

G5 Entertainment AB

Year-end Report 2024



YEAR-END REPORT 2024

October – December 2024

- Revenue for the period was SEK 279.3 M (316.7), a decrease of 12 percent compared to the same period in 2023 in SEK terms. In USD terms revenue decreased 12 percent year-over-year.
- Gross margin increased to 69.1 percent (67.6 percent), as a larger share of revenue is coming from G5's direct to consumer channel.
- EBIT for the period was SEK 32.8 M (10.5), an increase of 214%, corresponding to an EBIT-margin of 11.8% (3.3). EBIT was positively impacted by revaluations related to fx, primarily the USD, recorded in other income and expense amounting to SEK 5.9 M (14.1). Write-downs impacted the quarter with SEK 2.2 M (0). Adjusting for the negative impact from other income and expense and write-downs the EBIT margin would be 10.4 (7.8) percent.
- Net result for the period was SEK 33.5 M (8.9), positively impacted by the finance net of SEK 2.0 M (-0.2).
- Earnings per share for the period, before dilution, was SEK 4.29 (1.12).
- Cash flow amounted to SEK 19.0 M (4.3).
- Average Monthly Active Users (MAU) was 4.3 million, a decrease of 11 percent compared to the same period in 2023. Average Daily Active Users (DAU) was 1.3 million, a decrease of 12 percent compared to the same period in 2023. Average Monthly Unique Payers (MUP) was 128.2 thousand, a decrease of 16 percent while Average Monthly Average Gross Revenue Per Paying User (MAGRPPU) was USD 65.7, an increase of 4 percent compared to the same period last year.

Full year 2024

- Revenue for the year was SEK 1,134.5 M (1,319.9), a decrease of 14 percent compared to 2023 in SEK terms. In USD terms revenue decreased 13 percent.
- Gross margin increased to 68.4 percent (67.6 percent), as larger share of revenue is coming from G5's direct-to-consumer platform.
- EBIT for the period was SEK 116.8 M (111.5), an increase of 5%.
- Earnings per share for the year was 15.22 SEK (15.84), a decrease of 4%.
- The Board proposes a dividend of 8.0 SEK /share (8.0) equal to approximately SEK 62.4 M (62.4).

FINANCIAL KEY RATIOS

KSEK	Oct-Dec 2024	Oct-Dec 2023	Change %	2024	2023	Change %
Revenue	279,337	316,675	-12%	1,134,529	1,319,921	-14%
Commission to distributors ¹	-59,110	-70,464	-16%	-245,935	-294,850	-17%
Royalty to external developers ²	-27,251	-32,279	-16%	-112,497	-132,700	-15%
Gross profit	192,977	213,932	-10%	776,097	892,372	-13%
Gross margin	69.1%	67.6%		68.4%	67.6%	
Operating costs excluding costs for user acquisition	-113,112	-143,122	-21%	-461,085	-534,885	-14%
EBIT excluding costs for user acquisition	79,865	70,810	13%	315,012	357,487	-12%
EBIT margin before costs for user acquisition	29%	22%		28%	27%	
Costs for user acquisition ³	-47,016	-60,342	-22%	-198,235	-246,035	-19%
Costs for user acquisition as percentage of revenue	-17%	-19%		-17%	-19%	
EBIT	32,849	10,468	214%	116,778	111,452	5%
EBIT margin (%)	11.8%	3.3%		10.3%	8.4%	
Earnings per share before dilution	4.29	1.12	282%	15.22	15.84	-4%
Cash flow before financing activities	19,590	16,226		164,009	127,919	
Cash and cash equivalents	275,539	182,332		275,539	182,332	

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: A strong finish to a challenging year



The fourth quarter of 2024 marked a pivotal period for G5 Entertainment as we focused on balancing revenue performance with profitability amidst a challenging market environment as well as a mature portfolio of games. Revenue for the quarter amounted to SEK 279.3 M, representing a 12% decrease year-over-year in SEK and USD terms. However, we were pleased to see fourth quarter revenue increase 1% sequentially in USD and over 3% in SEK, our first quarter-to-quarter growth since Q2 2021. Our gross margin increased to 69.1% — a testament to the growing contribution of the G5 Store, which continues to enhance both our revenue mix and profitability. The G5 Store now represents 19% (13) of net revenue after growing 35% year-over-year and 13% quarter-to-quarter in USD terms. G5 Store is our third largest platform and given the trends we would not be surprised if it will become our largest distribution platform in the future.

Our EBIT for the quarter grew significantly, reaching SEK 32.8 M compared to SEK 10.5 M in the same period last year, corresponding to an EBIT margin of 11.8% (3.3). This

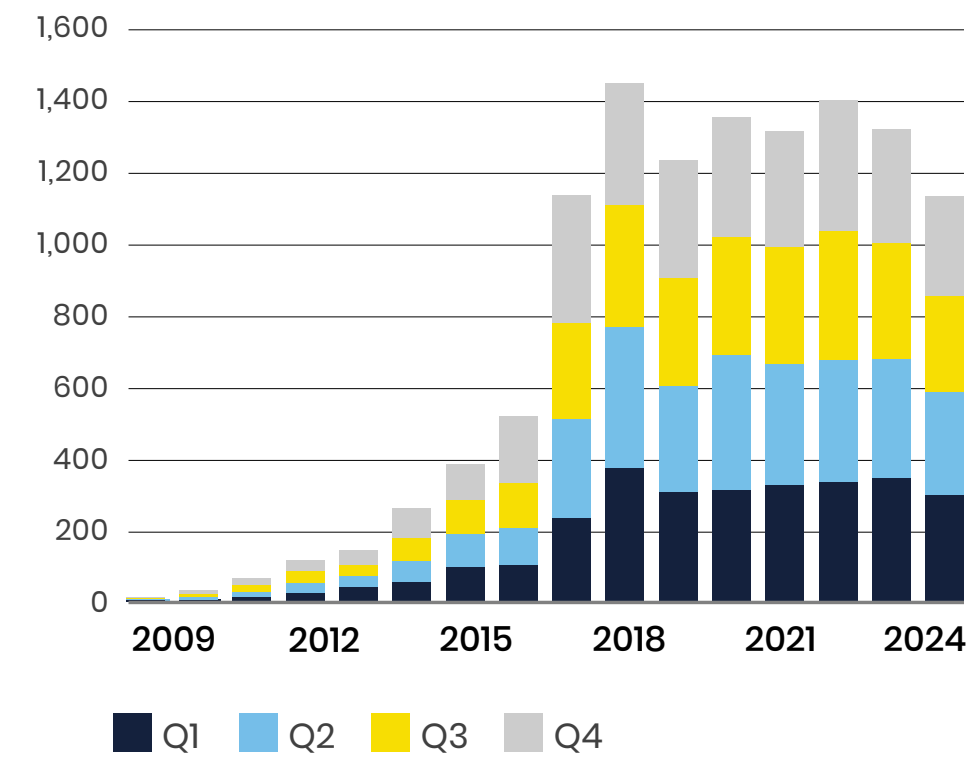
Revenue grew 1% sequentially in USD terms in the fourth quarter. It is the first q-o-q growth since the second quarter in 2021. During the quarter we also saw sequential growth of Sherlock and Jewels of Rome.

improvement reflects the resilience of our business model and the operational efficiencies we've achieved. Adjusted for foreign exchange effects and write-downs, the EBIT margin stood at 10.4% (7.8), underscoring the strong underlying financial health of the business. During the quarter, we had SEK 4.9 M in extraordinary one-time legal expenses which negatively impacted profitability, which otherwise would have been even stronger at 13.5% unadjusted or 12.2% adjusted for fx and write-downs. The costs incurred are related to an M&A process where we participated on the acquiring side and that has been ongoing during second half of 2024 and into Q1 2025. However, in the end the deal did not materialize.

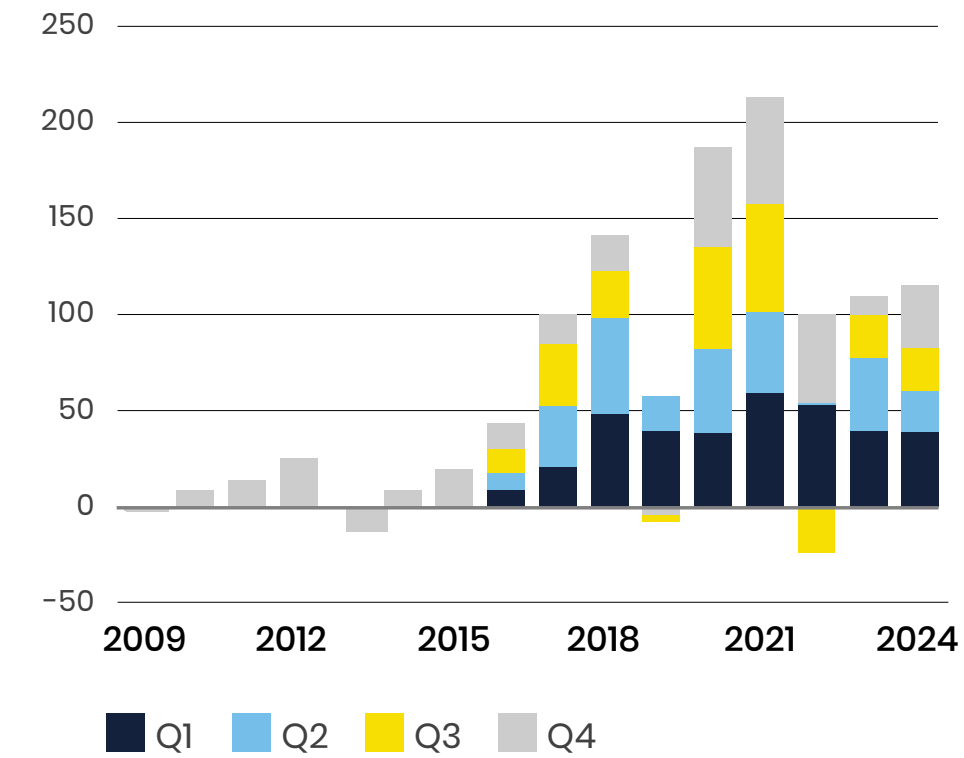
From an audience perspective, Average Monthly Active Users (MAU) and Daily Active Users (DAU) declined by 9% and 10% year-over-year, respectively, while our Average Monthly Unique Payers (MUP) fell by 15%. At the same time, Average Monthly Gross Revenue Per Paying User (MAGRPPU) rose by 6% to USD 65.7, demonstrating the loyalty of our player base and the value of the G5 Store, where player metrics are generally higher.

Throughout the quarter, we made significant strides in game development. New features such as mini-events were introduced in Sherlock and Jewels of Rome, leading to sequential revenue growth in Sherlock for the first time in eight quarters. This success reinforces our strategy of enhancing the player experience with meaningful updates.

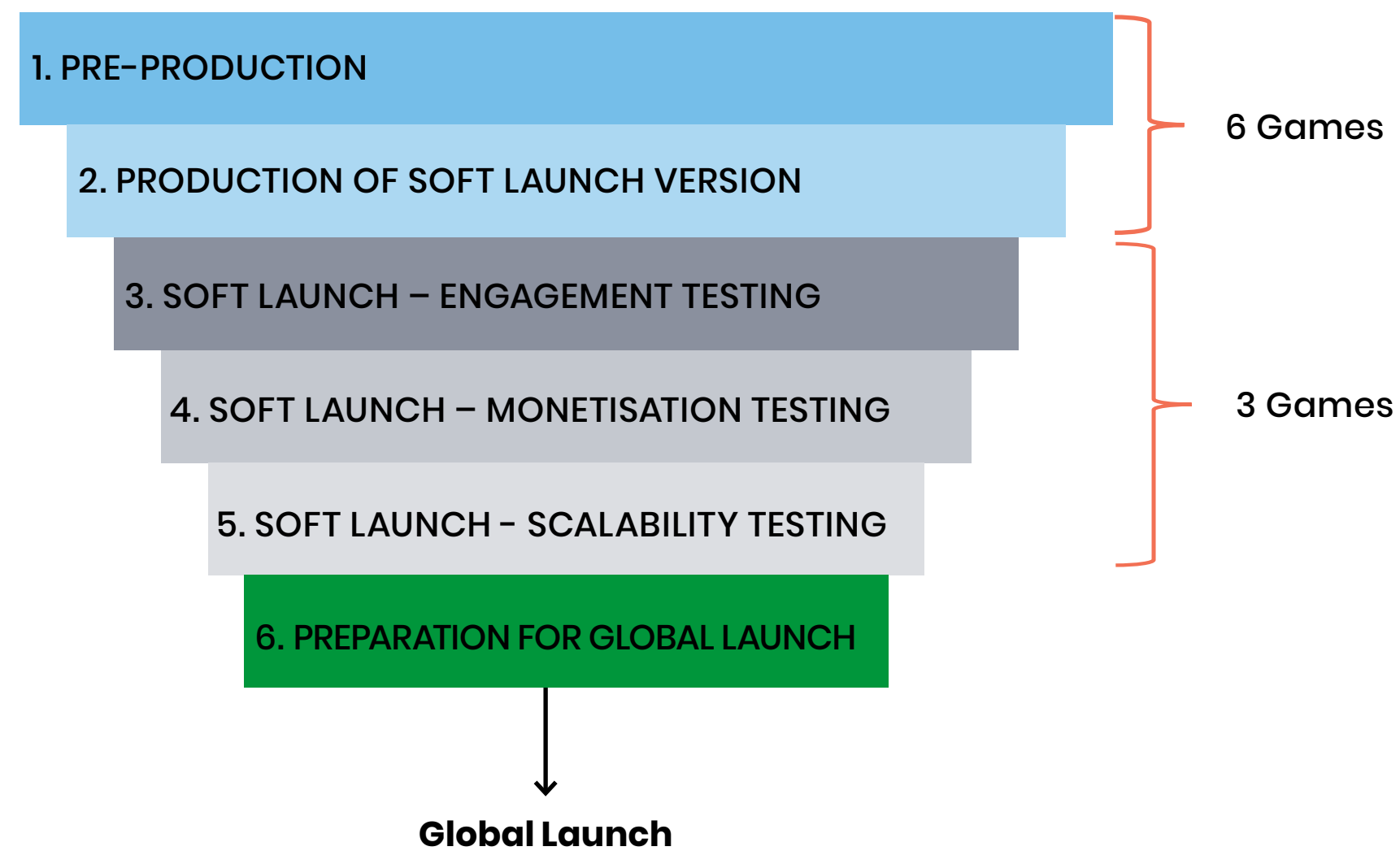
Revenue (MSEK)



EBIT (MSEK)



Development funnel



Our work is far from over and in 2025 we will see the rollout of additional features and events across our portfolio, which we believe will drive long-term performance improvements.

The development team is working hard. The ideas and games are making their way through the funnel, and some, like Twilight Land, are showing signs of scalability. After a series of improvements and updates to the game we believe we are seeing evidence of this becoming a scalable game. We want to be cautious and confirm our findings with more experiments, but it looks like a strong candidate to be launched globally in 2025.

For the full year 2024, revenue reached SEK 1,134.5 M, a decline of 14% in SEK terms. Gross margin improved to 68.4%, and EBIT increased modestly to SEK 116.8 M. We maintained strong financial discipline and achieved solid cash flow generation, ensuring a robust financial foundation as we move into 2025.

Looking ahead, our focus remains on building sustainable growth by delivering exceptional gaming experiences through continued innovation and leveraging the direct-to-consumer opportunities provided by the G5 Store. We are optimistic about the potential in our game development funnel and the ability to launch new hits that will captivate players around the world.

G5 Store now represents 19% of net revenue after growing 35% year-over year and 13% sequentially in USD terms.

I would like to thank our team for their hard work and dedication, as well as our players and shareholders for their continued trust and support. Together, we are well-positioned to navigate the challenges of the market and deliver value in the years to come.

Thank you for following G5 Entertainment.

February 13th, 2025
Vlad Suglobov, CEO, co-founder

October – December

Revenue and gross profit

Revenue amounted to SEK 279.3 M (316.7). Revenue decreased by 12 percent compared to the same period in 2023, in USD the revenue decreased by 12 percent.

Cost of revenue decreased to SEK 86.4 M (102.7). 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 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 16 percent compared to the same period in 2023.

Gross margin for the period was 69.1 percent (67.6). Gross profit for the quarter decreased by 10 percent compared to the fourth quarter in 2023 and was SEK 193.0 M (213.9).

Operational Costs

Costs for research and development were SEK 75.9 M (88.0) during the period. Net capitalization was SEK -3.6 M (-11.9). Write-downs amounted to SEK -2.2 M (0). Adjusting for net capitalization and write-downs the costs decreased by 7 percent compared to the same period in 2023.

Sales and marketing decreased to SEK 60.2 M (76.0). Sales and marketing is primarily affected by the costs for user acquisition. During the quarter the cost for user acquisition was SEK 47.0 M (60.3).

Cost for user acquisition as a percentage of sales was 17 percent, compared to 19 percent in the same

period in 2023. Sales and marketing, excluding user acquisition, decreased to SEK 13.2 M (15.6).

General and administrative costs amounted to SEK 29.9 M (25.4) impacted negatively by one-off expenses amounting to SEK 4.9 M (0.0). One-off expenses are related to an M&A process where G5 was the acquirer, the deal was cancelled during the first quarter. Other operating income and other operating expenses together amounted to SEK 5.9 M (-14.1), primarily driven by currency effects on operational assets and liabilities.

EBIT

Depreciation and amortization have decreased as the company no longer capitalizes on unreleased games. Depreciation and amortization amounted to SEK 30.1 M (38.9). Write-downs amounted to SEK 2.2 M (0). Capitalization of intangible assets amounted to SEK 25.5 M (25.6). Net effect of capitalization and amortization on intangible assets amounted to SEK -3.6 M (-11.9).

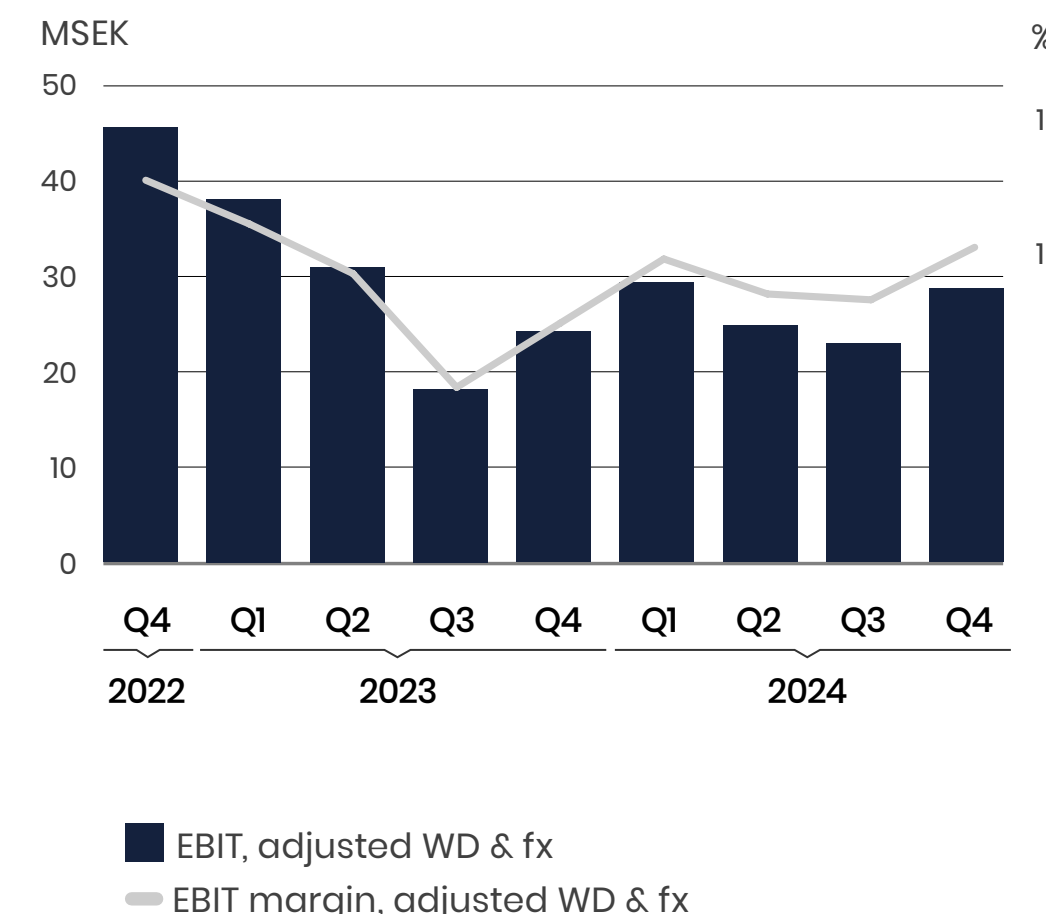
Earnings before interest and taxes (EBIT) amounted to SEK 32.8 M (10.5), corresponding to an EBIT margin of 11.8 percent (3.3).

Net profit

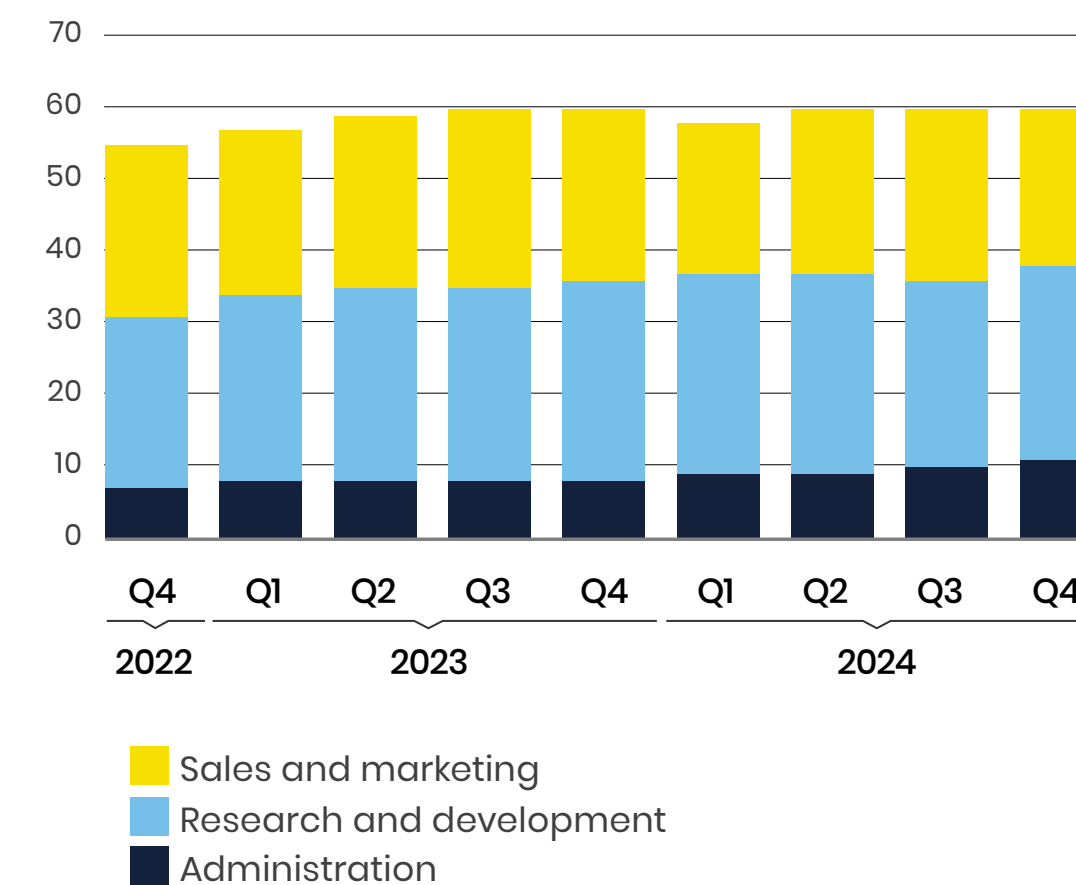
Net profit was affected by financial items with SEK 2.0 M (-0.2). Finance net was impacted by interest income amounting to SEK 2.2 M (0.3). Tax affected the result with SEK -1.4 M (-1.4).

Net profit amounted to SEK 33.5 M (8.9) which equals an earnings per share before dilution of SEK 4.29 (1.12).

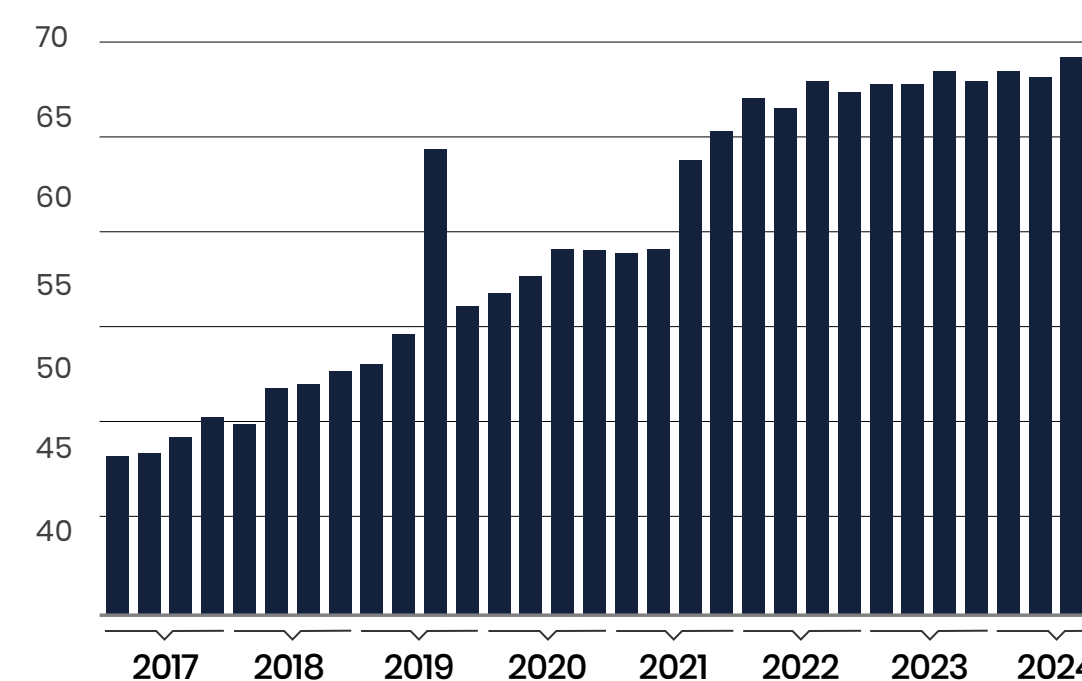
EBIT (MSEK) | EBIT-margin (%)



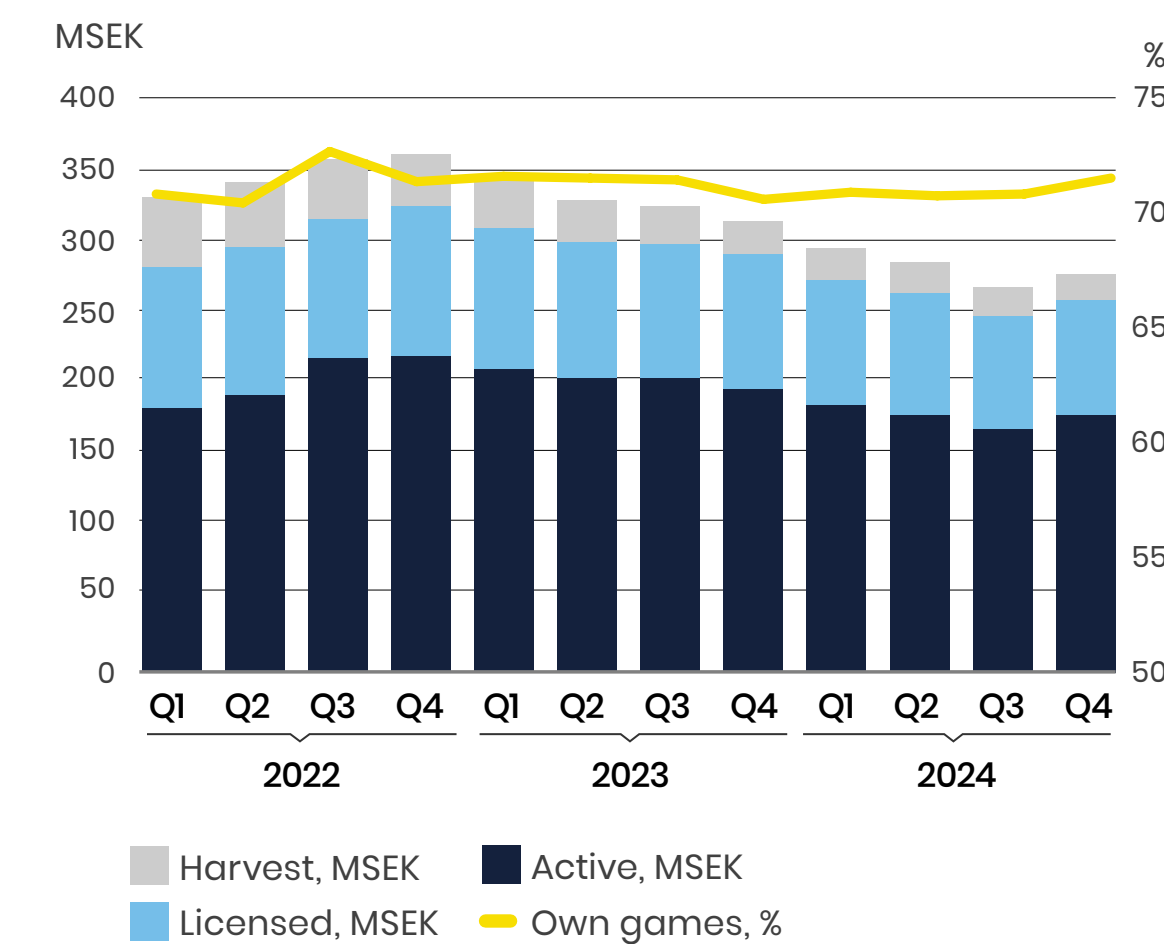
Costs in % of revenue



Gross Margin (%)



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



Operational metrics

F2P	Q4 '24	Q4 '23	Change
Average DAU (mn)	1.3	1.5	-12%
Average MAU (mn)	4.3	4.8	-11%
Average MUU (mn)	3.1	3.5	-11%
Average MUP (thousands)	128.2	152.4	-16%
Average MAGRPPU (USD)	65.7	63.2	4%

For detailed definitions of the operational metrics see the glossary on page 16 of the report.

January – December

Revenue and gross profit

Revenue declined 14 percent compared to 2023. Revenue decline in USD for the interim period was -13 percent. Revenue amounted to SEK 1,134.5 M (1,319.9).

The group's cost of revenue was SEK 358.4 M (427.5). Gross profit amounted to SEK 776.1 M (892.4), a decrease of 13 percent compared to the same period in 2023. Gross margin was 68.4 percent (67.6).

Operating Costs

Operating costs decreased 16 per cent compared to 2023. User acquisition expenses decreased to SEK 198.2 M (246.0). Excluding costs for user acquisition the operating costs amounted to SEK 461.1 M (534.9). The operational costs were impacted by capitalization of SEK 103.8 M (103.7) depreciation and amortization of SEK -135.7 M (-156.7) and write-downs of SEK -2.2 M (-10.7).

Other operating income and costs impacted the period positively with SEK -11.6 M (-1.7), primarily attributed to exchange rate differences on operational assets and liabilities related to balance sheet items in the parent company.

EBIT

EBIT was SEK 116.8 M (111.5) and the EBIT-margin was 10.3 percent (8.4) for the year.

Net profit

Net profit was affected by financial items of SEK 9.2 M (25.2). Finance net was impacted by interest income of SEK 9.5 M (5.7). In the previous year the financial items were impacted by revaluation of short term investments of SEK 22.3 M. Tax affected the result with SEK -7.0 M (-9.1) corresponding to an effective tax rate of 6 percent (7).

Net profit amounted to SEK 119.0 M (127.6) which corresponds to earnings per share before dilution of SEK 15.22 (15.84).

Cash flow

During the fourth quarter, the group had an operating cash flow before changes in working capital of SEK 67.3 M (53.0). In the quarter taxes impacted the cash flow negatively with SEK -1.7 M (-0.3).

Changes in working capital impacted the cash flow by SEK -21.5 M (-9.5). Capitalized development expenses impacted the cash flow negatively by SEK -25.5 M (-25.6).

Cash flow before financing activities amounted to SEK 19.6 M (16.2). Financing activities were impacted by IFRS16 bookings related to lease of premises of SEK -0.6 M (-0.6).

The cashflow for the period amounted to SEK 19.0 M (4.3).

For the full year cash flow before changes in working capital amounted to SEK 264.7 (277.7). Repurchases impacted the cashflow for the year negatively SEK 12.9 (54.0).

The cashflow for the year amounted to SEK 87.4 M (8.4).

Available cash on December 31, 2024 amounted to SEK 275.5 M (182.3).

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 order to maximize the 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 the 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 210.4 M (220.4).

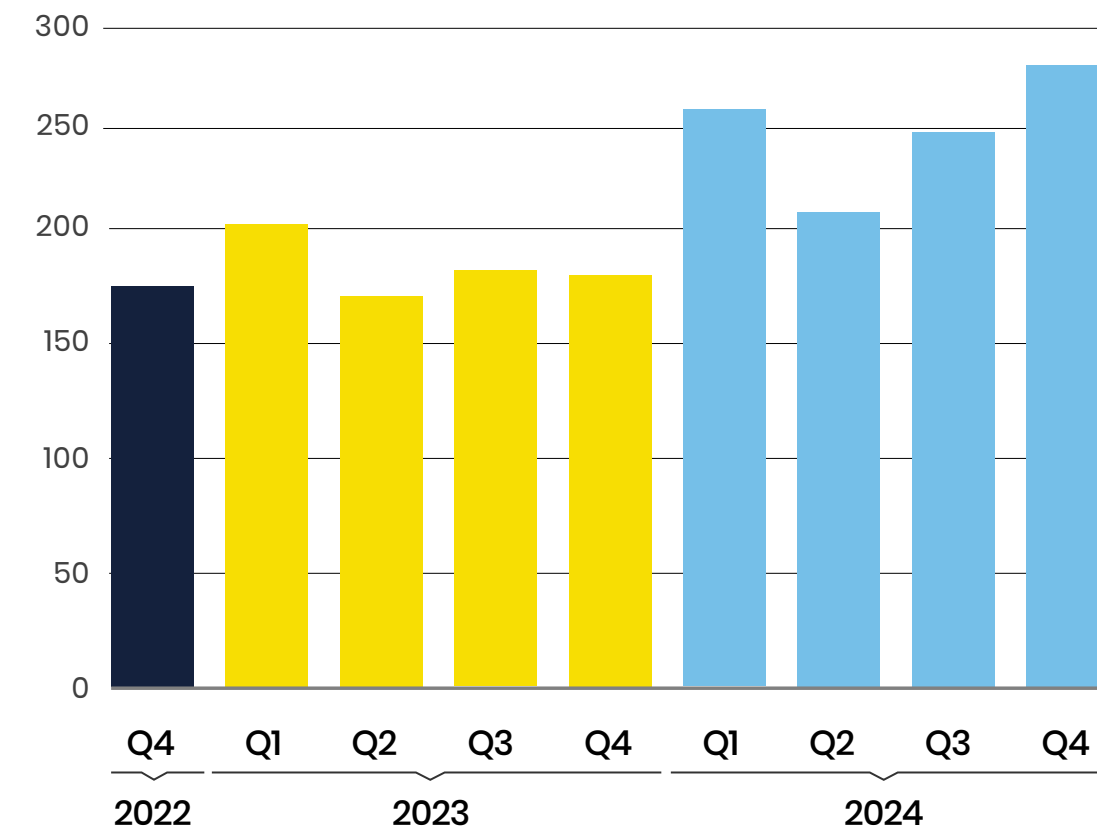
Impairment need in the portfolio is tested every quarter. A thorough review of the input parameters is done on a yearly basis. During the quarter, write-offs amounting to SEK 2.2 M (0.0) were made.

Consolidated equity amounted to SEK 554.3 M (491.4), which equals SEK 71.1 per share (62.2) and the equity/asset ratio is 83 percent (81).

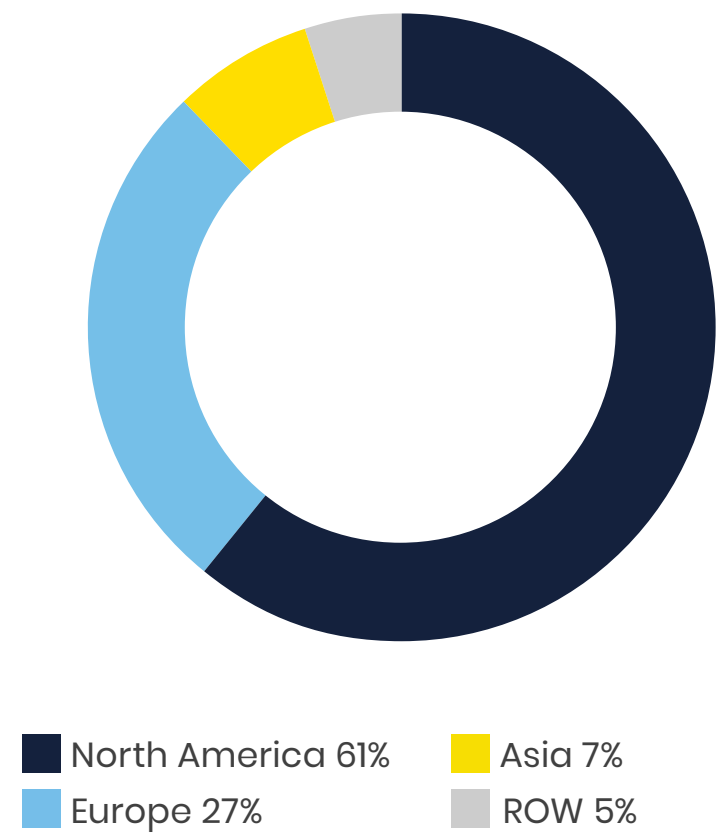
Cash on hand amounted to SEK 275.5 M (182.3).

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

Cash Position (MSEK)



**Revenue breakdown by geography
Fourth Quarter 2024**



Parent company

The parent company revenue has performed 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, which holds the rights to the games in the portfolio and is also where the senior management overseeing the games and studios 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

Dividend

G5 Entertainment is active in a fast-moving growing market. In order to benefit from this growth, the company intends to continue reinvesting 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 (8.0) corresponding to 53 percent (51) 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 2023.

Upcoming report dates

Annual report 2025	April 28, 2025
Interim report Jan-March 2025	May 7, 2025
Annual General Meeting 2025	June 17, 2025
Interim report Jan-Jun 2025	August 7, 2025
Interim report Jan-Sep 2025	November 5, 2025

Teleconference

On February 13th, 2025 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.g5.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

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Stefan Wikstrand, CFO

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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 13th, 2025

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 13th, 2025 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 2024	Oct-Dec 2023	2024	2023
Net turnover	279,337	316,675	1,134,529	1,319,921
Cost of revenue	-86,360	-102,743	-358,432	-427,549
Gross profit	192,977	213,932	776,097	892,372
Research and Development expenses	-75,915	-88,006	-311,993	-363,702
Sales and Marketing expenses	-60,240	-75,979	-254,786	-313,450
General and administrative expenses	-29,879	-25,372	-104,109	-102,115
Other operating income	6,994	-12,453	12,656	0
Other operating expenses	-1,088	-1,654	-1,088	-1,654
Operating result	32,849	10,468	116,778	111,452
Financial income	2,193	246	9,544	26,423
Financial expenses	-150	-428	-354	-1,178
Operating result after financial items	34,892	10,286	125,967	136,696
Taxes	-1,424	-1,359	-6,993	-9,122
Net result for the year	33,468	8,927	118,974	127,574
Attributed to:				
Parent company's shareholders	33,468	8,927	118,974	127,574

KSEK	Oct-Dec 2024	Oct-Dec 2023	2024	2023
Earnings per share				
Weighted average number of shares (thousands)	7,799	7,937	7,815	8,052
Weighted average number of shares after dilution, (thousands)	7,799	7,937	7,815	8,052
Earnings per share (SEK) before dilution	4.29	1.12	15.22	15.84
Earnings per share (SEK) after dilution	4.29	1.12	15.22	15.84

STATEMENT OF COMPREHENSIVE INCOME – GROUP

KSEK	Oct-Dec 2024	Oct-Dec 2023	2024	2023
Net result for the period	33,468	8,927	118,974	127,574
Items that later can be reversed in profit				
Revaluation long-term investments	-20,647	-9,583	-10,824	-14,086
Foreign currency translation differences	26,484	-28,645	21,049	-4,004
Total other comprehensive income for the period	5,837	-38,228	10,225	-18,090
Total comprehensive income for the period	39,305	-29,301	129,199	109,484
Attributed to:				
Parent company's shareholders	89,894	134,633	60,593	109,484

BALANCE SHEET – GROUP

KSEK	Dec 31 2024	Dec 31 2023
Fixed assets		
Intangible fixed assets		
Capitalized development expenses (Note 2)	210,386	220,411
Intangible assets	2,613	2,613
	212,998	223,024
Tangible fixed assets		
Equipment	9,154	12,883
	9,154	12,883
Long term Investments	37,475	34,134
Deferred tax receivable	150	25
Total non-current assets	259,777	270,066
Current assets		
Accounts receivable	18,835	25,936
Tax receivable	1,659	3,773
Other receivables (Note 3, 4)	1,756	2,846
Prepaid expenses and accrued income	109,142	125,196
Short term investments	0	0
Cash and cash equivalents	275,539	182,332
Total current assets	406,930	340,083
Total assets	666,707	610,149

KSEK	Dec 31 2024	Dec 31 2023
Equity		
Total shareholders' equity	554,322	491,401
Long-term liabilities		
Deferred tax liabilities	1,475	3,618
Long-term liabilities	1,118	1,261
Total long-term liabilities	2,593	4,879
Current liabilities (Note 5)		
Short-term liabilities	685	612
Accounts payable	44,254	39,441
Other liabilities	6,267	11,291
Tax liabilities	9,213	7,789
Accrued expenses	49,372	54,736
Total current liabilities	109,792	113,869
Total equity and liabilities	666,707	610,149

CHANGES IN SHAREHOLDERS' EQUITY - GROUP

KSEK	Share capital	Other capital contribution	Other reserves	Profit/loss brought forward	Shareholders' equity
Shareholders' equity 2023-01-01	928	-189,704	69,746	607,780	488,750
Net result for the year				127,574	127,574
Revaluation long-term investments			-14,086		-14,086
Total other comprehensive income			-4,004		-4,004
Total comprehensive income for the year			-18,090	127,574	109,484
Dividend				-64,505	-64,505
Repurchase of shares		-54,029			-54,029
IFRS2 - Employee share schemes			11,702		11,702
Total transactions with the owners recognized directly in equity		-54,029	11,702	-64,505	-106,832
Shareholders' equity as of 2023-12-31	928	-243,733	63,358	670,848	491,401
Shareholders' equity 2024-01-01	928	-243,733	63,358	670,849	491,402
Net result for the year				118,974	118,974
Revaluation long-term investments			-10,824		-10,824
Total other comprehensive income			21,049		21,049
Total comprehensive income for the year			10,225	118,974	129,199
Dividend				-62,392	-62,392
Repurchase of shares		-12,941			-12,941
IFRS2 - Employee share schemes			9,054		9,054
Total transactions with the owners recognized directly in equity		-12,941	9,054	-62,392	-66,279
Shareholders' equity as of 2024-12-31	928	-256,674	82,637	727,431	554,322

CASH FLOW STATEMENT - GROUP

KSEK	Oct-Dec 2024	Oct-Dec 2023	2024	2023
Cash flow from operating activities				
Profit after financial items	34,892	10,285	125,967	136,696
Adjusting items not included in cash flow	34,102	42,932	147,024	158,676
	68,994	53,217	272,991	295,372
Taxes paid	-1,717	-261	-8,332	-17,681
Cash flow before changes in working capital	67,276	52,956	264,659	277,691
Cash flow from changes in working capital				
Change in operating receivables	-8,398	7,379	24,245	3,362
Change in operating liabilities	-13,130	-16,897	-5,575	-39,889
Cash flow from operating activities	45,748	43,438	283,329	241,164
Investing activities				
Investment in fixed assets	-586	-1,102	-1,355	-4,029
Capitalized development expenses	-25,541	-25,575	-103,800	-106,283
Short term investments	0	-535	0	-2,933
Long term investments	-31	0	-14,165	0
Cash flow from investing activities	-26,158	-27,212	-119,320	-113,245

KSEK	Oct-Dec 2024	Oct-Dec 2023	2024	2023
Financing activities				
Lease financing	-597	-561	-1,307	-944
Dividend	0	0	-62,392	-64,505
Repurchase shares	0	-11,354	-12,941	-54,029
Cash flow from financing activities	-597	-11,915	-76,640	-119,478
Cash flow	18,993	4,311	87,369	8,441
Cash at the beginning of the period	245,552	184,380	182,332	177,469
Cash flow	18,993	4,311	87,369	8,441
Exchange rate differences	10,994	-6,359	5,838	-3,578
Cash at the end of the period	275,539	182,332	275,539	182,332

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.

The accounting and calculation principles used in the report for the group are identical to those used in the Annual Report 2023.

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 2024	Oct-Dec 2023	2024	2023
At the beginning of the period	197,896	251,039	220,411	273,073
Investments	25,541	25,575	103,800	103,670
Write-offs	-2,196	0	-2,196	0
Amortization	-29,118	-37,502	-131,955	-150,108
Net change during the period	-5,773	-11,928	-30,350	-46,438
Currency exchange differences	18,262	-18,700	20,325	-6,224
At the end of the period	210,386	220,411	210,386	220,411

Note 3

Other receivables

Other receivables include SEK 0.0 M (0.8) 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 no (0) pledged assets. G5 Entertainment does not have any contingent liabilities.

Note 5

Fair value

G5 group has long 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 2024	Oct-Dec 2023	2024	2023
Net turnover	279,337	316,675	1,134,529	1,319,921
Cost of revenue	-222,290	-240,037	-909,910	-1,038,919
Gross profit	57,047	76,638	224,619	281,003
Research and development expenses	-167	-8	-594	-75
Sales and Marketing expenses	-48 098	-71 688	-202 884	-264 513
General and administrative expenses	-10 491	-6 091	-27 657	-22 083
Other operating income	2 417	0	6 086	0
Other operating expenses	0	-11 791	0	-4 455
Operating result	708	-12 942	-429	-10 123
Financial income	1 924	-562	9 619	24 432
Financial expenses	0	0	-2	0
Operating result after financial items	2 632	-13 504	9 188	14 309
Taxes	-268	1 140	-1 191	0
Net result for the period	2 364	-12 364	7 997	14 309

STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

KSEK	Oct-Dec 2024	Oct-Dec 2023	2024	2023
Net result for the period	2 364	-12 364	7 997	14 309
Items that later can be reversed in profit				
Revaluation long-term investments	-20,647	-9,583	-10,824	-14,086
Other comprehensive income	-20,647	-9,583	-10,824	-14,086
Total other comprehensive income for the period	-18 283	-21 947	-2 827	223

BALANCE SHEET – PARENT COMPANY

KSEK	Dec 31 2024	Dec 31 2023
Fixed assets		
Intangible fixed assets		
Intangible fixed assets	2,613	2,613
Tangible fixed assets		
Tangible fixed assets	0	0
Financial fixed assets		
Shares in group companies	130	105
Financial assets	37,475	34,134
Total fixed assets	40,217	36,852
Current assets		
Account receivables	18,835	25,936
Receivables from group companies	204,318	87,381
Tax receivables	1,561	2,751
Other receivables	325	410
Prepaid expenses and accrued income	100,819	112,284
Cash and cash equivalents	47,325	53,722
Total current assets	373,183	282,484
Total assets	413,400	319,336

KSEK	Dec 31 2024	Dec 31 2023
Restricted equity		
Share capital	928	928
Non-restricted equity		
Share premium reserve	54,530	53,578
Profit/Loss carried forward	80,961	152,810
Net result for the period	7,997	14,309
Total equity	144,417	221,625
Current liabilities		
Accounts payable	32,117	36,357
Tax Liability	0	0
Liability to group companies	226,165	54,226
Other liability	5,244	5,130
Accrued expenses	5,458	1,999
Total current liabilities	268,984	97,711
Total equity and liabilities	413,400	319,336

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 technology, 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.

Portfolio definitions

Active Games are the games G5 owns and is actively supporting through its development and marketing capacity.

Licensed Games are games that G5 license from 3rd party developers and thereby act as a publisher. Licensed games are not split into active and harvest games.

Harvest Games are games that G5 owns but are not profitable to run as active games. The games are technically supported by a central team.

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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