



SOZAP



# YEAR-END REPORT JAN-DEC 2023

SOZAP AB (publ)

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

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

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

## OCTOBER – DECEMBER 2023

- Net revenue amounted to MSEK 4.7 (3.5), an increase of 34 percent, and an increase of 35 percent in comparable currency.
- Operating result, EBIT, amounted to MSEK -3.4 (-5.0).
- Result for the quarter amounted to MSEK -3.4 (-5.0).
- Earnings per share were SEK -0.30 (-0.59) before and after dilution.
- Cash flow from operating activities was MSEK -2.3 (0.6).
- Cash and cash equivalents amounted to MSEK 6.3 (12.3).
- Average Revenue Per Daily Active User (ARPDau) amounted to USD 0.089 (0.060), an increase of 48 percent compared to the previous year.
- Unique Monthly Active Users (MAU) during the quarter amounted to 0.9 million (0.9).
- The number of outstanding shares at the end of the period was 11 361 120. The number of subscription warrants issued at the end of the period was 250 000, a decrease of 535 000 during the quarter due to the fact that subscription warrants issued to personnel and the Board of Directors expired without having been exercised.

## SIGNIFICANT EVENTS DURING THE PERIOD

**24 October:** SOZAP initiated cost-saving measures with the aim of reducing non-variable expenses by at least MSEK 8 on an annual basis. The measures will come into force with full effect from the second quarter of 2024. The savings program is a consequence of the Company now entering a new phase, with focus on profitability in already launched games, as well as the ongoing launch and further development of Fishing Tour™.

## JANUARY – DECEMBER 2023

- Net revenue amounted to MSEK 15.0 (16.6), a decrease of 10 percent, and a decrease of 5 percent in comparable currency.
- Operating result, EBIT, amounted to MSEK -8.9 (-14.3).
- Result for the period amounted to -8.9 (-14.3).
- Earnings per share were SEK -0.91 (-1.68) before and after dilution.
- Cash flow from operating activities was MSEK -3.0 (-3.1).
- Average Revenue Per Daily Active User (ARPDau) amounted to USD 0.070 (0.064), an increase of 9 percent compared to the previous year.
- Unique Monthly Active Users (MAU) during the period amounted to 0.8 million (1.0).
- The number of outstanding shares at the end of the period was 11 361 120, an increase of 2 840 280 as a result of the new share issue that was completed in June and registered in July.
- The Board of Directors proposes that no dividend be paid for the financial year 2023.

## SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events have occurred after the end of the reporting period.

## FINANCIAL OVERVIEW AND KEY FIGURES

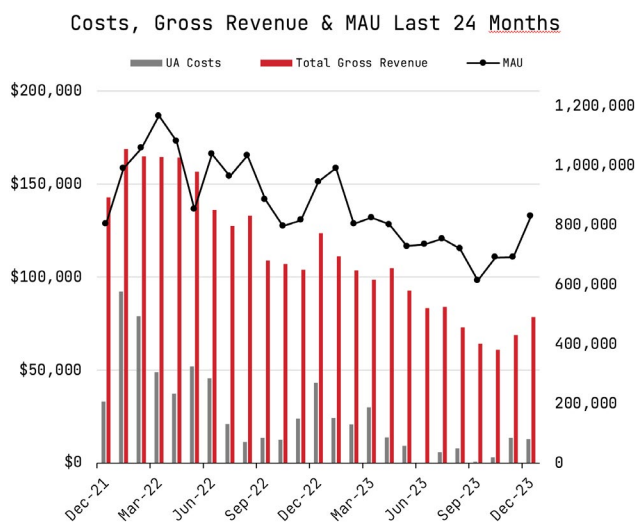
	Quarter		Period	
	October - December		January - December	
<b>Amounts in TSEK, unless otherwise specified</b> (Definitions can be found at the end of the report)	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net revenue	4 736	3 526	14 964	16 584
Net revenue growth %	34%	-3%	-10%	-5%
Net revenue - comparable currency	4 764	3 130	14 781	14 706
Net revenue growth % - comparable currency	35%	-11%	-11%	-18%
EBITDA	-1 585	-906	-2 999	-2 698
EBITDA %	-33%	-26%	-20%	-16%
Operating result, EBIT	-3 414	-4 979	-8 940	-14 267
Operating result, EBIT %	-72%	-141%	-60%	-86%
Balance sheet total	33 323	31 299	33 323	31 299
MAU; average during the period (number in 000s)	885	873	825	991
DAU; average during the period (number in 000s)	58	60	56	71
ARPPDAU (total); average during the period (USD)	0,089	0,060	0,070	0,064
Total number of employees; average during the period	33	34	33	34
Of which are game developers/designers	31	32	31	32
Number of game development projects live	2	2	2	2
Number of game development projects in the process of development	1	3	1	3
Earnings per share before dilution (SEK)	-0,30	-0,59	-0,91	-1,68
Earnings per share after dilution (SEK)	-0,30	-0,59	-0,91	-1,68
Average number of shares before dilution	11 361 120	8 520 840	9 822 635	8 520 840
Average number of shares after dilution	12 146 120	9 305 840	10 607 635	9 305 840
Number of outstanding shares at the end of the period	11 361 120	8 520 840	11 361 120	8 520 840

# CEO COMMENT

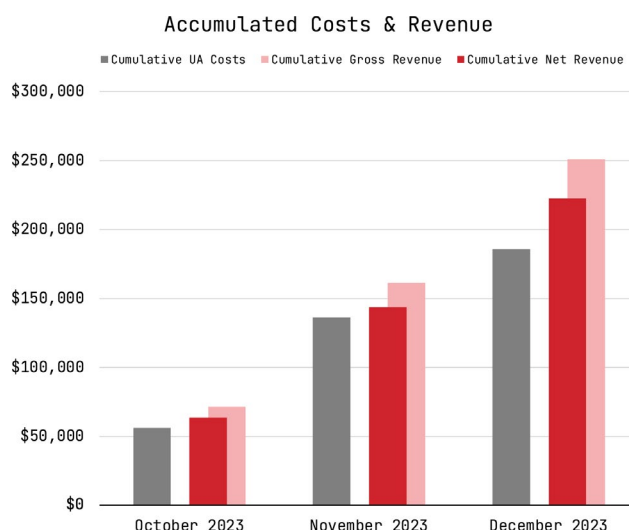
We saw significant revenue growth in the fourth quarter of 2023, a development driven by the global launch of Questopia. Compared to the same period last year, revenue increased by 34 percent, and by 50 percent compared to the third quarter of 2023. With positive results from our initial UA investments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

During the quarter, we carried out the strategic restructuring mentioned in the last quarterly report, in order to optimize our operations and use of resources. Together with the successful launch of Questopia and sound income from ARMED HEIST, this means we are now focusing on our most promising game title, Fishing Tour.

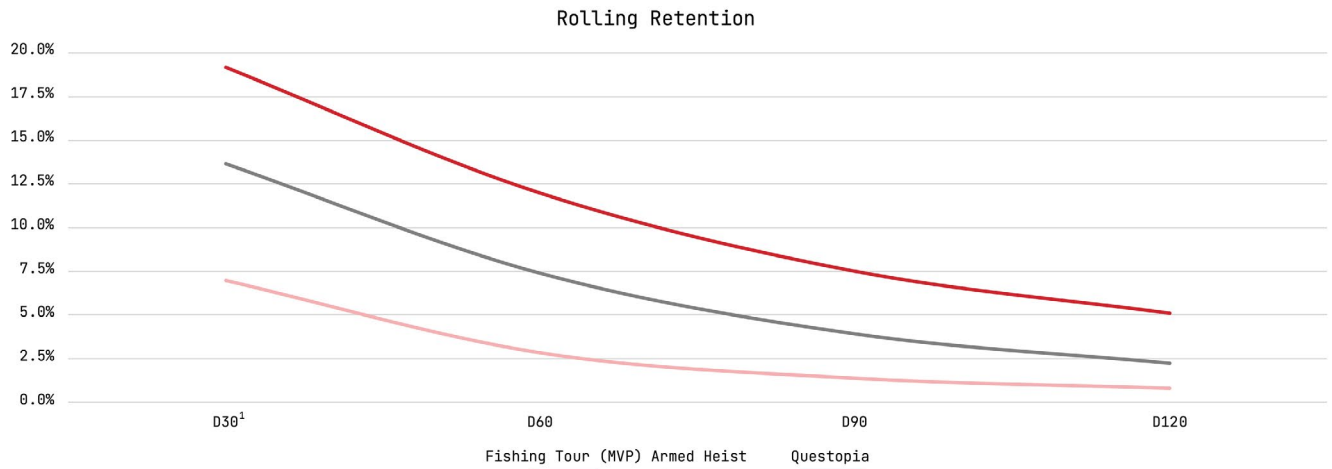
## ARMED HEIST



## QUESTOPIA



## USER RETENTION



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

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

Fishing Tour is showing rolling retention, with 15 percent active iOS users and 10 percent on Android after 30 days. With our latest updates, we've focused on further deepening daily engagement and monetization, resulting in a 30 percent increase in average play time. In ad-

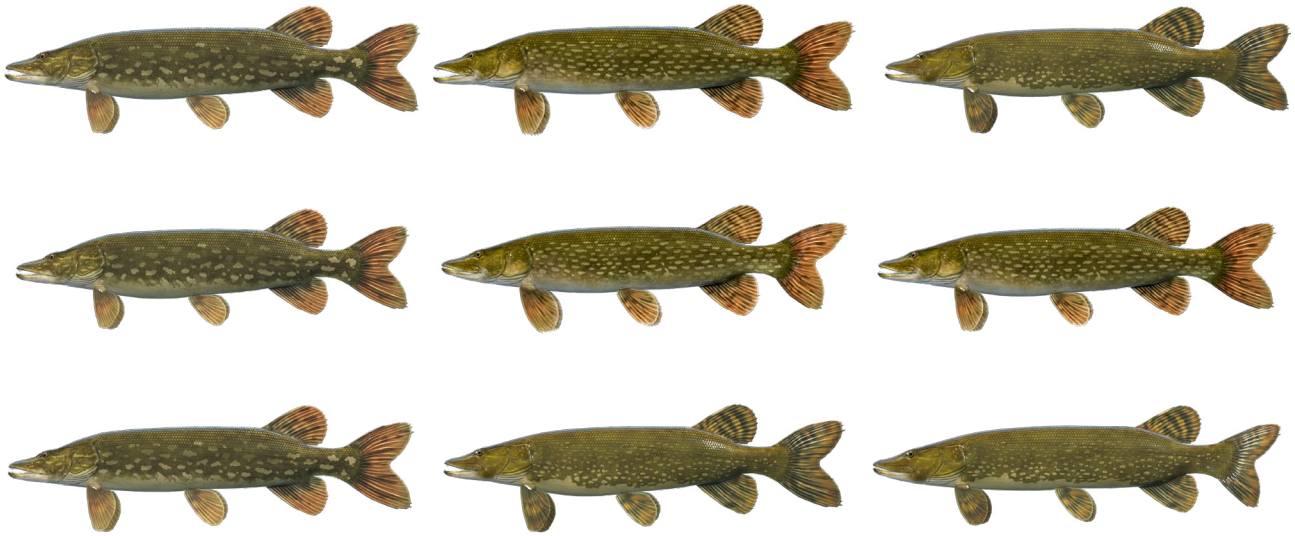
dition, we have achieved a conversion to paying users of over four percent, with an average revenue of USD 20 by day 30, emphasizing Fishing Tour's ability to engage and monetize users.

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

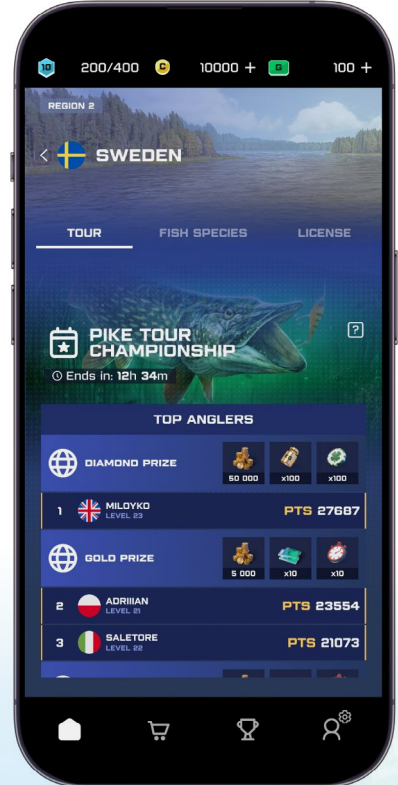
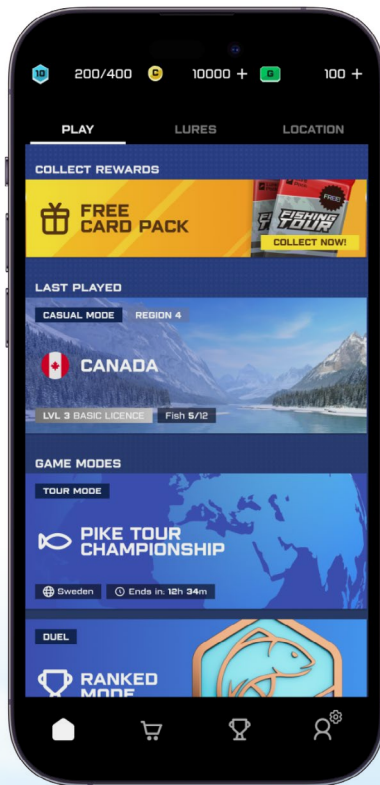
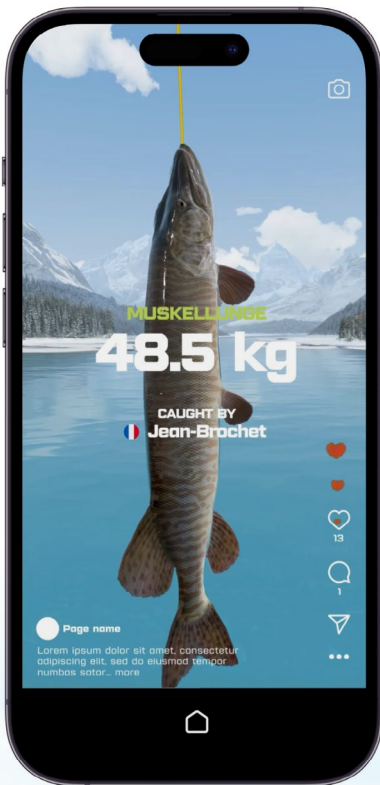
Our thanks go out to every employee, partner, and shareholder for your continued support and trust. I look forward to continuing our journey in creating exceptional gaming experiences and delivering long-term value to our shareholders.

Rade Prokopovic  
CEO

# METAFISH



# USER INTERFACE



# FINANCIAL COMMENTS

## NET REVENUE AND RESULT

Net revenue during the fourth quarter amounted to MSEK 4.7 (3.5), an increase of 34 percent, and an increase of 35 percent in comparable currency. The increase is primarily due to the growth of Questopia, launched in the third quarter, partially offset by reduced User Acquisition (UA) to optimize the net contribution from Armed Heist. Net revenue for the period January to December amounted to MSEK 15.0 (16.6), a decrease of 10 percent compared to the previous year, and a decrease of 11 percent in comparable currency.

Operating expenses during the fourth quarter amounted to MSEK 11.4 (11.5). Depreciation decreased as a result of a one-off impairment of the Legends of Libra game in the fourth quarter of the previous year, which was offset by increased marketing costs for the launch

of Questopia. For the period January to December, operating costs amounted to MSEK 38.2 (43.6), a decrease of MSEK 5.4, which is mainly due to an impairment of MSEK 6.3 for the games Spells & Loot and Legends of Libra carried out the previous year. Operating expenses consist of purchased services, in the form of marketing, personnel costs, depreciation and impairment of tangible and intangible fixed assets, and other operating expenses.

The operating result in the fourth quarter amounted to MSEK -3.4 (-5.0), and to MSEK -8.9 (-14.3) for the period January to December.

The result for the period during the fourth quarter amounted to MSEK 3.4 (-5.0), and to MSEK -8.9 (-14.3) for the period January to December.

## BALANCE SHEET ITEMS

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

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

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

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

## CASH FLOW

Cash flow from operating activities in the fourth quarter amounted to MSEK -2.3 (0.6), and to MSEK -3.0 (-3.1) for the period January to December. The quarter's weaker cash flow compared to the previous year is mainly an effect of an increase in accounts receivable and a decrease in accounts payable during the quarter, while the change in working capital was the opposite of the previous year.

Cash flow from investment activities amounted to MSEK -2.9 (-3.3) in the fourth quarter, mainly related to intangible assets; i.e., the ongoing investment in new game development. For the period January to Decem-



ber, cash flow from investment activities amounted to MSEK -13.5 (-12.4).

Financing activities had no cash flow activities, either during the fourth quarter or the corresponding quarter of the previous year. For the period January to December, cash flow from financing activities amounted to MSEK 10.6 (-), as a result of the new issue that was carried out in June.

Cash flow for the period for fourth quarter amounted to MSEK -5.2 (-2.7), and to MSEK -5.9 (-15,5) for the period January to December.

## OUTLOOK FOR THE COMING YEAR

SOZAP's game Questopia (formerly Pocket Worlds Adventure) was launched in the third quarter and saw solid growth in the fourth quarter of 2023. Fishing Tour, which was launched at the beginning of October 2023, shows great potential through the measurement data it generated in the soft launch phase. In October a cost-saving program was initiated, which will yield an effect in 2024. The Board of Directors' assessment is therefore that the Company has funding for the next four quarters, although it may be appropriate to introduce external capital for further investment in the growth of Fishing Tour.

## PERSONNEL

The number of employees in the Group as of December 31 was 32 (33), as well as two positions on a consulting basis.

## THE PARENT COMPANY

Sozap AB's net revenue for the fourth quarter amounted to MSEK 4.7 (3.5), with an operating result and result after tax of MSEK -3.3 (-5.1).

For the period January to December, net revenue amounted to MSEK 15.0 (16.6), with an operating result of MSEK -9.1 (-14.5), and result after tax of MSEK -9.0 (-14.5).

The Parent Company's fixed assets, consisting of intangible, tangible, and financial fixed assets, amounted to MSEK 23.3 (15.9) as of December 31.

The Parent Company's cash and cash equivalents as of December 31 amounted to MSEK 6.1 (11.7).

## SIGNIFICANT EVENTS DURING THE PERIOD

**24 October:** SOZAP initiated cost-saving measures with the aim of reducing non-variable expenses by at least MSEK 8 on an annual basis. The measures will come into force with full effect from the second quarter of 2024. The savings program is a consequence of the company now entering a new phase, with focus on profitability in already launched games, as well as the ongoing launch and further development of Fishing Tour™.

## SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events have occurred after the end of the reporting period.

## RELATED PARTY TRANSACTIONS

No significant transactions have taken place during the period, apart from transactions between subsidiaries and remuneration to senior executives for the Group and the Parent Company. Insofar as transactions and agreements on services with related parties are made, these always take place on market terms.

## SIGNIFICANT RISKS AND UNCERTAINTIES

Sozap is reliant on successfully developing new games and improving Sozap's existing games.

Sozap relies on virtual app stores for game distribution. The dominant distribution channels are Google Play for Android and Apple's App Store for IOS.

Sozap is reliant on attracting and retaining key people.

At present, there is a platform limitation to mobile devices as a gaming platform. Sozap currently provides games for mobile devices only, not for game consoles or PCs.

Risks related to IT systems are primarily that Sozap is reliant on efficient and uninterrupted operation in external cloud-based IT systems and servers.

No new risks have come about in 2023; for detailed risk factors, please refer to Sozap's Annual Report, which can be found on the Company's website.

## IMPACT OF THE CONFLICT IN UKRAINE AND THE MIDDLE EAST

The conflict in Ukraine and the Middle East has not had a substantial impact on the Company due to the fact an extremely small percentage of the revenue comes from these regions, plus the fact Sozap has no development in Ukraine, Russia, or the Middle East.

## AUDITOR'S REVIEW

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

## CERTIFIED ADVISOR

As a business listed on Nasdaq First North Growth Market Stockholm, the Company is obliged to have a Certified Advisor. SOZAP has appointed Augment Partners AB as its Certified Advisor.

## FINANCIAL CALENDAR

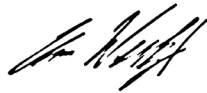
All financial reports are published on <https://www.sozap.com/ir/financial-reports>

- **Annual Report 2023:** April 10, 2024
- **Annual General Meeting 2024:** May 14, 2024
- **Interim Report, Q1 2024:** May 15, 2024
- **Interim Report, Q2 2024:** Aug 14, 2024
- **Interim Report, Q3 2024:** Nov 14, 2024
- **Year-end Report 2024:** Feb 14, 2025

# BOARD OF DIRECTORS

The Board of Directors and the CEO affirm that the Year-end report provides a fair overview of the Parent Company's and the Group's operations, financial positions and results, and describes the significant risks and uncertainties which the Parent Company and the Group are facing.

Nyköping, February 15, 2024



**Claes Wenthzel**  
Chair of the Board



**Annette Colin**  
Board member



**Stefan Janse**  
Board member



**Daniel Somos**  
Board member



**Rade Prokopovic**  
CEO

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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Phone: +46 708 800 558

# FINANCIAL REPORTS

## INCOME STATEMENT – THE GROUP

Amounts in TSEK	Quarter		Period	
	October - December		January - December	
	2023	2022	2023	2022
Net revenue	4 736	3 526	14 964	16 584
Capitalized production	2 998	3 121	13 274	11 976
Other operating income	223	-126	1 052	792
	<b>7 957</b>	<b>6 521</b>	<b>29 290</b>	<b>29 352</b>
<b>Operating expenses</b>				
Services purchased	-446	-323	-1 496	-1 670
Other external expenses	-5 420	-3 307	-16 738	-14 170
Personnel costs	-2 752	-3 435	-13 336	-15 334
Depreciation and impairment of tangible and intangible assets	-1 829	-4 073	-5 941	-11 569
Other operating expenses	-925	-362	-719	-876
<b>Total operating expenses</b>	<b>-11 371</b>	<b>-11 500</b>	<b>-38 230</b>	<b>-43 619</b>
<b>Operating result</b>	<b>-3 414</b>	<b>-4 979</b>	<b>-8 940</b>	<b>-14 267</b>
<b>Result from financial items</b>				
Interest income, interest costs and similar profit and loss items	35	10	32	4
<b>Total financial items</b>	<b>35</b>	<b>10</b>	<b>32</b>	<b>4</b>
<b>Result after financial items</b>	<b>-3 379</b>	<b>-4 969</b>	<b>-8 908</b>	<b>-14 263</b>
<b>Result before tax</b>	<b>-3 379</b>	<b>-4 969</b>	<b>-8 908</b>	<b>-14 263</b>
Tax on the result for the period	5	-	-35	-73
<b>Result for the period</b>	<b>-3 373</b>	<b>-5 042</b>	<b>-8 944</b>	<b>-14 336</b>
Earnings per share (before and after dilution), SEK	-0,30	-0,59	-0,91	-1,68

## BALANCE SHEET - THE GROUP

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

## CHANGES IN EQUITY - THE GROUP

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

## CASH FLOW - THE GROUP

Amounts in TSEK	Quarter		Period	
	October - December		January - December	
	2023	2022	2023	2022
<b>Cash flow from operating activities</b>				
Result before financial items	-3 401	-4 979	-8 940	-14 267
Adjustments for items not included in the cash flow	1 829	4 056	5 941	11 552
Interest received and paid	35	10	32	4
Tax paid and received	13	-14	-35	-14
<b>Cash flow from operating activities, before changes in working capital</b>	<b>-1 524</b>	<b>-927</b>	<b>-3 003</b>	<b>-2 725</b>
<b>Cash flow from changes in working capital</b>				
Changes in operating receivables	-423	1 194	-973	-243
Changes in operating liabilities	-384	295	969	-130
<b>Cash flow from changes in working capital</b>	<b>-808</b>	<b>1 489</b>	<b>-4</b>	<b>-373</b>
<b>Cash flow from operating activities</b>	<b>-2 331</b>	<b>562</b>	<b>-3 007</b>	<b>-3 098</b>
<b>Investment activities</b>				
Investments in intangible fixed assets	-2 998	-3 121	-13 274	-11 976
Investments and divestments in tangible fixed assets	43	-149	-277	-448
Investments and divestments in financial fixed assets	50	-	50	-
<b>Cash flow from investment activities</b>	<b>-2 905</b>	<b>-3 269</b>	<b>-13 502</b>	<b>-12 423</b>
<b>Financing activities</b>				
New share issues	-	-	11 361	-
Issue costs	-	-	-759	-
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>10 602</b>	<b>-</b>
<b>Cash flow for the period</b>	<b>-5 237</b>	<b>-2 707</b>	<b>-5 907</b>	<b>-15 521</b>
Cash and cash equivalents at the beginning of the period	11 600	14 997	12 289	27 810
Exchange rate difference in cash and cash equivalents	-63	-1	-82	0
<b>Cash and cash equivalents at the end of the period</b>	<b>6 300</b>	<b>12 289</b>	<b>6 300</b>	<b>12 289</b>

## INCOME STATEMENT - THE PARENT COMPANY

	Quarter		Period	
	October - December		January - December	
Amounts in TSEK	2023	2022	2023	2022
Net revenue	4 736	3 526	14 964	16 584
Capitalized production	2 998	3 121	13 274	11 976
Other operating income	198	-71	907	739
	<b>7 932</b>	<b>6 576</b>	<b>29 145</b>	<b>29 299</b>
<b>Operating expenses</b>				
Services purchased	-446	-323	-1 496	-1 670
Other external expenses	-7 025	-4 926	-22 791	-19 746
Personnel costs	-1 839	-2 043	-7 477	-10 037
Depreciation and impairment of tangible and intangible assets	-1 748	-4 034	-5 821	-11 530
Other operating expenses	-217	-315	-630	-828
<b>Total operating expenses</b>	<b>-11 275</b>	<b>-11 640</b>	<b>-38 215</b>	<b>-43 811</b>
<b>Operating result</b>	<b>-3 343</b>	<b>-5 064</b>	<b>-9 070</b>	<b>-14 512</b>
<b>Result from financial items</b>				
Interest income, interest costs and similar profit and loss items	35	10	32	4
<b>Total financial items</b>	<b>35</b>	<b>10</b>	<b>32</b>	<b>4</b>
<b>Result after financial items</b>	<b>-3 307</b>	<b>-5 054</b>	<b>-9 038</b>	<b>-14 508</b>
<b>Result before tax</b>	<b>-3 307</b>	<b>-5 054</b>	<b>-9 038</b>	<b>-14 508</b>
Tax for the period	-	-	-	-
<b>Result for the period</b>	<b>-3 307</b>	<b>-5 054</b>	<b>-9 038</b>	<b>-14 508</b>



## BALANCE SHEET - THE PARENT COMPANY

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

# ACCOUNTING PRINCIPLES AND LIST OF DEFINITIONS

The interim report has been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 Annual report and consolidated accounts (K3). The accounting principles are unchanged since

the most recently issued annual report. For a more detailed description of the accounting principles, see SOZAP AB (publ.) Annual Report for 2022, pages 18-22.

## LIST OF DEFINITIONS

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

# CREATIVELY TOGETHER STRONG

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