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EG7 Transitions to IFRS

The board of directors of EG7 has decided, after a strategic review, that EG7 will change accounting principles from Swedish K3 to IFRS. The transition to IFRS intends to lead to increased transparency and will better reflect the performance of the group.

The new accounting standard will be implemented from 1 January 2021 and will therefore be put in effect for the first quarterly report for 2021 that is scheduled to be published on May 25, 2021.

The transition will have a significant impact on the result. With the accounting standard Swedish K3, depreciation of goodwill is linear over 5 years. With IFRS, goodwill will instead be subject to impairment tested on a regular basis. In the unaudited pro forma balance sheet made public through a press release on December 1, 2020, intangible non-current assets amounted to SEK 3,930 million and roughly SEK 3,000 million amounts to goodwill. With IFRS, the result will be SEK 600 million higher on an EBIT level annually compared to K3, where the goodwill is depreciated linearly.

More information about the effects will be published in connection to the first quarterly report for 2021.

FOR MORE INFORMATION, PLEASE CONTACT:

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ABOUT EG7

EG7 is a group of companies within the gaming industry that develops, markets, publishes and distributes PC, console and mobile games to the global gaming market. The company employs 400+ game developers and develops its own original IP:s, as well as act as consultants to other publishers around the world through its game development divisions Daybreak 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, Dark Souls and Rage. The group's publishing and distribution department Sold Out holds expertise in both physical and digital publishing and has previously worked with Team 17, Rebellion and Frontier Developments. EG7 is headquartered in Stockholm with 600 employees in 12 offices worldwide.

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IMPORTANT INFORMATION

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