

# G5 Entertainment

## Investor Presentation

December 2023

NASDAQ OMX: [G5EN.ST](https://www.nasdaq.com/symbol/g5en)





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# G5 Entertainment in brief

## Developer and publisher

Casual free-to-play (F2P) games  
for tablets, smartphones and PCs

Serving  
**\$90+ Billion**  
global market

**Female audience**  
**35+**

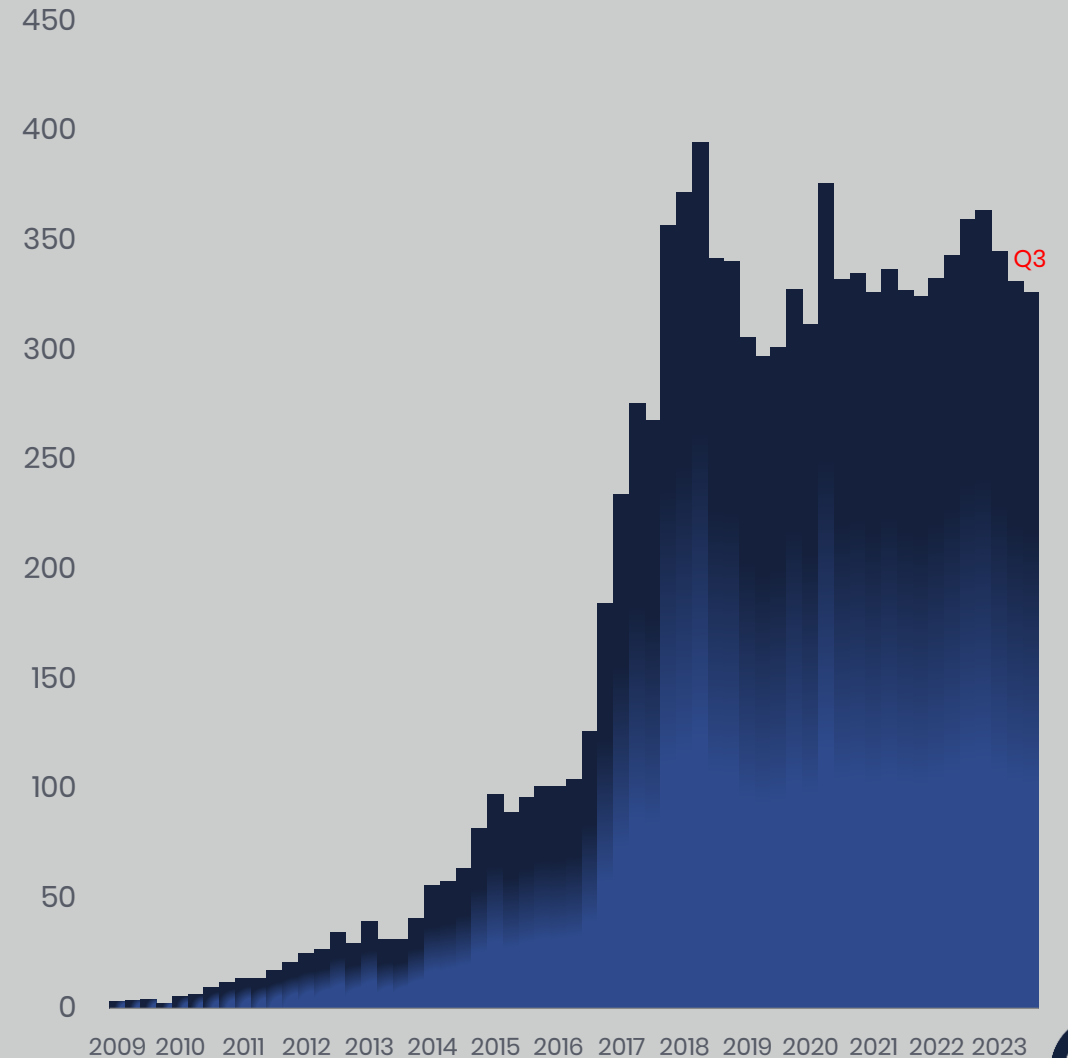
**11 countries**  
**900+**  
**Employees**

## Strong history

*Secret Society:* USD 100 M in sales  
27 M downloads

*Hidden City:* USD 400 M in sales  
54 M downloads

Revenue (MSEK)

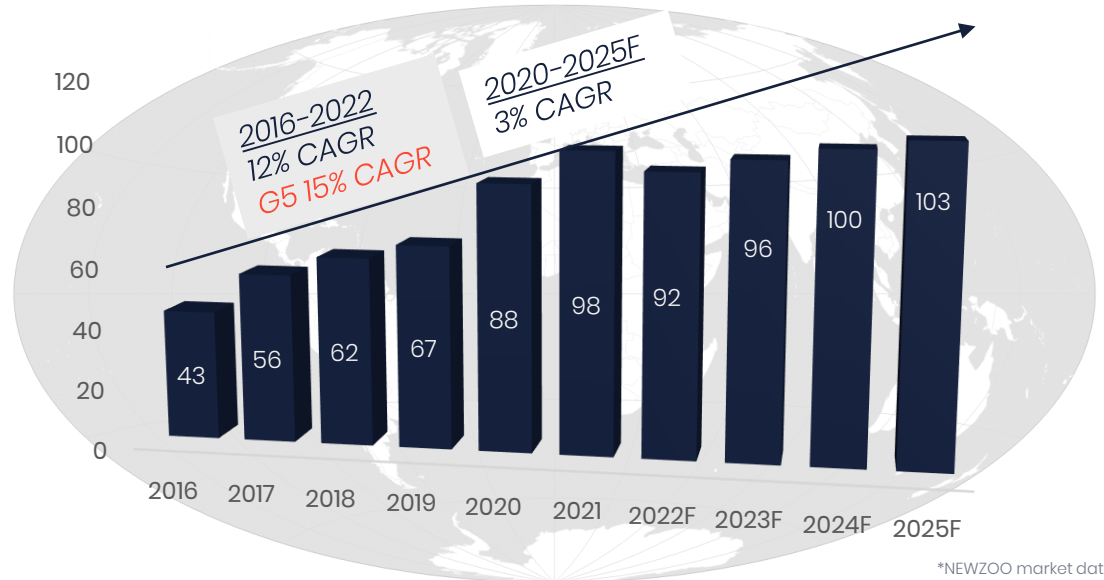


# Mobile Gaming Industry

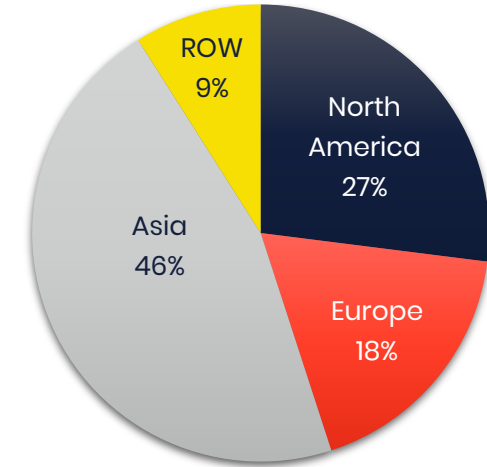


# Global Mobile Gaming: A Growth Market

2016 – 2025 Global Mobile Games Market Revenues Bn USD

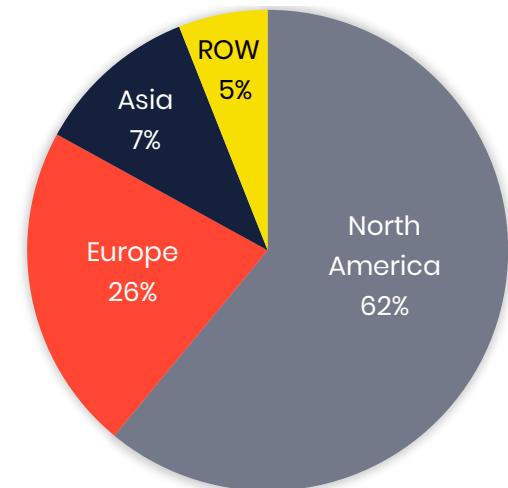


2023 Global Games Market per region

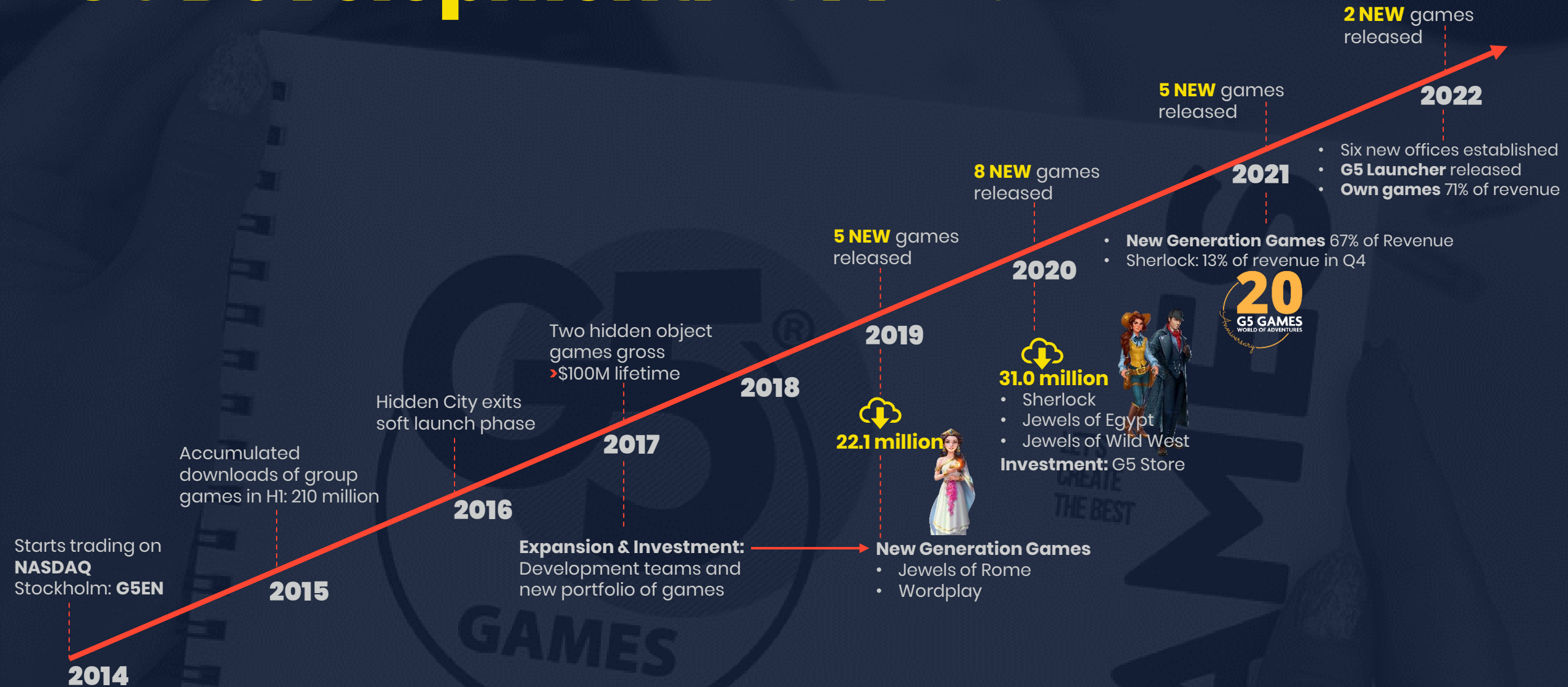


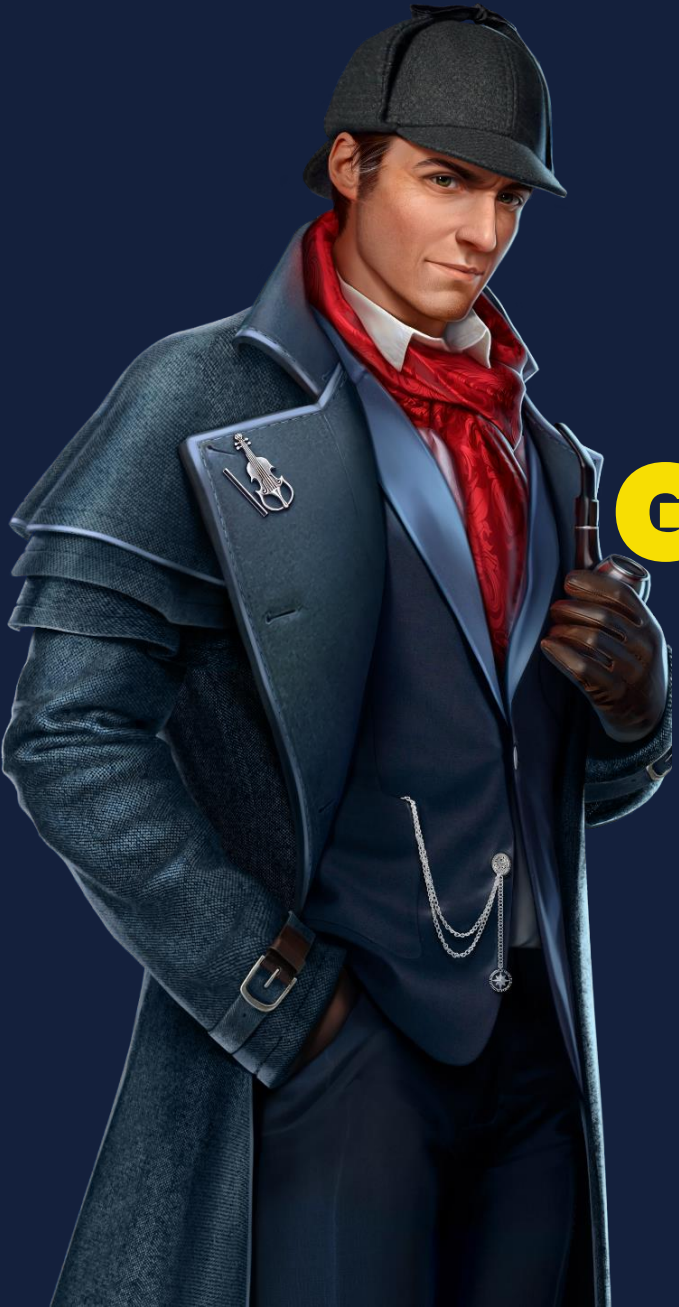
- Mobile gaming is the best-performing segment of the overall gaming market, with global revenues expected to reach **\$103 Bn** USD by 2025
- **49% of 2023 global game revenue** will come from mobile gaming
- With almost **3.4 billion gamers worldwide today** (+6% Y/Y), and 3.8 billion gamers projected by 2026, mobile gaming has more players than any other gaming segment
- Asia is the biggest market, accounting for almost **46%** of total revenues for the industry in 2023, followed by the US
- G5's main market is North America, followed by EU and Japan

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



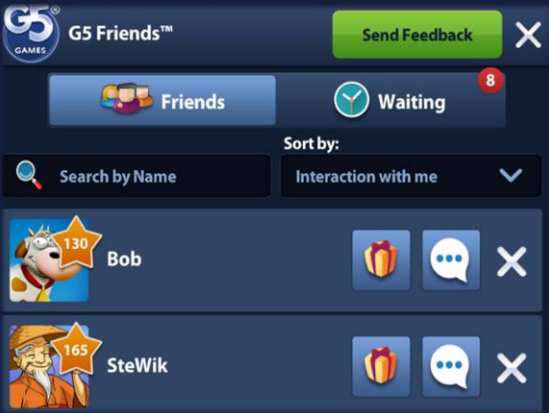
Mahjong / Solitaire



New Genres

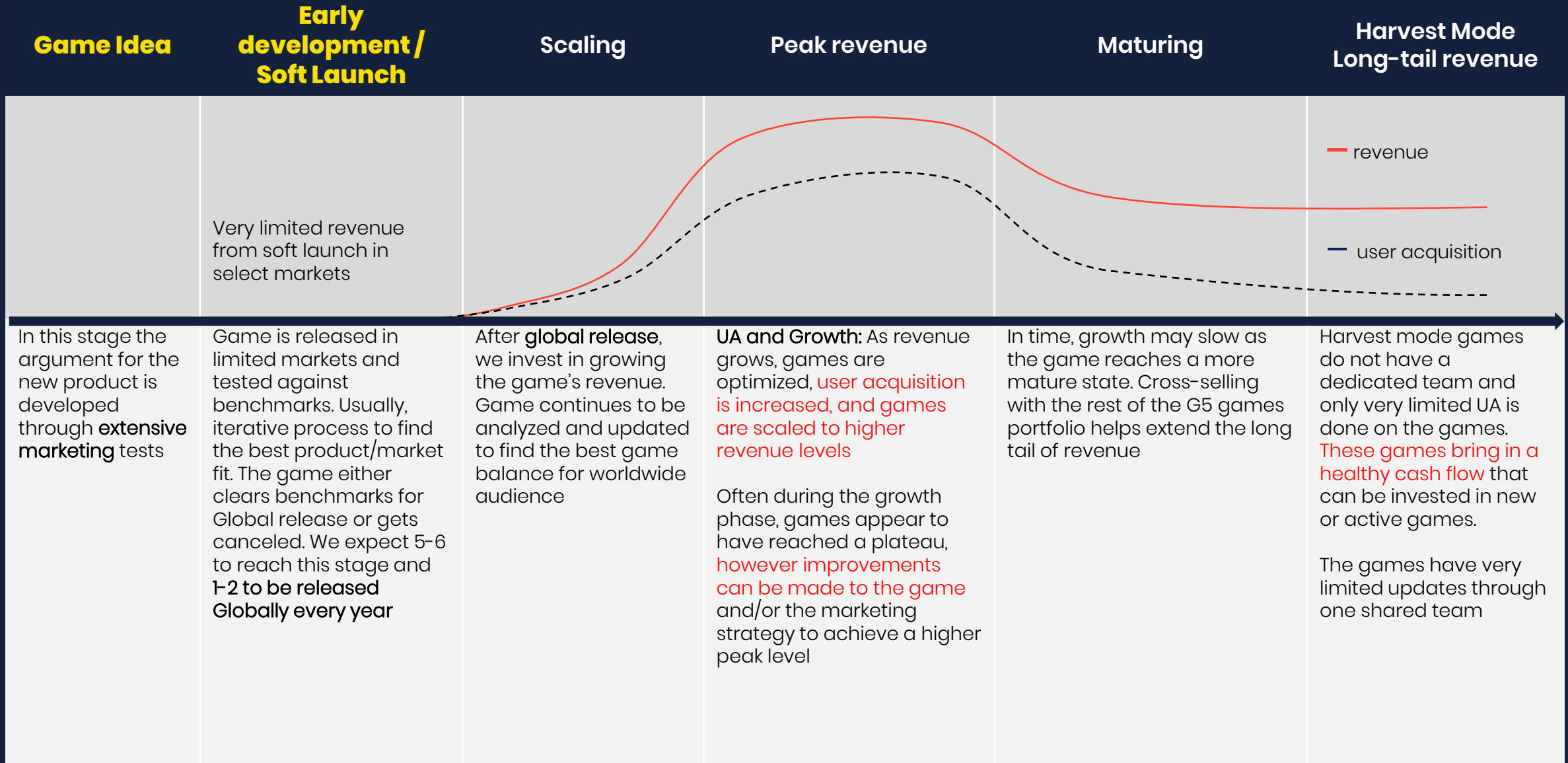


## G5 Friends Network





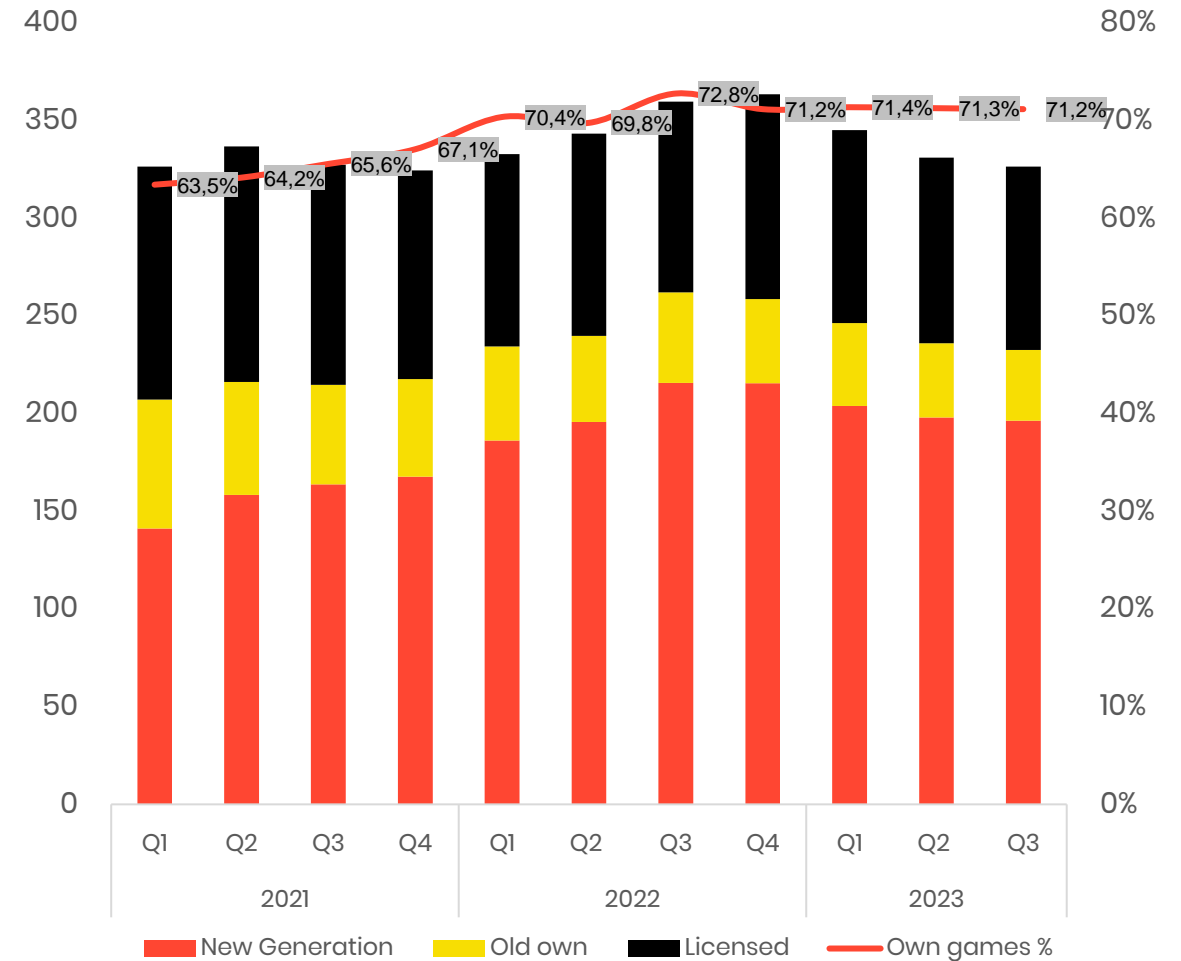
# New Games Development Funnel



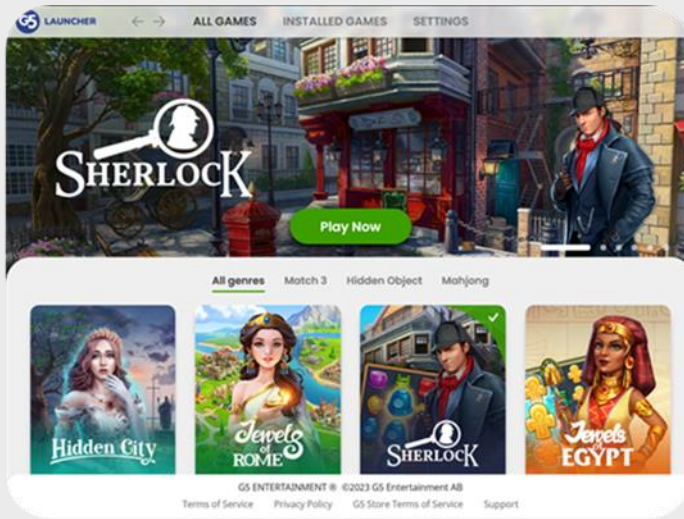
# Our Portfolio Approach

- **Strengthened development teams** giving the company full control over game development and quality combined with tougher approach to underperforming games
- Revenue from Own games have consistently grown and is now **>71%** of the total net 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

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



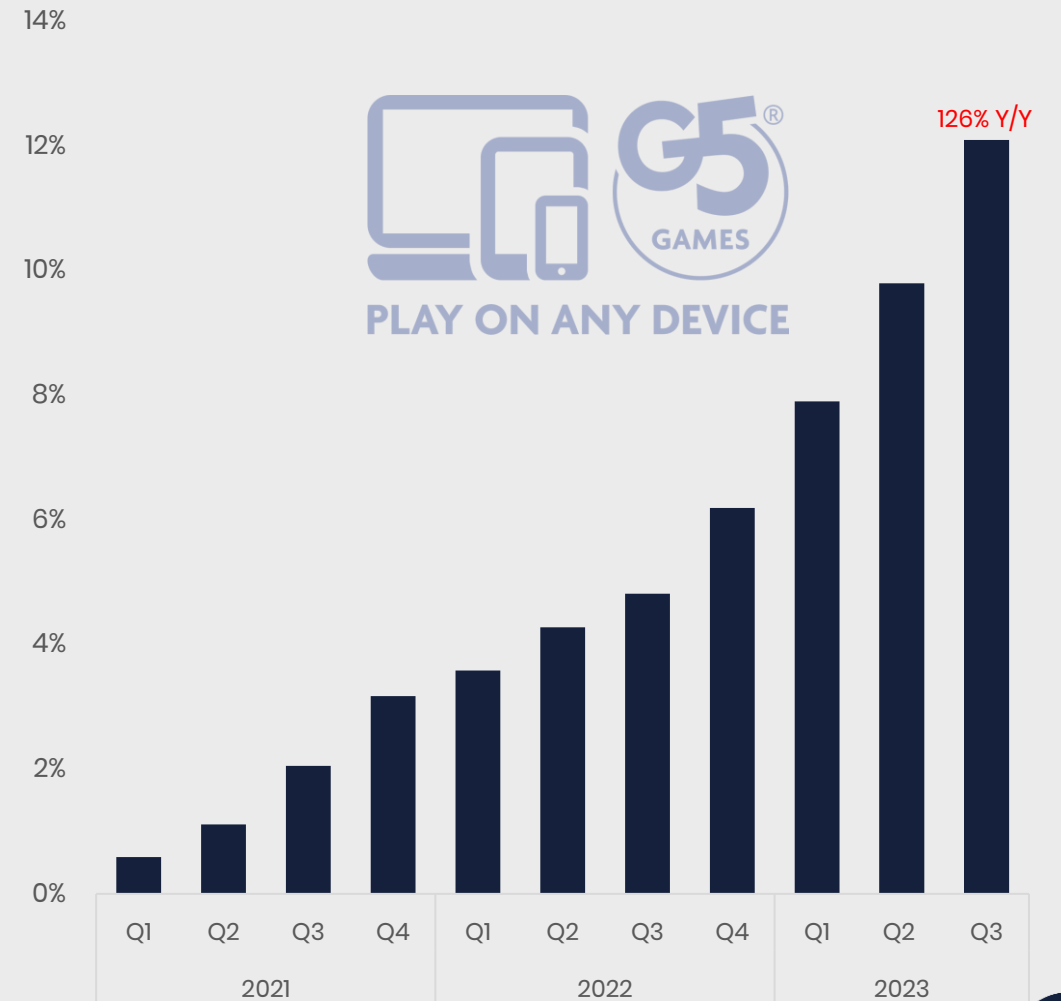
# G5 Store



## 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)

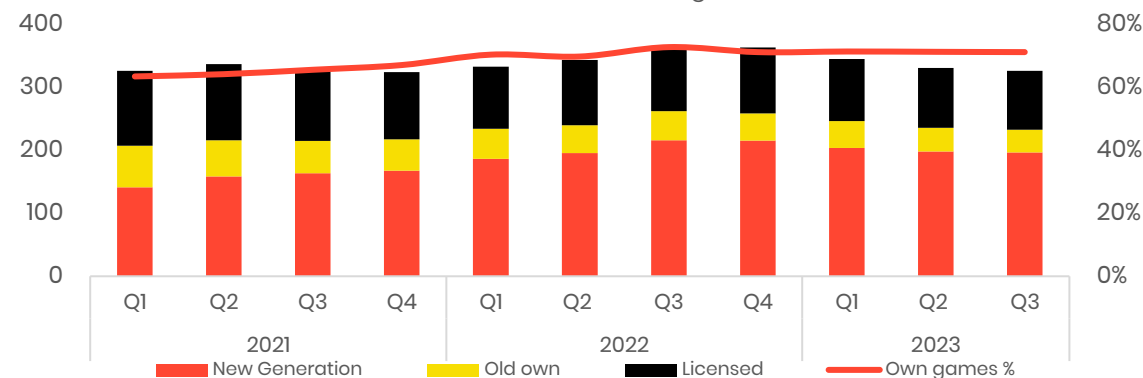
## Operating Profit (EBIT) SEK 22.3 M (-22.8), EBIT margin 7%

- 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)

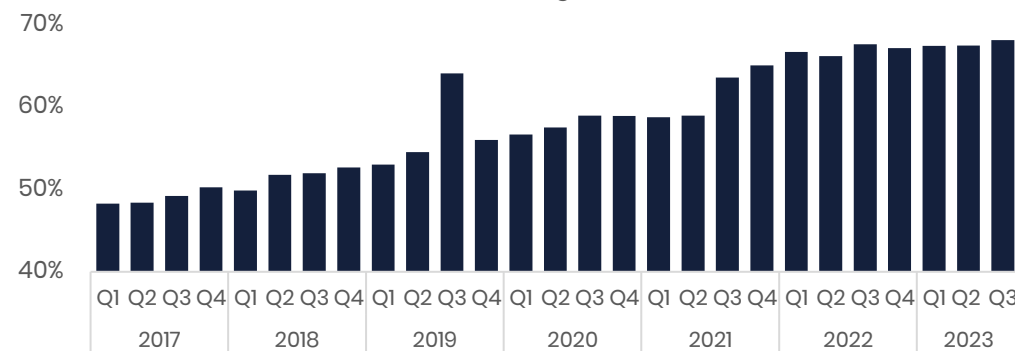
## Record cash position for the third quarter

- 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)

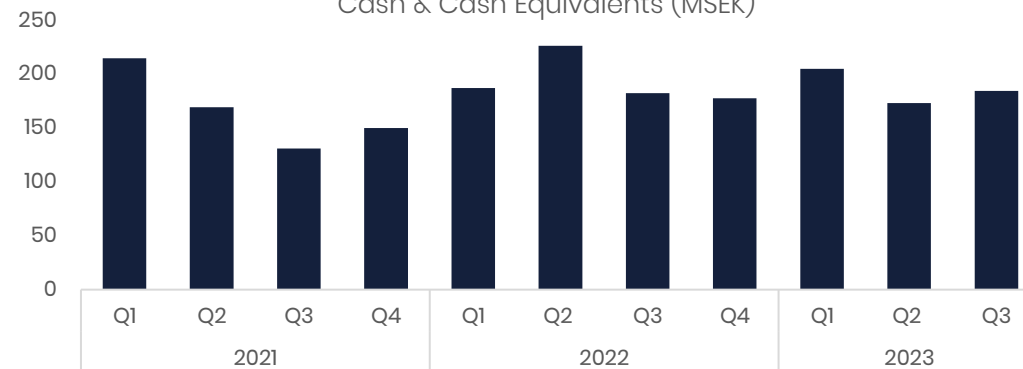
Own/Licensed revenue (MSEK) | Own games share (%)



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







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