

ENAD GLOBAL 7 AB (PUBL)

# INTERIM REPORT

JAN-MAR 2023



# INTERIM REPORT - JAN-MAR 2023

## SUMMARY COMMENTS

We are pleased to report a great start to the year with solid Q1 results. Net Revenue for the quarter came in at SEK 571.7 (399.7) million, representing 43.0 percent growth year-over-year. Adjusted EBITDA came in at SEK 189.8 (106.6) million, increasing by 78.1 percent with a strong margin of 33.2 percent. The Group generated robust operating cash flows of SEK 170.6 (65.5) million for the period. All of the above represent all-time high figures for the Group.

Big Blue Bubble (“BBB”) delivered another great quarter with the continuing strength of My Singing Monsters (“MSM”). BBB generated SEK 218.3 (26.2) million of Net Revenue and SEK 133.1 (12.4) million of EBITDA for the period, representing 734.4 percent and 971.1 percent growth year-over-year, respectively. While December 2022 represented the peak performance level for MSM, the engagement level has sustained better than expected. We expect MSM to settle down at a higher steady state baseline engagement compared to the historical levels in 2021 prior to the step-up in its performance.

The Group ended the year in its best shape in terms of its liquidity and balance sheet quality. The revolving credit line was fully repaid during the quarter, and the quarter-ending cash balance reached SEK 452.9 million.

Net Revenue for April came in at SEK 154.6 million. Based on the trends observed so far for MSM, we expect Net Revenue of SEK 2.2 billion with EBITDA margin in the range of 23 to 25 percent for the full year 2023.

## HIGHLIGHTS FOR THE QUARTER

- Net Revenue of SEK 571.7 (399.7) million, representing 43.0 percent growth.
- EBITDA of SEK 189.6 (85.4) million.
- Adjusted EBITDA of SEK 189.8 (106.6) million, corresponding to 78.1 percent growth and 33.2 percent margin. Minimal adjustments for non-recurring items related to acquisition-related costs for the period.
- EBIT of SEK 138.8 (33.8) million.
- Adjusted EBIT of SEK 139.0 (55.0) million.
- Profit before tax of SEK 129.2 (30.7) million.
- Earnings per share of SEK 1.00 (0.02).
- Adjusted earnings per share of SEK 1.00 (0.28).
- Cash flows from operations of SEK 170.6 (65.5) million.
- Cash balance of SEK 452.9 million with no bank debt at the group level after full repayment in Q1.

## KEY METRICS

SEKm, except per share data	QUARTER	
	JAN-MAR 2023	JAN-MAR 2022
Net Revenue	571.7	399.7
Growth	43.0%	31.6%
Organic FX adj. growth	31.1%	12.0%
EBITDA	189.6	85.4
Adjusted EBITDA	189.8	106.6
Adjusted EBITDA margin, %	33.2%	26.7%
EBIT	138.8	33.8
Adjusted EBIT	139.0	55.0
Adjusted EBIT margin, %	24.3%	13.8%
Profit before tax	129.2	30.7
Net profit	88.2	1.6
EPS	1.00	0.02
Adjusted EPS	1.00	0.28
Adjusted EPS, excluding M&A related amortizations	1.28	0.54

Note: Innova was divested in September 2022 and is excluded from Jan-Mar 2022 figures.

# COMMENTS FROM THE CEO



*Ji Ham, Acting CEO*

## A solid start to the year

We are very pleased to report a great start to the year. For the period, the company delivered its best quarterly performance since its founding. The Group delivered Net Revenue of SEK 571.7 (399.7) million, representing 43.0 percent growth over the comparable period last year. The profitability was solid with Adjusted EBITDA of SEK 189.8 (106.6) million, representing 78.1 percent growth at an elevated margin of 33.2 percent. The company's liquidity further strengthened, ending the quarter with SEK 452.9 million of cash balance and zero bank debt at the group level. Contributing to the strengthening liquidity was SEK 170.6 (65.5) million of operating cash flows resulting from solid profitability for the period.

Big Blue Bubble continues to be the key driver for the Group's strong performance. BBB delivered SEK 218.3 (26.2) million of Net Revenue for the period, representing 734.4 percent growth year-over-year. Adjusted EBITDA came in at SEK 133.1 (12.4) million, representing 971.1 percent growth and 61.0 percent margin. MSM delivered elevated performance throughout the quarter. As of the end of Q1, MSM had amassed 8.5 billion hashtags, 268 million video views, and 1.9 million followers on TikTok, continuing to expand its fanbase. While the yearend 2022 marked the peak, MSM maintained performance above the prior normalized levels through Q1. Based on the trends to date, we are optimistic that the new "normal" for MSM performance

going forward could settle at a nice step up from the period before its viral breakout.

Beyond BBB, the Group is comprised of quality business/assets that are contributing to steady and predictable performance. Overall, Game Segment is performing as expected and contributing to the overall strength in profitability. Notable highlights during the quarter for Game Segment included Daybreak's EverQuest celebrating its 24-year anniversary and DC Universe Online reaching its 12-year mark. Next year will be a huge milestone with EverQuest hitting a quarter-century mark and EverQuest 2 turning 20. Additionally, Piranha contributed nicely for the period with solid sales from its 4th MechWarrior 5 DLC released in January. On the other hand, Service Segment experienced a slower quarter. Both Fireshine and Petrol had a lighter pipeline of product releases. The softer results are seasonal and temporary in nature, and we expect activity to pick up for both in the upcoming quarters.

## Making progress as planned

On the business development front, the Group is making good progress in its efforts to transition select internal studios to work-for-hire ("WFH") studios. During the quarter, Piranha successfully secured an engagement with a contract value of approximately SEK 100 million over an 18-month period. The studios are actively pursuing several attractive opportunities and working toward securing them over the coming quarters. The market dynamics and the outlook remain favorable for WFH, and we remain bullish on the long-term prospects for the business model as an attractive source of potential growth and increasing profitability going forward.

## In a great position all around

The Group is positioned very well with strong fundamentals: (i) all-time-high operating performance for Q1; (ii) strong liquidity with ample cash on the balance sheet that continues to build; (iii) no credit/interest rate risk exposure, having fully paid down the Group level bank debt; and (iv) stable performance that is not hits-driven with our high level of recurring and predictable revenues. All of the above attributes afford the Group the luxury of operating with confidence in the current uncertain economic climate. We are not operating under any time or external pressures, which allows the Group the flexibility to take the time necessary to invest prudently and methodically in our continuing effort to deliver increasing value to all stakeholders.

# 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 high degree of predictability. Net Revenue from this portfolio in Q1 amounted to SEK 423.8 million, corresponding to 74.1 percent of Net Revenue for the Group.

## 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 135 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 Brothers with continuing pipeline of content from blockbuster feature films and TV shows.
  - The Lord of the Rings, arguably the most iconic classic fantasy IP, which has experienced mainstream resurgence with the highly appreciated Amazon series that premiered in September 2022.
  - Dungeons & Dragons, with a passionate fan base worldwide, poised for further global brand expansion with the new feature film Dungeons & Dragons: Honor Among Thieves that was released March 2023.
  - 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

We have 8 game development and live operations studios across North America and Europe in the Group: AntiMatter Games, Piranha, Toadman Studios, Big Blue Bubble, Dimensional Ink, Standing Stone, Rogue Planet, and Darkpaw. Across these studios, we have over 500 passionate and talented employees, who represent the core drivers of our success. In addition to the 10 live service titles operated and managed by our studios, we continue to prioritize WFH opportunities to drive further increases in profitability and growth for the Group.

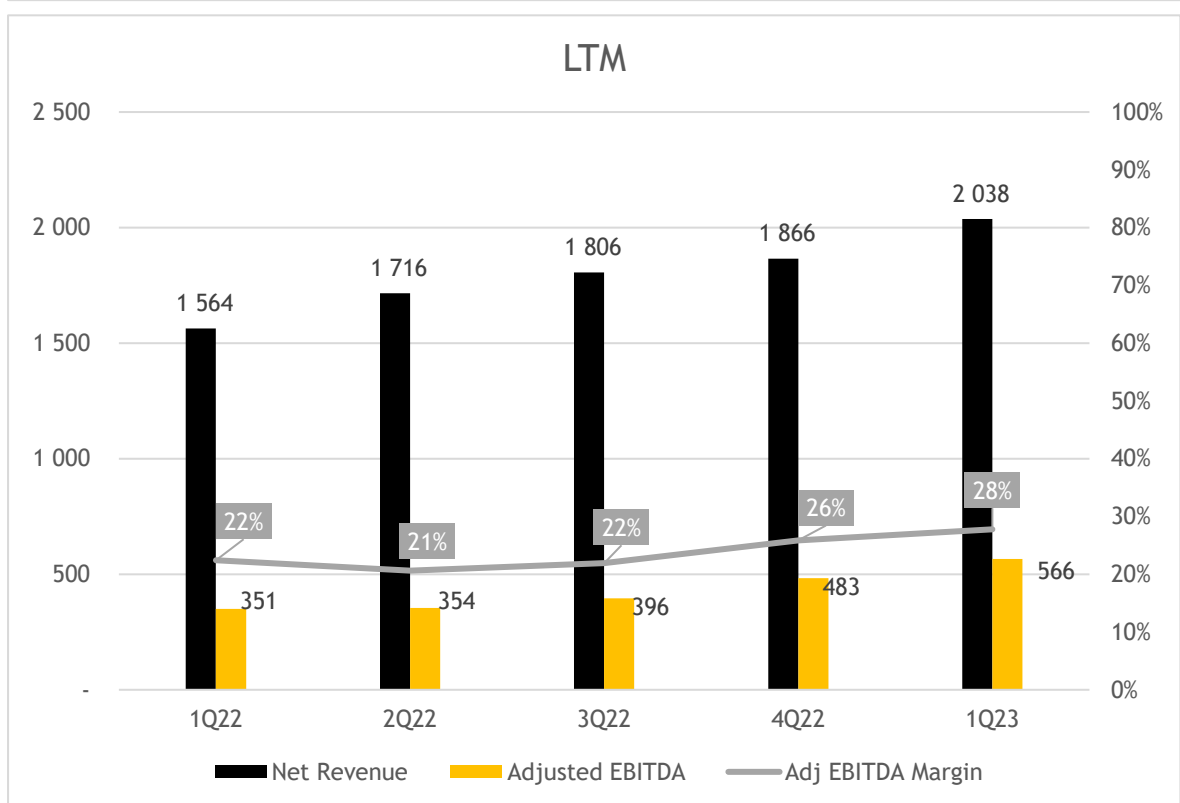
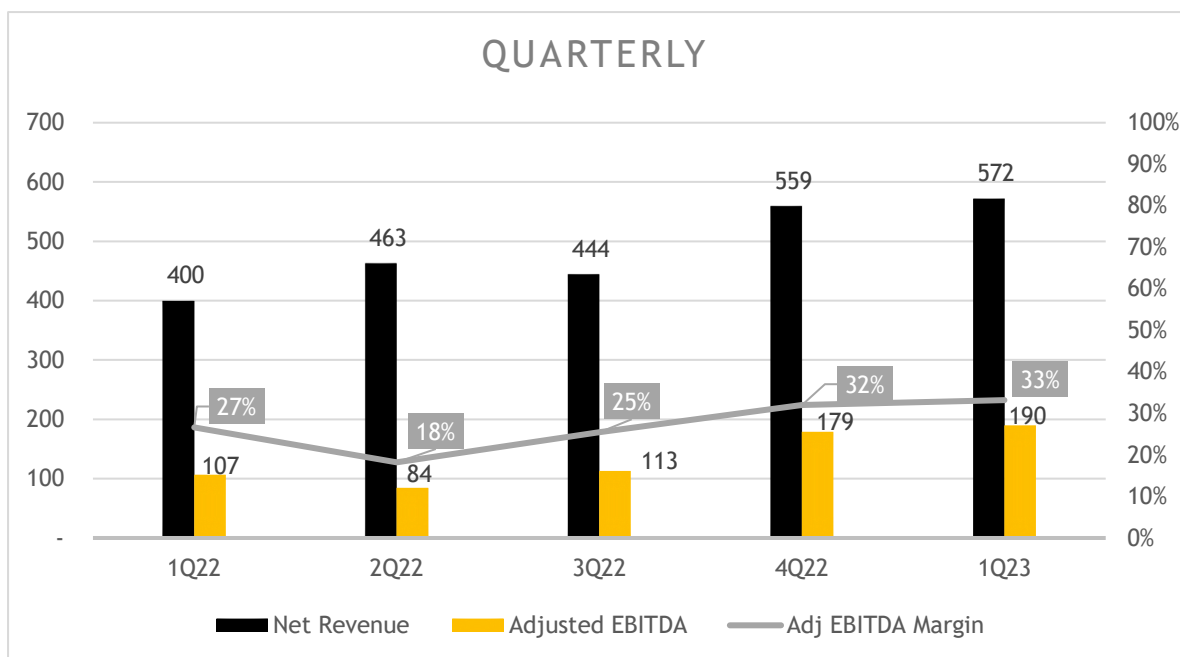
## Creative marketing and distribution expertise and capabilities

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 Games 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 indie game digital publishing capabilities to expand its digital growth opportunities.

## Net Revenue and Adjusted EBITDA

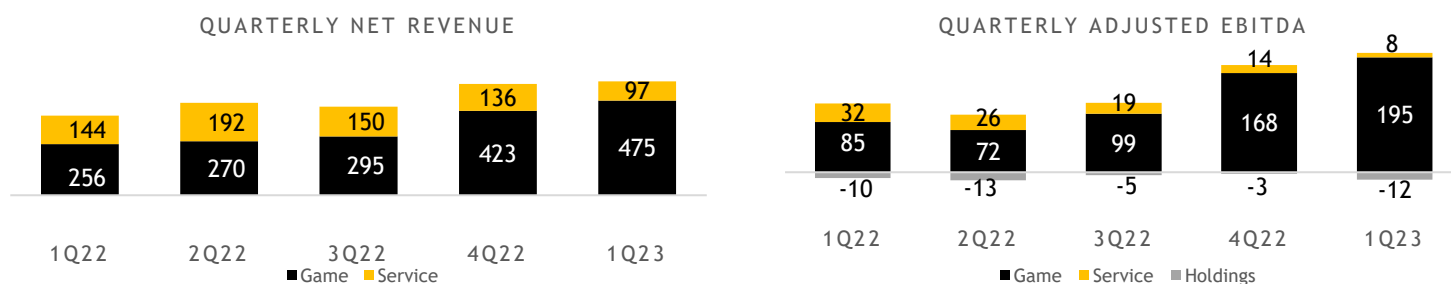
*SEKm*





# SUMMARY BY SEGMENT

SEKm



## Game Segment

Net Revenue for Game Segment amounted to SEK 475.1 (255.6) million in Q1, corresponding to 85.8 percent growth over the comparable period. Game Segment Net Revenue contributed 83.1 percent of total group Net Revenue. Adjusted EBITDA for the period amounted to SEK 194.5 (84.9) million, representing 96.2 percent of the Group total, excluding Holdings. The continuing strong performance by My Singing Monsters was the key driver for Game Segment's solid performance for the period. Each year, Q1 also benefits from the net positive recognition of deferred Net Revenues from the yearend. Revenues from games are subject to revenue recognition accounting rules, which require recognition of revenues over time. As a result, Q1 sees a boost in Net Revenue with a portion of Q4 revenues being recognized during the quarter. This is a normal seasonal trend repeated on an annual basis. For Q1 this year, this net effect amounted to SEK 35.6 million, which contributed an additional 4.4 percent to the Adjusted EBITDA margin. Excluding the positive net effect, the Adjusted EBITDA margin would have been 28.8 percent instead of 33.2 percent. Furthermore, we expect to capitalize approximately SEK 80.0 million less in development costs than previous year, which has an impact on our margins but not on our cash generation.

## DAYBREAK

For Q1, Daybreak contributed Net Revenue of SEK 200.6 (212.1) million, corresponding to 5.4 percent decline and Adjusted EBITDA that amounted to SEK 51.6 (74.8) million. Adjusted EBITDA margin amounted to 25.7 (35.3) percent. EverQuest and DC Universe Online celebrated their 24<sup>th</sup> and 12<sup>th</sup> year anniversaries. Daybreak has been the biggest contributor to Net Revenue and profitability historically but with My Singing Monsters' elevated performance, Daybreak results came in second behind Big Blue Bubble this quarter.

## BIG BLUE BUBBLE

Big Blue Bubble delivered a new record performance and became the largest contributor in the quarter with Net Revenue of SEK 218.3 (26.2) million, corresponding to 734.4 percent growth, and Adjusted EBITDA of SEK 133.1 (12.4) million, representing 971.1 percent growth. BBB contributed 38.2 percent of Net Revenue and 65.8 percent of Adjusted EBITDA for the Group. As of the end of Q1, My Singing Monsters has amassed 1.9 million followers, 268 million views, and over 8.5 billion hashtags on TikTok. The franchise has also experienced solid growth on other major social media platforms such as YouTube, where it has reached more than 331 million views.

## PIRANHA

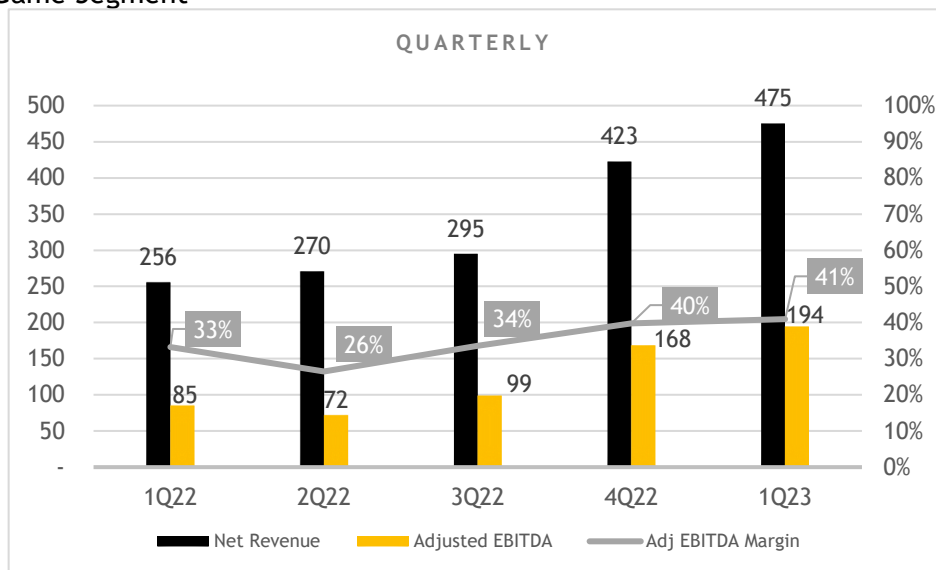
Net Revenue for the quarter came in at SEK 50.5 (16.2) million, representing 212.5 percent growth. Adjusted EBITDA amounted to SEK 23.4 (2.5) million, representing 46.3 percent margin. The release of the fourth DLC for MechWarrior 5 performed strongly above expectations, resulting in MechWarrior 5 base game and the DLC reaching top 10 and top 20, respectively, on Steam's Top Sellers chart during the quarter. Piranha is furthermore continuing to ramp up the WFH business and successfully signed a new WFH contract that will bring the Group Net Revenues of approximately SEK 100 million over the following 18 months.

## TOADMAN STUDIOS AND ANTIMATTER GAMES

The studios continued to focus on transitioning to WFH. Additionally, the efforts to place the internal games with a third-party publisher is ongoing. During this transition period, the profit

margins for the studios are expected to be lower with reduced capitalized R&D until sufficient ramp up in WFH projects is achieved.

## Game Segment



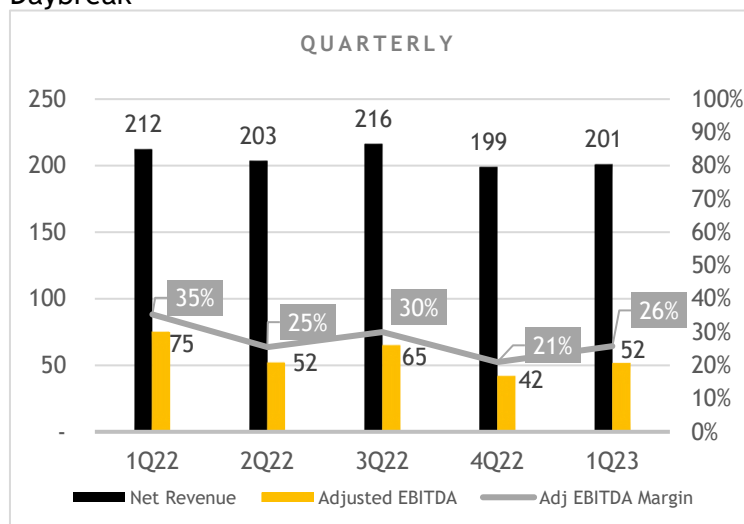
### Q1 Net Revenue Contribution

Daybreak	201	42%
Big Blue Bubble	218	46%
Piranha	51	11%
Toadman & AMG	5	1%
<b>Game Segment total</b>	<b>475</b>	<b>100%</b>

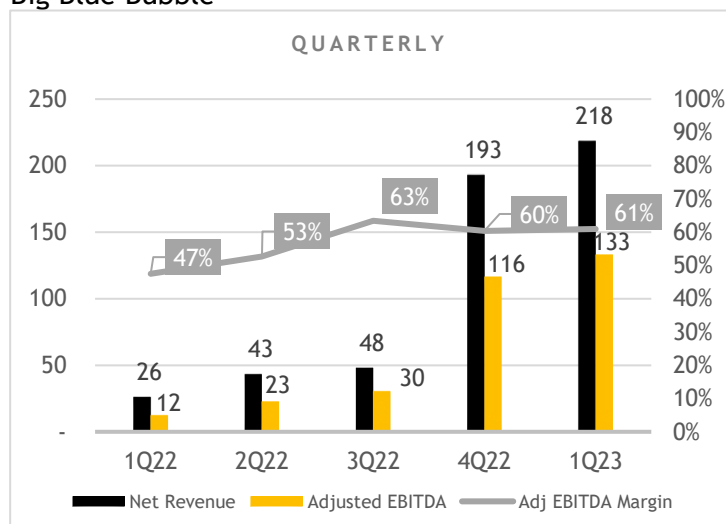
### Q1 Adj EBITDA Contribution

Daybreak	52	27%
Big Blue Bubble	133	68%
Piranha	23	12%
Toadman & AMG	-14	-7%
<b>Game Segment total</b>	<b>194</b>	<b>100%</b>

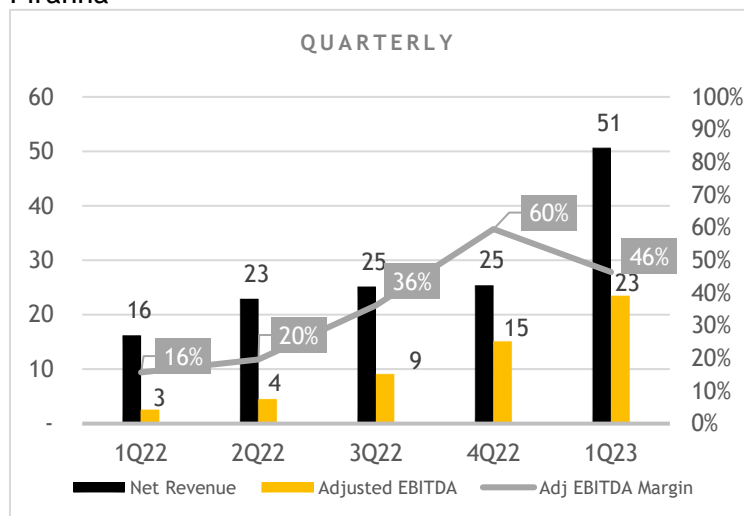
## Daybreak



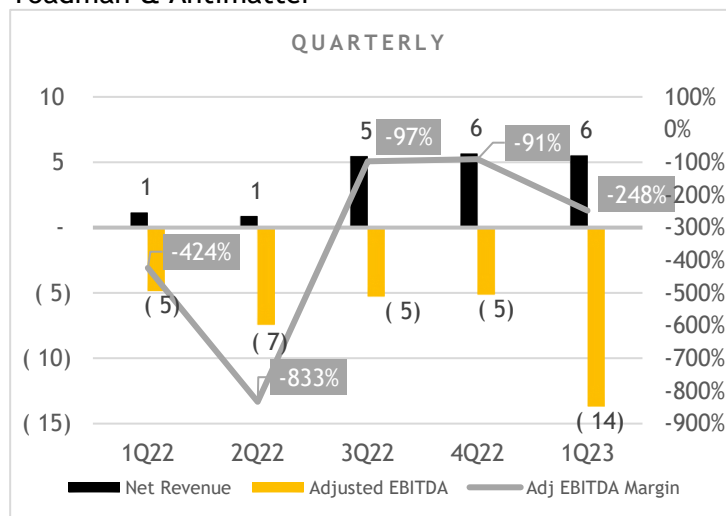
## Big Blue Bubble



## Piranha



## Toadman & Antimatter



## Service Segment

For Q1, Service Segment delivered Net Revenue of SEK 96.6 (144.0) million, representing 16.9 percent of the Group's total Net Revenue. The comparison with the prior year period was unfavorable with Net Revenue decline of 32.9 percent. The decline is mainly due to a combination of the timing effect of successful indie game releases during Q1 2022 and a lighter pipeline to start the year. The softer Q1 results for Service Segment are not indicative of expected full-year performance as we expect stronger activity in the coming quarter for the segment.

### PETROL

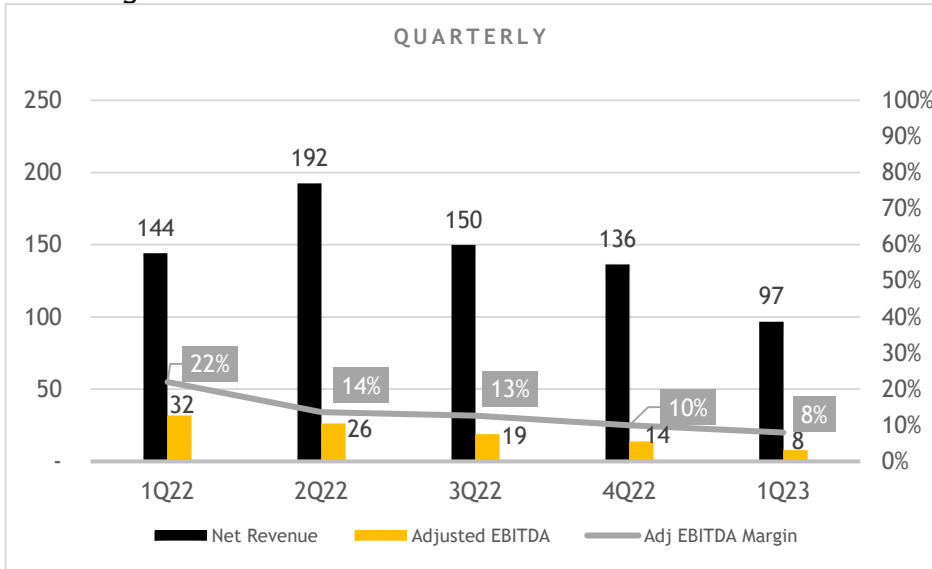
For Q1, Petrol delivered Net Revenue of SEK 49.1 (53.7) million, representing 8.6 percent decline year-over-year. Adjusted EBITDA was SEK 6.0 (13.2) million, representing a margin of 12.3 percent. Notable campaigns by Petrol during the quarter included: Mighty DOOM, which reached more than 10 million views with its launch video and garnered more than 3.3 million downloads within the first two weeks of its launch; Warframe's 10<sup>th</sup> anniversary brand identity campaign; Remnant 2; and the launch of a new season for Call of Duty Warzone II.

### FIRESHINE GAMES

Fireshine Games' Net Revenue came in at SEK 47.6 (90.4) million, representing 47.4 percent decline over Q1 2022. Adjusted EBITDA came in at SEK 1.7 (18.5) million, representing a 3.5 percent margin. The primary reasons for the seemingly pronounced decline are due to the unfavorable comparison against Q1 2022 when Core Keeper had its successful early access release and a seasonal softness in Q1 2023 product pipeline. The pipeline of physical and digital products for the upcoming quarters are strong, especially physical products. The softer results in Q1 are not indicative of the expected performance for the remainder of the year. In April, Fireshine successfully brought to market Shadows of Doubt in Early Access on Steam, which is tracking at over 90 percent positive reviews on the platform. While this title is more niche and not as mass market as Core Keeper, its positive reception provides a strong indication of Fireshine's proven ability to deliver quality with its publishing selections.



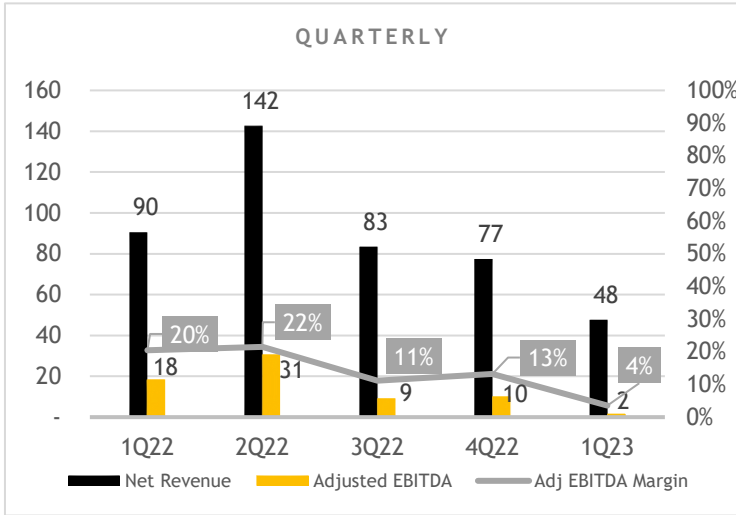
Service Segment



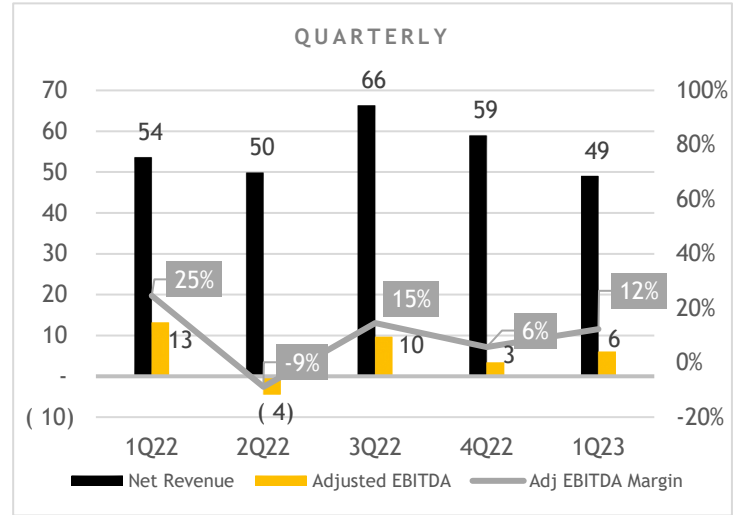
Q1 Net Revenue Contribution		
Fireshine	48	49%
Petrol	49	51%
<b>Service Segment total</b>	<b>97</b>	<b>100%</b>

Q1 Adj EBITDA Contribution		
Fireshine	2	25%
Petrol	6	75%
<b>Service Segment total</b>	<b>8</b>	<b>100%</b>

Fireshine



Petrol



# FINANCIAL OVERVIEW

## Net Revenue and Operating Profit

SEKm	JAN-MAR		
	2023	2022	% CHG
Net Revenue	571.7	399.7	43.0%
Adjusted EBITDA	189.8	106.6	78.1%
EBITDA	189.6	85.4	122.0%
Adjusted EBIT	139.0	55.0	152.9%
EBIT	138.8	33.8	310.9%
<b>% Margins</b>			
Adjusted EBITDA margin	33.2%	26.7%	
EBITDA margin	33.2%	21.4%	
Adjusted EBIT margin	24.3%	13.8%	
EBIT margin	24.3%	8.5%	

Net Revenue in Q1 2023 came in at SEK 571.7 (399.7) million, representing a 43.0 percent growth YoY, the growth was organically driven. Including Magic Online for the full year of 2022 the organic growth amounted to 41.4 percent. Without the positive currency effect of SEK 41.7 million the organic growth was 31.1 percent for the period. Adjusted EBITDA and Adjusted EBIT were SEK 189.8 (106.6) million and SEK 139.0 (55.0) million for the quarter, representing 33.2 percent and 24.3 percent margins respectively. The adjustment for non-recurring items affecting EBITDA in the first quarter was SEK 0.2 million (21.2) primarily adjustments for acquisition costs.

## Adjustment bridge

SEKm	JAN-MAR		JAN-DEC
	2023	2022	2022
<b>EBITDA</b>	<b>189.6</b>	<b>85.4</b>	<b>474.5</b>
Revaluation of deferred purchase consideration*	0.0	0.0	-0.9
M&A costs	0.2	21.2	9.2
<b>Adjusted EBITDA</b>	<b>189.8</b>	<b>106.6</b>	<b>482.8</b>
<b>EBIT</b>	<b>138.8</b>	<b>33.8</b>	<b>-275.9</b>
Revaluation of deferred purchase consideration*	0.0	0.0	-0.9
M&A costs	0.2	21.2	9.2
Write-down games**	0.0	0.0	528.3
FX	0.0	0.0	14.4
<b>Adjusted EBIT</b>	<b>139.0</b>	<b>55.0</b>	<b>275.1</b>
<b>Net profit</b>	<b>88.2</b>	<b>1.6</b>	<b>-1,239.0</b>
Revaluation of deferred purchase consideration*	0.0	0.0	-0.9
M&A costs	0.2	21.2	9.2
Write-down games**	0.0	0.0	528.3
FX	0.0	0.0	14.4
Tax effect adjustments	0.0	-4.4	-113.5
Discontinued operations	0.0	6.3	970.9
<b>Adjusted net profit</b>	<b>88.3</b>	<b>24.7</b>	<b>169.4</b>
<b>Earnings per share</b>	<b>1.00</b>	<b>0.02</b>	<b>-13.98</b>
<b>Adjusted earnings per share</b>	<b>1.00</b>	<b>0.28</b>	<b>1.91</b>

\*In Q2 2022 release of earn-out for Big Blue Bubble.

\*\* Q4 2022 write-down of games in Toadman and AMG 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.

## Unearned revenue

<i>SEKm</i>	Revenue	Adjusted EBITDA	Adjusted EBITDA margin
Q1 figures	571.7	189.8	33.2%
Unearned revenues, net effect	-35.6	-35.6	-4.4%
Total	536.0	154.2	28.8%

According to applicable accounting rules, some game-related revenue will be recognized over a period of several months. This indicates that a seasonally weaker quarter like Q1 might have a positive net effect. In Q1 this net effect amounted to SEK 35.6 million contributing 4.4 percent to the Adjusted EBITDA margin. Excluding the positive net effect, the Adjusted EBITDA margin would have been 28.8 percent instead of 33.2 percent.

## Organic growth bridge

<i>SEKm</i>	JAN-MAR		
	2023	2022	% CHG
Net Revenue	571.7	399.7	43.0%
Magic Online proforma		4.5	
Organic Revenue incl Magic Online	571.7	404.2	41.4%
FX effect	-41.7		
Organic Revenue FX adjusted incl Magic Online	529.9	404.2	31.1%

## Capitalized development costs

<i>SEKm</i>	JAN-MAR	
	2023	2022
Beginning balance	70.3	328.8
Acquired capitalized development costs	0.0	0.8
Capitalized development cost	22.9	36.0
Reclassified from Other intangible assets	0.0	-0.3
Amortization of product development	-9.4	-12.6
FX	-0.6	4.3
Ending balance	83.2	356.9

For Q1 2023 the total development costs capitalized were SEK 22.9 (36.0) million. Amortization of product development amounted to SEK -9.4 (-12.6) million. The net closing balance of capitalized development cost as of the end of the quarter was SEK 83.2 million, and only refers to game related assets.

## Financial net

<i>SEKm</i>	JAN-MAR	
	2023	2022
Net interest expense	-0.7	-3.3
Interest on earn-out and other	-6.3	-7.4
Interest leasing	-0.3	-0.4
Loan forgiveness (Covid related US)	0.0	11.9
Financing fees	-1.4	-0.5
FX effects	-0.9	-3.4
Financial net	-9.6	-3.0

The financial net amounted in Q1 to SEK -9.6 million compared to SEK -3.0 million for the same period last year. Last year the financial net was boosted due to the U.S. government loan forgiveness related to the pandemic with SEK 11.9 million. The lower interest expenses are due to the repayment of the credit facility. The in 2023 remaining SEK 100 million was repaid in the first quarter.

## Financing

	MAR	
	2023	2022
<i>SEKm</i>		
Total debt	-5.0	-405.4
Cash and cash equivalents	452.9	449.3
Net cash	447.9	44.0

The net cash by the end of the quarter amounted to SEK 447.9 million consisting of a cash balance of SEK 452.9 million and a financial debt of SEK 5.0 million. The Group repaid the remaining SEK 100 million of the external loan in Q1. The comparable figure for 2022 includes SEK 1.2 million of debt, and SEK 72.4 million cash from Innova.

## Cash flow

	JAN-MAR		JAN-DEC
	2023	2022	2022
<i>SEKm</i>			
Operating profit (EBIT) from continuing operations	138.8	33.8	-275.9
Adjustment for non-cash flow items	51.8	102.9	770.3
Financial net	-1.4	-3.0	-20.3
Taxes paid	-31.0	-9.6	34.6
Operating cash flows before balance sheet cash flow impact	158.1	124.1	439.5
Change in net working capital	12.5	-58.6	-64.9
Cash flow from operations	170.6	65.5	374.6
Cash flow from investment activities	-17.6	-37.8	-58.1
Cash flow from financing activities	-106.6	-46.9	-331.8
Cash and cash equivalents, start of period	407.8	389.6	389.6
Cash flow for the period	46.4	-19.2	-15.3
Exchange rate differences	-1.3	6.5	33.5
Cash and cash equivalents, end of period	452.9	376.9	407.8

For Q1 2023 EG7 had net cash inflow of SEK 46.4 million, mainly due to a strong cash flow from operations of SEK 170.6 million and the repayment of the external loan in Q1, amounting to SEK 100.0 million. The cash flow was also negatively affected by SEK 17.6 million of investing activities, capitalized development expenses amounted to SEK -23.7 million, first settlement of the remaining guaranteed purchase price from the buyers of Innova contributed positively with SEK 7.9 million. Financing activities was SEK -106.6 million mainly due to the repayment of the external loan. Exchange fluctuation in liquid funds amounted to SEK -1.3 million. Overall, the Group continued to have strong liquidity with SEK 452.9 million of cash and cash equivalents available by the end of Q1 2023.

# FINANCIAL REPORTS

## Income Statement - Group

SEKm	Note	QUARTER		FULL YEAR
		JAN-MAR 2023	JAN-MAR 2022	JAN-DEC 2022
Net Revenue	2,3	571.7	399.7	1,865.9
Other Revenue		3.2	3.7	12.8
<b>Total Revenue</b>		<b>574.9</b>	<b>403.3</b>	<b>1,878.7</b>
<i>Operating expenses</i>				
Cost of goods sold		-150.7	-120.5	-626.3
Other external expenses		-57.4	-46.3	-209.0
Personnel expenses		-200.1	-186.4	-742.4
Own work capitalized		21.6	35.9	157.3
Other expenses		1.3	-0.7	16.2
<b>Operating profit before depreciation and amortization (EBITDA)</b>		<b>189.6</b>	<b>85.4</b>	<b>474.5</b>
Depreciation of tangible and right-of-use assets		-9.8	-10.1	-45.9
<b>Operating profit before amortization of intangible assets (EBITA)</b>		<b>179.8</b>	<b>75.3</b>	<b>428.7</b>
Amortization of acquisition-related intangible assets		-31.6	-28.4	-124.6
Amortization of other intangible assets		-9.5	-13.1	-580.0
<b>Operating profit (EBIT)</b>		<b>138.8</b>	<b>33.8</b>	<b>-275.9</b>
Financial net		-9.6	-3.0	-20.3
<b>Profit before tax</b>		<b>129.2</b>	<b>30.7</b>	<b>-296.2</b>
Tax expense for the period		-41.0	-22.9	28.1
<b>NET PROFIT FROM CONTINUED OPERATIONS</b>		<b>88.2</b>	<b>7.9</b>	<b>-268.1</b>
Profit from discontinued operations, net of tax	5	0.0	-6.3	-970.9
<b>NET PROFIT FOR THE PERIOD</b>		<b>88.2</b>	<b>1.6</b>	<b>-1,239.0</b>

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

EARNINGS PER AVERAGE SHARE	QUARTER		ACCUMULATED
	JAN-MAR 2023	JAN-MAR 2022	JAN-DEC 2022
Earnings per share before and after dilution (SEK)	1.00	0.02	-14.04
Average number of shares before and after dilution	88,270,408	87,271,055	88,270,408

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

SEKm	QUARTER		ACCUMULATED
	JAN-MAR 2023	JAN-MAR 2022	JAN-DEC 2022
Net profit for the period	88.2	1.6	-1,239.0
<i>Items that will be reclassified to profit or loss</i>			
Translation difference	-19.4	98.0	527.6
Deferred tax	0.1	-9.7	-45.8
<b>Other comprehensive income for the period</b>	<b>-19.4</b>	<b>88.3</b>	<b>481.8</b>
<b>Comprehensive income for the period</b>	<b>68.8</b>	<b>89.9</b>	<b>-757.1</b>



## Balance Sheet - Group

SEKm	Note	31 MAR 2023	31 MAR 2022*	31 DEC 2022
<b>ASSETS</b>				
Non-current assets				
Intangible non-current assets		3,900.0	5,106.1	3,907.4
Tangible non-current assets		27.2	43.2	29.1
Right-of-use assets		38.7	62.3	39.9
Financial non-currents assets	4	107.6	61.7	110.4
<b>Total non-current assets</b>		<b>4,073.4</b>	<b>5,273.3</b>	<b>4,086.8</b>
Current assets				
Inventory	13,2	16.5	14.0	17.3
Current receivables	4	301.2	337.6	440.5
Cash and cash equivalents	4	452.9	449.3	407.8
<b>Total current assets</b>		<b>770.7</b>	<b>800.9</b>	<b>865.5</b>
<b>TOTAL ASSETS</b>		<b>4,844.1</b>	<b>6,074.3</b>	<b>4,952.3</b>
<b>EQUITY AND LIABILITIES</b>				
Equity				
Equity attributable to the parent company's shareholders		3,971.1	4,726.8	3,902.3
<b>Total equity</b>		<b>3,971.1</b>	<b>4,726.8</b>	<b>3,902.3</b>
Non-current liabilities	4	325.4	705.3	414.5
Current liabilities	4	547.6	642.1	635.5
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,844.1</b>	<b>6,074.3</b>	<b>4,952.3</b>

\*Note: Innova is included per 31 March 2022

## Cash Flow Statement - Group

	QUARTER		ACCUMULATED
	JAN-MAR 2023	JAN-MAR 2022	JAN-DEC 2022
<i>SEKm</i>			
<b>OPERATING ACTIVITIES</b>			
Operating profit (EBIT) from continuing operations	138.8	33.8	-275.9
Adjustments for non-cash flow items	51.8	102.9	770.3
Financial items and tax	-32.5	-12.6	-54.9
<b>Cash flow from operating activities before changes in working capital</b>	<b>158.1</b>	<b>124.1</b>	<b>439.5</b>
Cash flow from changes in working capital	12.5	58.6	-64.9
<b>Cash flow from operating activities</b>	<b>170.6</b>	<b>65.5</b>	<b>374.6</b>
Investment tangible assets	-1.7	-2.0	-12.2
Investment intangible assets	-23.7	-36.0	-187.9
Investment activities subsidiaries	7.9	0.2	142.0
<b>Cash flow from investment activities</b>	<b>-17.6</b>	<b>-37.8</b>	<b>-58.1</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash flow from financing activities</b>	<b>-106.6</b>	<b>-46.9</b>	<b>-331.8</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>46.4</b>	<b>-19.1</b>	<b>-15.3</b>
Cash and cash equivalents at start of period	407.8	389.6	389.5
Cash flow for the period	46.4	-19.1	-15.3
Exchange rate differences	-1.3	6.5	33.5
<b>Cash and cash equivalents at end of period</b>	<b>452.9</b>	<b>377.0</b>	<b>407.8</b>
<b>Specification of cash and cash equivalents</b>			
Total cash balance	452.9	377.0	407.8
<i>of which are blocked</i>	-2.6	-2.6	-2.6
<b>Cash at the end of the period</b>	<b>450.3</b>	<b>374.4</b>	<b>405.2</b>

## Change in Equity - Group

EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		
<i>SEKm</i>	2023 JAN-MAR	2022 JAN-MAR
<b>Opening balance</b>	3,902.3	4,597.8
<b>Changes in equity during the period</b>		
The Net profit of the period	88.2	1.6
Other comprehensive income for the period	-19.4	88.3
Rights issue	0.0	39.2
<b>Closing balance</b>	<b>3,971.1</b>	<b>4,726.8</b>

## Income Statement - Parent Company

	QUARTER		ACCUMULATED
	JAN-MAR 2023	JAN-MAR 2022	JAN-DEC 2022
<i>SEKm</i>			
Net Revenue	1.0	1.1	5.6
Other Revenue	0.0	0.0	0.0
<b>Total Revenue</b>	<b>1.0</b>	<b>1.1</b>	<b>5.6</b>
<i>Operating expenses</i>			
Cost of goods sold	-11.1	-10.7	-54.4
Other external expenses	-7.5	-6.1	-27.6
Personnel expenses	-5.9	-6.2	-15.4
Own work capitalized	0.0	7.9	48.6
Other expenses	0.0	0.0	0.0
<b>Operating profit before depreciation and amortization (EBITDA)</b>	<b>-23.5</b>	<b>-14.1</b>	<b>-43.2</b>
Depreciation and amortization	0.0	0.0	-104.5
<b>Operating profit (EBIT)</b>	<b>-23.5</b>	<b>-14.1</b>	<b>-147.8</b>
Financial net	115.5	52.2	-523.2
<b>Profit before tax</b>	<b>92.0</b>	<b>38.1</b>	<b>-670.9</b>
Appropriations	0.0	0.0	-226.7
Tax expense for the period	5.4	-7.8	27.0
<b>NET PROFIT</b>	<b>97.5</b>	<b>30.2</b>	<b>-870.6</b>

## Balance Sheet - Parent Company

<i>SEKm</i>	31 MAR 2023	31 MAR 2022	31 DEC 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible non-current assets	0.0	65.6	0.0
Tangible non-current assets	0.0	0.0	0.0
Financial non-currents assets	3,657.0	2,732.8	3,658.9
<b>Total non-current assets</b>	<b>3,657.0</b>	<b>2,798.4</b>	<b>3,659.0</b>
<b>Current assets</b>			
Current receivables	68.6	1,961.5	69.2
Cash and cash equivalents	18.4	97.4	42.5
<b>Total current assets</b>	<b>87.0</b>	<b>2,058.9</b>	<b>111.7</b>
<b>TOTAL ASSETS</b>	<b>3,744.0</b>	<b>4,857.3</b>	<b>3,770.6</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	3,633.0	4,413.9	3,535.6
Non-current liabilities	0.0	399.2	0.0
Current liabilities	111.0	43.9	235.0
<b>EQUITY AND LIABILITIES</b>	<b>3,744.0</b>	<b>4,857.3</b>	<b>3,770.6</b>

## Segment performance data

SEKm	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2022 Full year
<b>NET REVENUE</b>									
<b>Game Segment</b>									
Daybreak	200.6	198.9	216.2	203.4	212.1	172.4	169.7	174.7	830.7
Big Blue Bubble	218.3	192.7	47.9	43.2	26.2	27.3	31.6	27.3	310.1
Piranha	50.5	25.3	25.1	22.9	16.2	29.9	47.6	11.9	89.5
Toadman & AMG	5.5	5.7	5.5	0.9	1.1	1.4	1.3	2.6	13.2
Game total	475.1	422.6	294.8	270.4	255.6	230.9	250.3	216.4	1,243.4
<b>Service Segment</b>									
Petrol	49.1	59.0	66.3	49.9	53.7	64.4	35.0	32.7	228.8
Fireshine Games	47.6	77.4	83.4	142.5	90.4	203.7	68.9	62.0	393.7
Service total	96.6	136.4	149.7	192.4	144.0	268.1	103.9	94.7	622.5
<b>GROUP TOTAL</b>	<b>571.7</b>	<b>559.0</b>	<b>444.5</b>	<b>462.8</b>	<b>399.7</b>	<b>499.0</b>	<b>354.2</b>	<b>311.1</b>	<b>1,865.9</b>
<b>NET REVENUE GROWTH YoY (%)</b>									
<b>Game Segment</b>									
Daybreak	-5%	15%	27%	16%	13%	6%*	-12%*	-23%*	18%
Big Blue Bubble	734%	607%	52%	59%	14%	21%*	27%*	-6%*	184%*
Piranha	212%	-15%	-47%	92%	247%*	1035%*	14%*	-60%*	-5%*
Toadman & AMG	381%	311%	305%	-65%	-48%	-46%	3%	9%	76%
Game total	86%	83%	18%	25%	19%*	22%*	-4%*	-25%*	36%*
<b>Service Segment</b>									
Petrol	-9%	-8%	90%	52%	71%	140%	62%	-16%	40%
Fireshine Games	-47%	-62%	21%	130%	55%	55%	14%	-39%	0%
Service total	-33%	-49%	44%	103%	61%	69%	27%	-33%	12%
<b>GROUP TOTAL</b>	<b>43%</b>	<b>12%</b>	<b>25%</b>	<b>49%</b>	<b>32%*</b>	<b>43%*</b>	<b>4%*</b>	<b>-28%*</b>	<b>27%*</b>
<b>NET REVENUE ORGANIC YoY (%)</b>									
<b>Game Segment</b>									
Daybreak	-7%*	5%*	13%*	2%*	2%*	6%*	-12%*	-23%*	6%*
Big Blue Bubble	734%	607%	52%	59%	14%	21%*	27%*	-6%*	184%*
Piranha	212%	-15%	-47%	92%	247%*	1035%*	14%*	-60%*	-2%*
Toadman & AMG	381%	311%	305%	-65%	-48%	-46%	3%	9%	76%
Game total	83%	75%*	8%*	14%*	10%*	22%*	-4%*	-25%*	27,0%*
<b>Service Segment</b>									
Petrol	-9%	-8%	90%	52%	71%	140%	62%	-16%	40%
Fireshine Games	-47%	-62%	21%	130%	55%	55%	14%	-39%	0%
Service total	-33%	-49%	44%	103%	61%	69%	27%	-33%	12%
<b>GROUP TOTAL</b>	<b>41%</b>	<b>8%</b>	<b>19%</b>	<b>41%</b>	<b>25%*</b>	<b>43%*</b>	<b>4%*</b>	<b>-28%*</b>	<b>21,0%*</b>
<b>ORGANIC FX ADJUSTED GROWTH YoY (%)</b>									
<b>Game Segment</b>									
Daybreak	-17%	-13%*	-8%*	-12%*	-8%*	2%*	-9%*	-12%*	-10%
Big Blue Bubble	687%	529%	30%	40%	4%	14%*	23%*	-3%*	151%
Piranha	195%	-25%	-54%	69%	216%	487%*	12%*	-59%*	-16%
Toadman & AMG	381%	313%	300%	-65%	-48%	-47%	-2%	7%	75%
Game total	69%	47%*	-10%*	-2%*	-2%*	15%*	-3%*	-16%*	8%
<b>Service Segment</b>									
Petrol	-18%	-23%	55%	31%	53%	123%	52%	-3%	19%
Fireshine Games	-48%	-64%	16%	119%	44%	50%	6%	-37%	-5%
Service total	-37%	-53%	31%	86%	47%	63%	18%	-29%	2%
<b>GROUP TOTAL</b>	<b>31%</b>	<b>-5%</b>	<b>1%</b>	<b>24%</b>	<b>12%</b>	<b>36%</b>	<b>3%</b>	<b>-20%</b>	<b>6%</b>
<b>ADJ EBITDA</b>									
<b>Game Segment</b>									
Daybreak	51.6	41.7	64.8	51.7	74.8	51.5	63.7	65.6	233.0
Big Blue Bubble	133.1	116.5	30.4	22.8	12.4	16.3	18.3	11.9	182.1
Piranha	23.4	15.1	9.1	4.5	2.5	2.4	-8.4	9.0	31.2
Toadman & AMG	-13.7	-5.1	-5.3	-7.4	-4.9	-7.7	-6.8	-3.0	-22.7
Game total	194.5	168.1	99.0	71.6	84.9	62.5	66.8	83.5	423.6
<b>Service Segment</b>									
Petrol	6.0	3.4	9.6	-4.4	13.2	17.4	2.8	4.8	21.8
Fireshine Games	1.7	10.2	9.3	30.6	18.5	31.6	10.5	1.9	68.6
Service total	7.7	13.6	18.9	26.2	31.7	49.0	13.3	6.6	90.4
<b>Holding</b>	<b>-12.4</b>	<b>-2.9</b>	<b>-4.8</b>	<b>-13.5</b>	<b>-10.1</b>	<b>-19.7</b>	<b>-9.0</b>	<b>-9.0</b>	<b>-31.3</b>
<b>GROUP TOTAL</b>	<b>189.8</b>	<b>178.8</b>	<b>113.1</b>	<b>84.3</b>	<b>106.5</b>	<b>91.7</b>	<b>71.1</b>	<b>81.2</b>	<b>482.7</b>



	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2022 Full year
SEKm									
<b>ADJ EBITDA MARGIN (%)</b>									
<b>Game Segment</b>									
Daybreak	26%	21%	30%	25%	35%	30%	38%	38%	28%
Big Blue Bubble	61%	60%	63%	53%	47%	60%	58%	44%	59%
Piranha	46%	60%	36%	20%	16%	8%	-18%	75%	35%
Toadman & AMG	-248%	-91%	-97%	-833%	-424%	-560%	-508%	-118%	-173%
Game total	41%	40%	34%	26%	33%	27%	27%	39%	34%
<b>Service Segment</b>									
Petrol	12%	6%	15%	-9%	25%	27%	8%	15%	10%
Fireshine Games	4%	13%	11%	22%	20%	15%	15%	3%	17%
Service total	8%	10%	13%	14%	22%	18%	13%	7%	15%
<b>GROUP TOTAL</b>	<b>33%</b>	<b>32%</b>	<b>25%</b>	<b>18%</b>	<b>27%</b>	<b>18%</b>	<b>20%</b>	<b>26%</b>	<b>26%</b>
<b>ADJ EBIT</b>									
<b>Game Segment</b>									
Daybreak	16.5	4.1	26.6	17.1	42.9	21.5	33.5	36.7	90.7
Big Blue Bubble	127.3	111.8	25.6	18.2	8.1	12.7	14.0	7.7	163.8
Piranha	17.8	10.4	1.1	-5.7	-8.9	-22.0	-25.2	-3.5	-3.1
Toadman & AMG	-14.5	-1.4	-6.9	-8.2	-5.6	-6.4	-7.4	-3.6	-22.0
Game total	147.1	125.0	46.4	21.4	36.5	5.8	14.8	37.2	229.3
<b>Service Segment</b>									
Petrol	4.1	1.1	7.4	-6.2	11.4	15.7	1.0	3.2	13.7
Fireshine Games	1.3	9.9	8.9	30.3	18.1	31.2	10.1	1.5	67.2
Service total	5.4	11.0	16.3	24.1	29.5	46.9	11.1	4.7	80.8
<b>Holding</b>	<b>-13.5</b>	<b>-5.7</b>	<b>-5.8</b>	<b>-12.6</b>	<b>-11.0</b>	<b>-26.3</b>	<b>-10.1</b>	<b>-10.1</b>	<b>-35.2</b>
<b>GROUP TOTAL</b>	<b>139.0</b>	<b>130.3</b>	<b>56.9</b>	<b>32.9</b>	<b>55.0</b>	<b>26.4</b>	<b>15.9</b>	<b>31.9</b>	<b>275</b>
<b>ADJ EBIT MARGIN (%)</b>									
<b>Game Segment</b>									
Daybreak	8%	2%	12%	8%	20%	12%	20%	21%	11%
Big Blue Bubble	58%	58%	53%	42%	31%	47%	44%	28%	53%
Piranha	35%	41%	4%	-25%	-55%	-74%	-53%	-29%	-3%
Toadman & AMG	-264%	-24%	-126%	-919%	-486%	-462%	-553%	-142%	-167%
Game total	31%	30%	16%	8%	14%	3%	6%	17%	18%
<b>Service Segment</b>									
Petrol	8%	2%	11%	-12%	21%	24%	3%	10%	6%
Fireshine Games	3%	13%	11%	21%	20%	15%	15%	2%	17%
Service total	6%	8%	11%	13%	20%	17%	11%	5%	13%
<b>GROUP TOTAL</b>	<b>24%</b>	<b>23%</b>	<b>13%</b>	<b>7%</b>	<b>14%</b>	<b>5%</b>	<b>4%</b>	<b>10%</b>	<b>15%</b>
<b>Employees on the last day of the period</b>									
<b>Game Segment</b>									
Daybreak	260	258	243	234	246	239	247	239	258
Big Blue Bubble	70	69	64	69	69	69	72	80	69
Piranha	81	72	70	77	77	80	77	75	72
Toadman	56	57	122	143	137	133	134	114	57
AMG	42	50	58	56	46	43	41	42	50
Game total	509	506	557	579	575	564	571	550	506
<b>Service Segment</b>									
Petrol	84	84	84	79	80	76	72	72	84
Fireshine Games	31	30	30	27	28	28	28	22	30
Service total	115	114	114	106	108	104	100	94	114
<b>Holding</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>8</b>	<b>6</b>	<b>7</b>	<b>14</b>	<b>12</b>	<b>9</b>
<b>GROUP TOTAL</b>	<b>633</b>	<b>629</b>	<b>681</b>	<b>693</b>	<b>689</b>	<b>675</b>	<b>685</b>	<b>656</b>	<b>629</b>

\* Proforma

# 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 Ringvägen 100, 118 60 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.

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

Jan-Mar 2023	Service Segment	Game Segment	Total Segments	Intra-group items and eliminations	Total group
Revenue from external customers	96.6	475.1	571.7	0.0	571.7
Revenues from other segments	0.0	0.0	0.0	0.0	0.0
<b>Net Revenue</b>	<b>96.6</b>	<b>475.1</b>	<b>571.7</b>	<b>0,0</b>	<b>571.7</b>
<b>Operating profit before depreciation and amortization (EBITDA)</b>	<b>7.7</b>	<b>205.3</b>	<b>213.0</b>	<b>-23.4</b>	<b>189.6</b>
Depreciation and amortization					-50.8
Financial net					-9.6
<b>Profit before tax</b>					<b>129.2</b>
Tax expense					-41.0
<b>NET PROFIT FROM CONTINUED OPERATIONS</b>					<b>88.2</b>
Profit from discontinued operations, net of tax					0.0
<b>NET PROFIT FOR THE YEAR</b>					<b>88.2</b>

Jan-Mar 2022	Service Segment	Game Segment	Total Segments	Intra-group items and eliminations	Total group
Revenue from external customers	145.5	255.6	401.1	-1.4	399.7
Revenues from other segments	0.0	0.0	0.0	0.0	0.0
<b>Net Revenue</b>	<b>145.5</b>	<b>255.6</b>	<b>401.1</b>	<b>-1,4</b>	<b>399.7</b>
<b>Operating profit before depreciation and amortization (EBITDA)</b>	<b>31.7</b>	<b>67.3</b>	<b>99.0</b>	<b>-13.6</b>	<b>85.4</b>
Depreciation and amortization					-51.6
Financial net					-3.0
<b>Profit before tax</b>					<b>30.7</b>
Tax expense					-22.9
<b>NET PROFIT FROM CONTINUED OPERATIONS</b>					<b>7.9</b>
Profit from discontinued operations, net of tax					-6.3
<b>NET PROFIT FOR THE YEAR</b>					<b>1.6</b>

### Note 3 - Revenue from Customer Contracts

Jan-Mar 2023	Service Segment	Game Segment	Group eliminations	Total group
<i>Geographical region</i>				
Europe	26.6	66.5	0.0	93.1
North America	49.4	378.1	0.0	427.5
Other markets	20.6	30.5	0.0	51.1
<b>Revenue from customer contracts</b>	<b>96.6</b>	<b>475.1</b>	<b>0.0</b>	<b>571.7</b>
<hr/>				
Jan-Mar 2022	Service Segment	Game Segment	Group eliminations	Total group
<i>Geographical region</i>				
Europe	60.1	40.9	-1.4	99.6
North America	70.5	204.7	0.0	275.2
Other markets	14.9	10.0	0.0	24.9
<b>Revenue from customer contracts</b>	<b>145.5</b>	<b>255.6</b>	<b>-1.4</b>	<b>399.7</b>

### Note 4 - Financial Instruments

*Valuation of financial assets and liabilities per Mar 31, 2023*

Financial assets	Financial assets valued at fair value through profit or loss	Financial assets valued at amortized cost	Total reported values
Accounts receivable	0.0	171.6	171.6
Cash and cash equivalents	0.0	452.9	452.9
<b>Total</b>	<b>0.0</b>	<b>624.6</b>	<b>624.6</b>
<hr/>			
Financial liabilities	Financial liabilities valued at fair value through profit or loss	Financial liabilities valued at amortized cost	Total reported values
Contingent consideration	85.5	0.0	85.5
Liabilities to credit institutions	0.0	5.0	5.0
Accounts payable	0.0	32.9	32.9
Leasing	0.0	40.2	40.2
Other acquisition related liabilities	0.0	171.9	171.9
Deferred revenue	0.0	121.4	121.4
Other financial liabilities	0.0	130.1	130.1
<b>Total</b>	<b>85.5</b>	<b>501.5</b>	<b>587.0</b>

*Valuation of financial assets and liabilities per Mar 31, 2022\**

<b>Financial assets</b>	Financial assets valued at fair value through profit or loss	Financial assets valued at amortized cost	Total reported values
Accounts receivable	0.0	243.2	243.2
Cash and cash equivalents	0.0	449.3	449.3
<b>Total</b>	<b>0.0</b>	<b>692.5</b>	<b>692.5</b>

<b>Financial liabilities</b>	Financial liabilities valued at fair value through profit or loss	Financial liabilities valued at amortized cost	Total reported values
Contingent consideration	138.3	0.0	138.3
Liabilities to credit institutions	0.0	405.4	405.4
Accounts payable	0.0	99.1	99.1
Leasing	0.0	71.4	71.4
Other acquisition related liabilities	0.0	218.5	218.5
Deferred revenue	0.0	120.5	120.5
Other financial liabilities	0.0	68.0	68.0
<b>Total</b>	<b>138.3</b>	<b>982.9</b>	<b>1,121.2</b>

\*Note: Innova is included in 2022.

### *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 16.3 percent.

<b>Contingent consideration</b>	<b>Jan-Mar 2023</b>	<b>Jan-Mar 2022</b>
At beginning of period	83.9	128.7
Acquisitions during the period	0.0	0.0
Payments	0.0	0.0
Interest	2.3	3.3
Reclassification through profit or loss	0.0	0.0
FX effect	-0.7	6.3
<b>At end of period</b>	<b>85.5</b>	<b>138.3</b>

### *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 5 - 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.

Income statement discontinued operations	QUARTER		ACCUMULATED
	JAN-MAR 2023	JAN-MAR 2022	JAN-DEC 2022
<i>SEKm</i>			
Net Revenue		52.6	197.2
Other Revenue		0.1	27.2
<b>Total Revenue</b>		<b>52.6</b>	<b>224.4</b>
<i>Operating expenses</i>			
Cost of goods sold		-16.6	-78.8
Other external expenses		-7.4	-22.5
Personnel expenses		-15.9	-57.9
Other expenses		-6.7	-7.4
<b>Operating profit before depreciation and amortization (EBITDA)</b>		<b>6.1</b>	<b>57.8</b>
Depreciation of tangible and right-of-use assets		-4.8	-14.1
<b>Operating profit before amortization of intangible assets (EBITA)</b>		<b>1.3</b>	<b>43.7</b>
Amortization of acquisition-related intangible assets		-7.4	-1,126.8
Amortization of other intangible assets		0.0	-0.2
<b>Operating profit (EBIT)</b>		<b>-6.1</b>	<b>-1,083.3</b>
Transactional result/Financial net		0.3	112.9
<b>Profit before tax</b>		<b>-5.8</b>	<b>-970.5</b>
Tax expense for the period		-0.5	-0.4
<b>NET PROFIT FROM DISCONTINUED OPERATIONS</b>		<b>-6.3</b>	<b>-970.8</b>

Balance sheet discontinued operations	Mar 2022	26 Sep 2022
Intangible non-current assets	17.9	27.7
Tangible non-current assets	5.2	9.1
Financial non-currents assets	48.9	48.3
Inventory	0.5	1.0
Current receivables	68.1	151.2
Cash and cash equivalents	72.4	121.7
Non-current liabilities	-4.2	-5.7
Current liabilities	-110.6	-241.3
<b>Net identifiable assets</b>	<b>98.4</b>	<b>112.0</b>

\*Innova is included in the group balance sheet as of Mar 2022.

**Note 6 - Significant Events After the Balance Date**

On April 1, 2023, EG7 completed the acquisition of Sympa Games a Serbian based entity where employees from the former Russian subsidiary Artplant OOO were reallocated. Total number of employees that relocated to the new Studio in Novi Sad, Serbia amounted to 52.



# THE SHARE AND SHAREHOLDERS

SHAREHOLDER (31-03-2023)	No. of Shares	Capital %
Settecento LTD	8,916,304	10.06%
Jason Epstein	8,575,379	9.68%
Dan Sten Olsson med familj och stiftelse	6,912,000	7.80%
Avanza Pension	5,306,011	5.99%
Alta Fox Capital	4,000,000	4.51%
Rasmus Davidsson	2,872,743	3.24%
Lloyd Fonds AG	2,838,270	3.20%
Alexander Albedj	2,692,105	3.04%
Handelsbanken Liv Försäkring AB	2,049,524	2.31%
Ji Ham	2,018,472	2.28%
Other shareholders	42,422,718	46.42%
Total	88,603,526	100%

EG7 stock is listed on Nasdaq First North Growth Market with the ticker symbol 'EG7.' As of March 31, 2023, the total number of shares outstanding was 88,603,526 and the closing share price was SEK 27.30 per share.

## RELATED PARTY TRANSACTIONS

The company did not make any material transactions with related parties during the period.

Related party	Related party transaction	Jan-Mar 2023	Jan-Dec 2022
Arte Actus Capital AB <sup>1)</sup>	Consulting services	0.5	1.1
Agnito Capital AB <sup>2)</sup>	Consulting services	0.5	0.0
Cold Iron LLC <sup>3)</sup>	Game developing - WFH contract	5.5	1.8
Petrol properties <sup>4)</sup>	Renting office premises	1.0	3.9
Pixelated Ink <sup>5)</sup>	Marketing services	0.0	12.2
Total		7.5	19.0

1) Arte Actus Capital AB is owned by Board member Alexander Albedj

2) Agnito Capital AB is owned by Board member Shum Singh

3) Cold Iron is owned by Jason Epstein, Chairman of the Board, and Ji Ham, Acting CEO

4) Petrol properties is owned by Alan Hunter and Ben Granados

5) Pixelated Ink is partially owned by Alan Hunter and Ben Granados

## 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](http://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.

# 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.

**FOR MORE INFORMATION, PLEASE CONTACT:**

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**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, Big Blue Bubble and Antimatter Games. 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 630 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](mailto:info@eminova.se)  
Phone: +46 8 684 211 00

**AUDITING**

This report has not been audited by the company's auditor.

**NEXT REPORT**

The next financial report will be published:

Interim report Q2 2023: August 15, 2023

Interim report Q3 2023: November 14, 2023

Interim report Q4 2023: February 13, 2024

**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 May 16, 2023.

# 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 May 16 2023

<b>Ji Ham</b>	<b>Jason Epstein</b>	<b>Alexander Albedj</b>	<b>Marie-Louise Gefwert</b>	<b>Shum Singh</b>	<b>Gunnar Lind</b>
<i>Acting Chief Executive Officer</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>