



Interim financial statements

G-Loot Global Esports AB

JANUARY – MARCH 2021



CEO's words on the development of the business

In the middle of the quarter, I took over as CEO of the company. The founder and former CEO, Patrik Nybladh, handed over and completed his phase-out in the month of March and I feel that I am now settled in my new role.

As previously communicated, G-Loot's current focus is to grow with unit level profitability in our focus markets: North America and Western Europe. This strategy has led us to gradually phase out our service from certain unprofitable geographical areas. **In the short term, this has a negative effect on revenue**, but is necessary to enable profitability on a per-user level.

Alongside this, we are working to further improve our user acquisition and have in recent months reached a **record-low cost per acquired user**. A large part of this success is due to the fact that we have shifted a significant part of our marketing budget over to working with influencers. Since our service is new to many players, there is an advantage to having prominent profiles of the gaming world explain how the platform works and encourage their followers to try it out. We see significant opportunities to scale this channel up further once we have reached the right KPI trends for the platform.

During the quarter, we have worked internally to create a three-year vision for the company's products. As a result of this work, we have, among other things, chosen to **merge our two esports platforms G-Loot and GLL**. The work has already begun and we expect to complete it before the end of this year. The traditional esport competitions that are currently only available on GLL will become a part of G-Loot in the form of weekly and monthly finals. We will also diversify the range of offerings on the platform; several brand new competition formats as well as a large number of social features will provide our users with reasons to return daily. The new features that we are currently building will also enable us to monetize in new ways, for example through paid content on the platform and subscriptions.

As a result of the revised product vision, we have chosen to make some minor organizational adjustments. We now have a more streamlined organization with a smaller management team and clearer goals and responsibilities for the company's various departments. The department that worked with live events has been closed and a number of people from that part of the organization have now become embedded in our product development teams. We have gradually phased out a number of consultants and, where we have seen the need for it, replaced them with full time employees. Together with a few redundancies, this has enabled us to reduce fixed costs by 30% without losing momentum on our journey.

Another change during this quarter is in how we report revenue. In consultation with our auditor, we have made a number of changes that will create greater industry comparability and make G-Loot ready for a listed environment. On the top line the effect of this will be negative, but there is virtually no effect on the bottom line. This is a necessary step for us to be ready for an IPO when the timing is right and for me, an important step to create clarity around our business.

G-Loot consists of a fantastic team with great capabilities and a vast experience from the gaming and esports world. I am enthusiastic about our future and look forward to being a part of this journey.

Sincerely,



JOHAN PERSSON
CEO

Revenues decreased during Q1

A conscious choice to reduce the influx of new users has resulted in lower net revenues during the first quarter. At the same time, the cost of acquiring new users decreased.

Activity on the platform is reduced, which is in line with the plan and strategy that we have decided upon. The main reason for the decline in activity is a shift in marketing focus, from a broad worldwide marketing effort to focus investments in selected markets, primarily those of Western Europe and the United States. For a limited period, this transition will create less activity and lower net turnover.

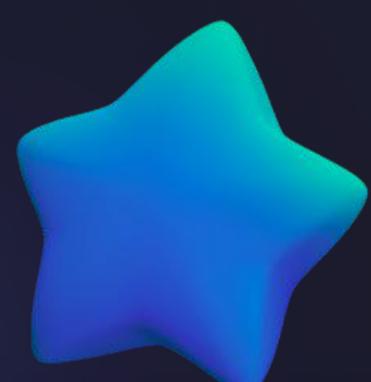
Operating profit for the quarter is according to plan, SEK -40.8 million. The same period last year amounted to an operating profit of SEK -67.4 million. The improved result follows the more cautious investment in issued prize pools and lower costs for acquiring new players.

Reduced costs

During the quarter, a cost-saving program was initiated where, in the first instance, fewer consultants will be hired. The company savings will be fully manifested during Q3 2021.

At the end of Q1 2021, cash amounted to SEK 332 million. The quarter's decrease in cash amounted to SEK 51 million. The business generated SEK -41 million and the final ten million SEK consisted of higher social security costs due to bonuses in December, supplier payments postponed until after the turn of the year, and paid-out client funds.

The company's costs for running the business are now gradually decreasing and the goal is to reach an operating cost of approximately SEK 10 million per month.



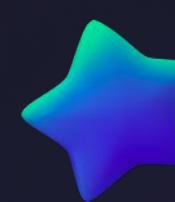
2021**JANUARY - MARCH**

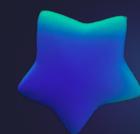
Net sales amounted to	3,8 (14,8) MSEK
Operating profit amounted to	-40,8 (-67,4) MSEK
Profit before tax	-40,8 (-67,3) MSEK
Earnings per share before and after dilution amounted to	-11 (-26) SEK

| Profit & loss

All amounts in SEK thousands

	Q1 2021	Q1 2020
Operating income		
Net Sales	3 814	14 819
Other operating income	21	26
Total income	3 835	14 845
Operating expenses		
Direct costs	-5 292	-27 392
Other external expenses	-18 904	-36 366
Personnel costs	-20 076	-18 237
Depreciations of:		
– tangible fixed assets	-345	-106
Other operating expenses	-64	-129
Total operating expenses	-44 681	-82 230
Operating profit	-40 846	-67 385





Assets

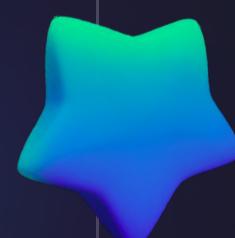
All amounts in SEK thousands

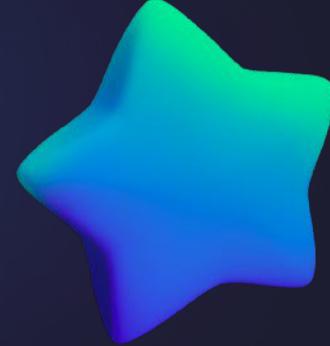
	March 31 2021	March 31 2020	Dec 31 2020
Fixed assets			
<i>Tangible assets</i>			
Fixtures, tools and installations	1 682	2 051	1 810
Right-of-use assets	794	1 532	1 010
Total tangible assets	2 476	3 583	2 820
<i>Financial assets</i>			
Other financial assets	9 564	9 564	9 564
Financial assets, depositions rent	69	69	69
Total financial assets	9 633	9 633	9 633
Total fixed assets	12 109	13 216	12 453
Current assets			
Accounts receivable	48	7 862	9
Other receivables	1 516	14 736	3 401
Prepayments and accrued income	3 308	3 454	2 880
Cash and cash equivalents	331 633	89 872	383 244
Total current assets	336 505	115 924	389 534
Total assets	348 614	129 140	401 987

Equity & liabilities

All amounts in SEK thousands

	March 31 2021	March 31 2020	Dec 31 2020
Equity			
Share capital	1 134	815	1 134
Other contributed capital	834 337	374 364	834 337
Retained earnings including loss for the year	-527 058	-305 617	-486 273
Total equity	308 413	69 562	349 198
Provisions			
Other provisions	2 312	0	2 312
Total provisions	2 312	0	2 312
Liabilities			
<i>Current liabilities</i>			
Advance payment from customers	10	10	10
Account payables	10 451	16 921	14 825
Current tax liabilities	0	428	0
Leasing liabilities	811	0	877
Other current liabilities	16 522	22 146	22 555
Accrued expenses and prepaid income	10 095	20 073	12 060
Total current assets	37 889	59 578	50 327
Total liabilities	40 201	59 578	52 789
Total equity & liabilities	348 614	129 140	401 987





About G-Loot's reporting

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

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

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.

Audit

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



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