

G5 Entertainment

Investor Presentation

August 2024

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



Contents

G5 Entertainment in brief.....	<u>3</u>
Mobile Gaming Industry.....	<u>4</u>
G5's Portfolio & Lifecycle.....	<u>7</u>
Financials.....	<u>12</u>
Outlook 2024.....	<u>15</u>

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+

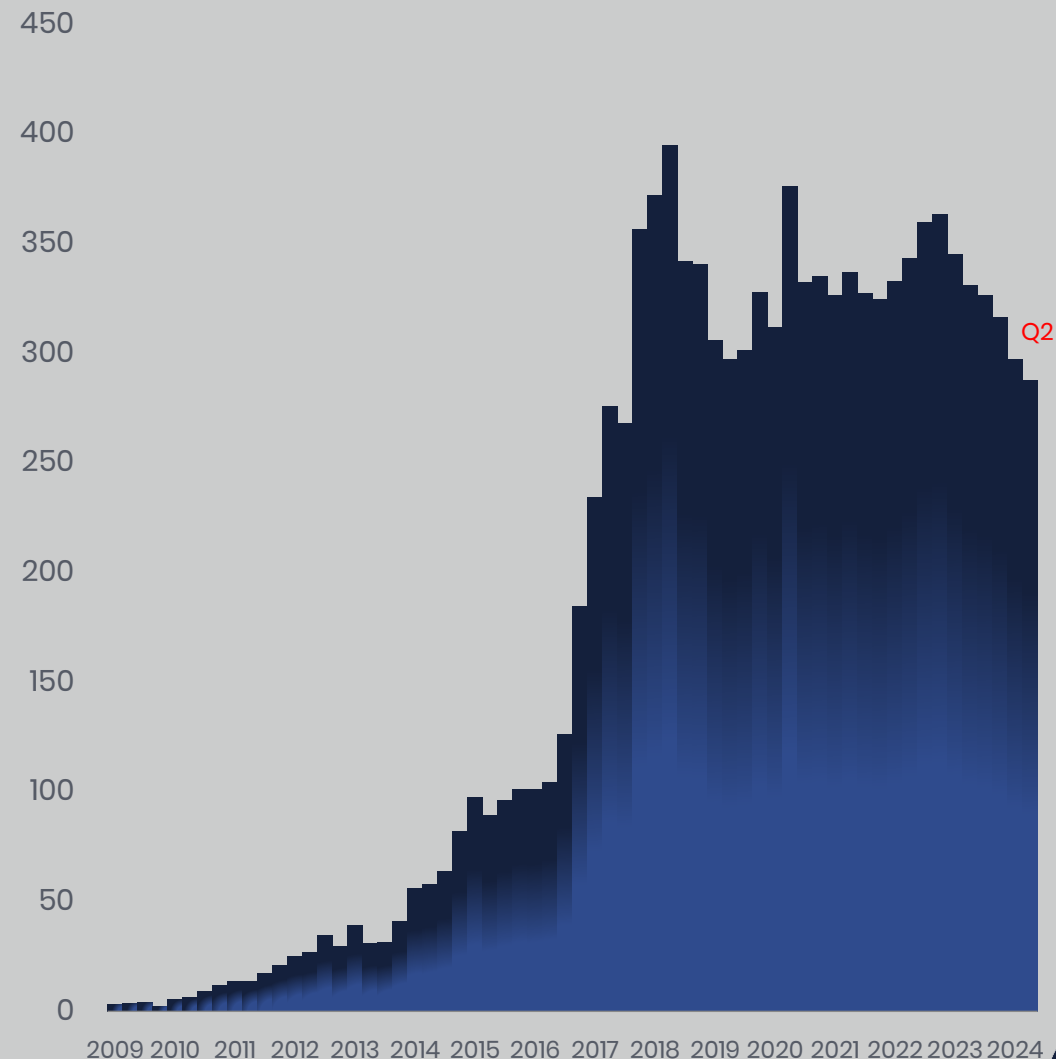
11 countries
900+
Employees

Strong history

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

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

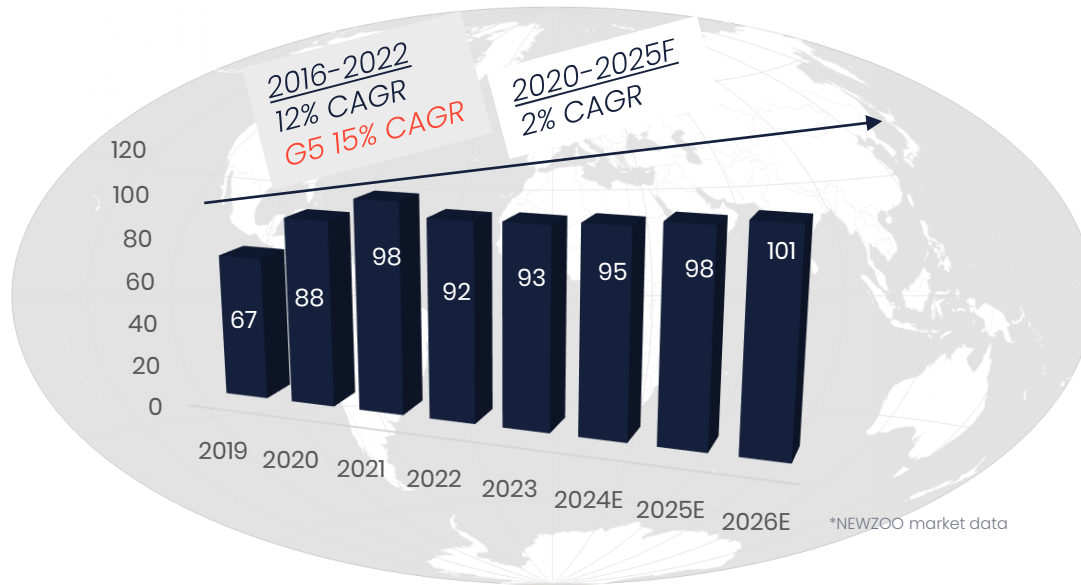
Revenue (MSEK)



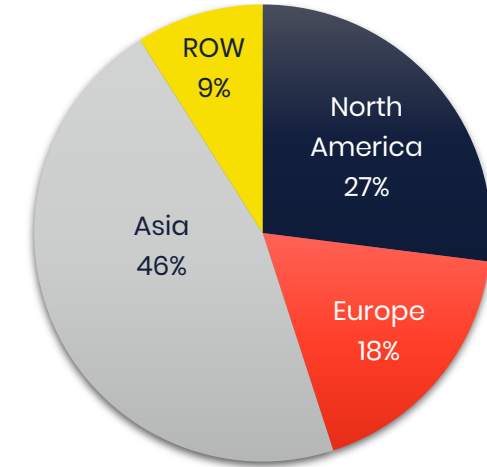
Mobile Gaming Industry

Global Mobile Gaming: A Growth Market

2016 – 2025 Global Mobile Games Market Revenues Bn USD

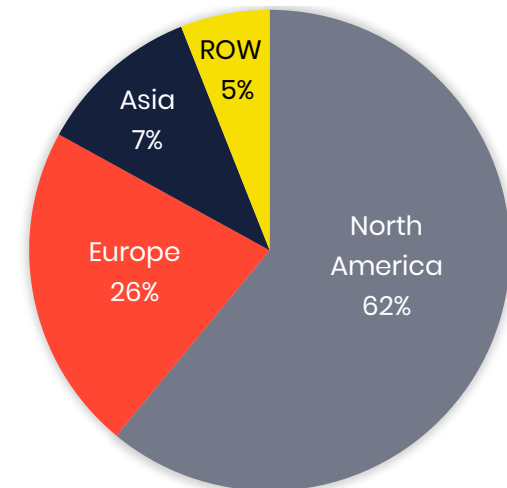


2024 Global Games Market per region

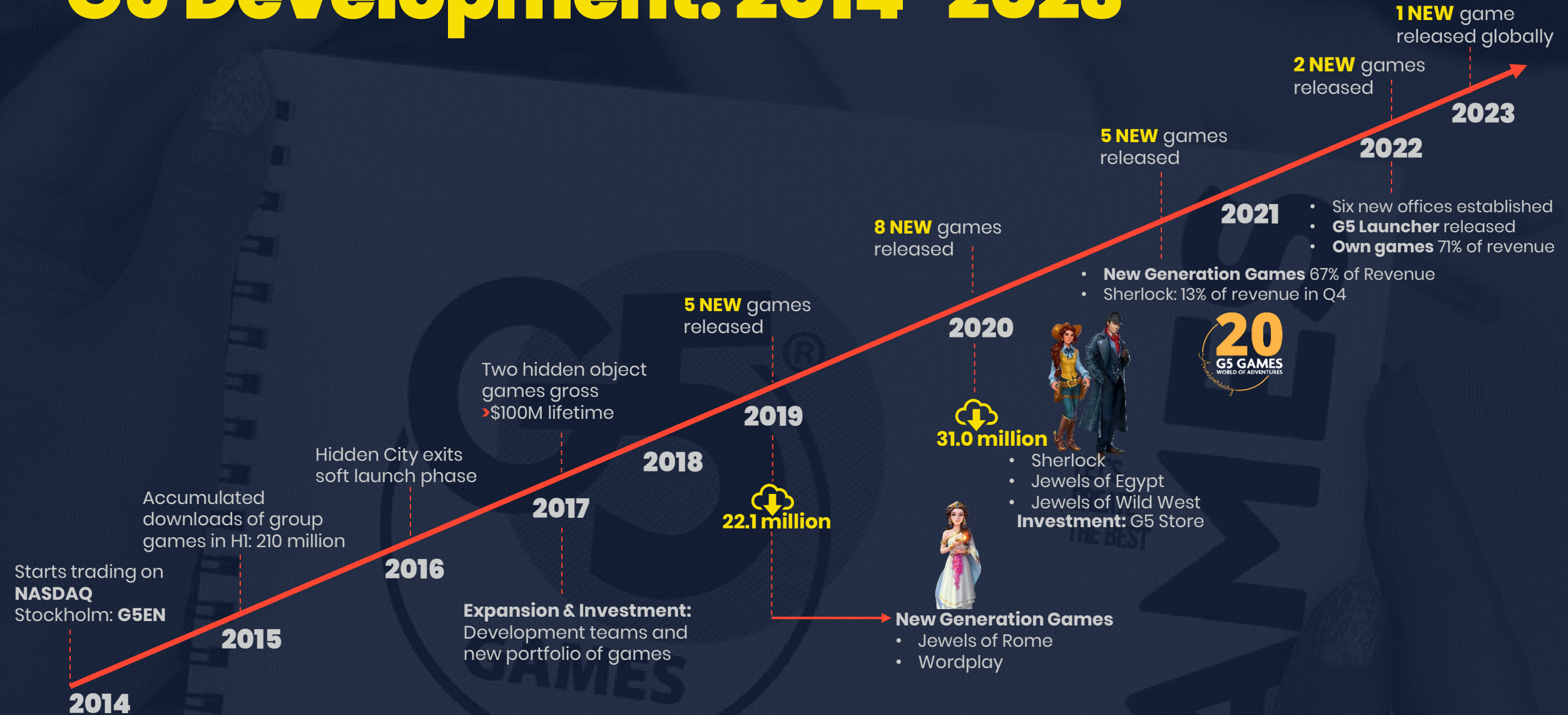


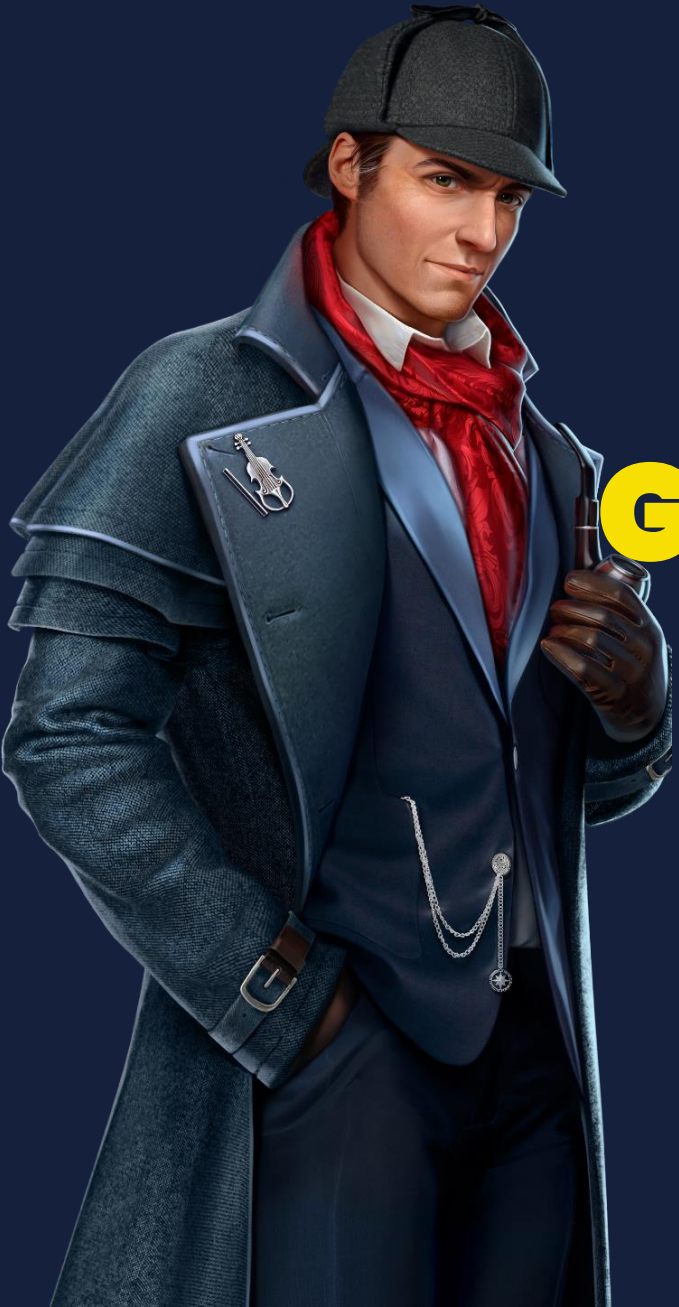
- Mobile gaming is the best-performing segment of the overall gaming market, with global revenues expected to reach **\$101 Bn** USD by 2026
- **49% of 2023 global game revenue** will come from mobile gaming
- With almost **3.3 billion gamers worldwide today** (+6% Y/Y), and 3.8 billion gamers projected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

G5 Revenue breakdown by geography Q2 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



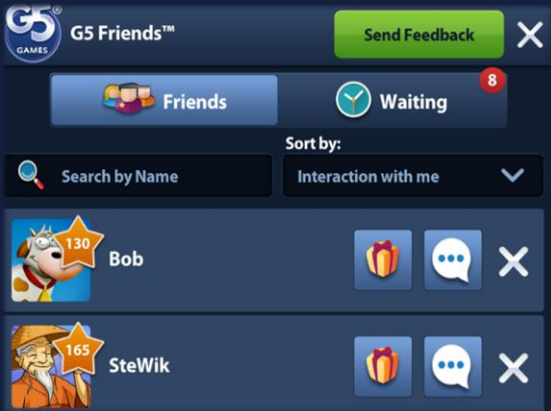
Mahjong / Solitaire



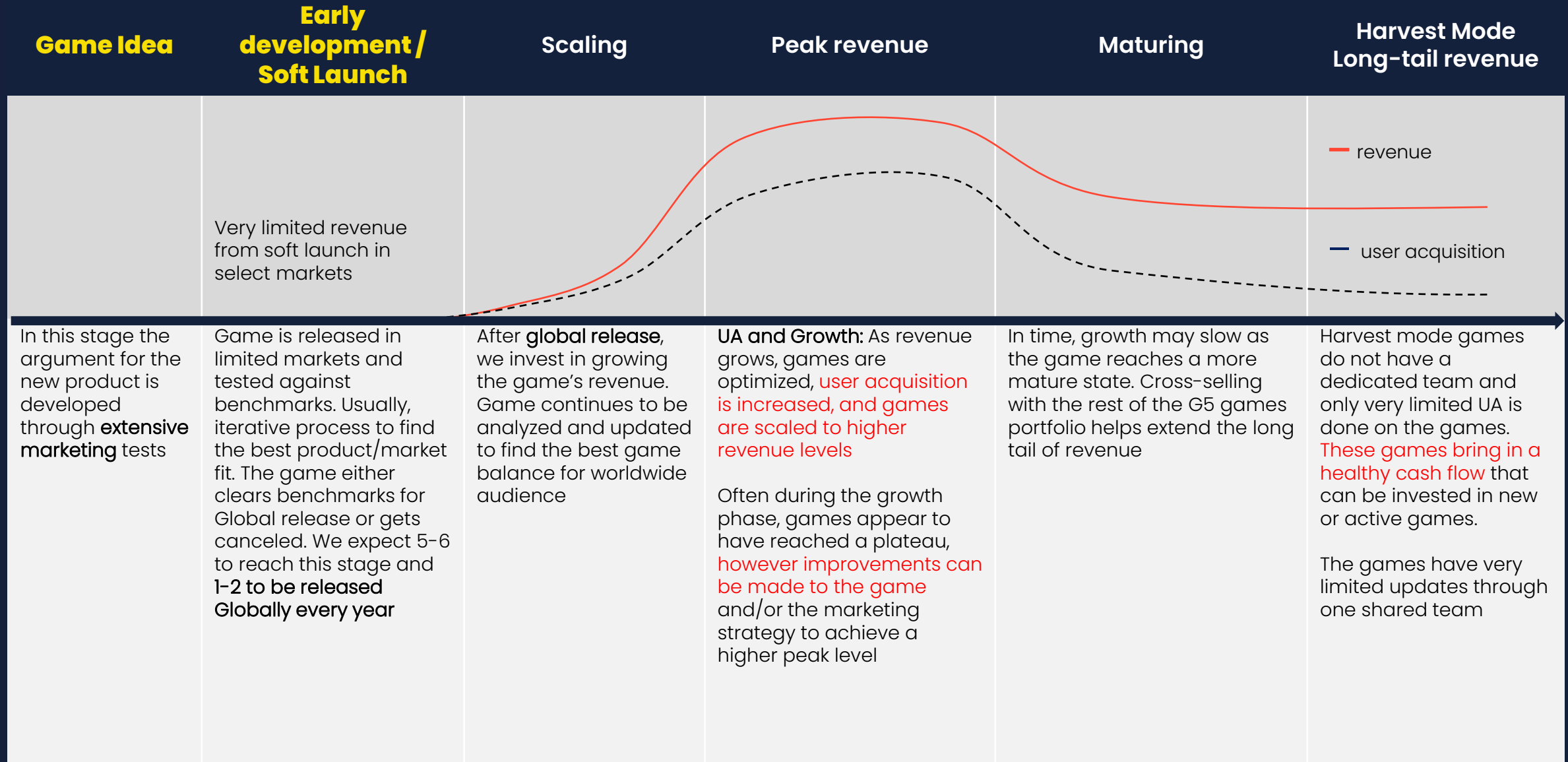
New Genres



G5 Friends Network



New Games Development Funnel



Development funnel stages



1. PRE-PRODUCTION

2. PRODUCTION OF SOFT LAUNCH VERSION

3. SOFT LAUNCH – ENGAGEMENT TESTING

4. SOFT LAUNCH – MONETISATION TESTING

5. SOFT LAUNCH – SCALABILITY TESTING

6. PREPARATION FOR GLOBAL LAUNCH

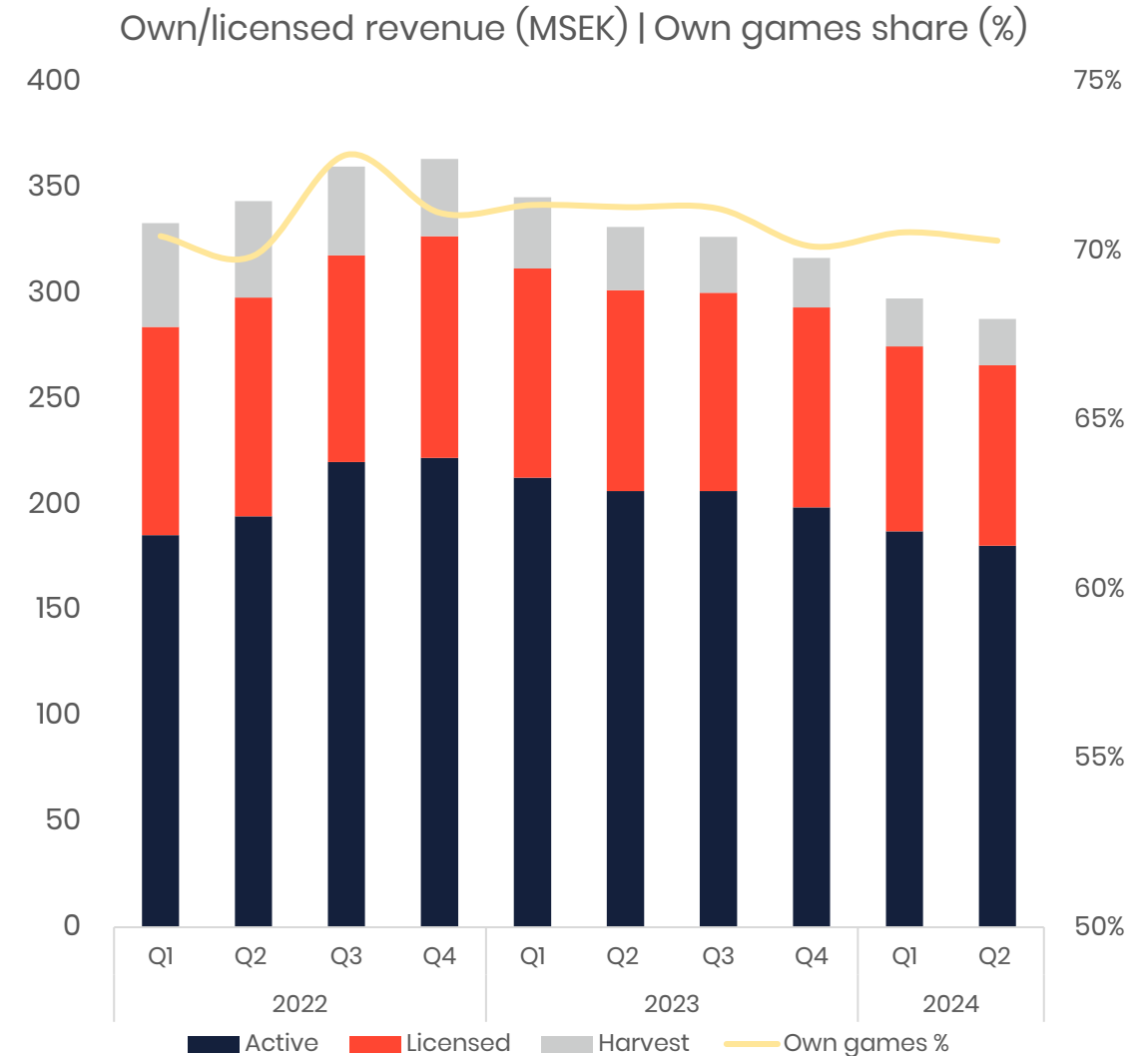
3 GAMES

4 GAMES

GLOBAL LAUNCH

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

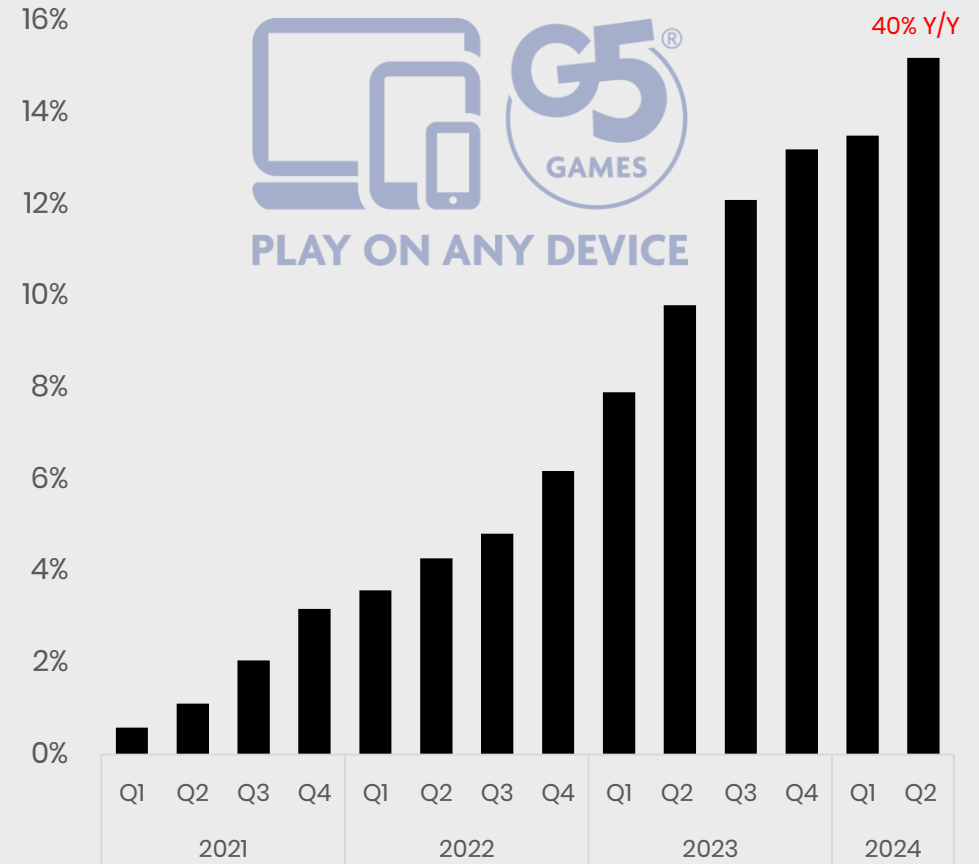


Financials

Q2 2024 Results

- **Revenue was SEK 288 M, -13% Y/Y in SEK | -14% Y/Y in USD**
 - Active games*: -13% Y/Y in USD
 - MAGRPPU continuously strong at 63.7 USD
- **G5 Store 15.2% of total net revenue (9.4)**
 - Low single digits processing fees compared to the 12-30% third party application store fees
 - +42% Y/Y, +9% Q/Q in SEK | +40% Y/Y, +6% Q/Q in USD
- **UA was 17% of revenue (19)**
- **Gross Margin** remains strong 67.8% (67.4)
- **EPS** 3.02 for the quarter (4.96)
- **Dividend** SEK 62.4 M
- **Strong cash position** SEK 193 M (173)
Zero debt, solid cash flow

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



*Active games: Own and actively managed

Financial Summary: Q2 2024

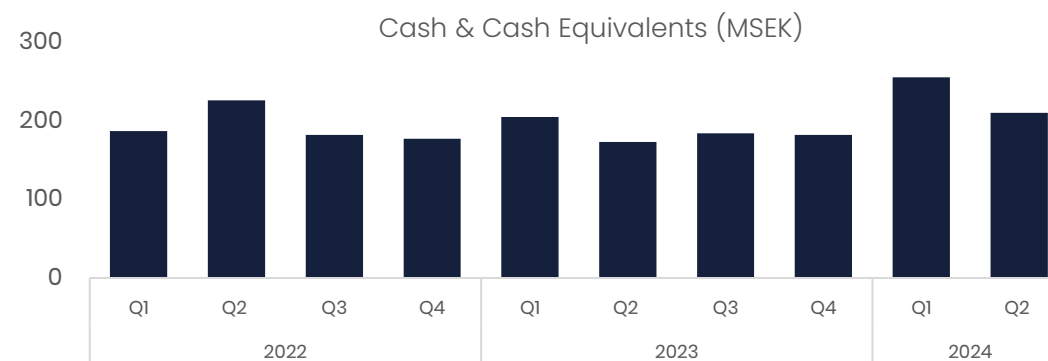
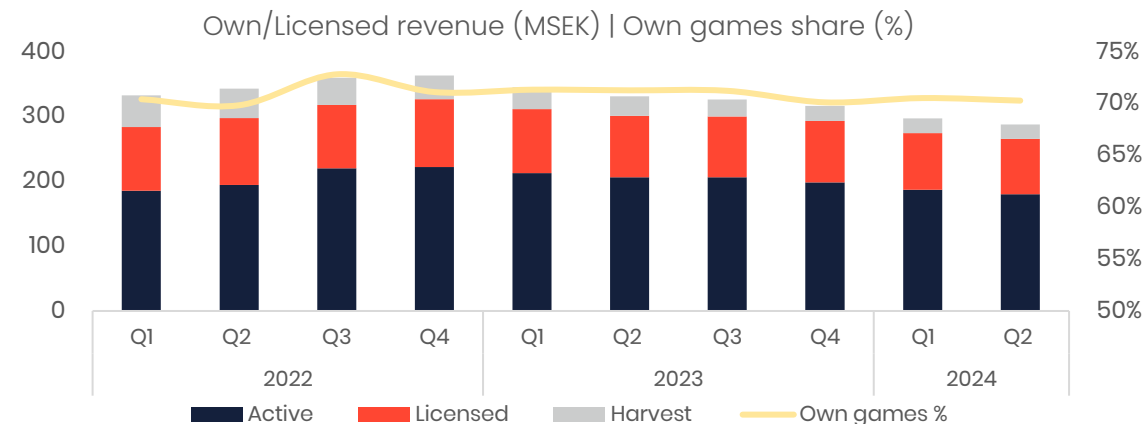
- Own games >70% of net revenue (71)
- Active own games: 63% (62) of net revenue
- Gross Margin 67.8% (67.4) primarily driven by fast growth of the G5 Store
- Strong MAGRPPU \$63.7 (62.0)

Operating Profit (EBIT) SEK 21.8 M (38.9), EBIT margin 7.6%

- EBIT was negatively impacted by revaluations related to fx SEK/USD revaluations
- Adjusted for the negative impact from other income and expense EBIT margin would be 8.8% (9.5)
- Net capitalization impact on earnings was SEK -8.1 M (-12.6)

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

- Strategic initiatives and robust operational efficiency continue to strengthen future growth prospects
- During the course of the year, we expect to work on 30 game ideas, soft launch 5-6 games and release one game globally
- G5 Store continues to grow and boost gross margin and profitability
- Maintaining sustainable UA spend within 17-22% range
- Strong cash position. Profitable, cash flow positive, zero debt
- We continue to implement our strategy with solid financial performance going into second half of 2024





Contact

Stockholm Headquarters

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

Email: investor@g5.com
www.corporate.g5.com

Connect with us on

