



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	912 523 802
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	PLAY MAGNUS AS
Forretningsadresse:	Floor 3 Tordenskiolds gate 2 0160 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Anders Rundgren
Dato for fastsettelse av årsregnskapet:	28.06.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 10.08.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Revenue from customers	6	60 922 000	66 774 000
Sum inntekter		60 922 000	66 774 000
Kostnader			
Employee benefit expenses	7	11 114 000	14 445 000
Depreciation, amortization and impairment	10,11	1 034 000	11 061 000
Course content and subscription sales expenses		1 371 000	1 572 000
Tournament prize expenses		0	18 064 000
Share-based compensation expense		0	2 166 000
Consultancy fees		23 686 000	39 485 000
Management fees recharged from other group companies		0	33 942 000
Other operating expenses	9	29 893 000	57 896 000
Gains and losses		0	-904 000
Sum kostnader		67 098 000	177 727 000
Driftsresultat		-6 176 000	-110 953 000
Finansinntekter og finanskostnader			
Financial income	12	47 254 000	24 132 000
Sum finansinntekter		47 254 000	24 132 000
Net gains (losses and impairment) of financial assets		14 598 000	263 453 000
Financial expense	12	1 393 000	2 325 000
Sum finanskostnader		15 991 000	265 778 000
Netto finans		31 263 000	-241 646 000
Ordinært resultat før skattekostnad		25 087 000	-352 599 000
Tax expense	13	0	0
Ordinært resultat etter skattekostnad		25 087 000	-352 599 000
Årsresultat		25 087 000	-352 599 000



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	10	2 312 000	2 825 000
Sum immaterielle eiendeler		2 312 000	2 825 000
Varige driftsmidler			
Tangible and right-of-use assets	11	2 085 000	0
Sum varige driftsmidler		2 085 000	0
Finansielle anleggsmidler			
Investering i datterselskap	14	130 046 000	126 046 000
Lån til foretak i samme konsern	14	158 847 000	139 827 000
Sum finansielle anleggsmidler		288 893 000	265 873 000
Sum anleggsmidler		293 290 000	268 698 000
Omløpsmidler			
Varer			
Fordringer			
Accounts receivable	15,16	42 736 000	5 650 000
Other current assets		2 218 000	3 834 000
Other current financial assets		0	48 000
Sum fordringer		44 954 000	9 532 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	17	8 132 000	51 964 000
Sum bankinnskudd, kontanter og lignende		8 132 000	51 964 000
Sum omløpsmidler		53 086 000	61 496 000
SUM EIENDELER		346 376 000	330 194 000

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2023	2022
Egenkapital			
Innskutt egenkapital			
Share capital		615 000	615 000
Overkurs		671 947 000	779 867 000
Sum innskutt egenkapital		672 562 000	780 482 000
Opptjent egenkapital			
Other components of equity		42 935 000	42 935 000
Udekket tap	16	394 374 000	419 460 000
Sum opptjent egenkapital		-351 439 000	-376 525 000
Sum egenkapital		321 123 000	403 957 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Non-current financial liabilities		1 668 000	0
Non-current portion of deferred revenue	6	8 482 000	111 000
Sum annen langsiktig gjeld		10 150 000	111 000
Sum langsiktig gjeld		10 150 000	111 000
Kortsiktig gjeld			
Leverandørgjeld		5 923 000	8 375 000
Current portion of deferred revenue	6	5 960 000	5 978 000
Other current financial liabilities		503 000	0
Other current liabilities	18	2 719 000	4 776 000
Sum kortsiktig gjeld		15 105 000	19 129 000
Sum gjeld		25 255 000	19 240 000
SUM EGENKAPITAL OG GJELD		346 378 000	423 197 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Revenue from customers	5	275 910 000	225 128 000
Sum inntekter		275 910 000	225 128 000
Kostnader			
Employee benefit expenses	6	107 748 000	118 071 000
Depreciation, amortization and impairment	9,10	26 993 000	158 984 000
Course content and subscription sales expenses		51 002 000	45 061 000
Tournament prize expenses		0	18 100 000
Share-based compensation expense		0	5 392 000
Consultancy fees		59 673 000	101 015 000
Other operating expenses	8	61 468 000	96 150 000
Gains and losses		0	-3 203 000
Sum kostnader		306 884 000	539 570 000
Driftsresultat		-30 974 000	-314 442 000
Finansinntekter og finanskostnader			
Financial income	11	41 767 000	18 822 000
Sum finansinntekter		41 767 000	18 822 000
Financial expense	11	10 129 000	7 940 000
Sum finanskostnader		10 129 000	7 940 000
Netto finans		31 638 000	10 882 000
Ordinært resultat før skattekostnad		664 000	-303 560 000
Tax expense	12	-615 000	-5 154 000
Ordinært resultat etter skattekostnad		1 279 000	-298 406 000
Årsresultat		1 279 000	-298 406 000
Exchange differences on translation of foreign operations		-18 611 000	-7 353 000
Sum resultatkomponenter for IFRS-foretak		-18 611 000	-7 353 000
Totalresultat		-17 332 000	-305 759 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2023	2022
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Konsernets balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	9	48 555 000	70 273 000
Goodwill	13	25 403 000	24 638 000
Sum immaterielle eiendeler		73 958 000	94 911 000
Varige driftsmidler			
Tangible and right-of-use assets	10	8 615 000	8 086 000
Sum varige driftsmidler		8 615 000	8 086 000
Sum anleggsmidler		82 573 000	102 997 000
Omløpsmidler			
Varer			
Inventory	14	6 704 000	6 738 000
Sum varer		6 704 000	6 738 000
Fordringer			
Accounts receivable	16,17	65 360 000	103 301 000
Other current assets		10 819 000	15 589 000
Other current financial assets	15	3 174 000	3 442 000
Sum fordringer		79 353 000	122 332 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	18	42 514 000	97 057 000
Sum bankinnskudd, kontanter og lignende		42 514 000	97 057 000
Sum omløpsmidler		128 571 000	226 127 000
SUM EIENDELER		211 144 000	329 124 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Konsernets balanse

Beløp i: NOK	Note	2023	2022
Innskutt egenkapital			
Share capital		615 000	615 000
Overkurs		671 947 000	779 867 000
Sum innskutt egenkapital		672 562 000	780 482 000
Opptjent egenkapital			
Other components of equity		42 935 000	42 935 000
Udekket tap	17	590 946 000	573 613 000
Sum opptjent egenkapital		-548 011 000	-530 678 000
Sum egenkapital		124 551 000	249 804 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	12	2 715 000	2 717 000
Sum avsetninger for forpliktelser		2 715 000	2 717 000
Annen langsiktig gjeld			
Non-current financial liabilities		4 840 000	4 017 000
Non-current portion of deferred revenue	5	11 251 000	2 262 000
Sum annen langsiktig gjeld		16 091 000	6 279 000
Sum langsiktig gjeld		18 806 000	8 996 000
Kortsiktig gjeld			
Leverandørgjeld		11 318 000	8 507 000
Taxes payable	12	1 230 000	1 560 000
Current portion of deferred revenue	5	17 468 000	20 105 000
Other current financial liabilities		1 625 000	999 000
Other current liabilities	19	36 146 000	39 155 000
Sum kortsiktig gjeld		67 787 000	70 326 000
Sum gjeld		86 593 000	79 322 000
SUM EGENKAPITAL OG GJELD		211 144 000	329 126 000



Vår dato
10.03.2021

Din/Deres dato
26.02.2021

Saksbehandler
Lars Waaltorp

800 80 000
Skatteetaten.no

Din/Deres referanse
AR417933809

Telefon
90833418

Org.nr
974761076

Vår referanse
2021/5251015

Postadresse
Postboks 9200 Grønland
0134 OSLO

PLAY MAGNUS AS
Floor 3 Tordenskiolds gate 2
0160 OSLO

Att. Anders Rundgren

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Play Magnus AS, org.nr. 912 523 802

Vi viser til deres henvendelse sendt inn 26. februar 2021 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Play Magnus AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Play Magnus AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Play Magnus AS er notert på Euronext Growth og har en spredt eierstruktur med flere utenlandske investorer. Selskapet har datterselskaper i 7 land. Selskapet selger sjakk-software og har partneravtaler med norske og internasjonale selskaper. Hovedvekten av kundemassen er i utlandet. Engelsk er selskapets arbeidsspråk, og flere av styremedlemmene er utenlandske.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i



samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet er notert på Euronext Growth og har både norske og utenlandske eiere. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waaltorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



To the General Meeting of Play Magnus AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Play Magnus AS, which comprise:

- the financial statements of the parent company Play Magnus AS (the Company), which comprise statements of financial position as at 31 December 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Play Magnus AS and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at 31 December 2023, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors (management) is responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 28 June 2024

PricewaterhouseCoopers AS

Øystein Sandvik
State Authorised Public Accountant
(This document is signed electronically)



Revisjonsberetning

Signers:

Name	Method	Date
Sandvik, Øystein Blåka	BANKID	2024-07-01 13:19

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Play Magnus AS

Annual Report 2023



Annual Report 2023

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Overview

Play Magnus AS is the parent company of Play Magnus Group. Play Magnus Group is a global company headquartered in Oslo, Norway. As of year-end 2023, the company teams were predominantly based in Norway, United Kingdom, Spain, USA and the Netherlands.

Play Magnus Group delivers chess-related products and services in elearning and esports.

Review of the consolidated financial statements

Consolidated operating revenue for the financial year 2023 was NOK 275.9 million compared to NOK 225.1 million for the financial year 2022, representing 22.6% growth.

Operating expenses for the financial year 2023 were NOK 306.9 million. EBITDA for the financial year 2023 was NOK -4.0 million compared to NOK -155.5 million for 2022. In 2022 there were significant transaction fees related to the Chess.com acquisition recognized as operational expenses. Moreover, in 2023 the expenses related to the Champions Chess Tour were reduced significantly.

Depreciation, amortization and impairment expenses for the financial year 2023 were NOK 27.0 million, compared to NOK million for the financial year 2022. For the financial year 2023, the Group had on a consolidated basis net financial income of NOK 31.6 million, compared to an income of NOK 10.9 million for the financial year 2022. The Group's liquidity is diversified across NOK, GBP, EUR and NOK, and as of year-end 2023 was mostly situated in US Dollars and Euros, with the majority of the rest of the balance in Norwegian Krone and British Pounds.

Play Magnus Group had assets of NOK 211.1 million as of 31 December 2023. Non-current assets were NOK 82.6 million whereof goodwill and intangible assets accounted for NOK 74.0 million. Current assets were NOK 128.6 million whereof cash and cash equivalents represented NOK 42.5 million. Non-current liabilities were NOK 18.8 million. Current liabilities at the end of 2023 were NOK 67.8 million whereof deferred revenue represented NOK 17.5 million. The majority of the deferred revenue is related to subscriptions and Tour partnership revenue invoiced or received but not yet recognized. The equity ratio for Play Magnus Group as of 31 December 2023 was 59.0%.

The liquidity for Play Magnus Group is strong with a cash balance of NOK 42.5 million as of 31 December 2023.



Cash flow from operations was NOK -30.7 million for the financial year 2023, cash flow from investing activities was NOK -0.4 million and cash flow from financing activities was NOK -1.9 million, primarily related to a distribution of paid-in capital.

Review of the parent company's financial statements

Revenue for the parent company was NOK 60.9 million for the financial year 2023 compared to NOK 66.8 million for the financial year 2022. Operating result for the financial year 2023 was NOK -6.2 million. Total equity for the parent company was NOK 321.1 million as of 31 December 2023.

Research and development

Both Play Magnus AS and Play Magnus Group have previously had expenses related to research and development, delivered by employees and consultants. In 2023, neither Play Magnus AS nor Play Magnus Group capitalized anything related to research and development.

Allocation of net profit in the parent company

The parent company Play Magnus AS recorded a net profit of NOK 25.1 million for the financial year 2023. The Board of Directors proposes the net profit to be allocated to retained earnings.

Going concern

In accordance with the Norwegian Accounting Act, the board of directors confirms that the annual accounts have been prepared in accordance with the going-concern assumption. Play Magnus Group had a small profit in 2023. Following the acquisition by Chess.com in December 2022, there has been a thorough review of the business units and subsidiaries. Both Play Magnus AS and Play Magnus Group are in a financially strong position for the future.

Impact of Russia's attack on Ukraine in 2022

In February 2022, Russian armed forces invaded Ukraine. This has caused the fastest growing humanitarian crisis in Europe since the Second World War. Play Magnus Group has no employees in Ukraine. The Group has used the services of a small number of consultants who are based in Russia. The company has no planned activities or future projects in neither Russia nor Ukraine. Management is handling this event and its development proactively and is taking actions to mitigate any potential risks.

Risk and risk management

Risk management is a continuous process and an integral part of decision making across Play Magnus Group. All managers are required to assume ownership for their areas of responsibility



and ensure that risk management is integrated into day-to-day processes. We have identified the following risks and uncertainties that may have a material adverse effect on our business, financial condition, results of operations or reputation. The risks described below are not the only risks we face.

Market risk

Play Magnus Group is exposed to several market-related risks, including but not limited to: access and ability to keep qualified employees, ability to secure long-term agreements with key content creators as well as key Tour partners, continued commercial value of the previously created content catalogue and technology, ability to keep and grow the user engagement and brand awareness, change in user behavior for existing and new users of the products offered by the Group, ability to convert non-paying users to paying customers, relative competitiveness in the markets where the Group operates, and global or regional economic market conditions.

Credit risk

Play Magnus Group is exposed to credit risk from its operating activities, primarily from potential long-term receivable obligations from its Tour partners. The Group evaluates each of its partners based on numerous criteria to mitigate credit risks and believes the overall risk is low given the focus on working with reputable brands with well established presence in the business community.

Currency risk

Due to the broad scope of the Group's international operations, a substantial portion of its assets, liabilities, sales and expenses are denominated in currencies other than NOK. Play Magnus Group primarily earns revenue in US Dollars, British Pounds and Euros. The sales mix is skewed towards US Dollars, while the costs are weighted towards British Pounds, Norwegian Krone and Euros. The Group aims to mitigate potential exchange rate fluctuations by matching the costs and revenues to the best of its ability by keeping the sales proceeds in the specific currencies which may be needed to pay for the respective costs. The Group cash balance is split between NOK, EUR, GBP and USD, with a higher weighting towards USD and EUR. Management considers the primary foreign exchange exposure for the Group to be the cash balances.

Interest risk

The Group currently holds no material long-term borrowings or interest-bearing debt. Lease contracts resulting in a recognized lease liability are not subject to change in payments derived from interest fluctuations, and the Group's exposure to interest rate fluctuations and credit availability is therefore limited.

Liquidity risk

Management believes there is appropriate liquidity to execute on its business plan.



Inflation risk

Inflation risks are starting to increase with uncertainty related to how transitory the recent rises are. Factors such as increased labor costs, increased costs due to less efficient supply chains, rise of commodity prices are all potential detractors. Management believes the main risk to Play Magnus Group is related to labor cost inflation, as its exposure to commodities and supply chains is a relatively insignificant portion of costs and revenues and mostly are contained within its print books divisions. Play Magnus Group is carefully assessing these risks and believes impact could be mitigated via increased automation, as well as price increases given the strength of its product portfolio.

Key person risk

The Group is exposed to risk related to the behavior and public perception of key ambassadors. The Group works with public-facing chess personas and professional chess players, authors and coaches that represent the Group through delivering services, entertainment and/or content via the Group's platforms. In particular, the Group is closely associated with Magnus Carlsen, the World Chess Champion and namesake of the Group. He is the co-founder, ambassador and a key participant in core activities of the Group. The Group may be affected by unilateral actions or behaviors taken by Magnus Carlsen or other chess personas that the Group is associated with. These actions may adversely affect the Group's reputation and competitive position and reduce acceptance of the Group's platforms within the online chess community, which could have a material adverse effect on the Group's performance.

Directors and Officers liability insurance

Play Magnus AS has purchased a Directors and Officers liability insurance. The limit of liability in the aggregate is USD 50 million.

Equal opportunities

At the end of 2023, Play Magnus Group had 90 full time equivalent employees and consultants, of which 34% were women. The chess and technology markets in which Play Magnus Group operates are somewhat overrepresented by men but Play Magnus Group is actively working towards a diversified working environment, including promotions of qualified women into leadership roles. Women are represented in the vast majority of the company's departments and the ratio between men and women will continue to be monitored. Play Magnus Group strongly respects and supports diversity in general and sees this as a competitive advantage to create value for the company and its shareholders. Play Magnus Group has a policy that includes the principle of equal opportunities for equal work, implying that every employee will have the same rights, salary and career options in the same position, all other factors being equal.



Discrimination

At Play Magnus Group we strongly believe that just like anyone should have the ability to play chess, regardless of age, gender, religion, race or nationality, a diverse workforce is key to developing the leading services and products that we bring to the market.

Social Commitment

As a company, Play Magnus Group has worked to ensure that our mission to promote chess and chess learning fosters positive social outcomes and we are proud to support chess in the schools worldwide. The Group's suite of learning tools helps kids develop their skills from beginner to master and beyond. Play Magnus Group is supporting a number of non-profit partners, both within chess and beyond.

Working environment, impact on the external environment

The working environment is considered good. For the financial year 2023, the registered level of absence due to sickness in the parent company was 2.7%. There have been no work-related accidents or injuries during the year.

Play Magnus Group does not have a significant impact on the external environment.

Outlook 2024 and events after the end of the financial year

2023 was a year of transition for Play Magnus Group following the acquisition by Chess.com. The group has started workstreams to align its business operations with the new parent company. This will involve a stronger focus on core products and divestments of some of business units. In January 2024, Play Magnus Group divested Ginger GM Ltd.

Play Magnus Group, in collaboration with Chess.com, will continue to focus on the mission of serving the chess community, improving the livelihoods and opportunities for chess professionals, and enabling more people to play, watch and learn chess.

Play Magnus Group will continue to execute on its elearning strategy of bringing leading content to users in a format that makes it more fun and efficient to improve. Play Magnus Group will continue to improve its products, both new and existing, while at the same time expanding the content library organically. With the help of Chess.com, the key products of the Play Magnus elearning portfolio will receive additional support that will enable them to scale to a bigger audience.



Play Magnus Group | Annual Report 2023

Oslo, June 28, 2024

The Board of Directors of Play Magnus AS

Erik Peter Allebest
Chairman

Heurik Carlsen

Henrik Albert Carlsen
Board member

Daniel Reusch

Daniel Rensch
Board member

Anders Rundgren

Anders Rundgren
Board member



Play Magnus Group Consolidated Financial Statements



Consolidated statements of comprehensive income

Amounts in NOK thousands	Note	2023	2022
Revenue from customers	5	275 910	225 128
Total operating revenue		275 910	225 128
Course content and subscription sales expenses		51 002	45 061
Tournament prize expenses		-	18 100
Employee benefit expenses	6	107 748	118 071
Share-based compensation expense		-	5 392
Consultancy fees		59 673	101 015
Other operating expenses	8	61 468	96 150
Depreciation, amortization and impairment	9,10	26 993	158 984
Gains and losses		-	-3 203
Total operating expenses		306 885	539 569
Operating profit (loss)		-30 975	-314 441
Financial income	11	41 767	18 822
Financial expenses	11	10 129	7 940
Financial income (expense), net		31 638	10 882
Profit (loss) before tax		664	-303 559
Tax expense	12	-615	-5 154
Profit (loss)		1 279	-298 405
Other comprehensive income			
<i>Items that will be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		-18 611	-7 353
Total		-18 611	-7 353
Other comprehensive income			
Total comprehensive income		-17 333	-305 758

The accompanying notes are an integral part of the consolidated financial statements.



Consolidated statements of financial position

ASSETS			
Amounts in NOK thousands	Note	31.12.2023	31.12.2022
Goodwill	13	25 403	24 638
Intangible assets	9	48 555	70 273
Tangible and right-of-use assets	10	8 615	8 086
TOTAL NON-CURRENT ASSETS		82 573	102 997
Inventory	14	6 704	6 738
Other current assets		10 819	15 589
Other current financial assets	15	3 174	3 442
Accounts receivable	16,17	65 360	103 301
Cash and cash equivalents	18	42 514	97 057
TOTAL CURRENT ASSETS		128 571	226 127
TOTAL ASSETS		211 144	329 124



EQUITY AND LIABILITIES

Amounts in NOK thousands

	Note	31.12.2023	31.12.2022
Share capital		615	615
Share premium		671 947	779 867
Retained earnings	17	-590 946	-573 613
Other components of equity		42 935	42 935
TOTAL EQUITY		124 550	249 803
Non-current financial liabilities		4 840	4 017
Non-current portion of deferred revenue	5	11 251	2 262
Deferred tax liabilities	12	2 715	2 717
Total non-current liabilities		18 806	8 996
Current portion of deferred revenue	5	17 468	20 105
Accounts payable		11 318	8 507
Taxes payable	12	1 230	1 560
Other current financial liabilities		1 625	999
Other current liabilities	19	36 146	39 155
Total current liabilities		67 787	70 325
TOTAL LIABILITIES		86 593	79 321
TOTAL EQUITY AND LIABILITIES		211 144	329 124

The accompanying notes are an integral part of the consolidated financial statements.

Oslo, June 28, 2024

The Board of Directors of Play Magnus AS

Erik Peter Allebest
Chairman

Henrik Albert Carlsen
Board member

Daniel Rensch
Board member

Anders Rundgren
Board member



Consolidated statements of cash flows

Amounts in NOK thousands	Notes	2023	2022
Operating activities			
Profit (loss) before tax		664	-303 559
Paid taxes	12	-	-1 140
Depreciation	10	2 911	3 987
Amortisation of intangible assets	9	24 060	39 504
Impairment of goodwill and intangible assets	9	21	116 892
Share based compensation expense		-	5 392
Cash settlement share options		-	-3 462
Items classified as investing or financing activities		-14 548	709
Gains and losses		-	-3 203
<i>Working capital adjustments:</i>			
Changes in inventories	14	33	3 214
Changes in accounts receivable	16	-55 062	924
Changes in financial assets		268	547
Changes in other current assets		4 770	-1 161
Changes in deferred revenue		6 352	-3 125
Changes in accounts payable		2 811	-9 800
Changes in other current liabilities		-3 010	12 025
Net cash provided from operating activities		-30 729	-142 255
Investing activities			
Investments in tangible and intangible assets	9,10	-412	-15 598
Payment for acquisitions, cash settlement of share consideration		-	-4 516
Payment for acquisitions, net of cash		-	-
Contingent consideration iChess LLC		-	-900
Contingent consideration Gloucester Publishers Ltd		-	-3 394
Transaction expenses acquisitions		-	-
Net cash used in investing activities		-412	-24 409
Financing activities			
Issuance of new shares		-	89 025
Transaction expenses related to issuance of new shares		-	-1 781
Sale of treasury shares		-	1 968
Principal elements of lease payments	10	-1 520	-2 564
Interest paid on lease agreements	10	-369	-709
Net cash provided by (used in) financing activities		-1 889	85 940
Foreign currency effects on cash and cash equivalents		-21 513	-1 054
Net increase (decrease) in cash and cash equivalents		-54 543	-81 778
Cash and cash equivalents at the beginning of year		97 057	178 834
Cash and cash equivalents at end of year	18	42 514	97 057

The accompanying notes are an integral part of the consolidated financial statements.



Consolidated statements of changes in equity

Amounts in NOK thousands	Share capital	Share premium	Treasury shares	Other component of equity	Retained earnings	Total equity
Total equity 01.01.2022	566	692 671	-3 999	45 728	-360 683	374 283
Profit / (-) loss for the period	-	-	-	-	-298 405	-298 405
Restatement of financial figures ¹⁾	-	-	-	-	93 003	93 003
Other comprehensive income that will be recycled	-	-	-	-	-7 353	-7 353
Total comprehensive income for the period	-	-	-	-	-212 755	-212 755
<i>Transactions with owners and their capacity as owners:</i>						
Employee stock option expense	-	-	-	1 723	-	1 723
Share consideration Ginger GMLtd acquisition, cash settlement	-	-	-	-901	-	-901
Share consideration Airchess by PMG AS acquisition, cash settlement	-	-	-	-781	-	-781
Share consideration Silver Knights Chess LLC acquisition, cash settlement	-	-	-	-2 834	-	-2 834
Capital increase in private placement	49	88 976	-	-	-	89 025
Transaction expenses related to private placement	-	-1 781	-	-	-	-1 781
Sale of treasury shares	-	-	3 999	-	-175	3 824
Total equity 31.12.2022	615	779 867	-	42 935	-573 613	249 803
Total equity 01.01.2023	615	779 867	-	42 935	-573 613	249 803
Profit / (-) loss for the period	-	-	-	-	1 279	1 279
Other comprehensive income that will be recycled	-	-	-	-	-18 611	-18 611
Total comprehensive income for the period	-	-	-	-	-17 333	-17 333
<i>Transactions with owners and their capacity as owners:</i>						
Distribution of paid-in capital	-	-107 920	-	-	-	-107 920
Total equity 31.12.2023	615	671 947	-	42 935	-590 946	124 550

The accompanying notes are an integral part of the consolidated financial statements.

¹⁾ See note 17 for details



Note 1 Reporting entity

The reporting entity reflected in these financial statements comprises Play Magnus AS and consolidated subsidiaries (Play Magnus Group or the Group). The parent company, Play Magnus AS, is wholly owned by Chess Growthco LLC. Play Magnus Group's corporate headquarters are in Oslo, Norway. The Group is operating in the chess industry, with market-leading positions in the e-learning and entertainment space.

Play Magnus Group's consolidated financial statements for the year ended 31 December 2023 were approved by the Board on 20 June 2024.

Note 2 Basis of preparation and conversion to Simplified IFRS

The consolidated financial statements of Play Magnus AS and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and Norwegian authorities. From 2022, the financial statements have been prepared using Simplified IFRS (*Forskrift om forenklet anvendelse av internasjonale regnskapsstandarder 2022*) with a transition date as of 1 January 2021. Play Magnus Group also provides disclosures as specified under the Norwegian Accounting Act (*Regnskapsloven*). The last full IFRS reporting was for the reporting period ending 31 December 2021. Conversion to Simplified IFRS did not give any recognition or measurement differences in the financial statements.

The financial statements are prepared on a historical cost basis, except for certain assets, liabilities, and financial instruments, which are measured at fair value. Preparation of financial statements including note disclosures requires management to make estimates and assumptions that affect amounts reported. Actual results may differ. Slight rounding differences may occur between the financial statements and the note disclosures.

The functional currency of Play Magnus AS is the Norwegian krone (NOK). Play Magnus Group financial statements are presented in NOK thousands.

The foreign currency exchange differences that are recycled from OCI to the P&L arise from the translation differences upon consolidation of the subsidiaries.



Note 3 Significant accounting policies

The following description of accounting principles applies to Play Magnus Group's 2023 financial reporting, including all comparative figures. The relevant accounting policies for selected financial statement line items are described in detail in the specific notes in this set of financial statements. Changes in accounting policies and new pronouncements are discussed at the end of this section.

Statement of cash flows

Play Magnus Group uses the indirect method to present cash flows from operating activities. Interest and dividends received as well as interest paid are included in cash flows from operating activities.

Basis of consolidation

The consolidated financial statements include Play Magnus AS and subsidiaries, which are entities in which Play Magnus Group has the power to govern the financial and operating policies of the entity (control). Control is normally achieved through ownership, directly or indirectly, of more than 50 percent of the voting power. Play Magnus AS has 100% of the voting power in all group subsidiaries. Subsidiaries are included from the date control commences until the date control ceases.

Intercompany transactions and balances have been eliminated. Profit and loss resulting from intercompany transactions have been eliminated.

Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency of the transacting entity by applying the rate of exchange as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity at the rate of exchange at the balance sheet date. Currency gains or losses are included in the Finance expense.

Foreign currency translation

For consolidation purposes, the financial statements of subsidiaries with a functional currency other than NOK are translated into NOK. Assets and liabilities, including goodwill, are translated using the rate of exchange as of the balance sheet date. Income, expenses, and cash flows are translated using the average exchange rate for the reported period. Goodwill is recognized in the predominant functional currencies in the acquired businesses.

Translation adjustments are recognized in Other comprehensive income and accumulated in Currency translation differences in Other components of equity. On disposal of such subsidiary,



the cumulative translation adjustment of the disposed entity is recognized in the income statement as part of the gain or loss on disposal.

Measurement of fair value

Play Magnus Group measures certain assets and liabilities at fair value for the purposes of recognition or disclosure. Non-recurring fair value measurement is used for transactions, such as business combinations, contingent consideration, and other non-routine transactions. Play Magnus Group does not have any recurring fair value measurement as the group does not have any derivative financial instruments, equity investments, or other similar financial assets or liabilities that are measured at fair value.

Significant estimates and judgements

The application of accounting policies requires that management makes estimates and judgments in determining certain revenues, expenses, assets, and liabilities. The following areas involve a significant degree of judgment and complexity, and may result in significant variation in amounts:

- Valuation of deferred tax assets – see note 12
- Capitalization of internally generated intangible assets - see note 9.

Note 4 Financial risk disclosures

Credit risk

Credit risk for the Group consists of balances held at Play Magnus Group collection agents such as Apple, Google, and other well-established entities. Cash deposits are, for the most part, held at several banks that have strong credit ratings. There may be some credit risk related to partnership customers for longer-term contracts, and management tries to mitigate this risk by focusing on working with reputable brands with a well-established presence in the business community. Management observes platform customer risk is very low as customers generally need to pay upfront in order to receive services.

Liquidity risk

The Group needs to maintain enough liquidity in order to pay content creators as well as salaries and other major operational costs such as Tour prizes. Most of the Chessable content creators get paid on a revenue share basis, with the payout occurring approximately 30-60 days after the course sale. Non-current lease liabilities have a maturity of 5 years, and all other financial liabilities (current lease liabilities and accounts payable) are due within 12 months. Play Magnus Group has ample cash to support operations and liabilities as of 31 December 2023.



Foreign exchange risk

Play Magnus Group primarily earns revenue in US Dollars, British Pounds, and Euros. The sales mix is skewed towards US Dollars, while the costs are weighted towards British Pounds, Norwegian Krone, and Euros. The Group aims to mitigate potential FX fluctuations by matching the costs and revenues to the best of its ability by keeping the sales proceeds in the specific currencies which may be needed to pay for the respective costs.

The Group also has multiple intra-group loans between the parent company and the subsidiaries which are denominated in the functional currency of the subsidiary. Management considers the primary foreign exchange exposure for the Group to be the intra-group loans and the cash balances in the parent company. The cash balance in the company as of 31 December 2023 was mostly situated in US Dollars and Euros with the majority of the rest of the balance in Norwegian Krone and British Pounds.

Note 5 Revenue from customers

Accounting policies for revenue recognition

Play Magnus Group accounts for revenue in accordance with IFRS 15 *Revenue from Contracts with Customers*. IFRS 15 requires the reporting entity, for each contract with a customer, to identify the performance obligations, determine the transaction price, allocate the transaction price to performance obligations to the extent the contract covers more than one performance obligation, determine whether revenue should be recognized over time or at a point in time, and, finally, recognize revenue when or as performance obligations are satisfied.

A performance obligation is satisfied when or as the customer obtains control of the goods or services delivered. Play Magnus Group earns revenue via sales of content, subscriptions, books, chess classes and through media, rights partnerships, and ads.

A description of Play Magnus Group's principal revenue-generating activities and performance obligations are as follows:

Course sales: The Group offers online courses, including video content, primarily via Chessable. Ebooks sold by Interchess and Gloucester Publishers are also identified as courses. Additionally, live lessons and courses by Magnus Chess Academy (previously known as Silver Knights Chess) are categorized under Courses. The course content sales are recognized at the time of purchase.

Subscriptions: The Group's subscription revenue includes fees associated with the Play Magnus apps, chess24, Chessable, Aimchess, New In Chess and Magnus Chess Academy memberships and subscriptions. The duration of the memberships ranges from monthly to those



of one to three years. Monthly subscriptions are recognized at the time of purchase while annual and multi-year subscriptions are recognized on a pro-rata basis (over 12 months for an annual subscription, 36 months for a 3-year subscription). The rest is considered deferred revenue.

Tour and partnership revenue: The Group broadcasts top-level chess competitions with industry-leading prizes. Revenue from this segment is derived from media rights from TV and other broadcast partners, as well as from other brand partners. Revenue is recognized as partnership, tour events and relevant obligations are completed.

Other revenue: Other revenue includes primarily sales of printed books by New In Chess and Everyman Chess, advertising revenue from chess24 as well as major entertainment platforms such as YouTube and Twitch.

Disaggregation of revenue from contracts with customers

<i>Amounts in NOK thousands</i>	2023	2022
Courses	132 994	103 472
Subscriptions	36 232	38 075
Tour revenue and partnerships	36 665	60 611
Other revenue	70 020	22 971
Revenue from contracts with customers	275 910	225 128

<i>Amounts in NOK thousands</i>	2023	2022
Courses	132 994	103 472
Subscriptions	-	-
Tour revenue and partnerships	-	-
Other revenue	70 020	22 971
Total at a point in time revenue recognition	203 013	126 442

<i>Amounts in NOK thousands</i>	2023	2022
Courses	-	-
Subscriptions	36 232	38 075
Tour revenue and partnerships	36 665	60 611
Other revenue	-	-
Total over time revenue recognition	72 897	98 685



Deferred revenue

<i>Amounts in NOK thousands</i>	2023	2022
Revenue recognized in this period that was included in the deferred revenue balance at the beginning of the period.		
Courses	1 998	810
Subscriptions	13 381	14 152
Tour revenue and partnerships	4 726	6 025
Total revenue recognized	20 105	20 987

<i>Amounts in NOK thousands</i>	31.12.2023	31.12.2022
Current portion of deferred revenue		
Courses	2 250	1 998
Subscriptions	10 319	13 381
Tour revenue and partnerships	4 898	4 726
Total current portion of deferred revenue	17 468	20 105

<i>Amounts in NOK thousands</i>	31.12.2023	31.12.2022
Non-current portion of deferred revenue		
Subscriptions	2 879	2 262
Tour revenue and partnerships	8 372	-
Other revenue	-	-
Total non-current portion of deferred revenue	11 251	2 262

Note 6 Employee benefit expense

Accounting policies for employee benefit expense

Payments to employees, such as wages, salaries, social security contributions, paid annual leave and bonus agreements are accrued in the period in which the associated services are rendered by the employee. Post-employment benefits are recognized in accordance with IAS 19 Employee Benefits.

Contributions to defined contribution plans are recognized in the statement of comprehensive income in the period in which they accrue.



Employee benefit expenses*

<i>Amounts in NOK thousands</i>	2023	2022
Salaries	94 171	104 422
Social security costs	10 788	11 987
Other personnel related costs	2 476	6 728
Pension expense	314	381
Total employee benefit expenses	107 748	123 518
Less capitalized personnel costs	-	5 447
Total employee benefit expenses	107 748	118 071

Average number of FTEs	92.7	117.0
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* Employee benefit expenses do not include stock options expense, which is shown as a separate line item in the statement of comprehensive income.

Note 7 CEO and board of directors remuneration

Main principles for the stipulation of salary and other remuneration to leading personnel

CEO remuneration consists of a base salary and incentive structures such as a cash bonus and share-based compensation. All pension payments are defined contributions. The CEO's salary and remuneration are decided by the Board of Directors.

CEO compensation

<i>Amounts in NOK thousands</i>	2023	2022
Base salary	2 340	2 190
Bonus	-	3 154
Severance	486	-
Share-based compensation cash settlement	-	6 903
Pension	-	-
Total	2 826	12 247

The bonus to the CEO was accrued in 2022 and paid in 2023. Since 1 November 2023 Play Magnus Group has operated without a CEO. The former CEO has a 12-month severance agreement.

Board compensation

The Board of Directors received remuneration of NOK 650 thousand in 2023 (2022: NOK 1 584 thousand).



Note 8 Other operating expenses

Amounts in NOK thousands

Other operating expenses	2023	2022
Software, hardware and hosting fees	11 952	15 068
Legal and audit fees	3 913	7 505
Travel	950	2 781
Marketing	9 136	18 466
Publishing costs	6 044	9 304
Studio rent Champions Chess Tour	5 811	4 349
Allowance for doubtful receivables	-64	1 259
Provision for VAT	-	1 015
Other	23 727	36 402
Total	61 468	96 150

Audit fees

The Group has the following audit-related fees, provided by our elected auditor, included in the legal and audit fees in the table above (all figures excl. VAT). The table below shows the cash paid to auditors of the different entities in 2023 and 2022.

Amounts in NOK thousands

Category	2023	2022
Audit services	1 801	1 136
Other audit related services	479	577
Tax services	57	-
Total	2 337	1 713

Of the audit fees in the table above, a total of NOK 236 thousand for 2023 and NOK 208 thousand for 2022 is related to audit-related services not provided by the elected auditor of Play Magnus AS.

Note 9 Intangible assets

Accounting policies for intangible assets

Intangible assets acquired individually or as a group are recognized at fair value when acquired. Intangible assets acquired in a business combination are recognized at fair value separately from goodwill when they arise from contractual or legal rights or can be separated from the acquired entity and sold or transferred.

Internally generated intangible assets are recognized when the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.



Development costs are capitalized as intangible assets at cost in accordance with IAS 38 Intangible Assets when the recognition criteria are met. Research expenditures are expensed as incurred.

At each financial year-end Play Magnus Group reviews the residual value and useful life of its assets, with any estimate changes accounted for prospectively over the remaining useful life of the asset.

Website/mobile technology

Play Magnus Group has acquired and developed chess-related website platforms and mobile apps. The biggest assets are the products related to the Chessable platform, the Play Magnus mobile applications and the Aimchess platform.

Courses/content

Since 2019 Play Magnus Group has acquired several key chess companies with a significant volume of intellectual property. The biggest contributors to the group's catalog of courses/content are the acquisitions of Chessable, iChess, Interchess and Gloucester Publishers.

Brand names

In connection with the acquisitions of key chess companies, Play Magnus Group owns several valuable brands. The brands which go into this category are Chessable, New In Chess, Everyman Chess and Silver Knights Chess. The amortization periods span from 2 to 20 years depending on management's expectation for utilization of the assets.

Trademarks

In connection with the acquisition of Chessable, Play Magnus Group received ownership of the MoveTrainer trademark. The MoveTrainer technology is built around the spaced repetition method for learning chess patterns and ideas. Chessable has secured a 10-year trademark in the US, starting from September 2019 and a 10-year trademark in the European Union starting from August 2020.

Customer relationships

The customer relationships assets originate from the acquisitions of Chessable, Interchess, Gloucester Publishers and Magnus Chess Academy. All customer relationships are amortized over 5 years from the date of acquisition.



Impairment of intangible assets

The group conducted an impairment test for all intangible assets at the end of 2022. Value in use was based on discounted cash flow calculations for the different CGUs. Management identified an impairment for a total of NOK 63 906 thousand in 2022, see specification in the table below. The majority of the impairments were related to chess24, Ginger GM, iChess and Play Magnus App Suite. The primary reason for the impairment was a change in business priorities and forecasts following the acquisition by Chess.com. No impairment has been necessary for 2023.

	Website/ mobile technology	Courses/ content	Brand names	Trademark	Customer relationships	Total
Balance 01.01.2023	105 518	35 354	43 734	5 500	75 278	265 385
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Capitalized employee benefit expense	-	-	-	-	-	-
Foreign currency translation effect	618	495	545	-	855	2 513
Acquired cost 31.12.2023	106 135	35 849	44 279	5 500	76 133	267 898
Balance 01.01.2023	84 353	22 398	27 630	3 758	56 972	195 111
Amortization	7 374	5 649	2 460	1 100	7 478	24 060
Impairment	21	-	-	-	-	21
Accumulated amortization on disposals	-	-	-	-	-	-
Foreign currency translation effect	-664	741	1 702	-	-1 631	150
Accumulated amortization and impairment 31.12.2023	91 084	28 788	31 792	4 858	62 820	219 343
Carrying value 31.12.2023	15 051	7 062	12 487	642	13 313	48 555
Estimated lifetime	5 years	5 years	15 - 20 years	5 years	5 years	
Amortization schedule	Straight line	Straight line	Straight line	Straight line	Straight line	

	Website/ mobile technology	Courses/ content	Brand names	Trademark	Customer relationships	Total
Balance 01.01.2022	93 348	35 160	43 452	5 500	73 628	251 088
Additions	8 526	-	-	-	-	8 526
Disposals	-	-	-	-	-	-
Capitalized employee benefit expense	5 447	-	-	-	-	5 447
Foreign currency translation effect	-1 803	194	283	-	1 650	324
Acquired cost 31.12.2022	105 518	35 354	43 734	5 500	75 278	265 385
Balance 01.01.2022	42 639	12 079	6 513	2 658	28 454	92 344
Amortization	12 231	6 676	3 176	1 100	16 321	39 504
Impairment	30 394	3 762	18 236	-	11 513	63 906
Accumulated amortization on disposals	-	-	-	-	-	-
Reduction amort. because of unearned Skattefunn	268	-	-	-	-	268
Foreign currency translation effect	-1 179	-119	-296	-	684	-910
Accumulated amortization and impairment 31.12.2022	84 353	22 398	27 630	3 758	56 972	195 111
Carrying value 31.12.2022	21 165	12 957	16 104	1 742	18 306	70 273
Estimated lifetime	5 years	5 years	15 - 20 years	5 years	5 years	
Amortization schedule	Straight line	Straight line	Straight line	Straight line	Straight line	

Note 10 Tangible assets and leasing

Accounting policies for office equipment and leasing (right-of-use assets)

Tangible assets consisting of office equipment are recognized at acquisition cost. The carrying value is comprised of the historical cost less accumulated depreciation and any accumulated impairment losses (if any). Office buildings consist of leased assets (right-of-use assets). Short-



term and low-value leases are excluded from the lease accounting. When measuring leases, Play Magnus Group includes fixed lease payments for extension periods reasonably certain to be used. As a practical expedient, non-lease components are not separated from lease contracts, and not recognized but expensed in the period when the lease expense is incurred. Judgment is applied in assessing whether renewal options are reasonably certain to be utilized.

Depreciation expense is measured on a straight-line basis over the estimated useful life of the asset, commencing when the asset is ready for its intended use.

At each financial year-end Play Magnus Group reviews the residual value and useful life of its assets, with any estimate changes accounted for prospectively over the remaining useful life of the asset.

The leased assets (right-of-use assets) consist of office buildings in Oslo and Barcelona as of 31 December 2023. Short-term and low-value leases are excluded from the lease accounting.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments.

	Office equipment	Office buildings (Right-of-use assets)	Total
Balance Play Magnus 01.01.2023	5 186	16 729	21 916
Additions	412	2 606	3 019
Disposals	-149	-	-149
Foreign currency translation effect	124	1 515	1 639
Acquired cost 31.12.2023	5 574	20 850	26 424
Accumulated depreciation and impairment			
Balance Play Magnus 01.01.2023	2 056	11 773	13 830
Depreciation of the year	1 204	1 696	2 900
Impairment of the year	-	-	-
Accumulated depreciation disposals	-	-	-
Foreign currency translation effect	-74	1 154	1 080
Accumulated depreciation and impairments 31.12.2023	3 186	14 623	17 810
Carrying value 31.12.2023	2 387	6 227	8 615

Estimated lifetime	4-5 years	5 years
Depreciation schedule	Straight line	Straight line



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	Office equipment	Office buildings (Right-of-use assets)	Total
Balance Play Magnus 01.01.2022	3 968	32 887	36 855
Additions	1 168	6 306	7 474
Disposals	-	-22 968	-22 968
Foreign currency translation effect	51	504	554
Acquired cost 31.12.2022	5 186	16 729	21 916
Accumulated depreciation and impairment			
Balance Play Magnus 01.01.2022	1 236	8 366	9 602
Depreciation of the year	841	3 146	3 987
Impairment of the year	-	-	-
Accumulated depreciation disposals	-	-	-
Foreign currency translation effect	-20	261	241
Accumulated depreciation and impairments 31.12.2022	2 056	11 773	13 830
Carrying value 31.12.2022	3 130	4 956	8 086

Estimated lifetime	4-5 years	5 years
Depreciation schedule	Straight line	Straight line

Lease liabilities

Amounts in NOK thousands	31.12.2023	31.12.2022
Current	1 625	999
Non-current	4 840	4 017
Total lease liability	6 466	5 015

Amounts recognized in the statement of profit or loss

Amounts in NOK thousands	2023	2022
Depreciation of right-of-use assets	1 707	3 146
Interest expense	371	709

Maturity profile lease liability

Amounts in NOK thousands	Less than a year	1-3 years	3-5 years
Lease liabilities 31 December 2023	-	-	6 466
Lease liabilities 31 December 2022	-	-	5 015



Note 11 Financial items

Financial items

<i>Amounts in NOK thousands</i>	2023	2022
Interest income	794	1 210
Exchange rate gains	32 389	17 617
Other financial income	8 584	-
Financial income	41 767	18 827
Interest expense	381	746
Exchange rate losses	4 112	2 629
Other financial expense	5 636	4 570
Financial expense	10 129	7 945
NET FINANCIAL ITEMS	31 638	10 882

Note 12 Taxes

Accounting policies for income taxes, current and deferred

Taxes payable is based on taxable profit for the year, which excludes items of income or expense that are taxable or deductible in other years. Taxable profit also excludes items that are never taxable or deductible. Play Magnus Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as of the balance sheet date.

Deferred income tax expense is calculated using the liability method in accordance with IAS 12 Income Taxes. Deferred tax assets and liabilities are classified as non-current in the balance sheet and are measured based on the difference between the carrying value of assets and liabilities for financial reporting and their tax basis when such differences are considered temporary in nature. For items recognized as an asset and a liability at inception, such as a lease, temporary differences related to the asset and liability are considered in combination, and deferred tax assets and liabilities are recognized on changes to the temporary differences through the life of the items. Temporary differences related to intercompany profits are deferred using the buyer's tax rate. Deferred tax assets are reviewed for recoverability every balance sheet date, and the amount probable of recovery is recognized.

Deferred income tax expense represents the change in deferred tax asset and liability balances during the year, except for the deferred tax related to items recognized in Other comprehensive income or resulting from a business combination or disposal. Changes resulting from amendments and revisions in tax laws and tax rates are recognized when the new tax laws or



rates become effective or are substantively enacted. Uncertain tax positions are recognized in the financial statements based on management's expectations.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority, and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred taxes are not provided on undistributed earnings of subsidiaries when the timing of the reversal of this temporary difference is controlled by Play Magnus Group and is not expected to happen in the foreseeable future.

Significant judgment in accounting for income taxes

Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions, or planned tax optimizing measures, all of which may be uncertain. Economic conditions may change and lead to a different conclusion regarding recoverability. Tax authorities in different jurisdictions may challenge Play Magnus Group's calculation of taxes payable from prior periods. Such processes may lead to changes to prior periods' taxable income, resulting in changes to income tax expense in the period of change, as well as interest and fines.

Calculation of deferred tax/deferred tax benefit

Temporary differences	2023	2022
Intangible assets	42 096	47 472
Property, plant and equipment	6 327	5 211
Current and non-current assets	-2 009	-1 264
Liabilities	-8 916	-13 534
Other differences	-	-
Net temporary differences	37 498	37 883
Tax losses carried forward	-450 757	-437 300
Basis for deferred tax (asset)	-413 258	-399 417
Deferred tax (asset)	-90 917	-87 872
Deferred tax asset not recognised in the balance sheet	93 350	90 589
Deferred tax asset in the balance sheet	-	-
Deferred tax in the balance sheet	2 715	2 717



Basis for income tax expense, changes in deferred tax and tax payable

Basis for income tax expense	2023	2022
Result before taxes	664	-210 865
Permanent differences	1 346	3 015
Basis for income tax expense	2 010	-207 850
Change in temporary differences	385	79 870
Business combinations effect	-	-
Change in tax loss carried forward	13 456	51 652
Taxable income (basis for payable taxes in the balance sheet)	15 852	-76 327
Components of the income tax expense	2023	2022
Payable tax on this year's result	1 230	1 560
Adjustment in respect of prior year	-	-
Total tax payable	1 230	1 560
Change in deferred tax (asset)	-2	-3 467
Change in deferred tax (asset) posted to equity	-1 844	-3 246
Tax expense	-615	-5 154
Reconciliation of the tax expense	2023	2022
Result before taxes	664	-210 865
Calculated tax	146	-46 390
Tax expense	-615	-5 154
Difference	-761	41 236
The difference consist of:	2023	2022
Tax of permanent differences	296	663
Tax cost recognised in equity	-	-
Change in deferred tax asset not recognised	2 762	39 373
Other differences	-3 819	1 200
Sum explained differences	-761	41 236
Payable taxes in the balance sheet	2023	2022
Payable tax in the tax charge	1 230	1 560
Payable tax in the balance sheet	1 230	1 560

Deferred tax assets are recognized when the Group can document future taxable profits to utilize the tax asset per company. The deferred tax asset is recognized for the amount corresponding to



the expected taxable profit based on convincing evidence. The carrying amount of deferred tax assets is reviewed at each reporting date (quarterly) and reduced to the extent that convincing evidence no longer exists for the utilization. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that convincing evidence exists supporting that taxable profits will allow the deferred tax asset to be recovered. The actual outcome of future tax costs may deviate from these estimates.

Most of the Group's tax loss carried forward comes from the entities Play Magnus AS, E-Learning Ltd, Logical Thinking Ltd and Chessable Ltd. The total loss carried forward amounts to NOK 450 757 thousand as of 31 December 2023. This gives deferred tax assets of NOK 93 350 thousand which is not recognized in the balance sheet. Undertaking an assessment of the criteria under IAS 12, the Group has not included deferred tax assets related to tax losses carried forward.

Note 13 Goodwill

Accounting policies for goodwill

Goodwill is recognized as a part of business combinations. Goodwill is initially measured either as the excess of the consideration over Play Magnus Group's interest or the fair value of 100 percent of the acquiree in excess of the acquiree's identifiable net assets (full goodwill). Goodwill is not amortized but is tested for impairment annually, and more frequently if indicators of possible impairment are observed, in accordance with IAS 36 Impairment of Assets. Goodwill is allocated to the cash-generating units or groups of cash-generating units expected to benefit from the synergies of the combination and that is monitored for internal management purposes.

Play Magnus Group has goodwill in connection with the acquisitions of subsidiaries.

Acquisition	Year acquired	Impairment loss 2023	Carrying value 31 December 2023
Chessable Ltd	2019	-	7 485
Interchess BV	2021	-	5 546
Gloucester Publishers Ltd	2021	-	7 267
Magnus Chess Academy LLC	2021	-	5 105
Total		-	25 403

Impairment testing of goodwill

Goodwill from the acquisition of United Mind Sports Ltd is allocated to chess24, goodwill from the acquisition of Chessable Ltd is allocated to Chessable, goodwill from the acquisition of Interchess is allocated to Interchess and Chessable, goodwill from the acquisition of Gloucester Publishers is allocated to Gloucester Publishers and Chessable, and goodwill from the acquisition of Magnus Chess Academy is allocated to Magnus Chess Academy. The recoverable amounts of these CGUs have been determined based on the higher of the value in use calculations and the fair value less costs of disposal.



Goodwill was tested for impairment at the end of 2022, and in total an impairment loss of NOK 52 986 thousand was recognized for 2022. Value in use is based on discounted cash flow calculations. The Group based its cash flow calculations on 10-year forecast information approved by senior management of the Group. Long-term average growth rates for the respective countries in which the entities operate or, where more appropriate, the growth rate of the CGUs, were used to extrapolate cash flows into the future. The discount rates are used to reflect specific risks relating to the relevant CGUs and the countries in which they operate while maximizing the use of market observable data. Other assumptions included in cash flow projections vary widely between CGUs due to the group's diverse range of business models and are closely linked to entity-specific key performance indicators.

The following key assumptions were used for the value-in-use calculations:

Chessable:

- Revenue growth rate is 12% at the beginning of the forecast period, rises to 23% growth over the next several years and then gradually declines to 3% growth in the terminal year
- Terminal growth rate is 3%
- EBITDA margin improves to 36% in the forecast period
- WACC: 16.3%

Interchess:

- Revenue growth rate is 4% at the beginning of the forecast period, and improves to 3% growth in the terminal year
- Terminal growth rate is 3%
- EBITDA margin improves to 6% in the forecast period
- WACC: 16.3%

Gloucester Publishers:

- Revenue growth rate is 4% at the beginning of the forecast period, rising to 3% in the terminal year
- Terminal growth rate is 3%
- EBITDA margin grows to 23% in the forecast period
- WACC: 16.3%

Magnus Chess Academy:

- Revenue growth rate is 71% at the beginning of the forecast period and then normalizes to 13% growth and then starts declining to 3% in the terminal year



- Terminal growth rate is 3%
- EBITDA margin improves from 14% to 24% in the forecast period
- WACC: 16.3%

Sensitivity analysis

A sensitivity analysis has been prepared to test the impairment tests to changes in key assumptions. Specific assumptions tested were a +10% to -10% change in revenue in every year of the forecast period as well as a +10% to -10% change in gross profit margin in every year of the forecast period. In the case of Chessable and Magnus Chess Academy the discounted cash flow value was comfortably above the book value of the assets. In the case of Interchess and Gloucester Publishers, should revenue or gross profits decline by 10% the asset values would fall beyond the current book value and an impairment would be incurred.

Note 14 Inventories

Accounting policies for inventories

Inventories are valued at the lower of cost, using the weighted average cost formula, or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling costs. Inventory write-downs to net realizable value occurs when the cost of the inventory is not recoverable, and is reversed in later periods if there is clear evidence of an increase in the net realizable value.

<i>Amounts in NOK thousands</i>	31.12.2023	31.12.2022
Opening balance	6 738	9 951
Net change to inventories from operations	-553	-3 405
Foreign currency translation effect	520	191
Total inventories	6 704	6 738

All inventories consist of chess books in Interchess BV and Gloucester Publishers Ltd.



Note 15 Other financial assets

Other current financial assets

<i>Amounts in NOK thousands</i>	31.12.2023	31.12.2022
Deposits	2 155	2 091
Current portion of withheld revenue	1 019	1 351
Total other current financial assets	3 174	3 442

Other financial assets consist of security deposits and withheld revenue in Logical Thinking Ltd. Logical Thinking Ltd hosts the chess24.com platform and uses Adyen as its main service provider for transactions. The withheld revenue is primarily a security deposit which Adyen holds back to account for any subsequent liabilities Logical Thinking Ltd might have towards its customers.

Note 16 Accounts receivable

Accounting policies for trade receivables

Accounts receivable are initially recognized at transaction price, subsequently accounted for at amortized cost, and are reviewed for impairment on an ongoing basis. Individual accounts are assessed for impairment taking into consideration indicators of financial difficulty and management assessment. Play Magnus Group's business model for accounts receivable is to hold the receivables to collect the contractual cash flows.

	31.12.2023	31.12.2022
Accounts receivable	67 370	104 560
Loss allowance	2 009	1 259
Total	65 360	103 301

Distribution by currency

<i>Amounts in NOK thousands</i>	31.12.2023	31.12.2022
Accounts receivable NOK	667	872
Accounts receivable USD	46 434	96 475
Accounts receivable EUR	3 830	3 647
Accounts receivable GBP	14 429	2 306
Total	65 360	103 301



Aging of gross trade receivables

<i>Amounts in NOK thousands</i>	Total	< 30 days	30-60 days	60-90 days	>90 days
31.12.2023	67 370	64 734	-	-	2 635
Loss allowance	2 009	-	-	-	2 009
Book value 31.12.2023	65 360	64 734	-	-	626
31.12.2022	104 560	101 936	-	-	2 624
Loss allowance	1 259	-	-	-	1 259
Book value 31.12.2022	103 301	101 936	-	-	1 365

Note 17 Restatement of financial figures

The accounts receivable and retained earnings figures for 2022 have been restated due to the transfer of intellectual property rights from Play Magnus AS to Chess.com LLC in connection with Chess.com's acquisition of Play Magnus AS in December 2022. The transaction was not accounted for when the financial statements for 2022 were prepared in 2023 but was later considered a deemed sale of intellectual property rights. Accounts receivable and retained earnings have increased by NOK 93 million compared to the previously stated figures.

Note 18 Statement of cash flows

Accounting policies for cash and cash equivalents

Cash and cash equivalents in the statement of financial position include cash, bank deposits, and all other monetary instruments with a maturity of less than three months from the date of acquisition and are measured at nominal value.

Bank deposits earn interest at floating rates based on the different bank agreements.

For the purpose of the consolidated statement of cash flow, cash and cash equivalents comprise the following on 31 December:

<i>Amounts in NOK thousands</i>	31.12.2023	31.12.2022
Bank deposits	42 144	96 375
Restricted cash balances	369	681
Total cash and cash equivalents	42 514	97 057



Distribution of cash by currency

<i>Amounts in NOK thousands</i>	31.12.2023	31.12.2022
Cash Balances NOK	4 792	7 418
Cash Balances USD	22 421	41 747
Cash Balances EUR	9 501	29 336
Cash Balances GBP	5 022	18 248
Cash Balances Other	778	307
Total	42 514	97 057

Changes in liabilities arising from financing activities

Lease liabilities

<i>Amounts in NOK thousands</i>	2023	2022
Balance at the beginning of the period	5 015	26 552
<i>Cash changes</i>		
Principal payment to lessor	-1 520	-2 564
Interest payment to lessor	-369	-709
<i>Non-cash changes</i>		
Initial recognition	2 606	5 323
Accrued interest	369	709
Lease modifications/disposals	-	-24 465
Foreign currency translation effect	364	169
Balance at the end of the period	6 466	5 015

Note 19 Other current liabilities

Provision for possible VAT claims related to the sale of services

Certain sales by Logical Thinking Ltd may be subject to VAT in the country of origin of the customers. Enrique Guzman, the majority shareholder of LT Holdings Ltd, has given an uncapped indemnity in favor of Play Magnus AS for any tax exposure related to the chess24 group prior to the acquisition by Play Magnus AS on 28 February 2019, including the VAT exposure disclosed in the table below.

Management is of the opinion that any costs and liability incurred as a result of or relating to said VAT exposure is expected to be recovered from Enrique Guzman under the indemnity for VAT incurred prior to the acquisition. Play Magnus AS has set aside a provision of NOK 4 465 000 for any potential liability for the time after the acquisition for 2019 and through December 2023. The total liability for Logical Thinking is estimated to be NOK 6 930 000. The net liability of Play



Magnus Group of NOK 4 465 000 is presented gross, with a NOK 6 930 000 provision for VAT and a NOK 2 464 000 receivable presented under other current assets. The net exposure of Play Magnus Group is thus NOK 4 465 000.

Other current liabilities

<i>Amounts in NOK thousands</i>	31.12.2023	31.12.2022
Provision for VAT	6 930	6 930
Accrued expenses	22 709	22 236
Other	6 507	9 990
Total other current liabilities	36 146	39 155

Note 20 Subsidiaries and shareholders

The consolidated group financial statements include the financial statements of Play Magnus AS and the subsidiaries listed in the following table:

	Year est.	Year acquired	Location	Entity's main activities	Ownership	Functional currency
Logical Thinking Limited	2014	2019	Gibraltar	Chess entertainment site focused on broadcasts and other content with top chess players and personalities	100 %	GBP
E-Learning Limited	2014	2019	Gibraltar	Owns and operates the Chess24.com website	100 %	GBP
ChessX SA	2019	-	Riga, Latvia	Company established late 2019 and is the owner of the CoChess brand which is focused on live coaching	100 %	EUR
Chessable Limited	2015	2019	London, UK	E-learning site with online courses and subscriptions	100 %	GBP
Chessable Spain SL	2020	-	Barcelona, Spain	Operational support services	100 %	EUR
iChess LLC	2011	2020	Atlanta, USA	E-learning site with online courses	100 %	USD
Interchess BV	1984	2021	Alkmaar, Netherlands	Publisher of chess books and ebooks, publisher of New In Chess magazine	100 %	EUR
Goucester Publishers Limited	2003	2021	London, UK	Publisher of chess books and ebooks	100 %	GBP
Ginger GM Limited	2018	2021	London, UK	E-learning site with online courses	100 %	GBP
Aimchess by PMG AS	2021	-	Oslo, Norway	Owns and operates the aimchess.com website and AimChess app	100 %	NOK
Play Magnus India Private Ltd	2021	-	Bangalore, India	Support of group activities and presence in the APAC region	100 %	INR
Play Magnus Polska sp. z o.o.	2021	-	Wroclaw, Poland	IT development services	100 %	PLN
Play Magnus USA Inc.	2021	-	Delaware, USA	Holding company and owner of Silver Knights Chess LLC	100 %	USD
Magnus Chess Academy LLC	2021	2021	Virginia, USA	Live chess coaching services	100 %	USD

Play Magnus AS Shareholder as of 31 December 2023

Shareholder	Number of ordinary shares	Total # of shares	% of shareholding
Chess Growthco LLC	1	1	100 %
Total	1	1	100 %

The financial statements of Play Magnus Group have been consolidated into the consolidated financial statements of ultimate parent company Chess Holdings, LLC, a Delaware limited liability company with business address 877 E 1200 S St, Orem, UT 84097, USA. Requests about the financial statements of the ultimate parent company will have to be sent to Chess Holdings, LLC.

Note 21 Related parties

The following are the significant related party activities for Play Magnus Group during 2023. All transactions are at arm's length market prices.

- MagnusChess AS is wholly owned by World Champion Magnus Carlsen and his father, Henrik Carlsen. Up until the acquisition by Chess.com, MagnusChess AS was the largest shareholder of Play Magnus Group. Henrik Carlsen also serves on the board of Play Magnus AS.

Play Magnus has an agreement with MagnusChess AS in connection with Play Magnus sponsors that require the involvement of Magnus Carlsen and which includes a certain number of appearances and social media events. In exchange for his services for the eligible partnerships, Magnus Carlsen receives a commission from Play Magnus Group. In 2023 the payments related to these partnership services performed by MagnusChess AS totaled NOK 5 070 894.

- Etruvian (Gibraltar), ultimately owned by Enrique Guzman. Enrique Guzman was the third largest shareholder of the Play Magnus Group through his holding company LT Holdings Ltd, of which he owned 97%, up until the acquisition by Chess.com. Enrique Guzman is also the Managing Director of Logical Thinking and E-Learning which operate the chess24 brand and its related services, respectively.

Etruvian (Gibraltar) Ltd has a consulting agreement with Logical Thinking for operations and business-related services and as part of the agreement includes office space for the consultants in Gibraltar. The total amount of costs charged by Etruvian (Gibraltar) to E-Learning and Logical Thinking in 2023 was GBP 60 000.

There are no material related-party receivables or payables balances in the statement of financial position as of 31 December 2023.

Note 22 Events after the reporting period

There are no events after the reporting period affecting the 2023 financial statements.



Play Magnus AS Parent Financial Statements



Statements of comprehensive income

Amounts in NOK thousands	Note	2023	2022
Revenue from customers	6	60 922	66 774
Total operating revenue		60 922	66 774
Course content and subscription sales expenses		1 371	1 572
Tournament prize expenses		-	18 064
Employee benefit expenses	7	11 114	14 445
Share-based compensation expense		-	2 166
Consultancy fees		23 686	39 485
Management fees recharged from other group companies		-	33 942
Other operating expenses	9	29 893	57 896
Depreciation, amortization and impairment	10,11	1 034	11 061
Gains and losses		-	-904
Total operating expenses		67 099	177 728
Operating profit (loss)		-6 177	-110 955
Financial income	12	47 254	24 132
Financial expenses	12	1 393	2 325
Net gains (losses and impairment) of financial assets		-14 598	-263 453
Financial income (expense), net		31 263	-241 646
Profit (loss) before tax		25 086	-352 601
Tax expense	13	-	-
Profit (loss)		25 086	-352 601
Other comprehensive income		-	-
Other comprehensive income		-	-
Total comprehensive income		25 086	-352 601

The accompanying notes are an integral part of the financial statements.



Statements of financial position

ASSETS

Amounts in NOK thousands	Note	31.12.2023	31.12.2022
Intangible assets	10	2 312	2 825
Tangible and right-of-use assets	11	2 085	-
Investments in subsidiaries	14	130 046	126 046
Loans to group companies	14	158 847	139 827
TOTAL NON-CURRENT ASSETS		293 291	268 697
Other current assets		2 218	3 834
Other current financial assets		-	48
Accounts receivable	15,16	42 736	5 650
Cash and cash equivalents	17	8 132	51 964
TOTAL CURRENT ASSETS		53 086	61 496
TOTAL ASSETS		346 377	330 193



EQUITY AND LIABILITIES

Amounts in NOK thousands

	Note	31.12.2023	31.12.2022
Share capital		615	615
Share premium		671 947	779 867
Retained earnings	16	-394 374	-419 460
Other components of equity		42 935	42 935
TOTAL EQUITY		321 122	403 956
Non-current financial liabilities		1 668	-
Non-current portion of deferred revenue	6	8 482	111
Total non-current liabilities		10 151	111
Current portion of deferred revenue	6	5 960	5 978
Accounts payable		5 923	8 375
Other current financial liabilities		503	-
Other current liabilities	18	2 719	4 776
Total current liabilities		15 104	19 130
TOTAL LIABILITIES		25 255	19 241
TOTAL EQUITY AND LIABILITIES		346 377	423 196

The accompanying notes are an integral part of the financial statements.

Oslo, June 28, 2024

The Board of Directors of Play Magnus AS

Erik Peter Allebest
Chairman

Henrik Albert Carlsen
Board member

Daniel Rensch
Board member

Anders Rundgren
Board member



Statements of cash flows

Amounts in NOK thousands	Notes	2023	2022
Operating activities			
Profit (loss) before tax		25 086	-352 601
Depreciation	11	521	475
Amortisation of intangible assets	10	513	3 310
Impairment of intangible assets	10	-	7 275
Impairment of financial assets		14 598	263 453
Accrued interest expense/income (net)		-5 382	-4 353
Share based compensation expense		-	2 166
Cash settlement share options		-	-3 462
Items classified as investing or financing activities		-14 796	90
Unrealised currency translation (gains)/losses		-22 230	-995
Gain (loss) on contingent consideration		-	-904
<i>Working capital adjustments:</i>			
Changes in accounts receivable	15	-37 086	4 774
Changes in financial assets		48	-
Changes in other current assets		-819	-346
Changes in deferred revenue		8 353	-1 565
Changes in accounts payable		-2 453	-15 460
Changes in other current liabilities		26	320
Changes in all other working capital items		-	-
Net cash provided from operating activities		-33 621	-97 823
Investing activities			
Investments in intangible assets	10	-	-3 651
Payment for acquisitions of subsidiaries		-	-4 516
Capital contributions in subsidiaries		-4 000	-1 800
Contingent consideration iChess LLC		-	-900
Repayment of loans to subsidiaries		681	-
Loans to subsidiaries		-6 336	-60 879
Net cash used in investing activities		-9 655	-71 746
Financing activities			
Issuance of new shares		-	89 025
Transaction expenses related to issuance of new shares		-	-1 781
Sale of treasury shares		-	1 793
Principal elements of lease payments	11	-435	-431
Interest paid on lease agreements	11	-121	-90
Net cash provided by (used in) financing activities		-556	88 516
Net increase (decrease) in cash and cash equivalents		-43 832	-81 053
Cash and cash equivalents at the beginning of year		51 964	133 017
Cash and cash equivalents at end of year	17	8 132	51 964

The accompanying notes are an integral part of the financial statements.



Statements of changes in equity

Amounts in NOK thousands	Share capital	Share premium	Treasury shares	Other components of equity	Retained earnings	Total equity
Total equity 01.01.2022	566	692 671	-1 968	45 728	-159 687	577 310
Profit / (-) loss for the period	-	-	-	-	-352 601	-352 601
Restatement of financial figures ¹⁾	-	-	-	-	93 003	93 003
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-259 598	-259 598
<i>Transactions with owners and their capacity as owners:</i>						
Employee stock option expense	-	-	-	1 723	-	1 723
Share consideration Ginger GM Ltd acquisition, cash settlement	-	-	-	-901	-	-901
Share consideration Aimchess by PMG AS acquisition, cash settlement	-	-	-	-781	-	-781
Share consideration Silver Knights Chess LLC acquisition, cash settlement	-	-	-	-2 834	-	-2 834
Capital increase in private placement	49	88 976	-	-	-	89 025
Transaction expenses related to private placement	-	-1 781	-	-	-	-1 781
Sale of treasury shares to parent company	-	-	1 968	-	-175	1 793
Total equity 31.12.2022	615	779 867	-	42 935	-419 460	403 956
Total equity 01.01.2023	615	779 867	-	42 935	-419 460	403 956
Profit / (-) loss for the period	-	-	-	-	25 086	25 086
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	25 086	25 086
<i>Transactions with owners and their capacity as owners:</i>						
Distribution of previously paid-in capital ²⁾	-	-107 920	-	-	-	-107 920
Total equity 31.12.2023	615	671 947	-	42 935	-394 374	321 122

¹⁾ See note 16 for details

²⁾ Distribution of paid-in capital did not have a cash effect due to being offset against a receivable against the parent company



Note 1 Reporting entity

The reporting entity reflected in these financial statements is Play Magnus AS, a Norwegian entity wholly owned by Chess Growthco LLC and the parent company of Play Magnus Group. The company has 8 employees working from the corporate headquarter in Oslo, Norway.

Play Magnus AS develops the Play Magnus app suite and is the parent company of market-leading brands in the e-learning and entertainment space.

The financial statements for the year ended 31 December 2023 were approved by the Board on 20 June 2024.

Note 2 Basis of preparation and conversion to Simplified IFRS

The financial statements of Play Magnus AS have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and Norwegian authorities. From 2022, the financial statements have been prepared using Simplified IFRS (Forskrift om forenklet anvendelse av internasjonale regnskapsstandarder 2022) with a transition date as of 1 January 2021. Play Magnus AS also provides disclosures as specified under the Norwegian Accounting Act (*Regnskapsloven*). The last full IFRS reporting was for the reporting period ending 31 December 2021. Conversion to Simplified IFRS did not give any recognition or measurement differences in the financial statements.

The financial statements are prepared on a historical cost basis, except for certain assets, liabilities, and financial instruments, which are measured at fair value. Preparation of financial statements including note disclosures requires management to make estimates and assumptions that affect amounts reported. Actual results may differ. Slight rounding differences may occur between the financial statements and the note disclosures.

The functional currency of Play Magnus AS is the Norwegian krone (NOK). The financial statements are presented in NOK thousands.

Note 3 Significant accounting policies

The accounting principles of Play Magnus AS are consistent with the accounting principles for Play Magnus Group, as described in note 3 of the consolidated financial statements. Where the accounting policies are not applicable to the consolidated financial statements, these are described below.

Investments in subsidiaries and loans to subsidiaries

Shares in subsidiaries and loans provided to subsidiaries are evaluated at the lower of cost or fair value. Any impairment losses and reversal of impairment losses are classified as net gains (loss and impairment) on financial assets in the income statement.

Note 4 Significant estimates and judgments

The application of accounting policies requires that management makes estimates and judgments in determining certain revenues, expenses, assets, and liabilities. The following areas involve a significant degree of judgment and complexity, and may result in significant variation in amounts:

- Valuation of deferred tax assets – note 13
- Capitalization of internally generated intangible assets – see note 10

Note 5 Financial risk disclosures*Credit risk*

Credit risk for the Play Magnus AS consists of balances held at agents such as Apple, Google, and other well-established entities; as well as cash deposits held at DNB. There may be some credit risk related to partnership customers for longer-term contracts, and management tries to mitigate this risk by focusing on working with reputable brands with a well-established presence in the business community. Management believes platform customer risk is very low as they generally need to pay upfront in order to receive services. Play Magnus AS has loans to its subsidiaries and has recognized a significant write-down of these financial assets in 2022.

Liquidity risk

Play Magnus AS needs to maintain enough liquidity in order to pay salaries and other major operational costs. Additionally, Play Magnus AS is funding the development and operations of its subsidiaries in a growth phase. All financial liabilities are due within 12 months. Play Magnus AS has ample cash to support operations and liabilities and no external debt as of 31 December 2023. Play Magnus AS has no investments in equity securities apart from the wholly owned subsidiaries and does not use financial derivatives.

Foreign exchange risk

Play Magnus AS primarily earns revenue in USD and NOK. The expenses are weighted towards NOK but also include GBP, USD, and EUR, which could result in some FX fluctuations. Management considers the primary foreign exchange exposure of Play Magnus AS to be the cash balances and intra-group loans. The cash balance in the company as of 31 December 2023



was mostly situated in US Dollars and British Pounds with the majority of the rest of the balance in Euros and Norwegian Krone.

Note 6 Revenue from customers

Accounting policies for revenue recognition

Play Magnus AS accounts for revenue in accordance with IFRS 15 Revenue from Contracts with Customers. IFRS 15 requires the reporting entity, for each contract with a customer, to identify the performance obligations, determine the transaction price, allocate the transaction price to performance obligations to the extent the contract covers more than one performance obligation, determine whether revenue should be recognized over time or at a point in time, and, finally, recognize revenue when or as performance obligations are satisfied.

A performance obligation is satisfied when or as the customer obtains control of the goods or services delivered. Play Magnus AS earns revenue via subscriptions, partnership agreements and ads.

A description of Play Magnus AS's principal revenue generating activities and performance obligations are as follows:

Subscriptions: Play Magnus AS's subscription revenue includes fees associated with the Play Magnus app suite, which is sold through Apple's App Store, Google's Google Play, and playmagnus.com. The memberships provide a different set of features related to e-learning content and entertainment. The duration of the memberships ranges from monthly to those of one to three years. Monthly subscriptions are recognized at the time of purchase while annual and multi-year subscriptions are recognized on a pro-rata basis (over 12 months for an annual subscription, 36 months for a 3-year subscription). The rest is considered deferred revenue.

Tour and partnership revenue: Play Magnus AS broadcasts top-level chess competitions with industry-leading prizes. Revenue from this segment is derived from media rights from TV and other broadcast partners, as well as from other brand partners. Revenue is recognized as partnership, tour events and relevant obligations are completed.

Other revenue: From 2023 Play Magnus AS has sold IT development services to the parent company Chess.com LLC. Play Magnus AS also had ad revenue via major entertainment platforms such as YouTube.



Disaggregation of revenue from contracts with customers

<i>Amounts in NOK thousands</i>	2023	2022
Subscriptions	7 343	9 519
Tour revenue and partnerships	36 609	56 976
Other revenue	16 970	279
Revenue from contracts with customers	60 922	66 774

At a point in time revenue recognition

Subscriptions	-	-
Tour revenue and partnerships	-	-
Other revenue	16 970	279
Total at a point in time revenue recognition	16 970	279

Overtime revenue recognition

Subscriptions	7 343	9 519
Tour revenue and partnerships	36 609	56 976
Other revenue	-	-
Total overtime revenue recognition	43 952	66 495

Deferred revenue

<i>Amounts in NOK thousands</i>	2023	2022
Revenue recognized in this period that was included in the deferred revenue balance at the beginning of the period.		
Subscriptions	1 253	1 438
Tour revenue and partnerships	4 726	6 025
Other revenue	-	-
Total revenue recognized	5 978	7 463

<i>Amounts in NOK thousands</i>	31.12.2023	31.12.2022
Current portion of deferred revenue		
Subscriptions	1 062	1 253
Tour revenue and partnerships	4 898	4 726
Other revenue	-	-
Total current portion of deferred revenue	5 960	5 978



<i>Amounts in NOK thousands</i>	31.12.2023	31.12.2022
Non-current portion of deferred revenue		
Subscriptions	111	111
Tour revenue and partnerships	8 372	-
Other revenue	-	-
Total non-current portion of deferred revenue	8 482	111

Note 7 Employee benefit expense

Accounting policies for employee benefit expense

Payments to employees, such as wages, salaries, social security contributions, paid annual leave and bonus agreements are accrued in the period in which the associated services are rendered by the employee. Post-employment benefits are recognized in accordance with IAS 19 Employee Benefits.

Contributions to defined contribution plans are recognized in the statement of comprehensive income in the period in which they accrue.

Employee benefit expenses*

<i>Amounts in NOK thousands</i>	2023	2022
Salaries	8 793	12 664
Board remuneration	650	1 584
Social security costs	1 420	2 063
Other personnel related costs	35	179
Pension expense	215	235
Total employee benefit expenses	11 114	16 724
Less capitalized personnel costs	-	2 279
Total employee benefit expenses	11 114	14 445

Average number of FTEs	11.0	15.4
------------------------	------	------

* Employee benefit expenses do not include stock options expense, which is shown as a separate line item in the statement of comprehensive income.

The company is obligated to follow the stipulations in the Norwegian Mandatory Occupational Pensions Act. The company's pension scheme adheres to the requirements.



Note 8 CEO and board of directors remuneration

For information about CEO and board of directors remuneration for 2023 and 2022, see note 7 in the consolidated financial statements.

Note 9 Other operating expenses

Amounts in NOK thousands

Other operating expenses	2023	2022
Software, hardware and hosting fees	2 550	3 431
Legal and audit fees	3 294	6 259
Travel	143	1 661
Marketing	5 997	3 435
Studio rent Champions Chess Tour	5 811	4 349
Provision for losses on receivables	-202	1 259
Other	12 301	37 503
Total	29 893	57 896

Audit fees

Play Magnus AS has the following audit-related fees, provided by our elected auditor, included in the legal and audit fees in the table above (all figures excl. VAT).

Amounts in NOK thousands

Category	2023	2022
Audit services	1 565	949
Other audit related services	479	556
Tax services	57	-
Total	2 101	1 504

Note 10 Intangible assets

Accounting policies for intangible assets

Intangible assets acquired individually or as a group are recognized at fair value when acquired. Internally generated intangible assets are recognized when the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Development costs are capitalized as intangible assets at cost in accordance with IAS 38 Intangible Assets when the recognition criteria are met. Research expenditures are expensed as incurred.

At each financial year-end Play Magnus AS reviews the residual value and useful life of its assets, with any estimate changes accounted for prospectively over the remaining useful life of the asset.



The intangible assets of Play Magnus AS consist of website and mobile technology development connected to the Play Magnus app suite. As of 2023, four mobile applications and an accompanying website have been developed and launched: Play Magnus, Magnus Trainer, Tactics Frenzy and Magnus Chess Academy. The website/mobile technology consists of capitalized employee expenses and services purchased from external contractors.

	Website/ mobile technology	Total
Balance 01.01.2023	35 677	35 677
Additions	-	-
Capitalized employee benefit expense	-	-
Acquired cost 31.12.2023	35 677	35 677
Balance 01.01.2023	32 852	32 852
Amortization	513	513
Impairment	-	-
Reduction amort. because of unearned Skattefunn	-	-
Accumulated amortization 31.12.2023	33 364	33 364
Carrying value 31.12.2023	2 312	2 312
Estimated lifetime	5 years	
Amortization schedule	Straight line	

	Website/ mobile technology	Total
Balance 01.01.2022	32 026	32 026
Additions	1 372	1 372
Capitalized employee benefit expense	2 279	2 279
Acquired cost 31.12.2022	35 677	35 677
Balance 01.01.2022	21 998	21 998
Amortization	3 310	3 310
Impairment	7 275	7 275
Reduction amort. because of unearned Skattefunn	268	268
Reduction amort. because of unearned Skattefunn	32 852	32 852
Carrying value 31.12.2022	2 825	2 825
Estimated lifetime	5 years	
Amortization schedule	Straight line	

Note 11 Tangible assets and leasing

Accounting policies for office equipment and leasing (right-of-use assets)

Office buildings consist of leased assets (right-of-use assets). Short-term and low-value leases are excluded from the lease accounting. When measuring leases, Play Magnus AS includes fixed lease payments for extension periods reasonably certain to be used. As a practical expedient,



non-lease components are not separated from lease contracts, and not recognized but expensed in the period when the lease expense is incurred. Judgment is applied in assessing whether renewal options are reasonably certain to be utilized.

Depreciation expense is measured on a straight-line basis over the estimated useful life of the asset, commencing when the asset is ready for its intended use.

At each financial year-end Play Magnus reviews the residual value and useful life of its assets, with any estimate changes accounted for prospectively over the remaining useful life of the asset.

Short-term and low-value leases are excluded from the lease accounting. Lease liabilities include the net present value of the fixed payments.

As of 31 December 2022, Play Magnus AS lease in Oslo was expiring and no lease asset was recognized at the reporting date. Play Magnus AS signed a new lease in Oslo in 2023.

	Office buildings (Right-of- use assets)	Total
Balance Play Magnus 01.01.2023	2 729	2 729
Additions	2 606	2 606
Disposals	-	-
Acquired cost 31.12.2023	5 335	5 335
Accumulated depreciation and impairment		
Balance Play Magnus 01.01.2023	2 729	2 729
Depreciation of the year	521	521
Impairment of the year	-	-
Accumulated depreciation disposals	-	-
Accumulated depreciation and impairments 31.12.2023	3 250	3 250
Carrying value 31.12.2023	2 085	2 085
Estimated lifetime	5 years	
Depreciation schedule	Straight line	



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	Office buildings (Right-of- use assets)	Total
Balance Play Magnus 01.01.2022	4 614	4 614
Additions	1 024	1 024
Disposals	-2 909	-2 909
Acquired cost 31.12.2022	2 729	2 729
Accumulated depreciation and impairment		
Balance Play Magnus 01.01.2022	2 270	2 270
Depreciation of the year	459	459
Impairment of the year	-	-
Accumulated depreciation disposals	-	-
Accumulated depreciation and impairments 31.12.2022	2 729	2 729
Carrying value 31.12.2022	-	-

Estimated lifetime 5 years
Depreciation schedule Straight line

Lease liabilities

<i>Amounts in NOK thousands</i>	31.12.2023	31.12.2022
Current	503	-
Non-current	1 668	-
Total lease liability	2 171	-

Amounts recognized in the statement of profit or loss

<i>Amounts in NOK thousands</i>	2023	2022
Depreciation of right-of-use assets	521	475
Interest expense	121	90

Maturity profile lease liability

<i>Amounts in NOK thousands</i>	1-3 years	3-5 years
Lease liabilities 31 December 2023	-	2 171
Lease liabilities 31 December 2022	-	-



Note 12 Financial items

Financial items

<i>Amounts in NOK thousands</i>	2023	2022
Interest income	14 725	5 560
Exchange rate gains	32 529	16 572
Dividends	-	2 000
Financial income	47 254	24 132
Interest expense	123	108
Exchange rate losses	1 229	2 176
Other financial expense	42	41
Financial expense	1 393	2 325
NET FINANCIAL ITEMS	45 861	21 807

Note 13 Taxes

Accounting policies for income taxes, current and deferred

Taxes payable is based on taxable profit for the year, which excludes items of income or expense that are taxable or deductible in other years. Taxable profit also excludes items that are never taxable or deductible. Play Magnus AS's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as of the balance sheet date.

Deferred income tax expense is calculated using the liability method in accordance with IAS 12 Income Taxes. Deferred tax assets and liabilities are classified as non-current in the balance sheet and are measured based on the difference between the carrying value of assets and liabilities for financial reporting and their tax basis when such differences are considered temporary in nature. For items recognized as an asset and a liability at inception, such as a lease, temporary differences related to the asset and liability are considered in combination, and deferred tax assets and liabilities are recognized on changes to the temporary differences through the life of the items. Deferred tax assets are reviewed for recoverability every balance sheet date, and the amount probable of recovery is recognized.

Deferred income tax expense represents the change in deferred tax asset and liability balances during the year, except for the deferred tax related to items recognized in Other comprehensive income. Changes resulting from amendments and revisions in tax laws and tax rates are recognized when the new tax laws or rates become effective or are substantively enacted. Uncertain tax positions are recognized in the financial statements based on management's expectations.



Significant judgment in accounting for income taxes

Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions, or planned tax optimizing measures, all of which may be uncertain. Economic conditions may change and lead to a different conclusion regarding recoverability. The tax authorities may challenge Play Magnus AS's calculation of taxes payable from prior periods. Such processes may lead to changes to prior periods' taxable income, resulting in changes to income tax expense in the period of change, as well as interest and fines.

Calculation of deferred tax/deferred tax benefit

Temporary differences	2023	2022
Intangible assets	-1 914	-3 279
Property, plant and equipment	2 085	-
Current and non-current assets	-2 009	-1 259
Liabilities	-2 171	-
Other differences	-	-
Net temporary differences	-4 010	-4 538
Tax losses carried forward	-96 327	-138 864
Basis for deferred tax (asset)	-100 337	-143 402
Deferred tax (asset)	-22 074	-31 548
Deferred tax asset not recognised in the balance sheet	22 074	31 548
Deferred tax asset in the balance sheet	-	-
Deferred tax in the balance sheet	-	-

Basis for income tax expense, changes in deferred tax and tax payable

Basis for income tax expense	2023	2022
Result before taxes	25 086	-352 601
Permanent differences	17 978	359 459
Basis for income tax expense	43 065	6 858
Change in temporary differences	-528	8 569
Change in tax loss carried forward	-42 537	-15 428
Taxable income (basis for payable taxes in the balance sheet)	-	-



Components of the income tax expense	2023	2022
Payable tax on this year's result	-	-
Adjustment in respect of prior year	-	-
Total tax payable	-	-

Change in deferred tax (asset)	-	-
Change in deferred tax (asset) posted to equity	-	-
Change in def. tax (asset) due to tax rate	-	-
Tax expense	-	-

Reconciliation of the tax expense	2023	2022
Result before taxes	25 086	-352 601
Calculated tax	5 519	-77 572
Tax expense	-	-
Difference	5 519	-12 634

The difference consist of:	2023	2022
Tax of permanent differences	3 955	79 081
Tax cost recognised in equity	-	-
Change in deferred tax asset not recognised	-9 474	18 952
Other differences	-	-
Sum explained differences	-5 519	12 634

Payable taxes in the balance sheet	2023	2022
Payable tax in the tax charge	-	-
Payable tax in the balance sheet	-	-

Deferred tax assets are recognized when the company can document future taxable profits to utilize the tax asset. The deferred tax asset is recognized for the amount corresponding to the expected taxable profit based on convincing evidence. The carrying amount of deferred tax assets is reviewed at each reporting date (quarterly) and reduced to the extent that convincing evidence no longer exists for the utilization. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that convincing evidence exists supporting that taxable profits will allow the deferred tax asset to be recovered. The actual outcome of future tax costs may deviate from these estimates.

Undertaken an assessment of the criteria under IAS 12, the company has not included deferred tax assets related to tax losses carried forward.



Note 14 Subsidiaries and shareholders

The table shows Play Magnus AS's ownership interest in its subsidiaries. These subsidiaries are holding companies and their directly owned subsidiaries. Ownership interests correspond to voting interests.

Shares in subsidiaries

Entity	Office	Ownership interest 2023	Ownership interest 2022	Carrying amount as of 31 December 2023	Carrying amount as of 31 December 2022
E-Learning Ltd	Gibraltar	100 %	100 %	-	-
Logical Thinking Ltd	Gibraltar	100 %	100 %	-	-
Chessable Ltd	UK	100 %	100 %	79 760 584	79 760 584
iChess LLC	USA	100 %	100 %	-	-
Aimchess by PMG AS	Norway	100 %	100 %	12 685 632	8 685 632
Play Magnus Polska sp. z o.o.	Poland	100 %	100 %	-	-
Interchess BV	Netherlands	100 %	100 %	17 654 431	17 654 431
Chess24 GmbH	Germany	0 %	100 %	-	-
ChessX SIA	Latvia	100 %	100 %	-	-
Play Magnus USA Inc.	USA	100 %	100 %	19 945 151	19 945 151
Play Magnus India Private Ltd	India	100 %	100 %	-	-
Total				130 045 798	126 045 798

Shares in subsidiaries owned through subsidiaries

Entity	Office	Ownership interest 2023	Ownership interest 2022
Chessable Limited Spain SL	Spain	100 %	100 %
Ginger GM Ltd	UK	100 %	100 %
Gloucester Publishers Ltd	UK	100 %	100 %
Magnus Chess Academy LLC	USA	100 %	100 %

Sales and purchases of services, current receivables, current liabilities

Entity	Sales 2023	Purchases 2023	Receivables 2023	Liabilities 2023	Sales 2022	Purchases 2022	Receivables 2022	Liabilities 2022
Chessable Ltd	3 700	1 034	11 511	-	279	5 508	-	1 499
iChess LLC	-	-	-	-	-	-	-	-
E-Learning Ltd	-	288	-	-	-	-	1 565	671
Logical Thinking Ltd	-	-	-	199	-	-	870	1 959
Chess24 GmbH	-	-	-	-	-	60	-	-
Chessable Spain SL	-	5 987	6 768	-	-	28 086	-	1 424
Interchess BV	899	-	225	-	-	79	-	29
Ginger GM Ltd	-	-	-	-	-	-	-	-
Aimchess by PMG AS	230	-	288	-	-	-	-	-
Silver Knights Chess LLC	203	-	203	-	-	-	-	-
Play Magnus USA Inc.	-	-	-	-	-	-	-	-
Play Magnus Polska sp. z o.o.	-	-	-	-	-	210	-	-
Total	5 032	7 308	18 995	199	279	33 942	2 435	5 583



Financial transactions, non-current receivables, non-current liabilities

Entity	Financial income 2023	Financial expense 2023	Receivables 2023	Liabilities 2023	Financial income 2022	Financial expense 2022	Receivables 2022	Liabilities 2022
Chessable Ltd	2 932	-	149 510	-	2 368	-	134 338	-
Logical Thinking Ltd	2 200	-	-	-	1 677	-	-	-
ChessX SIA	-	-	-	-	308	-	-	-
Ginger GM Ltd	250	-	3 608	-	-	-	-	-
Aimchess by PMG AS	-	-	43	-	-	-	9	-
Silver Knights Chess LLC	-	-	5 192	-	-	-	5 031	-
Play Magnus USA Inc.	-	-	495	-	-	-	450	-
Play Magnus Polska sp. z o.o.	-	-	-	520	-	-	-	520
Total	5 382	-	158 847	520	4 353	-	139 827	520

Play Magnus AS Shareholders as of 31 December 2023

Shareholder	Number of ordinary shares	Total # of shares	% of shareholding
Chess Growthco LLC	1	1	100 %
Total	1	1	100 %

Note 15 Accounts receivable

Accounting policies for trade receivables

Accounts receivable are initially recognized at transaction price, subsequently accounted for at amortized cost, and are reviewed for impairment on an ongoing basis. Individual accounts are assessed for impairment taking into consideration indicators of financial difficulty and management assessment. Play Magnus AS's business model for accounts receivable is to hold the receivables to collect the contractual cash flows.

<i>Amounts in NOK thousands</i>	31.12.2023	31.12.2022
Accounts receivable	44 745	9 732
Loss allowance	2 009	4 081
Total	42 736	5 650

Distribution by currency

<i>Amounts in NOK thousands</i>	31.12.2023	31.12.2022
Accounts receivable NOK	527	595
Accounts receivable GBP	11 770	2 536
Accounts receivable EUR	6 993	-
Accounts receivable USD	23 446	2 519
Total	42 736	5 650



Aging of gross trade receivables

<i>Amounts in NOK thousands</i>	Total	< 30 days	30-60 days	60-90 days	>90 days
31.12.2023	44 745	41 443	566	-	2 737
Loss allowance	2 009	-	-	-	2 009
Book value 31.12.2023	42 736	41 443	566	-	727
31.12.2022	9 732	1 749	-	-	7 983
Loss allowance	4 081	-	-	-	4 081
Book value 31.12.2022	5 650	1 749	-	-	3 902

Note 16 Restatement of financial figures

The accounts receivable and retained earnings figures for 2022 have been restated due to the transfer of intellectual property rights from Play Magnus AS to Chess.com LLC in connection with Chess.com's acquisition of Play Magnus AS in December 2022. The transaction was not accounted for when the financial statements for 2022 were prepared in 2023 but was later considered a deemed sale of intellectual property rights. Accounts receivable and retained earnings have increased by NOK 93 million compared to the previously stated figures.

Note 17 Statement of cash flows

Accounting policies for cash and cash equivalents

Cash and cash equivalents in the statement of financial position include cash, bank deposits, and all other monetary instruments with a maturity of less than three months from the date of acquisition and are measured at nominal value.

Bank deposits earn interest at floating rates based on the different bank agreements.

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following at 31 December:

<i>Amounts in NOK thousands</i>	31.12.2023	31.12.2022
Bank deposits	7 763	51 283
Restricted cash balances	369	681
Total cash and cash equivalents	8 132	51 964



Distribution of cash by currency

<i>Amounts in NOK thousands</i>	31.12.2023	31.12.2022
Cash Balances NOK	2 648	7 002
Cash Balances USD	3 888	23 408
Cash Balances EUR	962	6 661
Cash Balances GBP	634	14 894
Total	8 132	51 964

Changes in liabilities arising from financing activities

Lease liabilities

<i>Amounts in NOK thousands</i>	2023	2022
Balance at the beginning of the period	-	2 347
<i>Cash changes</i>		
Principal payment to lessor	-435	-319
Interest payment to lessor	-121	-90
<i>Non-cash changes</i>		
Initial recognition	2 606	986
Accrued interest	121	90
Lease modifications/disposals	-	-3 014
Balance at the end of the period	2 171	-

Note 18 Other current liabilities

Other current liabilities

<i>Amounts in NOK thousands</i>	31.12.2023	31.12.2022
Accrued expenses	1 596	3 244
Other	1 122	1 532
Total other current liabilities	2 719	4 776

Note 19 Related parties

The following are the significant related party activities for Play Magnus Group during 2023. All transactions are at arm's length market prices.

- MagnusChess AS is wholly owned by World Champion Magnus Carlsen and his father, Henrik Carlsen. Up until the acquisition by Chess.com, MagnusChess AS was the largest shareholder of Play Magnus Group. Henrik Carlsen also serves on the board of Play



Magnus AS.

Play Magnus has an agreement with MagnusChess AS in connection with Play Magnus sponsors that require the involvement of Magnus Carlsen and which includes a certain number of appearances and social media events. In exchange for his services for the eligible partnerships, Magnus Carlsen receives a commission from Play Magnus Group. In 2023 the payments related to these partnership services performed by MagnusChess AS totaled NOK 5 070 894.

- Etruvian (Gibraltar), ultimately owned by Enrique Guzman. Enrique Guzman was the third largest shareholder of the Play Magnus Group through his holding company LT Holdings Ltd, of which he owned 97%, up until the acquisition by Chess.com. Enrique Guzman is also the Managing Director of Logical Thinking and E-Learning which operate the chess24 brand and its related services, respectively.

Etruvian (Gibraltar) Ltd has a consulting agreement with Logical Thinking for operations and business-related services and as part of the agreement includes office space for the consultants in Gibraltar. The total amount of costs charged by Etruvian (Gibraltar) to E-Learning and Logical Thinking in 2023 was GBP 60 000.

There are no material related-party receivables or payables balances in the statement of financial position as of 31 December 2023.

Note 20 Events after the reporting period

There are no events after the reporting period affecting the 2023 financial statements.



Play Magnus Group

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0160 Oslo - Norway

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Daniel Rensch Email: danny@chess.com Sent: 28 Jun 2024 15:53:04 UTC Viewed: 28 Jun 2024 16:55:12 UTC Signed: 28 Jun 2024 16:58:15 UTC Recipient Verification: ✓ Email verified 28 Jun 2024 16:55:12 UTC		 IP address: 98.32.65.220 Location: Draper, United States
Henrik Carlsen Email: hen-c@online.no Sent: 28 Jun 2024 15:53:04 UTC Viewed: 28 Jun 2024 17:59:25 UTC Signed: 28 Jun 2024 18:14:52 UTC Recipient Verification: ✓ Email verified 28 Jun 2024 17:59:25 UTC		 IP address: 51.175.200.222 Location: Oslo, Norway

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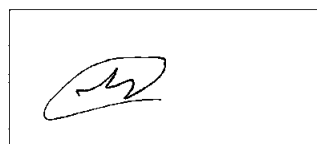
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