MAXIMUM ENTERTAINMENT

MAXIMUM ENTERTAINMENT AB
Org nr 556778-7691

ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR 2024

CONTENTS

STRENGTHENING OUR FOUNDATION FOR LONG-TERM GROWTH

2024 was a year of major change for Maximum Entertainment — one marked by significant challenges, important milestones, and a reassessment of where we create the most value.

Throughout these changes, our games continued to entertain and attract players. Titles like Until Then, Squirrel with a Gun, and Smalland: Survive the Wilds, along with new sub-publishing titles like Poppy Playtime Triple Pack and Cat Quest Trilogy demonstrated that we can successfully identify, launch, and support games that resonate with players and generate returns, even in difficult circumstances. I believe in the potential of a more focused portfolio — one built around great content, high-impact partnerships, and efficient execution.

When I stepped into the CEO role on October 1st, I set out four immediate priorities:

- **Enforce stronger cost control**
- **Improve our balance sheet**
- **Finance the development of our core IPs**
- **Leverage our international distribution network**

These priorities shaped every decision made in Q4 and, as a result, we are positioned to deliver a more sustainable 2025.

BUILDING ON WHAT WORKS

Despite a global headcount reduction of nearly 42% at the end of 2024 compared to 2023, our teams proved their ability to execute under pressure and deliver on a diverse range of projects. The successes we had during the year exemplify what we aim to replicate going forward: sound greenlighting, fast execution, and long-term player value. Whether through internal development or external partnerships, we are prioritizing projects that can deliver results quickly and consistently.

ADDRESSING CHALLENGES

2024 marked a watershed moment in MaxEnt's history, as our cash and debt situation, exacerbated by conflict around Earn-Out payments, led us to make changes that triggered default events with our principal financing partners. The US subsidiary Maximum Entertainment, LLC is in breach of loan covenants at the end of Q3 and Q4 2024. As previously disclosed on April 1, Maximum Entertainment, LLC received a notice of default under loan agreements with Cathay Bank. We remain in ongoing discussions with our lenders and continue to explore the possibility of a resolution. At this time, the outcome is uncertain.

In addition to discussions with our lenders, we are also actively addressing several outstanding issues, including legal disputes with former executives and directors. Arbitration proceedings with Maximum Entertainment's former CEO and COO regarding claimed earn-out entitlements following the 2021 merger are expected to continue through 2025. As previously disclosed, we are disputing the basis of these claims through formal legal channels.

POSITIONED TO FACE CHALLENGES

The foundation we have laid — by streamlining our structure and clarifying our strategy — will be key to face these challenges in 2025. While the ongoing market turmoil brings uncertainty to the industry, the launch of the Nintendo Switch 2 and a robust pipeline of AAA titles on the horizon promises exciting market opportunities ahead. More importantly, we have the people and the partners to capitalize on them.

Our upcoming roadmap includes Maximum Football, Bye Sweet Carole, How to Escape 2, Projekt Z, additional content for Smalland, and more. We are focused on delivering these projects with disciplined resource allocation, while continuing to support our live games and catalog.

We are entering 2025 with a leaner organization, a sharper strategy, and a renewed commitment to delivering great games as we continue to rebalance our financial structure while working to deliver profits and cash returns going forward.

PHILIPPE COHEN | CEO

GENERAL INFORMATION AND INFORMATION ABOUT SHARES OF THE PARENT COMPANY

Maximum Entertainment AB, with its registered offices in Stockholm, Sweden, is the ultimate parent company of the group.

Maximum Entertainment Series B shares were listed on NGM Nordic SME in November 2018 at a subscription price of SEK 5.90. In 2021, the company switched trading venues to Nasdaq First North Growth Market. The share capital shall amount to a minimum of SEK 1,800,000 and a maximum of SEK 7,200,000 divided into a minimum of 18,000,000 shares and a maximum of 72,000,000 shares.

The A-shares of Maximum Entertainment may not exceed 2,000,000 shares, which are only kept private.
The number of B-shares may amount to a maximum of 70,000,000 shares. As of the balance sheet date, the share capital amounted to SEK 5,111,015.20 divided into 51,110,152 shares. The quota value is SEK 0.10 per share. All shares of Maximum Entertainment are denominated in Swedish kronor (SEK) and are issued in accordance with Swedish law. All issued shares are fully paid and freely transferable.

Owners with Significant Influence

According to the register of owners established by Euroclear, as of December 31, 2024, Maximum Entertainment had 3,001 shareholders. Below is an account of the top 10 shareholders ranked by voting rights.

Name	Maximum Entertainment A	Maximum Entertainment B	Capital	Votes
Christina Seelye	1,000,000	6,369,954	14.42%	23.69%
Avanza Pension		6,894,438	13.49%	9.98%
Matti Larsson	500,000	1,643,500	4.19%	9.61%
Philippe Cohen		6,562,651	12.84%	9.50%
Game Fund Partners Group LLC	500,000	100,00	1.17%	7.38%
Viktor Vallin		2,031,671	3.98%	2.94%
Knutsson Holdings AB		2,000,000	3.91%	2.89%
Joanne Keighran		1,756,187	3.44%	2.54%
Luke Keighran		1,756,187	3.44%	2.54%
David Wallsten		1,750,000	3.42%	2.53%
Other shareholders		18,245,564	35.70%	26.40%
Total	**2,000,000**	**49,110,152**	**100.00%**	**100.00%**

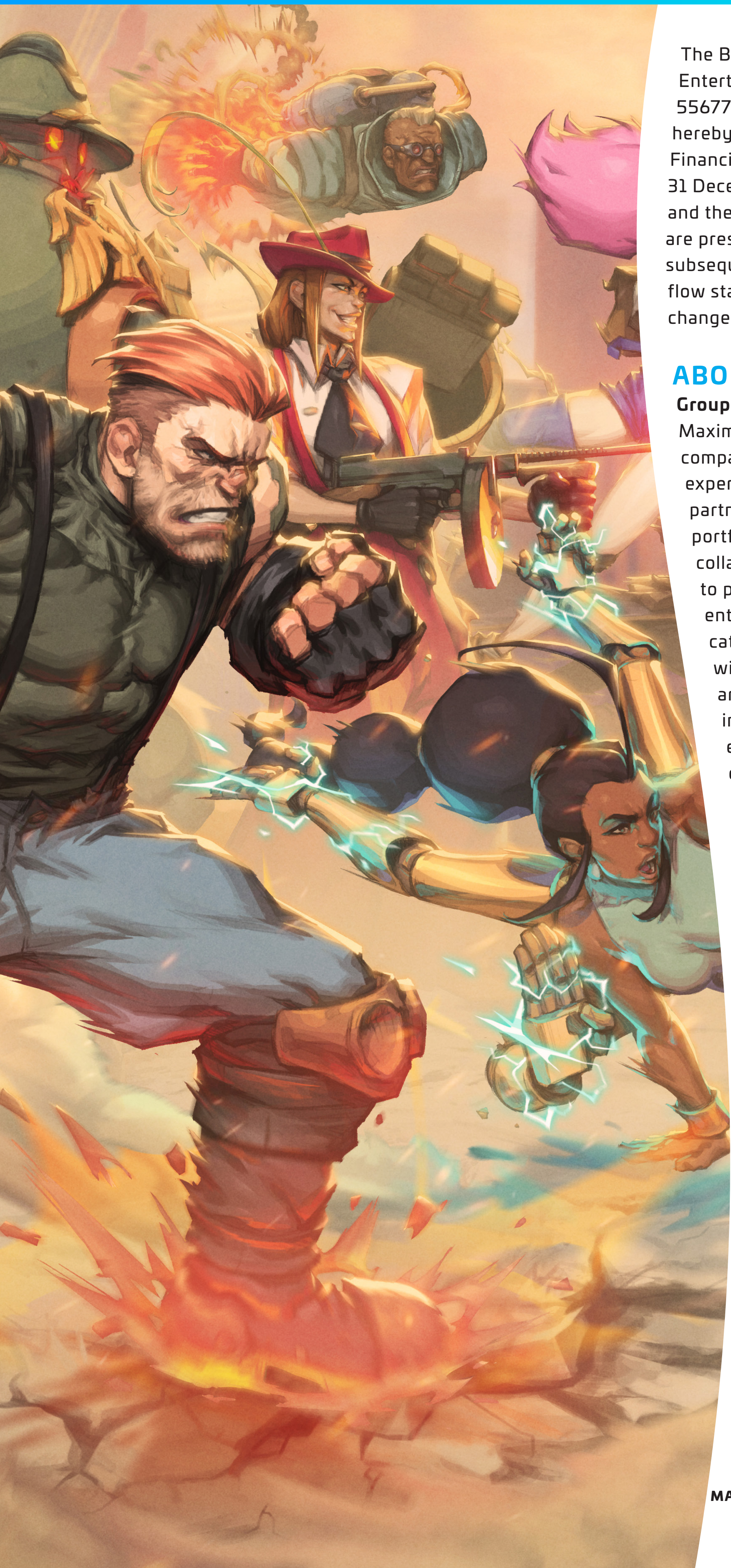
Dividend Policy

Maximum Entertainment has no adopted dividend policy. All decisions regarding dividends are based on the company's profitability, future development and acquisition opportunities as well as financial position.

Central Management of Securities

Maximum Entertainment is connected to Euroclear's account-based securities system in accordance with the Act (1998:1479) on central securities depositories and the accounting of financial instruments. This register is maintained by Euroclear. No share certificates have been issued for the Company's shares. The account operator is Euroclear.

DIRECTOR'S REPORT



The Board of Directors and the CEO of the Maximum Entertainment AB (publ), company registration number 556778-7691, registered office in Stockholm, Sweden, hereby submits the Annual Report and Consolidated Financial Statements for the financial year 1 January – 31 December 2024. The results of the year's operations and the position of the parent company and the Group are presented in the Board of Directors' Report and subsequent income statements and balance sheets, cash flow statements, comprehensive income statements, changes in equity and notes with additional information.

ABOUT THE BUSINESS

Group Core Operations

Maximum Entertainment is a global entertainment company dedicated to crafting indie to AA video game experiences through original content and licensed partnerships. A fully integrated group with a broad portfolio of content, the company emphasizes collaboration and inclusivity in its partnerships to produce the highest level of interactive entertainment. With more than 300 titles in its catalog, Maximum Entertainment has joined forces with talented creators and renowned franchises around the globe to deliver magic to the gamer in everyone. Maximum Entertainment employs experienced professionals across the entire value chain of video games including development, publishing, transmedia, sales, and operations. Maximum Entertainment is headquartered in Stockholm and is a public company with company registration number 556778-7691.

Parent Company Operations

Maximum Entertainment AB (publ) is the ultimate parent company of the Group and its shares are listed on Nasdaq First North Growth Market with the short name "MAXENT B". Its main operations consist of investment and administration of its internal development studios and publishing units to bring video games to PC and console.

SIGNIFICANT EVENTS

DURING THE YEAR

Game Launches and Updates

- Smalland: Survive the Wilds 1.0 launch
- Hammerwatch II launch
- Whisker Waters launch
- Morbid: The Lords of Ire launch
- Sunnyside launch
- Until Then launch
- Squirrel with a Gun launch
- Selfloss launch
- Wild Bastards launch
- Maximum Football Steam Early Access and Game Preview launch
- Diesel Legacy: The Brazen Age launch
- Overthrown Steam Early Access and Game Preview launch
- Leo: The Firefighter Cat launch
- The Oregon Trail retail launch
- Poppy Playtime Triple Pack retail launch
- Cat Quest: The Fur-tastic Trilogy retail launch

Other news

- Maximum Entertainment unified publishing labels and unveiled 2024 roadmap
- Pareto Securities AB engaged as liquidity provider
- Board resolution on two directed share issues as earn-out payments for Maximum Games and Merge Games
- The Annual General Meeting held on June 4, 2024 reelected Christina Seelye, Petter Hjertstedt and Karla Martin and elected Bart Reefman as members of the Board of Directors for the time until the end of the next Annual General Meeting. Petter Hjertstedt was elected as new chairman of the Board of Directors. The Board of Directors' resolutions on directed share issues to the sellers as earn-out payments for Maximum Games and Merge Games were not approved at the Annual General Meeting
- The Extraordinary General Meeting on September 9, 2024 elects Torgny Hellström and Jan Benjaminson to the Board and appoints special examiner to investigate inter alia the management of the Company
- The Board appoints Philippe Cohen as new CEO. Christina Seelye is no longer an employee or officer in Group
- Christina Seelye and Thierry Bonnefoi filed a request for arbitration against Maximum Entertainment and demanded payment in total of approximately 116 MSEK
- The Extraordinary General Meeting on November 6, 2024 reelected Torgny Hellström, Jan Benjaminson, and Bart Reefman, and elected Bob Blake to the Board
- Maximum Entertainment announced it is in negotiations with lenders following covenant breaches
- Maximum Entertainment terminated COO Thierry Bonnefoi with immediate effect
- Maximum Entertainment divested certain assets in its subsidiary Merge Games

AFTER THE YEAR

- Care Bears: Unlock the Magic launch
- Update on arbitration with former CEO Christina Seelye and former COO Thierry Bonnefoi's Earn-Out claims. Maximum Entertainment filed a statement of defence denying the entire claim for Earn-Outs to former CEO Christina Seelye and former COO Thierry Bonnefoi and filed a counterclaim requesting repayment of previously Paid Earn-Outs and interest amounting to approximately USD 6.2M.
- Maximum Entertainment appoints Henrik Resmark as new CFO effective April 1, 2025
- Maximum Entertainment LLC in the USA received notice of default under its loan agreements with Cathay Bank

SIGNIFICANT RISKS, FACTORS OR UNCERTAINTY, AND MITIGATION

The Company operates in a changing global environment and has identified risks inherent to its operations, its financial situation, its legal context and its strategic positioning.

OPERATIONAL RISKS

Commercial Success of Games

The games that Maximum Entertainment launches depend on finding a market response such that sales are generated sufficiently to recoup the investment in the game. There is a risk that the demand for the launched games does not correspond to the Group's expectations, which could result in losses. The company aims to mitigate this risk by diversifying its revenue sources through a mix of owned IP, publishing and sub-publishing titles. This portfolio approach, along with building up a back catalog of titles over the long term, helps ensure that successful titles that exceed expectations are able to compensate for any titles that underperform.

Employee Retention

The gaming industry is a global industry that puts all employers in competition with each other to retain the best talent. The Group's ability to offer competitive compensation packages and provide a welcoming work environment was impaired over the course of this last year due to its financial situation. Yet it is of great importance for Maximum Entertainment to both attract and retain employees with relevant competence, experience and understanding of the Group's operations. Maximum Entertainment's efforts to provide a safe and sustainable work environment that values creativity and rewards employee contributions help retain talent in this highly competitive industry.

Risks associated with operational delays

Maximum Entertainment develops games internally and externally as a publisher. Delays can potentially occur in both internal and external game development processes, which in turn can have a negative impact on other projects, thus undermining the Group's earnings and financial position. Maximum Entertainment's expertise across the entire value chain of video game production, along with its experienced in-house talent helps mitigate this risk and balance between managing lead time and insuring product quality upon release.

Risks Associated With IT Infrastructure

To develop, produce and distribute its products, Maximum Entertainment relies on functioning infrastructure for its IT systems. In the Group's game development process, software is used for animation, programming and design, among other things. It is also highly relevant that the suppliers of Maximum Entertainment have well-functioning IT systems, as the Group uses external suppliers in the development of certain games and the distribution of the Group's games takes place through global gaming channels. Maximum Entertainment is thus exposed to risks related to disruptions and system failures in both its own and its partners' IT systems.

In the context of its integration into one company, Maximum Entertainment has standardized processes and deployed security tools across the entire company to help mitigate these risks.

Technology

Advancements in technology and the reliance of gaming projects on available tech can render some of the company's games obsolete or outdated. The continual emergence of new hardware, software, and gaming platforms, along with elevated industry standards, may necessitate substantial investments to replace, upgrade, or modify existing and upcoming titles. Given that some games undergo development over multiple years, the introduction of new technology during this period may require adaptations to ensure compatibility, leading to escalated development expenses and potential delays in game launches. The company manages this risk by staying up to date on upcoming technologies, releasing its content on multiple platforms, and in the case of certain titles, by developing its own technology framework to optimize game performance.

FINANCIAL RISKS

Financing of Operations

The Group's strategic direction entails acquisitions as well as investments in IP rights and publishing operations, and Maximum Entertainment may need to raise additional capital. In the event of a future need for capital, there is a risk that additional capital cannot be raised on favourable terms, that such raised capital is not sufficient to finance the operations, or that capital cannot be raised at all.

In addition, the Group is in breach of covenants and has triggered events of default on its loans at the end of 2024. The Group remains in ongoing discussions with its lenders and continue to explore the possibility of a sustainable resolution. There are significant risks associated with the outcome of these discussions, as the Group will be unable to continue operations if forced to reimburse the debt owed to our lenders. In the interim, the Group continues to invest in Games on a scale that corresponds to its current cash constraints.

Maximum Entertainment continually monitors both its cash, financing and investing activities to ensure that sufficient resources remain available to meet targets.

Exchange Rate Risk

The revenue of Maximum Entertainment is mainly in USD, EUR and GBP, while the Group reporting currency is in EUR (Parent company currency remains SEK). Exchange rate fluctuations in relation to EUR may impact the appreciation of consolidated results.

Interest Risk

During 2024, Maximum Entertainment relied on financing from credit institutions that include obligations to pay interest at variable rates. Fluctuations in interest rates can impact the cost of borrowing and our ability to meet our financial obligations and make future investments.

Liquidity Risk

The Group ends the year in breach of covenants. Some loans in the Group require approval of a change in leadership for certain entities or for the Group for which waivers have yet to be obtained. The Group's available resources at the end of the year are insufficient to allow reimbursement of the capital and accrued interest on the loans. We are in discussions with all lenders to better align with the Group's abilities to pay but the Group could fail to achieve sustainable results. After the end of the fiscal year and prior to the publication of this report, the Group received notification from one of its lenders calling for immediate repayment of USD 5.5 M.

In addition to loans from credit institutions, the Group carries significant Accounts Payable and significant ongoing legal expenses which reduces cash available for the generation of future sales. The Group requires sufficient cash flow to allow it to continue meeting its ongoing obligations while making investments in games. Currently, the Group's cash constraints impede execution of investments, jeopardizing the Group's ability to acquire new games and feed the revenue pipeline, impacting its ability to continue operations.

For additional information regarding financial risks, we refer to note 3 in this annual report.

Arbitration

During the last quarter of the year, the sellers of Maximum Games filed a request for arbitration requesting immediate payment of approximately 116 MSEK under the share sale and purchase agreement for the acquisition. Maximum Entertainment AB disputes this claim. In addition, after the end of the year, Maximum Entertainment AB filed a counterclaim in this matter requesting repayment of previously paid out earn-outs and interest, amounting to USD 6.2M.

LEGAL RISKS

IP Rights
Maximum Entertainment depends on protecting its intellectual property rights, as these are an integral part of the Group's business. The Group holds a large number of intellectual property rights, mainly in the form of copyrights to games developed or acquired by the Group.

As part of its consolidation into one integrated company, Maximum Entertainment established a group-level legal team to protect its intellectual property rights across its portfolio.

Personal Data
The activities of Maximum Entertainment include the processing of personal data of, among others, users and employees. Personal data about users is mainly collected when registering for newsletters, registering for game updates and in competitions. Personal data on employees mainly relates to what is necessary to collect for the purposes of employment. The Group's processing of personal data is subject to Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("GDPR"), which is a law that affects, among other things, how Maximum Entertainment must manage, control and document the processing of the data. Maximum Entertainment risks misinterpreting and thus misapplying laws and requirements and, in the event of an infringement, sanctions are imposed, which then require resources that could otherwise be spent on the business.

Changes in Legislation
Maximum Entertainment operates in markets in and outside of Sweden, hence the laws and regulations of a number of jurisdictions become applicable. As of the balance sheet date 2024, Maximum Entertainment had locations in Sweden, Hungary, France, UK, Ireland, Brazil, USA, and Romania.

Risks may also arise as a result of changes in legislation and other applicable regulations related to taxation and fees and other conditions applicable to operations in the various geographic markets. Because the majority of revenue for the Group is derived from physical sales, changes to import taxes and/or tariffs could impact the cost of goods and product margins. In addition, the activities of Maximum Entertainment in other countries may affect its ability to exercise or enforce its rights and obligations in other jurisdictions and legal proceedings may be expensive, time consuming and their outcome uncertain.

STRATEGIC RISKS

Dependence on Geopolitical and Environmental Factors
The Group's operations may be affected by general external factors such as political or economic instability, climate change, pandemics, or the general economic climate. Maximum Entertainment has no direct or indirect operations in either Ukraine, Russia, or the Middle East, and the Company's operations have therefore not been significantly affected by the ongoing wars.

Dependence on Capital to Execute Strategy / Ongoing Concern
The Group requires sufficient cash flow to allow it to continue meeting its ongoing obligations while making investments in games. Currently, the Group's cash constraints impede execution of investments, jeopardizing the Group's ability to acquire new games and feed the revenue pipeline, impacting its ability to continue operations. Refer to the press release dated April 1, 2025.

STAFF

The average number of employees during the year was 195 people. The number of employees as at December 31, 2024 was 124 (which includes part time and full time employees).

INFORMATION ON ENVIRONMENT, SOCIAL, AND GOVERNANCE INITIATIVES (ESG)

ESG Vision

The Group conducted a high-level materiality assessment during the year to identify and prioritize the most significant environmental, social, and governance factors impacting our business. This process helped us identify the ESG topics most relevant to our operations and stakeholders, allowing us to focus our sustainability efforts on areas with the greatest impact and regulatory significance. In addition, we are actively monitoring local and global legislative developments related to ESG, ensuring compliance with emerging regulations and proactively adapting our policies and initiatives. By staying ahead of regulatory changes, we reinforce our commitment to responsible business practices.

Environment

During the year, we continued optimizing our operations, enhancing our efficiency, limiting travel and allowing us to operate seamlessly across continents through a robust remote work model for cross-functional teams.

Our commitment to the environment extends beyond our operational practices; it is reflected in the socially and environmentally conscious games we develop and publish. As we move forward, we remain dedicated to instilling our core values and environmental awareness both internally and in the communities we serve.

Social

The gaming industry thrives on creativity and innovation, making talent our most invaluable asset. Maximum Entertainment champions an inclusive culture that respects diversity in all forms — from ideas and cultures to viewpoints and backgrounds. Our global operations enrich us with a diverse tapestry of talent. The employees are our most valuable asset and therefore we place great value on creating a sustainable work environment in an organization based on learning and continuous development. We do not tolerate discrimination or harassment and carry out active work for an inclusive culture based on the values of Maximum Entertainment around trust in employees, everyone's equal value, inclusion, self-determination and diversity.

Our goal is to empower every individual, irrespective of gender or background, with the opportunity to excel and grow. By respecting personal lives and promoting work - life balance across our global offices, we are committed to creating a sustainable and nurturing work environment for all our employees. It is our conviction that such a culture creates the conditions for being both an attractive employer and a strong and sustainable organization that delivers good results.

Governance

The theme of increasing efficiency dominated 2024 as we focused on streamlining operations and enhancing transparency across the group. With the further integration of uniform technology stacks and software, we have fostered a more cohesive and efficient work environment. This integration has facilitated better management, ensuring that each of our entities is fully aligned with our overarching goals. In 2024, we finalized the establishment of a Group-level legal team. This marks a significant step towards consolidating legal operations, enforcing compliance, and bolstering transparency. As we look to 2025, our focus remains on strengthening governance structures to support our ambitions and uphold our commitment to excellence and integrity.

ARTICLES OF ASSOCIATION
Legal statutes governing The company

AUDITOR AND CERTIFIED ADVISER
Auditor: review statements
CA: make sure we are aligned with stock market regulations

GENERAL MEETING
Decision making forum among shareholders

NOMINATING COMMITTEE
Submit resolution proposals to the General Meeting

BOARD OF DIRECTORS
Strategy and goals for the overall organization

EXECUTIVE MANAGEMENT TEAM
Direct the organization to fulfill the company's vision and purpose

SENIOR LEADERSHIP TEAM
Implement the decisions of the board and executive team

We are dedicated to advancing our ESG agenda further by exchanging best practices and further establishing policies across our entities. Inspired by the same spirit of innovation that we apply to creating games and entertainment, we want to keep strengthening our governance structures and processes to provide a more sustainable, equitable, and prosperous future for all our stakeholders.

CORE VALUES

SCRAPPY
Creates something from nothing. Digs for information and can put pieces together.

CARES
Genuine interest and pride in their work, peers, and the company's success as a whole.

CREATIVE PROBLEM SOLVER
Thinking outside of the box, uncovering every stone before asking for help or giving up.

SEEKS CONTEXT
Understands the big picture and can frame decision-making accordingly.

AVID LEARNER
Constantly interested in learning and growing professionally and personally.

ADAPTABLE
Able to shift gears quickly and is open and welcoming to changes.

PERFORMANCE AND FINANCIAL POSITION

MULTIPLE YEAR OVERVIEW, GROUP*

in,000's of Euros	2024	2023	2022	2021
Net sales	79 936	99 860	107 064	45 626
Shares of revenue derived from Owned IP	10%	11%	1%	2%
Gross Margin, %	30%	32%	-5%	5%
Adjusted EBITDA	6 763	12 081	8 783	7 052
Adjusted EBITDA Margin, %	8%	12%	8%	15%
Adjusted EBIT	-16 996	6 735	4 306	4 943
Adjusted EBIT Margin, %	-21%	7%	4%	5%
EBIT	-19 146	-6 561	-5 806	-4 272
EBIT Margin, %	-24%	-7%	-5%	-9%
Total Headcount at close (12/31)	124	244	215	196
Average Headcount for the period	195	233	212	179

MULTI-YEAR OVERVIEW, PARENT

in,000's of SEK	2024	2023	2022	2021
Net sales	14 343	16 011	9 144	10 976
Profit before tax	-432 464	20 747	-2 363	-51 546
Balance sheet total	500 867	921 849	979 365	951 386
Equity ratio (%)	79%	90%	71%	69%
Quick ratio (%)	37%	37%	21%	47%

See note 2.17 for definitions of key ratios used in this report.

The financial years 2021 and 2022 are reported according to K3. The financial years 2024 and 2023 has been restated for the application of IFRS accounting policies.

PROPOSED APPROPRIATION OF PROFITS

The Board proposes that available profit funds as of December 31, 2024, totaling 389 672 605 crowns will be carried forward.

Retained earnings	-31 544 402
Share premium reserve	853 680 605
Loss for the period	-432 463 598
To be retained in the business	389 672 605

For changes in equity during the financial year, refer to the Group's and the Parent Company's report on changes in equity. For other information, refer to the subsequent financial reports.

INCOME STATEMENT - GROUP

in,000's of Euros	NOTE	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Net sales	5	79 936	99 860
Cost of Sales	6	-55 768	-67 973
Gross profit		**24 168**	**31 887**
Research and Development (R&D)	6	-22 051	-5 289
Sales and Marketing	6	-8 506	-10 354
General and Administration	6,7,8	-10 058	-9 142
Other operating income	9	10 738	9 990
Other operating expenses	10	-13 437	-23 654
Total Operating expenses		**-43 314**	**-38 448**
Operating Profit (EBIT)		**-19 146**	**-6 561**
Financial income	11	4 522	0
Financial expenses	11	-11 357	-9 636
Financial items - net		**-6 835**	**-9 635**
Profit before Income tax		**-25 981**	**-16 197**
Deferred income tax	12	-133	220
Current income tax	12	-1 206	-1 481
Profit for the period		**-27 320**	**-17 458**
Earnings per share, before dilution (EUR)		-0,53	-0,37
Earnings per share, after dilution (EUR)		-0,53	-0,37

STATEMENT OF OTHER COMPREHENSIVE INCOME - GROUP

in,000's of Euros	NOTE	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Profit for the period		**-27 320**	**-17 458**
Other Comprehensive Income for the period			
Items that may be reclassified to profit or loss Exchange differences on translation of foreign operations Items that will not be reclassified to profit or loss		-1 208	1 753
Other Comprehensive Income for the period		**-1 208**	**1 753**
Total Comprehensive Income for the period		**-28 528**	**-15 704**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in,000's of Euros	NOTE	2024-12-31	2023-12-31	2023-01-01
ASSETS				
Non-current assets				
Capitalized expenditure for development work	13	19 832	29 264	15 804
Trademarks	13	397	417	483
Licenses	13	69	71	94
Goodwill	13	58 507	68 840	90 559
Right-of-use assets	14	3 153	4 156	4 775
Equipment, tools, fixtures and fittings	15	629	942	1 005
Other non-current receivables		44	29	44
Deferred tax assets	12	519	722	79
Total non-current assets		**83 150**	**104 441**	**112 843**
Current assets				
Inventories	17	5 822	8 922	13 932
Accounts receivable	18	13 182	18 822	18 507
Current tax receivables		887	250	756
Other receivables	19	1 161	1 392	601
Prepayments and accrued income	20	3 203	3 675	4 375
Cash and cash equivalents		6 106	6 470	9 032
Total current assets		**30 361**	**39 531**	**47 202**
TOTAL ASSETS		**113 511**	**143 972**	**160 045**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONTD.

in,000's of Euros	NOTE	2024-12-31	2023-12-31	2023-01-01
EQUITY AND LIABILITIES				
EQUITY	21			
Share capital		455	455	385
Other contributed capital		76 159	76 159	67 036
Reserves		546	1 753	–
Retained earnings		-17 743	-285	6 127
Profit or loss for the period		-27 320	-17 458	-6 544
Total equity		**32 098**	**60 625**	**67 003**
LIABILITIES				
Non-current liabilities				
Borrowings non-current	22	2 513	29 764	3 955
Lease liabilities L/T	14,22	2 646	3 546	4 207
Other non-current liabilities	23	638	21 241	40 781
Deferred tax liabilities	12	939	1 050	1 359
Total non-current liabilities		**6 736**	**55 600**	**50 303**
Current liabilities				
Borrowings	22	41 687	7 893	12 545
Lease liabilities S/T	14,22	711	782	672
Accounts payable		7 323	8 642	13 593
Current tax liabilities		836	384	1 297
Other current liabilities	24	22 794	7 960	11 492
Accruals and deferred income	25	1 326	2 085	3 139
Total current liabilities		**74 676**	**27 746**	**42 739**
TOTAL LIABILITIES AND EQUITY		**113 511**	**143 972**	**160 045**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in,000's of Euros	Share capital	Other contributed capital	Reserves	Retained earnings including profit for the period	Total
2023-01-01	**385**	**67 036**	**–**	**-417**	**67 003**
Profit for the year	–	–	–	-17 325	-17 325
Other comprehensive income	–	–	1 753	–	1 753
Total comprehensive income for the year	**–**	**–**	**1 753**	**-17 325**	**-15 572**
Transactions with shareholders					
New share issue	70	9 124	–	–	9 194
Total transactions with shareholders	**70**	**9 124**	**–**	**–**	**9 194**
2023-12-31	**455**	**76 159**	**1 753**	**-17 743**	**60 625**
2024-01-01	**455**	**76 159**	**1 753**	**-17 743**	**60 625**
Profit for the year	–	–	–	-27 320	-27 320
Other comprehensive income	–	–	-1 208	–	-1 208
Total comprehensive income for the year	**–**	**–**	**-1 208**	**-27 320**	**-28 528**
2024-12-31	**455**	**76 159**	**546**	**-45 062**	**32 098**

CONSOLIDATED STATEMENT OF CASH FLOWS

IN,000'S OF EUROS	NOTE	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Cash flow from operating activities			
Operating profit		-19 146	-6 538
Adjustment for non-cash items			
Amortisation, Depreciation and Impairment		35 851	26 255
Capital gains/losses on intangible assets		1 162	–
Capital gains/losses on tangible fixed assets		-38	21
EO revaluation included in Other Operating Income/expense		-11 807	-8 726
Variations in Accruals		-590	228
Tax paid		-754	-2 395
Cash flow from operating activities before change in working capital		**4 679**	**8 844**
Changes in Working Capital			
Change in Inventories		3 100	5 010
Change in Accounts receivables		6 702	-316
Change in Other current receivables		270	415
Change in Accounts payables		-1 098	-4 951
Change in Other current liabilities		3 370	-4 587
Total changes in Working Capital		**12 344**	**-4 429**
Cash flow from operations		**17 023**	**4 416**
Cash flow from investing activities			
Investments in Subsidiaries *		-1 353	-7 361
Investments in Intangible Assets	13	-12 615	-17 935
Investments in Tangible Assets	15	-73	-425
Cash flow from investing activities		**-14 041**	**-25 721**
Cash flow from financing activities			
Proceeds from Borrowings	22	3 733	29 528
Loans paid	22	-3 376	-9 060
Revolving Line of Credit		435	1 616
Lease liabilities paid	14	-1 128	-490
Interest paid	22	-3 530	-3 114
Cash flow from financing activities		**2 886**	**18 481**
Cash flow for the period		**-884**	**-2 824**
Decrease/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of period		6 470	9 032
Exchange rate difference on cash and cash equivalents		520	262
Cash and cash equivalents at end of year		**6 106**	**6 470**

**Investment in subsidiaries consists of payment of earn-out.*

NOTE 1: GENERAL INFORMATION

Maximum Entertainment AB with subsidiaries ('Maximum' or 'The Group') is a global entertainment company, dedicated to crafting indie to AA video game experiences through original content and licensed partnerships.

A fully integrated group with a broad portfolio of content, the company emphasizes collaboration and inclusivity in its partnerships to produce the highest level of interactive entertainment.

The parent company Maximum Entertainment AB (in the annual report called 'The Parent Company' or 'Maximum Entertainment AB' is a limited liability company with domicile in Stockholm, Sweden and registration number 556778-7691. The address to the Parent Company is c/o Convendum, Kungsgatan 9, 111 43 Stockholm, Sweden.

The financial statements were authorised for issue on 21 May 2025. All press releases, financial reports and other information are available at our Investor relations section on our website maximument.com.

All amounts for the Group are presented in EUR thousand. All amounts for the Parent Company are presented in SEK thousand.

The B-shares of the Parent Company are traded on Nasdaq First North Growth Market. Ticker: MAXENT B.

These are the first financial reports prepared under International Financial Reporting Standards, IFRS Accounting Standards.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied unless otherwise stated. The accounting principles of the Parent Company are described in connection with the financial statements at the end of this document, see note 30. The financial statements of the Parent Company have been placed at the end in a separate section of the document.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IAS) and Interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the EU and the Swedish Financial Reporting Boards's Recommendation RFR 1, Supplementary Accounting Rules for Groups.

This is the first annual report prepared in accordance with IFRS Accounting Standards. See note 29 Transition to IFRS Accounting Standards.

New and amended standards and interpretations not yet adopted

Certain amendments to accounting standards have been published that are not mandatory for reporting periods ending 31 December 2024 and have not been early adopted by the group. The amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

IFRS 18 Presentation and Disclosure in Financial Statements
IFRS 18 is a standard issued by the International Accounting Standards Board (IASB) on April 9, 2024. It is set to replace IAS 1, "Presentation of Financial Statements," and will be effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The standard introduces structured categories in the Profit or Loss statement, introducing five categories: Operating, Investing, Financing, Income Taxes and Discontinued operations. The standard also introduces mandatory subtotals, including Operating profit or loss and Profit or loss before financing and income tax.

The full analysis of the impact for Maximum has still not yet been completed.

2.2 Basis of consolidation

Subsidiaries
Subsidiaries are all companies over which the Group has control. The Group has control over a company when it is exposed to or has a right to variable returns from its participation in the company and has the possibility to influence the return through its participation in the company. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Inter-company transactions and balances between Group companies are eliminated.

The accounting principles for subsidiaries have, when necessary, been revised in order to ensure a consistent application of the Group's accounting principles.

2.3 Revenue recognition and operational segments
Operating segments are reported in a manner consistent with how it is monitored by the Chief Operating Decision Maker (CODM). The CODM in Maximum has been identified as the CEO, who monitor and evaluate the financial position and performance of the Group, in order to make strategic decisions. The Group has been deemed to consist of one segment, in line with how the operations are monitored and evaluated. Additional information has been provided with regards to revenue, sale by business line and sale by geographic region. See note 5 for a split of revenue.

Revenue recognition – sale of goods and licenses
The Group's revenue is generated from the sale of goods and digital sales (licenses), at a fixed price. The principle for recognition of revenue is as follows:

The revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts.

Sale of Physical Goods
Revenue from the sale of goods is recognized at the time when control of the goods has passed to the customer. This occurs when the Group has a contractual right to payment for the goods, the customer has legal ownership of the goods and have been delivered to the customer and/or the customer has significant risks and rewards connected to the ownership of the goods.

Sales of Goods on Digital Channels
Revenue from the sale of goods made via digital distribution channels is recognised when control has passed to the end customer, or when control over the software has passed to the platform (in the case of subscription services).

Right of Return and Discounts
When a customer contract specifies a right to return the goods within a specified period of time, the Group recognizes this right of return by applying the expected value method, which is based on historical experience of the customer or similar customers as well as expected future deliveries. Liabilities are reported for expected future discounts, calculated on the basis of assumptions and empirical values relating to product life cycle and price development.

Financial income
Interest income is recognized as revenue over time, with the application of the effective interest rate method.

2.4 Foreign Currency Translation

Functional currency and presentation currency

The entities in the Group have the local currency as their functional currency, as the local currency has been defined as the primary economic environment in which each entity operates. The Group's presentation currency is Euro (EUR). The Parent Company's accounting currency is Swedish krona (SEK).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction dates. Foreign exchange rate profits and losses from the settlement of such transactions and the translation of monetary assets and liabilities in foreign currencies using the exchange rates prevailing at the reporting date are recognized in operating loss in the consolidated statement of profit or loss.

Foreign exchange rate profits and losses attributable to loans and cash and cash equivalents of the Group are recognized in the consolidated statement of profit or loss as finance income and finance costs. All other foreign exchange rate profits and losses are recognized under other operating income/expense.

Translation of foreign subsidiaries

The results and financial position for all companies with a functional currency other than the presentation currency are translated into the Group's reporting currency according to the following:

- Assets and liabilities are translated from the foreign operation's functional currency using the exchange rates prevailing at the reporting date;
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All foreign exchange differences arising from the currency translation of foreign operations are recognized in other comprehensive loss.

2.5 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and refers to the amount by which the consideration transferred exceeds the fair value of the net identifiable assets acquired. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

Goodwill is carried at cost less accumulated impairment losses. Subsequent to the merger of all entities and the implementation of a cross-functional hierarchy with the group, Maximum evaluates recognised Goodwill at the Group level and all entities are considered within a common cash-generating unit.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes. Goodwill is monitored at group level. The carrying amount of the cash-generating unit to which the goodwill is allocated is compared with the recoverable amount, which is the higher of the value in use and the fair value less costs to sell. Any write- down is expensed immediately and will not be reversed.

Capitalized expenditure for development activities
Expenditures for development are recognized as an asset in the consolidated statement of financial position if the following criteria are met:
i. It is technically feasible to complete the asset so that it will be available for use,
ii. It is the Group's purpose to complete the asset so that it will be available for use or sale,
iii. There are prerequisites to make the asset available for use or sale,
iv. It is possible to prove how the asset is likely to generate future economic benefits,
v. There are adequate technical, economic and other resources to fulfil the development and to make the assets available for use or sale,
vi. The expenditure attributable to the asset during development can be reliably measured.

Capitalized development expenditure is recognized as intangible assets and is depreciated from the date when the asset is made available for sale (First Ship Date or Launch Date). Other development costs are recognized in the statement of comprehensive income as costs when incurred. Development expenditure previously carried at cost is not recognized as an asset in a subsequent fiscal period. Amortization is calculated using the straight-line method.

The estimated useful life is in general 3 years, which corresponds to the estimated period of time during which these assets will generate cash flows

Impairment of intangible assets
The residual value and useful lives of assets are tested for impairment at the end of each reporting period and adjusted if necessary. See note 13.

2.6 Tangible assets
Property, plant and equipment consist of equipment, tools, fixtures and fittings and leasehold improvements. These are recognized at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation of assets is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over the estimated useful life as follows:

- Computers, development kits & other technical equipment - 3-7 years
- Office equipment, fixtures and fittings,
  motor vehicles - 3-7 years
- Leasehold improvements - 6 years

The assets' residual values and useful lives are assessed at the end of each reporting period and adjusted, if needed.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.7 Impairment of non-financial assets
Intangible assets not ready to use are not subject to amortization and are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for reversal of the impairment at the end of each reporting period.

2.8 Financial instruments

Initial recognition
Financial assets and financial liabilities are recognized when the Group becomes a party to the financial instrument's contractual conditions. The purchase or sale of a financial asset or financial liability is recognized on the trade date, i.e. the date when the Group commits to buying or selling the asset.

Financial instruments are initially recognized at fair value, plus, for financial assets or financial liabilities that are not recognized at fair value through the income statement, transaction costs that are directly attributable to the acquisition or the issue of a financial asset or financial liability, such as fees and commissions.

Financial assets – Classification and measurement
The Group classifies and measures all its financial assets in the category of financial assets measured at amortized cost.

Financial assets measured at amortized cost
Classification of investments in debt instruments depends on the Group's business model for managing financial assets and on the contractual terms for the assets' cash flow. The Group reclassifies debt instruments only when the Group's business model for the instruments is changed.

Financial liabilities at fair value through profit or loss
The group measures contingent considerations at fair value. Changes in the fair value of financial liability at fair value through profit or loss are recognized in other gains/(losses) in the statement of profit or loss as applicable. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels in the fair value hierarchy. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for the contingent consideration in the Group.

Derecognition of financial liabilities
Financial liabilities are derecognized from the consolidated statement of financial position when the obligations are settled, canceled or have expired in any other way. The difference between the carrying value of a financial liability that has been extinguished or transferred to another party and the fee paid are reported in the consolidated statement of comprehensive income.

When the terms and conditions of a financial liability are renegotiated and are not derecognized from the consolidated statement of financial position, a profit or loss is reported in the consolidated statement of comprehensive income. The profit or loss is calculated as the discounted difference between the original contractual cash flows and the modified cash flows.

Impairment of financial assets recognized at amortized cost
The group assesses the future expected credit losses associated with assets carried at amortized cost. The group reports a loss allowance for such expected credit losses at each reporting date.

For trade receivables, the group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables recognized from initial recognition of the receivables.

The impairment method applied on trade receivables is based on individual assessments of customers using their respective credit rating and specific risk characteristics. These individual assessments also include forward-looking variables for expected credit losses. As of each balance sheet date, the group assesses whether the credit risk for a financial instrument has increased significantly since the first reporting occasion. In making this assessment, the group uses the change in the risk of default during the expected term of the financial instrument.

2.9 Trade receivables
Trade receivables are amounts due from customers in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them net any provisions for expected credit loss.

2.10 Borrowing
Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost and any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the consolidated statement of comprehensive income over the period of the liabilities to credit institutions using the effective interest method.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, canceled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of comprehensive income.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.11 Trade payables
Trade payables are financial instruments and represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized at amortized cost.

2.12 Inventories
Inventories are stated at the lower of cost and net realizable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Income tax
The tax expense for the period includes current and deferred tax. Tax is reported in the group's statement of comprehensive income, except when the tax refers to items that are reported in other comprehensive income or directly in equity. In such cases, the tax is also reported in other comprehensive income and equity.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. When deemed appropriate, provisions for amounts that are likely to be paid to the tax authority are made.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.14 Employee benefits

Short-term benefits to employees
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

Post-employment obligations
Within the Group, there are defined-contribution plans.
A defined-contribution plan is a pension plan according to which the Group pays a fixed amount to a separate legal entity. The Group has no legal or constructive obligation to pay additional premiums if this legal entity does not have adequate means to pay all benefits to employees, attributable to their service in current or previous periods. The premiums are reported as personnel costs in the consolidated statement of profit or loss when they fall due.

2.15 Leases

The Group as lessee
The group leases premises and equipment. The leasing agreements are normally written for fixed periods, but there may be a possibility of extension. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by the group under residual value guarantees.
- The exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

When determining the length of the leasing agreement, management considers all available information that provides a financial incentive to exercise an extension option or to exercise an option to terminate an agreement. The option to extend or terminate an agreement is only included in the length of the leasing agreement if it is reasonably certain that the agreement will be extended or terminated.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:
- The amount of the initial measurement of lease liability
- Any lease payments med at or before the commencement date
- Any initial direct costs, and
- Restoration costs.

Right of use assets are depreciated on a straight-line basis over the shorter of the useful life and the lease term. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period.

There are no other variable lease payments identified in the group's leasing agreements than index increases. When adjustments to lease payments based on an index take effect, the lease liability is revalued and adjusted against the right of use asset.

Payments associated with short-term leases and all leases for which the underlying asset is of low value are expensed on a straight-line basis. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Contracts may contain both lease and non-lease components. The group has chosen to apply the exemption in IFRS 16 which states that non-leasing components do not need to be separated from leasing components.

2.16 Cash flow analysis
The cash flow analysis has been prepared using the indirect method, with adjustments made for transactions that did not result in cash inflows or outflows. Cash and bank balances are classified as cash equivalents.

2.17 Calculation of non-IFRS financial performance measures
Guidelines regarding alternative performance measures for companies with securities listed on a regulated market within the EU have been issued by ESMA (The European Securities and Markets Authority). These guidelines shall be applied to alternative performance measures that are not supported by IFRS Accounting Standards.

In the annual report, several performance measures are referred to that are not defined under IFRS Accounting Standards. These measures are used to assist both investors and management in analyzing the company's operations and objectives. These 'non-IFRS Accounting Standards measures' may differ from similar terms used by other companies.

The following section describes the various performance measures used, which are not defined by IFRS Accounting Standards, as a supplement to the financial information presented in accordance with IFRS Accounting Standards.

Key ratio	Description	Reason
Net sales	Total sales in the Group.	Management uses this key figure to evaluate overall performance of the Group.
Shares of revenue derived from Owned IP	Share of Net sales derived from titles for which the Group owns at least 50% of the IP rights.	Owned IP games carry a specific risk/return profile. The greater the share of Owned IP in Net Sales, the higher Gross Margins the Group expects to deliver.
Gross margin	Gross profit divided by net sales.	Management uses this key figure to monitor the performance in relation to net sales, which indicates the margin available to cover other expenses and profit margin.
Adjusted EBITDA	Operating profit before depreciation and amortization on intangible and tangible fixed assets adjusted for items from such events in the company's operations that disrupt comparisons with results from other periods.	The EBITDA measure is used to provide a clearer picture of performance excluding amortisations, impairment and depreciations.
Adjusted EBITDA margin	Adjusted EBITDA divided by net sales.	Management uses this key figure to monitor EBIDTA performance in relation to net sales, which indicates the cash generating margins delivered in the period.
Adjusted EBIT	Operating profit adjusted for items from such events in the company's operations that disrupt comparisons with results from other periods.	Management uses this key figure to evaluate year-on-year performance of operational teams.
Adjusted EBIT margin	Adjusted EBIT divided by net sales.	The adjusted EBIT margin allows management to evaluate adjusted EBIT in relation to Net Sales.
EBIT margin	EBIT divided by net sales	The EBIT margin allows management to evaluate EBIT in relation to Net Sales
Liquid ratio	Current assets (excluding inventory) in relation to short-term liabilities.	Enables management to monitor the company's short-term liquidity.
Total headcount	The number of employees in the Group on the last day of the year (excluding Contractors)	Total headcount gives management the ability to measure the size of its workforce.

NOTE 3: FINANCIAL RISK MANAGEMENT

Through its operations, the Group is exposed to various financial risks attributable to primarily trade receivables, trade payables, cash and cash equivalents, borrowings and liabilities related to earn-outs. The financial risks are market risk, mainly interest risk and currency risk, credit risk, liquidity risk and refinancing risk. The Group strives to minimize potential unfavorable effects from these risks on the Group's financial results.

Key aim of the Group's financial operations is to:
i. Ensure that the Group can meet its payment obligations,
ii. Manage financial risk
iii. Ensure a supply of necessary financing, and
iv. Optimize the Group's finance net.

The Group's risk management is predominantly controlled by the CEO and the Board of Directors, under policies owned by the CFO and approved by the Board of Directors. The CEO is responsible to the Board of Directors for the risk management and ensuring that the guidelines and risk mandates are followed and carried out in accordance with established policy.

The CFO, together with the CEO, evaluates financial risks in close cooperation with the Group's operating units (subsidiaries).

Market Risk

(i) Foreign Exchange Risk
Exposure to change in FX rates is commonly divided into two main groups, translation exposure and transaction exposure.

Translation exposure
The key financial risk of the Group is related to Translation exposure, i.e. when foreign subsidiaries with a functional currency other than EUR (the presentation currency of the Group). Key markets with significant translation exposure are Sweden (SEK) and the US (USD). The Group's policy is not to hedge the translation exposure related to net foreign assets to reduce translation risk in the consolidated financial statements.

Transaction exposure
Transaction exposure generally refers to exposure arising from commercial flows, i.e., cross-border sales and purchases. The exposure to future commercial transactions and recognised assets and liabilities is limited.

(ii) Interest rate risk related to cash flows and fair values
The Group has loans with fixed interest rates (fair value risk) and floating interest rates (cash flow risk). The Group does not hedge its interest rate risks regarding future cash flows or change in fair value.

	2024-12-31			2023-12-31		
EUR thousands	**Borrowing**	**Interest**	**Level**	**Borrowing**	**Interest**	**Range**
Borrowings USD	39 562	Variable	8,5-16,95%	32 218	Variable	9,5-16,24%
Borrowings USD	1 486	Fixed	14,00%	1 402	Fixed	10,00%
Borrowings EUR	3 084	Fixed	0,70%-5,00%	4 004	Fixed	0,70%-5,00%
Borrowings, other	–	Variable		–	Variable	
Total	**44 200**			**37 657**		

See note 22 for additional information regarding Borrowings.

Credit risk
Credit risk or counterparty risk is the risk that the counterparty in a financial transaction will not fulfill its obligations on the due date. Credit risk is managed at the group level and arises from accounts receivable cash and cash equivalents, and deposits with banks and financial institutions.

Customer Credit Risk
In addition to overall monitoring at the group level, a more detailed follow-up of customer credit risks is carried out at the local level, close to the customer. Customer credit risk is the risk that customers do not fulfil their obligations. In cases where no independent credit assessment is available, a risk assessment of the customer's creditworthiness is made, considering their financial position, previous experiences, and other factors. Risk limits are established based on internal or external credit assessments. The use of credit limits is regularly monitored. No significant concentrations of credit risks are considered to exist although one customer does represent over 10% of global sales in 2024. The maximum exposure to credit risks in accounts receivables is represented by the carrying amount at any given time.

The Group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

For further information regarding the accounts receivables, see note 18.

Liquidity risk
Liquidity risk is the Group's risk of not being able to meet the short-term payment obligations due to insufficient funds. Management monitors rolling forecasts of the group's liquidity reserve and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the group, in accordance with practice and limits set by the group. These limits vary by location to take into account the liquidity of the market in which the entity operates.

In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Refinancing risk
Refinancing risk is defined as the risk for difficulties in refinancing the Group, that financing cannot be achieved, or can only be achieved at a higher cost.

The Group was in breach of financial covenants with several lenders in Q3 and Q4 2024 and initiated discussions in order to obtain waivers and to attempt to revise the covenants going forward. Subsequent to the end of the fiscal year and as announced on April 1, 2025, the US affiliate of the Group, Maximum Entertainment LLC received notice of default under its loan agreements with Cathay bank. The bank demanded reimbursement of all outstanding amounts totalling USD 5 547 801, which the affiliate is unable to pay. The Group continues to actively seek a solution to the situation with its current lenders.

The tables below analyses the Group's financial liabilities into maturity groupings based on their **contractual** maturities for all applicable financial liabilities. The amounts disclosed in the table are the **contractual undiscounted** cash flows.

2023-12-31	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years	Total contractual cash flows	Carrying amount
Financial liabilities							
Borrowings (Note 22)	8 239	3 171	5 278	35 925	1 422	54 036	37 918
Lease liabilities	375	371	735	1 840	1 731	5 051	4 328
Other liabilities (LT and ST)	7 960	–	21 241	–	–	29 201	29 201
Accounts payable	8 642	–	–	–	–	8 642	8 642
Accrued expenses	2 085	–	–	–	–	2 085	2 085
Total	**27 301**	**3 542**	**27 255**	**37 765**	**3 153**	**99 015**	**82 174**

2024-12-31	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years	Total contractual cash flows	Carrying amount
Financial liabilities							
Borrowings (Note 22)	38 889	1 333	2 672	1 985	884	45 763	40 899
Lease liabilities	447	449	802	1 737	1 369	4 805	3 356
Other liabilities (LT and ST)	22 794	–	638	–	–	23 432	23 432
Accounts payable	7 323	–	–	–	–	7 323	7 323
Accrued expenses	1 157	–	–	–	–	1 157	1 157
Total	**70 610**	**1 782**	**4 113**	**3 722**	**2 252**	**82 480**	**76 168**

Management of capital risk

The goal regarding the capital structure is to secure the group's ability to continue its operations, so that it can continue to generate returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to keep the cost of capital low.

In the same way as other companies in the industry, the Company assesses capital based on the debt ratio. This key figure is calculated as net debt divided by total capital. Net debt is calculated as total borrowing (including items such as short-term borrowing and long-term borrowing in the group's balance sheet, including borrowing in the group's balance sheet, including borrowing from owners and financial leasing agreements) less cash and cash equivalents. Total capital is calculated as equity in the group's balance sheet plus net debt.

SPECIFICATION NET DEBT IN,000'S OF EUR	NOTE	2024-12-31	2023-12-31	2023-01-01
Cash and Cash equivalents		6 106	6 470	9 032
Borrowings	Note 22	-44 200	-37 657	-16 500
Lease liabilities	Note 14	-3 356	-4 328	-4 879
Total net debt		**-41 450**	**-35 515**	**-12 347**

The debt ratio as of December 31 was as follows:

	2024-12-31	2023-12-31	2023-01-01
Net debt	41 450	35 515	12 347
Total equity	32 098	60 625	67 003
Net debt to equity ratio	**129%**	**59%**	**18%**

Ongoing Concern

The Group requires sufficient cash flow to allow it to continue meeting its ongoing obligations while making investments in games. Currently, the Group's cash constraints impede execution of investments, jeopardizing the Group's ability to acquire new games and feed the revenue pipeline, impacting its ability to continue operations. Refer to the press release dated April 1, 2025. See also the introduction to Note 4.

NOTE 4: KEY ESTIMATES AND JUDGEMENTS

In preparing financial reports in accordance with IFRS Accounting Standards, certain key accounting estimates must be made. It also requires management to make certain judgments in applying the company's accounting policies. Estimates and judgments are continuously evaluated and are primarily based on historical experience and other factors, including expectations of future events that are considered reasonable under the circumstances.

All estimates used in this report are based on the assumption that the Group is able to meet its current liquidity needs (the going concern assumption is deemed to be applicable) and can therefore continue as a going concern. Maximum is still in ongoing negotiation with its banking partners in the US and would be unable to pay its debts if forced to make immediate restitution. Maximum is actively negotiating with its business partners to meet its obligations and would be unable to pay off all venders while continuing to invest in new products to sell.

Key estimates and assumptions for accounting purposes
The Group makes estimates and assumptions about the future. The accounting estimates resulting from this will, by definition, rarely correspond to the actual outcome. The estimates and assumptions that involve a significant risk of material adjustments to the carrying amounts of assets and liabilities in the next financial year are outlined below.

Impairment of Goodwill and Capitalized Development expenditures
Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Capitalized Development, which concerns both Owned IP games and Licensed Publishing games are reviewed no less than annually against updated forecasts of potential future earning potential. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, Goodwill is assessed at the Group level, Capitalized Development is assessed for each game or title and other assets are tested at the lowest levels for which there are separately identifiable cash inflows.

Contingent consideration – Earn-outs
A significant part of the reported earn-outs relate to the acquisition of Maximum Games. Since these amounts are disputed and subject to an ongoing arbitration, no changes have been made to previously adopted assessments, and no additional amounts have been accrued. The outcome of the arbitration may have a material impact on the financial result. For further information, see "Arbitration" in the Directors' Report. The Group's assumptions about future performance are evaluated on a quarterly basis and Earn-Out provisions are adjusted accordingly.

Deferred Tax Assets
Deferred tax assets are recognized when the Group estimates that it may reasonably expect future gains to generate future tax liability in an amount sufficient to allow for their recovery.

NOTE 5: NET SALES AND SEGMENT INFORMATION

Operating segments are reported in a manner consistent with how it is monitored by the Chief Operating Decision Maker (CODM). The CODM in Maximum has been identified as the CEO, who monitor and evaluate the financial position and performance of the Group, in order to make strategic decisions.

The Group has been deemed to consist of one segment, in line with how the operations are monitored and evaluated. Whilst all operations and teams are mobilized around one segment, management uses different criteria to monitor and track revenue, as shown below. Management tracks revenue by Line of Business, which categorizes sales by business model under which the rights to each game are acquired. Owned IP games are games for which Maximum has at least 50% of IP rights in the game. Licensed Publishing games are those for which Maximum has full monetization rights. Sub-publishing/Distribution refers to games for which Maximum has only retail rights to the game and may only have rights to sell the game in certain territories. Transmedia refers to revenue generated on game accessories and other game-related merchandise.

	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Owned IP	8 316	10 566
Licensed Publishing	15 138	17 712
Subpublishing/Distribution	53 066	64 448
Transmedia	3 416	6 656
Other	–	479
Total	**79 936**	**99 860**

	2024-01-01 2024-12-31	2023-01-01 2023-12-31
North America	37 486	41 379
Europe	37 424	51 610
Asia	2 065	2 571
ROW	2 961	4 300
Total	**79 936**	**99 860**

Approximately EUR 9.7M of revenues (EUR14.5M in 2023) pertains to a single external customer.

NOTE 6: BREAKDOWN OF EXPENSES BY NATURE

Breakdown of expenses by nature	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Cost of sales excluding direct personnel costs	-53 392	-65 495
Other external expenses	-9 018	-1 503
Personnel costs	-15 601	-16 456
Depreciation	-293	-333
Amortization and impairment	-22 303	-14 605
Internal development capitalised	4 226	5 635
Total	**-96 382**	**-92 758**

NOTE 7: REMUNERATION TO AUDITORS

	2024-01-01 2024-12-31	2023-01-01 2023-12-31
PwC		
Audit assignment	174	231
Audit activities beyond the audit assignment	44	3
Tax advisory services	7	7
Other services	30	29
Total	**255**	**272**

Other auditors		
Audit assignment	137	110
Tax advisory services	47	91
Other services	71	61
Total other	**255**	**262**
Total	**510**	**534**

NOTE 8: EMPLOYEE BENEFITS

Average employees	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Total	195	233
Whereof men	139	177

Average employees per country	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Sweden	14	22
France	23	16
Hungary	30	47
The United Kingdom	33	35
Germany	0	1
Romania	24	32
The United States	71	80
	195	**233**

Average male employees per country	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Sweden	8	17
France	13	10
Hungary	28	44
The United Kingdom	22	24
Germany	0	0
Romania	17	27
The United States	51	55
	139	**177**

Group	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Salaries	13 694	14 393
Social contribution	1 183	1 368
Pension	724	695
Total	**15 601**	**16 456**

	2024-01-01 2024-12-31			2023-01-01 2023-12-31		
Group	**Salary**	**Pension**	**Social contribution**	**Salary**	**Pension**	**Social contribution**
Board members, CEO and other executives	1 560	105	145	1 275	60	110
Other employees	12 134	619	1 038	13 118	635	1 257
Total	**13 694**	**724**	**1 183**	**14 393**	**695**	**1 368**

	2024		2023	
Salaries and other benefits, including social security contributions, for the Board of Directors and executive management.	**Salary**	**Other benefits**	**Salary**	**Other benefits**
All amounts in EUR				
CEO, Philippe Cohen*,**	120 000	–	–	–
CEO, Christina Seelye***	483 055	32 748	573 529	33 674
Deputy CEO, Ludvig Lindberg****	169 488	110 160	168 249	80 155
CFO & COO	652 144	72 456	538 442	77 296
Chairman, Stefan Lindeberg	40 933	12 861	–	–
Chairman, Torgny Hellström	19 675	6 182	–	–
Board member, Matti Larsson	–	–	92 300	50 944
Board member, Stefan Lampinen	8 528	2 679	11 896	3 738
Board member, David Eriksson	8 528	2 679	11 896	3 738
Board member, Petter Hjertstedt	19 570	6 149	11 454	3 599
Board member, Karla Martin	8 972	–	11 454	–
Board member, Bart Reefman	13 555	–	–	–
Board member, Jan Benjaminson	12 076	3 794	–	–
Board member, Bob Blake	3 542	–	–	–

** salary invoiced as consultant fee*

*** Philippe became CEO on Oct 1 2024*

**** Christina was CEO all of 2023 and through Sept 30 2024*

***** Ludvig became deputy CEO in March 2023*

Remuneration and Benefits to the Board

Decisions on fees and other remuneration to the board members, including the Chairman, are made at the Annual General Meeting or at the Extraordinary General Meeting if such an occurrence arises. At the Extraordinary General Meeting on 6 November, 2024, it was resolved that Torgny Hellström shall receive an annual remuneration of SEK 725 000, that Jan Benjaminsson shall receive an annual remuneration of SEK 445 000 and that Bart Reefman and Bob Blake shall each receive an annual remuneration of SEK 270 000, calculated pro rata based on the time that each Board member has been a member of the Board until the end of the next Annual General Meeting.

Remuneration to and Current Employment Contracts for Senior Executives

Remuneration to senior executives consists of remuneration of base salary and other benefits. Christina Seelye, under the CEO contract held with the group would have been entitled to a notice period and severance pay unless terminated for cause. Philippe Cohen, under his CEO contract would be entitled to notice pay of 6 months. Senior executives refer to the CEO, CFO, COO, Deputy CEO as well as the Group Heads of Publishing, Sales and Studios, who as of the balance sheet date constituted Maximum Entertainment's group management.

NOTE 9: OTHER OPERATING INCOME

Other operating income	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Provision for earn-out *)	11 315	9 965
Exchange gains on receivables/liabilities of an operating nature	–	23
Other items -Sales of Merge assets	-616	–
Other items Rental income	17	–
Others	7	2
Other items sale of fixed assets that were previously disposal at zero value	14	–
Other items grant income	1	–
Total other operating income	**10 738**	**9 990**

**) Provisions for earn-outs have been adjusted over Profit or Loss. The impact in 2024 amounts to EUR 11 315 thousand (2023: EUR 9 965 thousand).*

NOTE 10: OTHER OPERATING EXPENSES

Other operating income	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Adjustment of contingent consideration	-54	-2 014
Impairment on goodwill (note 12)	-13 217	-21 576
FX gains – operational items	–	-113
Other Costs-special examiner professional fee	-166	–
Other	–	49
Total other operating income	**-13 437**	**-23 654**

NOTE 11: FINANCIAL ITEMS, NET

Finance income	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Interest income	3	–
Foreign exchange difference	4 518	0
Total finance income	**4 522**	**0**

Finance income	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Interest expense, borrowings*	-6 697	-4 099
Interest expense, liabilities related to right-of-use assets	-74	-75
Effect of unwinding of discount on provisions	-1 874	-3 398
FX loss on financial items	-2 060	-1 497
Unwind of discount	-652	-567
Total finance expenses	**-11 357**	**-9 636**
Finance net	**-6 835**	**-9 635**

NOTE 12: INCOME TAX

The major components of income tax expense are:	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Current tax	-1 206	-1 481
Deferred tax	-133	220
Income tax expense reported in the consolidated statement of profit or loss	**-1 338**	**-1 261**

Reconciliation of tax expense and the accounting loss multiplied by Sweden's corporate tax rate:	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Result before tax	-25 981	-16 197
At Sweden's corporate income tax rate (20.6%)	5 352	3 337
Non-deductible expenses	-1 335	-6 315
Non-taxable income	2 817	3 187
Tax effects of impairment, capitalization and amortization	-1 100	406
Tax effects of lease adjustments	17	12
Effects of tax rates in foreign jurisdictions	-1 251	43
Effects of other deferred tax and loss carryforward	-6 431	-1 775
Other	575	-155
Income tax expense	**-1 338**	**-1 261**

Deferred tax liabilities are related leases and fair value adjustment of earn-outs.

Deferred tax liabilities	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Leases and adjustments to the fair value of earn-outs	939	1 050
Total deferred tax liabilities	**939**	**1 050**
Deferred tax assets		
Loss carry-forwards in USA	519	722
Total deferred tax assets	**519**	**722**
Total deferred tax liabilities, net	**420**	**328**

The gross change in deferred taxes is as follows:

	2024-01-01 2024-12-31	2023-01-01 2023-12-31
At the beginning of the year	328	1 280
Other	225	-1 172
Recognition in the income statement	-133	220
At the end of year	**420**	**328**

NOTE 13: INTANGIBLE FIXED ASSETS

Capitalized Expenses for Game Development	2024-12-31	2023-12-31
Accumulated cost at the beginning of the year	35 570	18 035
New milestone payments and internal development	12 615	17 935
Disposals of games	-2 491	–
Reclassification	–	–
Translation differences of the year	1 510	-401
At year-end	**47 204**	**35 570**
Accumulated amortization at the beginning of the year	-6 305	-2 231
Adjustment/Impairment on games	-15 667	–
Depreciation for the year	-6 181	-4 092
Disposals of games	1 329	–
Translation differences for the year	-547	19
At year-end	**-27 371**	**-6 305**
Carrying amount at year-end	**19 832**	**29 264**

Licenses and Trademarks	2024-12-31	2023-12-31
Accumulated cost at the beginning of the year	853	700
New milestone payments and internal development	183	154
Disposals	-29	–
Translation differences of the year	45	–
At year-end	**1 053**	**853**
Accumulated amortization at the beginning of the year	-365	-132
Depreciation for the year	-226	-233
Disposals	29	–
Translation differences for the year	-25	–
At year-end	**-587**	**-365**
Carrying amount at year-end	**466**	**488**

Intangible fixed assets include development and production costs related to games for which the group owns at least 50% of IP rights or for which the group has obtained full monetization rights. Capitalized projects must meet Group standards for future marketability and monetization through a rigorous evaluation process called the “Greenlight Process”.

The residual value and useful lives of assets are tested for impairment at the end of each reporting period and adjusted if necessary. The value of each asset (or game) is compared to the future cash flows the group expects to derive from the remaining useful life of the game. Unlaunched games that no longer meet the Group’s greenlight criteria may be cancelled or shelved and the previously recorded book value will be written down. In 2024, the Group posted 15.7M Euros of impairment for cancelled games and to adjust balance sheet value of launched games to align with actual performance.

NOTE 13: INTANGIBLE FIXED ASSETS, CONTD.

Goodwill	2024-12-31	2023-12-31
Accumulated cost at the beginning of the year	90 938	90 559
Additions	–	378
Translation differences for the year	–	–
At year-end	**90 938**	**90 938**
At the beginning of the year	-22 098	–
Impairment	-13 217	-21 576
Amortization for the year	–	–
Translation differences for the year	2 884	-521
At year-end	**-32 431**	**-22 098**
Carrying amount at year-end	**58 507**	**68 840**

Impairment	Included in	2024-12-31	2023-12-31
Games	Research and Development	-15 667	–
Goodwill	Other operating expenses	-13 217	-21 576
Total impairment		**-28 883**	**-21 576**

Goodwill and trademarks is monitored at group level.

The recoverable amount for goodwill has been determined based on calculations of the value in use. The CEO has assessed that 3-year business plans, the discount rate, and long-term growth are the key assumptions in the impairment test.
The recoverable amount for goodwill and trademarks has been determined based on calculations of the value in use. Calculations of the value in use are based on estimated future cash flows before tax, based on financial budgets approved by the company's management and covering a five-year period. The calculation is based on management's experience and historical data. The average growth rate is used to extrapolate cash flows beyond the forecast period. The growth rate is in line with forecasts in industry reports.

Significant assumptions, long-term growth rate and discount rate used when calculating value in use:

	2024-12-31	2023-12-31
Pre-tax discount rate (%) *)	17,2%	17,2%
Long-term growth rate (%) **)	2,0%	2,0%

**) Reflect specific risks relating to the relevant segments and the countries in which operated.*
***) This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.*

Sensitivity analysis for goodwill

The discount rate applied, 17.2 percent post tax, has a significant impact on the recoverable amount. If the discount rate would be 0.5 percent higher an additional impairment of EUR 3.0 million would be recognised.

NOTE 14: LEASES

Amounts recognized in the consolidated statement of financial position

The consolidated statement of financial position discloses the following amounts relating to leases:

Right-of-use-assets	2024-12-31	2023-12-31
Accumulated cost at the beginning of the year	4 908	4 775
New leases		267
Sales/Disposals for the year	-501	–
Translation differences of the year	239	-134
At year-end	**4 645**	**4 908**
Accumulated amortization at the beginning of the year	-752	–
Depreciation for the year	-864	-752
Sales/Disposals for the year	106	–
Translation differences for the year	17	–
At year-end	**-1 493**	**-752**
Carrying amount at year-end	**3 153**	**4 156**

Right-of-use assets per category	2024-12-31	2023-12-31
Premises	3 153	4 156
Total	**3 153**	**4 156**

Lease liabilities	2024-12-31	2023-12-31
Non-current	2 646	3 546
Current	711	782
Total	**3 356**	**4 328**

Maturity analysis	2024-12-31	2023-12-31
Less than 6 months	447	375
Between 6 months and 1 year	449	371
Between 1 and 2 years	802	735
Between 2 and 5 years	1 737	1 840
After 5 years	1 369	1 731
Total	**4 805**	**5 051**

Amounts recognized in the consolidated statement of profit or loss
The consolidated statement of profit or loss discloses the following amounts relating to leases:

Depreciation charge of right-of-use assets	2024-01-01 2024-12-31	2023-12-31 2023-12-31
Premises	-864	-752
Total	**-864**	**-752**

Other	2024-01-01 2024-12-31	2023-12-31 2023-12-31
Interest expense (included in finance cost)	72	78
Total cash outflow for leases	940	855
Total	**1 012**	**933**

NOTE 15: TANGIBLE FIXED ASSETS

Equipment, tools, fixtures, and fittings	2024-12-31	2023-12-31	2023-01-01
At the beginning of the year	2 142	2 040	921
New purchases	84	333	1 196
Sales/Disposals for the year	-242	-192	-286
Translation differences of the year	82	-38	210
At year-end	**2 066**	**2 142**	**2 040**
Accumulated amortization at the beginning of the year	-1 200	-1 035	-236
Depreciation for the year	-331	-344	272
Sales/disposals for the year	143	163	-406
Translation differences for the year	-49	16	-121
At year-end	**-1 437**	**-1 200**	**-1 035**
Carrying amount at year-end	**629**	**942**	**1005**

NOTE 16: FINANCIAL INSTRUMENTS

All financial assets are measured at amortised cost. All financial liabilities, except for financial liabilities related to contingent consideration, are measured at amortised cost. Contingent consideration is measured at fair value through profit or loss and is classified within level 3 of the fair value hierarchy.
See Note 23.

NOTE 17: INVENTORY

	2024-12-31	2023-12-31	2023-01-01
Inventory of merchandise	6 421	9 806	15 190
Deduction of obsolescence	-598	-884	-1 258
Total	**5 822**	**8 922**	**13 932**

NOTE 18: TRADE RECEIVABLES

	2024-12-31	2023-12-31	2023-01-01
Trade receivables	13 211	18 822	18 507
Less: allowance for expected credit losses	-29	–	–
Trade receivables—net	**13 182**	**18 822**	**18 507**

The maximum exposure to credit risk on the date of the statement of financial position is the carrying amounts according to the above.

Maturity analysis Trade receivables	2024-12-31	2023-12-31	2023-01-01
Trade receivables that are neither past due nor impaired	7 660	6 913	16 737
Past Due:			
0 - 30 days	2 640	10 835	1 495
31 - 60 days	1 268	461	41
61- 90 days	268	122	55
90 - 120 days	569	64	12
More than 120 days	805	427	165
Total	**13 211**	**18 822**	**18 507**
Whereof impaired	-29	–	–
Carrying amount at year-end	**13 182**	**18 822**	**18 507**

NOTE 19: OTHER SHORT TERM RECEIVABLES

	2024-12-31	2023-12-31	2023-01-01
Deposits	93	60	65
Tax receivable	66	66	176
Vendor COGS to be claimed	757	396	56
Others	246	869	304
Total	**1 161**	**1 392**	**601**

NOTE 20: PREPAID EXPENSES AND ACCRUED INCOME

	2024-12-31	2023-12-31	2023-01-01
Accrued digital revenue	2 164	1 585	955
Prepaid rent and rates	40	47	22
Prepaid royalties	455	1 212	2 417
Prepaid marketing expenses	214	270	17
Prepaid games development	65	88	62
Prepaid insurance	133	181	138
Other prepaid expenses	132	293	763
Total	**3 203**	**3 675**	**4 375**

NOTE 21: EQUITY, EARNINGS PER SHARE AND DILUTIVE INSTRUMENTS

	Number of A-shares (thousands)	Number of B-shares (thousands)	Par value	Share capital (tkr)	Other contributed capital (tkr)
Balance at 2023-01-01	**2 000**	**40 866**	**0,1**	**4 286**	**746 000**
New share issue		8 244	0,1	824	107 681
Balance at 2023-12-31	**2 000**	**49 110**	**0,1**	**5 110**	**853 681**
Balance at 2024-12-31		**49 110**	**0,1**	**5 110**	**853 681**

As at December 31, 2024, the Company's share capital consisted of 2 000 000 A-shares with a par value of SEK 20 000 and 49 110 152 B-shares with a par value of SEK 491 100.

Warrants	2024-12-31	2023-12-31
Allocated to Board Members - Redemption period ending July 31, 2024	**–**	**175**
Total Allocated Warrants	**–**	**175**

Earnings Per Share	2024-12-31	2023-12-31
Total Earnings	-27 320	-17 458
Average Shares	51 110	47 124
Earnings Per Share	**-0.54**	**-0.37**

Earnings per Share after Dilution	2024-12-31	2023-12-31
Total Earnings	-27 320	-17 458
Average Shares	51 110	47 299
Earnings Per Share	**-0.54**	**-0.37**

NOTE 22: BORROWINGS

Non-current borrowings	2024-12-31	2023-12-31	2023-01-01
Non-current liabilities to credit institutions	2 513	29 764	3 955
Total	**2 513**	**29 764**	**3 955**

Current borrowings	2024-12-31	2023-12-31	2023-01-01
Current liabilities to credit institutions, consisting of the following:			
- Liabilities to credit institutions	38 386	8 155	12 545
- Arrangement fee	-704	-1 227	–
- Accrued interest	4 004	965	–
Total	**41 687**	**7 893**	**12 545**
Total borrowings	**44 200**	**37 657**	**16 500**

For the majority of the group's borrowing, the reported value of the borrowing corresponds to its fair value because the interest rate on this borrowing is in line with current market rates or because the borrowing is short-term.

Overdraft and Revolving facility
The group has a granted overdraft facility of 800K Euros of which no overdraft has been utilized at December 31, 2024 and no overdraft was utilized at December 31, 2023.

In addition to the Overdraft the Group had a Revolving facility of USD 8M in the US, of which the Group drew the equivalent of EUR4 696 thousand at the end of 2024 compared to the equivalent of EUR 4 020 thousand at December 31, 2023. As announced on April 1, 2025 the US affiliate of the Group, Maximum Entertainment LLC received notice of default under its loan agreements with Cathay bank, which effectively terminated the existing Revolving facility.

For a more detailed description of key terms, maturity analysis and capital structure – see note 3 Financial risk disclosures.

Covenants related to the borrowings are described in below. We also refer to Note 4 regarding critical assumptions for a description regarding going concern issues.

Change in borrowings	2024-12-31	2023-12-31	Impact on cash flow
OB - Borrowings	37 657	16 500	Non-cash
New loans	4 517	29 724	Cash impact
Arrangement fee	–	-1 227	Cash impact
Expensed arrangement fee	523	–	Non-cash
Amortisation of loan	-3 398	-4 907	Cash impact
Capitalized Interest expense (+)	7 029	3 068	Non-cash
Interest payments (-)	-3 530	-5 602	Cash impact
Translation difference (FX)	1 457	101	Non-cash
Total	**44 256**	**37 657**	

Covenants
Group Borrowings are subject to Covenants and other termination event conditions, which include the ability for banks to terminate upon the change of CEO.

Financial covenants include:
At the Group level, a requirement to maintain:
- Net Leverage Ratio which measures the level of Net Debt/EBITDA
- Fixed Charge Coverage Ratio which measures the level of Free Cash Flow/Short Term Debt
- Liquidity Ratio which measures the level of available Cash/Short Term Interest payments

At the Subsidiary level, for the ME LLC Group (calculated in accordance with US GAAP Accounting)
- Current Ratio, which measures the level of Current Assets/Current Liabilities
- Debt Service Ratio which measures an adjusted EBITDA/Short Term Loan repayments

At September 30, 2024 and at December 31, 2024 the Group was in breach of some of these covenants and continues to actively negotiate with its lenders to obtain potential waivers to these breaches.

NOTE 23: OTHER NON-CURRENT LIABILITIES

	2024-12-31	2023-12-31	2023-01-01
Unpaid earnouts *)	638	17 983	37 892
Other liabilities	–	3 258	2 889
Total	**638**	**21 241**	**40 781**

*) Earn Outs: Contingent Considerations and Other Liabilities				
	Contingent Considerations		Other Liabilities	
	2024-12-31	**2023-12-31**	**2024-12-31**	**2023-12-31**
Accumulated amount at the beginning of the year	17 983	37 893	3 258	
Changes impacting profit / loss				
Decrease in liability/Other Operating Income	-9 363	-9 874	-2 320	
Increase in liability/Other Operating Expense	54	2 624		
Discount unwind	2 272	3 527		
FX	604	-792	209	-16
Payments in cash / shares	-1 353	-11 301		-818
Balance sheet reclassifications	-9 558	-4 092	9 558	4 092
At year-end	**638**	**17 983**	**10 706**	**3 258**
of which:				
Non-current	**638**	**17 983**		**3 258**
Current			**10 706**	

Discount unwind are based on targeted payout dates as per SPA or other contractual agreements. A significant part of the reported earn-outs relate to the acquisition of Maximum Games. Since these amounts are disputed and subject to an ongoing arbitration, no changes have been made to previously adopted assessments, and no additional amounts have been accrued. The outcome of the arbitration may have a material impact on the financial result. For further information, see "Arbitration" in the Directors' Report.

NOTE 24: OTHER SHORT TERM LIABILITIES

	2024-12-31	2023-12-31	2023-01-01
Unpaid earnouts	10 706	–	-
Other amounts owed to sellers			2 261
Royalties liabilities	5 421	2 639	4 952
VAT liabilities	3 163	1 368	27
Goods received not invoiced	3 047	236	–
Bank overdraft	–	–	1 348
Severance expense	–	284	–
Others	457	3 433	2 903
Total	**22 794**	**7 960**	**11 492**

NOTE 25: ACCRUALS AND DEFERRED INCOME

	2024-12-31	2023-12-31	2023-01-01
Royalty accruals on accrued revenue	308	756	424
Payroll and holidays accruals	683	817	593
Accruals for payments for Phantorn Shares	–	–	1 702
Deferred income	237	–	4
Other	98	512	416
Total	**1 326**	**2 085**	**3 139**

NOTE 26: PLEDGED ASSETS AND CONTINGENT LIABILITIES

	2024-01-01 2024-12-31	2023-01-01 2023-12-31
IP	19 595	25 845
Tangible fixed assets	613	899
Inventory	6 011	8 922
Receivables	13 182	18 815
Shares in subsidiaries	32 098	60 625
Total	**71 499**	**115 106**

Pledged Assets include assets pledged to different lenders - not all assets are pledged to all lender and some assets are pledged to multiple lenders with different ranking security. Pledged shares in subsidiaries include shares in Merge, Maximum Entertainment France and Maximum Entertainment US.

In addition to pledged assets, in 2021 the Group has guaranteed a small business loan made to Seebon LLC in the United States for which the closing balance at 12/31/2024 amounted to 2.2M USD.

NOTE 27: SUBSEQUENT EVENTS

- Care Bears: Unlock the Magic launch.
- Update on arbitration with former CEO Christina Seelye and former COO Thierry Bonnefoi's Earn-Out claims. Maximum Entertainment filed a statement of defense denying the entire claim for Earn-Outs to former CEO Christina Seelye and former COO Thierry Bonnefoi and filed a counterclaim requesting repayment of previously Paid Earn-Outs and interest.
- Maximum Entertainment appoints Henrik Resmark as new CFO effective April 1, 2025.
- Maximum Entertainment LLC in the USA received notice of default under its loan agreements with Cathay Bank.

NOTE 28: RELATED PARTY DISCLOSURES

			2024-12-31		2023-12-31
Related party transaction	**Related party**	**Value**	**Outstanding**	**Future commitment**	
Rental agreement	Seebon LLC1[1]	413	–	2 775	429
Rental agreement	BPOK Investments Ltd [2]	59	–	–	69
Rental agreement	Kodinvest Kft [3]	27	–	7	29
Consulting	Philippe Cohen Consulting SAS [4]	345	–	240	325
Interest on earn-outs	Christina Seelye & Thierry Bonnefoi [5]	665	68	–	290
Interest on earn-outs	Luke & Joanne Keighran [6]	–	–	–	46
Salary & other benefits	Luke Keighran	81	–	–	138
Salary & other benefits	Joanne Keighran	81	–	–	138
NBV on sale of Merge assets, including release of EO obligation	Silver Lining Interactive Ltd [7]	1 907	546	–	–
Total		**3 578**	**614**	**3 021**	**1 463**

A list of the Group's subsidiaries, which are also related parties to the parent company, is found in Note 38 Investment in subsidiaries. All transactions between Maximum Entertainment and its subsidiaries have been eliminated in the consolidated financial statements.

For additional information regarding compensation to board members and key management, we refer to Note 8 Employee benefits.

[1] *A company owned by Christina Seelye and Thierry Bonnefoi. The rental agreement will end on September 30th 2031.*

[2] *A company owned by Luke & Joanne Keighran. The rental agreement ended on October 31st 2024.*

[3] *A company owned by Tamas Kozak. The lease runs indefinitely, with a 90-day notice period for termination.*

[4] *A company owned by Philippe Cohen, CEO of Maximum Entertainment.*
An indefinite contract with a 6 month notice period for termination.

[5] *Sellers of Maximum Games Group.*

[6] *Sellers of Merge Games Ltd*

[7] *A company owned by Luke & Johanne Keighran. On December 23rd, 2024, the Group announced an asset sales arrangement whereby a number of intellectual property rights to catalog titles were sold to Silver Lining Interactive Ltd.*

NOTE 29: FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial report for 2024 is Maximum Entertainment AB's first financial report prepared in accordance with IFRS Accounting Standards. The accounting policies in note 2 above were applied when the consolidated accounts for Maximum Entertainment AB were prepared as of December 31, 2024, and for the comparison information presented as of December 31, 2023, as well as in the preparation of the report for the opening financial position for the period as of January 1, 2023 (the date of transition to IFRS Accounting Standards).

When the opening IFRS Accounting Standards balance as of January 1, 2023, and the balance sheets as of December 31, 2024, and 31 December 2023 were prepared in accordance with IFRS Accounting Standards, the amounts that were reported in earlier annual reports in accordance with BFNAR 2012:1 Annual Report and Consolidated Accounts (K3) were adjusted. An explanation of how the transition from previous accounting policies to IFRS Accounting Standards has impacted the Group's earnings and financial position is provided in the following tables and accompanying notes.

The Group's change in presentation of the consolidated statement of total comprehensive income
In conjunction with the transition to IFRS Accounting Standards, the Group has changed their presentation of the consolidated statement of total comprehensive income from nature of expense to function of expense.

The Group's change in presentation currency
In conjunction with the transition to IFRS Accounting Standards, the Group has changed their presentation currency to Euros.

Elections made in connection with the preparation of the IFRS opening balance sheet
The transition to IFRS Accounting Standards is reported in accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards. The main rule is that all applicable IFRS Accounting Standards and IAS standards that have entered force and been adopted by the EU as of December 31, 2024, are to be applied retrospectively.

However, IFRS 1 provides a number of optional exemptions and mandatory exceptions to the requirement for retrospective application. Below are the exemptions from complete retrospective application, permitted by IFRS Accounting Standards, that the Group has elected to apply in the transition to IFRS Accounting Standards from previous accounting policies:

Leases
The Group has elected the exemption of applying IFRS 16 Leases from the transition date (January 1, 2023) forward.

The exemption selected means that the lease liability is measured at the present value of lease payments remaining discounted by the lessee's incremental borrowing rate. Right-of-use assets are measured at an amount corresponding to the lease liability. IFRS 1 does not make a distinction between leases that were recognized as operating or financial leases under previous accounting policies, which is why all leases are to be treated in the same manner at the transition to IFRS Accounting Standards regardless of their previous classification under K3.

Moreover, the Group has made the following choices at the transition date:

- Short-term leases (leases where the original lease period is long term, but where the remaining lease period is less than 12 months) have not been included in the calculation of the lease liability.
- A right-of-use asset or lease liability is not recognized for leases where the underlying asset has a low value

Translation differences
IFRS 1 allows for accumulated translation differences for foreign operations recognized in equity to be set at zero at the date of the transition to IFRS Accounting Standards. This provides a transition relief compared with determining the accumulated translation differences in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates, from the date on which the subsidiary or associated company was formed or acquired. The Group has chosen to set all accumulated translation differences in the translation reserve to zero.

Business combinations
IFRS 1 offers the option to apply the policies in the standard IFRS 3 Business Combinations either prospectively from the date of the transition to IFRS Accounting Standards or from a specific date prior to the transition date. This provides transition relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group has elected to apply IFRS 3 prospectively for business acquisitions that take place after the date of transition to IFRS Accounting Standards. Business acquisitions that took place before the transition date have thus not been restated.

Reconciliation between previous accounting policies and IFRS Accounting Standards
According to IFRS 1, the Group is to present a reconciliation between equity and total comprehensive income recognized according to previous accounting policies, and equity and total comprehensive income recognized according to IFRS Accounting Standards, which is presented in the following tables.

INCOME STATEMENT - GROUP

in,000's of EUR	According to previous GAAP	2023-12-31 Total effect of IFRS	IFRS
Net sales	99 860	-	99 860
Cost of sales	-68 522	549	-67 973
Gross profit	**31 338**	**549**	**31 887**
Research and Development (R&D)	-5 174	-115	-5 289
Sales and marketing	-10 354	-	-10 354
General and Administration	-32 095	12 233	-19 862
Other operating income	9 990	-	9 990
Other operating expenses	-710	-12 225	-12 935
Total Operating expenses	**-38 343**	**-107**	**-38 450**
Operating Profit (EBIT)	**-7 005**	**442**	**-6 563**
Financial income	1		1
Financial expenses	-6 163	-3 473	-9 636
Financial items - net	**-6 162**	**-3 473**	**-9 635**
Profit before Income tax	**-13 167**	**-3 031**	**-16 198**
Deferred income tax	-497	717	220
Current income tax	-1 481		-1 481
Profit for the period	**-15 145**	**-2 314**	**-17 459**
Profit (loss) is attributable to:			
Owners of parent company	-15 144	-2 314	-17 458
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Exchange differences on translation on foreign operations	-467	2 153	1 686
Other comprehensive for the year	**-467**	**-2 314**	**-17 458**
Owners of parent company	-467	2 221	1 753
Other comprehensive income for the year	**-467**	**2 221**	**1 753**
Total comprehensive income for the year	**-15 611**	**-93**	**-15 705**
Total comprehensive income for the period is attributable to:			
Owners of the parent company	-15 611	-93	-15 705
Total	**-15 611**	**-93**	**-15 705**

BALANCE SHEET - GROUP

in,000's of EUR	2023-01-01			2023-12-31		
Assets	**According to previous GAAP**	**Total effect of IFRS**	**IFRS**	**According to previous GAAP**	**Total effect of IFRS**	**IFRS**
Non-current assets						
Capitalized expenditure for development work and similar work	15 804	–	15 804	28 815	450	29 265
Trademarks	483	–	483	417	–	417
Licenses	94	–	94	71	–	71
Good will	90 559	–	90 559	68 840	–	68 840
Property, plant and equipment			–			
Right-of-us assets	–	4 775	4 775	–	4 156	4 156
Equipment, tools, fixtures and fittings	1 005	–	1 005	942	–	942
Non-current financial assets			-			
Other non-current receivables	44	–	44	29	–	29
Deferred tax assets	79	–	79	719	3	722
Current assets			–			
Inventory			–			
Inventory	13 932	–	13 932	8 922	–	8 922
Current receivables						
Accounts receivable	18 507	–	18 507	18 822	–	18 822
Current tax receivables	756	–	756	250	–	250
Other receivables	601	–	601	1 392	–	1 392
Prepayments and accrued income	4 380	-5	4 375	3 680	-5	3 675
Cash and cash equivalents	9 032	–	9 032	6 470	–	6 470
Total assets	**155 275**	**4 770**	**160 045**	**139 369**	**4 604**	**143 973**

BALANCE SHEET - GROUP, CONTD.

in,000's of EUR	2023-01-01			2023-12-31		
Equity and liabilities	**According to previous GAAP**	**Total effect of IFRS**	**IFRS**	**According to previous GAAP**	**Total effect of IFRS**	**IFRS**
Equity						
Share capital	385	-	385	459	-4	455
Other contributed capital	67 036	-	67 036	76 695	-535	76 160
Reserves	-	-	-	-467	2 221	1 754
Development expenditure fund	202	-202	0			
Retained earnings	1 676	4 450	6 127	-2 781	2 496	-285
Profit or loss for the period	-6 544	-	-6 544	-15 144	-2 314	-17 458
Total equity	**62 754**	**4 249**	**67 003**	**58 762**	**1 864**	**60 626**
Non-current liabilities						
Borrowings non-current	3 955	-	3 955	29 764	-	29 764
Lease liabilities L/T	-	4 207	4 207	-	3 546	3 546
Other provisions	43 298	-43 298	0			
Other non-current liabilities	2 889	37 892	40 781	23 143	-1902	21 241
Deferred tax liabilities	224	1 135	1 359	651	399	1 050
Current liabilities						
Borrowings	9 880	2 665	12 545	7 893	-	7 893
Lease liabilities S/T	-	672	672	-	782	782
Accounts payable	13 593	-	13 593	8 642	-	8 642
Current tax liabilities	1 297	-	1 297	384	-	384
Other current liabilities	11 580	-88	11 492	8 045	-85	7 960
Accruals and deferred income	5 804	-2 665	3 139	2 085	-	2 085
Total equity and liabilities	**155 275**	**4 770**	**160 045**	**139 369**	**6 468**	**143 973**

The cash flow has not been affected by the transition to IFRS Accounting Standards, but has been adjusted as a consequence of following identified areas of impact on the income statement and the balance sheet.

Leases

At the transition to IFRS 16 has the cash flow regarding payments of leasing (excluding short-term leases and leases of low value) been reclassified from an expense in the operating activities to present both the principal and interest portion of the lease payment in the financing activities. The depreciation on the right-of-use asset has been included in the adjustment for non-cash items in the operating activities.

Goodwill

Under previously applied accounting policies, goodwill is amortized over the period that it is expected to generate economic benefits. Under IFRS Accounting Standards, goodwill is not amortized, instead, an impairment test is conducted annually. As a result of goodwill not being amortized in accordance with IFRS Accounting Standards, the amortization recognized from January 1, 2023, in accordance with previous accounting policies is added back. The amortization of goodwill that is added back during a period impacts earnings for that period as well as total comprehensive income and has been added back under Operating Expense in the consolidated statement of total comprehensive income.

The Group has maintained the Goodwill valuations recognized under impairment testing conducted at 31 December 2023. Corresponding impairment adjustments are posted accordingly. Therefore, there are no significant changes to Goodwill as of December 31, 2023 and January 1, 2023.

Deferred taxes

Deferred taxes are accounted for on all IFRS Accounting Standards adjustments that implies a temporary difference in the statement of financial position, such as leases.

Refer to table below for deferred taxes presented under IFRS Accounting Standards.

In 000's of Euros	2024-12-31	2023-12-31
Deferred Tax Per statements	3 174	68
Adjustments as a result of IFRS 16	2	3
Adjustments as a result of IFRS 9	393	-399
Total	**3 569**	**-328**

Statement of financial position

The following are reclassifications made in the statement of financial position:

- Cash and bank is changed into Cash and cash equivalents.
- Deferred tax receivables are presented separate from financial assets.
- Deferred tax liabilities are no longer presented as a provision, but rather a long-term liability.

Statement of total comprehensive income

This statement is new compared to previously applied accounting principles where only an income statement was included. Under IFRS Accounting Standards there are items, such as translation differences on subsidiaries, to be presented in Other comprehensive income which is an additional section of the consolidated income statement, which will then be called Statement of total comprehensive income.

The following are reclassifications made in the statement of total comprehensive income:

- Interest income and similar items is changed into Financial income
- Interest costs and similar items is changed into Financial expense
- Tax on profit for the year is changed into Income tax

PARENT COMPANY INCOME STATEMENT

in,000's of SEK	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Net sales		14 343	16 011
Cost of Sales		-27	-12 863
Gross profit		**14 316**	**3 148**
General and Administration	31,32	-41 847	-28 102
Amortization of intangible assets	37	-204	-192
Other operating income		200	278
Other operating expenses		-1 902	–
Total Operating expenses		**-43 754**	**-28 017**
Operating Profit (EBIT)		**-29 438**	**-24 868**
Result from shares in subsidiaries	33	-453 181	45 546
Other interest income and similar items	34	51 405	19 711
Interest costs and similar items	35	-1 249	-19 642
Financial items - net		**-403 026**	**45 615**
Profit for the period		**-432 464**	**20 747**

In the parent company, there are no items reported within other comprehensive income, therefore the total comprehensive income corresponds with the profit for the year.

PARENT COMPANY BALANCE SHEET

in,000's of SEK	Note	2024-12-31	2023-12-31	2023-01-01
ASSETS				
Non-current assets				
Licenses and trademarks	37	505	710	902
Investments in subsidiaries	38	177 846	508 217	489 397
Non-current receivables from group companies		309 531	357 286	457 129
Other non-current receivables		93	93	93
Total non-current assets		**487 976**	**866 306**	**947 521**
Current assets				
Accounts receivable		–	80	179
Receivable from Group companies		11 469	51 290	28 610
Other receivables		242	1 536	2 183
Prepayments and accrued income	39	663	738	635
Cash and cash equivalents		517	1 899	238
Total current assets		**12 891**	**55 543**	**31 845**
TOTAL ASSETS		**500 867**	**921 849**	**979 365**

PARENT COMPANY BALANCE SHEET , CONTD.

in,000's of SEK	Note	2024-12-31	2023-12-31	2023-01-01
EQUITY AND LIABILITIES				
Equity				
Share capital		5 111	5 111	4 287
Share premium fund		853 681	853 681	746 000
Retained earnings		-31 544	-52 291	-49 929
Profit or loss for the period		-432 464	20 747	-2 363
Total equity		**394 784**	**827 247**	**697 995**
		784 456	**1 649 383**	**1 391 703**
LIABILITIES				
Non-current liabilities				
Other liabilities to group companies		26 303	5 566	–
Other provisions		7 663	64 863	126 685
Other non-current liabilities		37 310	-	-
Total non-current liabilities		**71 276**	**70 429**	**126 685**
Current liabilities				
Overdraft facility		–	–	13 636
Liabilities to credit institutions		–	–	67 101
Liabilities to group companies		27 842	17 019	12 521
Accounts payable		3 070	1 220	736
Current tax liabilities		186	–	–
Other current liabilities		2 396	280	25 821
Accruals and deferred income	40	1 312	5 654	34 870
Total current liabilities		**34 807**	**24 173**	**154 685**
TOTAL LIABILITIES AND EQUITY		**500 867**	**921 849**	**979 365**

PARENT COMPANY, STATEMENT OF CHANGES IN EQUITY

in,000's of Euros	Share capital	Share premium fund	Retained earnings including profit for the period	Total
2023-01-01	**4 286**	**746 000**	**-52 292**	**697 994**
Profit for the year	–	–	20 747	20 747
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**20 747**	**20 747**
Transactions with shareholders				
New share issue	824	107 681	–	108 505
Total transactions with shareholders	**824**	**107 681**	**–**	**108 505**
2023-12-31	**5 110**	**853 681**	**-31 545**	**827 246**
2024-01-01	**5 110**	**853 681**	**-31 545**	**827 246**
Profit for the period	–	–	-432 464	-432 464
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**-432 464**	**-432 464**
2024-12-31	**5 110**	**853 681**	**-464 009**	**394 782**

PARENT COMPANY, CASH FLOW ANALYSIS

in,000's of SEK	Note	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Cashflow from operating activities			
Operating profit		-29 438	-24 868
Adjustment for non-cash items			
Amortisation, Depreciation and Impairment		207	192
Write-down			-45 546
Other items non cash			13 177
Interest received		1 198	–
Interest paid		-1 249	
Cash flow from operating acitivites before change in working capital		**-29 282**	**-57 045**
Changes in Working Capital			
Change in Accounts receivables		80	–
Change in intercompany receivables		22 160	–
Change in Other current receivables		7 480	433
Change in Accounts payables		1 850	484
Change in other provisions		-12 298	–
Change in Other current liabilities		8 682	–
Total changes in Working Capital		**27 900**	**917**
Cash flow from operations		**- 1 381**	**-56 128**
Cash flow from investing activities			
Acquisition of financial assets		–	138 527
Cash flow from investing activities		**0**	**138 527**
Cash flow from financing activities			
Amortization of loan		–	-80 737
Repurchase of warrants		–	-1
Cash flow from financing activities		**0**	**-80 738**
Cash flow for the period		**-1 382**	**1 661**
Cash and cash equivalents at beginning of period		1 899	238
Cash and cash equivalents at end of year		**517**	**1 899**

NOTE 30: PARENT COMPANY'S ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual accounts are set out below. Unless otherwise indicated, these policies have been applied consistently for all the years presented.

Effects for the parent company when transitioning to RFR 2 Reporting for legal entities
The annual report for 2024 is Maximum Entertainment AB's first year of financial reporting prepared in accordance with RFR 2 Reporting for legal entities.

The financial report of the parent company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Reporting for Legal Entities. RFR 2 states that the parent company in its annual report shall apply International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the EU, to the extent this is possible within the framework of the Annual Accounts Act and the Social Security Act, and with regards to the relationship between accounting and taxation. RFR 2 states which exceptions and additions that are to be used in relation to IFRS Accounting Standards.

The parent company applies other accounting principles than the group as stated below:

Format
The income statement and balance sheet follow the format of the Annual Accounts Act. The report on changes in equity is presented in the form of the group's presentation but must contain the columns specified in the Annual Accounts Act. Furthermore, there are differences regarding names of line items compared with the consolidated accounts, mainly regarding cash and cash equivalents, financial income and expenses, income tax and equity.

Shares in subsidiaries
Shares in subsidiaries are reported at acquisition cost less any impairment loss. When there is an indication that shares and participations in subsidiaries are impaired, an estimate of the recoverable amount is made. If this is lower than the carrying amount, a write-down is performed. Impairment is recorded within "result from participation in group companies" in the income statement.

Financial instruments
The parent company does not apply IFRS 9. The parent company instead applies the points specified in RFR 2 (IFRS 9 financial instruments). Financial instruments are measured on the basis of acquisition cost. In subsequent periods, financial assets acquired with the intention of being held in the short term will be measured in accordance with the lowest value principle at the lower of acquisition value and market value. When calculating the net sales value of receivables that are reported as current assets, the principles for impairment testing and loss allowance in IFRS 9 shall be applied. For receivables measured at acquisition cost at group level, the loss allowance reported in the group in accordance with IFRS 9 must also be recognized in the parent company.

Leasing
All leasing agreements where the company is the lessee are reported as operational leasing (lease agreements), regardless of whether the agreements are financial or operational. The leasing fee is reported as an expense on a straight-line basis over the leasing period.

Segment reporting
Information will only be provided for the breakdown of net sales on geographical areas.

NOTE 31: REMUNERATION TO AUDITORS

	2024-01-01 2024-12-31	2023-01-01 2023-12-31
PwC		
Audit assignment	1 989	1 868
Audit activities beyond the audit assignment	505	40
Tax advisory services	75	85
Other services	346	75
Total	**2 916**	**2 068**

NOTE 32: EMPLOYEE BENEFITS

Average employees	2024-12-31	2023-12-31
Total	2	4
Of which men	1	3
Board members	5	6

	2024-01-01 2024-12-31			2023-01-01 2023-12-31		
Group	**Salary**	**Pension**	**Social contribution**	**Salary**	**Pension**	**Social contribution**
Board members, CEO and other executives	2 703	646	909	1 815	119	599
Other employees	680	56	211	5 560	662	2 000
Total	**3 383**	**702**	**1 120**	**7 375**	**781**	**2 599**

NOTE 33: RESULTS FROM SHARES

	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Dividends received	15 741	45 546
Write-downs	-468 923	–
Total	**-453 181**	**45 546**

NOTE 34: OTHER INTEREST INCOME AND SIMILAR ITEMS

	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Interest income	3	19 059
Interest income, group	20 359	–
Exchange gains	87 236	–
Exchange losses	-56 193	
Other		653
Total finance income	**51 405**	**19 712**

NOTE 35: INTEREST EXPENSE AND SIMILAR ITEMS

	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Interest costs to group companies	-940	-425
Interest expenses, external	–	-18 178
Other	-309	-1 039
Total finance expense	**-1 249**	**-19 642**

NOTE 36: INCOME TAX

The major components of income tax expense are:	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Current tax	–	–
Deferred tax	–	–
Income tax expense reported in the consolidated statement of profit or loss	–	–

Reconciliation of tax expense and the accounting loss multiplied by Sweden's corporate tax rate:	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Result before tax	-432 464	20 747
At Sweden's corporate income tax rate (20.6%)	89 088	4 274
Non-deductible expenses	-98 847	-9 382
Non-taxable income	3 335	–
Taxable loss carried forward	6 425	5 109
Income tax expense	**–**	**–**

NOTE 37: INTANGIBLE ASSETS

	2024-12-31	2023-12-31
Accumulated cost at the beginning of the year	1 061	1 061
At year-end	**1 061**	**1 061**
Accumulated amortization at the beginning of the year	-351	-159
Depreciation for the year	-204	-192
At year-end	**-555**	**-351**
Carrying amount at year-end	**506**	**710**

NOTE 38: INVESTMENT IN SUBSIDIARIES

	2024-12-31	2023-12-31
At the beginning of the year	508 217	489 397
Shareholders contribution		1 170
Dividend	-15 912	
Acquisition	619	17 650
Impairment	-313 883	–
Merge	-1 195	–
At year-end	**177 846**	**508 217**

Name	Domicile	Reg.number	Carrying amount 2024	Carrying amount 2023	Capital and votes, %
Maximum Entertainment Sweden AB	Sweden, Norrköping	559120-3517	0	11 120	100%
Maximum Entertainment Hungary kft	Hungary	09-09-007215	0	12 589	100%
Maximum Entertainment France	France	52,956,777,800,012	132 964	229 852	100%
Merge Games Ltd	United Kingdom	7,113,176	44 881	253 461	100%
Zordix Racing AB (merged during 2024)	Sweden, Umeå	559348-0600	-	1 195	100%
MG1 Acquisition Corporation	USA	36-5009558	0	0	100%
- Maximum Entertainment LLC	USA				100%
- Modus Games LLC	USA				100%
- Maximum Entertainment Brazil Limitada	Brazil				100%
- Maximum Entertainment Srl	Romania				100%
- Maximum Entertainment Ireland Ltd	Ireland				100%
- Maximum Entertainment Ltd	United Kingdom				100%
- Maximum Games GmbH	Germany				100%
			177 846	**508 217**	

NOTE 39: PREPAID EXPENSES AND ACCRUED INCOME

	2024-12-31	2023-12-31	2023-01-01
Prepaid lease charges	159	131	120
Prepaid insurance	–	–	28
Other prepaid expenses	504	347	487
Accrued interest	–	259	–
Total	**663**	**738**	**635**

NOTE 40: ACCRUALS AND DEFERRED INCOME

	2024-12-31	2023-12-31	2023-01-01
Accrued wages and salaries	497	980	1 700
Accrued holiday pay	502	311	1 191
Accrued social security and contribution	314	405	909
Accrued interest	–	95	29 654
Other accrued expenses and deferred income	–	3 864	1 417
Total	**1 312**	**5 654**	**34 871**

NOTE 41: PLEDGED ASSETS AND CONTINGENT LIABILITIES

	2024-12-31	2023-12-31
Shares in subsidiaries	177 846	483 313
Total	**177 846**	**483 313**

The terms of certain SPA agreements with Sellers include provisions to indemnify against a call on the guarantees provided against term loans for certain affiliates.

NOTE 42: RELATED PARTY DISCLOSURES

During the year, customary trade has been conducted between the Group's companies.

NOTE 43: PROPOSAL FOR PROFIT ALLOCATION

Proposal for profit allocation
The Board proposes that available profit funds as of December 31, 2024, totaling SEK 389 672 605, will be carried forward.

Available equity (in crowns)	2024-12-31
Retained earnings	-31 544 402
Share premium fund	853 680 605
Loss for the period	-432 463 598
Sum	**389 672 605**

SIGNATURES

The Board of Directors and the CEO hereby certify that the annual report has been prepared in accordance with the Annual Accounts Act and RFR 2 and provides a true and fair view of the company's financial position and results, and that the management report gives a fair overview of the development of the company's operations, financial position, and results, and describes significant risks and uncertainties faced by the company. The Board of Directors and the CEO hereby certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the EU, and provide a true and fair view of the group's financial position and results, and that the management report for the group gives a fair overview of the development of the group's operations, financial position, and results, and describes significant risks and uncertainties faced by the group. The annual report has been approved for issuance by the Board of Directors on 21 May 2025.

The consolidated income statement and balance sheet, as well as the parent company's income statement and balance sheet, will be subject to approval at the annual general meeting on 11 June 2025.

Stockholm, 2025-05-21

TORGNY HELLSTRÖM
CHAIRMAN OF THE BOARD

BOB BLAKE
BOARD MEMBER

BART REEFMAN
BOARD MEMBER

JAN BENJAMINSSON
BOARD MEMBER

PHILIPPE COHEN
CEO

OUR AUDIT REPORT HAS BEEN ISSUED ON 2025-05-21, STOCKHOLM
ÖHRLINGS PRICEWATERHOUSECOOPERS AB

NIKLAS RENSTRÖM
AUTHORISED PUBLIC ACCOUNTANT

Audit report

To the general meeting in Maximum Entertainment AB, org.nr 556778-7691

Report on the annual accounts and consolidated accounts

Opinion

We have audited the annual accounts and consolidated accounts of Maximum Entertainment AB for the year 2024. The company's annual accounts and consolidated accounts are included on pages 5-65 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view, in all material respects, of the financial position of the parent company as of 31 December 2024 and of its financial performance and cash flow for the year in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view, in all material respects, of the financial position of the group as of 31 December 2024 and of its financial performance and cash flow for the year in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting adopt the income statement and balance sheet for the parent company and the group.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under these standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Material uncertainty regarding the assumption of continued operation

We would like to draw attention to the administration report and Note 3 and Note 4 in the annual report and consolidated financial statements, which state that the company's financing for the coming 12-month period is not secured. However, the Board of Directors and the CEO believe that there are alternatives to secure the company's financing. As the possibility of realizing these alternatives in whole or in part is beyond the company's control, there are significant uncertainties that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in this regard.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for the preparation and fair presentation of the annual accounts and consolidated accounts in accordance with the Annual Accounts Act and, in the case of consolidated accounts, in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the CEO are responsible for assessing the company's and the group's ability to continue as a going concern. They disclose, as applicable, any conditions that may affect the company's ability to continue as a going concern and use the going concern basis of accounting. However, the going concern basis of accounting is not applied if the Board of Directors and the CEO either intend to liquidate the company, cease operations or have no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is available on the Swedish Auditors' Authority's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other requirements under laws and regulations

Statements and statements with dissenting opinions

In addition to our audit of the annual accounts, we have also performed an audit of the board of directors' and CEO's administration of Maximum Entertainment AB for the year 2024 and of the proposed appropriations of the company's profit or loss.

We recommend that the Annual General Meeting treat the profit as proposed in the administration report.

As a result of the circumstances described in the Basis for Statements section, we oppose the Annual General Meeting granting the Board members Stefan Lindberg (acting until 4 June 2024), Stefan Lampinen (acting until 4 June 2024), David Eriksson (acting until 4 June 2024), Petter Hjertstedt (acting until 9 September 2024) and Karla Martin (acting until 6 November 2024) discharge from liability for the financial year. We also oppose the Annual General Meeting granting the CEO, also a member of the Board, Christina Seelye discharge from liability (acting as CEO until 30 September 2024 and as a member of the Board until 6 November 2024).

We recommend that the Annual General Meeting grants the board members Torgny Hellström (active from September 9, 2024), Robert Blake (active from November 6, 2024), Bart Reefman (active from June 4, 2024) and Jan Benjaminsson (active from September 9, 2024) discharge from liability for the financial year.

Basis for opinion

During the management audit, the following circumstances have given rise to special considerations regarding whether the Board of Directors and the CEO should be granted discharge from liability.

In December 2021, the company acquired Maximum Games Group and in addition to the initial purchase price, the agreement included a component where part of the purchase price was based on the results of the acquired business for the years 2022, 2023 and 2024. The sellers of this business included, among others, the company's former CEO, Christina Seelye.

Our review has revealed that it is unclear whether the basis for a decision on an additional purchase price, which the board made on 24 April 2024, has been calculated in accordance with the agreements entered into and whether the board has taken sufficient measures to ensure that the calculation of the additional purchase price was correct. We also note that it is the sellers of Maximum Games Group who have prepared and presented the decision documents to the board.

Following a decision by the Annual General Meeting on September 9, 2024, a special auditor has been appointed to, among other things, investigate the decisions and calculations regarding the additional purchase price for the acquisition of Maximum Games Group. This investigation has not yet been completed.

It cannot be ruled out that the board of directors at the time of the decision on 24 April 2024, which consisted of Stefan Lampinen, Stefan Lindberg, David Eriksson, Petter Hjertstedt and Karla Martin, has been negligent. If it turns out that the decided additional purchase price is incorrect, the company may have suffered significant financial damage. Since the current additional purchase price has not been paid, the damage is currently limited to interest paid to the sellers in 2024 on the decided but not settled additional purchase price of approximately SEK 3 million and not insignificant additional costs for various investigations regarding the matter.

Based on the circumstances described above, we therefore oppose that the Annual General Meeting grants discharge from liability for Stefan Lampinen, Stefan Lindberg, David Eriksson, Petter Hjertstedt and Karla Martin. With regard to the board members who took office in 2024 and constitute the current board consisting of Torgny Hellström, Robert Blake, Pieter Reefman and Jan Benjaminsson, we recommend that they be granted discharge from liability.

With regard to Christina Seelye, who was CEO until 30 September 2024, and also the seller of Maximum Games Group, it is our assessment that we cannot rule out that she failed in her responsibility as CEO when the calculations of the additional purchase price were presented to the board of directors on 24 April 2024. As the founder of the acquired business, she can be assumed to have had knowledge of the details of the calculations of the additional purchase price. As stated above, it is unclear whether the basis that the board had for the calculations of the additional purchase price was based on complete and transparent information. In view of this uncertainty about Christina Seelye's responsibility for any shortcomings in the above-mentioned calculations, we oppose the general meeting granting her discharge from liability for the time during the financial year that she was active as CEO. With regard to the CEO Philippe Cohen, we recommend that he be granted discharge from liability.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. In the case of a proposal for a dividend, this includes, among other things, an assessment of whether the dividend is justifiable, taking into account the requirements that the company's and the group's nature of business, scope and risks place on the size of the parent company's and the group's equity, consolidation needs, liquidity and general position.

The Board of Directors is responsible for the company's organization and the management of the company's affairs. This includes, among other things, continuously assessing the company's and the group's financial situation, and ensuring that the company's organization is designed so that the accounting, asset management and the company's financial affairs are otherwise controlled in a satisfactory manner. The CEO shall manage the day-to-day administration in accordance with the Board's guidelines and instructions and, among other things, take the measures necessary to ensure that the company's accounting is carried out in accordance with the law and that the asset management is carried out in a satisfactory manner.

Auditor's responsibility

Our objective regarding the audit of the administration, and thereby our opinion on discharge from liability, is to obtain audit evidence to be able to assess with a reasonable degree of certainty whether any member of the Board of Directors or the CEO in any material respect:

- has taken any action or been guilty of any negligence that may give rise to liability to the company, or

- in any other way acted in violation of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective regarding the audit of the proposal for appropriations of the company's profit or loss, and thus our opinion thereon, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Swedish Companies Act.

Reasonable assurance is a high degree of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that may give rise to liability to the company, or that a proposal for the allocation of the company's profit or loss is not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the Swedish Auditors' Office's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Stockholm May 21 2025

Öhrlings PricewaterhouseCoopers AB

Niklas Renström
Authorized auditor

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.