G-LOOT

Annual Report 2018

G-Loot’s mission is to make it possible for anyone, anywhere in the world, to earn money from playing the games that they already love playing.

Contents

Introduction

This is G-Loot

G-Loot is the world's first esport online operator in both mobile and PC gaming, where gamers compete against each other for real money. G-Loot is democratising esport by enabling gamers throughout the world to participate in the same competitions in the games they already play and love.

G-Loot was founded in 2013 by Patrik Nybladh and Johan Persson. The Company has had its unique offering in the market since autumn 2015. Two years later, G-Loot became the first company worldwide to present its offering on both mobile and PC.

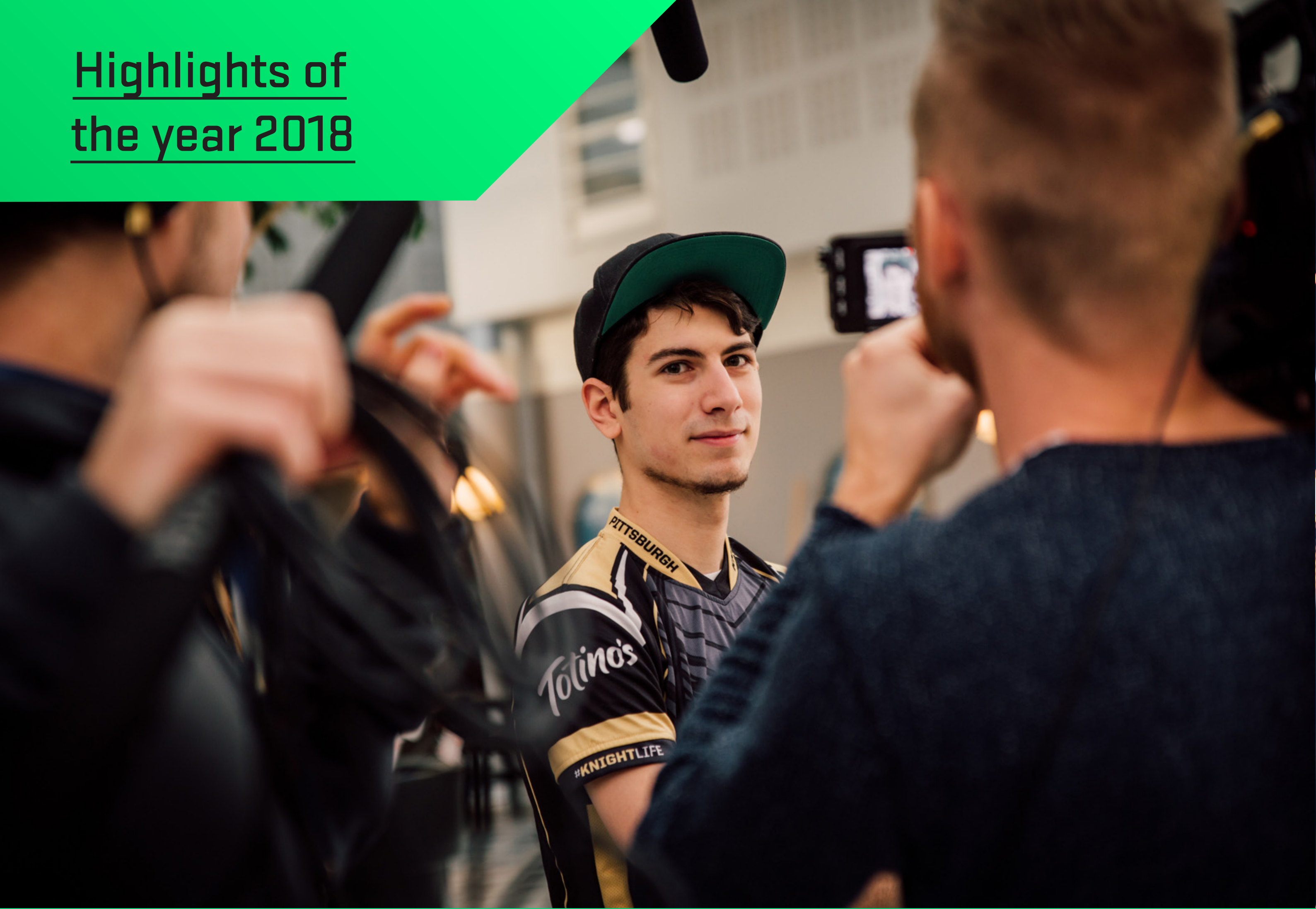
G-Loot arranges tournaments in online games that are open to all and have real prize money to win. With G-Loot's global presence and its access to the most popular games via the Company's strategic partnerships with the foremost game development companies in the world, G-Loot ensures the sales volumes needed to successfully monetise esport.

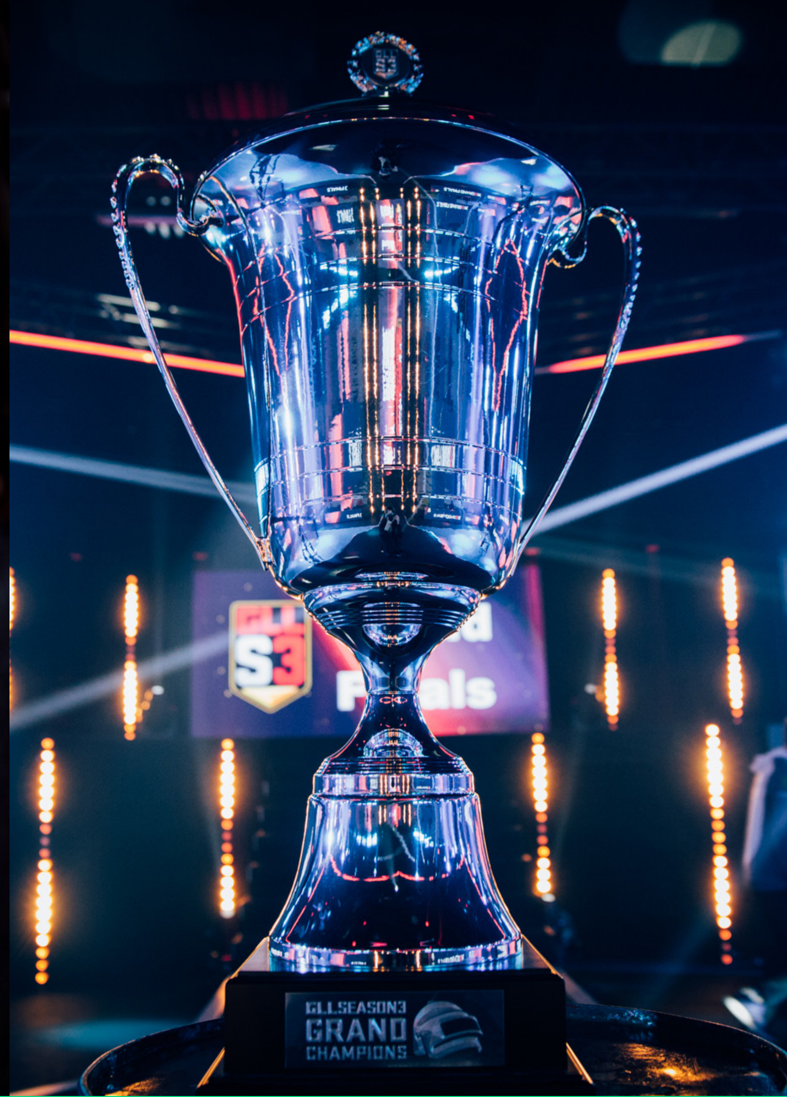
G-Loot's platform for PlayerUnknown's Battlegrounds (PUBG), GLL, has been expanded with a series of open-to-all games and tournaments. These range all the way from fun games Nations Royale and Wingman, to Queue & Play and Premiere Seasons for professional gamers.

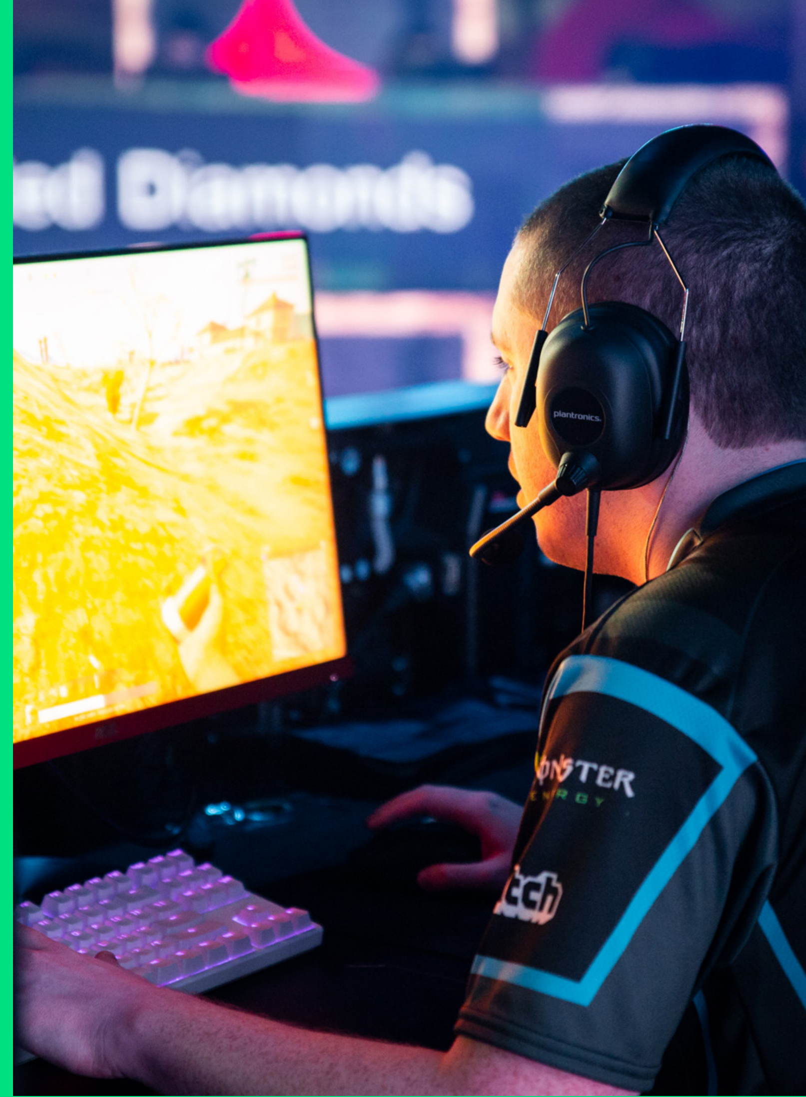
Most significant events in 2018

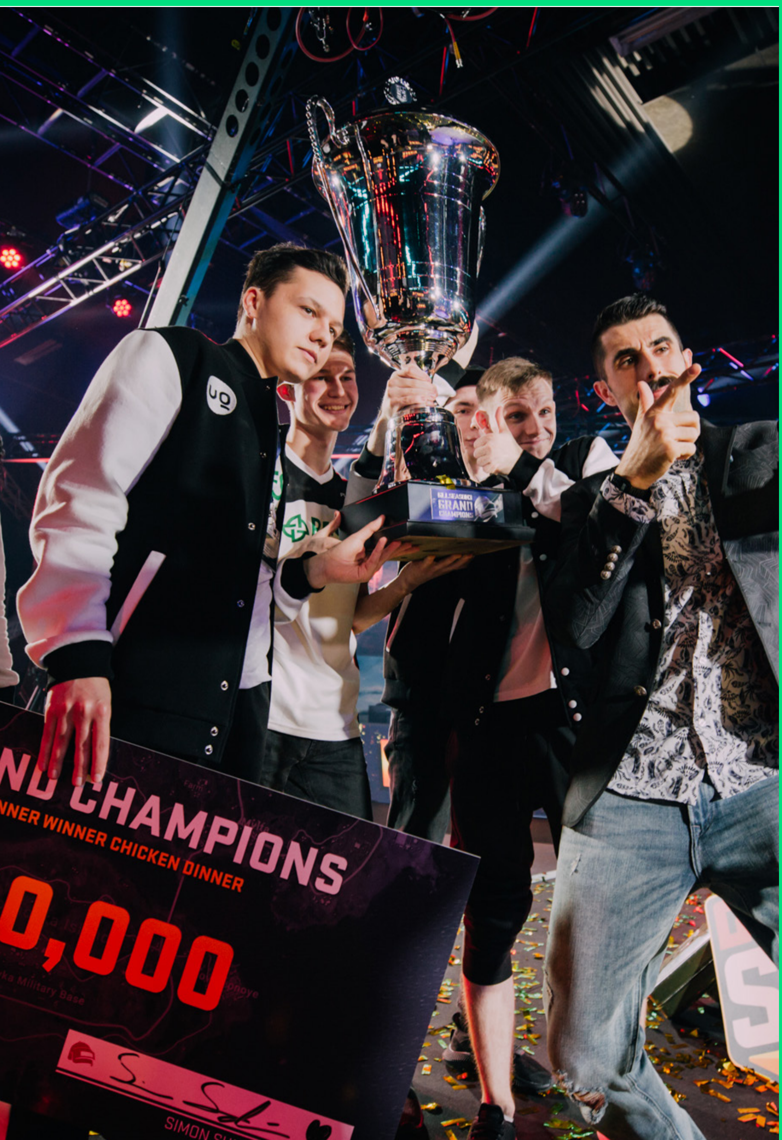
- **GLL Season 1 with final in Bucharest 1.5 million viewers**
- **GLL Season 2 with final in Stockholm 10 million viewers**
- **GLL Season 3 with final in Stockholm 15 million viewers**
- **Financing: SEK 100 million**
- **Broadened ownership base**

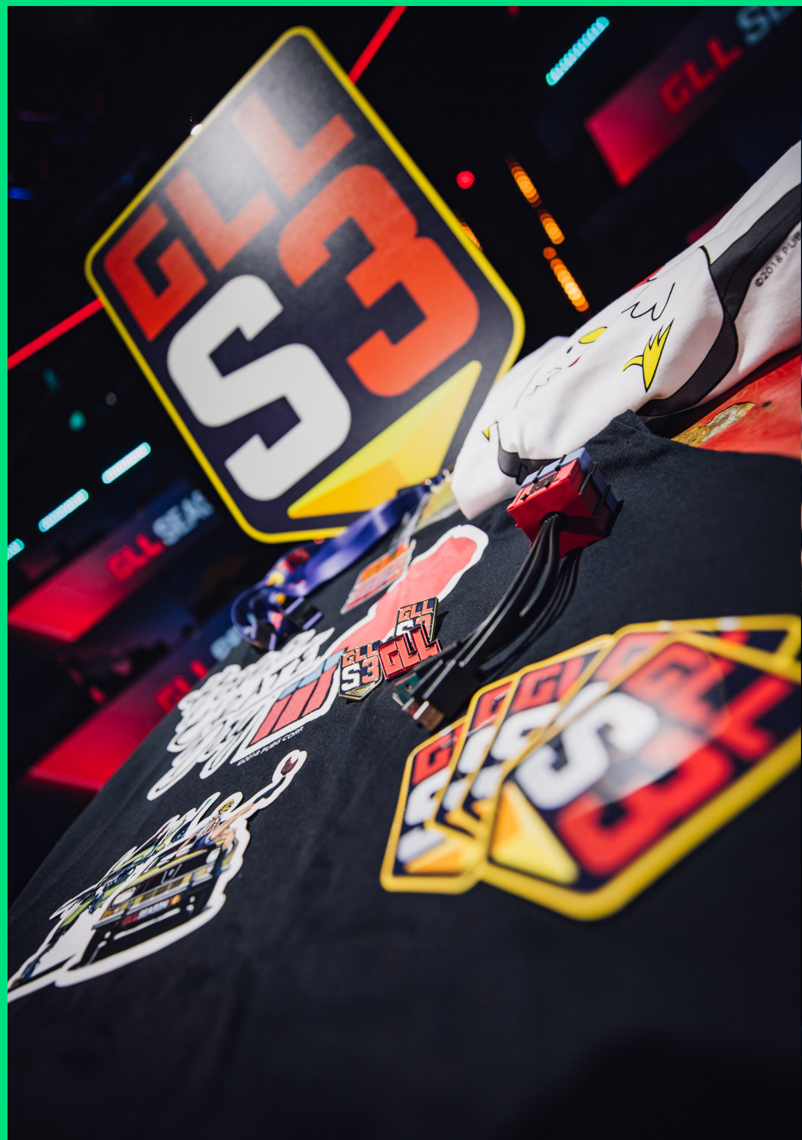
Highlights of the year 2018

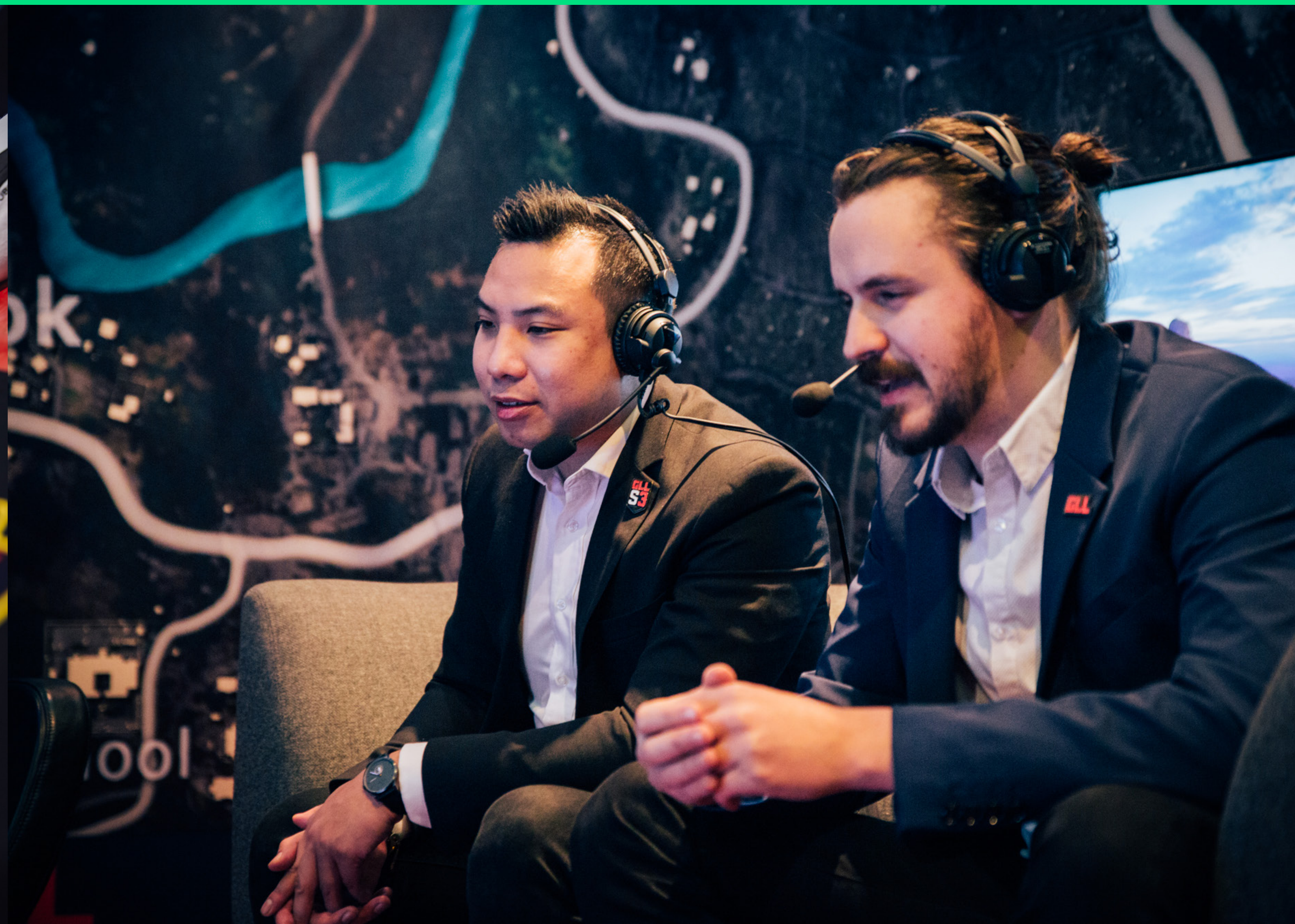






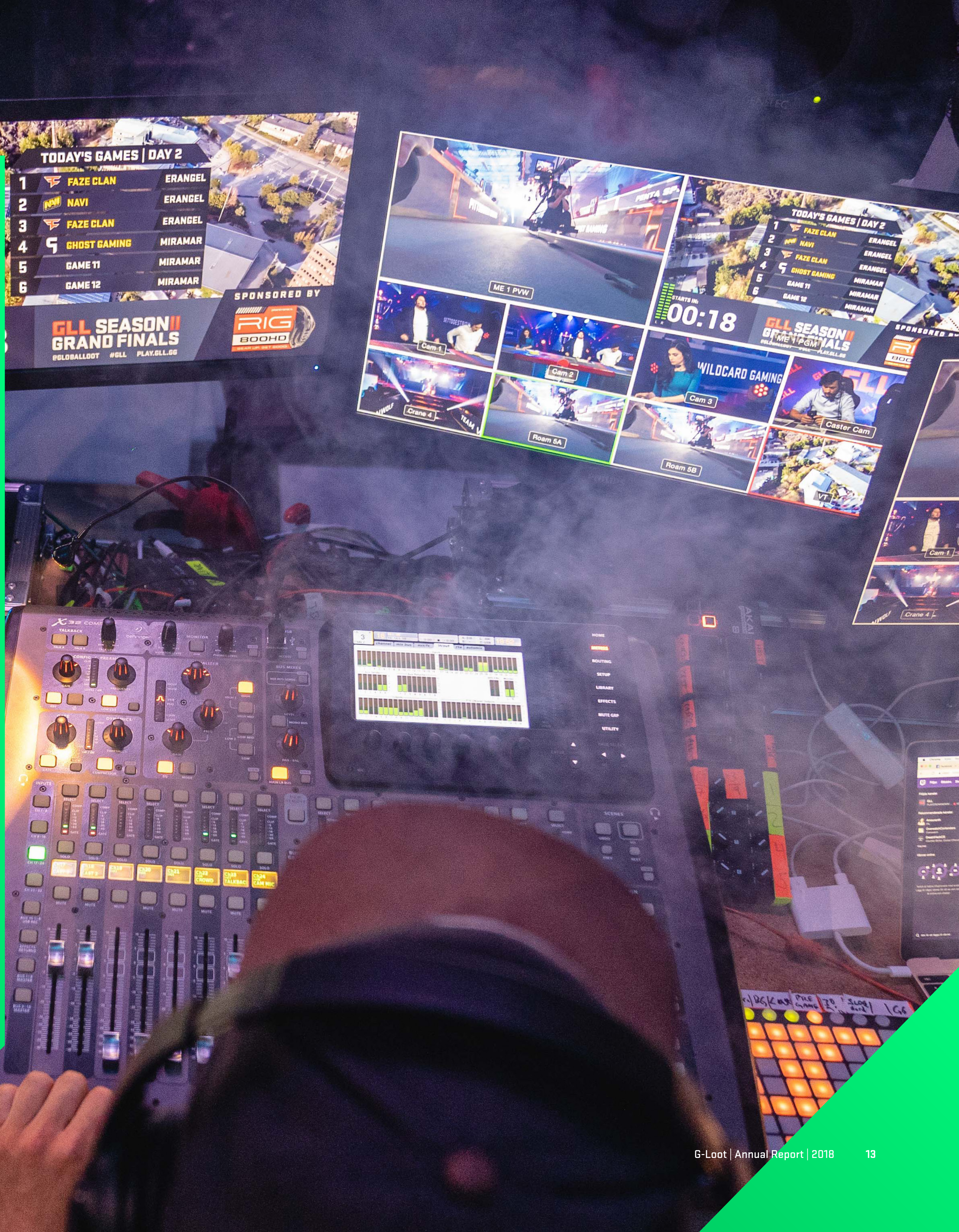


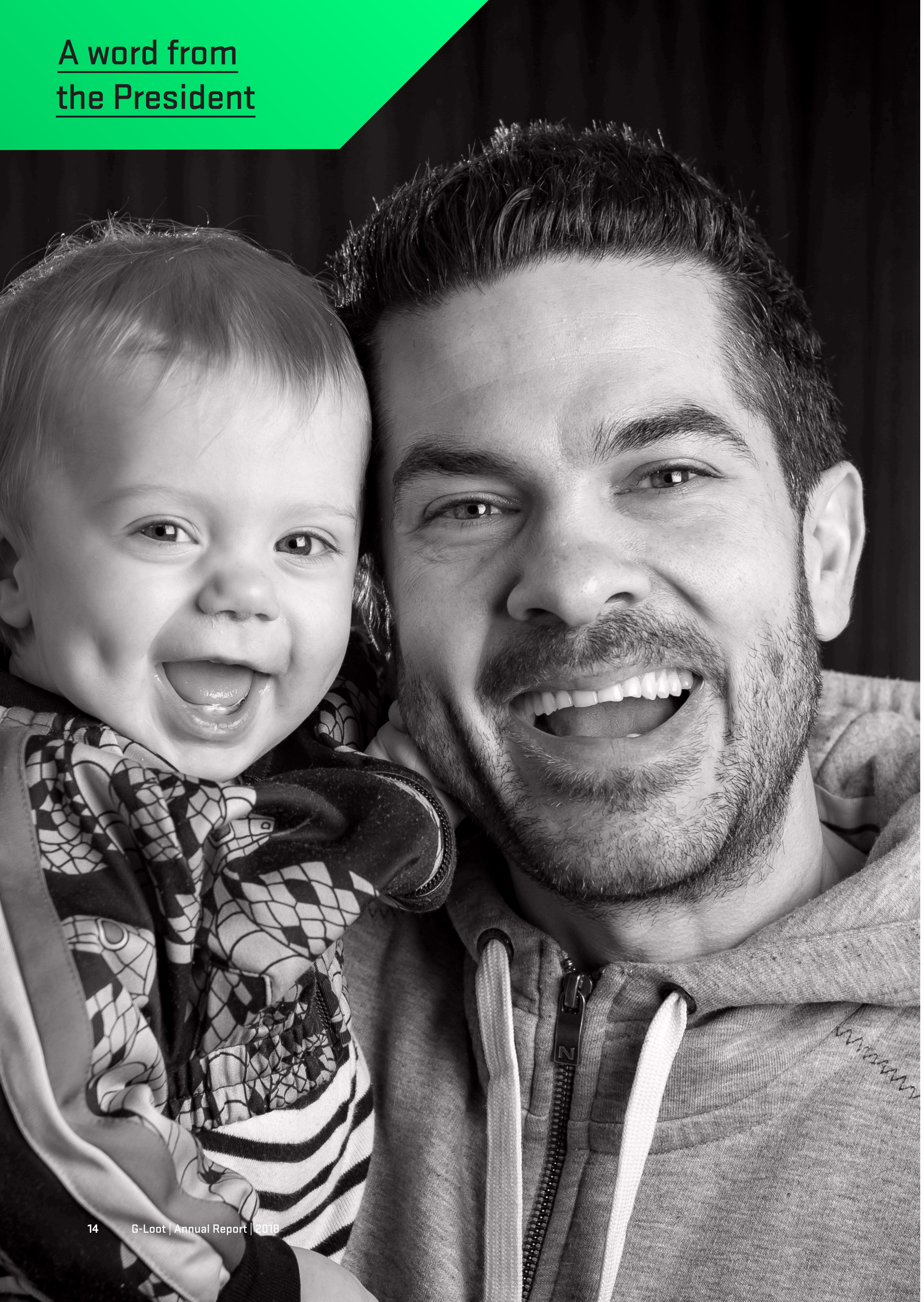




In the pipeline for 2019

- Financing: SEK 225 million
- Further broadening of the ownership base
- Agreement on partnership with PUBG Corporation regarding arrangement of GLL Grand Slam: PUBG Classic, with final in Stockholm (estimated up to 50 million viewers)
- Expanded management group, more employees

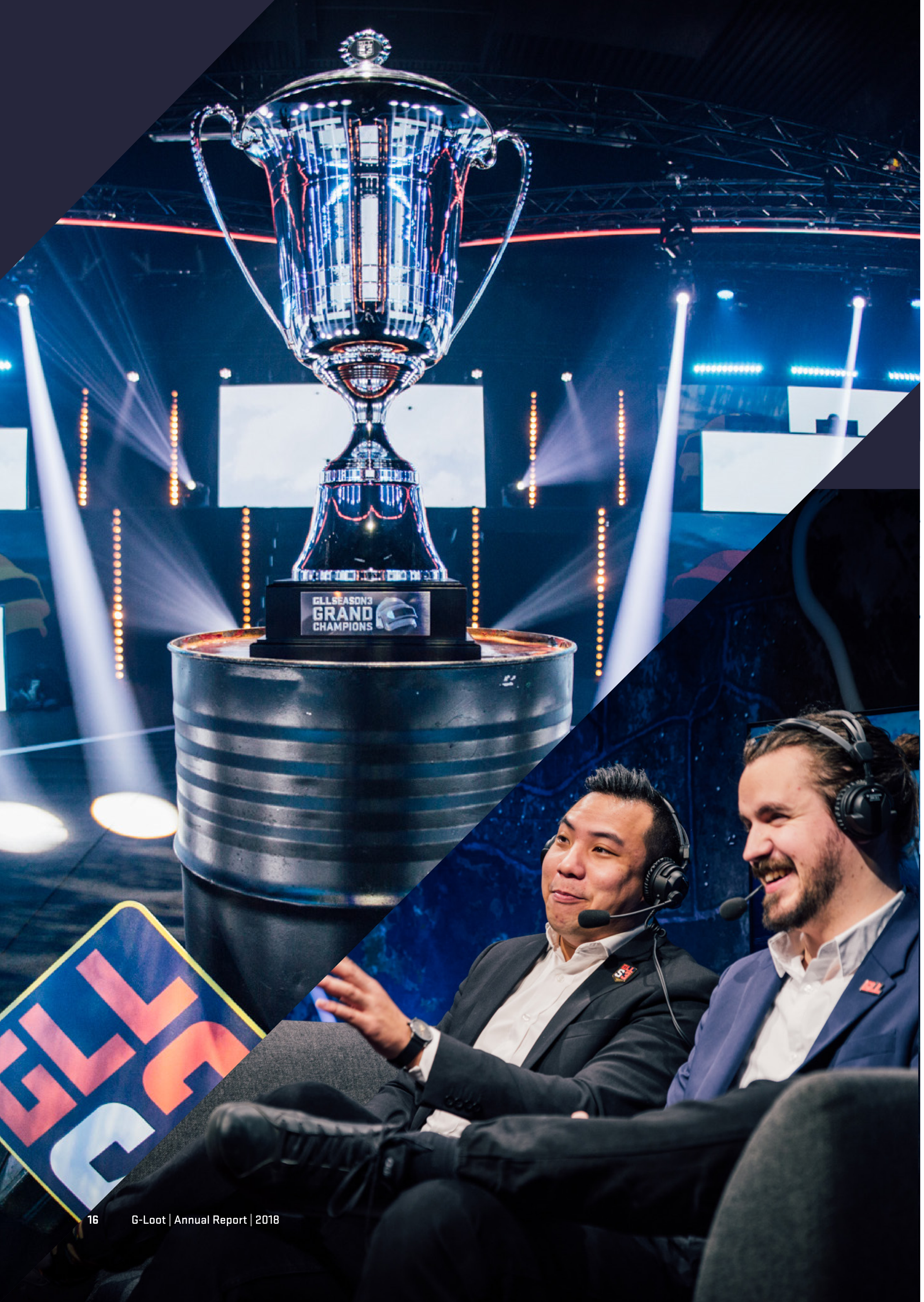




A sport where everyone can join in and can take home the prize

Think of a sport where amateurs can beat the professionals. The notion that even the best-trained amateur could beat a world high jump champion or get selected for an international ice hockey team, or that a hobby golfer could go all the way in the British Open or win the Championship at Wimbledon, is just not realistic.

In esport, that level of performance is possible.



When last year G-Loot organised tournaments in PlayerUnknown's Battlegrounds (PUBG) in our own GLL league, teams of friends won all three finals. They knocked out one top team after another of the professionals who took part in the most-played game worldwide in 2017.

This would never have been possible if every match except for the finals themselves had not been played online. By moving the games and matches from the offline to the online world, we make it possible for anyone anywhere to compete and earn money from playing their favourite game.

This is the very essence of what G-Loot does. While professional gamers dominate the finals in terms of numbers, there is always a chance for anyone who wants to test their capacities against the very best. It could also be said that we are democratising esport by making it accessible to all.

Esport is still a young sport. We have just started scratching the surface. Nevertheless, our tournaments attract spectator numbers that measure up to the highest in traditional sports. GLL Season 3 was followed by 15 million viewers via streaming channels. When in summer we have the honour of arranging one of PUBG's biggest official championships, in the form of the Stockholm Grand Slam: PUBG Classic, with the best gamers from Europe, Latin America and Oceania, we may attract up to 50 million viewers. In a tournament that is being held for the first time!

For the PUBG Corporation to entrust G-Loot via our own brand GLL with arranging one of the biggest esport tournaments worldwide is evidence that we have succeeded in delivering in line with high expectations. The extended partnership with PUBG Corporation also confirms the confidence that we enjoy in the gaming industry. We are now in the situation where we are talking to practically all the major actors internationally regarding various forms of collaboration.

G-Loot is already biggest in the world in being able to offer tournaments on both mobile and PC. Last year, we grew on average 40 percent per quarter and in 2019 we anticipate sharply increasing the number of games we offer.

G-Loot's ambition is to be platform-neutral, and in the near future we expect to be able to announce a collaboration that will make on-console play possible.

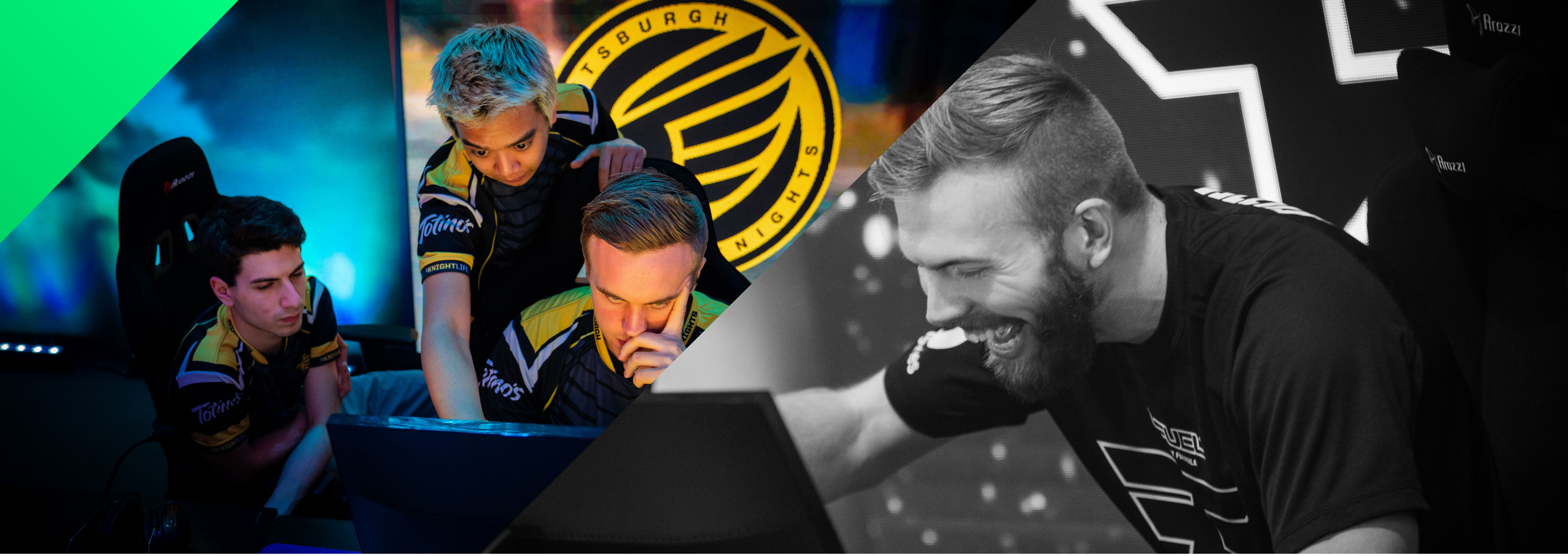
Over the past year, we have also had confirmation of the capital market's strong belief in the G-Loot business model, in the form of SEK 100 million in funding from a number of well-known financiers. In addition, early in the current year we raised a further SEK 225 million in capital from our existing and new owners. This will be spent on rapidly upping the pace of new title introductions and attracting even more viewers for our tournaments. It will also create greater scope for focusing on growth.

At the same time, we are investing major resources in business development. In-house, G-Loot's employees have developed new PC software that may open up considerable opportunities for expanding our business.

We are a hard-working team, and we roll up our sleeves when that extra push is needed. We are not afraid to put ourselves to the test and take calculated risks. Up to now, it has gone better than we dared hope. But, to be able to take the next major step forward, we need to have double the numbers that we have today.

Together we are building a company that today already holds a world-leading position in the market, yet we are just at the beginning of an unimaginably exciting journey, in which our market penetration to date is vanishingly small but the potential is staggering.

Patrik Nybladh, CEO and Founder



Esport,
a multi-million market

As a result of esport's explosive growth in recent years, its popularity is now fully comparable with that of the major traditional sports. As this interest has grown, the market has evolved from a jungle of countless commercial ventures into a sophisticated eco-system in which G-Loot has gained a leading position.

Esport is a young sport with just two decades behind it. Its origins may be traced to the Asian financial crisis of 1997. In South Korea, one of the hardest-hit countries, many of those who had lost their jobs started playing games against each other in the recently-opened Internet cafés. This was the start of the growth of electronic sport on computers and game consoles, to begin with mostly in Asia.

If Asia may be said to be the cradle of esport, the continent remains its epicentre, with China, South Korea and Japan the major esport countries. At the same time, esport has spread practically throughout the world. Of all major sports, it is probably the fastest-growing one worldwide and is, with the exception of football, the only truly global sport.

But what is esport?
And is it in any way a sport?

Esport is a collective term for competitions that take place on computers, mobile phones, tablet PCs and game consoles, in which competitors play various types of game against each other. While esport does not include physical activity as in traditional sports, it demands the same high level of dedication and training on the part of those who want to reach the top. The most outstanding gamers possess elite-level reaction speed, focus and strategic thinking. Professional esport teams train for full working days, have trainers and get paid.

A sport for all

The esport market has undergone major changes over recent years. Esport has long been a matter for a few hobby gamers. Interest in esport has risen sharply, while the market has become increasingly sophisticated. Major actors in the world of sport have begun to recognise that esport makes a good fit with their activities. In the same way as women's sport has progressed from a marginal phenomenon to one that today is an accepted and popular sector, esport has developed into a sport for all.

However, the most important driver of growth lies in consumer preferences. Among younger target groups, there is a strong demand for being able to follow favourites in esport teams. But even if the esport audience is dominated by the young generation, esport enthusiasts are no longer unusual among the affluent in the lower middle-age bracket. In addition, the proportion of women viewers is also rising steadily, and these changes overall create a picture of an esport market with enormous potential.

As in nearly every other sector, esport is dominated by trends. The unique scope for creating new games enables esport to be expanded more quickly than traditional sports such as football, tennis and athletics, where the games are established and difficult to take to another level.

Mass audiences that are growing

Esport is now a global phenomenon that is attracting mass audiences. For example, the final of League of Legends in 2017 was watched by 58 million viewers. According to market researcher Newzoo, the total esport audience reached 395 million viewers in 2018. In two years, 2021, the audience is expected to rise to 580 million.

According to the same researcher, sales in the global esport market in 2018 totalled USD 900 million, roughly SEK 8.3 billion. This represents growth of 35 percent from 2017, when growth was on the same level as the previous year. With an expanding audience, sales are also rising, to an estimated total of USD 1,663 million by 2021. This equates to growth of 85 percent from 2018.

The main income streams will be brand investments, that is, sponsorship (40 percent), advertising (19 percent) and media rights (18 percent) , along with publisher fees and ticket sales. It is anticipated that the share of total revenue represented by brand investments will increase over the next few years. Brand investments amounted to 77 percent in 2018 and are expected to total 84 by 2021, while the share represented by publisher fees will fall correspondingly from 23 percent to 16 percent.

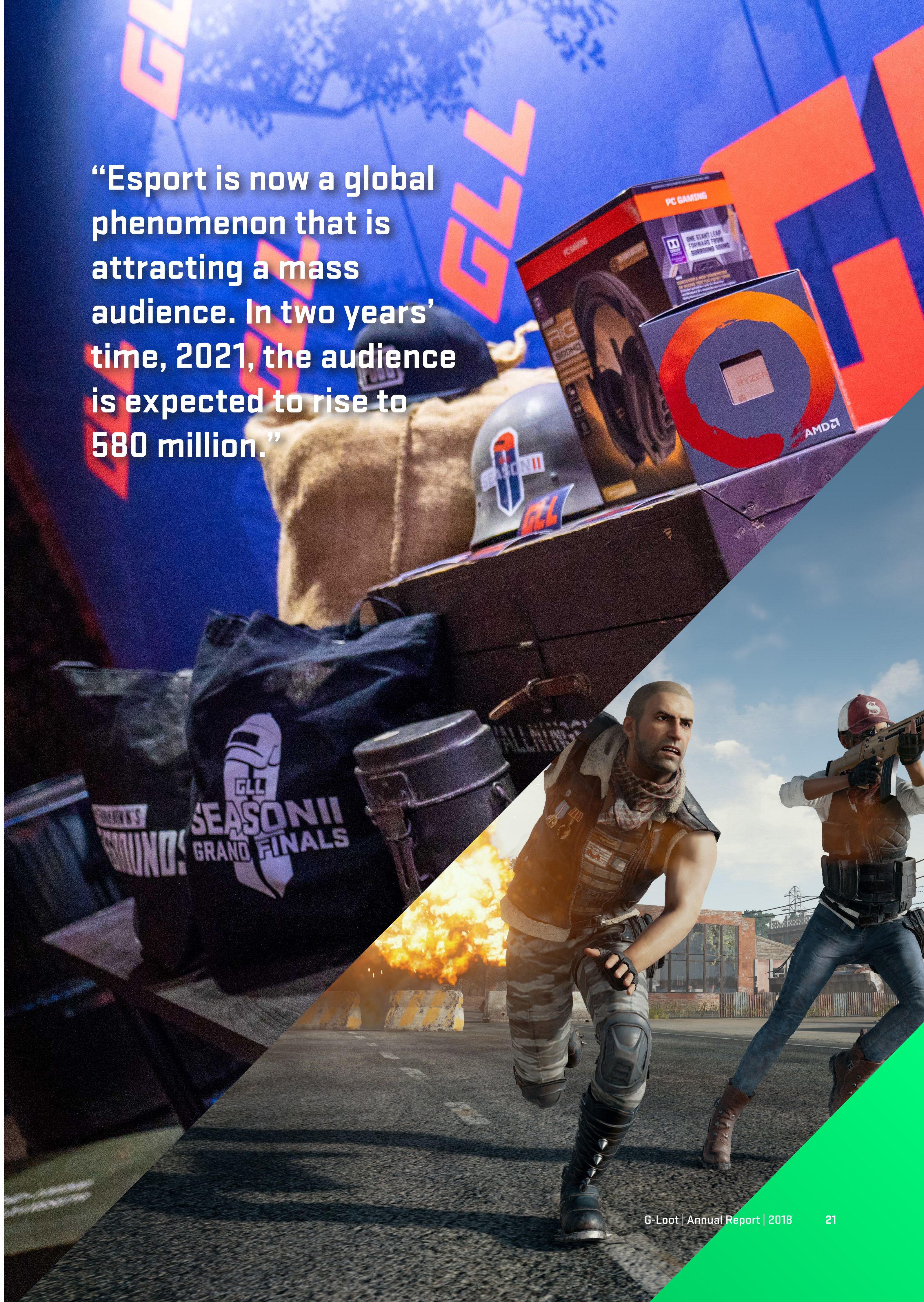
An analysis by Goldman Sachs estimates that revenue in the esport market will total USD 3 billion by 2022, 4.5 times as much as in 2017. According to the bank, the really major growth will be in media rights, whose share will amount to nearly half in three years. Sponsorship, too, is expected to increase sharply.

Young consuming via digital channels

Esport is at a stage where several strong trends are coming together: social connections are made and maintained online, digital consumption of video games and global growth in gaming audiences. And it is young gamers (aged 18-29 years) above all who are spending more and more money on digital products.

Esport is distributed more or less entirely through digital channels. Fans can stream esport tournaments free without having to pay expensive TV subscriptions, which they have to for traditional TV rights. Channels such as Twitch and Youtube Gaming serve an important role in distributing live and recorded esport tournaments. More than 80 percent of all esport enthusiasts watch esport online.

According to Newzoo, there are currently 2.2 billion active gamers worldwide , but the audience for esport accounts for just five percent of the total online gaming population. Penetration in China, which accounts for the biggest share of all gamers internationally, is also at that level. With bigger prize pools and higher media interest in esport, the conditions are in favour of a sharp increase in the audience for esport.



Mobile games the most popular

In the major, high-population markets of the USA, the UK and Germany, mobile games are big and, according to a survey conducted in the three countries by Newzoo in 2018, are played by 95 percent of gamers.

However, few are loyal to only one platform and most play on several at the same time. More than 70 percent of gamers play on mobile, console and PC. As a result, game developers prefer to develop titles that can be played on all platforms. Not only is mobile the most-used platform by far among gamers; they also spend most time on mobile games (33 percent of mobile game players play for more than six hours a week).

The survey in the three countries also indicates that gamers who willingly pay for playing are more prepared to take part in tournaments and meet other gamers in organised online and offline environments. A clear trend is that young gamers (aged less than 30) are more inclined than older gamers (30-40) to spend parts of their PC and console budget on digital and downloadable games, rather than on physical games.

Of paying gamers, a majority are men (61 to 65 percent in the three countries). A quarter of paying customers in the USA take part on online and offline tournaments. The corresponding volumes in the UK and Germany are 16 and 13 percent.

Asia at the forefront of developments

Asia is the clear leader in esport and is at the forefront of developments worldwide. China has the biggest player base in the world, with around 442 million gamers in 2017. In 2018, China accounted for a third of total revenue in the global gaming industry, according to Goldman Sachs/Newzoo. Having previously been a niche market in China, esport is now a leisure activity that everyone engages in. The continuing popularity and growth of esport in Asia probably point the way to what we can expect in the West.

As far as G-Loot is concerned, Europe and the USA are currently the primary markets. While Asia leads in esport and the foremost gamers there have celebrity status, it is a market that is unlike those in the West. In Asia, there is no concept that everyone should be able to join in and play for prize pools, which the G-Loot model is based on. There are also a number of practical and technical problems there, such as payment handling and translation.

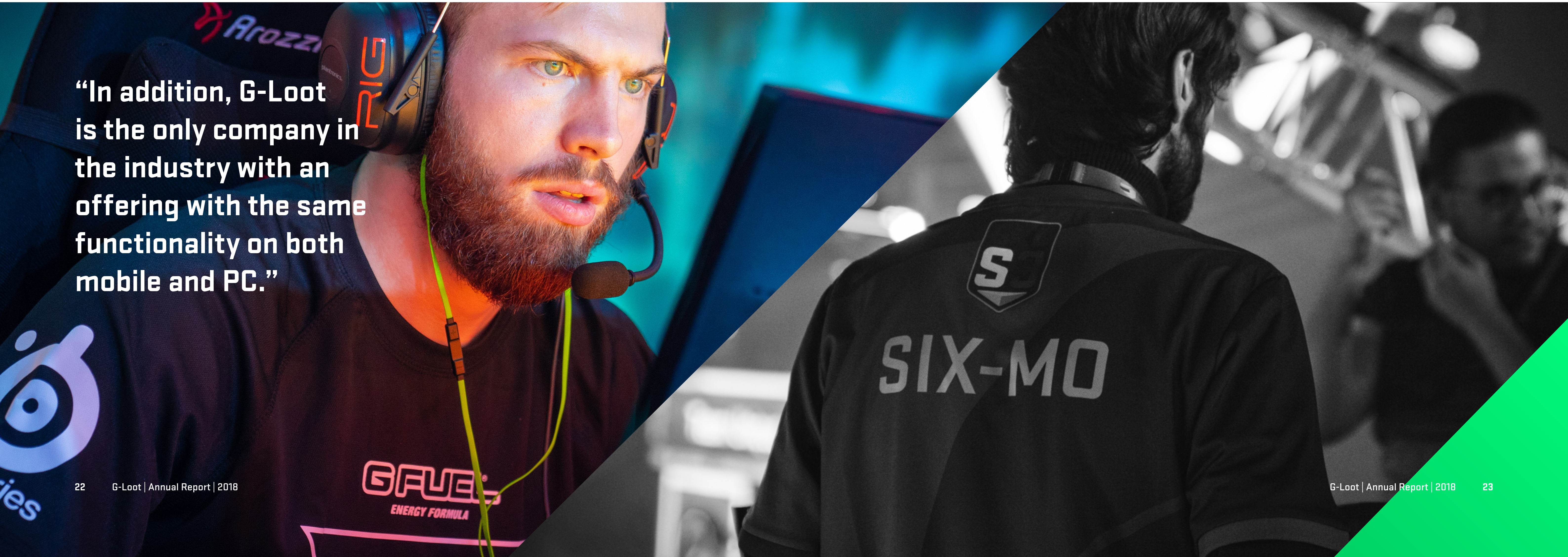
Competition fairly limited

As the esport market is maturing, competition is of course growing, but as things are, it is still quite limited. In G-Loot' s view, the Company's market position remains very strong and the segments of the market on which the Company is focusing have significant potential.

In addition, G-Loot is the only company in the industry with an offering with the same functionality on both mobile and PC. G-Loot is also in discussions with the major console companies and anticipates soon being able to offer games on console.

A decisive factor to our success will be G-Loot's ability to build productive partnerships with the major game development companies. G-Loot does not create any games of its own. It offer titles created by others to existing gamers wishing to compete with each other for money.

The esport market has characteristically consisted of a heterogeneous mix of many small businesses started by gaming enthusiasts. However, in recent



years, a couple of major esport companies have emerged in the USA and Germany.

Competitors

The company that has stood out most, alongside G-Loot, is the USA-based Skillz , located in San Francisco. Unlike G-Loot, Skillz is only available for gaming on a mobile platform.

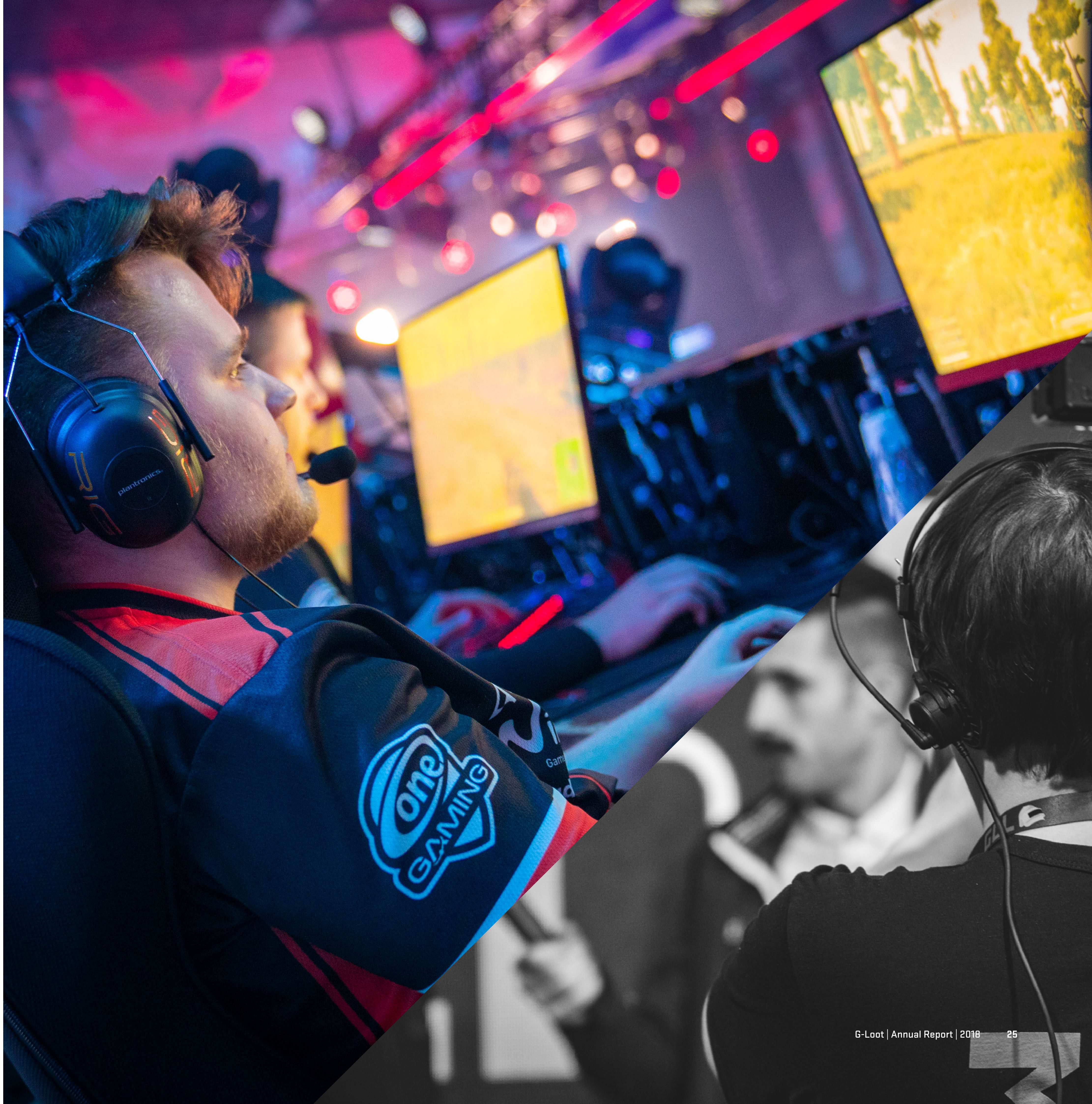
In 2017, Inc. Magazine named Skillz as the fastest-growing privately-owned company in the USA, in competition with six million others. Skillz also appeared on the CNBC Disruptor 50 List as one of the world's most ambitious and innovative companies to have changed the landscape for global business. The company has more than doubled its sales, which are estimated at USD 280 million, around SEK 2.4 billion, for 2018.

Sweden's MTG digital entertainment company is another major, important actor that organises tournaments for PC offline, chiefly via the ESL brand. MTG's esport business accounted for sales of around USD 100 million in 2017.

Another esport company operating via the PC platform is London-based Faceit. Sales for the company are estimated at approximately USD 15 million.

However, G-Loot does not see new competition as any threat. The potential market for esport is so great that any and all attention focusing on esport will benefit companies such as G-Loot.

At the same time, G-Loot has a considerable technological lead over any competitors. In addition, a not-inconsiderable barrier to entry for new competitors is access to capital to fund expansion of the business. Backed by our strong financial position, G-Loot is equipped to move quickly in expanding, to establish new partnerships and to build new brands in different segments of the market.

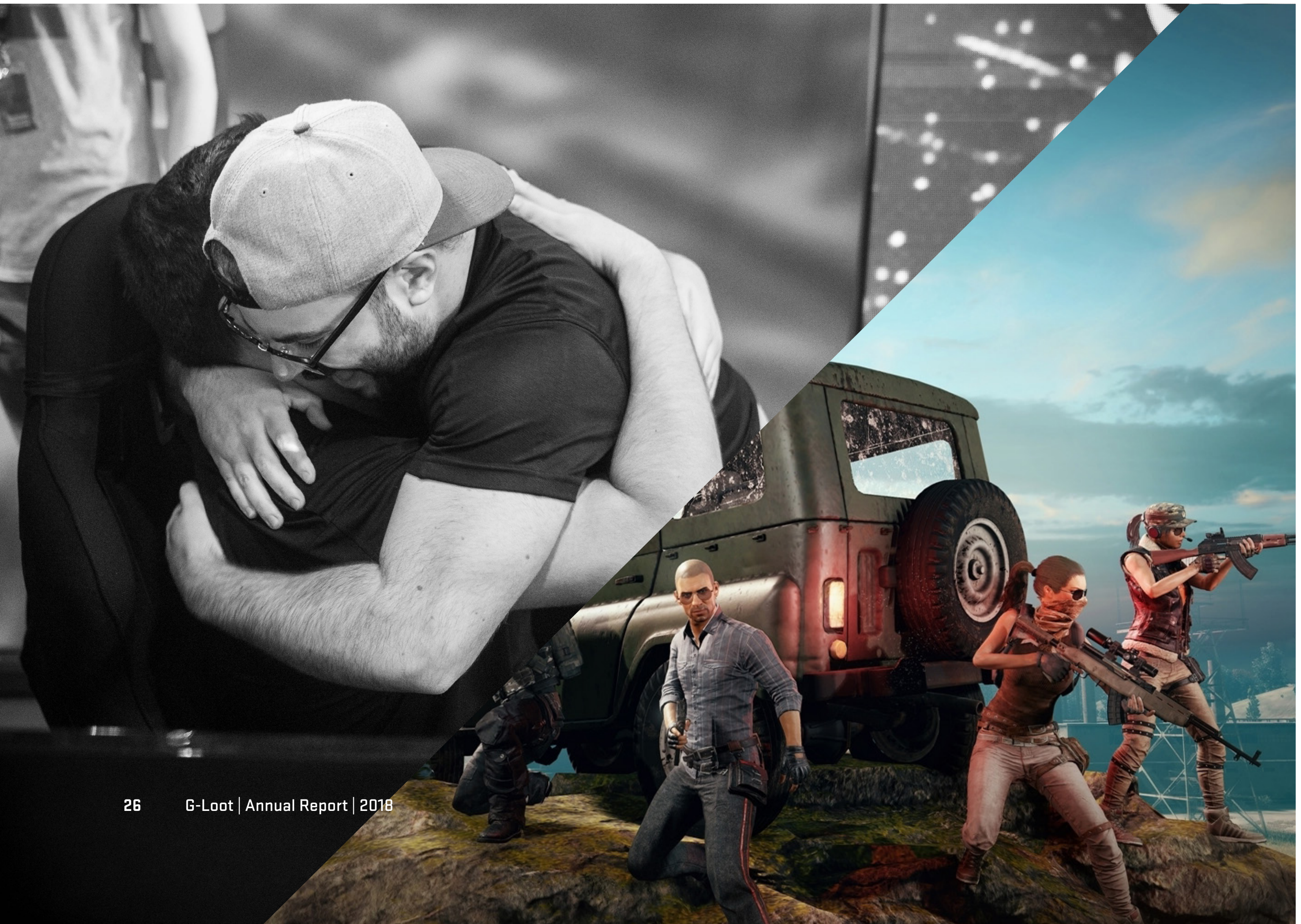


A scalable business model for growth

By moving from offline to online and by being accessible to all on several platforms, G-Loot has created the conditions for growing with a scalable business model.

VISION | G-Loot's vision is to be the leading enterprise worldwide in online esport and the actor that sets the standard in the industry. G-Loot will lead developments in online esport through detailed analysis of the future prospects for the market.

MISSION | G-Loot's mission is to make it possible for anyone, anywhere in the world, to earn money from playing the games that they already love playing.



G-Loot was founded just over five years ago by Patrik Nybladh and Johan Persson. In 2013-2014, G-Loot launched the world's first offering on iOS for playing (gaming) for money in Sweden. Over the next two year, an offering was launched that was compatible with both iOS and Android, and in 2017 G-Loot was able to present the world's first service for both mobile and PC.

Gaming for everyone part of the business mission

G-Loot makes it possible for anyone, wherever they are in the world, to earn money from playing the games they already love to play. G-Loot arranges tournaments in online games that are open to all and have real prize money to win. With G-Loot's global presence and its access to the most popular games via the Company's strategic partnerships with the foremost game development companies in the world, G-Loot ensures the sales volumes needed to successfully monetise esport.

Building strategic partnerships

In a short time, gaming has developed into a global phenomenon. For many years, esport with major money prizes at stake has been the preserve of professional gamers appearing in front of audiences in big arenas.

By transferring esport from the offline to the online world G-Loot is also giving the millions of other gamers across the world playing their favourite game, a chance to compete with each other for money. G-Loot has a global presence and focuses on major, high-popularity games.

The Company's strategy is based on building partnerships with the leading game development companies worldwide. G-Loot thus does not produce its own games; instead it offers them within the framework of the Company's services, where existing players can compete with each other for money.

G-Loot continuously arranges new tournaments around which brands are built. G-Loot is the first company in the world to have developed an offering that enables gamers to decide themselves whether to play on a mobile, tablet or PC. An offering that also includes console-based gaming is planned and discussions are in progress with potential partners. With a few exceptions, G-Loot has established operations in all markets in Europe and the USA.

Partnerships

G-Loot has worked with PUBG Corporation since early 2018. Today, G-Loot is one of a few Premiere Partners, and in 2019 G-Loot will, within the scope of this partnership, arrange a Grand Slam competition. Turborilla has appointed G-Loot as its exclusive esport partner. The collaboration has covered everything from G-Loot SDK for all competitions to the 2018 World Championship in Mad Skills Motocross 2. In 2018, Twitch acquired the right for exclusive transmission of all GLL live webcasts and chose G-Loot as Twitch partner for Twitch PUBG monthlies. In November 2018, G-Loot and Huawei jointly organised an esport event for mobile.

Business model with several revenue streams

G-Loot's business model is based largely on three separate revenue streams from the Company's online tournaments: entry fees, subscription and sponsorship.

Every player wishing to take part in match play has to pay a fee ("pay to enter"). In certain tournaments, players losing a match are allowed to take part again on payment of a new entry fee.

The second revenue stream is based on a fee to subscribe for participation in a competition. The fee, paid in advance, may for example be set at USD 10.

In the case of short matches played on mobile, the model of entry fee is generally used, while for longer, PC-based matches subscription is the most common option.

The third revenue stream is sponsorship. For example, when G-Loot organises GLL, PUBG Corporation sponsors some or all of the prize pool.

G-Loot can monetise major finals in offline tournaments, such as GLL Seasons 1, 2 and 3, by a series of revenue streams via streamed transmissions.

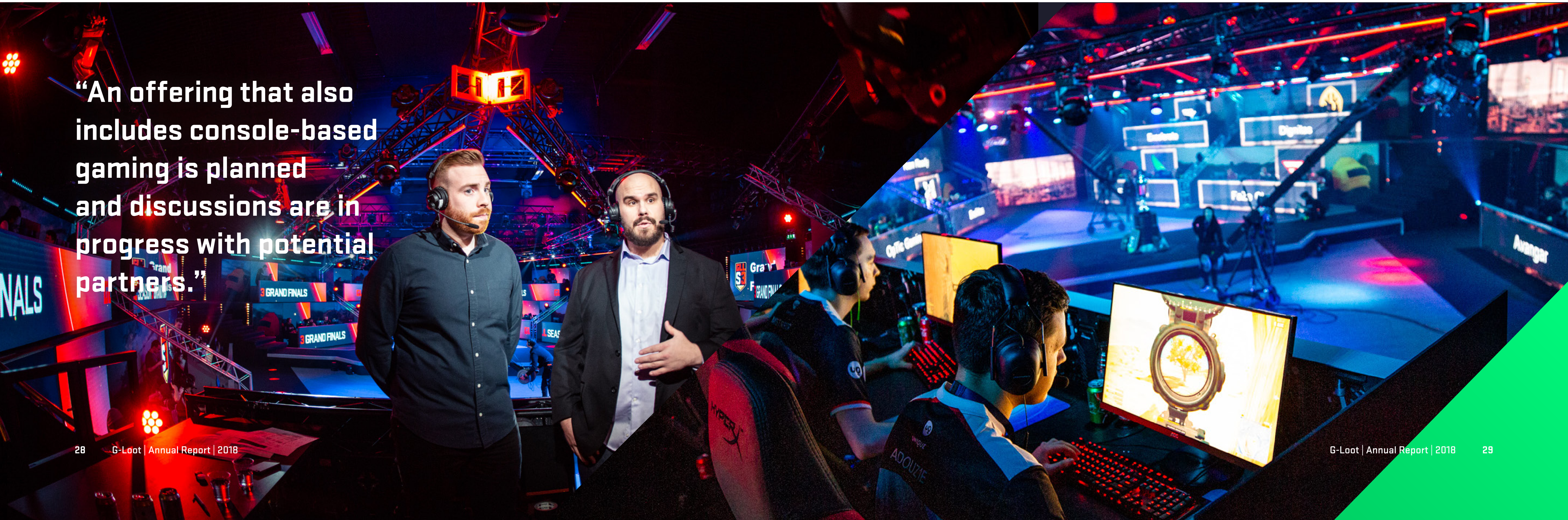
- transmission rights for TV and online streaming
- publishing revenue from game developers
- sponsorship by major national and international brands,
- advertising revenue from streamed events,
- premium subscriptions on Twitch

Low marketing costs

G-Loot can for a limited period offer gamers free participation in tournaments for marketing purposes. The conversion rate for free play to premium subscription is 5 percent for mobile and 10 percent for PC gaming.

Otherwise, marketing costs are low. The major webcast tournaments also serve as an important marketing tool for attracting more gamers and subscribers to G-Loot's services.

G-Loot's scalable business model offers major profitability potential. The Company's fixed cost base is small and marginal costs are low. At the same time, revenue streams flow in from games on several platforms, and a steady increase in the number of tournaments and attractive brands prompt customers to take part in new games organised by G-Loot.

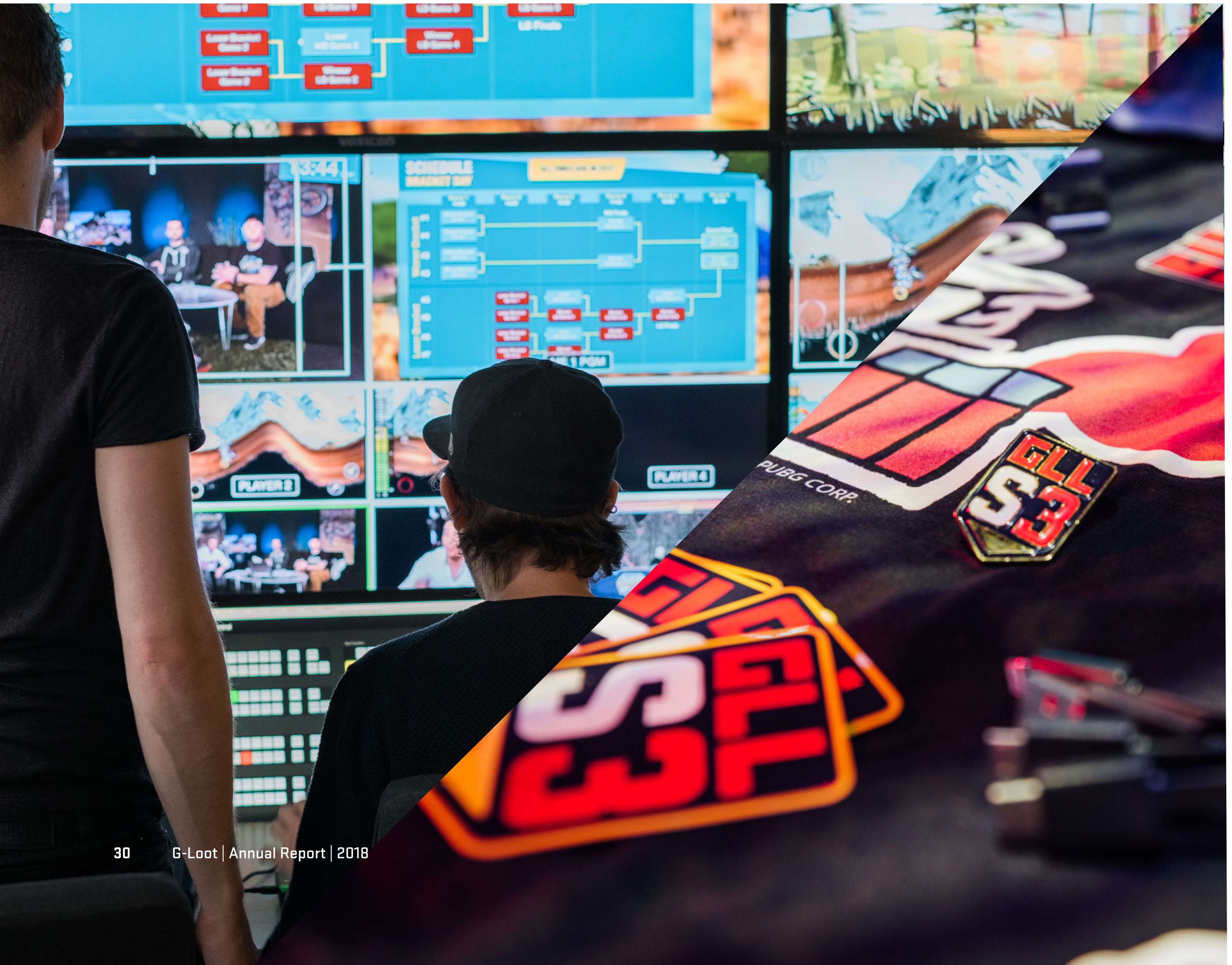


"An offering that also includes console-based gaming is planned and discussions are in progress with potential partners."

An offering that is evolving fast

2018 brought a significant expansion in G-Loot's product portfolio. Thanks to G-Loot's earlier successes and strong growth, both financial and in terms of the broader talent base the Company has acquired, G-Loot not only continued to build on what was working well but also introduced numerous innovations.

"So a video game took a month to achieve what Facebook took three years to achieve."



The year concluded in fine style, in the form of the final of GLL Season 3 in Stockholm. 1,000 teams took part in GLL, which is the biggest PUBG league in the West and is owned by G-Loot. Of the teams that had entered, 16 went through to the final. The final, with a prize pot of USD 100,000, was held at a venue in Stockholm's Gärdet district. It was followed by around 15 million viewers worldwide.

G-Loot's core concept is and will always be to offer gamers the opportunity to win real money by playing the most popular games, whatever platform is used.

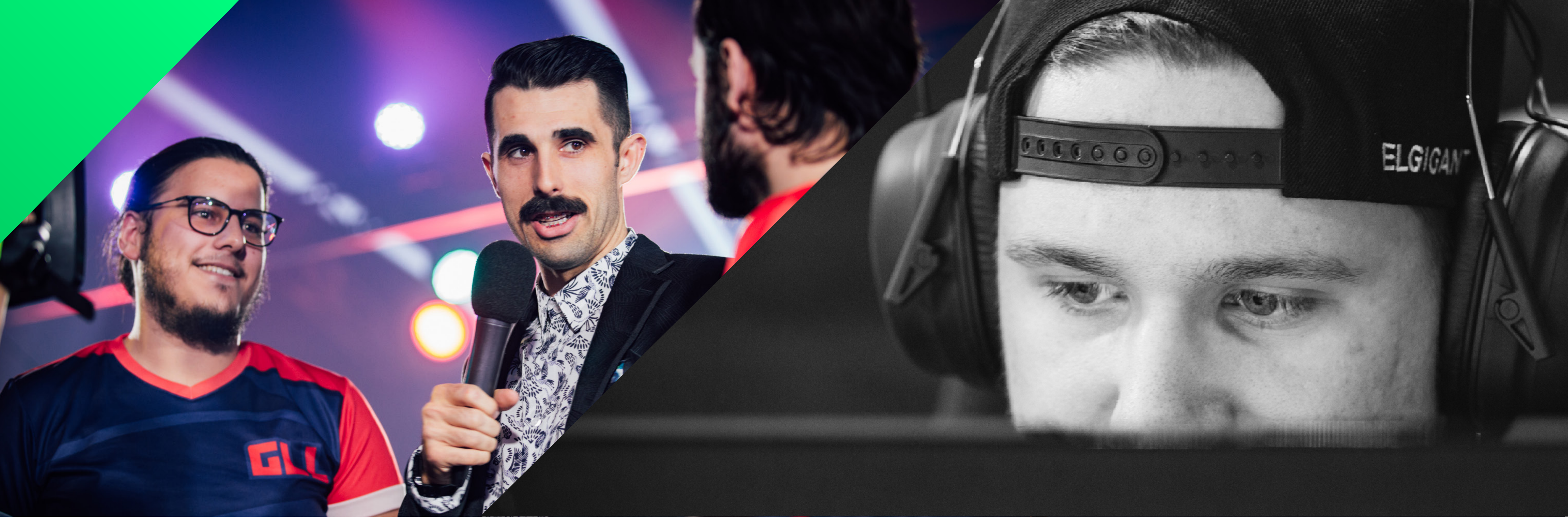
In 2018 and winter 2019, the Battle Royale genre, including titles such as PUBG, Fortnite and Apex Legends, consolidated its already very strong position in the gaming market. The strength of the trend is clearly illustrated by the fact that when Electronic Arts released Apex Legends, it took a month for the game to reach 50 million users. So a video game took a month to achieve what Facebook took three years to achieve (and the car 62 years).

Because the Company's services are so scalable and function so smoothly on different platforms, creating test versions adapted for new games is a simple and cost-efficient process. This, combined with close collaboration with game developers, provides the capability for developing the next hit game.

Because G-Loot does not own or develop game titles and the pace at which new games are developed is so extremely high, G-Loot's offering needs to be technologically sophisticated and to minimise the time taken to offer gamers a service.

G has developed a system by which gamers' screens are scanned in real time. How it works is like a program that could watch a sports broadcast and immediately identify whether the sport is football, ice hockey or cross-country skiing, and who is leading, winning, scoring a goal or breaking the rules. With such a program it is possible to use one system for all games, rather than having to create a separate system per game.

Greater control over the game environment also makes it easier to prevent cheating, which of course is something that is treated with the utmost seriousness. This assures gamers that they are using a service that offers the highest possible security, and that it will be skill and nothing else that decides who wins.



Esport in the near future

In 2018, the trend of steadily growing awareness of esport among the public continued at an undiminished pace. The number of articles in the media increased and coverage of esport became sophisticated. Nevertheless, there is nothing to suggest that the market has yet come close to realising its full potential.

With globalisation and the fast-growth in middle classes across the world, hundreds of millions of people in the short term and billions of people in the long term will have access to the Internet, which makes them potential participants in esport.

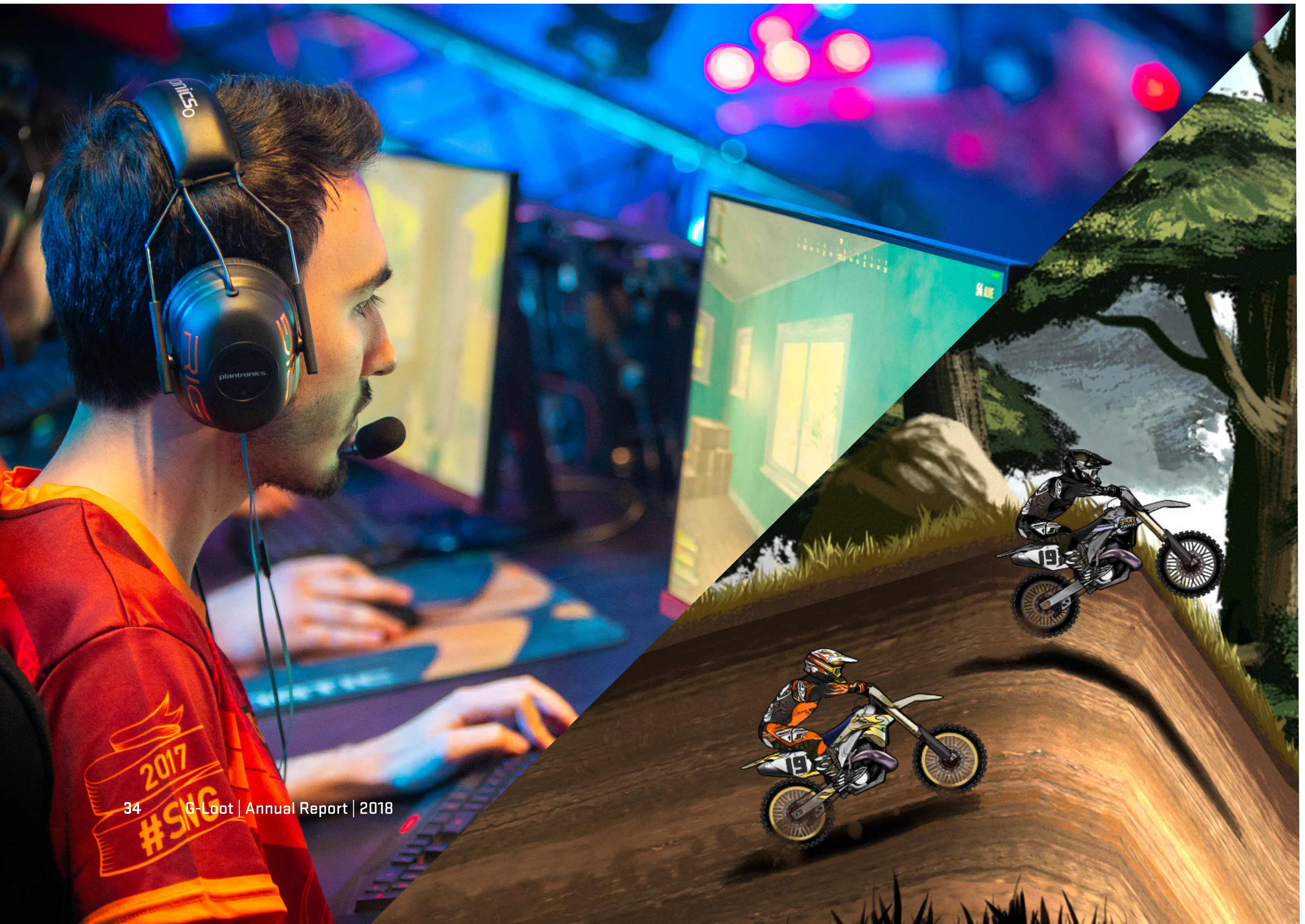
This trend is already evident today, thanks to G-Loot's offering of platform-neutral services. Just over a decade ago, to access the Internet you needed a computer. Nowadays, you can do it with a mobile phone. According to Newzoo, the vast majority of users play games on their mobiles, and around half pay to play. In India, the market today is dominated by mobile gaming, an example of how technological and economic progress have together created a whole new market with potentially hundreds of millions of customers.

Another interesting phenomenon worthy of mention is that while esport is by its nature global, regional differences are starting to emerge. Depending on market segment, for example nationality, age or gender, different games and platforms dominate. It is clear the people who have grown up with games do not stop playing simply because they have reached the age of 30 or 40, and this is likely also to apply to the 50 and 60 year-olds of the future. A group of seniors at their screens will in all likelihood be just as natural in the future as a group of seniors around a game of bridge today.

The notion that the gamers of the future will not be made up of men between the ages of 14 and 25 years is starting to gain acceptance. To take a purely visionary view, it is also become conceivable that in the relatively near future gamers will not even be humans. AI technology has made giant strides forward in recent years. Gaming and game creation is both being driven by and is driving research in this area. In view of the speed of developments in the esport market, there is reason to believe that the next few years will witness a series of exciting breakthroughs and debate about what that means to humanity.

How we connect with our customers and our world

The ability to stream esport, that is, the ability of private individuals to enable others to spectate, has been an important factor in making esport more accessible to the public.



> **“The strong growth in esport is part of the global trend of digitisation and will play a part in forming the culture of the future.”**

While the world of streaming has stars with millions of fans and followers, there is great breadth in the phenomenon that “ordinary gamers” can demonstrate their skills to a small group of followers. This phenomenon is very close to G-Loot’s vision of a democratised esport, and around 10 percent of G-Loot’s customer stream their matches online.

This creates not only a welcoming and inclusive esport culture, where G-Loot’s services and streaming exist in a symbiotic relationship. It also enables G-Loot to strengthen and improve its offering, as both qualitative and quantitative market surveys can be conducted in real time.

Community/influencers

Via advanced data analysis that makes it possible to see what each player is streaming live and via independent community managers, G-Loot stays very close to the market. Interaction with customers takes place in a language they command, via these community managers. G-Loot also works actively with influencers during competitions and in marketing in order to reach as large a target group as possible.

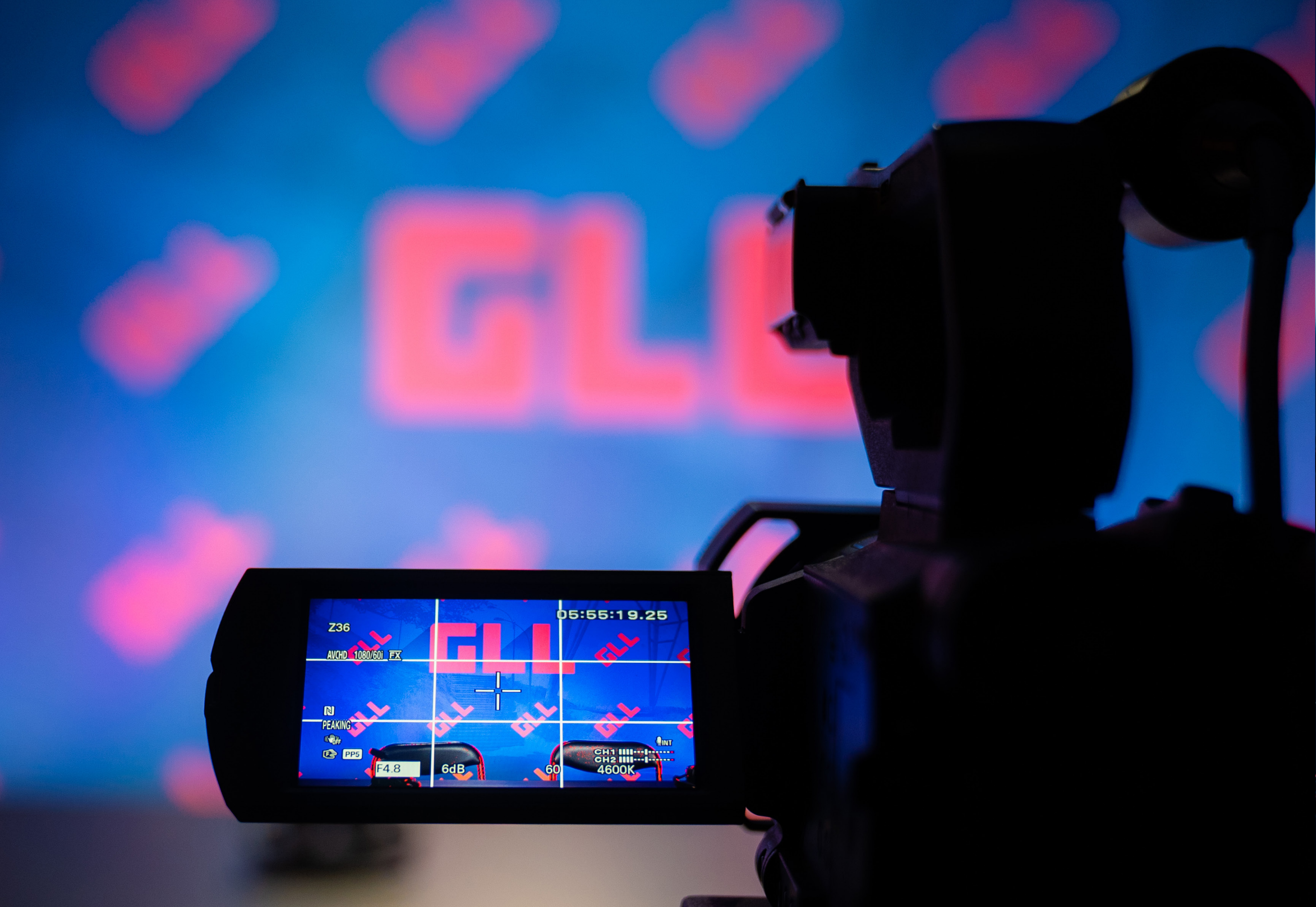
Societal issues

“The strong growth in esport is part of the global trend of digitisation and will play a part in shaping the culture of the future.” This is no stranger than football being part of industrialism or some of history’s best-known cultural works being associated with the renaissance.

Just as with all major changes, it is likely that regulatory issues will emerge that will affect G-Loot. To take just a few examples: According to Newzoo, there is a clear trend that in future gamers will want to conduct game-related microtransactions. Data collected will be usable in more and more areas as AI technology becomes more powerful, and the debate about how people are affected by everyday life increasingly being taken up by interaction with machines has just begun.

As esport goes more mainstream, it seems that a political dimension to cultural, safety and ethical issues is starting to emerge in connection with esport, and this is a consequence of more and more people taking a view on esport.

Against this background, it is highly important that attitudes concerning esport should be conditioned by an understanding of esport as a phenomenon, where the benefits are made clear and the challenges to society are discussed in a nuanced way. To G-Loot, it is self-evident that the Company should be involved in the social debate about esport. Not just as a reactive expert body, but proactively as leading experts in the field.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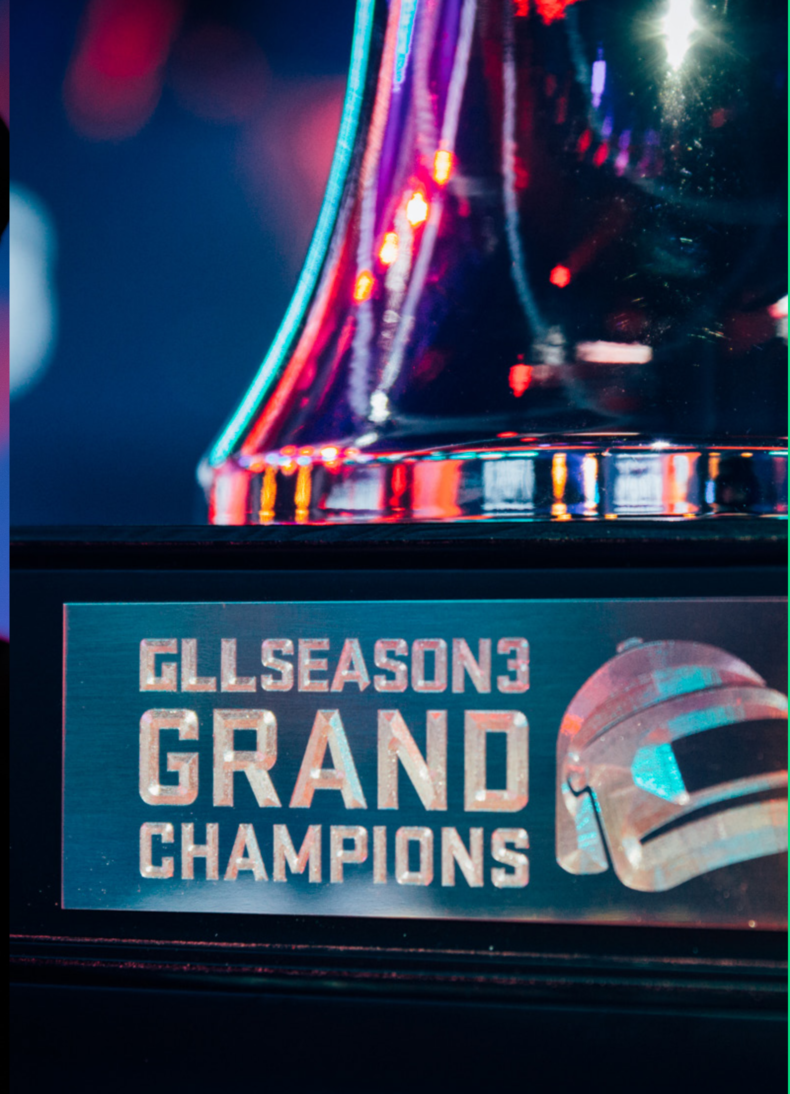
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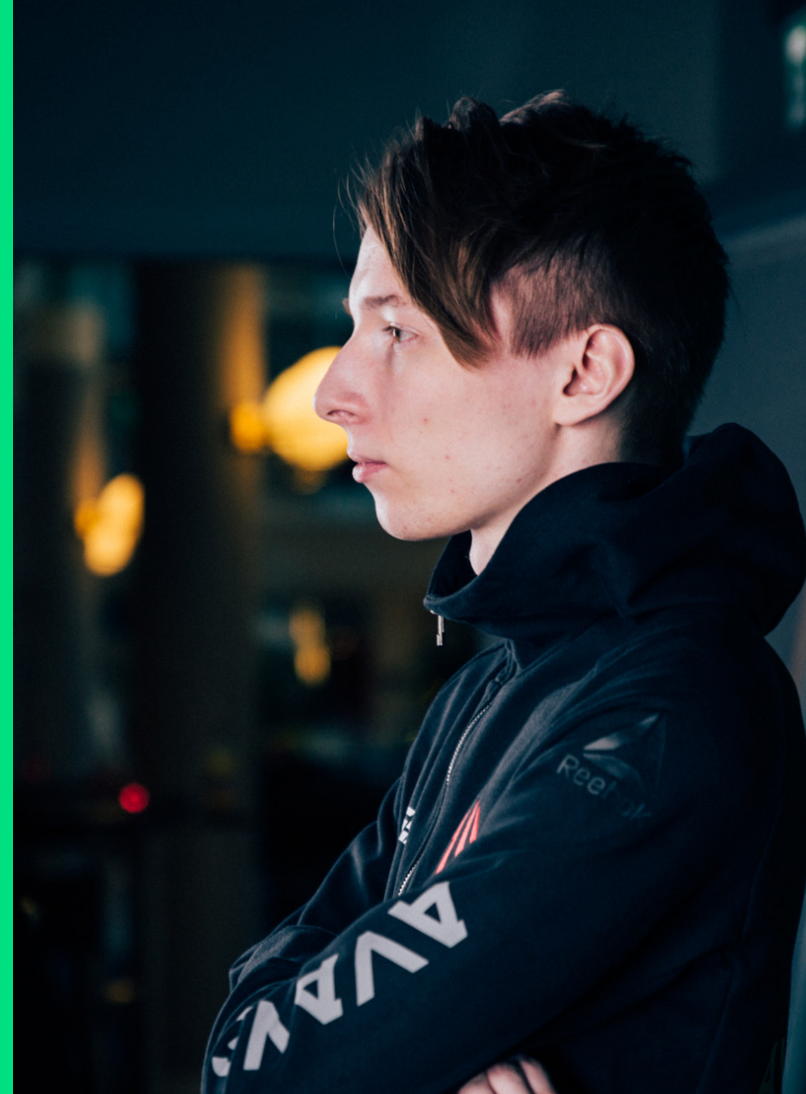
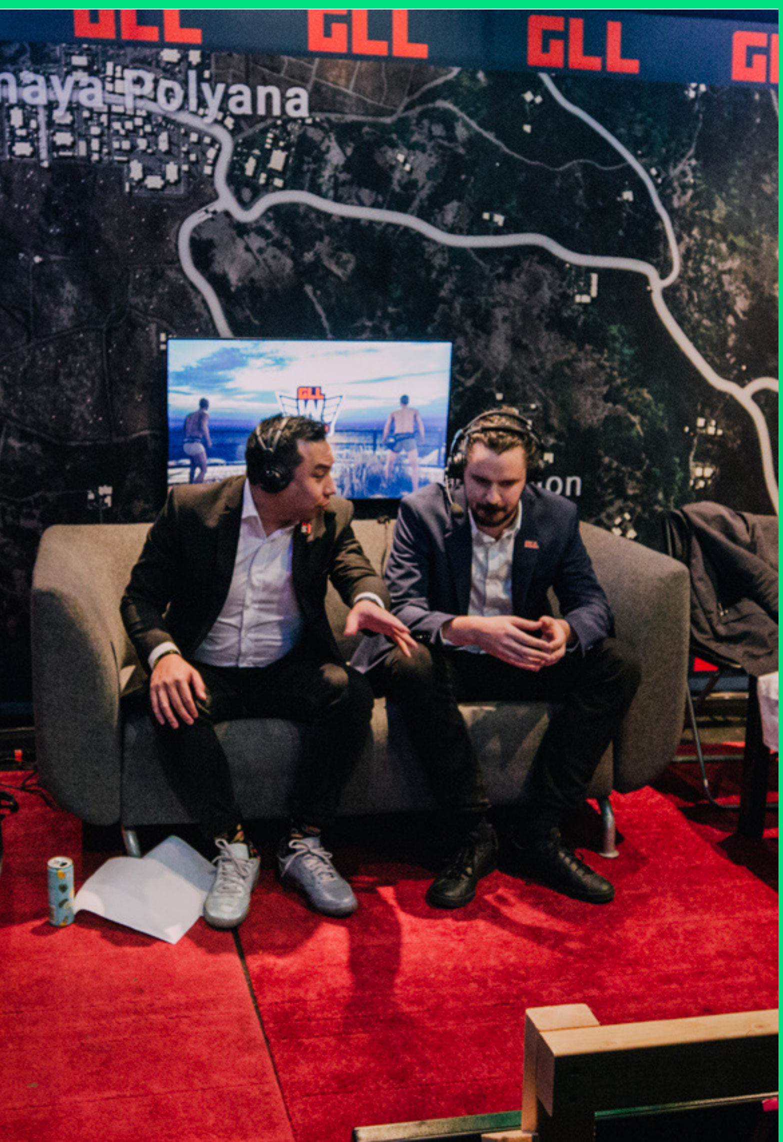
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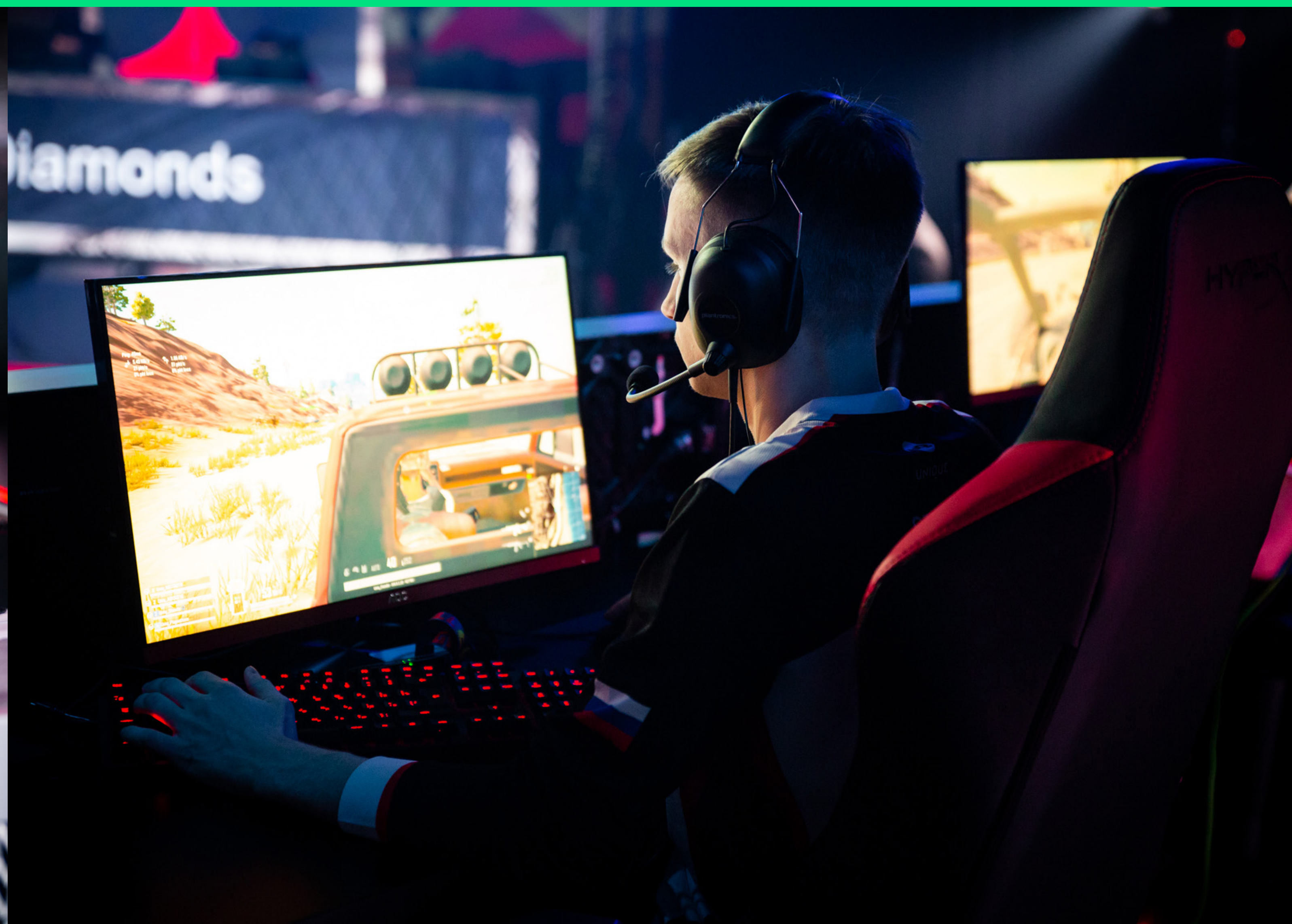
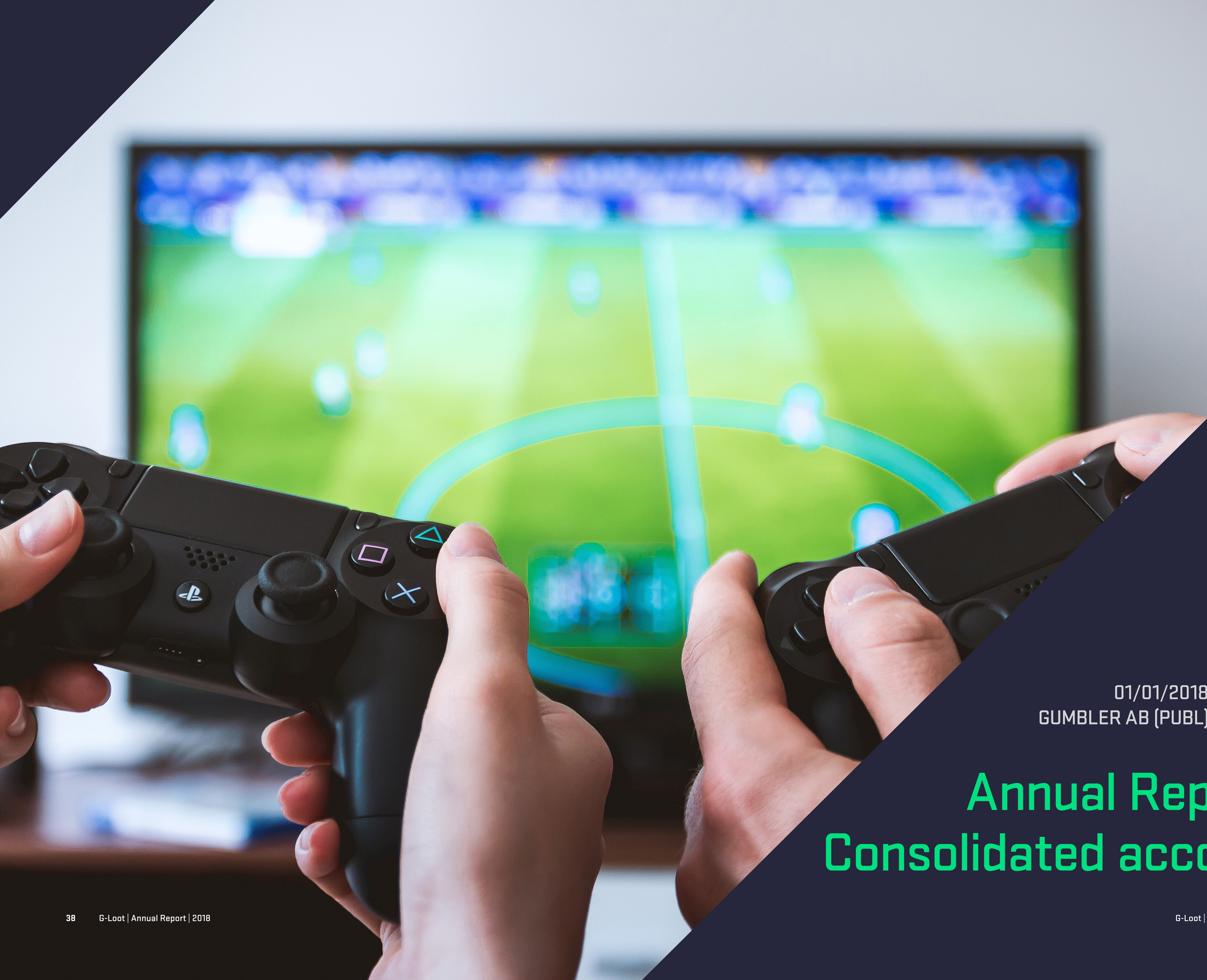




01/01/2018 – 31/12/2018
GUMBLER AB (PUBL) 556981-0517

Annual Report & Consolidated accounts

Administration report

The Board of Directors and the President of Gumbler AB (publ) (corporate identity number 556981-0517), headquartered in Stockholm, hereby present their annual report and consolidated accounts for the financial year 1 January 2018 to 31 December 2018 .

Operations

The Gumbler Group develops and offers global, unique platforms enabling players to engage in skill-based competitions in digital games that they already play and love.

Esport competitions via the Company's services enable players now to compete on mobile, PC and consoles in real time, with each other, wherever they are in the world.

Operations are classified into four separate segments: Sweden, Rest of EU, USA and Rest of World.

Group structure

The Group consists of the Parent Company, Gumbler AB (publ), and four wholly owned subsidiaries, iModules AB, G-Loot AB, Gumbler Ltd and Strandstrosaren 45 AB.

Income is accounted for in the Parent Company, Gumbler AB, and the running costs of the business are accounted for in iModules AB and then invoiced internally to the Parent Company.

In the other subsidiaries, there was no or very little activity during 2018.

Market developments during the year

Demand for esport competitions rose throughout 2018. In particular, demand in esport competition in PC-based games rose steadily, while demand in mobile games also increased but at a slower rate.

The first competitions in the PC-based PlayerUnknown's Battlegrounds, PUBG, began in February and March, and in April the finals in what was named GLL Season 1 were held. The Company realised early on that this was a winning concept with good opportunities for generating revenue that no other operator in the esport sector had yet succeeded with.

When the owner of the game, PUBG Corporation, returned with an enquiry about further competitions, this was quickly taken up and qualification for GLL Season 2 was held over the summer. The finals were held at Nobelberget, Stockholm, in August. The number of unique followers of the competition rose from 1.5 million to 10 million, which was more than anticipated.

There was now a conviction that this was a winning concept. In parallel, a portal - or gaming platform - was developed during the autumn to bring together all esport fans wishing to compete and win real money from the games they love playing.

PUBG Corporation visited the competitions in August and was highly impressed. On that basis, we were also entrusted with organising GLL Season 3. The finals in December were followed by 15 million unique viewers. During the competitions, the Company launched its gaming platform, which drew considerable attention. In a few weeks, the number of premium subscribers rose from zero to three thousand and since then has further grown to more than eight thousand at the time of writing.

Today, there is a conviction that this venture is right time, right place. The Company markets its services by putting up prize pools and not, like traditional companies, by paying advertising fees to Facebook or Google Ads. Prize pools are considerably more powerful marketing tools and hit exactly the target group that the Company wants to reach.

In parallel with PUBG competitions, other competitions have been held and series created for mobile gaming, most notably Madskills.

Research and development

All services have been designed and developed by employees of the subsidiary iModules AB. All rights are owned by Gumbler AB.

New services are developed in collaboration with the product owners and the sales department. Orders are then placed with the development department, which completes delivery.

Significant events during the year

The year began with completion of a private placement and an increase of SEK 100 million in cash. The proceeds of the issue are to be used to expand the business and to build a collaboration with the owner of the biggest game in the world, PlayerUnknown's Battleground, PUBG.

In autumn 2018, a further issue of new shares was prepared with the aim of raising an additional SEK 200-250 million. The cash is to be used primarily for creating prize pools, marketing and organising esport competitions, as well as for expanding the business by recruiting more employees. It is expected that the business will generate a negative cash flow in 2019 and 2020, but meanwhile will become established in an explosively expanding market in which 2.3 billion people are playing games on PCs, consoles and mobiles. The objective is to have a million gamers register on the Company's platform and be paying, committed and satisfied esport players.

Gumbler has demonstrated its capability for establishing online competitions via PCs, and not as before just on mobiles. The business is based on being accessible on several platforms at the same time. This enables players to freely choose from mobile, tablet, PC or console.

Over the year, the Company reported higher sales from its major partnerships, such as PUBG, and that it had succeeded in maintaining volumes and retaining customers.

Acquisitions and changes in ownership of subsidiaries

The Parent Company, Gumbler AB, owns all shares in the four subsidiaries, iModules AB, G-Loot AB, Strandstrosaren 45 AB and Gumbler Ltd (Malta).

The organisation's operating costs, including personnel costs and miscellaneous external costs, are accounted for in iModules and then invoiced on to the Parent Company with a mark-up.

All income and direct costs are accounted for in the Parent Company, Gumbler AB.

The Parent Company does not have any employees.

Practically no activities took place in the other subsidiaries in the past year.

During the year, a subsidiary to iModules AB was established, Strandstrosaren 45 AB. The company processes payments of certain prize pools.

Group financial summary

Earnings and financial position

Net sales in 2018 totalled SEK 34,966 thousand (18,725), an increase of 87 percent compared to 2017.

Operating profit was negative at SEK -59,066 thousand (-22,754) The decline in operating profit in 2018 from 2017 was due above all to expansive market growth, leading to higher costs for marketing activities and higher personnel costs.

Net financial items totalled SEK -32 thousand (-110).

Net profit for the year was SEK -59,002 thousand (-22,960).

The Group's cash and cash equivalents on 31 December 2018 totalled SEK 78,983 thousand (33,806).

Consolidated equity on 31 September 2018 was SEK 65,385 thousand (124,387).

Total assets on 31 December 2018 totalled SEK 84,859 thousand (140,476).

Non-current liabilities on 31 December 2018 stood at SEK 3,198 thousand (2,469) and mainly consisted of client accounts for players.

Current liabilities on 31 December 2018 totalled SEK 16,276 thousand (13,620).

Cash flow

Cash flow from operating activities weakened over the full year 2018 to SEK -48,166 thousand (-20,863) as a result of expansive market growth.

Cash flow from investing activities totalled SEK 83 thousand (-292).

Cash flow from financing activities totalled SEK 93,426 thousand (-22,186) and was mainly affected by the most recent new share issue, which is now paid up and closed.

Cash flow for the year totalled SEK 45,177 thousand (1,031).

Investments

The Group's investments are relatively low, as development costs are recognised directly in the income statement. Investments during the year, mainly in machinery and equipment, totalled SEK -83 thousand (-223).

The Share

Earnings per share for 2018 totalled SEK -44 (-40) basic and diluted. The number of shares in issue in 2018 totalled SEK 2,052,364 (642,364).

The business segments

Operations are organised in four geographical segments: Sweden, EU (excluding Sweden), USA and Rest of World.

Income from operations has grown on a relatively linear basis in the segments. As a result, between 2017 and 2018, growth in income was evenly spread across the segments in the Group.

All costs are accounted for in Sweden.

Other Group information

Employees

All employees are employed in Sweden in the iModules AB subsidiary. In 2018, the number of employees averaged 32 (16).

Environmental impact

The Group's environmental impact is considered to arise during business trips. Such trips are mainly international and therefore by air.

Other possible environmental impact is deemed to arise through the scrapping of machinery and equipment, which consists mainly of computers.

Principles of remuneration to senior executives

The total remuneration to the President is determined by the Board. Remuneration issues concerning other members of the Board are subject to resolution by the AGM.

The Board Chairman is paid a fee of SEK 200 thousand and other Board members a fee of SEK 100 thousand each.

The Board has adopted the following guidelines on Management remuneration. The Group shall apply market-level remuneration and the employment conditions necessary to enable it to recruit and retain a management team with a high level of expertise and capacity to achieve set goals. Management remuneration shall have the scope for payment of fixed salary, variable remuneration, pensions and other benefits. Salary and other remuneration shall be determined taking into account competence, experience, area of responsibility and performance. The fixed salary will be reviewed annually.

Pensions

On behalf of all employees except two, a pension premium of SEK 1 thousand per month per person is paid. Sickness insurance that varies according to age and income is also maintained.

The two employees with other remuneration, consisting mainly of conversion of earnings arrangements, were awarded such through negotiations on taking up employment.

Severance pay and notice of termination

The period of notice for termination of employment for the President is six months on the part of both Company and President. Severance pay equal to 18 monthly salary payments shall be paid to the President in the event that notice of termination is served by the Company.

The period of notice for termination of employment for other senior executives is six months on the part of both Company and executive. No member of Group Management other than the President is entitled to severance pay on termination of employment by the Company.

Seasonal variations

The esport industry is relatively young and as yet no seasonal variations worthy of mention have emerged. This is probably because the industry is global.

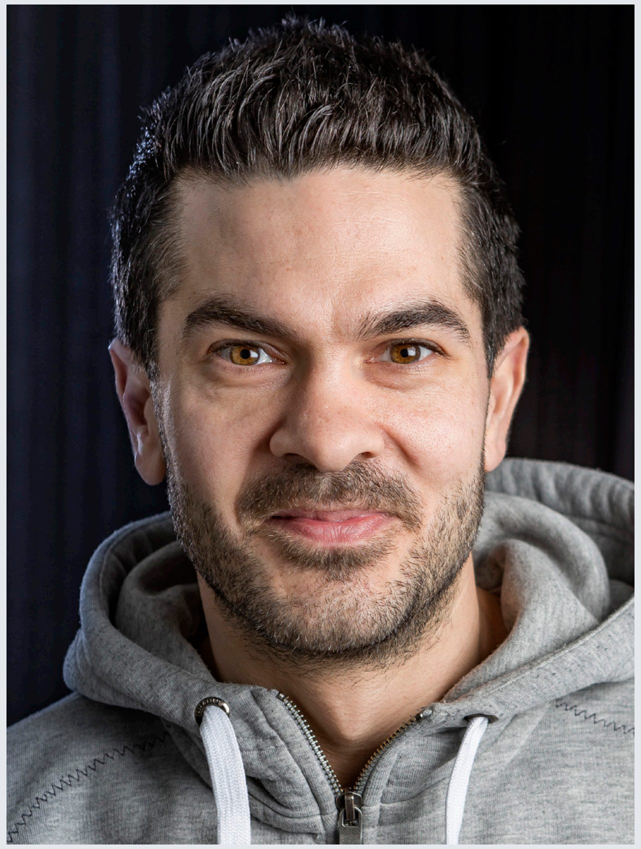
Parent Company

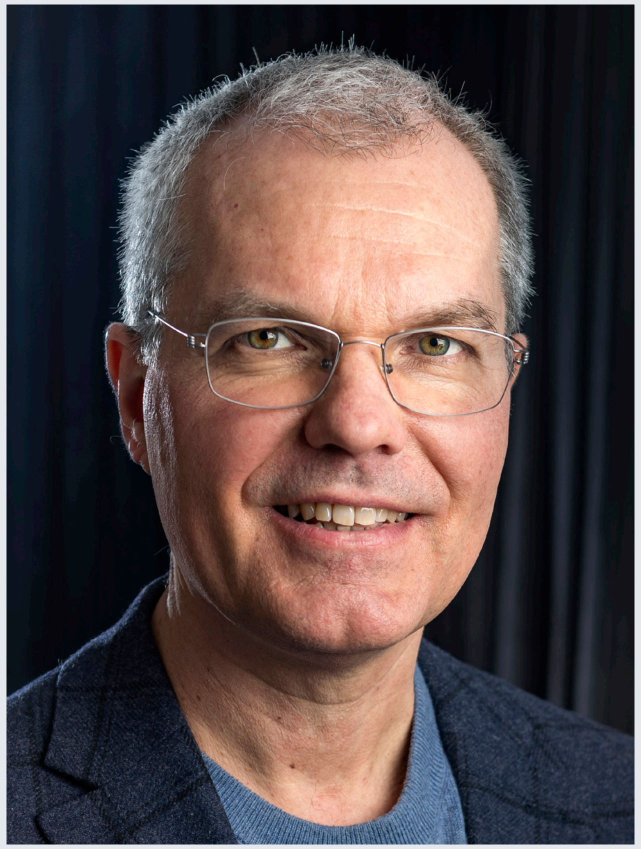
The Parent Company of the Group is Gumbler AB. As of the beginning of 2018, the Company converted from a private to a public company, and since then has operated as Gumbler AB.

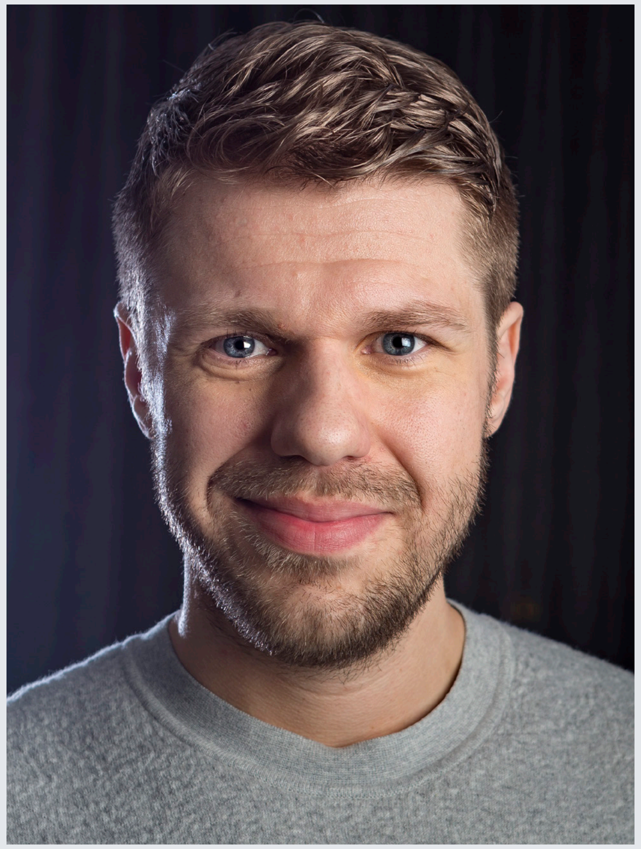
All income and direct costs are accounted for in the Parent Company. In addition, the subsidiaries invoice their costs, plus a market-level mark-up, to the Parent Company.

The Parent Company's income totalled SEK 34,966 thousand (18,799), an increase of 87 percent. Operating profit was negative at SEK -62,562 thousand (-23,744), a decline of SEK 38,818 thousand. Profit after tax was negative at SEK -58,564 thousand (-22,863), a decline of SEK 35,701 thousand.

The principal reason for the decline in profit was an expansion in operations, requiring more employees and bigger market investments.







Management 2018

Above, left:
Patrik Nybladh
President

Above, right:
Jan Benjaminson
CFO

Left:
Simon Sundén
VP & Head of Esports

Share capital and owners

At year-end, the Company's share capital totalled SEK 636,233 thousand (82,118). The number of shares in issue was 2,052,364 (642,364).

The number of shareholders at year-end 2018/2019 was 112 (80).

Board of Directors

The composition of the Board of Directors changed during the year from seven members to five.

The AGM authorised the Board to resolve that the Company issue new shares.

Outlook

Gumbler's Board of Directors does not issue any forecasts or other predictions for development of the business.

Significant events after the financial year-end

The Board of the Parent Company decided to call an Extraordinary General Meeting (EGM) on Friday 15 February 2019. The EGM was held on the Company's premises and at the meeting it was resolved that the Board be authorised to issue new shares.

The share issue is to be used to raise new capital to underpin the Company's international expansion.

The EGM also resolved to amend the Company's Article of Association such as to enable a greater number of shares to be issued. The EGM also resolved that the name of the Company be changed. The final change of name has not been decided but has been referred to the Swedish Companies Registration Office for consideration.

All resolutions are listed on the Company's website.

At the end of February 2019, the new issue was closed and SEK 225 million was added to the Company's cash reserves.

Material risks and risk management

All business is associated with a variety of risks. In order to clearly define and limit its exposure to risks, Gumbler's Group Management focuses continuously on identifying and managing risks and uncertainties. Every year, a risk assessment is carried out across the entire Group, and a summary of the most material risks is presented below.

Industry and market risks

TIGHTER REGULATION OF THE INDUSTRY

Description : In several countries, regulatory authorities have no knowledge of the difference between luck-based games and performance-based games. The Company belongs in the latter category, in that those who win the competitions held have developed a considerable degree of skill.

How the Company addresses the risk: By actively observing political trends in key markets where we are active and by seeking to influence politicians and decision-makers.

CHANGES IN PRICING AND DEMAND

Description : The Company's products can be scaled up for a global market. This also means that new products and services similar to ours may be established and may become competition. Crowding in the market would bring pressure on prices.

How the Company addresses the risk: By maintaining a highly active watch on trends and changes presented by our competitors and by keeping close contacts with our foremost gamers, in order to be early in understanding the new offerings that emerge.

Operational risks

COMPETITION ON SERVICES

Description : The industry is in a period of rapid growth and interest is strong. As a result, it is likely that several similar services will be launched by new or established industry players.

How the Company addresses the risk: By monitoring at all times the services developed and offered by our competitors in the sector, while constantly enhancing expertise among our employees so that we are and remain the best in the field.

PROFESSIONAL EXPERTISE AND THE ABILITY TO RETAIN AND ATTRACT EMPLOYEES

Description : Demand for highly-skilled software developers is high, as a result of the current upswing in the economy. Mobility in the sector is high.

How the Company addresses the risk: By ensuring that we are above all recognised for being in an industry of the future and that we stand out from traditional technology companies. Market-level pay and incentive schemes for personnel and management.

LICENSING

Description: In certain countries and certain states in the USA, political forces and movements are opposed to gaming and gambling. This may affect the Company's business.

How the Company addresses the risk: By highlighting the difference between performance-based and luck-based gaming. Esport is based on skill and is best compared with physical sports.

NEGATIVE PUBLICITY OR INDICES OF ACTIVITY

Description: The Company targets consumers who love video games. Consumers are quick to move, and information is readily available. The slightest negative new spreads fast on the Web.

How the Company addresses the risk: Via a strong, active presence in social media and strict control over what we communicate. Clarity as to who represents the Company.

Financial risks

OPERATING MARGIN

Description : The operating margin may decline as a result of lower income, lower gross profit or higher operating costs.

How the Company addresses the risk: Via highly developed forecasting for the business, along with detailed follow-up and strict control of costs.

FINANCING

Description : The Company still reports a negative cash flow and so is dependent on external financiers. At present, venture capital is available on the financial market.

How the Company addresses the risk: By regularly meeting and updating the financiers who follow the Company and are interested in our industry. By living up to the forecasts we have made and by demonstrating a high level of activity and great enterprise, we build trust and maintain expectations. This makes the Company an attractive investment.

Appropriation of profit

Gumbler AB's Board of Directors has resolved that cash flows earned shall be reinvested in the business. The Board of Directors proposes to the 2019 Annual General Meeting that no dividend be paid for the 2018 financial year, and that the profit for the year be reinvested in the business. The Consolidated and Parent Company income statements and balance sheets are subject to approval by the Annual General Meeting, to be held on9 May 2019.

	31/12/2018
Share premium reserve	SEK 165,318,171
Retained profit/loss	SEK -41,595,203
Profit/loss for the year	SEK -58,563,784
Total	**SEK 65,159,184**
The Board of Directors proposes that the following amount be carried forward:	**SEK 65,159,184**

Corporate governance report

Under the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance, the Company is required to draw up a corporate governance report.

Within the scope of the corporate governance report, the Swedish Annual Accounts Act also requires an account of the most important elements of the Company's systems of internal control and risk management in its financial reporting, an "internal control report", which is subject to scrutiny by an auditor.

As of 2019, a corporate governance report will be produced for the Company.

Consolidated statement of income and Other comprehensive income

SEK thousand	Note	2018	2017
Operating income			
Net sales	26	34,966	18,725
Other operating income	26, 27	865	75
Total operating income		**35,831**	**18,800**
Operating expenses			
Direct expenses in the form of prize pools	26	-20,750	-16,104
Other external costs	26, 30, 36	-49,424	-13,318
Personnel expenses	26, 36, 44	-24,552	-12,057
Depreciation of property, plant and equipment	26, 29	-59	-37
Other operating expenses	26, 27	-112	-38
Total operating expenses		**-94,897**	**-41,554**
Operating profit/loss	26	**-59,066**	**-22,754**
Profit/loss from financial items			
Financial income	39	19	32
Financial expenses	39	-51	-142
Total net financial items		**-32**	**-110**
Profit/loss before tax		**-59,098**	**-22,864**
Income tax	40	96	-96
Profit/loss for the year		**-59,002**	**-22,960**
Other comprehensive income			
Other comprehensive income for the year, after tax		-	-
Total comprehensive income for the year		**-59,002**	**-22,960**
Profit/loss for the year attributable to: Parent Company shareholders		-59,002	-22,960
Comprehensive income for the year		**-59,002**	**-22,960**
Earnings per share, basic and diluted, in SEK, based on profit/loss attributable to Parent Company shareholders over the year	41	-44	-40

Consolidated statement of financial position

SEK thousand	Note	31/12/2018	31/12/2017
Assets			
Receivable, share capital subscribed-for but not paid-up	35	-	100,040
Non-current assets			
Property, plant and equipment			
Equipment, tools, fixtures, and fittings	29	270	245
Total property, plant and equipment		**270**	**245**
Financial assets			
Financial assets, rental deposit	31	69	69
Total financial assets		**69**	**69**
Total non-current assets		**339**	**314**
Current assets			
Trade accounts receivable	31	573	-
Other receivables	31, 33	3,987	6,061
Prepaid expenses and accrued income	31, 33	977	255
Cash and cash equivalents	31, 34	78,983	33,806
Total current assets		**84,520**	**40,122**
Total assets		**84,859**	**140,476**

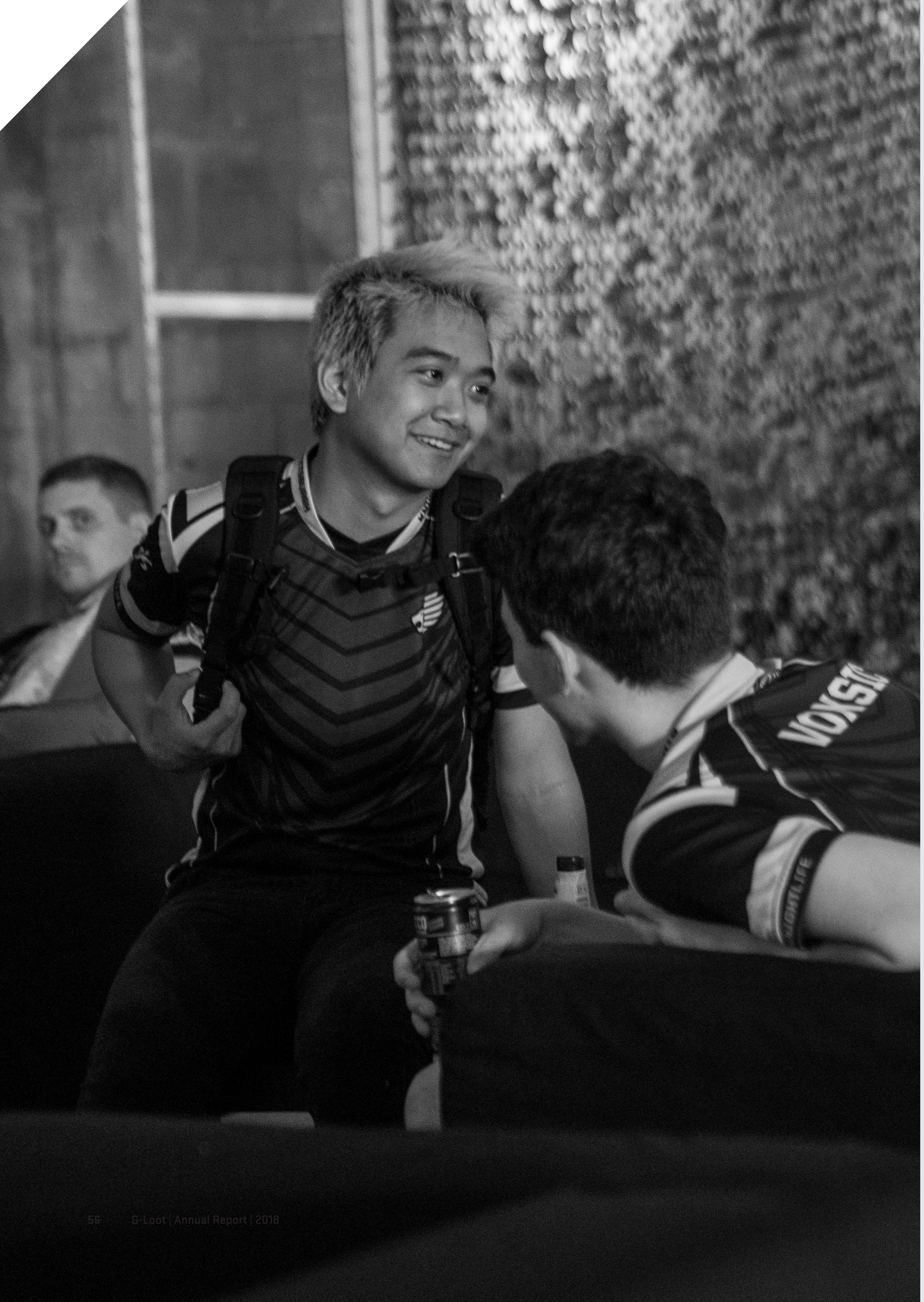
SEK thousand	Note	31/12/2018	31/12/2017
Equity			
Share capital	35	636	82
Unregistered share capital		-	554
Other contributed capital		165,318	165,318
Retained earnings, including net profit/loss		-100,569	-41,567
Total equity		**65,385**	**124,387**
Liabilities			
Non-current liabilities			
Deferred tax liabilities	32	-	-
Other non-current liabilities	31, 38	3,198	2,469
Total, non-current liabilities		**3,198**	**2,469**
Current liabilities			
Liabilities to credit institutions	31, 37	-	113
Advance payments from customers	31	10	10
Trade accounts payable	31	7,351	1,213
Current tax liabilities	31, 40	-	96
Other current liabilities	31, 38	4,876	4,113
Accrued expenses and deferred income	31, 38	4,039	8,075
Total, current liabilities		**16,276**	**13,620**
Total liabilities		**19,474**	**16,089**
Total equity and liabilities		**84,859**	**140,476**

Consolidated statement of changes in equity

SEK thousand	Share capital	Unregistered share capital	Other contributed capital	Retained earnings incl. net profit/loss for the year	Total equity
Opening balance, 1 January 2018	**82**	**554**	**165,318**	**-41,567**	**124,387**
Profit/loss for the year	-	-	-	-59,002	-59,002
Other comprehensive income	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-59,002**	**-59,002**
New share issue	554	-554	-	-	-
New share issue, expenses	-	-	-	-	-
New share issue in progress	-	-	-	-	-
Total transactions with the Group's owners	**554**	**-554**	**-**	**-**	**-**
Closing balance, 31 December 2018	**636**	**-**	**165,318**	**-100,569**	**65,385**
Opening balance, 1 January 2017	**76**	**-**	**49,689**	**-18,607**	**31,158**
Profit/loss for the year	-	-	-	-22,960	-22,960
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	**-22,960**	**-22,960**
New share issue	6	-	122,130	-	122,136
New share issue, expenses	-	-	-6,501	-	-6,501
New share issue in progress	-	554	-	-	554
Total transactions with the Group's owners	**6**	**554**	**115,629**	**-**	**116,189**
Closing balance, 31 December 2017	**82**	**554**	**165,318**	**-41,567**	**124,387**

Consolidated statement of cash flows

SEK thousand	Note	2018	2017
Cash flow from operating activities			
Profit/loss after financial items		-59,098	-22,864
Depreciation/amortisation	29	59	37
Income taxes paid		-	-69
Cash flow from operating activities before change in working capital		**-59,039**	**-22,896**
Cash flow from changes in working capital			
Increase/decrease in trade accounts receivable		-573	-
Increase/decrease in current receivables		1,351	-1,485
Increase/decrease in trade accounts payable		6,140	445
Increase/decrease in current liabilities		3,955	3,073
Total changes in working capital		**10,873**	**2,033**
Cash flow from operating activities		**-48,166**	**-20,863**
Cash flow from investing activities			
Acquisition of property, plant and equipment	29	-83	-223
Change in financial assets		-	-69
Cash flow from investing activities		**-83**	**-292**
Cash flow from financing activities			
New share issue		93,539	22,650
Amortisation of loans	37	-113	-464
Cash flow from financing activities		**93,426**	**22,186**
Decrease/increase in cash and cash equivalents		**45,177**	**1,031**
Cash and cash equivalents at start of year		**33,806**	**32,775**
Cash and cash equivalents at year-end	34	**78,983**	**33,806**



Parent Company statement of income

SEK thousand	Note	2018	2017
Operating income	26	34,966	18,725
Other income	27	-	74
Total operating income		**34,966**	**18,799**
Operating expenses			
Direct expenses in the form of prize pools	26	-20,750	-16,104
Other external costs	30, 36	-76,776	-26,432
Personnel expenses		-	-
Other operating expenses	27	-2	-7
Total operating expenses		**-97,528**	**-42,543**
Operating profit/loss		**-62,562**	**-23,744**
Profit/loss from financial items	39	1	32
Interest expense and similar profit/loss items	39	-417	-100
Total profit/loss from financial items		**-416**	**-68**
Profit/loss after financial items		**-62,978**	**-23,812**
Appropriations	25	4,414	949
Profit/loss before tax		**-58,564**	**-22,863**
Tax on profit for the year	40	-	-
Profit/loss for the year		**-58,564**	**-22,863**
Other comprehensive income		**-**	**-**
Comprehensive income for the year		**-58,564**	**-22,863**

Parent Company balance sheet

SEK thousand	Note	31/12/2018	31/12/2017
Assets			
Receivable, share capital subscribed-for but not paid-up	35	-	100,040
Non-current assets			
Financial assets			
Participations in Group companies	25	600	100
Deferred tax assets		-	-
Total financial assets		**600**	**100**
Total non-current assets		**600**	**100**
Current assets			
Trade accounts receivable		155	-
Receivables from Group companies		3,069	-
Other receivables	33	3,987	6,056
Prepaid expenses and accrued income	33	598	15
Cash and bank balances	34	76,065	33,022
Total current assets		**83,874**	**39,093**
Total assets		**84,474**	**139,233**

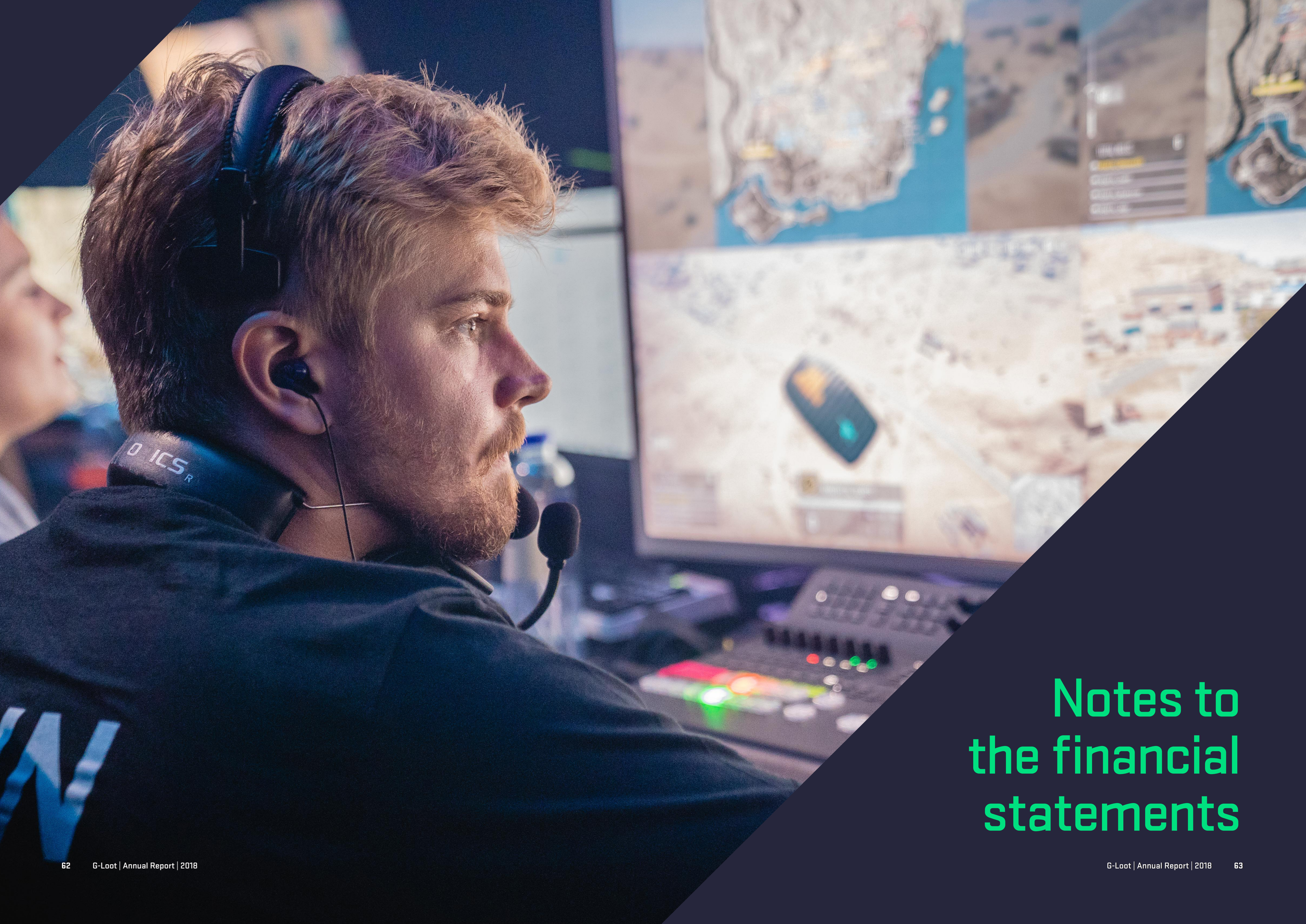
SEK thousand	Note	31/12/2018	31/12/2017
Equity and liabilities			
Equity	**35**		
Restricted equity			
Share capital		636	82
Unregistered share capital		-	554
Total restricted equity		**636**	**636**
Unrestricted equity			
Share premium reserve		165,318	165,318
Profit or loss brought forward		-41,595	-18,732
Net loss for the year		-58,564	-22,863
Total unrestricted equity		**65,159**	**123,723**
Total equity		**65,795**	**124,359**
Liabilities			
Non-current liabilities			
Other non-current liabilities	38	3,198	2,469
Total, non-current liabilities		**3,198**	**2,469**
Current liabilities			
Advance payments from customers		10	10
Trade accounts payable		14,077	2,966
Liabilities to Group companies		-	2,723
Other current liabilities	38	50	135
Accrued expenses and deferred income	38	1,344	6,571
Total, current liabilities		**15,481**	**12,405**
Total liabilities		**18,679**	**14,874**
Total equity and liabilities		**84,474**	**139,233**

Parent Company statement of changes in equity

SEK thousand	Share capital	Unregistered share capital	Share premium reserve	Retained earnings incl. net profit/loss for the year	Total equity
Opening balance, 1 January 2018	**82**	**554**	**165,318**	**-41,595**	**124,359**
Profit/loss for the year	-	-	-	-58,564	-58,564
Other comprehensive income	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-58,564**	**-58,564**
New share issue	554	-554	-	-	-
New share issue, expenses	-	-	-	-	-
New share issue in progress	-	-	-	-	-
Total transactions with the Parent Company owners	**554**	**-554**	**-**	**-**	**-**
Closing balance, 31 December 2018	**636**	**-**	**165,318**	**-100,159**	**65,795**
Opening balance, 1 January 2017	**76**	**-**	**49,689**	**-18,732**	**31,033**
Profit/loss for the year	-	-	-	-22,863	-22,863
Other comprehensive income	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-22,863**	**-22,863**
New share issue	6	-	122,130	-	122,136
New share issue, expenses	-	-	-6,501	-	-6,501
New share issue in progress	-	554	-	-	554
Total transactions with the Parent Company owners	**6**	**554**	**115,629**	**-**	**116,189**
Closing balance, 31 December 2017	**82**	**554**	**165,318**	**-41,595**	**124,359**

Parent Company statement of cash flows

SEK thousand	Note	2018	2017
Cash flow from operating activities			
Profit/loss after financial items		-62,978	-23,812
Other non-cash items	25	400	-949
Cash flow from operating activities before changes in working capital		**-62,578**	**-24,761**
Cash flow from changes in working capital			
Increase/decrease in trade accounts receivable		-155	-
Increase/decrease in current receivables		2,832	-208
Increase/decrease in trade accounts payable		11,111	-1,483
Increase/decrease in current liabilities		-1,755	4,212
Total changes in working capital		**12,033**	**2,521**
Cash flow from operating activities		**-50,545**	**-22,240**
Cash flow from investing activities			
Investments in participations in Group companies	25	-900	-50
Cash flow from investing activities		**-900**	**-50**
Cash flow from financing activities			
Group contributions	25	949	-
New share issue		93,539	22,650
Cash flow from financing activities		**94,488**	**22,650**
Decrease/increase in cash and cash equivalents		**43,043**	**360**
Cash and cash equivalents at start of year		**33,022**	**32,662**
Cash and cash equivalents at year-end		**76,065**	**33,022**



Notes to the financial statements

Note 1: Nature of the business

The consolidated accounts comprise the Parent Company, Gumbler AB, and its subsidiaries (the Group). The Parent Company is a Swedish limited liability company with its registered office in Stockholm, Sweden. The address of the headquarters is Birger Jarlsgatan 37 B, Stockholm. The Group was founded on 1 January 2017.

Gumbler AB is the Parent Company of a Group with a unique, global esport platform that makes skill-based competitions possible in games that players already play and love. Esport competitions provided via the Company's service enable players now to compete via mobile, PC and console, live, with each other, wherever they are in the world.

Note 2: General information, compliance with IFRS and going concern principle

The consolidated accounts for Gumbler AB have been prepared in accordance with IFRS (International Financial Reporting Standards) and interpretations issued by the IFRS Interpretations Committee (IFRSIC), as adopted by the EU; as well as RFR 1 Supplementary Accounting Rules for Groups of the Swedish Financial Accounting Standards Council and the Swedish Annual Accounts Act.

The consolidated accounts have been prepared using historical cost method, other than in the case of financial assets and liabilities, which are measured at fair value via the income statement. The most important accounting policies applied in the preparation of these consolidated accounts are described below.

Amounts are in thousands of Swedish kronor (SEK th.), unless otherwise indicated. Figures in parentheses show the values for the preceding year.

These consolidated accounts were approved by Gumbler's Board of Directors on 3 April 2019. The balance sheets and income statements will be presented for adoption to the Company's Annual General Meeting on 9 May 2019.

The Parent Company accounts have been prepared in accordance with Recommendation RFR 2, Accounting by Legal Entities, issued by the Swedish Financial Reporting Board, and the Swedish Annual Accounts Act. The cases where the accounting policies applied by the Parent Company differ from those applied by the Group are indicated separately at the end of this note.

The preparation of financial statements in accordance with IFRS requires Management to make estimates and assessments in application of the Group's accounting policies – see Note 13.19: Important estimates and assessments by Group Management in application of accounting and valuation policies and uncertainty in estimates.

Note 3: New standards adopted as of 1 January 2018

IFRS 9 Financial Instruments, deals with classification, measurement and recognition of financial assets and liabilities. There are three measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. How an instrument is to be classified is determined by the company's business model and the characteristics of the instrument.

IFRS 9 also introduces a new model for calculation of provision for credit losses, based on expected credit losses rather than incurred credit losses. The part of the standard that affects the Group concerns measurement and recognition of credit losses.

The Group has minor trade accounts receivable and so IFRS 9 has little impact on the Group.

The standard is implemented for the financial year beginning on 1 January 2018.

IFRS 15 Revenue from Contracts with Customers, governs how revenue is to be recognised. The principles on which IFRS 15 is based are intended to provide users of financial statements with more usable information on the company's income. The increased disclosure requirements state that information on type of income, time of settlement, uncertainties associated with revenue recognition and cash flow pertaining to the company's contracts with customers must be provided. According to IFRS 15, revenue is to be recognised when the customer obtains control of the good or service sold and is able to use or obtain benefit from the good or service.

IFRS 15 has no impact on recognition or measurement at the time of transition. The impact arises from increased disclosure requirements.

The standard is implemented for the financial year beginning on 1 January 2018.

Note 4: Standards, together with amendments and interpretations of existing standards that have not yet entered into force, are not adopted early by the Group.

IFRS 16 Leases
IFRS 16 replaced IAS 17 Leases and three associated interpretations. The standard requires the lessee to recognise an asset with regard to the right of use related to an underlying asset and a liability related to the obligation to make future lease payments for such right of use. IFRS 16 provides two important exemptions for low-value assets and short-term leases with a term of less than 12 months.

IFRS 16 is to be applied for financial years starting on 1 January 2019 or later. Early adoption of the new standard is allowed, but the Group has elected not to do so.

The Group has opted for the practical solution of not performing a total review of existing leases, and merely to apply IFRS 16 to new or amended leases. Since certain leases will be amended or renewed in 2019, the Group has re-examined its assessment of these leases and decided that they will be recognised on the balance sheet as a right-of-use asset.

The cost for operating leases in the 2018 financial year totalled SEK 854 thousand (748). On 31 December 2018, the undiscounted amount for the payment obligation in connection with operating leases was SEK 2,562 thousand (1,870). However, implementation of IFRS 16 would have the effect that a lower amount would be recognised as a liability/asset, since parts of the leases may pertain to services and in that case the payments obligations should be discounted.

For more information about the Company's lease obligations, including maturity structure, see Note 19 Leases.

None of the other IFRS or IFRIC interpretations that are yet to come into force are expected to have any material impact on the Group.

Note 5: Basis of preparation

Income and financial position of all Group companies using a functional currency other than the reporting currency are translated to the Group's reporting currency as follows:

- assets and liabilities for every one of the balance sheets are translated at the rate on the balance sheet date;
- income and expenses for every one of the income statements are translated at the average exchange rate (if this average rate represents a reasonable approximation of the accumulated effect of the exchange rates prevailing on the day of the transaction, otherwise income and expenses are translated at the exchange rate on the day of the transaction); and
- all translation differences arising are recognised in other comprehensive income.

Goodwill and fair value adjustments arising in foreign business combinations are treated as assets and liabilities in the acquired business and translated at the rate on the balance sheet date. Translation differences are recognised in other comprehensive income.

In the Group, no material assets and liabilities exist in any currency other than the functional currency for the particular company.

Note 6: Basis of consolidation

Intra-Group transactions, balance sheet items, income and costs of transactions between intra-Group companies are eliminated. Gains and losses resulting from intra-Group transactions and recognised in assets are also eliminated. The accounting policies for subsidiaries have, where appropriate, been amended to guarantee consistent implementation of the Group's policies.

Changes in ownership of a subsidiary without changes in controlling interest
Transactions with non-controlling interests that do not result in loss of control are recognised as equity transactions, that is, transactions with the owners in their role as owners. In the case of acquisitions from non-controlling interests, the difference between fair value of the purchase consideration paid and the actual proportion acquired of the carrying amount for non-controlling interest on consolidation is recognised in equity.

Gains and losses on disposals to non-controlling interests are also recognised in equity.

Changes in fair value of purchase considerations associated with acquisitions of non-controlling interests are recognised in the income statement, under the heading Operating income/expenses.

Note 7: Business combinations

The Group controls a company when it is exposed to or is entitled to a variable return on its holding in the company and is able to affect the return through its influence over the company. Subsidiaries are included in the consolidated accounts from the day when the controlling interest is transferred to the Group. Subsidiaries are removed from the consolidated accounts from the day when the controlling interest ceases.

The purchase method is used in accounting for the Group's business acquisitions. The purchase consideration for the acquisition of a subsidiary is represented by the fair value of assets acquired, liabilities assumed by the Group vis-à-vis former owners of the company acquired and the shares issued by the Group. The purchase consideration also includes the fair value of all liabilities that arise as a result of an agreement on a conditional purchase consideration.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. In every acquisition, the Group determines whether a non-controlling interest in the company acquired is recognised at fair value or as the proportionate share that the interest represents of the value of the identifiable net assets of the company acquired. Acquisition-related costs are carried as an expense when incurred.

Any conditional purchase consideration to be transferred by the Group is recognised at fair value at the time of acquisition. Subsequent changes to fair value of a conditional purchase consideration classified as an liability are recognised in the income statement.

Goodwill is measured initially as the amount by which the total purchase consideration and any fair value of non-controlling interests on the date of acquisition exceeds the fair value of identifiable net assets acquired. If the purchase consideration is lower than the fair value of the net assets of the company acquired, the difference is recognised directly in the income statement.

Note 8: Translation of foreign currencies

Functional currency refers to items that are included in the financial statements for the various units in the Group and are measured in the currency of the primary economic environment in which the entity operates.

The reporting currency, Swedish kronor (SEK), is the currency used in the consolidated account.

Note 9: Segment reporting

The business is organised and managed on the basis of operating segments located in Sweden, Rest of Europe, the US and Rest of World. At Gumbler, the President of the Parent Company has been identified as the highest executive decision-maker. The basis of segment reporting is the internal system of reporting. The Board of Directors and Management base their follow-up primarily on net sales per segment. The accounting principles are consistent with those applied in the consolidated financial statements.

Note 10: Income

G-Loot creates games via tournaments. The income recognition model is as follows:

- If the player has not previously registered with G-Loot, an account is opened for the player where he or she can deposit any amount in the form of money. Once registered the player has access to participation in a range of online tournaments arranged by G-Loot. The player can at all times play against other players across the world or watch other members play in real time. When the player is using money, it is booked as income immediately.

- Before tournaments, a prize pool is put out for an as-yet undetermined winner. The amount is booked as a cost when the prize money is paid out to the player. If the player elects to participate in the tournament, he or she pays an entry fee, which is deducted from the player's account. The player can now compete against other players online. This creates a service for the player in the form of a game experience with an audience, where other registered members view the game and where the tournament winner wins the product (the prize pool) that is guaranteed by the Company. The tournaments are also skill-based, with the result that the player becomes known to other players in various tournaments.

- In addition, when a player wins a prize in a tournament, an administration fee is deducted from the winner's prize pool. The amount is booked as income immediately.

Interest income is recognised using the effective interest method.

Note 11: Operating expenses

Operating expenses are recognised in income when the service is used or when the event has occurred.

Note 12: Loan expenses

Liabilities to credit institutions are recognised initially at fair value net after transaction costs. Borrowing is then recognised at amortised cost and any difference between the amount obtained after transaction costs, net, and the repayment amount is recognised in the income statement, spread over the term of the loan using the effective interest method.

Bank overdraft facilities are recognised as liabilities to credit institutions, under the heading Current liabilities on the balance sheet. In the years 2017 and 2018, the Group did not have any bank overdraft facility.

Note 13: Intangible assets

An intangible asset created via development is to be recognised only if the company can demonstrate the following, in accordance with IAS 38:

- The technical facilities for completing the intangible asset so that it becomes available for use or sale.
- The intention to complete the intangible asset so that it becomes available for use or sale.
- The company's ability to use or sell the asset.
- How the asset will generate probable future economic benefits.
- Adequate technical, economic and other resources exist to enable the company to bring development and use or sale of the asset to a conclusion.
- The company's ability to reliably measure expenses attributable to the asset during its development.

According to RFR 2, a legal entity, the parent company, may recognise development expenditure as costs in the period in which they arise, and therefore has no need to capitalise such costs as an intangible asset. The Group observes the Parent Company's policies on expensing, since research and development go hand in hand when a market is new, and caution applies regarding point 4, above, future economic benefits.

Note 14: Property, plant and equipment

Property, plant and equipment are stated at historical cost after deductions for depreciation. Historical cost includes expenses directly attributable to acquisition of the asset. Future expenses are added to the carrying amount for the asset or are recognised as a separate asset, whichever is appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the historical cost of the asset can be measured reliably.

The carrying amount for a replaced part is derecognised from the balance sheet. All other repairs and maintenance are charged to the income statement in the period in which they arise. Every component of an asset classified as property, plant and equipment with a historical cost that is substantial in relation to the aggregate historical cost of the asset is depreciated separately.

In order to apportion the historical cost of other assets down to the estimated residual value over the estimated period of use, depreciation is applied on a straight-line basis as follows:

- Equipment, tools, fixtures, and fittings: 5 years

The residual values and values in use of the assets are reviewed at the end of each reporting period and if necessary adjusted. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount.

Gains and losses on disposal of an asset classified as property, plant and equipment are determined via a comparison between the income on sale and the carrying amount, and are recognised in other operating income or other operating expenses in the statement of other comprehensive income.

Note 15: Leased assets

Operating leases
Leases where a substantial proportion of the risks and rewards associated with ownership is retained by the lessor are classified as operating leases. Payments made during the lease term are recognised as an expense, after deduction of any incentives from the lessor, in the income statement on a straight-line basis over the term of the lease.

Finance leases
Lease contracts for non-current assets where the Group essentially owns the economic risks and rewards associated with ownership are classified as finance leases. At the start of the lease term, finance leases are recognised on the balance sheet at whichever is the lower of fair value or current value of the minimum lease charges.

At present, the Group is only engaged in leases that are classified as operating leases.

Note 16: Financial instruments

Financial instruments are accounted for among many balance sheet items and are described in the following.

Classification
The Group classifies its financial assets and liabilities in the following categories:

- financial assets and liabilities measured at fair value via the income statement
- assets at amortised cost, and
- other financial liabilities

The classification is determined by the purpose for which the financial asset or liability was acquired. Management determines the classification of financial assets and liabilities on initial recognition.

Financial assets and liabilities measured at fair value via the income statement are financial instruments that on initial recognition had been identified as an item measured at fair value via the income statement.

On the asset side, assets at amortised cost consist for the most part of trade accounts receivable and loan receivables.

Loan receivables and trade accounts receivable are financial assets that are not derivatives, that have defined or definable payments and that are not listed on an active market. They are included among current assets, except for those with maturities greater than 12 months after the balance-sheet date, which are classified as non-current assets.

The Group's loan receivables and trade accounts receivable consist of balance sheet items Other receivables and Cash and cash equivalents (see Note Financial instruments per category).

Other financial liabilities comprise the Group's non-current and current liabilities to credit institutions, other non-current liabilities, trade accounts payable and the portion of other current liabilities that consist of financial instruments classified and other financial liabilities.

Recognition and measurement
Financial assets are derecognised from the balance sheet when the right to obtain cash flows from the instrument has expired or been transferred and when the Group has transferred essentially all risks and benefits associated with the right of ownership. Financial liabilities are derecognised from the balance sheet when the obligation under the agreement has been fulfilled or has otherwise expired. Financial assets and liabilities measured at fair value via the income statement are recognised after the point in time of acquisition at fair value.

Loan receivables and other receivables, together with other financial liabilities, are recognised after the point in time of acquisition at amortised cost using the effective interest method. Gains and losses arising from changes in fair value regarding the category Financial assets and liabilities measured at fair value via the income statement, are recognised in income in the period in which they arise and are included in operating income, under the heading of Other operating income or Other operating expenses.

Impairment of financial Instruments
At the end of each accounting period, the Group determines whether there is objective evidence that an impairment loss has arisen on a financial asset or group of financial assets. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset, and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The impairment loss is calculated as the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted to the original effective interest rate of the financial asset. The carrying amount for the asset is written down, and the write-down amount recognised in the consolidated income statement. If the impairment decreases in a subsequent period and the decrease may objectively be attributed to an event that occurred after the impairment was recognised, the reversal of the impairment previously recognised is recognised in the consolidated income statement.

Note 17: Trade accounts receivable

Trade accounts receivable are financial instruments that consist of amounts to be paid by customers for goods and services sold in the course of operating activities. If payment is expected within one year or earlier, they are classified as current assets. If not, they are recognised as non-current assets. Trade accounts receivable are initially recognised at fair value and subsequently at amortised cost calculated using the effective interest method.

Note 18: Trade accounts payable

Trade accounts payable are financial instruments that consist of obligations to pay for goods and services that have been acquired in operating activities from suppliers.

Trade accounts payable are classified as current liabilities if falling due for payment within a year. If not, they are recognised as non-current liabilities. Trade accounts payable are initially recognised at fair value and subsequently at amortised cost calculated using the effective interest method.

Note 19: Income taxes

The tax expense for the period is made up of current and deferred tax. Tax is recognised in the income statement, except where it relates to items recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognised in other comprehensive income or equity.

The current tax expense is calculated on the basis of the tax rules enacted or substantially enacted on the balance sheet date in the countries in which the Parent Company and its subsidiaries are operating and generating taxable revenues.

Deferred tax is recognised using the balance sheet method for all temporary differences that arise between the taxable value of assets and liabilities and their carrying amounts in the consolidated accounts. Deferred income tax is determined by application of tax rates enacted or announced on the balance-sheet date, and expected to apply when the deferred income tax asset concerned is realised or the deferred income tax liability is settled.

Deferred tax assets in tax loss carry-forwards are recognised to the extent it is probable that future fiscal surpluses will be available against which the deficits can be utilised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to set off current tax assets against tax liabilities, where the deferred tax assets and tax liabilities relate to taxes charged by one and the same tax authority and concern either the same taxable object or different tax objects and where there is an intention to settle the balances via net payments.

The Parent Company and the Group have not capitalised any tax loss carry-forwards. Deferred tax assets relating to deficits are not accounted for as an asset until the business has been in a taxation situation for two consecutive years and a profit for the third year has been budgeted.

Note 20: Cash and cash equivalents

Cash and cash equivalents are financial instruments and include bank balances both on the balance sheet and the statement of cash flows.

Note 21: Equity, reserves and dividends

Share capital represents the nominal value (the quotient value) of shares in issue.

Other contributed equity includes any premium obtained on issue of new share capital. Any transaction costs associated with an issue of new shares are deducted from the contributed equity, taking account any impact on income taxes.

Dividends to be paid to shareholders are recognised under the heading Other liabilities, when the dividends have been approved at an annual general meeting before the balance sheet date.

Note 22: Post-termination benefits and short-term benefits to employees

The plan for post-termination benefits among Group companies is based on defined-contribution pension benefits.

Pension obligations
A defined-contribution pension plan is one in which the Group pays fixed contributions to a separate legal entity. The Group has no legal or constructive obligations to pay any further contributions if this legal entity does not have sufficient assets to pay all benefits to employees in connection with the employees' service through current or earlier periods.

In the case of defined-contribution pension plans, the Group pays contributions to publicly or privately administered pension insurance plans on a compulsory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as personnel costs when they fall due for payment. Pre-paid contributions are recognised as an asset to the extent that any cash repayment or decrease in future payments may accrue to the Group.

Termination benefits
Termination benefits are payable when an employee's employment is terminated by the Group before the normal retirement point or when an employee accepts voluntary redundancy in return for such benefits. The Group recognises termination benefits at the earlier of the following points in time:

- when the Group is no longer able to recall the offer of benefits; and
- when the Company recognises expenses for restructuring that falls outside the scope of IAS 37 and that requires payment of severance benefits.

In cases where the company has made an offer to encourage voluntary redundancy, termination benefits are calculated on the basis of the number of employees who are expected to accept the offer. Benefits that fall due for payment more than 12 months after the end of the reporting period are discounted to present value.

Note 23: Important assessments by Group Management on application of accounting and valuation policies and uncertainties in estimates

Estimates and assessments are evaluated continuously on the basis of past experience and other factors, including expectations of future events that are regarded as reasonable in the prevailing circumstances. The Group makes estimates and assumptions about the future. The estimates for accounting purposes that arise from them will, by definition, rarely accord with the actual outcomes. The estimates and assumptions that represent a significant risk of material adjustments to the carrying amounts for assets and liabilities over the next financial year are described in general terms below.

Measurement of tax loss carry-forwards
The Parent Company and the Group have not capitalised any tax loss carry-forwards. Deferred tax assets relating to deficits are not accounted for as an asset until the business has been in a taxation situation for two consecutive years and a profit for the third year has been budgeted.

Note 24: Parent Company's accounting policies

The Parent Company's accounts are prepared in accordance with RFR 2 Accounting for legal entities. Accounting policies other than those described for the Group are applied in the circumstances described below.

Forms of presentation

The income statement and balance sheet are prepared in accordance with the form of presentation set out in the Swedish Annual Accounts Act. The income statement is entitled Parent Company Income Statement and other comprehensive income is reported separately. The statement of changes in equity is also prepared in accordance with the form of presentation used by the Group but must include the columns stipulated in the Swedish Annual Accounts Act. Differences in terminology are also involved, compared with the consolidated accounts, above all regarding financial income and expense and equity.

Participations in subsidiaries

Participations in subsidiaries are recognised at historical cost less any impairments. Historical cost includes acquisition-related costs and any additional purchase considerations. When there is an indication that participations in subsidiaries have declined in value, a calculation is made for the residual value. If this is lower than the carrying amount, an impairment loss is recognised. Impairments are recognised under the heading Profit/loss from participations in Group companies.

Group contributions

The Parent Company recognises Group contributions, both received and paid, as appropriations.

Financial instruments

IAS 9 is not applied in the Parent Company and financial instruments are measured at historical cost.

Note 25: Participations in subsidiaries

SEK	31/12/2018	31/12/2017
Shares in subsidiaries		
Opening balance, carrying amount	100,001	50,001
Acquisitions	-	50,000
Shareholder contribution	900,000	-
Impairment	-400,000	-
Closing balance, carrying amount	**600,001**	**100,001**

Shareholder contribution, relating to impairment and Group contribution; iModules AB, Corp. id. no. 556734-5433.

	Corp. Id. No.	Registered office	% of equity	No. of shares
iModules AB	556734-5433	Stockholm	100	50,000
Gloot AB	559115-8034	Stockholm	100	50,000
Strandstrosaren 45 AB	559138-0752	Stockholm	100	500
Gumbler Ltd	C60079	Malta	100	1

Note 26: Segment reporting

The highest executive decision-maker evaluates the Group's operations on a geographical basis and has identified four reportable segments: Sweden, EU (excluding Sweden), USA and Rest of World. The President is the highest decision-maker in the Group and assesses growth in the operating segments on the basis of net sales. The following shows an analysis per operating segment.

Group, segments in 2018	Sweden	Europe	US	Other	Total
Operating income					
Net sales	2,573	9,321	16,646	6,426	34,966
Other operating income	865	-	-	-	865
Total operating income	**3,438**	**9,321**	**16,646**	**6,426**	**35,831**
Operating expenses					
Direct expenses (prize pools)	2,122	5,051	9,942	3,635	-20,750
Other external costs	-30,082	-5,662	-10,019	-3,661	-49,424
Personnel expenses	-24,552	-	-	-	-24,552
Depreciation of property, plant, and equipment	-59	-	-	-	-59
Other operating expenses	-112	-	-	-	-112
Total operating expenses	**-56,927**	**-10,713**	**-19,961**	**-7,296**	**-94,897**
Operating profit/loss	**-53,489**	**-1,392**	**-3,315**	**-870**	**-59,066**
Assets	**84,859**	**-**	**-**	**-**	**84,859**

Group, segments in 2017	Sweden	Europe	US	Other	Total
Operating income					
Net sales	1,231	4,155	9,632	3,707	18,725
Other operating income	75	-	-	-	75
Total operating income	**1,306**	**4,155**	**9,632**	**3,707**	**18,800**
Operating expenses					
Direct expenses (prize pools)	-981	-3,704	-8,046	-3,373	-16,104
Other external costs	-5,426	-2,308	-3,915	-1,669	-13,318
Personnel expenses	-12,057	-	-	-	-12,057
Depreciation of property, plant, and equipment	**-37**	**-**	**-**	**-**	**-37**
Other operating expenses	-38	-	-	-	-38
Total operating expenses	**-18,539**	**-6,012**	**-11,961**	**-5,042**	**-41,554**
Operating profit/loss	**-17,233**	**-1,857**	**-2,329**	**-1,335**	**-22,754**
Assets	**140,476**	**-**	**-**	**-**	**140,476**

Group, categories of income 2018	Subscription & other	Prize money	Pay-to-enter	Broadcasting rights	Ads & sponsorship	Total
Operating income						
Net sales	98	20,957	12,441	721	749	34,966
Other operating income	865	-	-	-	-	865
Total	**963**	**20,957**	**12,441**	**721**	**749**	**35,831**

Group, categories of income 2017	Subscription & other	Prize money	Pay-to-enter	Broadcasting rights	Ads & sponsorship	Total
Operating income						
Net sales	86	7,853	10,786	-	-	18,725
Other operating income	75	-	-	-	-	75
Total	**161**	**7,853**	**10,786**	**-**	**-**	**18,800**

Note 27: Other operating income and expenses

Other operating income	Group 2018	2017	Parent company 2018	2017
Exchange rate gains	19	75	0	74
Miscellaneous	846	-	-	-
Total	**865**	**75**	**0**	**74**
Other operating expenses				
Exchange rate losses	-103	-38	-2	-7
Miscellaneous	-9	-	-	-
Total	**-112**	**-38**	**-2**	**-7**

Note 28: Parent Company intra-Group sales and purchases

During the year, the Parent Company made purchases of Group-wide services to a total of SEK 54,167 thousand (18,500) from Group companies. No sales took place between the Parent Company and Group companies during the year or in the preceding year.

Note 29: Property, plant and equipment

Property, plant and equipment	Group 31/12/2018	31/12/2017	Parent company 31/12/2018	31/12/2017
Opening balance, carrying amount	246	59	-	-
Purchases	83	223	-	-
Depreciation/amortisation	-59	-37	-	-
Total	**270**	**245**	**-**	**-**
Historical cost	368	285	-	-
Accumulated depreciation	-99	-40	-	-
Carrying amount	**269**	**-245**	**-**	**-**

Property plant and equipment includes tools, fixtures and fittings

Note 30: Leases

The Group has leases on premises and office equipment. Expenses for operating leases in the Group totalled SEK 854 thousand (748) during the year. Future minimum lease charges under non-cancellable operating leases at the end of the reporting period fall due for payment as follows:

Operating leases	Group 2018	2017	Parent company 2018	2017
Within a year	-1,464	-748	-	-
Later than one year but within five years	-1,098	-1,122	-	-
More than five years	-	-	-	-
Total	**-2,562**	**-1,870**	**-**	**-**

Note 31: Financial assets and liabilities

Assets, Group 31/12/2018	Amortised cost	Financial assets measured at fair value via the income statement	Total
Other non-current receivables	69	-	69
Trade accounts receivable	573	-	573
Other receivables	4,964	-	4,964
Cash and cash equivalents	78,983	-	78,983
Total	**84,589**	**-**	**84,589**

Assets, Group 31/12/2017	Loan receivables and trade accounts receivable	Financial assets measured at fair value via the income statement	
Other non-current receivables	69	-	69
Trade accounts receivable	-	-	-
Other receivables	6,316	-	6,316
Cash and cash equivalents	33,806	-	33,806
Total	**40,191**	**-**	**40,191**

Liabilities, Group 31/12/2018	Other financial liabilities	Liabilities measured at fair value via the income statement	Total
Liabilities to credit institutions	-	-	-
Other non-current liabilities	3,198	-	3,198
Trade accounts payable	7,351	-	7,351
Other current liabilities	8,925	-	8,925
Total	**19,474**	**-**	**19,474**

Liabilities, Group 31/12/2017	Other financial liabilities	Liabilities measured at fair value via the income statement	Total
Liabilities to credit institutions	113	-	113
Other non-current liabilities	2,469	-	2,469
Trade accounts payable	1,213	-	1,213
Other current liabilities	12,294	-	12,294
Total	**16,089**	**-**	**16,089**

Note 32: Deferred tax assets and tax liabilities

The Parent Company and the Group have not capitalised any tax loss carry-forwards. Deferred tax assets relating to deficits are not accounted for as an asset until the business has been in a taxation situation for two consecutive years and a profit for the third year has been budgeted.

Deferred tax assets and tax liabilities	Group 31/12/2018	31/12/2017	Parent company 31/12/2018	31/12/2017
Opening balance, carrying amount	-	-	-	-
Increase	-	-	-	-
Recognised in the income statement	-	-	-	-
Closing balance, carrying amount	**-**	**-**	**-**	**-**

Note 33: Accounts receivable and other receivables

Other receivables	Group 31/12/2018	31/12/2017	Parent company 31/12/2018	31/12/2017
Tax account	62	1,704	62	1,704
VAT receivable	3,919	4,301	3,919	4,301
Miscellaneous	6	56	6	51
Total	**3,987**	**6,061**	**3,987**	**6,056**

Prepaid expenses and accrued income	Group 31/12/2018	31/12/2017	Parent company 31/12/2018	31/12/2017
Prepaid rent	366	212		-
Accrued income	598	-	598	-
Miscellaneous	13	43	-	15
Total	**977**	**255**	**598**	**15**

Note 34: Cash and cash equivalents

Cash and cash equivalents	Group 31/12/2018	31/12/2017	Parent company 31/12/2018	31/12/2017
Bank balances	78,983	33,806	76,065	33,022
Total	**78,983**	**33,806**	**76,065**	**33,022**

Note 35: Equity

	No. of shares	Share capital	Other contributed capital	Total
Company foundation, 28/08/2014	50,000	50,000	-	50,000
New share issue, 12/05/2015	11,450	3,072	2,577,828	2,580,900
New share issue, 29/06/2015	102,529	5,127	4,301,091	4,306,218
New share issue, 22/08/2015	52,552	2,628	2,204,556	2,207,184
New share issue, 15/09/2016	296,800	14,840	44,505,160	44,520,000
New share issue, 09/12/2016	3,200	160	479,840	480,000
New share issue, 21/11/2017	125,833	6,292	22,643,648	22,649,940
Bonus share issue, 10/01/2018	1,000,000	427,015	-427,015	-
New share issue, 17/01/2018	408,130	126,520	99,457,200	99,583,720
New share issue, 17/01/2018	1,870	580	455,700	456,280
Total	**2,052,364**	**636,233**	**176,198,009**	**176,834,242**

Note 36: Employee benefits etc.

Personnel expenses	Group 2018	2017	Parent company 2018	2017
Salaries and other remuneration	-17,651	-8,778	-	-
Social security contributions	-5,371	-2,825	-	-
Pension expenses	-788	-278	-	-
Total	**-23,810**	-11,881	**-**	-

Group	2018 Salaries and other remuneration	2018 Social security contributions (including pension costs)	2017 Salaries and other remuneration	2017 Social security contributions (including pension costs)
Board members, President and other senior executives	-3,041	-956	-2,292	-791
Other employees	-14,610	-5,203	-6,486	-2,312
(Pension expenses)	-	(-788)	-	(-278)
Total	**-17,651**	**-6,159**	**-8,778**	**-3,103**

Parent company	2018 Salaries and other remuneration	2018 Social security contributions (including pension costs)	2017 Salaries and other remuneration	2017 Social security contributions (including pension costs)
Board members, President and other senior executives	-	-	-	-
Other employees	-	-	-	-
(Pension expenses)	-	-	-	-
Total	**-**	**-**	**-**	**-**

Employees	2018 Average number of employees	Of whom, women	2017 Average number of employees	Of whom, women
Parent Company, Sweden	-	-	-	-
Subsidiaries, Sweden	32	3	16	-
Total	**32**	**3**	**16**	**-**

Group employees	2018 Number on balance sheet date	Of whom, women	2017 Number on balance sheet date	Of whom, women
Board members	5	-	7	-
President and other senior executives	4	-	4	-
Total	**9**	**-**	**11**	**-**

Employees in Parent Company	2018 Number on balance sheet date	Of whom, women	2017 Number on balance sheet date	Of whom, women
Board members	5	-	7	-
President and other senior executives	-	-	-	-
Total	**5**	**-**	**7**	**-**

Auditors' fees
Audit assignment refers to the audit of the annual report and accounting records, as well as the Board of Directors' and President's administration of the Company, other tasks incumbent on the Company's auditor and advice or other assistance resulting from observations made during such audits or the performance of such other tasks. All other assignments are "Other services".

Auditors' fees	Group 2018	2017	Parent company 2018	2017
Audit assignment	-435	-164	-393	-114
Other audit activities	-75	-	-75	-
Tax advice	-	-15	-	-14
Miscellaneous	-	-	-	-
Total	**-510**	**-179**	**-468**	**-128**

Note 37: Accounts payable and other liabilities

Liabilities to credit institutions	Group 31/12/2018	31/12/2017	Parent company 31/12/2018	31/12/2017
Liabilities to credit institutions, non-current	-	-	-	-
Liabilities to credit institutions, current	-	113	-	-
Total	**-**	**113**	**-**	**-**

Liabilities to credit institutions
The Group's borrowings are at market rates, with loans at fixed interest rates and monthly repayments.
The Group's borrowings are in Swedish kronor, SEK.

Note 38: Contract liabilities and other liabilities

Other non-current liabilities	Group 31/12/2018	31/12/2017	Parent company 31/12/2018	31/12/2017
Client fund account, players	3,198	2,469	3,198	2,469
Total	**3,198**	2,469	**3,198**	**2,469**

Other current liabilities	Group 31/12/2018	31/12/2017	Parent company 31/12/2018	31/12/2017
Payroll tax	858	436	-	-
VAT	2,750	2,640	-	85
Miscellaneous	1,268	1,037	50	50
Total	**4,876**	**4,113**	**50**	**135**

Accrued expenses and deferred income	Group 31/12/2018	31/12/2017	Parent company 31/12/2018	31/12/2017
Accrued social security contributions	221	105	-	-
Accrued personnel expenses	1,875	922	-	-
New share issue expenses	-	6,501	-	6,501
Miscellaneous	1,943	547	1,344	70
Total	**4,039**	**8,075**	**1,344**	**6,571**

Note 39: Financial income and expense

Financial income	Group 2018	2017	Parent company 2018	2017
Other financial income	19	32	1	32
Total	**19**	**32**	**1**	**32**

Financial expenses	Group 2018	2017	Parent company 2018	2017
Interest expense on liabilities to credit institutions	-4	-32	-	-
Other financial expenses	-47	-110	-417	-100
Total	**-51**	**-142**	**-417**	**-100**

Note 40: Tax expense

Current tax	Group 2018	2017	Parent company 2018	2017
Current tax on profit for the year	-	-96	-	-
Adjustment relating to previous year(s)	96	-	-	-
Total	**96**	**-96**	**-**	**-**

Deferred tax	Group 2018	2017	Parent company 2018	2017
Occurrence and reversal of temporary differences	-	-	-	-
Impact of change in tax rate	-	-	-	-
Total	**-**	**-**	**-**	**-**
Total income tax	**96**	**-96**	**-**	**-**
Tax attributable to items in Other comprehensive income	**-**	**-**	**-**	**-**

Reconciliation of theoretical tax expense and recognised tax	Group 2018	2017	Parent company 2018	2017
Profit/loss before tax	-59,098	-22,864	-58,564	-22,863
Income tax calculated at Parent Company's tax rate (22%)	13,002	5,030	12,884	-5,030
Tax impact of:				
Non-capitalised loss carry-forwards	-12,958	-5,030	-12,884	-5,030
Non-taxable income	0	-	0	-
Non-taxable expenses	-44	-96	-	-
Tax on other items	96	-	-	-
Tax expense	**96**	**-96**	**-**	**-**

Note 41: Earnings per share and dividend

Basic earnings per share
Basic earnings per share are calculated by dividing: profit attributable to Parent Company shareholders, excluding dividend attributable to preference shares, by a weighted average number of ordinary shares in issue during the period, adjusted for the bonus share issue element of ordinary shares issued during the year and excluding shares bought back and held as treasury shares by the Parent Company.

Diluted earnings per share
To calculate diluted earnings per share, the amounts used to calculate basic earnings per share are adjusted by taking into account: the impact, after tax, of dividends and interest expense on potential ordinary shares and the weighted average of the additional ordinary shares that would have been in issue on conversion of all potential ordinary shares.

Equity	2018	2017
Profit/loss for the year attributable to Parent Company shareholders, SEK th.	-59,002	-22,960
Weighted average number of shares for calculation of earnings, basic and diluted	1,347,364	579,448
Earnings per share, SEK, basic and diluted, based on profit/loss attributable to Parent Company shareholders	-44	-40

Note 42: Key performance measures not defined in IFRS

The accounts for the Gumbler Group are prepared in accordance with IFRS. IFRS defines only a small number of key performance measures. Effective the last quarter of 2017, the Group has applied ESMA's (the European Securities and Markets Authority) new Guidelines on Alternative Performance Measures.

Definitions of key performance indicators
Debt/equit ratio = Liabilities to credit institutions / Total equity

Note 43: Related party transactions

The Group's related parties include its associated companies and joint venture, Group Management, the Group's employees and others as described in the following.

No major contractual relationships or transactions with related parties exist. No loans, surety bonds with or in favour of the Group's Board of Directors, senior executives or auditors exist. None of the Group's Board of Directors or senior executives have had any direct or indirect involvement in business transactions that are or were unusual in terms of their nature or the conditions attached, and that in any way remain unsettled or uncompleted.

Note 44: Remuneration to members of the Board and senior executives

The Board has adopted the following guidelines on Management remuneration. The Group shall apply market-level remuneration and employment conditions necessary to enable it to recruit and retain a management team with a high level of expertise and capacity to achieve established goals. Management remuneration shall have the scope for payment of fixed salary, variable remuneration, pensions and other benefits. Salary and other remuneration shall be determined taking into account competence, experience, area of responsibility and performance. The fixed salary will be reviewed annually.

"Other senior executives" refers to the individuals who, with the President, make up Group Management.

2018	Basic salary/ fee	Variable remuneration	Other benefits	Pension expense	Severance pay	Total
Board members	-600	-	-	-	-	-600
Company Management	-2,841	-	-	-194	-	-3,035
Other senior executives	-	-	-	-	-	-
Total remuneration and other benefits	**-3,441**	**-**	**-**	**-194**	**-**	**3,635**

2017	Basic salary/ fee	Variable remuneration	Other benefits	Pension expense	Severance pay	Total
Board members	-	-	-	-	-	-
Company Management	-2,292	-	-	-	-	-2,292
Other senior executives	-	-	-	-	-	-
Total remuneration and other benefits	**-2,292**	**-**	**-**	**-**	**-**	**-2,292**

Pensions
Members of Company Management were credited with a pension premium of SEK 194 thousand in 2018. Sickness insurance that varies according to age and income is also contracted.

Severance pay and notice of termination
The period of notice for termination of employment for the President is six months on the part of both Company and President.

The period of notice for termination of employment for other senior executives is six months on the part of both Company and executive. Other than the President, none of the members of Group Management is entitled to severance pay on termination of employment by the Company. The President is entitled to a severance pay equal to 18 months' salary payments.

Note 45: Contingent liabilities

No warranty or other legal claims were made against the Group during the year. This view accords with independent legal advice.

	Group 31/12/2018	31/12/2017	Parent company 31/12/2018	31/12/2017
Total	-	-	-	-

Note 46: Risk in connection with financial Instruments

By the nature of its business, the Group is exposed to various financial risks. The Group's overall management of risks focuses on the unpredictability of the financial markets and strives to minimise potential adverse effects on the Group's financial results. Risk management is controlled and overseen by Group Management in a process where material changes of principle in risk assessment and management are addressed in consultation with the Group's Board of Directors. The risks concerned are summarised in the following tables.

Future cash flows regarding liabilities to credit institutions are discounted to a variable interest rate based on the rate at the balance sheet date.

Risk	Description of risk	Management	Outcome, 2018
Currency risk	Fluctuations in exchange rates impact on income statement, balance sheet and cash flow.	Monitoring of transaction volumes.	Low exchange rate exposure, unchanged.
Interest rate risk	Any change in market interest rates affects income statement, balance sheet and cash flow.	The Board of Directors has adopted guidelines on fixed-interest terms and loan terms.	Market interest rates were low during the year, and the loans were amortised.
Liquidity risk	The risk of not being able to fulfil payment obligations.	High payment capacity.	Tied-up capital in line with expectations.
Financing risk	The risk that refinancing of loans falling due for repayment becomes more difficult or costly.	Monitoring of terms and conditions of credit agreements.	Loans being amortised and falling due for repayment in line with credit agreements.
Credit risk	The risk that customers suspend payment.	Large number of customers with low exposure to any individual customer.	The Company has no trade accounts receivable of a substantial nature, so any credit customers losses will be minor.

Currency risk

The Group operates worldwide and is exposed to currency risks that arise through currency exposures above all in USD and EUR. Currency risk arises through future transactions. As a result, the Group has exposure to transaction risks.

Interest rate risk

The Group's interest rate risk arises through borrowings. All borrowing is at fixed interest rates and in Swedish kronor (SEK).

According to the balance sheet, interest-bearing loans for credit institutions show a book value of SEK 0 thousand (113). The average interest on interest-bearing liabilities on 31 December 2018 was 4.5 percent (4.6). If the interest rates on borrowing in Swedish kronor on 31 December 2018 was 1.0 percent higher and all other variables constant, profit for the financial year after tax would have been SEK 0 thousand (0) lower, mainly as a result of higher interest expenses for variable-rate borrowing.

Liquidity risk

Group Management monitors the cash flow in the business continuously with regard to new investments and changes in conditions for the business. Fluctuations in the Group's liquidity are managed via a cash pool account for the Group companies to meet the ongoing liquidity requirements of the Group companies.

The Group uses the services of the following credit institutions: Swedbank, credit rating A-1+, according to Standard & Poor's.

The Group's maturity analysis of discounted payments is shown in summary below.

Maturity analysis of discounted payments

Group 31/12/2018	Within a year	Between 1 and 2 years	Between 2 and 3 years	Total
Liabilities to credit institutions	-	-	-	-
Other non-current liabilities	3,198	-	-	3,198
Trade accounts payable	7,351	-	-	7,351
Other current liabilities	4,876	-	-	4,876
Total	**15,425**	**-**	**-**	**15,425**

Group 31/12/2017	Within a year	Between 1 and 2 years	Between 2 and 3 years	Total
Liabilities to credit institutions	-	108	-	108
Other non-current liabilities	2,469	-	-	2,469
Trade accounts payable	1,213	-	-	1,213
Other current liabilities	4,113	-	-	4,113
Total	**7,795**	**108**	**-**	**7,903**

Financing risk
Financing risk is the risk that refinancing of loans may become more difficult and more costly and that the Group will not be able to fulfil ongoing payment obligations as a result of a shortage of liquidity.

Credit risk
The Group's customers consist largely of private individuals. The Group's business, agreements and contracts with paying customers is of such a nature that credit and bad debt losses are non-existent and therefore have no impact on the Group's financial stability.

Note 47: Measurement at fair value

Financial instruments measured at fair value
The following describes the Group's financial instruments measured at fair value, classified according to the fair-value hierarchy. The different levels are defined as follows:

- Level 1. Quoted prices on active markets for identical assets and liabilities.
- Level 2. Observable data for the asset or liability other than quoted prices included in Level 1, either directly (i.e. as quoted prices) or indirectly (i.e. derived from quoted prices).
- Level 3. Data for the asset or liability that are not based on observable market data (i.e. non-observable data).

The Group does not have any financial instruments that are measured at fair value.

Other assets and liabilities, as described above, are recognised at Level 3 in the fair-value hierarchy.

In the case of other financial assets and liabilities, excluding non-current liabilities to credit institutions, the fair value is deemed to correspond to the carrying amount, on the basis above all that such items are by their nature short-term.

The fair value of non-current liabilities to credit institutions is based on discounted cash flows at an interest rate based on the lending rate and classified at Level 2 in the fair-value hierarchy.

Note 48: Principles and processes for capital management

Management of capital
The Group's objective in management of its capital structure is to assure the Group's continued operation, in order to make future returns to shareholders possible.

Group	31/12/2018	31/12/2017
Net debt	-	113
Total equity	65,385	124,387
Debt/equity ratio	-	0

Note 49: Events after the balance sheet date

An Extraordinary General Meeting was held on 15 February. The meeting mandated the Board to carry out a new share issue of no more than 768,000 shares to a value of no more than SEK 300 million. The meeting further resolved that the Company's trading name should as first choice be changed to Global Esports AB.

The meeting also resolved to change the limits for share capital to no less than SEK 635,500 and no more than SEK 2,542,000.

On 27 February, the Board resolved to issue no more than 575,450 new shares and to allocate them to Carnegie Investment Bank AB in order to issue SEK 225 million in new share capital, in accordance with the mandate letter.

Board of Directors' Declaration

The Board of Directors and the President and CEO declare that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, and give a true and fair view of the Group's financial position and results.

The annual accounts have been prepared in accordance with generally accepted accounting practice and give a true and fair view of the Parent Company's financial position and results. The Administration Report for the Group and the Parent Company provides a true and fair overview of the Group's and the Parent Company's operations, position and results, as well as describing significant risks and uncertainties to which the Parent Company and the companies included in the Group are exposed.

Stockholm, May 2019

The Income Statement and Balance Sheet will be presented to the Annual General Meeting, to be held on 9 May 2019 for approval.

Johan Persson
Chairman of the Board

Patrik Nybladh
President, Board member

Fredrik Benedict Nybladh
Board member

Peter Ericsén
Board member

Håkan Jerner
Board member

Our Auditors' Report was presented May 2019.
Grant Thornton Sweden AB

Erik Uhlén
Authorised Public Accountant

Multi-year summary

	Group 2018	2017	2016	Parent company 2018	2017	2016
Income statement						
Net sales	34,966	18,725	15,117	34,966	18,725	15,117
Operating profit/loss	-59,066	-22,754	-11,348	-62,562	-23,744	-13,410
Net financial items	-32	-110	-85	-416	881	-15
Profit/loss before tax	-59,098	-22,864	-11,433	-58,564	-22,863	-13,425
Profit/loss for the year	-59,002	-22,960	-11,492	-58,564	-22,863	-13,425
Balance sheet						
Non-current assets	339	314	59	600	100	50
Cash and cash equivalents	78,983	33,806	32,775	76,065	33,022	32,662
Equity	65,385	124,387	31,158	65,795	124,359	31,033
Non-current liabilities	3,198	2,469	1,525	3,198	2,469	949
Current liabilities	16,276	13,620	4,981	15,481	12,405	5,193
Total assets	84,859	140,476	37,664	84,474	139,233	37,175
Cash flow						
Cash flow from operating activities	-48,166	-20,863	-10,965	-50,545	-22,240	-10,801
Cash flow from investing activities	-83	-292	-62	-900	-50	-50
Cash flow from financing activities	93,426	22,186	40,633	94,488	22,650	40,575
Cash flow for the year	45,177	1,031	29,606	43,043	360	29,724
Key performance measures						
Operating margin, percent	neg.	neg.	neg.	neg.	neg.	neg.
Equity/assets ratio, percent	77	89%	83%	78%	89%	80%
Average number of employees	32	16	14	-	-	-
Share data						
Earnings per share, SEK, basic and diluted, based on profit/loss attributable to Parent Company shareholders over the year	-44	-40	-31	-44	-40	-31
Number of shares	2,052,364	642,364	516,531	2,052,364	642,364	516,531

Auditors’ Report

To the Annual General Meeting of Gumbler AB
Org. id. no. 556981-0517

Auditors’ Report on the annual report and consolidated accounts

Opinions

We have audited the annual report and consolidated accounts of Gumbler AB for the year 2018. The annual report and consolidated accounts of the company are included on pages 39-115 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2018 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2018 and its financial performance and cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual report and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section.

We are independent of the parent company and the group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with those requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other information than the annual report and consolidated accounts

The board of directors and the president are responsible for such other information. That information consists of pages 1-38 in the Gumbler AB’s 2018 Annual Report (but does not include the annual accounts, the consolidated accounts and our auditors’ report on this material).

Our opinion on the annual report and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

As part of our audit of the annual report and consolidated accounts, it is our responsibility to read the information identified above and to consider whether that information is materially incompatible with the annual report and consolidated accounts. During this review, we also take into account the knowledge we have otherwise acquired during the audit and make a judgement as to whether the information otherwise appears to contain material misstatements.

If, on the basis of the work performed regarding this information, we conclude that the other information contains any material misstatement, we are under a duty to report it. We have nothing to report in this regard.

Responsibilities of the board of directors and the president

The board of directors and the president are responsible for preparing the annual report and consolidated accounts and for ensuring that they give a fair presentation in accordance with the Annual Accounts Act and, regarding the consolidated accounts, in accordance with IFRS as adopted by the EU. The board of directors and the president are also responsible for such internal control as they determine is necessary to enable the preparation of annual report and consolidated accounts that are free from material misstatement, whether due to irregularity or error.

In preparing the annual report and consolidated accounts, the board of directors and the president are responsible for the assessment of the company’s and the group’s ability to continue as a going concern. Where appropriate, they are required to disclose information as to conditions that may affect the company’s ability to continue in business and to proceed on the going concern assumption. The going concern basis of accounting is however not applied if the board of directors and the president intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibility

Our objectives are to obtain reasonable assurance about whether the annual report and consolidated accounts as a whole are free from material misstatement, whether due to irregularity or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from irregularity or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual report and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual report and consolidated accounts, whether due to irregularity or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from irregularities is higher than for one resulting from error, as irregularity may involve collusion, forgery, intentional omissions, misrepresentations, or disregard of internal control.

- Obtain an understanding of the company’s internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors and the president.

- Conclude on the appropriateness of the board of directors’ and the president’s use of the going concern basis of accounting in preparing the annual report and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company’s and the group’s ability to continue as a going concern. If we arrive at the conclusion that a material factor of uncertainty exists, we must in our auditor’s report draw attention to the disclosures in the annual report and consolidated accounts regarding the material factor of uncertainty or, if such disclosures are insufficient, we must modify our statement of opinion regarding the annual report and consolidated accounts. Our conclusions are based on the accounting evidence obtained up to the date of the auditor's report. However, future events or circumstances may prevent a company and group from continuing in business.

- Assess the overall presentation, the structure and the content of the annual report and consolidated accounts, including the disclosures, and whether the annual report and the consolidated accounts reflect the underlying transactions and events in a way that presents a true and fair view.

- Obtain adequate and appropriate accounting evidence regarding the financial information on the entities or business activities within the group in order to state an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We are solely responsible for our opinions.

We must inform the board of directors of the planned scope and focus of the audit, for example, and the time at which it is to take place. We must also provide information as to significant observations during the audit, including any inadequacies that we have identified in internal controls.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual report and consolidated accounts, we have also audited the administration of the board of directors and the president of Gumbler AB for the financial year 2018 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the board of directors and the president be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with those requirements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the board of directors and the president

The board of directors is responsible for the proposal for appropriation of the company's profit or loss. Proposal of a dividend includes an assessment of whether the dividend is justifiable considering the requirements that the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The board of directors is responsible for the company's organisation and the administration of the company's affairs. This involves, for example, continuously assessing the financial situation of the company and the group, and ensuring that the company's organisation is structured such that the accounting records, management of assets and the company's financial affairs are controlled in a satisfactory fashion. The president is required to manage day-to-day administration in accordance with the board of directors' guidelines and instructions and to take such measures as are necessary to ensure that the company's record-keeping is conducted in accordance with the law and that resources are managed in a satisfactory fashion.

Auditor's responsibility

Our objective in terms of our audit of the administration, and thus our statement of opinion on discharge from liability, is to obtain accounting evidence to be able to judge with a reasonable degree of assurance whether any board member or the president has in any respect:

- taken any action or committed any omission that may result in the company becoming liable for compensation; or

- in any other way acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion on that point, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high degree of assurance, but no guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that may result in the company becoming liable for compensation, or that a proposal for appropriation of the company's profit or loss is compatible with the Swedish Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. Our examination of the administration and the proposal for appropriation of the company's profit or loss is based primarily on our audit of the accounts.

Any additional examinations carried out are based on our professional judgement, with an assessment of risk and materiality. This means that we focus our examination of such actions, areas and conditions that are significant to the business and where deviations and violations would have particular importance in terms of the company's situation.
We examine and test decisions taken, supporting documentation, actions taken and other conditions that are relevant to our statement of opinion as to discharge from liability. As a basis for our opinion on the Board's proposed arrangements for the company's profit or loss, we have examined whether the proposed arrangements are consistent with the Swedish Annual Accounts Act.

Stockholm, xx May 2019
Grant Thornton Sweden AB

Erik Uhlén
Authorised Public Accountant


Brooklyn