

ENAD GLOBAL 7 AB (PUBL)

# YEAR-END AND Q4 REPORT

OCT-DEC 2024



# YEAR-END AND Q4 REPORT 2024

## SUMMARY COMMENTS

For the fourth quarter 2024, the group delivered Net Revenue of SEK 512.9 (473.1) million, representing an 8.4 percent growth year-over-year. EBITDA came in at SEK 275.0 (99.4) million with Adjusted EBITDA of SEK 128.7 (98.2) million, representing a 25.1 percent margin. Operating Cash Flow for the period was solid, coming in at SEK 195.9 (100.7) million.

For the full year 2024, EG7 reported Net Revenue of SEK 1.7 (2.0) billion and Adjusted EBITDA of SEK 325.5 (542.0). The unfavorable year-over-year comparison against 2023 is largely attributable to My Singing Monsters normalizing at a lower level compared to its record performance in 2023. In addition, as previously communicated, 2024 represented a year of transition where the group focused on investing in new projects for medium to longer-term growth. Some of the investments, including Palia and Cold Iron's new title, are expected to come to market and contribute to the group in 2025.

Overall, we are starting out 2025 with more optimism than 2024 and aiming to deliver a solid year of performance.

## HIGHLIGHTS FOR THE QUARTER

- Net Revenue of SEK 512.9 (473.1) million, representing an FX-adjusted organic growth of 4.0 percent.
- EBITDA of SEK 275.0 (99.4) million and Adjusted EBITDA of SEK 128.7 (98.2) million. The difference between EBITDA and Adjusted EBITDA is mainly explained by SEK -141.5 million reduction of contingency consideration to the sellers of Piranha.
- EBIT of SEK -148.4 (45.2) million and Adjusted EBIT of SEK 57.4 (43.9) million, the difference between EBIT and Adjusted EBIT is primarily due to a net effect of SEK 141.5 million from the reduction of contingent consideration to the sellers of Piranha and a SEK 342.3 million goodwill write-down in Piranha.
- Profit before tax of SEK -150.5 (34.2) million.
- Earnings per Share of SEK -2.07 (0.64) and Adjusted Earnings per Share of SEK -0.23 (0.62).
- Cash flows from operations of SEK 195.9 (100.7) million.
- Cash balance of SEK 321.5 million, with no material bank debt.
- Subsequent to the quarter-end, cost reduction measures were taken, resulting in estimated annualized cost savings of SEK 87.7 million going forward.

## KEY METRIC

SEKm, except per share data	QUARTER		ACCUMULATED	
	OCT-DEC 2024	OCT-DEC 2023	JAN-DEC 2024	JAN-DEC 2023
Net Revenue	512.9	473.1	1,713.0	2,045.0
Growth	8.4%	-15.4%	-16.2%	9.6%
Organic FX adj. growth*	4.0%	-15.6%	-18.2%	5.5%
EBITDA*	275.0	99.4	459.0	495.9
Adjusted EBITDA*	128.7	98.2	325.5	542.0
Adjusted EBITDA margin, %*	25.1%	20.8%	19.0%	26.5%
EBIT	-148.4	45.2	-138.8	252.1
Adjusted EBIT*	57.4	43.9	100.8	321.4
Adjusted EBIT margin, %*	11.2%	9.3%	5.9%	15.7%
Profit before tax	-150.5	34.2	-163.3	216.0
Net profit	-183.5	56.4	-236.4	156.1
EPS before and after dilution	-2.07	0.64	-2.67	1.76
Adjusted EPS*	-0.23	0.62	-0.52	2.38
Adjusted EPS, excl. M&A related amortizations*	3.15	0.91	3.69	3.54

\* For definitions, see section "Definitions of alternative performance measures" on page 26

## COMMENTS FROM THE CEO



*Ji Ham, CEO*

### Ending the year on a high note

Q4 saw the strongest quarterly Net Revenue and Adjusted EBITDA of the year. The group delivered Net Revenue of SEK 512.9 (473.1) million, representing 8.4% growth year-over-year. Profitability also improved with Adjusted EBITDA of SEK 128.7 (98.2) million, representing a solid margin of 25.1 percent. Cash flow conversion for the period was robust with Operating Cash Flow coming in at SEK 195.9 (100.7) million. MechWarrior 5 Clans release during the quarter was a key driver for the performance, despite coming in short of expectations triggering a SEK 342.3 million Goodwill write down in Piranha. Additionally, the on-going strength of performance from Fireshine's recent releases further boosted performance beyond the group's typical seasonal high in Q4.

### Transition period now behind us

For the full year, the group reported Net Revenue of SEK 1.7 (2.0) billion and Adjusted EBITDA of SEK 325.5 (542.0) million. The year-over-year decline was expected and reflective of the unfavorable comparison resulting from My Singing Monsters' stabilizing at a lower normalized level after its all-time-high performance in 2023. Additionally, 2024 marked a year of repositioning for the group, kicking off the investment phase for the medium to longer-term business plan and

strategy as presented in the fall of 2023. There were a number of important strategic investments made during the year, including the acquisition of Singularity 6, middle market publishing investment in Cold Iron's upcoming title and expanded pipeline of new indie titles from Fireshine. However, the overall performance came in below our own target for the year. The delay in MechWarrior 5 Clans release to the highly competitive release window late fall negatively impacted its performance. As a result, even though the product quality and critical reception exceeded expectations, its performance came in below our target, contributing to the softer group results. In order to adjust for the lower performance, the group executed against further cost reduction measures in January at Toadman, Petrol and Piranha, which are expected to result in approximately SEK 87.7 million of annual cost savings going forward. With these changes, the group has further strengthened its position for a solid start to 2025.

### Returning to growth in 2025

We are expecting to return to growth in 2025. In the first half of the year, Singularity 6 is aiming to bring its game, Palia, to a wider audience with releases across the latest generation consoles together with compelling new content update for the existing player base. Daybreak is working closely with Cold Iron and on track to bring its new game to market later this year. The live service game portfolio from Daybreak and Big Blue Bubble should continue to provide a stable and predictable performance. Fireshine is expected to demonstrate growth with a number of its indie digital titles coming to market throughout the year in addition to a more robust physical distribution pipeline compared to last year. Lastly, Petrol should also see a pick-up in its performance with this coming year likely to see an improvement in the overall industry trends with the trough of the market correction largely behind us. Overall, we are starting out the year with more optimism than 2024 and aiming to deliver a solid year of performance.

# BUSINESS OVERVIEW

## A leading global live service game developer and operator

Combining titles from Daybreak, Big Blue Bubble and Piranha, EG7 currently operates 10 long-life cycle IPs, primarily live service games. This portfolio is a key differentiator for the Group and provides EG7 with a solid foundation of more predictable revenues and cash flows. Net Revenue from this portfolio in Q4 amounted to SEK 344.4 million, corresponding to 67.1 percent of Net Revenue for the Group.

## Iconic world-class brands

EG7 is home to some of the most iconic IPs, both first- and third-party brands. First-party brands are IPs exclusively owned and managed by EG7, while third-party brands are owned by external parties, with EG7 entrusted to develop and operate games based on these IPs.

- Key first-party brands include:
  - EverQuest, considered to be one of the three most iconic fantasy MMO brands in the world together with World of Warcraft and Ultima Online.
  - H1Z1, the very first battle royale game that was credited as one of the inspirations for Fortnite, with over 40 million life-to-date (LTD) registrations.
  - My Singing Monsters, which has over 165 million LTD registrations on mobile and PC, reached top 10 in over 100 countries in the App Store games category and the No. 1 spot in more than 15 countries 10 years after its release.
  - Palia, a recently launched cozy community/life simulation game with over 5 million LTD registrations.
- Top tier global third-party brands:
  - DC Comics from Warner Bros, with continuing pipeline of content from blockbuster feature films and TV shows.
  - The Lord of the Rings, arguably the most iconic classic fantasy IP in the world.
  - Dungeons & Dragons, the legendary fantasy IP with a passionate fan base worldwide.
  - Magic: The Gathering, the world's number one trading card game from Wizards of the Coast.

These brands differentiate our portfolio of games from competitors and provide great opportunities to leverage them further toward continuing content development and new future products.

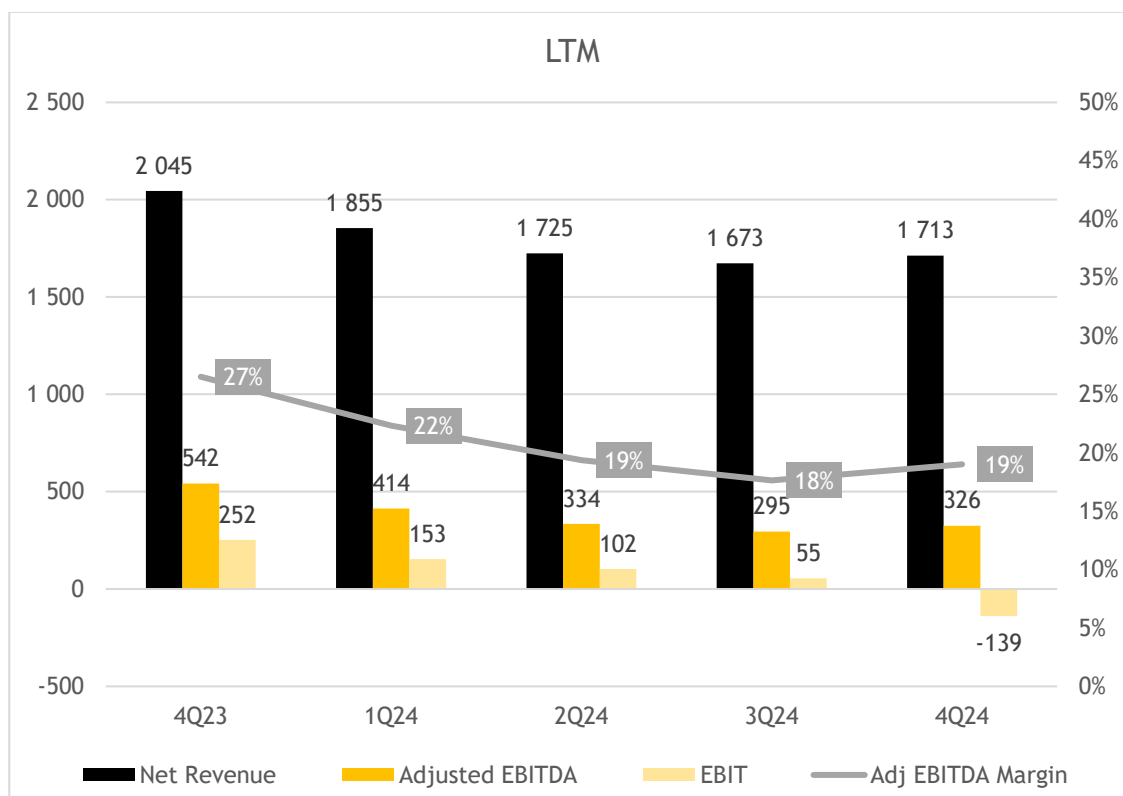
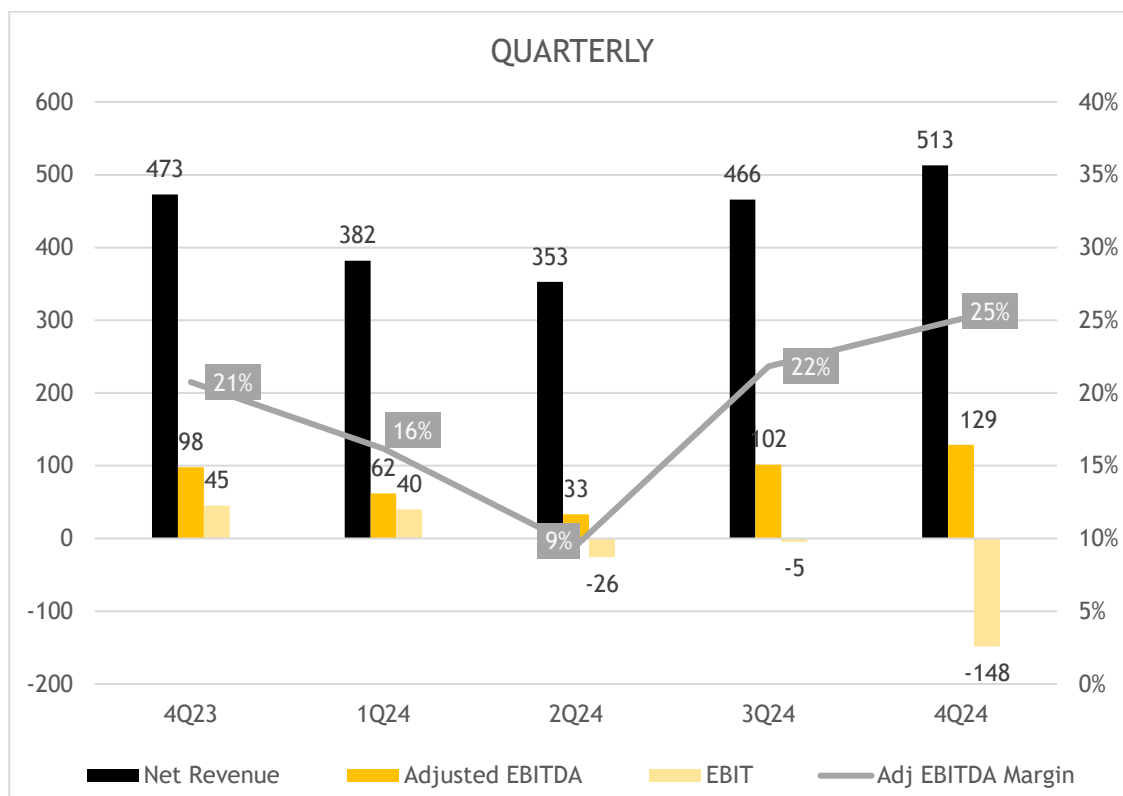
## Stable foundation and risk-controlled growth

Our portfolio of franchise and live-service games is unique within the gaming industry, combining steady growth with ongoing content releases for our titles. These games, anchored by strong iconic game-titles and loyal player bases, create a stable and predictable business model. Unlike traditional one-off releases, this approach ensures continuous player engagement and more recurring revenue, providing a solid foundation for long-term success while lowering the overall risk.

In addition, we've been successful in adding new games over time, expanding our portfolio while maintaining prudent low-risk M&A activities within our circle of competence. This strategy not only diversifies our offerings but also strengthens our position within the market, creating a stable foundation for sustainable growth with reduced long-term volatility.

## Net Revenue, Adjusted EBITDA, and EBIT

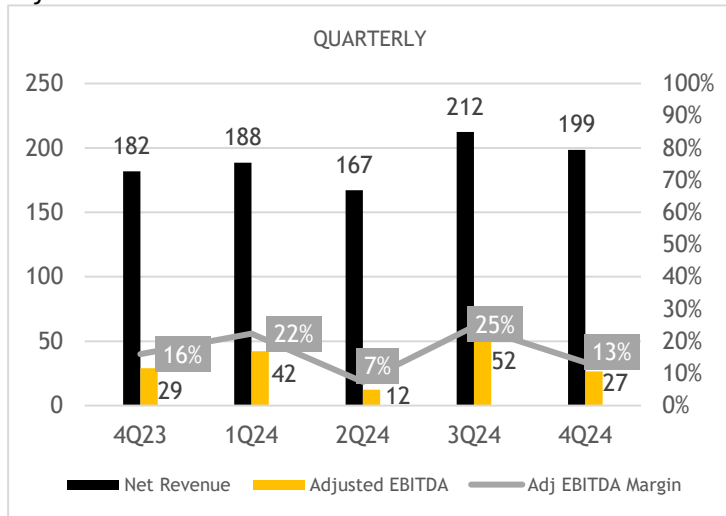
SEKm



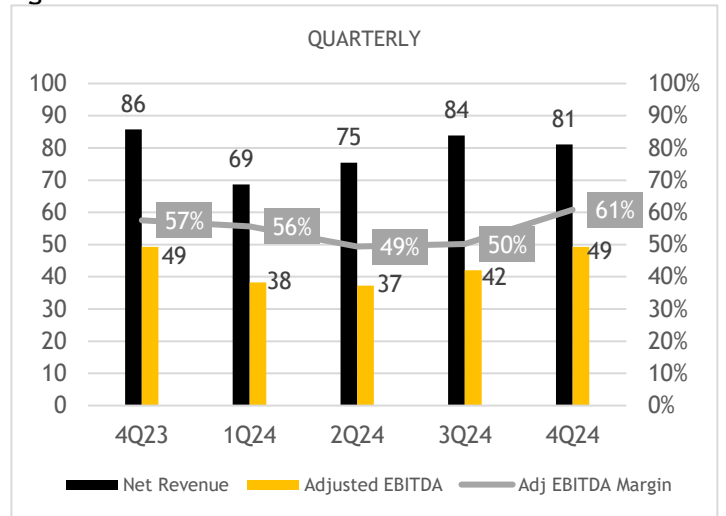
# SUMMARY BY SEGMENT

SEKm

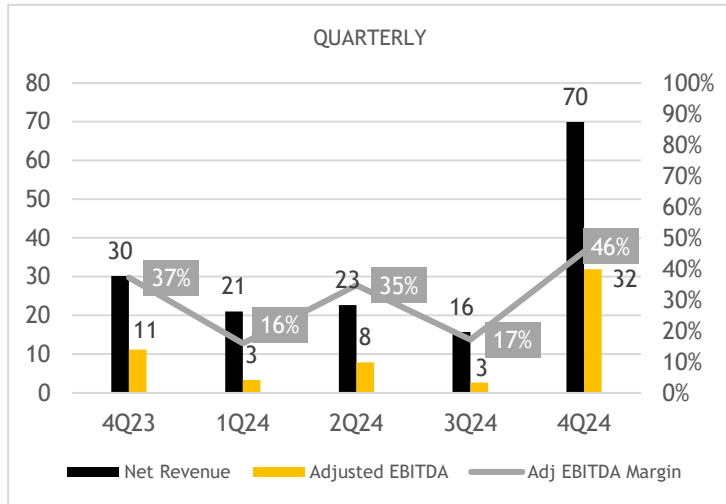
## Daybreak



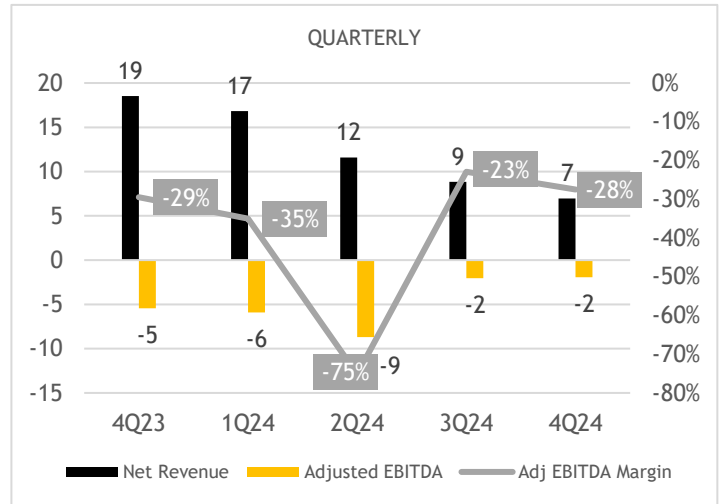
## Big Blue Bubble



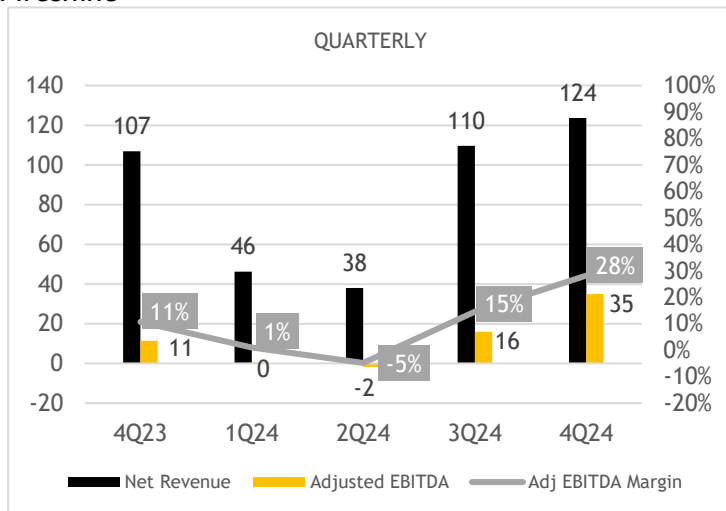
## Piranha



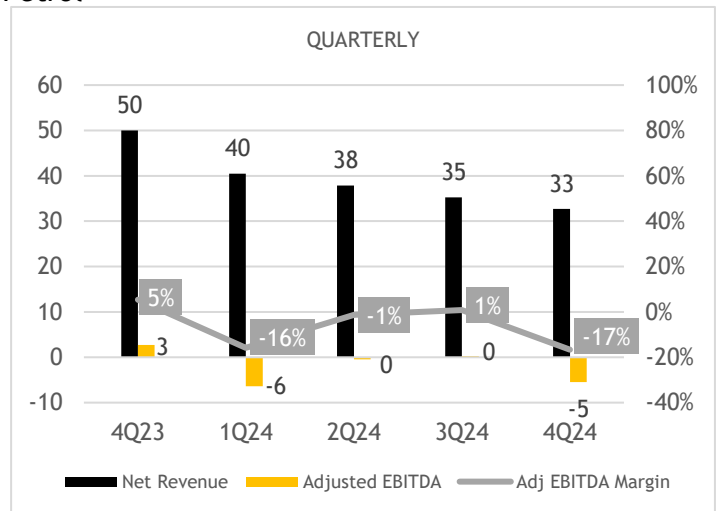
## Toadman



## Fireshine



## Petrol





## **DAYBREAK**

For Q4, Daybreak contributed Net Revenue of SEK 198.5 (181.8) million, up 9.2 percent from the prior year, and Adjusted EBITDA of SEK 26.6 (29.1) million. Adjusted EBITDA margin amounted to 13.4 (16.0) percent. Daybreak's portfolio performed in line with expectations for the period, led by EverQuest, which concluded a successful anniversary year with the release of two major content updates. The Lord of the Rings Online continues to see improved performance, driven by the launch of its new servers with updated ruleset earlier in the year. Both Magic: The Gathering Online and Dungeons & Dragons Online experienced increased player activity in 2024. It was a transition year for DC Universe Online with a new leadership team taking the reins with updated direction for the title as communicated early 2025. Under the new leadership, the annual content release schedule will expand from two to three chapters. Additionally, significant gameplay changes and monetization efforts are planned for 2025. Singularity 6 has been primarily focused on the development efforts for Palia's release across the latest generation consoles planned for the first half of 2025. The collaboration with Cold Iron is also advancing towards a planned launch of its game later this year. With these developments, 2025 promises to be an exciting year for Daybreak, contributing significantly to EG7's overall performance.

## **BIG BLUE BUBBLE**

Big Blue Bubble delivered Net Revenue of SEK 81.0 (85.8) million, corresponding to a 5.5 percent decline compared to the same period last year. Adjusted EBITDA amounted to SEK 49.3 (49.3) million, representing 60.8 percent margin. Big Blue Bubble is now operating at a significantly higher baseline following the viral surge of My Singing Monsters (MSM) that started in Q4, 2022. The community-focused marketing strategy, which drove the game's substantial growth in 2022, continues to be a key factor in its continued performance. Big Blue Bubble has since successfully expanded its marketing efforts across various social platforms, including YouTube, further enhancing community engagement and boosting player retention.

## **PIRANHA**

Net Revenue for the quarter came in at SEK 70.0 (30.2) million, representing 131.9 percent growth year-over-year. Adjusted EBITDA amounted to SEK 31.9 (11.2) million, representing 45.6 percent margin. The fourth quarter was marked by the release of MechWarrior 5: Clans on October 17th. The team at Piranha delivered a high-quality game that exceeded both internal and external expectations in terms of quality, story, and gameplay. Despite strong execution, the game did not expand its core audience as anticipated, leading to sales falling short of targets. As a result, necessary business optimizations were initiated on 10<sup>th</sup> of January to ensure Piranha's continued profitability while maintaining the ability to deliver new content (DLCs) as planned. The announced measures will provide annual cost savings of approximately SEK 25.8 million and will involve a non-recurring restructuring reserve of about SEK 1.7 million. These optimizations are expected to impact approximately 38 employees at Piranha and will be finalized by Q2. In conjunction with the updated trading for Clans, the Goodwill in Piranha was reduced by SEK 342.3 million and expected earnout to the sellers of Piranha was fully written down by SEK 141.5 million, the net effect of these amounted to SEK 200.8 million and was recognized in the income statement for the fourth quarter.

## **TOADMAN**

Toadman's Net Revenue came in at SEK 7.0 (18.5) million, representing 62.4 percent decline year-over-year, Adjusted EBITDA came in at SEK -1.9 (-5.5) million for the period. As previously communicated, Toadman has faced challenges in achieving profitability, despite several initiatives, including the cost-saving measures implemented last year. As a result, the Board of Directors initiated the process to wind-down Toadman's operations on the 9<sup>th</sup> of January, 2025. This wind-down is expected to result in annual operating cost reduction of approximately SEK 46.5 million and will involve a non-recurring restructuring reserve of approximately SEK 16.5 million. This decision will affect all 69 employees and subcontractors at Toadman. However, ongoing WFH contracts with Daybreak and Cold Iron will be maintained to minimize disruption with the existing projects and continue fulfillment of contractual deliverables. About 42 individuals will remain engaged in these projects during a transition period. The full impact of the wind-down will be seen in the second half of 2025.

## **FIRESHINE**

Fireshine's Net Revenue came in at SEK 123.7 (106.9) million, representing a 15.7 percent increase year-over-year. Adjusted EBITDA was SEK 34.9 (11.4) million, resulting in a 28.2 percent margin. This performance was bolstered by Core Keeper, which exceeded internal expectations with strong performance across all platforms and regions. The fourth quarter performance also benefited from the strength of the back catalog sales. During the period, Brian Fotte was appointed as the new CEO of Fireshine, succeeding James Cato, who has decided to retire. Brian had been working closely with James in preparation for the transition for over a year. With over 20 years of experience across retail, publishing, and platform holders, Brian has held key roles at Amazon, Team17, Microsoft, and PlayStation's global third-party team before joining Fireshine.

## **PETROL**

For Q4, Petrol's Net Revenue came in at SEK 32.7 (50.0) million, representing a 34.6 percent decline year-on-year. Adjusted EBITDA was SEK -5.4 (2.7) million. Petrol and Toadman experienced the heaviest impact from the market correction, which has persisted longer than expected. As a result, Petrol has undertaken further strategic realignment during the first quarter of 2025 to better adapt to the continuing market weakness, where many clients have meaningfully scaled down their marketing spend. Petrol has worked hard to optimize its business for this new environment, with its measures expected to generate approximately SEK 15.4 million of annual savings going toward.



# FINANCIAL OVERVIEW

## Net Revenue and Operating Profit

SEKm	QUARTER			ACCUMULATED		
	OCT-DEC 2024	OCT-DEC 2023	% CHG	JAN-DEC 2024	JAN-DEC 2023	% CHG
Net Revenue	512.9	473.1	8.4%	1,713.0	2,045.0	-16.2%
Adjusted EBITDA*	128.7	98.2	31.1%	325.5	542.0	-39.9%
EBITDA*	275.0	99.4	176.5%	459.0	495.9	-7.4%
Adjusted EBIT*	57.4	43.9	30.6%	100.8	321.4	-68.6%
EBIT	-148.4	45.2	-428.3%	-138.8	252.1	-155.1%
<i>% Margins</i>						
Adjusted EBITDA margin*	25.1%	20.8%		19.0%	26.5%	
EBITDA margin*	53.6%	21.0%		26.8%	24.2%	
Adjusted EBIT margin*	11.2%	9.3%		5.9%	15.7%	
EBIT margin	-28.9%	9.6%		-8.1%	12.3%	

\* For definitions, see section "Definitions of alternative performance measures" on page 26

Net Revenue in Q4 2024 came in at SEK 512.9 (473.1) million, representing a growth of 8.4 percent year-over-year. Adjusted EBITDA and Adjusted EBIT were SEK 128.7 (98.2) million and SEK 57.4 (43.9) million for the quarter, representing 25.1 percent and 11.2 percent margins respectively. The adjustment for non-recurring items affecting EBITDA in the fourth quarter is referring to the effect from reduction of contingent consideration to the sellers of Piranha by SEK 141.5 million and revaluation of contingent consideration related to tax saving benefits by SEK 5.2 million to the sellers of Daybreak. In addition to the above, Adjustments affecting EBIT is primarily a write-down of Goodwill in Piranha of SEK 342.3 million. Over the past two years, the Adjusted EBITDAC margin has averaged 17.5 percent for the Group. Within the more predictable Revenue base (Piranha/BBB and Daybreak) Adjusted EBITDAC has been 27.3 percent.

## Cash flow in short

SEKm	QUARTER		ACCUMULATED	
	OCT-DEC 2024	OCT-DEC 2023	JAN-DEC 2024	JAN-DEC 2023
Operating profit (EBIT) from continuing operations	-148.4	45.2	-138.8	252.1
Adjustment for non-cash flow items	269.5	48.8	419.3	271.4
Financial net	0.1	-7.5	9.2	-16.8
Taxes paid	-1.9	-13.3	-100.1	-65.0
<b>Operating cash flows before balance sheet cash flow impact</b>	<b>119.2</b>	<b>73.2</b>	<b>189.6</b>	<b>441.6</b>
Change in net working capital	76.7	27.5	4.5	-3.8
<b>Cash flow from operations</b>	<b>195.9</b>	<b>100.7</b>	<b>194.1</b>	<b>437.8</b>
Cash flow from investment activities	-96.7	-63.2	-306.5	-231.5
Cash flow from financing activities	-7.3	-5.3	-66.3	-126.0
<b>Cash and cash equivalents, start of period</b>	<b>218.5</b>	<b>472.5</b>	<b>480.9</b>	<b>407.8</b>
<b>Cash flow for the period</b>	<b>91.9</b>	<b>32.1</b>	<b>-178.7</b>	<b>80.3</b>
Exchange rate differences	11.1	-23.8	19.3	-7.2
<b>Cash and cash equivalents, end of period</b>	<b>321.5</b>	<b>480.9</b>	<b>321.5</b>	<b>480.9</b>

For Q4 2024, EG7 had a Net cash inflow of SEK 91.9 (32.1) million. Cash flow from operating activities was SEK 195.9 (100.7) million. Net working capital was SEK 76.7 (27.5) million of which SEK 61.3 million is attributable to Fireshines publishing business. Cash flow from Investment activities was affected by SEK -96.7 million consisted of SEK -22.5 million of capitalized development expenses for Palia, SEK -29.0 million for Fireshine publishing business, SEK -25.4 million for Cold Iron publishing in Daybreak and SEK -17.2 million of capitalized development expenses for MechWarrior 5: Clans and DLCs, the remainder SEK -2.7 million is attributable to other investments. Cash flow from Financing activities was only impacted by office-related leasing of SEK -7.3 million. The foreign exchange rate fluctuations in liquid funds resulted in SEK 11.1 million. The group's cash and cash equivalents available at the end of the period amounted to SEK 321.5 million.

# OTHER INFORMATION

## The Share and Shareholders

SHAREHOLDER (31-12-2024)	No. of Shares	Capital %
Jason Epstein	8,582,320	9.69%
Johan Svensson	6,804,479	7.68%
Settecento LTD	6,159,140	6.95%
Alta Fox Capital	5,347,681	6.04%
Defa Endeavour AS	4,533,605	5.12%
Avanza Pension	3,541,516	4.00%
Chelverton Asset Management	3,275,681	3.70%
Aguja Capital GmbH	3,157,432	3.56%
Forthmoore Limited	2,919,526	3.30%
Rasmus Davidsson	2,872,743	3.24%
Alexander Albedj	2,692,105	3.04%
Ji Ham	2,018,472	2.28%
Alan Hunter	1,635,680	1.85%
Nordnet Pensionsförsäkring	1,585,144	1.79%
James Cato	1,507,162	1.70%
Other shareholders	31,970,840	36.08%
Total	88,603,526	100.00%

EG7 stock is listed on Nasdaq Stockholm with the ticker symbol 'EG7.' As of December 31, 2024, the total number of shares outstanding was 88,603,526 and the closing share price was SEK 16.30 per share.

## Related Party Transactions

- During the period Toadman delivered SEK 6.8 million in WFH - game development to Cold Iron LLC, this has been added to the outstanding receivables of SEK 8.4 million.
- EG7 has made a total investment of SEK 231.2 million in Cold Iron LLC's new game, where SEK 25.0 million was paid during the period. This investment will be recouped on game release, and before any revenue share between the companies kicks in.

For further details on related party transactions, please see Note 7.

## Investments

Since 2023 EG7 has invested SEK 403.3 million into what we defined as new growth initiatives, Clans, Palia (including the cash part of the acquisition of Singularity 6) and the publishing project with Cold Iron. The investments in these three projects peaked in 2024 at SEK 238.1 million. The remaining investment allocated to the completion of Palia and the Cold Iron publishing is subject to content and quality evaluation and is expected to be around at SEK 125.0 million.

Based on EG7s continued strong operational cash generation and the long-term ambitions for the company, management is evaluating additional investments. Given successful enough launches of Palia and Cold Irons game, new investments are expected to enter full production by end of the year. Furthermore, the first DLC for MechWarrior 5: Clans is in production with a targeted release in 2025, with plans for additional DLCs thereafter. We are also evaluating additional financing, to create further flexibility in meeting potential business opportunities in the continued turmoil gaming market.

### **Shareholder Capital return**

The Board of Directors has not proposed a dividend payment for 2024.

### **Annual General Meeting**

The 2025 Annual General Meeting is scheduled for June 11, 2025, in Stockholm.

### **Risks**

Risks associated with the company's share are included in the annual report for 2023.

### **Auditor**

Öhrlings PricewaterhouseCoopers AB (PwC) is the company's auditor and is represented by Niklas Renström.

# FINANCIAL REPORTS

## Consolidated income statement

	SEKm	Note	QUARTER		ACCUMULATED	
			OCT-DEC 2024	OCT-DEC 2023	JAN-DEC 2024	JAN-DEC 2023
Net Revenue		2,3	512.9	473.1	1,713.0	2,045.0
Other Revenue			155.4	15.3	210.1	42.5
			<b>668.3</b>	<b>488.4</b>	<b>1,923.1</b>	<b>2,087.5</b>
Own work capitalized			39.8	21.9	126.2	85.6
<i>Operating expenses</i>						
Cost of goods and services sold			-166.9	-161.1	-493.8	-618.7
Other external expenses			-62.3	-69.5	-275.0	-262.0
Personnel expenses			-206.7	-181.9	-818.5	-762.6
Other expenses			2.7	1.6	-3.0	-34.1
<b>Operating profit before depreciation and amortization (EBITDA)</b>			<b>275.0</b>	<b>99.4</b>	<b>459.0</b>	<b>495.9</b>
Depreciation of tangible and right-of-use assets			-10.9	-11.3	-50.4	-42.0
<b>Operating profit before amortization of intangible assets (EBITA)</b>			<b>264.1</b>	<b>88.1</b>	<b>408.5</b>	<b>453.9</b>
Amortization and impairment of acquisition-related intangible assets			-377.3	-32.2	-470.2	-129.4
Amortization and impairment of other intangible assets			-35.2	-10.7	-77.1	-72.4
<b>Operating profit (EBIT)</b>			<b>-148.4</b>	<b>45.2</b>	<b>-138.8</b>	<b>252.1</b>
Financial net		4	-2.1	-11.0	-24.5	-36.1
<b>Profit before tax</b>			<b>-150.5</b>	<b>34.2</b>	<b>-163.3</b>	<b>216.0</b>
Tax expense for the period			-32.9	22.2	-73.1	-59.9
<b>NET PROFIT/LOSS FOR THE PERIOD</b>			<b>-183.5</b>	<b>56.4</b>	<b>-236.4</b>	<b>156.1</b>

The Net Profit for the period is fully attributable to the parent company's shareholders.

EARNINGS PER WEIGHTED AVERAGE NUMBER OF SHARES	QUARTER		ACCUMULATED	
	OCT-DEC 2024	OCT-DEC 2023	OCT-DEC 2024	JAN-DEC 2023
Earnings per share before and after dilution (SEK)	-2.07	0.64	-2.67	1.76
Average number of shares before and after dilution	88,603,526	88,603,526	88,603,526	88,603,526

## Consolidated comprehensive income

SEKm	QUARTER		ACCUMULATED	
	OCT-DEC 2024	OCT-DEC 2023	JAN-DEC 2024	JAN-DEC 2023
<b>Net profit for the period</b>	-183.5	56.4	-236.4	156.1
<b>Other comprehensive income</b>				
<i>Items that will be reclassified to profit or loss</i>				
Translation difference	284.1	-277.7	310.1	-118.2
Deferred tax	0.5	0.5	0.5	0.2
<b>Other comprehensive income for the period, after tax</b>	<b>284.6</b>	<b>-277.2</b>	<b>310.6</b>	<b>-118.0</b>
<b>Comprehensive income for the period</b>	<b>101.1</b>	<b>-220.8</b>	<b>74.2</b>	<b>38.1</b>

The comprehensive income for the period is attributable in its entirety to the parent company's shareholders.

## Consolidated balance sheet

SEKm	Note	31 DEC 2024	31 DEC 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill		3,115.2	3,181.7
Other intangible assets	5	925.4	667.8
Tangible non-current assets		35.7	30.3
Right-of-use assets		60.9	74.7
Deferred tax assets		172.2	149.7
Other non-current receivables		15.3	4.5
<b>Total non-current assets</b>		<b>4,324.8</b>	<b>4,108.7</b>
<b>Current assets</b>			
Inventory		9.1	14.0
Current receivables	6	259.3	269.2
Cash and cash equivalents	6	321.5	480.9
<b>Total current assets</b>	6	<b>589.9</b>	<b>764.1</b>
<b>TOTAL ASSETS</b>		<b>4,914.7</b>	<b>4,872.8</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to the parent company's shareholders		3,974.9	3,900.6
<b>Total equity</b>		<b>3,974.9</b>	<b>3,900.6</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions		2.2	2.8
Leasing liabilities		36.2	52.5
Deferred tax liability		198.0	122.9
Contingent consideration	6	135.4	228.7
Other liabilities		14.9	3.6
<b>Total non-current liabilities</b>	6	<b>386.5</b>	<b>410.6</b>
<b>Current liabilities</b>			
Liabilities to credit institutions		0.4	0.6
Leasing liabilities		30.2	25.0
Accounts payable		28.8	33.9
Current tax liability		24.6	67.9
Contingent consideration	6	60.5	42.3
Other liabilities		17.0	53.5
Contractual liabilities		135.2	114.5
Accrued expenses		256.7	223.9
<b>Total current liabilities</b>	6	<b>553.4</b>	<b>561.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,914.7</b>	<b>4,872.8</b>

## Consolidated report of changes in equity

EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		
<i>SEKm</i>	2024 JAN-DEC	2023 JAN-DEC
<b>Opening balance</b>	3,900.6	3,902.3
<b>Changes in equity during the period</b>		
The Net profit of the period	-236.4	156.1
Other comprehensive income for the period	310.6	-118.0
Dividend	0.0	-39.9
<b>Closing balance</b>	<b>3,974.8</b>	<b>3,900.6</b>



## Consolidated Cash Flow Statement

	QUARTER		ACCUMULATED	
	OCT-DEC 2024	OCT-DEC 2023	JAN-DEC 2024	JAN-DEC 2023
<i>SEKm</i>				
<b>OPERATING ACTIVITIES</b>				
Operating profit (EBIT) from continuing operations	-148.4	45.2	-138.8	252.1
Adjustments for non-cash flow items	269.5	48.8	419.3	271.4
Financial items	0.1	-7.5	9.2	-16.8
Taxes paid	-1.9	-13.3	-100.1	-65.0
<b>Cash flow from operating activities before changes in working capital</b>	<b>119.2</b>	<b>73.2</b>	<b>189.6</b>	<b>441.6</b>
Cash flow from changes in working capital	76.7	27.5	4.5	-3.8
<b>Cash flow from operating activities</b>	<b>195.9</b>	<b>100.7</b>	<b>194.1</b>	<b>437.8</b>
<b>INVESTMENT ACTIVITIES</b>				
Investment tangible assets	-8.0	-4.0	-24.0	-14.3
Investment intangible assets	-89.7	-67.6	-308.0	-232.8
Divestment intangible assets	0.4	0.0	62.3	0.0
Investment/disposal of subsidiaries	0.6	8.4	-36.8	15.6
<b>Cash flow from investment activities</b>	<b>-96.7</b>	<b>-63.2</b>	<b>-306.5</b>	<b>-231.5</b>
<b>FINANCING ACTIVITIES</b>				
Amortizing loans	0.0	0.0	0.0	-100.0
Dividend	0.0	0.0	-39.9	0.0
Amortizing lease liability	-7.3	-5.3	-26.4	-26.0
<b>Cash flow from financing activities</b>	<b>-7.3</b>	<b>-5.3</b>	<b>-66.3</b>	<b>-126.0</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>91.9</b>	<b>32.1</b>	<b>-178.7</b>	<b>80.3</b>
<b>Cash and cash equivalents at start of period</b>	<b>218.5</b>	<b>472.5</b>	<b>480.9</b>	<b>407.8</b>
Cash flow for the period	91.9	32.1	-178.7	80.3
Exchange rate differences	11.1	-23.8	19.3	-7.2
<b>Cash and cash equivalents at end of period</b>	<b>321.5</b>	<b>480.9</b>	<b>321.5</b>	<b>480.9</b>
<b>Specification of cash and cash equivalents</b>				
Total cash balance	321.5	480.9	321.5	480.9
<i>of which are blocked</i>		-2.6		-2.6
<b>Cash at the end of the period</b>	<b>321.5</b>	<b>478.3</b>	<b>321.5</b>	<b>478.3</b>

## Parent Company Income Statement

	QUARTER		ACCUMULATED	
	OCT-DEC 2024	OCT-DEC 2023	JAN-DEC 2024	JAN-DEC 2023
<i>SEKm</i>				
Net Revenue	2.4	0.0	9.4	2.1
Other Revenue	0.0	0.0	0.0	0.0
	<b>2.4</b>	<b>0.0</b>	<b>9.4</b>	<b>2.1</b>
Own work capitalized	0.0	0.0	0.0	0.0
<i>Operating expenses</i>				
Cost of goods and services sold	-0.4	3.7	-1.6	-31.9
Other external expenses	1.1	-4.9	-20.0	-23.7
Personnel expenses	-7.7	-1.4	-30.3	-18.6
Other expenses	0.0	0.0	0.0	0.0
<b>Operating profit before depreciation and amortization (EBITDA)</b>	<b>-4.6</b>	<b>-2.6</b>	<b>-42.5</b>	<b>-72.1</b>
Depreciation and amortization	0.0	0.0	0.0	0.0
<b>Operating profit (EBIT)</b>	<b>-4.6</b>	<b>-2.6</b>	<b>-42.5</b>	<b>-72.2</b>
Financial net	-112.9	65.2	-85.7	279.1
<b>Profit before tax</b>	<b>-117.5</b>	<b>62.5</b>	<b>-128.1</b>	<b>206.9</b>
Appropriations	0.0	0.0	0.0	0.0
Tax expense for the period	-32.0	-22.3	-32.0	-7.4
<b>NET PROFIT</b>	<b>-149.6</b>	<b>40.2</b>	<b>-160.2</b>	<b>199.6</b>

## Parent Company Balance Sheet

<i>SEKm</i>	31 DEC 2024	31 DEC 2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible non-current assets	0.0	0.0
Tangible non-current assets	0.1	0.2
Financial non-currents assets	3,518.8	3,644.2
<b>Total non-current assets</b>	<b>3,518.9</b>	<b>3,644.3</b>
<b>Current assets</b>		
Current receivables	51.2	46.2
Cash and cash equivalents	20.3	102.2
<b>Total current assets</b>	<b>71.5</b>	<b>148.4</b>
<b>TOTAL ASSETS</b>	<b>3,590.4</b>	<b>3,792.7</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	3,535.1	3,695.3
Non-current liabilities	0.0	0.0
Current liabilities	55.3	97.4
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,590,4</b>	<b>3,792.7</b>

# NOTES TO THE INTERIM REPORT

## **Note 1 - Accounting Principles, Estimates and Assessments**

This interim report regards the Swedish parent company Enad Global 7 AB, corporate identity number 556923-2837, and its subsidiaries. EG7 is a group in the gaming industry that develops, markets, publishes, and distributes PC, console and mobile games to the global gaming market. The parent company is a corporation with its registered office in Stockholm, Sweden. The address of the head office is Sveavägen 17, 5<sup>th</sup> floor, 111 57 Stockholm.

EG7 applies International Financial Reporting Standards (IFRS) as adopted by the EU. The group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable parts of the Annual Accounts Act (1995: 1554).

The parent company applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities. For full accounting principles see annual report 2023.

All amounts in this report are stated in millions of Swedish kronor (SEK millions) unless otherwise stated.

Rounding differences may occur.

## Note 2 - Operational Segments

	Daybreak	Big Blue Bubble	Piranha	Toadman	Fireshine	Petrol	Intra-group items and eliminations	Total group
<b>OCT-DEC 2024</b>								
Revenue from external customers	198.5	81.0	70.0	7.0	123.7	32.7	0.0	512.9
<b>Net Revenue</b>	<b>198.5</b>	<b>81.0</b>	<b>70.0</b>	<b>7.0</b>	<b>123.7</b>	<b>32.7</b>	<b>0.0</b>	<b>512.9</b>
Adjusted operating profit before depreciation and amortization (AdjEBITDA)	26.6	49.3	31.9	-1.9	34.9	-5.4	-6.6	128.7
Adjustments*								146.3
Depreciation and amortization								-423.4
Financial net								-2.1
<b>Profit before tax</b>								<b>-150.5</b>
Tax expense								-32.8
<b>NET PROFIT</b>								<b>-183.5</b>
<b>OCT-DEC 2023</b>								
Revenue from external customers	181.8	85.8	30.2	18.5	106.9	50.0	0.0	473.1
<b>Net Revenue</b>	<b>181.8</b>	<b>85.8</b>	<b>30.2</b>	<b>18.5</b>	<b>106.9</b>	<b>50.0</b>	<b>0.0</b>	<b>473.1</b>
Adjusted operating profit before depreciation and amortization (AdjEBITDA)	29.1	49.3	11.2	-4.7	11.4	2.7	-0.9	98.2
Adjustments*								1.3
Depreciation and amortization								-54.2
Financial net								-11.0
<b>Profit before tax</b>								<b>34.2</b>
Tax expense								22.2
<b>NET PROFIT</b>								<b>56.4</b>
<b>JAN-DEC 2024</b>								
Revenue from external customers	766.4	309.0	129.4	44.2	317.6	146.3	0.0	1,713.0
<b>Net Revenue</b>	<b>766.4</b>	<b>309.0</b>	<b>129.4</b>	<b>44.2</b>	<b>317.6</b>	<b>146.3</b>	<b>0.0</b>	<b>1,713.0</b>
Adjusted operating profit before depreciation and amortization (AdjEBITDA)	133.1	166.8	45.9	-18.8	49.4	-12.1	-38.9	325.5
Adjustments*								133.4
Depreciation and amortization								-597.8
Financial net								-24.5
<b>Profit before tax</b>								<b>-163.3</b>
Tax expense								-73.1
<b>NET PROFIT</b>								<b>-236.4</b>
<b>JAN-DEC 2023</b>								
Revenue from external customers	753.4	571.9	133.0	49.1	352.1	185.6	0.0	2,045.0
<b>Net Revenue</b>	<b>753.4</b>	<b>571.9</b>	<b>133.0</b>	<b>49.1</b>	<b>352.1</b>	<b>185.6</b>	<b>0.0</b>	<b>2,045.0</b>
Adjusted operating profit before depreciation and amortization (AdjEBITDA)	162.9	356.1	49.0	-33.0	35.4	1.9	-30.2	542.0
Adjustment*								-46.2
Depreciation and amortization								-243.8
Financial net								-36.1
<b>Profit before tax</b>								<b>216.0</b>
Tax expense								-59.9
<b>NET PROFIT</b>								<b>156.1</b>

\*refer to adjustment bridge page 27

### Note 3 - Revenue from Customer Contracts

OCT-DEC 2024	Daybreak	Big Blue Bubble	Piranha	Toadman	Fireshine	Petrol	Total group
<i>Geographical region</i>							
Sweden	1.3	0.3	0.3	0.0	3.0	0.0	4.9
Other Europe	33.9	14.3	13.1	0.1	46.8	0.7	108.9
Canada	8.8	2.8	4.7	0.0	1.5	0.0	17.8
USA	144.9	54.4	45.2	6.9	24.6	29.2	305.2
Other markets	9.5	9.3	6.7	0.0	47.9	2.8	76.2
<b>Revenue from customer contracts</b>	<b>198.5</b>	<b>81.0</b>	<b>70.0</b>	<b>7.0</b>	<b>123.7</b>	<b>32.7</b>	<b>512.9</b>

OCT-DEC 2023	Daybreak	Big Blue Bubble	Piranha	Toadman	Fireshine	Petrol	Total group
<i>Geographical region</i>							
Sweden	2.2	0.3	0.2	3.6	9.0	0.0	15.2
Other Europe	77.6	13.1	5.6	3.0	40.8	8.1	148.3
Canada	10.2	3.0	2.1	0.0	0.3	0.1	15.8
USA	84.0	60.2	17.7	12.1	45.2	34.2	253.3
Other markets	7.8	9.2	4.5	0.0	11.5	7.7	40.6
<b>Revenue from customer contracts</b>	<b>181.8</b>	<b>85.8</b>	<b>30.1</b>	<b>18.5</b>	<b>106.9</b>	<b>50.0</b>	<b>473.2</b>

JAN-DEC 2024	Daybreak	Big Blue Bubble	Piranha	Toadman	Fireshine	Petrol	Total group
<i>Geographical region</i>							
Sweden	4.7	0.8	0.4	8.4	14.8	0.0	29.2
Other Europe	114.0	51.1	21.8	0.2	123.2	3.8	314.2
Canada	34.1	10.6	10.2	0.0	7.2	0.2	62.3
USA	574.6	213.2	82.9	34.9	94.5	130.9	1,130.9
Other markets	39.0	33.3	14.2	0.6	77.8	11.5	176.4
<b>Revenue from customer contracts</b>	<b>766.4</b>	<b>309.0</b>	<b>129.4</b>	<b>44.2</b>	<b>317.6</b>	<b>146.3</b>	<b>1,713.0</b>

JAN-DEC 2023	Daybreak	Big Blue Bubble	Piranha	Toadman	Fireshine	Petrol	Total group
<i>Geographical region</i>							
Sweden	5.5	2.3	0.5	5.1	18.0	0.0	31.3
Other Europe	159.2	88.8	16.6	7.6	149.5	18.1	439.7
Canada	36.4	21.6	10.8	0.0	1.3	3.4	73.5
USA	515.2	403.1	91.2	36.4	142.7	133.4	1,322.0
Other markets	37.1	56.2	13.9	0.0	40.6	30.7	178.6
<b>Revenue from customer contracts</b>	<b>753.4</b>	<b>572.0</b>	<b>133.0</b>	<b>49.1</b>	<b>352.1</b>	<b>185.6</b>	<b>2,045.0</b>

## Note 4 - Financial Net

SEKm	OCT-DEC 2024	OCT-DEC 2023	JAN-DEC 2024	JAN-DEC 2023
Net interest*	11.6	4.5	18.8	7.1
Discount interest on earnout	-8.9	-8.4	-34.0	-27.7
Interest leasing	-0.5	-0.7	-2.7	-1.6
Release negative goodwill Serbian acquisition	0.0	0.0	0.0	1.1
Discontinuation of subsidiary	-1.8	0.0	-1.8	0.0
Financing fees	-2.5	-0.3	-3.9	-3.9
FX effects	0.3	-6.0	-0.9	-11.1
Financial net	-2.1	-11.0	-24.5	-36.1

The financial net in Q4 amounted to SEK -2.1 million compared to SEK -11.0 million for the same period last year. The positive effect on net interest is mainly due to reclassification in the contract between Daybreak and Cold Iron from publishing investment to loan, the reclassification is due to local tax legislation.

## Note 5 - Capitalized development costs and gaming rights

SEKm	OCT-DEC 2024		OCT-DEC 2023	
	Capitalized development costs	Gaming rights	Capitalized development costs	Gaming rights
Opening balance	160.3	271.8	90.6	123.0
Capitalized development cost/this year's gross investment	39.3	54.9	21.9	45.6
Reclass from other intangible assets	0.0	11.8	0.0	0.0
Amortization of product development	-15.4	-9.5	-4.5	-1.5
Write-down of capitalized development costs	-9.8	0.0	0.0	0.0
FX	7.8	20.5	-6.0	-10.2
<b>Closing balance</b>	<b>182.2</b>	<b>349.4</b>	<b>102.0</b>	<b>156.9</b>

SEKm	JAN-DEC 2024		JAN-DEC 2023	
	Capitalized development costs	Gaming rights	Capitalized development costs	Gaming rights
Opening balance	102.0	156.9	70.3	0.0
Capitalized development cost/this year's gross investment	125.7	186.3	85.6	179.3
Reclass from other intangible assets	0.0	11.8	0.0	0.0
Amortization of product development	-24.8	-26.1	-31.1	-14.4
Write-down of capitalized development costs	-25.0	0.0	-20.3	0.0
FX	4.3	20.6	-2.6	-8.0
<b>Closing balance</b>	<b>182.2</b>	<b>349.4</b>	<b>102.0</b>	<b>156.9</b>

## Note 6 - Financial Instruments

Valuation of financial assets and liabilities per Dec 31 2024

Financial assets	Financial assets valued at fair value through profit or loss	Financial assets valued at amortized cost
Accounts receivable	0.0	116.8
Cash and cash equivalents	0.0	321.5
<b>Total</b>	<b>0.0</b>	<b>438.3</b>
Financial liabilities	Financial liabilities valued at fair value through profit or loss	Financial liabilities valued at amortized cost
Contingent consideration	195.9	0.0
Liabilities to credit institutions	0.0	2.6
Accounts payable	0.0	28.8
Deferred revenue	0.0	135.2



Other financial liabilities	0.0	163.4
<b>Total</b>	<b>195.9</b>	<b>329.9</b>

*Valuation of financial assets and liabilities per Dec 31 2023*

<b>Financial assets</b>	Financial assets valued at fair value through profit or loss	Financial assets valued at amortized cost
Accounts receivable	0.0	155.6
Cash and cash equivalents	0.0	480.9
<b>Total</b>	<b>0.0</b>	<b>636.5</b>
<b>Financial liabilities</b>	Financial liabilities valued at fair value through profit or loss	Financial liabilities valued at amortized cost
Contingent consideration	271.0	0.0
Liabilities to credit institutions	0.0	3.5
Accounts payable	0.0	33.9
Deferred revenue	0.0	116.4
Other financial liabilities	0.0	125.7
<b>Total</b>	<b>271.0</b>	<b>279.5</b>

*Valuation Hierarchy*

The levels in the valuation hierarchy are defined as follows:

- Level 1 - Listed prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 - Observable input data for the asset or liability other than quoted prices included in level 1, either directly (i.e., price quotations) or indirectly (i.e., derived from price quotations).
- Level 3 - Input data for the asset or liability that is not based on observable market data (i.e., non-observable input data).

No items are valued at level 1 or 2.

*Contingent consideration*

The contingent consideration is reported at fair value according to level 3 in the valuation hierarchy. The fair value is calculated using a valuation model that discounts the present value of expected payments of cash flows with a risk-adjusted discount rate. Expected cash flows are determined based on probable scenarios based on expected financial outcomes and future financial forecasts. The most significant input factor used in the valuation at fair value is a risk-adjusted discount factor of 13.9 (13.9) percent.

<b>Contingent consideration</b>	<b>OCT-DEC 2024</b>	<b>OCT-DEC 2023</b>	<b>JAN-DEC 2024</b>	<b>JAN-DEC 2023</b>
At beginning of period	313.3	293.2	271.0	253.1
Acquisition during the period	0.0	0.0	33.0	0.0
Payments	0.0	-4.1	-18.5	-21.2
Discount effect	8.9	8.4	34.0	27.7
Change in value reported in the result	-146.8	-11.0	-141.1	20.9
FX effect	20.5	-15.5	17.5	-9.5
<b>At end of period</b>	<b>195.9</b>	<b>271.0</b>	<b>195.9</b>	<b>271.0</b>

The end-of-period contingent consideration of SEK 195.9 million is split between Daybreak and Singularity 6, amounting to SEK 159.4 million for Daybreak and SEK 36.5 million for Singularity 6. There is an according to applicable accounting rules not recognized value for EG7s shareholders as of today amounting to SEK 139.2 million, that should be identified in relation to the recognized earnout to the sellers of Daybreak. The net effect between the contingent consideration to the sellers of Daybreak of SEK 159.4 million and the non-recognized value of SEK 139.2 million amount to SEK 20.2 million in payables. For further details see note 7.

During the period the contingency consideration to seller of Piranha was fully written down by SEK 141.5 million following an updated forecast of MechWarrior 5: Clans.

*Current receivables and liabilities*

For current receivables and liabilities, such as accounts receivable and accounts payable, the reported value is considered to be a good approximation of the fair value.

## Note 7 - Related Party Transactions

<i>SEKm</i>		OCT-DEC 2024	OCT-DEC 2023	JAN-DEC 2024	JAN-DEC 2023
<b>Related party</b>	<b>Related party transaction - recognized revenue</b>				
Cold Iron LLC 1)	Toadman's WFH contract regarding Game developing for the client Cold Iron	6.8	11.9	34.8	36.2
<b>Related party</b>	<b>Outstanding liabilities</b>				
Jason Epstein	Contingent consideration related to tax saving benefits 2)	114.5	106.2	114.5	106.2
Ji Ham	Contingent consideration related to tax saving benefits 2)	15.3	14.2	15.3	14.2
<b>Total</b>		<b>129.8</b>	<b>120.4</b>	<b>129.8</b>	<b>120.4</b>
<b>Related party</b>	<b>Outstanding receivables</b>				
Cold Iron LLC 1)	Receivables from Toadman's WFH contract regarding Game developing for the client Cold Iron	8.4	11.1	8.4	11.1
Cold Iron LLC 1)	Daybreak invests in gaming rights, and publish upcoming game from Cold Iron	245.4	116.0	245.4	116.0
<b>Total</b>		<b>253.9</b>	<b>127.1</b>	<b>253.9</b>	<b>127.1</b>

- 1) Cold Iron Studios LLC is owned by Jason Epstein, Chairman of the Board, and Ji Ham, CEO.
- 2) The total estimated remaining amount to the sellers of Daybreak by end of December 2024 amounted to SEK 159.4 million, of which SEK 114.5 million refers to Jason Epstein and SEK 15.3 million to Ji Ham. It refers to acquisition related tax saving benefits from the Daybreak acquisition where the SPA stated that the seller, including Jason Epstein and Ji Ham, and the buyer receive half each from the accumulated tax savings deriving from the acquisition. This amount will be fully settled in 2036 which also means that the tax payments in Daybreak will increase at that point.

The outstanding liability for contingent consideration reflected in the above chart relating to tax saving benefit is a bit misleading in the way that it only reflects a liability and not the corresponding larger tax saving asset that according to IFRS shall not be reflected in the accounting. However, that asset was originally USD 57 million to be netted from any future tax payments over 15 years ending December 31<sup>st</sup> 2036. As of today, that asset amounts to USD 48.2 million or SEK 529.9 million and half of that potential value belongs, over the full period when and if it occurs, according to the original share purchase agreement to the sellers of Daybreak including the related parties listed above. This means that the hidden value for EG7s shareholders as of today at net present value is SEK 139.2 million. Corresponding to half of the asset from the tax savings, after deducting the above mentioned liability to the seller of Daybreak, including the related parties.

For further details on related party transactions, please see the Annual report 2023.

## **Note 8 - Significant Events After the Balance Date**

On January 9, 2025, after the balance date the Board of Directors has initiated the process to wind down the operations in Toadman. The effect of this decision will be fully seen in the second half of 2025, where an annual operating cost reduction of approximately SEK 46.5 million will be recognized. This decision will affect 69 employees and subcontractors, of which approximately 42 will stay engaged in protected projects over a transition period to fulfil the contract's deliverables. This is also expected to have a positive effect on both pre-tax profits and operating cash flows meanwhile having a limited impact on the Group's balance sheet.

On January 10, 2025, EG7 announced the initiation of a business optimization plan at its subsidiary Piranha, which is expected to impact approximately 38 employees at Piranha and will be finalized by Q2. The initiative follows an updated forecast for Piranha's latest project, "Clans," which has performed below projections. The cost-saving measures are expected to result in annual savings of approximately SEK 25.8 million.

# DEFINITIONS

## ALTERNATIVE PERFORMANCE MEASURES

Guidelines regarding alternative performance measures for companies with securities listed on a regulated market within the EU have been issued by ESMA (The European Securities and Markets Authority). The interim report refers to a number of undefined measures in accordance with IFRS that are used to help both investors and management to analyze the company's operations. Because not all companies calculate financial measures in the same way, these are not always comparable with measures used by other companies. These financial measures should therefore not be regarded as compensation for measures defined in accordance with IFRS. Below we describe the various measures not defined in accordance with IFRS that have been used as a complement to the financial information reported in accordance with IFRS and how these measures are used. For reconciliation of alternative key ratios, see Adjustment bridge page 28.

The reason why we use the alternative KPIs listed under Definitions is because they visualize operational performance in such a way that a reasonable investor potentially would consider some or all of them in a decision to trade shares in Enad Global 7 AB.

**Average number of employees:** The average number of employees during the period.

**Cash conversion:** Operational cashflow divided by proforma EBITDA over the last twelve months.

**EBITDA:** Earnings before interest, tax, depreciation and amortization of tangible and intangible non-current assets.

**EBITDA margin (%):** EBITDA as a percentage of Net Revenue

**Adjusted EBITDA:** EBITDA excluding specific items related to historical acquisitions and items affecting comparability, such as extraordinary expenses, contingent consideration, M&A-related costs, and expenses associated with restructuring or workforce adjustments. The adjustments are made for easier comparability between periods, see the Adjustment bridge for a detailed view of non-recurring items.

**Adjusted EBITDA margin (%):** Adjusted EBITDA as a percentage of Net Revenue

**Adjusted EBITDAC:** Adjusted EBITDA less capitalized product development

**Adjusted EBITDAC margin (%):** Adjusted EBITDAC as a percentage of Net Revenue

**EBITA:** Operating profit before depreciation of intangible assets.

**EBITA margin (%):** EBITA as a percentage of Net Revenue.

**Adjusted EBIT:** EBIT adjusted for items considered to be non-recurring and one-time in nature for comparability between periods. Referring to Adjustment bridge for a detailed view of non-recurring items.

**EBIT margin (%):** Operating profit as a percentage of Net Revenue.

**Adjusted Net profit:** Profit after tax for the period adjusted for items considered to be non-recurring and one-time in nature for comparability between periods. Referring to Adjustment bridge for a detailed view of non-recurring items

**Adjusted Earnings per share:** Adjusted net profit for the period divided by the total number of shares outstanding.

**Equity ratio:** Equity as a percentage of total assets.

**Net cash:** Interest-bearing assets and cash and cash equivalents less interest-bearing liabilities.

**Net debt:** Interest-bearing liabilities less interest-bearing assets and cash and cash equivalents.

**Net Revenue growth:** Increase in Net Revenue from the same period the previous year as a percentage.

**Organic growth:** Net Revenue increase from comparable period last year divided by the Net Revenue for the comparable period last year. Including all newly acquired businesses contributing with Revenue last year but excluding newly acquired businesses contributing with Revenues this year.

**Organic growth in local currency:** Organic growth excluding the translation impact of changed currency exchange rates. The current period is recalculated with the average exchange rate for the comparison period.

**Total Leverage:** Cash debt (including remaining purchase consideration in cash and for the avoidance of doubt excluding any remaining purchase considerations to be settled in company shares) divided by proforma EBITDA.

## OTHER DEFINITIONS

**Earnings per share:** Net profit for the period divided by the total number of shares outstanding.

**Operating profit (EBIT):** Earnings before financial items and tax.

**Net profit:** Profit after tax for the period.

**Net Revenue:** Revenue from sales, less discounts and after elimination of any related party transactions.

**Number of shares:** Total number of shares outstanding.

## ALTERNATIVE PERFORMANCE MEASURES

### Adjustment bridge

SEKm	QUARTER		ACCUMULATED	
	OCT-DEC 2024	OCT-DEC 2023	JAN-DEC 2024	JAN-DEC 2023
<b>EBITDA</b>	<b>275.0</b>	<b>99.4</b>	<b>459.0</b>	<b>495.9</b>
Devaluation of deferred purchase consideration*	-146.8	-11.0	-141.1	20.9
Restructuring costs**	0.6	-1.7	23.3	12.3
M&A costs	-0.2	11.4	21.5	7.0
IP sale	0.0	0.0	-37.2	0.0
Non-recurring margin adjustment	0.0	0.0	0.0	6.0
<b>Adjusted EBITDA</b>	<b>128.7</b>	<b>98.2</b>	<b>325.5</b>	<b>542.0</b>
<b>EBIT</b>	<b>-148.4</b>	<b>45.2</b>	<b>-138.8</b>	<b>252.1</b>
Revaluation of deferred purchase consideration*	-146.8	-11.0	-141.1	20.9
Restructuring costs**	0.6	-1.7	23.3	12.3
M&A costs	-0.2	11.4	21.5	7.0
IP sale	0.0	0.0	-37.2	0.0
Non-recurring margin adjustment	0.0	0.0	0.0	6.0
Write-down games***	9.8	0.0	25.0	20.3
Write-down Goodwill and other****	342.3	0.0	348.0	2.9
<b>Adjusted EBIT</b>	<b>57.4</b>	<b>43.9</b>	<b>100.8</b>	<b>321.4</b>
<b>Net profit</b>	<b>-183.5</b>	<b>56.4</b>	<b>-236.4</b>	<b>156.1</b>
Revaluation of deferred purchase consideration*	-146.8	-11.0	-141.1	20.9
Restructuring costs**	0.6	-1.7	23.3	12.3
M&A costs	-0.2	11.4	21.5	7.0
IP sale	0.0	0.0	-37.2	0.0
Non-recurring margin adjustment	0.0	0.0	0.0	6.0
Write-down games***	9.8	0.0	25.0	20.3
Write-down Goodwill and other****	342.3	0.0	348.0	2.9
Tax effect adjustments	-42.4	0.3	-49.4	-14.3
<b>Adjusted net profit</b>	<b>-20.0</b>	<b>55.4</b>	<b>-46.2</b>	<b>211.1</b>
<b>Earnings per share before and after dilution</b>	<b>-2.07</b>	<b>0.64</b>	<b>-2.67</b>	<b>1.76</b>
<b>Adjusted earnings per share</b>	<b>-0.23</b>	<b>0.62</b>	<b>-0.52</b>	<b>2.38</b>

\* Q4 2024 adjustment of contingent liability in Piranha of SEK -141.5 million. Q1 2024 adjustment of contingent liability Daybreak of SEK -5.7 million. Q3 2023 adjustment of contingent liability Piranha of SEK 31.8 million. Q4 2023 adjustment of contingent liability Daybreak of SEK -11.0 million.

\*\*Q2 and Q3 2024 restructuring costs in Toadman and Petrol. Q2 2023 restructuring costs in AntiMatter Games

\*\*\* Q4 2024 write-down of Revenant in Piranha amounted to SEK 9.8 million. Q3 2024 write down remaining games in Toadman. Q3 2023 write down of Power Chord in Big Blue Bubble amounted to SEK 9.8 million. Q2 2023 write down of Minimal Affect in Toadman amounted to SEK 10.5 million.

\*\*\*\* Q4 Write-down of Goodwill in Piranha of SEK 342.3 million.

## Organic growth bridge

<i>SEKm</i>	QUARTER			ACCUMULATED		
	OCT-DEC 2024	OCT-DEC 2023	% $\Delta$	JAN-DEC 2024	JAN-DEC 2023	% $\Delta$
Net Revenue	512.9	473.1	8.4%	1,713.0	2,045.0	-16.2
Singularity 6 acquisition	-18.3			-45.8		
Organic Revenue	494.6	473.1	4.5%	1,667.2	2,045.0	-18.5%
FX effect	-2.7			5.5		
Organic Revenue FX adjusted	491.9	473.1	4.0%	1,672.7	2,045.0	-18.2%

## Financing

<i>SEKm</i>	31 DEC	
	2024	2023
Total debt	-2.5	-3.5
Cash and cash equivalents	321.5	480.9
<b>Net cash</b>	<b>319.0</b>	<b>477.5</b>

The net cash by the end of the quarter amounted to SEK 319.0 million consisting of a cash balance of SEK 321.5 million and a financial debt of SEK 2.5 million.

## Segment performance data

SEKm	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2024 Full year	2023 Full year
<b>NET REVENUE</b>										
Daybreak	198.5	212.3	167.1	188.5	181.8	181.3	189.6	200.6	766.4	753.4
Big Blue Bubble	81.0	83.9	75.4	68.7	85.8	123.4	144.4	218.3	309.0	571.9
Piranha	70.0	15.7	22.7	21.0	30.2	27.8	24.5	50.5	129.4	133.0
Toadman	7.0	8.8	11.6	16.8	18.5	14.3	10.8	5.5	44.2	49.1
Petrol	32.7	35.3	37.9	40.5	50.0	50.9	35.6	49.1	146.3	185.6
Fireshine Games	123.7	109.7	38.0	46.2	106.9	119.6	78.0	47.6	317.6	352.1
<b>GROUP TOTAL</b>	<b>512.9</b>	<b>465.7</b>	<b>352.7</b>	<b>381.7</b>	<b>473.1</b>	<b>517.3</b>	<b>482.9</b>	<b>571.7</b>	<b>1,713.0</b>	<b>2,045.0</b>
<b>NET REVENUE GROWTH YoY (%)</b>										
Daybreak	9%	17%	-12%	-6%	-9%	-16%	-7%	-5%	2%	-9%
Big Blue Bubble	-5%	-32%	-48%	-69%	-56%	157%	234%	734%	-46%	84%
Piranha	132%	-43%	-7%	-58%	19%	11%	7%	212%	-3%	49%
Toadman	-62%	-38%	7%	205%	227%	162%	1108%	381%	-10%	273%
Petrol	-35%	-31%	6%	-17%	-15%	-23%	-29%	-9%	-21%	-19%
Fireshine Games	16%	-8%	-51%	-3%	38%	43%	-45%	-47%	-10%	-11%
<b>GROUP TOTAL</b>	<b>8%</b>	<b>-10%</b>	<b>-27%</b>	<b>-33%</b>	<b>-15%</b>	<b>16%</b>	<b>4%</b>	<b>43%</b>	<b>-16%</b>	<b>10%</b>
<b>NET REVENUE ORGANIC YoY (%)</b>										
Daybreak	-1%	2%	-12%	-6%	-9%	-16%	-7%	-7%*	-4%	1%*
Big Blue Bubble	-5%	-32%	-48%	-69%	-56%	157%	234%	734%	-46%	84%
Piranha	132%	-43%	-7%	-58%	19%	11%	7%	212%	-3%	49%
Toadman	-62%	-38%	7%	205%	227%	162%	1108%	381%	-10%	273%
Petrol	-35%	-31%	6%	-17%	-15%	-23%	-29%	-9%	-21%	-19%
Fireshine Games	16%	-8%	-51%	-3%	38%	43%	-45%	-47%	-10%	-11%
<b>GROUP TOTAL</b>	<b>-15%</b>	<b>-15%</b>	<b>-27%</b>	<b>-33%</b>	<b>-15%</b>	<b>16%</b>	<b>4%</b>	<b>41%*</b>	<b>-18%</b>	<b>15%*</b>
<b>ORGANIC FX ADJUSTED GROWTH YoY (%)</b>										
Daybreak	-1%	6%	-13%	-6%	-8%	-17%	-13%	-17%*	-4%	-14%*
Big Blue Bubble	-4%	-29%	-48%	-69%	-54%	162%	237%	687%	-45%	82%*
Piranha	136%	-39%	-7%	-58%	20%	12%	10%	195%	-1%	47%*
Toadman	-62%	-38%	7%	205%	227%	162%	1107%	381%	-10%	273%
Petrol	-35%	-28%	5%	-17%	-15%	-25%	-33%	-18%	-21%	-23%
Fireshine Games	12%	-9%	-52%	-7%	31%	32%	-48%	-48%	-12%	-16%
<b>GROUP TOTAL</b>	<b>4%</b>	<b>-13%</b>	<b>-28%</b>	<b>-33%</b>	<b>-16%</b>	<b>14%</b>	<b>1%</b>	<b>31%*</b>	<b>-18%</b>	<b>6%*</b>
<b>ADJ EBITDA</b>										
Daybreak	26.5	52.1	12.3	42.1	29.1	34.3	47.8	51.6	133.1	162.9
Big Blue Bubble	49.3	42.0	37.3	38.2	49.3	87.9	85.8	133.1	166.8	356.1
Piranha	31.9	2.7	7.9	3.4	11.2	8.4	6.0	23.4	45.9	49.0
Toadman & AMG	-1.9	-2.3	-8.5	-6.1	-4.7	-2.4	-12.2	-13.7	-18.8	-33.0
Petrol	-5.4	0.3	-0.5	-6.4	2.7	1.9	-8.8	6.0	-12.1	1.9
Fireshine Games	34.9	15.9	-1.8	0.5	11.4	18.9	3.3	1.7	49.4	35.4
Holding	-6.6	-9.2	-13.2	-10.0	-0.9	-8.3	-8.6	-12.4	-39.1	-30.2
<b>GROUP TOTAL</b>	<b>128.7</b>	<b>101.5</b>	<b>33.4</b>	<b>61.7</b>	<b>98.2</b>	<b>140.7</b>	<b>113.3</b>	<b>189.8</b>	<b>325.3</b>	<b>542.0</b>
<b>ADJ EBITDA MARGIN (%)</b>										
Daybreak	13%	25%	7%	22%	16%	19%	25%	26%	17%	22%
Big Blue Bubble	61%	50%	49%	56%	57%	71%	59%	61%	54%	62%
Piranha	46%	17%	35%	16%	37%	30%	25%	46%	35%	37%
Toadman & AMG	-28%	-26%	-73%	-36%	-25%	-17%	-113%	-248%	-42%	-67%
Petrol	-17%	1%	-1%	5%	5%	4%	-25%	12%	-8%	1%
Fireshine Games	28%	15%	-5%	1%	11%	16%	4%	4%	16%	10%
<b>GROUP TOTAL</b>	<b>25%</b>	<b>22%</b>	<b>9%</b>	<b>16%</b>	<b>21%</b>	<b>27%</b>	<b>23%</b>	<b>33%</b>	<b>19%</b>	<b>27%</b>
<b>ADJ EBIT</b>										
Daybreak	-15.2	9.8	-23.3	8.4	-7.3	-2.6	12.1	16.5	-20.2	18.7
Big Blue Bubble	46.9	39.9	35.2	36.3	46.2	81.6	76.3	127.3	158.4	331.4
Piranha	18.3	1.2	6.4	2.3	8.3	6.0	2.1	17.8	28.3	34.2
Toadman & AMG	-2.5	-3.9	-9.9	-7.6	-6.2	-1.0	-13.2	-14.5	-23.8	-35.0
Petrol	-7.3	-1.6	-2.5	-8.4	0.6	-0.2	-10.5	4.1	-19.9	-6.1
Fireshine Games	24.2	8.2	-8.4	-5.6	4.3	4.1	2.9	1.3	18.3	12.6
Holding	-7.0	-9.6	-13.6	-10.4	-1.8	-9.4	-9.7	-13.5	-40.4	-34.5
<b>GROUP TOTAL</b>	<b>57.4</b>	<b>44.1</b>	<b>-16.1</b>	<b>15.2</b>	<b>43.9</b>	<b>78.4</b>	<b>60.0</b>	<b>139.0</b>	<b>100.8</b>	<b>321.4</b>
<b>ADJ EBIT MARGIN (%)</b>										
Daybreak	-8%	5%	-14%	4%	-4%	-1%	6%	8%	-3%	2%
Big Blue Bubble	58%	48%	47%	53%	54%	66%	53%	58%	51%	58%
Piranha	26%	8%	28%	11%	27%	21%	9%	35%	22%	26%
Toadman & AMG	-36%	-44%	-85%	-45%	-34%	-7%	-123%	-264%	-54%	-71%
Petrol	-22%	-5%	-7%	-21%	1%	0%	-30%	8%	-14%	-3%
Fireshine Games	20%	7%	-22%	-12%	4%	3%	4%	3%	6%	4%
<b>GROUP TOTAL</b>	<b>11%</b>	<b>9%</b>	<b>-5%</b>	<b>4%</b>	<b>9%</b>	<b>15%</b>	<b>12%</b>	<b>24%</b>	<b>6%</b>	<b>16%</b>
<b>Employees last day of the period</b>										
Daybreak	307	300	263	262	264	264	261	260	307	264
Big Blue Bubble	75	75	79	76	73	71	74	70	75	73
Piranha	94	106	111	109	111	101	94	81	94	111
Toadman	48	64	111	121	119	119	114	56	48	119
AMG	0	0	0	0	0	0	38	42	0	0
Petrol	67	67	69	78	75	79	79	84	67	75
Fireshine Games	38	38	39	34	31	30	30	31	38	31
Holding	7	8	9	8	8	8	9	9	7	8
<b>GROUP TOTAL</b>	<b>636</b>	<b>657</b>	<b>680</b>	<b>688</b>	<b>681</b>	<b>672</b>	<b>699</b>	<b>633</b>	<b>636</b>	<b>681</b>

\*Proforma



**FOR MORE INFORMATION, PLEASE CONTACT:**

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**EG7 IN SHORT**

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 approximately 500 game developers and develops its own original IPs, as well as acts as consultant 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 leading global brands such as Call of Duty, Destiny and Elden Ring. The Group's publishing and distribution department Firespine Games hold expertise in both physical and digital publishing. EG7 is headquartered in Stockholm with approximately 546 employees in 12 offices worldwide.

Nasdaq Stockholm, Ticker Symbol: EG7

**AUDITING**

This report has not been subject to review by the company's auditor.

**NEXT REPORT**

The next financial report will be published:

Annual Report 2024: April 24, 2025  
Interim report Q1 2025: May 15, 2025  
Interim report Q2 2025: August 15, 2025  
Interim report Q3 2025: November 11, 2025  
Interim report Q4 2025: February 17, 2026

Annual General Meeting is scheduled for:  
June 11, 2025

**IMPORTANT INFORMATION**

This information is information that Enad Global 7 AB (publ) 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 below at 7:00am CET on February 7, 2025.

# THE BOARD'S DECLARATION

The Board of Directors and CEO ensure that this interim report gives a true and fair view of the company's operations and financial position.

Stockholm, February 7, 2025

<b>Ji Ham</b>	<b>Jason Epstein</b>	<b>Ben Braun</b>	<b>Ebba Ljungerud</b>	<b>Gunnar Lind</b>	<b>Marie-Louise Gefwert</b>	<b>Ron Moravek</b>
<i>Chief Executive Officer/Member of the Board</i>	<i>Chairman of the board</i>	<i>Member of the board</i>	<i>Member of the board</i>	<i>Member of the board</i>	<i>Member of the board</i>	<i>Member of the board</i>