

Daybreak Acquires Singularity 6, Developer of Popular Online Game, Palia

Enad Global 7 AB (“EG7”) today announced that Daybreak Games (“Daybreak”), its wholly owned subsidiary, has entered into an agreement to acquire Singularity 6 Corporation (“S6”) (the “Transaction”). Based in Los Angeles, California, S6 is the developer and publisher behind Palia, an online multiplayer life simulation game currently available in open beta on Nintendo Switch and PC.

Founded in 2018, S6 is a live service, online game studio founded and led by some of the former senior game development talent from Riot Games and comprised of a highly talented AAA development team. S6 is a mission-driven organization, which has been singularly focused on creating a compelling blend of a large-scale multiplayer online world with the highly engaging gameplay experiences from best-in-class life simulation games. This unique combination successfully comes to life in Palia, where players from all over the world can experience the vibrant, immersive fantasy world together, building enduring communities for years to come.

Palia is just beginning its journey and it is off to an excellent start. Palia was originally released in open beta through S6’s own PC platform in August 2023 and since then has been released on Epic Game Store, Nintendo Switch and Steam. Throughout the open beta, S6 team has continued to deliver expanded gameplay and content, driving increases in player population and engagement. Over 4 million players have come to enjoy the experience in open beta so far and as of the end of June 2024, over 100,000 players have been actively enjoying the game daily. The game’s growth trends are promising with the game reaching peak concurrent user level on Steam with its latest update in June. The game is making great progress towards the completion of version 1.0, with a plan to release across all the major platforms, broadening the distribution and increasing the potential for significant further growth in player base going forward.

The rationale and the key highlights for the Transaction are as follows:

- A strong fit with EG7’s published long-term strategy of establishing a leading middle market publishing business
- An excellent alignment with Daybreak and its expertise in longtail live service and multiplayer online games
- Investing in a product at a later stage of development, which significantly reduces execution risks
- A product with a clear plan for growth through a predictable path to improvement, completion and broader distribution
- Expected meaningful contribution towards the group’s consolidated 2026 financial targets of SEK 3 billion in Net Revenues and SEK 1 billion in Adjusted EBITDA

Daybreak is acquiring 100 percent of S6 as a wholly-owned subsidiary. The Transaction will be funded through the group’s available cash balance. Pro forma for the Transaction, the group’s liquidity will remain strong with ample cash reserves for funding its published business plan and shareholder capital return option without third party financing needs. Based on S6 management plan, the Transaction is expected to deliver attractive returns above the group’s minimum returns threshold. Additional information about the Transaction will be discussed on the group’s next

quarterly earnings presentation.

On Daybreak's acquisition of S6, Ji Ham, CEO of EG7, commented: "Singularity 6 is a perfect new addition to Daybreak Games' family of game studios with historied success in delivering longstanding multiplayer online live service games. Daybreak Games and Singularity 6 share the same passion for creating immersive online worlds and we are looking forward to joining forces to build, expand and support Palia and its large and passionate community for years to come."

"We are excited to be a part of Daybreak Games, home to some of the most beloved MMO franchises and games in the industry," said Anthony Leung, CEO of Singularity 6. "It is incredibly exciting to be able to find like-minded partners who are invested in our vision for Palia. We look forward to combining their talented resources and live service expertise with our team's creativity and development talent to bring Palia to its the 1.0 release and continue supporting it for decades to come."

ADVISORS

Drake Star acted as the exclusive financial advisor to Singularity 6 in relation to the Transaction. Sidley Austin acted as the legal advisor to Daybreak Games and Goodwin Procter acted as the legal advisor to Singularity 6.

FOR MORE INFORMATION, PLEASE CONTACT:

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About EG7

EG7 is a group of companies within the gaming industry that develops, markets, publishes and distributes PC, console and mobile games to the global gaming market. The company employs 470+ game developers and develops its own original IPs, as well as acts as consultants to other publishers around the world through its game development divisions Daybreak Games, Piranha Games, Toadman Studios and Big Blue Bubble. In addition, the group's marketing department Petrol has contributed to the release of 2,000+ titles, of which many are world famous brands such as Call of Duty, Destiny, Dark Souls and Rage. The group's publishing and distribution departments Fireshine Games hold expertise in both physical and digital publishing. EG7 is headquartered in Stockholm with approximately 630 employees in 16 offices worldwide.

Enad Global 7 is listed on Nasdaq Stockholm with Ticker Symbol: EG7

This information is information that Enad Global 7 is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-07-02 01:00 CEST.

Attachments

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