



G5 Entertainment AB

Interim Report Q1 2024

JANUARY – MARCH 2024



INTERIM REPORT JANUARY – MARCH 2024

January – March 2024

- Revenue for the period was SEK 297.4 M (345.4), a decrease of 14 percent compared to the same period in 2023 in SEK terms. In USD terms revenue decreased 14 percent year-over-year.
- Gross margin increased to 68.1 percent (67.4 percent), as a larger share of revenue is coming from G5's direct to consumer channel.
- EBIT for the period was SEK 39.2 M (39.8), a decrease of 2% corresponding to an EBIT-margin of 13.2% (11.5). EBIT was positively impacted by revaluations related to fx, primarily the USD, recorded in other income and expense amounting to SEK 9.4 M (1.1). Adjusting for the positive impact from other income and expense the EBIT margin would be 10.0 (11.2) percent.
- Net result for the period was SEK 37.5 M (47.8), positively impacted by the finance net of SEK 2.4 M (10.1).
- Earnings per share for the period, before dilution, was SEK 4.76 (5.85).
- Cash flow amounted to SEK 71.4 M (26.3), negatively impacted by repurchases of own shares of SEK 12.9 M (13.9).
- Average Monthly Active Users (MAU) was 5.1 million, a decrease of 11 percent compared to the same period in 2023. Average Daily Active Users (DAU) was 1.5 million, a decrease of 10 percent compared to the same period in 2022. Average Monthly Unique Payers (MUP) was 147.4 thousand, a decrease of 17 percent while Average Monthly Average Gross Revenue Per Paying User (MAGRPPU) was USD 63.5, an increase of 3 percent compared to the same period last year.

FINANCIAL KEY RATIOS

KSEK	Jan-Mar 2024	Jan-Mar 2023	Change %	Apr-Mar 23/24	2023	Change %
Revenue	297,409	345,370	-14%	1,271,960	1,319,921	-4%
Commission to distributors ¹	-64,746	-77,173	-16%	-282,423	-294,850	-4%
Royalty to external developers ²	-30,182	-35,449	-15%	-127,432	-132,700	-4%
Gross profit	202,481	232,749	-13%	862,105	892,372	-3%
Gross margin	68.1%	67.4%		68%	67.6%	
Operating costs excluding costs for user acquisition	-113,009	-131,778	-14%	-516,116	-534,885	-4%
EBIT excluding costs for user acquisition	89,473	100,971	-11%	345,989	357,487	-3%
EBIT margin before costs for user acquisition	30%	29%		27%	27%	
Costs for user acquisition ³	-50,268	-61,167	-18%	-235,137	-246,035	-4%
Costs for user acquisition as percentage of revenue	-17%	-18%		-18%	-19%	
EBIT	39,204	39,804	-2%	110,852	111,452	-1%
EBIT margin (%)	13.2%	11.5%		8.7%	8.4%	
Earnings per share before dilution	4.76	5.85	-19%	14.70	15.84	-7%
Cash flow before financing activities	84,650	40,337		172,232	127,919	
Cash and cash equivalents	255,768	205,058		255,768	255,768	

1 Variable costs paid to distributors. Main stores have the following fees: Apple App Store, Google Play, Amazon Appstore etc. have a fee of 30 percent, Microsoft Store has 12 percent, G5 Store has single digit percent.

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

3 User 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: Improved margins



As we conclude the first quarter of 2024, we are pleased to report another period of financial stability. Our performance in Q1 underscores the resilience of our business model, with a strong EBIT margin, robust cash conversion, and a record cash position of SEK 256 M. These achievements reflect our dedication to driving profitability and creating long-term value for our shareholders.

Revenue from G5 Store grew 55 percent year-over-year and 2 percent sequentially. The continued growth of our G5 Store remains a cornerstone of our success, accounting for 13.5 percent of revenue compared to 7.9 percent the same period last year. This increasing share of revenue not only improves our gross margin but also continues to boost our overall profitability. EBIT was SEK 39 M, corresponding to an EBIT margin of 13.2 percent. The quarter was positively impacted by other income of SEK 9.4 M, adjusting for other income the EBIT margin was 10.0 percent. User acquisition was 17% during the first quarter, in line with our communicated target of 17-22 percent.

We are pleased to note some positive developments in user metrics sequentially, indicating ongoing engagement and interest in our games. However, we recognize the seasonal challenges ahead in Q2 and Q3 and will closely monitor the

The first quarter underscores the resilience of our business model with a strong EBIT margin, robust cash conversion and record cash position.

sustainability of these trends.

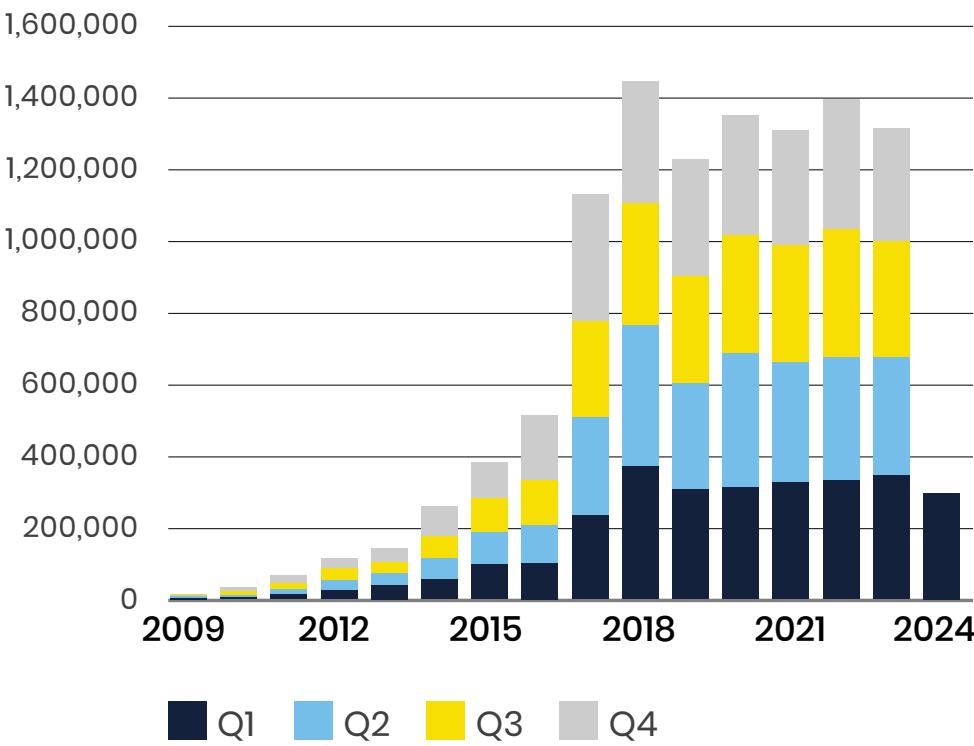
Our largest games, Sherlock, the Jewels family of games, and Hidden City, demonstrated stable, even though slightly declining, performance sequentially in Q1. These core titles continue to resonate with our audience, providing a solid foundation for sustained success. While the initial launch of Twilight Land showed promise, our team remains focused on optimizing monetization strategies to unlock its full potential.

We continue to apply the development funnel process to our new game ideas and games in development. The funnel continues to deliver the results that we sought after when it was launched. We iterate games faster in the early stages, see promising games filling up the funnel for the coming years and cut titles out of production that we believe we will regret launching.

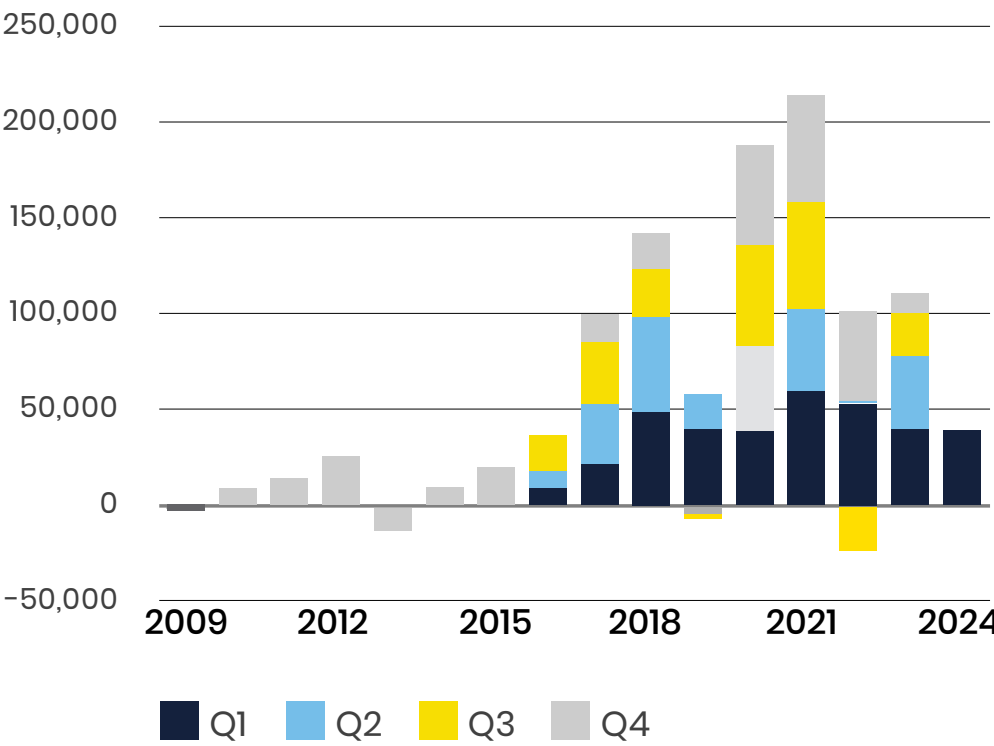
We spend approx. 20 percent of our R&D expenses on new titles and making changes in an organization which is no longer small, always takes a bit longer than anticipated. Whilst these processes have been improving and we see positive results the changes have also highlighted further areas for improvement which we are actively pursuing. This involves all parts of the production and I hope that we will soon start to see the benefits of the improvements we are implementing. We are confident in the talent and dedication of our development teams and remain committed to delivering an exceptional gaming experience to our players.

Looking ahead, we are excited that we have several new games in development, each with high potential to captivate audiences and drive growth. Our development team is

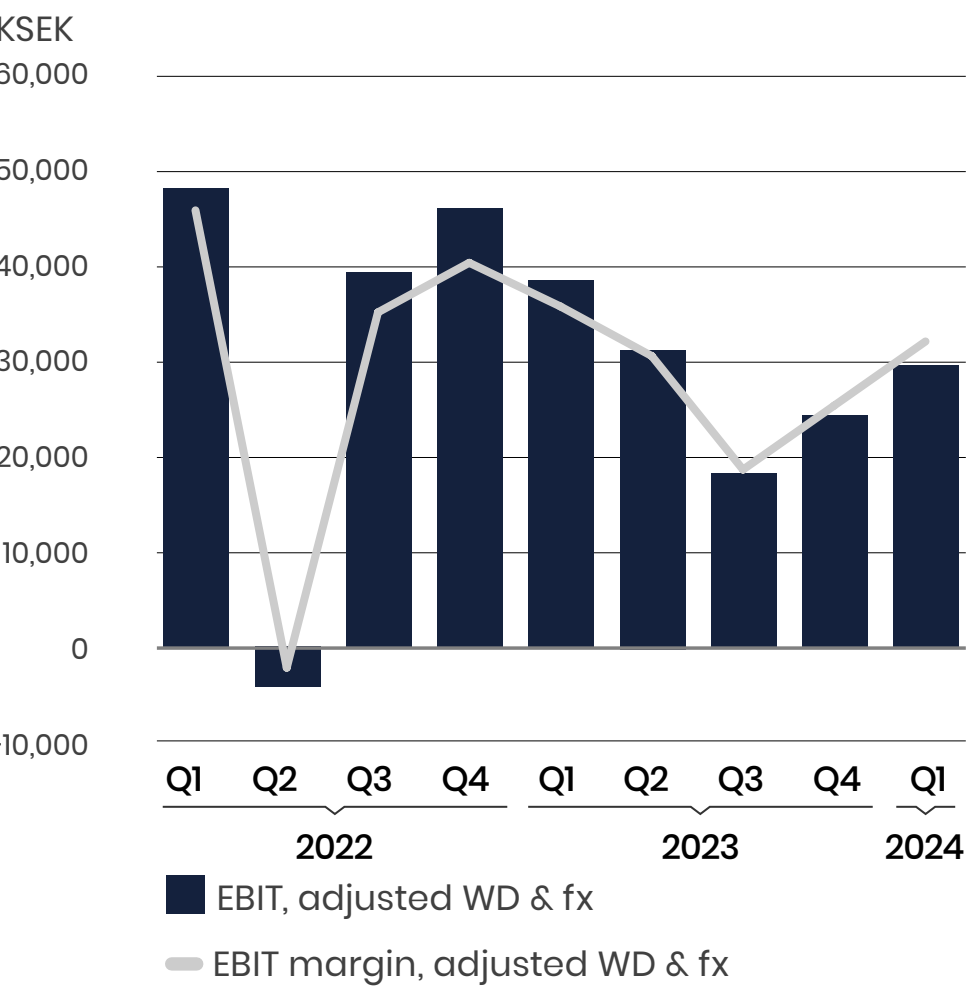
Revenue (MSEK)



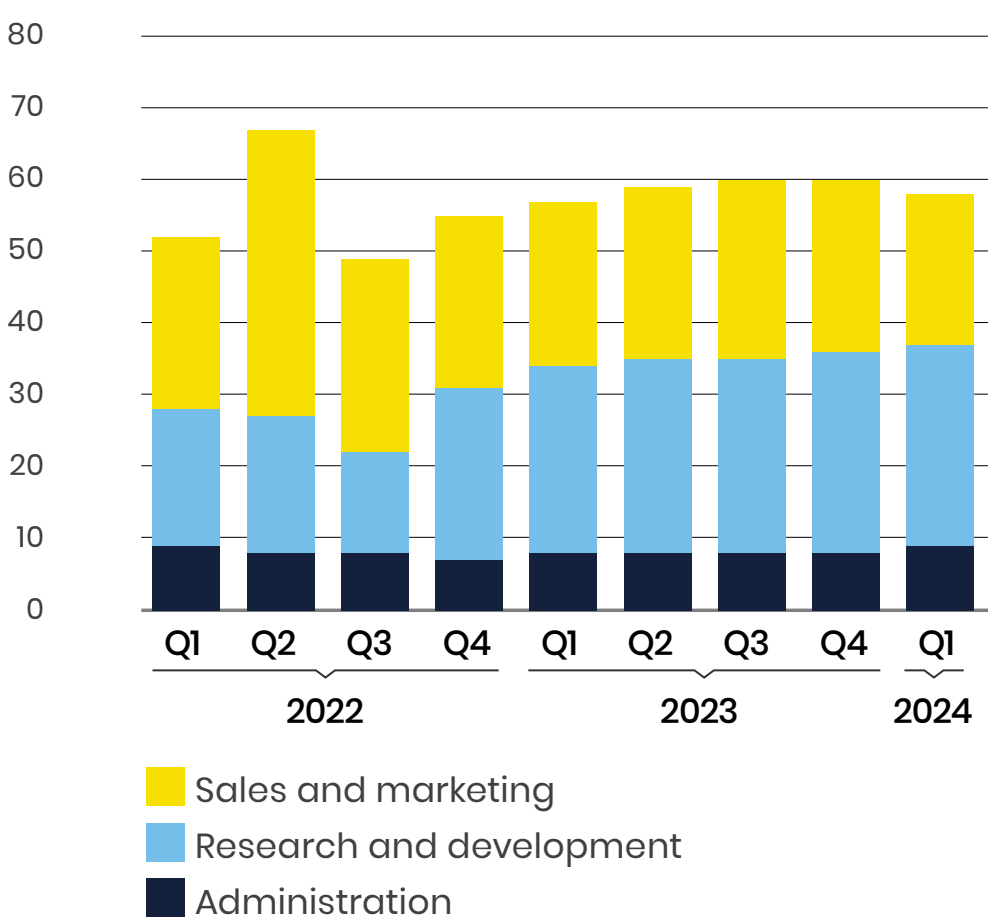
EBIT (MSEK)



EBIT (MSEK) | EBIT-margin (%)



Costs in % of revenue



working hard, and the pipeline reflects our goal of expanding the portfolio with fun gaming experiences.

As we navigate the remainder of 2024, our primary objective remains to deliver another financially stable year. While we pursue this goal, we are concurrently focused on developing new games that have the potential to reshape our top-line dynamics and drive future growth.

In closing, I want to extend my gratitude to our dedicated teams for their hard work and commitment to excellence. Together, we will continue to push boundaries, innovate, and deliver exceptional gaming experiences to our players worldwide.

Thank you for your ongoing support and trust in G5 Entertainment.

May 8th, 2024
Vlad Suglovov, CEO, co-founder

We iterate games faster in the early stages, see promising games filling up the funnel and cut games where we don't see promise.

January – March

Revenue and gross profit

Revenue amounted to SEK 297.7 M (345.4). Revenue decreased by -14 percent compared to the same period in 2023, in USD the revenue decreased by 13%.

Cost of revenue increased to SEK 94.9 M (112.6). Cost of revenue includes commission to the distributors. Most parties still charge up to 30 percent of gross revenue, except for Microsoft Store with commission fees of 12 percent and G5 Store with commission fees in single digit percent for third-party payment processing. Cost of revenue also includes royalties payable to external developers which decreased with 15 percent compared to the same period in 2023.

Gross margin for the period was 68.1 percent (67.4). Gross profit for the quarter decreased by 13 percent compared to the first quarter in 2023 and was SEK 202.5 M (232.7).

Operational Costs

Costs for research and development were SEK 83.6 M (88.3) during the period. Net capitalisation was SEK -2.2 M less than in the same period in the previous year. Adjusting for net capitalization the costs decreased with 8 procent compared to the same period in 2023.

Sales and marketing decreased to SEK 63.6 M (79.4). Sales and marketing is primarily affected by the costs for user acquisition. During the quarter the cost for user acquisition was SEK 50.3 M (61.2).

Cost for user acquisition as a percentage of sales was 17 percent, compared to 18 percent in the same

period in 2023. Sales and marketing, excluding user acquisition, decreased to SEK 13.3 M (18.2).

General and administrative costs amounted to SEK 25.5 M (26.4). Other operating income other operating expenses together amounted to SEK 9.4 M (1.1), primarily driven by currency effects on operational assets and liabilities.

EBIT

Depreciation and amortization have decreased as the company no longer capitalise on unreleased games which has reduced the amortisation on capitalised development expenses. Depreciation and amortization amounted to SEK 36.8 M (37.1). Capitalization of intangible assets amounted to SEK 25.7 M (28.3). During the quarter no write-downs were made. Net effect of capitalization and amortization on intangible assets amounted to SEK -11.1 M (-8.8).

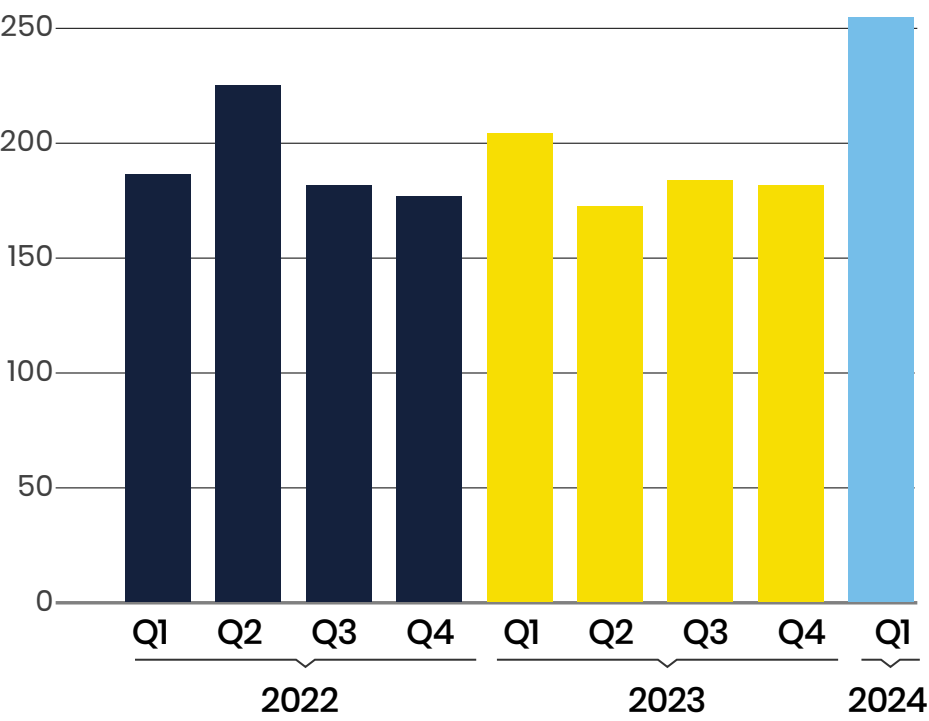
Earnings before interest and taxes (EBIT) amounted to SEK 39.2 M (39.8), corresponding to an EBIT margin of 13.2 percent (11.5).

Net profit

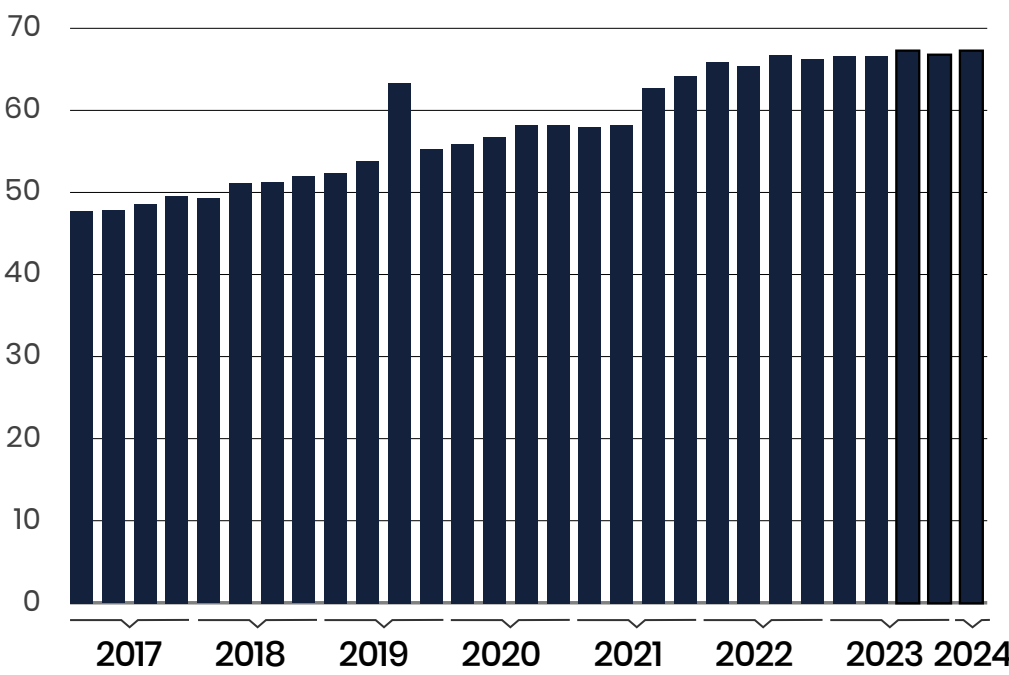
Net profit was affected by financial items with SEK 2.4 M (10.1). Finance net was impacted by interest income amounting to SEK 2.5 M (0.6), last year was impacted by revaulation of short term investments amounting to SEK 9.6 M. Tax affected the result with SEK -4.1 M (-2.1).

Net profit amounted to SEK 37.5 M (47.8) which equals an earnings per share before dilution of SEK 4.76 (5.85).

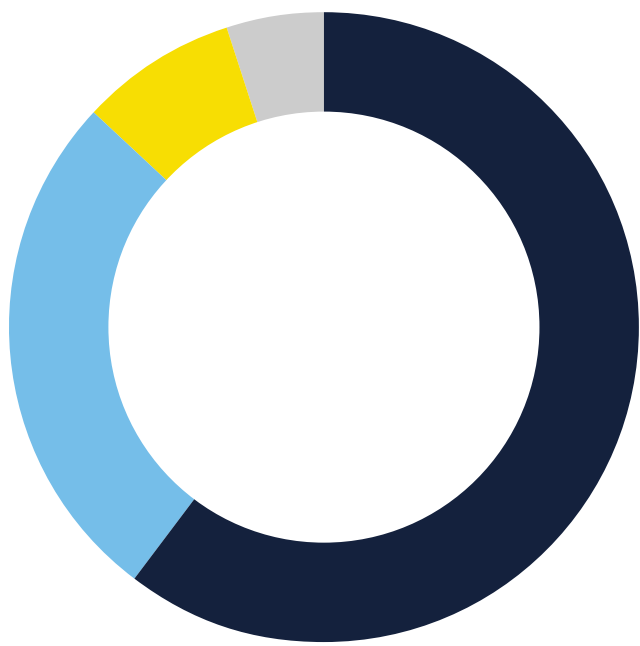
Cash Position (MSEK)



Gross Margin (%)

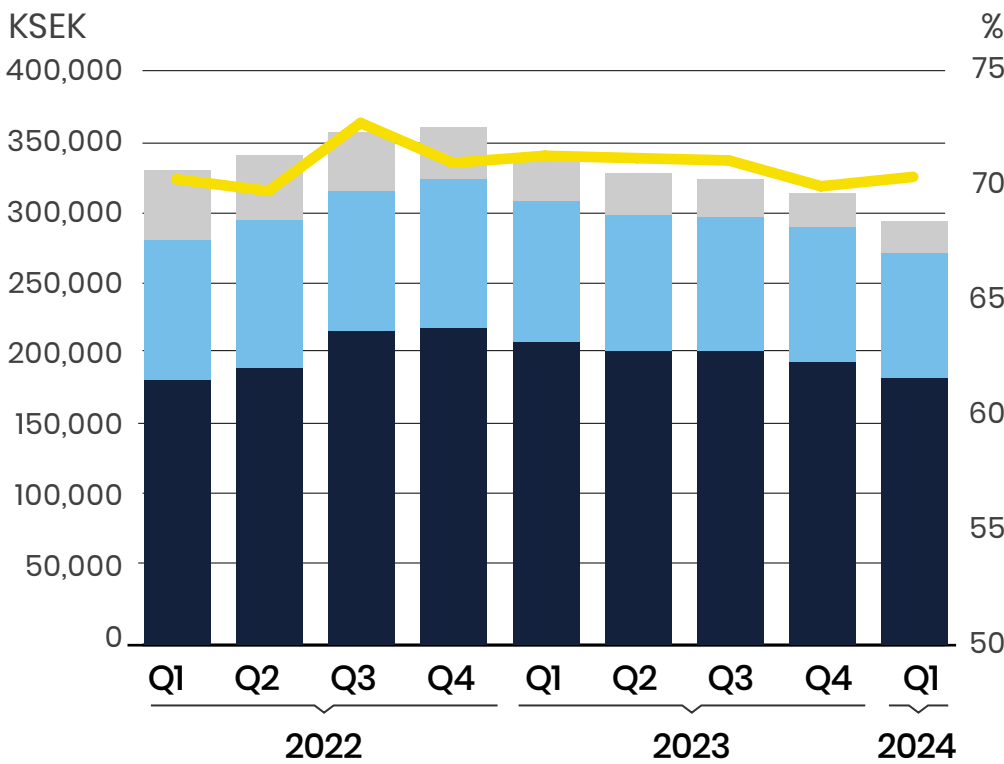


Revenue breakdown by geography
First Quarter 2024



- North America 61%
- Europe 27%
- Asia 8%
- ROW 5%

Own/licensed revenue (MSEK)
share own games (%)



- Harvest, MSEK
- Licensed, MSEK
- Active, MSEK
- Own games, %

Operational metrics

F2P	Q1’24	Q1’23	Change
Average DAU (mn)	1.5	1.7	-10%
Average MAU (mn)	5.1	5.7	-11%
Average MUU (mn)	3.7	4.2	-12%
Average MUP (thousands)	147.4	177.6	-17%
Average MAGRPPU (USD)	63.5	61.8	3%

For detailed definitions of the operational metrics see the glossary on page 16 of the report.

Cash flow

During the first quarter, the group had an operating cash flow before changes in working capital of SEK 80.8 M (81.8). In the quarter taxes impacted the cash flow negatively with SEK 1.3 M (1.0).

Changes in working capital impacted the cash flow with SEK 29.9 M (-11.7). Capitalized development expenses impacted the cash flow negatively with SEK 25.7 M (28.3).

Cash flow before financing activities amounted to SEK 84.7 M (40.3). Financing activities were impacted by buybacks of own shares amounting to SEK -12.9 M (-13.9) and IFRS16 bookings related to lease of premises SEK -0.3 M (-0.1).

Available cash on March 31, 2024 amounted to SEK 255.8 M (205.1).

Financial position

During the third quarter 2022 the group changed its publishing strategy by making changes to how it is vetting new games. The foundation is still to have a portfolio of different games in the portfolio in order to maximize potential and reduce risk. Multiple games are developed at any given point in time, some of these games become very successful and extremely profitable, some of these games do not become big breakthroughs but pay for themselves and are stable earners over a long period of time, while the majority of games that go into production will be cancelled at an early stage as the market potential is not significant enough.

As the majority of games that are produced will be cancelled during soft launch, the company will not capitalize development expenses on games until they reach global launch. Capitalizing after global launch will reduce the risk for write-offs in the portfolio.

As before, capitalized development expenses for unsuccessful games will be written down. Development for games only released in soft launch will be expensed as they are incurred. Over time, the company expects such write-offs and expenses to be more than compensated for by the revenue and profits produced by successful games in the portfolio.

Capitalized development expenses amounted to SEK 222.7 M (262.6). Impairment need in the portfolio is tested every quarter. A thorough review of the input parameters is done on a yearly basis. During the quarter, no write-offs (0.0) were made.

Consolidated equity amounted to SEK 554.1 M (547.9), which equals SEK 71.0 per share (67.6) and the equity/asset ratio is 80 percent (77).

Cash on hand amounted to SEK 255.8 M (205.1).

Other long-term debt and other short term debt are solely related to IFRS16 accounting of lease contracts.

Parent company

The parent company revenue has performed 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 and is also where the senior management overseeing the games, HR etc. is based. 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.

Related-party transactions

During the period no significant related-party transactions have taken place except the ongoing transactions highlighted in the annual report 2023.

Upcoming report dates

Annual General Meeting 2024	June 12, 2024
Interim report Jan-Jun 2024	August 8, 2024
Interim report Jan-Sep 2024	November 6, 2024

Teleconference

On May 8th, 2024 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: <https://corporate.g5.com/investors/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

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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 8th, 2024

Petter Nylander
Chairman of the Board

Johanna Fagrell Köhler
Board member

Jeffrey Rose
Board member

Sara Börsvik
Board member

Marcus Segal
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 8th, 2024 at 07.00. 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 2024	Jan–Mar 2023	Apr–Mar 23/24	2023
Net turnover	297,409	345,370	1,271,960	1,319,921
Cost of revenue	–94,928	–112,622	–409,855	–427,549
Gross profit	202,481	232,749	862,105	892,372
Research and Development expenses	–83,638	–88,256	–359,083	–363,702
Sales and Marketing expenses	–63,588	–79,389	–297,649	–313,450
General and administrative expenses	–25,480	–26,424	–101,170	–102,115
Other operating income	9,429	1,125	8,303	0
Other operating expenses	0	0	–1,654	–1,654
Operating result	39,204	39,804	110,852	111,452
Financial income	2,450	10,293	18,580	26,423
Financial expenses	–78	–229	–1,027	–1,178
Operating result after financial items	41,577	49,868	128,405	136,696
Taxes	–4,096	–2,104	–11,115	–9,122
Net result for the year	37,481	47,764	117,290	127,574
Attributed to:				
Parent company's shareholders	37,481	47,764	117,290	127,574

KSEK	Jan–Mar 2024	Jan–Mar 2023	Apr–Mar 23/24	2023
Earnings per share				
Weighted average number of shares (thousands)	7,867	8,159	7,978	8,052
Weighted average number of shares after dilution, (thousands)	7,867	8,209	7,978	8,052
Earnings per share (SEK) before dilution	4.76	5.85	14.70	15.84
Earnings per share (SEK) after dilution	4.76	5.82	14.70	15.84

STATEMENT OF COMPREHENSIVE INCOME – GROUP

KSEK	Jan–Mar 2024	Jan–Mar 2023	Apr–Mar 23/24	2023
Net result for the period	37,481	47,764	117,290	127,574
Items that later can be reversed in profit				
Revaluation long-term investments	18,673	–	4,587	–14,086
Foreign currency translation differences	5,740	10,682	–4,794	–4,004
Total other comprehensive income for the period	24,413	10,682	–207	–18,090
Total comprehensive income for the period	61,894	58,446	117,083	109,484
Attributed to:				
Parent company's shareholders	61,894	58,446	117,083	109,484

BALANCE SHEET – GROUP

KSEK	Mar 31 2024	Mar 31 2023	Dec 31 2023
Fixed assets			
Intangible fixed assets			
Capitalized development expenses (Note 2)	222,652	262,639	220,411
Intangible assets	2,613	0	2,613
	225,265	262,639	223,024
Tangible fixed assets			
Equipment	12,288	15,899	12,883
	12,288	15,899	12,883
Long term Investments	52,807	16,589	34,134
Deferred tax receivable	46	63	25
Total non-current assets	290,406	295,190	270,066
Current assets			
Accounts receivable	21,928	32	25,936
Tax receivable	2,090	1,648	3,773
Other receivables (Note 3,4)	1,731	13,818	2,846
Prepaid expenses and accrued income	120,713	174,463	125,196
Short term investments	0	17,593	0
Cash and cash equivalents	255,768	205,058	182,332
Total current assets	402,229	412,612	340,083
Total assets	692,635	707,802	610,149

KSEK	Mar 31 2024	Mar 31 2023	Dec 31 2023
Equity			
Total shareholders' equity	554,055	536,893	491,401
Long-term liabilities			
Deferred tax liabilities	1,224	1,513	3,618
Long-term liabilities	1,651	2,225	1,261
Total long-term liabilities	2,875	3,738	4,879
Current liabilities (Note 5)			
Short-term liabilities	1,386	457	612
Accounts payable	50,788	21,723	39,441
Other liabilities	7,959	54,927	11,291
Tax liabilities	9,745	20,873	7,789
Accrued expenses	65,827	69,191	54,736
Total current liabilities	135,705	156,191	113,869
Total equity and liabilities	692,635	707,802	610,149

CHANGES IN SHAREHOLDERS’ EQUITY – GROUP

KSEK	Share capital	Other capital contribution	Other reserves	Profit/loss brought forward	Shareholders’ equity
Shareholders’ equity 2023–01–01	928	–189,704	69,746	607,780	488,750
Net result for the year				47,764	47,764
Total other comprehensive income			10,682		10,682
Total comprehensive income for the year			10,682	47,764	58,446
Repurchase of shares		–13,935			–13,935
IFRS2 – Employee share schemes			3,633		3,633
Total transactions with the owners recognized directly in equity		–13,935	3,633	0	–10,302
Shareholders’ equity as of 2023–03–31	928	–203,639	84,061	655,544	536,894
Shareholders’ equity 2024–01–01	928	–243,733	63,358	670,849	491,402
Net result for the year				37,481	37,481
Revaluation long-term investments			18,673		18,673
Total other comprehensive income			5,740		5,740
Total comprehensive income for the year			24,413	37,481	61,894
Repurchase of shares		–12,941			–12,941
IFRS2 – Employee share schemes			2,721		2,721
Total transactions with the owners recognized directly in equity		–12,941	2,721	0	–10,220
Shareholders’ equity as of 2024–03–31	928	–256,674	90,492	708,329	543,075

CASH FLOW STATEMENT – GROUP

KSEK	Jan–Mar 2024	Jan–Mar 2023	Apr–Mar 23/24	2023
Cash flow from operating activities				
Profit after financial items	41,577	49,868	128,405	136,696
Adjusting items not included in cash flow	40,488	32,938	166,226	158,676
	82,065	82,806	294,631	295,372
Taxes paid	-1,280	-997	-17,964	-17,681
Cash flow before changes in working capital	80,785	81,809	276,667	277,691
Cash flow from changes in working capital				
Change in operating receivables	9,606	-20,072	33,040	3,362
Change in operating liabilities	20,334	8,327	-27,882	-39,889
Cash flow from operating activities	110,725	70,064	281,825	241,164
Investing activities				
Investment in fixed assets	-349	-1,445	-2,933	-4,029
Capitalized development expenses	-25,726	-28,282	-103,727	-106,283
Short term investments	0	0	-2,933	-2,933
Cash flow from investing activities	-26,075	-29,727	-109,593	-113,245

KSEK	Jan–Mar 2024	Jan–Mar 2023	Apr–Mar 23/24	2023
Financing activities				
Lease financing	-349	-135	-1,157	-944
Dividend	0	0	-64,505	-64,505
Repurchase shares	-12,941	-13,935	-53,035	-54,029
Cash flow from financing activities	-13,289	-14,070	-118,697	-119,478
Cash flow	71,361	26,267	53,535	8,441
Cash at the beginning of the period	182,332	177,469	205,058	177,469
Cash flow	71,361	26,267	53,535	8,441
Exchange rate differences	2,075	1,322	-2,825	-3,578
Cash at the end of the period	255,768	205,058	255,768	182,332

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.

The accounting and calculation principles used in the report for the group are identical to those used in the Annual Report 2023.

The interim report is on pages 1–16, and pages 1–8 are thus an integrated part of this financial report.

Note 2

Capitalized development expenses

KSEK	Jan–Mar 2024	Jan–Mar 2023	Apr–Mar 23/24	2023
At the beginning of the period	220,411	273,073	262,639	273,073
Investments	25,726	28,282	101,114	103,670
Write-offs	–	–	–	–
Amortization	–36,779	–37,089	–149,798	–150,108
Net change during the period	–11,053	–8,807	–48,684	–46,438
Currency exchange differences	13,294	–1,628	8,698	–3,983
At the end of the period	222,652	262,639	222,652	222,652

Note 3

Other receivables

Other receivables include SEK 0.0 M (10.1) 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 has no (3) pledged assets to. G5 Entertainment does not have any contingent liabilities.

Note 5

Fair value

G5 group has long and short term 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 2024	Jan–Mar 2023	Apr–Mar 23/24	2023
Net turnover	297,409	345,370	1,271,960	1,319,921
Cost of revenue	-242,219	-277,336	-1,003,802	-1,038,919
Gross profit	55,190	68,034	268,158	281,003
Research and development expenses	-42	-2,577	-117	-75
Sales and Marketing expenses	-50,697	-63,537	-251,673	-264,513
General and administrative expenses	-6,056	-9,076	-22,388	-22,083
Other operating income	7,805	0	16,085	0
Other operating expenses	0	-943	-11,791	-4,455
Operating result	6,200	-8,099	-1,726	-10,123
Financial income	19,109	536	33,429	24,432
Financial expenses	-19,900	9,576	-19,900	0
Operating result after financial items	5,410	2,013	11,803	14,309
Taxes	-1,639	0	-1,639	0
Net result for the period	3,771	2,013	10,164	14,309

STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

KSEK	Jan–Mar 2024	Jan–Mar 2023	Apr–Mar 23/24	2023
Net result for the period	3,771	2,013	10,164	14,309
Items that later can be reversed in profit				
Revaluation long-term investments	18,673	0	4,587	-14,086
Other comprehensive income	18,673	0	4,587	-14,086
Total other comprehensive income for the period	22,444	2,013	14,751	223

BALANCE SHEET – PARENT COMPANY

KSEK	Mar 31 2024	Mar 31 2023	Dec 31 2023
Fixed assets			
Intangible fixed assets			
Intangible fixed assets	2,613	0	2,613
Tangible fixed assets			
Tangible fixed assets	0	2	0
Financial fixed assets			
Shares in group companies	130	105	105
Financial assets	52,807	16,589	34,134
Total fixed assets	55,550	16,695	36,852
Current assets			
Account receivables	21,928	0	25,936
Receivables from group companies	154,596	40,477	87 381
Tax receivables	2,751	1,513	2,751
Other receivables	357	576	410
Prepaid expenses and accrued income	115,931	146,051	112,284
Financial assets	0	17,593	0
Cash and cash equivalents	67,032	145,571	53,722
Total current assets	362,594	351,781	282,484
Total assets	418,144	368,477	319,336

KSEK	Mar 31 2024	Mar 31 2023	Dec 31 2023
Restricted equity			
Share capital	928	928	928
Non-restricted equity			
Share premium reserve	41,917	52,745	53,578
Profit/Loss carried forward	186,099	274,783	152,810
Net result for the period	10,164	2,013	14,309
Total equity	239,108	330,470	221,625
Current liabilities			
Accounts payable	32,616	21,074	36,357
Tax Liability	889	0	0
Liability to group companies	142,131	5,831	54,226
Other liability	5,352	9,046	5,130
Accrued expenses	1,901	2,055	1,999
Total current liabilities	182,889	38,007	97,711
Total equity and liabilities	421,997	368,477	319,336

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 13 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’s 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.

Portfolio definitions

Active Games are the games G5 owns and is actively supporting through its development and marketing capacity.

Licensed Games are games that G5 license from 3rd party developers and thereby act as a publisher. Licensed games are not split into active and harvest games.

Harvest Games are games that G5 owns but are not profitable to run as active games. The games are technically supported by a central team.

About G5 Entertainment

G5 Entertainment AB (publ) (G5) develops and publishes high quality free-to-play games for G5 Store, Apple App Store, Google Play, Microsoft Store, Amazon Appstore etc. The games are easy to learn and targeted at the widest audience of experienced and novice players. G5’s portfolio includes a number of popular games like Jewels of Rome®, Sherlock Hidden Match-3 cases, Hidden City, Mahjong Journey®, Homicide Squad®, The Secret Society® Wordplay: Search Word Puzzle™ and Jewels of the Wild West™. G5 Entertainment AB (publ) is listed on Nasdaq Stockholm since 2014.

G5 Entertainment AB (publ)

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