

ENAD GLOBAL 7 AB (PUBL)

ANNUAL REPORT

JANUARY–DECEMBER 2020

EG7 IN SHORT

EG7 is a group within the gaming industry that develops, markets, publishes and distributes PC, console and mobile games to the global gaming market. Game development departments Daybreak Game Company, Piranha Games, Toadman Studios, Big Blue Bubble and Antimatter Games employ over 470 game developers who develop their own games where EG7 owns the rights and also undertakes development assignments for other publishers around the world. The group's marketing agency Petrol Advertising Inc has so far contributed to the release of at least 1,500 titles, many of which are world famous brands such as Call of Duty, Destiny, Dark Souls and Rage. The group's publishing and distribution company Sold Out Sales & Marketing Ltd through its experts offers both physical and digital publishing and has worked with Team 17, Rebellion and Frontier Developments. The group is headquartered in Stockholm with approximately 670 employees in 13 offices worldwide. The group's business model provides the conditions for close cooperation as well as stable cash flows. The company's strategy is to continue to grow by developing games in its existing offices, and to continue to work its way up the value chain by developing games with its own resources and publishing games on its own.

Nasdaq First North Growth Market Ticker Symbol: EG7
More information: www.enadglobal7.com



EG7 IN SHORT

EG7 is a unique eco-system within the video-games industry consisting of:

1. WORLD-CLASS IP-PORTFOLIO

An IP-portfolio consisting of world-class brands with both own IP's such as Everquest, PlanetSide, H1Z1 and My Singing Monsters, as well as licensed IP's such as Lord of the Rings, DC Universe, Dungeons and Dragons and MechWarrior.

- This Games-as-a-Service ("GaaS") portfolio accounts for the majority of the revenues and profits with predictable monthly revenues.



2. MARKETING AGENCY



Petrol, a leading marketing agency within the gaming industry in the western world used internally by EG7 as well as by external parties.

- That is why Activision, Embracer and Ubisoft, among other repeat clients use Petrol.

3. PUBLISHER



The game publisher Sold Out has never had an unprofitable release and is used internally by EG7 as well as by external parties.

- That is why Frontier, Team17 and Rebellion, among other repeat clients, use Sold Out.



THE YEAR IN SUMMARY

2020 IN SUMMARY - GROUP

- Net revenue amounted to SEK 569.8 (151.6 the previous year) million. Total revenue amounted to SEK 657.2 (168.4) million.
- EBITDA amounted to SEK 48.8 (5.1) million and EBIT amounted to SEK -59.2 (-20.7) million.
- Profit after tax amounted to SEK -148.5 (-28.1) million.
- Net debt was SEK -568.1 (110.6) million.

SIGNIFICANT EVENTS DURING THE YEAR

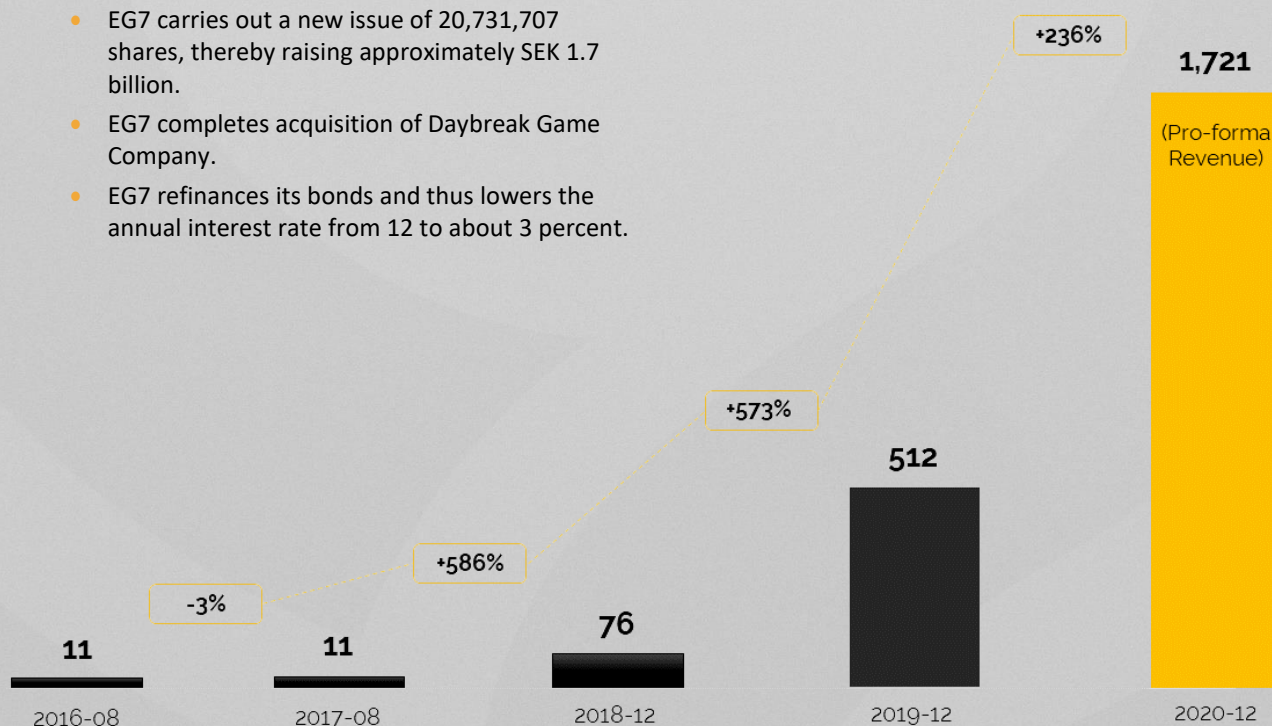
- Implements a name change to Enad Global 7 AB (EG7) to clarify the new group structure.
- Dan Sten Olsson and family new major in EG7, represented by Erik Nielsen on the board.
- The world is affected by Covid-19. EG7 considers its effects on operations to be neutral.
- EG7 carries out a new issue of 3,779,367 shares, thereby raising approximately SEK 119 million.
- EG7 enters into an agreement to acquire the game developer Big Blue Bubble.
- EG7 carries out a new issue of 8,747,131 shares, thereby raising approximately SEK 429 million.
- EG7 completes acquisition of Big Blue Bubble.
- EG7 enters into an agreement to acquire the game developer Piranha Games.
- EG7 enters into an agreement to acquire the game developer Daybreak Game Company.
- EG7 carries out a new issue of 20,731,707 shares, thereby raising approximately SEK 1.7 billion.
- EG7 completes acquisition of Daybreak Game Company.
- EG7 refinances its bonds and thus lowers the annual interest rate from 12 to about 3 percent.

2020 IN SUMMARY – PARENT COMPANY

- Net revenue amounted to SEK 11.1 (67.9) million. Total revenue amounted to SEK 78.9 (80.7) million.
- EBITDA amounted to SEK -26.8 (-1.9) million and EBIT amounted to SEK -26.9 (-2.0) million.
- Profit after tax amounted to SEK -112.7 (-5.0) million.

SIGNIFICANT EVENTS AFTER THE YEAR

- The group has decided to, from the first quarter of 2021, transition from reporting in accordance with K3 to reporting in accordance with International Financial Reporting Standards (IFRS), which is expected to increase EBIT by approximately SEK 600 million per year.
- EG7 enters into an agreement to acquire the game publisher Innova.
- EG7 completes acquisition of Piranha Games.
- EG7 completes the acquisition of Innova.



Total revenue pro forma SEKm (as if the acquired companies in 2020 are included in the numbers)



A WORD FROM THE CEO

GAMING COMPANY WITH STRONG GROWTH
2020 has been our most important year ever. We have completed several acquisitions that have completely transformed EG7 into a completely different group than the one we were at the beginning of the year. In conjunction with this, we have added almost SEK 1.1 billion in sales and an IP portfolio that makes us an important player in the gaming industry. With our recent acquisitions, we have used the service platform that we built up in 2019 with Sold Out and Petrol to attract some successful game developers and thereby shift our focus to the game division of our ecosystem.

ACQUISITION OF DAYBREAK
The most important event during the year was the acquisition of Daybreak Game Company, a US-based world-leading game developer and publisher.

The company has an impressive portfolio of proprietary and licensed IPs such as EverQuest, The Lord of the Rings, Dungeons & Dragons and DC Universe Online. The acquisition positions us as a leading player in the global gaming market.

The rationale for acquiring Daybreak is to diversify EG7's current IP portfolio with some of the world's most famous gaming titles, as well as Daybreak's significant profitability and cash flows.

ACQUISITION OF PIRANHA GAMES
During the fourth quarter, we entered into an agreement for another important acquisition, this time the Canadian game developer Piranha Games. The company is best known for the most recent MechWarrior games and has previously worked

with well-known titles such as Need for Speed, Transformers and Medal of Honor.

Piranha Games consists of a skilled team of 65 employees, based in Vancouver, Canada, which has proven its competence time and time again in the development of both premium and free-to-play AAA titles. EG7 has found great use of the Piranha team's skills and experiences in the group's development projects.

ACQUISITION OF BIG BLUE BUBBLE
During the year, we also acquired the Canadian game developer Big Blue Bubble. Big Blue Bubble, best known for the proprietary and highly successful IP My Singing Monsters, has approximately 70 employees. My Singing Monsters has significant recurring revenue from its 2 million monthly users.

FUTURE PROSPECTS
In 2020, we have delivered acquisitions that completely transform EG7 as a group. We now have some of the world's most famous gaming IPs and have more than doubled our number of employees. We have also invested heavily in our own titles. This gives us an even better position for future M&A activities and our ambition is to continue to execute our acquisition strategy. We still see that there are many favorable opportunities for consolidation in the market and we will continue to act on these.

It is with great enthusiasm that I lead our ever-growing family into the new year!

Robin Flodin
CEO - Enad Global 7 AB (Publ)

**"TRANS-
FORMATIVE
M&A"**

ACQUISITION IN 2020

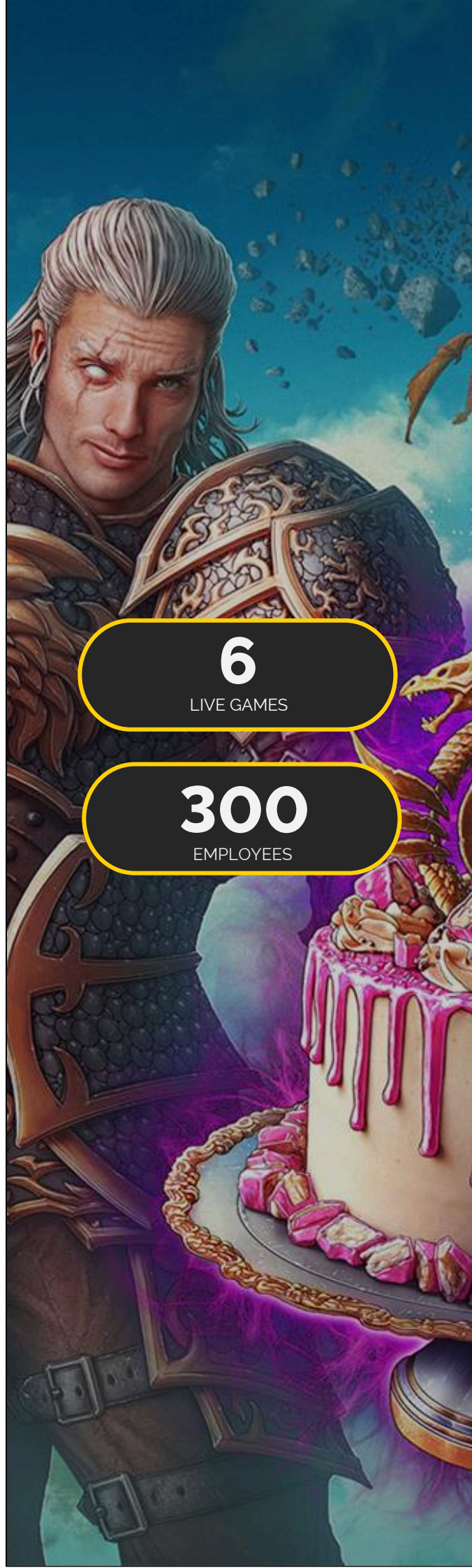
DAYBREAK GAME COMPANY

Daybreak Game Company is a San Diego, California based leading MMORPG video game developer and publisher. Daybreak possesses globally recognized third party IPs combined with valuable original IPs. The company has expertise in free-to-play and games as a service business model. Daybreak has a total of approximately **178 million registered users**, with potential to leverage for marketing and reactivation.

Significant product investments increased revenues in this period compared to previous years. The profitability also increased during the period, driven by topline growth, owned first-party IPs, and cost reduction and justification during the global pandemic.

The Upfront Consideration for 100 percent of the shares in Daybreak amounts to USD 260 million, equivalent of SEK 2,205 million, on a cash- and debt- free basis. The Upfront Consideration is paid with USD 160 million, equivalent of SEK 1,357 million cash and USD 100 million, equivalent of SEK 848 million and 10,079,985 shares in EG7. In addition, EG7 will pay the Deferred Consideration to the shareholders of Daybreak of USD 40 million following finalization of Daybreak's FY 2020 financial statements. The Deferred Consideration will be paid in cash.

The acquisition of Daybreak further strengthens and diversifies EG7's IP portfolio through acquisition of best-in-class original and third-party IPs (EverQuest, The Lord of the Rings, Dungeons & Dragons, DC Universe Online). Daybreak also adds a strong team of both operationally and strategically capable individuals. The Transaction increases size and profitability of the Company through stable cash flows from free-to-play model with loyal communities for existing IPs. Furthermore, the Daybreak platform offers future upside through upcoming content releases and a strengthened team to identify and perform additional acquisitions.



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LIVE GAMES

300

EMPLOYEES

ACQUISITION IN 2020

PIRANHA GAMES

Piranha Games is one of Canada's oldest independent game developers. The company has solid experience of developing AAA titles. Titles that Piranha Games has worked on include Medal of Honor, Transformers and Need for Speed: Undercover.

For the past ten years, Piranha Games has focused on developing games in the popular MechWarrior franchise. The first title the company launched was MechWarrior Online which has generated over **USD 60 million** in revenue with its tens of thousands of daily players and F2P business model.

The latest title to be launched exclusively on the Epic Store was the critically acclaimed MechWarrior 5: Mercenaries which was awarded **81/100** points by IGN and **85/100** by GamingTrend, two well-known gaming media. The title was launched in 2019 and has sold hundreds of thousands of copies.

The initial purchase price amounts to approximately SEK 206.8 million on a cash- and debt free basis which corresponds to an EBITDA multiple of 3.7x.

The initial purchase price was paid in CAD 20.9 million in cash through EG7's existing cash reserve and CAD 10.5 million in newly issued shares in EG7, which are subject to a 12-month lock-up. In addition to this a maximum of CAD 63.4 million can be paid in earn-out with up to 50 percent being paid in newly issued shares and the remaining part in cash. The earn-out is based on Piranha's EBIT for the financial years 2021-2025.

The acquisition rationale for EG7 is Piranha Games' strong gaming portfolio, free-to-play synergies, strong future gaming pipeline, experienced team and solid profitability. The completion of the acquisition took place during the first calendar quarter of 2021.



65

EMPLOYEES

ACQUISITION IN 2020

BIG BLUE BUBBLE

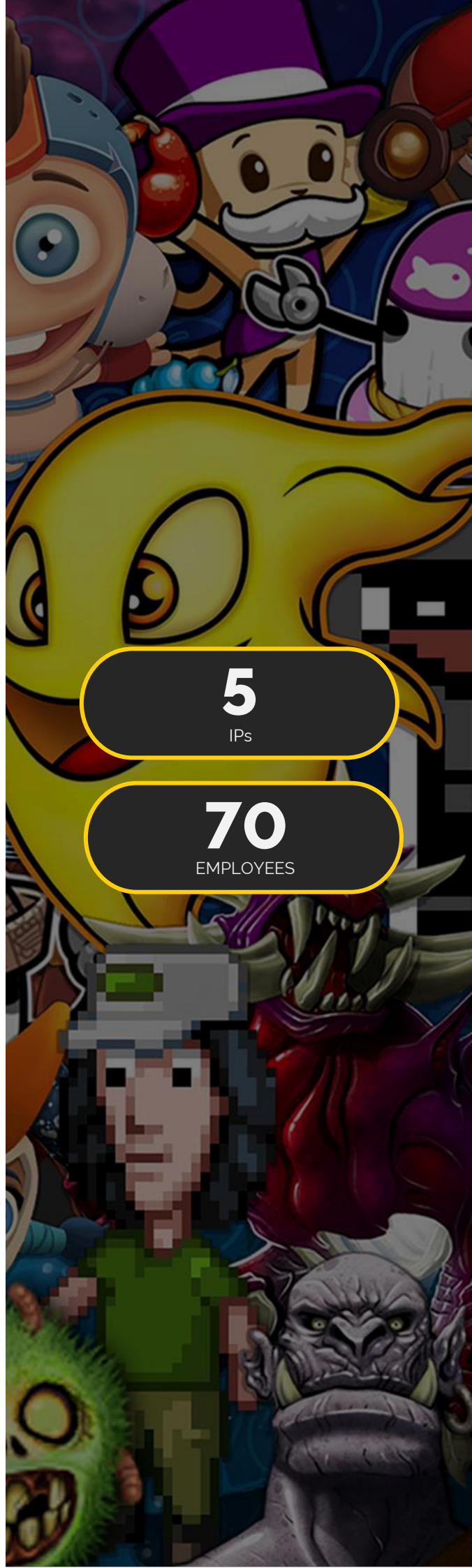
Big Blue Bubble is a gaming industry mainstay working on its own IP as well as in partnership with world-class brands such as Disney, DreamWorks, Scholastic and Nickelodeon. Big Blue Bubble has its own My Singing Monsters multi-media franchise that is moving into stores and TV plus the upcoming releases of several new titles.

Big Blue Bubble has been the top grosser in music genre F2P mobile games for more than 5 years. With more than **100 titles**, **2 million monthly active users**, new games and retail product rollouts, the studio is positioned to continue as an industry leader. The My Singing Monsters franchise is free-to-play and has approximately **200 million downloads** with a resulting revenue of more than CAD 100 million.

The upfront purchase price amounts to approximately CAD 16 million on a cash and debt free basis, equivalent to a 4.6x EBITDA multiple.

The upfront purchase price is paid with CAD 8.5 million in cash through EG7's existing cash funds and the equivalent of CAD 7.5 million in newly issued shares in EG7 of which 50 percent will be subject to a 6-month lock-up with the remaining 50 percent subject to a 12-month lock-up. An additional, up to a total of 3x EBIT of fiscal year 2020 and 2021, but not exceeding CAD 60 million may be payable by EG7 subject to the accomplishment of certain financial targets.

The acquisition rationale for EG7 is Big Blue Bubble's strong own IPs, free-to-play value synergies, strong upcoming pipeline, experienced team and solid profitability.



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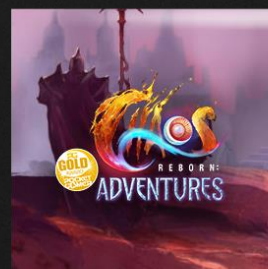
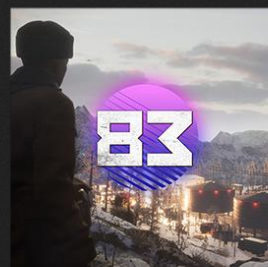
IPs

70

EMPLOYEES

LICENSED AND OWN IP

Below follows a selection of EG7's licensed and own IP.



MANAGEMENT REPORT

The board and CEO hereby submit the annual report with consolidated group statements for the financial year 2020-01-01 – 2020-12-31.

All values in SEK millions unless otherwise stated.

Operations

Enad Global 7 AB (formerly Toadman Interactive AB) corporate identity number 556923-2837, based in Stockholm, has since its inception in 2013 had as its business concept to develop games into a growing consumer market for players on a global basis. The focus is primarily on PC and console games, which are aimed at so-called core players, but can also be games in nearby areas, and in 2020 the business was further broadened to include mobile games and MMORPG games.

Enad Global 7 AB has two business areas, (i) game development - both in its own name and in consulting assignments, (ii) services - which includes consulting activities regarding development strategies and marketing of games through the subsidiary Petrol Advertising Inc., and distribution of games as publishers - digital and physically through the subsidiary Sold Out Sales & Marketing Ltd in London, England. The business model provides the conditions for close collaborations as well as stable cash flows.

The result is an independent game development company that develops games through its own investments and thus does not have to rely on external investments. The company's strategy is to continue to grow by developing games in its existing offices, and to continue to work its way up the value chain by developing games with its own resources and publishing games on its own.

Financial Development During the Year

Group

2020 was eventful with several acquisitions within game development. The total revenue in the group was SEK 657.2 million.

On November 23, 2020, Big Blue Bubble was acquired. The acquisition was financed with CAD 8.5 million (SEK 56.0 million) in cash and CAD 7.5 million (SEK 49.4 million) in a share issue. An earn-out of an estimated CAD 15.9 million (SEK 104.9 million) 33% in shares 66% in cash is due in 2021 and 2022. Big Blue Bubble is included in the Group as of the acquisition date.

On December 22, 2020, the Daybreak Group was acquired. The acquisition was financed with USD 160.0 million (SEK 1,231.6 million) in cash and

USD 100 million (SEK 848.1 million) in a share issue. An earn-out of USD 40 million (SEK 327.8 million) is to be paid in cash during 2021. Daybreak is included in the group as of the acquisition date.

Revenues from game development operations were SEK 111.9 million (SEK 85.4 million). The total revenues in Big Blue Bubble and Daybreak together corresponded to SEK 31.2 million in the group.

Revenues in the service segment amounted to SEK 545.3 million and are the first year that both the publishing operations and marketing have been included in the group for 12 months.

Depreciation during 2020 amounted to SEK 108.0 million (SEK 25.9 million) - an increase of SEK 82.1 million since then last year. The largest item was depreciation of goodwill of SEK 98.0 million (SEK 22.2 million).

Net financial items were SEK -86.9 million (SEK -7.4 million). The increased financing costs are costs for early repayment of loans and currency effects, primarily on USD balances in the group.

The average number of employees during the financial year was 230.6 (93) in the group, including the Russian subsidiary, which was not consolidated.

Parent Company

Total revenues in 2020 were SEK 78.9 million (SEK 80.7 million). Activation of own work increased by SEK 29.6 million to SEK 40.7 million in 2020.

Direct costs in the parent company were SEK 54.9 million (SEK 45.5 million) - an increase that is explained by increased production with, among other things, the addition of Antimatter Games, which made development for the parent company throughout 2020.

Other external costs in the Parent Company were SEK 36.0 million (SEK 18.0 million).

Net financial items were SEK 99.0 million (SEK -6.7 million), of which SEK 41.2 million consisted of currency effects on group balances in connection with the acquisitions of Big Blue Bubble and Daybreak. Interest expense amounted to SEK 27.2 million (SEK 8.0 million).

The Gaming Industry in Short

The gaming industry continued to grow in 2020 and had sales of USD 174.9 billion in 2020 - a revenue increase of almost 20%. USD 88.6 billion of this revenue goes to PC and console games, mobile games account for USD 86.3 billion. Console games and mobile games are the ones that have been most positively affected by the shutdown in connection with Covid - 19. According to NewZoo's Global Games Market Report, a large part of the increase in shutdowns in countries as a result of the pandemic persists even when countries reopen.

Asia Pacific (APAC), led by China, is the largest geographic market and accounts for close to half of total sales. The second largest in terms of turnover is North America (26%), closely followed by Europe (19%), Latin America (4%) and the Middle East and Africa (EMEA) (3%). All geographic markets are expected to show continued strong growth in the coming years with an average global market growth (CAGR) of 9.4% until 2023.

Financial Development - Group	2020	2019	2017/2018
	12 months	12 months	16 months
Net revenue	569.8	151.6	73.1
Profit after financial items	-145.7	-28.1	6.4
EBIT-margin	-10.4%	-13.7%	7.8%
Total assets	4,567.7	711.0	47.4
Equity ratio	68.7%	35.2%	64.7%
Return on equity	-4.4%	-11.2%	20.9%
EBITDA	48.8	5.1	6.4
Total number of shares	76,630,359	31,209,159	15,178,761
Earnings per share	-1.8	-0.9	0.3
Average FTE	231.0	93.0	79.0

Financial Development - Parent Company	2020	2019	2017/2018	2016/2017	2015/2016
	12 months	12 months	16 months	12 months	12 months
Net revenue	11.1	67.9	72.6	11.0	11.4
Profit after financial items	-125.9	-8.7	7.4	0.6	1.0
EBIT-margin	-242.4%	-2.9%	9.1%	6.6%	9.5%
Total assets	3,886.7	656.7	46.4	6.2	3.9
Equity ratio	84.0%	41.8%	69.3%	49.7%	44.2%
Return on equity	-3.1%	-3.2%	41.9%	25.1%	68.2%
EBITDA	-26.8	-1.9	6.7		
Total number of shares	76,630,359	31,209,159	15,178,761		
Earnings per share	-1.32	-0.16	0.18		
Average FTE	13	33	33	19	19

For definitions, refer to note 32.

Risk and Uncertainty Factors

The description of risks can be divided into the following categories:

Operational Risk:

The company is dependent on a few agreements with existing publishers for the development of their games - if the company does not succeed in achieving agreed goals, the compensation can be affected and the company's reputation damaged.

Launching new own game titles can generate lower revenue than expected.

The company is dependent on retaining and being able to recruit key people.

The company's growth is in some cases dependent on a license agreement for the Stingray gaming engine.

The company is dependent on well-functioning IT systems and is also exposed to risks related to hacking, viruses, sabotage and other cybercrime.

Financial Risk:

The company is of the opinion that the business is conducted in each country and between the countries in accordance with current tax legislation and practice, but in the event of any inaccuracy, the consequences could adversely affect the company's results.

Interest rate risk is the risk that the value of financial instruments will vary due to changes in market interest rates. The group has only interest-bearing financial assets in the form of bank balances. Changes in market interest rates are affected by a number of factors that are outside the company's control.

The group is exposed to foreign exchange risks as external income and certain expenses are denominated in foreign currency, mainly USD, EUR and GBP. This exposure is concentrated to the parent company, which signs contracts with game developers and retailers. These risks can in turn affect the profit.

Strategic Risk:

In order to achieve the expected financial and strategic synergies of acquisitions, the company must rationalize, coordinate and integrate all operations conducted by the acquired business. If it fails, positive synergies can be lost and the results will fail.

The company may fail to develop and adapt to new technology.

The company operates in a competitive market and may fail with the choice of products to develop or techniques to use, which can lead to a deterioration in the market position.



Risk Regarding the Corona Virus:

The world is shaken by Covid-19. EG7 has so far done well, as the gaming market has grown as a result of shutdowns in society.

The gaming industry is not normally cyclically sensitive. In connection with the pandemic, citizens in many countries have been urged to stay at home, which has led to an increased demand for computer games.

Services see effects in the physical distribution because many stores are closed and transport is made more difficult. However, these games can also be purchased online and in convenience stores. In 2020, the publishing business also had several digital releases, which is favorable in the current situation.

The timing of marketing has been shifted to some extent due to the pandemic.

Game development activities have no negative consequences as a result of the pandemic. The game developers are used to working remotely and working with their own titles or in consulting assignments at a normal pace.

Staff well-being is important in the EG7 group. The employees are already used to working digitally and jointly between different companies and countries. Almost all employees work from home.

The Share and Shareholders

EG7's share is listed on Nasdaq First North Growth Market with the ticker 'EG7'. The price was SEK 122 as of the last trading day on December 30, 2020. The total number of shares outstanding is 76,630,359 as of December 31, 2020.

SHARE DATA

Marketplace	Nasdaq First North Growth Market
Date of listing	4 February 2019
Industry	Communication
Ticker	EG7
ISIN-code	SE0010520106
Currency	SEK
Number of shares	76,630,359
Highest price 2020	132.50 SEK
Lowest price 2020	17.90 SEK
Closing price 2020	122.00 SEK
Certified Advisor	Eminova AB

OWNER (2020-12-31)	NUMBER OF SHARES	CAPITAL %
Dan Sten Olsson w. family and trust	6,912,000	9.0%
Jason Epstein through company	6,910,000	9.0%
Robin Flodin	3,817,713	5.0%
Swedbank Robur Fonder	3,675,000	4.8%
Handelsbanken Fonder	3,597,000	4.7%
Rasmus Davidsson	2,872,743	3.7%
TIN Fonder	2,840,000	3.7%
Länsförsäkringar Fonder	2,436,288	3.2%
Alan Hunter	2,415,876	3.2%
Ben Granados	2,047,317	2.7%
Others	39,106,422	51.0%
Total	76,630,359	100.0%

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Acquisitions in 2020

Big Blue Bubble

At the end of November, the Canadian game development company Big Blue Bubble was acquired. The company operates in the music genre free-to-play mobile games and has been active for over 5 years. The company will strengthen EG7 with contributions such as its own strong IP (My Singing Monsters), free-to-play synergies and strong future gaming pipeline. The company has an experienced team and solid profitability. The company's book value is SEK 226 million (CAD 34.3 million) including capitalized acquisition costs and a reserve for additional purchase consideration. Intangible assets of SEK 36.5 million (CAD 5.5 million) and goodwill of SEK 151.4 million (CAD 23.0 million) were identified at the time of the acquisition. The company is owned by the newly established Canadian holding company 718511 N.B. Ltd.

Daybreak

At the end of December, the American game development company Daybreak was acquired. The company is a leading video game developer and publisher of MMORPG games and is based in California. In combination with valuable original IPs, the company has knowledge in free-to-play and game-as-a-service as a business model. Daybreak has globally recognized third-party IPs in combination with valuable original IPs. The company's book value is SEK 2,484 million (USD 298 million) including capitalized acquisition costs and a reserve for additional purchase consideration. Intangible assets of SEK 636.8 million (USD 76.4 million) and goodwill of SEK 1,937 million (USD 232.4 million) were identified at the time of the acquisition. The company is owned by the newly established American holding company Dream Acquisition.

Piranha Games

EG7 entered into an agreement in 2020 to acquire the Canadian company Piranha Games Inc in 2021.

Rights Issues

During the year, the company carried out a number of issues, primarily in connection with

acquisitions and payment of additional purchase consideration for previous acquisitions, see Note 22.

Debt Structure

In June 2019, EG7 signed a bond loan framework of SEK 500 million maturing in June 2022. The company terminated the bond loan prematurely in 2020 and instead raised financing in the form of a loan from Swedbank and liquidity from issues.

The agreement with Swedbank contains rules regarding covenants. These are calculated as net debt divided by EBITDA pro forma RTM, EBITDA divided by net financial expenses, and facility debt divided by EBITDA. The measuring point for the first covenant calculation is 31 March 2021 and preliminary calculations show that the covenants are not violated.

Operational Divisions

At the end of the 2020 financial year, EG7 has two operational divisions - game development and services.

Research and Development

The different branches of EG7 have different elements of research and development. In the game development division, the development work results in games, which are released and sold through various sales channels.

For own games developed, EG7 applies the 'activation model'. During the financial year, the parent company capitalized its own expenses to a value of SEK 40.7 million (SEK 11.1 million).

Environmental Impact

The company does not conduct any business that is subject to a permit.

Foreign Subsidiaries

EG7 operates in seven countries - Sweden, Germany, Norway, Russia, Canada, USA and the UK.

Changes in Equity - Group

2020-12-31

	Share Capital	Other Shareholder Contributions	Other Equity Incl. Net Profit	Total Equity
Opening balance 2020-01-01	1.2	272.1	-23.2	250.1
Transactions with shareholders:				
Rights issues	1.8	3,143.0		3,144.8
Rights issues transaction costs		-53.0		-53.0
Tax effect on transaction costs of rights issues		11.3		11.3
Exchange difference			-70.0	-70.0
Deferred tax on equity			2.6	2.6
Net profit for the period			-148.5	-148.5
Closing balance 2020-12-31	3.1	3,373.4	-239.1	3,137.4

Changes in Equity – Parent Company

2020-12-31

	Share Capital	Capitalization Reserve	Share Premium Reserve	Accumulated Profit	Total Equity
Opening balance 2020-01-01	1.2	96.3	273.6	-97.0	274.2
Transactions with shareholders:					
Rights issues	1.8		3,143.0		3,144.8
Rights issues transaction costs			-53.0		-53.0
Tax effects transaction costs of rights issues			11.3		11.3
Capitalization reserve		40.7		-40.7	0
Net profit for the year				-112.7	-112.7
Closing balance 2020-12-31	3.1	137.1	3,375.0	-250.5	3,264.6

Allocation of Profit or Loss (SEK)

Proposed allocation of the company's profit

At the Annual General Meeting's disposal stands

accumulated profit	-137,765,833
share premium reserve	3,374,968,728
loss of the year	-112,726,600
	<u>3,124,476,295</u>

The board proposes that

the following is carried forward	<u>3,124,476,295</u>
	3,124,476,295

Regarding the company's income and position in general, reference is made to subsequent income statements and balance sheets with accompanying notes.

Income Statement

	Note	Group		Parent Company	
		2020-01-01 2020-12-31	2019-01-01 2019-12-31	2020-01-01 2020-12-31	2019-01-01 2019-12-31
		12 months	12 months	12 months	12 months
Net revenue	2, 3	569.8	151.6	11.1	67.9
Own work capitalized		42.9	12.8	40.7	11.1
Other revenue	4	44.5	3.9	27.1	1.7
Total revenue		657.2	168.4	78.9	80.7
<i>Operating expenses</i>					
Cost of goods sold		-380.9	-51.3	-54.9	-45.5
Other external expenses	5, 6	-72.6	-36.1	-36.0	-18.0
Personnel expenses	7,8,9	-153.8	-75.4	-14.2	-18.5
Other expenses		-1.0	-0.5	-0.6	-0.5
		-608.4	-163.2	-105.8	-82.6
Operating profit before depreciation and amortization (EBITDA)		48.8	5.1	-26.8	-1.9
Depreciation and amortization		-108.0	-25.9	-0.1	-0.1
Operating profit (EBIT)		-59.2	-20.7	-26.9	-2.0
<i>Financial items</i>					
Other interest income and similar items	10	0.3	4.6	0.1	4.1
Other interest income from group companies		0.0	0.0	0.2	0.1
Interest expenses and similar income items	11	-86.9	-12.0	-98.1	-10.6
Interest expenses to group companies		0.0	0.0	-1.1	-0.3
Financial net		-86.6	-7.4	-99.0	-6.7
Provisions	24	0.0	0.0	0.6	3.3
Profit before tax		-145.7	-28.1	-125.3	-5.3
Tax expense for the period	12	-2.7	0.0	12.6	0.3
NET PROFIT		-148.5	-28.1	-112.7	-5.0

Balance Sheet

	Note	Group		Parent Company	
		2020-12-31	2019-12-31	2020-12-31	2019-12-31
ASSETS					
Non-current assets					
<i>Intangible non-current assets</i>					
Expenses carried forward for R&D and similar items	13	843.4	105.2	145.1	96.3
Goodwill	14	2,320.5	405.0	0.0	0.0
		<u>3,163.9</u>	<u>510.2</u>	<u>145.1</u>	<u>96.3</u>
<i>Tangible non-current assets</i>					
Fixtures, tools and installations	15	24.8	9.0	0.1	0.5
		<u>24.8</u>	<u>9.0</u>	<u>0.1</u>	<u>0.5</u>
<i>Financial non-currents assets</i>					
Shares in group companies	16	0.0	0.0	1,469.7	520.4
Receivables from group companies	17	0.0	0.0	0.0	0.6
Deferred tax assets	18	26.8	2.2	25.8	1.9
Other long-term receivables	19	46.2	0.3	0.0	0.0
		<u>73.0</u>	<u>2.5</u>	<u>1,495.6</u>	<u>522.9</u>
Total non-current assets		3,261.7	521.7	1,640.8	619.7
Current assets					
<i>Inventory etc.</i>					
Prepared goods and goods for sale	20	6.9	12.1	0.0	0.0
		<u>6.9</u>	<u>12.1</u>	<u>0.0</u>	<u>0.0</u>
<i>Current receivables</i>					
Accounts receivables		122.8	49.7	0.1	5.9
Receivables from group companies		0.0	0.0	1,279.4	0.4
Current tax receivable		28.8	2.1	2.0	0.0
Other receivables		6.4	3.3	6.5	0.7
Accrued but not invoiced revenue		3.6	2.7	3.4	2.7
Prepayments and accrued income	21	50.0	13.6	49.4	1.4
		<u>211.7</u>	<u>71.4</u>	<u>1,340.7</u>	<u>11.1</u>
<i>Cash and cash equivalents</i>					
Cash and cash equivalents		1,087.5	105.7	905.2	25.9
		<u>1,087.5</u>	<u>105.7</u>	<u>905.2</u>	<u>25.9</u>
Total current assets		1,306.1	189.3	2,245.9	37.0
TOTAL ASSETS		4,567.7	711.0	3,886.7	656.7

	Note	Group		Parent Company	
		2020-12-31	2019-12-31	2020-12-31	2019-12-31
EQUITY AND LIABILITIES					
Equity, group					
Share capital		3.1	1.2	-	-
Other contributed capital		3,373.4	272.1	-	-
Other equity including profit for the year		-239.1	-23.2	-	-
		<u>3,137.4</u>	<u>250.1</u>		
Equity, parent company					
<i>Restricted equity</i>					
Share capital	22	-	-	3.1	1.2
Revaluation reserve	23	-	-	137.1	96.3
				<u>140.1</u>	<u>97.6</u>
<i>Unrestricted equity</i>					
Share premium reserve		-	-	3,363.6	273.6
Accumulated profit		-	-	-126.4	-92.0
Profit for the year		-	-	-112.7	-5.0
				<u>3,124.5</u>	<u>176.6</u>
Total equity		3,137.4	250.1	3,264.6	274.2
Untaxed reserves and provisions					
Tax allocation reserve	18	9.7	0.8	0.0	0.0
Other reserves and provisions	24	56.6	110.4	0.0	110.4
Total untaxed reserves and provisions		66.3	111.2	0.0	110.4
Non-current liabilities					
Bond loan	25	0.0	204.2	0.0	204.2
Other liabilities		3.0	12.1	19.1	12.1
		<u>3.0</u>	<u>216.3</u>	<u>19.1</u>	<u>216.3</u>
Current liabilities					
Liabilities to credit institutions		516.4	1.1	500.4	1.1
Advance payments from clients		18.5	12.3	0.0	0.0
Accounts payable		42.5	16.7	21.2	7.6
Liabilities to group companies		0.0	0.0	4.6	22.3
Current tax debt		25.4	3.0	0.0	1.5
Other liabilities		477.2	63.6	60.5	0.0
Accrued expenses and prepaid income	28	281.1	36.7	16.2	23.4
		<u>1,361.1</u>	<u>133.4</u>	<u>602.9</u>	<u>55.8</u>
Total liabilities		1,364.1	349.7	622.1	272.1
TOTAL EQUITY AND LIABILITIES		4,567.8	711.0	3,886.7	656.7

Cash Flow Statement

	Note	Group		Parent Company	
		2020-01-01	2019-01-01	2020-01-01	2019-01-01
		2020-12-31	2019-12-31	2020-12-31	2019-12-31
		12 months	12 months	12 months	12 months
OPERATING ACTIVITIES					
Operating profit		-59.2	-20.7	-26.9	-2.0
Adjustment for non-cash flow items	27	78.6	23.8	-31.4	0.1
Received interest etc.		1.4	3.5	0.0	3.1
Paid interest		-73.0	-8.8	-64.0	-7.7
Paid income tax		-40.3	-3.0	-5.4	-0.2
Cash flow from operating activities before changes in working capital		-92.5	-5.2	-127.7	-6.7
Cash flow from changes in working capital					
Decrease (-) / increase (+) of inventories / work in progress		4.4	-3.0	0.0	0.0
Decrease (-) / increase (+) of receivables		-85.2	-41.0	-1,372.5	-45.6
Decrease (-) / increase (+) of current liabilities		48.2	34.9	-46.0	36.5
Cash flow from operating activities		-125.1	-14.3	-1,546.2	-15.8
INVESTMENT ACTIVITIES					
Acquisition of intangible fixed assets	13	-49.2	-16.1	-48.8	-11.2
Acquisition of tangible fixed assets	15	-3.8	-1.6	0.0	-0.4
Acquisition of group companies	16	-1,298.0	-104.0	0.0	-178.9
Cash flow from investment activities		-1,350.9	-121.8	-48.8	-190.6
FINANCING ACTIVITIES					
Rights issue of the year		2,247.2	18.6	2,247.2	18.6
Transactions costs of rights issues		-53.0	0.0	-53.0	0.0
Sale of fixed assets		0.2	0.0	0.0	0.0
Net change checking account		0.0	7.5	0.0	0.0
Loans raised		500.0	202.1	500.0	202.1
Repaid long-term loans		-220.0	0.0	-220.0	0.0
Cash flow from financing activities		2,474.5	228.2	2,474.3	220.7
CASH FLOW FOR THE PERIOD		998.5	92.1	879.3	14.3
Cash and cash equivalents at start of period		105.7	14.6	25.9	11.6
Cash flow for the period		998.5	92.1	879.3	14.3
Exchange rate differences		-16.7	-1.0	-	-
Cash and cash equivalents at end of period	31	1,087.5	105.7	905.2	25.9

Notes

Note 1

Accounting and valuation principles

The annual report has been prepared in accordance with the Annual Accounts Act and BFNAR 2012: 1 Annual Report and Consolidated Accounts.

The principles are unchanged compared to the previous year.

Receivables

Receivables have been valued at the amounts they are expected to receive.

Other assets, provisions and liabilities

Other assets, provisions and liabilities have been valued at cost unless otherwise stated below.

Revenue reporting

Income is recognized at the fair value of what has been or will be received. The company therefore recognizes the income at face value (invoice amount) if the compensation is received in liquid funds directly upon delivery. Deductions are made for discounts granted.

Services

Revenue from consulting services is recognized as revenue when the services are provided.

Interest, royalty and dividends

Remuneration in the form of interest, royalty or dividend is recognized as income when it is probable that the financial benefits associated with the transaction have been added to the group and when the income can be calculated reliably. Interest is reported using the effective interest method. Royalty is accrued in accordance with the financial significance of the current agreement. Dividends are reported when the shareholder's right to dividends is deemed secure.

Ongoing service assignments

Assignment on current account

Revenue is recognized as the work is performed. Accrued, non-invoiced revenue is recognized in the balance sheet up to the amount that is expected to be invoiced and is reported in the item "Accrued but not invoiced revenue".

Fixed price assignment

Fixed-price service assignments are recognized as revenue as work is carried out, so-called successive profit settlement. When the outcome of an assignment can be reliably assessed, the assignment income and related expenses are reported according to the degree of completion of the activities in the agreement on the balance sheet date. Revenue is measured at fair value for compensation that has been received or will be received in relation to the degree of completion.

The difference between reported revenue and invoiced partial cash is reported in the balance sheet in the item "Accrued but not invoiced revenue".

When the outcome of an assignment cannot be reliably assessed, revenue is recognized only to the extent that assignment expenses have been incurred and can be recovered. Mission expenses are recognized in the period in which they arise.

The degree of completion has been calculated as discontinued assignment expenses on the balance sheet date in relation to the total estimated assignment expenses to fulfil the assignment.

When it is probable that the total contract expenses will exceed the total contract income, the expected loss is recognized immediately in the result.

Tangible non-current assets

Tangible non-current assets are reported at cost less accumulated depreciation and any write-downs. Assets are amortized on a straight-line basis over the asset's estimated useful life, except land that is not amortized. The useful life is reviewed on each balance sheet date. The following periods of use apply:

	Years
Inventories, tools and machines	3-5
Improvement leasehold	3-5

Intangible assets

Intangible assets are recognized at cost less accumulated depreciation and any impairment losses. Assets are amortized on a straight-line basis over the estimated useful life of the assets.

The useful life is reviewed on each balance sheet date. Ongoing projects are not depreciated but are written down annually. The following periods of use apply:

	Years
Expenses carried forward for R&D and similar items	3-10
Goodwill	5

Internally accumulated intangible fixed assets.

The Group applies the so-called the "activation model" regarding internally accumulated intangible assets. The method means that all expenses that meet the criteria in K3 are capitalized as intangible fixed assets and are amortized during the asset's estimated useful life.

Leasing

Lessees

Operational leasing

The group is a lessee through operational leasing agreements, as the financial risks and benefits associated with the asset have not been transferred to the group. Leasing fees, including any initial increased rent, are reported as an expense on a straight-line basis over the lease term.

In the parent company, all leasing agreements, both financial and operational, as well as operating leases are reported.

Inventories

Inventories are valued at the lower of calculated first-in-first-out, and net realizable value. The net realizable value has been calculated at the sales value after deduction of the estimated cost of sales, thus taking into account obsolescence.

Income tax

Current tax is income tax for the current financial year, which relates to the taxable profit for the year and the part of the previous financial year's income tax that has not yet been reported. Current tax is valued at the probable amount according to the tax rates and tax rules that apply on the balance sheet date.

Deferred tax is income tax for taxable profit for future financial years as a result of past transactions or events.

Deferred tax is calculated on temporary differences. A temporary difference exists when the carrying amount of an asset or liability differs from the tax value.

Deferred tax assets relating to loss carryforwards or other future tax deductions are reported to the extent that it is probable that the deductions can be offset against future tax surpluses.

For items recognized in the income statement, consequent tax is recognized in the income statement. For items recognized directly in equity, the tax is also reported directly in equity.

Provisions

Provisions are recognized when there is a legal or informal obligation as a result of a previous event, it is likely that an outflow of resources will be required to settle the obligation and the amounts can be reliably estimated. The timing or amount of the outflow may still be uncertain.

Provisions for restructuring are reported only if a defined and comprehensive restructuring plan has been prepared and implemented, or if the company has at least published the main features of the plan to those affected by it. Provisions are not recognized for expenses associated with future operations.

A provision is recognized at the best estimate of the amount required to settle the liability on the balance sheet date. Provisions are only used for the expenses for which the provision was originally intended. Provisions are discounted to their present values where the time value of money is significant.

Employee benefits

Employee benefits relate to all types of benefits that the group provides to employees. The group's remuneration includes, among other things, salaries, paid holidays, paid absenteeism, bonuses and remuneration after termination of employment (pensions). Accounting is done in line with earning.

Defined contribution pension plans

Fees for defined contribution pension plans are expensed as incurred.

The parent company has defined contribution pension obligations, which means that the company pays the pension contribution to an external pension insurer. Employees are allowed to manage their pension assets themselves.

Receivables and liabilities in foreign currency

Monetary receivables and liabilities in foreign currency have been converted at the closing day rate.

Exchange rate differences arising from settlement or translation of monetary items are recognized in the income statement in the financial year they arise, either as an operating item or as a financial item based on the underlying business event.

Net investments in foreign operations

A monetary item that is a receivable or liability on a foreign operation, where a settlement is not planned or probable in the foreseeable future, is considered to be part of the group's net investment in the foreign operation. Exchange rate differences regarding monetary items that form part of the company's net investments in foreign operations and that are valued on the basis of the acquisition value are reported in the group's translation reserve in equity. When a net investment in a foreign operation is sold, the exchange rate difference is reported in the income statement.

Government grants

The public contribution is valued at the fair value of the asset that the company has received or will receive.

Public grants that are not associated with requirements for future performance, so-called unconditional grants, are recognized as income when the conditions for receiving the grant are fulfilled, that is, usually in connection with the grant being received. Public grants that are associated with requirements for future performance, so-called conditional grants, are debited when the grant is received and subsequently recognized as income when the performance is performed.

Public contributions in the parent company

Public grants related to the acquisition of a current asset reduce the asset's acquisition value.

Consolidated statements

Subsidiaries

Subsidiaries are companies in which the parent company directly or indirectly holds more than 50% of the voting rights or otherwise has a controlling influence. Controlling influence means a right to formulate a company's financial and operational strategies in order to obtain financial benefits. The accounting of business acquisitions is based on the unit view. This means that the acquisition analysis is prepared at the time when the acquirer gains control. From this point onwards, the acquirer and the acquired entity are regarded as an accounting unit. The application of the unitary view also means that all assets (including goodwill) and liabilities, as well as income and expenses, are included in their entirety even for partly owned subsidiaries.

The acquisition value of subsidiaries is calculated at the sum of the fair value at the time of acquisition of assets paid, plus accrued and assumed liabilities and issued equity instruments, expenses directly attributable to the business acquisition and any additional purchase price. The acquisition analysis determines the fair value, with some exceptions, at the time of acquisition of acquired identifiable assets and assumed liabilities and minority interest. Minority interest is measured at fair value at the time of acquisition. From the date of acquisition, the acquired company's income and expenses, identifiable assets and liabilities, as well as any goodwill or negative goodwill, are included in the consolidated financial statements.

The Russian subsidiary OOO Artplant has not yet been consolidated with reference to ÅRL Chapter 7, 5§ p.2. We believe that this is of no decisive importance to give a true and fair view of the Group.

Goodwill

Group goodwill arises when the acquisition value on acquisition of shares in subsidiaries exceeds the value determined by the acquired company's identifiable net assets in the acquisition analysis. Goodwill is recognized at cost less accumulated amortization and any impairment.

Negative goodwill

Negative goodwill arises when the acquisition value for the acquisition of shares in subsidiaries is less than the value determined for the acquired company's identifiable net assets in the acquisition analysis.

If negative goodwill arises for future costs or future losses, negative goodwill is recognized as a provision in the balance sheet and is dissolved as the costs (losses) arise. If negative goodwill arises instead for other reasons, negative goodwill is reported as a provision in the balance sheet to the extent that it does not exceed the fair value of acquired identifiable non-monetary assets. The portion that exceeds this value is recognized immediately. The portion of negative goodwill that does not exceed the fair value of acquired identifiable non-monetary assets is recognized systematically over a period that is calculated as the remaining weighted average useful life of the acquired identifiable assets that is depreciable.

Subsidiaries abroad

The company's foreign subsidiaries are accounted for using the so-called daily exchange rate method, which means that assets and liabilities are converted at the closing day rate and revenues and expenses are converted at the average rate.

Elimination of transactions between group companies and associated companies

Intra-group receivables and liabilities, income and expenses and unrealized gains or losses arising from transactions between group companies are eliminated in their entirety.

Note 5

Leasing agreements - operational leasing lessee	Group		Parent Company	
	2020	2019	2020	2019
During the year, the company's leasing fees amounted to	8.2	5.7	4.4	3.2
<i>Future minimum lease fees for non-cancellable leases, are due for payment as follows:</i>				
Within 1 year	28.3	9.2	4.3	4.4
Between 2 and 5 years	35.8	14.6		8.5
	6.9			
	<u>71.0</u>	<u>23.8</u>	<u>4.3</u>	<u>12.9</u>

The group's leasing consists mainly of premises rent in the various companies.

Note 6

Remuneration to auditors	Group		Parent Company	
	2020	2019	2020	2019
<i>Ernst & Young</i>				
Auditing services	3.5	0.9	3.5	0.9
Other services	11.9	0.6	11.9	0.6
<i>Deloitte</i>				
Auditing services	0.1	0.0	0.0	0.0
Other services	0.0	0.0	0.0	0.0
<i>Defriess Weiss LLP</i>				
Auditing services	0.4	0.2	0.0	0.0
Other services	0.0	0.0	0.0	0.0
	<u>15.9</u>	<u>1.8</u>	<u>15.4</u>	<u>1.5</u>

Note 7

Personnel	Group		Parent Company	
	2020	2019	2020	2019
Average number of employees				
The average number of employees is based on attendance hours paid by the company in relation to a normal working time. Employees in the Russian company have been included below even though the company was not consolidated for 2019 and 2020.				
Average number of employees has been	230.60	93.00	13.00	33.00
of which women	54.80	18.00	3.00	4.50
of which men	175.80	75.00	10.00	28.50
Salaries, allowances, etc.				
Wages, allowances, employer's contributions and pension costs have emanated with the following amounts:				
Board of Directors and the management:				
Salaries and benefits	8.8	6.2	1.1	0.6
Pension costs	0.7	0.1	0.0	0.0
	9.6	6.3	1.1	0.6
Other personnel:				
Salaries and benefits	120.7	50.4	7.4	12.4
Bonuses	3.9	3.9		0.0
Pension costs	3.8	1.3	0.3	0.5
	128.4	55.6	7.7	12.9
Social expenses	14.9	6.8	2.8	4.1
Total board and others:	152.9	68.7	11.6	17.6
Gender distribution in the board and company management				
Number of board members	6.00	4.00	6.00	4.00
of which women	1.00	1.00	1.00	1.00
of which men	5.00	3.00	5.00	3.00
Number of other executives incl. CEO	4.00	4.00	4.00	4.00
of which women	1.00	1.00	1.00	1.00
of which men	3.00	3.00	3.00	3.00

Note 8

Average number of employees per country	Group		Parent Company	
	2020	2019	2020	2019
<i>The average number of employees is distributed among the following countries</i>				
The average number of employees is based on attendance hours paid by the company in relation to a normal working time.				
Sweden				
Women	10.00	4.50	3.00	4.50
Men	26.20	28.50	9.90	28.50
	36.20	33.00	12.90	33.00
Germany				
Women	2.00	2.00	0.00	0.00
Men	12.10	8.00	0.00	0.00
	14.10	10.00	0.00	0.00
Norway				
Women	0.00	0.50	0.00	0.00
Men	2.80	7.75	0.00	0.00
	2.80	8.25	0.00	0.00
UK				
Women	12.00	1.71	0.00	0.00
Men	34.50	8.04	0.00	0.00
	46.50	9.75	0.00	0.00
USA				
Women	23.22	9.00	0.00	0.00
Men	50.18	23.00	0.00	0.00
	73.40	32.00	0.00	0.00
Canada				
Women	1.54	0.00	0.00	0.00
Men	4.06	0.00	0.00	0.00
	5.60	0.00	0.00	0.00
Total women	48.76	17.71	3.00	4.50
Total men	129.84	75.29	9.90	28.50
	178.60	93.00	12.90	33.00

Note 9

Salaries to the board and management	Group		Parent Company	
	2020	2019	2020	2019
Robin Flodin - CEO and board	0.8	0.5	0.8	0.5
Alexander Albedj – Chairman of the board	0.1	0.0	0.1	0.0
Gunnar Lind – board	0.1	0.0	0.1	0.0
Erik Nielsen – board	0.1	0.0	0.1	0.0
Marie-Louise Hellström Gefwert – board	0.1	0.0	0.1	0.0
Sven Folkesson – board	0.1	0.1	0.1	0.1
Management in other subsidiaries	7.4	5.6		
	8.8	6.2	1.4	0.6

Note 10

Other interest income and similar items	Group		Parent Company	
	2020	2019	2020	2019
Interest	0.2	0.1	0.2	0.0
Exchange differences	0.1	1.5	0.1	1.1
Received premium when issuing bond loans	0.0	3.0	0.0	3.0
	0.3	4.6	0.2	4.1

Note 11

Interest expenses and similar income items	Group		Parent Company	
	2020	2019	2020	2019
Exchange rate differences on liabilities	29.4	0.5	41.2	0.5
Other interest expenses	27.8	9.4	27.2	8.0
Borrowing costs	29.7	2.1	29.7	2.1
	86.9	12.0	98.1	10.6

Note 12

Tax on profit for the year

	2020		2019	
Group				
Current tax		-13.6		-0.6
Deferred tax		10.9		0.6
		<u>-2.7</u>		<u>0.0</u>
Reconciliation of effective tax	Percentage	Amount	Percentage	Amount
Profit before tax		-145.7		-28.1
Tax expense	21.40%	31.2	21.40%	6.0
Adjustment tax rate other countries		-1.3		0.0
Non-deductible costs		-2.2		-0.7
Non-taxable income		4.7		0.0
Non-deductible interest		-11.3		-0.6
Tax previous years		-0.9		0.0
Tax effect of reversal of accrual fund		-1.0		0.0
Non-reported deferred tax on temporary differences		0.0		-0.1
Non-deductible goodwill		-21.9		-4.6
Reported tax	1.85%	-2.7	0.01%	0.0
Parent company		2020		2019
Current tax		0.0		0.0
Deferred tax		12.6		0.3
		<u>12.6</u>		<u>0.3</u>
Reconciliation of effective tax	Percentage	Amount	Percentage	Amount
Profit before tax		-125.3		-5.3
Tax expense	21.40%	26.8	21.40%	1.1
Non-deductible costs		-1.2		-0.1
Non-taxable income		0.0		0.0
Tax effect of reversal of accrual fund		-0.9		0.0
Non-deductible interest		-11.3		-0.6
Effect of changes in tax rate		-1.0		0.0
Non-reported deferred tax on temporary differences		0.0		-0.1
Reported tax	10.06%	12.6	6.40%	0.3

Note 13

Expenses carried forward for R&D and similar items

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Inbound acquisition value	114.9	15.9	96.3	0.5
Activation of the year	41.4	14.1	48.8	11.1
Divestments and scraps	-0.6			
Reclassification	-	-0.4	-	0.0
Acquired acquisition values	725.8	84.8	-	84.8
Translation difference	-19.3	0.5	-	-
Accumulated acquisition values carried forward	862.2	114.9	145.1	96.3
Comprehensive depreciation	-8.2	-6.3	0.0	0.0
Divestments	0.1			
Acquired depreciation	-6.0	-	0.0	0.0
This year's depreciation	-4.9	-1.7	0.0	0.0
Translation difference	1.4	-0.2	-	-
Accumulated depreciation carried forward	-17.5	-8.2	0.0	0.0
Comprehensive amortization	-1.6	-1.5	0.0	0.0
Translation difference	0.1	0.0	-	-
Accumulated amortization carried forward	-1.4	-1.6	0.0	0.0
Balance carried forward	843.4	105.2	145.1	96.3

Note 14

Goodwill

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Inbound acquisition values	426.6	-	-	-
Acquisitions of the year	2,087.2	429.0	-	-
Translation difference	-84.2	-2.4	-	-
Accumulated acquisition values carried forward	2,429.6	426.6	0.0	0.0
Inbound depreciation	-21.5	-	-	-
This year's depreciation	-98.0	-22.2	-	-
Translation difference	10.4	0.6	-	-
Accumulated depreciation carried forward	-109.1	-21.5	0.0	0.0
Balance carried forward	2,320.5	405.0	0.0	0.0

Note 15

Fixtures, tools and installations	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Inbound acquisition value	12.5	0.5	0.7	0.3
Purchases	3.9	1.7	-	0.4
Acquired acquisition values	135.9	10.4	-0.6	0.0
Translation difference	-15.9	0.0	-	-
Accumulated acquisition values carried forward	136.4	12.5	0.1	0.7
Comprehensive depreciation	-3.5	-0.2	-0.2	-0.1
Acquired accumulated depreciation	-116.4	-2.9	0.3	0.0
This year's depreciation	-4.9	-0.4	-0.1	-0.1
Translation difference	13.3	0.0	-	-
Accumulated depreciation carried forward	-111.5	-3.5	0.0	-0.2
Balance carried forward	24.8	9.0	0.1	0.5

Note 16

Shares in group companies

			2020-12-31	2019-12-31
Company Registration number	Location	Amount/ Share %	Reported value	Reported value
Toadman Interactive GmbH DE314775478	Berlin, Germany	25,000 / 100%	0.2	0.2
Artplant AS NO983807747	Oslo, Norway	1,152 / 100%	7.4	7.4
OOO Artplant OGRN1106952017501	Tver, Russia	100%	-	-
Anti-Matter Games Ltd 08543466	Cornwall, UK	44 / 100%	1.7	1.7
Petrol Advertising Inc EIN: 84-2171339	North Varney, USA	100 / 100%	222.4	222.4
Sold-out Marketing & Distribution Ltd Reg nr. 06989121	London, UK	2 / 100%	288.6	288.6
Toadman Interactive AB Reg nr. SE556930-6483	Stockholm, Sweden	100,000 / 100%	0.1	0.1
Dream Acquisition Co.	San Diego, USA	10 / 100%	835.0	-
Daybreak Game Company LLC; 20-4347762	San Diego, USA	100%	-	-
Standing Stone Games LLC; 81-43419251	San Diego, USA	100%	-	-
Daybreak Game Studios LLC; 84-2100313	San Diego, USA	100%	-	-
718511 N.B. Ltd	London, Canada	100 / 100%	114.3	-
Big Blue Bubble Inc.; 5037200	London, Canada	400 / 100%	-	-
Big Blue Bubble Corp.	San Francisco, USA	10 / 100%	-	-
			1,469.7	520.4
Information on equity and net profit		Equity	Net profit	
Toadman Interactive GmbH		0.8	0.0	
Artplant AS		6.2	3.3	
OOO Artplant (subsidiary to Artplant AS)				
Anti-Matter Games Ltd		5.0	1.0	
Petrol Advertising Inc		41.3	16.8	
Sold-out Marketing & Distribution Ltd		78.9	32.3	
Toadman Interactive AB		0.1	0.0	
Dream Acquisition Co.		826.0	-0.5	
Daybreak Game Company LLC		-170.4	3.1	
Standing Stone Games LLC		147.2	2.1	
Daybreak Game Studios LLC		-63.0	-2.2	
718511 N.B. Ltd		111.2	-0.2	
Big Blue Bubble Inc.		47.2	2.4	
Big Blue Bubble Corp.		1.5	0.0	
		2020-12-31	2019-12-31	
Shares in group companies - change for the year				
Inbound acquisition value		520.4	7.6	
Purchases		949.3	512.8	
Accumulated acquisition values carried forward		1,469.7	520.4	
Balance carried forward		1,469.7	520.4	

Note 17

Receivables from group companies	Parent Company	
	2020-12-31	2019-12-31
Inbound acquisition value	0.6	0.7
Incoming	0.0	0.0
Outgoing	-0.6	-0.1
Accumulated acquisition values carried forward	0.0	0.6
Balance carried forward	0.0	0.6

Note 18

Deferred tax	Deferred tax	Deferred tax
	receivables	liability
Group	2020-12-31	2020-12-31
Deficit deductibles	26.2	0.0
Deferred tax regarding acquisition-related assets	0.0	9.7
Other taxable temporary differences	0.6	0.0
	<u>26.8</u>	<u>9.7</u>
	2019-12-31	2019-12-31
Deficit deductibles	2.0	0.0
Other deductible temporary differences	0.2	0.0
Other taxable temporary differences	0.0	0.8
	<u>2.2</u>	<u>0.8</u>
Parent company	2020-12-31	2020-12-31
In connection with acquisition of subsidiaries	25.8	0.0
	<u>25.8</u>	<u>0.0</u>
	2019-12-31	2019-12-31
Deficit deduction, in connection with acquisitions of subsidiaries	1.9	0.0
	<u>1.9</u>	<u>0.0</u>

Note 19

Other long-term receivables

	2020-12-31	2019-12-31
Group		
Inbound acquisition values	0.3	0.0
Acquired acquisition values	46.0	-
Paid receivables	-0.2	-
Incoming receivables	-	0.3
Accumulated acquisition values carried forward	<u>46.2</u>	<u>0.3</u>
Balance carried forward	46.2	0.3

Long-term receivables in the group consist of SEK 41.2 million of receivables for royalty in Daybreak Games Studios, receivable resolved in connection with the launch of games.

Parent company

Posted deposits	0.0	0.0
Accumulated acquisition values carried forward	<u>0.0</u>	<u>0.0</u>
Balance carried forward	0.0	0.0

Note 20

Inventory

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Prepared goods and goods for sale				
Book value	6.9	12.1	0.0	0.0

Note 21

Prepayments and accrued income

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Prepaid rental costs	2.7	1.1	1.1	1.1
Prepaid lease	0.0	0.7	0.0	0.0
Game related accrued income	29.0	7.5	0.0	0.0
Internal prepaid expenses	0.0	0.0	42.3	0.0
Other prepaid expenses	18.3	4.4	6.0	0.3
	<u>50.0</u>	<u>13.6</u>	<u>49.4</u>	<u>1.4</u>

Note 22

Information on share capital (number/SEKm)

	Number of shares	Share capital
Number / value at the beginning of the year	31,209,159	1.2
Rights issue 2020-05-19	3,779,367	0.2
TO1 Warrant Redemption 2020-09-15	667,000	0.0
Rights issue 2020-09-24	8,747,131	0.3
Rights issue 2020-11-05	117,758	0.0
Rights issue 2020-11-25	1,298,256	0.1
Rights issue 2020-12-02; 2020-12-18; 2020-12-22	20,731,707	0.8
Rights issue 2020-12-23	10,079,981	0.4
Number / value at the end of the year	76,630,359	3.1

Par value all issues SEK 0.04.

Note 23

Development expenditure fund

	Parent Company	
	2020-12-31	2019-12-31
Amount at the beginning of the year	96.3	0.5
Activation with deduction for depreciation	40.7	95.9
Amount at the end of the year	137.1	96.3

Note 24

Other provisions

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Reported value at the beginning of the year	110.4	6.0	110.4	6.0
Provisions for the year	426.7	110.4	0.0	110.4
Amount classified as current liability	-427.8	0.0	-57.7	0.0
Amount claimed during the year	-52.8	-6.0	-52.7	-6.0
Reported value at year-end	56.5	110.4	0.0	110.4

Note 25

Non-current liabilities

	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Bond debt	0.0	220.0	0.0	220.0
Capitalized borrowing costs	0.0	-15.8	0.0	-15.8
	0.0	204.2	0.0	204.2
Other non-current liabilities	3.0	12.1	19.1	12.1

Note 26

Accrued expenses and prepaid income	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Accrued salaries, holiday pay and employer's contributions	41.0	11.6	1.7	3.1
Accrued acquisition costs	12.2	5.9	12.2	5.9
Prepaid income	90.3	0.0	0.0	0.0
Buy-out Project Osiris short-term portion	0.0	12.1	0.0	12.1
Other accrued expenses and prepaid income	137.7	7.1	2.1	2.3
	281.1	36.6	16.0	23.4

Note 27

Adjustments for non-cash flow items	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Depreciation	107.9	25.9	0.1	0.1
Unrealized exchange rate gains / losses	0.0	0.0	-1.1	0.0
Other items	-29.4	-2.1	-30.4	0.0
	78.5	23.8	-31.4	0.1

Note 28

Cash and cash equivalents	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Cash and bank, available cash and cash equivalents	1,084.9	104.5	902.6	24.6
Blocked funds	2.6	1.3	2.6	1.3
	1,087.5	105.7	905.2	25.9

Note 29

Allocation of profit or loss (SEK)

Proposed allocation of the company's profits

At the Annual General Meeting's disposal stands

accumulated profit	-137,765,833
share premium reserve	3,374,968,728
loss of the year	-112,726,600
	3,124,476,295

The board proposes that

the following is carried forward	3,124,476,295
	3,124,476,295

Note 30

Pledged collateral	Group		Parent Company	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Mortgaged shares in subsidiaries	0.0	212.3	0.0	230.0
Blocked bank funds (rent deposits)	2.6	1.3	2.6	1.3
	2.6	213.6	2.6	231.2
Liabilities for which collateral has been pledged				
Bond debt	0.0	220.0	0.0	220.0
Mortgaged shares in subsidiaries	0.0	212.3	0.0	230.0

Note 31

Events after the end of the financial year

When determining the earn-out for Big Blue Bubble, the higher criterion was not met, which resulted in revenue of CAD 2,307 thousand during the first quarter of 2021.

The group has completed two more acquisitions - Piranha Games Inc March 1, 2021 and Innova March 31, 2021.

The company has also completed two rights issues in connection with the acquisitions during 2021 of approximately SEK 1,140 million.

The group will transition to reporting in accordance with IFRS in the first quarter of 2021.

Note 32

Definitions

Net revenue: Revenue from sales less discounts and after elimination of any related party transactions.

Profit after financial net: Profit after financial net but before tax.

Operating margin (EBIT-margin): Operating profit before financial items and tax as a percentage of net revenue.

Total assets: The value of the total assets at year-end.

Equity ratio: Equity as a percentage of total assets.

Return on equity: Profit after financial net as a percentage of adjusted equity.

EBITDA: Earnings before interest, tax, depreciation and amortization of intangible fixed assets.

Number of shares: Total number of shares outstanding.

Earnings per share: Net profit for the period divided by the total number of shares outstanding

Average FTE: Average number of full-time employees during the financial year.

THE BOARD'S DECLARATION

The Board of Directors and CEO ensure that this annual report gives a true and fair view of the company's operations and financial position.

Stockholm, April 26, 2021

Robin Flodin	Alexander Albedj	Sven Folkesson	Marie-Louise Gefwert	Gunnar Lind	Erik Nielsen
<i>CEO and board member</i>	<i>Chairman of the board</i>	<i>Member of the board</i>	<i>Member of the board</i>	<i>Member of the board</i>	<i>Member of the board</i>

Our auditor's report has been submitted on April 27, 2021
Ernst & Young AB

Beata Lihammar
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Enad Global 7 AB (Publ),
corporate identity number 556923-2837

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 financial year 2020. The annual accounts and consolidated accounts of the company are included on pages 9-37 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with 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

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises on pages 1-8 (but does not include the annual accounts, consolidated accounts and our auditor's report thereon).

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.

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. 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

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 financial year 2020 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 fulfil 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.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm April 27, 2021

Ernst & Young AB

Beata Lihammar
Authorized Public Accountant

