MAXIMUM™
ENTERTAINMENT

INTERIM REPORT Q1 2024

AT A GLANCE

Net Sales (Q1 2024)
19.9 MEUR

Adjusted EBITDA (Q1 2024)
1.8 MEUR

Share of revenue derived from Owned IP (Q1 2024)
13 %

Gross margin (Q1 2024)
32 %

Adjusted EBITDA margin (Q1 2024)
9 %

Total headcount (Q1 2024)
193

MAXIMUM ENTERTAINMENT IFRS QUARTERLY REPORT

Net Sales for the quarter amounted to KEUR 19,900 compared to KEUR 16,363 for Q1 2023, an increase of 22%. Adjusted EBITDA for Q1 2024 is KEUR 1,787, up from KEUR 319 for the same period in 2023, representing a 460% increase year on year. EBIT and Adjusted EBIT for Q1 were KEUR –646. Share of revenue derived from Owned IPs in Q1 2024 was 13% compared to 7% over the same period last year, and the number of employees at the end of the period was 193, a decrease of 19% year on year.

HIGHLIGHTS DURING THE QUARTER

Launches

- Smalland: Survive the Wilds 1.0 release on PC, PS5, and Xbox Series X|S

Announcements

- Brand-new partnership with Paramount Game Studios, developing a multiplayer fighting game focused on Nickelodeon's Avatar: The Last Airbender franchise
- Smalland: Survive the Wilds VR
- Publisher announcement – Selfloss
- First reveal of Leo: The Firefighter Cat

Other

- TP ICAP and Portzamparc - BNP Paribas Group initiated coverage of Maximum Entertainment
- Maximum Entertainment unified publishing labels and unveiled 2024 roadmap

HIGHLIGHTS AFTER THE QUARTER

Launches

- Smalland VR launch
- Morbid: The Lords of Ire launch
- Double Dragon Gaiden: Rise of the Dragons free DLC "Sacred Reunion"
- Hammerwatch II release on PS4 and Xbox Series X|S
- Whisker Waters release on PC, Nintendo Switch, and PS5

Announcements

- Selfloss platform reveal - PlayStation 5, Xbox Series X|S
- SunnySide release date (July 10)
- Hot Lap Racing release date (July 16)

Other

- Liquidity Provider changed to Pareto Securities AB
- Board resolution on two directed share issues as earn-out payments for Maximum Games and Merge Games

in ,000's of Euros	1/1/24	1/1/23	1/1/23
Key Performance Indicators Group	3/31/24	3/31/23	12/31/23
Net Sales	19,900	16,363	99,860
Share of revenue derived from Owned IP	13%	7%	11%
Gross Margin %	32%	30%	32%
Adjusted EBITDA	1,787	319	8,530
Adjusted EBITDA Margin	9%	2%	9%
Adjusted EBIT	-646	-266	-13,465
Adjusted EBIT Margin	-3%	-2%	-13%
EBIT	-646	-266	-6,538
EBIT Margin	-3%	-2%	-7%
Total Headcount	193	239	211

WORDS FROM OUR CEO

A SOLID START BASED ON A STRONG FOUNDATION

We started the year with positive results across the entirety of our portfolio as we start reaping benefits from our consolidation work. The first quarter of 2024 continues to drive growth and prove that our portfolio mix not only mitigates risk but also increases profitability. Adjusted EBITDA for the reported period is up by 460% from Q1 of 2023 driven by our ever-growing catalog including successful Owned IP titles.

In a quarter that is typically quiet for our industry, we saw strong performance across all our lines of business, including licensed titles and Owned IPs, with Smalland: Survive the Wilds 1.0 launching on February 15. Net sales for the quarter are up by 22% against Q1 2023, demonstrating once again the skills of our talented teams both in launching successful titles and in managing life cycles to get the maximum out of every game we sell.

One specific example of this is with our Owned IP Smalland: Survive the Wilds which is already outperforming expectations on consoles, and at the time of this writing has just launched as a brand-new standalone VR game on Meta Quest.

Our publishing portfolio has now hit a critical mass of strong, high-quality titles that allows it to perform well longer term, notably due to our ability to manage lifecycle efficiently. A great example of that is Double Dragon Gaiden: Rise of the Dragons' latest DLC propelling the title back to Steam's top sellers' list upon release.

Continued performance of our sub-publishing titles, including the Five Nights at Freddy's catalogue, allowed us to have a successful Q1 across our entire portfolio mix.

Beyond Q1 performance, the coverage of our upcoming titles received at GDC and the excitement around titles such as Wild Bastards and Squirrel with a Gun give us confidence that the games in our pipeline are poised to find their audience and reinforce our ever-growing portfolio of high-quality titles.

All these successes contributed to the positive cash flow from operations of KEUR 4,307, which were reinvested in future games. While we continued our efforts to right-size our teams, we reduced our number of employees by 9% since December 2023 and optimized our development spend, we don't expect to see the full benefit of those savings until Q2 of this year. However, we can already tell that these cuts have had no impact on our ability to meet internal milestones for project development as our projects are on schedule and some are even ahead.

While we can take pride in these achievements, the start of the year is also a good time to look back, hold ourselves accountable to what we have announced previously, and tell ourselves the truth about what we've delivered since.

On track to generate 30% of OIP by 2025
In our 2022 Annual report, we stated: *We have a risk-mitigated portfolio with no single game reliance, long-tail earnings of back catalog games, and new owned IP launches through our roadmap for 2023, 2024 and beyond. Maximum Entertainment is committed to increase IP ownership to 30% of revenue in 2025.*

Today, we can look back and say that our portfolio is more diverse than ever, and that we are on track to achieve our Owned IP targets. Over the last two years, we have delivered on increasing our catalog, which contributes to an increasingly greater share of our revenue. Moreover, we have held true to our portfolio approach and diversification philosophy, with no single title contributing to more than 7% of Maximum Entertainment's revenue as at end of 2023. The contribution of owned IPs as a share of total revenue has increased to 10.5% in 2023 from less than 5% in 2022 and we are on our way to having our IP ownership contribute to 30% of revenue in 2025. The ultimate goal for this increase was to increase EBITDA and make our business overall profitable, and as this quarter's result show once again, the benefits of investing in our Owned IPs are already reflected in our financial results.

Expanding to transmedia and adapting to new technologies
In our 2022 Q2 report, we stated: *The gaming industry is constantly evolving, and I know the team at the Group is well positioned to take on new technology, interactive storytelling, and new gaming titles in this competitive landscape.*

We have already proven our ability to expand to new revenue channels, bringing our IPs to new formats with titles such as Smalland: Survive the Wilds VR, and Avatar: The Last Airbender adapted to a fighting game format, as well as our growing business of vinyl gaming soundtrack LPs.

Developing new IPs
In our 2022 Q3 report, we stated: *As a newly integrated company, we are building a strong pipeline of new IP for release in future years while continuing the group's long history of success with 3rd party publishing and co-development.*

We have already delivered several Owned IP products, not least of which Smalland: Survive the Wilds and Bramble: The Mountain King. As we focused on unifying our entities under one company and one brand, some of our projects got delayed, including Maximum Football and Diesel Legacy: The Brazen Age. However, our recent integration and synergies that arose from these integration efforts are now bearing fruit, putting us on track to deliver these titles by the end of the year.

WORDS FROM OUR CEO

The future pipeline of Owned IP is strong with more than five unreleased games in development, including the tentpole fighting game in collaboration with Paramount in the Avatar the Last Airbender universe.

Reducing costs, streamlining our structure, and leveraging our diversified catalogue
In our 2023 Q2 report, we stated: *Despite these successes, we expect that market conditions will remain challenging throughout the rest of this year. Our teams are rising to meet the challenges by addressing them head on and making the right decisions that will steer us forward:*

- *Reducing costs through further integration of the group and removing duplicative roles across publishing labels and studios*
- *Streamlining our structure by implementing shared services across the group for production services such as porting and QA*
- *Leveraging our diversified catalog to drive sales in last quarter.*

Consequently, we implemented reductions of 19% in our employee count over the last 12 months, and have significantly streamlined our operations, with the unification of our publishing labels, which allows us to have one catalog including all our games. Internally, we now have cross-functional teams covering Production, QA, Porting, Creative Services, Comms, IT, and Human Resources.

Switching to IFRS
In our 2023 Q4 report, we announced: *2024 will also see improved visibility for investors on our financial performance, as we shift to IFRS accounting standards and to a Euro presentation starting in Q1 of this coming year.*

Just a few months after announcing the above, we are releasing this report in the IFRS format and in Euros. This new presentation allows the visibility requested by investors and holds the company to the highest standards of financial management.

Reaping the benefits of our long-term strategy and integration
We now enter Q2 2024 with 15 Owned IPs in our portfolio and pipeline combined, highly anticipated third-party publishing titles that generated millions of views on major outlets' socials, and sub-published smash hits like Five Nights at Freddy's that continue to perform strongly across platforms. After a thorough integration process, we are starting to reap the benefits from synergizing all our entities and implementing shared functions across the group. We look forward to the rest of 2024 to continue capitalizing on this integration and deliver a wide variety of games that will resonate with the gamer in everyone.

CHRISTINA SEELYE | CEO

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in ,000's of Euros	Note	1/1/24 3/31/24	1/1/23 3/31/23	1/1/23 12/31/23
Net Sales	5	19,900	16,363	99,860
Cost of Sales		-13,630	-11,470	-67,944
Gross Profit		**6,270**	**4,893**	**31,916**
Research and Development (R&D)	6	-2,147	-470	-5,295
Sales and Marketing		-2,171	-2,192	-10,354
General and Administration		-2,609	-2,469	-32,086
Other operating income		12	66	9,990
Other operating expenses		–	-94	-710
Total Operating expenses		**-6,916**	**-5,159**	**-38,454**
Operating Profit (EBIT)		**-646**	**-266**	**-6,538**
Financial income	7	1,712	0	1
Financial expenses		-2,236	-1,842	-9,753
Financial items - net		**-525**	**-1,842**	**-9,752**
Profit before Income tax		**-1,170**	**-2,108**	**-16,290**
Deferred income tax		-20	12	245
Current income tax		-325	-142	-1,481
Profit for the period		**-1,516**	**-2,237**	**-17,527**
Earnings per share, before dilution (EUR)		-0.03	-0.05	-0.41
Earnings per share, after dilution (EUR)		-0.03	-0.05	-0.41

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in ,000's of Euros	Note	1/1/24 3/31/24	1/1/23 3/31/23	1/1/23 12/31/23
Statement of Other Comprehensive Income - group				
		1/1/24	**1/1/23**	**1/1/23**
		3/31/24	**3/31/23**	**12/31/23**
Profit for the period		**-1,516**	**-2,262**	**-17,527**
Other Comprehensive Income for the period				
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations		-1,390	262	1,685
Items that will not be reclassified to profit or loss		–	–	–
Other Comprehensive Income for the period		**-1,390**	**262**	**1,685**
Total Comprehensive Income for the period		**-2,906**	**-2,000**	**-15,842**
Profit for the period attributable to:				
Owners of the parent company		-1,516	-2,262	-17,527
Non-controlling interests		–	–	–
Total comprehensive income for the period attributable to:				
Owners of the parent company		-2,906	-2,000	-15,842
Non-controlling interests		–	–	–

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in ,000's of Euros	Note	3/31/24	3/31/23	12/31/23	opening 1/1/23
ASSETS					
Non-current assets					
Intangible assets					
Capitalized expenditure for development work and similar work	8	31,104	19,137	29,264	15,804
Trademarks		412	897	417	483
Licenses		89	90	71	94
Goodwill		69,875	89,585	68,840	90,559
Total intangible assets		**101,481**	**109,710**	**98,593**	**106,940**
Property, plant and equipment					
Right-of-use assets		4,025	4,512	4,156	4,775
Equipment, tools, fixtures and fittings		924	982	942	1,005
Total property, plant and equipment		**4,949**	**5,494**	**5,098**	**5,780**
Non-current financial assets					
Other non-current receivables		28	11	29	44
Total non-current financial assets		**28**	**11**	**29**	**44**
Deferred tax assets		850	78	722	79
Total non-current assets		**107,308**	**115,294**	**104,441**	**112,843**
Current assets					
Inventories		8,494	14,454	8,922	13,932
Accounts receivable		11,941	9,194	18,822	18,507
Current tax receivables		229	741	250	756
Other receivables		1,324	735	1,392	601
Prepayments and accrued income		3,191	3,824	3,675	4,375
Cash and cash equivalents		4,496	6,556	6,470	9,032
Total current assets		**29,676**	**35,505**	**39,531**	**47,202**
Total Assets		**136,984**	**150,799**	**143,972**	**160,045**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in ,000's of Euros	Note	3/31/24	3/31/23	12/31/23	opening 1/1/23
EQUITY AND LIABILITIES					
Equity					
Share capital		457	385	457	385
Other contributed capital		76,420	67,036	76,420	67,036
Reserves		296	262	1,685	–
Retained earnings		-17,944	-417	-417	6,127
Profit or loss for the period		-1,516	-2,237	-17,527	-6,544
Equity attributable to owners of the parent company		**57,712**	**65,029**	**60,618**	**67,003**
Non-controlling interest		–	–	–	–
Total equity		**57,712**	**65,029**	**60,618**	**67,003**
Liabilities					
Non-current liabilities					
Borrowings non-current	9	30,521	20,576	29,764	3,955
Lease liabilities L/T		3,408	3,967	3,546	4,207
Other provisions	9	–	–	–	–
Other non-current liabilities	9	21,587	40,709	21,250	40,781
Deferred tax liabilities		1,145	1,345	1,048	1,359
Total non-current liabilities		**56,660**	**66,597**	**55,607**	**50,302**
Current liabilities					
Borrowings	9	7,769	3,004	7,893	12,545
Lease liabilities S/T		807	668	782	672
Accounts payable		6,478	7,311	8,642	13,593
Current tax liabilities		390	1,027	384	1,297
Other current liabilities		4,983	5,783	7,960	11,492
Accruals and deferred income		2,184	1,381	2,085	3,139
Total Current Liabilities		**22,612**	**19,174**	**27,746**	**42,739**
Total Equity and Liabilities		**136,984**	**150,799**	**143,972**	**160,045**

CONSOLIDATED STATEMENT OF CASH FLOWS

in ,000's of Euros	Note	1/1/24 3/31/24	1/1/23 3/31/23	1/1/23 12/31/23
Cash flow from operating activities				
Operating profit (EBIT)		-646	-266	-6,538
Adjustment for non-cash items in EBIT				
- Amortisation, Depreciation and Impairment		2,447	585	21,974
- Capital gains/losses on intangible assets		–	–	21
- Capital gains/losses on tangible fixed assets		-14	–	–
EBITDA		**1,787**	**319**	**15,456**
- Other items non cash		–	–	-9,832
Tax paid		-319	-402	-2,395
Cash flow from operating activities before change in working capital		**1,468**	**-83**	**3,230**
Changes in Working Capital				
Change in Inventories		428	-522	5,010
Change in Accounts receivables		6,881	9,312	-316
Change in Other current receivables		572	417	506
Change in Accounts payables		-2,164	-6,282	-790
Change in Other current liabilities		-2,877	-7,468	700
Cash flow from Operations		**4,307**	**-4,625**	**8,339**
Cash flow from Investing activities				
Investments in Intangible Assets		-3,678	-3,952	-17,935
Investments in Tangible Assets		-54	-52	-310
Cash flow from Investing activities		**-3,732**	**-4,004**	**-18,245**
Cash flow from Financing Activities				
Proceeds from Borrowings		–	18,376	29,528
Loans paid		-132	-10,085	-10,742
Revolving Line of Credit		-96	-1,176	1,387
Provisions paid related to earn-outs		-566	–	-7,361
Lease liabilities paid		-113	-245	-552
Interest paid		-1,690	-978	-5,178
Cash flow from Financing activities		**-2,596**	**5,892**	**7,082**
Cash flow for the period		**-2,021**	**-2,738**	**-2,824**
Cash and cash equivalents at beginning of period		6,470	9,032	9,032
Exchange rate difference on cash and cash equivalents		48	262	262
Cash and cash equivalents at the end of the period		**4,496**	**6,556**	**6,470**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Equity attributable to shareholders of parent company						
in ,000's of Euros		Share capital	Other contributed capital	Reserves	Retained earnings including profit for the period	Total	Non-controlling interest	Total equity
Opening balance 2023-01-01		**385**	**67,036**	**–**	**-417**	**67,003**	**–**	**67,003**
Profit for the period					-2,237	-2,237	–	-2,237
Other comprehensive income				262	0	263		263
Total comprehensive income for the year		**–**	**–**	**262**	**-2,237**	**-1,975**	**–**	**-1,975**
Total transactions with shareholders		–	–	–	–	–	–	–
Closing balance 2023-03-31		**385**	**67,036**	**262**	**-2,654**	**65,029**	**–**	**65,029**
Opening balance 2024-01-01		**457**	**76,420**	**1,685**	**-17,944**	**60,618**	**–**	**60,618**
Profit for the period					-1,516	-1,516	–	-1,516
Other comprehensive income		0	0	-1,390	–	-1,390		-1,390
Total comprehensive income for the year		**0**	**0**	**-1,390**	**-1,516**	**-2,906**	**–**	**-2,906**
Total transactions with shareholders		–	–	–	–	–	–	–
Closing balance 2024-03-31		**457**	**76,420**	**296**	**-19,460**	**57,712**	**–**	**57,712**

PARENT COMPANY FINANCIAL REPORTS

PARENT COMPANY INCOME STATEMENT

in ,000's SEK	1/1/24 3/31/24	1/1/23 3/31/23	1/1/23 12/31/23
Sales	3,874	1,900	16,663
Cost of Sales		-283	-1,464
Gross Profit	3,874	1,617	15,199
Marketing Costs			
General and Administrative			
Total General & Administrative	-9,788	-9,608	-39,239
Amortization of Intangible assets	-48	-32	-192
Other Operating Income			
Other Operating Income	5,415	643	1,477
Other Operating Expenses			
Other Operating Expense	-3,485	-3,654	-1,004
Operating Profit (loss)	**-4,032**	**-11,034**	**-23,759**
Financial items			
Result from shares in subsidaries	6,733	25,162	45,546
Result from receivables group	24,555	4,505	66,782
Other interest income and similar items	1		
Result from liabilities group	-339	-16	-56,954
Interest costs and similar items	-2,343	-2,739	-10,868
Net Financial Income	**28,607**	**26,913**	**44,506**
Income Tax			
Tax on profit for the period			
Net Profit (loss)	**24,575**	**15,878**	**20,747**

No OCI items exist.

PARENT COMPANY FINANCIAL REPORTS

PARENT COMPANY BALANCE SHEET

in ,000's SEK	3/31/24	3/31/23	12/31/23
Assets			
Intangible fixed assets			
Capitalized expenditure for development work and similar work			
Licenses and trademarks	661	870	709
Total intangible fixed assets	**661**	**870**	**709**
Tangible fixed assets			
Equipment, tools, fixtures and fittings			
Total tangible fixed assets	**–**	**–**	**–**
Financial assets			
Investments In Subsidiaries	508,217	490,621	508,217
Non-current receivables from group companies	379,089	340,535	357,286
Other non-current receivables	93	93	93
Total fixed assets	**888,060**	**832,118**	**866,305**
Current assets			
Accounts receivable	57	186	80
Receivable from Group companies	56,651	28,578	51,549
Tax assets	169	–	469
Other receivables	8,315	2,405	1,536
Prepayments and accrued income	981	854	479
Cash and bank	567	2,295	1,899
Total current assets	**66,739**	**34,318**	**56,012**
TOTAL ASSETS	**954,800**	**866,436**	**922,318**

PARENT COMPANY BALANCE SHEET

in ,000's SEK	3/31/24	3/31/23	12/31/23
Equity and Liabilities			
Equity			
Restricted equity			
Share capital	5,111	4,287	5,111
Unrestricted equity			
Share premium fund	853,681	746,000	853,681
Retained earnings	-31,544	-52,291	-52,291
Result for the period	24,575	15,878	20,747
Total equity	**851,823**	**713,873**	**827,247**
Provisions			
Other provisions	67,202	128,714	64,863
Total provisions	**67,202**	**128,714**	**64,863**
Non-current liabilities			
Other liabilities to group companies	12,706	–	5,566
Total non-current liabilities	**12,706**	**–**	**5,566**
Current liabilities			
Accounts payable	2,315	2,362	1,220
Liabilities to group companies	15,293	5,045	17,113
Other current liabilities	3,723	10,365	217
Accruals and deferred income	1,737	6,078	6,091
Total current liabilities	**23,069**	**23,850**	**24,641**
TOTAL EQUITY AND LIABILITIES	**954,800**	**866,436**	**922,318**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION

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.

The Interim statements for the period 2024-01-01 to 2024-03-31 were authorized for issue by the Board of Directors and the CEO of Maximum Entertainment AB on May 21, 2024.

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.

BASIS OF PREPARATION

This condensed consolidated interim financial report is Maximum Entertainment AB's first interim financial report and consolidated financial statements prepared in accordance with IFRS. Historical financial information has been recalculated from January 1, 2023, which is the date of transition to IFRS. For information on exceptions applied in connection with the opening balance as of January 1, 2023 for the first consolidated accounts being prepared in accordance with IFRS, see Note 12.

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

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. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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.

SEGMENT REPORTING

The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CEO is the chief operating decision maker and evaluates financial position and performance and makes strategic decisions. When the chief operating decision maker makes decisions regarding the allocation of resources and measure results for the Group as a whole, the Group in its entirety is deemed to make up one segment.

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 GROUP COMPANIES

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.

REVENUE RECOGNITION

The Group's income is generated from the sale of goods and digital sales (licenses). The principles for recognition of revenue are as follows.

The inflow of economic benefits received and receivable by the Company on its own account is recognized as revenue. Revenue is recognized at the fair value of the consideration received or receivable after deductions for discounts.

SERVICE ASSIGNMENTS - FIXED PRICE

Contract revenue relating to fixed-price service assignments is recognized as and when performance obligations are completed. Contract expenses are recognized as work is performed or third-party costs are incurred.

Sales 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, the goods have been delivered to the customer and/or the customer has significant risks and rewards of ownership of the goods.

Sales of Goods on Digital Channels

Revenue from the sale of goods made via digital distribution channels is recognized when control has passed to the end customer or when control over the program 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.

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 made 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.

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.

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. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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.

INTANGIBLE ASSETS

Separately acquired intangible assets such as trademarks and licenses are shown at historical cost. They are reported at fair value at the time of acquisition and amortized on a straight-line basis over the projected useful life. They are reported in subsequent periods at cost less accumulated amortization and impairment. The estimated useful life is in general 5 years, which corresponds to the estimated time these will generate cash flow.

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:

- it is technically feasible to complete the asset so that it will be available for use,
- it is the Group’s purpose to complete the asset so that it will be available for use or sale,
- there are prerequisites to make the asset available for use or sale,
- it is possible to prove how the asset is likely to generate future economic benefits,
- there are adequate technical, economic and other resources to fulfil the development and to make the assets available for use or sale,
- 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.

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.

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.

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 - Classification and measurement
The Group classifies and measures all its financial liabilities in the category financial liabilities measured at amortized cost with exemption for contingent consideration which are classified and measured in the category of financial liabilities at fair value through profit or loss.

Financial liabilities measured at amortized cost
At initial recognition, the Group measures a financial liability at its fair value plus transaction costs that are directly attributable to the financial liability.

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, cancelled 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.

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.

Cash and cash equivalents
Cash and cash equivalents include cash and available bank balances, both in the statement of financial position and in the cash flow statement.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

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, cancelled, 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.

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.

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.

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.

STATEMENT OF CASH FLOWS

The statement of cash flows is prepared according to the indirect method. The reported cash flow includes transactions that resulted in inflows or outflows.

EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net result after tax for the period by the weighted average number of ordinary shares outstanding for the period. Diluted earnings per share is computed using the treasury stock method to the extent that the effect is dilutive by using the weighted-average number of outstanding ordinary shares and potential ordinary shares during the period. The Group's potential ordinary shares consist of incremental shares issuable upon the assumed exercise of warrants, excluding all anti-dilutive ordinary shares outstanding during the period.

ACCOUNTING PRINCIPLES OF THE PARENT COMPANY

The significant accounting principles adopted in the preparation of this interim financial report are presented below. These principles have been consistently applied to all the years presented, unless otherwise stated.

The interim 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) 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.

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 3 KEY ESTIMATES AND ASSUMPTIONS

Key estimates and assumptions are evaluated and assessed continuously and are based on past experience and other factors, including expectations on future events that are assessed reasonable under current circumstances. These estimates and assumptions may be used when evaluating liabilities such as contingent considerations and when conducting impairment testing on goodwill and capitalized game development.

NOTE 4 RISK MANAGEMENT

Through its operations, the Group is exposed to various financial risks attributable to primarily trade receivables, trade payables and borrowings. The Group strives to minimize potential unfavorable effects from these risks on the Group's financial results.

OPERATIONAL RISKS

Commercial Success of Games:
The games that Maximum Entertainment launches depend on living up to market expectations and on maintaining an interest from the market. There is a risk that the demand for the launched games does not correspond to the level that the Group expected. In cases where the risk is incorporated, this may mean a loss of revenue, which in turn has a negative effect on the earnings and financial position of Maximum Entertainment.

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 mitigate the risk of operating in a highly competitive, risk-prone industry. Performance of similar companies in the sector might also impact overall market sentiment and affect Maximum Entertainment's perceived potential. In order to mitigate this type of risk, Maximum Entertainment is communicating with key stakeholders and partners on a regular basis and making sure that it remains transparent in its communication.

Employee Retention
The gaming industry is characterized by a rapid pace of change, and 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.

The high demand for competent personnel in the gaming industry may lead to expectations regarding increased remuneration levels that are potentially driven by highly capitalized companies that are larger than Maximum Entertainment, which is why there is a risk that Maximum Entertainment will not be able to retain key personnel and recruit competent personnel.

Governance and a culture that values diversity and employee well-being help mitigate this risk. Maximum Entertainment's efforts to provide a safe and sustainable work environment that values creativity and rewards employee contributions helps 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 Investments in Games
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 favorable terms, that such raised capital is not sufficient to finance the operations, or that capital cannot be raised at all.

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 have a negative impact on the competitiveness of Maximum Entertainment in relation to competitors who report in another currency.

Interest Risk
During the period, 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 make future investments, potentially affecting our profitability. We closely monitor market conditions and adjust our financing and investment decisions to reflect our risk-return profile.

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. During the reported period, 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. 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.

NOTE 5 NET SALES

in ,000's of Euros Net Sales by Line of Business	3/31/24	3/31/23	12/31/23
Owned IP	2,616	1,145	10,566
Licensed Publishing	2,957	2,860	17,712
Sub-publishing	13,412	10,933	64,448
Transmedia	805	1,211	6,656
Other	110	214	479
Total Sales	**19,900**	**16,363**	**99,860**

in ,000's of Euros Net Sales by Region	3/31/24	3/31/23	12/31/23
North America	8,292	6,532	41,379
Europe	10,371	8,337	51,610
Asia	866	300	2,571
ROW	371	1,195	4,300
Total Sales	**19,900**	**16,363**	**99,860**

NOTE 6 GAME DEVELOPMENT

in ,000's of Euros Game Development	3/31/24	3/31/23	12/31/23
Non-capitalized Development and Studio Research		-3	-1,232
Amortization/Impairments on Capitalized Development	-2,164	-458	-4,062
Other	16	-9	-1
Total Development	**-2,147**	**-470**	**-5,295**

Non-capitalized Development includes costs related to work-for-hire contracts and studio expenses for pre-Greenlit projects

NOTE 7 FINANCIAL INCOME

Financial Income is principally made up of unrealized exchange rate differences.

NOTE 8 INVESTMENTS IN GAMES

Increased revenues in the OIP and Licensed Publishing areas of the Group's business require the investment in game development. Investments in games are made through the Group's internal studio structure as well as through the payment of milestones to third party studios in exchange for the IP or the full monetization rights to the game.

in ,000's of Euros Capitalized Game Development	1/1/2024 - 3/31/2024	1/1/2023 - 3/31/2023	1/1/2023 - 12/31/2023
Book Value as at opening	29,264	15,804	15,804
Additional Development Paid in	3,611	3,952	17,935
Amortization of launched Games	-1,349	-468	-4,092
Adjustment/Impairment on Games	-815	–	–
Exchange Rate Differences	393	-151	-382
Book Value as at closing	**31,104**	**19,137**	**29,264**

NOTE 9 FINANCIAL INSTRUMENTS

The book value of long-term financial instruments which are interest-bearing corresponds to the fair value in all material aspects, as the interest rates are in parity with current market rates. Other long-term financial instruments, mainly contingent considerations, are discounted.

The book value of short-term financial instruments corresponds to the fair value in all material aspects as the effect of discounting is deemed insignificant.

Financial Instruments	3/31/24	3/31/23	12/31/23
Non Current			
Interest bearing financial instruments	33,865	23,289	33,031
Contingent Considerations	18,243	37,997	17,983
Other Financial instruments	–	–	–
Current			
Interest bearing financial instruments	7,769	3,004	7,893
Contingent Considerations	–	–	–
Other Financial instruments	–	–	–
Financial Instruments - Liabilities	**59,877**	**64,290**	**58,907**

in ,000's of Euros Contingent Considerations	1/1/2024 - 3/31/2024	1/1/2023 - 3/31/2023	1/1/2023 - 12/31/2023
Book Value as at Opening	17,983	37,893	37,893
Change recognized in the total comprehensive income	475	702	-3,830
Amounts Paid (including cash and non cash payments)	-566	–	-15,420
Exchange Rate Differences	351	-598	-660
Book Value as at Closing	**18,243**	**37,997**	**17,983**

NOTE 10 RELATED PARTY DISCLOSURES

Related parties are principal shareholders, as well as the Board of Directors and key management (senior executives and their associates) in the Group.

The following transactions have incurred with related parties:

in ,000's of Euros Related Party Transactions	1/1/2024 - 3/31/2024	1/1/2023 - 3/31/2023	1/1/2023 - 12/31/2023
Rental Agreements	204	239	429
Interest on Earn-Outs Owed	88	7	336
Total Related Party Transactions Impact to Comprehensive Income	**292**	**246**	**766**

NOTE 11 DILUTIVE INSTRUMENTS

in numbers of instruments Dilutive Instruments Outstanding	3/31/24	3/31/23	12/31/23
Warrants			
Allocated to Employees - Redemption period ending July 31, 2023	0	653,683	798,832
Allocated to Board Members - Redemption period ending July 31, 2024	175,000	175,000	175,000
Total Allocated Warrants	**175,000**	**828,683**	**973,832**

NOTE 12 FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The interim report for Q1 2024 is Maximum Entertainment AB's first financial report prepared in accordance with IFRS. The accounting policies in Note 2 above were applied when the consolidated accounts for Maximum Entertainment AB were prepared as of March 31, 2024 and for the comparison information presented as of March 31, 2023 and 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).

When the opening IFRS balance sheet as of January 1, 2023 and the balance sheets as of March 31, 2024 and 31 December 2023 were prepared in accordance with IFRS, 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 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, the Group has changed their presentation of the consolidated statement of total comprehensive income from nature of expense to function of expense. The following tables show the reclassification from nature of expense to function of expense according to the previously applied accounting principles (K3).

PROFIT OR LOSS STATEMENT FULL YEAR 2023

in ,000's SEK	PL by Nature of Exp	Total impact	PL by Function
Operating income			
Net sales	1,145,843	–	1,145,843
Capitalized own development work	91,903	-91,903	–
Cost of Sales	–	-786,250	-786,250
Other operating income	114,634	-114,634	–
Gross profit	**1,352,381**	**-992,788**	**359,593**
Operating expenses			
Cost of goods sold	-785,061	785,061	–
Other external costs	-156,297	156,297	–
Personnel costs	-188,821	188,821	–
Depreciation and amortisation of fixed assets	-294,415	294,415	–
Research and Development (R&D)	–	-59,366	-59,366
Sales and Marketing	–	-118,803	-118,803
General and Administration	–	-368,272	-368,272
Other operating income	–	114,634	114,634
Other operating expenses	-8,148	–	-8,148
Operating profit (loss)	**-80,361**	**992,788**	**912,427**
Result from financial items			
Fair Value Adjustments - investments	–	–	–
Interest income and similar items	8	-8	–
Interest costs and similar items	-70,719	70,719	–
Financial income	–	8	8
Financial expenses	–	-70,719	-70,719
Result from financial items	**-70,712**	**–**	**-70,712**
Profit (loss) before tax	**-151,073**	**–**	**-151,073**
Tax on profit for the year	-22,696	22,696	–
Current income tax	–	-16,998	-16,998
Deferred income tax	–	-5,698	-5,698
Tax appropriations	–	–	–
Profit (loss) from continuing operations	-173,769	–	-173,769
Discontinued operations:	–	–	–
Profit for the period	**-173,769**	**–**	**-173,769**
Other comprehensive income			
Translation differences	–	–	–
Income tax relating to components of other comprehensive income	–	–	–
Other comprehensive income for the year, net of tax	**–**	**–**	**–**
Total comprehensive income for the year	**-173,769**	**–**	**-173,769**

PROFIT OR LOSS STATEMENT Q1 2023

in ,000's SEK	PL by Nature of Exp	Total impact	PL by Function
Operating income			
Net sales	183,506	–	183,506
Capitalized own development work	17,279	-17,279	–
Cost of Sales	–	-130,314	-130,314
Other operating income	735	-735	–
Gross profit	**201,521**	**-148,328**	**53,192**
Operating expenses			
Cost of goods sold	-130,441	130,441	–
Other external costs	-26,173	26,173	–
Personnel costs	-41,838	41,838	–
Depreciation and amortisation of fixed assets	-35,539	35,539	–
Research and Development (R&D)	–	-5,157	-5,157
Sales and Marketing	–	-24,584	-24,584
General and Administration	–	-56,656	-56,656
Other operating income	–	735	735
Other operating expenses	-1,051	–	-1,051
Operating profit (loss)	**-33,521**	**148,328**	**114,808**
Result from financial items			
Fair Value Adjustments - investments	–	–	–
Interest income and similar items	1	-1	–
Interest costs and similar items	-12,426	12,426	–
Financial income	–	1	1
Financial expenses	–	-12,426	-12,426
Result from financial items	**-12,425**	**–**	**-12,425**
Profit (loss) before tax	**-45,946**	**0**	**-45,946**
Tax on profit for the year	-3,148	3,148	–
Current income tax	–	-1,594	-1,594
Deferred income tax	–	-1,554	-1,554
Tax appropriations	–	–	–
Profit (loss) from continuing operations	**-49,094**	**0**	**-49,094**
Discontinued operations:	–	–	–
Profit for the period	**-49,094**	**0**	**-49,094**
Other comprehensive income			
Translation differences	–	–	–
Income tax relating to components of other comprehensive income	–	–	–
Other comprehensive income for the year, net of tax	**–**	**–**	**–**
Total comprehensive income for the year	**-49,094**	**0**	**-49,094**

THE GROUP'S CHANGE IN PRESENTATION CURRENCY

In conjunction with the transition to IFRS, the Group has changed their presentation currency to Euros.

OPTIONAL EXEMPTIONS AND MANDATORY EXCEPTIONS APPLIED IN THE TRANSITION TO IFRS

The transition to IFRS is reported in accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards. The main rule is that all applicable IFRS and IAS standards that have entered force and been adopted by the EU as of March 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, that the Group has elected to apply in the transition to IFRS 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 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. 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 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. Business acquisitions that took place before the transition date have thus not been restated.

RECONCILIATION BETWEEN PREVIOUS ACCOUNTING POLICIES AND IFRS

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, which is presented in the following tables.

GROUP COMPREHENSIVE INCOME FOR FULL YEAR 2023

in ,000's EUR	2023		
	According to previous GAAP	Total effect of IFRS transition	IFRS
Net sales	99,860	–	99,860
Cost of sales	-68,522	578	-67,944
Gross profit	**31,339**	**578**	**31,916**
Research and Development (R&D)	-5,174	-121	-5,295
Sales and marketing	-10,354	–	-10,354
General and Administration	-32,095	9	-32,086
Other operating income	9,990	–	9,990
Other operating expenses	-710	–	-710
Operating expenses	**-38,342**	**-112**	**-38,454**
Operating profit (loss)	**-7,003**	**465**	**-6,538**
Financial items			
Financial income	1	–	1
Financial expenses	-6,163	-3,590	-9,753
Financial items - net	**-6,163**	**-3,590**	**-9,752**
Profit (loss) before income tax	**-13,166**	**-3,124**	**-16,290**
Deferred income tax	-497	741	245
Current income tax	-1,481	–	-1,481
Net profit (loss) for the year	**-15,144**	**-2,383**	**-17,527**
Profit (loss) is attributable to:			
Non-controlling interest	–	–	–
Owners of the parent company	-15,144	-2,383	-17,527
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	-467	2,153	1,685
Items that will not be reclassified to profit or loss			
Income tax relating to these items	–	–	–
Other comprehensive income for the year	**-467**	**2,153**	**1,685**
Non-controlling interests	–	–	–
Owners of the parent company	-467	2,153	1,685
Other comprehensive income for the year	**-467**	**2,153**	**1,685**
Total comprehensive income for the year	**-15,611**	**-230**	**-15,842**
Total comprehensive income for the period is attributable to:			
Non-controlling interest	–	–	–
Owners of the parent company	-15,611	-230	-15,842
Total	**-15,611**	**-230**	**-15,842**

GROUP COMPREHENSIVE INCOME FOR THE PERIOD ENDING 31/3/2023

in ,000's EUR	2023		
	According to previous GAAP	Total effect of IFRS transition	IFRS
Net sales	16,363	–	16,363
Cost of sales	-11,620	150	-11,470
Gross profit	**4,743**	**150**	**4,893**
Research and Development (R&D)	-460	-10	-470
Sales and marketing	-2,192	–	-2,192
General and Administration	-5,052	2,583	-2,469
Operating profit (loss)	**-2,989**	**2,723**	**-266**
Financial items			
Financial income	0	–	0
Financial expenses	-1,108	-734	-1,842
Financial items - net	**-1,108**	**-734**	**-1,842**
Profit (loss) before income tax	**-4,097**	**1,989**	**-2,108**
Current income tax	-142	–	-142
Net profit (loss) for the year	**-4,378**	**2,140**	**-2,237**
Profit (loss) is attributable to:			
Non-controlling interest	–	–	–
Owners of the parent company	-4,378	2,140	-2,237
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	21	241	262
Items that will not be reclassified to profit or loss			
Income tax relating to these items	–	–	–
Other comprehensive income for the year	**21**	**241**	**262**
Non-controlling interests	–	–	–
Owners of the parent company	21	241	262
Other comprehensive income for the year	**21**	**241**	**262**
Total comprehensive income for the year	**-4,357**	**2,382**	**-1,975**
Total comprehensive income for the period is attributable to:			
Non-controlling interest	–	–	–
Owners of the parent company	-4,357	2,382	-1,975
Total	**-4,357**	**2,382**	**-1,975**

GROUP STATEMENT OF FINANCIAL POSITION FOR JANUARY AND DECEMBER 2023

in ,000's EUR	01 January 2023			31 December 2023		
	According to previous GAAP	Total effect of IFRS transition excl reclassifications	IFRS	According to previous GAAP	Total effect of IFRS transition excl reclassifications	IFRS
ASSETS						
Non-current assets						
Capitalized expenditure for development work and similar work	15,804	–	15,804	28,815	450	29,264
Trademarks	483	–	483	417	–	417
Licenses	94	–	94	71	–	71
Goodwill	90,559	–	90,559	68,840	–	68,840
Property, plant and equipment						
Right-of-use 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						
Inventories	13,932	–	13,932	8,922	–	8,922
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**	**4,603**	**143,972**

GROUP STATEMENT OF FINANCIAL POSITION FOR JANUARY AND DECEMBER 2023

in ,000's EUR	01 January 2023			31 December 2023		
	According to previous GAAP	Total effect of IFRS transition excl reclassifications	IFRS	According to previous GAAP	Total effect of IFRS transition excl reclassifications	IFRS
EQUITY AND LIABILITIES						
Equity						
Share capital	385	–	385	459	-2	457
Other contributed capital	67,036	–	67,036	76,695	-275	76,420
Reserves	–	–	–	-467	2,153	1,685
Retained earnings	1,878	4,249	6,127	-2,781	2,364	-417
Profit or loss for the period	-6,544	–	-6,544	-15,144	-2,383	-17,527
Non-controlling interest	–	–	–	–	–	–
Total equity	**62,754**	**4,249**	**67,003**	**58,762**	**1,856**	**60,618**
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	–	–	–	–	–	–
Other non-current liabilities	46,187	-5,406	40,781	23,143	-1,893	21,250
Deferred tax liabilities	224	1,135	1,359	651	397	1,048
Current liabilities						
Borrowings	12,545	–	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	3,139	–	3,139	2,085	–	2,085
TOTAL EQUITY AND LIABILITIES	**155,275**	**4,770**	**160,045**	**139,369**	**4,603**	**143,972**

GROUP STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

	31 March 2023		
in ,000's EUR	Income statement (according to previous GAAP)	Total effect of IFRS transition	IFRS
ASSETS			
Non-current assets			
Intangible assets			
Capitalized expenditure for development work and similar work	18,999	138	19,137
Trademarks	897	–	897
Licenses	90	–	90
Goodwill	87,014	2,572	89,585
Property, plant and equipment			
Right-of-use assets	–	4,512	4,512
Equipment, tools, fixtures and fittings	982	–	982
Non-current financial assets			
Other non-current receivables	11	–	11
Deferred tax assets	78	1	78
Current assets			
Inventory			
Inventories	14,454	–	14,454
Current receivables			
Accounts receivable	9,194	–	9,194
Current tax receivables	741	–	741
Other receivables	735	–	735
Prepayments and accrued income	3,829	-5	3,824
Cash and cash equivalents	6,556	–	6,556
TOTAL ASSETS	**143,582**	**7,217**	**150,799**

GROUP STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

	31 March 2023		
in ,000's EUR	Income statement (according to previous GAAP)	Total effect of IFRS transition	IFRS
EQUITY AND LIABILITIES			
Equity			
Share capital	380	5	385
Other contributed capital	66,200	836	67,036
Reserves	21	241	262
Development expenditure fund (goes into Retained)	-3	3	–
Retained earnings	-3,568	3,151	-417
Profit or loss for the period	-4,378	2,140	-2,237
Non-controlling interest	–	–	–
Total equity	**58,654**	**6,375**	**65,029**
Non-current liabilities			
Borrowings non-current	20,576	–	20,576
Lease liabilities L/T	–	3,967	3,967
Other provisions	–	–	–
Other non-current liabilities	45,400	-4,691	40,709
Deferred tax liabilities	359	985	1,345
Current liabilities			
Borrowings	3,004	–	3,004
Lease liabilities S/T	–	668	668
Accounts payable	7,311	–	7,311
Current tax liabilities	1,027	–	1,027
Other current liabilities	5,869	-86	5,783
Accruals and deferred income	1,381	–	1,381
TOTAL EQUITY AND LIABILITIES	**143,582**	**7,217**	**150,799**

IMPACT ON CASH-FLOW STATEMENT

The cash flow has not been affected by the transition to IFRS, but the IFRS adjustments has had the following effect regarding presentation of cash flow:

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.

OTHER NOTES TO FINANCIAL STATEMENTS

a) **Goodwill**
Under previously applied accounting policies, goodwill is amortized over the period that it is expected to generate economic benefits. Under IFRS, goodwill is not amortized, instead, an impairment test is conducted annually. As a result of goodwill not being amortized in accordance with IFRS, 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 30/9/2023 and 31/12/2023. Corresponding impairment adjustments are posted accordingly. Therefore, there are no significant changes to Goodwill as of December 31, 2023 and January 1, 2023.

b) **Deferred taxes**
Deferred taxes are accounted for on all IFRS 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.

in ,000's of Euros			
Deferred Tax	3/31/24	3/31/23	12/31/23
Deferred Tax Per Statements	744	78	719
Adjustments as a result of IFRS 16	–	1	3
Adjustments as a result of IFRS 9	106	–	–
Re-stated deferred tax	**850**	**78**	**722**

c) **Leases**

At the date of transition to IFRS the Group accounts for the leases as a right-of-use asset and a lease liability in the statement of financial position, which was classified as operations or financial leases according to the previously applied accounting principles. This adjustment has affected the following line items in the statement of financial position: Right-of-use assets, Lease liabilities L/T and Lease liabilities S/T. The adjustment has also affected the following items in the total comprehensive income: G&A Expenses and Financial Expenses.

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 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:

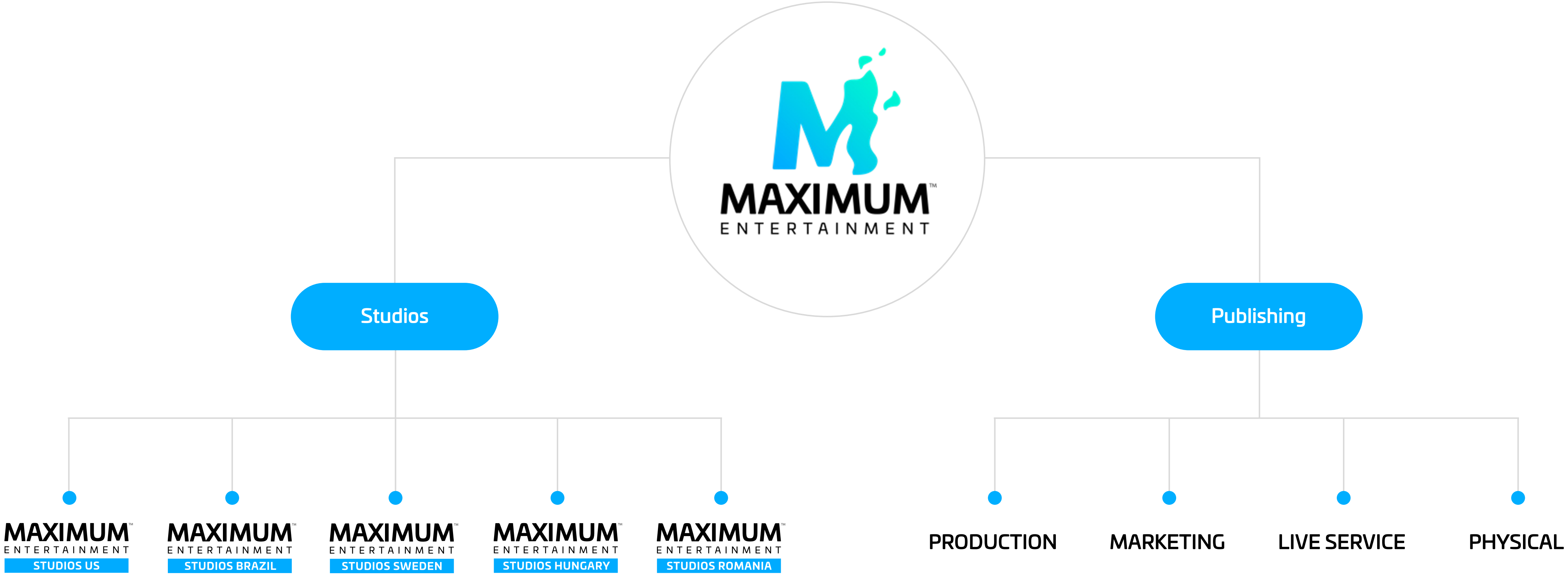
- Interest income and similar items is changed into Financial income
- Interest costs and similar items is changed into Financial expense
- Tax on profit for the year is changed into Income tax

EFFECTS FOR THE PARENT COMPANY WHEN TRANSITIONING TO RFR REPORTING FOR LEGAL ENTITIES

The interim report for Q1 2024 is Maximum Entertainment AB's first financial report prepared in accordance with RFR 2 Reporting for legal entities.

The accounting policies in Note 12 above were applied when the balance sheet and income statement for the parent company were prepared as of March 31, 2024 and for the comparison information presented as of March 31, 2023 and 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 RFR 2 for the parent company). The parent company is transitioning to RFR 2 as of 1 January, 2023, which is the same date as the transition to IFRS for the group. The transition has not had any significant effect on the income statement, balance sheet or equity statement for the parent company.

ABOUT MAXIMUM ENTERTAINMENT



FURTHER INFORMATION

Organization and group structure

The Group's parent company, Maximum Entertainment AB, have holdings in subsidiaries according to the table below.

Subsidiaries	Country	Ownership interest %
Maximum Entertainment Sweden AB (Dimfrost Studio AB)	Sweden	100
Maximum Entertainment Hungary kft (Invictus Games Kft)	Hungary	100
Maximum Entertainment France (Just For Games SAS)	France	100
Merge Games Ltd	The United Kingdom	100
Zordix Racing AB	Sweden	100
MG1 Acquisition Corporation[1]	The United States	100
Maximum Entertainment LLC	The United States	100
Modus Games LLC	The United States	100
Modus Studios Desenvolvimento e Licenciamento de Games Limitada	Brazil	100
Maximum Entertainment Srl	Romania	100
Maximum Games Ireland Ltd	Ireland	100
Maximum Entertainment Ltd	The United Kingdom	100
Maximum Games GmbH	Germany	100

Certified Adviser

Augment Partners AB, phone: +46 8 604 22 55, is the Company's Certified Adviser in accordance with the regulations for Nasdaq First North.

Liquidity Provider

The company has an agreement with Pareto Securities AB to act as a Liquidity Provider in accordance with the regulations for Nasdaq First North.

Financial calendar

Interim Report Q1 2024	05/21/2024
AGM	06/04/2024
Interim Report Q2 2024	08/14/2024
Interim Report Q3 2024	11/13/2024
Interim Report Q4 2024	02/19/2025

Contact information

Deborah Bellangé, CFO: ir@maximument.com
Augment Partners AB, CA: info@augment.se

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

GLOSSARY

What we say	What we mean
Maximum Entertainment, The Company or the Group	Refers to Maximum Entertainment AB, formerly Zordix AB (publ), company registration number 556778-7691, or the Group or companies in the Group in which Maximum Entertainment AB is the Parent Company.
Owned IP	Owned IP, OIP, or Owned Intellectual Property, refers to games for which the Group owns at least 50% of the IP rights to the game. In addition to full monetization rights for the game, Owned IP includes rights to prequels, sequels, spinoffs and other derivative rights.
Publishing	Publishing refers to activities related to games for which the Group has global monetization rights. This means that the Group owns global rights to the game via digital and physical distribution channels. The Group can have publishing rights for select platforms of a game (eg: publishing rights for Console versions only).
Sub-publishing	Sub-publishing refers to activities related to games for which the group has limited monetization rights. This typically means that rights are restricted to a defined channel or territory and do not include digital distribution.
New Releases	New releases are games which have launched within the current fiscal year. Games launched in Early Access are considered new both in the year of first EA release and in the year of 1.0 launch.
Catalog Games or Titles	Catalog refers to games that have launched in previous fiscal years.
Adjusted EBIT	EBIT less impact from non-recurring and restructuring expenses, share-based compensation (if any), adjustment to contingent considerations and impairment of goodwill.
Adjusted EBITDA	EBITDA less impact from non-recurring and restructuring expenses, share-based compensation (if any) and adjustment to contingent considerations.
Adjusted EBIT margin	Adjusted EBIT over Net sales.
Adjusted EBITDA margin	Adjusted EBITDA over Net sales.
Gross Margin	Net sales less cost of sales. Can be expressed as a value or as a percentage of Net sales.
EBITDA	EBIT less impact from amortization, depreciation impairment, capital gains / losses on assets and any value adjustments on assets.
EBITDA Margin	EBITDA as a percentage of Net sales.
EBIT	Operating profit.
EBIT Margin	EBIT as a percentage of Net sales.
Total Headcount or Number of Employees	Number of employees at the end of the period.
Live or Live Services	Games that benefit from continual development throughout the life of the game and for which the monetization follows a freemium or micro-transactions model.

THE BOARD'S ASSURANCE

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

Stockholm, May 21, 2024

CHRISTINA SEELYE – CHIEF EXECUTIVE OFFICER AND DIRECTOR

STEFAN LINDEBERG – CHAIRMAN OF THE BOARD

KARLA MARTIN – DIRECTOR

STEFAN LAMPINEN – DIRECTOR

DAVID ERIKSSON – DIRECTOR

PETTER HJERTSTEDT – DIRECTOR

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

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ENTERTAINMENT