GDEV

# Sustainability Report

September 22, 2023

Original characters from "Hero Wars"

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## Strategy, governance and sustainability update for FY 2022

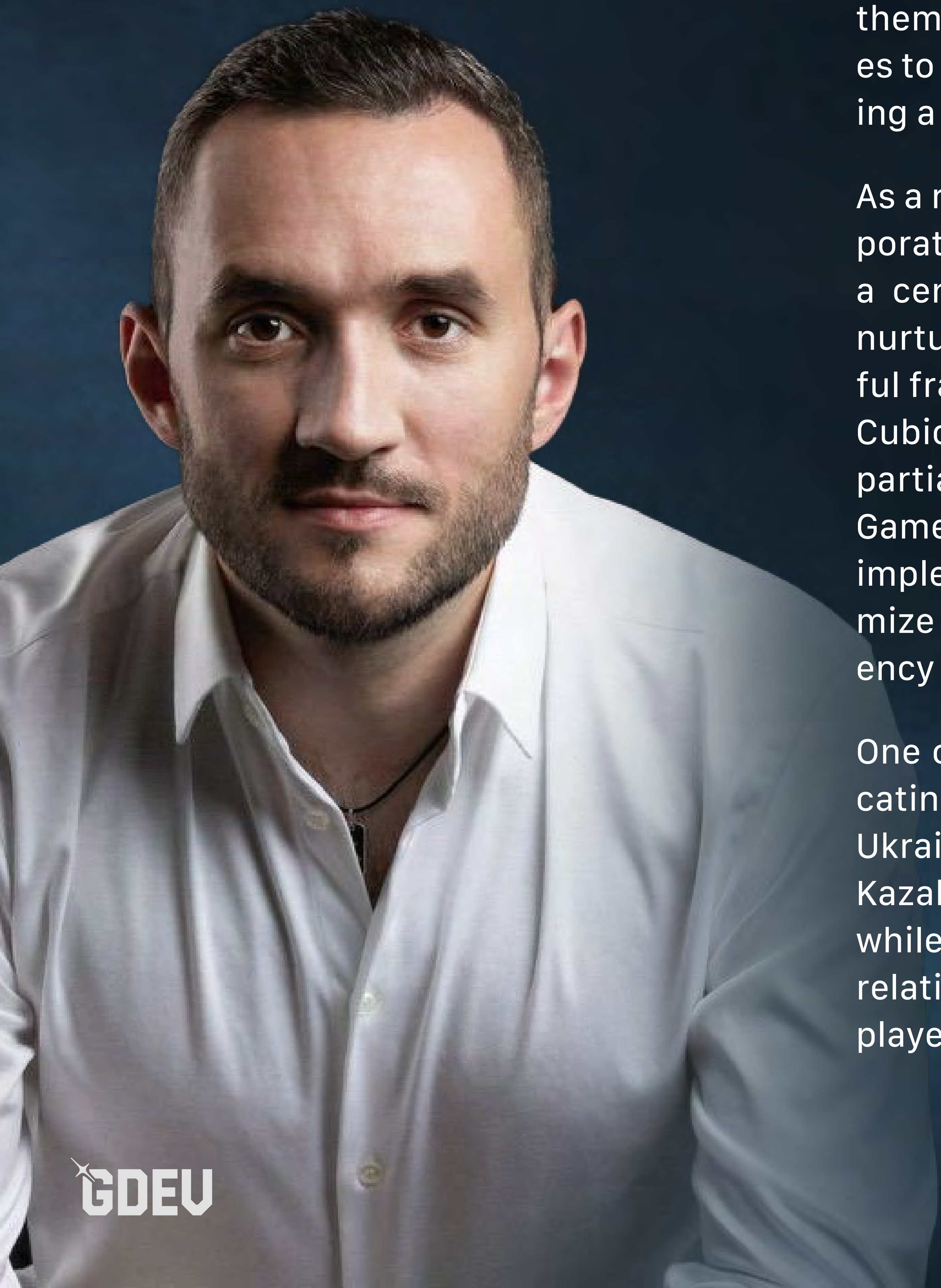
*"Dear stakeholder,*

*We faced a triad of external shocks in 2022 and this report reflects the unusual nature of this period. Our business was impacted by Russia's full scale invasion of Ukraine, a share trading freeze and acute gaming industry turbulence. To address this, we took bold decisions to rapidly relocate all of our staff to safe geographies, fully complied with Nasdaq requirements for resumption of share trading, and restructured our organisational design to further increase our long term resilience and growth opportunities.*

*This report explains the changes in our business structure, branding, critical governance architecture, and highlights our continued focus on sustainable growth. We are excited about the future and grateful for your support on this journey."*

**Natasha Braginsky Mounier,**
GDEV Chairperson

# Founders' Message



The year 2022 brought a series of challenges that had a significant impact on many businesses worldwide, including geopolitical instability, a global economic crisis, and specific difficulties in the game industry. In response, we addressed them by implementing deep, fundamental changes to our operating and corporate structures, creating a solid foundation for future growth.

As a result, we are thrilled to introduce our new corporate structure under the GDEV name, serving as a central hub responsible for consolidating and nurturing the growth of our studios and successful franchises. The company will comprise Nexters, Cubic Games, and Dragon Machines, along with partially controlled assets (Royal Ark, RJ Games, Game Gears), as well as any future acquisitions. By implementing this approach, our goal is to optimize efficiency, and cultivate a culture of transparency and cooperation within our organization.

One of the most important steps of 2022 was relocating employees from Russia, Belarus, and Ukraine to safe-harbor locations (Cyprus, Armenia, Kazakhstan), ensuring their safety and well-being while maintaining business operations and strong relationships with shareholders, partners, and players.

Furthermore, in 2022, GDEV faced the cost of living crisis, which led to the first gaming market revenue decline in many years. However, the company successfully navigated the crisis by overhauling its marketing approach, prioritizing critical projects, delivering high-quality gaming experiences, and maintaining competitiveness in the challenging market.

Despite the challenges, GDEV studios implemented new sustainability features in 2022, including a stronger focus on social and environmental issues, partnerships with ecology organizations, and waste management programs to encourage employees to adopt sustainable practices in their daily lives. GDEV is also pleased to announce plans to become carbon neutral by 2030 across our Scope 2 emissions and improving sustainability practices.

To sum up, GDEV recognizes that sustainability is an ongoing process and remains committed to improving its practices in all our studios and setting new goals for the future.

**Andrey Fadeev and Boris Gertsovskiy,**
**co-founders of GDEV**

# GDEV is a gaming and entertainment company

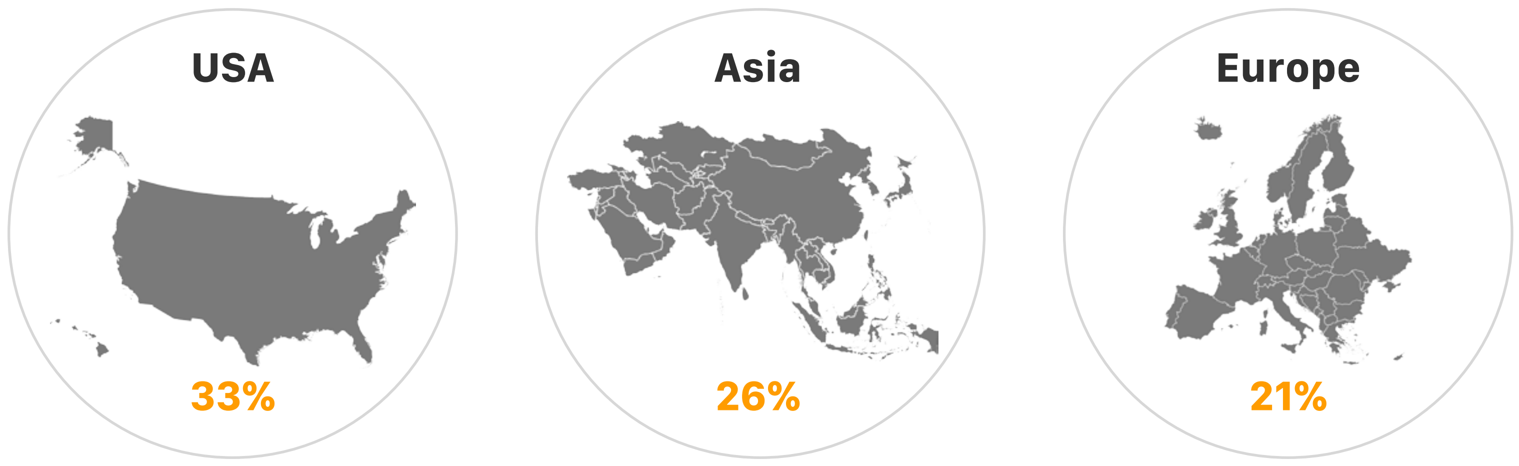
## Family of 6 gaming studios

## Games portfolio of both established and promising franchises in popular genres

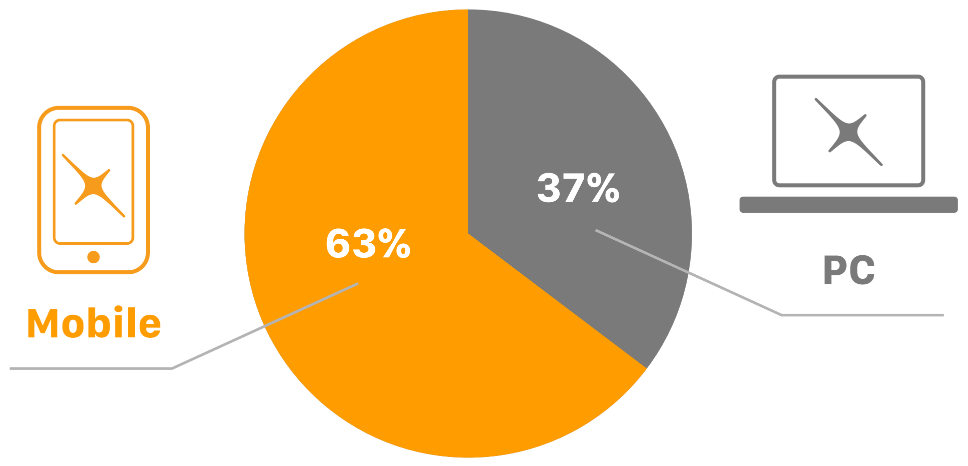
| | | |
|---|---|---|
| Hero Wars | Blockbuster mid-core multi-platform RPG | #1 grossing genre* |
| Island Questaway | Farming simulation game with puzzles | #1 installs genre* |
| Pixel Gun 3D | Pixel style mobile first-person shooter | #1 time spent genre* |

## Diversification across geo and platforms

### Revenue by Geo

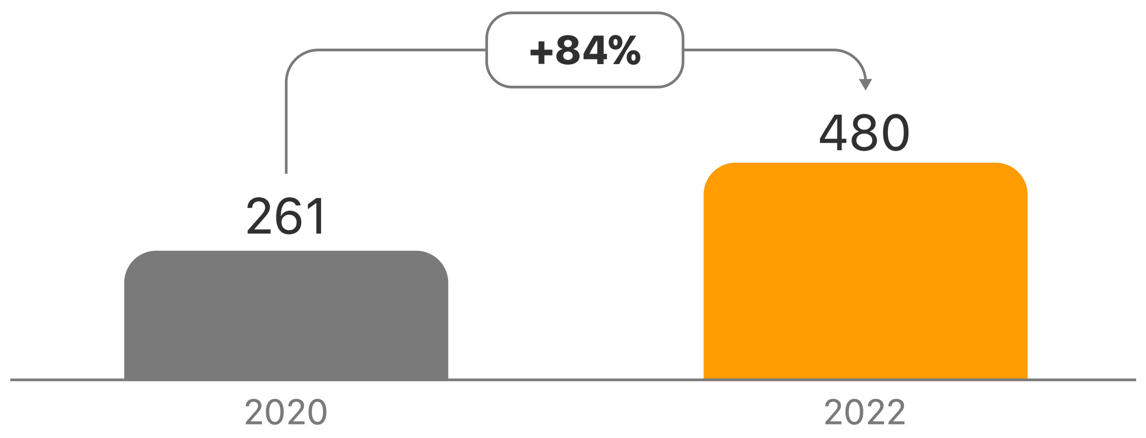



### Revenue by Platforms

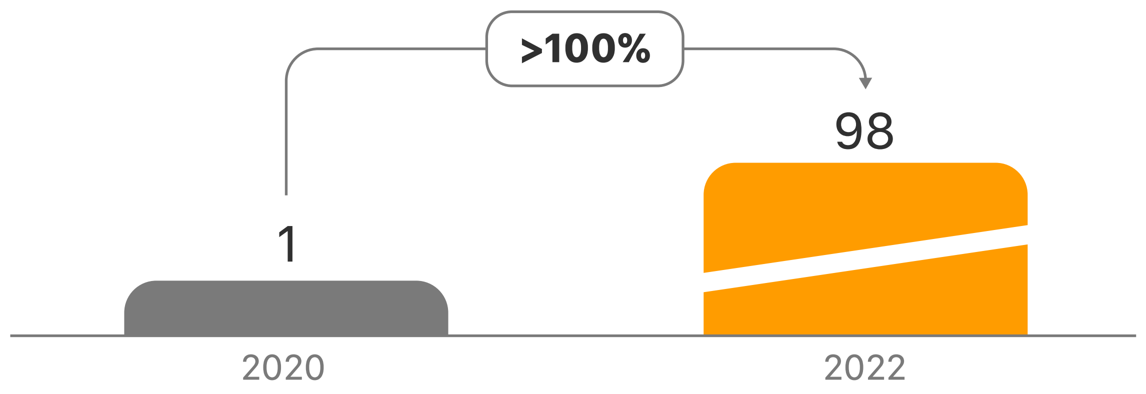



## Strong results in 2022**

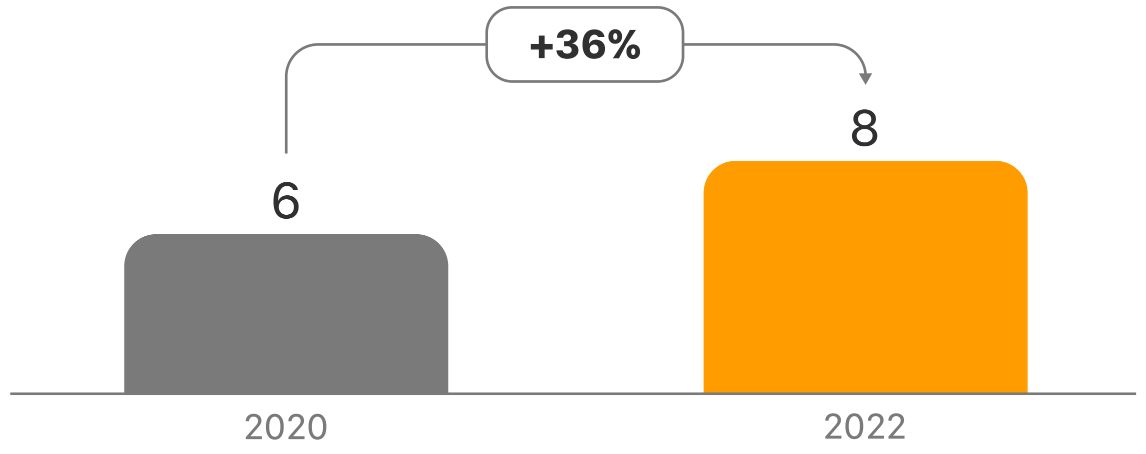
### Revenue, $m




### Adj. EBITDA, $m




### Monthly Active Users (MAU), mln




* data.ai (FY 2022 data excluding hypercasual games)

** Source: Company information. Definitions of Adjusted EBITDA and MAU can be found on page 25

# 2022 External Shocks

In 2022, a combination of economic, political, and market-specific factors created a perfect storm of volatile market conditions, impacting global companies across various industries. GDEV was among many companies forced to take response measures in order to continue sustainable growth trajectory. The company faced significant challenges, including the first-ever decline in the mobile gaming industry, record-high inflation across multiple markets, and a decline in consumer income and confidence. Despite these challenges, GDEV persevered and took steps to adapt to the changing environment.

> Overall, GDEV has implemented deep fundamental changes in both operating and corporate structures to help create a sustainable basis for further growth, proving the resiliency of our core business and ability to adapt to the changing market and unfavorable environment

| '22 External shocks | How affected us | Our actions |
| --- | --- | --- |
| Geopolitical instability | • Employees unable to be employed in certain countries<br>• Inability to continue operations from the countries which were key personnel hubs<br>• GDEV shares and warrant trading halted on the Nasdaq stock exchange | • Closed all Russian subsidiaries<br>• Opened new GDEV offices in Armenia and Kazakhstan<br>• Relocated employees to safe-harbor locations<br>• Improved corporate governance by adding three new independent directors with diverse experience<br>• Released the Inaugural Sustainability Report<br>• With these actions driving the lifting of the trading suspension on Nasdaq |
| Macro-economic turmoil | • Record-high inflation<br>• Decreased discretionary consumer spending<br>• Rising operating costs | • Maintained cash reserves<br>• Optimized the headcount in June 2022<br>• Focused on products with the highest potential<br>• Implemented cost-cutting measures on non-essential expenses |
| Game-market challenges | • Post-lockdown adjustment in players' engagement<br>• Deterioration of user acquisiton efficiency due to data privacy challenges<br>• First decline of the mobile industry revenue | • Rebuilt our marketing and development approach, optimizing the efficiency of UA costs<br>• Maintained Hero Wars success<br>• Achieved certain success with our new title<br>• Closed low-potential projects |

# Our sustainability strategy

From the outset, GDEV has prioritized sustainability as a key element of its founders-driven approach. Over time, these efforts have been converted into GDEV's Sustainability Strategy with clear metrics to improve our impact on the world and determine the most optimal focus areas. This ultimately allowed GDEV to be more resilient to external shocks of 2022.

GDEV's approach to sustainability revolves around comprehensive practices that foster business stability in any environment. We maintain our core values while adapting quickly to changing circumstances - that's our recipe for long-term success.

Our Sustainability Strategy outlines three pathways that reflect the varying levels of impact that GDEV has on different stakeholders: our employees, local communities, and the wider global communities. To further guide our efforts, we've also identified four key areas of focus that align with our interactions with the world, and we've grouped our sustainability activities into these areas based on their impacts.

**To ensure we are implementing our Sustainability Strategy effectively, we use the UN SDGs as a guide and consider the SASB Software & IT Services Standard as a benchmark for measuring and reporting on our sustainable development practices.**


**GDEV shares its sustainability best practices with the portfolio companies teams, including Cubic Games which we acquired in January 2022**

## THREE PATHWAYS APPROACH

| | |
|---|---|
| **CORE** | integration of ESG financial materiality standards |
| **LOCAL** | practice responsible business by contributing to local stakeholders |
| **GLOBAL** | enhance the societal contribution and positive impact of video gaming |

## IN FOUR FOCUS AREAS

- **Our Studios**
- **Our Players**
- **Communities**
- **Environment**

GEOPOLITICAL ISTABILITY

MACROECONOMIC TURMOIL

GAME-MARKET CHALLENGES

# Governance

Our leadership team is composed of professionals with diverse backgrounds who bring valuable insights and expertise to guide the company through complex challenges and identify new opportunities for growth. Additionally, in 2022, GDEV strengthened its governance structure by appointing three new independent directors, which is a significant step towards ensuring responsible, ethical, and sustainable company operation.

To help ensure that our directors are fully equipped to provide valuable insights and expertise, we have established a clear framework for interaction. This includes regular updates on market trends, operational performance, and financial results, as well as maintaining open communication lines with our founders and management team.


Original art from "Hero Wars"

# Case: Return to trading on Nasdaq

In 2021, GDEV became the first European gaming company to start publicly trading on Nasdaq Stock Exchange. That was an important milestone in our history and provided us with greater opportunities for further growth with access to global investors and capital markets. However, on the 28th of February 2022 the trading of our shares was halted due to certain exposure of our business to Russia and risks associated with it.

Returning to Nasdaq has been a top priority for GDEV, its management, shareholders, Board of Directors, as we aim to become a truly global enterprise and expand our presence further worldwide. To achieve this, we have undergone a rigorous examination by Nasdaq and SEC to ensure compliance with their requirements. Moreover, we have successfully undergone a new audit from KPMG Greece.

Among the measures we have taken were: a relocation program to move personnel from Russia, Belarus, and Ukraine to "safe-harbor" countries, a divestiture of Russia-based subsidiaries, and closing any business activity in this country.

**Natasha Braginsky Mounier,**
GDEV Chairperson

*"The resumption of GDEV shares trading on Nasdaq was a major achievement for us. All members of the executive team and the Board of Directors worked closely to deliver this outcome. We are committed to transparency, effective communication, and are fully focused now on delivering long term growth. This will benefit all our stakeholders."*

# Board of Directors

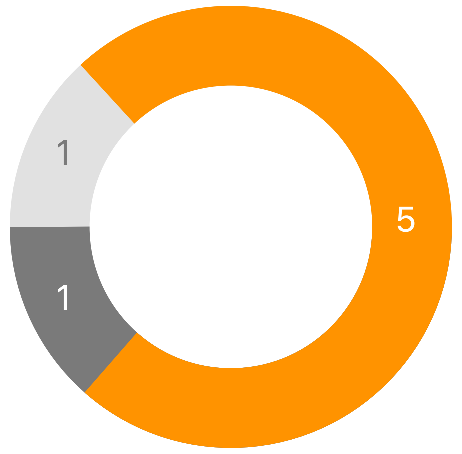






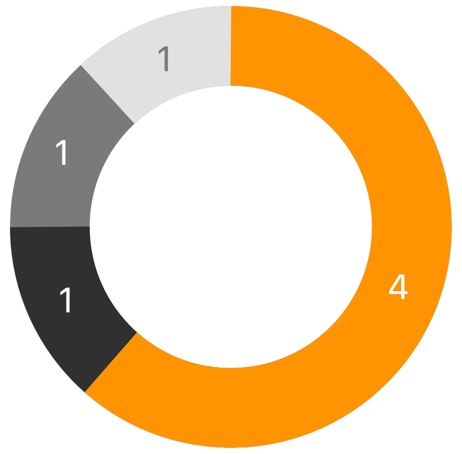
| Natasha Braginsky Mounier | Andrey Fadeev | Igor Bukhman | Andrew Sheppard | Marie Holive | Tal Shoham | Olga Loskutova |
|---|---|---|---|---|---|---|
| Chairperson, Independent Director | Executive Director | Non-Executive Director | Independent Director | Independent Director | Independent Director | Independent Director |
| **Areas of Responsibility** | | | | | | |
| • Capital Markets<br>• Finance<br>• ESG | • Game Industry<br>• Business Growth<br>• Strategy | • Game Industry<br>• Business Growth<br>• Strategy | • Game Industry<br>• Investments<br>• Integrations | • Entertainment & Media<br>• Audit<br>• Global Business Management | • Investments/M&A<br>• Game Industry<br>• Marketing | • Consumer Goods<br>• Global Business & General Management<br>• Product Development & Brand Management |
| **Professional experience** | | | | | | |
| • Capital Group<br>• Aradei Capital<br>• J.P. Morgan | • Nexters | • Playrix | • GREE<br>• Transcend Fund<br>• Kabam | • General Electric<br>• London Business School<br>• Comcast | • Supersonic<br>• ironSource<br>• Huuuge | • Nestle<br>• SABMiller<br>• Whirlpool |

# Board of Directors Diversity



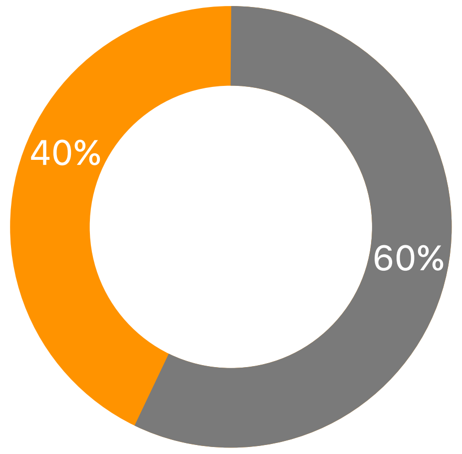

**Directors status matrix**

- Independent
- Executive
- Non-Executive




**Board expertise matrix**

- Game Industry
- Finance
- Media
- Consumer Goods




**Board gender matrix**

- Female
- Male

## Management


**Andrey Fadeev**
Founder and Chief Executive Officer


**Boris Gertsovskiy**
Founder and Head of R&D


**Alexander Karavaev**
Chief Financial Officer


**Anton Reinhold**
Chief Operating Officer


**Yulia Dementieva**
General Counsel


**Andrey Kuznetsov**
Chief Investment Officer


**Roman Safiyulin**
Chief Corporate Development Officer


**Yulia Pirozhkova**
Nexters HR Director


**Olga Gertsovskaya**
Head of Employee Well-being at Nexters

GEOPOLITICAL ISTABILITY

MACROECONOMIC TURMOIL

GAME-MARKET CHALLENGES

# Our Studios

Recently, GDEV has undergone an evolutionary journey that has led us to transition from managing the individual Nexters studio to becoming a holding company of multiple studios working on diverse franchises. In line with this change we evolve 'Our Team' focus area into 'Our Studios', in order to reflect this transition.

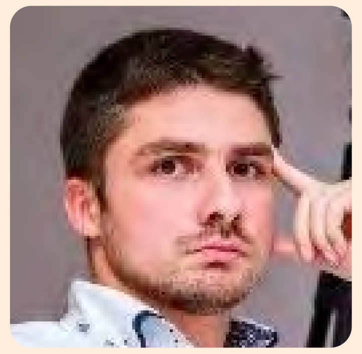

# 2023 Transformation

In June 2023 we announced the change of our holding company name to GDEV Inc. to reflect its evolution focused on the growth of its diversified portfolio of studios and franchises. GDEV is a gaming and entertainment powerhouse, focused on growing and enhancing its portfolio of studios. By implementing this streamlined approach, we aim to maximize efficiency and foster a culture of transparency within our organization.

2021 nexters → 2023 GDEV

**1 studio** → **6 studios**

The company comprises Nexters, Cubic Games and Dragon Machines, along with partially controlled assets (Royal Ark, RJ Games, Game Gears) as well as any future acquisitions. The current management team of GDEV will remain unchanged, with each studio operating under its own leadership.



**Dmitry Amroyan,**
CEO Cubic Games

*"In early 2022, Cubic Games became part of the GDEV family. Throughout our time together, we have felt tremendous support in our endeavors, received valuable advice, and, most importantly, enjoyed the freedom of creativity within our studio."*

Original characters from "Island Questaway" and "Pixel Gun 3D"

## Employee Well-being

We are dedicated to providing a supportive and positive work environment, fostering a positive company culture, maintaining teamwork and collaboration among employees, and achieving a healthy work-life balance in all our studios.

In 2022 we offered our employees free access to a specialized psychological support service, with 283 employees taking advantage of this opportunity. Also, for all employees and their families, a medical insurance policy spanning almost across the globe is in effect. Moreover, we have significantly increased the number of employees doing sports, by providing various opportunities for physical activity, and contributing to employee initiatives' implementation, organizing different courses and workshops.

**Nexters employees survey**

**84%** noted the cohesion of the team and support from colleagues

**80%** satisfied with the working conditions, salary, and bonuses

**79%** believed that Nexters encourage open dialogue

## Diversity

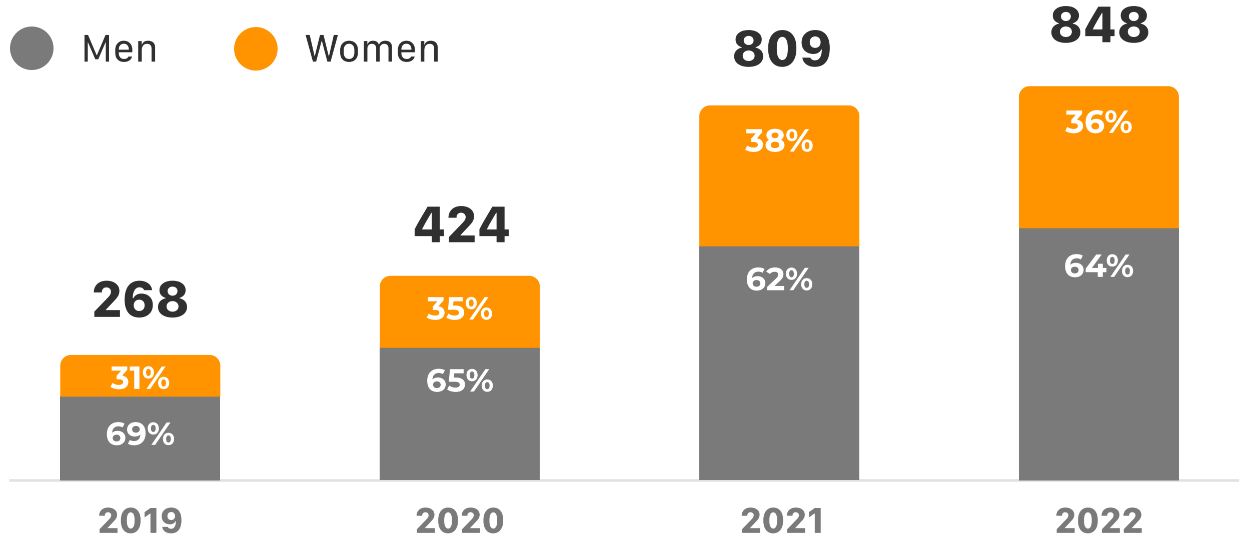
Diversity has been a core value at all our studios since founding, and we are committed to maintaining a workforce that is inclusive and representative of a variety of backgrounds and perspectives. We do not tolerate discrimination or infringement based on individual characteristics such as gender, sexual orientation, or race.

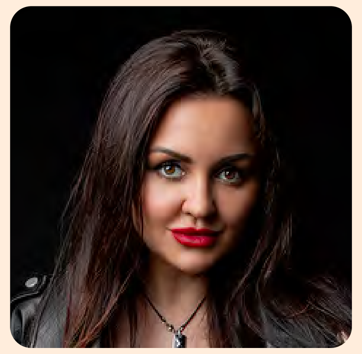
In recent years, we have seen a gradual increase in the number of women among GDEV employees, providing equal conditions during the hiring and working processes. We also provide flexible conditions for employees during pregnancy and maternity leave.

Read more about our Diversity Policy

As a result, we have seen significant progress, with the share of women among our employees growing from 31% in 2019 to 36% in 2022. This has had a positive impact on our company culture, fostering greater cohesion and diversity of thought.

### GDEV EMPLOYEES DIVERSITY



**Olga Gertsovskaya,**
**Nexters Head of Employee Well-being**

*"We value and support each employee, which was particularly important during the peak of the crisis situation in 2022. All of this helped us to form a unified and cohesive team capable of achieving high results, where everyone is proud to be a part of Nexters"*

GEOPOLITICAL ISTABILITY

MACROECONOMIC TURMOIL

# Headcount Changes

In 2022, GDEV had to make headcount layoffs in all its studios. This was a challenging decision that was prompted by factors beyond our control. While it is easy to hire new employees, it becomes considerably more challenging to part ways with employees in a respectful manner during a crisis period.

The changes impacted 250+ employees located in different countries. To provide transparency, we held a conference call with all employees that included the founders and management. Each employee affected by the headcount changes received a compensation package that included a supplemental cost-of-living adjustment payment, insurance renewals, and other types of financial and psychological support. Positive recommendations were also given to help them find new opportunities.

**As a result of this difficult decision, our team was able to overcome difficulties and finally resume hiring in 2023.**

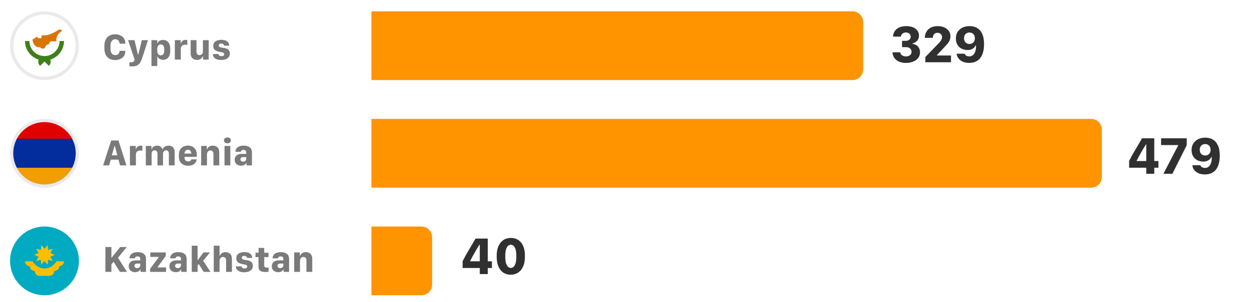
# Relocations

In 2022 being a global company and operating from Russia had become impossible, and we made the decision to eliminate our presence in this country by closing our offices in Moscow and Saint Petersburg. Nonetheless, it was crucial for us to continue our partnership with those who have helped make GDEV a large company. Therefore, we offered new locations to employees and their families, and provided significant support to help them through the difficult process of relocating. This became one of the main challenges in 2022, and we invested considerable effort and resources to ensure the smooth transition of our employees.

As a result, in 2022, we successfully relocated 550+ employees, along with their family members and even pets. We fully covered relocation costs, which ranged from $800 for solo relocation to Armenia, to more than $5000 in case of family relocation to Cyprus.

The entire relocation process was individually supported and accompanied by the help of assistants. We also facilitated employees and their families with visa applications, paperwork at a new location, opening bank accounts, insurance and other unexpected tasks.

## GDEV EMPLOYEES LOCATION




**Anna Korzh,**
Nexters Head of
People Operations

*"We have done a lot for the relocation of employees, first exploring dozens of potential new locations, and then creating 2 new official locations in Armenia and Kazakhstan, as well as expanding Nexters' presence in Cyprus. After some time, I can confidently say that all relocated employees have adapted to changes and are ready to reach new heights together with Nexters!"*

MACROECONOMIC TURMOIL

GAME-MARKET CHALLENGES

# Our Games & Players

2022 was a challenging year for the entire gaming industry due to the macroeconomic turmoil and industry specific challenges, which resulted in significant delays in product development and marketing. However, we were able to overcome these difficulties thanks to our long-term strategy of creating engaging gaming experiences for players worldwide.

Our games have the ability to bring people together and provide an escape from everyday problems, making these characteristics an important part of our resilience strategy in 2022.

10 REDUCED INEQUALITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Original characters from "Pixel Gun 3D"

## Gaming Market Challenges

Our industry faced several factors that negatively impacted effectiveness of mobile marketing and the cost of user acquisition:

- **iOS Privacy Policy**
- **Increased user attention competition**
- **Post Lockdown normalization**
- **Negative Macro**

Despite all of our strengths, the situation has shown that we are not immune to the global market conditions.

However, GDEV took decisive actions to overcome these challenges by significantly reducing our marketing activity to almost zero in the summer of 2022 to avoid wasting resources ineffectively. The company reconfigured its business processes and focused on cross-team projects that intersected with marketing, product, and other teams. These actions allowed GDEV to relaunch its marketing activity by the end of 2022 and show record-high user acquisition spending in some of our titles. For example, we have achieved significant success with our new title, Island Questaway, bookings and downloads of which have further accelerated growth in 2023.

**Anton Yakovlev,** Nexters Chief Marketing Officer

*"Our 2022 performance is a testament to the resilience of our team and our ability to adapt quickly to changing market conditions. With the normalization of our marketing campaigns by the end of 2022, we're now well-positioned to continue driving growth and delivering even greater value to our players"*

# Positive Game Agenda

At GDEV, we strongly believe in the power of video games to entertain, educate, and inspire players. That's why our games have a broad cooperative function, a positive atmosphere, and a strict ban on abusive behavior. We also use our games to promote social and environmental protection issues.

In 2022, we introduced a pacifist hero in our main title Hero Wars - the legendary smith, Fafnir, who has always been treated as an outcast because of his peaceful nature. We also recently added non-binary characters to the game, Mushy and Shroom, who prefer the pronoun 'they'. Moreover, in April 2023, Hero Wars launched an event where guilds of players grow trees by completing certain tasks. The guilds that manage to grow the tallest tree received cool in-game items.

Mushy and Shroom
(non-binary characters)

Fafnir
(pacifist hero)

# Case: Island Questaway

One of GDEV's major product successes in 2022 was Island Questaway, earning currently more than $3mln gross monthly and continuing to grow. Island Questaway promotes a careful attitude towards nature, encourages solving environmental problems, and advocates for equality of all people. In 2022, we released 10 in-game events that focused on three key themes: gender and social equality, environment protection, and value of cultural heritage. By promoting these themes, we aim to encourage our players to live in harmony with nature and society around them.

Furthermore, in 2023, we joined the Green Game Jam initiative (operates under the UN auspices), aiming to promote the topics of wildlife protection and climate change through Island Questaway. In the 2023 event we want to educate our players, and make a positive impact on the environment and society.

### Gender and social equality

Emily Hart, main character of the game, is actively fighting against prejudices, and in particular the acute problem of inequality.

### Value of cultural heritage

We believe that different cultural elements can add depth and authenticity to the gaming experience, making it more immersive and enjoyable for players.

### Environment protection

We aim to inspire players to take care of the natural world and contribute to a more sustainable future.

Original characters from "Hero Wars" and "Island Questaway"

GAME-MARKET CHALLENGES

# Our Players

FAIR PLAY ALLIANCE

It is crucial for us to be in constant contact with our players and understanding their needs, while building a sense of belonging among players. Moreover, a loyal fan base acts as a source of inspiration for us and provides fresh ideas for events and in-game updates.

For this reason, in September 2022, we joined **Fair Play Alliance**, participating in the organization's activities to support player well-being and foster healthier, more welcoming gaming spaces around our games. Additionally, in 2022, the GDEV studios community departments began conducting surveys of players' opinions on new game mechanics and content updates, with thousands of players from different regions participating.

Our community manager with Japan players community

## JAPAN COMMUNITY

**In March 2022, we started working with the Hero Wars community of Japanese players in order to make their game experience even more satisfying.** Since 2020 we have had more than six mln installs and registrations of our game in Japan, so recognizing the extent of our reach we feel the need to create new experiences for our players and be in contact with them.

- Launched official Japanese pages on X (formerly, Twitter) and YouTube to share news and distribute gifts

- Support offline communication of our Japanese players, many of whom have become close friends

- Our community manager met with Hero Wars players in Japan. This practice was very useful to understand players' passion for the game in order to make it even more magnificent!

**Ksenia Bushueva,**
Island Questaway Producer

*"Games offer a unique opportunity to promote and reinforce important values, providing a fun and engaging way to instill positive principles and behaviors in individuals of all ages. That is why millions of people around the world play GDEV's games and are huge fans of them"*

# Our Communities

We want to be beneficial to residents of all official studios locations, supporting various local initiatives and organizations. We have a fairly large number of supported partners in different spheres, such as sports, education, environment protection, charity organizations, and IT forums.


Original art from "Island Questaway"

# Partners and Sponsorship

We are proud to support the international EdTech platform KidIT, which offers technology-driven offline courses aimed at fostering creativity development through technology for Cypriot children. Thanks to this initiative, local children start studying computer science from childhood at no cost and acquire valuable skills and knowledge for today's world.

Furthermore, charity is also a big part of our community giving program. So, in 2022, we supported the UK-based One Special Day initiative for the third time, which brings joy and inclusivity to the lives of individuals with physical disabilities by enabling them to participate in video games.

Moreover, at the moment we are actively seeking partnerships with new social and environmental organizations in new locations for GDEV - Armenia and Kazakhstan. By working together, we can make a real difference in these communities.

## WE SUPPORT

ONE SPECIAL DAY

KID'IT

You run! We donate.

TRIATHLON KYRENIA NAUTICAL CLUB

linq Powered by Cyprus IT Forum

techisland

RADISSON BLU LARNAKA INTERNATIONAL MARATHON 20.11.22

CITY FRIENDS CLUB

# Case: Techisland Partnership

techisland

One of GDEV's priorities is to foster unity within the entire IT industry in Cyprus, as it serves as GDEV headquarters and home to some of our studios and employees. As part of this commitment, we have been serving as board members of the Techisland organization for several years, with our CEO Andrey Fadeev actively participating in its meetings and conferences. This is a non-profit IT association, comprising over 200 IT companies, startups, and investment funds with diverse origins, was established in 2021 with a mission to transform Cyprus into a world-class destination for top-notch talent.

The goal of Techisland is to work with the local technology sector and public sector to help boost the technology and innovation infrastructure that is expected to become a crucial economic engine for the Cypriot economy.

In addition to big initiatives, such as IT forums and meetups, Techisland also provides a platform for CSR activities in education, health, ecological issues, and societal issues. For example, in 2022 TechIsland helped to completely restore a school that was badly damaged by fire, and organized a new computer class for students.

Andrey Fadeev at TechIsland

## TECHISLAND OBJECTIVES

1. Improve the operating environment for existing tech companies
2. Improve the working and living environment for international-class tech talent
3. Increase awareness of growth & opportunities in the tech and innovation sector in Cyprus
4. Promote the Cyprus tech ecosystem abroad

# Case: CFC Partnership

CITY FRIENDS CLUB

**City Friends Club - environmental organization in Cyprus, providing streets cleaning, fostering volunteer movement development, and organizing eco-educational programs.**

It is important for us to support organizations that are involved in ecology, thus making a contribution to our two focus areas - community and environment. In 2022, we began active cooperation with the City Friends Club, supporting them financially, as well as helping with the organization of educational events. Moreover, City Friends Club carried out an audit of Nexters offices in Limassol to inspect them in terms of waste management and energy efficiency.

As a result of this event, we have a clear understanding of our strengths and areas for improvement:

## Strengths:

- **Company eco-policy.** GDEV has environmental policy and ecology strategy, while proving its intentions by measuring $CO_2$ emissions, and sharing this information with the public.
- **Waste sorting points.** Separate waste collection at all GDEV offices.
- **Conscious approach.** GDEV has significantly advanced in switching to reusable alternatives. Eco-friendly products made from recycled materials are in active use.

## Areas for improvement:

- **Employee awareness.** CFC recommend providing the employees with information on 'why to sort' and how they could minimize trash production.
  **GDEV response:** Plan to organize lection for employees in 2023.
- **Cleaning personnel control.** The cleaning personnel disposed of some of the trash incorrectly.
  **GDEV response:** The improvement has been achieved.

**Anna Gubareva,**
Founder of City Friends Club

*"I am so happy that GDEVs and its employees share our views on sustainability. Their donations and ongoing support have enabled us to advance our mission of protecting the environment in Cyprus and educating the public on the importance of responsible waste management. Together, we are working towards a more sustainable future for all"*

GEOPOLITICAL STABILITY

# Our Environment

GDEV's core business has a relatively low environmental footprint, but we are committed to reducing it further. Key areas of our concern are energy usage, climate impact, responsible use of natural resources, and waste reduction. As GDEV expands its operations, we have implemented a strategy, targets, and metrics to manage and monitor our environmental efforts.


## Energy management

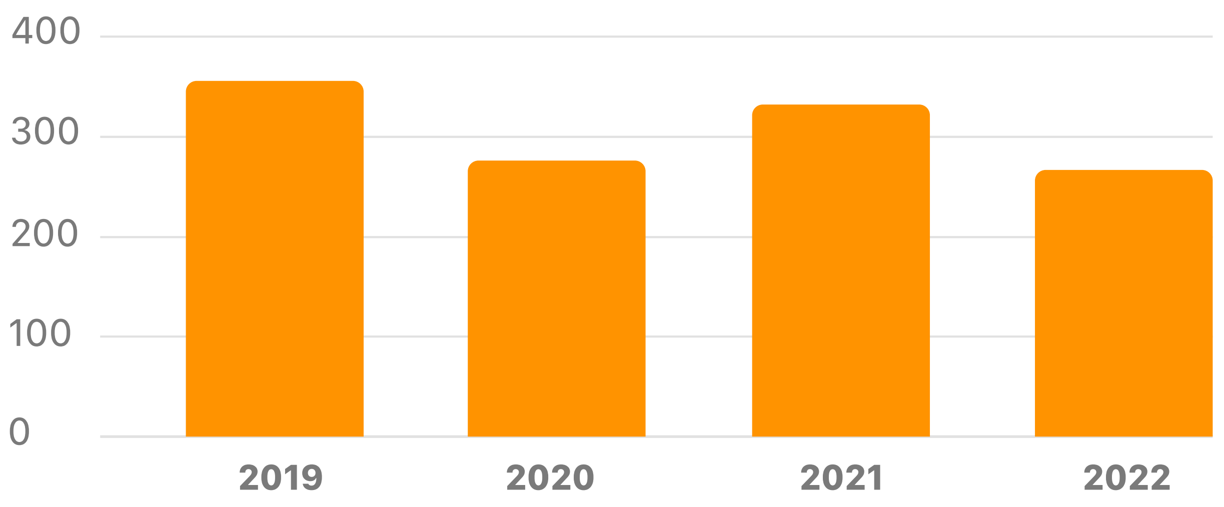
Commitment to energy efficiency is one of GDEV's long term goals. To help achieve our objective, we use the latest technologies that allow us to meet high energy efficiency standards and ensure low electricity consumption. We also try to choose partners, taking into account their environmental impact.

For example, for servers and cloud-based solutions we use Amazon Web Services (AWS), one of the most energy-efficient solutions on the market. According to AWS, its solutions can lower a workload's carbon footprint by 96% compared to European data enterprise centers, which allows us to be more energy efficient, use fewer natural resources, and make fewer carbon emissions.

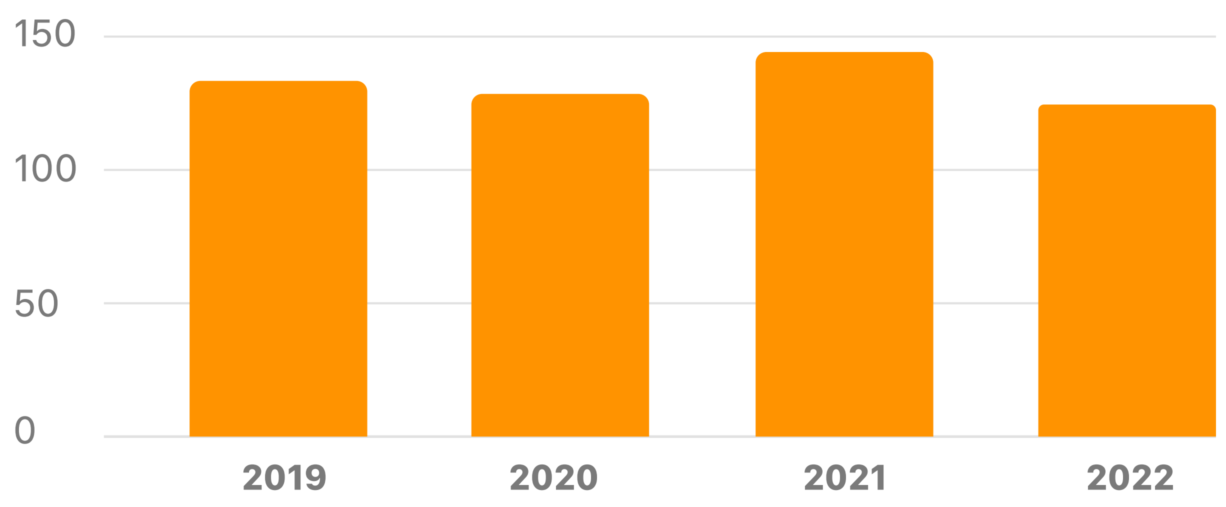
In addition, our Board of Directors has approved the goal of becoming carbon neutral (Scope 2) by 2030. This means we plan to reduce our environmental impact even further and offset our emissions by supporting environmental projects in the countries where our offices are located.

**Plans to become carbon neutral by 2030 across our Scope 2 emission approved by GDEV's Board of Directors**

### Electricity consumption, MWh




### Estimated GHG emissions (Scope 2), metric tons/$CO^2e$*




* According to IRENA data

# Waste Management

GDEV has implemented a comprehensive waste management plan that includes reducing waste generation, reusing and recycling materials, and properly disposing of any remaining waste. In our offices, we strive to promote the use of reusable tableware, but in some cases, we use disposable biodegradable tableware. Since 2022, we have modernized our separate waste collection system, which now includes PMD (plastic, metal, and drink cartons), paper, glass, and mixed waste.

## COLLECTING WASTE

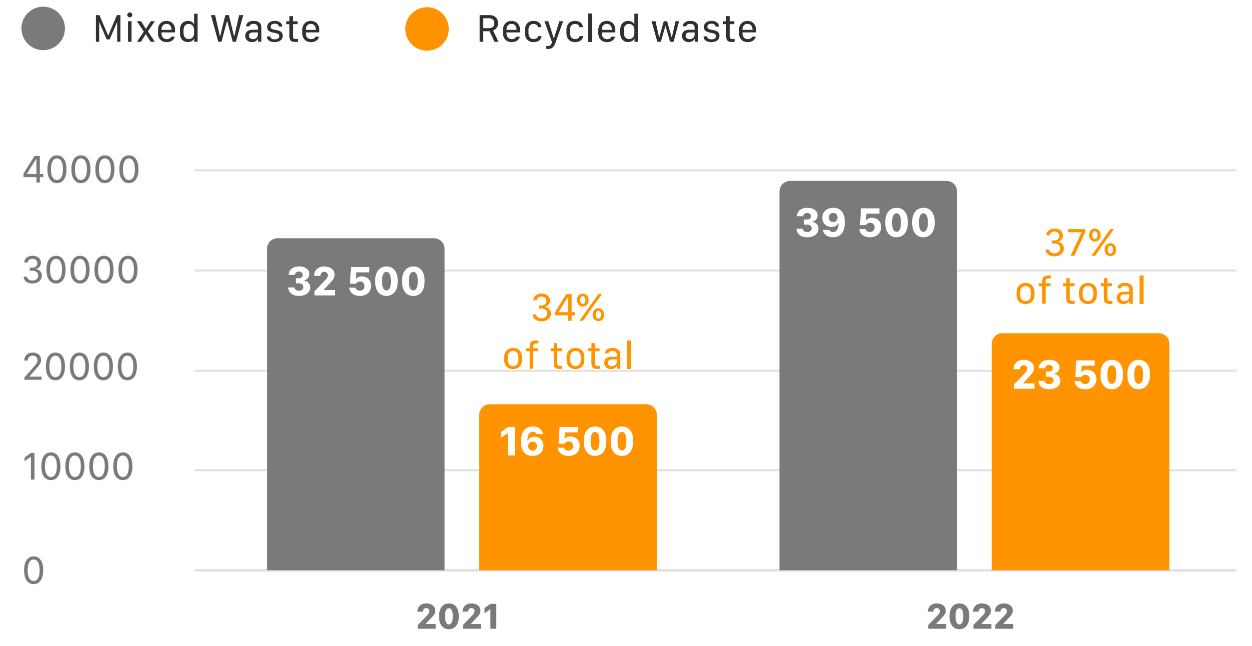
**Total in 2022, the following amount was collected:**

- **~23 500 kg recyclable waste**
- **~39 500 kg mixed waste**

To further reduce our environmental impact, we installed specialized containers for the collection and processing reciclable waste. In 2022 we have collected:

- 36 kg of coffee capsules
- 91 kg of batteries and rechargeable devices
- 93 kg of printer cartridges
- 35 kg of plastic caps from PET bottles
- Over 120 kg of clothes collected to support vulnerable populations in our community

## RECYCLABLE WASTE (KG)




# Our Eco-Initiatives

In 2022, we organized a beach cleanup in Limassol, where dozens of our employees participated and collected 447 kilograms of garbage. We also continue participating in such events in 2023, to make our locations cleaner, greener, and raise awareness among employees. For example, in April 2023 we conducted a tree planting campaign in two of our locations: Armenia and Kazakhstan, with the participation of GDEV employees.

We also hosted a clothing exchange event in our offices to promote sustainable consumption and waste reduction. The clothes found new owners, contributing to our long-standing cooperation with various charity organizations that collect and donate clothes to those in need. Moreover, we are committed to making our merchandise more environmentally friendly by avoiding non-recyclable packaging and providing our employees with reusable shopping bags, glasses, and mugs.

To further educate our employees on environmental protection, we organized a public lecture in 2022 where a professional ecologist shared tips on how to follow an eco-friendly lifestyle at home and at work.

In April 2023 we conducted a tree planting campaign at two of our locations, Armenia and Kazakhstan

GDEV helped cleaning beach in Cyprus

# GDEV Future Plans

GDEV studios' future sustainability plans cover all 4 of our focus areas. We believe it is important to focus on achieving all goals and make our work comprehensive and complete in order to make our places of residence, the gaming industry and the entire world even better, cleaner and more responsible.

## Our Studios

- Provide creative independence to studios while supporting them strategically
- Treat all employees equally
- Conduct annual employee satisfaction surveys

## Our Games & Players

- Continue working on improving players' experience
- Continue to combat abusive behavior within our gaming community
- Promote universal ideas and values through our games
- Participate in at least one sustainability in-game initiative annually

## Our Environment

- Carbon neutral goal by 2030 across our Scope 2 emission
- Plans to implement emission compensation practice
- Participate in ecological activities in our official locations
- Continue improving the waste and energy efficiency management

## Our Communities

- Support a minimum of 5 public initiatives
- Participate in charitable donations at least once a year

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION



Original artwork from "Hero Wars"

# SASB Index

## Sustainability disclosure topics & accounting metrics

| Topic | Code | Accounting Metric | Location in the report / Response |
|---|---|---|---|
| Environmental footprint of hardware Infrastructure | TC-SI-130a.1 | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable | Energy management |
| | TC-SI-130a.2 | (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | No data available |
| | TC-SI-130a.3 | Discussion of the integration of environmental considerations into strategic planning for data center needs | Energy management |
| Data privacy and freedom of expression | TC-SI-220a.1 | Description of policies and practices relating to behavioral advertising and user privacy | Privacy Policy |
| | TC-SI-220a.2 | Number of users whose information is used for secondary purposes | No data available |
| | TC-SI-220a.3 | Total amount of monetary losses as a result of legal proceedings associated with user privacy | In 2022, we did not have litigation or pre-trial proceedings that would lead to the payment of compensation or penalties |
| | TC-SI-220a.4 | (1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure | No such requests have been received. In any case, the disclosure of user data is always carried out on an individual basis |
| | TC-SI-220a.5 | List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring | Any content-blocking restrictions do not have a significant impact on GDEV's business |
| Data security | TC-SI-230a.1 | (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users | No data available |
| | TC-SI-230a.2 | Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards | Policies |

| | | | |
|---|---|---|---|
| Recruiting & managing a global, diverse & skilled workforce | TC-SI-330a.1 | Percentage of employees that are (1) foreign nationals and (2) located offshore | As of December 31, 2022: 1)>97% non-Cypriot 2)61% located outside Cyprus |
| | TC-SI-330a.2 | Employee engagement as a percentage | No data available |
| | TC-SI-330a.3 | Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees | Diversity, Governance |
| Intellectual property protection & competitive behavior | TC-SI-520a.1 | Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations | In 2022, we did not have litigation or pre-trial proceedings that would lead to the payment of compensation or penalties. |
| Managing systemic risks from technology disruptions | TC-SI-550a.1 | Number of (1) performance issues and (2) service disruptions; (3) total customer downtime | In 2022, there were no significant performance issues or service disruptions. |
| | TC-SI-550a.2 | Description of business continuity risks related to disruptions of operations | Information provided in SEC Form F-1 Registration Statement |

## Activity metrics[1]

| Code | Accounting Metric | Location in the report / Response |
|---|---|---|
| TC-SI-000.A | (1) Number of licenses or subscriptions, (2) percentage cloudbased | No data available |
| TC-SI-000.B | (1) Data processing capacity, (2) percentage outsourced | To reveal this indicator, we take vCPU data (provided by AWS) and CPU data (GDEV own facilities) - the number of working hours of each 1-core virtual processor, to serve the company's data operation. We believe that this figure can most accurately determine the amount of processing power for the company's operation process. Total 2022 - 36574289 vCPU hours |
| TC-SI-000.C | (1) Amount of data storage, (2) percentage outsourced | To reveal this indicator, we take: Facilities provided by AWS: the amount of EBS (high-performance block-storage service) and S3 (Simple Storage Service) in Tb & GDEV own facilities: disk storage in Tb. We believe that these figures can most accurately determine the amount of data storage for the company's operation process. 2022 - 1009 Tb (monthly on average) |

[1] The data are compiled according to the internal methodology for Nexters only, as Cubic Games was not consolidated from the beginning of 2022.

# Policies

## Code of conduct

GDEV's Code of business conduct and ethics covers employees' compliance with laws, rules, and regulations on bribery, copyrights, information privacy, insider trading, competition and antitrust prohibitions, employment discrimination or harassment, etc.

## Inclusion & diversity

GDEV's Inclusion & diversity policy was approved in September 2023. It outlines the company's and its studios approach to providing and achieving equality, fairness, and respect for all employees (whether temporary, part-time or full-time), partners, and players around the world regardless of their gender identity, marital or family status, sexual orientation, age, disability status, ethnicity, religious beliefs, cultural background, country of origin, socio-economic background, perspective and experience, and other characteristics.

## Anti-corruption

Because we operate internationally, we comply with anti-corruption laws and regulations imposed by governments around the world with jurisdiction over our operations, which may include the US Foreign Corrupt Practices Act of 1977 (the 'FCPA') and the U.K. Bribery Act 2010 (the 'Bribery Act'), as well as the laws of the countries where we do business.

## Data privacy and security

GDEV respects the confidentiality of data and strives to ensure the highest level of protection. We collect, process, store, use and share data, some of which contains personal information, including the personal information of our players. Our business is therefore subject to a number of federal, state, local, and foreign laws, regulations, regulatory codes, and guidelines governing data privacy, data protection, and data security, including the collection, storage, use, processing, transmission, sharing, and protection of personal information.

What we do to maintain the highest level of data protection:

- we encrypt the data during storage and transmission;
- we carry out two-stage user authentication when requesting action with the data;
- we improve the techniques and methods of collecting, storing, and processing the data;
- only authorized employees, consultants, or interested groups of people who need access to this information to perform their duties have access to the data in encrypted and impersonal form;
- all the persons having access to the data are briefed on working with data, and their knowledge and skills are systematically checked.

The Privacy Policy describes what type of users' data is collected, for what purposes, and in which ways the company may process it.

# Disclamers

## Forward-looking statements

Certain statements in this report may constitute “forward-looking statements” for purposes of the 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 report 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 2022 Annual Report in Form 20-F, filed by the Company on June 26, 2023, 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 forwardlooking 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 total comprehensive income/(loss) as presented in the Company's financial statements in accordance with IFRS, adjusted to exclude (i) other comprehensive income/loss, (ii) goodwill and investments in equity accounted associates' impairment, (iii) loss on disposal of subsidiaries, (iv) income tax expense, (v) net finance income/expense, (vi) change in fair value of share warrant obligations and other financial instruments, (vii) share of loss of equity-accounted associates, (viii) depreciation and amortization, (ix) share-based payments and (x) 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.

## Operating metrics

- Monthly Active Users (MAUs) defined as the number of individuals who played a particular game in the 30-day period ending with the measurement date.
- Bookings are sales contracts generated from in-game purchases and sales of advertisement in a given period.

## Reconciliation of the net income/loss to the Adjusted EBITDA

| | 2020 | 2022 |
|---|---|---|
| **Net income/(loss) ($m)** | **(1)** | **11** |
| *Add back:* | | |
| Other comprehensive (income)/loss | 0 | (3) |
| Tax expense | 1 | 4 |
| Finance (income)/expense, net | (2) | 0.3 |
| Change in fair value of share warrant obligations and other financial instruments | 0 | (3) |
| Share of loss of equity-accounted associates | 0 | 10 |
| Listing charge | 0 | 0 |
| D&A | 1 | 7 |
| Share based payments | 2 | 4 |
| Impairment of intangible assets | 0 | 0.5 |
| Goodwill and investment impairment | 0 | 63 |
| Loss on disposal of subsidiaries | 0 | 5 |
| **Adjusted EBITDA** | **1** | **98** |