G-LOOT

# Annual Report 2017


GLL
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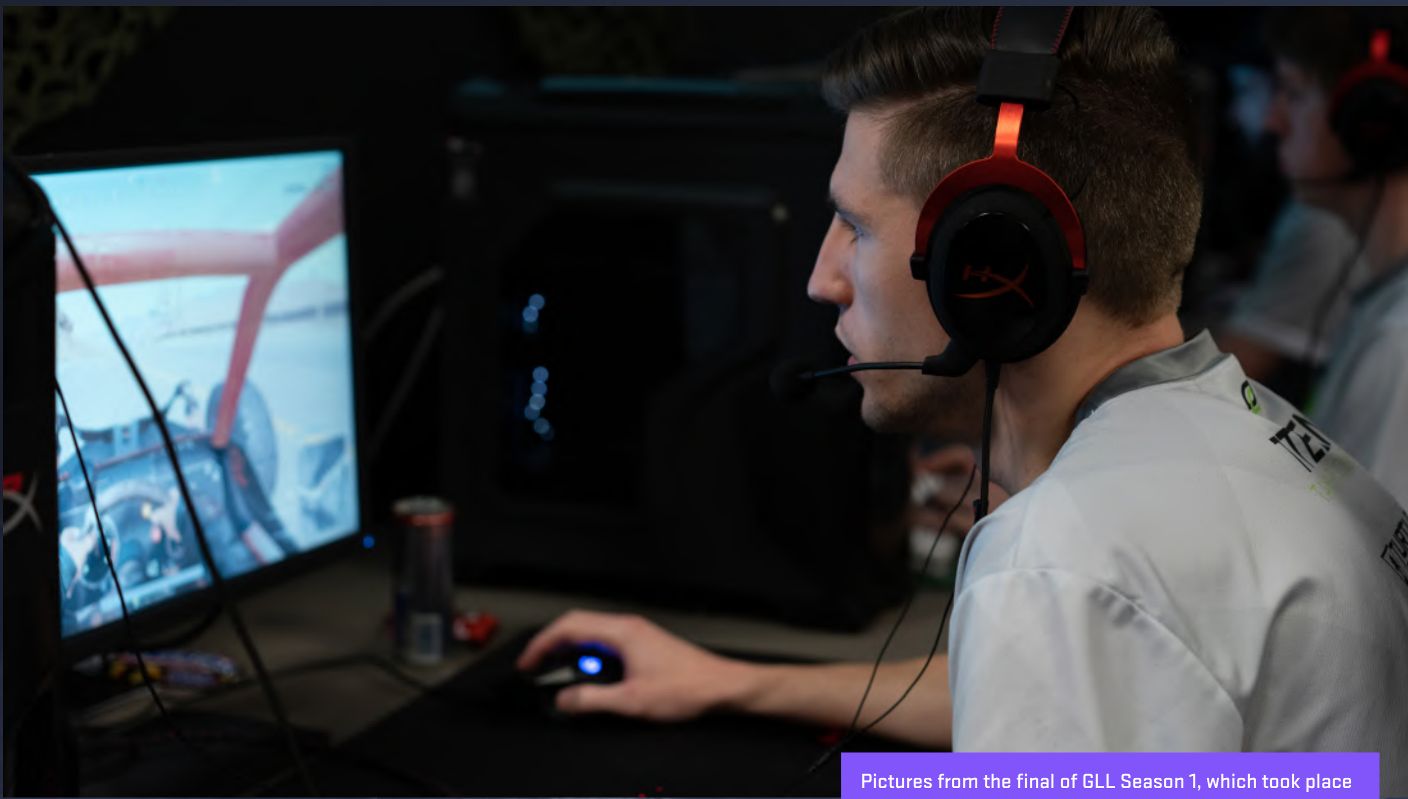
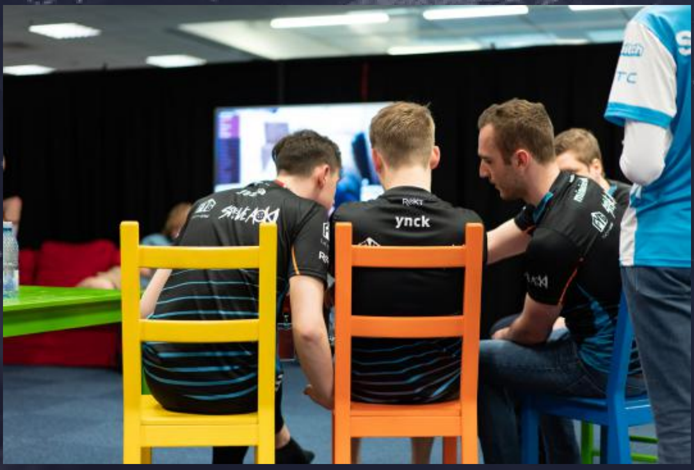
# Contents



Pictures from the final of GLL Season 1, which took place in Bucharest on 20–22 April 2018.


GLL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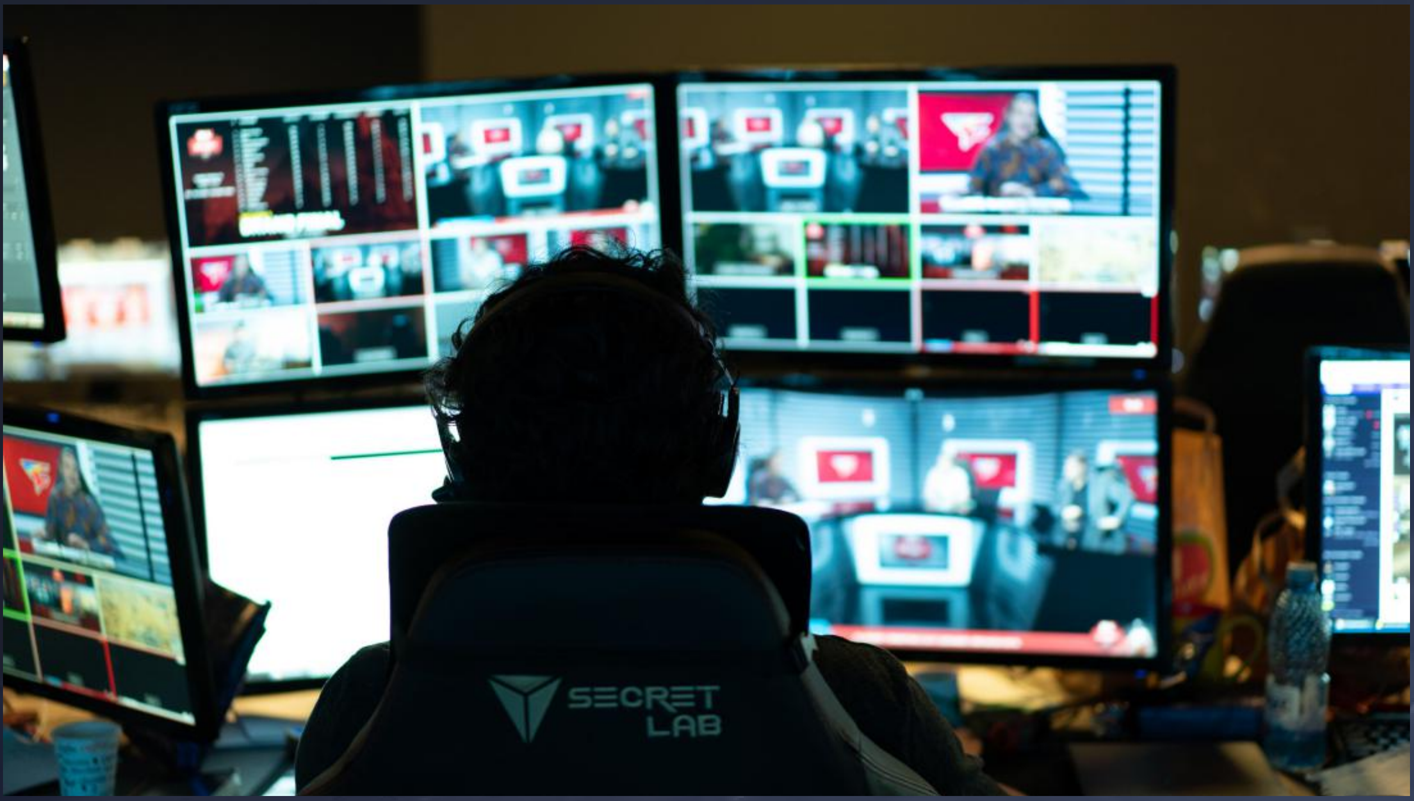
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IN BRIEF

# G-Loot – a team game with passion and heart

G-Loot is a young, Stockholm-based company in which every employee is an esport lover. It’s a company created by gamers, for gamers.

G-Loot is the brand the company uses to market its services. G-Loot also goes under the name of the Gumbler Group, as explained in more detail in the Administration Report that follows this report.

The company’s vision is to make it possible for anyone, wherever they are, to compete and earn money from playing their favourite games.

G-Loot creates tournaments under a range of brands in the most popular games by engaging in partnerships with the world’s leading game development companies.

The market in gaming and esport open to everyone who wants to take part is a rapidly expanding global phenomenon that is expected to generate sales of around SEK 8 billion in 2018.

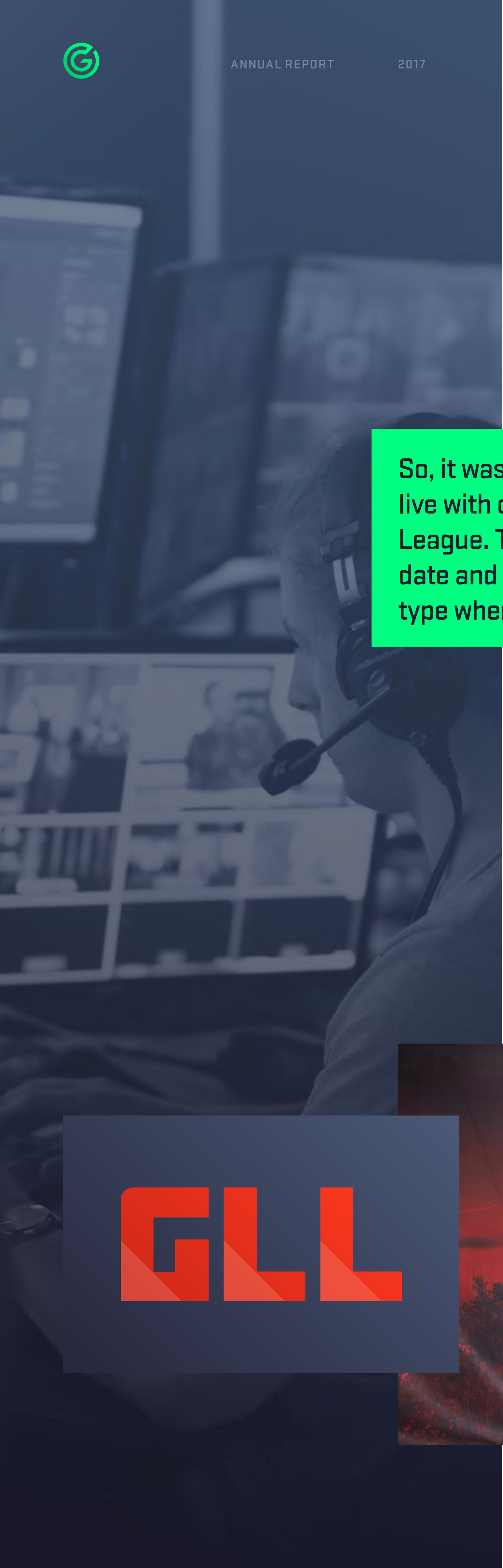
## Highlights of the Year 2017

- G-Loot released the **world's first and only** technology platform for both mobile and PC games.
- G-Loot entered into several strategic partnerships with developers of PC games.
- G-Loot's GLL (Global Loot League) brand signed an **exclusive partnership** with PUBG, PlayerUnknown's Battlegrounds, for arranging global esport tournaments via the G-Loot platform.
- In 2017, PUBG's PlayerUnknown's Battlegrounds was the fastest-growing **game in all categories worldwide.**

A WORD FROM THE PRESIDENT

# G-Loot is revolutionising esport

When online poker was launched in 2003, it totally turned the world of poker upside down. Anyone at all could now sit on the sofa at home and play poker with other people online, with prize money at stake. The same things is happening with esport, with G-Loot at the forefront of development in this global phenomenon.



Once an arena sport only open to professional gamers, esport is now accessible to everyone – much thanks to G-Loot. Quite simply, we at G-Loot have made it our mission to give everyone who loves playing their game the chance to put a bet down and compete with friends and games enthusiasts anywhere in the world.

**So, it was a major event when in October 2017 we went live with our own tournament, GLL, the Global Loot League. This was the biggest online esport league to date and one of the first global competitions of its type where prize money was to be won.**

Participants competed in **PUBG, PlayerUnknown's Battlegrounds,** the biggest-selling PC game in 2017.

The tournament was based on a **prestigious** collaboration with the game development company behind PUBG, with which G-Loot entered into a partnership during the past year.

With the game **CS:GO Counter-Strike,** we had previously demonstrated our capability for establishing online competitions via PCs, and not as before just on mobiles. G-Loot's business is based on being available on **several platforms at the same time.** Gamers are freely able to choose between mobile, tablet or PC and G-Loot's next step will be to offer accessibility on game consoles too.

In late 2017, G-Loot acquired a further capital injection of **SEK 100 million,** making the total of investments in the company SEK 172 million.

**The overall sum invested is one of the largest made in esport in Europe, other than for individual acquisitions in the industry.**

Thanks to its capital underpinning, G-Loot can continue to lead developments and expand rapidly in the **global market** for skill-based games. To G-Loot, the investments are also confirmation that heavyweight private and institutional investors have confidence in us, and believe in our concept of extending the spread of esport on a broad front. During the year, we also demonstrated growing sales from our biggest partnerships and success in **maintaining volumes and retaining customers.**

**In 2018, the company is entering an expansive phase, during which we are raising the tempo in the business considerably. We will be establishing several new brands over the year and will be launching tournaments in the world's biggest card games and in one of the leading mobile games.**

We remain focused on further developing our platform and ensuring that we live up to – or even surpass – our forecasts for gaming. And we are in constant dialogue with most leading games developers on **all platforms.**

Esport is a global phenomenon that knows no boundaries. We already have a presence on more or less **all markets in Europe and the USA** and the volumes of players in our competitions will rise as our brands become even better known and reach out to more and more people. It has taken us **four years** to get to this point. We are now at the start of the exciting journey in securing a position as market leader and achieving sales of **SEK 1 billion.**

**Stockholm, June 2018**

**Patrik Nybladh**
President, CEO and Founder

MARKET

# G-Loot's market – borderless and global

With our offering of open competitions online, G-Loot's opportunities to reach out to customers on a wide front have no borders. In a short time, the company has also established itself in practically all markets in Europe and the USA.

The winner of mobile game Mad Skills World Championship 2018

Over the past three year, G-Loot has extended its spheres of operations and today has a presence in a large number of countries and in the majority of the most important markets.

**It started with Sweden and the Nordic region. Then the rest of Europe and the USA followed.**

### Competition is growing

As the esport market is maturing, competition is growing. In the view of the Board of Directors and Management, the company's market position remains **very strong** and the segments of the market on which the company focuses has significant potential.

G-Loot is **the only company in the industry** to offer a platform with the same functionality whether the user's device is a **mobile, PC or console.** G-Loot already has a global presence and the company has demonstrated its ability to accurately analyse the market by investing in games that have gone on to become big hits.

A crucial factor in G-Loot's success has been the company's ability to build partnerships with **the major game development companies.** G-Loot does not develop its own games. It makes games available on the company's platform for existing players who want to compete with each other for money.

One not-inconsiderable barrier to entry for the company's competitors is access to capital for expansion. With our recent capital contribution of **SEK 100 million** G-Loot has everything in place for rapid expansion, establishing new partnerships and building new brands in different segments of the market.

**Stand-out company**

The esport market has characteristically consisted of a disparate crowd of small businesses started by gaming enthusiasts. However, in recent years, a couple of major esport companies have emerged in the USA, together with a PC-based operation in Germany.

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 usable for games on a mobile platform.

**Last year, Inc. Magazine named Skillz as the fastest-growing privately-owned company in the USA, in competition with all of six million other businesses. This bears witness to esport's huge potential for growth.**


Skillz also appeared on the **CNBC Disruptor 50 List** as one of the world's most ambitious and innovative companies to have altered 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.

### Room for several players

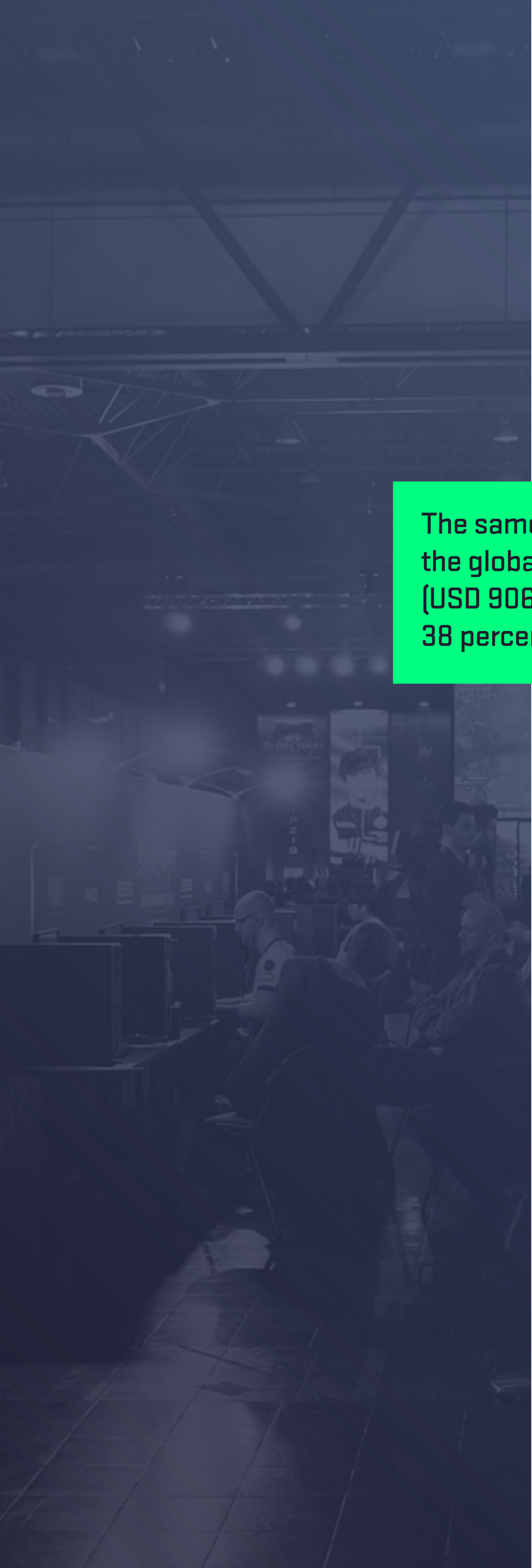
However, G-Loot does not see new competition as a direct threat. The potential market for esport is so great that any and all attention will **benefit companies such as G-Loot.**

**With more industry players becoming talked about awareness of the sector will increase and G-Loot's continued access to the capital market will become easier.**

It is highly likely that online esport will enjoy similar growth to that of **online poker.** In 2002, online poker was non-existent. Over the next few years, the poker industry had undergone radical change.

# High stakes in play

It is commonly said that esport was born out of 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 Internet cafés. This was the start of the growth of "electronic sport" on computers and game consoles.



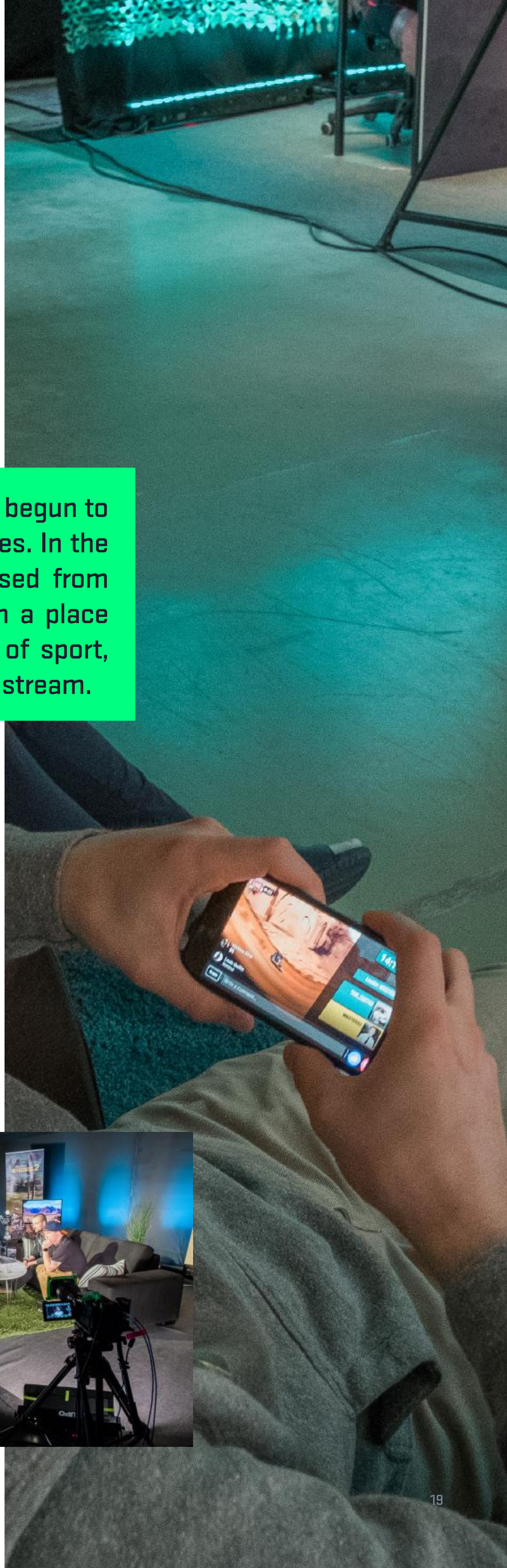
Nowadays, esport is a global phenomenon that **attracts a mass audience.** To get an idea of its popularity, the final of the League of Legends 2015 competition was played in front of **30 million viewers.**

According to market researcher Newzoo, the total esport audience is expected to reach **380 million viewers in 2018.** Three years later, in 2021, the audience is expected to rise to **557 million,** just under half of whom will be esport enthusiasts and the majority occasional viewers.

**The same research organisation estimates sales for the global esport market to total nearly SEK 8 billion (USD 906 million) in 2018, representing growth of 38 percent compared to 2017.**

The main income streams will be sponsorship (**40 percent**), advertising (**19 percent**) and media rights (**18 percent**), along with publisher fees, ticket sales and the like. Newzoo expects sales in esport to amount to **USD 1.4 billion in 2020.** A more optimistic scenario, based on a faster rate of growth in 2018, indicates a total of **USD 2.4 billion.**

The estimates do not take into account income from fantasy sports, betting or gambling – an industry that in other sports is estimated at five times as much, highlighting esport's potential.

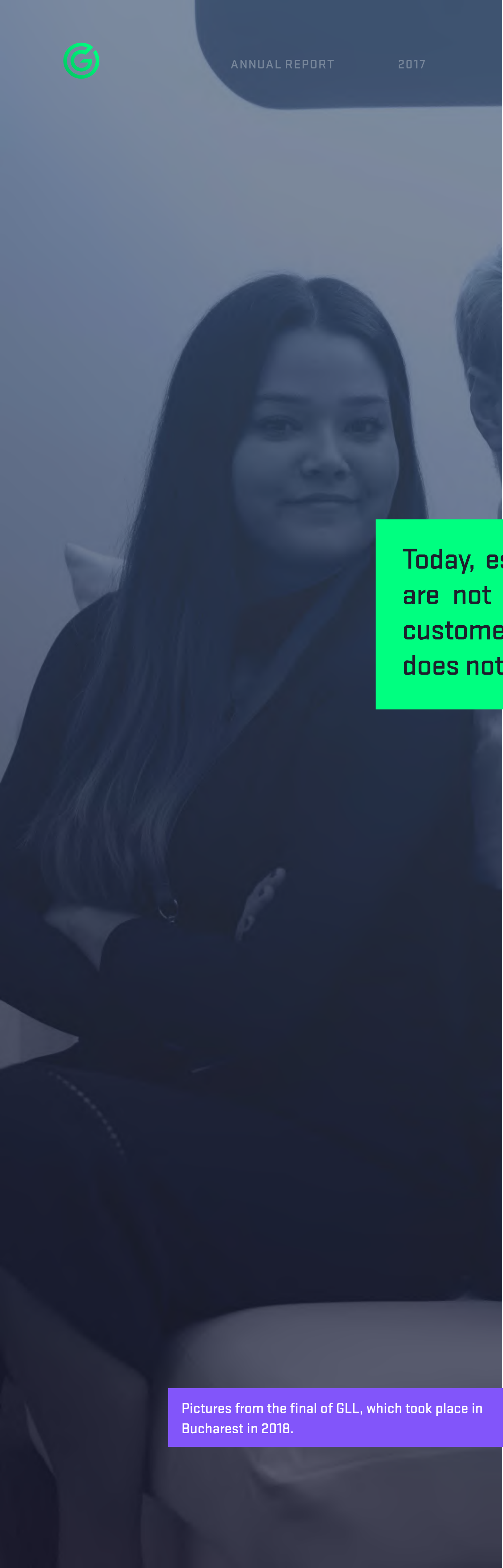


### Mature and recognised

The esport market underwent major changes in 2017. This followed a trend that began several years ago and continues with undiminished vigour. The time when e-sport was a matter for a small number of hobby gamers is long gone. Interest in esport has **risen sharply**, while the market has become increasingly sophisticated.

**The major actors in the world of sport have begun to recognise that esport fits with their activities. In the same way as women's sport has progressed from being a marginal phenomenon to one with a place today as an accepted and popular sector of sport, esport has become part of the cultural mainstream.**

Big international teams such as football's **Paris Saint-Germain** and ice hockey's **Philadelphia Flyers** are investing millions of dollars in buying and developing esport teams. This has given the esport world an injection of both capital and top-level expertise. Global artistes such as actor **Jennifer Lopez** and basketball star **Shaquille O'Neil** have entered as members of esport teams, providing evidence that esport has not just penetrated the world of sport but also the even bigger world of entertainment.



Pictures from the final of GLL, which took place in Bucharest in 2018.

### Consumer preferences

The most important driver of growth is consumer preferences. Traditional sports today show a high average age among their spectators, and there is strong demand among younger target groups for being able to follow their favourite esport team in a **well produced** and **well thought-out** way.

The esport audience is also becoming older on average and so has higher disposable income.

**Today, esport enthusiasts in their lower middle age are not unusual, and it is reasonable to talk of a customer segment of between 15 and 40 years, which does not exist in most other markets.**

In addition, the proportion of **women viewers is also rising steadily** and these changes overall create a picture of an esport market with enormous near-term potential.

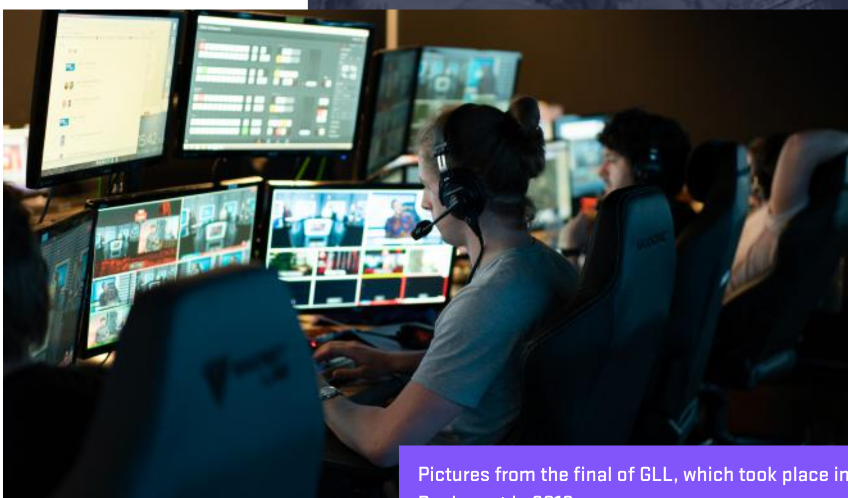
## Spread more widely

As in nearly every other sector, esport is dominated by trends. Because of the unique possibility of creating new games, esport can spread more widely than other sports. **G-Loot was early** to develop a platform for the game PUBG, PlayerUnknown's Battlegrounds. Launched at year-end 2016/2017, the game **quickly marked up sales of 40 million.**

> A world in which a new sport with 40 million participants can form in less than a year is unique, and the ability to navigate in such a world is one of G-Loot's key areas of expertise.

No-one can say which games will be biggest in five years – perhaps not even in two years. To get prepared for having the best customer offering in the future, G-Loot has engaged in a series **of partnerships with major game developers** to be able to proactively create services that it is thought gamers and viewers will want.

G-Loot is also focused on having a broad offering and spreading the risks over the games that the company decides to invest in. Because G-Loot is **at the forefront of the market**, it is well placed for advanced analysis of the potential of games in the pipeline.



Pictures from the final of GLL, which took place in Bucharest in 2018.

THE PRODUCT

# G-Loot aims to offer the most popular games

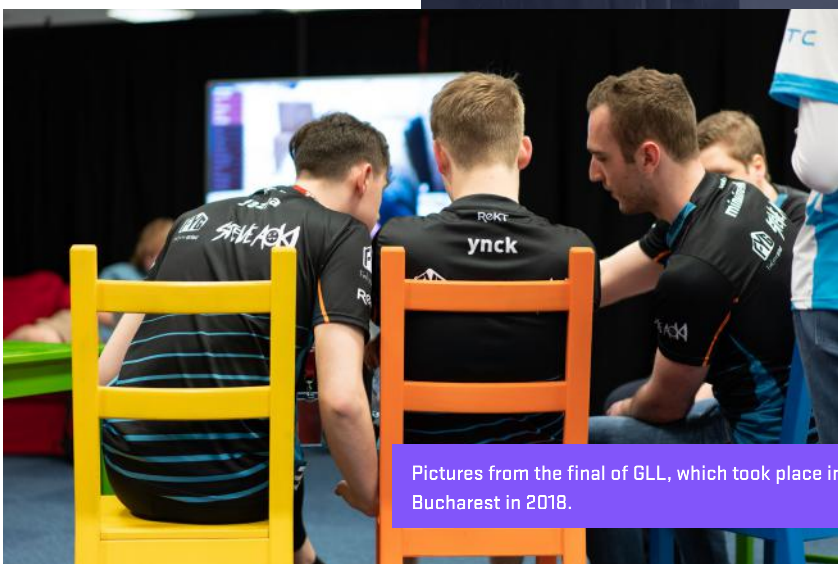
G-Loot aims at the absolutely top games when arranging its digital esport tournaments. The ambition is to be the first company worldwide to be able to include game consoles in its offering.

Growth in esport is explosive and G-Loot is **one of the leading actors worldwide.** It has a place at the very epicentre by being able to offer its customers – **millions of gamers –** a chance to compete with each other for prize money in the most-played games.

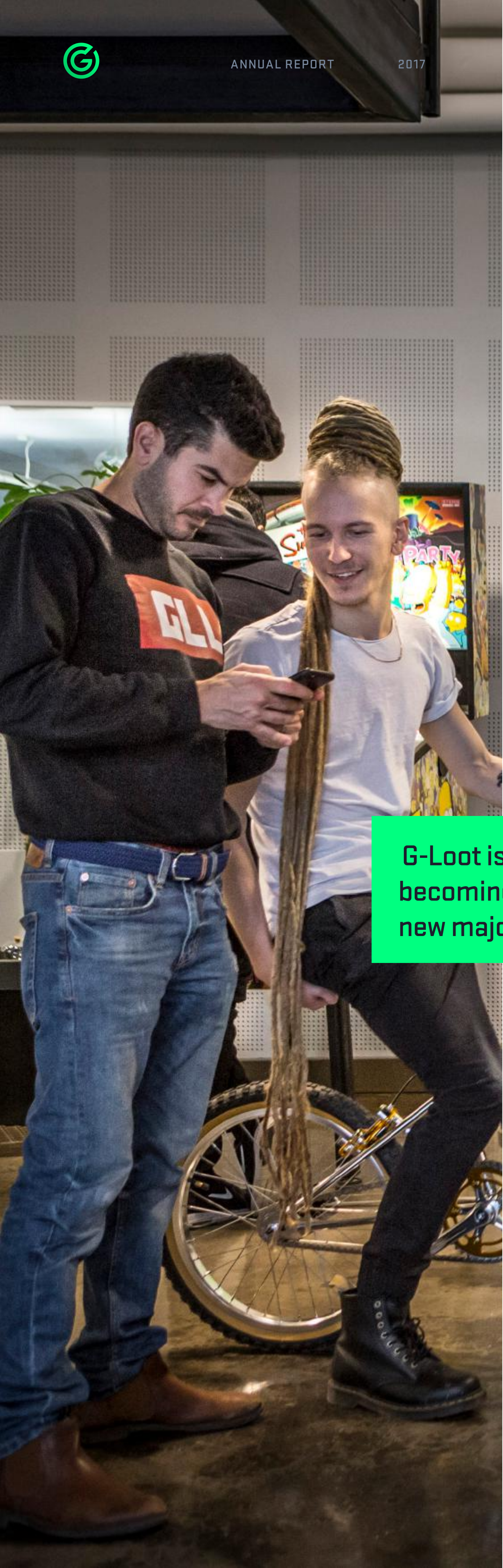
Take, for example PUBG, PlayerUnknown's Battlegrounds, where G-Loot was selected as a carefully chosen partner for arranging major esport tournaments. In January 2018, the game attracted **more than three million** simultaneous players, having started in April in the preceding year. Despite the fact that the game was just a beta version, it became by far the most popular globally.

**G-Loot then arranged the world's biggest online PUBG league, via G-Loot's GLL (Global Loot League) brand. A quarter of a million viewers followed GLL's streamed qualification games.**

The competition was decided in April 2018, with a **final held in Bucharest.** The prize pool totalled around half a million Swedish kronor. The plans for next season are to double the amount to **SEK 1 million.**




Pictures from the final of GLL, which took place in Bucharest in 2018.



## Big partnerships, big volumes

This is how G-Loot works. We seek to secure the major partnerships with **the leading game development companies.** The games must be popular, high-volume products. The response from games developers and customers – that is, those who play the games and take up G-Loot's offering – is critical to G-Loot's success.

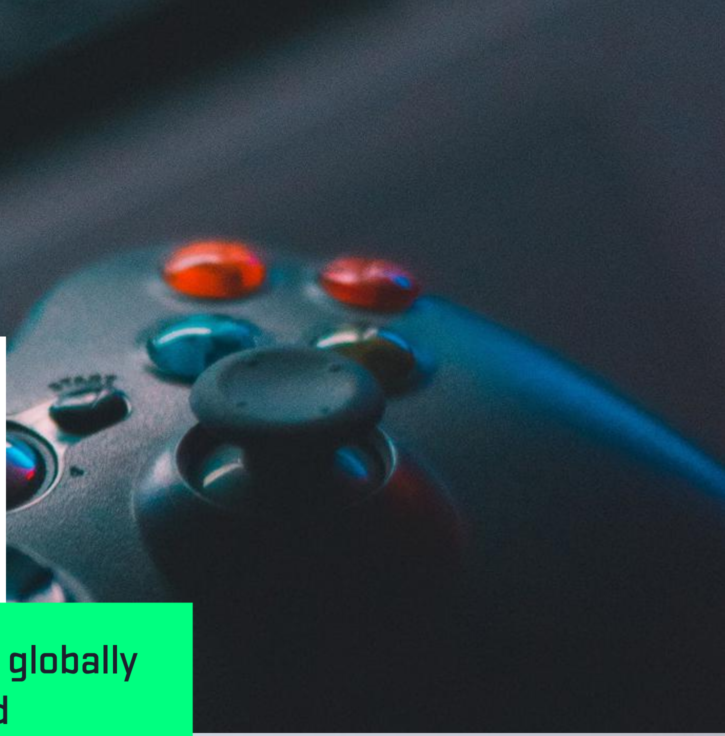
G-Loot focuses on what the company is best at – arranging **games tournaments in partnership with games developers.** So G-Loot does not develop its own games, and has no plans to do so. Attempts by other actors to construct specific games that focus on betting or online competitions are discouraging.

## Gearing up

The company is in constant dialogue with practically all leading games developers worldwide, on both mobile and PC platforms.

**G-Loot is now gearing up with the ambition of becoming able, within the year, to offer a handful of new major games on each platform.**

If it turns out to be minor games, **the numbers may be higher.** The games may target **different game segments** in the market, such as the card game genre, the racing genre or the football genre, each with an entirely different audience from one another. The games then have to be adapted to G-Loot's digital brands.



### Game consoles next

To G-Loot, it is clear that the technological platform on which the company's brands appears **should not make any difference.**

**The aim is therefore to be the first company globally to offer tournaments on game consoles, and securing partnerships with games console companies is part of our plans for the current year.**

The democratisation of esport, in which competing in games is open to all and which forms **the actual core** of G-Loot's offering, is increasingly being adopted in the game development industry. G-Loot is at the forefront of this trend via **the company's innovative solutions.** The company's products are always developed with passion and conviction – **by gamers, for gamers.**

# The business

### Background

The company was founded just over four years ago by **Patrik Nybladh** and **Johan Persson.** In 2013–2014, G-Loot launched the world's first platform on iOS for gaming for money in Sweden.

Over the next two year, a platform was released that accommodated **both iOS and Android,** and in 2017 G-Loot was able to present **the world's first platform** for both mobile and PC.

### Mission

G-Loot makes it possible for anyone, wherever they are in the world, **to compete and earn money** from playing the games they already love to play. G-Loot arranges tournaments in online games that are **open to all** and with real prize money to win.

G-Loot is the first company worldwide to offer a technology platform that makes its tournaments accessible via mobiles, PCs and game consoles. 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.



Pictures from the live transmission of Mad Skills World Championship 2018

### Vision

G-Loot's vision is to be the world's leading company in **online esport** and the standard-setter for the industry. G-Loot will lead developments in online esport by **carefully analysing** future trends in the market.

### Target

To post **sales in billions** within three years.

### Strategy

Interest in gaming is colossal, and **a phenomenon of global dimensions.** 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 offline to online** 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 partnerships with the **leading game development companies** worldwide. G-Loot thus does not produce its own games, instead it places them on the company's platform, 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 a platform that enables gamers to decide themselves whether to play on a mobile, tablet, PC or console. At the same time, G-Loot has, with a few exceptions, established itself on **all markets in Europe and the USA** and intends to continue expanding in new major markets.

### Business model

G-Loot's business model is based on arranging game tournaments online.

The player (the customer) has access to a wide range of online tournaments, where the player can play against others across the world or watch other members play in real time.

**The tournaments are skill-based, meaning that players become known to other players in different tournaments.**

The business model incorporates a pool of prize money being provided to an as-yet undetermined winner of any particular tournament. The income from a tournament consists of pools of prize money plus administration fees from the winner's prize.

The **potential for profitability is considerable**, since G-Loot is steadily increasing the number of tournaments and attractive brands, which entices customers to take part in new games in G-Loot's tournaments.

Pictures from the live Twitch transmission of GLL Wingman Series III



Pictures from G-Loot's meet-and-greet, 19 October 2017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# Annual Report & Consolidated Accounts

GUMBLER AB (PUBL)
556981-0517

# Administration Report

The Board of Directors and the President of Gumbler AB (corporate identity number 556981-0517), headquartered in Stockholm, hereby present their annual report and consolidated accounts for the financial year **1 January 2017 to 31 December 2017**.

# Operations

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

Esport competitions via Gumbler's services enable players now to compete on mobile, PC and consoles, live, 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 three wholly owned subsidiaries, iModules AB, G-Loot AB and Gumbler Ltd.

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

No activities were conducted in the other subsidiaries in 2017.

## Market Developments during the Year

The total market in esport expanded sharply during the year. The share of people viewing esport events **increased by 20 percent** in 2017 compared to 2016. The increase includes both occasional viewers and the more regular esport enthusiasts.

In 2017, it is estimated that average global income per esport fan will total USD 3.64. The total number of people following esport is estimated at 385 million during 2017.

For Gumbler's part, the focus has been on the mobile game Mad Skills and the PC game PlayerUnknown's Battlegrounds (PUBG). In parallel, online competitions for the PC game CS:GO were arranged in 2017 and preparations were made for the company's own esport tournament, Global Loot League (GLL).

## Research and development

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

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

## Significant events during the year

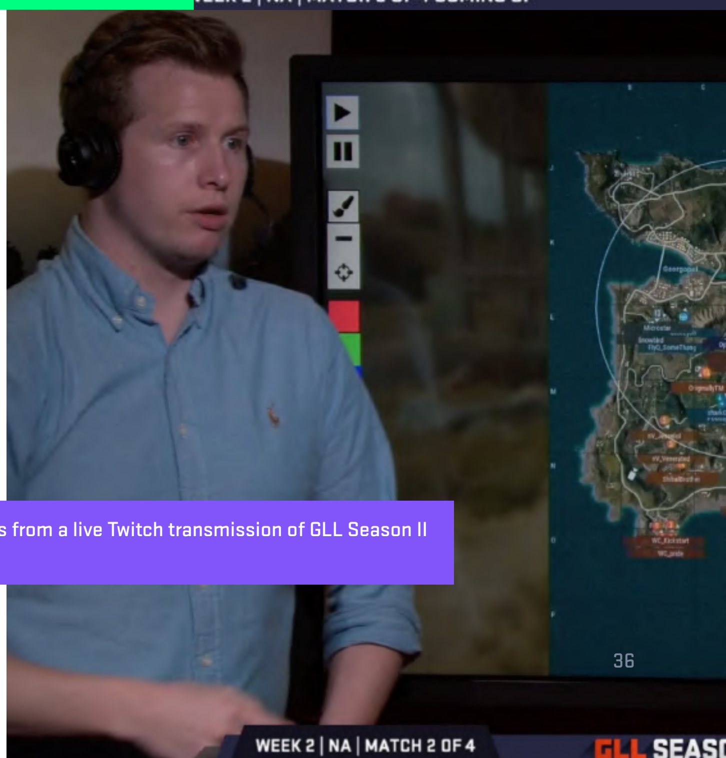
The past year included **several important milestones** in the organisation's progress. Several important and prestigious partnerships were signed with major game development companies, with the naming of the GLL brand as a selected partner for PUBG being a **highlight and a stamp of quality.**

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

**During the year, Gumbler reported higher sales from its major partnerships, and that it had succeeded in maintaining volumes and retaining customers.**

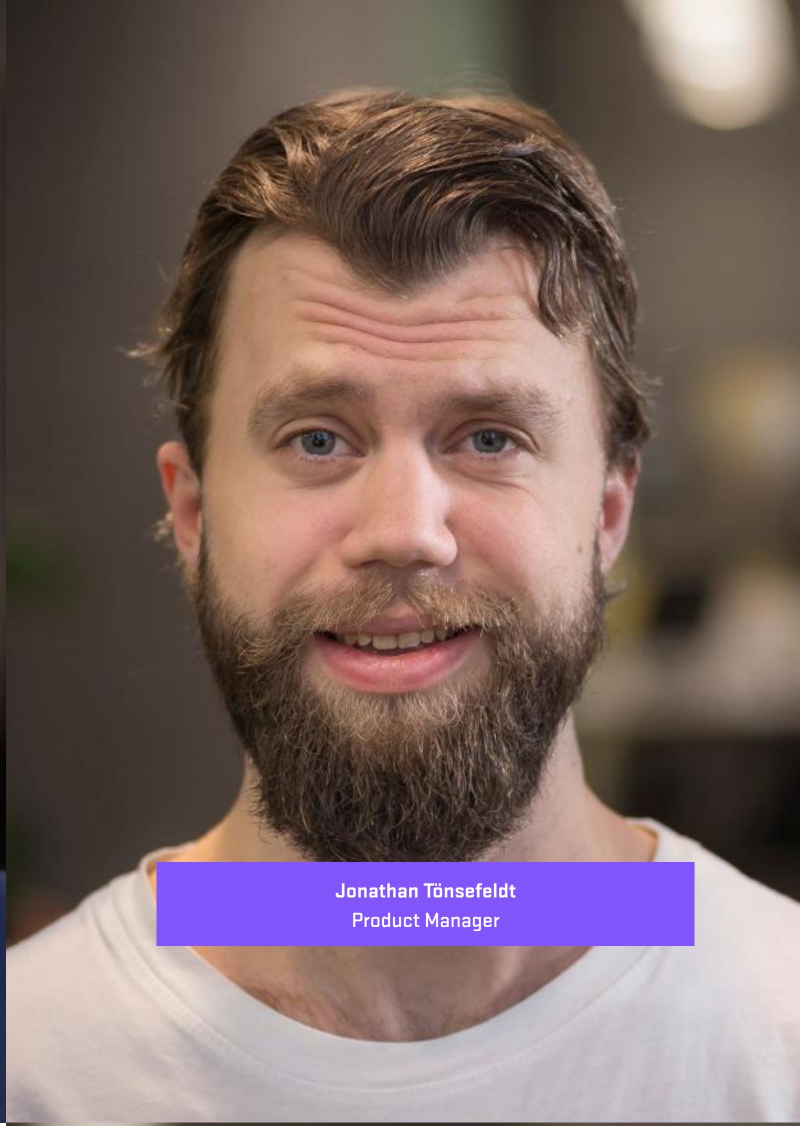
In autumn 2017, attention was closely focused on continued financing for the business and at year-end an agreement was signed with a group of financiers regarding a private placement totalling **SEK 100 million**. The issue was effected in early 2018.





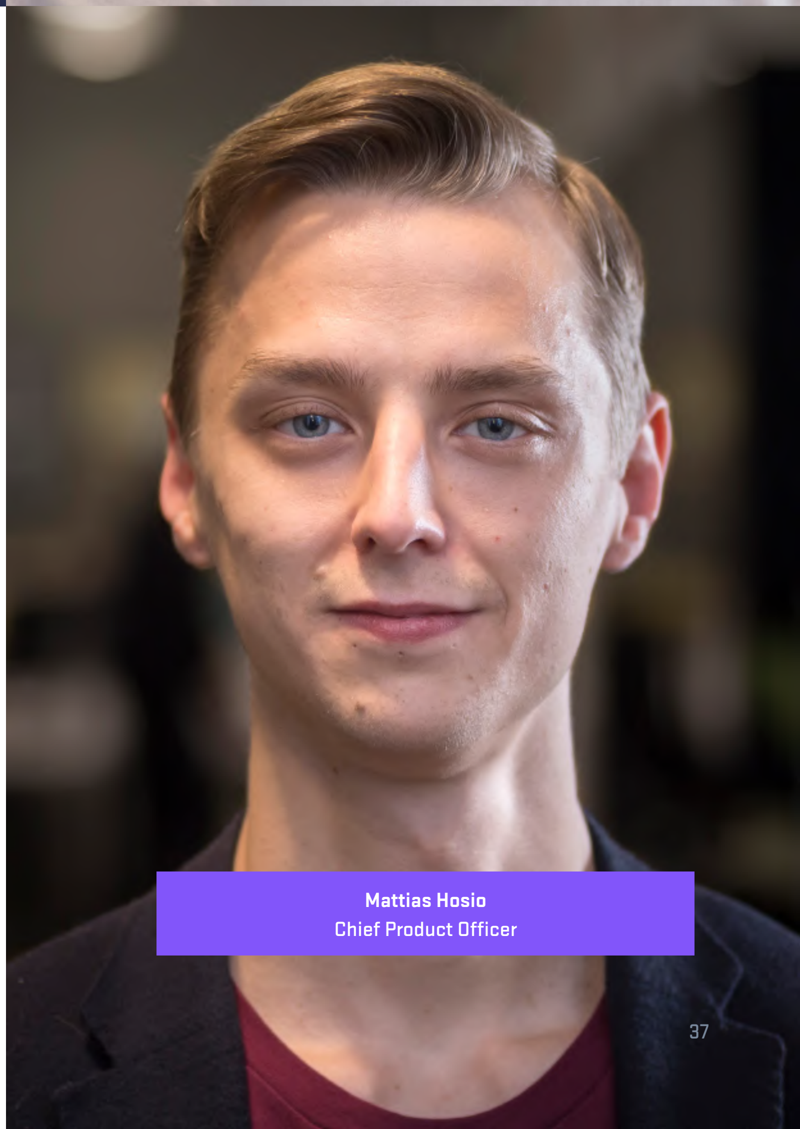

Pictures from a live Twitch transmission of GLL Season II


Simon Sundén
VP & Head of esports


Jonathan Tönsefeldt
Product Manager

# Acquisitions and Changes in Ownership of Subsidiaries

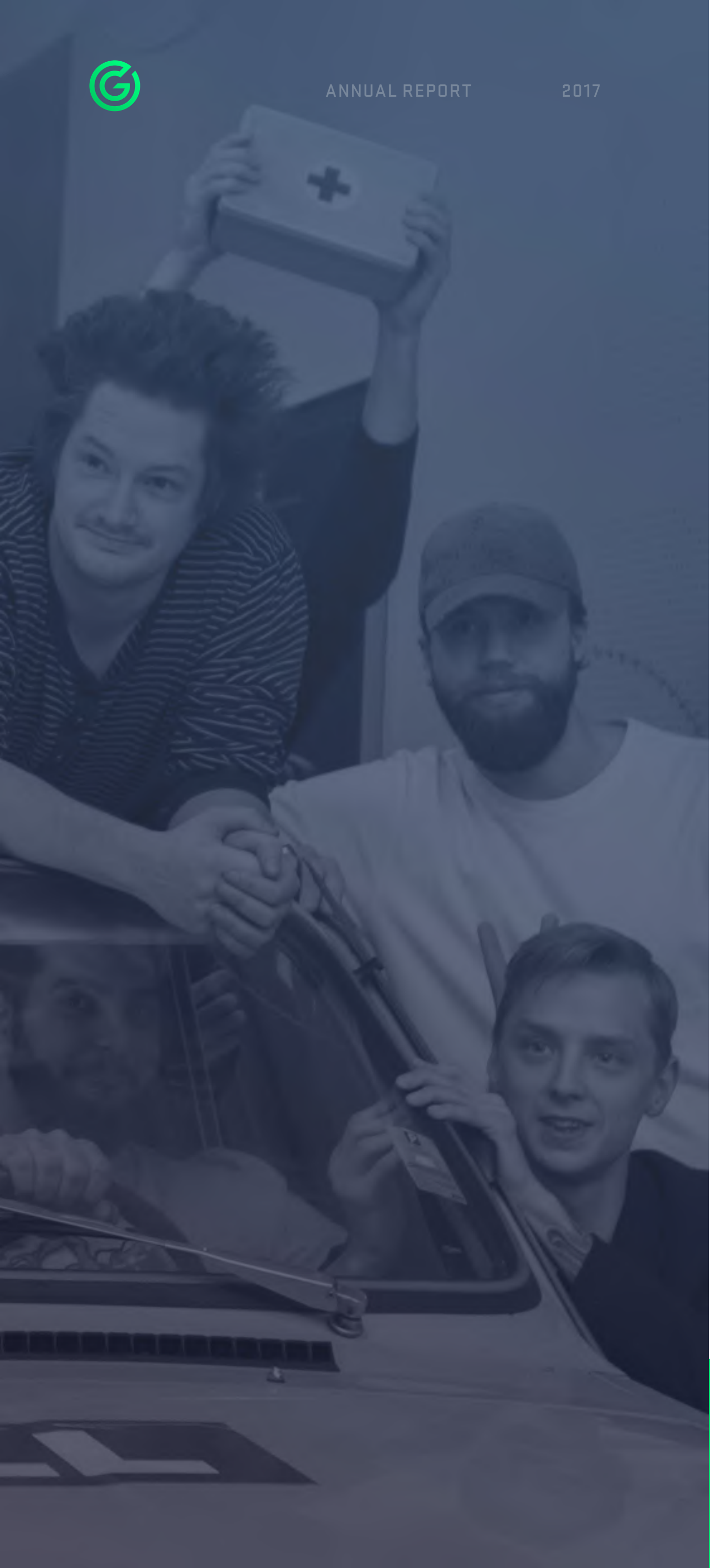
- The year of 2017 was the first for which consolidated accounts were prepared. The Parent Company owns all shares in the three wholly owned subsidiaries, iModules AB, G-Loot AB and Gumbler Ltd (Malta).
- The organisation's operating costs, including personnel costs and miscellaneous external costs, are accounted for in iModules and then invoiced on to the Parent Company with a mark-up.
- Income and direct costs are accounted for in the Parent Company, Gumbler.
- The Parent Company does not have any employees.
- No activities took place in the other two subsidiaries during the past year.


Mattias Hosio
Chief Product Officer

# Group Financial Summary

## Earnings and financial position

- Net sales in 2017 totalled SEK 18,725 thousand (15,117), an increase of 24 percent compared to 2016.
- Operating profit in 2017 was negative at SEK -22,754 thousand (-11,348),. The decline in operating profit in 2017 from that of 2016 was due above all to expansive market growth, leading to higher costs for marketing activities and higher personnel costs.
- Net financial items in 2017 totalled SEK -110 thousand (-85).
- Net profit in 2017 totalled SEK -22,960 thousand (-11,492).
- The Group's cash and cash equivalents on 31 December 2017 totalled SEK 33,806 thousand (32,775).
- The Group's equity on 31 December 2017 was SEK 124,387 thousand (31,158). The increase in equity is attributable to completion of a new share issue totalling SEK 22,650 thousand and a new share issue in progress totalling SEK 100,040 thousand.
- Total assets increased during 2017 to SEK 140,476 thousand, compared to SEK 37,664 thousand in the preceding year, as a result of new share issues.
- Non-current liabilities on 31 December 2017 totalled SEK 2,469 thousand (1,525), consisting in the main of client fund accounts for players.
- Current liabilities on 31 December 2017 totalled SEK 13,620 thousand (4,981). The increase in current liabilities year-on-year arose mainly through provision for new share issue costs totalling SEK 6,501 thousand.



## Cash flow

- Cash flow from operating activities weakened over the full year to SEK -20,863 thousand (-10,965) as a result of expansive market growth.
- Cash flow from investing activities totalled SEK -292 thousand (-62), which included an SEK -69 thousand deposit for rent of premises.
- Cash flow from financing activities totalled SEK 22,186 thousand (40,633) and will further increase in 2018 on completion of the new share issue in progress.
- Cash flow for the year totalled SEK 1,031 thousand (29,606).

## 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 -223 thousand (-62).

## The Share

- Earnings per share in 2017 totalled SEK -40 (-31), basic and after dilution.
- The number of shares in issue in 2017 totalled SEK 642,364 (516,531). On completion of the new share issue in progress, the total number of shares at the beginning of 2018 will amount to 2,052,364.

## 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 among the segments. As a result, between 2016 and 2017, the growth in income was **evenly spread** across the segments in the Group.

All costs are accounted for in Sweden.

# Other Group information

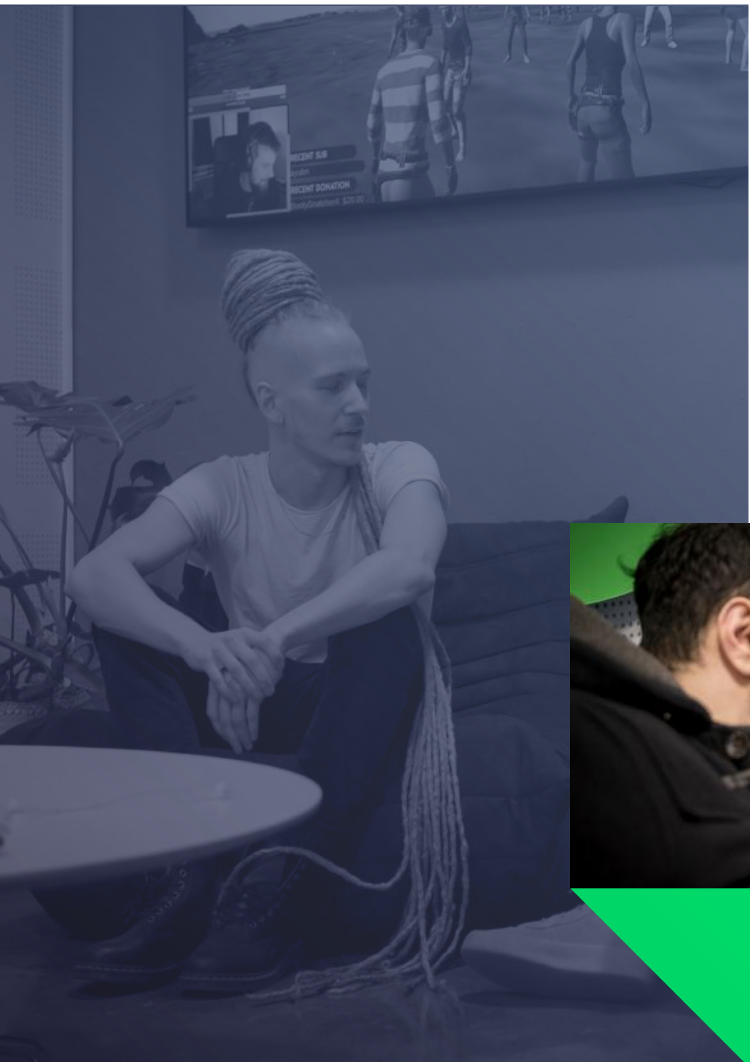
## Employees

All employees are employed in Sweden in the iModules AB subsidiary. In 2017, the number of employees averaged 16.

## Environmental impact

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

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



## Principles of remuneration to senior executives

### FIXED AND VARIABLE REMUNERATION

In 2017, all employees were paid fixed monthly salaries. In addition, all employees received variable remuneration consisting of one or two extra monthly salary payments, depending on whether the company overall achieved a number of set targets.

### LONG-TERM INCENTIVE SCHEME

No long-term incentive schemes were in operation in 2017.

### PENSIONS AND OTHER BENEFITS AND REMUNERATION

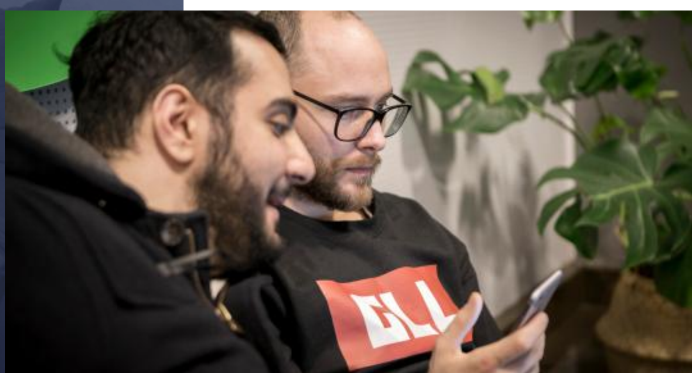
In 2017, all employees received identical pension benefits. These amounted to SEK 1 thousand per month per employee, along with health insurance.

### NOTICE OF TERMINATION AND SEVERANCE PAYMENTS

All employees are subject to the same notice of termination and no employee is entitled to a severance payment. The notice of termination period follows the laws and regulations in effect in the Swedish labour market.

### DEVIATION FROM GUIDELINES

The Board of Directors shall be entitled to depart from the guidelines adopted by the Annual General Meeting, if justified by any particular reasons.



## Seasonal Variations

The esport industry is relatively young and as yet no seasonal variations worthy of mentioned have emerged. This is in all likelihood because the industry is global.

## Parent Company

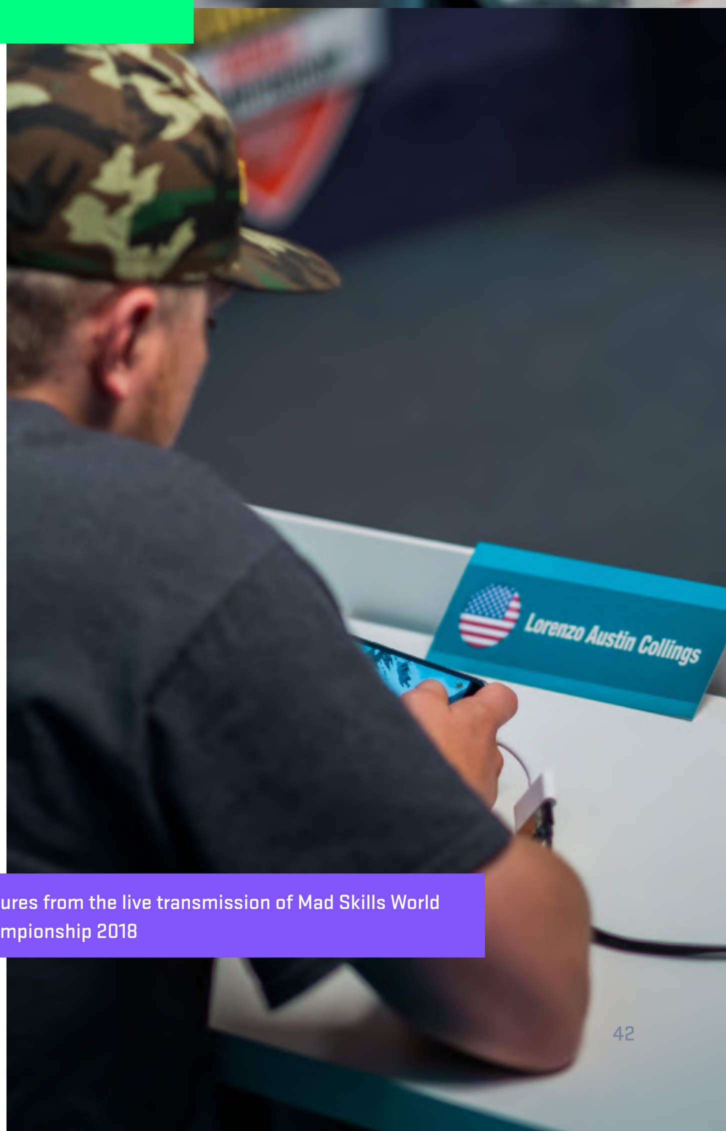
The Parent Company of the Group is Gumbler AB. As of the beginning of 2018, the company changed from a private to a public company, and since then has operated as Gumbler AB.

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 18,799 thousand (15,117), an increase of 24 percent.**

Operating profit was negative at SEK -23,744 thousand (-13,410), a decline of SEK 10,334 thousand. Profit after tax was negative at SEK -22,863 thousand (-13,425), a decline of SEK 9,438 thousand.

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




Pictures from the live transmission of Mad Skills World Championship 2018

## Share capital and owners

At year-end, the share capital totalled SEK 82,118 thousand. The number of shares in issue was **642,364.**

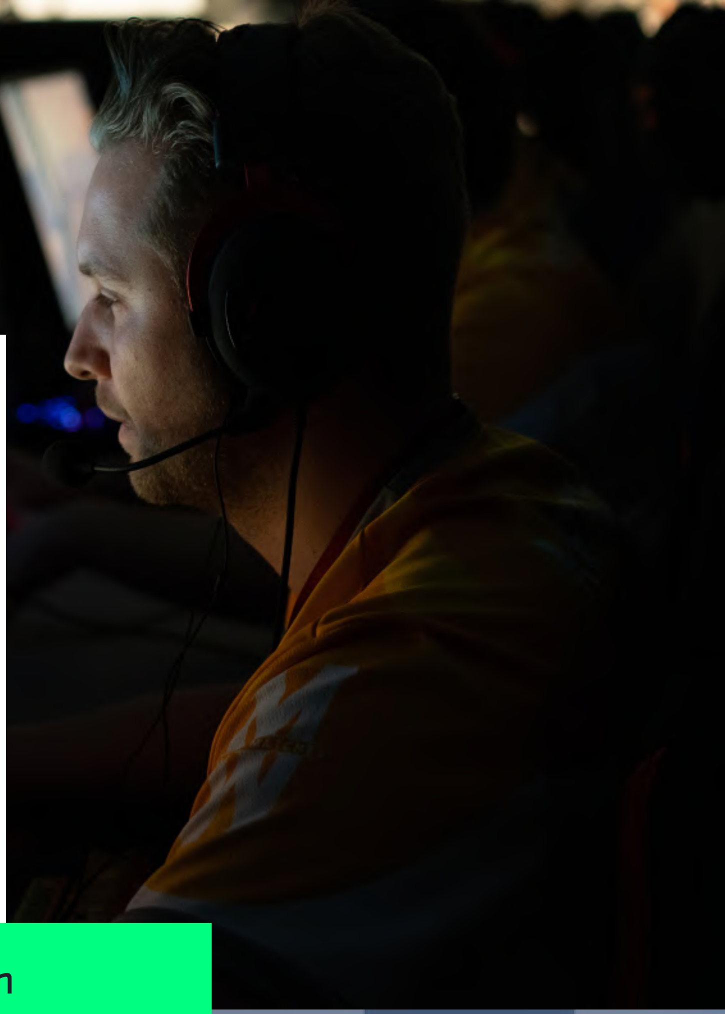
**Towards year-end, an agreement was made on a new share issue totalling SEK 100,040 thousand. The issue was completed in early 2018 and was fully subscribed.**

The total number of new shares is 1,410,000 and the share capital will increase through the issue **by SEK 554,115.** This was accounted for at year-end as a receivable from subscribed-for but as yet unpaid share capital in the total amount of SEK 100,040 thousand, including other contributed capital.

The number of shareholders at year-end was 80. Through the new share issue, **the number of shareholders** increased to 112.

## Outlook

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



# Events after the financial year-end

In early 2018, the issue, for a total of SEK 100,040 thousand, was completed and the issue proceeds were paid in their entirety to Gumbler.

February 2018 saw the launch of Global Loot League (GLL). This is the **biggest online esport league** and one of the first global competitions of its type where players compete for prize money. Participants compete in PlayerUnknown's Battlegrounds (PUBG).

**In April 2018, the competition was decided in Bucharest with a prize pool of USD 50 thousand.**

# 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, the regulatory authorities have no idea of the difference between luck-based games and performance-based games. Gumbler falls within the latter category, since those who win our competitions will have developed a skill.

**How Gumbler manages the risk:** By keeping abreast of political trends in key markets where we are active and by seeking to influence politicians and decision-makers.

### CHANGES IN PRICING AND DEMAND

**Description**: Gumbler'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 Gumbler manages the risk:** By maintaining a highly active watch on trends and changes presented by our competitors and keeping close contacts with our foremost players, in order to be early in sensing where new winds are blowing.

## 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 Gumbler manages the risk:** By monitoring at all times the services developed and offered by our competitors in the sector, while simultaneously constantly raising the level of 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 Gumbler manages the risk:** By ensuring that we are above all are recognised for being part of 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 Gumbler's business.

**How Gumbler manages 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 INDICATORS OF ACTIVITY

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

**How Gumbler manages 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 Gumbler manages the risk**: Via highly developed forecasting for the operations, along with detailed follow-up and strict control of costs.

FINANCING

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

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


Pictures from a live Twitch transmission of GLL Nordic Clash

# Consolidated Statement of Comprehensive Income

| SEK th. | Note | 2017 | 2016 |
|---|---|---|---|
| **Operating income** | | | |
| Net sales | 5 | 18,725 | 15,117 |
| Other operating income | 6 | 75 | 101 |
| **Total** | | **18,800** | **15,218** |
| **Operating expenses** | | | |
| Direct expenses | | -16,104 | -15,065 |
| Other external expenses | 8, 26 | -13,318 | -4,389 |
| Personnel expenses | 9, 28 | -12,057 | -7,060 |
| Depreciation of property, plant, and equipment | 12 | -37 | -3 |
| Other operating expenses | 6 | -38 | -40 |
| **Total operating expenses** | | **-41,554** | **-26,566** |
| **Operating profit/loss** | **5** | **-22,754** | **-11,348** |
| **Result from financial items** | | | |
| Financial income | 10 | 32 | 0 |
| Financial expenses | 10 | -142 | -85 |
| **Total net financial items** | | **-110** | **-85** |
| **Profit/loss before tax** | | **-22,864** | **-11,433** |
| Income tax | 11 | -96 | -59 |
| **Net profit/loss for the year** | | **-22,960** | **-11,492** |
| **Other comprehensive income** | | | |
| Total other comprehensive income for the year, after tax | | - | - |
| **Total comprehensive income for the year** | | **-22,960** | **-11,492** |
| Profit/loss for the year attributable to: Parent Company shareholders | | -22,960 | -11,492 |
| **Comprehensive income for the year** | | **-22,960** | **-11,492** |
| Earnings per share, SEK, basic and diluted, based on profit/loss attributable to Parent Company shareholders over the year | 30 | -40 | -31 |

# Consolidated Balance Sheet

| SEK th. | Note | 31/12/2017 | 31/12/2016 |
|---|---|---|---|
| **Assets** | | | |
| Receivable, share capital subscribed-for but not paid-up | 19 | 100,040 | - |
| **Non-current assets** | | | |
| Property, plant and equipment | | | |
| Equipment, tools, fixtures and fittings | 12 | 245 | 59 |
| **Total property, plant and equipment** | | **245** | **59** |
| Financial assets | | | |
| Financial assets, rental deposit | 15 | 69 | - |
| **Total financial assets** | | **69** | **-** |
| **Total non-current assets** | | **314** | **59** |
| **Current assets** | | | |
| Trade accounts receivable | | - | - |
| Other receivables | 15, 16 | 6,061 | 4,603 |
| Prepaid expenses and accrued income | 15, 17 | 255 | 227 |
| Cash and cash equivalents | 15, 18 | 33,806 | 32,775 |
| **Total current assets** | | **40,122** | **37,605** |
| **Total assets** | | **140,476** | **37,664** |

# Consolidated Balance Sheet

| SEK th. | Note | 31/12/2017 | 31/12/2016 |
|---|---|---|---|
| **Equity** | | | |
| Share capital | 19 | 82 | 76 |
| Unregistered share capital | | 554 | - |
| Other contributed capital | | 165,318 | 49,689 |
| Retained earnings, including net profit/loss for the year | | -41,567 | -18,607 |
| **Total equity** | | **124,387** | **31,158** |
| **Liabilities** | | | |
| Non-current liabilities | | | |
| Deferred tax liabilities | 13 | - | - |
| Other non-current liabilities | 15, 20, 21 | 2,469 | 1,525 |
| **Total non-current liabilities** | | **2,469** | **1,525** |
| Current liabilities | | | |
| Liabilities to credit institutions | 15, 20 | 113 | - |
| Advance payments from customers | 15 | 10 | - |
| Trade accounts payable | | 1,213 | 767 |
| Current tax liabilities | | 96 | 69 |
| Other current liabilities | 15, 22 | 4,113 | 3,366 |
| Accrued expenses and deferred income | 15, 23 | 8,075 | 779 |
| **Total current liabilities** | | **13,620** | **4,981** |
| **Total equity and liabilities** | | **140,476** | **37,664** |

# Consolidated Statement of Changes in Equity

| SEK th. | Note | Share capital | Unregistered share capital | Other contributed capital | Retained earnings incl. net profit/loss for the year | Total equity |
|---|---|---|---|---|---|---|
| Opening balance, 31 December 2015 | | 61 | - | 9,129 | -7,115 | 2,075 |
| Effect of changes in accounting policies in accordance with IFRS | | - | - | - | - | - |
| **Opening balance, 1 January 2016** | | **61** | **-** | **9,129** | **-7,115** | **2,075** |
| Net profit/loss for the year | | | | | -11,492 | -11,492 |
| Other comprehensive income | | | | | - | - |
| **Total comprehensive income** | | | | | **-11,492** | **-11,492** |
| New share issue | | 15 | | 44,985 | | 45,000 |
| New share issue, expenses | | | | -4,425 | | -4,425 |
| **Total transactions with the Group's owners** | | **15** | **-** | **40,560** | **-** | **40,575** |
| **Closing balance, 31 December 2016** | | **76** | **-** | **49,689** | **-18,607** | **31,158** |
| **Opening balance, 1 January 2017** | | **76** | **-** | **49,689** | **-18,607** | **31,158** |
| Net 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, 31st December 2017** | | **82** | **554** | **165,318** | **-41,567** | **124,387** |

# Consolidated Statement of Cash Flows

| SEK th. | Note | 2017 | 2016 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit/loss after financial items | | -22,864 | -11,433 |
| Depreciation/Amortisation | 12 | 37 | 3 |
| Income taxes paid | | -69 | -13 |
| **Cash flow from operating activities before changes in working capital** | | **-22,896** | **-11,443** |
| Cash flow from changes in working capital | | | |
| Increase/decrease in trade accounts receivable | | - | - |
| Increase/decrease in current receivables | | -1,485 | -2,897 |
| Increase/decrease in trade accounts payable | | 445 | 497 |
| Increase/decrease in current liabilities | | 3,073 | 2,878 |
| **Total changes in working capital** | | **2,033** | **478** |
| **Cash flow from operating activities** | | **-20,863** | **-10,965** |
| **Cash flow from investing activities** | | | |
| Acquisition of property, plant and equipment | 12 | -223 | -62 |
| Change in financial assets | | -69 | - |
| **Cash flow from investing activities** | | **-292** | **-62** |
| **Cash flow from financing activities** | | | |
| New share issue | | 22,650 | 40,575 |
| Borrowings | | - | 186 |
| Amortisation of loans | | -464 | -128 |
| **Cash flow from financing activities** | | **22,186** | **40,633** |
| **Decrease/increase in cash and cash equivalents** | | **1,031** | **29,606** |
| **Cash and cash equivalents at start of year** | | **32,775** | **3,169** |
| **Cash and cash equivalents at year-end** | **18** | **33806** | **32,775** |

# Parent Company Income Statement

| SEK th. | Note | 2017 | 2016 |
|---|---|---|---|
| Operating income | 5 | 18,725 | 15,117 |
| Other income | 6 | 74 | - |
| **Total operating income** | | **18,799** | **15,117** |
| **Operating expenses** | | | |
| Direct expenses | | -16,104 | -15,065 |
| Other external expenses | 8 | -26,432 | -13,447 |
| Personnel expenses | | - | - |
| Other operating expenses | 6 | -7 | -15 |
| **Total operating expenses** | | **-42,543** | **-28,527** |
| **Operating profit/loss** | | **-23,744** | **-13,410** |
| Result from financial items | 10 | 32 | 0 |
| Interest expense and similar profit/loss items | 10 | -100 | -15 |
| **Total result from financial items** | | **-68** | **-15** |
| **Profit/loss after financial items** | | **-23,812** | **-13,425** |
| Appropriations | 14 | 949 | - |
| **Profit/loss before tax** | | **-22,863** | **-13,425** |
| Tax on profit for the year | 11 | - | - |
| **Net profit/loss for the year** | | **-22,863** | **-13,425** |
| **Other comprehensive income** | | **-** | **-** |
| **Comprehensive income for the year** | | **-22,863** | **-13,425** |

Reference to Note 29, Conversion table for Parent Company, year shown for comparison.

# Parent Company Balance Sheet

| SEK th. | Note | 31/12/2017 | 31/12/2016 |
|---|---|---|---|
| **Assets** | | | |
| Receivable, share capital subscribed-for but not paid-up | 19 | 100,040 | - |
| **Non-current assets** | | | |
| Financial assets | | | |
| Participations in Group companies | 14 | 100 | 50 |
| Deferred tax assets | 13 | - | - |
| **Total financial assets** | | **100** | **50** |
| **Total non-current assets** | | **100** | **50** |
| **Current assets** | | | |
| Receivables from Group companies | | - | - |
| Other receivables | 16 | 6,056 | 4,463 |
| Prepaid expenses and accrued income | 17 | 15 | - |
| Cash and cash equivalents | 18 | 33,022 | 32,662 |
| **Total current assets** | | **39,093** | **37,125** |
| **Total assets** | | **139,233** | **37,175** |

Reference to Note 29, Conversion table for Parent Company, year shown for comparison.

# Parent Company Balance Sheet

| SEK th. | Note | 31/12/2017 | 31/12/2016 |
|---|---|---|---|
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Restricted equity | | | |
| Share capital | 19 | 82 | 76 |
| Unregistered share capital | | 554 | - |
| **Total restricted equity** | | 636 | 76 |
| Unrestricted equity | | | |
| Share premium reserve | | 165,318 | 49,689 |
| Profit or loss brought forward | | -18,732 | -5,307 |
| Net loss for the year | | -22,836 | -13,425 |
| **Total unrestricted equity** | | **123,723** | **30,957** |
| **Total equity** | | **124,359** | **31,033** |
| **Liabilities** | | | |
| Non-current liabilities | | | |
| Other non-current liabilities | 21 | 2,469 | 949 |
| **Total non-current liabilities** | | **2,469** | **949** |
| Current liabilities | | | |
| Advance payments from customers | | 10 | - |
| Trade accounts payable | | 2,966 | 4,449 |
| Liabilities to Group companies | | 2,723 | 634 |
| Other current liabilities | 22 | 135 | 50 |
| Accrued expenses and deferred income | 23 | 6,571 | 60 |
| **Total current liabilities** | | **12,405** | **5,193** |
| **Total equity and liabilities** | | **139,233** | **37,175** |

Reference to Note 29, Conversion table for Parent Company, year shown for comparison.

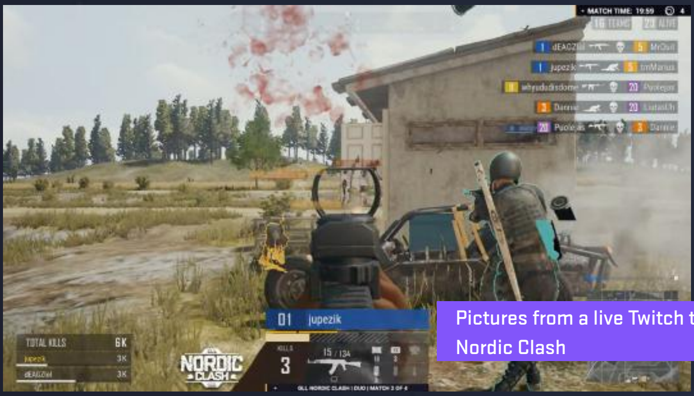
# Parent Company Statement of Changes in Equity

| SEK th. | Note | Share capital | Unregistered share capital | Share premium reserve | Retained earnings incl. net profit/ loss for the year | Total equity |
|---|---|---|---|---|---|---|
| Equity according to annual accounts adopted on 31/12/2015 | | 61 | - | 9,129 | -46 | 9,144 |
| Impact of changes in accounting policies | | | | | -5,261 | -5,261 |
| **Opening balance, 1 January 2016** | | **61** | **-** | **9,129** | **-5,307** | **3,883** |
| Net profit/loss for the year | | | | | -13,425 | -13,425 |
| Other comprehensive income | | | | | | - |
| **Total comprehensive income** | | | | | **-13,425** | **-13,425** |
| New share issue | | 15 | | 44,985 | | 45,000 |
| New share issue, expenses | | | | -4,425 | | -4,425 |
| **Total transactions with Parent Company owners** | | **15** | **-** | **40,560** | **-** | **40,575** |
| **Closing balance, 31 December 2016** | | **76** | **-** | **49,689** | **-18,732** | **31,033** |
| **Opening balance, 1 January 2017** | | **76** | **-** | **49,689** | **-18,732** | **31,033** |
| Net 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 Parent Company owners** | | **6** | **554** | **115,629** | **-** | **116,189** |
| **Closing balance, 31 December 2017** | | **82** | **554** | **165,318** | **-41,595** | **124,359** |

Reference to Note 29, Conversion table for Parent Company, year shown for comparison.

# Parent Company Statement of Cash Flows

| SEK th. | Note | 2017 | 2016 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit/loss after financial items | | -23,812 | -13,425 |
| Other non-cash items | 14 | -949 | - |
| **Cash flow from operating activities before changes in working capital** | | **-24,761** | **-13,425** |
| **Cash flow from changes in working capital** | | | |
| Increase/decrease in trade accounts receivable | | - | - |
| Increase/decrease in current receivables | | -208 | -3,211 |
| Increase/decrease in trade accounts payable | | -1,483 | 3,554 |
| Increase/decrease in current liabilities | | 4,212 | 2,281 |
| **Total changes in working capital** | | **2,521** | **2,624** |
| **Cash flow from operating activities** | | **-22,240** | **-10,801** |
| **Cash flow from investing activities** | | | |
| Investments in participations in Group companies | 14 | -50 | -50 |
| **Cash flow from investing activities** | | **-50** | **-50** |
| **Cash flow from financing activities** | | | |
| New share issue | 19 | 22,650 | 40,575 |
| **Cash flow from financing activities** | | **22,650** | **40,575** |
| **Decrease/increase in cash and cash equivalents** | | **360** | **29,724** |
| **Cash and cash equivalents at start of year** | | **32,662** | **2,938** |
| **Cash and cash equivalents at year-end** | **18** | **33,022** | **32,662** |




Pictures from a live Twitch transmission of GLL Nordic Clash

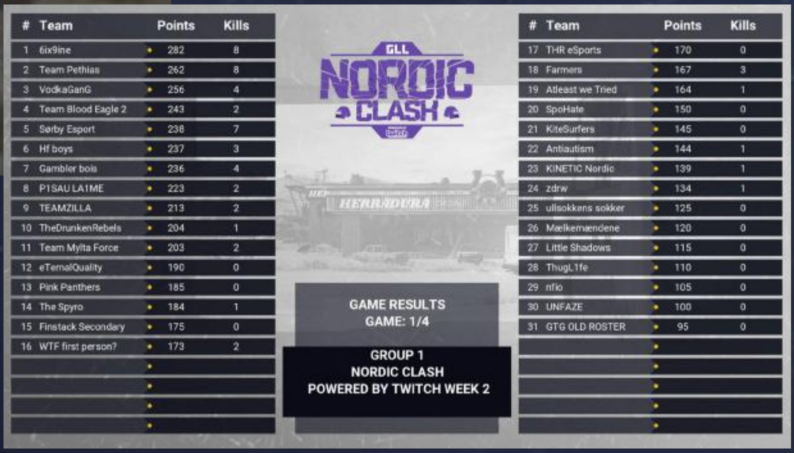


MATCH TIME: 21:16
4
16 TEAMS
29 ALIVE
1 jupezik
35 Zeldigo
30 TukeM
TOTAL KILLS
0K
TukeM
KaKeZi_
NORDIC CLASH
KILLS
0
40/115
GLL NORDIC CLASH | DUO | MATCH 1 OF 4


MATCH TIME: 27:50
6
5 TEAMS
6 ALIVE
25 BreezeDk
12 NoodleofDOOM
25 BreezeDk
12 NoodleofDOOM
8 nilino
PROCEED TO PLAY AREA MARKED ON THE MAP IN 1 MINUTE 10 SECONDS!
25 BreezeDk
TOTAL KILLS
7K
BreezeDk
7K
NORDIC CLASH
KILLS
7
17/127
GLL NORDIC CLASH | DUO | MATCH 1 OF 4


19:03
GLL NORDIC CLASH
GLL NORDIC CLASH | QUALIFIER | GROUP 1 | DUO FPP | MATCH 1 OF 5 COMING UP
@GLOBALLOOT | #GLL #NORDICCLASH
JOIN THE ACTIVITY ON TWITTER! THAT'S WHERE ALL THE MAGIC HAPPENS


MATCH TIME: 02:18
31 TEAMS
62 ALIVE
GLL NORDIC CLASH


GLL NORDIC CLASH
GAME RESULTS
GAME: 1/4
GROUP 1
NORDIC CLASH
POWERED BY TWITCH WEEK 2
# Team Points Kills
1 6ix9ine 282 8
2 Team Pethias 262 8
3 VodkaGanG 256 4
4 Team Blood Eagle 2 243 2
5 Sørby Esport 238 7
6 Hf boys 237 3
7 Gambler bois 236 4
8 P1SAU LA1ME 223 2
9 TEAMZILLA 213 2
10 TheDrunkenRebels 204 1
11 Team Mylta Force 203 2
12 eTernalQuality 190 0
13 Pink Panthers 185 0
14 The Spyro 184 1
15 Finstack Secondary 175 0
16 WTF first person? 173 2
# Team Points Kills
17 THR eSports 170 0
18 Farmers 167 3
19 Atleast we Tried 164 1
20 SpoHate 150 0
21 KiteSurfers 145 0
22 Antiautism 144 1
23 KINETIC Nordic 139 1
24 zdrw 134 1
25 ullsokkens sokker 125 0
26 Mælkemændene 120 0
27 Little Shadows 115 0
28 ThugL1fe 110 0
29 nflo 105 0
30 UNFAZE 100 0
31 GTG OLD ROSTER 95 0

# Notes

## Note 1: General information

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 Gumbler's service enable players now to compete via mobile, PC and console, live, with each other, wherever they are in the world.

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 16 May 2018. The balance sheets and income statements will be presented for adoption to the Company's Annual General Meeting on 27 June 2018.

## Note 2: Summary of significant accounting policies

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 Group was established on 1 January 2017, and these are the first consolidated accounts to have been drawn up.

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.

The Parent Company accounts have been prepared for the first time, in accordance with Recommendation RFR 2, Accounting by Legal Entities, issued by the Swedish Financial Reporting Board, and the Swedish Annual Accounts Act. A description of the transition from earlier accounting principles in accordance with BFNAR (the Swedish Accounting Standards Board's General Recommendation) 2012:1, is provided in Note 29. 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 the implementation of certain of the Group's accounting policies – see Note 2: Important estimates and assessments.

## Amended accounting policies and disclosures

IFRS 9, Financial Instruments, deals with classification, measurement and recognition of financial assets and liabilities. The full version of IFRS 9 was published in July 2014. It replaces the sections of IAS 39 that deal with classification and measurement of financial instruments. IFRS 9 retains a mixed-measurement model but simplifies this approach in certain respects. 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.

The standard is to be implemented for financial years from 1 January 2018. Earlier adoption is permitted.

IFRS 9 also introduces a new model 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 no external trade accounts receivable, and so IFRS 9 has no impact on the Group.

IFRS 15 Revenue from Contracts with Customers governs how revenue is to be recognised. The principles on which IFRS 15 are 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 supersedes IAS 18 – Revenue, and IAS 11 – Construction Contracts, together with the associated SICs and IFRICs. IFRS 15 comes into force on 1 January 2018. Early adoption is permitted. An analysis has been performed, and it indicates that the standard will not have any impact on recognition and measurement at the point of transfer. The view taken is that the principal impact arises from increased disclosure requirements.

IFRS 16 Leasing. In January 2016, IASB published a new standard on leasing, which will supersede IAS 17 – Leases, together with associated interpretations IFRIC 4, SIC-15 and SIC-27. 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. Accounting by lessors will in all essential respects remain unchanged. The standard is to be applied to financial years beginning on 1 January 2019 or later. Early adoption is permitted, but the Group does not intend to do adopt the standard early.

This standard may affect the Group's financial position with regard to the assets and liabilities that are to be recognised at transfer.

The cost for operating leases in the 2017 financial year totalled SEK 748 thousand (470). On 31 December 2017, the undiscounted amount for the payment obligation in connection with operating leases was SEK 1,870 thousand (2,340). However, implementation of IFRS 16 would have the effect that a lower amount would be recognised as liability/asset, since parts of the leases may pertain to services and in that case the payments obligations are to be discounted. For more information about the Company's lease obligations, including maturity structure, see Note 25 Leases.

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

## Consolidated accounts

#### SUBSIDIARIES

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 include 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 accordance with IAS 39 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.

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.

### 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.

### GROUP COMPANIES

**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:**

a. assets and liabilities for every one of the balance sheets are translated at the balance sheet rate;

b. 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

c. all exchange rate 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 closing day exchange rate. 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.

### 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:

1. The technical facilities for completing the intangible asset so that it becomes available for use or sale.
2. The intention to complete the intangible asset so that it becomes available for use or sale.
3. The company's ability to use or sell the asset.
4. How the asset will generate probable future economic benefits.
5. Adequate technical, economic and other resources exist to enable the company to bring development and use or sale of the asset to a conclusion.
6. 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 does not 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.

### 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.

## Financial instruments – general

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:**

**a.** financial assets and liabilities measured at fair value via the income statement

**b.** loan receivables and trade receivables; and

**c.** 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 the first accounting occasion.

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

On the asset side, this item consists 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 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 otherwise has 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 the 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.

### 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.

The Group has no trade accounts receivable.

### 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.

### 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.

### Borrowings

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 2016 and 2017, the Group did not have any bank overdraft facility.

## Current and deferred taxes

The tax expense for the period is made up of current and deferred tax. Tax is recognized 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 on 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 recognized to the extent it is probable that future fiscal surpluses will be available against which the deficits can be utilized. 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.

## Employee benefits

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:**

a. when the Group is no longer able to recall the offer of benefits; and

b. 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.

### Revenue recognition

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

1. 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.
2. Before tournaments, a prize pool is put out for an as-yet undetermined winner. The amount is booked as a cost immediately. 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.
3. 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

Interest income is recognized using the effective interest method.

## Segment reporting

The business is organised and managed on the basis of operating segments located in Sweden, Rest of Europe, the USA and Rest of World. At Gumbler, the President 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 policies accord with those applied in the consolidated accounts.

## Leases

OPERATIONAL 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.

## Earnings per share

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 charges 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.

## Parent Company's accounting policies

The Parent Company's accounts are prepared 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 also follows the Group's form of presentation but is required to include the columns described in the Annual Accounts Act. It also differs in terminology compared with the consolidated accounts, most notably with regard to 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 39 is not applied in the Parent Company and financial instruments are measured at historical cost.

# Note 3: Financial risk management

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.

## The Group's exposure to and management of financial risks

| Risk | Description of risk | Management | Outcome, 2017 |
|---|---|---|---|
| **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. | There are no trade accounts receivable, and so credit and bad debt losses are non-existent. |

### 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 113 thousand (576). The average interest on interest-bearing liabilities on 31 December 2017 was 4.6 percent (4.6). If the interest rates on borrowing in Swedish kronor on 31 December 2017 was 1.0 percent higher and all other variables constant, profit for the financial year after tax would have been SEK 0 thousand (1) 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 in order to meet the ongoing requirements of the Group companies for liquidity.

**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

31/12/2017

| Group, SEK th. | 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** |

31/12/2016

| Group, SEK th. | Within a year | Between 1 and 2 years | Between 2 and 3 years | Total |
|---|---|---|---|---|
| Liabilities to credit institutions | 443 | 103 | | 546 |
| Other non-current liabilities | 949 | | | 949 |
| Trade accounts payable | 767 | | | 767 |
| Other current liabilities | 3,366 | | | 3,366 |
| **Total** | **5,525** | **103** | **-** | **5,628** |

### 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.

## Management of capital

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

| Group, SEK th. | 31/12/2017 | 31/12/2016 |
|---|---|---|
| Net debt | 113 | 576 |
| Total equity | 124,387 | 31,158 |
| Debt/equity ratio | 0 | 0 |

## Calculation of 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 4: Important estimates and assessments

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 5: Segments

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 of net per operating segment.

| Group – net sales to external customers | 2017 | 2016 |
|---|---|---|
| Sweden | 1,505 | 1,215 |
| Europe | 3,763 | 3,038 |
| USA | 9,213 | 7,438 |
| Rest of World | 4,244 | 3,426 |
| **Total** | **18,725** | **15,117** |
| Other income | 75 | 101 |
| Total operating expenses | -41,554 | -26,566 |
| Financial items | -110 | -85 |
| **Profit/loss before tax** | **-22,864** | **-11,433** |

| Group – external net sales by income category | 2017 | 2016 |
|---|---|---|
| Sweden | 1,505 | 1,215 |
| Europe | 3,763 | 3,038 |
| USA | 9,213 | 7,438 |
| Rest of World | 4,244 | 3,426 |
| **Total** | **18,725** | **15,117** |

| Group – property, plant and equipment by country | 31/12/2017 | 31/12/2016 |
|---|---|---|
| Sweden | 245 | 59 |
| **Total** | **245** | **59** |

No customer accounted for more than 10 percent of income in 2017 and the same applies to 2016.

# Note 6: Other operating income and other operating expenses

| Other operating income | Group 2017 | 2016 | Parent Company 2017 | 2016 |
|---|---|---|---|---|
| Exchange rate gains | 75 | 23 | 74 | - |
| Grants | - | 78 | - | - |
| **Total** | **75** | **101** | **74** | **-** |

| Other operating costs | Group 2017 | 2016 | Parent Company 2017 | 2016 |
|---|---|---|---|---|
| **Total** | **-38** | **-40** | **-7** | **-15** |

# Note 7: Parent Company– intra-Group sales and purchases

During the year, the Parent Company made purchases of Group-wide services to a total of SEK 18,500 thousand (9,420) from Group companies. No sales took place between the Parent Company and Group companies during the year or in the preceding year.

# Note 8: Auditors’ fees

Audit assignment refers to the audit of the annual report and accounting records, as well as the Board of Directors’ and President/Group CEO’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”.

| | Group | | Parent Company | |
|---|---|---|---|---|
| | **2017** | **2016** | **2017** | **2016** |
| Audit assignment | -164 | -110 | -114 | -75 |
| Other audit activities | - | - | - | - |
| Tax advice | -15 | - | -14 | - |
| Other services | - | - | - | - |
| **Total** | **-179** | **-110** | **-128** | **-75** |

# Note 9: Remuneration to employees etc.

| | Group 2017 | 2016 | Parent Company 2017 | 2016 |
|---|---|---|---|---|
| Salaries and other remuneration | -8,778 | -5,173 | - | - |
| Social security contributions | -2,825 | -1,661 | - | - |
| Pension expenses | -278 | -156 | - | - |
| **Total** | **-11,881** | **-6,990** | **-** | **-** |

| Group | Salaries and other remuneration 2017 | Social security contributions (including pension costs) | Salaries and other remuneration 2016 | Social security contributions (including pension costs) |
|---|---|---|---|---|
| Board members, presidents and other senior executives | -2,292 | -791 | -1,695 | -532 |
| Other employees | -6,486 | -2,312 | -3,478 | -1,285 |
| Pension expenses | | (278) | | (156) |
| **Total** | **-8,778** | **-3,103** | **-5,173** | **-1,817** |

| Parent Company | Salaries and other remuneration 2017 | Social security contributions (including pension costs) | Salaries and other remuneration 2016 | Social security contributions (including pension costs) |
|---|---|---|---|---|
| **Total** | **-** | **-** | **-** | **-** |

| | Average number of employees 2017 | Of whom, women | Average number of employees 2016 | Of whom, women |
|---|---|---|---|---|
| Parent Company, Sweden | - | - | - | - |
| Subsidiaries, Sweden | 16 | 1 | 14 | 1 |
| **Total** | **16** | **1** | **14** | **1** |

| **Group** | Number at year-end 2017 | Of whom, women | Number at year-end 2016 | Of whom, women |
|---|---|---|---|---|
| Board members | 7 | - | 7 | - |
| Presidents and other senior executives | 4 | - | 4 | - |
| **Total** | **11** | **-** | **11** | **-** |

| **Parent Company** | Number at year-end 2017 | Of whom, women | Number at year-end 2016 | Of whom, women |
|---|---|---|---|---|
| Board members | 7 | - | 7 | - |
| Presidents and other senior executives | - | - | - | - |
| **Total** | **7** | **-** | **7** | **-** |

# Note 10: Financial income and expense

| Financial income | Group 2017 | 2016 | Parent Company 2017 | 2016 |
|---|---|---|---|---|
| Other financial income | 32 | 0 | 32 | 0 |
| Total | 32 | 0 | 32 | 0 |

| Financial income | Group 2017 | 2016 | Parent Company 2017 | 2016 |
|---|---|---|---|---|
| Other financial expenses | -110 | -23 | -100 | -15 |
| **Total** | **-142** | **-85** | **-100** | **-15** |

# Note 11: Income tax / tax on profit for the year

| Current tax | Group 2017 | 2016 | Parent Company 2017 | 2016 |
|---|---|---|---|---|
| Current tax on profit for the year | -96 | -59 | - | - |
| Adjustment relating to previous year(s) | - | - | - | - |
| **Total** | **-96** | **-59** | **-** | **-** |

| Deferred tax | Group 2017 | 2016 | Parent Company 2017 | 2016 |
|---|---|---|---|---|
| Occurrence and reversal of temporary differences | - | | - | - |
| Impact of change in tax rate | - | | - | - |
| **Total** | **-** | **-** | **-** | **-** |
| | | | | |
| **Income tax** | **-96** | **-59** | **-** | **-** |

| Reconciliation of theoretical tax expense and recognised tax | Group | | Parent Company | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| Pre-tax profit/loss | -22,864 | -11,433 | -22,863 | -13,425 |
| Income tax calculated at Parent Company's tax rate (22%) | 5,030 | 2,515 | 5,030 | 2,954 |
| Tax impact of: | | | | |
| Non-capitalised loss carry-forwards | -5,030 | -2,515 | -5,030 | -2,953 |
| Non-taxable income | - | - | - | - |
| Non-deductible expenses | -96 | -59 | - | -1 |
| Tax on other items | - | - | - | - |
| **Tax expense** | **-96** | **-59** | **-** | **-** |

| Tax attributable to items in Other comprehensive income | Group | | Parent Company | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| | - | - | - | - |

# Note 12: Property, plant and equipment

| | Group 2017 | 2016 | Parent Company 2017 | 2016 |
|---|---|---|---|---|
| Opening balance, carrying amount | 59 | - | - | - |
| Purchases | 223 | 62 | - | - |
| Depreciation/Amortisation | -37 | -3 | - | - |
| **Total** | **245** | **59** | **-** | **-** |

| | Group 2017 | 2016 | Parent Company 2017 | 2016 |
|---|---|---|---|---|
| Historical cost | 285 | 62 | - | - |
| Accumulated depreciation | -40 | -3 | - | - |
| **Carrying amount** | **245** | **59** | **-** | **-** |

Property plant and equipment includes tools, fixtures and fittings

# Note 13: Deferred tax

| | Group 2017 | 2016 | Parent Company 2017 | 2016 |
|---|---|---|---|---|
| Opening balance, carrying amount | - | - | - | - |
| Increase | - | - | - | - |
| Recognised in income statement | - | - | - | - |
| **Closing balance, carrying amount** | **-** | **-** | **-** | **-** |

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 14: Participations in Group companies

| (SEK) | Parent Company 2017 | 2016 |
|---|---|---|
| Opening balance, carrying amount | 50,001 | 2 |
| Acquisitions | 50,000 | 49,999 |
| Impairment | - | - |
| **Closing balance, carrying amount** | **100,001** | **50,001** |

**The Parent Company has participations in the following subsidiaries:**

| Company | Corp. ID no. | Registered office | % Of equity | No. of shares |
|---|---|---|---|---|
| iModules AB | 556734-5433 | Stockholm | 100 | 50,000 |
| G-Loot AB | 559115-8034 | Stockholm | 100 | 50,000 |
| Gumbler Ltd | C60079 | Malta | 100 | 1 |

In the 2017 financial year, the parent company received Group contributions of SEK 949 thousand (-) from iModules AB.

# Note 15: Financial instruments by category

| Group, SEK m. | Loan receivables and trade accounts receivable | Financial assets measured at fair value via income statement | Total | Loan receivables and trade accounts receivable | Financial assets measured at fair value via income statement | Total |
|---|---|---|---|---|---|---|
| | | 31/12/2017 | | | 31/12/2016 | |
| Other non-current receivables | 69 | - | 69 | - | - | - |
| Trade accounts receivable | - | - | - | - | - | - |
| Other receivables | 6,316 | - | 6,316 | 4,830 | - | 4,830 |
| Cash and cash equivalents | 33,806 | - | 33,806 | 32,775 | - | 32,775 |
| **Total assets** | **40,191** | **-** | **40,191** | **37,605** | **-** | **37,605** |

| Group, SEK m. | Other financial liabilities | Liabilities measured at fair value via the income statement | Total | Other financial liabilities | Liabilities measured at fair value via the income statement | Total |
|---|---|---|---|---|---|---|
| | | 31/12/2017 | | | 31/12/2016 | |
| Liabilities to credit institutions | 113 | - | 113 | - | - | - |
| Other non-current liabilities | 2,469 | - | 2,469 | 1,525 | - | 1,525 |
| Trade accounts payable | 1,213 | - | 1,213 | 466 | - | 466 |
| Other current liabilities | 12,294 | - | 12,294 | 4,215 | - | 4,215 |
| **Total liabilities** | **16,089** | **-** | **16,089** | **6,506** | **-** | **6,506** |

# Note 16: Other receivables

| | Group 31/12/2017 | 31/12/2016 | Parent Company 31/12/2017 | 31/12/2016 |
|---|---|---|---|---|
| Tax account | 1,704 | 0 | 1,704 | 0 |
| VAT receivable | 4,301 | 4,413 | 4,301 | 4,413 |
| Other receivables | 56 | 190 | 51 | 50 |
| **Closing balance, carrying amount** | **6,061** | **4,603** | **6,056** | **4,463** |

# Note 17: Prepaid expenses and accrued income

| | Group 31/12/2017 | 31/12/2016 | Parent Company 31/12/2017 | 31/12/2016 |
|---|---|---|---|---|
| Prepaid rent | 212 | 119 | - | - |
| Other items | 43 | 108 | 15 | - |
| **Closing balance, carrying amount** | **255** | **227** | **15** | **-** |

# Note 18: Cash and cash equivalents

| | Group 31/12/2017 | 31/12/2016 | Parent Company 31/12/2017 | 31/12/2016 |
|---|---|---|---|---|
| Bank balances | 33,806 | 32,775 | 33,022 | 32,662 |

# Note 19: Shares and other contributed capital

| | 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 |
| | **642,364** | **82,118** | **76,712,124** | **76,794,242** |
| | | | | |
| 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 |
| **Issues 2018, unregistered share capital** | **1,410,000** | **554,115** | **99,485,885** | **100,040,000** |
| **Total** | **2,052,364** | **636,233** | **176,198,009** | **176,834,242** |

# Note 20: Borrowings

| | Group 31/12/2017 | 31/12/2016 | Parent Company 31/12/2017 | 31/12/2016 |
|---|---|---|---|---|
| Liabilities to credit institutions, non-current | - | 576 | - | - |
| Liabilities to credit institutions, current | 113 | - | - | - |
| **Total** | **113** | **576** | **-** | **-** |

### 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 SEK.

# Note 21: Other non-current liabilities

| | Group 31/12/2017 | 31/12/2016 | Parent Company 31/12/2017 | 31/12/2016 |
|---|---|---|---|---|
| Client fund account, players | 2,469 | 949 | 2,469 | 949 |
| **Total** | **2,469** | **949** | **2,469** | **949** |

## Note 22: Other current liabilities

| | Group 31/12/2017 | 31/12/2016 | Parent Company 31/12/2017 | 31/12/2016 |
|---|---|---|---|---|
| Payroll tax | 436 | 135 | - | - |
| VAT | 2,640 | 2,115 | 85 | - |
| Miscellaneous | 1,037 | 1,116 | 50 | 50 |
| **Total** | **4,113** | **3,366** | **135** | **50** |

## Note 23: Accrued expenses and deferred income

| | Group 31/12/2017 | 31/12/2016 | Parent Company 31/12/2017 | 31/12/2016 |
|---|---|---|---|---|
| Accrued social security contributions | 105 | 38 | - | - |
| Accrued personnel expenses | 922 | 660 | - | - |
| New share issue, expenses | 6,501 | - | 6,501 | - |
| Miscellaneous | 547 | 81 | 70 | 60 |
| **Total** | **8,075** | **779** | **6,571** | **60** |

# Note 24: Assets pledged

| | Group 31/12/2017 | 31/12/2016 | Parent Company 31/12/2017 | 31/12/2016 |
|---|---|---|---|---|
| - | - | - | - | - |
| **Total** | - | - | - | - |

# Note 25: Contingent liabilities

| | Group 31/12/2017 | 31/12/2016 | Parent Company 31/12/2017 | 31/12/2016 |
|---|---|---|---|---|
| - | - | - | - | - |
| **Total** | - | - | - | - |

## Note 26: Leases

The Group has leases on premises and office equipment. Expenses for operating leases in the Group totalled SEK 748 thousand (470) during the year.

Future minimum lease charges under non-cancellable operating leases at the end of the accounting period fall due for payment as follows:

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 31/12/2017 | 31/12/2016 | 31/12/2017 | 31/12/2016 |
| Within one year | -748 | -470 | - | - |
| Later than one year but within five years | -1,122 | -1,870 | - | - |
| More than five years | - | - | - | - |
| **Total** | **-1,870** | **-2,340** | **-** | **-** |

## Note 27: Related party transactions

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 28: Remuneration to members of the Board and senior executives

The Chairman and Members of the Board do not receive any remuneration.

The Board has adopted the following guidelines on the remuneration of Management. 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. Remuneration to Management 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 4 (4) individuals who, with the President, make up Group Management.

**2017**

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

### PENSIONS

On behalf of all employees, 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.

### SEVERANCE PAYMENT AND NOTICE OF TERMINATION

Notice of termination of employment is 6 months on the part of the President and 12 months on the part of the Company.

Notice of termination of employment for other senior executives is 1–3 months on the part of the Company and 1 month on the part of the employee. None of the members of Group Management is entitled to severance payment on termination of employment by the Company.

# Note 29: Conversion table for parent company – no capitalisation of intangible assets (SEK)

**Conversion table – SEK**

| Parent Company Income Statement | 31/12/2015 | Reclassification/ Accruals | Reclassification: Intangible assets | Converted 01/01/2016 | 31/12/2016 | Reclassification/ Accruals | Reclassification: Intangible assets | Converted 31/12/2016 |
|---|---|---|---|---|---|---|---|---|
| **Operating income** | | | | | | | | |
| Net sales | 770,452 | - | - | 770,452 | 15,887,400 | -770,452 | - | 15,116,948 |
| Work in progress on behalf of third parties | - | - | - | - | -770,452 | 770,452 | - | - |
| Other operating income | 59 | - | - | 59 | - | - | - | - |
| | **770,511** | **-** | **-** | **770,511** | **15,116,948** | **-** | **-** | **15,116,948** |
| **Operating expenses** | | | | | | | | |
| Direct expenses | -592,208 | 592,208 | - | - | -14,696,312 | -368,620 | - | -15,064,932 |
| Other external expenses | -224,470 | -592,208 | -5,261,359 | -6,078,037 | -5,998,608 | 2,675,215 | -10,123,610 | -13,447,003 |
| Depreciation/amortization of property, plant, and equipment and intangible non-current assets | - | - | - | - | - | - | - | - |
| Other operating expenses | - | - | - | - | -15,497 | - | - | -15,497 |
| **Operating profit/loss** | **-46,167** | **-** | **-5,261,359** | **-5,307,526** | **-5,593,469** | **2,306,595** | **-10,123,610** | **-13,410,484** |
| | | | | | | | | |
| **Result from financial items** | | | | | | | | |
| Interest income and similar income items | - | - | - | - | 363 | - | - | 363 |
| Interest expense and similar profit/loss items | - | - | - | - | -15,158 | - | - | -15,158 |
| **Profit/loss before tax** | **-46,167** | **-** | **-5,261,359** | **-5,307,526** | **-5,608,264** | **2,306,595** | **-10,123,610** | **-13,425,279** |
| | | | | | | | | |
| **PROFIT/LOSS FOR THE YEAR** | **-46,167** | **-** | **-5,261,359** | **-5,307,526** | **-5,608,264** | **2,306,595** | **-10,123,610** | **-13,425,279** |

Reclassifications/accruals refer to adjustments for correction of errors in earlier annual accounts. Otherwise, the transition has not led to any changes or adjustments in accordance with IFRS/RFR2.

## Conversion table

| Parent Company Balance Sheet | 31/12/2015 | Reclass-ification/ Accruals | Reclass-ification: Intangible assets | Converted 01/01/2016 | 31/12/2016 | Reclass-ification/ Accruals | Reclass-ification: Intangible assets | Converted 31/12/2016 |
|---|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | | |
| **Non-current assets** | | | | | | | | |
| **Intangible non-current assets** | | | | | | | | |
| **Financial non-current assets** | | | | | | | | |
| Participations in Group companies | 2 | - | - | 2 | 50,001 | - | - | 50,001 |
| **Total non-current assets** | **5,261,361** | **-** | **-5,261,359** | **2** | **15,434,970** | **-** | **-15,384,969** | **50,001** |
| **Current assets** | | | | | | | | |
| **Current receivables** | | | | | | | | |
| Receivables from Group companies | 507,278 | - | - | 507,278 | 1,509,163 | -109,163 | - | 1,400,000 |
| Other receivables | 1,373,916 | - | - | 1,373,916 | 4,463,061 | - | - | 4,463,061 |
| Prepaid expenses and accrued income | 770,453 | - | - | 770,453 | - | - | - | - |
| **Cash and bank balances** | **2,937,758** | **-** | **-** | **2,937,758** | **32,661,528** | **-** | **-** | **32,661,528** |
| **Total current assets** | **5,589,405** | **-** | **-** | **5,589,405** | **38,633,752** | **-109,163** | **-** | **38,524,589** |
| **TOTAL ASSETS** | **10,850,766** | **-** | **-5,261,359** | **5,589,407** | **54,068,722** | **-109,163** | **-15,384,969** | **38,574,590** |
| **Equity** | | | | | | | | |
| Share capital | 60,827 | - | - | 60,827 | 75,827 | - | - | 75,827 |
| Share premium reserve | 9,128,601 | - | - | 9,128,601 | 49,689,238 | - | - | 49,689,238 |
| Profit or loss brought forward | - | - | - | - | -46,167 | - | -5,261,359 | -5,307,526 |
| Net profit/loss for the year | 46,167 | - | -5,261,359 | 5,307,526 | -5,608,264 | 2,306,595 | -10,123,610 | -13,425,279 |
| **Total equity** | **9,143,261** | **-** | **-5,261,359** | **3,881,902** | **44,110,634** | **2,306,595** | **-15,384,969** | **31,032,260** |
| **Liabilities** | | | | | | | | |
| **Non-current liabilities** | | | | | | | | |
| Other non-current liabilities | - | - | - | - | 948,746 | - | - | 948,746 |
| **Current liabilities** | | | | | | | | |
| Advance payments from customers | - | - | - | - | 3,836,832 | -3,836,832 | - | - |
| Trade accounts payable | 895,531 | - | - | 895,531 | 4,449,663 | - | - | 4,449,663 |
| Liabilities to Group companies | - | - | - | - | 612,846 | 1,421,074 | - | 2,033,920 |
| Other current liabilities | 2 | - | - | 2 | 50,001 | - | - | 50,001 |
| Accrued expenses and deferred income | 811,972 | - | - | 811,972 | 60,000 | - | - | 60,000 |
| **Total liabilities** | **1,707,505** | **-** | **-** | **1,707,505** | **9,958,088** | **-2,415,758** | **-** | **7,542,330** |
| **TOTAL EQUITY AND LIABILITIES** | **10,850,766** | **-** | **-5,261,359** | **5,589,407** | **54,068,722** | **-109,163** | **-15,384,969** | **38,574,590** |

Reclassifications/accruals refer to adjustments for correction of errors in earlier annual accounts. Otherwise, the transition has not led to any changes or adjustments in accordance with IFRS/RFR2.

**Parent Company**

| | Share capital | Share premium reserve | Retained earnings and net profit/loss for the year | Total equity |
|---|---|---|---|---|
| **Closing balance, equity 31/12/2015** | **60,827** | **9,128,601** | **-46,167** | **9,143,261** |
| **Impact of changes in accounting policies** | | | **-5,261,359** | **-5,261,359** |
| **Converted amount at beginning of year 01/01/2016** | **60,827** | **9,128,601** | **-5,307,526** | **3,881,902** |
| New share issue/cost of new share issue | 15,000 | 40,560,637 | | 40,575,637 |
| Net profit/loss for the year | | | -13,425,279 | -13,425,279 |
| **Amount at year-end, 31/12/2016** | **75,827** | **49,689,238** | **-18,732,805** | **31,032,260** |

COMMENT ON CONVERSION TABLE

According to RFR 2, a legal entity, that is, the parent company, may recognise development expenditure as costs in the period in which they arise and therefore does not need to capitalise such costs as an intangible asset.

# Note 30: Earnings per share

| | 2017 | 2016 |
|---|---|---|
| Profit/loss for the year attributable to Parent Company shareholders, SEK th. | -22,960 | -11,492 |
| Weighted average number of shares for calculation of earnings earnings per share, basic and diluted | 579,448 | 366,531 |
| Earnings per share, basic and diluted, calculated on profit/loss attributable to Parent Company shareholders | -40 | -31 |

# Note 31: 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.

The financial key performance measures prepared are in accordance with IFRS.

# Note 32: Events after the balance sheet date

In early 2018, the new share issue, for a total of SEK 100,040 thousand, was completed and the issue proceeds were paid in their entirety to Gumbler.

February 2018 saw the launch of Global Loot League (GLL). This is the biggest online esport league and one of the first global competitions of its type where prize money is at stake. Players compete in Players Unknown's Battlegrounds (PUBG).

In April 2018, the competition was decided in Bucharest with a prize pool of USD 50 thousand.

# Proposed allocation 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 2018 Annual General Meeting that no dividend be paid for the 2017 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 on 27 June 2018.

| | |
|---|---|
| Share premium reserve | SEK 165,318,171 |
| Retained profit/loss | SEK -18,732,109 |
| Net profit/loss for the year | SEK -22,863,094 |
| **Total** | **SEK 123,722,968** |

| | |
|---|---|
| **The Board of Directors proposes that the following amount be carried forward:** | **SEK 123,722,968** |

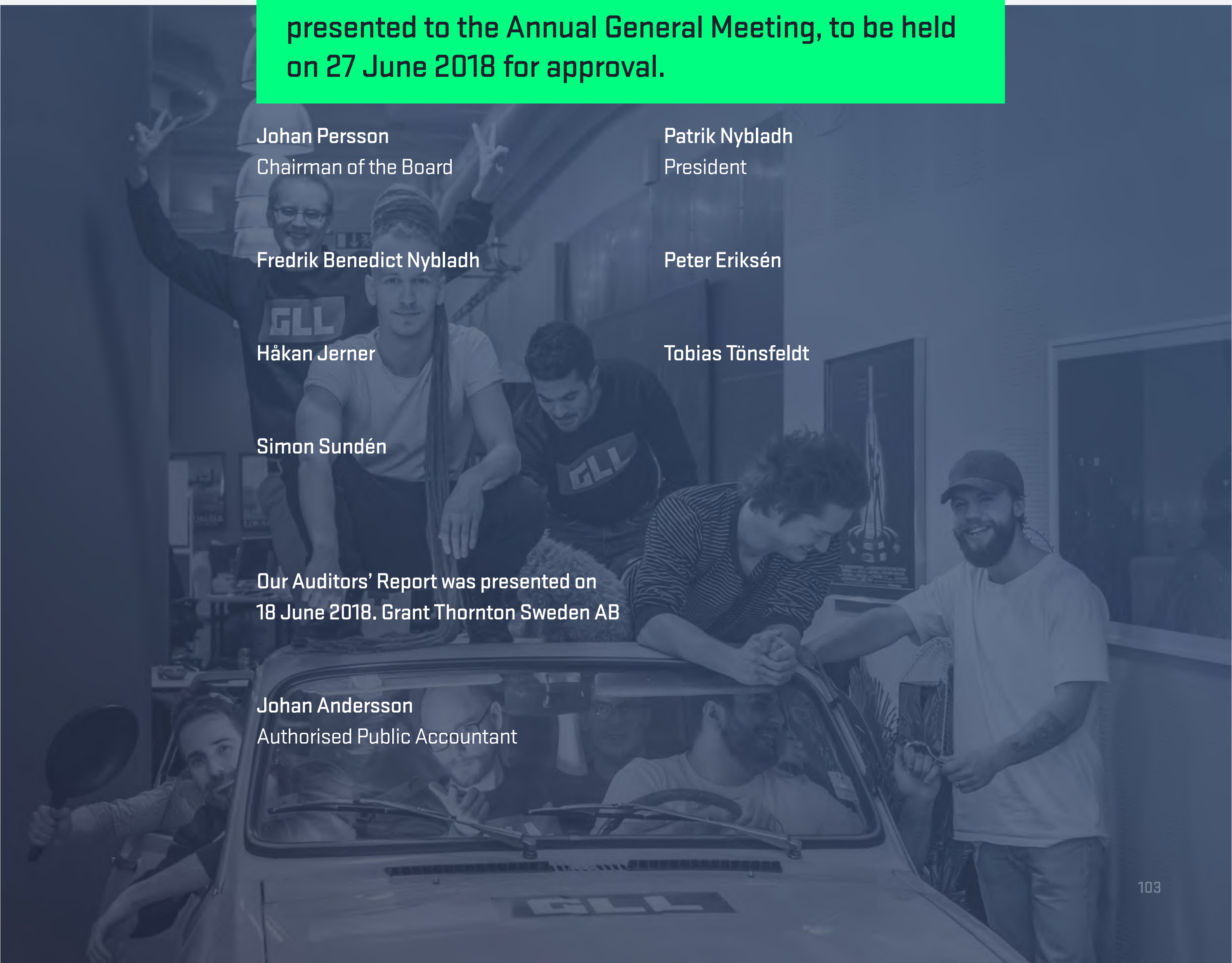
# Board of Directors' Declaration

The Board of Directors and the President declare that the consolidated accounts have been prepared in accordance with 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 principles 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, 18 June 2018**

**The Income Statement and Balance Sheet will be presented to the Annual General Meeting, to be held on 27 June 2018 for approval.**



Johan Persson
Chairman of the Board

Patrik Nybladh
President

Fredrik Benedict Nybladh

Peter Eriksén

Håkan Jerner

Tobias Tönsfeldt

Simon Sundén

Our Auditors' Report was presented on 18 June 2018. Grant Thornton Sweden AB

Johan Andersson
Authorised Public Accountant

# Multi-Year Overview

| | Group | | Parent Company | | |
|---|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 | 2015 |
| **Income Statement** | | | | | |
| Net sales | 18,725 | 15,887 | 18,725 | 15,117 | 770 |
| Operating profit/loss | -20,447 | -15,588 | -21,437 | -15,717 | -5,308 |
| Net financial items | -110 | -85 | 881 | -15 | - |
| Pre-tax profit/loss | -20,557 | -15,673 | -20,556 | -15,732 | -5,308 |
| Net profit/loss for the year | -20,653 | -15,732 | -27,165 | -15,732 | -5,308 |
| **Balance sheet** | | | | | |
| Non-current assets | 314 | 59 | 100 | 50 | - |
| Cash and cash equivalents | 33,806 | 32,775 | 33,022 | 32,662 | 2,938 |
| Equity | 124,388 | 28,852 | 124,359 | 28,726 | 3,882 |
| Non-current liabilities | 2,469 | 1,525 | 2,469 | 949 | - |
| Current liabilities | 13,619 | 7,287 | 13,354 | 9,009 | 1,708 |
| Total assets | 140,476 | 37,664 | 140,182 | 38,684 | 5,589 |
| **Cash flow** | | | | | |
| Cash flow from operating activities | -20,863 | -9,332 | -22,240 | -10,801 | -6,252 |
| Cash flow from investing activities | -292 | -62 | -50 | -50 | -0 |
| Cash flow from financing activities | 22,186 | 39,000 | 22,650 | 40,575 | 9,189 |
| Cash flow for the year | 1,031 | 29,606 | 360 | 29,724 | 2,938 |
| **Key performance measures** | | | | | |
| Operating margin | - | - | - | - | - |
| Equity/assets ratio | 89% | 77% | 89% | 74% | 69% |
| Average number of employees | 16 | 14 | - | - | - |
| **Per-share data** | | | | | |
| Earnings per share, SEK, attributable to Parent Company shareholders over the year | -36 | -43 | -36 | -43 | -25 |
| No. of shares | 642,364 | 516,531 | 642,364 | 516,531 | 216,531 |