



Investor Presentation

Q3 2024

2024/11/12



Key Performance Figures

NET REVENUE

466
MSEK

ADJUSTED EBITDA

102
MSEK

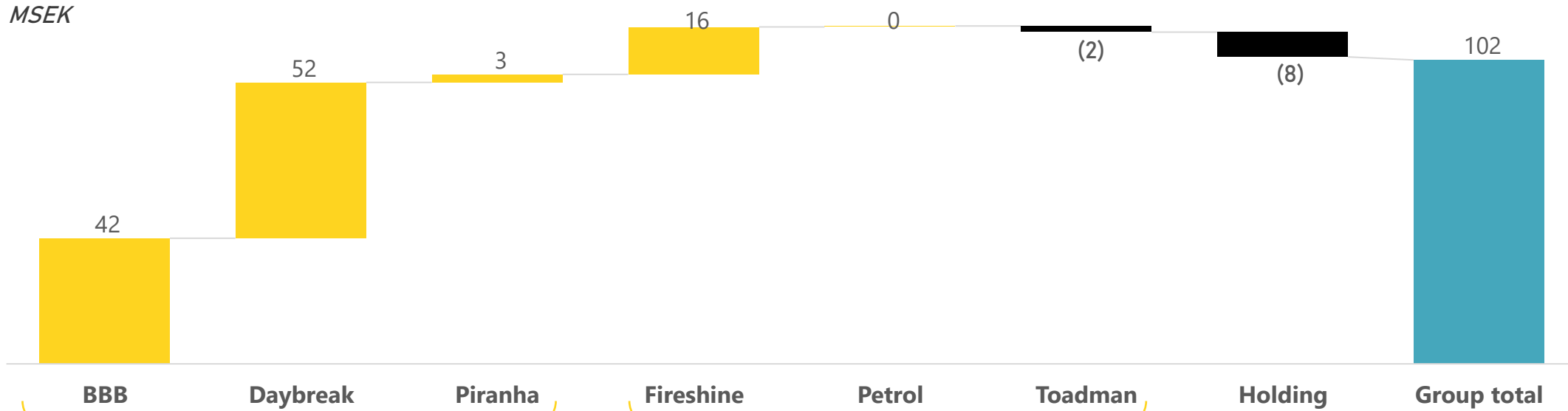
NET CASH POSITION

219
MSEK

A SOLID REBOUND FROM Q2 2024 LOWS

- Strong sequential upswing from Q2 2024
 - 32% increase in Net Revenue and 204% increase in Adjusted EBITDA
- More accentuated sequential uptick due to:
 - Heavier than typical backend weighted product pipeline for the year
 - Q3 results boosted by a number of new product and content releases from the games business units
- Successful integration of the newly acquired studio, Singularity 6 (S6)
 - S6 was acquired on July 2, adding its game Palia to our portfolio
 - During the period, Palia contributed 28 MSEK in Net Revenue

Q3 2024 Adjusted EBITDA Contribution



GAMES

- MSM performing steadily with a boost for the quarter with anniversary content
- A solid quarter for Daybreak driven by EQ and LOTRO's strong performance
- Piranha results reflect the teams focus on the October launch of MechWarrior 5: Clans

SERVICES

- Fireshine delivered a strong quarter led by Core Keepers' successful 1.0 release
- Softer market conditions keeping the pressure on Toadman and Petrol results

OTHER HIGHLIGHTS

- Successful closing and integration of Singularity 6 during the quarter
- Completion of the latest round of cost-saving and business optimization
 - Total expected annual cost-saving amount of 103 MSEK
- Shortly after the quarter end, successful release of MechWarrior 5: Clans



MechWarrior 5: Clans

- Released on October 17, 2024
 - Across Steam, Xbox, Game Pass Xbox/PC and PlayStation
- Solid critical and community reception
 - Metacritic rating at 79 (vs 73 for MW5: Mercenaries)
 - Steam rating at 77% and trending towards 80+
- Confidence in the overall expectations
 - Expected to perform better than MW5: Mercenaries, which generated SEK 300+mm of Net Revenues life-to-date
 - However, the performance during the initial release window has been softer
 - Release delay near Call of Duty release has limited the runway
 - Originally planned for September release but had to delay for final completion
 - Expectations for longtail sales with continuing support and new content releases with compelling DLCs going forward
- A solid first step for our franchise-based AA middle market publishing strategy:
 - Quality game based on an established IP
 - More predictable performance and reliable returns
- Next major steps in 2025:
 - Release of Palia on PlayStation and Xbox
 - New title from Cold Iron based on a major motion picture franchise IP

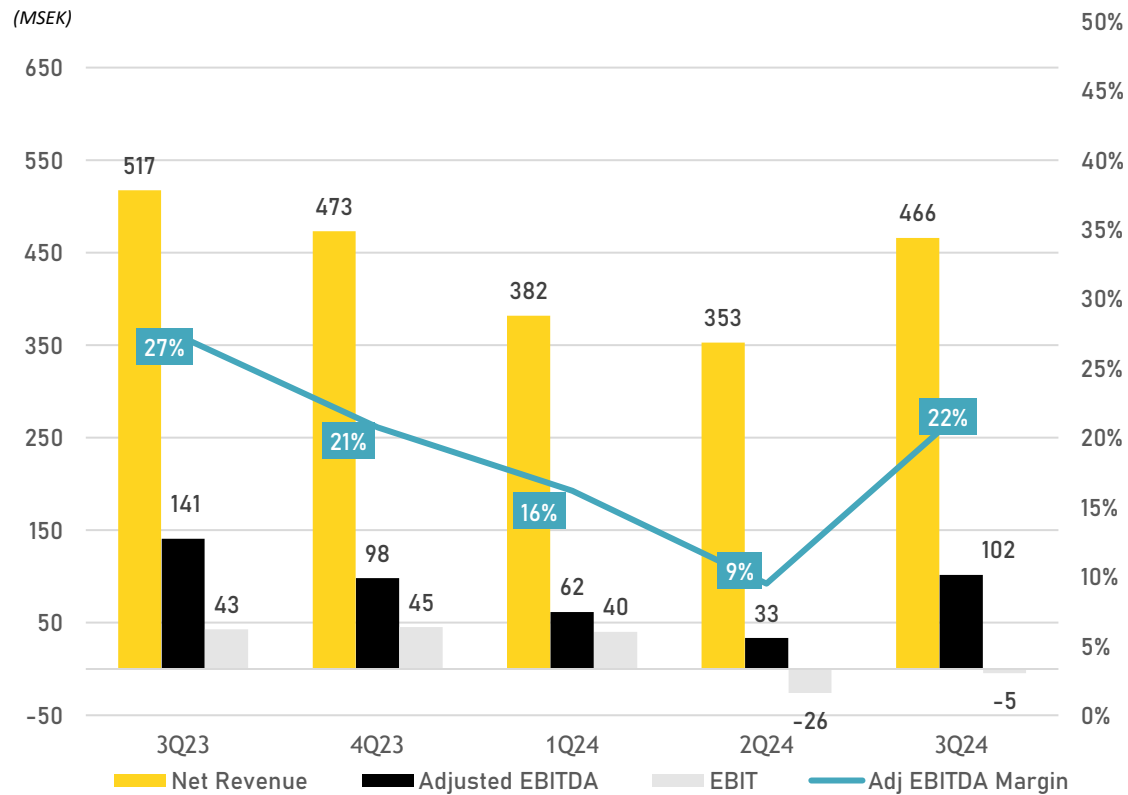


Financial Discussion

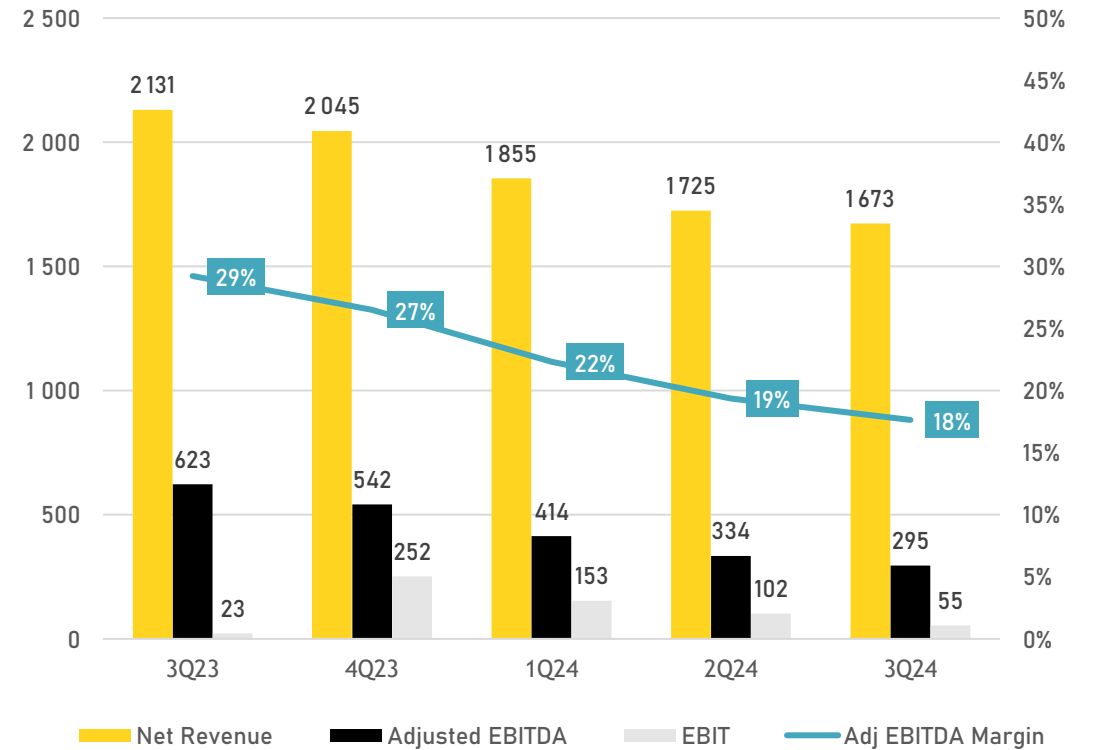


Net Revenue, ADJ EBITDA and EBIT

QUARTERLY

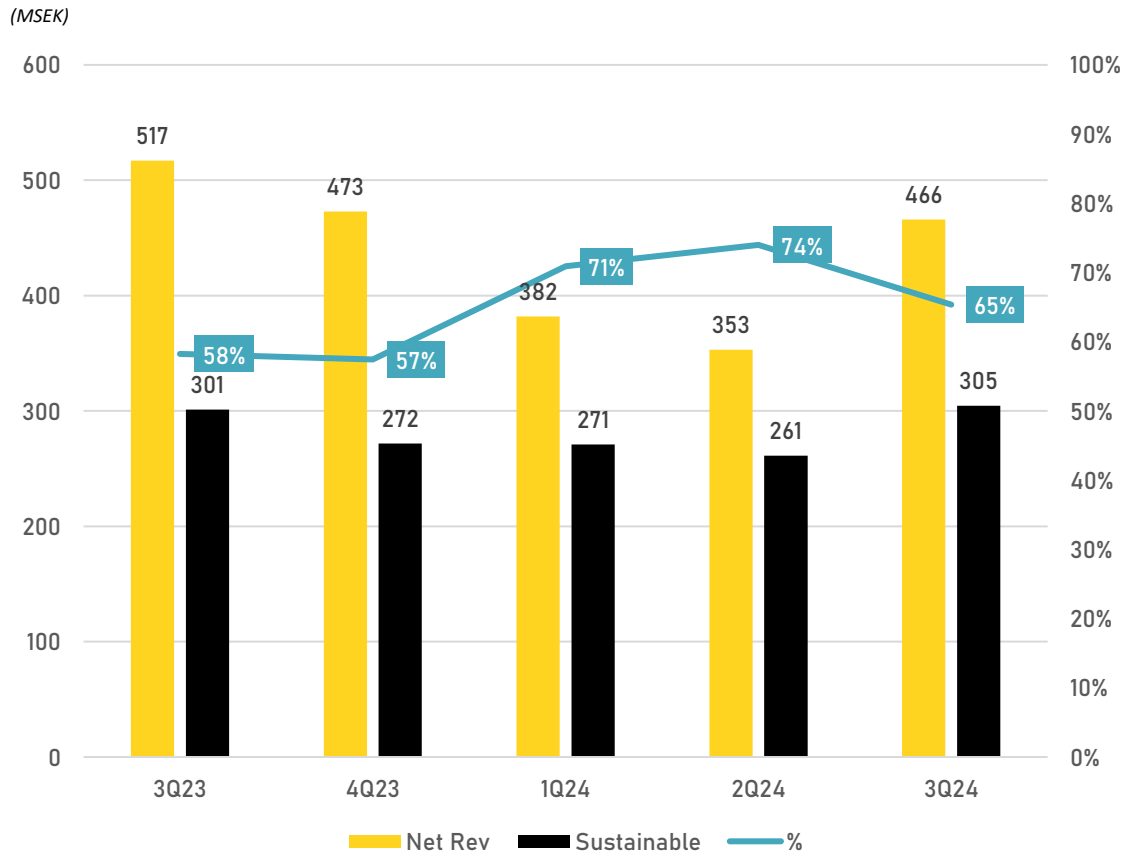


LTM

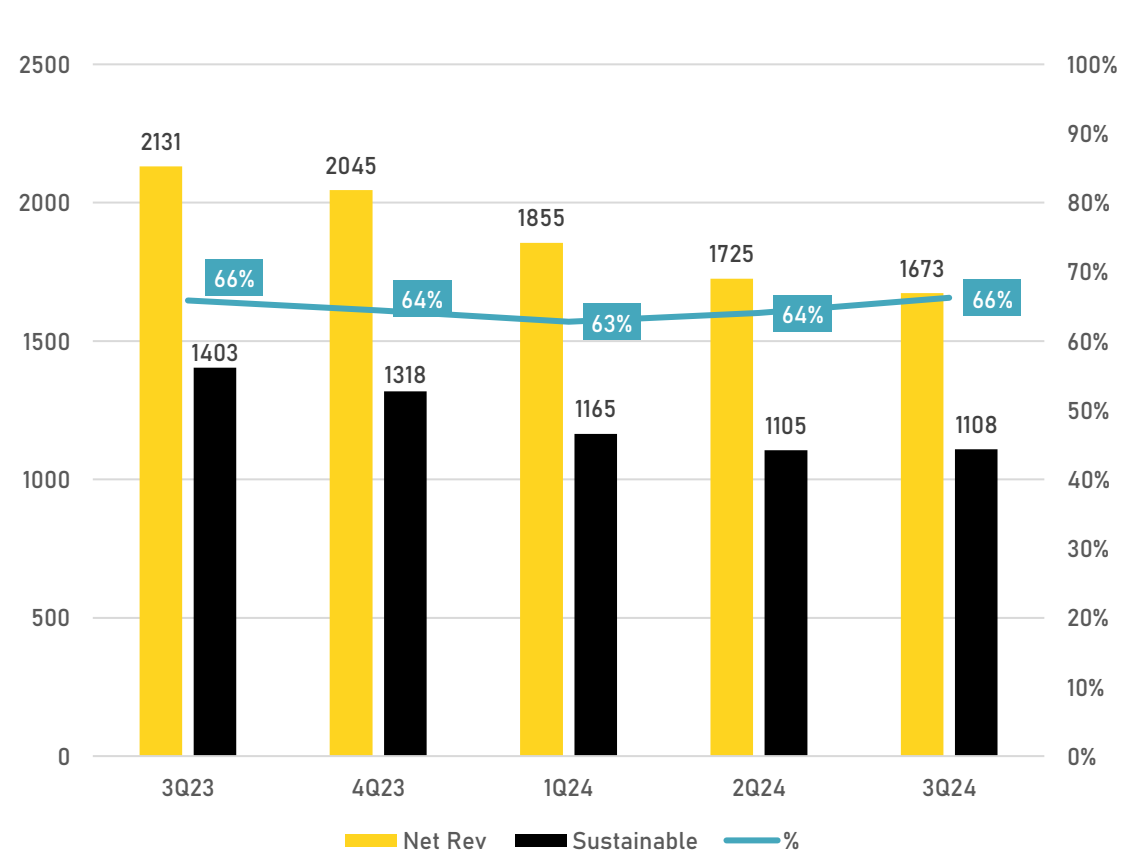


Sustainable part of Net Revenue

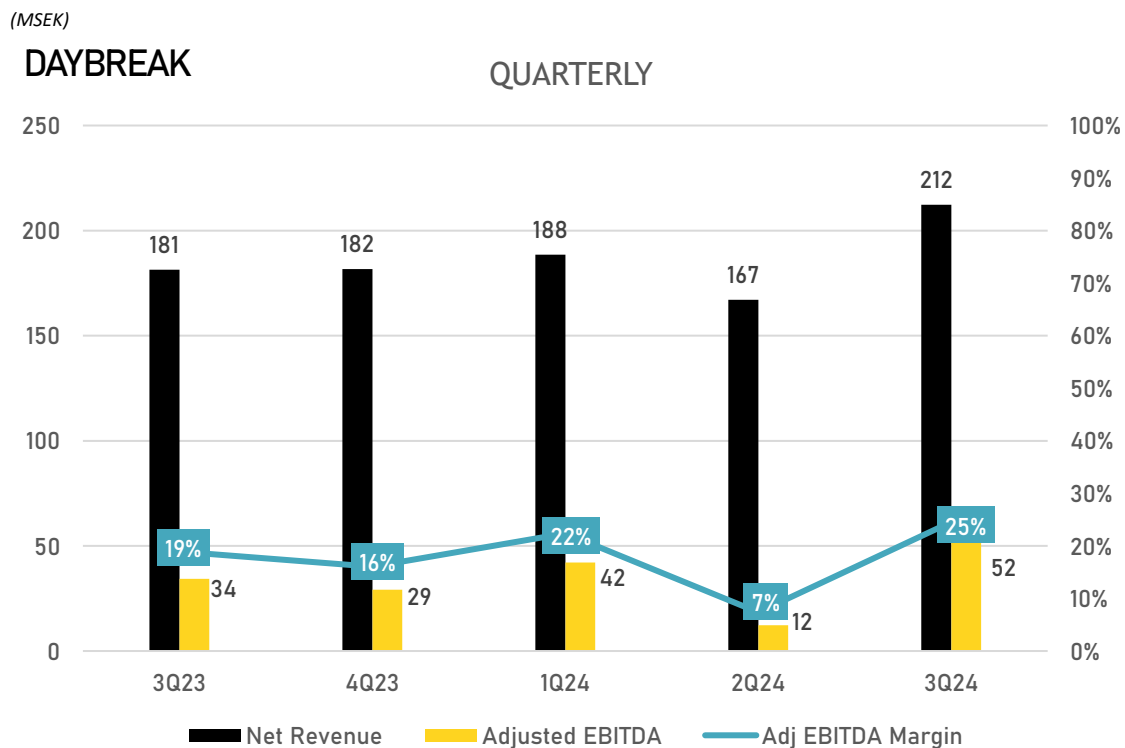
QUARTERLY



LTM



Net Revenue and Adjusted EBITDA Mix

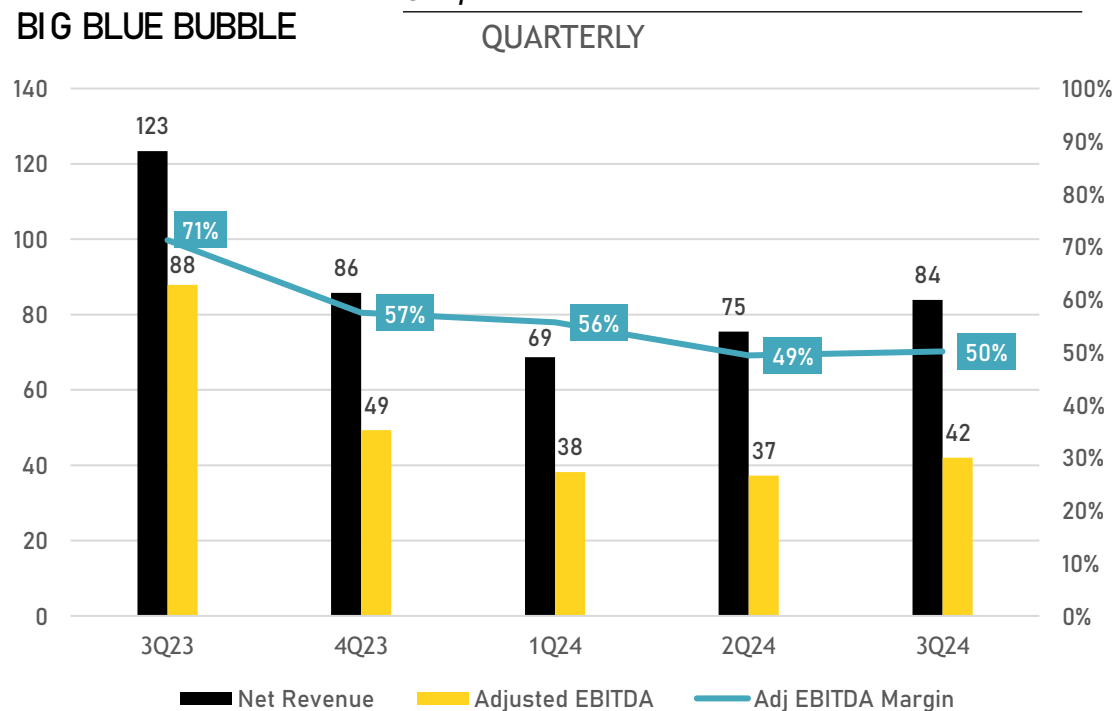


Q2 NET REVENUE CONTRIBUTION

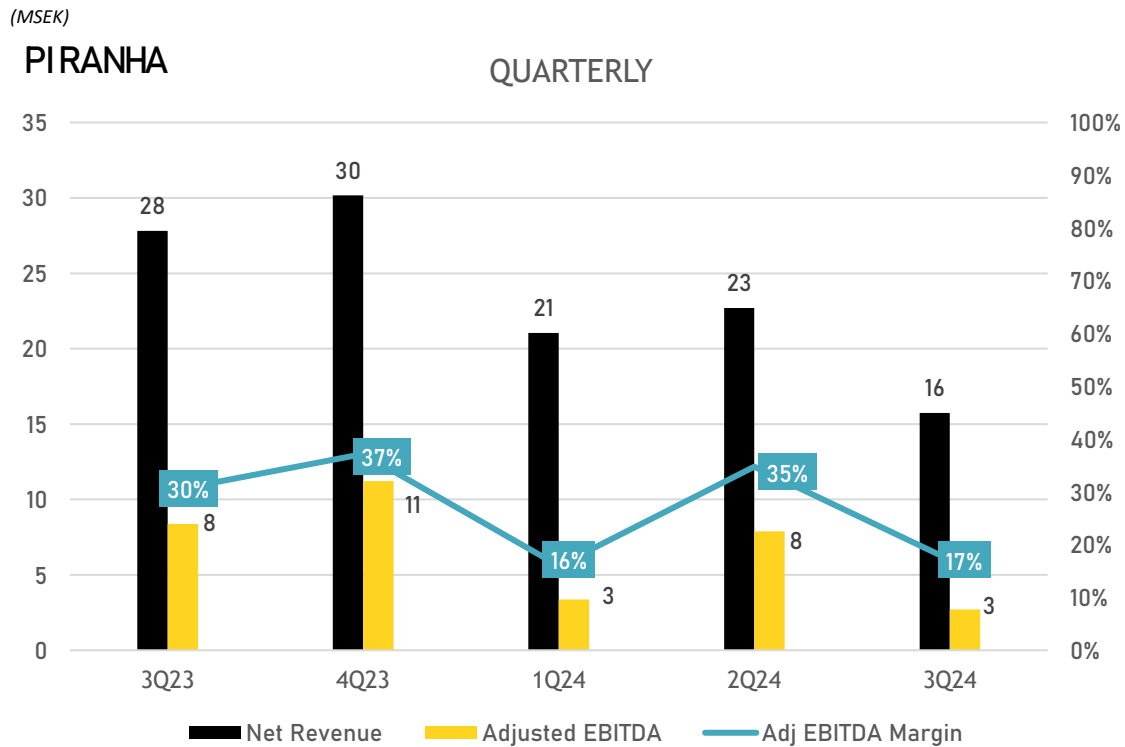
Daybreak	212	46%
Big Blue Bubble	84	18%
Rest of the group	169	36%
Group total	466	100%

Q2 ADJ EBITDA CONTRIBUTION

Daybreak	52	51%
Big Blue Bubble	42	41%
Rest of the group	8	7%
Group total	102	100%



Net Revenue and Adjusted EBITDA Mix

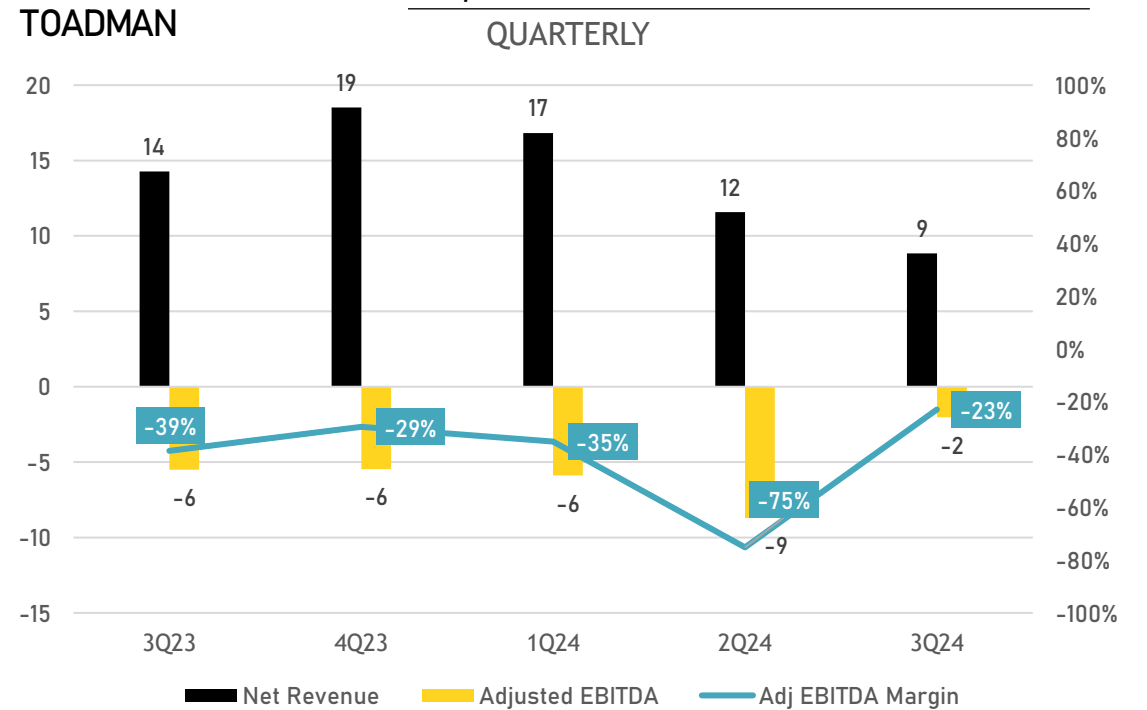


Q2 NET REVENUE CONTRIBUTION

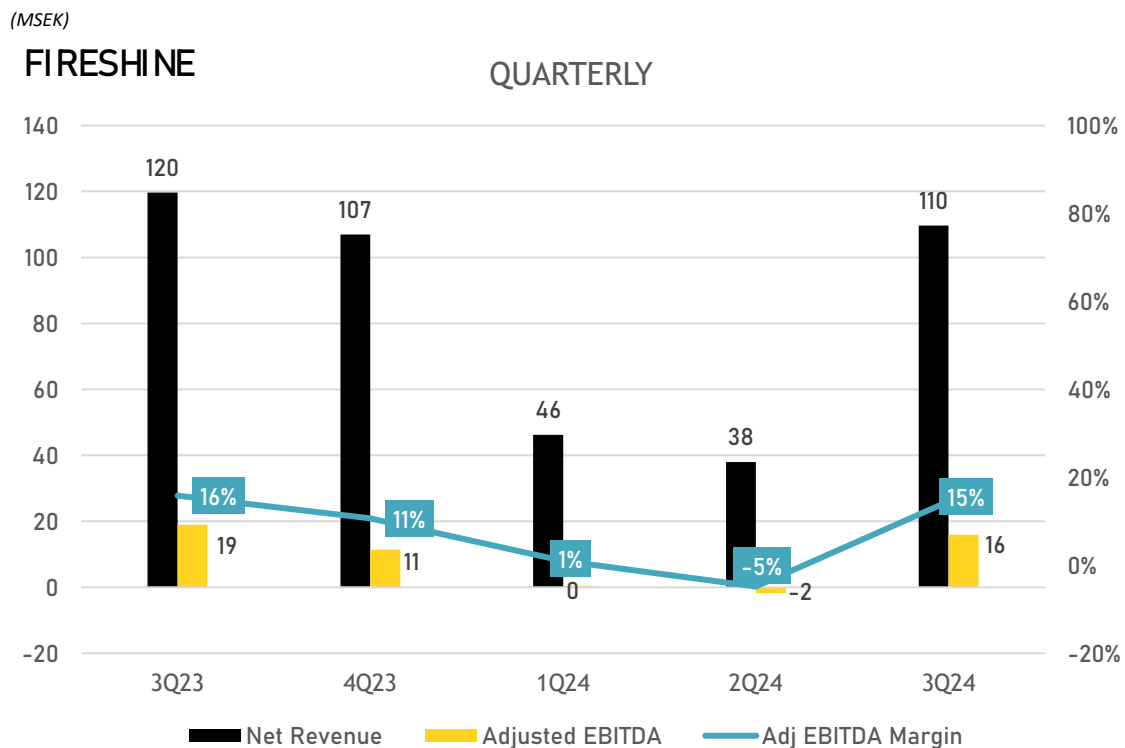
Piranha	16	3%
Toadman	9	2%
Rest of the group	441	95%
Group total	466	100%

Q2 ADJ EBITDA CONTRIBUTION

Piranha	3	3%
Toadman	-2	-2%
Rest of the group	101	99%
Group total	102	100%



Net Revenue and Adjusted EBITDA Mix

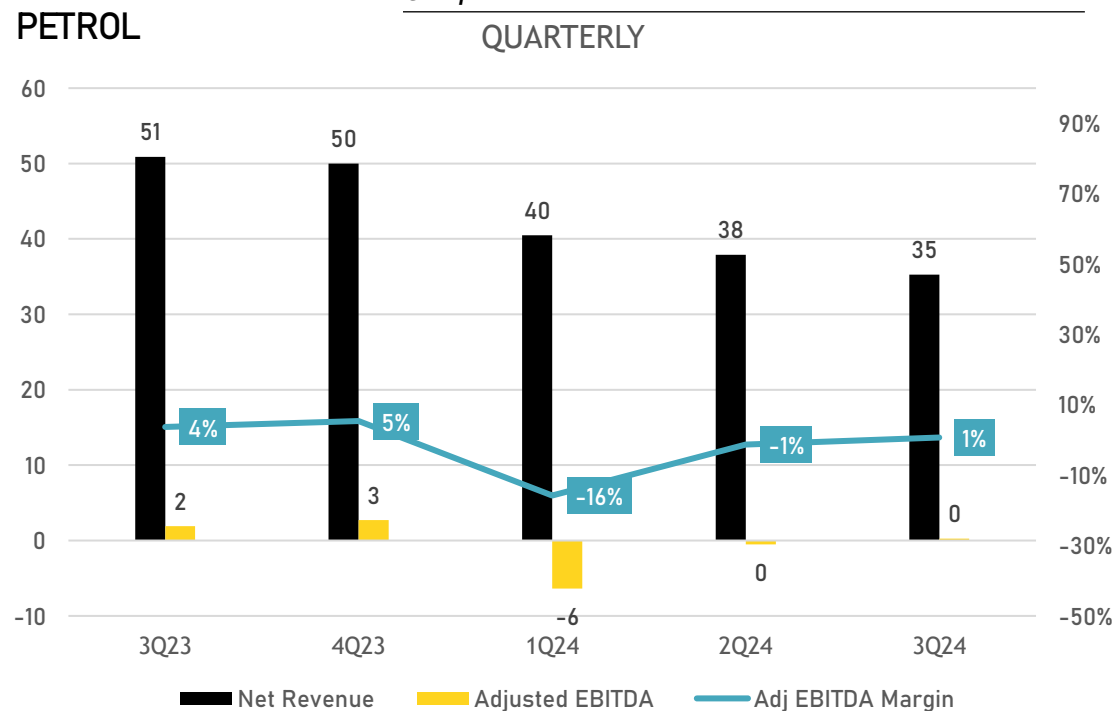


Q2 NET REVENUE CONTRIBUTION

Fireshine	110	24%
Petrol	35	8%
Rest of the group	321	69%
Group total	466	100%

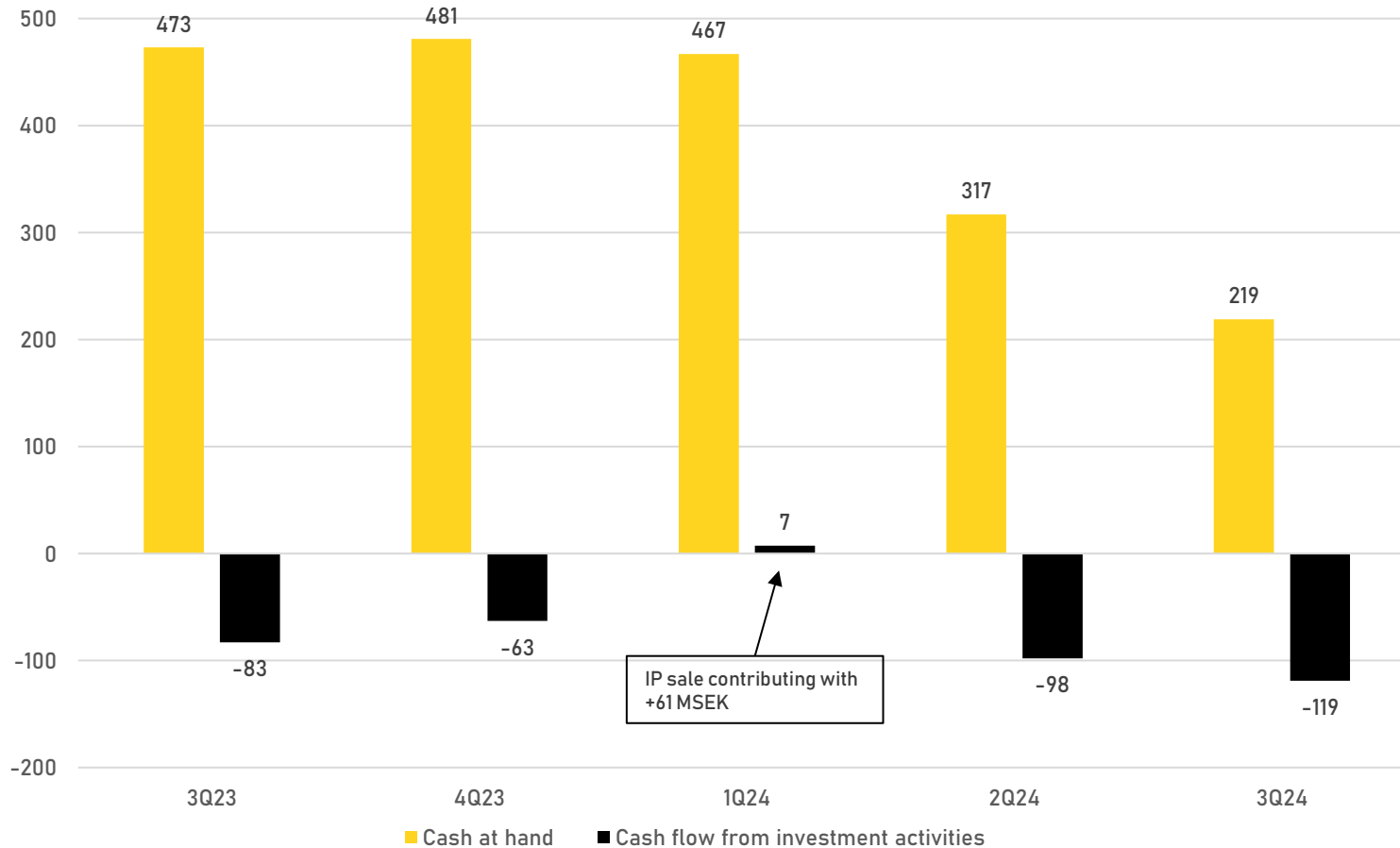
Q2 ADJ EBITDA CONTRIBUTION

Fireshine	16	16%
Petrol	0	0%
Rest of the group	86	84%
Group total	102	100%



Net Cash Position

(MSEK)



Q3 Cash Flow

Cash OB	317
Operation*	35
Investing**	-119
Financing***	-7
Delta Cash	-91
Currency fluctuations in liquidity	-7
Cash CB	219

* In WC, Accrued revenue -36 MSEK

** Net S6 investments -50 MSEK

** Capex MW Clans -21 MSEK

** Publishing investments -45 MSEK

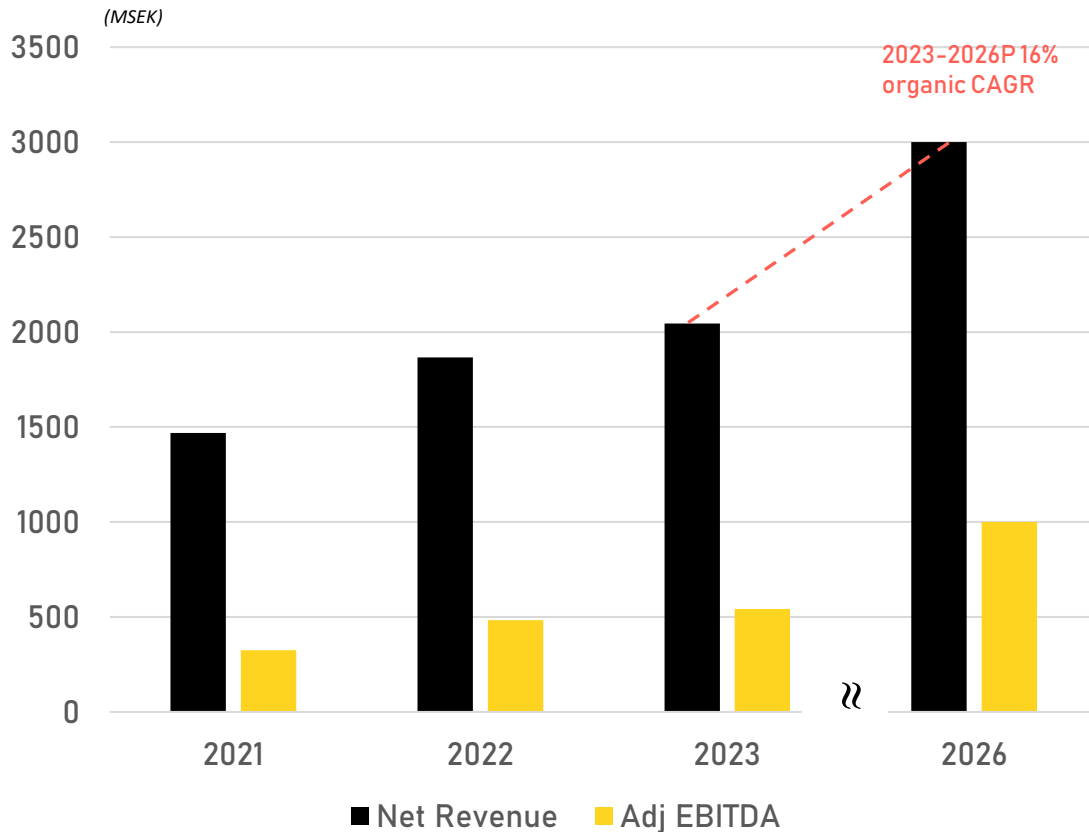
*** Office leases -7 MSEK

Solid Net Cash Position



Figures in Perspective

EYE ON THE PRIZE



Market

- YTD the industry suffered ~13,000 lay offs
- Market is estimated to grow at 3% CAGR through 2026

EG7

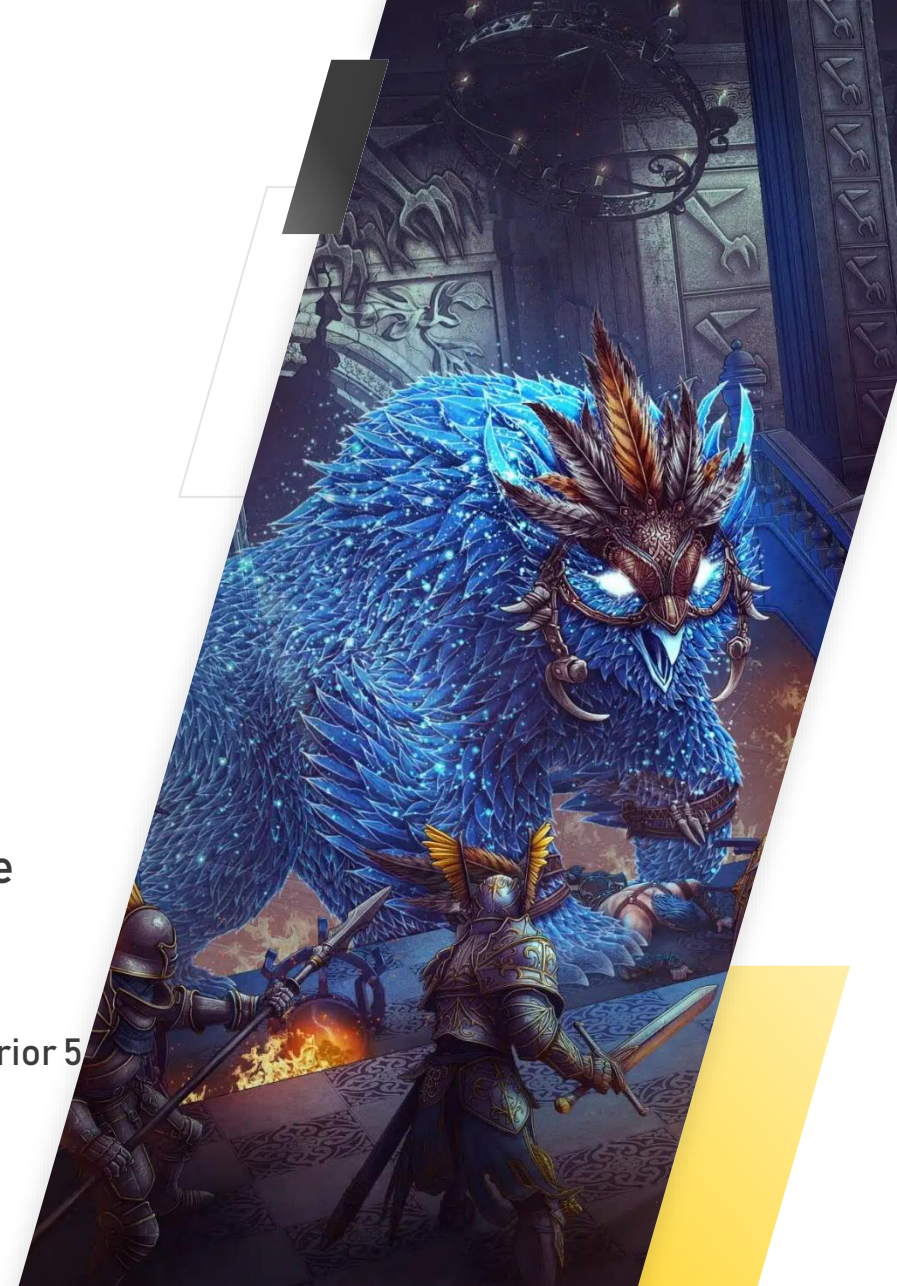
- Exited to add *S6* and the game *Palia* to our portfolio
- Cost-saving efforts with expected annual saving of 103 MSEK
- 2024 has been a transitioning year up until now
 - MechWarrior 5: Clans first game out among the new growth initiatives
- 2024 full year targets
 - Net Revenue around SEK 1.8 billion
 - Adj EBITDA expected at 20%
 - Slightly lower due to MWC delayed release
- 2026 full year targets
 - Net Revenue of SEK 3 billion
 - Adj EBITDA of SEK 1 billion

Summary



Summary

- A nice rebound in performance for the period
 - Reflects the heavier backend weighted pipeline for the year
 - Q4 results should be reflective of the same
- Market remains challenging for the broader industry
 - Big guys are doing fine overall
 - Indies and small to medium sized companies more under pressure
- EG7 remains in a good position with its stable financial health amidst the market turmoil
 - Maintaining focus on executing on our strategic plan without getting distracted
 - Primary focus remains organic growth through new product releases, such as MechWarrior 5 Clans based on recognized IPs
 - Secondary focus is opportunistic M&A, such as Singularity 6, where the combination of strategic alignment, deal pricing and returns potential all make sense



Q&A

