

EMBRACER GROUP INTERIM REPORT

JULY-SEPTEMBER 2024

Adjusted EBIT amounted to SEK 1,207 million

SECOND QUARTER, JULY-SEPTEMBER 2024 (COMPARED TO JULY-SEPTEMBER 2023)

- > Net sales decreased by -21% (-14% organic growth) to SEK 8,552 million (10,831).
The sales split per operating segment:
 - > PC/Console Games: decreased by -46% to SEK 2,121 million (3,909).
 - > Mobile Games: decreased by -8% to SEK 1,358 million (1,471).
 - > Tabletop Games: decreased by -6% to SEK 3,826 million (4,070).
 - > Entertainment & Services: decreased by -10% to SEK 1,247 million (1,381).
- > EBIT¹⁾ amounted to SEK 468 million (-836), an EBIT margin of 5% (-8%). Adjusted EBIT decreased by -33% to SEK 1,207 million (1,814), corresponding to an Adjusted EBIT margin of 14% (17%).
- > Cash flow from operating activities amounted to SEK 444 million (2,250). Net investments in intangible assets amounted to SEK -945 million (-1,914). Free cash flow after changes in working capital amounted to SEK -473 million (387).
- > Basic earnings per share was SEK -0.32 (-0.47) and diluted earnings per share SEK -0.32 (-0.47). Adjusted earnings per share was SEK 0.18 (0.81). Adjusted earnings per share after full dilution was SEK 0.17 (0.75).

SIX MONTHS, APRIL-SEPTEMBER 2024 (COMPARED TO APRIL-SEPTEMBER 2023)

- > Net sales decreased by -23% (-18% organic growth) to SEK 16,485 million (21,281).
The sales split per operating segment:
 - > PC/Console Games: decreased by -40% to SEK 4,778 million (7,905).
 - > Mobile Games: decreased by -6% to SEK 2,747 million (2,908).
 - > Tabletop Games: decreased by -5% to SEK 6,865 million (7,254).
 - > Entertainment & Services: decreased by -35% to SEK 2,095 million (3,213).
- > EBIT¹⁾ amounted to SEK -971 million (-415), an EBIT margin of -6% (-2%). Adjusted EBIT decreased by -42% to SEK 2,036 million (3,487), an Adjusted EBIT margin of 12% (16%).
- > Cash flow from operating activities amounted to SEK 267 million (3,608). Net investments in intangible assets amounted to SEK -1,996 million (-3,825). Free cash flow after changes in working capital amounted to SEK -426 million (-212).
- > Basic earnings per share was SEK -2.09 (1.45) and diluted earnings per share SEK -2.09 (1.45). Adjusted earnings per share was SEK 0.18 (2.15). Adjusted earnings per share after full dilution was SEK 0.17 (1.98).

Key performance indicators, Group	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Net sales, SEK m	8,552	10,831	16,485	21,281	42,206
EBIT ¹⁾ , SEK m	468	-836	-971	-415	-20,519
EBIT margin	5%	-8%	-6%	-2%	-49%
Adjusted EBIT, SEK m	1,207	1,814	2,036	3,487	7,063
Adjusted EBIT margin	14%	17%	12%	16%	17%
Cash flow from operating activities, SEK m	444	2,250	267	3,608	7,888
Net investments in intangible assets, SEK m	945	1,914	1,996	3,825	7,009
Net sales growth	-21%	13%	-23%	28%	12%
Total game development projects	128	201	128	201	141
Total game developers	6,250	10,654	6,250	10,654	7,699
Total headcount	10,450	15,701	10,450	15,701	12,069

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.



STRONG EXECUTION BY ASMODEE, EASYBRAIN DIVESTMENT TRANSFORMS BALANCE SHEET

In Q2, net sales amounted to SEK 8.6 billion, with Adjusted EBIT of SEK 1.2 billion. Asmodee delivered solid earnings growth YoY, in line with expectations. We confirm that the process to spin-off Asmodee is on track for this financial year. The quarter was softer for our other segments and within PC/Console we now expect lower earnings this year due to the delay of a number of notable H2 releases while we continue our ongoing work to improve efficiency and increase ROI. The divestment of Easybrain, announced today, has a strong strategic and financial rationale, transforming our balance sheet and putting us in a stronger position to create value.

In the quarter, Embracer's net sales decreased by -21% YoY to SEK 8.6 billion. Organic growth amounted to -14%, primarily due to few new releases and a mixed reception for releases within PC/Console Games. Adjusted EBIT amounted to SEK 1.2 billion, and free cash flow was negative at SEK -0.5 billion, due to the expected seasonal increase in working capital for our physical businesses, including both Tabletop Games (Asmodee) and Entertainment & Services. On a trailing 12-month basis, group free cash flow amounted to SEK 1.2 billion. Cash flow was impacted by the already anticipated return to a normalized working capital cycle in Asmodee, where last year benefited from the unwinding of historic inventory balances. We expect a stronger free cash flow in H2, in line with seasonal trends.

EASYBRAIN DIVESTMENT WILL ENABLE THE NEW ENTITIES TO BE SEPARATED WITH STRONG BALANCE SHEETS

The divestment of Easybrain is a transformational deal with strong financial and strategic rationale, completely resetting our balance sheet. Easybrain has created tremendous value since 2021 for shareholders. Post-divestment, as of Q2 and on a pro forma basis, our total net debt is around SEK 0.5 billion, and, excluding the debt ringfenced to Asmodee, our net cash position is at around SEK 8.9 billion. Our interest rate costs, which impacted free cash flow by around SEK 1.3 billion in FY 2023/24, will significantly decrease going forward.

The expected cash inflow of SEK 12.7 billion puts us in a much stronger position to drive value, both in the short- and in the long-term. We will become a better and more resourceful owner of our remaining companies, enabling them to make better business and decisions on an ongoing basis. The transaction will also allow for our future stand-alone entities to be separated with strong balance sheets. This will include a capital increase into the ringfenced Asmodee Group, reducing its leverage to an optimal level ahead of the spin-off. In addition, we are focusing on the best allocation of companies and assets in our future structure.

IMPROVED PERFORMANCE EXPECTED IN H2 DESPITE DELAYS

In Q3, we expect solid Adjusted EBIT growth YoY for Tabletop. For Mobile, we expect lower earnings YoY, due to higher UAC-to-sales as well as a softer YoY net sales development. For PC/Console, we expect limited or no Adjusted EBIT, as there are no notable new releases within the period. For Entertainment & Services, we expect notable earnings growth YoY, supported by the theatrical release of *The Lord of the Rings: The War of the Rohirrim*.

For FY 2024/25 we now expect lower earnings YoY due to the confirmed or likely delay of a number of notable releases in H2 within PC/Console, as well as lowered expectations for games released in H1. *Kingdom Come: Deliverance II* remains set to be released on February 11, 2025.

The book value of completed games development within PC/Console is now expected to reach around SEK 3.1 billion (SEK 3.9 billion as of Q1) in FY 2024/25, of which SEK 0.9 billion is expected to either be released very late in Q4 or shift to the next financial year. To create the most long-term shareholder value from our invested capital, we remain focused on releasing high-quality and polished products with optimal release windows. This approach ensures that we also maximize the opportunity to meet the high expectations and quality demand of gamers and fans around the globe.

Apart from *Kingdom Come: Deliverance II*, we have announced several other important titles, that will now either be released in H2 FY 2024/25 or in FY 2025/26. These include *Deep Rock Galactic: Rogue Core*, *Fellowship*, *Gothic 1 Remake*, *Hyper Light Breaker*, *Killing Floor 3*, *REANIMAL*, *Satisfactory* (console), *Titan Quest II*, *Tomb Raider IV-VI Remastered*, and *Wreckfest 2*, among many others.

LOWER ACTIVITY IN Q2 AS EXPECTED, WITH STRONG EXECUTION FROM ASMODEE

In the PC/Console Games segment, organic growth amounted to -33%, as expected, due to few new

releases and a tough comparison from the releases of *Remnant II* and *Payday 3* last year. The 8% Adjusted EBIT margin was largely in line with expectations but remained impacted by a low ROI for primarily small-and-mid-sized releases in the past two years. The most notable new release, *Disney Epic Mickey: Rebrushed*, late in the quarter, was well received by players but initial digital sales were slower than expected. After several years in Early Access, the full release of *Satisfactory* on PC performed above management expectations, with a solid inflow of new players, driving over 200,000 concurrent players in September.

For Asmodee, Adjusted EBIT grew by 5% YoY to around SEK 700 million, with an improved margin supported by a favorable product mix. The organic growth amounted to -4%, in line with management expectations. Growth in games published by Asmodee was offset by a decrease in games published by partners, which performed well in Q2 last year. Asmodee has strong traction for in-house published games, strengthening profitability. Early sell-in to resellers of *LEGO® Monkey Palace* and *The Lord of the Rings: Duel for Middle-earth™* games, both officially released in the first days of Q3, showed strong traction in the quarter. In Q3, *Star Wars™: Unlimited* will also release its Set 3, *Twilight of the First Republic*.

In the Mobile Games segment, organic growth improved sequentially to -7% YoY, despite relatively low user acquisition spending in previous quarters. Growth is also impacted by CrazyLabs' previous transition to a product strategy with lower sales but higher margins. Adjusted EBIT was stable YoY but lower than in recent quarters, with a 28% Adjusted EBIT margin. Underlying market trends improved somewhat compared to the most recent quarters, with better conditions to scale up

user acquisition costs, drive player activity as well as improved organic revenue growth. We expect these dynamics to also carry into the second half of the year.

The Entertainment & Services segment had another slow quarter, largely as expected, with few new releases. Organic growth amounted to around -9% YoY with 2% Adjusted EBIT margin, with a product mix more geared to our physical businesses within PLAION. Middle-earth Enterprises is looking forward to the theatrical release of the original anime *The Lord of the Rings: The War of the Rohirrim*, in Q3, on December 13. There is increasing anticipation for the release, with encouraging fan reactions.

ASMODEE SPIN-OFF AROUND THE CORNER, AS WE SHAPE OUR BUSINESS FOR THE FUTURE

The Capital Markets Day for Asmodee in Stockholm next week, on November 19, will be an important milestone in the spin-off process, offering an opportunity to meet both the management team and the board of Asmodee, and gain deeper insights into the company and its market. Following a visit to SPIEL Essen, a consumer board game exhibition, in early October and with a strengthened balance sheet, we are even more confident that Asmodee will be well-positioned to build on its successful track record, unlocking shareholder value.

Over the past 15 months, we have created a stronger foundation for long-term value creation, lowering our net debt and our capex. We have many high-performing and efficient companies, several with industry leading margins. However, we acknowledge that parts of our PC/Console and Entertainment & Services segments are still underperforming due to delays and low ROI for



Kingdom Come: Deliverance II
Deep Silver | Warhorse Studios

primarily small and mid-sized releases. Combined with fixed operating costs this creates unacceptable margins which we are firmly addressing ahead of the spin-offs.

I would like to send my thanks to all our team members, shareholders, customers, and business partners for contributing to the continued prosperity and success of our new chapter. We have leading intellectual

properties, iconic titles, talented teams, studios and great assets, that will make us exceptionally well-positioned for the long-term. In closing, I would like to send a special thanks to Oleg Grushevich and his team at Easybrain for their dedication and contributions throughout the years.

November 14, 2024, Karlstad, Värmland, Sweden

Lars Wingefors
Co-founder & CEO



FINANCIAL COMMENTS

NET SALES

Net sales, SEK m	Jul-Sep 2024	Jul-Sep 2023	Change	Apr-Sep 2024	Apr-Sep 2023	Apr 2023-Mar 2024
PC/Console Games	2,121	3,909	-46%	4,778	7,905	14,410
Mobile Games	1,358	1,471	-8%	2,747	2,908	5,916
Tabletop Games	3,826	4,070	-6%	6,865	7,254	14,797
Entertainment & Services	1,247	1,381	-10%	2,095	3,213	7,082
Total	8,552	10,831	-21%	16,485	21,281	42,206

Total net sales in the quarter amounted to SEK 8,552 million, corresponding to a decrease of -21%. The negative Net sales growth in the quarter was primarily related to the PC/Console Games segment with low contribution from new releases in the quarter compared to the corresponding quarter last year SEK 266 million (SEK 1,417 million).

Organic growth and the pro forma growth amounted to -14% in the quarter. The Mobile Games segment is affected of lower User Acquisition Cost (UAC) in the preceding quarters. In the Tabletop Games segment, growth in games published by Asmodee Studios was offset by a negative growth in games published by partners. The Entertainment & Services segment is mainly affected by tough comparisons compared to corresponding quarter previous year.

Net sales growth	Jul-Sep 2024			Apr-Sep 2024		
	Net sales growth	Organic growth	Pro forma growth	Net sales growth	Organic growth	Pro forma growth
PC/Console Games	-46%	-33%	-33%	-40%	-31%	-31%
Mobile Games	-8%	-7%	-8%	-6%	-8%	-7%
Tabletop Games	-6%	-4%	-4%	-5%	-3%	-3%
Entertainment & Services	-10%	-9%	-9%	-35%	-34%	-34%
Total	-21%	-14%	-14%	-23%	-18%	-18%



Dead Island 2 Ultimate Edition
Deep Silver | Dambuster Studios

EBIT AND ADJUSTED EBIT

EBIT amounted to SEK 468 million (-836) in the quarter, yielding an EBIT margin of 5% (-8%). The improvement compared to previous year mainly relates to lower costs from divestments and IAC (Items Affecting Comparability).

IAC expenses amounted to SEK -92 million (-1,421) in the quarter. These costs are mainly related to implemented restructuring activities in PC/Console segment and additional costs for the divestment of Saber Interactive.

Adjusted EBIT decreased by -33% and amounted to SEK 1,207 million (1,814) in the quarter, yielding a 14% margin (17%). The decrease in Adjusted EBIT in the quarter is mainly explained by few new releases compared to the corresponding quarter previous year in both PC/Console Games and Entertainment & Services segment.

EBIT, SEK m	Jul-Sep 2024	Jul-Sep 2023	Change	Apr-Sep 2024	Apr-Sep 2023	Apr 2023-Mar 2024
PC/Console Games	-70	-1,259	94%	-1,719	-1,133	-7,887
Mobile Games	230	162	42%	595	454	1,029
Tabletop Games	441	407	8%	454	336	-6,119
Entertainment & Services	-68	-86	21%	-181	99	-413
Corporate	-65	-60	-8%	-120	-170	-7,129
Total	468	-836	156%	-971	-415	-20,519

Adjusted EBIT, SEK m	Jul-Sep 2024	Jul-Sep 2023	Change	Apr-Sep 2024	Apr-Sep 2023	Apr 2023-Mar 2024
PC/Console Games	175	621	-72%	312	1,458	2,441
Mobile Games	374	372	1%	892	796	1,921
Tabletop Games	695	661	5%	944	866	2,079
Entertainment & Services	29	216	-87%	8	499	853
Corporate	-65	-56	-16%	-120	-133	-231
Total	1,207	1,814	-33%	2,036	3,487	7,063



Satisfactory 1.0
Coffee Stain Publishing | Coffee Stain Studios



OPERATING SEGMENT PC/CONSOLE GAMES

The PC/Console Games operating segment includes the following five operative groups: THQ Nordic, PLAION, Amplifier Game Invest, 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

25% (36%)

INTELLECTUAL PROPERTY (IP)

241 (267)

INTERNAL HEADCOUNT

5,205 (10,137)

INTERNAL STUDIOS

66 (99)

Key performance indicators, PC/Console Games	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Net Sales, SEK m	2,121	3,909	4,778	7,905	14,410
of which Digital products, SEK m	1,313	2,825	2,944	5,472	9,609
of which Physical products, SEK m	219	203	398	753	1,490
of which Other products ¹⁾ , SEK m	589	881	1,435	1,680	3,311
Net Sales growth	-46%	-5%	-40%	24%	7%
EBIT, SEK m	-70	-1,259	-1,719	-1,133	-7,887
EBIT margin	-3%	-32%	-36%	-14%	-55%
Adjusted EBIT, SEK m	175	621	312	1,458	2,441
Adjusted EBIT, margin	8%	16%	7%	18%	17%
Type of income					
New releases sales, SEK m	266	1,417	411	3,024	4,185
Back catalog sales ²⁾ , SEK m	1,266	1,612	2,931	3,201	6,914
Other ¹⁾ , SEK m	589	881	1,435	1,680	3,311

¹⁾ Primarily Work-for-Hire and other game development projects.

²⁾ See Definitions, quarterly information.

SEGMENT HIGHLIGHTS

Net sales in the quarter for PC/Console Games amounted to SEK 2,121 million, decreased by -46% compared to the same period last year, or -33% organically and pro forma. The negative organic growth is mainly explained by few new, notable releases in the quarter and a tough comparison quarter driven by the successful releases of *Remnant II* and *Payday 3* in the corresponding quarter of the previous year.

EBIT amounted to SEK -70 million (-1,259) where Items affecting comparability amounted to SEK -75 million (-1,194), yielding a -3% (-32%) EBIT margin. Adjusted EBIT amounted to SEK 175 million (621), yielding 8% (16%) Adjusted EBIT margin. The Adjusted EBIT declined notably YoY in Q2 mainly due to tough comparison figures from last year and few new releases in the quarter. The margin remained impacted by games development amortization combined with the soft performance for releases over the past two years.

Revenue from new releases amounted to SEK 266 million in the quarter, a decrease of -81% YoY, which is an effect of no notable releases during the quarter and with two successful releases in the comparison quarter. Among the new releases in the quarter, *Disney Epic Mickey: Rebrushed*, *Satisfactory*, *Monster Jam Showdown* and *Nobody Wants to Die* were the main revenue drivers.

Disney Epic Mickey: Rebrushed was released late in the quarter and performed below management expectations in Q2. The title has received positive reviews from critics and players and is expected to show a solid performance during the holiday season in Q3.





The full release of *Satisfactory* in early September performed above management expectations, reaching over 200,000 concurrent players (Steam and Epic Games Store combined) and a solid inflow of new players. Coffee Stain looks forward to releasing *Satisfactory* on console in the near-term. *Monster Jam Showdown* underperformed management expectations despite a solid user and critics reception.

Revenue from back catalog titles (including platform deals) amounted to SEK 1,266 million in the quarter, a decrease of -21% YoY, impacted by the divestment of Gearbox Entertainment and parts of Saber Interactive. The top 10 back catalog revenue drivers included *Remnant II*, *Dead Island 2*, *Star Trek Online*, *Kingdom Come Deliverance*, *Deep Rock Galactic*, *MX vs. ATV Legends*, *Welcome to Bloxburg*, *Goat Simulator 3*, *Payday 3* and *Neverwinter Online*.

Other revenue amounted to SEK 589 million in the quarter, a decrease of -33% YoY, primarily driven by the divestment of Gearbox Entertainment and parts of Saber Interactive earlier in 2024. Crystal Dynamics - Eidos had a strong contribution, partly due to newly signed deals, in the quarter.

In Q3, new releases include, *Let's Sing 2025*, *Metro: Awakening (VR)*, *Arizona Sunshine Remaster (VR)*, *Goat Simulator Remastered*, and *Legacy of Kain: Soul Reaver I & II Remastered*. *Dead Island 2* also got an important major update in early Q3, including two new game modes, "Neighborhood Watch" and "New Game Plus", as well as an Ultimate Edition bundled with the base game and previous DLC's.

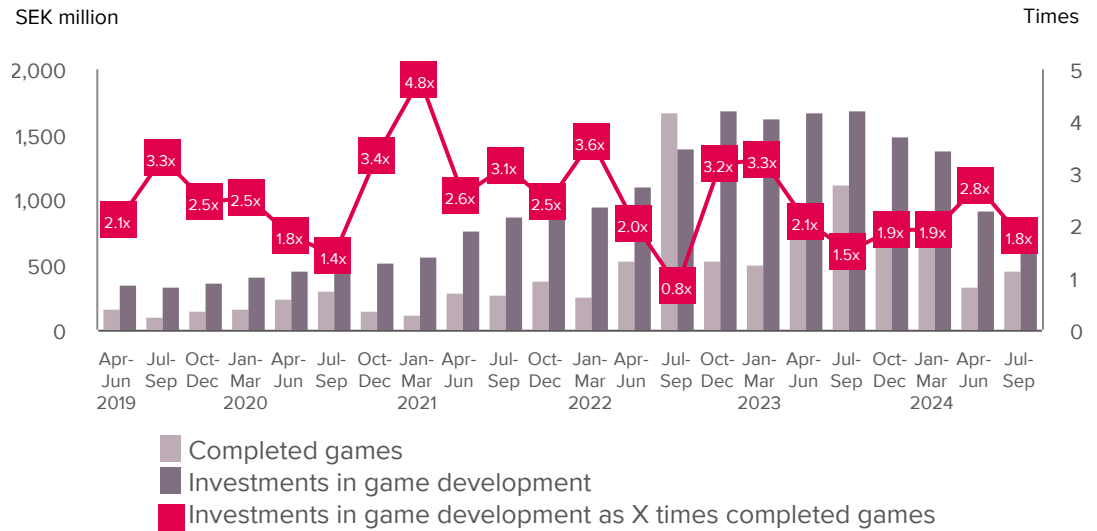
Kingdom Come: Deliverance II, the key game release of FY 2024/25, is set for release on the February 11, 2025. As anticipation for the new game builds, the original *Kingdom Come: Deliverance* has seen a positive performance this year, and recently passed an exciting milestone in reaching 8 million units sold.





GAME DEVELOPMENT INVESTMENTS AND COMPLETED GAMES

The finalized value of the completed and released games during the quarter amounted to SEK 455 million (1,120), driven by the release of *Disney Epic Mickey: Rebrushed*, *Monster Jam Showdown*, *Remnant II* DLC. In total, SEK 817 million (1,690) were invested in the quarter. The ratio of investments to completed games increased from 1.5x to 1.8x YoY, with a continued higher pace of ongoing investment into future game releases compared to completed investment in released games. When new games are released, capitalized development costs are amortized, based on a degressive depreciation model over two years.



Remnant II - The Dark Horizon
Arc Games | Gunfire Games



ANNOUNCED PC/CONSOLE RELEASES AS OF NOVEMBER 14, 2024

Title	Publishing Label	IP Owner	Main Developer	Platforms
<i>Project Expeditions</i>	Amplifier	Own	Internal	PC
<i>Fellowship</i>	Arc Games	Own	External	PC
<i>Hyper Light Breaker</i>	Arc Games	External	External	PC
<i>Legacy of Kain Soul Reaver 1&2 Remastered</i>	Aspyr	Own	Internal	PC, PS5, XB XIS, Switch, PS4, XB1
<i>Star Wars: Episode I: Jedi Power Battles</i>	Aspyr	External	Internal	PC, PS5, XB XIS, Switch, PS4, XB1
<i>Tomb Raider IV-VI Remastered</i>	Aspyr	Own	Internal	PC, PS5, XB XIS, Switch, PS4, XB1
<i>Omega 6 The Triangle Stars</i>	Clear River Games	External	External	PC, Switch
<i>Rushing Beat X: Return of Brawl Brothers</i>	Clear River Games	External	External	TBC
<i>Snow Bros. Wonderland</i>	Clear River Games	Own	Internal	PS4, PS5, Switch
<i>Truxton Extreme</i>	Clear River Games	Own	Internal	PS5
<i>Under Defeat</i>	Clear River Games	External	External	PS5, XB XIS, Switch, PS4, XB1
<i>Riki 8Bit Game Collection</i>	Clear River Games	External	External	Switch
<i>Assault Suit Leynos Saturn Tribute</i>	Clear River Games	External	External	PS5, Switch, PS4
<i>Formation Z</i>	Clear River Games	External	External	PS5, XB XIS, Switch, PS4, XB1
<i>As We Descend</i>	Coffee Stain Publishing	Own	Internal	PC
<i>Satisfactory (Console)</i>	Coffee Stain Publishing	Own	Internal	TBC
<i>Kingdom Come: Deliverance II</i>	Deep Silver	Own	Internal	PC, PS5, XB XIS
<i>Tides of Tomorrow</i>	Deep Silver / PLAION	Own	Internal	PC
<i>Nitro Gen Omega</i>	DESTINYbit	Own	Internal	PC
<i>Tomb Raider (final title TBC)</i>	External	Own	Internal	TBC
<i>Bubsy in: The Purrfect Collection</i>	External	External	Internal	PC, PS5, XB XIS
<i>Squirelled Away</i>	External	Own	External	PC
<i>Rendering Ranger R² [Rewind]</i>	External	External	Internal	PC, PS5, Switch
<i>DarkSwarm</i>	Ghost Ship Publishing	External	External	PC
<i>Deep Rock Galactic: Rogue Core</i>	Ghost Ship Publishing	Own	Internal	PC
<i>Dinolords</i>	Ghost Ship Publishing	External	External	PC
<i>A Rat's Quest</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>Neighbors: Suburban Warfare</i>	Invisible Walls	Own	Internal	PC
<i>Double Shake</i>	Limited Run Games	External	External	PS5, Switch
<i>Fear Effect 1</i>	Limited Run Games	External	Internal	PC, PS5, Switch, PS4
<i>Fear Effect 2</i>	Limited Run Games	External	Internal	PC, PS5, Switch, PS4
<i>Fighting Force Collection</i>	Limited Run Games	External	Internal	PC, PS5, Switch, PS4
<i>Gex Trilogy</i>	Limited Run Games	External	Internal	PC, PS5, XB XIS, Switch, PS4, XB1
<i>Tomba 2</i>	Limited Run Games	External	Internal	PC, PS5, Switch, PS4
<i>Monster Energy Supercross The Official Videogame 25</i>	Milestone	External	Internal	PC, PS5, XB XIS
<i>Shadowveil: Legend of The Five Rings</i>	Palindrome Interactive	Own	Internal	PC
<i>MARVEL 1943: Rise of Hydra</i>	PLAION	External	External	TBC
<i>The Siege and the Sandfox</i>	PLAION	External	External	PC, PS5, XB XIS, Switch, PS4, XB1
<i>Echoes of The End</i>	Prime Matter by Plaion	External	External	PC, PS5, XB XIS
<i>Final Form (final title TBC)</i>	Prime Matter by Plaion	Shared	External	PC, PS5, XB XIS
<i>Night is Coming</i>	Ravenscourt by Plaion	External	External	PC
<i>Gothic 1 Remake</i>	THQ Nordic	Own	Internal	PC, PS5, XB XIS
<i>Reanimal</i>	THQ Nordic	Own	Internal	PC, PS5, XB XIS



<i>Söldner: Secret Wars Remastered</i>	THQ Nordic	Own	External	PC
<i>Teenage Mutant Ninja Turtles - The Last Ronin</i>	THQ Nordic	External	Internal	PC, PS5, XB XIS
<i>The Eternal Life of Goldman</i>	THQ Nordic	External	External	PC, PS5, XB XIS, Switch
<i>Titan Quest II</i>	THQ Nordic	Own	Internal	PC, PS5, XB XIS
<i>Wreckfest 2</i>	THQ Nordic	Own	Internal	PC, PS5, XB XIS
<i>Wreckreation</i>	THQ Nordic	External	External	PC, PS5, XB XIS
<i>Killing Floor 3</i>	Tripwire	Own	Internal	PC, PS5, XB XIS
<i>The Stone of Madness</i>	Tripwire	External	External	PC, PS5, XB XIS, Switch

** 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.

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

The release list does not include DLCs or Work-For-Hire projects.



*Neighbors: Suburban Warfare
Invisible Walls | Invisible Walls*



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.

Key performance indicators, Mobile Games	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Net Sales, SEK m	1,358	1,471	2,747	2,908	5,916
Net Sales growth	-8%	2%	-6%	-1%	2%
EBIT, SEK m	230	162	595	454	1,029
EBIT margin	17%	11%	22%	16%	17%
Adjusted EBIT, SEK m	374	372	892	796	1,921
Adjusted EBIT, margin	28%	25%	32%	27%	32%
User Acquisition Cost (UAC), SEK m	591	700	1,094	1,341	2,466
User Acquisition Cost (UAC), % of Net Sales	44%	48%	40%	46%	42%
Total installs, million	252	262	482	520	1,026
Total Daily Active Users (DAU), million	27	31	27	32	31
Total Monthly Active Users (MAU), million	214	253	212	283	258

SEGMENT HIGHLIGHTS

Net sales in the quarter for Mobile Games amounted to SEK 1,358 million, decreased by -8% compared to the same period last year, or by -7% organically and -8% pro forma. Easybrain generated mid single-digit negative organic growth, due to relatively low UAC (User Acquisition Cost) in preceding quarters. DECA Games saw high single-digit negative organic growth, due to a previous transition to a product strategy with lower sales but a higher margin.

Underlying market trends improved compared to the preceding quarters, with better conditions to scale up UAC and DAUs (Daily Active Users).

EBIT amounted to SEK 230 million (162), yielding a 17% (11%) EBIT margin. Adjusted EBIT amounted to SEK 374 million (372), yielding a 28% (25%) Adjusted EBIT margin. User acquisition costs amounted to SEK 591 million (700), or 44% (48%) of net sales. The improved profitability YoY is driven mainly by lower UAC as well as a product mix shift and cost savings within DECA Games as part of the restructuring program in the previous financial year.

In the quarter, Easybrain started to scale up its two recent successful releases *Crossword Master* and *Easy Words*, with further room for UAC in the coming period. CrazyLabs, part of DECA Games, has seen a somewhat lower number of hybrid casual games published than expected, with lower growth also for *Alien Invasion* than in previous quarters. DECA, apart from CrazyLabs, saw a solid performance in line with expectations. DECA is also successfully increasingly taking over the operation of the PC/Console live service games *Star Trek Online* and *Neverwinter Online* from Cryptic Studios, as previously communicated.

The top-5 revenue generating titles in the quarter were *Sudoku.com*, *BlockuDoku*, *Jigsaw Puzzles*, *Alien Invasion* and *Art Puzzle*.



SHARE OF GROUP SALES

16% (14%)

INTELLECTUAL PROPERTY (IP)

51 (51)

INTERNAL HEADCOUNT

1,101 (1,075)

INTERNAL STUDIOS

11 (11)



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 23 creative studios and its 22 local, owned distribution offices across the globe. With 110+ million games and card sets sold annually in more than 100 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™: Unlimited and many more.

Key performance indicators, Tabletop Games	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023-Mar 2024
Net Sales, SEK m	3,826	4,070	6,865	7,254	14,797
of which Digital products, SEK m	48	53	90	85	158
of which Physical products, SEK m	3,747	3,995	6,720	7,116	14,522
of which Other products, SEK m	31	22	55	54	117
Net Sales growth	-6%	25%	-5%	23%	13%
EBIT, SEK m	441	407	454	336	-6,119
EBIT margin	12%	10%	7%	5%	-41%
Adjusted EBIT, SEK m	695	661	944	866	2,079
Adjusted EBIT, margin	18%	16%	14%	12%	14%

SEGMENT HIGHLIGHTS

Net sales in the quarter for Tabletop Games amounted to SEK 3,826 million, decreased by -6% compared to the same period last year, impacted by last year's divestment of Miniature Market. Organic and pro forma growth amounted to -4% on a constant currency basis, with growth in games published by Asmodee studios offset by a higher decrease in games published by partners. It should be noted that the corresponding quarter last year saw 15% organic growth due to a stronger slate of releases across games published by partners.

EBIT amounted to SEK 441 million (407), yielding a 12% (10%) EBIT margin. Adjusted EBIT amounted to SEK 695 million (661), yielding a 18% (16%) Adjusted EBIT margin. The Adjusted EBIT grew by 5%, driven by an increased contribution from games published by Asmodee studios, with a favorable impact on the product mix and the benefit of run rate savings from the restructuring program implemented during the previous financial year.

Asmodee had a strong slate of novelties and new releases in the quarter. A number of new titles reached the market including the new trading card game *Altered, Survive The Island, The Mandalorian™: Adventures* and *Arkham Horror RPG*, combined with the continued success of *Star Wars™: Unlimited* that released its set 2 *Shadows of the Galaxy*.

Early sell-in to resellers of LEGO® *Monkey Palace* and *The Lord of the Rings: Duel for Middle-earth™* games, both officially released in the first days of Q3, showed strong traction in the quarter. Both titles created significant enthusiasm at the SPIEL Essen consumer show, one of the most prominent event in the tabletop industry during which Asmodee delivered over 65,000 demos for the 200,000 tabletop enthusiasts coming from all over the globe.

asmodee

SHARE OF GROUP SALES

45% (38%)

INTELLECTUAL PROPERTY (IP)

435 (411)

INTERNAL HEADCOUNT

2,441 (2,500)

INTERNAL STUDIOS

23 (23)



The LEGO® partnership will create an exciting range of high-quality LEGO® board games for all types of players. *Monkey Palace*, released after the quarter, kicked off the partnership and will be followed next year with a new LEGO® board game in development named *Brick Like This!*.

In Q3, *Star Wars™: Unlimited* will release its Set 3, *Twilight of the First Republic*. Together with its renowned internal studio Fantasy Flight Games, Asmodee has a clear multi-year roadmap including product development for several future sets already finished with the names of sets 4, 5 and 6 revealed at Gen Con early August. The focus remains on creating a strong ecosystem for players and retailers to install *Star Wars™: Unlimited* as a long-term success.

During the quarter, Netflix released its *Exploding Kittens* TV show, Asmodee's first IP to be brought to screen. After the quarter, Netflix released on October 23, its *Werewolves of Miller's Hollow* movie adaptation *Family Pack (Loups-Garous)*, ranking #1 non-English movie on Netflix in key European countries in its first week.

After the quarter, Canal+, the leading French pay TV network, aired its long-awaited comeback in TV game shows with *Werewolves of Miller's Hollow*. Backed by an extensive media campaign, the show generated 10 million views in its first season and has been renewed for two more seasons.

The Asmodee listing process as a standalone company on Nasdaq Stockholm is tracking in line for a listing by the end of the financial year, with a Capital Markets Day to be held on November 19 in Stockholm, Sweden.





OPERATING SEGMENT ENTERTAINMENT & SERVICES

The Entertainment & Services segment consists of three operative groups: Dark Horse Media, Freemode and PLAION's Partner Publishing & Film Businesses. Dark Horse is a leading IP-focused creator, publisher, and distributor of comic books, art books & merchandise. Freemode is an ecosystem of fan-centric game and entertainment related businesses, including Middle-earth Enterprises and Limited Run Games.

SHARE OF GROUP SALES

15% (13%)

INTELLECTUAL PROPERTY (IP)

193 (194)

INTERNAL HEADCOUNT

833 (790)

INTERNAL STUDIOS

3 (2)

Key performance indicators, Entertainment & Services	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Net Sales, SEK m	1,247	1,381	2,095	3,213	7,082
of which Digital products, SEK m	172	310	300	652	643
of which Physical products, SEK m	992	766	1,667	1,849	5,469
of which Other products, SEK m	83	305	128	712	970
Net Sales growth	-10%	76%	-35%	121%	34%
EBIT, SEK m	-68	-86	-181	99	-413
EBIT margin	-5%	-6%	-9%	3%	-6%
Adjusted EBIT, SEK m	29	216	8	499	853
Adjusted EBIT, margin	2%	16%	0%	16%	12%

SEGMENT HIGHLIGHTS

Net sales in the quarter for Entertainment & Services amounted to SEK 1,247 million, decreased by -10% compared to the same period last year, or -9% organically and -9% pro forma in constant currency. The negative organic growth is explained primarily by Middle-earth Enterprises within Freemode, which had lower activity and tough comparison figures YoY.

EBIT amounted to SEK -68 million (-86), yielding a -5% (-6%) EBIT margin. Adjusted EBIT amounted to SEK 29 million (216), yielding a 2% (16%) Adjusted EBIT margin. The lower adjusted EBIT compared to previous year is mainly explained by the notable licensing revenue from *The Lord of the Rings* IP in the comparison period, driven by the Magic the Gathering trading card game *The Lord of the Rings: Tales of Middle-earth™*, released by a partner. The Adjusted EBIT margin was impacted by a lower volume and a product mix more geared to physical products.

Within Freemode, Middle-earth Enterprises had a slow quarter YoY, with no notable new partner releases, but with higher film revenue than expected. The most recent partner release, the PC/Console game: *The Lord of the Rings: Return to Moria™* successfully released on Steam and Xbox on August 27, 2024, providing an opportunity to broaden the player base and financial performance. The release performed slightly above management expectations, with a positive reception from players across Steam and Xbox.

Middle-earth Enterprises anticipates the theatrical release of the original anime *The Lord of the Rings: The War of the Rohirrim* in Q3, on December 13, 2024 in the US, and internationally starting December 11, 2024. The anticipation for the first introduction of anime set in Middle-earth is gaining pace, with encouraging fan reactions to marketing activation thus far.





Limited Run Games had successful pre-orders for physical releases of the upcoming games *Sonic X Shadow Generations Collector's Edition*, *Castlevania Dominus*, and *Lollipop Chainsaw RePOP* during the quarter. *Tomba! Special Edition* launched on August 1, 2024, a classic game originally released in 1997, which Limited Run licensed, ported internally with their propriety Carbon Engine, and published on modern platforms. In addition to Limited Run's core physical business, *Tomba! Special Edition* also generates digital revenue.

Dark Horse Entertainment's sales of manga continue to be strong with *Berserk* as the top-performing series. Another highlight in the manga segment was the launch of the first of five *Trigun* books. Digital comics is seeing a resurgence on mobile-friendly platforms, and during the quarter several of Dark Horse's titles including *Stranger Things*, *Hellboy*, and *The Witcher*, were added to the digital GlobalComix platform, making them available in vertical scroll format for the first time.



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OTHER FINANCIAL INFORMATION

NET PROFIT/LOSS FOR THE PERIOD

Net profit/loss for the quarter amounted to SEK -390 million (-562), improved by SEK 172 million compared to the same period previous year. The improvement is mainly related to higher EBIT (see page 6) partly mitigated by negative effects in net financial items. For the period April to September net profit amounted to SEK -2,586 million (1,689) a decrease of SEK 4,275 million.

Net financial items amounted to SEK -921 million (161) in the quarter. Net interest income/expenses and other financial income/expenses amounted to SEK -377 million (-299). Changes in fair value of contingent consideration, put/call options on non-controlling interests and related interest expenses including deferred considerations amounted to SEK -24 million (570). Exchange rate gain/losses amounted to SEK -520 million (-110), mainly related to the revaluation of intercompany financial receivables.

Income tax amounted to SEK 62 million (113) in the quarter. Current income tax amounted to SEK -197 million (-48) and deferred income tax amounted to SEK 282 million (161). Provision for Pillar II top-up tax amounted to SEK -23 million (—).

CONDENSED CASH FLOW

SEK m	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Operating activities					
Cash flow from operating activities before changes in working capital	1,249	2,100	1,460	3,969	7,503
Cash flow from changes in working capital	-805	150	-1,193	-361	385
Cash flow from operating activities	444	2,250	267	3,608	7,888
Cash flow from investing activities	602	-2,128	3,334	-4,478	-9,954
Cash flow from financing activities	-164	1,502	-2,974	1,622	832
Cash flow for the period	882	1,623	627	752	-1,234
Cash and cash equivalents at the beginning of period	3,221	3,952	3,507	4,662	4,662
Exchange-rate differences in cash and cash equivalents	-51	-55	-82	106	80
Cash and cash equivalents at the end of period	4,052	5,520	4,052	5,520	3,507

Cash flow from operating activities before working capital amounted to SEK 1,249 million (2,100) in the quarter.

Cash flow from changes in working capital amounted to SEK -805 million (150). The decrease is mainly driven by normalized seasonal effects related to Tabletop Games segment, which negatively impacted working capital. Additionally, increased operating receivables in PC/Console Games segment driven by the timing of game releases and milestone payments in Contract Assets.

Cash flow from investing activities amounted to SEK 602 million (-2,128) for the quarter. Cash flow from divestment of subsidiaries amounted to SEK 1,718 million (—), mainly related to the divestment of Saber Interactive. Investments in intangible assets amounted to SEK -945 million (-1,914), where SEK -867 million (-1,749) is invested in the portfolio of ongoing game development and the majority -817 million relates to the PC/Console Games segment.

Free cash flow after changes in working capital amounted to SEK -473 million (387) (see page 48). Compared to previous year, the positive effects in Investments in intangible and tangible assets mitigated the negative effects of Adjusted EBITDA and change in working capital.

Cash flow from financing activities amounted to SEK -164 million (1,502) in the quarter where proceeds from borrowings amounted to SEK 5,944 million (98) and reduced utilization of credit facilities amounted to SEK -6,015 million (-402).



NET DEBT AND AVAILABLE FUNDS

Net debt/Net cash, SEK m ¹⁾	Sep 30, 2024	Sep 30, 2023	Mar 31, 2024
Cash	4,052	5,520	3,507
Current investments	—	2	0
Current liabilities to credit institutions	-10,964	-1,396	-8,994
Current account credit facilities	-116	-7	-35
Non-current liabilities to credit institutions	-6,189	-18,743	-10,885
Net Debt (-) / Net Cash (+)	-13,217	-14,624	-16,407

¹⁾ Reclassification of the assets and liabilities under IFRS 5, as per [Note 6](#), has been returned to the balances when the net debt and available funds was calculated. The change in net debt and available funds for the previous year is, therefore, not affected by this reclassification as it does not have a cash effect before completion of the transactions.

As per September 30, 2024, the group had non-interest-bearing deferred considerations and obligations related to historical business combinations with an expected cash settlement of SEK 3.7 billion with an estimated maturity structure (see page [19](#)).

SEK 9,4 billion of total net debt as per September 30, 2024 is secured and ringfenced to Asmodee Group with no recourse to Embracer Group.

During the quarter, Embracer secured a new EUR 600 million revolving credit facility with a two year tenor, with an option to extend for an additional year. The new facility replaced Embracer's remaining SEK 4.8 billion (approximately EUR 420 million) revolving credit facility. The terms and conditions for the new facility have been improved, including a notably lower interest margin for utilized credit, which will reduce interest expenses.

During the quarter, Embracer also entered into an agreement with the Swedish Export Credit Corporation (SEK) for a bilateral loan of SEK 500 million. The loan has a two year tenor, with an option to extend for an additional year. The terms for the loan are comparable to the revolving credit facility secured in July 2024.

The Board of Directors of Embracer Group has set goals for the capital structure in the financial leverage policy for Embracer Group. 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.

Embracer Group AB has a leverage covenant in its credit agreements with substantial headroom to it per September 30, 2024.

Available funds, SEK m	Sep 30, 2024	Sep 30, 2023	Mar 31, 2024
Cash	4,052	5,520	3,507
Current investments	—	2	0
Unutilized credit facilities	4,190	1,362	1,749
Available funds	8,242	6,885	5,256



OBLIGATIONS RELATED TO HISTORICAL ACQUISITIONS

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. More information is presented in [Note 5](#).

Obligations related to historical acquisitions 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 as of September 30, 2024. 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
2024/2025	449	33	482
2025/2026	221	272	493
2026/2027	1,204	734	1,938
2027/2028	292	41	333
2028/2029	231	108	339
2029/2030	103	23	126
2030/2031	34	—	34
	2,534	1,211	3,745

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 that are to be settled in cash are accounted for as debt in the group's balance sheet, divided into current and non-current debt. Obligations related to future personnel costs related to acquisitions which will be settled in cash are accounted for in the group's balance sheet, to the extent that it has been earned by the employee and is classified as debt. On September 30, 2024, the debt amounted to SEK 1,111 million divided into current and non-current debt.

Obligations related to historical acquisitions to be settled in shares

The table below provides an overview of obligations related to historical acquisitions on September 30, 2024, 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 group's balance sheet. Obligations related to future personnel costs related to acquisitions which will be settled in shares are accounted for in the group's balance sheet, to the extent that they have been earned by the employee and are classified as equity in the group's balance sheet. Additional information is available in [Note 5](#)

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 - clawback shares ¹⁾	26	7	33
To be issued	29	2	31
Total number of shares	55	9	64

¹⁾ See definitions on page 49

The number of shares to be issued as additional purchase price can vary but never exceed 31 million according to the agreements. If all shares are issued, the dilution in capital will amount to 1.66% and 2.25% of the voting rights as of September 30, 2024, and the total number of shares after full dilution will be 1,381 million. Expectations of shares to be issued as per September 30, 2024 based on target achievement is within the interval 5 to 10 million. If



shares within this interval are issued, the dilution in capital will amount to 0.34-0.73% and 0.25-0.54% of the voting rights as of September 30, 2024.

Specific items related to historical acquisitions

The forecast is based on the average exchange rates for the period April 2024 to September 2024. The forecast includes closed acquisitions as per September 30, 2024, which contain finalized purchase price allocations.

SEK m	24/25		25/26	26/27	27/28	28/29	29/30	30/31	Total
	Q3	Q4							
Amortization of surplus values of acquired intangible assets	509	509	1,951	1,713	1,513	1,469	1,366	1,280	10,310
Personnel costs related to acquisitions	111	106	387	139	33	5	—	—	781
Specific items related to historical acquisitions	620	615	2,338	1,852	1,546	1,474	1,366	1,280	11,091



Darksiders II Deathinitive Edition
THQ Nordic | Gunfire Games

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 23 million (17), and loss before tax was SEK -10,830 million (-495).

Income tax includes "top-up" tax according to Pillar II - Income Inclusion Rule (IIR), amounting to SEK -23 million. Loss after tax was SEK -10,765 million (-431).

The parent company's net sales for April-September 2024 were SEK 43 million (48), and loss before tax was SEK -1,312 million (37).

Income tax includes "top-up" tax according to Pillar II - Income Inclusion Rule (IIR), amounting to SEK -58 million. Loss after tax was SEK -1,190 million (14).

Cash and current investments as of September 30, 2024 were SEK 1,509 million (1,506). Available funds amounted to SEK 5,039 million as of September 30, 2024. The parent company's equity at the end of the period was SEK 53,854 million (61,641).



Embracer Group AB
Karlstad, Sweden

SIGNIFICANT EVENTS DURING THE QUARTER

- > On July 11, Embracer announced it had secured a new EUR 600 million revolving credit facility with a two-year tenor, with an option to extend it for an additional year. The new facility replaces Embracer's remaining revolving credit facility, which matures in May 2025.
- > On July 19, Embracer entered into an agreement with the Swedish Export Credit Corporation for a bilateral loan of SEK 500 million (approximately EUR 43 million). The loan has a two year tenor, with an option to extend for an additional year. The terms for the loan are comparable to the revolving credit facility secured in July 2024.
- > On September 2, Embracer announced the appointment of Thomas Køegler as the new Chief Executive Officer of Asmodee Group. A Board of Directors for Asmodee Group AB, the Swedish parent company and the future listed entity, was also appointed and formed. The Board comprises Lars Wingefors (Chair of the Board), Kicki Wallje-Lund (Deputy Chair), Stéphane Carville, Marc Nunes, Jacob Jonmyren, and Linda Höljö. Further, Thomas Koegler was included as a member of Embracer's Executive Management Team, replacing Stéphane Carville.
- > On September 13, Embracer announced the receipt of USD 168.4 million (approximately SEK 1.72 billion) for an early payment for the sale of Saber assets. In addition to the early repayment Embracer will be paid an additional USD 28.1 million later in 2024 and 2025. The settlement concluded the financial aspects of the transaction, with the total payment reflecting both the early settlement of the promissory notes and the cancellation of the option for the buyer to acquire 4A Games and Zen Studios.
- > At the Annual General Meeting on September 19:
 - > Yasmina Brihi, Bernt Ingman, Jacob Jonmyren, Cecilia Qvist, Kicki Wallje-Lund and Lars Wingefors were re-elected as directors of the board. Kicki Wallje-Lund was re-elected as the chair of the board. Brian Ward was elected as new director. Cecilia Driving and David Gardner were not re-elected as directors.
 - > PwC was re-elected as Embracer's auditor. PwC has announced that the authorized auditor Magnus Svensson Henryson will remain as the main responsible auditor.

SIGNIFICANT EVENTS AFTER THE QUARTER

- > On October 14, Embracer announced the invitation to a Capital Markets Day for Asmodee Group AB ahead of its listing on Nasdaq Stockholm as a separate company. The event will take place on November 19, 2024, in Stockholm, Sweden.
- > On November 14, Embracer announced it entered into an agreement to divest the operative group Easybrain to Miniclip, for a consideration of USD 1.2 billion (approximately SEK 12.9 billion) on a cash and debt free basis. Closing of the transaction is expected to take place in the first months of 2025 and is conditional upon customary conditions including regulatory approvals.



SUSTAINABILITY AND GOVERNANCE

SUSTAINABILITY

A broader internal project has been launched to ensure the implementation of the CSRD (Corporate Sustainability Reporting Directive). This initiative involves participation from Legal, Finance, Enterprise Risk Management and Sustainability department, as well as external expertise.

The financial year 2024/25 annual report will be influenced by ESRS (European Sustainability Reporting Standard). However, we are legally required to report according to CSRD starting from the 2025/26 financial year. In our preparations for ESRS reporting, we also consider the ambition to divide Embracer into three separately listed companies, ensuring a smooth start for all three entities.

Our reporting is designed to create value for the company, our shareholders and other stakeholders. This project is supported by a high level of engagement from both company leadership and the board.

GOVERNANCE

During the quarter, we continued our focus on the legal framework for data sharing between group companies and the responsible use of AI within the group. As previously communicated Embracer Group works towards creating a human-centric approach to AI within the group where we use and recognize the value of AI implementation and will do so while empowering our employees.

At the annual general meeting held on September 19, 2024, the shareholders appointed one new director Brian Ward. Yasmina Brihi, Bernt Ingman, Jacob Jonmyren, Cecilia Qvist, Kicki Wallje-Lund and Lars Wingefors were re-elected as directors, whereby the Board now consists of seven directors, of which four are men and three are women.

At the annual general meeting PwC was also re-elected as Embracer Group's auditor and Magnus Svensson Henryson continues as the main responsible auditor.



Lightyear Frontier
Amplifier Game Invest | FRAME BREAK

ANALYSTS FOLLOWING EMBRACER GROUP

For an updated list of analysts covering Embracer Group, please refer to our website embracer.com.

THE SHARE

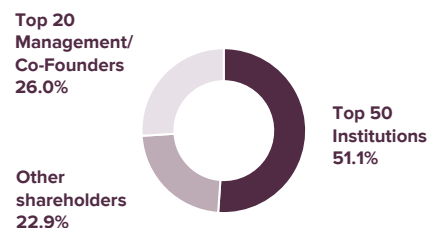
Name	TOP 20 OWNERS AS OF SEPTEMBER 30, 2024				Change from Jun 30, 2024
	Class A shares	Class B shares	Share of capital, %	Share of votes, %	Class A and B shares
1 Lars Wingefors AB	52,260,204	210,238,330	19.45%	39.92%	
2 Savvy Gaming Group		99,884,024	7.40%	5.44%	
3 DNB Asset Management AS		88,183,176	6.53%	4.80%	16,736,095
4 S3D Media Inc		83,570,714	6.19%	4.55%	
5 Alecta Tjänstepension		47,100,000	3.49%	2.57%	1,036,000
6 Canada Pension Plan Investment Board (CPP)		44,400,694	3.29%	2.42%	-7,116,306
7 PAI Partners		39,044,571	2.89%	2.13%	
8 Handelsbanken Fonder		34,047,566	2.52%	1.85%	477,864
9 Vanguard		33,901,671	2.51%	1.85%	364,140
10 Didner & Gerge Fonder		31,340,000	2.32%	1.71%	40,000
11 SEB Fonder		30,676,132	2.27%	1.67%	826,756
12 Norges Bank		22,162,072	1.64%	1.21%	419,588
13 DNB Asset Management SA		19,397,538	1.44%	1.06%	-352,815
14 Folksam		16,630,337	1.23%	0.91%	-2,244
15 BlackRock		12,674,403	0.94%	0.69%	108,964
16 Länsförsäkringar Fonder		12,210,797	0.90%	0.67%	2,628,037
17 Oleg Grushevich		11,766,897	0.87%	0.64%	
18 Första AP-fonden		11,750,000	0.87%	0.64%	1,250,000
19 Andra AP-fonden		11,426,695	0.85%	0.62%	2,200,000
20 Swedbank Robur Fonder		11,306,880	0.84%	0.62%	-1,159,468
TOP 20	52,260,204	871,712,497	68.45%	75.95%	
OTHERS	1,739,796	424,232,366	31.55%	24.05%	
TOTAL	54,000,000	1,295,944,863	100.00%	100.00%	

Source: Monitor by Modular Finance.
Shareholder lists are available on embracer.com and are updated in real time.

INTERNATIONAL OWNERSHIP TOP 50 INSTITUTIONAL AS OF SEPTEMBER 30, 2024 BY CAPITAL



INSTITUTIONAL OWNERSHIP VS MANAGEMENT AS OF SEPTEMBER 30, 2024 BY CAPITAL



TOP 20 MANAGEMENT & CO-FOUNDER OWNERS AS OF SEPTEMBER 30, 2024

Owner ¹⁾	Co-Founder	Class A shares	Class B shares	Share of capital, %	Share of votes, %
1 Lars Wingefors AB	Embracer Group	52,260,204	210,238,330	19.45%	39.92%
2 Founders/Management	Easybrain		43,770,306	3.24%	2.38%
3 Ken Go	Deca Games		10,164,962	0.75%	0.55%
4 Founders/Management	4A		4,892,140	0.36%	0.27%
5 Management	CrazyLabs		4,402,714	0.33%	0.24%
6 Founders	Ghostship Games		4,038,206	0.30%	0.22%
7 Founders/Management	Aspyr		3,549,742	0.26%	0.19%
8 Richard Stitselaar and Kimara Rouwit	Vertigo Games		3,366,420	0.25%	0.18%
9 Luisa Bixio	Milestone		2,424,341	0.18%	0.13%
10 Klemens Kundratitz	Plaion		2,255,856	0.17%	0.12%
11 Anton Westbergh	Coffee Stain		2,412,666	0.18%	0.13%
12 Alan Wilson	Tripwire		1,482,887	0.11%	0.08%
13 Dennis Gustafsson	Tuxedo Labs		1,408,031	0.10%	0.08%
14 William Munk II	Tripwire		1,107,594	0.08%	0.06%
15 David Hensley	Tripwire		1,107,594	0.08%	0.06%
16 Klemens Kreuzer	THQ Nordic		875,000	0.06%	0.05%
17 John Coleman	Vertigo Games		476,138	0.04%	0.03%
18 Stefan Ljungqvist	Experiment 101		360,360	0.03%	0.02%
19 Lee Guinchard	Embracer Freemode		205,580	0.02%	0.01%
20 Martin de Ronde	Vertigo Games		205,150	0.02%	0.01%
TOP 20		52,260,204	298,744,017	26.00%	44.74%
ALL OTHER SHAREHOLDERS		1,739,796	997,200,846	74.00%	55.26%
TOTAL		54,000,000	1,295,944,863	100.00%	100.00%

¹⁾ 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 these shares are not part of the transferred consideration in the PPA but is classified as remuneration for future services



RISKS AND UNCERTAINTY FACTORS

Embracer Group is exposed to risks, particularly the dependence on key persons for the success of game development, the sales performance of launched games, dependence on a few distributors and the success and performance of acquisitions. The complete risk analysis is found in the company's most recent Annual Report. Additional significant risks and assumptions are described in [Note 2](#) in this report.

AUDITOR'S REVIEW

This Interim Report has been subject to limited review by the Company's auditor, see page [27](#) for the auditors review report.

FORTHCOMING REPORTS

Interim Report Q3, October-December 2024	February 13, 2025
Full Year report 2024/25	May 22, 2025
Annual Report 2024/25	Week 26, 2025

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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AUDITOR'S REVIEW REPORT

(THIS IS A TRANSLATION FROM THE SWEDISH REPORT)

To Embracer Group AB (publ), corporate identity number 556582-6558

INTRODUCTION

We have reviewed the condensed interim report for Embracer Group AB (publ) as of September 30, 2024 and for the six months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Öhrlings PricewaterhouseCoopers AB
Stockholm, November 14, 2024

Magnus Svensson Henryson
Authorized Public Accountant



SIGNATURES AND ASSURANCE

The Board of Directors and Chief Executive Officer offer their assurance that this interim report for the second 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, November 14, 2024

Kicki Wallje-Lund
Chair of the Board

Yasmina Brihi
Board member

Bernt Ingman
Board member

Jacob Jonmyren
Board member

Cecilia Qvist
Board member

Brian Ward
Board member

Lars Wingefors
CEO and Board member

This report is information that Embracer Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014 and the Securities Markets Act (2007:528). The information was submitted for publication, through the agency of the contact persons set out above, at 2024-11-14 07:00 CET. The persons above may also be contacted for further information.

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 marketplace regulations, Embracer Group AB is under no obligation to update the information, opinions or forward-looking statements in this report.



Kingdom Come: Deliverance II
Deep Silver | Warhorse Studios

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Amounts in SEK m	Note	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Net sales	3,4	8,552	10,831	16,485	21,281	42,206
Other operating income		107	131	224	221	575
Total operating income		8,659	10,962	16,709	21,502	42,780
Work performed by the Company for its own use and capitalized		731	1,437	1,505	2,895	5,351
Goods for resale		-3,528	-4,049	-6,401	-7,964	-16,773
Other external expenses	7	-1,740	-2,420	-3,385	-4,811	-8,998
Personnel expenses	8	-2,226	-3,644	-5,763	-7,084	-14,237
Depreciation, amortization and impairment		-1,411	-3,049	-3,018	-4,830	-21,738
Other operating expenses	9	-43	-65	-641	-121	-6,902
Share of profit of an associate after tax		25	-6	24	0	-2
Operating profit/loss (EBIT)		468	-836	-971	-415	-20,519
Net financial items	10	-921	161	-1,267	2,332	1,784
Profit/loss before tax		-452	-675	-2,239	1,917	-18,735
Income tax		62	113	-348	-229	558
Net profit/loss for the period		-390	-562	-2,586	1,689	-18,177
<i>Net profit/loss for the period attributable to:</i>						
Equity holders of the parent		-391	-562	-2,573	1,688	-18,177
Non-controlling interests		1	0	-13	1	-1
Earnings per share						
Basic earnings per share (SEK)		-0.32	-0.47	-2.09	1.45	-15.28
Diluted earnings per share (SEK)		-0.32	-0.47	-2.09	1.45	-15.28

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	Note	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Net profit/loss for the period		-390	-562	-2,586	1,689	-18,177
Other comprehensive income						
<i>Items that may be reclassified to profit or loss (net of tax):</i>						
Exchange differences on translation of foreign operations		-848	-1,104	-2,365	1,967	886
Cash flow hedges		0	-1	-2	-3	1
<i>Items that will not be reclassified to profit or loss (net of tax):</i>						
Remeasurement of defined benefit plans for employees		0	0	0	0	-5
Total other comprehensive income for the period, net of tax		-848	-1,105	-2,367	1,965	882
Total comprehensive income for the period, net of tax		-1,238	-1,667	-4,954	3,654	-17,296
<i>Total comprehensive income attributable to:</i>						
Equity holders of the parent		-1,238	-1,667	-4,927	3,653	-17,295
Non-controlling interests		0	0	-27	1	-1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK m	Note	Sep 30, 2024	Sep 30, 2023	Mar 31, 2024
ASSETS				
Non-current assets				
Goodwill		30,034	50,028	31,210
Intangible assets		35,133	46,447	37,036
Property, plant and equipment		860	1,194	881
Right-of-use assets		1,396	1,540	1,349
Investments in associates		266	247	254
Non-current financial assets		513	613	501
Deferred tax assets		1,783	1,831	1,776
Total non-current assets		69,985	101,901	73,008
Current assets				
Inventories		3,799	4,781	3,218
Trade receivables		5,234	6,112	4,960
Contract assets		172	784	13
Other receivables		1,840	1,981	3,788
Prepaid expenses		612	610	457
Current investments		—	2	0
Cash and cash equivalents		4,052	5,520	3,341
Total current assets		15,709	19,790	15,777
Assets held for sale	6	—	—	6,911
TOTAL ASSETS		85,694	121,691	95,696

CONT.>>

>>CONTINUED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK m	Note	Sep 30, 2024	Sep 30, 2023	Mar 31, 2024
EQUITY AND LIABILITIES				
Equity				
Share capital		2	2	2
Other contributed capital		61,849	59,651	60,932
Reserves		3,473	6,911	5,826
Retained earnings, including net profit/loss		-17,252	5,523	-14,341
Total equity attributable to equity holders of the parent		48,073	72,088	52,419
Non-controlling interests		866	65	64
Total equity		48,939	72,154	52,482
Non-current liabilities				
Liabilities to credit institutions		6,149	18,743	10,795
Other non-current liabilities		197	179	171
Lease liabilities		1,089	1,125	1,024
Other provisions		51	58	52
Contingent considerations	5	1,617	3,212	1,980
Non-current put/call options on non-controlling interests	5	870	1,733	1,496
Deferred considerations	5	6	372	10
Non-current employee benefits		19	12	13
Non-current liabilities to employees related to historical acquisitions	5	983	814	910
Deferred tax liabilities		5,651	7,865	5,885
Total non-current liabilities		16,632	34,112	22,336
Current liabilities				
Liabilities to credit institutions		10,964	1,396	8,946
Current account credit facilities		116	7	35
Advances from customers		149	58	143
Trade payables		2,806	3,531	2,197
Lease liabilities		374	476	381
Contract liabilities		1,149	1,905	1,511
Contingent considerations	5	194	403	219
Current put/call options on non-controlling interests	5	—	264	285
Deferred considerations	5	356	1,909	474
Tax liabilities		411	725	499
Current liabilities to employees related to historical acquisitions	5	127	397	144
Other current liabilities		440	639	906
Accrued expenses		3,035	3,715	2,967
Total current liabilities		20,123	15,426	18,708
Liabilities attributable to assets held for sale	6	—	—	2,170
TOTAL EQUITY AND LIABILITIES		85,694	121,691	95,696

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK m	Equity attributable to equity holders of the parent						
	Share capital	Other contributed capital	Reserves ¹⁾	Retained earnings including profit for the period	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Opening balance 2023-04-01	2	55,886	4,945	3,835	64,668	53	64,721
Net profit/loss	—	—	—	1,688	1,688	1	1,689
Other comprehensive income	—	—	1,967	—	1,967	0	1,967
Total comprehensive income for the period	—	—	1,967	1,688	3,655	1	3,656
<i>Transactions with the owners</i>							
New share issue	0	2,018	—	—	2,019	—	2,019
Excess value	—	-13	—	—	-13	—	-13
Issuance costs	—	-43	—	—	-43	—	-43
Tax effect issuance costs	—	9	—	—	9	—	9
Share-based remuneration according to IFRS 2	—	1,794	—	—	1,794	—	1,794
Transactions with non-controlling interests	—	—	—	—	—	11	11
Total	0	3,766	—	—	3,766	11	3,777
Closing balance 2023-09-30	2	59,651	6,911	5,523	72,088	65	72,154
Opening balance 2024-04-01	2	60,932	5,826	-14,341	52,419	64	52,482
Net profit/loss	—	—	—	-2,573	-2,573	-13	-2,586
Other comprehensive income	—	—	-2,353	—	-2,353	-14	-2,367
Total comprehensive income for the period	—	—	-2,353	-2,573	-4,927	-27	-4,954
<i>Transactions with the owners</i>							
New share issue	0	244	—	—	244	—	244
Share-based remuneration according to IFRS 2	—	674	—	—	674	—	674
Dividend to non-controlling interests	—	—	—	—	—	-495	-495
Transactions with non-controlling interests	—	—	—	-337	-337	1,324	988
Total	0	918	—	-337	581	829	1,410
Closing balance 2024-09-30	2	61,849	3,473	-17,252	48,073	866	48,939

¹⁾ Includes currency translation difference and cash flow hedge reserve as well as revaluation of defined benefit plans to employees.

CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK m ²⁾	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Operating activities					
Profit/loss before tax	-452	-675	-2,239	1,917	-18,735
Adjustments for non-cash items, etc.	2,117	3,017	4,198	2,524	27,215
Income tax paid	-416	-243	-499	-472	-977
Cash flow from operating activities before changes in working capital	1,249	2,100	1,460	3,969	7,503
Cash flow from changes in working capital					
Change in inventories	-459	-344	-654	-613	618
Change in operating receivables	-1,046	-567	-752	-871	-307
Change in operating liabilities	700	1,061	213	1,123	74
Cash flow from operating activities	444	2,250	267	3,608	7,888
Investing activities					
Acquisition of property, plant and equipment	-46	-91	-118	-194	-317
Proceeds from sales of property, plant and equipment	—	4	—	4	6
Acquisition of intangible assets	-945	-1,914	-1,997	-3,825	-7,042
Proceeds from sales of intangible assets	—	—	1	—	33
Acquisition of subsidiaries, net of cash acquired ¹⁾	-70	-62	-319	-175	-2,261
Divestment of subsidiaries, net of cash divested	1,718	—	5,889	—	—
Acquisition of financial assets	-50	-69	-129	-295	-408
Proceeds from sales of financial assets	-5	4	7	7	35
Cash flow from investing activities	602	-2,128	3,334	-4,478	-9,954
Financing activities					
New share issue	—	2,000	—	2,000	2,000
Issuance costs	—	-42	—	-42	-42
Proceeds from borrowings	5,944	98	17,054	733	2,113
Paid dividend to owners with non-controlling interests	—	—	-495	—	—
Repayment of loans	-6,015	-402	-19,296	-742	-2,596
Payment of lease liabilities	-93	-153	-237	-328	-643
Cash flow from financing activities	-164	1,502	-2,974	1,622	832
Cash flow for the period	882	1,623	627	752	-1,234
Cash and cash equivalents at the beginning of period	3,221	3,952	3,507	4,662	4,662
Exchange-rate differences in cash and cash equivalents	-51	-55	-82	106	80
Cash and cash equivalents at the end of period	4,052	5,520	4,052	5,520	3,507

¹⁾ The change in the quarter refers to historical acquisitions.

²⁾ Reclassification of the assets and liabilities under IFRS 5, as per Note 6, has been returned to the balances when the cash flow was calculated. The change in net working capital for the quarter and the year is, therefore, not affected by this reclassification as it does not have a cash effect before completion of the transactions.

NOTES

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

This interim report comprises of the Swedish parent company Embracer Group AB (publ) ("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 1B, 652 09 Karlstad, Sweden.

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 Annual Report for FY 2023/24. A complete description of the Group's applied accounting policies can be found in Note 1 as well as separate sections in the respective notes in the Annual Report for FY 2023/24. For the parent company's applied accounting policies, see Note P1.

The group is covered by the OECD's model rules for Pillar II. Legislation on Pillar II has been adopted in Sweden, where Embracer Group AB is based, and has entered into force on January 1, 2024. The legislation is applied to the group starting from financial year 2024/25.

The IASB has published amendments to standards that take effect on, or after January 1, 2023. The standards have not had any significant impact on the financial reports.

Disclosures in accordance with IAS 34.16A appear in addition to the financial statements and its related notes in the interim information on page [34-41](#) that from an integral part of this financial report.

All amounts are presented in million Swedish kronor ("SEK m"), unless otherwise indicated. Rounding differences may occur.

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 estimates or circumstances change. The key estimates and assumptions made when preparing the interim report correspond to the ones described in Note 2 as well as separate sections in the respective notes in the Annual Report for FY 2023/24, with additions described below.

Non-current assets held for sale and discontinued operations

To be classified as non-current assets (or disposal groups) held for sale, the disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable. The criteria are assessed to be met when the divestment agreements were entered into as the criterion that a sale shall be highly probable was then considered to be met.

Further, on April 22, 2024, Embracer announced its intention to separate the Group into three standalone publicly listed entities: Asmodee Group ("Asmodee"), "Coffee Stain & Friends" and "Middle-earth Enterprises & Friends". Shares of Asmodee and "Coffee Stain & Friends" are intended to be distributed as a dividend to the shareholders of Embracer Group and listed on Nasdaq Stockholm, in accordance with the Lex ASEA rules. "Middle-earth Enterprises & Friends" is intended to remain within the current listed company Embracer Group, which will subsequently be renamed.

The Group has assessed whether Asmodee and "Coffee Stain and Friends", meet the classification criteria for non-current assets (or disposal groups) as held for distribution to owners. The Group has concluded that they do not qualify as disposal groups held for distribution to owners at year-end 2023/24 as the distribution was not highly probable at that date. As Asmodee and "Coffee Stain and Friends" did not meet the criteria to be classified as held for distribution at year-end, they cannot be classified as discontinued operations at that date. As no further information has been communicated or actions has taken place the assessment from year-end 2023/24 remain.

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.

The same accounting principles are used for the segments as for the Group.

Jul-Sep 2024	PC/Console Games	Mobile Games	Tabletop Games	Entertainment & Services	Total segments	Eliminations	Group functions	Group total
Revenue from external customers	2,121	1,358	3,826	1,247	8,552	-	-	8,552
Revenue from transactions with other operating segment	5	12	-	9	26	-26	-	-
Total revenue	2,126	1,370	3,826	1,256	8,578	-26	-	8,552
Adjusted EBIT	175	374	695	29	1,273	-	-65	1,207
Amortization of surplus values of acquired intangible assets	-145	-106	-203	-90	-544	-	-	-544
Personnel costs related to acquisitions	-24	-38	-34	-7	-103	-	-	-103
Items affecting comparability	-75	-	-17	-	-92	-	0	-92
EBIT	-70	230	441	-68	534	-	-65	468
Net financial items								-921
Profit/loss before tax								-452

Jul-Sep 2023	PC/Console Games	Mobile Games	Tabletop Games	Entertainment & Services	Total segments	Eliminations	Group functions	Group total
Revenue from external customers	3,909	1,471	4,070	1,381	10,831	-	-	10,831
Revenue from transactions with other operating segment	6	-	-	5	11	-11	-	-
Total revenue	3,915	1,471	4,070	1,386	10,842	-11	-	10,831
Adjusted EBIT	621	372	661	216	1,870	-	-56	1,814
Amortization of surplus values of acquired intangible assets	-364	-114	-209	-93	-779	-	-	-779
Transaction costs	0	-	-	0	0	-	-	0
Personnel costs related to acquisitions	-308	-91	-33	-4	-435	-	-	-435
Remeasurement of contingent consideration	-14	-	-	-	-14	-	-	-14
Items affecting comparability	-1,194	-5	-12	-205	-1,417	-	-4	-1,421
EBIT	-1,259	162	407	-86	-775	-	-60	-836
Net financial items								161
Profit/loss before tax								-675

CONT. >>

>> NOTE 3 CONTINUED

Apr-Sep 2024	PC/Console Games	Mobile Games	Tabletop Games	Entertainment & Services	Total segments	Eliminations	Group functions	Group total
Revenue from external customers	4,778	2,747	6,865	2,095	16,485	-	-	16,485
Revenue from transactions with other operating segment	11	12	-	17	40	-40	-	-
Total revenue	4,789	2,759	6,865	2,112	16,525	-40	-	16,485
Adjusted EBIT	312	892	944	8	2,156	-	-120	2,036
Amortization of surplus values of acquired intangible assets	-312	-213	-407	-178	-1,110	-	-	-1,110
Personnel costs related to acquisitions	-1,047	-84	-66	-10	-1,207	-	-	-1,207
Remeasurement of contingent consideration	4	-	-	-	4	-	-	4
Items affecting comparability	-677	-	-17	-	-694	-	0	-694
EBIT	-1,719	595	454	-181	-851	-	-120	-971
Net financial items								-1,267
Profit/loss before tax								-2,239

Apr-Sep 2023	PC/Console Games	Mobile Games	Tabletop Games	Entertainment & Services	Total segments	Eliminations	Group functions	Group total
Revenue from external customers	7,905	2,908	7,254	3,213	21,281	-	-	21,281
Revenue from transactions with other operating segment	12	-	-	11	23	-23	-	-
Total revenue	7,917	2,908	7,254	3,224	21,304	-23	-	21,281
Adjusted EBIT	1,458	796	866	499	3,620	-	-133	3,487
Amortization of surplus values of acquired intangible assets	-722	-221	-412	-182	-1,537	-	-	-1,537
Transaction costs	-1	-	0	-6	-7	-	-	-7
Personnel costs related to acquisitions	-618	-116	-106	-8	-848	-	-	-848
Remeasurement of participation in associated companies	3	-	-	-	3	-	-	3
Remeasurement of contingent consideration	-14	-	-	-	-14	-	-	-14
Items affecting comparability	-1,239	-5	-12	-205	-1,462	-	-37	-1,499
EBIT	-1,133	454	336	99	-245	-	-170	-415
Net financial items								2,332
Profit/loss before tax								1,917

Apr 2023- Mar 2024	PC/Console Games	Mobile Games	Tabletop Games	Entertainment & Services	Total segments	Eliminations	Group functions	Group total
Revenue from external customers	14,410	5,916	14,797	7,082	42,206	-	-	42,206
Revenue from transactions with other operating segment	29	-	-	27	56	-56	-	-
Total revenue	14,439	5,916	14,797	7,109	42,262	-56	-	42,206
Adjusted EBIT	2,441	1,921	2,079	853	7,294	-	-231	7,063
Amortization of surplus values of acquired intangible assets	-1,399	-441	-815	-363	-3,018	-	-	-3,018
Transaction costs	-2	-	0	-6	-8	-	-	-8
Personnel costs related to acquisitions	-1,604	-286	-120	-14	-2,025	-	-	-2,025
Remeasurement of participation in associated companies	3	-	-	-	3	-	-	3
Remeasurement of contingent consideration	-15	-	-	-	-15	-	-3	-18
Items affecting comparability	-7,312	-165	-7,262	-883	-15,622	-	-6,895	-22,517
EBIT	-7,887	1,029	-6,119	-413	-13,390	-	-7,129	-20,519
Net financial items								1,784
Profit/loss before tax								-18,735

NOTE 4 REVENUE FROM CONTRACTS WITH CUSTOMERS

Jul-Sep 2024	PC/Console Games	Mobile Games	Tabletop Games	Entertainment & Services	Group total
Type of products					
Digital products	1,313	1,353	48	172	2,886
Physical products	219	–	3,747	992	4,958
Other ¹⁾	589	5	31	83	708
Revenue from contracts with customers	2,121	1,358	3,826	1,247	8,552
Jul-Sep 2023					
Type of products					
Digital products	2,825	1,444	53	310	4,633
Physical products	203	0	3,995	766	4,964
Other ¹⁾	881	26	22	305	1,234
Revenue from contracts with customers	3,909	1,471	4,070	1,381	10,831
Apr-Sep 2024					
Type of products					
Digital products	2,944	2,737	90	300	6,071
Physical products	398	–	6,720	1,667	8,785
Other ¹⁾	1,435	10	55	128	1,629
Revenue from contracts with customers	4,778	2,747	6,865	2,095	16,485
Apr-Sep 2023					
Type of products					
Digital products	5,472	2,867	85	652	9,075
Physical products	753	–	7,116	1,849	9,718
Other ¹⁾	1,680	41	54	712	2,488
Revenue from contracts with customers	7,905	2,908	7,254	3,213	21,281
Apr 2023- Mar 2024					
Type of products					
Digital products	9,609	5,865	158	643	16,275
Physical products	1,490	–	14,522	5,469	21,481
Other ¹⁾	3,311	51	117	970	4,449
Revenue from contracts with customers	14,410	5,916	14,797	7,082	42,206

¹⁾ See Operating segment, page 7-15

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

PC/Console Games	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
IP-rights					
Owned titles	901	2,365	2,736	5,288	9,514
Publishing titles	1,220	1,544	2,041	2,617	4,896
Total	2,121	3,909	4,778	7,905	14,410
New releases					
New releases	266	1,417	411	3,024	4,185
Back catalog	1,266	1,612	2,931	3,201	6,914
Other	589	881	1,435	1,680	3,311
Total	2,121	3,909	4,778	7,905	14,410

NOTE 5 FINANCIAL INSTRUMENTS

Reclassification of the assets & liabilities under IFRS 5, as per Note 6 has been returned to the balances in Note 5. The balances are, therefore, not affected by this reclassification as it does not have an effect before completion of the transactions.

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 September 30, 2024	Level 1	Level 2	Level 3	Total
Ownership interests in other entities	—	6	—	6
Current investments	42	—	—	42

Financial assets measured at fair value as of September 30, 2023	Level 1	Level 2	Level 3	Total
Ownership interests in other entities	—	6	—	6
Current investments	38	—	—	38

Financial assets measured at fair value as of March 31, 2024	Level 1	Level 2	Level 3	Total
Ownership interests in other entities	—	6	—	6
Current investments	42	—	—	42

Financial liabilities measured at fair value

Financial liabilities measured at fair value as of September 30, 2024	Level 1	Level 2	Level 3	Total
Contingent consideration	—	—	1,811	1,811
Put/call options on non-controlling interests	—	—	870	870
Liabilities to employees related to acquisitions	—	—	1,111	1,111

Financial liabilities measured at fair value as of September 30, 2023	Level 1	Level 2	Level 3	Total
Contingent consideration	—	—	3,615	3,615
Put/call options on non-controlling interests	—	—	1,997	1,997
Liabilities to employees related to acquisitions	—	—	1,211	1,211

Financial liabilities measured at fair value as of March 31, 2024	Level 1	Level 2	Level 3	Total
Contingent consideration	—	—	2,246	2,246
Put/call options on non-controlling interests	—	—	1,782	1,782
Liabilities to employees related to acquisitions	—	—	1,434	1,434

Current receivables and current liabilities

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

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-Sep 2024	Apr-Sep 2023	Apr 2023-Mar 2024
Opening balance	3,935	8,471	8,471
Payment - shares to be issued	-55	-18	-30
Payment - clawback shares	-304	-1,413	-2,278
Payment - cash	-182	-45	-258
FX effects	-66	-99	167
Reclassifications	—	-32	-32
Disposals/divestments	-252	—	-251
Change in fair value recognized in consolidated statement of profit or loss	-14	-1,321	-1,853
Closing balance	3,062	5,543	3,935

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 SEK -181 million and a lower discount factor of 1.5 percentage points will have an impact with SEK 161 million.

CONT. >>

>> NOTE 5 CONTINUED

The Group's contingent considerations will be settled in cash or with issued shares. As at September 30, 2024, the contingent considerations are expected to be settled according to the table below.

Expected settlement	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	1,303	508	1,811	1,251	3,062	

As of September 30, 2024	Classified as financial liability	Of which already issued	Classified as equity	Of which already issued
Maximum number of shares related to contingent consideration	37,578,700	12,190,153	17,084,566	13,535,055

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	Apr-Sep 2024	Apr-Sep 2023	Apr 2023-Mar 2024
Opening balance	1,782	2,905	2,905
FX-effects	-48	50	-274
Reclassifications	-906	—	—
Change in fair value recognized in consolidated statement of profit or loss	42	-958	-850
Closing balance	870	1,997	1,782

As of September 30, 2024, the Group's put/call option on non-controlling interests are to be settled in cash.

Liabilities to employees related to acquisitions

Liabilities to employees related to acquisitions refers to part of the purchase price in historical acquisitions which according to IFRS is classified as personnel debt. Fair value for liabilities to employees related to acquisitions 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.

Liabilities to employees related to acquisitions	Apr-Sep 2024	Apr-Sep 2023	Apr 2023-Mar 2024
Opening balance	1,434	1,090	1,090
Accrual of personnel cost in consolidated statement of profit or loss	218	386	923
Payment - cash after the acquisition day	-1,232	-330	-582
Change in fair value recognized in consolidated statement of profit or loss	23	58	32
Divestments	713	—	—
FX-effects	-45	7	-29
Closing balance	1,111	1,211	1,434

As of September 30, 2024, the Group's liabilities to employees related to acquisitions will be settled in cash.

Other consideration that is not classified as financial instruments at fair value

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-Sep 2024	Apr-Sep 2023	Apr 2023-Mar 2024
Opening balance	487	2,019	2,019
Acquisitions	—	183	193
Payment - cash	-118	-91	-1,956
FX-effects	-16	97	147
Reclassifications	—	32	32
Disposals/divestments	—	—	-10
Discount effect recognized in consolidated statement of profit or loss	9	41	62
Closing balance	362	2,281	487

As of September 30, 2024, the Group's deferred consideration will be settled in cash.

NOTE 6 DIVESTMENT OF GROUP COMPANIES

Divestment of group companies

During Q4 FY 2023/24 an agreement was entered into to divest Gearbox Entertainment. The transaction was closed June 11, 2024. Further on, divestments of the subsidiaries Madhead, Shiver Entertainment and Rare Earth Games closed during Q1

and divestment of Digic closed during Q2. Details from these divestments, are presented below:

	Apr-Jun 2024	Apr-Jun 2024	Jul-Sep 2024	Apr-Sep 2024
	Gearbox Entertainment	Other	Other	Total
Divestment of entities during the quarter				
Total consideration	4,046	426	347	4,819
Carrying amount of net assets sold	4,788	462	365	5,615
Gain (loss) on sale before income tax and reclassification of foreign currency translation reserve	-742	-36	-18	-796
Reclassification of foreign currency translation reserve	168	7	—	175
Income tax expense on gain	—	—	—	—
Gain (loss) on sale after income tax	-574	-29	-18	-621
Net cash consideration received	4,046	252	—	4,298
Less: Cash and cash equivalents in divested companies	-101	-27	-25	-153
Impact on the Groups' cash and cash equivalents	3,945	225	-25	4,145

The loss is recognized as Other operating expenses in the consolidated statement of profit or loss.

The carrying amount of the assets and liabilities at the date of each sale were:

	Apr-Jun 2024	Apr-Jun 2024	Jul-Sep 2024	Apr-Sep 2024
	Gearbox Entertainment	Other	Other	Total
Assets and liabilities included in the sale				
Goodwill	885	276	287	1,448
Intangible assets	3,973	108	142	4,223
Property, plant and equipment	133	7	11	151
Right-of-use assets	140	36	5	181
Other non-current financial assets	135	27	—	162
Trade receivables	92	32	142	266
Contract assets	484	—	42	526
Other current assets	303	12	7	322
Cash and cash equivalents	101	36	16	153
Total assets	6,246	534	651	7,431
Lease liabilities	-139	-37	—	-176
Trade payables	-51	-1	-42	-94
Contract Liabilities	-160	-4	-13	-177
Other liabilities	-1,108	-30	-232	-1,370
Total liabilities	-1,458	-72	-286	-1,816
Net assets	4,788	462	365	5,615

NOTE 7 RELATED PARTY TRANSACTIONS

Related party transaction	Related party	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Consulting service	Logvreten AB ¹⁾ (supplier)	-1	0	-1	0	0
Transportation services/Rent	Mad Dog Games LLC, Mek Production ³⁾ (supplier)	-	-1	-	-1	-
Transportation services/Rent	Sola Service i Karlstad AB ²⁾ (supplier)	-4	-3	-7	-9	-19
Transportation services	Empterwik Special Services Ltd ²⁾ (supplier)	-5	-6	-11	-14	-25
Sale of goods/services	Bröderna Wingefors AB ²⁾ (supplier)	-	-	0	-	-
Consulting service	LW Comics ²⁾ (supplier)	0	0	0	0	0
Consulting service	LVP Advisory Ltd ⁴⁾ (supplier)	0	0	0	0	0
Total		-10	-10	-19	-24	-44

¹⁾ Kicki Walje-Lund has controlling influence over the company

²⁾ The company is part of Lars Wingefors AB

³⁾ Matthew Karch has controlling influence over the company

⁴⁾ Closely related party to David Gardner has controlling influence over the company

NOTE 8 PERSONNEL EXPENSES

SEK m	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Personnel expenses	-2,108	-3,213	-4,540	-6,247	-12,197
Personnel costs related to acquisitions - Excluding FX gain/loss	-118	-431	-1,223	-837	-2,040
Total	-2,226	-3,644	-5,763	-7,084	-14,237

NOTE 9 OTHER OPERATING EXPENSES

SEK m	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Other operating expenses	-24	-16	-20	-19	-38
Transaction costs related to acquisitions	-	0	-	-7	-8
Divestment of subsidiaries	-18	-46	-620	-85	-6,856
FX gain/loss related to Personnel costs related to acquisitions ¹⁾	-	-4	-	-10	-
Total	-43	-65	-641	-121	-6,902

¹⁾ FX gain related to Personnel costs related to acquisitions is included in Other operating income.

NOTE 10 NET FINANCIAL ITEMS

SEK m	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Interest income and other financial income	18	24	53	38	78
Interest expense and other financial expense	-395	-323	-833	-573	-1,328
Sum	-377	-299	-780	-535	-1,250
Change in fair value contingent consideration and put/call options on non-controlling interests	-20	591	-51	2,279	2,735
Interest deferred consideration	-4	-21	-9	-41	-62
Realized and unrealized exchange rate gains/losses	-520	-110	-427	630	362
Total financial net	-921	161	-1,267	2,332	1,784

PARENT COMPANY'S INCOME STATEMENT

Amounts in SEK m	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Net sales	23	17	43	48	85
Other operating income	0	0	1	0	30
Total operating income	23	17	44	48	115
Operating expenses					
Other external expenses	-41	-32	-70	-86	-185
Personnel expenses	-30	-30	-65	-57	-132
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-1	-1	-2	-2	-4
Other operating expenses	-22	-1	-292	-30	-7,246
Operating profit/loss	-70	-47	-385	-126	-7,451
Net financial items	-10,604	-353	-715	295	451
Profit/loss after financial items	-10,674	-400	-1,100	169	-7,000
Appropriations	-157	-95	-212	-132	186
Profit/loss before tax	-10,830	-495	-1,312	37	-6,815
Income tax	65	64	122	-24	-14
Net profit/loss for the period	-10,765	-431	-1,190	14	-6,829

Net profit/loss for the period in the parent company corresponds to the periods comprehensive income.

PARENT COMPANY BALANCE SHEET

Amounts in SEK m	Sep 30, 2024	Sep 30, 2023	Mar 31, 2024
ASSETS			
Non-current assets			
Intangible assets	2	3	3
Tangible assets	6	8	7
Shares in Group companies	38,744	42,967	48,400
Receivables from Group companies	18,063	32,413	20,747
Other long term receivables	55	81	51
Deferred tax assets	180	9	—
Total financial assets	57,042	75,470	69,198
Total non-current assets	57,050	75,482	69,208
Current assets			
Receivables from Group companies	2,983	2,833	3,869
Other receivables	294	6	326
Prepaid expenses and accrued income	97	60	60
	3,374	2,899	4,255
Cash and cash equivalents	1,509	1,506	486
Total current assets	4,884	4,405	4,742
TOTAL ASSETS	61,934	79,887	73,950
EQUITY AND LIABILITIES			
Restricted equity	2	2	2
Unrestricted equity	53,852	61,639	54,798
Total equity	53,854	61,641	54,800
Untaxed reserves	274	162	274
Provisions	95	163	118
Long-term liabilities			
Liabilities to credit institutions	3,976	16,889	8,999
Liabilities to Group companies	1,220	—	—
Other long-term liabilities	58	—	—
Total long-term liabilities	5,254	16,889	8,999
Current liabilities			
Liabilities to credit institutions	—	—	8,000
Trade payables	56	19	51
Liabilities to Group companies	2,310	691	1,432
Other current liabilities	9	37	33
Accrued expenses and prepaid income	82	285	243
Total current liabilities	2,457	1,032	9,759
TOTAL EQUITY AND LIABILITIES	61,934	79,887	73,950

NOTE P1 THE PARENT COMPANY'S ACCOUNTING POLICIES

The interim report for the parent company has been prepared in accordance with Chapter 9 of the Annual Accounts Act, Interim reports, and RFR 2 Accounting for legal entities. The same accounting principles, basis for calculations and assessments have been applied as applied in the Annual Report for FY

2023/24, For description of the Group's applied accounting principles, see Note P1 in the Annual Report for FY 2023/24.

NOTE P2 OTHER OPERATING EXPENSES

SEK m	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Other operating expenses	8	-1	-262	-30	-58
Loss sale of subsidiaries	-30	-	-30	-	-7,188
Total	-22	-1	-292	-30	-7,246

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 this 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.	Adjusted EBITDA 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 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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>> CONTINUED

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.
EBITDAC	Adjusted EBITDA less Gross investments in intangible and tangible assets.	High level view on operational cash flow generation.
Free cash flow after working capital	Cash flow for the period, excluding cash flow from financing activities, acquisitions of subsidiaries including transaction costs, cash impact from personnel costs related to acquisitions and cash effect from items affecting comparability.	Provide a true and fair picture of the underlying operational performance, by excluding cash flow from specific items related to historical acquisitions and from items affecting comparability.
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/divested 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/divested in the last five quarters have been added/adjusted 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, contingent consideration agreements that are not classified as part of the consideration transferred, as there is a requirement for continued employment to receive the amount. Accordingly, the amount is classified as consideration for future services), 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	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
EBIT	468	-836	-971	-415	-20,519
Depreciation, amortization and impairment	1,411	3,049	3,018	4,830	21,738
EBITDA	1,879	2,214	2,047	4,416	1,218
Personnel costs related to acquisitions	103	435	1,207	848	2,025
Remeasurement of participation in associated companies	—	—	0	-3	-3
Remeasurement of contingent consideration	—	14	-4	14	18
Transaction costs	—	0	—	7	8
Items affecting comparability ¹⁾	72	260	674	338	8,112
Adjusted EBITDA	2,055	2,923	3,924	5,620	11,377
Depreciation, amortization and impairment	-1,411	-3,049	-3,018	-4,830	-21,738
Items affecting comparability ¹⁾	20	1,161	20	1,161	14,406
Amortization of surplus values of acquired intangible assets	544	779	1,110	1,537	3,018
Adjusted EBIT	1,207	1,814	2,036	3,487	7,063

ADJUSTED EARNINGS PER SHARE - DERIVATION

Amounts in SEK m	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Net profit for the period attributable to equity holders of the parent	-391	-562	-2,573	1,688	-18,177
Adjustments					
Personnel costs related to acquisitions	103	435	1,207	848	2,025
Remeasurement of participation in associated companies	—	—	—	-3	-3
Remeasurement of contingent consideration	—	14	-4	14	18
Transaction costs	—	0	—	7	8
Amortization of surplus values of acquired intangible assets	544	779	1,110	1,537	3,018
Change in fair value contingent consideration and put/call options on non-controlling interests	-14	-591	-7	-2,296	-2,800
Interest expense contingent consideration	38	21	68	58	127
Items affecting comparability ¹⁾	92	1,421	694	1,499	22,517
Adjustments before tax	763	2,079	3,067	1,664	24,909
Tax effects on adjustments	-135	-438	-257	-597	-1,539
Adjustments after tax	628	1,642	2,810	1,066	23,371
Total	237	1,079	237	2,754	5,194
Average number of shares, million	1,350	1,331	1,346	1,283	1,318
Adjusted Earnings per share, SEK	0.18	0.81	0.18	2.15	3.94
Average number of shares after full dilution, million	1,383	1,438	1,379	1,391	1,424
Adjusted Earnings per share after full dilution, SEK	0.17	0.75	0.17	1.98	3.65

¹⁾ See next page for further explanation on items affecting comparability

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ORGANIC GROWTH - DERIVATION

Amounts in SEK m	Jul-Sep 2024	Jul-Sep 2023	Change
Net sales	8,552	10,831	-21%
Net sales from acquired/divested companies ¹⁾	-102	-883	
Difference in exchange rate	—	-87	
Organic growth output	8,450	9,860	-14%

PRO FORMA GROWTH - DERIVATION

Amounts in SEK m	Jul-Sep 2024	Jul-Sep 2023	Change
Net sales	8,552	10,831	-21%
Net sales from acquired/divested companies ²⁾	-21	-775	
Difference in exchange rate	—	-88	
Pro forma growth output	8,532	9,968	-14%

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

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

FREE CASH FLOW AFTER WORKING CAPITAL

Amounts in SEK m	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Cash flow for the period	882	1,623	627	752	-1,234
Cash flow from financing activities	164	-1,502	2,974	-1,622	-832
Net cash flow from acquired/divested companies	-1,648	62	-5,570	175	2,261
Transaction costs	—	—	—	7	8
Payment personnel cost related to acquisitions	15	58	1,232	330	582
Cash flow effect IAC costs ³⁾	114	146	311	146	672
Free cash flow after working capital	-473	387	-426	-212	1,456

³⁾ These costs are mainly related to the listing project of Asmodee and implemented restructuring actions in PC/Console Games.

ITEMS AFFECTING COMPARABILITY, IAC

Amounts in SEK m	Jul-Sep 2024	Jul-Sep 2023	Apr-Sep 2024	Apr-Sep 2023	Apr 2023- Mar 2024
Other external expenses	-17	-39	-17	-71	-269
Personnel expenses	-40	-176	-40	-183	-720
Profit or loss sale of subsidiaries	-18	-46	-620	-85	-6,856
Other operating expenses ⁴⁾	3	0	3	0	-267
Total IAC cost affecting EBITDA	-72	-260	-674	-338	-8,112
Write-down intangible assets	-20	-1,148	-20	-1,148	-2,931
Write-down tangible assets	—	-12	—	-12	-39
Impairment of goodwill	—	—	—	—	-11,095
Impairment of other intangible assets	—	—	—	—	-340
Total IAC cost affecting EBIT	-92	-1,421	-694	-1,499	-22,517

⁴⁾ Whereof goods for resale SEK -265 million Apr 2023-Mar 2024

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 headcount	Internal game developers + internal employees, non-development
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

	2020/21	2021/22	2022/23	2023/2024				2024/2025		
	Full year	Full year	Full year	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Full year	Apr-Jun	Jul-Sep
Net sales, SEK m	9,000	17,067	37,665	10,450	10,831	12,050	8,875	42,206	7,933	8,552
Sales growth, Group, YoY %	71%	90%	121%	47%	13%	4%	-5%	12%	-24%	-21%
EBIT, SEK m	2,058	-1,126	194	421	-836	273	-20,378	-20,519	-1,440	468
EBIT, margin, %	23%	-7%	1%	4%	-8%	2%	-230%	-49%	-18%	5%
Adjusted EBIT, SEK m	2,858	4,465	6,366	1,673	1,814	2,150	1,426	7,063	828	1,207
Adjusted EBIT, margin, %	32%	26%	17%	16%	17%	18%	16%	17%	10%	14%
Adjusted EBITDA, SEK m	4,016	5,942	9,866	2,697	2,923	3,269	2,488	11,377	1,869	2,055
Adjusted EBITDA, margin, %	45%	35%	26%	26%	27%	27%	28%	27%	24%	24%
Basic shares weighted average, million ¹⁾	719	905	1,069	1,130	1,202	1,211	1,215	1,190	1,213	1,239
Diluted shares weighted average ¹⁾	719	921	1,081	1,130	1,202	1,211	1,216	1,191	1,214	1,239
Average number of shares, million ¹⁾	796	1,031	1,252	1,259	1,331	1,339	1,340	1,318	1,342	1,350
Average number of shares after full dilution, million ¹⁾	798	1,086	1,360	1,367	1,438	1,446	1,446	1,424	1,375	1,383
Basic earnings per share, SEK	-3.49	1.08	4.17	1.99	-0.47	-1.44	-14.92	-15.28	-1.80	-0.32
Diluted earnings per share, SEK	-3.49	1.06	4.12	1.99	-0.47	-1.44	-14.92	-15.28	-1.80	-0.32
Adjusted Earnings per share, SEK ¹⁾	3.15	3.69	4.41	1.33	0.81	0.20	1.62	3.94	0.00	0.18
Adjusted Earnings per share after full dilution, SEK	3.14	3.50	4.06	1.23	0.75	0.19	1.50	3.65	0.00	0.17
Cash flow from operating activities, SEK m	3,825	4,070	5,383	1,359	2,250	2,477	1,801	7,888	-177	444
Organic growth, YoY, %	—	—	—	20%	-2%	-4%	—	1%	-23%	-14%
Gross Margin, %	60%	72%	63%	63%	63%	57%	62%	61%	64%	59%
Specific items related to historical acquisitions										
Amortization of surplus values of acquired intangible assets	-510	-1,316	-2,973	-757	-779	-759	-722	-3,018	-566	-544
Transaction costs, SEK m	-150	-367	-290	-7	0	0	-1	-8	—	—
Personnel costs related to acquisitions	-181	-4,277	-2,631	-412	-435	-377	-800	-2,025	-1,104	-103
Remeasurement of participation in associated companies, SEK m	41	416	—	3	—	—	—	3	—	—
Remeasurement of contingent consideration, SEK m	—	-46	—	—	-14	-3	-1	-18	4	—
Total	-801	-5,591	-5,894	-1,174	-1,229	-1,138	-1,525	-5,065	-1,666	-647
Investments										
External game development and advances, SEK m	697	1,233	1,291	299	312	240	280	1,131	206	136
Internal capitalized development, SEK m	1,291	2,293	4,788	1,458	1,437	1,303	1,153	5,351	774	731
Sub-total - Investment in Game development, all segments	1,988	3,526	6,079	1,757	1,749	1,543	1,433	6,482	980	867
Other intangible assets/IP-rights, SEK m	151	190	416	155	168	138	113	574	73	83
Tangible assets, SEK m	71	344	500	103	91	67	55	316	73	46
Total	2,210	4,060	6,995	2,014	2,008	1,749	1,601	7,372	1,125	995
Completed games										
Completed games, PC/Console, SEK m	837	1,218	3,248	803	1,120	780	718	3,421	336	455
Other KPIs										
Game development projects, PC/Console										
Announced Game Dev projects	53	64	56	62	63	55	43	43	34	46
Unannounced Game Dev projects	107	159	165	153	138	124	98	98	93	82
Total	160	223	221	215	201	179	141	141	127	128
Headcount										
Total internal game developers	4,036	7,240	9,971	10,014	9,503	9,143	6,312	6,312	5,631	5,437
Total external game developers	1,079	1,346	1,455	1,342	1,151	1,078	1,387	1,387	1,028	813
Total internal employees, non-development	1,210	4,174	5,175	5,249	5,047	4,997	4,370	4,370	4,185	4,200
Total	6,325	12,760	16,601	16,605	15,701	15,218	12,069	12,069	10,844	10,450
Number of studios										
Total number External Studios	66	63	56	59	53	50	41	41	37	26
Total number Internal Studios	60	118	138	139	135	132	109	109	103	103
Total	126	181	194	198	188	182	150	150	140	129
IP-rights	225	815	896	905	923	921	913	913	911	920

¹⁾ Number of shares for FY 2020/21 have been adjusted and recalculated with respect to 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 tabletop games and other related media. The Group has an extensive catalog of over 900 owned or controlled franchises. With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its ten operative groups: THQ Nordic, PLAION, Coffee Stain, Amplifier Game Invest, DECA Games, Easybrain, Asmodee Group, Dark Horse, Freemode and Crystal Dynamics – Eidos. The Group has 103 internal game development studios and is engaging more than 10,000 employees in more than 40 countries.