

G5 Entertainment

Investor Presentation

April 2024

NASDAQ OMX: [G5EN.ST](https://www.nasdaq.com/quote/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+

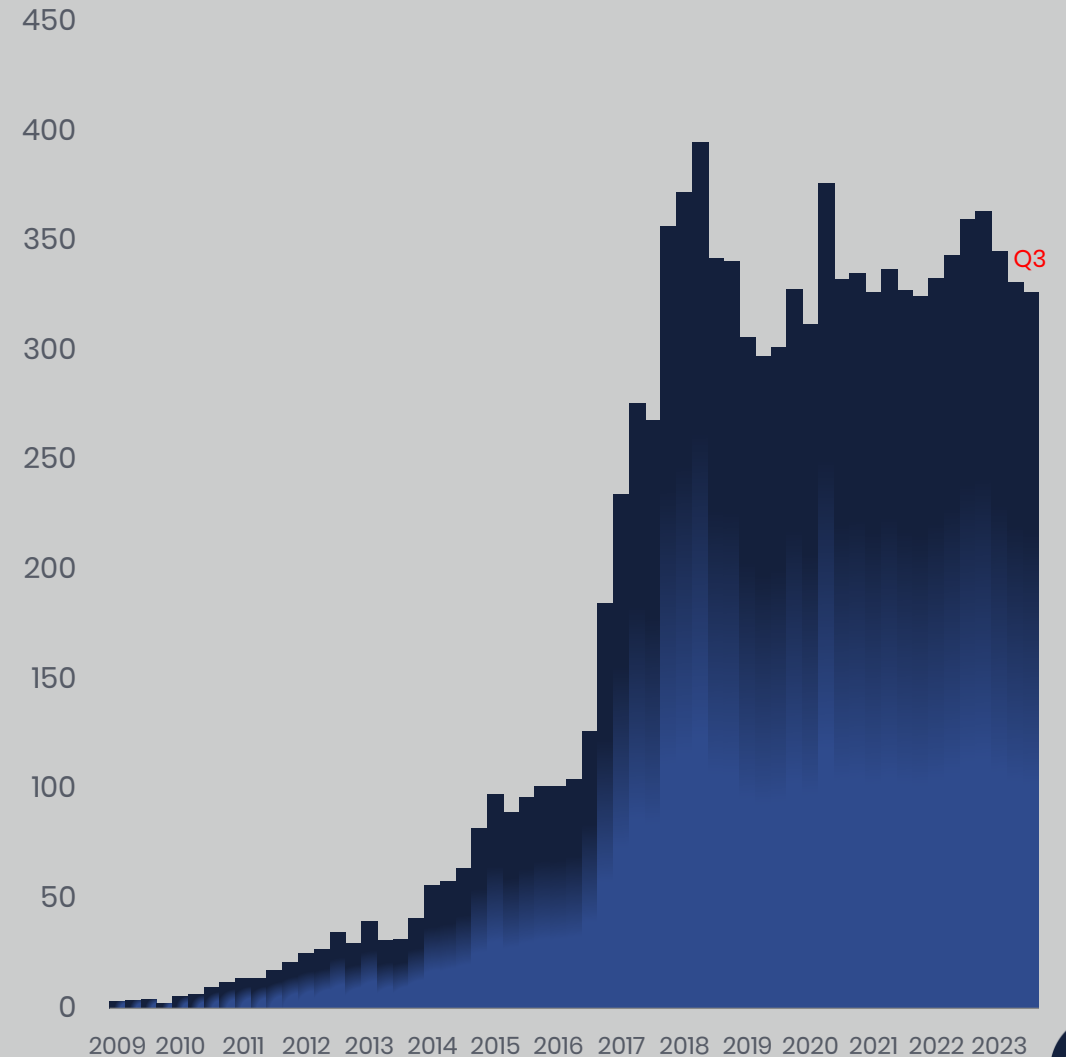
11 countries
900+
Employees

Strong history

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

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

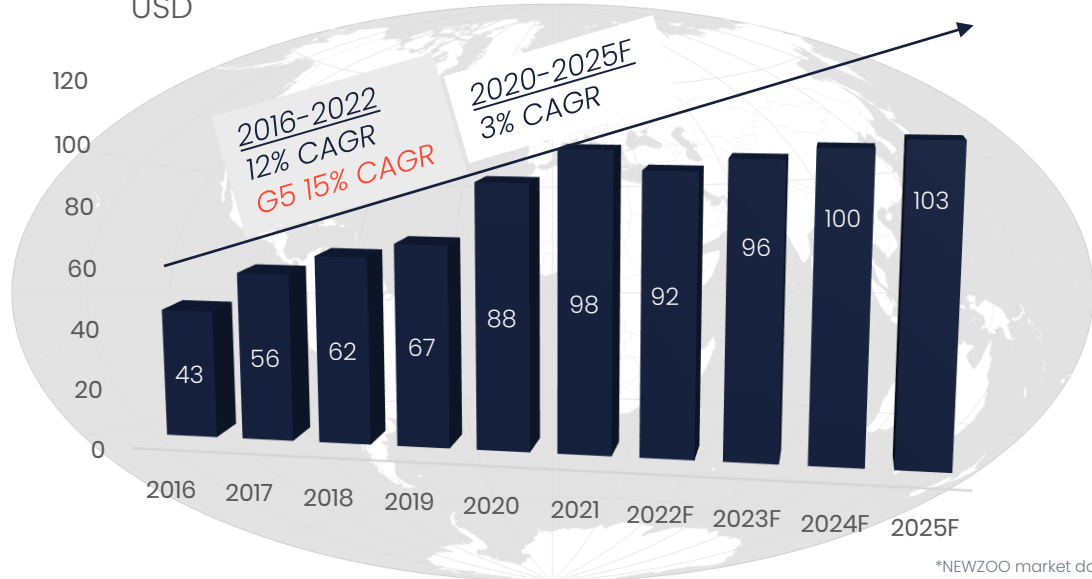
Revenue (MSEK)



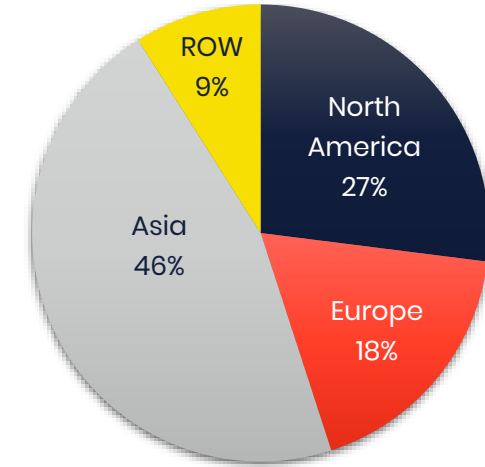
Mobile Gaming Industry

Global Mobile Gaming: A Growth Market

2016 – 2025 Global Mobile Games Market Revenues Bn USD

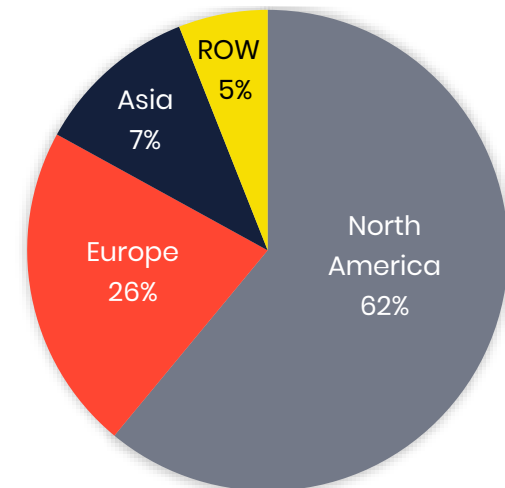


2023 Global Games Market per region

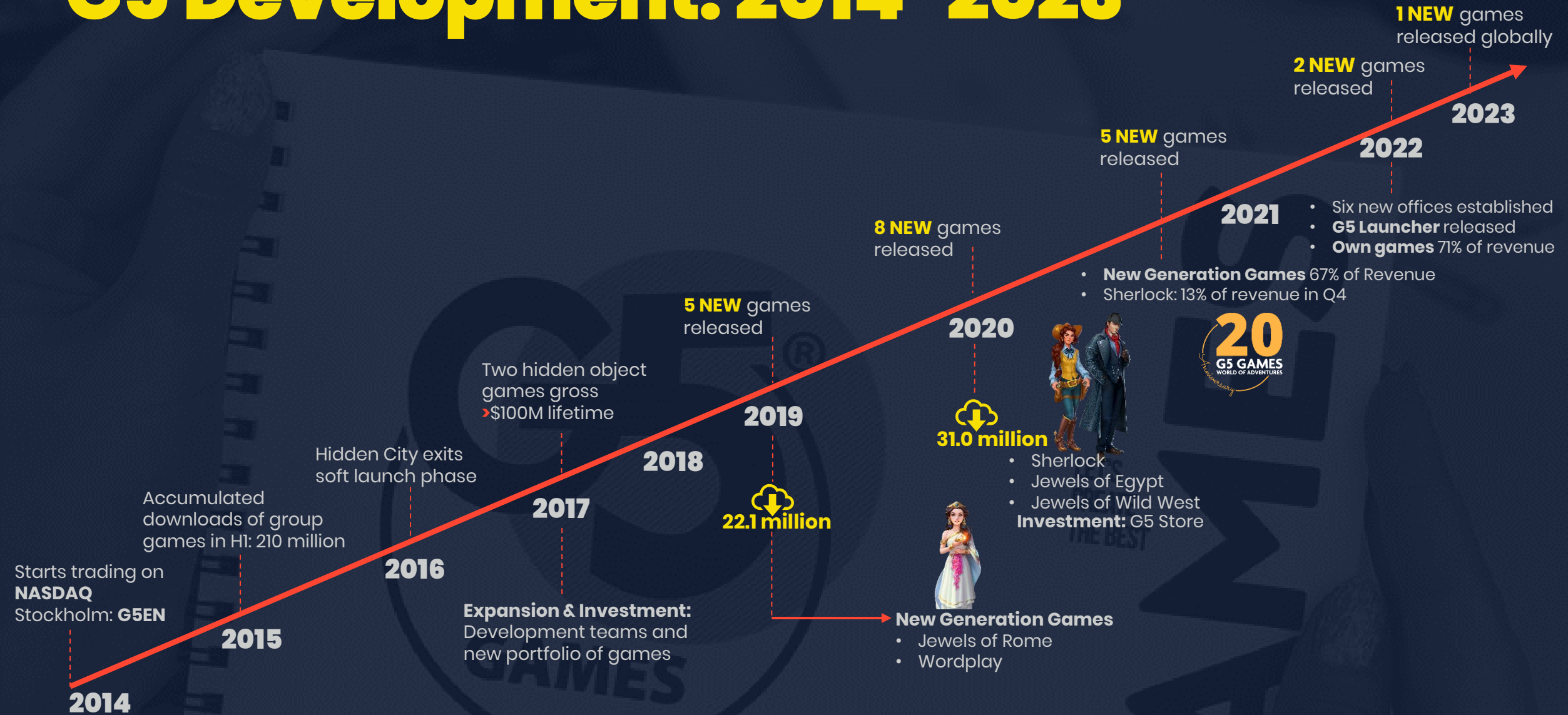


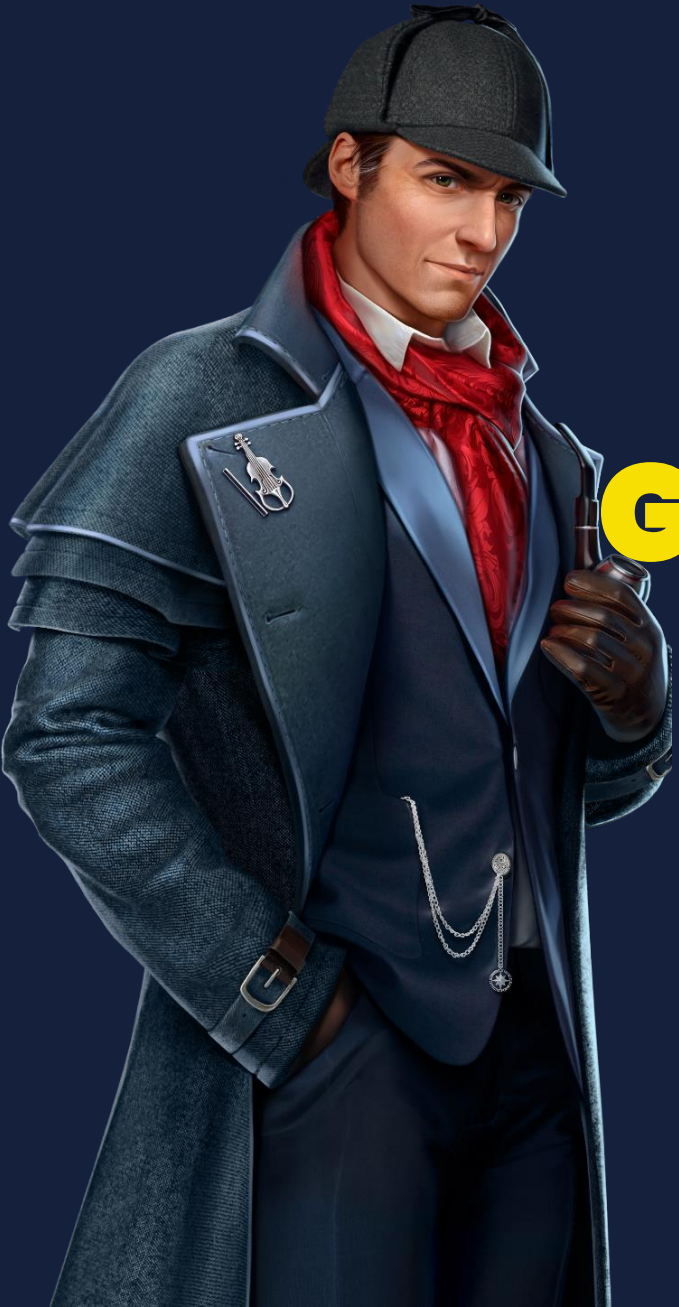
- Mobile gaming is the best-performing segment of the overall gaming market, with global revenues expected to reach **\$103 Bn** USD by 2025
- **49% of 2023 global game revenue** will come from mobile gaming
- With almost **3.4 billion gamers worldwide today** (+6% Y/Y), and 3.8 billion gamers projected 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 Q4 2023



G5 Development: 2014-2023





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



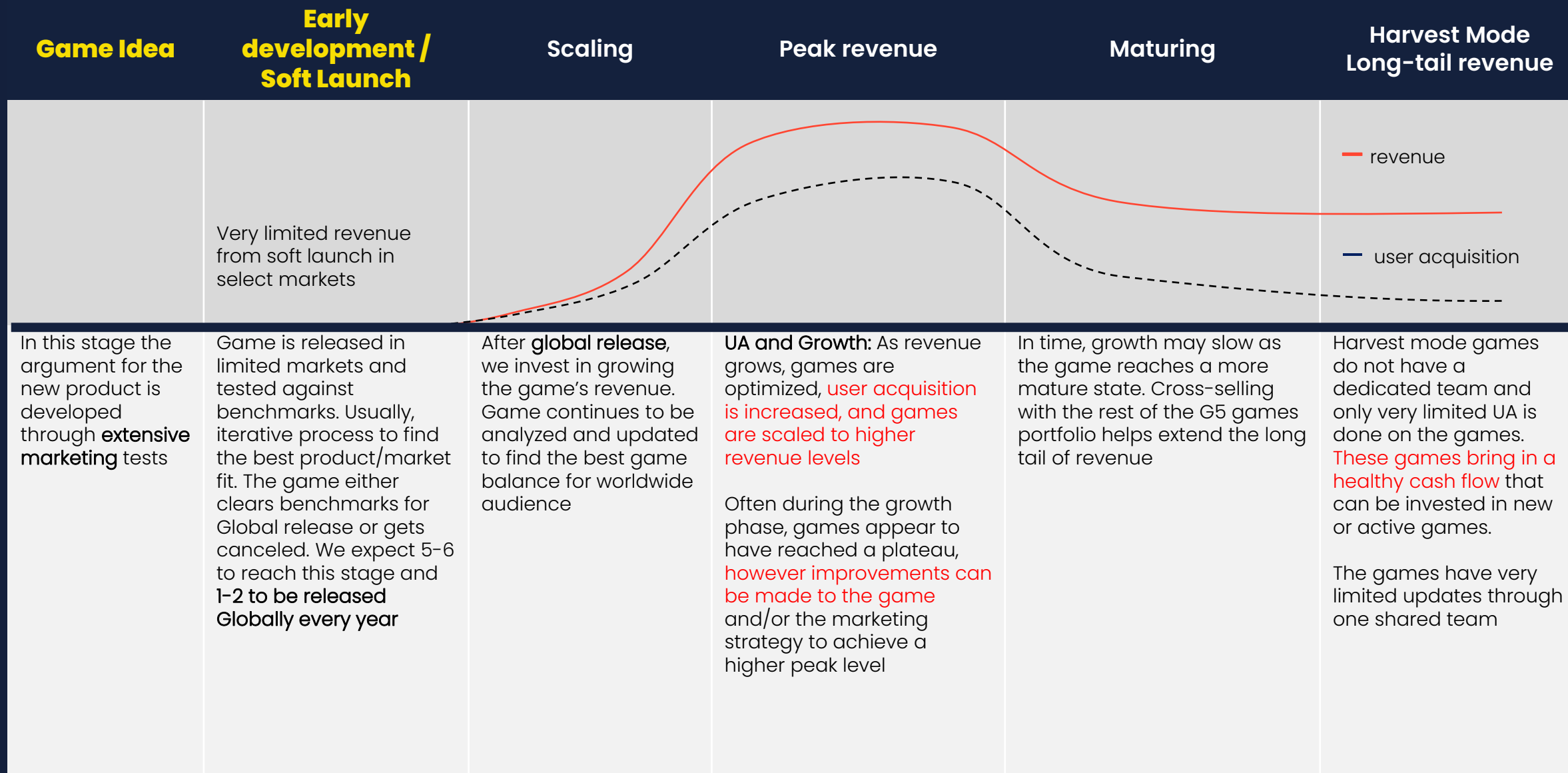
New Genres



G5 Friends Network



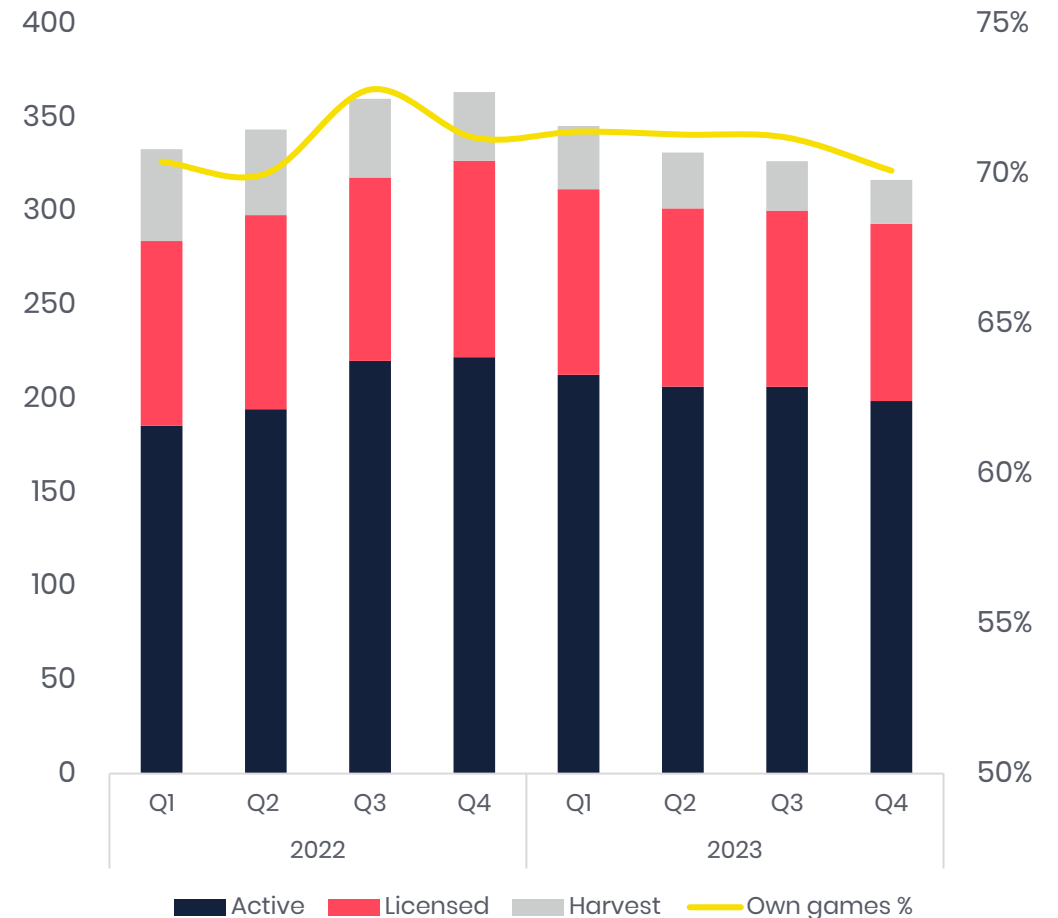
New Games Development Funnel



Our Portfolio Approach

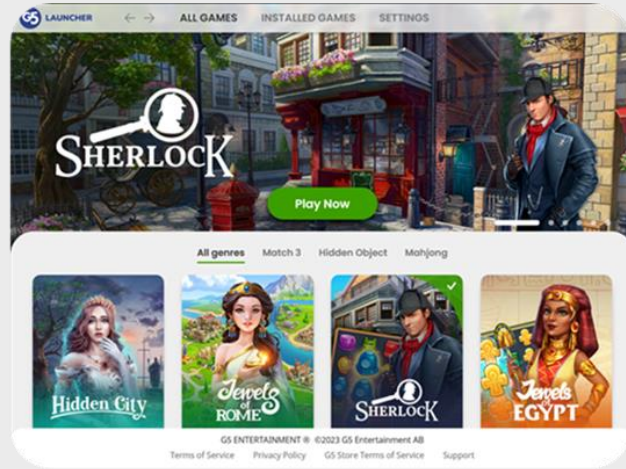
- **Strengthened development teams** giving the company full control over game development and quality combined with tougher approach to underperforming games
- Revenue from Own games have consistently grown and is now **>70%** of the total net revenue
- 8 games released in 2020, 5 games in 2021, 2 in 2022, 5 currently in soft launch and **one released globally in 2023.** 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 (%)



Active: Own and actively managed
Licensed: Licensed
Harvest: Not actively supported games & older games

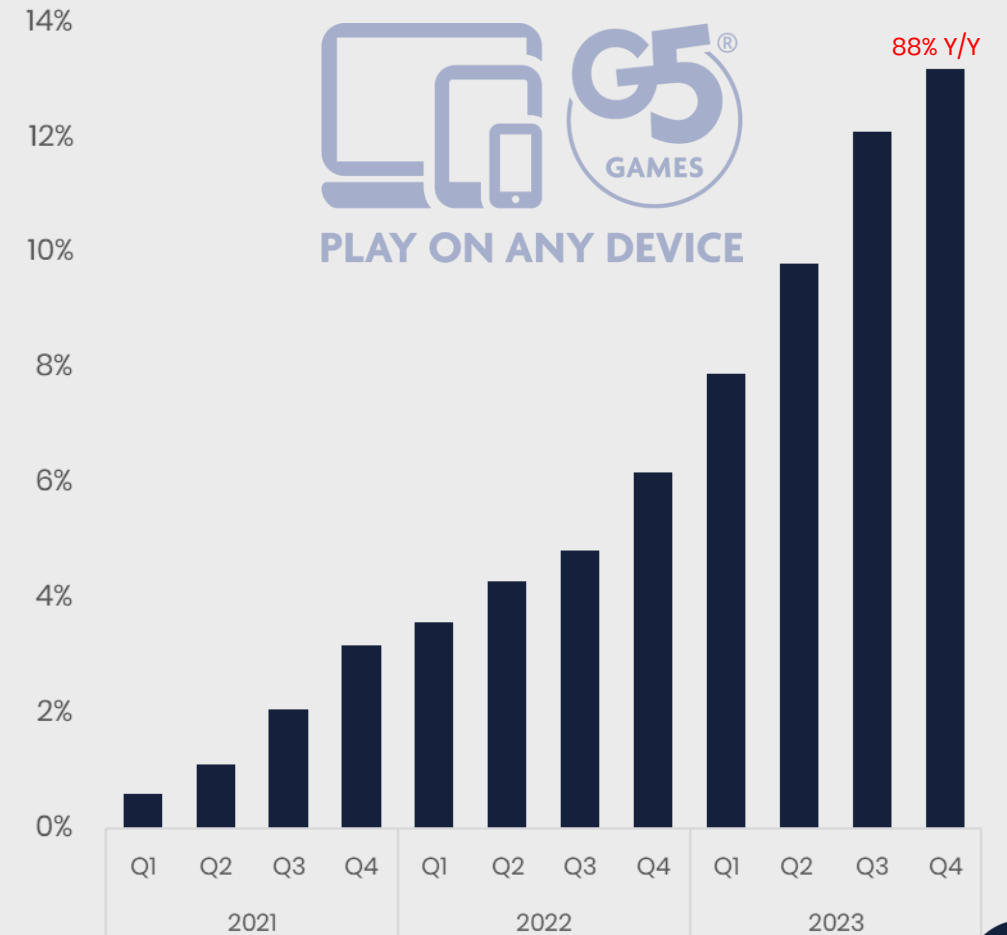
G5 Store



Continues to gain momentum

- G5 Store accounts for **13.2% of total net revenue** up from 6.3% last year, +87% Y/Y, +5% Q/Q in SEK | +88% Y/Y, +6% Q/Q in USD
Another all-time high in monthly revenue in Q4
- **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

FY 2023 – Wrapping up a financially strong year

- **Revenue decreased -6% Y/Y. USD/SEK rate impacted the year positively, -10% Y/Y (in USD)**
 - Active games: 0% Y/Y | -4% Y/Y (in USD)
 - Gross margin increased to 67.6% (66.9)
- **Disciplined cost structure:**
 - Diligent execution of new development funnel process
 - Staff optimization and integration of AI tools in the development process
- **G5 Store gained traction during the year**
 - 8.8% of total revenue during 2023 compared to 3.9% in 2022
- **Game release: *Twilight Land***
- **Strong earnings and earnings per share**
 - EBIT was SEK 111 M, +40% Y/Y, EBIT margin of 8%
 - EPS for full year SEK 15.84, +98% compared to last year
- **Proposed dividend: SEK 8.00 (8.00)**

G5 wraps up a financially strong year with a strong balance sheet and cash flow whilst funding our marketing and development efforts.



Financial Summary: Q4 2023

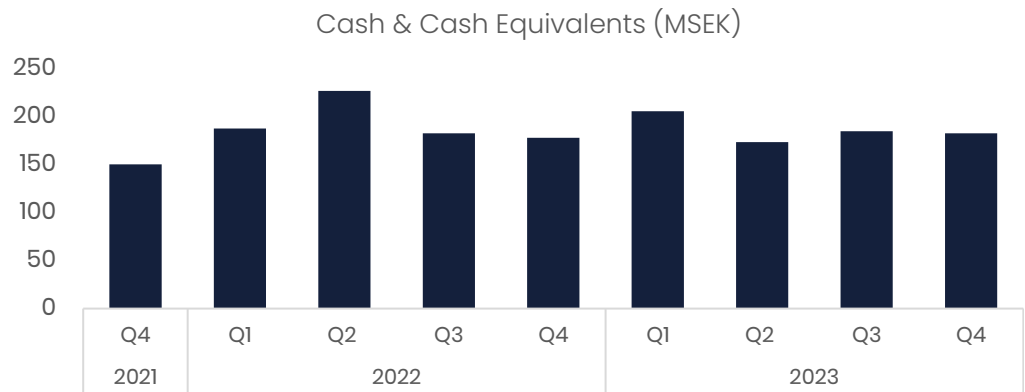
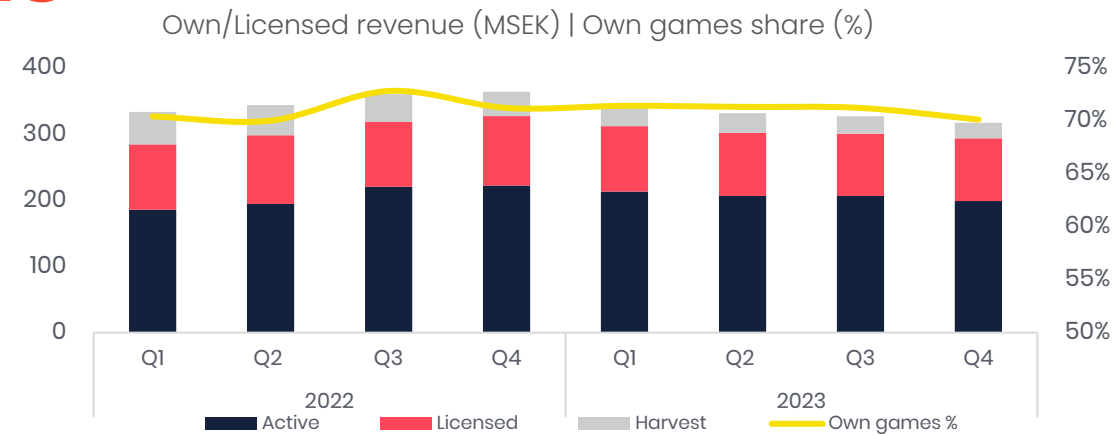
- Own games >70% of net revenue (71)
- Active own games: 63% (61) of net revenue
- *Twilight Land* released during the quarter
- Gross Margin 67.6% (67.1) primarily driven by fast growth of the G5 Store

Operating Profit (EBIT) SEK 10.5 M (47.6), EBIT margin 3%

- EBIT was negatively impacted by fx revaluations deriving from SEK/USD amounting to SEK -14.1 M (0.9)
- Costs stable compared to previous periods in the year
- Net capitalization impact on earnings was SEK -11.9 M (-5.2)
- EBIT margin adjusted for write-downs and fx was 7.8%

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Outlook for 2024

- Entering 2024 with stable revenue generation of the actively managed portfolio
- G5 Store continues to grow, boosting the gross margin
- Continuous disciplined cost structure
- *Twilight Land* being optimized after initial launch; on track to release 1 or 2 games global in 2024
- UA spend within 17-22% range
- Strong balance sheet through robust cash generation
- Proposed dividend SEK 8.00/share ca. SEK 63.2 M. Committed to dividend and buybacks

G5 Store



PLAY ON ANY DEVICE





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