

Q3

FY 2024/25

EMBRACER GROUP INTERIM REPORT

OCTOBER – DECEMBER 2024

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Q3 Interim Report FY 2024/25

Q3 FY 2024/25

Net Sales Group
SEK 7,364m

ORGANIC GROWTH

+7%

YOY GROWTH

-3%

Adjusted EBIT
SEK 1,175m

YOY GROWTH

-11%

Free cash flow
SEK 907m

Q3 FY 2023/24

(SEK 260m)

Highlights

Healthy organic growth, as well as an improved margin in PC/Console in Q3

Kingdom Come: Deliverance II successfully released after the quarter

A strong financial position post-divestment of Easybrain

Continued focus on operational efficiency and unlocking hidden value

Successful spin-off and listing of Asmodee on Nasdaq Stockholm

1.



Operating segments

Kingdom Come Deliverance II

✦ TODAY'S SPEAKER ✦



Martin Drývaldský
CEO AT WARHORSE STUDIOS



"ONE OF THE GREATEST
VIDEO GAMES I'VE EVER PLAYED"

GAMEHYPE

"THE NEW KING OF
OPEN-WORLD RPGS"

GAMESTAR

"ONE OF THE MOST REALISTIC
TITLES IN THE GENRE"

3D JUEGOS

"A MASTERCLASS IN IMMERSIVE
QUEST DESIGN AND EXPLORATION"

THE ESCAPIST

"A TRIUMPHANT SEQUEL "

GAME SPOT



256K

STEAM
PEAK PLAYERS



466K

TWITCH
PEAK VIEWERS



90%

POSITIVE
REVIEWS
FROM 20K

PLAION /
DEEP SILVER'S
FASTEST
SELLING
GAME



9/10

IGN



9/10

GAMESPOT



90/100

PC GAMER



10/10

PUSH SQUARE



100/100

VG247



90/100

GAMESTAR



10/10

DUAL SHOCKERS



10/10

GAME RANT



90/100

GAMEREACTOR



10/10

WCCFTECH



Kingdom Come Deliverance II

+ One Million +
units sold in under 24 hrs

88

PS5 | PC | XBOX
METACRITIC

89

TOP CRITIC AVERAGE
OPEN CRITIC

97%

CRITICS RECOMMEND
OPEN CRITIC



OPEN CRITIC RATING



+ FIRST WEEK PLAYER STATS +



35M

HOURS PLAYED



1.5M

HOURS
SPENT DRUNK



5.5 HOURS

DAILY PLAYTIME



8.8M

ITEMS
BLACK-SMITHED



63M

TOTAL KILLS



600K

HARES /SHEEP
KILLED



10M

GAMES OF
FARKLE PLAYED





Post Launch Roadmap ✦

'25 Spring

Free Updates

- ◆ Barber feature
- ◆ Hardcore mode
- ◆ Horse racing

Summer

Brushes with Death



Autumn

Legacy of the Forge



Winter

Mysteria Ecclesiae



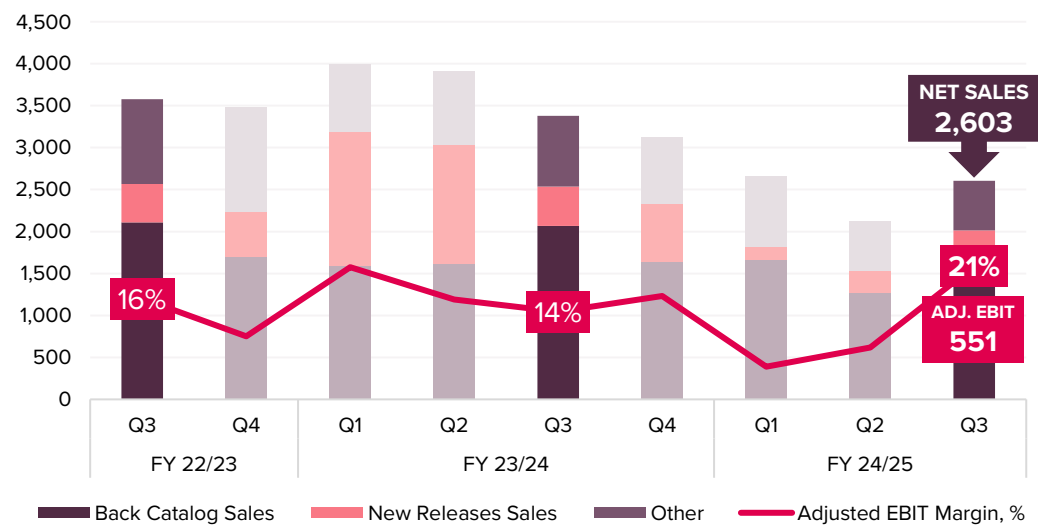
INCLUDED IN EXPANSION PASS

DLC AND RELEASE WINDOWS SUBJECT TO CHANGE

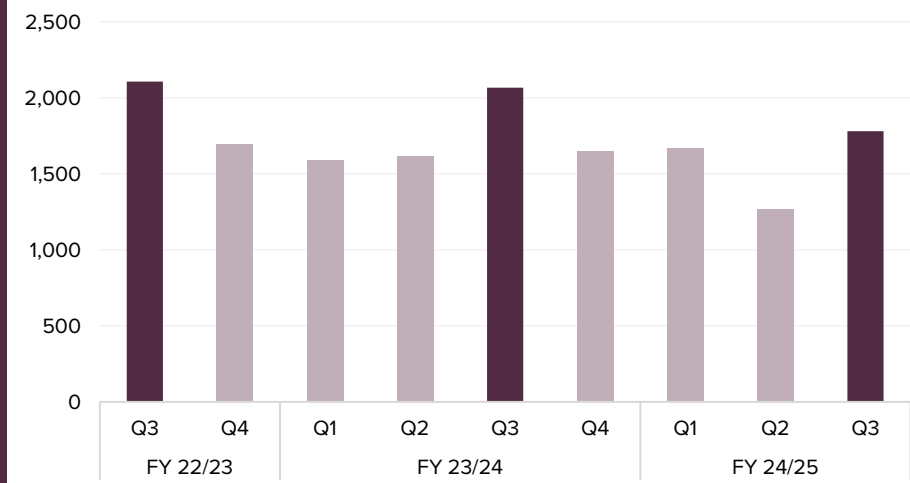


PC/Console Games

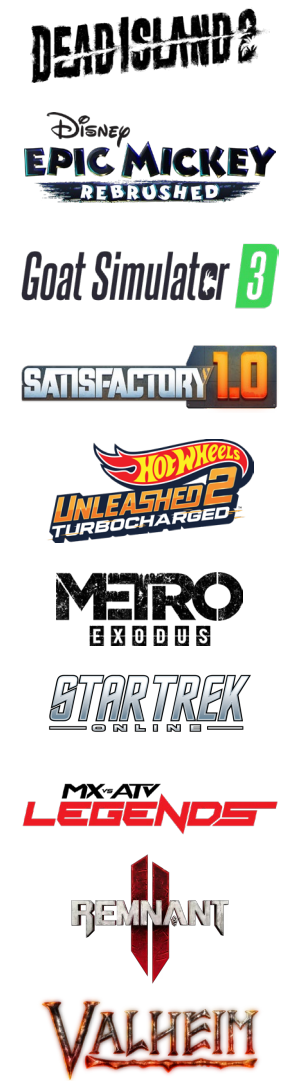
NET SALES REVENUE SPLIT SEK million & ADJUSTED EBIT MARGIN



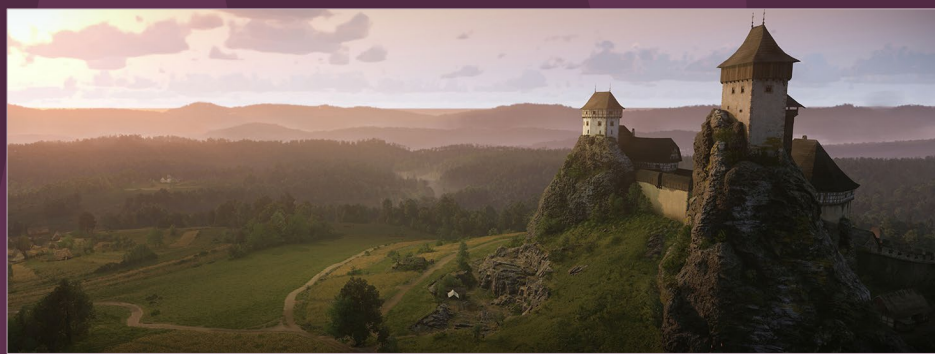
BACK CATALOG SALES | SEK million



TOP 10 BACK CATALOG



NEW RELEASES

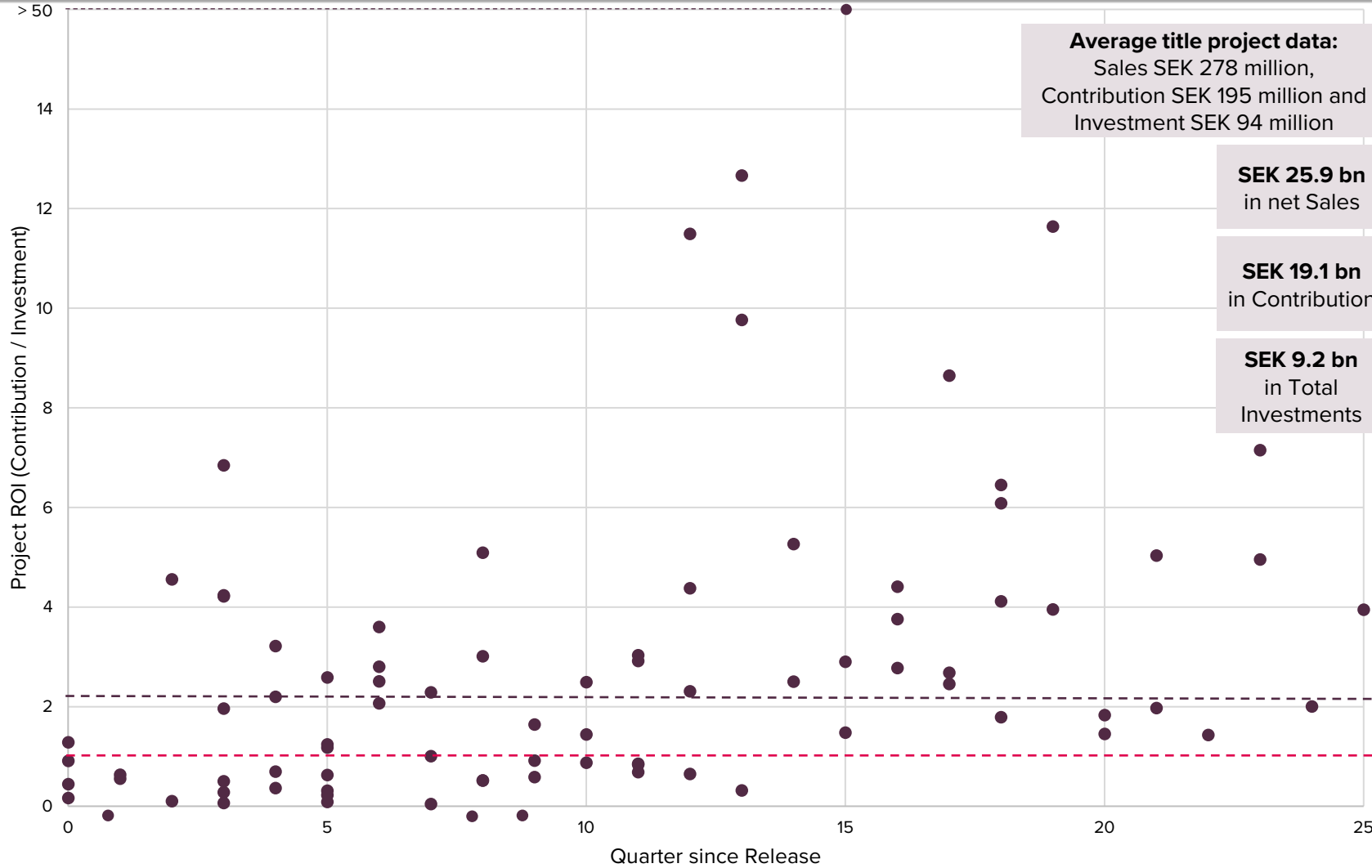


Operative Groups: 5 | Internal Headcount: 5,170 | Internal Studios: 64





PROJECT ROI (CONTRIBUTION/INVESTMENT)



DETAILS

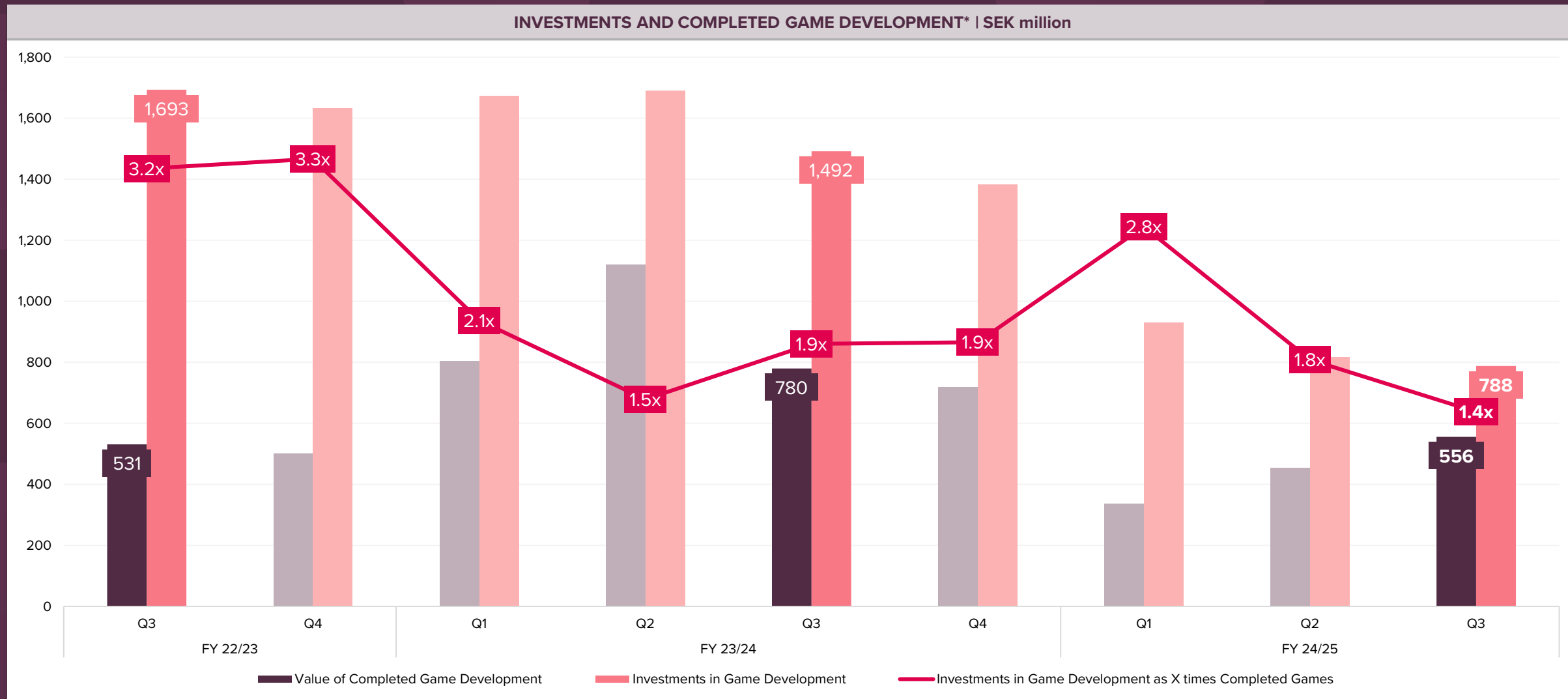
- Based on reported numbers until December 31, 2024
- Sample includes projects with sales and/or investments above SEK 40 millions (98 projects).
- $ROI = \text{Contribution} / \text{Investment}$
- Contribution = Gross Profit less marketing expenses from release to December 31, 2024
- Investment = Capitalized Development Expenses including follow-on investment
- Projects released by divested companies are excluded.

2.1x in average

1.0x in break even



Investments and completed game development





PC/Console Games

EMBRACER⁺
GROUP

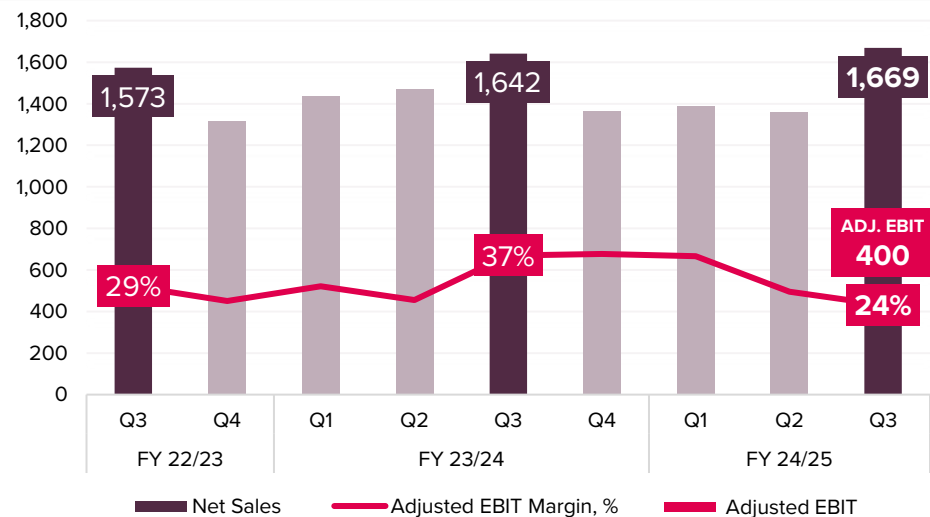
Imminent releases in Q4



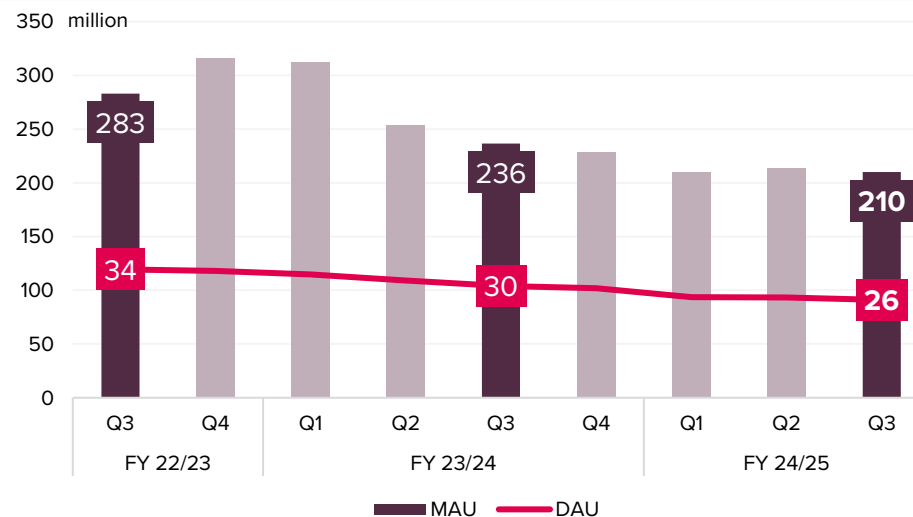


Mobile Games

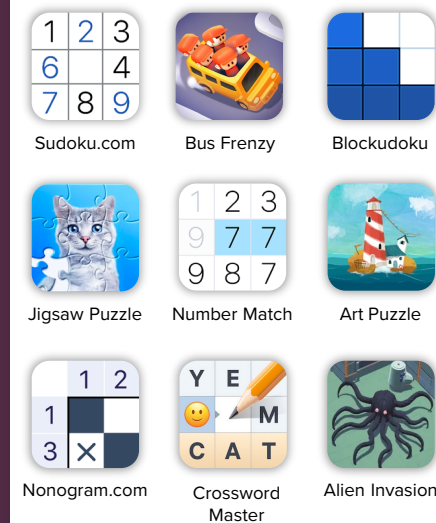
NET SALES SEK million & ADJUSTED EBIT MARGIN



DAILY ACTIVE USERS & MONTHLY ACTIVE USERS



NET SALES DRIVERS



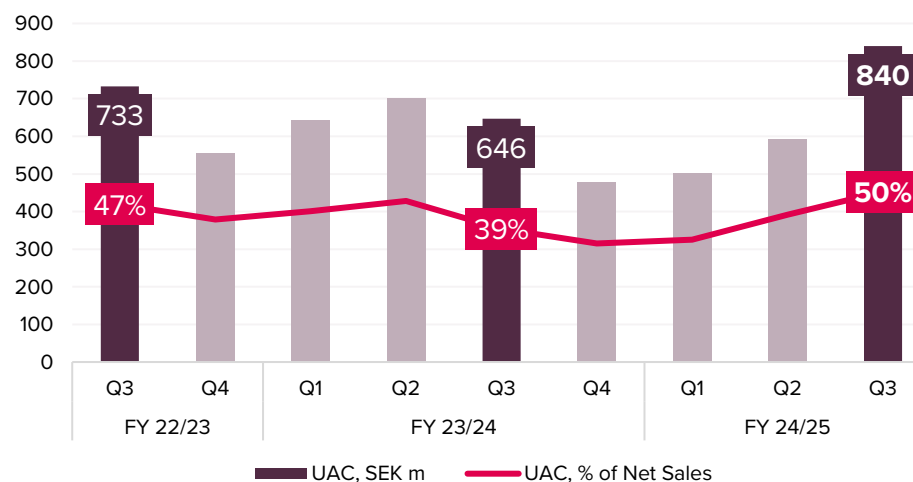
Operative Groups: 2* | Internal Headcount: 1,092 | Internal Studios: 10

DECA

CrazyLabs

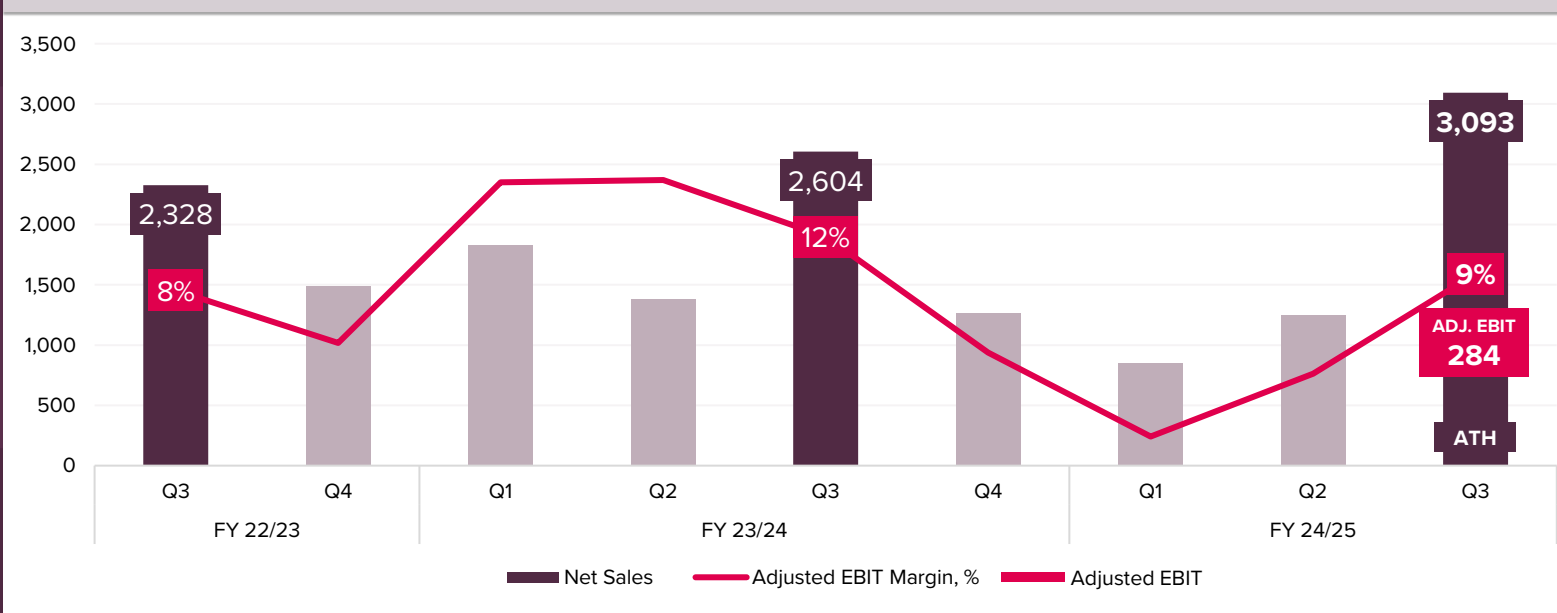
Easybrain*

USER ACQUISITION COST | SEK million

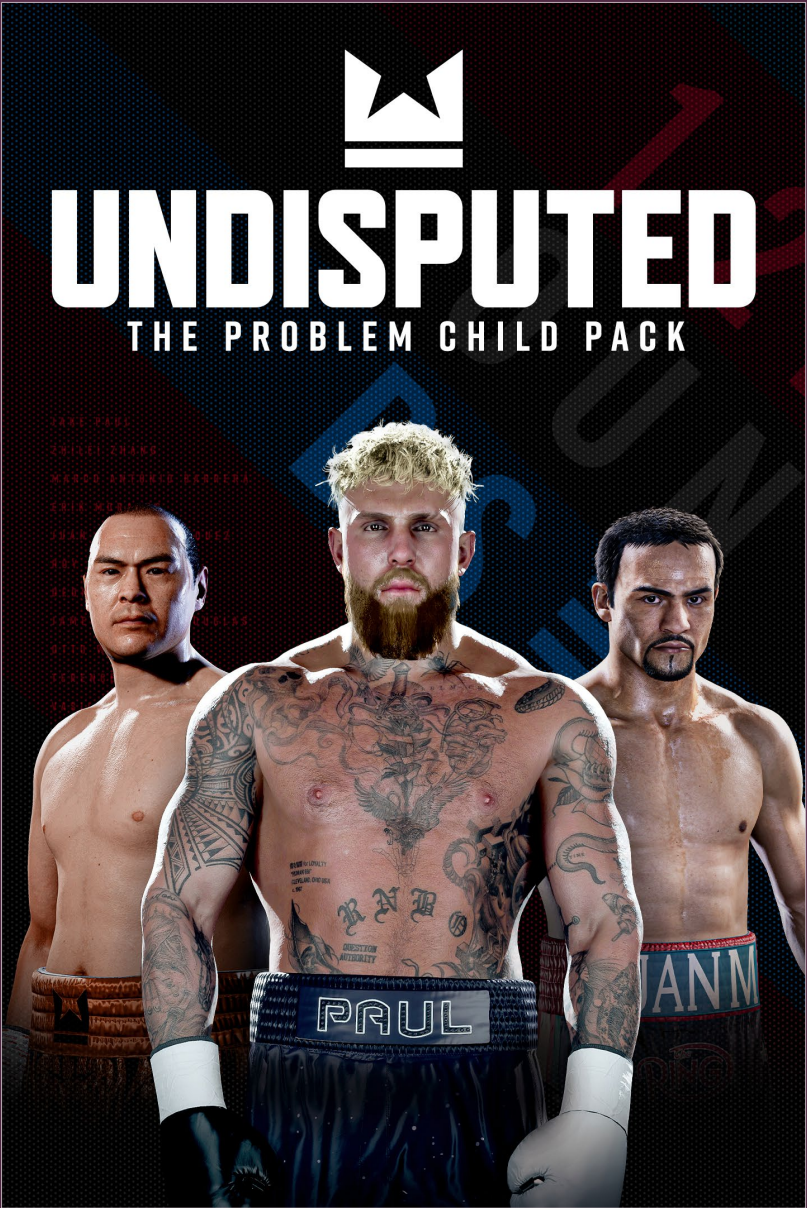




NET SALES SEK million & ADJUSTED EBIT MARGIN



Operative Groups: 3 | Internal Headcount: 845 | Internal Studios: 3

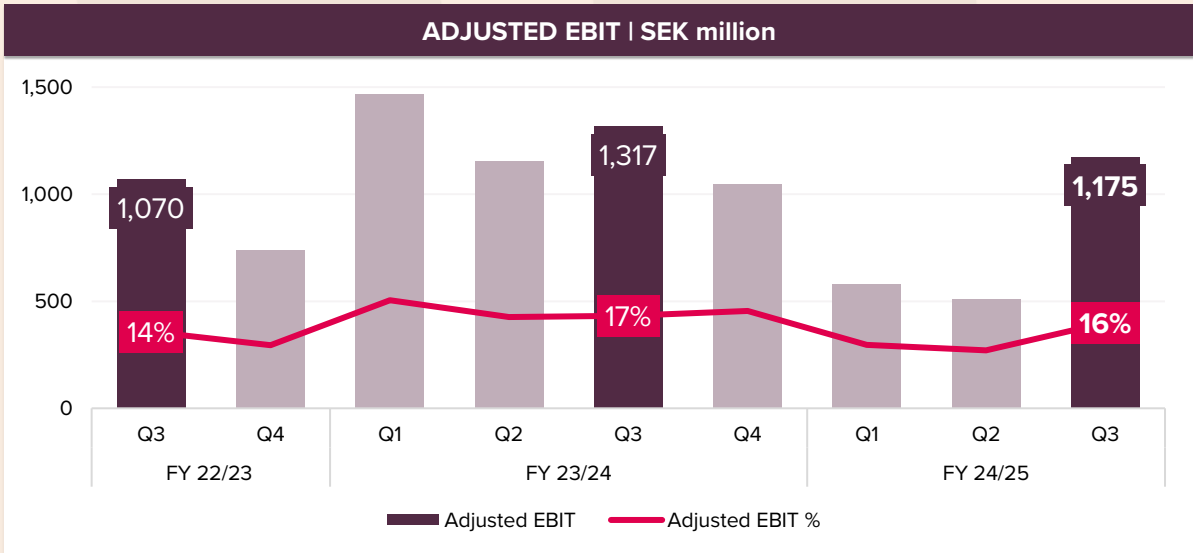
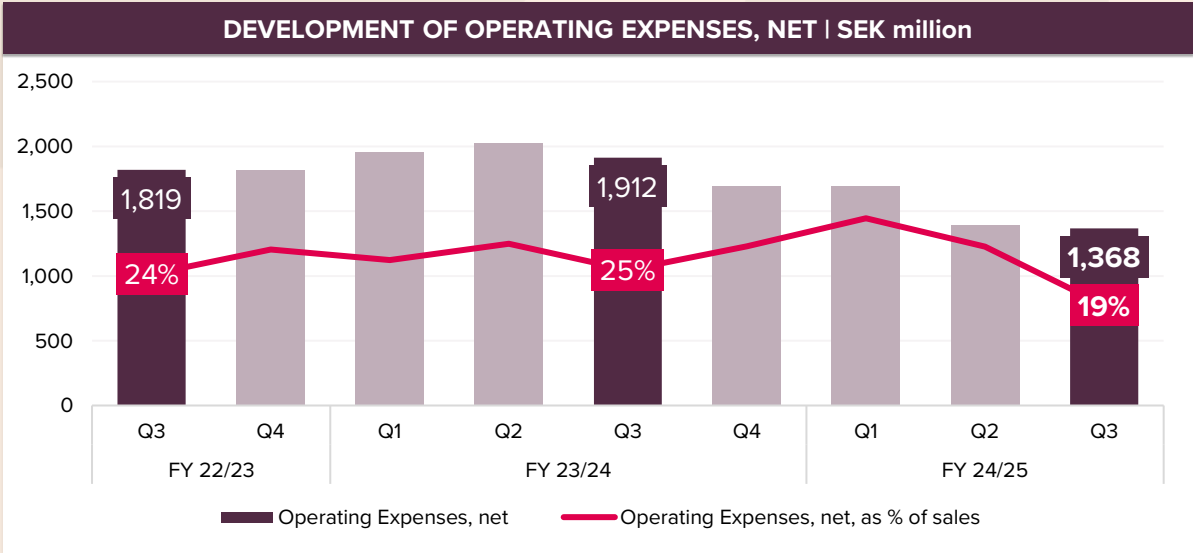
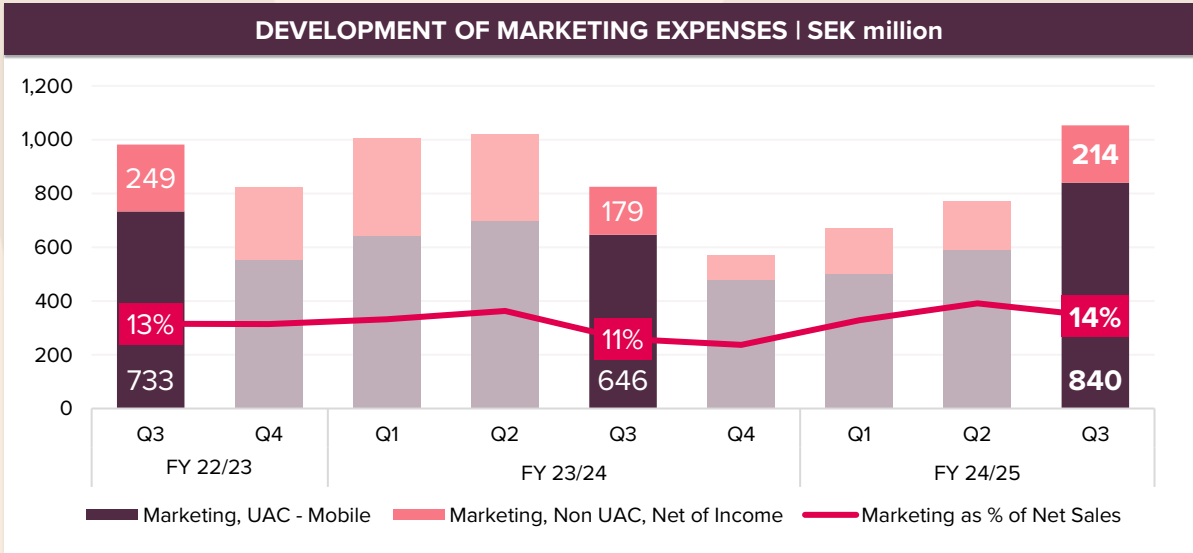
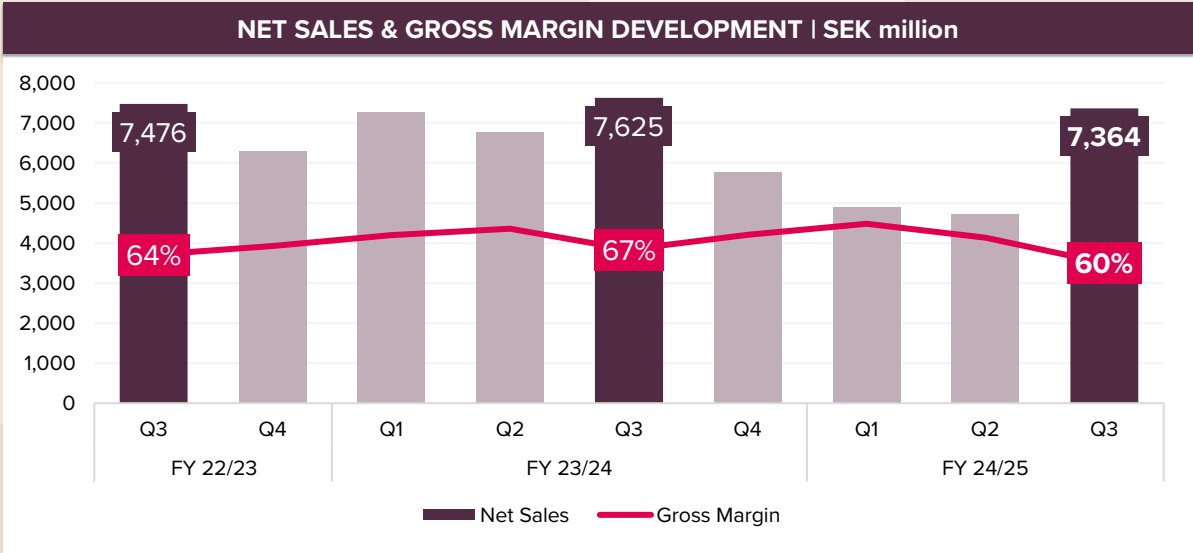


2.

Financial performance



Financial development



Cash flow and net debt

SEKm	FY24/25 Q3	FY23/24 Q3	FY 24/25 Q3 TTM	FY 23/24 Q3 TTM
Adjusted EBITDA	2,001	2,346	6,808	8,520
Cash Tax	-210	-158	-709	-616
Other items	-369	-321	-947	-892
Operating Cash flow	1,422	1,867	5,152	7,011
Net investment in intangible assets	-890	-1,623	-4,244	-7,112
Net investment in tangible assets	-26	-35	-136	-284
Net investment in financial assets	99	-64	-62	-283
Net Investment	-817	-1,722	-4,442	-7,680
Free Cash Flow before WC	605	145	710	-670
Change in working capital	302	115	-587	-516
Free Cash Flow after WC	907	260	123	-1,186
Cash Flow from financing activities	-250	253	-2,807	1,837
Net cash flow from acquired/divested companies	-432	-1,971	3,828	-2,593
Cash effect IAC costs	15	-236	-450	-371
Cash Flow for the period	242	-1,694	696	-2,313

SEKm	Dec. 31, 2024	Dec. 31, 2023
Cash	3,258	3,683
Current investments	-	0
Current liabilities to credit institutions	-589	-2,874
Current account credit facilities	-	-18
Non-current liabilities to credit institutions	-5,883	-16,918
Net Debt (-) / Net Cash (+)	-3,215	-16,127

- Free cash flow after WC increase versus previous year driven mainly by lower net investment due to effects from divestments and activities made in the restructuring program
- Embracer Group AB has a leverage covenant in its credit agreements with substantial headroom to it per December 31, 2024
- Total available liquidity by February 7, 2025 was approximately 12.7 bn SEK

Net Cash and earnout

Net Cash bridge

Net Cash bridge	SEK, billion
Reported Net debt 31/12-2024	-3.2
Estimated effect from divestment of Easybrain	12.8
Equity investment in Asmodee	-4.6
Estimated pro forma Net cash	5.0

Earnout obligation (cash – pro forma)

	SEK, billion
“Coffee Stain & Friends ² ”	0.9
“Middle-earth & Friends ² ”	1.4
Cash obligation	2.3

Earnout obligation (shares – pro forma)

No. of shares after reverse split	Expected range
No. of outstanding shares	225 million
Earnout shares to be issued expected range	1 million
No. of shares – full dilution	226 million

Comments on Q4

ADJUSTED EBIT - Q4 FY 2023/24 PROFORMA AND FY 2024/25 COMMENTS

Segment	Q4 FY 2023/24 Reported	Impact of divestments and spin-off	Q4 FY 2023/24 Pro forma	Comments on Q4 FY 2024/25
PC/Console	514	+59	572	Higher Adjusted EBIT YoY – driven by Kingdom Come: Deliverance II, late Q4 release of Killing Floor 3, mixed reception for Hyper Light Breaker in early Q4
Mobile	514	-387	127	Limited Adjusted EBIT contribution due to increased user acquisition investments
Tabletop	380	-380	0	-
E&S	48		48	Limited Adjusted EBIT contribution
Corporate	-30		-30	
Group	1,426	-709	717	

ENTITIES/ASSETS DIVESTED

March 28, 2024



Certain assets

June 11, 2024



Certain assets

January 23, 2025



ENTITIES SPUN-OFF

February 7, 2025



Comments on FY 2025/26 and beyond

- For the coming three financial years, we currently have 10 AAA PC/Console games in active development whereof 2 currently are scheduled to be released in the end of next FY 2025/26
- In addition, we have a slate of exciting mid-sized releases, including Gothic 1 Remake, REANIMAL, Fellowship, Deep Rock Galactic: Rogue Core, Titan Quest II, Screamer, Satisfactory (console) and the full release of Wreckfest 2 across platforms. We also have a similar amount of unannounced titles scheduled for release next FY
- In Q1 FY 2025/26, we have no notable PC/Console game releases
- In H1 FY 2025/26, Mobile Games segment will be in “growth mode”, implying high UAC-to-sales with positive ROI expected
- Efforts to address fixed operating costs and improve profitability and cashflow is expected to have some effect in FY 2025/26

AN EXCITING SLATE OF MID-SIZED RELEASES EXPECTED IN FY 2025/26



Closing remarks

75

INTERNAL STUDIOS

450

OVER

OWNED AND CONTROLLED IPs

118

GAME DEVELOPMENT PROJECTS

OVER

7,500

PEOPLE ENGAGED

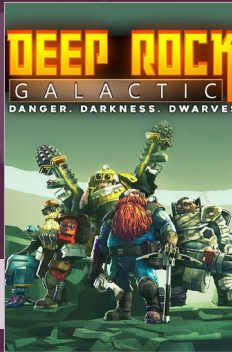
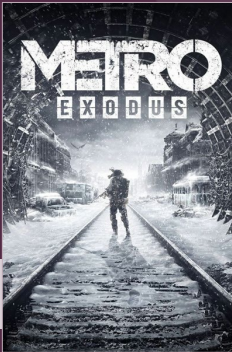
OVER

5,000

WHEREOF

DEVELOPERS

Some of our beloved IPs





Q&A

Until ~10:00 CET

3.

Appendix

SCREAMER

Pro forma financials excluding Easybrain and Asmodee

SEK, billion (TTM)	“Coffee Stain & Friends ³ ”			“Middle-earth & Friends ³ ”			Embracer Group ¹		
	FY 22/23	FY 23/24	Q3 FY 24/25	FY 22/23	FY 23/24	Q3 FY 24/25	FY 22/23	FY 23/24	Q3 FY 24/25
Net sales	7.3	7.3	6.6	12.3	14.2	11.8	19.6	21.5	18.4
Adjusted EBITDA	2.8	3.1	2.6	3.2	4.6	3.0	5.8	7.5	5.4
Adjusted EBIT	1.6	1.8	1.1	1.6	2.4	1.2	3.0	4.0	2.1
Capex	-2.2	-1.9	-1.5	-3.3	-2.7	-2.3	-5.5	-4.6	-3.8
EBITDAC ²	0.6	1.1	1.1	-0.1	1.9	0.7	0.3	2.8	1.6
Internal Studios	60	52	47	31	29	29	91	81	75
Internal Headcount	3,192	2,710	2,668	4,892	4,305	4,151	8,135	7,069	6,816

Pro forma financials | Mobile Games

SEKm	Q3 FY 22/23	Q4 FY 22/23	Q1 FY 23/24	Q2 FY 23/24	Q3 FY 23/24	Q4 FY 23/24	Q1 FY 24/25	Q2 FY 24/25	Q3 FY 24/25	FY 22/23	FY 23/24	TTM Q3 FY 24/25
Net sales	744	677	687	667	691	569	595	576	733	2,795	2,613	2,473
Adjusted EBITDA	143	133	142	148	170	136	159	117	80	530	595	492
Adjusted EBIT	134	70	133	139	162	127	153	111	75	442	561	465
Capex	-1	-2	-3	1	-5	-6	-2	-1	-1	-41	-13	-10
EBITDAC¹	142	131	139	149	165	129	157	115	79	489	582	481

Source: as of December 31, 2024 | ¹ EBITDAC = Adjusted EBITDA less Gross investment in intangible and tangible assets

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