



# *Interim financial statements*

G-Loot Global Esports AB

JULY – SEPTEMBER 2022



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

After one year since launching the new G-Loot platform, we have much to celebrate. During the year, our primary focus has been on improving player engagement and keeping players on the platform. Since launch, we have substantially reduced user churn while doubling the number of weekly competitions played per player.

In the middle of Q3 we launched our biggest update to the new platform with several social features. Players can now enjoy our competitions as a team, or clans as we call them and the reception from our players has been great. This release gives G-Loot a solid social foundation that we can continue to extend into the future.

While continuing to improve retention and engagement is still very important, we are starting to reach a point where we can put more focus on converting players to paying users. During the next two quarters we will start optimizing the product economy to put more players into a position where they are incentivized to pay. Currently only a small percentage of the users reach this point, and this is by design as we have been focusing on player engagement rather than revenue. Now it's time to prove that our model holds and that players are willing to pay for our service on a larger scale. Given the payment metrics we have seen already, I'm confident we can increase our platform revenue during the next six months.

As most start-ups we are not unaffected by the current economic situation. In October we completed a reorganization to further focus more on product development. We believe that we will create the most value by doubling down on product development. A high gross margin will be prioritized over growth. Because of the reorganization's focus the marketing, tournaments, and sales teams were affected the most.

These changes affected approximately ten employees. In addition to reducing the personnel cost, the reduced growth targets will further reduce our marketing expenses throughout 2023.

We have a positive momentum and the entire team is highly engaged in hitting our targets. With our razor-sharp focus on creating the best platform for **Everyday Esports**, I'm confident that we will succeed and open up for aggressive growth within a year.



JOHAN PERSSON  
CEO

## **Financial development**

Revenue continues to develop in the right way with an increase of 13% over the last quarter, with user-generated revenue, subscriptions and tokens purchase, increasing by 6% compared to last quarter. A big contributor to the revenue in the quarter is the partnership with Krafton, for PUBG Season 6. Revenues from partnerships will be diminishing as user-generated revenue continues to increase.

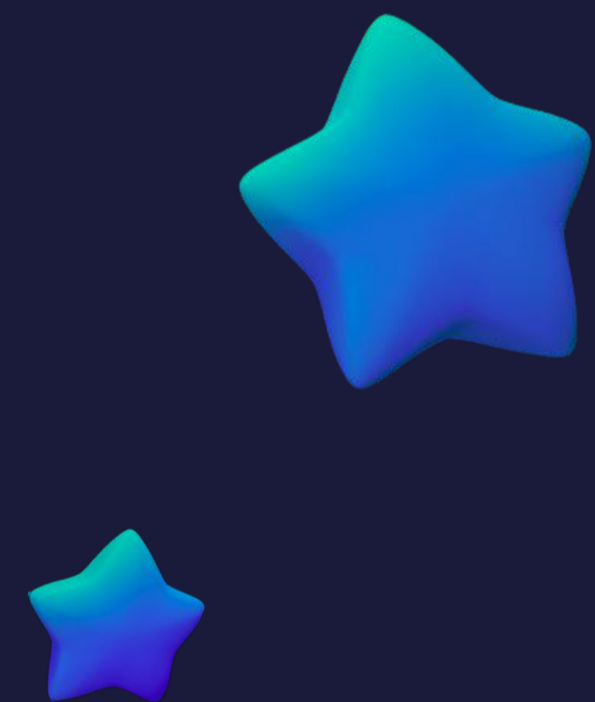
The direct cost is affected positively with 2,1 million from the cleanout of dormant accounts from the old platform. Excluding this effect, the product delivered a positive margin of 46%. In Q3 we decreased our marketing spending compared to Q2 with 32%. This is a strategy to aim for profitability before growth.

Staff and consultancy cost is down 18% from last quarter due to holiday effects and also lower than same period last year due to fewer employees and consultants.

The company has signed a new office lease contract that will reduce its yearly office costs by 40%.

The operating loss for the period ended up at – 24 million which was an improvement from last year with 9 million.

Cash at hand as of the end of September 2022 amounted to SEK 144 million. The quarter's decrease in cash amounted to SEK -26 million.



# 2022

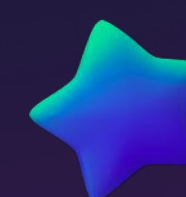
## JULY - SEPTEMBER

Net sales	1 710 (2 689) KSEK
Operating loss	-24 018 (-32 897) KSEK
Earnings before tax	-23 623 (-14 136) KSEK
Earnings per share	-6 (-4) SEK

## Profit & loss

All amounts in SEK thousands

	Q3 2022	Q3 2021
<b>Operating income</b>		
Net Sales	1 710	2 689
Other operating income	76	3
<b>Total income</b>	<b>1 786</b>	<b>2 693</b>
<b>Operating expenses</b>		
Direct costs	1 173	-3 867
Other external expenses	-11 667	-13 623
Personnel costs	-14 791	-17 886
Depreciations of:		
– tangible assets	-87	-143
Other operating expenses	-432	-72
<b>Total operating expenses</b>	<b>-25 804</b>	<b>-35 590</b>
<b>Operating profit/Loss</b>	<b>-24 018</b>	<b>-32 897</b>



## Assets

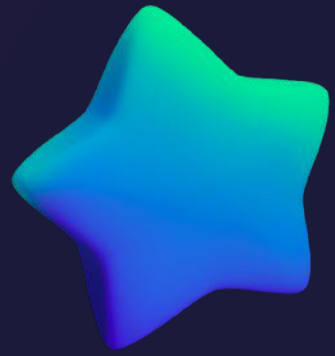
All amounts in SEK thousands

	September 30 <b>2022</b>	September 30 <b>2021</b>	Dec 31 <b>2021</b>
<b>Fixed assets</b>			
<i>Tangible assets</i>			
Fixtures, tools and installations	1 167	1 895	986
Right-of-use assets	-	-	-
<b>Total tangible assets</b>	<b>1 167</b>	<b>1 895</b>	<b>986</b>
<i>Financial assets</i>			
Other financial assets	-	-	-
Financial assets, depositions rent	68	69	68
<b>Total financial assets</b>	<b>68</b>	<b>69</b>	<b>68</b>
<b>Total fixed assets</b>	<b>1 236</b>	<b>1 964</b>	<b>1 054</b>
<b>Current assets</b>			
Accounts receivable	572	247	1 591
Other receivables	1 911	28 645	1 604
Prepayments and accrued income	2 978	13 066	9 900
Cash and cash equivalents	143 935	233 066	227 121
<b>Total current assets</b>	<b>149 396</b>	<b>275 024</b>	<b>240 216</b>
<b>Total assets</b>	<b>150 632</b>	<b>276 989</b>	<b>241 270</b>

## Equity & liabilities

All amounts in SEK thousands

	September 30 <b>2022</b>	September 30 <b>2021</b>	Dec 31 <b>2021</b>
<b>Equity</b>			
Share capital	1 134	1 134	1 134
Other contributed capital	209 016	239 010	413
Retained earnings including loss for the period	-82 546	413	208 603
<b>Total equity</b>	<b>127 604</b>	<b>240 557</b>	<b>210 151</b>
<b>Provisions</b>			
Other provisions	2 460	2 312	6 326
<b>Total provisions</b>	<b>2 460</b>	<b>2 312</b>	<b>6 326</b>
<b>Liabilities</b>			
<i>Non-current liabilities</i>			
Lease liabilities	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Current Liabilities</i>			
Advance payment from customers	-	-	-
Accounts payable	3 651	5 698	4 188
Current tax liabilities	-	-	-
Leasing liabilities	-	-	-
Other current liabilities	9 156	19 903	10 542
Accrued expenses and prepaid income	7 760	8 520	10 063
<b>Total current liabilities</b>	<b>20 567</b>	<b>34 120</b>	<b>24 793</b>
<b>Total liabilities</b>	<b>20 567</b>	<b>34 120</b>	<b>24 793</b>
<b>Total equity &amp; liabilities</b>	<b>150 632</b>	<b>276 989</b>	<b>241 270</b>



## 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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