

Q4

FY 2024/25

# EMBRACER GROUP YEAR-END REPORT

APRIL 2024 – MARCH 2025

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# Q4 & Year-End Report FY 2024/25

## Q4 FY 2024/25

Net Sales Group  
SEK **5,386m**

YOY GROWTH  
**-6 %**  
19 %  
PRO FORMA

Adjusted EBIT  
SEK **1,077m**

YOY GROWTH  
**3 %**  
44 %  
PRO FORMA

Free cash flow  
SEK **956m**

Q4 FY 2023/24  
**(SEK -272m)**

PRO FORMA Full Year FY 2024/25

Net Sales Group  
SEK **19,261m**

YOY GROWTH  
**-10 %**

Adjusted EBIT  
SEK **2,360m**

YOY GROWTH  
**-40%**



## Highlights

Solid organic growth and earnings development driven by Kingdom Come: Deliverance II

Solid slate of exciting new releases for FY 2025/26 and beyond

Strong financial position and in process of building a more resilient business

Coffee Stain Group to be listed by end of 2025

Evaluating further separations and M&A to unlock further value



1.



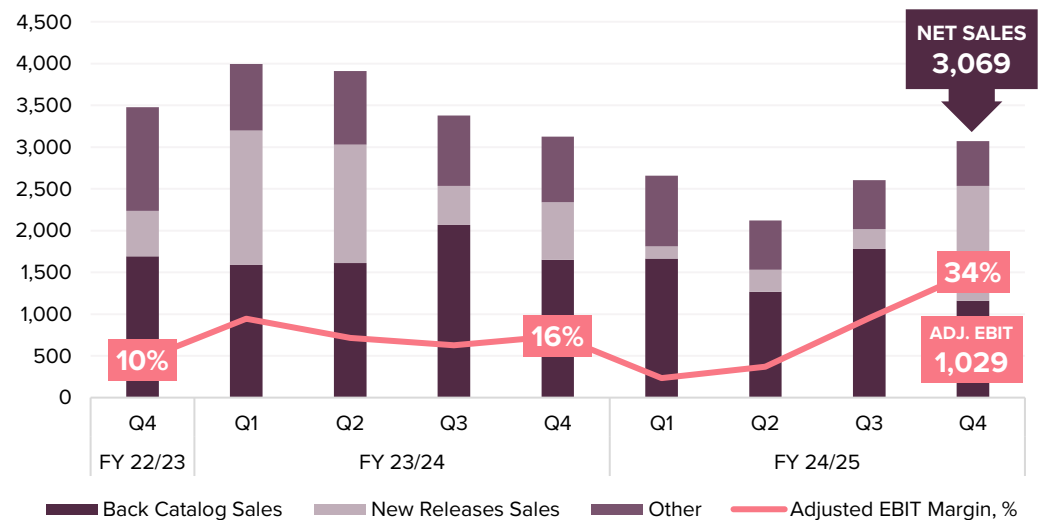
**Operating segments**



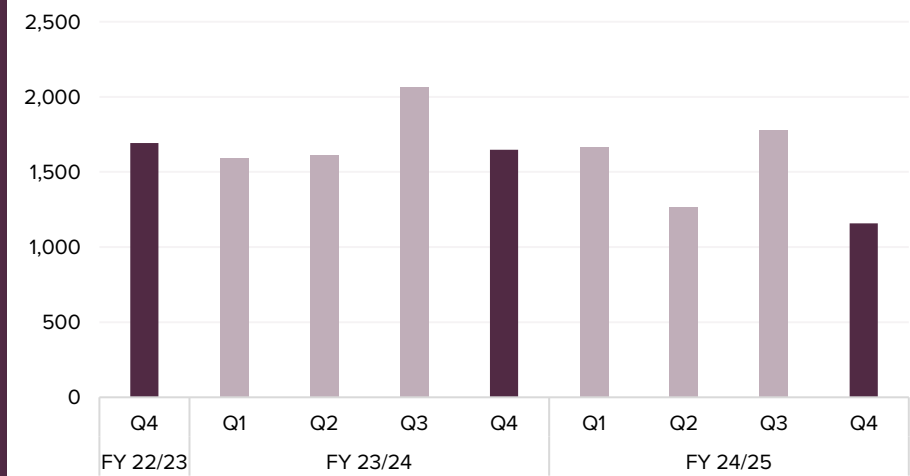


# PC/Console Games

## NET SALES REVENUE SPLIT SEK million & ADJUSTED EBIT MARGIN



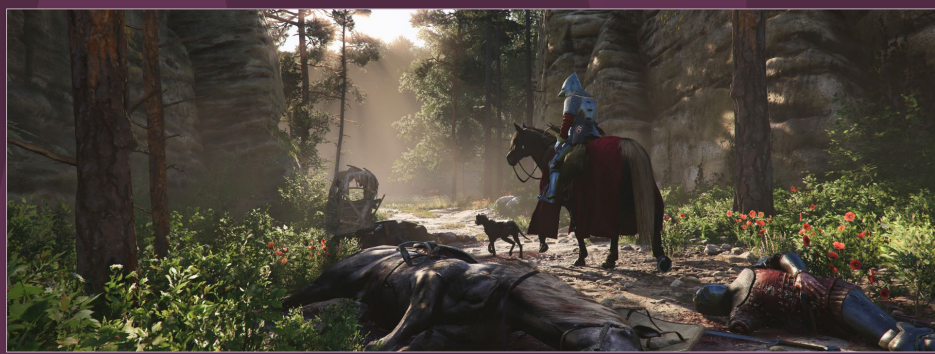
## BACK CATALOG SALES | SEK million



## TOP 10 BACK CATALOG



## NEW RELEASES

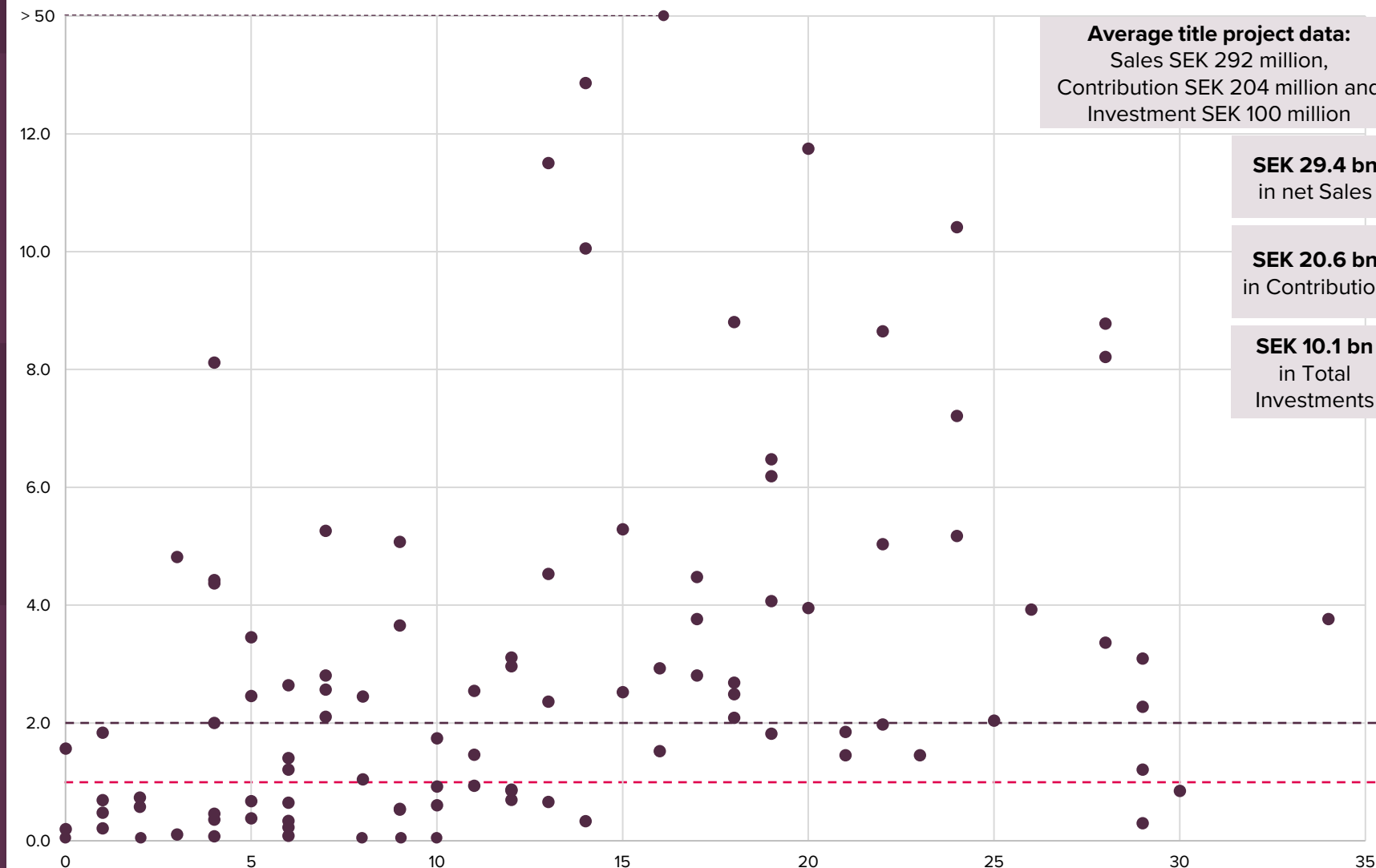


Operative Groups: 5 | Internal Headcount: 4,918 | Internal Studios: 62





## PROJECT ROI (CONTRIBUTION/INVESTMENT)



## DETAILS

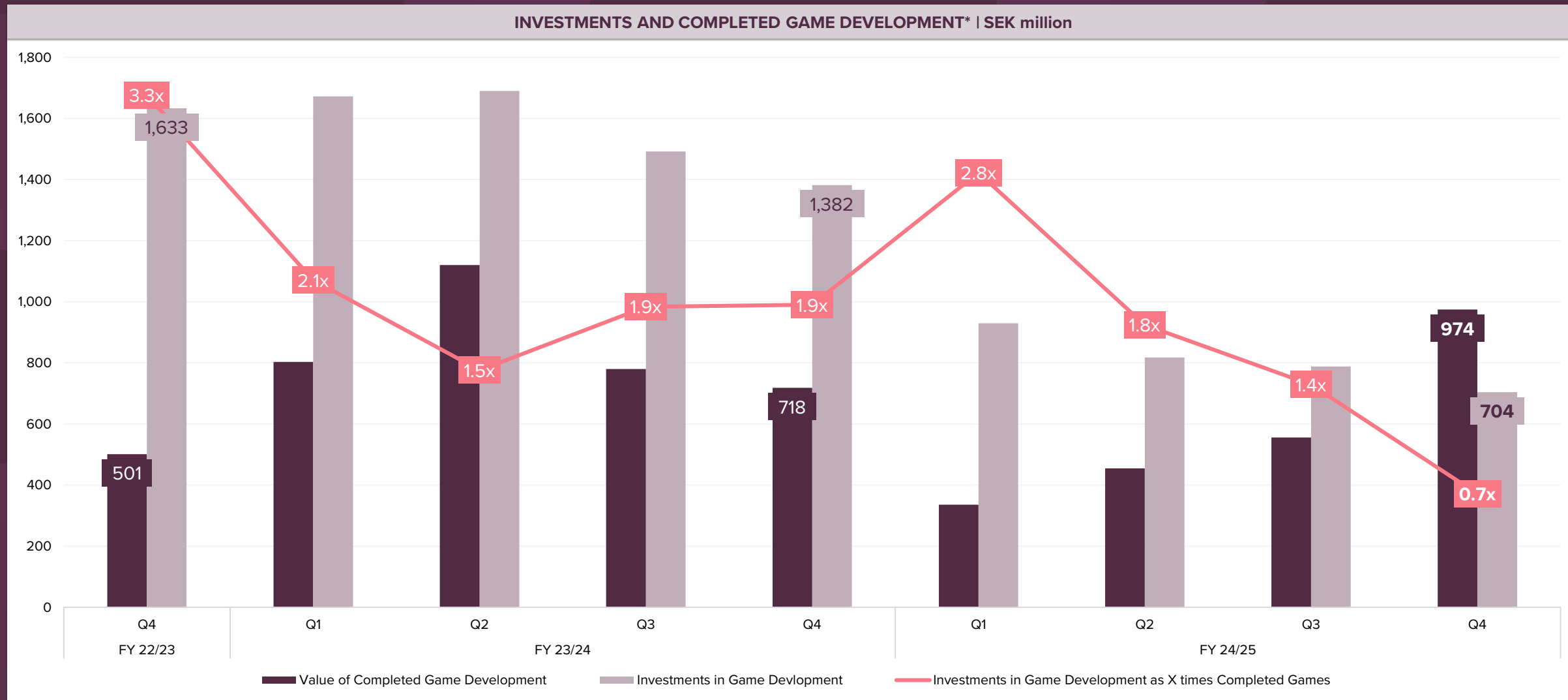
- Based on reported numbers until March 31, 2025
- Sample includes projects with sales and/or investments above SEK 40 millions (101 projects).
- $ROI = Contribution / Investment$
- Contribution = Gross Profit less marketing expenses from release to March 31, 2025
- Investment = Capitalized Development Expenses including follow-on investment
- Projects released by divested companies are excluded.

2.0x in average

1.0x in break even



# Investments and completed game development

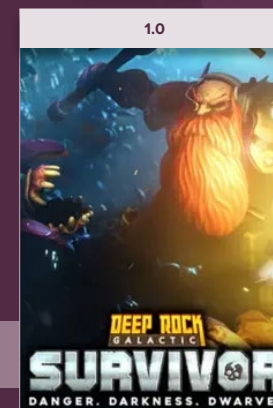
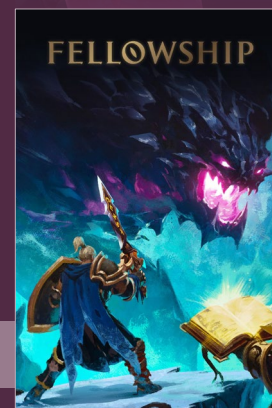
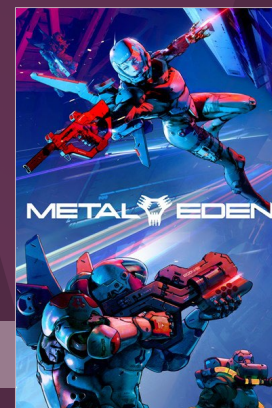






# Solid pipeline for FY 2025/26 and beyond

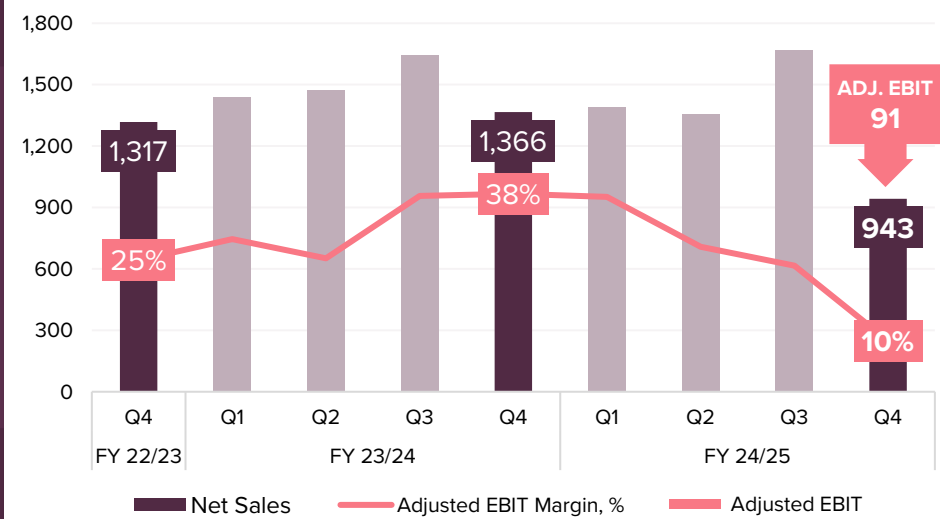
Notable announced upcoming releases including 2 AAA titles



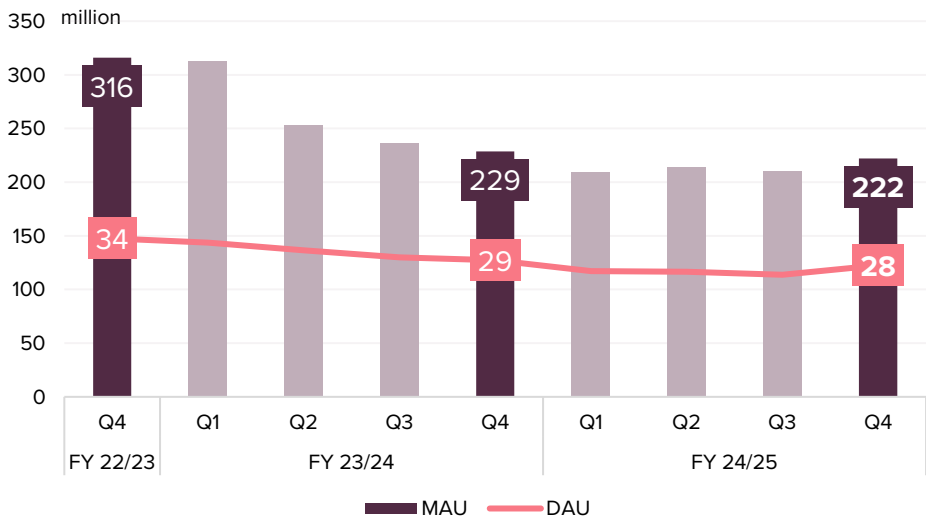




NET SALES SEK million & ADJUSTED EBIT MARGIN



DAILY ACTIVE USERS & MONTHLY ACTIVE USERS



NET SALES DRIVERS



BUS FRENZY – TRAFIC JAM



GLOW: FASHION IDOL



ALIEN INVASION



COFFEE MANIA



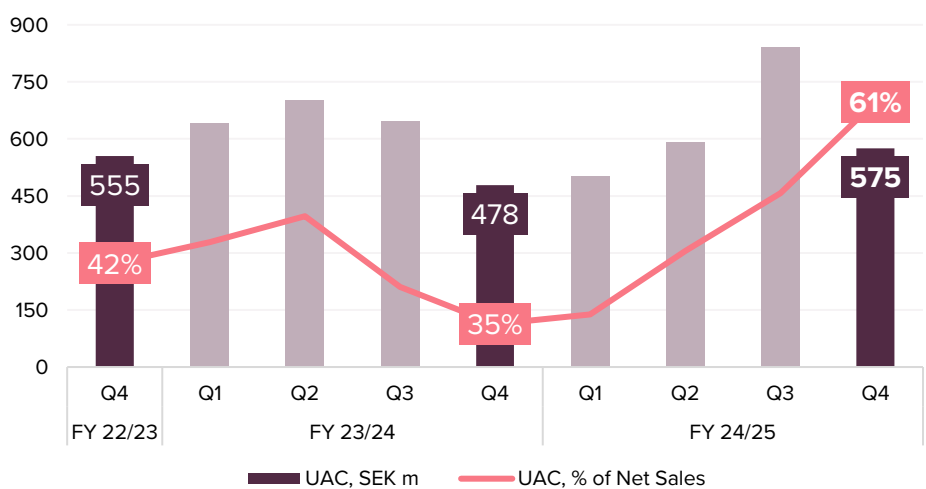
PARTY IN MY DORM



Operative Groups: 1\* | Internal Headcount: 743 | Internal Studios: 8

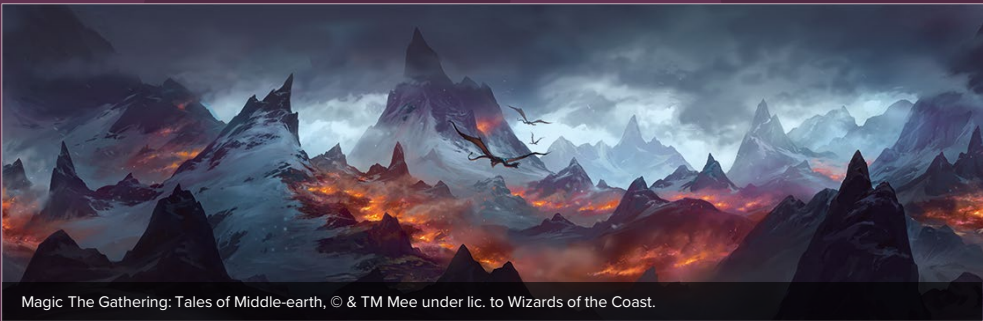
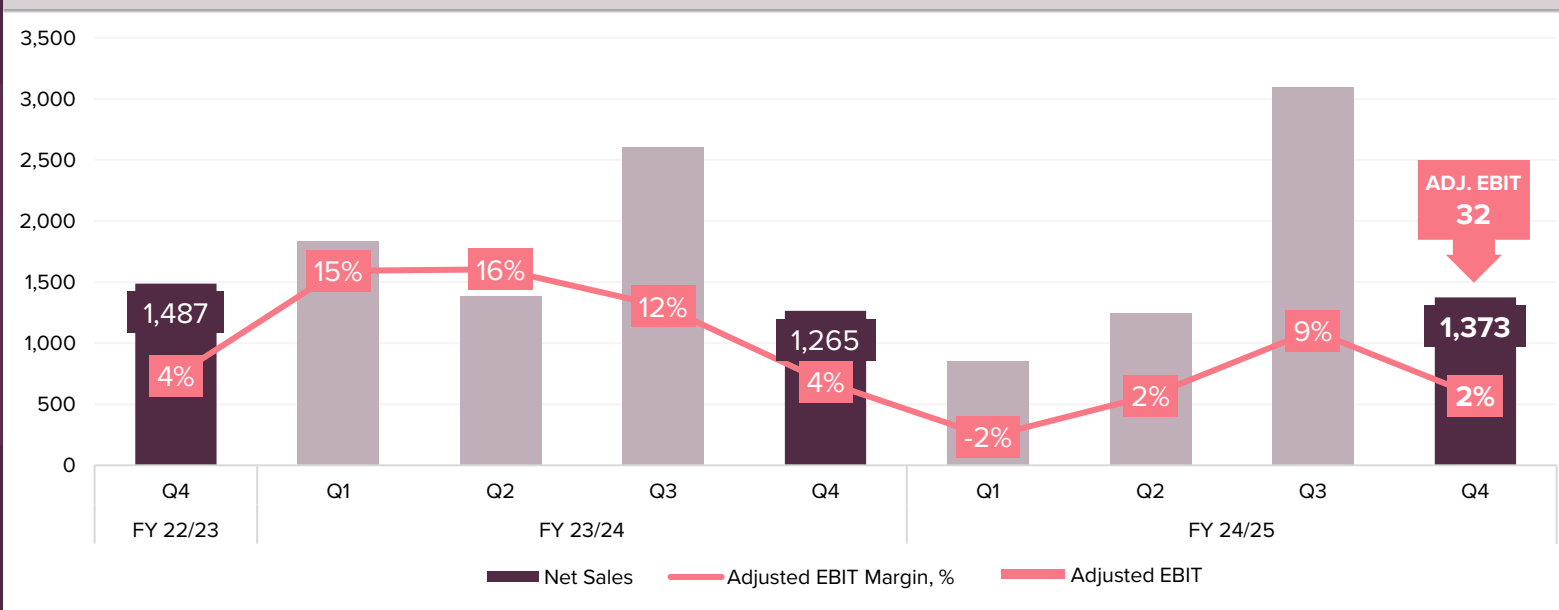


USER ACQUISITION COST | SEK million





NET SALES SEK million & ADJUSTED EBIT MARGIN



Operative Groups: 3 | Internal Headcount: 738 | Internal Studios: 3





# Comments on FY 2025/26 and beyond

## Q1 FY 2025/26

- PC/Console: stable Adjusted EBIT YoY, with <10% of the completed games development in FY 2025/26
- Mobile: limited topline growth YoY on a pro forma basis, with a somewhat higher pro forma Adjusted EBIT contribution sequentially compared to Q4
- E&S: no Adjusted EBIT contribution in Q1, with no noteworthy product releases

## FY 2025/26

- Killing Floor 3 is now scheduled for Q2, with a 24 July release date
- Marvel 1943: Rise of Hydra is now scheduled for early 2026 - notable revenues expected but lower margins due to shared economics with several other partners
- Management is taking a more prudent view that the third expected AAA game will likely need a few more quarters to polish and subsequently would release in FY 2026/27
- Overall, on a pro forma basis, we expect net sales to be slightly above FY 2024/25 with both EBITDAC and Adjusted EBIT to be broadly in line with FY2024/25

## FY 2026/27 & 2027/28

- In FY 2026/27 and FY 2027/28, we have 9 additional AAA games currently slated
- A clear increase in release cadence expected compared to our average of just over 1 AAA game per year since FY 2020/21



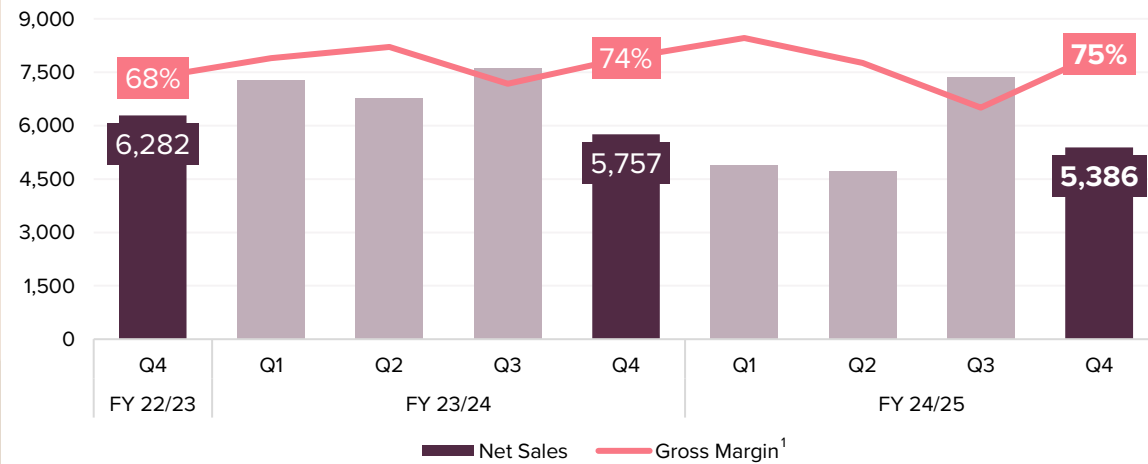
2.

# Financial performance

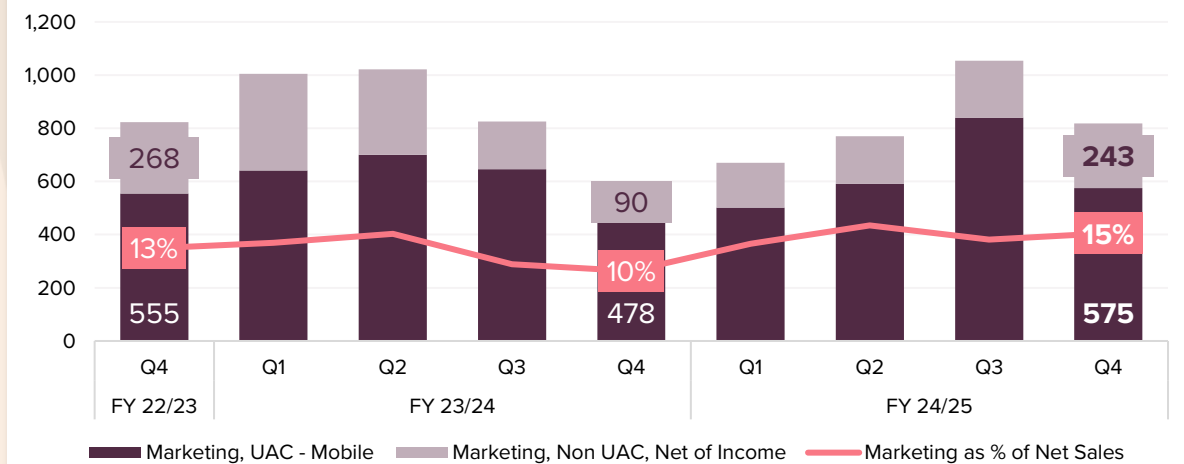
A person wearing a futuristic, high-tech suit with a helmet, viewed from behind. The suit is primarily black with orange accents, particularly on the helmet and shoulder pads. The person is standing against a dark blue background. The text "Financial performance" is overlaid in white, bold font across the center of the image.

# Financial development

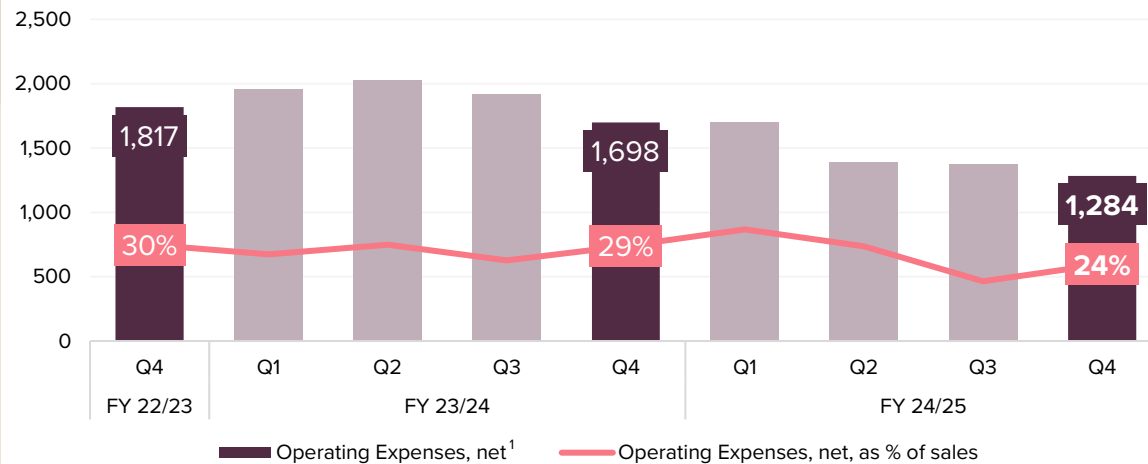
NET SALES &amp; GROSS MARGIN DEVELOPMENT | SEK million



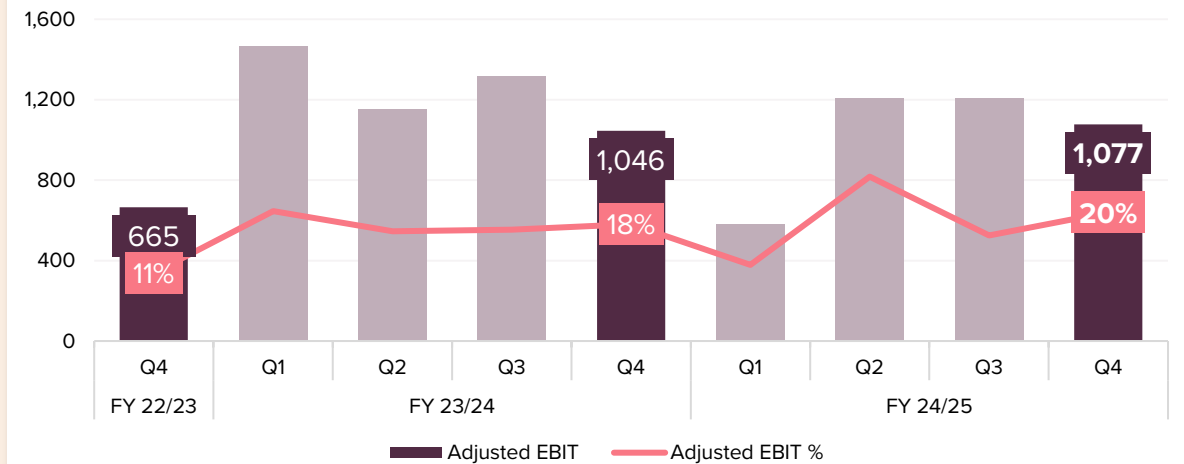
DEVELOPMENT OF MARKETING EXPENSES | SEK million



DEVELOPMENT OF OPERATING EXPENSES, NET | SEK million



ADJUSTED EBIT | SEK million



# Cash flow and net debt

SEKm	FY24/25 Q4	FY23/24 Q4	FY 24/25 Full Year	FY 23/24 Full Year
<b>Adjusted EBITDA</b>	<b>1,952</b>	<b>2,007</b>	<b>6,753</b>	<b>8,932</b>
Cash Tax	-95	-99	-705	-609
Other items	-279	-380	-846	-1,326
<b>Operating Cash flow</b>	<b>1,578</b>	<b>1,528</b>	<b>5,202</b>	<b>6,997</b>
Net investment in intangible assets	-830	-1,461	-3,613	-6,809
Net investment in tangible assets	-19	-29	-126	-222
Net investment in financial assets	-17	-41	-38	-390
<b>Net Investment</b>	<b>-866</b>	<b>-1,531</b>	<b>-3,777</b>	<b>-7,421</b>
<b>Free Cash Flow before WC</b>	<b>712</b>	<b>-3</b>	<b>1,425</b>	<b>-424</b>
Change in working capital	244	-269	-74	-395
<b>Free Cash Flow after WC</b>	<b>956</b>	<b>-272</b>	<b>1,351</b>	<b>-819</b>
Cash Flow from financing activities	-9,478	363	-12,648	2,741
Net cash flow from acquired/divested companies	12,583	-137	16,552	-2,585
Cash effect IAC costs	-121	-177	-395	-548
<b>Cash Flow for the period</b>	<b>3,940</b>	<b>-223</b>	<b>4,860</b>	<b>-1,211</b>

SEKm	Mar. 31, 2025	Mar. 31, 2024
Cash	7,097	3,507
Current investments	0	0
Current liabilities to credit institutions	-545	-8,994
Current account credit facilities	-	-35
Non-current liabilities to credit institutions	-1,119	-10,885
<b>Net Debt (-) / Net Cash (+)</b>	<b>5,433</b>	<b>-16,407</b>

- Free cash flow after WC increase versus previous year driven mainly by lower net investment due to effects from divestments and actions made in the restructuring program.
- SEK 12.6 billion net proceed for the divestment of Easybrain received in the quarter.
- Cash Flow from Financing activities SEK -9.5 billion mainly relates to reduced debt in the quarter (SEK -5.1 billion) and net effect of equity contribution to Asmodee (SEK -4.7 billion).



# Adjusted EBIT Bridge

SEK, million	IFRS expense reported	Items not affecting Cash Flow	Items affecting Cash Flow
<b>Specification of items affecting comparability</b>			
Net gains from divestments	8,658	-3,982 <sup>1</sup>	12,640
Impairment of acquired IP rights	-378	-378 <sup>2</sup>	0
Write-downs of intangible assets	-404	-404 <sup>3</sup>	0
Other IAC related to personnel costs, other external expenses, other operating income/expenses etc.	-371	-250	-121 <sup>4</sup>
Annual impairment of goodwill	-3,727	-3,727 <sup>5</sup>	0
<b>Items affecting comparability</b>	<b>3,779</b>	<b>-8,740</b>	<b>12,519</b>
<b>Specification specific items related to historical acquisitions</b>			
Personnel costs related to acquisitions	-257	-227	-30
Amortization of surplus values of acquired intangible assets	-277	-277	0
<b>Specific items related to historical acquisitions</b>	<b>-534</b>	<b>-504</b>	<b>-30</b>

Acquisition related expenses for expensed earnouts and planned amortizations of acquisition related surplus values.  
In-line with expectations except for accelerations in conjunction with the divestments of Saber and Gearbox.

<sup>1</sup> Net gains primarily related to divestment of Easybrain

<sup>2</sup> Impairment of acquired IP rights

<sup>3</sup> Write-downs related to a range of game development projects across Amplifier and THQ Nordic

<sup>4</sup> Expenses related to profitability actions

<sup>5</sup> Non-cash impairment according to annual impairment process mainly related to PC/Console operating segment

Reconciliation of Adjusted EBIT Q4 2024/25	SEK, million
<b>Adjusted EBIT</b>	<b>1,077</b>
Items affecting comparability	3,779
Specific items related to historical acquisitions	-534
<b>EBIT</b>	<b>4,322</b>

3.



# “Coffee Stain & Friends” becomes Coffee Stain Group

## Coffee Stain Group



And many others...

All creators behind IPs include award-winning, community driven, evergreen games such as:



A group of over 250 passionate game developers and publishers, focused on delivering high quality experiences

Long-term opportunity in attracting and enabling partnerships with like-minded independent game developers and talents

All studios are based in Scandinavia  
Anton Westbergh, CEO and Co-Founder of Coffee Stain, will become Group CEO

Nasdaq First North Premier Growth | Calendar year 2025



# “Middle-earth & Friends” becomes Fellowship Entertainment

## Fellowship Entertainment

TARSIER  
STUDIOS

FLYING  
WILD  
HOG

aspȳr

MILESTONE

GUNFIRE  
GAMES

PLAION

THQ NORDIC

DECA

MIDDLE-EARTH  
ENTERPRISES

TRIFIRE

DARK HORSE  
MEDIA

4A GAMES

LIMITED  
RUN

eidos  
montreal

CrazyLabs

WARRIORSE

VERTIGO GAMES

DAMBUSTER  
STUDIOS

CRYSTAL  
DYNAMICS

And 40 more...

Fellowship Entertainment will be uniting top creators and intellectual properties, fostering creativity to build unforgettable experiences for the fans

- A single operational powerhouse within IP licensing, PC/console, retro and mobile gaming, as well as within comics, merchandise, film and distribution
- Steward of the commercial rights to J.R.R. Tolkien's work *The Hobbit* and *The Lord of the Rings*

Kingdom Come  
Deliverance

KILLING  
FLOOR III

DEAD ISLAND 2

REMNANT

MEIO

DARKSIDERS

TOMB  
RAIDER

# Pro forma financials

SEK, million	Coffee Stain Group		Fellowship Entertainment		Embracer Group <sup>1</sup>	
	FY 23/24	FY 24/25	FY 23/24	FY 24/25	FY 23/24	FY 24/25
<b>Net sales</b>	1,084	1,089	20,403	18,171	<b>21,488</b>	<b>19,260</b>
<b>Adjusted EBITDA</b>	762	734	6,856	5,263	<b>7,398</b>	<b>5,749</b>
<b>Adjusted EBIT</b>	614	544	3,520	2,073	<b>3,904</b>	<b>2,360</b>
<b>EBITDAC<sup>2</sup></b>	548	526	2,446	1,814	<b>2,771</b>	<b>2,090</b>
<b>Internal Studios</b>	12	12	69	61	<b>81</b>	<b>73</b>
<b>Internal Headcount</b>	246	245	6,769	6,148	<b>7,069</b>	<b>6,456</b>

Note: Figures shown are unaudited and may be subject to change dependent on final asset distribution and finalization of standalone financials in accordance with the requirements for the spin-off



A promotional image for LEGO Star Wars: The Force Awakens. The scene is set in a dark, cavernous environment with blue and purple lighting. In the foreground, a large, dark, angular structure, possibly a bridge or a platform, extends from the bottom left towards the center. On this structure, a small, green, bipedal robot with a white chest piece is walking away from the viewer. To the right, a larger, dark, angular structure, possibly a vehicle or a piece of machinery, is visible. In the background, a small, green, angular spacecraft with glowing green lights is flying towards the viewer. The overall atmosphere is mysterious and futuristic.

**Q&A**  
Until ~10:00 CEST



4.

# Appendix



# Pro forma financials | Mobile Games

SEK million	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	Q4 FY 24/25	FY 22/23	FY 23/24	FY 24/25
<b>Net sales</b>	677	687	667	691	569	595	576	733	<b>736</b>	2,795	2,613	<b>2,640</b>
<b>Adjusted EBITDA</b>	133	142	148	170	136	159	117	80	<b>51</b>	530	595	<b>407</b>
<b>Adjusted EBIT</b>	70	133	139	162	127	153	111	75	<b>45</b>	442	561	<b>384</b>
<b>Capex</b>	-2	-3	1	-5	-6	-2	-1	-1	<b>-1</b>	-41	-13	<b>-5</b>
<b>EBITDAC<sup>1</sup></b>	131	139	149	165	129	157	115	79	<b>50</b>	489	582	<b>402</b>

Source: as of March 31, 2025 | <sup>1</sup> EBITDAC = Adjusted EBITDA less Gross investment in intangible and tangible assets

**EMBRACER<sup>+</sup>  
GROUP**