G5 Entertainment

Investor Presentation

April 2023

NASDAQ OMX: G5EN.ST
OTCQX: GENTF



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G5 Entertainment in brief

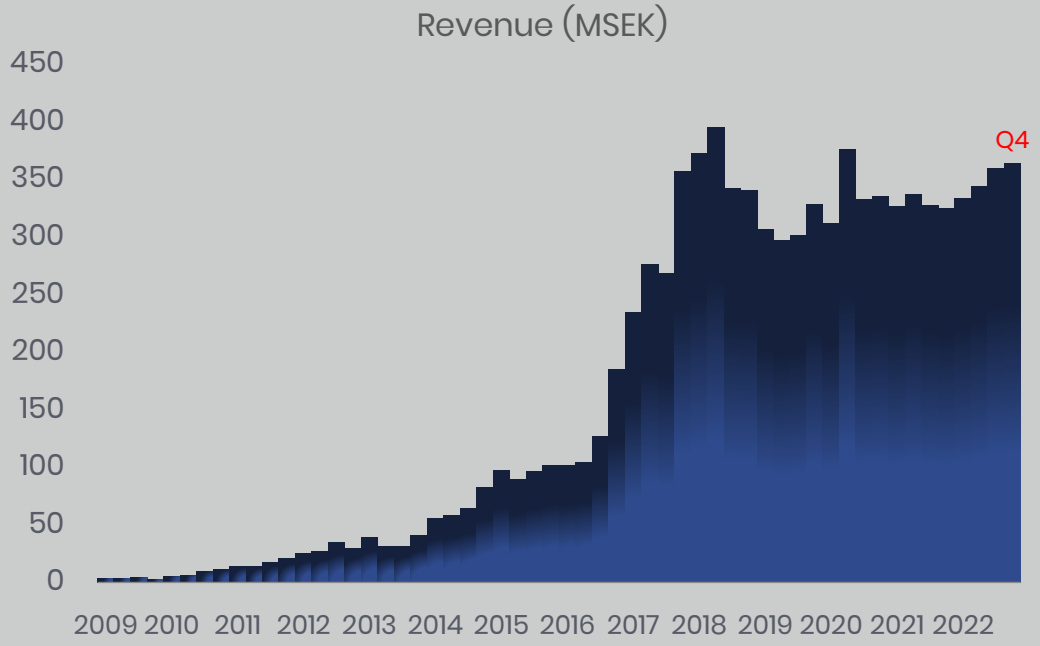
- **Developer and publisher of casual free-to-play (F2P) games** for tablets, smartphones and PCs
- Serving the **$90+ billion market** for global market for mobile games
- **11 offices worldwide** each serving a strategic purpose and providing a competitive advantage
- **Strong history** in creating and publishing games:
  - *The Secret Society* › USD 147 million in sales
    › 27 million downloads
  - *Hidden City* › USD 452 million in sales
    › 54 million downloads
- Focused on games for a **female audience age 35+**
- Founded 20 years ago and listed on Nasdaq Stockholm since June 2014 and public since October 2006

Deloitte. Technology Fast50 2013 - 2018

FT 1000 Europe's Fastest Growing Companies 2017 - 2020

Di Gasell

2nd best share of the decade

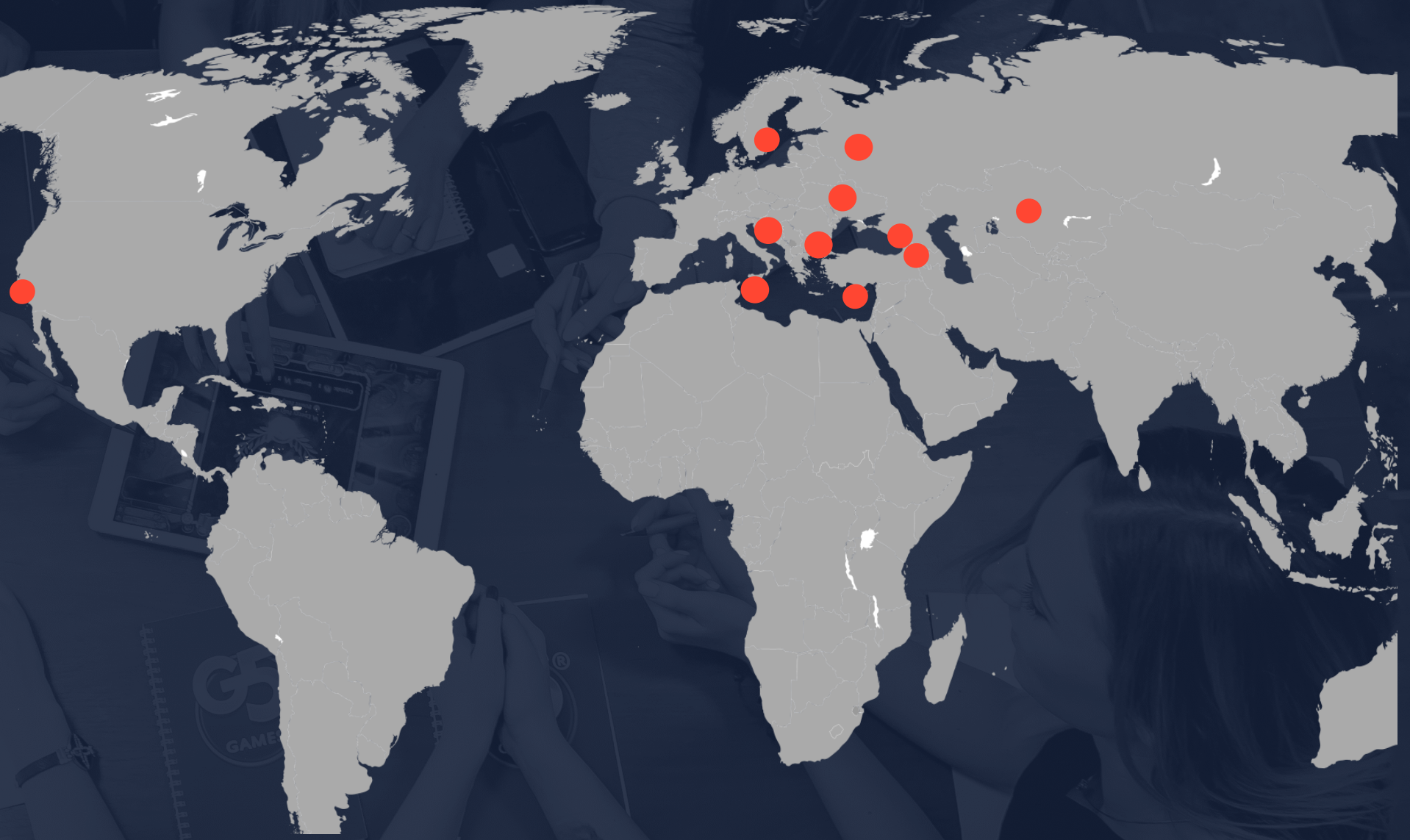




Operating Locations

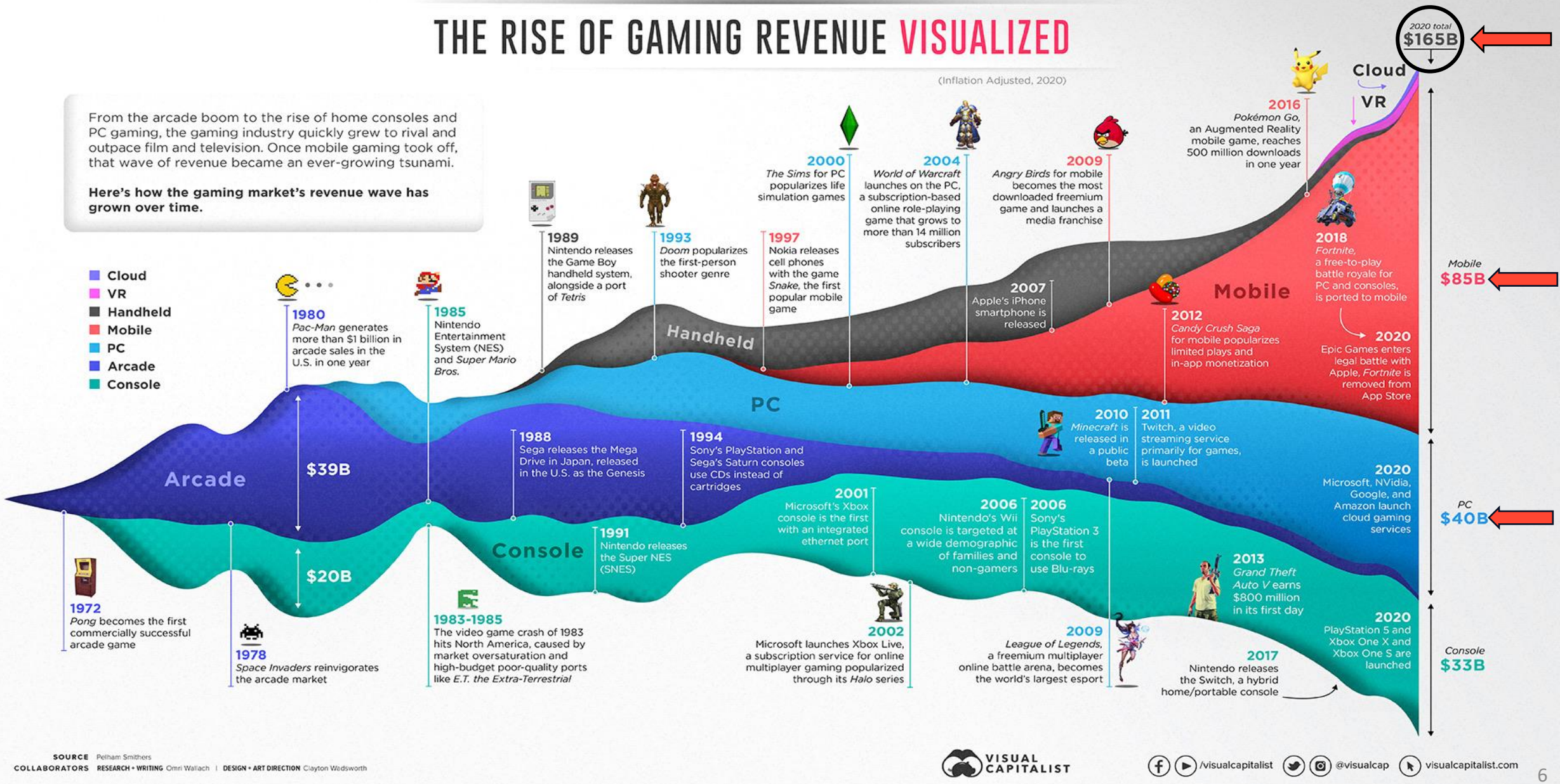
Employees
+900

11
Countries



Mobile Gaming Industry

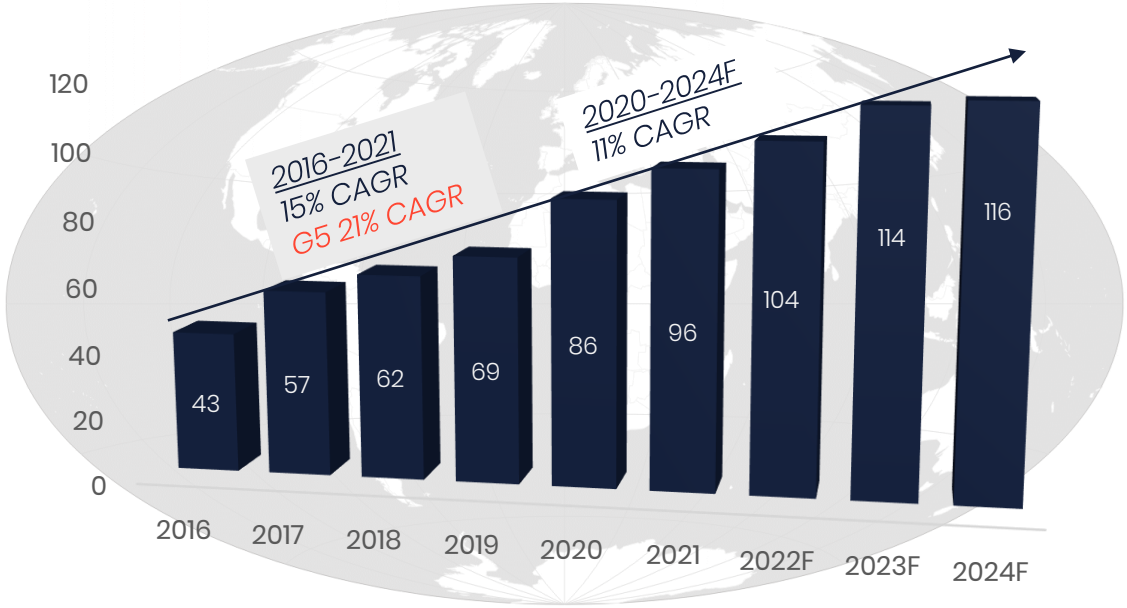
Global Gaming: Historical Growth 1970–2020



Global Mobile Gaming: A Growth Market

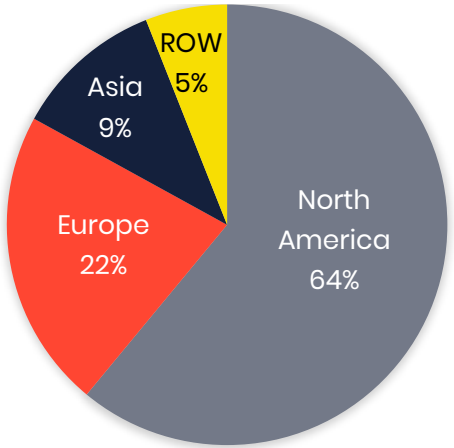
- Mobile gaming is a fast-growing segment of the overall gaming market, with global revenues expected to reach **$116.4 Bn** USD by 2024, a **CAGR of 11%**
- **53% of 2022 global game revenue** will come from mobile gaming
- With almost **3.2 billion gamers worldwide today**, and 3.5 billion gamers projected by 2025, mobile gaming has more players than any other gaming segment
- Asia is the biggest market, accounting for almost **64%** of total revenues for the industry in 2021, followed by the US
- Mobile gamers are spending more money than ever before, with Japanese gamers spending the most per player
- G5's main market is North America, followed by EU and Japan

2016 – 2024 Global Mobile Games Market Revenues Bn USD



*NEWZOO market data

G5 Revenue breakdown by geography Q4 2022



G5 Development: 2014–2022

2014
Starts trading on **NASDAQ** Stockholm: **G5EN**

2015
Accumulated downloads of group games in H1: 210 million

2016
Hidden City exits soft launch phase

2017
Two hidden object games gross ›$100M lifetime

2018
Expansion & Investment: Development teams and new portfolio of games

2019
5 NEW games released

22.1 million

New Generation Games
- Jewels of Rome
- Wordplay

2020
8 NEW games released

31.0 million
- Sherlock
- Jewels of Egypt
- Jewels of Wild West

Investment: G5 Store



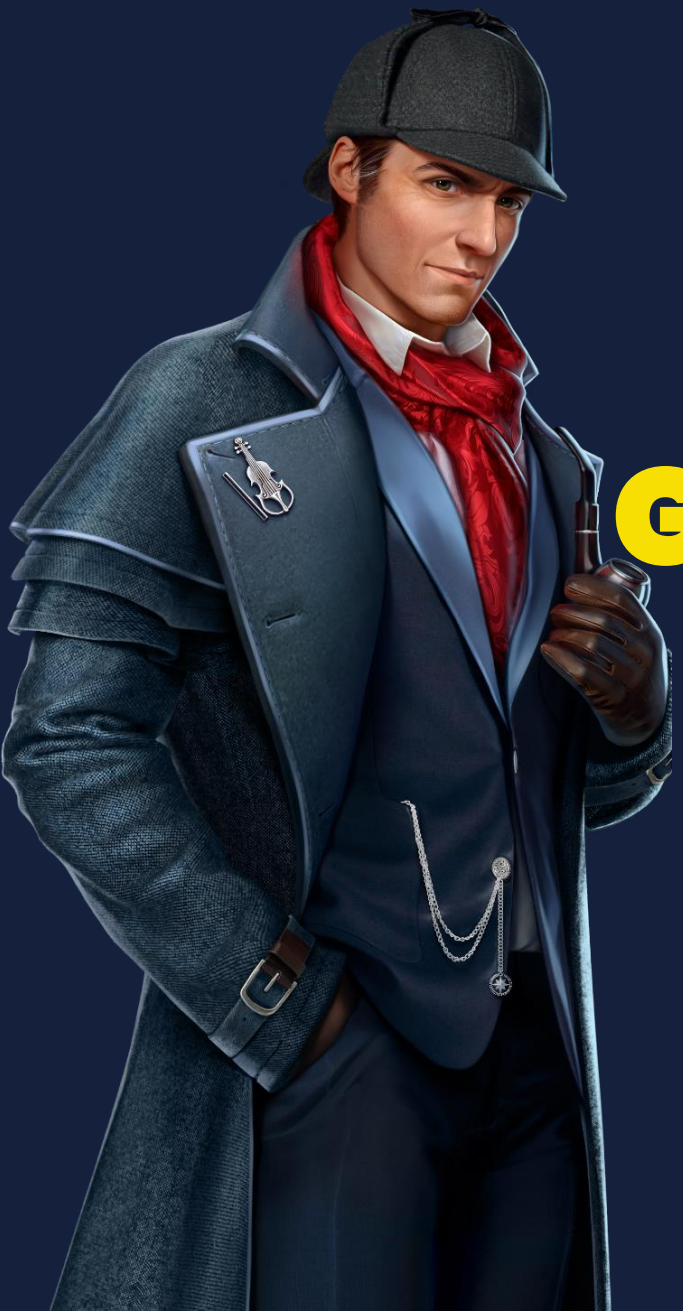
2021
5 NEW games released

- **New Generation Games** 67% of Revenue
- Sherlock: 13% of revenue in Q4



2022
2 NEW games released

- Six new offices established
- **G5 Launcher** released
- **Own games** 71% of revenue



G5's Portfolio & Lifecycle

Target Audience and Game Genre

A Unique Market:

Women Age 35+

Growing demographic

Underserved market

Very loyal audience

Strong paying audience $

G5 Friends Network



Hidden Object



Match-3



Mahjong / Solitaire

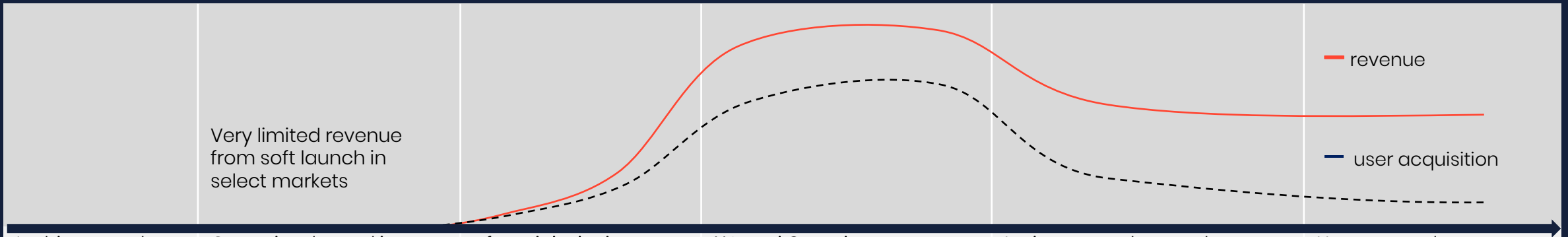


New Genres



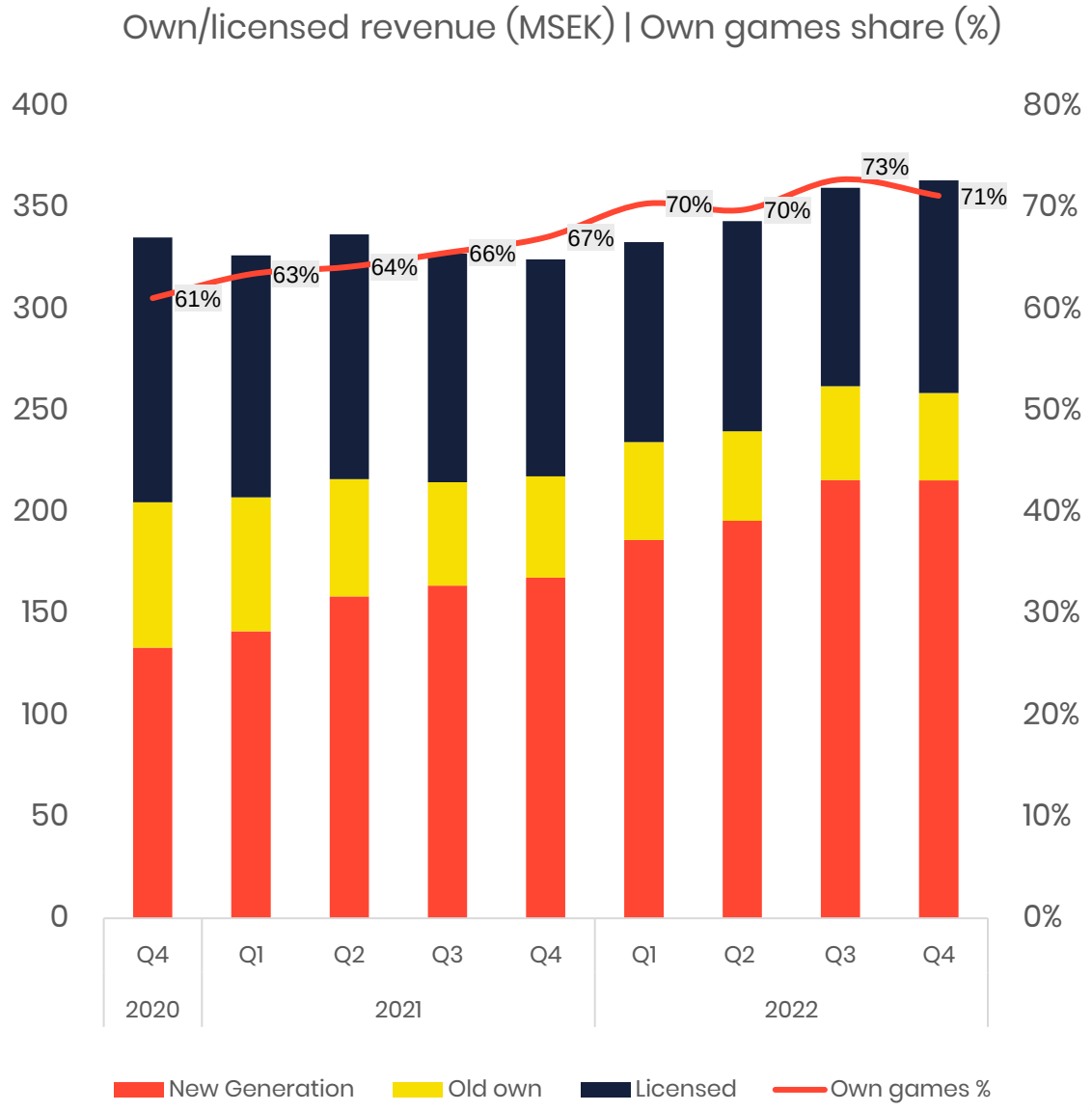
New Games Development Funnel

Game Idea	Early development / Soft Launch	Scaling	Peak revenue	Maturing	Harvest Mode Long-tail revenue
In this stage the argument for the new product is developed through **extensive marketing** tests	Game is released in limited markets and tested against benchmarks. Usually iterative process to find the best product/market fit. The game either clears benchmarks for Global release or gets canceled. We expect 5-6 to reach this stage and **1-2 to be released Globally every year**	After **global release**, we invest in growing the game's revenue. Game continues to be analyzed and updated to find the best game balance for worldwide audience.	**UA and Growth:** As revenue grows, games are optimized, user acquisition is increased, and games are scaled to higher revenue levels Often during the growth phase, games appear to have reached a plateau, however improvements can be made to the game and/or the marketing strategy to achieve a higher peak level	In time, growth may slow as the game reaches a more mature state. Cross-selling with the rest of the G5 games portfolio helps extend the long tail of revenue	Harvest mode games do not have a dedicated team and only very limited UA is done on the games. These games bring in a healthy cash flow that can be invested in new or active games. The games have very limited updates through one shared team



Our Portfolio Approach

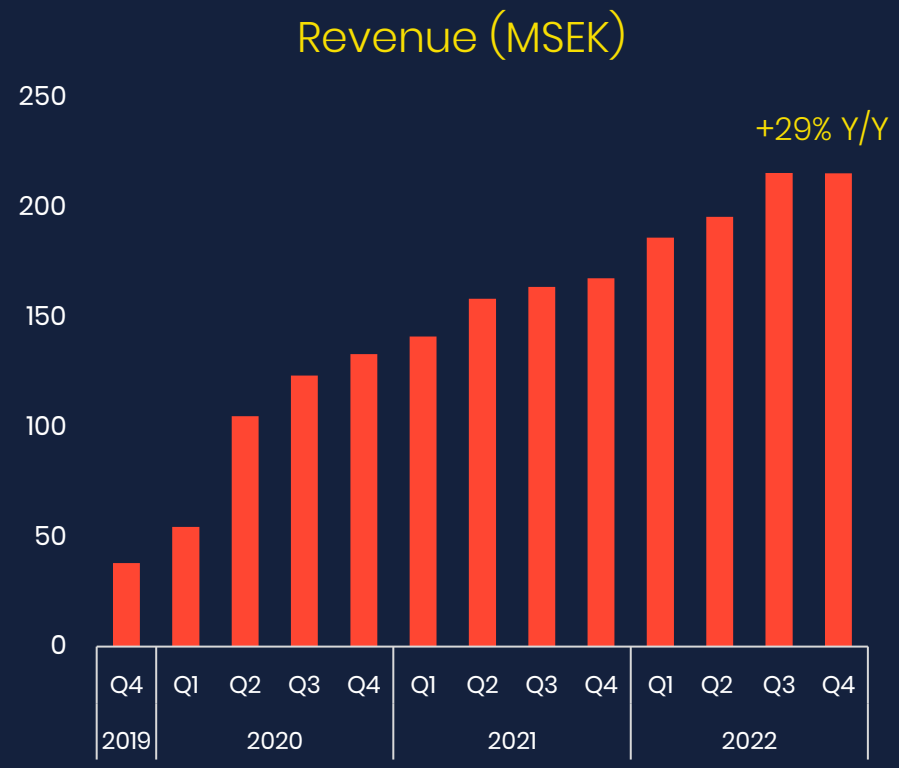
- **Strengthened the development** teams giving the company full control over game development and quality combined with tougher approach to underperforming games
- Revenue from Own games have consistently grown and is now **›71**% of the total revenue
- Eight games released in 2020, five games in 2021, five currently in soft launch and **two released globally in 2022.** Building on previous technology and game play foundation with an emphasis on engaging storylines and immersive meta-mechanics
- **Balanced and diversified portfolio** with games in different stages in their lifecycle creates a balance between profitability and growth



New Generation Games



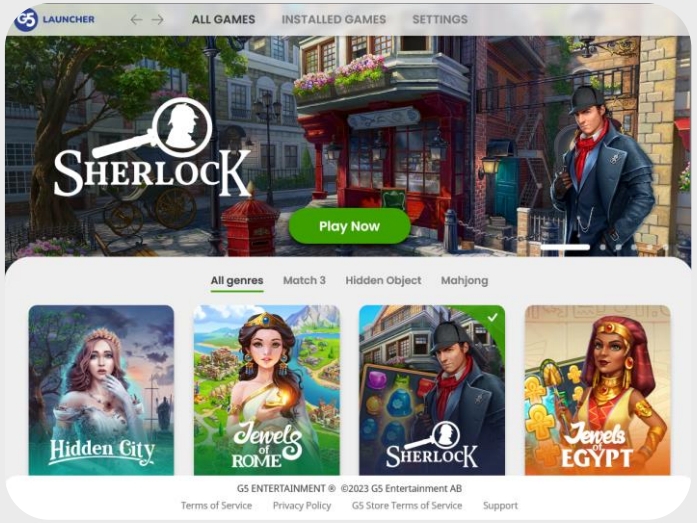
- Games released from 2019 onwards
- 23 new titles
  5 in soft-launch & 2 released globally in 2022
- 5-6 games per year to be soft-launched, 1-2 per year to be released globally
- Game play foundation with an emphasis on engaging storylines and immersive meta-mechanics:
  - Hidden Object
  - Match-3
  - Mahjong/Solitaire
  - New Genres
- Q4 2022: Accounted for 59% of revenue
- Highlighted game: *Sherlock*
  - SEK 85 M & 23% of revenue
  - +95% Y/Y
  - 8.4 million acc downloads
- UA efficiency and M.A.R.S UA suite tools accelerated growth of earnings
- Building a foundation for long-term future growth



A few of our titles:

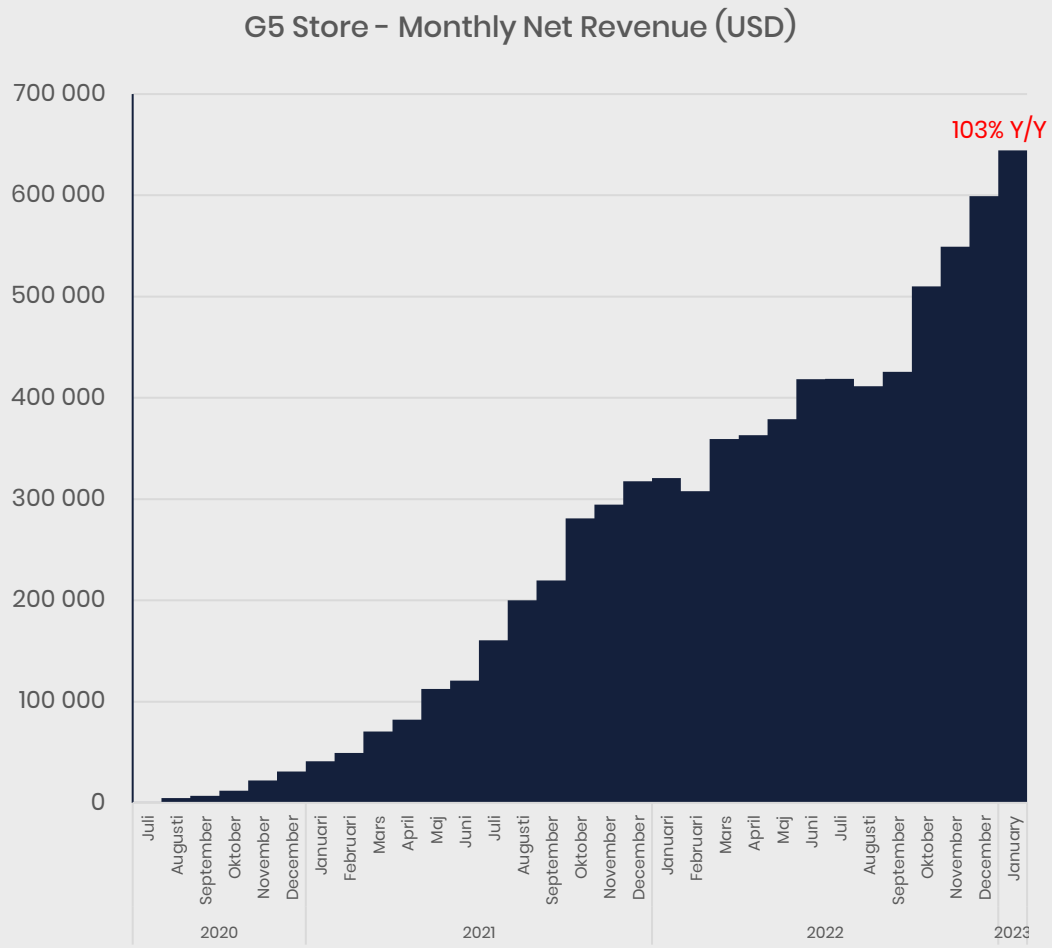
Jewels of Rome
Jewels of the Wild West
Crime Mysteries
Pyramid of Mahjong
Sheriff of Mahjong
Jewels of Egypt
Mayor Match
Sherlock
Mary's Mahjong
Unexposed
Jewels of Orient
Martha's Mystery (2022)
Mystery Estate (2022)
Bayside Merge (2022)

G5 Store



G5 Store
Available on: PC, Web, Mac and Android

G5 Launcher
Release date: August 2022
Platforms: PC



- Payment processing fees in G5 Store are low single digits compared to the 12-30% third party application store fees
- G5 Store reached an all-time high monthly revenue in Q4
- We see continued strong growth dynamics at high revenue levels
- **G5 Launcher** is a Windows application which is installed when you download any G5 game for PC. This app contains the full catalogue of G5 games and makes them easy to install and manage, helping cross-selling
- Feature roadmap for G5 Store and Launcher includes local currency pricing, more payment methods, purchasing of crystals outside the games, integration with G5 Friends, further optimizing processing fees, launcher for Mac, etc.

Financials

Financial Summary: Q4 2022

Revenue SEK 364 M (324), +12% Y/Y

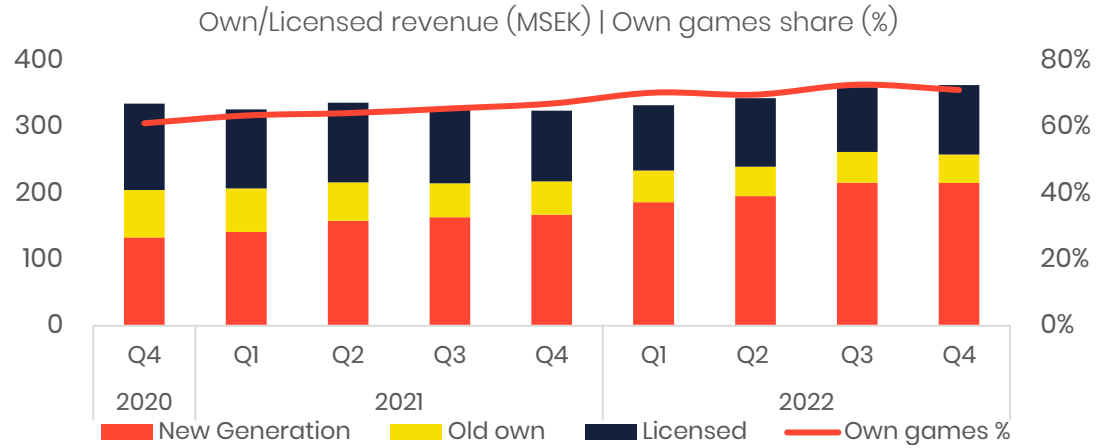
- Own games ›71% of net revenue (67)
- New Generation games: 59% of net revenue, the biggest segment of the portfolio up from 52% in Q4 last year
- *Sherlock* +61% Y/Y in USD ›23% of revenue (13)
- Stable MAGRPPU $61.7

Operating Profit (EBIT) SEK 47.6 M (56.6)
EBIT margin 13.1% (adjusted for fx)

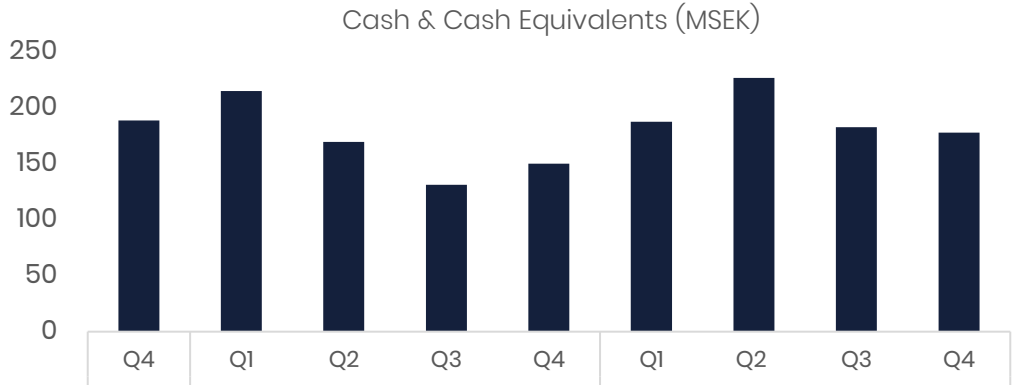
- UA costs 19% of revenue (decrease from 20% last year)
- Gross Margin 67% (65) due to growing share from Own games and G5 Store

Strong cash position

- Total cash at end of period SEK 177.0 M (150.0)
- Total cash flow SEK 1.0 M (19.0)
- Repurchased shares for SEK 19.9 M (4.1)

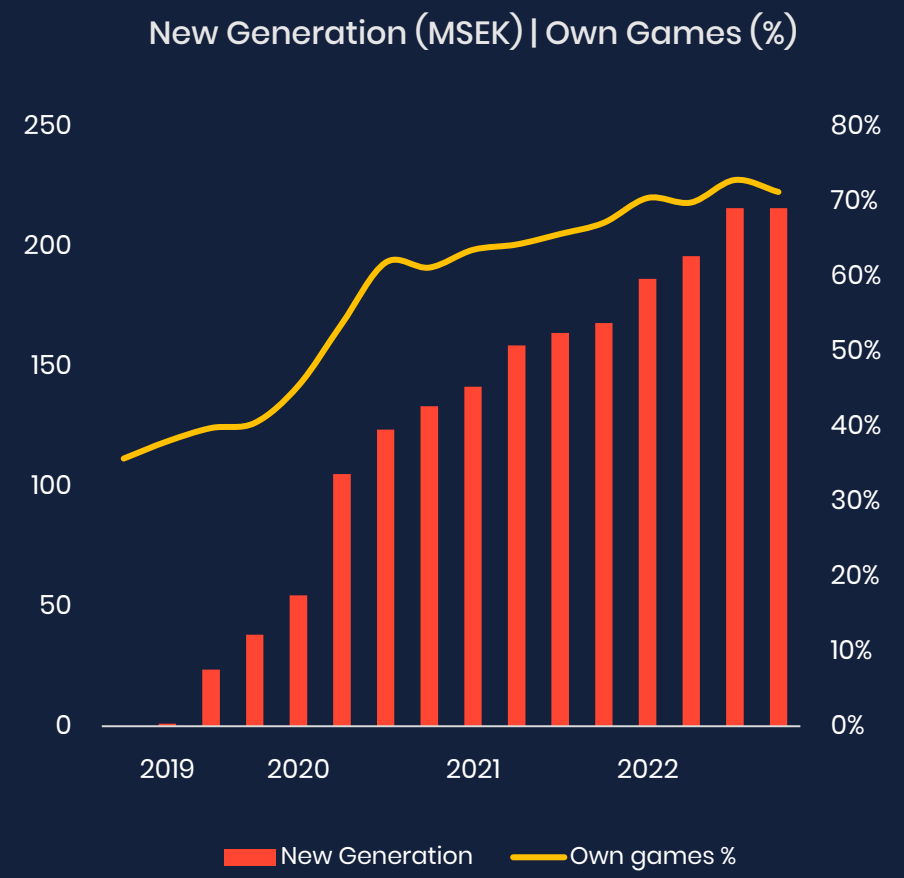






Outlook for 2023

- We enter 2023 with stable revenue generation
- New Generation games higher percentage of revenue
- Soft-launch 5-6 games per year, 1-2 per year global release
- UA range 17-22% of revenue
- G5 Store improving Gross Margin and profitability
- Proposed dividend SEK 8.00/share (+14% from SEK7.00) ca SEK 65.4 M (+10%)
- Strong balance sheet and cash position
- 2023 - 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





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