

The logo features the number '5' inside a blue circle, with the number 'G' positioned to its left. The entire logo is rendered in a 3D, metallic style with a blue and silver color palette. A registered trademark symbol (®) is located to the upper right of the '5'.

G5[®]

GAMES



G5 ENTERTAINMENT AB

INTERIM REPORT

JANUARY - MARCH 2019

INTERIM REPORT JANUARY - MARCH 2019

JANUARY - MARCH

- Revenue for the period was SEK 306.1 M (372.6), a decrease of 18 per cent compared to 2018.
- EBIT for the period was SEK 39.7 M (49.4), a decrease of 20 per cent compared to 2018.
- Net result for the period was SEK 35.9 M (44.0).
- Earnings per share for the period, before dilution, was SEK 3.99 (4.99).
- Cash flow amounted to SEK -0.5 M (6.2).
- For the free-to-play games the average Monthly Active Users (MAU) was 6.9 million, a decrease of 23 per cent compared to the same period in 2018. Average Monthly Unique Payers (MUP) was 248.8 thousand, a decrease of 26 per cent and average Daily Active Users (DAU) was 1.8 million, a decrease of 18 per cent compared to the same period in 2018. Average Monthly Average Gross Revenue Per Paying User (MAGRPPU) was USD 44.3, unchanged from the same period last year.

FINANCIAL KEY RATIOS

KSEK	Jan - Mar 2019	Jan - Mar 2018	Change %	Apr-Mar 18/19	2018	Change %
Revenue	306 057	372 620	-18%	1 383 462	1 450 025	-5%
Commission to distributors ¹	-93 214	-112 867	-17%	-420 725	-440 378	-4%
Royalty to external developers ²	-50 645	-73 955	-32%	-239 361	-262 671	-9%
Gross profit	162 198	185 798	-13%	723 375	746 976	-3%
Gross margin	53%	50%		52%	52%	
Operating costs excluding costs for user acquisition	-62 763	-41 855	50%	-246 860	-225 952	9%
EBIT excluding costs for user acquisition	99 435	143 943	-31%	476 516	521 024	-9%
EBIT margin before costs for user acquisition	32%	39%		34%	36%	
Costs for user acquisition ³	-59 730	-94 533	-37%	-342 773	-377 576	-9%
Costs for user acquisition as percentage of revenue	-20%	-25%		-25%	-26%	
EBIT	39 705	49 410	-20%	133 743	143 448	-7%
EBIT margin (%)	13,0%	13,3%		9,7%	9,9%	
Earnings per share before dilution	3,99	4,99	-20%	13,57	14,34	-5%
Cash flow before financing activities	-444	9 031		65 228	74 703	
Cash and cash equivalents	138 437	97 736		138 437	138 531	

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. The campaigns can be stopped at a very short notice.

COMMENT FROM THE CEO:

EXPANDING MARGINS



The first quarter resulted in near-record profitability for G5 since moving into free-to-play. G5 remains in strong and healthy financial position with a great portfolio of games and new games coming to the market this year. We have increased cash position from the same period last year, the company remains profitable, and generates positive cash flow. Our focus on evolving existing games and creating new, exciting titles gives us the stability and flexibility to develop new games.

G5's margin during the first three months of the year was 13 percent, just shy of the 13.3 percent during the first quarter a year earlier when we benefited from the tremendous traction we received from Hidden City. As part of our continuous effort to manage our resources, we lowered our user acquisition spend in the first quarter. This helped support margins and we continuously look

at the feedback we get from the market to optimize the spend and thereby get the most impact from our marketing budgets.

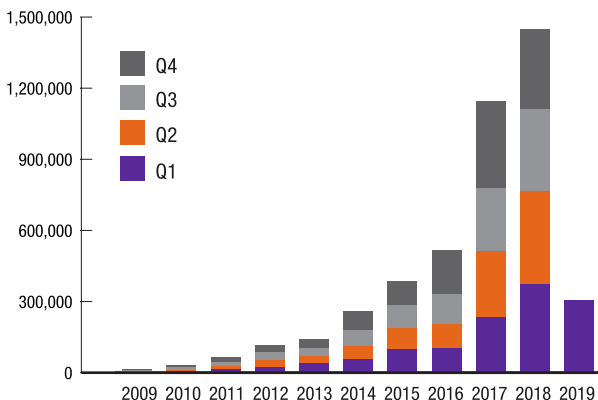
Since the first quarter of 2018, when the game achieved its peak, revenue from Hidden City has matured and total revenue in the first three months of 2019 declined 18 percent from a year earlier. Hidden City is still going strong and has a loyal audience of players who continue to enjoy the adventure. We are working with the game's developer to optimize the experience for players, while also delivering optimal revenue and profitability.

Hidden City does not require as much investment in marketing as during its growth stages, and is now more profitable. Both G5 and the game developer are putting a lot of effort into making improvements to keep the audience engaged and expand the game's lifetime as long as possible. Our continued work on the game may improve its performance and we may increase the marketing spend if we think it is the right move.

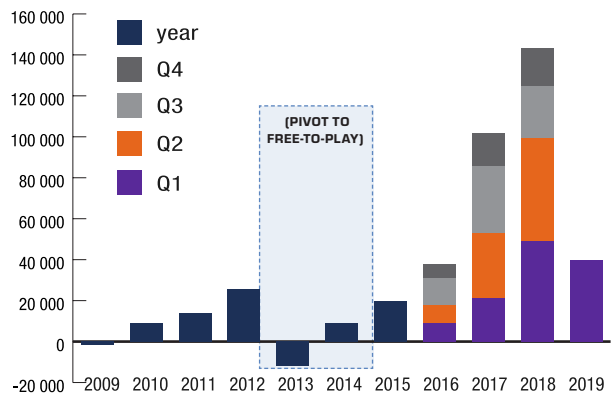
The cash position in the first quarter ended on the same level as in the previous quarter which was a consequence of an early payment Apple made already in the fourth quarter, leading to two payments from them versus what would have been three payments in the current period.

Our wholly-owned games performed well and continued to gain traction with fans. We're constantly updating and optimizing them to make the games as popular and successful as possible. Revenue from Homicide Squad

REVENUE KSEK



EBIT KSEK





continued to rise as it has been doing for many quarters now, while revenue from the other wholly-owned games was largely stable.

We stopped development on a few titles that have not shown the ability to grow for a long enough time to ensure our time is spent on the titles likely to be the most successful and on launching new game projects. Fans are still able to play, but we can now allocate those resources on other projects. We are still on track to deliver four new games this year, as communicated earlier. Some of those games being match-3 games with a compelling edge, and some hidden object games that our audience appreciates so much.

The life cycle of a typical free-to-play game is worth reiterating in order to understand how its evolution impacts our revenues and profitability. After release, a game has a soft launch of 6-18 months, a period when we can analyze and update it to ensure it is reaching its full potential. Over the following years, revenue grows and the game is continuously optimized. During that time, we invest in acquiring new users through marketing and advertising

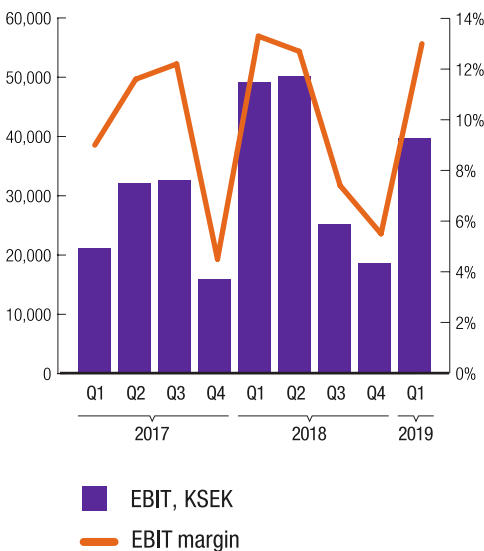
to scale the game and reach higher revenue levels. This additional user acquisition spend boosts our revenue and impacts our margins. Over time, all games mature, eventually leading to slower growth and the next phase in the game's life. The title continues to generate healthy sales, but now we have the opportunity to reduce how much we spend on finding new users. So, while revenue from the game may decrease, it may also cost less for us to operate, and most of the game's profits may actually be earned later in its life cycle which lasts for many years. The positive trade-off is that in the later stages of a game's life we often see the profit margins increase.

We ended the first quarter of 2019 in a solid position. G5 is financially healthy, we have a great game offering in the market, and our development team is working hard to create future titles to meet the long-term demand we see from our audience of players. I'm proud of where we are today as a company. We have a strong position and a talented team to ensure G5 is in a position to thrive for many years to come.

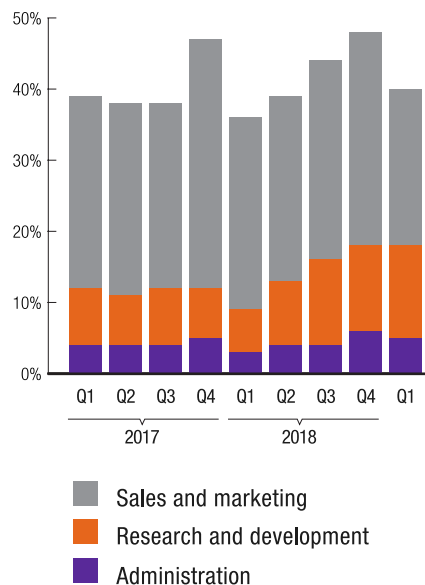
San Francisco, May 2nd, 2019

Vlad Suglobov
CEO, co-founder

EBIT (KSEK) | EBIT-MARGIN (%)



COSTS IN % OF REVENUE





JANUARY - MARCH

REVENUE AND GROSS PROFIT

Revenue amounted to SEK 306.1 M (372.6). Revenue decreased by 18 per cent compared to the same period in 2018.

Cost of revenue decreased by 23 per cent to SEK 143.9 M (186.8). Cost of revenue includes 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 by 32 per cent compared to the same period in 2018 as a higher share of revenue is coming from own games.

Gross margin for the period was 53 per cent (50). Gross profit for the quarter decreased by 13 per cent compared to the first quarter in 2018 and was SEK 162.2 M (185.8).

OPERATIONAL COSTS

Costs for research and development were SEK 40.3 M (24.1) during the period. The increase in costs for research and development is primarily driven by an increase in amortization, write-downs and development on non-capitalizable projects.

Sales and marketing decreased to SEK 66.1 M (99.2). 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 (94.5). Cost for user acquisition

as a percentage of sales was 20 per cent, compared to 25 per cent in the same period in 2018. Sales and marketing, excluding user acquisition, increased to SEK 6.4 M (4.7).

General and administrative costs amounted to SEK 16.4 M (13.0). Other operating income amounted to SEK 0.8 M (0.2) and other operating expenses amounted to SEK -0.4 M (-0.3). Together they amounted to SEK 0.4 M (-0.1), 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 25.0 M (16.8). Capitalization of intangible assets amounted to SEK 29.2 M (25.0). Write-downs during the quarter amounted to SEK 1.4 M (0.0). Net capitalization on intangible assets amounted to SEK 5.4 M (9.0).

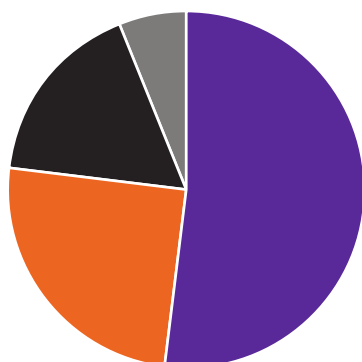
Earnings before interest and taxes (EBIT) were SEK 39.7 M (49.4), corresponding to an EBIT margin of 13.0 per cent (13.3).

NET PROFIT

Net profit was marginally affected by financial items. Tax affected the result with SEK -3.9 M (-5.4).

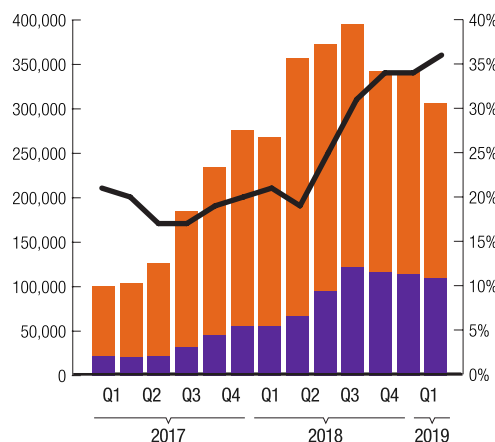
Net profit amounted to SEK 35.9 M (44.0) which equals an earnings per share, before dilution, of SEK 3.99 (4.99).

**REVENUE BREAKDOWN BY GEOGRAPHY
FIRST QUARTER 2019**



- North America 52%
- Asia 25%
- Europe 17%
- Rest of World 6%

**OWN/LICENSED REVENUE | SHARE OWN
GAMES**



- Own games
- 3rd party games
- Own games, %

OPERATIONAL METRICS

In the quarter the average Monthly Active Users (MAU) decreased with 23 per cent compared to 2018 while Daily Active Users (DAU) decreased 18 per cent compared to 2018. Monthly Unique Users decreased 24 per cent compared to 2018.

Average Monthly Unique Payers (MUP) decreased with 26 per cent compared to 2018 and their average monthly spend, Monthly Average Gross Revenue Per Paying User (MAGRPPU) was unchanged from the same period in 2018.

F2P	Q1 '19	Q1 '18	CHANGE
Average MAU (mn)	6.9	8.9	-23%
Average MUP (thousands)	248.8	337.8	-26%
Average MUU (mn)	5.8	7.6	-24%
Average MAGRPPU (USD)	44.3	44.3	0%
Average DAU (mn)	1.8	2.2	-18%

For detailed definitions of the operational metrics see the glossary on page 14 of the report.

CASH FLOW

During the first quarter, the group had an operating cash flow before changes in working capital of SEK 67.8 M (65.8) of which tax payments amounted to SEK -1.2 M (-1.2). Changes in working capital impacted the cash flow with SEK -35.0 M (-25.2). Capitalized development expenses impacted the cash flow negatively with SEK -29.2 M (-25.0) and payments for purchased games amounted to SEK -1.8 M (-4.2) which was related to the last fixed payment for the game Nightmares from the Deep.

Cash flow for the quarter amounted to SEK -0.5 M (6.2)

Available cash on March 31, 2019 amounted to SEK 138.4 M (97.7).

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 extremely profitable, a good portion of these games do not become big breakthroughs but pay for themselves and are great stable earners over a long period of time, 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 209.1 M (180.8). A part of the increase is related to the purchase of The Secret Society. 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. During the initial 6 month period after launch, the company does not amortize the games

MSEK	MAR 31 2019	MAR 31 2018
Released games	160.1	152.5
Not released games	49.0	28.3
Net value of games portfolio	209.1	180.8

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 SEK 1.4 M (0.0) were made.

From January 1, 2019 G5 has implemented IFRS16 Leases. This has resulted in an increase of tangible assets of SEK 18.6 M and a corresponding liability has been recorded which at closing was SEK 18.4 M.

Consolidated equity amounted to SEK 392.3 M (272.8), which equals SEK 43.7 per share (31.0) and the equity/asset ratio is 65 per cent (55).

Cash on hand amounted to SEK 138.4 M (97.7)

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 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 2018 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 except the ongoing transactions highlighted in the annual report 2018.

UPCOMING REPORT DATES

Annual General Meeting	May 8, 2019
Interim report Jan-Jun 2019	July 30, 2019
Interim report Jan-Sep 2019	Nov 5, 2019
Year-end report 2019	February 12, 2020

TELECONFERENCE

On May 3rd, 2019 at 08.00 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
Eric Vollmer, IR	+46 73 3627668

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 2nd, 2019

Petter Nylander
Chairman of the Board

Chris Carvalho
Board member

Johanna Fagrell Köhler
Board member

Stefan Lundborg
Board member

Jeffrey Rose
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 3rd, 2019 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 2019	Jan-Mar 2018	Apr-Mar 18/19	2018
Net turnover	306,057	372,620	1,383,462	1,450,025
Cost of revenue	-143,859	-186,822	-660,086	-703,049
Gross profit	162,198	185,798	723,375	746,976
Research and Development expenses	-40,297	-24,076	-156,735	-140,514
Sales and Marketing expenses	-66,119	-99,216	-366,683	-399,780
General and Administrative expenses	-16,470	-12,997	-66,989	-63,516
Other operating income	808	184	2,111	1,210
Other operating expenses	-415	-283	-1,337	-928
Operating result	39,705	49,410	133,743	143,448
Financial income	283	0	595	312
Financial expenses	-163	0	-315	-152
Operating result after financial items	39,824	49,410	134,022	143,607
Taxes	-3,939	-5,375	-13,361	-14,797
Net result for the period	35,885	44,035	120,661	128,811
Attributed to:				
Parent company's shareholders	35,885	44,035	120,661	128,811
Earnings per share				
Weighted average number of shares before dilution (thousands)	8 984	8 818	8 923	8 984
Weighted average number of shares after dilution (thousands)	9 108	9 109	9 052	9 044
Earnings per share (SEK), before dilution	3,99	4,99	13,52	14,34
Earnings per share (SEK), after dilution	3,94	4,83	13,33	14,24

STATEMENT OF COMPREHENSIVE INCOME – GROUP

KSEK	Jan-Mar 2019	Jan-Mar 2018	Apr-Mar 18/19	2018
Net result for the period	35,885	44,035	156,379	128,811
Items that later can be reversed in profit				
Foreign currency translation differences	9,319	1,131	16,968	8,780
Total other comprehensive income for the period	9,319	1,131	16,968	8,780
Total comprehensive income for the period	45,204	45,166	137,629	137,591
Attributed to:				
Parent company's shareholders	45,204	45,166	137,629	137,591

BALANCE SHEET – GROUP

KSEK	Mar 31 2019	Mar 31 2018	Dec 31 2018
Fixed assets			
Intangible fixed assets			
Capitalized development expenses (Note 2)	209,066	180,840	198,083
Goodwill	-	-	-
	209,066	180,840	198,083
Tangible fixed assets			
Equipment ¹	31,746	8,944	11,268
	31,746	8,944	11,268
Deferred tax receivable	45,854	34,282	64,389
Total non-current assets	286,667	224,066	273,741
Current assets (Note 3, 5)			
Accounts receivable	32,169	42,289	3,713
Tax receivable	42,902	8,295	9,928
Other receivables	8,039	10,283	4,427
Prepaid expenses and accrued income	98,545	114,515	103,079
Cash and cash equivalents	138,437	97,736	138,531
Total current assets	320,092	273,117	259,677
TOTAL ASSETS	606,759	497,184	533,418
Equity	392,334	272,818	347,494
Deferred tax liabilities	-	4,992	-
Long-term liabilities ¹	10 286	-	-
Total non-current liabilities	10 286	4,992	-
Current liabilities (Note 5)			
Short-term liabilities ¹	8 100	-	-
Accounts payable	20 868	29,625	25,818
Other liabilities	6 238	35,148	5
Tax liabilities	93 047	45,477	76,822
Accrued expenses	75 885	109,123	83,279
Total current liabilities	196,038	219,373	185,924
TOTAL EQUITY AND LIABILITIES	606,759	497,184	533,418

¹ The right-of-use assets and the corresponding lease liabilities are included in the property, plant and equipment and long- and short-term borrowings respectively as of 1 January 2019. Comparative figures have not been restated.

STATEMENT OF CHANGES IN SHAREHOLDER EQUITY - GROUP

KSEK	Share capital	Other capital contribution	Other reserves	Profit/ loss brought forward	Shareholders' equity
Shareholders' equity as of 2018-01-01	880	55,959	1,532	172,107	230,478
Premiums warrant program		-2,826			-2,826
Net result for the period				44,035	44,035
Total other comprehensive income			1,131		1,131
Total comprehensive income for the period			1,131	44,035	45,166
Shareholders' equity as of 2018-03-31	880	53,133	2,663	216,142	272,818
Shareholders' equity as of 2019-01-01	898	48,448	10,312	287,836	347,494
Transitional effect IFRS16			-466		-466
Repurchase and premium for warrant programs		-47			-47
IFRS2			-317		-317
Net result for the period				35,885	35,885
Total other comprehensive income			9,785		9,785
Total comprehensive income for the period		-47	9,002	35,885	44,840
Shareholders' equity as of 2019-03-31	898	48,354	19,314	323,721	392,334

¹Correction relates to deferred tax from previous periods in the groups subsidiary in Malta.

CASH FLOW STATEMENT – GROUP

KSEK	Jan-Mar 2019	Jan-Mar 2018	Apr-Mar 18/19	2018
Cash flow from operating activities				
Profit after financial items	39,824	49,410	134,021	143,607
Adjusting items not included in cash flow	29,159	17,593	107,727	96,161
	68,983	67,003	241,748	239,768
Taxes paid	-1,160	-1,230	-12,486	-12,556
Cash flow before changes in working capital	67,823	65,773	229,262	227,212
Cash flow from changes in working capital				
Change in operating receivables	-28,867	-15,175	23,324	37,016
Change in operating liabilities	-6,111	-10,015	-42,818	-46,722
Cash flow from operating activities	32,845	40,583	209,768	217,506
Investing activities				
Investment in fixed assets	-2,248	-2,374	-7,361	-7,487
Investment in intangible assets	-1,834	-4,180	-16,979	-19,325
Capitalized development expenses	-29,207	-24,998	-120,200	-115,991
Cash flow from investing activities	-33,289	-31,552	-144,540	-142,803
Financing activities				
Dividend	-	-	-22,224	-22,224
Premiums/repurchase of issued warrants	-47	-2,826	-4,732	-7,511
Cash flow from financing activities	-47	-2,826	-26,956	-29,735
CASH FLOW	-491	6,205	38,272	44,968
Cash at the beginning of the period	138,531	91,194	97,737	91,194
Cash flow	-491	6,205	38,272	44,968
Exchange rate differences	397	338	2,428	2,369
CASH AT THE END OF THE PERIOD	138,437	97,737	138,437	138,531

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 2018. None of the new and changed standards from IASB, applicable from 1st of January 2018, has had any material effect on the Financial Statements. For detailed information on the accounting principles, see Annual Report 2018.

The interim report is on pages 1–14, and pages 1–6 are thus an integrated part of this financial report.

CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

G5 Entertainment has implemented IFRS 16, 'Leases' that supersedes IAS 17 Leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are to be recognized. The only exceptions are short-term and low-value leases. The standard is mandatory for financial years commencing on or after 1 January 2019.

At the end of the quarter G5 Entertainment has fixed assets relating to leased assets amounting to SEK 18.6 M and financial liabilities of SEK 18.4 M. Impact on equity from the implementation was SEK 0.4 M. For the first quarter the fixed asset have been amortized with SEK 2.9 M and a financial expense has been recognized amounting to SEK 0.2 M.

NOTE 2 – CAPITALIZED DEVELOPMENT EXPENSES

KSEK	Jan-Mar 2019	Jan-Mar 2018	Apr-Mar 18/19	2018
At the beginning of the period	198,083	115,432	180,840	115,432
Investments ¹	29,207	78,662	104,071	153,527
Write-downs	-1,365	0	-5,865	-4,499
Amortization	-23,831	-16,004	-95,683	-87,855
Net change during the period	4,010	62,659	2,523	61,172
Currency exchange differences	6,972	2,749	25,702	21,479
At the end of the period	209,066	180,840	209,066	198,083

¹Investments for 2018 and Apr-Mar 18/19 include a capitalization of The Secret Society amounting to SEK 37.5 M. For Jan-Mar 2018 the capitalization of The Secret Society was SEK 53.7 M.

NOTE 3 – OTHER RECEIVABLES

Other receivables include SEK 1.4 M (1.1) 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 4 – PLEDGED ASSETS AND CONTINGENT LIABILITIES

G5 Entertainment does not have any pledges assets or contingent liabilities.

NOTE 5 – 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 2019	Jan-Mar 2018	Apr-Mar 18/19	2018
Net turnover	306,057	372,620	1,383,462	1,450,025
Cost of revenue	-240,391	-252,085	-1,011,698	-1,023,392
Gross profit	65,666	120,535	371,763	426,633
Research and development expenses	-27	-25	-372	-371
Sales and Marketing expenses	-8,861	-21,125	-67,688	-79,952
General and administrative expenses	-59,827	-82,906	-315,921	-339,000
Other operating income	3,692	1,352	9,361	7,020
Other operating expenses	-3,101	-1,281	-8,188	-6,369
Operating result	-2,458	16,549	-11,046	7,961
Financial income	65,006	0	61,763	308
Financial expenses	0	0	-152	-152
Operating result after financial items	62,548	16,549	50,565	8,117
Taxes	480	-3,641	2,793	-2,109
Net result for the period	63,028	12,909	53,358	6,008

STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

KSEK	Jan-Mar 2019	Jan-Mar 2018	Apr-Mar 18/19	2018
Net result for the period	63,028	12,909	53,358	6,008
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	63,028	12,909	53,358	6,008

BALANCE SHEET - PARENT COMPANY

KSEK	Mar 31 2019	Mar 31 2018	Dec 31 2018
Fixed assets			
Financial fixed assets			
Shares in group companies	70	70	70
Deferred tax assets	-	-	-
Receivables from group companies	-	-	-
	70	70	70
Current assets			
Account receivables	32,169	42,289	3,713
Receivables from group companies	76,359	8,565	9,175
Tax receivables	2,187	1,477	2,434
Other receivables	4,777	6,963	-1,257
Prepaid expenses and accrued income	94,036	112,162	99,796
Cash and cash equivalents	123,572	78,173	128,311
Total current assets	333,101	249,629	242,172
TOTAL ASSETS	333,171	249,699	242,242
Restricted equity			
Share capital	898	880	898
Non-restricted equity			0
Share premium reserve	55,916	55,916	55,916
Profit/Loss carried forward	72,488	90,649	56,858
Net result for the period	53,358	6,008	6,008
Total equity	182,660	153,452	119,679
Current liabilities			
Accounts payable	84	740	6,366
Tax Liability	-	1,414	-
Liability to group companies	145,858	82,711	107,865
Other liability	307	3,434	1,328
Accrued expenses	4,262	7,949	7,004
Total current liabilities	150,511	96,247	122,563
TOTAL EQUITY AND LIABILITIES	333,171	249,699	242,242

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.

Use of key ratios not defined in IFRS

The G5 Group's accounts are prepared in accordance with IFRS. See page 12 for more information on accounting principles. Only a few key ratios are defined in IFRS. As of the second quarter 2017, G5 is applying the Alternative Performance Measures issued by ESMA (European Securities and Markets Authority). Briefly, an alternative key ratio is a financial measurement of historical or future earnings development, financial position or cash flow, not defined or specified in IFRS. To assist Group Management and other stakeholders in their analysis of the Group's performance, G5 is reporting certain key ratios not defined by IFRS. Group Management believes that this information will facilitate an analysis of the Group's performance. This data supplements the IFRS information and does not replace the key ratios defined in IFRS. G5's definitions of measurements not defined in IFRS may differ from definitions used by other companies. All of G5' definitions are included below.

EBIT excluding costs for user acquisition consists of reported EBIT adjusted for costs for user acquisition.

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.

Daily Active Users (DAU) is the number of individuals who played a G5 game in a day. An individual who plays two different games in the day is counted as two DAUs. 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 Unique Users (MUU) is the number of individuals who played a G5 game at least once during a calendar month. An individual who plays two different games during the month is counted as one MUU. 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.