

ENAD GLOBAL 7 AB (PUBL)

INTERIM REPORT JANUARY–JUNE 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 Toadman Studios and Antimatter Games employ over 100 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 200 employees in 8 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



INTERIM REPORT JANUARY–JUNE 2020

April – June 2020 in Summary

- Net revenue amounted to SEK 138.0 (13.6 in the same quarter the previous year) million which represents an increase of 1014%. Total revenue amounted to SEK 162.6 (18.4) million.
- EBITDA amounted to SEK 18.7 (4.8) million and EBIT amounted to SEK -4.3 (4.4) million.
- Profit after tax amounted to SEK -9.6 (4.1) million.
- Net debt was SEK 74.8 (99.5) million.
- Earnings per share amounted to SEK -0.12.
- During the second quarter 2020 the division Games had a total revenue of SEK 65.0 million. During the same period, the division Services had a total revenue of SEK 97.6 million.

April – June 2020 in Summary Pro-Forma*

- Total revenue amounted to SEK 189.1 million.
- EBITDA amounted to SEK 26.6 million.

Rolling 12 Months in Summary Pro-Forma*

- Total revenue amounted to SEK 681.2 million.
- EBITDA amounted to SEK 95.4 million.

January – June 2020 in Summary

- Net revenue amounted to SEK 293.5 (28.4) million. Total revenue amounted to SEK 326.4 (35.1) million.
- EBITDA amounted to SEK 30.9 (7.2) million and EBIT amounted to SEK -15.4 (6.2) million.
- Profit after tax amounted to SEK -41.0 (5.7) million.
- Earnings per share amounted to SEK -0.44 SEK.

Significant Events During the Quarter

- The company successfully completes a directed rights issue of 3,779,367 shares and thereby contributes approximately SEK 119 million before costs.
- EG7 announces Minimal Affect (Project Anubis) and presents more information on the titles '83 and EvilvEvil.
- The annual general meeting is held where it was decided that no dividend would be paid, that the profit for the year be transferred to a new account and that Erik Nielsen be voted into the board.

Significant Events After the Quarter

- Sold Out signs publishing agreement for two unannounced titles.
- Radical Rabbit Stew is released.
- Sold Out signs agreement regarding physical publishing of the title Planet Coaster: Console Edition developed by Frontier.
- No Straight Roads is released.
- Descenders is released.
- The Canadian game developer Big Blue Bubble is acquired. The company had revenues of approximately SEK 80 million and EBITDA of SEK 24 million for the rolling twelve months. The up-front payment amounts to approximately SEK 106 million, an up-front EBITDA multiple of 4.6x.

| PRO FORMA* REVENUE Q2 2020 (SEK) | PRO FORMA* EBITDA Q2 2020 (SEK) | TOTAL REVENUE Q2 2020 (SEK) | EBITDA Q2 2020 (SEK) | FTE Q2 2020 | GAMES IN DEVELOP- MENT | GROUP COMPANIES |
|---|--|--------------------------------------|-------------------------------|----------------|------------------------------|--------------------|
| 189.1m | 26.6m | 162.6m | 18.7m | 200 | 25+ | 8 |

*: Financial figures as if Big Blue Bubble is included in the group during the period

| Financial Overview - Group | Quarter | | Accumulated | | FY 2019 |
|--------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2020-04-01 2020-06-30 | 2019-04-01 2019-06-30 | 2020-01-01 2020-06-30 | 2019-01-01 2019-06-30 | 2019-01-01 2019-12-31 |
| | 3 months | 3 months | 6 months | 6 months | 12 months |
| Net revenue (KSEK) | 138,027 | 13,618 | 293,505 | 28,445 | 151,644 |
| Net revenue growth (%) | 1014% | | 1032% | | |
| EBITDA (KSEK) | 18,654 | 4,802 | 30,882 | 7,159 | 5,133 |
| EBITDA margin (%) | 14% | 35% | 11% | 25% | 3% |
| Operating profit (EBIT) (KSEK) | -4,315 | 4,445 | -15,416 | 6,216 | -20,720 |
| Operating margin (EBIT margin) | -3% | 33% | -5% | 22% | -14% |
| Net debt (KSEK) | 74,794 | 99,465 | | | 110,559 |
| Equity ratio (%) | 40% | 38% | | | 40% |
| Average number of FTEs | 198 | 82 | | | 178 |
| Total number of shares | 34,988,526 | 16,978,761 | 34,988,526 | 16,978,761 | 31,209,159 |
| Earnings per share (SEK) | -0.12 | 0.26 | -0.44 | 0.37 | -0.66 |



A WORD FROM THE CEO

Gaming Company Undergoing Strong Growth

"Another successful quarter!"

We have made much progress this quarter; we have acquired the successful game developer Big Blue Bubble meanwhile having launched four game titles and achieved a net sales growth of over 1,000% compared to the same quarter last year.

As we have grown, we have also divided the company into two divisions: Games and Services. This is to clarify the business and increase the understanding of the sales and profits of respective function.

In connection with the fact that I myself have just had a son; I also reflect on a personal level how important games are in these times when so many have spent a lot of time at home. Being able to work in the most fun part of the entertainment industry therefore makes me very proud.

Acquisition of Big Blue Bubble

Since our IPO in 2017, we have applied an active acquisition strategy that has contributed to our strong growth. We have communicated to the market that we intend to continue with this, where after a period of consolidation we have a promising M&A pipeline.

After the end of Q2 2020, the next step in our acquisition strategy was the Canadian game development company Big Blue Bubble, which we now welcome to our fast-growing family. Having the opportunity to add another great company to our group feels very good.

Big Blue Bubble has about 70 employees and is best known for the original and well-known IP My Singing Monsters with recurring revenue and profits from its 2 million monthly users.

We believe that the company has an interesting pipeline in the future with several titles that we expect to launch in the coming time while their already launched games generate cash flow. Big Blue Bubble also has extensive experience of F2P games, which will be useful for some of our upcoming titles

The acquisition of Big Blue Bubble is in line with our strategy to diversify our product portfolio with successful IP:s with significant recurring revenues. They have a very competent team led by the CEO Damir Slogar who now also becomes an important key person in EG7.



Several Game Releases

During the quarter, we have made a number of game releases, one of the bigger of which is No Straight Roads, which is published by our subsidiary Sold Out. In our opinion, the development team at Metronomik has succeeded very well in producing a unique title that has attracted attention among the players and has already proved profitable for us. We are looking forward to seeing how the game is received by the market in the future.

Sold Out has also released two more titles and Toadman Studios has released one during the quarter.

Future Prospects

In parallel with our progress, the development of our own titles is also proceeding according to plan and Sold Out is constantly signing new publishing agreements.

Petrol has performed better than expected, despite some shifts in projects, thanks to an extremely hard-working team. The same holds true for the entire organization.

We also see an increase in tempo in terms of acquisitions in the coming period, where our strengthened M&A team is continuously in discussions with interesting acquisition candidates.

It is with great enthusiasm that I lead our growing family into the second half of the year!

Robin Flodin

Chief Executive Officer

Enad Global 7 AB (Publ)

FINANCIAL OVERVIEW

The Quarter April-June 2020

Amounts in SEK unless otherwise stated. Amounts in parentheses, unless otherwise stated, refer to the corresponding values the previous year. Accounting according to K3, refer to page 26 for further information.

Net Sales and EBIT

Net revenue for the second quarter of 2020 amounted to SEK 138.0 (13.6 the same quarter the previous year) million which is mainly attributable to marketing and games development and publishing services. EBIT amounted to SEK -4.3 (4.4) million.

Game Development

During the second quarter, SEK 10.0 (2.0) million was capitalized as an Intangible Asset - In-House Game Development. The investments are mainly attributable to EvilvEvil and '83.

Depreciation and Amortization

Depreciation and amortization during the period amounted to SEK -23.0 (-0.4) million.

Financial Net

The financial net for the second quarter was SEK 0.9 (-0.4) million.

Tax

Tax on the net profit amounted to SEK -7.6 (0.1) million.

The Period January-June 2020

Net Sales and EBIT

Net revenue for the period January-June 2020 amounted to SEK 293.5 (28.4) million. EBIT amounted to SEK -15.4 (6.2) million.

Game Development

During the period, SEK 17.2 (3.7) million was capitalized as an intangible asset - in-house game development.

Depreciation and Amortization

Depreciation and amortization during the period amounted to SEK -46.3 (-1.3) million. Of these, SEK -43.7 (-1.3) million primarily relate to amortization of goodwill in the Group.

Financial Net

The financial net was SEK -13.2 million as a consequence of the financing structure of the acquisitions of Petrol and Sold Out.

Tax

Tax on the net profit amounted to SEK -12.7 million.

Financial Position

Financial Position and Liquidity

At the end of the quarter, the group had SEK 144.7 (25.1) million in cash.

Operational Cash Flow

The cash flow from operations amounted to SEK 10.1 million.

Financing

To finance recent and upcoming acquisitions, EG7 has signed bond loans, which as of July 17, 2019, are traded on Nasdaq First North. The actual loan amount amounts to SEK 220 million and runs for three years.

Investments and acquisitions

EG7 is further exploring opportunities to grow within the value chain and sees good potential in expanding in development of games in the future.

Earnout payments

The earnout that was agreed with Petrol's sellers will be valued and redeemed by 2020-06-30. The financial statements are under review and the results of this will be reported no later than in the Q3 interim report.

Other Information

Personnel

As of this report's publication date, the group has 198 employees, which can be compared to 82 employees at the end of the second quarter of 2019. The company continues to expand through organic growth and acquisitions in order to work on large projects and to complete further investments in its own games.

Share and Ownership

EG7's share is listed on Nasdaq First North Growth Market with the ticker symbol 'EG7'. The share price was SEK 37.60 per share on August 26, 2020. The total number of shares outstanding was 34,988,526 as of June 30, 2020.

| Shareholder (2020-06-30) | Number of shares | Capital % |
|--|---------------------|----------------|
| Robin Flodin | 3,815,691 | 10.91% |
| Rasmus Davidsson | 3,152,743 | 9.01% |
| Dan Sten Olsson with family and trust | 2,900,000 | 8.29% |
| Alan Hunter | 2,323,718 | 6.64% |
| Ben Granados | 2,323,717 | 6.64% |
| Länsförsäkringar Fonder | 1,960,055 | 5.60% |
| Johan Svensson | 1,872,909 | 5.35% |
| Avanza Pension | 1,695,815 | 4.85% |
| Alexander Albedj | 1,677,779 | 4.80% |
| James Cato | 1,386,320 | 3.96% |
| Garry Williams | 1,386,320 | 3.96% |
| Consensus Asset Management | 1,050,000 | 3.00% |
| Futur Pension | 952,411 | 2.72% |
| Erik Nielsen through company | 805,000 | 2.30% |
| David Wallsten | 780,906 | 2.23% |
| Ola Nilsson | 680,000 | 1.94% |
| Skandia Fonder | 634,350 | 1.81% |
| Prioritet Finans | 422,341 | 1.21% |
| Ted Löfgren | 371,286 | 1.06% |
| Carnegie Fonder | 350,000 | 1.00% |
| Other | 4,447,165 | 12.71% |
| Total | 34,988,526 | 100.00% |

The board and management owns 64.9 % of EG7.

Related party transactions

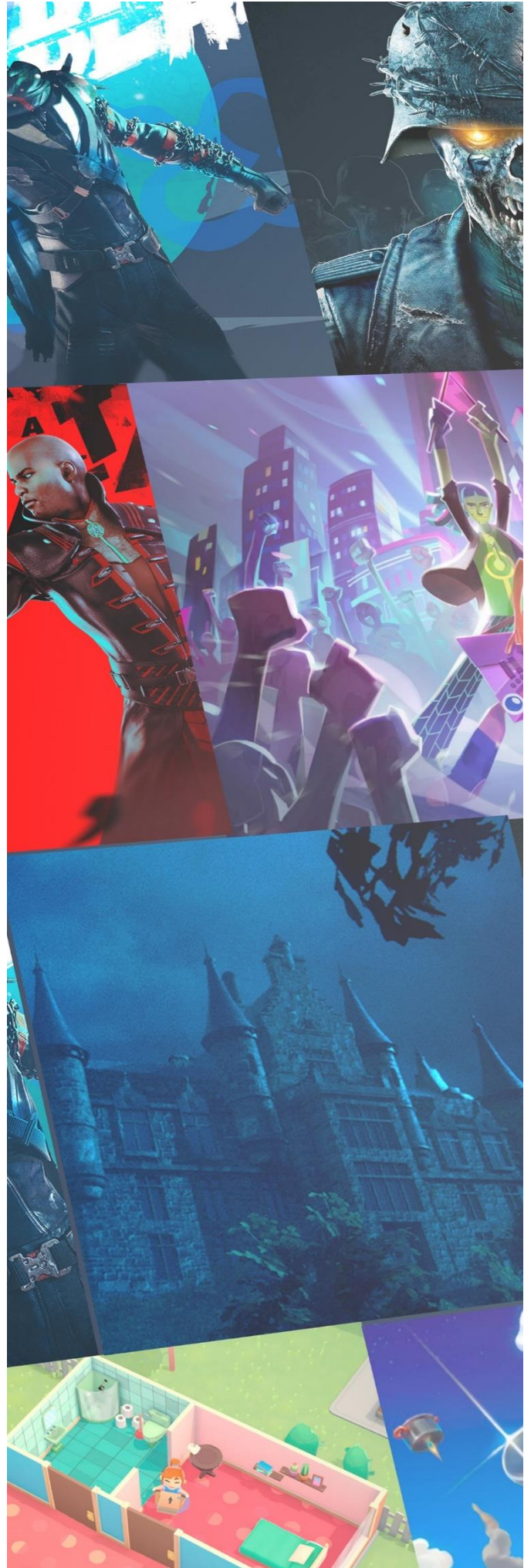
The company did not make any transactions with related parties during the period.

Risks

Risks with the Company's share are described in EG7's Company Description, which was published on January 30, 2019. It can be downloaded from the Company's website www.enadglobal7.com

Auditor

Ernst & Young Aktiebolag was re-elected as the company's auditor at the annual general meeting and is represented by Beata Lihammar.



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, one of which is planned to launch in Q3 2020.

Big Blue Bubble has been the top grosser in music genre **F2P mobile games** for more than 5 years. With more than **100 titles**, **2M 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 **200M downloads** with a resulting revenue of more than 100M CAD.

Big Blue Bubble had a TTM 2020 revenue of approximately 12 mCAD and 3.5 mCAD EBITDA. The upfront purchase price amounts to approximately **16 mCAD** on a cash and debt free basis, equivalent to a **4.6x EBITDA multiple**.

The upfront purchase price is paid with 8.5 mCAD in cash through EG7's existing cash funds and the equivalent of 7.5 mCAD 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 60 mCAD 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 IP:s, free-to-play value synergies, strong upcoming pipeline, experienced team and solid profitability. The acquisition is subject to customary approvals.

**F2P MOBILE
GAMES**

GENRE

2M+

MONTHLY ACTIVE
USERS

200M+

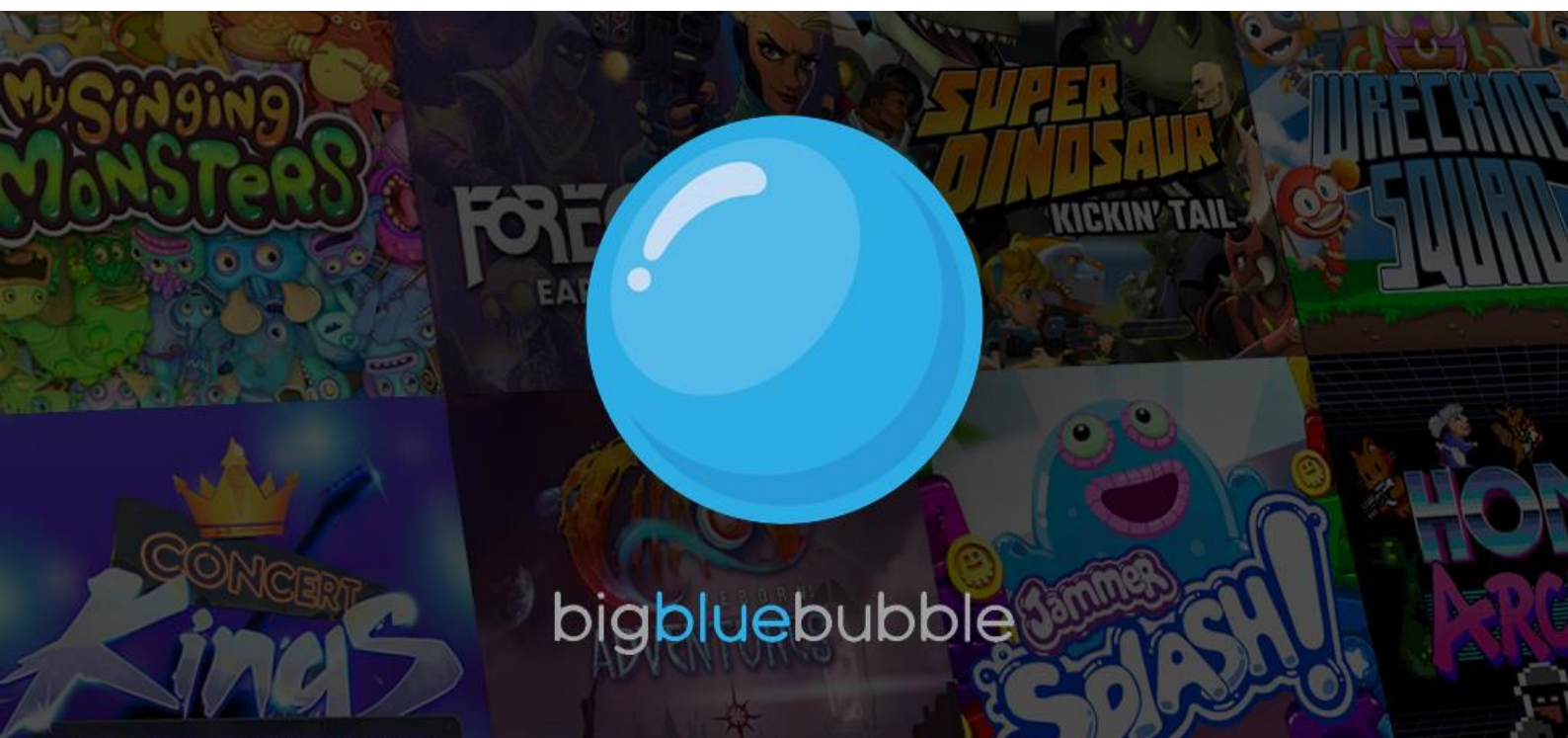
DOWNLOADS

16 mCAD

UP-FRONT
PURCHASE PRICE

4.6x

UP-FRONT EBITDA
MULTIPLE



ACQUISITIONS IN 2019

Petrol Advertising

At the end of June 2019, EG7 entered into an agreement with the owners of the world-leading US-based marketing agency Petrol Advertising on an acquisition for the equivalent of 171 MSEK.

Petrol is one of EG7's single largest acquisitions and the payment was partly in cash and partly in shares.

Of course, in tough competition in the global gaming market, it is important to have games that stand out and are discovered by players. Through the acquisition, EG7 gains world-leading expertise within the Group to market its own games, but also to be able to offer these services to other game developers.

The acquisition of Petrol also means new diversified revenue streams for the Group through Petrol's existing operations, which contributes to the Group's ongoing cash flow and reduces the overall business risk in the company.

By paying part of the acquisition in shares, this means that Petrol's founder has become a new major shareholder in EG7 and thus invested long-term in the company's success.

In 2019, Petrol celebrates 16 years as a company and having won over 170 industry awards through the times crowned by seven final places and three medals in the Promax Game Awards for:

1. Gold medal for best product logo design for Rage.
2. Silver medal for best box art for Call of Duty – Black Ops 4 Standard Packaging.
3. Silver medal for best box art (limited edition, special edition or collector's edition) – Call of Duty – Black Ops 4 Mystery Box Edition.



Antimatter Games

The agreement to acquire the British gaming studio Antimatter Games is in line with the Group's goal to become a leading gaming group with its own games.

Antimatter Games, founded in 2013, currently has 20 employees and is the largest game development studio in the south west of the United Kingdom. The acquisition means, among other things, that EG7 becomes the full owner of a game under development called '83. It is a game within the popular first-person shooter multiplayer genre that takes place in an alternate history as the Cold War gets hot and a new world war begins in 1983.

The first '83 trailer was released in March 2019 and has been viewed by hundreds of thousands of people on YouTube and received millions of views on other social media. '83 is expected to be ready for launch in 2021.

Antimatter Games had a turnover of approximately 14 MSEK in 2018 and made an operating profit (EBIT) of about 3 MSEK, which is mainly due to the development of the game Rising Storm 2.

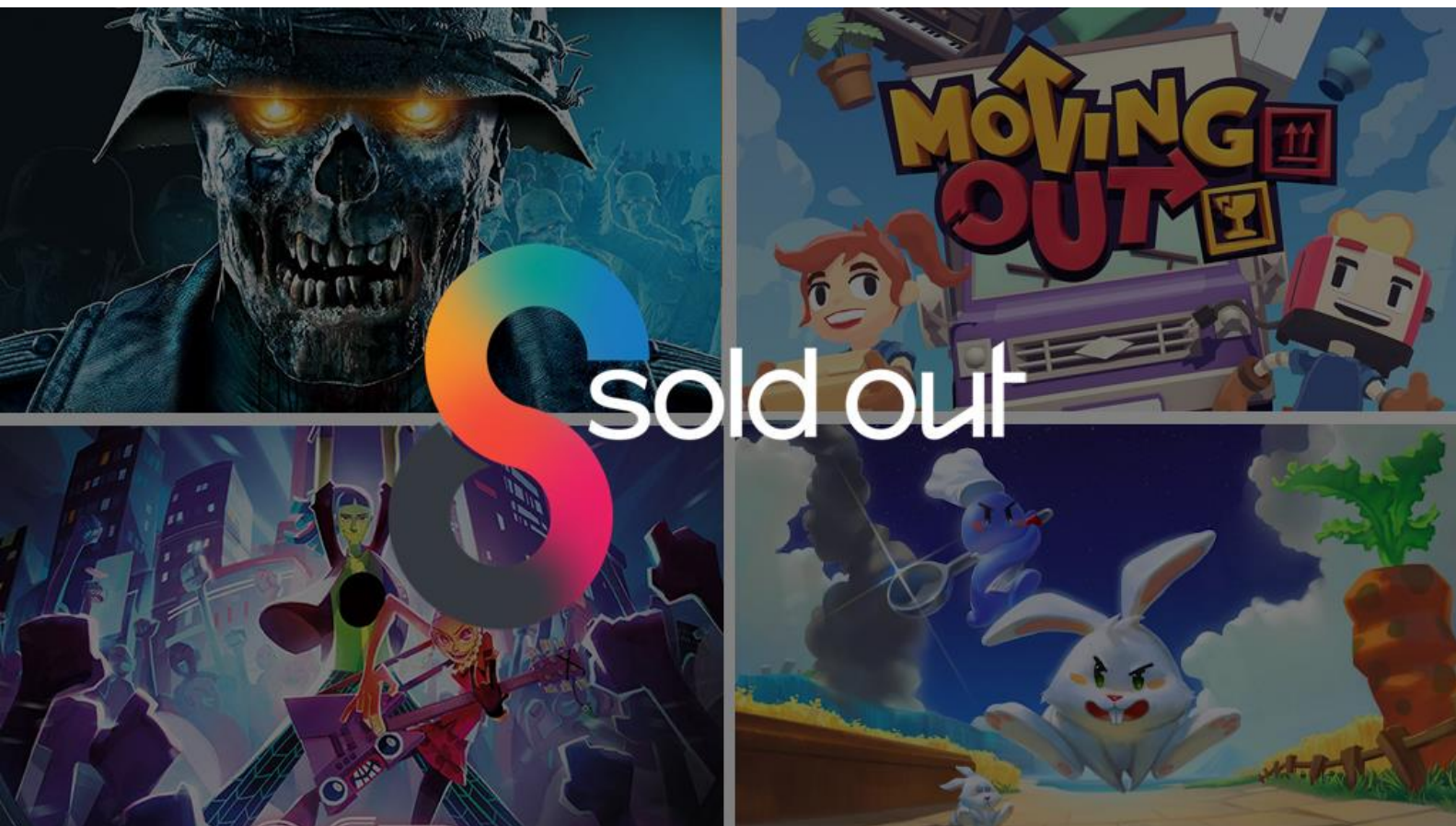
Antimatter Games and its employees will be consolidated with EG7's other game development operations, with significant cost and development synergies as a result.



Sold Out

Sold Out is a London-based leading video game publisher and distributor specializing in digital and physical publishing (so-called publishing) for console and PC formats. Out 2014 was founded by Gary Williams and James Cato, who have decades of industry experience and recognized expertise from various game developers. Sold Out currently has 18 employees with a full-service offering for game developers who want to take their game titles to market, with services ranging from publishing and sales to marketing and lifecycle management.

Sold Out is proud to have a global network of distribution partners as well as strong relationships with platform owners and first parties, such as Sony, Microsoft, Nintendo, Steam and Epic Game Store. Their business model consists of three integrated processes to take a game title to the market; "Digital publishing", "Digital / Physical publishing" and "Physical publishing". Sold Out is particularly well positioned for the transformation from physical publishing to digital publishing, where the company has a strong market position to grow within the digital publishing segment.



AN INTERNATIONAL GAMING GROUP

Enad Global 7 AB (formerly Toadman Interactive AB) based in Stockholm, has had the business concept of developing games for a growing consumer market for players on a global basis since its inception in 2013. The focus is mainly PC and console games for core players. In 2019, the company expanded and widened its operations through significant acquisitions.

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

The result is an independent game development company that develops games based on IP:s owned by the company and that markets and distributes them to end customers. 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




SELECTION OF GAME PIPELINE

Below follows an updated pipeline on EG7's current projects with planned release dates.

NO STRAIGHT ROADS

Released


No Straight Roads is a music-based action and adventure game developed by Metronomik and published by Sold Out. The title puts sound and music at the center with innovative weapons that allow the player to switch between rock and EDM.



August 25, 2020

FOREGONE

Foregone is a 2D platform game developed and published by Big Blue Bubble. The title will be released on the Epic Store in Q4 2020 and on Steam later in 2021.




Q4 2020

DESCENDERS

Released


Descenders is a downhill mountain biking game developed by RageSquid and published by Sold Out. The game is a modern version of an extreme sport with procedurally generated tracks. Descenders will be available both physically and digitally on Playstation 4 and Nintendo Switch.



August 25, 2020

PLANET COASTER: CONSOLE EDITION

Planet Coaster is an amusement park simulator developed by Frontier Development and published by Sold Out. The publisher agreement applies to physical publishing and the title will be launched on Playstation 5, Playstation 4, Xbox Series X and Xbox One.



Q4 2020

DISJUNCTION

Disjunction is an action RPG game developed by Ape Tribe Games and published by Sold Out. The story takes place in a dystopian version of future New York City and takes the player on a journey with three main characters. The title will be released on Nintendo Switch, Playstation 4, Xbox One and PC.



Q4 2020

GESTALT: Steam & Cinder

Gestalt: Steam & Cinder is an action-adventure game developed by Metamorphosis Games and published by Sold Out. The title is inspired by steampunk and 16-bit games. Gestalt will be available for Nintendo Switch, Playstation 4, Xbox One and PC.



Q4 2020

EVILVEIL

EvilEvil is a vampire-themed first-person shooter developed by Toadman Studios, published by Sold Out and marketed by Petrol. The game has a story that is constantly updated based on the aggregated choices the players make. EvilEvil also has a strong cooperative online element where players can collaborate with other players. EvilEvil is a self-developed IP.



More info Q4 2020

KEYWE

KeyWe is a postal distribution game developed by Stonewheat & Sons and published by Sold Out. Players take on the role of Jeff and Debra, two kiwi birds working in a small post office. The title is being developed for PC and will be launched in 2020.



Q2 2021

Minimal Affect

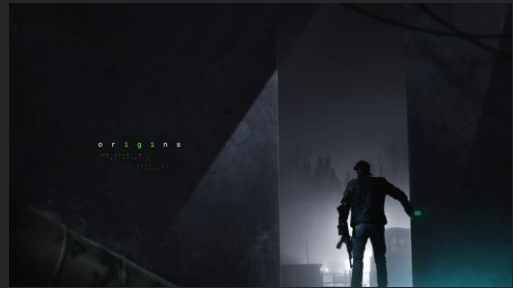
An RPG game currently in test phase. Fully financed by EG7, expected launch 2021.



2021

PROJECT I.G.I

Project I.G.I, the sequel to the critically acclaimed game series, is being developed by Toadman Studios and Antimatter Games. The title is an FPS game where the player is asked to sneak undetected through the various levels. At the time of writing, the trailer for the game has over 1.3 million views.



2021-2022

Project Hathor

A prototype phase game based on a well-known IP. The game is fully funded by EG7 and is expected to launch in 2021-2022.



2021-2022

Block'n'Load 2

Sequel to a game that EG7 owns and is out on the market. Expected launch 2021-2022.



2021-2022

'83

'83 is an FPS game developed by our studio Antimatter Games. The title takes place in a scenario where the Cold War is no longer cold. '83 puts two big platoons of players against each other in massive maps where they have to fight to reach a number of vulnerable targets. A wealth of weapons as well as land and air vehicles are available.



2021-2022

UNDISCLOSED PROJECTS

10+

Income Statement - Group

| (KSEK) | Quarter | | Accumulated | | FY 2019 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2020-04-01 2020-06-30 | 2019-04-01 2019-06-30 | 2020-01-01 2020-06-30 | 2019-01-01 2019-06-30 | 2019-01-01 2019-12-31 |
| | <i>3 months</i> | <i>3 months</i> | <i>6 months</i> | <i>6 months</i> | <i>12 months</i> |
| Net revenue | 138,027 | 13,618 | 293,505 | 28,445 | 151,644 |
| Own work capitalized | 10,002 | 1,987 | 17,222 | 3,697 | 12,765 |
| Other revenue | 14,551 | 2,750 | 15,617 | 2,974 | 3,942 |
| Total revenue | 162,580 | 18,355 | 326,344 | 35,116 | 168,351 |
| <i>Operating expenses</i> | | | | | |
| Cost of goods sold | -94,105 | -3,279 | -190,953 | -5,883 | -51,257 |
| Other external expenses | -12,971 | -3,285 | -30,890 | -7,468 | -36,074 |
| Personnel expenses | -36,850 | -6,933 | -73,619 | -14,532 | -75,409 |
| Other expenses | 0 | -56 | 0 | -74 | -478 |
| Operating profit before depreciation and amortization (EBITDA) | 18,654 | 4,802 | 30,882 | 7,159 | 5,133 |
| Depreciation and amortization | -22,969 | -357 | -46,298 | -943 | -25,853 |
| Operating profit (EBIT) | -4,315 | 4,445 | -15,416 | 6,216 | -20,720 |
| Financial net | 939 | -431 | -13,172 | -287 | -7,375 |
| Profit before tax | -3,376 | 4,014 | -28,588 | 5,929 | -28,095 |
| Tax expense for the period | -7,583 | 80 | -12,742 | -398 | -258 |
| Deferred tax | 23 | 44 | 365 | 178 | 261 |
| Other tax | 1,376 | 0 | 0 | 0 | 0 |
| NET PROFIT | -9,560 | 4,138 | -40,965 | 5,709 | -28,092 |

Balance Sheet - Group

| (KSEK) | 2020-06-30 | 2019-06-30 | 2019-12-31 |
|-------------------------------------|----------------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible non-current assets | 470,986 | 208,432 | 510,210 |
| Tangible non-current assets | 8,067 | 7,987 | 8,999 |
| Financial non-currents assets | 2,212 | 1,288 | 2,534 |
| Total non-current assets | 481,265 | 217,707 | 521,743 |
| Current assets | | | |
| Inventory | 8,207 | | 12,118 |
| Current receivables | 131,353 | 92,453 | 71,423 |
| Cash and cash equivalents | 144,713 | 25,135 | 105,740 |
| Total current assets | 284,273 | 117,588 | 189,281 |
| TOTAL ASSETS | 765,538 | 335,295 | 711,024 |
| EQUITY AND LIABILITIES | | | |
| Equity | 306,069 | 127,355 | 250,126 |
| Provisions | 108,375 | 49,296 | 111,172 |
| Non-current liabilities | 219,507 | 124,600 | 216,299 |
| Current liabilities | 131,587 | 34,044 | 133,427 |
| TOTAL EQUITY AND LIABILITIES | 765,538 | 335,295 | 711,024 |

Cash Flow Statement - Group

| | Quarter | | Accumulated | | FY 2019 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2020-04-01 2020-06-30 | 2019-04-01 2019-06-30 | 2020-01-01 2020-06-30 | 2019-01-01 2019-06-30 | 2019-01-01 2019-12-31 |
| | 3 months | 3 months | 6 months | 6 months | 12 months |
| (KSEK) | | | | | |
| OPERATING ACTIVITIES | | | | | |
| Operating profit | -4,315 | 4,445 | -15,416 | 6,216 | -20,720 |
| Depreciation | 22,969 | 799 | 46,298 | 1,385 | 25,853 |
| Other non-cash flow affecting items | -3,042 | -2,203 | -4,018 | -2,091 | -2,069 |
| Financial items and tax | -5,562 | -504 | -19,673 | -458 | -8295 |
| Cash flow from operating activities before changes in working capital | 10,050 | 2,537 | 7,191 | 5,052 | -5,231 |
| Cash flow from changes in working capital | -32,135 | -11,008 | -74,049 | -21,359 | -9,110 |
| Cash flow from operating activities | -22,085 | -8,471 | -66,858 | -16,307 | -14,341 |
| INVESTMENT ACTIVITIES | -7,832 | -109,857 | -16,062 | -112,240 | -121,767 |
| Cash flow from investment activities | -7,832 | -109,857 | -16,062 | -112,240 | -121,767 |
| FINANCING ACTIVITIES | 122,953 | 118,792 | 125,524 | 139,085 | 228,228 |
| Cash flow from financing activities | 122,953 | 118,792 | 125,524 | 139,085 | 228,228 |
| CASH FLOW FOR THE PERIOD | 93,036 | 464 | 42,604 | 10,538 | 92,120 |
| Cash and cash equivalents at start of period | 57,401 | 24,599 | 105,740 | 14,596 | 14,596 |
| Cash flow for the period | 93,036 | 464 | 42,604 | 10,538 | 92,120 |
| Exchange rate differences | -5,724 | 71 | -3,631 | 0 | -976 |
| Cash and cash equivalents at end of period | 144,713 | 25,134 | 144,713 | 25,134 | 105,740 |
| Specification of cash and cash equivalents | | | | | |
| Total cash balance | 144,713 | 25,134 | 144,713 | 25,134 | 105,740 |
| <i>of which are blocked</i> | -2,641 | -1,568 | -2,641 | -1,568 | -1,268 |
| Available cash at the end of the period | 142,072 | 23,566 | 142,072 | 23,566 | 104,472 |

Changes in Equity - Group

| | 2020-06-30 | | | |
|--|---------------|---------------------------------|----------------|----------------|
| (KSEK) | Share Capital | Other Shareholder Contributions | Other Equity | Total Equity |
| Opening balance 2020-01-01 | 1,248 | 272,090 | -23,212 | 250,126 |
| Rights issues | 151 | 113,478 | | 113,629 |
| Exchange difference foreign subsidiaries | | | -16,721 | -16,721 |
| Net profit for the period | | | -40,965 | -40,965 |
| Closing balance 2020-06-30 | 1,399 | 385,568 | -80,898 | 306,069 |

Income Statement - Parent Company

| (KSEK) | Quarter | | Accumulated | | FY 2019 |
|---|-----------------|-----------------|-----------------|-----------------|------------------|
| | 2020-04-01 | 2019-04-01 | 2020-01-01 | 2019-01-01 | 2019-01-01 |
| | 2020-06-30 | 2019-06-30 | 2020-06-30 | 2019-06-30 | 2019-12-31 |
| | <i>3 months</i> | <i>3 months</i> | <i>6 months</i> | <i>6 months</i> | <i>12 months</i> |
| Net revenue | 2,809 | 13,428 | 6,943 | 28,065 | 67,888 |
| Own work capitalized | 10,002 | 804 | 17,222 | 2,008 | 11,084 |
| Other revenue | 475 | 641 | 1,541 | 836 | 1,703 |
| Total revenue | 13,286 | 14,873 | 25,706 | 30,909 | 80,675 |
| <i>Operating expenses</i> | | | | | |
| Cost of goods sold | -12,102 | -7,750 | -24,270 | -13,792 | -45,527 |
| Other external expenses | -5,902 | -2,721 | -14,612 | -6,081 | -18,011 |
| Personnel expenses | -3,550 | -4,623 | -10,263 | -9,269 | -18,538 |
| Other expenses | 0 | -56 | 0 | -74 | -478 |
| Operating profit before depreciation and amortization (EBITDA) | -8,268 | -277 | -23,439 | 1,693 | -1,879 |
| Depreciation and amortization | -7 | -22 | -42 | -44 | -95 |
| Operating profit (EBIT) | -8,275 | -299 | -23,481 | 1,649 | -1,974 |
| Financial net | 1,464 | -453 | -13,309 | -282 | -6,685 |
| Profit before tax | -6,811 | -752 | -36,790 | 1,367 | -8,659 |
| Tax expense for the period | | | | | 3,333 |
| Provisions | 0 | -287 | 0 | -287 | 0 |
| Deferred tax | 0 | 0 | 0 | 0 | 341 |
| NET PROFIT | -6,811 | -1,039 | -36,790 | 1,080 | -4,985 |

Balance Sheet - Parent Company

| (KSEK) | 2020-06-30 | 2019-06-30 | 2019-12-31 |
|-------------------------------------|----------------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible non-current assets | 113,550 | 2,466 | 96,328 |
| Tangible non-current assets | 98 | 109 | 479 |
| Financial non-currents assets | 524,736 | 235,991 | 522,887 |
| Total non-current assets | 638,384 | 238,566 | 619,694 |
| Current assets | | | |
| Current receivables | 18,871 | 60,323 | 11,125 |
| Cash and cash equivalents | 66,204 | 18,472 | 25,890 |
| Total current assets | 85,075 | 78,795 | 37,015 |
| TOTAL ASSETS | 723,459 | 317,361 | 656,709 |
| EQUITY AND LIABILITIES | | | |
| Equity | 351,024 | 121,306 | 274,185 |
| Provisions | 108,109 | 51,073 | 110,414 |
| Non-current liabilities | 219,507 | 120,505 | 216,299 |
| Current liabilities | 44,819 | 24,477 | 55,811 |
| TOTAL EQUITY AND LIABILITIES | 723,459 | 317,361 | 656,709 |

Cash Flow Statement - Parent Company

| | Quarter | | Accumulated | | FY 2019 |
|--|----------------|-----------------|----------------|-----------------|-----------------|
| | 2020-04-01 | 2019-04-01 | 2020-01-01 | 2019-01-01 | 2019-01-01 |
| | 2020-06-30 | 2019-06-30 | 2020-06-30 | 2019-06-30 | 2019-12-31 |
| (KSEK) | 3 months | 3 months | 6 months | 6 months | 12 months |
| OPERATING ACTIVITIES | | | | | |
| Operating profit | -8,275 | -299 | -23,481 | 1,649 | -1,975 |
| Depreciation | 7 | 22 | 42 | 44 | 95 |
| Other non-cash flow affecting items | | | | | |
| Financial items and tax | -3,902 | -27 | -12,525 | -86 | -4,837 |
| Cash flow from operating activities before changes in working capital | -12,170 | -304 | -35,964 | 1,607 | -6,717 |
| Cash flow from changes in working capital | -34,240 | -9,698 | -19,164 | -18,416 | -9,083 |
| Cash flow from operating activities | -46,410 | -10,002 | -55,128 | -16,809 | -15,800 |
| INVESTMENT ACTIVITIES | | | | | |
| Cash flow from investment activities | -11,449 | -112,882 | -18,188 | -115,012 | -190,591 |
| Cash flow from investment activities | -11,449 | -112,882 | -18,188 | -115,012 | -190,591 |
| FINANCING ACTIVITIES | | | | | |
| Cash flow from financing activities | 113,629 | 118,778 | 113,629 | 138,603 | 220,731 |
| Cash flow from financing activities | 113,629 | 118,778 | 113,629 | 138,603 | 220,731 |
| CASH FLOW FOR THE PERIOD | 55,770 | -4,106 | 40,313 | 6,782 | 14,340 |
| Cash and cash equivalents at start of period | 10,433 | 22,599 | 25,890 | 11,550 | 11,550 |
| Cash flow for the period | 55,770 | -4,106 | 40,313 | 6,782 | 14,340 |
| Exchange rate differences | | -21 | | 140 | |
| Cash and cash equivalents at end of period | 66,203 | 18,472 | 66,203 | 18,472 | 25,890 |
| Specification of cash and cash equivalents | | | | | |
| Total cash balance | 66,203 | 18,472 | 66,203 | 18,472 | 25,890 |
| <i>of which are blocked</i> | -2,641 | -1,568 | -2,641 | -1,568 | -1,268 |
| Available cash at the end of the period | 63,562 | 16,904 | 63,562 | 16,904 | 24,622 |

Changes in Equity - Parent Company

| (KSEK) | | | | | 2020-06-30 |
|-----------------------------------|---------------|------------------------|-----------------------|-----------------------|----------------|
| | Share Capital | Capitalization Reserve | Share Premium Reserve | Non-Restricted Equity | Total Equity |
| Opening balance 2020-01-01 | 1,248 | 96,328 | 273,628 | -97,019 | 274,185 |
| Rights issues | 151 | | 113,478 | | 113,629 |
| Capitalization reserve | | 17,222 | | -17,222 | 0 |
| Net profit | | | | -36,790 | -36,790 |
| Closing balance 2020-06-30 | 1,399 | 113,550 | 387,106 | -151,031 | 351,024 |

Definitions

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

Net revenue growth: Increase in sales from the previous period as a percentage.

EBITDA: Earnings before interest, tax, depreciation and amortization of tangible and intangible non-current assets.

EBITDA margin (%): EBITDA as a percentage of net revenue.

Operating profit (EBIT): Earnings before financial items and tax.

EBIT margin (%): Operating profit as a percentage of net sales.

Net debt: Interest-bearing liabilities less interest-bearing assets and cash and cash equivalents.

Net debt / EBITDA: Net debt as a percentage of EBITDA.

Equity ratio: Equity as a percentage of total assets.

Average number of employees: The average number of employees during the period.

Number of shares: Total number of shares outstanding.

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

For More Information, Please Contact:

Robin Flodin, CEO
Mail: robin@enadglobal7.com
Tel: +46 70 477 06 34

About EG7

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 Toadman Studios and Antimatter Games employ over 100 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 for 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 200 employees in 8 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

Certified Advisor

As a company listed on Nasdaq First North Growth Market Stockholm, the company has an obligation to use a Certified advisor. EG7 has appointed:

Eminova Fondkommission AB
Mail: info@eminova.se
Tel: +46 8 684 211 00

Accounting Policies

This quarterly report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice. The company applies accounting principles in accordance with the K3 rules (BFNAR 2012: 1).

2019 was the first year that the Company applies calendar year as fiscal year.

The Russian subsidiary is not yet consolidated. We believe that this is of no decisive importance to give a true and fair view of the Group.

Auditing

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

Next Report

The next interim reports will be published:

- Q3 2020: November 20, 2020
- Q4 2020: February 25, 2021

Important Information

This information is information that Enad Global 7 AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, at 08:45 CET on August 27, 2020.

The Board's Declaration

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

Stockholm, August 27, 2020

| | | | | | |
|-----------------------------|------------------------------|----------------------------|-----------------------------|----------------------------|----------------------------|
| 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> |

