



G5 ENTERTAINMENT AB
INTERIM REPORT
JANUARY - MARCH 2017

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JANUARY - MARCH

- Consolidated revenue for the period was SEK 234.5 M (101.2), an increase of 132 per cent compared to 2016
- EBIT for the period was SEK 21.1 M (8.9), an increase of 136 per cent compared to 2016
- Net result for the period was SEK 18.7 M (6.7)
- Earnings per share for the period before dilution was SEK 2.12 (0.76)
- Cash flow before financing activities during the period was SEK -2.3 M (3.5)
- For the free-to-play games the average Monthly Active Users (MAU) was 6.5 million, an increase of 109 per cent compared to the same period in 2016. Average Monthly Unique Payers (MUP) was 236.4 thousand, an increase of 117 per cent and average Monthly Average Gross Revenue Per Paying User (MAGRPPU) was USD 35.9, an increase of 10 per cent compared to the same period in 2016
- Revenue from free-to-play games grew by 151 per cent compared to the same period in 2016 and accounted for 97 per cent (90) of the total revenue

FINANCIAL KEY RATIOS

KSEK	Jan-Mar 2017	Jan-Mar 2016	Change %	Apr-Mar -16/-17	2016	Change %
Revenue	234,498	101,245	132%	650,184	516,931	26%
Commission to distributors ¹	-70,341	-30,135	133%	-194,838	-154,632	26%
Royalty to external developers ²	-51,022	-20,224	152%	-147,237	-116,438	26%
Gross profit	113,134	50,885	122%	308,110	245,861	25%
Gross margin	48%	50%		47%	48%	
Operating costs excluding costs for user acquisition	-32,284	-22,156	46%	-112,016	-101,888	10%
EBIT excluding costs for user acquisition	80,850	28,729	181%	196,093	143,973	36%
EBIT margin before costs for user acquisition	34%	28%		30%	28%	
Costs for user acquisition ³	-59,741	-19,785	202%	-145,820	-105,865	38%
Costs for user acquisition as percentage of revenue	-25%	-20%		-22%	-20%	
EBIT	21,109	8,944	136%	50,273	38,108	32%
EBIT margin (%)	9.0%	8.8%		7.7%	7.4%	
Earnings per share before dilution	2.12	0.76	181%	5.14	3.77	36%
Cash flow before financing activities	-2,315	3,463		30,280	36,058	
Cash and cash equivalents	67,522	37,103		67,522	70,584	

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 are spent on advertising campaigns that are targeted at acquiring loyal players, but can be stopped at a very short notice.

COMMENT FROM THE CEO:

POSITIVE TRENDS CONTINUE

To learn more about G5 and our business model, please refer to 2016 Year-end Report and 2016 Annual Report. Everything written there applies: we maintain the same strategy. As promised, I will be making shorter comments in the quarterly reports. Here are my thoughts about our first quarter performance:

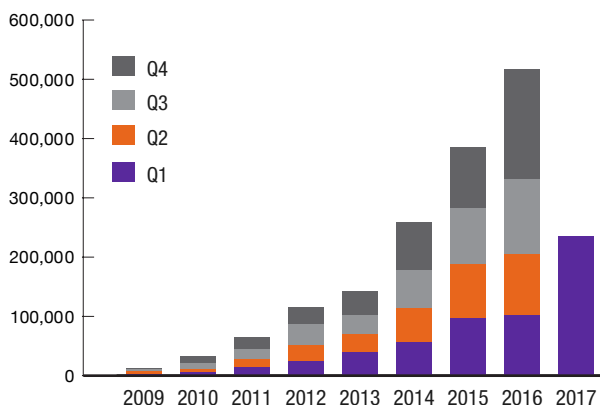
- 16 free-to-play games (9 wholly owned and 7 licensed) have generated 97% of our revenue in the quarter. Legacy unlockable games and a few other minor things accounted for the remaining 3%.
- Our revenue is 100% in-app purchase revenue, we do not display advertising in our games, we do not currently consider displaying advertising in our games, and therefore there is no revenue from advertising or expectation of such revenue in the near term.
- 99% of our revenue comes from 4 application stores: Apple's App Store, Google Play, Amazon's Appstore, and Microsoft's Windows Store. Although some sales on Windows platform may happen on laptops and desktop computers, we consider virtually all of our revenue to be derived from mobile platforms.
- G5's development and marketing teams and most of the developers we work with did a great job in Q1, as revenue from both licensed games and wholly owned games increased substantially.
- Despite high marketing spend (all time high of 59.7 MSEK in absolute terms and 25% as a share of revenue), we have achieved higher profit margins than in Q4'16. This margin expansion is driven by the inherent leverage of our business model (the higher our revenue, the higher our margins, generally) and the growing revenue from wholly owned games.
- We more than doubled the earnings year-on-year, and it remains our commitment to continue increasing the absolute amount of quarterly earnings when compared to the same period year-on-year, despite fluctuations in the level of marketing spending from quarter to quarter.
- Sequential revenue growth Q4'16 to Q1'17 was 27%, which is quite good, especially because Q4 is considered a seasonally quite strong quarter.

- Year on year top-line growth was 132% compared to Q1'16, reflecting continued growth in the sales of our portfolio, led once again by our licensed game Hidden City, but also supported by substantial growth in the revenue from our wholly owned games Mahjong Journey, Supermarket Mania Journey, and Twin Moons Society. The new higher level of revenue that we have achieved in Q1 2017 and March 2017 specifically has continued into April.
- Free cash flow during the quarter was weaker than in Q4'16 as we have only received two monthly payments from one of the big application stores, which sometimes happens in the normal course of business. This is reflected in the Accounts Receivable of 27 MSEK at the end of Q1'17, compared to 0 MSEK at the end of Q4'16.
- Average MAU during the quarter was up 109% to 6.5 million. Sequentially, this is 27% growth compared to Q4'16. The paying audience also increased, with average MUP up 117% year-on-year to 236 thousand, which is a sequential growth of 35% to Q4'16. With such audience dynamic, it is great to see that our average MAGRPPU also went up 10% year-on-year to USD 35.9. It was, however, a sequential decline of 4% from the height of Q4'16, which can be explained by larger inflow of new users during the first quarter.
- Asia accounted for 22% of our revenue in Q1, which is above the 15% of our revenue that we derive from Europe, for the first time ever. Given that the largest application stores of the world are in USA, Japan, and China, this makes our revenue structure more balanced. We also believe there's potential for further growth of our sales in Asian markets.
- We look forward to releasing several new games this year, most of them wholly owned. Our goal is to continue growing sales from our portfolio, and our earnings, both through the performance of existing and upcoming new games.

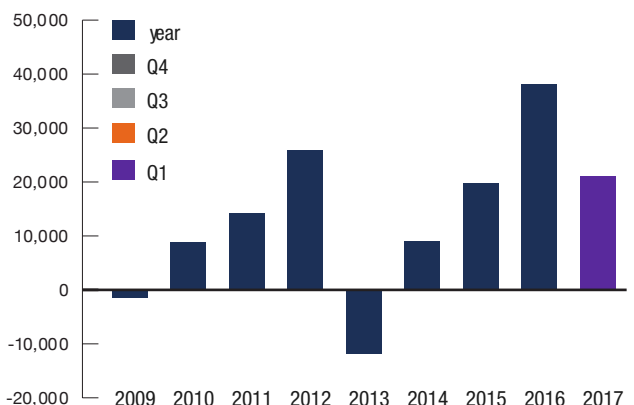
San Francisco, May 3, 2017

Vlad Suglobov
 CEO, co-founder

Revenue KSEK



EBIT KSEK



JANUARY - MARCH

REVENUE AND GROSS PROFIT

Revenue amounted to SEK 234.5 M (101.2). Revenue increased by 132 per cent compared to the same period in 2016. The growth for free-to-play games was 151 per cent where Hidden City was the main driver of the growth in the quarter but G5's wholly owned games also grew substantially. The portfolio of unlockable games is still providing a small contribution to the group, but its absolute and relative size is shrinking.

Cost of revenue increased by 141 per cent to SEK 121.4 M (50.4). Cost of revenue includes commission to the distributors (Apple App Store, Google Play, Amazon Appstore, etc.). All relevant parties charge up to 30 per cent of gross revenue. Cost of revenue also includes royalties payable to external developers which increased by 152 per cent compared to the same period in 2016. The increase in royalty is due to the success of our licensed game Hidden City.

Gross margin for the period was 48 per cent (50). Gross profit for the quarter increased by 122 per cent and was SEK 113.1 M (50.9).

OPERATIONAL COSTS

Costs for research and development were SEK 18.0 M (12.9) during the period. The increase in costs for research and development is primarily driven by higher amortization and write-downs. Excluding amortization and write-downs the costs increased with 104 per cent which is mainly explained by development on non-capitalizable projects and increased server capacity.

Sales and marketing increased to SEK 63.5 M (21.8). Sales and marketing is primarily affected by the costs for user acquisition. During the quarter the cost for user acquisition was SEK 59.7 M (19.8). Cost for user acquisition as a percentage of sales increased from 20 per cent in the first quarter 2016 to 25 per cent in the same period in 2017. Sales and marketing, excluding user acquisition, increased to SEK 3.7 M (2.0).

General and administrative costs amounted to SEK 9.9 M (6.8). Other operating income amounted to SEK 0.0 M (0.7) and other operating expenses amounted to SEK -0.7 M (-1.1). Together they amounted to SEK -0.7 M (-0.4), primarily driven by currency effects on operational assets and liabilities.

EBIT

Depreciation and amortization have increased due to the increased size of the game portfolio and amounted to SEK 12.6 M (8.3). Capitalization on intangible assets amounted to SEK 13.2 M (12.2). Write-downs during the quarter amounted to SEK 0.2 M (2.2). Net capitalization on intangible assets amounted to SEK 0.9 M (2.0).

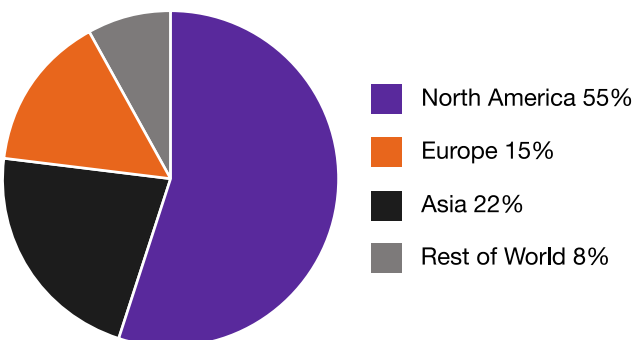
Earnings before interest and taxes (EBIT) were SEK 21.1 M (8.9), corresponding to an EBIT margin of 9.0 per cent (8.8).

NET PROFIT

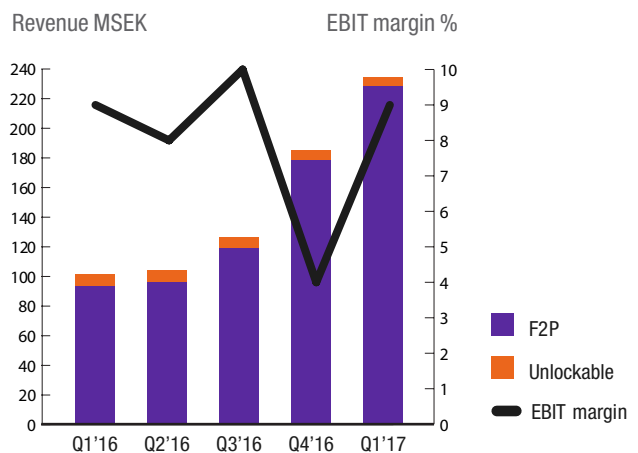
Net profit was not affected by financial items. Tax affected the result with SEK -2.4 M (-2.2).

Net profit amounted to SEK 18.7 M (6.7) which is corresponding to earnings per share, before dilution, of SEK 2.12 (0.76).

**REVENUE BREAKDOWN BY GEOGRAPHY
FIRST QUARTER 2017**



**REVENUE BREAKDOWN BY GAME TYPE
EBIT MARGIN**



OPERATIONAL METRICS

In the quarter the average Monthly Active Users (MAU) increased with 109 per cent compared to 2016.

Average Monthly Unique Payers (MUP) increased with 117 per cent compared to 2016 and their average monthly spend, Monthly Average Gross Revenue Per Paying User (MAGRPPU) increased with 10 per cent.

F2P	Q1 '17	Q1 '16	CHANGE
Average MAU (mn)	6.5	3.1	109%
Average MUP (thousands)	236.4	102.5	117%
Average MAGRPPU (USD)	35.9	31.5	10%

For detailed definitions of the operational metrics see the glossary on page 17 of the report.

RELEASES DURING THE QUARTER

In January, the licensed game Kate Malone was released on Apple AppStore.

CASH FLOW

During the first quarter, the group had an operating cash flow before changes in working capital of SEK 32.5 M (15.1). Changes in working capital impacted the cash flow negatively with SEK -20.9 M (1.3), primarily an effect of a payment being received after the end of the quarter. Capitalized development expenses impacted the cash flow negatively with SEK -13.2 M (-12.2).

Cash flow for the first quarter amounted to SEK -2.3 M (3.5).

Available cash on March 31, 2017 amounted to SEK 67.5 M (37.1).

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 successful games in the portfolio.

Capitalized development expenses amounted to SEK 108.0 M (93.9) of which SEK 106.8 M (88.3) is related to free-to-play games and SEK 1.3 M (5.6) 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 2017	MAR 31 2016
Released games F2P	87.8	46.6
Released games Unlockable	1.2	3.6
Not released games F2P	19.0	41.7
Not released games Unlockable	0,1	2.0
Net value of games portfolio	108.1	93.9

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 amounted to SEK 0.2 M (2.2) whereof SEK 0.2 M was related to an unlockable game.

Consolidated equity amounted to SEK 178.2 M (127.4), which equals SEK 20.2 per share (14.5) and the equity/asset ratio is 60 per cent (70).

Cash on hand amounted to SEK 67.5 M (37.1).

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 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

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 2016 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.

COMPLAINT AGAINST MYTONA

On January 10, G5 filed a complaint stating claims for breach of contract against MyTona LLC relating to the license agreement between the parties regarding the game "The Secret Society" signed on May 2, 2012. G5 seeks substantial damages for past and future lost profits, declaratory relief and other remedies against MyTona for these violations. In the suit, G5 contends that MyTona has failed to perform certain obligations under the May 2, 2012 license agreement with regard to "The Secret Society", and has improperly refused to extend the license agreement beyond its initial 5-year term. G5's action also seeks to enforce rights claimed by G5 in relation to MyTona's game "Seeker's Notes", in which G5 claims a contractual right under the license agreement to participate financially, and seeks substantial damages, declaratory relief and other remedies against MyTona.

On March 23, G5 received a formal answer and cross-complaint from MyTona in which MyTona generally denies G5's claims and asserts cross-claims for breach of contract, breach of the implied warranty of good faith and fair dealing, declaratory relief, and unfair competition. MyTona also seeks damages in an unspecified sum, an injunction and other equitable relief, including a ruling that MyTona need not renew the agreement, from G5 based upon these alleged violations.

On April 20, G5 responded to the cross-complaint. In the answer G5 denies, both generally and specifically, each and every allegation contained in the cross-complaint.

The matter is pending in the Orange County Superior Court in Santa Ana, California.

UPCOMING REPORT DATES

Annual General Meeting 2017	May 12, 2017
Interim report Jan-Jun 2017	July 27, 2017
Interim report Jan-Sep 2017	November 7, 2017
Year-end report 2017	February 16, 2018

TELECONFERENCE

On May 4, 2017 at 08.30 CET, CEO Vlad Suglobov and CFO Stefan Wikstrand will present the interim report in a conference call.

For dial-in details please visit:

<http://www.g5e.com/corporate/calendar>

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 Suglobov, 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 3, 2017

Petter Nylander
Chairman of the Board

Annika Andersson
Board member

Chris Carvalho
Board member

Jeffrey Rose
Board member

Pär Sundberg
Board member

Vlad Suglobov
CEO & 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 4, 2017 at 07.30.

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 2017	Jan-Mar 2016	Apr-Mar -16/-17	2016
Net turnover	234,498	101,245	650,184	516,931
Cost of revenue	-121,364	-50,359	-342,075	-271,070
Gross profit	113,134	50,885	308,110	245,861
Research and Development expenses	-17,991	-12,941	-64,282	-59,232
Sales and Marketing expenses	-63,461	-21,783	-158,179	-116,501
General and Administrative expenses	-9,910	-6,781	-35,124	-31,996
Other operating income	45	667	-302	320
Other operating expenses	-708	-1,102	50	-344
Operating result	21,109	8,944	50,273	38,108
Financial income	0	2	37	39
Financial expenses	0	-51	-58	-109
Operating result after financial items	21,109	8,895	50,252	38,038
Taxes (Note 3)	-2,414	-2,236	-5,012	-4,833
Net result for the period	18,695	6,659	45,240	33,205
Attributed to:				
Parent company's shareholders	18,695	6,659	45,240	33,205
Non-controlling interest	-	-	-	-
Earnings per share				
Weighted average number of shares before dilution (thousands)	8,800	8,800	8,800	8,800
Weighted average number of shares after dilution (thousands)	9,183	8,800	8,920	8,825
Earnings per share (SEK), before dilution	2.12	0.76	5.14	3.77
Earnings per share (SEK), after dilution	2.04	0.76	5.07	3.76

STATEMENT OF COMPREHENSIVE INCOME - GROUP

KSEK	Jan-Mar 2017	Jan-Mar 2016	Apr-Mar -16/-17	2016
Net result for the period	18,695	6,659	45,240	33,205
Items that later can be reversed in profit				
Foreign currency translation differences	-1,714	-2,622	5,414	4,506
Total other comprehensive income for the period	-1,714	-2,622	5,414	4,506
Total comprehensive income for the period	16,981	4,037	50,654	37,711
Attributed to:				
Parent company's shareholders	16,981	4,037	50,654	37,711
Non-controlling interest	-	-	-	-

BALANCE SHEET - GROUP

KSEK	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
Fixed assets			
Intangible fixed assets			
Capitalized development expenses (Note 2)	108,061	93,898	109,104
Goodwill	2,291	2,290	2,292
	110,353	96,188	111,396
Tangible fixed assets			
Equipment	6,606	4,776	6,275
	6,606	4,776	6,275
Deferred tax receivable (Note 3)	16,886	3,711	8,565
Total non-current assets	133,845	104,675	123,771
Current assets (Note 4, 6)			
Accounts receivable	27,014	8,802	0
Tax receivable	636	1,570	474
Other receivables	6,878	3,825	5,906
Prepaid expenses and accrued income	61,299	26,409	57,030
Cash and cash equivalents	67,522	37,103	70,584
Total current assets	163,349	77,708	133,994
TOTAL ASSETS	297,193	182,384	260,231
Equity	178,150	127,382	161,169
Deffered tax liabilities	2,725	-	2,465
Total non-current liabilities	2,725	-	2,465
Current liabilities (Note 6)			
Accounts payable	23,580	22,184	30,828
Other liabilities	3,659	2,023	2,840
Tax liabilities	23,199	9,153	13,276
Accrued expenses	65,881	21,641	49,653
Total current liabilities	116,318	55,002	96,597
TOTAL EQUITY AND LIABILITIES	297,193	182,384	260,231

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 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
Shareholders' equity as of 2017-01-01	880	54,203	16,566	89,407	161,169
Net result for the period				18,695	18,695
Total other comprehensive income			-1,714		-1,714
Total comprehensive income for the period			-1,714	18,695	16,981
Shareholders' equity as of 2017-03-31	880	54,203	14,852	108,102	178,150

CASH FLOW STATEMENT - GROUP

KSEK	Jan-Mar 2017	Jan-Mar 2016	Apr-Mar -16/-17	2016
Cash flow from operating activities				
Profit after financial items	21,109	8,895	50,252	38,038
Adjusting items not included in cash flow	12,785	7,932	55,732	50,879
Taxes paid	-1,421	-1,680	-3,465	-3,724
Cash flow before changes in working capital	32,473	15,147	102,519	85,193
Cash flow from changes in working capital				
Change in operating receivables	-32,037	1,032	-61,797	-28,728
Change in operating liabilities	11,180	257	44,060	33,137
Cash flow from operating activities	11,616	16,436	84,782	89,602
Investing activities				
Investment in fixed assets	-718	-784	-3,265	-3,331
Capitalized development expenses	-13,213	-12,189	-51,236	-50,212
Cash flow from investing activities	-13,931	-12,973	-54,502	-53,544
Financing activities				
Premium for issued warrants	-	-	113	113
Cash flow from financing activities	-	-	113	113
CASH FLOW	-2,315	3,463	30,393	36,171
Cash at the beginning of the period	70,584	33,870	37,103	33,870
Cash flow	-2,315	3,463	30,393	36,171
Exchange rate differences	-747	-230	26	543
CASH AT THE END OF THE PERIOD	67,522	37,103	67,522	70,584

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 2016. None of the new and changed standards from IASB, applicable from 1st of January 2017, has had any material effect on the Financial Statements. For detailed information on the accounting principles, see Annual Report 2016.

NOTE 2 – CAPITALIZED DEVELOPMENT EXPENSES

KSEK	Jan-Mar 2017	Jan-Mar 2016	Apr-Mar -16/-17	2016
At the beginning of the period	109 104	94 269	93 898	94 269
Investments	13 213	12 189	51 237	50 212
Write-downs	-158	-2 212	-3 646	-5 700
Amortization	-12 115	-7 932	-42 886	-38 702
<i>Net change during the period</i>	<i>941</i>	<i>2,045</i>	<i>4,705</i>	<i>5,810</i>
Currency exchange differences	-1 983	-2 417	9 458	9 026
At the end of the period	108 061	93 898	108 061	109 104

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 0.9 M (1.9) 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, 2017.

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 2017	Jan-Mar 2016	Apr-Mar -16/-17	2016
Net turnover	234,452	101,243	652,450	519,241
Cost of revenue	-175,988	-77,402	-482,299	-383,712
Gross profit	58,464	23,841	170,151	135,528
Research and development expenses	-58	-20	-104	-66
Sales and Marketing expenses	-6,746	-1,936	-11,161	-6,352
General and administrative expenses	-59,925	-22,667	-159,457	-122,199
Other operating income	0	1,343	961	2,304
Other operating expenses	-697	-971	-6,851	-7,124
Operating result	-8,962	-409	-6,461	2,092
Financial income	-313	0	10,116	10,429
Financial expenses	0	-1,762	1,653	-109
Operating result after financial items	-9,275	-2,172	5,309	12,412
Taxes (Note 3)	2,040	101	-790	-2,729
Net result for the period	-7,234	-2,071	4,519	9,682

STATEMENT OF COMPREHENSIVE INCOME - PARENT COMPANY

KSEK	Jan-Mar 2017	Jan-Mar 2016	Apr-Mar -16/-17	2016
Net result for the period	-7,234	-2,071	4,519	9,682
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	-7,234	-2,071	4,519	9,682

BALANCE SHEET - PARENT COMPANY

KSEK	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
Fixed assets			
Financial fixed assets			
Shares in group companies	70	70	70
Deferred tax assets	2,040	101	
Receivables from group companies	78,123	98,681	79,211
	80,234	98,852	79,281
Current assets			
Account receivables	27,014	8,797	0
Receivables from group companies	200	146	186
Other receivables	5,590	3,123	2,341
Prepaid expenses and accrued income	60,726	26,180	56,208
Cash and cash equivalents	58,370	26,760	56,665
Total current assets	151,900	65,006	115,399
TOTAL ASSETS	232,134	163,858	194,680
Restricted equity			
Share capital	880	880	880
Non-restricted equity			
Share premium reserve	54,283	54,160	54,283
Profit/Loss carried forward	63,762	54,080	54,081
Net result for the period	-7,234	-2,071	9,682
Total equity	111,691	107,049	118,926
Current liabilities			
Accounts payable	20	289	573
Liability to group companies	115,264	54,539	71,956
Other liability	412	377	392
Accrued expenses	4,747	1,604	2,832
Total current liabilities	120,443	56,809	75,753
TOTAL EQUITY AND LIABILITIES	232,134	163,858	194,680

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 and 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 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 and 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 and 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®, Survivors: the Quest®, Hidden City®, Twin Moons Society®, Supermarket Mania® and The Secret Society®. G5 Entertainment AB (publ) is listed on Nasdaq Stockholm since 2014.

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