



G5 ENTERTAINMENT AB

INTERIM REPORT

JANUARY - MARCH 2016

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JANUARY–MARCH

- Consolidated revenue for the period was SEK 101.2 M (97.6), an increase of 4 per cent compared to the same period in 2015. During the quarter the company has started a process of recovering withholding tax in Japan, this has impacted revenue positively with SEK 1.6 M (0)
- EBIT for the period was SEK 8.9 M (4.5), an increase of 98 per cent compared to the same period in 2015. EBIT was affected by write-downs of SEK 2.2 M (0.0), EBIT adjusted for write-downs amounted to SEK 11.2 M (4.5)
- Net result for the period was SEK 6.7 M (2.1)
- Earnings per share for the period before and after dilution was SEK 0.76 (0.24)
- Cash flow before financing activities during the period was SEK 3.5 M (5.0)
- For the free-to-play games the average Monthly Active Users (MAU) was 3.1 million, an increase of 11 per cent compared to the same period in 2015. Average Monthly Unique Payers (MUP) was 109.0 thousands, an increase of 6 per cent and average Monthly Average Gross Revenue Per Paying User (MAGRPPU) was USD 32.6, an increase of 3 per cent compared to the same period in 2015
- Revenue from free-to-play games grew by 7 per cent compared to the same period in 2015 and accounted for 92 per cent (88) of the total revenue

FINANCIAL KEY RATIOS

KSEK	Jan-Mar 2016	Jan-Mar 2015	Change %	Apr-Mar -15/-16	2015	Change %
Revenue	101,245	97,551	4%	388,062	384,369	1%
Commission to distributors ¹	-30,135	-28,626	5%	-116,979	-115,469	1%
Royalty to external developers ²	-20,224	-22,211	-9%	-83,638	-85,625	-2%
Gross profit	50,885	46,714	9%	187,445	183,274	2%
Gross margin	50%	48%		48%	48%	
Operating costs excluding costs for user acquisition	-22,156	-21,423	3%	-89,650	-88,917	1%
EBIT excluding costs for user acquisition	28,940	25,291	14%	97,796	94,358	4%
EBIT margin before costs for user acquisition	29%	26%		25%	25%	
Costs for User acquisition ³	-19,785	-20,765	-5%	-73,590	-74,570	-1%
EBIT	8,944	4,526	98%	24,205	19,788	22%
EBIT-margin (%)	9%	5%		6%	5%	
Earnings per share	0.76	0.24	211%	2.26	1.74	29%
Cash Flow before financing activities	3,463	4,950		-798	689	
Cash and cash equivalents	37,103	38,325		37,103	33,870	

¹Variable costs paid to distributors (Apple App Store, Google Play, Amazon Appstore etc.), which is almost exclusively 30 per cent of the revenue.

²Royalties to external developers are costs to third party developers when there is a contractual obligation to pay royalty.

³User acquisition is a marketing cost for acquiring new users. The costs are fully variable and spent on short term campaigns that can be stopped at a very short notice.

COMMENT FROM THE CEO:

CONSISTENT GROWTH IN EARNINGS



G5 DELIVERS HIGHER EARNINGS

G5 delivered higher earnings in yet another quarter. We have almost doubled EBIT and EBIT margin compared to the first quarter last year, despite some write-downs we had to make. Earnings in the quarter were affected by write-downs connected to a few older unlockable games, an experimental F2P game that did not live up to expectations, and some older internally developed F2P games that also did not perform as expected.

Our free-to-play games revenue stream continued to grow. The slower growth in the quarter was due to under-performance in two specific areas. As expected, legacy unlockable games lost revenue year-on-year. And while F2P games had very healthy growth on Apple App Store and Google Play, revenue declined on Amazon Appstore. We are actively working to turn the situation around on Amazon Appstore, which we believe has a lot of potential. The revenue from the platform is now stabilized on the new lower level, and the team is focused on getting it growing again.

PLATFORM FOR CONTINUED GROWTH

We have now achieved the scale we have set out to achieve when, in early 2013, we first decided to focus on free-to-play games. The company now has much larger revenues, it is profitable and is cash flow positive even after spending substantial amounts on marketing, paying for ongoing development of active games, and financing

the development of new games to be released in the future. Our vision for G5 today remains that of a sustainable platform that publishes, operates, and maximizes profits from a portfolio of free-to-play games, while at the same time actively developing new free-to-play games to grow that portfolio and trying to score a "hit".

It may take several attempts to create any single "hit" game. Our most successful competitors produce many games but only a few of them end up being released. The rest are "killed" during the development or on early release stages. We are using the same approach, placing multiple bets, but unlike our competitors and because of our smaller size, cost advantages, and lower break-even points, we release all games we develop. We then like to give them a bit more time before we give up on them. It is our belief that, while a few of the new games might not meet the expectations (and we will have to take a write-down on such games, as happened this quarter), most of them will nonetheless become profitable over time. Some will, more importantly, become outstanding moneymakers for the company, exceeding the sales of our current best sellers, and one or two may then go on to become "hits". With our approach, however, we believe that we will stay profitable throughout and continue to grow regardless.

FOCUS ON EARNINGS AND GROWTH CONTINUES

With several newly released wholly-owned games, and more new games coming to the market in 2016, the team at G5 has plenty of work. The work is ongoing on our newly released games in order to achieve their full potential and on our upcoming games in order to bring them to the market. Management remains focused on profitability and growth, with the goal to continue increasing the top-line and provide gradual improvement of earnings year-on-year and, ideally, quarter-to-quarter.

Stockholm, May 8, 2016

Vlad Suglobov,
CEO, co-founder

JANUARY-MARCH

REVENUE AND GROSS PROFIT

Revenue amounted to SEK 101.2 M (97.6). Revenue grew by 4 per cent compared to the same period in 2015. The first quarter was positively impacted by the recovery of withheld tax in Japan, attributed to revenue withheld in previous periods, of SEK 1.6 M. The company expects that the funds will be recovered within the coming 6 month period. The growth for free-to-play games was 7 per cent. The portfolio of unlockable games is still giving a contribution to the group but its absolute and relative size is shrinking.

Cost of revenue decreased by 1 per cent to SEK 50.4 M (50.8). Cost of revenue consists of commission to the distributors (Apple App Store, Google Play, Amazon App-store, etc.). All relevant parties charge up to 30 per cent of gross revenue. Cost of revenue also includes royalties payable to external developers which decreased with 9 per cent compared to 2015.

Gross margin for the period was 50 per cent (48). Gross profit for the quarter increased by 9 per cent and was SEK 50.9 M (46.7). Gross profit was positively impacted with SEK 1.6 M related to the withholding tax described above. Excluding withholding tax, gross profit increased 5.5 per cent and gross margin was 49 per cent.

OPERATIONAL COSTS

Costs for research & development were SEK 12.9 M (8.3) during the period. The increase in costs for research and development is driven by higher amortization and write-downs. Excluding amortization and write-downs the costs decreased by 4 per cent.

Sales and marketing decreased to SEK 21.8 M (22.9). Sales and marketing is primarily affected by the costs for user acquisition. During the quarter the cost for user acquisition was SEK 19.8 M (20.8). Cost for user acquisition as a percentage of sales decreased from 21 per cent in 2015 to 20 per cent in 2016. Sales and marketing, excluding user acquisition, decreased to SEK 2.0 M (2.2).

General and administrative costs amounted to SEK 6.8 M (8.3). Other operating income amounted to SEK 0.7 M (0.1) and other operating expenses amounted to SEK -1.1 M (-2.7). Together they amounted to SEK -0.4 M (-2.6), primarily driven by currency effects on operational assets and liabilities.

EBIT

Depreciation and amortization have increased significantly mainly due to the increased size of the game portfolio and amounted to SEK 7.9 M (5.4). Write-downs during the quarter amounted to SEK 2.2 M (0.0).

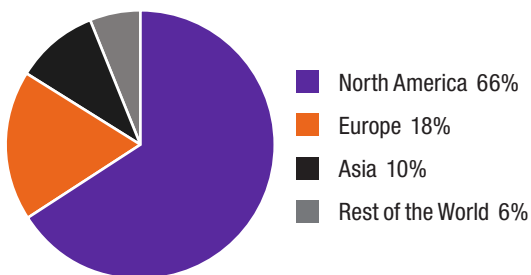
Earnings before interest and taxes (EBIT) were SEK 8.9 M (4.5), corresponding to an EBIT-margin of 9 per cent (5).

NET PROFIT

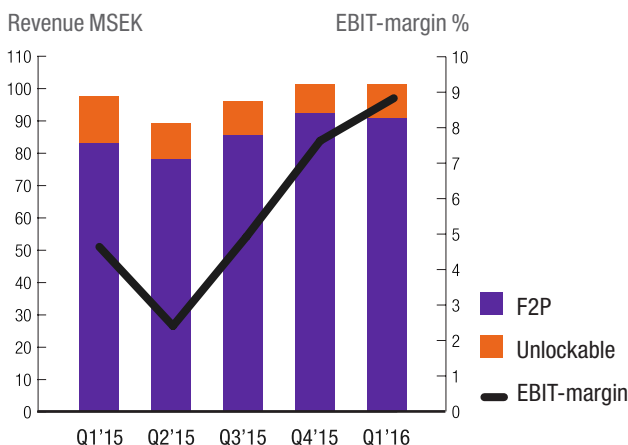
Net profit was marginally affected by financial items. Tax affected the result with SEK -2.2 M (-2.3).

Net profit amounted to SEK 6.7 M (2.1) which is corresponding to earnings per share of SEK 0.76 (0.24).

**REVENUE BREAKDOWN BY GEOGRAPHY
CURRENT QUARTER**



**REVENUE BREAKDOWN BY GAME TYPE |
EBIT-MARGIN**



OPERATIONAL METRICS

In the quarter the average Monthly Active Users (MAU) increased by 11 per cent compared to the same period last year.

Average Monthly Unique Payers (MUP) increased by 6 per cent compared to the same period last year and their average monthly spend, Monthly Average Gross Revenue Per Paying User (MAGRPPU) increased by 3 per cent.

F2P	Q1 '16	Q1 '15	CHANGE
Average MAU (mn)	3.1	2.8	11%
Average MUP (thousands)	109.0	102.5	6%
Average MAGRPPU (USD)	32.6	31.5	3%

For detailed definitions of the operational metrics see the glossary on page 13 of the report.

CASH FLOW

During the quarter, the group had an operating cash flow before changes in working capital of SEK 15.1 M (11.1). Changes in working capital impacted the cash flow positively with SEK 1.3 M (4.8). Capitalized development expenses impacted the cash flow negatively with SEK -12.2 M (-9.9).

Cash flow for the first quarter amounted to SEK 3.5 M (5.0).

Available cash on March 31, 2016 amounted to SEK 37.1 M (38.3).

FINANCIAL POSITION

The company's publishing strategy is based on having a certain number of different games in the portfolio, in order to maximize potential and reduce risk. Some of these games become very successful and profitable, while a few other games may fail in the market. Capitalized development expenses for unsuccessful games will then have to be written down. Over time, the company expects such write-downs to be more than compensated for by the revenue and profits produced by very successful games in the portfolio.

Capitalized development expenses amounted to SEK 93.9 M (84.0) of which SEK 88.3 M (69.6) is related to free-to-play games and SEK 5.6 M (14.4) is related to Unlockable games. The company separates released and not released games where not released games include games that have been active in the app stores for less than 6 months as this initial period is needed for optimization of the game. During the initial 6 month period after launch the company does not amortize the games.

MSEK	MAR 31, 2016	MAR 31, 2015
Released games F2P	46.6	25.4
Released games Unlockable	3.6	7.7
Not released games F2P	41.7	44.0
Not released games Unlockable	2.0	6.5
Net value of games portfolio	93.9	83.7

Impairment need in the portfolio is tested on a quarterly basis. A thorough review of the input parameters is done on a yearly basis. During the quarter, write-downs of the portfolio was made with SEK 2.2 M (0.0). SEK 1.3 M was related to released free-to-play games that didn't defend its full book value. Unreleased free-to-play games was written down with SEK 0.7 M, the write-down was done on an experimental game that was launched and hasn't met the performance criteria. For the unlockable games a few older released games were written down with SEK 0.2 M.

Consolidated equity amounted to SEK 127.4 M (112.7), which equals SEK 14.5 per share (12.8) and the equity/asset ratio is 70 per cent (66).

Cash on hand amounted to SEK 37.1 M (38.3).

The group has no interest bearing debt.

PARENT COMPANY

The parent company revenue increased in line with the group. The parent company is the counterpart for almost all revenue from the application stores where G5 sells its products. The costs consist mainly of payments to one of the subsidiaries in Malta, that holds the rights for the games in the portfolio. Over time, the transactions should generate a surplus for the parent company, but during shorter periods some imbalances may occur.

As for the group, the financial position of the parent company is solid.

OTHER DISCLOSURES

PARENT COMPANY ACCOUNTING PRINCIPLES

Changes in RFR 2, with effect from the financial year 2016, impacts the financial statements and the comparative period for the parent company. Translation differences which are attributable to receivables from subsidiaries, which are not scheduled to be settled in the foreseeable future are recognized in the income statement from January 1, 2016. These translation differences have so far been recognized in other comprehensive income / fair value reserves. The change is implemented with retroactive effect, which means that the translation effect arising during the financial year 2015, 3,099 KSEK, will be transferred from fair value reserve to the income statement and the accumulated effect as of January 1, 2015, 8,420 KSEK, will be transferred from fair value reserve to retained earnings. The change does not affect the consolidated financial report where the effect will continue to be recognized through other comprehensive income to other reserves in equity.

OUTLOOK

G5 Entertainment does not publish forecasts.

RISK ASSESSMENT

G5 Entertainment is, like all companies, exposed to various kinds of risks in its operations. Among the most notable are risks related to the dependency on certain strategic partners, delays in the release of new games, currency exchange risks, changes in technology, dependency on key employees, and tax as well as political risks due to the multinational nature of the group's operations. Risk management is an integral part of G5 Entertainment's management. The risks are described in greater detail in the 2015 annual report.

The risks described for the group can also have an indirect effect on the parent company.

RELATED-PARTY TRANSACTIONS

During the period no significant related-party transactions have taken place.

UPCOMING REPORT DATES

Interim report Jan-Jun 2016	July 27, 2016
Interim report Jan-Sep 2016	November 3, 2016
Year-End report 2016	February 23, 2017

ANNUAL GENERAL MEETING 2016

The annual general meeting 2016 will be held on Thursday May 19, 2016 at 7A Conference Centre, Strandvägen 7, Stockholm.

FORWARD-LOOKING STATEMENTS

This report may contain statements concerning, among other things, G5 Entertainment's financial position and performance as well as statements on market conditions that may be forward-looking. G5 Entertainment believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions. However, forward-looking statements involve inherent risks and uncertainties and actual results or outcomes may differ materially from those expressed. Forward-looking statements relate only to the date they were made and, other than as required by applicable law, G5 Entertainment undertakes no obligation to update any of them in light of new information or future events.

INQUIRIES

Vlad Suglovov, CEO	investor@g5e.com
Stefan Wikstrand, CFO	+46 76 0011115

ASSURANCE

The Board of Directors and the CEO declare that the interim report provides a true and fair overview of the Parent Company's and the Group's operations, financial position and results of operations as well as describing the material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm May 8, 2016

Petter Nylander
Chairman of the Board

Annika Andersson
Board member

Jeffrey Rose
Board member

Vlad Suglobov
CEO & Board member

Pär Sundberg
Board member

Note: G5 Entertainment AB (publ) is required to make the information in this interim report public in compliance with the Swedish Securities Market Act. The information was submitted for publication on May 9, 2016 at 08.35.

This interim report has not been subject to review by the company's auditors.

This report is published in Swedish and English. In the event of any difference between the English version and the Swedish original, the Swedish version shall prevail.

INCOME STATEMENT - GROUP

KSEK	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar -15/-16	2015
Net turnover	101,245	97,551	388,062	384,369
Cost of revenue	-50,359	-50,837	-200,616	-201,094
Gross profit	50,885	46,714	187,445	183,274
Research & Development expenses	-12,941	-8,327	-54,454	-49,840
Sales & Marketing expenses	-21,783	-22,946	-81,574	-82,737
General and Administrative expenses	-6,781	-8,299	-26,595	-28,113
Other operating income	667	1,306	1,910	2,549
Other operating expenses	-1,102	-3,921	-2,527	-5,346
Operating result	8,944	4,526	24,205	19,788
Financial income	2	2	38	38
Financial expenses	-51	-47	-52	-48
Operating result after financial items	8,895	4,481	24,191	19,778
Taxes (Note 3)	-2,236	-2,339	-4,345	-4,448
Net result for the period	6,659	2,142	19,847	15,330
Attributed to:				
Parent company's shareholders	6,659	2,142	19,847	15,330
Non-controlling interest	-	-	-	-
Earnings per share				
Weighted average number of shares (thousands)	8,800	8,800	8,800	8,800
Earnings per share (SEK), before and after dilution	0.76	0.24	2.26	1.74

STATEMENT OF COMPREHENSIVE INCOME - GROUP

KSEK	Jan-Mar 2015	Jan-Mar 2014	Apr-Mar -15/-16	2015
Net result for the period	6,659	2,142	19,847	15,330
Items that later can be reversed in profit				
Foreign currency translation differences	-2,622	6,173	-5,309	3,486
Total other comprehensive income for the period	-2,622	6,173	-5,309	3,486
Total comprehensive income for the period	4,037	8,315	14,538	18,816
Attributed to:				
Parent company's shareholders	4,037	8,315	14,538	18,816
Non-controlling interest	-	-	-	-

BALANCE SHEET - GROUP

KSEK	Mar 31, 2016	Mar 31, 2015	Dec 31, 2015
Fixed assets			
Intangible fixed assets			
Capitalized development expenses (Note 2)	93,898	84,015	94,269
Goodwill	2,290	2,294	2,293
	96,188	86,308	96,562
Tangible fixed assets			
Equipment	4,776	3,264	4,634
	4,776	3,264	4,634
Deferred tax receivable (Note 3)	3,711	2,527	2,310
Total non-current assets	104,675	92,099	103,506
Current assets (Note 4, 6)			
Accounts receivable	8,802	8,620	9,881
Tax receivable	1,570	82	175
Other receivables	3,825	8,326	3,952
Prepaid expenses and accrued income	26,409	23,914	25,197
Cash and cash equivalents	37,103	38,325	33,870
Total current assets	77,709	79,267	73,075
TOTAL ASSETS	182,384	171,366	176,581
Equity	127,382	112,674	123,345
Current liabilities (Note 6)			
Accounts payable	22,184	17,476	12,320
Other liabilities	2,023	5,497	1,226
Tax liabilities	9,153	6,427	6,438
Accrued expenses	21,641	29,294	33,253
Total current liabilities	55,002	58,693	53,237
TOTAL EQUITY AND LIABILITIES	182,384	171,367	176,581

STATEMENT OF CHANGES IN SHAREHOLDER EQUITY - GROUP

KSEK	Share capital	Other capital contribution	Other reserves	Profit/ loss brought forward	Share- holders' equity
Shareholders' equity as of 2015-01-01	880	54,032	8,575	40,872	104,359
Net result for the period				2,142	2,142
Total other comprehensive income			6,173		6,173
Total comprehensive income for the period			6,173	2,142	8,315
Shareholders' equity as of 2015-03-31	880	54,032	14,748	43,014	112,674
Shareholders' equity as of 2016-01-01	880	54,203	12,060	56,202	123,345
Net result for the period				6,659	6,659
Total other comprehensive income			-2,622		-2,622
Total comprehensive income for the period			-2,622	6,659	4,037
Shareholders' equity as of 2016-03-31	880	54,203	9,438	62,861	127,382

CASH FLOW STATEMENT - GROUP

KSEK	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar -15/-16	2015
Cash flow from operating activities				
Profit after financial items	8,895	4,481	24,192	19,778
Adjusting items not included in cash flow	7,932	6,711	39,931	38,710
	16,827	11,192	64,123	58,488
Taxes paid	-1,680	-118	-3,835	-2,273
Cash flow before changes in working capital	15,147	11,074	60,288	56,215
Cash flow from changes in working capital				
Change in operating receivables	1,032	-3,794	-1,238	-6,064
Change in operating liabilities	257	8,608	-3,724	4,627
Cash flow from operating activities	16,436	15,888	55,326	54,778
Investing activities				
Investment in fixed assets	-784	-1,058	-3,579	-3,854
Capitalized development costs	-12,189	-9,880	-52,544	-50,235
Cash flow from investing activities	-12,973	-10,938	-56,123	-54,089
Financing activities				
Premium for issued warrants	-	-	171	171
Cash flow from financing activities	-	-	171	171
CASH FLOW	3,463	4,950	-627	860
Cash at the beginning of the period	33,870	32,864	38,325	32,864
Cash flow	3,463	4,950	-627	860
Exchange rate differences	-230	511	-595	146
CASH AT THE END OF THE PERIOD	37,103	38,325	37,103	33,870

NOTE 1 – ACCOUNTING PRINCIPLES

G5 Entertainment's consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS). This report was prepared for the group in accordance with the IAS 34 Interim Financial Reporting and the Annual Accounts Act. Accounting and calculation principles used in the report for the group are identical to those used in the Annual Report 2015. None of the new and changed standards from IASB, applicable from 1st of January 2016, has had any material effect on the Financial Statements. For detailed information on the accounting principles, see Annual Report 2015.

Changes in RFR 2, with effect from the financial year 2016, impacts the financial statements and the comparative period for the parent company. Translation differences which are attributable to receivables from

subsidiaries, which are not scheduled to be settled in the foreseeable future are recognized in the income statement from January 1, 2016. These translation differences have so far been recognized in other comprehensive income / fair value reserves. The change is implemented with retroactive effect, which means that the translation effect arising during the financial year 2015, 3,099 KSEK, will be transferred from fair value reserve to the income statement and the accumulated effect as of January 1, 2015, 8,420 KSEK, will be transferred from fair value reserve to retained earnings. The change does not affect the consolidated financial report where the effect will continue to be recognized through other comprehensive income to other reserves in equity.

NOTE 2 – CAPITALIZED DEVELOPMENT EXPENSES

KSEK	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar -15/-16	2015
At the beginning of the period	94,269	71,680	84,015	71,680
Investments	12,189	9,880	52,544	50,235
Write-downs	-2,212		-10,389	-8,177
Amortization	-7,932	-5,423	-30,553	-28,045
Currency exchange differences	-2,417	7,878	-1,719	8,575
At the end of the period	93,898	84,015	93,898	94,269

NOTE 3 – TAX

G5 Entertainment is active in a number of different jurisdictions, with different tax rates. The group's effective tax rate consequently varies between periods depending on the distribution of revenues and costs, and the group's profit level.

NOTE 4 – OTHER RECEIVABLES

Other receivables include SEK 1.9 M (7.9) for prepaid royalties to third party developers. G5 publishes both proprietary games and games licensed from third-party developers. In connection with the conclusion of agreements with third party developers, G5 sometimes pays an advance on royalties to fund game development. These advances are usually offset against the third party developer's contractual share of the revenue that each game generates.

NOTE 5 – PLEDGED ASSETS AND CONTINGENT LIABILITIES

Floating charge SEK 3 M (3), pledged for cheque account with overdraft facility USD 0.4 M (0.4). The overdraft facility was unused as of March 31, 2016.

Bank account 50 (50) KSEK, pledged for bank guarantee.

NOTE 6 – FAIR VALUE

G5 group has no financial instruments that are accounted for at fair value. The carrying amount for financial instruments correspond to fair value.

INCOME STATEMENT - PARENT COMPANY

KSEK	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar -15/-16	2015
Net turnover	101,243	97,546	387,193	383,496
Cost of revenue	-77,402	-75,743	-288,351	-286,692
Gross profit	23,841	21,803	98,842	96,804
Research & development expenses	-20	-	-370	-351
Sales & Marketing expenses	-1,936	-	-4,036	-2,100
General and administrative expenses	-22,667	-26,618	-88,718	-92,670
Other operating income	1,343	1,207	137	-
Other operating expenses	-955	-3,003	-808	-2,856
Operating result	-394	-6,611	5,045	-1,172
Financial income	-	4,410	5,178	9,588
Financial expenses	-1,779	-47	-1,780	-48
Operating result after financial items	-2,172	-2,248	8,443	8,368
Taxes (Note 3)	101	856	-2,281	-1,526
Net result for the period	-2,071	-1,392	6,162	6,841

STATEMENT OF COMPREHENSIVE INCOME - PARENT COMPANY

KSEK	Jan-Mar 2016	Jan-Mar 2015	Apr-Mar -15/-16	2015
Net result for the period	-2,071	-1,392	6,162	6,841
Items that later can be reversed in profit				
Foreign currency translation differences	-	-	-	-
Total other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-2,071	-1,392	6,162	6,841

BALANCE SHEET - PARENT COMPANY

KSEK	Mar 31, 2016	Mar 31, 2015	Dec 31, 2015
Fixed assets			
Financial fixed assets			
Shares in group companies	70	570	70
Deferred tax assets	101	1,826	-
Receivables from group companies	98,681	99,833	100,084
	98,852	102,229	100 154
Current assets			
Account receivables	8,797	9,103	9,874
Receivables from group companies	146	-	137
Other receivables	3,123	128	521
Prepaid expenses and accrued income	26,180	23,620	24,856
Cash and cash equivalents	26,760	26,772	25,605
	65,006	59,623	60,993
TOTAL ASSETS	163,858	161,852	161,147
Restricted equity			
Share capital	880	880	880
Non-restricted equity			
Share premium reserve	54,160	53,989	54,160
Profit/Loss carried forward	54,080	47,239	47,239
Net result for the period	-2,071	-1,392	6,841
Total equity	107,049	100,718	109,120
Current liabilities			
Accounts payable	289	126	131
Liability to group companies	54,539	56,756	49,338
Other liability	377	3,339	150
Accrued expenses	1,604	914	2,408
Total current liabilities	56,809	61,134	52,026
TOTAL EQUITY AND LIABILITIES	163,858	161,852	161,148

GLOSSARY

FINANCIAL STATEMENT

Cost of revenue consists of direct expenses incurred in order to generate revenue from the company's games. This primarily includes commission to distributors and royalties to external developers.

Research & Development expenses primarily consist of salaries, bonuses and benefits for the company's developers. In addition, research and development expenses include outside services, as well as allocated facilities and other overhead costs. Costs associated with maintaining the company's computer software and associated infrastructure are expensed as incurred. Development costs up to soft release of the company's games that are directly attributable to the design and testing of the company's identifiable and unique games are recognized as intangible assets, and amortized within research and development expense over a 24-month period.

Sales & Marketing expenses primarily consist of user acquisition expenses and related software. Sales and marketing also includes salaries, bonuses, and benefits for the company's sales and marketing staff, as well as consulting fees. In addition, sales and marketing expenses include general marketing, branding, advertising and public relations costs.

General & Administrative expenses primarily consist of salaries, bonuses, and benefits for the company's executive, finance, legal, information technology, human resources and other administrative employees, as well as support staff. It also includes outside consulting, legal and accounting services, insurance as well as facilities and other overhead costs not allocated to other areas across the business. In addition, general and administrative expenses include all of the company's depreciation expenses.

OPERATIONAL TERMS

Monthly Active Users (MAU) is the number of individuals who played a G5 game in a calendar month, an individual who plays two different games in the same month is counted as two MAUs. Numbers presented in the report are the average of the three months in any given quarter.

Monthly Unique Payers (MUP) is the number of individuals who made a payment in a G5 game at least once during a calendar month. An individual who pays in two G5 games is counted as one MUP. Numbers presented in the report are the average of the three months in any given quarter.

Monthly Average Gross Revenue Per Paying User (MAGRPPU) is the average gross revenue received from a Monthly Unique Payer during a calendar month. MAGRPPU is calculated by dividing the gross revenue during the calendar month by the number of Monthly Unique Payers in the same calendar month. The numbers presented in the report are the average of the three months in any given quarter.

ABOUT G5 ENTERTAINMENT

G5 Entertainment AB (publ) (G5) is a developer and publisher of high quality free-to-play mobile games for iOS, Android, Kindle Fire, and Windows-powered 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 Mahjong Journey®, Supermarket Mania® Journey, Farm Life, Virtual City®, Special Enquiry Detail®, Hidden City®, and The Secret Society®. G5 Entertainment AB (publ) is listed on Nasdaq Stockholm since 2014.

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