
G5 ENTERTAINMENT AB

Investor Presentation



G5 Entertainment in Brief

- Developer and publisher of casual free-to-play (F2P) games for tablets and smartphones
- Global company operating in the global market of mobile games, a **\$46+ billion market**
- **7 offices worldwide**, each serving a strategic purpose and providing a competitive advantage
- Focused on games for female audience age 35+
- Platforms: iPad, iPhone, Android, Amazon Kindle Fire, Windows
- Listed on Nasdaq Stockholm since June 2014, public since October 2006 (3 SEK IPO price)

Top User Acquisition Team

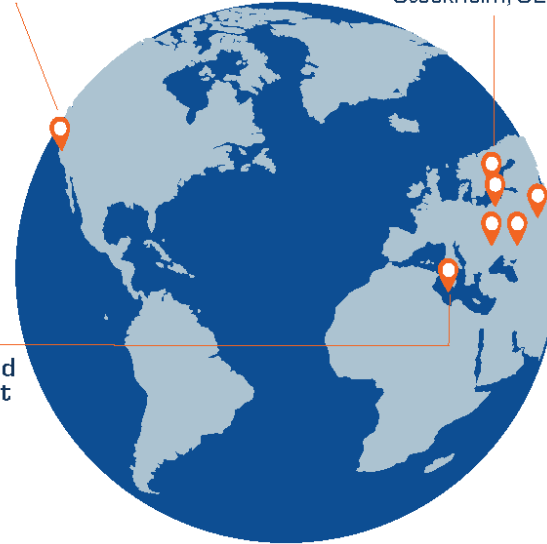
5 Employees
San Francisco, CA

Company Headquarters Near Nasdaq OMX Listing

3 Employees
Stockholm, SE

Licensing and Development

8 employees
Malta



Access To High End Development Talent

43 Employees
Kaliningrad, RUS

19 Employees
Moscow, RUS

259 Employees
Kharkov, UKR

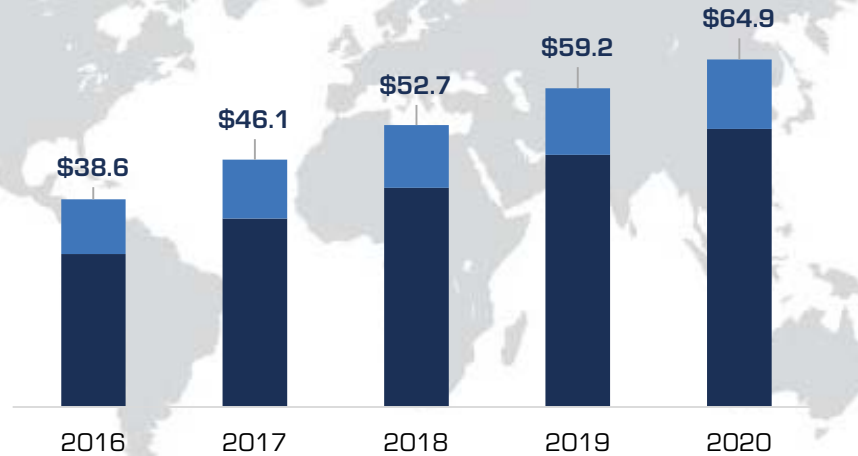
9 Employees
Lvov, UKR

Global Gaming Market is a Growing Market

Worldwide revenue from mobile games, USD bn

■ Tablet

■ Smartphone

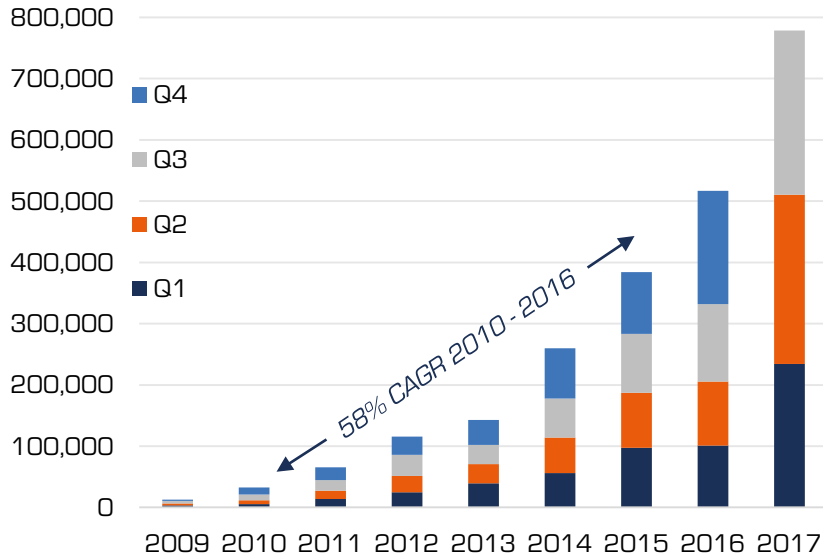


NEWZOO trend report: 2017 Global games market report

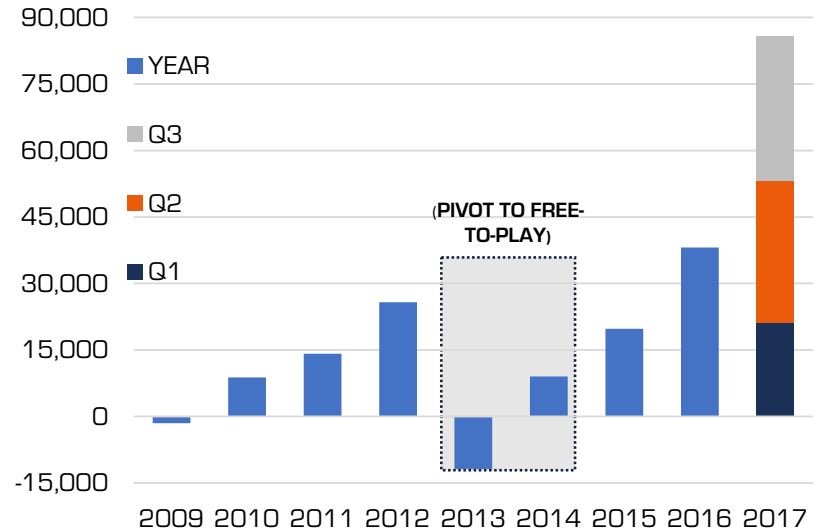
- Consumers are spending more time and money than ever before playing mobile games
- Global games revenue has grown across all regions and is projected to continue doing so
- Mobile gaming (**smartphone and tablet**) is the largest segment of the market with over **2.1 billion gamers**
- Mobile gaming is also the fastest growing segment with revenues expected to reach **\$65B usd** by 2020, a **CAGR of 13.9%**
- Asia is the biggest market, accounting for 47% of total revenues for the industry

Track Record of Growth

Revenue, Thousand SEK



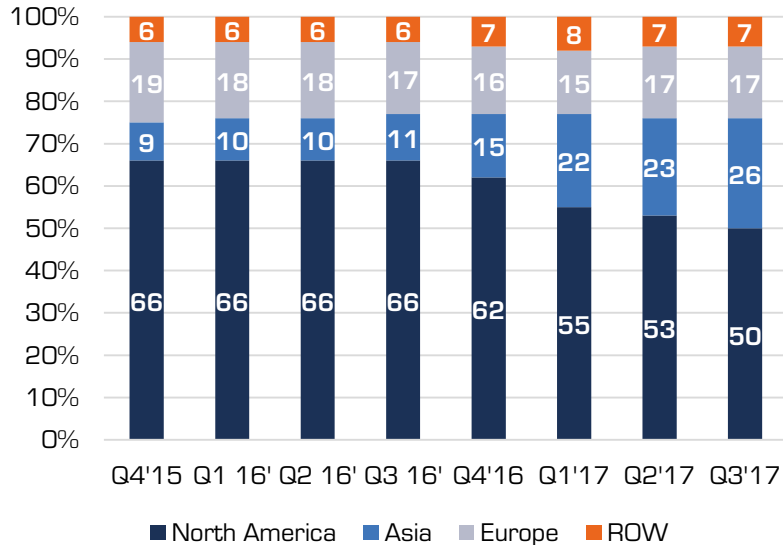
EBIT, Thousand SEK





Continued Growth in Asia

Geographic Revenue Distribution



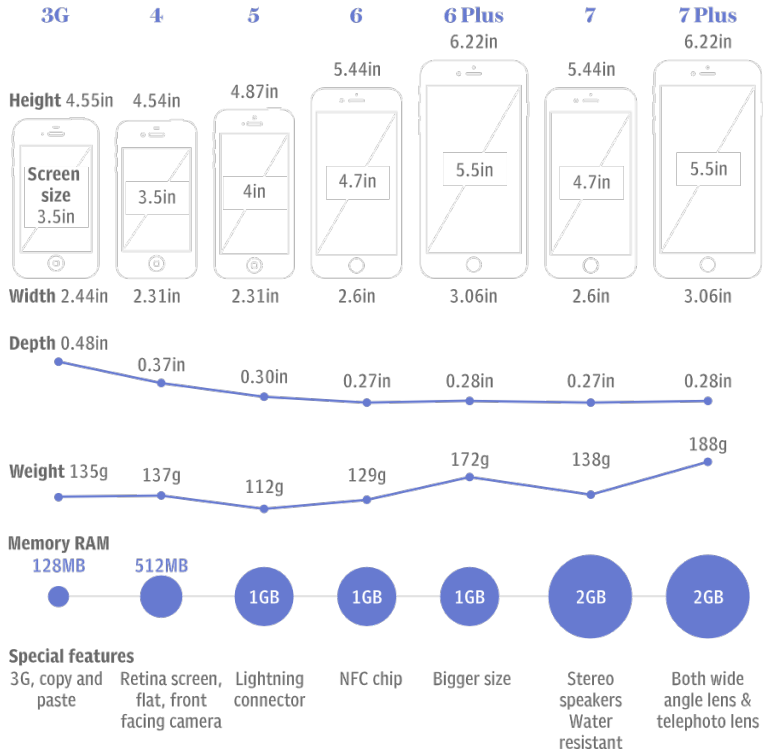
- G5's Revenue has continued to grow across all regions in absolute terms
- Have capitalized on the industry trend of the "opening up" of Asia, specifically the Japanese market to new genres of games
- Japan's players are now exposed through the App Store and found they like G5's games - a contributing factor to the fast sales growth in Japan
- Global success provides diversified currency revenues & FX stability
- Games are localized in 10 languages from the initial release date

Total Revenue by Region

(SEK M)	Q3 16'	Q3 17'	Y-O-Y %
North America	83.5	134.1	61%
Asia	13.9	69.7	401%
Europe	21.5	45.6	112%
ROW	7.6	18.8	148%

Key Growth Driver: Increase of Average Screen Size

The evolution of the iPhone



- The recently released iPhone X continues this trend with a 5.8” screen
- G5 games are most enjoyable on large screen tablets
- Average smartphone screen size has been increasing over time which has opened up a much larger and fast-growing market for our games
- The increase in device memory capacity and screen quality also helps, as G5 games are content heavy

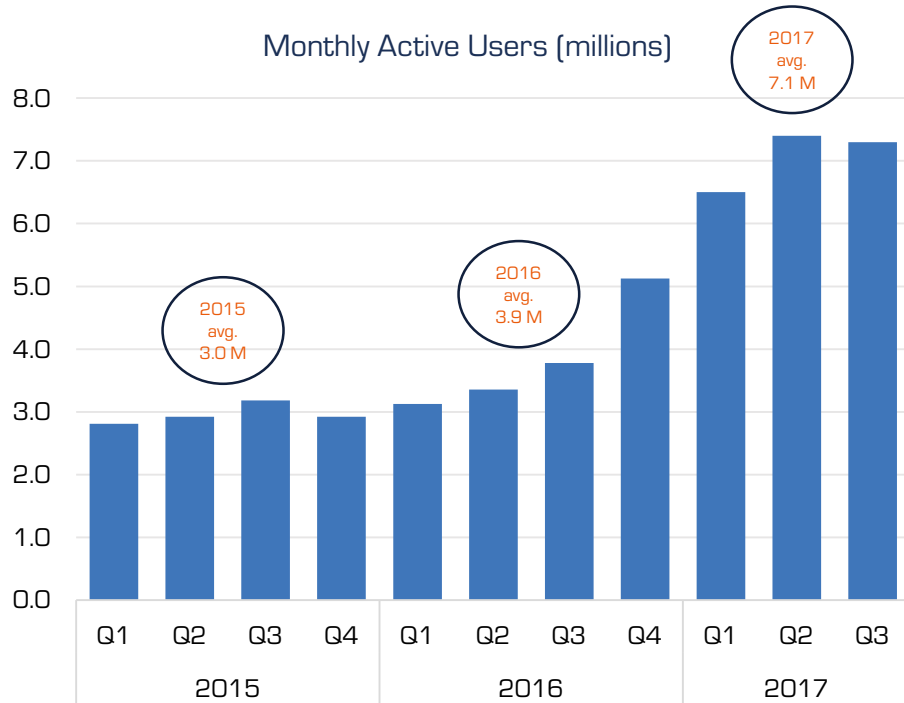
A Unique Target Market: Women Aged 35+

Focused on females age 35+

- Growing demographic
- Underserved market
- Loyal audience
- Strong payers \$
- Low piracy

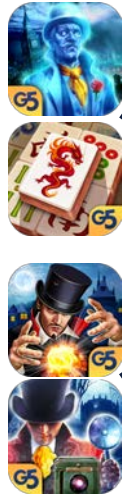


Building Value in the Audience

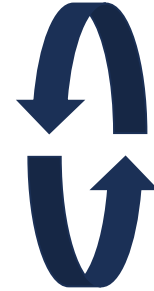


- Over 7 million monthly active users of which roughly 25% play our games on a daily basis
- High average revenue per paying user of \$40.1 USD per month (Q3 17') a 5% increase q-o-q
- Have demonstrated ability to drive user growth through effective marketing and UA strategies
- Audience is managed within portfolio and retained through various channels
- Creates positive momentum as users can be exposed to more games in the portfolio

Value Chain



End users



By sometimes publishing games licensed from independent studios, G5 can reduce risk of trying experimental project outside core scope

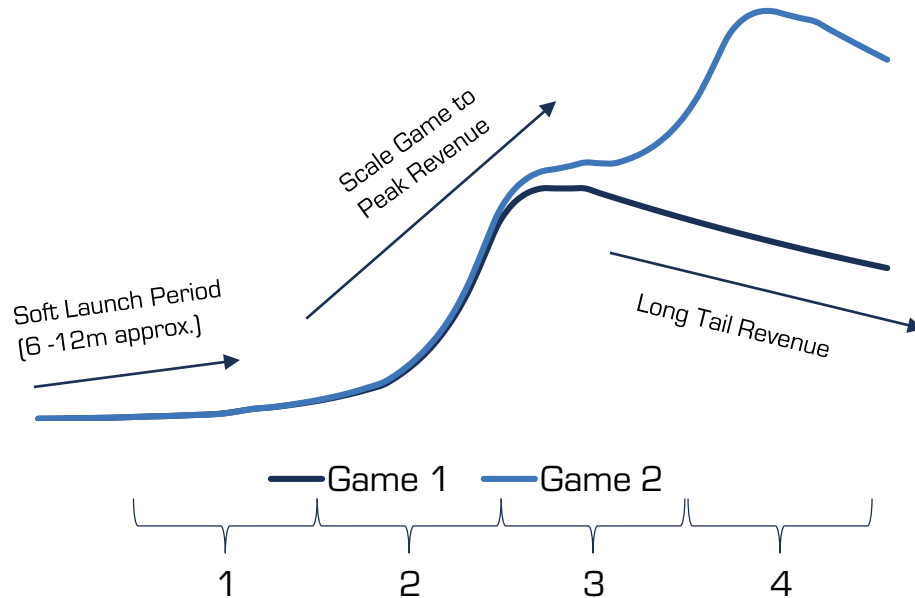
Portfolio approach provides a selection of games for target audience
The company does not depend on a single game

Few large distributors, world wide reach with minimum effort.
30% fee for billing, hosting, distribution and occasional app store promotions.

Users acquired organically and through paid user acquisition
Users re-engaged and offered new games
Analytics platform ensures high ROI

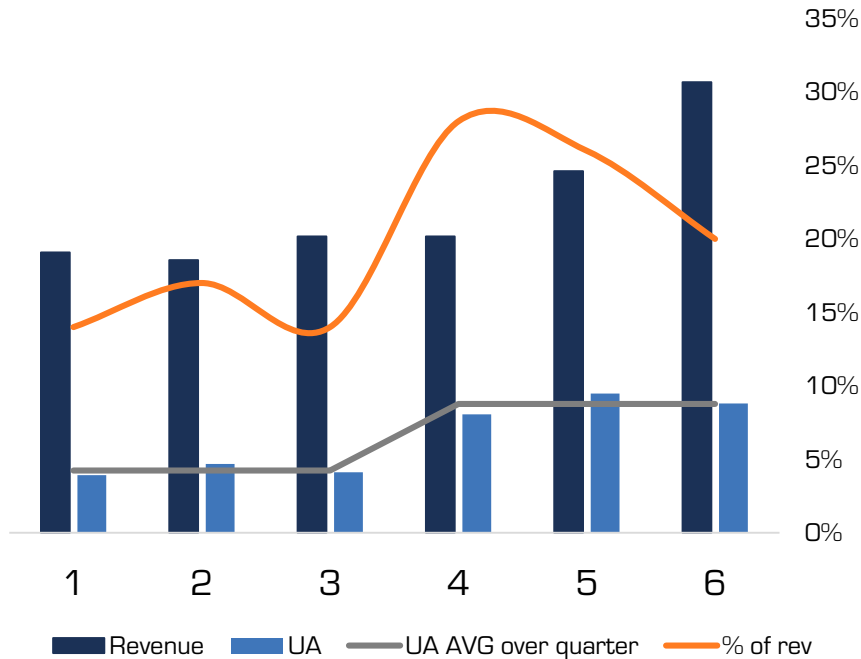
Game Revenue Development

Visual representation of revenue from 2 hypothetical games over 4 years



1. After initial release the game is analyzed and updated to find correct balance
2. Revenue starts building up and UA is added
3. Long tail revenue maintained over a significant period
4. Cross selling to other games

User Acquisition Precedes Growth



- We have stepped up our UA efforts once again as we see the opportunity to maintain the growth
- In the last 12 months, UA as % of revenue has averaged around 25%
- We have delivered a higher profit margin each quarter for the past 12 months

The graph is a hypothetical visual representation of the development over the 6 months, based on Q3 & Q4 of 2016

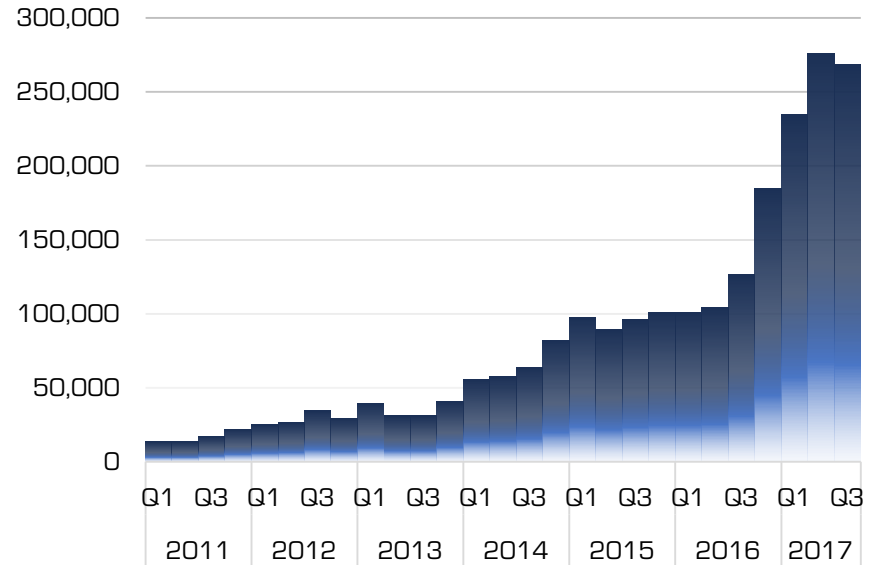
2013-2017

- Pivoted from Unlockable to F2P
- Released 21 F2P games, 18 still active
- Revenue grew more than five-fold from SEK 142 M in 2013 to SEK 963 M (rolling 12M) in 2017
- Profitable & cash generating










2017+

- 2017's performance has been driven by the success of games released in previous years
- New F2P games in the pipeline, mostly wholly owned and developed
- First release of a Match-3 game (Q3 17') a huge genre with strong potential
- More focus on "What Works" as opposed to experiments
- Building new games according to the working monetization models of our most successful games
- Our goal is gradual increase in earnings through continued top-line growth and increased Gross Margin









REVENUE, THOUSAND SEK



Top Games on iPhone

	Hidden City®: Hidden Object Adventure	#1 Hidden City	Licensed	Released: February 2014
	Mahjong Journey®	#2 Mahjong Journey	Wholly Owned & Developed	Released: January 2015
	The Secret Society® - Hidden Mystery	#3 The Secret Society	Licensed	Released: November 2012
	Survivors: the Quest®	#4 Survivors: the Quest	Wholly Owned & Developed	Released: January 2015
	Supermarket Mania® Journey	#5 Supermarket Mania	Wholly Owned & Developed	Released: January 2016
	Twin Moons®: Object Finding Game	#6 Twin Moons	Wholly Owned & Developed	Released: October 2016
	Homicide Squad: Hidden Crimes	#7 Homicide Squad	Wholly Owned & Developed	Released: January 2017
	Pirates & Pearls™: A Treasure Matching Puzzle	#8 Pirates & Pearls	Wholly Owned & Developed	Released: August 2017
	Farm Clan®: Farm Life Adventure	#9 Farm Clan	Wholly Owned & Developed	Released: August 2013

Top Games on iPad

	Hidden City®: Hidden Object Adventure	#1 Hidden City	Licensed	Released: February 2014
	The Secret Society® - Hidden Mystery	#2 The Secret Society	Licensed	Released: November 2012
	Mahjong Journey®	#3 Mahjong Journey	Wholly Owned & Developed	Released: January 2015
	Survivors: the Quest®	#4 Survivors: The Quest	Wholly Owned & Developed	Released: January 2015
	Twin Moons®: Object Finding Game	#5 Twin Moons	Wholly Owned & Developed	Released: October 2016
	Supermarket Mania® Journey	#6 Supermarket Mania	Wholly Owned & Developed	Released: January 2016
	Pirates & Pearls™: A Treasure Matching Puzzle	#7 Pirates & Pearls	Wholly Owned & Developed	Released: August 2017
	The Paranormal Society™: Hidden Adventure	#8 The Paranormal Society	Wholly Owned & Developed	Released: April 2016
	Homicide Squad: Hidden Crimes	#9 Homicide Squad	Wholly Owned & Developed	Released: January 2017



The Share

TICKER: G5EN.ST

IPO: October 2006 (3 SEK)

Currently Listed: Nasdaq Main Market (June 2014)

Outstanding Shares: 8.800.000

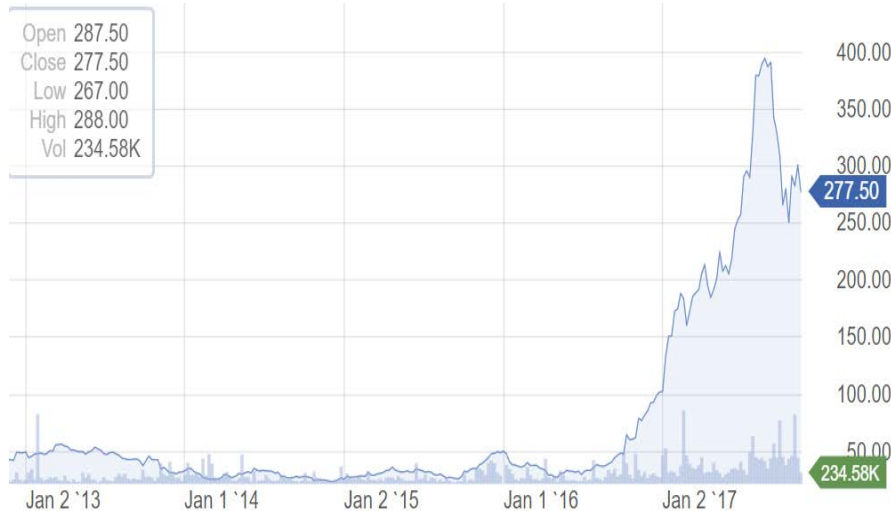
CEO: Vlad Suglobov

CFO: Stefan Wikstrand

Chairman of Board: Petter Nylander

Top 10 Ownership as of 31 Oct. 2017

	<u>Shares</u>	<u>% Ownership</u>
Swedbank Robur Fonder	779,000	8.85%
Wide Development Ltd.	624,800	7.10%
Purple Wolf Ltd.	530,000	6.02%
Proxima Ltd.	525,000	5.97%
Tommy Svensk	403,000	4.58%
Avanza Pension	397,559	4.52%
Rite Internet Ventures Holding AB	229,606	2.61%
Nordnet Pension Insurance	209,061	2.38%
SEB Funds inkl. Lux	196,528	2.23%
Daniel Eriksson	100,085	1.14%



Why G5 Is Interesting

- Participating in a **\$46+ billion** global market that has projected double digit growth thru 2020
- Attractive business model with inherent leverage
- High end development talent in Russia and Ukraine, top User Acquisition team in San Francisco and company headquarters near Nasdaq OMX listing in Stockholm
- Focused on the genre (hidden object) and target audience (women aged 35+) that has proven to work for us
- New wholly owned games in pipeline for release
- Strong potential in the Match 3 segment



Contact G5



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