



WR ENTERTAINMENT ASA

**Q1 2018
PRELIMINARY REPORT**

PRELIMINARY

WR ENTERTAINMENT ASA AND CONSOLIDATED SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME AND LOSS (in NOK)
YEARS ENDED DECEMBER 31, 2016 AND 2017, AND THE THREE MONTHS ENDED MARCH 31, 2018
(Unaudited)

	YEAR ENDED DECEMBER 31, 2016		YEAR ENDED DECEMBER 31, 2017		THREE MONTHS ENDED MARCH 31, 2018	
	COMPANY	GROUP	COMPANY	GROUP	COMPANY	GROUP
Revenue and operating costs and expenses:						
Revenue:						
eBook revenue	20,557	182,450	102,617	102,617	17,473	17,473
Operating costs and expenses:						
Product consumption and royalties	-	387,709	402,419	402,419	93,640	93,640
Salaries and social security costs	342,223	8,093,618	254,832	5,691,303		23,215
Depreciation of tangible fixed assets		50,275		52,667		4,490
Other operating expense	1,378,483	6,258,262	2,089,029	9,864,968	47,496	1,059,298
Total operating expenses	1,720,706	14,789,864	2,746,280	16,011,357	141,136	1,180,643
Operating loss	(1,700,149)	(14,607,414)	(2,643,663)	(15,908,740)	(123,663)	(1,163,170)
Financial income and costs:						
Interest income	15,185	15,185	8,896	8,896		
Interest expense	(5,882)	(279,739)		(256,170)		(39,097)
Other financial income	13,474	13,474				
Other financial costs		(630)				
	22,777	(251,710)	8,896	(247,274)	-	(39,097)
Loss before tax	(1,677,372)	(14,859,124)	(2,634,767)	(16,156,014)	(123,663)	(1,202,267)
Taxes		(6,718)		(6,611)		(1,564)
Net loss	(1,677,372)	(14,865,842)	(2,634,767)	(16,162,625)	(123,663)	(1,203,831)

WR ENTERTAINMENT ASA AND CONSOLIDATED SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (in NOK)
DECEMBER 31, 2016 AND 2017, AND MARCH 31, 2018
(Unaudited)

ASSETS	DECEMBER 31, 2016		DECEMBER 31, 2017		MARCH 31, 2018	
	WR ENTERTAINMENT ASA	CONSOLIDATED COMPANY	WR ENTERTAINMENT ASA	CONSOLIDATED COMPANY	WR ENTERTAINMENT ASA	CONSOLIDATED COMPANY
Fixed assets:						
Financial fixed assets - invesment in subsidiary	14,123,628		14,123,628		14,123,628	
Fixed assets - furniture, fixtues and equipment		91,642		76,473		69,031
Total fixed assets	14,123,628	91,642	14,123,628	76,473	14,123,628	69,031
Current assets:						
Inventories		6,387,159		6,322,299		6,082,066
Receivables:						
Receivable from subsidiary			13,500,344		13,937,045	
Receivable from customers		3,538		11,533		11,033
Other receivables and deposits	30,000	736,322		475,934		492,957
Total receivables	30,000	739,860	13,500,344	487,467	13,937,045	503,990
Bank deposits	15,816,926	17,140,578	1,341,635	2,919,626	892,083	1,042,696
Total current assets	15,846,926	24,267,597	14,841,979	9,729,392	14,829,128	7,628,752
Total assets	29,970,554	24,359,239	28,965,607	9,805,865	28,952,756	7,697,783
EQUITY AND LIABILITIES						
Equity:						
Capital stock	1,806,046	1,806,046	1,806,046	1,806,046	1,806,046	1,806,046
Premiums (Paid-in capital)	26,015,900	12,383,915	23,381,134		23,381,133	(697,845)
Additional paid-in capital -						
Stock-based compensation	1,845,329	1,845,329	2,433,352		2,433,352	-
Retained earnings				(1,397,545)	(123,663)	(1,203,831)
Exchange rate gain (loss)						(738,313)
	29,667,275	16,035,290	27,620,532	408,501	27,496,868	(833,943)
Current liabilities:						
Accounts payable	303,279	475,801	1,194,050	3,307,199	1,234,952	3,522,260
Other current liabilites:						
Deposits						
Accrued expenses		1,288,880	151,025	2,421,315	220,936	3,049,466
Government taxes						
Short-term debt		6,559,268		3,668,850		1,960,000
Total current liabilities	303,279	8,323,949	1,345,075	9,397,364	1,455,888	8,531,726
Total equity and liabilities	29,970,554	24,359,239	28,965,607	9,805,865	28,952,756	7,697,783

WR ENTERTAINMENT ASA AND CONSOLIDATED SUBSIDIARY
CONSOLIDATED CASH FLOW STATEMENT (in NOK)
YEARS ENDED DECEMBER 31, 2016 AND 2017, AND THE THREE MONTHS ENDED MARCH 31, 2018
(Unaudited)

	YEAR ENDED		YEAR ENDED		THREE MONTHS	
	DECEMBER 31, 2016		DECEMBER 31, 2017		ENDED MARCH 31, 2018	
	COMPANY	GROUP	COMPANY	GROUP	COMPANY	GROUP
Cash flows from operating activities						
Net loss before taxes	(1,677,372)	(14,859,123)	(2,634,767)	(16,162,625)	(123,663)	(1,202,267)
Tax paid for the period		(6,719)		(6,610)		(1,564)
Depreciation		50,275		52,667		4,490
Change in receivables and other current assets		384,178		56,865	(436,701)	(212,177)
Change in accounts payable	(37,388)	(728,965)	890,772	2,831,398	40,902	251,061
Share option compensation cost		1,845,329		588,023		
Effect of exchange rate fluctuations		129,465		5,815		(738,313)
Change in other accrual items and other obligations	(284,710)	137,370	(12,731,295)	(1,497,594)	69,909	21,840
Net cash flows from operating activities	(1,999,470)	(13,048,190)	(14,475,290)	(14,132,061)	(449,553)	(1,876,930)
Cash flows from investment activities						
Payments for purchase of fixed assets		(17,018)		(15,270)		
Payments for purchase of share in subsidiaries	(12,298,198)					
Net cash flows from investment activities	(12,298,198)	(17,018)	-	(15,270)	-	-
Cash flows from financing activities						
Proceeds from equity	30,100,000	30,100,000				
Net cash flows from financing activities	30,100,000	30,100,000	-	-	-	-
Net effect of exchange rate fluctuations on cash and cash equivalents		82,345		(73,621)		
Net change in cash and cash equivalents	15,802,332	17,117,137	(14,475,290)	(14,220,952)	(449,553)	(1,876,930)
Cash and cash equivalents at the start of the period	14,594	23,441	15,816,926	17,140,578	1,341,636	2,919,626
Cash and cash equivalents at the end of the period	15,816,926	17,140,578	1,341,636	2,919,626	892,083	1,042,696