

A woman with a crown and a royal dress, looking slightly to the side. The image is in a dark, monochromatic style with some highlights.

G5 Entertainment AB

Interim Report Q1 2025

JANUARY – MARCH 2025



INTERIM REPORT JANUARY – MARCH 2025

January – March 2025

- Revenue for the period was SEK 260.3 M (297.4), a decrease of 12 percent compared to the same period in 2024 in SEK terms. In USD terms revenue decreased 15 percent year-over-year.
- Gross margin increased to 69.8 percent (68.1 percent), as a larger share of revenue is coming from G5's direct to consumer channel.
- EBIT for the period was SEK 10.7 M (39.2), a decrease of 73%, corresponding to an EBIT-margin of 4.1% (13.2). EBIT was negatively impacted by revaluations related to fx, primarily the USD, recorded in other income and expense amounting to SEK -14.6 M (9.4). Adjusting for the negative impact from other income and expense the EBIT margin would be 9.7 (10.0) percent.
- Net result for the period was SEK 11.9 M (37.5), positively impacted by the finance net of SEK 2.1 M (2.4).
- Earnings per share for the period, before dilution, was SEK 1.53 (4.76).
- Cash flow amounted to SEK 33.0 M (71.4).
- Average Monthly Active Users (MAU) was 4.2 million, a decrease of 18 percent compared to the same period in 2024. Average Daily Active Users (DAU) was 1.3 million, a decrease of 15 percent compared to the same period in 2024. Average Monthly Unique Payers (MUP) was 121.7 thousand, a decrease of 17 percent while Average Monthly Average Gross Revenue Per Paying User (MAGRPPU) was USD 65.4, an increase of 3 percent compared to the same period last year.

FINANCIAL KEY RATIOS

| KSEK | Jan-Mar 2025 | Jan-Mar 2024 | Change % | Apr-Mar 24/25 | 2024 | Change % |
|--|-----------------|-----------------|-------------|------------------|----------------|-------------|
| Revenue | 260,273 | 297,409 | -12% | 1,097,393 | 1,134,529 | -3% |
| Commission to distributors ¹ | -51,956 | -64,746 | -20% | -233,145 | -245,935 | -5% |
| Royalty to external developers ² | -26,731 | -30,182 | -11% | -109,046 | -112,497 | -3% |
| Gross profit | 181,586 | 202,481 | -10% | 755,202 | 776,097 | -3% |
| Gross margin | 69.8% | 68.1% | | 68.8% | 68.4% | |
| Operating costs excluding costs for user acquisition | -131,516 | -113,009 | 16% | -479,593 | -461,085 | 4% |
| EBIT excluding costs for user acquisition | 50,070 | 89,473 | -44% | 275,609 | 315,012 | -13% |
| EBIT margin before costs for user acquisition | 19% | 30% | | 25% | 28% | |
| Costs for user acquisition ³ | -39,365 | -50,268 | -22% | -187,331 | -198,235 | -6% |
| Costs for user acquisition as percentage of revenue | -15% | -17% | | -17% | -17% | |
| EBIT | 10,705 | 39,204 | -73% | 88,278 | 116,778 | -24% |
| EBIT margin (%) | 4.1% | 13.2% | | 8.0% | 10.3% | |
| Earnings per share before dilution | 1.53 | 4.76 | -68% | 11.84 | 15.22 | -22% |
| Cash flow before financing activities | 33,215 | 84,650 | | 112,574 | 164,009 | |
| Cash and cash equivalents | 295,022 | 255,768 | | 295,022 | 275,539 | |

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: Stability in a challenging market



The first quarter continued the trends observed in 2024. The G5 team continued to work hard to push games through our development funnel process, while preserving the strong profitability we've worked hard to build. Through constant focus on efficiencies and thanks to an increasing number of players turning to play our games in our own G5 Store, we have managed to uphold healthy profitability.

Revenue for the quarter declined 7% sequentially to SEK 260.3, in part due to a shorter quarter and declined 12% year-over-year. In USD, sales declined 6% sequentially and 15% year-over-year. Active own games declined by 7%, licensed games by 11%, while harvest games, including Mahjong Journey since the first quarter, declined 25%. Still, we maintained strong profitability and positive cash flow as we are working on reversing the trend through improvements in marketing, products, and bringing new games to the market.

EBIT for the quarter was SEK 10.7 M. Adjusting for FX, EBIT was SEK 25.2 M, corresponding to a margin of 9.7%, slightly down from the previous year but in line with Q4 2024, thanks to our good cost control and the strength of our business model. Results also include a one-time extraordinary expense of SEK 1.3 M from the acquisition that did not go forward, mentioned in the Q4 '24 report. As a reminder, G5 is primarily a

USD operation although we report in SEK. Most of our reserves are kept in USD, where we get a better yield, and our operational assets and liabilities primarily are nominated in USD, exposing the group to the volatility of the SEK/USD fx pair.

User acquisition (UA) spending was 15% of revenue, temporarily below our target range of 17-22%. We plan to return to the 17-22% target range for UA deployment in the coming quarters to support the long-term growth of our portfolio.

The G5 Store has proven to be a huge success, and an increasing share of our sales derives from this distribution channel. The G5 Store continues to be a growing business ever since we launched it in 2020, rising 35% year-over-year in the first quarter, and now making up 21% (13% last year) of our revenue. It remains our third largest distribution channel by revenue and brings a welcome boost to our gross margin, which rose to a record high 69.8%.

Some time ago we mentioned that we made available store.g5.com, a web interface for making payments in G5 games, to players on all platforms, including those that charge 30% store fees. We are glad to report that we are now receiving about 2.6% of net revenue from such "high fee" stores through store.g5.com, and this percentage is gradually growing, which means that players are increasingly choosing to check out through

our own payment processing interface, which only costs us single digit percentage in processing fees compared to 30% store fees. Some of our competitors reported bringing this percentage to 20-25% of total revenue, so we are optimistic that over time and gradually we can reach similar levels. This is further boosting our gross margin even for the traditional mobile distribution channels with high store fees.

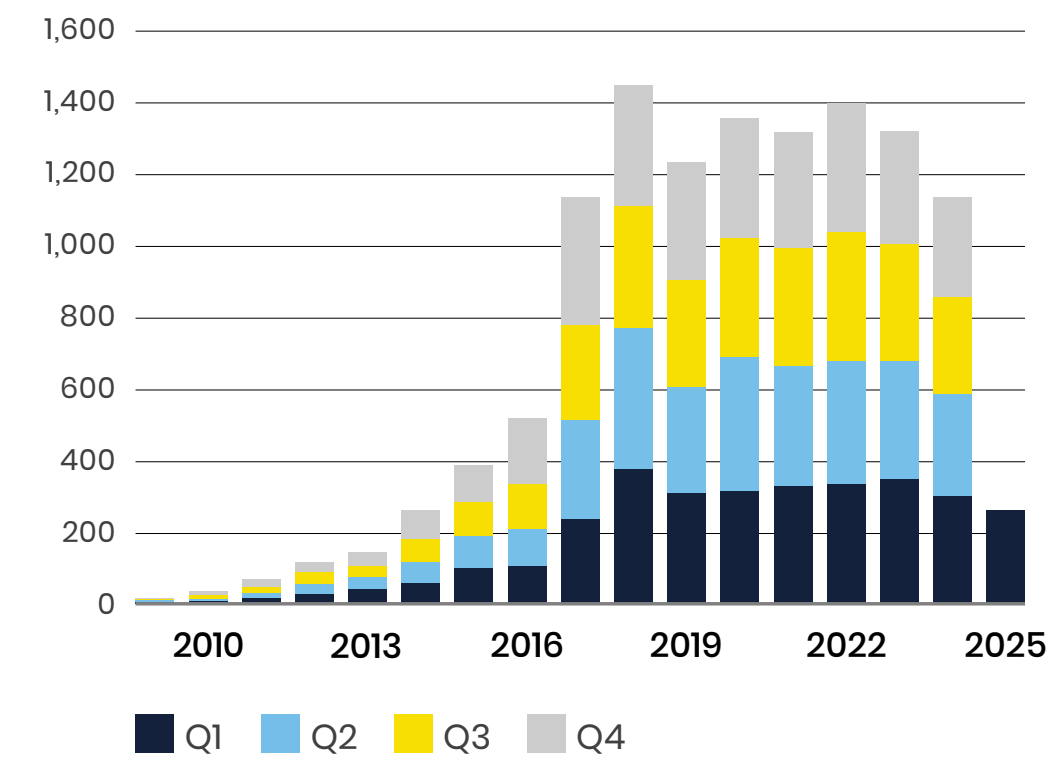
The G5 Store has by now achieved such scale that on an individual G5 game level, it can bring the largest or very meaningful amount of revenue. As it grows as a percentage of our business, this poses strategic questions: should we prioritize building games for the G5 Store over mobile application stores? Are we headed towards a future where most of the revenue is generated through the G5 Store? For now, we will continue to reach our core audience of loyal customers through G5 Store with minimal store fees, while maintaining mobile store presence where we attract many new players. However, what is already clear now from the numbers is that G5 Store, as a distribution channel, is a valuable source of incremental (or sometimes principal) income for a successful free-to-play casual mobile game. With this in mind, we see the potential of building a scalable distribution business around G5 Store. We are reaching out to fellow mobile game developers to gauge their interest in earning incremental revenue through the distribution of their games on G5 Store with the ambition to have several 3rd party games testing G5 Store before the end of the year.

Our future growth depends on creating great

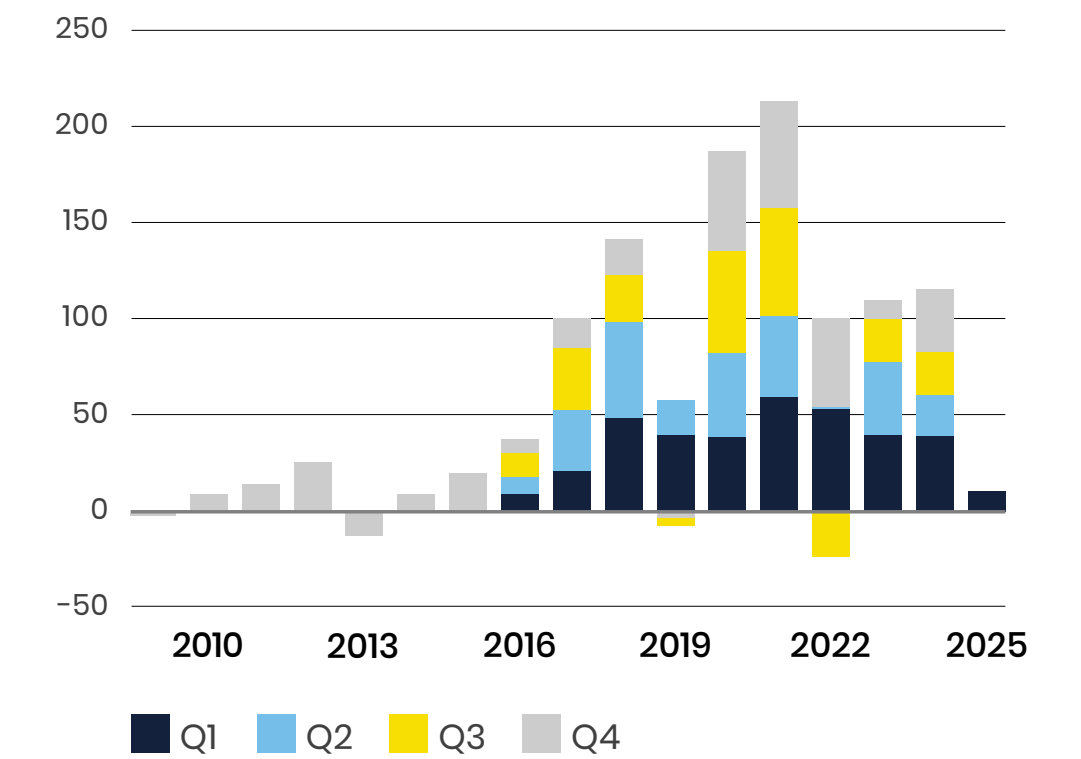
game ideas and pushing them through the development funnel to the release. It is a rigorous process that takes time to ensure only the best games that have the potential to reach high enough revenue make it to market. It all starts with the game idea. Developing games demands a lot of resources and time, so we have established a screening and testing for game ideas that helps ensure we are only developing games based on the most promising ideas. The next step is creating early versions of the game as we move into the soft launch stage where we make iterations on the game mechanics. The game's internal and marketing metrics are tested until the game is either ready for global launch, or is discontinued due to not demonstrating enough potential. Discontinuing a game is a normal part of the process, it shows that the process works and we are culling games that don't live up to the high standards we have set. There are numerous game ideas and game builds currently moving through this development funnel. With that said, during the period we have made 14 iterations: 8 iterations in different early stages of the soft launch process and 6 iterations in the later Scalability stage of the soft launch process; we have also discontinued work on 3 games in soft launch due to insufficient potential. For one game, iteration and preparation is ongoing towards the Global Launch expected later this year.

We made a couple of strategic hires during the quarter focused on strategic product development, business expansion, and product marketing. These new positions are part of our growth initiative and will be key to G5's future success.

Revenue (MSEK)



EBIT (MSEK)



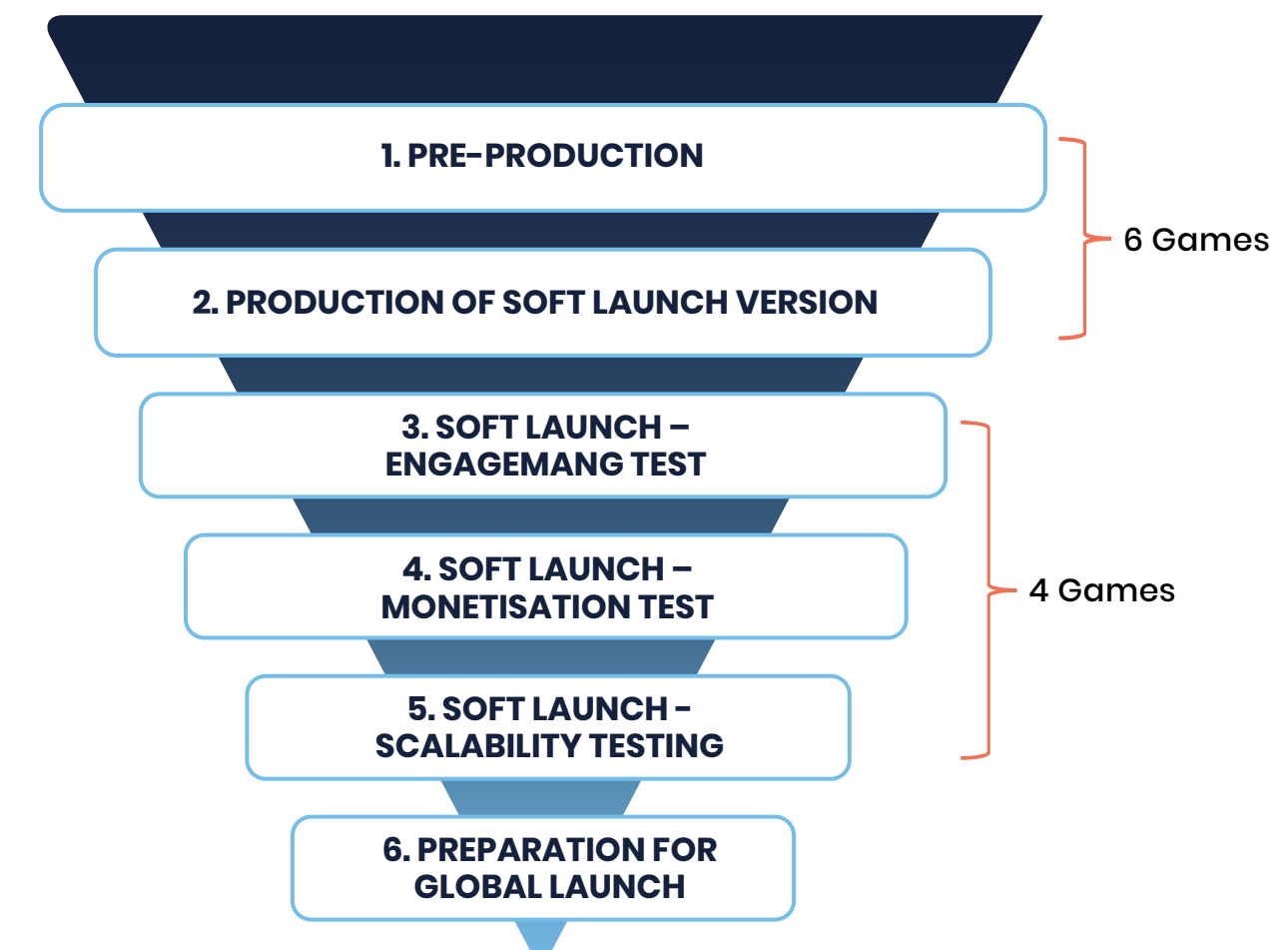
The company is in a strong financial position, with a record cash position at the end of the quarter of SEK 295 M, and zero debt. We are committed to sustainably operating the business and financing our new product development and marketing from revenues, while remaining profitable and cash flow positive. I want to thank the team for its hard work and our players and shareholders for their belief in G5. I'm confident we have a solid plan for future success.

Thank you for following G5 Entertainment.

May 7th, 2025

Vlad Suglobov, CEO, co-founder

Development funnel



January – March

Revenue and gross profit

Revenue amounted to SEK 260.3 M (297.4) Revenue decreased by 12 percent compared to the same period in 2024, in USD the revenue decreased by 13 percent.

Cost of revenue decreased to SEK 78.7 M (94.9). 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 by 11 percent compared to the same period in 2024.

Gross margin for the period was 69.8 percent (68.1). Gross profit for the quarter decreased by 10 percent compared to the first quarter in 2024 and was SEK 181.6 M (202.5).

Operational Costs

Costs for research and development were SEK 74.0 M (83.6) during the period. Net capitalization was SEK -3.6 M (11.1). Adjusting for net capitalization R&D costs decreased by 3 percent compared to the same period in 2024.

Sales and marketing decreased to SEK 53.1 M (63.6). Sales and marketing is primarily affected by the costs for user acquisition. During the quarter the cost for user acquisition was SEK 39.4 M (50.3).

Cost for user acquisition as a percentage of sales was 15 percent, compared to 17 percent in the same period in 2024. Sales and marketing, excluding user acquisition, increased to SEK 13.7 M (13.3).

General and administrative costs amounted to SEK 29.2 M (25.5). Other operating income and other operating expenses together amounted to SEK -14.6 M (9.4), primarily driven by currency effects on operational assets and liabilities.

EBIT

Depreciation and amortization have decreased as the company no longer capitalizes on unreleased games. Depreciation and amortization amounted to SEK 27.7 M (37.8). Capitalization of intangible assets amounted to SEK 23.4 M (25.7). Net effect of capitalization and amortization on intangible assets amounted to SEK -3.6 M (-11.1).

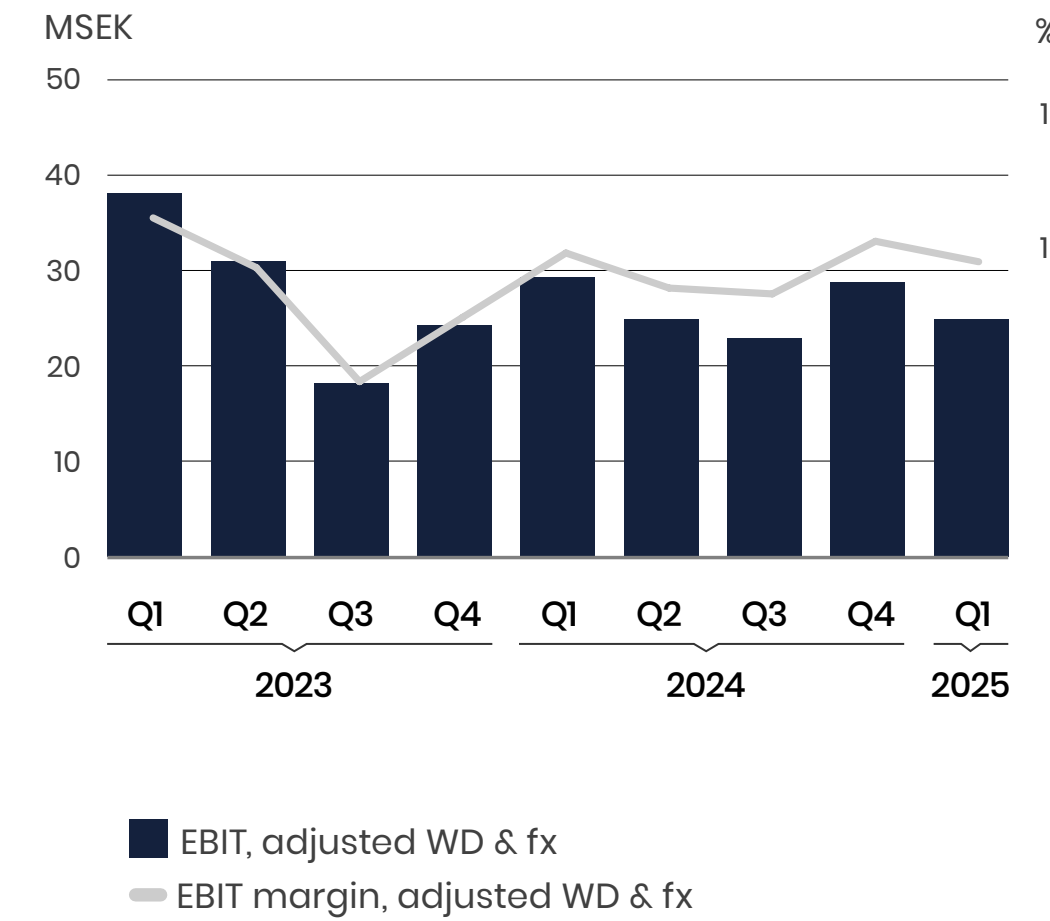
Earnings before interest and taxes (EBIT) amounted to SEK 10.7 M (39.2), corresponding to an EBIT margin of 4.1 percent (13.2).

Net profit

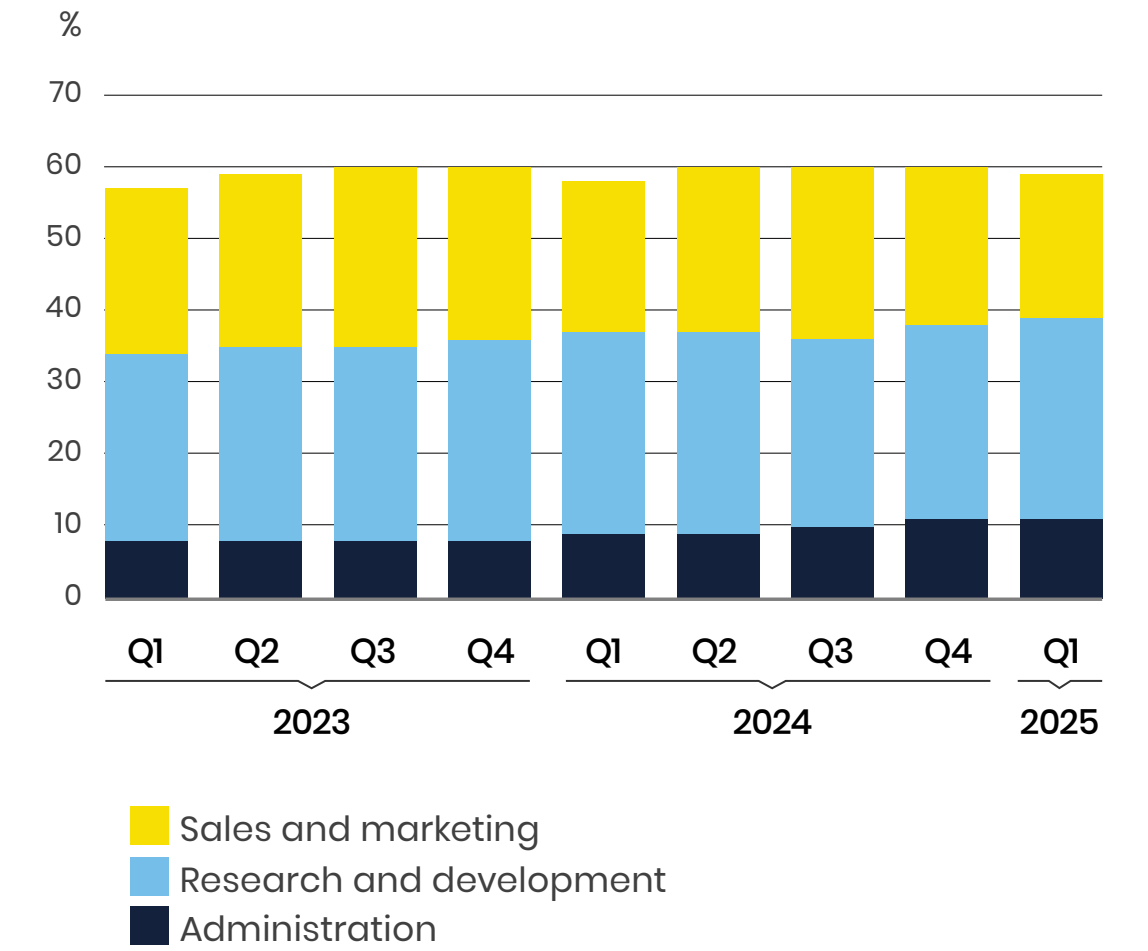
Net profit was affected by financial items with SEK 2.1 M (2.4). Finance net was impacted by interest income amounting to SEK 2.2 M (2.5). Tax affected the result with SEK -0.8 M (-4.1).

Net profit amounted to SEK 11.9 M (37.5) which equals an earnings per share before dilution of SEK 1.53 (4.76).

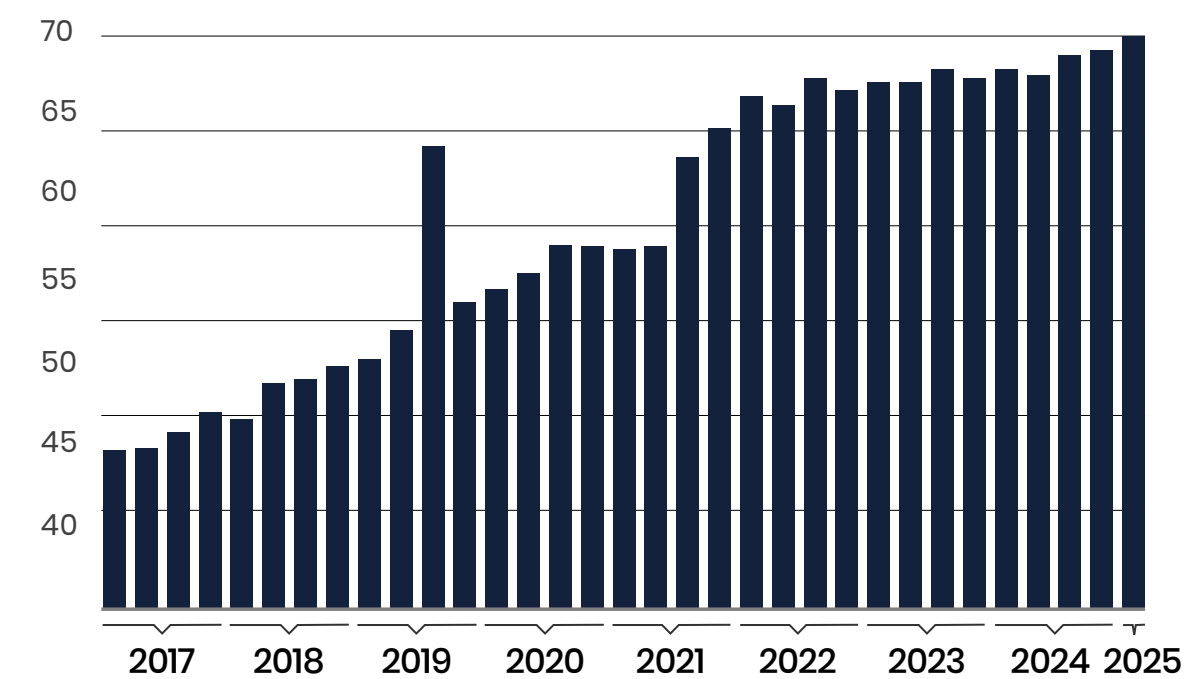
EBIT (MSEK) | EBIT-margin (%)



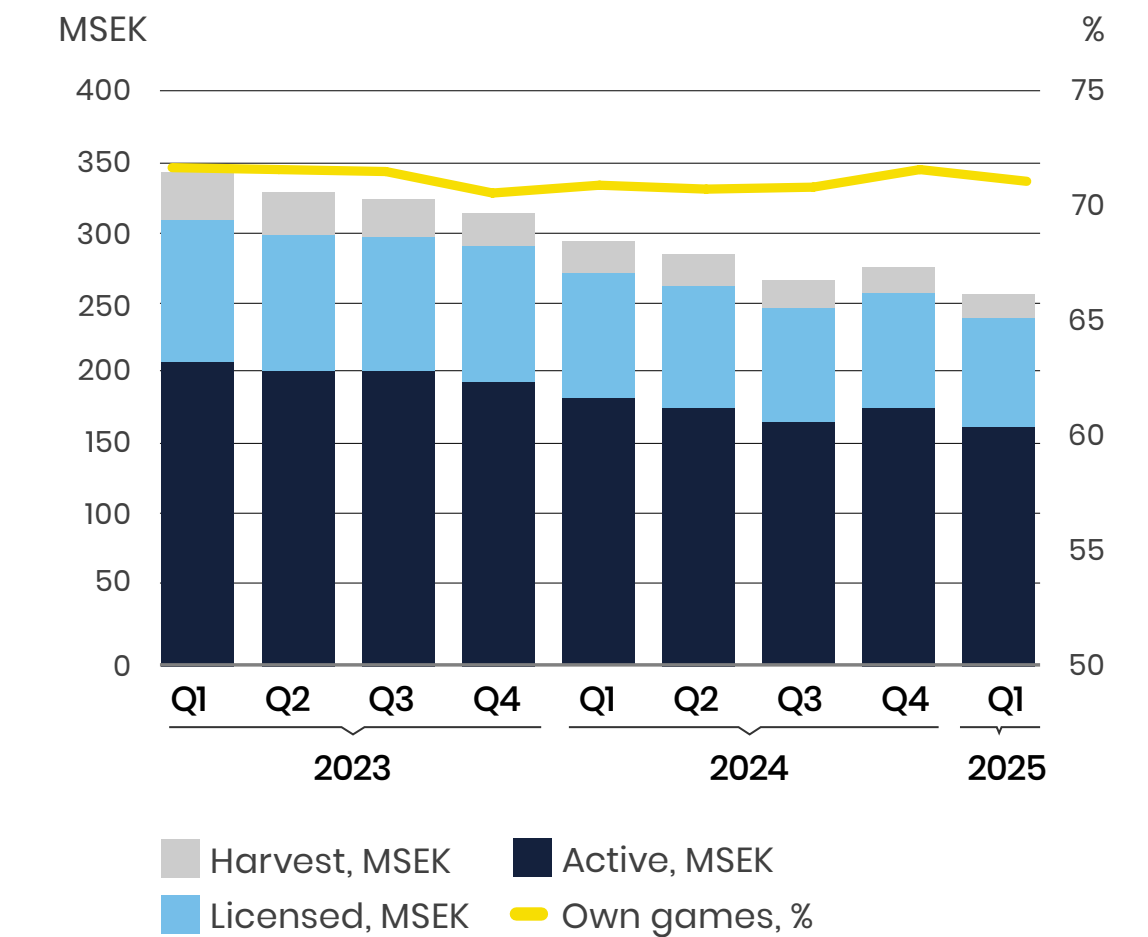
Costs in % of revenue



Gross Margin (%)



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



Operational metrics

| F2P | Q1 '25 | Q1 '24 | Change |
|-------------------------|--------|--------|--------|
| Average DAU (mn) | 1.3 | 1.5 | -15% |
| Average MAU (mn) | 4.2 | 5.1 | -18% |
| Average MUU (mn) | 3.0 | 3.7 | -20% |
| Average MUP (thousands) | 121.7 | 147.4 | -17% |
| Average MAGRPPU (USD) | 65.4 | 63.5 | 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 42.8 M (80.8). In the quarter taxes impacted the cash flow positively with SEK 0.2 M (-1.3).

Changes in working capital impacted the cash flow by SEK 15.2 M (29.9). Capitalized development expenses impacted the cash flow negatively by SEK -23.4 M (-25.7).

Cash flow before financing activities amounted to SEK 33.2 M (84.7). Financing activities were impacted by IFRS16 bookings related to lease of premises of SEK -0.2 M (-0.3).

Available cash on March 31, 2025 amounted to SEK 295.0 M (255.8).

Financial position

The publishing strategy is to have a portfolio of different games in order to maximize the 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 are cancelled during the soft launch, the company does not capitalize development expenses on games until they reach global launch.

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 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 188.0 M (222.7). 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 (0) write-offs were made.

Consolidated equity amounted to SEK 539.3 M (554.1), which equals SEK 69.2 per share (71.0) and the equity/asset ratio is 84 percent (80).

Cash on hand amounted to SEK 295.0 M (255.8).

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, which holds the rights to the games in the portfolio and is also where the senior management overseeing the games and studios 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.

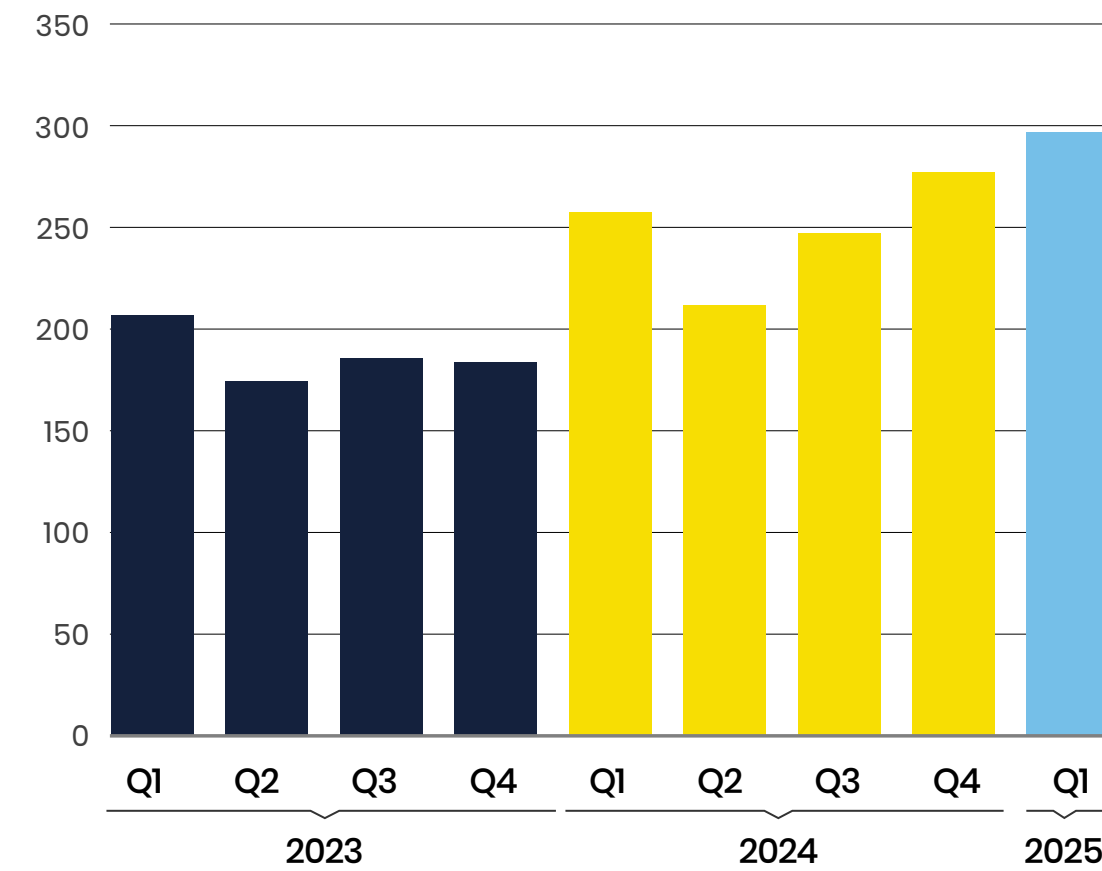
Risk assessment

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.

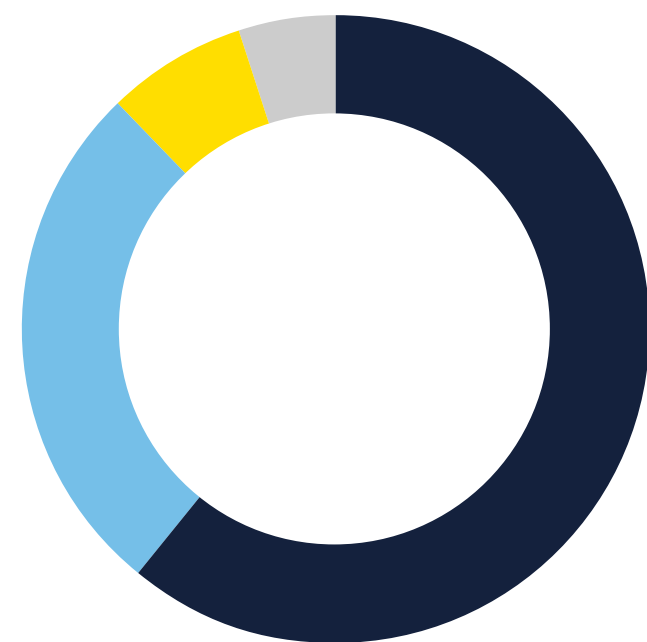
Related-party transactions

During the period no significant related-party transactions have taken place except the ongoing transactions highlighted in the annual report 2024.

Cash Position (MSEK)



**Revenue breakdown by geography
First Quarter 2025**



North America 61%
 Asia 7%
 Europe 27%
 ROW 5%

Upcoming report dates

| | |
|-----------------------------|------------------|
| Annual General Meeting 2025 | June 17, 2025 |
| Interim report Jan-Jun 2025 | August 7, 2025 |
| Interim report Jan-Sep 2025 | November 5, 2025 |

Teleconference

On May 7th, 2025 at 08.00 CEST, 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 7th, 2025

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 7th, 2025 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 2025 | Jan-Mar 2024 | Apr-Mar 24/25 | 2024 |
|---|-----------------|-----------------|------------------|----------------|
| Net turnover | 260,273 | 297,409 | 1,097,393 | 1,134,529 |
| Cost of revenue | -78,687 | -94,928 | -342,191 | -358,432 |
| Gross profit | 181,586 | 202,481 | 755,202 | 776,097 |
| Research and Development expenses | -73,973 | -83,638 | -302,285 | -311,993 |
| Sales and Marketing expenses | -53,101 | -63,588 | -244,298 | -254,786 |
| General and administrative expenses | -29,210 | -25,480 | -107,883 | -104,109 |
| Other operating income | 0 | 9,429 | 3,227 | 12,656 |
| Other operating expenses | -14,597 | 0 | -15,685 | -1,088 |
| Operating result | 10,705 | 39,204 | 88,278 | 116,778 |
| Financial income | 2,229 | 2,450 | 9,323 | 9,544 |
| Financial expenses | -142 | -78 | -418 | -354 |
| Operating result after financial items | 12,792 | 41,577 | 97,183 | 125,967 |
| Taxes | -847 | -4,096 | -3,743 | -6,993 |
| Net result for the year | 11,946 | 37,481 | 93,440 | 118,974 |
| Attributed to: | | | | |
| Parent company's shareholders | 11,946 | 37,481 | 93,440 | 118,974 |

| KSEK | Jan-Mar 2025 | Jan-Mar 2024 | Apr-Mar 24/25 | 2024 |
|---|-----------------|-----------------|------------------|-------|
| Earnings per share | | | | |
| Weighted average number of shares (thousands) | 7,799 | 7,867 | 7,893 | 7,815 |
| Weighted average number of shares after dilution, (thousands) | 7,799 | 7,867 | 7,893 | 7,815 |
| Earnings per share (SEK) before dilution | 1.53 | 4.76 | 11.84 | 15.22 |
| Earnings per share (SEK) after dilution | 1.53 | 4.76 | 11.84 | 15.22 |

STATEMENT OF COMPREHENSIVE INCOME - GROUP

| KSEK | Jan-Mar 2025 | Jan-Mar 2024 | Apr-Mar 24/25 | 2024 |
|--|-----------------|-----------------|------------------|----------------|
| Net result for the period | 11,946 | 37,481 | 93,440 | 118,974 |
| Items that later can be reversed in profit | | | | |
| Revaluation long-term investments | 1,774 | 18,673 | -15,937 | 1,774 |
| Foreign currency translation differences | -30,413 | 5,740 | -34,190 | -30,413 |
| Total other comprehensive income for the period | -28,639 | 24,413 | -50,127 | -28,639 |
| Total comprehensive income for the period | -16,693 | 61,894 | 43,313 | 90,335 |
| Attributed to: | | | | |
| Parent company's shareholders | -16,693 | 61,894 | 43,313 | 90,335 |

BALANCE SHEET - GROUP

| KSEK | Mar 31 2025 | Mar 31 2024 | Dec 31 2024 |
|---|----------------|----------------|----------------|
| Fixed assets | | | |
| Intangible fixed assets | | | |
| Capitalized development expenses (Note 2) | 188,032 | 222,652 | 210,386 |
| Intangible assets | 2,613 | 2,613 | 2,613 |
| | 190,644 | 225,265 | 212,998 |
| Tangible fixed assets | | | |
| Equipment | 8,113 | 12,288 | 9,154 |
| | 8,113 | 12,288 | 9,154 |
| Long term Investments | 40,353 | 52,807 | 37,475 |
| Deferred tax receivable | 151 | 46 | 150 |
| Total non-current assets | 239,262 | 290,406 | 259,777 |
| Current assets | | | |
| Accounts receivable | 16,071 | 21,928 | 18,835 |
| Tax receivable | 1,286 | 2,090 | 1,659 |
| Other receivables (Note 3, 4) | 1,501 | 1,731 | 1,756 |
| Prepaid expenses and accrued income | 92,127 | 120,713 | 109,142 |
| Cash and cash equivalents | 295,022 | 255,768 | 275,539 |
| Total current assets | 406,007 | 402,229 | 406,930 |
| Total assets | 645,269 | 692,635 | 666,707 |

| KSEK | Mar 31 2025 | Mar 31 2024 | Dec 31 2024 |
|-------------------------------------|----------------|----------------|----------------|
| Equity | | | |
| Total shareholders' equity | 539,343 | 554,055 | 554,322 |
| Long-term liabilities | | | |
| Deferred tax liabilities | 1,682 | 1,224 | 1,475 |
| Long-term liabilities | 164 | 1,651 | 1,118 |
| Total long-term liabilities | 1,847 | 2,875 | 2,593 |
| Current liabilities (Note 5) | | | |
| Short-term liabilities | 1,613 | 1,386 | 685 |
| Accounts payable | 32,957 | 50,788 | 44,254 |
| Other liabilities | 6,826 | 7,959 | 6,267 |
| Tax liabilities | 7,381 | 9,745 | 9,213 |
| Accrued expenses | 55,301 | 65,827 | 49,372 |
| Total current liabilities | 104,079 | 135,705 | 109,792 |
| Total equity and liabilities | 645,269 | 692,635 | 666,707 |

CHANGES IN SHAREHOLDERS' EQUITY - GROUP

| KSEK | Share capital | Other capital contribution | Other reserves | Profit/loss brought forward | Shareholders' equity |
|---|----------------------|-----------------------------------|-----------------------|------------------------------------|-----------------------------|
| Shareholders' equity 2024-01-01 | 928 | -243,733 | 63,358 | 670,848 | 491,401 |
| 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 | 708,328 | 543,074 |
| Shareholders' equity 2025-01-01 | 928 | -256,674 | 82,637 | 727,431 | 554,322 |
| Net result for the year | | | | 11,946 | 11,946 |
| Revaluation long-term investments | | | 1,774 | | 1,774 |
| Total other comprehensive income | | | -30,413 | | -30,413 |
| Total comprehensive income for the year | | | -28,639 | 11,946 | -16,693 |
| IFRS2 - Employee share schemes | | | 1,714 | | 1,714 |
| Total transactions with the owners recognized directly in equity | | 0 | 1,714 | 0 | 1,714 |
| Shareholders' equity as of 2025-03-31 | 928 | -256,674 | 55,712 | 739,377 | 539,343 |

CASH FLOW STATEMENT - GROUP

| KSEK | Jan-Mar 2025 | Jan-Mar 2024 | Apr-Mar 24/25 | 2024 |
|--|-----------------|-----------------|------------------|-----------------|
| Cash flow from operating activities | | | | |
| Profit after financial items | 12,792 | 41,577 | 97,182 | 125,967 |
| Adjusting items not included in cash flow | 29,734 | 40,488 | 136,270 | 147,024 |
| | 42,526 | 82,065 | 233,452 | 272,991 |
| Taxes paid | 262 | -1,280 | -6,790 | -8,332 |
| Cash flow before changes in working capital | 42,788 | 80,785 | 226,662 | 264,659 |
| Cash flow from changes in working capital | | | | |
| Change in operating receivables | 20,034 | 9,606 | 34,673 | 24,245 |
| Change in operating liabilities | -4,808 | 20,334 | -30,717 | -5,575 |
| Cash flow from operating activities | 58,014 | 110,725 | 230,618 | 283,329 |
| Investing activities | | | | |
| Investment in fixed assets | -306 | -349 | -1,312 | -1,355 |
| Capitalized development expenses | -23,389 | -25,726 | -101,463 | -103,800 |
| Long term investments | -1,104 | 0 | -15,269 | -14,165 |
| Cash flow from investing activities | -24,799 | -26,075 | -118,044 | -119,320 |

| KSEK | Jan-Mar 2025 | Jan-Mar 2024 | Apr-Mar 24/25 | 2024 |
|--|-----------------|-----------------|------------------|----------------|
| Financing activities | | | | |
| Lease financing | -175 | -348 | -1,134 | -1,307 |
| Dividend | 0 | 0 | -62,392 | -62,392 |
| Repurchase shares | 0 | -12,941 | 0 | -12,941 |
| Cash flow from financing activities | -175 | -13,289 | -63,526 | -76,640 |
| Cash flow | 33,040 | 71,361 | 49,048 | 87,369 |
| Cash at the beginning of the period | 275,539 | 182,332 | 255,768 | 182,332 |
| Cash flow | 33,040 | 71,361 | 49,048 | 87,369 |
| Exchange rate differences | -13,557 | 2,075 | -9,794 | 5,838 |
| Cash at the end of the period | 295,022 | 255,768 | 295,022 | 275,539 |

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 2024.

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 2025 | Jan-Mar 2024 | Apr-Mar 24/25 | 2024 |
|---------------------------------------|-------------------------|-------------------------|--------------------------|----------------|
| At the beginning of the period | 210,386 | 220,411 | 222,652 | 220,411 |
| Investments | 23,389 | 25,726 | 101,463 | 103,800 |
| Write-offs | 0 | 0 | -2,196 | -2,196 |
| Amortization | -26,966 | -36,779 | -122,143 | -131,955 |
| Net change during the period | -3,578 | -11,053 | -22,875 | -30,350 |
| Currency exchange differences | -18,776 | 13,294 | -11,745 | 20,325 |
| At the end of the period | 188,032 | 222,652 | 188,032 | 210,386 |

Note 3**Other receivables**

Other receivables include SEK 0.0 M (0.0) 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 (0) pledged assets. G5 Entertainment does not have any contingent liabilities.

Note 5**Fair value**

G5 group has long 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 2025 | Jan-Mar 2024 | Apr-Mar 24/25 | 2024 |
|---|-------------------------|-------------------------|--------------------------|----------------|
| Net turnover | 260,273 | 297,409 | 1,097,393 | 1,134,529 |
| Cost of revenue | -215,089 | -242,219 | -882,780 | -909,910 |
| Gross profit | 45,183 | 55,190 | 214,613 | 224,619 |
| Research and development expenses | -196 | -42 | -748 | -594 |
| Sales and Marketing expenses | -40,736 | -50,697 | -192,922 | -202,884 |
| General and administrative expenses | -7,657 | -6,056 | -29,257 | -27,657 |
| Other operating income | 0 | 7,805 | 2,417 | 6,086 |
| Other operating expenses | -6,773 | 0 | -12,132 | 0 |
| Operating result | -10,177 | 6,200 | -18,029 | -429 |
| Financial income | 4,428 | 19,109 | 12,297 | 9,619 |
| Financial expenses | -46 | -19,900 | -47 | -2 |
| Operating result after financial items | -5,795 | 5,410 | -5,780 | 9,188 |
| Taxes | 1,033 | -1,639 | 1,481 | -1,191 |
| Net result for the period | -4,763 | 3,771 | -4,299 | 7,997 |

STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

| KSEK | Jan-Mar 2025 | Jan-Mar 2024 | Apr-Mar 24/25 | 2024 |
|--|-------------------------|-------------------------|--------------------------|----------------|
| Net result for the period | -4,763 | 3,771 | -4,299 | 7,997 |
| Items that later can be reversed in profit | | | | |
| Revaluation long-term investments | 1,174 | 18,673 | -572 | -10,824 |
| Other comprehensive income | 1,174 | 18,673 | -572 | -10,824 |
| Total other comprehensive income for the period | -3,589 | 22,444 | -4,871 | -2,827 |

BALANCE SHEET – PARENT COMPANY

| KSEK | Mar 31 2025 | Mar 31 2024 | Dec 31 2024 |
|-------------------------------------|----------------|----------------|----------------|
| Fixed assets | | | |
| Intangible fixed assets | | | |
| Intangible fixed assets | 2,613 | 2,613 | 2,613 |
| Tangible fixed assets | | | |
| Tangible fixed assets | 0 | 0 | 0 |
| Financial fixed assets | | | |
| Shares in group companies | 118 | 130 | 130 |
| Financial assets | 40,353 | 52,807 | 37,475 |
| Total fixed assets | 43,084 | 55,550 | 40,217 |
| Current assets | | | |
| Account receivables | 16,071 | 21,928 | 18,835 |
| Receivables from group companies | 219,181 | 154,596 | 204,318 |
| Tax receivables | 3,344 | 1,863 | 1,561 |
| Other receivables | 606 | 357 | 325 |
| Prepaid expenses and accrued income | 80,142 | 115,931 | 100,819 |
| Cash and cash equivalents | 42,138 | 67,032 | 47,325 |
| Total current assets | 361,483 | 361,706 | 373,183 |
| Total assets | 404,566 | 417,255 | 413,400 |

| KSEK | Mar 31 2025 | Mar 31 2024 | Dec 31 2024 |
|-------------------------------------|----------------|----------------|----------------|
| Restricted equity | | | |
| Share capital | 928 | 928 | 928 |
| Non-restricted equity | | | |
| Share premium reserve | 54,530 | 41,917 | 54,530 |
| Profit/Loss carried forward | 83,731 | 182,328 | 80,961 |
| Net result for the period | -4,763 | 3,771 | 7,997 |
| Total equity | 134,427 | 228,944 | 144,417 |
| Current liabilities | | | |
| Accounts payable | 24,236 | 32,616 | 32,117 |
| Tax Liability | 0 | 0 | 0 |
| Liability to group companies | 237,708 | 142,131 | 226,165 |
| Other liability | 5,056 | 5,352 | 5,244 |
| Accrued expenses | 3,140 | 1,901 | 5,458 |
| Total current liabilities | 270,140 | 182,000 | 268,984 |
| Total equity and liabilities | 404,566 | 410,944 | 413,400 |

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.

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