



G5 ENTERTAINMENT AB

Year-end report 2014

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October-December 2014

- Consolidated revenue for the period is 57 718 (28 718) kSEK, an increase of 101% compared to the same period 2013.
- Operating result for the period is 2 352 (-20 518) kSEK. Excluding write-downs and re-listing expenses the operating result was 2 928 kSEK.
- Net result for the period is 3 255 (-19 299) kSEK.
- Earnings per share for the period before and after dilution is 0.37 (-2.19) SEK.
- Cash flow before financing activities during the period is -260 (-6 650) kSEK.

January-December 2014

- Consolidated revenue for the year is 182 116 (100 007) kSEK, an increase of 82% compared to 2013.
- Operating result for the year is 9 015 (-11 826) kSEK. Excluding write-downs and re-listing expenses the operating result is 13 812 kSEK.
- Net result for the year is 6 814 (-11 664) kSEK.
- Earnings per share for the year before and after dilution is 0.77 (-1.34) SEK.
- Cash flow before financing activities during the year is 5 090 (-20 343) kSEK. This includes fees of 2 354 kSEK to advisors in connection with the listing on Nasdaq Stockholm.
- The result for the year is affected by write-downs of capitalized development costs and advances to external developers in the amount of 2 443 kSEK.
- On June 10, the shares of G5 Entertainment AB (short name: G5EN) started trading on the main market of Nasdaq Stockholm.
- The Board of Directors will propose to the Annual General Meeting that no dividend is paid for 2014.

Important events during the fourth quarter

- G5 has during the quarter shown substantial and profitable growth, and generated record monthly and quarterly revenue.
- Revenue from free-to-play games grew 164% compared to 13Q4, and accounted for 84% of total revenue in 14Q4 (64% in 13Q4).



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- The accumulated number of downloads of the group's games (not counting updates) surpassed 190 million.
- The group continued working on improving free-to-play games in its portfolio and working on new free-to-play games.
- On December 19, 2014, the company held an extra-ordinary general meeting that decided to issue a maximum of 176 000 warrants to managers and senior executives of the G5 group, in accordance with the previously decided warrant program.

Important events after the end of the period

- Two recently released games, both G5's intellectual property, *Survivors: The Quest* and *Mahjong Journey*, have been received well by the market.
- Martin Bauer has resigned from the Board of Directors.
- Beginning with the reporting period January-March 2015, G5 Entertainment AB will start reporting revenues and costs in a functional income statement format. Operational costs will be classified as Cost of revenue, Research & development, Sales & marketing, and General & administrative costs.
- Simultaneously, G5 Entertainment AB will begin reporting revenues including commission to distributors. This will increase reported revenues by approximately 40% as compared to the present revenue recognition method.
- As the company currently undergoes a phase of fast top-line growth, exceeding the pace of the market expansion, the Board believes the management should focus on maintaining fast organic growth. The Board has therefore decided not to provide any financial targets with regard to the company's future profitability at this stage.
- The Group's CFO, Odd Bolin, has decided to resign from G5, in order take up a new position. The recruitment of a replacement has started, and in the mean time Odd Bolin will continue to perform his duties.
- After the extra-ordinary general meeting on December 19, 2014, the Board of G5 decided to allocate a total of 157 500 warrants to existing employees, keeping 18 500 warrants for potential new recruitments, etc. These 157 500 warrants have been fully subscribed.
- The group's office in Kharkov continues business as usual. It is the group's policy to keep critical code and materials backed up outside Ukraine, keep intellectual property rights in EU entities, and transfer funds to subsidiaries on as-needed basis.

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About G5 Entertainment AB (publ)

G5 Entertainment AB is a developer and publisher of high quality downloadable games for iOS, Android, Kindle Fire, Mac, and Windows devices. G5 develops and publishes games that are family-friendly, easy to learn, and targeted at the widest audience of experienced and novice players. G5's portfolio includes a number of popular games like Survivors: The Quest, Mahjong Journey, The Secret Society, Virtual City, Special Enquiry Detail, Supermarket Mania, and others. G5 Entertainment AB is listed on Nasdaq Stockholm since 2014.