

EMBRACER⁺ GROUP

21/22

Q4 & FULL YEAR REPORT

APRIL 2021–MARCH 2022
EMBRACER GROUP AB (PUBL)
REG NO. 556582-6558

OPERATIONAL EBIT INCREASED BY 17% TO SEK 1,052 MILLION

FOURTH QUARTER, JANUARY–MARCH 2022 (COMPARED TO JANUARY–MARCH 2021)

- > Net sales increased by 117% to SEK 5,228.5 million (2,404.2).
- > Net sales for business area Games increased by 124% to SEK 4,417.5 million (1,975.2). THQ Nordic SEK 328.3 million (354.6), Koch Media Publishing SEK 543.3 million (464.9), Coffee Stain SEK 171.2 million (780.9), Saber Interactive SEK 448.0 million (270.7), DECA Games SEK 615.1 million (104.2), Gearbox Entertainment SEK 606.1 million (-), Easybrain SEK 1,134.2 million (-) and Asmodee SEK 571.2 million (-).
- > Organic growth in constant currency for business area Games amounted to –34%. Pro forma growth in constant currency for business area Games amounted to 3%.
- > Net sales for business area Partner Publishing/Film increased by 72% to SEK 736.5 million (429.0).
- > EBITDA increased by 26% to SEK 1,472.7 million (1,172.5), corresponding to an EBITDA margin of 28% (49%).
- > Operational EBIT increased by 17% to SEK 1,052.4 million (903.2) corresponding to an Operational EBIT margin of 20% (38%).
- > Cash flow from operating activities amounted to SEK 1,589.5 million (1,521.8). Net investments in intangible assets amounted to SEK –998.3 million (598.9). Free cash flow before change in working capital amounted to SEK 378.6 million (531.3).
- > Adjusted earnings per share was SEK 0.81 (1.03).

FULL YEAR, APRIL 2021–MARCH 2022 (COMPARED TO APRIL 2020–MARCH 2021)

- > Net sales increased by 89% to SEK 17,036.7 million (9,024.2).
- > Net sales of the Games business area increased by 116% to SEK 13,935.0 million (6,448.3). THQ Nordic SEK 1,723.3 million (1,789.1), Koch Media Publishing SEK 2,493.2 million (2,081.2), Coffee Stain SEK 657.2 million (1,182.5), Saber Interactive SEK 1,692.3 million (1,185.9), DECA Games SEK 1,670.6 million (209.7) Gearbox Entertainment SEK 1,932.1 million (-), Easybrain SEK 3,195.1 million (-) and Asmodee SEK 571.2 million (-).
- > Organic growth in constant currency for the Games Business Area amounted to –7%. Pro forma growth in constant currency for business area Games amounted to 18%.
- > Net sales of Partner Publishing/Film business area increased by 18% to SEK 3,027.1 million (2,575.9).
- > EBITDA increased by 54% to SEK 6,135.1 million (3,985.3), corresponding to an EBITDA margin of 36% (44%).
- > Operational EBIT increased by 54% to SEK 4,416.3 million (2,870.8) corresponding to an Operational EBIT margin of 26% (32%).
- > Cash flow from operating activities amounted to SEK 4,281.3 million (3,899.0). Net investments in intangible assets amounted to SEK 3,712.2 million (2,135.1). Free cash flow before change in working capital amounted to SEK 1,232.2 million (1,552.0).
- > Adjusted earnings per share was SEK 3.36 (3.22).

Key performance indicators, Group	Jan-Mar 2022	Jan-Mar 2021	Apr 2021– Mar 2022	Apr 2020– Mar 2021
Net sales, SEK m	5,228.5	2,404.2	17,036.7	9,024.2
EBITDA, SEK m	1,472.7	1,172.5	6,135.1	3,985.3
Operational EBIT, SEK m	1,052.4	903.2	4,416.3	2,870.8
Cash flow from operating activities, SEK m	1,589.5	1,521.8	4,281.3	3,899.0
Free cash flow before change in working capital, SEK m	378.6	531.3	1,232.2	1,552.0
Net investments in intangible assets, SEK m	998.3	598.9	3,712.2	2,135.1
Total game development projects	223	160	223	160
Total internal and external game developers	8,586	5,115	8,586	5,115
Total headcount	12,760	6,325	12,760	6,325
Sales growth, %	117	80	89	72
EBITDA margin, %	28	49	36	44
Operational EBIT margin, %	20	38	26	32

In this report, all figures in brackets refer to the corresponding period of the previous year, unless otherwise stated.

CEO COMMENTS**ANOTHER STABLE YEAR. PRO FORMA NET SALES GREW 18% TO SEK 31 BILLION**

We are pleased to announce another stable quarter in line with our forecasted operational EBIT. Today we reiterate our forecast for the current and next financial year. We now have diversified revenue streams from four complementary business areas that will form our primary segments as we implement IFRS at Group level starting April 1, 2022. The process to change the listing venue to Nasdaq Stockholm's main market by the end of this calendar year is on track.

In the wake of the pandemic, we conclude a quarter facing one of the most difficult times in Europe; an inhumane and aggressive war in Ukraine. I am deeply saddened by the situation, it is an inconceivable act of cruelty that overshadowed our everyday progress in the quarter. All of our employees are part of our family and our first priority has been and still is to provide the safety of our staff and their families in the affected regions. By the end of 2021 we engaged approximately 250 people in Ukraine, 1,000 in Russia, and 250 in Belarus.

I think we all feel the duty to engage. If we fail to act with compassion and humanity, we will fail as a business and an employer. I'm proud of the unprecedented actions taken across our companies to aid those affected by the crisis. I want to sincerely thank each and every one in our ecosystem for all their efforts in handling this crisis together. We are stand firm in support of our employees wherever they are located. We have relocated hundreds of employees and their family members to other countries, while trying to help those that are still in Ukraine as much as we can.

All our internal development resources in the region are fully utilized whereas many key functions in development, tech, business intelligence and user acquisition have been relocated to operations outside the region.

We have donated, pledged or reserved SEK 50 million for humanitarian aid and support of our employees affecting our Operational Ebit in the quarter. Our consumer revenues from Russia, Belarus, and Ukraine were about one percent of our global net sales in the past 12 months.

Reiterating our operational EBIT forecast

The operational performance of our businesses is in line with expectations, as our diversified back-catalog continued its steady performance in a quarter with only few new releases and continued organic growth in our mobile business. Operational EBIT for the reporting quarter increased by 17% to SEK 1,052 million concluding a financial year within the forecast range. The Operational Ebit in the quarter includes SEK 50 million in costs relating to the situation in Ukraine as well as SEK 74 million in contribution from Asmodee and Dark Horse. For FY 21/22 the group had pro forma annual net sales of approx. SEK 31 billion.

Looking ahead, we expect to achieve substantial organic growth in FY 22/23 primarily driven by our premium games segment through multiple releases of games from our well-invested project pipeline. To put in perspective, we expect to release new content with at least 3x higher accumulated investment value in FY 22/23 compared to FY 21/22. We plan for a continued solid growth from our mobile segment, driven by increased utilization of existing platforms, fueled by current and future investment in UAC and planned releases. We expect Asmodee to grow its Operational Ebit organically by at least 10%. Based on these conditions, we reiterate our forecast for operational EBIT of SEK 9.2-11.3 billion in FY 22/23 and SEK 10.3-13.6 billion in FY 23/24. This excludes any minor impact from the recent acquisitions of Beamdog, Lost Boys and Crystal Dynamics/Eidos, but takes into account possible indirect impacts from the war in Ukraine.

Looking into the breakdown of the year we expect the Operational Ebit to look quite similar in Q2-Q4 with a slight favour of Q3 and Q4 over Q2. Q1 will be approx 1/7 of the Operational Ebit forecast of FY 22/23 driven by only a few releases. We expect a strong free cash flow generation throughout the year.

The release schedule in the current quarter ending June, 2022 is less busy. Nonetheless, we are eagerly looking forward to AA and indie releases, such as *Evil Dead: The Game* and *Songs of Conquest* in the current quarter.

The first major AAA release, which is expected to step change the pace of organic growth, is the much-anticipated reboot of *Saints Row* scheduled for release on August 23. Across 20 publishers, we have a vast and diversified pipeline of upcoming premium PC- and console games with 223 games to be released in the coming years, including more than 25 AAA games up until FY 25/26. We continue to emphasize our strategy for game development – quality comes first. Developers should have the required time and resources to release a quality product and games should be released when ready.

Performance in the fourth quarter

Our growth model is unchanged. Our main priority across all operative groups is to achieve profitable organic growth. In this respect, the full year 2021/22 has been a transition year. We increased the investments into our pipeline of ongoing game development projects, but still released only a small part of the games under development.

The fourth quarter organic growth in business area Games was as expected negative, as the breakout success for *Valheim*, published by Coffee Stain last year is a difficult comparison due to its breakaway success. We hope and believe we have many more of those successes in the pipeline in the year to come. Steady back catalog from PC/Console contribution came from the evergreen titles *Metro Exodus*, *Spongebob Squarepants: Battle for Bikini Bottom Re-Hydrated*, *Wreckfest*, *Biomutant*, *Deep Rock Galactic*, *Valheim*, *Satisfactory* and *Goat Simulator*, as well as newly released *Hot wheels unleashed*. The main release of the quarter *ELEX II* did not live up to management's financial expectations in the quarter but we are expecting a positive ROI over time.

On March 25, Gearbox and its publishing partner 2K Games released *Tiny Tina's Wonderlands*. This AAA game has been very well received by critics and players. Despite that there were no royalties recognized in the quarter, we are confident that the game will generate royalties during this financial year, due to continued success. We are thrilled about Gearbox and its wholly owned IPs *Borderlands* and *Tiny Tina's Wonderlands* and what they both will bring in the future.

Our mobile businesses continued to outperform our expectations, driven by the strong development for Easybrain who had a record quarter since joining the group and made the highest contribution of all operative groups within business area Games. The performance is explained by an ad mediation platform deal and a continued strong performance of existing live operated titles. The pro forma organic growth in our combined mobile business was 43% in the quarter. Investments in user acquisition remained at a healthy level as return on ad spend is attractive, and this should support continued growth.

Recently acquired Asmodee has a strong operational momentum coming into the group. With Asmodee we are adding a leading international publisher for board games, trading cards and digital board games, with an extensive distribution network across 50 countries. Through their 22 internal studios and 300+ IPs, Asmodee creates a dynamic transmedia experience for players across a variety of digital and physical platforms. Only the board games category is highly complementary to PC, console, VR, and mobile games and has an appealing long-term organic growth outlook. The integration of companies acquired the past year, including Asmodee, is progressing according to plan.

Asmodee continues to outgrow the underlying tabletop market and grew 19% pro forma organic year-over-year in the past quarter, driven by a strong demand within the trading-card business. Net sales were SEK 2,580 million, despite some supply chain challenges. SEK 571 million of the quarter's sales were consolidated into Embracer in the quarter. The first half of the calendar year is traditionally seasonally weaker for Asmodee.

Summing up a transformative year

The past year has been the most transformative since the IPO in 2016, just over five years ago. Since then our adjusted earnings per share have increased 15x. During the year, we have made strategic acquisitions that grew the number of operative groups from six to ten: Gearbox, Easybrain, Asmodee and Dark Horse.

Today, Embracer Group is an independent and highly diversified global ecosystem of gaming and entertainment businesses with strong market positions across key verticals. The decentralized Embracer model is all about empowering our entrepreneurs and great people that makes up all our business. I'm a firm believer in giving great people trust to make their own decisions.

Becoming part of Embracer is intended to be about taking the next step in a long journey. Founders and managers that we join forces with have high ambitions for the future, and it is Embracer's role to unleash the full potential of each team and support them with the resources needed to succeed. The entrepreneurs are setting even bolder targets and if we reach even close to those ambitions together, the group will be positively transformed in many regards and senses over the coming decade. Furthermore, it is gratifying to see that our companies continue to attract and retain great talent. The number of employees has grown 14% on an organic basis in the quarter.

After the end of the quarter, we further strengthened our development capabilities and IP-portfolio by entering into an agreement to acquire Crystal Dynamics, Eidos Montreal and Square Enix Montreal, including *Tomb Raider*, *Deus Ex*, *Thief* and *Legacy of Kain* and other IPs. The announcement got an overwhelming and positive response. We see a great potential, not only in sequels, but also in remakes, remasters, spinoffs as well as transmedia projects across the Group. We expect the transaction to close in the July-September period.

Small fish, big pond

We believe the gaming industry is one of the most attractive industries over the coming decades. In 2021, according to Newzoo, the global market generated USD 193 billion which represented an 8% year-on-year growth. The global market is expected to continue to grow with a forecast exceeding USD 200 billion in 2022. Embracer Group is still a small fish in this big pond and currently represents approx. 1.5% of the total combined games and tabletop market. We may be the largest gaming company in Värmland, but the world is still bigger and we are at the beginning of our journey.

Four primary segments and strengthened corporate governance going forward

Our strategy to build a diverse and decentralized group that stands on many revenue streams remains unchanged. We believe that the greater our independent ecosystem becomes, the greater output we will have over the long term. We see clear evidence that the model is working in the ever-increasing number of synergies through collaborations and initiatives across the group.

To better represent the business characteristics, position and governance structure of our business, we will introduce a new segment reporting as of this financial year with PC/ Console games, Mobile games, Tabletop games and Entertainment & Services as our four primary segments. This is part of our regulated market up-listing process that will encompass not only the transformation of our reporting to IFRS as of the next report, but also upgraded corporate governance structures, implementation of a number of new policies and the adoption of the Swedish Corporate Governance Code.

Strong balance sheet supporting further M&A-opportunities

We maintain a strong balance sheet, as the best opportunities arise in turbulent times. We have in recent months seen a notable correction in valuation expectations in the private M&A market. Needless to say, we do not need to make any further acquisitions to grow. Nevertheless, we continue to scout for selected additional M&A opportunities to support our long-term growth ambitions. We have an exciting funnel of targets, with emphasis on bolt on acquisitions within existing operative groups.

We have a prudent approach to debt. Our financial leverage target states that we are willing to exceed 1,0x net debt to operational EBIT on a forward twelve months basis for the right inorganic growth opportunity, but with the ambition to return to below 1,0x in the medium term. The acquisitions of Asmodee and Eidos are examples of opportunities where we are willing to use debt, as these offer significant financial and strategic potential for value creation and strengthen our group. Available cash and unutilized credit facilities amount to approximately SEK 11 billion at the time of this report.

It is important for me as a founder and major shareholder to have committed long-term shareholders that share the same long-term horizon. I'm humble and grateful to all of our current loyal shareholders for their commitment and long-term support. We actively pursue multiple conversations with additional potential shareholders among high profile, large institutions and industrial partners that would support our long-term strategy. We are confident that some of these conversations will mature into investments or partnerships.

Our sustainability work

Sustainability continues to be an important priority for the group and we are continuously developing our efforts within our sustainability framework. We currently work to put forward our first sustainability goals, at the latest in time for the Q1 interim report.

In the quarter, our global employee survey has been carried out across the group with an impressive 80% response rate. The conclusion of the survey is a broad improvement in all major areas and all employees are on a green level (on a scale between red - yellow - green). As a measure to implement our Code of conduct, 79% of our employees participated in a training program regarding the Code's content and usage areas.

To conclude I would like to send my thanks to all our shareholders, employees, customers, industry colleagues and business partners for contributing to the prosperity and success of Embracer Group.

May 19, 2022, Karlstad, Värmland, Sweden

Lars Wingefors
Co-founder & Group CEO



FINANCIAL PERFORMANCE

All comments refer to the quarter unless otherwise stated.

CONSOLIDATED NET SALES

Consolidated net sales by business area, SEK m	Jan–Mar 2022	Jan–Mar 2021	Change	Apr 2021–Mar 2022	Apr 2020–Mar 2021	Change
Games - THQ Nordic	328.3	354.6	–7%	1,723.3	1,789.1	–4%
Games - Koch Media Publishing	543.3	464.9	17%	2,493.2	2,081.2	20%
Games - Coffee Stain	171.2	780.9	–78%	657.2	1,182.5	–44%
Games - Saber Interactive	448.0	270.7	65%	1,692.3	1,185.9	43%
Games - DECA Games	615.1	104.2	490%	1,670.6	209.7	697%
Games - Gearbox Entertainment	606.1	-	-	1,932.1	-	-
Games - Easybrain	1,134.2	-	-	3,195.1	-	-
Games - Asmodee	571.2	-	-	571.2	-	-
Games Subtotal	4,417.5	1,975.2	124%	13,935.0	6,448.3	116%
Partner Publishing/Film	736.5	429.0	72%	3,027.1	2,575.9	18%
Comics and Film - Dark Horse	74.5	-	-	74.5	-	-
Consolidated Net Sales	5,228.5	2,404.2	117%	17,036.7	9,024.2	89%

Consolidated net sales in the quarter amounted to SEK 5,228.5 million, an increase by 117% or SEK 2,824.3 million compared to the same period last year. The growth was driven by the addition of Easybrain, Gearbox Entertainment, CrazyLabs and Asmodee. Saber Interactive and Koch Media Publishing recorded healthy growth attributed to a solid back catalog and work-for-hire revenue. The decrease in net sales for Coffee Stain is attributable to a very strong comparable quarter last year which included the successful release of *Valheim*.

Growth in business area Games, constant currency, %	Jan–Mar 2022	Apr 2021–Mar 2022
Organic growth	–34%	–7%
Pro forma growth	3%	18%

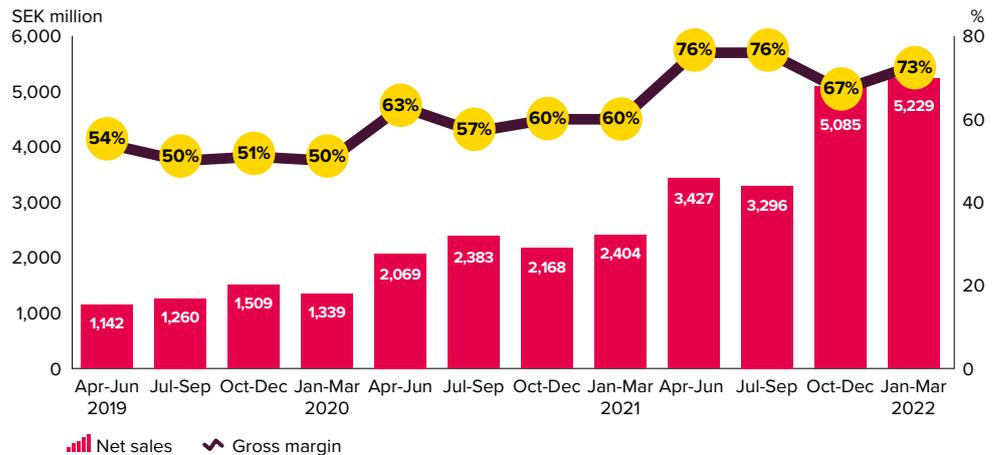
It should be noted that organic growth only covers SEK 1,396 million or 32% of reported net sales in business area games during Q4 21/22. Pro forma growth is calculated as if all units of business area games at the end of Q4 21/22 had been part of the Group in Q4 20/21, thus yielding a higher coverage. The difference between the organic and pro forma growth rates is primarily explained by the strong performance of companies acquired during the year.

Last year's release of *Valheim* in Q4 20/21 was a breakaway success, excluding net sales from *Valheim* in in both periods organic growth was –2% Jan to Mar and –1% Apr to Mar.

The increase in net sales for business area Partner Publishing/Film is mainly due to the partner publishing release of *Dying Light 2* in the quarter.

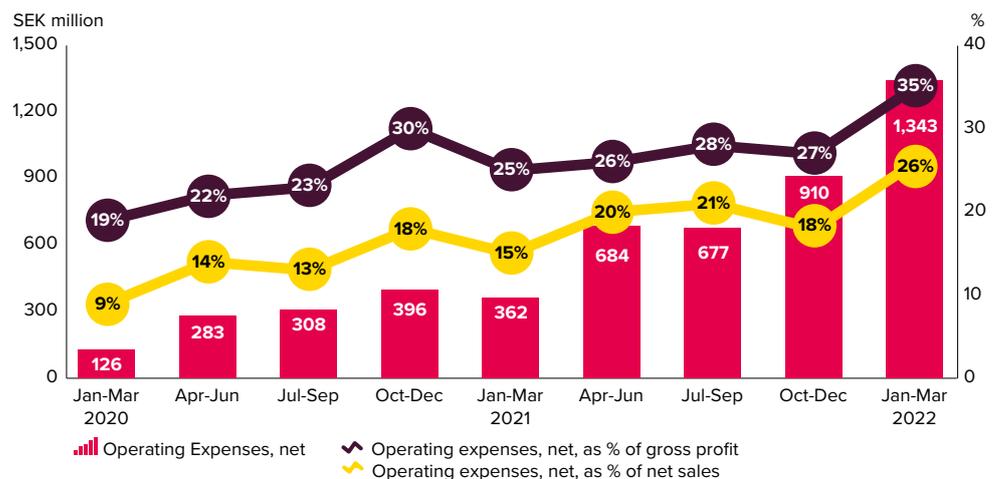


GROSS MARGIN DEVELOPMENT



The gross margin increased compared to last year and amounted to 73% (60%). The higher margin is attributable to the addition of Easybrain and Gearbox Entertainment. The sequential increase from 67% to 73% is due to a product mix shift with a higher share of sales from the Games business area, and a lower share from the Partner Publishing/Film business area.

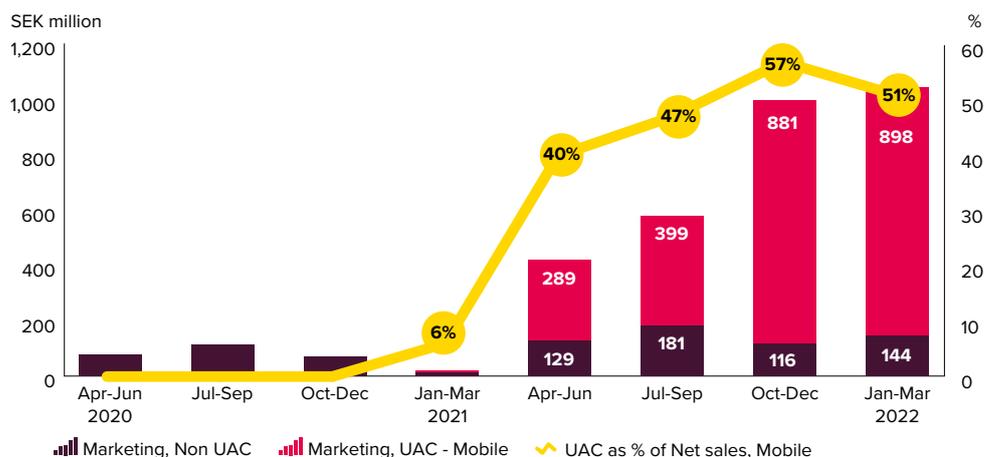
DEVELOPMENT OF OPERATING EXPENSES, NET (SEE DEFINITION, PAGES 50-51)



The increase in net operating expenses compared to last year is mainly explained by the addition of Gearbox Entertainment and Easybrain in April 2021, CrazyLabs in September 2021 and Asmodee in March 2022. The sequential increase in net operating expenses is primarily attributable to the addition of acquired companies Asmodee, Dark Horse and Perfect World. Net operating expenses have further been impacted by SEK 50 million in humanitarian aid and employee support due to the war in Ukraine. Organically, net operating expenses is driven by increased headcount to accompany the growing games portfolio and further strengthen the Group's capabilities.

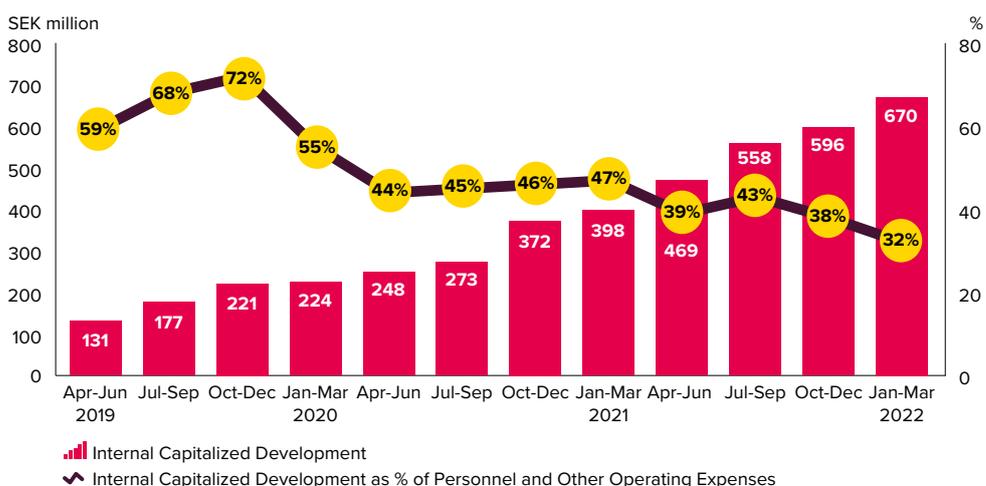
The business model of Gearbox Entertainment includes larger co-publishing projects that are accounted for under the percentage of completion method. Based on the current business models of Easybrain and CrazyLabs, it has been concluded that development expenses should be expensed as occurred. Hence there are no capitalization of development expenses related to Easybrain and CrazyLabs.

DEVELOPMENT OF MARKETING COSTS



The total user acquisition costs (UAC) in the quarter increased slightly compared to Q3 21/22 to further drive organic growth. The UAC as % of Net sales, Mobile decreased due to high sales resulting from a platform deal and a strong performance of new- and established titles. Marketing costs are expensed as occurred and never capitalized, although benefits are expected to be realized over time.

INTERNAL INVESTMENTS – CAPITALIZATION RATE



Investments in on-going game development have increased over time. The capitalization rate has decreased as new business models have been added to the group, notably Saber Interactive, Gearbox and Easybrain. With the additions of Dark Horse and Asmodee this development is expected to be further manifested.

OPERATIONAL DEPRECIATION AND AMORTIZATION EXPENSES

SEK m	Jan-Mar 2022	Jan-Mar 2021	Apr 2021-Mar 2022	Apr 2020-Mar 2021
Intangible assets				
Finalized game development	314.2	201.6	1,052.1	814.9
Other intangible assets (Film etc.)	59.7	54.0	163.3	217.0
Sub-total	373.9	255.6	1,215.4	1,031.9
Tangible assets	34.6	13.7	102.0	41.2
Total operational depreciation and amortization	408.5	269.3	1,317.4	1,073.2



Operational amortizations for finalized game development is driven by the value of completed games and the timing of completion as the amortizations are calculated on a monthly basis.

Operational amortization of games amounted to SEK 314.2 million in the quarter, and the value of finalized game development in the quarter amounted to SEK 262 million. At the end of the quarter the book value of finalized games amounted to SEK 1,202.7 million, where SEK 384.3 million related to Asmodee.

OPERATIONAL EBIT

Operational EBIT amounted to SEK 1,052.4 million in the quarter, yielding a 20% operational EBIT margin compared to 22% in the previous quarter. The lower operational EBIT margin is mainly explained by the margin dilution resulting from the addition of newly acquired businesses. Additionally, the fourth quarter is seasonally weaker for those businesses, which puts further downwards pressure on the margin in the quarter. Other notable explanations are the continued high user acquisition costs and expenses related to the war in Ukraine.

Furthermore, expenses increased due to a continued strengthening of resources and capabilities to accompany the growing games portfolio and overall Group. Asmodee and Darkhorse contributed with SEK 646 million in net sales in the quarter, with an operational margin of approximately 10% each.

ACQUISITION-RELATED AMORTIZATION EXPENSES

SEK m	Jan–Mar 2022	Jan–Mar 2021	Apr 2021– Mar 2022	Apr 2020– Mar 2021
IP-rights	1,177.8	132.0	1,868.0	456.4
Surplus value Partner Publishing/Film	16.2	13.8	57.7	54.1
Goodwill	1,595.7	612.3	6,608.0	1,924.9
Total acquisition-related depreciations	2,789.7	758.1	8,533.7	2,435.4

Forecasted acquisition-related amortizations for the quarter amounted to SEK 2,125 million, which is SEK 664.7 million lower than actual. The difference is mainly explained by the earlier than expected closing of the acquisitions of Asmodee and Dark Horse.

The increase in acquisition-related depreciations resulted from the completion of several acquisitions during the year, most notably Easybrain, Gearbox, Crazy Labs and Asmodee.

PROFIT FROM ASSOCIATED COMPANIES

Profit from associated companies in the quarter amounted to SEK 7.0 million, mainly related to the profit share from Iron Gate that amounted to SEK 6.3 million, which should be viewed together with the gross margin generated.

FINANCIAL NET

SEK m	Jan–Mar 2022	Jan–Mar 2021	Apr 2021– Mar 2022	Apr 2020– Mar 2021
Interest income and similar items	2.7	1.0	5.0	59.2
Interest expenses and similar items	–105.1	–41.3	–280.1	–78.8
Exchange gains/losses net	294.8	180.0	170.4	222.8
Financial net sum	192.4	139.7	–104.7	203.2

Exchange gains/losses net include both realized and unrealized gains or losses. The increase in interest expenses relate mainly to the discount effect on provisions for conditional purchase prices amounting to SEK 571 million in the quarter. The net exchange gain is mainly related to revaluation of provisions for conditional purchase prices.



CONSOLIDATED EARNINGS

The increase of the Group's EBITDA, from SEK 1,172.5 million to SEK 1,472.7 million, and Operational EBIT, from SEK 903.2 million to SEK 1,052.4 million, for the quarter is mainly explained by the increase in net sales and improved gross margin compared to the same period last year.

The increase in Operational EBIT fell through to EBIT but was more than offset by increased acquisition-related amortizations of SEK 2,789.7 million. Consequently, EBIT decreased, from SEK 145.1 million to SEK -1,725.5 million, in the quarter.

CONSOLIDATED CASH FLOW AND FINANCIAL POSITION

MSEK	Jan–Mar 2022	Jan–Mar 2021	Apr 2021– Mar 2022	Apr 2020– Mar 2021
EBITDA, adjusted ¹⁾	1,460.9	1,172.5	5,733.6	3,943.9
Cash taxes paid	-86.0	-116.1	-542.2	-259.4
Other non cash flow items	163.4	136.2	165.4	81.5
Operating Cash Flow	1,538.3	1,192.6	5,356.8	3,766.0
Net investment in intangible assets	-998.3	-598.9	-3,712.2	-2,135.1
Net investment in tangible assets	-99.9	-17.0	-340.7	-69.6
Net investment in financial assets	-61.5	-45.4	-71.7	-9.3
Net investment	-1,159.7	-661.3	-4,124.6	-2,214.0
Free Cash Flow before working capital	378.6	531.3	1,232.2	1,552.0
Change in working capital	51.1	324.5	-1,075.5	133.0
Free Cash Flow after working capital	429.7	855.8	156.7	1,685.0
Cash flow from financing activities	18,058.6	6,866.9	25,025.0	14,725.3
Net investment in acquired companies	-27,914.1	-404.9	-33,770.3	-4,590.8
Cash flow for the period	-9,425.7	7,317.8	-8,588.6	11,819.5

¹⁾ EBITDA, adjusted - EBITDA adjusted for remeasurement of participation in associated companies and contingent consideration.

Investments in intangible fixed assets mainly consist of investments into game development SEK -950.1 million and film rights SEK -41.9 million. Net investments in tangible assets are mainly related to expansion of office equipment and the construction of a logistics center.

The positive cash flow from financing activities is mainly related to increased utilization of existing credit facilities coupled with cash flow from share issue, decided December 2021. Cash flow was used to finance the acquisitions of Asmodee and Dark Horse.

SEK m	Mar 31 2022	Mar 31 2021	Dec 31 2021
Cash and cash equivalents	5,809.8	14,299.9	15,226.6
Unutilized Credit Facility	1,577.9	6,212.7	6,901.3
Available cash and unutilized credit facilities	7,387.7	20,512.6	22,127.9
Net Cash	-14,408.3	12,805.6	12,747.6

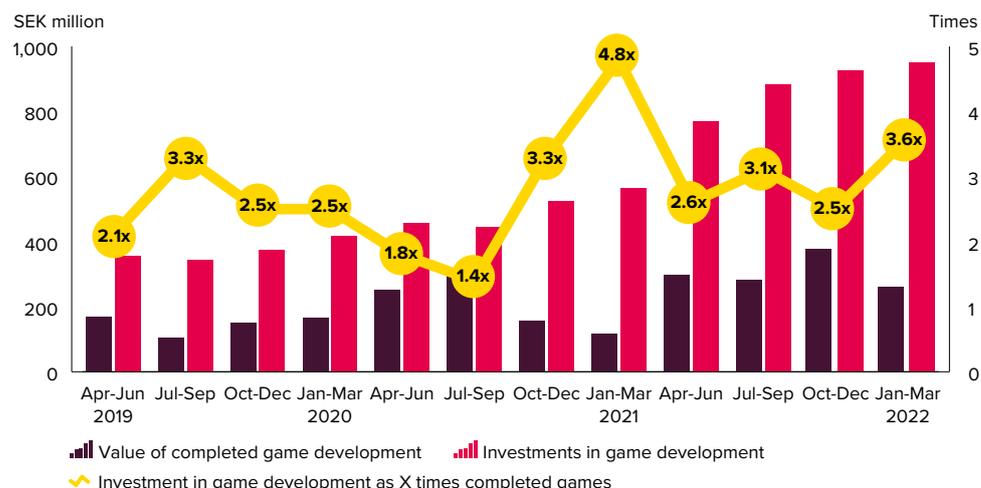
Available funds as per the date of this report amounts to approximately SEK 11 billion.



ONGOING DEVELOPMENT AND COMPLETED GAMES

In total, SEK 950.1 million was invested in game development, the highest amount ever in a single quarter. These investments lay the foundation for sales from future launches. The reason for the increase is twofold; firstly it reflects the efforts put into organically growing the new game development, secondly it reflects a shift from co-publishing projects and work-for-hire towards internal development projects.

The finalized value of the completed and released games during the quarter were SEK 262 million driven by the releases of *ELEX II*, *Expeditions Rome*, *The King of Fighters XV* and *Monster Energy Supercross 5*.



CONDITIONAL PURCHASE PRICE OVERVIEW

As of 31 March 2022 the Group had provisions of SEK 14,546.5 million for earnouts with expected settlement according to the table below.

Provisions for conditional purchase price

Financial year when settlement is expected, SEK m	Provision to be settled		Total
	in cash	by shares	
2022/2023	1,178.1	20.1	1,198.2
2023/2024	499.5	73.1	572.6
2024/2025	662.4	1,733.5	2,395.9
2025/2026	2,270.6	1,482.7	3,753.3
2026/2027	848.3	272.6	1,120.9
2027/2028	2,255.7	2,629.8	4,885.5
2028/2029	214.9	56.4	271.4
2029/2030	172.1	0.0	172.1
2030/2031	68.6	27.0	95.6
2031/2032	0.0	81.1	81.1
Total	8,170.3	6,376.3	14,546.5

The present value of the additional purchase prices has been calculated based on expected outcome based on financial and operational targets for each individual agreement. The provisions will vary over time depending on, among other things, the degree of fulfillment of the conditions for the additional purchase prices, the development of certain exchange rates versus the Swedish krona and interest rate. Provisions to be settled by shares are further dependent on the development of Embracer's share price. This means that the number of shares to be paid as additional purchase price can vary but never exceed 94,247,241 according to the earnout agreements. If all shares are issued, the dilution in capital will amount to 7.69% and 5.16% of the voting rights as of 31 March 2022.



The provision settled in shares was 2,161.8 million higher 31 March 2022 compared to 31 December 2021 primarily driven by the acquisition of Asmodee offset by the decrease in the Embracer share price (79.4 as of 31 March 2022 compared to 96.5 as of 31 December 2021).

Million shares	Nr clawback shares released							Total
	22/23	23/24	24/25	25/26	26/27	27/28	28/29	
Release of clawback shares	34.4	16.1	2.6	51.1	6.2	4.3	2.0	116.8

In addition to provisions for conditional purchase price the Group has issued shares with clawback rights. Out of the 1,131.5 million shares outstanding there are approximately 116.8 million shares with clawback rights as per 31 March 2022. These shares have already been issued to cover for future earnout obligations.

Million shares	Nr of shares released from lock-up							Total
	22/23	23/24	24/25	25/26	26/27	27/28	>28/29	
Closing shares	39.0	30.3	0.7	0.1	0.0	0.0	0.0	70.1

The Group had 70.1 million closing consideration shares subject to lock-up as of 31 March 2022.

INTANGIBLE ASSETS

At the end of the quarter the Group had intangible assets as specified below:

SEK m	Mar 31 2022	Dec 31 2021	Mar 31 2021
Completed games	1,202.7	859.2	512.6
Ongoing game development projects	5,990.6	5,072.5	3,182.2
Other intangible assets (film etc.)	379.2	242.1	180.2
Intangible assets	7,572.5	6,173.8	3,875.0
IP-rights	22,316.4	3,450.9	1,575.2
Partner Publishing/Film	113.2	93.4	135.5
Goodwill	46,068.9	29,494.7	10,804.2
Acquisition related intangible assets	68,498.5	33,039.0	12,515.0
Total	76,071.0	39,212.9	16,390.0

Intangible assets as per 31 March 2022 includes Asmodee with SEK 384.3 million in Completed games, SEK 46.1 million in Ongoing game development projects and SEK 111.7 million in Other intangible assets.



PRELIMINARY PURCHASE PRICE ALLOCATION (PPA)

During the quarter Embracer closed the following acquisitions; Perfect World, A Creative Endeavour, metricminds, Dark Horse, Asmodee, DPI, Invisible Walls. The acquired companies have been included into Embracer's consolidated financial reporting from each respective closing date. During the quarter the PPAs for Gearbox, Easybrain, Aspyr, Zen Studios, A Thinking Ape and IUGO were finalised. A summary of the preliminary purchase price allocations is provided below:

SEK m	Jan–Mar 2022	Adjustments prel PPA	Total Jan– Mar 2022	Apr 2021– Mar 2022
On-going game development	165	19	183	430
Finished game development	407	0	407	520
IP-rights/Trademarks	6	0	6	–72
Other intangible assets	126	0	126	147
Total intangible assets	704	19	722	1,026
Total financial assets	913	–9	904	1,152
Total tangible assets	168	–2	165	256
Net working capital	876	–52	824	323
Cash and cash equivalents	1,442	2	1,444	2,598
Provisions	–1,645	–13	–1,658	–1,733
Minority	–191	0	–191	–191
Other long term liabilities	–569	1	–568	–643
Total net assets acquired excl. surplus value	1,696	–54	1,642	2,789
<i>Surplus value allocated to:</i>				
Goodwill	20,873	–3,151	17,722	40,920
IP-rights, Trademarks and Other	17,143	3,322	20,465	23,104
Deferred tax liabilities	–4,299	–531	–4,830	–5,253
Total surplus value net of taxes	33,717	–360	33,357	58,771
Total net assets acquired	35,413	–415	34,998	61,559
Acquired cash	–1,442	–2	–1,444	–2,598
Upfront consideration paid by shares issued	–3,492	–9	–3,500	–12,540
Shares issued under clawback (Earnout)	–7	0	–7	–2,259
Provisions for conditional purchase price (Earnout)	–2,564	398	–2,166	–10,424
Transactions with minority	0	0	0	–30
Other	0	0	0	–14
Net cash outflow on acquisition of business	27,908	–27	27,881	33,694
Cash outflow relating to earlier acquisitions	0	35	35	78
Total Net cash outflow on acquisition of business	27,908	7	27,916	33,772

FORECAST

Operational EBIT

Forecasted Operational EBIT for the financial year 2021/22 was SEK 4,300 million to SEK 4,700 million. Actual Operational EBIT for the corresponding period amounted to SEK 4,416 million. Asmodee and Dark Horse contributed with SEK 74 million in Operational EBIT. Actual performance is well in-line with forecast if excluding the contribution from Asmodee and Dark Horse despite the negative effect of SEK 50 million for humanitarian and employee support related to the war in Ukraine.

Management reiterates the forecasts for Operational EBIT the coming financial years:

Financial year 22/23	SEK 9,200 to SEK 11,300 million
Financial year 23/24	SEK 10,300 to SEK 13,600 million

The forecast for the financial years 2022/23 and 2023/24 excludes Lost Boys, Beamdog, Eidos/Crystal Dynamics.

The operating groups experience seasonality as part of their business to a varying extent. Consequently, the operational EBIT contribution should not be expected to be linear through the financial year. On Group level, the first quarter (April-June) is typically the financially weakest reflecting a generally lower gaming activity during the spring and early summer, an effect more pronounced for PC/Console Gaming. The activity normally increases during the second quarter (July-September) and culminates during the third quarter (October-December) as the Christmas season drives demand, most notably for Tabletop Gaming, Mobile Gaming and Partner Publishing. Thereafter demand recoils during the fourth quarter (January-March) for Tabletop Gaming and Mobile Gaming in particular. While it is relevant to consider normal seasonal patterns, deviations frequently occur. PC/Console Gaming is particularly prone to deviate as the timing of individual titles released affect the quarterly outcome more than anything else.

Acquisition related amortizations

The forecast includes acquisitions that are announced, but not yet closed. The forecast is based on the average exchange rates for the fiscal year ending 31 March 2022. The forecast is based on the purchase price allocations as per 19 May 2022, which contain both preliminary and finalized purchase price allocations. Consideration shares related to transactions that were not closed per 31 March 2022 are valued at the VWAP as set forth in the relevant share purchase agreement.

SEK m	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	Total
Amortization related to acquisitions closed 2022-03-31	15,978	15,728	15,395	13,662	7,606	0	68,368
Amortization related to acquisitions to be closed after 2022-03-31	623	889	889	889	889	266	4,445
Non-operational Depreciations and Amortizations	16,601	16,617	16,283	14,551	8,495	266	72,813

DEPENDENCY ON FOREIGN EXCHANGE RATES

Embracer Group operates on a global market and reports financial performance in SEK and thus has a dependency towards foreign currencies, mainly USD and EUR. The Swedish krona (SEK) has strengthened during the year versus USD and EUR. Everything else being equal, this has a negative impact on net sales in SEK. However, organic growth in net sales in local currency would not be affected.

The consolidated equity of the group increased with SEK 1,176.7 million in translation differences from 1 April 2021 to 31 March 2022. The translation differences are mainly related to the revaluation of net assets in subsidiaries to the exchange rate per 31 March 2022.



FINANCIAL LEVERAGE POLICY

The Board of Directors maintains a prudent financial leverage policy for the group, reiterating the existing target. Financial leverage can temporarily be allowed to exceed 1.0x net debt to operational EBIT, where operational EBIT is measured as management's pro forma expectations for the coming twelve months. Under such circumstances, leverage should at least return to below 1.0x net debt to operational EBIT over the medium term.

PARENT COMPANY

The Parent Company's net sales for the quarter were SEK 105.9 million (167.9) and profit before tax was SEK 324.5 million (750.0). Profit after tax was SEK 293.0 million (597.2).

Investments in intangible assets in the quarter were SEK 0.6 million (62.5).

Cash and cash equivalents as of 31 March 2022 were SEK 1,482.7 million (12,393.6).

The Parent Company's equity at the end of the period was SEK 46,932.3 million (26,053.0).



Lars Wingefors Johan Ekstöm



SIGNIFICANT EVENTS DURING THE QUARTER

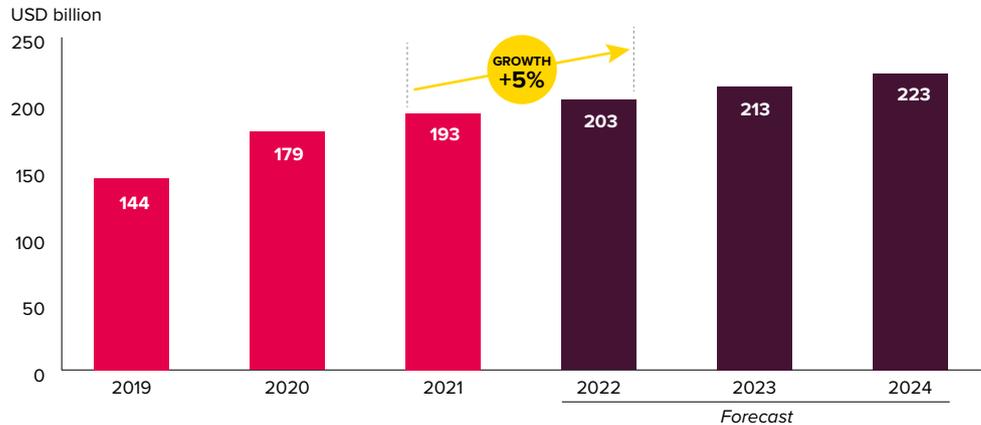
- > On 15 December 2021, Embracer Group AB ("Embracer") entered into exclusive negotiations to acquire Financière Amuse Topco SAS ("Asmodee") from funds advised or managed by PAI Partners SAS ("PAI") and other shareholders of Asmodee. On 17 January 2022 Embracer, PAI and the other shareholders of Asmodee entered into a share purchase agreement to complete the transaction. On 8 March 2022, all conditions for the transaction, including regulatory approvals such as merger control clearance, were fulfilled and the transaction was completed. As from the same date, Asmodee was consolidated into Embracer Group's accounts, and now operates as a separate operative group.
- > On 24 February 2022, Russia invaded neighboring Ukraine and an inhumane and aggressive war broke out. On 15 March 2022, Embracer provided an update on the situation in Ukraine through an open letter from the CEO. By mid-May, the war had the following direct effects on Embracer Group:
 - > By the end of 2021 Embracer Group engaged approximately 250 people in Ukraine, 1,000 in Russia, and 250 in Belarus. The employees in the affected regions mainly do game development or related support services and most of the employees have been able to carry out their normal work. Many employees and family members have been relocated. Key functions in development, tech, business intelligence and user acquisition have been relocated primarily to Portugal, Cyprus and Poland.
 - > Publishing and intellectual properties are owned and managed by companies outside the region.
 - > The Group does not have significant assets in these territories other than invaluable human resources.
 - > Embracer does not have any direct consumer sales in Ukraine, Russia, or Belarus. Consumer sales are made through third parties which has historically represented approximately 1% of global net sales.
 - > During the quarter SEK 50 million was contributed to humanitarian aid, including esteemed organizations such as the International Committee of the Red Cross, SOS Children's Villages, and ACT Alliance among others.
 - > Sanctions put in place against Russia and Belarus have not targeted the business activities of Embracer to date. This may of course change, should further sanctions be put in place and Embracer Group has worked tirelessly with business continuity actions since the war broke out.

The goal is to enable the employees to work safely and live in an environment free of physical or political dangers. Hard work has been, and will continue to be, put in to achieve this goal.

THE GAMES MARKET

The underlying market conditions remain strong across all sectors. Newzoo predicts that the global games market will continue to grow at a CAGR of 9% per annum during the 2019-2024 period and reach USD 223 billion in 2024.

GLOBAL GAMES REVENUE



The war in Ukraine

On the humanitarian side, the games industry has proved to be highly proactive and generous with hundreds of millions of dollars donated to relevant charities (including a USD 5 million contribution made by Embracer Group). Despite difficult to estimate, the crisis will have a negative impact in the games markets in both Russia and Ukraine.

The value of the Russian games market, including mobile, PC and console sectors in 2021, is estimated at approximately USD 2 billion by Newzoo, representing 1% of the global market value. Many games companies have ceased trading with Russia, and the key digital stores, such as Steam and PlayStation Store, although available to access, have limited ability to purchase items. The mobile market has also been affected as Russian consumers are no longer able to make purchases from Apple's App store or Google Play store.

Broadening market

The pandemic has added fuel to the already growing popularity of gaming. There are more people playing games than ever before, now totaling 3 billion gamers globally. In 2021, the number of gamers increased by 5% (Newzoo).

Gaming in general is attracted by an ever widening audience. According to recent research into the European consumer (by Interactive Software Federation of Europe):

- > Half of the population (aged 6-64 years) play video games.
- > The average age of the gamer is 32 years.
- > Female gamers make up almost half (47%) of all gamers and, in mobile gaming specifically, make up for over half (53%).

A recent survey of American gamers (by ESA in 2021) also demonstrated how gaming has broadened its audience as well as make positive contributions to people's lives. Some key findings in the survey were:

- > More than two-thirds of Americans play video games.
- > Video games is seen as a positive source of relaxation, comfort, and connection particularly during recent difficult times.



- > People are also increasingly playing together. More than 75% of US players play video games with others, online or in person, at least weekly (up from 67% in 2020). And playing together is a family affair too, as 74% of parents play games with their children at least weekly (up from 55% in 2020).
- > And over half (54%) of gamers say that they have met people through video games that they otherwise would not have met.

Transmedia trends

Many entertainment organisations are developing content around gaming IPs and most big tech entertainment companies (Google, Amazon, Netflix etc.) are engaging in gaming in some way. From within Embracer Group, one example includes the forthcoming Borderlands movie. This proves the value in brand building and the monetisation possible across several media from having a stable of strong gaming IPs. In this respect, Embracer Group are well placed and reinforced further by the addition of Dark Horse Comics and their IP-rich catalog. The addition of the large board games company, Asmodee, will also enable the use of gaming IPs across yet another media.

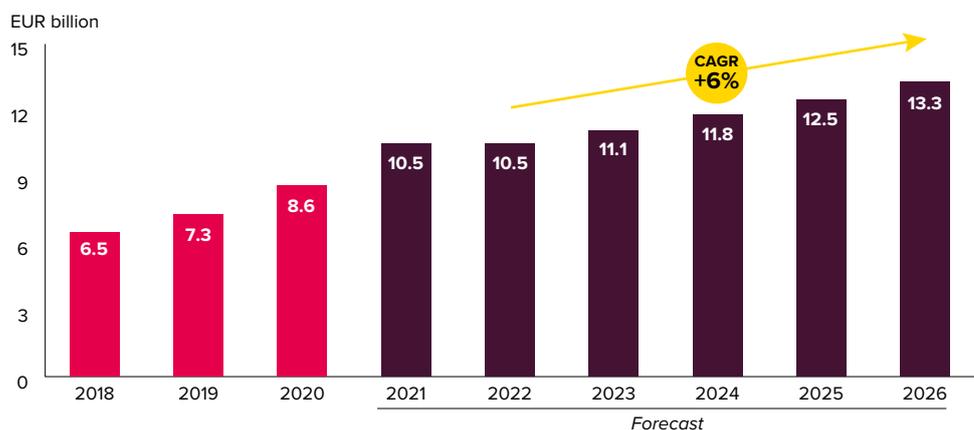
Board games market

The global board games market is valued at EUR 11 billion in 2021 (Asmodee Market Research, 2021). It is also seeing high growth, increasing by 19% in 2020 and a further 22% in 2021, an impressive feat considering the fierce competition for consumers' entertainment time.

The evolution from nerd culture to mainstream culture has transformed the industry from a niche hobby to a true mass market sector for all. Like video games, it is used as a medium to socialize amongst friends and family.

Looking forward, the expectation is a CAGR growth rate of 6% per annum for the period for 2022-2026 (Asmodee Market Research, 2021). The growth expectation is attributable to several factors such as shorter game duration, the use of more modern IPs, new formats (such as games for couples and party games for adults) as well as the natural word-of-mouth effect that comes from a multi-player experience.

GLOBAL BOARD GAMES AND COLLECTIBLE CARD MARKET





Comic book and publishing market

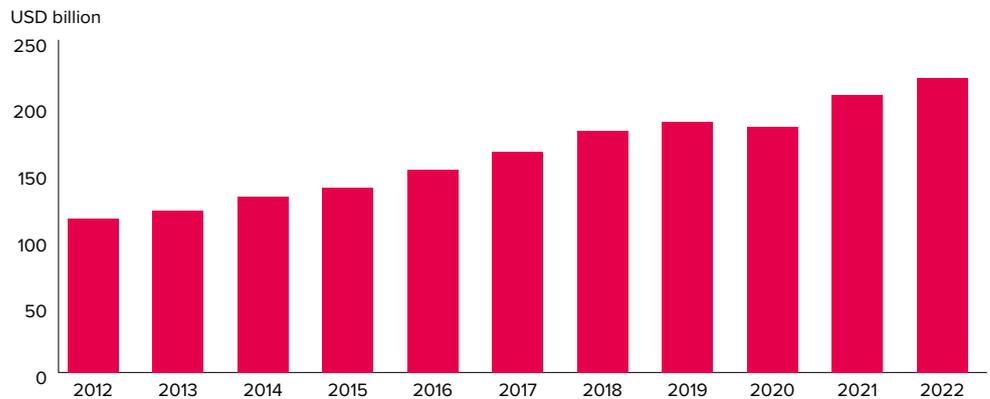
US book publishers have experienced strong sales during the past two years with revenues growing by 21% in 2020 (a record year for the industry) and by 10% in 2021 (NPD Bookscan). Growth was most noticeable in back catalog titles, a sharp contrast for a sector normally dominated by new releases. Looking at sales by category, growth has been especially strong in comics and graphic novels. Retail sales of comics and graphic novels in the US grew by 140% in 2021 (NPD Bookscan).

Within the comic book sector specifically, although total global market values and performance indicators are unknown, a good benchmark is the US direct market comic book sector which reached USD 0.6 billion in 2021, representing an impressive 36% growth (Comichron), despite supply chain disruptions and major distribution changes. Embracer Group is represented in the comic book market through the acquisition of Dark Horse.

Entertainment sector

Content expenditure by commercial and public service broadcasters bounced back in 2021 after a weak year in 2020 due to the pandemic. The growth is driven by subscription video-on-demand platforms such as Netflix, HBO Max, Disney+ and Amazon Prime. The global spend on content reached USD 220 billion in 2021, representing a growth rate of 14% (Ampere Analysis). The largest investment in content comes from Netflix, Disney and Comcast, with total expenditure set to exceed USD 230 billion in 2022 (Ampere Analysis). Dark Horse Entertainment is well positioned to take advantage of that significant spend with projects in production, or in development, with Netflix, Warner Bros, Universal, Amazon, Paramount, Sony and AMC.

GLOBAL CONTENT SPEND



Source: Ampere Markets – Content
Note: All spend data is on a P&L basis

HQ
Vienna, Austria 
 INTERNAL HEADCOUNT
988 (727)
 STUDIOS
21 (16)



THQ NORDIC

BUSINESS AREA: GAMES – THQ NORDIC

Business area Games – THQ Nordic released the following new products in the quarter January–March 2022:

Title	Publishing Label	IP Owner	Platforms	Channels
<i>Expeditions Rome</i>	THQ Nordic	Own	PC	Digital & Physical
<i>ELEX II</i>	THQ Nordic	Own	PC, PS4, Xbox One, PS5, XSX	Digital & Physical
<i>El Hijo - A Wild West Tale</i>	Handy Games	External	Mobile: Android, IOS	Digital
<i>Townsmen VR</i>	HandyGames	Own	PC	Digital
<i>Chicken Police - Paint it red</i>	HandyGames	External	PS5, XSX	Digital

Net sales of business area Games – THQ Nordic amounted to SEK 328.3 million (354.6) including SEK 20.9 million net sales for Amplifier Game Invest.

Sales were driven by solid performances from the back catalog titles *Spongebob Squarepants: Battle for Bikini Bottom Re-Hydrated*, *Wreckfest* and *Biomutant*.

New releases during the quarter included *ELEX II*, developed by internal studio Piranha Bytes, which contributed a profit in quarter, but underperformed versus management expectations. Another release, *Expeditions Rome*, developed by the external studio Logic Artists was well received by players and critics. Both *ELEX II* and *Expeditions Rome* are expected to be long tail sellers. The announced upcoming release of *Way of the Hunter* has gained considerable attention from both fans and critics.

In the quarter, THQ Nordic announced and closed the acquisition of metricminds, a Frankfurt based service provider renowned for its animated content, and its team of more than 40 employees.

During the upcoming financial year, the much-anticipated sequels *Spongebob Squarepants: Cosmic Shake*, *Destroy All Humans 2 Reprobed* and *MX vs ATV Legends* are planned for release.

THQ Nordic Singapore PTE LTD was established and operations commenced during March. The entity, with a current headcount of two, will function as the extended arm of the Vienna based Marketing- & PR-team and will focus on the Southeast Asia region.

CONTINUED >>



STUDIOS



Alkimia Interactive
Barcelona, Spain



Appeal Studios
Charleroi, Belgium



Ashborne Games
Brno, Czech Republic



Black Forest Games
Offenburg, Germany



Bugbear Entertainment
Helsinki, Finland



Experiment 101
Stockholm, Sweden



Gate 21
Sarajevo, Bosnia Herzegovina



Grimlore Games
Munich, Germany



Gunfire Games
Austin, USA



HandyGames
Giebelstadt, Germany



KAIKO
Frankfurt, Germany



Massive Miniteam GmbH
Cologne, Germany



metricminds GmbH
Frankfurt, Germany



Mirage Game Studios
Karlstad, Sweden



Nine Rocks Games
Bratislava, Slovakia



Pieces Interactive
Skövde, Sweden



Piranha Bytes
Essen, Germany



Pow Wow Entertainment
Vienna, Austria



Purple Lamp
Vienna, Austria



Rainbow Studios
Phoenix, USA
Montréal, Canada

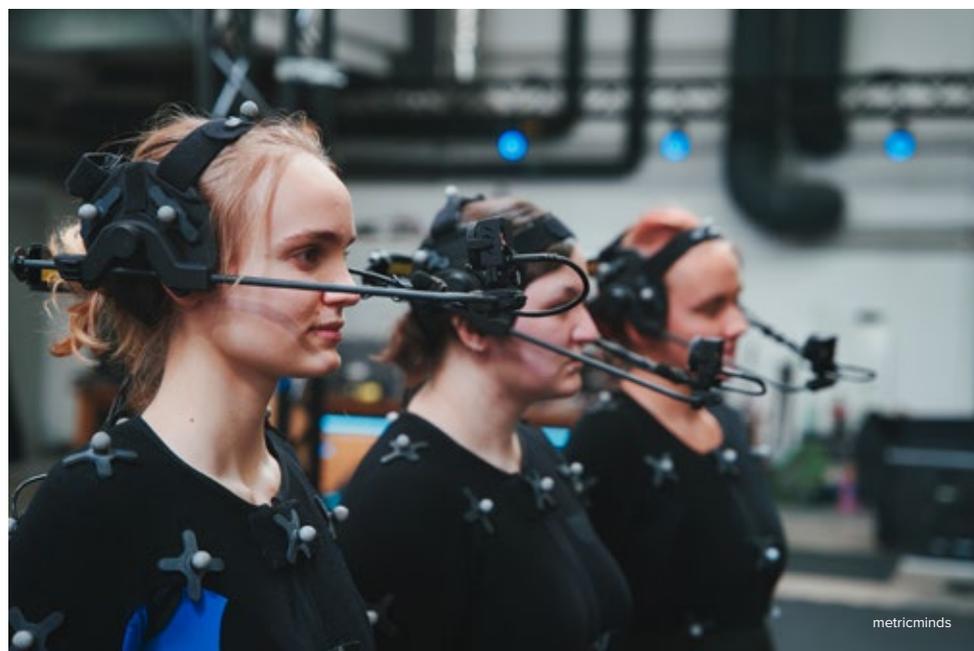
PUBLISHERS



THQ Nordic
Vienna, Austria



HandyGames
Giebelstadt, Germany



metricminds

HQ
Munich, Germany 

INTERNAL HEADCOUNT

2,274* (1,976*)

STUDIOS

13 (10)

*Incl total Koch Media Group
(all internal studios, publishing
units, Koch films etc.)

KOCH MEDIA

BUSINESS AREA: GAMES – KOCH MEDIA PUBLISHING

Business Area: Games – Koch Media Publishing released the following new products in the quarter January–March 2022:

Title	Publishing Label	IP Owner	Platforms	Channels
<i>Monster Energy Supercross 5</i>	Milestone	External	PC, PS4, PS5, Switch, XSX	Digital & Physical
<i>After the Fall</i>	Vertigo Games	Own	PS4	Physical
<i>Shadow Warrior 3</i>	External	External	PC, PS4, Xbox One	Digital
<i>The King of Fighters XV</i>	Koch Media & External	External	PC, PS4, PS5, XSX, Xbox One	Digital & Physical

Net sales for business area Games – Koch Media Publishing increased by 17% to SEK 543.3 million (464.9).

The main revenue driver for the quarter was solid back catalog performance, which exceeded management’s expectations. The strongest titles in the back catalog were *Hot Wheels Unleashed*, developed and published by Milestone, and the evergreen title *Metro Exodus*, developed by 4A Games and published by Deep Silver. The new release *The King of Fighters XV* from SNK, where Koch Media is the publisher worldwide excluding Japan, exceeded management expectations, whereas the release of *Monster Energy Supercross 5* performed according to management’s expectations.

The recent release *Chorus*, a new IP that has been developed by Deep Silver’s studio Fishlabs and published by Deep Silver, was awarded the Best German Game of the Year. Recently, DigixArt won 5 awards for *Road 96* at the Pegasus French Game Awards: Best Indie Game, Best Narrative Design, Best Sound Design, Best Accessibility and Beyond Video Game. This game is published by Ravenscourt. *Hot Wheels Unleashed* was one of the finalists in the Racing Game of the Year category at the 25th Annual D.I.C.E. Awards.

Notable releases in the first quarter of the financial year include *MotoGP 22*, *Dolmen* and *Crossfire: Legion*.

Looking ahead, notable releases in the second quarter of the financial year, ending in September will include the long-awaited game *Saints Row*, developed by the internal studio Deep Silver Volition. After the period, Deep Silver Volition presented a trailer of the customization feature in *Saints Row* which received an enthusiastic response from fans.

STUDIOS



Deep Silver
Dambuster Studios
Nottingham, U.K



Deep Silver FishLabs
Hamburg, Germany



Deep Silver Volition
Champaign, USA



DigixArt
Montpellier, France



Flying Wild Hog
Warsaw, Poland
Krakow, Poland
Rzeszów, Poland



Vertigo Games
Amsterdam, Netherlands
Rotterdam, Netherlands



Free Radical Design
Nottingham, U.K



Milestone
Milan, Italy



Voxler
Paris, France



Warhorse Studio
Prague, Czech Republic

PUBLISHERS



Deep Silver
London, U.K



Milestone
Milan, Italy



Prime Matter
Munich, Germany



Ravenscourt
Munich, Germany



Vertigo Games
Rotterdam, Netherlands

HQ
 Skövde, Sweden 
 INTERNAL HEADCOUNT
 123 (76)
 STUDIOS
 7 (4)



BUSINESS AREA: GAMES – COFFEE STAIN / GHOST SHIP GAMES

Business area Games – Coffee Stain / Ghost Ship Games released the following new product in the quarter January–March 2022:

Title	Publishing Label	IP Owner	Platforms	Channels
<i>Midnight Ghost Hunt</i>	Coffee Stain Publishing	Shared	PC	Digital

Net sales for business area Games – Coffee Stain / Ghost Ship Games decreased by 78% to SEK 171.2 million (780.9).

The decrease is explained by the difficult comparison due to the overwhelming success of the *Valheim* release the previous year. *Valheim* has to date been sold in 10 million copies. Sales during the quarter were in line with management’s expectations and driven by continued strong back catalog performances by *Deep Rock Galactic* followed by *Valheim*, *Satisfactory* and *Goat Simulator*.

During the quarter, *Deep Rock Galactic* exceeded 10 million accumulated downloads and was awarded the Best Live Game by the Danish Spilprisen 2022.

Ghost Ship Games made a minority investment in the Danish studio Half Past Yellow in the quarter and increased its minority ownership in Ugly Ducking. Half past yellow is a small independent game development studio based in Copenhagen, striving to constantly experiment and push the boundaries of what makes games fun, the studio is working on their first game. Ugly Ducking Games focuses on creating engaging games for use in teaching.

Deep Rock Galactic – The Board Game launched a very successful fundraiser on Kickstarter, raising more than USD 2.5 million. Asmodee has signed a global distribution deal with Ghost Ship Games for *Deep Rock Galactic – The Board Game*.

On the last day of the quarter *Midnight Ghost Hunt* from the external studio Vaulted Sky Games was released through Early Access on Steam, and was well received by both critics and fans. After the reporting quarter, the release of *Songs of Contest* from the internal studio Lavapotion was also well received by the gaming community.

STUDIOS



Coffee Stain Studios
 Skövde, Sweden



Coffee Stain Studios
 Malmö, Sweden



Coffee Stain North
 Stockholm, Sweden



Box Dragon
 Gothenburg, Sweden



Easy Trigger Games
 Trollhättan, Sweden



Ghost Ship Games ApS
 Copenhagen, Denmark



Lavapotion
 Gothenburg, Sweden

PUBLISHERS



Coffee Stain Publishing
 Stockholm, Sweden

ASSOCIATED STUDIOS



Iron Gate
 Skövde, Sweden



BUSINESS AREA: GAMES – AMPLIFIER GAME INVEST

Net sales for Business Area: Games – Amplifier Game Invest amounted to SEK 20.9 million (18.4). Amplifier Game Invest is consolidated in business area Games - THQ Nordic.

Amplifier Game Invest contributed notably to THQ Nordic’s revenue by royalties from the games *Little Nightmares 1* and *Little Nightmares 2*.

During the quarter, Amplifier Game Invest closed the acquisitions of A Creative Endeavor and Invisible Walls. The studio Invisible Walls, a Copenhagen-based studio with 15 experienced employees, will add expertise on the social strategy game genre to the group. Their game *FIRST CLASS TROUBLE*, with more than 1.5 million downloads on PC and PS+, was awarded “Best Debut game” at the Danish Spilprisen 2022. The studio A Creative Endeavor, ACE, founded 2012 and based in Gothenburg, Sweden, became Amplifier’s first wholly owned mobile game studio. ACE has released several titles with a combined total of more than 75 million downloads, including the hugely popular hit-title *Hooked Inc*. It currently employs a team of 8 developers.

Amplifier Game Invest consists of 19 wholly or partly owned studios that are run by industry veterans, and these studios are gradually building a pipeline of exciting games, typically based on new IPs.

STUDIOS



C77
 Bellevue, USA



A Creative Endeavour
 Gothenburg, Sweden



Destiny Bit
 Ravenna, Italy



Frame Break
 Skövde, Sweden



Goose Byte Studio
 Montréal, Canada



Green Tile Digital
 Skövde, Sweden



Invisible Walls
 Copenhagen, Denmark



Misc Games
 Sandnes, Norway



Palindrome Interactive
 Skövde, Sweden



Plucky Bytes
 Karlstad, Sweden



Rare Earth Games
 Vienna, Austria



River End Games
 Gothenburg, Sweden



Silent Games
 Newcastle, UK



Tarsier Studios
 Malmö, Sweden



Vermila Studios
 Madrid, Spain



Zapper Games
 Durham, USA

ASSOCIATED STUDIOS



Framebunker
 Copenhagen, Denmark



Kavalri Games
 Stockholm, Sweden



Neon Giant
 Uppsala, Sweden



BUSINESS AREA: GAMES – SABER INTERACTIVE

Business area Games – Saber Interactive released the following new product in the quarter January–March 2022:

Title	Publishing Label	IP Owner	Platforms	Channels
<i>Pinball FX</i>	Zen Studios	Own	PC (Epic)	Digital

Net sales for business area Games – Saber Interactive increased by 65% to SEK 448.0 million (270.7).

A strong back catalog and work-for-hire were the main contributors to sales in the quarter, further emphasizing the importance of the work-for-hire business as a source for sales for Saber. The back catalog was supported by solid sales performance for *Insurgency Sandstorm*, *Snowrunner* and *WWZ Aftermath*. All available development and service resources are fully utilised and demand outlook remains strong for the coming years.

Currently, Saber’s studios are combined working on seven AAA projects and numerous smaller sized development projects with both internal and external publishers.

On Friday, May 13, 2022 the highly anticipated *Evil Dead: The Game*, developed at Saber Madrid, was released on PC, Xbox One and Series X, PS4, PS5 and Nintendo Switch. The game was well received by both fans and critics.

After the quarter, Saber’s wholly owned PR and influencer relations agency Sandbox Strategies was announced as the winner in the US GamesIndustry.biz “small companies” - Best Places To Work Awards 2022.

After the quarter, Aspyr, which is part of the Saber operative group, signed and announced the acquisition of Canadian-based Beamdog with a team of 80 employees. Beamdog is known for its work on the beloved role-playing games in the Dungeons & Dragons universe.

STUDIOS

 34 Big Things Turin, Italy	 4A Games Kiev, Ukraine Silema, Malta	 Bytex Saransk, Russia	 Demiurge Studios Cambridge, USA	 DIGIC Pictures Budapest, Hungary <i>(Acquired after the quarter)</i>
 Fractured Byte Tallinn, Estonia	 Madhead Games Novi Sad, Serbia	 New World Interactive Calgary, Canada Denver, USA	 Nimble Giant Entertainment Buenos Aires, Argentina Santiago, Chile Lima, Peru Montevideo, Uruguay	 Shiver Entertainment Miami, USA
 Snapshot Games Sofia, Bulgaria	 Slipgate Aalborg, Denmark	 SmartPhone Labs Veliky Novogorod, Russia	 Zen Studios Budapest, Hungary	 Beamdog Edmonton, Canada <i>(Acquired after the quarter)</i>

PUBLISHERS & STUDIOS

 Saber Interactive Vila Nova de Gaia, Portugal Saint Petersburg, Russia Alcobendas, Spain Sundsvall, Sweden Minsk, Belarus	 Aspyr Media Inc Austin, Texas, USA	 3D Copenhagen, Denmark
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HQ
 Berlin, Germany 
 INTERNAL HEADCOUNT
 814 (349)
 STUDIOS
 10 (5)



BUSINESS AREA: GAMES – DECA GAMES

Net sales for business area Games – DECA Games increased by 490% to SEK 615.1 million (104.2).

Reported net sales is heavily impacted by the consolidation of CrazyLabs during this financial year. Performance in the quarter was driven by key contribution of live op's titles including *Phone Case DIY*, *Super Stylist* and *AMAZE* from CrazyLabs and *Party in My Dorm* from A Thinking Ape. CrazyLabs published two new successful hyper casual titles – *Frozen Honey* and *DIY Keyboard*.

The fourth quarter is the seasonally weakest period for CrazyLabs, since the ad monetisation typically is impacted by lower spending. The live operated games in DECA Games were negatively impacted by delays in content updates in recently acquired games, and certain titles, primarily *Gods and Glory*, was adversely impacted by a reduction of revenues from Russia.

DECA Games

January–March 2022

Total installs	290 million
Daily active users (DAU)	21 million
Monthly active users (MAU)	230 million

STUDIOS & PUBLISHERS



DECA Games
 Veliko Tarnovo, Bulgaria
 Berlin, Germany
 Beijing, China
 DECA remote



A THINKING APE
 A Thinking Ape
 Vancouver, Canada



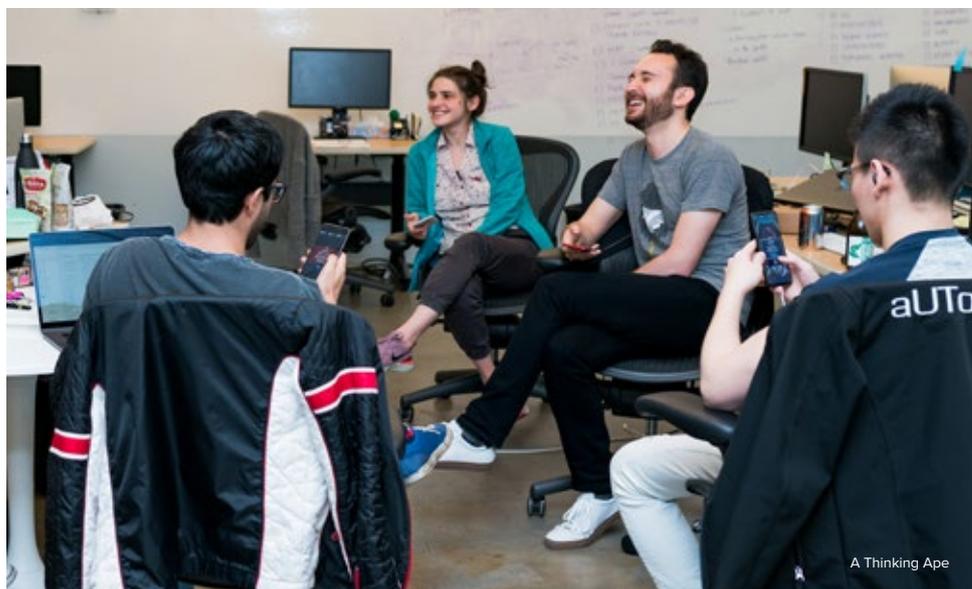
CrazyLabs
 Tel Aviv, Israel
 Luoyang, China
 Skopje, Macedonia



Firescore
 Mumbai, India



IUGO
 Vancouver, Canada



A Thinking Ape

HQ
Limassol, Cyprus



INTERNAL HEADCOUNT

271 (-)

STUDIOS

1 (-)

Easybrain

BUSINESS AREA: GAMES – EASYBRAIN

Net sales for business area Games – Easybrain amounted to SEK 1,134.2 million (-).

Easybrain had a record quarter since joining the group and made the highest contribution of all operative groups within business area Games. The performance exceeded management's expectations. This record performance should also be reviewed in light of the quarter traditionally being seasonally weaker for ads monetization. The performance is explained by an ads mediation platform deal and strong sales of existing live operated titles such as *Blockudoku*, *Sudoku.com*, *Jigsaw Puzzles*, *Nonogram.com* and *Art Puzzles*. Recently released *Number Match* made a healthy contribution to results in the quarter as well. Easybrain has several promising titles in soft launch phase.

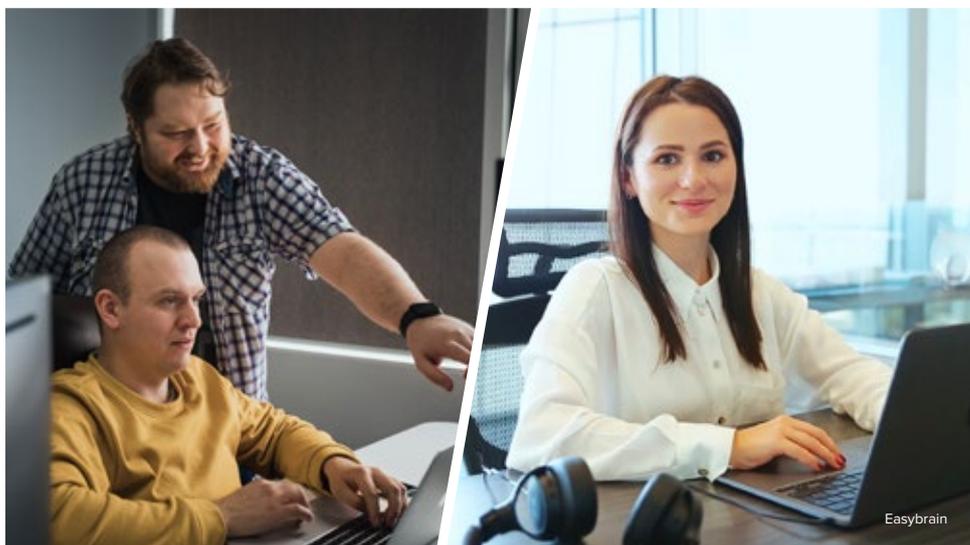
Overall, Easybrain had 8 of the top 25 revenue titles in the wider Embracer Group during the quarter. Daily Active Users (DAU) reached 16 million during the quarter.

Easybrain	January–March 2022
Total installs	95 million
Daily active users (DAU)	16 million
Monthly active users (MAU)	78 million

STUDIOS & PUBLISHERS

Easybrain

Easybrain
Minsk, Belarus
Limassol, Cyprus



HQ
 Frisco, USA 
 INTERNAL HEADCOUNT
 961 (-)
 STUDIOS
 4 (-)



BUSINESS AREA: GAMES – GEARBOX ENTERTAINMENT

Business area Games – Gearbox Entertainment released the following new products in the quarter January–March 2022:

Title	Publishing Label	IP Owner	Platforms	Channels
<i>Astroneer</i>	Gearbox Publishing	External	Switch	Digital
<i>Risk of Rain 2: Survivors of the Void</i>	Gearbox Publishing	External	PC, Stadia, PS4, Xbox One	Digital
<i>Have a Nice Death</i>	Gearbox Publishing	External	PC (Steam)	Digital
<i>Tiny Tina's Wonderlands</i>	External	Shared	PC, PS4, PS5, Xbox One, XBX, XSX	Digital & Physical

Net sales for business area Games – Gearbox Entertainment amounted to SEK 606.1 million (-).

Gearbox Entertainment had a strong ending to the fourth quarter. Gearbox Software together with external publisher 2K Games successfully released *Tiny Tina's Wonderlands*. The game, which was well-received and reviewed by consumers and critics alike, was one of the strongest new IP launches in 2K's history. Sales exceeded management's expectations, however, due to the chosen business model, no royalty revenues for the game were recorded in the quarter. Gearbox will release post-launch content on a regular basis throughout the summer of 2022.

Gearbox Publishing released *Risk of Rain 2: Survivors of the Void* on March 1, 2022, a game that received praise from gamers and saw strong unit sales. Gearbox Publishing San Francisco (previously Perfect World Entertainment) won praise for *Have a Nice Death*, which consumers began playing on March 8, 2022, following an early access release.

Gearbox continues to scale the organization to deliver on its ambitious growth plan, and there are currently nine AAA games under development. After the quarter Gearbox announced the acquisition of Lost Boys Interactive. This innovative studio located in Austin, Texas and Madison, Wisconsin, was a co-developer of *Tiny Tina's Wonderlands*. Lost Boys with its team of more than 220 is working on both co-development for top-tier games and original IPs for PC and console.

STUDIOS



PUBLISHER



HQ

Paris, France



INTERNAL HEADCOUNT

2,346 (-)

STUDIOS

22 (-)



BUSINESS AREA: GAMES – ASMDEE

Net sales contribution of business area Games – Asmodee during that three week period to the Group amounted to SEK 571.2 million.

Embracer Group's acquisition of Asmodee was closed on March 8, 2022, making it the Group's ninth operative group. Asmodee brings an extensive portfolio of more than 300 IPs, 22 board game studios and an extensive distribution network covering over 50 countries.

For the full year 2021/22, Asmodee's net sales increased by 33% to SEK 11.7 billion with growth driven across all geographies. Asmodee had a successful last quarter, outperforming the market with net sales increasing by 19% to SEK 2,580 million. Growth for the quarter was driven in particular by Europe and North America with strong performance of Trading Card Games.

The onboarding and integration of Asmodee is progressing well. So far, work has focused on reporting integration and identifying synergies within Embracer Group. A number of potential synergies have already been identified, including co-publishing and development projects based on Asmodee's IPs with Saber and other group companies and global distribution of the upcoming *Deep Rock Galactic – The Board Game* from Ghost Ship Games.

Asmodee has a strong pipeline of coming releases with a number of new titles that were launched during the past quarter, including titles based on strong licensed franchises: *Marvel Crisis Protocol*, *Lord of the Rings – The Card Game*, *Star Wars X-Wing* and *Star Wars Legion* series.

7 Wonders Architects, developed by Asmodee's Repos Production studio, was recognized at the prestigious Festival International des Jeux in Cannes, winning the As d'Or for Game of the Year 2022. Also in February, *A Game of Cat and Mouth*, developed by the Exploding Kittens studio, was awarded Toy of the Year Awards.

Asmodee also announced a new adult animated series, developed by Exploding Kittens, starring Tom Ellis and Lucy Liu that will be released on Netflix in 2023. A digital version of the *Exploding Kittens card game* will also be released on Netflix's gaming platform in May 2022.

After the period, Asmodee announced Access+, a first-of-its-kind board game studio adapting their popular titles for players with cognitive disorders. It makes top games more accessible and create a welcoming style of play for patients, families and care givers.

CONTINUED >>





STUDIOS



Atomic Mass Games
Roseville, USA



Bezzerrizzer
Hvidovre, Denmark



CATAN Studio
Charlottesville, USA



Days of Wonders
Boulogne-Billancourt, France



EDGE
Saint-Jean, France



Exploding Kittens
Los Angeles, USA



Fantasy Flight Games
Roseville, USA



Gamegenic
Essen, Germany



Libellud
Poitiers, France



Lookout Games
Schwabenheim, Germany



Mixlore
Guyancourt, France



Pearl Games
Frasnes-lez-Anvaing, Belgium



Plan B
Rigaud, Canada



Purple Brain
Boulogne Billancourt, France



rebel
Gdańsk, Poland



Repos Production
Brussels, Belgium



Space Cow
Boulogne Billancourt, France



Space Cowboys
Boulogne Billancourt, France



The Green Board Game Co
London, UK



Unexpected Games
Roseville, USA



Z-Man Games
Roseville, USA



Zygomatic
Boulogne Billancourt, France

DISTRIBUTION



Asmodee Belgium
Kortenberg, Belgium



Asmodee Canada
Rigaud, Canada



Skyship
Santiago, Chile



Asmodee China
Shanghai, China



Asmodee France
Guyancourt, France



Asmodee Germany
Essen, Germany



Asmodee Italia
San Martino in Rio, Italy



Asmodee Korea
Anyang-si, South Korea



Asmodee Nordics
Hvidovre, Denmark



Asmodee Poland
Gdańsk, Poland



Asmodee Spain
Sevilla, Spain



Asmodee Taiwan
Taipei City, Taiwan



Asmodee The Netherlands
Helmond, The Netherlands



Asmodee United Kingdom
London, UK



Asmodee USA
Roseville, USA



Blackfire Czech Republic
Prague, Czech Republic



Blackfire Germany
Ratingen, Germany



Blackfire Romania
Bucharest, Romania



Galapagos
São Paulo, Brazil



Lion Rampant
Ontario, Canada

HQ
Milwaukee, USA



INTERNAL HEADCOUNT

180 (-)



BUSINESS AREA: COMICS AND FILM – DARK HORSE

Net sales for business area Comics and Film –Dark Horse amounted to SEK 74.5 million (-).

Dark Horse Media (DHM) officially become part of the Embracer Group early March 2022 and the onboarding and integration is proceeding according to plan. Dark Horse forms the tenth operative group and strengthens Embracer Group’s transmedia capabilities by adding expertise in content development, comics publishing, and film & TV production. The company is composed of Dark Horse Comics, Dark Horse Entertainment, and the Things From Another World retail chain.

Dark Horse Comics (DHC) was founded in summer of 1986 with the release of Dark Horse Presents #1. Since that time, DHC have grown to be the third largest publisher in the US comics field. Dark Horse Comics publishes comics and graphic novels, traditional prose novels, genre art books, and related pop culture books. Dark Horse includes imprints and divisions related but separate from our traditional publishing model:

- > Dark Horse Digital distributes content through Dark Horse’s own digital storefront, as well as through Comixology/Amazon, iTunes, Android, etc.
- > Dark Horse Deluxe produces toys and collectables for distribution into mainstream and hobby outlets.
- > Dark Horse publications are seen in over 110 countries through the efforts of the Dark Horse licensing division.
- > Our custom publishing division creates publications for outside corporations and organizations.
- > Dark Horse Direct distributes high-end collectables directly to consumers through the DHD website.

DHC outpaced industry performance by a substantial margin over the last several years, even though US book publishers saw record sales in 2020 and 2021. While virtually all categories experienced growth during that period, comics and graphic novels, particularly manga (Japanese titles), were by far the hottest category in publishing.

Major factors in Dark Horse’s success include the strong sales of Art Books, particularly those based on gaming properties, manga titles such as *Berserk*, older “backlist” titles such as the expansive *Hellboy Universe* library, and titles related to popular broadcast and streaming series such as *The Umbrella Academy* and *Stranger Things*.

Merchandise and Collectables

Despite supply chain interruptions and challenges brought upon by the pandemic, demand for Dark Horse Comics merchandise continues to grow. Merchandise and collectibles are split into two separate distribution systems. Dark Horse Deluxe, which is the merchandise wholesale sales department that sells business-to-business (brick and mortar), and Dark Horse Direct, which is the on-line, direct-to-consumer division, selling high-end collectibles directly to our customers.

In the wholesale market, Dark Horse Deluxe products have grown in demand by major retailers such as Best Buy, Target, and Gamestop. In 2021 Dark Horse Deluxe products grew in revenue by 15% (YOY from 2020). In 2021 the direct-to-consumer collectibles division, Dark Horse Direct, increased in revenue sales by 38% (YOY from 2020) and has continued to show steady growth in its customer base, a crucial element for future success. New releases include collectable statues based on gaming IPs such as *Mass Effect* and *The Last of Us*.



Dark Horse Entertainment (DHE) develops and produces films and series based on its properties. DHE has produced over 40 movies and series, including films such as *The Mask*, *Time Cop*, *Hellboy*, *The Legend of Tarzan*, as well as series such as *The Umbrella Academy*, *Resident Alien*, and *Grendel*, now in production. DHE has also produced an Emmy winning documentary, *Mr. Warmth: The Don Rickles Project* and the upcoming *Bill Russell, NBA Legend* documentary. It currently has over three dozen projects in development, nearly all based on Dark Horse content.

With Netflix as an anchor customer, Dark Horse Entertainment is expected to have 6 films or television productions on air during 2022. In total, Dark Horse has projects in production or development at multiple studios in addition to Netflix, including Warner Bros, Universal, Amazon, Paramount, Sony and AMC.

Dark Horse Entertainment's current and upcoming productions include; season 2 of *Resident Alien* on the Syfy Channel/Peacock which began airing in January 2022 and continued as their most watched original series is currently airing a supersized 16 episode season; the Netflix animated feature movie *Chickenhare*, which will drop second quarter of 2022; and the Netflix animated series, *Samurai Rabbit: The Usagi Chronicles* will begin airing April 28th, 2022.

In production now at Netflix are Matt Wagner's legendary comic series *Grendel* and the definitive documentary on Bill Russell, both as athlete and civil rights activist, and season 2, part 2 of *Resident Alien* on Syfy. Other publishing-to film projects include talents such as Bob Odenkirk, Guy Ritchie, and Whoopie Goldberg.

Things From Another World (TFAW) features three brick and mortar stores in Oregon and California, and is supported by an online store, TFAW.com. The chain's flagship retail store is located on CityWalk at Universal Studios In California.

Founded on January 1st, 1980, TFAW offers comic books and related merchandise, toys, model kits, apparel, and entertainment-related product.

During the quarter Dark Horse announced publishing of print editions of the critically acclaimed *comiXology Originals* titles from Scott Snyder's Best Jackett Press. First title, *We Have Demons*, debuted in March and was Diamond Distribution's top advance-reordered book for the month. Dark Horse also announced that they teamed up with filmmaker Kevin Smith who will launch a line of comic books and graphic novels called Secret Stash Press.

Other news includes the TV series based on comic books; season 2 of *Resident Alien* premiered January 26 on Syfy, and season 3 of *The Umbrella Academy* will arrive June 22 on Netflix. Furthermore, Netflix announced an upcoming documentary of the NBA legend Bill Russell from director Sam Pollard in collaboration with Dark Horse.

After the quarter it was announced that the Danish actor Mads Mikkelsen will star in new action-thriller *The Black Kaiser* based on the Dark Horse graphic novel *Polar*, and the long-running comic book *Usagi Yojimbo* premiered April 28 as animated series called *Samurai Rabbit: The Usagi Chronicles* on Netflix. Another announcement after the quarter was that the acclaimed creator Matt Kindt launched the experimental "Flux House" imprint at Dark Horse Comics.

DIVISIONS



Things From Another World
Stores USA: Milwaukie, Oregon
Beaverton, Oregon
Los Angeles, California



Dark Horse Comics
Milwaukie, Oregon, USA



Dark Horse Entertainment
Los Angeles, California, USA



HQ

Munich, Germany



INTERNAL HEADCOUNT

2,274 (1,976)

Incl total Koch Media Group (all internal studios, publishing units, Koch films etc.)



koch films

BUSINESS AREA: PARTNER PUBLISHING/FILM

Net sales for business area Partner Publishing/Film increased 72% to SEK 736.5 million (429.0).

Partner Publishing/Film had another strong quarter, driven by the release of *Dying Light 2* from Techland and solid back catalog.

During the quarter Koch Media announced and closed the acquisition of the game merchandise specialist DPI Logistics LLC (“DPI”) based in Colorado and Oregon, with a team of 40 and led by Angela McReynolds. Established in 2003, DPI has extensive experience in the video game and entertainment industries with their unique style of physical and digital creativity designing and manufacturing Collector’s Editions.

Sales in the film segment were slightly lower than in the comparable period last year. Koch’s film publishing has had a low activity in the theatrical market during the quarter. Back catalog sales were mainly driven by TV and digital license sales. The digital film market’s performance remains strong. The physical film business made steady progress with the exclusive distribution deal for StudioCanal in Germany and Lucky Red in Italy. The direct-to-consumer business remains strong and now accounts for a significant share of the physical business. Sola Media, part of Koch Films, had another solid quarter. Koch Films also launched another SVOD channel – Moviedome Plus – on Amazon Prime.

The integration and onboarding of the newly acquired Spotfilm Networkx GmbH in Berlin, is proceeding according to plan. The main channel Netzkino was re-launched through its own iOS and Android Apps.

Koch Films has four films presented at the Cannes Film Festival in May, two of which are in competition for the Golden Palm 2022: *Broker*, a drama directed by Kore-eda, who won the Golden Palm back in 2018 and *Decision to leave*, a drama/thriller directed by Park Chan-Wook.



Koch Media



HQ

Karlstad, Sweden



INTERNAL HEADCOUNT

15 (17)

Game Outlet Europe, the niche distributor of retro products and deep back catalog games, had another solid quarter and increased sales in most of the formats compared to last year. Sales were mainly driven by robust back catalog sales and accessibility of retro hardware from our biggest supplier 8BitDo with their range of high-quality controllers.

QUANTIC LAB[™]
Quality Assurance.

HQ

Cluj-Napoca, Romania



INTERNAL HEADCOUNT

365 (328)

Quantic Lab, the software outsourcing company specialized in quality assurance ("QA"), localization, and user experience for gaming and applications had a solid quarter with sales exceeding management expectations. Quantic Labs has several customers within the Embracer ecosystem.

During the quarter, the team expanded with senior management roles.

GRIMFROST

HQ

Karlstad, Sweden



INTERNAL HEADCOUNT

12 (-)

Grimfrost is a global leader in high-quality Viking merchandise, located in Karlstad, Sweden and comprises a team of 12 employees. While the primary business model is business-to-consumers (B2C), Grimfrost also supplies costumes and assets to TV and movie productions (e.g. Game of Thrones and Vikings) and reproductions for museums. Grimfrost has focused on the development and enhancement of its e-commerce solutions during the fourth quarter.





RELEASES AFTER THE END OF THE QUARTER

During the period April 1 until May 19, 2022 the following titles were released:

Title	Publishing Label	IP Owner	Platforms	Channels
<i>Dice Legacy: Corrupted Fates</i>	Ravenscourt	Own	PC, Switch	Digital
<i>Evil dead: The Game</i>	Saber & External	License	PC, PS4, PS5, Xbox One, XSX, Switch	Digital & Physical
<i>Expeditions: Rome - Death or Glory</i>	THQ Nordic	Own	PC	Digital
<i>Hot Wheels Unleashed: Monster Trucks Expansion</i>	Milestone	License	PC, PS4, PS5, Xbox One, XSX, Switch	Digital
<i>Let's Get Fit</i>	Ravenscourt	Own	Switch	Digital & Physical
<i>MotoGP 22</i>	Milestone	External	PC, PS4, PS5, Xbox One, XSX	Digital & Physical
<i>One Hand Clapping</i>	HandyGames	External	PS5, XSX	Digital
<i>Road 96</i>	Ravenscourt	Own	PS4, PS5, Xbox One, XSX	Digital & Physical
<i>Songs Of Conquest - Early access</i>	Coffee Stain Publishing	Own	PC	Digital
<i>Star Wars™: The Force Unleashed</i>	Aspyr	License	Switch	Digital
<i>Tiny Tina's Wonderlands: Coiled Captors</i>	External	Own	PC, PS4, PS5, Xbox One, XBX, XSX	Digital
<i>Trek to Yomi</i>	External	External	PC, PS5, XSX	Digital

ANNOUNCED RELEASES AS OF MAY 19, 2022

Title	Publishing Label	IP Owner	Platforms	Channels
<i>Destroy All Humans! 2 - Reprobed</i>	THQ Nordic	Own	PC, PS5, XSX	Digital & Physical
<i>Gothic - Remake</i>	THQ Nordic	Own	PC, PS5, XSX	Digital & Physical
<i>Jagged Alliance 3</i>	THQ Nordic	Own	PC	Digital & Physical
<i>Knights of Honor II: Sovereign</i>	THQ Nordic	Own	PC	Digital & Physical
<i>MX vs. ATV: Legends</i>	THQ Nordic	Own	PC, PS4, Xbox One, PS5, XSX	Digital & Physical
<i>Outcast 2 - A New Beginning</i>	THQ Nordic	Own	PC, PS5, XSX	Digital & Physical
<i>SpellForce 3 Reforced</i>	THQ Nordic	Own	PS4, Xbox One, PS5, XSX	Digital & Physical
<i>SpongeBob SquarePants: The Cosmic Shake</i>	THQ Nordic	External	PC, PS4, Xbox One, Switch	Digital & Physical
<i>Superpower 3</i>	THQ Nordic	External	PC	Digital & Physical
<i>The Guild 3</i>	THQ Nordic	Own	PC	Digital & Physical
<i>The Valiant</i>	THQ Nordic	External	PC, PS4, PS5, Xbox One, XSX	Digital & Physical
<i>Way of the Hunter</i>	THQ Nordic	Own	PC, PS5, XSX	Digital & Physical
<i>Wreckfest</i>	THQ Nordic	Own	Switch	Digital & Physical
<i>A Rat's Quest</i>	HandyGames	External	PC, PS4, Xbox One, Switch	Digital & Physical
<i>Airhead</i>	HandyGames	External	PC, PS4, Xbox One, Switch	Digital
<i>Are You Smarter Than a 5th Grader</i>	HandyGames	License	PC, PS4, Xbox One, PS5, XSX, Switch	Digital & Physical
<i>De-Exit</i>	HandyGames	External	PC, PS4, Xbox One, PS5, XSX, Switch	Digital
<i>Endling - Extinction is Forever</i>	HandyGames	External	PC, PS4, Xbox One, Switch	Digital & Physical
<i>Perish</i>	HandyGames	External	PC	Digital
<i>Dead Island 2</i>	Deep Silver	Own	TBC	Digital & Physical
<i>Saints Row</i>	Deep Silver	Own	PC, PS4, PS5, XSX	Digital & Physical
<i>Evil West</i>	External	External	PC, PS4, PS5, Xbox One, XSX	Digital

For latest release dates please refer to above mentioned publishers.

CONTINUED >>



ANNOUNCED RELEASES AS OF MAY 19, 2022

Title	Publishing Label	IP Owner	Platforms	Channels
<i>Crossfire Legion</i>	Prime Matter	External	PC	Digital
<i>Dolmen</i>	Prime Matter	External	PC, PS4, PS5, XSX	Digital & Physical
<i>Echoes of The End</i>	Prime Matter	External	PC, PS5, XSX	Digital & Physical
<i>Final Form</i>	Prime Matter	Shared	PC, PS5, XSX	Digital & Physical
<i>Gungrave G.O.R.E.</i>	Prime Matter	External	PC, PS4, PS5, Xbox One, XSX	Digital & Physical
<i>Mount & Blade II Bannerlord (full release)</i>	Prime Matter	External	PC	Digital & Physical
<i>Pathfinder: Wrath of the Righteous</i>	Prime Matter	External	PS4, PS5, XSX	Digital & Physical
<i>Payday 3</i>	Prime Matter	External	TBC	Digital & Physical
<i>Scars Above</i>	Prime Matter	Own	PC	Digital & Physical
<i>System Shock Remastered</i>	Prime Matter	External	PC, PS4, PS5, XSX	Digital & Physical
<i>The Chant</i>	Prime Matter	External	PC, PS4, PS5, Xbox One, XSX	Digital & Physical
<i>The Last Oricru</i>	Prime Matter	External	PC, PS5, XSX	Digital & Physical
<i>The New Painkiller</i>	Prime Matter	Own	TBC	Digital & Physical
<i>ProtoCorgi</i>	Ravencourt	External	PC, Switch	Digital
<i>Yum Yum Cookstar</i>	Ravencourt	External	PC, PS4, Xbox One, Switch	Digital & Physical
<i>Lightyear Frontier</i>	Amplifier	Own	PC, XSX	Digital
<i>Crisol: Theater of Idols</i>	TBC	Own	TBC	TBC
<i>Core Decay</i>	3D Realms	License	PC, PS5, XBX, XSX	Digital
<i>Kingpin: Reloaded</i>	3D Realms & External	License	PC, PS5, XBX, XSX	Digital
<i>Star Wars™: Knights of the Old Republic -Remake</i>	External	License	PC, PS5	Digital & Physical
<i>Warhammer 40,000: Space Marine II</i>	External	External	PC, PS5, XSX	TBC
<i>A Quiet Place</i>	Saber	External	TBC	TBC
<i>Circus Electrique</i>	Saber	Own	PC, PS4, PS5, Xbox One, XSX, Switch	Digital & Physical
<i>Dakar: Desert Rally</i>	Saber	License	PC, PS4, PS5, Xbox One, XSX	Digital & Physical
<i>Redout 2</i>	Saber	Own	PC, PS4, PS5, Xbox One, XSX, Switch	Digital & Physical
<i>Eyes in the Dark: The Curious Case of One Victoria Bloom</i>	Gearbox Publishing	External	PC	Digital
<i>Homeworld 3</i>	Gearbox Publishing	Own	PC	Digital & Physical
<i>Homeworld Mobile</i>	Gearbox Publishing	Own	Mobile - Android, IOS	Digital
<i>Hyper Light Breaker</i>	Gearbox Publishing	External	PC	Digital

For latest release dates please refer to above mentioned publishers.

SIGNIFICANT EVENTS AFTER THE QUARTER

- On May 2, Embracer Group entered into an agreement to acquire the development studios Crystal Dynamics, Eidos-Montréal, Square Enix Montréal, and a catalogue of IPs including *Tomb Raider*, *Deus Ex*, *Thief*, *Legacy of Kain* and more than 50 back-catalogue games from Square Enix Holdings. The acquisition includes approximately 1,100 employees across three studios and eight global locations. The total purchase price amounts to USD 300 million on a cash and debt free basis, to be paid in full at closing. The transaction is subject to regulatory and other external approvals and is expected to close during the second quarter, July-September 2022.
- Announced on May 2, Embracer secured additional long-term debt funding commitments of SEK 4.0 billion and extended one existing loan of SEK 6.0 billion with the Nordic relationship banks Nordea, SEB and Swedbank. The additional bank funding commitment will finance the current M&A pipeline, including the acquisition of Eidos, Crystal Dynamics, and Square Enix Montréal. The average net interest cost across the group is expected to be approximately 1.0%, including the new facility. Under the new terms, Embracer does not hold any short-term debt. No debt expires before 30 June 2023. Embracer expects strong growth in free cash flow during the financial year 2022/23 and beyond. Embracer Group remains committed to delivering on the financial leverage target. If net debt temporarily exceeds 1.0x net debt to operational EBIT on a forward 12 months basis, the intent is to return below 1.0x over the medium term.

M&A ACTIVITY UPDATE

The following M&A activities were announced or closed during the reporting quarter:

Company	Country	Operative Group	Type	Closing Month
Q4 21/22 • January-March 2022				
Perfect World	USA	Gearbox	Studio	February
A Creative Endeavour	Sweden	Amplifier	Studio	February ¹⁾
metricminds	Germany	THQ	Studio	February ¹⁾
Dark Horse	USA	Dark Horse	Publisher/Studio	March
Asmodee	France	Asmodee	Publisher/Studio	March
DPI	USA	Koch	Studio	February ¹⁾
Invisible Walls	Denmark	Amplifier	Studio	March ¹⁾

¹⁾ Announced and closed during the quarter.

The following M&A activities were announced after the reporting quarter:

Company	Country	Operative Group	Type	Closing Month
Q1 22/23 • April-June 2022				
DIGIC	Hungary	Saber	Studio	April ²⁾
Beamdog	Canada	Saber	Studio	TBD
Lost Boys	USA	Gearbox	Studio	TBD
Eidos, Crystal Dynamics and Square Enix Montréal,	USA/Canada/UK	TBD	Studio	TBD

²⁾ Announced in December 2021

EMBRACER GROUP AND SUSTAINABILITY

Introduction

At Embracer Group sustainability is about creating long-term value for shareholders and other stakeholders and acting in line with established corporate values. A long-term mindset and a decentralized business model enables us to further develop our business and manage risks. The Group's objectives are to create great entertainment, be a great company to work for, and to do good for local communities and society. The *Smarter Business Framework* is the group-wide sustainability framework based on three pillars: *Great People*, *Solid Work* and *Greener Planet*. As a decentralized group, each Operative group is responsible for developing its own sustainability activity plan based on the group-wide goals and framework. The operative entities have the best understanding of their market situation from both a commercial and sustainability perspective.



Governance

The sustainability strategy is owned by the Head of Sustainability who has direct contact with the CEO and Chairman of the Board, reports to the CFO and is leading the Group Sustainability team. The team works closely with the operative groups through contacts with management and the Ambassador Group, a knowledge sharing network with representatives from each operative group. The Group Sustainability Manager is responsible for facilitating collaboration and synergies within the Group and reports to the Head of Sustainability.

To ensure that Embracer Group is complying with applicable laws, regulations and corporate values, a number of governing documents have been developed for all companies in the group. The Embracer General Counsel is responsible for ensuring that the governance model is implemented and monitored throughout the group. In each operative group, management is responsible for implementing and safeguarding the governance model by ensuring that there are procedures in place to support compliance.

Embracer Group conducts a sustainability due diligence as a standard protocol during each acquisition to identify key sustainability risks and opportunities, as well as to make sure everyone in the process is aware of Embracer's sustainability expectations. The onboarding of all new entities in the wider Embracer Group includes implementation of our governance procedures and an introduction to our sustainability framework "*Smarter Business*".

Current events

The following policies have been implemented:

- > Tax Policy
- > Corporate Governance Policy
- > Enterprise Risk Management
- > Internal Control Policy
- > Information Security Policy

The annual Code of Conduct training was conducted:

- > 79% participation of all employees in the Group

The global Annual Employee Survey was conducted:

- > 80% response rate of all employees in the Group
- > At group level, results improved in all aspect areas, and all employees are on a green level (on a scale between red - yellow - green).

The following internal Sustainability Webinars were arranged and are available to all employees across the Group:

- > Women in the gaming industry
- > The importance of inclusion
- > Crisis support, and crisis management

Collaboration with Safe In Our World, an initiative that raises mental health awareness:

- > Established a Crisis hub, due to the ongoing war in Ukraine to support people within the gaming industry and players impacted, <https://safeinourworld.org/crisis-hub/>

Our Collaboration with Solvatten

In our work to contribute to a more sustainable future, we have an extended collaboration with our partner Solvatten. Every time a new employee joins the Embracer Group, our collaboration with Solvatten ensures that a person in the developing countries has access to safe and warm water through their innovative solutions.

- > During the quarter we have supported over 3,000 people with access to safe and warm water through our partnership. The collaboration with Solvatten is an example of how we contribute to Agenda 2030 and the sustainability goals.



THE GAMES ARCHIVE

An archive is being built to embrace the history of games

The games archive established in 2021 continued to expand. By the end of the quarter more than 50,000 games, consoles, and accessories were stored in Karlstad, Sweden. The extensive work to sort and catalog the games, consoles and accessories continued, physically and digitally. During the quarter, the team started to share the progress of the archive through social channels.

The latest addition to the archive is a larger collection of different home computers and a lot of games for Commodore VIC-20, Atari VCS and Game Boy.

Going forward, the Embracer Games Archive intends to reach out to other similar initiatives to document the games history and preserve games, build networks and collaborations and assisting media, researchers and the games industry with inquiries.





ANALYSTS FOLLOWING EMBRACER GROUP

AS OF MAY 19, 2022

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SHB	Rasmus Engberg	-	rasmus.engberg@handelsbanken.se

Note: The commissioned research analyst, Redeye do not have any buy, hold, or sell recommendation.

The estimates are collected by Infront and based on predictions made by analysts who cover Embracer Group.

At www.embracer.com we provide an IR service providing consensus estimates.

THE SHARE

TOP 10 OWNERS, AS OF MARCH 31, 2022

Change from
Dec 31, 2021

Name	Class A shares	Class B shares	Share of capital, %	Share of votes, %	Class A and B shares
Lars Wingefors AB	52,260,204	210,238,330	23.20%	42.30%	0
Matthew Karch and Andrey Iones	12,798,274	70,772,440	7.39%	11.47%	0
Swedbank Robur Funds		66,024,160	5.84%	3.81%	700,000
Founders/Management Easybrain		65,037,968	5.75%	3.75%	0
Canada Pension Plan Investment Board (CPP)		54,753,946	4.84%	3.16%	0
PAI Partners		39,044,571	3.45%	2.25%	39,044,571
Didner & Gerge Funds		30,346,924	2.68%	1.75%	267,352
Alecta Pensionsförsäkring		25,570,000	2.26%	1.48%	2,700,000
Handelsbanken Funds		25,012,220	2.21%	1.44%	2,716,185
ODIN Fonder		22,792,072	2.01%	1.32%	-2,193,881
TOTAL TOP 10	65,058,478	609,592,631	59.63%	72.73%	
ALL OTHER SHAREHOLDERS	1,739,796	455,071,133	40.37%	27.27%	
TOTAL	66,798,274	1,064,663,764	100.00%	100.00%	

Source: Monitor by Modular Finance.



TOP 20 MANAGEMENT & CO-FOUNDER OWNERS, AS OF MARCH 31, 2022

Owner	Co-Founder	Class A shares	Class B shares	Share of capital, %	Share of votes, %
Lars Wingefors AB ¹⁾	Embracer Group	52,260,204	210,238,330	23.20%	42.30%
Matthew Karch and Andrey Iones	Saber Interactive	12,798,274	70,772,440	7.39%	11.47%
Founders/Management	Easybrain	0	65,037,968	5.75%	3.75%
Ken Go	DECA Games	0	11,803,182	1.04%	0.68%
Randy Pitchford	Gearbox Entertainment	0	9,563,028	0.85%	0.55%
Erik Stenberg	Embracer Group	0	9,000,000	0.80%	0.52%
Luisa Bixio ²⁾	Milestone	0	4,755,483	0.42%	0.27%
Founders/Management	4A Games	0	4,892,140	0.43%	0.28%
Management	CrazyLabs	0	4,402,714	0.39%	0.25%
Founders	Ghostship Games	0	4,271,304	0.38%	0.25%
Richard Stitselaar and Kimara Rouwit	Vertigo Games	0	3,856,420	0.34%	0.22%
Founders/Management	Aspyr	0	3,549,742	0.31%	0.20%
Pelle Lundborg ³⁾	Embracer Group	1,739,796	1,509,120	0.29%	1.09%
Anton Westbergh	Coffee Stain	0	2,412,666	0.21%	0.14%
Klemens Kundratitz	Koch Media	0	2,255,856	0.20%	0.13%
Vincent Van Brummen	Vertigo Games	0	1,495,702	0.13%	0.09%
Founders	Zen Studios	0	1,134,078	0.10%	0.07%
Klemens Kreuzer	THQ Nordic	0	1,118,104	0.10%	0.06%
Matthew Karch	Saber Interactive	0	1,070,000	0.09%	0.06%
John Coleman	Vertigo Games	0	740,660	0.07%	0.04%
TOP 20		66,798,274	413,878,937	42.48%	62.44%
ALL OTHER SHAREHOLDERS		0	650,784,827	57.52%	37.56%
TOTAL		66,798,274	1,064,663,764	100%	100%

¹⁾ Lars Wingefors et al. For more information, please see: embracer.com/release/embracer-groups-co-founders-complete-consolidation-of-shareholdings/

²⁾ Luisa Bixio has sold 445,043 B-shares during the quarter

³⁾ Pelle Lundborg has sold 80,000 B-shares during the quarter

Holdings by management above are in general owned through various wholly owned companies.



TOP 50 INSTITUTIONAL OWNERS, AS OF MARCH 31, 2022

Change from
Dec 31, 2021

Name	Class A shares	Class B shares	Share of capital, %	Share of votes, %	Class B shares
Swedbank Robur Fonder		66,024,160	5.84%	3.81%	700,000
Canada Pension Plan Investment Board (CPP)		54,753,946	4.84%	3.16%	0
PAI Partners		39,044,571	3.45%	2.25%	39,044,571
Didner & Gerge Fonder		30,346,924	2.68%	1.75%	267,352
Alecta Pensionsförsäkring		25,570,000	2.26%	1.48%	2,700,000
Handelsbanken Fonder		25,012,220	2.21%	1.44%	2,716,185
ODIN Fonder		22,792,072	2.01%	1.32%	-2,193,881
AMF Pension & Fonder		17,500,000	1.55%	1.01%	-2,250,000
BlackRock		15,454,683	1.37%	0.89%	373,994
SEB Fonder		13,811,239	1.22%	0.80%	5,134
TIN Fonder		12,795,524	1.13%	0.74%	-165,076
Första AP-fonden		12,327,069	1.09%	0.71%	-49,290
Avanza Pension		12,037,805	1.06%	0.69%	-2,498,514
Livförsäkringsbolaget Skandia		10,343,489	0.91%	0.60%	-1,048,818
Andra AP-fonden		7,984,295	0.71%	0.46%	0
Skandia Fonder		7,122,370	0.63%	0.41%	-1,111,106
AFA Försäkring		6,701,768	0.59%	0.39%	644,600
Enter Fonder		6,148,940	0.54%	0.35%	-177,000
Futur Pension		6,089,738	0.54%	0.35%	-31,531
Baillie Gifford & Co		5,483,262	0.48%	0.32%	386,689
Nordnet Pensionsförsäkring		5,297,405	0.47%	0.31%	233,194
Naventi Fonder		4,959,878	0.44%	0.29%	44,336
Martin Larsson (Chalex AB)		4,713,369	0.42%	0.27%	-30,000
Cliens Fonder		4,150,000	0.37%	0.24%	-57,143
Aktia Asset Management		3,624,496	0.32%	0.21%	120,000
VanEck		3,303,398	0.29%	0.19%	-33,808
Northern Trust		2,873,086	0.25%	0.17%	36,114
State Street Global Advisors		2,619,535	0.23%	0.15%	195,381
Fidelity Investments (FMR)		2,417,647	0.21%	0.14%	439,744
Deka Investments		2,248,460	0.20%	0.13%	-141
Sensor Fonder		2,192,184	0.19%	0.13%	0
Svenska Handelsbanken AB for PB		2,163,674	0.19%	0.12%	55,000
Consensus Asset Management		1,994,290	0.18%	0.12%	-117,500
Ålandsbanken Fonder		1,955,500	0.17%	0.11%	471,000
Öhman Fonder		1,938,741	0.17%	0.11%	-285,728
Danske Invest (Lux)		1,917,052	0.17%	0.11%	48,056
Handelsbanken Liv Försäkring AB		1,902,636	0.17%	0.11%	80,216
Swedbank Försäkring		1,824,338	0.16%	0.11%	-188,577
TIAA - Teachers Advisors		1,764,706	0.16%	0.10%	-49,348
RAM Rational Asset Management		1,755,385	0.16%	0.10%	275,198
Nordea Liv & Pension		1,723,309	0.15%	0.10%	156,977
Lancelot Asset Management AB		1,700,000	0.15%	0.10%	150,000
M&G Investment Management		1,632,778	0.14%	0.09%	35,053
Global X Management Company LLC		1,544,737	0.14%	0.09%	-230,780
DNB Fonder		1,523,410	0.13%	0.09%	640,371
Fondita Fonder		1,510,000	0.13%	0.09%	0
Allspring Global Investments		1,489,549	0.13%	0.09%	396,567
Säästöpankki Fonder		1,455,000	0.13%	0.08%	1,025,000
1832 Asset Management		1,425,600	0.13%	0.08%	0
Prioritet Finans		1,422,000	0.13%	0.08%	120,000
TOTAL TOP 50		468,386,238	41.40%	27.00%	
OTHERS	66,798,274	596,277,526	58.60%	73.00%	
TOTAL	66,798,274	1,064,663,764	100%	100%	

Source: Monitor by Modular Finance.

INTERNATIONAL OWNERSHIP TOP 50 INSTITUTIONAL BY CAPITAL

International institutions
37.3%



Swedish institutions
62.7%

INSTITUTIONAL OWNERSHIP VS MANAGEMENT BY CAPITAL

Top 50 institutions
41.4%



Top 20 Management /Co-Founders
42.5%

Other shareholders
16.1%



INFORMATION ABOUT NASDAQ FIRST NORTH GROWTH MARKET

Nasdaq First North Growth Market ("First North") is an alternative marketplace operated by the constituent exchanges of Nasdaq Stockholm. It does not have the same legal status as a regulated marketplace. Companies quoted on First North are subject to First North's rules, rather than the legal requirements set for trading on a regulated marketplace. An investment in a company trading on First North implies higher risk than one in a company listed on a regulated market. Companies must apply to the exchange and gain approval before trading on First North can commence. A Certified Adviser guides the company through the listing process and also ensures that the company continuously satisfies First North's standards.

FNCA Sweden AB is Embracer Group's certified adviser who may be contacted at: info@fnca.se or +46-8-528 00 399.

RISKS AND UNCERTAINTY FACTORS

Embracer Group is exposed to risks, particularly the dependence on key persons for the success of game development, the sales performance of launched games, dependence on a few distributors and the success and performance of acquisitions. The complete risk analysis is found in the company's most recent Annual Report.

ACCOUNTING AND VALUATION POLICIES

This Full Year Report has been prepared in accordance with the Swedish Annual Accounts Act. The accounting and valuation policies applied are consistent with the Swedish Accounting Standards Board's Category 3 (BFN K3) regulation and are unchanged since the latest published Annual Accounts, and the Swedish Accounting Standards Board's BFNAR 2012:1

The Company's accounting policies are stated in its most recent Annual Report.

Amounts are reported in Swedish kronor, rounded to the nearest million unless otherwise stated. Rounding to the nearest million may mean that amounts are not consistent when added. Amounts and figures stated in brackets are comparatives for the corresponding period of the previous year.

DIVIDEND

The Board of Directors propose that no dividend is paid to the shareholders for the financial year April 2021 - March 2022.

AUDITOR'S REVIEW

This Full Year Report has not been subject to review by the Company's auditor.

FORTHCOMING REPORTS

Interim Report Q1, April-June 2022	18 August 2022
Annual General Meeting 2022	21 September 2022
Interim Report Q2, July-September 2022	17 November 2022
Interim Report Q3, October-December 2022	16 February 2023

The Annual General Meeting 2022 will be held on September 21, 2022. The Annual Report will be published at the latest on August 31, 2022, on the Company's webpage and at the same time made available in the Company's headquarter in Karlstad.

FOR MORE INFORMATION

Find more information about the Company at its website: embracer.com

For any questions on this report, please contact:

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SIGNATURES AND ASSURANCE

The Board of Directors and the Chief Executive Officer offer their assurance that this Full Year Report gives a true and fair view of the Group's and Parent Company's operations, financial position and results of operations and describes the significant risks and uncertainties facing the Group and Parent Company.

Karlstad, Sweden, May 19, 2022

Kicki Wallje-Lund
Chairman of the Board

David Gardner

Ulf Hjalmarsson

Jacob Jonmyren

Matthew Karch

Erik Stenberg

Lars Wingefors
Chief Executive Officer

This report is information that is mandatory for Embracer Group to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 06:00 CET on May 19, 2022.

This report contains forward-looking statements that reflect the Board of Directors' and management's current views with respect to certain future events and potential financial performance. Forward-looking statements are subject to risks and uncertainties. Results could differ materially from forward-looking statements as a result of, among other factors, (i) changes in economic, market and competitive conditions, (ii) success of business initiatives, (iii) changes in the regulatory environment and other government actions, (iv) fluctuations in exchange rates and (v) business risk management.

This report is based solely on the circumstances at the date of publication and except to the extent required under applicable law or applicable market place regulations, Embracer Group AB is under no obligation to update the information, opinions or forward-looking statements in this report.

CONSOLIDATED INCOME STATEMENT

SEK m	Jan–Mar 2022	Jan–Mar 2021	Apr 2021– Mar 2022	Apr 2020– Mar 2021
Net sales	5,228.5	2,404.2	17,036.7	9,024.2
Work performed by the Company for its own use and capitalized	670.2	397.8	2,293.5	1,291.6
Other operating income	100.8	99.9	333.1	287.7
Total operating income	5,999.5	2,901.9	19,663.3	10,603.5
Operating expenses				
Goods for resale	–1,389.0	–963.1	–4,697.1	–3,618.4
Other external expenses	–1,703.3	–303.7	–4,919.2	–1,318.5
Personnel expenses	–1,449.8	–575.6	–4,355.7	–1,841.5
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	–3,198.2	–1,027.4	–9,851.1	–3,508.5
Other operating expenses	8.3		–19.2	–46.3
Total operating expenses	–7,732.0	–2,869.7	–23,842.2	–10,333.2
Profit from participation in associated companies	7.0	112.9	462.9	206.5
Operating profit	–1,725.5	145.1	–3,716.0	476.8
Financial items				
Result from financial assets	–1.2	-	–1.3	-
Other interest income, etc.	297.5	195.6	175.4	291.5
Other interest expenses, etc.	–103.9	–55.9	–278.8	–88.3
Total financial items	192.4	139.7	–104.7	203.2
Profit after financial items	–1,533.1	284.8	–3,820.8	680.0
Profit before tax	–1,533.1	284.8	–3,820.8	680.0
Current income tax	–185.9	–142.4	–602.8	–364.3
Deferred tax	52.0	16.2	132.4	–28.4
Net profit for the period	–1,667.0	158.6	–4,291.1	287.3
<i>Attributable to:</i>				
Equity holders of the parent	–1,655.7	158.7	–4,275.9	287.0
Non-controlling interests	–11.3	–0.1	–15.2	0.3
Earnings per share, SEK ¹⁾	–1.52	0.19	–4.16	0.36
Average number of outstanding shares, million ¹⁾	1,099	854	1,031	796
Earnings per share after full dilution, SEK ¹⁾	–1.44	0.18	–3.95	0.36
Average number of outstanding shares after full dilution, million ¹⁾	1,151	859	1,083	798

¹⁾ Recalculated with respect to the 2:1 split carried out on September 30, 2021 as resolved at the annual general meeting on September 16, 2021. Number of shares for previous periods have been adjusted.

CONDENSED CONSOLIDATED BALANCE SHEET

SEK m	Mar 31, 2022	Mar 31, 2021
Intangible assets	76,071.1	16,390.0
Property, plant & equipment	728.1	237.8
Financial assets	1,740.8	571.6
Inventories	3,162.4	242.9
Current receivables	5,942.2	2,010.0
Cash and bank balance	5,809.8	14,299.9
Total assets	93,454.4	33,752.2
Equity	44,812.2	27,165.4
Non-current provisions for conditional purchase price	13,348.4	1,887.5
Other provisions	6,368.4	929.0
Non-current liabilities	7,351.5	246.0
Current provisions for conditional purchase prices	1,198.2	-
Current liabilities	20,376.0	3,524.3
Total liabilities and equity	93,454.4	33,752.2
Interest-bearing receivables amount to	5,809.8	14,299.9
Interest-bearing liabilities amount to	20,215.6	1,494.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK m	Share capital	Other paid-up capital	Other equity including net profit	Minority interest	Consolidated equity
Amount as of April 1, 2021	1.3	26,764.5	386.8	12.9	27,165.4
Translation difference			1,176.5	0.2	1,176.7
New share issue	0.3	20,626.3			20,626.6
Issue costs ¹⁾		-129.6			-129.6
Tax costs		26.7			26.7
Actuarial reserve		4.0			4.0
Transaction between owners		9.4		223.9	233.3
Net profit			-4,275.8	-15.2	-4,291.0
Amount as of March 31, 2022	1.6	47,301.3	-2,712.6	221.8	44,812.2

¹⁾ Issue costs constitutes of cost of rights issue SEK -129.6 million.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK m	Jan–Mar 2022	Jan–Mar 2021	Apr 2021–Mar 2022	Apr 2020–Mar 2021
Cash flow from operating activities before changes in working capital	1,538.3	1,197.3	5,356.8	3,766.0
Change in working capital	51.1	324.5	-1,075.5	133.0
Cash flow from operating activities	1,589.5	1,521.8	4,281.3	3,899.0
Cash flow from investing activities				
Net investment in acquired companies	-27,914.1	-404.9	-33,770.3	-4,590.8
Net investment in intangible assets	-998.3	-598.9	-3,712.2	-2,135.1
Net investment in tangible assets	-99.9	-17.0	-340.7	-69.6
Net investment in financial assets	-61.5	-45.4	-71.7	-9.3
Cash flow from financing activities	18,058.6	6,867.1	25,025.0	14,725.3
Cash flow for the period	-9,425.7	7,322.7	-8,588.6	11,819.5
Cash and cash equivalents at beginning of period	15,226.6	6,918.8	14,299.9	2,510.3
Translation difference in cash and cash equivalents	8.9	58.4	98.5	-29.9
Cash and cash equivalents at end of period	5,809.8	14,299.9	5,809.8	14,299.9

PARENT COMPANY INCOME STATEMENT

SEK m	Jan–Mar 2022	Jan–Mar 2021	Apr 2021– Mar 2022	Apr 2020– Mar 2021
Net sales	105.9	167.9	527.4	796.0
Other operating income	0.0	0.0	0.0	0.0
Total operating income	105.9	167.9	527.4	796.0
Operating expenses				
Other external expenses	–44.4	–7.6	–91.9	–35.8
Personnel expenses	–17.9	–6.8	–49.1	–22.0
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	–49.6	–93.8	–263.8	–416.8
Other operating expenses	–0.5	0.0	–9.1	–21.4
Total operating expenses	–112.6	–108.2	–413.8	–496.0
Operating profit	–6.7	59.7	113.6	300.0
Financial items				
Result from financial assets	–1.0	295.2	–1.2	–556.3
Other interest income, etc.	315.2	179.5	660.1	261.8
Other interest expenses, etc.	–44.1	–14.1	–71.7	–48.4
Total financial items	270.1	460.6	587.2	–342.9
Profit after financial items	263.4	520.3	700.8	–42.9
Appropriations	61.1	229.6	–307.3	229.6
Profit before tax	324.5	750.0	393.5	186.7
Current income tax	–24.2	–39.8	–25.7	–39.7
Deferred tax	–7.3	–113.0	–21.9	0.0
Net profit for the period	293.0	597.2	345.9	147.0

CONDENSED PARENT COMPANY BALANCE SHEET

SEK m	Mar 31, 2022	Mar 31, 2021
Intangible assets	152.5	409.0
Tangible assets	4.8	3.7
Financial assets	61,616.9	10,956.2
Current receivables	1,988.2	2,882.5
Cash and bank balance	1,482.7	12,393.6
Total assets	65,245.0	26,645.0
Equity	46,932.3	26,053.0
Untaxed reserves	104.0	117.4
Provisions	231.1	220.9
Long-term liabilities	5,962.3	204.8
Current liabilities	12,015.3	48.9
Total liabilities and equity	65,245.0	26,645.0

SELECTED KEY PERFORMANCE INDICATORS – GROUP

Financial metrics defined or specified pursuant to Swedish Accounting Standards Board standards (BFNAR)	Jan–Mar 2022	Jan–Mar 2021	Apr 2021–Mar 2022	Apr 2020–Mar 2021
Net sales, SEK m	5,228.5	2,404.2	17,036.7	9,024.2
Operating profit, SEK m	–1,725.5	145.1	–3,716.0	476.8
Profit before tax, SEK m	–1,533.1	284.8	–3,820.8	680.0
Profit after tax, SEK m	–1,667.0	158.6	–4,291.1	287.3
Number of shares at end of period, thousands ¹⁾	1,131,462	921,650	1,131,462	921,651
Average number of outstanding shares, thousands ¹⁾	1,098,610	854,870	1,030,572	796,291
Average number of outstanding shares after full dilution, thousands ¹⁾	1,151,309	858,762	1,083,271	797,636
Average number of full-time employees in the period	7,639	4,193	6,532	3,174
Number of employees at the end of the period	9,922	4,236	9,922	4,236
Alternative key performance indicators not defined or specified pursuant to BFNAR	Jan–Mar 2022	Jan–Mar 2021	Apr 2021–Mar 2022	Apr 2020–Mar 2021
Net sales growth, %	117	80	89	72
EBITDA, SEK m	1,472.7	1,172.5	6,135.1	3,985.3
EBITDA margin, %	28	49	36	44
Operational EBIT, SEK m	1,052.4	903.2	4,416.3	2,870.8
Operational EBIT margin, %	20	38	26	32
EBIT, SEK m	–1,725.5	145.1	–3,716.0	476.8
EBIT margin, %	–33	6	–22	5
Equity/assets ratio, %	48	80	48	80
Adjusted earnings per share, SEK ¹⁾	0.81	1.03	3.36	3.22
Adjusted earnings per share after full dilution, SEK ¹⁾	0.77	1.03	3.20	3.22
Earnings per share, SEK ¹⁾	–1.52	0.19	–4.16	0.36
Earnings per share after full dilution, SEK ¹⁾	–1.44	0.18	–3.95	0.36
Dividend per share, SEK	-	-	-	-
<i>Derivation of the alternative KPIs, operational EBIT and EBITDA</i>				
EBIT, SEK m	–1,725.5	145.1	–3,716.0	476.8
Amortization expenses added back to Operational EBIT				
- Goodwill, SEK m	1,595.7	612.3	6,608.0	1,924.9
- Intellectual property (IP) rights, SEK m	1,177.8	132.0	1,868.0	456.4
- Surplus value of Partner Publishing/Film, SEK m	16.2	13.8	57.7	54.1
Remeasurement of participation in associated companies	–0.8	-	–417.6	–41.4
Remeasurement of contingent consideration	–11.0	-	16.1	-
Operational EBIT, SEK m	1,052.4	903.2	4,416.3	2,870.8
- Other depreciation and amortization expenses, SEK m	408.5	269.3	1,317.3	1,073.2
Remeasurement of participation in associated companies, SEK m	0.8	-	417.6	41.4
Remeasurement of contingent consideration, SEK m	11.0	-	–16.1	-
EBITDA, SEK m	1,472.7	1,172.5	6,135.1	3,985.3

¹⁾ Recalculated with respect to the 2:1 split carried out on September 30, 2021 as resolved at the annual general meeting on September 16, 2021. Number of shares for previous periods have been adjusted.

DEFINITIONS OF ALTERNATIVE KPI'S

Embracer Group's definitions of a number of alternative KPI's used in this Full Year Report are stated below. Net sales growth is reported by the Company because it regards this KPI as contributing to investor understanding of the Company's historical progress. EBITDA and EBITDA margin are reported because these are metrics commonly used by certain investors, financial analysts and other stakeholders to measure the Company's financial results. The company has chosen to disclose operational EBIT in order to provide a fair picture of the underlying operational performance. The equity/assets ratio is stated because the Company regards this as a metric commonly used by certain investors, financial analysts and other stakeholders to measure the Company's financial position.

DEFINITIONS OF KPI'S, GROUP

Adjusted Earnings per share	Profit after tax excluding non-operational depreciations, amortizations net of tax and profit of remeasurement of shares in associated companies and remeasurement of contingent consideration divided by the average number of shares in the period. Tax related to non-operational depreciation and amortizations calculated using the effective tax rate (no tax effect on goodwill amortizations).
Average number of shares	Average number of shares in the period. Number of shares have been recalculated with respect to split of shares.
Earnings per share	Profit after tax less non-controlling interest divided by the average number of shares in the period.
Earnings per share after full dilution	Profit after tax less non-controlling interest divided by the average number of shares after full dilution in the period.
EBIT margin	EBIT as a percentage of net sales.
EBITDA	Earnings before interest, taxes, depreciation and amortization.
EBITDA margin	EBITDA as a percentage of net sales.
Equity/assets ratio	Equity as a percentage of total assets.
Free Cash Flow	Cash Flow from operating activities for the period excluding net investment in acquired companies and cash flow from Financing activities.
Net sales growth	Net sales for the current period divided by net sales for the corresponding period of the previous year.
Non-operational Depreciation and Amortizations	Amortization of acquisition-related goodwill, surplus values of specific business areas and IP Values (trademarks, patents, copyrights etc).
Operational EBIT	EBIT excluding non-operational depreciations, remeasurement of participation in associated companies and remeasurement of contingent consideration.
Operational EBIT margin	Operational EBIT as a percentage of net sales.

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DEFINITIONS, QUARTERLY INFORMATION

Accumulated nr of additional operative Groups	Number of closed acquisitions of new operative groups
Accumulated nr of additional companies added	Number of closed acquisitions which are not new operative groups
Completed games	Total book value of finished game development projects (released games) during the quarter. Upon completion the released games are reclassified from On-going Game Development Projects to Finished Games and depreciation starts.
DAU	Average daily active users in the period.
Depreciation and amortization	
Game development	Depreciation of finished game development projects - degressive depreciation over two years. 1/3 depreciation during month 1 to 3 following release, 1/3 depreciation in month 4 to 12 following release and the remaining 1/3 in month 13 to 24 following release.
Other intangible assets (Film etc)	The majority of other intangible assets (Film etc) relates to the Group's film business and is depreciated based on actual sales in relation to expected sales of the relevant title.
IP-rights	Depreciation of Intellectual Property rights related to Games - straight-line depreciation over five years.
Surplus value Partner Publishing/Film	Depreciation of surplus values related to Partner Publishing/Film - straight-line depreciation over five years.
Goodwill	Depreciation of Goodwill - straight-line depreciation over five years.
Digital sales	All net sales not shipped physically.
External game developers	Number of game developers engaged in game development projects by studios that are not owned by the group (external studios).
External Studios	Number of external development studios engaged in game development projects.
Game development projects	Number of on-going game development projects financed by the group and number of on-going game development projects financed by third party with notable expected royalty income.
Internal employees, non-development	Number of employees not directly engaged in game development (both employees and contractors).
Internal game developers	Number of game developers (both employees and contractors) engaged in game development projects by studios that are owned by the group (internal studios).
Internal Studios	Number of internal development studios.
MAU	Average monthly active users in the period.
Net sales split – business area Games	
Owned titles	Net sales of game titles that are owned IP:s or titles that are controlled by the group.
Publishing titles	Net sales of game titles of IP:s the group does not own or control.
New releases sales by each quarter	Net sales of game titles that are released in the current quarter.
Back catalog	Net sales of game titles that are not released in the current quarter.
Max cash consideration	The maximum potential consideration to be paid in cash including upfront consideration and earnout consideration. The earnout consideration is based on the maximum potential consideration and is calculated based on the terms and FX-rates stated in each individual agreement.
Max share consideration	The maximum potential consideration to be paid in Embracer B-shares including upfront consideration and earnout consideration. The earnout consideration is based on the maximum potential consideration and is calculated based on the terms, FX-rates and Embracer VWAP20 Share Price stated in each individual agreement.
Max total consideration	The sum of the max cash and share consideration. Note that the total max consideration might deviate from the total consideration used in the Purchase Price Analysis following movements in FX-rates and Embracer Share price between the signing and closing date as well as if the expected achievement of the individual earnout targets deviate from the maximum scenario.
Number of IP:s	Number of IP:s owned by the group.
Operating Expenses, net	Net amount of Work performed by the Company for its own use and capitalized, Other operating income, Other external expenses, Personnel expenses and Other operating expenses. Excluding marketing costs and marketing contribution.
Organic growth	Growth in business area Games between periods where net sales from companies acquired in the last five quarters have been excluded.
Organic growth, CCY	Growth in business area Games between periods where net sales from companies acquired in the last five quarters have been excluded. The comparison period is adjusted for differences in exchange rates.
Physical sales	All net sales shipped physically.
Total installs	Total accumulated installs in the period.

QUARTERLY INFORMATION BY CALENDAR YEAR

	2016	2017	2018	2019	2020				2021				2022		
	Full year	Full year	Full year	Full year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full year	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full year	Jan-Mar
Net sales, SEK m	302	508	4,124	5,541	1,339	2,069	2,383	2,168	7,959	2,404	3,427	3,296	5,085	14,212	5,229
EBITDA, SEK m	132	273	974	1,945	495	965	969	879	3,308	1,172	1,532	1,640	1,490	5,834	1,473
Operational EBIT, SEK m	108	202	501	1,143	286	712	653	603	2,254	903	1,271	973	1,119	4,266	1,052
EBIT, SEK m	95	188	403	421	97	219	173	-61	428	145	-524	-459	-1,007	-1,845	-1,726
Profit after tax, SEK m	72	139	294	254	132	91	228	-190	261	159	-606	-722	-1,293	-2,462	-1,667
Number of shares (A&B), adjusted, million ¹⁾	367	444	504	606	624	737	756	838	744	855	990	1,008	1,026	971	1,099
Number of shares (A&B) after full dilution, adj., million ¹⁾	-	-	-	-	624	737	756	840	744	859	1,042	1,060	1,079	1,023	1,151
Earnings per share, SEK ¹⁾	0.20	0.31	0.58	0.43	0.21	0.13	0.30	-0.23	0.35	0.19	-0.61	-0.72	-1.26	-2.53	-1.52
Earnings per share after full dilution, SEK ¹⁾	-	-	-	-	0.21	0.13	0.30	-0.23	0.35	0.18	-0.58	-0.68	-1.19	-2.40	-1.44
Adjusted Earnings per share, SEK ¹⁾	0.23	0.34	0.75	1.41	0.49	0.76	0.90	0.53	2.67	1.03	1.15	0.65	0.76	3.56	0.81
Adjusted Earnings per share after full dilution, SEK ¹⁾	-	-	-	-	0.49	0.76	0.90	0.53	2.67	1.03	1.09	0.62	0.73	3.38	0.77
Cash flow from operating activities, SEK m	99	179	579	1,740	766	732	805	840	3,143	1,522	617	1,024	1,051	4,214	1,590
Free cash flow, SEK m	-	-	-	-	276	204	311	309	1,100	861	-260	6	-19	588	430
Sales growth, Group, YoY, %	42%	68%	713%	34%	-18%	81%	89%	44%	44%	80%	66%	38%	135%	79%	117%
Organic growth, Games, YoY, %	-	-	-	-	-	74%	51%	11%	-	70%	-2%	-11%	18%	-	-28%
Organic growth, CCY, Games, YoY, %	-	-	-	-	-	71%	61%	21%	-	85%	10%	-9%	16%	-	-34%
EBITDA, margin, %	44%	54%	24%	35%	37%	47%	41%	41%	42%	49%	45%	50%	29%	41%	28%
Operational EBIT, margin, %	38%	40%	12%	21%	21%	34%	27%	28%	28%	38%	37%	30%	22%	30%	20%
EBIT, margin, %	31%	37%	10%	8%	7%	11%	7%	-3%	5%	6%	-15%	-15%	-20%	-13%	-33%
Gross Margin (Net sales-COGS), SEK m	183	360	1,604	2,889	673	1,309	1,349	1,307	4,638	1,441	2,614	2,496	3,390	9,941	3,840
Gross Margin, %	61%	71%	39%	52%	50%	63%	57%	60%	58%	60%	76%	76%	67%	70%	73%
Net sales per business area															
Games - THQ Nordic, SEK m	302	508	756	991	307	488	567	380	1,742	355	669	374	352	1,750	328
Games - Koch Media Publishing, SEK m	-	-	1,033	2,076	515	613	507	497	2,132	465	638	585	728	2,415	543
Games - Coffee Stain, SEK m	-	-	14	261	82	172	130	99	483	781	191	120	175	1,267	171
Games - Saber, SEK m	-	-	-	-	-	349	259	307	915	271	305	463	476	1,515	448
Games - DECA Games, SEK m	-	-	-	-	-	-	33	72	105	104	146	249	661	1,160	615
Games - Gearbox Entertainment, SEK m	-	-	-	-	-	-	-	-	-	-	437	434	455	1,326	606
Games - Easybrain, SEK m	-	-	-	-	-	-	-	-	-	-	576	607	878	2,061	1,134
Games - Asmodee, SEK m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	571
Games, total	302	508	1,803	3,328	904	1,622	1,495	1,355	5,376	1,975	2,961	2,831	3,725	11,492	4,418
Partner Publishing/Film, SEK m	-	-	2,320	2,213	436	447	888	813	2,584	429	466	465	1,360	2,720	737
Comics and Film - Dark Horse, SEK m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75
Net sales total	302	508	4,124	5,541	1,339	2,069	2,383	2,168	7,959	2,404	3,427	3,296	5,085	14,212	5,229
Net sales split – business area Games															
Owned titles, %	71%	77%	50%	80%	70%	74%	66%	65%	69%	47%	79%	69%	81%	72%	69%
Publishing titles, %	29%	23%	50%	20%	30%	26%	34%	35%	31%	53%	21%	31%	19%	28%	31%
Owned titles, SEK m	213	391	907	2,675	633	1,194	994	875	3,696	927	2,352	1,953	3,020	8,252	3,065
Publishing titles, SEK m	89	116	897	653	270	428	501	480	1,680	1,048	609	878	705	3,240	1,352
New releases sales by each quarter, %	-	-	-	-	38%	45%	33%	20%	-	42%	21%	17%	7%	19%	7%
Back-catalog, %	-	-	-	-	62%	55%	67%	80%	-	58%	79%	83%	93%	81%	93%
New releases sales by each quarter, SEK m	-	-	-	-	345	733	488	272	-	838	627	475	257	2,198	325
Back-catalog, SEK m	-	-	-	-	559	889	1,007	1,083	-	1,137	2,333	2,356	3,468	9,295	4,092
Physical sales, %	51%	50%	55%	32%	22%	26%	24%	21%	23%	11%	13%	7%	12%	11%	17%
Digital sales, %	49%	50%	45%	68%	78%	74%	76%	79%	77%	89%	87%	93%	88%	89%	83%
Physical sales, SEK m	154	253	988	1,070	195	419	352	289	1,255	225	375	200	465	1,266	769
Digital sales, SEK m	148	251	815	2,258	709	1,203	1,143	1,066	4,121	1,750	2,585	2,631	3,260	10,227	3,648
Depreciation and amortization															
Game development	-24	-62	-341	-631	-148	-191	-222	-200	-761	-202	-215	-221	-302	-940	-314
Other intangible assets (Film etc.)	-	-	-115	-144	-53	-55	-43	-65	-216	-54	-29	-32	-43	-158	-60
Operational Amortization	-24	-62	-455	-775	-201	-246	-265	-265	-977	-256	-244	-253	-345	-1,098	-374
Acquisition related amortizations	-13	-14	-99	-722	-189	-492	-521	-664	-1,867	-758	-1,796	-1,822	-2,126	-6,502	-2,790
Total intangible assets	-37	-76	-554	-1,497	-390	-738	-786	-929	-2,844	-1,014	-2,039	-2,075	-2,471	-7,599	-3,164
Gross investments in intangible assets															
External game developm. and advances, SEK m	98	212	528	732	193	209	172	150	724	166	301	323	329	1,119	280
Internal capitalized development, SEK m	36	80	359	645	224	248	273	372	1,117	398	469	558	596	2,021	670
Sub-total - Investments in game dev.	134	292	887	1,377	417	457	445	522	1,841	564	770	881	925	3,140	950
Other intangible assets/IP-rights, SEK m	23	15	123	138	48	41	39	35	163	36	58	35	44	174	53
Total	157	306	1,010	1,515	465	498	484	557	2,004	600	828	916	969	3,314	1,003
Completed games															
Completed games, SEK m	-	176	383	644	165	253	311	156	885	117	298	281	377	1,074	262
Other KPIs															
Total Game Dev projects	-	-	-	-	103	125	135	150	-	160	180	197	216	-	223
Announced Game Dev projects	-	-	-	-	43	52	53	61	-	53	56	67	67	-	64
Unannounced Game Dev projects	-	-	-	-	60	73	82	89	-	107	124	130	149	-	159
Total internal game developers	-	-	-	-	1,359	2,076	2,551	3,673	-	4,036	5,107	6,141	6,473	-	7,240
Total external game developers	-	-	-	-	1,006	1,109	1,042	963	-	1,079	1,280	1,329	1,351	-	1,346
Total internal employees, non-development	-	-	-	-	744	790	851	1,094	-	1,210	1,499	1,594	1,700	-	4,174
Total number headcount	-	-	-	-	3,109	3,975	4,445	5,730	-	6,325	7,886	9,064	9,524	-	12,760
Number of studios															
Total number External Studios	-	-	-	-	58	55	56	57	-	66	67	69	66	-	63
Total number Internal Studios	-	-	-	-	26	33	46	56	-	60	69	82	88	-	118
Total number Studios	-	-	-	-	84	88	102	113	-	126	136	151	154	-	181
Total number of IP	-	-	-	-	160	174	195	208	-	225	247	262	271	-	815
M&A KPIs															
Acc. Additional operative groups	0	0	2	3	3	4	5	5	-	5	7	7	7	-	9
Acc. Additional companies added	1	4	6	15	15	18	26	39	-	39	45	57	64	-	70
Acc. Total	1	4	8	18	18	22	31	44	-	44	52	64	71	-	79
Acc. Max cash consideration SEKm	0	82	1,598	3,422	3,422	5,487	6,736	9,476	-	9,476	18,619	22,952	23,706	-	50,359
Acc. Max share consideration SEKm	0	10	649	1,010	1,010	4,248	6,215	7,471	-	7,471	20,595	22,142	22,206	-	30,103
Acc. Max total consideration SEKm	0	92	2,247	4,432	4,432	9,735	12,950	16,948	-	16,948	39,214	45,095	45,911	-	80,462

¹⁾ Number of shares for previous periods have been adjusted and recalculated with respect to the 3:1 split carried out on October 8, 2019, and the 2:1 split carried out on September 30, 2021.

Embracer Group is a parent company of businesses led by entrepreneurs in PC, console, mobile and board games and other related media. The Group has an extensive catalogue of over 850 owned or controlled franchises.

With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its ten operative groups: THQ Nordic, Koch Media, Coffee Stain, Amplifier Game Invest, Saber Interactive, DECA Games, Gearbox Entertainment, Easybrain, Asmodee, and Dark Horse. The Group has 119 internal game development studios and is engaging more than 12,500 employees and contracted employees in more than 40 countries.