



**ENAD  
GLOBAL  
7**

## **EG7 sells Innova for EUR 21 million of cash consideration to Games Mobile ST LTD**

**INSIDE INFORMATION: STOCKHOLM, SWEDEN (September 23, 2022) -- Enad Global 7 AB (publ) ("EG7" or the "Company") and Games Mobile ST LTD ("GMST"), an international group of companies that offers a full range of services in the gaming sector, entered into an agreement in September, 2022, for the sale of the Company's subsidiary, Innova Intellectual Properties S.à r.L. ("Innova"). The Company had initially contemplated a transaction with the management team at Innova as previously communicated on April 19, 2022. However, the Board determined that GMST's proposed transaction would be more beneficial to the shareholders of the Company while also providing Innova with more favourable long-term prospects over the initially contemplated transaction. As a result, the Board decided instead to pursue and complete the sale transaction with GMST. The guaranteed portion of the transaction value is EUR 21 million. There is also an additional contingent consideration of up to EUR 13.5 million in the event GMST sells Innova within 5 years of closing at certain valuation thresholds. Furthermore, if GMST sells Innova for more than EUR 100 million after five years from closing, EG7 will receive 20 percent of the proceeds from such transaction.**

The guaranteed portion of the consideration will be paid as follows: (i) EUR 17.0 million of cash at closing and (ii) EUR 4.0 million of cash in six equal quarterly instalments over the following 18 months. Approximately EUR 9.9 million in cash will remain within Innova. The size of any contingent consideration is dependent on the timing of any divestment of Innova by GMST and the consideration received. If GMST sells Innova within five years from closing, EG7 will receive 15-30 percent of the sale proceeds, if the sale price is greater than EUR 50 million, up to a maximum of EUR 13.5 million of contingent consideration. If GMST sells Innova for EUR 100 million or more after five years from closing, then EG7 will be entitled to 20 percent of the sale price from such a transaction.

Innova generated 12 percent of EG7's consolidated Net Revenue, corresponding to SEK 52.6 million in the first quarter 2022. During the same period Innova generated 5 percent of EG7's consolidated Adjusted EBITDA, corresponding to SEK 6.1 million. As of June 30, 2022, Innova employed 194 people. In connection with the April announcement of EG7's intent to divest Innova, the Company reported Innova as discontinued operation in Q2 financial report and the acquisition-related assets for Innova (Goodwill and IP) of SEK 1,050 million was written down. The remaining net assets as of June 30, 2022 was SEK 120 million. The write-down resulted in a negative impact on the income statement in Q2, while the subsequent closing of the sale transaction in August will result in a positive impact in Q3.

*"One of our main focus areas is to continually monitor and actively manage EG7's risk-reward profile for shareholder value protection and appreciation. The Innova divestiture will improve the group's risk profile by removing related risks. At the same time Innova gets a new strong and stable owner in 'Games Mobile ST', an owner that can ensure the continued stability for both the employees and the community on Innova's 4game platform. To find the most stable and reliable solution has been important for us in this process and led us to this solution instead of the MBO that was communicated earlier."* said Ji Ham, Acting CEO, EG7.

*"Innova fits very well into our ecosystem of gaming related companies, where we believe that we are in a good position to continue the development of Innova's 4game platform together with its talented team and management."* said Dmitry Kaysin CIO, Games Mobile ST LTD.

## **FOR MORE INFORMATION, PLEASE CONTACT:**

Ji Ham, Acting CEO  
Phone: +46 70 065 07 53  
ji@enadglobal7.com

Fredrik Rüdén, Deputy CEO and CFO  
Phone: +46 733 117 262  
fredrik.ruden@enadglobal7.com

## **ABOUT EG7**

EG7 is a group of companies within the gaming industry that develops, markets, publishes and distributes PC, console and mobile games to the global gaming market. The company employs 470+ game developers and develops its own original IPs, as well as acts as consultants to other publishers around the world through its game development divisions Daybreak Games, Piranha Games, Toadman Studios, Big Blue Bubble and Antimatter Games. In addition, the group's marketing department Petrol has contributed to the release of 1,500+ titles, of which many are world famous brands such as Call of Duty, Destiny and Elden Ring. The group's publishing and distribution department Firespine Games hold expertise in both physical and digital publishing. EG7 is headquartered in Stockholm with approximately 700 employees in 16 offices worldwide.

Nasdaq First North Growth Market Ticker Symbol: EG7

Certified Adviser: Eminova Fondkommission AB, Phone: +46 8 684 211 00

## **IMPORTANT INFORMATION**

*This press release constitutes inside information that Enad Global 7 AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was sent for publication, through the agency of the contact persons set out above, at the time stated by the Company's news distributor, Cision, at the publication of this press release.*