



Investor Presentation

Q1 2024

2024/05/14



Key Performance Figures

NET REVENUE

382
MSEK

ADJUSTED EBITDA

62
MSEK

NET CASH POSITION

467
MSEK

A QUIET QUARTER AS EXPECTED

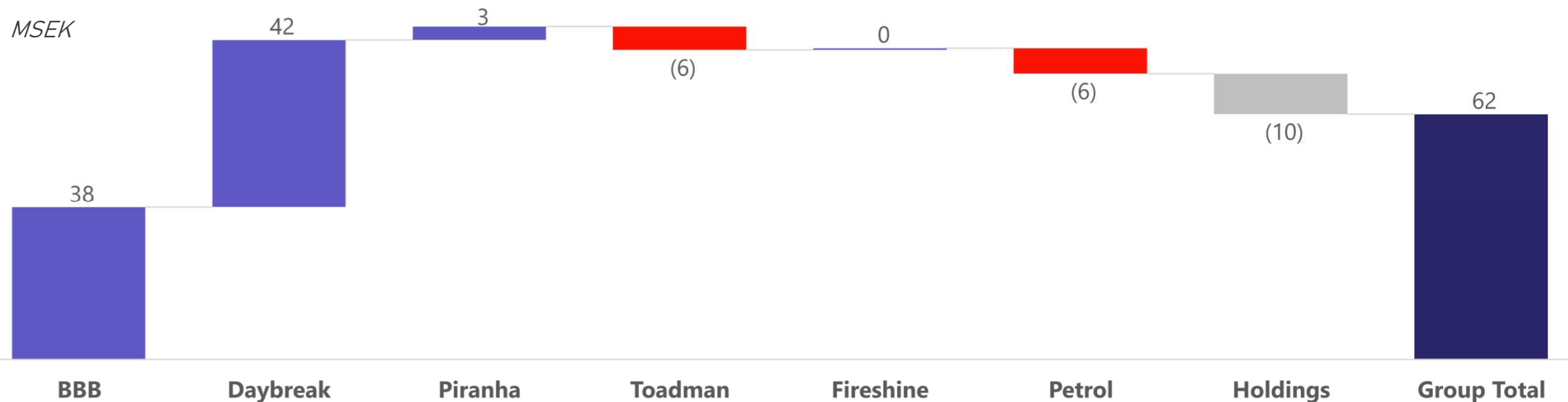
- No major content releases this period
- No big boost from My Singing Monsters (MSM) this time
- Comparatively lower performance from last year due to:
 - Main reason is MSM settling down at a lower level as expected
 - Difference in product/content levels between the periods
 - Market weakness

Y-O-Y COMPARISON NOT STRAIGHT FORWARD

- Variability in product and content release timing makes Y-o-Y comparison not always appropriate
- Peaks and valleys in our results depending on the pipeline
- Group not yet at the stage where performance can be smoothed out



Q1 2024 Adjusted EBITDA Contribution



GAMES

- MSM lower performance as expected
- Daybreak performing as expected
- Piranha contribution down from SEK 23mm due to content timing difference
- Market weakness not impacting live service games in a meaningful way

SERVICES

- Service businesses under more pressure from market weakness
- Toadman and Petrol are both meaningfully impacted by this
- Fireshine's physical distribution also down but indie digital publishing providing positive offset

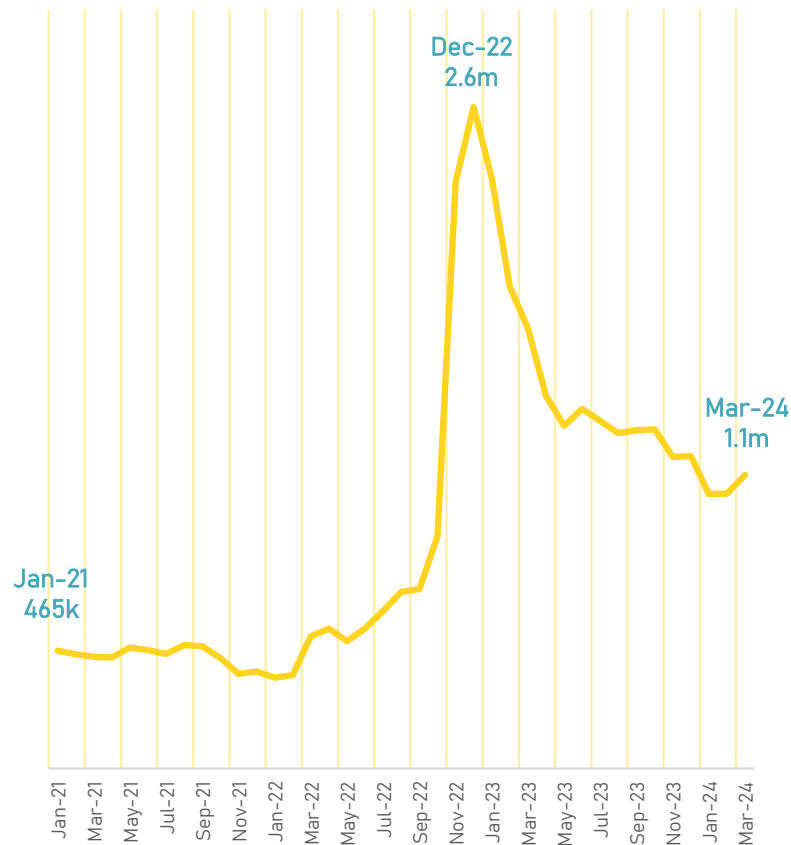
ADJUSTMENTS MADE

- Cost reduced at Toadman and Petrol
- Headcount down by 45
- Estimated annual savings of SEK 35mm
- Continuing to evaluate trends and will adjust further if needed

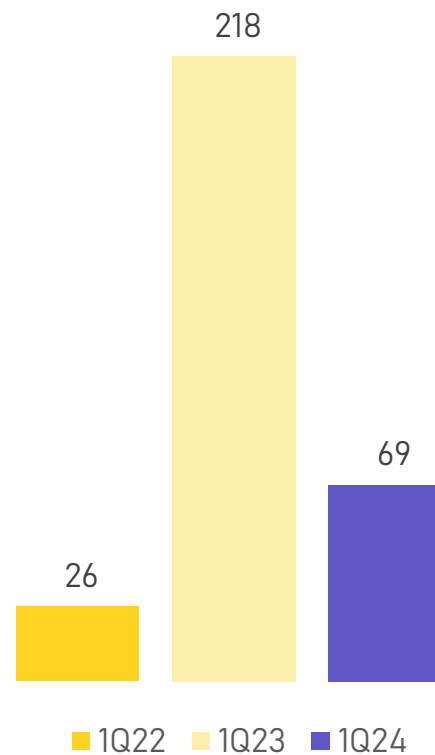


My Singing Monsters Normalizing at a Solid Level

MAU TRENDS (JAN 2021 - MAR 2024)



NET REVENUE COMPARISON (MSEK)



- MSM close to stabilizing at a solid new normalized level
- New level is lower than the peak but still over 2x higher than prior to the uptick



Outlook for the Rest of 2024*

- Still on track for the full year target
- First quarter not indicative of the full year given the large variability in timing of our product/content slate for the year
- Heavier backload than usual this year with MechWarrior 5: Clans release later in the year

Notable Product / Content Release Schedule for 2024*

Q1	Q2	Q3	Q4
Large			
			MechWarrior 5: Clans
Medium			
	DDO expansion pack EQ progression server	Core Keeper console EQ2 origin server	EQ & EQ2 expansions LOTRO expansion Yearend events/promos
Small			
MW5 DLC 6 DCUO anniversary DDO anniversary EQ anniversary	LOTRO anniversary DCUO PS5 DCUO DLC	Evil v Evil release EQ2 origin server MSM anniversary MTGO anniversary DCUO Xbox S/X	EQ2 anniversary DCUO DLC

*Schedule subject to change based on various factors, including potential development delays, market conditions and etc. Not an all-inclusive schedule and only includes select highlights.



Transition in Progress

WHERE WE STAND TODAY

- Solid financial standing today
 - Excess liquidity
 - Steady cash flows
 - No leverage
- No concerns in withstanding market downturn
- Stable foundation to execute our business plan from
- Early stages of long-term business plan execution

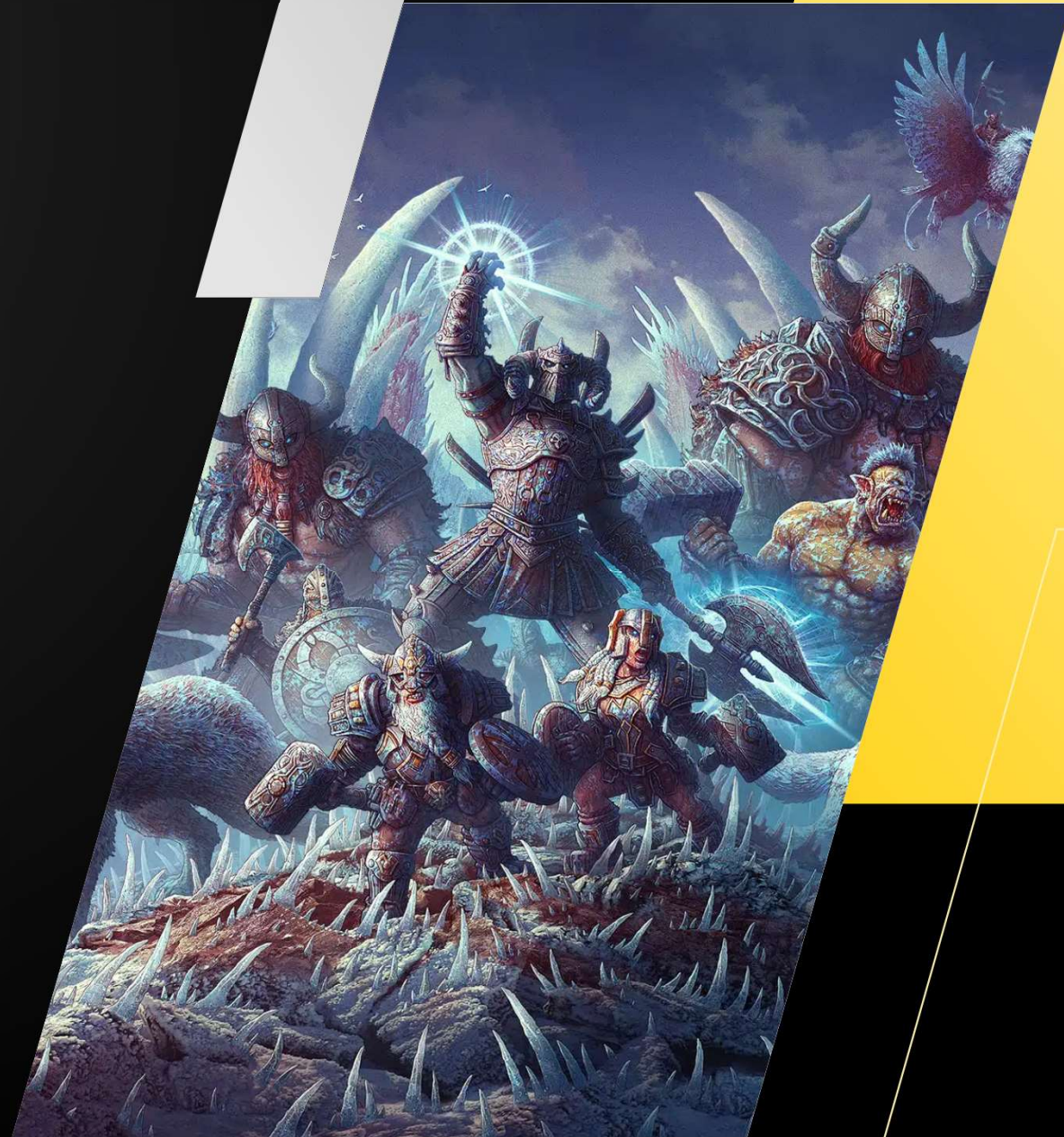
INTERIM TRANSITION PERIOD

- Transition will last several quarters
- Expectations over this period:
 - Steady profitability – live service titles will be steady to slowly declining
 - New product releases to “augment” profit streams from live games
- Until “of scale”, variability in q-to-q and y-o-y growth
 - Depends on product release timing
 - Short 3-month window not the right way to evaluate performance
 - Review of a broader sample size (12 mo) needed until we are at scale

DESTINATION - AT SCALE

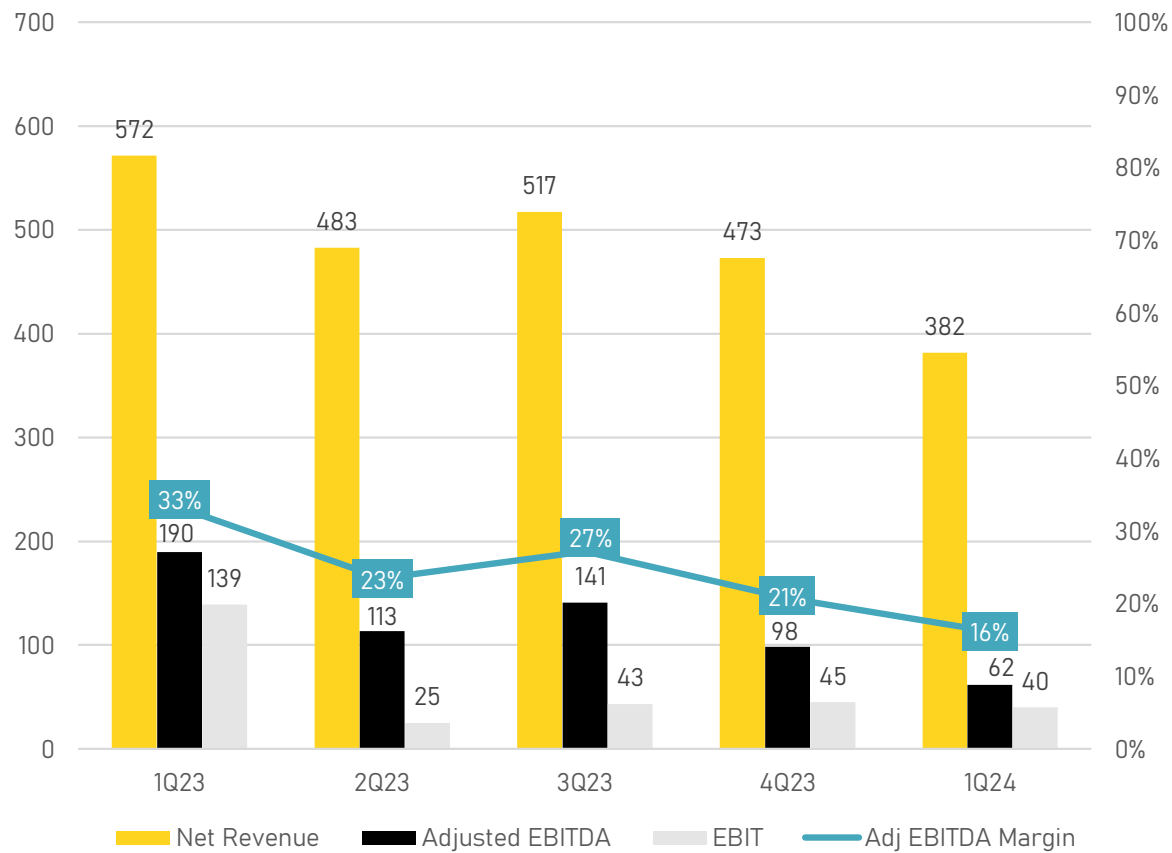
- Targeting 2026 and beyond
 - New performance level above SEK 3bn of Net Revenue and SEK 1bn of Adjusted EBITDA
- 2 middle market AA title releases per year, growing to 4 over time
- Franchise based model with predictable cadence of releases
- Pipeline designed for repeatability and predictable output with known IPs
- Premium and hybrid product pricing model for more predictable outcomes

Financial Discussion

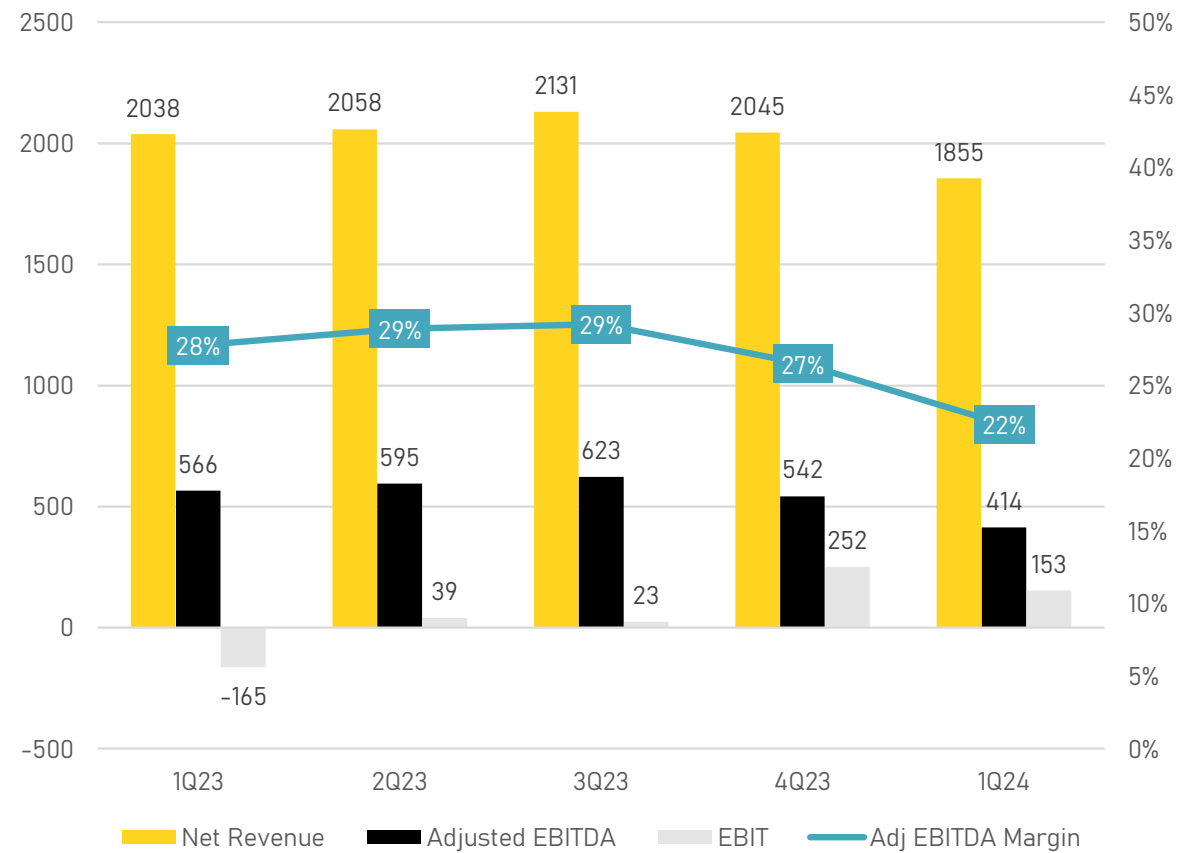


Net Revenue, ADJ EBITDA and EBIT

QUARTERLY



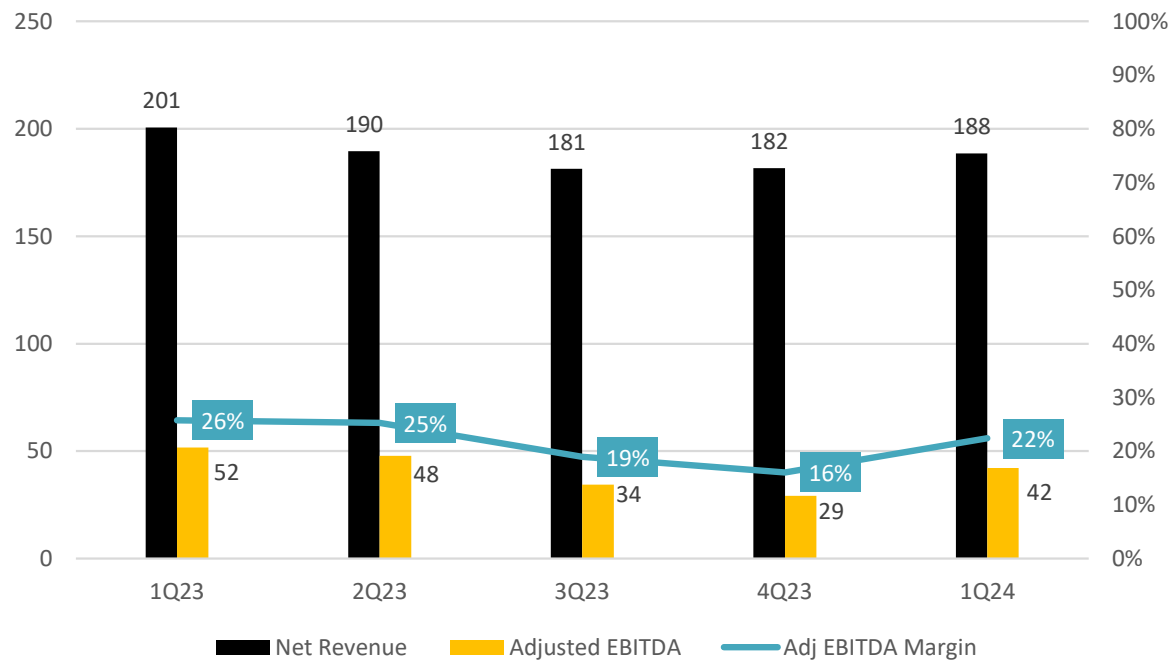
LTM



Net Revenue and Adjusted EBITDA Mix

DAYBREAK

QUARTERLY



Q1 NET REVENUE CONTRIBUTION

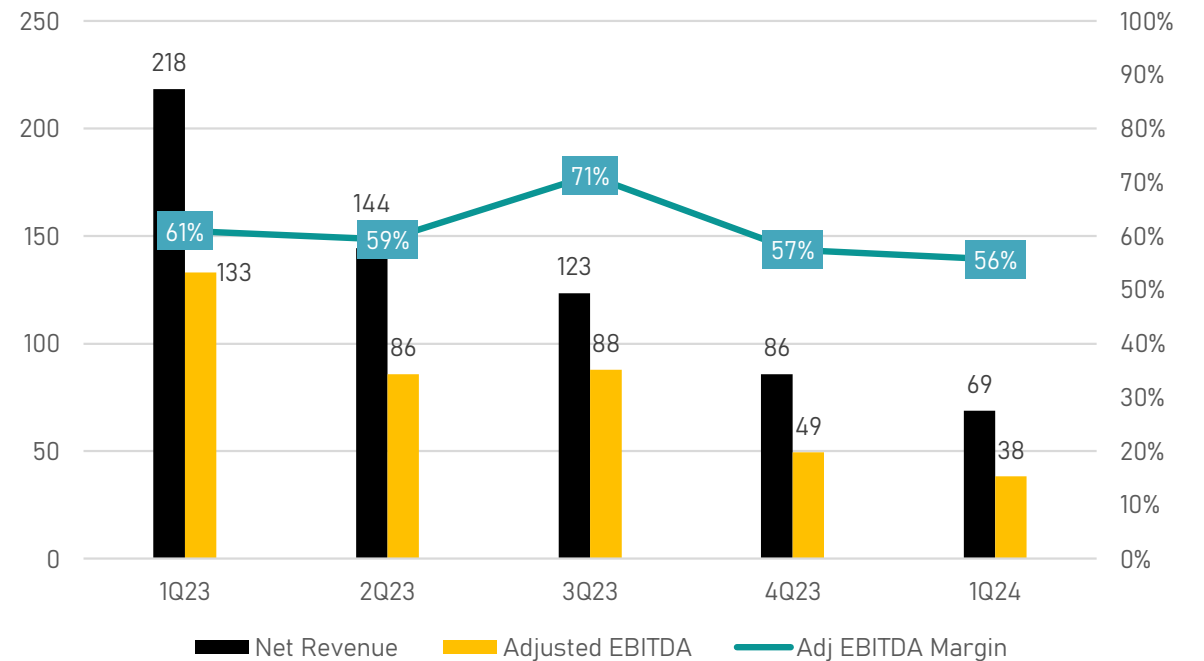
Daybreak	188	49%
Big Blue Bubble	69	18%
Rest of the group	125	33%
Group total	382	100%

Q1 ADJ EBITDA CONTRIBUTION

Daybreak	42	68%
Big Blue Bubble	38	61%
Rest of the group	-18	-29%
Group total	62	100%

BIG BLUE BUBBLE

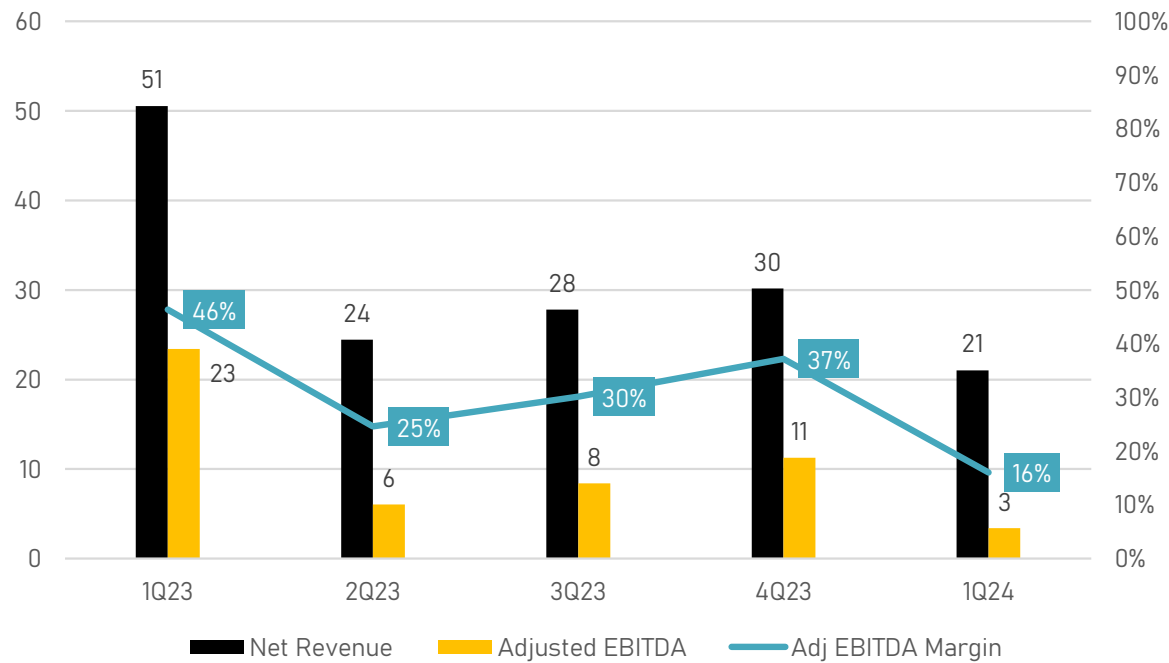
QUARTERLY



Net Revenue and Adjusted EBITDA Mix

PIRANHA

QUARTERLY



Q1 NET REVENUE CONTRIBUTION

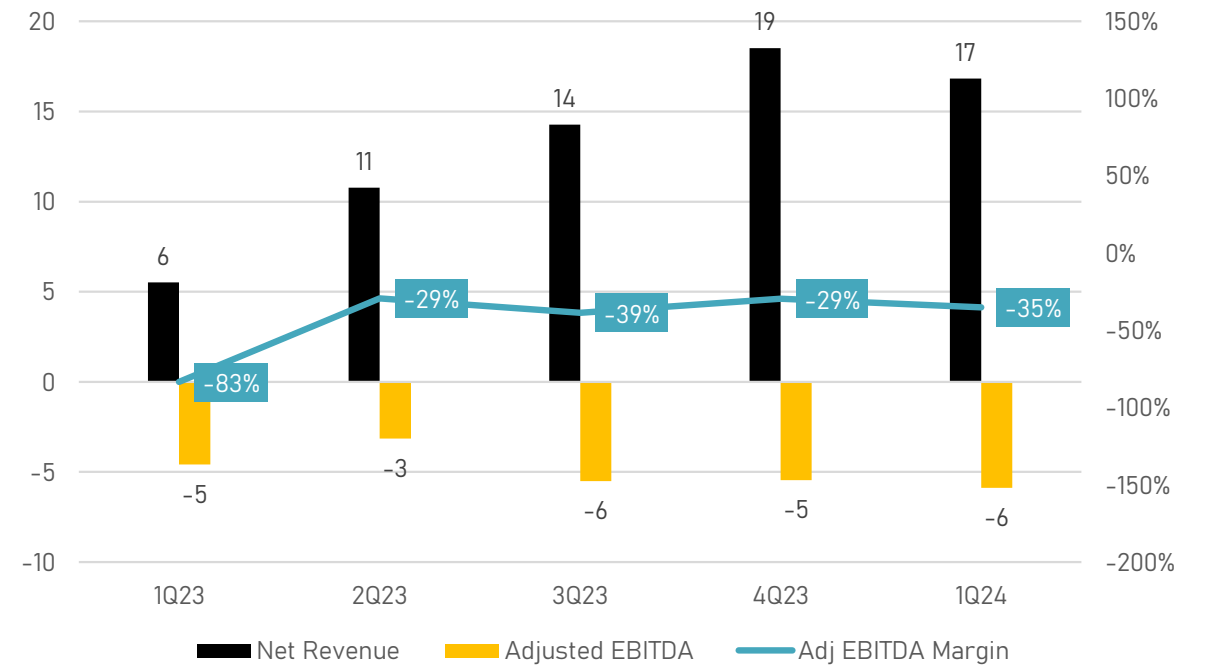
Piranha	21	6%
Toadman	17	4%
Rest of the group	344	90%
Group total	382	100%

Q1 ADJ EBITDA CONTRIBUTION

Piranha	3	5%
Toadman	-6	-10%
Rest of the group	64	104%
Group total	62	100%

TOADMAN

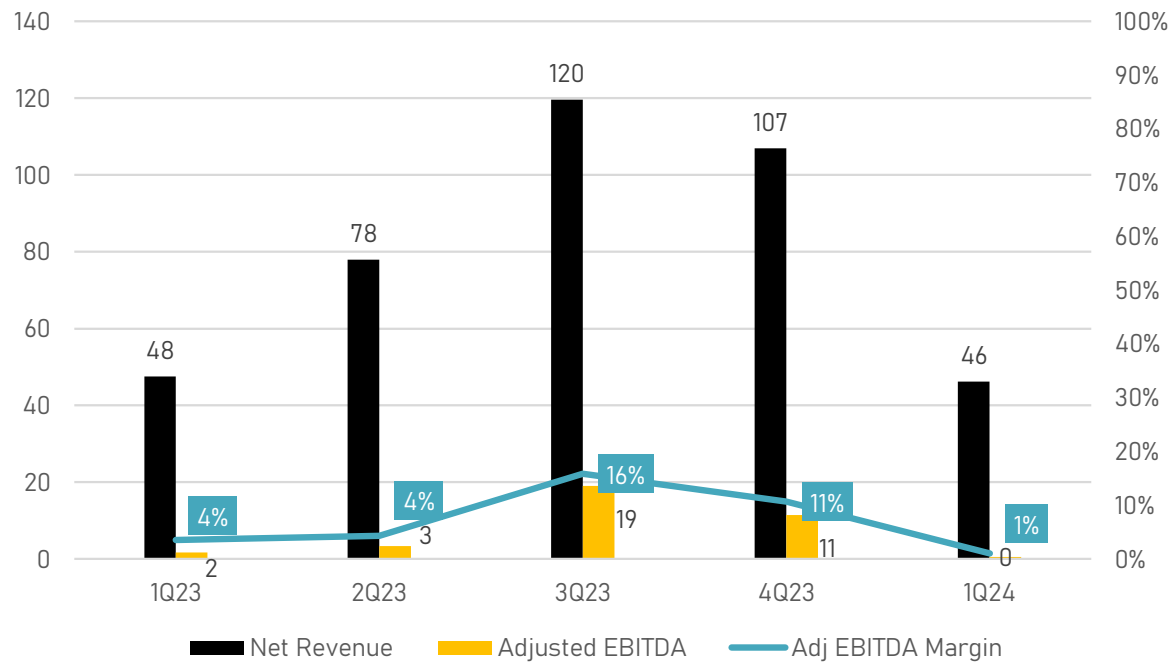
QUARTERLY



Net Revenue and Adjusted EBITDA Mix

FIRESHINE

QUARTERLY



Q1 NET REVENUE CONTRIBUTION

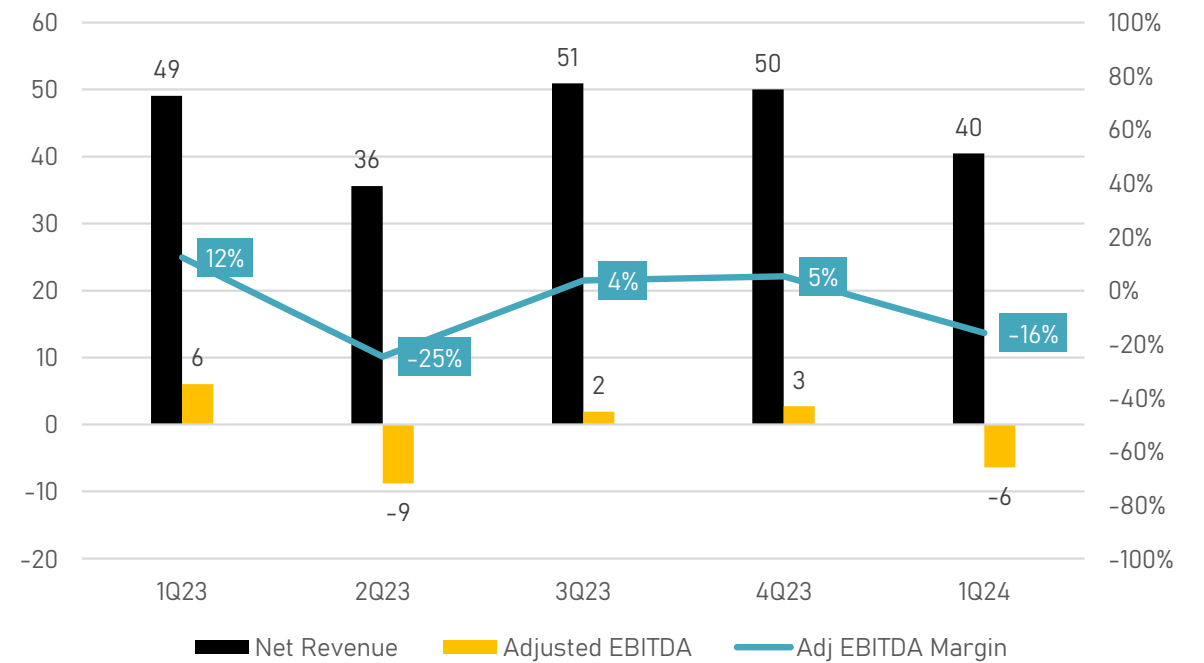
Fireshine	46	12%
Petrol	40	11%
Rest of the group	296	77%
Group total	382	100%

Q1 ADJ EBITDA CONTRIBUTION

Fireshine	0	0%
Petrol	-6	-10%
Rest of the group	68	110%
Group total	62	100%

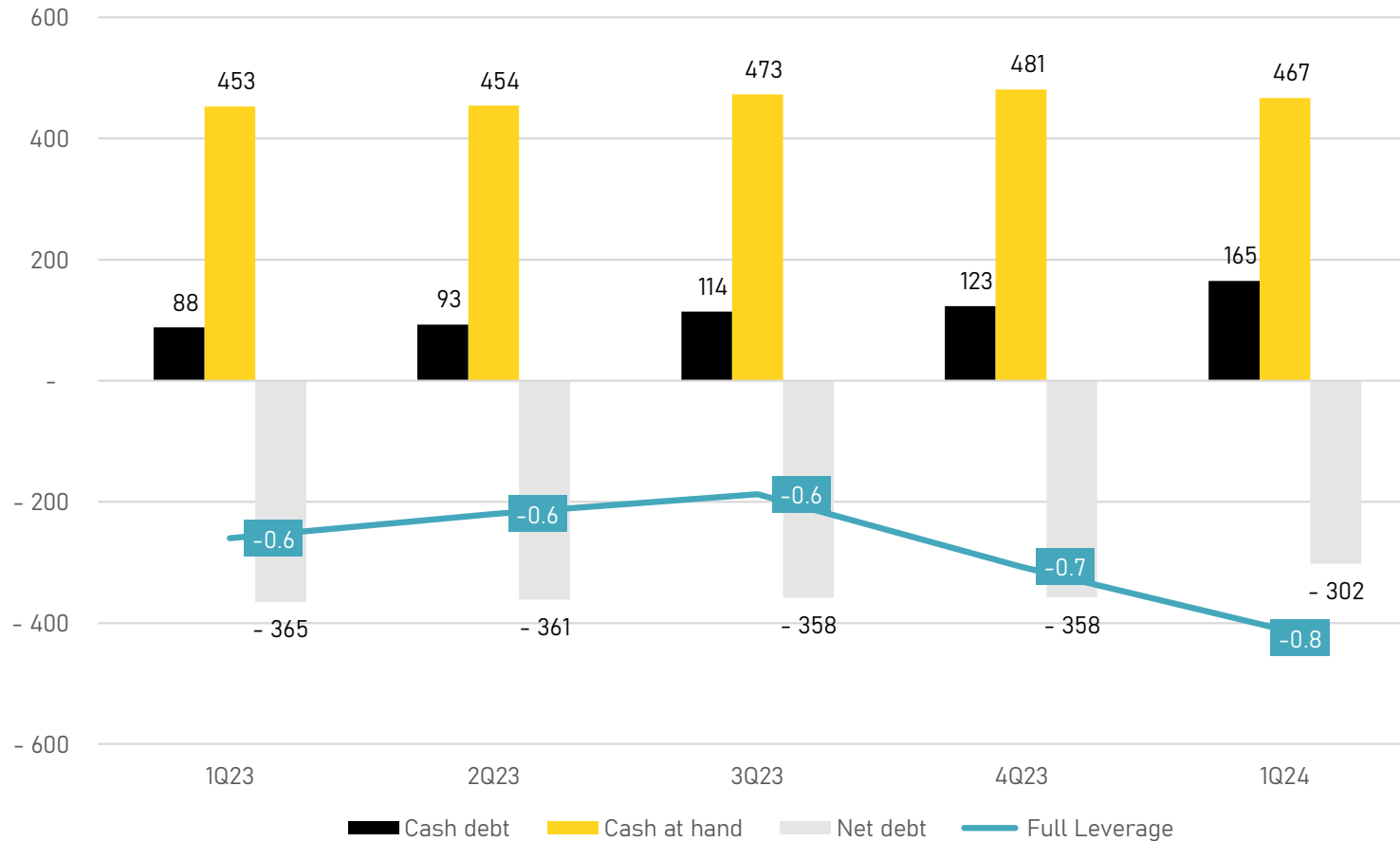
PETROL

QUARTERLY



Net Debt to EBITDA Ratio and Cash

(MSEK)



At the end of Q1, EG7 had SEK 116.5 million in deferred tax assets not recognized under IFRS

Q1 Cash Flow

Cash OB	481
Operation*	-14
Investing**	+7
Financing***	-26
Delta Cash	-33
Currency fluctuations in liquidity	+18
Cash CB	467

* Taxes paid in BBB -69 MSEK

** IP sale in DB +61 MSEK

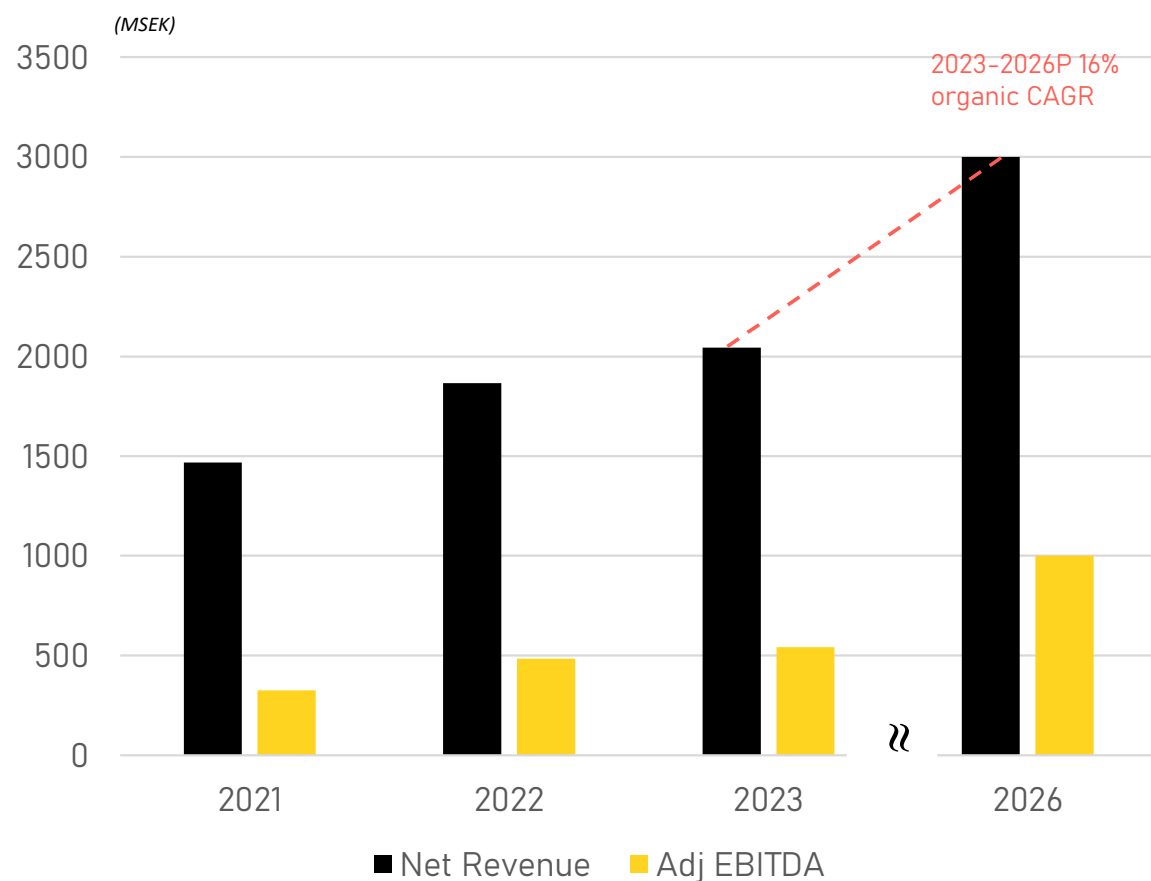
*** Dividend paid -20 MSEK

**Continued strong
Net Cash Position**



Figures in Perspective

EYE ON THE PRIZE



Market

- YTD, the industry suffered another 9500 lay offs
- Market is estimated to grow at 3% CAGR through 2026

EG7

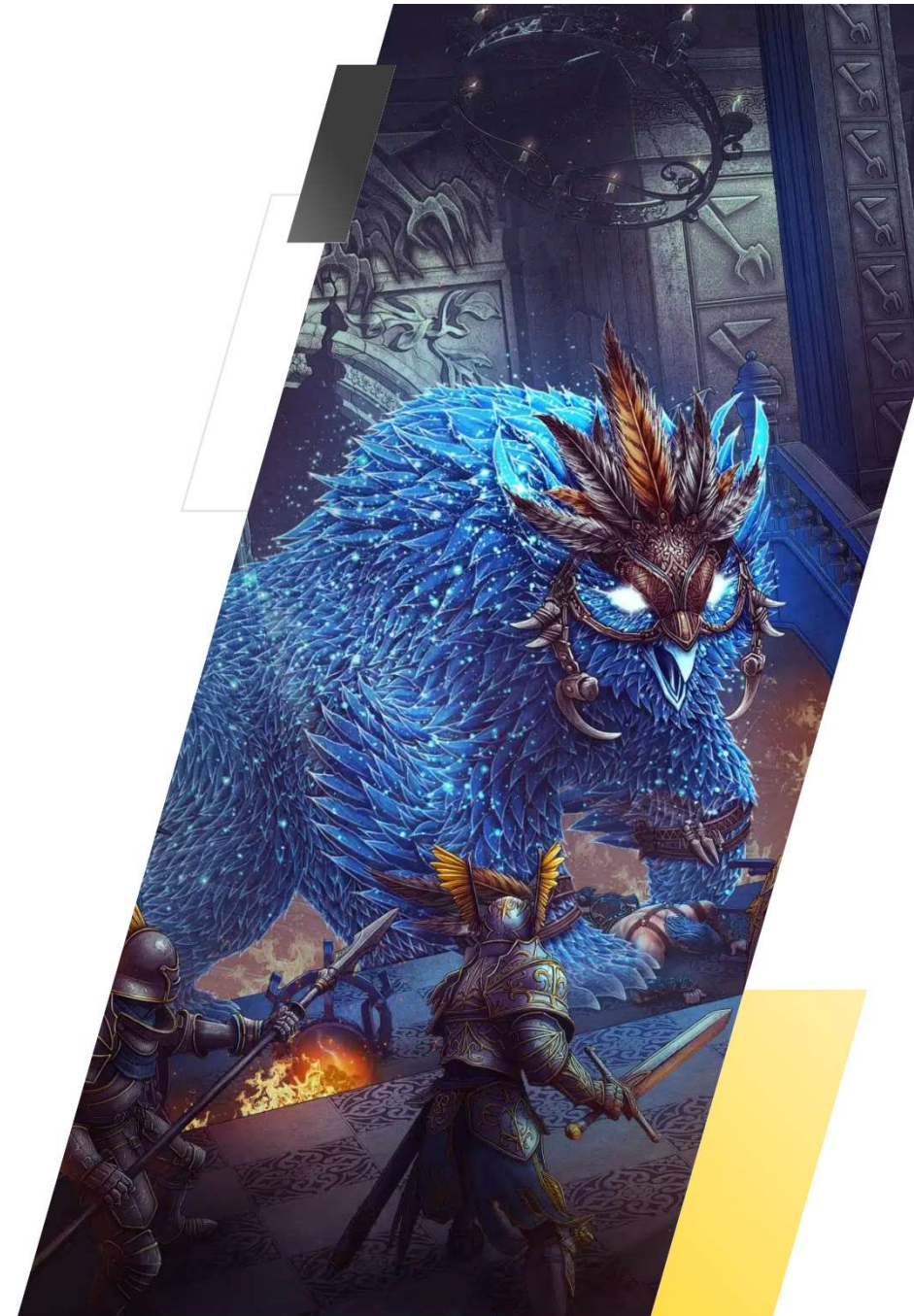
- As previously communicated 2024, will be a transition year
 - New growth initiatives starting to kick-in towards the end of the year
- 2024 full year targets
 - Net Revenue of 1.8 billion
- 2026 full year targets
 - Net Revenue of SEK 3 billion
 - Adj EBITDA of SEK 1 billion
 - Driven by named and unnamed projects

Summary



Summary

- As expected, Q1 was a “quieter” quarter, reflecting limited planned releases
 - No major product and content releases for the period
 - MSM lower level performance as expected
 - Market weakness pressuring our 3rd party service business units
- Outlook for the year is still intact
 - Q1 performance level not indicative of our full year performance
 - Major/large product releases weighted towards the backend of the year
 - Risks have increased with the market challenges but not enough to derail our plans
 - For now, we remain on track and are working hard to deliver against our published targets
- Benefitting from our solid financial position in a tough environment
 - Reaping the benefits of pre-emptive actions taken to fortify our foundation
 - Limited risks or concerns from the on-going market correction
 - Able to maintain long-term focus while some of our peers are fighting for survival



Q&A

