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Annual Report

January – December 2022

This is a translation of the Swedish original annual report.

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2022 IN BRIEF

2022 was a record year for EG7 with a Net Revenue of SEK 1,865.9 billion and Adjusted EBITDA of SEK 474.5 million. The growth for the year was 27.1 percent, and in local currencies the organic growth amounted to 6.2 percent.

Game Segment

Despite challenging comparable numbers, the Game Segment delivered a Net Revenue of SEK 1,243.4 million representing a growth of 36 percent. During the year, Management decided to discontinue the Marvel project, which enabled Management to focus the investments on more predictable projects. The Lord of the Ring Online delivered its strongest level of active players in many years following the successful 15th-year anniversary and the launch of the Amazon TV series, "*The Lord of the Rings: The Rings of Power*". My Singing Monsters reached new hights by end of the year following its 10-year-anniversary campaign and a viral success on TikTok, reaching over 2.5 billion hashtags and taking the game to the top of its category in the App Store in several countries. Toward the end of the year, Management reprioritized some of the development studios to focus on a more predictable Work-for-Hire (WFH) business, which also initiated a revaluation of certain owned development projects.

Service Segment

The Service segment delivered Net Revenue of SEK 622,5 million corresponding to a growth of 12 percent in the year. The Service Segment experienced easy comparable figures during the first nine months of 2022 due to the pandemic slowdown the year prior. This situation contributed to the Service Segment's remarkable growth during 2022. Fireshine continued its transition to a more diversified business model with growing digital distribution, in addition to its physical distribution. This has been achieved over the past two years by investing in digital publishing pipeline and capabilities. Petrol had a number or successful marketing campaigns during the year which further positioned them as the industry's leading marketing agency.

Successful Divestment

The unforeseen extraordinary geopolitical situation following the Russian-Ukraine conflict resulted in divestiture of its Russian business Innova. The divestment was successfully finalized in Q3 which contributed to a reduction of the risk level in the group meanwhile improving the cash balance with EUR 17 million. This transaction contributed to the group's strong net cash position and solid balance sheet, which all together give an attractive flexibility going forward.

Note: *Innova was divested on September 23, 2022, and is excluded from all actual and comparable figures unless otherwise stated. For further details please see note 27.*

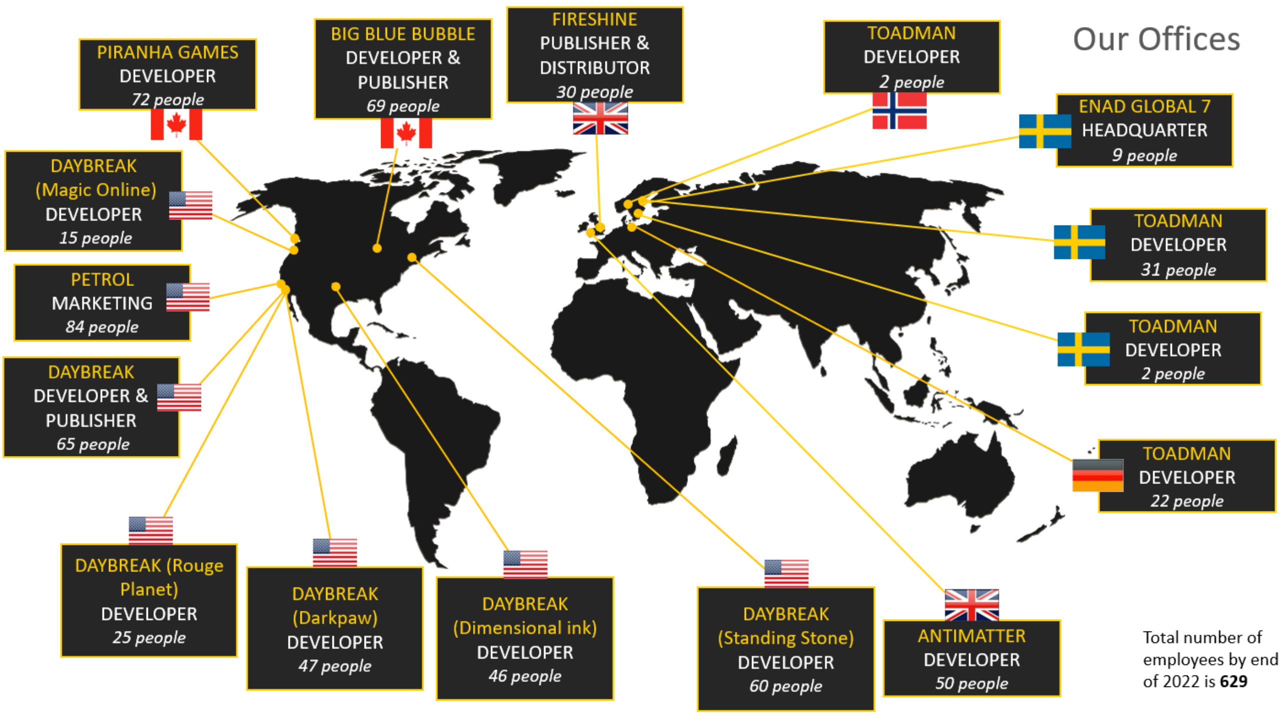
EG7 IN SHORT

EG7 is an international collective of established companies within the gaming industry that develops, markets, publishes, and distributes PC, console, and mobile games to the global gaming market. The Company's goal is to create a more modern and strategic way to be both a launchpad for various IPs as well as a service provider to the ever-increasing opportunities in the Gaming sector.

The group has a decentralised structure where EG7 functions as the group's parent company that consists of acquiring and administrating companies in the gaming sector, including but not limited to group strategy, financing, resource allocation and group management. The parent company currently serves as an active owner and works closely with business units in supportive and strategic role. EG7 secures the group's financial structure with external financing and makes strategic decisions about allocation of liquid funds to different and important internal development projects. Despite being a decentralised organization, business units can leverage the Group's affiliation, depth of experience, industry expertise and capital allocation for strengthened long-term growth.

The group´s Game segment employs approximately 500 people. EG7 develops and operates its own original IPs, as well as acts as consultants to other developers and publishers through its game development studios Daybreak Games, Piranha Games, Toadman Studios, Big Blue Bubble and Antimatter Games. EG7 is one of the most prolific online multiplayer game developers in the world, with a unique portfolio of live service games consisting of iconic first-party titles together with world renowned third-party IPs. This portfolio provides a solid foundation of strong ongoing, sustainable, and predictable revenues and cash flows.

The group's Service segment consists of Petrol and Fireshine. Petrol is seen as the industry's leading go-to marketing agency and has contributed to the release of 2,000+ titles, of which many are world-famous brands such as Call of Duty, Doom, Diablo and Elden Ring. Petrol's marketing campaigns have driven over 50 billion dollars in global sales for their clients. Fireshine has an expertise in both physical and digital publishing and has a long range of successful releases in its portfolio. EG7 is headquartered in Stockholm with approximately 630 employees in 16 offices throughout Europe and North America.



GROUP COMPANIES

Game Segment

Big Blue Bubble is a leading developer and publisher of mobile and PC games which includes the recent global viral sensation My Singing Monsters. An established studio with over 15 years in the industry, Big Blue Bubble has developed over 100 games, with a team of talented developers and artists who are passionate about creating fun and engaging games that can be enjoyed by players of all ages.

Notable titles include:

My Singing Monsters is a free-to-play game franchise by Big Blue Bubble where players collect and breed Monsters that sing and contribute to create songs. As players collect and buy Monsters, decorations, and costumes, they unlock new islands, each with their own Monster collections and unique songs to discover. Celebrating over 10 years, My Singing Monsters is a global viral success. In 2022, the game reached top 10 in over 100 countries in the iOS games category and #1 in more than 15 countries including some of the largest gaming countries like US and Canada.

Power Chord is a new roguelike deck builder from Big Blue Bubble with deep, complex gameplay, and a heavy metal aesthetic. Featuring unique party-based deck building mechanics. Power Chord gives players a massive degree of flexibility in play style with a high level of replay value. The game was released in January 2023 on PC, with a subsequent launch on the Nintendo Switch.

Daybreak Games is a global publisher and developer of massively multiplayer online (MMO) games. Best known for its renowned EverQuest, PlanetSide, and H1Z1 franchises, Daybreak also develops and publishes games based on popular third-party Ips such as DC Universe Online, Dungeons and Dragons Online, The Lord of the Rings Online and Magic: The Gathering Online. Daybreak has a proven track record of delivering some of the best and most immersive multiplayer online gaming experiences in the world.

Notable titles include:

EverQuest is a high-fantasy, free-to-play game that pioneered the massively multiplayer online role-playing game (MMORPG) genre when it launched in 1999. As the first commercially successful MMORPG to use a 3D game engine, EverQuest is widely regarded in the gaming industry as an icon and considered one of the best video games of all time. EverQuest II was released in 2004, delivering one of the deepest, most enchanting and persistent online worlds available.

DC Universe Online is a free-to-play massively multiplayer online (MMO) game set in the iconic DC Universe. Featuring action combat gameplay, players can create their own original characters and interact with famous heroes and villains from DC Comics.

PlanetSide 2 is a free-to-play, massively multiplayer online first-person shooter (MMOFPS) game. The game features intense battles with up to 2,000 players on a single map and includes a variety of infantry classes and vehicles for players to use. Hundreds of soldiers battle as one in strategic, targeted missions against enemy empires in a one-of-a-kind, revolutionary gameplay experience. PlanetSide 2 continues to be hailed and recognized as one of the best MMOFPS games available.

The Lord of the Rings Online is a free-to-play, massively multiplayer role-playing game (MMORPG) that immerses the world's greatest fellowship of players in the faithful online recreation of J.R.R. Tolkien's legendary Middle earth, set in renowned The Lord of the Rings locations including the Shire, the Mines of Moria, Lothlorien, Rohan, Gondor, and more. Players can create their own hero from thousands of character customizations, dive into instant adventure, partake in exciting, scalable battles, design and customize legendary weapons and more.

Magic: The Gathering Online is a free-to-download, digital adaptation of the popular collectible physical card game, Magic: The Gathering originally launched in 1993. It uses a virtual economy to maintain the collectability of the physical cards and allows players to join or create casual games for free in the Constructed Open Play area. The game was originally developed by Wizards of the Coast in 2002 and later transferred to Daybreak Games in 2022.

Dungeons & Dragons Online is based on the popular physical game which was originally launched in 1974. The game offers the authentic D&D gameplay experience in the form of a free-to-play, action filled massively multiplayer online role-playing game (MMORPG). Players enter a world of danger and adventure where they can build powerful customized heroes to take on trap and puzzle filled dungeon crawls and where every choice makes the difference between death or glory.

H1Z1, officially released in 2018, is free-to-play game, and the first standalone battle royale game that popularized the genre. Up to 100 players compete against each other in a last-man-standing deathmatch. Players can play solo, in a duo, or in groups of five, with the goal of being the last person or team standing. H1Z1 has inspired many other games, including Fortnite, and has over 40 million life-to-date registrations.

Piranha Games is a game developer with a focus on creating high-quality games. The team is made up of talented developers, artists, and industry professionals who are passionate about creating immersive and engaging gaming experiences for players around the world. Piranha Games is the home of the popular title: MechWarrior 5 and MechWarrior Online and offers a world class Work for Hire (WFH) services to clients looking to bring their own game ideas to life.**

Notable titles include:

MechWarrior Online is a free-to-play online game developed by Piranha Games, set in the BattleTech universe. Players control giant bipedal combat vehicles called battlemechs and battle against other players in various gameplay modes, such as deathmatch, King of the Hill, and Conquest. Winning battles earns players experience and in-game currency called "c-bills," which can be used to customize their battlemechs. The game was launched in 2013 and continues to see new expansions and updates.

MechWarrior 5: Mercenaries is a single player Mech game set in the BattleTech universe, developed by Piranha Games and released in 2019. It was originally an Epic Games Store exclusive but has since become available on other platforms. The game has received four successful downloadable content (DLC) expansions, with the latest, "Rise of Rasalhague," released in January 2023.

Toadman Interactive is a global game developer, known for its high-quality games and long history of Work for Hire (WFH) services. Founded in 2013, Toadman quickly got a reputation of having talented developers, and the studio has since then been working closely with its partners on a number of games such as: Stardoll Stylista, Dead Island 1 & 2, Battlestar Galactica, BloodSports and Killing Floor, to name a few.

Notable titles include:

Warhammer: Vermintide 2: Chaos Wastes, a first-person action video game released in 2018 Toadman was contracted and collaborated with Fatshark from initial idea to release with ongoing post-release support. Chaos Wastes did set new records for the IP and reached the highest number of online players since the original release.

Immortal: Unchained is an action-RPG game that combines fast-paced tactical combat with brutal melee and gunplay. Toadman was contracted for the full developed and release of the game. Immortan was the first 40 hour simultaneously released PC/Console game. With a wide range of weapon choices and build options, players can tailor their gameplay experience to their preferences.

ANTIMATTER GAMES

Antimatter Games is a game development studio known for high-quality, first-person games such as Dreadnought and The Mandate. In addition to its work-for-hire services, the studio has been focused on creating their own games during the last year. The team is currently working on I.G.I: Origins, a prequel to the popular series from the early 2000s. I.G.I: Origins trailers have racked up more than a million views.

Notable titles include:

Antimatter Games collaborated with Tripwire Interactive as a consultant on the Killing Floor franchise, delivering updates that include new maps, weapons, and gameplay modes. They have provided release trailers and promotional videos for the franchise. Antimatter provided art support for the sequel, Killing Floor 2, including characters, weapons, and particle effects, as well as produced promotional videos for the game.

Rising Storm and Rising Storm 2: Vietnam are first-person shooter games for PC that bring brutal, asymmetrical warfare to the iconic battlefields of World War II and the Vietnam War. Developed by Antimatter Games in collaboration with Tripwire, both games were well-received upon their release in 2013 and 2017, respectively. Rising Storm 2: Vietnam became a top 100 seller on Steam.

Service Segment

FIRESHINE GAMES

Fireshine Games is a reputable publisher, having sold over 11 million boxed games for acclaimed studios including Team17, Frontier Developments and Rebellion. Fireshine has successfully developed its digital publishing arm working in partnership with talented indie developers to bring their digital games to market with a first major title in early 2022.

Notable titles include:

Sniper Elite is a tactical shooter video game series developed by Rebellion Developments, where Fireshine managed the box publishing. The games, which are played in third-person perspective, emphasize stealth and long-range combat as players take on the role of a sniper. Fireshine Games has been responsible for the franchise’s box publishing, which has reached the top of box distribution charts several times, including the latest release, Sniper Elite 5, in 2022.

Jurassic World Evolution 2 was the highly anticipated sequel to the successful Jurassic World Evolution game, developed by Frontier. In its first few months of release in 2021, the game was able to sell nearly one million units, thanks in part to Fireshi
ne’s efforts in box distribution sales.

Core Keeper, winner of 'Best Social Game 2022' at the TIGA Games Industry Awards and with over one million units sold in the quarter following its release into Early Access, was Fireshine´s first digital indie publishing title. Core Keeper is a 1- to 8-player mining sandbox adventure set in an ancient cavern of creatures, treasures and trinkets,where playersmine relics and resources to build their base, craft new equipment and survive.

Petrol Advertising is a full-service advertising agency that has established itself as the industry's leading go-to marketing agency and has contributed to the release of 2,000+ titles, of which many are world famous brands such as Call of Duty, Doom, Diablo and Elden Ring. Petrol's Marketing Campaigns have driven over 50 billion dollars in global sales for their clients. Petrol's team of experienced professionals provides a wide range of services including strategy, creative development, media planning and buying, and digital marketing. The company prides itself in its proven ability to connect brands with consumers through innovative and effective marketing solutions.

Notable titles include:

Call of Duty is a highly acclaimed first-person shooter video game franchise published by Activision. Since its inception in 2003, the series has featured games set in various time periods, including World War II, the Cold War, and modern times. Petrol has been responsible for creating visual identity, primary key art, logo, icon, illustrations, and marketing campaigns for the franchise, including the successful campaign for Call of Duty: Modern Warfare II in 2022.

Assassin's Creed is a popular open-world, action-adventure, and stealth game franchise published by Ubisoft. Petrol worked with Ubisoft on the announcement of the latest instalment in the franchise and created a bold and aggressive vision featuring limitless potential set against a backdrop of pastoral and icy Nordic landscapes. Join the ranks of the Assassins and explore the vast open world of Assassin's Creed.

Petrol took the 25-year franchise and continued to push it in new directions for a new generation of gamers by capturing the spirit, take-no-prisoners essence of Bethesda's iconic Doomslayer with executions that spanned from Announcement to Launch. Petrol augmented those efforts with the E3 Announcement Trailer and Launch TV Trailer alongside a suite of Digital Assets that helped move more than 3 times the number of units sold, compared to 2016's Doom.

Cookie Run: Kingdom is an action role-playing gacha game for mobile by Devsisters. Petrol worked with Devsisters and cooked up an ambitious all new Go-To-Market strategy for Cookie Run: Kingdom. An extensively refreshed rebranding campaign spanned Key Art, star-driven Audio Visual and Digital, wrapped in a new brand line, "BE A REAL TOUGH COOKIE" that saw the game rise to the top of the charts.

WORD FROM THE CEO

Ji Ham, Acting CEO, Enad Global 7 AB (PUBL)

A record year

We are very pleased with the strong result that EG7 delivered in 2022: Net Revenue of SEK 1,865.9 (1,467.9) million, representing 27.1 percent growth over last year. Adjusted EBITDA for the year amounted to SEK 482.8 (324.8) million, which correspond to a 25.9 percent margin. Organic growth came in at 21.0 percent. Our organic growth in local currencies was 6.2 percent in a year when the industry was estimated to decline, according to Newzoo. We are very proud to deliver strong, continuing growth and improved profitability, despite the extraordinary geopolitical situation that prompted us to divest our Russian operation. With the successful divestment, we secured a payment of EUR 17 million at the closing of the deal, which significantly strengthened our balance sheet. 2022's results were driven by a strong performance from both the Service and Game segments.

The Service segment delivered Net Revenue of SEK 622.5 (556.3) million, giving an all-organic growth of 12 percent. During the first three quarters in 2022, the Service segment experienced relatively easy comparable figures due to the slowdown prior year during the pandemic. However, in 2022, Fireshine continued its transition to a more diversified business model of digital and physical distribution with continued investments in its digital publishing capability. The successful releases of digital indie titles at the beginning of the year became a key contributor. The success represents a proof of concept, an important milestone in Fireshine's transformation, and we are excited to see its digital publishing business continue to grow.

Petrol had several successful campaigns during the year with Elden Ring, JBL Quantum Cup, Marvel Snap and Call of Duty: Modern Warfare 2, just to name a few. This further strengthened its position as the industry's leading marketing agency.

The Gaming segment delivered Net revenue of SEK 1,243.4 (911.6) million and an Adjusted EBITDA of SEK 423.6 million for the year. Daybreak´s live games portfolio showed a solid performance despite tough comparable figures and came in line with our expectations. Piranha successfully delivered new content for MechWarrior 5 and MechWarrior Online and successfully ramped up the Work-for-Hire (WFH) business during Q3. This was followed by an additional WFH contract by Toadman in Q4. We are optimistic about the growth potential of our WFH business and believe it could be a growth driver for the company in the short- to medium-term.

A monster success

Big Blue Bubble´s My Singing Monsters game celebrated 10 years. Following a successful Easter and 10^{th}-year anniversary campaigns, My Singing Monsters became a viral success and was among the top 10 games in over 100 countries in the App store games category and reaching the No. 1 spot in more than 15 countries. We are very glad for the success of My Singing Monsters and look forward to its continued performance in 2023.

A strong foundation

2022 was a year of consolidation. The Group focused on significant and strategic decisions. Discontinuing the Marvel project has created opportunities for more predictable future investments. The divestment of our Russian operation, Innova, also contributed to further reducing the risk level in the Group while strengthening our balance sheet and cash position. As a result of these two actions, with a strong net cash position and a solid balance sheet, combined with our portfolio of successful online live game titles that have demonstrated resilience during previous market downturns, EG7 has the flexibility and agility and is well positioned to capitalize on any future and emerging opportunities.

Focus on shareholder value creation

We have made significant strides in strengthening our foundation and driving solid growth. We are committed to optimizing and improving the positioning of our business for long-term success and shareholder value creation.

SUSTAINABILITY REPORT - 2022

A sustainable business-model

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's game segment employs approximately 500 people and develops its own original IPs, as well as acts as consultants 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 world famous brands such as Call of Duty, Doom, Diablo, and Elden Ring. The group's publishing and distribution department Fireshine Games holds invaluable expertise in both physical and digital publishing. EG7 is headquartered in Stockholm with approximately 630 employees in 16 offices throughout Europe and North America.

Games have always filled a vital part of human needs when it comes to competition, socialization and development. As the world has become more digital in the last decades so has gaming, and it is in this segment of digital gaming and entertainment that EG7 and our group companies operate.

As a global group of businesses within the growing gaming industry spread across Europe and North America, the parent company's role is to provide an attractive environment to facilitate and support the operative units in their long-term growth. A model built on empowerment by active ownership and decentralization. EG7s long term-growth is driven by organic growth together with selective M&A activities. All strategic decisions and potential M&A activities that EG7 engages in must improve the long-term risk-reward profile and contribute to shareholder value creation. To fulfill these fundamental needs, all strategic decisions must be sustainable.

At EG7, the sustainability work is based on our analysis of important sustainability issues where we as a group can have a material impact. During 2022, the group initiated its combined sustainability work and has set the foundation for the future workflow regarding sustainability. The parent company set the overall sustainability strategy for the group with the main goal of becoming compatible with the EU Taxonomy no later than year 2025. Being a decentralized group, each operating unit adapts to the sustainability framework, defining relevant KPIs and targets in accordance with their context and core business.

At EG7 we advocate Agenda 2030 and the methodology to sustainable work that the UN Sustainable Development Goals (SDG) provides. We have identified 7 of the SDGs where we find that we have opportunity to contribute and therefore a responsibility to do so. These are:

- *SDG 3 Good health and well-being*
- *SDG 4 Quality education*
- *SDG 5 Gender equality*
- *SDG 8 Decent work and economic growth*
- *SDG 10 Promote social inclusion of all*
- *SDG 12 Responsible consumption and production*
- *SDG 16 Peace, Justice, and Strong Institutions*

EG7 Sustainability Workflow

Sustainability Governance

The Board of Directors oversee, set, and approve the sustainability strategy. To ensure that the sustainability work gets the right amount of attention at the Board level, the sustainability work has been integrated into the audit committee that oversees the Sustainability Team. The Sustainability Team reports progress regarding the group's sustainability to the Audit & Sustainability committee once a quarter for continued governance and feedback.

Sustainability Team

The Sustainability Team consist of members from group finance and is led by the Sustainability Manager. This is to ensure that the sustainability strategy is traced accurately and continues to develop across the group. The Sustainability Team decides on individual targets for our sustainability priorities and assesses target achievements. The Sustainability Team is also responsible for composing the Sustainability Report, while the Sustainability Committee reviews and approves it. The Sustainability Team works in close collaboration with the operative units. The operative units contribute to the sustainability goals and strategy in their daily operations, and report sustainability data to the parent company. The execution of the strategy is adjusted to the specific conditions of each operative unit, according to EG7's decentralized business model. The Sustainability Team proposes strategies to achieve these targets, to promote efficient execution of the strategies and to enable rapid achievement of the targets.

Stakeholder mapping

The dialogue and exchange of ideas with stakeholders is a vital cornerstone in EG7's sustainability work. EG7 is in continuous and close contact with our stakeholders, and we value the two-way communication we have, to learn and share new knowledge and ideas. An active stakeholder dialogue is integrated into our daily operations throughout the organization and altered depending on what stakeholders we are engaged with. To create value, it is important for us as a business to be responsive to the feedback we get from our employees, game communities, shareholders, the media, clients, NGOs, local communities, and authorities together with other stakeholders.

EG7 Sustainability Framework

Sustainability pillars

EG7's sustainability framework is built up on the three pillars: Environmental, Social and Corporate Governance. This is to give a clear framework that is easy to interpret and follow, for internal and external stakeholders alike.

Environmental work	Social work	Corporate Governance work

Environmental

Environmental and climate protection are key corporate objectives for EG7. Operational practices that reduce any environmental burden associated with our activities are promoted. Innovative developments in products and services that offer environmental and social benefits are supported. As an established global company, EG7 bears the responsibility to see and understand our environmental impact. We contribute to and support precautionary approaches to environmental challenges. We care for the environment in our way of doing business, and it is our policy to review our business partners and make necessary controls to ensure that they work in a sustainable way, that complies with our sustainability view.

As a company within the digital entertainment industry EG7 has relatively low Scope 1 and 2 emissions. However, in our work to reduce our footprint we look at what activities in our operations that has the largest impact and see how we can change our operations to reduce our greenhouse gas (GHG) emissions. It is evident that most of EG7's emissions are derived from scope 3 throughout our value chain. In the Gaming sector it starts upstream at the production of PCs, smart phones, consoles, and TVs and ends downstream with the energy consumed when playing our games on the same hardware together with the data servers that our games are run on, business travel, employee commuting and the use of sold products. This makes it challenging to track and reduce some emissions in our Scope 3 and makes EG7 dependent on more climate-friendly technology.

Scope 1 – All Direct Emissions from the activities of or under control by EG7. Including fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks.

- As EG7 leases all office space, nor own any fleet vehicles, we have very limited Scope 1 emissions.

Scope 2 – All indirect emissions from the generation of purchased energy from utility providers, emissions released in the atmosphere, from the consumption of purchased electricity, steam, heat and cooling by EG7.

- Our long-term goal is to have 100% of feasible data centers with external partners. As of December 2022, 92% of all data centers were with external partners. The move to external data centers lowers EG7's Scope 2 emission but increases Scope 3 emission.
- The move to external data centers is a process that we take step-by-step and must be evaluated against cost and risk of disruption. EG7's goal to only use external data centers is because with selected partner, the data storage becomes more GHG efficient. For example, our largest partner in Europe, Hetzner is powered by 100 percent renewable energy. In North America, our largest partner is Switch, which also is 100 percent renewably powered and has received ESG Credit indicator report card by S&P Global and the only provider to receive a E-1 rating.

Scope 3 – All Other Indirect Emissions from activities of EG7, occurring from sources that we do not own or control. This is the greatest share of the carbon footprint, covering emissions associated with business travel, procurement, waste, water and gamers when playing our games. The GHG emissions from gamers playing our games is estimated to be the largest part of EG7's Scope 3 emissions.

- At HQ, we use reused IT equipment to lower our upstream footprint.
- Our offices are largely located near local transportation hubs to facilitate and enable employees to use public transport to and from work.
- Minimizes business travel and try to have as many digital meetings as rationally possible.
- As a gaming company we rely on data centers to operate. To analyze the effectiveness of our external data centers we measure Power Usage Effectiveness (PUE). It is a measure of how efficiently data centers uses energy. It is calculated by dividing the total amount of energy used by a data center by the energy used by its IT infrastructure. A PUE of 1.0 would indicate that all of the energy used by the data center is being used by its IT infrastructure, while a PUE of 2.0 would indicate that half of the energy used by the data center is being wasted on things like cooling, lighting, and other non-IT related tasks.
- In 2022, the weighted average PUE for our external Data centers that reported PUE was 1.19. PUE figures were collected from 77 percent of our external data centers.
- Another important element in the work to lower our GHG emission and carbon footprint is the power source used for our offices and data centers. In 2022, approximately 73 percent of our external data centers were powered by renewable energy. Amounting to almost 67 percent of the group's total data capacity.

- We further apply a flexible office culture where each business unit decide by themselves how many days per week each employee needs to be at the office vs. working from home, this further eliminating the usage of public transportation and reducing that carbon footprint.

Social

EG7 is a fast-growing company with 629 employees across Europe and north America. Our social responsibility spans to all our stakeholders. However, EG7s main priority is toward our employees, game communities, gamers, corporate clients/partners, and shareholders.

Equality & Inclusion

As for all organizations within the gaming industry our employees are our most important asset. As the competition for talented personnel is fierce, it is important for EG7 to support our business units in their work to attract and retain talent. We offer a creative and inclusive environment with good work-life balance, the business-units have their own local variance of our culture. These local differences are supported at group level as we believe that local management knows their business best and have the insights on how to standout in their local job markets as an attractive employer. We are committed to creating a diverse and inclusive workplace that appreciates and respects all employees, regardless of their background or identity. This includes promoting equal opportunities for men, women or other identification within the company and supporting the careers of female employees.

Some business units actively engage with local universities to support programs in our industry through scholarships and internships for both underprivileged and talented individuals. Many of these interns have moved on to become successful full-time employees within our organization.

We strive to create a safe and welcoming work environment for all employees, regardless of their gender, ethnicity, background, sexual orientation, parental status, religion, political opinion, nationality, disability, age, union membership and any other characteristic. We have a strict zero tolerance policy for harassment and discrimination, and we offer resources and support if employees would experience these issues.

All hiring, promotional and remuneration decisions within the group are merely based on employee assessment, and there is no room for favoritism or discrimination. As EG7 operates in a highly competitive industry, there is only room for the best individual at each function to continue our competitive operation. We also appreciate the importance of diversity and inclusivity in the games we create, publish, operate and market. We strive to create diverse and representative storytelling in our games, and we are committed to continually improving in this area.

Overall, our commitment to diversity and inclusivity is a core part of our sustainability efforts, as we believe that it is essential for the growth and success of the group and the industry as a whole. By promoting equality and inclusion for all employees, including female employees, we believe that we can create a stronger and more vibrant gaming community for everyone.

Work Environment

We offer all our employees a safe and inclusive environment. We are proud of our diversified environment throughout the group. We strongly believe that the more diverse our teams are, the more competitive we are in meeting our key stakeholders' needs. As a successful group within the gaming industry our talented employees are our most valuable resource, and we work hard to make sure that they feel safe and secure while being a part of EG7.

2022 was a year of consolidation where we divested our Russian business unit Innova as a result from the war in Ukraine. Throughout the divestment process a safe transition for the 194 employees at Innova was a main priority and a key factor when finalizing the deal.

As an outcome from U.S. Supreme Court's decision to repeal the Roe v. Wade 410 U.S. 113 act in June our local business unit Daybreak, which operates in the state of Texas, declared that they will provide the necessary health care services support to employees by offering travel assistance to employees who participate in the company health care programs and may require reproductive healthcare that are not available in the employee's state of residence but are lawfully available in another state.

Health and Safety

EG7 promotes a safe and healthy work environment for all employees and complies with all applicable health and safety regulations. Each individual group company is responsible and takes appropriate action to prevent workplace accidents or illnesses. In 2022, there were no workplace accidents.

Employee Turnover

As hiring is expensive and the loss of key employees can disrupt performance, we believe the constant work and development on our in-house culture is a vital part of the retention work. EG7 offers a creative and inclusive environment with a good work-life balance. To create a strong and inclusive culture, we believe that employees should work from the offices, when possible, as it is important for us as an employer to easily identify potential signs of depression or dissatisfaction. To enhance a good work-life balance throughout the group, we use flexible working hours, remote working possibility, and the opportunity to work from a different studio within the group, as needed. However, to create a strong and inclusive culture, we encourage work from the offices when possible and have set dates during the week when employees should work from the offices to enhance and develop a strong team spirit. We receive feedback from employees during their exit interviews prior to their departure with the company. This helps us understand and collect feedback on areas where we can improve.

Training & Development

EG7 provides and encourages learning opportunities for the employees. EG7 supports opportunities for growth and multiple educational opportunities in a range of related fields. By helping employees in their personal growth and to develop their skills, we believe it will help EG7 in our future growth. Throughout the group, we have Hack Fridays at all our gaming studios. Hack Friday is when employees get the opportunity to try new domains of their choice within their field of work. Hack Fridays take different forms at different studios, from a week per year to a Friday per month, depending on what works best at the individual studio.

Responsible Marketing

With one of the industry's best known marketing agencies -- Petrol -- as one of our business units, EG7 is able leverage our marketing influence throughout the industry. PC and Console shooter games are a large part of our client base, and we work with our clients to inspire and evoke emotion around the game rather than simply showing guns and violence. Within the genre and working closely with our clients, we have been ahead of the curve in featuring a more diversified set of characters of different ethnicity and gender. With our mobile marketing projects, we follow GDPR and local privacy laws to ensure the safety of consumers data and privacy both in marketing campaigns as well as user acquisition (UA).

Support of Local Economies

EG7 contributes to the local economy's growth by directly and indirectly creating jobs, as well as paying taxes and fulfilling duties where our business is conducted. This is done by running a sound and profitable operation. We support and use local suppliers to the extent that it is economically sound. Our zero-tolerance policy regarding receiving and paying bribes further helps to support a sound economic ecosystem where we operate.

Code of Business Conduct

EG7 has a common Code of Business Conduct for the entire group. The Code of Business Conduct has been distributed among all employees throughout the group and has been made available on our website for all to access. The basic principles for each employee's conduct towards colleagues and companies, as well as EG7's responsibility and conduct, are included as part of each employment contract.

Whistleblowing Policy

To ensure EG7 operates with sound business ethics, EG7 encourages employees to speak out should they notice behavior that is not in line with the Code of Business Conduct. In 2022, EG7 reinforced these processes with channels to circumvent management layers depending on the nature of the complaint the employee has.

EG7's whistleblower policy encourages employees to report illegal, unethical, or inappropriate behavior or practices. The policy applies to irregularities committed by employees in key leading positions within EG7 or its portfolio companies. To ensure a credible whistleblower process, we are working with Nordic Whistle to guarantee that employees are anonymous when reporting events that are not in line with EG7's Code of Business Conduct. The whistleblowing policy and framework has been presented to all employees throughout the group and is available on our website for all to access. During 2022, zero unethical matters were reported.

Game Communities and Gamers

As home to some of the most iconic live games in the world, EG7 has a responsibility to the communities that we serve. We have both in-game forums and Discord, which are open to all without a paywall. Each game has in-game and forum rules as well as Terms of Service posted and easy to find that outlines inappropriate behavior. In Discord, we use bots to block a list of words from use in our channels. We also have rules posted which users must agree to before being able to post in our channels. There is a report feature in each post that users may report violations or bad behavior to a moderator for review. We use the timeout, kick, or ban Discord features to handle those players who circumvent the rules, insult, bully, or are overtly disruptive in our channels. Checks are run often to remove people who cheat or circumvent posted rules by using disallowed programs. Customer Service are actively watching for and removing or sanctioning people who use cheat programs or are disruptive or bullying others either via in-game or through our ticketing system. We maintain a presence in the forums and Discord channels to provide a more personal touch to our player base. The community managers, developers and designers respond to questions and concerns as soon as possible. This provides players a higher level of comfort and patience knowing we are human and not a computer. We respond with a personal touch on our social media platforms as well, when possible, to let players see that we have a presence. Popping into player streams and chatting with the players show our human side and encourages camaraderie between staff and players. We support and engage with non-toxic players. In some of our live games we host feel-good events, livestreams, or live Q&As.

Governance

Data Privacy

We have an extensive privacy policy and follow both GDPR and local privacy laws. Very little personal information is available to members of the community teams and is mostly managed by Customer Service whose team members do not have any public-facing access or personifications. This synergy leads to a very robust privacy environment.

By analyzing user data, it enables us to identify behavior patterns and other insights, which allow us to develop better games and game experience. The interactions between our studios and gamers/game communities are a key intelligence when developing and improving games and new functions. However, in this form of communication, limited personal information is available to members of the development teams. Data privacy and data protection are an ongoing project that demands continuous improvement. It is vital that users feel that their privacy and data are protected, at all times. We constantly work to protect our players from card fraud when playing our games and comply with all applicable regulations. We intend for 100 percent of confirmed incidents to be acted on. In 2022, there were zero confirmed material data breaches reported. EG7 is diligent in following the rules regarding data privacy, GDPR specifically, but all local rules and procedures are important. Maintaining and monitoring data privacy is integrated in our daily work throughout the group and our games. At EG7, we have our own social network built into many of our games. Basic general personal data is collected to give users the ability to play games on multiple devices and store their progress. One key service in some of our games is to be able to help players in recovering their games if they get issues with their devices. The use of data varies between EG7's business units, as some data is used for cross-selling and others are occasionally used for interaction with the game communities.

Preventing Bribery & Corruption

At EG7, there is zero tolerance to be in any way involved or implicated in the payment of bribes or corrupt practices, whether directly or indirectly. Facilitation payments to expedite a non-discretionary action or service (such as obtaining a permit or license or passage through customs), are also prohibited. We follow requirements of conduct set in applicable anti-bribery and anti-corruption law and regulations in all the geographies where we have operations.

Modest gifts and corporate hospitality can be part of building and maintaining good business relationships and are often a normal courtesy. However, gifts and benefits also can be offered as a subtle form of influence to gain preferential treatment. Care should be taken to ensure that any gifts or hospitality (whether given or received) are appropriate and could not be perceived as influencing any individual or entity in an improper manner.

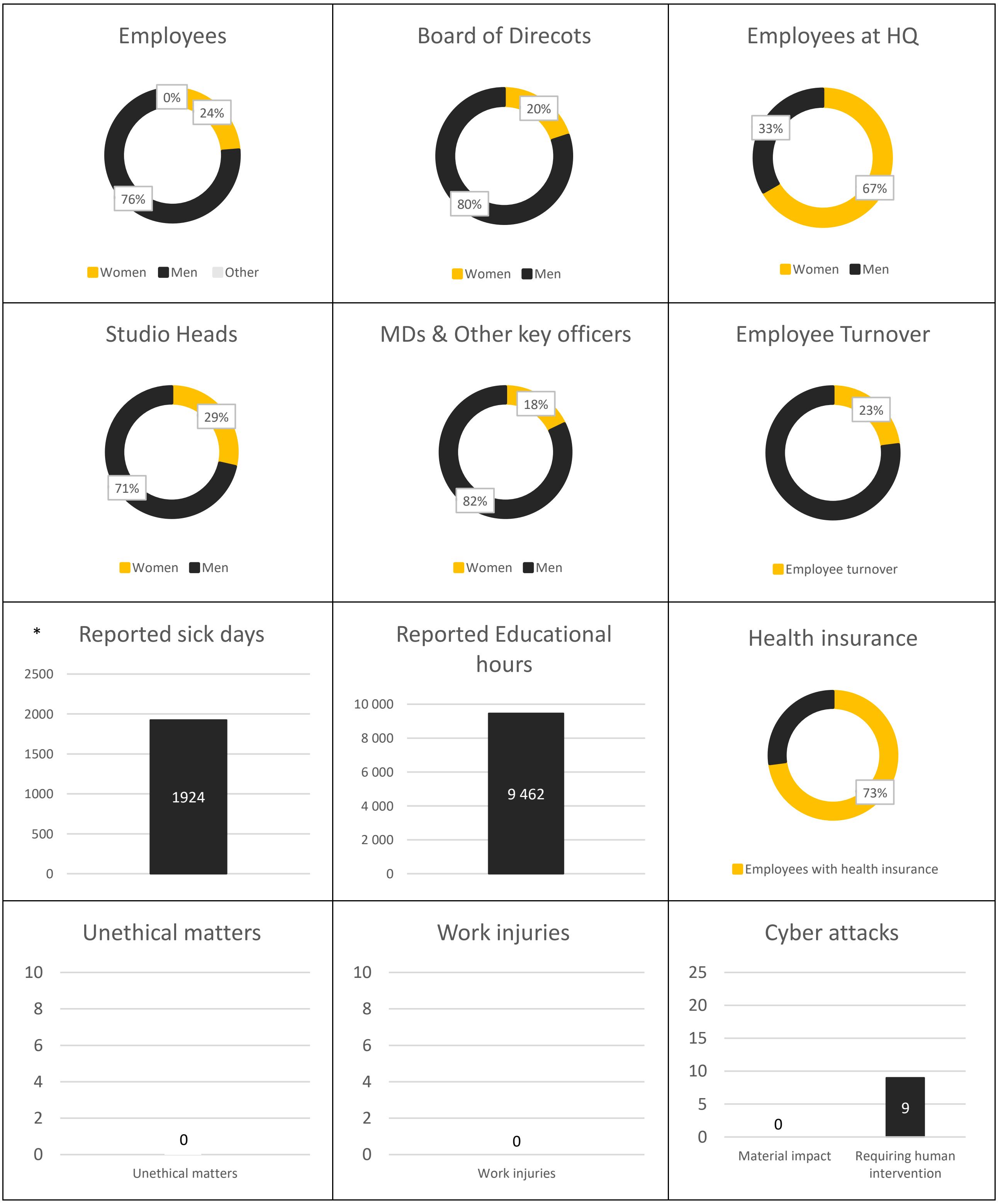
Particular care should be taken when EG7 deals, directly or indirectly, with public officials. These include government employees, candidates for political office, political party members, and any person acting in an official capacity on behalf of a government entity. Giving anything of value to a public official is generally forbidden. Employees must consult with the EG7 Legal Department and obtain specific approval before making any payment or giving anything of value to a public official.

Anti-Money Laundering

Anti-money laundering laws impose significant penalties for possessing, acquiring, dealing with, or hiding the proceeds of crime, as well as concealing the identity of illegally obtained money so it appears to have come from a lawful source.

Conducting appropriate third-party due diligence to verify the identity of our partners is central to mitigating the risk of money laundering and ensure that there are no legal barriers to engage in business with them. We exercise particular caution when EG7 is requested to receive or make payments to an entity that is not a party to the transaction, where money is routed through unrelated countries, or where payments are made or received in anonymous forms (such as cash or prepaid cards).

Ratios



*Employees at Daybreak are excluded due to local legislation.

Our community engagements

RISK AND RISK MANAGEMENT

Risk Management

Changes in the operating environment as well as the Group's own activities can affect the Group's result, financial position and cashflow. Risk management aims to clarify and analyse the risks that EG7 faces, and to a certain extent, prevent and limit any negative effects. The Board of Directors has the overall responsibility for the Group's risk management, where the Audit committee is responsible for the performance of an annual evaluation. EG7's risk management process includes identifying, evaluating, prioritizing and preventing risks within the business, at both group level and per operational unit. Risk management is integrated to all business processes and is managed through implemented internal control. Identified risks assessed to have the greatest effect on the Group's financial position in terms of possible impact, probability and consequence are prioritized.

Risks

Some of the Group's risks are presented below. The risks are not arranged by order of importance or potential financial impact. The risks below do not represent all risks and are not exhaustive as other risks not currently known to the company may also affect the Group's future profit, financial position and operations.

Risks related to the group's business and industry

Development in the game industry is largely driven by demands and requirements from end customers, game developers, and publishers. The Group must constantly offer new products and services in order to be competitive. There is a risk that investments may generate less revenue than expected, if the Group fails to develop new games or update existing games according to customer preferences. If EG7 is not successful in the current and future offer, there is also a risk that the Group's reputation amongst customers is damaged, which may lead to difficulties with retention of existing customers as well as attracting new customers.

The Group acts on a highly competitive market and there is a risk that competitors are faster and more successful in the development of new games, services and technology. The Group may fail to select products to develop or technologies to use, which may lead to a deteriorating market position.

Financial risk

The Group is exposed to various financial risks such as credit risk, market risk and liquidity risk. As an actor on an international market, EG7 is also exposed to currency risks, primarily in the form of translation exposure and transaction exposure. For a more detailed description of the Group's financial risks, see Note 20.

Risk related to employees

EG7 is dependent on employee's knowledge and expertise, as well as the ability to recruit and retain key personnel in the future. Should a key employee resign, there is a risk that the Group may not be able to recruit or replace the employee with the desired competence or within a reasonable time. There is a continued high demand of competence within the occupational categories that EG7 is dependent of, and difficulties to recruit new and retain current employees may lead to delays in projects and increased cost for development.

Risk related to IT & new technology

EG7 relies on efficient and uninterrupted operations of different IT systems to run the various operational activities. A significant collapse or other disturbance in the IT systems would affect the ability to conduct operations with regards to product development, carry our efficient sales or invoicing and delivery of product and services to customers. The Group is also exposed to risks related to hacking, viruses, sabotage and other cybercrime. Further, the Group could be held liable of damage and thus result in increased cost and damaged reputation.

The industry in which the Group operates in is characterized by a widespread of new technology, new hardware and new types of game consoles. EG7 acts on highly competitive market and difficulties with developing and adapting to new technology may lead to a deteriorated market position.

Compliance and regulatory risk

EG7 is operating in several different jurisdictions across the world, many of which have their own individual laws and regulations relating specifically to the gaming businesses. The Company's non-compliance or deemed non-compliance with any of these local laws and regulations could result in such games needing to be withdrawn from such jurisdictions, which could have a material adverse effect on the Company's revenue, as well as its reputation and financial condition.

There is a risk that the EG7's interpretation of tax legislation and tax practices in each country where they operate (including rules and requirements relating to VAT and transfer pricing) are incorrect, or that such rules or practices change, and the consequences may adversely affect the company's results.

As the Company handles personal data for customers, incorrect handling or a data breach could lead to high administrative penalties such as civil and/or criminal law measures imposed by Data protection authorities. Further, there is a risk that the Company may be adversely affected by changes to the GDPR or interpretation of the GDPR which may as well affect the Company's reputation in relation to publishers, partners, and customers within the game industry.

Geopolitical risk

EG7 acts on a global market and is affected by general economic development, industry trends and customer preferences. There is a risk that the market that EG7 acts upon is affected by geopolitical events outside of the Groups' control, such as changes to monetary policy, shifts in regulatory regime and other political decisions. Geopolitical events may have a significant effect on the Group's result, revenues and operational activities.

Risk related to goodwill and intangible assets

Goodwill represents the largest share of the asset on the Group's balance sheet, as of 31st December 2022 Goodwill amounts to SEK 3,284.9 million. Goodwill is recognized as an intangible asset and is subject to impairment review, at least annually or upon the occurrence of events that indicates an impairment of the assets in question. EG7 continuously evaluates the value of other intangible assets, such as capitalized work for games and licenses, which requires several estimates and assessments. Indications of an incorrect valuation, changes in estimates or other factors that would affect the current value may lead to significant impairments of the Groups' intangible assets.

CORPORATE GOVERNANCE REPORT

Background
Enad Global 7 AB (publ) is a public limited liability company, with corporate registration number 556923-2837 and with its registered office in Stockholm. Shares in Enad Global 7 AB (publ) are traded on Nasdaq First North under the ticker symbol EG7.

Corporate Governance
The Board of Directors is appointed by the nomination committee and elected at the company's annual general meeting. The Chairman of the Board leads the work of the Board and initiates the company's annual general meeting. Enad Global 7 AB (publ) is a public company governed by Swedish law. The company is listed on Nasdaq First North stock exchange which is a non-regulated marketplace and therefore does not need to apply the Swedish Code of Corporate Governance. The company has therefore chosen not to follow this.

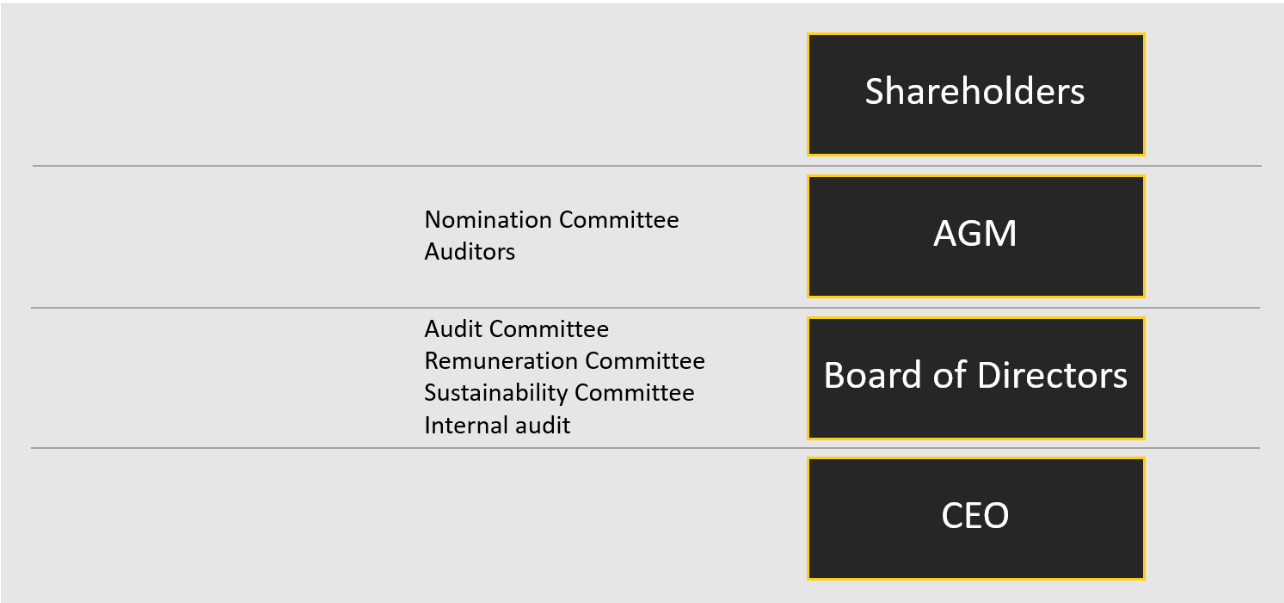
General shareholder meeting
Pursuant to the Swedish Companies Act, the general meeting is the Company's highest decision-making body. At the general meeting, the shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, appropriation of the company's profit, discharge from liability of board members and the CEO, election of board members and auditors and remuneration of the board and auditors.

In addition to the annual general meeting (AGM), extraordinary general shareholder meetings may be convened. In accordance Enad Global 7 AB articles of association, convening notices for the annual general meeting and extraordinary general shareholder meetings are made by announcement in the Swedish Official Gazette and by making the convening notice available on the Enad Global 7 AB website. An announcement that notice has been given is published in Dagens Industri.

Right to attend general shareholder meetings
All shareholders who are directly registered in the share register maintained by Euroclear Sweden AB five weekdays before the general meeting and have notified the company of their intention to participate (with any advisors) in the general meeting no later than the date stated in the notice convening the general meeting have the right to attend the general meeting and vote for the number of shares they hold. Shareholders may attend the general shareholder meeting in person or by proxy and may also be accompanied by a maximum of two advisors. Shareholders can normally register for the general shareholder meeting in several different ways stated in the convening notice for the meeting.

Shareholder initiatives
Shareholders who wish to have a matter addressed at the general shareholder meeting must submit a written request to the Board of Directors.

Governance model



Articles of Association Enad Global 7 AB (publ)

1 Company Name: The name of the company is Enad Global 7 AB (publ).
2 Registered Office: The Board of Directors shall have its registered office in the municipality of Stockholm, county of Sweden.
3 Object of the Company: The company shall mainly carry out manufacturing, marketing and sales, within and outside of Sweden, of digital and analogue games and to conduct activities related to the aforementioned. The company shall also carry out trading in real estate and chattels and to conduct activities related to the aforementioned.
4 Share Capital: The share capital shall be no less than SEK 3,470,000 and no more than SEK 13,880,000.
5 Number of Shares: The number of shares shall be no less than 86,700,000 and no more than 346,800,000.
6 Board of Directors: The Board of Directors shall consist of a minimum of three and a maximum of nine directors and a minimum of zero and a maximum of three deputy directors.
7 Auditors: For the review of the company's annual report as well as and the management pursued by the Board of Directors and the managing director, one or two auditors, or one registered audit firm, shall be appointed at the annual general meeting for a period ending at the end of the next annual general meeting.
8 Convening of a General Meeting: Notice of general meetings shall be made by announcement in the Official Swedish Gazette and by posting the notice on the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Dagens Industri. General meetings are held where the company has its registered office.
9 Proxy collection and postal voting: The Board of Directors may collect proxies at the company´s expense in compliance with the procedure set out in chapter 7 section 4 paragraph 2 of the Swedish Companies Act (2005:551).
The Board of Directors may receive, ahead of a general meeting of the shareholders, that the shareholders shall be entitled to exercise their voting rights by post prior to the meeting.
10 Notification for General Meetings: A shareholder that wishes to participate in a general meeting must be recorded in a printout or other transcript of the share register on the date as specified on the Swedish Companies Act, and notify the company of his/her, and any advisors (no more than two), intention to attend the meeting no later than on the date stated in the notice of the meeting. Such a date may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday prior to the general meeting.
11 Opening of General Meetings: The chairman of the Board or anyone appointed by the Board of Directors opens the meeting and lead the meeting until the chairman of the meeting has been appointed.
12 Matters of the Annual General Meeting: The annual general meeting is held within six months after the last financial year. At the annual general meeting, the following matters shall be considered:
1. Election of chairman of the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or more persons to certify the minutes.
5. Examination of whether the meeting has been properly convened.
6. Presentation of the annual report and the auditors' report and the group annual report and the group auditor´s report.
7. Resolutions regarding:
a) adoption of income statement and balance sheet and the income statement and the group balance sheet.
b) decision regarding the profit or loss of the company in accordance with the adopted balance sheet,
c) discharge from liability of the Board of Directors and the managing director.
8. Determination of the number of directors and auditors.
9. Determination of fees to the Board of Directors and to the auditors.
10. Election of the Board of Directors and auditors.
11. Any other matter to be dealt with by the meeting according to the Swedish Companies Act (SFS 2005:551) or the articles of association.

At the Annual General Meeting, each person entitled to vote may vote for the entire number of shares owned and authorized by proxy, without limitation on the number of votes.
13 Fiscal Year: The fiscal year of the company shall be 1 January – 31 December.
14 Record Day Provision: A shareholder or nominee that is registered in the share register and a CSD register on the record date, in accordance with Ch. 4 the Central Securities Depositories and Financial Instruments Accounts Act (SFS 1998:1479), or registered in a CSD account pursuant to Ch. 4 Sec. 18 first § item 6-8 of the aforementioned act, is deemed to have the right to exercise the rights stipulated in Ch. 4 Sec. 39 the Swedish Companies Act (SFS 2005:551).

Board of Directors

Position	Name	Age	Gender	Elected	Committee	Meetings
Chairman	Jason Epstein	49	Male	2021		18/18
Director	Alexander Albedj	34	Male	2017	Remuneration, Audit & Sustainability	25/25
Director	Shumsher Singh	49	Male	2022		5/6
Director	Marie-Louise Hellström Gefwert	70	Female	2017	Audit & Sustainability	23/23
Director	Gunnar Lind	65	Male	2019	Remuneration	19/20

Chairman of the Board, Jason Epstein
Born in 1973, is Chairman and a director of the Board of the Company since 2021 and holds 7,999,092 shares of the Company equivalent to 9.0 percent of all shares and votes.
Experience: Seasoned private equity investor and entrepreneur for the last 25 years.
Current assignments: Harmonix Music Systems LLC, Cold Iron Studios LLC, Chloe's Soft Serve Group Company LLC, Remarkable LLC.
Previous assignments: CIFC, 300 Entertainment LLC, MapAnything, Rhapsody International, GenePeeks, Odyssey Online.
Position of dependency: Independent in relation to major shareholders, independent in relation to the company and management.

Board member, Alexander Albedj
Born in 1989, is a Director of the Board of the Company since 2017 and holds 1,912,706 shares and 2.2 percent of all shares and votes of the Company.
Experience: Private investor with financial industry experience from Goldman Sachs, UB Capital and IF Försäkringar.
Current assignments: Chairman of the Board of ZignSec AB (publ), Director of the Board of Arte Actus Capital AB, CEO and deputy Director of Arte Actus Corporate Finance AB, Safe Life AB, HLR Konsulten Sverige AB, Viamedici AB, ViaProtect AB, Servicia Medical AB, Plusab Medical Solutions AB and Eros Capital AB.
Position of dependency: Independent in relation to major shareholders, independent in relation to the company and management.

Board member, Shumsher Singh
Born in 1973, is a Director of the Board of the Company since 2022 and holds 682,772 shares and 0.8 percent of all shares and votes of the Company.
Experience: 25 years of experience of cross border M&A expertise focusing on the video games industry and angel investor in over a dozen game businesses.
Current assignments: Managing Director at Agnitio Capital Limited, Director of Heroic Labs Ltd, Director of Sviper GmbH, Director of TowerPop Oy.
Previous assignments: Director of Innova Intellectual Properties SRL which was acquired by the Company in 2021, Director of Ocean View Games Oy, Director of SocialSpiel GmbH.
Position of dependency: Dependent in relation to major shareholders, independent in relation to the company and management.

Board member, Marie-Louise Gefwert

Born in 1952, is a Director of the Board of the Company since 2017 and holds 18,751 shares of the company equivalent to 0.02 percent of all shares and votes.
Experience: Decades of experience in leading positions at Ericsson and Vattenfall Data, experience from VC and start-ups as CEO of Auxema AB, decades of experience from consulting activities as well as member and chairman of boards.
Other current assignments: CEO and Director of the Board of Gefwert Development AB, Director of the board of Zignsec AB.
Previous assignments: Director of the Board of Tyréns AB, Chairman of the Board of Free2Move AB, Chairman of the Board of Arkub AB, Chairman of the Board of ITSMF-Sweden, Director of the board SU Holding AB, Director of the board of Samsari AB.
Position of dependency: Independent in relation to major shareholders, independent in relation to the company and management.

Board member, Gunnar Lind

Born in 1958, is a Director of the Board of the Company since 2019 and holds 160,000 shares of the Company equivalent to 0.18 percent of all shares and votes.
Experience: Decades of experience from the gaming industry, most notably as group CEO of Cherry.
Other current assignments: Chairman of the Board of Unlimited Travel Group UTG AB (publ), Chairman of the Board of Explore Lofsdalen AB, Chairman of the Board of Lofsdalsspår economic association.
Previous assignments: CEO and Director of the Board of Cherry AB, Chairman of the Board of Soundhailer AB, Chairman of the Board of Necomlabs Ltd, Chairman of the Board of Sleepo AB (publ), Chairman of the Board of Game Lounge Sweden AB, Chairman of the Board of Cherry Spelglädje AB, Director of the Board of Yggdrasil Gaming Sweden AB.
Position of dependency: Independent in relation to major shareholders, independent in relation to the company and management.

Committees

Board Committees
The Board has appointed an audit committee and a remuneration committee. The committee members are selected among the board members for a one-year term. In addition, the Board has established the Sustainability Committee within the Audit Committee to ensure that the Sustainability work received full attention.

Audit Committee
The Audit Committee has, in 2022, consisted of two members, comprising Alexander Albedj and Mari Louise Gefwert. The Audit Committee has the following main responsibilities:
• Preparations for the Board’s work on assuring the quality of the Company’s and the group’s accounting, financial reporting and internal control as well as financial risk and risk management.
• Monitoring and addressing issues concerning the efficiency of the Company’s internal controls, regulatory compliance and risk management, in general as well as, in particular, in respect of the financial reporting.
• Monitoring and evaluating the work of the auditor and monitoring the impartiality and independence of the auditor.
• Informing the Board of the outcome of the auditors’ audit and explaining how the audit contributed to the integrity of financial reporting and what the role of the committee was in that process.
• Assisting in conjunction with preparation of, and recommending the nomination committee, proposals to the AGM’s resolution regarding election of an auditor, including administering the selection procedure.
• Monitoring accounting developments in areas that may affect EG7.

Remuneration Committee
The Remuneration Committee consists of two members, comprising Alexander Albedj and Gunnar Lind. The Remuneration Committee has the following main responsibilities:
• Preparing the Board’s decisions on issues concerning principles for remuneration, remuneration amounts and other terms of employment for executive management.
• Monitoring and evaluating programs for variable remuneration to the executive management, both ongoing programs as well as such that have ended during the year.

• Monitoring and evaluating the application of the guidelines for remuneration to the executive management that the general meeting is legally obliged to establish, as well as the current remuneration structures and remuneration levels within the Company.

Sustainability Committee
The Sustainability Committee consists of two members, comprising Alexander Albedj and Marie-Louise Gefwert. The purpose of the committee is to ensure an aligned and well prepared and supervised sustainability model of the Company, with an emphasis on supervision of strategy, implementation of strategy and monitoring and evaluation of EG7´s work within the sustainability area. The sustainability committee has the following main responsibilities:
• Prepare the Board's decisions on issues concerning sustainability.
• Monitor and evaluate the Company's goals within the sustainability area.
• Monitor and evaluate the application of the guidelines issued by the Board within the sustainability area.
• For each financial year review the Company's sustainability report, which is to be included in the Company's annual report or approved by the Board as a separate report in connection with the approval of the annual report of the Company.

Nomination Committee
In accordance with the decision of the Annual General Meeting (AGM), the three largest shareholders in the company shall have the right to each appoint a member to the Nomination Committee. The fourth member of the Nomination Committee shall be the company's Chairman of the Board.

Shareholders who wish to submit proposals to the Nomination Committee can do so by mail to Enad Global 7 AB (publ), Att: Nomination Committee, Ringvägen 100, 118 60 Stockholm or by e-mail to ir@enadglobal7.com no later than March 1, 2023.

Group Management

The group's executive management team consists of two members: Acting CEO Ji Ham and Deputy CEO & CFO Fredrik Rüdén. The executive management team holds meetings on a regular basis at which the main topics discussed are the Group's financial progress, projects in process and other strategic issues. All members of the group's executive management team have attended Nasdaq's stock market training course for boards and management.

Ji Ham, Acting Chief Executive Officer

Acting CEO of EG7 and CEO of Daybreak Game Company and holds 1,826,376 shares and 2.06 percent of all shares and votes of the Company.

Experience: Ji has an extensive background in both gaming and finance and has, for the last six years, been the CEO of Daybreak. During his tenure at Daybreak, Ji has overseen extensive growth and profitability of the company. Before starting at Daybreak, Ji worked in investment banking at various positions.

Fredrik Rüdén, Deputy Chief Executive Officer and Chief Financial Officer

Deputy CEO and CFO of EG7 and holds 129,200 shares and 0.16 percent of all shares and votes of the Company.

Experience: Fredrik has an extensive background from mainly high-tech companies in listed environments and industries like Telecom, Gambling, Gaming, Ehealth, Marine Harvest and financial advisory. In addition to having worked for almost a decade as CFO at Betsson, Fredrik also has professional experience from companies such as Kinnevik, LeoVegas, Ernst & Young and more.

THE SHARE

• A total of 78.83 percent of the outstanding shares in EG7 were traded during the year. The average daily turnover was 0.31 percent.
• At year-end 2022, EG7 had a market capitalization of SEK 2,480.90 million.
• Earnings per share totalled SEK -14.04 (1.13).
• At year-end 2022, EG7 had a total of 88,603,526 shares.
• The closing price at year-end 2022 was SEK 28.00 (35.00).
• The highest price was SEK 38.50, which was quoted on January 4, 2022.
• The lowest price was SEK 11.99, which was quoted on September 23, 2022.
• EG7's share price decreased 20.00 percent in 2022.
• The Stockholm All Share Index decreased 24.61 percent in 2022.
• At year-end 2022, insider held a total of 22,754,393 shares, amounting to 25.68 percent of the outstanding shares. (February 2023 insiders acquired additionally 1.7 million shares representing almost 2 percent of the outstanding shares, these shares are not included above.)
• In 2022 insiders acquired a total of 2,856,092 shares, amounting to 3.22 percent of the outstanding shares.
• EG7 do not pay a dividend.

2022 Stock Chart

Source: Modular Finance AB

Shareholders

#	Owners (2022-12-31)	Number of shares	Capital	Votes
1	Settecento LTD	8 916 304	10,06%	10,06%
2	Jason Epstein	7 999 092	9,03%	9,03%
3	Media and Games Invest SE	7 126 190	8,04%	8,04%
4	Dan Sten Olsson med familj och stiftelse	6 912 000	7,80%	7,80%
5	Avanza Pension	5 076 252	5,73%	5,73%
6	Lloyd Fonds AG	3 000 000	3,39%	3,39%
7	Rasmus Davidsson	2 872 743	3,24%	3,24%
8	Alexander Albedj	1 912 706	2,16%	2,16%
9	Alan Hunter	1 835 680	2,07%	2,07%
10	Ji Ham	1 826 376	2,06%	2,06%
11	Johan Svensson	1 751 362	1,98%	1,98%
12	Aguja Capital GmbH	1 678 265	1,89%	1,89%
13	Handelsbanken Liv Försäkring AB	1 512 112	1,71%	1,71%
14	James Cato	1 507 162	1,70%	1,70%
15	Garry Williams	1 507 162	1,70%	1,70%
Top 15		55 433 406	62,56%	62,56%
Other		33 170 120	37,44%	37,44%
Total		**88 603 526**	**100%**	**100%**

MANAGEMENT REPORT

The Board and CEO for Enad Global 7 AB (publ) (556923-2837) hereby submit the annual report with consolidated group statements for the financial year 2022-01-01 – 2022-12-31. All values in SEK millions unless otherwise stated. A sustainability report has been prepared in accordance with the Swedish Annual Accounts Act and has been submitted by the Board. It can be found on pages 11-21 of this annual report.

Information about the operations

Enad Global 7 AB corporate identity number 556923-2837, based in Stockholm, is investing in and administrating companies who develop, operate and market video games in a growing global gaming market. The group develop, publish and deliver games for PC, Consoles and mobile features. The group includes companies engaged in marketing and visual art campaigns, physical and digital distribution and operates games via its own and external platforms.

Enad Global 7 AB has two business areas,
• Game development – for owned IPs, third party IPs and consulting assignments. EG7 has 8 game development and live operation studios across North America and Europe: Antimatter Games, Piranha, Toadman Studios, Big Blue Bubble, Dimensional Ink, Standing Stone, Rogue Planet and Darkpaw. Daybreak is a prolific online-multiplayer game developer that has published, developed and operated 13 live service games in its 24-year history, including EverQuest, the first MMORPG game entirely in 3D.
• Services— which include consulting activities relating to visual art, strategies and marketing of games through the subsidiary Petrol Advertising, as well as publishing and distribution of games both digitally and physically through the subsidiary Fireshine Games.

EG7 is an independent game development group with a diversified set of assets. Combining Daybreak, Big Blue Bubble and Piranha titles, EG7 currently operates 10 live service games, making EG7 one of the leading live service game publishers and operators in the world. This long-life cycle live games portfolio is a key differentiator for the group and provides a solid foundation of predictable revenues and cash flows.

Ownership

EG7's share is listed on Nasdaq First North with the short name 'EG7'. The total number of outstanding shares amounts to 88,603,526 as of December 31, 2022. The price was SEK 28.00 per share as of December 31, 2022.

Significant events during the year

Despite challenging comparable numbers, the Game segment delivered a Net Revenue of SEK 1,234.4 million representing a growth of 36.0 percent, adjusted for the acquisition of Magic Online the organic growth for the segment came in at 27.0 percent for the year. The adjusted EBITDA was SEK 423.6 million, which corresponds to a growth of 42.5 percent Y-o-Y.

During the year, Management decided to discontinue its investments in the project with the historical largest budget, the Marvel project. With a reallocation of this budget into more predictable projects, the risk level in EG7 was reduced significantly. The Lord of the Ring Online ended the year with strongest number of active players in several years after a successful 15th-year anniversary and expansion released alongside the new Amazon TV series. My Singing Monsters reached an all-time-high after its successful 10-year-anniversary campaign in September and became a viral success on TikTok, reaching over two billion hashtags, taking the game to the top of its category in the App store.

The Service segment has had a solid performance between Q4 2021 and Q3 2022 generating a Net Revenue of SEK 622.5 million in 2022 with a solid organic growth of 12 percent. The Service segment experienced relatively easy comparable figures in beginning of 2022 due to the pandemic slowdown prior year. Fireshine continued its focus on transitioning its business to a more balanced model with both digital and physical distribution by continuing to invest in digital publishing capabilities. The recent successful releases represented proof of concept and an important milestone for Fireshine's transformation.

Due to the extraordinary geopolitical situation, EG7 announced on April 19 the intention to divest the Russian subsidiary Innova. The successful divestment of Innova contributed to an immediate increase in the cash balance of EUR 17 million, another EUR 1.3 million has according to the agreement been wired to EG7 as remaining guaranteed purchase price. This contributed to further strengthening the Group's cash position and balance sheet granting a significant flexibility going forward. The relocation of Toadman's Russian studio took the last major step in Q4 2022 and was completed by April 1, 2023. Management believes that there is a growth potential deriving from this new location as several other Russian developers are looking for new location. The divestment also contributed to the strategy of improving the risk reward profile of the group.

Financial development during the year

The group is presented in accordance with IFRS. Net sales for the full year 2022 amounted to SEK 1,865.9 (1,467.9) million, which corresponds to a growth of 27.1 percent. Our diversified and long-lived live game portfolio from Daybreak, Big Blue Bubble and Piranha continued to provide a sustainable and predictable base for revenue and cash flows, Net Revenue from these assets amounted to SEK 1,121.5 million, corresponding to 60 percent of Net Revenue in 2022.

In Q2 2022, the Board decided to discontinue the development of the Marvel project at Daybreak Games, resulting in a write down of SEK 233.6 million. EG7 had planned to invest another SEK 500 million in Marvel over the next three years, funds that instead will be invested across multiple projects within the group across live game upgrades, first-party, original IPs and potential new game opportunities. Due to the war between Russia and Ukraine EG7's Russian business unit Innova was written down by SEK 1,107.3 million in the second quarter.

Innova was successfully divested in Q3 contributing to an immediate increase in the cash balance of SEK 185.3 million and a capital gain of SEK 91.3 million in the third quarter, with the addition of the six additional quarterly instalments the guaranteed value of the transaction amounts to EUR 21 million. EG7 consists of companies with different profit margins, as an affect from the divestment of the high margin business Innova the Group's Adj EBITDA margin changed.

In Q4, the work in our studios was reprioritised, in conjunction to this strategic shift a write-down of SEK 308.6 million with regards to games in Toadman studios and AMG was carried out. Profit after tax amounted to SEK 1,239.0 million (96.8). Earnings per share amounted to -13.98 (1.11) The company continues to have a strong equity ratio of 78.8 percent (76.5). Net cash amounted to SEK 301.1 million (77.7) consisting of SEK 405.2 million in cash and SEK 104.0 million in total debt, 2021-year figures include Innova. The group's cash flow from operating activities amounted to SEK 374.6 million (238.5). Cash flow from investing activities amounted to -58.1 (-723.5). Financing activities contributed negatively with SEK -331.8 million (-235.2), mainly linked to the repayment of loans of SEK 300 million.

Future developments

EG7 currently operates 10 live games, with Magic Online as the latest addition. The acquisition of Magic Online was completed in January 2022, while the move to EG7's servers was finalized in Q4. Completing the move from Wizards of the Coast to EG7's platform allows the team more flexibility in improving the gaming experience and potential to bring new players to the game in the near-to medium-term future. 2022 was a year of transformation and large changes for the group, providing EG7 with a strong balance sheet with net cash position. In Q3, Piranha ramped up the Work-for-Hire (WFH) business successfully, which was followed by Toadman in Q4 when they signed new WFH projects. We are optimistic on the growth opportunities in the WFH business, which could provide a meaningful growth vector for the company in the near- to medium-term.

Risks and Risk Management

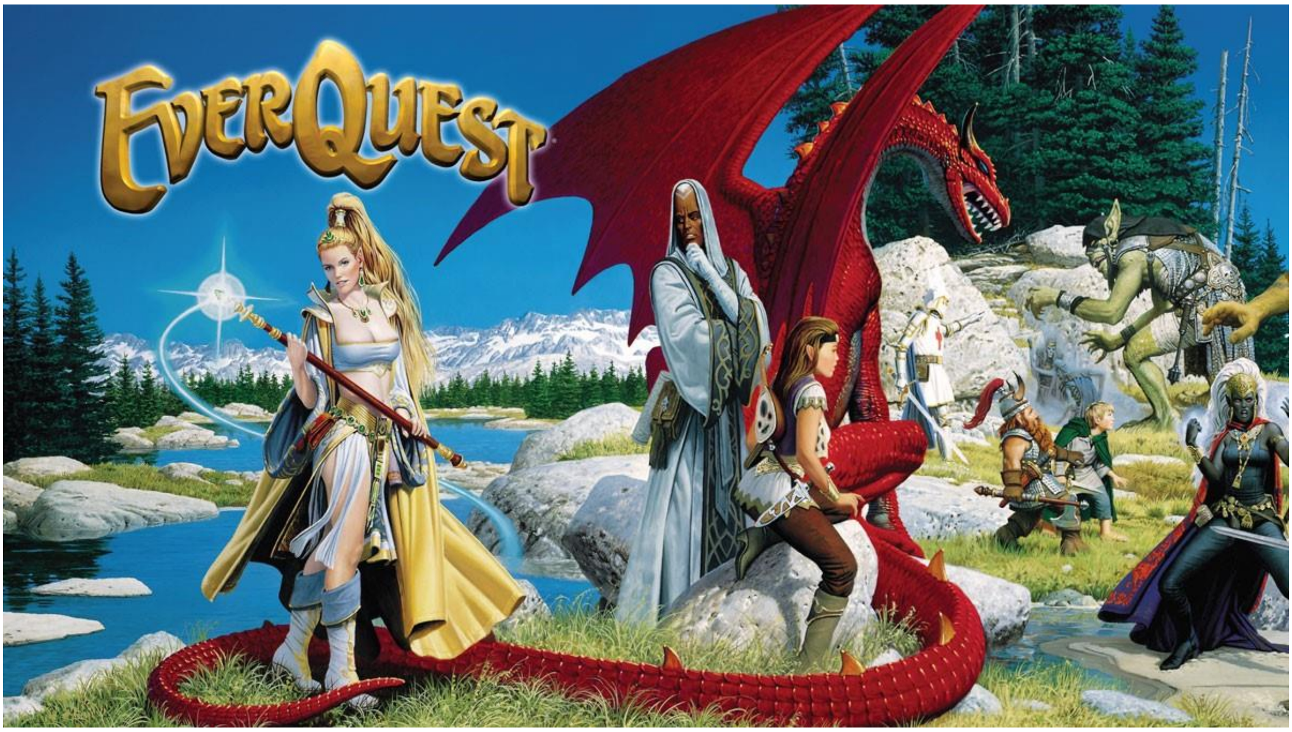
All business operations involve risks and uncertainties. A complex environment increases the need to manage identified risks, to be able to mitigate potential negative impacts on result, operations and in the long run for stakeholders. The Board of Directors are responsible for risk management within the group, and EG7 continuously work on identification, evaluation and management of the Groups' risks. Risks and risk management within the group are described further in section Risk and Risk Management on page 22-23, and in note 20 Financial risks.

The conflict in Ukraine

On February 24, 2022, the conflict between Russia and Ukraine was initiated. At the outbreak of the conflict, EG7 had two subsidiaries in Russia: OOO Artplant in Tver and Innova Distribution LLC in Moscow. OOO Artplant was a wholly owned subsidiary of Artplant AS which was 100 percent owned by Enad Global 7 AB. Innova Distribution LLC was 100 percent owned by Innova Intellectual Properties Sarl. which was 100 percent owned by Enad Global 7 AB. Innova is an independent group that can finance its operations with its own funds. The Russian operations accounted for 12.1 percent of the group's net sales in 2021 and 18.1 percent of the Group's Adj EBITDA. After the end of the first quarter, the company informed the market about the intent to divest Innova thru an MBO (Management Buy Out) and to relocate the top development talents in OOO Artplant to outside Russia. On September 23, EG7 communicated the agreement to sell Innova to Games Mobile ST LTD. The Board determined that the transaction with Games Mobile ST LTD would result in an overall better outcome for both the shareholders of EG7 and Innova's long-term prospects than the previously communicated management-buy-out (MBO). The guaranteed portion of the transaction value was EUR 21 million. The relocation of Toadman Studios and its employees who were based in Russia took longer than expected. On the first of April, the move to the new hub in Novi Sad, Serbia was completed.

Sustainability information

In 2022, EG7 worked on the development of the company's new sustainability framework. This framework is designed to outline EG7's commitments and goals in relation to its sustainability work. To create this framework, EG7 has conducted a thorough assessment of its current practices and identified areas for improvements. This has involved working with external parties as well as engaging employees and other key stakeholders in the process. To ensure that the sustainability framework is effective, EG7 has put in place systems and processes for monitoring and reporting on its progress. Overall, the development of EG7's sustainability framework has been a rewarding process. Through hard work and dedication, the company has been able to create a comprehensive and effective plan for operating in a more sustainable manner to make the group compatible with the EU Taxonomy by 2025.



FINANCIAL OVERVIEW

Enad Global 7 AB is the group's parent company. The group management is in the parent company and also some group common functions.

Yearly comparison, group	2022 *12 months*	2021 *12 months*	2020 *12 months*	2019* *12 months*	2017/2018* *16 months*
Net revenue	1,865.9	1,467.9	569.8	151.6	73.1
Profit after financial items	-296.2	53.6	-95.4	-28.1	6.4
EBIT-margin	-14.8%	10.7%	-1.4%	-13.7%	7.8%
Total assets	4,952.3	6,008.8	4,596.3	711.0	47.4
Equity ratio	78.8%	76.5%	67.6%	35.2%	64.7%
Return on equity	-6.9%	1.4%	-3.1%	-11.2%	20.9%
EBITDA	474.5	642.5	12.5	5.1	6.4
Average number of shares	88,270,408	85,370,134	39,670,424	31,209,159	15,178,761
Earnings per share	-13.98	1.11	-2.5	-0.9	0.3
Average FTE	665	669	179	93	79

**not recalculated according to IFRS*

Yearly comparison, parent company	2022 *12 months*	2021 *12 months*	2020 *12 months*	2019 *12 months*	2017/2018 *16 months*
Net revenue	5.6	7.5	11.1	67.9	72.6
Profit after financial items	-897.6	-79.1	-125.9	-8.7	7.4
EBIT-margin	-2,624.3%	-1,271.8%	-242.3%	-2.9%	9.1%
Total assets	3,770.6	4,837.3	3,886.7	656.7	46.4
Equity ratio	93.8%	89.8%	84.0%	41.8%	69.3%
Return on equity	-1.9%	-1.9%	-3.1%	-3.2%	41.9%
EBITDA	-147.8	-94.8	-26.8	-1.9	6.7
Average number of shares	88,270,408	85,370,134	39,670,424	31,209,159	15,178,761
Earnings per share	-9.86	-1.09	-1.3	-0.2	0.2
Average FTE	8	12	13	33	33

Proposed allocation of the company's profit

At the Annual General Meeting's disposal stands:	
Accumulated profit/loss	-206,283,253
Share premium reserve	4,608,989,740
Profit/loss of the year	-870,628,862
	3,532,077,624
The Board proposes that the following is carried forward	3,532,077,624
	3,532,077,624

CONSOLIDATED INCOME STATEMENT

Values in SEKm	Note	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Revenue			
Net revenue	3,4	1,865.9	1,467.9
Other revenue	5	12.8	365.1
		1,878.7	**1,833.0**
Operating expenses			
Cost of goods and services sold		-626.3	-584.6
Other external expenses	6	-209.0	-178.5
Personnel expenses	7	-742.4	-553.3
Own work capitalized	12	157.3	127.0
Other expenses		16.2	-1.0
Operating profit before depreciation and amortization (EBITDA)		**474.5**	**642.5**
Depreciation and amortization	12,13,14	-750.4	-484.9
Operating profit (EBIT)		**-275.9**	**157.6**
Financial items			
Financial income	8	13.5	8.8
Financial expenses	9,14	-33.8	-112.9
Financial net		**-20.3**	**-104.1**
Profit before tax		**-296.2**	**53.6**
Tax expense for the period	10	28.1	11.7
Net profit from continued operations		**-268.1**	**65.3**
Profit from discontinued operations, net of tax	27	-970.9	31.5
Net profit for the year		**-1,238.9**	**96.8**
The net profit for the period is attributable in its entirety to the parent company's shareholders.			
Earnings per average share	11		
Earnings per share before dilution (SEK) continued operation		-3.04	0.76
Earnings per share after dilution (SEK) continued operation		-3.04	0.76
Earnings per share before dilution total (SEK)		-14.04	1.13
Earnings per share after dilution total (SEK)		-14.04	1.13

Note: Innova was divested in September 2022 and is excluded from all actual and comparable figures unless otherwise stated

CONSOLIDATED COMPREHENSIVE INCOME

Values in SEKm	Note	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Net profit for the period		-1,238.9	96.7
Other comprehensive income			
Items that will be reclassified to profit or loss			
Translation difference	20	527.6	248.2
Deferred tax	10	-45.8	-28.8
Other comprehensive income for the period, after tax		**481.8**	**219.4**
Comprehensive income for the period, after tax		**-757.1**	**316.2**

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

Average number of shares outstanding		88,270,408	85,370,134

CONSOLIDATED BALANCE SHEET

Values in SEKm	Note	2022-12-31	2021-12-31
ASSETS			
Non-current assets			
Goodwill	12	3,284.9	3,891.9
Intangible assets	12	622.5	1,124.6
Tangible non-current assets	13	29.1	33.2
Right-of-use assets	14	39.9	54.2
Deferred tax assets	10	95.2	63.9
Other non-current receivables	15,21	17.8	11.1
Total non-current assets		**4,089.4**	**5,179.0**
Current assets			
Inventory	16	17.3	13.2
Accounts receivable	15,21	263.3	222.7
Current tax claim		46.3	22.7
Other receivables	15	48.4	22.2
Earned but not invoiced income	5	15.8	35.6
Prepayments and accrued income	17	66.8	32.3
Cash and cash equivalents	15,18,21	405.2	481.2
Total current assets		**862.9**	**829.8**
TOTAL ASSETS		**4,952.3**	**6,008.8**

Note: Innova is included for year 2021

EQUITY AND LIABILITIES

Values in SEKm	Note	2022-12-31	2021-12-31
Equity	20		
Share capital		3.5	3.5
Other contributed capital		4,609.0	4,545.8
Reserves		641.3	159.4
Retained earnings including profit for the period		-1,349.9	-110.9
Total equity attributable to the parent company's shareholders		**3,902.3**	**4,597.8**
Total equity		**3,902.3**	**4,597.8**
Non-current liabilities			
Liabilities to credit institutions	15,21	0.0	403.1
Leasing liabilities	14,21	17.5	29.7
Deferred tax liability	10	105.5	68.2
Contingent considerations	15,21	83.9	64.1
Contractual liabilities	5	4.0	10.2
Other liabilities	15,21	122.2	130.2
Total non-current liabilities		**333.1**	**705.4**
Current liabilities			
Liabilities to credit institutions	15,21	104.0	3.2
Leasing liabilities	14,21	23.6	22.5
Accounts payable	15,21	84.8	71.6
Current tax liability		50.4	32.3
Contingent considerations	15,21	0.0	64.6
Other liabilities	15,21	78.3	125.8
Contractual liabilities	5	153.0	144.1
Accrued expenses and prepaid income	22	222.8	241.5
Total current liabilities		**716.9**	**705.6**
TOTAL EQUITY AND LIABILITIES		**4,952.3**	**6,008.8**

Note: Innova is included for year 2021

CONSOLIDATED REPORT ON CHANGES IN EQUITY

SEKm	Equity attributable to the parent company's shareholders Share Capital	Other Shareholder Contributions	Translation reserve	Accumulated Profit incl. Net profit	Total equity attributable to the parent company's shareholders	Total equity
Opening balance 2021-01-01	**3.1**	**3,373.4**	**-60.0**	**-208.2**	**3,108.3**	**3,108.3**
The net profit of the period				96.7	**96.7**	**96.7**
Other comprehensive income for the period			219.4		**219.4**	**219.4**
Comprehensive income for the period			**219.4**	**96.7**	**316.2**	**316.2**
Transactions with shareholders:						
Rights issue	0.4	1,173.6			**1,174.0**	**1,174.0**
Rights issues transaction costs		-1.5			**-1.5**	**-1.5**
Tax effects transaction costs of rights issues		0.3			**0.3**	**0.3**
First consolidation of OOO Artplant				0.5	**0.5**	**0.5**
Total	**0.4**	**1,172.4**	**0.0**	**0.5**	**1,173.4**	**1,173.4**
Closing balance 2021-12-31	**3.5**	**4,545.8**	**159.4**	**-110.9**	**4,597.8**	**4,597.8**
Opening balance 2022-01-01	**3.5**	**4,545.8**	**159.4**	**-110.9**	**4,597.8**	**4,597.8**
The net profit of the period				-1,238.9	**-1,238.9**	**-1,238.9**
Other comprehensive income for the period			481.8		**481.8**	**481.8**
Comprehensive income for the period			**481.8**	**-1,238.9**	**-757.1**	**-757.1**
Transactions with shareholders:						
Rights issue	0.1	61.6	0.0	0.0	**61.7**	**61.7**
Rights issues transaction costs						
Tax effects transaction costs of rights issues						
Total	**0.1**	**61.6**	**0.0**	**0.0**	**61.7**	**61.7**
Closing balance 2022-12-31	**3.5**	**4,607.4**	**641.3**	**-1,349.9**	**3,902.3**	**3,902.3**

CONSOLIDATED CASH FLOW STATEMENT

Values in SEKm	Note	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Operating activities			
Operating profit (EBIT)		-275.9	157.6
Adjustment for non-cash flow items	23	770.3	77.8
Paid interest		-20.3	-34.8
Paid taxes		-34.6	-6.1
Cash flow from operating activities before changes in working capital		**439.5**	**194.5**
Cash flow from changes in working capital			
Decrease / increase of inventories / work in progress		-4.0	-4.9
Decrease / increase of receivables		-60.3	-71.5
Decrease / increase of current liabilities		-0.6	5.8
Cash flow from operating activities		**374.6**	**123.9**
Investment activities			
Business acquisitions	26	-45.4	-529.6
Business divestment	27	187.5	0.0
Acquisition of intangible assets	12	-187.9	-140.4
Acquisition of tangible non-current assets	13	-12.2	-18.1
Divestment of tangible non-current assets	13	0.0	0.0
Cash flow from investment activities		**-58.0**	**-688.1**
Financing activities			
Rights issue of the year		0.0	0.0
Transactions costs of rights issues		0.0	-1.5
Loans raised	15,23	0.0	400.0
Repaid loans	15,23	-302.2	-500.0
Repaid leasing debt	14,15,21,23	-29.6	-54.2
Cash flow from financing activities		**-331.8**	**-155.7**
Cash flow for the period		**-15.2**	**-719.9**
Cash and cash equivalents at start of period		386.8	1,084.8
Exchange rate differences		33.5	21.9
Cash and cash equivalents at end of period	**18**	**405.2**	**386.8**
From balance sheet		405.2	481.2
Cash in Innova			94.4

NOTES

NOTE 1 Accounting Principles

This annual report with group accounting 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.
On 25 April 2023, the Board of Directors and the CEO approved this annual report and consolidated accounts, which will be submitted for adoption at the Annual General Meeting on 24 May 2023.

Basis for group accounting

The group accounting has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union (EU). Furthermore, the group applies the Annual Accounts Act (1995: 1554) and RFR 1 “Supplementary Accounting Rules for Groups” issued by the Swedish Financial Reporting Board.

The consolidated financial statements have been prepared on the basis of the assumption of going concern. Assets and liabilities are valued on the basis of acquisition value with the exception of certain financial instruments that are valued at fair value. The consolidated financial statements have been prepared in accordance with the acquisition method and all subsidiaries in which controlling influence is held are consolidated as of the date this influence was acquired.

Preparing reports in accordance with IFRS requires that several estimates be made by management for accounting purposes. The areas that include a high degree of assessment, which are complex or such areas where assumptions and estimates are of significant importance for the consolidated accounts, are stated in Note 2 Significant estimates and assessments. These assessments and assumptions are based on historical experience as well as other factors that are deemed reasonable in the prevailing circumstances. Actual outcome may differ from assessments made if assessments are changed or other conditions exist.
The parent company applies the same accounting principles as the group, except in the cases specified in the section “Parent company’s accounting principles”. The parent company applies the Annual Accounts Act (1995: 1554) and RFR 2 Accounting for legal entities. The deviations that occur are caused by restrictions on the possibilities of applying IFRS in the parent company as a result of the Annual Accounts Act and current tax rules.

The accounting principles set out below have, unless otherwise stated, been applied consistently to all periods presented in the group’s financial reports.

New standards and interpretations

A number of new standards and interpretations enter into force for financial years beginning after 1 January 2022 and have not been applied in the preparation of this financial report. None of these is expected to have a significant impact on the Group’s financial reports.

Consolidation

Subsidiaries

Subsidiaries are all companies over which EG7 has a controlling influence. The Group controls a company when it is exposed to or entitled to variable returns from its holdings in the company and has the opportunity to influence the returns through its influence in the company. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the group and are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

Subsidiaries are reported according to the acquisition method. The method means that the acquisition of a subsidiary is regarded as a transaction whereby the Group indirectly acquires the subsidiary’s assets and takes over its liabilities. The acquisition analysis determines the fair value on the acquisition date of acquired identifiable assets and assumed liabilities as well as any non-controlling interests. Transaction expenses, with the exception of transaction expenses that are attributable to the issue of equity instruments or debt instruments, that arise are reported directly in the profit for the year. In business acquisitions where transferred remuneration exceeds the fair value of acquired assets and assumed liabilities that are reported separately, the difference is reported as goodwill. When the difference is negative, so-called acquisitions at a low price, this is reported directly in the profit for the year.
In the case of acquisitions that take place in stages, goodwill is determined on the day when a controlling influence arises. Previous holdings are valued at fair value and the change in value is reported in profit or loss. Previous holdings are valued at fair value and

the change in value is reported in profit or loss. If additional shares are acquired, i.e. after a controlling influence has been obtained, this is reported as a transaction between owners within equity.

Transactions eliminated during consolidation
Intra-group receivables and liabilities, income or expenses and unrealized gains or losses arising from intra-group transactions between group companies are eliminated in their entirety when preparing the consolidated financial statements.

Currency

Functional currency and reporting currency
The functional currency for the parent company is Swedish kronor (SEK), which is the reporting currency for the parent company and the group. All amounts are stated in millions of kronor unless otherwise stated.

Transactions in foreign currency
Transactions in foreign currency are translated into the functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate prevailing on the balance date. Non-monetary items, which are valued at historical acquisition value in a foreign currency, are not translated. Exchange rate differences that arise in the conversions are reported in the profit for the year. Exchange rate gains and losses on operating receivables and operating liabilities are reported in operating profit, while exchange rate gains and losses on financial receivables and liabilities are reported as financial items.

Translation of foreign subsidiaries
Assets and liabilities in foreign operations are translated from the functional currency of the foreign operations to the group's reporting currency at the exchange rate prevailing on the balance date. Income and expenses in a foreign operation are translated into SEK at an average exchange rate that is an approximation of the exchange rates that existed at the time of each transaction. Translation differences that arise from currency translation of foreign operations are reported in other comprehensive income and accumulated in the translation reserve in equity. When the controlling influence ceases for a foreign operation, the associated translation differences from the translation reserve in equity are reclassified to profit or loss.

Classification

Fixed assets and long-term liabilities essentially consist of amounts that are expected to be recovered or paid after more than 12 months from the balance date. Current assets essentially consist of amounts that are expected to be realized during the group's normal business cycle, which is 12 months after the reporting period. Current liabilities essentially consist of amounts that are expected to be settled during the group's normal business cycle, which is 12 months after the reporting period.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Highest Executive Decision Maker. The Highest Executive Decision Maker is the function responsible for allocating resources and assessing the operating segments' results. In the group, this function has been identified as the company management. An operating segment is a part of the group that conducts operations from which it can generate revenue and incur costs and for which independent financial information is available. The group's division into segments is based on the internal structure of the group's business operations, which means that the group's operations have been divided into two reportable segments; Games and Services.
The same accounting principles are used in the segments as for the group.

Revenue from customer contracts

The group reports revenue when the group fulfills a performance obligation, which is when a promised product or service is delivered to the customer and the customer takes over control of the product or service. Control of a performance obligation can be transferred over time or at a time. Revenue consists of the amount that the company expects to receive as compensation for transferred goods or services. In order for the group to be able to report revenues from agreements with customers, each customer agreement is analyzed in accordance with the five-step model found in the standard:

Step 1: Identify an agreement between at least two parties where there is a right and a commitment.
Step 2: Identify the various promises (performance obligations) contained in the agreement.
Step 3: Determine the transaction price, i.e. the amount of compensation that the company is expected to receive in exchange for the promising goods or services. The transaction price must be adjusted for variable parts, for example any discounts.
Step 4: Distribute the transaction price on the various performance obligations.
Step 5: Report revenue when the performance obligations are met, i.e. control is passed to the customer. This is done at one time or over time if any of the criteria set out in the standard are met.

The Group's significant income derives from the development, marketing and publication of PC, console and mobile games.

Work-for-hire (Game segment)
The Group performs development assignments for other publishers. The customers consist of corporate customers. An agreement arises when the development assignment is signed between EG7 and the publisher.
EG7 considers that the obligation to develop games for a customer is a single performance obligation. The transaction price is mainly fixed, but some agreements include variable remuneration in the form of performance bonuses. EG7 estimates the variable amount of compensation using the expected value and includes variable compensation only to the extent that it is highly probable that a material reversal of accumulated income will not occur when the uncertainty associated with the variable compensation subsequently ceases.

The Group reports revenue as the performance obligation is met, which is when the customer gains control of the asset. EG7 believes that control is transferred over time, as the Group's performance creates or improves an intangible asset that the customer controls when the asset is created.

Free-to play games (Game segment)
EG7 offers so-called free-to-play games, where revenue arises when a player makes purchases in the game to gain access to virtual goods, i.e. to various types of additional content via subscriptions, features or benefits in the game. These virtual goods can be used either immediately or indefinitely during the playing time and revenue from the goods is reported based on their nature. Revenue from consumables is reported at a time, while revenue from goods that can be used indefinitely during the playing time is accrued and reported during the player's estimated life.

Marketing (Service segment)
EG7 offers marketing services to other gaming companies. The Group's customers consist of corporate customers and EG7 has both framework agreements and agreements for specific assignments with these customers. For framework agreements, there is an agreement in accordance with IFRS 15 only when a specific call-off, usually in the form of an assignment description ("SOW"), exists. The contract period is generally relatively short, usually less than 12 months.

The Group assesses that an agreement with a customer generally contains a number of performance obligations as the various promises in the agreement constitute distinct services. The transaction price is mainly fixed. The Group allocates the transaction price to each performance obligation based on the independent sales prices, which are based on an observable price for the service when the Group sells the service separately under similar circumstances and to similar customers.
Revenues from marketing are reported when control has been transferred to the customer and the performance obligation is thus fulfilled, which is considered to be when the customer has the significant risks and benefits associated with the delivery.

Publishing (Service segment)
The Group is also active in physical and digital publishing and distribution of games. EG7 believes that the Group's customer is the private individual who buys the game. An agreement exists for digital products when the customer places an order for the game via the platform and for physical products when the game is sold in store.

In these agreements with customers, other parties are often involved in the provision of the game to the end customer, which means that different shares of the gross income from the end customer are obtained. For each performance obligation in the customer agreements, the Group determines whether it is the principal or agent. To determine whether the Group is the principal or agent in the revenue transactions when several parties are involved in delivering a game to the end customer, it is assessed whether the Group has control over the asset that the customer buys before it is transferred.

The transaction price is mainly fixed, but there may be certain variable parts, which may include discounts. EG7 estimates the variable amount of compensation but includes variable compensation only to the extent that it is highly probable that a material reversal of accumulated income will not occur when the uncertainty associated with the variable compensation ceases thereafter. Revenues from publishing are reported when sales to end customers have taken place. EG7 assesses that when selling to the end customer, it can be considered that control has passed to the customer and that the performance obligation has been fulfilled. If the Group is deemed to be the principal for a revenue stream the remuneration received in net sales is reported gross and the shares that are passed on to other parties are reported as costs in the income statement. In cases where the Group acts as an agent, revenue is reported that corresponds to the fee or commission to which EG7 is entitled.

Cost of goods and services sold

The item consists of costs directly linked to the games and game development (COGS). The majority of the Group's direct costs consist of royalties and licenses for the issued games. Costs that can be capitalized when it comes to consultants and other direct costs such as photography / film, technical service and software linked to product development are also presented here. Direct marketing is also presented here.

Remuneration to employees

Short-term remuneration

Short-term remuneration to employees such as salary, social security contributions and holiday pay are expensed in the period when the employees perform the services.

Defined contribution pension plans

EG7’s pension commitments are only covered by defined contribution plans.
A defined contribution pension plan is a pension plan according to which the Group pays fixed contributions to a separate legal entity. The Group has no legal or informal obligations to pay additional fees if this legal entity does not have sufficient assets to pay all employee benefits related to the employees’ service during the current or previous periods. The Group thus has no additional risk. The Group’s obligations regarding fees for defined contribution plans are reported as an expense in the income statement at the rate they are earned by the employees performing services for the Group during the period.

Compensation in the event of termination

A cost for compensation in connection with redundancies is only reported if the company is demonstrably obliged, without a realistic possibility of withdrawal, by a formal detailed plan to terminate an employment before the normal time.

Financial income and expenses

Financial income

Financial income consists of interest income and any capital gains on financial assets. Interest income is reported in accordance with the effective interest method. The effective interest rate is the interest rate that discounts the estimated future inflows and outflows during a financial instrument’s expected maturity to the reported net asset or liability’s net value. The calculation includes all fees paid or received by the parties to the agreement that are part of the effective interest rate, transaction costs and all other premiums and discounts. Financial income is reported in the period to which it relates.

Financial expenses

Financial expenses mainly consist of interest expenses on liabilities which are calculated using the effective interest method and of interest expenses on leasing liabilities. Financial expenses are reported in the period to which they relate.
Exchange rate gains and exchange rate losses are reported net.

Income taxes

Income taxes consist of current tax and deferred tax. Income taxes are reported in net profit for the period, except when the underlying transaction is reported in other comprehensive income or in equity, whereby the associated tax effect is reported in other comprehensive income or in equity.

Current tax is tax that is to be paid or received for the current year, with application of the tax rates that have been decided or in practice decided on the balance date. Current tax also includes an adjustment of current tax attributable to previous periods. Deferred tax is reported in its entirety, according to the balance sheet method, on all temporary differences that arise between the tax value of assets and liabilities and its reported values. Temporary differences are not taken into account when reporting goodwill or for the initial reporting of an asset acquisition because the acquisition does not affect either reported or taxable profit. Furthermore, temporary differences attributable to shareholdings in subsidiaries that are not expected to be reversed in the foreseeable future are also not taken into account. The valuation of deferred tax is based on how and in which jurisdiction the underlying assets or liabilities are expected to be realized or settled. Deferred tax is calculated using the tax rates and tax rules that have been decided or announced on the balance sheet date and that are expected to apply in the jurisdiction when the deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets relating to deductible temporary differences and loss carry forwards are reported only to the extent that it is probable that these will be utilized. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilized. Deferred tax assets and deferred tax liabilities are offset if there is a legal right to offset short-term tax assets against short-term tax liabilities and the deferred tax is attributable to the same unit in the Group and the same tax authority.

Earnings per share

Earnings per share before dilution are calculated by dividing the net profit attributable to the parent company’s shareholders by the weighted average number of shares outstanding during the year.

Earnings per share after dilution are calculated by dividing the net result attributable to the parent company’s shareholders, adjusted where applicable, by the sum of the weighted average number of ordinary shares and potential ordinary shares that may give rise to a dilution effect. The dilution effect of potential ordinary shares is only reported if a conversion to ordinary shares would lead to a reduction in earnings per share after dilution.

Intangible assets

An intangible asset is reported if it is probable that the future economic benefits that can be attributed to the asset will accrue to the company and that the acquisition value can be calculated in a reliable manner. An intangible asset is valued at acquisition value when it is recognized for the first time in the financial report. Intangible assets with a limited useful life are reported at acquisition value less depreciation and any impairment. Intangible assets with an indefinite useful life are tested annually for impairment and in cases where there are indications that an impairment loss may be required. Even for the intangible assets with an indefinite useful life, the useful life is reassessed at each balance sheet date.

Goodwill

Goodwill represents the difference between the acquisition value of a business combination and the fair value of acquired net assets. Goodwill is valued at acquisition value less any accumulated write-downs. Goodwill is allocated to cash-generating units that are expected to benefit from the synergy effects of the business combination. The factors that constitute reported goodwill are mainly synergies, personnel, know-how and customer contacts of strategic importance as well as access to new markets. Goodwill is considered to have an indefinite useful life and is thus tested at least annually for impairment.

Internally generated intangible assets

The Group's internally generated assets are divided into two phases in accordance with IAS 38; the research phase and the development phase. Costs that arise during the research phase are expensed on an ongoing basis as they arise and are never capitalized afterwards. Costs that arise during the development phase are capitalized as intangible assets when, in the management's assessment, it is probable that they will result in future financial benefits for the Group, the criteria for capitalization are met and the costs can be measured reliably.

For EG7, internally generated intangible assets mainly pertain to game development for PC, console and mobile. The expenses that are capitalized include expenses for direct salary, consulting costs and other expenses directly attributable to the project. All other costs that do not meet the criteria for capitalization affect the net profit when they arise. Internally generated assets under development are tested at least annually for impairment.

IP rights

IP rights have arisen in connection with business acquisitions and refer to rights attributable to the Group's gaming products, such as a gaming software or title. IP rights are valued at fair value on the acquisition date. Thereafter, IP rights are reported at acquisition value less accumulated amortization and any accumulated impairment.

Market and client-related assets

Market and customer-related assets are attributable to the relationship with paying players that have been taken over by the Group in connection with a business acquisition. The assets are valued at fair value on the acquisition date and are then reported at acquisition value less accumulated depreciation and any accumulated impairment.

Depreciation and amortization

Intangible fixed assets are amortized systematically over the asset's estimated useful life. The useful life is reconsidered at each balance date and adjusted if necessary. When the amortizable amount of the assets is determined, the residual value of the asset is taken into account where applicable. Intangible assets with a definable useful life are amortized from the date they are available for use. Estimated useful lives for significant intangible fixed assets are as follows:

- Internally generated intangible assets 1-5 years
- IP rights 3-10 years
- Market and client-related assets 3-10 years
- Goodwill Undefinable

Tangible non-current assets

Tangible non-current assets are reported as an asset in the balance sheet if it is probable that future economic benefits will benefit the company and the acquisition value of the asset can be calculated in a reliable manner. Tangible non-current assets are reported in the Group at acquisition value after deductions for accumulated depreciation and any write-downs. The acquisition value includes the purchase price and expenses directly attributable to the asset to bring it into place and in condition for use in accordance with the purpose of the acquisition.

The reported value of an asset is removed from the balance sheet upon disposal or divestment or when no future economic benefits are expected from the use or disposal / divestment of the asset. Gains or losses arising from the sale or disposal of an asset consist of the difference between the selling price and the asset's reported value less direct selling expenses. Profit and loss are reported as other operating income / expenses.

Additional expenses
Additional expenses are added to the acquisition value only if it is probable that the future economic benefits associated with the asset will benefit the Group and the acquisition value can be calculated in a reliable manner. All other additional expenses are reported as an expense in the period in which they arise.

Depreciation and amortization
Depreciation takes place on a straight-line basis over the asset's estimated useful life. The estimated useful lives are:

- Equipment, tools and installations 3-5 years

Applied depreciation methods, residual values and useful lives are reassessed at the end of each year.

Leasing agreements

At the conclusion of an agreement, the Group determines whether the agreement is, or contains, a leasing agreement based on the substance of the agreement. An agreement is, or contains, a leasing agreement if the agreement leaves the right to decide for a certain period on the use of an identified asset in exchange for compensation.

Leasing liabilities
On the commencement date of a leasing agreement, the Group reports a leasing liability corresponding to the present value of the leasing payments to be paid during the leasing period. The leasing period is determined as the non-cancellable period together with periods to extend or terminate the agreement if the Group is reasonably certain of exercising those options. Leasing payments include fixed payments (after deduction of any benefits in connection with the signing of the leasing agreement to be received), variable leasing fees that depend on an index or a price (e.g. a reference interest rate) and amounts that are expected to be paid according to residual value guarantees. Lease payments also include the exercise price of an option to purchase the underlying asset or penalties payable on termination in accordance with a termination option, if such options are reasonably certain to be exercised by EG7. Variable leasing fees that are not due to an index or a price are reported as an expense in the period to which they are attributable.

For the calculation of the present value of the leasing payments, the Group uses the implicit interest rate in the agreement if it can be easily determined and in other cases the marginal borrowing rate as of the commencement date of the leasing agreement is used. After the commencement date of a lease agreement, the lease liability increases to reflect the interest on the lease liability and decreases with the lease payments paid. In addition, the value of the lease liability is revalued as a result of modifications, changes in the lease term, changes in lease payments or changes in an assessment to purchase the underlying asset.

Right-of-use assets
The Group recognizes right-of-use assets in the statement of financial position at the start date of the leasing agreement (i.e. the date when the underlying asset becomes available for use). Right-of-use assets are valued at acquisition value after deductions for accumulated depreciation and any write-downs and adjusted for revaluations of the lease liability. The acquisition value of right-of-use assets includes the initial value reported for the attributable lease liability, initial direct expenses, and any advance payments made on or before the commencement date of the lease after deduction of any incentives received. Provided that EG7 is not reasonably certain that the ownership of the underlying asset will be taken over at the end of the leasing agreement, the right-of-use asset is depreciated on a straight-line basis over the shorter of the leasing period and the useful life.

Application of practical exceptions
EG7 applies the practical exceptions regarding short-term leases and leases where the underlying asset is of low value. Short-term leasing agreements are defined as leasing agreements with an initial leasing period of a maximum of 12 months after consideration of any options to extend the leasing agreement. Leasing agreements where the underlying asset is of low value in the Group consist of e.g. of office equipment. Leasing payments for short-term leasing agreements and leasing agreements where the underlying asset is of low value are expensed on a straight-line basis over the leasing period. The Group also applies the exemption not to separate non-leasing components from leasing components in leasing agreements. Thus, leasing components and associated non-leasing components are reported as a single leasing component.

Amortization of non-financial assets

The Group conducts an impairment test in the event that there are indications that a decline in value has occurred in the tangible or intangible assets, i.e. whenever events or changes in circumstances indicate that the reported value is not recoverable. This also applies to right-of-use assets attributable to leasing agreements. Furthermore, assets with an indefinite useful life, i.e. the Group's goodwill, are tested annually for impairment by calculating the asset's recoverable amount, regardless of whether there are indications of a decline in value or not.

An impairment loss is recognized in the amount by which the asset's reported value exceeds its recoverable amount. A recoverable amount consists of the higher of a net sales value and a value in use that constitutes an internally generated value based on future cash flows. When assessing impairment, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units). When impairment needs have been identified for a cash-generating unit (group of units), the impairment amount is primarily allocated to goodwill. Thereafter, a proportional impairment is made of other assets included in the unit (group

of units). When calculating the value in use, future cash flows are discounted with a discount factor that takes into account risk-free interest and the risk associated with the specific asset. An impairment loss is charged to the net profit.
Previously reported impairments are reversed if the recoverable amount is judged to exceed the reported value. However, reversals do not take place with an amount that is greater than the reported value amounts to what it would have been if impairments had not been reported in previous periods. Any reversal is reported in the income statement. Impairment of goodwill is never reversed, however.

Financial instruments

Financial instruments are any form of agreement that gives rise to a financial asset in one company and a financial liability or an equity instrument in another company. Financial instruments reported in the balance sheet include on the asset side; accounts receivable and cash and cash equivalents. Liabilities include; liabilities to credit institutions, accounts payable, additional purchase payments and other liabilities. The report depends on how the financial instruments have been classified.

Accounting and removal

Financial assets and liabilities are reported when the Group becomes a party in accordance with the instrument’s contractual terms. Transactions with financial assets are reported on the business day, which is the day on which the Group commits to acquire or divest the assets. Accounts receivables are recognized in the balance sheet when an invoice has been sent and the Group’s right to compensation is unconditional. Liabilities are reported when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Accounts payable are taken up when the invoice has been received.

A financial asset is removed from the balance sheet (in whole or in part) when the rights in the contract have been realized or expired, or when the Group no longer has control over them. A financial liability is removed from the balance sheet (in whole or in part) when the obligation in the agreement is fulfilled or otherwise extinguished. A financial asset and a financial liability are reported net in the balance sheet when there is a legal right to offset the reported amounts and the intention is to either settle the net or to realize the asset at the same time as the liability is settled. Gains and losses from removal from the balance sheet and modification are reported in the income statement. At each reporting date, the company evaluates the need for write-downs regarding expected credit losses for a financial asset or group of financial assets, as well as any other credit exposure.

Classification and valuation

Financial assets

Debt instruments: the classification of financial assets that are debt instruments is based on the Group’s business model for managing the asset and the nature of the asset’s contractual cash flows. The instruments are classified as:

- Amortized cost,
- Fair value through other comprehensive income, or
- Fair value through profit or loss.

Financial assets classified at amortized cost are held in accordance with the business model to collect contractual cash flows that are only payments of principal and interest on the outstanding principal. Financial assets that are classified at amortized cost are initially valued at fair value with the addition of transaction costs. After the first reporting opportunity, the assets are valued according to the effective interest method. The assets are covered by a loss provision for expected credit losses. The Group’s financial assets, which are debt instruments classified at amortized cost, are shown in Note 14 Financial instruments.
The Group does not hold any financial assets classified at fair value through other comprehensive income. The Group also does not hold any financial assets that constitute debt instruments classified at fair value through profit or loss.

Financial liabilities

Financial liabilities, with the exception of contingent considerations, are classified at amortized cost. Financial liabilities reported at amortized cost are initially valued at fair value including transaction costs. After the first reporting occasion, they are valued at amortized cost according to the effective interest method. The Group’s contingent considerations are classified and reported as a financial liability valued at fair value through profit or loss.

Borrowing is classified as current liabilities unless the Group has an unconditional right to defer payment of the debt for at least 12 months after the balance sheet date. Borrowing costs are reported in the income statement in the period to which they relate. Accrued interest is reported as part of current liabilities to credit institutions, in which case the interest is expected to be settled within 12 months from the balance date.

Fair value is determined as described in Note 14 Financial instruments.

Write-downs of financial assets

Financial assets, in addition to those classified at fair value through profit or loss or equity instruments valued at fair value through other comprehensive income, are subject to write-downs for expected credit losses. In addition, the write-down also includes contract assets that are not valued at fair value through profit or loss. Write-down losses on credit losses in accordance with IFRS 9 are forward-looking and a loss provision is made when there is an exposure to credit risk, usually at the first reporting date for an asset or receivable. Expected credit losses reflect the present value of all cash flow deficits attributable to default either for the next 12 months or for the expected remaining maturity of the financial instrument, depending on the asset class and on credit deterioration since the first reporting date.

For a more detailed description of methods applied for calculating expected credit losses, see Note 20 Financial risks.

Inventory

Inventories are valued at the lower of cost and net realizable value. Acquisition value is calculated according to the so-called first-in-first-out principle and includes expenses incurred in acquiring the inventory assets and transporting them to their current location and condition. Net sales value is defined as sales price reduced for sales costs.

Cash and cash equivalents

Cash and cash equivalents consist of cash and immediately available balances with banks and corresponding institutions. Cash and cash equivalents are covered by the requirements for loss provision for expected credit losses.

Equity

All the company's shares are ordinary shares. The share capital is reported at the quota value of the ordinary shares and the excess part is reported as other contributed capital. Transaction costs that can be directly attributed to the issue of new shares are reported, net after tax, in equity as a deduction from the issue proceeds.

Contingent liabilities

A contingent liability is recognized when there is a possible liability arising from events that have occurred and the occurrence of which is confirmed only by one or more uncertain future events or when there is a liability that is not recognized as a liability or provision because it is not probable that an outflow of resources will be required.

Government grants

Government grants are only reported when there is reasonable assurance that the grant will be received and that the Group will meet the conditions associated with the grant. Government grants attributable to assets are reported in the statement of financial position by the grant reducing the asset's reported value, which means that the grant is accrued during the asset's useful life in the form of lower amortization. Grants attributable to income are reported as part of the result by reducing corresponding costs. Grants are systematically accrued in the profit for the year in the same way and over the same periods as the costs the grants are intended to compensate for.

Cash flow

The cash flow statement is prepared according to the indirect method. This means that the result is adjusted with transactions that did not result in inflows or outflows and for income and expenses attributable to the investment and / or financing activities.

NOTE 2 Significant estimates and assessments

When preparing the financial statements, the company management and the Board must make certain estimates and assessments that affect the carrying amount of asset and liability items and income and expense items, respectively, as well as other information provided. The assessments are based on experiences and assumptions that the management and the Board deem to be reasonable in the prevailing circumstances. Actual outcome may then differ from these assessments if other conditions arise. The estimates and assumptions are evaluated on an ongoing basis and are not considered to entail any significant risk of significant adjustments in the reported values of assets and liabilities during the next financial year. Changes in estimates are reported in the period in which the change is made if the change has only affected this period, or in the period in which the change is made and future periods if the change affects both the current period and future periods. The assessments that are most important in the preparation of the company's financial reports are described below.

Impairment testing of goodwill

To determine whether the value of goodwill has decreased, the cash-generating units to which goodwill has been attributed are valued, which is done by discounting the cash-generating unit's cash flows. In applying this method, EG7 relies on a number of input factors, including results achieved, business plans, financial forecasts and market data. Changes in the conditions for these assumptions and estimates could have a significant effect on the value of goodwill.

Acquisition analyses

In the case of acquisitions of subsidiaries, an acquisition analysis is performed, in which the fair value on the acquisition date of acquired identifiable assets as well as assumed liabilities and contingent liabilities is reported. Acquisition analyses are based on significant estimates and assessments of future events. Actual values may consequently differ from those imposed in the acquisition analysis.

Contingent considerations

In connection with the acquisition of subsidiaries, EG7 has entered into agreements on conditional purchase prices. These additional purchase prices are valued at fair value through profit or loss and the fair value is determined by discounting future cash flows. Since the additional purchase price is dependent on future results, the actual outcome may vary from the assessments that have been made, even if the assessments used are the company management's best estimate of the outcome. Changes in the significant unobservable input factors, such as forecast sales and a risk-adjusted discount rate, can lead to a change in the reported values.

NOTE 3 Operational segments

The Group has, for accounting and follow-up, divided its operations into two segments; Games and Services.
Operating segments are reported in a manner consistent with the internal reporting provided to the Highest Executive Decision Maker. The Highest Executive Decision Maker is the function responsible for allocating resources and assessing the operating segments' results. In the Group, this function has been identified as the company management. An operating segment is a part of the Group that conducts operations from which it can generate revenue and incur costs and for which independent financial information is available. The Group's division into segments is based on the internal structure of the Group's business operations, which means that the Group's operations have been divided into two reportable segments; Games and Services.

- "Games"— both own developments and consulting assignments. EG7 has 8 game development and live operations studios in North America and Europe within the Group: Antimatter Games, Piranha, Toadman, Big Blue Bubble and Daybreak.
- "Services"— which includes consulting activities regarding development strategies and marketing of games through the subsidiary Petrol Advertising Inc., as well as distribution of games as publishers – digitally and physically through the subsidiary Fireshine Games (formerly Sold Out Marketing Ltd) and Innova.

2022-01-01 – 2022-12-31	Services	Games	Total segment	Holding	Group total
Revenue from external customers	622.5	1,243.4	1,865.9	0.0	1,865.9
Other revenue	0.0	11.9	11.9	0.9	12.8
Total revenue	**622.5**	**1,255.3**	**1,877.8**	**0.9**	**1,878.7**
Operating expenses					
Cost of goods sold	-381.5	-244.8	-626.3	0.0	-626.3
Other external expenses	-28.6	-161.8	-190.4	-18.6	-209.0
Personnel expenses	-141.9	-585.1	-726.9	-15.5	-742.4
Own work capitalized	0.0	157.3	157.3	0.0	157.3
Other expenses	13.4	2.9	16.2	0.0	16.2
Operating profit before depreciation and amortization (EBITDA)	**83.9**	**423.8**	**507.7**	**-33.2**	**474.5**
Depreciation and amortization	-9.6	-726.6	-736.2	-14.3	-750.4
Operating profit (EBIT)	**74.3**	**-302.7**	**-228.5**	**-47.4**	**-275.9**
Financial income					13.5
Financial expenses					-33.8
Profit before tax					**-296.2**

2021-01-01 – 2021-12-31	Services	Games	Total segment	Holding	Group total
Revenue from external customers	556.2	911.6	1,467.9	0.0	1,467.9
Other revenue	0.0	365.1	365.1	0.0	365.1
Total revenue	**556.2**	**1,276.7**	**1,832.9**	**0.0**	**1,832.9**
Operating expenses					
Cost of goods sold	-373.6	-211.1	-584.6	0.0	-584.6
Other external expenses	-20.1	-112.0	-132.2	-46.3	-178.5
Personnel expenses	-99.1	-434.1	-533.2	-20.1	-553.3
Own work capitalized	0.0	127.0	127.0	0.0	127.0
Other expenses	-1.4	0.4	-1.0	0.0	-1.0
Operating profit before depreciation and amortization (EBITDA)	**62.0**	**646.9**	**708.9**	**-66.4**	**642.5**
Depreciation and amortization	-111.0	-364.1	-475.1	-9.7	-484.9
Operating profit (EBIT)	**-49.0**	**282.8**	**233.8**	**-76.2**	**-157.7**
Financial income					8.8
Financial expenses					-112.9
Profit before tax					**53.6**

Fixed assets per country

2022-01-01 – 2022-12-31	Games	Services	Holding	Group total
GEOGRAPHICAL REGION				
Sweden	2.5	0.0	10.6	13.1
UK	6.5	188.2	0.0	194.7
Other Europe	2.1	0.0	0.0	2.1
Canada	630.8	0.0	0.0	630.8
US	3,110.4	40.7	0.0	3,151.0
Total fixed assets	3,752.2	228.9	10.6	3,991.6

NOTE 4 Revenue from customer contracts

2022-01-01 – 2022-12-31	Games	Services	Group total
GEOGRAPHICAL REGION			
Sweden	7.6	16.1	23.7
Rest of Europe	278.9	208.2	487.0
North America	895.4	338.9	1,234.3
South America	7.9	0.0	7.9
Asia	26.7	48.5	75.2
Africa	1.0	0.0	1.0
Oceania	26.0	10.7	36.7
Revenue from customer contracts	**1,243.4**	**622.5**	**1,865.9**

2021-01-01 – 2021-12-31	Games	Services	Group total
GEOGRAPHICAL REGION			
Sweden	12.0	0.0	12.0
Rest of Europe	180.0	219.5	399.6
North America	682.5	275.5	958.1
South America	5.2	0.0	5.3
Asia	12.3	48.7	61.0
Africa	1.1	0.0	1.1
Oceania	18.4	12.5	30.9
Revenue from customer contracts	**911.6**	**556.2**	**1,467.9**

CONTRACTUAL ASSETS	2022-12-31	2021-12-31
Opening balance	35.6	32.4
Significant changes in contractual assets:		
Changes attributable to ordinary operations	-19.8	3.2
Closing balance	**15.8**	**35.6**

CONTRACTUAL LIABILITIES	2022-12-31	2021-12-31
Opening balance	154.3	108.8
Significant changes in contractual liabilities:		
due to business acquisitions	0.0	16.5
Changes attributable to ordinary operations	2.7	29.0
Closing balance	**157.0**	**154.3**

REPORTED INCOME DURING THE YEAR	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Which was found in the contractual liabilities as of 1 January	154.3	108.8
From performance commitments that were fulfilled / have been partially fulfilled during previous periods	0,0	0,0

Revenues allocated to unfulfilled, or partially fulfilled performance commitments are expected to be reported as revenue	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Within one year	153.0	144.1
After one year	4.0	10.2

Contractual assets consist of accrued income, to which the company's right is conditional on continued performance in accordance with the agreement. When the company's right to compensation becomes unconditional, the asset is reported as a trade receivable. Contractual debt refers to advance payments from customers for whom performance commitments have not been fulfilled. Contractual liabilities are reported as income when performance commitments in the contract are fulfilled (or have been fulfilled).

NOTE 5 Other revenue

	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Release of contingent liabilities	0.9	352.0
Government grant	11.7	12.8
Other	0.2	0.3
Total	**12.8**	**365.1**

NOTE 6 Remuneration to auditors

PRICEWATERHOUSECOOPERS AB	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
The audit assignment	5.2	0.0
Other auditing activities	0.0	0.0
Tax advice	1.2	0.0
Other services	0.0	0.0
Total	**6.4**	**0.0**
ERNST & YOUNG AB		
The audit assignment	0.0	5.6
Other auditing activities	0.0	5.2
Tax advice	0.0	0.0
Other services	0.0	0.0
Total	**0.0**	**10.8**
OTHER AUDITORS		
The audit assignment	0.5	0.5
Other auditing activities	0.0	0.0
Tax advice	0.0	0.0
Other services	0.0	0.0
Total	**0.5**	**0.5**

Audit assignments refer to the auditor's work for the statutory audit and by auditing activities to different types of quality assurance services. Other services are those that are not included in audit assignments or tax advice.

NOTE 7 Personnel and personnel expenses

	2022-01-01 – 2022-12-31				2021-01-01 – 2021-12-31		
Average number of employees	**Average number of employees**	**Of which women, %**	**Of which men, %**	**Of which other, %**	**Average number of employees**	**Of which women, %**	**Of which men, %**
Parent company	8	71%	29%		12	50%	50%

Subsidiaries in:							
Sweden	31	20%	80%		32	28%	72%
Canada	139	39%	59%	1%	132	27%	73%
Norway	2	0%	100%		3	0%	100%
Russia	59	12%	88%		77	13%	87%
UK	81	16%	84%		71	13%	87%
Germany	21	10%	90%		17	12%	88%
USA	324	21%	79%		326	22%	78%
Group total	**665**	**24%**	**76%**	**0%**	**669**	**26%**	**74%**

	2022-01-01 – 2022-12-31			**2021-01-01 – 2021-12-31**		
Gender distribution in the Board and company management	**Average number of employees**	**Of which women, %**	**Of which men, %**	**Average number of employees**	**Of which women, %**	**Of which men, %**
Board of Directors	5	20%	80%	6	17%	83%
CEO and other management	2	0%	100%	2	0%	100%
Group total	**7**	**14%**	**86%**	**8**	**13%**	**88%**

Personnel expenses	**2022-01-01 –2022-12-31**	**2021-01-01 –2021-12-31**
Parent company		
Board of Directors and the management:		
Salaries and benefits	6.5	2.5
Social expenses	1.5	0.5
Pension costs	1.0	0.0
Total	**9.0**	**3.0**
Other personnel		
Salaries and benefits	3.9	12.8
Social expenses	1.8	3.5
Pension costs	0.7	0.8
Other personnel expenses	-0.1	2.9
Total	**6.3**	**19.9**
Subsidiaries		
Board of Directors and the management:		
Salaries and benefits	56.1	21.6
Social expenses	3.9	1.3
Pension costs	1.6	1.8
Other personnel expenses	0.3	0.9
Total	**61.9**	**25.7**
Other personnel		
Salaries and benefits	509.7	426.9
Social expenses	76.7	32.1
Pension costs	14.4	8.4
Other personnel expenses	7.3	39.2
Total	**608.1**	**506.5**
Group total	**685.5**	**555.2**

2022-01-01 – 2022-12-31	Base salary, Board compensation	Variable compensation	Pension costs	Other compensation	Total
Chairman of the Board					
Jason Epstein	0.4	0.0	0.0	0.0	0.4
Member of the Board					
Alexander Albedj	0.4	0.0	0.0	0.0	0.4
Marie-Louise Hellström Gefwert	0.3	0.0	0.0	0.0	0.3
Shumsher Singh	0.1	0.0	0.0	0.0	0.1
Gunnar Lind	0.3	0.0	0.0	0.0	0.3
Erik Nielsen	0.1	0.0	0.0	0.0	0.1
Chief executive officer					
Ji Ham	7.6	15.2	0.1	0.0	22.9
Other management (8 staff)	31.7	4.4	1.5	0.3	37.9
Total	**40.9**	**19.6**	**1.6**	**0.3**	**62.4**

2021-01-01 – 2021-12-31	Base salary, Board compensation	Variable compensation	Pension costs	Other compensation	Total
Chairman of the Board					
Alexander Albedj	0.4	0.0	0.0	0.0	0.4
Member of the Board					
Marie-Louise Hellström Gefwert	0.3	0.0	0.0	0.0	0.3
Erik Nielsen	0.1	0.0	0.0	0.0	0.1
Gunnar Lind	0.2	0.0	0.0	0.0	0.2
Sven Folkesson	0.1	0.0	0.0	0.0	0.1
Chief executive officer					
Robin Flodin	1.3	0.0	0.0	0.0	1.3
Ji Ham	2.5	0.5	0.0	0.0	3.0
Other management (8 staff)	21.6	1.4	1.8	0.9	25.7
Total	**26.4**	**1.8**	**1.9**	**0.9**	**31.1**

Remuneration and conditions for management

Remuneration to the CEO and other management consists of basic salary, variable compensation and in some cases pension benefits as well as other benefits such as a company car. Other management refers to the persons responsible for each subsidiary and Group management.

Since the end of August, the company has had an acting CEO – Ji Ham – who has a fixed-term employment with the wholly owned subsidiary Daybreak Game Company LLC in California, USA. The current contract – as CEO of Daybreak as well as acting CEO of EG7 runs until 31 December 2023 with automatic extension one year at a time or through renegotiation. The company's acting CEO has a notice of termination period of two (2) months, regardless of whether the dismissal is on the company's or acting CEO's initiative. The acting CEO does not enjoy any pension benefit.

The deputy CEO has a notice of termination period of six (6) months, regardless of whether the termination is on the initiative of the company or the deputy CEO. In addition, the company has the opportunity to quarantine the vice president for three (3) months after the end of the employment against a remuneration corresponding to three (3) monthly salaries. The pension benefit for the deputy CEO corresponds to 31.6% of pensionable salary.

Severance pay

The acting CEO is entitled to severance pay if he has 'good reasons' to resign or if the company terminates his employment without 'good reasons'. The severance pay can be valued at basic salary for the remaining months during the term of the contract or up to USD 1,500,000. According to the agreement, the acting director shall be 'quarantined' for three (3) months if the employment is terminated on his own initiative for any reason or on the company's initiative without 'good reasons'.
According to the agreement, the deputy CEO is not entitled to severance pay if his employment ends.

NOTE 8 Financial income

	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Assets valued at accrued acquisition value:		
Interest income other financial assets	0.2	0.7
Total interest income according to the effective interest method	**0.2**	**0.7**
Other financial income	0.6	2.0
Loan forgiveness (Covid related in US)	12.7	0.0
Exchange rate differences – financial items	0.0	6.4
Total	**13.2**	**8.4**
Total financial income	**13.5**	**9.2**

NOTE 9 Financial expenses

	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Assets and liabilities valued at fair value through profit or loss:		
Discount rate contingent consideration	-14.2	-59.0
Total reported through profit and loss	**-14.2**	**-59.0**
Liabilities valued at accrued acquisition value:		
Discounted acquisition loans	-0.6	-16.5
Interest expenses liabilities to credit institutions	-13.8	-21.2
Total interest expenses according to the effective interest method	**-14.5**	**-37.7**
Other financial expenses:		
Borrowing costs	-1.1	-14,8
Exchange rate differences – financial items	-1.1	0.0
Interest expenses leasing liabilities	-2.5	-3.0
Other financial expenses	-0.5	0.0
Total	**-5.1**	**-17.8**
Total financial expenses	**-33.8**	**-114.5**

NOTE 10 Tax

Current tax	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Current tax on net profit	-50.8	-93.3
Adjustments regarding previous years	0.0	0.0
Total current tax	-50.8	-93.3
Deferred tax		
Deferred tax on temporary differences	-1.3	113.2
Deferred tax on loss carryforwards	80.1	-13.8
Total deferred tax	78.8	99.4
Reported tax on income statement	28.0	6.1

Reconciliation of effective tax rat	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Profit before tax	**-296.2**	**90.6**
Tax according to the current tax rate for the parent company (20.6%)	61.0	-18.7
Tax effect from:		
Non-deductible expenses	-38.1	-0.1
Non-taxable income	6.4	3.4
Non-taxable income earn-out	0.3	76.7

Non-deductible interest	0.0	0.0
Previous years' taxes	7.7	-8.8
Effect of changes in tax rate	0.0	-8.9
Non-reported deferred tax on temporary differences	0.1	-6.6
Adjustment tax rate other countries	-9.3	-7.5
Goodwill impairment	0.0	-24.2
Other	0.0	0.7
Reported tax	**28.0**	**6.1**
Effective tax rate	-9%	7%

Amounts reported directly against equity	**2022-01-01 –2022-12-31**	**2021-01-01 –2021-12-31**
Deferred tax: currency effect net investment in subsidiaries	45.8	28.7
Total	**45.8**	**28.7**

Information on deferred tax assets and liabilities
The unused tax carryforwards have no maturity.
The following tables specify the tax effect of the temporary differences:

Deferred tax assets	**Other**	**Intangible assets**	**Right-of-use assets**	**Unused tax carryforwards**	**Total**
Opening balance 2022-01-01	**12.2**	**0.7**	**-0.1**	**51.2**	**64.0**
Reported:					
Divestment	-12.2	-0.7	0.7	-42.4	-54.6
In profit	0.0	0.0	0.0	79.1	79.1
Translation effect	0.0	0.0	0.0	6.7	6.7
Closing balance 2022-12-31	**0.0**	**0.0**	**0.6**	**94.7**	**95.2**

Deferred tax assets	**Other**	**Intangible assets**	**Right-of-use assets**	**Unused tax carryforwards**	**Total**
Opening balance 2021-01-01	**0.0**	**0.6**	**0.0**	**26.2**	**26.8**
Reported:					
Acquisition	10.9	1.1	1.0	38.8	51.8
In profit	1.3	-1.0	-1.1	-13.8	-14.6
In comprehensive income		0.0	0.0	0.0	0.0
Closing balance 2021-12-31	**12.2**	**0.7**	**-0.1**	**51.2**	**64.0**

Deferred tax liabilities	**Other**	**Net investment subsidiaries**	**Intangible assets**	**Total**
Opening balance 2022-01-01	**10.8**	**0.0**	**57.4**	**68.2**
Reported:				
Divestment	-10.8			-10.8
In profit		-45.8	46.2	0.4
In comprehensive income		45.8	0.0	45.8
Translation effect		0.0	1.9	1.9
Closing balance 2022-12-31	**0.0**	**0.0**	**105.5**	**105.5**

Deferred tax liabilities	**Other**	**Net investment subsidiaries**	**Intangible assets**	**Total**
Opening balance 2021-01-01	**0**	**0.0**	**9.8**	**9.8**
Reported:				
Acquisition	11.5		132.2	143.6
In profit	-0.7	-28.7	-84.6	-114.0

In comprehensive income		28.7	0.0	28.7
Closing balance 2021-12-31	**10.8**	**0.0**	**57.4**	**68.2**

NOTE 11 Earnings per avarage share

Earnings per share before dilution	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Profit for the year attributable to the parent company’s shareholders	-1,238.9	96.7
Average number of ordinary shares outstanding	88,270,408	85,370,134
Earnings per share before dilution	**-14.04**	**1.13**

Earnings per share after dilution	2022-01-01 - 2022-12-31	2021-01-01 - 2021-12-31
Profit for the year attributable to the parent company’s shareholders	-1,238.9	96.7
Average number of shares after dilution	88,270,408	85,370,134
Earnings per share after dilution	**-14.04**	**1.13**

NOTE 12 Intangible assets

ACQUISITION VALUE	Goodwill	Self-generated intangible assets	IP rights	Market and customer-related assets	Other intangible assets	Total intangible assets excluding goodwill
Per 1 January 2021	**2,388.1**	**197.5**	**302.0**	**336.6**	**26.2**	**862.3**
Separate acquisition					6.2	6.2
Business acquisitions	1,402.5	28.2	304.5	28.8	7.3	368.7
Internally processed		134.2				134.2
Reclassifications					77.2	77.2
Translation effect	314.6	9.3	45.6	37.6	7.0	99.4
Per 31 December 2021	**4,105.3**	**369.1**	**652.1**	**402.9**	**123.9**	**1,547.9**
Separate acquisition					30.5	30.5
Internally processed		157.3				157.3
Reclassifications		120.4			-121.8	-1.3
Divestment	-1,037.9	-204.3	-211.5	-25.6	-42.6	-484.0
Translation effect	454.2	17.4	41.9	51.0	14.3	124.7
Per 31 December 2022	**3,521.5**	**460.0**	**482.5**	**428.3**	**4.4**	**1,375.2**
Depreciation and amortization						
Per 1 January 2021		**-11.8**	**-2.7**	**-1.9**	**-1.1**	**-17.5**
This year's depreciation and amortization		-25.5	-104.8	-58.9	-0.6	-189.8
Business acquisitions			-16.9		-6.7	-23.6
Reclassifications						
Translation effect		-1.3	-4.2	-3.1	-0.2	-8.8
Per 31 December 2021		**-38.6**	**-128.7**	**-63.9**	**-8.5**	**-239.6**
This year's depreciation and amortization		-40.8	-61.3	-63.3	-0.4	-165.9
Divestments			56.4	4.1	7.0	67.4
Reclassifications		0.2			0.3	0.5
Translation effect		-2.7	-10.5	-9.2	-0.4	-22.8
Per 31 December 2022		**-81.9**	**-144.0**	**-132.3**	**-2.1**	**-360.4**
Impairment						
Per 1 January 2021	**-95.4**	**-1.4**				**-1.4**
This year's impairment	-103.0	-0.4	-146.4	-24.8	-5.2	-176.7
Translation effect	-14.9	0.0	-4.7	-0.8	0.0	-5.5
Per 31 December 2021	**-213.3**	**-1.7**	**-151.0**	**-25.6**	**-5.2**	**-183.6**
This year's impairment		-510.1	-80.5		5.2	-585.4
Reclassifications		0.4				0.4
Divestments		203.7	146.4	24.8		374.9
Translation effect	-23.3	0.0	1.7	-0.8	-0.9	1.5
Per 31 December 2022	**-236.6**	**-307.7**	**-83.4**	**0.0**	**-0.9**	**-392.1**
Closing balance per 31 December 2021	**3,891.9**	**328.8**	**372.4**	**313.4**	**110.1**	**1,124.8**
Closing balance per 31 December 2022	**3,284.9**	**70.3**	**255.0**	**296.0**	**1.3**	**622.5**

Impairment test

The Group tests impairment of intangible fixed assets with an indefinite useful life at least annually, i.e. goodwill and self-generated intangible assets that have not yet been taken into use.

2022-12-31	SoldOut	Petrol	Daybreak	Big Blue Bubble		Piranha	Summa
Goodwill	186.5	28.4	2,532.0	195.9		342.0	3,284.9

2021-12-31	SoldOut	Petrol	Daybreak	Big Blue Bubble	Innova	Piranha	Summa
Goodwill	180.6	24.6	2,194.0	179.6	999.7	313.4	3,891.9

The impairment test for the Group's goodwill consists of assessing whether the unit's recoverable amount is higher than its carrying amount for each cash-generating unit to which the goodwill belongs. The recoverable amount has been calculated on the basis of the unit's value in use, which is the present value of the unit's expected future cash flows without regard to restructuring. The calculation of the value in use has been based on a discount factor of 11.8-13.9% and a forecast of cash flows of five years and an extrapolation of cash flows thereafter with a growth of 2%.

The discounted cash flow model includes forecasting of future cash flows from operations, including estimates of revenue volumes and costs. In connection with the impairment test in 2022 no impairment was identified. In 2021 the goodwill of Petrol was impaired together with the surplus values for gaming rights and customers regarding MechWarrior in Piranha. In sensitivity tests of reported value in relation to value in use, assumptions about growth have changed by + – 3 percentage points and the discount factor by + – 3 percentage points. A reduction in growth of 3% or a change in the discount factor of 3% creates an additional need for impairment for Daybreak.

In the fourth quarter 2022 SEK 308.6 million capitalized cost was written down related to games in Toadman and Antimatter Games due to the shift towards WFH. In the second quarter 2022 there was a decision to stop developing Marvel and the capitalized development costs of -201,5 were written down. Marvel assets has after the write down been completely scraped.

NOTE 13 Tangible assets

ACQUISITION VALUE	Inventory, tools and installations	Total tangible fixed assets
Per 1 January 2021	**136.3**	**136.3**
This year's acquisitions	18.1	18.1
Acquired via business acquisitions	50.7	50.7
Sales / scraps	-0.3	-0.3
Translation effect	16.1	16.1
Per 31 December 2021	**220.9**	**220.9**
This year's acquisitions	12.2	12.2
Acquired via business acquisitions		
Sales / scraps	-56.7	-56.7
Translation effect	27.1	27.1
Per 31 December 2022	**203.5**	**203.5**
Accumulated depreciation		
Per 1 January 2021	**-111.5**	**-111.5**
This year's depreciations	-18.2	-18.2
Acquired	-44.8	-44.8
Sales / scraps	0.3	0.3
Translation effect	-13.5	-13.5
Per 31 December 2021	**-187.6**	**-187.6**
This year's depreciations	-14.2	-14.2
Acquired		
Sales / scraps	51.4	51.4
Translation effect	-23.8	-23.8
Per 31 December 2022	**-174.3**	**-174.3**
Closing balance per 31 December 2021	**33.2**	**33.2**
Closing balance per 31 December 2022	**29.1**	**29.1**

NOTE 14 Leasing agreements

EG7's significant leasing agreements mainly consist of agreements regarding rental premises. EG7 presents leasing agreements in the class premises. The table below presents the Group's closing balances regarding right-of-use assets and leasing liabilities as well as the operations during the year:

	Right-of use assets		
	Premises	**Total**	**Leasing liability**
Opening balance 1 January 2021	**63.6**	**63.6**	**63.9**
Additional agreements	47.7	47.7	48.8
Depreciation	-51.9	-51.9	
Concluded agreements	-10.0	-10.0	-12.5
Reclassification	4.8	4.8	3.8
Interest expenses			11.0
Leasing fees			-62.7
Closing balance 31 December 2021	**54.2**	**54.2**	**52.3**
Additional agreements	10.8	10.8	10.8
Depreciation	-30.5	-30.5	
Divestments	-10.4	-10.4	-8.3
Recalculation	11.4	11.4	11.4
Translation effects	4.4	4.4	4.5
Interest expenses			1.6
Leasing fees			-31.2
Closing balance 31 December 2022	**39.9**	**39.9**	**41.1**

The amounts reported in the Group's report on earnings during the year attributable to leasing operations are presented below:

	2022-01-01 –2022-12-31	**2021-01-01 –2021-12-31**
Depreciation of right-of-use assets	-30.5	-51.9
Interest expenses on leasing liabilities	-1.6	-11.0
Expense regarding short-term leasing agreements	-0.7	0.0
Expense of agreements where the underlying asset is of low value	-0.5	-11,3
Expenses for variable leasing fees	-10.3	-1.7
Profit effect terminated agreements	0.0	-10.0
Total	**-43.5**	**-85.9**

For a maturity analysis of the Group's leasing liabilities, see Note 21 Financial risks.

NOTE 15 Financial instruments

Valuation of financial assets and liabilities as of 2022-12-31

Financial assets	**Financial assets/liabilities valued at fair value through profit or loss**	**Financial assets/liabilities valued at amortized cost**	**Total reported values**
Accounts receivable	0.0	263.3	263.3
Blocked bank balance	0.0	2.6	2.6
Cash and cash equivalents	0.0	405.2	405.2
Total	**0.0**	**671.1**	**671.1**
Financial liabilities			
Contingent consideration	83.9	0.0	83.9
Liabilities to credit institutions	0.0	104.0	104.0
Accounts payable	0.0	84.8	84.8
Other current liabilities	0.0	353.2	353.2
Other long term liabilities	0.0	135.4	135.4

Total	**83.9**	**677.4**	**677.4**

Valuation of financial assets and liabilities as of 2021-12-31

Financial assets	Financial assets/liabilities valued at fair value through profit or loss	Financial assets/liabilities valued at amortized cost	Total reported values
Accounts receivable	0.0	242.9	242.9
Blocked bank balance	0.0	2.7	2.7
Cash and cash equivalents	0.0	481.2	481.2
Total	**0.0**	**726.8**	**726.8**
Financial liabilities			
Contingent consideration	128.7	0.0	128.7
Liabilities to credit institutions	0.0	406.2	406.2
Accounts payable	0.0	71.6	71.6
Other current liabilities	0.0	604.4	604.4
Total	**128.7**	**1,082.2**	**1,210.9**

Interest-bearing receivables and liabilities

Liabilities to credit institutions bear variable interest rates.

Current receivables and liabilities

For current receivables and liabilities, such as accounts receivable and accounts payable, the carrying amount is considered to be a good approximation of the fair value.
The Group has no financial assets or liabilities that have been set off in the accounts or that are covered by a legally binding netting agreement. The assets' maximum credit risk consists of the net amounts of the reported values in the tables above. The Group has not received any collateral for the net financial assets.

Valuation at fair value

Fair value is the price that at the time of valuation would be obtained on the sale of an asset or paid on the transfer of a liability through an orderly transaction between market participants. The table below shows financial instruments valued at fair value, based on how the classification in the fair value hierarchy is made. The different levels 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).
All of the Group's contingent considerations are valued according to level 3.

Contingent consideration

The contingent consideration is reported as a separate item in the balance sheet and is valued at fair value by discounting expected cash flows with a risk-adjusted discount rate of 17.4%. Valuation thus takes place according to level 3 in the valuation hierarchy. The additional purchase price is dependent on the earnings trend in the acquisitions up to and including 2025. Significant unobservable input data consists of forecast earnings and a risk-adjusted discount rate.

Additional purchase prices	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Opening balance	**128.8**	**484.3**
Business acquisitions	0.0	276.6
Payments	-68.2	-445.2
Change in value reported in the result	-0.9	-352,0
Translation effect	0.0	78.3
Discount effect	14.2	59.0
Currency effect	10.0	27.8
Closing balance	**83.9**	**128.8**

During the period, unrealized gains or losses for contingent considerations held as of the balance sheet date amounted to SEK 0.9 (352.0) million. This amount is included as part of other operating income in the Group's income statement.

Given the contingent considerations available as of the balance sheet date, a change in the discount factor of 5 percentage points will have an impact on the fair value of the contingent additional purchase consideration of SEK 1.2 million.

NOTE 16 Inventory

	2022-12-31	2021-12-31
Prepared goods and goods for sale	17.3	13.2
Reported value	**17.3**	**13.2**

NOTE 17 Prepayments and accrued income

	2022-12-31	2021-12-31
Insurance premiums	3.6	0.0
Game related costs	51.2	0.0
Licences	3.1	0.0
Other prepaid expenses	8.4	32.3
Reported value	**66.3**	**32.3**

NOTE 18 Cash and cash equivalents

	2022-12-31	2021-12-31
Bank balances	407.8	483.9
Reported value	**407.8**	**483.9**

Of the Group's bank balances, SEK 2.6 million (SEK 2.6 million) consists of blocked bank balances that are classified as other long-term receivables.

NOTE 19 Group companies

The parent company's, Enad Global 7 AB (publ), holdings in direct and indirect subsidiaries that are covered by the consolidated financial statements are shown in the table below:

Company	Corporate identity number	Location	Amount/Share % 2022-12-31	2021-12-31
Enad Global 7 AB (publ)	556923-2837	Stockholm, Sweden	Parent company	Parent company
Toadman Interactive AB	559230-6483	Stockholm, Sweden	100%	100%
Artplant AS	NO983807747	Oslo, Norway	100%	100%
OOO Artplant	1106952017501	Tver, Russia	-	100%
Anti-matter Games Ltd	8543466	Cornwall, UK	100%	100%
Petrol Advertising Inc	EIN: 84-2171339	North Varney, USA	100%	100%
Toadman Interactive GmbH	DE314775478	Berlin, Germany	100%	100%
Sold-out Marketing & Distribution Ltd	Reg nr. 06989121	London, UK	100%	100%
Dream Acquisition Co.	85-4392549	San Diego, US	100%	100%
Daybreak Game Company LLC	20-4347762	San Diego, US	100%	100%
Standing Stone Games LLC	81-43419251	San Diego, US	100%	100%
718511 N.B. Ltd	718511	London, Canada	-	100%
Big Blue Bubble Inc.	OCN 5037200	London, Canada	100%	100%
Piranha Games Inc.	865634174RC0002	Vancouver, Canada	100%	100%
Innova Intellectual Properties Sarl	B 156 284	Luxemburg	-	100%
Innova Co. Sarl	B 156 444	Luxemburg	-	100%
Innova Distribution LLC	1077763692720	Moscow, Russia	-	100%

NOTE 20 Equity

Share capital

The registered share capital of SEK 3,544,140 (SEK 3,484,723) consists of 88,603,526 shares (87,118,089 shares). EG7 AB has only one class of shares where all shares have equal voting rights. The par value of the shares is SEK 0.04.
Holders of ordinary shares are entitled to dividends that are determined gradually and the shareholding entitles the holder to vote at the Annual General Meeting with one vote per share. All shares have the same right to EG7's remaining net assets. All shares are fully paid and no shares are reserved for transfer. No shares are held by the company itself or its subsidiaries.

	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Number of shares outstanding at the beginning of the year	**87,118,089**	**76,630,359**
Issue for non-cash consideration	1,485,437	10,487,730
Number of outstanding shares at the end of the year	**88,603,526**	**87,118,089**

Other contributed capital

Refers to equity contributed by the owners. This includes premiums paid in connection with issues and the attributable tax effect.

Reserves

The Group's reserve fully refers to a translation reserve, which includes all exchange rate differences that arise when translating financial reports from foreign operations that have prepared their financial reports in a functional currency other than the currency in which the Group's financial reports are presented. Accumulated translation difference is reported in the result on disposal of the foreign operation. The company also reports the currency effect on intra-group receivables with associated deferred tax on equity as a result of net investment in foreign operations.

NOTE 21 Financial risks

The Group's earnings, financial position and cash flow are affected both by changes in the rest of the world and by the Group's own actions. The risk management work aims to clarify and analyze the risks that the company encounters and, as far as possible, to prevent and limit any negative effects.

Through its operations, the Group is exposed to various types of financial risks; credit risk, market risks (interest rate risk, currency risk and other price risk) as well as liquidity risk and refinancing risk. The Board has the overall responsibility for the Group's risk work, including financial risks. The risk work includes identifying, assessing and evaluating the risks that the Group faces. Priority is given to the risks that, in an overall assessment regarding possible impact, probability and consequence, are judged to have the most negative effect on the Group. The Group's overall objective for financial risks is to manage and monitor these in order to minimize the risks as far as possible.

Credit risk

Credit risk is the risk that the Group's counterparty in a financial instrument will not be able to fulfill its obligation and thereby cause the Group a financial loss. The Group's credit risk arises primarily through receivables from customers and when investing cash and cash equivalents. At each reporting occasion, the Group evaluates the credit risk of existing exposures, taking into account forward-looking factors.

Below are the financial assets the Group has reserved expected credit losses for. In addition to the assets below, the Group also monitors provisions for other financial instruments. In cases where the amounts are not deemed to be insignificant, a provision is made for expected credit losses also for these financial instruments.

Credit risk in accounts receivable (simplified method for credit risk reserve)

For the Group, credit risk is mainly in accounts receivable and contractual assets and EG7's goal is to have a continuous follow-up of this credit risk. The Group's customers consist of both companies and consumers. The Group has established guidelines to ensure that products are sold to customers with a suitable credit background. The payment terms normally amount to between 0-60 days depending on the counterparty. The historical credit losses amount to a small amount in relation to the Group's sales: 0.04%.

For accounts receivable and contractual assets, the simplified method for reporting expected credit losses is applied. This means that expected credit losses are reserved for the remaining term, which is expected to be less than one year for all receivables. The company applies a rating-based method for calculating expected credit losses based on the probability of default, expected loss and exposure in the event of default. The company has defined default as when payment of the claim is 90 days delayed or more, or if other factors indicate that there is a suspension of payment. In cases where an external credit rating is not available to the counterparty, the company makes an internal assessment of the counterparty's credit rating based on the company's previous experience of the customer and other available information. For credit-impaired assets and receivables as well as for receivables amounting to significant amounts, an individual assessment is made where historical, current and forward-looking information is taken into account. For non-credit impaired receivables and receivables that do not amount to significant amounts, a collective assessment is made. The company impairs a receivable when there is no longer any expectation of receiving payment and when active measures to receive payment have been completed.

Maturity analysis accounts receivable

		2022-12-31			2021-12-31	
	Gross	**Impaired**	**Loss share**	**Gross**	**Impaired**	**Loss share**
Non-overdue accounts receivable	154.4	0.0	0.0	101.6	0.0	0.0
Overdue accounts receivable:						
0-30 days	53.3	0.0	0.0	75.7	0.0	0.0
31-60 days	2.3	0.0	0.0	27.3	0.0	0.0
61-90 days	12.4	0.0	0.0	5.9	0.0	0.0
>91	41.1	-0.2	-2%	12.3	-0.2	-2%
Total	**263.5**	**-0.2**	**-2%**	**222.9**	**-0.2**	**0%**

The credit quality of receivables that are not overdue for more than 90 days is deemed to be good, based on historically low customer losses and consideration of forward-looking factors. The value of impaired receivables that are still under recovery measures amounts to SEK 0.2 million.

Expected loss on accounts receivable (according to simplified method)	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Opening balance	**-0.2**	**-0.9**
Impairments	0.0	0.0
Established credit losses	0.0	0.7
Closing balance	**-0.2**	**-0.2**

Cash and cash equivalents
The Group's credit risk also arises from the investment of cash and cash equivalents and excess liquidity. EG7's goal is to have a continuous follow-up of credit risk attributable to investments. For investments in bank accounts, the goal is for the counterparty to have a high credit rating of at least investment grade rating BBB (S&P). One way of counteracting credit risk is for the Group to have bank accounts in more than one bank.

Provision for expected credit losses (general method)
For other items that are covered by expected credit losses, an impairment method with three stages is applied. Initially, and as of each balance sheet date, a loss reserve is reported for the next 12 months, alternatively for a shorter period depending on the remaining term (stage 1). If there has been a significant increase in credit risk since the first reporting occasion, resulting in a rating below the investment grade, a loss reserve is reported for the asset's remaining term (stage 2). For assets that are deemed to be credit impaired, provisions are still reserved for expected credit losses for the remaining term (stage 3). For impaired assets and receivables, the calculation of interest income is based on the asset's carrying amount, net of loss provision, as opposed to the gross amount as in previous stages. The Group's assets have been assessed to be in stage 1, i.e. there has been no significant increase in credit risk.

The company applies a rating-based method for assessing expected credit losses based on the probability of default, expected loss and exposure in the event of default. Assessment is made per counterparty. The company has defined default as when payment of the claim is 90 days late or more, or if other factors indicate that there is a suspension of payment. As of the balance sheet date, no significant increase in credit risk has been deemed to exist for any receivable. Such an assessment is based on whether payment is 30 days late or more, or if there is a significant deterioration in the rating, resulting in a rating below the investment grade. For credit-impaired assets and receivables, an individual assessment is made where historical, current and forward-looking information is taken into account. The valuation of expected credit losses takes into account any collateral and other credit enhancements in the form of guarantees.

The financial assets are reported in the balance sheet at accrued acquisition value, ie net of gross value and loss reserve. Changes in the loss reserve are reported in the income statement.

Credit risk exposure and credit risk concentration
The Group's credit risk exposure consists of accounts receivable and cash and cash equivalents. Cash and cash equivalents of SEK 481.5 million are invested in various countries with financial institutions with a high credit rating. The majority of cash and cash equivalents are placed in banks with a rating of A.

Market risk
Market risk is the risk that the fair value of or future cash flows from a financial instrument varies due to changes in market prices. According to IFRS, market risks are divided into three types; currency risk, interest rate risk and other price risks. The market risks that affect the Group mainly consist of interest rate risks and currency risks.

Interest rate risk
Interest rate risk is the risk that fair value or future cash flows from a financial instrument will vary due to changes in market interest rates. The goal is not to be exposed to future fluctuations in interest rate changes that affect the Group's cash flow and earnings to a greater extent than EG7 can handle. A significant factor that affects interest rate risk is the fixed interest period. The Group is primarily exposed to interest rate risk regarding the Group's loans to credit institutions. The Group's borrowing normally takes place at a variable interest rate. The interest rate risk is low as the Group's interest costs are low in relation to total profit.

The table below specifies the terms and repayment dates for each interest-bearing debt:

	Currency	Maturity	Interest	Reported value 2022-12-31	2021-12-31
Liabilities to credit institutions, Facility B	SEK	2023-11-01	Variable	100	400
Total				**100**	**400**

Currency risk
Currency risk is the risk that fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risks are found primarily in the translation of foreign operations' assets and liabilities into the parent company's functional currency, so-called translation exposure. Some of the Group's sales and purchases also take place in foreign currencies, so-called transaction exposure. The greatest impact for the Group is the USD rate. An increase in the SEK/USD with 10% would have impacted the Group with -/+ 50 MSEK in EBITDA.

Liquidity risk and refinancing risk
Liquidity risk is the risk that a company will have difficulty fulfilling obligations that are related to financial liabilities that are settled with cash or other financial assets. The Group manages liquidity risk through continuous follow-up of operations, where the Group continuously forecasts future cash flows based on various scenarios to ensure that financing takes place on time.
The risk is mitigated by the Group's good liquidity reserves, which are immediately available. The Group's operations are essentially financed via cash flows from operations. The Group has covenants linked to the debt to credit institutions. Indebtedness in relation to EBITDA, loans in relation to EBITDA and EBITDA in relation to borrowing costs. The total liquidity reserve consists of cash and cash equivalents.

Refinancing risk refers to the risk that financing for acquisitions or development cannot be retained, extended, expanded, refinanced or that such financing can only take place on terms that are unfavourable to the company. The need for refinancing is regularly reviewed by the company and the Board to ensure financing of the company's expansion and investments. The goal is to ensure that the Group has ongoing access to external borrowing without the cost of borrowing increasing significantly. The refinancing risk is reduced by structuring and starting the refinancing process in good time. The company also maintains a continuous dialogue with several lenders.

The Group's contractual and undiscounted interest payments and repayments of financial liabilities are shown in the table below. Financial instruments with variable interest rates have been calculated with the interest rate that existed on the balance sheet date. Liabilities have been included in the period when repayment can be demanded at the earliest.

Maturity analysis	<6 months	6-12 months	2022-12-31 1-3 years	3-5 years	>5 years	Total
Leasing liabilities	11.8	11.8	9.2	6.0	1.5	40.2
Contingent considerations	0.0	0.0	125.3	0.0	0.0	125.3
Liabilities to credit institutions	0.0	104.0	0.0	0.0	0.0	104.0
Accounts payable	83.7	1.1	0.0	0.0	0.0	84.8
Other liabilities	257.9	95.3	73.1	31.3	114.9	572.5
Total	**353.3**	**212.2**	**207.6**	**37.3**	**116.4**	**926.8**

Maturity analysis	<6 months	6-12 months	2021-12-31 1-3 years	3-5 years	>5 years	Total
Leasing liabilities	11.3	11.3	22.6	4.5	2.6	52.3
Contingent considerations	64.6	0.0	64.1	0.0	0.0	128.7
Liabilities to credit institutions	0.0	3.2	403.1	0.0	0.0	406.3
Accounts payable	71.6	0.0	0.0	0.0	0.0	71.6
Other liabilities	240.5	171.1	86.0	37.1	17.4	552.1
Total	**387.9**	**185.6**	**575.7**	**41.6**	**20.0**	**1,210.9**

NOTE 22 Accrued expenses and prepaid income

	2022-12-31	2021-12-31
Accrued salaries, holiday pay and employer's contributions	100.2	72.1
Accrued audit costs	4.4	0.0
Royalty	87.8	96.6
Other accrued expenses and prepaid income	30.4	72.8
Reported value	**222.8**	**241.5**

NOTE 23 Cash flow statement

Adjustments for non-cash flow items

Adjustments in operating profit	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Depreciation and amortization	750.4	518.5
Contingent considerations	0.0	-352.0
Other non-cash flow affecting items	20.3	-40.9
Total	**770.7**	**125.6**

Change in liabilities attributable to financing activities

	2022-01-01	Cash flow from financing	Contracts entered into / reclassification leasing	Changes in fair value	Divestments	Borrowing costs	2022-12-31
Leasing liabilities	52.3	-29.6	22.2	4.5	-8.3	0.0	41.1
Liabilities to credit institutions	406.2	-300.0	0.0	0.0	0.0	-2.2	104.0
Total liabilities attributable to financing activities	**458.5**	**-329.6**	**22.2**	**4.5**	**-8.3**	**-2.2**	**145.1**

	2021-01-01	Cash flow from financing	Contracts entered into / reclassification leasing	Changes in fair value	Borrowing costs	2021-12-31
Leasing liabilities	63.9	-62.7	51.1	0.0	0.0	52.3
Liabilities to credit institutions	519.5	-100.0	0.0	0.0	-13.3	406.2
Total liabilities attributable to financing activities	**583.4**	**-162.7**	**51.1**	**0.0**	**-13.3**	**458.5**

NOTE 24 Pledged collateral and contingent liabilities

Pledged collateral for own liabilities to credit institutions	2022-12-31	2021-12-31
Pledged shares in subsidiaries	0.0	0.0
Blocked bank funds regarding rent deposit	2.6	2.6
Total	**2.6**	**2.6**

Contingent liabilities	2022-12-31	2021-12-31
Incentive fees, deemed payment for Lineage 2	0.0	14.4
CAPEX commitments, investments not delivered	0.0	14.6
Other contingent liabilities	0.0	2.5
Total	**0.0**	**31.5**

NOTE 25 Transactions with related parties

A list of the Group's subsidiaries, which are also the companies that are related to the parent company, is provided in Note 18 Group companies. All transactions between EG7 AB and its subsidiaries have been eliminated in the consolidated accounts. Further information on the parent company's transactions with subsidiaries can be found in the parent company's Note 19 Transactions with related parties.

For information on remuneration to senior executives, see Note 6 Employees and personnel costs.
EG7's other transactions with related parties consist of transactions on commercial terms with companies in the same industry and at arm's length.

Related party	Related party transaction	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Pixelated Ink 1)	Revenue marketing related services	12.2	0.0
Cold Iron LLC 2)	Game related work for hire	1.8	3.1
Arte Actus Capital AB 3)	Consulting fees	1.1	0.0
Petrol properties 4)	Rent	3.9	3.2
Total		**19.0**	**6.3**

1) Pixeleted Ink is partially owned by Petrol advertisings deputy CEO Ben Granados and CEO Alan Hunter
2) Cold Iron is owned by EG7's CEO Ji Ham and Chairman of the Board Jason Epstein
3) Arte Actus Capital AB is owned by Board Member Alexander Albedj
4) Petrol properties owned by Petrol advertisings deputy CEO Ben Granados and CEO Alan Hunter

NOTE 26 Business acquisitions

Acquisitions 2022

No acquisitions in 2022.

NOTE 27 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, with a transaction value of EUR 21 million. EUR 17 million paid at closing and an additional EUR 4 million in six instalments over the following 18 months.

	2022-01-01 -2022-09-26	2021-01-01 -2021-12-31
Net Revenue	197.2	202.6
Other Revenue	27.2	2.9
Total Revenue	**224.4**	**205.5**
Operating expenses		
Cost of goods sold	-78.8	-78.2
Other external expenses	-22.5	-13.7
Personnel expenses	-57.9	-41.5
Other expenses	-7.4	0.0
Operating profit before depreciation and amortization (EBITDA)	**57.8**	**72.0**
Depreciation of tangible and right-of-use assets	-14.1	-10.3
Operating profit before amortization of intangible assets (EBITA)	**43.7**	**61.7**
Amortization of acquisition-related intangible assets	-1,126.8	-13.7
Amortization of other intangible assets	-0.2	-9.7
Operating profit (EBIT)	**-1,083.3**	**38.3**
Transactional result	112.9	-1.2
Profit before tax	**-970.5**	**37.1**
Tax expense for the period	-0.4	-5.6
NET PROFIT FROM DISCONTINUED OPERATIONS	**-970.8**	**31.5**

Divested assets	2022-09-26	2021-12-31*
Intangible assets	27.7	1,096.4
Tangible non-current assets	9.1	14.6
Financial non-current assets	48.3	50.9
Inventory	1.0	0.4
Current receivables	151.2	6.6
Cash and cash equivalents	121.7	94.3
Non-current liabilities	-5.7	-24.4
Current liabilities	-241.3	-82.9
Net assets	**112.0**	**1,155.8**

*Innova is included in the Consolidated balance sheet for 2021.

Cash flow from divested business	2022	2021
Operating activities	-91.5	38.9
Investing activities	0.0	62.3
Financing activities	-10.0	-8.5
Net cash flow	**-101.5**	**92.6**
Cash at beginning of the period	94.3	
Net cash flow	-101.5	92.6
FX effect	7.2	1.7
Cash at end of the period	**0.0**	**94.3**

NOTE 28 Events after the balance sheet date

On February 8, 2023, EG7 announced that the Board of Directors had authorized the repayment of all outstanding loan balance on the company's Revolving Credit Facility (RCF), amounting to SEK 100 million. The credit frame remains at SEK 400 million until November 2023. EG7 will save approximately SEK 25 million in interest on an annual basis, net of commitment fee the savings on an annual basis is approximately SEK 20 million.

PARENT COMPANY INCOME STATEMENT

Values in SEKm	Note	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Revenue			
Net revenue	3	5.6	7.5
Other revenue		0.0	0.0
		5.6	**7.5**
Operating expenses			
Cost of goods sold		-54.4	-91.5
Other external expenses	4,5	-27.6	-38.5
Personnel expenses		-15.4	-22.9
Own work capitalized	9	48.6	56.4
Depreciation and amortization	9,10	-104.5	-5.9
Other expenses		0.0	0.0
Operating profit (EBIT)		**-147.8**	**-94.8**
Financial items			
Result from shares in group companies	11	-768.6	-159.1
Financial income	6	261.9	201.9
Financial expenses	7	-16.4	-28.9
Profit after financial net		**-670.9**	**-80.9**
Appropriations		-226.7	1.8
Profit before tax		**-897.6**	**-79.1**
Tax expense for the period	8	27.0	-13.8
NET PROFIT		**-870.6**	**-92.9**

PARENT COMPANY'S REPORT ON COMPREHENSIVE INCOME

Values in SEKm	Note	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Net profit		-870.6	-92.9
Comprehensive income for the period		-870.6	-92.9

PARENT COMPANY'S BALANCE SHEET

Values in SEKm	Note	2022-12-31	2021-12-31
ASSETS			
Intangible non-current assets			
Capitalized expenses for development work and similar work	9	0.0	200.9
Total intangible non-current assets		**0.0**	**200.9**
Tangible non-current assets			
Fixtures, tools and installations	10	0.0	0.1
Total tangible non-current assets		**0.0**	**0.1**
Financial non-current assets			
Shares in group companies	11	3,612.1	2,641.0
Receivables from group companies		7.4	1,892.2
Deferred tax assets	8	39.4	12.4
Other long-term receivables		2.6	2.6
Total financial non-current assets		**3,661.5**	**4,548.2**
Total non-current assets		**3,661.5**	**4,749.1**
Current assets			
Accounts receivables	12	0.0	0.1
Receivables from group companies	12	36.8	2.6
Current tax receivable		0.0	0.2
Other receivables		30.8	4.1
Accrued but not invoiced revenue		0.0	0.0
Prepayments and accrued income	13	1.6	1.4
		69.2	**8.4**
Cash and cash equivalents	12	39.9	79.9
Total current assets		**109.1**	**88.2**
TOTAL ASSETS		**3,770.6**	**4,837.3**

EQUITY AND LIABILITIES

Values in SEKm	Note	2022-12-31	2021-12-31
Equity	**14**		
Share capital		3.5	3.5
Development expenditure fund		0.0	199.8
Restricted equity		**3.5**	**203.3**
Share premium reserve		4,609.0	4,547.4
Accumulated profit		-206.3	-313.2
Profit for the year		-870.6	-92.9
Unrestricted equity		**3,532.1**	**4,141.3**
Total equity		**3,535.6**	**4,344.6**
Non-current liabilities			
Bond loan	12,15	0.0	0.0
Liabilities to credit institutions	12	0.0	399.2
Liabilities to group companies		0.0	0.0
Total non-current liabilities		**0.0**	**399.2**
Current liabilities			
Liabilities to credit institutions	12,15	99.5	0.0
Accounts payable	15	3.8	9.7
Liabilities to group companies	12,15	121.7	30.8
Other liabilities	12	0.2	37.0
Accrued expenses and prepaid income	16	9.9	15.9
Total current liabilities		**235.0**	**93.5**
Total liabilities		**235.0**	**492.7**
TOTAL EQUITY AND LIABILITIES		**3,770.6**	**4,837.3**

PARENT COMPANY'S REPORT ON CHANGES IN EQUITY

Values in SEKm	Restricted equity		Unrestricted equity		
	Share Capital	Capitalization Reserve	Share premium reserve	Accumulated profit	Total equity
Opening balance 2021-01-01	**3.1**	**137.1**	**3,375.0**	**-250.5**	**3,264.7**
Net profit				-92.9	-92.9
Comprehensive income of the period	**0.0**	**0.0**	**0.0**	**-92.9**	**-92.9**
Transactions with shareholders:					
Rights issues after transaction costs	0.4		1,173.6		1,174.0
Rights issues transaction costs			-1.5		-1.5
Tax effects transaction costs of rights issues			0.3		0.3
Total	**0.4**	**0.0**	**1,172.4**	**0.0**	**1,172.8**
Transfer capitalization reserve		62.7		-62.7	0.0
Closing balance 2021-12-31	**3.5**	**199.8**	**4,547.4**	**-406.0**	**4,344.6**
Opening balance 2022-01-01	**3.5**	**199.8**	**4,547.4**	**-406.0**	**4,344.6**
Net profit				-870.6	-870.6
Comprehensive income of the period	**0.0**	**0.0**	**0.0**	**-870.6**	**-870.6**
Transactions with shareholders:					
Rights issues after transaction costs	0.1		61.6		61.6
Rights issues transaction costs			0.0		0.0
Tax effects transaction costs of rights issues			0.0		0.0
Total	**0.1**	**0.0**	**61.6**	**0.0**	**61.6**
Transfer capitalization reserve		-199.8		199.8	0.0
Closing balance 2022-12-31	**3.5**	**0.0**	**4,609.0**	**-1,076.9**	**3,535.6**

PARENT COMPANY'S CASH FLOW STATEMENT

Values in SEKm	Note	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
OPERATING ACTIVITIES			
Operating profit		-147.8	-94.8
Adjustment for non-cash flow items	17	107.0	4.7
Received interest etc.		38.7	0.8
Paid interest		-14.2	-27.3
Paid income tax		0.0	0.0
Cash flow from operating activities before changes in working capital		**-16.2**	**-116.7**
Cash flow from changes in working capital			
Changes of current receivables		-0.2	-359.4
Changes of current liabilities		-14.3	-4.7
Cash flow from operating activities		**-30.7**	**-480.8**
INVESTMENT ACTIVITIES			
Acquisition of group companies	11	0.0	-180.3
Divestment of group companies		192.6	0.0
Acquisition of intangible assets	9	-48.6	-61.6
Cash flow from investment activities		**144.0**	**-242.0**
FINANCING ACTIVITIES			
Rights issue		0.0	0.0
Dividend received		146.8	0.0
Loans raised	17	0.0	400.0
Repaid loans	17	-300.0	-500.0
Cash flow from financing activities		**-153.2**	**-100.0**
CASH FLOW FOR THE PERIOD		-39.9	-822.8
Cash and cash equivalents at start of period		79.8	902.6
Exchange rate differences		0.0	0.0
Cash and cash equivalents at end of period		**39.9**	**79.8**

PARENT COMPANY'S NOTES

NOTE 1 Parent Company's Accounting Principles

The parent company prepares its financial reports in accordance with the Annual Accounts Act (1995:1554) and the recommendation RFR 2 "Accounting for legal entities" issued by the Swedish Financial Reporting Board. The parent company applies the same accounting principles as the Group with the exceptions and additions specified in RFR 2. This means that IFRS is applied with the deviations specified below. The accounting principles for the parent company set out below have been applied consistently to all periods presented in the parent company's financial reports, unless otherwise stated.

Arrangement

The income statement and balance sheet are prepared for the parent company in accordance with the Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and the statement of cash flow are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

Leasing

The rules on accounting for leasing agreements in accordance with IFRS 16 are not applied in the parent company. This means that leasing fees are reported as an expense on a straight-line basis over the leasing period, and that right-of-use assets and leasing liabilities are not included in the parent company's balance sheet. However, identification of a leasing agreement is made in accordance with IFRS 16, i.e. that an agreement is, or contains, a leasing agreement if the agreement leaves the right to decide for a certain period on the use of an identified asset in exchange for compensation.

Income from shares in subsidiaries

Dividends are reported when the right to receive payment is deemed secure. Revenues from the sale of subsidiaries are reported when control of the subsidiary has been transferred to the buyer.

Taxes

In the parent company, deferred tax liabilities attributable to the untaxed reserves are reported with gross amounts in the balance sheet. The year-end appropriations are reported with the gross amount in the income statement.

Shares in subsidiaries

Shares in subsidiaries are reported in the parent company in accordance with the acquisition value method. This means that transaction costs are included in the reported value of the holding. In cases where the book value exceeds the companies' consolidated value, a write-down is made which is charged to the income statement. An analysis of write-downs needs is carried out at the end of each reporting period. In cases where a previous write-down is no longer justified, this is reversed.
Assumptions are made about future conditions to calculate future cash flows that determine the recoverable amount. The recoverable amount is compared with the reported value of these assets and forms the basis for any write-downs or reversals. The assumptions that affect the recoverable amount the most are future earnings development, discount rate and useful life. If future external factors and conditions change, assumptions may be affected so that the reported values of the parent company's assets change.

Group contributions and shareholder contributions

The parent company reports both received and paid group contributions and appropriations in accordance with the alternative rule. Shareholder contributions provided by the parent company are entered directly against equity at the recipient and are reported as shares and participations with the parent company. Shareholders' contributions received are reported as an increase in unrestricted equity.

Financial instruments

Due to the connection between accounting and taxation, the rules on financial instruments according to IFRS 9 are not applied in the parent company as a legal entity, but the parent company applies the acquisition value method in accordance with the ÅRL. In the parent company, financial fixed assets are thus valued at acquisition value and financial current assets according to the lowest value principle, with the application of write-downs for expected credit losses according to IFRS 9 regarding assets that are debt instruments. Contingent considerations are valued at the amount that the parent company deems would need to be paid if it was settled at the balance date.

The parent company applies the exemption not to value financial guarantee agreements for the benefit of subsidiaries and associated companies and joint ventures in accordance with the rules in IFRS 9, but instead applies the principles for valuation in accordance with IAS 37 Provisions, contingent liabilities and contingent assets.

Write-downs of financial assets

Financial assets, including intra-group receivables, are impaired for expected credit losses. For a method regarding write-downs for expected credit losses, see the Group's accounting principles. Expected credit losses for intra-group receivables are estimated through the general model in which the Group companies' credit worthiness is estimated.
Expected credit losses for cash and cash equivalents have not been reported, as the amount has been judged to be insignificant.

Fund for research and development

Expenses for game development are recognized in the parent company as intangible assets in accordance with the Group's principles. In the parent company, amounts corresponding to development expenses are transferred from unrestricted equity to a fund for research and development expenses within restricted equity.

NOTE 2 Significant estimates and assessments

When preparing the financial statements, the company management and the Board must make certain estimates and assessments that affect the carrying amount of asset and liability items and income and expense items, respectively, as well as other information provided. The assessments are based on experiences and assumptions that the management and the Board deem to be reasonable in the prevailing circumstances. Actual outcome may then differ from these assessments if other conditions arise. The estimates and assessments are evaluated on an ongoing basis and are not considered to entail any significant risk of significant adjustments in the reported values of assets and liabilities during the coming periods. Changes in estimates are reported in the period in which the change is made if the change has only affected this period, or in the period in which the change is made and future periods if the change affects both the current period and future periods. The assessments that are most important in the preparation of the financial statements are described below.

Shares in subsidiaries are valued for impairment annually. The valuation uses cash flow forecasts for each subsidiary. Capitalized development costs are tested annually for future cash flows.

NOTE 3 Revenue from Customer Contracts

	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Geographical region		
Europe	5.6	7.5
Revenue from customer contracts	**5.6**	**7.5**

NOTE 4 Remuneration to auditors

	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
PRICEWATERHOUSECOOPERS		
Auditing services	5.2	0.0
Tax advice	1.2	0.0
Total	**6.4**	**0.0**
ERNST & YOUNG AB		
Auditing services	0.0	5.6
Other auditing activities	0.0	5.2
Total	**0.0**	**10.8**

Audit assignments refer to the auditor's work for the statutory audit and by auditing activities to different types of quality assurance services. Other services are those that are not included in audit assignments or tax advice.

NOTE 5 Leasing agreements

Future minimum lease payments	2022-12-31	2021-12-31
Within 1 year	4.5	3.7
Between 2-5 years	0.0	2.8
More than 5 years	0.0	0.0
Total	**4.5**	**6.5**

The parent company's leasing agreement mainly pertains to office premises.
Leasing fees expensed for the period amounted to SEK 4.5 million (SEK 4.2 million in 2021).

NOTE 6 Financial income

	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Assets and liabilities valued at accrued acquisition value:		
Interest income receivables from group companies	38.9	52.5
Total interest income according to the effective interest method	**38.9**	**52.5**
Other financial income		
Exchange rate differences – income, financial items	223.0	149.4
Total	**223.0**	**149.4**
Total financial income	**261.9**	**201.9**

NOTE 7 Financial expenses

	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Assets and liabilities valued at accrued acquisition value:		
Interest expenses liabilities to credit institutions	14.2	16.1
Interest expenses liabilities to group companies	1.2	1.3
Interest expenses other financial liabilities	1.1	0.0
Total interest expenses according to the effective interest method	**16.4**	**17.4**
Other financial expenses		
Exchange rate differences – costs, financial items	0.0	-0.2
Result divestment	-768.6	0.0
Borrowing costs	0.0	-11.2
Total	**-768.6**	**-11.5**
Total financial expenses	**-752.2**	**5.9**

NOTE 8 Tax

	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Current tax	0.0	0.0
Change in deferred tax regarding temporary differences	27.0	-13.8
Reported tax	**27.0**	**-13.8**
Reconciliation of effective tax rate		
Profit before tax	**-897.6**	**-79.1**
Tax according to the current tax rate for the parent company (20.6%)	184.9	16.3
Tax effect of:		
Non-deductible expenses	-0.6	0.0
Adjustment of deferred tax in previous years	0.0	2.7
Non-deductible interest	1.0	0.0
Dividend from subsidiaries	30.2	0.0
Result	47.1	0.0
Impairment of subsidiary shares	-235.7	-32.8
Reported tax	**27.0**	**-13.8**
Effective tax rate	-3%	17%

Information on deferred tax assets and liabilities.
The following tables specify the tax effect of the temporary differences:

Deferred tax assets	Deficit deduction	Total
Opening balance 2022-01-01	12.4	12.4
Reported:		
In profit	27.0	27.0
In equity	0.0	0.0
Closing balance 2022-12-31	**39.4**	**39.4**

Deferred tax assets	Deficit deduction	Total
Opening balance 2021-01-01	25.8	25.8
Reported:		
In profit	-13.8	-13.8
In equity	0.3	0.3
Closing balance 2021-12-31	**12.4**	**12.4**

NOTE 9 Intangible assets

Intangible assets in the parent company consist of capitalized expenses for development work and similar work. The expenses arise in connection with the game development.

Acquisition value	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Opening balance	**206.7**	**145.1**
This year's purchases	0.0	5.2
Internally processed	48.6	56.4
Scraped and sales	-149.0	0.0
Closing balance	**106.3**	**206.7**
Depreciation and amortization		
Opening balance	-0.3	0.0
This year's depreciation and amortization	0.3	-0.3
Closing balance	**0.0**	**-0.3**
Impairment		
Opening balance	-5.6	0.0
This year's impairment	-106.3	-5.6
Scraped and sales	5.6	0.0
Closing balance	**-106.3**	**-5.6**
Closing balance	**0.0**	**200.9**

NOTE 10 Tangible assets

Tangible assets in the parent company consist of office equipment.

Acquisition value	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Opening balance	**0.1**	**0.1**
This year's purchases	0.0	0.0
Sales / scraps	0.0	0.0
Closing balance	**0.1**	**0.1**
Depreciation and amortization		
Opening balance	-0.1	0.0
This year's depreciation and amortization	0.0	0.0
Sales / scraps	0.0	0.0
Closing balance	**-0.1**	**-0.1**
Closing balance	**0.0**	**0.1**

NOTE 11 Shares in group companies

	2022-12-31	2021-12-31
Opening balance acquisition value	2,800.1	1,469.7
Acquisition / shareholder contribution	2,117.4	1,330.4
Sales subsidiaries	-1,121.3	0.0
Closing balance acquisition value	**3,796.2**	**2,800.1**

Impairment of a share in group companies	2022-12-31	2021-12-31
Opening balance accumulated impairments	159.1	0.0
Impairments for the year	25.0	159.1
Closing balance accumulated impairments	**184.1**	**159.1**
Closing balance	**3,612.1**	**2,641.0**

Company	Corporate identity number	Location	Equity 2022-12-31	Net profit 2022	Share %	Number of shares	Reported value 2022-12-31	Reported value 2021-12-31
Toadman Interactive AB	559230-6483	Stockholm, Sweden	83.4	-3.9	100%	100,000	62.4	0.2
Artplant AS	NO983807747	Oslo, Norway	1.9	0.3				7.4
OOO Artplant	1106952017501	Tver, Russia						
Toadman Interactive GmbH	DE314775478	Berlin, Germany	1.3	1.0				0.2
Anti-matter Games Ltd	8543466	Cornwall, UK	10.3	2.1	100%	44	1.7	1.7
Petrol Advertising Inc	EIN: 84-2171339	North Varney, US	56.4	16.7	100%	100	63.3	63.3
Sold-out Marketing & Distribution Ltd	Reg nr. 06989121	London, UK	180.9	34.1	100%	2	288.6	288.6
Dream Acquisition Co.	85-4392549	San Diego, US	2,864.1	-113.8	100%	10	2,797.0	835.0
Daybreak Game Company LLC	20-4347762	San Diego, US	-236.7	118.9	100%			
Standing Stone Games LLC	81-43419251	San Diego, US	388.6	89.3	100%			
718511 N.B. Ltd	718511	London, Canada						330.9
Big Blue Bubble Inc.	OCN 5037200	London, Canada	233.1	106.6	100%	100	182.6	
Piranha Games Inc.	865634174RC0002	Vancouver, Canada	374.6	4.6	100%	100	216.5	
Innova Intellectual Properties Sarl	B 156 284	Luxembourg						1,113.7
Innova Co. Sarl	B 156 444	Luxembourg						
Innova Distribution LLC	1077763692720	Moscow, Russia						
							3,612.1	**2,641.0**

NOTE 12 Financial instruments

Financial assets / liabilities valued at accrued acquisition value.

Financial assets	**2022-12-31**	**2021-12-31**
Receivables from group companies	44.3	1,894.7
Accounts receivable	0.0	0.1
Cash and cash equivalents	39.9	79.9
Total	**84.1**	**1,974.7**

Financial liabilities		
Bond debt	0.0	0.0
Liabilities to credit institutions	99.5	399.2
Accounts payable	3.8	9.7
Liabilities to group companies	121.7	30.8
Contingent consideration	0.0	37.0
Other liabilities	0.2	0.0
Total	**225.1**	**476.7**

Liabilities to credit institutions bear variable interest rates.
For other financial instruments in the parent company, the reported value is considered to be a good approximation of the fair value.
The assets' maximum credit risk consists of the reported values. The parent company has not received any pledged collateral for the financial assets.

NOTE 13 Prepaid expenses and accrued income

	2022-12-31	**2021-12-31**
Prepaid rental expenses	1.2	1.1
Intra-group prepaid expenses	0.0	0.0
Other prepaid expenses	0.4	0.4
Reported value	**1.6**	**1.4**

NOTE 14 Equity

Fund for capitalized development	**2022-01-01 –2022-12-31**	**2021-01-01 –2021-12-31**
Opening balance	199.8	137.1
Increase through capitalized development expenses	48.6	62.7
Sales intangible assets	-143.1	0.0
Decrease in line with amortization and write downs of intangible assets	-105.2	0.0
Closing balance	**0.0**	**199.8**

For other information on equity, see Group Note 19 Equity.

NOTE 15 Maturity analysis for financial liabilities

2022-12-31	<6 months	6-12 months	1-3 years	3-5 years	>5 years	Total
Liabilities to credit institutions	0.0	99.5	0.0	0.0	0.0	**99.5**
Accounts payable	3.8	0.0	0.0	0.0	0.0	**3.8**
Liabilities to group companies	0.0	121.7	0.0	0.0	0.0	**121.7**
Other liabilities	0.2	0.0	0.0	0.0	0.0	**0.2**

2021-12-31	<6 months	6-12 months	1-3 years	3-5 years	>5 years	Total
Liabilities to credit institutions	0.0	0.0	399.2	0.0	0.0	**399.2**
Accounts payable	9.7	0.0	0.0	0.0	0.0	**9.7**
Liabilities to group companies	0.0	30.8	0.0	0.0	0.0	**30.8**
Holdback shares, acquisitions	37.0	0.0	0.0	0.0	0.0	**37.0**

NOTE 16 Accrued expenses and prepaid income

	2022-12-31	2021-12-31
Accrued salaries, holiday pay and employer's contributions	3.6	3.7
Auditing expenses	4.1	3.0
Other accrued expenses and prepaid income	2.2	9.2
Reported value	**9.9**	**15.9**

NOTE 17 Cash flow information

Adjustments for non-cash flow items	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Adjustments in operating profit		
Depreciation and amortization	0.0	0.3
Impairments	104.5	5.6
Provisions	0.0	0.0
Other	2.5	-1.2
Total	**107.0**	**4.7**

Change in liabilities attributable to financing activities.

	2022-01-01	Cash flow changes	Non-cash flow changes	2022-12-31
Bond debt	0.0	0.0	0.0	0.0
Liabilities to credit institutions	399.2	-300.0	0.3	99.5
Total liabilities attributable to financing activities	**399.2**	**-300.0**	**0.3**	**99.5**

	2021-01-01	Cash flow changes	Non-cash flow changes	2022-12-31
Bond debt	0.0	0.0	0.0	0.0
Liabilities to credit institutions	500.4	-100.0	-1.2	399.2
Total liabilities attributable to financing activities	**500.4**	**-100.0**	**-1.2**	**399.2**

NOTE 18 Pledged collateral and contingent liabilities

Pledged collateral for own liabilities to credit institutions	2022-12-31	2021-12-31
Blocked bank balance, rent deposit	2.6	2.6
Total	**2.6**	**2.6**

NOTE 19 Transactions with related parties

Group companies	2022-01-01 –2022-12-31	2021-01-01 –2021-12-31
Sales of goods / services	3.5	0.0
Purchase of goods / services	-54.4	-91.2
Internal interest rate	37.6	51.1
Receivable on the balance sheet date	36.8	1,894.8
Liability on the balance sheet date	121.7	30.8

NOTE 20 Events after the balance sheet date

On February 8, 2023, EG7 announced that the Board of Directors had authorized the repayment of all outstanding loan balance on the company's Revolving Credit Facility (RCF), amounting to SEK 100 million. The credit frame remains at SEK 400 million until November 2023. EG7 will save approximately SEK 25 million in interest on an annual basis, net of commitment fee the savings on an annual basis is approximately SEK 20 million.

NOTE 21 Proposed allocation of profit and loss

(SEKm) At the Annual General Meeting's disposal stands:	2022-12-31	2021-12-31
Accumulated profit/loss	-206.3	-313.2
Share premium reserve	4,609.0	4,547.4
Profit/loss of the year	-870.6	-92.9
	3,532.0	**4,141.3**
The Board proposes that the following is carried forward		
Carried forward	3,532.0	4,141.3
	3,532.0	**4,141.3**

DEFENITIONS

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.

Adjusted EBIT: EBIT adjusted for items considered to be non-recurring and one-time in nature for comparability between periods.

EBITA margin (%): EBITA as a percentage of total Revenue.

Operating profit (EBIT): Earnings before financial items 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.

Return on equity: Net profit from continued operations as a percentage of total equity

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.

Stockholm, 25 April 2023

Ji Ham Acting CEO	Jason Epstein Chairman of the Board
Alexander Albedj Board Member	Marie-Louise Hellström Gefwert Board Member
Shumsher Singh Board Member	Gunnar Lind Board Member

Our audit report has been submitted on

Öhrlings PricewaterhouseCoopers AB

Niklas Renström
Authorized auditor

AUDITORS REPORT

To the general meeting of the shareholders of Enad Global 7 (publ) AB, corporate identity number 556923-2387

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Enad Global 7 AB (publ) for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 30-87 in this document.
In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1-29. The Board of Directors and the Managing Director are responsible for the other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other matter

The audit of the annual accounts for 2021 was performed by another auditor who submitted an auditor´s report dated 4th of May 2022, with unmodified opinions in the Report on the annual accounts.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Enad Global 7 AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

● has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
● in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's websitewww.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Stockholm 25 April 2023

Öhrlings PricewaterhouseCoppers AB

Niklas Renström
Authorized Public Accountant

Auditor’s Limited Assurance Report on Enad Global 7 (publ) AB’s Sustainability Report

To Company Enad Global 7 (publ) AB, org.nr 556923-2387

Introduction

We have been engaged by the Board and Group Management of Enad Global 7 (publ) AB to undertake a limited assurance of Enad Global 7 (publ) AB’s Sustainability Report for 2022. The company has defined the scope of its sustainability report on page 11-21.

Responsibilities of the Board and Group Management

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 11 in the Sustainability Report, and consists of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted limited assurance procedures in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. A limited assurance engagement has a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Enad Global 7 (publ), according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement do not allow us to obtain such assurance that we would become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.
Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

Stockholm 25 april 2023

Niklas Renström
Authorized Public Accountant

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