



COMPANY PRESENTATION
Capital Markets Day

September 2023

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Primary Goals for the Presentation



- **Target Audience**
 - > Existing and prospective investors
 - > Capital markets community
- **Primary Topics**
 - > What, who and where we are today
 - > Business focus and strategy for our future
 - > Go forward plan
 - > Future financial goals
- **What It Is Not**
 - > Company marketing
 - > Capital raise presentation
 - > Product showcase



MAIN TOPICS



ENAD GLOBAL 7

- I. Company Overview – EG7 Today
- II. Leadership Background
- III. Progression
- IV. Industry Dynamics and Business Opportunity
- V. Business Strategy
- VI. Go Forward Plan
- VII. Financial Targets and Outlook
- VIII. Topics for Shareholder Consideration
- IX. Summary
- X. Appendix – Business Unit Profiles



I.

COMPANY OVERVIEW EG7 TODAY

COMPANY PRESENTATION

Summary Snapshot

- Headquartered in Stockholm with operations in North America and Europe
- Originally founded as a co-development studio in 2013
- Acquisition growth into a gaming group with 6 business units today comprised of:
 - > Game business with 10 live service titles
 - > 3rd party service business across publishing, distribution, WFH and marketing
- Successfully rationalized under new leadership
 - > Stable foundation established
 - > Optimized for cash flows
- Ready for the next stage of progression with a clear strategy and plan

Key Figures LTM 2Q23

Net Revenues
SEK 2.1 billion

Adjusted EBITDA
SEK 595 million

Cash
SEK 454 million

Debt
Zero leverage

Group Companies



DAYBREAK™
GAME COMPANY

bigbluebubble



**FIRESHINE
GAMES**

PETROL

Acquisition	2020	2020	2021	Founded 2013	2019	2019
Business	PC and console live service game developer and publisher	Mobile, PC and console game developer and publisher	PC and console premium and live service game developer	PC and console game co-development studio	Indie publishing and console game physical distributor	Creative branding and marketing agency
HQ	San Diego, CA, US	London, Ontario, CN	Vancouver, BC, CN	Stockholm, Sweden	London, UK	Los Angeles, CA, US
Products	8 live service products	My Singing Monsters	MechWarrior franchise	NA	NA	NA
Services	NA	NA	Co-development	Co-development	Physical distribution, digital publishing	Branding, marketing asset and agency services

Capabilities Across the Value Chain



PC / Consoles



Mobile



3rd Party Services

Value-Add Services



Globally Recognized 1st and 3rd Party IP Portfolio

1st Party Owned IPs



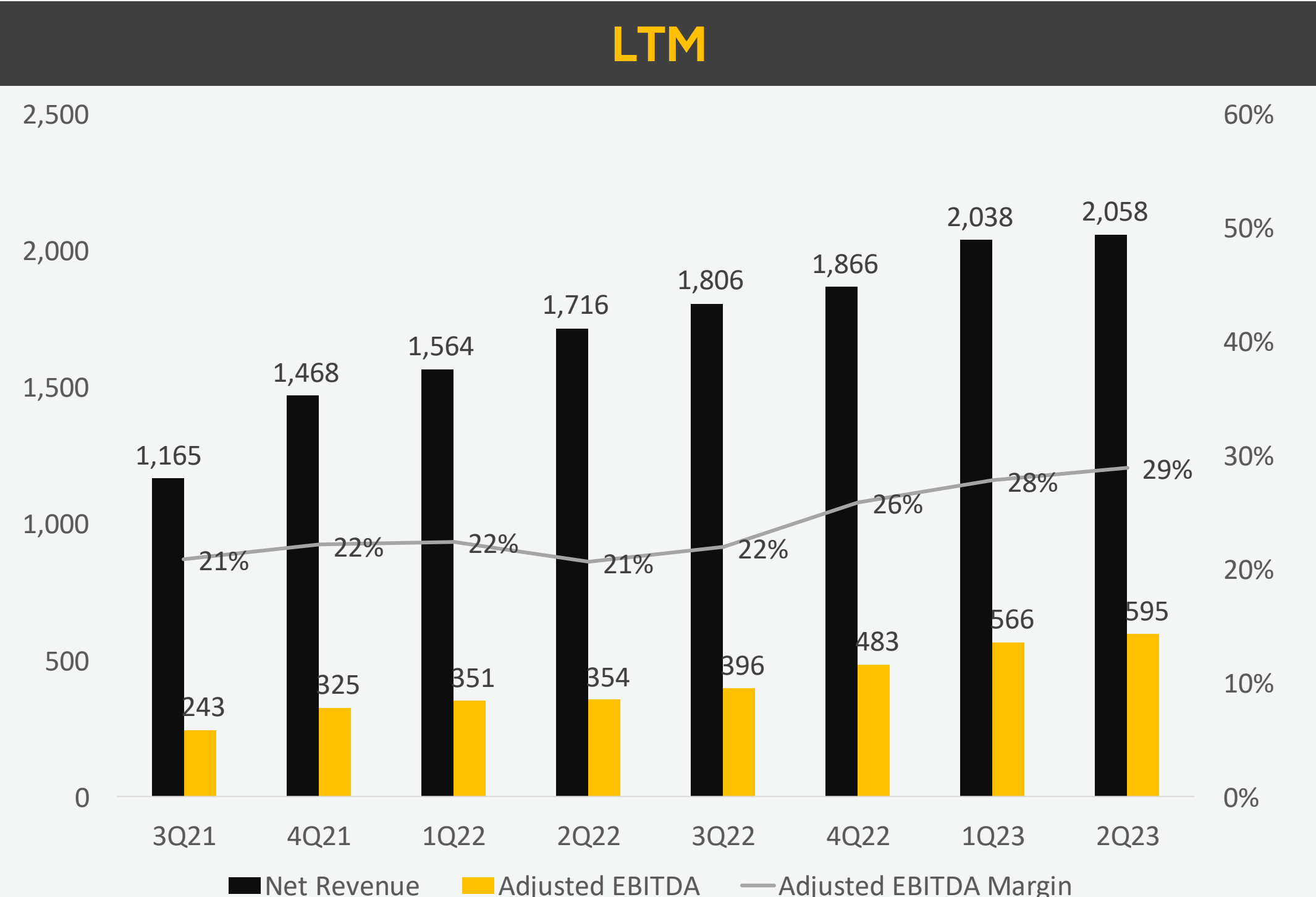
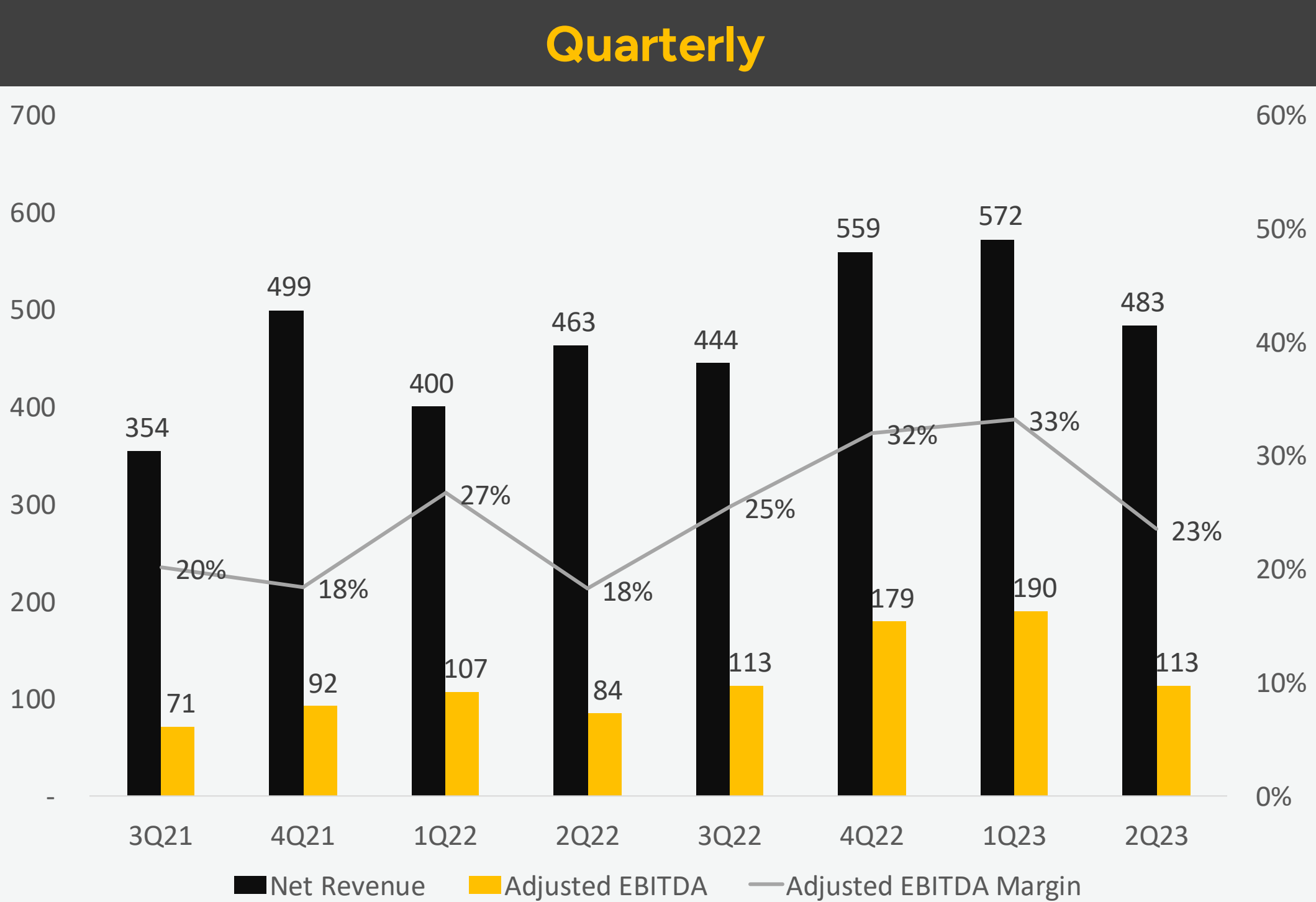
3rd Party Major Global IPs



Financial Performance

(MSEK)

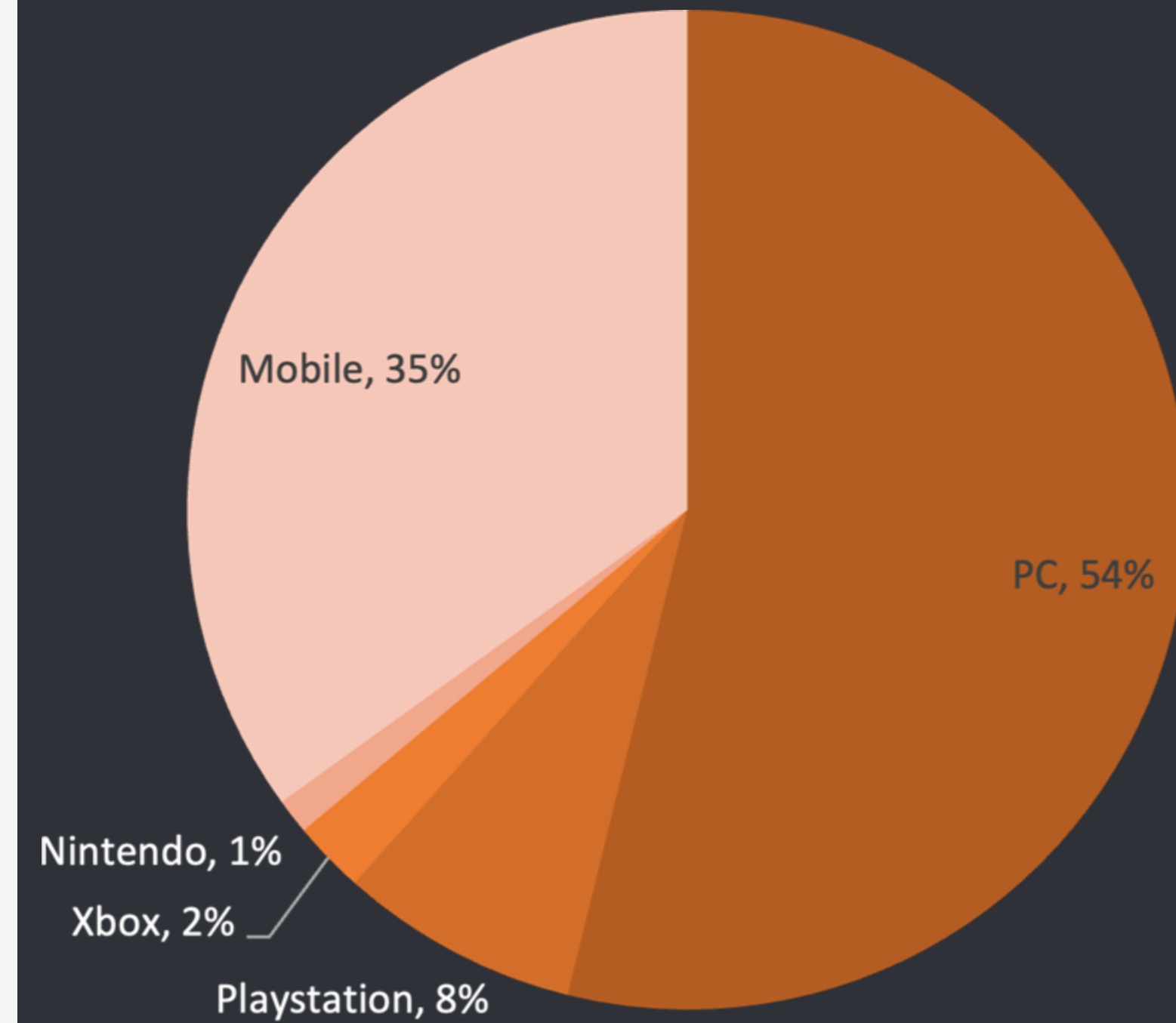
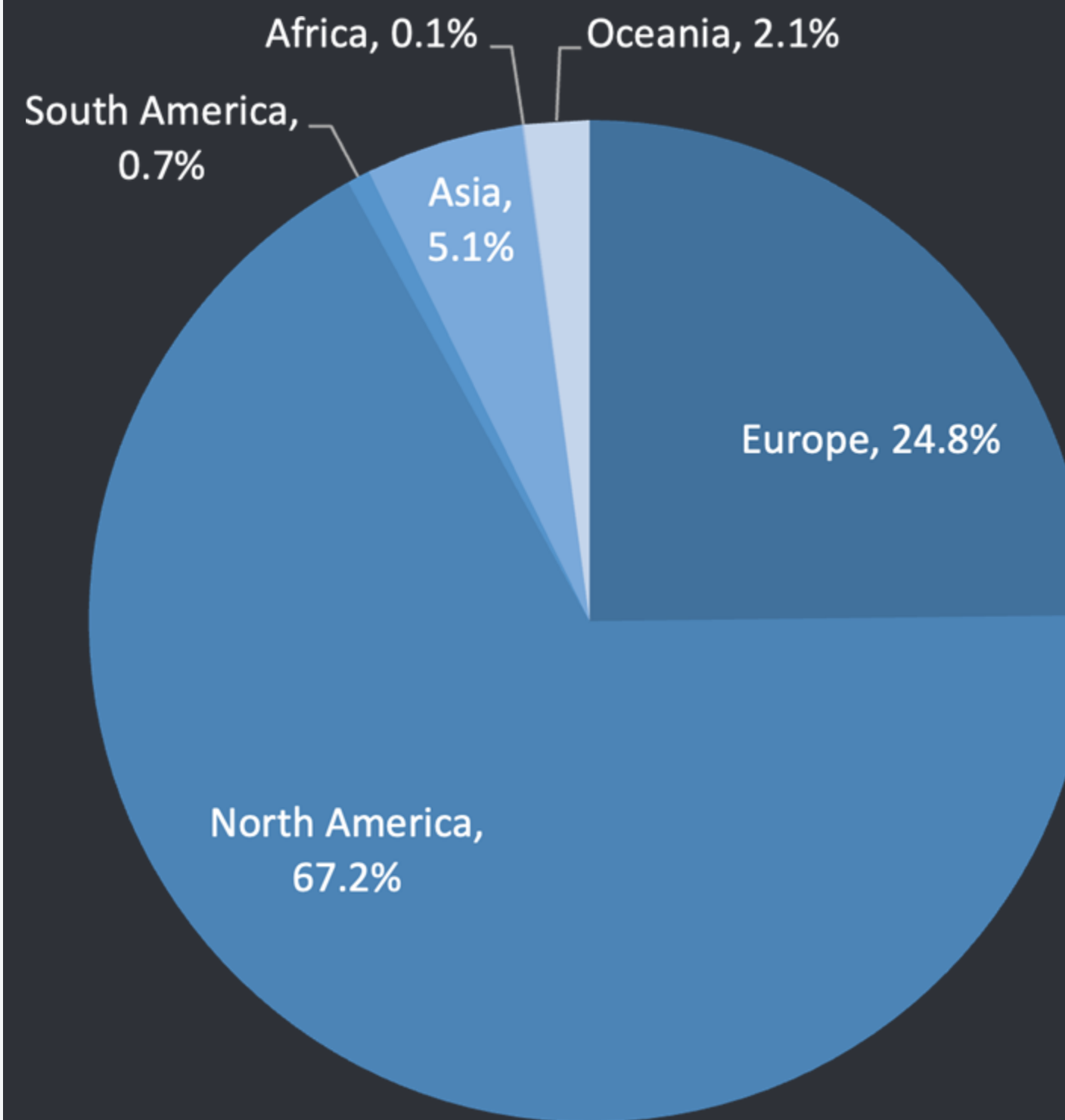
- Demonstrated consistency
- Exceptional growth since 3Q21:
 - > 1.8x LTM Net Revenue growth
 - > 2.4x LTM Adjusted EBITDA growth
- All organic with no M&A driven growth since 2Q21
 - > MTGO deal in 1Q22 not a traditional M&A but rather a combination of an acquihire and long-term licensing



*Excludes results for Innova, which was divested in 3Q22.

Revenue Mix by Region and Platform

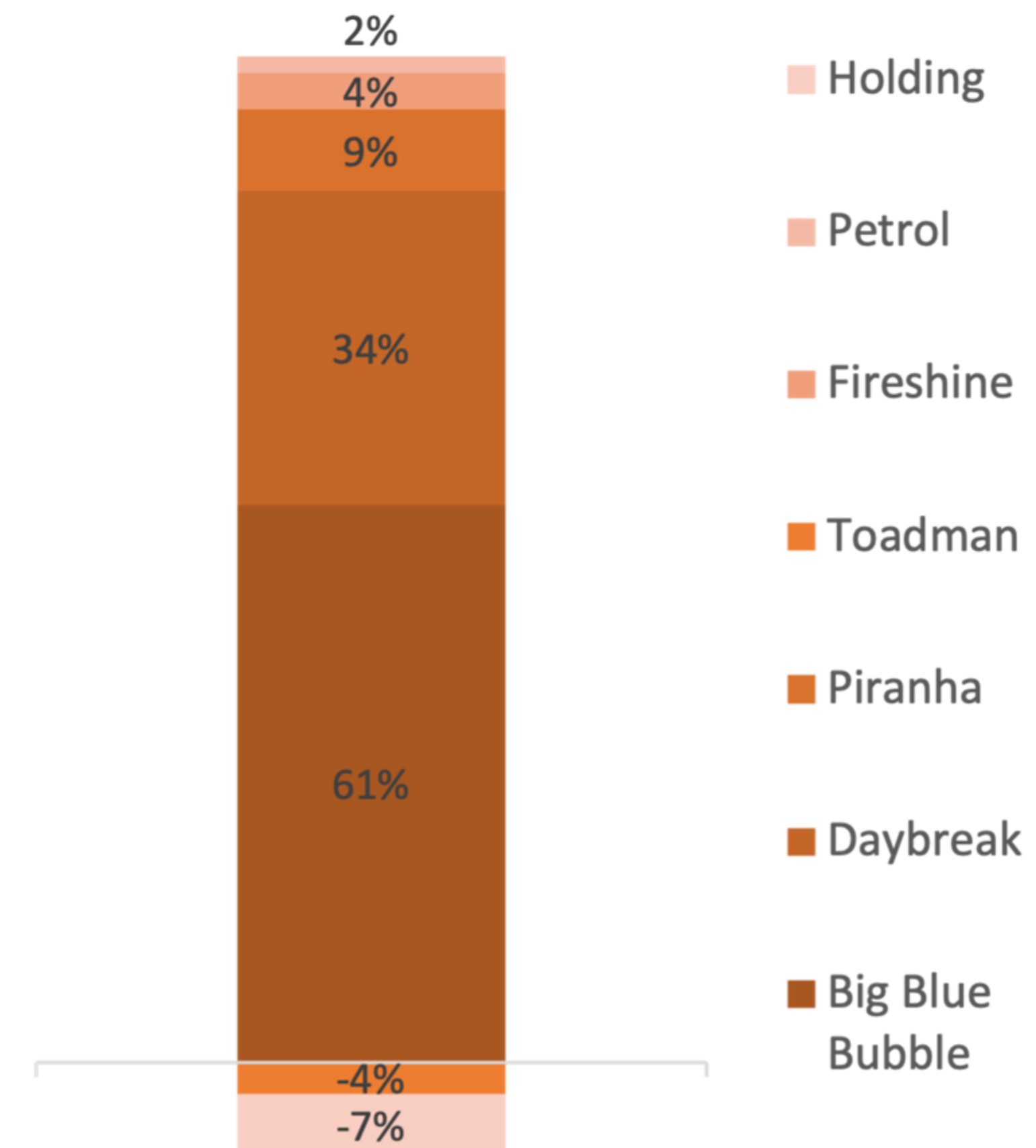
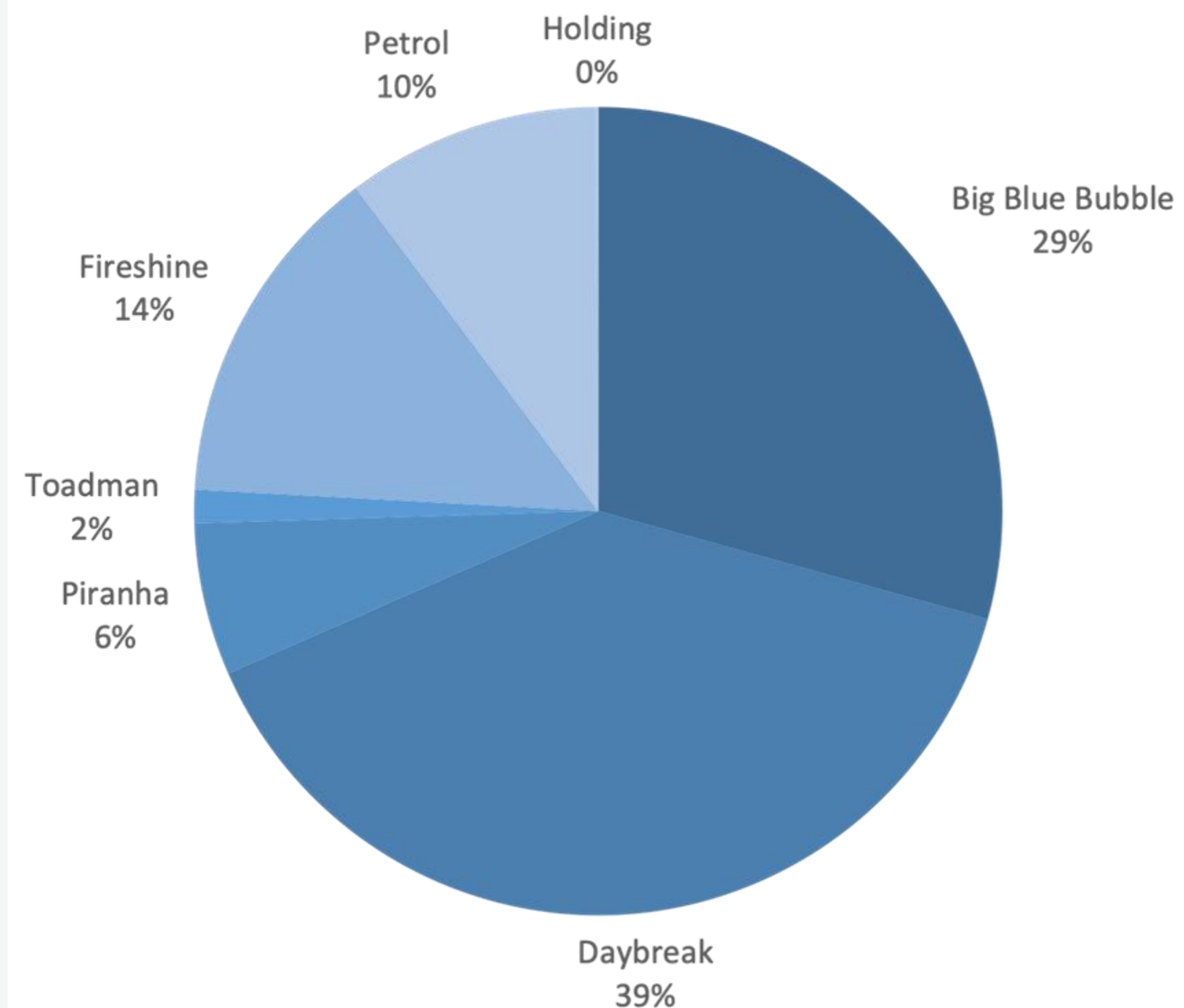
Net Revenues Mix by Region – LTM 2Q23



Net Revenues Mix by Platform– LTM 2Q23

Contribution by Business Unit

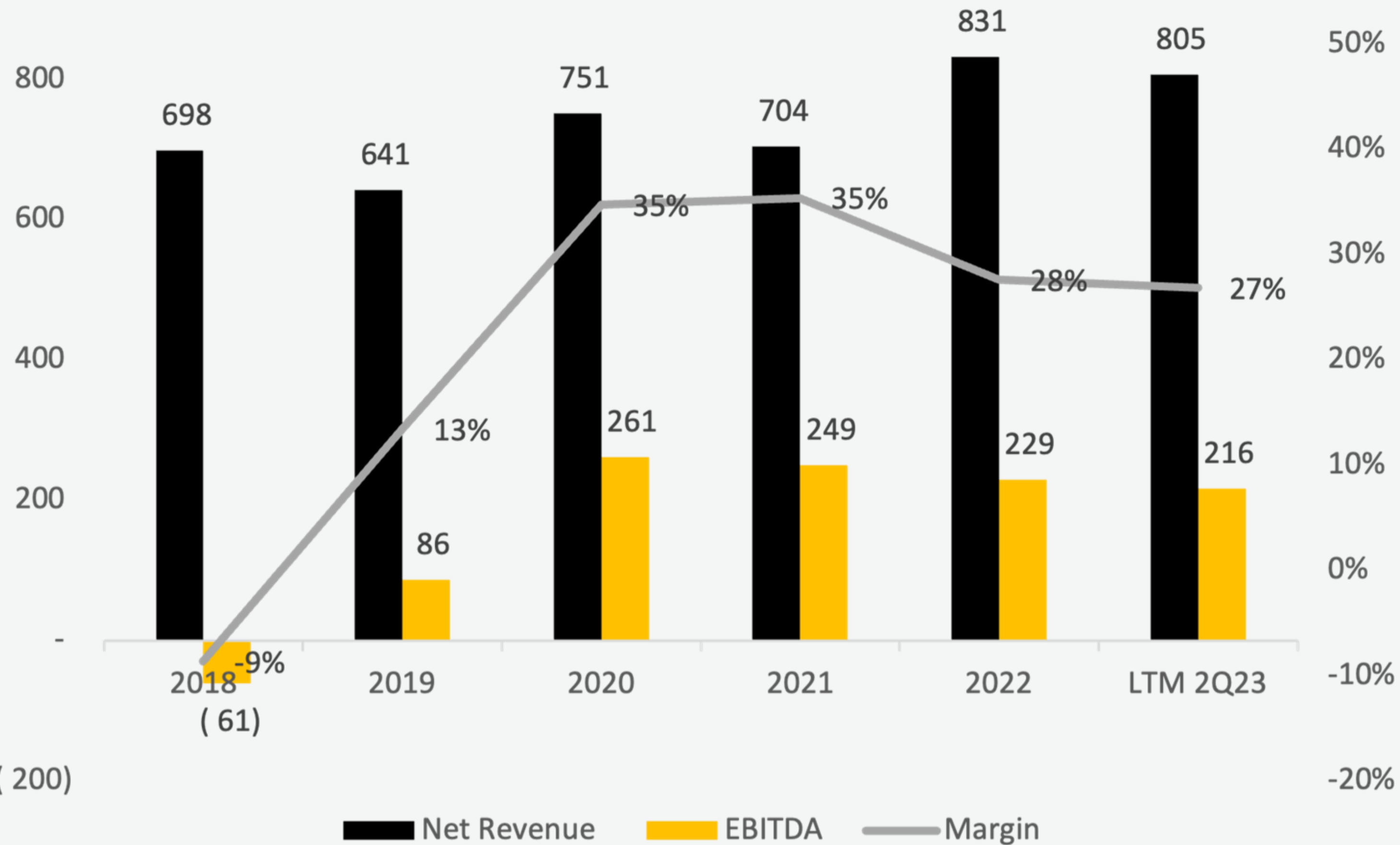
Net Revenues Mix – LTM 2Q23



Adjusted EBITDA Mix – LTM 2Q23

(MSEK)

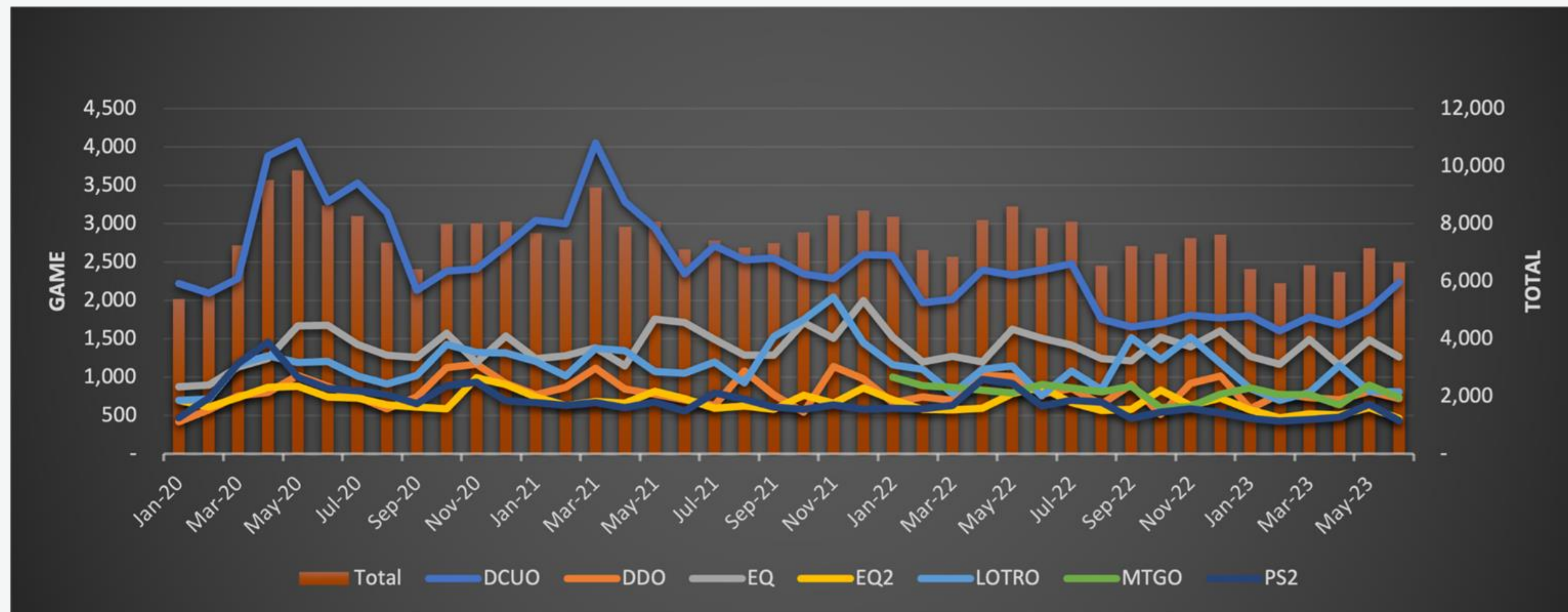
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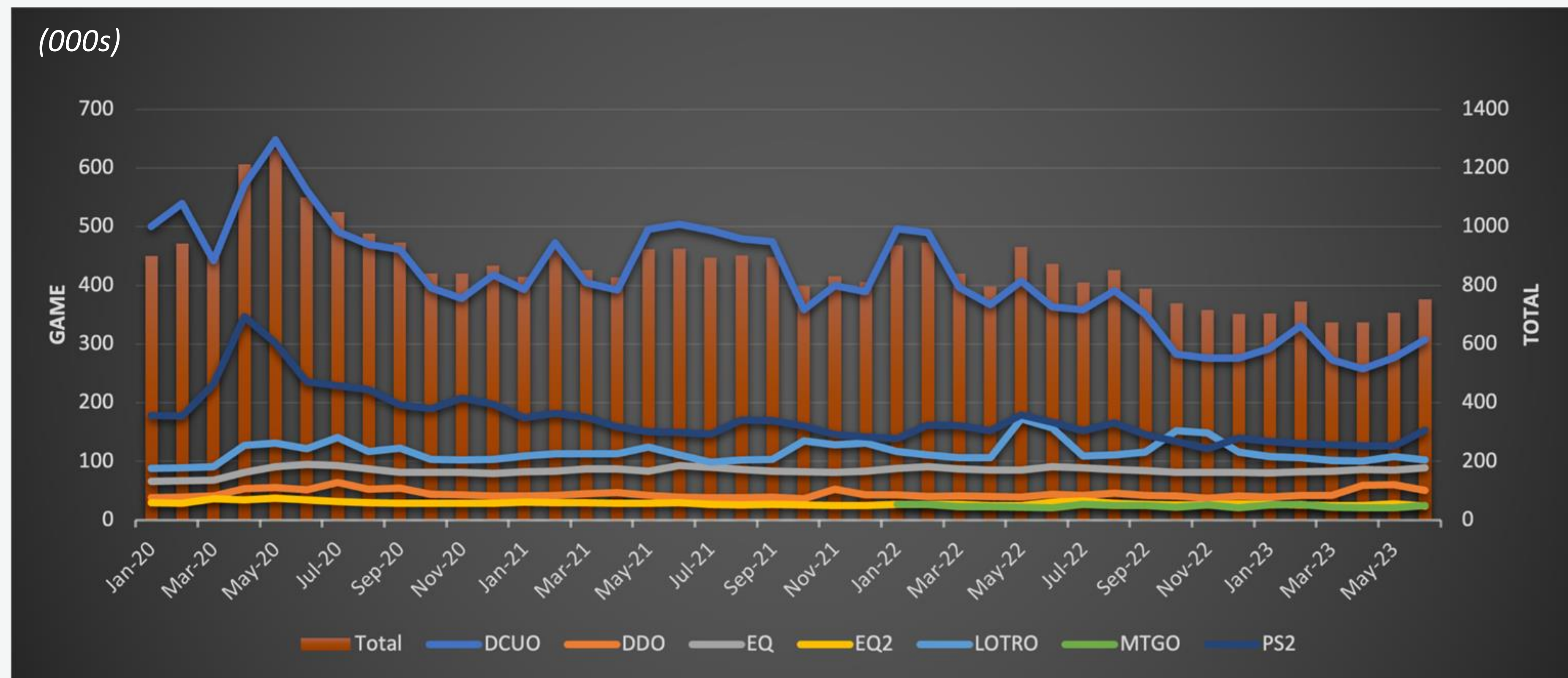
- Consistent and highly profitable
- Biggest revenue source for the group
- Topline maintaining above the pre-pandemic levels
- Solid margins but reduced due to a combination of:
 - > Fixed cost component
 - > Inflation driven cost increases
- A classic portfolio that's steady but expected to see modest declines over time

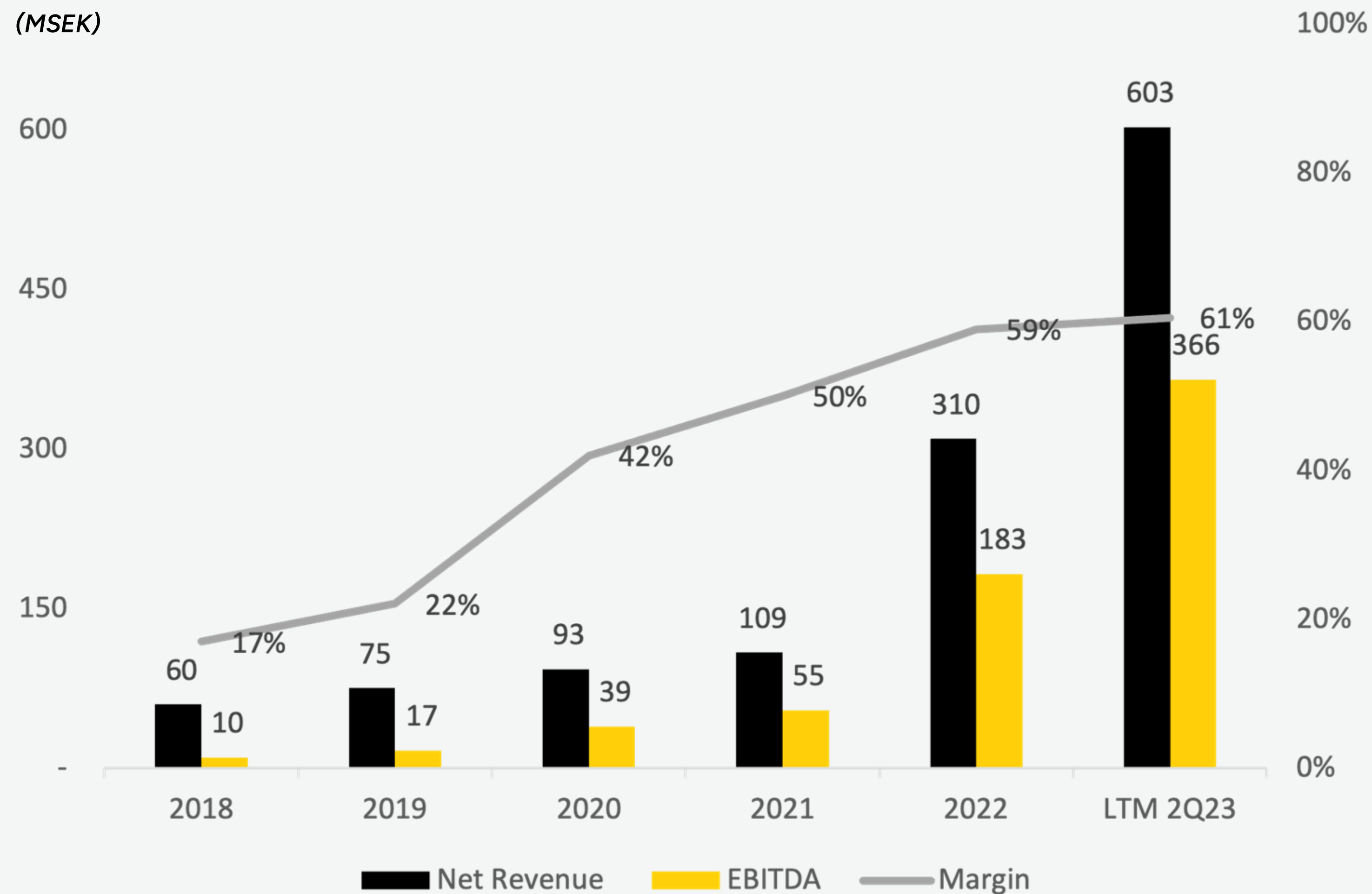
Monthly Gross Revenue Trend by Game

- Monthly Gross Revenues down but maintaining above pre-pandemic level
- DCUO has seen notable declines from the peak as it came down off highs of the pandemic



MAU Trends by Game





- Back-to-back record performance
- 2022 growth:
 - > Net Revenue 184% YoY growth
 - > EBITDA 233% YoY growth
- LTM 2Q23:
 - > Net Revenue 371% YoY growth
 - > EBITDA 424% YoY growth
- 2023 performance driven by the viral uptick from end of 2022
- Expected to calibrate around a new normalized level second half of 2023 and first half of 2024

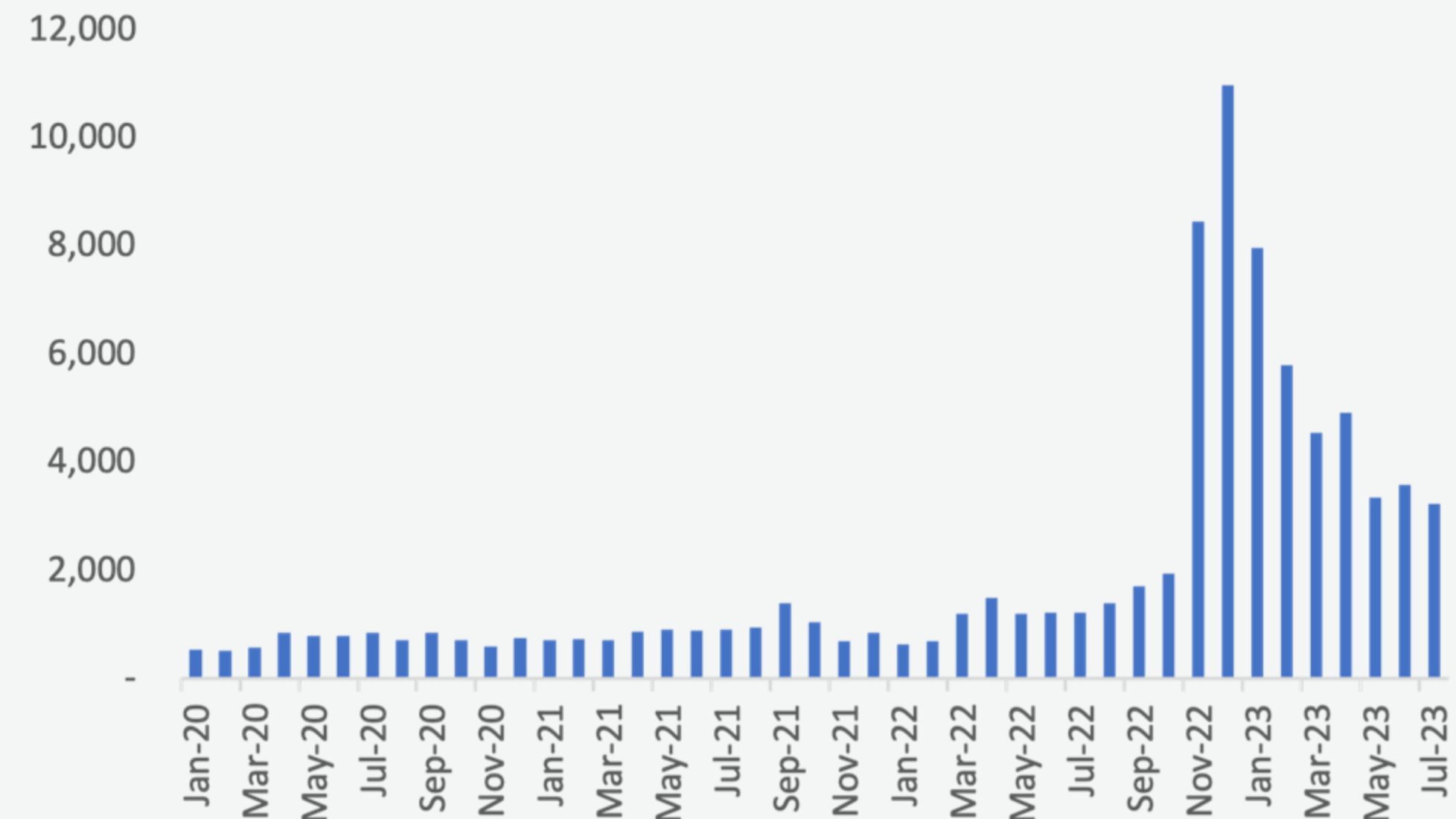
My Singing Monsters KPIs



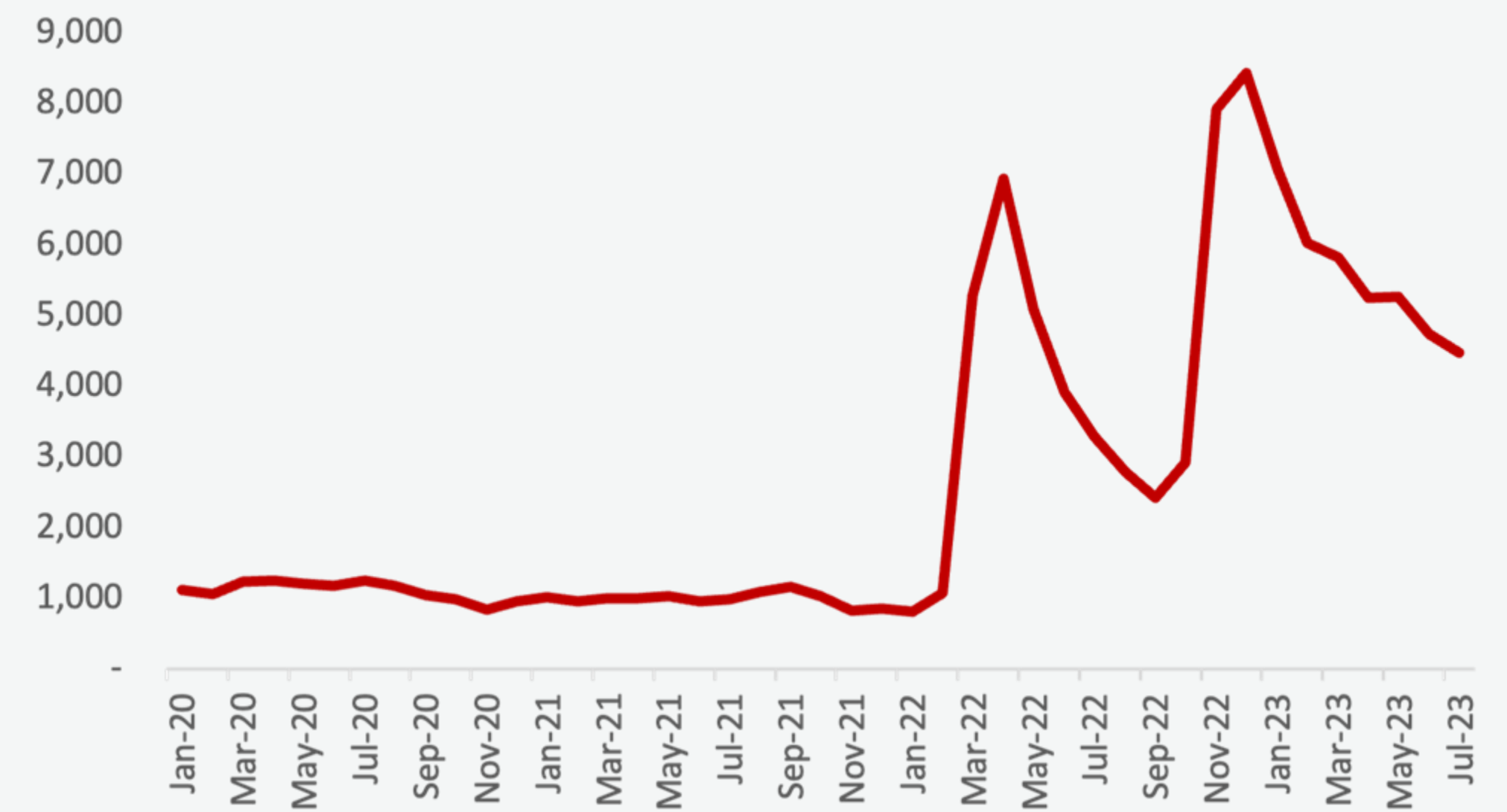
- Exponential growth in 4Q22 and first part of 2023
- Still operating at significantly higher level compared to pre-uptick
- Team firing on all cylinders to service the larger audience
- Some time before we know where the new "normal" is

Monthly Gross Revenues

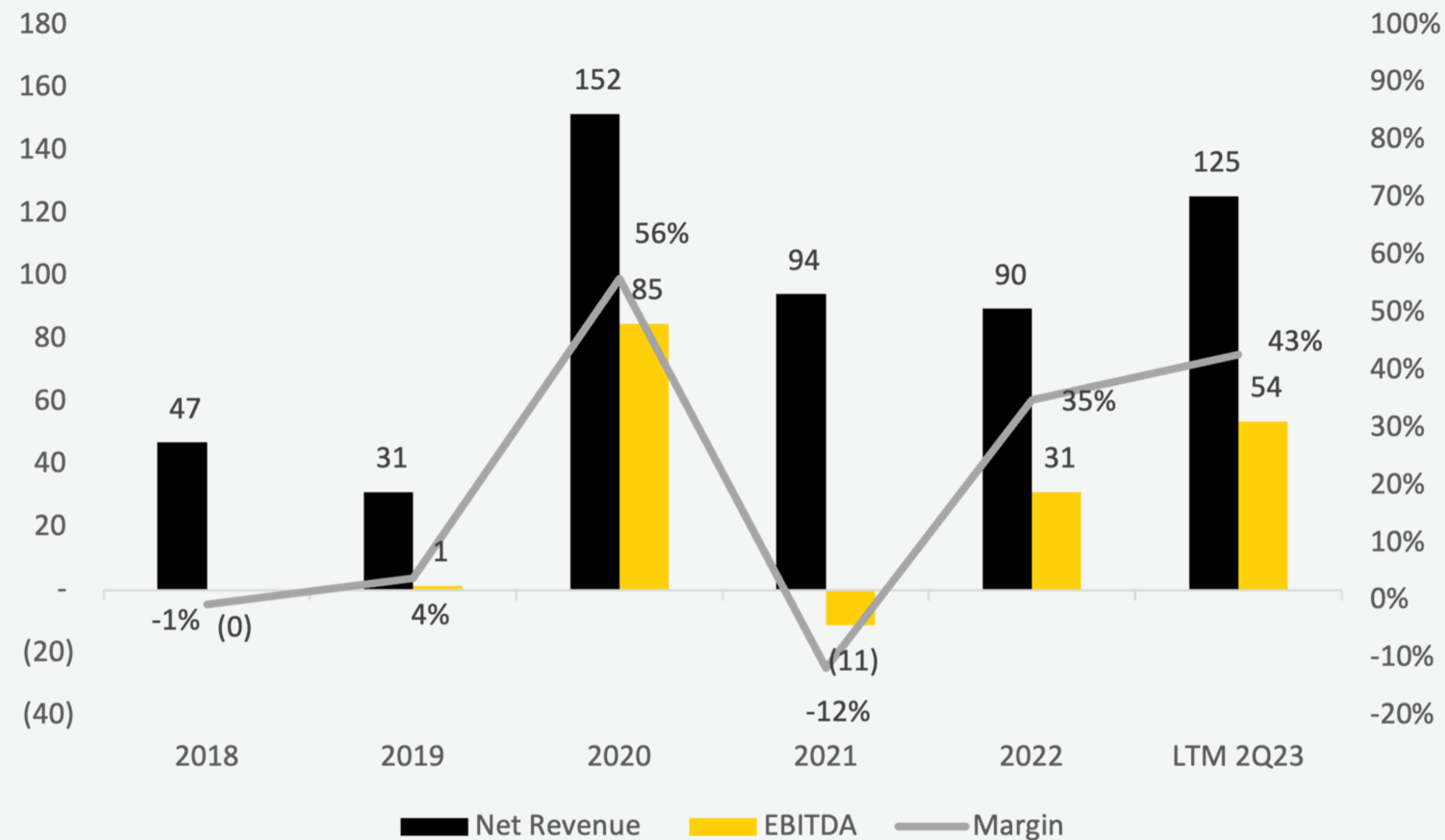
(USD in 000s)



MAU (000s)



(MSEK)



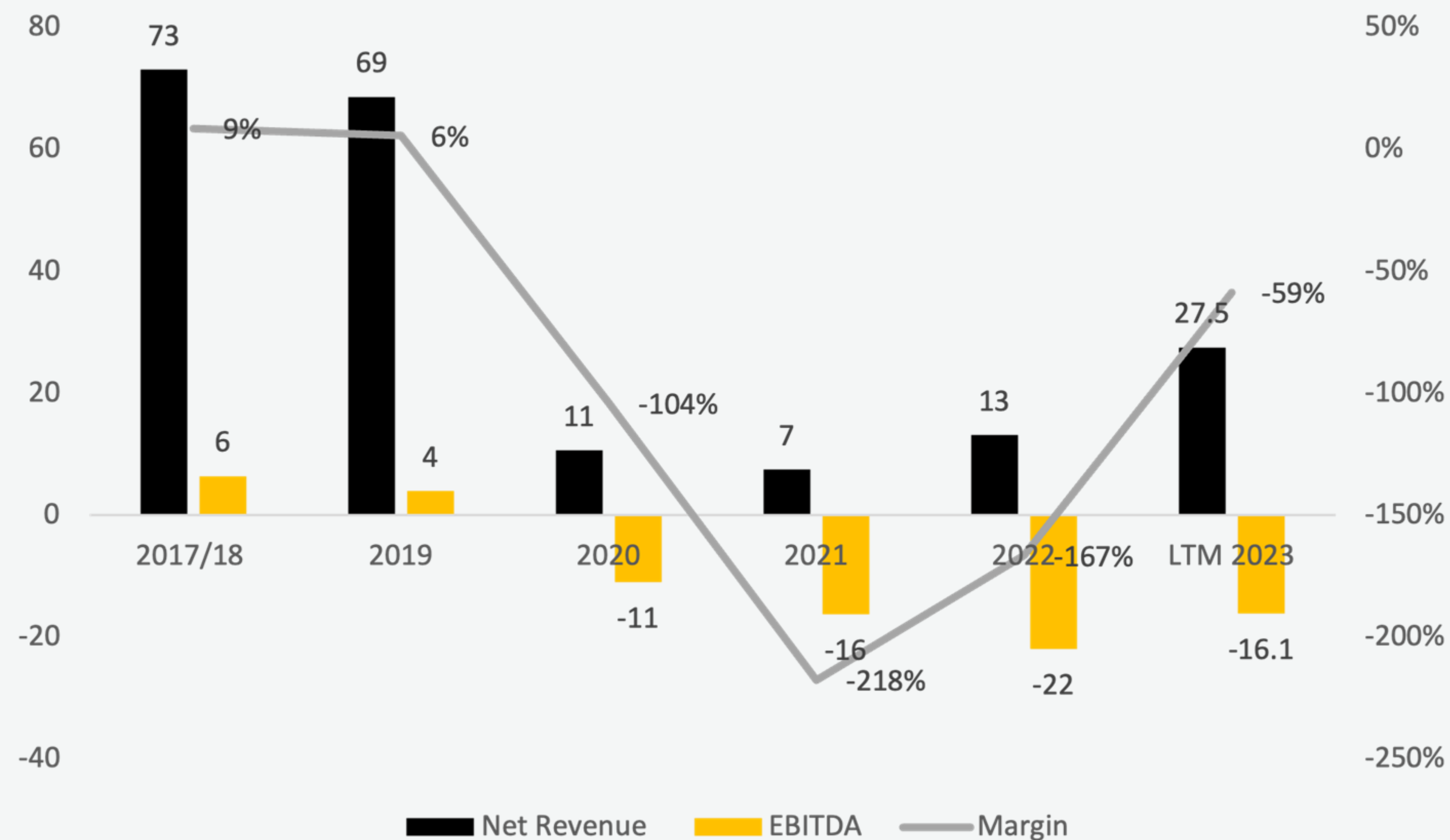
- Strong performance in 1Q thanks to a successful release of MechWarrior DLC 4
- Successfully signed WFH contract worth SEK 100 million over 18 months in 2Q23
- MechWarrior DLC 5 to be released on September 28
- New MechWarrior Clans title to be released in 2024 as announced on Sep 15th

* 2020 consist of 16 months



TOADMAN
INTERACTIVE

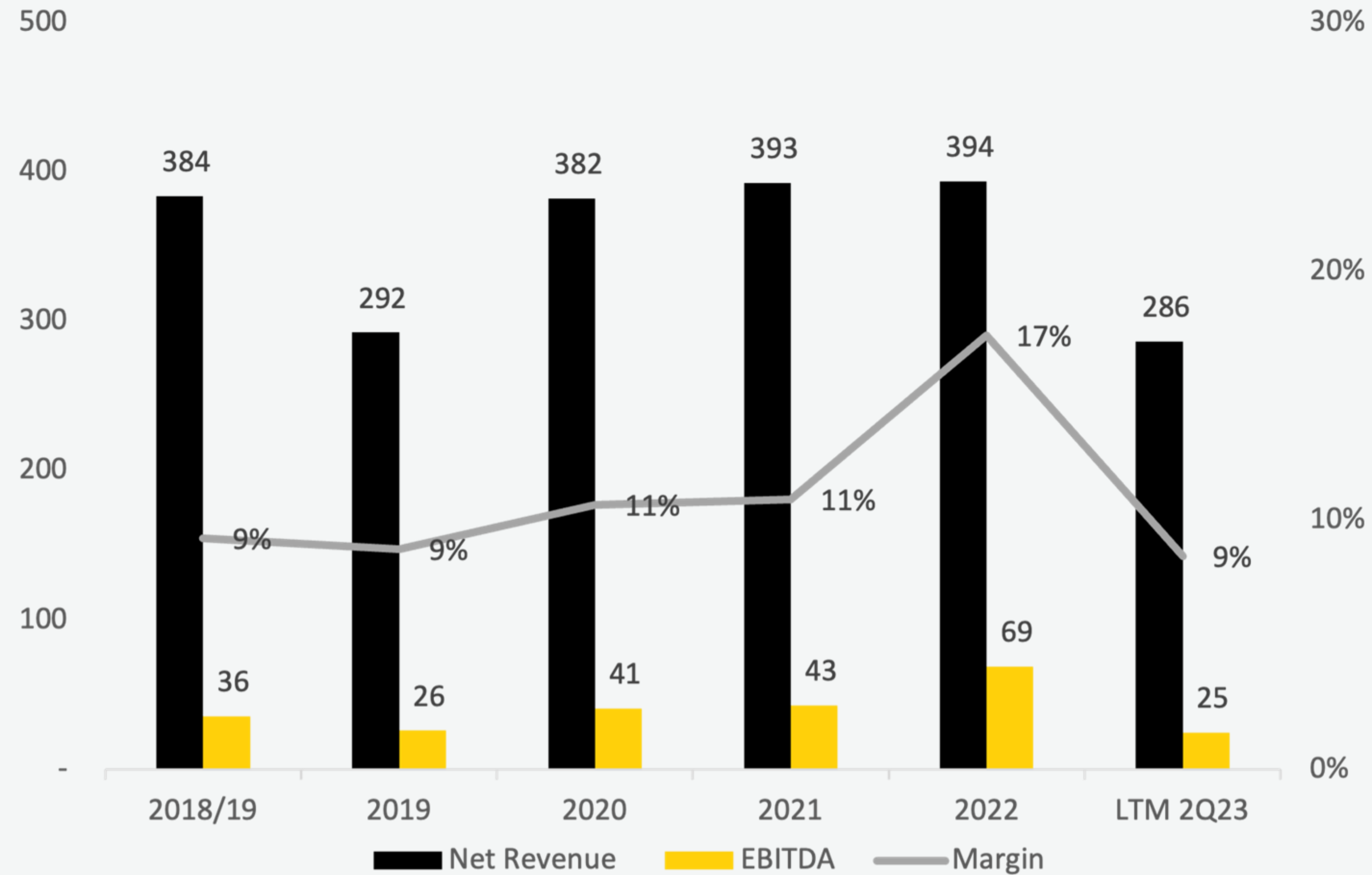
(MSEK)



- Successfully continues to ramp up its WFH-business
- SEK 10.8 million of Net Revenue for 2Q from WFH – a 96.4 percent increase over 1Q
- Signed new external WFH contract in 3Q
- Estimated to reach positive EBITDA contribution towards the end of the year

* 2917/18 consist of 16 months

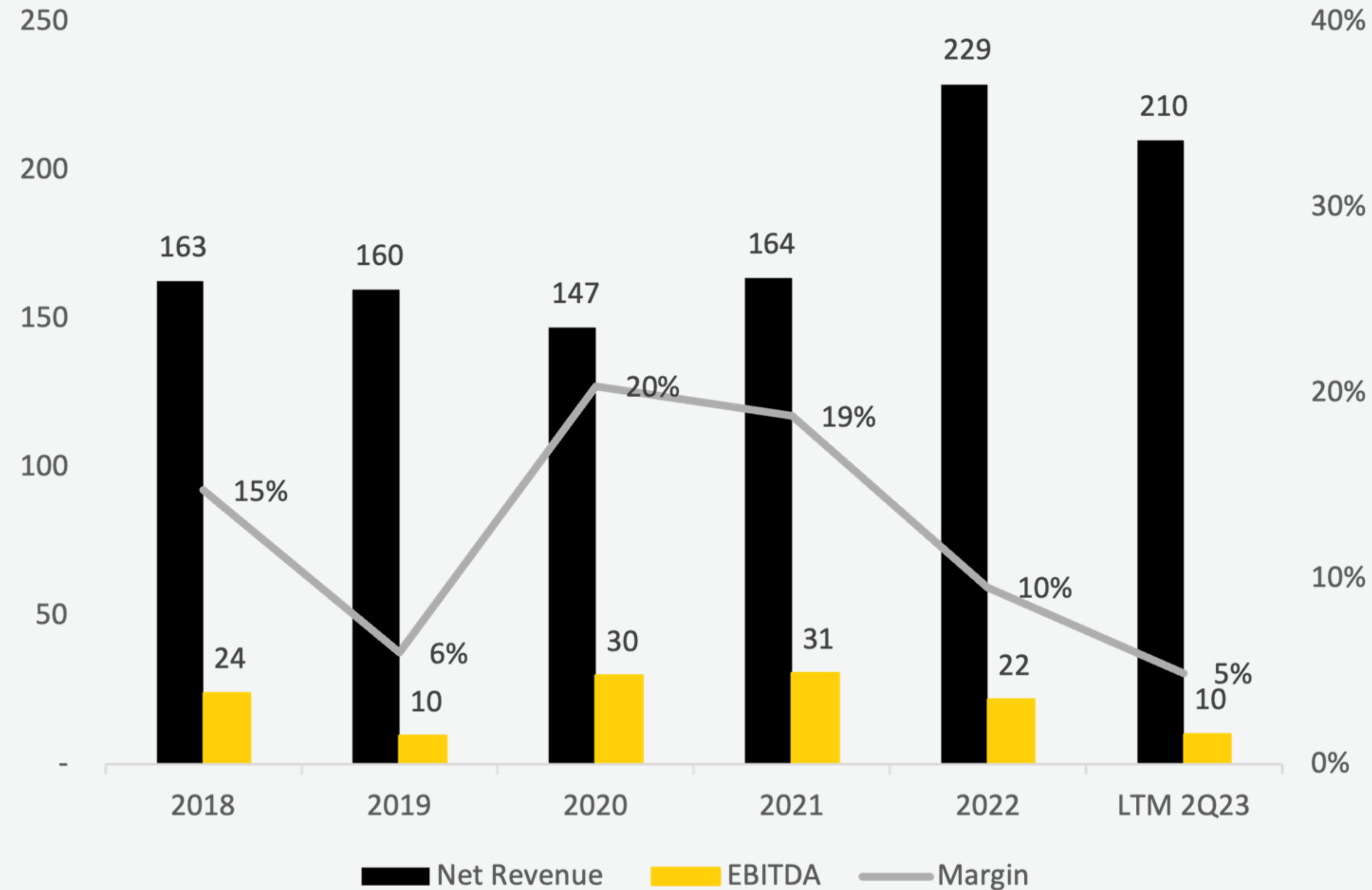
(MSEK)



- Slower first half of 2023
- In 2022, a nice outcome with Core Keeper that drove performance
- No comparable title for 2023
- Additionally, physical distribution volume lower first half of 2023 and on a downward trend long-term
- 2H23 expected to outperform the 1H

* 2019 shows extrapolation of the 9-month figure to simulate 12 months

(MSEK)



- Step up in revenue base since 2021 but operating at a lower margin
 - > Team focused on improving margins over the near-term
- Faced some challenges for 1H23 with delays in client projects
- Big title releases in the 2H by Petrol's clients, which should result in improved performance

Summary – Where Do We Stand Today?

Highlights

- Stable and predictable
- Solid cash flows
- Strong liquidity position
- Good assets
- Limited risk

Questions

- What's next?
- What's going to drive growth?
- How are we going to deploy cash and for what reasons?

II. LEADERSHIP BACKGROUND



Group Management and the Board

EG7 Executive Team



Ji Ham
Acting CEO and board member

Extensive background in both gaming and finance. CEO of Daybreak since 2015 and Acting CEO of EG7 since Aug 2021. Private equity and investment banking background prior to joining Daybreak

Holds 2,018,472 shares in EG7

Independent in relation to major shareholders, dependent in relation to company and management.



Fredrik Rüdén
Deputy CEO and CFO

Extensive background from listed environments Including almost a decade as CFO at Betsson, professional experience from companies such as Kinnevik, LeoVegas and Ernst & Young

Holds 159,159 shares in EG7



Jason Epstein
Chairman of the board

Seasoned private equity investor and entrepreneur for the last 25 years, based in New York

Holds 8,582,320 shares in EG7

Independent in relation to major shareholders, company and management.



Marie-Louise Gefwert
Board member

30 years of experience in leading positions at e.g., Ericsson and Vattenfall Data

Holds 22,428 shares in EG7

Independent in relation to major shareholders, company and management.



Gunnar Lind
Board member

Decades of experience from the gaming industry, most notably as group CEO of Cherry

Holds 200,000 shares in EG7

Independent in relation to major shareholders, company and management.



Ben Braun
Board member

Extensive background in finance with positions including Partner at LionTree, Managing Director and Head of Media and Communications M&A at Bank of America Merrill Lynch

Independent in relation to major shareholders, company and management.



Ron Moravek
Board member

Extensive background within the gaming industry as VP and COO of Electric Arts Vancouver Studio, COO and Co-Founder of Relic Entertainment, EVP Production and GM at THQ

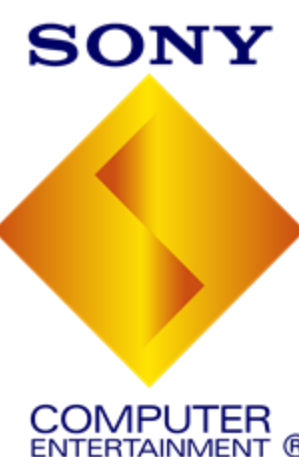
Independent in relation to major shareholders, company and management.

Demonstrated and Repeated Success

Acquisition



from



Jan 2015

- Acquisition and restructure
- Large losses to profits within 30 days of closing
- Exit with sale to EG7 in Dec 2020

Acquisition



from



Dec 2016

- Acquisition and optimization
- Over \$147mm of gross revenues and \$81mm of game level EBITDA since the acquisition

Acquisition



from



Aug 2020

- Studio acquisition
- Redirection of the game
- Successful release of game in 12 months post acquisition
- 2+mm units sold with 5+mm players, including Game Pass

Dev & Publishing



from



Jan 2022

- Product carve out, acquire and publishing agreement
- Long-term revenues with solid profitability

Combination of Unique Skillset and Expertise

Requisite Sector Expertise

- Game development
- Publishing and distribution
- Live service
- Developer and publisher operations



Unique Skillset & Expertise

- Institutional underwriting of business and game opportunities
- Development and execution of tailored plans, ranging from restructuring to growth plans
- Ability to drive hands-on business and financial transformations



Track record of multiple successful outcomes



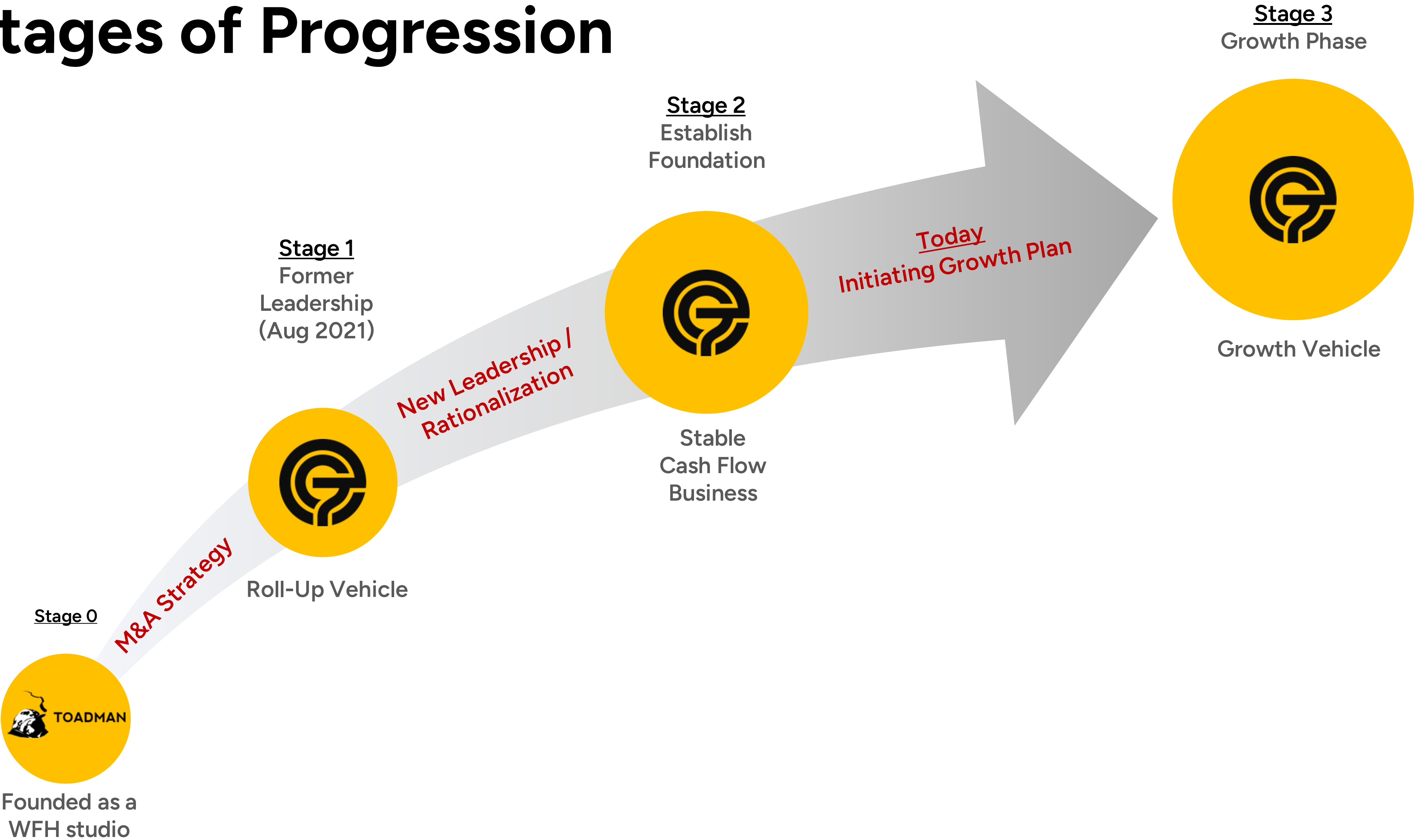
III.

PROGRESSION



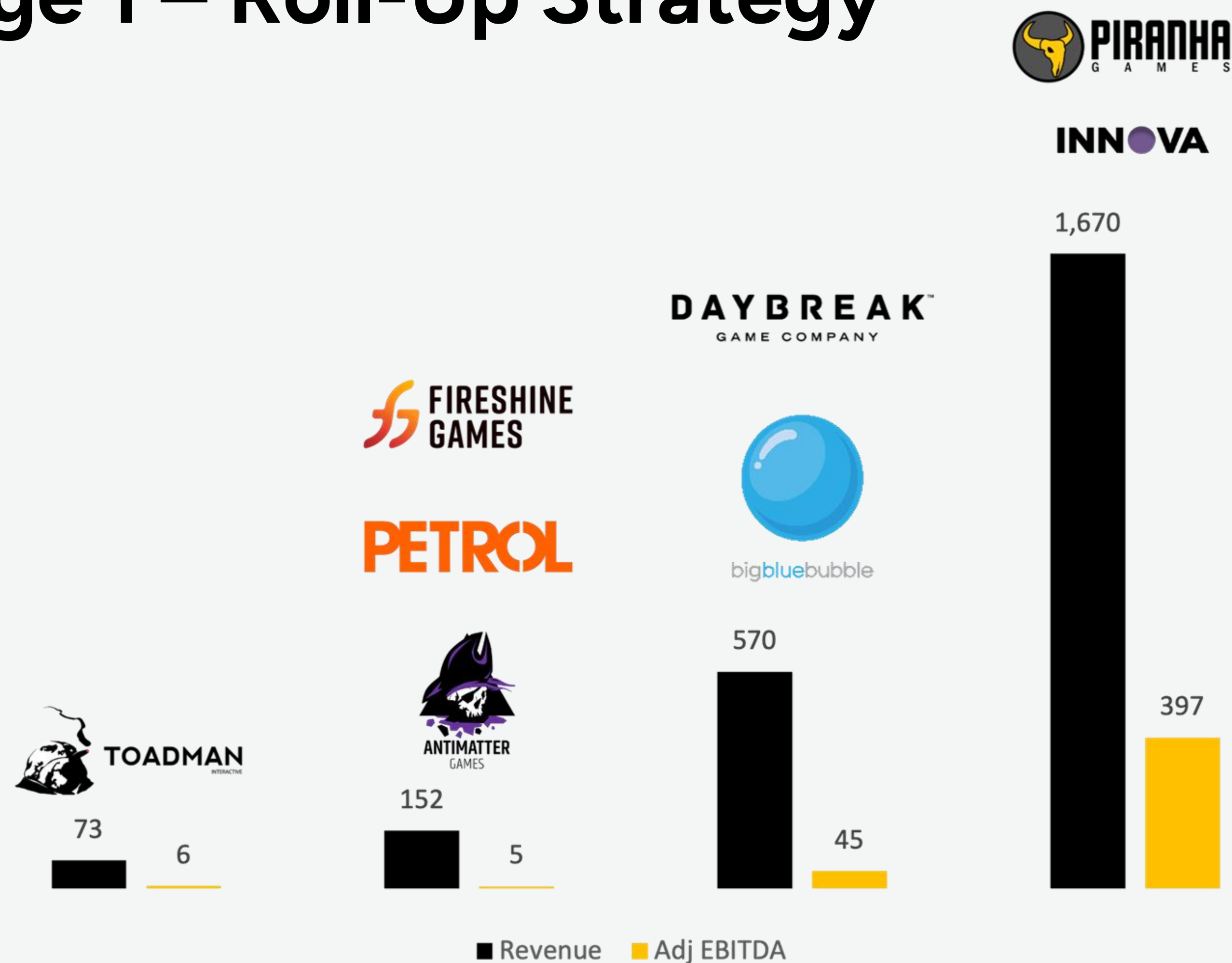
COMPANY PRESENTATION

Stages of Progression



Stage 1 – Roll-Up Strategy

(MSEK)



- Originally an M&A rollup play
- Post IPO from 2019, aggressive M&A growth
- Ultimately resulted in a “buy what you can” vs. “buy what makes sense”
- Market shifted and M&A no longer a viable growth strategy

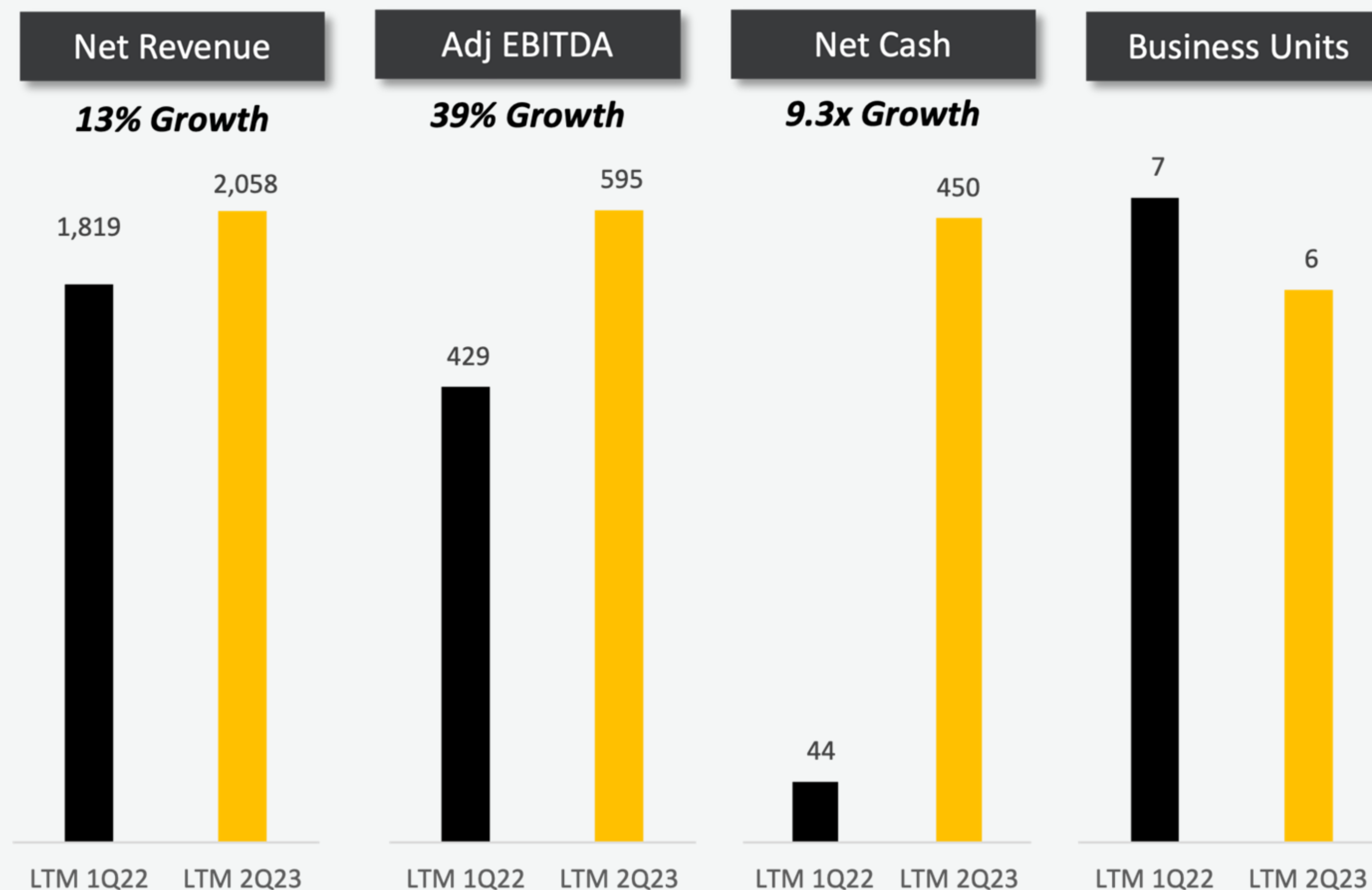
Stage 2 – Rationalization Phase

Desired Outcome	Rationale	Actions Taken
<ul style="list-style-type: none"> ✓ Reduce the overall risk ✓ Increase business predictability ✓ Increase cash flows ✓ Strengthen liquidity ✓ De-risk balance sheet ✓ Fully funded 	<ul style="list-style-type: none"> ● M&A growth strategy no longer viable ● Reduce “randomness” and create “coherence” ● Prioritize financial strength with market uncertainties ● Set the group up for “success” for the next phase 	<ul style="list-style-type: none"> ● Shutdown high risk projects: <ul style="list-style-type: none"> ○ Minimal Affect ○ Block N Load 2 ○ IGI and 83 ○ Marvel ● Business divestitures and closure <ul style="list-style-type: none"> ○ Innova ○ AntiMatter ● Strengthen balance sheet <ul style="list-style-type: none"> ○ Write-down risky intangible assets ○ Fully pay down debt

Successfully achieved the desired and planned outcomes

Then and Now Comparison

(MSEK)



- Comparison of before and after the transformation
 - > Then: LTM 1Q22, which included full year results from all acquisitions
 - > Now: LTM 2Q23, which is the latest period data
- Significant improvements across all metrics with one less business unit

Solid Position Today and Ready for the Next Phase

- **Stage 2 mission completed successfully with solid outcomes:**
 - > Solid foundation and footing
 - > Highly profitable
 - > Highly predictable
 - > Solid liquidity
- **We are exactly where we want to be**



Now shifting focus from “Stabilize & Prepare” to “Growth”

IV. INDUSTRY DYNAMICS & BUSINESS OPPORTUNITY



Identifying the Opportunity

01

Underwrite industry dynamics and market opportunities

- > Solid grasp of the landscape
- > Identify clear opportunities and risks
- > Conviction around a rational PoV

02

Establish the business thesis and define the strategy and plan for the next steps factoring in:

- > Our capabilities and expertise
- > Our assets

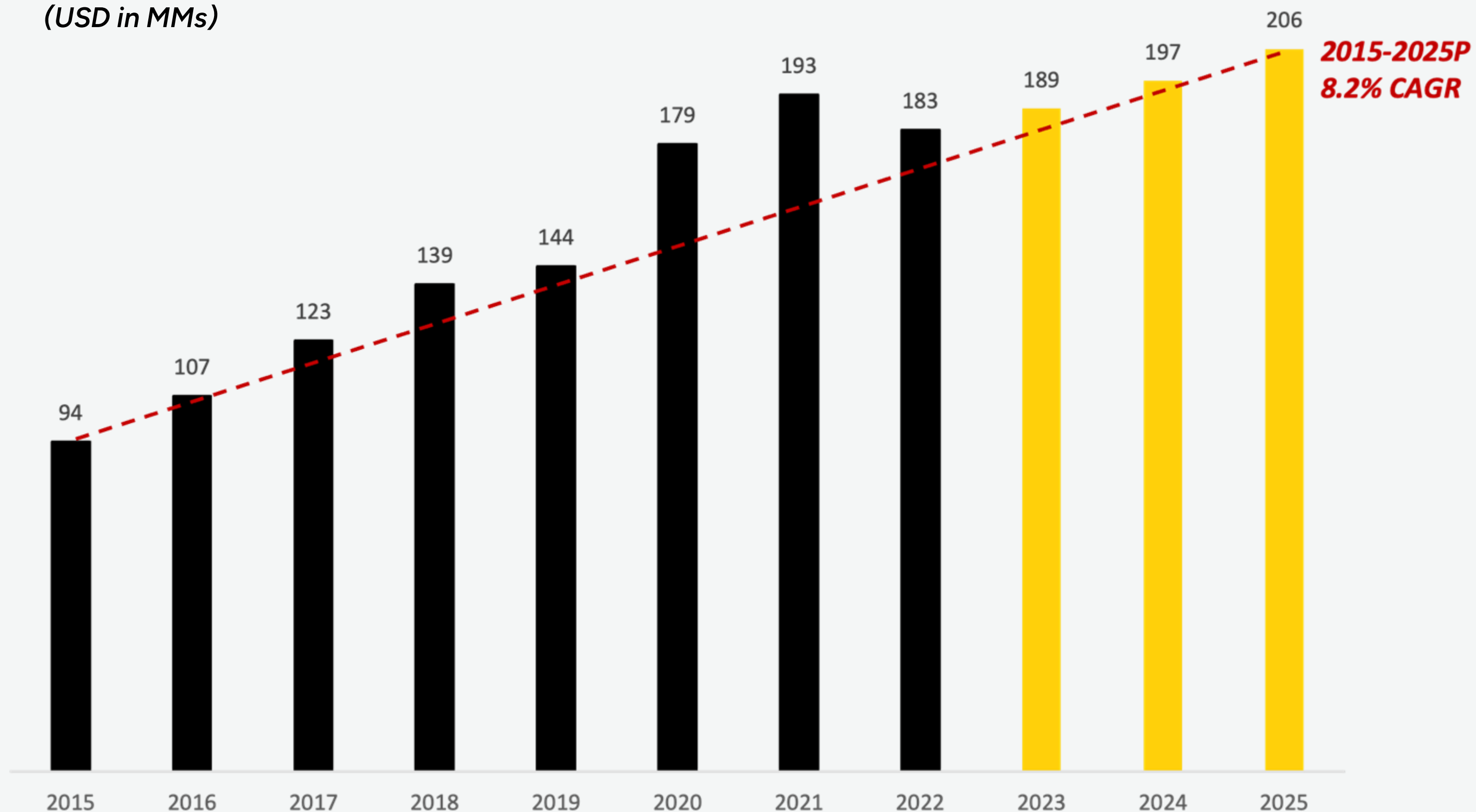
First – How Do We Define the Gaming Industry?

- **What best describes or is the closest to the gaming industry?**
 - > Content
 - > Software / SaaS
 - > Technology
 - > Platform
- **Key determinant is utility vs. consumption**
 - > Games are consumed like other media content
 - > Games are not developed for utility like SaaS, other software or technology
- **Gaming is a content business**
 - > Game industry utilizes software/tech as tools and platforms for distribution
 - > But ultimately, the industry's core product and output is consumable content

Global Gaming Industry Growth Trends

Global Gaming Market

(USD in MMs)

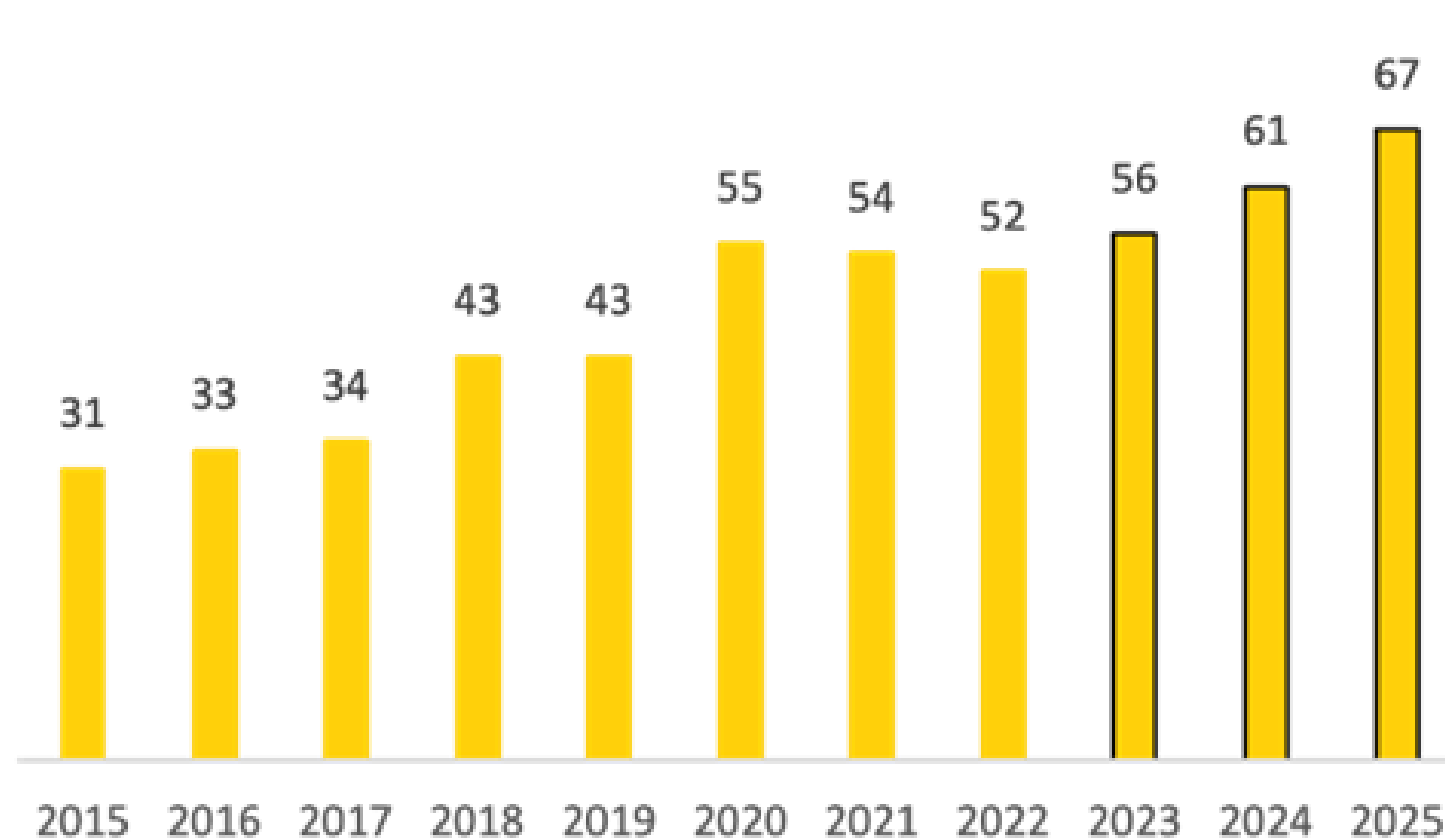


- Big and attractive industry with solid fundamentals
- A large step up in growth during the pandemic period
 - > 34% growth from 2019 to the pandemic peak in 2021
- After a dip in 2022, back on pre-pandemic growth trend
 - > Forecasted CAGR of 4.1% from 2022 to 2025
- Great secular growth trends but more mature than emerging at this point

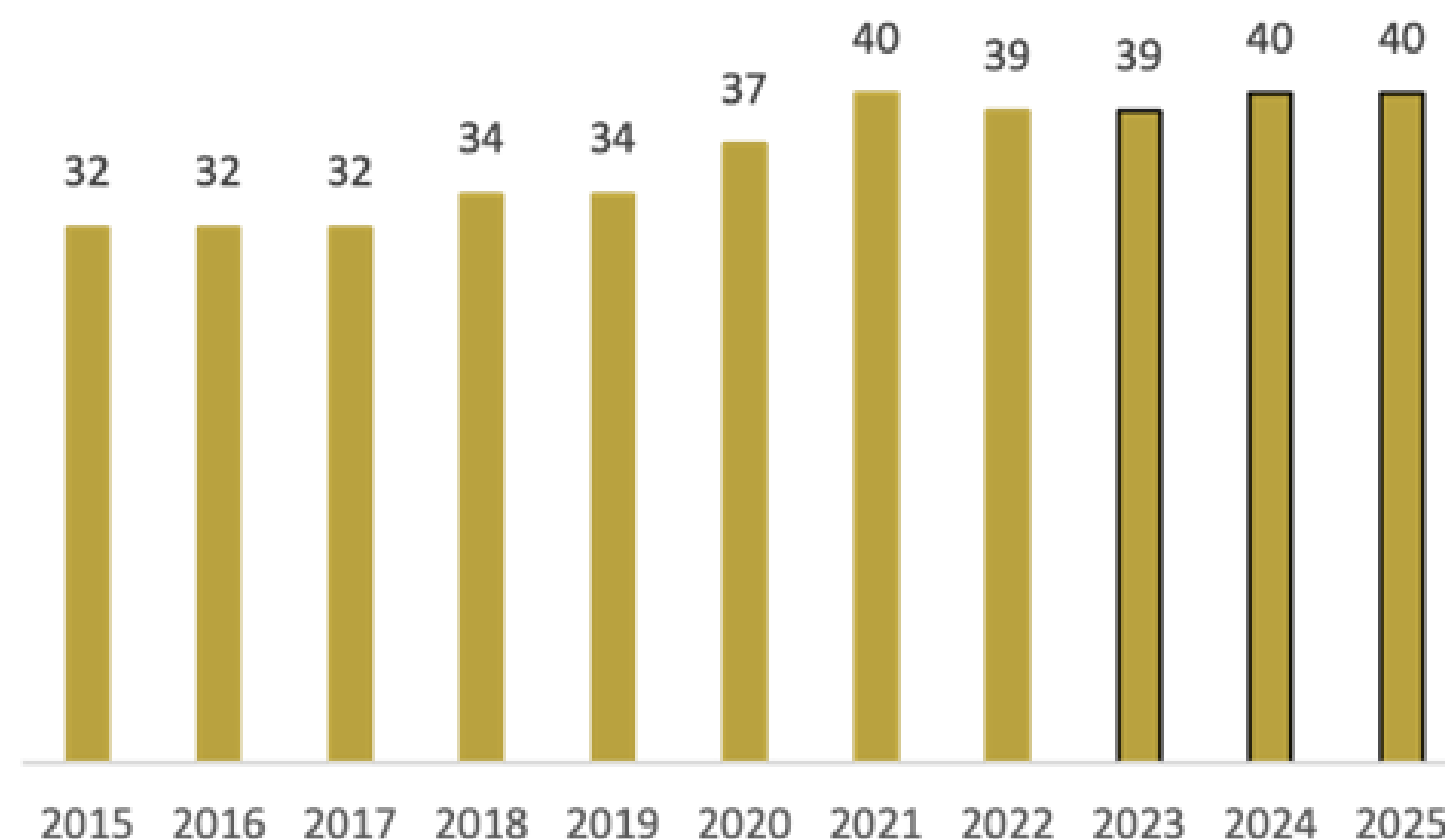
Market Segmentation by Platform

- Underlying growth trends (2022-2025) vary based on the distribution platform
- Console games are expected to show strongest growth with 8.6% CAGR
- PC games are expected to be largely flat with 0.9% CAGR
- Mobile games are also near mature market penetration with expected growth of 2.7% compared to its rapid growth over the last decade

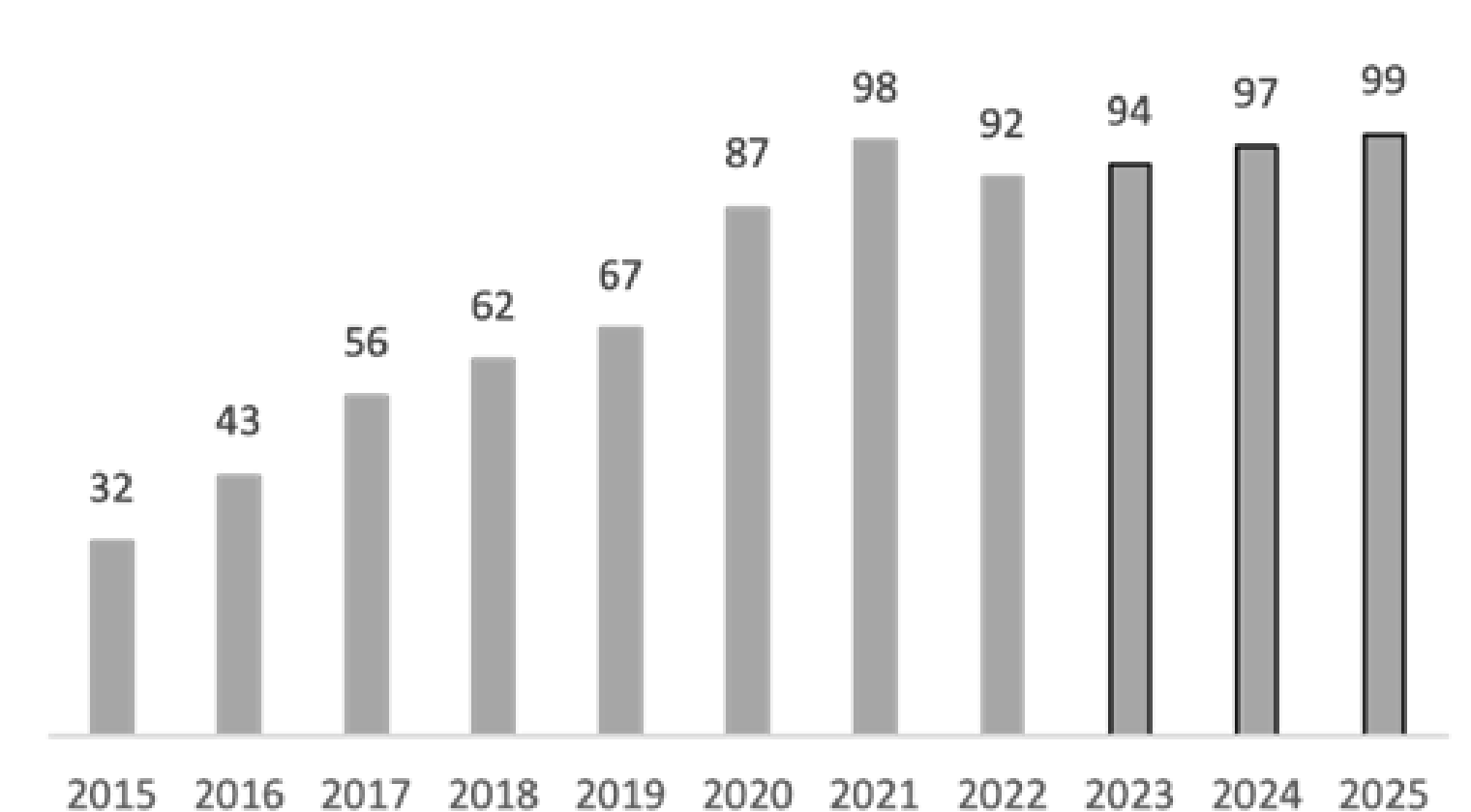
Consoles



PC



Mobile



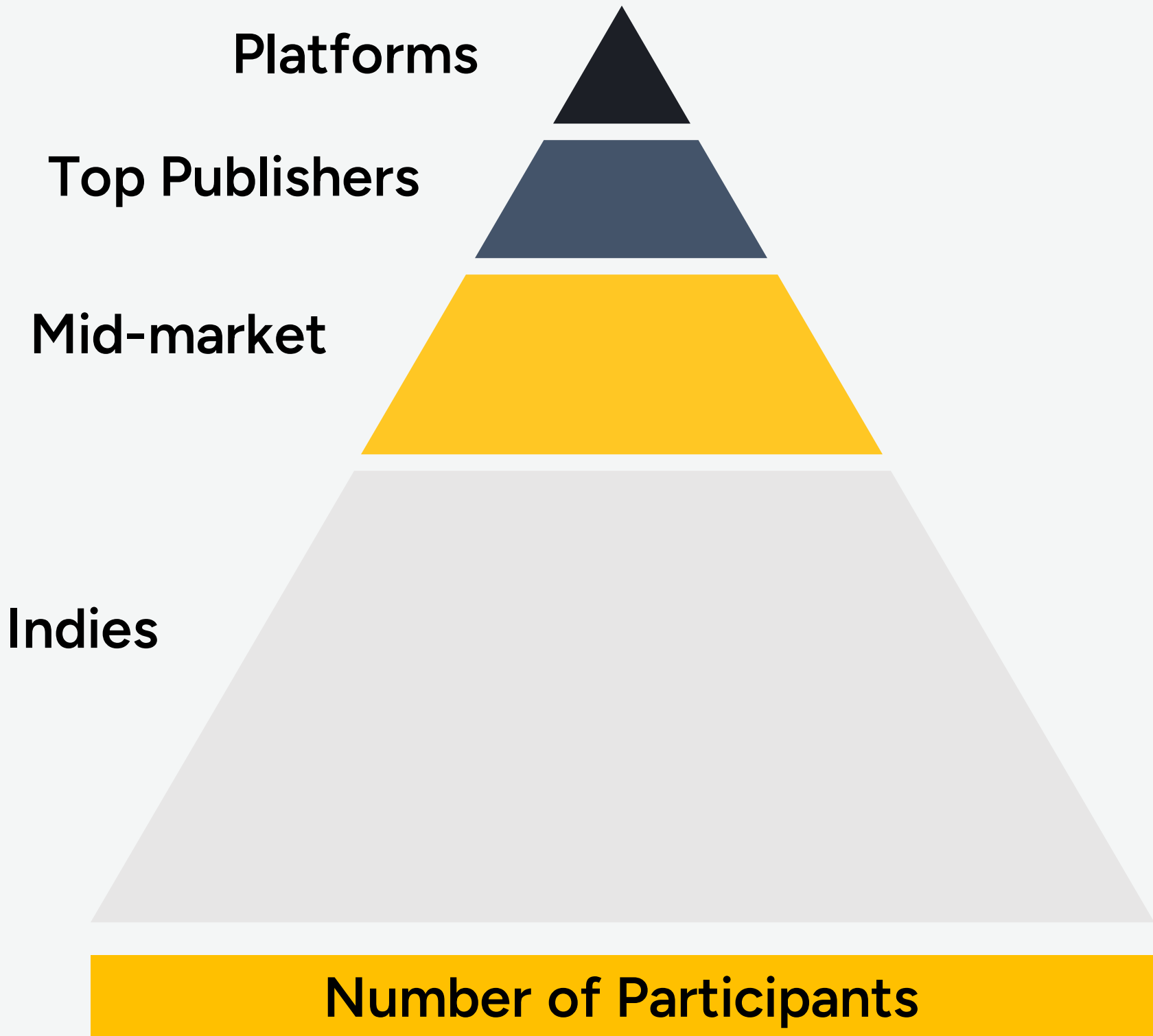
Market Segmentation by Competitive Tiers

- Industry is more or less mature
- However, there are parts of the industry “less firm/mature” that are quite attractive
- Important to evaluate the competitive tiers to zero in on the target opportunity

Platforms	<ul style="list-style-type: none">• Console, PC and mobile distribution platforms• Sony, MSFT, Nintendo, Tencent, Apple, Google, Steam, Epic
Top publishers	<ul style="list-style-type: none">• Top AAA and mobile publishers• EA, ATVI, TTWO, Ubisoft, etc.
Mid-market	<ul style="list-style-type: none">• Midsized console and PC publishers• Focus, 505 Games, Plaion, etc.
Indies	<ul style="list-style-type: none">• Indie console and PC publishers• TinyBuild, Devolver, Raw Fury, etc.

Competitive Dynamics

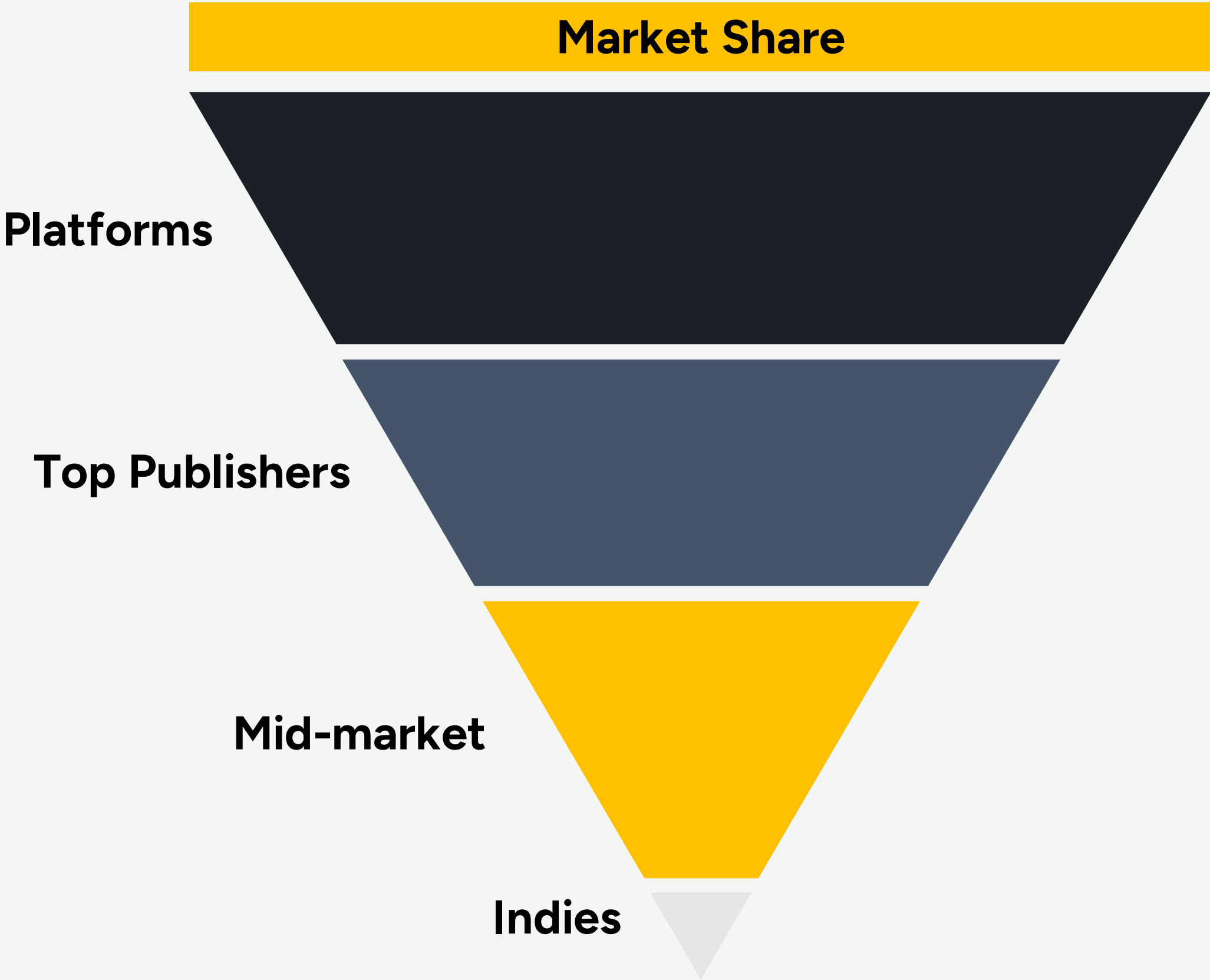
- A range of competitive dynamics by segment
- A few control a large part of the market



Platforms	<ul style="list-style-type: none">• Oligopoly• Highly institutionalized
Top publishers	<ul style="list-style-type: none">• Semi-oligopoly• Highly institutionalized
Mid-market	<ul style="list-style-type: none">• Fragmented• No clear leadership• Mom-and-pop management approach
Indies	<ul style="list-style-type: none">• Highly fragmented• No leadership• Little to no business experience or focus

Market Share by Segment

Platforms and Top Publishers have 75% of the market



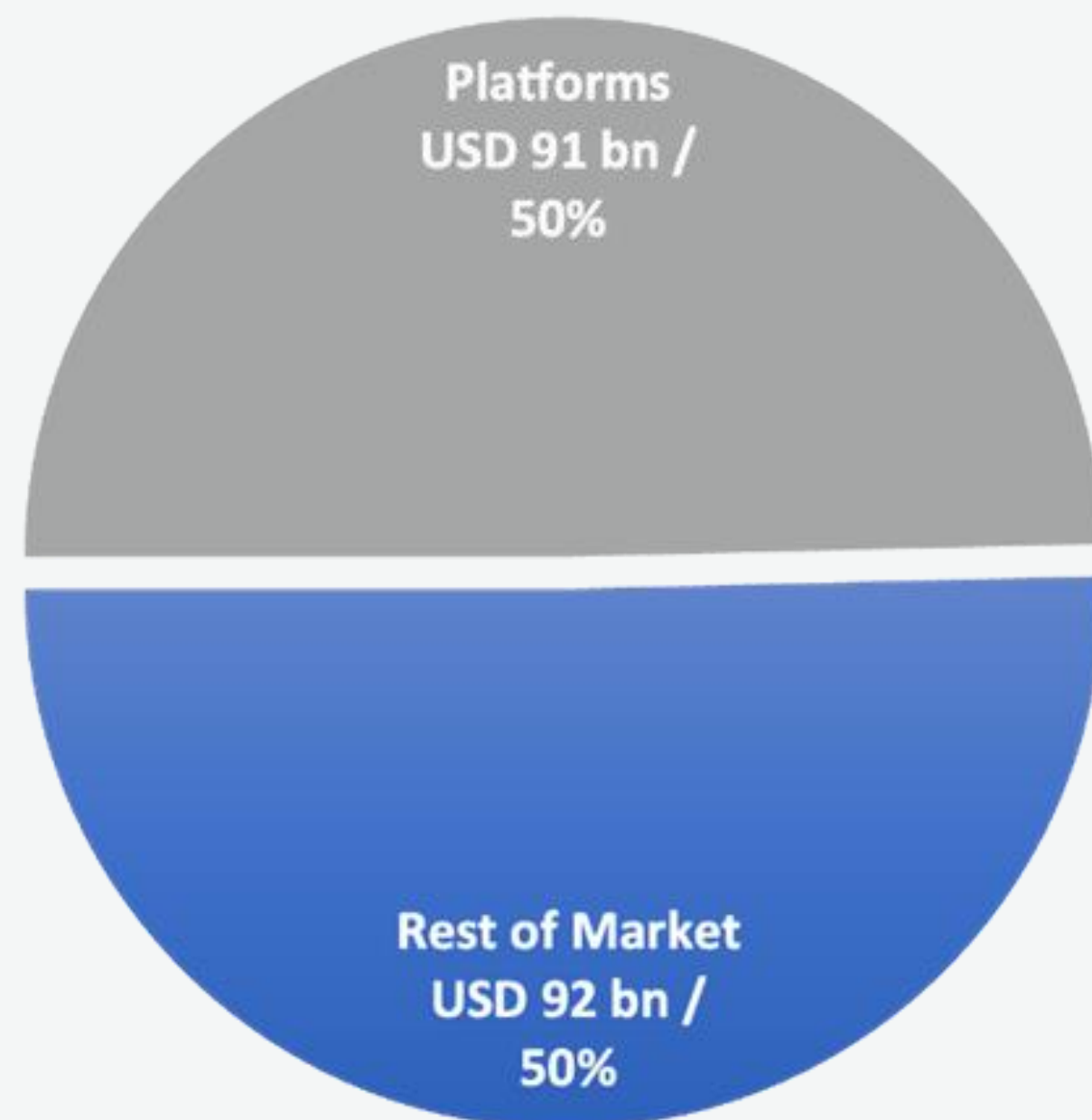
Platforms	<ul style="list-style-type: none">• USD 90+ billion or 50% of total market
Top publishers	<ul style="list-style-type: none">• Top 10 players in 2022 had:<ul style="list-style-type: none">> 25% of total market, or> 50% of the market excluding platforms
Mid-market	<ul style="list-style-type: none">• Next 80 players in 2022 had:<ul style="list-style-type: none">> 24% of total market, or> 47% of the market excluding platforms
Indies / rest of the market	<ul style="list-style-type: none">• 1% of total market, or• 3% of the market excluding platforms

Source: Newzoo 2023 report

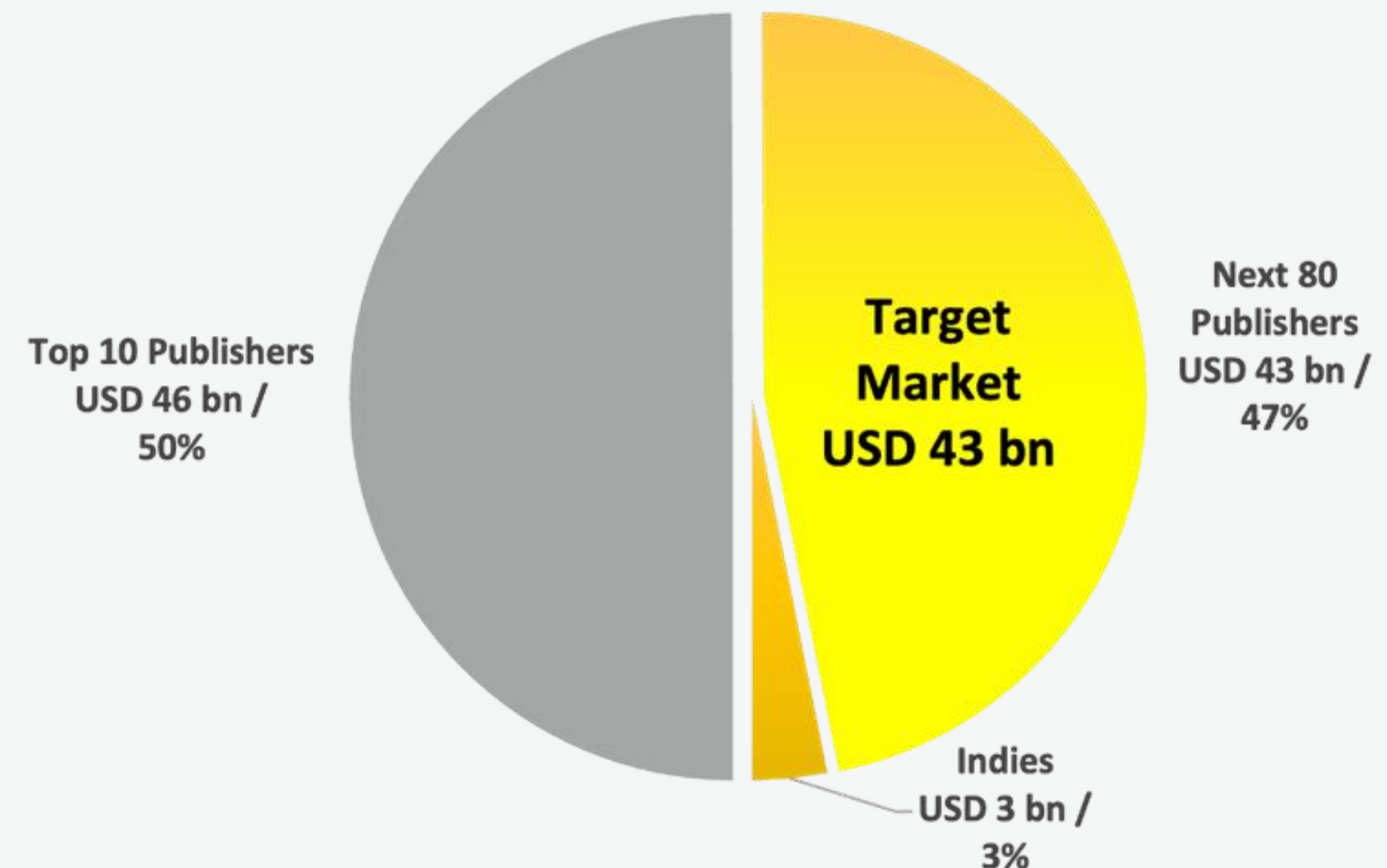
Addressable Target Market

- Our target is USD 43 billion market share occupied by indie to midsize publishers
- Not looking to compete against the Platforms or the Top 10 Publishers

USD 183 BN Total Market (2022)

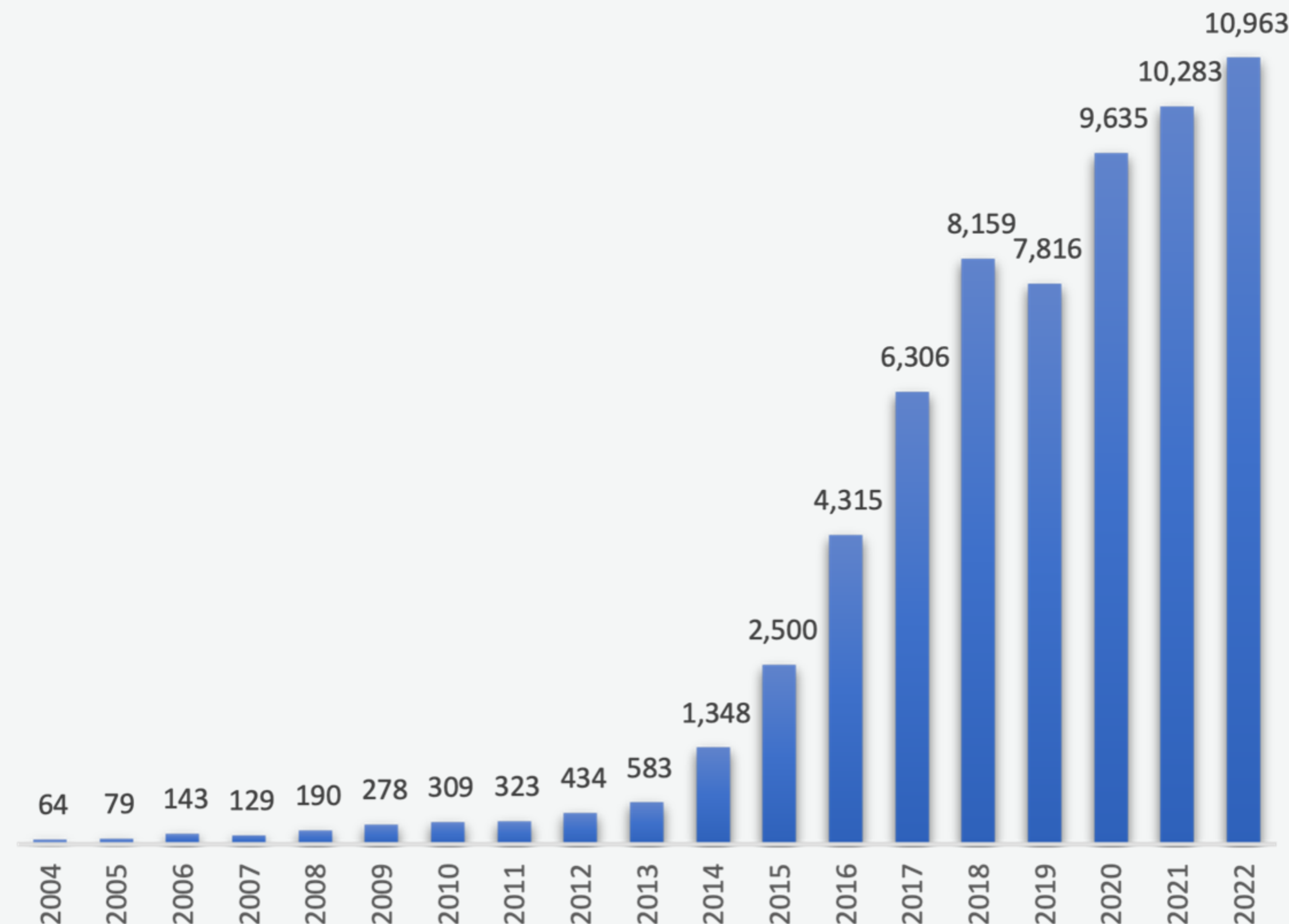


USD 92 BN Market excluding Platforms



The Birth of the Lower Market Segment with Steam's D2C Distribution

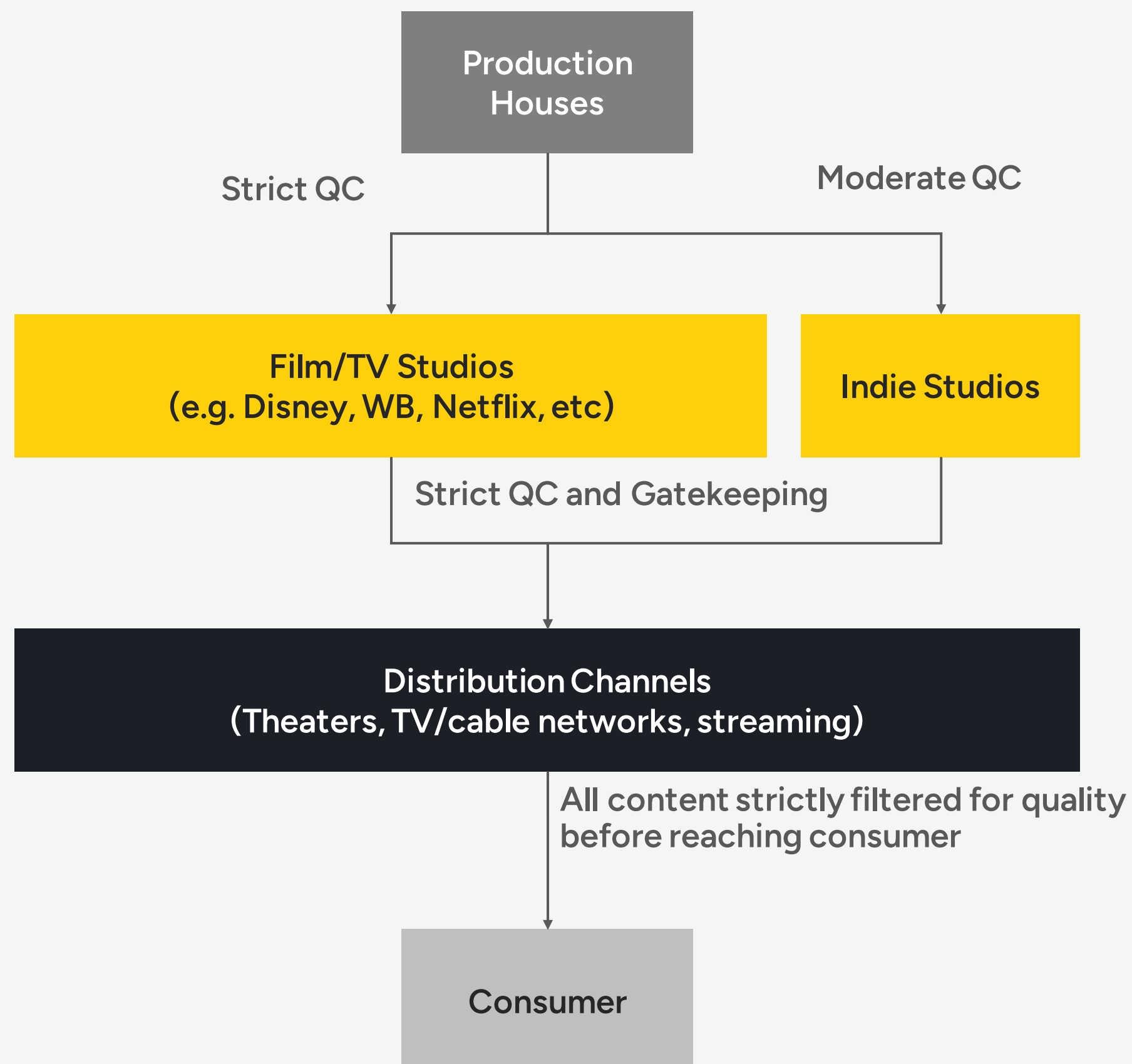
Number of Annual Game Releases on Steam



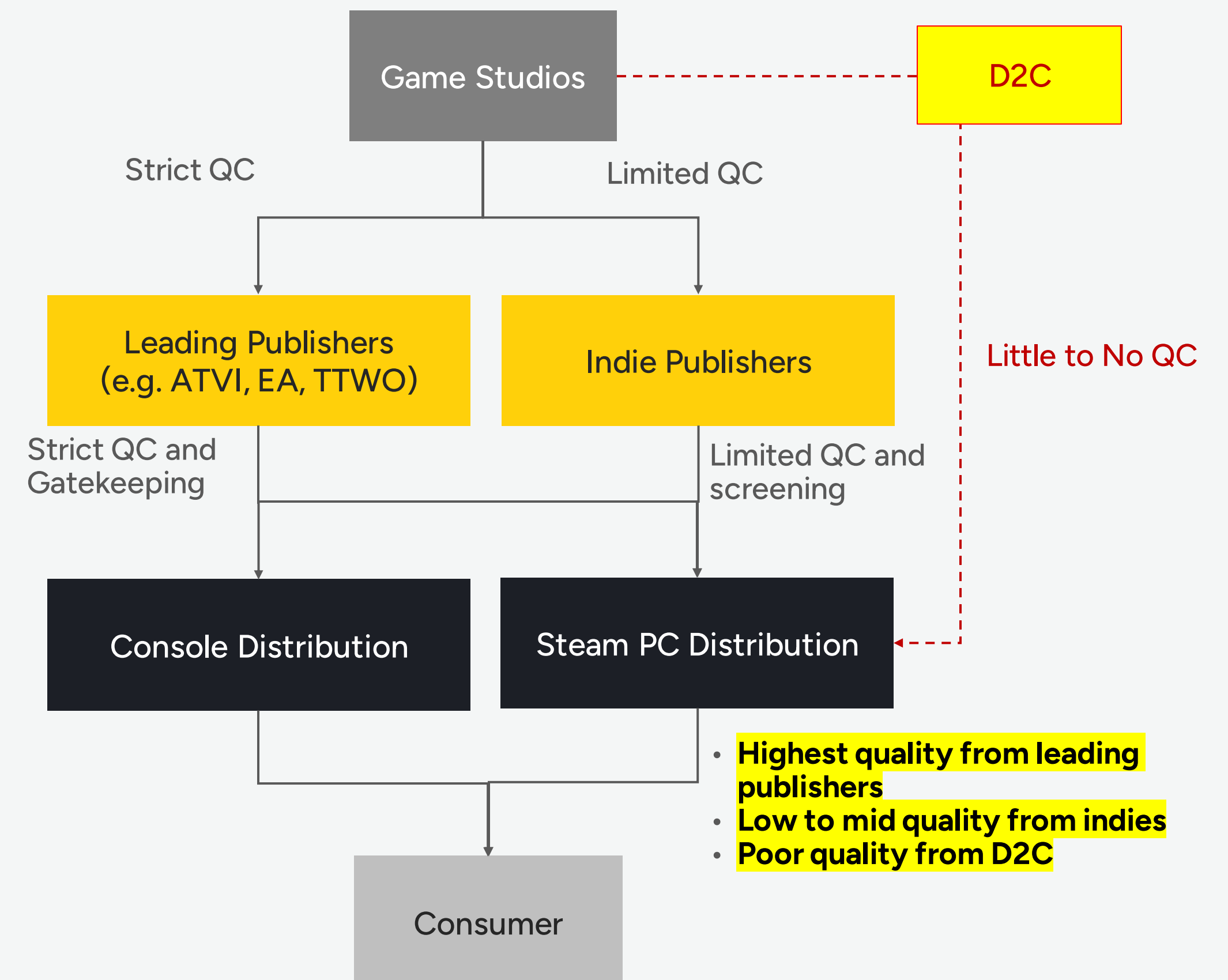
- Direct to consumer (D2C) distribution came about due to Steam
- Steam D2C distribution effect:
 - > Volume of releases have skyrocketed
 - > Volume growth but not the same rev growth
 - > False appearance of high fragmentation
- No quality control with D2C:
 - > Developers can bypass stringent screening by institutionalized publishers
 - > No need to go through the gatekeepers who emphasize quality
- **Absent this disruption, the gaming industry should have looked very much like the Film/TV industry (oligopoly)**

More Releases but at Way Lower Quality

Film / TV Publishing

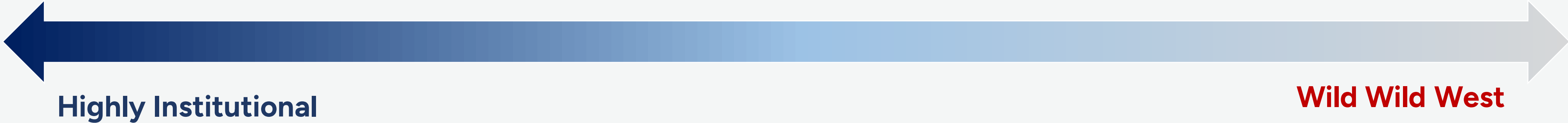


Game Industry



Big Differences in Characteristics

	Top Publishers / AAA	Indie / Mid-Market Publishers
Business Model	<ul style="list-style-type: none">• Business model based on repeatability and predictability – core franchise model• Batting for doubles with chances for homeruns• Focused on improving the batting average vs. one big hit	<ul style="list-style-type: none">• Volume based portfolio approach with little to no predictability• At indie level, often swinging for homeruns• At mid-market level, lots of “stock pickers”
Publishing Model	<ul style="list-style-type: none">• Highly selective and quality focused• Institutional “hands on” publishing with publishing sitting on top of development	<ul style="list-style-type: none">• VC fund-like approach to managing the publishing portfolio• Hands-off with developers in the driver seat
Development Model	<ul style="list-style-type: none">• Standardized development• Designed to support the business model• Cautious approach to innovations• Avoid new, unproven tech until proven• Avoid the “next big thing” until commercial potential is proven	<ul style="list-style-type: none">• Little to no standardization of development• Developers sit atop the decision tree• Limited risk management• Chasing innovation and big “buzz”• Fast follow models



Industry Summary and Opportunity

Market Dynamics

- Mature industry with good secular trends
- Oligopoly at the top of the market with limited opportunities
- Outsized growth potential in the middle market with a large pipeline of games
- Clearly proven out business models at the top but not actively being used below
- Inefficient and unpredictable product quality and performance at below AAA tier

Value Creation Opportunities

- Lower market leadership up for grabs
- Lack of institutional management and best practices in the lower market provides opportunities
- Application of AAA publishing model can produce better and more predictable outcomes that you can “build” a business around
- Not about having more games in the pipeline; it’s more about having franchises even if less games in total

V. BUSINESS STRATEGY



COMPANY PRESENTATION

Business Plan – “What”

- **Long-term objective is to establish one of the leading video game businesses in the middle market segment**
 - > Large emphasis on building a “business” designed to produce repeatable outcomes
 - > Not banking on “hits” to build a business around
- **Looking out medium- to long-term, we are aiming for:**
 - > Publish recognized franchise-based 3rd party developed titles on a predictable cadence
 - > Release of first party IP based titles such as new H1Z1 and EQ titles
 - > Growing predictable revenues and profits
- **Near- to medium-term objective is to successfully bridge to that outcome**
 - > Highly focused 3rd party game publishing in the mid-market segment
 - > Begin investment in 1st party titles based on our own IPs such as H1Z1 and EQ
 - > WFH business ramp is also a bridging strategy vs. a core growth driver for the group

Rationale – “Why”

A sizable “white space” in the mid-market segment that we aim to pursue as everyone else is chasing the “cool” and “wow”

- Building an institutional business vs. a portfolio
- Mid-market A-AA, premium first model based on franchises vs. GaaS and F2P
- Predictability and repeatability focused core franchise model vs. a “spray and pray”, high volume, venture portfolio approach
- Proven institutional publishing model used by the top publishers such as Activision Blizzard and Electronic Art vs. the developer first, hands-off publishing approach
- Mix of “credit” and “equity” underwriting to institutionally balance risk and upside

Strategy – “How”

- **Existing: Baseline business**
 - > Active management of existing products and service businesses for stability
 - > Optimize for cash flows
 - > Invest where it clearly aligns with the new strategy
- **New: Mid-market publishing**
 - > Pursue 3rd party publishing deals that align with target criteria
 - > Franchisable opportunities with sequel model every 2 to 3 years
 - > Cold Iron will be the first such investment for product release in 2025
- **New: First party titles**
 - > MechWarrior Clans releasing in 2024
 - > Establish a franchise plan for more MechWarrior games, subject to discussions with Microsoft (IP owner)
 - > H1Z1 target release in 2026 – in concept phase
 - > EverQuest – slotting for 2028 release
- **Opportunistic: M&A**
 - > Highly targeted opportunities only if it aligns with our long-term strategy and if value make sense

Institutional Publishing Model

Business Model

- Business model based on repeatability and predictability
 - › Core franchise model
 - › All about franchises over one-off hits
- Batting for doubles with chances for homeruns
- Focused on improving the batting average vs. one big hit

Publishing Model

- Highly selective and quality focused
- Institutional “hands on” publishing with publishing sitting on top of development

Development Model

- Standardization of development
- Designed to support the business model
- Cautious approach to innovations
- Avoid new, unproven tech until proven
- Avoid the “next big thing” until commercial potential is proven

Examples of Institutional Publishing Model in Action

CALL^{OF}DUTY[®]



Business Model	<ul style="list-style-type: none"> • Big success with the first release • Design and set up dev and publishing for annual release cadence • Focus on predictability and repeatability • Extend IP with BR mode and mobile 	<ul style="list-style-type: none"> • Best football simulation sports game • Established monopoly in football games • An exclusive license with FIFA until recently • Predictable and repeatable
Publishing Model	<ul style="list-style-type: none"> • Annual release of premium SKU • F2P battle royale mode • F2P mobile 	<ul style="list-style-type: none"> • Annual release of premium SKU • F2P mobile
Development Model	<ul style="list-style-type: none"> • Variation of 80-10-10 (proven/existing-improved-new) development model • 3 studios established to enable annual premium SKU release • Live service team to support F2P BR mode • 3rd party co-dev mobile game dev and servicing 	<ul style="list-style-type: none"> • Variation of 80-10-10 development model • Annual premium SKU release • Dev model structured for annual cadence • Live service team to service mobile SKU
Results	<ul style="list-style-type: none"> • 20 annual releases to date • USD 30+ billion in lifetime revenues 	<ul style="list-style-type: none"> • 31 annual releases to date • USD 20+ billion in lifetime revenues

Target Subsegment – A Narrower Focus

Targeting the upper half of the lower market segment given:

- “Right” size of investment with “big” enough upside
- More balanced risk profile
- Typically, some foundation to start with vs. smaller indies
- More meaningful impact from applying our strategic approach
- Bigger building blocks to build upon

	Tier	Budget	Sales	Players
AAA Market	Tier 1 AAA	\$50+mm	\$300+mm	ATVI, EA, TTWO, UBI
	Tier 2 AAA	\$30-50mm	\$150+mm	Square Enix, Bandai
Lower Market	Mid-market	\$10-30mm	\$50+mm	Focus, 505 Games, etc.
	Indies	Less than \$10mm	\$10+mm	Tiny Build, Devolver
	Micro indies	Less than \$3mm	\$5+mm	Raw Fury

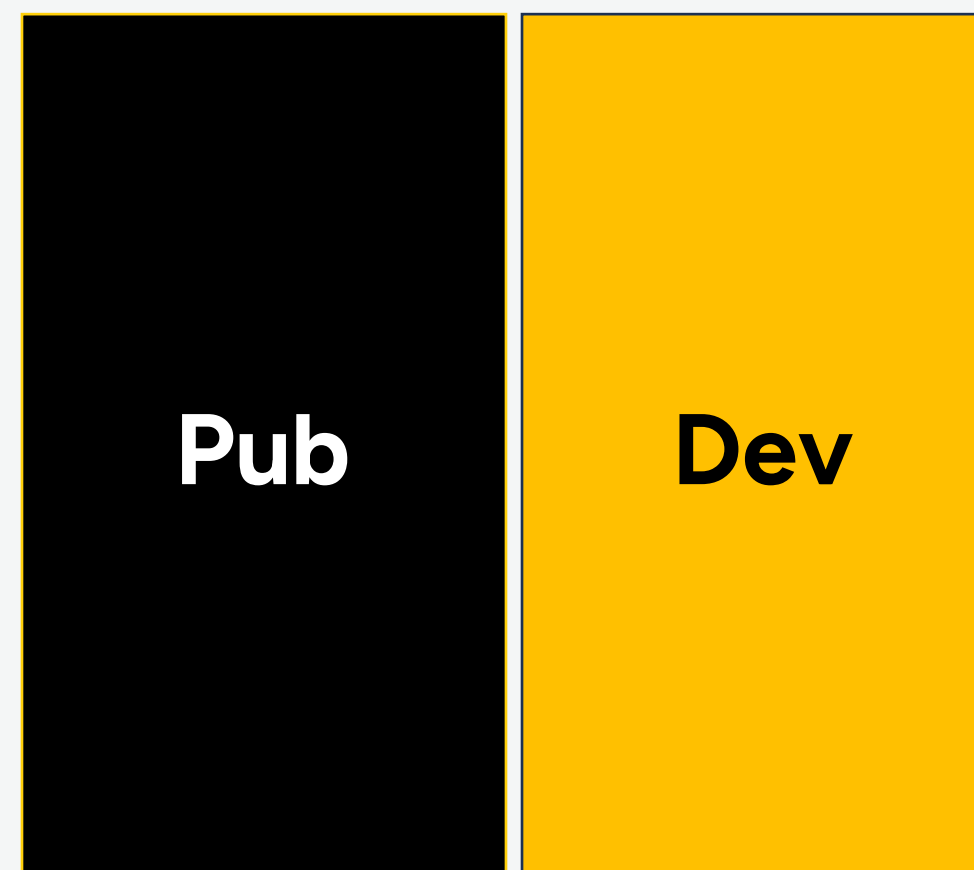
Balance between Publishing and Development

Indie / Mid-market



- Volume / portfolio based indie and mid-market publishers
- VC-fund like hands-off approach

"Idealistic" Balance Model



- Ideally, publisher and developer are fully aligned
- Great on paper but does not work in real life – hierarchy is necessary for decision priority

Institutional Publisher Model



- AAA publisher model
- Developer works within the confines of business requirement from the publisher

Summary of Strategic Goals

Aspiration

- ▲ Leading publisher in the mid-market
- ▲ Core franchise based, institutional publishing business
- ▲ Home of globally recognized franchises – 1st party and 3rd party IPs
- ▲ Best practice-based development process for all new projects to increase predictability
- ▲ Building a scalable business org with predictable outlook vs. reliance on high volume-based portfolio model

Avoid

- ▼ Aggressive M&A roll-up strategy
- ▼ A collection of assets and disparate businesses
- ▼ A venture fund-like, diversified pool of investments
- ▼ Taking on venture risks vs. investing in and employing proven models



VI. GO FORWARD PLAN



COMPANY PRESENTATION

Re-Prioritization of Business to Support Growth

PC / Console

- **Daybreak will go into middle market publishing**
- **Fireshine will go up market to larger opportunities**
- **Existing live games will be maintained with:**
 - > Investment necessary to fully support the existing titles and community
 - > But no major investments
- **Service businesses will become support for the existing and new game segment**
 - > Provide continuing profits
 - > Physical distribution, marketing agency services and WFH

Mobile

- **Big Blue Bubble will further increase its focus on growing My Singing Monsters, including game and brand extension opportunities**

Sources and Uses of Funds for Growth



- Sources of Funds
 - > Existing cash balance
 - > Cash flows from live games and service businesses
- Growth Investments
 - > 3rd party game publishing
 - > 1st party game dev and publishing
 - > MSM extensions
 - > MechWarrior games
 - > Up to SEK 500 million funding for these efforts
- Fully funded and requires no additional financing



Growth Vectors

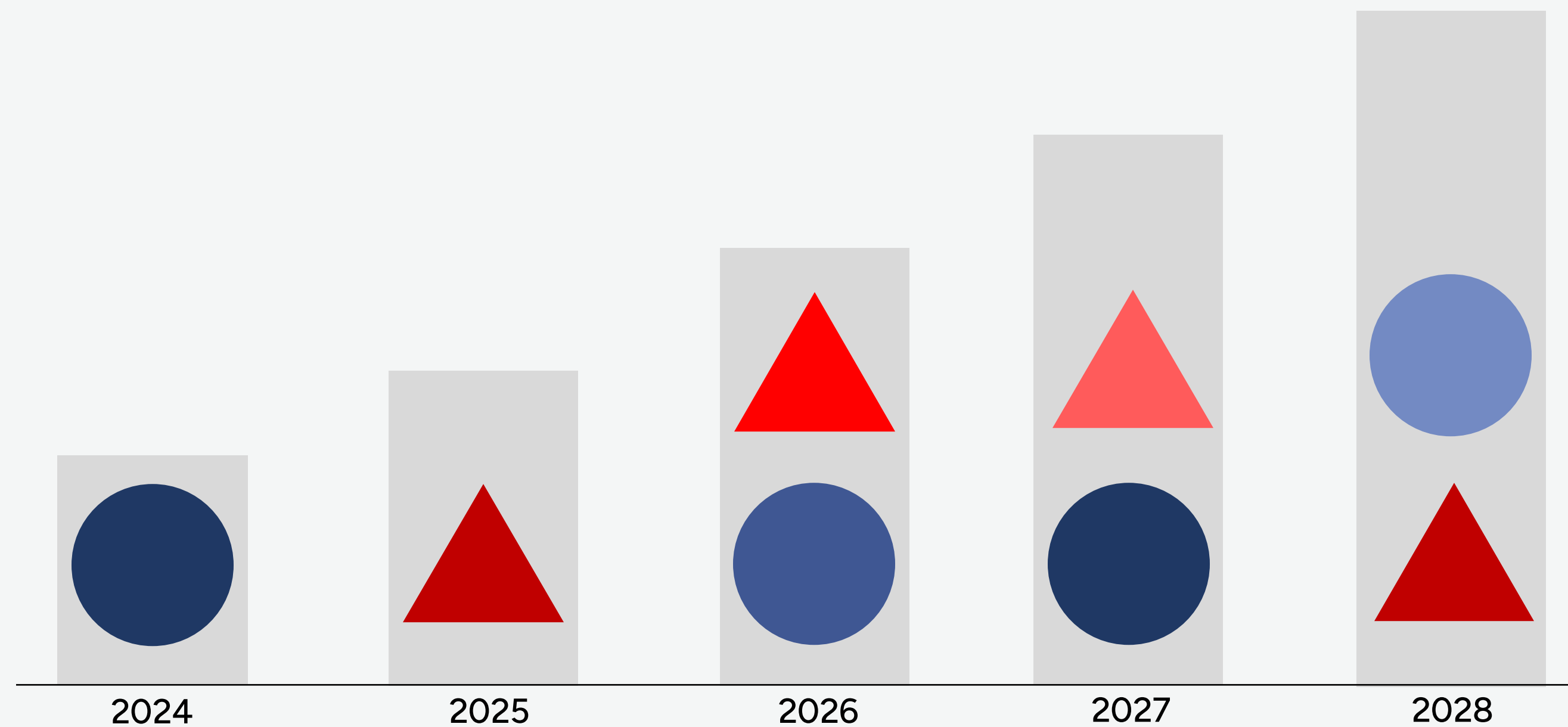


Sources of Funds

Summary of Middle-Market Publishing Criteria

Product Target Criteria		Investment Parameters	
Game Type	Shooters, action RPGs, sandbox RPGs	Investment Size	\$10-30mm per project subject to an annual cap for the total
IP / Franchise	Established branded IP	Minimum Return	25% IRR
No. of Players	Multiplayer online	Payback Period	Within 12 month of release and 42 months from initial funding
Business Model	Premium, hybrid	Publishing Economics	30-70% publisher share subject to risk and returns based pricing
Content Model	Franchise sequels, DLCs	Pipeline	Target 1-2 per calendar year
Target Region	Western markets		
Studio Track Record	History of franchise releases; specialization in specific game types		
Dev Model	80-10-10 or close variation		

Target Franchise Pipeline Model

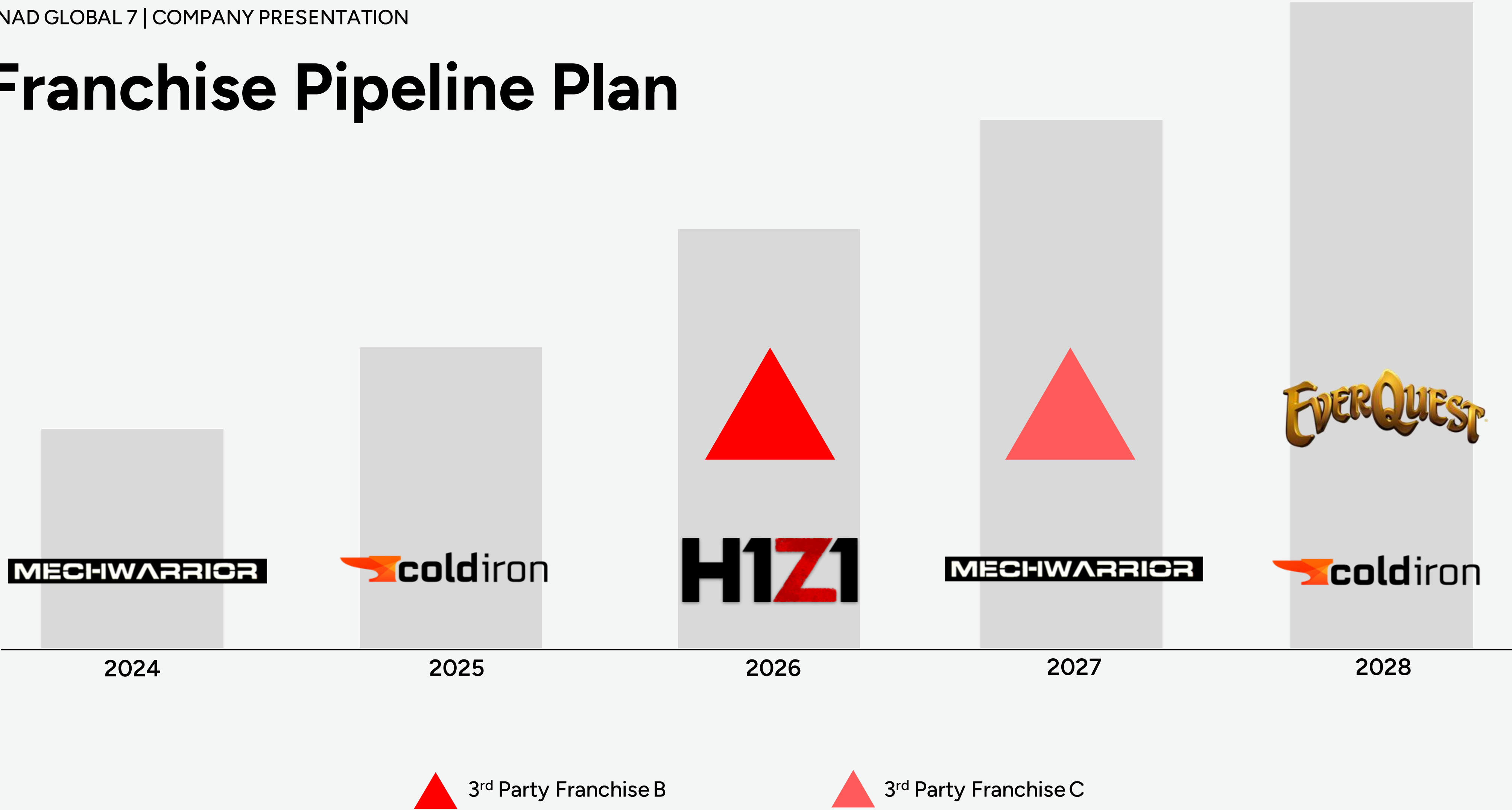


- 1st Party Franchise A
- 1st Party Franchise B
- 1st Party Franchise C

- 3rd Party Franchise A
- 3rd Party Franchise B
- 3rd Party Franchise C

- Franchise model vs. a portfolio of singular products
- Methodical, disciplined and structured build up
 - > Combination of 1st and 3rd party titles
 - > Aiming for 2 major releases each year
 - > Release of sequels every 3 years
- Predictable and repeatable success model
- Bars behind the circles illustrate the “stacking performance” of this model

Franchise Pipeline Plan



Notes:

- Toadman’s Evil v Evil planned for release in 2024. It is not a part of the long-term franchise model as a result, not included in the franchise pipeline.
- MechWarrior IP is owned by Microsoft. New products based on the IP beyond 2024 are subject to discussions and alignment with Microsoft.

MECH-WARRIOR

Franchise Plan

Overview

- MechWarrior is an iconic video game franchise set in the BattleTech universe
- First release in 1989
- Piranha has been the faithful torch bearer, having developed and published over 20 titles in the venerable franchise

Product USP and Rationale

- Highly dedicated core audience
- Piranha's knowledge and expertise with the IP and the game design
- Proven success with MechWarrior 5 and its DLCs
- Variation of 80-10-10 development model
- Fits squarely with our publishing strategy

Franchise Plan

- Existing products
 - > MechWarrior Online – continuing support of the core community
 - > MechWarrior 5 – 2 more DLCs planned for 4Q23 and 1Q24
- MechWarrior Clans - New
 - > Just announced on Sep 15th
 - > An exciting new entry in the MechWarrior franchise
 - > Modeled after the most successful MechWarrior game – MechWarrior 2
 - > Release expected in 2024 across PC and consoles
 - > Expectations are in-line with MW5 performance level with sales of over 1mm units over 3 years
- Next MechWarrior entries
 - > Target release every 3 years
 - > Subject to discussions with Microsoft, who owns the IP





Studio and Product Overview

Overview

- Based in San Jose, CA
- Studio behind Aliens Fireteam Elite (AFE)
- Multiplayer third person shooter shop
- Formerly wholly-owned by Daybreak

Track Record

- Successfully released AFE across PC and consoles in Aug 2021
- Over 2+ million units sold to date
- Over 5 million players, who have enjoyed the game, including game pass
- 81+% Very Positive rating on Steam

New Product

- New product based on a major global IP license
- Multiplayer third-person shooter in-line with Cold Iron's expertise
- Target 2025 release across PC and consoles

Solid Fit with EG7 Strategy

- Based on a major IP
- Franchise model potential
- Proven developer track record and expertise for the game
- A variant of 80-10-10 model
- Favorable risk-reward balance

Transaction Rationale

- Solid fit with EG7's new middle market publishing strategy
- First 3rd party core franchise product for the long-term plan
- Unique structure with combined WFH deal to reduce at risk capital
- Highly attractive returns potential





Transaction Overview

Transaction Structure

- Transaction comprised of:
 - > Daybreak publishing deal with Cold Iron
 - > Cold Iron co-dev deal with Toadman
- Publishing agreement
 - > Exclusive worldwide publishing rights
 - > Development advance of USD 23mm
 - > 100% of funds used only for new product development
 - > Funding at cost with zero mark up or profit built in for Cold Iron
- Co-development agreement
 - > Toadman hired for co-development
 - > Contract value of approximately USD 8mm
 - > 55% pre-tax profit margin with fully burdened costs
- Combined economics
 - > Unique structure with compelling net economics
 - > USD 15mm net investment combined

Summary of Economic Structure

- Funding in installments over the development period
 - > Each milestone subject to independent board approval
 - > 3rd party outside game development consultant review
- Game net receipts distribution priority:
 - > First, Daybreak recoups 100% of all its investment
 - > Then, the profits above and beyond are split 50:50
- No profit to Cold Iron until Daybreak fully recoups all its investment

Deal Returns Sensitivity

Publishing + WFH			
IRR			
3 Year	Initial Price / Unit		
Unit Sales	\$ 49.99	\$ 59.99	
2,000	31.9%	39.6%	
3,000	56.4%	66.2%	
4,000	77.8%	89.4%	
5,000	97.1%	110.4%	

Publishing Only			
IRR			
3 Year	Initial Price / Unit		
Unit Sales	\$ 49.99	\$ 59.99	
2,000	11.3%	17.8%	
3,000	32.1%	40.4%	
4,000	50.3%	60.1%	
5,000	66.6%	77.9%	

Related Party Information

Related Party Background

- Formerly wholly owned by Daybreak
- EG7 opted not to include in Daybreak acquisition
 - > Daybreak sellers retained ownership (Jason Epstein and Ji Ham)
- EG7 had an option to acquire but it has since expired
 - > Compelling rationale for folding back in
 - > However, EG7 circumstances over the last several quarters made it difficult
- Instead of an acquisition, secured the publishing rights to Cold Iron's new project

Fully Independent Review Process

- Fully independent contract oversight committee ("Committee") comprised of 4 independent members formed by the board
 - > Excluded Jason Epstein and Ji Ham
- The Committee thoroughly evaluated the commercial merits of the investment with the support of third party experts:
 - > Tiger Team Productions – Game development and production
 - > E&Y – Financial evaluation
 - > Wiggin LLP – Contract evaluation and advisory
 - > Baker Mackenzie – Related party conflict and board process advisory
- Based on the conclusion of its evaluation, the Committee approved Daybreak to proceed with the transaction

First Party Game Plans



Game Type	Sandbox survival	Mech action/simulation	Fantasy MMORPG
IP / Franchise	H1Z1 with over 40+ mm downloads	Iconic BattleTech franchise	IP that ushered in the golden era of MMOs
IP Ownership	Daybreak	Microsoft	Daybreak
No. of Players	Mid-scale multiplayer	Small scale co-op multiplayer	Massively multiplayer
Business Model	Hybrid premium + MTX	Premium+	Hybrid premium + MTX
Content Model	Live service	DLC	Live service
Dev Budget	~\$25mm	~\$20mm	~\$30+ mm
Start of Investment	2024	2025	2025
Target Release	2026	2027	2028
Approach	Variant of 80-10-10 model	Variant of 80-10-10 model	Variant of 80-10-10 model
Status	Concept phase Pre-production in 1H24	Ideation phase	Ideation phase

MechWarrior IP is owned by Microsoft. New products based on the IP beyond 2024 are subject to discussions and alignment with Microsoft.



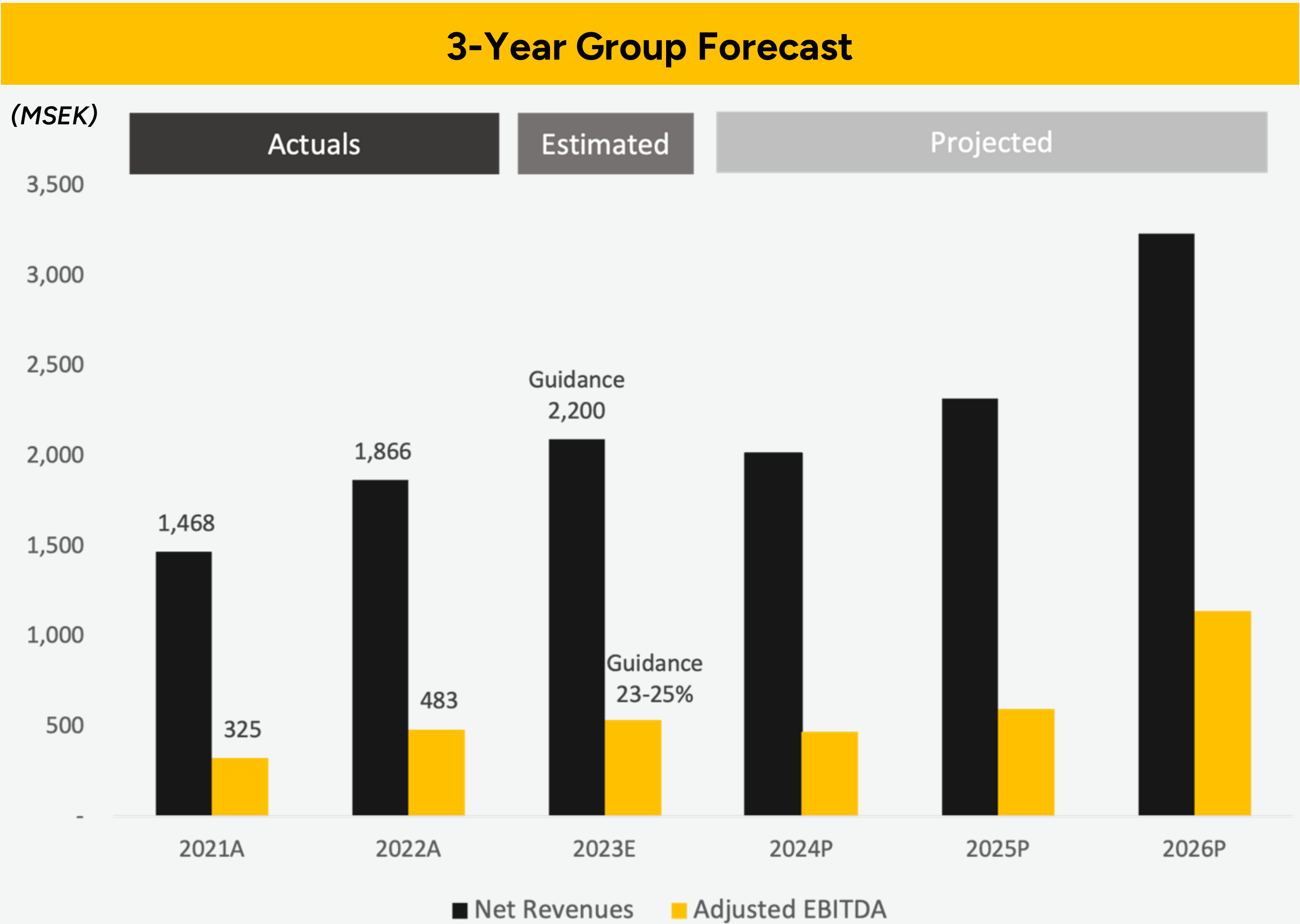
VII.

FINANCIAL TARGETS AND OUTLOOK



COMPANY PRESENTATION

Target Financial Goals



- Targeting Net Revenue of SEK 3 billion by 2026
- Targeting Adjusted EBITDA of SEK 1 billion by 2026
- CAGR of 16% for Net Revenue and 28% for EBITDA from 2023-2026

Key Assumptions for the Projections

Existing Products and Service Units

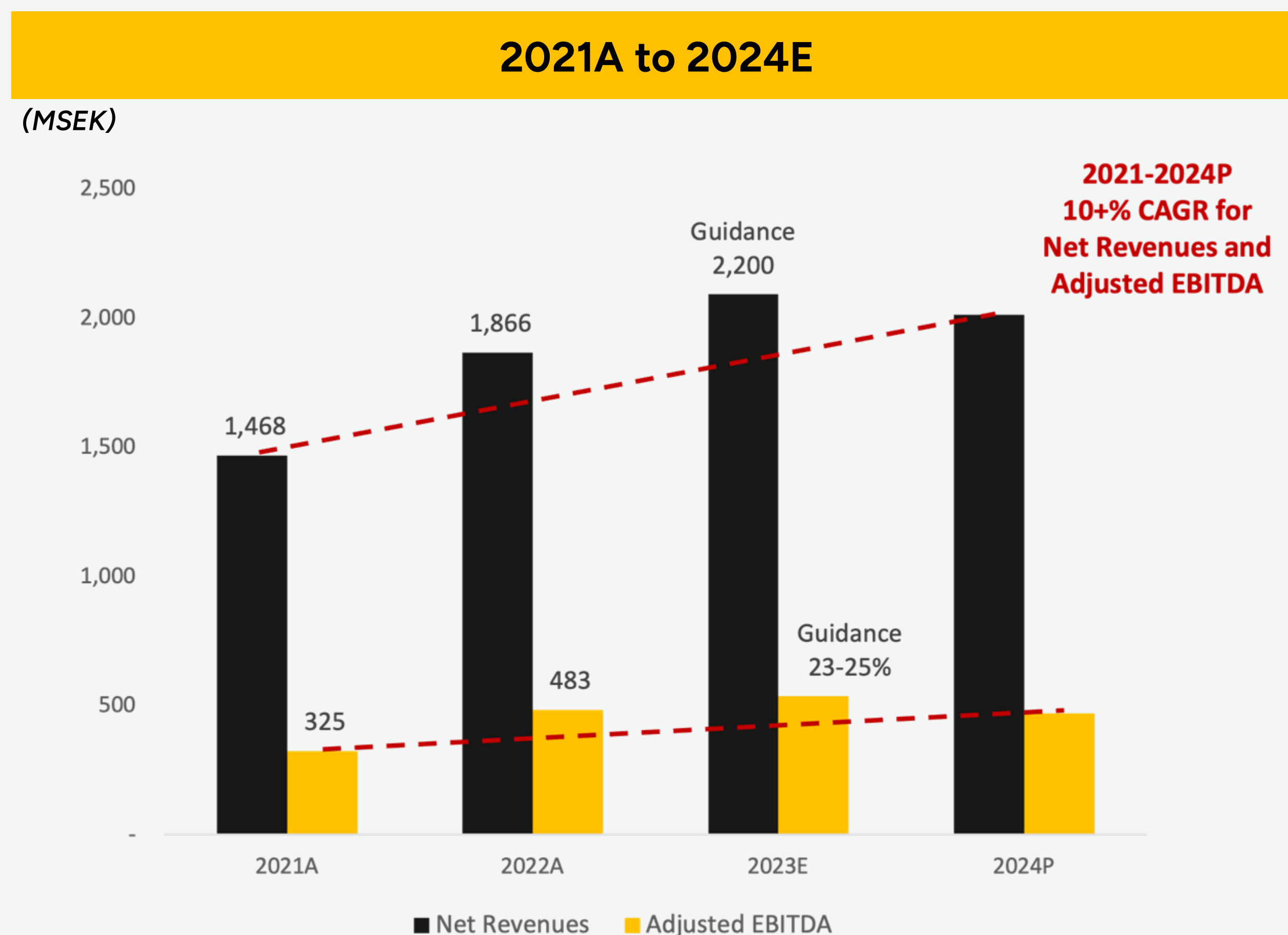
- *Primary role as a cash flow business as opposed to growth going forward*
- Existing live games
 - > Opting to limit investment in existing live games and prioritizing new growth investments
 - > Slow decline with investment redirection
- Co-development businesses expected to be steady and profitable
- Services businesses are expected to be largely flat to small growth

- **Key point: Redirecting cash flows in order to transition from “Maintain” to “Growth”**

New Growth Opportunities

- New business opportunities
 - > Cold Iron product in 2025 with sequels every 3 years
 - > New H1Z1 release in 2026 with sequels every 3 years
 - > Franchise game release model for MechWarrior IP subject to Microsoft discussions
 - > New EQ targeted for 2028
 - > Additional 3rd party franchise games for 2026 and 2027
- No M&A assumed
 - > No plans for acquisition driven growth

Positive Growth Trend Maintained from 2021 to 2024P



- 2024 could be a down year from 2023 with MSM reaching a new normalized level
 - > 4Q22 and 2023 results elevated by MSM's step up in performance
 - > Forecasting MSM to perform at a reduced level for 2024
- Positive growth trend from 2021 to 2024P still maintained
 - > 10+% CAGR for Net Revenues and Adjusted EBITDA
- MSM impact
 - > Big boost was great but temporary
 - > Significantly boosted performance but temporarily
 - > The new normal is expected to be still higher than the pre-boost levels

Capital Allocation Priority and Financing Requirements

Capital Allocation

1. New growth business

- > 3rd party game publishing
- > 1st party game development and publishing

2. Existing business

- > Content development for live service games
- > Maintenance capex

3. Shareholder capital return

- > Shareholder capital return through dividends and buybacks with excess cash (more details next section)

Funding Requirements

- Over 2023-24, potentially up to 500 MSEK funding for the new growth business
- Thereafter, new growth business is expected to reach self-funding status
- Existing cash balance plus solid cash flows from existing business sufficient for funding new growth business

Fully funded business plan with no additional financing requirement



VIII. TOPICS FOR SHAREHOLDER CONSIDERATIONS

Shareholder Capital Return

- **The board has proposed the following shareholder capital return program**
 - > Up to 50% of Net Income for shareholder capital return program
 - > Based on the estimated 2023 Net Income, 50% is estimated to be approximately SEK 100 million
- **The program will consist of:**
 - > Annual dividends
 - A minimum of SEK 40 million in annual dividends starting in Q1 2024
 - With projected growth in profitability over the next 3 years, potential for increasing dividends
 - > Stock buyback program
 - The difference between 50% of Net Income and the dividend amount will be reserved for opportunistic stock buyback
 - Subject to market conditions, the company will have the discretion to pay one-time excess dividends in lieu of buyback
 - Limited to 10% of outstanding shares based on the exchange regulations
 - Program initial duration of 2 years
- **Process and timeline**
 - > Extra general meeting of the shareholders to be scheduled for Q4 to seek approval for the program
 - > Subject to shareholder approval, aiming for the program to begin by beginning of 2024

Potential Change in the Listing Venue

- **The company is seeking to uplist to the Main Market (Nasdaq Stockholm)**
 - > Actively working with advisors for the effort
 - > Targeting end of 2024 for the uplisting
- **Potential benefits of uplisting:**
 - > Access to broader base of institutional investors both locally and abroad
 - > Increased liquidity for the stock
 - > More flexibility for the company with shareholder capital return options including buybacks
- **The board is continually exploring opportunities to increase shareholder value and the uplisting plan is one of its initiatives**
- **In parallel, the board will be evaluating other potential options for listing venues in an effort to ensure maximization of shareholder value**



IX. SUMMARY



COMPANY PRESENTATION

Key Takeaways

- **Meaningful “progression” of the business in the right direction**
- **Exactly where we want to be and ready for the next phase**
- **Compelling industry dynamics**
 - > Biggest publishers and AAA studios getting acquired by the platforms
 - > A chance for the next crop of leaders to emerge
- **Clear focus, strategy and plan tailored for:**
 - > Approaching the industry smartly
 - > Business plan with significant growth potential going forward
- **Building a scalable “business”, not just a one off “product”**
- **Leadership team who has repeatedly proven they can deliver**

Investment Case

Performance track record and history	✓
Financial and business position today	✓
Industry dynamics	✓
Business strategy and plan	✓
Growth potential	✓
Value proposition	✓
Risk profile	✓
Leadership capabilities and track record	✓

X. APPENDIX



ENAD GLOBAL 7 | COMPANY PRESENTATION

DAYBREAK GAME COMPANY

Summary

- Acquired Dec 2020
- Developer and publisher of online multiplayer games
- Founded in 1998
- HQ in San Diego, CA
- Spun off from Sony in 2015 and became Daybreak (fka Sony Online Entertainment)

Highlights

- One of the best known Massively Multiplayer Online RPG (MMORPG) developer/publisher globally
- MMO industry pioneer with the release of EverQuest in 1999
- Innovator with the first large-scale battle royale game H1Z1

Game and IP Portfolio

EVERQUEST

EVERQUEST II

DUNGEONS & DRAGONS ONLINE

The Lord of the Rings Online

DC UNIVERSE ONLINE

MAGIC THE GATHERING ONLINE

PLANETSIDE 2

H1Z1

DAYBREAK™
GAME COMPANY





Game Portfolio



Release Date	2011	2006	1999	2004	2007	2002	2012
Type	MMORPG	MMORPG	MMORPG	MMORPG	MMORPG	Online TCG	MMOFPS
Genre	Superhero fantasy	High fantasy	High fantasy	High fantasy	High fantasy	Fantasy	Sci-fi
IP/Brand	DC Comics	Dungeons & Dragons	Own IP	Own IP	Lord of the Rings	Magic the Gathering	Own IP
Platforms	PC, PlayStation, Xbox, Switch	PC	PC	PC	PC	PC	PC, PlayStation
Business Model	F2P, MTX, Subscriptions	F2P, MTX, Subscriptions	F2P, MTX, Subscriptions	F2P, MTX, Subscriptions	F2P, MTX, Subscriptions	F2P, MTX	F2P, MTX, Subscriptions
LTM Net Rev	Not Disclosed*	Not Disclosed*	175 MSEK	81 MSEK	Not Disclosed*	Not Disclosed*	58 MSEK
MAU	Not Disclosed*	Not Disclosed*	84,404	25,669	115,685	Not Disclosed*	136,912

Note:
Excludes H1Z1, which is not actively serviced.
*Not able to disclose 3rd party IP based game KPIs without licensor consent.

BIG BLUE BUBBLE

Summary

- Acquired 2020
- Mobile game developer and publisher
- Founded in 2002
- HQ in London, Ontario, CN
- Current and recent products
 - > My Singing Monsters on mobile and Steam
 - > My Singing Monsters Playground on Nintendo Switch
 - > Little Friends: Cats & Dogs

*All highlight figures are as of Sep 6th, except for LTM Net Rev growth. It's calculation as of Sep 1st

Highlights

- LTM Net Rev growth rate of 334% over the comparable period
- Almost 150mm lifetime downloads
- Hit #1 game in the music game category in the App Store in 2022
- 818K DAU over the last 30 days
- 2 mm followers on Tiktok



PIRANHA GAMES

Summary

- Acquired 2021
- PC/console game developer
 - > Own game and co-development
 - > Expertise around shooters and MMOs
- Founded in 2000
- HQ in Vancouver, BC, CN
- Current products
 - > MechWarrior 5
 - > MechWarrior Online
 - > MechWarrior 5 Clans just announced
 - > Co-development with Genvid Entertainment on DC Heroes United

Highlights

- Studio behind MechWarrior titles since 2012
- Highly regarded co-dev studio with over 20 titles to its credit
- Exciting future with more MechWarrior franchise products in the pipeline



TOADMAN INTERACTIVE

Summary

- Founding organization of EG7
- PC/console game developer
 - > Highly experienced co-development studio
 - > Broad expertise across several genres
- Founded in 2013
- HQ in Stockholm, Sweden
- Current projects
 - > Planetside 2 and more from Daybreak
 - > Co-development with Cold Iron
 - > Other Co-development with third parties in discussion

Highlights

- Studio behind the highly acclaimed Chaos Waste DLC for Warhammer Vermintide 2
- 150 staff strong with capabilities across all key disciplines
- Transitioning from own games to co-development



FIRESHINE GAMES

Summary

- Acquired 2019
- PC and console indie publisher
- Retail distribution partner for Frontier, Rebellion and Team 17
- Founded in 2014
- HQ in London, UK
- Current projects
 - > Shadows of Doubt on Steam
 - > Little Friends: Cats & Dogs
 - > Lies of P

Highlights

- Have published and released 80 titles over the past five years
- Building a solid track record of quality indie digital offerings:
 - > Publisher of Core Keeper, one of the big indie hits of 2022 with 90+% positive rating on Steam
 - > Shadows of Doubt released this year to 90+% positive rating on Steam



PETROL

Summary

- Acquired 2019
- Creative marketing asset development and production
- Marketing agency services
- Founded in 2003
- HQ in Los Angeles, CA
- Current Projects
 - > Armored Core
 - > Call of Duty Modern Warfare III
 - > Lords of the Fallen
 - > Remnant II

Highlights

- One of the global premier AAA creative marketing agencies
- Responsible for all the key art for CoD franchise over the last 17 years
- Portfolio of work include “who’s who” of AAA games, including Elden Ring, Doom, Diablo

PETROL

