

G5 Entertainment

Investor presentation

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



G5 Entertainment in brief

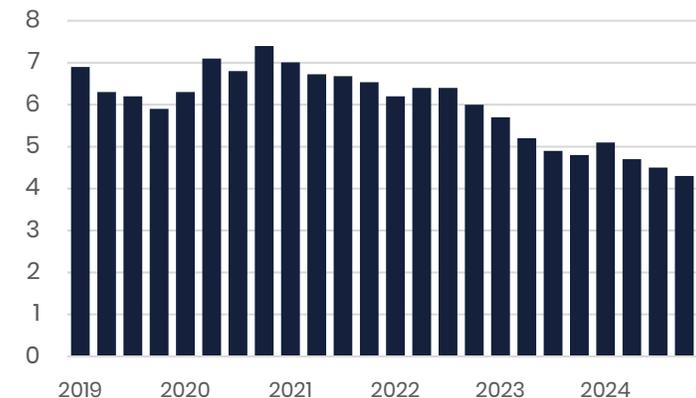
- **Game Developer and publisher**
Casual free-to-play (F2P) games for tablets, smartphones and PCs
- **Puzzle and adventure game genres**, such as Hidden Object, Match-3 and Mahjong Solitaire
- Serving **\$90+ billion global market**
- **Female audience 35+**
- **North America** accounted for 63% of group revenue in 2023

Strong history in sales and downloads

Secret Society: USD 100 M sales
24 M downloads

Hidden City: USD 400 M sales
57 M downloads

MAU (monthly average users)
average over quarter, million

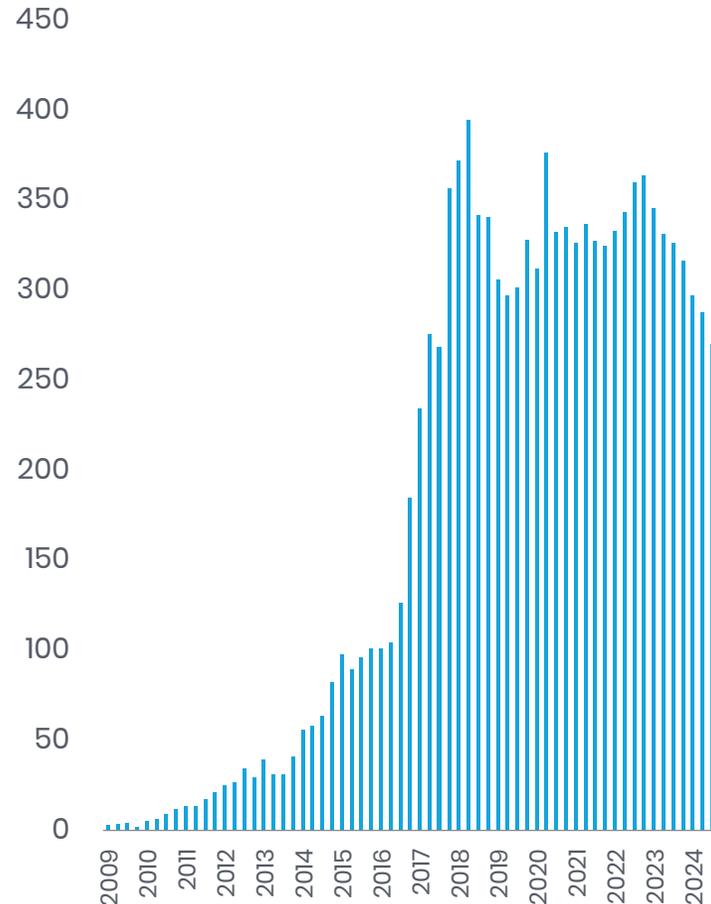


G5 Entertainment in brief (2)

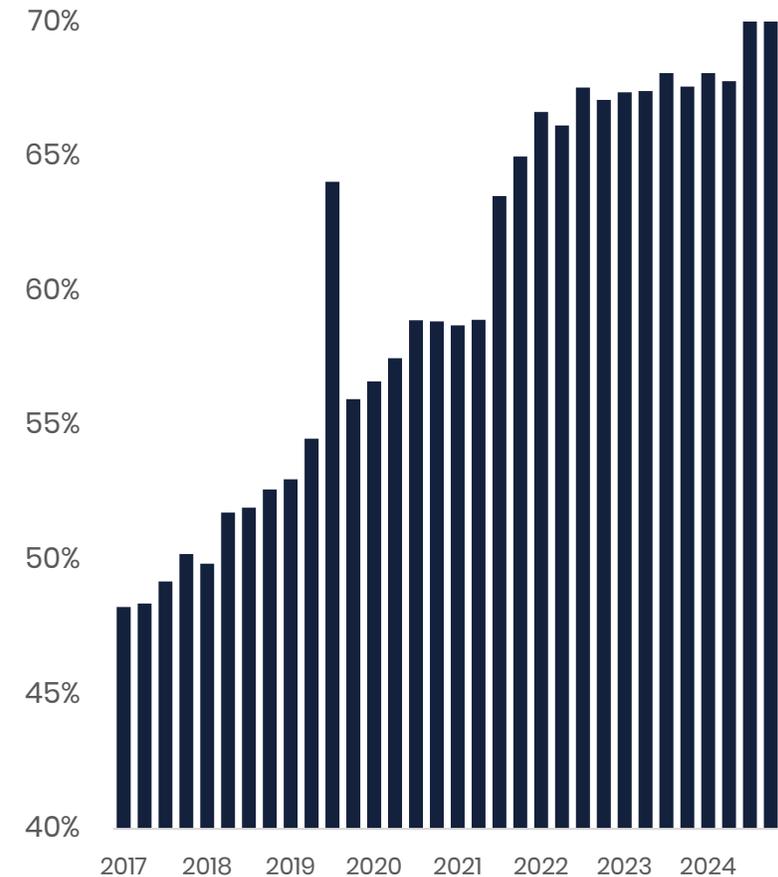
Stable performance in 2024

- **1.1 billion SEK** revenue
- **116 million SEK** EBIT
- **68.4%** Gross Margin
- **G5 Store** boosted gross margin and contributed to stable performance
- **15.22 SEK** EPS
- **8.00 SEK** dividend

Revenue (MSEK)



Gross Margin (%)



G5 Store

- **G5 Store – Launched 2020**

- G5 Store is G5's direct-to-consumer (DTC) channel
- Available on Windows, Mac and Android
- Allows users to browse and download games directly from G5's website www.g5.com
- All G5 Games can be played from any device: third-party, tablet or computer and can be synchronized across all devices

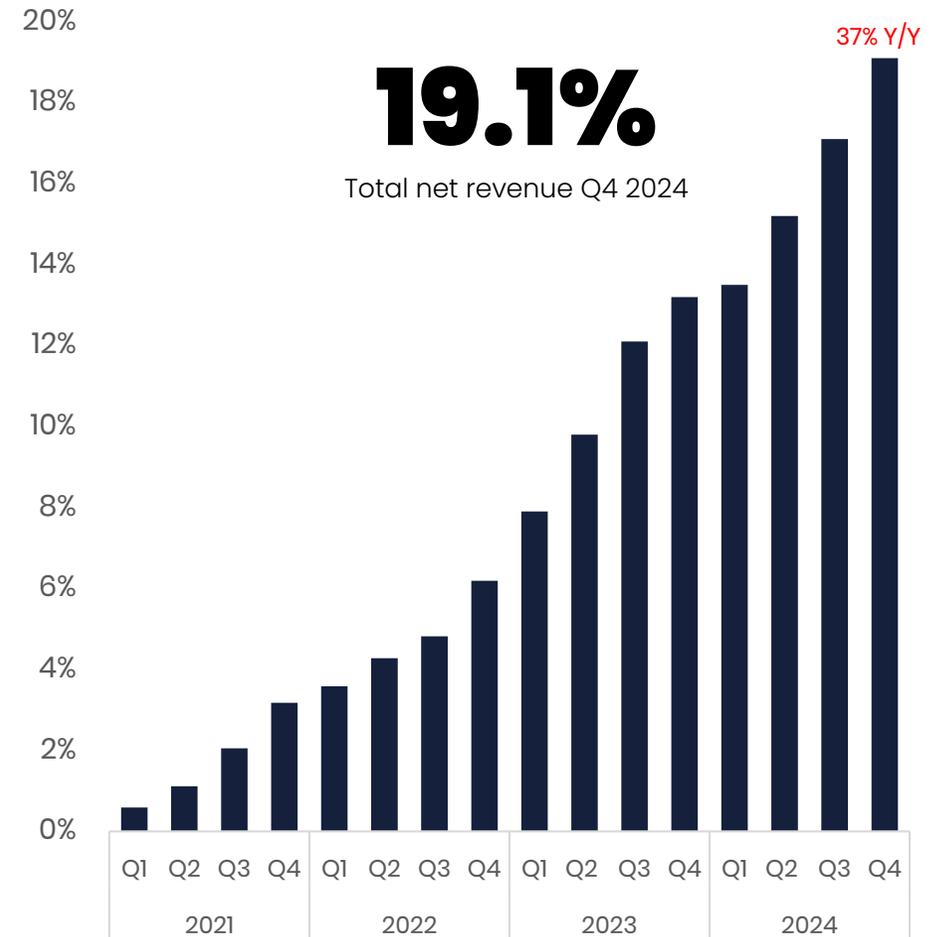
- **Fee structure**

- Fees on major third-party platforms (Apple and Google) are 30% of the revenue generated, for the Windows-platform the fees are 12%
- G5 is paying single digit percentages for payment processing and related services

- **Performance**

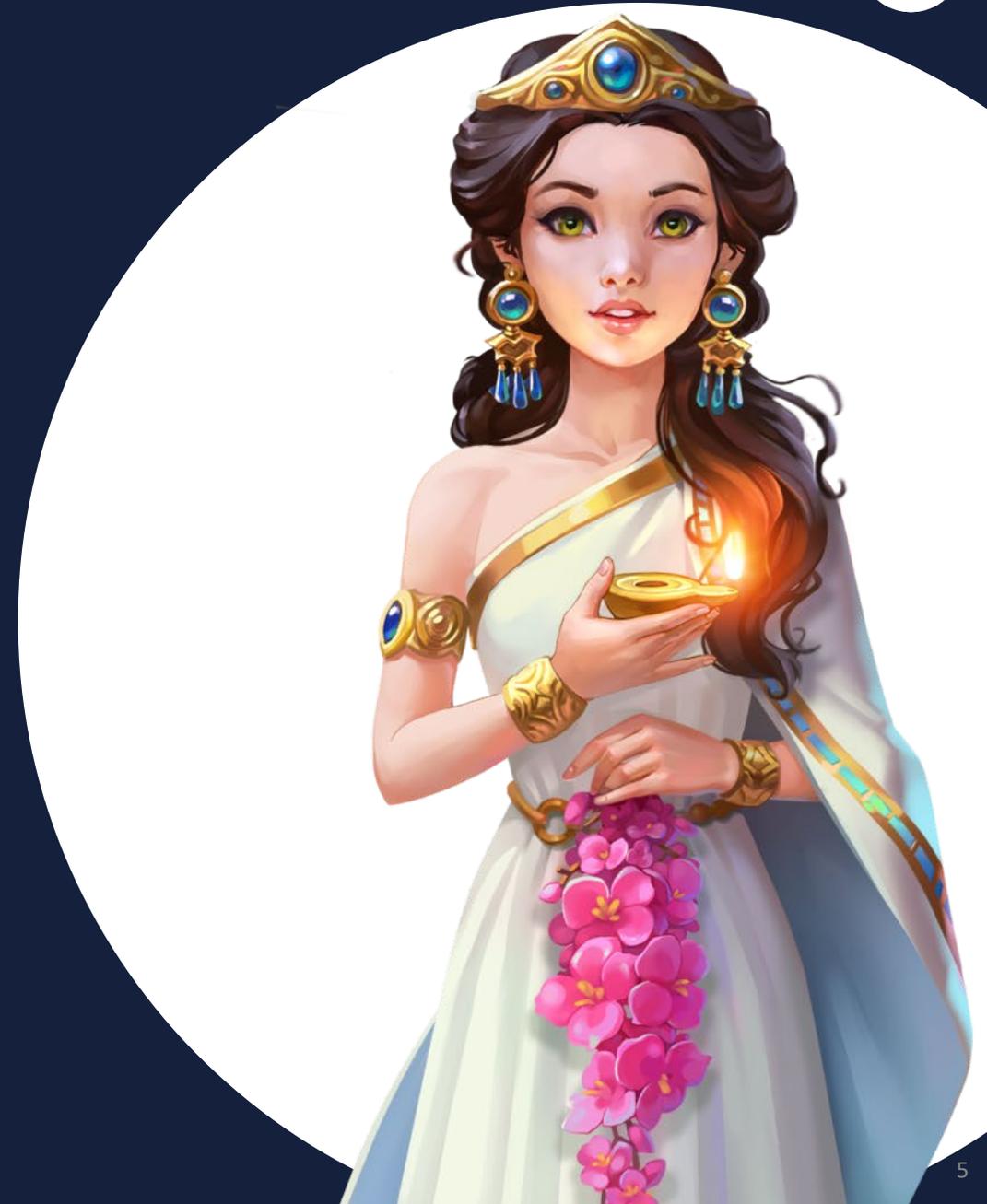
- Since its launch, G5 Store has grown sequentially every month with a couple of exceptions. It has surpassed 1.1 M USD in monthly net revenue during the fourth quarter of 2023 and continues to grow
- G5 Store is expected to continue to grow and through the lower fees, improve both the gross margin as well as the EBIT margin potential of the group going forward

G5 Store – % of Net Revenue (MSEK)



Mobile Gaming Industry

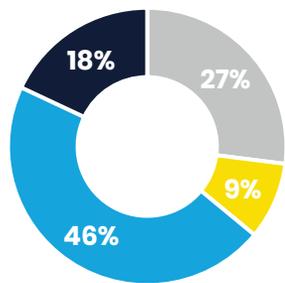
Mobile gaming is the best-performing segment of the overall gaming market.



Global Mobile Gaming: A Growth Market

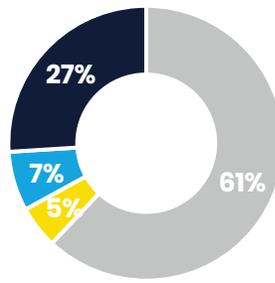
- Mobile gaming is the best-performing segment of the overall gaming market, with global revenues expected to reach **\$101 Bn** USD by 2026
- **48% of 2024 global game revenue** will come from mobile gaming
- With almost **3.4 billion gamers worldwide today** (+5% Y/Y), and 3.8 billion gamers projected by 2027, 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 2024, followed by the US
- G5's main market is North America, followed by EU and Japan

2024 Global Games Market per region



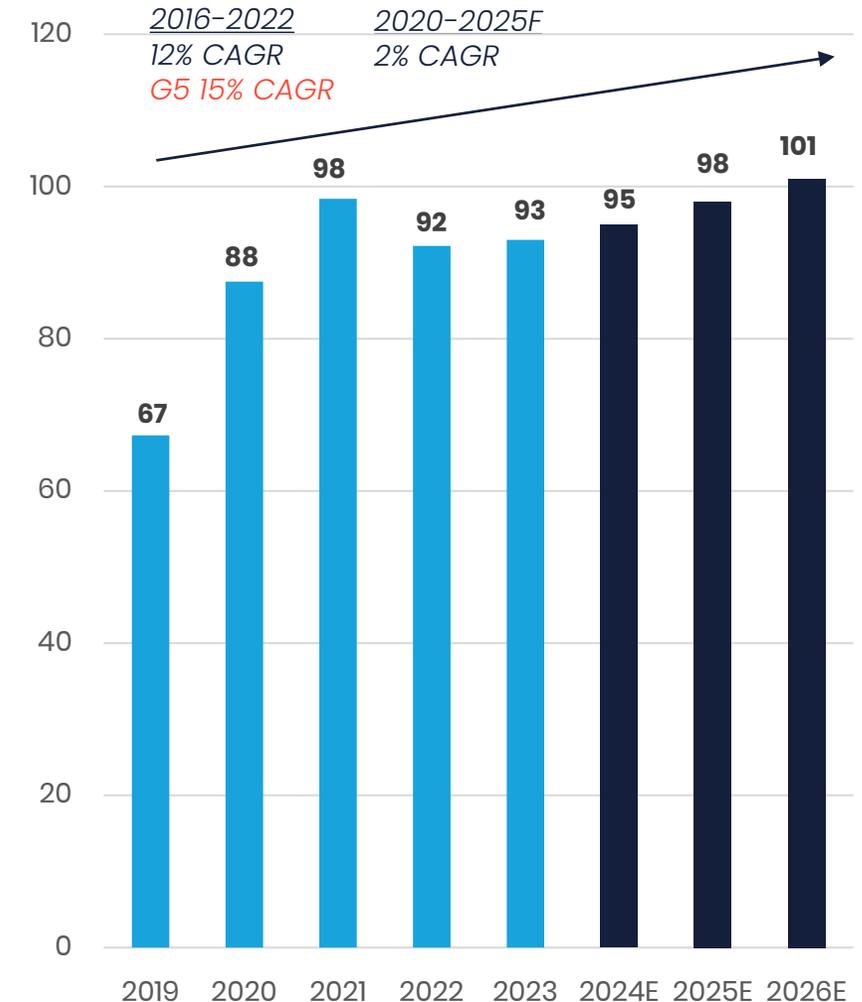
■ North America ■ ROW ■ Asia ■ Europe

G5 Revenue breakdown by geography Q4 2024



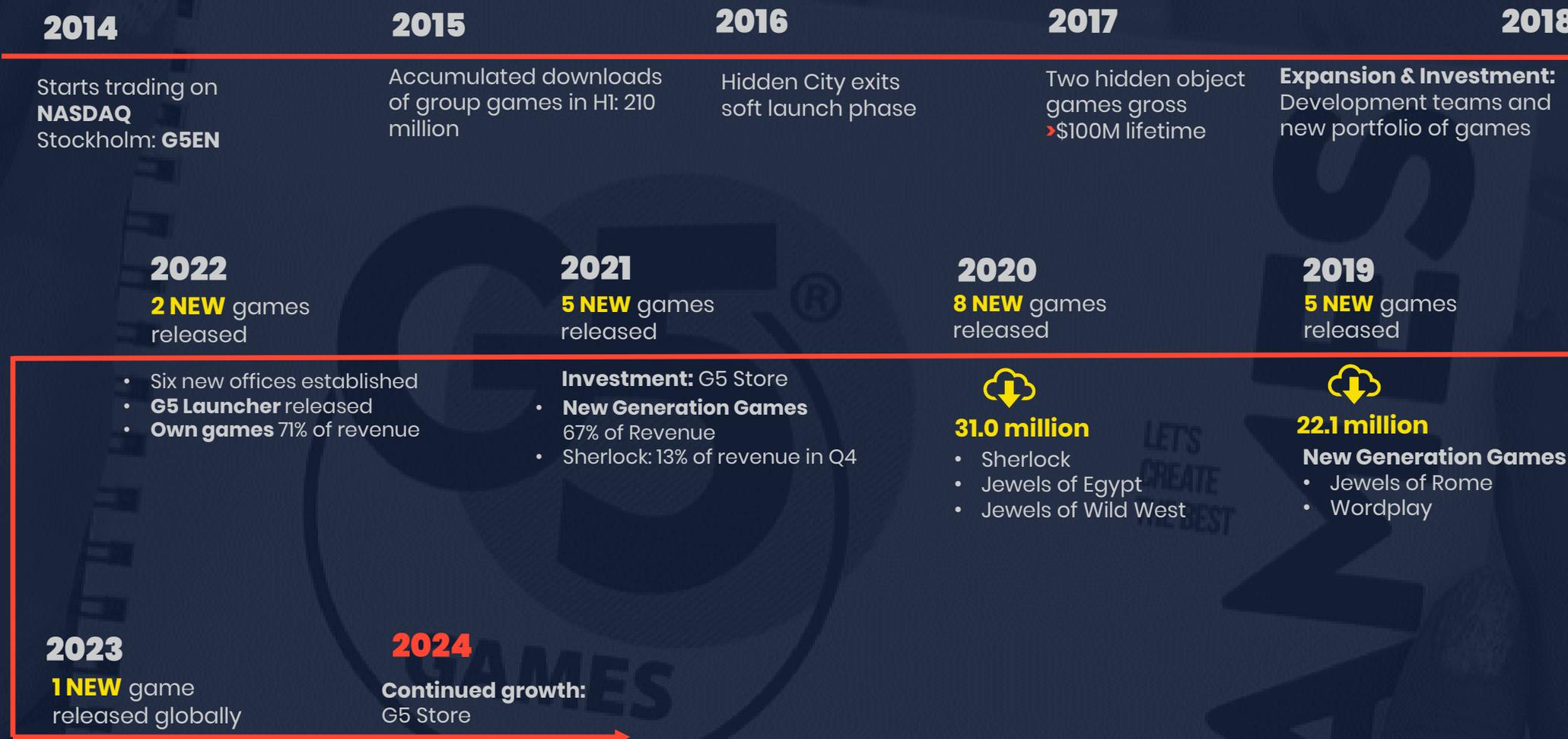
■ North America ■ ROW ■ Asia ■ Europe

Global Mobile Games Market Revenues, Bn USD



*NEWZOO market data

G5 Development: 2014-2024



G5's Portfolio & Development funnel

“G5 has a range of games in the genres that are all liked by the company's target audience.”



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



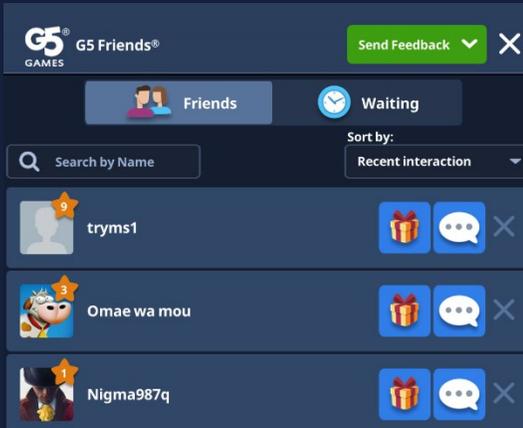
Mahjong / Solitaire



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 – MONETIZATION TESTING

5. SOFT LAUNCH – SCALABILITY TESTING

6. PREPARATION FOR GLOBAL LAUNCH

6 GAMES

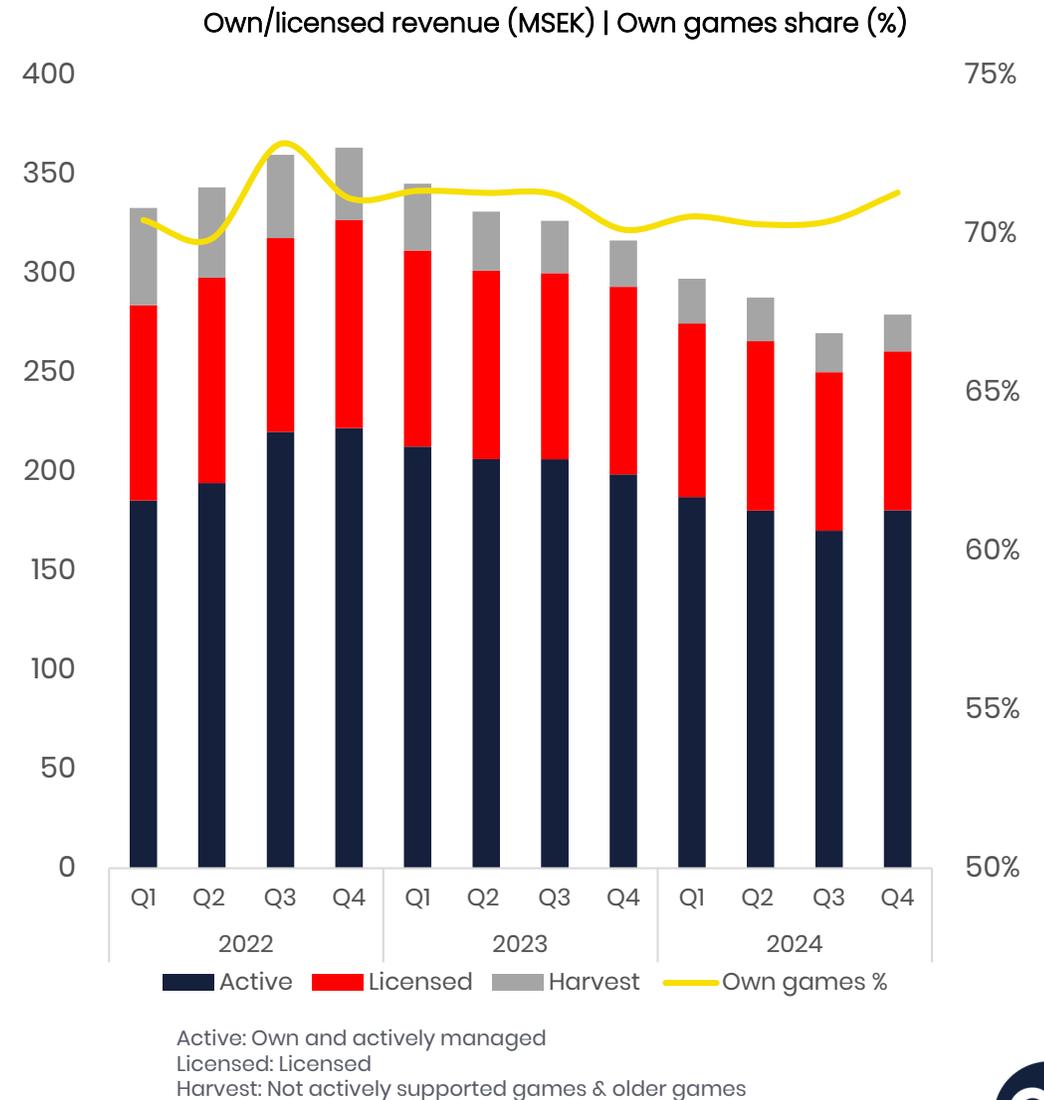
3 GAMES

↓
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 **>71%** of the total net revenue
- We plan to work on 30 game ideas, soft-launching 5-6 games. We expect to release **one game globally**. 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

“We are confident that our strategic initiatives will bear fruit in the coming quarters, reinforcing our position in the market.”



Financial Summary: Q4 2024

Strong performance

- Revenue SEK 279 M, -12% Y/Y in SEK and USD
- Own games >71% of net revenue (70)
- Active own games: 65% (63) of net revenue
- G5 Store 19.1% of total net revenue (13.2)
+37% Y/Y, +19% Q/Q in SEK | +35% Y/Y, +13% Q/Q in USD
- Gross Margin expanding to 69.1% (68.1)
- Record MAGRPPU \$65.7 (63.2)

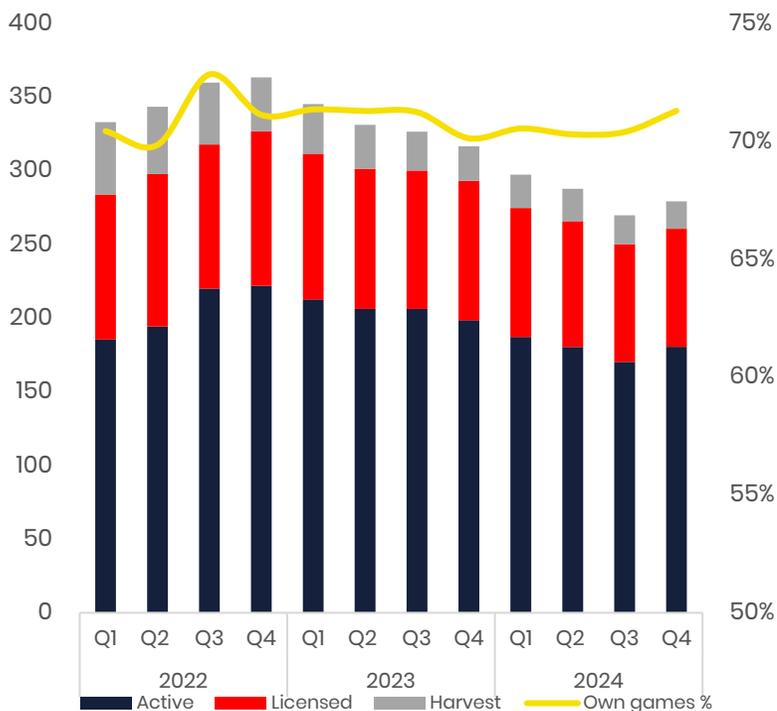
Operating Profit (EBIT) SEK 32.8 M (10.5), EBIT margin 11.8%

- EBIT was impacted by other operating income and expense, primarily related to SEK/USD revaluations of SEK 5.9 M (-14.1) and write-downs of SEK 2.2M (0.0). Adjusted EBIT margin was 10.4% (7.8)
- Quarter also impacted by one-off legal expenses SEK 4.9 M, adj. also for these expenses underlying EBIT margin was 12.2% (7.8)
- Net capitalization impact on earnings was SEK -5.8 M (-11.9)

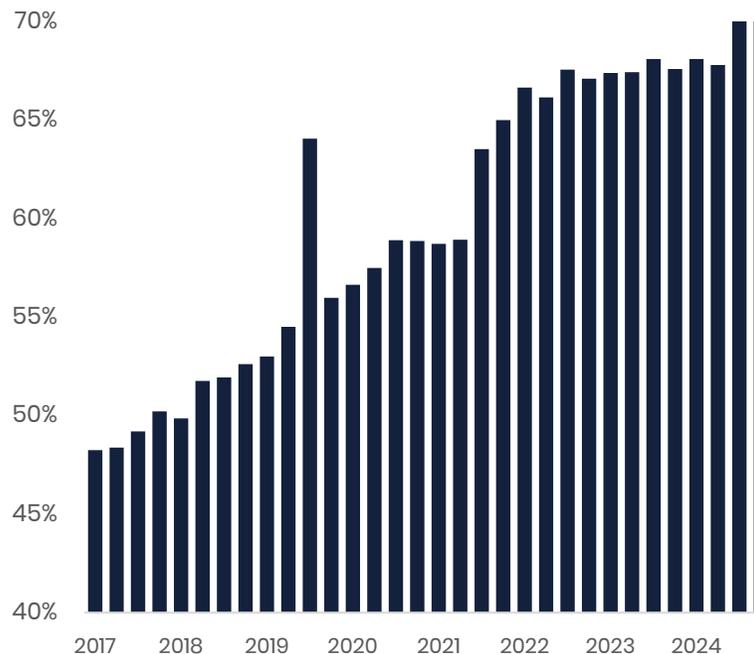
Strong cash generation

- Capitalization impact on cash flow SEK -25.5 M (-25.6)
- Movement of working capital was SEK -21.5 M (-9.5)
- Total cash flow for the period SEK 19.0 M (4.3)
- Total cash at end of period SEK 275.5 M (182.3)

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



Gross Margin (%)



Cash & Cash Equivalents (MSEK)



Outlook for 2025



- We are continuing building the foundation for sustainable growth
- During the quarter we made 23 iterations on new games with our goal of launching 1-2 games globally
- Operational efficiencies coupled with continued improvements in our funnel, development and evolution processes continue to drive profitability
- G5 Store continues to improve our gross margin
- Maintaining UA spend within 17-22% range
- Strong financial discipline, solid cash flow generation and zero debt





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