



Interim financial statements

G-Loot Global Esports AB

JANUARY – DECEMBER 2020



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

The highlight of the quarter was to close the new share issue and in doing so securing the opportunity for continued growth and development of the esports platform, G-Loot. The new share issue totalling SEK 500 million was the largest esports investment in Europe to date and has put G-Loot on the map internationally.

Over the course of the investment round, a number of organisational changes were put on hold which are now being addressed. The work from home situation is still a challenge, especially for creative work, but we have put a lot of energy into finding ways to maintain our ability to deliver.

The Covid situation, with shutdowns and more time spent at home, has positively impacted the G-Loot business. We also do not anticipate any negative impact as a result of the situation returning to normal, as we have a dedicated player base that will not change their gaming behaviour when things return to normal.

We are now working according to the business plan that was the basis for the new share issue. The focus is on finding profitable growth in the North American market. This is done partly through product improvements with new forms of competition and features that increase revenue, and partly through improved marketing that will reduce the cost of acquiring new users.

During Q4, the management team took the decision to substantially reduce outgoing spend in both paid user acquisition and prize pools to focus on improving the unit economics through product development and consumer research. As a result, the quarter ended with a lower total intake of new players and a slightly lower net sales level compared to the same quarter in 2019. The result of the planned slowdown and G-Loot's new focus is already evident, with several positive trends already being observed. My goal is to see a positive return on user acquisition during 2021 in order to quickly and profitably scale up growth thereafter.

In February this year, I joined G-Loot as CEO and Patrik Nyblad took on the role of Chief Investment Officer (CIO) and Acting Chairman of the Board. As a co-founder and former Chairman of the Board, I have followed the company since its inception, and I feel honored by the support I have received from both our owners and employees during my first weeks. My focus over the coming months is to create clear structures, increase productivity and provide a razor-sharp product focus by continuing to develop the organizational structure. I am convinced that my previous experiences from the mobile gaming industry and MAG Interactive will create great value in the journey G-Loot is now on.



JOHAN PERSSON
CEO

Sales increased for the full year

Activity on the platform increased during 2020 and thus net sales. At the same time, costs increased as a result of more employees and higher costs for recruiting new players.

Operating profit for the full year is in line with our expectations but weaker than the previous year and decreased from SEK -137 million to SEK -249 million.

For most of 2020, the management team has focused on securing capital for future growth.

The quarter meant a change in focus

During the last quarter of the year, a planned slowdown in growth was implemented. This is a consequence of decisions made during the issue process where focus changed from growth in sales to a concentration on increased profitability in the product.

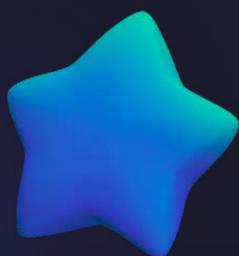
The short-term goal is that the total income that a player generates during his lifetime on the platform must be twice as high as the cost of recruiting that player.

A larger organization resulted in an operating profit that deteriorated slightly during the current quarter compared with the same quarter last year.

During the beginning of the fourth quarter, a new share issue amounting to SEK 500 million was closed, of which SEK 464 million was added to the company after issue costs.

At the end of Q4 2020, cash amounted to SEK 383 million.

The company's costs for running the business amount to approximately SEK 13 million per month. The assessment is that the cash will last for about thirty months, which is in line with the business plan that was set during the new share issue.



2020

	JANUARY DECEMBER	OCTOBER DECEMBER
Net sales amounted to	85 306 (33 431) Kkr	14 824 (16 590) Kkr
Operating profit amounted to	-249 039 (-137 725) Kkr	-62 983 (-59 729) Kkr
Profit before tax	-249 264 (-137 771) Kkr	-63 061 (-59 876) Kkr
Earnings per share before and after dilution amounted to	-68 (-52) kr	-17 (-23) kr

Profit & loss

All amounts in SEK thousands

	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Operating income				
Net Sales	14 824	16 590	85 306	33 431
Other operating income	93	36	401	54
Total income	14 917	16 626	85 707	33 485
Operating expenses				
Direct costs	-14 737	-31 355	-114 588	-53 148
Other external expenses	-25 546	-26 744	-128 092	-72 737
Personnel costs	-37 341	-18 119	-91 190	-44 872
Depreciations of:				
- tangible fixed assets	-128	-68	-494	-161
Other operating expenses	-146	-70	-381	-291
Total operating expenses	-77 898	-76 356	-334 745	-171 209
Operating profit	-62 981	-59 730	-249 038	-137 725





Assets

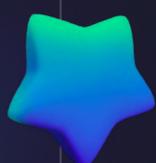
All amounts in SEK thousands

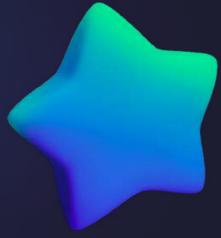
	Dec 31 2020	Dec 31 2019
Fixed assets		
<i>Tangible assets</i>		
Fixtures, tools and installations	1 810	1 345
Total tangible assets	1 810	1 345
<i>Financial assets</i>		
Other financial assets	9 564	9 564
Financial assets, depositions rent	69	69
Total financial assets	9 633	9 633
Total fixed assets	11 443	10 978
Current assets		
Accounts receivable	9	354
Other receivables	9 114	8 276
Prepayments and accrued income	3 105	3 314
Cash and cash equivalents	383 244	158 039
Total current assets	395 472	169 983
Total assets	406 915	180 961

Equity & liabilities

All amounts in SEK thousands

	Dec 31 2020	Dec 31 2019
Equity		
Share capital	1 134	815
Other contributed capital	—	374 364
Retained earnings including profit for the year	350 779	-238 340
Total equity	351 913	136 839
Provisions		
Other provisions	2 312	—
Total provision	2 312	—
Liabilities		
<i>Current liabilities</i>		
Advance payment from customers	10	10
Account payables	14 825	13 318
Current tax liabilities	—	365
Other current liabilities	25 795	20 015
Accrued expenses and prepaid income	12 060	10 414
Total liabilities	52 690	44 122
Total equity & liabilities	406 915	180 961





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

G-Loot's platform allows users to compete online in challenges in games they already own.

While playing, G-Loot's PC app runs in the background. It registers game statistics such as Kills, Wins, Loss as well as details regarding point security and which weapon was used. When a player participates in a G-Loot challenge, it is this data that determines the ranking and selects winners.

G-Loot users never compete directly with each other, but all compete on equal terms, regardless of skill level. Players can choose to compete against others (either one-on-one or in an open tournament) or test themselves in various solo challenges.

G-Loot charges a registration fee for each challenge and a percentage of the prize money.



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