

Interim report October–December 2022

Net revenue for the quarter amounted to MSEK 412.6 and the full year to MSEK 1,138.3, a substantial increase from the corresponding periods in 2021 driven by the acquisitions that took place in 2021. On a proforma basis, full year revenue came in 8.9 percent below the corresponding period in 2021 which was favorably impacted by exceptionally strong releases, but in line with expectations.

HIGHLIGHTS DURING THE FOURTH QUARTER

- Modus Games announced the release date for owned IP God of Rock alongside a new gameplay trailer
- Modus Games in collaboration with Pixile Studios launched Super Animal Royale Season 6
- Merge Games and Dimfrost Studio revealed 'Bramble: The Mountain King's demo on PlayStation®5 as part of PlayStation's Demo Festival
- Modus Games and inhouse studio Mane6 released owned IP Them's Fightin' Herds on consoles
- Modus Games in collaboration with 314 Arts announced Projekt Z, a first-person co-op zombie shooter game

HIGHLIGHTS AFTER THE FOURTH QUARTER

- MG1 Acquisition Corporation, the US affiliate of Zordix has secured a \$30 million USD senior credit facility. The U.S. based facility has a maturity of 36 months and will be used to refinance existing debt, investment in owned IP games, and to pursue accretive acquisitions
- Zordix launched Maximum Entertainment as a strategically realigned global entertainment company with differentiated inhouse publishers and a newly restructured development division, Modus Studios. The company also presented a new corporate identity, a roadmap of upcoming releases and the planned acquisition of the assets of FUN Labs, a development studio based in Romania

KEY FIGURES OF THE GROUP

| KSEK | Oct–Dec 2022 | Oct–Dec 2021 | Full year 2022 | Full year 2021 |
|---|--------------|--------------|----------------|----------------|
| Operational key figures¹⁾ | | | | |
| Net revenue | 412 624 | 260 201 | 1 138 271 | 462 866 |
| EBITDA | 35 857 | 51 117 | 96 685 | 71 541 |
| Operational EBIT | 21 265 | 33 998 | 68 468 | 50 552 |
| EBIT | - 29 868 | 21 865 | - 64 448 | 21 272 |
| EBITDA margin, % | 8.7 | 19.6 | 8.5 | 15.5 |
| Operational EBIT margin, % | 5.2 | 13.1 | 6.0 | 10.9 |
| EBIT margin, % | - 7.2 | 8.4 | - 5.7 | 4.6 |
| Other key figures | | | | |
| Balance sheet total | 1 725 101 | 1 672 169 | 1 725 101 | 1 672 169 |
| Equity | 690 215 | 717 290 | 690 215 | 717 290 |
| Outstanding shares | 42 866 231 | 40 484 515 | 42 866 231 | 40 484 515 |
| Average number of shares | 42 866 231 | 34 048 559 | 41 675 373 | 29 720 779 |
| Net profit or loss per share, SEK | -1.63 | 0.42 | -1.92 | -0.04 |
| Equity per share, SEK | 16 | 18 | 16 | 24 |
| Equity ratio, % | 40 | 43 | 40 | 43 |
| Number of employees | 215 | 196 | 215 | 196 |

413 MSEK

Net revenue

36 MSEK

EBITDA

8.7 %

EBITDA margin

Words from our CEO



... Zordix is ready for a new chapter ...

Zordix posted net revenues of MSEK 412.6 this quarter (compared to MSEK 260.2 in 2021) and MSEK 1,138.3 for the full year 2022, a proforma decrease of 8.9 percent over the previous year which was favorably impacted by exceptionally strong releases.

EBITDA this quarter amounted to MSEK 35.9. For the full year 2022, EBITDA amounted to MSEK 96.7, or 8.5 percent of net revenue, a 36.5 percent proforma decrease in comparison with the same period of last year. The gross profit percentage expanded in 2022 to 32.7 percent of revenues compared to 31.6 percent in 2021. This is consistent with our strategy of prioritizing margin expansion from operational efficiencies and growth in our owned IP. The decrease in EBITDA is due to exceptionally strong releases in Q4 2021 with Kena: Bridge of Spirits and Among Us and not any systemic issues with the current business. The macroeconomic environment has been challenging in 2022 for the whole industry. But, Zordix met our internal goals of strong EBITDA and margin expansion even with the softer year and the focus on establishing a foundation for the future of our owned IP.

In 2022, our organization underwent significant changes which were both exciting and challenging. The Zordix group of companies, studios, and publishers transformed from separate entities to operating as an integrated company with shared future goals and a unified roadmap. We delivered a financial result within our own expectations for the year while restructuring our business for cross-functionality and efficiency.

During 2022, we saw great success in transmedia with several creative collections, including Five Nights at Freddy's: Security Breach - Collectors Edition, Sifu Collectors Edition and more. Our collectors editions and videogame soundtrack vinyl releases have proven popular among gamers and are great margin contributors. The original soundtracks of popular games such as Plague Tale: Requiem, Teenage Mutant Ninja Turtles: Shredder's Revenge and Resident Evil Village captured and entertained fans of all ages.

Overall sales in Q4 performed according to our internal forecast and met expectations. We have seen a boost in revenue from our live service games, such as Them's Fightin' Herds and Super Animal Royale with growing

communities and are looking forward to upcoming seasons and new character drops. The back catalog provided stability to revenue with key performing titles such as Kena: Bridge of Spirits, 30 in 1 Games Collection and Spirit of the North. Post Q4, we announced dates of our upcoming releases, such as Smalland: Survive the Wilds launching into early access on March 29 and Bramble: The Mountain King releasing on April 27.

Today, I am proud to lead the new Maximum Entertainment, our new fully integrated global entertainment company. This company covers the entire value chain of video games spanning development, publishing, life cycle management, and transmedia. Our development studios have been integrated and are fully deployed creating compelling and commercially viable games. Our publishing labels have been focused to create a breadth of revenue reach across multiple sectors and genres. We have evolved from a small player in the gaming industry, with an estimated net revenue of 10 million SEK at the entry of 2021, to a comprehensive global entertainment company reaching a leadership position in the triple-I to double-A video game market.

By 2025, we have set ourselves another challenging target, to increase IP ownership revenue to 30 percent of overall revenue. Additionally, we plan to expand the universe of our games above and beyond the platform by bringing collectors editions and game-related merchandise to grow our transmedia revenue. Our unified roadmap has a distinctive focus on live service games, with a greater emphasis on fighting and sports simulation, areas where we already have a clear advantage.

The industry changes in 2022 were good timing for Zordix. It allowed us to focus on our future and establish a strong foundation for the growth of our owned IP and studio capabilities for years to come. As we look at 2023 and beyond with Maximum Entertainment, we are now in a position to deliver magic to the gamer in everyone.

Christina Seelye, CEO

INCOME STATEMENT

Comments

NET REVENUE

During the fourth quarter of 2022, net revenue amounted to KSEK 412 624 (260 201). For the current quarter, the Group's companies Just For Games, Merge Games and Maximum Games, together with its subsidiaries, are included in the current period, whereas in the comparison period 2021 Maximum Games were only partially included.

CAPITALIZED DEVELOPMENT

An important part of the Group's strategy is continued development of its own games, which are expected to generate future positive cash flows. The Group's studios are therefore continuing to work on the pipeline of IPs according to our roadmap. Capitalized development for the period amounted to KSEK 25 807 (20 180).

OPERATING COSTS

Cost of goods sold (which includes manufacturing cost and royalties) at the end of the period amount to KSEK 309 705 (180 681). The increase is consistent with growth of revenue for that period.

Personnel cost increase for the period is explained by the addition of new subsidiaries to the Group that took place during 2021 and growth of our development studio.

Amortization of goodwill amounted to KSEK 29 070 (12 133). This is a result of the acquisition goodwill built up over 2021 and amortized over 10 years.

OPERATING INCOME (EBIT)

Operating income for the current quarter was KSEK -29 868 (21 865). The Group's EBIT is affected by the amortization of goodwill and the write-down of intangible assets related to deprioritized projects.

The Group's operational EBIT, a metric giving a more accurate picture of the performance of the company, was KSEK 21 265 (33 998)

FINANCIAL ITEMS

The Group's financial items for the current quarter amounted to KSEK -33 371 (-29). The change is in large part explained by impact of exchange rate fluctuations.

RESULT FOR THE PERIOD

Net result for the quarter amounted to KSEK -70 003 (14 276).

21.3 MSEK

Operational EBIT

5.2%

Operational EBIT margin

CASH FLOW AND FINANCIAL POSITION

Comments, cont.

CASH FLOW

Cash flow from operating activities during the period amounted to KSEK 65 799 (52 241) of which KSEK 91 672 came from improvement of the working capital.

Cash flow from investment activities during the period amounted to KSEK - 54 277 (-186 498), chiefly driven by investments in games.

Cash flow from financing activities during the period amounted to KSEK 10 497 (247 081). Cash balance at end of period amounted to KSEK 100 510 (163 107).

FIXED ASSETS

The Group's fixed assets as of the balance sheet date amounted to KSEK 1 202 627 (1 087 973). The post, which mainly consists of consolidated goodwill, is explained by the acquisitions made in 2021. It also includes the Group's investments in its own IPs (KSEK 175 870), such as Bramble, Smalland, Big Truck Country Mud Fest, Project Velos and Maximum Football.

CURRENT ASSETS

Inventories of physical games and accessories stood as of the balance sheet date at KSEK 155 038 (125 665). Account receivables as of the balance sheet date stood at KSEK 205 949 (240 154).

EQUITY

The Group's equity, as of the balance sheet date, amounted to KSEK 690 215 (717 290). The post is explained by the new issue of shares in connection with acquisitions during 2021, as well as earnings for the periods in which the Group owned and managed the operations of its subsidiaries.

PROVISIONS

Provisions at the end of the period amounted to KSEK 486 396 (495 374). It consists mainly of deferred considerations related to acquisitions. These may fall due for payment during the period 2023-2025 in the form of shares and cash. Provisions reflect group management's assessment of probable outcome. These are evaluated continuously and revised if indications of an outcome other than previous estimates are deemed more likely.

NON-CURRENT LIABILITIES

Non-current liabilities mostly consist of liabilities to credit institutions included as part of the Group's financing strategy.

CURRENT LIABILITIES

Current liabilities are mostly attributable to the short-term portion of the long-term debt (KSEK 109 952) and outstanding accounts payable and accruals.

1.7 BSEK
Assets

40%
Equity ratio

THE GROUP

Income statement

| KSEK | Oct-Dec 2022 | Oct-Dec 2021 | Full year 2022 | Full year 2021 |
|---|-----------------|----------------|------------------|----------------|
| Operating income | | | | |
| Net revenue | 412 624 | 260 201 | 1 138 271 | 462 866 |
| Capitalized development | 25 807 | 20 180 | 55 207 | 51 687 |
| Other operating income | - | 656 | 614 | 3 318 |
| Total income | 438 431 | 281 036 | 1 194 091 | 517 870 |
| Operating costs | | | | |
| Cost of goods sold | - 309 705 | - 180 681 | - 821 434 | - 337 979 |
| Other external costs | - 42 453 | - 27 192 | - 115 312 | - 50 096 |
| Personnel costs | - 39 822 | - 21 286 | - 153 074 | - 55 809 |
| Depreciation and amortization of intangible and tangible fixed assets | - 65 725 | - 29 252 | - 161 133 | - 50 269 |
| Other operating expenses | - 10 595 | - 760 | - 7 587 | - 2 445 |
| Operating income (EBIT) | - 29 868 | 21 865 | - 64 448 | 21 272 |
| Financial items | | | | |
| Financial net | - 33 371 | - 29 | 2 931 | - 4 215 |
| Result after financial items | - 63 239 | 21 836 | - 61 517 | 17 057 |
| Income before tax | | | | |
| Tax for the period | - 6 764 | - 7 561 | - 18 648 | - 18 169 |
| Result for the period | - 70 003 | 14 276 | - 80 165 | - 1 112 |
| Relating to | | | | |
| Shareholders of the parent company | - 70 003 | 14 276 | - 80 152 | - 1 091 |
| Non-controlling interest | - | - | - 12 | - 21 |

THE GROUP

Balance sheet

| KSEK | 2022-12-31 | 2021-12-31 |
|---|------------------|------------------|
| Assets | | |
| Intangible fixed assets | | |
| Capitalized expenditure for game development and similar work | 175 870 | 94 434 |
| Licenses and trademarks | 6 418 | 820 |
| Goodwill | 1 007 781 | 980 010 |
| Total intangible fixed assets | 1 190 069 | 1 075 264 |
| Tangible fixed assets | | |
| Equipment, tools, fixtures and fittings | 11 185 | 7 617 |
| Total tangible fixed assets | 11 185 | 7 617 |
| Financial fixed assets | | |
| Deferred tax assets | 883 | 1 177 |
| Other non-current receivables | 491 | 3 916 |
| Total fixed assets | 1 202 627 | 1 087 973 |
| Current assets | | |
| Inventories | 155 038 | 125 665 |
| Accounts receivable | 205 949 | 240 154 |
| Tax assets | 5 445 | 670 |
| Other receivables | 6 791 | 20 374 |
| Prepayments and accrued income | 48 741 | 34 226 |
| Cash and bank | 100 510 | 163 107 |
| Total current assets | 522 474 | 584 196 |
| TOTAL ASSETS | 1 725 101 | 1 672 169 |

THE GROUP

Balance sheet, cont.

| KSEK | 2022-12-31 | 2021-12-31 |
|--|------------------|------------------|
| Equity and liabilities | | |
| Equity | | |
| Share capital | 4 287 | 4 048 |
| Other contributed capital | 746 000 | 700 248 |
| Capitalized income including net result for the period | - 60 071 | 12 990 |
| Equity relating to shareholders of the parent company | 690 215 | 717 287 |
| Non-controlling interest | - | 4 |
| Total equity | 690 215 | 717 290 |
| Provisions | | |
| Deferred tax liabilities | 2 494 | 3 711 |
| Other provisions | 483 902 | 491 663 |
| Total provisions | 486 396 | 495 374 |
| Non-current liabilities | | |
| Other liabilities to credit institutions | 44 012 | 31 223 |
| Other non-current liabilities | 32 145 | 36 788 |
| Total non-current liabilities | 76 157 | 68 012 |
| Current liabilities | | |
| Liabilities to credit institutions | 109 952 | 80 352 |
| Accounts payable | 151 258 | 113 436 |
| Tax liabilities | 17 558 | 8 697 |
| Other current liabilities | 128 977 | 42 013 |
| Accruals and deferred income | 64 589 | 146 996 |
| Total current liabilities | 472 334 | 391 493 |
| TOTAL EQUITY AND LIABILITIES | 1 725 101 | 1 672 169 |

THE GROUP

Changes in equity

| KSEK | Share capital | Other contributed capital | Other equity incl. net result for the period | Non-controlling influence | Total equity |
|-----------------------------------|---------------|---------------------------|---|---------------------------|----------------|
| Opening balance 2021-01-01 | 1 896 | 69 385 | 5 970 | 23 | 77 274 |
| New issue (net after issue costs) | 2 152 | 629 789 | | | 631 941 |
| Repurchase warrants | | - 68 | | | - 68 |
| Profit for the period | | | - 1 091 | - 21 | - 1 112 |
| Recalculation difference | | | 8 095 | | 8 095 |
| Other | | 1 142 | 16 | 2 | 1 160 |
| Equity 2021-12-31 | 4 048 | 700 248 | 12 990 | 4 | 717 290 |
| Opening balance 2022-01-01 | 4 048 | 700 248 | 12 990 | 4 | 717 290 |
| New issue (net after issue costs) | 238 | 45 773 | | | 46 011 |
| Repurchase warrants | | -22 | | | -22 |
| Profit for the period | | | - 80 152 | - 4 | - 80 156 |
| Recalculation difference | | | 7 091 | | 7 091 |
| Other | | | | | - |
| Equity 2022-12-31 | 4 287 | 746 000 | - 60 071 | - | 690 215 |

THE GROUP

Cash flow analysis

| KSEK | Oct-Dec 2022 | Oct-Dec 2021 | Full year 2022 | Full year 2021 |
|--|-----------------|------------------|------------------|------------------|
| Result after financial items | - 63 239 | 21 836 | - 61 517 | 17 057 |
| Adjustments for items not included in cash flow | 58 405 | 35 647 | 114 561 | 56 661 |
| Income tax paid | - 5 845 | - 3 331 | - 15 484 | - 7 634 |
| Cash flow from operating activities before changes in working capital | -10 679 | 54 153 | 37 560 | 66 085 |
| Change in working capital | 96 036 | - 1 912 | - 8 201 | - 59 455 |
| Cash flow from operating activities | 85 357 | 52 241 | 29 359 | 6 630 |
| Net investments in acquired companies | 30 | - 155 407 | 30 | - 251 835 |
| Net investments in intangible assets | - 54 957 | - 29 496 | - 129 674 | - 61 000 |
| Net investments in tangible assets | - 264 | 260 | - 6 599 | - 117 |
| Net investments in financial assets | 913 | - 1 854 | 3 425 | - 3 870 |
| Cash flow from investing activities | - 54 277 | - 186 498 | - 132 817 | - 316 823 |
| Cash flow from financing activities | -9 062 | 247 081 | 27 966 | 435 797 |
| Cash flow for the period | 22 018 | 112 824 | - 75 492 | 125 604 |
| Cash at the beginning of the period | 64 725 | 50 066 | 163 107 | 37 332 |
| Translation difference in cash and cash equivalents | 13 767 | 218 | 12 895 | 172 |
| Cash at the end of the period | 100 510 | 163 107 | 100 510 | 163 107 |

THE PARENT COMPANY

Income statement

| KSEK | Oct-Dec 2022 | Oct-Dec 2021 | Full year 2022 | Full year 2021 |
|---|-----------------|-----------------|-----------------|-----------------|
| Operating income | | | | |
| Net revenue | 7 699 | 9 837 | 9 144 | 10 976 |
| Capitalized development | - | 3 873 | - | 19 726 |
| Other operating income | - | 591 | 376 | 2 328 |
| Total income | 7 699 | 14 301 | 9 520 | 33 030 |
| Operating costs | | | | |
| Cost of goods sold | - 4 774 | - 3 253 | - 13 162 | - 21 426 |
| Other external costs | - 3 246 | - 13 666 | - 4 440 | - 20 364 |
| Personnel costs | - 5 307 | - 3 684 | - 15 199 | - 17 758 |
| Depreciation and amortization of fixed assets | - 70 | -14 311 | - 189 | - 16 813 |
| Other operating expenses | 8 429 | 755 | - | - 10 |
| Operating income (EBIT) | - 14 126 | - 19 858 | - 23 470 | - 43 341 |
| Financial items | | | | |
| Financial net | 53 892 | -4 020 | 58 277 | - 8 205 |
| Result after financial items | 39 766 | -23 878 | 34 807 | - 51 546 |
| Appropriations and tax | | | | |
| Changes in amortization fund | - | 843 | - | 843 |
| Tax on profit for the period | - | 174 | - | 174 |
| Result for the period | 39 766 | - 22 861 | 34 807 | - 50 530 |

Note: Effective 1 January 2022 Zordix AB completed a business transfer whereby assets and personnel related to the game development and operations of Zordix AB were transferred to a newly formed entity, Zordix Racing AB. As a result, comparisons to previous periods are not like for like.

THE PARENT COMPANY

Balance sheet

| KSEK | 2022-12-31 | 2021-12-31 |
|--|------------------|----------------|
| Assets | | |
| Fixed assets/Intangible fixed assets | | |
| Capitalized development | - | 38 214 |
| Licenses and trademarks | 902 | 646 |
| Total intangible fixed assets | 902 | 38 859 |
| Tangible fixed assets | | |
| Equipment, tools, fixtures and fittings | - | 613 |
| Total tangible fixed assets | - | 613 |
| Financial fixed assets | | |
| Investments in subsidiaries | 526 491 | 482 915 |
| Other non-current receivables from group companies | 457 272 | 386 219 |
| Total fixed assets | 984 665 | 908 605 |
| Current receivables | | |
| Accounts receivable | 179 | 882 |
| Receivable from group companies | 6 128 | - |
| Tax assets | 609 | - |
| Other receivables | 2 183 | 781 |
| Prepayments and accrued income | 23 116 | 1 852 |
| Cash and bank | - | 39 266 |
| Total current assets | 32 215 | 42 781 |
| TOTAL ASSETS | 1 016 880 | 951 386 |

THE PARENT COMPANY

Balance sheet, cont.

| KSEK | 2022-12-31 | 2021-12-31 |
|--|------------------|----------------|
| Equity and liabilities | | |
| Equity | | |
| <i>Restricted equity</i> | | |
| Share capital | 4 287 | 4 048 |
| Share issue under registration | - | - |
| Development fund | - | 38 214 |
| <i>Unrestricted equity</i> | | |
| Share premium fund | 746 000 | 699 174 |
| Retained earnings | - 49 929 | - 37 443 |
| Result for the period | 34 807 | - 50 530 |
| Total equity | 735 164 | 653 464 |
| Tax-free reserves | | |
| Amortization funds | - | - |
| Total tax-free reserves | - | - |
| Provisions | | |
| Other provisions | 126 684 | 202 265 |
| Total provisions | 126 684 | 202 265 |
| Non-current liabilities | | |
| Other liabilities to credit institutions | - | 4 166 |
| Other non-current liabilities | - | 9 |
| Total non-current liabilities | - | 4 176 |
| Current liabilities | | |
| Liabilities to credit institutions | 67 101 | 64 978 |
| Accounts payable | 5 364 | 10 191 |
| Liabilities to group companies | 7 837 | 6 870 |
| Tax liabilities | - | 238 |
| Other current liabilities | 39 829 | 1 125 |
| Accruals and deferred income | 34 902 | 8 255 |
| Total current liabilities | 155 031 | 91 656 |
| TOTAL EQUITY AND LIABILITIES | 1 016 880 | 951 386 |

THE PARENT COMPANY

Changes in equity

| KSEK | Share capital | Development fund | Share premium fund | Other income incl. net result for the period | Total equity |
|-----------------------------------|---------------|------------------|--------------------|---|----------------|
| Opening balance 2021-01-01 | 1 896 | 34 809 | 69 385 | - 34 033 | 72 057 |
| New issue (net after issue costs) | 2 153 | | 629 789 | | 631 942 |
| Repurchase warrants | | | | - 4 | - 4 |
| Profit for the period | | | | - 50 530 | - 50 530 |
| Development expenditure fund | | 3 405 | | - 3 405 | - |
| Equity 2021-12-31 | 4 048 | 38 214 | 699 174 | - 87 973 | 653 464 |
| Opening balance 2022-01-01 | 4 048 | 38 214 | 699 174 | - 87 973 | 653 464 |
| New issue (net after issue costs) | 238 | | 46 826 | - 148 | 46 916 |
| Repurchase warrants | | | | - 22 | -22 |
| Profit for the period | | | | 34 807 | 34 807 |
| Development expenditure fund | | - 38 214 | | 38 214 | - |
| Equity 2022-12-31 | 4 287 | - | 746 000 | - 15 122 | 735 164 |

About Zordix

Zordix is a transnational developer and publisher dedicated to providing the global games market with the highest level of innovation, technology and creative ambition, through a growing family of brands.

The Group consists of five studios and four publishers and leverages each entity's unique capabilities and brand identities to deliver influential entertainment to gamers worldwide. Dimfrost Studio, Invictus Games, Mane6, Zordix Racing and Modus Studios make up the Zordix development branch, while Maximum Games, Merge Games, Modus Games, and Just For Games are global games publishers.

Studios

Dimfrost Studio

Game studio that develops adventure and strategy games for PC and console. Focused on storytelling and atmospheric environments inspired by Nordic folklore. The company is based in Norrköping, Sweden.



Invictus Games

Game studio focusing on high-quality design and game development for PC and console, as well as mobile platforms. The company is based in Debrecen, Hungary.



Zordix Racing

A game studio specialized in the design and development of racing games. Operations are conducted from offices in Umeå, Sweden.



Modus Studios

Include a number of game studios with broad expertise. Focus on AA games in genres such as sports simulation and fighting. Operations are in Walnut Creek, California, USA and Brasilia, Brazil.



Mane6

A part of Modus Studios. The studio is behind the game Them's Fightin' Herds® which is based on Lauren Faust's designs. The company is based in Walnut Creek, California, USA.



Headquartered in Umeå, Sweden, Zordix employs approximately 200 people across offices in US, Latin America, Sweden, France, UK, and Hungary. Through strategic acquisitions, leveraging its global infrastructure, and perpetually seeking inspired games to bring to market, Zordix continues to scale with the expanding games industry.

Publishers

Maximum Games

Full-service video game publisher for PC and console games. It includes the independent publisher Modus Games, and the development team Modus Studios and Mane6. The company is based in Walnut Creek, California, USA.



Modus Games

Global video game publishing and production company for all formats that focuses on creating high quality, long-lasting video game franchises. The company is based in Walnut Creek, California, USA.



Merge Games

Publisher and video game developer of PC and console games. It also includes the Signature Edition line-of-business, with sales of collectors' items within the premium segment. The office is located in Manchester, UK.



Just For Games

Publisher of own as well as licensed titles for PC and console. The leading partner for publishing services in France, offering both physical game publishing and retro products. The company is based in Paris, France.



Further information

Accounting principles

The interim report has been established in accordance with the Annual Accounts Act and BFNR 2012:1 Annual Report and Consolidated Accounts (K3 rules).

Related party transactions

The company's related party transactions consist of conventional trade between the group companies.

Organization and group structure

The Group's parent company, Zordix AB (publ), have holdings in subsidiaries according to the table below.

| Subsidiary | Shares in % |
|---|-------------|
| Dimfrost Studio AB | 100 |
| Invictus Games Ltd | 100 |
| Just For Games SAS | 100 |
| Merge Games Ltd | 100 |
| MG1 Acquisition Corporation Inc ¹⁾ | 100 |
| Zordix Racing AB | 100 |

1) Holding company that acquired MG Teams Inc and Maximum Games Inc, along with their respective subsidiaries.

Certified Adviser

Augment Partners AB, phone: +46 8 604 2255, is the Company's Certified Adviser in accordance with the regulations for Nasdaq First North.

Financial calendar

| | |
|------------------------|------------|
| Annual report 2022 | 2023-04-25 |
| Interim report Q1 2023 | 2023-05-17 |
| AGM | 2023-05-24 |
| Interim report Q2 2023 | 2023-08-16 |
| Interim report Q3 2023 | 2023-11-15 |
| Interim report Q4 2023 | 2024-02-14 |

The Board of Directors proposes that no dividend is due for 2022.

Contact information

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Augment Partners AB, CA, info@augment.se

Definitions

Zordix or the Company

Refers to Zordix AB (publ), company registration number 556778-7691, or the Group or companies in the Group in which Zordix is the Parent Company.

EBITDA

Operating income before depreciation and amortization.

EBITDA margin

EBITDA as a percentage of net revenue.

EBIT

Operating income.

EBIT margin

EBIT as a percentage of net revenue.

Operational EBIT

Operating income excluding amortization of acquisition-related goodwill and non-recurring items.

Number of employees

Number of employees at the end of the period.

Equity ratio

Equity expressed as a percentage of balance sheet total.

The Board's assurance

The Board of Directors and the CEO confirm that this interim report provides a true and fair view of the group's and the parent company's operations, position and performance.

Umeå, February 22, 2023

Stefan Lindeberg – Chairman of the Board

Matti Larsson – Director

Stefan Lampinen – Director

David Eriksson – Director

Christina Seelye – CEO

This quarterly report has not been subject to review by the group's auditor.