

Welcome to Embracer Group's Annual General Meeting

September 19th, 2024

TODAY'S AGENDA

15.00

AGM (part 1) | 1-7

Welcome by Erik Larsson, equity analyst from SEB

Opening of the meeting by Kicki Wallje-Lund, Chair of the Board

- Presentation of the business activities within Embracer Group - Lars Wingefors Co-founder & CEO, Müge Bouillon Group CFO
- ESG / Sustainability - Karin Edner Karlsson, Group Sustainability Manager
- Market insights by market analyst consultant - Chris Stanton-Jones
- Passion for games - Phil Rogers, Deputy CEO
- Passion for fans - Lars Wingefors
- Embracer Games Archive
- Closing remarks - Lars Wingefors
- Q&A

~ 17.00

AGM (part 2) | 8-17

Closing of the meeting

Kicki Wallje-Lund

Chair of the Board

September 19th, 2024

A fundamental belief in the power of gaming

A transformative year

Gaming is **super**power
entertainment

3.4 billion and counting

Gaming is engaging

The future of gaming

A black and white photograph of a massive crowd of people at a convention. In the foreground, a balcony with a glass railing and white support pillars is visible, with people leaning over the edge. Below the balcony, a dense sea of people fills the lower level of the venue. The text 'Gen Con' is in a light pink color, while 'North American tabletop game convention' is in white. The text is positioned on the left side of the image, partially overlapping the balcony and the crowd.

Gen Con North American tabletop game convention

The future of gaming is captivating

Gaming is superpower
entertainment...

**We have a fundamental belief in
the power of gaming**

Welcome to Embracer Group's Annual General Meeting

September 19th, 2024

AGM

AGENDA

PART 1

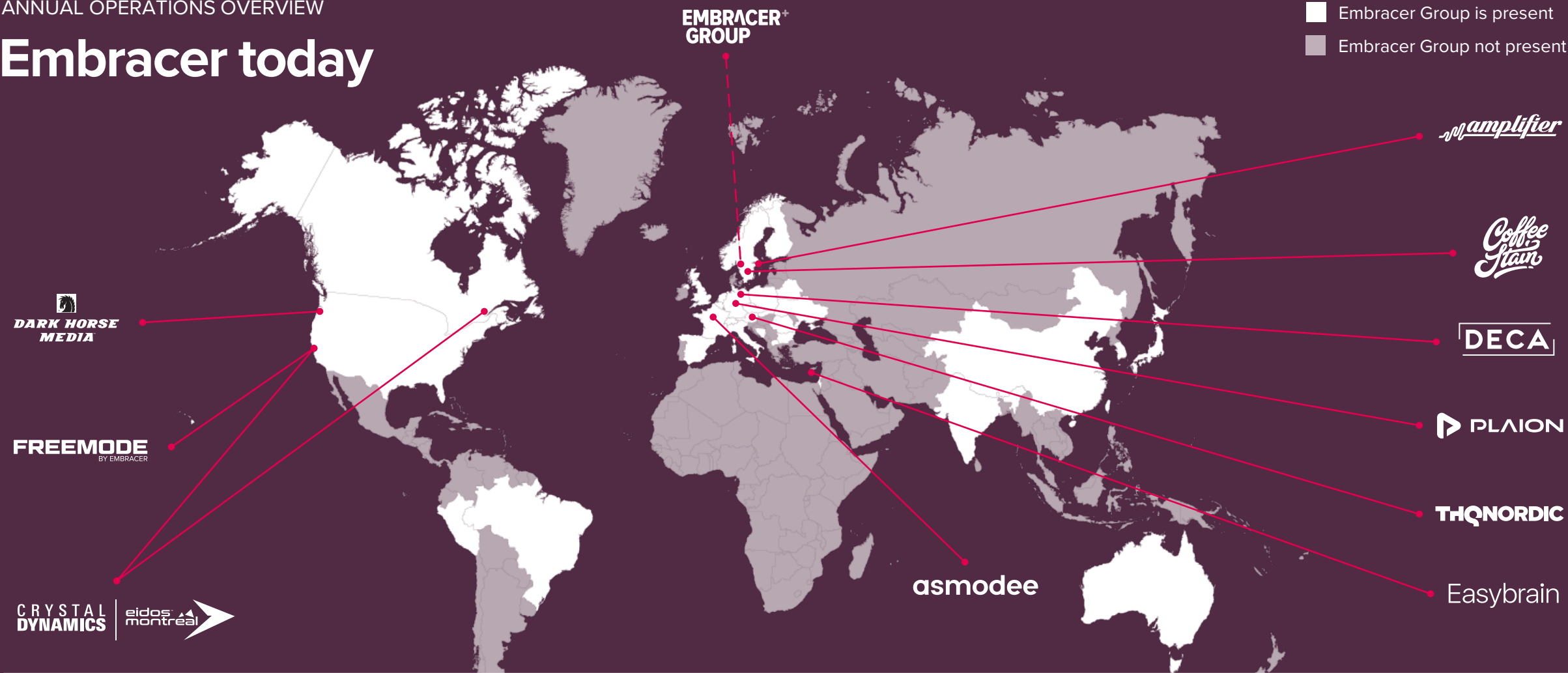
1. Opening of the meeting
2. Election of chair of the meeting
3. Preparation and approval of voting list
4. Election of one or two persons to certify the minutes
5. Question whether the general meeting has been duly convened
6. Approval of the agenda
7. Presentation of the business activities in the Embracer Group

Annual Operations Overview

FY 2023/24

Annual General Meeting
September 19th, 2024

Embracer today



INTERNAL STUDIOS	OWNED AND CONTROLLED IPs	TOTAL HEADCOUNT	DEVELOPERS	ON-GOING PROJECTS
103	+900	+10,000 WHEREOF	+6,000	127

Operational & Financial Highlights FY 2023/24

Net Sales Group

SEK **42,206m**

YOY GROWTH

12 %

GROUP ORGANIC GROWTH

1 %

GROUP PRO FORMA GROWTH

4 %

Adjusted EBIT

SEK **7,063m**

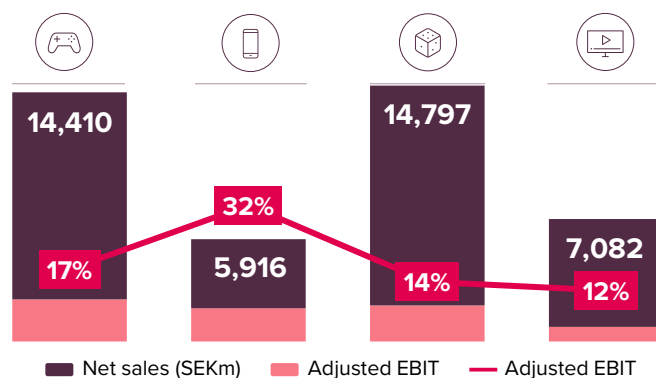
YOY GROWTH

11 %

Adjusted EPS AFTER FULL DILUTION

SEK **3.65**

(4.06)



Restructuring program successfully finalized by year-end

Solid sales and earnings progression

Divestments of Gearbox Entertainment and assets from Saber Interactive

Important steps taken for key IPs and franchises

Start of a new chapter

Transformation of Embracer into three standalone publicly listed companies

Spin-off entities in short

ASMODEE

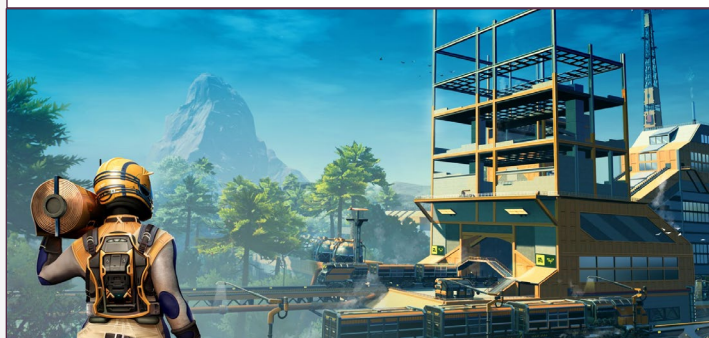
A global leading tabletop games publisher and distributor with an extensive studio network and IP catalog.



SEK 14.6 billion in Net Sales²
SEK 2.1 billion in Adjusted EBIT²

“COFFEE STAIN & FRIENDS”¹

A diverse gaming entity with a dual focus on indie and A/AA premium and free-to-play games for PC/console and mobile, with a high degree of recurring revenues.



SEK 10.7 billion in Net Sales²
SEK 3.1 billion in Adjusted EBIT²

“MIDDLE-EARTH & FRIENDS”¹

A creative powerhouse in AAA game development and publishing for PC and console, as well as the stewards of The Lord of the Rings and Tomb Raider intellectual properties, among many others.



SEK 12.1 billion in Net Sales²
SEK 1.5 billion in Adjusted EBIT²

¹ Working name TBD | ² pro forma basis as per LTM June 2024



MÜGE BOUILLON

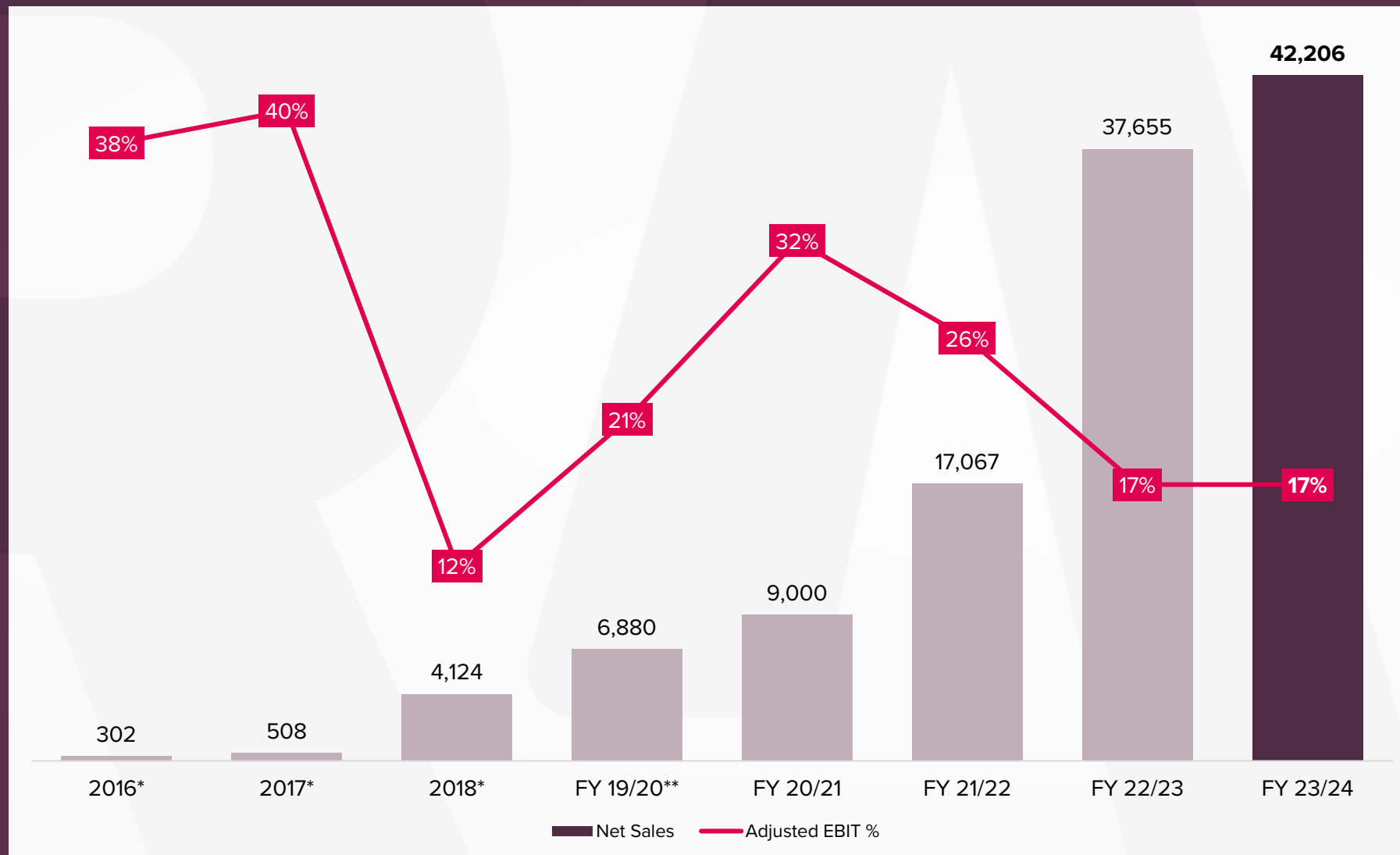
Group CFO

1.

Financial overview FY 2023/24



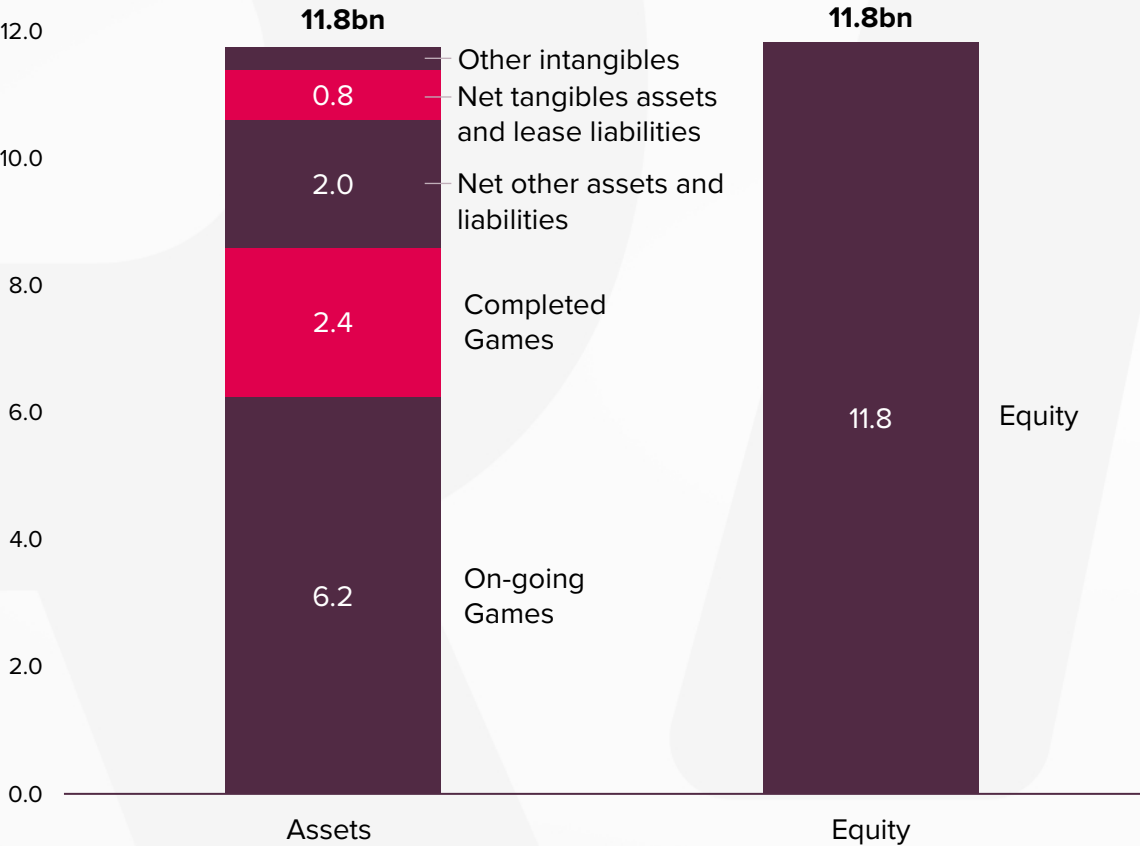
Stable performance in a year of many challenges



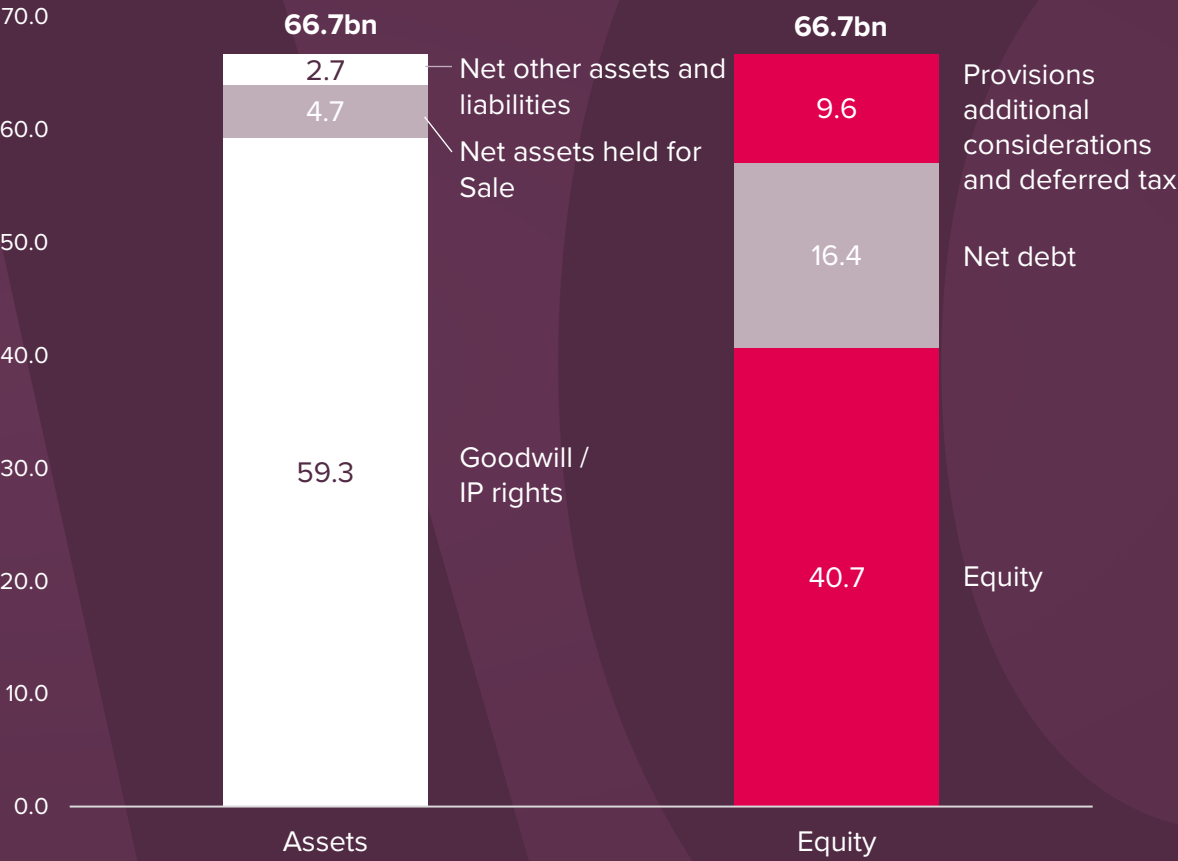
- Net sales grew by 12% YoY to SEK 42.2 billion, with organic growth of 1%.
- Adjusted EBIT margin stable at 17%
- Delivered the adjusted EBIT forecast for the year, albeit in the low end of the expected range
- The restructuring program has created a stronger foundation for improved profitability, cash flows and long-term value creation

Balance sheet per 31-03-24

Operational balance sheet items

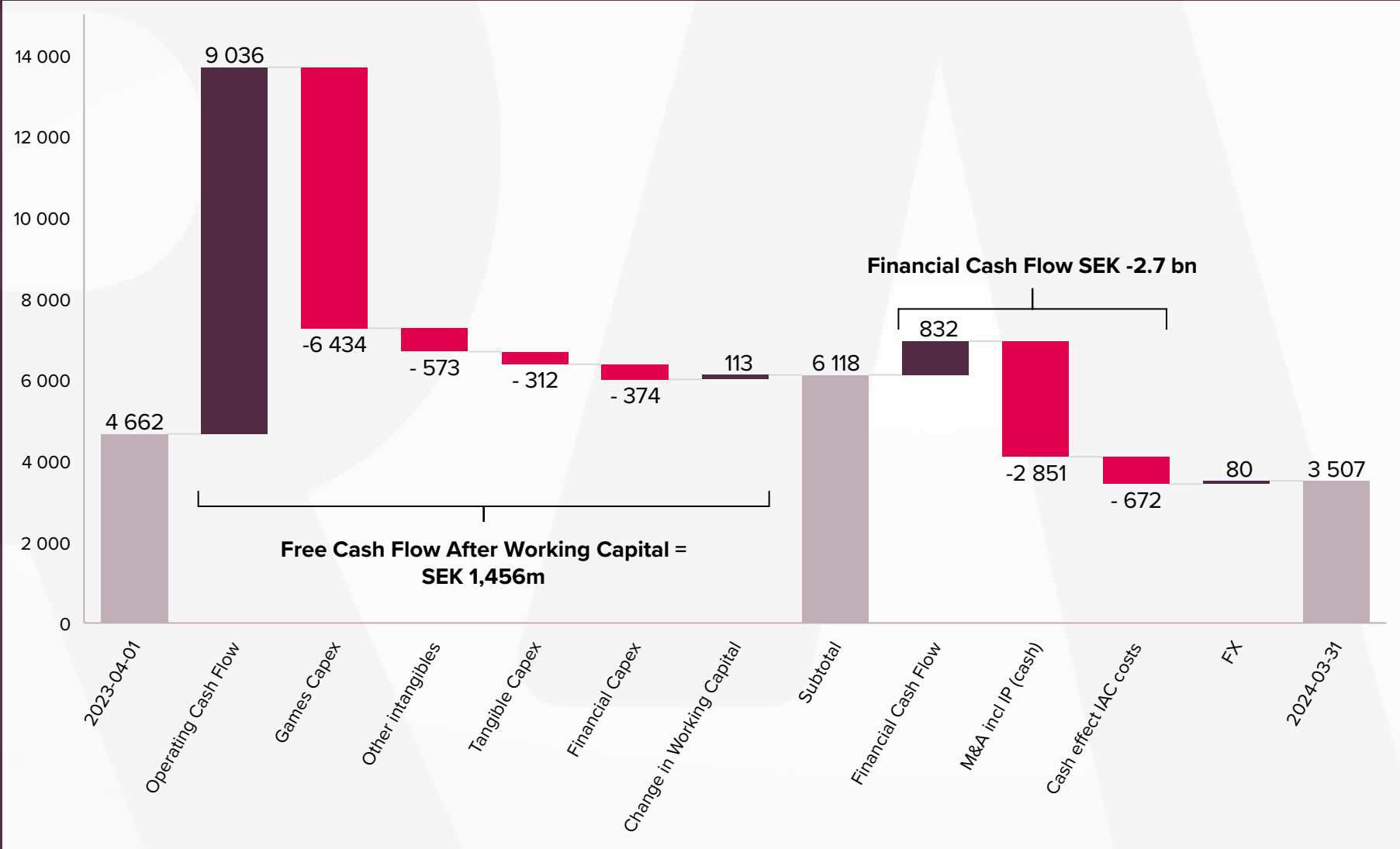


Financial balance sheet items



Financial balance sheet: Net other assets and liabilities include short term interest-bearing receivable amounting to SEK 2.1 billion related to the divestment of Saber.

Cash Flow from 1 April 2023 to 31 March 2024

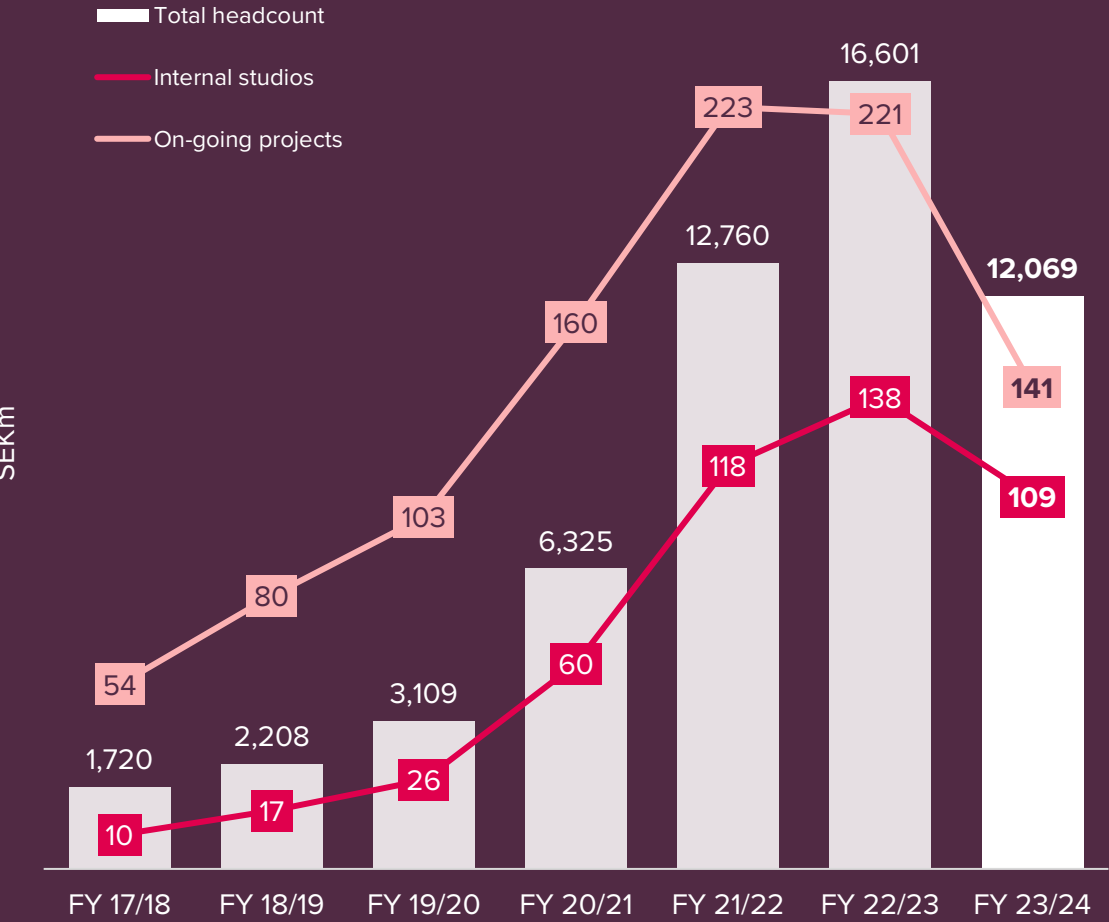


During FY 23/24 we generated SEK 9.0bn in operating cash flow and invested SEK 6.4bn in our games portfolio, SEK 0.6bn in Other intangibles, SEK 0.3bn in tangible assets and SEK 0.4bn in Financial assets, resulting in an operational FCF of SEK 1,456m.

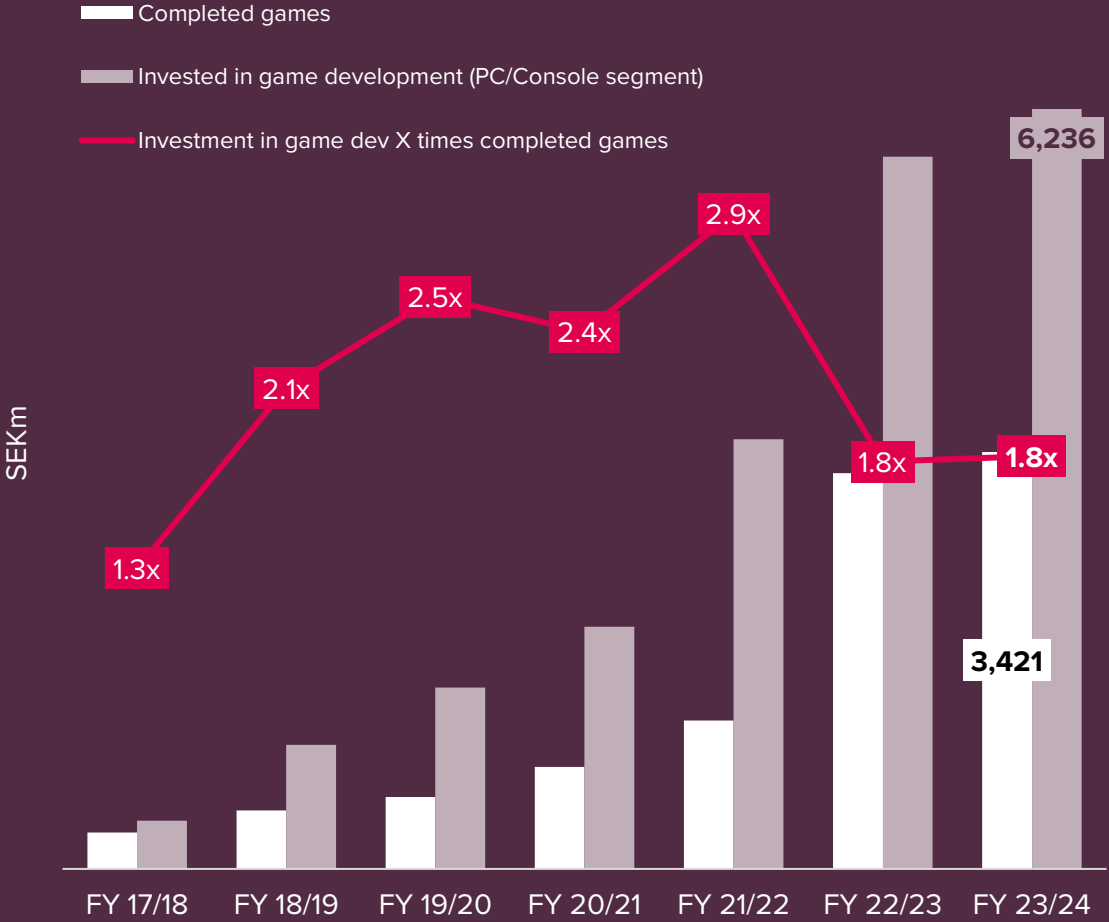
Negative cash flow from financing activities at SEK -2.7bn. Net cash flow effect from acquisitions amount to SEK -2.9bn.

Cash balance SEK 3.5bn at year-end.

Operational development



PC/Console game development





KARIN EDNER KARLSSON

Group Sustainability Manager

2.

ESG / Sustainability



The importance of Sustainability for Embracer Group



VALUES



RISK MANAGEMENT

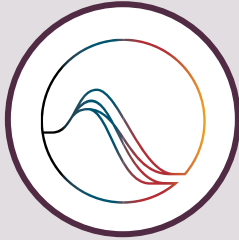


BUSINESS OPPORTUNITIES

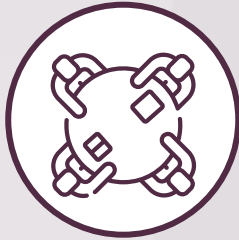
Highlights from FY 2023/24



Preparing for CSRD and other new legal requirements



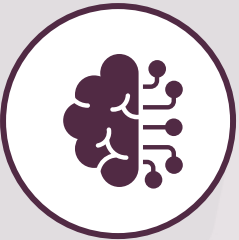
The Group's Science-based Targets validated and approved



Formed an Advisory Sustainability Council



Privacy and Anti-Corruption training for all employees



AI policy package rolled out



Continued to support the people affected by the war in Ukraine

Great People – Annual Employee Survey

THE FOURTH GROUP-WIDE EMPLOYEE SURVEY SCORE

	FY 2023/24	FY 2022/23	FY 2021/22	FY 2020/21
Average satisfaction rate	76/100	80/100	81/100	79/100
Participation rate	83%	85%	80%	74%

MARKET INSIGHTS BY CHRIS STANTON-JONES, MARKET ANALYST & CONSULTANT

Guest speaker



CHRIS STANTON-JONES

Catapult Business Solutions

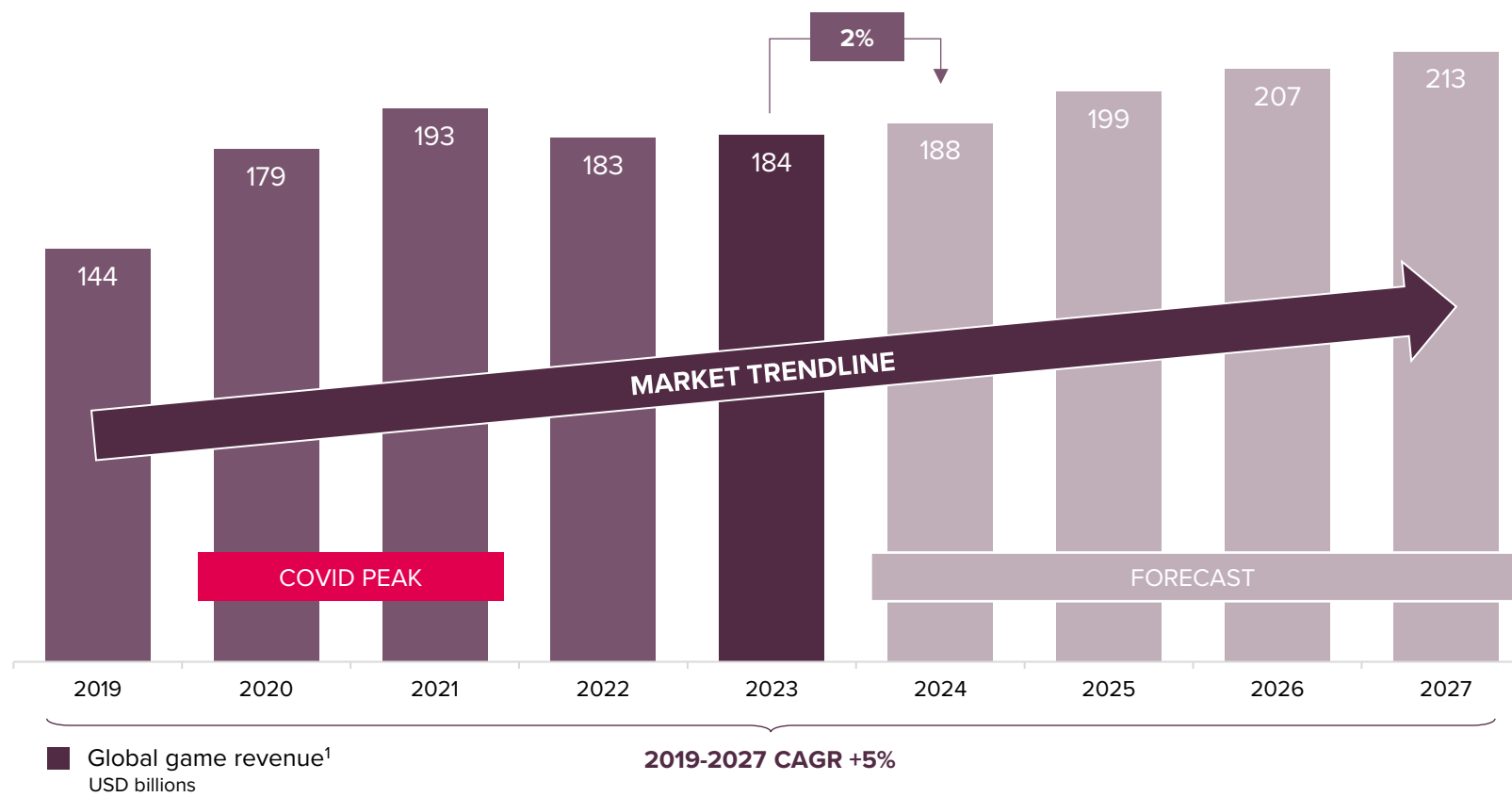
3.

Market insights



Total Gaming Market

Market trendline is “low but steady” growth



Influencing Factors

- Slowly improving economic conditions
- Strong PC and improving mobile sectors
- Growth of Emerging Markets

Economic backdrop

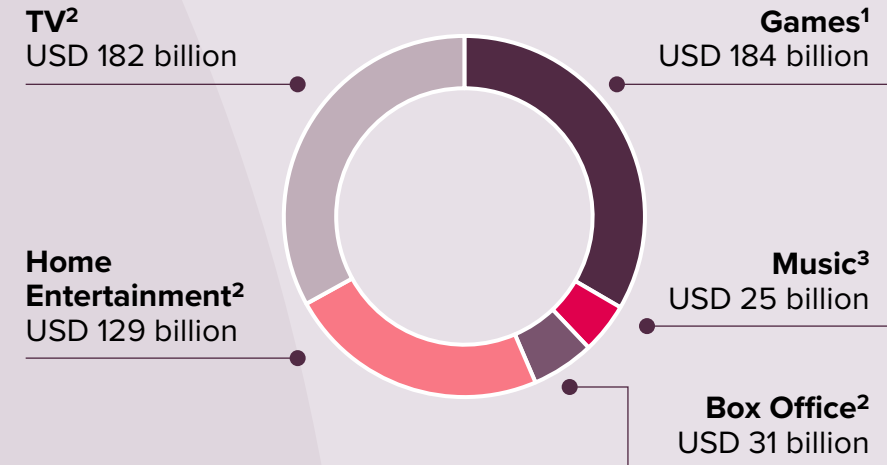
- Industry 'right-sizing'
- Slow-down in console installed base growth

Games Market Trends

TOTAL MARKET

1. **Games is the single largest entertainment sector**
2. **The number of players** keeps growing; 3.4 bn (2024), +5% YoY¹
3. **Sales are concentrating into fewer big games**
4. **The amount of big new releases** (Qtr to Qtr) can vary dramatically
5. **Fewer platform exclusives**
6. **PC is benefitting** the most from the above

Global Entertainment industry sales, Estimates 2023

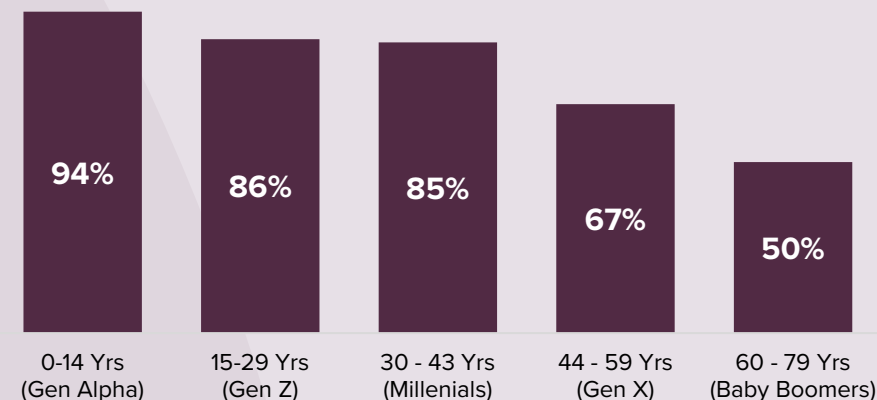


Games Market Trends

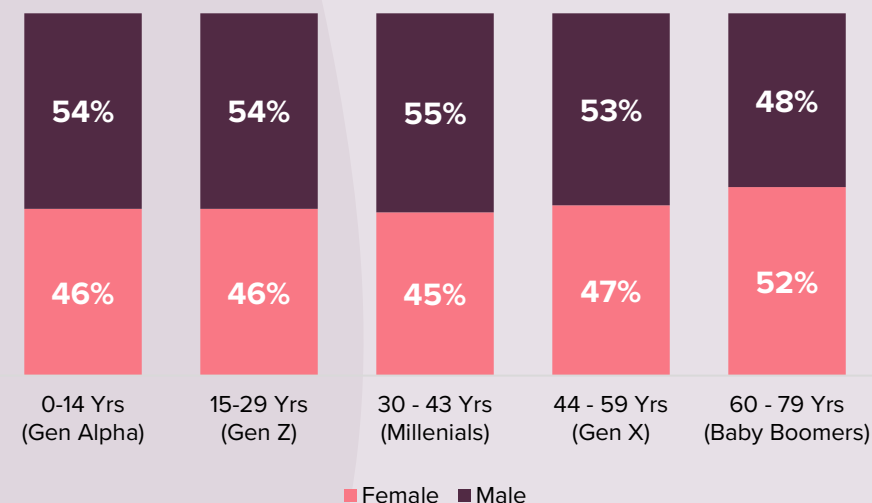
THE PLAYERS¹

- **More players** than ever before
- **Mainstream popularity**
- **Mass appeal** across all age groups
- **36 yrs** is the ave. age of a gamer in the US³
- **Several other types of game engagement** too
- **The gender split of gamers** is close to 50/50
- **Mobile: 56% of global Players in Asia** (60% of spend)
- **Console/PC: 49% of global Players in the West²** (66% of spend)

% of age group that Play Games



Gender Distribution of Gamers

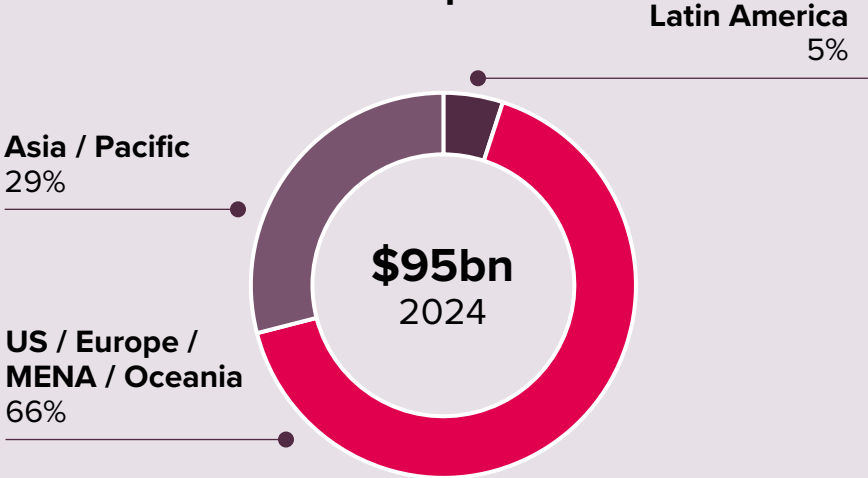


Games Market Trends

PC & CONSOLE

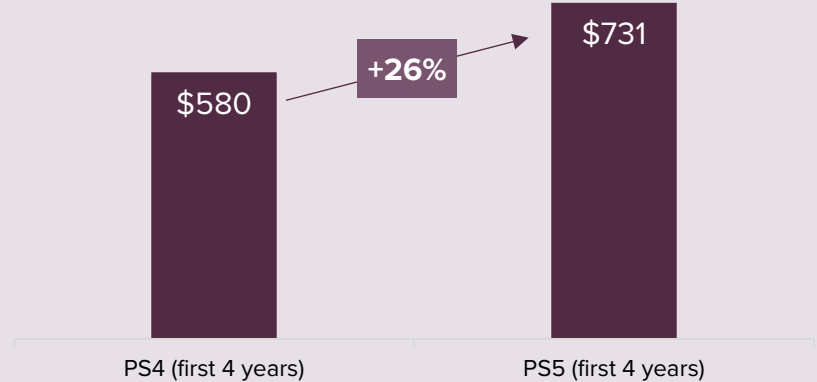
- Largest markets are US & Europe
- The Premium PC full game sector is seeing rapid growth
- Driven by cross-platform releases and evergreen titles
- Increasing support from publishers
- Good value for money in current economic conditions
- Steam keeps breaking new records
- Console owners are spending more money than ever before
- Slight lag in console upgrading
- Generative AI could represent both increased development efficiencies as well as certain risk

PC & Console market split¹



PlayStation consumer spend²

\$ per connected device



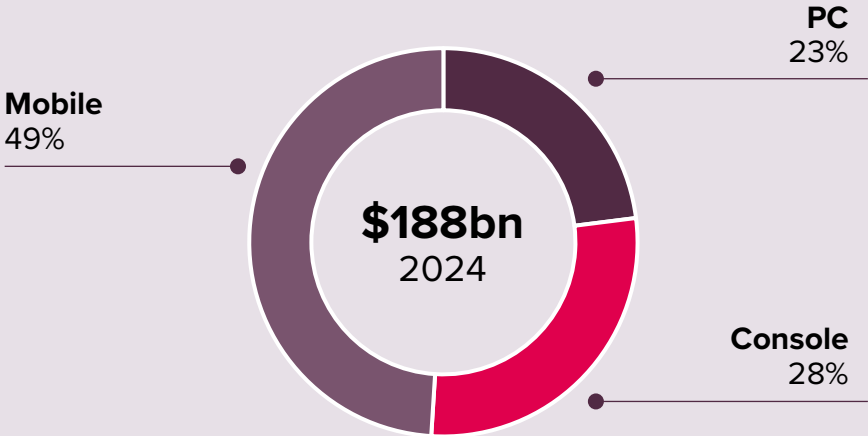
¹ Newzoo | ² Sony

Games Market Trends

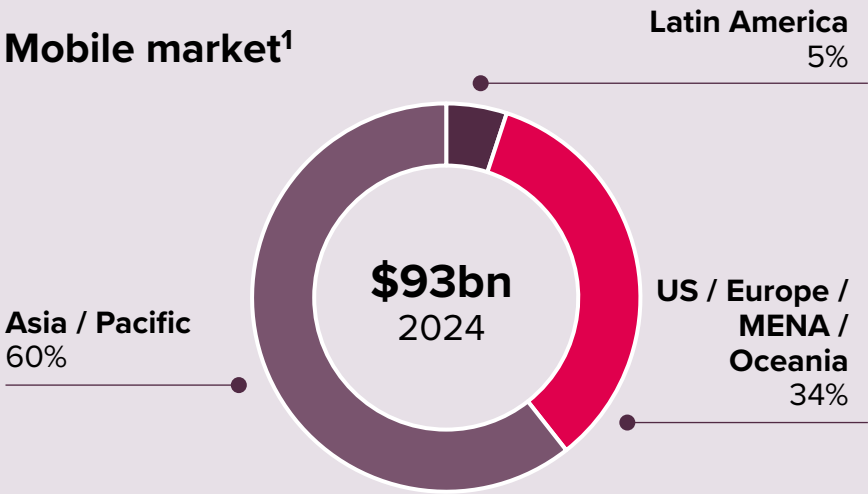
MOBILE

- **The largest** games sector globally
- **Largest territory** is Asia/Pacific
- **Market** has returned to growth...
- **Despite still adapting to changes in privacy-related** monetization
- **Driven by** improving economic conditions, continuous strong performance of existing games as well as some recent big hits
- **Player growth** of +4% in 2024¹
- **Mobile app ecosystems** are **opening-up**

Games market by sector¹



Mobile market¹



¹ Newzoo



PHIL ROGERS

Deputy CEO

4.

Passion for games



We are
committed to
deliver what
players want



Improving PC/Console

1

Focus on our own and controlled key IPs

2

**Improved capital allocation and
greenlighting processes**

3

Continuous improvement

The strength of our portfolio

DEEP ROCK
GALACTIC
DANGER. DARKNESS. DWARVES.

THE
LORD OF THE RINGS

**TOMB
RAIDER**

SATISFACTORY

DEAD ISLAND 2

**KILLING
FLOOR III**

Kingdom Come
Deliverance

GOthic
REMAKE

Goat Simulator **3**

Portfolio development



Animated series	Live-action series	Remasters	Merch	Games

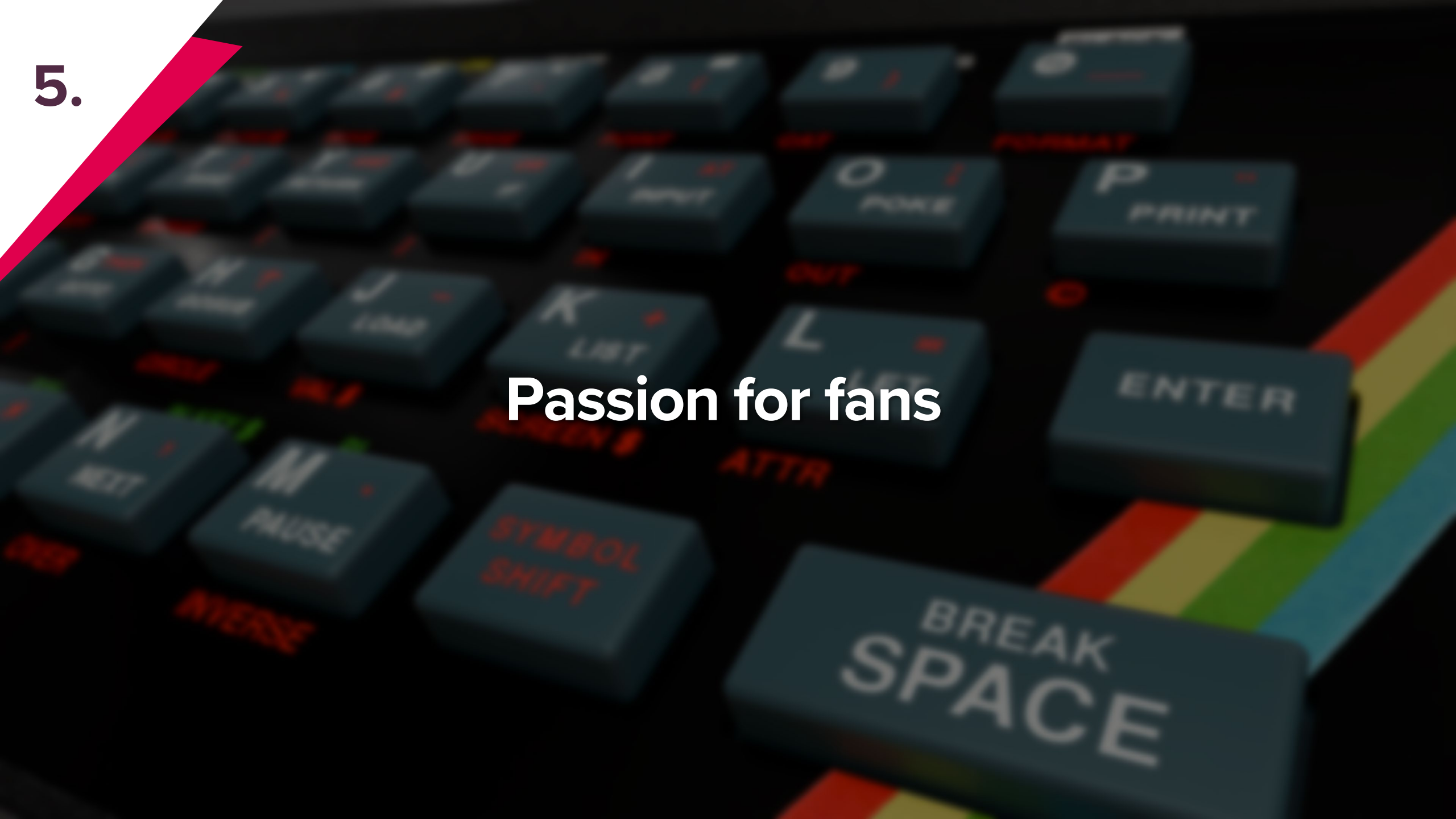


Anime movie	Film projects	MMO	Merch	Games

Upcoming showreel

5.

Passion for fans





FREEMODE
BY EMBRACER

CEO: Josh Fairhurst

Business model

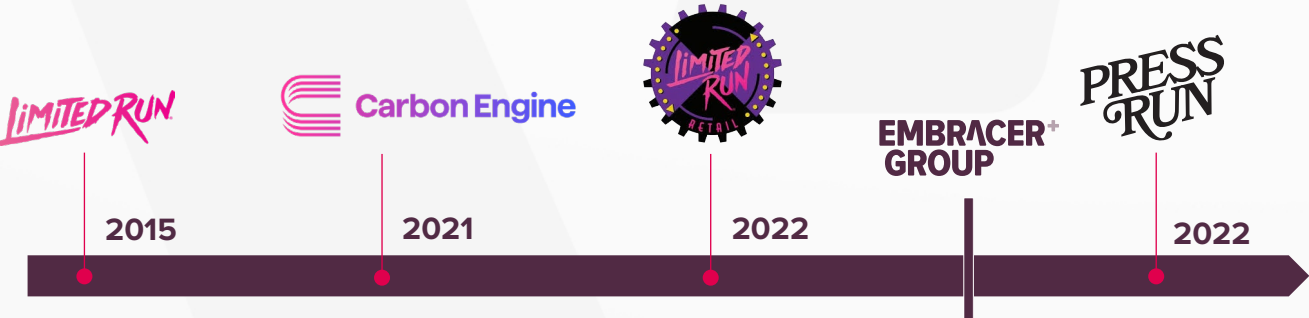
- Premium publisher of physical and digital video games
- Games selected based on beloved IP, historical significance and exciting new opportunities
- Product lines include standard physical editions, bespoke Collector’s Editions, apparel, merchandise
- Trademarked tech “Carbon Engine” helps bring retro/legacy IP to modern consoles

Future focus

- Expanded outreach to new audiences
- 3PL warehousing solutions to be sold as a service to other businesses
- On-site kitting of Collector’s Editions

Key Figures

SEK 654m Net sales ¹	66 Employees ²	HQ Apex, NC
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¹ source as of March 31, 2024 | ² source as of September 19, 2024



CEO: David Karlsson

Business model

- Global distribution of video games, gaming hardware and merchandise
- Wide assortment of back catalog software video games
- Official European distributor of gaming accessories brands 8BitDo & Retro-Bit

Future focus

- Continuously adapting to current industry trends
- Focuses on accessories and retro games from the 8-bit and 16-bit era

Key Figures

SEK 142m
Net sales¹

15
Employees²

HQ
Karlstad



1994



2000



2004

8BitDo retro-bit
New business area
“retro”

2015

**EMBRACER+
GROUP**

2019

FREEMODE
BY EMBRACER

2022





CEO: Angela McReynolds

Business model

- Industry best video game gear store experience
 - From product development to customer service and B2C fulfillment, DPI makes it easy to unlock consumer products for gaming brands.
 - Notable stores include Bethesda, CD Projekt Red, Bioware, Gearbox, Tomb Raider
- History of delivering collector's editions for every major gaming publisher
 - Recent CE work includes Doom Dark Ages, Dragon Age, Indiana Jones, Kingdom Come, Civilization, Alan Wake 2

Future focus

- Expand our existing gear stores product offering and revenue. Serve internal and external partners with consumer product development for collector's editions.

Key Figures

USD 25.9m

revenue target 2025

47

Employees¹



¹ source as of September 19, 2024

Retro consoles



/ 2018



TheC64mini

/ 2019



TheC64

/ 2020



TheVic20

/ 2022



The500mini

/ 2023



Atari 2600+

/ 2024



The400mini

The Spectrum



Atari 7800+



RELEASING IN NOVEMBER

- Synergy with the Embracer Games Archive for the development of the product
- Strong relationship with Retro Games Ltd and Atari
- Development of Accessories and Games Cartridges

- Solid pipeline of products planned
- Some systems allow re-use of old software
- Over 780,000 console units sold¹

¹ source as of September 19, 2024

6.

Embracer Games Archive



Closing remarks



Now we will have a 20-minute

Q&A

hosted by

Erik Larsson, equity analyst from SEB

AGM

AGENDA

PART 2

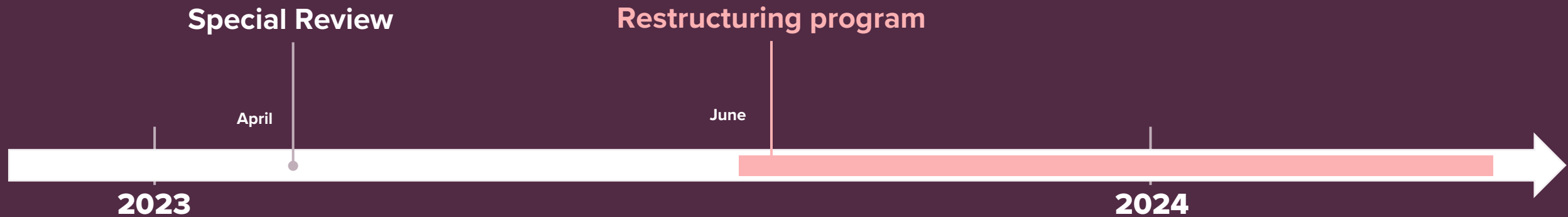
8. Presentation of the annual report and the auditors' report and the group annual report and the group auditor's report
9. Resolutions regarding:
 - i. adoption of income statement and balance sheet and the group income statement and the group balance sheet,
 - ii. decision regarding the profit or loss of the company in accordance with the adopted balance sheet, and
 - iii. discharge from liability of the board of directors and the CEO.
10. Determination of the number of directors and auditors
11. Determination of fees to the directors and auditors
12. Election of the directors and auditors
13. Presentation and approval of the board of directors' remuneration report
14. Resolution regarding authorization for the board to issue shares, convertibles and/or warrants
15. Resolution regarding authorization for the board to resolve on repurchase of own shares
16. Resolution regarding authorization for the board to resolve on transfer of own shares
17. Closing of the meeting

The Board's Work in 2023/24

**“The most challenging period in
the history of the company”**

Ensure that Embracer becomes a leaner, stronger, more focused and self-sufficient company.

A thorough process



Exploring options to maximize value

Special Review

April

Restructuring program

June

A transformative step -
a new chapter begins

2023

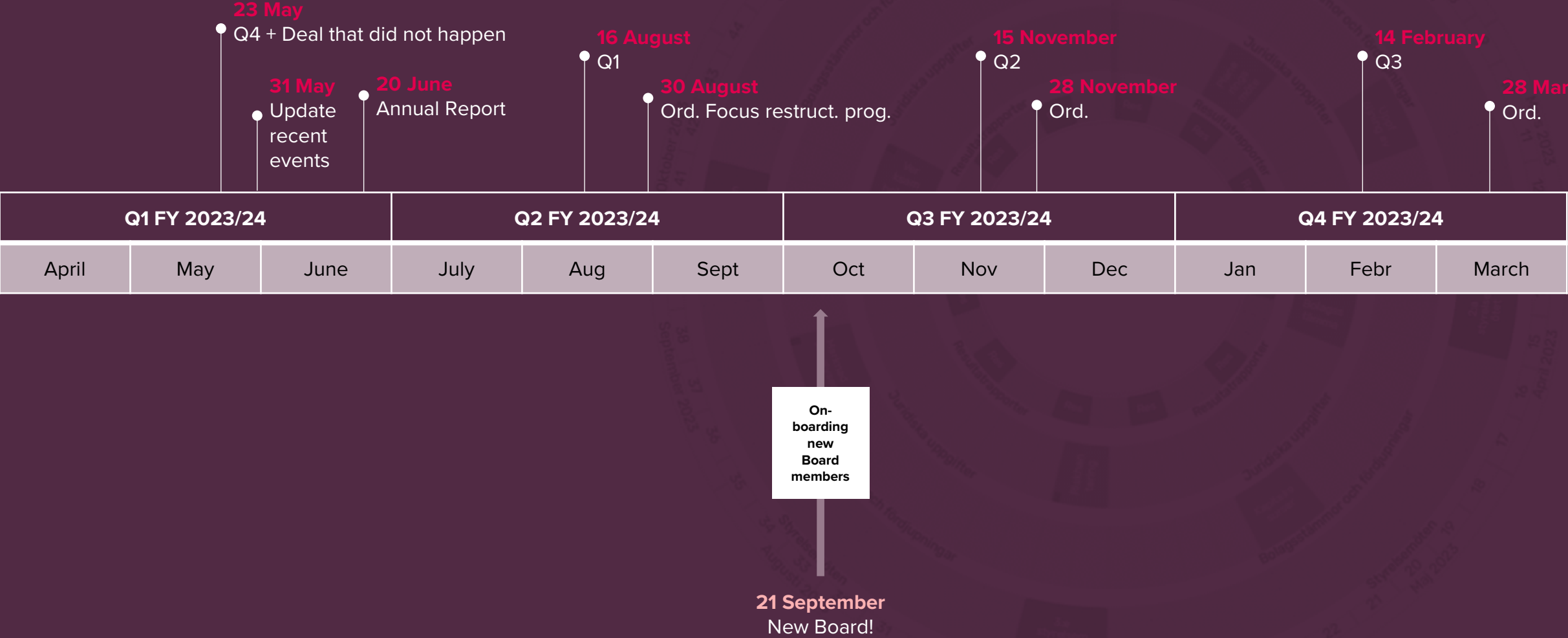
2024

**Embracer Group announces its
intention to transform into three
standalone publicly listed entities**

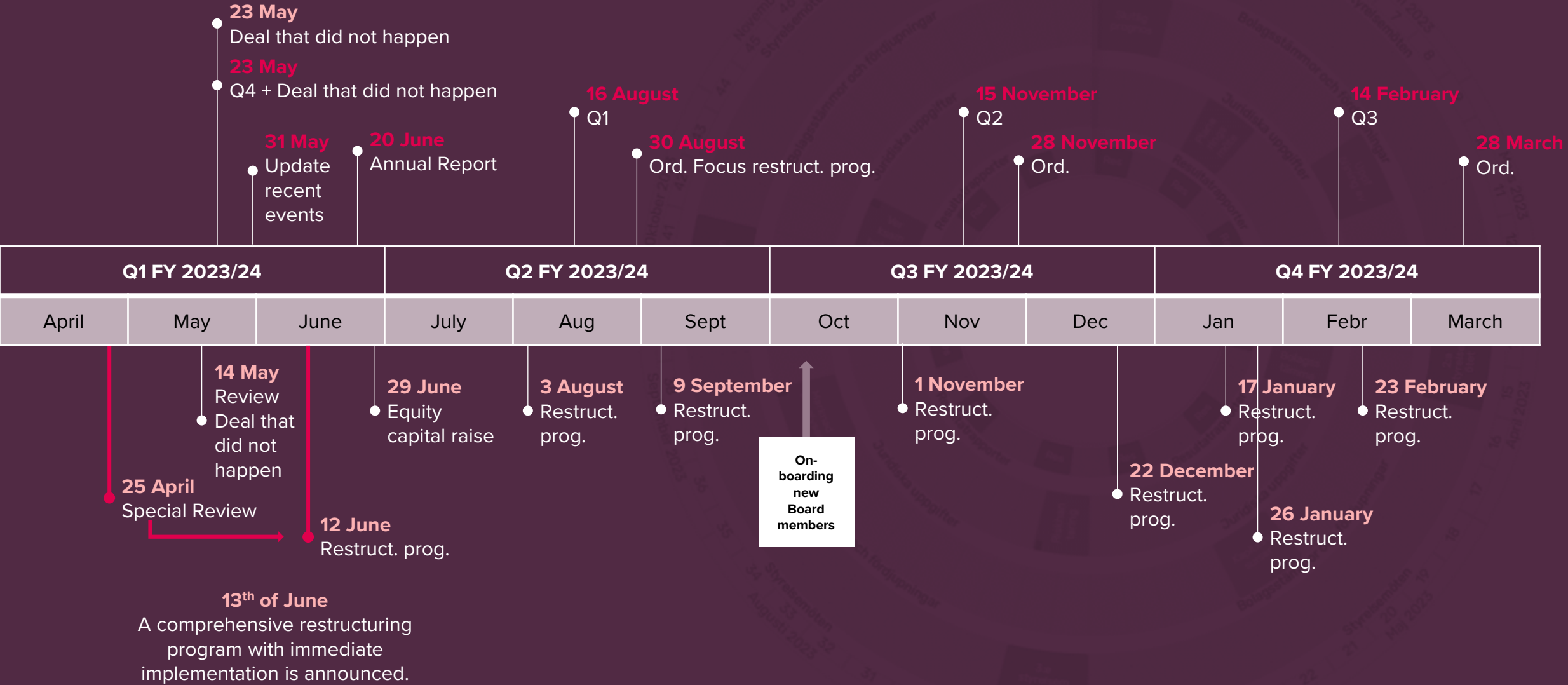
54 recorded meetings during FY 2023/24



54 recorded meetings during FY 2023/24

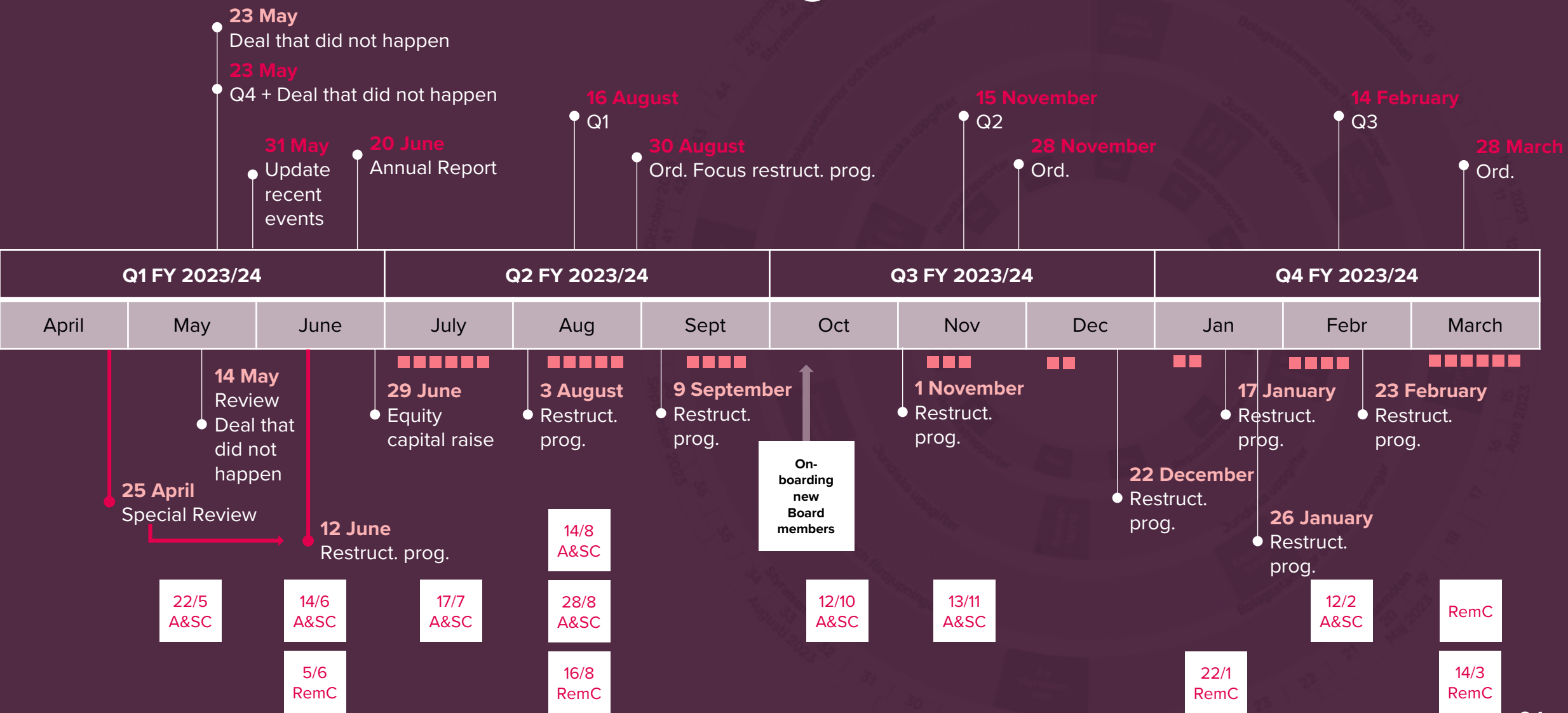


21 physical/video conference





8 Audit & Sustainability committee meetings & 5 Remuneration committee meetings



Extraordinary items

A comprehensive restructuring program

The Board has during the year paid particular attention to follow up and secure the implementation of the program.

Structured divestments processes



SABER

gearbox[®]
entertainment

The Board has focused on larger structured divestments processes, aimed at strengthening the balance sheet and further reduce capex.

Proposal to transform into three standalone publicly listed entities at Nasdaq Stockholm

The Board has devoted notable time to explore options to maximize value and create the optimal structure to unlock value in the assets within Embracer Group.

The start of a new chapter

Asmodee Group | Coffee Stain & Friends | Middle-earth & Friends

Reporting – Business performance

We are **not** just recipients of information – we ask for specific and clear information as **we** regard relevant for us

Reporting – Business performance

Reports to Board	Key content
Monthly reports	KPIs, PL, BS, CF versus forecast, budget, prior, consensus, segment and operative group level
Quarterly reports	As in monthly report complemented with more information e.g. unreleased games, released games, PPA, earnouts
Treasury reports	Quarterly report from Treasury (key activities, short term and long term liquidity and financing overview
Yearly Forecast Review	End of March for upcoming fiscal year continuously reviewed each quarter
Financial Plan	1+2 year financial plan adopted by board in conjunction with Strategy Meeting. Financial plan is updated and presented quarterly
CEO reports	CEO reports from all operative groups
Finance & Governance report	Update on governance, Internal Control, IT and info security, compliance and sustainability



Ordinary course of business

**TICKET
TO
RIDE**

**A fundamental belief in the
power of gaming**

Proposed to be newly elected



Brian Ward

Born: 1957

Education/background: Brian Ward holds both business and law degrees, and practiced law for several years. He has nearly 30 years of studio and operations video game experience, including senior positions at Electronic Arts, Microsoft (Xbox), and Activision Blizzard. Brian led Worldwide Studios at Activision, managing all game development and a dozen studio acquisitions, quadrupling revenue and posting industry-leading margins. He has since led several more successful mergers, acquisitions and company reorganizations.

Current assignments: CEO of Savvy Games Group

Proposed to be re-elected



JACOB JONMYREN

Born: 1980

Education/background: Jacob Jonmyren holds a M.Sc in Accounting and Financial Management from Stockholm School of Economics and has studied Finance at University of Wisconsin and Media & Communication Studies (Master level) at Stockholm University. Jacob Jonmyren has long experience from the financial markets.

Current assignments: Jacob Jonmyren is CEO and board member of Jacob Jonmyren Kapital AB, Chairman of the Board of Lars Wingefors AB, Chairman of the board of Consilio International AB and board member of Tiwaz Advisory Holding AB.



KICKI WALLJE-LUND

Born: 1953

Education/background: Kicki Wallje-Lund has experience in business development from a variety of international companies, especially in the IT sector, primarily for the banking and finance industry as well as board assignments for listed companies on Nasdaq Stockholm, Large and Small cap. She has held leading global positions in companies like NCR, Digital Equipment, AT & T, Philips, ICL and Unisys.

Current assignments: Kicki Wallje-Lund has no other current assignments.



LARS WINGEFORS

Born: 1977

Education/background: Lars Wingefors is founder and CEO of Embracer Group. Lars Wingefors started his first video games company at the age of sixteen. He has a broad and long experience in entrepreneurship and business management.

Current assignments: : Lars Wingefors is a board member and CEO of Lars Wingefors AB.

Proposed to be re-elected



CECILIA QVIST

Born: 1972

Education/background: Cecilia Qvist holds an MBA from the University of Edinburgh. Cecilia has extensive leadership experience in fast-paced, technology-driven companies undergoing transformational growth, including Leia Inc., Spotify, LEGO Ventures, and NASDAQ. For more than 20 years, she has worked with companies around the world on building dynamic, scalable business.

Current assignments: Board Director of Kinnevik Group and Chairman of Apotea AB.



BERNT INGMAN

Born: 1954

Education/background: Bernt Ingman holds a Bachelor of Economics from Uppsala University. Bernt has broad competence in strategic and operational business development, divestments and restructuring from different industries and service businesses. He has held senior management positions within international companies, both within business-to-business and business-to-consumer companies, such as Alimak, Gunnebo, Husqvarna and Munters. Bernt has more than 25 years broad experience from board work in listed as well as private companies.

Current assignments: Chairman of the board of TagMaster, chairman of the board of Pricer and board member of SolTech Energy Sweden AB (Nasdaq First North).



YASMINA BRIHI

Born: 1975

Education/background: Yasmina Brihi holds an MBA from Harvard Business School. Yasmina has held several senior management positions within Google, including Senior Director Marketing and Senior Product Manager. She is well experienced in building and scaling businesses in multiple industries such as devices, music, gaming and e-Commerce. This includes vast experience in leading and growing large organizations, shaping and transforming team culture across geographies.

Current assignments: No other current assignments.

Thank you

EMBRACER⁺
GROUP