

EG7 enters into a letter of intent regarding a potential acquisition of Cold Iron

Enad Global 7 AB (publ) ("EG7" or the "Company") today announces that the Company has entered into a letter of intent ("LOI") regarding a potential acquisition of Cold Iron Studios, LLC ("Cold Iron") (the "Transaction"). The Transaction will bring EG7 even closer to the upcoming release of the unannounced title Project Avo by taking the development in-house, and it does also represent an important step toward simplifying EG7's ownership structure and fully aligning the Company's and its shareholders' economic interests in Cold Iron. The Transaction, if completed, will be considered as a related-party transaction and will therefore be subject to shareholder's approval at the Annual General Meeting on 12 May 2026 (the "AGM").

About Cold Iron

Cold Iron is the developer and publisher behind Aliens: Fireteam Elite ("AFE"), a high octane, multiplayer action shooter based on the iconic Aliens film franchise from the 20th Century Studios. Released in August 2021, AFE delivered solid performance, going on to sell over 3.5 million units life-to-date across Steam, PlayStation and Xbox, and further enjoyed by millions more players through Game Pass. In August 2023, the Company and Cold Iron entered into a publishing agreement for the development and publishing of Cold Iron's upcoming title ("Project Avo"), which aims to once again capitalize on Cold Iron's expertise in multiplayer action shooter gameplay applied to a major film IP franchise in a highly compelling way.

Transaction rationale

An acquisition of Cold Iron would take the development of Project Avo fully in-house. The game is currently targeted for release in Q3 2026 and EG7 is expecting to provide additional details about the game during Q2 2026. The Transaction will give EG7 greater control over investment decisions and strengthen the commercial and strategic alignment between Cold Iron's development roadmap and EG7's core strategic objectives. Furthermore, the Transaction aligns ownership and economic interests within the Group and its shareholders by simplifying the current structure related to Cold Iron and resolving the related-party structure. The Transaction aims to align EG7's incentives with key stakeholders while enhancing governance and transparency. The Company believes that integrating Cold Iron into EG7 creates a more efficient structure for long-term shareholder value.

"The board believes that the Transaction will be beneficial for EG7's shareholders. The contemplated structure has been negotiated between EG7 and the sellers. Not only would the transaction conclude the related-party transaction with an attractive structure, it would also provide EG7 with the opportunity to continue developing Cold Iron following the major game release planned for Q3 2026. The Board of Directors is also keen to take part in our shareholders' views and questions, which is why we are already sharing as much information as possible at the time of signing the letter of intent. We encourage shareholders to contact us at EG7 directly with their feedback, and all shareholders are given the opportunity to attend the Annual General Meeting on May 12, 2026, and vote on the transaction. The board has reviewed the structure with support from its financial adviser, DNB Carnegie", said Alexander Albedj, Chairman of the Board of Directors.

Transaction Structure

The contemplated Transaction is a purchase of equity interests and related commercial arrangements. Key terms currently contemplated (subject to negotiation and execution of definitive agreements) include the following:

- At closing, EG7 will acquire all of the outstanding membership interests of Cold Iron, for USD 3.0 million in cash (the “**Purchase Price**”), the assets of which include: (i) the back catalog net revenues from Aliens Fireteam Elite, which has sold over 3.5 million copies life-to-date and is forecasted to generate cash flows in excess of the Purchase Price over its remaining license term; (ii) all assets and assumption of publishing and IP license agreement for Project Avo; and (iii) all game technology and assets the studio has developed for Project Avo and Aliens Fireteam Elite.
- After the completion of the Transaction, the profit sharing will be 100% to EG7 until EG7 has fully recouped its total investment, currently estimated to be approximately USD 46.6 million, plus a fixed profit of USD 3.0 million (the “**First Payment**”). The recoupment amount is estimated to include: (i) development funding through the commercial release estimated at approximately USD 38.3 million (without offset or reduction from USD 7.0 million the Company received for its subsidiary Toadman's prior contract); and (ii) other agreed recoupable expenses of approximately USD 8.3 million.
- Second, if and only if the First Payment has been paid to EG7, the Sellers (as defined below) shall be entitled to profits until the Sellers have received full recoupment of their investment in Project Avo in the amount of USD 12.0 million, plus a fixed profit of USD 1.0 million (the “**Second Payment**”).
- Third, if and only if the First and Second Payments have been paid to EG7 and the Sellers respectively, profits will be split 50% / 50% between EG7 and the Sellers. No profit sharing payments will be payable after expiration of Project Avo's license period.
- EG7 shall have the right (but not the obligation) to purchase some or all of the Sellers' right to receive future profit sharing payments (and/or other agreed cash-flow stream), for an amount equal to the net present value thereof, calculated using a 10 percent annual discount rate.

This structure is aligned with EG7's philosophy to protect invested capital and only share a potential upside after that, as EG7 receives full recoupment of its investments plus a profit before any performance-based payments are made to the sellers. The terms of the proposed Transaction maintains this profit allocation deal structure where EG7 has the first priority in full recoupment of its investment for Project Avo prior to any profit share with the Sellers with an adjustment to the profit waterfall after EG7 full recoupment plus its fixed profit in consideration for the acquisition.

Jason Epstein, Deputy Chairman of EG7, and Ji Ham, board member and CEO of EG7, each hold interests in Cold Iron (the “**Sellers**”). The Transaction is therefore considered a related-party transaction in accordance with Chapter 16a of the Swedish Companies Act (Sw. *aktiebolagslagen*). The contemplated Transaction will be subject to approval by the shareholders at the AGM that will be held on 12 May 2026.

Next steps

The LOI outlines the principal terms of the Transaction. EG7 will perform due diligence work on Cold Iron prior to the AGM, which will be held on 12 May 2026. Furthermore, EG7 is expecting to provide additional information regarding Project Avo during Q2 2026. At the AGM, shareholders will decide to approve the Transaction provided that the terms do not differ materially from those presented in this announcement, the notice to the AGM or the additional information presented during Q2 2026.

Advisors

DNB Carnegie Investment Bank AB (publ) acts as financial advisor and Baker McKenzie acts as legal advisor to EG7 in relation to the Transaction.

FOR MORE INFORMATION, PLEASE CONTACT:

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About EG7

EG7 is a group of companies within the gaming industry that develops, markets, publishes and distributes PC, console and mobile games to the global gaming market. The company employs approximately 360 game developers and develops its own original IPs, as well as acts as consultants to other publishers around the world through its game development divisions Daybreak Games, Piranha Games and Big Blue Bubble. In addition, the group's marketing department Petrol has contributed to the release of 2,000+ titles, of which many are world famous brands such as Call of Duty, Destiny, Dark Souls and Rage. The group's publishing and distribution departments Fireshine Games hold expertise in both physical and digital publishing. EG7 is headquartered in Stockholm with approximately 560 employees in 12 offices worldwide.

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

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Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertakes to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is required by law or Nasdaq Stockholm's Rulebook for Issuers.

This information is information that Enad Global 7 is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2026-04-08 18:35 CEST.

Attachments

EG7 enters into a letter of intent regarding a potential acquisition of Cold Iron