



Interim financial statements

G-Loot Global Esports AB

JULY – SEPTEMBER 2021



CEO's words on the **development** of the business

Our third quarter comes to an end with the business in a steady state. During the quarter we continued to put all our focus on developing the platform. On November 17th we released a big update to G-Loot that not only merges our two products, GLL and G-Loot, but also introduces new ways to compete and an exciting free-to-play offering.

At the end of Q2 we launched skill-based segmentation on G-Loot. While this release greatly improved the user experience and showed a lot of early promise, we continue to struggle to make the single round challenges on G-Loot profitable. **It is very clear that we need to take big steps to reach profitable unit economics and unlock scale.** During Q3 we decided to completely close down single round challenges in unprofitable and non-core markets. While this affects revenues negatively it does have a positive effect on the gross margin and we are able to put more focus where we see real potential.

During the quarter the team at G-Loot has been fully committed to getting the new version out into the public. This update, the biggest in years, adds new ways to compete as well as multiple new revenue streams. **Most importantly G-Loot now offers competitions where participation is free.** This will allow us to reach a much larger audience and also open up the platform to younger players, initially down to 16 years of age. This step away from Pay-2-Enter has really opened up new possibilities, enabling new marketing channels as well as publisher partnerships.

After this update, we expect In-App Purchases to be a major source of revenue, as new competition modes allow users to pay to avoid grinding their way to victory. These In-App purchases will give us more ways to tweak the economy and create an opportunity for much higher margins than the old Pay-2-Enter challenges.

For the new update, we also launched a premium subscription where players can get access to more daily missions to accelerate their progression as well as unique tournaments and other premium features. We expect this revenue stream to grow over time from initially low levels.

Lastly, we now feature advertisements on the platform. Both programmatic ads and bigger sponsorships of the various competitions run on the platform. **Interest in the new platform has been very high and we have a number of partners lined up.** HyperX, a gaming hardware company, is taking the lead by sponsoring the platform during the rest of Q4.

Our user research clearly shows that there is a large appetite for our service and early indications from the new launch are very positive. Now we continue to iterate on the offering with the goal of quickly reaching unit economics that will give us the confidence to start growing aggressively. **I feel confident that we can succeed and look forward to reporting on our progress.**



JOHAN PERSSON
CEO

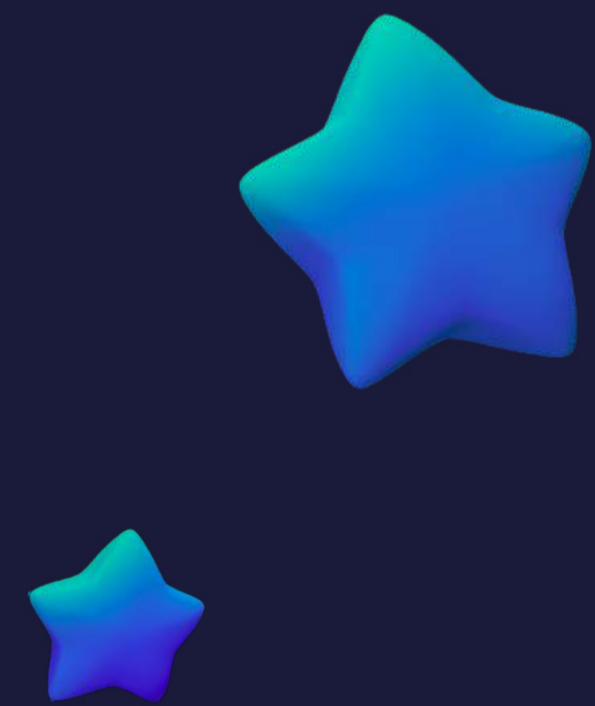
Financial development

Revenue for the period is down from last year, the company have continued to evaluate the current product offering and decided to close the P2E single round challenges for non-core markets. This had a negative effect on revenue with SEK -1 million and a positive effect on the cost with SEK -1,3 million, compared to previously quarter.

Operational expenses are down from last year as an effect of lower marketing and promotions resulting in an improvement of the operation losses of SEK 19 million.

The company divested its holding in Overwolf an Israeli company generating a profit of SEK 18,7 million not effecting the operating profit. Will have a positive cash effect in Q4. Effecting the balance sheet with SEK -9,6 million on other financial assets and increasing other receivables with SEK 28,3 million.

Cash at hand as of the end of September 2021 amounted to SEK 233 million. The quarter's decrease in cash amounted to SEK 50 million. The business generated SEK -33 million and had negative change in working capital of SEK -17 million because of prepayment for office lease.



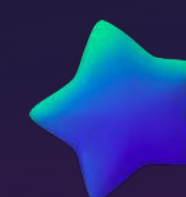
2021**JULY - SEPTEMBER**

Net sales	2 689 (16 159) KSEK
Operating loss	-32 897 (-51 930) KSEK
Earnings before tax	-14 136 (-52 003) KSEK
Earnings per share	-4 (-20) SEK

Profit & loss

All amounts in SEK thousands

	Q3 2021	Q3 2020
Operating income		
Net Sales	2 689	16 159
Other operating income	3	140
Total income	2 693	16 298
Operating expenses		
Direct costs	-3 867	-25 360
Other external expenses	-13 623	-26 332
Personnel costs	-17 886	-16 331
Depreciations of:		
– tangible assets	-143	-128
Other operating expenses	-72	-78
Total operating expenses	-35 590	-68 228
Operating profit/Loss	-32 897	-51 930



Assets

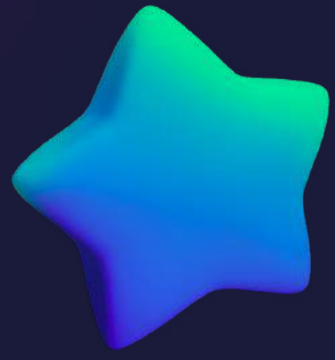
All amounts in SEK thousands

	Sep 30 2021	Sep 30 2020	Dec 31 2020
Fixed assets			
<i>Tangible assets</i>			
Fixtures, tools and installations	1 895	1 938	1 810
Right-of-use assets	-	-	1 010
Total tangible assets	1 895	1 938	2 820
<i>Financial assets</i>			
Other financial assets	-	9 564	9 564
Financial assets, depositions rent	69	69	69
Total financial assets	69	9 633	9 633
Total fixed assets	1 964	11 571	12 454
Current assets			
Accounts receivable	247	7 499	9
Other receivables	28 645	8 346	3 401
Prepayments and accrued income	13 066	3 521	2 880
Cash and cash equivalents	233 066	13 106	383 244
Total current assets	275 024	32 472	389 533
Total assets	276 989	44 043	401 987

Equity & liabilities

All amounts in SEK thousands

	Sep 30 2021	Sep 30 2020	Dec 31 2020
Equity			
Share capital	1 134	815	1 134
Other contributed capital	239 010	-	834 337
Retained earnings including loss for the period	413	-44 672	-486 273
Total equity	240 557	-43 857	349 198
Provisions			
Other provisions	2 312	-	2 312
Total provisions	2 312	-	2 312
Liabilities			
<i>Non-current liabilities</i>			
Lease liabilities	-	-	150
Total non-current liabilities	-	-	150
<i>Current Liabilities</i>			
Advance payment from customers	-	10	10
Accounts payable	5 698	32 560	14 825
Current tax liabilities	-	648	-
Leasing liabilities	-	-	877
Other current liabilities	19 903	35 142	22 555
Accrued expenses and prepaid income	8 520	19 541	12 060
Total current liabilities	34 120	87 901	50 328
Total liabilities	34 120	87 901	50 477
Total equity & liabilities	276 989	44 043	401 987



About G-Loot's reporting

This report is an abridged version of the company's internal interim report.

The complete interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Furthermore, the preparation has taken place in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Audit

This report has not been subject to a review by the auditor.

This is how G-Loot works

The G-Loot platform gives players more ways to compete in their favorite games.

The G-Loot PC app runs in the background and tracks game statistics such as kills, wins, assists, and details like weapons used and characters played. This data is used to build up the player's gamer profile and allow them to compete in missions and leaderboards.

Players can choose their preferred esports experience. They can compete asynchronously in competitions where only their game stats count or directly in traditional esports tournaments with big prizes.



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