

^GDEV

1Q'2024

Financial Results

May 28, 2024

Disclaimer



Forward-looking statements

Certain statements in this presentation may constitute “forward-looking statements” for purposes of U.S. federal securities laws. Such statements are based on current expectations that are subject to risks and uncertainties. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements.

The forward-looking statements contained in this press release are based on the Company’s current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that future developments affecting the Company will be those that the Company has anticipated. Forward-looking statements involve a number of risks, uncertainties (some of which are beyond the Company’s control) or other assumptions. You should carefully consider the risks and uncertainties described in the “Risk Factors” section of the Company’s 2023 Annual Report in Form 20-F, filed by the Company on April 29, 2024, and other documents filed by the Company from time to time with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should any of the Company’s assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Presentation of Non-IFRS Financial Measures

In addition to the results provided in accordance with IFRS throughout this press release, the Company has provided the non-IFRS financial measure “Adjusted EBITDA” (the “Non-IFRS Financial Measure”). The Company defines Adjusted EBITDA as the profit/loss for the period, net of tax as presented in the Company’s financial statements in accordance with IFRS, adjusted to exclude (i) goodwill and investments in equity accounted associates’ impairment, (ii) loss on disposal of subsidiaries, (iii) income tax expense, (iv) other financial income, finance income and expenses other than foreign exchange gains and losses and bank charges, (v) change in fair value of share warrant obligations and other financial instruments, (vi) share of loss of equity-accounted associates, (vii) depreciation and amortization, (viii) share-based payments expense and (ix) certain non-cash or other special items that we do not consider indicative of our ongoing operating performance. The Company uses this Non-IFRS Financial Measure for business planning purposes and in measuring its performance relative to that of its competitors. The Company believes that this Non-IFRS Financial Measure is a useful financial metric to assess its operating performance from period-to-period by excluding certain items that the Company believes are not representative of its core business. This Non-IFRS Financial Measure is not intended to replace, and should not be considered superior to, the presentation of the Company’s financial results in accordance with IFRS. The use of the Non-IFRS Financial Measure terms may differ from similar measures reported by other companies and may not be comparable to other similarly titled measures.

Due to the rounding the numbers presented throughout this document may not precisely add up to the totals. The period-over-period percentage changes are based on the actual numbers and may therefore differ from the percentage changes if those would be calculated based on the rounded numbers

The figures in this presentation are preliminary and unaudited.

Key operating metrics used in the presentation

In this presentation, we use a number of key operating and non-IFRS financial metrics which we believe accurately, in material aspects, reflect the principal parameters of our historic and projected performance. For further information, regarding our operating metrics, see our 2023 Annual Report in Form 20-F filed with the SEC.

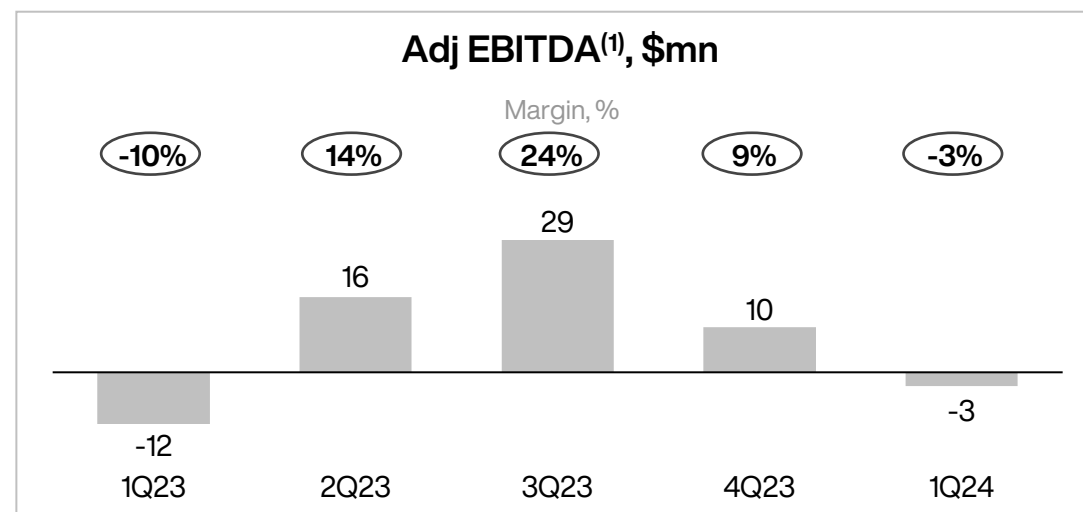
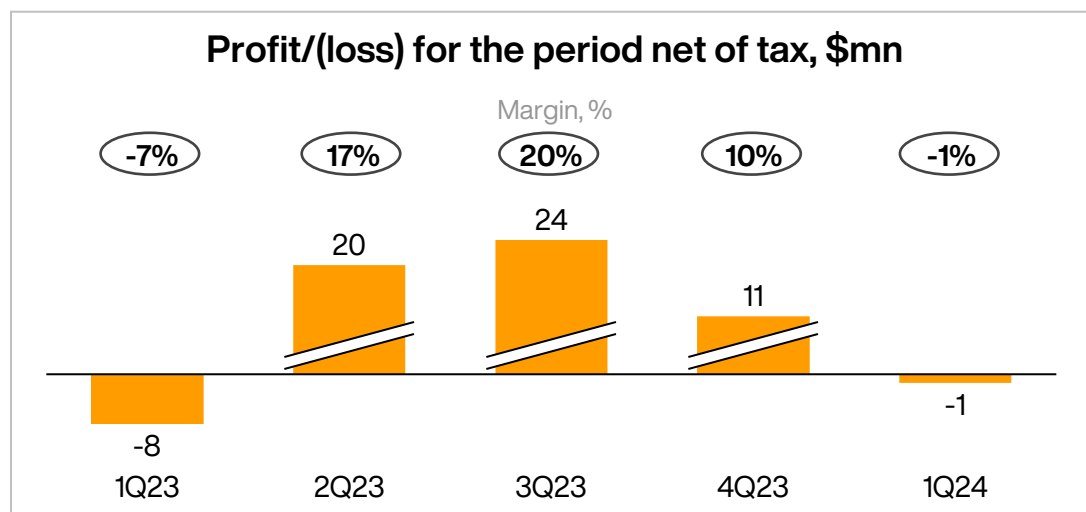
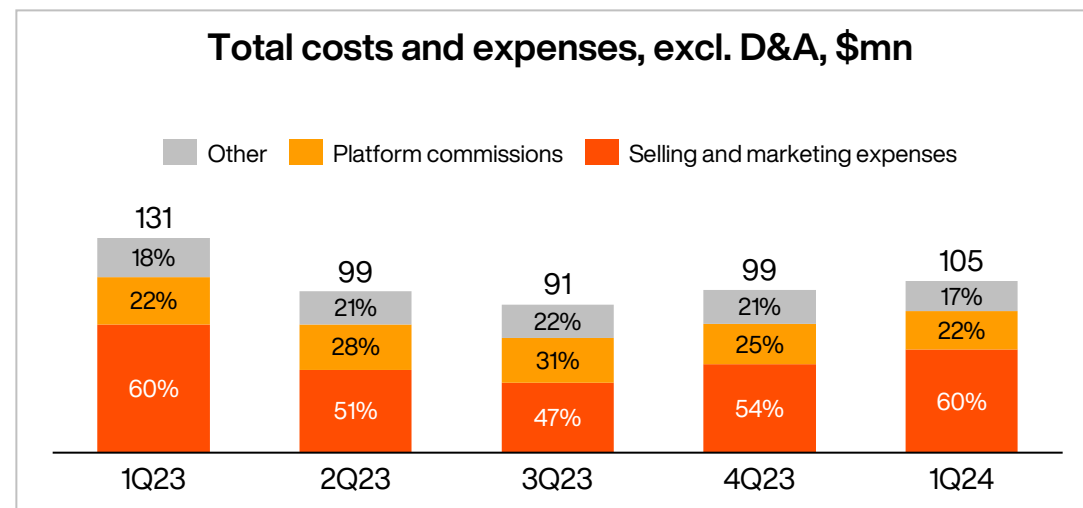
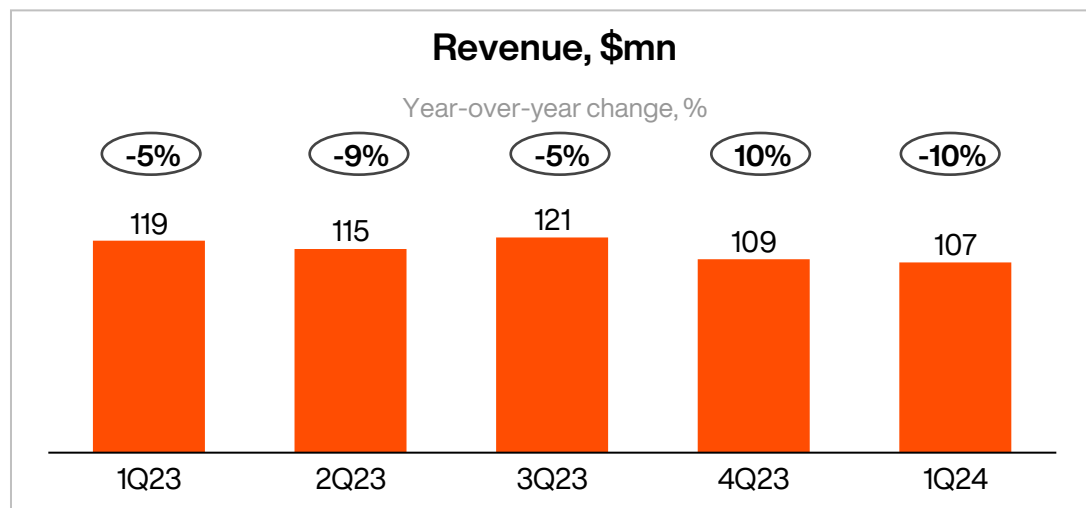
Operating metrics

- Monthly Paying Users (MPUs) are the number of individuals who made a purchase of a virtual item at least once on a particular platform in a calendar month
- Average Bookings Per Paying User (ABPPU) is the total Bookings attributable to in-game purchases in a given period, divided by the number of months in that period, divided by the average number of MPUs during the period
- Bookings are sales contracts generated from in-game purchases and sales of advertisement in a given period

Non-IFRS measure

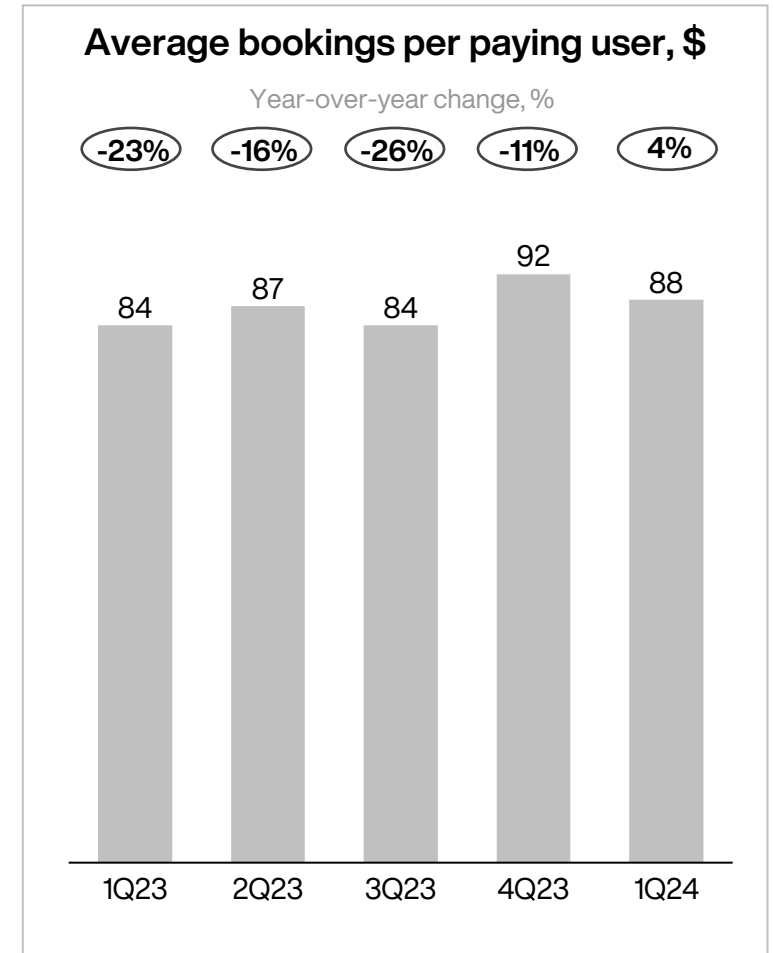
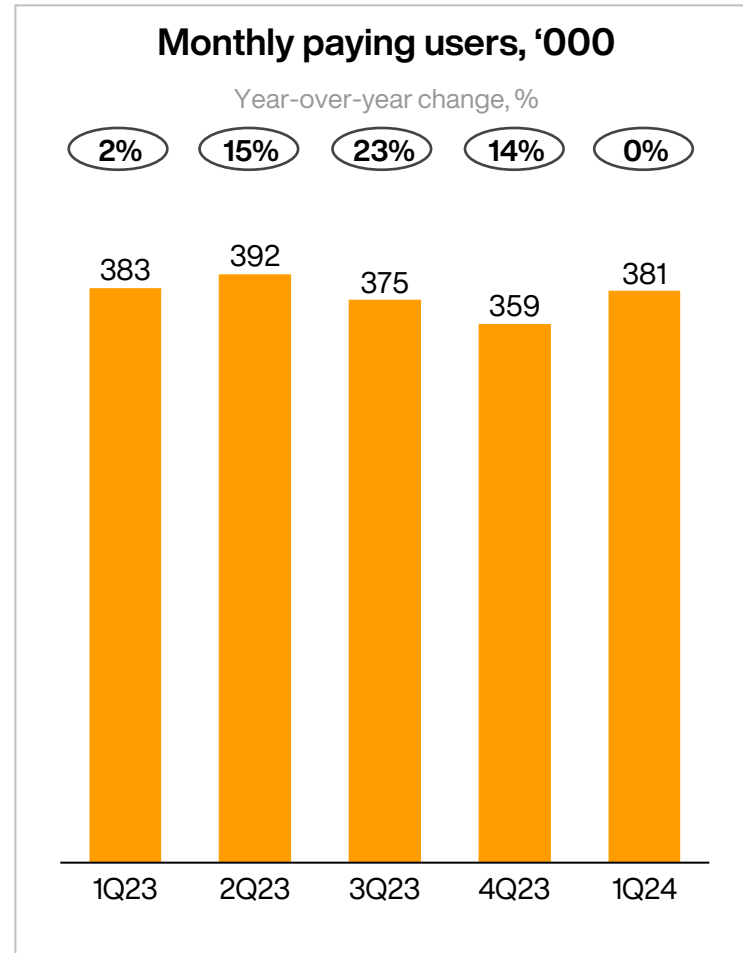
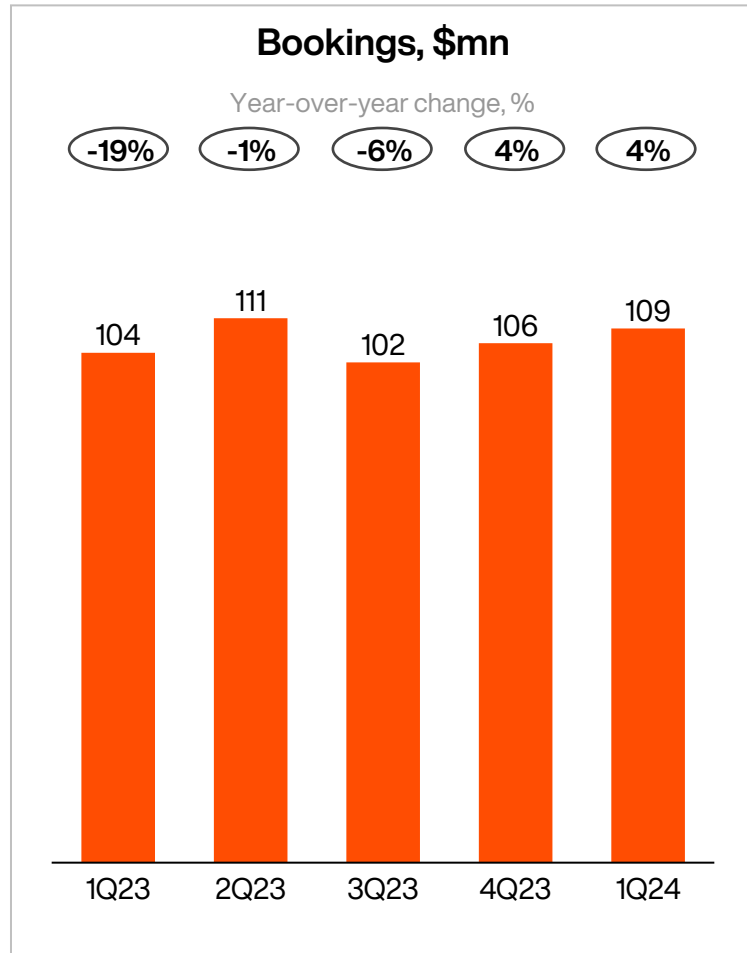
- Adjusted EBITDA. The Company defines Adjusted EBITDA as the profit/loss for the period, net of tax as presented in the Company's financial statements in accordance with IFRS, adjusted to exclude (i) goodwill and investments in equity accounted associates' impairment, (ii) loss on disposal of subsidiaries, (iii) income tax expense, (iv) other financial income, finance income and expenses other than foreign exchange gains and losses and bank charges, (v) change in fair value of share warrant obligations and other financial instruments, (vi) share of loss of equity-accounted associates, (vii) depreciation and amortization, (viii) share-based payments expense and (ix) certain non-cash or other special items that we do not consider indicative of our ongoing operating performance. Adjusted EBITDA is a non-IFRS financial measure and should not be construed as an alternative to net income/loss as an indicator of operating performance as determined in accordance with IFRS.

Financial highlights

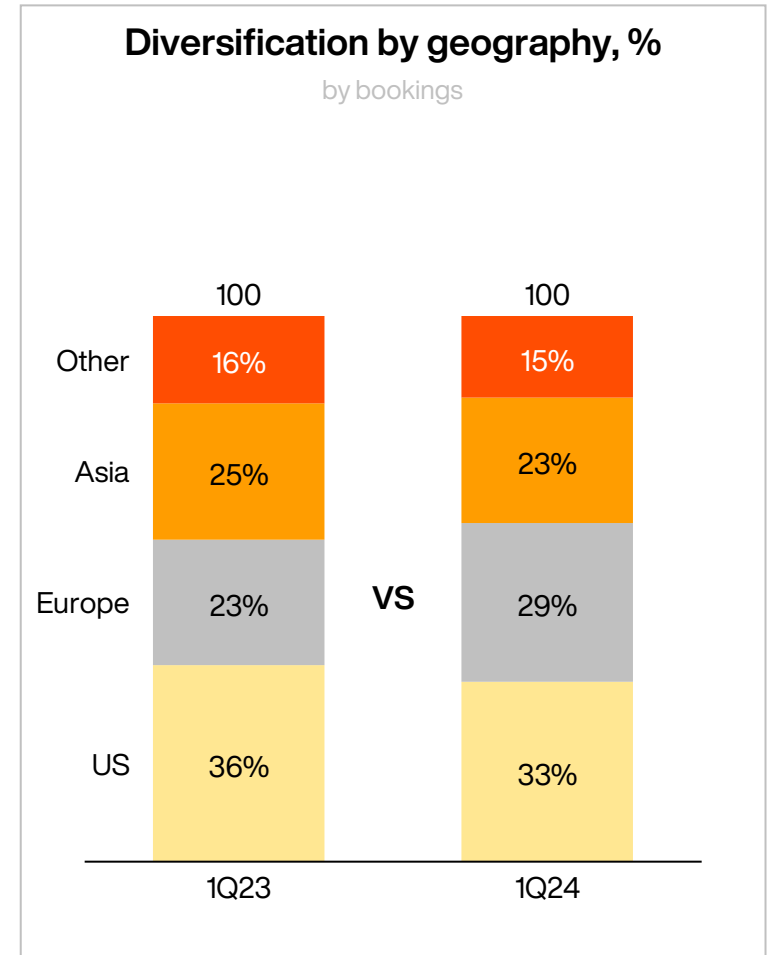
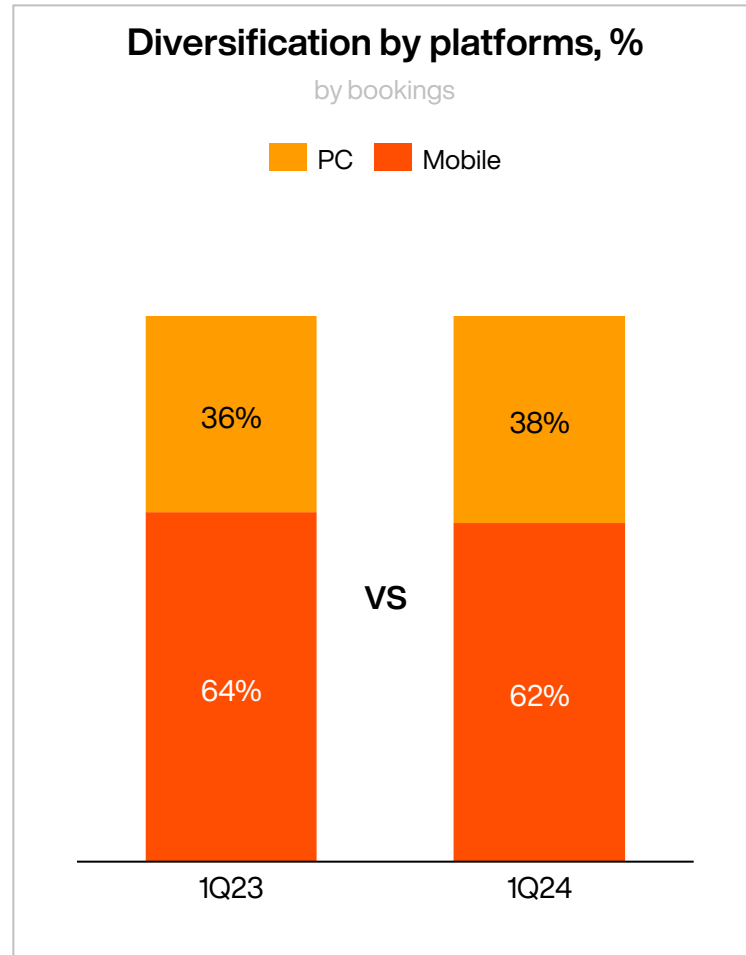
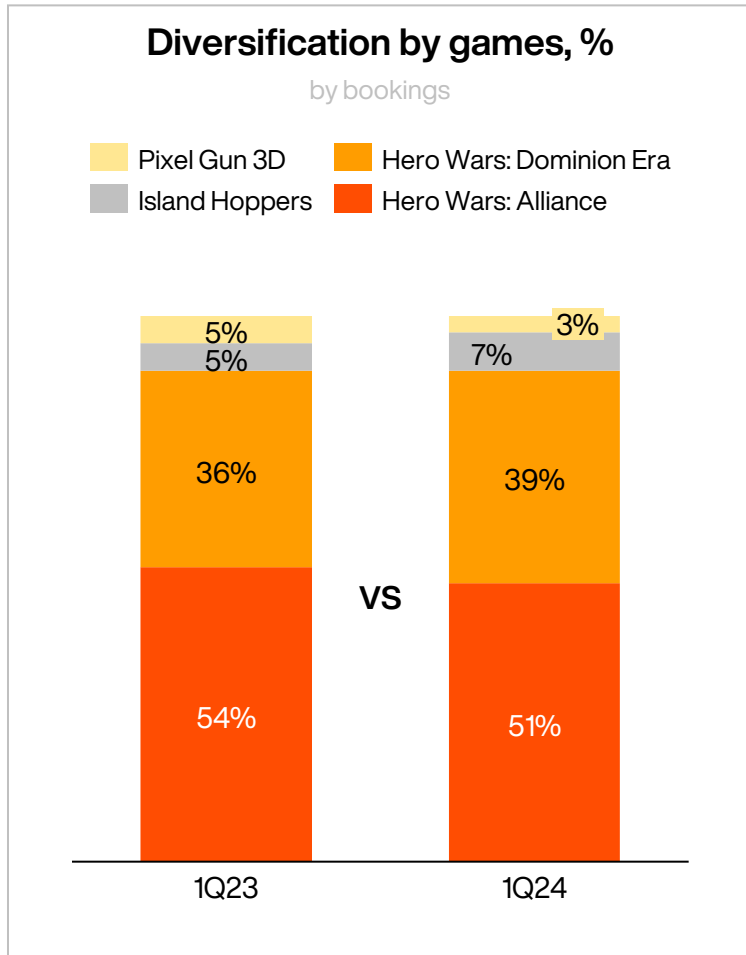


(1) See slide #3 for definition and slide #11 for reconciliation to profit/(loss) for the period, net of tax
Source: Company Information (preliminary and unaudited)

Operating highlights



Diversification by games/ platforms/ geography



Appendix

Consolidated statement of comprehensive income

'000 \$

	1Q'22	1Q'23	1Q'24
Revenue	126,071	119,275	106,931
Costs and expenses, excluding depreciation and amortization			
Cost of revenue:			
Platform commissions	(33,451)	(28,955)	(23,415)
Game operation cost	(9,310)	(14,425)	(12,813)
Selling and marketing expenses	(56,593)	(78,415)	(63,168)
General and administrative expenses	(8,203)	(8,253)	(7,560)
Other operating income	39	805	-
Impairment loss on trade and loan receivables and change in fair value of	(332)	(3,482)	(1,887)
Total costs and expenses, excluding depreciation and amortization	(107,850)	(132,725)	(108,843)
Depreciation and amortization	(1,467)	-	-
Profit/(loss) from operations	16,754	(13,450)	1,912
Other financial income	-	-	3,964
Finance income/(expense), net	(939)	1,276	(2,474)
Change in fair value of share warrant obligations and other financial instru	6,692	5,261	(140)
Share of loss of equity-accounted associates	1,656	(515)	-
Profit/(loss) before income tax	24,163	(7,428)	(562)
Income tax expense	(752)	(747)	(878)
Profit/(loss) for the period, net of tax	23,411	(8,175)	(1,440)
Attributable to equity holders of the Company	23,429	(8,175)	(1,440)
Attributable to non-controlling interest	(18)	-	-
Items that are or may be reclassified subsequently to profit or loss	(281)	(384)	284
Total comprehensive income/(loss) for the period, net of tax	23,130	(8,559)	(1,156)
Attributable to equity holders of the Company	23,148	(8,559)	(1,156)
Attributable to non-controlling interest	(18)	-	-
Earnings/(loss) per share:			
Basic and diluted earnings/(loss) per share, US\$	0.12	(0.04)	(0.01)

Consolidated statement of financial position



'000 \$

	March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023
ASSETS			LIABILITIES AND SHAREHOLDERS' EQUITY		
Non-current assets			Equity		
Property and equipment	819	1,121	Other reserves	171,595	141,568
Intangible assets	11,875	7,354	Accumulated deficit	(328,369)	(275,519)
Goodwill	1,836	1,836	Equity attributable to equity holders of the Company	(156,774)	(133,951)
Long-term deferred platform commission fees	87,447	73,063	Total equity	(156,774)	(133,951)
Right-of-use assets	1,600	2,516	Non-current liabilities		
Deferred tax asset	105	118	Lease liabilities - non-current	211	940
Other non-current investments	19,069	17,298	Long-term deferred revenue	92,244	118,680
Other non-current assets	107	107	Share warrant obligations	7,482	1,418
Loans receivable - non-current	317	-	Put option liabilities - non-current	28,090	-
Total non-current assets	123,175	103,413	Other non-current liabilities	358	-
Current assets			Total non-current liabilities	128,385	121,038
Indemnification asset	2,512	2,340	Current liabilities		
Trade receivables and other current assets	41,374	51,352	Lease liabilities - current	692	1,152
Loans receivable	400	172	Trade and other payables	32,735	28,482
Other investments	56,497	27,164	Put option liabilities - current	-	15,002
Cash and cash equivalents	68,326	84,626	Provisions for non-income tax risks	1,336	1,247
Prepaid tax	3,305	208	Tax liability	5,283	3,766
Total current assets	172,414	165,862	Deferred revenue	283,932	232,539
Total assets	295,589	269,275	Total current liabilities	323,978	282,188
			Total liabilities	452,363	403,226
			Total liabilities and shareholders' equity	295,589	269,275

Consolidated cash flow statement



'000 \$

	1Q'22	1Q'23	1Q'24
Operating activities	23,411	(8,175)	(1,440)
Profit/(loss) for the year, net of tax			
Adjustments for:	1,467	1,407	1,602
Depreciation and amortization	1,065	548	198
Share-based payments expense	0	0	(3,964)
Gain on acquisition of subsidiaries	(1,656)	515	0
Share of loss of equity-accounted associates	332	3,482	1,887
Impairment loss on trade and loan receivables and change in fair value of loans receivable	313	0	0
Impairment of intangible assets	(6,692)	(5,261)	140
Change in fair value of share warrant obligations and other financial instruments	67	101	129
Unwinding of discount on the put option liability	0	0	0
Transaction costs	0	(1,078)	573
Change in fair value of other investments	0	0	0
Loss on sale of subsidiaries	0	(214)	(379)
Dividend income	0	0	0
Trade and loan receivables write-off	781	772	2,533
Foreign exchange loss/(gain)	(99)	(946)	(490)
Interest income	0	(170)	0
Lease modification gain/(loss)	43	13	22
Interest expense	752	747	878
Income tax expense	19,784	(8,259)	1,689
Changes in working capital:			
Decrease/(increase) in deferred platform commissions	2,631	7,235	933
(Decrease)/increase in deferred revenue	1,300	(16,263)	1,697
Decrease/(increase) in trade and other receivables	(2,970)	2,357	2,340
Increase/(decrease) in trade and other payables	(2,210)	2,921	(4,755)
	(1,249)	(3,750)	215
Income tax (paid)/received	(126)	(120)	(1,482)
Net cash flows generated from/(used in) operating activities	18,409	(12,129)	422

	1Q'22	1Q'23	1Q'24
Investing activities			
Acquisition of intangible assets	(7)	(8)	0
Acquisition of property and equipment	(505)	(97)	(59)
Acquisition of subsidiary net of cash acquired	(50,022)	0	0
Proceeds from repayment of loans	0	272	33
Investments in equity accounted associates	(16,586)	0	0
Loans granted	(9,936)	(99)	(1,887)
Proceeds from redemption of investments	0	35,547	57,500
Dividends received	0	215	378
Interest received	0	169	66
Acquisition of other investments	0	(41,385)	0
Net cash flows (used in)/from investing activities	(77,056)	(5,386)	56,031

	1Q'22	1Q'23	1Q'24
Financing activities			
Payments of lease liabilities	(634)	(522)	(287)
Proceeds from loans receivable	-	(78)	-
Interest on lease	(41)	(13)	(22)
Buy-back of the shares resulted from Tender offer	-	-	(33,109)
Payments from exercise of put option liability of Cubic Games Studio Ltd's previous shareholders	-	-	(10,160)
Net cash flows used in financing activities	(675)	(613)	(43,578)

	1Q'22	1Q'23	1Q'24
Net (decrease)/increase in cash and cash equivalents for the period	(59,322)	(18,128)	12,875
Cash and cash equivalents at the beginning of the period	142,802	86,774	71,798
Effect of changes in exchange rates on cash held	224	(321)	(47)
Cash and cash equivalents at the end of the period	83,704	68,325	84,626

Reconciliation of the profit/loss for the period to the Adjusted EBITDA ^GDEU

MIn \$	1Q'23	1Q'24
Profit/(loss) for the period, net of tax	(8)	(1)
Add back:		
Items		
Income tax expense	0.7	0.9
Change in fair value of share warrant obligations and other financial instrument:	(5)	0.1
Adjusted finance (income)/expenses (1)	(2)	(4)
Share of loss of equity-accounted associates	0.5	-
Depreciation and amortization (2)	1	2
Share based payments	0.5	0.2
Adjusted EBITDA	(12)	(3)

(1) Adjusted finance income/expenses consist of all finance income/expenses other than foreign exchange gains/losses and bank charges, net.

(2) Starting from Q1 2024 the company reports D&A expenses by function as a part of game operation cost, selling and marketing expenses and general and administrative expenses in accordance with IAS 1.