

# G5 Entertainment

## Investor Presentation

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+**

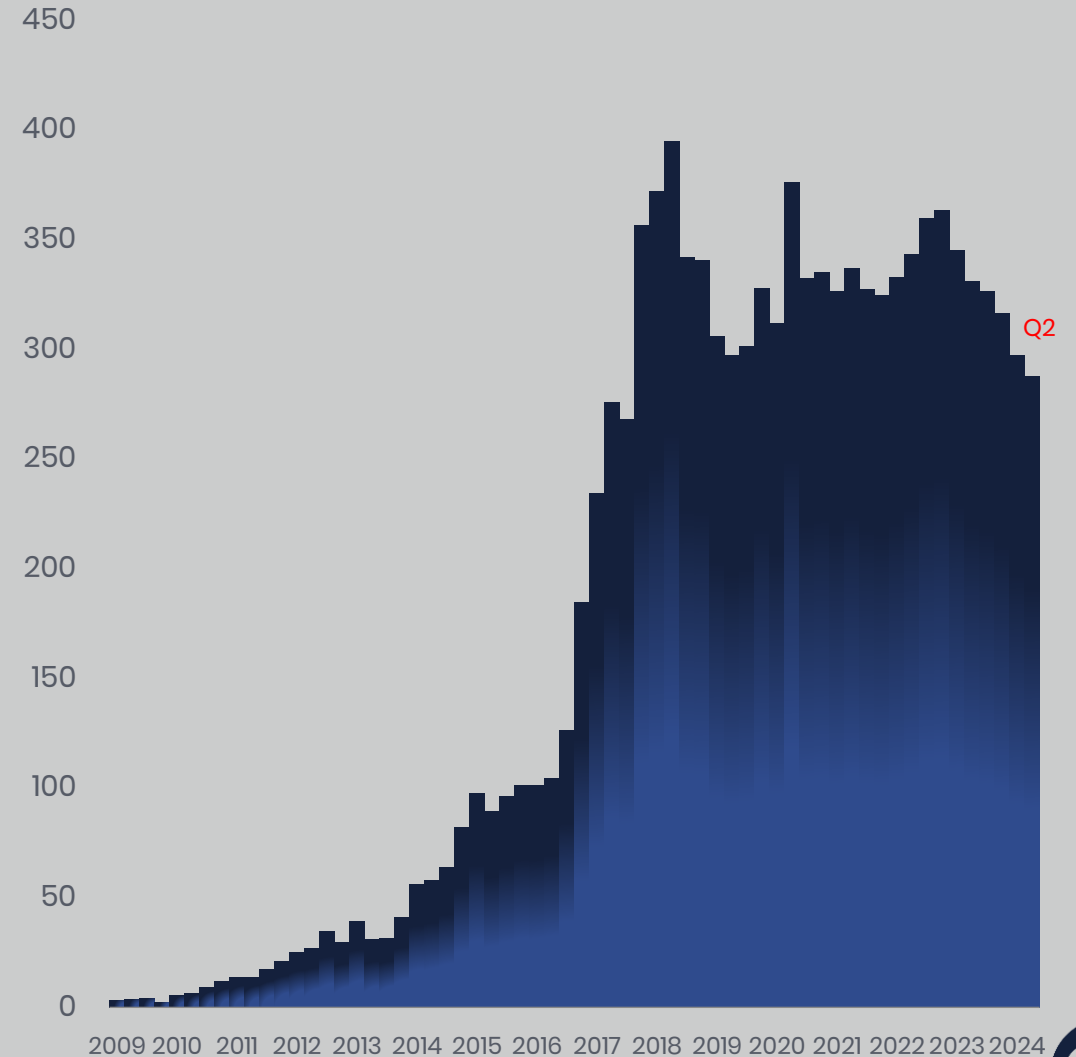
**11 countries**  
**900+**  
Employees

## Strong history

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

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

Revenue (MSEK)

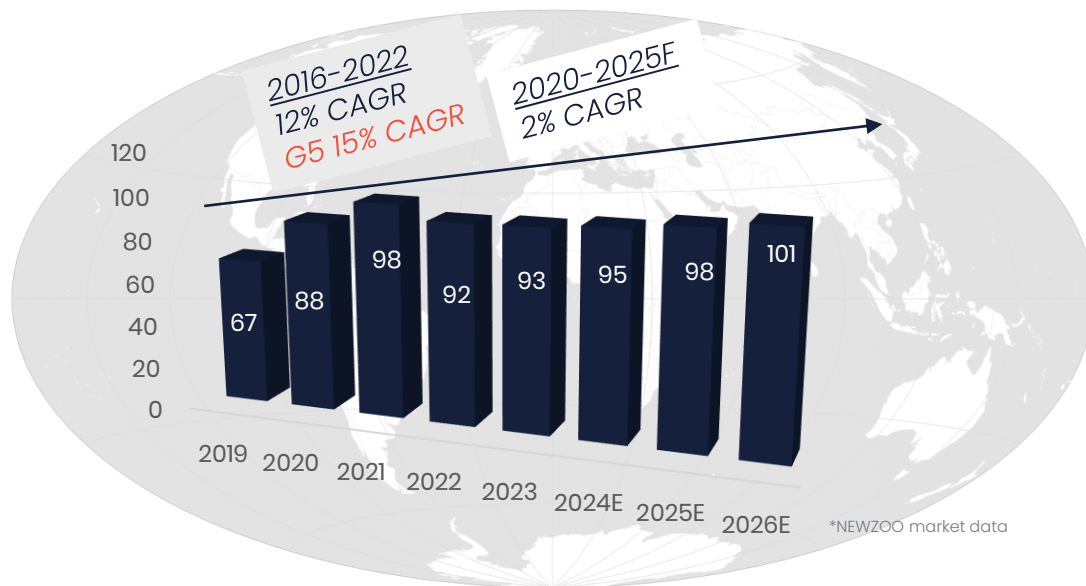


# Mobile Gaming Industry

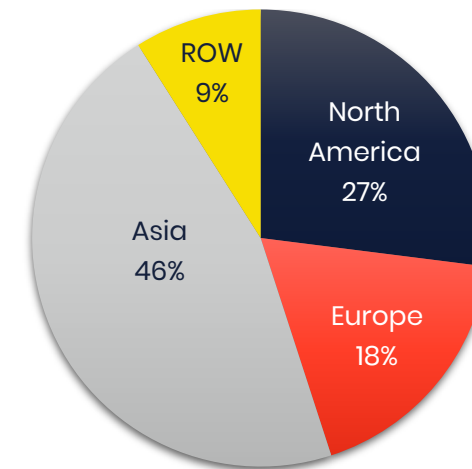


# Global Mobile Gaming: A Growth Market

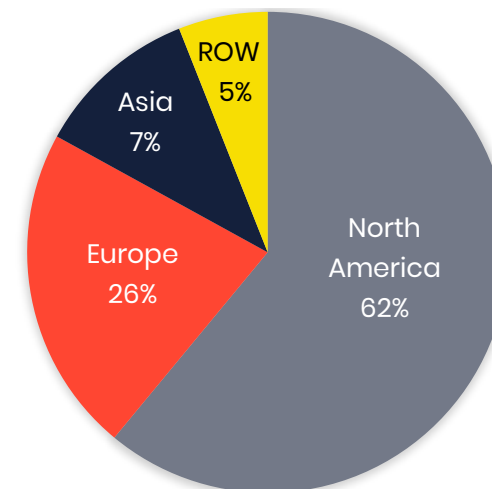
2016 – 2025 Global Mobile Games Market Revenues Bn USD



2024 Global Games Market per region

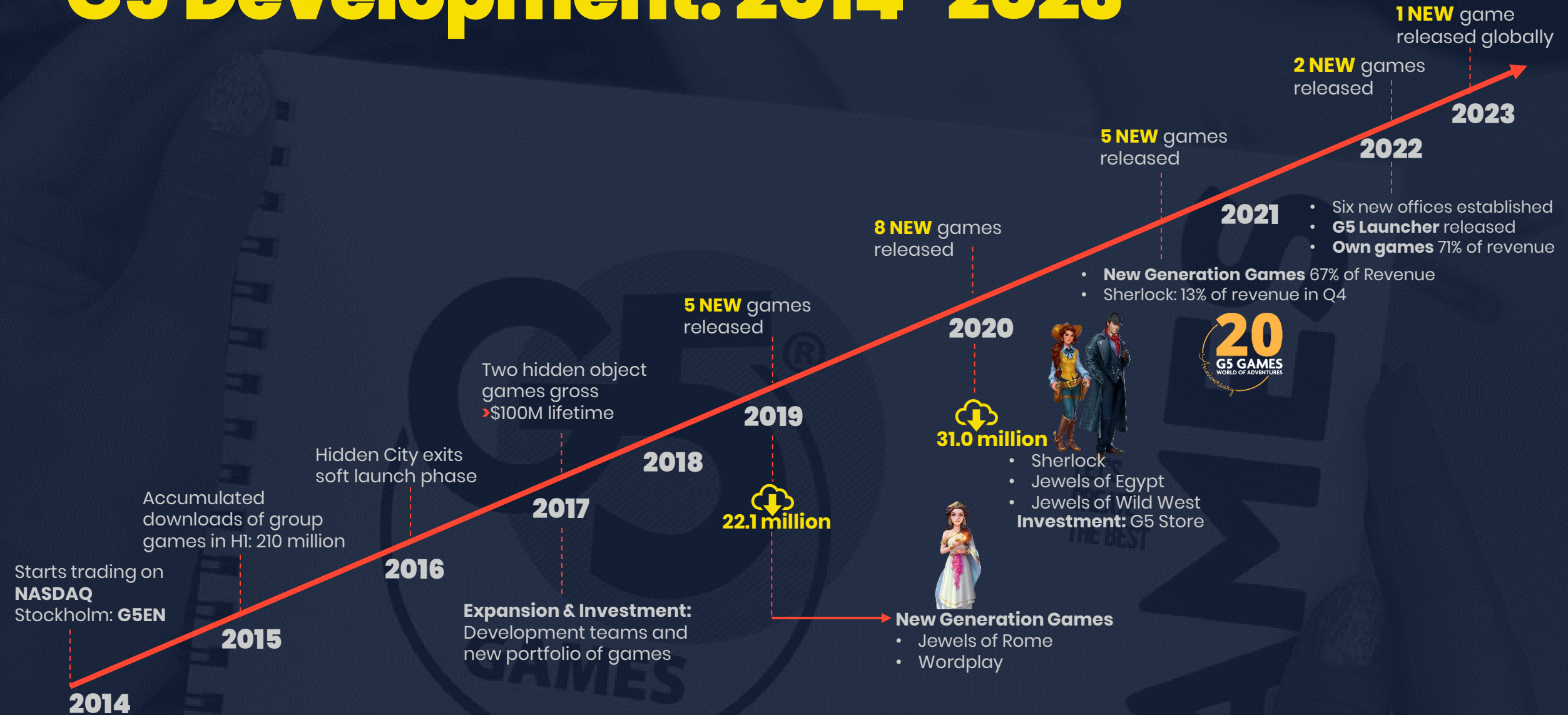


G5 Revenue breakdown by geography Q2 2024



- 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 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

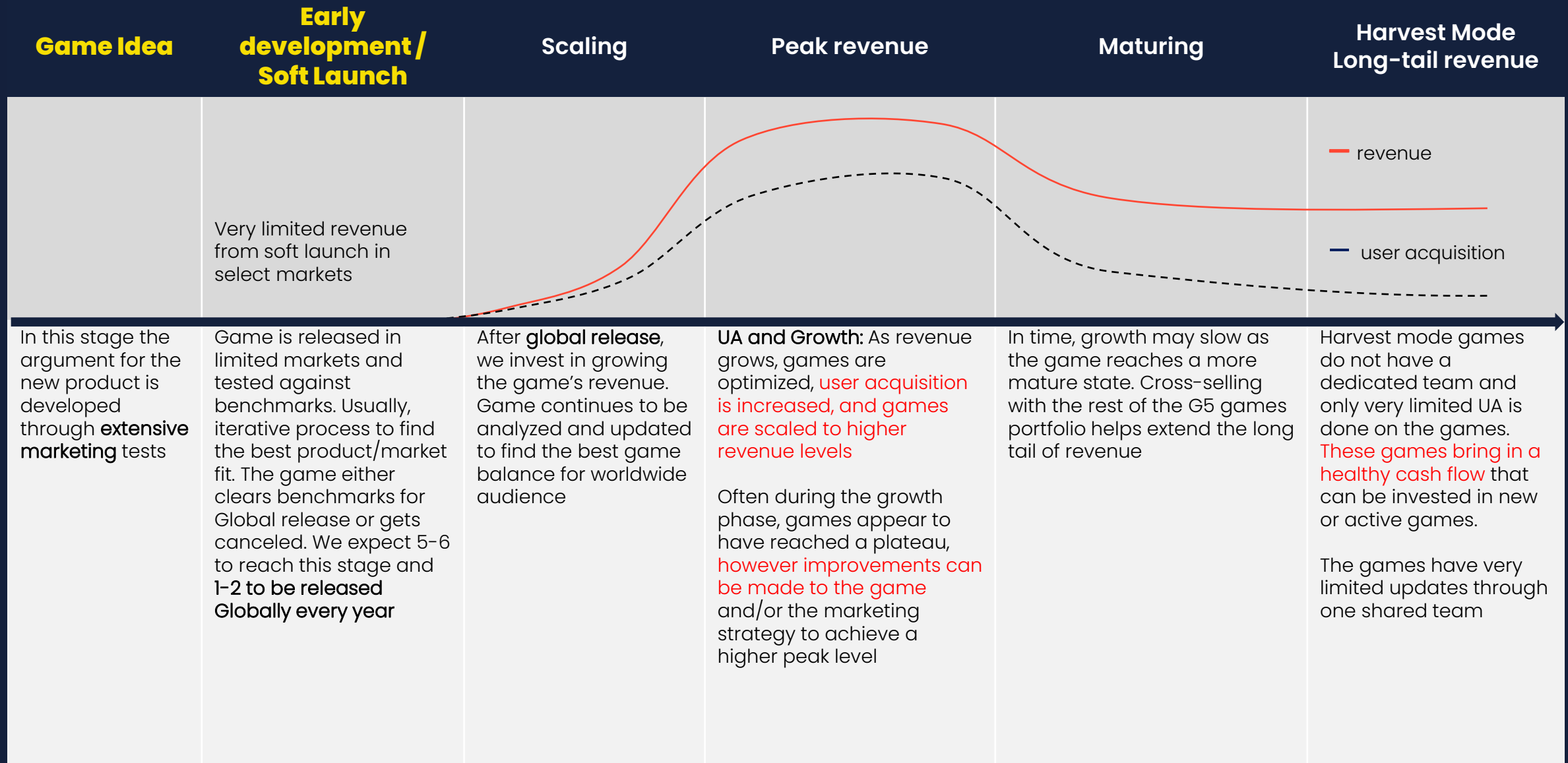


## G5 Friends Network





# New Games Development Funnel

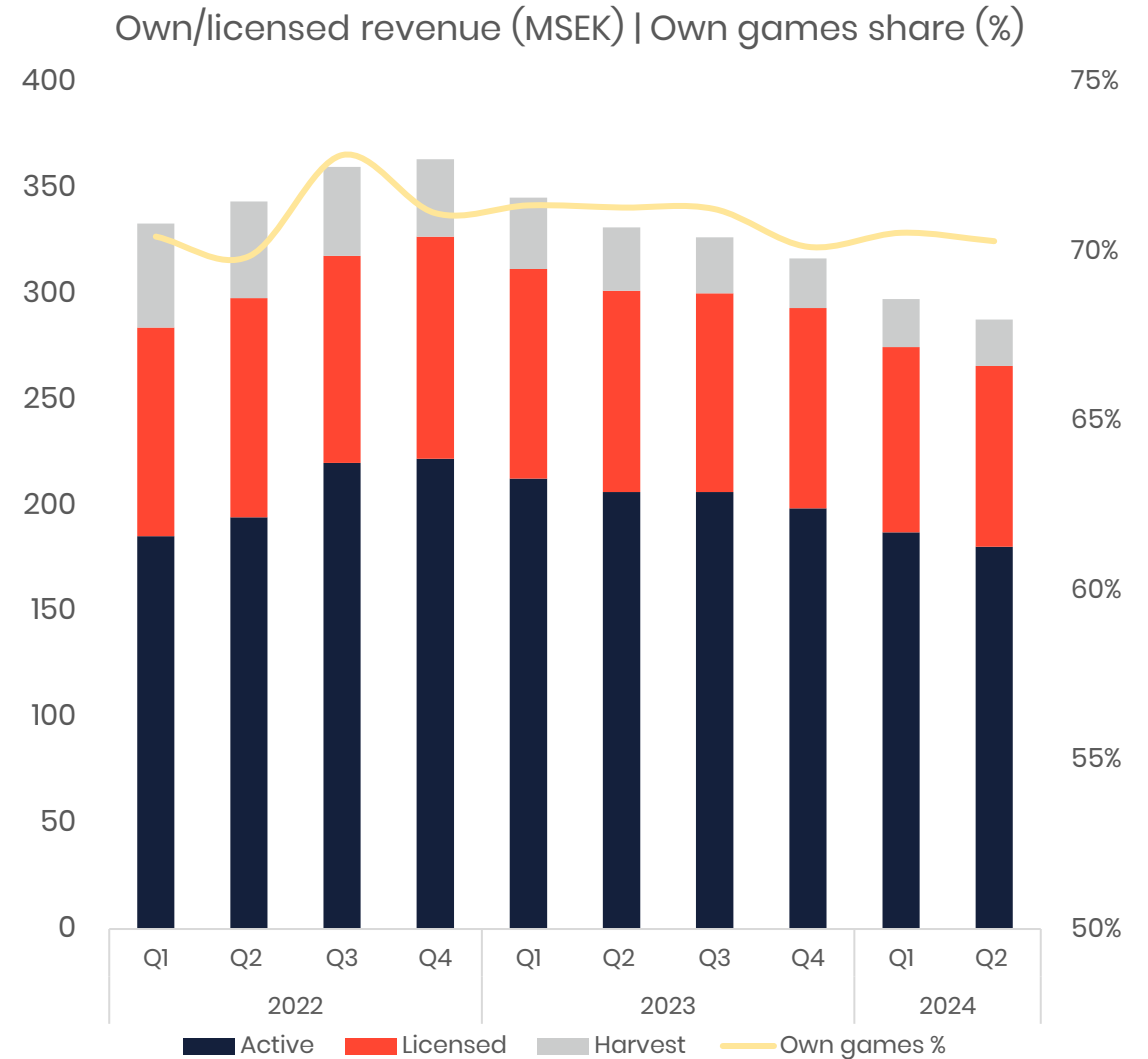


# Development funnel stages



# 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



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

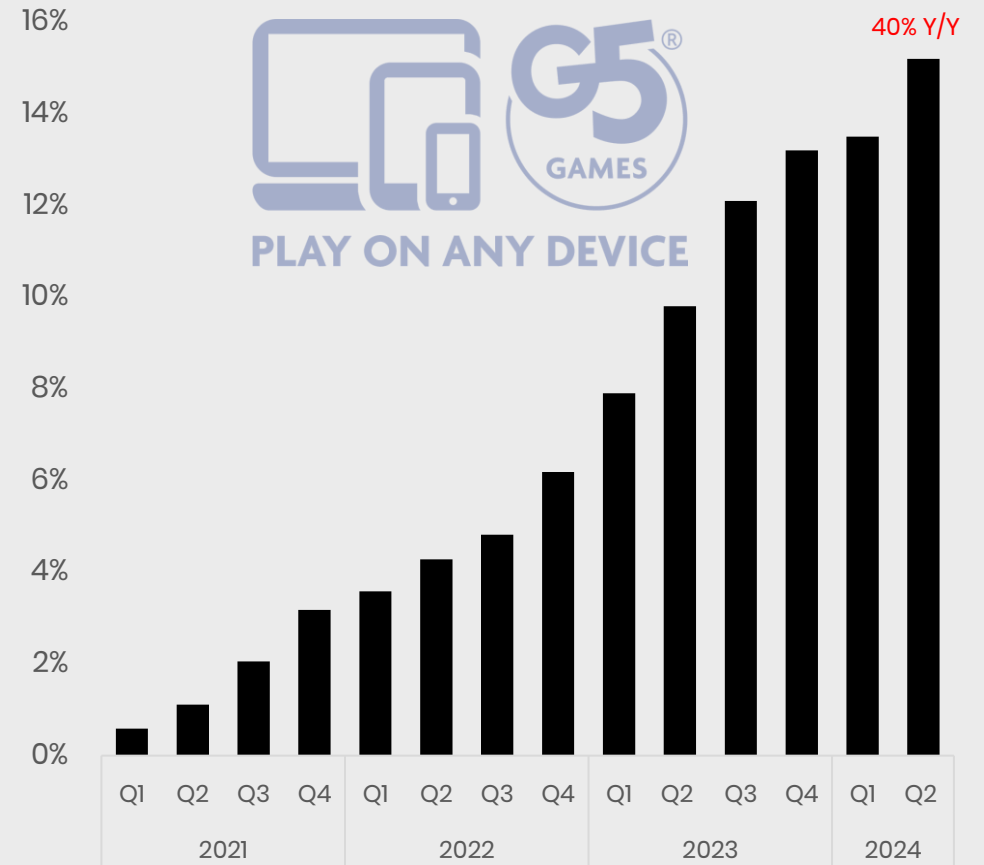


# Financials

# 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

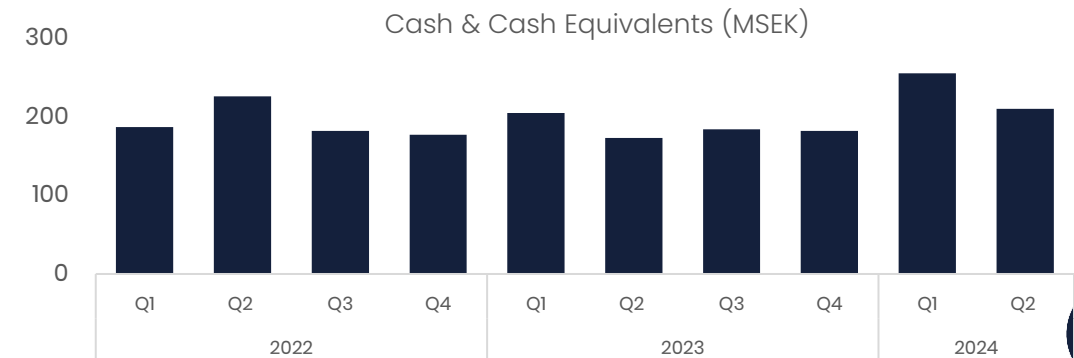
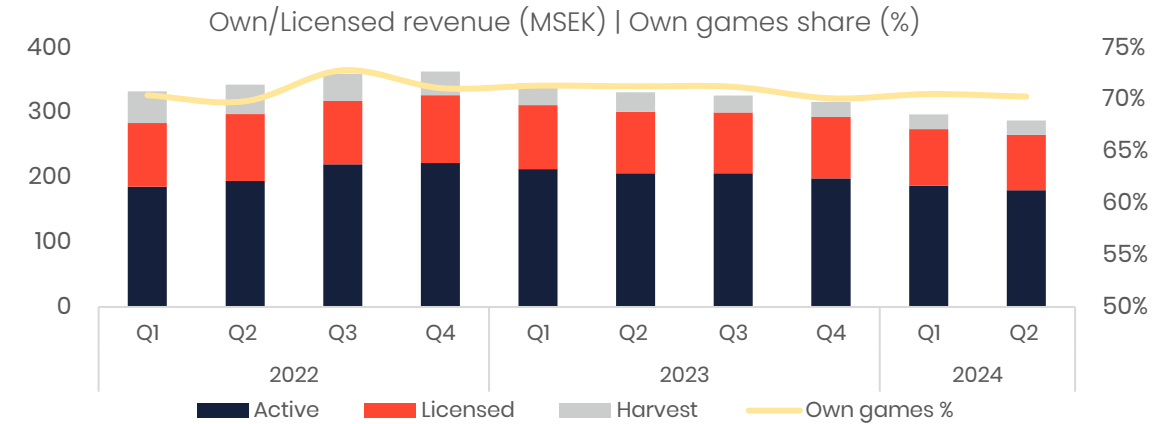
- Own games >70% of net revenue (71)
- Active own games: 63% (62) of net revenue
- Gross Margin 67.8% (67.4) primarily driven by fast growth of the G5 Store
- Strong MAGRPPU \$63.7 (62.0)

## 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





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