.

**Employed in the Group since 2015**

**Shareholding:** 84 786 shares



## **DANIEL EKSTRAND (1981)**

**Position:** CFO

**Education:** MBA, MSc, Stockholm School of Economics.

**Working for the Group since 2022**

**Shareholding:** 250 000 shares

# LIST OF DEFINITIONS

<b>Number of employees</b>	Number of employees with a position at SOZAP, at the end of the period.
<b>Number of employees, average for the period</b>	Average of the number of employees at the end of the period and the number of employees at the end of the previous period.
<b>ARPDUA</b>	Average Revenue Per Daily Active User (total); The average revenue per daily, unique, active user/player, including in-app purchases and advertising revenue.
<b>Daily Unique Spenders</b>	The number of daily unique players who have made purchases of virtual products via Apple, Google or another platform.
<b>DAU</b>	Daily Active Users; i.e., daily, unique, active user/players.
<b>EBIT</b>	Operating result, before financial items and tax.
<b>EBIT margin (%)</b>	The result before financial items and tax, as a percentage of net revenue.
<b>EBITDA</b>	The result before depreciation of tangible and intangible fixed assets.
<b>EBITDA margin (%)</b>	The result before depreciation of tangible and intangible fixed assets, as a percentage of net revenue.
<b>Free-to-play (FTP)</b>	A revenue model where players gain access to part of the content without payment.
<b>Global launch</b>	A commercial launch to a wide audience.
<b>In-app purchases (IAP)</b>	Microtransactions within the game in order to access virtual goods and content.
<b>In-ad revenues (IAD)</b>	Advertising revenue from third parties for advertisements shown to players.
<b>Live-ops</b>	Changes/improvements in games after launch.
<b>Monthly Active Users (MAU)</b>	Active, unique, monthly players/users as of the last day of the period.
<b>Revenue growth</b>	Difference in revenue from the previous period (comparative period).
<b>Soft launch</b>	A 'soft launch' to a specific audience in order to test game methodology, graphics, etc.
<b>Equity/assets ratio</b>	Proportion of total assets financed with equity.



# CREATIVELY TOGETHER STRONG

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