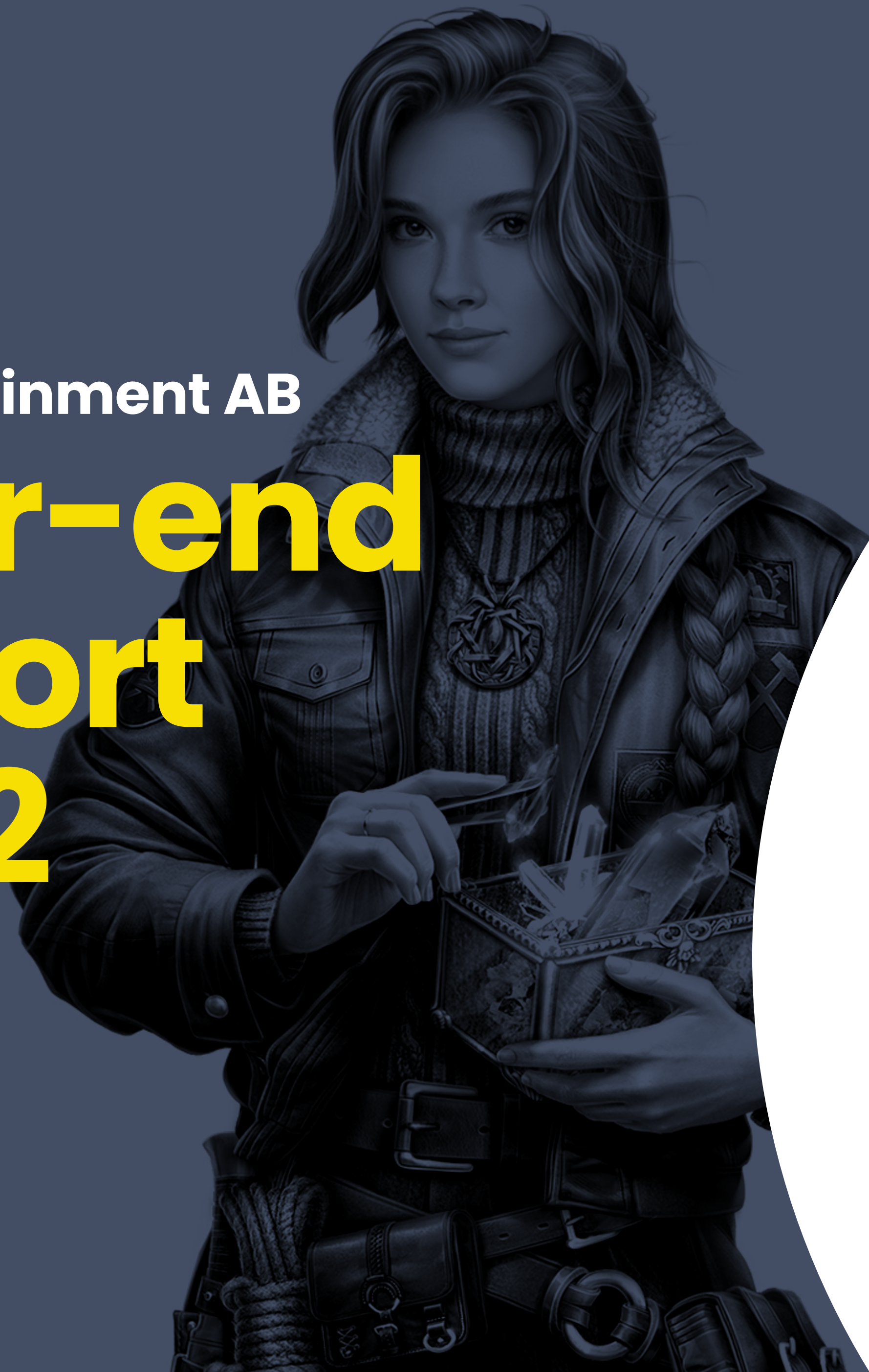


G5 Entertainment AB

Year-end Report 2022



YEAR-END REPORT 2022

October – December 2022

- Revenue for the period was SEK 363.6 M (324.6), an increase of 12 percent compared to the same period in 2021 in SEK terms. In USD terms revenue decreased 7 percent year-over-year.
- Gross margin increased to 67 percent (65 percent), as larger share of revenue is coming from own games and platforms.
- EBIT for the period was SEK 47.6 M (56.6), a decrease of 16%.
- Net result for the period was SEK 45.8 M (54.2).
- Earnings per share for the period, before dilution, was SEK 5.56 (6.42).
- Cash flow amounted to SEK 1.0 M (19.0).
- Average Monthly Active Users (MAU) was 6.0 million, a decrease of 12 percent compared to the same period in 2021. Average Daily Active Users (DAU) was 1.7 million, a decrease of 5 percent compared to the same period in 2021. Average Monthly Unique Payers (MUP) was 177.2 thousand, a decrease of 7 percent while Average Monthly Average Gross Revenue Per Paying User (MAGRPPU) was USD 61.7, a decrease of 2 percent compared to the same period last year. During the period a change in the methodology for measuring the KPI's have been made. More information can be found on page 6, the comparison period has been adjusted accordingly.

Full year 2022

- Revenue for the year was SEK 1,400.1 M (1,315.7), an increase of 6 percent compared to 2021 in SEK terms. In USD terms revenue decreased 10 percent year-over-year.
- Gross margin increased to 67 percent (62 percent), as larger share of revenue is coming from own games and platforms, and lower fees that were applied on the Microsoft platform from Aug 1, 2021.
- EBIT for the period was SEK 79.5 M (216.1), a decrease of 63%.
- Earnings per share for the period, before dilution, was SEK 8.00 (23.32).
- The Board proposes a dividend of 8.0 SEK / share (7.0) equal to approximately SEK 65.4 M (59.1).

FINANCIAL KEY RATIOS

KSEK	Oct-Dec 2022	Oct-Dec 2021	Change %	2022	2021	Change %
Revenue	363,643	324,576	12%	1,400,117	1,315,703	6%
Commission to distributors ¹	-83,624	-75,061	11%	-320,718	-349,183	-8%
Royalty to external developers ²	-36,005	-37,497	-4%	-142,978	-156,073	-8%
Gross profit	244,014	212,019	15%	936,420	810,447	16%
Gross margin	67%	65%		67%	62%	
Operating costs excluding costs for user acquisition	-128,055	-90,418	42%	-521,590	-329,755	58%
EBIT excluding costs for user acquisition	115,959	121,601	-5%	414,830	480,691	-14%
EBIT margin before costs for user acquisition	32%	37%		30%	37%	
Costs for user acquisition ³	-68,341	-65,004	5%	-335,380	-264,571	27%
Costs for user acquisition as percentage of revenue	-19%	-20%		-24%	-20%	
EBIT	47,618	56,596	-16%	79,451	216,121	-63%
EBIT margin (%)	13.1%	17.4%		5.7%	16.4%	
Earnings per share before dilution	5.56	6.42	-13%	8.00	23.32	-66%
Cash flow before financing activities	21,041	25,236		128,091	152,106	
Cash and cash equivalents	177,469	149,964		177,469	149,964	

¹ Variable costs paid to distributors. Main stores have the following fees: Apple App Store, Google Play, Amazon Appstore etc. have a fee of 30 percent, Microsoft Store has 12 percent, G5 Store has single digit percent.

² Royalties to external developers are costs to third party developers when there is a contractual obligation to pay royalty.

³ User acquisition is a marketing cost for acquiring new users. The costs are fully variable and are spent on advertising campaigns that are targeted at acquiring loyal players. The campaigns can be stopped at a very short notice.

Comment from the CEO: The starting point of a new normal



The fourth quarter of 2022 is the starting point of a “new normal” after some significant changes made during 2022. In the third quarter, we made changes to the development funnel and new game capitalization, in the second quarter we boosted UA for Sherlock, and in the first quarter, we drastically had to change many things due to the invasion of Ukraine. All in all, the fourth quarter is the starting point for a “new normal” and even though the relocation efforts are ongoing we are beginning to see a representative quarter of the sustainable situation we expect for 2023 with regards to cost structure, level of UA spend, and profitability.

We consider the demand for our games to be stable and have noticed some improvements towards the end of the year and in January. Year-over-year, fourth quarter revenue grew 12% in SEK and declined 7% in USD, in line with the overall market performance. Sequentially, revenue grew 1% in SEK from the third quarter. G5’s gross margin was a strong 67.1%, slightly lower than the record in the previous quarter. The EBIT margin was 13% and net profit was 50.1 MSEK (down 7% yoy), corresponding to earnings per share of 5.6 SEK.

Our operational cash flow was 58.5 MSEK, negatively impacted by movements in working capital. We used some of it, 19.9 MSEK, to repurchase 106,000 shares during the

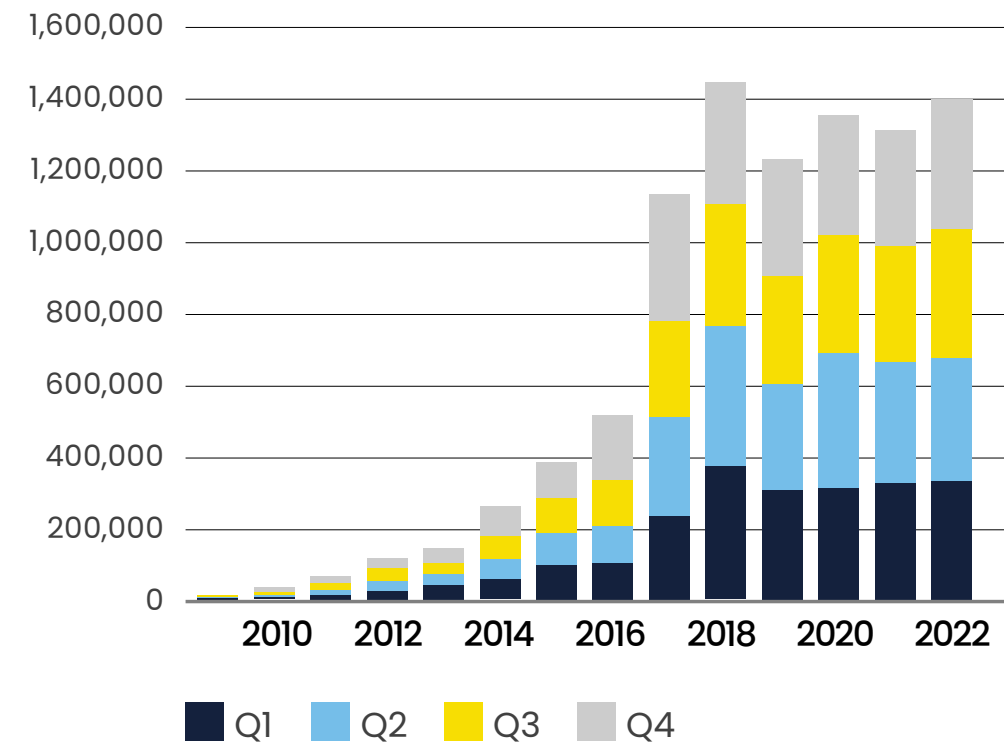
In December, G5 Store earned us more than 30% of what Google play did. Year-over-year, G5 Store revenue grew more than 80%.

quarter at an average price of 188 SEK, bringing down the number of shares in the market to 8,174,000. We ended the year with 177 MSEK in cash, more than last year. In recognition of the strong fundamentals of our business, the board is proposing a dividend of 8 SEK per share, (an increase of 14% from 7.0) equal to approximately 65.4 MSEK (up 10% from 59.1).

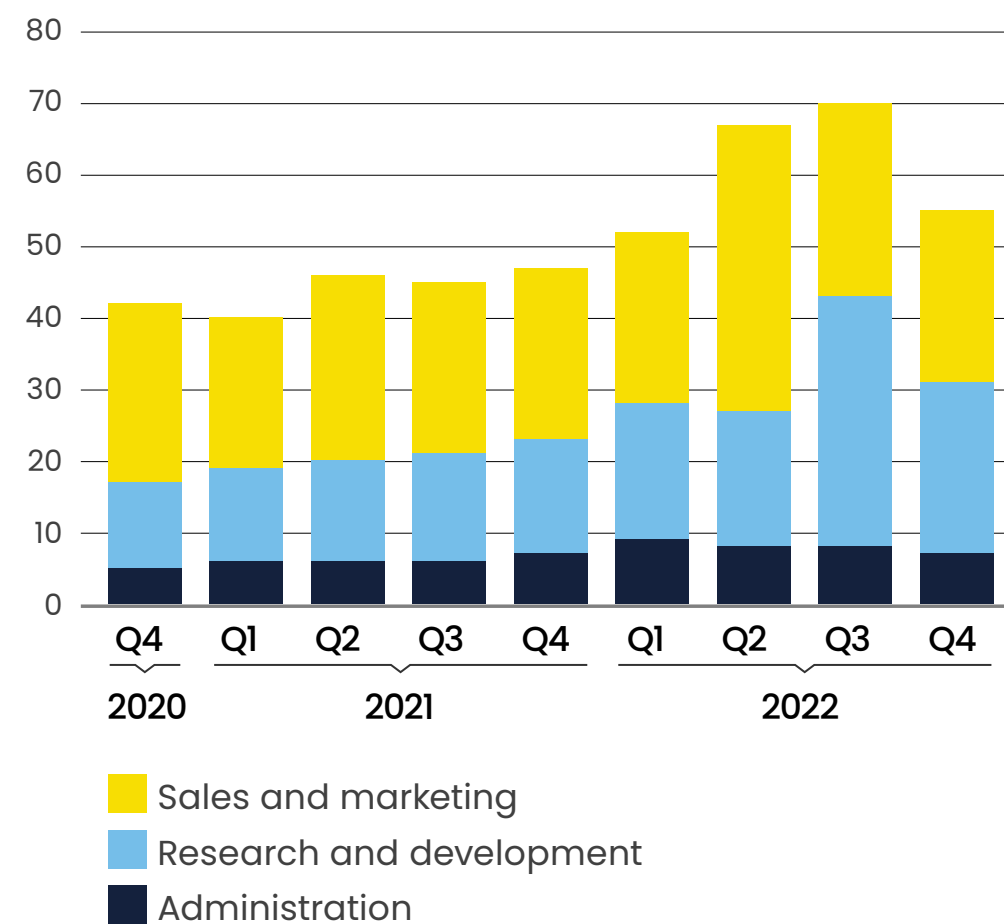
Sherlock was once again the star of our portfolio and drove growth in the new generation games, growing 61% year-over-year in USD terms. The Jewels family of games remained stable and a strong money maker over the course of the quarter. Overall, the New Generation of games grew 6% year-over-year and was 59% of the group’s revenue in the quarter, slightly lower than the 60% achieved in the third quarter. Own games accounted for 71% of our revenue, also slightly lower than in the third quarter as Hidden City made a welcome rebound in the fourth quarter. In January, Hidden City continues to perform on a higher level.

G5 Store, which is now available on PC, Mac, and Android, reached another all-time high monthly revenue in the fourth quarter. For many months, G5 Store has generated more monthly net revenue than the Mac App Store, and in December it was by more than six times. In December, G5 Store for the first time generated more net revenue than Amazon Appstore. In another impressive comparison, G5 Store brought us more than 30% of what Google Play did in December and reached over 7% of the group’s net revenue. Year-over-year, G5 Store revenue grew more than 80% in USD terms and sequentially it grew almost 30% compared to the third quarter. The January 2023 dynamic of G5 Store has accelerated further, and growth was over 100% year-

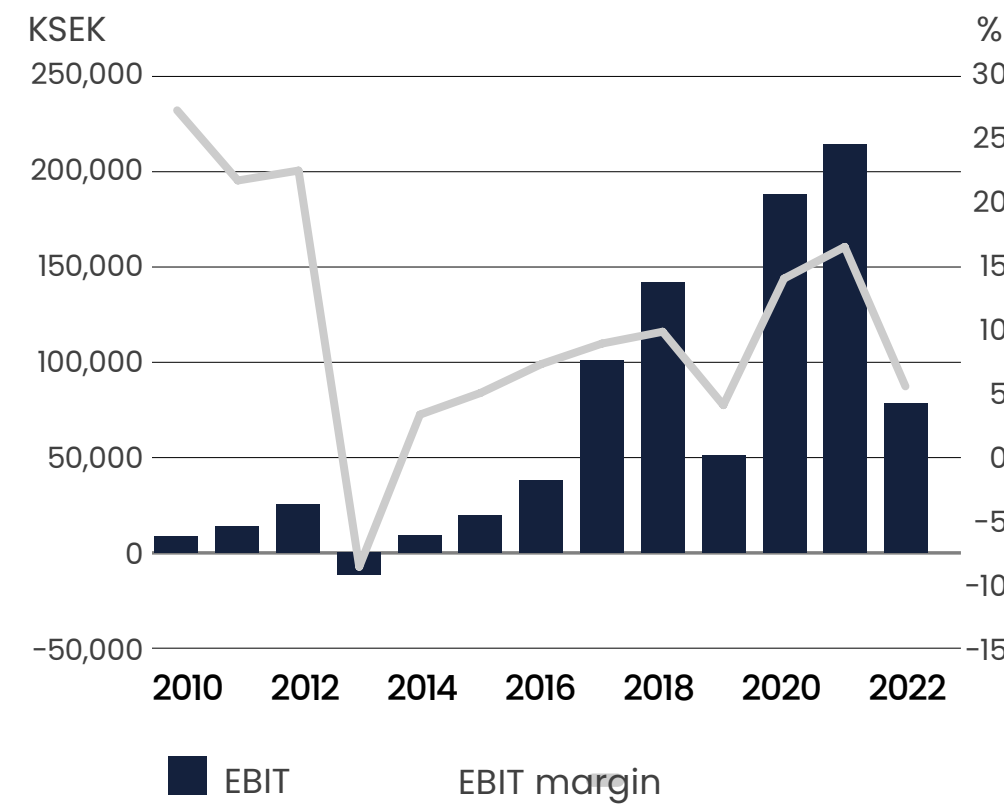
Revenue (KSEK)



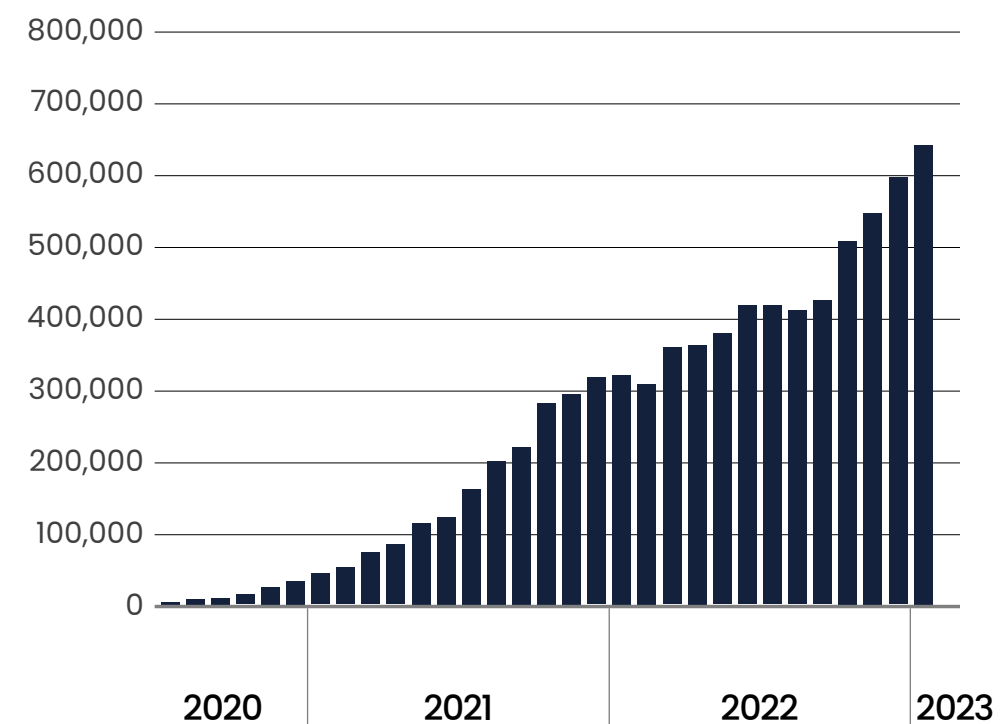
Costs in % of revenue



EBIT (KSEK) | EBIT-margin (%)



G5 Store monthly net revenue (USD)



over-year in USD terms. Payment processing fees in G5 Store are low single digits compared to the 12-30% third party application store fees and thus G5 Store revenue improves our gross margin and profitability. We are excited to see the continued strong growth dynamics in G5 Store at high revenue levels, and what continued strong growth of G5 Store in 2023 means for our gross margin and profitability.

As communicated, we have focused on internally developed and wholly owned games which has resulted in a number of successful games. At the same time, we never stopped looking for great games from third party developers. I am glad to report that in January, we have signed a new hidden object game with a studio established by members of Happy Star studio, which produced Hidden City. We expect to Soft Launch their new game before the summer.

As you know over the course of 2022 following the Russian invasion of Ukraine, we have established new offices in a number of countries and have put effort into providing our employees with the opportunity to relocate, aiming to diversify our geographic footprint. While Ukraine remains our largest office, our employees who physically remain in Ukraine stand for only about 35% of our total workforce, compared to about 50% one year ago. Our employees which are physically located in EU, Montenegro, Armenia, Georgia, and in Kazakhstan, now stand for 37% of our staff. This is substantial progress in geographic diversification, and we expect to further reduce our exposure to the risks of this conflict during

Employees physically located in EU, Montenegro, Armenia, Georgia, and in Kazakhstan now stand for 37% of our staff.

2023. Our relocation efforts involve one-time costs but are managed in such a way as to avoid dramatic cost changes for the group in the long run.

As we wrap up a difficult 2022 and head into 2023, I would once again like to give a big thanks to our great international team, which kept the company going during such times, and especially to our employees in and from

Ukraine, given what they had endured this year. I hope 2023 can bring peace and relief.

Thanks to the outstanding efforts of our team, business-wise G5 is arguably in the best position it has ever been. We have a strong balance sheet and continue to operate with zero debt, while fully funding our marketing and development efforts, including new games, from operational cash flow. We are entering 2023 with strong growth trends in Sherlock and G5 Store and growing profitability due to lower fees in G5 Store and a higher percentage of revenue generated by our own games. In 2023, we strive to deliver stable performance in line with the “new normal” of this fourth quarter. We expect to spend about 17-22% of our revenue on user acquisition this year. We are working on multiple new games with the goal to soft-launch 5-6 per year and develop 1-2 per year that we can release globally and scale.

Thank you for following G5.
February 9th, 2023
Vlad Suglovov, CEO, co-founder

October – December

Revenue and gross profit

Revenue amounted to SEK 363.6 M (324.6). Revenue increased by 12 percent compared to the same period in 2021, in USD the revenue decreased by 7%.

Cost of revenue increased to SEK 119.6 M (112.6). Cost of revenue includes commission to the distributors. Most parties still charge up to 30 percent of gross revenue, except for Microsoft Store with commission fees of 12 percent since August 2021 and G5 Store with commission fees in single digit percent for third-party payment processing. Cost of revenue also includes royalties payable to external developers which decreased by 4 percent compared to the same period in 2021.

Gross margin for the period was 67 percent (65). Gross profit for the quarter increased by 15 percent compared to the fourth quarter in 2021 and was SEK 244.0 M (212.0).

Operational Costs

Costs for research and development were SEK 85.0 M (50.9) during the period. The main driver for the increase was the change made to the development funnel which was communicated with the interim report for Jan-Sep 2022. Change in capitalization ratio impacted the fourth quarter negatively with SEK 22.3 M compared to previous year. Amortizations also increased with SEK 7.6 M.

Sales and marketing increased to SEK 85.7 M (79.2). Sales and marketing is primarily affected by the costs for user acquisition. During the quarter the cost for user acquisition was SEK 68.3 M (65.0).

Cost for user acquisition as a percentage of sales was 19 percent, compared to 20 percent in the same period in 2021. Sales and marketing, excluding user acquisition, increased to SEK 17.3 M (14.2).

General and administrative costs amounted to SEK 26.6 M (23.6). Other operating income amounted to SEK 0.9 M (0.0) and other operating expenses amounted to SEK 0.0 M (-1.7). Together they amounted to SEK 0.9 M (-1.7), primarily driven by currency effects on operational assets and liabilities.

EBIT

Depreciation and amortization have increased with the larger portfolio of games, and amounted to SEK 39.4 M (34.0). Capitalization of intangible assets amounted to SEK 32.3 M (47.1). During the quarter no write-downs were made. Net effect of capitalization and amortization on intangible assets amounted to SEK -5.1 M (17.3).

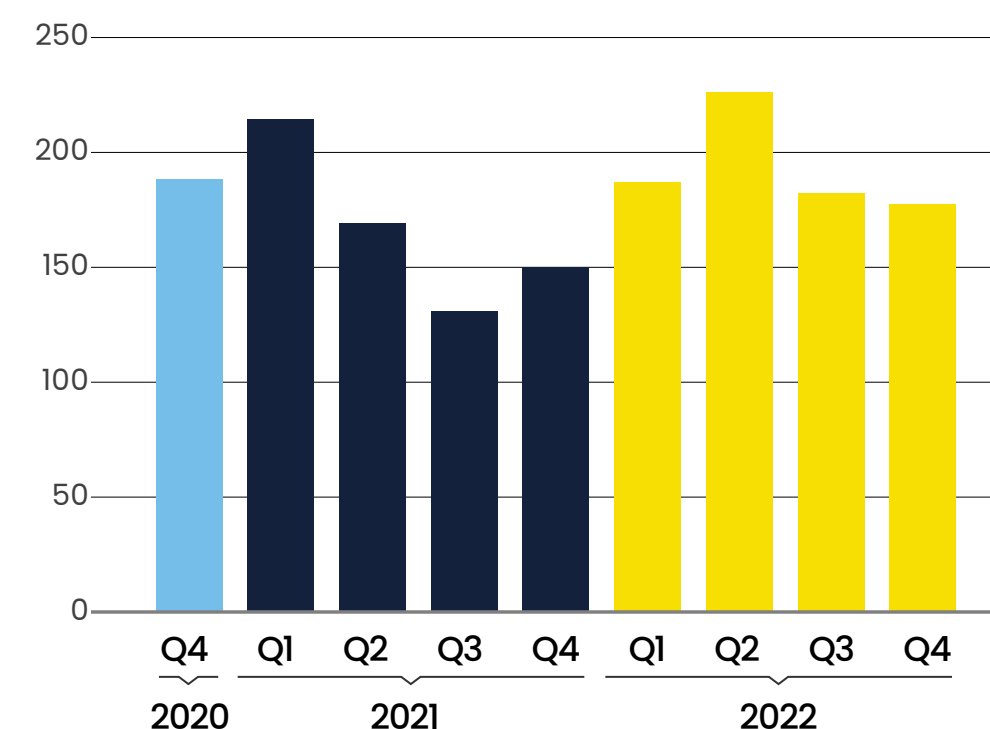
Earnings before interest and taxes (EBIT) amounted to SEK 47.6 M (56.6), corresponding to an EBIT margin of 13.1 percent (17.4).

Net profit

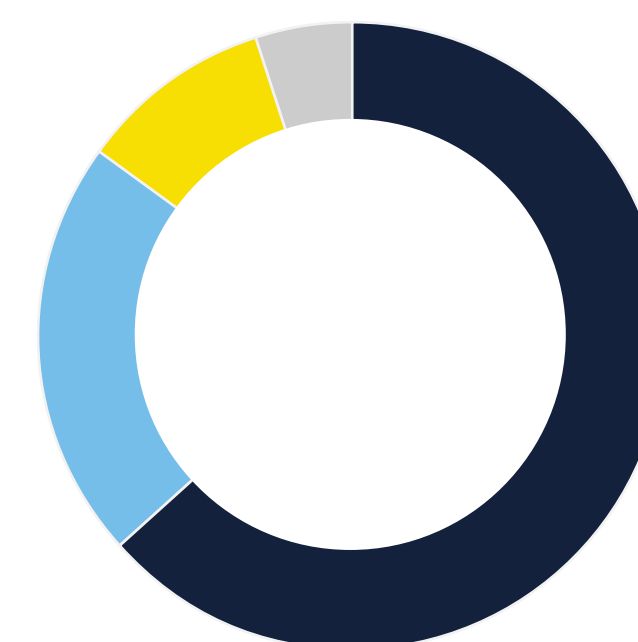
Net profit was affected by financial items with SEK 0.0 M (-4.5). Tax affected the result with SEK -1.8 M (2.0).

Net profit amounted to SEK 45.8 M (54.2) which equals an earnings per share, before dilution, of SEK 5.56 (6.42) and after dilution of SEK 5.53 (6.34).

Cash Position (MSEK)

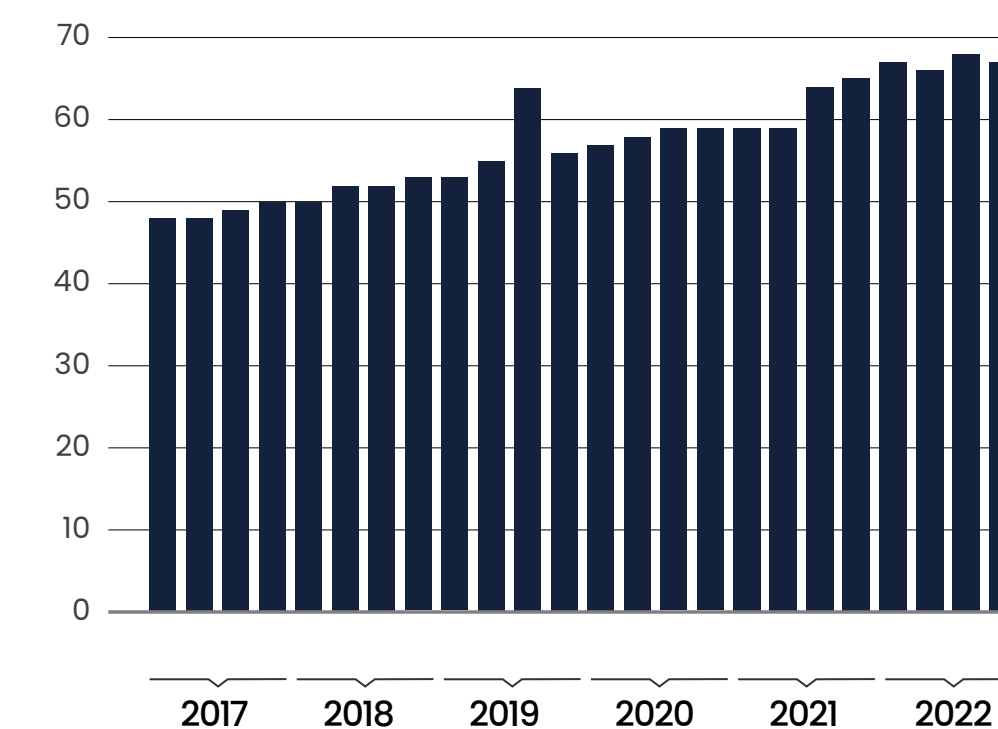


Revenue breakdown by geography Fourth Quarter 2022

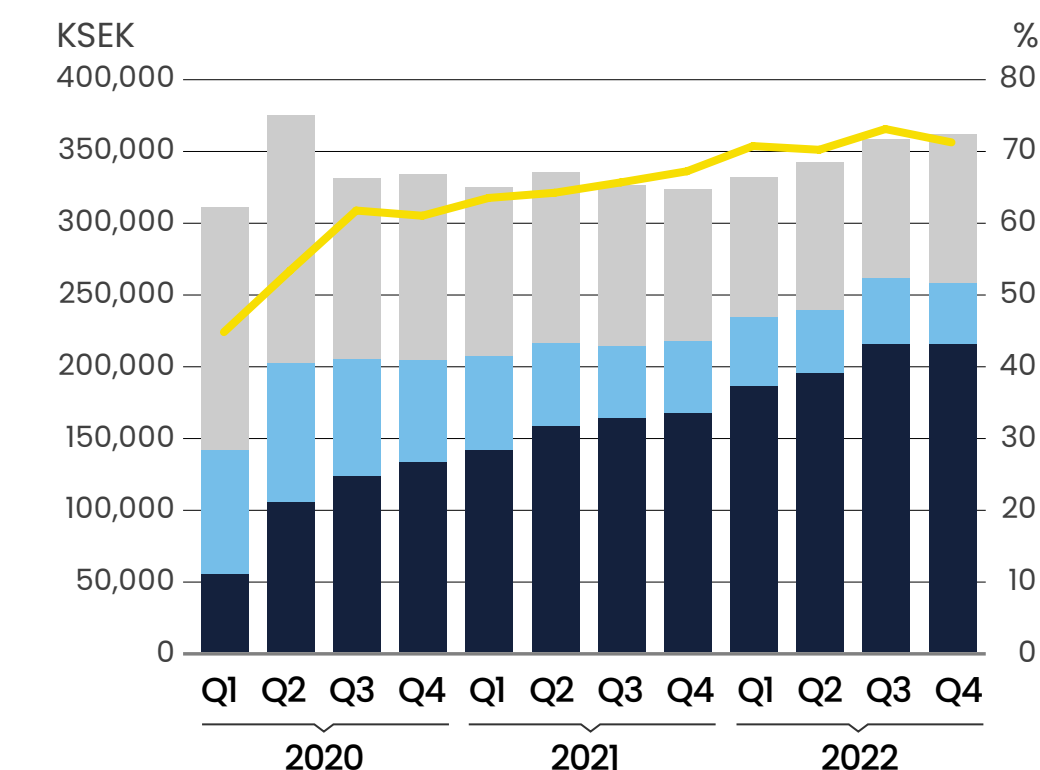


North America 64%
Europe 22%
Asia 9%
ROW 5%

Gross Margin (%)



Own/licensed revenue (KSEK) share own games (%)



3rd party games, KSEK
G5 Games old, KSEK
G5 Games new, KSEK
Own games, %

Operational metrics

F2P	Q4 '22	Q4 '21	Change
Average MAU (mn)	6.0	6.7	-12%
Average MUP (thousands)	177.2	189.7	-7%
Average MUU (mn)	4.4	4.9	-11%
Average MAGRPPU (USD)	61.7	63.3	-2%
Average DAU (mn)	1.7	1.8	-5%

During the quarter the company made a change in the methodology of accounting for the operational metrics, specifically the change has impacted MAU, MUU and DAU positively. The company has aligned the internal measurements with third parties and it is the assessment of the company that the new methodology is more in-line with market praxis.

For detailed definitions of the operational metrics see the glossary on page 17 of the report.

Releases during the quarter

The were no significant releases during the quarter.

January–December

Revenue and gross profit

Revenue increased with 6 per cent compared to the same period last year, impacted strongly by the SEK/USD exchange rate. Revenue in USD for the year declined with -10%. Revenue amounted to SEK 1,400.1 M (1315.7).

The group's cost of revenue was SEK -463.7 M (-505.3). Gross profit amounted to SEK 936.4 M (810.4), an increase of 16 percent compared to the same period in 2021. Gross margin was 67 percent (62).

Operating Costs

Operating costs increased 44 per cent compared to the same period in 2021. User acquisition increased to SEK 335.4 M (264.6). Excluding costs for user acquisition the operating costs amounted to SEK 521.6 M (329.8). The operational costs were impacted by depreciation and amortization of SEK 151.3 M (133.2) and one-off write-off in the third quarter of SEK 72.5 M (0.0).

Other operating income and costs impacted the period positively with SEK 21.5 M (-5.0), primarily attributed to exchange rate differences on operational assets and liabilities related to balance sheet items in the parent company.

EBIT

EBIT was SEK 79.5 M (216.1) and the EBIT-margin was 5,7 percent (16.4) for the period.

Net profit

Financial net was primarily affected by revaluation of short term investments, financial net amounted to SEK -3.8 M (-7.0). Tax affected the result with SEK -8.7 M (-10.9) corresponding to an effective tax rate of 11 percent (5).

Net profit amounted to SEK 66.9 M (198.2) which is corresponding to earnings per share before dilution of SEK 8.00 (23.32).

Cash flow

During the fourth quarter, the group had an operating cash flow before changes in working capital of SEK 94.7 M (100.2). In the quarter taxes impacted the cash flow negatively with SEK 1.2 M (8.0).

Changes in working capital impacted the cash flow with SEK -36.3 M (-5.2). Capitalized development expenses impacted the cash flow negatively with SEK 32.3 M (47.1).

Cash flow before financing activities amounted to SEK 21.0 M (25.2). Financing activities were impacted by buybacks of own shares amounting to SEK -19.9 M (-4.1) and IFRS16 bookings related to lease of premises SEK -0.2 M (-2.2).

For the full year cash flow before changes in working capital amounted to SEK 293.3 M (346.2). Cash flow amounted to SEK 19.5 (-40.2).

Available cash on December 31, 2022 amounted to SEK 177.5 M (150.0).

Financial position

During the third quarter 2022 the group changed its publishing strategy by making changes to how it is vetting new games. The foundation is still to have a portfolio of different games in the portfolio in order to maximize potential and reduce risk. Multiple games are developed at any given point in time, some of these games become very successful and extremely profitable, some of these games do not become big breakthroughs but pay for themselves and are stable earners over a long period of time, while the majority of games that go into production will be cancelled at an early stage as the market potential is not significant enough.

As the majority of games that are produced will be cancelled during soft launch, the company will not capitalize development expenses on games until they reach global launch. Capitalizing after global launch will reduce the risk for write-offs in the portfolio.

As before, capitalized development expenses for unsuccessful games will be written down. Development for games only released in soft launch will be expensed as they are incurred. Over time, the company expects such write-offs and expenses to be more than compensated for by the revenue and profits produced by successful games in the portfolio.

Capitalized development expenses amounted to SEK 273.1 M (274.8).

Impairment need in the portfolio is tested every quarter. A thorough review of the input parameters is done on a yearly basis. During the fourth quarter, no write-offs (0.0) were made.

Consolidated equity amounted to SEK 499.7 M (492.4), which equals SEK 61.1 per share (58.3) and the equity/asset ratio is 76 percent (79).

Cash on hand amounted to SEK 177.5 M (150.0).

Other long-term debt and other short term debt are solely related to IFRS16 accounting of lease contracts.

Parent company

The parent company revenue increased in line with the group. The parent company is the counterpart for all application stores where G5 sells its products. The costs consist mainly of payments to one of the subsidiaries in Malta, that holds the rights for the games in the portfolio and is also where the senior management overseeing the games, HR etc. is based. Over time, the transactions should generate a surplus for the parent company, but during shorter periods some imbalances may occur.

As for the group, the financial position of the parent company is solid.

Other disclosures

The Board's Proposed Dividend

G5 Entertainment is active in a market that grows quickly, and in order to benefit from this growth, the company's main focus is to continue re-investing the majority of the profits in activities that promote organic growth, such as product development and marketing. With this taken into account the Board proposes a dividend of SEK 8.0 per share (7.0) corresponding to 98 percent (30) of net profit for the year.

Outlook

G5 Entertainment does not publish forecasts.

Risk assessment

G5 Entertainment is, like all companies, exposed to various kinds of risks in its operations. Among the most notable are risks related to the dependency on certain strategic partners, delays in the release of new games, currency exchange risks, changes in technology, dependency on key employees, and tax as well as political risks due to the multinational nature of the group's operations. Risk management is an integral part of G5 Entertainment's management.

Related-party transactions

During the period no significant related-party transactions have taken place except the ongoing transactions highlighted in the annual report 2021.

Upcoming report dates

Interim report Jan-March 2023	May 4, 2023
Annual General Meeting 2023	June 14, 2023
Interim report Jan-Jun 2023	August 10, 2023
Interim report Jan-Sep 2023	November 8, 2023

Teleconference

On February 9th, 2023 at 08.00 CET, CEO Vlad Suglobov and CFO Stefan Wikstrand will present the interim report in a conference call.

For dial-in details please visit: <https://corporate.g5e.com/investors/calendar>

Forward-looking statements

This report may contain statements concerning, among other things, G5 Entertainment's financial position and performance as well as statements on market conditions that may be forward-looking. G5 Entertainment believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions. However, forward-looking statements involve inherent risks and uncertainties and actual results or outcomes may differ materially from those expressed. Forward-looking statements relate only to the date they were made and, other than as required by applicable law, G5 Entertainment undertakes no obligation to update any of them in light of new information or future events.

Inquiries

Vlad Suglobov, CEO	investor@g5e.com
Stefan Wikstrand, CFO	+46 76 0011115

Assurance

The Board of Directors and the CEO declare that the interim report provides a true and fair overview of the Parent Company's and the Group's operations, financial position and results of operations as well as describing the material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm February 9th, 2023

Petter Nylander
Chairman of the Board

Johanna Fagrell Köhler
Board member

Jeffrey Rose
Board member

Sara Börsvik
Board member

Marcus Segal
Board member

Vlad Suglobov
CEO, Board member

Note:
G5 Entertainment AB (publ) is required to make the information in this interim report public in compliance with the Swedish Securities Market Act. The information was submitted for publication on February 9th, 2023 at 07.00. This interim report has not been subject to review by the company's auditors. This report is published in Swedish and English. In the event of any difference between the English version and the Swedish original, the Swedish version shall prevail.

INCOME STATEMENT – GROUP

KSEK	Oct-Dec 2022	Oct-Dec 2021	2022	2021
Net turnover	363,643	324,576	1,400,117	1,315,703
Cost of revenue	-119,629	-112,557	-463,696	-505,256
Gross profit	244,014	212,019	936,420	810,447
Research and Development expenses	-84,982	-50,908	-364,050	-189,180
Sales and Marketing expenses	-85,682	-79,200	-400,844	-315,343
General and administrative expenses	-26,608	-23,578	-113,618	-84,800
Other operating income	876	0	21,544	0
Other operating expenses	0	-1,736	0	-5,004
Operating result	47,618	56,596	79,451	216,121
Financial income	844	95	1,663	175
Financial expenses	-854	-4,480	-5,506	-7,209
Operating result after financial items	47,608	52,212	75,607	209,086
Taxes	-1,849	2,035	-8,661	-10,878
Net result for the year	45,759	54,246	66,947	198,208
Attributed to:				
Parent company's shareholders	45,759	54,246	66,947	198,208

KSEK	Oct-Dec 2022	Oct-Dec 2021	2022	2021
Earnings per share				
Weighted average number of shares (thousands)	8,226	8,444	8,370	8,498
Weighted average number of shares after dilution, (thousands)	8,272	8,557	8,416	8,611
Earnings per share (SEK) before dilution	5.56	6.42	8.00	23.32
Earnings per share (SEK) after dilution	5.53	6.34	7.96	23.02

STATEMENT OF COMPREHENSIVE INCOME – GROUP

KSEK	Oct-Dec 2022	Oct-Dec 2021	2022	2021
Net result for the period	45,759	54,246	66,947	198,208
Items that later can be reversed in profit				
Revaluation long-term investments	-1,499	-	-1,499	-
Foreign currency translation differences	-31,267	14,728	38,083	37,343
Total other comprehensive income for the period	-32,766	14,728	36,584	37,343
Total comprehensive income for the period	12,993	68,974	103,531	235,551
Attributed to:				
Parent company's shareholders	12,993	68,974	103,531	235,551

BALANCE SHEET - GROUP

KSEK	Dec 31 2022	Dec 31 2021
Fixed assets		
Intangible fixed assets		
Capitalized development expenses (Note 2)	273,073	274,757
	273,073	274,757
Tangible fixed assets		
Equipment	16,718	26,013
	16,718	26,013
Long term Investments	16,589	18,088
Deferred tax receivable	63	0
Total non-current assets	306,443	318,858
Current assets		
Accounts receivable	5	3
Tax receivable	1,664	3,880
Other receivables (Note 3,4)	13,656	11,575
Prepaid expenses and accrued income	150,621	129,316
Short term investments	8,017	12,195
Cash and cash equivalents	177,469	149,964
Total current assets	351,433	306,933
Total assets	657,876	625,791

KSEK	Dec 31 2022	Dec 31 2021
Equity		
Total shareholders' equity	499,729	492,410
Long-term liabilities		
Deferred tax liabilities	1,467	466
Long-term liabilities	1,578	4,841
Total long-term liabilities	3,045	5,307
Current liabilities (Note 5)		
Short-term liabilities	1,281	7,450
Accounts payable	61,123	24,253
Other liabilities	8,500	6,965
Tax liabilities	23,371	24,040
Accrued expenses	60,827	65,367
Total current liabilities	155,102	128,075
Total equity and liabilities	657,876	625,791

CHANGES IN SHAREHOLDERS' EQUITY - GROUP

KSEK	Share capital	Other capital contribution	Other reserves	Profit/loss brought forward	Shareholders' equity
Shareholders' equity 2021-01-01	928	-15,616	-9,307	455,802	431,807
Net result for the year				198,208	198,208
Total other comprehensive income			37,343		37,343
Total comprehensive income for the year			37,343	198,208	235,551
Dividend				-54,097	-54,097
Repurchase of shares		-126,022			-126,022
IFRS2 - Employee share schemes			5,171		5,171
Total transactions with the owners recognized directly in equity		-126,022	5,171	-54,097	-174,948
Shareholders' equity as of 2022-12-31	928	-141,638	33,207	599,913	492,410
Shareholders' equity 2022-01-01	928	-141,638	33,207	599,913	492,410
Net result for the year				66,947	66,947
Total other comprehensive income			38,083		38,083
Total comprehensive income for the year			38,083	66,947	105,030
Dividend				-59,080	-59,080
Repurchase of shares		-48,066			-48,066
Revaluation long-term investments			-1,499		-1,499
IFRS2 - Employee share schemes			10,935		10,935
Total transactions with the owners recognized directly in equity		-48,066	9,436	-59,080	-97,710
Shareholders' equity as of 2022-12-31	928	-189,704	80,726	607,780	499,730

CASH FLOW STATEMENT - GROUP

KSEK	Oct-Dec 2022	Oct-Dec 2021	2022	2021
Cash flow from operating activities				
Profit after financial items	47,608	52,212	75,607	209,086
Adjusting items not included in cash flow	48,334	39,996	232,032	144,393
	95,942	92,208	307,639	353,479
Taxes paid	-1,228	7,993	-14,290	-7,241
Cash flow before changes in working capital	94,714	100,201	293,349	346,238
Cash flow from changes in working capital				
Change in operating receivables	-4,437	413	-22,944	-8,084
Change in operating liabilities	-31,828	-5,599	34,351	22,477
Cash flow from operating activities	58,449	95,015	304,756	360,631
Investing activities				
Investment in fixed assets	-5,085	-2,143	-8,439	-9,701
Capitalized development expenses	-32,323	-47,124	-167,163	-162,523
Short term investments	-	-2,424	-1,063	-18,213
Long term investments	-	-18,088	-	-18,088
Cash flow from investing activities	-37,408	-69,779	-176,665	-208,525

KSEK	Oct-Dec 2022	Oct-Dec 2021	2022	2021
Financing activities				
Lease financing	-169	-2,158	-1,475	-12,219
Dividend	-	-	-59,080	-54,097
Repurchase shares	-19,865	-4,122	-48,066	-126,022
Cash flow from financing activities	-20,034	-6,280	-108,621	-192,338
Cash flow	1,007	18,956	19,470	-40,232
Cash at the beginning of the period	182,253	130,880	149,964	188,411
Cash flow	1,007	18,956	19,470	-40,232
Exchange rate differences	-5,791	128	8,035	1,785
Cash at the end of the period	177,469	149,964	177,469	149,964

Note 1

Accounting principles

G5 Entertainment's consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS). This report was prepared for the group in accordance with the IAS 34 Interim Financial Reporting and the Annual Accounts Act.

During the third quarter 2022 the company changed the publishing strategy as described on page 7 of this report. The change in publishing strategy means that the company will cancel more games at an early stage. The company will focus its development resources on the games that show stronger metrics which then might be released for a global audience. As fewer games will be released for a global audience the company has made changes in the calculations regarding capitalization on new games and have also made a new assessment regarding current balanced values for unreleased games.

Excluding the change in publishing strategy and the subsequent changes in calculation principles for unreleased games the accounting and calculation principles used in the report for the group are identical to those used in the Annual Report 2021.

The interim report is on pages 1–16, and pages 1–8 are thus an integrated part of this financial report.

Note 2

Capitalized development expenses

KSEK	Oct-Dec 2022	Oct-Dec 2021	2022	2021
At the beginning of the period	296,337	249,939	274,757	204,649
Investments	32,323	47,124	167,163	162,523
Write-offs	0	0	-72,530	0
Amortization	-37,473	-29,838	-143,149	-116,031
Net change during the period	-5,150	17,286	-48,516	46,492
Currency exchange differences	-18,114	7,533	46,832	23,617
At the end of the period	273,073	274,757	273,073	274,757

Note 3

Other receivables

Other receivables include SEK 9.2 M (5.3) for prepaid royalties to third party developers. G5 publishes both proprietary games and games licensed from third-party developers. In connection with the conclusion of agreements with third party developers, G5 sometimes pays an advance on royalties to fund game development. These advances are usually offset against the third party developer's contractual share of the revenue that each game generates.

Note 4

Pledged assets and contingent liabilities

G5 Entertainment has pledged assets amounting to SEK 3 M. G5 Entertainment does not have any contingent liabilities.

Note 5

Fair value

G5 group has long and short term financial instruments that are accounted for at fair value. The carrying amount for financial instruments correspond to fair value.

INCOME STATEMENT – PARENT COMPANY

KSEK	Oct-Dec 2022	Oct-Dec 2021	2022	2021
Net turnover	363,576	324,576	1,400,043	1,315,703
Cost of revenue	-285,401	-241,748	-1,025,579	-1,012,047
Gross profit	78,175	82,828	374,464	303,656
Research and development expenses	-30	-26	-109	-107
Sales and Marketing expenses	-72,221	-67,648	-347,126	-236,178
General and administrative expenses	-7,239	-7,314	-32,126	-71,316
Other operating income	0	0	21,371	0
Other operating expenses	-1,732	-1,483	0	-3,790
Operating result	-3,047	6,357	16,474	-7,734
Financial income	195,848	170,931	195,891	348,393
Financial expenses	-810	-4,219	-5,241	-6,028
Operating result after financial items	191,991	173,069	207,124	334,631
Taxes	463	-2,895	-1,989	0
Net result for the period	192,454	170,174	205,135	334,631

STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

KSEK	Oct-Dec 2022	Oct-Dec 2021	2022	2021
Net result for the period	192,454	170,174	205,135	334,631
Items that later can be reversed in profit				
Revaluation long-term investments	-1,499	-	-1,499	-
Total other comprehensive income for the period	190,955	170,174	205,135	334,631

BALANCE SHEET – PARENT COMPANY

KSEK	Dec 31 2022	Dec 31 2021
Fixed assets		
Tangible fixed assets		
Tangible fixed assets	5	22
Financial fixed assets		
Shares in group companies	105	70
Financial assets	16,589	18,088
Total fixed assets	16,699	18,179
Current assets		
Account receivables	0	3
Receivables from group companies	392,909	170,023
Tax receivables	762	2,751
Other receivables	714	3,847
Prepaid expenses and accrued income	131,174	122,901
Financial assets	8,017	12,195
Cash and cash equivalents	129,196	127,096
Total current assets	662,772	438,816
Total assets	679,471	456,995

KSEK	Dec 31 2022	Dec 31 2021
Restricted equity		
Share capital	928	928
Non-restricted equity		
Share premium reserve	52,401	51,434
Profit/Loss carried forward	80,294	-145,691
Net result for the period	205,135	334,631
Total equity	338,758	241,302
Current liabilities		
Accounts payable	44,606	21,487
Tax Liability	0	0
Liability to group companies	289,699	189,566
Other liability	2,664	1,575
Accrued expenses	3,743	3,065
Total current liabilities	340,713	215,694
Total equity and liabilities	679,471	456,995

Glossary

Financial statement

Cost of revenue consists of direct expenses incurred in order to generate revenue from the company's games. This primarily includes commission to distributors and royalties to external developers.

Research and Development expenses primarily consist of salaries, bonuses and benefits for the company's developers. In addition, research and development expenses include outside services, as well as allocated facilities and other overhead costs. Costs associated with maintaining the company's computer software and associated infrastructure are expensed as incurred. Development costs that are directly attributable to the design and testing of the company's identifiable and unique games are recognized as intangible assets, and amortized within research and development expense over a 24-month period.

Sales and Marketing expenses primarily consist of user acquisition expenses and related software. Sales and marketing also includes salaries, bonuses, and benefits for the company's sales and marketing staff, as well as consulting fees. In addition, sales and marketing expenses include general marketing, branding, advertising and public relations costs.

General and Administrative expenses primarily consist of salaries, bonuses, and benefits for the company's executive, finance, legal, information tech-

nology, human resources and other administrative employees, as well as support staff. It also includes outside consulting, legal and accounting services, insurance as well as facilities and other overhead costs not allocated to other areas across the business. In addition, general and administrative expenses include all of the company's depreciation expenses.

Use of key ratios not defined in IFRS

The G5 Group's accounts are prepared in accordance with IFRS. See page 13 for more information on accounting principles. Only a few key ratios are defined in IFRS. As of the second quarter 2017, G5 is applying the Alternative Performance Measures issued by ESMA (European Securities and Markets Authority). Briefly, an alternative key ratio is a financial measurement of historical or future earnings development, financial position or cash flow, not defined or specified in IFRS. To assist Group Management and other stakeholders in their analysis of the Group's performance, G5 is reporting certain key ratios not defined by IFRS. Group Management believes that this information will facilitate an analysis of the Group's performance. This data supplements the IFRS information and does not replace the key ratios defined in IFRS. G5's definitions of measurements not defined in IFRS may differ from definitions used by other companies.

All of G5's definitions are included below.

EBIT excluding costs for user acquisition consists of reported EBIT adjusted for costs for user acquisition.

Operational terms

Monthly Active Users (MAU) is the number of individuals who played a G5 game in a calendar month. An individual who plays two different games in the same month is counted as two MAUs. Numbers presented in the report are the average of the three months in any given quarter.

Daily Active Users (DAU) is the number of individuals who played a G5 game in a day. An individual who plays two different games in the day is counted as two DAUs. Numbers presented in the report are the average of the three months in any given quarter.

Monthly Unique Payers (MUP) is the number of individuals who made a payment in a G5 game at least once during a calendar month. An individual who pays in two G5 games is counted as one MUP. Numbers presented in the report are the average of the three months in any given quarter.

Monthly Unique Users (MUU) is the number of individuals who played a G5 game at least once during a calendar month. An individual who plays two different games during the month is counted as one MUU.

Numbers presented in the report are the average of the three months in any given quarter.

Monthly Average Gross Revenue Per Paying User (MAGRPPU) is the average gross revenue received from a Monthly Unique Payer during a calendar month. MAGRPPU is calculated by dividing the gross revenue during the calendar month by the number of Monthly Unique Payers in the same calendar month. The numbers presented in the report are the average of the three months in any given quarter.

About G5 Entertainment

G5 Entertainment AB (publ) (G5) develops and publishes high quality free-to-play games for G5 Store, Apple App Store, Google Play, Microsoft Store, Amazon Appstore etc. The games are easy to learn and targeted at the widest audience of experienced and novice players. G5's portfolio includes a number of popular games like Jewels of Rome®, Sherlock Hidden Match-3 cases, Hidden City, Mahjong Journey®, Homicide Squad®, The Secret Society® Wordplay: Search Word Puzzle™ and Jewels of the Wild West™. G5 Entertainment AB (publ) is listed on Nasdaq Stockholm since 2014.

G5 Entertainment AB (publ)

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