EMBRACER GROUP

Q4

FY 2024/25

ESG FACT SHEET

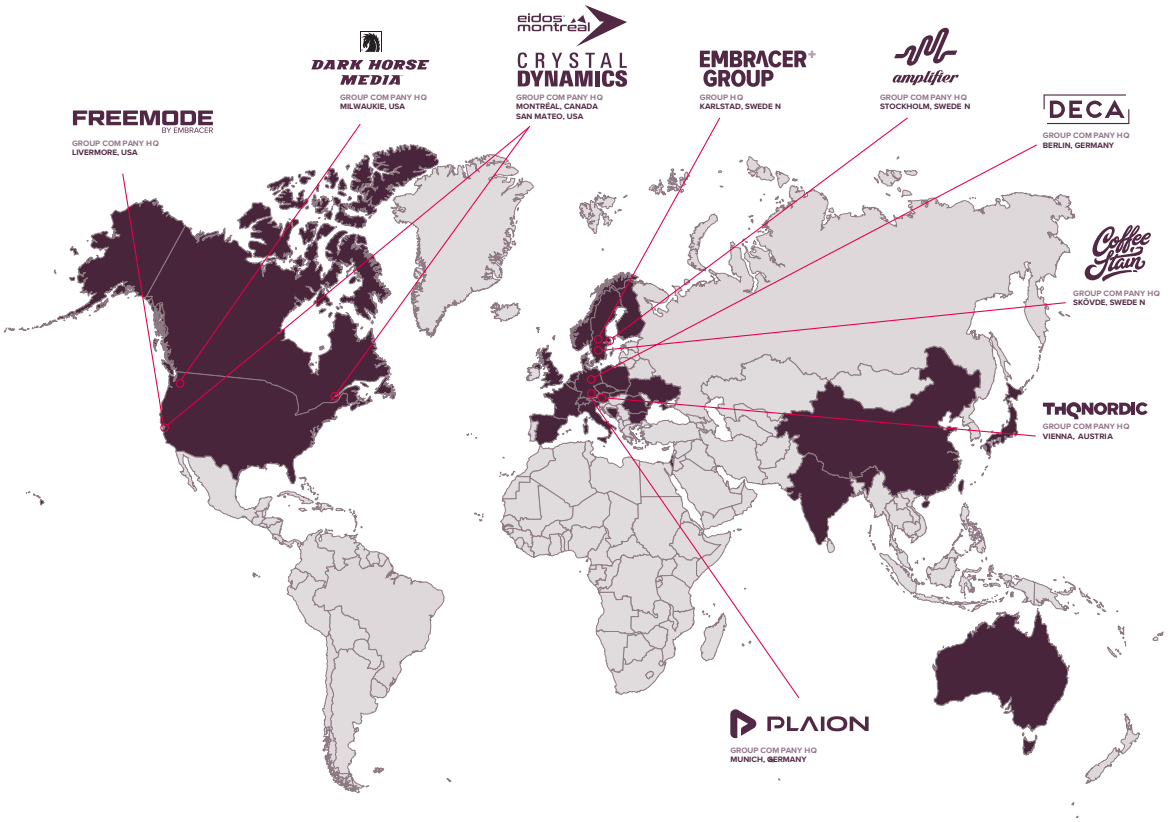
Sustainability at Embracer Group

ABOUT US

Embracer Group is a global group of creative and entrepreneurial businesses in PC/console, mobile and other related media. The Group has an extensive catalog of over 450 owned or controlled franchises. The Group includes 73 internal game development studios and engages over 7,000 employees across nearly 30 countries.

At Embracer Group, sustainability is about acting in line with our values and creating long-term value for shareholders and other stakeholders.

THIS IS EMBRACER GROUP



NET SALES*

FULL YEAR 2024/25

SEK **22,370** M

ADJUSTED EBIT MARGIN*

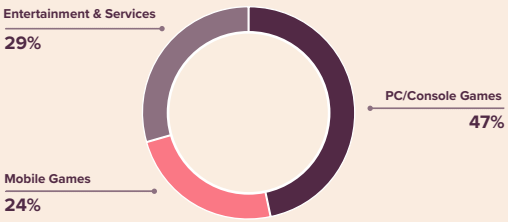
FULL YEAR 2024/25

15 %

** Excludes discontinued or divested operations (Asmodee, Easybrain, Gearbox and other divestments)*

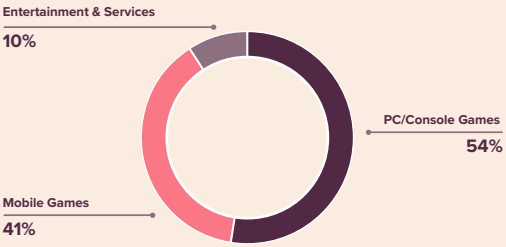
SALES BY OPERATING SEGMENT

FULL YEAR 2024/25



ADJUSTED EBIT

FULL YEAR 2024/25



OUR SUSTAINABILITY WORK

UPDATES FROM THE FOURTH QUARTER

The Group's fifth annual employee survey, completed this quarter, showed an improved average satisfaction rate of 78, up from 76 in FY23/24. The survey uses a six-scale self-assessment format and recalculates results from 0 to 100. Despite the Group´s significant transformation satisfaction increased across all aspect areas, Work Environment, Collaboration, Engagement, and Management Culture. The employee Net Promoter Score (eNPS) was 20 compared to 17 last year. We acknowledge this improvement and see opportunities for further enhancement. Over 5000 employees from more than 100 entities participated, with a 77% (83%) response rate. The survey results provide crucial data for analyzing employee satisfaction and engagement, informing priorities for future activities. Senior management teams at both global and local levels discuss these findings to guide actions.

During the year we have maintained momentum on our sustainability agenda, despite significant changes and the necessary focus on business development and reorganization. Sustainability remains a core priority in our long-term strategy, integrating our values, managing risks, and acting on business opportunities. We understand that structural adjustments and enhancements in internal communication are inevitable as the group evolves, yet our commitment to sustainability is unwavering. We have a strong framework that provides a solid foundation in our work, which we remain committed to and that provides guidance.

More information about the year's efforts will be available in the upcoming Sustainability Report. The report will be inspired by the European Sustainability Reporting Standards (ESRS), meaning the disclosure of the requirements for selected ESRS standards on a voluntary basis. We apply this approach to develop sufficient internal processes and routines to manage the new reporting requirements of CSRD, while also being prepared for any changes to the directive through the Omnibus package. The data collection process is completed and submitted data have been consolidated without delay.

SUSTAINABILITY STRATEGY

We believe in simplicity and focusing on the areas where we can accomplish most positive impact. Across the Group, our sustainability strategy is acting in line with our values, to manage risks and to act on opportunities.

At Embracer Group, sustainability is about acting in line with our values and contributing to meaningful outcomes for our stakeholders. With sustainability embedded into our business model, we capitalize on opportunities while simultaneously managing risks. In addition to our own work within the group, we collaborate with partners and peers to enhance industry awareness and address critical issues relevant to our business and our sector. Furthermore, we remain responsive to global trends and challenges, ensuring our strategies adapt to the changing landscape.

The focus areas cover the most material sustainability topics, both social and environmental and is supported by strong business ethics and governance.

The interests and views of our stakeholders are of utmost importance. Embracer Group maintains ongoing contact with our stakeholders, directly or indirectly, which for instance includes employees, non-governmental organizations (NGOs), media, industry, regulators and authorities, financial markets, gamers and other customers and suppliers.

You can find more information about our Sustainability strategy in our Annual Report 2023/24.

EMBRACER GROUP

GOVERNANCE AND BUSINESS ETHICS

- During the quarter we re-conducted our annual Code of Conduct training where 5,052 people out of a total of 6,645[1] employees so far have participated in completing the training.

[1] Our total headcount amounts to 6,645 people excluding staff from the operative groups Easybrain and Asmodee divested during the quarter.

SEVENTEEN GROUP POLICIES IN USE [2]

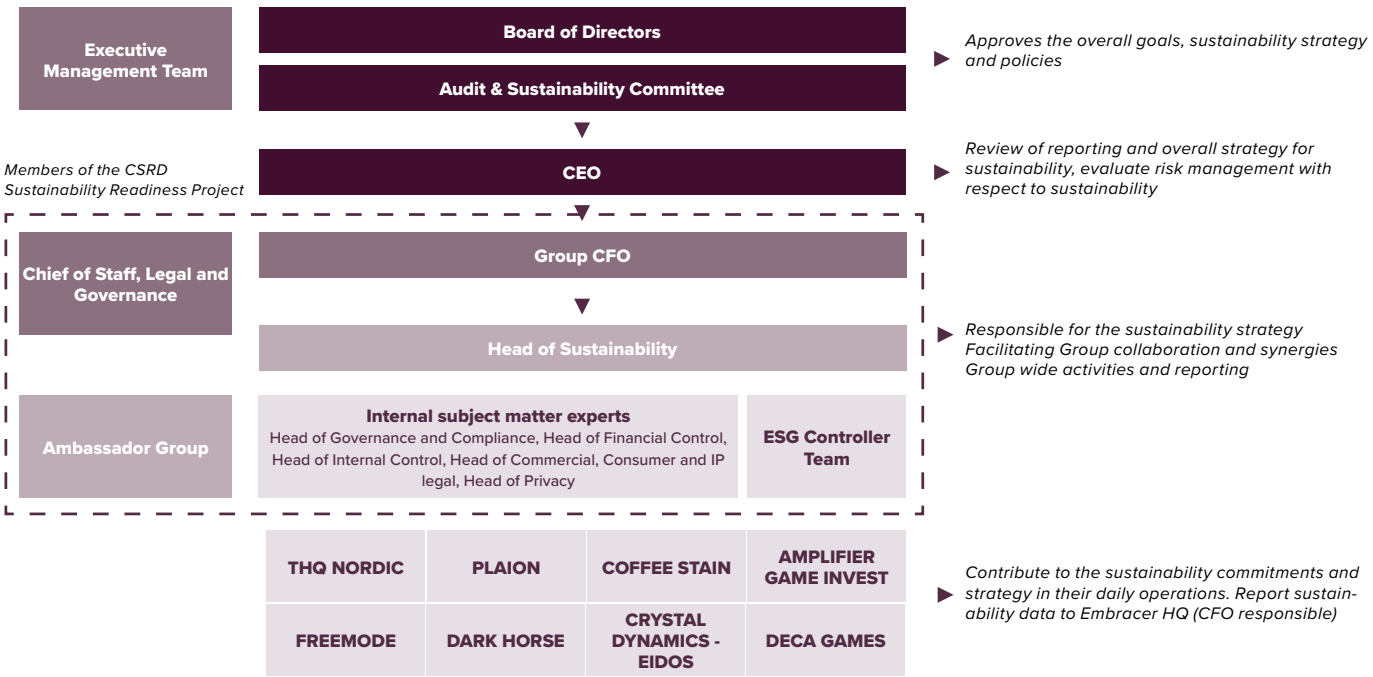
- AI Policy (52%)
- Anti-Corruption Policy (96%)
- Code of Conduct (99%)
- Corporate Governance Policy (90%)
- Delegation of Authority (91%)
- Enterprise Risk Management and Internal Control Policy (81%)
- HR Policy (86%)
- Information Policy (93%)
- Information Security Policy (91%)
- Insider Policy (91%)
- IT Policy (87%)
- Privacy Policy (91%)
- Related Party Transaction Policy (85%)
- Supplier Code of Conduct (97%)
- Tax Policy (86%)
- Trade Compliance Policy (97%)
- Treasury Policy (83%)

[2] % represents implementation rate

SEVENTEEN GROUP GUIDELINES AND INSTRUCTIONS

- Authorization Instruction
- Accounting Principles and Guidelines
- Business Continuity Plan
- Employee Handbook
- Enterprise Risk management and Internal Control Guideline
- Financial Manual
- Insider Q&A
- Onboarding and Offboarding Guidelines
- M&A Guidelines
- Password Guidelines
- Instruction for Cash Management and Liquidity
- Smarter Business Framework
- Whistleblowing Guidelines
- Privacy Guideline
- AI Image Guideline
- IP Guideline
- Guidelines for Non-Audit Services performed by the External Auditor of Embracer Group

SUSTAINABILITY ORGANIZATION AND GOVERNANCE



PARTNERSHIPS AND COLLABORATIONS

Embracer Group has been a signatory member of the **UN Global Compact** since 2021. Supporting the UN Global Compact goes hand-in-hand with our core values and is a great way to create strong networks with other companies to gain and share insight. It is a strategic tool for our sustainability efforts and a way of mitigating risks while pursuing business opportunities.

In May 2020, we partnered with **Safe in Our World**. Our employees are vital to our success and by committing to Safe in Our World, we can offer our employees training and other support to manage and prevent mental health issues. It is our commitment to raise awareness of mental health in our group.

Embracer aims to create even more diverse and inclusive workplaces. Different perspectives and skillsets lead to an even better environment for all of us and to better results for the business. In 2022, Embracer Group joined **Women in Games** as a Corporate Ambassador. The program consists of a worldwide network of individuals engaged with the agenda to support, empower, and celebrate talented women in the games industry. Several employees from different Operative Groups are registered as Women in Games ambassadors. This program empowers individuals to take action through collaborative, connected and diverse networks.

PlayCreateGreen is a community of gaming industry professionals who've joined together to create a greener game industry. PlayCreateGreen invites all gaming companies to become architects of a gaming industry-driven movement claiming ownership of and improvement in our carbon footprint. PlayCreateGreen has developed a green handbook by gaming companies for gaming companies with practical guides, examples, and inspiration for reducing carbon footprints and celebrating climate action. improves the world concretely and directly. Embracer is since 2020 part of the steering group and contribute actively together with industry peers to the future of a climate neutral industry.

Solvatten is a social enterprise based in Sweden with one mission: to provide people living in developing countries with safe and hot water in a portable, environmentally friendly way. Thanks to its durable design, Solvatten is an affordable and convenient way to get clean, hot water. Through investing in Solvatten Embracer contributes to impacting gender equality and reducing greenhouse gas emissions in the developing countries.

Kodcentrum broadens the perception of who can code and what is built using code. They work to strengthen children's digital skills and abilities, and contribute to a greater understanding of the role of programming and digitization in society.

The Great Journey is part of the EU project "Stories from Värmland and the Nordics", initiated by The Great Journey, Karlstad Innovation Park and Embracer Group with the goal of building a games industry in Värmland. The project is funded by Embracer Group, Karlstad Kommun, Region Värmland and by the European Regional Development Fund.

Embracer Group is a proud member of **Dataspelsbranschen**. Dataspelsbranschen (Swedish Games Industry) is Sweden's trade association for video game companies. Their mission is to create the best conditions for game development, increase knowledge about games, and be the voice for the Swedish gaming industry both in Sweden and internationally.

Since 2021, we have been members of **Video Games Europe**, an organization that, since 1998, has ensured that the voice of a responsible gaming ecosystem is heard and understood, that its creative and economic potential is supported and celebrated, and that players around the world continue to enjoy fantastic gaming experiences. For us, it is important that the industry has a unified voice in Europe to build awareness and understanding of gaming.

We are members of **TechSverige**, an industry organization for all companies in the tech sector, with the mission to, together with its members, create the best possible conditions for a competitive Swedish tech industry. Through our membership, we are also members of Svenskt Näringsliv (The Confederation of Swedish Enterprise), which is the leading business organization in Sweden.

Embracer Group is a proud partner of **Ung Företagsamhet Värmland** and has through it started the project Make A Game, in collaboration with The Great Journey. Make A Game gives high school students the opportunity to start their own business, develop their own game and at the same time receive professional mcoaching from experienced people in the gaming industry during their high school years.

Embracer has been involved with **Future Seeds** assignments linked to the curriculum since 2020, engaging over 7,500 students. These tasks, aimed at various age groups, include creating characters, designing movement-based games, and inspiring climate-friendly activities. By working entrepreneurially and innovatively, students can take initiative, solve problems, and develop their own creative solutions to real issues through games.

CSR Sweden is a network that for over 20 years has brought together companies that want to go deep with their sustainability work and create value for both owners and society. The goal is for knowledge to be gathered, created, organized, and shared to promote learning, innovation, and collaboration between organizations, industries, and disciplines. In this way, the network actively contributes to sustainable social development. As a company we value the opportunity to be part of a broader network, expand perspectives and learn from others.

CONTACTS

Read more about our sustainability work and progress in our Annual Report and Sustainability Report 2023/24 available on our website embracer.com.

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