



Interim financial statements

G-Loot Global Esports AB

OCTOBER – DECEMBER 2021



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

In the middle of the quarter we released a completely new version of the G-Loot platform. Our two platforms, GLL and G-Loot have now merged into one. **This new G-Loot platform provides new ways to compete and a unique player journey**, from enthusiast gaming to high-end competitive gaming.

In the beginning of the quarter we shut down Pay-to-enter single round challenges in most markets. While we knew that this would affect revenues negatively, it was the right thing to do. Our focus needs to be on the new experience and we never managed to make these challenges profitable. I'm confident in that this quarter marks the low point for G-Loot, both in user base and revenues, and **we expect quarter over quarter growth** from this point going forward.

The new platform has been received well by both players and industry partners. We get a lot of traffic to G-Loot as the word of mouth effect increases and we get higher rating than ever from our users. The cost to acquire users to the new platform is much lower than expected and this gives us much more confidence in that we can reach scalable and positive unit economics. As our platform is something unique, interest has been high from partners. Hyper X sponsored the launch and we have more big brands lining up to get visibility on our platform.

In March we will run a pro level tournament in PUBG for Krafton on G-Loot, again showing the strength of our platform and brand. This is something we have done before, on GLL, but the big difference is that we now allow players of all skill levels to qualify directly to the playoffs by engaging with competitions and smaller tournaments on G-Loot. By hosting both high profile tournaments as well as exciting ways to qualify on your own time, I'm confident that we can reach our vision of becoming the home of competitive gaming.

During the first half of 2022, our plan is to continue to build on our newly released product, to further improve engagement and spend from our users. At the end of Q2 we expect to be in a place where we can really start to **accelerate our growth**.



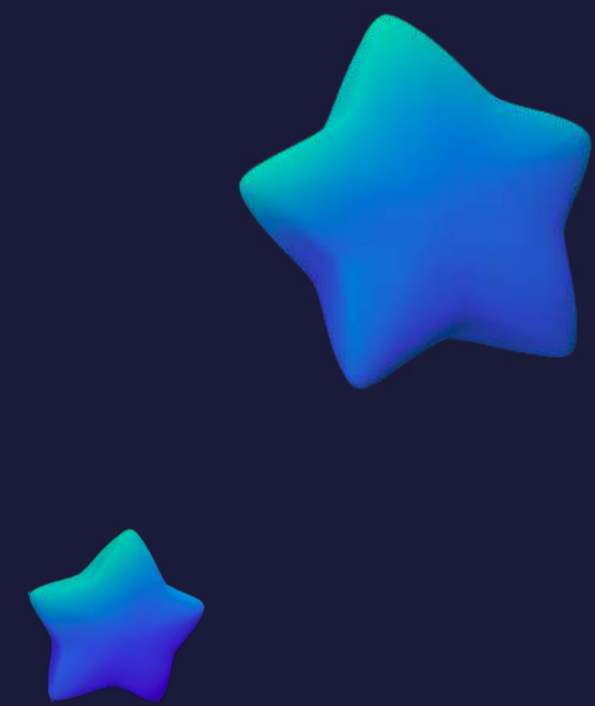
JOHAN PERSSON
CEO

Financial development

Revenue for the period is down from last year. During Q4, the company changed its business model with the launch of the new product on the 17th of November. We have closed the Pay-to-enter and versus challenges. The new revenue streams are subscriptions, in-app purchases, advertising, and sponsorship. Since the launch of the new product, we have seen good traction, and the interest is high from both users and partners. The margin on the new product is negative in the quarter as expected, but we see a more manageable way forward towards a positive margin. In Q4, we had other income that mainly came from the sale of the old office lease.

Operational expenses are down from last year, improving the operating losses with SEK 39 million to SEK -32 million. In December, we cleaned out dormant user accounts, generating a positive effect of SEK 5,5 million. The effect can be found in the line Direct cost. Personnel costs are affected with one-off items of SEK 1,6 million severance payment to former CFO. Other operating expenses are higher as an effect of the write-off of Improvement investments of the old office.

Cash at hand as of the end of December 2021 amounted to SEK 227 million. The quarter's decrease in cash amounted to SEK -5,9 million. The business generated SEK -31,8 million and had a positive change in working capital of SEK 25,9 million because of the divestment of shares in Overwolf (28,4MSEK).



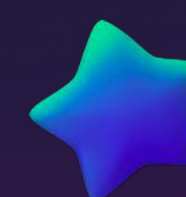
2021**OCTOBER - DECEMBER**

Net sales	165 (3 213) KSEK
Operating loss	-31 823 (-71 158) KSEK
Earnings before tax	-30 406 (-71 283) KSEK
Earnings per share	-8 (-20) SEK

Profit & loss

All amounts in SEK thousands

	Q4 2021	Q4 2020
Operating income		
Net Sales	165	3 213
Other operating income	454	93
Total income	619	3 306
Operating expenses		
Direct costs	4 950	-11 332
Other external expenses	-12 841	-24 794
Personnel costs	-23 058	-37 341
Depreciations of:		
– tangible assets	-155	-850
Other operating expenses	-1 339	-146
Total operating expenses	-32 442	-74 463
Operating profit/Loss	-31 823	-71 158



Assets

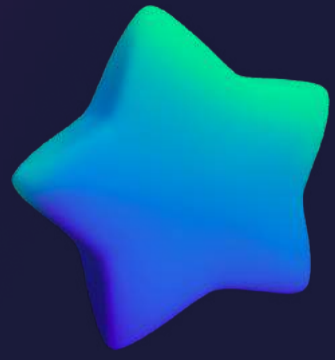
All amounts in SEK thousands

	Dec 31 2021	Dec 31 2020
Fixed assets		
<i>Tangible assets</i>		
Fixtures, tools and installations	986	1 810
Right-of-use assets	-	1 010
Total tangible assets	986	2 820
<i>Financial assets</i>		
Other financial assets	-	9 564
Financial assets, depositions rent	68	69
Total financial assets	68	9 633
Total fixed assets	1 054	12 454
Current assets		
Accounts receivable	1 591	9
Other receivables	1 604	3 401
Prepayments and accrued income	9 900	2 880
Cash and cash equivalents	227 121	383 244
Total current assets	240 216	389 533
Total assets	241 270	401 987

Equity & liabilities

All amounts in SEK thousands

	Dec 31 2021	Dec 31 2020
Equity		
Share capital	1 134	1 134
Other contributed capital	413	834 337
Retained earnings including loss for the period	208 603	-486 273
Total equity	210 151	349 198
Provisions		
Other provisions	6 326	2 312
Total provisions	6 326	2 312
Liabilities		
<i>Non-current liabilities</i>		
Lease liabilities	-	150
Total non-current liabilities	-	150
<i>Current Liabilities</i>		
Advance payment from customers	-	10
Accounts payable	4 188	14 825
Current tax liabilities	-	-
Leasing liabilities	-	877
Other current liabilities	10 542	22 555
Accrued expenses and prepaid income	10 063	12 060
Total current liabilities	24 793	50 328
Total liabilities	24 793	50 477
Total equity & liabilities	241 270	401 987



About G-Loot's reporting

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

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

Audit

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

This is how G-Loot works

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

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

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



For further information contact

Johan Persson **CEO**
johan@gloom.com

Michael Hedman **CFO**
michael.hedman@gloom.com

