

# G5 Entertainment

## Investor Presentation

July 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+**

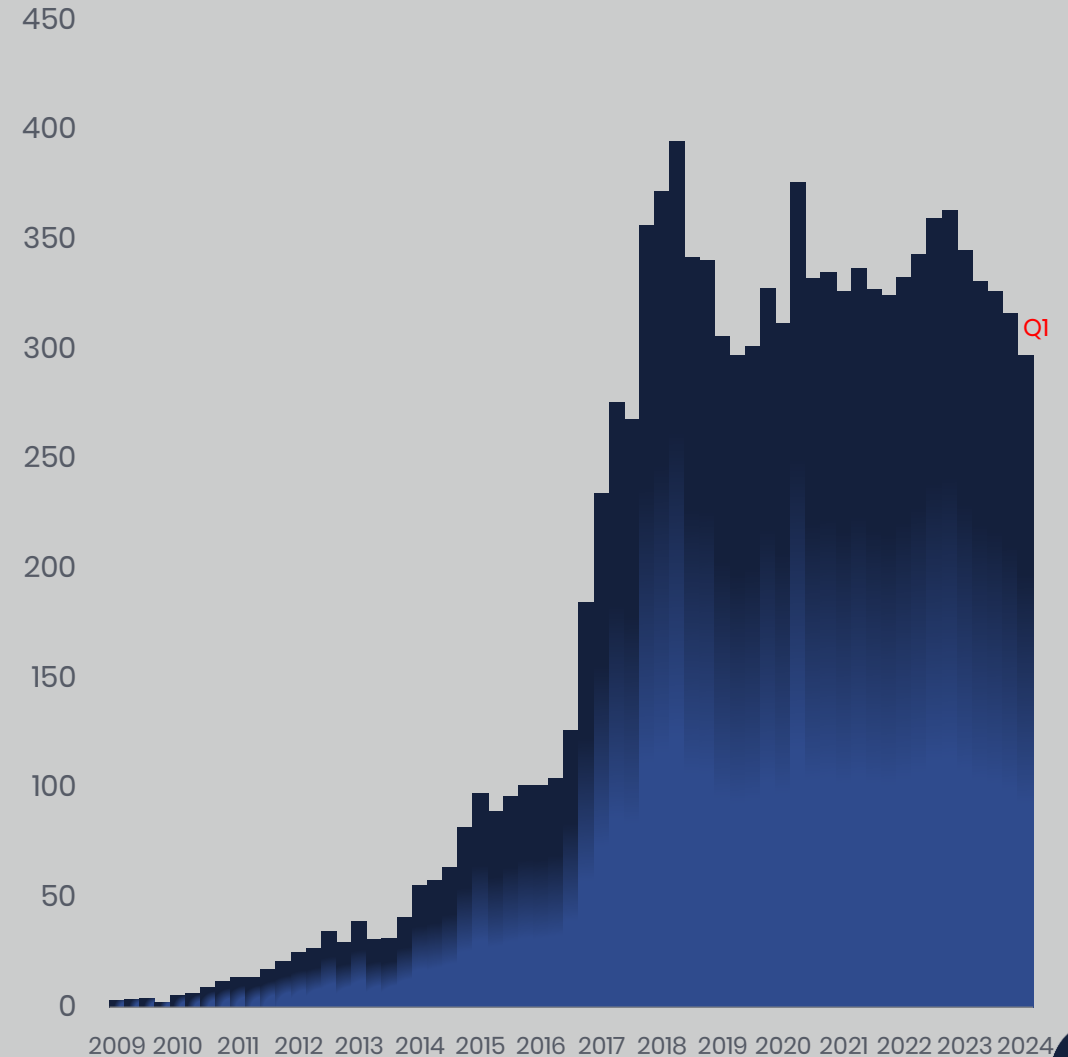
**11 countries**  
**900+**  
**Employees**

## Strong history

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

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

Revenue (MSEK)

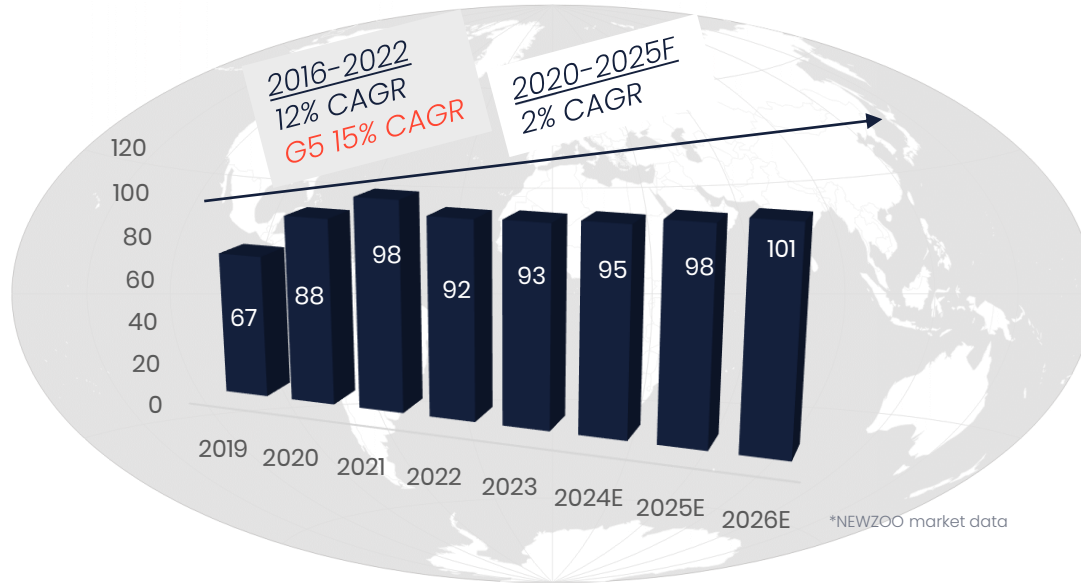


# Mobile Gaming Industry



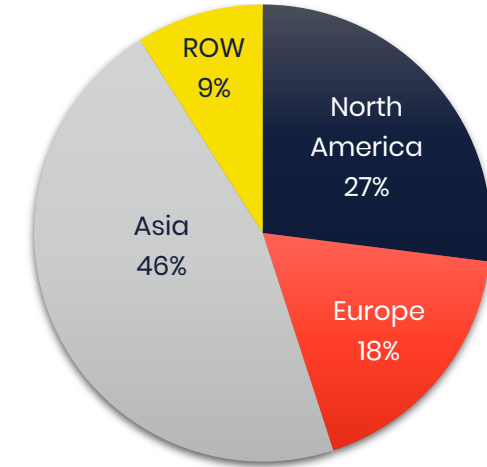
# Global Mobile Gaming: A Growth Market

2016 – 2025 Global Mobile Games Market Revenues Bn USD

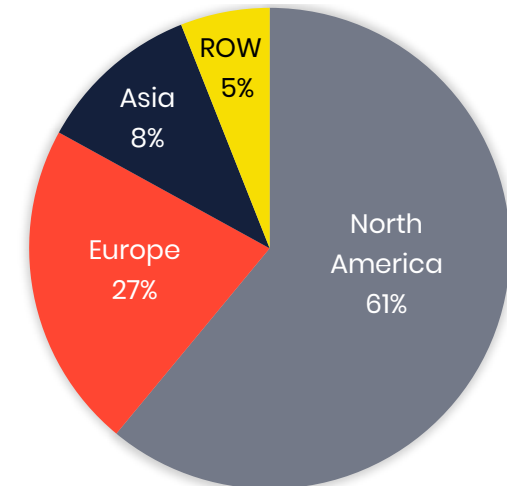


- Mobile gaming is the best-performing segment of the overall gaming market, with global revenues expected to reach **\$101 Bn** USD by 2026
- **49% of 2023 global game revenue** will come from mobile gaming
- With almost **3.3 billion gamers worldwide today** (+6% Y/Y), and 3.8 billion gamers projected 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

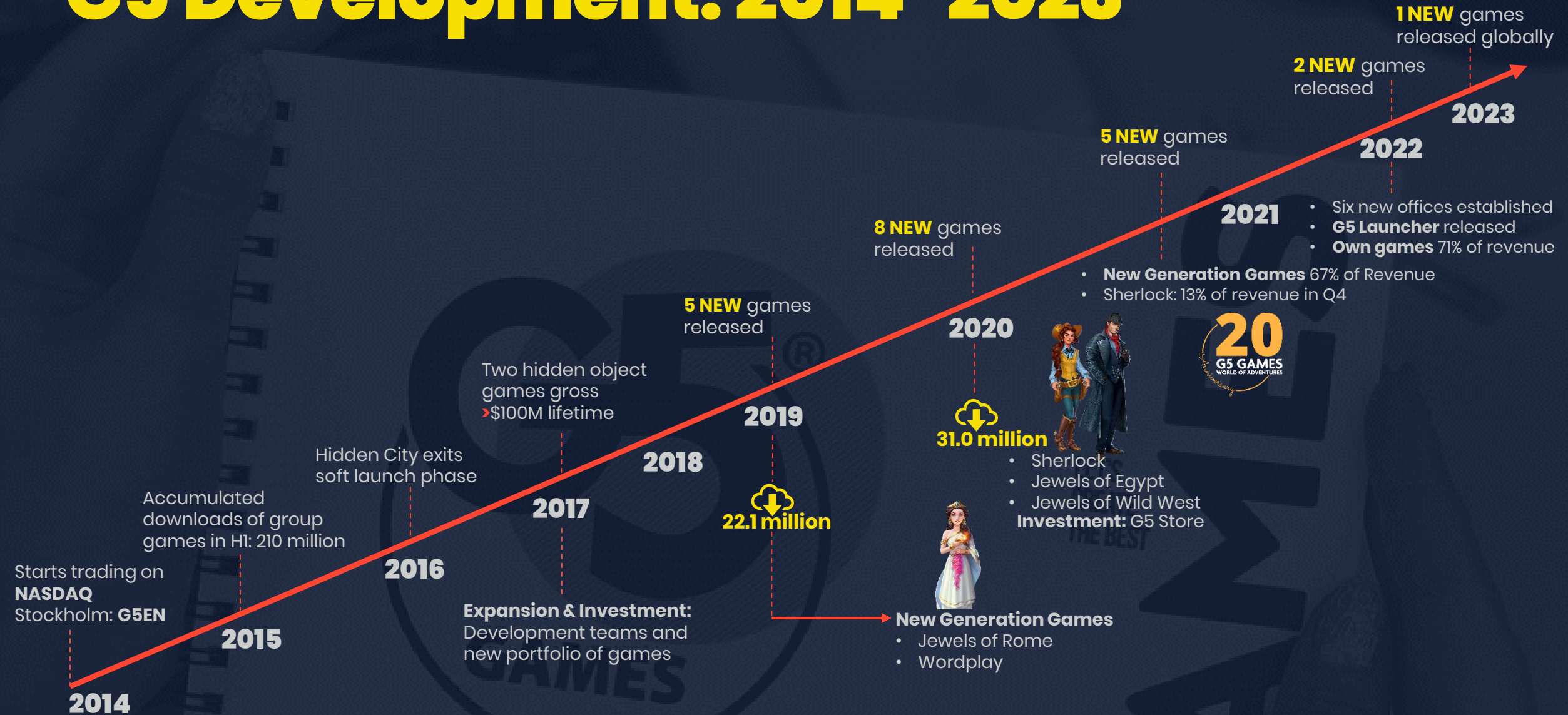
2024 Global Games Market per region

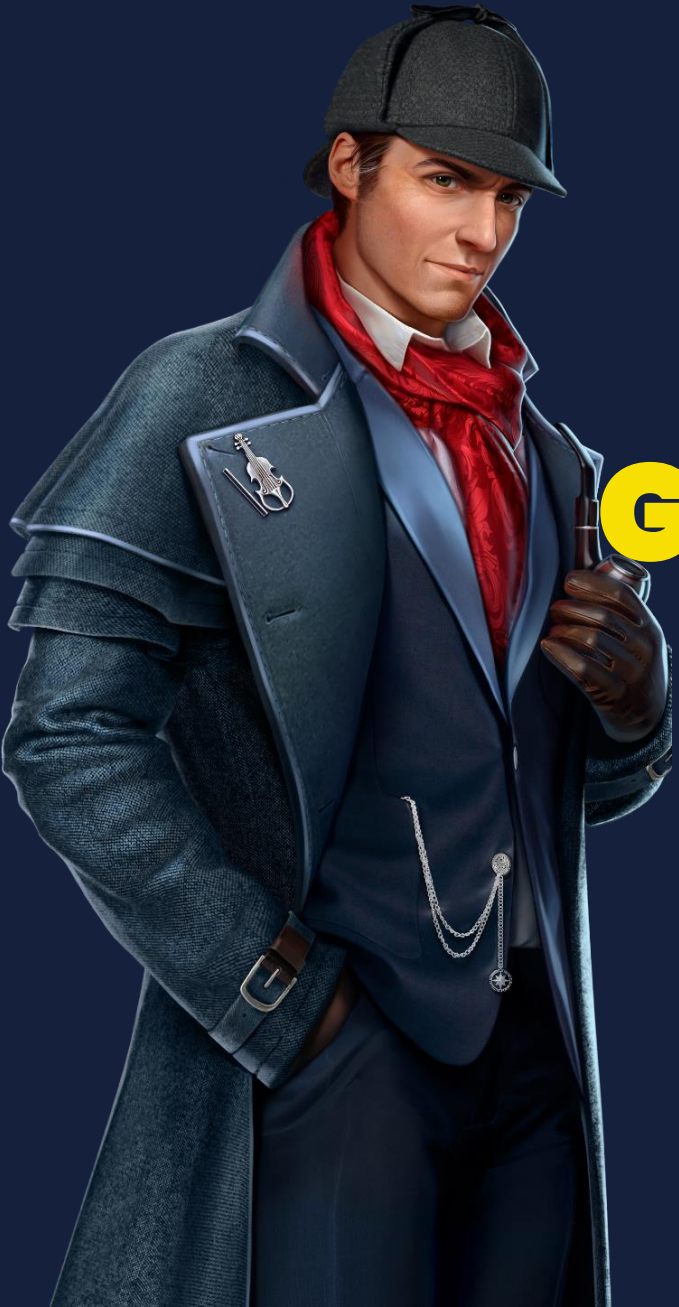


G5 Revenue breakdown by geography Q1 2024



# 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

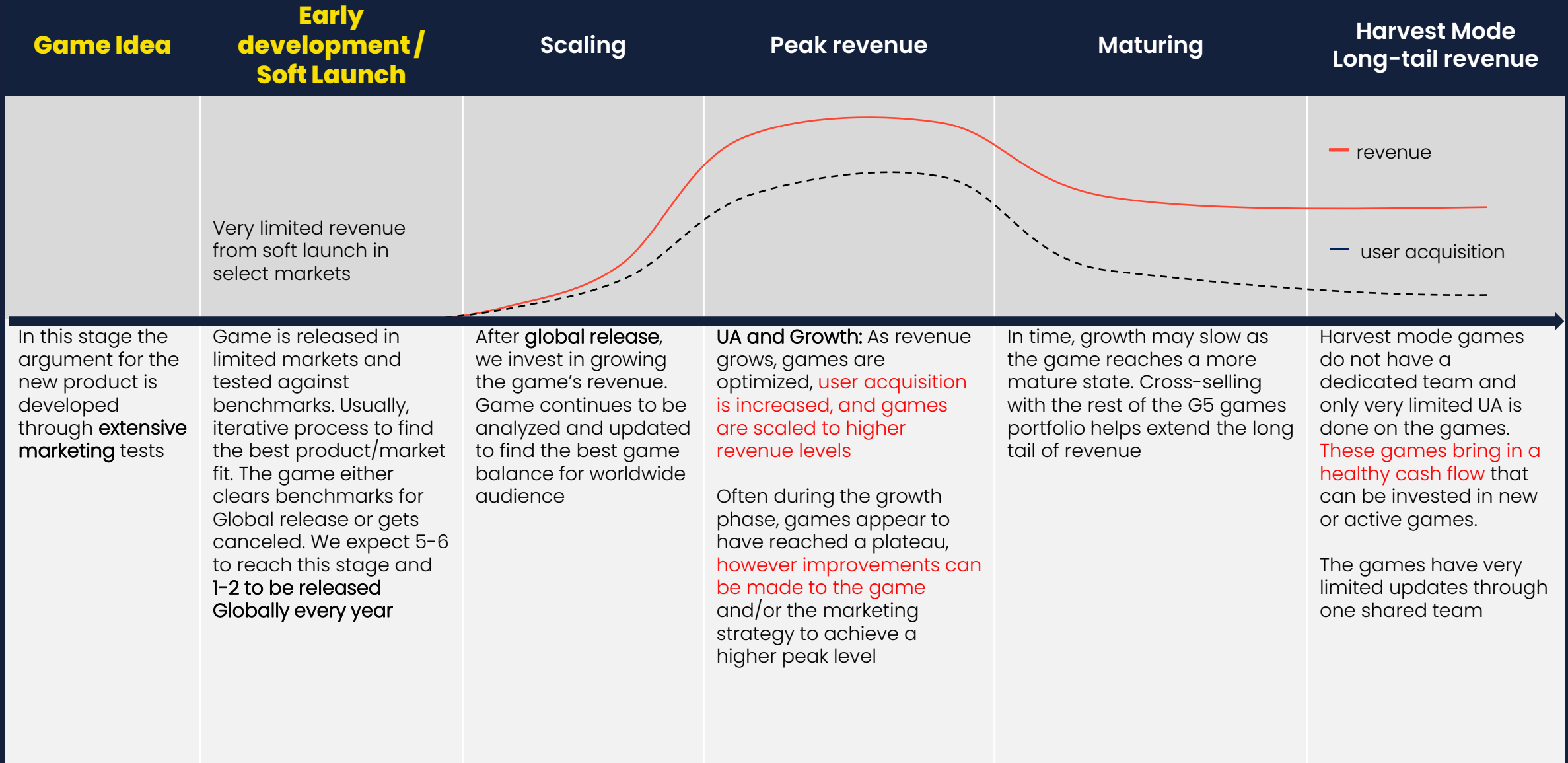


## G5 Friends Network





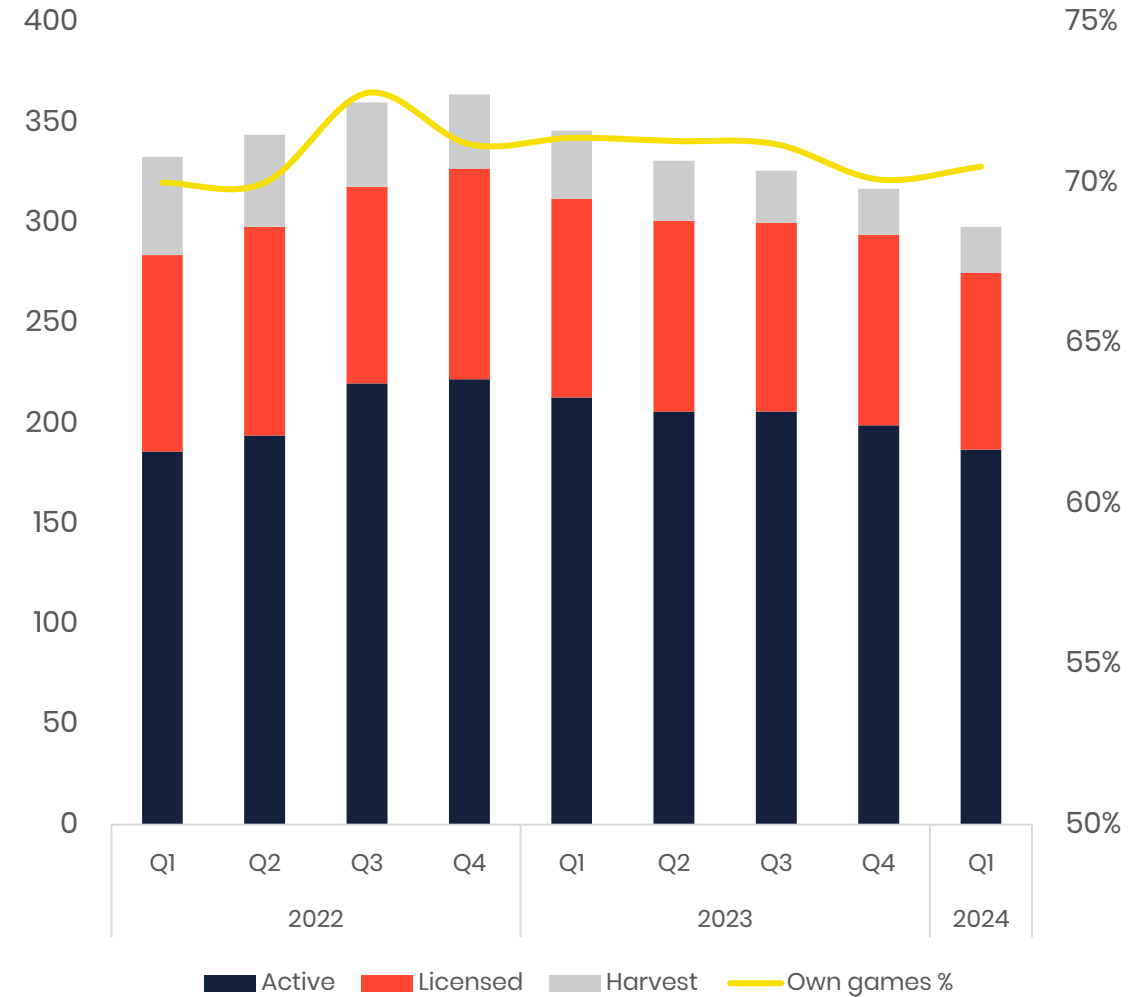
# New Games Development Funnel



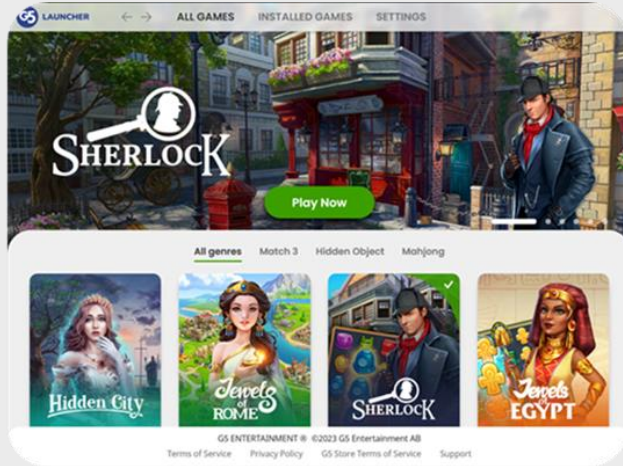
# Our Portfolio Approach

- **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 **>71%** 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 (%)



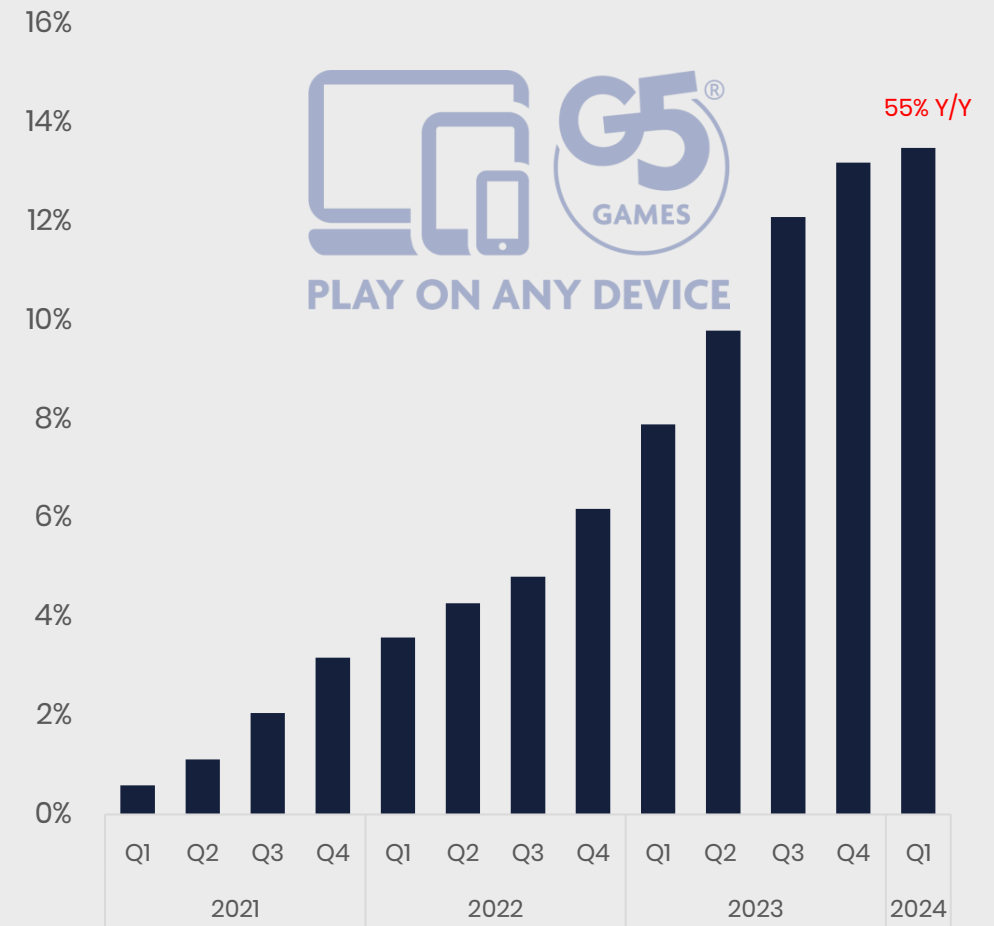
Active: Own and actively managed  
Licensed: Licensed  
Harvest: Not actively supported games & older games



## Continues to gain momentum

- G5 Store accounts for **13.5% of total net revenue** up from 7.9% last year, +55% Y/Y, +2% Q/Q in SEK | +55% Y/Y, +5% Q/Q in USD  
Another all-time high in monthly revenue in Q1
- **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)



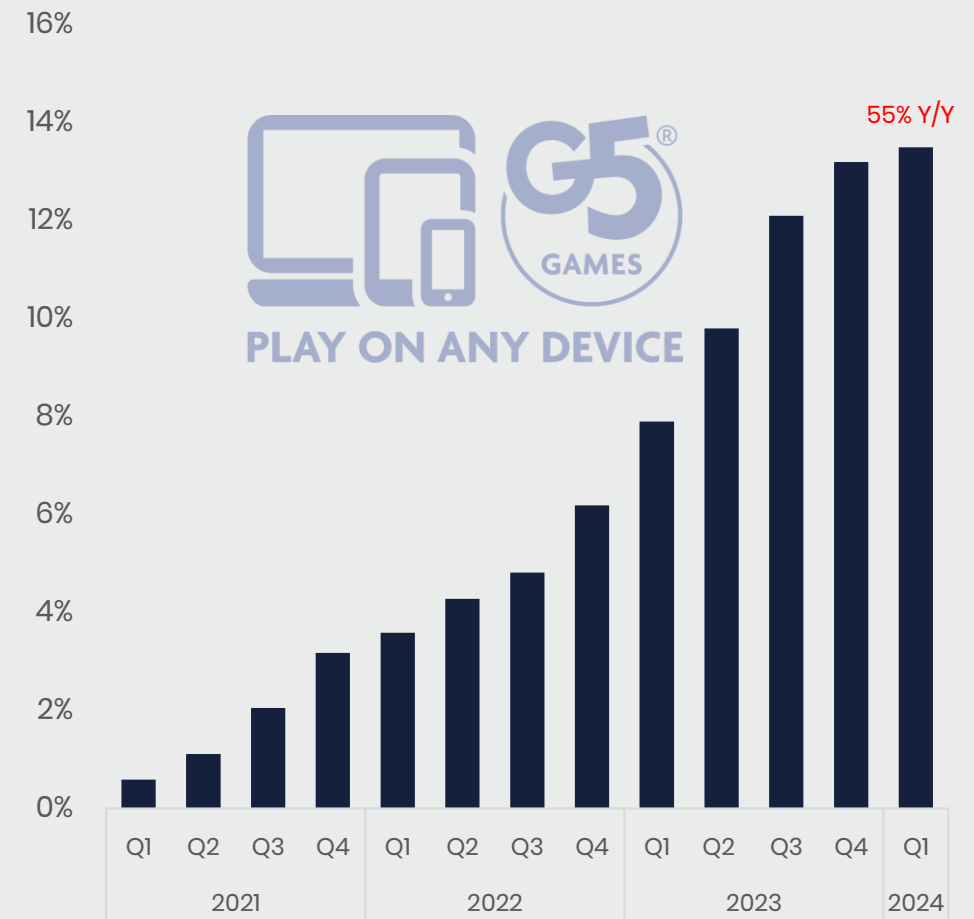


# Financials

# Q1 2024 Results

- **Revenue was SEK 298 M, -14% Y/Y in SEK | -14% Y/Y in USD**
  - Active games\*: -3% Q/Q in USD
  - Audience metrics improving sequentially
  - MAGRPPU continuously strong at 63.5 USD
- **G5 Store 13.5% of total net revenue (7.9)**
  - Low single digits processing fees compared to the 12-30% third party application store fees
  - +55% Y/Y, +2% Q/Q in SEK | +55% Y/Y, +5% Q/Q in USD
- **UA was 17% of revenue (18)**
- **Gross Margin** remains strong 68.1% (67.4)
- **Strong start to the year with record cash position** SEK 256 M (205)  
Zero debt, solid cash flow
- **EPS** 4.76 for the quarter (5.85)
- **Repurchased 101,000 shares** SEK 13 M in the quarter

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



\*Active games: Own and actively managed

# Financial Summary: Q1 2024

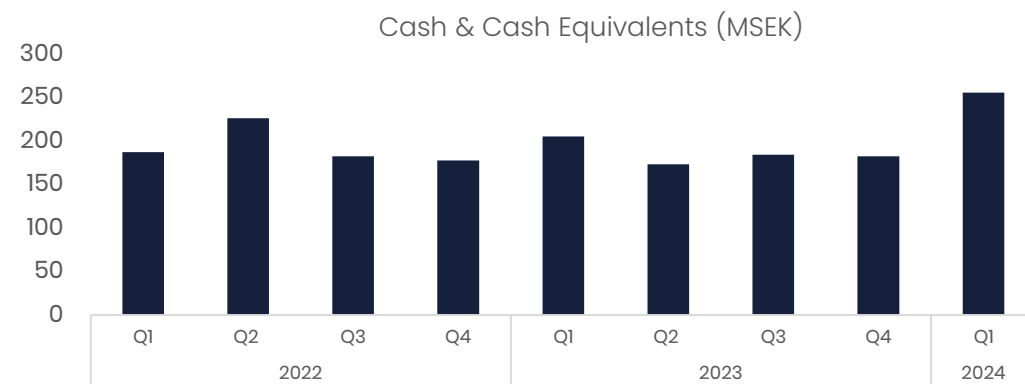
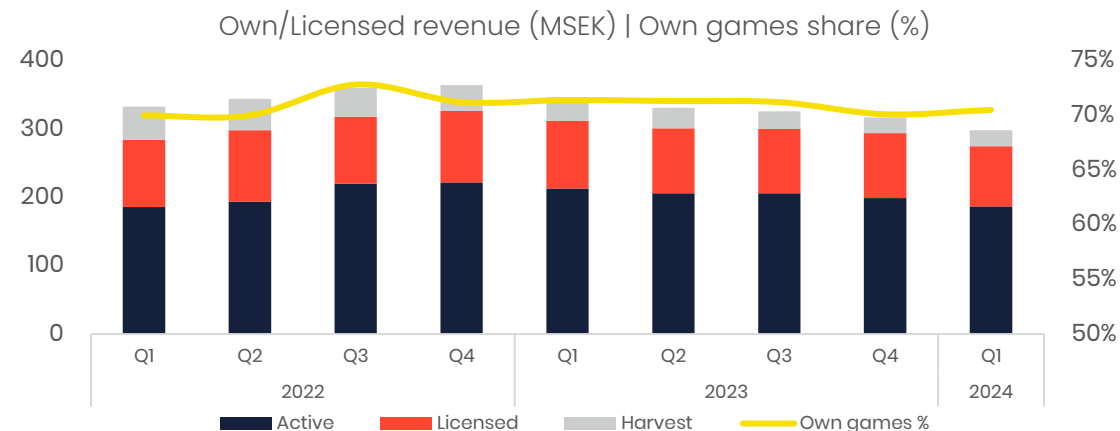
- Own games ➤71% of net revenue (71)
- Active own games: 63% (62) of net revenue
- Gross Margin 68.1% (67.4) primarily driven by fast growth of the G5 Store
- Strong MAGRPPU \$63.5 (61.8)

## Operating Profit (EBIT) SEK 39.2 M (39.8), EBIT margin 13.2%

- EBIT was positively impacted by revaluations related to fx SEK/USD revaluations
- Adjusted for positive impact from other income and expense EBIT margin would be 10.0% (11.2)
- Net capitalization impact on earnings was SEK -11.1 M (-8.8)

## Strong cash position

- Capitalization impact on cash flow SEK 25.7 M (28.3)
- Cash flow before financing activities SEK 84.7 M (40.3)
- Total cash flow SEK 71.4 M (26.3) negatively impacted by repurchases SEK -12.9 M (-13.9)
- Total cash at end of period SEK 225.8 M (205.1)





# Outlook for 2024

- Started the year with stable revenue generation of the actively managed portfolio
- Continued disciplined approach to cost structure
- G5 Store continues to fuel growth and boost gross margin and profitability
- Successful execution of the new development funnel process continues to strengthen teams and build a promising pipeline of upcoming games
- On track to release 1 or 2 games globally in 2024
- Maintaining sustainable UA spend within 17-22% range
- Strong balance sheet through robust cash generation





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