

G5 Entertainment

Investor Presentation

November 2023

NASDAQ OMX: [G5EN.ST](#)

OTCQX: [GENTE](#)



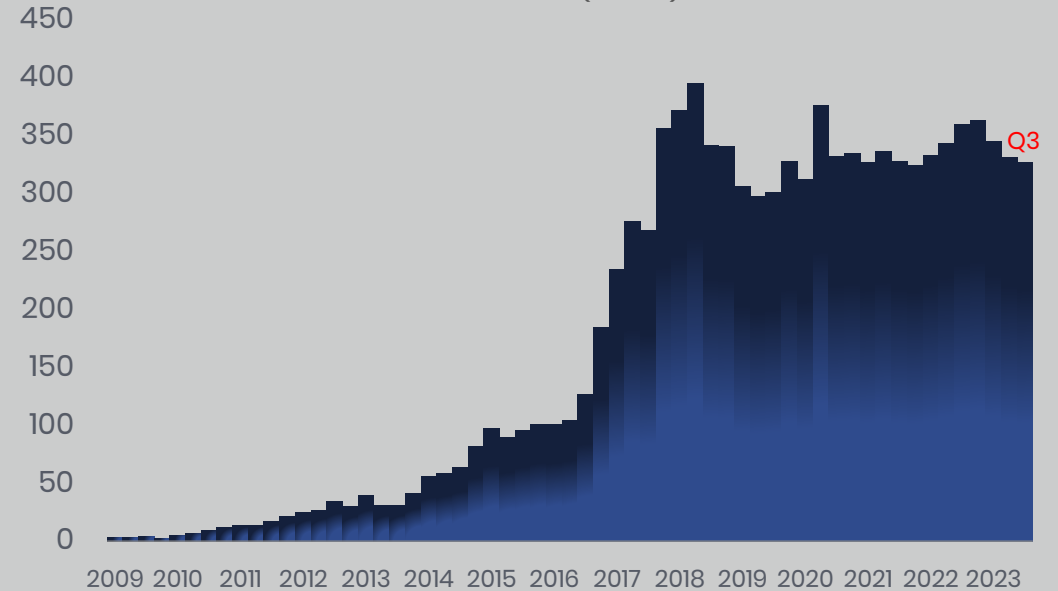
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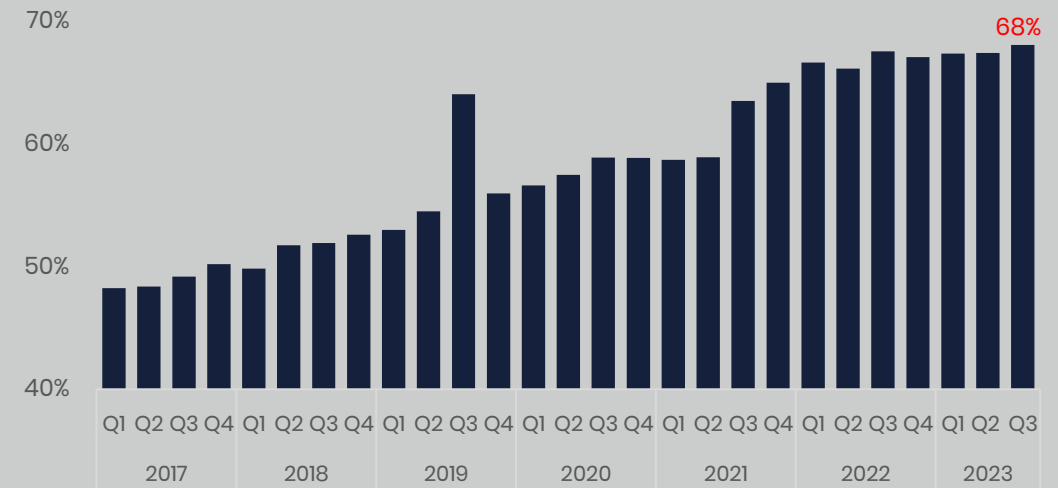
G5 Entertainment in brief

- **Developer and publisher of casual free-to-play (F2P) games** for tablets, smartphones and PCs
- Serving the **\$90+ billion 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 100 million in sales
➤ 27 million downloads
 - *Hidden City* ➤ USD 400 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

Revenue (MSEK)



Gross Margin (%)



Deloitte.
Technology Fast50
2013 - 2018

FT 1000
FINANCIAL
TIMES Europe's Fastest
Growing Companies
2017 - 2020



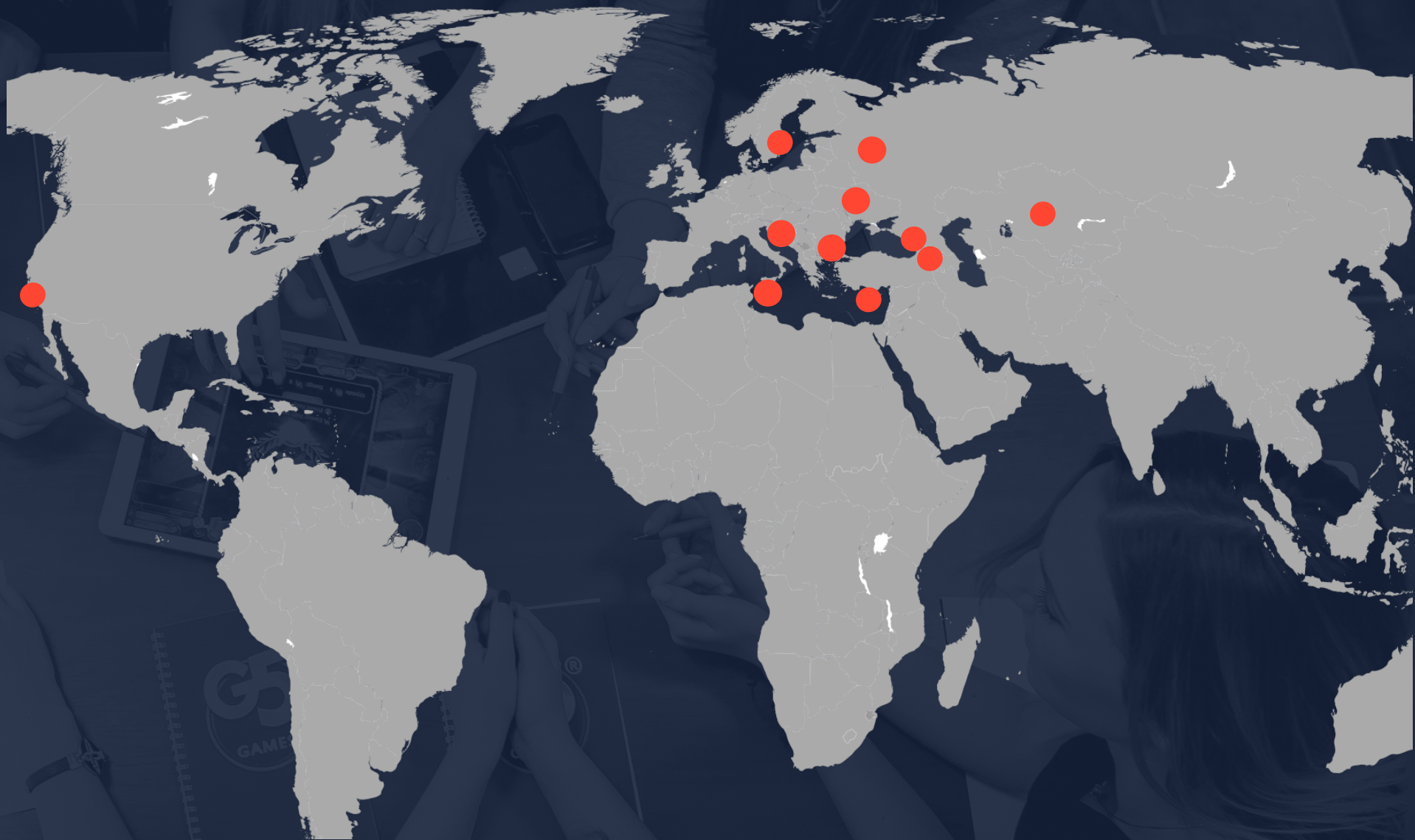
P
2nd best share of
the decade

Operating Locations



Employees
900+

11
Countries

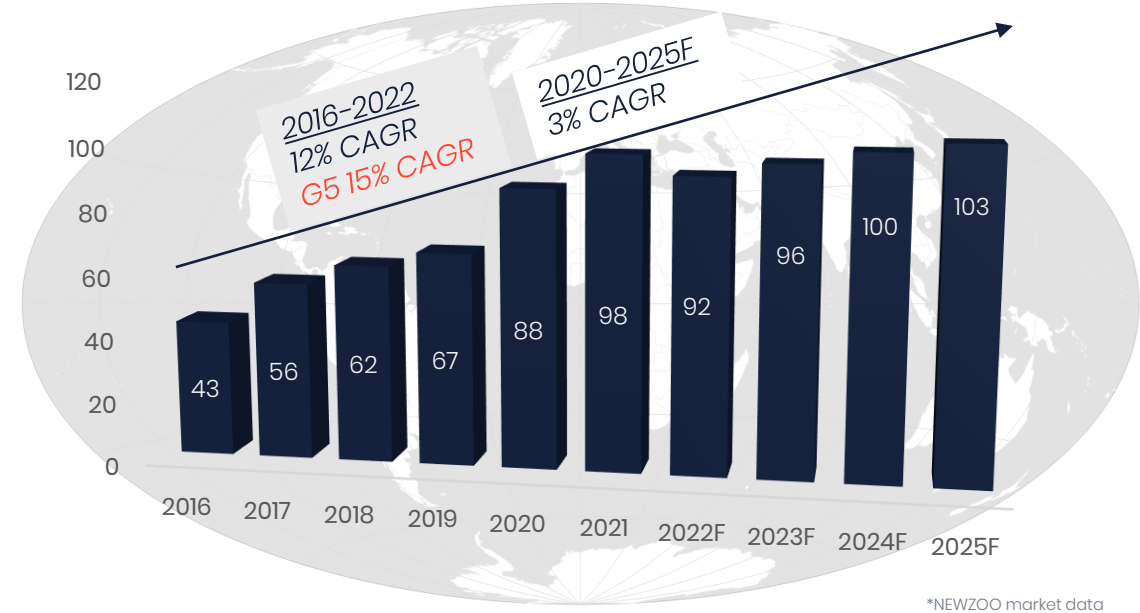


Mobile Gaming Industry

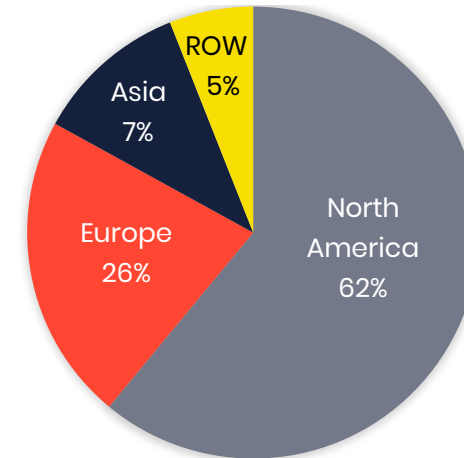
Global Mobile Gaming: A Growth Market

- The market is set to recover and hit new all-time highs again in 2024
- Mobile gaming is the best-performing segment of the overall gaming market, with global revenues expected to reach **\$103 Bn** USD by 2025
- **53% of 2023 global game revenue** will come from mobile gaming
- With almost **2.8 billion gamers worldwide today**, and 3.0 billion gamers projected by 2025, mobile gaming has more players than any other gaming segment
- Asia is the biggest market, accounting for almost **48%** of total revenues for the industry in 2022, 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

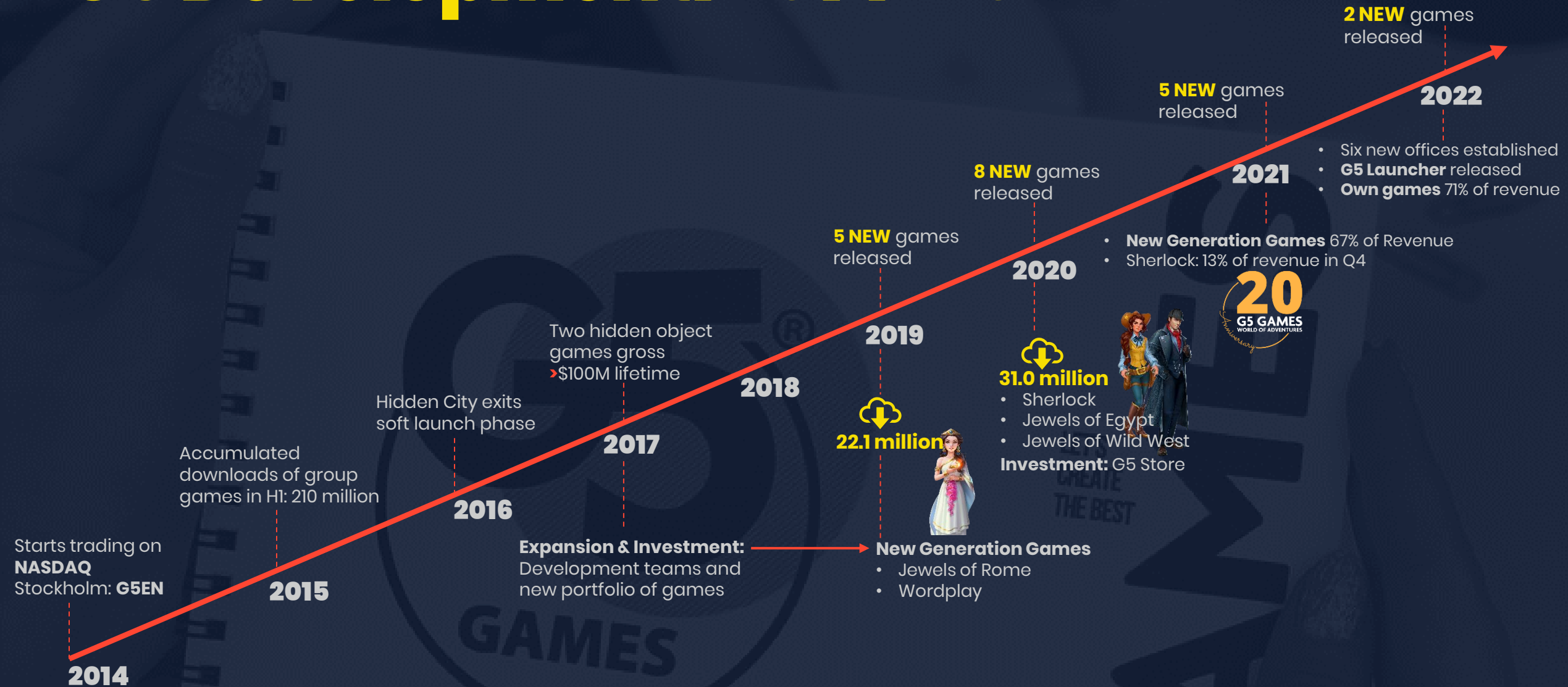
2016 – 2025 Global Mobile Games Market Revenues Bn USD



G5 Revenue breakdown by geography Q3 2023



G5 Development: 2014–2022





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 \$

Hidden Object



Match-3



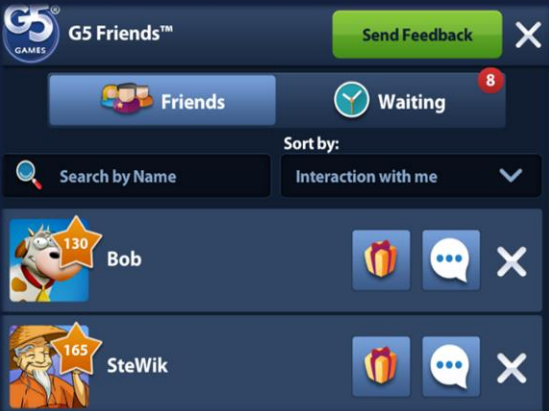
Mahjong / Solitaire



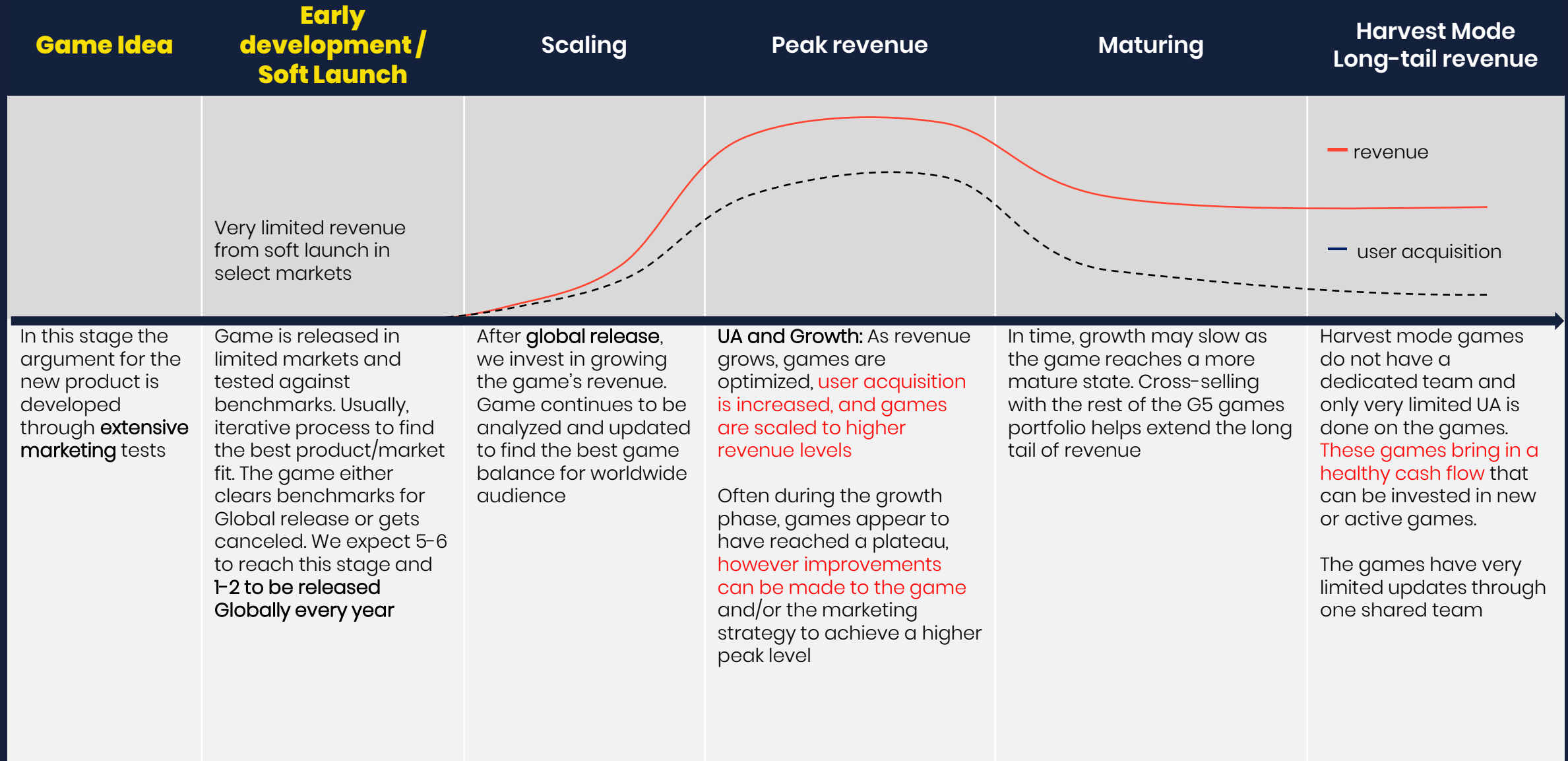
New Genres



G5 Friends Network

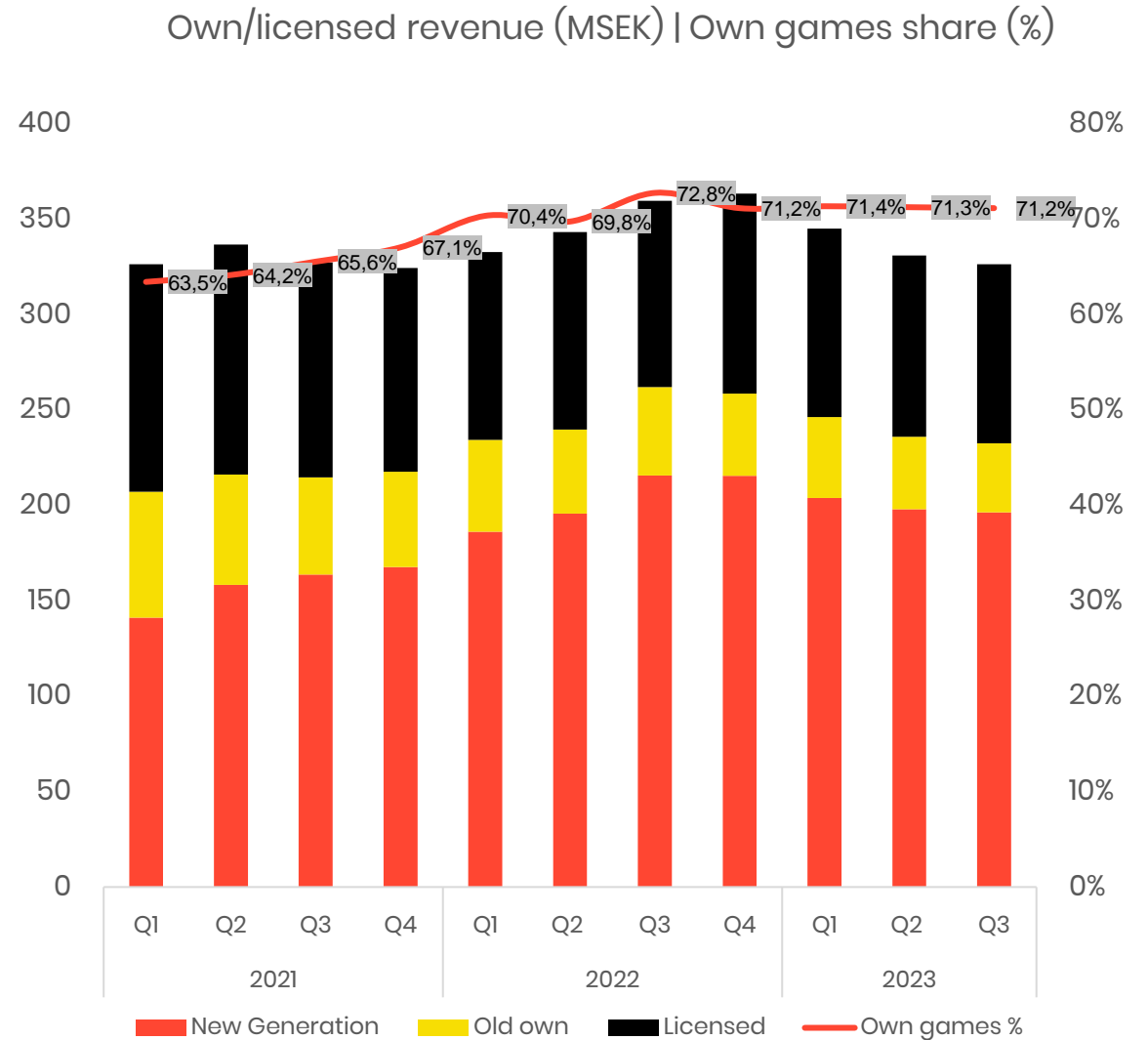


New Games Development Funnel

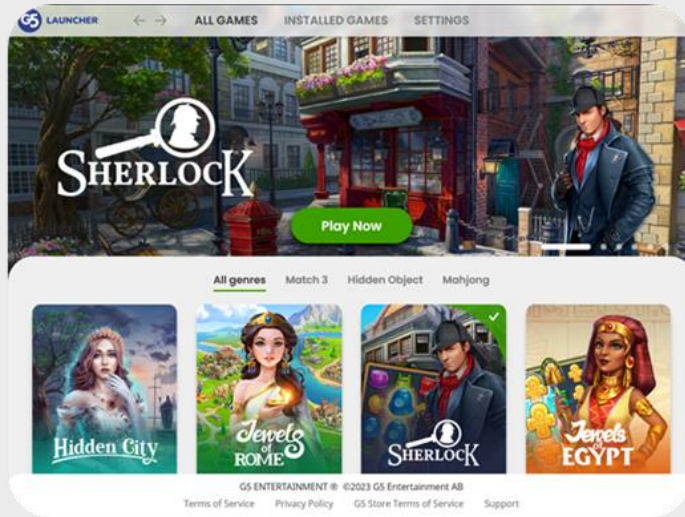


Our Portfolio Approach

- **Strengthened development teams** giving the company full control over game development and quality combined with tougher approach to underperforming games
- Own games have consistently grown and is now **>71%** of the total net revenue
 - New Generation games **>60%** of total net revenue
 - ✓ *Sherlock*: 23% of total net revenue
 - ✓ *Jewels* family: 32% of total net revenue
- 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
- UA efficiency and M.A.R.S UA suite tools accelerated growth of earnings
- Building a foundation for long-term future growth



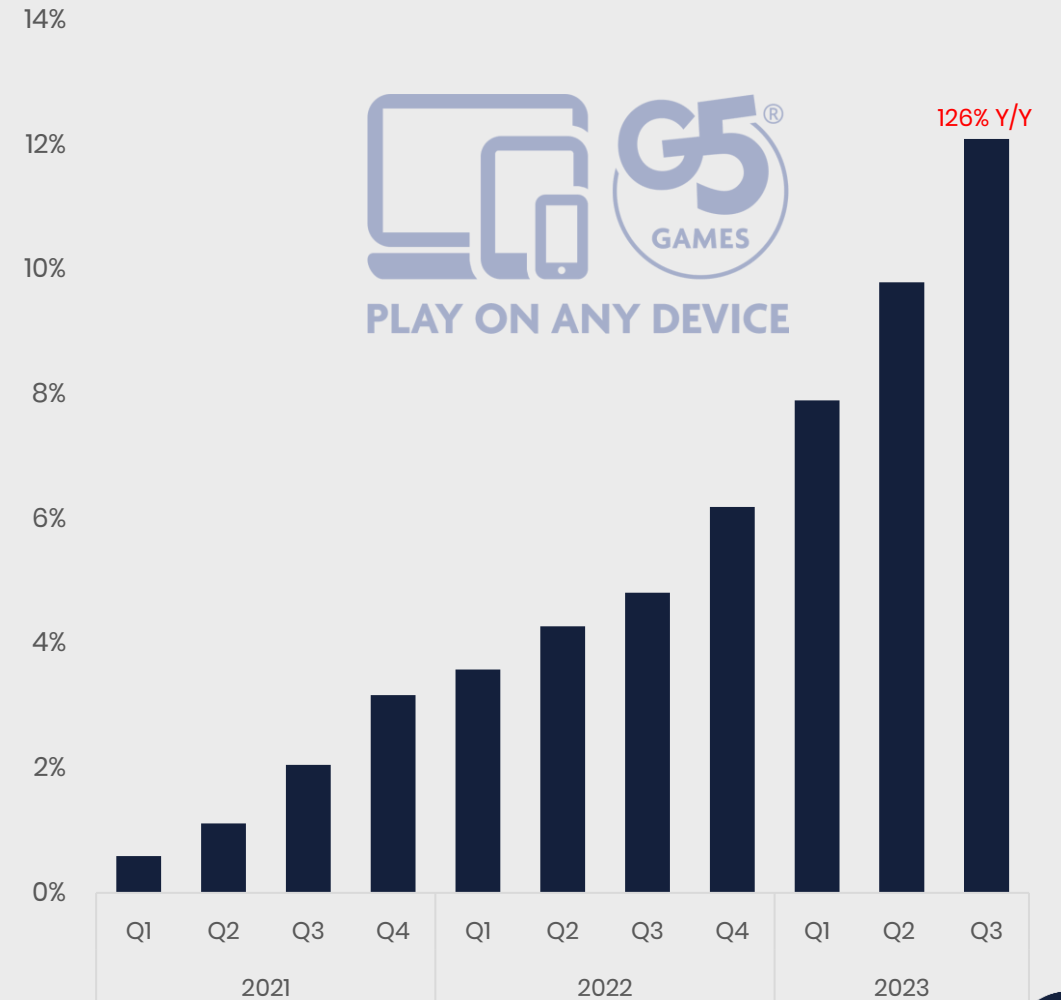
G5 Store



Continues to gain momentum

- G5 Store accounts for **12.1% of total net revenue** up from 4.8% last year, +131% Y/Y, +23% Q/Q in SEK | +126% Y/Y, +20% Q/Q in USD
Another all-time high in monthly revenue in Q3
- **Room to grow** Some peers report 25% of revenue from direct-to-consumer (D2C)
- **Lower processing fees** G5 Store are low single digits compared to the 12-30% third party application store fees
- ➤ Continued potential for growth and increased margins

G5 Store - % of G5's Net Revenue (USD)



Financials

Financial Summary: Q3 2023

- Own games ➤71% of net revenue (73)
- New Generation games: 60% (60) of net revenue, the biggest segment of the portfolio
- *Jewels of Rome*: +8% Y/Y in SEK ➤32% of net revenue (31)
Sherlock: -5% Y/Y in SEK ➤23% of net revenue (23)
- MAGRPPU increased to **\$63.2** (61.2)

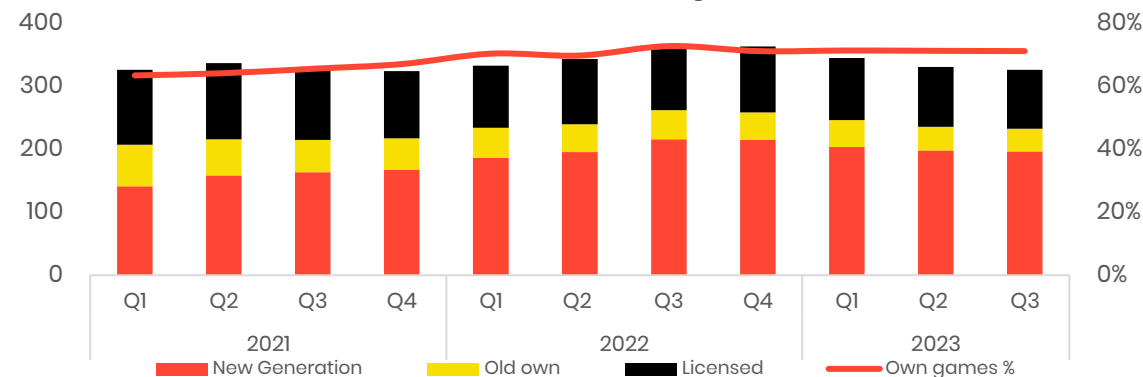
Operating Profit (EBIT) SEK 22.3 M (-22.8), EBIT margin 7%

- Gross Margin 68.1% (67.6) primarily driven by fast growth of the G5 Store
- UA costs 19% of revenue (22)
- Net capitalization impact on earnings was SEK -13.1 M (7.7)

Record cash position for the third quarter

- Cash flow before financing activities SEK 25.6 M (-22.5)
- Financing activities impacted by buybacks SEK 15.7 M (-28.2)
- Total cash flow for the period was SEK 9.7 M (-50.9)
- Total cash at end of period SEK **184.4** M (182.3)

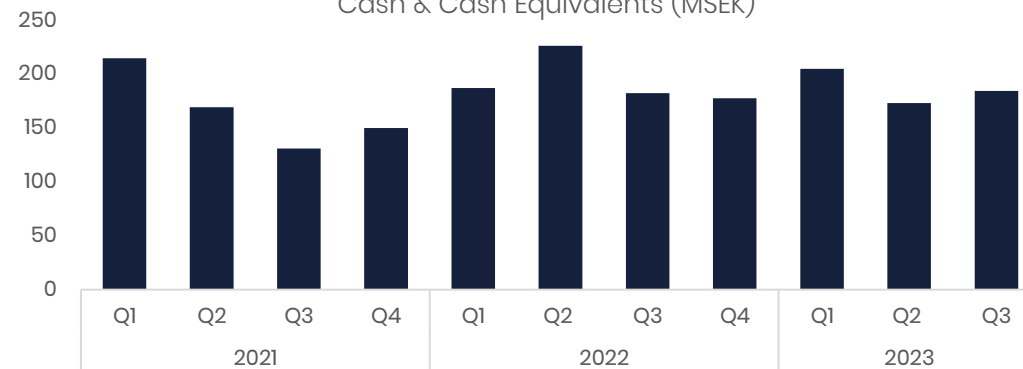
Own/Licensed revenue (MSEK) | Own games share (%)



Gross Margin (%)



Cash & Cash Equivalents (MSEK)



Outlook for 2023/2024



- We will release 1 new game globally before end of the year
- We also have 7 games in soft launch development and iterations and a strong pipeline of 36 new game ideas
- G5 Store continues to increase as a percentage of revenue boosting the Gross Margin and profitability
- Maintain sustainable UA spend within 17-22% range
- Continue to strengthen balance sheet through strong cash generation
- Committed to dividend payments and buybacks





Contact

Stockholm Headquarters

G5 Entertainment AB
Nybrogatan 6, 5th floor
114 34 Stockholm
Sweden

Email: investor@g5e.com
www.corporate.g5e.com

Connect with us on

