IMPORTANT INFORMATION – PLEASE READ THE FOLLOWING BEFORE CONTINUING READING

This presentation (the “Presentation”) has been prepared by Embracer Group AB (“Embracer” or the “Company”) and is provided for information purposes only. By attending a meeting where this Presentation is presented or by accessing information contained in or obtained from the Presentation, including by reading this Presentation, you agree to be bound by the following limitations and notifications.

This Presentation may not be used for, or in connection with, any offer to, or solicitation by, any person in any jurisdiction or under any circumstances. This Presentation does not constitute or form part of, and should not be construed as, any offer, invitation, solicitation or recommendation to purchase, sell or subscribe for any securities in the Company in any jurisdiction and does not constitute any form of commitment or recommendation on the part of Embracer or anyone else. The Presentation is intended to present background information on the Company and is not intended to provide complete disclosure. Readers of the Presentation should not treat the contents of this Presentation as an advice relating to legal, taxation, investment or any other matters. Neither the Presentation, nor any part of it, shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. This presentation is not a research report. The Company and its affiliates, directors, advisors, employees and representatives disclaims any and all liability for direct and indirect consequences resulting from decisions which are wholly or partly based on information in the Presentation. The Presentation does not constitute and should not be considered as any form of financial opinion, advice or recommendation by the Company or anyone else.

This Presentation is not a prospectus in accordance with the (EU) 1129/2019 Prospectus Regulation and has not been approved or reviewed by any governmental authority or stock exchange in any jurisdiction in the EEA. Nor has this Presentation been reviewed or approved by any other regulatory authority or stock exchange globally.

This presentation (the “Presentation”), or under any of the relevant securities laws of any state or other jurisdiction of the United States and the Company does not intend to make a public offer of its securities in the United States. The distribution of the Presentation in certain jurisdictions may be restricted by law and persons into whose possession the Presentation comes should make themselves aware of the existence of, and observe, any such restriction. The securities of the Company have not been and will not be registered under the U.S. Securities Act, as amended (the “Securities Act”), or under any of the relevant securities laws of any state or other jurisdiction of the United States and the Company does not intend to make a public offer of its securities in the United States.

Statements in this Presentation, including those regarding the Company’s and its industry’s possible or assumed future, the Company’s business strategies, its expansion and growth of operations, future events, objectives, trend projections and expectations, or other performance of the Company or its industry, constitute forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, contingencies, uncertainties, assumptions and other factors as they relate to events and depend on circumstances that will or may occur in the future, whether or not outside the control of the Company. No assurance is given that such forward-looking statements will prove to be correct. Prospective investors should not place undue reliance on forward-looking statements and they speak only as at the date of this Presentation. Past performance does not guarantee or predict future performance. Moreover, the Company does not undertake any obligation to review, update or confirm expectations or estimates or to release any revisions to any forward-looking statements to reflect events that occur in the future, or circumstances that arise in relation to the content of this Presentation unless required by law or Nasdaq First North Growth Market’s Rulebook for issuers. The Company and its affiliates, directors, advisors, employees and representatives expressly disclaim any liability whatsoever for such forward-looking statements.

Certain information contained in this Presentation (including market data and statistical information) has been obtained from various sources prepared by other parties (including third party sources) that the Company has deemed to be relevant and trustworthy. Moreover, certain information in the Presentation is based on assumptions, estimates and other factors that were available to the Company at the time of when the information was prepared. Such assumptions, estimates or other factors, either made by the Company or by third parties, may prove to be, or become, incorrect, thus rendering the information in the Presentation to be inaccurate, incomplete or incorrect. No representation or warranty, express or implied, is made by the Company or any of its affiliates, directors, advisors, employees and representatives as to the accuracy, completeness or verification of any information contained in this Presentation. The Company has not made any independent review of information based on public statistics or information from any independent third parties regarding the market information that has been provided by such third party, the industry or general publications. Financial information contained in the Presentation is not necessarily directly extracted from the Company’s accounting systems or records. No information in the Presentation has been independently reviewed or verified by the Company’s auditors unless explicitly stated otherwise. In addition, certain financial information may be preliminary and has yet not been finalized, be forward-looking, or subject to review/audit from the Company’s auditors. Accordingly, such preliminary financial information may change. Furthermore, certain financial information in this Presentation has been prepared for illustrative purposes only and is solely intended to describe the hypothetical situation of if the acquired companies were part of Embracer for the periods referred to in the Presentation.

The Company has not made any independent review of information based on public statistics or information from any independent third parties regarding the market information that has been provided by such third party, the industry or general publications. Financial information contained in the Presentation is not necessarily directly extracted from the Company’s accounting systems or records. No information in the Presentation has been independently reviewed or verified by the Company’s auditors unless explicitly stated otherwise. In addition, certain financial information may be preliminary and has yet not been finalized, be forward-looking, or subject to review/audit from the Company’s auditors. Accordingly, such preliminary financial information may change. Furthermore, certain financial information in this Presentation has been prepared for illustrative purposes only and is solely intended to describe the hypothetical situation of if the acquired companies were part of Embracer for the periods referred to in the Presentation.

This Presentation as well as any other information provided by or on behalf of Company in connection herewith shall be governed by Swedish law. The courts of Sweden, with the District Court of Stockholm as the first instance, shall have exclusive jurisdiction to settle any conflict or dispute arising out of or in connection with this Presentation or related matters.
## Interim Report Q1 FY 2023/24

### BRIEF SUMMARY

**Net Sales Group**
- SEK 10,450m
- YOY growth: 47%
- Group organic growth: 20%
- Group pro forma growth: 17%

**Adjusted EBIT**
- SEK 1,673m
- YOY growth: 27%

**Adjusted EPS** (after full dilution)
- SEK 1.23
- (SEK 1.18)

**Adjusted EBIT forecast**
- SEK 7,000m – 9,000m
- FY 2023/24
- (reiterated)

---

**Dead Island 2 and Remnant II performance jumpstart FY 2023/24**

**The restructuring program is on track**

**Exciting pipeline looking ahead for FY 2023/24...**

**+ a strong slate of other notable releases**
Operative Groups by segment

PC / CONSOLE GAMES
Internal Headcount: 10,469 | Internal Studios: 103

MOBILE GAMES
Internal Headcount: 1,196 | Internal Studios: 11

ENTERTAINMENT & SERVICES
Internal Headcount: 967 | Internal Studios: 3

TABLETOP GAMES
Internal Headcount: 2,579 | Internal Studios: 22

Source: as of June 30, 2023
**PC/Console Games**

**NEW RELEASES**

**ORGANIC GROWTH**  
38%

**PRO FORMA GROWTH**  
20%

**TOP 10 BACK CATALOG**

**BACK CATALOG SALES SEKm**

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

---

Source: as of June 30, 2023
Exciting pipeline ahead for FY 2023/24
**PC/Console Games**

**PROJECT ROI (CONTRIBUTION/INVESTMENT)**

- **Average title project data:**
  - Sales 294 SEKm, Contribution 207 SEKm and Investment 86 SEKm.

- **SEK 20.3 Bn** in net Sales
- **SEK 14.3 Bn** in Contribution
- **SEK 5.9 Bn** in Total Investments

- **Based on reported numbers until 30 June 2023**
- **Sample includes projects with sales above 40 SEKm or investment above 40 SEKm (69 projects)**
- **ROI = Contribution / Investment**
- **Contribution = Gross Profit less marketing expenses from release to 30 June 2023.**
- **Investment = Capitalized Development Expenses including follow-on investment.**

- **2.41x in average**
- **1.0x in break even**

**Source:** as of June 30, 2023
Source: as of June 30, 2023
NET SALES DRIVERS

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

ORGANIC GROWTH
-12%

PRO FORMA GROWTH
-12%

NET SALES SEKm & ADJUSTED EBIT MARGIN

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>FY 22/23</th>
<th>FY 23/24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales, SEK m</td>
<td>1,488</td>
<td>1,441</td>
<td>1,573</td>
<td>1,317</td>
<td>1,438</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBIT, margin %</td>
<td>19%</td>
<td>22%</td>
<td>29%</td>
<td>25%</td>
<td>29%</td>
<td></td>
</tr>
</tbody>
</table>

USER ACQUISITION COST

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>FY 22/23</th>
<th>FY 23/24</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAC, SEK m</td>
<td>883</td>
<td>755</td>
<td>733</td>
<td>555</td>
<td>641</td>
<td></td>
</tr>
<tr>
<td>UAC, % of net sales</td>
<td>59%</td>
<td>52%</td>
<td>47%</td>
<td>42%</td>
<td>45%</td>
<td></td>
</tr>
</tbody>
</table>

DAILY ACTIVE USERS & MONTHLY ACTIVE USERS (PRO FORMA)

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>FY 22/23</th>
<th>FY 23/24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales, SEK m</td>
<td>883</td>
<td>755</td>
<td>733</td>
<td>555</td>
<td>641</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBIT, margin %</td>
<td>59%</td>
<td>52%</td>
<td>47%</td>
<td>42%</td>
<td>45%</td>
<td></td>
</tr>
</tbody>
</table>

Source: as of June 30, 2023
Tabletop Games

NET SALES SEKm & ADJUSTED EBIT MARGIN

<table>
<thead>
<tr>
<th></th>
<th>FY22/23</th>
<th>FY23/24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>2,665 (17%)</td>
<td>3,247 (14%)</td>
</tr>
<tr>
<td>Adjusted EBIT margin, %</td>
<td>4,146 (21%)</td>
<td>3,074 (8%)</td>
</tr>
</tbody>
</table>

STRONG PIPELINE

3 PRESTIGIOUS INDUSTRY AWARDS

ORGANIC GROWTH

9%

PRO FORMA GROWTH

7%

NEW RELEASES

Source: as of 30 June, 2023
**Entertainment & Services**

**NET SALES SEKm & ADJUSTED EBIT MARGIN**

<table>
<thead>
<tr>
<th>FY21/22</th>
<th>FY22/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>Q1</td>
</tr>
<tr>
<td>Q2</td>
<td>Q2</td>
</tr>
<tr>
<td>Q3</td>
<td>Q3</td>
</tr>
<tr>
<td>Q4</td>
<td>Q4</td>
</tr>
</tbody>
</table>

- **Net sales**
  - Q1: 466
  - Q2: 465
  - Q3: 811
  - Q4: 671

- **Adjusted EBIT margin, %**
  - Q1: 9%
  - Q2: 14%
  - Q3: 8%
  - Q4: 4%

**Source:** as of June 30, 2023

**ORGANIC GROWTH**

- **70%**

**PRO FORMA GROWTH**

- **83%**
Market update

GLOBAL VIDEO GAMES MARKET REVENUE FORECAST

USD billion

<table>
<thead>
<tr>
<th>Year</th>
<th>Forecast</th>
<th>Source: Newzoo</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>144</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>179</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>193</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>183</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>188</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>196</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>205</td>
<td></td>
</tr>
<tr>
<td>2026</td>
<td>212</td>
<td></td>
</tr>
</tbody>
</table>

GLOBAL MARKET

- **PC**: expected to grow by **+0.5%** in 2023
- **Console**: expected to grow by **+7%** in 2023
- **Mobile**: expected to grow by **+0.8%** in 2023
- **Tabletop**: down in Q1 by **-1.3%** YoY

The European Tabletop market grew across all key product areas.
Financial Performance
FINANCIAL PERFORMANCE | Q1

Financial development

**GROSS MARGIN DEVELOPMENT SEKm**

- Q1 FY 21/22: 76%
- Q2 FY 21/22: 76%
- Q3 FY 21/22: 66%
- Q4 FY 21/22: 73%
- Q1 FY 22/23: 65%
- Q2 FY 22/23: 66%
- Q3 FY 22/23: 56%
- Q4 FY 22/23: 58%
- Q1 FY 23/24: 63%

**DEVELOPMENT OF MARKETING COSTS SEKm**

- Q1 FY 21/22: 13%
- Q2 FY 21/22: 17%
- Q3 FY 21/22: 20%
- Q4 FY 21/22: 20%
- Q1 FY 22/23: 16%
- Q2 FY 22/23: 13%
- Q3 FY 22/23: 10%
- Q4 FY 22/23: 10%
- Q1 FY 23/24: 10%
- FY 21/22: 641 SEKm
- FY 22/23: 444 SEKm

**DEVELOPMENT OF OPERATING EXPENSES, NET SEKm**

- Q1 FY 21/22: 19%
- Q2 FY 21/22: 20%
- Q3 FY 21/22: 17%
- Q4 FY 21/22: 25%
- Q1 FY 22/23: 23%
- Q2 FY 22/23: 22%
- Q3 FY 22/23: 21%
- Q4 FY 22/23: 29%
- Q1 FY 23/24: 26%

**ADJUSTED EBIT SEKm**

- Q1 FY 21/22: 37%
- Q2 FY 21/22: 30%
- Q3 FY 21/22: 22%
- Q4 FY 21/22: 20%
- Q1 FY 22/23: 19%
- Q2 FY 22/23: 22%
- Q3 FY 22/3: 17%
- Q4 FY 22/3: 10%
- Q1 FY 23/24: 16%
- FY 21/22: 1,673 SEKm
- FY 22/23: 1,000 SEKm
- FY 23/24: 641 SEKm

Source: as of June 30, 2023
## Cash flow and net debt

### SEKm FY23/24 Q1 | FY22/23 Q1 | TTM Q1
---|---|---
**Adjusted EBITDA** | 2,697 | 1,867 | 10,696
**Cash Tax** | -229 | -180 | -951
**Other items** | -319 | 91 | -698
**Operating Cash flow** | 2,149 | 1,778 | 9,047
**Net investment in intangible assets** | -1,911 | -1,204 | -6,703
**Net investment in tangible assets** | -103 | -76 | -524
**Net investment in financial assets** | -223 | -32 | -252
**Net Investment** | -2,237 | -1,312 | -7,479
**Free Cash Flow before WC** | -88 | 466 | 1,568
**Change in working capital** | -511 | -1,260 | -1,413
**Free Cash Flow after WC** | -599 | -794 | 155
**Cash Flow from financing activities** | 120 | 5,860 | 2,760
**Net investment in acquired companies** | -392 | -1,014 | -9,444
**Cash Flow for the period** | -871 | 4,052 | -6,529

### Source: as of June 30, 2023
Adjusted EBIT forecast reiterated

- Based on the performance year-to-date, we have increased confidence in our forecast range.

- In the PC/Console Games segment, a solid earnings growth is expected, driven by the release of more large- and mid-sized, internally developed games during the financial year. Adjusted EBIT within the PC/Console Games segment weighted towards H2, driven by improved ROI for releases in H1 and a strong lineup of new releases in H2.

- In the Mobile Games segment, a low single-digit organic growth is expected, with gradually stronger growth during the financial year. The Adjusted EBIT margin is expected to be largely in line or slightly above FY 2022/23.

- In the Tabletop Games segment, high-single-digit organic growth is expected, driven by the trading cards product area, with an Adjusted EBIT margin slightly below FY 2022/23. Earnings seasonality is expected to be more pronounced, driven by cost phasing, timing of new releases and product mix.
Q1 update on the restructuring program
Q1 UPDATE ON THE RESTRUCTURING PROGRAM

Today’s speaker

MÜGE BOUILLON
FINANCE WORKSTREAM LEAD, EMBRACER GROUP & CFO, ASMODEE
Q1 UPDATE ON THE RESTRUCTURING PROGRAM

Reminder of the objectives

Increased cash conversion, improved efficiency and reduced capex targeting:

1. At least SEK 2.9bn annual capex savings
   Compared to Q4 FY 22/23 run-rate

2. At least SEK 0.8bn annual overhead savings
   Compared to Q4 FY 22/23 run-rate

3. Net debt below SEK 8.0bn by end of FY 23/24
   Including impact of SEK 2.0bn direct share issue completed in July 2023

Measures to be implemented over FY 23/24 reaching full financial run rate impact in FY 24/25.
Q1 UPDATE ON THE RESTRUCTURING PROGRAM

Program focus areas and phases

Main Focus Areas being addressed in phases

- **Capex and Opex savings**
- Capital allocation
- **Efficiency improvements**

<table>
<thead>
<tr>
<th>Phase</th>
<th>Dates</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st phase</td>
<td>13 June 2023</td>
<td>Opex and initial phase capex savings</td>
</tr>
<tr>
<td>2nd phase</td>
<td>31 March 2024</td>
<td>Further capex savings and capital allocation initiatives</td>
</tr>
<tr>
<td>3rd phase</td>
<td></td>
<td>Further capital allocation initiatives including consolidation</td>
</tr>
</tbody>
</table>

Clearly defined structure in place under leadership of Executive Management with the engagement and commitment of Senior Management from across the Group.
**Q1 UPDATE ON THE RESTRUCTURING PROGRAM**

**Where we are today**

<table>
<thead>
<tr>
<th>Good progress being made and tracking towards the targets</th>
</tr>
</thead>
</table>
| **Capex and Opex savings** | • First round review of **Capital Expenditure** completed - initial initiatives to reduce number of projects and studios have commenced  
  • Review of **Overheads** completed – overhead savings initiatives identified within the range of targets communicated |
| **Capital allocation** | • Global review of the existing pipeline in progress  
  • New group-wide investment greenlighting process designed and being rolled out  
  • Increased external funding of internally developed games and potential divestment opportunities being worked on as a matter of high priority |
| **Efficiency improvements** | • Important steps taken to create a new process for game investment and game development progress review. |
A FEW FINAL REMARKS
Q&A

Until ~10:00 CEST