

ENAD GLOBAL 7 AB (PUBL)

INTERIM REPORT

JANUARY-MARCH 2022



INTERIM REPORT - JAN-MAR 2022

SUMMARY COMMENTS

For the first quarter 2022, EG7 delivered strong financial results above expectations, representing a third consecutive quarter of excellent performance. The company produced Net Revenue of SEK 452.2 (303.6) million for Q1 2022, representing 49 percent growth over the same period last year. Adjusted EBITDA for the period was SEK 112.6 (80.7) million, representing 25 percent margin.

Service segment produced exceptional performance with Net Revenue of SEK 196.6 (89.6) million for the period, corresponding to 119 percent growth over the comparable period last year. Fireshine and Petrol led the way in driving significant growth for Service segment. Game segment delivered Net Revenue of SEK 255.6 (214.0) million, representing 19 percent growth over the first quarter 2021. The successful closing of Magic: The Gathering Online (Magic Online) in January 2022 contributed to Game segment's growth for the quarter.

In April, the group announced its plan to divest Innova and relocate Toadman Interactive's Russia studio, after which the group will no longer have any exposure to the uncertainties and risks stemming from the Russia / CIS region. Excluding Innova, the group leveraged its diversified and balanced asset portfolio to deliver a healthy 25 percent organic growth for the quarter.

Consistent with our expectations, Net Revenue for April came in at SEK 147 million, which reflects seasonal trends for the company during this period. For the full year 2022, we are now expecting Net Revenue in the range of SEK 1.6-1.7 billion with sustained margins, factoring in Innova divestiture.

HIGHLIGHTS

- Net Revenue amounted to SEK 452.2 (303.6) million in Q1, representing a 49 percent growth. The organic growth, excluding Innova and Magic Online, amounted to 25 percent.
- Adjusted EBITDA amounted to SEK 112.6 (80.7) million, corresponding to a growth of 40 percent and 24.9 percent Adjusted EBITDA margin. The adjustment for non-recurring items affecting EBITDA in the first quarter comparability of SEK 21.1 million was primarily M&A related costs.
- EBITDA amounted to SEK 91.5 (87.0) million, representing an increase of 5 percent in Q1 2022.
- EBIT of SEK 27.7 (48.2) million.
- Adjusted EBIT of SEK 48.9 (41.9) million.
- Profit before tax amounted to SEK 24.9 (30.7) million.
- Earnings per share amounted SEK 0.02 (0.20).
- Cash flow from operations amounted to SEK 50.0 (33.3) million for Q1.
- Net debt of SEK -44.0 (-397.9) million, comprised of SEK 449.3 million of cash and cash equivalents and SEK 405.4 million of liabilities to credit institutions.
- Magic Online contributed SEK 20.3 million in Net Revenue for the quarter.

KEY METRICS

SEKm	QUARTER		FULL YEAR
	JAN-MAR 2022	JAN-MAR 2021	JAN-DEC 2021
Net Revenue	452.2	303.6	1,670.5
Net Revenue growth	49%	112%	193%
EBITDA	91.5	87.0	714.5
Adjusted EBITDA	112.6	80.7	396.7
EBITDA margin, %	24.9%	26.7%	23.7%
EBIT	27.7	48.2	195.9
Adjusted EBIT	48.9	42.2	154.4
EBIT margin, %	10.8%	13.9%	9.2%
Profit before tax	24.9	30.7	90.6
Net profit	1.6	17.2	96.7
Earnings per share (SEK)	0.02	0.20	1.11

COMMENTS FROM THE CEO



Ji Ham, Acting CEO, Enad Global 7 AB (PUBL)

Third consecutive strong quarter

We are pleased to report strong performance above expectations for Q1. For the quarter, EG7 produced Net Revenue of SEK 452.2 (303.6) million, representing 49 percent growth. The organic growth rate, excluding Innova and Magic Online, was 25 percent. Adjusted EBITDA came in at SEK 112.6 (80.7) million, representing 40 percent growth over the prior year and 25 percent margin. Service segment delivered exceptional performance with Net Revenue of SEK 196.6 (89.6) million, representing 119 percent growth and stronger than historical margins. Fireshine and Petrol were the primary drivers for Service segment's strength. Game segment generated Net Revenue of SEK 256.6 (214.0) million, representing 19 percent growth. The group successfully closed on Magic Online transaction in January 2022, resulting in SEK 20.3 million of Net Revenue contribution during the quarter. Despite the challenges the group faced with the geopolitical uncertainties in the Russia / CIS region, the group executed above the plan and delivered excellent results.

Well-positioned, diversified portfolio

The group is positioned well with its lower risk, diversified portfolio of businesses. The pandemic is largely behind us and the markets are back to normalized levels. Service segment's strong growth this quarter

and favorable comparison to Q1 last year is partly due to this normalization. In the first half of 2021, Service segment experienced depressed business environment with multiple product delays. With such delays no longer an issue, Service segment is operating at full capacity and producing strong results. On the other hand, Game segment has experienced lower year-over-year comparative results as the live games business normalizes at lower than the elevated pandemic performance levels. However, as demonstrated by this quarter's strong consolidated results, the group's diversified business model was instrumental in enabling the group to continue driving growth with some rebalancing of contributions between the segments, which was anticipated.

One of the key strengths of the Group is its well-balanced, diversified portfolio of businesses in Service and Game segments. As a result, we are confident of our positioning and continuing growth in this "return to normal" environment.

Overcoming geographical uncertainties in Russia/CIS

Innova, one of the group companies, faced significant challenges during the quarter with the onset of the conflict in Ukraine. The situation and the continuing uncertainties in Ukraine, Russia and the surrounding region remain unpredictable. As a result, we have chosen to exit our operations in the region as announced on 19th of April. We have entered into a letter of intent to sell Innova to the existing management team at Innova. The agreed upon transaction value is EUR 32 million. It will be fully financed with a vendor loan from the group. Subject to obtaining requisite regulatory approvals and shareholder approval, we are aiming to close the transaction over the summer. Outside of Innova, none of the other business units were negatively impacted by the geopolitical situation and continue to perform according to plan.

The divestiture will allow EG7 to move forward without further questions regarding risks and uncertainties stemming from the on-going conflict. Additionally, it will allow our colleagues at Innova to maintain their employment as well as allowing the passionate gaming communities on Innova

platform to continue enjoying its published titles.

Upon Innova divestiture, the group will remain highly profitable and continue to demonstrate growth. Excluding Innova, the group had solid profitability with Adjusted EBITDA of SEK 80.7 million in Q1 2021 and SEK 106.6 million for Q1 2022.

Active Management of Risk-Reward Profile

One of our main focus areas is to continually monitor and manage EG7's risk-reward profile for shareholder value protection and appreciation. The recent M&A activities with Innova and Magic Online are good examples of this effort. Innova divestiture will improve the group's risk profile by removing Russia-related risks. While an M&A transaction such as Magic Online further strengthens our recurring live games revenues and provides an opportunity for additional growth. Based on this same philosophy, the group has decided to discontinue the investment in the Marvel project. Based on the re-evaluation of the development risk profile, size of investment, and the long-term product portfolio strategy for the group, the board has decided to change the development priorities and reallocate resources within the group. The company had planned to invest more than SEK 500 million in Marvel project over the next three years. The company will now diversify this investment across multiple smaller size projects within the group, including the previously announced updates to Lord of the Rings Online and DC Universe Online, and new game opportunities with our first party, original IPs. Along with Marvel project discontinuation, a write down of approximately SEK 230 million in project related assets is expected in Q2 2022. The change to Marvel project plan will not impact near to medium term revenues and profits other than the balance sheet and P&L impact related to the write-down.

Guidance

Consistent with our expectations, Net Revenue for April came in at SEK 147 million,

which reflects seasonal trends for the company during this period. For the full year 2022, we are now expecting Net Revenue in the range of SEK 1.6-1.7 billion with sustained margins, factoring in Innova divestiture.

Clarity and focus on continuing growth with the uncertainties behind us

We are excited for our future. All our business units have been performing well with Innova being the exception due to extraordinary circumstances. We have successfully met or exceeded expectations now over three consecutive quarters. We have demonstrated consistent growth, have a solid balance sheet and strong liquidity. The plans to put the uncertainties, distractions and risks associated with Russia business exposure behind us are clear and being executed. We are excited to be back to focusing on growth and driving significant shareholder value creation going forward.

EG7 BUSINESS OVERVIEW

A leading global MMO developer and publisher

Daybreak is one of the most prolific massively multiplayer online (MMO) game developers in the world, having developed 13 MMOs throughout its history. Daybreak currently operates a portfolio of 8 live service titles. Combining Daybreak, Big Blue Bubble and Piranha titles, EG7 currently operates 10 live service titles, making EG7 one of the leading live service game publishers and operators in the world. This diversified and long-life cycle live games portfolio is a key differentiator for the group and provides a solid foundation of on-going, sustainable and predictable revenues and cash flows. Net Revenue from these assets in the first quarter amounted to SEK 241.2 million, corresponding to 53 percent of Net Revenue in Q1. The increase from 47 percent in Q4 2021 is mainly attributable to the contribution from Magic Online.

Iconic, world class brands

EG7 is home to some of the most iconic IPs - both first-party and third-party brands.

- Key first party brands include:
 - EverQuest, considered to be one of the three most iconic fantasy MMO brands in the world together with World of Warcraft and Ultima Online.
 - H1Z1, the very first battle royale game that was credited as one of the inspirations for Fortnite, with over 40 million life-to-date (LTD) registrations.
 - My Singing Monsters, which has over 82 million LTD registrations on mobile and now expanding to PC and console.
- Top tier global third-party brands:
 - DC Comics from Warner Brothers with continuing pipeline of content from blockbuster feature films and TV shows.
 - The Lord of the Rings, arguably the most iconic classic fantasy IP, primed for resurgence with the highly anticipated new Amazon streaming series fall of 2022.
 - Dungeons & Dragons, with a world-wide passionate fan base and a new feature film on its way.
 - Magic: The Gathering, the number one trading card game in the world from Wizards of the Coast.

These titles differentiate our portfolio of games from competitors and provide great opportunities to leverage them further towards continuing content development and new future products.

Robust game development capabilities and live operations expertise

We have 8 game development and live operations studios across North America and Europe in the group: AntiMatter Games, Piranha, Toadman Studios, Big Blue Bubble, Dimensional Ink, Standing Stone, Rogue Planet and Darkpaw. Passionate and talented game makers at these studios are the core drivers of our success. In addition to the 10 live service games, we currently have a strong pipeline of new and reinvestment projects underway to drive continuing growth for the group.

Creative, marketing and distribution expertise and capabilities

Petrol has been responsible for some of the most iconic imageries in gaming with the Call of Duty key art each year and many other creative work on AAA products in its history. With a blue-chip client list who repeatedly tap Petrol for its premier services, Petrol continues to stamp their mark across the industry, creating visual masterpieces.

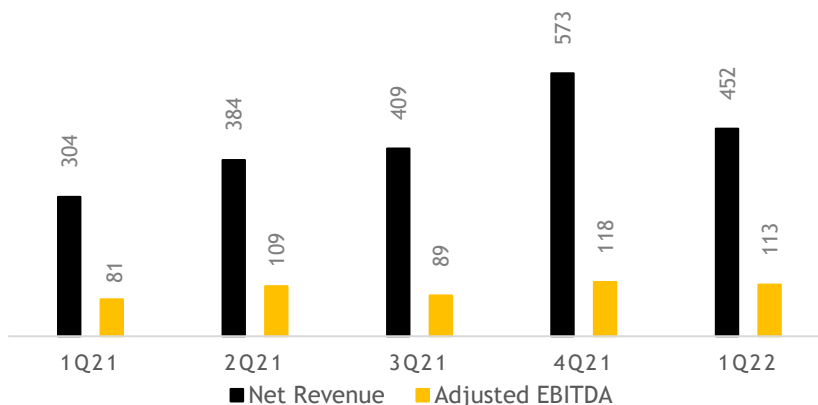
Fireshine Games (Sold Out) brings a wealth of experience and knowledge in publishing and distribution for premium titles. Fireshine extends the groups publishing and distribution capabilities beyond digital and live service. In addition to its expertise in physical publishing and distribution, Fireshine has been investing in digital publishing in order to expand its capabilities and growth opportunities. The first major milestone of this investment was realized in Q1 with the release of Core Keeper, a new indie title that so far have shipped over 500 000 units since release in early March. Fireshine is building out an exciting pipeline of indie titles for digital publishing and will

build on Core Keeper’s success to continue its transition to a leading, diversified physical and digital indie games publisher globally.

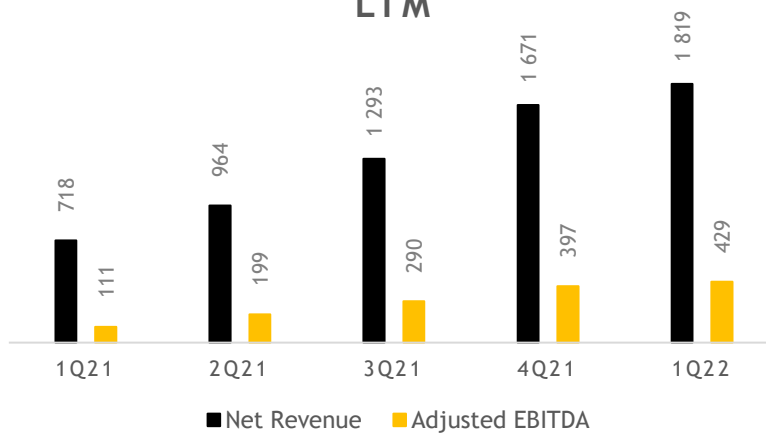
Net Revenue and Adjusted EBITDA

SEKm

QUARTERLY



LTM



SUMMARY BY SEGMENT

Game Segment

Net Revenue for the Game Segment amounted to SEK 255.6 (214.0) million in Q1 2022, corresponding to a 19.4 percent growth and representing 57 percent of total group Net Revenue. Adjusted EBITDA for the period amounted to SEK 84.9 (91.6) million, representing 75 percent of the group total.

DAYBREAK

Daybreak currently operates 8 live titles. For Q1 2022, Daybreak contributed Net Revenue of SEK 212.1 (187.2) million, corresponding to a 13.3 percent growth and Adjusted EBITDA amounted to SEK 74.9 (79.5) million. Magic Online contributed SEK 20.3 million in Net Revenue in the quarter. The relatively lower growth level, excluding Magic Online, is attributable to an unfavorable comparison against the pandemic boosted results in Q1 2021 and big competing title releases in Q1 2022 (Elden Ring and Lost Ark) which temporarily impacted active player base for live service MMOs broadly in the industry, including Daybreak titles. There will always be new competitive titles from time to time but as evidenced by EverQuest's 23 years of successful operations, Daybreak titles, with its dedicated and passionate player base, will continue to provide a solid foundation for the group with steady and predictable profits for the foreseeable future. Daybreak results represented the largest contribution amongst the group companies with Net Revenue contribution of 47 percent and Adjusted EBITDA contribution of 66 percent for the period.

BIG BLUE BUBBLE

Big Blue Bubble delivered solid performance for the quarter with Net Revenue of SEK 26.2 (22.9) million corresponding to a 14.4 percent growth and Adjusted EBITDA of SEK 12.4 (8.1) million. Big Blue Bubble's contributions represented 6 percent of Net Revenue and 11 percent of Adjusted EBITDA for the group. Even with the pandemic boost no longer a factor, My Singing Monster has continued to show strong retention, engagement and monetization metrics, driving the continued success of Big Blue Bubble.

PIRANHA

Net Revenue and Adjusted EBITDA for the quarter came in at SEK 16.2 million and SEK 2.5 million, respectively. Since Q4 2021, Piranha has been operating profitably. In addition to continuing earnings from MechWarrior 5 DLC and MechWarrior Online, the group is leveraging Piranha's talented team for internal project development efforts such as EvilvEvil.

TOADMAN STUDIOS AND ANTIMATTER GAMES

Both studios are mainly focused on new product development. Key titles in the pipeline include Block N Load 2, EvilvEvil, Minimal Affect, IGI and 83. The teams are continuing to make good progress and are working towards the release of Block N Load 2 and EvilvEvil in the second half of 2022. The remaining titles are currently estimated for release in the 2023 to 2024 timeframe.

As communicated in April, Toadman has a development studio in Russia that it plans to relocate outside of Russia. We expect to complete the relocation during the summer. Some of our on-going projects may experience some delays due to this relocation effort, but we do not expect any material negative impacts.

Service Segment

For Q1 2022, Service segment delivered exceptional results. Net Revenue came in at SEK 196.6 (89.6) million, representing 43 percent of the group total Net Revenue. Adjusted EBITDA amounted to SEK 37.8 (4.4) million, corresponding to a margin of 19 (5) percent.

INNOVA

Innova publishes 12 titles on its 4game platform. For the first quarter, Net Revenue and Adjusted EBITDA contribution amounted to SEK 52.6 million and SEK 6.1 million, representing 12 percent and 5 percent of the group total, respectively. Innova faced significant challenges during the quarter with the onset of the conflict in Ukraine in February. With the unforeseen and extraordinary geopolitical situation, Innova experienced material negative impact, including significant loss of active player base, unfavorable currency movement and cancellation of new product launch plans.

As announced on 19th of April, given the continuing uncertainties in the region, the group has decided to divest Innova and exit its business in Russia/CIS region in order to remove any further risks stemming from the situation going forward. EG7 entered into a letter of intent for the sale of Innova to its existing leadership team. The agreed upon transaction value is EUR 32 million. The transaction will be financed with a vendor loan from the group. The vendor loan will due to the uncertainties in that region be revaluated over time. The sale will be conditional upon an approval from a general shareholders' meeting of the Company and obtaining any requisite government approvals. The transaction process is moving forward according to plan with the target closing over the summer subject to approvals.

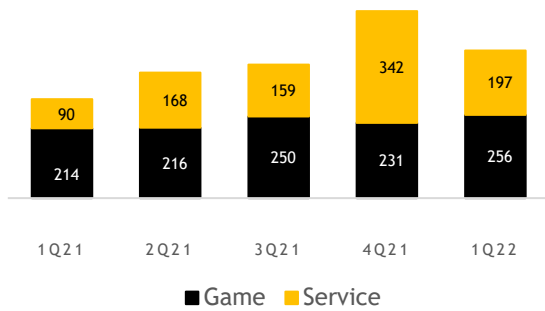
PETROL

For Q1 2022, Net Revenue and EBITDA for Petrol came in above our expectations at SEK 53.7 (31.4) million, representing exceptional growth of 71 percent from the comparable period last year. Adjusted EBITDA was also strong at SEK 13.2 (5.8) million, corresponding to a growth of 128 percent. One of the key drivers for Petrol's strong performance for the quarter was Elden Ring. As one of the premier creative marketing agencies in the industry, Petrol consistently works with the leading publishers in the industry, including Bandai Namco, the publisher of Elden Ring. As Elden Ring has established itself as one of the biggest games of the year and possibly the decade, Petrol should continue to benefit with continuing strength of the title. In addition to success from Elden Ring, Petrol also benefitted from a favorable year over year comparison to the prior year. During the first half of 2021, Petrol had to contend with a number of project delays with uncertainties from the pandemic, resulting in depressed results. The comparison between the pandemic low in performance Q1 last year and Q1 2022's overperformance also contributed to the larger year over year growth for Petrol.

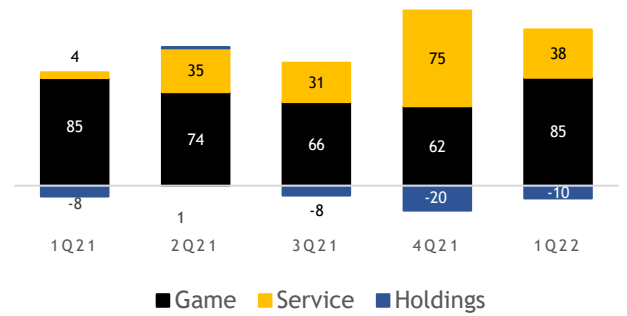
FIRESHINE GAMES (SOLD OUT)

Fireshine Games delivered one of its best Q1 results this quarter. Typically Q1 is a seasonal low for Fireshine. However, Fireshine delivered Net Revenue of SEK 90.4 (58.1) million, representing 55 percent growth over Q1 2021. Adjusted EBITDA for the quarter came in at SEK 18.5 (-1.4) million, representing a strong margin of 20 percent and SEK 19.9 million improvement over a loss of SEK (1.4) million Adjusted EBITDA in Q1 2021. The key driver for Fireshine's great quarter was the successful release of Core Keeper which sold over 500 000 units through Steam's early access over the first two weeks upon release in early March. Fireshine is focused on transitioning its business from the majority physical publishing/distribution to a more balanced model by investing in digital publishing pipeline and capabilities. Core Keeper represents a proof of concept and a significant milestone for Fireshine's transformation. We are excited with Fireshine's success with Core Keeper and anticipating additional growth from Fireshine's successful transition to digital publishing going forward. Additionally, similar to Petrol, Fireshine's strong growth rates for the quarter reflect the favorable comparison from the first quarter 2021, which was negatively impacted by the pandemic.

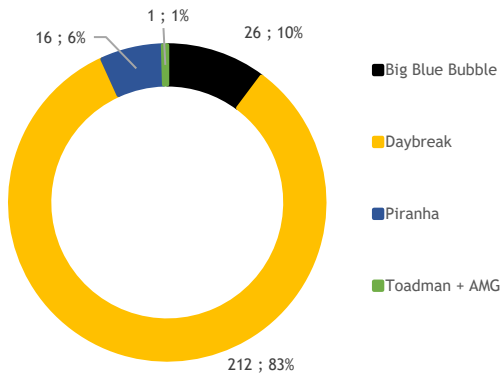
QUARTERLY NET REVENUE



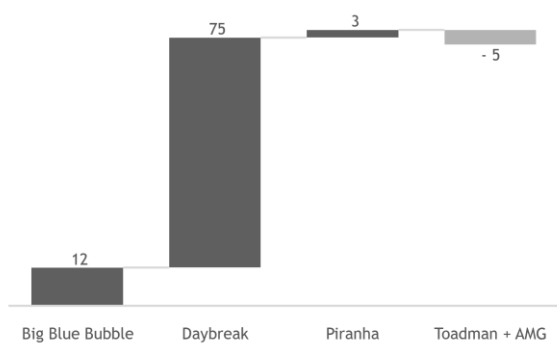
QUARTERLY ADJUSTED EBITDA



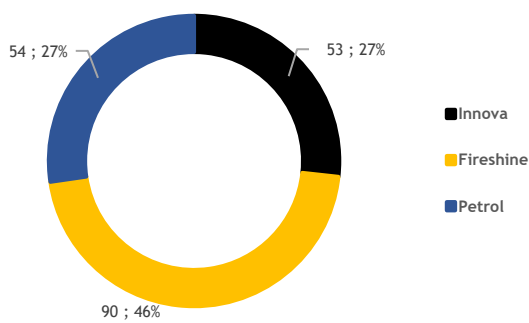
1Q22 Game Segment Net Revenue Mix



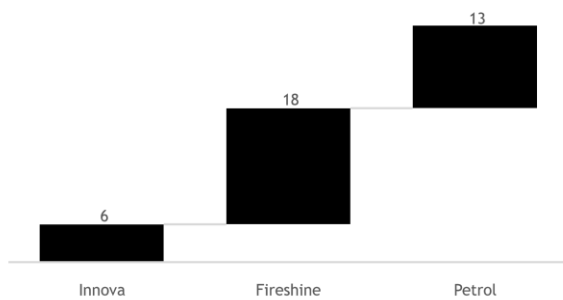
1Q22 Game Segment EBITDA Build Up



1Q22 Service Segment Net Revenue Mix



1Q 22 Service Segment EBITDA Build Up



FINANCIAL OVERVIEW

Net Revenue and operating profit

<i>SEKm</i>	JAN-MAR			JAN-DEC
	2022	2021	% CHG	2021
Net Revenue	452.2	303.6	49.0%	1,670.5
Adjusted EBITDA	112.6	80.7	39.5%	396.7
EBITDA	91.5	87.0	5.1%	714.5
Adjusted EBIT	48.9	41.9	16.5%	154.4
EBIT	27.7	48.2	-42.6%	195.9
<i>% Margins</i>				
Adjusted EBITDA margin	24.9%	26.6%		23.7%
EBITDA margin	20.2%	28.7%		42.8%
Adjusted EBIT margin	10.8%	13.8%		9.2%
EBIT margin	6.1%	15.9%		11.7%

Net Revenue in Q1 2022 came in at SEK 452.2 (303.6) million, representing a 49 percent growth year-over-year. The growth was driven by a combination of contributions from acquisitions and an organic growth of 25 percent, excluding Innova and Magic Online. Without the positive currency effect from Q1, the organic growth was 13 percent. Adjusted EBITDA and Adjusted EBIT were SEK 112.6 (80.7) million and SEK 48.9 (41.9) million for the quarter, representing 24.9 percent and 10.8 percent margin, respectively. The adjustment for non-recurring items affecting EBITDA in the first quarter comparability of SEK 21.1 million was primarily M&A related costs. In Q1 2021, the adjustments for non-recurring items added back included SEK 15.3 million in earnout revaluation and SEK 9.0 million in M&A related costs.

Organic growth bridge

<i>SEKm</i>	JAN-MAR		
	2022	2021	% CHG
Net Revenue proforma	452.2	380.9	18.7%
Magic Online Q1 2022	-20.3		
Innova	-52.6	77.4	-32.1%
Organic Revenue excl Innova and Magic Online	379.4	303.9	25.0%
FX effect	-36.0		
Organic Revenue FX adjusted excl Innova and Magic Online	343.4	303.5	13.1%

Capitalized development costs

<i>SEKm</i>	JAN-MAR	
	2022	2021
Beginning balance	328.8	184.4
Acquired capitalized development costs	0.0	37.9
Capitalized development cost	36.7	22.5
Amortization of product development	-12.9	-1.3
FX	-4.4	4.9
Ending balance	356.9	248.4

For Q1 2022, the total development costs capitalized were SEK 36.7 million. The increase from comparable period previous year is due to both increasing investment in existing products under development and new in-progress projects that came together with the acquisitions made since last year. Amortization of product development amounted to SEK -12.9 (-1.3) million, the increase is mainly attributable to a shorter timeframe for amortization of capitalized development costs for premium product MechWarrior 5.

The net ending balance of capitalized development cost as of the end of the quarter was SEK 356.9 million.

Financial net

<i>SEKm</i>	JAN-MAR	
	2022	2021
Net interest expense	-2.9	-6.3
Discount interest expense earn-out and other	-7.4	-8.7
Interest leasing	-0.5	-0.5
Financing fees	-0.5	-4.8
Loan forgiveness (Covid related in US)	11.9	0.0
FX effects	-3.4	2.7
Financial net	-2.7	-17.5

The financial net amount for Q1 2022 was SEK -2.7 million compared to SEK -17.5 million for the same period last year. The change in financial net was primarily due to the U.S. government loan forgiveness related the pandemic, positive FX effects and lower financing fees.

Financing

<i>SEKm</i>	MARCH	
	2022	2021
Total debt	405.4	506.6
Cash and cash equivalents	-449.3	-904.5
Net debt	-44.0	-397.9

EG7 ended the quarter with a strong liquidity and credit position. The company had total debt of SEK 405.4 million at the end of Q1 2022. Net of SEK 449.3 million of cash and cash equivalents, the Net Debt balance was SEK -44.0 million.

Cash flow

<i>SEKm</i>	JAN-MAR		JAN-DEC
	2022	2021	2021
Operating profit (EBIT)	27.7	48.2	195.9
Adjustment for non-cash flow items	115.1	76.4	124.5
Financial net	-2.7	-6.5	-34.8
Taxes paid	-11.4	-3.6	-18.6
Operating cash flows before balance sheet cash flow impact	128.7	114.5	267.1
Change in net working capital	-78.7	-81.2	10.2
Cash flow from operations	50.0	33.3	277.3
Cash flow from investment activities	-37.8	-134.4	-661.2
Cash flow from financing activities	-47.8	-96.4	-243.7
Cash flow for the period	-35.7	-197.5	-627.7
Cash and cash equivalents. end of period	449.3	904.5	483.9

For Q1 2022, EG7 had net cash outflow of SEK -35.7 million. The cash flow from operations was SEK 50.0 million compared to SEK 33.3 million for the same period last year. Working capital was affected by larger royalty payments in Q1 from the strong sales in Q4, mainly from Daybreak and Fireshine Games. The largest component of investments was the capitalized development expenses amounting to SEK 36.0 million. The positive cash flow from operations was offset by SEK -37.8 million of investing activities. Financing activities was SEK -47.8 million mainly due to the FX effect from the intercompany financing arrangement between EG7 and Daybreak. The total leverage Cash debt (for the avoidance of doubt excluding any remaining purchase considerations to be settled in company shares) divided by proforma EBITDA amounted to +0.3 (-0.4). Overall, the Group continued to have a strong liquidity position with SEK 449.3 million of cash and cash equivalents available as of the end of Q1 2022.

EG7 Q1 and LTM Q1 including and excluding Innova

SEKm	Q1 2022		LTM Q1 2022	
	Amount	% Group	Amount	% Group
Group Total				
Net Revenue	452.2		1 819.1	
Adjusted EBITDA	112,6		428.7	
Innova Contribution				
Net Revenue	52.6	11.6%	255.2	14.0%
Adjusted EBITDA	6.1	5.4%	78.0	18.2%
Pro Forma, excl. Innova				
Net Revenue	399.7	88.4%	1 564.0	86.0%
Adjusted EBITDA	106.6	94.6%	350.6	81.8%

FINANCIAL REPORTS

Income Statement - Group

SEKm	Note	QUARTER		FULL YEAR
		JAN-MAR 2022	JAN-MAR 2021	JAN-DEC 2021
Net Revenue	2. 3	452.2	303.6	1 670.5
Own work capitalized		35.9	27.4	127.0
Other Revenue		3.8	15.5	367.9
Total Revenue		492.0	346.5	2 165.4
<i>Operating expenses</i>				
Cost of goods sold		-137.2	-98.6	-662.9
Other external expenses		-53.6	-39.9	-192.2
Personnel expenses		-202.3	-120.7	-594.9
Other expenses		-7.5	-0.3	-1.0
Operating profit before depreciation and amortization (EBITDA)		91.5	87.0	714.5
Depreciation of tangible and right-of-use assets		-14.9	-8.7	-48.0
Operating profit before amortization of intangible assets (EBITA)		76.5	78.3	666.4
Amortization of acquisition-related intangible assets		-33.0	-28.0	-428.2
Amortization of other intangible assets		-15.9	-2.1	-42.3
Operating profit (EBIT)		27.7	48.2	195.9
Financial net		-2.7	-17.5	-105.3
Profit before tax		24.9	30.7	90.6
Tax expense for the period		-23.3	-13.5	6.1
NET PROFIT		1.6	17.2	96.7

EARNINGS PER SHARE	JAN-MAR 2022	JAN-MAR 2021	JAN-DEC 2021
Earnings per share before and after dilution (SEK)	0.02	0.22	1.13
Average number of shares before and after dilution	87 271 055	80 007 057	85 370 134

The Net profit for the period is fully attributable to the parent company's shareholders.

SEKm	2022	2021	2021
	JAN-MAR	JAN-MAR	JAN-DEC
Net profit for the period	1.6	17.2	96.7
<i>Items that will be reclassified to profit or loss</i>			
Translation difference	98.0	199.0	248.2
Deferred tax	-9.7	-16.7	-28.8
Other comprehensive income for the period	88.3	182.3	219.4
Comprehensive income for the period	89.9	199.5	316.2

The comprehensive income for the period is attributable in its entirety to the parent company's shareholders.

Balance Sheet - Group

SEKm	Note	31 mar 2022	31 mar 2021	31 dec 2021
ASSETS				
Non-current assets				
Intangible non-current assets		5,106.1	4,737.2	5,016.5
Tangible non-current assets		50.7	33.2	43.3
Right-of-use assets		54.9	62.5	44.2
Financial non-currents assets	4	61.7	607.3	71.6
Total non-current assets		5,273.3	5,440.2	5,175.6
Current assets				
Inventory		14.0	14.4	13.2
Current receivables	4	337.6	207.4	335.4
Cash and cash equivalents	4	449.3	904.5	483.9
Total current assets		800.9	1,126.3	832.5
TOTAL ASSETS		6,074.3	6,566.5	6,008.1
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the parent company's shareholders		4,726.9	4,482.2	4,597.8
Total equity		4,726.9	4,482.2	4,597.8
Non-current liabilities	4	706.7	807.9	691.0
Current liabilities	4	640.7	1,276.4	719.3
TOTAL EQUITY AND LIABILITIES		6,074.3	6,566.5	6,008.1

Cash Flow Statement - Group

	QUARTER		FULL YEAR
	JAN-MAR 2022	JAN-MAR 2021	JAN-DEC 2021
<i>SEKm</i>	<i>3 months</i>	<i>3 months</i>	<i>12 months</i>
OPERATING ACTIVITIES			
Operating profit (EBIT)	27.7	48.2	195.9
Adjustments for non-cash flow items	115.1	76.4	124.5
Financial items and tax	-14.1	-10.1	-53.4
Cash flow from operating activities before changes in working capital	128.7	114.5	267.1
Cash from flow changes in working capital	-78.7	-81.2	10.2
Cash flow from operating activities	50.0	33.3	277.3
INVESTMENT ACTIVITIES	-37.8	-134.4	-661.2
Cash flow from investment activities	-37.8	-134.4	-661.2
FINANCING ACTIVITIES	-47.8	-96.4	-243.7
Cash flow from financing activities	-47.8	-96.4	-243.7
CASH FLOW FOR THE PERIOD	-35.7	-197.5	-627.7
Cash and cash equivalents at start of period	483.9	1,087.5	1,087.5
Cash flow for the period	-35.7	-197.5	-627.7
Exchange rate differences	1.1	14.4	24.0
Cash and cash equivalents at end of period	449.3	904.5	483.9
Specification of cash and cash equivalents			
Total cash balance	449.3	904.5	483.9
<i>of which are blocked</i>	-2.6	-2.6	-2.6
Cash at the end of the period	446.7	901.9	481.3

Change in Equity - Group

EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		
SEKm	2022 JAN-MAR	2021 JAN-MAR
Opening balance	4,597.8	3,108.2
Changes in equity during the period		
The Net profit of the period	1.6	17.2
Other comprehensive income for the period	88.3	183.6
Rights issue	39.2	1,172.8
First consolidation of OOO Artplant		0.5
Closing balance	4,726.9	4,482.2

Income Statement - Parent Company

	QUARTER		FULL YEAR
	JAN-MAR 2022	JAN-MAR 2021	JAN-DEC 2021
	<i>3 months</i>	<i>3 months</i>	<i>12 months</i>
<i>SEKm</i>			
Net Revenue	1.1	2.2	7.5
Own work capitalized	7.9	11.7	56.4
Other Revenue	0.0	0.0	0.0
Total Revenue	9.0	13.9	63.9
<i>Operating expenses</i>			
Cost of goods sold	-10.7	-21.0	-91.5
Other external expenses	-6.1	-14.0	-38.5
Personnel expenses	-6.3	-3.8	-22.9
Other expenses	0.0	0.0	0.0
Operating profit before depreciation and amortization (EBITDA)	-14.1	-25.0	-89.0
Depreciation and amortization	0.0	0.0	-5.9
Operating profit (EBIT)	-14.1	-25.0	-94.8
Financial net	52.2	78.6	13.9
Profit before tax	38.1	53.6	-90.3
Appropriations	0.0	0.0	1.8
Tax expense for the period	-7.8	-11.0	-13.8
NET PROFIT	30.2	42.5	-92.9

Balance Sheet - Parent Company

SEKm	QUARTER FULL YEAR		
	2022-03-31	2021-03-31	2021-12-31
ASSETS			
Non-current assets			
Intangible non-current assets	65.6	157.7	200.9
Tangible non-current assets	0.0	0.1	0.1
Financial non-currents assets	2,732.8	2,713.7	2,653.4
Total non-current assets	2,798.4	2,871.5	2,854.4
Current assets			
Current receivables	1 961.5	1 545.9	1 900.4
Cash and cash equivalents	97.4	630.7	82.5
Total current assets	2,058.9	2,176.5	1,982.9
TOTAL ASSETS	4,857.3	5,048.1	4,837.2
EQUITY AND LIABILITIES			
Equity	4,413.9	4,481.1	4,344.6
Non-current liabilities	399.5	0.0	399.2
Current liabilities	43.9	567.0	93.4
EQUITY AND LIABILITIES	4,857.3	5,048.1	4,837.2

NOTES TO THE INTERIM REPORT

Note 1 Accounting principles, Estimates and Assessments

This interim report regards the Swedish parent company Enad Global 7 AB, corporate identity number 556923-2837, and its subsidiaries. EG7 is a group in the gaming industry that develops, markets, publishes and distributes PC, console and mobile games to the global gaming market. The parent company is a corporation with its registered office in Stockholm, Sweden. The address of the head office is Ringvägen 100, 118 60 Stockholm.

EG7 applies International Financial Reporting Standards (IFRS) as adopted by the EU. The group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable parts of the Annual Accounts Act (1995: 1554).

The parent company applies the Annual Accounts Act and RFR 2 Accounting for Legal Entities.

All amounts in this report are stated in millions of Swedish kronor (SEK millions) unless otherwise stated.

Rounding differences may occur.

Note 2 Operational Segments

Jan-Mar 2022	Service segment	Game segment	Total segments	Intra-group items and eliminations	Total group
Revenue from external customers	196.6	255.6	452.2	0.0	452.2
Revenues from other segments	1.4	0.0	1.4	-1.4	0.0
Net Revenue	198.0	255.6	453.6	-1.4	452.2
Operating profit before depreciation and amortization (EBITDA)	37.8	67.3	105.0	-13.6	91.5
Depreciation and amortization					-63.8
Financial net					-2.7
Profit before tax					24.9
Tax expense					-23.3
Net profit for the period					1.6

Jan-Mar 2021	Service segment	Game segment	Total segments	Intra-group items and eliminations	Total group
Revenue from external customers	87.9	258.6	346.5	0.0	346.5
Revenues from other segments	1.6	0.0	1.6	-1.6	0.0
Net Revenue	89.5	258.6	348.1	-1.6	346.5
Operating profit before depreciation and amortization (EBITDA)	4.4	84.7	89.1	-2.1	87.0
Depreciation and amortization					-38.8
Financial net					-17.5
Profit before tax					30.7
Tax expense					-13.5
Net profit for the period					17.2

Note 3 Revenue from Customer Contracts

Jan-Mar 2022	Service segment	Game segment	Group eliminations	Total group
<i>Geographical region</i>				
Europe	110.0	40.9	-1.4	149.5
North America	70.5	204.7	0.0	275.3
Other markets	17.5	10.0	0.0	27.4
Revenue from customer contracts	198.0	255.6	-1.4	452.2
<hr/>				
Jan-Mar 2021	Service segment	Game segment	Group eliminations	Total group
<i>Geographical region</i>				
Europe	34.9	38.9	-1.6	72.2
North America	48.1	192.4	0.0	240.5
Other markets	6.6	27.3	0.0	33.9
Revenue from customer contracts	89.5	258.6	-1.6	346.4

NOTE 4 FINANCIAL INSTRUMENTS

Valuation of financial assets and liabilities per Mar 31, 2022

	Financial assets valued at fair value through profit or loss	Financial assets valued at amortized cost	Total reported values
Financial assets			
Accounts receivable	0.0	243.2	243.2
Cash and cash equivalents	0.0	449.3	449.3
Total	0.0	692.5	692.5
<hr/>			
	Financial liabilities valued at fair value through profit or loss	Financial liabilities valued at amortized cost	Total reported values
Financial liabilities			
Contingent consideration	138.3	0.0	138.3
Liabilities to credit institutions	0.0	405.4	405.4
Accounts payable	0.0	99.1	99.1
Other financial liabilities	0.0	478.4	478.4
Total	138.3	982.8	1 121.1

Valuation of financial assets and liabilities per Mar 31, 2021

	Financial assets valued at fair value through profit or loss	Financial assets valued at amortized cost	Total reported values
Financial assets			
Accounts receivable	0.0	100.2	100.2
Cash and cash equivalents	0.0	904.5	904.5
Total	0.0	1,004.7	1,004.7
	Financial liabilities valued at fair value through profit or loss	Financial liabilities valued at amortized cost	Total reported values
Financial liabilities			
Contingent consideration	819.0	0.0	819.0
Liabilities to credit institutions	0.0	500.5	500.5
Accounts payable	0.0	50.5	50.5
Other financial liabilities	0.0	124.8	124.8
Total	819.0	675.8	1,494.8

VALUATION HIERARCHY

The levels in the valuation hierarchy are defined as follows:

- Level 1 - Listed prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 - Observable input data for the asset or liability other than quoted prices included in level 1, either directly (i.e. price quotations) or indirectly (i.e. derived from price quotations).
- Level 3 - Input data for the asset or liability that is not based on observable market data (i.e. non-observable input data).

Contingent consideration

The contingent consideration is reported at fair value according to level 3 in the valuation hierarchy. The fair value is calculated using a valuation model that discounts the present value of expected payments of cash flows with a risk-adjusted discount rate. Expected cash flows are determined based on probable scenarios based on expected financial outcomes and future financial forecasts. The most significant input factors used in the valuation at fair value is a risk-adjusted discount factor of 16.3 percent.

Contingent consideration	Jan-Mar 2022	Jan-Mar 2021
At beginning of period	128.7	505.6
Acquisitions during the period	0.0	328.7
Payments	0.0	0.0
Interest	3.3	0.0
Reclassification through profit or loss	0.0	-15.3
FX effect	6.3	0.0
At end of period	138.3	819.0

During 2021, realized gains for contingent consideration held as of the balance sheet date amounted to SEK 15.3 million. This amount is included as part of other operating income in the group's income statement.

Current receivables and liabilities

For current receivables and liabilities, such as accounts receivable and accounts payable, the reported value is considered to be a good approximation of the fair value.

Note 5 Business Acquisitions

On March 1 2021 Enad Global 7 AB acquired 100 percent of the shares and votes in Piranha Games Inc. The company develops games and is headquartered in Vancouver, Canada. The company has expertise in the development of both premium and free-to-play AAA titles, which is why EG7 will benefit from the team's experience in the Group's future development projects.

The transferred compensation (purchase price) consisted of a cash purchase price of SEK 138.2 million. issue of own shares SEK 34.5 million.

In connection with the acquisition, an agreement was entered into on contingent considerations, which means that part of the purchase price depends on future results in the acquired companies. At the time of acquisition, the reported value for contingent considerations amounted to SEK 328.7 million. The purchase price also included a future share issue of SEK 34.5 million.

On March 31 2021 Enad Global 7 AB acquired 100 percent of the shares and votes in Innova Intellectual Properties S.a.r.l. Innova is a game publisher based in Luxembourg and Russia.

The transferred consideration (the purchase price) consisted of the issue of own shares, the fair value of which on the date of acquisition amounted to SEK 1,104.5 million.

<i>Acquired net assets at the time of acquisition based on preliminary acquisition analysis</i>	Piranha Games Inc Fair value	Innova Fair value
Intangible assets	228.2	117.9
Tangible non-current assets	0.7	6.5
Right-of-use assets	1.6	19.0
Deferred tax assets	0.0	46.0
Inventory	0.0	0.6
Accounts receivable and other receivables	4.4	6.9
Cash and cash equivalents	14.9	60.2
Interest-bearing liabilities	0.0	-1.5
Deferred tax liability	-52.6	-18.2
Accounts payable and other operating liabilities	-6.3	-114.2
Identified net assets	190.9	123.2
Goodwill	292.9	981.4
Total Purchase Price	483.8	1.104.6

In connection with the acquisition of Piranha a goodwill of SEK 292.9 million arose in the form of a difference between the transferred consideration and the fair value of the acquired Net assets. Goodwill mainly refers to synergies and expertise in the acquired company. Goodwill is not expected to be tax deductible.

In connection with the acquisition of Innova a goodwill of SEK 981.4 million arose in the form of a difference between the transferred consideration and the fair value of the acquired Net assets. Goodwill mainly refers to synergies and expertise in the acquired company. Goodwill is not expected to be tax deductible.

<i>The acquisition's preliminary impact on the group's cash flow</i>	Piranha Games Inc	Innova
Cash consideration	138.2	0
Deducted:		
Cash and cash equivalents (acquired)	14.9	60.2
Net cash outflow	123.3	-60.2

Note 6 Significant Events After the Balance Date

EG7 announced that the Group intends to sell its subsidiary Innova at a price of EUR 32 million through a management buy-out.

EG7 also intends to relocate Toadman Interactive's Russia studio to a new location in the European region.

EG7 intends to discontinue the investment in the Marvel project. The expected amount of write-down is approximately SEK 230 million in the project related assets in Q2 2022. The change to Marvel project plan will not impact near to medium term revenues and profits other than the balance sheet and P&L impact related to the write-down.

THE SHARE AND SHAREHOLDERS

SHAREHOLDER (31-03-2022)	No. of Shares	Capital %
Settecento Ltd	9 043 282	10,38%
Media and Games Invest SE	7 126 190	8,18%
Dan Sten Olsson med familj och stiftelse	6 912 000	7,93%
Jason Epstein	6 910 000	7,93%
Avanza Pension	4 066 741	4,67%
SPSW Capital	4 004 800	4,57%
Swedbank Robur Fonder	3 630 000	4,17%
Rasmus Davidsson	2 872 743	3,30%
Robin Flodin	2 555 255	2,93%
Aguja Capital GmbH	2 226 515	2,55%
Other shareholders	38 229 462	43,39%
Total	87 576 988	100%

EG7 stock is listed on Nasdaq First North Growth Market with the ticker symbol 'EG7'. As of March 31, 2022, the total number of shares outstanding was 87,567,988 and the closing share price was SEK 21.45 per share.

RELATED PARTY TRANSACTIONS

The company did not make any material 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. Risks are also included in the annual report of 2021.

AUDITOR

Ernst & Young Aktiebolag is the company's auditor and is represented by Beata Lihammar.

DEFINITIONS

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

Net Revenue growth: Increase in Net Revenue from the same period the previous year as a percentage.

Adjusted EBITDA: EBITDA adjusted for items considered to be non-recurring and one-time in nature for comparability between periods.

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

EBITDA margin (%): EBITDA as a percentage of total Revenue.

EBITA: Operating profit before depreciation of intangible assets.

EBITA margin (%): EBITA as a percentage of total Revenue.

Adjusted EBIT: EBIT adjusted for items considered to be non-recurring and one-time in nature for comparability between periods

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

EBIT margin (%): Operating profit as a percentage of total Revenue.

Net profit: Profit after tax for the period.

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

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.

Organic growth: Net Revenue increase from comparable period last year divided by the Net Revenue for the comparable period last year. Including all newly acquired businesses contributing with Revenue last year but excluding newly acquired businesses contributing with Revenues this year, if not otherwise stated in the text.

Cash conversion: Operational cashflow divided by proforma EBITDA over the last twelve months

Total Leverage: Cash debt (including remaining purchase consideration in cash and for the avoidance of doubt excluding any remaining purchase considerations to be settled in company shares) divided by proforma EBITDA

FOR MORE INFORMATION. PLEASE CONTACT:

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EG7 IN SHORT

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 leading global brands such as Call of Duty, Destiny and Elden Ring. The group's publishing and distribution departments Innova and Fireshine Games hold expertise in both physical and digital publishing. EG7 is headquartered in Stockholm with approximately 880 employees in 16 offices worldwide.

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
Phone: +46 8 684 211 00

AUDITING

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

NEXT REPORT

The next financial report will be published:

Annual General Meeting 2022: June 21. 2022

Interim report Q2 2022: August 23. 2022

Interim report Q3 2022: November 17. 2022

Interim report Q4 2022: February 17. 2023

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 6:00am CET on May 25, 2022.

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. May 25. 2022

Ji Ham	Alexander Albedj	Marie-Louise Gefwert	Erik Nielsen	Jason Epstein	Georgy Chumburidze	Gunnar Lind
<i>Acting Chief Executive Officer</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>	<i>Member of the board</i>