

ENAD GLOBAL 7 AB (PUBL)

YEAR-END AND Q4 REPORT 2023

JAN-DEC 2023



YEAR-END AND Q4 REPORT 2023

SUMMARY COMMENTS

For the full year 2023, EG7 delivered SEK 2,045.0 (1,865.9) million in Net Revenue corresponding to a 9.6 percent growth year-over-year and a 5.5 percent organic growth in local currencies. Adjusted EBITDA came in at SEK 542.0 (482.8) million, representing a margin of 26.5 percent and a growth of 12.3 percent year-over-year. The operating cash flows for the year grew 16.9 percent year-over-year to SEK 437.9 (374.6) million.

In the fourth quarter, EG7 delivered Net Revenue of SEK 473.1 (559.0) million and Adjusted EBITDA of SEK 98.2 (178.8) million, representing a margin of 20.8 percent. My Singing Monsters experienced a viral uptick in the fourth quarter 2022, resulting in highly elevated performance for the period. Now a full year from the viral peak, My Singing Monsters has stabilized at a lower level and is the main reason for the unfavorable comparison between the comparable periods in the fourth quarter.

Fiscal year 2024 is expected to be a transition year as the new growth initiatives are expected to contribute from 2024 forward. Consistent with previous communication and based on current trends, we expect Net Revenue of approximately SEK 1.8 billion with EBITDA margin in the 22-25 percent for the full year 2024.

HIGHLIGHTS FOR THE QUARTER

- Net Revenue of SEK 473.1 (559.0) million, representing an FX-adjusted decline of 15.6 percent.
- EBITDA of SEK 99.4 (177.6) million, and Adjusted EBITDA of SEK 98.2 (178.8) million.
- EBIT of SEK 45.2 (-184.2) million, and Adjusted EBIT of SEK 43.9 (130.3) million.
- Profit before tax of SEK 34.2 (-180.9) million.
- Earnings per share of SEK 1.12 (-1.01). Adjusted earnings per share of SEK 1.11 (1.80).
- Cash flows from operations of SEK 100.7 (114.3) million.
- Cash balance of SEK 480.9 million with no bank debt at group level.
- Shareholders approved a dividend of SEK 39.9 million for 2023 at the EGM, corresponding to SEK 0.45 per share to be distributed quarterly in two equal installments during the first half of 2024.

KEY METRICS

	QUARTER		FULL YEAR	
	OCT-DEC 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
<i>SEKm, except per share data</i>				
Net Revenue	473.1	559.0	2,045.0	1,865.9
Growth	-15.4%	12.0%	9.6%	27.1%
Organic FX adj. growth	-15.6%	-4.6%	5.5%	6.2%
EBITDA	99.4	177.6	495.9	474.5
Adjusted EBITDA	98.2	178.8	542.0	482.8
Adjusted EBITDA margin, %	20.8%	32.0%	26.5%	25.9%
EBIT	45.2	-184.2	252.1	-275.9
Adjusted EBIT	43.9	130.3	321.4	275.0
Adjusted EBIT margin, %	9.3%	23.3%	15.7%	14.7%
Profit before tax	34.2	-180.9	216.0	-296.2
Net profit	56.4	-89.5	156.1	-1,239.0
EPS	0.64	-1.01	1.76	-13.98
Adjusted EPS	0.62	1.80	2.38	1.91
Adjusted EPS, excl. M&A related amortizations	0.91	2.10	3.54	3.03

Note: Innova was divested in September 2022.

COMMENTS FROM THE CEO



Ji Ham, CEO

Another record year for EG7

2023 marked another record annual performance with the group delivering Net Revenue of SEK 2,045.0 (1,865.9) million, corresponding to a growth of 9.6 percent. Adjusted EBITDA came in at SEK 542.0 (482.8) million, representing a solid margin of 26.5 percent.

Net Revenue delivered for the fourth quarter was SEK 473.1 (559.0) million, representing a decline of 15.4 percent. Adjusted EBITDA came in at SEK 98.2 (178.8) million, representing a margin of 20.8 percent. The operating cash flow amounted to SEK 100.7 (114.3) million for the period. The unfavorable comparison to the comparable period last year is due to My Singing Monsters (MSM) stabilizing at a lower level compared to the viral peak experienced in the fourth quarter 2022.

MSM was the leading contributor to the group's overall outperformance throughout 2023. After its viral peak in December 2022, MSM continued its highly elevated performance through Q1 2023 before slowly trending down throughout the rest of the year. Based on the observed trends to date, we expect the game to stabilize at a new normalized level during the first half of 2024. Piranha also had a solid year, delivering Net Revenue growth of 48.6 percent for the year, largely driven by the success of multiple MechWarrior 5 DLC releases.

Daybreak, which has been the biggest revenue and profit contributor historically, took a backseat to Big Blue Bubble this year. Beyond the difficult comparison to MSM and its extraordinary year, some of Daybreak's titles performed below expectations, largely due to delayed content releases. Therefore, Daybreak results for the year came in 9.3 percent below 2022.

The results for Fireshine and Petrol, both of which provide services to third party publishers, were impacted by the overall industry challenges. Fireshine's Net Revenues for the year was 10.6 percent below 2022, reflecting the decline in third-party physical publishing volume but partially offset by its continuing growth in indie digital releases. Petrol had a more challenging time stabilizing its performance with its Net Revenues down 18.9 percent for the year.

2023 was a difficult year of adjustment for the entire industry. As a result, some of our business units were naturally impacted negatively. However, on a combined basis, we are quite proud to have delivered another record year of growth, outperforming many of our peers and demonstrating the value of our portfolio and prudent management.

Subsequent events after the year end

Daybreak successfully closed on the sale of a non-core IP for USD 5.9 million. The transaction provides EG7 with further improvement to its liquidity. This transaction will not affect EG7's business plan and performance other than the P&L effect from the asset sale.

Reflective of the continuing turmoil in the industry to start 2024, the previously announced WFH contract for Piranha with estimated value of SEK 100 million has been cancelled. It's disappointing yet expected, given the constant flow of headlines announcing game delays and cancellations. The impact will be relatively limited with approximately SEK 18 million hit to profit for 2024, with approximately 40% of the contract value realized before full termination.

2024 outlook

We have a clear strategy and vision for the group's future as communicated at the Capital Markets Day: 2026 targets for Net Revenue and Adjusted EBITDA of SEK 3 billion and SEK 1 billion, respectively. 2024 will be a transitional year with the emphasis and priority on investing for our long-term growth while proactively managing our existing businesses that are the primary sources of capital for our investments. During this time of transition, until we begin realizing returns from our investments - first with MechWarrior 5: Clans title release in 2024 followed by Cold Iron's title mid-2025 - the performance for the company will remain profitable but somewhat muted. As a result, we are expecting a slower year compared to 2023 with Net Revenue target of SEK 1.8 billion and EBITDA margin in the 22-25 percent range for 2024.

BUSINESS OVERVIEW

A leading global live service game developer and operator

Combining Daybreak, Big Blue Bubble and Piranha titles, EG7 currently operates 10 live service games. This diversified and long-life cycle live games portfolio is a key differentiator for the Group and provides a solid foundation of sustainable revenues and cash flows with a high degree of predictability. Net Revenue from this portfolio in Q4 amounted to SEK 271.7 million, corresponding to 57.4 percent of Net Revenue for the Group.

Following a period of reducing the overall risk and increasing cash generation, EG7 has initiated several new growth Initiatives, including three significant projects such as Piranha's MechWarrior 5: Clans, Daybreak's publishing deal with Cold Iron, and EG7's own release of a new H1Z1 game.

Iconic world-class brands

EG7 is home to some of the most iconic IPs, both first-party and third-party brands.

- 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 155 million (LTD) registrations on mobile and PC, reaching 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.
- 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.

Robust game development capabilities and live operations expertise

EG7 has 7 game development and live operations studios across North America and Europe: Piranha, Toadman Interactive, Big Blue Bubble, Dimensional Ink, Standing Stone Games, Rogue Planet, and Darkpaw Games. Across these studios, we have over 500 passionate and talented employees. These developers may be used for different game development or live operation activities in a way that bring shareholder value to EG7s shareholders.

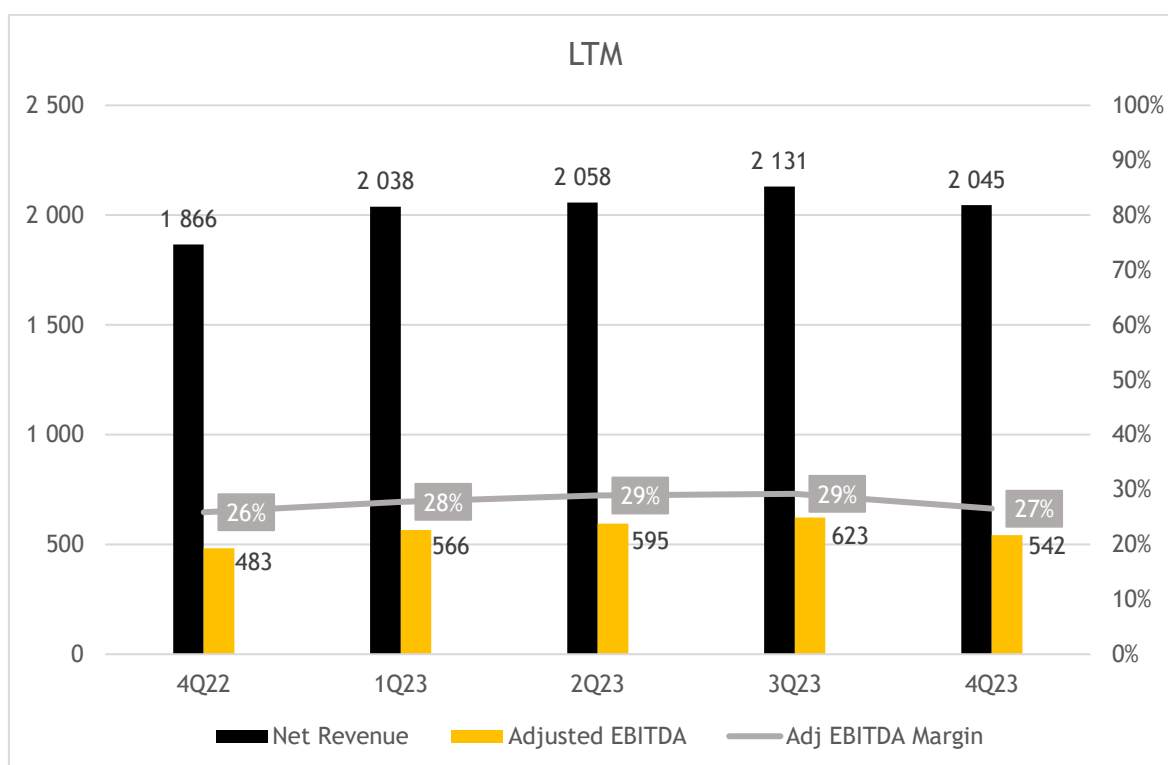
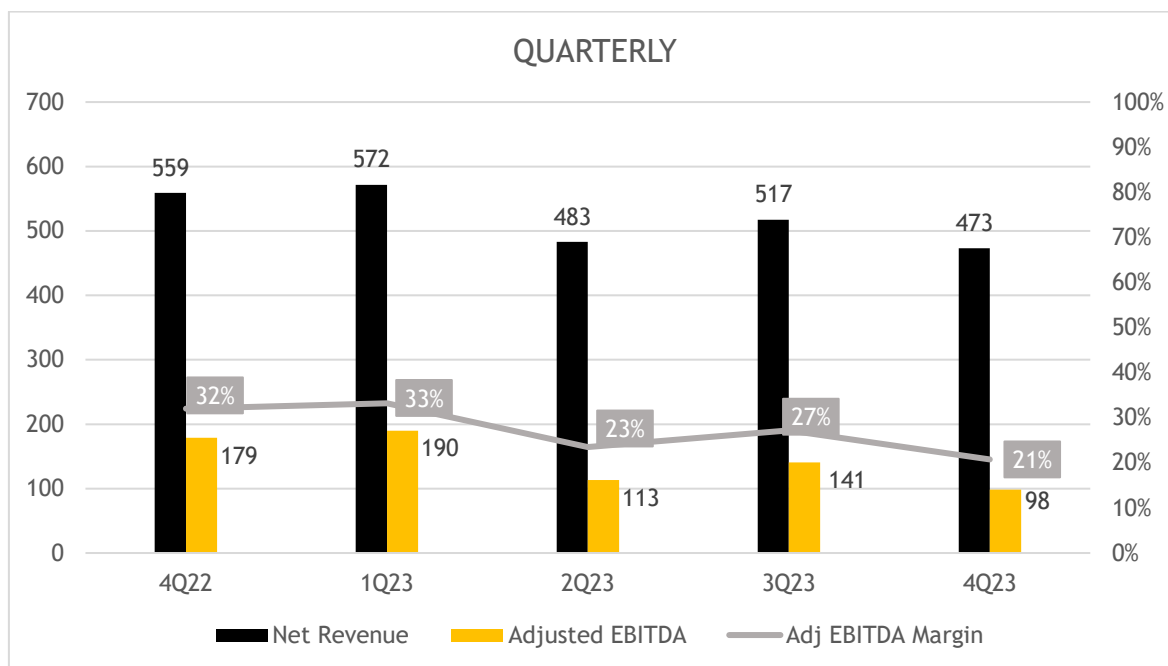
Creative marketing and distribution expertise and capabilities

Petrol has been responsible for some of the most iconic imageries in gaming with the Call of Duty key art for 17 consecutive years and many other creative works on AAA products in its history. With a blue-chip client list who repeatedly tap Petrol for its premier services, Petrol continues to stamp its mark across the industry, creating some of the most iconic images in gaming.

Fireshine brings a wealth of experience and knowledge in the publishing and distribution of premium titles. Fireshine extends the Group's capabilities beyond digital and live service. In addition to its expertise in physical publishing and distribution, Fireshine continues to invest in digital indie game publishing capabilities to expand its digital growth opportunities.

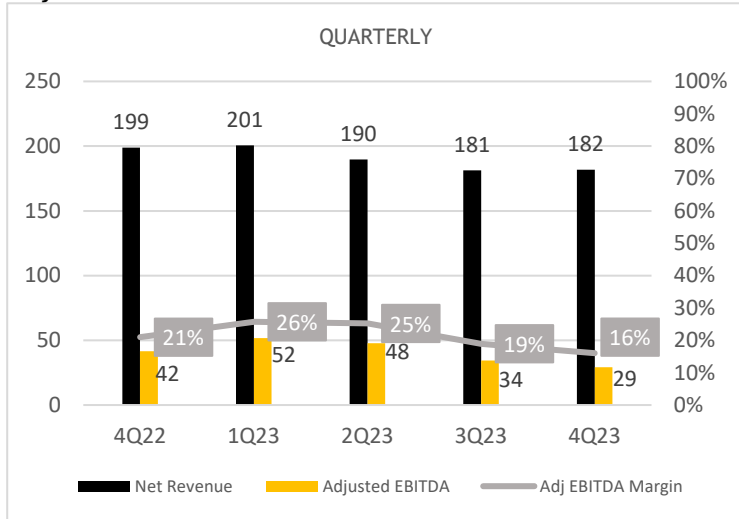
Net Revenue and Adjusted EBITDA

SEKm

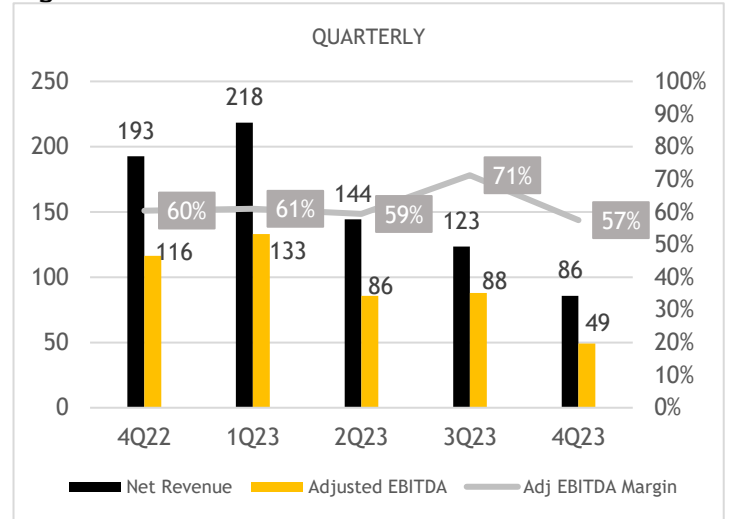


SUMMARY BY SEGMENT

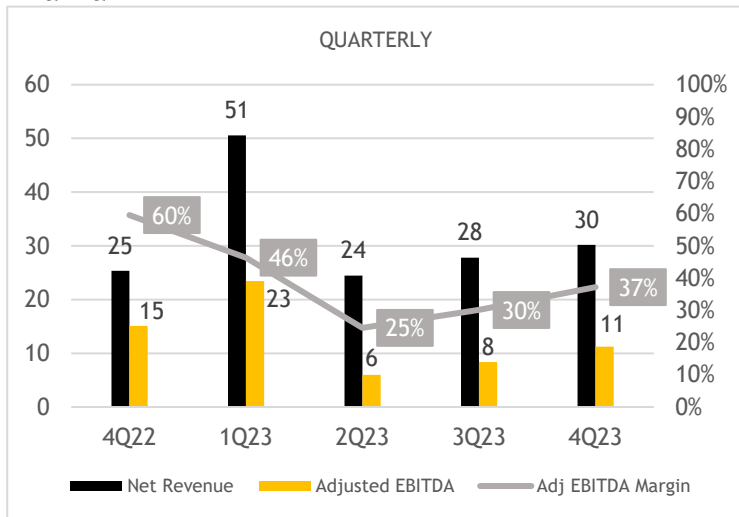
Daybreak



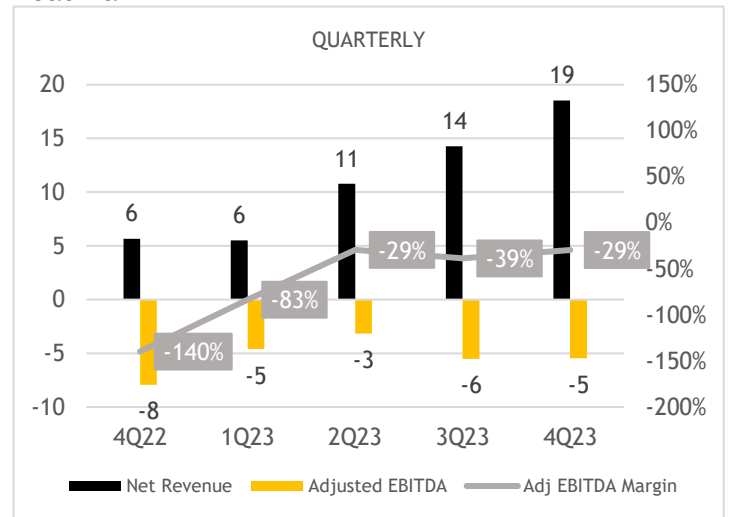
Big Blue Bubble



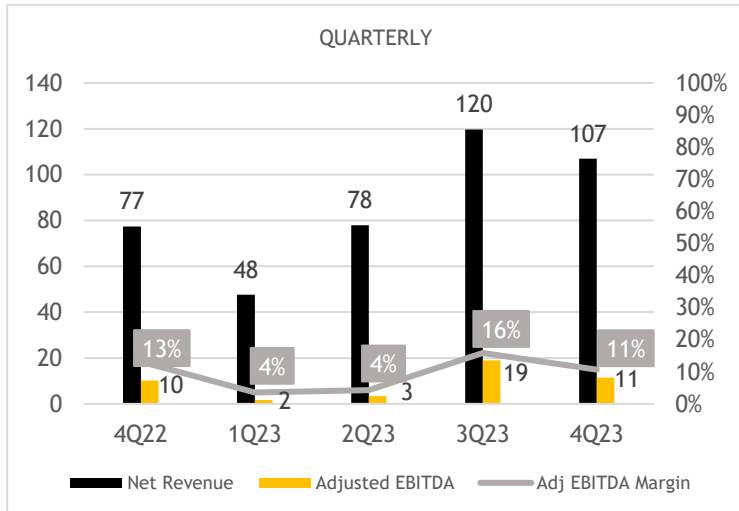
Piranha



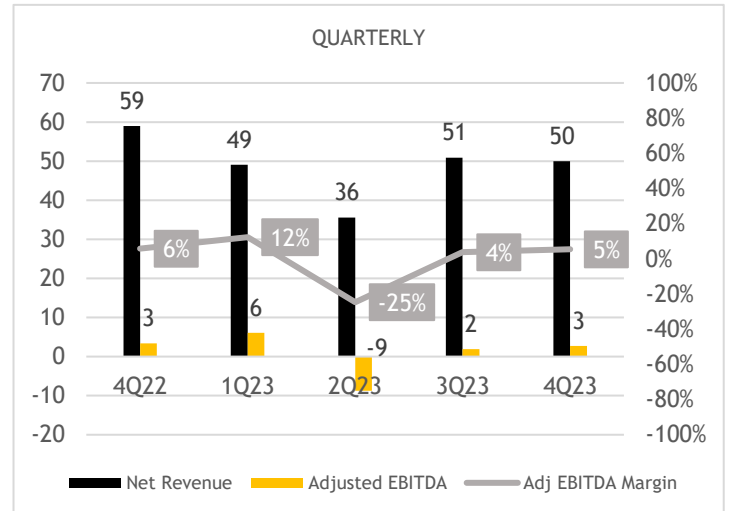
Toadman



Fireshine



Petrol



DAYBREAK

For Q4, Daybreak contributed Net Revenue of SEK 181.8 (198.9) million, down 8.6 percent from the prior year, and Adjusted EBITDA of SEK 29.1 (41.7) million. Adjusted EBITDA margin amounted to 16.0 (21.0) percent. The lower performance for the quarter was consistent with observed trends throughout the year. The underperformance is largely attributable to the lower content delivery for a few of the titles for the year, including the delayed launch of DC Universe Online (DCUO) on the latest generation of consoles, which had an impact on the game's visibility during the year-end holidays, especially on PlayStation 5. The launch is now set for Q1 2024. Further, the overall industry softness likely has impacted performance negatively.

Key highlights for the period included successful expansion pack releases for EverQuest, EverQuest 2 and The Lord of the Rings Online. The content releases were received well by the player communities and performed according to plan.

Subsequent to the year end, Daybreak successfully closed on the sale of a non-core IP for USD 5.9 million, resulting in a nice boost to its liquidity and a profit compared to the book value of the asset on the balance sheet.

Looking forward, 2024 will be a special year for Daybreak as it celebrates big anniversaries for the EverQuest franchise. Both EverQuest and EverQuest 2 will be reaching major milestones with EverQuest turning 25 and EverQuest 2 turning 20 this year. For these significant milestones, the team has kicked off the Year of Darkpaw (EverQuest franchise studio), a yearlong celebration with exciting new content and events throughout the anniversary year.

On the investment front, Daybreak is collaborating closely with Cold Iron on its new title targeted for release mid-2025 and making solid progress. Additionally, the plans have been put in motion for H1Z1 game development to execute against our mid-market publishing business strategy.

BIG BLUE BUBBLE

Big Blue Bubble delivered Net Revenue of SEK 85.8 (192.7) million, corresponding to a 55.5 percent decline compared to last year. Adjusted EBITDA amounted to SEK 49.3 (116.5) million, representing 57.5 percent margin. The decline is reflective of an unfavorable comparison against the peak of MSM's viral uptick that occurred during Q4 2023. While lower compared to the peak, BBB is still performing at levels significantly higher than before the viral uptick with Q4 2023 Net Revenue 215% higher than Q4 2021 Net Revenue of SEK 27.3 million.

For the group, Big Blue Bubble contributed 18.1 percent of Net Revenue and 50.1 percent of Adjusted EBITDA. MSM continues to expand its reach on social media platforms and have amassed more than 1.6 million subscribers on YouTube. The game came in largely in-line with our expectations for the period. Based on the observed trends over the last 12 months, we are expecting the game to stabilize at a new normalized level over the next 6 months. Big Blue Bubble team continues to dedicate significant resources in delivering robust pipeline of engaging content to the game in order to strengthen its user engagement/retention coupled with events driven user acquisition for new and reactivations.

PIRANHA

Net Revenue for the quarter came in at SEK 30.2 (25.3) million, representing 19.1 percent growth. Adjusted EBITDA amounted to SEK 11.2 (15.1) million, representing 37.2 percent margin. The fifth DLC for MechWarrior 5, released on September 28th, was a nice contributor. Piranha is making good progress against the development of MechWarrior 5: Clans, an exciting new standalone entry in the MechWarrior franchise, to be released during the second half of 2024. Piranha has shown strong momentum throughout 2023, with better-than-expected performance from continuing MechWarrior 5 content releases.

On the work-for-hire front, the previously announced contract with estimated Net Revenue potential of SEK 100 million has been canceled in January 2024. The team will be winding down the engagement fully by the end of Q1 2024. This is unfortunate but expected. There have been a steady flow of headlines announcing delays and cancellation of game projects throughout 2023, and it has continued into 2024. The counterparty to the contract also had to delay and cancel projects and consequently, Piranha's WFH contract was cancelled. Out of the estimated SEK 100 million of Net Revenues from the contract, Piranha will have received approximately 40% of the Net Revenues

by the termination date. The remaining SEK 60 million of potential Net Revenue lost is expected to reduce Piranha's profits by approximately SEK 18 million in 2024.

TOADMAN

Toadman's Net Revenue came in at SEK 18.5 (5.7) million, representing 227.0 percent organic growth year-over-year, Adjusted EBITDA came in at SEK -5.5 million for the period. Toadman is continuing its efforts to ramp up its WFH business; however, the industry slowdown has been posing a challenge. As a result, Toadman was not able to achieve the targeted breakeven status by the year end, which now is expected to be reached in the first half this year.

On the product side, Toadman has largely completed the development of Evil V Evil and is preparing for its release. Toadman will be self-publishing the game as an indie title with support from group companies. The game's planned release was announced on February 8th and the plan is for the game to be released across PC, PlayStation 5 and Xbox Series X/S in mid-2024.

FIRESHINE

Fireshines Net Revenue came in at SEK 106.9 (77.4) million, representing 38.1 percent growth year-over-year. Adjusted EBITDA came in at SEK 11.4 (10.2) million, representing a 10.7 percent margin. Fireshine's sales benefitted from the strength of its back catalog sales for the period - although at a lower margin. While year-over-year comparison was positive, Fireshine also dealt with delays in its third-party physical product pipeline, resulting in lower than expected performance for the quarter. For 2024, Fireshine expects its back catalog to drive sales during the first half with new game releases for the second half of the year expected to drive solid growth for the full year.

PETROL

For Q4, Petrol's Net Revenue came in at SEK 50.0 (59.0) million, representing 15.2 percent decline year-over-year. Adjusted EBITDA was SEK 2.7 (3.4) million, representing a 5.4 percent margin. 2023 was a tough year for Petrol. The key project highlights for the period included Call of Duty: Modern Warfare III, Remnant 2 DLC and the studio announcement UNSEEN at The Game Awards. As a 100 percent third-party service based business, its performance mirrors the industry ups and downs very closely. As a result, Petrol's performance declined this year along with its clients tightening their belts. For 2024, Petrol expects to return to normalized profitability through a combination of aggressive cost management and solid pipeline of leads.

RESULTS BASED ON PRIOR SEGMENT REPORTING STRUCTURE

As we are changing our segment reporting structure, where we have removed the Game Segment and Service Segment subgroups. Beginning with the third quarter's reporting, we are providing reporting by each business unit. For historical comparison and reference purposes, we have included the financial data through Q4 2023 grouped in the prior segment reporting groups below.

<i>SEKm</i>	OCT-DEC			JAN-DEC		
	2023	2022	% CHG	2023	2022	% CHG
Net Revenue						
Game Segment	316.1	422.6	-25.2%	1,507.4	1,243.4	21.2%
Service Segment	156.9	136.4	15.0%	537.6	622.5	-13.6%
Group Total	473.1	559.0	-15.4%	2,045.0	1,865.9	9.6%
Adjusted EBITDA						
Game Segment	84.9	168.1	-49.5%	535.0	423.6	26.3%
Service Segment	14.1	13.6	3.7%	37.2	90.4	-58.8%
Holding	-0.9	-2.9	69.0%	-30.2	-31.3	-3.5%
Group total	98.2	178.8	-45.1%	542.0	482.8	12.3%

FINANCIAL OVERVIEW

Net Revenue and Operating Profit

SEKm	OCT-DEC			JAN-DEC		
	2023	2022	% CHG	2023	2022	% CHG
Net Revenue	473.1	559.0	-15.4%	2,045.0	1,865.9	9.6%
Adjusted EBITDA*	98.2	178.8	-45.1%	542.0	482.8	12.3%
EBITDA	99.4	177.6	-44.0%	495.9	474.5	4.5%
Adjusted EBIT*	43.9	130.3	-66.3%	321.4	275.0	16.9%
EBIT	45.2	-184.2	124.6%	252.1	-275.9	191.4%
% Margins						
Adjusted EBITDA margin*	20.8%	32.0%		26.5%	25.9%	
EBITDA margin	21.0%	31.8%		24.2%	25.4%	
Adjusted EBIT margin*	9.3%	23.3%		15.7%	14.7%	
EBIT margin	9.6%	-33.0%		12.3%	-14.8%	

* Refer to Adjustment Bridge on page 29

Net Revenue in Q4 2023 came in at SEK 473.1 (559.0) million, representing an organic decline of -15.4 percent year-over-year. Excluding the FX impact, the organic decline was 15.6 percent. Adjusted EBITDA and Adjusted EBIT were SEK 98.2 (178.8) million and SEK 43.9 (130.3) million for the quarter, representing 20.8 percent and 9.3 percent margins respectively. The adjustment for non-recurring items affecting EBITDA in the fourth quarter was SEK -1.3 (1.2) million, SEK -11.0 million due to adjustment for decreased payment expectations for the SPA related tax refund payment in Daybreak, SEK -1.7 million reversal of restructuring reserve for the closure of AntiMatter Games, SEK 5.4 million in connection with the uplisting process and SEK 6.0 million non-recurring margin adjustment for Fireshine.

Cash flow in short

SEKm	OCT-DEC		JAN-DEC	
	2023	2022	2023	2022
Operating profit (EBIT) from continuing operations	45.2	-184.2	252.1	-275.9
Adjustment for non-cash flow items	48.9	347.5	271.4	770.3
Financial net	-7.6	3.3	-16.8	-20.3
Taxes paid	-13.3	-13.9	-65.0	-34.6
Operating cash flows before balance sheet cash flow impact	73.2	152.7	441.6	439.5
Change in net working capital	27.5	-38.4	-3.8	-64.9
Cash flow from operations	100.7	114.3	437.8	374.6
Cash flow from investment activities	-63.2	-46.6	-231.5	-58.1
Cash flow from financing activities	-5.3	-298.9	-126.0	-331.8
Cash and cash equivalents, start of period	472.5	654.3	407.8	389.6
Cash flow for the period	32.2	-231.2	80.3	-15.3
Exchange rate differences	-23.8	-15.3	-7.2	33.5
Cash and cash equivalents, end of period	480.9	407.8	480.9	407.8

For Q4 2023, EG7 had net cash inflow of SEK 32.3 (-231.2) million, the negative amount previous year is explained by SEK 300 million repayment of external credit facility. Cash flow from operations was SEK 100.7 (114.3) million. The main cash outflow was due to SEK -63.2 million of investment activities, mainly comprised of SEK 41.0 million for Cold Iron publishing investment, SEK 4.6 million in Fireshine publishing deals, and SEK 21.9 million of capitalized development expenses mainly for MechWarrior 5: Clans development. Financing activities cash outflow was SEK -5.3 million mainly due to office leasing. The foreign exchange rate fluctuations in liquid funds resulted in SEK -23.7 million impact. Overall, the Group continued to strengthen its liquidity, with SEK 480.9 million of cash and cash equivalents available as of the end of Q4 2023.

OTHER INFORMATION

The Share and Shareholders

SHAREHOLDER (31-12-2023)	No. of Shares	Capital %
Jason Epstein	8 582 320	9,69%
Avanza Pension	7 490 755	8,45%
Settecento LTD	6 981 119	7,88%
Alta Fox Capital	5 347 681	6,04%
Aguja Capital GmbH	3 002 104	3,39%
Forthmoore Limited	2 919 526	3,30%
Rasmus Davidsson	2 872 743	3,24%
Alexander Albedj	2 692 105	3,04%
Chelverton Asset Management	2 150 000	2,43%
Ji Ham	2 018 472	2,28%
Alan Hunter	1 635 680	1,85%
Handelsbanken Liv Försäkring AB	1 550 809	1,75%
James Cato	1 507 162	1,70%
Garry Williams	1 507 162	1,70%
Nordnet Pensionsförsäkring	1 437 232	1,62%
Other shareholders	36 908 656	41,66%
Total	88 603 526	100,00%

EG7 stock is listed on Nasdaq First North Growth Market with the ticker symbol 'EG7.' As of December 31, 2023, the total number of shares outstanding was 88,603,526 and the closing share price was SEK 18.90 per share.

Related Party Transactions

- During the year, Toadman has delivered SEK 36.2 million in WFH - game development to Cold Iron LLC. Out of which SEK 25.1 million has been paid and SEK 11.1 million remains as receivables.
- EG7 has made a total prepayment of SEK 116.0 million to Cold Iron LLC in 2023. Which will be recouped on game release, and before any revenue share between the companies kicks in.
- In total SEK 17.0 million was paid as part of the SPA related tax refund to the sellers of Daybreak in 2024. Where SEK 15.0 million were paid to Jason Epstein, Chairman of the Board, and SEK 2.0 million was paid to Ji Ham, CEO of EG7.

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

Investments

Project	Investment			Book value	Remaining investment (after 2024)	Game Release
	2023	2024	Total			
<i>SEKm</i>						
Evil v Evil	6,5	0,0	139,1	6,5	0,0	H1 2024
*MW Clans	42,7	70,4	123,8	53,3	0,0	H2 2024
MW 5 and DLCs	7,6	4,7	90,4	16,0		
*Cold Iron	122,6	97,0	232,0	116,0	12,4	2025
*H1Z1	2,1	34,6	369,5	0,0	332,8	2026
Live game portfolio	13,1	7,3		22,3		-
Fireshine portfolio	56,8	49,8				
Total	251,3	263,8	954,8	214,2	345,2	

*Investment in new growth initiatives for 2023-24 amount to SEK 369.4 million

- Evil V Evil - The game was fully written down last year due to it no longer fitting EG7's risk profile. Development has continued at a slower pace during Toadman's work-for-hire transition. The game is set for release on PC, PlayStation 5, and Xbox Series X/S in mid-2024.
- MW Clans - The development is proceeding according to plan and budget, and the game release is planned for 2024.
- MW 5 DLCs - Two more DLCs are planned before the release of MW Clans.
- Cold Iron - The development is proceeding according to plan and budget, and the game is planned for release mid-2025.
- H1Z1 - Currently in concept exploration phase with pre-production phase coming up next. Daybreak is aiming to enter the production phase for the title on the second half of 2024.

Shareholder Capital return

Shareholders approved a dividend of SEK 39.9 million for 2023 at the EGM, corresponding to SEK 0.45 per share to be distributed quarterly in two equal installments during the first half of 2024.

Risks

Risks with the company's share are described in EG7's company description, which was published on January 30, 2019. It can be downloaded from the company's website www.enadglobal7.com. Risks are also included in the annual report for 2022.

Auditor

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

FINANCIAL REPORTS

Consolidated income statement

SEKm	Note	QUARTER		FULL YEAR	
		OCT-DEC 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
Net Revenue	2,3	473.1	559.0	2,045.0	1,865.9
Other Revenue		15.3	1.2	42.5	12.8
		488.4	560.2	2,087.5	1,878.7
Own work capitalized		21.9	44.7	85.6	157.3
<i>Operating expenses</i>					
Cost of goods and services sold		-161.1	-181.0	-618.7	-626.3
Other external expenses		-69.5	-54.8	-262.0	-209.0
Personnel expenses		-181.9	-195.7	-762.6	-742.4
Other expenses		1.6	4.2	-34.1	16.2
Operating profit before depreciation and amortization (EBITDA)		99.4	177.6	495.9	474.5
Depreciation of tangible and right-of-use assets		-11.3	-11.7	-42.0	-45.9
Operating profit before amortization of intangible assets (EBITA)		88.1	166.0	453.9	428.7
Amortization and impairment of acquisition-related intangible assets		-32.2	-33.3	-129.4	-124.6
Amortization and impairment of other intangible assets		-10.7	-316.9	-72.4	-580.0
Operating profit (EBIT)		45.2	-184.2	252.1	-275.9
Financial net	4	-11.0	3.3	-36.1	-20.3
Profit before tax		34.2	-180.9	216.0	-296.2
Tax expense for the period		22.2	91.0	-59.9	28.1
NET PROFIT FROM CONTINUED OPERATIONS		56.4	-89.9	156.1	-268.1
Profit from discontinued operations, net of tax	8	0.0	0.4	0.0	-970.9
NET PROFIT FOR THE PERIOD		56.4	-89.5	156.1	-1,239.0

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

EARNINGS PER AVERAGE SHARE	QUARTER		FULL YEAR	
	OCT-DEC	OCT-DEC	JAN-DEC	JAN-DEC
	2023	2022	2023	2022
Earnings per share before and after dilution (SEK)	0.64	-1.01	1.76	-14.04
Average number of shares before and after dilution	88,603,526	88,603,526	88,603,526	88,270,408

Consolidated comprehensive income

SEKm	QUARTER		FULL YEAR	
	OCT-DEC	OCT-DEC	JAN-DEC	JAN-DEC
	2023	2022	2023	2022
Net profit for the period	56.4	-89.5	156.1	-1,239.0
Other comprehensive income				
<i>Items that will be reclassified to profit or loss</i>				
Translation difference	-277.7	-215.3	-118.2	527.6
Deferred tax	0.5	0.5	0.2	-45.8
Other comprehensive income for the period, after tax	-277.2	-214.8	-118.0	481.8
Comprehensive income for the period	-220.8	-304.3	38.1	-757.1

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

Consolidated balance sheet

SEKm	Note	31 DEC 2023	31 DEC 2022
ASSETS			
Non-current assets			
Goodwill		3,181.7	3,284.9
Other intangible assets	5	667.8	622.5
Tangible non-current assets		30.3	29.1
Right-of-use assets		74.7	39.9
Deferred tax assets		149.7	95.2
Other non-current receivables	6	4.5	15.2
Total non-current assets		4,108.7	4,086.8
Current assets			
Inventory		14.0	17.3
Current receivables	6	269.2	440.5
Cash and cash equivalents	6	480.9	407.8
Total current assets		764.1	865.5
TOTAL ASSETS		4,872.8	4,952.3
EQUITY AND LIABILITIES			
Equity attributable to the parent company's shareholders		3,900.6	3,902.3
Total equity		3,900.6	3,902.3
Non-current liabilities			
Liabilities to credit institutions		2.8	0.0
Leasing liabilities		52.5	17.5
Deferred tax liability		122.9	105.5
Other liabilities		232.3	210.1
Total non-current liabilities	6	410.6	333.1
Current liabilities			
Liabilities to credit institutions		0.6	104.0
Leasing liabilities		25.0	23.6
Accounts payable		33.9	84.8
Current tax liability		67.9	50.4
Other liabilities		95.8	78.3
Contractual liabilities		114.5	153.0
Accrued expenses		223.9	222.8
Total current liabilities	6	561.6	716.9
TOTAL EQUITY AND LIABILITIES		4,872.8	4,952.3

Consolidated report of changes in equity

EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		
<i>SEKm</i>	2023 JAN-DEC	2022 JAN-DEC
Opening balance	3,902.3	4,597.8
Changes in equity during the period		
The Net profit of the period	156.1	-1,239.0
Other comprehensive income for the period	-118.0	481.8
Rights issue	0.0	61.7
Dividend	-39.9	0.0
Closing balance	3,900.6	3,902.3

Consolidated Cash Flow Statement

	QUARTER		FULL YEAR	
	OCT-DEC 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
<i>SEKm</i>				
OPERATING ACTIVITIES				
Operating profit (EBIT) from continuing operations	45.2	-184.2	252.1	-275.9
Adjustments for non-cash flow items	48.9	347.5	271.4	770.3
Financial items	-7.6	3.3	-16.8	-20.3
Taxes paid	-13.3	-13.9	-65.0	-34.6
Cash flow from operating activities before changes in working capital	73.2	152.7	441.6	439.5
Cash flow from changes in working capital	27.5	-38.4	-3.8	-64.9
Cash flow from operating activities	100.7	114.3	437.8	374.6
INVESTMENT ACTIVITIES				
Investment tangible assets	-4.0	-5.4	-14.3	-12.2
Investment intangible assets	-67.6	-44.4	-232.8	-187.9
Investment/disposal of subsidiaries	8.4	3.2	15.6	142.0
Cash flow from investment activities	-63.2	-46.6	-231.5	-58.1
FINANCING ACTIVITIES				
Amortizing loans	0.0	-299.7	-100.0	-299.7
Amortizing lease liability	-5.3	0.8	-26.0	-32.0
Cash flow from financing activities	-5.3	-298.9	-126.0	-331.8
CASH FLOW FOR THE PERIOD				
Cash and cash equivalents at start of period	472.5	654.3	407.8	389.6
Cash flow for the period	32.2	-231.2	80.3	-15.3
Exchange rate differences	-23.8	-15.3	-7.2	33.5
Cash and cash equivalents at end of period	480.9	407.8	480.9	407.8
Specification of cash and cash equivalents				
Total cash balance	480.9	407.8	480.9	407.8
<i>of which are blocked</i>	-2.6	-2.6	-2.6	-2.6
Cash at the end of the period	478.3	405.2	478.3	405.2

Parent Company Income Statement

	QUARTER		FULL YEAR	
	OCT-DEC 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
<i>SEKm</i>				
Net Revenue	0.0	1.8	2.1	5.6
Other Revenue	0.0	0.0	0.0	0.0
	0.0	1.8	2.1	5.6
Own work capitalized	0.0	17.6	0.0	48.6
<i>Operating expenses</i>				
Cost of goods and services sold	3.7	-14.1	-31.9	-54.4
Other external expenses	-4.0	-6.3	-22.8	-27.6
Personnel expenses	3.2	1.4	-14.0	-15.4
Other expenses	0.0	0.0	0.0	0.0
Operating profit before depreciation and amortization (EBITDA)	2.9	0.5	-66.6	-43.2
Depreciation and amortization	0.0	-106.3	0.0	-104.5
Operating profit (EBIT)	2.9	-105.8	-66.7	-147.7
Financial net	65.2	104.4	279.1	-523.2
Profit before tax	68.1	-1.5	212.4	-670.9
Appropriations	0.0	-226.7	0.0	-226.7
Tax expense for the period	-22.3	71.4	-7.4	27.0
NET PROFIT	45.8	-156.8	205.1	-870.6

Parent Company's Balance Sheet

<i>SEKm</i>	31 DEC 2023	31 DEC 2022
ASSETS		
Non-current assets		
Intangible non-current assets	0.0	0.0
Tangible non-current assets	0.2	0.0
Financial non-currents assets	3,644.2	3,659.0
Total non-current assets	3,644.3	3,659.0
Current assets		
Current receivables	46.2	69.2
Cash and cash equivalents	102.2	42.5
Total current assets	148.4	111.7
TOTAL ASSETS	3,792.7	3,770.6
EQUITY AND LIABILITIES		
Equity	3,695.3	3,535.6
Non-current liabilities	0.0	99.5
Current liabilities	97.4	135.5
TOTAL EQUITY AND LIABILITIES	3,792.7	3,770.6

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, 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.

In the third quarter of 2023, EG7 implemented a change to the internal organization, including internal reporting and decision-making processes. The segments correspond to the respective operating units, which follows the internal organization, and it is at this level that the company's highest executive decision-maker follows up on operating results as a basis for decisions on the allocation of resources. As a result, segment reporting from the third quarter of 2023 is updated to include the segments Daybreak, Big Blue Bubble, Piranha, Toadman, Fireshine and Petrol as this best reflects how EG7 primarily manages and monitors its business operations.

Since the group presented the segments as a Game and a Service segment during the first two quarters, the aggregated presentation for Games and Services is also retained in the interim reports for quarters three and four 2023 to facilitate comparability with previous periods.

A description of the respective companies that now form segments can be found in EG7's annual report for 2022 on pages 5-9.

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
Oct-Dec 2023								
Revenue from external customers	181.8	85.8	30.2	18.5	106.9	50.0	0.0	473.1
Net Revenue	181.8	85.8	30.2	18.5	106.9	50.0	0,0	473.1
Adjusted operating profit before depreciation and amortization (AdjEBITDA)	29.1	49.3	11.2	-5.3	11.4	2.7	-0.3	98.2
Adjustments								1.3
Depreciation and amortization								-54.2
Financial net								-11.0
Profit before tax								34.2
Tax expense								22.2
NET PROFIT FROM CONTINUED OPERATIONS								56.4
Profit from discontinued operations, net of tax								0.0
NET PROFIT FOR THE YEAR								56.4
Oct-Dec 2022								
Revenue from external customers	198.9	192.7	25.3	5.7	77.4	59.0	0.0	559.0
Net Revenue	198.9	192.7	25.3	5.7	77.4	59.0	0.0	559.0
Adjusted operating profit before depreciation and amortization (AdjEBITDA)	41.7	116.5	15.1	-3.8	10.2	3.4	-4.2	178.8
Adjustments								-1.2
Depreciation and amortization								-361.8
Financial net								3.3
Profit before tax								-180.9
Tax expense								91.0
NET PROFIT FROM CONTINUED OPERATIONS								-89.9
Profit from discontinued operations, net of tax								0.4
NET PROFIT FOR THE YEAR								-89.5
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 FROM CONTINUED OPERATIONS								156.1
Profit from discontinued operations, net of tax								0.0
NET PROFIT FOR THE YEAR								156.1
Jan-Dec 2022								
Revenue from external customers	830.7	310.1	89.5	13.2	393.7	228.8	0.0	1,865.9
Net Revenue	830.7	310.1	89.5	13.2	393.7	228.8	0.0	1,865.9
Adjusted operating profit before depreciation and amortization (AdjEBITDA)	233.0	182.1	31.2	-20.6	68.6	21.8	-33.3	482.8
Adjustment								-8.2
Depreciation and amortization								-750.4
Financial net								-20.3
Profit before tax								-296.2
Tax expense								28.1
NET PROFIT FROM CONTINUED OPERATIONS								-268.1
Profit from discontinued operations, net of tax								-970.9
NET PROFIT FOR THE YEAR								-1,239.0

Note 3 - Revenue from Customer Contracts

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
North America	94.2	64.3	20.0	11.9	45.6	34.2	270.2
Other markets	7.8	8.1	4.4	0.0	11.5	7.7	39.5
Revenue from customer contracts	181.8	85.8	30.2	18.5	106.9	50.0	473.1

Oct-Dec 2022	Daybreak	Big Blue Bubble	Piranha	Toadman	Fireshine	Petrol	Total group
<i>Geographical region</i>							
Sweden	5.0	1.4	0.0	-5.4	16.1	0.0	17.1
Other Europe	26.2	40.5	30.6	9.1	38.4	2.3	147.1
North America	158.4	132.0	-5.2	1.9	18.6	45.9	351.5
Other markets	9.3	18.9	0.0	0.0	4.4	10.8	43.3
Revenue from customer contracts	198.9	192.7	25.3	5.7	77.4	59.0	559.0

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
North America	551.6	429.3	103.0	36.4	144.0	137.0	1,401.3
Other markets	37.1	51.6	13.0	0.0	40.6	30.5	172.8
Revenue from customer contracts	753.4	571.9	133.0	49.1	352.1	185.6	2,045.0

Jan-Dec 2022	Daybreak	Big Blue Bubble	Piranha	Toadman	Fireshine	Petrol	Total group
<i>Geographical region</i>							
Sweden	5.0	1.4	0.0	2.1	16.1	0.0	24.6
Other Europe	118.1	72.4	78.4	9.1	178.2	30.0	486.2
North America	671.9	210.5	11.1	1.9	162.4	176.6	1,234.3
Other markets	35.7	25.9	0.0	0.0	37.0	22.3	120.8
Revenue from customer contracts	830.7	310.1	89.5	13.2	393.7	228.8	1,865.9

Note 4 - Financial Net

SEKm	OCT-DEC		JAN-DEC	
	2023	2022	2023	2022
Net interest	4.5	-3.4	7.1	-13.6
Discount interest on earn-out and other	-8.4	9.0	-27.7	-14.8
Interest leasing	-0.7	-0.4	-1.6	-2.5
Loan forgiveness (Covid related US)	0.0	0.7	0.0	12.7
Release negative goodwill Serbian acquisition	0.0	0.0	1.1	0.0
Financing fees	-0.3	-1.4	-3.9	-1.6
FX effects	-6.0	-1.2	-11.1	-0.5
Financial net	-11.0	3.3	-36.1	-20.3

The financial net amounted in Q4 to SEK -11.0 million compared to SEK 3.3 million for the same period last year. The positive effect in net interest is due to the repayment of the credit facility in 2022 and overnight deposits in 2023. Last year there was a year to date adjustment in the fourth quarter impacting the discount rate for the tax related debt to sellers in Daybreak. The remaining external credit facility at group level of SEK 100 million was repaid in the first quarter 2023.

Note 5 - Capitalized development costs and gaming rights

SEKm	OCT-DEC 2023		OCT-DEC 2022	
	Capitalized development costs	Gaming rights	Capitalized development costs	Gaming rights
Opening balance	90.6	123.0	343.4	0.0
Capitalized development cost/this year's gross investment	21.9	45.6	43.6	0.0
Reclassified from Other intangible assets*	0.0	0.0	1.9	0.0
Amortization of product development	-4.5	-1.5	-6.3	0.0
Write-down of capitalized development costs	0.0	0.0	-309.8	0.0
FX	-6.0	-10.2	-2.5	0.0
Closing balance	102.0	156.9	70.3	0.0

*Reclass 2022 mainly Marvel, a reclass between Other intangible assets and Capitalized development costs.

SEKm	FULL YEAR 2023		FULL YEAR 2022	
	Capitalized development costs	Gaming rights	Capitalized development costs	Gaming rights
Opening balance*	70.3	0.0	328.8	0.0
Capitalized development cost/this year's gross investment	85.6	179.3	157.3	0.0
Reclassified from Other intangible assets**	0.0	0.0	121.0	0.0
Amortization of product development	-31.1	-14.4	-40.8	0.0
Write-down of capitalized development costs	-20.3	0.0	-510.7	0.0
FX	-2.6	-8.0	14.7	0.0
Closing balance	102.0	156.9	70.3	0.0

*Fireship has changed its prepayment for publishing deals from working capital to Development advance in 2023, that is why opening balance is zero.

**Reclass 2022 mainly Marvel, a reclass between Other intangible assets and Capitalized development costs.

Note 6 - Financial Instruments

Valuation of financial assets and liabilities per Dec 31 2023

	Financial assets valued at fair value through profit or loss	Financial assets valued at amortized cost	Total reported values
Financial assets			
Accounts receivable	0.0	155.6	155.6
Cash and cash equivalents	0.0	480.9	480.9
Total	0.0	635.5	635.5
	Financial liabilities valued at fair value through profit or loss	Financial liabilities valued at amortized cost	Total reported values
Financial liabilities			
Contingent consideration	123.3	0.0	123.3
Liabilities to credit institutions	0.0	3.5	3.5
Accounts payable	0.0	33.9	33.9
Leasing	0.0	77.5	77.5
SPA related tax refund	147.8	0.0	147.8
Deferred revenue	0.0	116.4	116.4
Other financial liabilities	0.0	125.7	125.7
Total	271.0	357.0	628.1

Valuation of financial assets and liabilities per Dec 31 2022

	Financial assets valued at fair value through profit or loss	Financial assets valued at amortized cost	Total reported values
Financial assets			
Accounts receivable	0.0	263.3	263.3
Cash and cash equivalents	0.0	407.8	407.8
Total	0.0	671.1	671.1
	Financial liabilities valued at fair value through profit or loss	Financial liabilities valued at amortized cost	Total reported values
Financial liabilities			
Contingent consideration	83.9	0.0	83.9
Liabilities to credit institutions	0.0	104.0	104.0
Accounts payable	0.0	84.8	84.8
Leasing	0.0	41.1	41.1
SPA related tax refund	169.3	0.0	169.3
Deferred revenue	0.0	157.0	157.0
Other financial liabilities	0.0	145.8	145.8
Total	253.1	532.8	785.9

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).

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	Jan-Dec 2023	Jan-Dec 2022
At beginning of period	83.9	128.7
Acquisitions during the period	0.0	0.0
Payments	0.0	-68.2
Discount effect	11.5	14.2
Change in value reported in the result	31.8	-0.9
FX effect	-3.9	10.1
At end of period	123.3	83.9

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	Oct-Dec	Jan-Dec	Jan-Dec
Related party	Related party transaction - paid	2023	2022	2023	2022
Jason Epstein	SPA related tax refund payment ²⁾	0.0	0.0	-15.0	0.0
Ji Ham	SPA related tax refund payment ²⁾	0.0	0.0	-2.0	0.0
		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Related party	Related party transaction - recognized revenue	2023	2022	2023	2022
Cold Iron LLC ¹⁾	Game developing - WFH contract revenue ³⁾	11.9	1.8	36.2	1.8
		December	December		
Related party	Outstanding liabilities	2023	2022		
Jason Epstein	SPA related tax refund ²⁾	106.2	121.6		
Ji Ham	SPA related tax refund ²⁾	14.2	16.3		
Total		120.4	137.9		
		December	December		
Related party	Outstanding receivables	2023	2022		
Cold Iron LLC ¹⁾	Receivables WFH contract	11.1	0.0		
Cold Iron LLC ¹⁾	Publishing deal	116.0	0.0		
Total		127.1	0.0		

1) Cold Iron Studios LLC is owned by Jason Epstein, Chairman of the Board, and Ji Ham, Acting CEO.

2) This item is seen under other acquisition related liabilities in note 6 and the total estimated remaining amount by end of December 2023 amounted to SEK 147.8 million of which SEK 106.2 refers to Jason Epstein and SEK 14.2 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.

3) Out of Toadman's SEK 36.2 million recognized revenue that relates to the WFH contract with Cold Iron, SEK 25.1 million has been received and SEK 11.1 million remains as receivables.

For further details on related party transactions, please see the Annual report 2022.

Note 8 - Divestments and discontinued operations

April 19, 2022, EG7 announced the intent to sell the Russian subsidiary Innova Intellectual Properties S.ar.L. subsidiary. The completion of the sale to Games Mobile ST LTD ("GMST") was communicated on September 23, 2022, with a transaction value of EUR 21 million. EUR 17 million paid at closing and an additional EUR 4 million in six installments over the following 18 months. Last payment was received in January 2024.

Income statement discontinued operations	QUARTER		FULL YEAR	
	OCT-DEC 2023	OCT-DEC 2022	JAN-DEC 2023	JAN-DEC 2022
<i>SEKm</i>				
Net Revenue				197.2
Other Revenue				27.2
Total Revenue				224.4
<i>Operating expenses</i>				
Cost of goods sold				-78.8
Other external expenses				-22.5
Personnel expenses				-57.9
Other expenses				-7.4
Operating profit before depreciation and amortization (EBITDA)				57.8
Depreciation of tangible and right-of-use assets				-14.1
Operating profit before amortization of intangible assets (EBITA)				43.7
Amortization of acquisition-related intangible assets				1,126.8
Amortization of other intangible assets				-0.2
Operating profit (EBIT)				-1,083.3
Transactional result/Financial net				112.9
Profit before tax				-970.5
Tax expense for the period				-0.4
NET PROFIT FROM DISCONTINUED OPERATIONS				-970.8

Balance sheet discontinued operations	26 SEP 2022
Intangible non-current assets	27.7
Tangible non-current assets	9.1
Financial non-currents assets	48.3
Inventory	1.0
Current receivables	151.2
Cash and cash equivalents	121.7
Non-current liabilities	-5.7
Current liabilities	-241.3
Net identifiable assets	112.0

Note 9 - Significant Events After the Balance Date

Piranha had a WFH contract that was cancelled. Out of the estimated SEK 100 million of Net Revenues from the contract, Piranha will have received approximately 40 percent of the Net Revenues by the termination date. The remaining SEK 60 million of potential Net Revenue lost is expected to reduce Piranha's profits by approximately SEK 18 million in 2024.

Daybreak successfully closed the sale of a non-core IP for USD 5.9 million.

Furthermore, the board has decided to strengthen group management by appointing David Youssefi as Vice President and General Counsel and Huyen Huynh as Vice President of Group Operations.

DEFINITIONS

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.

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

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.

EBITDA margin (%): EBITDA as a percentage of total Revenue.

EBITA: Operating profit before depreciation of intangible assets.

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

Adjusted EBIT: EBIT adjusted for items considered to be non-recurring and one-time in nature for comparability between periods.

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

EBIT: Earnings before interest and tax

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

Equity ratio: Equity as a percentage of total assets.

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 profit: Profit after tax for the period.

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

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

Number of shares: Total number of shares outstanding.

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: 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.

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 EnadGlobal7.

ALTERNATIVE PERFORMANCE MEASURES

Adjustment bridge

SEKm	OCT-DEC		JAN-DEC	
	2023	2022	2023	2022
EBITDA	99.4	177.6	495.9	474.5
Revaluation of deferred purchase consideration*	0.0	0.0	31.9	-0.9
Revaluation SPA related tax refund**	-11.0	0.0	-11.0	0.0
Restructuring costs	-1.7	0.0	12.3	0.0
M&A costs	5.4	1.2	7.0	9.2
Non-recurring margin adjustment	6.0	0.0	6.0	0.0
Adjusted EBITDA	98.2	178.8	542.0	482.8
EBIT	45.2	-184.2	252.1	-275.9
Revaluation of deferred purchase consideration*	0.0	0.0	31.9	-0.9
Revaluation SPA related tax refund**	-11.0	0.0	-11.0	0.0
Restructuring costs	-1.7	0.0	12.3	0.0
M&A costs	5.4	1.2	7.0	9.2
Non-recurring margin adjustment	6.0	0.0	6.0	0.0
Write-down games***	0.0	308.6	20.3	528.3
Write-down AMG closing	0.0	0.0	2.9	0.0
FX	0.0	4.7	0.0	14.4
Adjusted EBIT	43.9	130.3	321.4	275.1
Net profit	56.4	-89.5	156.1	-1,239.0
Revaluation of deferred purchase consideration*	0.0	0.0	31.9	-0.9
Revaluation SPA related tax refund**	-11.0	0.0	-11.0	0.0
Restructuring costs	-1.7	0.0	12.3	0.0
M&A costs	5.4	1.2	7.0	9.2
Non-recurring margin adjustment	6.0	0.0	6.0	0.0
Write-down games***	0.0	303.6	20.3	528.3
Write-down AMG closing	0.0	0.0	2.9	0.0
FX	0.0	4.7	0.0	14.4
Tax effect adjustments	0.3	-64.8	-14.3	-113.5
Discontinued operations	0.0	-0.4	0.0	970.9
Adjusted net profit	55.4	159.8	211.1	169.4
Earnings per share	0.64	-1.01	1.76	-13.98
Adjusted earnings per share	0.62	1.80	2.38	1.91

*Q3 2023 adjustment of contingent liability Piranha amounting to SEK 31.8 million, Q2 2022 adjustment of contingent consideration for Big Blue Bubble was SEK -0.9 million.

**Q4 2023 adjustment of SPA related tax refund in Daybreak of SEK -11 million.

*** 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 2022 write-down of games in Toadman and AntiMatterGames SEK 308.6 million; Evil v Evil, Minimal Affect, Block N Load 2, Hathor, I.G.I and 83. In Q2 2022 Marvel in Daybreak was written down.

Organic growth bridge

SEKm	OCT-DEC			JAN-DEC		
	2023	2022	% CHG	2023	2022	% CHG
Net Revenue	473.1	559.0	-15.4%	2,045.0	1,865.9	9.6%
Magic Online proforma	0.0	0.0		0.0	4.7	
Organic Revenue incl Magic Online	473.1	559.0	-15.4%	2,045.0	1,870.5	9.3%
FX effect	-1.6			-71.0		
Organic Revenue FX adjusted incl Magic Online	471.5	559.0	-15.6%	1,974.0	1,870.5	5.5%

Financing

	DEC	
<i>SEKm</i>	2023	2022
Total debt	-3.5	-104.0
Cash and cash equivalents	480.9	407.8
Net cash	477.5	303.7

The net cash by the end of the quarter amounted to SEK 477.5 million consisting of a cash balance of SEK 480.9 million and a financial debt of SEK 3.5 million. The Group repaid the remaining SEK 100 million of the external loan in Q1 2023.

Segment performance data

SEKm	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2023 Full year	2022 Full year
NET REVENUE										
Game										
Daybreak	181.8	181.3	189.6	200.6	198.9	216.2	203.4	212.1	753.4	830.7
Big Blue Bubble	85.8	123.4	144.4	218.3	192.7	47.9	43.2	26.2	571.9	310.1
Piranha	30.2	27.8	24.5	50.5	25.3	25.1	22.9	16.2	133.0	89.5
Toadman	18.5	14.3	10.8	5.5	5.7	5.5	0.9	1.1	49.1	13.2
Game total	316.2	346.8	369.3	475.1	422.6	294.8	270.4	255.6	1,507.4	1,243.4
Service										
Petrol	50.0	50.9	35.6	49.1	59.0	66.3	49.9	53.7	185.6	228.8
Fireshine Games	106.9	119.6	78.0	47.6	77.4	83.4	142.5	90.4	352.1	393.7
Service total	156.9	170.5	113.6	96.6	136.4	149.7	192.4	144.0	537.6	622.5
GROUP TOTAL	473.1	517.3	482.9	571.7	559.0	444.5	462.8	399.7	2,045.0	1,865.9
NET REVENUE GROWTH YoY (%)										
Game										
Daybreak	-9%	-16%	-7%	-5%	15%	27%	16%	13%	-9%	18%
Big Blue Bubble	-56%	157%	234%	734%	607%	52%	59%	14%	84%	184%
Piranha	19%	11%	7%	212%	-15%	-47%	92%	247%*	49%	-5%*
Toadman	227%	162%	1108%	381%	311%	305%	-65%	-48%	273%	76%
Game total	-25%	18%	37%	86%	83%	18%	25%	19%*	21%	36%*
Service										
Petrol	-15%	-23%	-29%	-9%	-8%	90%	52%	71%	-19%	40%
Fireshine Games	38%	43%	-45%	-47%	-62%	21%	130%	55%	-11%	0%
Service total	15%	14%	-41%	-33%	-49%	44%	103%	61%	-142%	12%
GROUP TOTAL	-15%	16%	4%	43%	12%	25%	49%	32%*	10%	27%*
NET REVENUE ORGANIC YoY (%)										
Game										
Daybreak	-9%	-16%	-7%	-7%*	5%*	13%*	2%*	2%*	1%*	6%*
Big Blue Bubble	-56%	157%	234%	734%	607%	52%	59%	14%	84%	184%*
Piranha	19%	11%	7%	212%	-15%	-47%	92%	247%*	49%	-2%*
Toadman	227%	162%	1108%	381%	311%	305%	-65%	-48%	273%	76%
Game total	-25%	18%	37%	83%*	75%*	8%*	14%*	10%*	30%*	27%*
Service										
Petrol	-15%	-23%	-29%	-9%	-8%	90%	52%	71%	-19%	40%
Fireshine Games	38%	43%	-45%	-47%	-62%	21%	130%	55%	-11%	0%
Service total	15%	14%	-41%	-33%	-49%	44%	103%	61%	-142%	12%
GROUP TOTAL	15%	16%	4%	41%*	8%*	19%*	41%*	25%*	15%*	21%*
ORGANIC FX ADJUSTED GROWTH YoY (%)										
Game										
Daybreak	-8%	-17%	-13%	-17%*	-13%*	-8%*	-12%*	-8%*	-14%*	-10%*
Big Blue Bubble	-54%	162%	237%	687%	529%	30%	40%	4%	82%*	151%*
Piranha	20%	12%	10%	195%	-25%	-54%	69%	216%*	47%*	-16%*
Toadman	227%	162%	1107%	381%	313%	300%	-65%	-48%	273%	75%
Game total	-24%	18%	33%	69%*	47%*	-10%*	-2%*	-2%*	17%*	8%*
Service										
Petrol	-15%	-25%	-33%	-18%	-23%	55%	31%	53%	-23%	19%
Fireshine Games	31%	32%	-48%	-48%	-64%	16%	119%	44%	-16%	-5%
Service total	11%	7%	-44%	-37%	-53%	31%	86%	47%	-18%	2%
GROUP TOTAL	16%	14%	1%	31%*	-5%*	1%*	24%*	12%*	6%*	6%*
ADJ EBITDA										
Game										
Daybreak	29.1	34.3	47.8	51.6	41.7	64.8	51.7	74.8	162.9	233.0
Big Blue Bubble	49.3	87.9	85.8	133.1	116.5	30.4	22.8	12.4	356.1	182.1
Piranha	11.2	8.4	6.0	23.4	15.1	9.1	4.5	2.5	49.0	31.2
Toadman & AMG	-4.7	-2.4	-12.2	-13.7	-5.1	-5.3	-7.4	-4.9	-33.0	-22.7
Game total	84.9	128.2	127.4	194.5	168.1	99.0	71.6	84.9	535.0	423.6
Service										
Petrol	2.7	1.9	-8.8	6.0	3.4	9.6	-4.4	13.2	1.9	21.8
Fireshine Games	11.4	18.9	3.3	1.7	10.2	9.3	30.6	18.5	35.4	68.6
Service total	14.11	20.9	-5.5	7.7	13.6	18.9	26.2	31.7	37.2	90.4
Holding										
Holding	-0.9	-8.3	-8.6	-12.4	-2.9	-4.8	-13.5	-10.1	-30.2	-31.3
GROUP TOTAL	98.2	140.7	113.3	189.8	178.8	113.1	84.3	106.5	542.0	482.7

	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2023 Full year	2022 Full year
SEKm										
ADJ EBITDA MARGIN (%)										
Game										
Daybreak	16%	19%	25%	26%	21%	30%	25%	35%	22%	28%
Big Blue Bubble	57%	71%	59%	61%	60%	63%	53%	47%	62%	59%
Piranha	37%	30%	25%	46%	60%	36%	20%	16%	37%	35%
Toadman & AMG	-25%	-17%	-113%	-248%	-91%	-97%	-833%	-424%	-67%	-173%
Game total	27%	37%	34%	41%	40%	34%	26%	33%	36%	34%
Service										
Petrol	5%	4%	-25%	12%	6%	15%	-9%	25%	1%	10%
Fireshine Games	11%	16%	4%	4%	13%	11%	22%	20%	10%	17%
Service total	12%	12%	-5%	8%	10%	13%	14%	22%	7%	15%
GROUP TOTAL	9%	27%	23%	33%	32%	25%	18%	27%	27%	26%
ADJ EBIT										
Game										
Daybreak	-7.3	-2.6	12.1	16.5	4.1	26.6	17.1	42.9	18.7	90.7
Big Blue Bubble	46.2	81.6	76.3	127.3	111.8	25.6	18.2	8.1	331.4	163.8
Piranha	8.3	6.0	2.1	17.8	10.4	1.1	-5.7	-8.9	34.2	-3.1
Toadman & AMG	-6.2	-1.0	-13.2	-14.5	-1.4	-6.9	-8.2	-5.6	-35.0	-22.0
Game total	40.9	84.0	77.3	147.1	125.0	46.4	21.4	36.5	349.3	229.3
Service										
Petrol	0.6	-0.2	-10.5	4.1	1.1	7.4	-6.2	11.4	-6.1	13.7
Fireshine Games	4.3	4.1	2.9	1.3	9.9	8.9	30.3	18.1	12.6	67.2
Service total	4.9	3.9	-7.6	5.4	11.0	16.3	24.1	29.5	6.6	80.8
Holding	-1.8	-9.4	-9.7	-13.5	-5.7	-5.8	-12.6	-11.0	-34.5	-35.2
GROUP TOTAL	43.9	78.4	60.0	139.0	130.3	56.9	32.9	55.0	321.4	275.0
ADJ EBIT MARGIN (%)										
Game										
Daybreak	-4%	-1%	6%	8%	2%	12%	8%	20%	2%	11%
Big Blue Bubble	54%	66%	53%	58%	58%	53%	42%	31%	58%	53%
Piranha	27%	21%	9%	35%	41%	4%	-25%	-55%	26%	-3%
Toadman & AMG	-34%	-7%	-123%	-264%	-24%	-126%	-919%	-486%	-71%	-167%
Game total	13%	24%	21%	31%	30%	16%	8%	14%	23%	18%
Service										
Petrol	1%	0%	-30%	8%	2%	11%	-12%	21%	-3%	6%
Fireshine Games	4%	3%	4%	3%	13%	11%	21%	20%	4%	17%
Service total	3%	2%	-7%	6%	8%	11%	13%	20%	1%	13%
GROUP TOTAL	9%	15%	12%	24%	23%	13%	7%	14%	16%	15%
Employees on the last day of the period										
Game										
Daybreak	264	264	261	260	258	243	234	246	264	258
Big Blue Bubble	73	71	74	70	69	64	69	69	73	69
Piranha	111	101	94	81	72	70	77	77	111	72
Toadman	119	119	114	56	57	122	143	137	119	57
AMG	0	0	38	42	50	58	56	46	0	50
Game total	567	555	581	509	506	557	579	575	567	506
Service										
Petrol	75	79	79	84	84	84	79	80	75	84
Fireshine Games	31	30	30	31	30	30	27	28	31	30
Service total	106	109	109	115	114	114	106	108	106	114
Holding	8	8	9	9	9	10	8	6	8	9
GROUP TOTAL	681	672	699	633	629	681	693	689	681	629

*Proforma

FOR MORE INFORMATION, PLEASE CONTACT:

Fredrik Rüdén. deputy CEO and CFO
Mail: fredrik.ruden@enadglobal7.com
Phone: +46 733 117 262

Ludvig Andersson. Head of IR
Mail: ludvig.andersson@enadglobal7.com
Phone: +46 730 587 608

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 16 offices worldwide.

Nasdaq First North Growth Market Ticker
Symbol: EG7

CERTIFIED ADVISOR

As a company listed on Nasdaq First North Growth Market Stockholm, the company has an obligation to use a Certified advisor. EG7 has appointed:

Eminova Fondkommission AB
Mail: info@eminova.se
Phone: +46 8 684 211 00

AUDITING

This report has been subject to limited review by the company's auditor.

NEXT REPORT

The next financial report will be published:

Annual Report 2023: April 24, 2024

Interim report Q1 2024: May 14, 2024

Interim report Q2 2024: August 14, 2024

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 February 13, 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 February 13, 2024

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