

ENAD GLOBAL 7 AB (PUBL)

INTERIM REPORT

APR - JUN 2024

INTERIM REPORT - APR-JUN 2024

SUMMARY COMMENTS

EG7 delivered Net Revenue of SEK 352.7 (482.9) million, EBITDA of SEK 23.6 (92.3) million and Adjusted EBITDA of SEK 33.4 (113.3) million for the second quarter, corresponding to an Adjusted EBITDA margin of 9.5 (23.5) percent. The results are reflective of a quarter with no major content or product releases and where My Singing Monsters is delivering on its new normalized level.

During the period and in July, the group implemented comprehensive cost-saving and business optimization efforts to improve performance. The total expected annual cost-savings from the efforts amount to SEK 103 million. The largest adjustments were made to the underperforming business units to achieve profitability. As a result of these efforts, the downward pressure on the group's margins will be reduced going forward.

On July 2, 2024, Daybreak acquired 100 percent of Singularity 6 (S6). S6 is the developer behind Palia, an online multiplayer life simulation game currently available in open beta on Nintendo Switch and PC. Along with the transaction, Daybreak will be investing in the remaining development needs for Palia's release on the latest generation consoles and is aiming to bring the game to a broader audience globally with a wider release in 2025.

The market weakness over the last few quarters has been putting pressure on our service-focused businesses. However, with the recent cost-saving efforts and a number of larger product releases slated for the latter part of Q3 and Q4, we reiterate our full-year guidance of SEK 1.8 billion in Net Revenue with an Adjusted EBITDA margin at the lower end of the 22-25 percent range. However, we expect continuing market challenges for the next few quarters, increasing short-term risk profile even if we are making progress against long-term targets with positive steps such as the acquisition of S6.

HIGHLIGHTS FOR THE QUARTER

- Net Revenue of SEK 352.7 (482.9) million, representing an FX-adjusted decline of 27.8 percent.
- EBITDA of SEK 23.6 (92.3) million and Adjusted EBITDA of SEK 33.4 (113.3) million.
- EBIT of SEK -25.9 (25.1) million and Adjusted EBIT of SEK -16.1 (60.0) million.
- Profit before tax of SEK -33.4 (15.5) million.
- Earnings per share of SEK -0.44 (0.02). Adjusted earnings per share of SEK -0.35 (0.33).
- Cash flows from operations of SEK -23.2 (53.8) million.
- Cash balance of SEK 316.6 million with no material bank debt.
- On June 17th, EG7 changed its listing venue to Nasdaq Stockholm Main List from First North.

KEY METRICS

SEKm, except per share data	QUARTER		ACCUMULATED		FULL YEAR
	APR-JUN 2024	APR-JUN 2023	JAN-JUN 2024	JAN-JUN 2023	JAN-DEC 2023
Net Revenue	352.7	482.9	734.4	1,054.6	2,045.0
Growth	-27.0%	4.3%	-30.4%	22.3%	9.6%
Organic FX adj. growth*	-27.8%	0.8%	-30.8%	14.9%	5.5%
EBITDA*	23.6	92.3	110.2	281.9	495.9
Adjusted EBITDA*	33.4	113.3	95.2	303.1	542.0
Adjusted EBITDA margin, %*	9.5%	23.5%	13.0%	28.7%	26.5%
EBIT	-25.9	25.1	14.2	163.8	252.1
Adjusted EBIT*	-16.1	60.0	-0.9	199.0	321.4
Adjusted EBIT margin, %*	-4.6%	12.4%	-0.1%	18.9%	15.7%
Profit before tax	-33.4	15.5	0.8	144.6	216.0
Net profit	-38.8	1.5	-23.7	89.7	156.1
EPS before and after dilution	-0.44	0.02	-0.27	1.01	1.76
Adjusted EPS*	-0.35	0.33	-0.40	1.33	2.38
Adjusted EPS, excl. M&A related amortizations*	-0.08	0.62	0.12	1.90	3.54

* For definitions, see section "Definitions of alternative performance measures" on page 27

COMMENTS FROM THE CEO



Ji Ham, CEO

A quiet quarter

For the period, EG7 generated Net Revenue of SEK 352.7 (482.9) million, EBITDA of SEK 23.6 (92.3) million and Adjusted EBITDA of SEK 33.4 (113.3) million, representing an Adjusted EBITDA margin of 9.5 (23.5) percent. The second quarter typically being the Group's seasonal low. The softer comparative results for the quarter are reflective of the combination of a backend-weighted product release calendar for the year, and MSMs elevated performance last year. Operating cash flow came in at SEK -23.2 (53.8) million. The quieter quarter together with Big Blue Bubble's elevated performance last year are the main reason for the large difference in the year-over-year performance comparison.

Optimizing the business

Management executed against several business optimization measures to improve performance and to ensure that all business units operate in a financially sound way. These measures combined are expected to generate total annual savings of SEK 103 million. All business units are contributing to the cost-saving plan, with the largest adjustments occurring in Toadman, which can operate at profitability going forward. The annual cost savings for Toadman is approximately SEK 63 million and will affect approximately 100 full time and contract resources previously engaged with Toadman. Additionally, the adjustments made at Big Blue Bubble, Daybreak, Fireshine, Petrol and Piranha, on a combined basis, is expected to contribute approximately SEK 39 million in annual savings going forward.

Adding to our core

The industry challenges continued throughout the period, with thousands of job losses and year-over-year sales declines affecting many peers. EG7 remains well-positioned to weather such market swings through its strong balance sheet and robust underlying cash flows. Even if the operational cashflow was weaker this quarter, management is confident that it will get back on track.

Having a solid balance sheet and stable financial performance in the current market situation could provide the group with compelling strategic opportunities. As a result, management is favoring allocation of its available capital towards investments with an attractive risk-reward profile and a potential to significantly contribute to the company's long-term growth and cash generation. Based on this we have been monitoring and will continue to evaluate the market for attractive transactions.

On July 2, 2024, we announced the acquisition of Singularity 6 (S6). This deal fits into both being opportunistic and at the same time being a great fit for our long-term strategic portfolio of assets. S6 is the studio behind Palia, a cozy community/life simulation game currently available in open beta on Nintendo Switch and PC. Daybreak will be investing to complete the game for latest generation console releases next year. With this transaction, EG7 was able to successfully leverage Daybreak's transaction expertise in special situations and the team's extensive live games experience. The purchase price consisted of USD 5 million in initial purchase price and contingent consideration based on performance for the first five years after close. EG7 has full recoupment right for its investment prior to payment of any contingent consideration. EG7 has budgeted up to USD 10 million to be invested in Palia to further improve the game for a successful release on latest generation consoles in 2025.

Making progress against our long-term goals

Despite the sector volatility, we remain focused and on track with our long-term plan. The addition of S6 further strengthens our confidence in our strategic approach to become a leading middle-market publisher with SEK 3 billion in Net Revenues and SEK 1 billion in Adjusted EBITDA by 2026.

BUSINESS OVERVIEW

Singularity 6 acquisition

EG7 acquired 100 percent of Singularity 6 (S6) on July 2, 2024. Based in Los Angeles, S6 is the developer behind Palia, an online multiplayer community/life simulation game currently available in open beta on PC and Nintendo Switch. S6 team is comprised of around 40 highly talented developers with extensive AAA experience. From closing on July 2nd to the end of July, S6 generated Net Revenue of SEK 9.1 million. If S6 had been acquired before January 1st, 2024, it would have contributed SEK 49.1 million to the group's YTD Net Revenue through the end of July. Subject to the game performance and the level of capitalized costs for latest generation development efforts, management expect S6 to operate at breakeven or slightly positive EBITDA level for the remainder of the year and to turn cashflow positive during 2025. The game has seen continuing improvement to its performance during the open beta. The current revenue and profitability levels are reflective of its open beta status and we expect increased revenue and profitability upon its full commercial release in 2025. With an additional investment of up to USD 10 million from EG7, the plan is to complete the development of the release version for the latest generation consoles and commercially release the title out of open beta in 2025.

The consideration for the transaction included an initial cash consideration of USD 5 million and a performance based contingent consideration over the first five years post closing. For the earnout, the sellers will be entitled to fifty percent of S6's net cash flows over the five year period after EG7 first recoups 100 percent of its investment in S6, including the initial cash consideration. Included in the deal, S6's team is entitled to a performance-based incentive, based on Palia's performance over the five-year-term.

A leading global live service game developer and operator

Combining Daybreak, Big Blue Bubble and Piranha titles, EG7 currently operates 11 live service games. This diversified and long-life cycle live games 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 Q2 amounted to SEK 261.2 million, corresponding to 74.1 percent of Net Revenue for the Group.

Iconic world-class brands

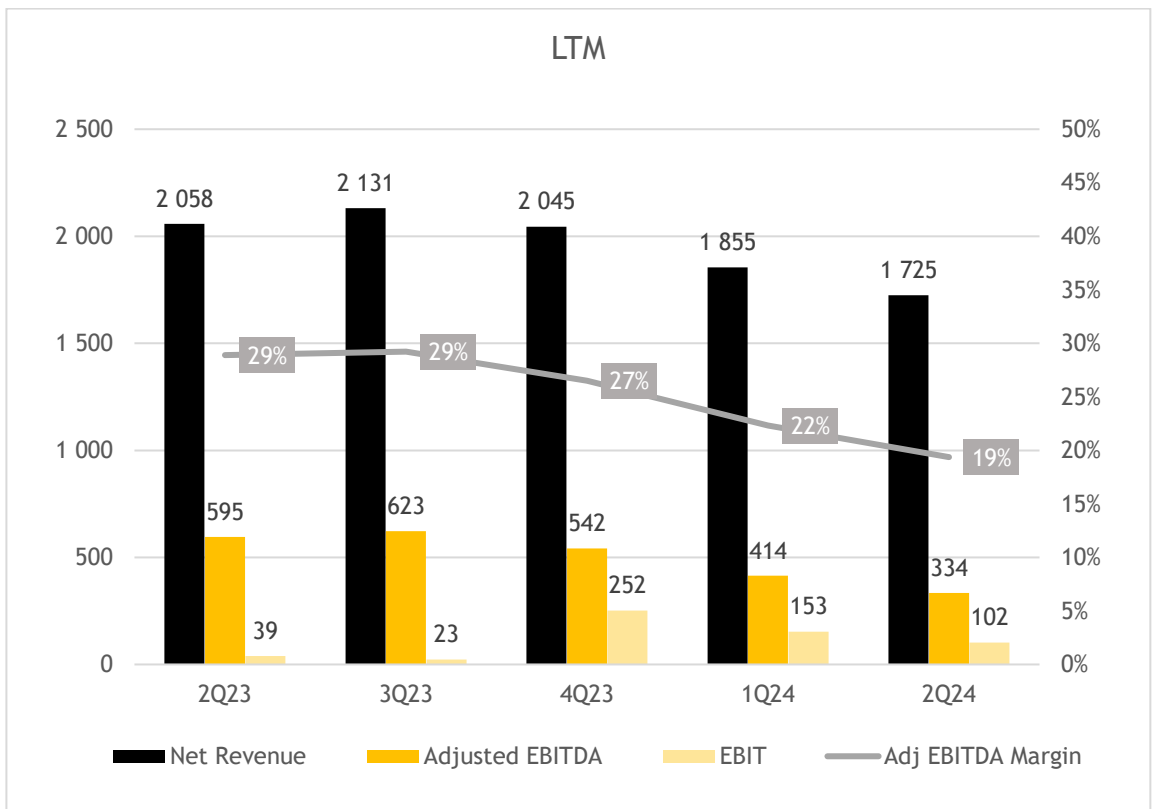
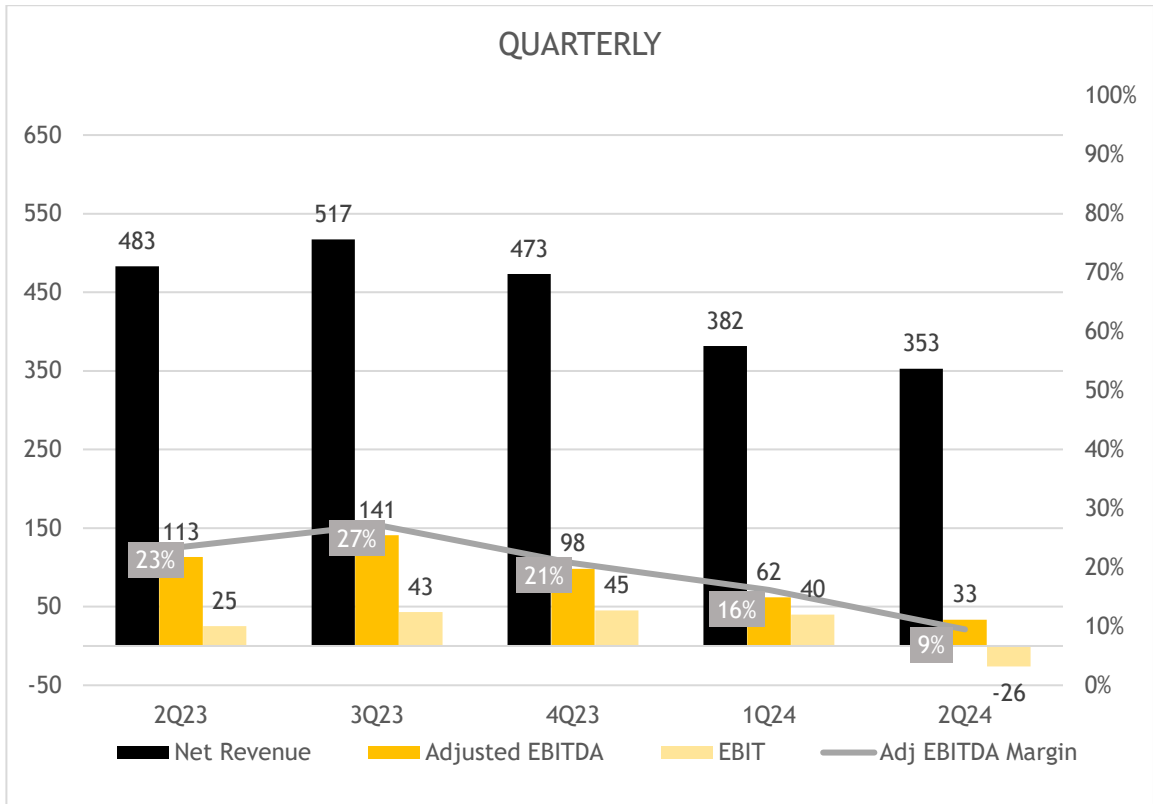
EG7 is home to some of the most iconic IPs, both first- and third-party brands. First-party brands are IPs exclusively owned and managed by EG7, while third-party brands are owned by external parties, with EG7 entrusted to develop and operate games based on these IPs.

- 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.
- 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.

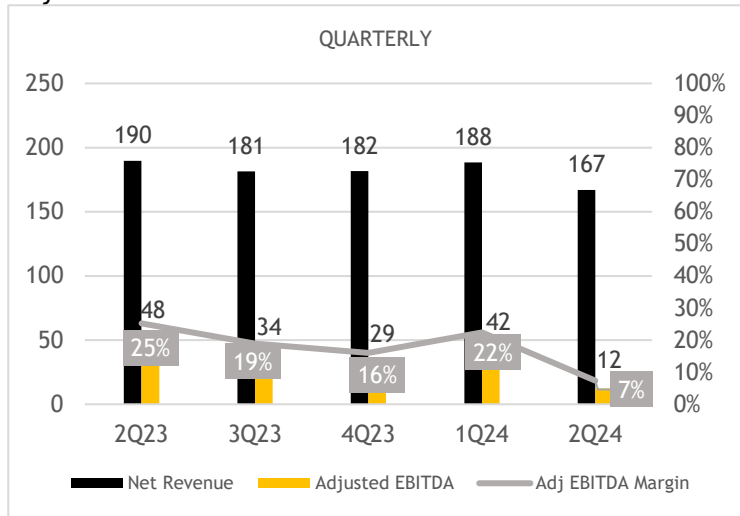
Net Revenue, Adjusted EBITDA, and EBIT

SEKm

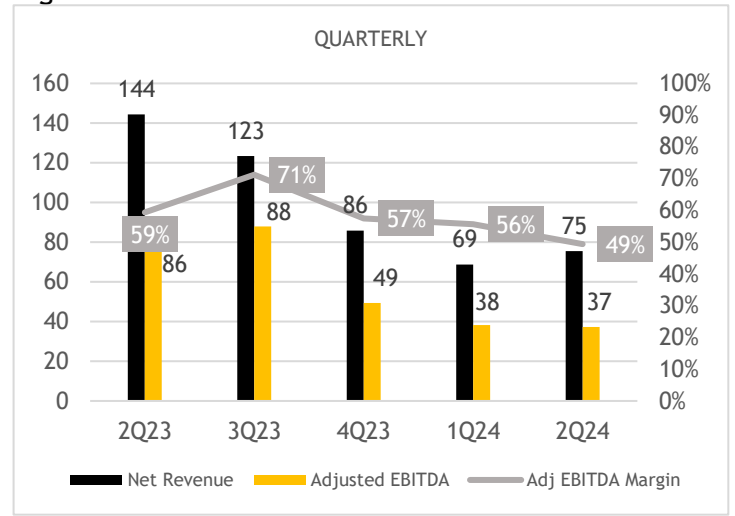


SUMMARY BY SEGMENT

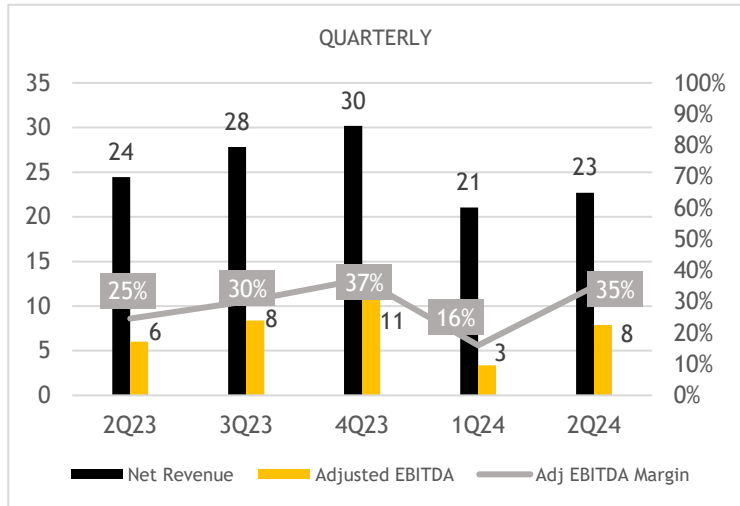
Daybreak



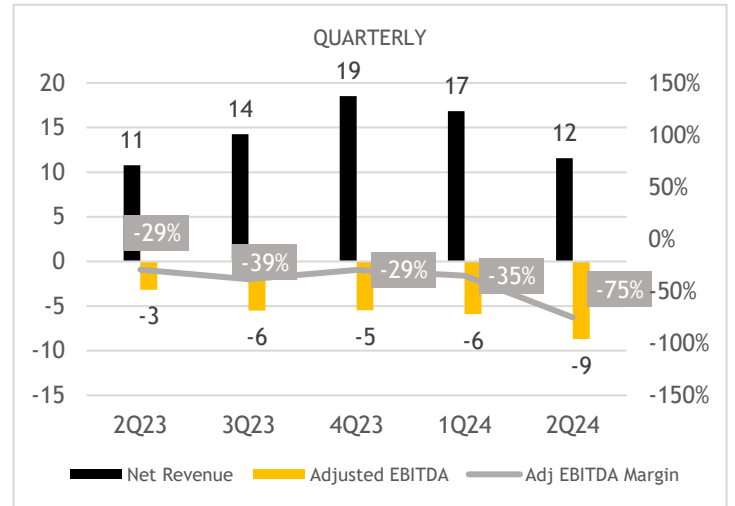
Big Blue Bubble



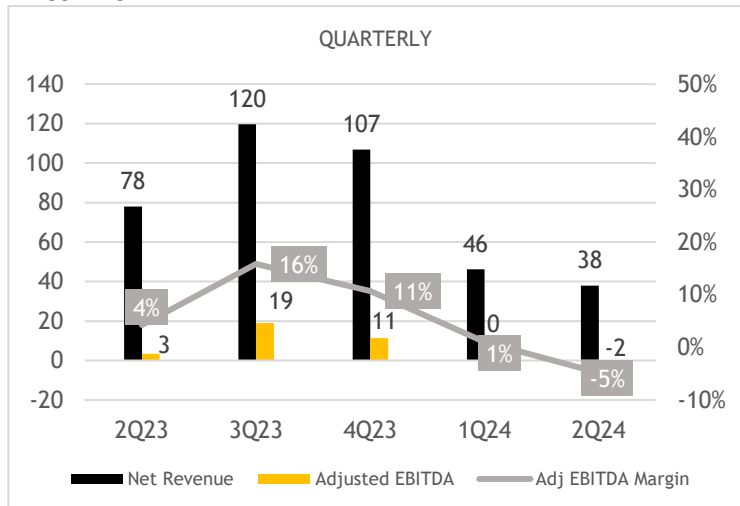
Piranha



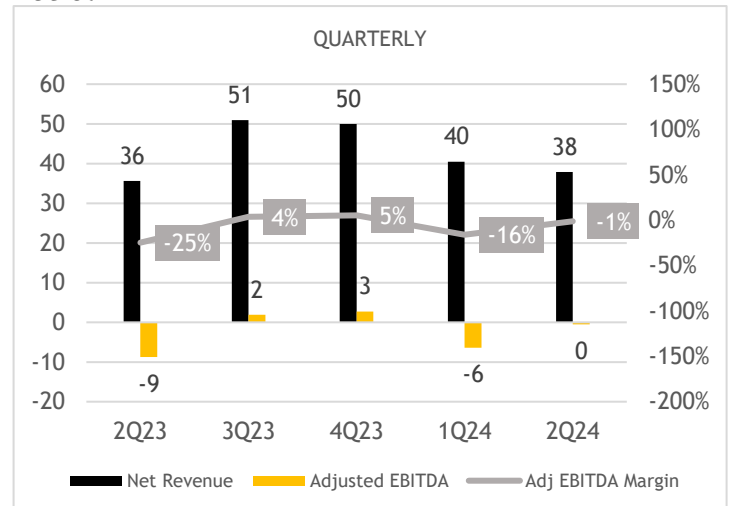
Toadman



Fireshine



Petrol



DAYBREAK

For Q2, Daybreak contributed Net Revenue of SEK 167.1 (189.6) million, down 11.2 percent from the prior year, and Adjusted EBITDA of SEK 12.3 (47.8) million. Adjusted EBITDA margin amounted to 7.4 (25.2) percent. Net Revenue and margins for the period are not fully reflecting the second quarter performance for Daybreak as the biggest Net Revenue events occurred near the end of the quarter, resulting in an atypical revenue rollover/deferral into Q3 amounting to SEK 13.0 million. Putting aside the impact from the revenue recognition timing, the performance for the quarter still came in short of expectations with DCUO, DDO, and PS2 underperforming. DCUO's new Episode 47: Brainiac Returns did not reach the anticipated level of player engagement. DDO saw an uptick with the new expansion in June, but not enough to offset the slower start for the period. After the sale of the IP and transition of the servicing to Toadman, PS2 has performed at a lower level. We expect PS2 to normalize at the current lower level with Toadman still getting up to speed on content development and live operations for the game. On the other hand, EverQuest's anniversary year continues to perform well with the latest edition of the Time-locked Progression server surpassing expectations.

On July 2, 2024, Daybreak entered into an agreement to acquire 100 percent of Singularity 6 Corporation for an initial purchase price of USD 5 million plus contingent consideration based on S6's performance over the first five years of closing. Prior to any contingent consideration payment, Daybreak has full recoupment right on all of its investment. Daybreak has budgeted up to USD 10 million to be invested into Palia, with a wider launch of the game across PC and latest generation console targeted for 2025. At the same time the collaboration with Cold Iron is proceeding according to plan.

BIG BLUE BUBBLE

Big Blue Bubble delivered Net Revenue of SEK 75.4 (144.4) million, corresponding to a 47.8 percent decline compared to the boosted quarter last year. Adjusted EBITDA amounted to SEK 37.3 (85.8) million, representing 49.4 percent margin. The decline is reflective of the unfavorable comparison against the peak of MSM's viral uptick that was seen until Q3 last year. While lower compared to the peak, BBB is performing at levels significantly higher than before the viral uptick, with Q2 2024 Net Revenue 74.5 percent higher than Q2 2022 Net Revenue of SEK 43.2 million. During the Easter Campaign MSM saw strong player engagement. As communicated in the Q1 earnings report MSMs revenue is now back to a pre-peak pattern, but at an elevated level.

PIRANHA

Net Revenue for the quarter came in at SEK 22.7 (24.5) million, representing 7.2 percent decline. Adjusted EBITDA amounted to SEK 7.9 (6.0) million, representing 34.8 percent margin. The second quarter is defined by strong focus on finalizing MechWarrior 5: Clans. The project proceeds according to plans with a scheduled release across PC and Console on 3 October.

TOADMAN

Toadman's Net Revenue came in at SEK 11.6 (10.8) million, representing 7.5 percent organic growth year-over-year, Adjusted EBITDA came in at SEK -8.7 (-3.2) million for the period. With the market slowdown and recalibration that the industry has seen over the past quarters Toadman has struggled to ramp up its WFH business. As a result, management have decided to undertake further business optimization efforts to bring Toadman to immediate profitability. The total annual cost savings for Toadman is approximately SEK 63 million and will impact approximately 100 headcounts previously engage with Toadman. On the product side Toadman released EvilEvil on July 16, and received a lackluster reception and sales figures came in at the lower end of expectations.

FIRESHINE

Fireshines Net Revenue came in at SEK 38.0 (78.0) million, representing 51.3 percent decline year-over-year. Adjusted EBITDA came in at SEK -1.8 (3.3) million, resulting in a -4.8 percent margin. Fireshine's 2024 pipeline is weighted towards the second half of the year as previously communicated, with several launches scheduled for late Q3 and Q4. 2 new games from its pipeline will be announced at Gamescom, later this August. Additionally, Core Keeper on console will be presented for the first time, leading up to its full launch across PC and console on August 27.

PETROL

For Q2, Petrol's Net Revenue came in at SEK 37.9 (35.6) million, representing a 6.4 percent decline year-over-year. Adjusted EBITDA was SEK -0.5 (-8.8) million. The market weakness experienced over the last year has significantly impacted Petrol's performance. However, due to new cost-saving efforts, the company's performance began to improve towards the end of the period. Petrol is now anticipated to return to more normalized margins by the end of the year, with Adjusted EBITDA margin expected to stabilize around 10 percent in the 2025-26 period as the industry normalizes.

FINANCIAL OVERVIEW

Net Revenue and Operating Profit

SEKm	QUARTER			ACCUMULATED			FULL YEAR
	APR-JUN 2024	APR-JUN 2023	% CHG	JAN-JUN 2024	JAN-JUN 2023	% CHG	JAN-DEC 2023
Net Revenue	352.7	482.9	-27.0%	734.4	1 054.6	-30.4%	2,045.0
Adjusted EBITDA*	33.4	113.3	-70.5%	95.2	303.1	-68.6%	542.0
EBITDA*	23.6	92.3	-74.4%	110.2	281.9	-60.9%	495.9
Adjusted EBIT*	-16.1	60.0	-126.8%	-0.9	199.0	-100.5%	321.4
EBIT	-25.9	25.1	-203.3%	14.2	163.8	-91.4%	252.1
<i>% Margins</i>							
Adjusted EBITDA margin*	9.5%	23.5%		13.0%	28.7%		26.5%
EBITDA margin*	6.7%	19.1%		15.0%	26.7%		24.2%
Adjusted EBIT margin*	-4.6%	12.4%		-0.1%	18.9%		15.7%
EBIT margin	-7.3%	5.2%		1.9%	15.5%		12.3%

* For definitions, see section "Definitions of alternative performance measures" on page 27

Net Revenue in Q2 2024 came in at SEK 352.7 (482.9) million, representing a decline of -27.0 percent year-over-year. Adjusted EBITDA and Adjusted EBIT were SEK 33.4 (113.3) million and SEK -16.1 (60.0) million for the quarter, representing 9.5 percent and -4.6 percent margins respectively. The adjustment for non-recurring items affecting EBITDA in the second quarter was SEK 9.8 (21.0) million, SEK 4.6 million due to the acquisition of Singularity 6 and SEK 5.2 million in connection with the restructuring of Petrol and Toadman.

Cash flow in short

SEKm	QUARTER		ACCUMULATED		FULL YEAR
	APR-JUN 2024	APR-JUN 2023	JAN-JUN 2024	JAN-JUN 2023	JAN-DEC 2023
Operating profit (EBIT) from continuing operations	-25.9	25.1	14.2	163.8	252.1
Adjustment for non-cash flow items	55.2	92.6	62.5	144.4	271.4
Financial net	0.2	-9.7	10.5	-11.2	-16.8
Taxes paid	-30.1	-9.4	-99.2	-40.4	-65.0
Operating cash flows before balance sheet cash flow impact	-0.6	98.5	-11.9	256.7	441.6
Change in net working capital	-22.6	-44.8	-25.5	-32.3	-3.8
Cash flow from operations	-23.2	53.8	-37.4	224.4	437.8
Cash flow from investment activities	-97.6	-67.7	-90.2	-85.3	-231.5
Cash flow from financing activities	-26.3	-6.7	-52.0	-113.3	-126.0
Cash and cash equivalents, start of period	466.8	452.9	480.9	407.8	407.8
Cash flow for the period	-147.1	-20.7	-179.6	25.8	80.3
Exchange rate differences	-3.1	21.7	15.3	20.4	-7.2
Cash and cash equivalents, end of period	316.6	454.0	316.6	454.0	480.9

For Q2 2024, EG7 had Net cash outflow of SEK -147.1 (-20.7) million. Cash flow from operating activities was SEK -23.2 (53.8) million. This include a SEK 19.2 million tax payment in BBB which is preliminary and based on last years performance. Cash flow from Investment activities were affected by SEK -18.5 million in earnout payment to the sellers of Daybreak. Investment activities also consist of SEK -22.4 million of capitalized development expenses for MechWarrior 5: Clans, SEK -19.8 million for Fireshine publishing deals and SEK -30.9 million for Cold Iron publishing in Daybreak. Cash flow from Financing activities were impacted by a dividend payment of SEK -19.5 million. The foreign exchange rate fluctuations in liquid funds resulted in SEK -3.1 million. Overall, the Group continues to have a strong liquidity, with SEK 316.6 million of cash and cash equivalents available as of the end of Q2 2024.

OTHER INFORMATION

The Share and Shareholders

SHAREHOLDER (30-06-2024)	No. of Shares	Capital %
Jason Epstein	8 582 320	9,69%
Settecento LTD	6 955 663	7,85%
Alta Fox Capital	5 347 681	6,04%
Defa Endeavour AS	4 533 605	5,12%
Avanza Pension	4 016 180	4,53%
Chelverton Asset Management	3 312 705	3,74%
Aguja Capital GmbH	3 157 432	3,56%
Johan Svensson	3 013 810	3,40%
Forthmoore Limited	2 919 526	3,30%
Rasmus Davidsson	2 872 743	3,24%
Alexander Albedj	2 692 105	3,04%
Nordnet Pensionsförsäkring	2 040 869	2,30%
Ji Ham	2 018 472	2,28%
Alan Hunter	1 635 680	1,85%
James Cato	1 507 162	1,70%
Other shareholders	33 997 573	38,37%
Total	88,603,526	100,00%

EG7 stock is listed on Nasdaq Stockholm with the ticker symbol 'EG7.' As of June 30, 2024, the total number of shares outstanding was 88,603,526 and the closing share price was SEK 13.76 per share.

Related Party Transactions

- During the period Toadman have delivered SEK 8.9 million in WFH - game development to Cold Iron LLC, this has been added to the outstanding receivables of SEK 13.5 million.
- EG7 has made a total investment of SEK 173.8 million in Cold Iron LLC's new game, where SEK 30.9 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

Project	Investment			Book value	Remaining investment (after 2024)	Game Release
	2023	2024	Total			
<i>SEKm</i>						
*MW5 Clans	42,7	55,7	108,8	91,1	0,0	2024
*MW DLCs	0,0	18,0	65,6	0,0	47,6	2025
*Cold Iron	122,6	108,4	250,4	173,8	19,5	2025
*H1Z1	2,1	11,5	265,3	0,0	251,7	2026
**Palia		106,1	137,9	0,0	31,8	2025
Live game portfolio	13,1	2,7		21,5		-
Fireshine portfolio	56,8	55,1				-
Total	244,8	357,5	918,5	293,2	351,5	

*Investment in new growth initiatives for 2023-24 amount to SEK 376.7 million

**Palias investment figure includes the acquisition price of SEK 53.1 million

- MW5 Clans - The development is proceeding according to plan and budget, and the game release is planned for 3 October 2024.
- MW5 Clans DLCs -After the release of MechWarrior:5 Clans the team will develop and ship additional DLCs.
- Cold Iron - The development is proceeding according to plan and budget, and the game is planned for release mid-2025.
- H1Z1 - Currently in pre-production phase, Daybreak is aiming to enter the production phase for the title in the later part of 2024.
- Palia - Was acquired together with the studio S6 on 2 July 2024, the game is available on Open Beta for PC and Nintendo Switch, a full launch of the game is slated across PC and all consoles during 2025.

Shareholder Capital return

Shareholders approved a dividend of SEK 39.9 million for 2023 at the EGM in December, corresponding to SEK 0.45 per share to be distributed quarterly in two equal installments during the first half of 2024. SEK 0.23 was paid on 6 March 2024, and the second instalment of SEK 0.22 was paid on 7 June 2024, a dividend of SEK 19,5 million.

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		FULL YEAR
			APR-JUN 2024	APR-JUN 2023	JAN-JUN 2024	JAN-JUN 2023	JAN-DEC 2023
Net Revenue		2,3	352.7	482.9	734.4	1,054.6	2,045.0
Other Revenue			6.1	14.3	51.2	17.5	42.5
			358.8	497.2	785.6	1,072.1	2,087.5
Own work capitalized			23.6	23.3	42.3	44.9	85.6
<i>Operating expenses</i>							
Cost of goods and services sold			-90.3	-139.9	-187.2	-290.6	-618.7
Other external expenses			-71.1	-80.5	-137.0	-137.9	-262.0
Personnel expenses			-197.5	-203.3	-389.2	-403.4	-762.6
Other expenses			0.2	-4.5	-4.3	-3.2	-34.1
Operating profit before depreciation and amortization (EBITDA)			23.6	92.3	110.2	281.9	495.9
Depreciation of tangible and right-of-use assets			-11.0	-13.4	-21.6	-23.2	-42.0
Operating profit before amortization of intangible assets (EBITA)			12.6	78.9	88.6	258.7	453.9
Amortization and impairment of acquisition-related intangible assets			-29.6	-32.2	-58.5	-63.7	-129.4
Amortization and impairment of other intangible assets			-8.9	-21.7	-16.0	-31.2	-72.4
Operating profit (EBIT)			-25.9	25.1	14.2	163.8	252.1
Financial net		4	-7.5	-9.6	-13.4	-19.2	-36.1
Profit before tax			-33.4	15.5	0.8	144.6	216.0
Tax expense for the period			-5.4	-13.9	-24.5	-54.9	-59.9
NET PROFIT/LOSS FOR THE PERIOD			-38.8	1.5	-23.7	89.7	156.1

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

EARNINGS PER WEIGHTED AVERAGE NUMBER OF SHARES	QUARTER		ACCUMULATED		FULL YEAR
	APR-JUN 2024	APR-JUN 2023	JAN-JUN 2024	JAN-JUN 2023	JAN-DEC 2023
	Earnings per share before and after dilution (SEK)	-0.44	0.02	-0.27	1.01
Average number of shares before and after dilution	88,603,526	88,603,526	88,603,526	88,603,526	88,603,526

Consolidated comprehensive income

SEKm	QUARTER		ACCUMULATED		FULL YEAR
	APR-JUN 2024	APR-JUN 2023	JAN-JUN 2024	JAN-JUN 2023	JAN-DEC 2023
Net profit for the period	-38.8	1.5	-23.7	89.7	156.1
Other comprehensive income					
<i>Items that will be reclassified to profit or loss</i>					
Translation difference	-25.4	205.8	192.9	186.4	-118.2
Deferred tax	-0.1	0.3	-0.3	0.3	0.2
Other comprehensive income for the period, after tax	-25.5	206.1	192.6	186.7	-118.0
Comprehensive income for the period	-64.3	207.6	168.9	276.4	38.1

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

Consolidated balance sheet

SEKm	Note	30 JUN 2024	30 JUN 2023	31 DEC 2023
ASSETS				
Non-current assets				
Goodwill		3,342.7	3,436.7	3,181.7
Other intangible assets	5	724.4	666.6	667.8
Tangible non-current assets		31.9	23.5	30.3
Right-of-use assets		68.5	40.3	74.7
Deferred tax assets		165.0	117.7	149.7
Other non-current receivables	6	4.2	5.8	4.5
Total non-current assets		4,336.7	4,290.7	4,108.7
Current assets				
Inventory		14.2	16.9	14.0
Current receivables	6	239.7	301.5	269.2
Cash and cash equivalents	6	316.6	454.0	480.9
Total current assets		570.6	772.4	764.1
TOTAL ASSETS		4,907.3	5,063.1	4,872.8
EQUITY AND LIABILITIES				
Equity attributable to the parent company's shareholders		4,069.5	4,178.7	3,900.6
Total equity		4,069.5	4,178.7	3,900.6
Non-current liabilities				
Liabilities to credit institutions		2.5	3.4	2.8
Leasing liabilities		45.6	23.7	52.5
Deferred tax liability		136.8	132.0	122.9
Contingent consideration	6	246.9	217.3	228.7
Other liabilities		4.8	25.3	3.6
Total non-current liabilities	6	436.7	401.7	410.6
Current liabilities				
Liabilities to credit institutions		0.8	0.6	0.6
Leasing liabilities		27.9	18.0	25.0
Accounts payable		33.5	23.7	33.9
Current tax liability		-4.3	46.4	67.9
Contingent consideration	6	39.3	39.3	42.3
Other liabilities		11.5	10.9	53.5
Contractual liabilities		115.0	117.7	114.5
Accrued expenses		177.4	226.1	223.9
Total current liabilities	6	401.1	482.7	561.6
TOTAL EQUITY AND LIABILITIES		4,907.3	5,063.1	4,872.8

Consolidated report of changes in equity

EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY			
<i>SEKm</i>	2024 JAN-JUN	2023 JAN-JUN	2023 JAN-DEC
Opening balance	3,900.6	3,902.3	3,902.3
Changes in equity during the period			
The Net profit of the period	-23.7	89.7	156.1
Other comprehensive income for the period	192.6	186.7	-118.0
Dividend	0.0	0.0	-39.9
Closing balance	4,069.5	4,178.7	3,900.6

Consolidated Cash Flow Statement

	QUARTER		ACCUMULATED		FULL YEAR
	APR-JUN 2024	APR-JUN 2023	JAN-JUN 2024	JAN-JUN 2023	JAN-DEC 2023
<i>SEKm</i>					
OPERATING ACTIVITIES					
Operating profit (EBIT) from continuing operations	-25.9	25.1	14.2	163.8	252.1
Adjustments for non-cash flow items	55.2	92.6	62.5	144.4	271.4
Financial items	0.2	-9.8	10.5	-11.2	-16.8
Taxes paid	-30.1	-9.4	-99.2	-40.4	-65.0
Cash flow from operating activities before changes in working capital	-0.6	98.5	-11.9	256.6	441.6
Cash flow from changes in working capital	-22.6	-44.8	-25.5	-32.3	-3.8
Cash flow from operating activities	-23.2	53.7	-37.4	224.3	437.8
INVESTMENT ACTIVITIES					
Investment tangible assets	-6.4	-1.5	-13.5	-3.2	-14.3
Investment intangible assets	-73.5	-51.0	-127.3	-74.7	-232.8
Divestment intangible assets	0.9	0.0	62.2	0.0	0.0
Investment/disposal of subsidiaries	-18.5	-15.3	-11.5	-7.4	15.6
Cash flow from investment activities	-97.6	-67.7	-90.2	-85.3	-231.5
FINANCING ACTIVITIES					
Amortizing loans	0.0	0.0	0.0	-100.0	-100.0
Dividend	-19.5	0.0	-39.9	0.0	0.0
Amortizing lease liability	-6.8	-6.7	-12.1	-13.3	-26.0
Cash flow from financing activities	-26.3	-6.7	-52.0	-113.3	-126.0
CASH FLOW FOR THE PERIOD	-147.1	-20.7	-179.6	25.7	80.3
Cash and cash equivalents at start of period	466.8	452.9	480.9	407.8	407.8
Cash flow for the period	-147.1	-20.7	-179.6	25.7	80.3
Exchange rate differences	-3.1	21.7	15.3	20.4	-7.2
Cash and cash equivalents at end of period	316.6	454.0	316.6	454.0	480.9
Specification of cash and cash equivalents					
Total cash balance	316.6	454.0	316.6	454.0	480.9
<i>of which are blocked</i>	-2.6	-2.6	-2.6	-2.6	-2.6
Cash at the end of the period	314.0	451.4	314.0	451.4	478.3

Parent Company Income Statement

	QUARTER		ACCUMULATED		FULL YEAR
	APR-JUN 2024	APR-JUN 2023	JAN-JUN 2024	JAN-JUN 2023	JAN-DEC 2023
<i>SEKm</i>					
Net Revenue	1.2	1.0	1.2	2.0	2.1
Other Revenue	0.0	0.0	0.0	0.0	0.0
	1.2	1.0	1.2	2.0	2.1
Own work capitalized	0.0	0.0	0.0	0.0	0.0
<i>Operating expenses</i>					
Cost of goods and services sold	-0.3	-9.2	-0.5	-20.2	-31.9
Other external expenses	-6.1	-12.6	-17.1	-20.0	-22.8
Personnel expenses	-11.0	-16.4	-17.0	-22.3	-14.0
Other expenses	0.0	0.0	0.0	0.0	0.0
Operating profit before depreciation and amortization (EBITDA)	-16.3	-37.1	-33.4	-60.5	-66.6
Depreciation and amortization	0.0	-3.5	0.0	-3.5	0.0
Operating profit (EBIT)	-16.3	-40.7	-33.4	-64.1	-66.6
Financial net	37.4	98.4	64.5	213.9	279.1
Profit before tax	21.1	57.7	31.1	149.8	212.5
Appropriations	0.0	0.0	0.0	0.0	0.0
Tax expense for the period	0.0	8.4	0.0	13.8	-7.4
NET PROFIT	21.1	66.1	31.1	163.6	205.1

Parent Company's Balance Sheet

<i>SEKm</i>	30 JUN 2024	30 JUN 2023	31 DEC 2023
ASSETS			
Non-current assets			
Intangible non-current assets	0.0	0.0	0.0
Tangible non-current assets	0.1	0.0	0.2
Financial non-currents assets	3,710.2	3,665.3	3,644.2
Total non-current assets	3,710.3	3,665.3	3,644.3
Current assets			
Current receivables	48.8	65.3	46.2
Cash and cash equivalents	23.9	72.8	102.2
Total current assets	72.7	138.1	148.4
TOTAL ASSETS	3,783.1	3,803.4	3,792.7
EQUITY AND LIABILITIES			
Equity	3,726.4	3,699.2	3,695.3
Non-current liabilities	0.0	0.0	0.0
Current liabilities	56.7	104.2	97.4
TOTAL EQUITY AND LIABILITIES	3,783.1	3,803.4	3,792.7

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, 5th 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	Firespine	Petrol	Intra-group items and eliminations	Total group
APR-JUN 2024								
Revenue from external customers	167.1	75.4	22.7	11.6	38.0	37.9	0.0	352.7
Net Revenue	167.1	75.4	22.7	11.6	38.0	37.9	0.0	352.7
Adjusted operating profit before depreciation and amortization (AdjEBITDA)	12.3	37.3	7.9	-8.5	-1.8	-0.5	-13.2	33.4
Adjustments*								-9.8
Depreciation and amortization								-49.5
Financial net								-7.5
Profit before tax								-33.4
Tax expense								-5.4
NET PROFIT								-38.8
APR-JUN 2023								
Revenue from external customers	189.6	144.4	24.5	10.8	78.0	35.6	0.0	482.9
Net Revenue	189.6	144.4	24.5	10.8	78.0	35.6	0.0	482.9
Adjusted operating profit before depreciation and amortization (AdjEBITDA)	47.8	85.8	6.0	-12.2	3.3	-8.8	-8.6	113.3
Adjustments*								-21.0
Depreciation and amortization								-67.3
Financial net								-9.6
Profit before tax								15.5
Tax expense								-13.9
NET PROFIT								1.5
JAN-JUN 2024								
Revenue from external customers	355.6	144.1	43.7	28.4	84.2	78.4	0.0	734.4
Net Revenue	355.6	144.1	43.7	28.4	84.2	78.4	0.0	734.4
Adjusted operating profit before depreciation and amortization (AdjEBITDA)	54.4	75.5	11.3	-14.5	-1.4	-6.9	-23.2	95.2
Adjustments*								15.1
Depreciation and amortization								-96.1
Financial net								-13.4
Profit before tax								0.8
Tax expense								-24.5
NET PROFIT								-23.7
JAN-JUN 2023								
Revenue from external customers	390.3	362.8	75.0	16.3	125.6	84.7	0.0	1,054.6
Net Revenue	390.3	362.8	75.0	16.3	125.6	84.7	0.0	1,054.6
Adjusted operating profit before depreciation and amortization (AdjEBITDA)	99.4	218.9	29.4	-25.9	5.0	-2.7	-21.0	303.1
Adjustments*								-21.2
Depreciation and amortization								-118.1
Financial net								-19.2
Profit before tax								144.6
Tax expense								-54.9
NET PROFIT								89.7
JAN-DEC 2023								
Revenue from external customers	753.4	571.9	133.0	49.1	352.1	185.6	0.0	2,045.0
Net Revenue	753.4	571.9	133.0	49.1	352.1	185.6	0.0	2,045.0
Adjusted operating profit before depreciation and amortization (AdjEBITDA)	162.9	356.1	49.0	-29.2	35.4	1.9	-34.0	542.0
Adjustment*								-46.2
Depreciation and amortization								-243.8
Financial net								-36.1
Profit before tax								216.0
Tax expense								-59.9
NET PROFIT								156.1

*refer to adjustment bridge page 27

Note 3 - Revenue from Customer Contracts

APR-JUN 2024	Daybreak	Big Blue Bubble	Piranha	Toadman	Fireshine	Petrol	Total group
<i>Geographical region</i>							
Sweden	0.9	0.2	0.0	2.56	2.01	0.0	5.7
Other Europe	22.0	12.0	3.9	0.1	15.2	1.0	54.2
Canada	7.4	2.4	-2.8	0.0	0.8	0.1	7.8
USA	127.9	53.0	12.7	8.9	12.7	35.4	250.8
Other markets	8.9	7.8	8.9	0.0	7.2	1.4	34.2
Revenue from customer contracts	167.1	75.4	22.7	11.6	38.0	37.9	352.7

APR-JUN 2023	Daybreak	Big Blue Bubble	Piranha	Toadman	Fireshine	Petrol	Total group
<i>Geographical region</i>							
Sweden	1.0	0.6	0.1	0.7	0.1	0.0	2.6
Other Europe	28.2	22.2	4.5	1.1	27.5	4.3	87.8
Canada	8.2	5.1	1.7	0.0	0.9	0.8	16.7
USA	142.7	101.9	14.4	8.9	40.1	27.4	335.5
Other markets	9.5	14.6	3.7	0.0	9.4	3.1	40.2
Revenue from customer contracts	189.6	144.4	24.5	10.8	78.0	35.6	482.9

JAN-JUN 2024	Daybreak	Big Blue Bubble	Piranha	Toadman	Fireshine	Petrol	Total group
<i>Geographical region</i>							
Sweden	2.1	0.4	0.1	8.3	7.7	0.0	18.6
Other Europe	49.8	22.7	6.0	0.1	40.2	2.6	121.4
Canada	15.8	4.9	0.1	0.0	1.6	0.1	22.5
USA	269.7	101.4	27.7	19.5	19.9	70.7	509.0
Other markets	18.1	14.8	9.8	0.6	14.7	5.0	62.9
Revenue from customer contracts	355.6	144.1	43.7	28.4	84.2	78.4	734.4

JAN-JUN 2023	Daybreak	Big Blue Bubble	Piranha	Toadman	Fireshine	Petrol	Total group
<i>Geographical region</i>							
Sweden	2.2	1.6	0.2	0.7	5.1	0.0	9.9
Other Europe	55.7	57.2	6.2	1.1	47.6	5.8	173.6
Canada	17.8	13.7	6.7	0.0	1.6	2.0	41.7
USA	295.3	254.5	56.4	14.4	56.2	58.6	735.3
Other markets	19.3	35.7	5.6	0.0	15.0	18.4	93.9
Revenue from customer contracts	390.3	362.8	75.0	16.3	125.6	84.7	1,054.6

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	178.5
Revenue from customer contracts	753.4	571.9	133.0	49.1	352.1	185.6	2,045.0

Note 4 - Financial Net

<i>SEKm</i>	APR-JUN 2024	APR-JUN 2023	JAN-JUN 2024	JAN-JUN 2023	JAN-DEC 2023
Net interest	2.5	1.2	5.7	0.5	7.1
Discount interest on earnout	-8.2	-6.4	-17.0	-12.7	-27.7
Interest leasing	-0.8	-0.3	-1.6	-0.6	-1.6
Release negative goodwill Serbian acquisition	0.0	1.1	0.0	1.1	1.1
Financing fees	-0.3	-1.2	-0.9	-2.7	-3.9
FX effects	-0.7	-3.9	0.4	-4.8	-11.1
Financial net	-7.5	-9.6	-13.4	-19.2	-36.1

The financial net in Q2 amounted to SEK -7.5 million compared to SEK -9.6 million for the same period last year. The positive effect on net interest is due to overnight deposits.

Note 5 - Capitalized development costs and gaming rights

<i>SEKm</i>	APR-JUN 2024		APR-JUN 2023	
	Capitalized development costs	Gaming rights	Capitalized development costs	Gaming rights
Opening balance	122.7	197.7	83.2	37.1
Capitalized development cost/this year's gross investment	23.6	50.7	22.0	29.7
Amortization of product development	-3.5	-5.3	-11.1	0.0
Write-down of capitalized development costs	0.0	0.0	-10.5	0.0
FX	-1.6	-1.0	5.1	2.9
Closing balance	141.3	242.2	88.7	69.7

<i>SEKm</i>	JAN-JUN 2024		JAN-JUN 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	42.3	86.0	44.9	66.4
Amortization of product development	-5.8	-10.0	-20.5	0.0
Write-down of capitalized development costs	0.0	0.0	-10.5	0.0
FX	2.8	9.2	4.4	3.3
Closing balance	141.3	242.2	88.7	69.7

<i>SEKm</i>	JAN-DEC 2023	
	Capitalized development costs	Gaming rights
Opening balance	70.3	0.0
Capitalized development cost/this year's gross investment	85.6	179.3
Amortization of product development	-31.1	-14.4
Write-down of capitalized development costs	-20.3	0.0
FX	-2.6	-8.0
Closing balance	102.0	156.9

Note 6 - Financial Instruments

Valuation of financial assets and liabilities per Jun 30 2024

Financial assets	Financial assets valued at fair value through profit or loss	Financial assets valued at amortized cost
Accounts receivable	0.0	97.1
Cash and cash equivalents	0.0	316.6
Total	0.0	413.7

Financial liabilities	Financial liabilities valued at fair value through profit or loss	Financial liabilities valued at amortized cost
Contingent consideration	286.2	0.0
Liabilities to credit institutions	0.0	3.4
Accounts payable	0.0	33.5
Deferred revenue	0.0	116.0
Other financial liabilities	0.0	100.1
Total	286.2	253.0

Valuation of financial assets and liabilities per Jun 30 2023

Financial assets	Financial assets valued at fair value through profit or loss	Financial assets valued at amortized cost
Accounts receivable	0.0	146.1
Cash and cash equivalents	0.0	454.0
Total	0.0	600.1

Financial liabilities	Financial liabilities valued at fair value through profit or loss	Financial liabilities valued at amortized cost
Contingent consideration	256.6	0.0
Liabilities to credit institutions	0.0	4.0
Accounts payable	0.0	23.7
Deferred revenue	0.0	120.8
Other financial liabilities	0.0	117.2
Total	256.6	265.7

Valuation of financial assets and liabilities per Dec 31 2023

Financial assets	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
Total	0.0	635.5

Financial liabilities	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
Total	271.0	279.5

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 percent.

Contingent consideration	APR-JUN 2024	APR-JUN 2023	JAN-JUN 2024	JAN-JUN 2023	JAN-DEC 2023
At beginning of period	299.4	257.3	271.0	253.1	253.1
Payments	-18.5	-17.0	-18.5	-17.0	-21.2
Discount effect	8.2	6.4	17.0	12.7	27.7
Change in value reported in the result	0.1	0.0	5.7	0.0	20.9
FX effect	-3.0	9.9	11.0	7.8	-9.5
At end of period	286.2	256.6	286.2	256.6	271.0

The end-of-period contingent consideration of SEK 286.2 million is split between Daybreak and Piranha, amounting to SEK 151.5 million for Daybreak and SEK 134.7 million for Piranha. There is an according to applicable accounting rules not recognized value for EG7s shareholders as of today amounting to SEK 129.4 million, that should be identified in relation to the recognized earnout to the sellers of Daybreak, the net remaining earnout to the sellers of Daybreak after such a theoretical recognition is SEK 22.1 million. For further details see note 7.

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>		APR-JUN 2024	APR-JUN 2023	JAN-JUN 2024	JAN-JUN 2023	JAN-DEC 2023
Related party	Related party transaction - recognized revenue					
Cold Iron LLC ¹⁾	Toadman's WFH contract regarding Game developing for the client Cold Iron	8.9	8.9	19.4	14.4	36.2
Related party	Outstanding liabilities					
Jason Epstein	Contingent consideration related to tax saving benefits ²⁾	108.8	116.8	108.8	116.8	106.2
Ji Ham	Contingent consideration related to tax saving benefits ²⁾	14.6	15.7	14.6	15.7	14.2
Total		123.4	132.5	123.4	132.5	120.4
Related party	Outstanding receivables					
Cold Iron LLC ¹⁾	Receivables from Toadman's WFH contract regarding Game developing for the client Cold Iron	13.5	16.7	13.5	16.7	11.1
Cold Iron LLC ¹⁾	Daybreak invests in gaming rights, and publish upcoming game from Cold Iron	168.5	31.4	168.5	31.4	116.0
Total		182.0	48.1	182.0	48.1	127.1

- 1) Cold Iron Studios LLC is owned by Jason Epstein, Chairman of the Board, and Ji Ham, Acting CEO.
- 2) The total estimated remaining amount to the sellers of Daybreak by end of June 2024 amounted to SEK 151.5 million, of which SEK 108.8 million refers to Jason Epstein and SEK 14.6 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 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 31st 2036. As of today, that asset amounts to USD 49 million or SEK 520 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 129.4 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 July 2, 2024, Daybreak acquired 100 percent of Singularity 6 (S6) for an initial purchase price of USD 5 million. S6 is the developer and publisher behind Palia, an online multiplayer life simulation game currently available in open beta on Nintendo Switch and PC. EG7 has budgeted for up to USD 10 million to be invested into Palia, with the plan to complete the development of the release version for the latest generation consoles and commercially release the title out of open beta in 2025.

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 27.

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.

Adjusted EBITDA: EBITDA 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.

EBITDA margin (%): EBITDA 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.

Life to Date (LTD): Accumulated number since right from start.

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 comparison period is recalculated with the average exchange rate for the current period.

Total Leverage: (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.

Equity ratio: Equity as a percentage of total assets.

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		FULL YEAR
	APR-JUN 2024	APR-JUN 2023	JAN-JUN 2024	JAN-JUN 2023	JAN-DEC 2023
EBITDA	23.6	92.3	110.2	281.9	495.9
Revaluation of deferred purchase consideration*	0.1	0.0	5.7	0.0	20.9
Restructuring costs**	5.3	20.3	5.3	20.3	12.3
M&A costs	4.4	0.7	11.2	0.9	7.0
IP sale			-37.2		0.0
Non-recurring margin adjustment					6.0
Adjusted EBITDA	33.4	113.3	95.2	303.1	542.0
EBIT	-25.9	25.1	14.2	163.8	252.1
Revaluation of deferred purchase consideration*	0.1	0.0	5.7	0.0	20.9
Restructuring costs**	5.3	20.3	5.3	20.3	12.3
M&A costs	4.4	0.7	11.2	0.9	7.0
IP sale	0.0	0.0	-37.2	0.0	0.0
Non-recurring margin adjustment	0.0	0.0	0.0	0.0	6.0
Write-down games***	0.0	10.5	0.0	10.5	20.3
Write-down AMG closing	0.0	3.5	0.0	3.5	2.9
Adjusted EBIT	-16.1	60.0	-0.9	199.0	321.4
Net profit	-38.8	1.5	-23.7	89.7	156.1
Revaluation of deferred purchase consideration*	0.1	0.0	5.7	0.0	20.9
Restructuring costs**	5.3	20.3	5.3	20.3	12.3
M&A costs	4.4	0.7	11.2	0.9	7.0
IP sale	0.0	0.0	-37.2	0.0	0.0
Non-recurring margin adjustment	0.0	0.0	0.0	0.0	6.0
Write-down games***	0.0	10.5	0.0	10.5	20.3
Write-down AMG closing	0.0	3.5	0.0	3.5	2.9
Tax effect adjustments	-2.0	-7.2	3.1	-7.2	-14.3
Adjusted net profit	-31.0	29.3	-35.7	117.6	211.1
Earnings per share before and after dilution	-0.44	0.02	-0.27	1.01	1.76
Adjusted earnings per share	-0.35	0.33	-0.40	1.33	2.38

*Q1 2024 adjustment of contingent liability Daybreak of SEK 5.6 million. Q3 2023 adjustment of contingent liability Piranha of SEK 31.9 million. Q4 2023 adjustment of contingent liability Daybreak of SEK -11.0 million.

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

*** 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.

Organic growth bridge

<i>SEKm</i>	QUARTER			ACCUMULATED			FULL YEAR
	APR-JUN 2024	APR-JUN 2023	% Δ	JAN-JUN 2024	JAN-JUN 2023	% Δ	JAN-DEC 2023
Net Revenue	352.7	482.9	-27.0%	734.4	1,054.6	-30.4%	2,045.0
Organic Revenue	352.7	482.9	-27.0%	734.4	1,054.6	-30.4%	2,045.0
FX effect	-4.0			-4.8			-71.0
Organic Revenue FX adjusted	348.7	482.9	-27.8%	729.6	1,054.6	-30.8%	1,974.0

Financing

<i>SEKm</i>	30 JUN	
	2024	2023
Total debt	-3.4	-4.0
Cash and cash equivalents	316.6	454.0
Net cash	313.3	450.0

The net cash by the end of the quarter amounted to SEK 313.3 million consisting of a cash balance of SEK 316.6 million and a financial debt of SEK 3.4 million.

Segment performance data

SEKm	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2023 Full year
NET REVENUE									
Daybreak	167.1	188.5	181.8	181.3	189.6	200.6	198.9	216.2	753.4
Big Blue Bubble	75.4	68.7	85.8	123.4	144.4	218.3	192.7	47.9	571.9
Piranha	22.7	21.0	30.2	27.8	24.5	50.5	25.3	25.1	133.0
Toadman	11.6	16.8	18.5	14.3	10.8	5.5	5.7	5.5	49.1
Petrol	37.9	40.5	50.0	50.9	35.6	49.1	59.0	66.3	185.6
Fireshine Games	38.0	46.2	106.9	119.6	78.0	47.6	77.4	83.4	352.1
GROUP TOTAL	352.7	381.7	473.1	517.3	482.9	571.7	559.0	444.5	2,045.0
NET REVENUE GROWTH YoY (%)									
Daybreak	-12%	-6%	-9%	-16%	-7%	-5%	15%	27%	-9%
Big Blue Bubble	-48%	-69%	-56%	157%	234%	734%	607%	52%	84%
Piranha	-7%	-58%	19%	11%	7%	212%	-15%	-47%	49%
Toadman	7%	205%	227%	162%	1108%	381%	311%	305%	273%
Petrol	6%	-17%	-15%	-23%	-29%	-9%	-8%	90%	-19%
Fireshine Games	-51%	-3%	38%	43%	-45%	-47%	-62%	21%	-11%
GROUP TOTAL	-27%	-33%	-15%	16%	4%	43%	12%	25%	10%
NET REVENUE ORGANIC YoY (%)									
Daybreak	-12%	-6%	-9%	-16%	-7%	-7%*	5%*	13%*	1%*
Big Blue Bubble	-48%	-69%	-56%	157%	234%	734%	607%	52%	84%
Piranha	-7%	-58%	19%	11%	7%	212%	-15%	-47%	49%
Toadman	7%	205%	227%	162%	1108%	381%	311%	305%	273%
Petrol	6%	-17%	-15%	-23%	-29%	-9%	-8%	90%	-19%
Fireshine Games	-51%	-3%	38%	43%	-45%	-47%	-62%	21%	-11%
GROUP TOTAL	-27%	-33%	-15%	16%	4%	41%*	8%*	19%*	15%*
ORGANIC FX ADJUSTED GROWTH YoY (%)									
Daybreak	-13%	-6%	-8%	-17%	-13%	-17%*	-13%*	-8%*	-14%*
Big Blue Bubble	-48%	-69%	-54%	162%	237%	687%	529%	30%	82%*
Piranha	-7%	-58%	20%	12%	10%	195%	-25%	-54%	47%*
Toadman	7%	205%	227%	162%	1107%	381%	313%	300%	273%
Petrol	5%	-17%	-15%	-25%	-33%	-18%	-23%	55%	-23%
Fireshine Games	-52%	-7%	31%	32%	-48%	-48%	-64%	16%	-16%
GROUP TOTAL	-28%	-33%	16%	14%	1%	31%*	-5%*	1%*	6%*
ADJ EBITDA									
Daybreak	12.3	42.1	29.1	34.3	47.8	51.6	41.7	64.8	162.9
Big Blue Bubble	37.3	38.2	49.3	87.9	85.8	133.1	116.5	30.4	356.1
Piranha	7.9	3.4	11.2	8.4	6.0	23.4	15.1	9.1	49.0
Toadman & AMG	-8.5	-6.1	-4.7	-2.4	-12.2	-13.7	-5.1	-5.3	-33.0
Petrol	-0.5	-6.4	2.7	1.9	-8.8	6.0	3.4	9.6	1.9
Fireshine Games	-1.8	0.5	11.4	18.9	3.3	1.7	10.2	9.3	35.4
Holding	-13.2	-10.0	-0.9	-8.3	-8.6	-12.4	-2.9	-4.8	-30.2
GROUP TOTAL	33.4	61.7	98.2	140.7	113.3	189.8	178.8	113.1	542.0
ADJ EBITDA MARGIN (%)									
Daybreak	7%	22%	16%	19%	25%	26%	21%	30%	22%
Big Blue Bubble	49%	56%	57%	71%	59%	61%	60%	63%	62%
Piranha	35%	16%	37%	30%	25%	46%	60%	36%	37%
Toadman & AMG	-73%	-36%	-25%	-17%	-113%	-248%	-91%	-97%	-67%
Petrol	-1%	5%	5%	4%	-25%	12%	6%	15%	1%
Fireshine Games	-5%	1%	11%	16%	4%	4%	13%	11%	10%
GROUP TOTAL	9%	16%	9%	27%	23%	33%	32%	25%	27%
ADJ EBIT									
Daybreak	-23.3	8.4	-7.3	-2.6	12.1	16.5	4.1	26.6	18.7
Big Blue Bubble	35.2	36.3	46.2	81.6	76.3	127.3	111.8	25.6	331.4
Piranha	6.4	2.3	8.3	6.0	2.1	17.8	10.4	1.1	34.2
Toadman & AMG	-9.9	-7.6	-6.2	-1.0	-13.2	-14.5	-1.4	-6.9	-35.0
Petrol	-2.5	-8.4	0.6	-0.2	-10.5	4.1	1.1	7.4	-6.1
Fireshine Games	-8.4	-5.6	4.3	4.1	2.9	1.3	9.9	8.9	12.6
Holding	-13.6	-10.4	-1.8	-9.4	-9.7	-13.5	-5.7	-5.8	-34.5
GROUP TOTAL	-16.1	15.2	43.9	78.4	60.0	139.0	130.3	56.9	321.4
ADJ EBIT MARGIN (%)									
Daybreak	-14%	4%	-4%	-1%	6%	8%	2%	12%	2%
Big Blue Bubble	47%	53%	54%	66%	53%	58%	58%	53%	58%
Piranha	28%	11%	27%	21%	9%	35%	41%	4%	26%
Toadman & AMG	-85%	-45%	-34%	-7%	-123%	-264%	-24%	-126%	-71%
Petrol	-7%	-21%	1%	0%	-30%	8%	2%	11%	-3%
Fireshine Games	-22%	-12%	4%	3%	4%	3%	13%	11%	4%
GROUP TOTAL	5%	4%	9%	15%	12%	24%	23%	13%	16%
Employees on the last day of the period									
Daybreak	263	262	264	264	261	260	258	243	264
Big Blue Bubble	79	76	73	71	74	70	69	64	73
Piranha	111	109	111	101	94	81	72	70	111
Toadman	111	121	119	119	114	56	57	122	119
AMG	0	0	0	0	38	42	50	58	0
Petrol	69	78	75	79	79	84	84	84	75
Fireshine Games	39	34	31	30	30	31	30	30	31
Holding	9	8	8	8	9	9	9	10	8
GROUP TOTAL	680	688	681	672	699	633	629	681	681

*Proforma

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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 Fireshine Games hold expertise in both

physical and digital publishing. EG7 is headquartered in Stockholm with approximately 680 employees in 17 offices worldwide.

Nasdaq Stockholm, Ticker Symbol: EG7

AUDITING

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

NEXT REPORT

The next financial report will be published:

Interim report Q3 2024: November 12, 2024

Interim report Q4 2024: February 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 August 14, 2024.

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 August 14, 2024

Ji Ham	Jason Epstein	Ben Braun	Ebba Ljungerud	Gunnar Lind	Marie-Louise Gefwert	Ron Moravek
<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>