2022 Financial Results



GDEV Inc.

26 June 2023

Disclaimer

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 on 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 on Form 20-F, filed with the Securities and Exchange Commission on June 26, 2023

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 2022 Annual Report on 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.


Key Highlights

2022 Summary

Record high 2022 performance

EU top-5
ind. mobile game developer[1]

848
Total headcount

Strong portfolio of franchises

Record high 2022 performance

$480m +11%
Revenue

$11m >100%
Total comprehensive income

48mln +3%
Downloads

$98m >100%
Adj. EBITDA

$87m
Cash & cash equivalents

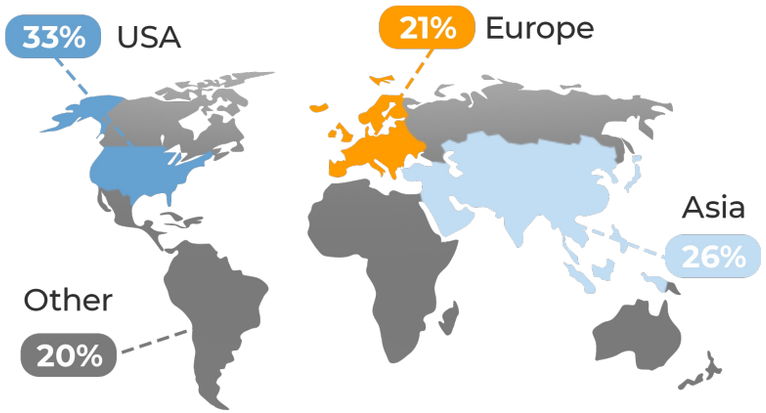
7.6mln +29%
MAU

GDEV adapted to new global and market reality, proving its resiliency

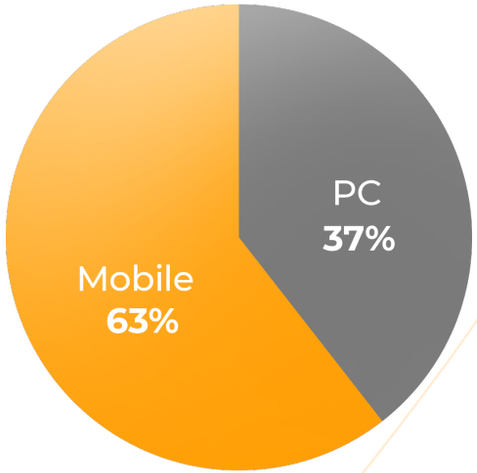
- Closed all Russian subsidiaries and relocated all employees to safe-harbor locations
- Improved corporate governance by adding three new independent directors with diverse backgrounds
- Resumed trading on Nasdaq stock exchange
- Rebuilt business processes, focusing on products with the highest potential
- Maintained Hero Wars success, launched new Island Questaway title, and completed our first M&A deal (Pixel Gun 3D)

Global footprint with diversification across geographies and different platforms

2022 revenue diversification by geo



2022 revenue diversification by platform



Source: Company information, AppMagic
1) based on Data.ai (2022)

Key franchise performance

nexters

Studio



Blockbuster mid-core multi-platform RPG

2016 Launched

>150 mln Cumulative installs

Mobile/PC

Target audience: men 25+

Key markets

- Ranked 10th on Android and 8th on iOS RPG top grossing charts (USA)
- The game allows players to fight epic multiplayer PvP battles, collect heroes, and communicate



Farming game with puzzles

2021 Launched

>8mln Cumulative installs

Mobile/PC

Target audience: women 25+

Key markets

- Expansion of GDEV's portfolio into casual gaming.
- Offers fresh and unique gameplay through a blend of different genres with a farming game that features an engaging storyline as well as a variety of puzzles

CUBICGAMES

Studio



Mobile first-person shooter

May 2013 launched

>180mln Cumulative installs

iOS/Android

Target audience: under 25

Key markets

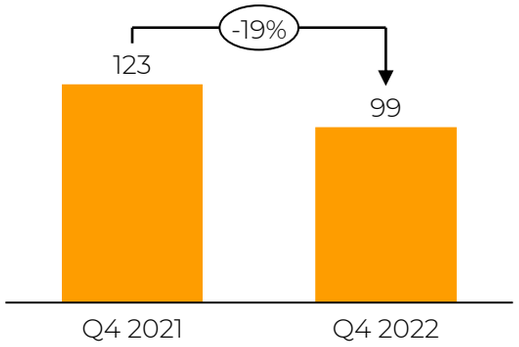
- World's No. 3 mobile FPS by monthly audience[1]
- Pixel Gun 3D brings nonoverlapping target audience, art style and monetization models.
- Offers a thrilling array of game modes, an impressive arsenal of over 1,000 unique weapons, and 100+ various maps.

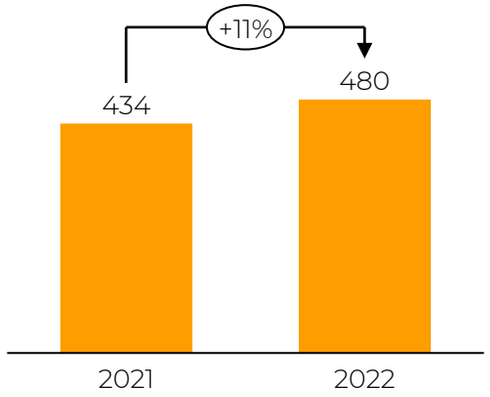
1) Source - Data.ai (2022)

Key financial highlights (1/2)

$m

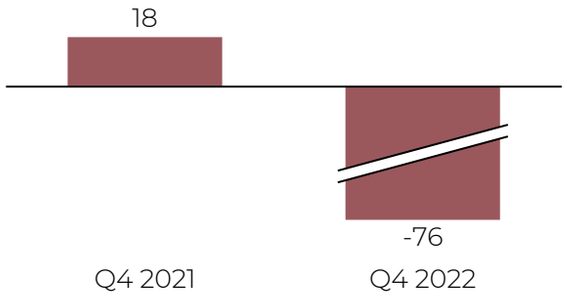
Revenue

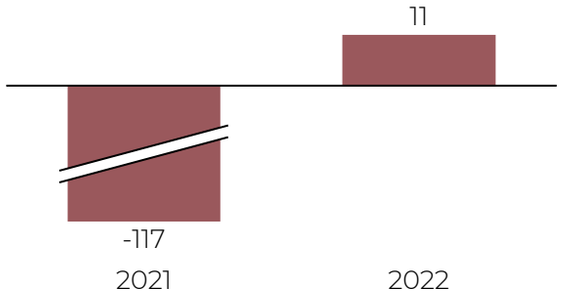




$m

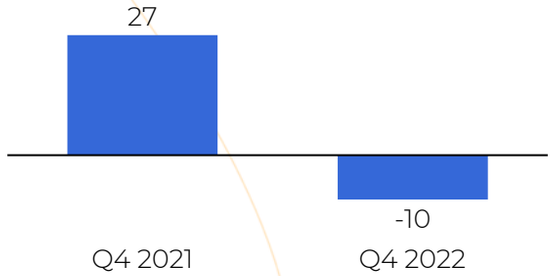
Total comprehensive Income/ Loss

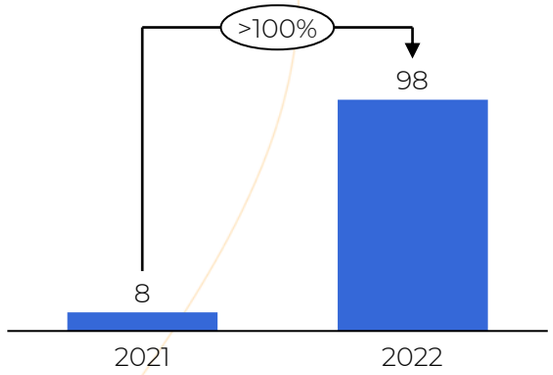




$m

Adjusted EBITDA





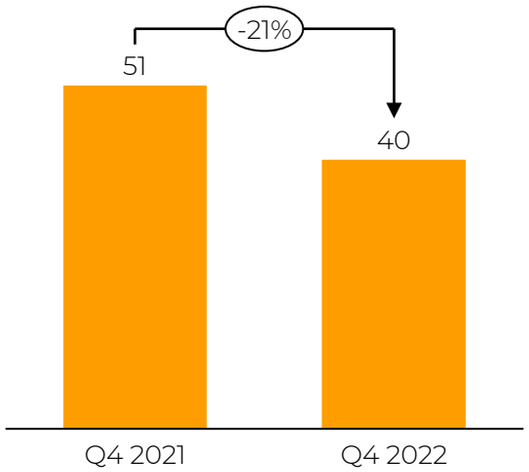
- In 2022 our revenue increased by $46 million (or 11%) year-over-year and amounted to $480 million, driven primarily by a decrease of $158 million in change of deferred revenues during 2022 vs. 2021 and partially offset by a decrease in bookings in the amount of $113 million (or 20%) YoY.
- Total comprehensive income for 2022 increased by $128 million and amounted to $11 million vs. a total comprehensive loss of $117 million in 2021
- Adjusted EBITDA amounted to $98 million, an increase of $89 million compared to 2021

Source: Company information

Key financial highlights (2/2)

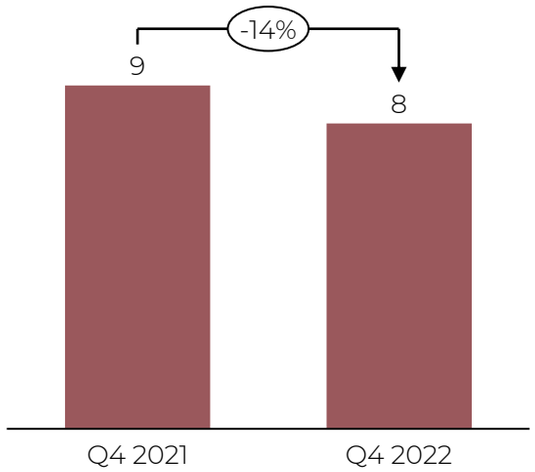
$m

Selling and Marketing Expenses



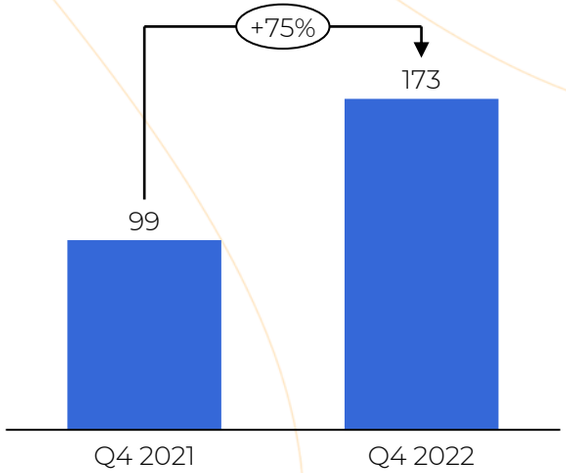
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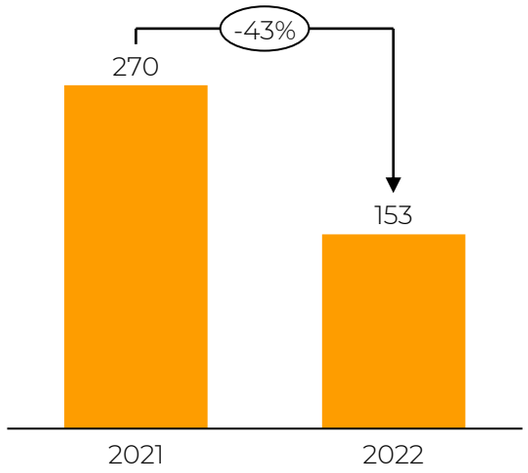
G&A Expenses

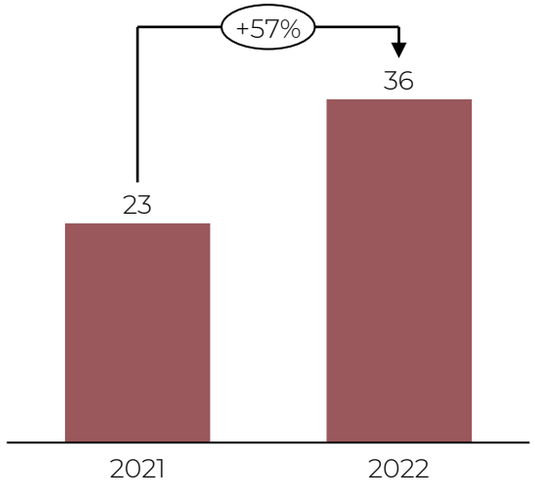


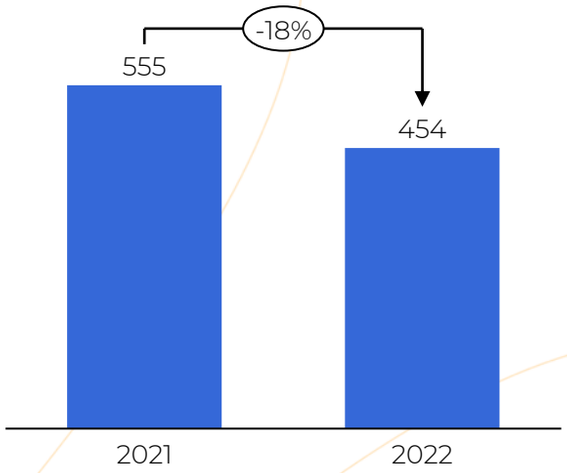
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Total Costs and Expenses, excl. D&A









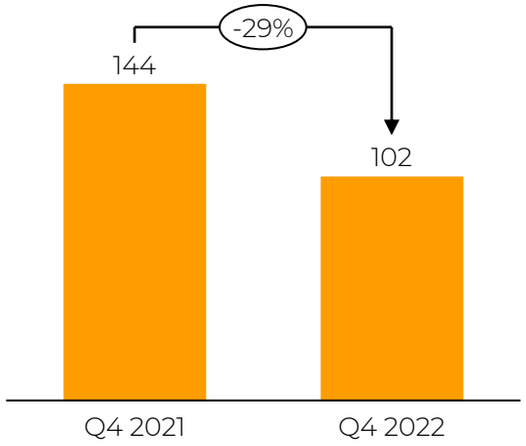
- Selling and marketing expenses in 2022 decreased by $117 million and amounted to $153 million. The decrease was mainly due to the massive scaling of the investments into new players in 2021, amplified by a substantial decrease in the marketing investments in 2022 driven by the challenging marketing environment as well as the suspension of our marketing activities in Russia and Belarus due to geopolitical events. Starting from December 2022, the Company has successfully scaled its investments in new players acquisition, which are expected to support the bookings growth
- General and administrative expenses increased by $13 million in 2022 vs. 2021.

Source: Company information

Key operating highlights

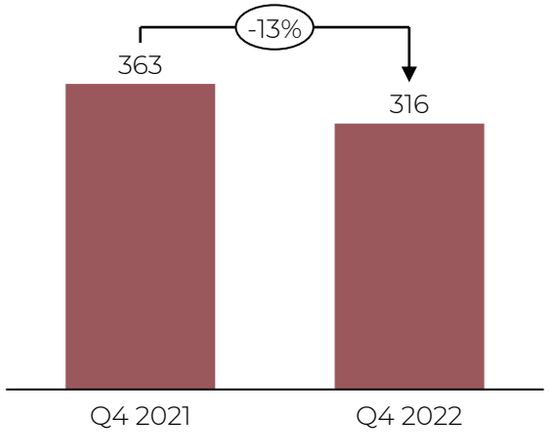
$m

Bookings



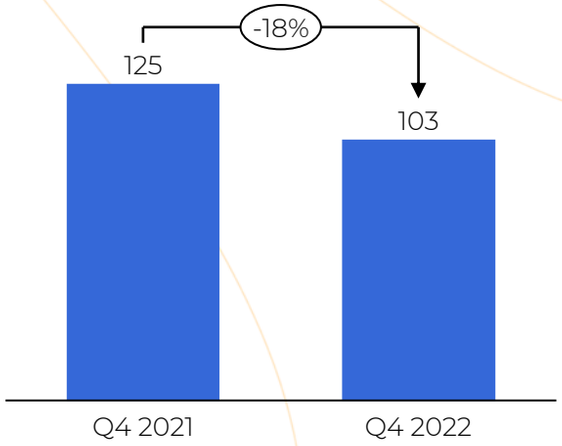
'000 users

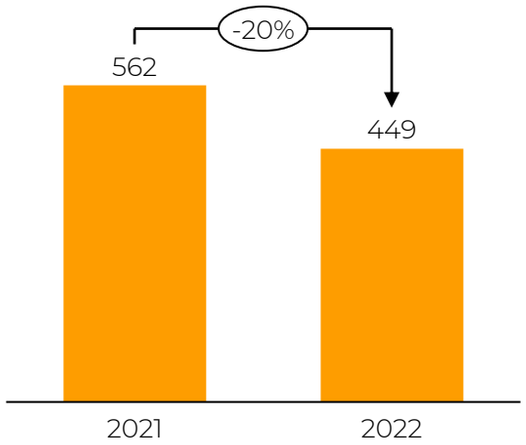
Monthly Paying Users (1)

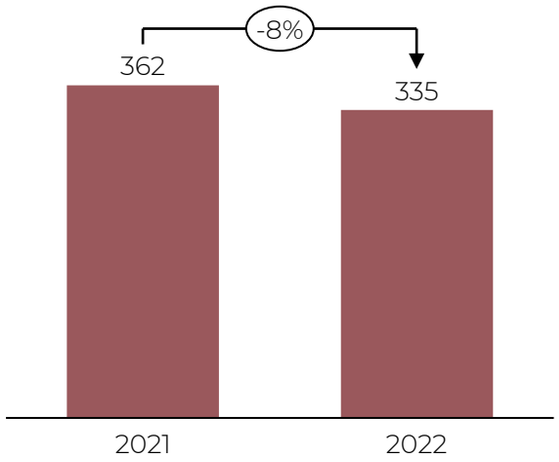


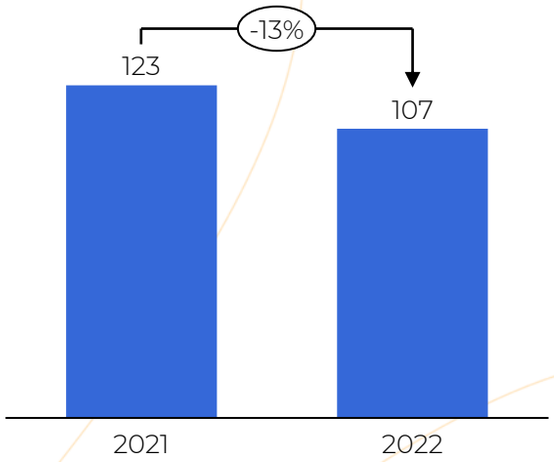
$/month

Average Bookings Per Paying User (2)









- The decrease in bookings is primarily driven by significantly reduced marketing investments in the second and the third quarters of 2022 while scaling of investments during December 2022 has not had a meaningful effect on bookings in the fourth quarter of 2022 due to its delayed impact on bookings

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


Appendix

Balance Sheet

($ in thousands)

Assets	Dec 31, 2022	Dec 31, 2021
Non-current assets		
Property and equipment	786	1,352
Intangible assets	12,977	266
Goodwill	1,836	1,501
Long-term deferred platform commission fees	94,682	116,533
Right-of-use assets	1,462	2,050
Deferred tax asset	108	25
Other non-current assets	107	107
Other non-current investments	17,903	—
Loans receivable - non-current	3,317	—
Total non-current assets	**133,178**	**121,834**
Current assets		
Indemnification asset	2,512	—
Trade and other receivables	45,372	45,087
Loans receivable	517	123
Other investments	50,365	—
Cash and cash equivalents	86,774	142,802
Prepaid tax	3,326	3,137
Total current assets	**188,866**	**191,149**
TOTAL ASSETS	322,044	312,983
Liabilities and shareholders' equity		
Equity		
Share capital	—	—
Other reserves	171,418	166,405
Accumulated deficit	(320,194)	(327,497)
Equity attributable to equity holders of the Company	**(148,776)**	**(161,092)**
Non-controlling interest	—	44
Total equity	**(148,776)**	**(161,048)**
Non-current liabilities		
Lease liabilities - non-current	444	1,103
Long-term deferred revenue	96,887	128,074
Share warrant obligations	13,035	22,029
Put option liabilities	27,475	—
Other non-current liabilities	577	—
Total non-current liabilities	**138,418**	**151,206**
Current liabilities		
Lease liabilities - current	743	831
Trade and other payables	30,521	26,573
Provisions for non-income tax risks	1,336	—
Tax liability	4,250	814
Deferred revenue	295,552	294,607
Total current liabilities	**332,402**	**322,825**
TOTAL LIABILITIES	470,820	474,031
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	322,044	312,983

Source: Company information

Profit and Loss Statement

($ in thousands)	4Q 2022	4Q 2021	FY 2022	FY 2021
Revenue	98,893	122,584	479,688	434,094
Costs and expenses, excluding depreciation and amortization				
Cost of revenue:				
Platform commissions	(24,954)	(32,522)	(129,623)	(117,229)
Game operation cost	(13,223)	(5,948)	(44,036)	(18,945)
Selling and marketing expenses	(40,383)	(50,911)	(152,674)	(270,065)
General and administrative expenses	(8,047)	(9,379)	(36,119)	(23,031)
Goodwill and investments in equity accounted associates impairment	(62,828)	—	(62,828)	—
Other operating income	865	43	1327	—
Share listing expense	—	—	—	(125,438)
Impairment loss on trade receivables and loans receivable	(24,207)	(102)	(29,987)	(102)
Total costs and expenses, excluding depreciation and amortization	**(172,777)**	**(98,819)**	**(453,940)**	**(554,810)**
Depreciation and amortization	(1,542)	(827)	(6,901)	(2,540)
Profit/ (loss) from operations	**(75,426)**	**22,938**	**18,847**	**(123,256)**
Finance income/ (expense), net	1,811	(1,047)	(323)	(3,141)
Change in fair value of share warrant obligations and other financial instruments	281	(3,557)	2,767	10,080
Share of loss of equity-accounted associates	(4,276)	—	(10,121)	—
Profit/(loss) before income tax	**(77,610)**	**18,333**	**11,170**	**(116,317)**
Income tax expense	651	(282)	(3,760)	(1,127)
Profit/(loss) for the period from continuing operations, net of tax	**(76,959)**	**18,051**	**7,410**	**(117,444)**
Attributable to equity holders of the Company	(76,959)	18,040	7,303	(117,455)
Attributable to non-controlling interest	—	11	107	11
Other comprehensive income/(loss)	1,030	403	3,338	11
Total comprehensive income/(loss) for the period, net of tax	**(75,929)**	**18,454**	**10,748**	**(117,433)**
Attributable to equity holders of the Company	(75,929)	18,443	10,641	(117,444)
Attributable to non-controlling interest	0	11	107	11
Earnings/(loss) per share:				
Basic and diluted earnings/(loss) per share, US$[1]	**(0.39)**	**0.09**	**0.04**	**(0.64)**

Source: Company information

(1) Based on a weighted average number of ordinary shares for basic and diluted earnings per share of 20,000

Cash Flow Statement

($ in thousands)	FY 2022	FY 2021	Q4 2022	Q4 2021
Operating activities				
Profit/(loss) for the period, net of tax	7,410	(117,444)	(76,959)	18,055
Adjustments for:				
Depreciation and amortization	6,901	2,540	1,542	827
Share-based payments expense	3,751	129,199	744	2,850
Goodwill and investment impairment	62,828	0	62,828	0
Gain on acquisition	0	(79)	0	(79)
Share of loss of equity-accounted associates	10,121	0	4,276	0
Expected credit losses	29,987	102	24,119	102
Property and equipment write-off	454	0	52	0
Impairment of intangible assets	547	0	55	0
Change in fair value of share warrant obligations and other fin. instr.	(2,767)	(10,080)	(281)	3,557
Unwinding of discount on the put option liability	366	0	194	0
Transaction costs	104	0	104	0
Loss on sale of disposal group	4,969	0	0	0
Dividend on ETFs accrued	(231)	0	(231)	0
Trade receivables write-off	81	0	81	0
Foreign exchange loss/(gain)	1,020	2,809	(1,318)	988
Interest income	(1,639)	0	(768)	0
Lease modification gain	(11)	0	16	0
Interest expense	116	91	14	37
Income tax expense	3,760	1,127	(649)	282
	127,767	**8,265**	**13,819**	**26,619**
Changes in working capital:				
Decrease/(increase) in deferred platform commissions	21,851	(26,946)	1,739	(3,349)
(Decrease)/increase in deferred revenue	(30,242)	127,899	3,198	21,187
(Increase)/decrease in trade and other receivables	(4,498)	(12,682)	(8,821)	2,579
(Decrease)/increase in trade and other payables	2,282	9,600	11,842	(2,880)
	(10,607)	**97,871**	**7,958**	**17,537**
Income tax (paid)/received	(1,078)	(617)	(445)	(482)
Interest paid	0	7	0	7
Net cash flows generated from/(used in) operating activities	**116,082**	**105,526**	**21,332**	**43,681**
Investing activities				
Acquisition of intangible assets	(64)	(338)	27	(193)
Acquisition of property and equipment	(994)	(1,099)	(154)	(389)
Acquisition of subsidiary net of cash acquired	(54,113)	(1,159)	(1)	81
Proceeds from repayment of loans	746	0	439	(290)
Investments in equity accounted associates	(17,970)	0	0	0
Loans granted	(31,659)	(123)	(170)	159
Acquisition of other investments	(67,729)	0	(67,729)	0
Net cash flows used in investing activities	**(171,783)**	**(2,719)**	**(67,588)**	**(632)**
Financing activities				
Payments of lease liabilities	(2,013)	(2,132)	(113)	(765)
Proceeds from loans receivable	224	0	224	0
Interest on lease	(115)	(90)	(13)	(36)
Repayment of borrowings	0	(49)	0	0
Dividends paid and distribution to shareholders	0	(160,366)	0	(4,682)
Proceeds from borrowings	0	0	(374)	0
Interest paid	0	0	0	0
Cash acquired in the Transaction	0	119,659	0	0
Net cash flows used in financing activities	**(1,904)**	**(42,978)**	**(276)**	**(5,483)**
Net (decrease)/increase in cash and cash equivalents for the period	**(57,605)**	**59,829**	**(46,532)**	**37,564**
Cash and cash equivalents at the beginning of the period	142,802	84,557	131,526	105,453
Effect of changes in exchange rates on cash held	1,577	(1,584)	1,780	(216)
Cash and cash equivalents at the end of the period	**86,774**	**142,802**	**86,774**	**142,802**

Source: Company information

Reconciliation of the net income/loss to the Adjusted EBITDA

(US$ million)	Q4 2022	Q4 2021	FY 2022	FY 2021
Total comprehensive income/(loss) for the year, net of tax	(76)	18	11	(117)
Add back:				
Other comprehensive (income)/loss	(1)	(0.4)	(3)	0
Goodwill and investment impairment	63	—	63	—
Loss on disposal of subsidiaries	—	—	5	—
Tax expense	(0.7)	0.3	4	1
Finance (income)/expense, net	(2)	1	0.3	3
Change in fair value of share warrant obligations and other financial instruments	(0.3)	4	(3)	(10)
Share of loss of equity-accounted associates	4	—	10	—
Listing expense	—	—	—	125
D&A	2	0.8	7	3
Share based payments	0.7	3	4	4
Impairment of intangible assets	0.1	—	0.5	—
Adjusted EBITDA	(10)	27	98	8

Source: Company information