

Enad Global 7 initiates the process to wind down Antimatter Games in the UK

As a part of EG7's ongoing efforts to achieve higher predictability and profitability for the Group, the Board of EG7 initiated the process to close down Antimatter Games (AMG) studio after exploring various strategic options. A formal process has been started that includes employee consultation to seek mitigating measures and agreement around the process with the UK-based employees. The closure is likely to take place during this summer and is expected to result in an annual cost reduction of approximately SEK 50 million.

Management is continuing its efforts to establish a more sustainable and predictable business. The Group evaluated various strategic options for AMG, including work-for-hire (WFH), studio sale, and third-party publishing partnerships for I.G.I., the title AMG has been developing over the last few years. However, these efforts have not produced sufficient traction within the Group's target timeline. As a result, the Board has made the decision to limit further investment and move towards closing the studio.

EG7 expects one-time, non-recurring costs in the range of SEK 15-25 million for the studio closure. On a pro forma basis, excluding the impact from one-time costs, the studio closure is expected to reduce the Group's annual operating expenses by approximately SEK 50 million, resulting in an increase in pre-tax profits by the same amount and also improving the operating cash flows. The impact on the balance sheet is expected to be minimal with the intangible asset write-down for I.G.I. already taken in Q4 2022.

The process commenced this week and the expected completion is in Q3 2023.

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About EG7

EG7 is a group of companies within the gaming industry that develops, markets, publishes and distributes PC, console and mobile games to the global gaming market. The company employs 470+ game developers 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, Destiny, Dark Souls and Rage. The group's publishing and distribution departments Firespine Games hold expertise in both physical and digital publishing. EG7 is headquartered in Stockholm with approximately 630 employees in 16 offices worldwide.

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Attachments

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