Q2

FY 2025/26

EMBRACER GROUP INTERIM REPORT

JULY – SEPTEMBER 2025

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EMBRACER+ GROUP

What we cover today

Highlights

Operating segments

- PC/Console Games
- Mobile Games
- Entertainment & Services

Financial performance

Looking ahead

Q&A

Highlights from Q2

Net sales | Q2

SEK 3,850 m

-19% YoY (**6%** organic)

Adjusted EBIT | Q2

SEK 109 m

(SEK **513** m)

or SEK 247 m excl. divested assets

Free cash flow[1] | TTM

SEK 1,292 m

(SEK **-524** m)

The Lord of the Rings and Kingdom Come: Deliverance exceeded expectations

Coffee Stain Group – Capital Markets Event 17 Nov. ahead of spin-off

Strategic actions, share buybacks, and a shift to a more cohesive, IP-first organization

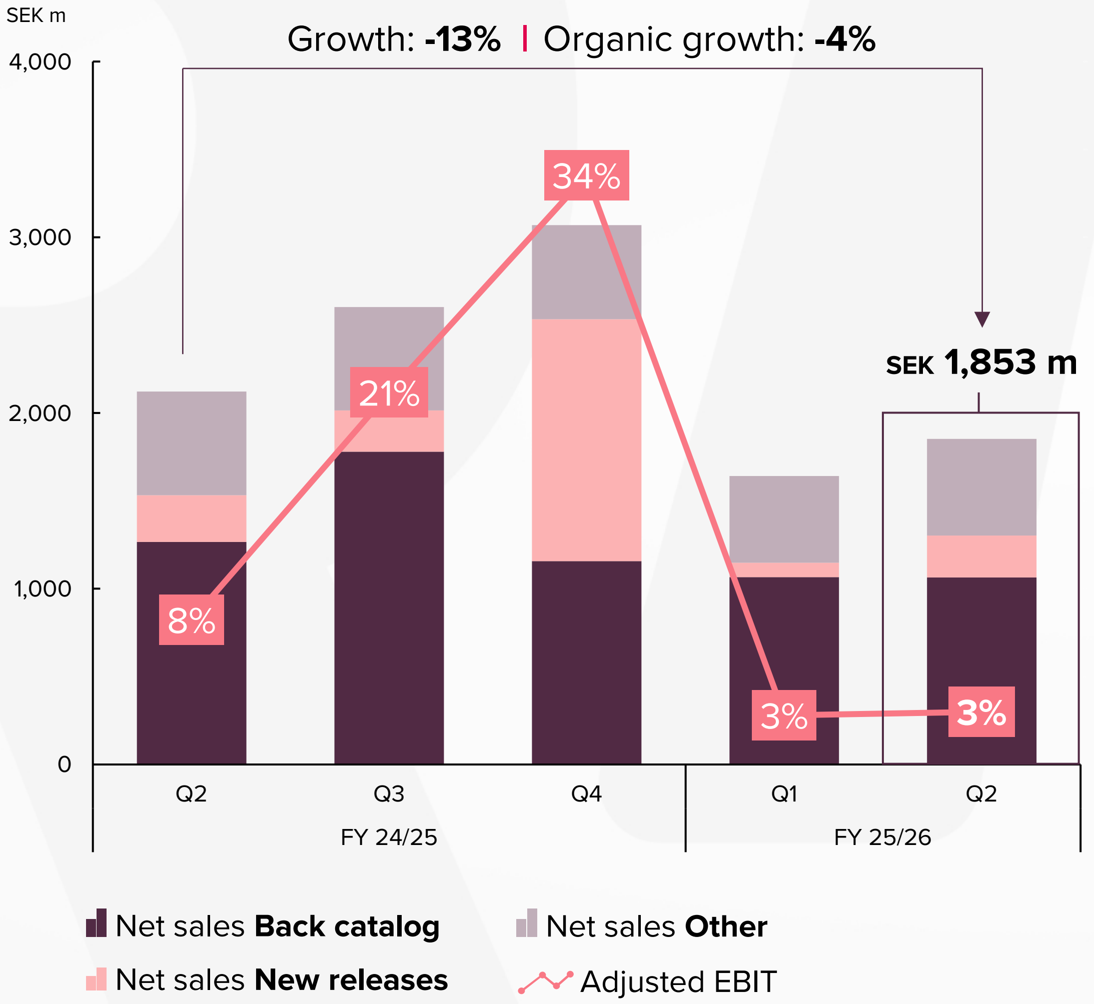
Source: as of September 30, 2025 | [1] Excludes discontinued operations (Asmodee)

1.

Operating segments

PC/Console Games | Q2

PERFORMANCE



COMMENTS

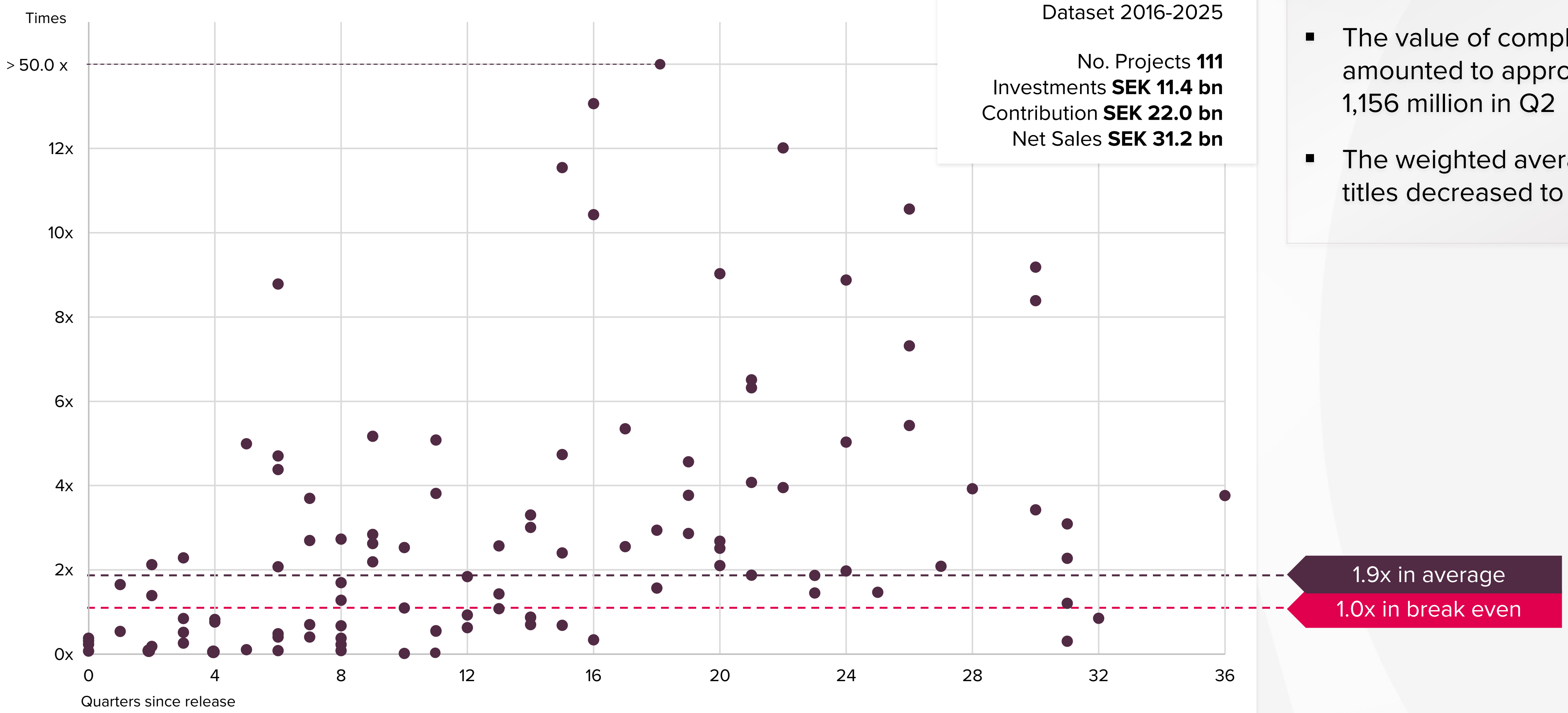
- Organic growth amounted to -4% Y-o-Y
- Weak performance for Killing Floor 3 and some small- and mid-sized new releases
- Adjusted EBIT decreased Y-o-Y, primarily driven by the negative net sales growth and increased D&A
- KCD2 solid quarter, with the 2nd DLC, Legacy of the Forge released in Q2
- Fellowship had a positive initial reception in early Q3.

RELEASED AFTER THE QUARTER-END

Source: as of September 30, 2025

PC/Console Games | ROI

ROI (CONTRIBUTION/INVESTMENT)



Based on reported numbers until September 30, 2025 | Sample includes projects with sales and/or investments above SEK 40 millions
ROI = Contribution / Investment | Contribution = Gross Profit less marketing expenses from release to September 30, 2025
Investment = Capitalized Development Expenses including follow-on investment | Projects released by divested companies are excluded

COMMENTS

- The value of completed games amounted to approximately SEK 1,156 million in Q2
- The weighted average ROI of all titles decreased to 1.9x

Source: as of September 30, 2025

PC/Console | Pipeline details

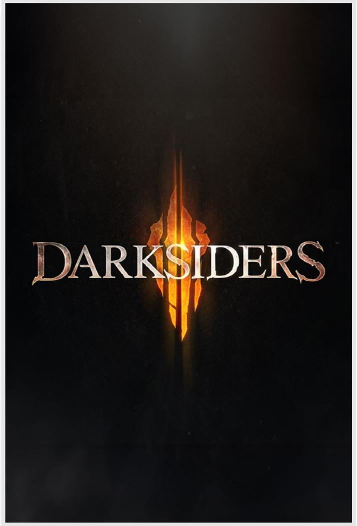
32* Announced titles to-date

Selected upcoming releases

- SpongeBob SquarePants: Titans of the Tide | 18 Nov. 2025
- Thief VR: Legacy of Shadow | 4 Dec. 2025
- Deus Ex Remastered | 5 Feb. 2026
- Tides of Tomorrow | 24 Feb. 2026
- Gothic 1 Remake | Q1, CY 2026
- REANIMAL | Q1, CY 2026
- Screamer | CY 2026

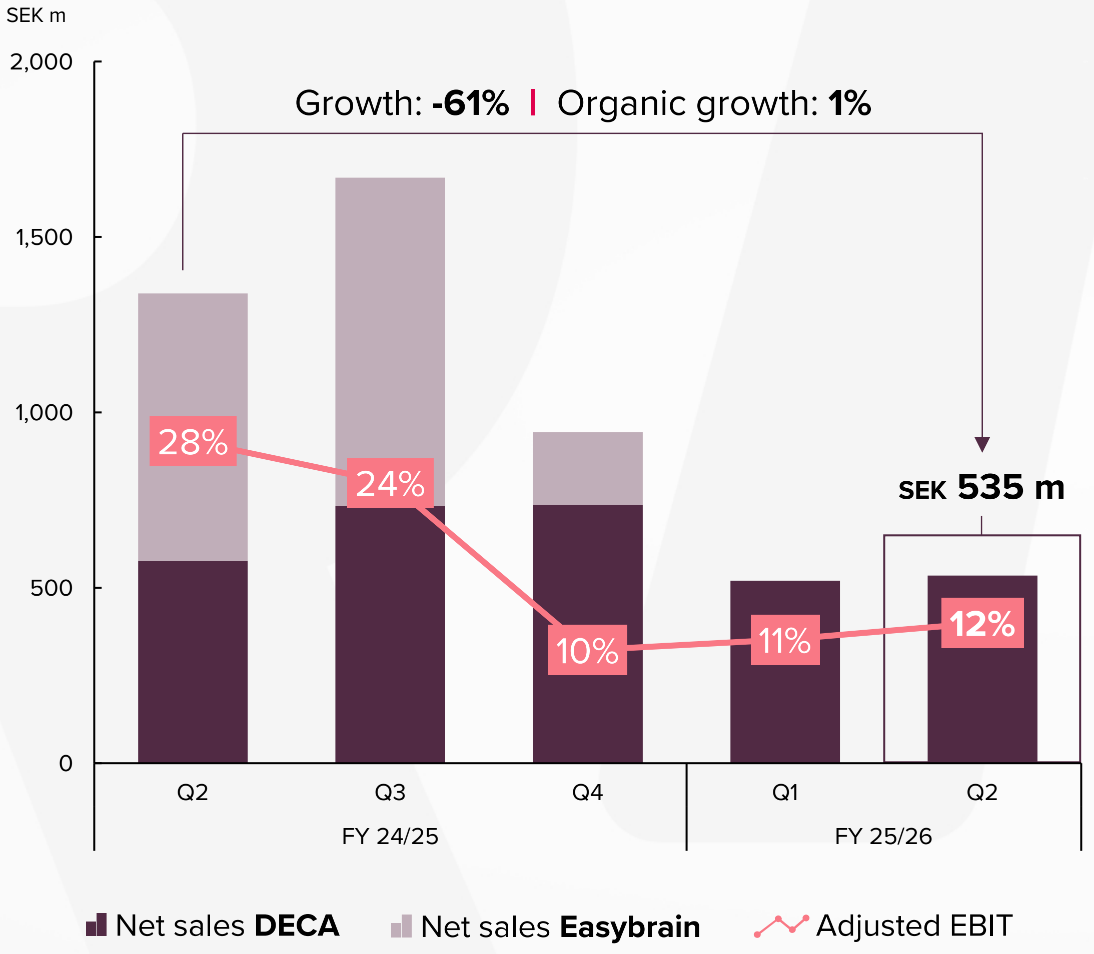
Still to be dated

- Warhammer 40000: Dawn of War IV
- Darksiders 4
- Tomb Raider (major next release)
- The Eternal Life of Goldman
- Deep Rock Galactic: Rogue Core
- MARVEL 1943: Rise of Hydra
- And more…



Mobile Games | Q2

PERFORMANCE



COMMENTS

- Organic growth amounted to 1% Y-o-Y
- The lower Adjusted EBIT and profitability explained by the divestment of Easybrain and a different product mix
- CrazyLabs successfully scaled new hybrid casual game, Flop House while Glow: Fashion Idol did not scale as expected due to temporary issues
- Top-5 titles[1]: Glow Fashion Idol, Coffee Mania, Alien Invasion, Party in My Dorm and Bus Frenzy - Traffic Jam.

Source: as of September 30, 2025 | [1] Top-5 revenue generating titles in the quarter

Entertainment & Services | Q2

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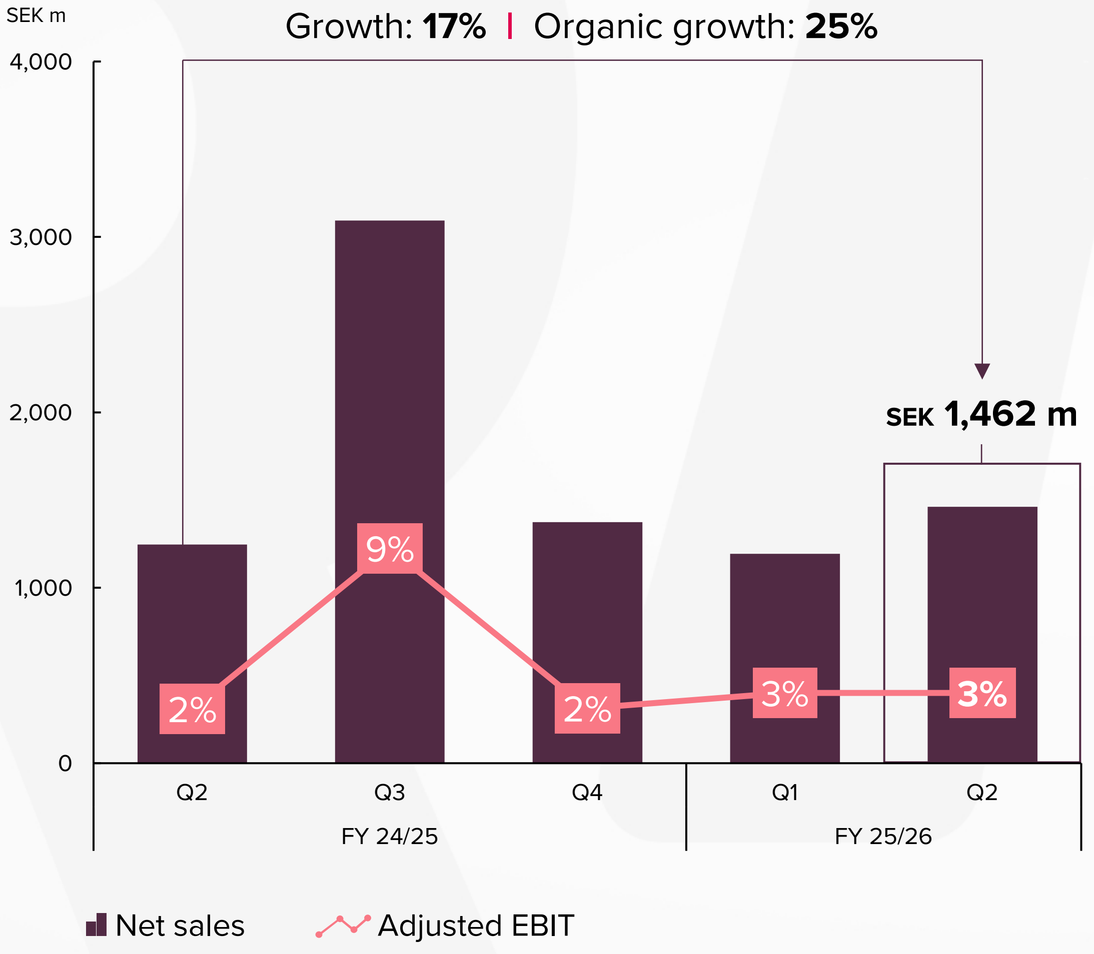
PERFORMANCE



COMMENTS

- Organic growth of 25% Y-o-Y, primarily driven by PLAION Partners
- Adjusted EBIT improvement Y-o-Y was driven by Middle-earth Enterprises, through a mix of licensing revenue streams including merchandising
- After the quarter, Middle-earth Enterprises entered into a strategic agreement with Asmodee Group regarding Tabletop Games.

Magic The Gathering: Tales of Middle-earth, © & TM Mee under lic. to Wizards of the Coast

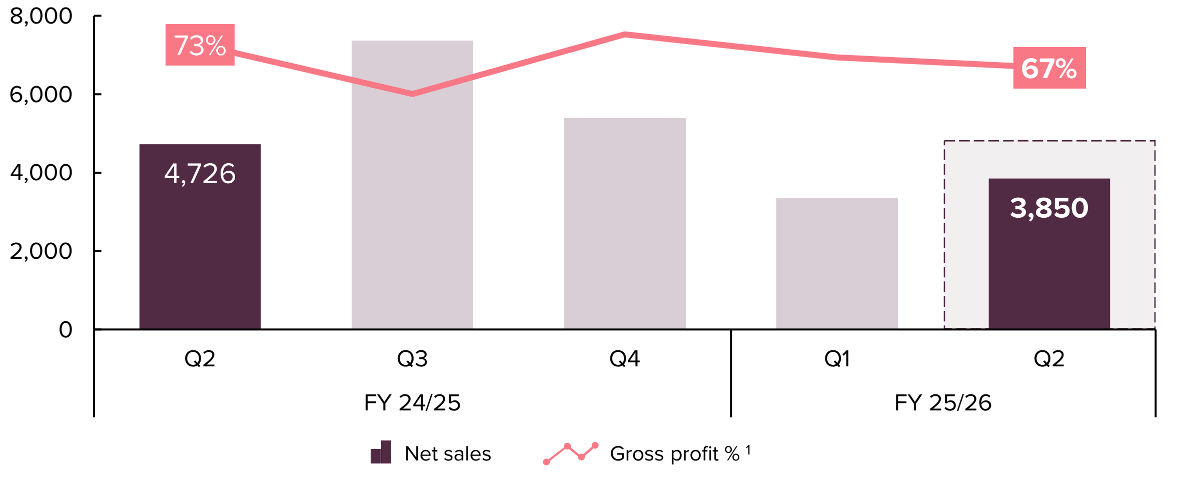
Source: as of September 30, 2025

2.

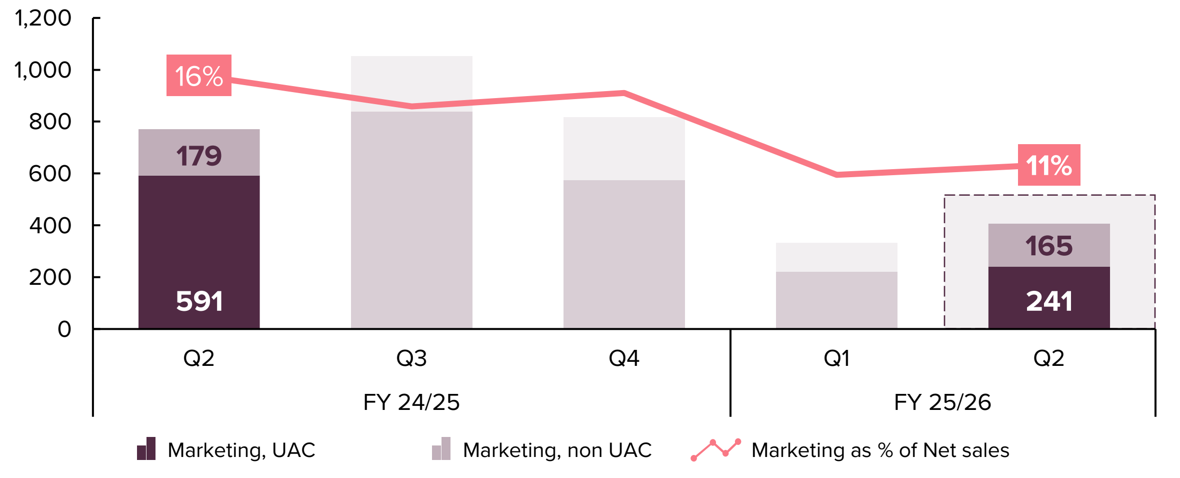
Financial performance

Financial development

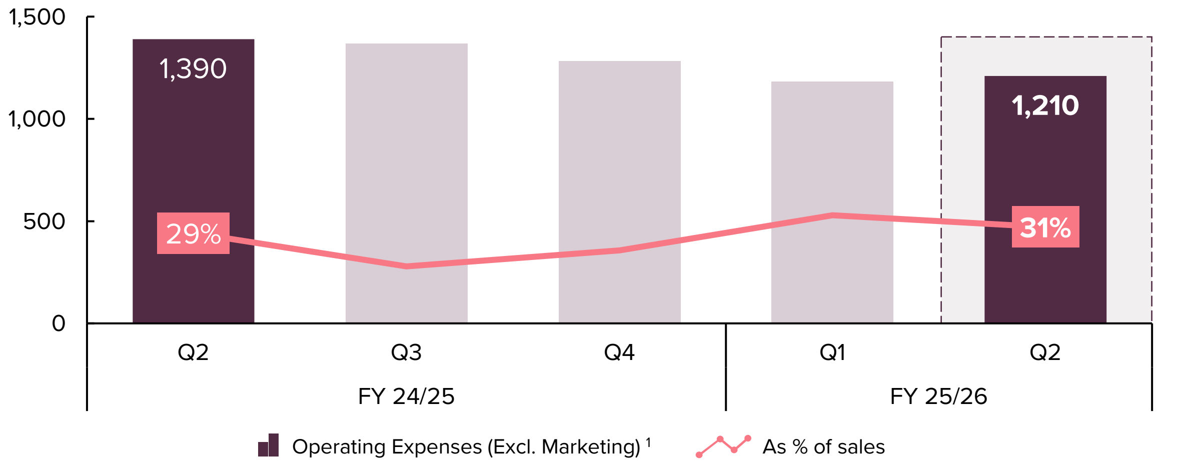
NET SALES & GROSS MARGIN DEVELOPMENT | SEK million



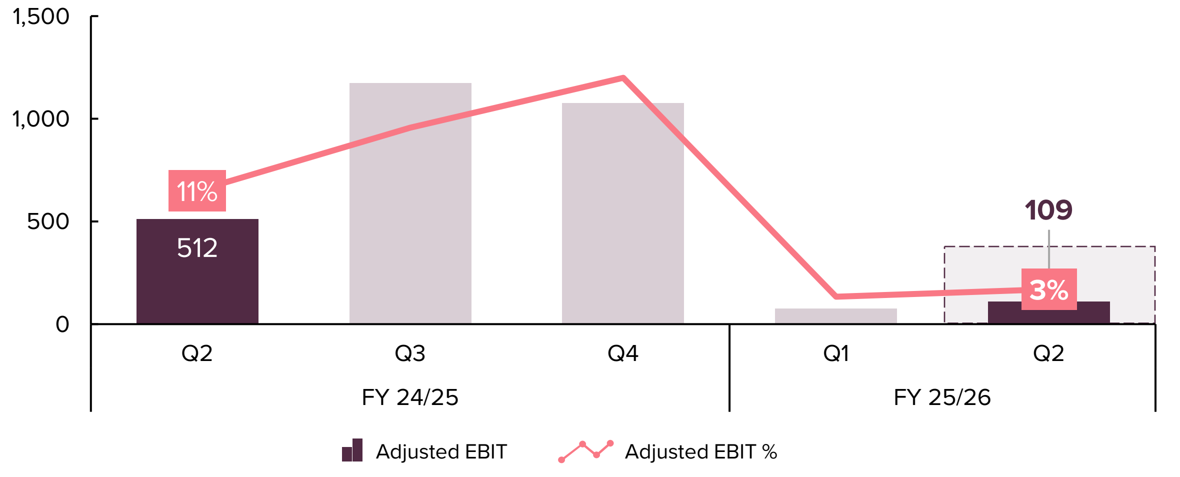
DEVELOPMENT OF MARKETING EXPENSES | SEK million



DEVELOPMENT OF OPERATING EXPENSES, NET | SEK million



ADJUSTED EBIT | SEK million



Source: as of September 30, 2025 | [1] Excluding Items Affecting Comparability

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Cash flow and net cash

SEKm	FY25/26 Q2	FY24/25 Q2	FY 25/26 Q2 TTM	FY 24/25 Q2 TTM
Adjusted EBITDA	**995**	**1,270**	**5,708**	**7,153**
Cash Tax	-290	-370	-568	-657
Other items	-57	-3	-811	-899
Operating Cash flow	**608**	**897**	**4,329**	**5,597**
Net investment in intangible assets	-838	-895	-3,308	-4,977
Net investment in tangible assets	-15	-27	-89	-145
Net investment in financial assets	-	-52	72	-225
Net Investment	**-853**	**-974**	**-3,325**	**-5,347**
Free Cash Flow before working capital	**-245**	**-77**	**1,004**	**250**
Change in working capital	-103	-315	288	-774
Free Cash Flow after working capital	**-348**	**-392**	**1,292**	**-524**
Cash Flow from financing activities	-180	-169	-9,744	-2,304
Net cash flow from acquired/divested companies/Investments in other companies	-165	1,635	11,887	2,293
Cash effect IAC costs	-42	-97	-204	-705
Cash Flow for the period	**-734**	**-977**	**3,234**	**-1,240**

SEKm	Sept. 30, 2025	Sept. 30, 2024
Cash	6,127	4,052
Current investments	-	-
Current liabilities to credit institutions	-989	-10,964
Current account credit facilities	-	-116
Non-current liabilities to credit institutions	-901	-6,189
Net Cash(+) / Net Debt (-)	**4,237**	**-13,217**

- TTM Free Cash Flow after Working Capital improved versus comparable period
- Q2 Free cash flow after Working Capital improved versus previous year driven mainly by lower capex and working capital despite a lower adjusted EBITDA.
- Cash Flow from financing activities includes -72mSEK related to the repurchase of own shares
- Available funds at 30th of September 2025 amounted to 11.9bn SEK.

Source: as of September 30, 2025

3.

Looking ahead

EMBRACER+ GROUP

Forecast

FY 2025/26 Adjusted EBIT forecast

For our current full financial year 2025/26 we reiterate an adjusted EBIT forecast of at least **SEK 1 billion**, including the financial contribution from Coffee Stain.

Our forecast reflects:

- Q3 is expected to be somewhat stronger than in Q2, primarily driven by a stronger seasonal performance within Entertainment & Services offset by a continued limited profitability within PC/Console
- Our impactful mid-sized PC/Console releases this year, including REANIMAL and Gothic 1 Remake, are weighted towards Q4.

Source: as of June 30, 2025

NEXT

CAPITAL MARKETS EVENT

Monday 17 November 2025, starting 13:00 CET

LISTING

NASDAQ FIRST NORTH PREMIER GROWTH MARKET

Expected December 2025

Closing remarks

EMBRACER+ GROUP

- Committed to build a **more cohesive organization, strengthening profitability and unlocking long-term value**
- 3 key priorities remain: **investing in our core IPs, operational discipline,** and **targeted cost initiatives**
- Continue to refine our structure, **aim to talk to our growth opportunities and exact capital allocation strategy** in due course


Q&A
until ~ 10:00 CET

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