



INVESTOR PRESENTATION  
Year-End and Q4 2022

# Financial Highlights

- **Q4 2022**

- Net Revenue of SEK 559 (499) million, representing 12.0% YoY growth
- Adjusted EBITDA of SEK 179 (92) million, representing 32% margin and 95% growth
- Operating cash flows of SEK 114 million

- **Full Year 2022**

- Net Revenue of SEK 1,866 (1,468) million, 27.1% growth and 6.2% FX neutral organic growth
- Adjusted EBITDA of SEK 483 (325) million, representing a 26% margin and 49% growth
- Operating cash flows of SEK 375 million

**1,866**

**SEKm**

Net Revenues  
2022

**483**

**SEKm**

Adj EBITDA  
2022

**27%**

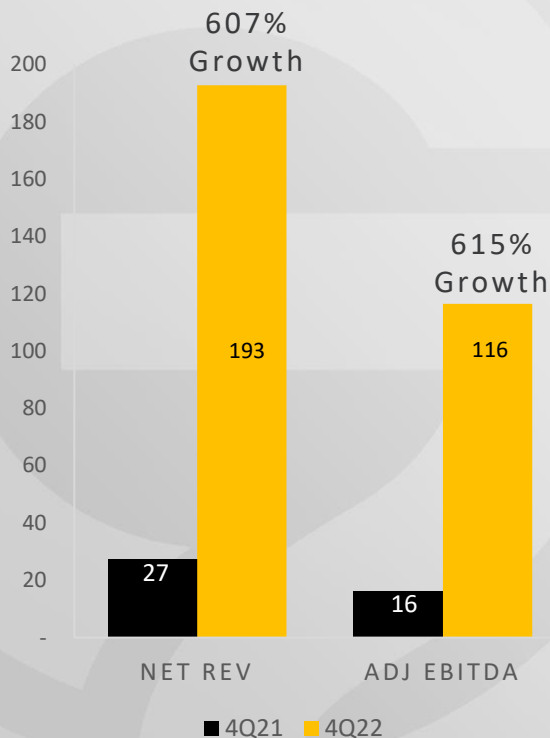
Net Revenue Growth  
(Y-o-Y)  
2022

**6.2%**

Full Year  
FX Neutral  
Organic  
Growth



# A “Monster” Performance from Big Blue Bubble (BBB)

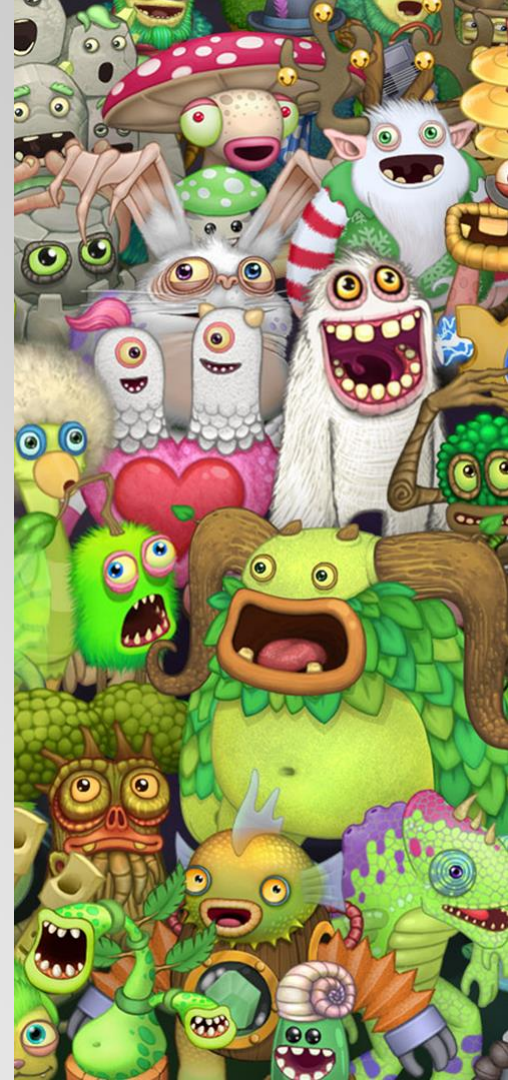


## Record performance

- Q4 Growth
  - Net Revenue growth of 607%
  - Adj EBITDA growth of 615%
- Full year Growth
  - Net Revenue growth of 184%, SEK 310 million
  - Adj EBITDA growth of 234%, SEK 182 million

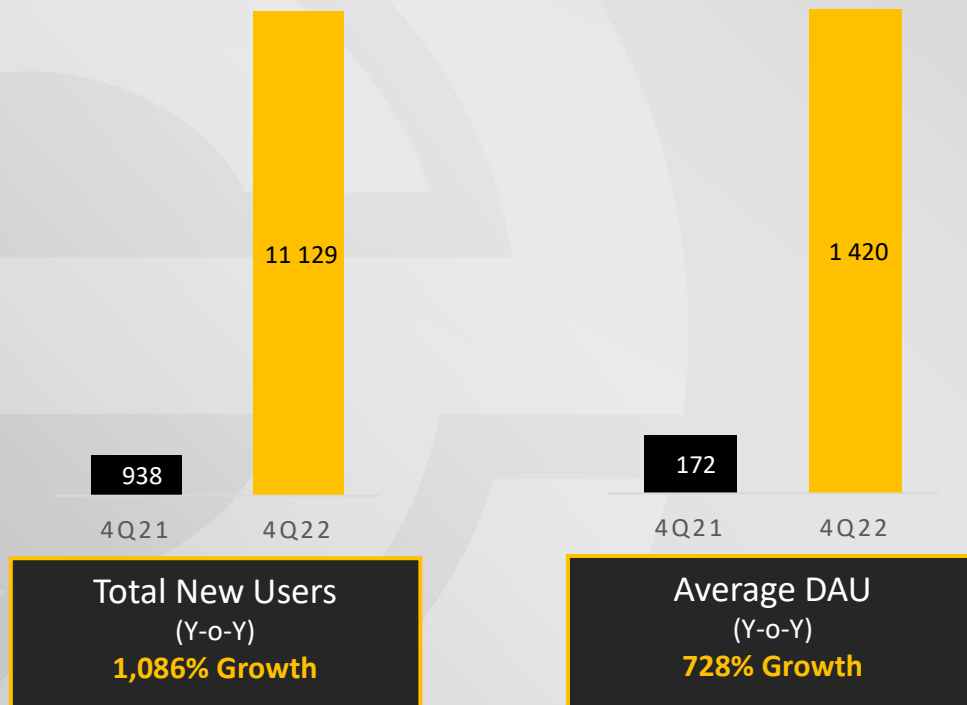
## Transformative growth for My Singing Monsters (MSM)

- Highest daily grossing game in the music genre across Apple and Android
- Top 10 in over 100 countries in the App Store game category and #1 spot in more than 15 countries
- Viral growth across social channels – TikTok KPIs:
  - 1.7 million followers
  - 20.7 million likes
  - 210 million video views
  - 2.5 billion hashtags



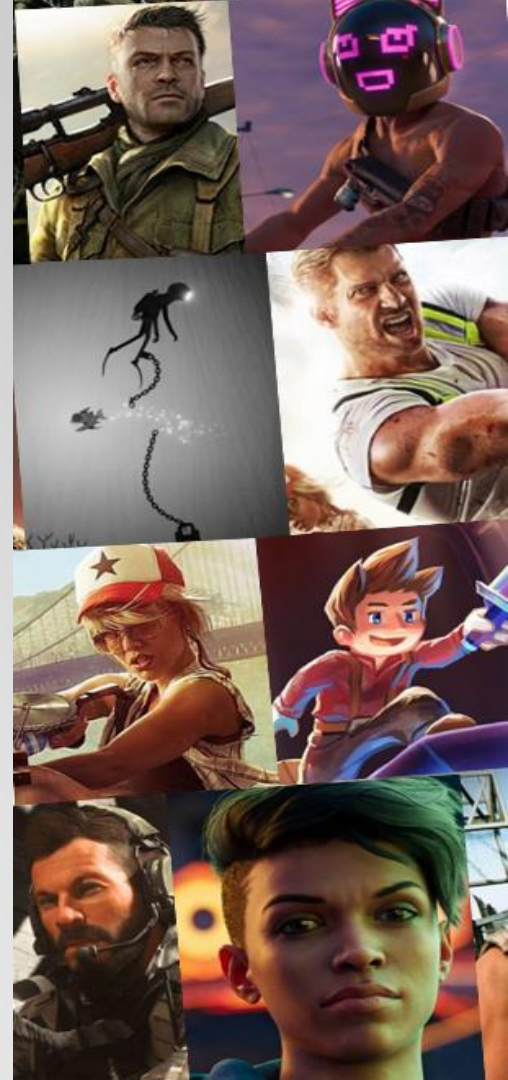
# My Singing Monsters' Transformational Growth

(Figures in 000s)



## Operational Highlights – Game Segment

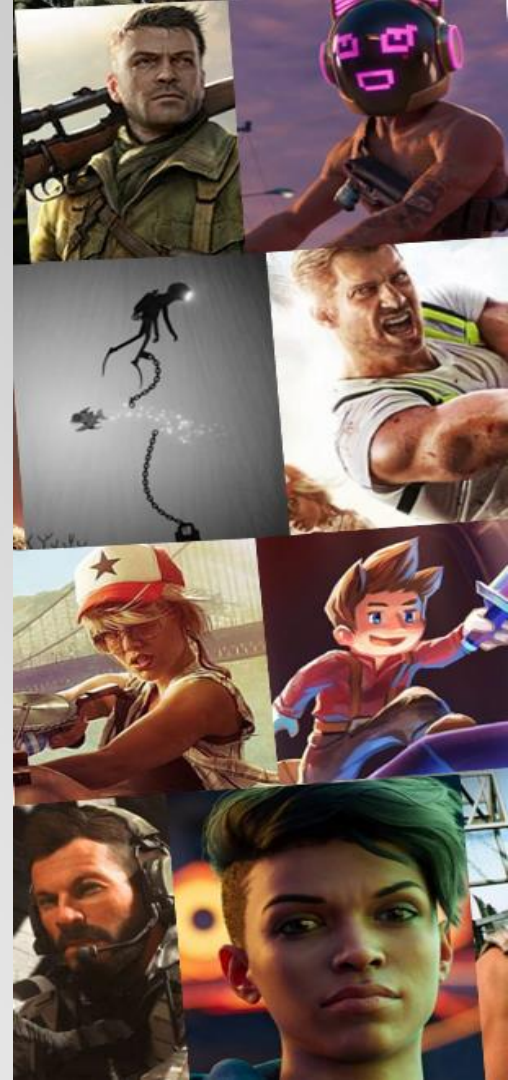
- **Financial performance highlights**
  - Net Revenue of SEK 423 million, 83% growth, 47% FX neutral organic growth
  - Adjusted EBITDA of SEK 168 million, 169% growth YoY and 40% margin
- **Summary commentary**
  - MSM was the key driver for Game Segment's outsized performance
    - BBB contributed 46% of Net Revenue and 69% of Adjusted EBITDA for Game Segment
  - Daybreak delivered SEK 199 (172) million of Net Revenue
    - Successfully delivered annual expansion packs for EverQuest, EverQuest 2 and Lord of the Rings Online
    - 15% Net Revenue growth YoY driven by Magic Online and favorable FX even with YoY declines for some of the portfolio compared to the pandemic boosted results in Q4 2021
  - Other Game Segment business units performed largely as expected





# Operational Highlights – Service Segment

- **Key figures**
  - Net Revenue of SEK 136 million, representing 49% decline
  - Adjusted EBITDA of SEK 14 million, representing a 10% margin
- **Summary commentary**
  - Q4 Net Revenue decline of 49% is due to issues with comparability
    - In 2021, 48% of full year Net Revenue came through in Q4 due to pandemic related product delays
    - As a result, a comparison of Q4 2022 and 2021 figures can be misleading
  - More appropriate comparison is the full year results, which smooth out the product delay impact experienced in 2021:
    - For the full year, Service Segment produced Net Revenue of SEK 622 (556) million, representing 12% YoY growth
    - Adjusted EBITDA came in at SEK 90 (73) million, growing at 23% YoY
  - Fireshine performed according to plan – no big releases were planned for Q4
  - Petrol had a busy quarter with its annual Call of Duty work, once again delivering best-in-class effort



# Transition to WFH Business

- **Full pivot to WFH for non-live game studios**
  - WFH prioritized over 1<sup>st</sup> party titles under development using new unproven IPs or subscale IPs with limited audience
  - For profitable products such as MechWarrior games, maintain resource allocation
- **Rationale**
  - Non-core to the group's strategy
  - Unpredictable outcomes with high risk
  - Transition to a more predictable business model
    - Limit/avoid investments in unproven, highly speculative opportunities
- **Plans for work-in-progress (WIP) titles post pivot**
  - Seek sale of assets or publishing rights to 3rd party publishers
  - Games near completion potentially released in early access
- **Financial impact**
  - Write down of SEK 308.6 million of capitalized R&D as of 31-Dec-2022
  - While WFH staffing ramps up, non-contracted staff will make progress on the WIP titles for potential sale/release
    - Capitalized R&D accrual for Q1 should be similar Q4 until the staff is transitioned to WFH engagements or the WIP titles are divested
- **Summary**
  - Proactively eliminating uncertain outcomes vs. "hoping" for the best
  - Containing risks related to legacy, non-core assets to further narrow focus and improve execution



# Q4 2022 FINANCIAL DISCUSSION |

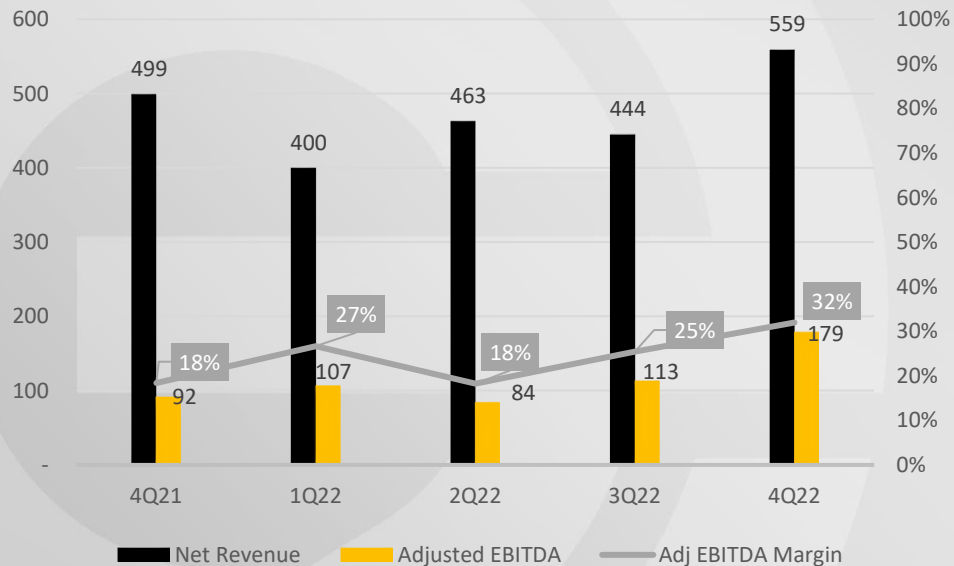




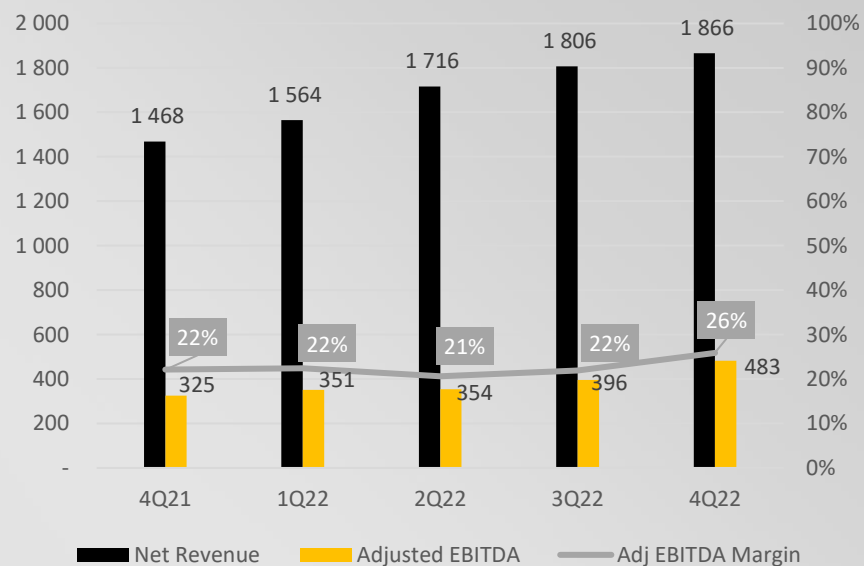
# Net Revenue and Adjusted EBITDA

MSEK

## QUARTERLY



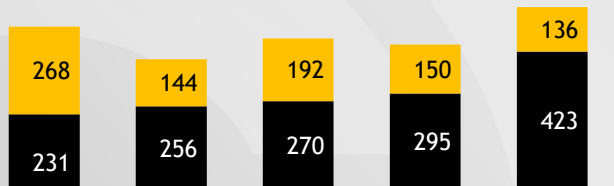
## LTM



# Net Revenue by segment

MSEK

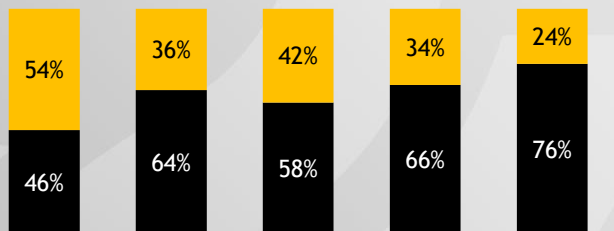
NET REVENUE



4Q21 1Q22 2Q22 3Q22 4Q22

■ Game ■ Service

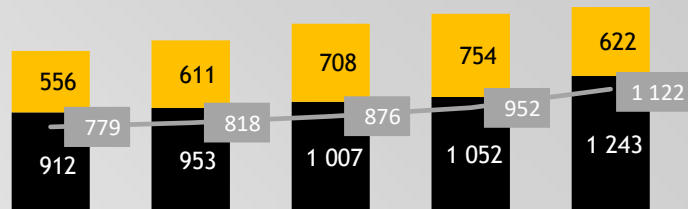
NET REVENUE MIX



4Q21 1Q22 2Q22 3Q22 4Q22

■ Game ■ Service

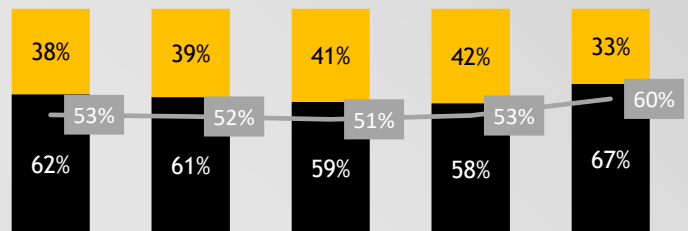
LTM NET REVENUE



4Q21 1Q22 2Q22 3Q22 4Q22

■ Game ■ Service — Sustainable Revenue

LTM NET REVENUE MIX



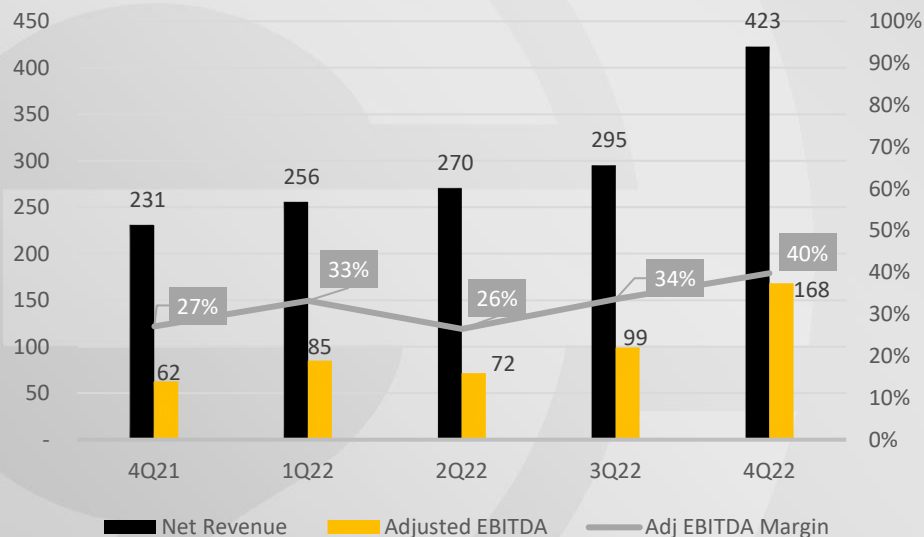
4Q21 1Q22 2Q22 3Q22 4Q22

■ Game ■ Service — Sustainable Revenue



# Game Segment – Q4 2022 Net Revenue and Adj EBITDA Mix

MSEK



## Q4 Net Revenue Contribution

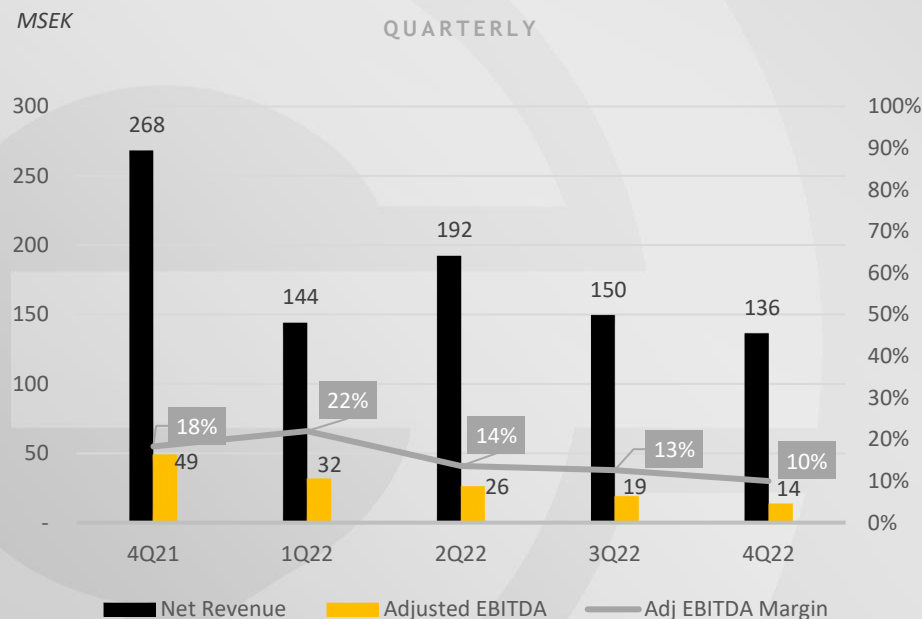
Daybreak	199	47%
Big Blue Bubble	193	46%
Piranha	25	6%
Toadman & AMG	6	1%
<b>Game Segment total</b>	<b>423</b>	<b>100%</b>

## Q4 Adj EBITDA Contribution

Daybreak	42	25%
Big Blue Bubble	116	69%
Piranha	15	9%
Toadman & AMG	-5	-3%
<b>Game Segment total</b>	<b>168</b>	<b>100%</b>



## Service Segment – Q4 2022 Net Revenue and Adj EBITDA Mix



### Q4 Net Revenue Contribution

Fireshine	77	57%
Petrol	59	43%
<b>Service Segment total</b>	<b>136</b>	<b>100%</b>

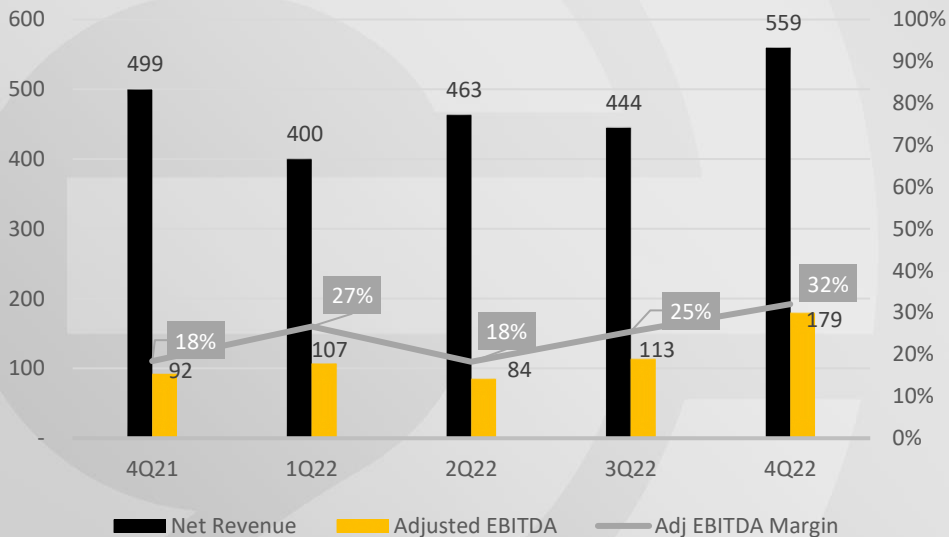
### Q4 Adj EBITDA Contribution

Fireshine	10	77%
Petrol	3	23%
<b>Service Segment total</b>	<b>14</b>	<b>100%</b>



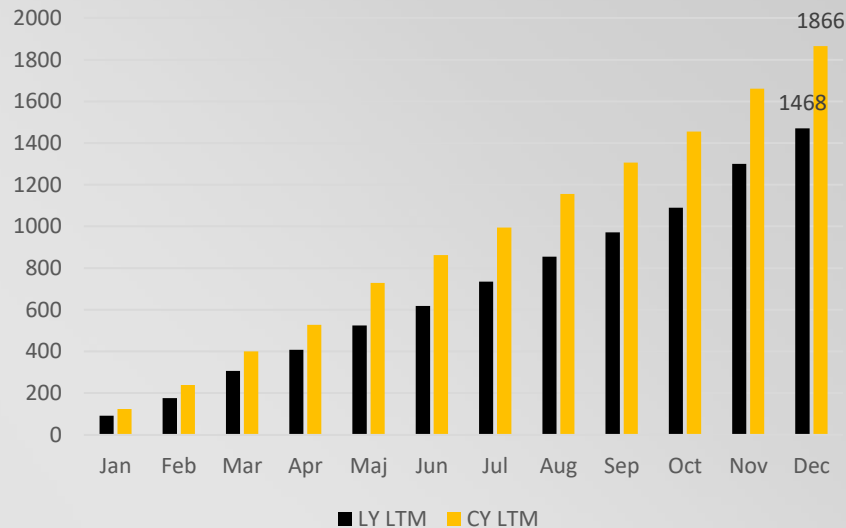
# Figures in perspective

MSEK



2022 full year FX neutral org. growth 6.2%

## LTM NET REVENUE MSEK

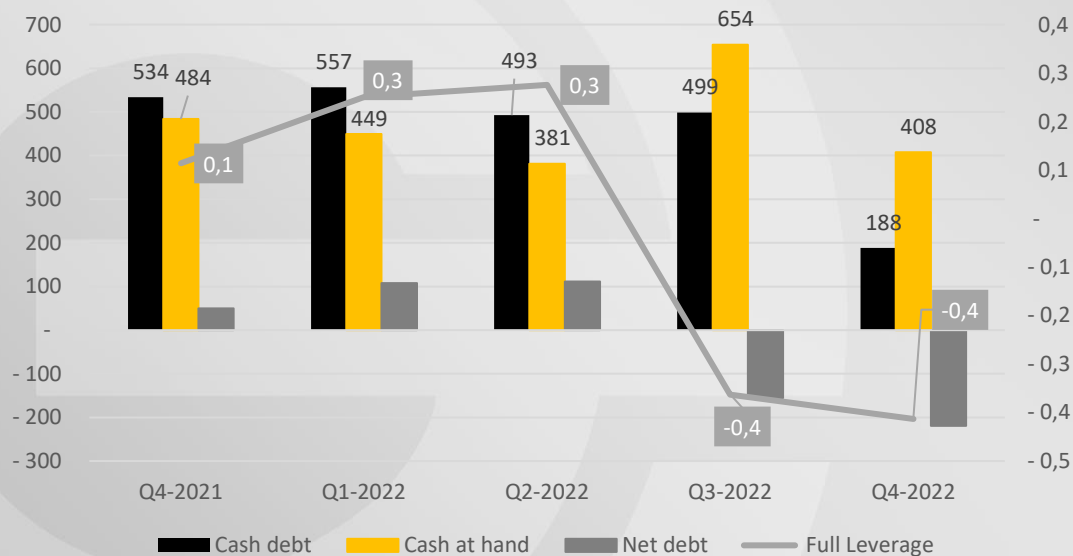


-January 2023 results came in strong, MSM/Q4 revenue spillover.



# Net Debt to EBITDA ratio and cash

MSEK



## Q4 cash flow

<b>Cash OB</b>	<b>654</b>
Operation	+114
Investing	-47
Financing	-299
Currency fluctuations in liquidity	-15
<b>Delta Cash</b>	<b>-246</b>
<b>Cash CB</b>	<b>408</b>

Cash flow from operations of SEK 114.3 (79.0) million, and cashflow from investing activities amounted to SEK -46.6 (-71.2) million

In Q4 SEK 300 million was repaid on Groups Credit Facility  
Remaining SEK 100 million was repaid Feb 8, 2023.



# Strong balance sheet



SUMMARY |



# Summary Remarks

- A record year, successfully overcoming big challenges
  - SEK 1.87 billion of Net Revenue for the year, growing 27% YoY
  - SEK 483 million of Adjusted EBITDA at 25.9% margin
- My Singing Monsters established as another “superstar” brand for the group
  - #1 top grossing music game in both Apple and Android platforms
  - Became the biggest game in EG7’s portfolio during Q4
  - Expectation of a new elevated baseline for performance and growth going forward
- Group in the best position since inception
  - Debt free
  - Strong liquidity with SEK 304 million of Net Cash balance as of December 31
  - Clean balance sheet after the write-down of assets with potential downside risks
  - Solid momentum to kick off 2023
- Our approach – clear focus on disciplined business building
  - Continue taking steps that create value for the business
  - Avoid chasing after quick wins for short-term gains
  - Focus on investing in the building blocks for sustainable growth and long-term success



Q&A |

