

The SOZAP logo is displayed in a bold, white, sans-serif font in the upper left corner of the page. The background of the entire page is a red-tinted image of a fishing boat on a lake with a large fish jumping out of the water.

SOZAP

ANNUAL REPORT 2025

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 an office in Nyköping (Sweden) and was listed on the Nasdaq First North Growth Market until October 2025.

For more information, please visit 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. The SOZAP studio is located in Nyköping.

SOZAP currently has 7 employees and one position on a consulting basis. SOZAP is a small studio, optimized both for operating its established games and for the development of the company's most promising title to date, Fishing Tour.

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 35 million times since its launch in 2019. In addition to ARMED HEIST, the Company has two games launched in 2023, Questopia and Fishing Tour where the latter during 2025 has been in soft launch. 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

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 2025

FINANCIAL YEAR 2025

- Net revenue amounted to MSEK 12.2 (17.5), a decrease of 30 percent, and a decrease of 26 percent in comparable currency.
- EBITDA amounted to MSEK 1.1 MSEK (-0.2).
- Operating result, EBIT, amounted to MSEK -10.7 (-11.4).
- Result for the period amounted to MSEK -10.0 (-11.4).
- Earnings per share were SEK -0.45 (-0.66) before and after dilution.
- Cash flow from operating activities was MSEK 1.2 (-0.7).
- The number of outstanding shares at the end of the period was 22 238 211, unchanged during the year.
- There were no subscription warrants issued at the end of the period.



SIGNIFICANT EVENTS DURING THE YEAR

- **2 July:** The Board of Directors of SOZAP decided to apply for a delisting from Nasdaq First North Growth Market, subject to the subsequent approval of the General Meeting. The General Meeting held on 19 August approved the decision, and the last day of trade was on the 31 October.
- **1 December:** SOZAP AB divested its subsidiary SOZAP DOO to the employees in that company. Thereby, SOZAP as a Group ceased to exist since SOZAP AB no longer has any subsidiaries. SOZAP DOO was divested to further focus the organization around the company's most promising game, Fishing Tour.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- **2 February:** SOZAP publishes a CEO statement in which the company's CEO, Rade Prokopovic, announces that the company plans to raise capital through two smaller share issues. The capital requirement is significantly lower than before, due to streamlined organization, strict cost control, and a more focused business model. The CEO further states that he supports the plan for the share issues and will participate in them personally.

A FEW WORDS FROM OUR CEO

2025 marks the end of a SOZAP that for several years pursued a diversified game portfolio — developing proprietary titles and partnering with world-leading publishers. We have streamlined the organization, abandoned the multi-project strategy, and shed the overhead of being publicly listed. What we have learned can be summed up in one sentence: without a game that retains its users over time, there is no scalable business.

Our ambition for 2026 is to build, through Fishing Tour, a new entertainment company with long-term customer relationships and predictable cash flows.

Over the past year, we have made several data-driven design changes and decisions to build a foundation in Fishing Tour where subscription becomes a natural conversion point for users. This spring, we will continue releasing planned updates and refining the game — with the goal of reaching, by summer, a version where user acquisition investments deliver a fast payback, in line with what we previously achieved with Questopia.

With Questopia, we ran profitable user acquisition campaigns — but were unable to scale them. With Fishing Tour, our data suggests that a significantly larger share of users will continue playing and paying over time. That is the difference that makes the game scalable.

If we achieve returns on marketing spend in line with Questopia, we can grow the user base over the course of the year, increase revenue, and shift the capital need from development to growth.

In the first quarter, we completed the first of two planned share issues. Combined with revenue from our live games and continued cost control, this gives us the room to execute this plan. The second planned issue would then be used to scale the user base.

Should the near-term payback prove insufficient to scale the user base, we will continue development, run smaller user acquisition campaigns, and monitor how returns develop over time. In that scenario, we would either need to further streamline the organization and allow the metrics to mature, or carry out the second planned share issue to give us the resources to validate the business over a longer horizon.

Regardless of outcome, the value lies in the long-term metrics — how retention and revenue per user develop over time. These are also the metrics by which external parties will ultimately value the business.



Rade Prokopovic
Chief Executive Officer

A handwritten signature in black ink, which appears to read "Rade Prokopovic". The signature is stylized and fluid.

MANAGEMENT REPORT

The Board of Directors and the CEO of SOZAP AB (publ) submit the following Annual Report for the financial year 2025.

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.

During the year, SOZAP AB divested its Serbian subsidiary to the employees of that entity. The purchase price was set at book value, and the transaction therefore had no impact on earnings and only an immaterial effect on cash flow. For comparative purposes in the financial reports, the previous year's figures for the parent company are presented, as these are considered the most accurate reflection of performance. The divestment of the subsidiary reduces the parent company's revenue and expenses to a small and roughly equal extent, resulting in an immaterial effect on profit.

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. In 2025, SOZAP further streamlined its operations to focus on the company's most promising title, Fishing Tour. As part of this effort, the Serbian subsidiary SOZAP D00 was divested on 1 December. During the year, the company also decided to delist its shares from Nasdaq First North Growth Market. The final day of trading was on 31 October.

The Company develops games with a development team based in Nyköping. The number of employees decreased during 2025 due to the divestment of SOZAP D00. At the end of the year, SOZAP AB had 7

employees (8, in the Group 14 in total) as well as 1 position on a consulting basis (1, in the Group 4 in total).

SOZAP's first globally launched game, Armed Heist, is a shooter title in the PvE (Player vs. Enemy) genre. In 2025, the focus for Armed Heist as well as the company's second live title, Questopia, has been to optimize the net contribution from each game. Throughout the year, Fishing Tour has continued its development in the soft launch phase as part of the journey to reach a critical milestone by the summer: a version ready for user acquisition investments.

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	Capital	Votes
Rade Prokopovic	6,299,714	28.33%	28.33%
Ossian Hellers	1,869,149	8.41%	8.41%
Ivan Prokopovic	1,382,674	6.22%	6.22%
Avanza Pension	1,370,451	6.16%	6.16%
Daniel Somos	983,796	4.42%	4.42%
Claes Wentzel	831,304	3.74%	3.74%
Daniel Ekstrand	734,591	3.30%	3.30%
Thorbjörn Wennerholm	680,451	3.06%	3.06%
Augment Partners AB	676,601	3.04%	3.04%
Per Skogqvist	549,990	2.47%	2.47%

Ownership per 2025-12-30. 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. Changes in exchange rates may therefore have a material adverse effect on SOZAP's financial position and performance.

Financial performance during the year

Net revenue and result

Net revenue amounted to MSEK 12.2 (17.5), a decrease of 30 percent compared with the previous year, and a decrease of 26 percent in comparable currency. The decrease is partly due to lower revenue from Questopia as a result of an optimization of User Acquisition (UA), which led to reduced UA spending but a higher net contribution, and partly due to lower revenue from Armed Heist.

Operating expenses amounted to MSEK 28.3 (38.4). The decrease is primarily due to reduced User Acquisition (UA) costs in the effort to optimize the net contribution for Questopia. The cost saving program that reached full effect in the third quarter of 2024 also contributed to the lower costs. Operating expenses consist of purchased services, in the form of 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 -10.7 (-11.4). Result for the year amounted to MSEK -10.0 (-11.4).

Balance sheet items

The Company's fixed assets, consisting of intangible, tangible, and financial fixed assets, amounted to MSEK 13.9 (21.0) on 31 December. The decrease is attributable to amortization of intangible assets.

The Company's intangible assets consist of capitalised 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 2.9 (7.0) on 31 December. Cash and cash equivalents as of 31 December amounted to MSEK 1.2 (4.1).

The Company's equity amounted to MSEK 15.4 (25.5) on 31 December.

The Company's short-term liabilities, consisting of the items accounts payable, other liabilities, and accrued expenses and prepaid income, amounted to MSEK 1.3

(2.5) on 31 December. The decrease is mainly due to lower accounts payable.

Cash flow

Cash flow from operating activities amounted to MSEK 1.2 (-0.7). The higher cash flow is largely attributable to improved profitability in the business, driven partly by efforts to maximize the net contribution from Armed Heist and Questopia, and partly by the cost savings implemented primarily during 2024.

Cash flow from investment activities amounted to MSEK -4.1 (-8.9), mainly related to intangible assets; i.e., the ongoing investment in new game development. The cash flow improvement is mainly due to the fact that all of the Company's games have passed the most intensive development phase and as a result fewer resources have been spent on development work.

The company had no cash flow from financing activities during the year, whereas in 2024 it amounted to SEK 7.6 million as a result of a completed new share issue. Cash flow for the year totaled SEK -2.9 million (-2.0).

Outlook for the coming year

Following the delisting and a comprehensive transformation in 2025, the company enters 2026 with a clear direction for the future. SOZAP has streamlined its organization, closed the studio in Serbia, and moved away from a strategy of multiple parallel teams. What remains is an efficient organization with full cost control and a clear path toward scaling the business in Fishing Tour. At the beginning of 2026, SOZAP also completed a new share issue that raised 2.2 MSEK before deduction of costs for the share issue.

The strengthened cost control, the positive outlook for Fishing Tour, and the recently completed share issue collectively provide solid conditions for achieving a cash flow neutral position, measured before investments in marketing to support the growth of Fishing Tour. Based on this, the Board of Directors' assessment is that the company has the necessary financing for the next four quarters.

MULTI-YEAR OVERVIEW (TSEK)

	2025	2024	2023	2022	2021
Net revenue	12,192	17,474	14,964	16,584	17,493
Result after financial items	-10,035	-11,386	-9,038	-14,508	-8,642
Equity/assets ratio (%)	92	91	89	90	93

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	-69,454,765
Share premium fund	78,957,512
Loss for the year	-10,035,485
	-532,738
<hr/>	
are appropriated to be carried forward	-532,738
	-532,738

The 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

Amounts in TSEK	Financial Year January - December	
	2025	2024
Net revenue	12,192	17,474
Capitalized production	4,815	8,901
Other operating income	545	657
	17,552	27,032
Operating expenses		
Services purchased	-1,063	-1,696
Other external expenses	Note 2, 3	-10,376
Personnel costs	Note 4, 5	-4,302
Depreciation and impairment of tangible and intangible assets		-11,870
Other operating expenses		-687
Total operating expenses	-28,297	-38,456
Operating result	-10,745	-11,424
Result from financial items		
Result from interests in Group companies ¹	Note 6	696
Interest income and similar profit and loss items	Note 6	16
Interest costs and similar profit and loss items		-2
Total financial items		710
Result after financial items	-10,035	-11,386
Result before tax	-10,035	-11,386
Result for the year	-10,035	-11,386

1) The Serbian subsidiary SOZAP DOO was sold on 1 December 2025. As a result, only the parent company SOZAP AB remains, and the SOZAP Group has ceased to exist.

BALANCE SHEET

Amounts in TSEK		2025-12-31	2024-12-31
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalized expenses for development work and similar items	Note 7	13,729	20,589
		13,729	20,589
<i>Tangible fixed assets</i>			
Equipment, tools and fittings	Note 8	185	381
		185	381
<i>Financial fixed assets</i>			
Interests in Group companies ¹	Note 11	-	0
Other long-term receivables	Note 9	-	-
		0	0
Total fixed assets		13,914	20,970
<i>Current assets</i>			
Short-term receivables			
<i>Accounts receivable</i>		1,057	1,875
Current tax assets		62	154
Other receivables		233	244
Prepaid expenses and accrued income		254	587
Cash and cash equivalents		1,245	4,118
Total current assets		2,852	6,977
TOTAL ASSETS		16,766	27,947
Summa tillgångar		16 766	27 947
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	Note 12,	2,224	2,224
Development expenditure fund		13,729	20,589
		15,953	22,813
<i>Unrestricted equity</i>			
Free share premium fund		78,958	78,958
Balanced profit or loss		-69,455	-64,929
Result for the year		-10,035	-11,386
		-533	2,643
Total equity		15,420	25,456
Short-term liabilities			
Accounts payable		379	976
Liabilities to Group companies		-	241
Other liabilities		99	148
Accrued expenses and prepaid income		868	1,126
Total short-term liabilities		1,345	2,491
TOTAL EQUITY AND LIABILITIES		16,766	27,947

1) The Serbian subsidiary SOZAP DOO was sold on 1 December 2025. As a result, only the parent company SOZAP AB remains, and the SOZAP Group has ceased to exist.

CHANGES IN EQUITY

Amounts in TSEK	Share capital	Fund for development expenditure	Share premium fund	Profit or loss carried forward	Result for the year	Total
Eget kapital 2024-01-01	1,136	22,765	71,887	-57,536	-9,038	29,214
Appropriation of funds according to resolution of the Annual General Meeting				-9,038	9,038	-
New share issue	1,088		7,070			8,158
Issue costs				-530		-530
Fund for development		-2,177		2,177		-
Result for the year					-11,386	-11,386
Equity 2024-12-31	2,224	20,589	78,957	-64,928	-11,386	25,456
Equity 2025-01-01	2,224	20,589	78,957	-64,928	-11,386	25,456
Appropriation of funds according to resolution of the Annual General Meeting				-11,386	11,386	-
Fund for development expenditure		-6,860		6,860		-
Result for the year					-10,035	-10,035
Equity 2025-12-31	2,224	13,729	78,957	-69,455	-10,035	15,420

CASH FLOW

Amounts in TSEK	Financial Year January - December	
	2025	2024
Cash flow from operating activities		
Result before financial items	-10,745	-11,424
Adjustments for items not included in the cash flow	Note 10 11,870	11,273
Interest received	17	39
Interest paid	-2	-1
Tax paid and received	-	-
Cash flow from operating activities, before changes in working capital	1,139	-113
Cash flow from changes in working capital		
Changes in operating receivables	1,317	489
Changes in operating liabilities	-1,210	-1,125
Cash flow from changes in working capital	107	-636
Cash flow from operating activities	1,246	-749
Investment activities		
Investments in intangible fixed assets	-4,815	-8,901
Investments and divestments in financial fixed assets	0	-
Dividend from Subsidiary	696	-
Cash flow from investment activities	-4,119	-8,901
Financing activities		
New share issues	-	8,158
Issue costs	-	-530
Cash flow from financing activities	-	7,627
Cash flow for the period	-2,873	-2,022
Cash and cash equivalents at the beginning of the period	4,118	6,140
Cash and cash equivalents at the end of the period	1,245	4,118

NOTES

Note 1 Accounting and valuation principles

GENERAL INFORMATION

The Annual Report has 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.

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.

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. After a game started its depreciation, additional costs classified as development costs will be capitalized.

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	5-7 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

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. When the Company has established warrant programs for employees and board members, then the Black & Scholes model calculation priced 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. Currently there are no active warrant programs.

The 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.

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 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 its company in Sweden. 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 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.

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.

Audit engagement	2025	2024
Öhrlings PricewaterhouseCoopers AB	80	310
Fineasity AB	150	-
	230	310

Note 4 Employee and personnel costs

	2025	2024
Average number of employees	7	8
	7	8
Salaries and other remuneration¹		
CEO	550	66
Board members (4)	-	83
Bonuses and similar remuneration to the Board of Directors and CEO	-	-
Other employees	2,560	3,072
	3,110	3,221
Social security contributions		
Pension costs for the Chief Executive Officer	30	18
Pension costs for board members (4)	-	-
Pension costs for other employees	123	146
Other social security contributions according to law and agreement	1,014	1,052
	1,166	1,216
Total salaries, remuneration, social security contributions and pension costs	4,276	4,436

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

Note 5 Remuneration of the CEO and Board of Directors¹

	2025	2024
Rade Prokopovic, CEO. Board member since 24-05-14	580	84
Claes Wentzel, Chair of the Board until 24-05-14	-	31
Annette Colin, board member until 24-05-14	-	17
Daniel Somos, board member. Chairman since 24-05-14	-	17
Stefan Janse, board member	-	17
Hanif Bali, board member since 24-05-14	-	-
	580	167

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

Note 6 Result from interests in Group companies

	2025	2024
Dividends	696	-
Profits and losses on disposals	-	-
	696	-

Note 7 Capitalized expenses for development works and similar works

	2025-12-31	2024-12-31
Cost, opening balance	61,948	53,049
Purchases	4,815	8,899
Sales and disposals		
Accumulated cost, closing balance	66,762	61,948
Depreciation, opening balance	-35,062	-23,985
Sales and disposals		
Depreciation for the year	-11,674	-11,077
Accumulated depreciation, closing balance	-46,736	-35,062
Opening impairment	-6,298	-6,298
Impairments for the year		
Accumulated impairment, closing balance	-6,298	-6,298
Closing carrying amount	13,729	20,589

Note 8 Equipment, tools, and installations

	2025-12-31	2024-12-31
Cost, opening balance	1,035	1,035
Purchases	-	-
Accumulated cost, closing balance	1,035	1,035
Depreciation, opening balance	-654	-459
Depreciation for the year	-196	-196
Accumulated depreciation, closing balance	-850	-654
Closing carrying amount	185	381

Note 9 Other long-term receivables

	2025-12-31	2024-12-31
Cost, opening balance	-	7
Additional receivables	-	-
Accumulated cost, closing balance	-	-7
Closing carrying amount	-	-

Note 10 Adjustment for items not included in the cash flow

	2025-12-31	2024-12-31
Depreciation	11,870	11,273
Impairments	-	-
Translation differences	-	-
	11,870	11,273

Note 11 Interests in Group companies

	2025-12-31	2024-12-31
Cost, opening balance	0	0
Sales ¹	0	-
Accumulated cost, closing balance	-	0
Closing carrying amount	-	0

1) The Serbian subsidiary SOZAP DOO was sold on 1 December 2025. As a result, only the parent company SOZAP AB remains, and the SOZAP Group has ceased to exist.

Note 12 Equity – number of shares

	2025-12-31	2024-12-31
Number, value at beginning of the year	22,238,211	11,361,120
New share issue	-	10,877,091
Number, value at year-end	22,238,211	22,238,211

Note 13 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 2024-12-31	Number of shares that can be subscribed for under the warrant programs (maximum), per 2025-12-31
Series 2020/2023:1	60,500	53,500	16.25	0	0
Series 2020/2023:2	13,000	13,000	18.46	0	0
Series 2021/2024:1	150,000	-	-	0	0
Series 2021/2024:2	120,000	120,000	16.00	0	0
	283,000	133,000	n.a.	0	0
				Of which outstanding as of 2025-12-31:	0

All subscription warrants expired during 2024 without having been exercised. No new warrants have been issued during 2025.

Note 14 Pledged assets

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

Note 15 Significant events after the end of the financial year

2 February: SOZAP publishes a CEO statement in which the company's CEO, Rade Prokopovic, announces that the company plans to raise capital through two smaller share issues. The capital requirement is significantly lower than before, due to a streamlined organization, strict cost control, and a more focused business model. The CEO further states that he supports the plan for the share issues and will participate in them personally.

Note 16 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.

THE BOARD'S ASSURANCE

The Annual Report was decided on 1 April 2026.

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, on the day of the electronic signature

Daniel Somos

Chair of the Board

Stefan Janse

Board member

Hanif Bali

Board member

Rade Prokopovic

CEO & Board member

My auditor's report was issued on April 1, 2026

Fineasity AB

Ben Mahajerzadeh-Heidari

Chartered Accountant

BOARD OF DIRECTORS



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:

965,132 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:

65,000 shares.

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



HANIF BALI (1987)

Board member since 2024

Education: -

Other ongoing assignments:

Board member and CEO of Syndikatet Payments AB.
Board member of Myaya AB and Baliborg AB.

Shareholding:

51,337 shares.

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



RADE PROKOPOVIC (1982)

Grundare. Styrelseledamot sedan 2024 och VD sedan 2019

Education:

Business IT, Nackakademin.

Other ongoing assignments:

Chairman of Camicamina AB, KONG REAL ESTATE AB, SUPERSPACE AB, MAGNAMETA AB and within the SOZAP group together with other assignments. Board member of PRORAD AB.

Shareholding:

6,299,714 shares.

MANAGEMENT



RAĐE PROKOPOVIĆ (1982)

Position: *VD*

Education: Business IT, Nackakademin.

Employed in SOZAP since 2016

Shareholding: 6,299,714 shares



KRISTOFER BOMAN (1983)

Position: *CTO*

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

Employed in SOZAP since 2015

Shareholding: 284,610 shares



JACOB CHRSTIANSON (1987)

Position: *CPO*

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

Employed in the Group since 2015

Shareholding: 171,386 shares



DANIEL EKSTRAND (1981)

Position: *CFO*

Education: MBA, MSc, Stockholm School of Economics.

Working for the Group since 2022

Shareholding: 734,591 shares

LIST OF DEFINITIONS

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

CREATIVELY TOGETHER STRONG

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