

Q4

FY 2022/23

EMBRACER GROUP Q4 & FULL YEAR REPORT

APRIL 2022– MARCH 2023

NET SALES INCREASED BY 79 % TO SEK 9,356 MILLION

FOURTH QUARTER, JANUARY–MARCH 2023 (COMPARED TO JANUARY–MARCH 2022)

- > Net sales increased by 79 % (–4 % organic growth) to SEK 9,356 million (5,238).
The sales split per operating segment:
 - > PC/Console Games: increased by 66 % to SEK 3,478 million (2,097).
 - > Mobile Games: decreased by –25 % to SEK 1,317 million (1,759).
 - > Tabletop Games: increased by 438 % to SEK 3,074 million (571).
 - > Entertainment & Services: increased by 83 % to SEK 1,487 million (811).
- > EBIT¹⁾ amounted to SEK –95 million (–967), an EBIT margin of –1 % (–18 %). Adjusted EBIT decreased by –14 % to SEK 915 million (1,069), an Adjusted EBIT margin of 10 % (20 %).
- > Cash flow from operating activities amounted to SEK 1,643 million (1,431). Net investments in intangible assets amounted to SEK –1,807 million (–998).
- > Basic earnings per share was SEK 0.68 (0.17) and diluted earnings per share SEK 0.67 (0.16). Adjusted earnings per share was SEK 0.38 (0.81). Adjusted earnings per share after full dilution was SEK 0.35 (0.76).
- > An Adjusted EBIT of SEK 7,000 - 9,000 million is forecasted for the financial year 2023/24. It is a downward adjustment compared to the previously communicated forecast (SEK 10,300 - 13,600 million).

FULL YEAR, APRIL 2022–MARCH 2023 (COMPARED TO APRIL 2021–MARCH 2022)

- > Net sales increased by 121 % (2 % organic growth) to SEK 37,665 million (17,067).
The sales split per operating segment:
 - > PC/Console Games: increased by 58 % to SEK 13,444 million (8,498).
 - > Mobile Games: increased by 19 % to SEK 5,819 million (4,896).
 - > Tabletop Games: increased by 2,199 % to SEK 13,132 million (571).
 - > Entertainment & Services: increased by 70 % to SEK 5,270 million (3,102).
- > EBIT¹⁾ amounted to SEK 194 million (–1,126), an EBIT margin of 1 % (–7 %). Adjusted EBIT increased by 43 % to SEK 6,366 million (4,465), an Adjusted EBIT margin of 17 % (26 %).
- > Cash flow from operating activities amounted to SEK 5,383 million (4,070). Net investments in intangible assets amounted to SEK –5,996 million (–3,712).
- > Basic earnings per share was SEK 4.17 (1.08) and diluted earnings per share SEK 4.12 (1.06). Adjusted earnings per share was SEK 4.41 (3.69). Adjusted earnings per share after full dilution was SEK 4.06 (3.50).

Key performance indicators, Group	Jan-Mar 2023	Jan-Mar 2022	Apr 2022-Mar 2023	Apr 2021-Mar 2022
Net sales, SEK m	9,356	5,238	37,665	17,067
EBIT ¹⁾ , SEK m	–95	–967	194	–1,126
EBIT margin	–1 %	–18 %	1 %	–7 %
Adjusted EBIT, SEK m	915	1,069	6,366	4,465
Adjusted EBIT margin	10 %	20 %	17 %	26 %
Cash flow from operating activities, SEK m	1,643	1,431	5,383	4,070
Net investments in intangible assets, SEK m	1,807	998	5,996	3,712
Net sales growth	79 %	119 %	121 %	90 %
Total game development projects	221	223	221	223
Total game developers	11,426	8,586	11,426	8,586
Total headcount	16,601	12,760	16,601	12,760

¹⁾ EBIT equals Operating profit in the Consolidated statement of profit or loss.

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



CEO COMMENTS

It has been a challenging year, adversely impacted by game delays, weaker consumer demand and lackluster reception for certain notable releases. Late last night, we were informed that one major strategic partnership that has been negotiated for seven months will not materialize. We now expect to generate SEK 7 to 9 billion in Adjusted EBIT with improving cash conversion for FY 2023/24 and a healthy growth outlook in the following years.

Embracer's Net sales in Q4 grew by 79 % to SEK 9.4 billion. The organic growth in Q4 amounted to –4 %, with solid organic growth within PC/Console Games, Tabletop Games, and Entertainment & Services negated by tough comparisons and soft market conditions in the Mobile Games segment. In a seasonally quieter quarter across all segments and with limited new game releases in the PC/Console Games segment, we generated Adjusted EBIT of SEK 915 million and free cash flow of SEK –32 million. The Adjusted EBIT was also impacted by a few impairments related to ongoing canceled game development projects within Amplifier Game Invest and DECA Games, amounting to approximately SEK 100 million. A revaluation of earnout commitments resulted in a reduction of SEK 2.1 billion in cash earnouts and 14 million in number of shares expected to be issued.

For FY 2022/23, Net sales grew by 121 % YoY to SEK 37.7 billion, with organic growth of 2 %. We reached an Adjusted EBIT of SEK 6.4 billion. Compared to our guidance a year ago for FY 2022/23, we estimate that approximately 40 % of the shortfall in Adjusted EBIT is due to pipeline shifts, 30 % is due to weaker ROI in the PC/Console Games segment, and the balance is due to a softer gaming market and cost inflation factors.

UPDATE ON STRATEGIC PARTNERSHIP NEGOTIATIONS AND FY 2023/24 FORECAST

We would like to describe some background and rationale for the aforementioned strategic partnership deal. Even if it serves little financial value going forward, it hopefully answers some questions about our communication and decisions.

In Q2 2022/23 we outlined our ambition to close a number of partnership and licensing deals that would be jointly transformative for Embracer. We have already entered into multiple partnerships and licensing agreements with industry partners on both AAA games and movies based on some of our iconic IPs. Except for the already announced deals that have more limited short-term financial value, we have been working on one groundbreaking strategic partnership agreement

that would have set a new benchmark for the gaming industry.

Negotiations have been taking far longer than originally anticipated considering we had a verbal commitment already in October 2022. The specific deal included more than USD 2 billion in contracted development revenue over a period of six years. The deal would have enabled a catch-up payment at closing for already capitalized costs for a range of large-budget games, but also notably improved medium-to-long-term profit and cash flow predictability for the duration of the game development projects.

The transaction had many of the highest rated global advisories onboard with several hundred people engaged on both sides. All documentation was finalized and ready to go as of yesterday. We asked for the execution of the agreement before our Q4 announcement. However late last night we received a negative outcome from the counterparty. This decision was unexpected to the management and the Board of Directors of Embracer.

Capitalizing on our collective value through our partnership approach remains a key priority for the Group. We will continue to seek partnerships and collaborations with third parties across all our segments, including opportunities within transmedia. The demand for content has never been greater, and Embracer is well-positioned to meet that demand. We still have ongoing discussions about additional partnership and licensing deals, but the impact of potential deals is not included in the management forecast for the current financial year. That said, our ambition is still to increase the share of externally funded game development.

We have a solid pipeline of ongoing development projects, but multiple projects will need more time to live up to our high expectations of quality and to reach their full commercial potential. There have recently been several changes in expected release dates moving forward for unannounced titles in FY 2023/24. Consequently, several games with the potential to generate more than SEK 1 billion in net sales are now slated for FY 2024/25. Due to these delays and without the significant, transformative

partnership deal, we expect to generate SEK 7 billion to SEK 9 billion (previously SEK 10.3 billion to SEK 13.6 billion) in Adjusted EBIT with improving cash conversion for FY 2023/24 and a healthy growth outlook in the following years.

In the PC/Console Games segment, we expect underlying earnings growth driven by more owned and self-published, large-budget game releases during the financial year. The forecast includes more cautious assumptions for certain releases and certain categories of games. In the Mobile Games segment, we expect a low single-digit organic growth, with gradually stronger growth during the financial year. We assume stable, soft underlying market trends with some gradual improvements to ad monetization throughout the year. The Adjusted EBIT margin is expected to be largely in line or slightly above FY 2022/23. In the Tabletop Games segment, we expect high-single-digit organic growth driven by the trading cards product area, with an Adjusted EBIT margin slightly below FY 2022/23.

Looking further ahead, in FY 2024/25 and FY 2025/26 we expect to deliver consecutively higher net sales, Adjusted EBIT and free cash flow, driven by a strong pipeline of highly anticipated games based on our iconic own and licensed IP. We are confident that we are nearing a notable inflection point in our business, and that we can utilize our scale and our significant collective value to the best effect.

FY 2023/24 is not the year when we maximize the value in Embracer – but we will continue to take important steps and set the foundation for the years to come. We will hold a Capital Markets Day in the second half of the calendar year to give a detailed overview of both strategy and mid-term financial targets.

SOFT PERFORMANCE IN A SEASONALLY QUIET Q4

In the PC/Console Games segment, sales grew by 17 % organically in Q4 driven by several publishing deals accounted for as work-for-hire agreements as well as a continued strong back-catalog performance for Coffee Stain and a number of other strong franchises. However, delays have led to a limited number of large-budget game releases and a temporary under-absorption of fixed costs in FY 2022/23, impacting margins.

I am confident of notable organic growth, as well as profit and cash flow generation FY 2023/24.

Dambuster Studios and PLAION released *Dead Island 2* on April 21, and it is encouraging to see the positive reception from both critics and players. *Dead Island 2* sold 1 million units in its first weekend (21-23 April), exceeding management expectations. Measured over the first seven days of the sale period, it has become Deep Silver and PLAION's biggest launch in history in both units and revenue. I am happy to state that the game has now reached a sell-out of well over 2 million

units. It is rewarding to see that the decision to give the studio time to polish the game has paid off.

Several additional large-budget games are expected in FY 2023/24, including already-announced titles, such as *Warhammer 40,000: Space Marine 2*, *Remnant 2* and *Payday 3*. There are still a number of unannounced notable titles awaiting to be announced for FY 2023/24.

In the Tabletop Games segment, Asmodee delivered a solid Q4 in a seasonally quiet quarter, with 6 % pro forma growth driven by strong performance in the UK and Central Europe. Trading cards continued to perform strongly, impacting the revenue mix and gross margin. Asmodee delivered a full-year Adjusted EBIT largely in line with our expectations from last year as well as a notably improved free cash flow in the second half of the year. In FY 2023/24, we expect a free cash flow conversion of above 100 % for Asmodee as the inventory levels fully normalize, with positive free cash flow also in the first half of the financial year.

The Mobile Games segment had a challenging Q4, with –36 % organic growth, but managed to deliver a solid Adjusted EBIT margin and free cash flow due to optimized user acquisition investments. Organic growth was impacted by very tough YoY comparisons, lower ad prices, and recent platform privacy changes. Excluding the effect of an ad mediation platform deal last year, organic growth was –24 % in Q4 while Adjusted EBIT grew by around 50 % YoY driven by lower user acquisition spending. There are positive signals with regard to ad monetization into FY 2023/24, with revenue behavior and advertising prices exceeding expectations toward the end of the quarter.

STRONG FOUNDATION FOR THE FUTURE

We have amazing publishers and studios across Embracer Group working on exciting development projects that will be driving profitable growth for many years ahead. Our operations within Mobile, Tabletop and Entertainment & Services provide a solid foundation with predictable, profitable and cash-generative businesses. Our roster of profitable PC/console franchises includes *Borderlands*, *Deep Rock Galactic*, *Insurgency*, *Metro*, *Remnant*, *Satisfactory*, *Snowrunner*, *Tiny Tina's Wonderland*, *Tomb Raider*, *Valheim*, *World War Z* and many others, and the list grows longer on steady basis with the latest installment in the *Dead Island* franchise as a recent testament of the creative engine within our studio network.

The long-term ambition for Embracer is to build something significant and long-lasting, and to do it together with successful entrepreneurs and creators. Today, we have one of the industry's largest portfolios of games and intellectual property, with more than 850 owned and controlled IPs, over 130 internal development studios and over 200 games in the pipeline, combined with transmedia expertise within tabletop games, comics and movies.

WORKING ACTIVELY ON EFFICIENCY IMPROVEMENT INITIATIVES

We are working actively on efficiency improvement initiatives, which will be announced in due course. These efforts are likely to benefit profit margins and cash conversion for FY 2023/24 and reach full run-rate during FY 2024/25. We expect to reduce capitalized development projects, while continuing to invest to grow our established, profitable, and beloved franchises and IP's. We will de-emphasize third-party publishing and externally developed games based on external IP's.

We will increase focus on net cash flow and with further initiatives, we expect to reach a financial net debt below SEK 10 billion by the end of this financial year.

The special review that was announced by the Board of Directors in our Q2 report in November is still ongoing. The Board of Directors and the management team remain committed to maximizing long-term value creation for all businesses within Embracer.

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

May 24, 2023, Karlstad, Värmland, Sweden

Lars Wingefors
Co-founder & Group CEO



FINANCIAL COMMENTS

NET SALES

Net sales, SEK m	Jan-Mar 2023	Jan-Mar 2022	Change	Apr 2022-Mar 2023	Apr 2021-Mar 2022
PC/Console Games	3,478	2,097	66 %	13,444	8,498
Mobile Games	1,317	1,759	-25 %	5,819	4,896
Tabletop Games	3,074	571	438 %	13,132	571
Entertainment & Services	1,487	811	83 %	5,270	3,102
Total	9,356	5,238	79 %	37,665	17,067

Total net sales in the fourth quarter amounted to SEK 9,356 million, an increase of 79 % YoY. Inorganic growth through acquisitions was the contributor, most notably through Crystal Dynamics – Eidos and Gearbox San Francisco (formerly Perfect World) in the PC/Console Games segment, Asmodee in the Tabletop Games segment, where the acquisition was closed in March 2022, and Dark Horse and Limited Run Games in the Entertainment & Services segment. In the period April 2022 to March 2023, total net sales amounted to SEK 37,665 million, an increase of 121 % compared to the same period last year. The increase was mainly driven by inorganic growth through acquisitions.

Organic growth in the quarter was -4 % and the pro forma growth was -5 %. The Mobile Games segment is facing tough comparison versus previous year, where an ad platform deal in Easybrain was recognized. This combined with lower ad prices explains the negative growth figure. The strong organic growth in PC/Console Games segment is mainly explained by positive effects from platform deals combined with positive impact from publishing deals. The organic and pro forma growth in Entertainment & Services was primarily driven by PLAION Publishing and Film division.

Net sales growth	Jan-Mar 2023			Apr 2022-Mar 2023		
	Net sales growth	Organic growth	Pro forma growth	Net sales growth	Organic growth	Pro forma growth
PC/Console Games	66 %	17 %	0 %	58 %	10 %	2 %
Mobile Games	-25 %	-36 %	-36 %	19 %	-13 %	-12 %
Tabletop Games	438 %	n/a	6 %	2,199 %	n/a	2 %
Entertainment & Services	83 %	20 %	8 %	70 %	3 %	6 %
Total	79 %	-4 %	-5 %	121 %	2 %	0 %



Trine 5: A Clockwork Conspiracy

EBIT AND ADJUSTED EBIT

EBIT amounted to SEK –95 million (–967) in the quarter, an EBIT-margin of –1 % (–18 %).

The addition of acquired companies contributed to EBIT, but was partly offset by increased depreciation, amortization, and impairment, which increased by SEK 957 million. Personnel cost related to acquisition decreased SEK 1,327 million in the quarter related adjustments in estimated target fulfilment of earnouts, this decrease was mitigated by an increase in other personnel expenses by SEK 1,465 million due to acquisitions and additional headcount. Personnel expenses increased by SEK 138 million in the quarter.

In the period April 2022 to March 2023, EBIT amounted to SEK 194 million (–1,126).

Items affecting comparability amounted to SEK 203 million in the quarter and are excluded from Adjusted EBIT (see page 56). The items are related to three different events. The restructuring costs in Crystal Dynamics – Eidos for its closing of publishing QA team and mobile studio Onoma, restructuring costs related to the closed operations for the studio Plucky Bytes and divestment of the studio Vermila in the Operative Group Amplifier Game Invest in PC/Console Games segment, and costs related to project of changing listing venue to a regulated market.

Adjusted EBIT decreased by 14 % and amounted to SEK 915 million (1,069) in the quarter, yielding an 10 % margin (20 %). The gross margin declined and amounted to 59 % (73 %). The lower margin is primarily attributable to the acquisition of Asmodee in the Tabletop Games segment. While contributing significantly to earnings, Asmodee has a lower gross margin profile and thus dilutes the Group's margin.

In the period April 2022 to March 2023, Adjusted EBIT amounted to SEK 6,366 million (4,465), yielding an 17 % (26 %) margin, primarily impacted by the acquisition of Asmodee in the Tabletop Games and lower margin in the PC/Console Games segment.

EBIT, SEK m	Jan-Mar 2023	Jan-Mar 2022	Change	Apr 2022-Mar 2023	Apr 2021-Mar 2022	Change
PC/Console Games	370	–468	179 %	41	509	92 %
Mobile Games	–140	–263	47 %	–260	–1,470	82 %
Tabletop Games	–43	–124	65 %	828	–124	770 %
Entertainment & Services	–203	3	–6,858 %	–170	218	–178 %
Governance	–80	–115	–31 %	–245	–259	–5 %
Total	–95	–967	90 %	194	–1,126	117 %

Adjusted EBIT, SEK m	Jan-Mar 2023	Jan-Mar 2022	Change	Apr 2022-Mar 2023	Apr 2021-Mar 2022	Change
PC/Console Games	338	553	–39 %	2,902	2,926	–1 %
Mobile Games	324	494	–34 %	1,381	1,389	–1 %
Tabletop Games	250	74	237 %	2,010	74	2,607 %
Entertainment & Services	66	30	124 %	281	247	14 %
Governance	–63	–82	23 %	–208	–171	21 %
Total	915	1,069	–14 %	6,366	4,465	43 %



FORECAST

Adjusted EBIT	Current Forecast	Previous Forecast
Financial year 2023/24	SEK 7,000 million - SEK 9,000 million	SEK 10,300 million - SEK 13,600 million

For the overall group, we lower our Adjusted EBIT forecast for FY 2023/24 to SEK 7.0 billion-9.0 billion (10.3 billion-13.6 billion). The forecast for 2023/24 includes all acquisitions announced as per May 24. The forecast is based on scheduled game releases, market and macro conditions, and exchange rates being unchanged from current conditions.

Current forecast vs. Previous forecast

Compared to the previous guidance, provided in conjunction with the Q3 report, a specific, significant transformative partnership will not materialize. There have recently also been several changes in expected release dates moving forward for unannounced titles in FY 2023/24. Consequently, several games with the potential to generate more than SEK 1 billion in net sales are now slated for FY 2024/25. Due to these delays and without the significant, transformative partnership deal, we expect to generate SEK 7 billion to SEK 9 billion in Adjusted EBIT with improving cash conversion for FY 2023/24 and a healthy growth outlook in the following years.

To give some background to the financial guidance for FY 2023/24, when comparing to the original forecast given in Q2 FY 2021/22, it is worth noting that at least six notable releases have moved out from FY 2023/24 to later years, net of added releases.

FY 2023/24 vs. FY 2022/23

In the PC/Console Games segment, we expect a solid underlying earnings growth driven by more owned and self-published, large-budget game releases during the financial year. The forecast includes more cautious assumptions for certain releases and certain categories of games.

Several additional large-budget games are expected in FY 2023/24, including *Dead Island 2* and additionally already-announced titles, such as *Warhammer 40,000: Space Marine 2*, *Remnant 2* and *Payday 3*. There are still a number of unannounced, notable titles awaiting to be announced for FY 2023/24.

In the Mobile Games segment, we expect a low single-digit organic growth, with gradually stronger growth during the financial year. We assume stable, soft underlying market trends with some gradual improvements to ad monetization throughout the year. The Adjusted EBIT margin is expected to be largely in line or slightly above FY 2022/23.

In the Tabletop Games segment, we expect high-single-digit organic growth driven by the trading cards product area, with an Adjusted EBIT margin slightly below FY 2022/23.

Specific items related to historical acquisitions

The forecast is based on the average exchange rates for the period April 2022 to March 2023. The forecast includes closed acquisitions as per March 31, 2023. The forecast is based on the purchase price allocations as per April 26, 2023, which contain both preliminary and finalized purchase price allocations. For more information, see *Obligations related to historical business combinations*, page 21.

SEK m	23/24												Total
	Q1	Q2	Q3	Q4	24/25	25/26	26/27	27/28	28/29	29/30	30/31		
Amortization of surplus values of acquired intangible assets	783	782	771	737	2,876	2,744	2,386	2,073	1,868	1,846	1,760	18,626	
Personnel costs related to acquisitions	490	488	491	443	1,236	1,003	466	34	6	0	0	4,657	
Specific items related to historical acquisitions	1,273	1,270	1,262	1,180	4,112	3,747	2,852	2,107	1,874	1,846	1,760	23,283	





OPERATING SEGMENT PC/CONSOLE GAMES

The PC/Console Games operating segment includes the following seven operative groups: THQ Nordic, PLAION, Amplifier Game Invest, Gearbox Entertainment, Saber Interactive, Coffee Stain and Crystal Dynamics – Eidos. PC and console games have been a core business for Embracer Group ever since its inception. The segment develops and publishes games for PC and console. It includes AAA, AA+, Indie, MMO, Free-to-play, Asset Care, VR, Work-for-Hire and other games development.

SHARE OF GROUP SALES

37 % (40 %)

INTELLECTUAL PROPERTY (IP)

258 (241)

INTERNAL HEADCOUNT

10,436 (7,162)

INTERNAL STUDIOS

102 (84)

Key performance indicators, PC/Console Games	Jan-Mar 2023	Jan-Mar 2022	Apr 2022– Mar 2023	Apr 2021– Mar 2022
Net sales, SEK m	3,478	2,097	13,444	8,498
of which Digital products, SEK m	2,024	1,490	8,927	5,860
of which Physical products, SEK m	213	244	1,101	1,284
of which Other ¹⁾ , SEK m	1,241	363	3,417	1,354
Net sales growth from previous period	66 %	12 %	58 %	36 %
EBIT, SEK m	370	–468	41	509
EBIT margin	11 %	–22 %	0 %	6 %
Adjusted EBIT, SEK m	338	553	2,902	2,926
Adjusted EBIT margin	10 %	26 %	22 %	34 %
Type of income				
New releases sales, SEK m	544	258	2,894	1,557
Back catalog sales ²⁾ , SEK m	1,693	1,476	7,134	5,587
Other ¹⁾ , SEK m	1,241	363	3,417	1,354

¹⁾ Primarily Work-for-Hire and other games development.

²⁾ See Definitions, quarterly information.

SALES AND EARNINGS

Net sales in the quarter for PC/Console Games amounted to SEK 3,478 million, an increase by 66 % compared to the same period last year, or 17 % organically and 0 % pro forma in constant currency. The strong organic growth development is explained by the contribution of several publishing deals which are accounted for as work-for-hire agreements, both new deals for Saber Interactive and previously signed deals by Crystal Dynamics – Eidos, as well as a continued strong back catalog performance for Coffee Stain.

EBIT amounted to SEK 370 million (–468), yielding a 11 % (–22 %) EBIT margin. Adjusted EBIT amounted to SEK 338 million (553), yielding a 10 % (26 %) Adjusted EBIT margin. Delays announced in previous quarters have led to a limited number of game releases and a lower gross profit contribution in FY 2022/23, impacting the Adjusted EBIT margin. The profitability in Q4 is also impacted by the amortization of game development costs for titles released with lower-than-expected ROI earlier in the financial year, including the *Saints Row reboot*. Further, the Adjusted EBIT margin is also affected by the impairment of ongoing game development projects in Amplifier Games Invest, amounting to SEK 34 million.

Further, the operative group Amplifier Game Invest closed operations for the studio Plucky Bytes and made a divestment of the studio Vermila, leading to SEK –60 million in non-recurring items in Q4. Additionally, the closing of Crystal Dynamics – Eidos' mobile games business, announced in November 2022, led to non-recurring items of SEK –126 million in the quarter. These non-recurring items impact EBIT, but do not impact Adjusted EBIT.





The main revenue driver among new releases in the quarter was *SpongeBob SquarePants: The Cosmic Shake*, developed by internal studio Purple Lamp Studios and published by THQ Nordic. The game received solid review scores from critics and strong customer review scores across all platforms. The game has however initially performed below management expectations but is expected to have a long tail of revenue. Another notable release in the quarter was *Scars Above*, developed by internal studio Mad Head Games and published by PLAION. The reception from players and critics was mixed, and the performance in Q4 was below management expectations. Further, *Deceive Inc.*, Tripwire's first published indie title, has received a solid critical reception and a strong player reception. The game has performed in line with management expectations and is expected to have a long tail of revenue.

The top-10 back catalog revenue drivers (including platform deals) in the quarter were *Valheim*, *Deep Rock Galactic*, *Star Trek Online*, *SnowRunner*, *Welcome to Bloxburg*, *Metro: Exodus*, *Borderlands 3*, *Neverwinter Online*, *Satisfactory* and *Risk of Rain 2*.

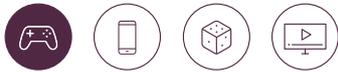
Valheim, developed by Iron Gate and published by Coffee Stain, was released on Xbox Game Pass on 14 March, driving a notable contribution. *Deep Rock Galactic*, developed by internal studio Ghost Ship Games and published by Coffee Stain, also continued to perform well, supported by the release of new content. *Metro* remains a resilient and timeless intellectual property (IP). In comparison to the same period last year, *Metro: Exodus* achieved a significant increase in revenue, with a remarkable half a million units sold in Q4 alone. The game's sales have now surpassed an impressive 8.5 million units, attracting over 10 million players to embark on its immersive journey.

Dead Island 2, developed by internal studio Deep Silver Dambuster (PLAION), was released after the quarter, on April 21, by internal publisher Deep Silver (PLAION). It has enjoyed a highly successful start, surpassing 1 million units sold within its first weekend (21-23 April). Currently, the game has achieved an impressive milestone of over 2 million units sold. When measured over the initial seven-day sales period, *Dead Island 2* has become the largest launch in both units sold and revenue generated in the history of Deep Silver and PLAION. The game's performance has far surpassed the management's initial expectations.

Looking ahead, Q1 FY 2023/24 includes new game releases such as *AEW - Fight Forever* and *Jagged Alliance 3*, published by THQ Nordic, and *System Shock remake*, published by PLAION. Additionally, *Destroy All Humans! 2 – Reprobod* will be released on PlayStation 4 and Xbox One and *Evil Dead: The Game* will be released on Steam.



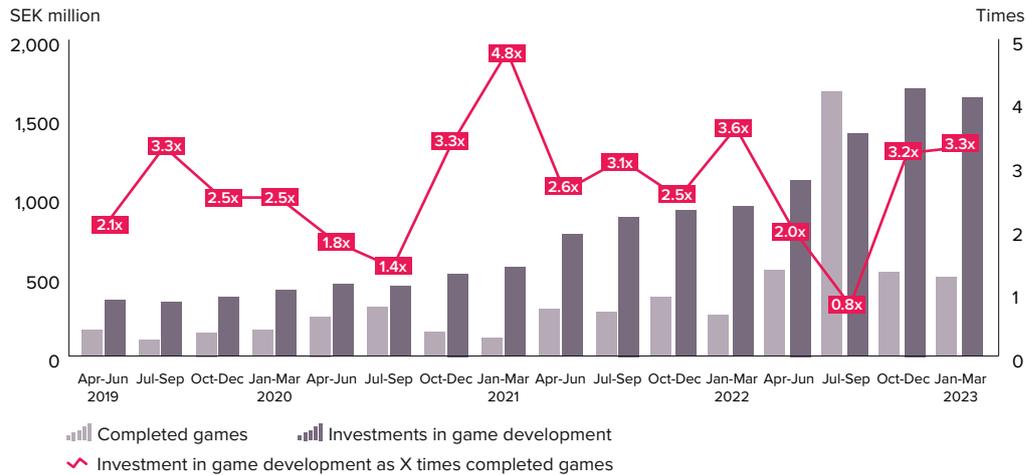
Homeworld 3



GAME DEVELOPMENT INVESTMENTS AND COMPLETED GAMES

The PC/Console Games segment continues to make considerable investments in game development. In total, SEK 1,633 million were invested in game development during the quarter. These investments lay the foundation for future sales. The increase in game development investments is in line with the Group's long-term strategy to grow sales organically.

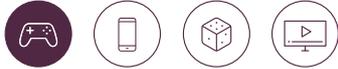
The finalized value of the completed and released games during the quarter was SEK 501 million, driven by *Scars Above*, *SpongeBob SquarePants: The Cosmic Shake*, *Warlander* and *Mato Anomalies*. When new games are released, capitalized development costs are amortized through a degressive depreciation model over two years.



BUSINESS DEVELOPMENT

Internal studio Volition, now transitioned to work under the operative group Gearbox Entertainment, released its first major DLC for *Saints Row* on May 12. This marks a significant milestone for the game, which has been consistently enhanced with noteworthy updates and exciting features. Thanks to the ongoing support from Publisher Deep Silver (PLAION) and Volition, players can look forward to an array of upcoming updates in the following months, further enriching their gaming experience.

Initiated in Q2 2022/23, PLAION's new strategic direction "Focused. Better. Together." marks a significant shift in approach that will be realized over the next three to five years. Affecting the entire PLAION games division, this strategy prioritizes a selective, high-quality portfolio, leveraging both PLAION's and Embracer Group's extensive IP catalogs. It also promotes superior entertainment experiences and fosters stronger internal collaboration. While the new strategy impacts the whole division, the team reorganization is primarily taking place within the brand & marketing teams. Further details on the implementation will be shared as they become available. This forward-looking strategy underscores PLAION's commitment to innovation and growth in the global entertainment landscape, promising to add significant value to the Embracer Group.



ANNOUNCED PC/CONSOLE RELEASES AS OF MAY 24, 2023

Title	Publishing Label	IP Owner	Main developer	Platforms
<i>Combustion</i>	3D Realms	License	Internal	PC
<i>Core Decay</i>	3D Realms	License	Internal	PC, PS5, XB XIS, XB1
<i>Phantom Fury</i>	3D Realms	Own	Internal	PC, PS5, XB XIS, Switch
<i>Ripout</i>	3D Realms	External	External	PC, XB XIS, PS5
<i>Kingpin: Reloaded</i>	3D Realms & External	License	Internal	PC, PS5, XB XIS, XB1
<i>Lightyear Frontier</i>	Amplifier	Own	Internal	PC, XB XIS, XB1
<i>Gimmick! Special Edition</i>	Bitwave Games	External	External	PC, XB1, PS4, Switch
<i>Gangs of Sherwood</i>	External	External	Internal	PC, PS5, XB XIS
<i>Star Wars™: Knights of the Old Republic - Remake</i>	External	License	Internal	PC, PS5
<i>Tomb Raider (final title TBC)</i>	External	Own	Internal	TBC
<i>Warhammer 40,000: Space Marine II</i>	External	External	Internal	PC, PS5, XB XIS
<i>Homeworld 3</i>	Gearbox Publishing	Own	External	PC
<i>Hyper Light Breaker</i>	Gearbox Publishing	External	External	PC
<i>Relic Hunters Legend</i>	Gearbox Publishing	External	External	PC
<i>Remnant 2</i>	Gearbox Publishing	Own	Internal	PC, PS5, XB XIS
<i>Risk of Rain Returns</i>	Gearbox Publishing	Own	External	PC, Switch
<i>DarkSwarm</i>	Ghost Ship Publishing	External	External	PC
<i>Deep Rock Galactic: Survivor</i>	Ghost Ship Publishing	Own	External	PC
<i>SpellRogue</i>	Ghost Ship Publishing	External	External	PC
<i>A Rat's Quest</i>	HandyGames	External	External	PC, PS4, XB1, Switch
<i>Airhead</i>	HandyGames	External	External	PC, PS4, XB1, Switch
<i>Lethal Honor - Order of the Apocalypse</i>	HandyGames	External	External	PC, PS5, XB XIS, Switch, PS4, XB1
<i>MotoGP™ 23</i>	Milestone	External	Internal	PC, PS5, XB XIS, Switch, PS4, XB1
<i>RIDE 5</i>	Milestone	Own	Internal	PC, PS5, XB XIS
<i>The Siege and the Sandfox</i>	PLAION	External	External	PC, PS5, XB XIS, Switch, PS4, XB1
<i>Undisputed</i>	PLAION	External	External	PC, PS5, XB XIS

CONT. >>



Wreckreation



Title	Publishing Label	IP Owner	Main developer	Platforms
<i>Echoes of The End</i>	Prime Matter	External	External	PC, PS5, XB XIS
<i>Final Form</i>	Prime Matter	Shared	External	PC, PS5, XB XIS
<i>New Painkiller (final title TBC)</i>	Prime Matter	Own	External	TBC
<i>Payday 3</i>	Prime Matter	External	External	TBC
<i>System Shock Remake</i>	Prime Matter	External	External	PC, PS4, PS5, XB XIS
<i>Kona 2: Brume</i>	Ravenscourt	External	External	PC, PS5, XB XIS, Switch, PS4, XB1
<i>ProtoCorgi</i>	Ravenscourt	External	External	PC, Switch
<i>A Quiet Place</i>	Saber	External	External	TBC
<i>AEW: Fight Forever</i>	THQ Nordic	License	External	PC, PS5, XB XIS, Switch, PS4, XB1
<i>Alone in the Dark</i>	THQ Nordic	Own	Internal	PC, PS5, XB XIS
<i>Biomutant</i>	THQ Nordic	Own	Internal	Switch
<i>Destroy All Humans! 2 – Reprobed Singleplayer</i>	THQ Nordic	Own	Internal	PS4, XB1
<i>Gothic Remake</i>	THQ Nordic	Own	Internal	PC, PS5, XB XIS
<i>Jagged Alliance 3</i>	THQ Nordic	Own	External	PC
<i>Outcast 2 - A New Beginning</i>	THQ Nordic	Own	Internal	PC, PS5, XB XIS
<i>Space For Sale</i>	THQ Nordic	Own	Internal	PC
<i>Tempest Rising</i>	THQ Nordic & 3D Realms	Own	Internal	PC
<i>The Valiant</i>	THQ Nordic	Own	External	PS5, XB XIS
<i>Trine 5: A Clockwork Conspiracy</i>	THQ Nordic	External	External	PC, PS5, XB XIS, Switch, PS4, XB1
<i>Wreckreation</i>	THQ Nordic	External	External	PC, PS5, XB XIS, Switch, PS4, XB1
<i>Another Fisherman's Tale</i>	Vertigo Games	External	External	PC VR, Quest 2, PS VR2
<i>Hellsweeper VR</i>	Vertigo Games	External	External	PC VR, Quest 2, PS VR2
<i>The Wizards: Dark Times - Brotherhood</i>	Vertigo Games	External	External	TBC
<i>Toss!</i>	Vertigo Games	External	External	TBC
<i>Combat Champions*</i>	TBC	Own	Internal	PC
<i>Mystical Mixing*</i>	External	Own	External	Switch
<i>Wantless*</i>	Twin Sails Interactive	External	External	PC
<i>News Tower*</i>	Twin Sails Interactive	External	External	PC
<i>Gloomhaven*</i>	Twin Sails Interactive	License	External	PS5, XB XIS ,Switch, PS4, XB1
<i>Ember Knights*</i>	Twin Sails Interactive	External	External	PS5, XB XIS ,Switch, PS4, XB1
<i>Innchanted*</i>	Twin Sails Interactive	External	External	PS5, XB XIS ,Switch, PS4, XB1
<i>Amberial Dreams*</i>	Twin Sails Interactive	External	External	PC
<i>Survival : Fountain of Youth*</i>	Twin Sails Interactive	External	External	PS5, XB XIS

* PC/Console titles from the operating segments Mobile Games, Tabletop Games and Entertainment & Services are also included in the release list.

For latest release dates please refer to above mentioned publishers.

Please note: Limited Run Games distributed games are not included in the release list.

The release list does not include games where we only have physical distribution rights.



OPERATING SEGMENT MOBILE GAMES

The Mobile Games operating segment encompasses the two operative groups: DECA Games and Easybrain. In the past years, the segment has grown to account for a sizable share of Embracer Group's business. The Mobile Games segment includes free-to-play, ad centric, in-app-purchase centric and pay-to-play mobile games.

SHARE OF GROUP SALES

14 % (34 %)

INTELLECTUAL PROPERTY (IP)

48 (41)

INTERNAL HEADCOUNT

1,177 (1,085)

INTERNAL STUDIOS

11 (11)

Key performance indicators, Mobile Games	Jan-Mar 2023	Jan-Mar 2022	Apr 2022– Mar 2023	Apr 2021– Mar 2022
Net sales, SEK m	1,317	1,759	5,819	4,896
Net sales growth from previous period	–25 %	1,813 %	19 %	2,547 %
EBIT, SEK m	–140	–263	–260	–1,470
EBIT margin	–11 %	–15 %	–4 %	–30 %
Adjusted EBIT, SEK m	324	494	1,381	1,389
Adjusted EBIT margin	25 %	28 %	24 %	28 %
User Acquisition Cost (UAC), SEK m	555	898	2,925	2,467
User Acquisition Cost (UAC), % of net sales	42 %	51 %	50 %	50 %
Total installs, million	272	385	1,353	1,055
Total Daily Active Users (DAU), million	34	37	35	27
Total Monthly Active Users (MAU), million	316	307	301	206

SALES AND EARNINGS

Net sales in the quarter for Mobile Games amounted to SEK 1,317 million, a decrease by 25 % compared to the same period last year, or by –36 % organically and –36 % pro forma. The Mobile Games segment saw seasonally lower activity and ad prices in Q4, as well as more contained growth investments in recent periods. In the comparable period, Q4 FY 2021/22, Easybrain received notable income from an ad mediation platform deal. On a year-over-year basis, the comparisons were tough, and the segment also saw some headwind from lower ad prices which were impacted by platform changes related to privacy, lower player engagement post-covid and macroeconomic factors. The hyper-casual games segment is especially impacted by low advertising prices.

EBIT amounted to SEK –140 million (–263), yielding a –11 % (–20%) EBIT margin. Adjusted EBIT amounted to SEK 324 million (494), yielding a 25 % (28%) Adjusted EBIT margin. User acquisition costs (UAC) amounted to SEK 555 million (898), or 42% (51%) of net sales. Easybrain and DECA (including CrazyLabs) have optimized UAC investment due to low visibility with regard to returns, leading to a solid profit margin in the quarter despite negative organic growth. The Adjusted EBIT margin is impacted by the impairment of an ongoing game project in DECA Games, amounting to SEK 57 million. Excluding the effect of last year's notable income from an ad mediation platform deal of SEK 282 million Adjusted EBIT grew with 53 % from SEK 212 million to SEK 324 million.

The strongest back catalog titles in the quarter were *BlockuDoku*, *Sudoku.com*, *Jigsaw Puzzles*, *Art Puzzle* and *Nonogram.com*. Underlying market trends remained soft, but largely stable compared to the previous quarter, with some signs of improvement. Despite continued





uncertainty regarding macro economic factors and platform privacy changes, some positive signals with regards to ad monetization have started to appear, with revenue behavior and advertising prices exceeding expectations late in the quarter. The Mobile Games segment is expected to show continued profitable growth in the years ahead.

BUSINESS DEVELOPMENT

At the end of Q4, Easybrain crossed the threshold of 1.5 billion downloads. The volume of cumulative downloads comes from a diverse range of Easybrain's titles. Their top-tier games *Sudoku.com*, *Blockudoku*, *Jigsaw Puzzles*, *Nonogram.com* and *Art Puzzle* have contributed significantly to the latest half a billion installs. The consistent growth of the game downloads over the years clearly reflects the ongoing demand and positive reception from Easybrain's players.

The company released *Logic Puzzle* on iOS following strong performance on Google Play, and has five additional games in soft launch.

CrazyLabs using its automated big data platform for creative testing, marketing potential estimation and its hit prediction KPI based process (improved through thousands of tests performed) is working with 350 developers world wide and 7 hubs to deliver new successful top downloaded games almost every month.

CrazyLabs recently passed 6 billion downloads with a running rate of 1-1.2 billion downloads per year now. CrazyLabs has 15 games with more than 100 million downloads, leading examples such as *Superstylist* (most downloaded fashion game in 2022) with 127 million downloads, *Ladybug* (Zag trademark) runner with 189 million downloads and *DIY phone case* with over 230 million downloads.



Dragonvale



OPERATING SEGMENT TABLETOP GAMES

The Tabletop Games operating segment includes the operative group Asmodee. The segment represents the publishing and distribution of board games, card games and strategic trading card games. Asmodee is one of the global leaders in this segment through its 22 creative studios and its 22 local, owned distribution offices across the globe. With 40+ million games sold annually in more than 50 countries, Asmodee's portfolio hosts fan & family favorite board games such as Ticket to Ride, Catan, Splendor, 7 Wonders, Azul, Exploding Kittens, Dobble/Spot It!, Star Wars: Legion and many more.

SHARE OF GROUP SALES

33 % (11 %)

INTELLECTUAL PROPERTY (IP)

397 (370)

INTERNAL HEADCOUNT

2,582 (2,346)

INTERNAL STUDIOS

22 (22)

Key performance indicators, Tabletop Games	Jan-Mar 2023	Jan-Mar 2022	Apr 2022– Mar 2023	Apr 2021– Mar 2022
Net sales, SEK m	3,074	571	13,132	571
of which Digital products, SEK m	31	29	170	29
of which Physical products, SEK m	3,013	526	12,847	526
of which Other, SEK m	31	17	115	17
Net sales growth from previous period ¹⁾	438 %	–	2,199 %	–
EBIT, SEK m	–43	–124	828	–124
EBIT margin	–1 %	–22 %	6 %	–22 %
Adjusted EBIT, SEK m	250	74	2,010	74
Adjusted EBIT margin	8 %	13 %	15 %	13 %

¹⁾ Asmodee became part of Embracer Group in March 2022.

SALES AND EARNINGS

Net Sales for the Tabletop Games segment amounted to SEK 3,074 million, an increase of 438 % compared to the same period last year. On a pro forma basis, net sales increased by 6 %. In a seasonally quiet quarter, Asmodee had a solid Q4, driven by a strong performance in the UK and Central Europe. Across its two main main categories, trading cards continued to perform strongly while board games declined slightly in a more hesitant market environment.

EBIT amounted to SEK –43 million (–124), yielding a –1 % (–22 %) EBIT margin. Adjusted EBIT amounted to SEK 250 million (74), yielding an 8 % (13 %) Adjusted EBIT margin. On a year-over-year basis, the profit contribution is impacted by a slightly lower gross margin stemming from a product mix more geared towards trading card games and distributed board games. Operating costs increased year-over-year by only mid-single-digits despite cost inflation, driven by disciplined cost management.

Asmodee has a strong pipeline of novelties and new releases with a number of new titles reaching the market during Q4 2022/23, including a new *Star Wars deckbuilding game*, *Dobble Disney 100* and *7 Wonders Edifice*, another novelty in the successful 7 Wonders franchise.

After a seasonal peak at the end of Q2, Asmodee's inventory level has decreased significantly by SEK 453 million and around 21 days of coverage on a like for like basis. This brought closing net inventory in line with our internal forecast that was completed at the time of the Q2 2021/22 report and was included in the presentation as part of the deep-dive.

asmodee



The combination of inventory reduction, collection of receivables from peak season sales and careful management of working capital led to a very strong free cash flow generation over Q3 and Q4. This is consistent with the plans outlined in conjunction with the Q2 report 2022/23 and exceeded our internal forecast in terms of magnitude. Asmodee expects to convert above 100 % of its Adjusted EBIT into free cash flow in FY 2023/24, with a positive contribution in the first half of the financial year 2023/24.

BUSINESS DEVELOPMENT

After the period, Netflix France announced their upcoming release of the *Werewolves of Miller's Hollow* movie based off Asmodee's pop-culture boardgame phenomenon with 7 million copies sold. This announcement is one of numerous active projects in development around Asmodee IPs towards movies, scripted series and unscripted series – and comes off the heels of a larger partnership between Netflix and Asmodee successfully publishing and distributing boardgames based off *Squid Game*, *Stranger Things* and *Queen's Gambit*.

Ticket to Ride and *Catan* continue to hold the top spots on Board Game Arena with 1.7 million cumulated play hours in the quarter. Board Game Arena is Asmodee's leading, digital, browser-based board game platform with 9 million lifetime players and 630+ games. The newly awarded *Challengers game* from Asmodee will be made available on the platform in the next quarter, another step towards the ambitious strategy of creating a holistic, digital first approach to promote and propel physical boardgames into consumer homes.

Asmodee continues to make good progress on synergies with the other Embracer Operating Units with 25 projects underway. These entail boardgame, video game, comics and consumer products projects either signed or at advanced project stages within the Embracer Group on IPs such as *Lord of the Rings*, *Exploding Kittens*, *Catan*, *7 Wonders*, *Arkham Horror* or *Legend of the Five Rings*.



Exploding Kittens



OPERATING SEGMENT ENTERTAINMENT & SERVICES

The Entertainment & Services segment consists of three operative groups: Dark Horse Media, Freemode and parts of PLAION. Dark Horse is a leading developer, publisher and distributor of comic books in the US. Freemode is a diverse mix of companies, including Middle-earth Enterprises and Limited Run Games as well as companies active in different parts of the gaming and entertainment value chain. The segment also includes PLAION's partner publishing and Film businesses.

SHARE OF GROUP SALES

16 % (15 %)

INTELLECTUAL PROPERTY (IP)

193 (163)

INTERNAL HEADCOUNT

900 (784)

INTERNAL STUDIOS

3 (1)

Key performance indicators, Entertainment & Services	Jan-Mar 2023	Jan-Mar 2022	Apr 2022– Mar 2023	Apr 2021– Mar 2022
Net sales, SEK m	1,487	811	5,270	3,102
of which Digital products, SEK m	171	144	547	511
of which Physical products, SEK m	1,301	652	4,658	2,539
of which Other, SEK m	15	15	65	52
Net sales growth from previous period	83 %	89 %	70 %	20 %
EBIT, SEK m	–203	3	–170	218
EBIT margin	–14 %	0 %	–3 %	7 %
Adjusted EBIT, SEK m	66	30	281	247
Adjusted EBIT margin	4 %	4 %	5 %	8 %

SALES AND EARNINGS

Net sales in the quarter for Entertainment & Services amounted to SEK 1,487 million, an increase by 83 % compared to the same period last year, or 20 % organically and 8 % pro forma in constant currency. The increase in net sales was primarily driven by the acquisitions of Limited Run Games and Dark Horse Media. The organic and pro forma growth was primarily driven by PLAION Publishing division, with a back catalog contribution from two notable releases from partners in the previous quarter as well as a notable new release in Q4.

EBIT amounted to SEK –203 million (3), yielding a 14 % (0 %) EBIT margin. Adjusted EBIT amounted to SEK 66 million (30), yielding a 4 % (4 %) Adjusted EBIT margin. The low margin is primarily explained by a revenue mix geared towards PLAION Publishing.

The biggest revenue drivers for Limited Run Games, part of the operative unit Freemode, for the quarter were *Dead Space Collector's Edition* and *Contra Anniversary Collection*.

Dark Horse Comics continues to have strong sales of manga, in the particular the hard cover volume of the manga series *Berserk* is a constant bestseller. Other major contributors during the quarter were colouring books tied to the *Critical Role* franchise that generated large mass market orders, as well as key backlist titles such as *Stranger Things*, *The Legend of Zelda Encyclopedia*, and *Avatar: The Last Airbender*. The success of HBO's *The Last of Us* has also increased the interest in Dark Horse's titles based on the game franchise.





BUSINESS DEVELOPMENT

In the quarter, Middle-earth Enterprises, part of the operative group Freemode, together with New Line Cinema and Warner Bros. Pictures concluded a multi-year agreement to collaborate on feature films based on *The Lord of the Rings* and *The Hobbit*. The strategic agreement covers multiple feature films based on the revered works of J.R.R. Tolkien, expanding upon the much-loved world and characters of Middle-earth.

For Freemode, interest is high for the *Lord of the Rings* IP, across different media formats from both internal and external partners. There are currently five games from external partners in production. After the period, licensee Electronic Arts released a mobile game, *The Lord of the Rings: Heroes of Middle-earth*, which received a warm reception, and it was the #1 RPG game in both App Store and Google Play during its first three days. Additionally, in Q1 FY 2023/24, licensee Daedalic Entertainment is expected to release the PC/console adventure game *The Lord of the Rings: Gollum*. For both these games Middle-earth Enterprises is the licensor and thereby receives royalty revenues based on the games' sales.

After the period Middle-earth Enterprises announced an agreement with Amazon Games to develop and publish a new massively multiplayer online (MMO) game based on *The Lord of the Rings*. Set in a persistent world, the new MMO is in the early stages of production, with the Amazon Games Orange County studio leading development. Amazon Games will publish the game globally for PC and consoles.

Limited Run noted strong performance from *Star Wars Jedi: Survivor Collector's Edition* that sold out during the quarter and will ship in Q1 FY 2023/24. After the end of the quarter, Limited Run announced *Trip World DX*, a classic title from Japanese publisher Sunsoft that will be made available on modern platforms via Limited Run's Carbon Engine. Leading the development via Carbon Engine will entitle Limited Run to revenues from digital sales in addition to their core business of physical sales. Furthermore, Limited Run continues with the plans to expand their capabilities for sales and shipping in Europe via synergies in the group. The European operations is expected to go live end of Q1 or early in Q2 FY 2023/24.

Dark Horse notes increased interest in their comics and graphical novels by North American mass market retailers such as Walmart and Target. This has included testing of manga titles as well as wider placements involving thousands of stores taking place after Q4. For direct markets, the first comic books distributed by Penguin Random House will be released in June. The previous agreement with Penguin Random House for graphical novels resulted in double-digit sales jump with over one hundred titles going back into print.

On the entertainment side, the sixth film for the popular Dark Horse series *Hellboy* began shooting in Bulgaria on March 31st. *Hellboy: The Crooked Man* is written by the series creator Mike Mignola and Christopher Golden, and stars Jack Kasey. Earlier in the quarter, the filming of the fourth and final season of *The Umbrella Academy* began for Netflix in Toronto, and the third season of *Resident Alien* for SyFy began shooting in Vancouver BC. Both series are based on Dark Horse comics and have been very successful with viewers and rank among the most watched shows on those networks.

OTHER FINANCIAL INFORMATION

NET PROFIT FOR THE PERIOD

Net profit for the period January to March amounted to SEK 770 million, an increase of SEK 618 million or 407 % over the same period last year. In the period April 2022 to March 2023, net profit amounted to SEK 4,462 million, an increase of SEK 3,495 million or 361 % over the same period last year.

Net financial items amounted to SEK 753 million (1,372) in the quarter. Net interest income/expenses and other financial income/expense amount to SEK –205 million (–49). Change in fair value of contingent consideration and put/call option on non-controlling interest and related interest expenses including deferred considerations amount to SEK 1,066 million (1,119). Change in fair value is mainly related to adjustments in estimated target fulfilment of earnouts. Exchange rate gain/losses amount to SEK –108 million (303), mainly related to the revaluation of intercompany financial receivables.

Income tax amounted to SEK 112 million (–253) in the quarter. Current income tax amount to SEK 106 million (–186) and deferred income tax amount to SEK 6 million (–67).

CONDENSED CASH FLOW

SEK m	Jan-Mar 2023	Jan-Mar 2022	Apr 2022–Mar 2023	Apr 2021–Mar 2022
Operating activities				
Cash flow from operating activities before changes in working capital	1,280	1,390	7,545	5,176
Cash flow from changes in working capital	363	41	–2,162	–1,106
Cash flow from operating activities	1,643	1,431	5,383	4,070
Cash flow from investing activities	–2,327	–28,673	–15,489	–37,331
Cash flow from financing activities	–877	18,014	8,501	24,868
Cash flow for the period	–1,561	–9,228	–1,605	–8,393
Cash and cash equivalents at the beginning of period	6,198	15,031	5,810	14,104
Exchange-rate differences in cash and cash equivalents	25	8	457	99
Cash and cash equivalents at the end of period	4,662	5,810	4,662	5,810

Cash flow from operating activities amounted to SEK 1,643 million (1,431) in the quarter. The increase mainly relates to positive effects change in working capital amounted to SEK 363 million (41) in the quarter, where a seasonal positive effect from Tabletop Games Segment was mitigated by changes in operating liabilities in PC/Console Games Segment.

Free cash flow after working capital amounted to SEK –32 million (672) (see page 54-57). The change is explained mainly by increased investments in intangible assets SEK –1,855 million (–1,003), where SEK –1,710 million (–950) is invested in the portfolio of on-going game development to support future growth.

Cash flow from investing activities amounted to SEK –2,327 million (–28,673) in the quarter. The decrease is mainly explained by previous years acquisitions of Asmodee and Dark Horse.

Cash flow from financing activities amounted to SEK –877 million (18,014). The decrease is related to previous years increased utilization of existing credit facilities coupled with cash flow from share issue to finalize the acquisition of Asmodee and Dark Horse.

For the period April 2022 to March 2023 the cash flow for the period amounted to SEK –1,605 million (–8,393). The increase is mainly explained by substantial lower impact in net cash flow from investing activities and financing activities related to acquisitions compared to previous year.



NET DEBT AND AVAILABLE FUNDS

SEK m	Mar 31, 2023	Mar 31, 2022
Cash	4,662	5,810
Current investments	18	0
Current liabilities to credit institutions	-683	-7,014
Current account credit facilities	-17	-149
Non-current liabilities to credit institutions	-19,560	-13,018
Net Debt (-) / Net Cash (+)	-15,581	-14,371

As per March 31, 2023 the group had non-interest-bearing deferred considerations and obligations related to historical business combinations with expected cash settlement of SEK 8.6 billion with an estimated maturity structure according to page 21.

SEK m	Mar 31, 2023	Mar 31, 2022
Cash	4,662	5,810
Current investments	18	0
Unutilized credit facilities amounts to	1,404	1,578
Available funds	6,083	7,388

Available funds as of the beginning of May 2023 amounted to SEK 5.2 billion, of which SEK 4.1 billion was cash and cash equivalents.

Embracer Group AB has an agreement on covenants in its credit agreements. The terms for these are 2.5x net debt through Adjusted EBITDA trailing twelve months calculated according to agreement with lenders. As per March 31, 2023 Embracer has substantial headroom to the covenants.



Embracer

OBLIGATIONS RELATED TO HISTORICAL BUSINESS COMBINATIONS

In connection to certain business combinations, agreements have been entered regarding contingent considerations that are not classified as part of the transferred purchase consideration since there is a requirement for continued employment for the seller or other reasons for the contingent consideration to be accounted for as a separate transaction. Therefore the item is classified as payment for future services. The contingent consideration could be paid in cash or through shares, whereby transactions are accounted for according to IFRS 2 Sharebased payment for remuneration that is equity and share-based, or according to IAS 19 Benefits for employees through cash settled benefits. As the benefits are earned, the item is accounted for as a personnel expense in the group's income statement. Contingent considerations that are classified as part of transferred purchase considerations and put/call options on non-controlling interests are described in note 5.

The value of these obligations are based on estimated degree of fulfillment and timing for such fulfillment, which is continuously monitored and evaluated. During the quarter several adjustments has been made on certain obligations due to that estimated degree of fulfillment is assessed to be lower and that the timing for fulfillment is assessed to occur at a later stage than previously.

The adjustments has impacted the profit and loss with a gain of total SEK 2,388 million, of which SEK 1,029 million relates to decreased personnel costs related to acquisitions and SEK 1,359 million relates to the financial net. Besides the gain in the profit and loss there is also a decrease of estimated future costs personnel costs related to acquisitions with SEK 700 million, hence the total decrease of future obligations amounts to SEK 3,088 million. Due to the structure of certain agreements there has also been some adjustments in the settlement structure, which has impacted that some obligations are estimated to be settled in shares and not in cash as previously estimated.

Obligations related to historical business combinations to be settled in cash

The table below gives an overview of obligations related to historical acquisitions in SEK million to be settled in cash on March 31, 2023. The present value of contingent considerations has been calculated based on expected outcome for financial and operational targets for each individual agreement. The financial liability will vary over time depending on, among other things, the degree of fulfillment of conditions for payment, the development of certain exchange rates in relation to the Swedish krona and interest rates.

Financial year when settlement might occur	Contingent consideration classified as part of purchase price ¹⁾ , SEK m	Obligations in relation to future personnel costs related to acquisitions, SEK m	Total obligations related to historical acquisitions, SEK m
2023/2024	2,011	556	2,567
2024/2025	696	380	1,075
2025/2026	260	345	605
2026/2027	1,531	672	2,204
2027/2028	495	979	1,474
2028/2029	201	107	308
2029/2030	268	23	292
2030/2031	67	3	70
	5,529	3,065	8,595

¹⁾ Includes cash portion of put/call options on non-controlling interests and deferred consideration

Contingent considerations classified as part of the purchase consideration and which will be settled in cash are accounted for as debt in the consolidated statement of financial position, divided into current and non-current debt. Additional information is available in note 5. Obligations related to future personnel costs related to acquisitions which will be settled in cash are accounted for in the consolidated statement of financial position, to the extent that it has been earned by the employee and is classified as debt. On March 31, 2023, the debt amounted to SEK 1,090 million, divided into current and non-current debt. Changes in expected obligations to be settled in cash since previous quarter is mainly related to adjustments for estimated target fulfilment of earnouts and estimated period of target fulfilment.



Obligations related to historical business combinations to be settled in shares

The table below provides an overview of obligations related to historical acquisitions on March 31, 2023, which will be settled in shares, with information on the number of shares. Contingent considerations classified as part of the purchase consideration is accounted for as either equity or debt in the consolidated statement of financial position. On March 31, 2023, the debt portion amounted to SEK 6,334 million and the equity portion amounted to SEK 2,137 million. Additional information is available in note 5. Obligations related to future personnel costs related to acquisitions which will be settled in shares is accounted for in the consolidated statement of financial position, to the extent that it has been earned by the employee and is classified as equity in the consolidated statement of financial position. Changes in expected obligations to be settled in shares since previous quarter is mainly related to adjustments of estimated target fulfilment of earnouts and estimated period of target fulfilment.

Number of shares, million	Contingent consideration classified as part of purchase price	Obligations in relation to future personnel costs related to acquisitions	Total obligations related to historical acquisitions
Already issued	95	35	130
To be issued	78	30	108
Total number of shares	173	65	238

The number of shares to be paid as additional purchase price can vary but never exceed 108 million shares according to the earnout agreements. If all shares are issued, the dilution in capital will amount to 7.88 % and 5.47 % of the voting rights as of March 31, 2023, and the total number of shares after full dilution will be 1,367 million shares.

Current expectations of shares to be issued based on target achievement is within the interval 63 to 76 million shares. If shares within this interval is issued, the dilution in capital will amount to 4.74-5.72 % and 3.26-3.95 % of the voting rights as of March 31, 2023.

The 130 million shares that have so far been issued are subject to clawback restrictions (clawback shares). Clawback shares are defined as shares of the company issued to sellers at completion of acquisitions of companies or assets. Clawback shares are part of the earnout consideration to sellers of companies or assets. Clawback shares are held by sellers, either in escrow accounts or on regular accounts, with an agreed right for the company to receive the shares back, at no consideration, if specific earnout targets are not met. Clawback shares are kept by the sellers if earnout targets are met.

FINANCIAL LEVERAGE POLICY

The Board of Directors of Embracer Group have set goals for the capital structure. The leverage target is to have Net Debt to Adjusted EBIT of 1.0x on a 12-month forward looking basis. The Group may exceed this ratio for the right inorganic growth opportunity, but with the ambition to return to below 1.0x in the medium term.

PARENT COMPANY

The Parent Company acquires and conducts operations through its subsidiaries and underlying companies.

The Parent Company's net sales for the quarter were SEK 20 million (106), and profit before tax was SEK 157 million (314). Profit after tax was SEK 147 million (283). The change in net sales is explained by lower royalty revenues due to the move of intangible assets to subgroup THQ Nordic in the beginning of financial year 2022/23. The change in profit before tax is mainly related to changes in the financial net and lower revenues.

Cash and current investments as of March 31, 2023 were SEK 23 million (1,483). The Parent Company's equity at the end of the period was SEK 59,655 million (46,909).



SIGNIFICANT EVENTS DURING THE QUARTER

- > Careen Yapp was appointed Chief Strategic Partnerships Officer during the quarter, thereby serving as part of the Group Executive Management Team.
- > The members of the Nomination Committee for the Embracer Group AB Annual General Meeting 2023 was announced and appointed on January 9. The following five members were appointed: Per Fredriksson, Michael Levy, Ola Åhman, Lennart Francke and Henrik Olsson.
- > Middle-earth-Enterprises, part of Embracer Group's operative group Freemode, announced on February 23, an agreement with New Line Cinema and Warner Bros. Pictures to conclude a multi-year agreement to collaborate on feature films based on *The Lord of the Rings* and *The Hobbit*. The strategic agreement covers multiple feature films based on the revered works of J.R.R. Tolkien, expanding upon the much-loved world and characters of Middle-earth. The agreement is one of the deals with several industry partners, previously discussed in conjunction with Embracer's Q3 report in February 2023, that are jointly transformative. This specific partnership aims to create long-term value for Embracer Group and is expected to have limited effects in the short term.
- > On March 27, Embracer Group announced, in relation to the partnership- and licensing deals with several industry partners that are jointly considered transformative, that these deals are not likely to be completed in Q4 2022/23 as previously communicated, but instead in Q1 2023/24 (April-June 2023).



Ending - Extinction is Forever

MARKET REVIEW

Embracer Group currently operates in four entertainment segments; PC/Console and Mobile Games (jointly ‘Video games’), Tabletop Games and Entertainment & Services.

VIDEO GAMES MARKET (COMBINED)

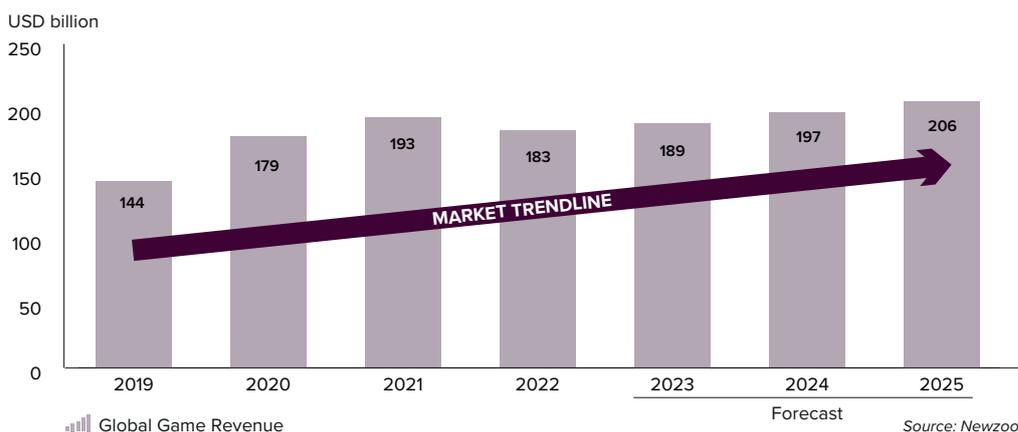
The underlying market conditions remain solid despite tough economic conditions and high comparables previous years. The global games market generated USD 183 billion in 2022, a decrease of 5 % YoY¹⁾. The trend is expected to reverse in 2023 when the market will grow by 3 % YoY to reach USD 189 billion¹⁾.

2022 was a ‘corrective year’ following two years of pandemic-induced growth, and in a period still suffering from the after-effects of covid (console shortages and content delays), and comparisons with sales in 2021 (and 2020) are less relevant. A more relevant comparison should be against the last full pre-covid year of 2019 (when the market value was at just USD 144 billion). In this respect the games market was up by 27 % over the 3-year period (2019 to 2022)¹⁾.

Looking forward, the games market growth in 2023 (+3 % YoY¹⁾), is expected to be driven by much better console supply, a stronger new release line-up (several titles previously delayed by the pandemic), digital sales generally, subscription business, VR and Games as a Service (in game revenue). In Q1 2023, PS5 console sales (the main engine of the console market) are already off to a fantastic start, over trebling YoY in Europe and over doubling YoY in the US²⁾.

The market is also now in a much stronger position (than other categories) to deal with economic pressures. This comes from its good perceived value for money and the many different ways and levels of playing and paying. Furthermore, people are expected to spend more time at home during a spending squeeze.

The longer-term growth prospects also remain strong and total games market values are predicted to reach USD 206 billion in 2025, a 6 % CAGR between 2019 and 2025¹⁾. In fact 2022 represents the only ‘declining year’ for the games market (in the 7 years between 2019 and 2025) and analyst firm Newzoo predict market growth in each of the next 3 years.



A note on the above market estimations from Newzoo: Values and growth levels are slightly lower than their previous predictions due to 1: A changing methodology of exchange rate calculations to USD values, 2: A slightly softer than expected performance of the PC market in H2 2022, particularly in Asia, and 3: A slightly more conservative view on the mobile sector (from 2023 onwards).

¹⁾ Source: Newzoo (May 2023)

²⁾ Source: VG Chartz



PC / Console Games Market

The PC sector has been one of the most resilient over recent years. It is estimated at USD 39 Billion (2022), accounting for 21 % of the global games market. It declined by 3 % YoY in 2022 but is expected to see growth of 0.5 % in 2023¹⁾. The sector has benefitted from the large increase in home PCs and laptops during the pandemic. Steam is still the dominant retailer and, noticeably, their global player base reached its highest ever (at 250 million) last year growing with a 2-year CAGR of 9 % between 2020 and 2022¹⁾.

Meanwhile, the Console sector, estimated at USD 52 billion (2022), accounts for 29 % of the global games market and is expected to decline by 3 % YoY in 2022 (largely due to console shortages) but then to increase in 2023 by 7 % YoY¹⁾ thanks largely to an acceleration of the new-gen console installed base with more freely available supply, growing subscription revenues and a stronger new release line-up. In fact, console will be the fastest growing of the three main sectors in 2023.

Both the PC and Console markets are expected to be helped (this year and onwards) from good growth in the 'in-game revenue' sector.

Mobile Gaming Market

The mobile gaming market, estimated at USD 92 billion (2022), is the largest game sector, representing 50 % of the global gaming market. It saw a decline of 7 % YoY in 2022 but is expected to return to growth of 2 % YoY in 2023¹⁾. This sector is expected to bounce back after a difficult 2022 which saw fewer breakout hits than 2021, ongoing pressures of privacy regulation which is taking time for developers to adjust to, China's slow license approval process and the fact that the (more casual) mobile users are seemingly more affected by economic pressures than other gaming sectors.

TABLETOP GAMES MARKET

The tabletop mass market (EU + US, Strategic Trading Cards, Card & Board Games) where, Embracer Group's, Asmodee is a key player ends the Fiscal Year 2022/23 at 2 % YoY, thanks to a good Q4 performance at 10 % YoY, putting it equal to the all-time record of Q4 2021. This represents a CAGR of 10 % for the last four full fiscal years³⁾.

Jan-March 2023 Market Snapshot

In a period impacted by inflation and the geopolitical crisis in Europe, consumer demand in the tabletop market (US + Europe combined) has proved strong and grown well YoY, with a consistent resilience shown over the first 3 months of 2023 (performing 15 % YoY in Jan, 6 % in Feb and 9 % in March)³⁾.

Regionally, both the US and EU markets saw similar quarterly (Q1) growth at 9 % and 11 % YoY respectively³⁾.

When looking at category trends (at the EU level), both the Strategic Trading Cards and Boardgames markets grew YoY with STCG at 34 % and Boardgames at 5 %. In the boardgames category, growth (of 8 % YoY) is driven by adult games such as *What do You Meme* or *Cards Against Humanity*³⁾.

¹⁾ Source: Newzoo (May 2023)

²⁾ Source: VG Chartz

³⁾ Source: NPD / Circana and Asmodee



ENTERTAINMENT & SERVICES MARKET

Comics and Books

Overall book sales in 2022 reached USD 13 billion in the US⁴. In unit terms, 2022 sales were down 6 % YoY, compared to the record 2021 year, but up 11 % compared to pre-covid levels in 2019. Embracer Group's company Dark Horse predominantly operates in the market segment for comics, graphic novels and manga, and this market segment was one of the best performing during 2022, up by 3 % YoY⁴.

TV and Film

Global cinema box office revenue increased 27 % YoY to USD 26 billion in 2022, which remains 35 % below the 2017-2019 pre-pandemic average. Revenues are expected to continue growing in 2023; 12 % YoY to a total of USD 29 billion. Box office revenue saw especially high growth in the US during 2022, up by 65 % YoY⁵.

Video games IPs continue to fair well for transmedia ambitions. Highlights include the film *Sonic the Hedgehog 2* which generated USD 403 million in global box office revenues in 2022⁷ and the new TV series *The Last of Us*, with 4.7 million viewers, that became HBO's second-highest watched debut series since 2010⁶. The trend continued in 2023 with *The Super Mario Bros.* movie grossing over USD 1.1 billion in global box office revenues in its first month⁷, already the highest-grossing video game adaptation of all time.

¹) Source: Newzoo (May 2023)

²) Source: VG Chartz

³) Source: NPD / Circana and Asmodee

⁴) Source: NPD BookScan

⁶) Source: Gower Street Analytics

⁷) Source: Warner Media

⁸) Source: Box Office Mojo



Blanc

OTHER INFORMATION

SUSTAINABILITY AND GOVERNANCE

The Group's third annual employee survey was completed during the quarter. The Global Employee Survey is based on a six scale self-assessment format from "completely disagree" to "completely agree" that is recalculated in index points from 0 to 100, where 100 reflects the best result. With an 85 % (80 %) response rate in the group, the results provide important data for analysis and conclusions on satisfaction and engagement among the employees. Enjoyment of work, work-life balance and workplace conditions such as respect and leadership are among our top strengths in the view of our employees.

During the year, the Group grew significantly but the survey shows that we managed to keep the average satisfaction rate on a high level, 80, compared to 81 last year.

- > The survey shows that our employees think that we resolutely act against any form of discrimination or harassment, including sexual harassment 87 (88). The question is rated the same among female and male employees.
- > We treat each other with respect and appreciation 86 (87).
- > Our employees rate that they have a very positive experience collaborating with all the different cultures within the company 86 (87).

The result from the employee survey is distributed and discussed in senior management teams on both global and local levels and form priorities for coming activities.

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

- > Protecting yourself and the brand from online toxicity.
- > Games & compassion, empathy, care.

Examples of events that the Embracer Group Sustainability team attended and presented on during the quarter:

- > Virtual worlds: How video games are helping share Europe's digital future, at the European Parliament in Brussels.
- > Climate & Games Awareness Day at Game Habitat's DevHub in Malmö.

Examples from the Operative Groups sustainability events during the quarter:

- > During the quarter, Gearbox Gives was launched. It is an initiative that strategically organizes and directs the Gearbox philanthropic work with a mission to harness the power of entertainment to educate, inspire, and create. Gearbox Gives' work encompasses Gearbox's educational and philanthropic programs, and its community partnerships and initiatives. Recently, Gearbox Gives partnered with the Longview Independent School District in Texas to host a Game Fest, which encouraged STEM education and careers in video game development.

Governance

During the quarter, the new role Head of Governance & Compliance Legal was created to strengthen the company's work in these areas. The new role is responsible for advising and supporting businesses on issues relating to governance and compliance. The role will also contribute to the sustainability framework by advising on for example human rights due diligence. One important step in this area has been the enrollment and participation of certain Embracer employees in the UN Global Compact Business & Human Rights Accelerator six-month Program that activates participating companies of the UN Global Compact across industries and regions to move from commitment to action on human rights and labor rights. Through identifying salient human rights impacts, establishing an ongoing due diligence process and developing an action plan, the Business & Human Rights Accelerator will empower Embracer to advance its human rights processes.

AI is a key issue for Embracer Group where we see several opportunities to increase product quality, efficiency and possibilities for interaction between players. In order to efficiently use the latest AI systems while considering our players, we have made our Head of Privacy responsible for the Group's AI Governance in addition to the responsibilities in the privacy area. As responsible for AI Governance, our Head of Privacy & AI Governance will develop the Group's governing framework for use of AI.

After the reporting quarter we have launched a new annual training on privacy for all 16,000+ employees.



SIGNIFICANT EVENTS AFTER THE QUARTER

- > On May 15, Middle-earth-Enterprises announced an agreement with Amazon Games to develop and publish a new massively multiplayer online (MMO) game based on *The Lord of the Rings*.

M&A ACTIVITY STATUS AS OF MARCH 31

Company	Country	Operating Segment	Operative Group	Type	Status
Q4 2022/23 - Jan-Mar 2023					
Captured Dimensions	USA	PC/Console Games	Gearbox	Studio	Closed

GAMES ARCHIVE

The Embracer Games Archive preserves and tributes the games culture with an archive of physical games. By building an extensive archive of physically released games for the consumer market, we aim to be a resource for the gaming industry and its community. Games should be shared with future and current generations for cultural and educational purposes and the archive aims to contribute to these preservation efforts.

March 10 was a historic day for the archive as the framework for the database was completed. This event marks the beginning for the archive's next phase; to increase understanding of what the archive includes and what games and equipment should be added.

Currently the archive comprises more than 60,000 games, consoles, and accessories stored in Karlstad, Sweden.

The archive is receiving increasing numbers of visitors. Notably, Parisa Liljestrand, Swedish Minister of Culture, visited the archive during the quarter which gave the archive team an opportunity to explain the importance of the archive and the significance of preserving gaming culture.



ANALYSTS FOLLOWING EMBRACER GROUP

AS OF MAY 24, 2023

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

At www.embracer.com consensus estimates are provided as an IR-service.

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

THE SHARE

TOP 10 OWNERS AS OF MARCH 31, 2023

Change from
Dec 31, 2022

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	20.85 %	39.39 %	-
Savvy Gaming Group		99,884,024	7.93 %	5.37 %	-
S3D Media Inc	12,798,274	70,772,440	6.64 %	10.68 %	-
Founders/Management - Easybrain		64,406,137	5.11 %	3.46 %	-
Canada Pension Plan Investment Board (CPP)		43,595,333	3.46 %	2.34 %	-
PAI Partners		39,044,571	3.10 %	2.10 %	-
Alecta Tjänstepension		42,584,000	3.38 %	2.29 %	3,370,000
Swedbank Robur Fonder		41,599,170	3.30 %	2.24 %	-14,480,267
Didner & Gerge Fonder		31,724,129	2.52 %	1.71 %	-862,693
Handelsbanken Fonder		28,926,101	2.30 %	1.55 %	1,661,300
	65,058,478	672,774,235	58.59 %	71.1 %	
	1,739,796	519,669,658	41.41 %	28.9 %	
	66,798,274	1,192,443,893	100.00 %	100.0 %	

Source: Monitor by Modular Finance.

INTERNATIONAL OWNERSHIP

TOP 50 INSTITUTIONAL

AS OF MARCH 31, 2023

BY CAPITAL



INSTITUTIONAL OWNERSHIP

VS MANAGEMENT

AS OF MARCH 31, 2023

BY CAPITAL



TOP 20 MANAGEMENT & CO-FOUNDER OWNERS AS OF MARCH 31, 2023

Owner	Co-Founder	Class A shares	Class B shares	Share of capital, %	Share of votes, %
Lars Wingefors AB	Embracer Group	52,260,204	210,238,330	20.85 %	39.39 %
Matthew Karch and Andrey Iones	Saber Interactive	12,798,274	70,772,440	6.64 %	10.68 %
Founders/Management	Easybrain	0	64,406,137	5.11 %	3.46 %
Ken Go	Deca Games	0	11,803,182	0.94 %	0.63 %
Randy Pitchford	Gearbox	0	9,563,028	0.76 %	0.51 %
Founders/Management	4a	0	4,892,140	0.39 %	0.26 %
Erik Stenberg	Embracer Group	0	4,500,000	0.36 %	0.24 %
Management	Crazy Labs	0	4,402,714	0.35 %	0.24 %
Founders ¹⁾	Ghostship Games	0	4,138,206	0.33 %	0.22 %
Luisa Bixio	Milestone	0	4,124,342	0.33 %	0.22 %
Founders/Management	Aspyr	0	3,549,742	0.28 %	0.19 %
Richard Stitselaar and Kimara Rouwit	Vertigo Games	0	3,516,420	0.28 %	0.19 %
Pelle Lundborg	Embracer Group	1,739,796	1,009,120	0.22 %	0.99 %
Anton Westbergh	Coffee Stain	0	2,412,666	0.19 %	0.13 %
Klemens Kundratitz	Koch Media	0	2,255,856	0.18 %	0.12 %
William Munk II	Tripwire	0	1,501,907	0.12 %	0.08 %
David Hensley	Tripwire	0	1,501,907	0.12 %	0.08 %
Alan Wilson	Tripwire	0	1,482,887	0.12 %	0.08 %
Dennis Gustafsson	Tuxedo Labs	0	1,408,031	0.11 %	0.08 %
Vincent Van Brummen	Vertigo Games	0	1,346,702	0.11 %	0.07 %
TOP 20		66,798,274	408,825,757	37.77 %	57.88 %
ALL OTHER SHAREHOLDERS		0	783,618,136	62.23 %	42.12 %
TOTAL		66,798,274	1,192,443,893	100.00 %	100.00 %

Holdings by management above are in general owned through various wholly owned companies. Holdings include clawback shares that are issued but subject to restrictions and in some cases are these shares not part of the transferred consideration in the PPA but is classified as remuneration for future services according to IFRS2.

¹⁾ Ghostship Games founders sold 59,098 B-shares during quarter.



PLAION Austria

TOP 50 INSTITUTIONAL OWNERS AS OF MARCH 31, 2023
**Change from
Dec 31, 2022**

Name	Class A shares	Class B shares	Share of capital, %	Share of votes, %	Class B shares
Savvy Gaming Group		99,884,024	7.93 %	5.37 %	-
Canada Pension Plan Investment Board (CPP)		43,595,333	3.46 %	2.34 %	-
PAI Partners		39,044,571	3.10 %	2.10 %	-
Alecta Tjänstepension		42,584,000	3.38 %	2.29 %	3,370,000
Swedbank Robur Fonder		41,599,170	3.30 %	2.24 %	-14,480,267
Didner & Gerge Fonder		31,724,129	2.52 %	1.71 %	-862,693
Handelsbanken Fonder		28,926,101	2.30 %	1.55 %	1,661,300
AMF Pension & Fonder		23,766,000	1.89 %	1.28 %	6,266,000
BlackRock		19,755,666	1.57 %	1.06 %	1,446,185
DNB Asset Management AS		19,353,488	1.54 %	1.04 %	2,715,523
SEB Fonder		17,606,321	1.40 %	0.95 %	-785,613
ODIN Fonder		14,000,000	1.11 %	0.75 %	-1,000,000
Andra AP-fonden		13,306,695	1.06 %	0.72 %	1,099,295
TIN Fonder		12,034,706	0.96 %	0.65 %	-
Första AP-fonden		11,239,048	0.89 %	0.60 %	-1,473,753
Skandia Fonder		10,782,591	0.86 %	0.58 %	176,565
Livförsäkringsbolaget Skandia		9,877,482	0.78 %	0.53 %	2,954,963
Länsförsäkringar Fonder		9,363,099	0.74 %	0.50 %	1,353,575
Futur Pension		6,242,008	0.50 %	0.34 %	-168,769
Baillie Gifford & Co		5,608,552	0.45 %	0.30 %	-293,889
Enter Fonder		5,493,768	0.44 %	0.30 %	-340,000
Öhman Fonder		5,332,391	0.42 %	0.29 %	1,599,719
DNB Asset Management SA		4,873,213	0.39 %	0.26 %	632,195
AFA Försäkring		4,629,218	0.37 %	0.25 %	698,000
Avanza Pension		4,570,908	0.36 %	0.25 %	-1,653,685
Martin Larsson (Chalex AB)		4,523,369	0.36 %	0.24 %	-
Government of Japan Pension Investment Fund		3,429,338	0.27 %	0.18 %	-
Aktia Asset Management		3,581,996	0.28 %	0.19 %	192,500
Northern Trust		3,341,907	0.27 %	0.18 %	-20,470
State Street Global Advisors		3,327,001	0.26 %	0.18 %	-82,246
Fidelity Investments (FMR)		3,010,428	0.24 %	0.16 %	-47,623
VanEck		2,884,901	0.23 %	0.16 %	-79,280
Handelsbanken Liv Försäkring AB		2,764,388	0.22 %	0.15 %	48,711
Swedbank Försäkring		2,650,539	0.21 %	0.14 %	79,739
Naventi Fonder		2,572,911	0.20 %	0.14 %	-137,932
Tredje AP-fonden		2,122,000	0.17 %	0.11 %	2,000,000
Nordea Liv & Pension		2,098,818	0.17 %	0.11 %	-605,988
Svenska Handelsbanken AB for PB		2,010,459	0.16 %	0.11 %	-19,140
1832 Asset Management		1,877,680	0.15 %	0.10 %	-
M&G Investment Management		1,731,962	0.14 %	0.09 %	-
Nordnet Pensionsförsäkring		1,721,954	0.14 %	0.09 %	-674,852
Lancelot Asset Management AB		1,649,999	0.13 %	0.09 %	-
Prioritet Finans		1,632,000	0.13 %	0.09 %	-
TIAA - Teachers Advisors		1,556,387	0.12 %	0.08 %	127,126
Global X Management Company LLC		1,544,701	0.12 %	0.08 %	301,646
Deka Investments		1,494,274	0.12 %	0.08 %	2,838
Clients Fonder		1,400,000	0.11 %	0.08 %	200,000
Fondita Fund Management		1,340,000	0.11 %	0.07 %	-
DWS Investments		1,308,390	0.10 %	0.07 %	413,321
RAM Rational Asset Management		1,302,526	0.10 %	0.07 %	-36,564
TOP 50	0	582,070,410	46.22 %	31.29 %	
ALL OTHER SHAREHOLDERS	66,798,274	610,373,483	48.47 %	32.81 %	
TOTAL	66,798,274	1,192,443,893	94.70 %	64.10 %	

Source: Monitor by Modular Finance.



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, accounting policies and methods of computation have been applied as in the most recent complete set of financial statements, with one exception described in note 1. Embracer's most recent complete set of financial statements is the Prospectus, appendix Restated Historical Financial Information published on December 19, 2022, in connection with the listing change to Nasdaq Stockholm Main Market.

AUDITOR'S REVIEW

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

FORTHCOMING REPORTS

Annual Report 2022/23	June 21, 2023
Interim Report Q1, April-June 2023	August 17, 2023
Annual General Meeting 2023	September 21, 2023
Interim Report Q2, July-September 2023	November 16, 2023
Interim Report Q3, October-December 2023	February 15, 2024

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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Goat Simulator 3

SIGNATURES AND ASSURANCE

The Board of Directors and Chief Executive Officer offer their assurance that this full year report and interim report for the fourth quarter 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 the Parent Company.

Karlstad, Sweden, May 24, 2023

Kicki Wallje-Lund
Chairman of the Board

David Gardner
Board member

Cecilia Driving
Board member

Jacob Jonmyren
Board member

Matthew Karch
Board member

Erik Stenberg
Board member

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 24, 2023.

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.



Flying Wild Hog

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Amounts in SEK m	Note	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Apr 2021- Mar 2022
Net sales	4	9,356	5,238	37,665	17,067
Other operating income		117	101	409	333
Total operating income		9,473	5,339	38,074	17,400
Work performed by the Company for its own use and capitalized		1,474	670	4,788	2,293
Goods for resale		-3,905	-1,389	-14,768	-4,697
Other external expenses	7	-2,250	-1,649	-8,704	-4,745
Personnel expenses	8	-2,676	-2,539	-12,449	-8,602
Depreciation, amortization and impairment		-2,122	-1,165	-6,523	-2,793
Other operating expenses	9	-140	-241	-436	-447
Share of profit of an associate		52	6	213	465
Operating profit (EBIT)		-95	-967	194	-1,126
Net financial items	10	753	1,372	4,822	2,785
Profit before tax		658	406	5,015	1,659
Income tax		112	-253	-553	-692
Net profit for the period		770	152	4,462	967
<i>Net profit for the period attributable to:</i>					
Equity holders of the parent		737	162	4,454	976
Non-controlling interests		33	-10	8	-9
Earnings per share					
Basic earnings per share (SEK)		0.68	0.17	4.17	1.08
Diluted earnings per share (SEK)		0.67	0.16	4.12	1.06

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	Note	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Apr 2021- Mar 2022
Net profit for the period		770	152	4,462	967
Other comprehensive income					
<i>Items that may be reclassified to profit or loss (net of tax):</i>					
Exchange differences on translation of foreign operations		387	458	4,802	825
Cash flow hedges		10	-	0	-
<i>Items that will not be reclassified to profit or loss (net of tax):</i>					
Remeasurement of defined benefit plans for employees		9	-	13	-
Total other comprehensive income for the period, net of tax		406	458	4,815	825
Total comprehensive income for the period, net of tax		1,176	610	9,277	1,792
<i>Total comprehensive income attributable to:</i>					
Equity holders of the parent		1,148	620	9,270	1,801
Non-controlling interests		28	-10	7	-9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK m	Note	Mar 31, 2023	Mar 31, 2022
ASSETS			
Non-current assets			
Goodwill		48,524	42,624
Intangible assets		45,579	31,371
Property, plant and equipment		1,148	720
Right-of-use assets		1,423	1,062
Investments in associates		253	134
Non-current financial assets		369	302
Deferred tax assets		1,777	1,280
Total non-current assets		99,073	77,493
Current assets			
Inventories		4,081	2,775
Trade receivables		5,253	4,406
Contract assets		790	177
Other receivables		1,484	1,381
Prepaid expenses		710	377
Current investments	5	18	0
Cash and cash equivalents		4,662	5,810
Total current assets		16,998	14,927
TOTAL ASSETS		116,071	92,420

CONT. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK m	Note	Mar 31, 2023	Mar 31, 2022
EQUITY AND LIABILITIES			
Equity			
Share capital		2	2
Other contributed capital		55,886	42,433
Reserves		4,945	124
Retained earnings, including net profit		3,835	-612
Total equity attributable to equity holders of the parent		64,668	41,947
Non-controlling interests		53	228
Total equity		64,721	42,175
Non-current liabilities			
Liabilities to credit institutions		19,560	13,018
Other non-current liabilities		52	112
Lease liabilities		1,044	800
Other provisions		118	155
Contingent considerations	5, 6	4,497	8,486
Non-current put/call options on non-controlling interests	5, 6	2,905	4,259
Deferred considerations	5	329	-
Non-current employee benefits		10	20
Non-current liabilities to employees related to historical acquisitions	5	720	593
Deferred tax liabilities		7,965	6,170
Total non-current liabilities		37,201	33,613
Current liabilities			
Liabilities to credit institutions		683	7,014
Current account credit facilities		17	149
Advances from customers		79	69
Trade payables		2,809	3,602
Lease liabilities		444	297
Contract liabilities		2,012	1,821
Contingent considerations	5, 6	1,837	1,105
Deferred considerations	5	1,690	-
Tax liabilities		638	555
Current liabilities to employees related to historical acquisitions	5	370	-
Other current liabilities		451	608
Accrued expenses		3,119	1,413
Total current liabilities		14,150	16,632
TOTAL EQUITY AND LIABILITIES		116,071	92,420

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK m	Equity attributable to equity holders of the parent						Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves ¹⁾	Retained earnings including profit for the period	Total equity attributable to equity holders of the parent			
Opening balance 2021-04-01	1	22,543	-701	-1,588	20,255	13	20,268	
Net profit	-	-	-	976	976	-9	967	
Other comprehensive income	-	-	825	-	825	-	825	
Total comprehensive income for the period	-	-	825	976	1,801	-9	1,792	
<i>Transactions with the owners</i>								
New share issue	1	16,602	-	-	16,603	-	16,603	
Issuance costs	-	-130	-	-	-130	-	-130	
Tax effect issuance costs	-	27	-	-	27	-	27	
Share-based payments	-	9	-	-	9	-	9	
Share-based remuneration according to IFRS 2	-	3,382	-	-	3,382	-	3,382	
Transactions with non-controlling interests	-	-	-	-	-	224	224	
Total	1	19,890	-	-	19,891	224	20,115	
Closing balance 2022-03-31	2	42,433	124	-612	41,947	228	42,175	
Opening balance 2022-04-01	2	42,433	124	-612	41,947	228	42,175	
Net profit	-	-	-	4,454	4,454	8	4,462	
Other comprehensive income	-	-	4,821	-	4,821	0	4,820	
Total comprehensive income for the period	-	-	4,821	4,454	9,274	8	9,282	
<i>Transactions with the owners</i>								
New share issue	-	12,155	-	-	12,155	-	12,155	
Issuance costs	-	10 ²⁾	-	-	10	-	10	
Tax effect issuance costs	-	-2	-	-	-2	-	-2	
Share-based remuneration according to IFRS 2	-	1,290	-	-	1,290	-	1,290	
Transactions with non-controlling interests	-	-	-	-6	-6	-183	-189	
Total	-	13,453	-	-6	13,446	-183	13,263	
Closing balance 2023-03-31	2	55,886	4,945	3,835	64,668	53	64,721	

¹⁾ Includes currency translation difference and cash flow hedge reserve.

²⁾ Positive amount due to reversal of accrued costs that are not paid.

CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK m	Jan-Mar 2023	Jan-Mar 2022	Apr 2022- Mar 2023	Apr 2021- Mar 2022
Operating activities				
Profit before tax	658	406	5,015	1,659
Adjustments for non-cash items, etc.	779	1,070	3,432	4,059
Income tax paid	-158	-86	-902	-542
Cash flow from operating activities before changes in working capital	1,280	1,390	7,545	5,176
Cash flow from changes in working capital				
Change in inventories	-4	11	-801	-150
Change in operating receivables	1,783	183	-361	-934
Change in operating liabilities	-1,416	-152	-1,000	-22
Cash flow operating activities	1,643	1,431	5,383	4,070
Investing activities				
Acquisition of property, plant and equipment	-178	-103	-500	-344
Proceeds from sales of property, plant and equipment	-	4	3	4
Acquisition of intangible assets	-1,855	-1,003	-6,495	-3,717
Proceeds from sales of intangible assets	48	4	499	4
Acquisition of subsidiaries, net of cash acquired	-403	-27,710	-8,935	-33,403
Change in current investments	-13	196	-18	196
Acquisition of financial assets	48	-61	-92	-71
Proceeds from sales of financial assets	27	-	48	-
Cash flow from investing activities	-2,327	-28,673	-15,489	-37,331
Financing activities				
New share issue	9	436	10,335	6,310
Issuance costs	-	-130	-9	-130
Proceeds from borrowings	-159	17,436	6,120	18,861
Repayment of loans	-561	316	-7,443	-17
Payment of lease liabilities	-166	-45	-502	-156
Cash flow from financing activities	-877	18,014	8,501	24,868
Cash flow for the period	-1,561	-9,228	-1,605	-8,393
Cash and cash equivalents at the beginning of period	6,198	15,031	5,810	14,104
Exchange-rate differences in cash and cash equivalents	25	8	457	99
Cash and cash equivalents at the end of period	4,662	5,810	4,662	5,810

NOTES

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

This full year report comprises of the Swedish parent company Embracer Group AB (“Embracer”), with corporate registration number 556582-6558, and its subsidiaries. The Group conducts management and development of intellectual property rights, development and publishing of PC games, console games, mobile games, board games and VR games and has partner publishing and niche positions in film and comic book publishing. The Parent Company is a limited liability company with its registered office in Karlstad, Sweden. The address of the head office is Tullhusgatan 1 B, 652 09 Karlstad.

The Group’s interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and applicable parts of the Swedish Annual Accounts Act (1995:1554). For the Parent Company, the interim report has been prepared in compliance with the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities.

For the Group, the same accounting policies and methods of computation have been applied as in the most recent complete set of financial statements, with one exception described below. Embracer’s most recent complete set of financial statements is the Prospectus, appendix Restated Historical Financial Information published on December 19, 2022, in connection with the listing change to Nasdaq Stockholm Main Market. A complete description of the Group’s applied accounting policies can be found in the Prospectus, appendix Restated Historical Financial Information. For new accounting principles, please see Accounting policy - Asset acquisition and Accounting policy - Revenue from sales of interactive entertainment content and services for console and PC platforms below. For the Parent Company’s applied accounting policies, see note P1.

Disclosures in accordance with IAS 34.16A appear in addition to the financial statements and its related notes in the full year information on page 40-49 that form an integral part of this financial report.

All amounts are presented in million Swedish kronor (“SEKm”), unless otherwise indicated. Rounding differences may occur.

Accounting policy – Asset acquisition

In an acquisition Embracer determines whether the transaction is a business combination or an asset acquisition. The term “asset acquisition” represents an acquisition of an asset, or a group of assets, that does not meet the definition of a business. A business consists of inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs. To assess if the acquired set of activities and assets is a business or not Embracer may apply the concentration test or directly do the analysis based on the definition of a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the concentration test is not met, the set of activities and assets is determined to be a business. If the concentration test is not used Embracer evaluates the acquisition based on the definition of a business.

If an acquisition is an asset acquisition it means, in comparison to a business combination, that the transaction cost will be capitalized, no goodwill will be recognized because the transaction price will be allocated to the asset or group of assets and no deferred taxes will be accounted for at acquisition date. The fair value initially includes the conditional purchase price. Changes in the assessed value of contingent consideration after the acquisition are added to the cost of acquired assets.

Accounting policy – Revenue from sales of interactive entertainment content and services for console and PC platforms

There are also agreements where Embracer, in addition to providing the license to the publisher, also provide the license to a specific game to the publisher and where the publisher take control of the game over time. These agreements are deemed to constitute two performance commitments and the income from game development is reported in the same way as “work-for-hire” with fixed compensation, meaning control is transferred over time because the publisher controls the game during the time the development assignment is carried out. In cases when Embracer has developed game development at the time of signing the agreement and the customer takes over this developed game development at one point, when the agreement is signed, a one-time income is reported at the time that the accumulated game development is transferred. Remaining revenue from game development is reported over time in line with development.

NOTE 2 KEY ESTIMATES AND ASSUMPTIONS

When preparing the financial statements, management and the Board of Directors must make certain assessments and assumptions that impact the carrying amount of asset and liability items and revenue and expense items, as well as other provided information. Actual outcome may differ from the estimates if the esti-

mates are wrong or circumstances change. The key estimates and assumptions made when preparing the full year report correspond to the ones described in the Prospectus, appendix Restated Historical Financial Information published on December 19, 2022.

NOTE 3 OPERATING SEGMENTS

For accounting and monitoring, the Group has divided its operations into four operating segments based on how the chief operating decision maker reviews the operations for allocation of resources and assessment of performance. Embracer's CEO is identified as the Group's chief operating decision maker (CODM). The division of operating segments is based on differences in the goods and services that Embracer offers.

PC/Console Games - This part of the business conducts development and publishing of premium games for PC and console.

Mobile Games - This part of the business conducts development and publishing of mobile games.

Tabletop Games - This part of the business conducts development, publishing and distribution of tabletop games, card games and strategic trading card games.

Entertainment & Services - This part of the business is engaged in development, publishing and distribution of comic books, conducts wholesale of publishing titles of games for console and PC as well as films, conducts publishing and external distribution of films and TV-series and produce and distribute merchandise.

The CODM primarily uses the performance measure Adjusted EBIT to assess the operating segments' performance. The CODM does not follow up on the assets and liabilities of the segments for allocation of resources or assessment of performance.

	PC/Console Games	Mobile Games	Tabletop Games	Entertainment & Services	Total segments	Eliminations	Group functions	Group total
Jan-Mar 2023								
Revenue from external customers	3,478	1,317	3,074	1,487	9,356	-	-	9,356
Revenue from transactions with other operating segment	13	-	-	6	19	-19	-	-
Total revenue	3,491	1,317	3,074	1,493	9,375	-19	-	9,356
Adjusted EBIT	338	324	250	66	978	-	-63	915
Amortization of surplus values of acquired intangible assets	-341	-203	-241	-263	-1,048	-	-	-1,048
Transaction costs	-21	0	-1	0	-22	-	-	-22
Personnel costs related to acquisitions	582	-261	-51	-6	264	-	-	264
Remeasurement of participation in associated companies	-	-	-	-	-	-	-	-
Remeasurement of contingent consideration	0	-	-	-	0	-	-	0
Items affecting comparability	-186	-	-	-	-186	-	-16	-203
EBIT	370	-140	-43	-203	-15	0	-80	-95
Net financial items								753
Profit before tax								658
Jan-Mar 2022								
Revenue from external customers	2,097	1,759	571	811	5,238	-	-	5,238
Revenue from transactions with other operating segment	30	-	-	6	36	-36	-	-
Total revenue	2,127	1,759	571	817	5,274	-36	-	5,238
Adjusted EBIT	553	494	74	30	1,150	-	-82	1,069
Amortization of surplus values of acquired intangible assets	-389	-229	-56	0	-675	-	-32	-706
Transaction costs	-43	5	-142	-26	-206	-	0	-205
Personnel costs related to acquisitions	-517	-588	-	-	-1,105	-	-	-1,105
Remeasurement of participation in associated companies	-1	-	-	-	-1	-	-	-1
Remeasurement of contingent consideration	-71	55	-	-	-16	-	-2	-19
EBIT	-468	-263	-124	3	-852	-	-115	-967
Net financial items								1,372
Profit before tax								406

Apr 2022-Mar 2023	PC/Console Games	Mobile Games	Tabletop Games	Entertainment & Services	Total segments	Eliminations	Group functions	Group total
Revenue from external customers	13,444	5,819	13,132	5,270	37,665	-	-	37,665
Revenue from transactions with other operating segment	46	-	-	26	72	-72	-	0
Total revenue	13,490	5,819	13,132	5,296	37,737	-72	-	37,665
Adjusted EBIT	2,902	1,381	2,010	281	6,574	-	-208	6,366
Amortization of surplus values of acquired intangible assets	-1,308	-580	-781	-303	-2,973	-	-	-2,973
Transaction costs	-217	4	-41	-37	-291	-	-0	-290
Personnel costs related to acquisitions	-1,096	-1,065	-360	-111	-2,631	-	-	-2,631
Remeasurement of participation in associated companies	-	-	-	-	-	-	-	-
Remeasurement of contingent considerations	-	-	-	-	0	-	-	0
Items affecting comparability	-240	-	-	-	-240	-	-38	-278
EBIT	41	-260	828	-170	439	-	-245	194
Net financial items								4,822
Profit before tax								5,015
Apr 2021-Mar 2022	PC/Console Games	Mobile Games	Tabletop Games	Entertainment & Services	Total segments	Eliminations	Group functions	Group total
Revenue from external customers	8,498	4,896	571	3,102	17,067	-	-	17,067
Revenue from transactions with other operating segment	30	-	-	33	63	-63	-	0
Total revenue	8,528	4,896	571	3,135	17,130	-63	-	17,067
Adjusted EBIT	2,926	1,389	74	247	4,636	-	-171	4,465
Amortization of surplus values of acquired intangible assets	-845	-332	-56	-1	-1,234	-	-82	-1,316
Transaction costs	-145	-49	-142	-27	-363	-	-4	-367
Personnel costs related to acquisitions	-1,743	-2,534	-	-	-4,277	-	-	-4,277
Remeasurement of participation in associated companies	416	-	-	-	416	-	-	416
Remeasurement of contingent considerations	-100	55	-	-	-45	-	-1	-46
EBIT	509	-1,470	-124	218	-867	-	-259	-1,126
Net financial items								2,785
Profit before tax								1,659

NOTE 4 REVENUE FROM CONTRACTS WITH CUSTOMERS

Jan-Mar 2023	PC/Console Games	Mobile Games	Tabletop Games	Entertainment & Services	Group total
Type of products					
Digital products	2,024	1,310	31	171	3,536
Physical products	213	-	3,013	1,301	4,526
Other ¹⁾	1,241	7	31	15	1,294
Revenue from contracts with customers	3,478	1,317	3,074	1,487	9,356
Jan-Mar 2022	PC/Console Games	Mobile Games	Tabletop Games	Entertainment & Services	Group total
Type of products					
Digital products	1,490	1,752	29	144	3,415
Physical products	244	-	526	652	1,421
Other ¹⁾	363	7	17	15	402
Revenue from contracts with customers	2,097	1,759	571	811	5,238
Apr 2022-Mar 2023	PC/Console Games	Mobile Games	Tabletop Games	Entertainment & Services	Group total
Type of products					
Digital products	8,927	5,752	170	547	15,395
Physical products	1,101	-	12,847	4,658	18,606
Other ¹⁾	3,417	67	115	65	3,664
Revenue from contracts with customers	13,444	5,819	13,132	5,270	37,665
Apr 2021-Mar 2022	PC/Console Games	Mobile Games	Tabletop Games	Entertainment & Services	Group total
Type of products					
Digital products	5,860	4,871	29	511	11,271
Physical products	1,284	-	526	2,539	4,348
Other ¹⁾	1,354	25	17	52	1,448
Revenue from contracts with customers	8,498	4,896	571	3,102	17,067

¹⁾ See Operating segment, page 8-18

In addition to the breakdown by revenue from contracts with customers for PC/Console Games, Mobile Games and Tabletop Games and Entertainment and Services, Embracer also monitor PC/Console in categories below:

PC/Console Games	IP-rights		Total
	Owned titles	Publishing titles	
Jan-Mar 2023	1,669	1,809	3,478
Jan-Mar 2022	1,227	870	2,097

PC/Console Games	New releases	Back-catalog	Other	Total
Jan-Mar 2023	544	1,693	1,241	3,478
Jan-Mar 2022	258	1,476	363	2,097

PC/Console Games	IP-rights		Total
	Owned titles	Publishing titles	
Apr 2022-Mar 2023	8,210	5,234	13,444
Apr 2021-Mar 2022	5,532	2,966	8,498

PC/Console Games	New releases	Back-catalog	Other	Total
Apr 2022-Mar 2023	2,894	7,134	3,417	13,444
Apr 2021-Mar 2022	1,557	5,587	1,354	8,498

NOTE 5 FINANCIAL INSTRUMENTS

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The table below presents financial instruments measured at fair value based on the classification in the fair value hierarchy. The different levels are defined as follows:

Level 1 - Quoted (unadjusted) market prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly (i.e. price quotations) or indirectly (i.e. derived from price quotations).

Level 3 - Input data for the asset or liability which is not based on observable market data (i.e. unobservable input data).

Financial assets measured at fair value

Financial assets measured at fair value as of Mar 31, 2023	Level 1	Level 2	Level 3	Total
Ownership interests in other entities	-	43	-	43
Current investments	-	18	-	18
Derivatives	-	-	-	-

Financial assets measured at fair value as of Mar 31, 2022	Level 1	Level 2	Level 3	Total
Ownership interests in other entities	-	6	-	6
Derivatives	-	51	-	51

Financial liabilities measured at fair value

Financial liabilities measured at fair value as of Mar 31, 2023	Level 1	Level 2	Level 3	Total
Contingent consideration	-	-	6,334	6,334
Put/call options on non-controlling interests	-	-	2,905	2,905
Liabilities to employees related to acquisitions	-	-	1,089	1,089
Derivatives	-	2	-	2

Financial liabilities measured at fair value as of Mar 31, 2022	Level 1	Level 2	Level 3	Total
Contingent consideration	-	-	9,591	9,591
Put/call options on non-controlling interests	-	-	4,259	4,259
Liabilities to employees related to acquisitions	-	-	593	593
Derivatives	-	3	-	3

Current receivables and current liabilities

For current receivables and liabilities, such as trade receivables and trade payables and for liabilities to credit institutions with variable interest rate, the carrying amount is considered to be a good approximation of the fair value.

Derivatives

Derivative instruments are measured at fair value in accordance with Level 2 in the fair value hierarchy. The Group holds foreign currency derivatives and interest rate derivatives that are measured in accordance with the market valuation determined by the issuing party.

Contingent consideration

The fair value of contingent considerations has been calculated based on expected outcome of financial and operational targets for each individual agreement. The estimated expected settlement will vary over time depending on, among other things, the degree of fulfillment of the conditions for the contingent considerations, the development of certain exchange rates against the Swedish krona and the interest rate environment. Contingent considerations to be settled with shares are also dependent on the development of Embracer's share price.

Contingent considerations classified as financial liabilities are measured at fair value by discounting expected cash flows at a risk-adjusted discount rate of 1.8 %-10.2 %. Measurement is therefore in accordance with Level 3 in the fair value hierarchy. Significant unobservable input data consists of forecasted turnover and a risk-adjusted discount rate as well operational targets.

Contingent considerations	Apr 2022– Mar 2023	Apr 2021– Mar 2022
Opening balance	11,572	10,466
Acquisitions	1,352	4,165
Payment - shares to be issued	-1	-
Payment - clawback shares	-450	-421
Payment - cash	-498	-19
FX effects	47	-119
Reclassifications	-338	-
Change in fair value recognized in consolidated statement of profit or loss	-3,213	-2,498
Closing balance	8,471	11,572

During the period, unrealized gains or losses for contingent considerations recognized at the end of the reporting period amounted to SEK 3,213 million. This amount is included as part of net financial items in the consolidated statement of profit or loss.

Given the contingent considerations recognized at the end of the reporting period, a higher discount factor of 1.5 percentage points will have an impact on the fair value of the contingent considerations of SEK -454 million and a lower discount factor of 1,5 percentage points will have an impact with SEK 469 million respectively.

The Group's contingent considerations will be settled in cash or with issued shares. As of March 31, 2023, the contingent considerations are expected to be settled according to the table below.

Contingent consideration	Contingent consideration classified as financial liability		Total contingent consideration classified as financial liability	Contingent consideration classified as equity		Total contingent consideration
	Cash settlement	Newly issued shares		Newly issued shares		
Total	2,441	3,893	6,334	2,137	8,471	

As of Mar 31, 2023	Classified as financial liability	Of which already issued	Classified as equity	Of which already issued
Maximum number of shares related to contingent considerations	100,726,875	68,841,093	31,421,157	26,423,005

Put/call option on non-controlling interests

Put/call options on non-controlling interest refers to put/call option on non-controlling interests in business combination where the selling shareholders keep some ownership and there is a contractual obligation where Embracer will purchase the remaining interest if the holder of the option determines to exercise. The valuation and settlement is similar as for contingent consideration (level 3 fair value measurement).

The fair value of put/call options on non-controlling interests have been calculated based on expected outcome of financial and operational targets for each individual agreement. The estimated expected settlement will vary over time depending on, among other things, the degree of fulfillment of the conditions for the put/call option on non-controlling interests, the development of certain exchange rates against the Swedish krona and the interest rate environment. Put/call option on non-controlling interests to be settled with shares are also dependent on the development of Embracer's share price.

During the period, unrealized gains or losses for put/call options on non-controlling interest recognized at the end of the reporting period amounted to a gain of SEK 1,185 million.

This amount is included as part of net financial items in the consolidated statement of profit or loss.

Put/call option on non-controlling interests	Apr 2022– Mar 2023	Apr 2021– Mar 2022
Opening balance	4,259	-
Acquisitions	-	3,813
FX-effects	-169	-
Change in fair value recognized in consolidated statement of profit or loss	-1,185	446
Closing balance	2,905	4,259

As at March 31, 2023, the Group's put/call option on non-controlling interests will be settled in cash or with shares according to the distribution below:

Put/call options on non-controlling interest	Put/call options on non-controlling interest		Total, classified as financial liability
	Cash settlement	Newly issued shares	
Total	1,071	1,835	2,905

As of Mar 31, 2023	Classified as put/call options on non-controlling interest	Of which already issued
Maximum number of shares related to put/call options on non-controlling interest	40,840,363	-

Deferred Consideration

Deferred consideration refers to future payments from business combinations and asset deals where the payment is not contingent upon future financial or operational targets.

Deferred considerations	Apr-Dec 2022	Apr 2021– Mar 2022
Opening balance	0	-
Acquisitions	2,093	-
Payment - shares to be issued	-	-
Payment - clawback shares	-	-
Payment - cash	-464	-
FX-effects	17	-
Reclassifications	338	-
Discount effect recognized in consolidated statement of profit or loss	36	-
Closing balance	2,019	-

As at March 31, 2023, the Group's deferred consideration will be settled in cash or with shares according to the distribution below:

Deferred Consideration	Deferred Consideration		Total, classified as financial liability
	Cash settlement	Newly issued shares	
Total	2,019	-	2,019

As of Mar 31, 2023	Classified as deferred consideration	Of which already issued
Maximum number of shares related to deferred considerations	-	-

NOTE 6 BUSINESS COMBINATIONS

THE GROUP'S ACQUISITIONS DURING APR 2022-MAR 2023

Acquired entity	Operation	Operating segment	Purpose of acquisition	Acquisition date	Capital and voting rights
DIGIC	Studio	PC/Console Games	"Onboarding a talented team to Saber Interactive, with a strong track record within commercial trailers and cinematics within best selling game- titles. "	2022-04-01	100 %
Lost Boys inc	Studio	PC/Console Games	Trusted game development studio with a track record working on AAA games that can satisfy a significant need for headcount to fulfil and potentially expand Gearbox's games pipeline.	2022-06-01	100 %
Tuxedo Labs	Studio	PC/Console Games	"Addition of talented team focused on physics-based game technology and design"	2022-07-01	100 %
CSGBG	Studio	PC/Console Games	Addition of talented studio to the Coffee Stain Vertical.	2022-08-19	100 %
Crystal Dynamics - Eidos	Studio	PC/Console Games	The collection of studios represents a world-class creative team of ~1,100 employees across three studios and eight global locations, including two of the most reputable AAA studios across the industry in Crystal Dynamics and Eidos Montréal. The acquisition builds on Embracer's mission of creating a leading independent global gaming and entertainment ecosystem.	2022-08-26	100 %
Singtrix	Studio	Entertainment & Service	Strengthen Freemod's position within music and audio gaming products.	2022-09-01	100 %
Limited Run Games	Publisher	Entertainment & Service	Global leading brand within premium publishing of physical games.	2022-09-06	100 %
Beamdog	Studio	PC/Console Games	A founder-led game development studio with long experience and ~ 80 highly skilled developers in business-friendly Canada.	2022-09-13	100 %
Tripwire Interactive LLC	Publisher/ Studio	PC/Console Games	Addition of talented development team and strong brands.	2022-10-05	100 %
Animee Ltd.	Studio	Entertainment & Service	Acquirement to strengthening marketing and distribution in the Japanese pop art market.	2022-10-10	100 %
VR Group	Distribution	Tabletop	Acquire a strong distributor of tabletop games in Australia, New Zealand and the UK.	2022-10-14	100 %
Captured Dimensions	Studio	PC/Console Games	Acquirement of a US-based technology company specializing in 3D capture, scanning, and reconstruction services.	2023-01-04	100 %

Purchase price allocations (“PPA”) for acquisitions during Apr 2022-Mar 2023

The business combinations are presented on an aggregated level, as the relative amounts for the individual business combinations are not deemed to be material. All of the purchase price allocations for acquisitions during the period are preliminary.

Purchase price allocations summary, PPA

Amounts in SEK m, fair value

Acquired net assets at the acquisition date	Q1-Q4 acquisitions	Adj. Prel PPAs Q1-Q4	Total
Intangible assets	3,563	510	4,073
Property, plant and equipment	252	-2	250
Right-of-use assets	206	9	215
Financial assets	2	-	2
Deferred tax assets	254	17	271
Inventories	417	-	417
Trade receivables and other receivables	837	1	838
Cash and cash equivalents	1,089	-2	1,087
Interest-bearing liabilities	-100	29	-72
Lease liabilities	-206	-9	-215
Deferred tax liabilities	-646	-102	-749
Trade payables and other operating liabilities	-1,373	-74	-1,447
Identified net assets	4,293	377	4,670
Goodwill	4,722	-346	4,376
Non-controlling interests	-	-	-
Total purchase consideration	9,015	31	9,046
Purchase consideration comprises:			
Cash	6,135	42	6,177
Contingent consideration	1,117	-12	1,105
Deferred consideration	1,062	0	1,062
Equity instruments	702	0	702
Other	-	-	-
Total purchase consideration	9,015	31	9,046

The fair value of issued equity instruments included in the transferred purchase consideration is based on the price of Embracer’s

Class B share at each acquisition date. The number of shares issued with no restrictions/clawback is stated in the table below:

	Q1-Q4 acquisitions	Adj. Prel PPAs Q1-Q4	Total
Number of Class A shares	-	-	-
Number of Class B shares	10,198,625	-	10,198,625
Total	10,198,625	-	10,198,625

Contingent consideration, goodwill and transaction related costs have been recognized in connection with the Group’s business

combinations during Apr 2022-Mar 2023. Below is information about the acquisition-related items:

Contingent considerations	Q1-Q4 acquisitions	Adj. Prel PPAs Q1-Q4	Total
Recognized amount	1,117	-12	1,105
<i>Payments are likely to fall within the range</i>			
Low	806	0	806
High	1,423	-12	1,411
Maximum amount for payment is unlimited	No	-	No

The basis for receiving the contingent consideration is based on both operational targets, such as releasing a certain number of games from a game portfolio during a certain period, and financial targets based on achieving a certain performance measure over a given period.

Other transactions entered into in connection with the business combinations

In connection with certain business combinations during the period, an agreement has been entered into relating to contingent consideration that is not classified as part of the transferred purchase consideration as there is a requirement for continued employment to receive the amount. Thus, the amount is classified

as remuneration for future services. The amount may be settled with shares or cash, whereby the transactions are recognized either in accordance with IFRS 2 Share-based payment or in accordance with IAS 19 Employee benefits for cash-settled remuneration. As the remuneration is earned, it is recognized as personnel expense in the consolidated statement of profit or loss.

Goodwill

Goodwill mainly refers to the value of the organizations existing skills and capabilities to develop and produce future successful assets as well as synergies of collaboration within the Embracer ecosystem.

Transaction costs	Q1-Q4 acquisitions	Other transaction costs ¹⁾	Total
Transaction costs recognized in consolidated statement of profit or loss in other operating expenses	129	77	206
Issuance costs recognized in equity	-	-	-
Total	129	77	206

¹⁾ Other transaction costs relate to costs for historical acquisitions that has impacted the consolidated statement of profit or loss for the period.

The acquisitions impact on the Group's cash flow	Q1-Q4 acquisitions	Adj. Prel PPAs Q1-Q4	Total
Purchase consideration	6,135	42	6,177
Less:			
Acquired cash	1,089	-2	1,087
Net cash outflow	5,046	44	5,090

The acquisitions impact on the consolidated statement of profit or loss and statement of comprehensive income

Revenues and net profit for the acquired companies since the acquisition date have been included in the Group's statement of comprehensive income for the period and is not presented

separately. The revenues and EBIT that the companies would have contributed if the acquisition had taken place in the beginning of the period have not been calculated due to the fact that this would be disproportionately burdensome and they are not deemed to be material on an overall Group level.

PURCHASE PRICE ALLOCATIONS FOR HISTORICAL ACQUISITIONS

The purchase price allocations for acquisitions made in the latest 12 months are considered to be preliminary while the purchase price allocations for acquisitions made outside the 12 months-period are final.

Purchase price allocations for acquisitions in the financial years April 2020-March 2021 and April 2021-March 2022 has been presented in the Prospectus, appendix Restated Historical Financial Information available at Embracer Group's website.

ASSET DEALS

Acquisitions can be classified as either a business combination or an asset acquisition. This is an assessment that must be made in the case for each individual acquisition. For acquisitions where the fair value of the acquired assets in essence consists of one asset or a group of similar assets, is recognized as an asset acquisition. When acquisitions of subsidiaries involve the acquisition of net assets without any significant processes, the acquisition cost of each identifiable asset and liability is divided up based on its fair value at the time of acquisition. In the case of assets acquisitions, no deferred tax is recognized at the time of the acquisition and transaction costs are added to the purchase price of the acquired net assets.

During the quarter, Embracer Group did not complete any acquisitions that have been classified as asset acquisitions. Previous acquisitions completed in the financial year 2022/23 and classified as asset acquisitions have been presented in previous quarterly reports.

NOTE 7 RELATED PARTY TRANSACTIONS

Related party transaction	Related party	Jan-Mar 2023	Jan-Mar 2022	Apr 2022-Mar 2023	Apr 2021-Mar 2022
Consulting services	Logvreten AB ¹⁾ (supplier)	0	-1	-1	-1
Transportation services/Rent	Mad Dog Games LLC, Mek Production ²⁾ (supplier)	-	-3	-	-12
Transportation services	Sola Service i Karlstad AB ³⁾ (supplier)	-4	0	-9	0
Transportation services	Empterwik Special Services Ltd ³⁾ (supplier)	-10	-	-21	-21
Sale of goods/services	Bröderna Wingefors AB ³⁾ (supplier)	-	-	0	0
Acquisition of game collection	Lars Wingefors AB ⁴⁾ (supplier)	-	-15	0	-14
Total		-14	-19	-31	-48

¹⁾ Kicki Wallje-Lund, chairman of the board, has controlling influence over the company

²⁾ Matthew Karch, board member, has controlling influence over the company

³⁾ The company is part of Lars Wingefors AB

⁴⁾ Lars Wingefors AB is owned by Lars Wingefors, Erik Stenberg, Mikael Brodén, Klemens Kreuzer, Reinhard Pollice and Jacob Jonmyren.

NOTE 8 PERSONNEL EXPENSES

SEK m	Jan-Mar 2023	Jan-Mar 2022	Apr 2022-Mar 2023	Apr 2021-Mar 2022
Personnel expenses	-2,915	-1,450	-9,854	-4,356
Personnel costs related to acquisitions - Excluding FX gain/loss	238	-1,089	-2,595	-4,247
Total	-2,676	-2,539	-12,449	-8,602

NOTE 9 OTHER OPERATING EXPENSES

SEK m	Jan-Mar 2023	Jan-Mar 2022	Apr 2022-Mar 2023	Apr 2021-Mar 2022
Other operating expenses	-144	-22	-109	-20
Transaction costs related to acquisitions	-22	-205	-290	-367
FX gain/loss related to Personnel costs related to acquisitions	25	-15	-36	-60
Total	-140	-241	-436	-447

NOTE 10 NET FINANCIAL ITEMS

SEK m	Jan-Mar 2023	Jan-Mar 2022	Apr 2022-Mar 2023	Apr 2021-Mar 2022
Interest income and other financial income	24	2	51	4
Interest expense and other financial expense	-229	-50	-618	-99
Sum	-205	-49	-567	-95
Change in fair value contingent consideration and put/call options on non-controlling interests	1,086	1,119	4,469	2,498
Interest deferred consideration	-20	-	-36	-
Exchange rate gains/losses	-108	303	956	382
Total financial net	753	1,372	4,822	2,785

Exchange gains/losses net include both realized and unrealized gains or losses. Change in fair value of contingent consideration

and put/call options on non-controlling interests is related to adjustments in estimated target fulfilment of earnouts.

PARENT COMPANY'S INCOME STATEMENT

Amounts in SEK m	Jan-Mar 2023	Jan-Mar 2022	Jan-Mar 2021	Apr 2022- Mar 2023	Apr 2021- Mar 2022	Apr 2020- Mar 2021
Net sales	20	106	168	64	527	796
Other operating income	16	-	2	31	-	-
Total operating income	36	106	170	95	527	796
Operating expenses						
Other external expenses	-61	-44	-7	-200	-92	-36
Personnel expenses	-35	-18	-7	-103	-49	-22
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-1	-50	-94	-3	-264	-417
Other operating expenses	-4	-1	-	-9	-9	-21
Operating profit	-64	-7	62	-219	113	300
Net financial items	231	260	458	1 745	571	-349
Profit after financial items	166	253	519	1,525	684	-49
Appropriations	-9	61	230	-894	-307	230
Profit before tax	157	314	749	631	377	181
Income tax	-10	-32	-13	-48	-48	-40
Net profit for the period	147	283	736	583	329	141

PARENT COMPANY BALANCE SHEET

Amounts in SEK m	Mar 31, 2023	Mar 31, 2022	Mar 31, 2021	Apr 1, 2020
ASSETS				
Fixed assets				
Intangible assets	4	153	409	394
Tangible assets	8	5	4	2
Shares in Group companies	42,504	29,426	5,446	2,547
Receivables from Group companies	33,210	32,098	5,458	267
Other financial assets	71	66	52	-
Deferred tax assets	-	1	22	-
Total financial assets	75,785	61,591	10,978	2,814
Total fixed assets	75,797	61,749	11,391	3,210
Current assets				
Receivables from Group companies	1,559	1,899	2,723	896
Other receivables	74	37	109	28
Current tax assets	9	54	22	3
Total current receivables	1,642	1,990	2,854	927
Current investments	-	-	195	193
Cash and bank balances	23	1,483	12,198	1,762
Total current assets	1,665	3,473	15,247	2,882
TOTAL ASSETS	77,462	65,222	26,638	6,092
EQUITY AND LIABILITIES				
Restricted equity	2	74	242	242
Unrestricted equity	59,653	46,835	25,804	5,333
Total equity	59,655	46,909	26,046	5,575
Untaxed reserves	162	104	117	141
Provisions	159	231	221	4
Non-current liabilities	17,031	11,748	205	222
Overdraft facilities	-	6,026	23	138
Trade payables	22	95	12	5
Liabilities to Group companies	355	67	5	1
Other current liabilities	78	42	9	6
Total current liabilities	455	6,230	49	150
TOTAL EQUITY AND LIABILITIES	77,462	65,222	26,638	6,092

NOTE P1 THE PARENT COMPANY'S ACCOUNTING POLICIES

The parent company prepares its financial statements in accordance with the Swedish Annual Accounts Act (1995:1554) and the recommendation issued by the Financial Reporting Board RFR 2 "Accounting for legal entities". For the parent company's transition to RFR 2 see note P2.

The Parent company applies the same accounting principles as the Group with the exceptions and additions specified in RFR 2. This means that IFRS is applied with the exceptions listed below. Unless otherwise indicated, the accounting policies stated below for the parent company have been applied consistently to all periods presented in the parent company's financial statements.

Classification and presentation of financial statements

For the Parent entity, the title balance sheet is used for the financial statements which in the Group is titled statement of financial position. The Parent entity's income statement and balance sheet are presented in accordance with the format prescribed in the Swedish Annual Accounts Act, while the statement of other comprehensive income, the statement of changes in equity and statement of cash flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

Lease agreements

The guidance on accounting for lease agreements in accordance with IFRS 16 are not applied in the parent company. This means that lease payments are expensed linearly over the lease term and right-of-use assets and lease liabilities are not included in the parent company's balance sheet. However, identification of a lease agreement is made in accordance with IFRS 16, i.e. than an agreement is, or contains a lease if the agreement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Revenue from investments in subsidiaries

Dividends are recognized when the right to receive payment is considered certain. Revenue from divestment of subsidiaries is recognized when control of the subsidiary has been transferred to the acquirer.

Taxes

In the Parent company, deferred tax liabilities attributable to untaxed reserves, are recognized gross in the balance sheet. The appropriations are recognized gross in the income statement.

Shares in subsidiaries

Shares in subsidiaries are recognized in the parent company in accordance with the cost method. This means that transaction costs are included in the carrying amount of the investment. In cases where the carrying amount exceeds the subsidiaries' consolidated value, an impairment is made that is recognized in the income statement. An impairment assessment is performed annually or more often if there is an indication of a need for impairment. If a previous impairment loss is no longer justified, it is reversed.

Assumptions are made about future conditions to calculate future cash flows that determine the recoverable amount. The recoverable amount is compared to the carrying amount for these assets and forms the basis for any impairments or reversals. The assumptions that affect the recoverable amount the most are future earnings development, discount rate and useful life. If future external factors and conditions change, assumptions may be affected so that the carrying amounts of the parent company's assets change.

Group contributions and shareholder contributions

The parent company recognize both received and paid group contributions as appropriations in accordance with the alternative method in RFR 2. Shareholder contributions paid by the parent company are recognized as an increase of shares and participations in the parent company. Shareholder contributions received are recognized as an increase of non-restricted equity.

Financial instruments

The parent company applies the exemption to not apply IFRS 9 Financial Instruments in the legal entity. Instead, the parent company applies, in accordance with the Swedish Annual Accounts Act, the cost method. In the parent company, non-current financial assets are thus measured at cost and current financial assets are measured at the lower of cost or net realizable value. The parent company does, however, apply the expected credit loss method (ECL) in accordance with IFRS 9 for financial assets that are debt instruments. Contingent considerations are measured at the amount that the parent company deems would need to be paid if it was settled at the end of the reporting period.

The parent company applies the exemption to not measure financial guarantee contracts for the benefit of subsidiaries, associates and joint ventures in accordance with IFRS 9. Instead, the parent company applies the policies for measurement in IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Impairment of financial assets

Financial assets, including intra-group receivables, are subject to impairment for expected credit losses.

For receivables from Group companies and other items subject of expected credit losses, an impairment method with three stages is applied in accordance with IFRS 9. The parent company applies a rating-based method for assessment of expected credit losses based on the probability of default, expected loss given default and exposure at default.

The parent company assesses that the subsidiaries currently have similar risk profiles and assessment is made on a collective basis. The assessment has been based on the Embracer Group's credit risk, which has been adjusted to reflect the subsidiaries' assessed credit risk. At the end of the reporting period, the expected credit losses have resulted in a decrease of receivables from group companies and as an increase in financial costs.

Expected credit losses for cash and cash equivalents have not been recognized, as the amount has been deemed insignificant.

Development fund

Expenditures for internally developed intangible assets is capitalized as intangible assets in the parent company in line with the Group's accounting policies. In the parent company, an amount corresponding to the development expenditures capitalized is transferred from non-restricted equity to a reserve for development expenditures within restricted equity.

NOTE P2 PARENT COMPANY'S TRANSITION TO RFR 2

The Parent Company has previously applied the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Accounts and Consolidated Accounts (K3) in the preparation of financial statements. As of this financial year, as a result of the Group's transition to IFRS, the Parent Company applies the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The date of the parent company's transition to RFR 2 is April 1, 2020.

The accounting policies included in note P1 have been applied when the full year report is prepared as of March 31, 2023 and for the historical periods presented for the comparative periods.

The effect of the transition to RFR 2 is reported directly against the opening equity April 2020. Previously published financial information for the periods 2020-04-01 - 2021-03-31 and 2021-04-01 - 2022-03-31, prepared in accordance with the Swedish

Annual Accounts Act and BFNAR 2012:1 (K3), has been converted to RFR 2. The effect of the parent company's transition to RFR 2 on the parent company's income statement and on the parent company's balance sheet are mainly related to the effects of IFRS 9 Financial Instruments and expected credit losses. The effect on income statement and the balance sheet is for year 2021/2022 is SEK –17 million and for the year 2020/2021 SEK –6 million. The income statement item affected is Profit/loss from financial items and in the balance sheet the items affected are Receivables from Group companies and Unrestricted Equity. The transition to RFR 2 has had no effect on the parent company's cash flow.

For the fourth quarter 2021/2022 the income statement impact is SEK –10 million (–1).

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES (APMs)

In accordance with the guidelines from ESMA (European Securities and Markets Authority), regarding the disclosure of alternative performance measures, the definition and reconciliation of Embracer's alternative performance measures are presented below. The guidelines entail increased disclosures regarding the financial measures that are not defined by IFRS. The performance measures presented below are reported in the full year report. They are used for internal control and follow-up. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies. One important part of Embracer's strategy is to pursue inorganic growth opportunities through acquisitions. Thereby expanding the ecosystem to include more entrepreneurs within the gaming and entertainment markets. An acquisitive strategy is associated with certain complexity in terms of accounting for business combinations. The board and management of Embracer believes that it is important to separate the operational performance of the business from the acquisition part. Certain APM's are used to accomplish and give internal and external stakeholders the best picture of the underlying operational performance of the business, by the measurement of performance excluding specific items related to historical acquisitions and items affecting comparability. The individual APMs, definitions, purpose are described more in detail below.

Name	Definition	Reason for Use
Adjusted Earnings per share	Net profit for the period excluding specific items related to historical acquisitions and items affecting comparability net of tax, change in fair value contingent consideration and put/call options on non-controlling interests net of tax and Interest expense contingent consideration net of tax divided by the average number of shares in the period. Net taxes are calculated using the effective tax rate.	Shows earnings per share after adjustments to specific items attributable to historical acquisitions, and items affecting comparability.
Adjusted Earnings per share after full dilution	Net profit for the period excluding specific items related to historical acquisitions and items affecting comparability net of tax, change in fair value contingent consideration net of tax and Interest expense contingent consideration and put/call options on non-controlling interests net of tax divided by the average number of shares after full dilution in the period. Net taxes are calculated using the effective tax rate.	Shows earnings per share after adjustments to specific items attributable to historical acquisitions and items affecting comparability with regard for full dilution.
Adjusted EBIT	EBIT excluding specific items related to historical acquisitions and items affecting comparability.	Adjusted EBIT in order to provide a true and fair picture of the underlying operational performance, by excluding Specific items related to historical acquisitions and items affecting comparability.
Adjusted EBIT margin	Adjusted EBIT as a percentage of net sales.	
Adjusted EBITDA	EBITDA excluding specific items related to historical acquisitions and items affecting comparability.	Provides the best picture of the underlying entity's performance by measuring performance excluding specific items related to historical acquisitions and items affecting comparability.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales.	
Average number of shares	Weighted average number of shares that are outstanding during the period. Number of shares have been recalculated with respect to split of shares.	
Average number of shares after full dilution	Weighted average number of ordinary shares and potential ordinary shares. Number of shares have been recalculated with respect to split of shares.	
EBIT margin	EBIT as a percentage of net sales.	

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Name	Definition	Reason for Use
EBITDA	Earnings before interest, taxes, depreciation and amortization.	EBITDA and EBITDA margin are reported because these are metrics commonly used by investors, financial analysts and other stakeholders to measure the Company's financial results.
EBITDA margin	EBITDA as a percentage of net sales.	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.
Free cash flow after working capital	Cash flow for the period, excluding cash flow from financing activities and acquisitions of subsidiaries including transaction costs and cash impact from personnel costs related to acquisitions.	Provide a true and fair picture of the underlying operational performance, by excluding cash flow from Specific items related to historical acquisitions.
Gross margin	Net sales less goods for resale divided by net sales.	Measuring the profitability from the net sales of products and services.
Items affecting comparability	Transactions that are not related to recurring business operations, but affecting the financial outcome in a material way, and where the probability of reoccurrence over the coming year is limited.	Items affecting comparability includes events and transactions with significant effects, which are relevant for understanding the financial performance when comparing income for the current period with previous periods.
Net Debt (-) / Net Cash (+)	The company's cash and short-term investments decreased with the company's short- and long-term interest-bearing liabilities excluding leasing liabilities according to IFRS16, pension provisions, contingent consideration and put/call on non-controlling interest.	The metric is commonly used by investors, financial analysts and other stakeholders to measure the debt compared to its liquid assets. This metric is also used in calculating the Company's financial leverage.
Net investment in acquired companies	Acquisition of subsidiaries, net of cash acquired plus cash impact from specific items related to historical acquisitions, plus acquisition of IPs through asset deal structures.	A measure of cash flow allocated to inorganic growth opportunities in the reporting period.
Net sales growth	Net sales growth for the current period compared to the same period previous year.	Net sales growth is reported by the Company because it regards this KPI as contributing to investor understanding of the Company's historical progress.
Organic growth	Growth 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.	Growth measure for companies that has been part of Embracer Group for more than one year excluding effects of differences in exchange rates.
Pro forma growth	Growth between periods where net sales from companies acquired in the last five quarters have been added historically. The comparison period is adjusted for differences in exchange rates.	Growth measure for all companies that are a part of Embracer Group as per reporting date regardless of when the company became a part of Embracer Group excluding effects of differences in exchange rates.
Specific items related to historical acquisitions	Specific income/expenses related to historical acquisitions consist of personnel cost related to acquisitions (In connection with certain business combinations an agreement has been entered into relating to contingent consideration that is not classified as part of the transferred purchase consideration as there is a requirement for continued employment to receive the amount), amortization of surplus values of acquired intangible assets (e.g. IP-rights, publishing rights, brand name), transaction costs (Costs for legal- financial- tax- and commercial due diligence for completed transactions.), remeasurement of participation in associated companies and remeasurement of contingent consideration.	Input used to calculate Adjusted EBITDA and Adjusted EBIT.

ALTERNATIVE PERFORMANCE MEASURES

ADJUSTED EBIT AND ADJUSTED EBITDA - DERIVATION

Amounts in SEK m	Jan-Mar 2023	Jan-Mar 2022	Apr 2022-Mar 2023	Apr 2021-Mar 2022
EBIT	-95	-967	194	-1,126
Depreciation, amortization and impairment	2,122	1,165	6,523	2,793
EBITDA	2,027	198	6,717	1,667
Personnel costs related to acquisitions	-264	1,105	2,631	4,277
Remeasurement of participation in associated companies	-	1	-	-416
Remeasurement of contingent consideration	0	19	0	46
Transaction costs	22	205	290	367
Items affecting comparability	153	-	228	-
Adjusted EBITDA	1,938	1,527	9,866	5,942
Depreciation, amortization and impairment	-2,122	-1,165	-6,523	-2,793
Items affecting comparability	50	-	50	-
Amortization of surplus values of acquired intangible assets	1,048	706	2,973	1,316
Adjusted EBIT	915	1,069	6,366	4,465

ADJUSTED EARNINGS PER SHARE - DERIVATION

Amounts in SEK m	Jan-Mar 2023	Jan-Mar 2022	Apr 2022-Mar 2023	Apr 2021-Mar 2022
Net profit for the period attributable to equity holders of the parent	737	162	4,454	976
Adjustments				
Personnel costs related to acquisitions	-264	1,105	2,631	4,277
Remeasurement of participation in associated companies	-	1	-	-416
Remeasurement of contingent consideration	0	19	0	46
Transaction costs	22	205	290	367
Amortization of surplus values of acquired intangible assets	1,048	706	2,973	1,316
Change in fair value contingent consideration and put/call options on non-controlling interests	-1,032	-1,133	-4,558	-2,565
Interest expense contingent consideration	-34	13	125	66
Items affecting comparability	203	-	278	-
Adjustments before tax	-56	916	1,739	3,092
Tax effects on adjustments	-207	-189	-678	-276
Adjustments after tax	-263	727	1,062	2,816
Total	473	889	5,515	3,792
Average number of shares, million	1,259	1,099	1,252	1,031
Adjusted Earnings per share, SEK	0.38	0.81	4.41	3.69
Average number of shares after full dilution, million	1,367	1,162	1,360	1,086
Adjusted Earnings per share after full dilution, SEK	0.35	0.76	4.06	3.50

ORGANIC GROWTH - DERIVATION Amounts in SEK m	Jan-Mar 2023	Jan-Mar 2022	Change
Net sales	9,356	5,238	79 %
Net sales from acquired companies ¹⁾	-4,479	-769	
Difference in exchange rate	-	615	
Organic growth output	4,878	5,084	-4 %

PRO FORMA GROWTH - DERIVATION Amounts in SEK m	Jan-Mar 2023	Jan-Mar 2022	Change
Net sales	9,356	5,238	79 %
Net sales from acquired companies ²⁾	-	3,557	
Difference in exchange rate	-	1,006	
Pro forma growth output	9,356	9,801	-5 %

¹⁾ Net sales from companies acquired in the last five quarters have been excluded.

²⁾ Net sales from acquired companies in the last five quarters have been added.

FREE CASH FLOW AFTER WORKING CAPITAL Amounts in SEK m	Jan-Mar 2023	Jan-Mar 2022
Cash flow for the period	-1,561	-9,228
Cash flow from financing activities	877	-18,014
Acquisition of subsidiaries, net of cash acquired	403	27,710
Transaction costs	22	205
Payment personnel cost related to acquisitions	227	-
Free cash flow after working capital	-32	672

DEFINITIONS, QUARTERLY INFORMATION

Accumulated number of additional operative groups	Number of closed acquisitions of new operative groups.
Accumulated number of additional acquisitions added	Number of closed acquisitions which are not new operative groups including asset deals.
Clawback shares	Shares of the company issued to sellers at completion of acquisitions of companies or assets. Clawback shares are part of the earnout consideration to sellers of companies or assets. Clawback shares are held by sellers, either in escrow accounts or on regular accounts, with an agreed right for the company to receive the shares back, at no consideration, if specific earnout targets are not met. Clawback shares are kept by the sellers if earnout targets are met.
Completed games	Total book value of finished game development projects (released games) upon submission of completion. Upon completion the released games are reclassified from On-going Game Development Projects to Finished Games and amortization starts.
DAU	Average daily active users in the period.
Digital product	Product sold/transferred through digital/electronic channels.
Digital sales	Sales and transfer of products, physical and digital, through digital/electronic channels.
External game developers	Game developers engaged in game development projects by studios that are not owned by the group (external studios).
External Studios	Studios not owned by the group engaged in game development project financed by the Group.
Game development projects	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	Employees not directly engaged in game development (both employees and contractors).
Internal game developers	Game developers (both employees and contractors) engaged in game development projects by studios that are owned by the group (internal studios).
Internal Studios	Studios owned by the group.
MAU	Average monthly active users in the period.
Net sales split – PC/Console segment	
Owned titles	Net sales of game titles that are owned IPs or titles that are controlled by the group.
Publishing titles	Net sales of game titles of IPs the group does not own or control.
New releases	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. The Max total consideration includes contingent consideration in cash and shares that is classified as remuneration for future services and not part of the transferred consideration in the PPA according to IFRS 2 and IAS 19. Also note that for a limited amount of acquisitions, for which there is a material difference between the expected consideration and the maximum potential consideration, the expected cash and shares consideration have been used as measure.
Number of IP:s	Number of IPs owned by the group.
Physical product	Product sold/transferred through physical channels.
Physical sales	Sales and transfer of products, physical and digital, through physical channels.
Total installs	Total accumulated installs in the period.
UAC (User Acquisition Cost)	Marketing costs in the operating segment Mobile Games.

INFORMATION BY FINANCIAL YEAR AND QUARTER

	2016	2017	2018	2019	2020 ¹	2020/21	2021/22					2022/23				
	Full year	Full year	Full year	Full year	Jan-Mar	Full year	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Full year	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Full year
Net sales, SEK m	302	508	4,124	5,541	1,339	9,000	3,433	3,305	5,091	5,238	17,067	7,118	9,569	11,622	9,356	37,665
Sales growth, Group, YoY %	42 %	68 %	713 %	34 %	-18 %	71 %	66 %	39 %	136 %	119 %	90 %	107 %	190 %	128 %	79 %	121 %
EBIT, SEK m	95	188	403	421	97	2,058	55	44	-259	-967	-1,126	-398	461	226	-95	194
EBIT, margin, %	31 %	37 %	10 %	8 %	7 %	23 %	2 %	1 %	-5 %	-18 %	-7 %	-6 %	5 %	2 %	-1 %	1 %
Adjusted EBIT, SEK m	108	202	501	1,143	286	2,858	1,279	986	1,130	1,069	4,465	1,322	2,121	2,009	915	6,366
Adjusted EBIT, margin, %	38 %	40 %	12 %	21 %	21 %	32 %	37 %	30 %	22 %	20 %	26 %	19 %	22 %	17 %	10 %	17 %
Adjusted EBITDA, SEK m	-	-	-	-	-	4,016	1,573	1,299	1,542	1,527	5,942	1,867	3,056	3,005	1,938	9,866
Adjusted EBITDA, margin, %	-	-	-	-	-	45 %	46 %	39 %	30 %	29 %	35 %	26 %	32 %	26 %	21 %	26 %
Basic shares weighted average, million ²	-	-	-	-	-	719	877	880	894	968	905	1,026	1,071	1,088	1,091	1,069
Diluted shares weighted average ²	-	-	-	-	-	719	883	888	906	984	921	1,032	1,078	1,096	1,103	1,081
Average number of shares, million ²	367	444	504	606	624	796	990	1,008	1,026	1,099	1,031	1,157	1,231	1,256	1,259	1,252
Average number of shares after full dilution, million ²	367	444	504	606	624	798	1,042	1,060	1,079	1,162	1,086	1,256	1,338	1,364	1,367	1,360
Basic earnings per share, SEK	0.20	0.31	0.58	0.43	0.21	-3.49	0.07	2.26	-1.38	0.17	1.08	-0.16	2.21	1.39	0.68	4.17
Diluted earnings per share, SEK	-	-	-	-	0.21	-3.49	0.07	2.24	-1.38	0.16	1.06	-0.16	2.20	1.38	0.67	4.12
Adjusted Earnings per share, SEK ²	0.23	0.34	0.75	1.41	0.49	3.15	0.97	0.95	0.96	0.81	3.69	1.28	2.12	0.76	0.38	4.41
Adjusted Earnings per share after full dilution, SEK	0.23	0.34	0.75	1.41	0.49	3.14	0.92	0.91	0.91	0.76	3.50	1.18	1.95	0.70	0.35	4.06
Cash flow from operating activities, SEK m	99	179	579	174	766	3,825	582	1,009	1,048	1,431	4,070	347	580	2,813	1,643	5,383
Organic growth, YoY, %	-	-	-	-	-	-	11 %	-24 %	34 %	-18 %	-	-12 %	35 %	-3 %	-4 %	-
Gross Margin, %	61 %	71 %	39 %	52 %	50 %	60 %	76 %	76 %	66 %	73 %	72 %	65 %	66 %	56 %	58 %	63 %
Specific items related to historical acquisitions																
Amortization of surplus values of acquired intangible assets	-13	-14	-99	-722	-189	-510	-185	-191	-233	-706	-1,316	-555	-629	-740	-1,048	-2,973
Transaction costs, SEK m	-	-	-	-	-	-150	-67	-52	-43	-205	-367	-70	-81	-117	-22	-290
Personnel costs related to acquisitions	-	-	-	-	-	-181	-972	-1,087	-1,113	-1,105	-4,277	-1,107	-941	-847	264	-2,631
Remeasurement of participation in associated companies, SEK m	-	-	-	-	-	41	-	417	-	-1	416	-	-	-	-	-
Remeasurement of contingent consideration, SEK m	-	-	-	-	-	-	-	-27	-	-19	-46	12	-8	-4	0	0
Total	-13	-14	-99	-722	-189	-801	-1,224	-942	-1,389	-2,036	-5,591	-1,720	-1,660	-1,708	-807	-5,894
Investments																
External game development and advances, SEK m	98	212	528	732	193	697	301	323	329	280	1,233	248	408	399	236	1,291
Internal capitalized development, SEK m	36	80	359	645	224	1,291	469	558	596	670	2,293	866	1,097	1,351	1,474	4,788
Sub-total - Investment in Game development, all segments	134	292	887	1,377	417	1,988	770	881	925	950	3,526	1,114	1,505	1,750	1,710	6,079
Other intangible assets/IP-rights, SEK m	23	15	123	138	48	151	58	35	44	53	190	90	67	114	145	416
Total	157	306	1,010	1,515	465	2,139	828	916	969	1,003	3,717	1,204	1,572	1,864	1,855	6,497
Completed games																
Completed games, PC/Console, SEK m	-	176	383	644	165	837	298	281	377	262	1,218	545	1,671	531	501	3,248
Other KPIs																
Game development projects, PC/Console																
Announced Game Dev projects	-	-	-	-	43	-	56	67	67	64	-	55	61	62	56	-
Unannounced Game Dev projects	-	-	-	-	60	-	124	130	149	159	-	167	173	162	165	-
Total	-	-	-	-	103	-	180	197	216	223	-	222	234	224	221	-
Headcount																
Total internal game developers	-	-	-	-	1,359	-	5,107	6,141	6,473	7,240	-	8,025	9,380	9,639	9,971	-
Total external game developers	-	-	-	-	1,006	-	1,280	1,329	1,351	1,346	-	1,411	1,519	1,513	1,455	-
Total internal employees, non-development	-	-	-	-	744	-	1,499	1,594	1,700	4,174	-	4,441	4,832	5,091	5,175	-
Total	-	-	-	-	3,109	-	7,886	9,064	9,524	12,760	-	13,877	15,731	16,243	16,601	-
Number of studios																
Total number External Studios	-	-	-	-	58	-	67	69	66	63	-	63	60	59	56	-
Total number Internal Studios	-	-	-	-	26	-	69	82	88	118	-	120	132	134	138	-
Total	-	-	-	-	84	-	136	151	154	181	-	183	192	193	194	-
IP-rights																
-	-	-	-	-	160	-	247	262	271	815	-	816	827	876	896	-
M&A KPIs																
Acc. Additional operative groups	-	-	2	3	3	-	7	7	7	9	-	9	10	10	10	-
Acc. Additional acquisitions added	1	4	6	16	17	-	45	58	66	72	-	74	79	86	87	-
Acc. Total	1	4	8	19	20	-	52	65	73	81	-	83	89	96	97	-
Acc. Max cash consideration, SEK m	-	82	1,598	3,433	3,454	9,477	18,619	23,036	24,385	51,038	-	51,901	57,039	64,544	64,570	-
Acc. Max share consideration, SEK m	-	10	649	1,010	1,010	7,484	20,595	22,142	22,206	30,103	-	30,754	31,936	33,195	33,217	-
Acc. Max total consideration, SEK m	-	92	2,247	4,443	4,464	16,961	39,214	45,178	46,591	81,141	-	82,655	88,975	97,739	97,787	-

¹ Periods prior to April-June 2020/2021 are presented according to previous accounting standard K3 and are not recalculated according to IFRS

² 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 global Group of creative and entrepreneurial businesses in PC, console, mobile and board games and other related media. The Group has an extensive catalog of over 850 owned or controlled franchises. With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its twelve operative groups: THQ Nordic, PLAION, Coffee Stain, Amplifier Game Invest, Saber Interactive, DECA Games, Gearbox Entertainment, Easybrain, Asmodee, Dark Horse, Freemove and Crystal Dynamics – Eidos. The Group has 138 internal game development studios and is engaging more than 16,600 employees in more than 40 countries.