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Interim Report Q2 FY 22/23

Net Sales Group
SEK 9,569m
Y.O.Y Growth 190%

Group Organic Growth 35%
Group Pro Forma Growth 18%

Adjusted EBIT
SEK 2,121m
Y.O.Y Growth 115%

Adjusted EPS After Full Dilution
SEK 1.95
(0.91)

Adjusted EBIT forecast
SEK 8,000 – 10,000 million
FY 22/23
(downward adjustment)

SEK 10,300 – 13,600 million
FY 23/24
(reiterated)

Transformative partnership and licensing deal expected to be closed this Financial Year

Revenue driver
SAINTS ROW

Revenue driver
DEAD ISLAND 2
Postponed to 28 April, 2023

Revenue driver
Goat Simulator
released today

On track
Nasdaq
change listing venue 2022
- 4% (+2%)
YoY

Global games market, 2022
- 4% (+2%)
YoY

Special review
initiated by the Board of Directors on November 16th, 2022

Adjusted EPS forecast
SEK 1.95 (0.91)
AFTER FULL DILUTION
(reiterated)
INTERIM REPORT Q2 FY 22/23

Continued growth

FINANCIAL GROWTH (TTM – OCTOBER TO SEPTEMBER) SEKm

<table>
<thead>
<tr>
<th>Year</th>
<th>Net sales</th>
<th>Adj. EBIT</th>
<th>Adj. EPS after full dilution</th>
</tr>
</thead>
<tbody>
<tr>
<td>17/18</td>
<td>2,998</td>
<td>0.52</td>
<td></td>
</tr>
<tr>
<td>18/19</td>
<td>5,414</td>
<td>1.17</td>
<td></td>
</tr>
<tr>
<td>19/20</td>
<td>7,300</td>
<td>2.32</td>
<td></td>
</tr>
<tr>
<td>20/21</td>
<td>11,284</td>
<td>3.31</td>
<td></td>
</tr>
<tr>
<td>21/22</td>
<td>27,016</td>
<td>4.80</td>
<td></td>
</tr>
</tbody>
</table>

OPERATIONAL GROWTH (END OF PERIOD SEPTEMBER)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total headcount</th>
<th>Internal studios</th>
<th>On-going projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 FY 18</td>
<td>15,731</td>
<td>132</td>
<td>237</td>
</tr>
<tr>
<td>Q2 FY 19</td>
<td>19,024</td>
<td>135</td>
<td>197</td>
</tr>
<tr>
<td>Q2 FY 20</td>
<td>21,964</td>
<td>182</td>
<td>132</td>
</tr>
<tr>
<td>Q2 FY 21</td>
<td>23,016</td>
<td>135</td>
<td>197</td>
</tr>
<tr>
<td>Q2 FY 22</td>
<td>25,642</td>
<td>132</td>
<td>237</td>
</tr>
</tbody>
</table>

1) According to previous reporting standards. 2) According to International Financial Reporting Standards (IFRS) | source: as of 30 September, 2022
1. Segments
Operative Groups by segment

**PC / CONSOLE GAMES**
Total Headcount: 11,165 | Internal Studios: 96 | IP: 252

**MOBILE GAMES**
Total Headcount: 1,135 | Internal Studios: 11 | IP: 41

**ENTERTAINMENT & SERVICES**
Total Headcount: 941 | Internal Studios: 3 | IP: 164

**TABLETOP GAMES**
Total Headcount: 2,445 | Internal Studios: 22 | IP: 370

Source: as of 30 September, 2022
PC / Console Games

**TOP 10 BACK CATALOG TITLES Q2 FY22/23**

**NEW RELEASES**

- **Organic growth**: 57%
- **Pipeline projects**: 234
  - Whereof 173 unannounced
- **AAA projects**: 25
  - Planned for release until March 2026

**NET SALES REVENUE SPLIT SEKm & ADJUSTED EBIT MARGIN**

**BACK CATALOG SALES SEKm**

**OPERATIVE GROUPS**

Source: as of 30 September, 2022
### Mobile Games

**NET SALES SEKm & ADJUSTED EBIT MARGIN**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY21/22</th>
<th>FY22/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>1,441</td>
<td>1,488</td>
</tr>
<tr>
<td>Q3</td>
<td>1,545</td>
<td>28%</td>
</tr>
<tr>
<td>Q4</td>
<td>1,759</td>
<td>29%</td>
</tr>
<tr>
<td>Q1</td>
<td>864</td>
<td>19%</td>
</tr>
</tbody>
</table>

**USER ACQUISITION COST**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY21/22</th>
<th>FY22/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>399</td>
<td>46%</td>
</tr>
<tr>
<td>Q3</td>
<td>881</td>
<td>57%</td>
</tr>
<tr>
<td>Q4</td>
<td>898</td>
<td>51%</td>
</tr>
<tr>
<td>Q1</td>
<td>883</td>
<td>59%</td>
</tr>
<tr>
<td>Q2</td>
<td>755</td>
<td>52%</td>
</tr>
</tbody>
</table>

**DAILY ACTIVE USERS / MONTHLY ACTIVES USERS (PRO FORMA)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY21/22</th>
<th>FY22/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>142</td>
<td>21</td>
</tr>
<tr>
<td>Q3</td>
<td>293</td>
<td>34</td>
</tr>
<tr>
<td>Q4</td>
<td>307</td>
<td>37</td>
</tr>
<tr>
<td>Q1</td>
<td>307</td>
<td>36</td>
</tr>
<tr>
<td>Q2</td>
<td>300</td>
<td>36</td>
</tr>
</tbody>
</table>

**NET SALES DRIVERS**

- Jigsaw Puzzle
- Nonogram.com
- Sudoku.com
- Super Stylist
- Number Match
- Blockudoku
- Art Puzzle
- Solitaire
- Pixel Art
- Easybrain

**NEW RELEASES**

- Merge Blocks
- Gin Rummy
- Single City

**OPERATIVE GROUPS**

- DECA Games - CrazyLabs

Source: as of 30 September, 2022
### Tabletop Games

#### NET SALES SEKm & ADJUSTED EBIT MARGIN

<table>
<thead>
<tr>
<th></th>
<th>FY21/22</th>
<th>FY22/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>571</td>
<td>2,665</td>
</tr>
<tr>
<td>Adjusted EBIT margin, %</td>
<td>13%</td>
<td>17%</td>
</tr>
</tbody>
</table>

#### STRONG PIPELINE

- **Access**: launched 3 games after the quarter in France, Canada and Belgium.
- **VR Group**: acquired, expanding mass market distribution in Australia, New Zealand and the UK.
- **Mantis (Exploding Kittens)**: finalist in the 2022 Toy of the Year Awards in the Game of the Year Category.

#### INTERNAL STUDIOS

![Access Studio](image)

**Access**

**Catan Studio**

**Days of Wonder**

**Fantasy Flight Games**

**Fantasy Knights**

**Gloomhaven**

**Gamegenic**

**Gray Fox**

**Hedgehog**

**Mixlore**

**Plan B Games**

**Space Cowboys**

**Z-Man Games**

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Source: as of 30 September, 2022
Middle-earth Enterprises | Lord of the Rings

PLAION Pictures acquired Anime Limited, Europe’s premiere distributor for Japanese animation.

4 announced licensed Lord of the Rings games in production.

Source: as of 30 September, 2022 | * Closed after the quarter
Market update

GLOBAL VIDEO GAMES MARKET REVENUE FORECAST

- **PC**: +0.5% (+2%) YoY
- **Console**: -4% (-2%) YoY
- **Mobile**: -6% (+5%) YoY
- **Tabletop**: +7% YoY

The global video games market is estimated by Newzoo to generate USD 184 billion in 2022, a decrease of -4% YoY (+2%). This represents a clear downward revision of previous 2022 forecasts, largely due to a lowering of estimates in the mobile sector. The Tabletop games market up by +7% YoY in the April-September due to the Strategic Trading Card Games segment, which was up (in the quarter), by a substantial +25% YoY. The Board Games (only) segment decreased by –6% YoY.

Current “Board Games” consumer purchase intentions** indicate a potential solid fourth calendar quarter. Should the trading levels be similar to the previous two record years, it would put the full CY growth at +4 %***.

Source: as of 30 September, 2022 | * Newzoo | ** MIS Institute, September 2022 | *** Asmodee based on NPD Group data
2. Financial Performance
## Key PNL Metrics

<table>
<thead>
<tr>
<th></th>
<th>SEK million</th>
<th>Q2 FY22/23</th>
<th>Q2 FY21/22</th>
<th>YOY GROWTH</th>
<th>YOY ORGANIC GROWTH</th>
<th>YOY PRO FORMA GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td></td>
<td>9,569</td>
<td>3,305</td>
<td>190%</td>
<td>35%</td>
<td>18%</td>
</tr>
<tr>
<td>Net sales – PC / Console Games</td>
<td></td>
<td>4,097</td>
<td>1,976</td>
<td>107%</td>
<td>57%</td>
<td>39%</td>
</tr>
<tr>
<td>Net sales – Mobile Games</td>
<td></td>
<td>1,441</td>
<td>864</td>
<td>67%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Net sales – Tabletop Games</td>
<td></td>
<td>3,247</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9%</td>
</tr>
<tr>
<td>Net sales – Entertainment &amp; Services</td>
<td></td>
<td>784</td>
<td>465</td>
<td>69%</td>
<td>-15%</td>
<td>-2%</td>
</tr>
<tr>
<td><strong>Adjusted EBIT (margin %)</strong></td>
<td></td>
<td>2,121 (22%)</td>
<td>986 (30%)</td>
<td>115%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted EBIT – PC / Console Games</td>
<td></td>
<td>1,384 (34%)</td>
<td>695 (35%)</td>
<td>99%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted EBIT – Mobile Games</td>
<td></td>
<td>315 (22%)</td>
<td>254 (29%)</td>
<td>24%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted EBIT – Tabletop Games</td>
<td></td>
<td>451 (14%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted EBIT – Entertainment &amp; Services</td>
<td></td>
<td>7 (1%)</td>
<td>66 (14%)</td>
<td>-90%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted EPS, SEK</strong></td>
<td></td>
<td>2.12</td>
<td>0.95</td>
<td>123%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EPS after full dilution, SEK</td>
<td></td>
<td>1.95</td>
<td>0.91</td>
<td>114%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: as of 30 September, 2022
FINANCIAL PERFORMANCE

Financial development

GROSS MARGIN DEVELOPMENT SEKm

Source: as of 30 September, 2022

DEVELOPMENT OF MARKETING COSTS SEKm

DEVELOPMENT OF OPERATING EXPENSES, NET SEKm

ADJUSTED EBIT SEKm

Source: as of 30 September, 2022
# Cash flow and investments

<table>
<thead>
<tr>
<th>SEK million</th>
<th>FY22/23 Q2</th>
<th>FY21/22 Q2</th>
<th>TTM Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>3,056</td>
<td>1,299</td>
<td>7,992</td>
</tr>
<tr>
<td>Cash Tax</td>
<td>-203</td>
<td>-213</td>
<td>-602</td>
</tr>
<tr>
<td>Other non-cash items</td>
<td>-162</td>
<td>-6</td>
<td>356</td>
</tr>
<tr>
<td><strong>Operating Cash flow</strong></td>
<td><strong>2,691</strong></td>
<td><strong>1,080</strong></td>
<td><strong>7,747</strong></td>
</tr>
<tr>
<td>Net investment in intangible assets</td>
<td>-1,572</td>
<td>-916</td>
<td>-4,743</td>
</tr>
<tr>
<td>Net investment in tangible assets</td>
<td>-124</td>
<td>-98</td>
<td>-391</td>
</tr>
<tr>
<td>Net investment in financial assets</td>
<td>10</td>
<td>-3</td>
<td>-94</td>
</tr>
<tr>
<td><strong>Net Investment</strong></td>
<td><strong>-1,686</strong></td>
<td><strong>-1,018</strong></td>
<td><strong>-5,228</strong></td>
</tr>
<tr>
<td><strong>Free Cash Flow before WC</strong></td>
<td>1,005</td>
<td>62</td>
<td>2,519</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>-1,936</td>
<td>-20</td>
<td>-3,550</td>
</tr>
<tr>
<td><strong>Free Cash Flow after WC</strong></td>
<td><strong>-931</strong></td>
<td><strong>42</strong></td>
<td><strong>-1,031</strong></td>
</tr>
<tr>
<td>Cash Flow from financing activities</td>
<td>3,199</td>
<td>138</td>
<td>33,171</td>
</tr>
<tr>
<td>Net investment in acquired companies</td>
<td>-3,799</td>
<td>-2,723</td>
<td>-33,588</td>
</tr>
<tr>
<td><strong>Cash Flow for the period</strong></td>
<td><strong>-1,531</strong></td>
<td><strong>-2,543</strong></td>
<td><strong>-1,448</strong></td>
</tr>
</tbody>
</table>

- At the end of September Net debt amounted to SEK 11.2 bn and available funds amounted to SEK 10.2 bn.
- Increased receivables in the Tabletop segment driven by increased sales in the quarter. Cash inflow from new releases and notable customer contracts after quarter end.
- Increase in inventory mainly related to inventory build-up in the Tabletop segment.
- Actions have been initiated to focus on working capital reduction and management expects to see tangible results during the remainder of the fiscal year with emphasis on the fourth quarter.
- During the quarter, Embracer Group AB made a voluntary loan prepayment of SEK 6.2 billion. The financial leverage target of 1.0x is expected to be reached by the end of the financial year.
- Embracer Group has substantial headroom to its financial covenants.

Source: as of 30 September, 2022

Cash & credit facilities **SEK 5.7b**

by the time of this report
**Forecast**

### MARKET
- The global video games market is predicted to generate USD 184 billion in 2022, a decrease of -4% YoY (+2%)
- This represents a clear downward revision of previous 2022 forecasts, largely due to a lowering of estimates in the mobile sector

### OUR FORECAST
We now expect a reduced forecast* in FY 2022/23 while we reiterate the forecast FY 2023/24.

<table>
<thead>
<tr>
<th></th>
<th>CURRENT FORECAST</th>
<th>PREVIOUS FORECAST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Year 22/23</td>
<td><strong>SEK 8,000 – 10,000 million</strong></td>
<td><strong>SEK 9,200 - 11,300 million</strong></td>
</tr>
<tr>
<td>Financial Year 23/24</td>
<td><strong>SEK 10,300 – 13,600 million</strong></td>
<td><strong>SEK 10,300 - 13,600 million</strong></td>
</tr>
</tbody>
</table>

**Our reduced forecast reflects:**
- A mixed reception to some of our key Q2 PC/console releases impacting catalog sales in the coming quarters
- Shifts in the PC/Console pipeline (including Dead Island 2)
- A more cautious view on the current macroeconomic situation, particularly related to the Mobile Games and Tabletop Games segments
- It also includes a range of outcomes from partnership- and licensing deals with several industry partners expected to be completed during financial year 22/23.

*The forecast for the financial years 2022/23 and 2023/24 includes all acquisitions announced as per 17th November*
Transformative partnership and licensing deal

- Further investments into making even greater games based on both established and new IPs
- Even further organic growth by hiring of even more developers across the group
- Factor in our forecasted Adjusted EBIT range for this and next financial year
FINANCIAL PERFORMANCE

Special review

Turbulent times create new opportunities

- We continue our long-term mindset in building enduring, innovative and profitable businesses in a creative industry.
- We need to adapt to the challenges of geopolitical and social issues around the world and the new macroeconomic reality.
- The increased cost of capital will impact our business going forward. The adjustments in the cost of capital will, compared to before, require current and future investments, both organic and in-organic, to have a higher minimum hurdle with a safety margin to justify the capital allocation.
- We need to continue our sharp focus on the execution of our ongoing business around the world.

The Board of Directors decided on November 16 to launch a special review of our business to navigate:

- The new market conditions
- How we both make sure all businesses have all the tools to succeed and maximize the long-term shareholder value creation

The outcome of this review may, for example, lead to board recommendations to make spin-off/s (under Lex Asea) into separate publicly listed companies in the future, if that is deemed to be the best for its employees, create higher shareholder value and improve our strategic flexibility.
Now we will have **Q&A**

Until 10:00 CET - hosted by Martin Arnell, DnB Markets

This will be followed by Session 2: Deep Dives & Other presentations
3. Deep Dives & Other Presentations
Sustainability – Part of our Business
EMBRACER AND SUSTAINABILITY

Sustainability - Part of our business

Development and publishing of games and entertainment for the global market

- Provide entertainment
- Hiring people
- Paying tax
- Suppliers

Creating long term value for stakeholders

- MORE entertainment
- Hiring MORE people
- Paying MORE tax
- Providing MORE suppliers with business
Embracer and Sustainability

Values
- Trust
- Long-term
- Embracing

Risk Management
- Legal
- Financial
- Reputational

Business Support
- Products
- People
- Collaborations and Partnerships
Asmodee – Access +

EQUAL AND INCLUSIVE ACCESS TO GAMES
Gearbox - Borderlands Science

Sebastien Caisse
STUDIO HEAD GEARBOX QUÉBEC
Best Places to Work 2022 Canada Winner

Large Company Winner Gearbox Quebec
ENTERTAIN THE WORLD SUSTAINABLY
NUCLEOTIDES:
- Cytosine
- Guanine
- Adenine
- Thymine

Human Gut Microbiome Bacteria DNA
WHY?

Our gut microbiome impacts our health:

• Obesity
• Neurological diseases
• Diabetes
• Cancer
• Psychological disorders
Why? Boosters!

- **Brain Nanobots**: +15% XP for 2 hours
- **Lucky Charm Milk**: +10% rare loot chance for 2 hours
- **Magnetised Ferrofluid**: +25% money drop for 2 hours
- **Tears of the CoV**: +50% badass spawn rate for 2 hours
- **Ultra Concentrated Coffee**: +15% movement speed for 2 hours
- **Taurine and Testosterone Mix**: +50% weapon damage for 2 hours
HOW?

### Academic Team

**Activity 1**
1. Collect and build clean microbiome data sets
2. Leverage results generated from project

- R. Knight (co-PL)
- D. McDonald

**Activity 2**
- Step 1 Filtered sequencing data
- Step 2 Alignment puzzles
- Step 5 Packaged Puzzle solutions

- J. Waldispühler (PL)
- M. Blanchette (co-PL)

**Activity 3**
1. Build puzzles microbiome from data
2. Aggregate solutions to improve alignments
3. Learn customized algorithms from solutions

**Activity 4**

**Receptor Consortium**

**Activity 3**
1. Distribute puzzles to gamers
2. Collect puzzle solutions from gamers

**Activity 4**
- Video game design and deployment

- Sébastien Caisse (co-PL)
- Amélie Brouillette

**Receptor Leader**

**Receptor consortium member**
April 7th 2020 Launch

World Health Day
THE FIRST 24 HOURS:

- More than 6 million puzzles completed, or 4,100+ puzzles solved every minute;
- More than 150,000 active players;
- Each player completed, on average, 40 puzzles;
- Our top player completed 519 puzzles!

Our optimistic forecast was to reach one million completed puzzles by the end of the 1st week...
More than 3.5 million active players as of November 17th 2022, with over 122 million puzzles completed. Worldwide coverage in specialized and mass media, as well as:

- *Leveling up citizen science* in *Nature Biotechnology* [https://doi.org/10.1038/s41587-020-0694-x]
- In-depth documentaries at *Off the Cuff*(Amazon Prime), *Red Bull TV*, and *Savoir Media*;
- Tech Titans’ 2021 *Corporate Innovation Award*
VERSATILITY OF DATA IN BORDERLANDS SCIENCE

• It’s all about DNA
• Data is easily interchangeable
• Microbiome analysis is relevant to many fields of scientific inquiry
Create Value for the World

Development and publishing of games and entertainment for the global market

- Provide entertainment
- Hiring people
- Paying tax
- Suppliers

Creating long term value for stakeholders

- MORE entertainment
- Hiring MORE people
- Paying MORE tax
- Providing MORE suppliers with business
Phil Rogers, CEO
First 90 Days

1. PEOPLE

2. STRATEGIC ALIGNMENT

3. BROADENING REVENUE SOURCES
INSPIRING THE GREAT STORYTELLERS OF THE FUTURE
THE ICONIC SECRET AGENT HEROINE RETURNS
UNREAL FEST: SHARING KNOWLEDGE AND EXPERTISE
UNREAL FEST: THE PATH TO EXCEPTIONAL DESIGN AND CRAFTSMANSHIP
MULTI AWARD-WINNING GAME CELEBRATES ITS 1ST ANNIVERSARY – 8M PLAYERS AND COUNTING
NEW HERO – LAUNCHING NOVEMBER 29th
73,000 SURVEY RESPONSES FROM GAMERS – WE HEAR YOU!
Müge BOUILLON

Group CFO, Asmodee Group
Solid H1 topline performance driven by TCG’s while growing share in softer Boardgames market.
Adj. EBIT delivered in line with last year despite temporary product mix impact and a challenging inflationary environment.
September is the peak of seasonal driven working capital investment…

Strong seasonal trend in market demand drives seasonality in boardgame inventory levels and distinct H1/H2 split in cash generation.
We expect seasonal unwinding of the stock position to year end, with temporary effects unwinding over the next 12 months as we normalize coverage of evergreen/bestseller titles.

Inventory net value at 30 Sep 2022

4,171mSEK

+65% YoY

+34% Topline growth (TCG demand) and perimeter expansion (M&A take-on balances)

+5% FX translation from USD strength

+26% Management decision to increase coverage on evergreen/bestsellers to secure sales in face of supply disruptions

+3 days

FX translation from USD strength

+22 days

We expect seasonal unwinding of the stock position to year end, with temporary effects unwinding over the next 12 months as we normalize coverage of evergreen/bestseller titles.

After H1 investment, seasonal unwinding is to generate strong H2 cash generation even after accounting for a partial phasing to next year due to the temporary inventory effects.

(1) 382m€
(2) In days LTM Net Sales
Strong release pipeline, exciting opportunities and further geographic expansion

Exciting new releases in H1...

Many exciting opportunities with other operating units

25 projects in discussion

- Including use of Asmodee IP’s by Embracer studios
- ...collaboration with Dark Horse on novels, comics, merchandising and media development
- ...and further development of our longstanding relationship with MEE

... and many more in the months to come

Expanding geographic footprint and mass market distribution

- Australia
- NZ
- UK
ROI Deep Dive
ROI DEEP DIVE

Project ROI - PC/Console

- Based on reported numbers until 30 September 2022
- Sample includes projects with sales above SEK 40 mn or investment above SEK 40 mn (58 projects)
- ROI = Contribution / Investment
- Contribution = Gross Profit less marketing expenses from release to 30 September 2022.
- Investment = Capitalized Development Expenses including follow-on investment.
- Saints Row recouped on 0.9x

Average title project data:
Sales SEK 272m, Contribution SEK 190m and Investment SEK 80m.

SEK 15,8 Bn in net Sales
SEK 11,0 Bn in Contribution
SEK 4,6 Bn in Total Investments

2.91x excl. Saints Row
2.37x in average
1.0x in break even

PROJECT ROI (CONTRIBUTION/INVESTMENT)

Quarters since release
M&A Deep Dive
M&A follow-up

- Operative units & Standalone companies - 19 deals included, or 15 excluding integrated companies
- The study include acquisitions since 2018, with a minimum of four quarters since acquisition
- On a trailing twelve-month basis, adjusted EBIT has grown by over 50% since deal announcement
- The weighted average upfront Adjusted EV/EBIT multiple for has decreased from 5.2x to 3.4x
**EV/EBIT ADJ. MULTIPLES INCL. LIKELY EO - ACTUAL VS. AT TIME OF ACQUISITION**

- **Day 1 EV = SEK 13,0 bn | Likely E/O = SEK 13,5 bn**
- Total purchase price = SEK 26.5bn
- Adjusted EBIT at closing = 2.49bn
- Adjusted EBIT TTM = +53%
- Upfront EV/Adjusted EBIT 5.2x at deal announcement --> 3.4x TTM

**Financials Rationale**

- Adding developing, publishing and other capabilities (5,945 people)
- 2,415 people (+41%) organically since acquisition, totaling 8,360 end of quarter
- Adding IPs, Studio network and publishers

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**EV/EBIT ADJ. UPFRONT MULTIPLES - ACTUAL VS. AT TIME OF ACQUISITION**

**EV/EBIT ADJ. MULTIPLES INCL. LIKELY EO - ACTUAL VS. AT TIME OF ACQUISITION**

- **At deal announcement**
- **TTM Q2(22/23)**
- **Weighted avg. at deal announcement**
- **Weighted avg. TTM Q2(22/23)**
• Attractive and unique business model that has become increasingly successful. Last quarter alone the Amplifier team had 195 incoming opportunities.

• Successful acquisition of Amplifier made in 2019 for in total 42 SEKm. Minority portfolio alone has generated 110 SEKm in net profits in exits.

• Successful Tarsier acquisition in 2019. Little Nightmares has been generating notable royalties. We are highly confident in their future pipeline.

• Total net investments into Amplifier are 550 SEKm whereof 315 SEKm in Capex.

• We are confident in Amplifier’s future pipeline with 15 projects across close to 300 developers. Without taking further deals into account we believe the current pipeline could generate 500-1000 SEKm in FY 24/25 alone and be a notable contributor to organic growth in the group.

**AMPLIFIER BUSINESS CASE**

- Full acquisition - including with long-term earnouts
- Geography - At our discretion - biased towards Scandinavia, EU & NA
- Platforms - PC & Console, dabbling with Mobile, VR, and more
- Games - Genre agnostic, finding gaps or overlaps with our portfolio
- Team Size - 5-20 FTE, we are looking at different sizes
- Budget - Game Budget 3 - 5 M€

ROI: 3x inv. hurdle for all inv., but aim for outlier returns of >10x
### M&A DEEP DIVE

**Coffee Stain & Ghost Ship Games**

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<thead>
<tr>
<th>Country</th>
<th>City</th>
<th>Platforms</th>
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<td>PC / Console</td>
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### ABOUT COFFEE STAIN
- In total we have invested SEK 2.69 bn in acquisitions since 2018 to create the Operating Group. This includes likely earn-outs until 2029
- Pro forma Net Sales TTM Q2 FY 22/23: 1,300 SEKm
- Pro forma Adjusted EBIT TTM Q2 FY 22/23: 835 SEKm or 64.2% Adjusted Ebit margin
- We expect the Goat Simulator 3 release in Q3 and Valheim Xbox release in Q4 to grow the business further
- Notable unannounced pipeline 2023 onwards
- Significant free cash flow generation since 2018 due to low Capex

### COFFEE STAIN PRO FORMA NET SALES REPORTED SEKm
- 227,000 in Feb(21) driven by Valheim
Studio case #1

- New and only game released in year 4 after acquisition
- Negative cash flow before tax (EBITDA minus capex) for three years
- Strong earnings and cash flow contribution at release
- Adjusted EBIT and operating cash flow converge one year post-release
- New game now under development
Studio case #2

- New and only game released one year before acquisition
- Strong earnings and cash flow contribution first two years post-acquisition
- Negative cash flow in most recent quarters one year ahead of promising sequel
- EBIT and cash flow expected to converge post-release, depending on success
Change of listing Venue
Change of listing Venue to regulated market

The project for changing listing venue is progressing according to time plan, where we have the ambition to be ready for listing at the regulated Nasdaq Stockholm Main Market by the end of 2022, provided that certain milestones are reached as planned.

Rationale

- Broader shareholder base with increased liquidity.
- Company will be better known worldwide; listing on Nasdaq Stockholm gives an extra stamp of quality
- Allows for share buy-back programs
- Valuable governance and control structures, including ESG, which will continue to develop the group’s existing structures

About

- Large project involving 12 operative groups and ~300 legal entities in ~50 jurisdictions.
- Seven project workstreams, 140+ activities in action plan and 53 milestones.
- Key milestones include; Transition to IFRS reporting, Financial Manual update, Proforma preparations for prospectus, legal and tax DD, stock exchange audit, documentation and monitoring of control activities (incl IT), prospectus, dataroom, steering documents, policies, instructions, guidelines.

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<tr>
<th>WS</th>
<th>Project management (PMO &amp; IPO Lead)</th>
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Q&A
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