



-TECHNOLOGY-

ANNUAL REPORT 2019

Adventure Box is a Swedish growth company in the gaming and IT industry. Adventure Box offers a unique, world-leading streaming-technology that makes it easy and fun to create, share and play 3D games online.

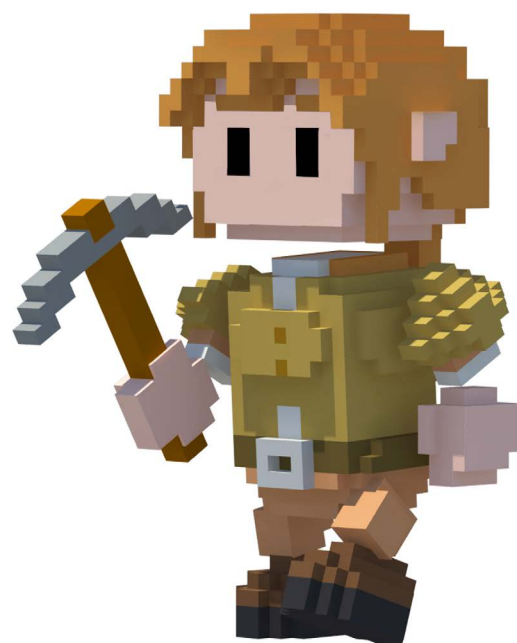
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A FOUNDATION FOR GROWTH

During 2019, Adventure Box laid the foundation for growth and future profitability. The platform is now robust and offers creators of 3D games a unique, high-quality user experience. At the end of the year, the first revenue model was introduced which has proven to be effective. With the listing at the Nasdaq First North Growth Market and our completed right issues in 2019, there is funding to continue to increase the number of users and create growth.

- The stock is traded at the Nasdaq First North Growth Market
- Record breaking user numbers
- Functioning revenue model
- Continues strong growth
- Strengthened organization
- Launch with Minecraft YouTubers
- Support for mobile devices



SUMMARY FINANCIAL DEVELOPMENT

KSEK unless otherwise stated	16 months	12 months
	1 Sep-31 Dec 2018/2019	1 Sep-31 Aug 2017/2018
Net sales	30	139
Other operating income	395	94
Operating expenses	-12,713	-2,356
Operating profit	-9,908	-714
Profit after tax	-10,138	-753
Cash flow from operating activities, including investments in development expenses	-14,209	-4,689
Cash and cash equivalents	10,706	245
Equity	32,059	16,323
Debts	4,388	3,189
Earnings per share, SEK	-1.96	-0.70
Number of employees at the end of the period	9	2

POTENTIAL FOR GROWTH

We have built a good foundation from which we are now working to achieve our vision of becoming the globally leading platform for sharing consumer-created computer games. In the fall of 2019, we started commercialization and we now have very strong growth in the number of web visitors and revenue is growing steadily, albeit from a low level.

Computer games are not only fun, they are the most important form of entertainment and socializing for most young people. We want everyone to be able to create, share and play computer games online. With us, you don't have to be a programmer to create your own games. Creating computer games with us is easy and fun.

When we, back in 2014, founded Adventure Box, we had the vision clear. We were convinced that many people who play computer games also want to be able to make their own games, and to make them with their own characters, environments and actions. In addition, they want to be able to share their game worlds with other players. Over the years, we have focused on creating an efficient and user-friendly product with our unique and patented streaming technology. Now we have a powerful platform.

FINANCING SECURED

2019 was an important year for us. We raised approximately 25 million SEK in new issues and our stock was admitted to trading on the Nasdaq First North Growth Market. With secured financing and stable platform, we were finally able to begin commercialization. Our first step was to introduce advertising on the site and advertising revenue is now growing steadily, albeit from low levels.

We fill a need in the market for computer games and we see a great potential for growth ahead of us. To continue to grow our revenue, we must increase the number of users. We need viral distribution globally among computer players so that more people come to the site, create games and spread the games. It is wonderful to note that as of February 2020, we reached over a million visitors to our site.

ALL REVENUE MODELS IMPLEMENTED BY FALL

By fall, we will have our four revenue models in place. You can read more about the models on page 10. One of the models

includes that we share revenue with users who create high quality games. My personal dream is that we can enable players in developing countries to find an exciting and lucrative livelihood. Those who are good at developing games with us can create their own communities with many followers. If we succeed, we have not only created a successful business for our investors but are also contributing to a more globally sustainable development.

It is motivating to see that we have gained many more shareholders since the stock began trading on the Nasdaq First North Growth Market. In February 2020, we had over 1,000 shareholders. I want to take the opportunity to welcome all new shareholders to Adventure Box and thank you for joining us on our exciting growth journey.

WORLD LEADING COMPETENCE

During the past six months we have expanded our organization. We have continued to build on our team. A team with world-leading skills and high motivation. Developing an exciting and meaningful product, while offering a healthy workplace and value-driven organization makes it easy for us to recruit top talent.

So far, we have always delivered on our plans and we will continue to do so. This year, we will continue to increase the number of users through viral successes and steadily grow revenue. We will revolutionize the computer game industry by turning many more consumers into computer game creators.

COVID-19 RELATED MEASURES

We closely monitor the outbreak and spread of COVID-19 around the world. We have taken proactive measures to reduce the risks to our employees and ensure that our operations continue to run smoothly.

"WE REACHED OVER ONE MILLION VISITORS TO OUR WEB PAGE ALREADY BY FEBRUARY 2020."

These measures include working from home and cancelling all business travel. Since we are an online company with employees in five countries, virtual meetings and teleworking are already established working methods.

Recently, we have seen that our costs of driving visitors to our site have decreased. We cannot conclude that this is due to the spread of COVID-19, but it may be that more people choose to create their own games when their usual daily chores change drastically.

EXPECTED PROSPECTS

We operate in a growth market with a unique, patented technology. It is promising to see that we now have incipient evidence of our earning capacity while we see an increasing number of visitors to our site and have begun to introduce all our revenue models. It is without doubt that our prospects are good - and exciting.



Christopher Kingdon
CEO

A SELECTION OF IMPROVEMENTS PLANNED FOR 2020

- Support for user-created models / content
- Public user profiles
- Payment opportunities when configuring characters
- Video advertising
- Marketplace where users can shop and trade content
- Academy subscriptions
- Support for advanced game creation
- Revenue sharing with users
- Better animation support
- Multimaker for social game making
- Multimaker för socialt spelskapande

OUR VALUES

Customers

We create new opportunities for our customers.

Data

Our decisions are based on data.

Diversity

Be yourself.

A SUPERIOR PLATFORM FOR GAME CREATION

Adventure Box is a website where gamers can easily create and share 3D games online. It is user friendly and games are streamed thanks to our unique, patented technology.

We offer a platform where users can create, share and play computer games. Our advanced and proprietary technology makes it easy for the user. We enable gamers to create their own games and to share them with others without requiring programming skills.

We share through an efficient streaming solution. Our pioneering streaming solution work was initiated already back in 2014. As a result, we are far ahead of the rest of the computer game industry. Our solution is unique in that it requires only a small bandwidth, it doesn't over-load servers and it supports the heaviest of 3D technologies, Volymetrics Pixels ("virtual Legos").

PATENTED TECHNOLOGY

Our streaming solution is patent protected in the US and we have filed patent applications in the EU, China and Japan. We manage to achieve high bandwidth efficiency not only by compressing data but also through a resource-efficient distribution of logical functions between server and client. This means that it is possible to create and share games with us even over low bandwidth connections, for example in computer networks built with 3G technology. A broadband speed of 320 kb / s is sufficient to access our platform.





We have chosen to invest in this solution as streaming offers several benefits. The most important is that you do not need to install software on your computer. Only one click is required to play, make or share games. Also, but not downloading you do not run the risk of downloading viruses and, running in the browser, the software does not have to be adapted to the peculiarities of your specific hardware and operating system. You also do not have to reinstall any software when updates and changes are made.

OUR OWN 3D-ENGINE

A 3D engine is software that facilitates the creation of static or moving 3D models, that is, three-dimensional images displayed on a monitor. In the video game industry, 3D engines are often called game engines. We created a 3D engine, or game engine, specially designed to make it easy for an amateur to create streamed computer games via a streamed graphic user interface. This means that with us you can create an easy to share streamed game without having to be able to program.

PLAY ON A MOBILE, BUILD ON A COMPUTER

In December 2019, we opened up for playing Adventure Box games on mobiles. So far it is only possible to make games on desktops or laptops.

ORGANIZATION WITH HIGH COMPETENCE

We are experts in computer technology and game development. We currently have twelve full-time employees, three full-time consultants and four part-time consultants. Our employees are located in Stockholm, Kerala in India, Malta, Paris and Seville.

MINECRAFT YOUTUBERS SUPPORT US

We have enabled our users to import models from the game Minecraft. Minecraft was created in Sweden and has over 100 million users. The company was purchased by Microsoft for \$ 2.5 billion. Players who have created something in Minecraft can upload it onto our platform and turn their Minecraft creation into their own easily sharable game.

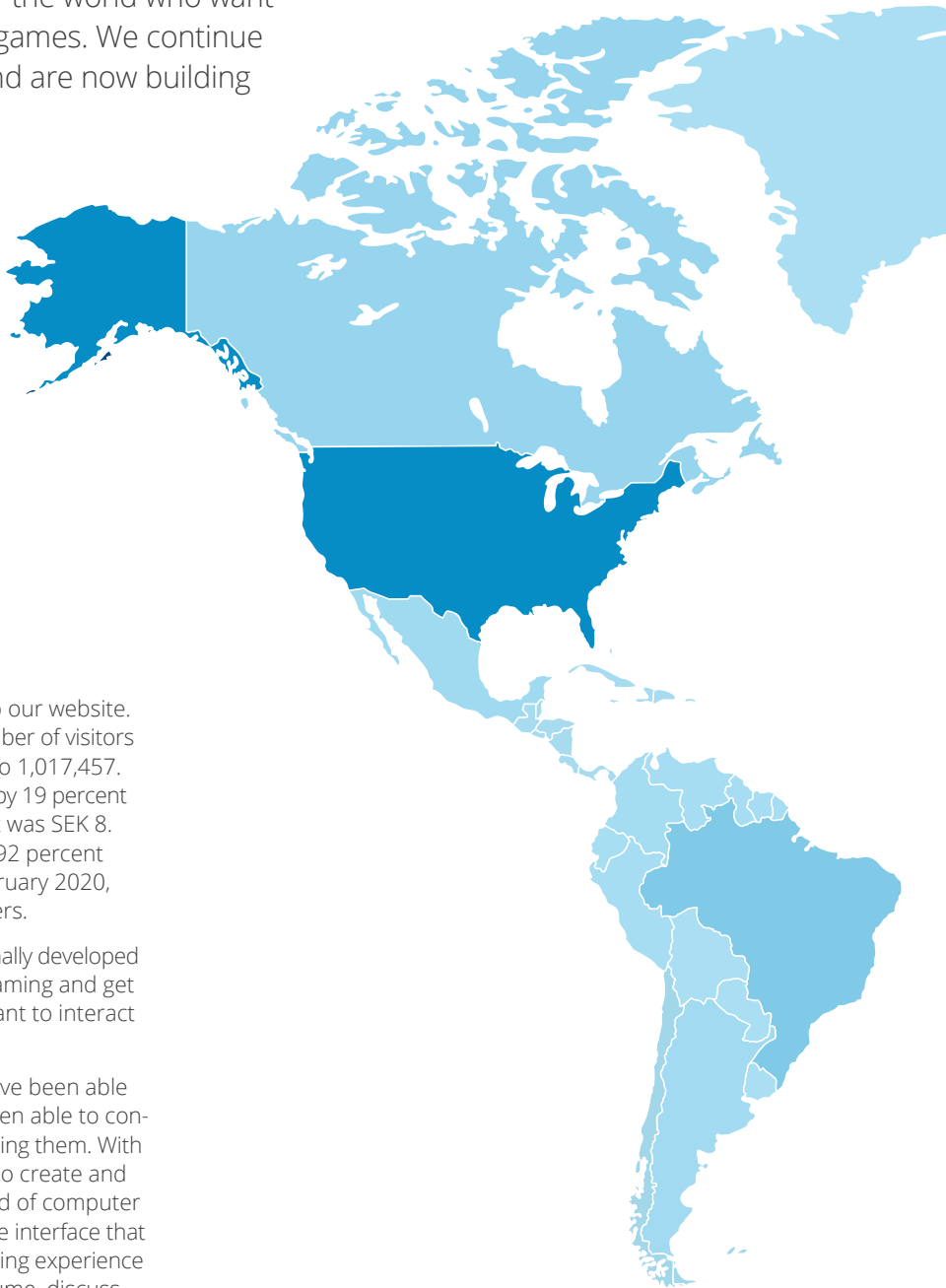
Minecraft players today, to show off their creations, make videos of their creations and share them on YouTube. Every month, Minecraft videos are viewed 1-5 billion times on YouTube. Many of these creators have their own fan base who follow them devotedly. At the end of 2019, we started collaborating with some these Minecraft YouTubers.

We started with YouTubers who have 20,000 - 300,000 followers on YouTube. They upload their Minecraft creations onto our platform and invite their followers to visit the worlds they share through Adventure Box. Our goal is to start collaborations with Minecraft YouTubers that have even more followers. For example, the Minecraft YouTuber StampyCat has 9.3 million followers and Swedish Youtuber Pewdiepie, with 100 million followers, has recently also started creating Minecraft videos.

This is an important investment as our business model is based on our users spreading knowledge about our platform in their networks and channels. With YouTubers we reach out to their many followers and in addition, YouTubers show how fun it is to create, share and play with Adventure Box.

OVER ONE MILLION VISITORS

We have over a million visitors to our site every month. Our visitors are gaming enthusiasts all over the world who want to create and share their own unique games. We continue to strengthen their user experience and are now building a social platform for our users.



We have strong growth in the number of visitors to our website. Since August 2019 through February 2020, the number of visitors has increased by over 2,700 percent from 36,196 to 1,017,457. At the same time, the cost per visitor has decreased by 19 percent from SEK 0.26 to SEK 0.21. In August 2019 the cost was SEK 8. The number of returning users has increased by 592 percent from 33 723 in September 2019 to 233 404 in February 2020, which shows that our platform is attractive to players.

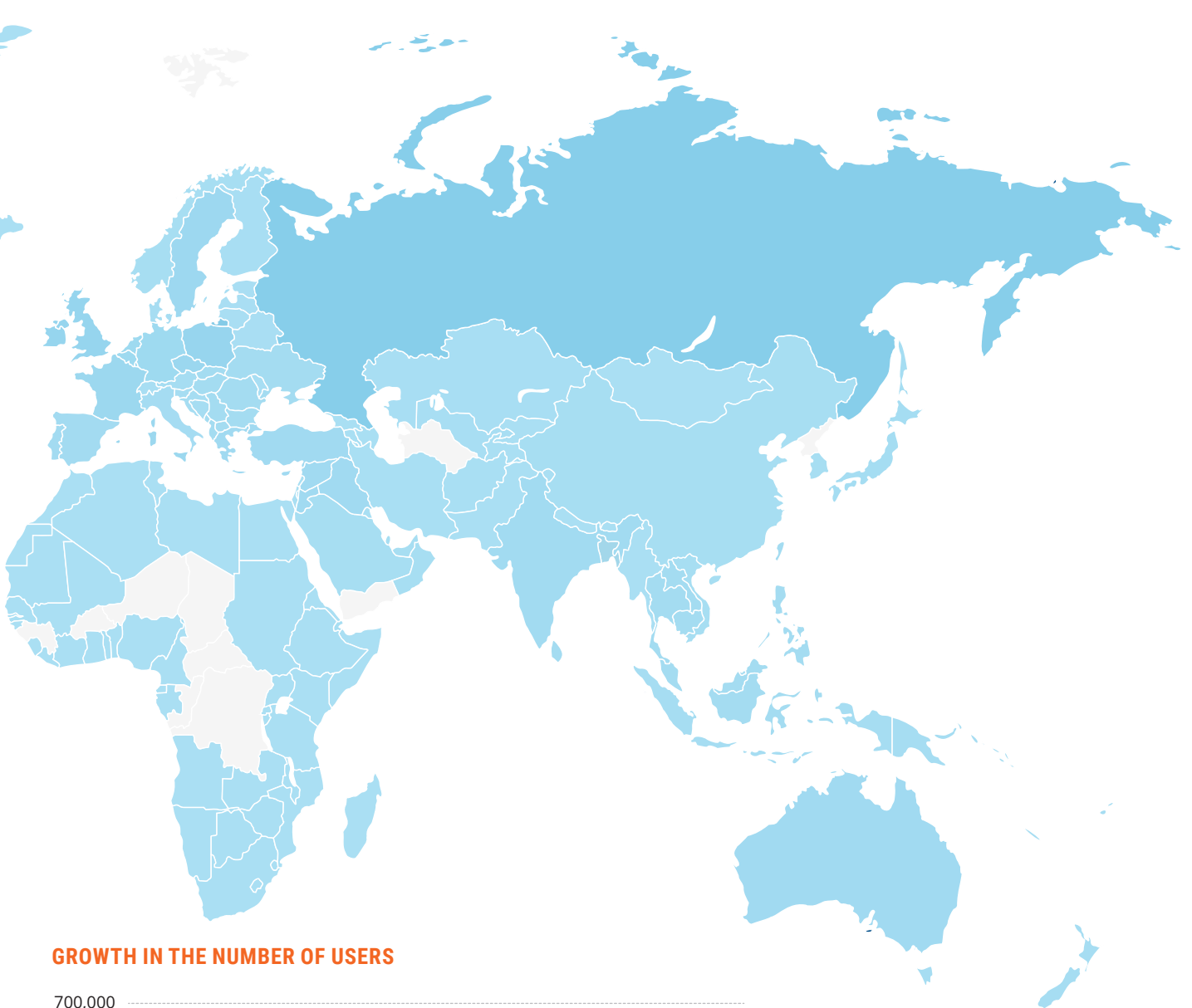
Our users are people who play traditional, professionally developed computer games and who want to develop their gaming and get creative by creating their own games. Many also want to interact with others by sharing their game worlds.

In the past, only people with programming skills have been able to create their own games, and those who have been able to construct games have encountered obstacles in spreading them. With us, no advanced computer knowledge is required to create and share games. We therefore fulfill an important need of computer game enthusiasts by offering a user-friendly, intuitive interface that invites creativity and makes it easy to share the gaming experience with others. With us, gaming enthusiasts can consume, discuss, create and share computer games.

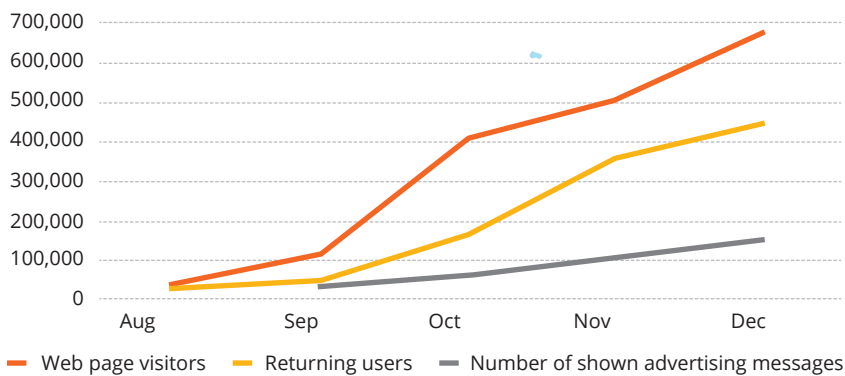
Since our service is online, we can measure every relevant aspect of user behavior. We have clearly seen that users who publish and share games are the most loyal. We have therefore chosen to build a social platform for our users in 2020 so that they can more easily collaborate and share games. Through our agile development method, we can direct our investments towards the areas that produce the best results.

WE HAVE USERS ACROSS THE GLOBE

We have users in almost all countries of the world.



GROWTH IN THE NUMBER OF USERS



CONTINUOUSLY INCREASING REVENUES

We introduced our first revenue model during the fall of 2019. Advertising messages are now displayed to users prior to playing free games. Advertising revenue is growing steadily - albeit from a low level - which shows that the model works also for us.

The revenue models we utilize are well proven in the computer games industry. Our strategy includes a revenue model for each level of customer loyalty. The temporary visitor contributes to revenue by being exposed to advertising, while more loyal users also buy virtual accessories. Even more active and loyal users will subscribe and earn special benefits. Finally, we have users who make money themselves by generating revenue for Adventure Box through revenue sharing. They will out most loyal users.

A prerequisite for us to successfully implement the revenue models is that we have a stable user base. This in turn assumes that the platform is of high quality and offers added value to users. During our first five years, we have worked to achieve these conditions. In parallel, we have developed the tools for introducing different revenue models, so we are prepared to introduce them when we consider it to be commercially relevant.

In the fall of 2019, we made the assessment that we had reached such numbers of users that we could add advertising to the site. Our plan is for all four revenue models to be in place by the fall of 2020.

ADVERTISING REVENUES

The parameters that, at least in the short term, controls the potential for advertising revenue is the number of visitors to the website as well as the time users spend on the platform. At the end of 2019 and the beginning of 2020, the number of displayed advertising messages has increased. During the spring of 2020 we will start to provide video advertising, which will generate higher revenue than current advertising banners.

PAID CONTENT

Already in 2017, we implemented internal means of payment - we call them Diamonds - on the platform as well as a model for buying Diamonds for real world currency. We have fully implemented payment solutions for debit and credit cards and for Paypal. We will offer paid current during the spring of 2020. The use of this model will be expanded cautiously and under close monitoring, in order to maintain the experience that the platform offers attractive and rich content for free.

SUBSCRIPTIONS

We also plan to introduce a subscription that we call Adventure Box Academy. At the Academy, users will gain access to in-depth knowledge and additional functionality for creating games on the platform. It will also be a meeting place for amateur game developers and professional programmers. In addition, subscriptions will include a weekly allowance of Adventure Box in game currency to be used for acquiring paid content.

REVENUE SHARING

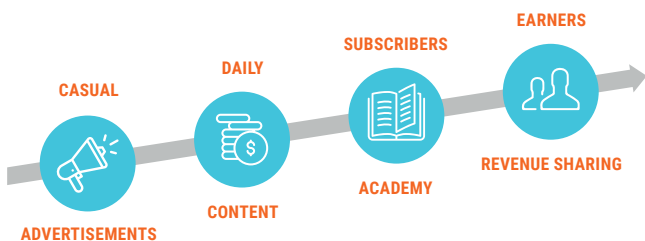
We see great growth potential in users creating games that are shared with other users who in turn create new games. High-quality games have greater potential to inspire other users to develop their own games. Therefore, we want to share our revenue with the most active, creative and skilled users in order to give them incentives to develop and share high quality games. We also build new functionality that lets our users upload and share and sell components to build games with.

LICENSING OPPORTUNITIES AND CONSULTING SERVICES

A future revenue opportunity is through B2B collaborations, for example by providing consulting services or licensing the platform. One such project would be to allow advertisement through simple computer games. We see great potential in the long term in opening up for integration with other platforms.

Adventure Box can also be used to help customers create other online 3D experiences. This includes full 3D web design. We also see a growing interest in streaming from gaming companies. We therefore offer expertise, technology and licensing of our patent. Our technology can also in the long term be used in other areas such as engineering, medicine, 3D printing and design.

PROVEN BUSINESS MODELS



By the fall of 2020 we should have completed the first implementation of all our four revenue models



A LARGE AND QUICKLY GROWING MARKET

The global market for computer games is large and rapidly growing. According to the analysis company IDG, the market is expected to grow by 12 percent per year, to USD 190 billion by 2023. Our strong growth user numbers show that many want to create their own computer games.

The market for computer games is eight times larger than the market for online music and twice the size of the online video market. We want to become the world's leading platform for creating and sharing amateur-created computer games. This market is still open as there has previously not existed an efficient, user-friendly solution. With our patented technology, we have found the solution to easy creation and sharing of games.

We do not require much bandwidth or expensive gaming computers to create games on our platform. Streaming with us requires no more than 350 kb / s in bandwidth. This should be compared to Google Stadia which requires at least 10 Mb / s. This means that we can theoretically reach all the 4.5 billion people who now have access to the Internet.

We do have competitors who offer consumers to create their own games. However, we believe that our technology has several advantages and that these advantages include that our creators can share their games with our streamed one-click technology that avoids our competitor's requirement to download and install.

We also believe that there is great potential on the continents where our competitors have limited presence.



WE ESTIMATE THAT THE MARKET FOR SHARING DATA GAMES IS VALUE TO USD 7 BILLION

	VIDEO Global revenue per year 70 BUSD	MUSIC Global revenue per year 18 BUSD	GAMES Global revenue per year 150 BUSD
Professionals 			
	11 BUSD	4 BUSD	4.5 BUSD
Amateurs 			
	3.5 BUSD	28 MUSD	7 BUSD*

*Adventure Box Management estimate

The market for video, music and gaming sharing platforms can be divided into two segments: content created by professionals and content created by amateurs. In the game segment, Steam is where players can download games developed by professional players. We make the assessment that with our patented technology we should be able to take a position in the segment

of games created by amateurs. Our ambition is to change the video game industry in the same way that YouTube changed the TV and Film industries.

As YouTube did – we want to revolutionize by turning consumers into creators.



MORE THAN 700 NEW OWNERS

Adventure Box is traded at the Nasdaq First North Growth market since December 2, 2019. December 31, 2019, the company had 289 shareholders. By February 2020 we had passed 1000.

The first trading day on December 2, 2019, the opening price was SEK 7.00. The closing day of the year was the closing price of SEK 3.84. Nasdaq Stockholm measured by the OMXS PI index increased by 3.6 per cent during the same period.

SHARE CAPITAL

The share capital is SEK 914,240, distributed on 9,142,400 shares with a quotient value of SEK 0.10.

Each share entitles to one vote at the Annual General Meeting. At the Annual General Meeting, each voting member may vote for the full number of shares held or represented without restrictions in the voting right. All shares give equal rights to the company's assets and earnings. In the event of liquidation of the company, shareholders are entitled to a share of profits in relation to the number of shares held by the shareholder.

All shares are freely transferable, subject to certain restrictions as below under the heading "Lock-up agreement". It exists to the extent that the Board is aware of no shareholder agreements or similar agreements between existing or future shareholders in the company in order to create joint influence over the company.

Shareholders normally have preferential rights to subscribe for new shares, warrants and convertible debentures in accordance with the Companies Act, unless the AGM or the Board, with the support of the AGM's authorization, decides on deviation from the shareholders' preferential right.

During the financial year, seven new issues were completed, which brought in a total of just under SEK 25.9 million in new equity. Ahead of trading on the Nasdaq First North Growth Market, a 1:5 split was implemented. The company has also carried out two fund issues to increase the share capital to over SEK 500 before the start of trading and to obtain a quotient value of SEK 0.10 per share. The description of the company

that was established in connection with the listing shows the development of the share capital since the company was formed in 2014. The company description can be found on the website corp.adventurebox.com.

AUTHORIZATION ON CAPITAL INJECTION

The extra general shareholder's meeting on July 9 2019 decided to authorize the board to be able to issue shares, warrants och convertible loans for cash, off issue or non-cash issue. The authorization gives the board the right to deviate from the shareholders preferential rights. If a decision is made where the right to deviate from the shareholders preferential rights is utilized the share issue may not exceed 20% of the existing number of shares. The reason for the deviation being in place is to enhance the boards' ability to quickly raise capital to the company as well as to associate capital strong new shareholders to the company.

INCENTIVE PROGRAMS

The board has on authorization from the shareholders decided on three different incentive programs directed at board members, management and key personell through warrants.

Program A

2016: 47 340 warrants giving the holder the right to at the latest on 2020-05-31 to subscribe for one share in Adventure Box Technology AB (publ) at a strike price of 9,40 SEK per share.

Program B

2017: 110 110 warrants giving the holder the right to at the latest on 2020-10-01 to subscribe for one share in Adventure Box Technology AB (publ) at a strike price of 20 SEK per share.

Program C

2019: 286 500 warrants giving the holder the right to at the latest on 2022-05-09 to subscribe for one share in Adventure Box Technology AB (publ) at a strike price of 9,40 SEK per share.

CERTIFIED ADVISER

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FINANCING PROGRAM

At an extra shareholder´s meeting 2019-07-09 the meeting decided to emit 2 613 750 warrants as a part of the capital injection carried out during the summer of 2019. The holder of two warrants have the right to subscribe to one share in the company from 2019-11-01 until 2021-09-30. From 2019-11-01 until 2020-03-31 The holder of two warrants have the right to subscribe to one share in the company at a strike price of 10 SEK per share. From 2020-04-01 until 2021-09-30 The holder of two warrants have the right to subscribe to one share in the company at a strike price of 16 SEK per share. On full subscription the company will have a capital injection of between 13 068 750 SEK and 20 910 000 SEK through the issue of 1 306 875 new shares., with a dilution effect of around 12,51 %.

AGREEMENT ON LOCK-UP

The board and management team have committed themselves not to without any written consent directly or indirectly sell shares in the company before the end of December 2 2020. The agreement can be waived if shares are sold under any public share acquisition offer from a third party on the market. If other very special conditions exist the agreement can be waived.

LIQUIDITY GUARANTOR

The company has signed an agreement with ABG Sundal Collier ASA ("ABGSC") acting as a liquidity guarantor regarding the trade of the Adventure Box share on Nasdaq First North Growth Market list.

DIVIDEND POLICY

Since the company is in a development stage dividends will not be made in the near future.

THE LARGEST SHAREHOLDERS AS OF MARCH 15 2020

Owner	No. of shares	Total share, %
Christopher Kingdon	838,395	9.2
Cléo Hayes McCoy	838,395	9.2
Professionell Ägarstyrning i Sverige AB	557,650	6.1
Lorang Andreassen	477,620	5.2
Others	6,439,340	70.3
Total	9,142,400	100.0



INVESTMENTS IN THE PRODUCT AND MARKETING

During the fiscal year the company has invested in the unique platform and marketing to boost the growth of users.

Net sales amounted to 30 TSEK (139). Operating expenses increased to 12 713 TSEK (2 356), mainly as a result of increased numbers of programmers on board as well as increased marketing expenses and costs related to the listing of the shares of the company on Nasdaq First North Growth Market.

INCOME

Operating income of the company amounted to -9 908 TSEK (-714). The change is caused by increased operating expenses and change of capitalization principles. The new capitalization principles were introduced on the 1st of January 2019 leading to development expenses, including personell costs for employees working with development, directly correlated with development are capitalized, Indirect costs for development are capitalized in relation to the number of employees working with development in relation to the total number of employees in the company.

Net income for the period amounted to -10 138 TSEK (-753). Earnings per share was -1,96 SEK (-0,70).

CASH-FLOW

Cash-flow from operating activities amounted to -7 873 TSEK (-543), mainly as a result of increased operating expenses.

Investments in development amounted to 6 336 TSEK (4 146). The increase mainly as an effect of more programmers employed and development consultants contracted.

Cash-flow from financing activities amounted to 24 600 TSEK (4 942). During the year seven share issues have been carried out totalling 25 874 TSEK (5 446), the largest one in June 2019 amounting to 20 665 TSEK. Repayments on loans to Almi Företagspartner Uppsala AB (Almi) and Uppsala Innovation Centre AB (UIC) amounting to 1 274 TSEK (504).

EQUITY

Equity of the company by December 31 was 32 059 TSEK (16 323). The increase caused by the number of share issued carried out during the fiscal.

LIABILITIES

Long-term debt amounted to 655 TSEK (1 929) per December 31 and short-term liabilities amounted to 3 733 TSEK (1 260). Long-term debt consist of credits from Almi på 555 TSEK (1 023) and a loan from UIC of 100 TSEK (326). Short-term interest-bearing liabilities refer to credits from Almi of 324 TSEK (357) and UIC of 150 TSEK (150).

LIQUID ASSETS

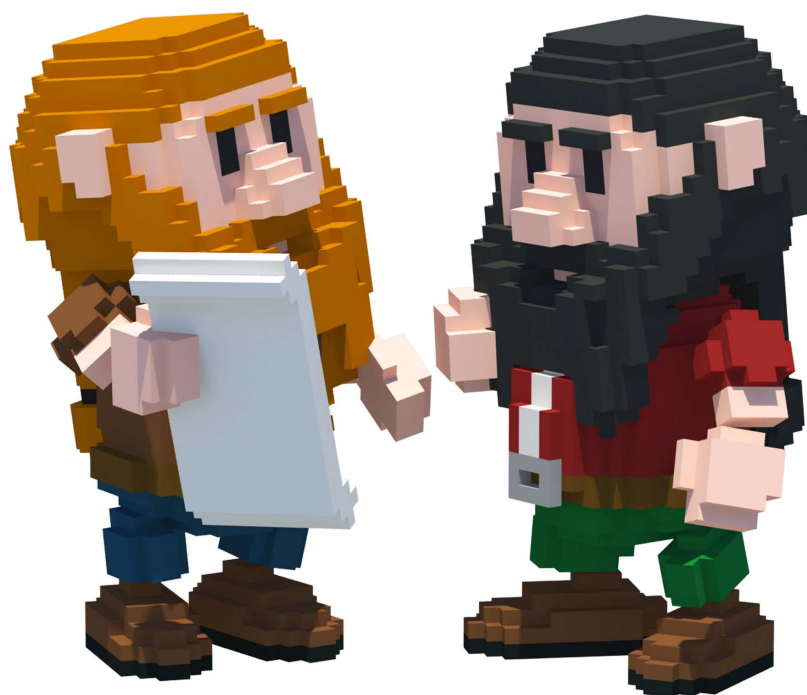
Per 31 december liquid assets amounted to 10 706 TSEK (245). The increase mainly thanks to capital injections during the fiscal.

TAX LOSS-CARRY FORWARD

Operations of the company will initially lead to tax losses. Loss-carry-forward amounted to 12 427 TSEK by the end of the year.

EXTENDED THE FINANCIAL YEAR

The company has extended the financial year from sep 1 2018 to dec 31 2019. Balance sheet figures are for 2019 per dec 31 and previous year per aug 31.



FINANCIAL SUMMARY

in thousands SEK (if not otherwise specified)	16 months 1 Sept-31 Dec 2018/2019	12 months 1 Sept-31 Aug 2017/2018
Net sales	30	139
Other revenues	395	94
Total expenses	-12,713	-2,356
Earning before interest and tax (EBIT)	-9,908	-714
Earnings before tax (EBT)	-10,138	-753
Net income	-10,138	-753
Cash flow after net investment	-14,209	-4,689
Investments in intangible fixed assets, net	-6,336	-4,146
Cash and bank	10,706	245
Total equity	32,059	16,323
Liabilities	4,388	3,189
Earnings per share, SEK	-1.96	-0.70
Equity by share, SEK	3.51	1.78 ¹
Return on equity, %	neg	neg
Solvency ratio, %	88	83
Number of employees	9	5

THE BOARD



PETER LÖNNQVIST

Chairman since 2014.

Born: 1953.

Education: BBA, Handelshögskolan, Stockholm.

Other assignments: CEO and Director for Cambista AB, Vision & Lönsamhet i Stockholm Aktiebolag and Fastighets AktieBolaget Drevet. Chairman for Deer Meadow Consulting AB.

Past assignment over the last five years: Chairman for Aktiebolaget Biggans Produkter.

Other relevant experience: Long experience of board work, including as Chairman of two computer game companies and the Venture Capital company Företagsbyggarna Business Builders AB.

Shares: 377,500 shares including 100,000 shares via the partly owned company Cambista AB and 2,500 via the fully owned company Vision och Lönsamhet AB.

Options: 72,800.



LORANG ANDREASSEN

Director since 2016.

Born: 1956.

Education: Berghs School of Communication, Stockholm.

Other assignments: Director for Inter-galaxy Group Sweden AB, Investment & Consulting letcon AB and Design of Europe Invest AB.

Past assignment over the last five years: Chairman for Design of Europe Invest AB.

Other relevant experience: Entrepreneur within retail. Over 20 years of experience from the gaming industry.

Shares: 477,620.

Options: 25,000.



STAFFAN EKLÖW

Director since 2018.

Born: 1957.

Education: Bachelor of Laws from the University of Stockholm.

Other assignments: Chairman for Vobling AB, Virtual Brains AB, Bublar Group AB (publ), Modern Care Initiatives AB and Bublar Group Optioner AB. Director for Lennart Nilsson Photography AB, MedlingsCentrum Sverige AB, Eklöv Business Law AB and Nliven Technology AB.

Past engagements during the last five years: Currently the Chairman of Bublar Group AB (publ) and a board member for Onside TV-Produktion AB, MedlingsCentrum Sverige AB, Lennart Nilsson Photography AB, and Stockholms Travsällskap.

Other relevant experience: 30 years of experience from the legal profession as a business lawyer for a lawfirm and for corporations. During 1994 to 2000 he was the General Counsel for TV4 AB. He was the Managing Partner at the Lindahl lawfirm.

Shares: 7,500.

Options: 25,000.



CHRISTINE RANKIN

Director since 2018.

Born: 1964.

Education: BSc och BA, Stockholm University.

Other assignments: Head of Corporate Control, Veoneer AB.

Past assignment over the last five years: Director for Come On Stockholm AB, Cherry Spelglädje AB and Spotify Sweden AB.

Other relevant experience: CFO i Cherry AB (publ) and interim CFO for Serneke AB.

Shares: 2,500.

Options: 25,000.



CHRISTOPHER KINGDON

Director and CEO since 2014.

Born: 1967.

Education: MSc, Royal Institute of Technology (KTH) och Executive MBA, Stockholm School of Economics (SSE).

Other assignments: Substitute Cavalio AB.

Past assignment over the last five years: -

Other relevant experience: Experience of startups since 2001, including Mobile Position AB, Signalsoft Inc, Dotify AB, Networks In Motion Inc and Plotagon AB. As an intrapreneur, Christopher has created a product line at Ericsson. He also has experience as an innovator in position-based services and technologies, which has led to several patents.

Shares: 885,548.

Options: 45,020.



CLAES KALBORG

Director since 2019.

Born: 1962.

Education: Various courses at Stockholm University and IHM Business School, Stockholm.

Other assignments: CEO and board member of Barn Storm Media AB and Bodiam AB. Member of the Board of Sentinella Aktiebolag, Non Violence Licensing AB, Flexion Mobile PLC London, and Kidz Inc.

Past assignment over the last five years: President and Board member of Grow Licensing AB.

Other relevant experience: Claes has previous experience as Director of Global Licensing at Rovio Entertainment Ltd. and King.com Ltd.

Shares: 103 780 including 51 815 shares via the fully owned company Barn Storm Media AB.

Options: -

BOARD INDEPENDANCE

Director	Independent in relation to the company and the company's management	Independent of major shareholders
Peter Lönnqvist	Yes	Yes
Lorang Andreassen	Yes	Yes
Staffan Eklöv	Yes	Yes
Christine Rankin	Yes	Yes
Christopher Kingdon	No	Yes
Claes Kalborg	Ja	Ja

MANAGEMENT TEAM



CHRISTOPHER KINGDON

CEO since 2014.

See page 19.



CLÉO HAYES-MCCOY

CTO since 2014.

Born: 1980.

Education: BSc in mathematics, Trinity University.

Other relevant experience: Built her first 3D-engine for the Stanford particle accelerator.

Shares: 838,395 including 700,000 shares via the fully owned company Robert O'Leary Consulting.

Options: 45,020.



DAN GREENING

COO sedan 2019.

Born: 1959.

Education: PhD Computer Science, UCLA.

Other relevant experience: Founded and sold three companies in Silicon Valley. Moved to Sweden to "build the next Spotify".

Shares: 145,000 via the fully owned company Senex Rex LLC.

Options: 52,780.



DMITRII SAPELKIN

Product Manager since 2017.

Born: 1975.

Education: CAD Engineer, St Petersburg

Other relevant experience: Designed games since 2005 for Electronic Arts, Oberon Meida, Activiaon and Midway.

Shares: -

Options: 22,510.



RICKARD RIBLOM

CMO since 2018.

Born: 1972.

Education: Studied at the Royal Inst of Technology (KTH), and Stockholm School of Economics (SSE). Also studied psychology.

Other relevant experience: Headed growth/marketing for 4 online companies. Prior to that a management consultant.

Shares: 1,500.

Options: 25,000.



HANS RICHTER

CFO since 2019.

Born: 1949.

Education: File Kand from Stockholm University, MBA Uppsala University.

Other relevant experience: Hans Richter has worked as a business controller / CFO at a number of companies; Beijerinvest, Vick Scandinavia, Wrigley Chewinggum, Huddinge University Hospital, Pharmacia Biosensor AB, Vice President Finance: Ervacogruppen AB, Albihs Patentbyrå AB, CEO AB Nackahem.

Shares: 2,400.

Options: -

MANAGEMENT REPORT

The Board of Directors and CEO of Adventure Box Technology AB (publ) org. No. 556963-6599 hereby submits the annual report for the extended financial year 2018-09-01 - 2019-12-31.

OPERATIONS

Adventure Box Technology AB (publ) was founded in 2014.

The company runs its operations and development activities in Stockholm and has employed nine persons during the fiscal.

Adventure Box develops and markets a web platform where computer gamers easily can create and share computer 3D games. The platform is userfriendly and it is easy to stream games thanks to the by the company patented unique technique.

The Adventure Box share is traded on Nasdaq First North Growth Market and the number of shareholders by February 2020 is around 1 000.

FNCA Sweden AB is the Certified Adviser of the company.

COMPANY INFORMATION

Adventure Box Technology AB (publ) (org nr 556963-6599) is a Swedish registered limited company seated in Stockholm. The company's share is listed on Nasdaq First North Growth Market. The address to the company head office is Brännkyrkagatan 71, 118 23 Stockholm. The board is seated in Stockholm.

Operations are mainly run in Sweden.

INCOME AND FINANCIAL POSITION

Net sales, income and cash-flow

Net sales amounted to 30 TSEK (139 TSEK). Net income amounted to - 10 138 TSEK (-753 TSEK) or -1,96 SEK (-0,70 SEK) per share.

Cash-flow from operations including investments in development amounted to - 14 209 TSEK (-4 689 TSEK) or - 2,73 SEK (-4,38 SEK) per share.

INVESTMENTS

Investments in development

During the year the company has invested 6 336 TSEK (4 146 TSEK) in developing the game platform.

LIQUIDITY AND FINANCIAL POSITION

Liquid assets by the end of the period amounted to 10 706 TSEK (245 TSEK). Equity by December 31 was 32 059 TSEK (16 323 TSEK) and the solvency ratio was 88% (84%).

CASH AND CASH EQUIVALENTS

On December 31, the company's cash and cash equivalents amounted to SEK 10,706 thousand (SEK 245 thousand), the increase being largely due to new issues. Adventure Box carried out issues of just under SEK 26 million during the period to finance development and marketing. Cash balance amounted to just over SEK 10 million at the end of the period. The company believes that there is great global commercial potential but cannot predict the revenue levels with certainty. Therefore, the outcome of revenue generation will directly affect the company's future capital needs. The Board considers it decisive that the company is able to generate revenue, otherwise the existing working capital will not be sufficient for the next twelve months. If revenue is not developed in accordance with the Board's estimates, the company needs to consider measures including additional capital raising. There is a great interest in investing in the company, which means that the Board considers the opportunities as good to provide additional funding. The Board is mandated by the Annual General Meeting to issue shares and / or convertibles and / or warrants in order to handle the financing issue.

ENVIRONMENT AND SOCIAL RESPONSIBILITY

Adventure Box conducts no operations that involve particular environmental risk or that require environmental permits or decisions from authorities. Adventure Box is of the opinion that the company generally operates under applicable health and safety regulations and offers its employees a safe and healthy working environment.



SIGNIFICANT EVENTS DURING THE YEAR

- During the period, 7 right issues were completed, injecting just under SEK 25.9 million in new equity.
- The company was listed on the Nasdaq First North Growth market on December 2, 2019.
- Prior to the listing, a 1:5 split has been completed, and the number of shares after the split has been 9,142,400.
- The company has completed two bonus share issues, partly to increase the share capital to over SEK 500 thousand before listing the company share on NASDAQ First North Stockholm, and partly to obtain a quotient value of SEK 0.10 per share.
- A marketing campaign with English Minecraft YouTubers was conducted in December. The games they promoted received the highest proportion of repeat visitors.
- Support for mobile devices was introduced during the months of November and December 2019.
- During the fall, the Company saw strong growth in users numbers and ever more evidence of a working advertising model.

SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

- Adventure Box och PPW Sports & Entertainment (HK) Limited has signed a letter of intent ("Joint Venture Term Sheet Proposal") to form a joint venture company in Hong Kong. The JV's intention is to develop, localize and distribute the Adventure Box platform in China, Hong Kong, Macau and Taiwan.

COVID-19

Adventure Box closely monitors the spread of COVID-19 worldwide. We have ensured that the business continues to operate smoothly. Among other things, all employees work from home. The employees are located in five different countries, which is why virtual meetings and teleworking are already established working methods.

PROPOSED APPROPRIATION OF THIS YEAR'S INCOME

The amount available for appropriation at the annual general shareholder's meeting comprises the following non-restricted reserves.

	SEK
Share premium	43,738,049
Retained earnings	-17,441,724
This year's net income	-10,138,196
Total non-restricted equity	16,158,129

The board of directors proposes that the available amount of non-restricted equity at the general meeting's disposal be carried forward. After the proposed appropriation non-restricted equity will comprise:

Share premium	43,738,049
Retained earnings	-27,579,920
Total non-restricted equity	16,158,129

Regarding operations and performance please view the following pages for an income statement, balance sheet and cash-flow analysis with adhering accounting principles and notes.

EXPECTED FUTURE OUTLOOK

Adventure Box operates on a growth market with a unique patented technique. The company offers a web platform where computer gamers easily can create and share 3D games online. The company has a revenue model that is starting to materialize and an increase in visitors and gamers to the company web site and the company is developing new business models. The board is of the opinion that there is a good outlook for Adventure Box and its business.

RISKS

Adventure Box's operations and profitability are affected by a number of external and internal factors, which can affect the company to a greater or lesser extent. Adventure Box makes a continuous assessment of the risks that the company is exposed to, as well as the likelihood that they will occur and what impact they could have on the business. The company manages the risks partly through preventive measures and partly through action plans for risk management. The risks to which the company is exposed can be divided into two categories: industry- and business-related risks and financial risks.

INDUSTRIAL AND BUSINESS RELATED RISKS

Commercialization

The company was formed in 2014 and has no proven earning capacity. The company is dependent on successful commercialization of its platform for creating and sharing computer games. First and foremost, the company depends on the number of users of the platform increasing and the users creating games that they in turn share with other users. Commercialization is also dependent on the company's revenue models being well adapted to the platform so that revenue is generated. Should a commercialization fail, the company's revenues risk not being able to rise to a level where the company is profitable.

Estimated probability of risk occurring: high.

Estimated negative impact on earnings as a result of missing revenue if the risk occurs: high.

Patent protection

The company is dependent on maintaining patent protection for the technology used in the platform. Such protection is achieved with the support of intellectual property law and agreements. There is a risk that the company will not be able to retain the patent protection. In the event that a third party holds, or claims to own, patents that include the same solution or technology as the Company, the Company may be forced to pursue legal processes, including internationally, to determine whether commercialization of a platform or technology is feasible. The company may also be forced to pursue legal proceedings, even internationally, in the event that a third party is deemed to infringe a patent belonging to the company. The cost of such processes can be significant. The company also risks losing such processes, which could mean that the company's right to the patent expires. Alternatively, the company may be forced to enter into license agreements on economically unfavorable terms, or may not be able to apply certain procedures to the software offered. All of these factors can have a material adverse effect on the company's earnings as a result of increased costs.

Estimated probability of risk occurring: low.

Estimated negative impact on profit if risk occurs: high.

Competitive market

The company is in an early phase and is dependent on retaining and gaining market shares for its platform from competing products. Several of the company's competitors have greater financial resources, marketing resources and research and development resources, which means that competition is fierce and the challenge for the company great. If the company fails to retain and gain market shares, the result could be adversely affected due to lower revenues. Competition can also contribute to lower prices and reduced demand for the company's platform and thus a reduced margin for the company. If these risks are realized, it could have a negative impact on the company's earnings.

Estimated probability of risk occurring: medium high.

Estimated negative impact on the company's operations, financial position and earnings if the risk occurs: medium high.

Processing of personal data

The company collects and processes personal data to a certain extent, for example in relation to employees and customers. When processing personal data, it is of great importance that the company's processing of personal data takes place in accordance with the applicable data protection legislation. For example, a requirement is made that the data subject is informed about the processing of personal data and that it takes place in a way that is not incompatible with the purpose that was in effect when the personal data was collected. If the company fails in its personal data processing or if the company is infringed or otherwise inadvertently violates applicable data protection legislation, the company risks, among other things, damages for the damage and violation that results from it.

There is a risk that the measures taken by the company to ensure compliance with the Data Protection Regulation (European Parliament and Council Regulation (EU) 2016/679) ("GDPR"), or other applicable data protection legislation, are insufficient, which can incur high costs for the company. There is also a risk that responsible regulators under GDPR will apply or interpret the requirements under GDPR differently, which can cause difficulties for the company to formulate principles regarding the processing of personal data, which in turn can result in higher costs and require more resources from company management. If the company does not process personal data in a manner that meets applicable requirements regarding the processing of personal data, including GDPR, it can have a negative impact on the company and its results through increased costs.

Estimated probability of risk occurring: low.

Estimated negative impact on the company's earnings if the risk occurs: medium.

Regulatory risks

The company will apply and comply with laws and regulations in a number of local markets, such as mobile operator-based payments, end-user data management, and the US Child Online Protection Act ("COPA"). Should the company violate any of these laws and regulations, it could have a negative impact on the company's operations (for example, by injunction from the authority) and earnings (through increased costs).

Estimated probability of risk occurring: low.

Estimated negative impact on the company's operations and results if the risk occurs: medium.

Dependent on key people

The company is dependent on a number of key people. If any of these key people were to leave the company, it would have a negative impact on platform development and the company's future development. In order for the company to develop, qualified personnel must be recruited. If qualified personnel leave the company and the company fails to recruit qualified staff, it can have a negative impact on the business.

Estimated probability of risk occurring: low.

Estimated negative impact on the company's operations if the risk occurs: medium high.

Risks related to customer payments

An important part of the company's operations is to manage payments in distributed games. This makes the company vulnerable to system errors, data breaches, computer viruses or the like and increases its dependence on functioning IT security. The handling of payments also increases the company's dependence on well-functioning compliance with applicable laws and regulations. If any of these risks are realized, it could adversely affect the company's earnings through increased costs.

Estimated probability of risk occurring: low.

Estimated negative impact on the company's earnings if the risk occurs: medium.

Risks related to open source

Incorrect use of so-called software

Open source licenses present a risk of limitations in the ability to commercialize solutions, a risk of the Company's exclusive right to software terminating, as well as a risk of the Company being required to provide source code to third parties. In the event that intellectual property obligations affect Adventure Box, this will have a negative impact on the company's operations and, as a result of lost revenue or increased costs, earnings.

Estimated probability of risk occurring: low.

Estimated negative impact on the company's operations and results if the risk occurs: medium.

Dependent on well-functioning IT systems

For the company to be able to conduct its operations, it depends on efficient and uninterrupted operations in various IT systems. If there were major breakdowns or other operational disruptions in the IT systems, it could affect the company's ability to conduct its operations, among other things in relation to distribution of its platform, game development, sales and invoicing. If these risks occur, it can have a negative impact on the company's operations and earnings.

The company runs the risk of being exposed to data breaches, virus spreading and other types of crime linked to IT operations. Such activities may adversely affect websites, cause system errors and outages, and damage equipment such as computers and the like of the company, its customers and end users. Such criminal activities, or the Company's inability to handle such activities, may incur costs and have a detrimental effect on the Company's reputation, which may have a negative impact on the Company's operations and earnings.

Estimated probability of risk occurring: low.

Estimated negative impact on the company's operations and results if the risk occurs: medium.

FINANCIAL RISKS

Future financing needs

The Company's Board of Directors and management continuously evaluate the future capital requirements and the financing options available. The company's assessment is that the current financing is sufficient to conduct the business to a planned extent over the next twelve months. Despite the company's current assessment of financing, there is a risk that in the future capital needs and financing risks will arise in the company. In the future, the company may need to seek additional financing alternatives, which entails a risk that such financing will be done on unfavorable terms for the company or not at all. If the company fails to secure financing alternatives on terms favorable to the company, or if financing is not at all available, it can have a negative impact on the company's earnings, through higher financing costs, and financial position.

Estimated probability of risk occurring: medium high.

Estimated negative impact on the company's earnings and financial position if the risk occurs: high

INCOME STATEMENT

in thousands (unless otherwise specified)	Note	16 months 1 Sept -31 Dec 2018/2019	12 months 1 Sept - 31 Aug 2017/2018
Adventure Box Technology AB			
<i>Operating revenues</i>			
Net sales	2	30	139
Capitalized development expenses		2,380	1,409
Other revenues	3	395	94
Total revenues		2,805	1,642
<i>Operating expenses</i>			
Other external expenses	4,5	-5,133	-399
Personell expenses	6,7,8	-7,150	-1,955
Depreciation and revaluations		-430	-2
Total operating expenses		-12,713	-2,356
Operating income		-9,908	-714
<i>Financial income and expenses</i>			
	9		
Loss from write-down of shares and receivables in subsidiaries		-63	0
Loss from sale of short-term placements		-6	-23
Write-down of short-term placements		0	-16
Interest expenses and similar items		-161	0
Financial net		-230	-39
Income before tax		-10,138	-753
Taxes	10	0	0
Net income		-10,138	-753
Referrable to the shareholders of the comapny		-10,138	-753
Average amount of shares, before and after dilution, 000's		5,172	1,076
The number of shares on closing date, 000's		9,142	1,108
Earnings per share, before and after dilution, SEK		-1,96	-0,70

BALANCE SHEET

in thousands (unless otherwise specified)	Note	31 Dec 2019	31 Aug 2018
Adventure Box Technology AB			
<i>Assets</i>			
<i>Non-current assets</i>			
Inangible assets			
Capitalized development expenses	11	24,956	19,043
Tangible assets			
Machinery & equipment	12	14	21
Financial assets			
Long-term financial investments	13	0	70
Shares in subsidiaries	14	0	13
Total non-current assets		24,970	19,147
<i>Current assets</i>			
Accounts receivables		0	45
Intercompany receivables		0	49
Other short-term receivables	15	412	3
Prepaid expenses	16	359	23
Cash and bank	17	10,706	245
Total current assets		11,477	365
TOTAL ASSETS		36,447	19,512
<i>Equity and liabilities</i>			
<i>Equity</i>			
<i>Restricted equity</i>			
Share capital		914	111
Fund for development expenses		14,985	8,904
Total restricted equity		15,899	9,015
<i>Non-restricted equity</i>			
Share premium		43,874	18,803
Retained earnings		-17,576	-10,742
This year's net income		-10,138	-753
Total non-restricted equity		16,160	7,308
Total equity		32,059	16,323
<i>Liabilities</i>			
<i>Long-term liabilities</i>			
Convertible debt	18	0	544
Debt to credit institutions		655	1,385
Total long-term debt		655	1,929
<i>Short-term liabilities</i>			
Short-term part och long-term debt to credit institutions		474	507
Trade payables		849	128
Other short-term liabilities	19	699	140
Accrued expenses and prepaid revenues	20	1,711	485
Total short-term liabilities		3,733	1,260
TOTAL EQUITY AND LIABILITIES		36,447	19,512

STATEMENT OF CASH-FLOW

in thousands (unless otherwise specified)	16 months 1 Sept -31 Dec 2018/2019	12 months 1 Sept - 31 Aug 2017/2018
Adventure Box Technology AB		
<i>CASH-FLOW FROM OPERATING ACTIVITIES</i>		
Operating income	-9,908	-714
Financial expenses	-230	-39
Depreciation	430	2
Other non-cash items	61	0
Cash flow from operating activities before change in working capital	-9,647	-751
Changes in working capital		
Increase (-)/decrease (+) in current assets	-699	
Increase (+)/decrease (-) in short-term liabilities	2,473	208
Cash flow from operating activities	-7,873	-543
<i>Investment activities</i>		
Repayment of deposit	70	0
Investments in intangible assets, net	-6,336	-4,146
Investments in tangible assets, net	0	-23
Cash flow from investing activities	-6,266	-4,169
Cash flow after net investment	-14,139	-4,712
<i>Financing activities</i>		
Repayments on loans	-1,274	-504
Contributed equity	25,874	5,446
Cash flow from financing activities	24,600	4,942
CASH FLOW FOR THE PERIOD	10,461	230
Liquid assets beginning of period	245	15
Liquid assets at end of period	10,706	245

STATEMENT OF CHANGES IN EQUITY

in thousands (unless otherwise specified)	Share capital	On-going share issue	Fund for development expenses	Other capital contributions	Retained earnings	This year´s net income	Total equity
Adventure Box Technology AB, 1 Sept 2017-31 Aug 2018							
Opening balance 2017-09-01	99	3,545	4,758	12,323	-5,814	-782	14,129
Income							
Appropriation of last year´s net income					-782	782	
Change of fund for development expenses			4,146		-4,146		
Net income for period						-753	-753
Total income			4,146	0	-4,928	29	-753
Transactions with shareholders							
Capital Injections	12	-3,545		6,548			3,015
Capital Injection costs				-68			-68
Total transactions with share- holders	12	-3,545	0	6,480	0	0	2,947
Closing balance 2018-08-31	111	0	8,904	18,803	-10,742	-753	16,323
Adventure Box Technology AB, 1 Sept 2018-31 Dec 2019							
Opening balance 2018-09-01	111	0	8,904	18,803	-10,742	-753	16,323
Income							
Appropriation of last year´s net income					-753	753	
Change of fund for development expenses			6,081		-6,081		
Net income for period						-10,138	-10,138
Total income	0	0	6,081	0	-6,834	-9,385	-10,138
Transactions with shareholders							
Value of warrants paid				135			135
Bonus share issue	518			-518			0
Capital Injections	285			25,488			25,773
Capital Injection costs	-			-34			-34
Total transactions with shareholders	803	0	0	25,071	0	0	25,874
Closing balance 2019-12-31	914	0	14,985	43,874	-17,576	-10,138	32,059

NOTES

NOTE 1 ACCOUNTING PRINCIPLES

This annual report has been prepared in accordance with the Swedish Annual Reports Act and the Swedish Financial Reporting Board's recommendation BFNR 2012:1 (K3).

In addition to what is stated below, the company's accounting principles and calculation bases for the report are unchanged compared with the most recent annual report for the financial year ending 2018-08-31, with the exception of changes in principles for capitalization of development expenses that are changed from januari 2019 with the effect that development expenses, including personell costs for employees working with development directly correlated with development are capitalized, indirect costs for development are capitalized in relation to the number of employees working with development in relation to the total number of employees in the company.

From December 2019 depreciation are carried out on capitalized development expenses of 20% on book value.

Accruals on marketing revenues from Google Ads are not made since they are hard to estimate. Marketing revenues are booked as revenues when payments from Google are received.

The annual report has been approved for publication by the board of directors and the chief executive officer on the 2nd of April 2020. The annual report of the company will be subject to approval by the shareholders annual meeting on the 13th of May 2020.

Valuation principles adopted on preparing the accounting reports

Assets and liabilities are valued at cost.

Net sales

All sales are reported at true value based on actual receipts or estimated receipts with deductions made for anticipated rebates or other price reductions as well as VAT.

Non-current assets

Fixed assets are valued at cost with deductions made for accumulated depreciations according to plan and potential write-offs. Depreciations are made over expected life cycle of each asset from the date of acquisition.

Depreciation principles

The following depreciation principles are adopted with different life expectancy:

- Capitalized development expenses, 5 years
- machinery and equipment, 5 years

Impairment test of intangible assets

Intangible assets with an indeterminable useful economic life are tested at least annually to assess impairment requirements.

If an indication of impairment exists the recoverable value of the asset is calculated. The recoverable value is calculated as the present value of anticipated future cash flows from the asset. If the recoverable value is lower than the book value of the asset a write-down is carried out down to the recoverable value. The write-down is accounted over the income statement.

Receivables

An assessment of bad debts are made each quarter. Bad debts are written off as soon as an evaluation is made as to whether the outstanding amount will not be paid.

Financial instruments

Financial instruments accounted for in the balance sheet comprise liquid assets, trade receivables och financial placements. Liabilities are made up of trade payables, other short-term liabilities related to taxes payable and loan debt.

Trade receivables

Trade receivables are recorded when invoices are sent to customers. Trade receivables are recorded at cost after any reduction for bad debts.

Liquid assets

Liquid assets are related to cash on bank accounts.

Trade payables

Payment terms of trade payables are short, and therefore amounts are stated at nominal value without any calculation of discounting of future expected amounts.

Equity

Transaction expenses in relation to any capital injection are accounted for net of tax directly over equity as a reduction to the capital injection amount.

Transactions with related parties

Remunerations to related parties short-term are described in note 8.

Taxes

Deferred tax related to loss-carry-forward is accounted for only in the instance when the probability is high to be able to utilize the loss-carry-forward in future to reduce any tax payments.

Important assessments

Business and market assessments are done on a regular basis. The assessments for accounting purposes based on future expectations will by definition seldom lead to the expected actual result. The assessments and assumptions made for accounting purposes that might lead to variations on accounting valuations are discussed below.

Impairment test of intangible assets

Intangible assets with an indeterminable useful economic life are tested at least annually to assess impairment requirements. If an indication of impairment exists the recoverable value of the asset is calculated. On calculating the recoverable value of the asset expected future cash flows are discounted to present value using a weighed average cost of capital (WACC) reflecting the market cost for risk free interest, risk, equity and external financing. The future anticipated cash flows are based on the next year's budget adopted by the board and a forecast for the following four years. The forecast, assessments and assumptions adopted by the board and management in evaluating if impairment is required can lead to great impacts on the income and financial position of the company. Impairment will occur whenever the recoverable value of the asset is lower than book value and any write-down will affect the income and financial position of the year. Per 31 Dec 2019 the value of these assets amounted to 25,0 MSEK.

NOTE 2 NET SALES

TSEK	2018/2019	2017/2018
Net sales is categorized by		
Advertising revenues	30	0
License fees	0	140
	30	140

NOTE 3 OTHER REVENUES

TSEK	2018/2019	2017/2018
Rental fees	97	94
Public contributions	289	0
Other operating revenues	9	0
	395	94

NOTE 4 AUDITOR'S REMUNERATION

TSEK	2018/2019	2017/2018
Grant Thornton Sweden AB		
Audit assignments	38	27
Other services	19	6
	57	33

NOTE 5 OPERATIONAL LEASING

TSEK	2018/2019	2017/2018
Leasingfees	360	247

Leasing agreements

Adventure Box Technology AB (publ) rents office premises and has a leasing agreement for a company car.

The rental agreement is valid from 2019 three years on with automatic prolongation if not terminated within nine months notice.

Rental fees for the fiscal 2018/19 (16 months) amounted to 357 TSEK

Forecasted rental fees for 2020-2022 amount to 552 TSEK.

The leasing agreement for the company car is valid for 36 months starting in September 2019 with guaranteed residual value.

NOTE 6 PERSONELL

TSEK	2018/2019	2017/2018
<i>Salaries and other remunerations</i>		
The board and CEO	1,631	949
Other employees	3,050	1,184
	4,681	2,133
<i>Social benefit costs</i>		
The board and CEO	521	298
Other employees	1,041	373
	1,562	671
<i>Pension costs</i>		
The board and CEO	35	0
Other employees	519	0
	554	0
<i>Average number of employees</i>		
Men	5	2
Women	1	0
	6	2
<i>Gender distribution of boardmembers</i>		
Men	5	5
Women	1	0
	6	5

NOTE 7 OPTION PROGRAMS**Incentive program**

There are three options programs in Adventure box Technology AB (publ) as incentives for boardmembers and key employees.

Program 1:2016: 47 340 warrants gives the holder the right to subscribe for one new share in the company at the latest on the 31st of May 2020 at strike price 9,40 SEK per share.

Program 2:2017: 110 110 warrants gives the holder the right to subscribe for one new share in the company at the latest on the 1st of October 2020 at strike price 20 SEK per share.

Program 3:2019: 286 500 warrants gives the holder the right to subscribe for one new share in the company at the latest on the 22nd of May 2020 at strike price 9,40 SEK per share.

Financing program**Warrants**

At an extraordinary shareholder´s meeting on the 9th of July 2019 the shareholders decided to issue 2 613 750 warrants. The holder of two warrants is entitled to subscribe for one share in the company from the 1st of November 2019 until the 30th September 2021. The strike price is 10 SEK from the 9th of September 2019 until the 31st of March 2020. The strike price is 16 SEK from the 1st of April 2020 until the 30th of September 2021. On full subscription the warrants will lead to a capital injection between 13 068 750 and 20 910 000 SEK through the emission of 1 308 875 new shares with an approximate dilution of 12,5% as effect.

NOTE 8 RELATED PARTY TRANSACTIONS

TSEK	2018/2019	2017/2018
Claes Kalborg, board member	400	0
Robert O´Leary Consulting, founder and one of the two major shareholders	1,306	1,782
	1,706	1,782

NOTE 9 FINANCIAL REVENUES AND EXPENSES

TSEK	2018/2019	2017/2018
Write-down of shares in subsidiary	-13	0
Write-down of intercompany receivables	-50	0
Exchange rate losses	-8	-9
Loss from sale of short-term placements	-6	-23
Interest expenses to credit institutions	-113	0
Interest expenses on convertible debt	-36	0
Other financial expenses	-4	-7
	-230	-39

The U.K. Based subsidiary Happy L-Lord Ltd i London was liquidated on the 29th of October 2019, which led to a write-down of the value of the shares of 13 TSEK as well as a write-down of intercompany receivables amounting to 50 TSEK.

NOTE 10 TAXES

TSEK	2018/2019	2017/2018
Taxes as shown in the income statement		
Current tax	0%	0%
Deferred tax	0%	0%
Applicable tax rate in Sweden	21.4%	22.0%

Difference between tax as shown in the income statement and tax based on the applicable tax rate.

	2018/2019	2017/2018
Income before tax	-10,138	-753
Tax according to applicabel tax rate	2,170	166
Non-deductible expenses	108	44
Tax effect on loss where tax carry-loss-forward is not considered	-2,278	-210
Accounted for effective tax cost	0	0
Carry-loss-forward		
Opening balance carry-loss-forward	-2,397	-1,688
this year´s carry-loss-forward	-10,030	-709
Closing balance carry-loss-forward	-12,427	-2,397

NOTE 11 CAPITALIZED DEVELOPMENT EXPENSES

TSEK	2019-12-31	2018-08-31
Opening balance at cost	19,043	14,897
This year's capitalization of development expenses	6,336	4,146
Closing balance at cost	25,379	19,043
Opening balance accumulated depreciation	0	0
This year's depreciation	423	0
Closing balance accumulated depreciation	423	0
Net book value	24,956	19,043

Of this year's capitalization totalling 6 336 TSEK, 2 380 TSEK is referable to personell expenses and 3 956 TSEK to other expenses. Depreciation on on-going development projects started from December 2019 with 20% on accumulated cost.

Capitalized development expenses with an indeterminable useful economic life are tested at least annually to assess impairment requirements. If an indication of impairment exists the recoverable value of capitalized development is calculated. On calculating the recoverable value of the asset expected future cash flows are discounted to present value using a weighed average cost of capital (WACC) reflecting the market cost for risk free interest, risk, equity and external financing. The future anticipated cash flows are based on the next year's budget adopted by the board and a forecast for the following four years. The budget is based on market growth, volumes of visitors to the web site, retention rates, market shares, exchange rates, prices, cost development, investment needs etc. Forecasts beyond the budgeted period are based on management's comprehensive assessment of long-term trends in turn based on business line trends, economic macro data, consumption patterns, volume growth, competition, cost development, investment needs, financing etc. Any calculation is based on external market assumptions, comparisons to the development of competitors, regulatory aspects and internal trend analyses. This combined with management's experience estimated forecasts and business plans form the basis for the assessments. The most significant assumptions made in this year's impairment test comprise volume growth, margins, organizational growth, marketing activities, investment needs and discounting factors (WACC).

WACC

The WACC (weighed average cost of capital) used amounts to 27,1% before tax. The WACC is based on market valuation of the average cost of capital taking into account the business risk environment of Adventure Box.

Other important considerations

Calculations are made with a forecast period of five years. The growth rate beyond the forecast period is estimated at 1%. The company has only one cash-generating unit.

Sensitivity analysis

Sensitivity analyses are carried out to analyze the effect of any parameter change with 10% as well a 10% change of WACC on the value of the intangible asset.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

TSEK	2019-12-31	2018-08-31
Opening balance at cost	25	0
This year's acquisitions of equipment at cost	0	25
Closing balance at cost	25	25
Opening balance accumulated depreciation	4	0
This year's depreciation	7	4
Closing balance accumulated depreciation	11	4

NOTE 13 LONG-TERM FINANCIAL INVESTMENTS

TSEK	2019-12-31	2018-08-31
Deposits to suppliers	0	70
	0	70

NOTE 14 SHARES IN SUBSIDIARIES

TSEK	2019-12-31	2018-08-31
Opening balance at cost	13	13
This year's write-down	-13	0
Closing balance at cost	0	13

Former subsidiary	org nr
Happy L-Lord Ltd, London	916433-7

Since the subsidiary in London was liquidated during the autumn of 2019 the value of the shares was written down to zero.

NOTE 15 OTHER SHORT-TERM RECEIVABLES

TSEK	2019-12-31	2018-08-31
Account for taxes with the Swedish tax authority	34	0
VAT receivable	370	0
Other current assets	8	3
	412	3

NOTE 16 PREPAID EXPENSES

TSEK	2019-12-31	2018-08-31
Prepaid rent	69	21
Prepaid insurance premiums	4	2
Other prepaid expenses	286	0
	359	23

NOTE 17 CASH AND BANK

TSEK	2019-12-31	2018-08-31
Liquid assets with Nordea bank	10,706	245
	10,706	245

NOTE 18 LONG-TERM LIABILITIES

TSEK	2019-12-31	2018-08-31
Convertible debt	0	544
Option debt	0	36
Debt Uppsala Innovation Center (UIC)	100	326
Debt ALMI Företagspartner	555	1,023
	655	1,929

Convertible debt per 2018-08-31 of 544 TSEK has been converted into equity during the year.

Last year's figure option debt of 36 TSEK has been restated into equity as the amount is referable to options premiums paid by holders of warrants.

The annual payments on the debt to UIC is 126 TSEK and the debt to ALMI is paid annually with 507 TSEK.

NOTE 19 SHORT-TERM LIABILITIES

TSEK	2019-12-31	2018-08-31
<i>Short-term part of long-term debt</i>		
Debt to UIC	150	150
Debt to Almi	324	357
	474	507
Trade payables	849	128

Trade payables are generally paid within 30 days.

	2019-12-31	2018-08-31
<i>Other short-term liabilities</i>		
Credit card payable	191	21
VAT liability	0	5
Withholding tax on salaries	291	43
Social benefits payable	194	42
Other short-term liabilities	23	29
	699	140

NOTE 20 ACCRUED EXPENSES AND DEFERRED INCOME

	2019-12-31	2018-08-31
<i>Accrued expenses and deferred income</i>		
Accrued salaries	0	91
Accrued vacation pay	399	130
Accrued social benefit expenses	125	41
Accrued salary tax on pension costs	135	0
Accrued interest expenses	0	51
Prepaid rental revenues	0	32
Other accrued expenses	1,052	140
	1,711	485

NOTE 21 PLEDGED ASSETS AND CONTINGENT LIABILITIES

TSEK	2019-12-31	2018-08-31
<i>Pledged assets</i>		
Almi Företagspartner, debt - Company mortgage	2,000	2,000



DEFINITIONS OF KEY RATIOS

EARNINGS PER SHARE

Net income divided by the average number of shares.

AVERAGE NUMBER OF SHARES

The average number of shares of the company has been calculated as the number of shares outstanding after each capital injection times the number of days the shares have been outstanding.

SOLVENCY RATIO

Equity in relation to the total assets of the company.

RETURN ON EQUITY

Net income in relation to the average equity of the company.

EQUITY PER SHARE

Equity divided by the number of outstanding share on the balance date.

CASH-FLOW FROM OPERATIONS PER SHARE

Cash-flow from operations divided by the average number of shares.

CASH-FLOW PER SHARE

Cash flow for the period divided by the average number of shares.

ASSURANCE OF THE BOARD OF DIRECTORS AND SIGNATURES



The board of directors and chief executive officer certify that the financial statements and annual report have been prepared in accordance with Swedish accounting principles and according to the Swedish Annual Report Act and general accounting principles as prescribed by BFNAR 2012:1 (K3). The annual report gives a true and fair view of the financial position and income of the company. The Directors report provides a true and fair view of the development of the company and its operations, financial position and income as well as gives a true and fair view of significant risks and uncertainties faced by the company.

The annual report has been approved for publication by the board of directors and the chief executive officer on the 2nd of April 2020. The annual report of the company will be subject to approval by the shareholders annual meeting on the 13th of May 2020.

Stockholm 2020-04-02

Peter Lönnqvist
Chairman of the board

Christopher Kingdon
Chief Executive Officer

Lorang Wolmar Anders Andreassen
Board member

Staffan Eklöv
Board member

Claes Kalborg
Board member

Christine Rankin
Board member

My auditor´s report has been given 2020-04-02.

Mattias Kjellman
Auktoriserad revisor

AUDIT REPORT

To the AGM of Adventure Box Technology AB (publ)
Org.nr. 556963-6599

REPORT ON THE ANNUAL REPORT

Statements

I have performed an audit of the Annual Report of Adventure Box Technology AB (publ) for the financial year 2018-09-01 - 2019-12-31. The company's annual report is included on pages 22-36 in this document.

In my opinion, the annual report has been prepared in accordance with the Swedish Annual Accounts Act and provides, in all material respects, a true and fair view of Adventure Box Technology AB's financial position as of December 31, 2019 and of its financial results and cash flow for the year according to the Annual Accounts Act. The Directors' Report is consistent with the other parts of the Annual Report.

I therefore recommend that the Annual General Meeting adopt the income statement and the balance sheet.

Basis for statements

I conducted the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My responsibility under these standards is described in more detail in the section "Accountant's responsibility". I am independent in relation to Adventure Box Technology AB (publ) in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled my professional ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate as a basis for my statements.

Information other than the annual report

The other information is the responsibility of the Board of Directors and the Managing Director. The other information is found on pages 1-21 and 39 in the above mentioned documents.

My statement regarding the annual report does not include this information and I make no statement of confirmation regarding this other information.

In connection with my audit of the annual report it is my responsibility to read the information identified above and to consider whether information is in fact incompatible with the annual report. In this review I also consider the information I have obtained during the audit and assess whether this other information appears to contain material errors.

If, based on the review of this information, I conclude that this other information contains any significant inaccuracy, I am obliged to report this. I have nothing to report in this regard.

Responsibilities of the Board of Directors and the CEO

It is the Board of Directors and the CEO who are responsible for the preparation of the annual report and that it provides a true

and fair view in accordance with the Swedish Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for the internal control that they deem necessary to prepare an annual report which does not contain any material errors, whether due to irregularities or mistakes.

In preparing the annual report, the Board and the Managing Director are responsible for assessing the company's ability to continue operations. They provide information, where applicable, on conditions that may affect the ability to continue operations and to use the assumption of continued operations. However, the assumption of continued operations is not applied if the Board of Directors and the CEO intend to liquidate the company, cease operations or have no realistic alternative to doing any of this.

Auditor's responsibility

My goals are to obtain a reasonable degree of certainty as to whether the annual report as a whole contains no material errors, whether due to irregularities or mistakes, and to submit an audit report containing my statements. Reasonable security is a high degree of security but is no guarantee that an audit performed in accordance with ISA and good auditing practice in Sweden will always detect a material misstatement if one exists. Errors can occur due to irregularities or mistakes and are considered to be material if they individually or together can reasonably be expected to influence the financial decisions that users make on the basis of the annual report.

As part of an audit according to ISA, I use professional judgment and have a professionally skeptical attitude throughout the audit. Also:

- I identify and assess the risks of material misstatement in the annual report, whether due to irregularities or mistakes, design and perform audit procedures, among other things based on these risks, and obtain audit evidence that is sufficient and appropriate to form the basis for my statements. The risk of not detecting a material inaccuracy as a result of irregularities is higher than that of a material inaccuracy due to errors, since irregularities may include acts of mascopy, falsification, intentional omissions, misinformation or breach of internal control.
- I gain an understanding of the part of the company's internal control that is relevant to my audit to formulate audit measures that are appropriate to the circumstances, but not to express my opinion on the effectiveness of internal control.
- I evaluate the appropriateness of the accounting principles used and the reasonableness of the estimates of the Board of Directors and the CEO in the accounting and related information.
- I conclude on the appropriateness of the Board of Directors and the CEO using the assumption of continued operations in the preparation of the annual report. I also conclude, based on the

audit evidence obtained, whether there is any significant uncertainty factor relating to such events or circumstances that may cause significant doubts about the Company's ability to continue operations. If I conclude that there is a material uncertainty factor, I must draw attention to the disclosures in the annual report on the material uncertainty factor or, if such disclosures are insufficient, modify the statement on the annual report. My conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may prevent a company from continuing operations.

- I evaluate the overall presentation, structure and content of the annual report, including the disclosures, and whether the annual report reproduces the underlying transactions and events in a way that gives a true and fair view.

I must inform the Board of Directors about, among other things, the planned scope and focus of the audit and the timing of it. I also need to inform you of significant observations during the audit, including any significant deficiencies in the internal control that I identified.

REPORT ON OTHER REQUIREMENTS IN ACCORDANCE WITH LAWS AND REGULATIONS

Statements

In addition to my audit of the annual report, I have also conducted an audit of the Board of Directors and the Managing Director's management of Adventure Box Technology AB (publ) for the financial year 2018-09-01 - 2019-12-31 and of the proposal for dispositions regarding the company's profit or loss.

I recommend that the Annual General Meeting allocate the profits in accordance with the proposal in the Board of Directors' report and grant discharge to the members of the Board of Directors and the Managing Director from liability for the financial year.

Basis for statements

I have performed the audit in accordance with generally accepted auditing standards in Sweden. My responsibility according to this is described in more detail in the section "Accountant's responsibility". I am independent in relation to Adventure Box Technology AB (publ) in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled my professional ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate as a basis for my statements.

Responsibilities of the Board of Directors and the CEO

It is the Board of Directors who is responsible for the proposal for allocations regarding the company's profit or loss. In the case of a proposal for a dividend, this includes, among other things, an assessment of whether the dividend is justifiable in view of the requirements that the company's type of business, scope and risks place on the size of the company's equity, consolidation needs, liquidity and position in general.

The Board is responsible for the company's organization and the management of the company's affairs. This includes, among other things, continuously assessing the company's financial situation and ensuring that the company's organization is designed so

that accounting, funds management and the company's financial affairs are otherwise controlled in a satisfactory manner. The CEO shall manage the day-to-day management in accordance with the guidelines and instructions of the Board of Directors and, among other things, take the necessary measures to ensure that the company's accounting is complied with in accordance with law and that the management of funds is carried out in a satisfactory manner.

Auditor's responsibility

My goal regarding the audit of the administration, and thus my statement on discharge, is to obtain audit evidence in order to be able to assess, with a reasonable degree of certainty, whether any member of the board or the CEO in any material respect:

- undertook any action or committed any negligence that could cause liability to the company; or
- acted in any other way in violation of the Companies Act, the Annual Accounts Act or the Articles of Association.

My goal regarding the revision of the proposal for dispositions of the company's profit or loss, and thus my statement on this, is to judge with reasonable degree of certainty whether the proposal is compatible with the Companies Act.

Reasonable assurance is a high degree of assurance, but no guarantee that an audit performed in accordance with generally accepted auditing standards in Sweden will always detect measures or omissions that may cause liability to the company, or that a proposal for dispositions of the company's profit or loss is not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, I use professional judgment and have a professionally skeptical attitude throughout the audit. The audit of the management and the proposal for dispositions of the company's profit or loss is based mainly on the audit of the accounts. The additional review measures that are performed are based on my professional judgment based on risk and materiality. This means that I focus the audit on measures, areas and conditions that are essential to the business and where deviations and violations would have a special impact on the company's situation. I review and make decisions, decisions, decisions and other matters that are relevant to my discharge statement. As a basis for my statement on the Board's proposal for allocations regarding the company's profit or loss, I have examined whether the proposal is compatible with the Swedish Companies Act.

STOCKHOLM April 2, 2020

Mattias Kjellman

Chartered Accountant



ANNUAL SHAREHOLDER´S MEETING

The Annual General Meeting will take place on Wednesday, May 13 at 4 pm at Law Firm Törngren Magnell, Västra Trädgårdsgatan 8, Stockholm.

More information about participation and registration will be available in the notice of the AGM and on the website corp.adventurebox.com.



CONTACT

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CEO

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Adventure Box

- TECHNOLOGY -

Adventure Box makes it easy, and fun to create, share and play 3D games online. The company's world-leading streaming technology is patented. Adventure Box was founded in Stockholm 2014 and has staff in Kerala in India, Malta, Paris, Seville and Stockholm. Adventure Box is traded on Nasdaq First North Growth Market under the short name ADVBOX and ISIN code SE0012955276.

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