



# Investor Presentation

Q3 2025

2025/11/11



# Q3 2025 Key Performance Figures

NET REVENUE

**355**  
MSEK

ADJUSTED EBITDA

**63**  
MSEK

Y-O-Y NET REVENUE DECLINE

**24**  
Percent

ADJUSTED EBITDA MARGIN

**18**  
Percent

- Subdued quarter with mixed results for the group
- 24% Net Revenue decline y-o-y
  - 16% decline, excluding the adverse FX impact
- 18% Adjusted EBITDA margin

# Key Updates – Business Units



- A tough quarter unexpectedly with Net Revenue down 27% y-o-y in local currency (-34% in SEK)
- A larger drop in performance y-o-y for My Singing Monsters (MSM)
  - MSM's 13<sup>th</sup> anniversary content underperformed
- Lower new user acquisition is the primary reason
  - Less organic new user inflow
  - Core KPIs all remain healthy and comparable to last year
- Team actively working on improving organic user acquisition



- Net Revenue declined 7% y-o-y in local currency (-15% in SEK)
- Gross Revenue (total bookings) for Daybreak actually grew in local currency
  - Decline in Net Revenue is due to a combination of the effect from FX conversion to SEK and the difference in revenue recognition accounting y-o-y
- Contribution to growth came from
  - Strong growth in Palia
  - LOTRO, DCUO and DDO all demonstrated growth over last year
- Softer performance in the portfolio:
  - EQ and EQ2 – down from big milestone anniversaries boost in 2024
  - Also, EQ negatively impacted by the unauthorized derivative version of EQ
  - MTGO cardsets performed below expectations



- Strong Net Revenue growth of 112% y-o-y in local currency (+93% in SEK)
- MechWarrior 5: Mercenaries' DLC 7 performed better than expected
  - Best performing DLC so far
- Next DLC is for Clans, coming in December
- Expecting a stable and profitable performance with its content plan for MechWarrior titles

# Key Updates – Products



- Solid performance for Q3
  - First seasonal update in September was a nice success
  - Big new feature with Animal Husbandry
  - High player engagement, reaching same level as May when it released on Playstation 5 and Xbox X/S
- Monthly KPI comparison – September vs. April 2025 (before PS5 and Xbox X/S release):
  - MAU: +77%
  - mARPU: +141%
  - Payer conversion rate: +99%
- Excited for Palia's future
  - A chance to establish one of the leading cozy life-sim games
  - Targeting players that love games like Stardew Valley and Animal Crossing
  - Key differentiation as the only larger-scale multiplayer online cozy life-sim



- Cold Iron's game release delayed
  - Target release window now Q3 2026
- Additional time to achieve higher quality
  - Prioritizing quality for completion and release
  - Providing ample time for continuing development and successful completion
- Additional funding up to \$7.7 million expected:
  - Up to \$6.5 million publishing investment planned from Daybreak
  - Cold Iron to co-invest \$1.2 million in-line with prior funding share
- Return on the investment, including the additional funding, is expected to produce returns in excess of our minimum target returns

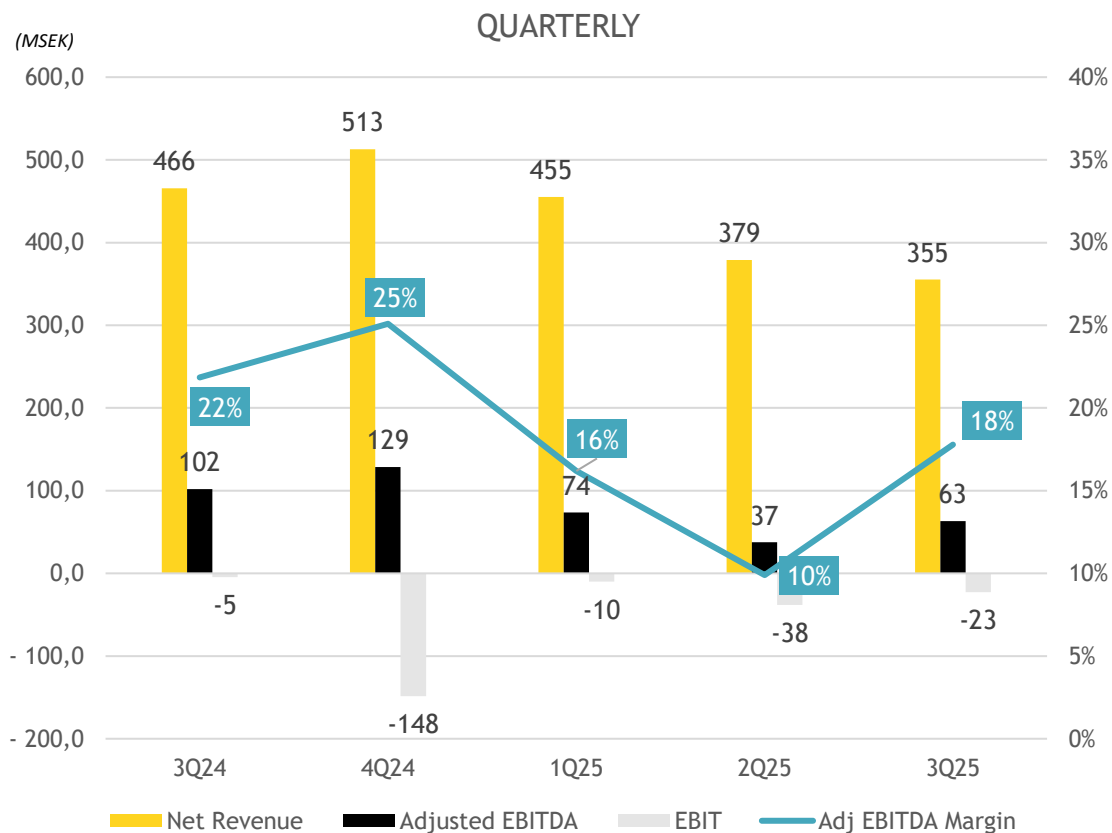


# Financial Discussion

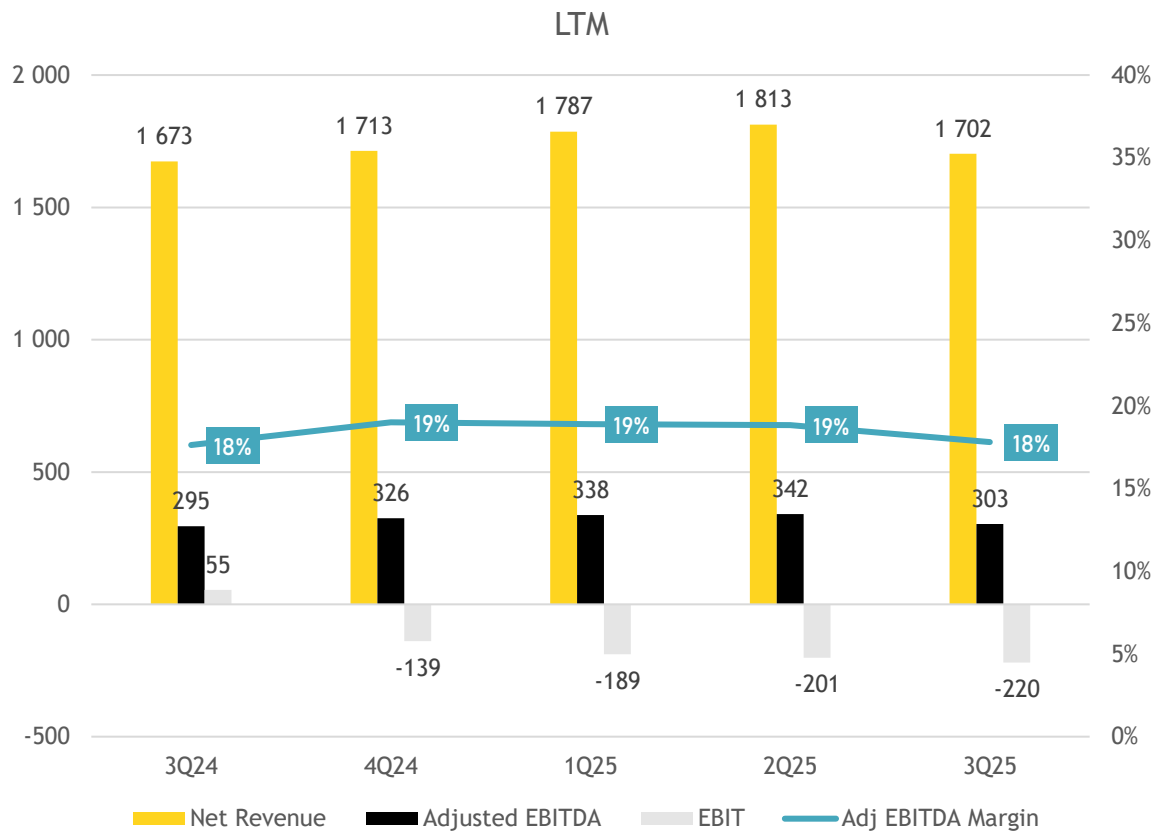


# Net Revenue, Adjusted EBITDA and EBIT

## QUARTERLY

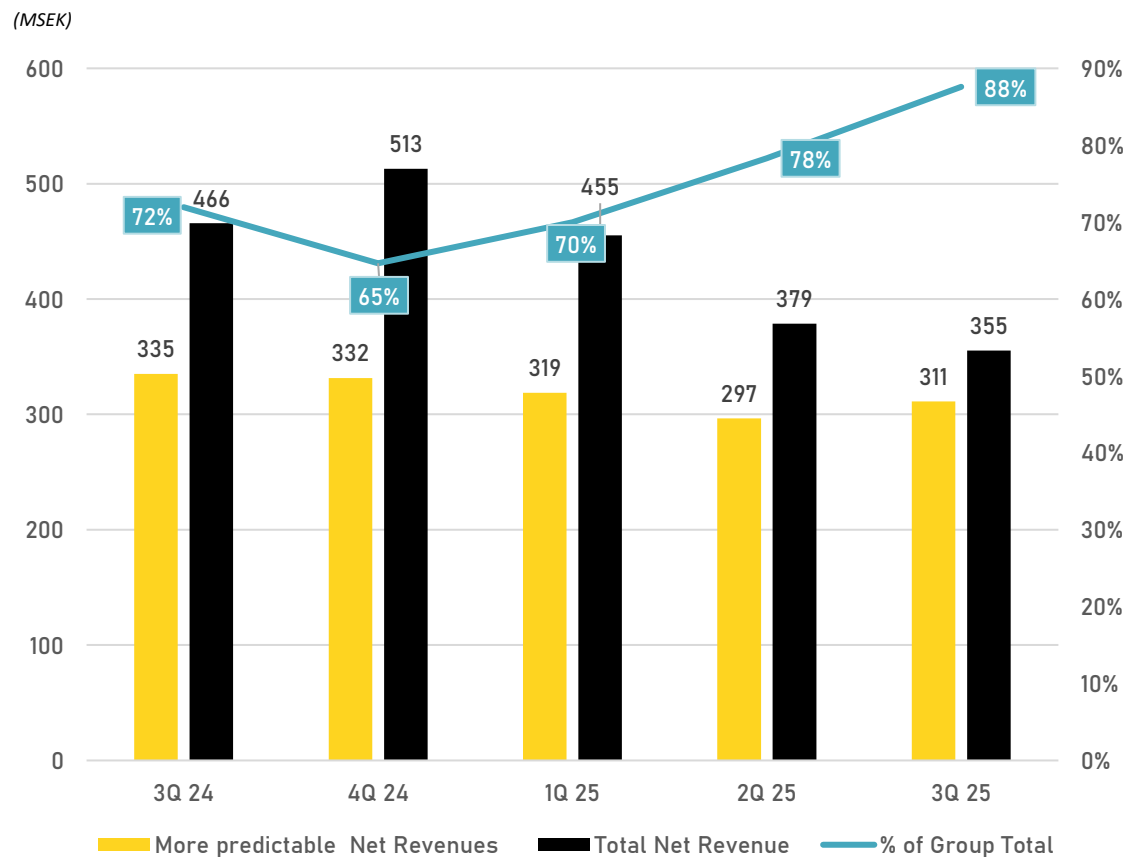


## LTM

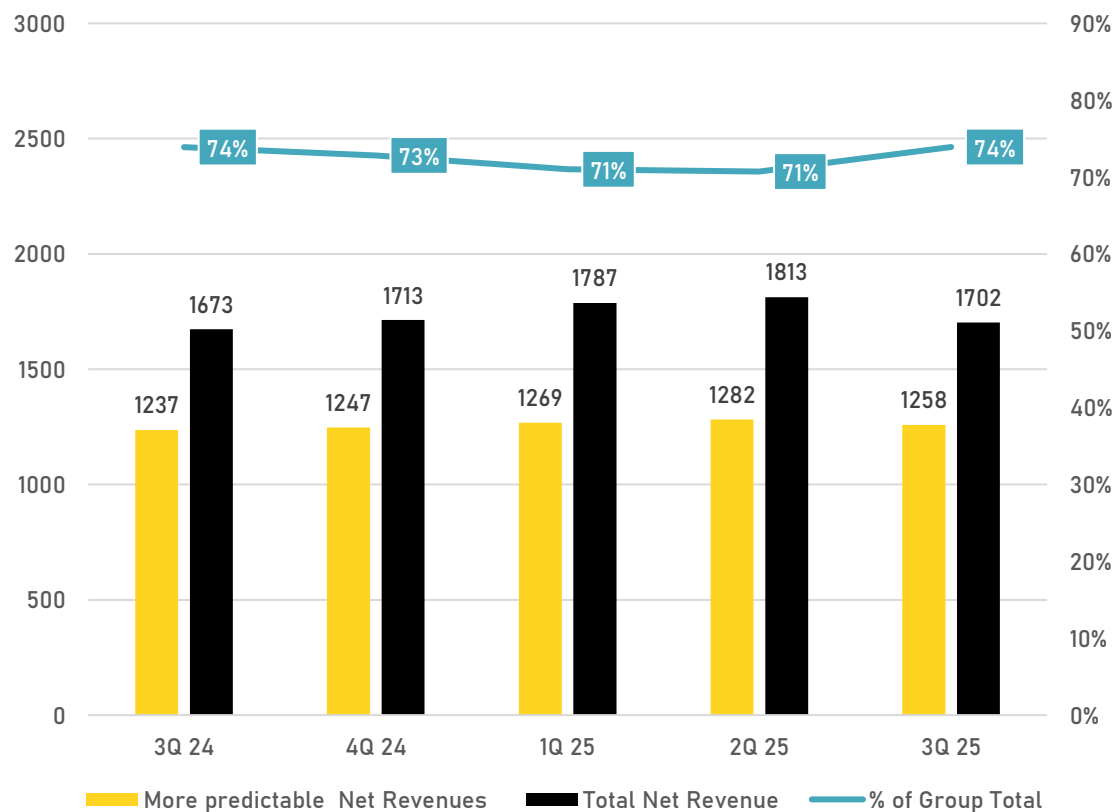


# More predictable part of Net Revenue

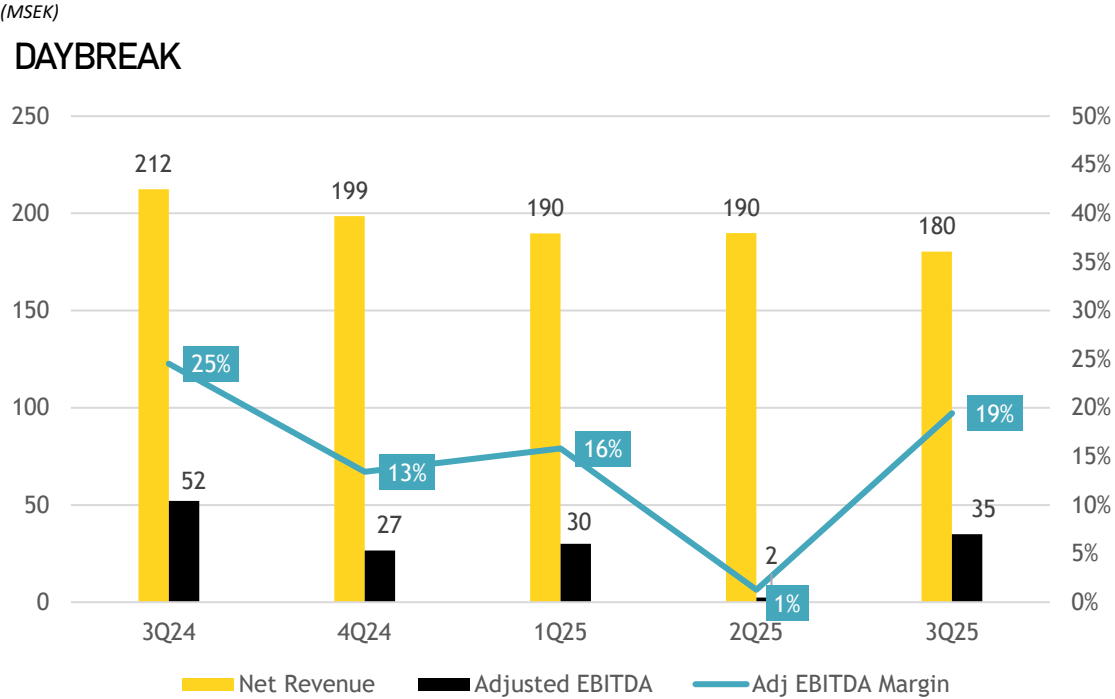
## QUARTERLY



## LTM

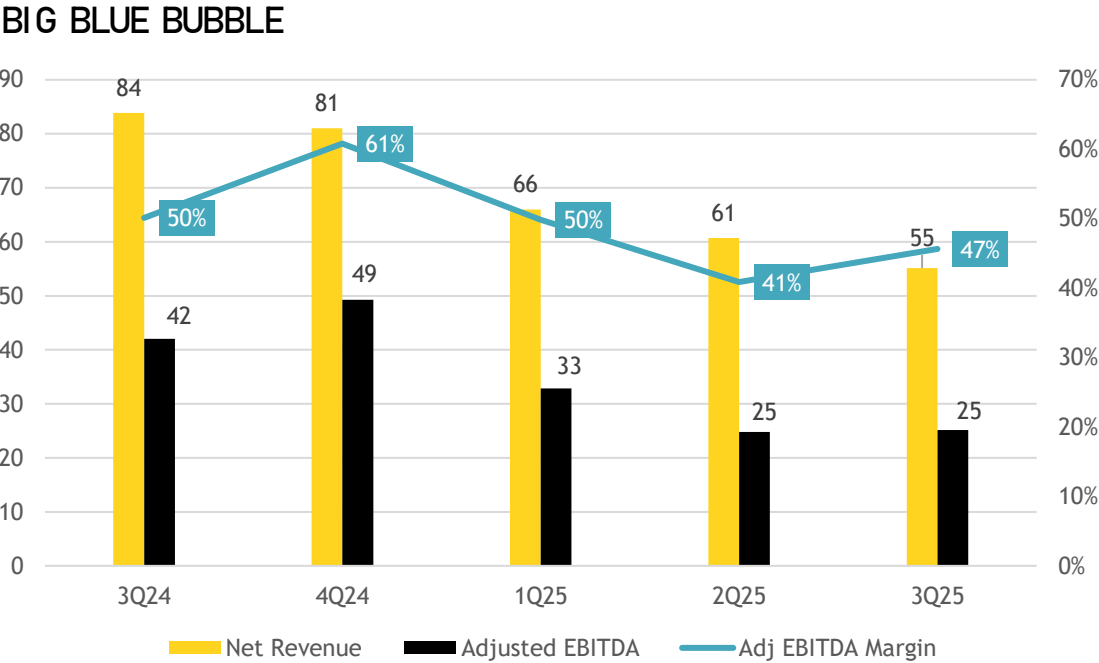


# Net Revenue and Adjusted EBITDA Mix



| Q3 NET REVENUE CONTRIBUTION |     |      |
|-----------------------------|-----|------|
| Daybreak                    | 180 | 51%  |
| Big Blue Bubble             | 55  | 16%  |
| Rest of the group           | 120 | 34%  |
| Group Total                 | 355 | 100% |

| Q3 ADJ EBITDA CONTRIBUTION |    |      |
|----------------------------|----|------|
| Daybreak                   | 35 | 55%  |
| Big Blue Bubble            | 25 | 40%  |
| Rest of the group          | 3  | 5%   |
| Group Total                | 63 | 100% |

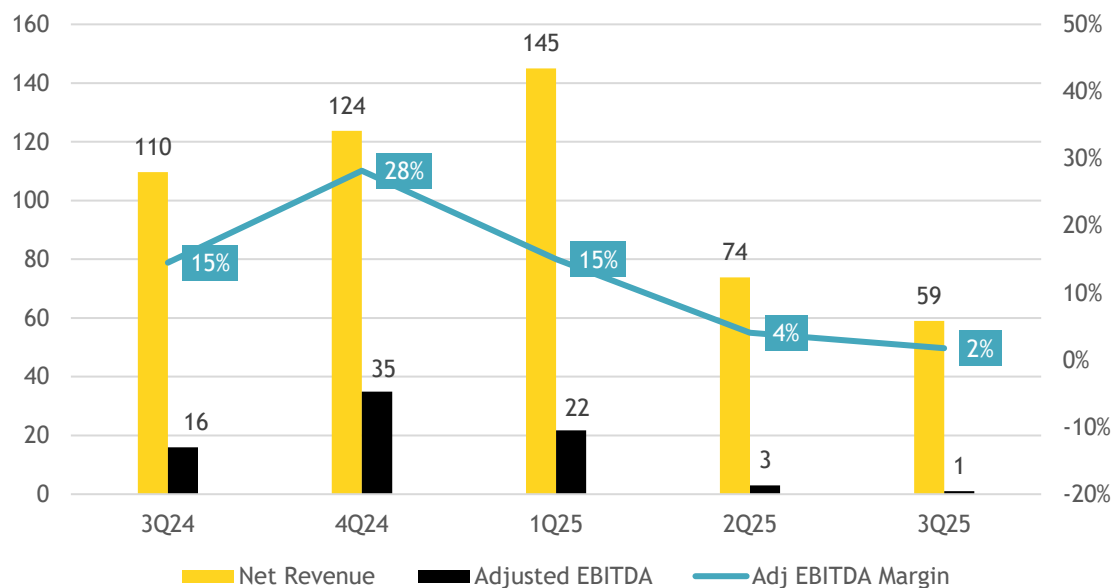




# Net Revenue and Adjusted EBITDA Mix

(MSEK)

## FIRESHINE



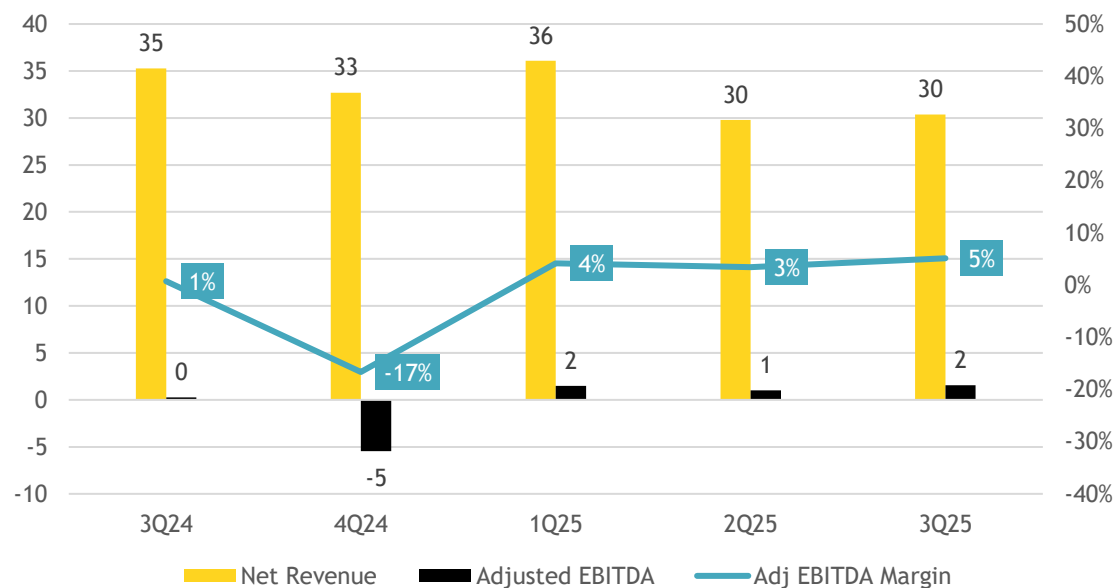
## Q3 NET REVENUE CONTRIBUTION

|                    |            |             |
|--------------------|------------|-------------|
| Fireshine          | 59         | 17%         |
| Petrol             | 30         | 9%          |
| Rest of the group  | 266        | 75%         |
| <b>Group Total</b> | <b>355</b> | <b>100%</b> |

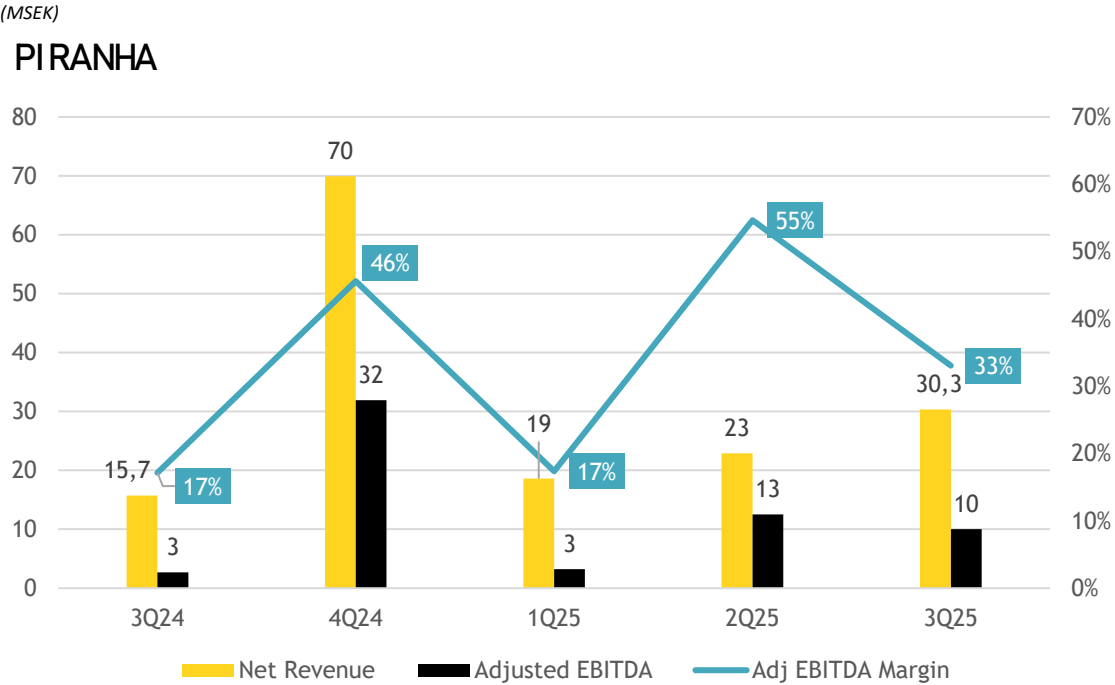
## Q3 ADJ EBITDA CONTRIBUTION

|                    |           |             |
|--------------------|-----------|-------------|
| Fireshine          | 1         | 2%          |
| Petrol             | 2         | 2%          |
| Rest of the group  | 61        | 96%         |
| <b>Group Total</b> | <b>63</b> | <b>100%</b> |

## PETROL



# Net Revenue and Adjusted EBITDA Mix



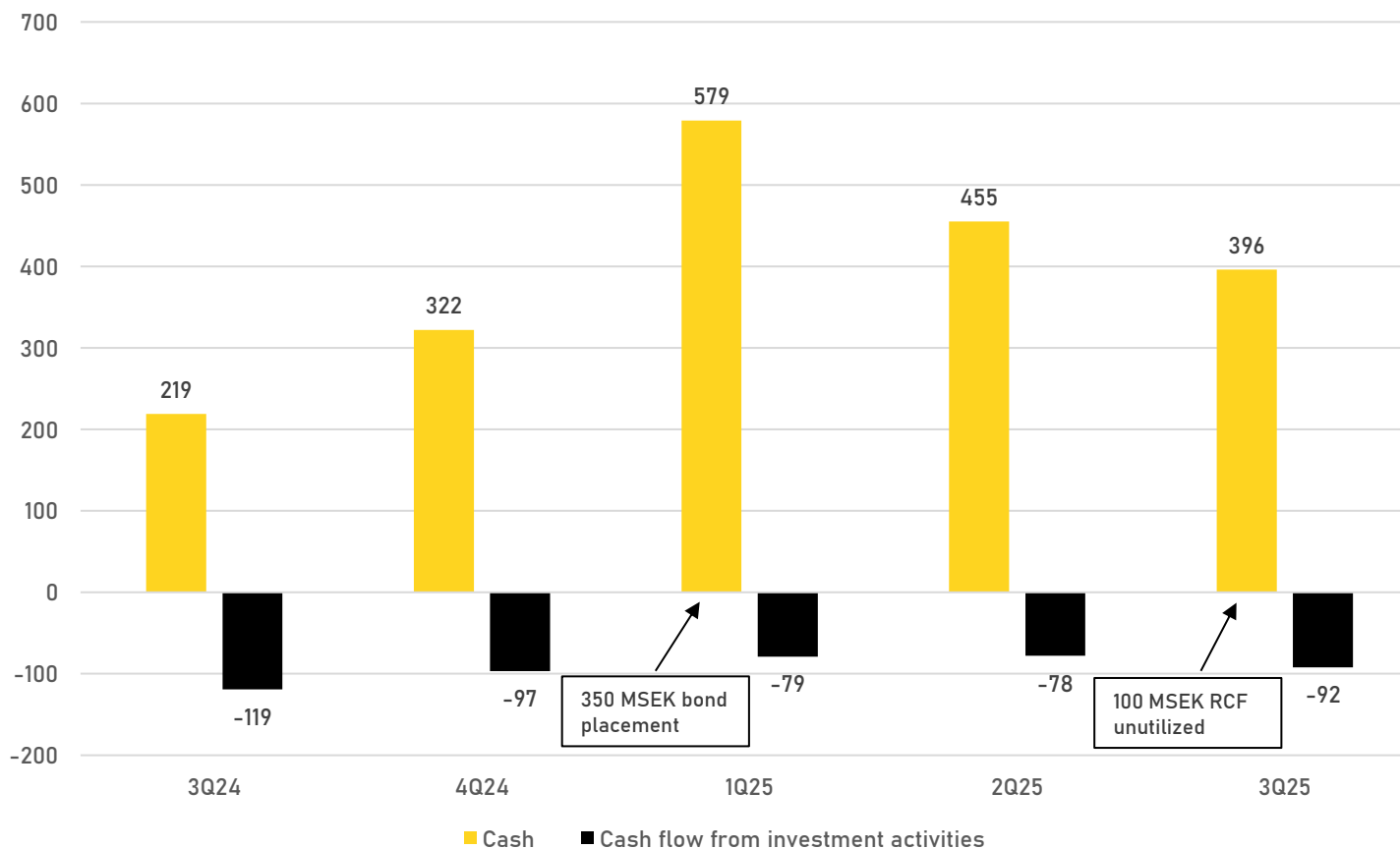
| Q3 NET REVENUE CONTRIBUTION |     |      |
|-----------------------------|-----|------|
| Piranha                     | 30  | 9%   |
| <hr/>                       |     |      |
| Rest of the group           | 325 | 91%  |
| Group Total                 | 355 | 100% |

| Q3 ADJ EBITDA CONTRIBUTION |    |      |
|----------------------------|----|------|
| Piranha                    | 10 | 16%  |
| <hr/>                      |    |      |
| Rest of the group          | 53 | 84%  |
| Group Total                | 63 | 100% |



# Net Cash Position

(MSEK)



The net cash by the end of the quarter amounted to SEK 47.9 million consisting of a cash balance of SEK 395.9 million and a financial debt of SEK 348.0 million

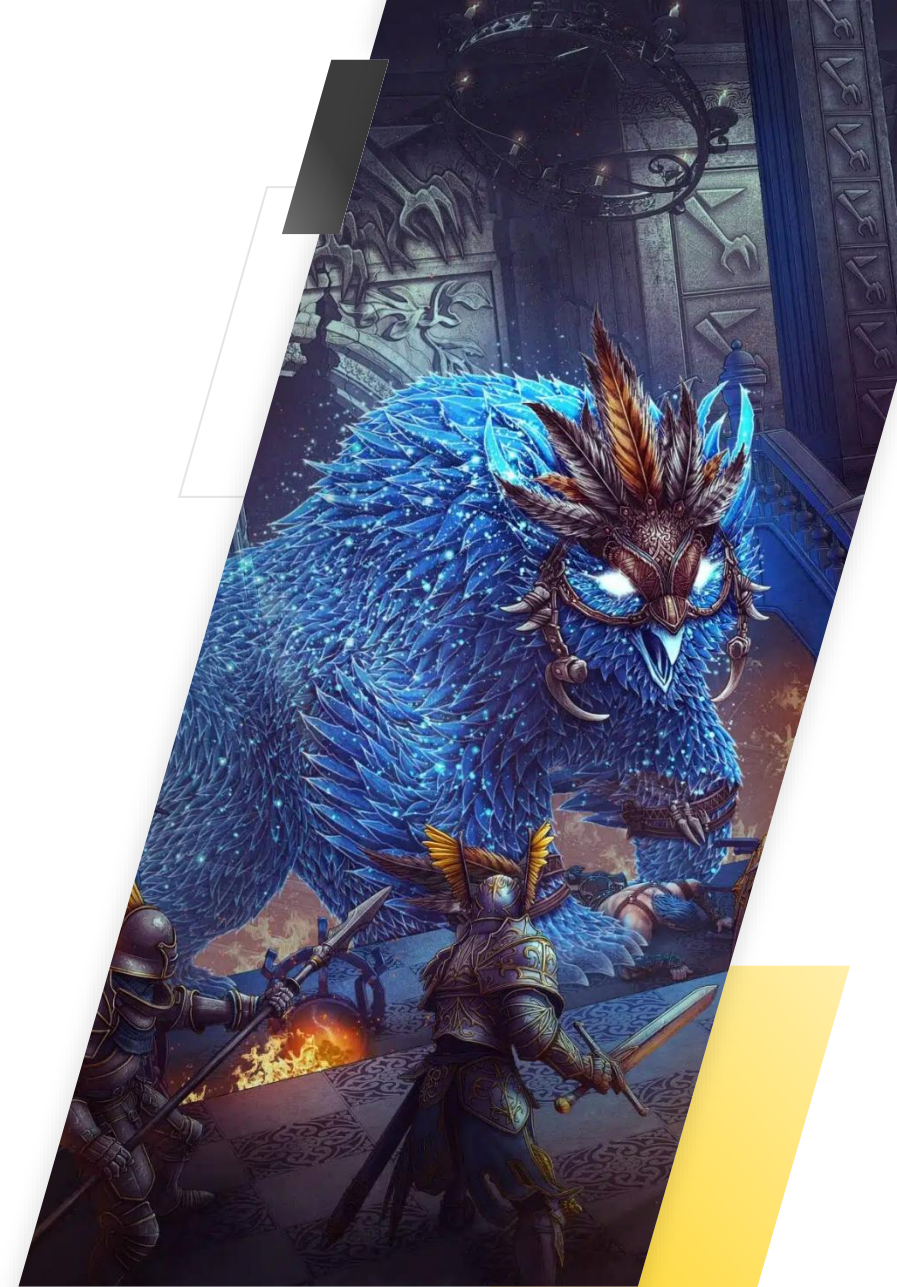
|                                    | Cash Flow  |            |
|------------------------------------|------------|------------|
|                                    | Q3         | YTD        |
| <b>Cash OB</b>                     | <b>455</b> | <b>322</b> |
| Operation*                         | 51         | 47         |
| Investing**                        | -92        | -249       |
| Financing***                       | -15        | 309        |
| <b>Delta Cash</b>                  | <b>-56</b> | <b>107</b> |
| Currency fluctuations in liquidity | -3         | -33        |
| <b>Cash CB</b>                     | <b>396</b> | <b>396</b> |
| *Change in Working Capital         | 13         | -64        |
| ** New growth investments          | -51        | -144       |
| **Other publishing Fireshine       | -12        | -42        |
| **MW5 Clans DLC                    | -6         | -24        |
| **Other Intangibles                | -7         | -13        |
| **Other                            | -16        | -26        |
| *** Bond                           | 0          | 345        |

# Summary



# Summary

- **A slower quarter with some hits and misses**
  - Happy with Palia and plan to continue investing for further growth
  - Cold Iron project delay adversely impacts 2025 results but should provide a solid boost for 2026
    - Providing additional time for quality to maximize returns
- **Continuing to operate cautiously with bias towards capital preservation and risk aversion**
  - Market is still challenging for small to mid-market players
  - Maintaining ample liquidity and strong balance sheet position until market trends further improve
  - Remaining selective in potential deployment of capital for M&A and organic growth opportunities





# Q&A

