



Interim financial statements

G-Loot Global Esports AB

JANUARY – MARCH 2022



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

The first quarter with the new G-Loot platform is behind us and I couldn't be prouder of the team for what they have achieved.

We are building upon a value proposition that we know has huge market potential. This is what Kantar's research confirmed for us in Q4 of 2021, prior to launching the new platform. This research is being validated through our acquisition efforts as we see off the chart sign up conversion levels, video advertising in excess of 40% and influencers in excess of 60%. A clear sign of interest in the offering.

We have kicked off the year with a good momentum, achieving our Q1 goals for new user intake at a lower marketing cost compared to budget and have been able to show a positive gross margin, where revenue is greater than winnings paid out on the platform.

A big contributing factor to this success was in part due to the success of our Krafton partnership. We delivered PUBG Season 5 in February and March, where the G-Loot branded tournament was promoted in-game, across the PUBG Esports official channels and by some of the biggest pro teams in the world (the likes of Team Liquid and Fazeclan). We broadcasted the experience over 6 days and had over 2 million views. A fantastic effort pulled off by a lean team in a tight timeframe and as a result, an extremely happy partner.

In February we took the decision to close our services for 2 regions, Russia & Belarus. It was a decision that had to be made given the situation in Ukraine. Although this meant that in March we had a lower monthly active user base when compared with February, it has not hampered our ability to grow the user base coming into Q2.

Over the quarter we made big strides in further developing our product offering, releasing a range of functionality focused on our competition formats and rewards. There is still a lot to be done, especially in the areas of progression and community, which is a focus coming into Q2.

Finally, we welcomed two great additions to the management team at the end of the quarter. Cecilia Nennefors joined us as our Chief People and Culture Officer and will focus on retaining our talent and finding new members to join the G-Loot team. We also welcomed Conrad Staudt, who joined us as CTO taking over from Cecilia Borg who was standing in as our interim CTO. Conrad has the experience of working at the likes of Klarna and Frostbite during the years when both companies scaled aggressively. He will focus on ensuring we have a high level of output in our product development that can scale cost efficiently.

All in all, I am very excited for what the year holds. We need to be fearless in our actions and continue making big steps to make a difference, but I believe we are making great progress.



JOHAN PERSSON
CEO

Financial development

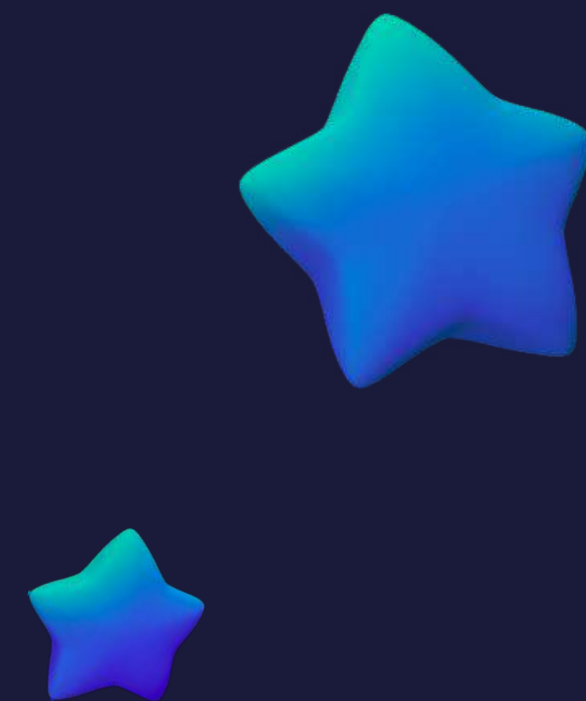
G-Loot delivers the first full quarter with the new business model.

During the quarter we have continued to develop the new product offering. We have seen a steady increase of new users but had a drop in the total number of users in March as an effect of the decision to ban all players from Russia and Belarus standing for around 7% of the total user base. Revenue for the period is down from last year but for the first time, the business is delivering a positive gross margin. The direct cost is affected positively with 2,1 million from cleanout of dormant accounts. Excluding this effect, the product delivered a positive margin of 51% which is mainly influenced by the Krafton partnership.

Throughout the quarter we have seen a strong conversion from active user to subscriber; at a higher pace than forecasted even though the premium offering is not fully developed. We have also seen a higher percentage of new users making purchases compared with current users. This development is promising as it shows a high willingness to purchase, and we are currently optimizing the token economy to increase the likelihood of purchases. G-Loot has phased out most of its consultants, which decreased the other external expenses. G-Loot employee turnover has increased, reducing the personnel cost for the quarter.

The loss for the period ended up at – 30 million SEK which was an improvement from the same quarter last year by 10 million SEK.

Cash at hand as of the end of Mars 2022 amounted to SEK 197 million. The quarter's decrease in cash amounted to SEK -30 million. The business generated SEK -30 million and had a neutral change in working capital.



2022

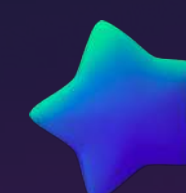
JANUARY - MARCH

Net sales	1 358 (3 814) KSEK
Operating loss	-30 338 (-40 846) KSEK
Earnings before tax	-30 205 (-40 785) KSEK
Earnings per share	-8 (-11) SEK

Profit & loss

All amounts in SEK thousands

	Q1 2022	Q1 2021
Operating income		
Net Sales	1 358	3 814
Other operating income	21	21
Total income	1 379	3 834
Operating expenses		
Direct costs	1 436	-5 292
Other external expenses	-13 875	-18 904
Personnel costs	-18 837	-20 076
Depreciations of:		
– tangible assets	-78	-345
Other operating expenses	-363	-64
Total operating expenses	-31 718	-44 681
Operating profit/Loss	-30 338	-40 846



Assets

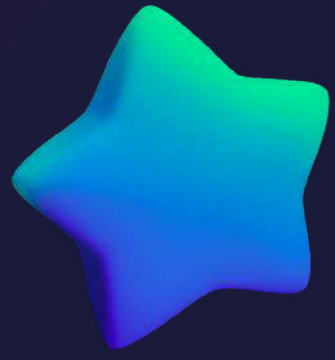
All amounts in SEK thousands

	Mar 31 2022	Mar 31 2021	Dec 31 2021
Fixed assets			
<i>Tangible assets</i>			
Fixtures, tools and installations	1 252	1 682	986
Right-of-use assets	-	794	-
Total tangible assets	1 252	2 476	986
<i>Financial assets</i>			
Other financial assets	-	9 564	-
Financial assets, depositions rent	68	69	68
Total financial assets	68	9 633	68
Total fixed assets	1 321	12 109	1 054
Current assets			
Accounts receivable	-	48	1 591
Other receivables	2 125	1 516	1 604
Prepayments and accrued income	8 706	3 308	9 900
Cash and cash equivalents	197 108	331 633	227 121
Total current assets	207 938	336 505	240 216
Total assets	209 259	348 614	241 270

Equity & liabilities

All amounts in SEK thousands

	Mar 31 2022	Mar 31 2021	Dec 31 2021
Equity			
Share capital	1 134	1 134	1 134
Other contributed capital	413	834 337	413
Retained earnings including loss for the period	178 373	-527 058	208 603
Total equity	179 920	308 413	210 151
Provisions			
Other provisions	4 217	2 312	6 326
Total provisions	4 217	2 312	6 326
Liabilities			
<i>Non-current liabilities</i>			
Lease liabilities	-	-	-
Total non-current liabilities	-	-	-
<i>Current Liabilities</i>			
Advance payment from customers	-	10	-
Accounts payable	5 105	10 451	4 188
Current tax liabilities	-	-	-
Leasing liabilities	-	811	-
Other current liabilities	10 365	16 522	10 542
Accrued expenses and prepaid income	9 651	10 095	10 063
Total current liabilities	25 122	37 889	24 793
Total liabilities	25 122	40 201	24 793
Total equity & liabilities	209 259	348 614	241 270



About G-Loot's reporting

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

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

Audit

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

This is how G-Loot works

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

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

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



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