



# Q2'23 Financial Results

GDEV Inc.

28 August 2023

## **Forward-looking statements**

Certain statements in this presentation 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 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 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 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 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.

**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 document are unaudited. Our audited consolidated financial statements for the year ended December 31, 2022, and the notes thereto, are included in our 2022 Annual Report in Form 20-F, filed with the Securities and Exchange Commission on June 26, 2023**

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 2022 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 the 30-day period ending with the measurement date
- ✦ 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 net 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. 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.

## Product update



- Soft rebranding for mobile and PC versions to differentiate them and create a distinct identity
- External web shop launch for mobile players to provide an alternative monetization method

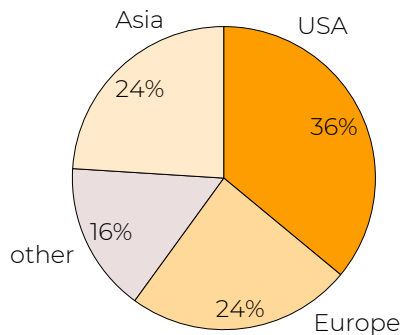


- Q2'23 bookings +11% YoY and +5% QoQ due to LiveOps and monetization improvements
- The team is currently working on various experiment initiatives in Pixel Gun 3D franchise universe

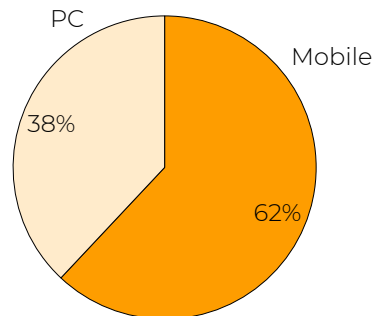


- 10 million installs milestone and 1.7 million MAU, continuing robust scaling
- >\$6m in Q2'23 bookings, entering the top-10 grossing list of mobile farming games

Bookings by geo

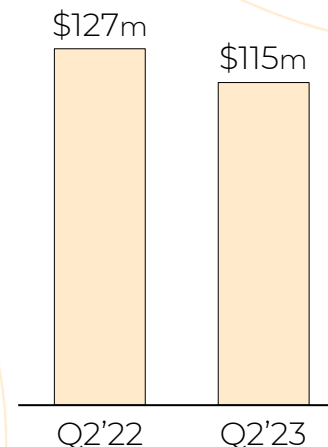


Bookings by platform

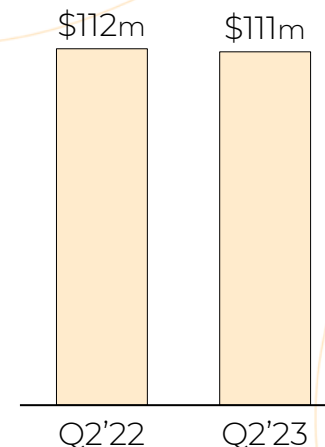


## Financial and operating results

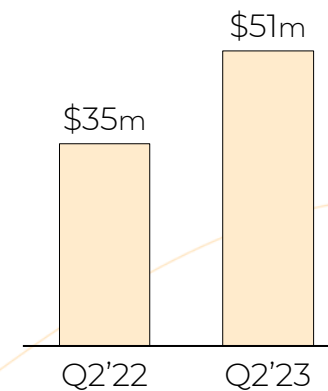
Revenue



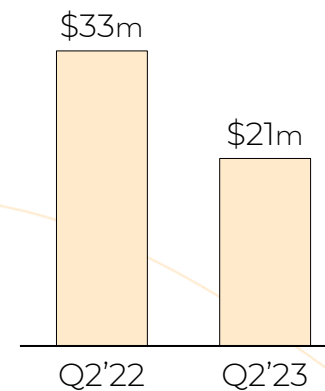
Bookings



Selling & marketing expenses



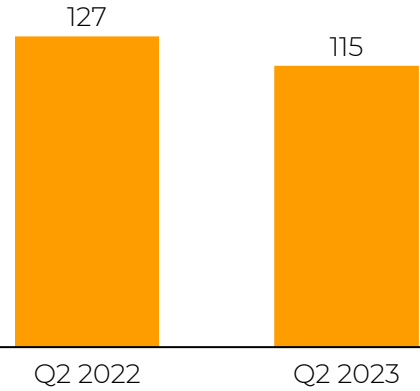
Total comprehensive Income



# Key financial highlights (1/2)

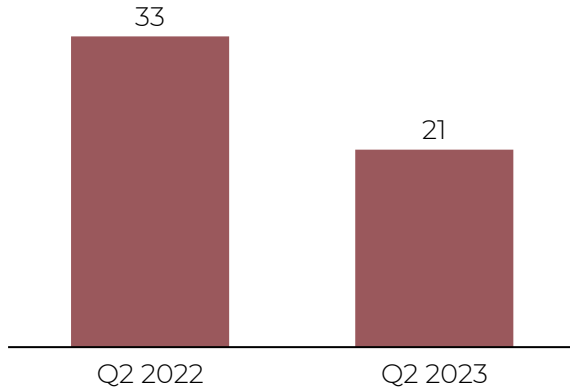
\$m

## Revenue



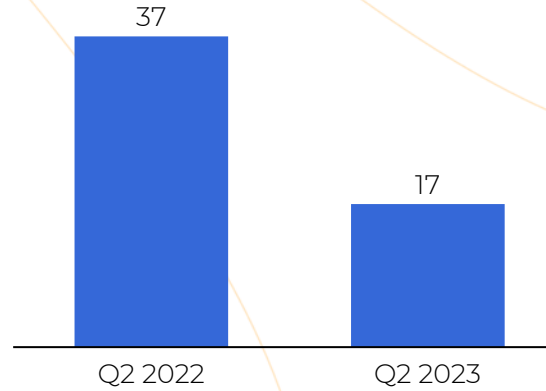
\$m

## Total comprehensive Income/ Loss



\$m

## Adjusted EBITDA



253

234

H1 2022

H1 2023

56

12

H1 2022

H1 2023

56

5

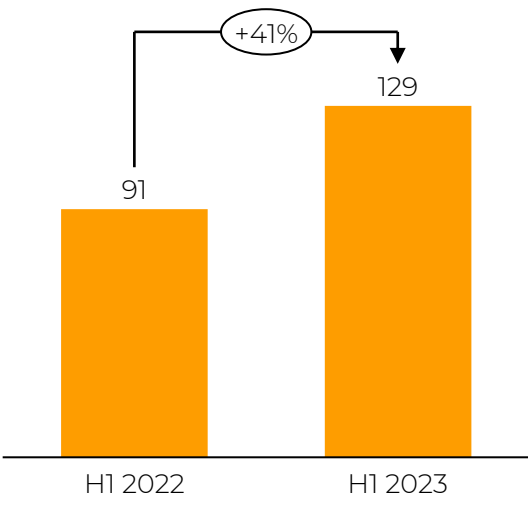
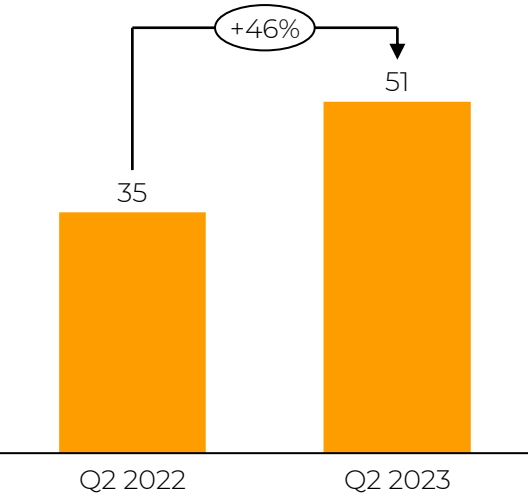
H1 2022

H1 2023

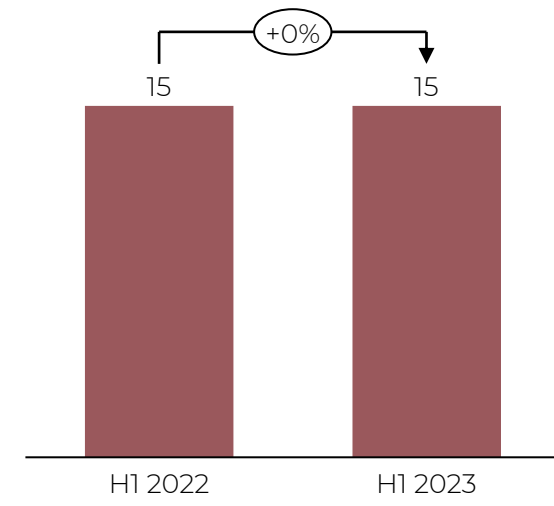
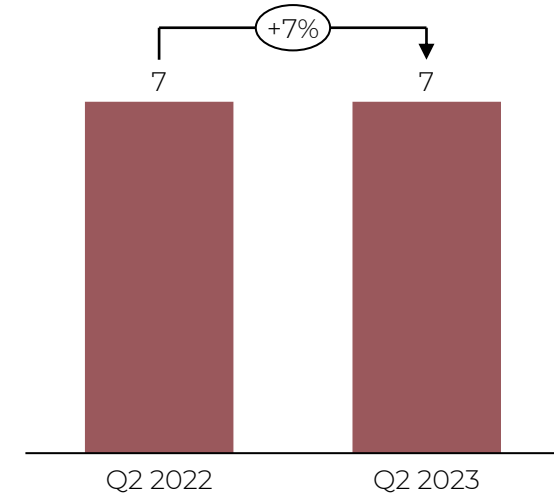
- ✦ In the second quarter of 2023 our revenue decreased by \$12 million (or 9%) YoY and amounted to \$115 million, driven primarily by a decrease of \$11 million in change of deferred revenues during Q2'23 YoY.
- ✦ Total comprehensive income of \$21 million vs. \$33 million in Q2 2022 primarily due to a substantial investment in user acquisition in Q2 2023.
- ✦ Adjusted EBITDA of \$17 million compared to the \$37 million in Q2 2022, similarly mainly due to a substantial growth of selling and marketing expenses in Q2 2023.

# Key financial highlights (2/2)

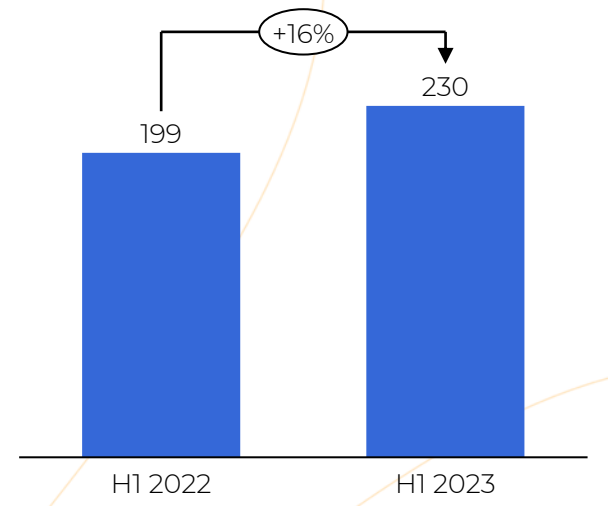
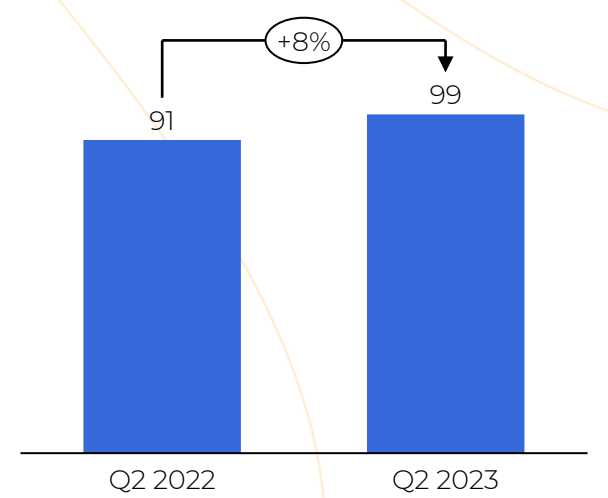
\$m  
**Selling and Marketing Expenses**



\$m  
**G&A Expenses**

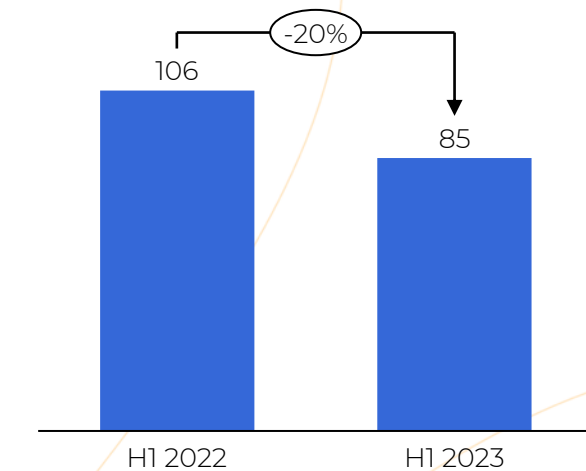
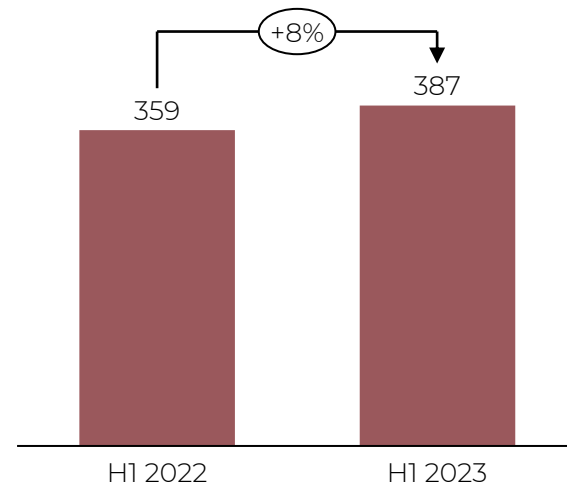
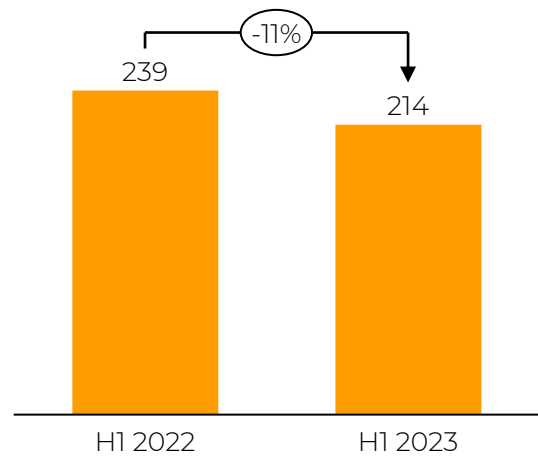
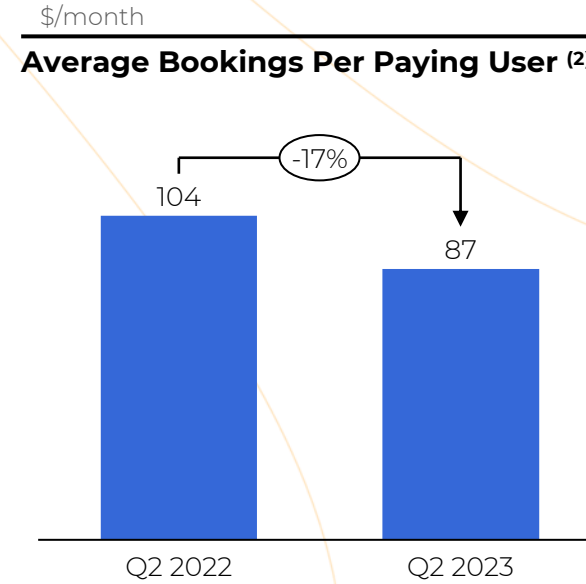
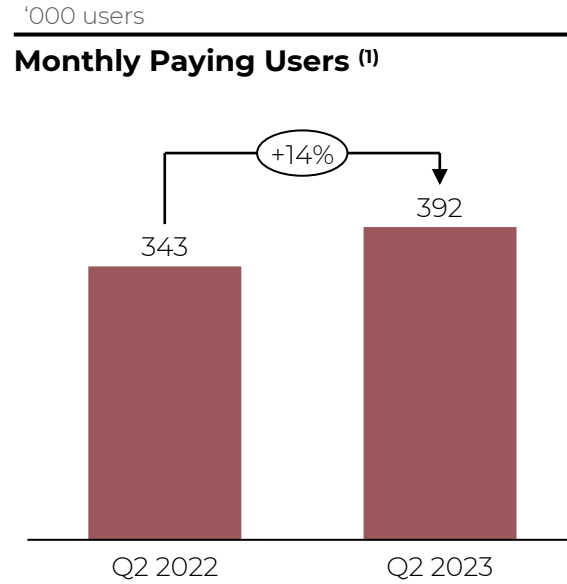
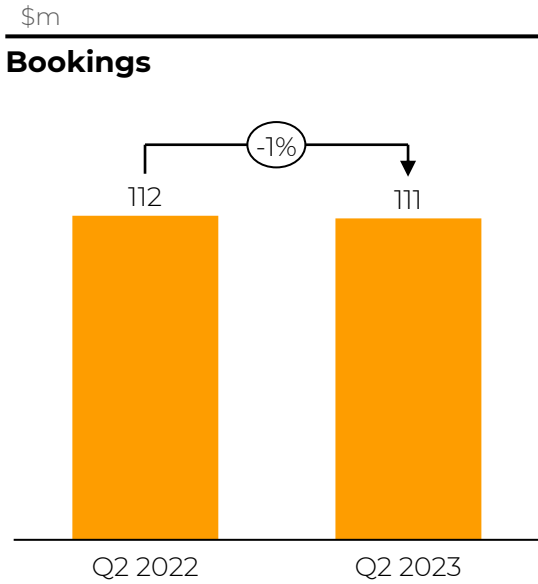


\$m  
**Total Costs and Expenses, excl. D&A**



- ✦ Selling and marketing expenses in Q2'23 increased by \$16 million and amounted to \$51 million. The growth was mainly due to substantially increased investments into new players in the second quarter of 2023 compared to a substantial decrease in marketing investments in 2022 driven by the general saturation of the market in 2022.
- ✦ General and administrative expenses remained relatively stable increasing by \$0.5 million in Q2'23 vs. the same period of 2022.

# Key operating highlights



- ✦ Bookings remained relatively stable in Q2'23, decreasing slightly by \$1 million in the second quarter of 2023 compared to the second quarter of 2022.
- ✦ Our significant investment into marketing in H1'23 led to an increase in MPU of 14% and 8% in the second quarter and first half of 2023, respectively, which in turn is expected to positively impact our bookings in the future.
- ✦ Average Bookings per Paying User of \$87 declined in Q2'23 by 17% YoY due to an increased inflow of new payers.

Source: Company information

(1) The Company defines Monthly Paying Users, or MPUs, as the number of individuals who made a purchase of a virtual item at least once on a particular platform in the 30-day period ending with the measurement date; Quarterly MPU is the average of MPUs for each month for the respective quarter

(2) The Company defines Average Bookings Per Paying User, or ABPPU, as its 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

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

(US\$ million)	Q2 2023	Q2 2022	H1 2023	H1 2022
Total comprehensive income/(loss) for the year, net of tax	21	33	12	56
Add back:				
Items that are or may be reclassified subsequently to profit or loss	(1)	(3)	(1)	(3)
Tax expense	0.3	1	1	2
Finance (income)/expense, net	0.2	0	(1)	0.9
Change in fair value of share warrant obligations and other financial instruments	(5)	(0.6)	(11)	(7)
Share of loss of equity-accounted associates	0	3	0.5	2
D&A	1	2	3	4
Share based payments	0.5	1	1	2
Impairment of intangible assets	0	0.2	0	0.2
<b>Adjusted EBITDA</b>	<b>17</b>	<b>37</b>	<b>5</b>	<b>56</b>