

# Q3

FY 2025/26

# EMBRACER GROUP INTERIM REPORT

OCTOBER-DECEMBER 2025

## Adjusted EBIT amounted to SEK 528 million

### THIRD QUARTER, OCTOBER-DECEMBER 2025 (COMPARED TO OCTOBER-DECEMBER 2024)

- > During Q3 FY 2025/26 Embracer Group has reclassified Coffee Stain Group as non-current assets held for distribution and discontinued operations as a consequence of the spin-off and listing that took place on December 11th 2025. More information is presented in [note 6](#), on page [33](#).
- > Net sales decreased by -26% (-8% organic growth) to SEK 5,176 million (6,985).  
The sales split per operating segment:
  - > PC/Console Games: decreased by -11% (-3% organic growth) to SEK 1,989 million (2,223).
  - > Mobile Games: decreased by -66% (-15% organic growth) to SEK 566 million (1,669).
  - > Entertainment & Services: decreased by -15% (-10% organic growth) to SEK 2,621 million (3,093).
- > EBIT<sup>1)</sup> amounted to SEK 663 million (454), an EBIT margin of 13% (7%). Adjusted EBIT decreased by -44% to SEK 528 million (948), corresponding to an Adjusted EBIT margin of 10% (14%).
- > Cash flow from operating activities amounted to SEK 443 million (1,474). Net investments in intangible assets amounted to SEK -763 million (-837). Free cash flow after changes in working capital amounted to SEK -75 million (719).
- > Basic earnings per share was SEK 2.25 (3.88) and diluted earnings per share SEK 2.25 (3.88). Adjusted earnings per share was SEK 1.77 (5.10). Adjusted earnings per share after full dilution was SEK 1.76 (4.97).
- > An adjusted EBIT of at least SEK 750 million is forecasted for the financial year 2025/26. The forecast compares to our previous expectation of at least SEK 1.0 billion, which included Coffee Stain Group, now reclassified as discontinued operations. On a comparable basis, our latest forecast represents a modest upgrade of our underlying expectations.

### NINE MONTHS, APRIL-DECEMBER 2025 (COMPARED TO APRIL-DECEMBER 2024)

- > Net sales decreased by -26% (-1% organic growth) to SEK 11,975 million (16,137).  
The sales split per operating segment:
  - > PC/Console Games: decreased by -22% (-8% organic growth) to SEK 5,078 million (6,534).
  - > Mobile Games: decreased by -63% (-7% organic growth) to SEK 1,621 million (4,415).
  - > Entertainment & Services: increased by 2% (9% organic growth) to SEK 5,277 million (5,188).
- > EBIT<sup>1)</sup> amounted to SEK 250 million (-1,107), an EBIT margin of 2% (-7%). Adjusted EBIT decreased by -70% to SEK 545 million (1,796), an Adjusted EBIT margin of 5% (11%).
- > Cash flow from operating activities amounted to SEK 1,011 million (1,178). Net investments in intangible assets amounted to SEK -2,262 million (-2,603). Free cash flow after changes in working capital amounted to SEK -833 million (-73).
- > Basic earnings per share was SEK -0.10 (-7.76) and diluted earnings per share SEK -0.10 (-7.76). Adjusted earnings per share was SEK -0.13 (4.48). Adjusted earnings per share after full dilution was SEK -0.13 (4.37).

Key performance indicators, Group	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
Net sales, SEK m	5,176	6,985	11,975	16,137	21,314
EBIT <sup>1)</sup> , SEK m	663	454	250	-1,107	3,324
EBIT margin	13%	7%	2%	-7%	16%
Adjusted EBIT, SEK m	528	948	545	1,796	2,793
Adjusted EBIT margin	10%	14%	5%	11%	13%
Cash flow from operating activities, SEK m	443	1,474	1,011	1,178	2,660
Net investments in intangible assets, SEK m	763	837	2,262	2,603	3,389
Net sales growth	-26%	-3%	-26%	-22%	-19%
Total game development projects	87	106	87	106	94
Total game developers	4,739	5,508	4,739	5,508	5,140
Total headcount	6,369	7,558	6,369	7,558	6,875

<sup>1)</sup> 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.

## CORE IP PERFORMANCE DRIVES RESULTS EXCEEDING MANAGEMENT EXPECTATIONS

*In the third quarter, we delivered net sales of SEK 5.2 billion, with adjusted EBIT of SEK 528 million and EBITDAC of SEK 410 million, representing a clear improvement compared to Q1 and Q2 and ahead of our expectations. This was supported by a strong holiday season across core IPs including Kingdom Come: Deliverance. Following the completed spin-off of Coffee Stain Group, we are fully focused on strengthening our core IP portfolio, improving capital allocation discipline, and driving sustainable free cash flow generation. Our strategic direction is taking shape: to become a truly IP-first group centered around our best talents, studios and franchises.*

### CORE IPs CONTINUE TO DRIVE OUTPERFORMANCE

The profitability in the quarter is a clear improvement compared to Q1 and Q2. Organic growth amounted to -8% excluding FX effects, primarily reflecting strong comparables in Entertainment & Services in the prior year.

Our performance in the quarter was driven by strong execution across core IPs including *Kingdom Come: Deliverance*, *Dead Island* and *Tomb Raider* driving higher engagement and earnings than our expectations in the third quarter. *Kingdom Come: Deliverance II* delivered a standout quarter as the release of the third expansion *Mysteria Ecclesiae*, combined with marketing, influencers and seasonal promotions converted high demand into strong sales. *Kingdom Come: Deliverance II* earned PC Gamer's Game of the Year and four nominations at The Game Awards. The game is also among the nominees for Foreign Game of the Year at the Swedish Game Awards 2026, the first event of its kind in Sweden. Furthermore, we are happy to announce that *Kingdom Come: Deliverance II* has surpassed 5 million sold copies within its first year of release.

Free cash flow exceeded internal expectations, although it was slightly negative in the quarter, due to working capital effects in our physical businesses. We expect this to normalize in the fourth quarter. We experienced headwinds from a strengthening SEK during the quarter, with the earnings impact partly offset by our natural cost hedge across Europe and North America.

### HIGHER UNDERLYING FY 2025/26 FORECAST

We now expect adjusted EBIT of at least SEK 750 million for FY 2025/26. The forecast compares to our previous expectation of at least SEK 1.0 billion, which included Coffee Stain Group for the full FY 2025/26. On a comparable basis, excluding Coffee Stain Group, our latest forecast represents a modest upgrade to our underlying expectations. The release date of *Gothic 1*

*Remake* is moved to June 5th, giving time for final polishing. We continue to see upside potential to our forecast from the underlying business performance.

*REANIMAL*, developed by Tarsier Studios in Malmö and releasing tomorrow, is our key game release in the fourth quarter. We are excited about the launch, which builds on a successful demo of the game and showcases Tarsier's creative strengths. Early indications from press are positive and we can't wait to get the game into players' hands. Looking towards the end of the quarter, we are also excited about the potential of Milestone's release of *Screamer*.

### STRONG EXECUTION ON STRATEGIC PRIORITIES

On 11 December 2025, the spin-off of Coffee Stain Group was completed. With a powerful combination of strong IPs, engaged communities, and innovative talent, we remain confident that the separation will create shareholder value. It allows both ourselves and Coffee Stain Group to better concentrate on core strategies and growth opportunities.

Our focus remains on executing against a well-defined pipeline of major game releases over the next three years. For the next financial year, we look forward to one long-awaited, major, in-house developed and in-house published title together with a range of important mid-sized titles. Execution discipline will be critical to converting this stronger pipeline into a clear profitability and cash generation inflection point in FY 2026/27.

To further improve profitability and cash flow generation, we continue to execute on three strategic priorities: IP-led focus, operational discipline and targeted cost initiatives. During the quarter, we divested several non-strategic and unprofitable businesses in third-party publishing and work-for-hire, improving focus and capital efficiency. These assets jointly had a negative Adjusted EBIT of around SEK -178 million on a trailing twelve month basis. The divestments also free up resources to deploy in higher-return areas, or to return to shareholders.

We are continuously targeting a reduction in both opex and capex through next financial year, as we reduce exposure to non-core IP and as we complete consolidation initiatives. Simplifying and adapting our organization's size and shape around a more focused portfolio will be key to making better decisions quicker, and to improving profitability.

As discussed at our Annual General Meeting in September, we see significant and accelerating potential in AI-driven tools to meaningfully enhance development, production, and operations. The pace of technological advancement is extraordinary, and as an industry that has always embraced innovation, we actively explore and adopt AI where it strengthens our products and improves efficiency. We view AI as a tool to support and empower our teams. World-building, storytelling, and creative direction will remain firmly human-led, ensuring that creativity and originality continue to define our experiences.

## **LONG-TERM DIRECTION IS TAKING SHAPE**

Our long-term direction is taking shape as we build towards a disciplined, IP-first group. We remain committed to continuing the distribution of any excess cash to our shareholders, and we will provide further updates on our strategy and structure as we make progress and as soon as we have more to share.

To conclude, this quarter demonstrates the progress that we are making. By focusing on our core IPs, we can both delight our fans and improve our financial performance. Our focus now is consistent delivery and we thank you for your continued support.

Phil Rogers  
*Group CEO*



## FINANCIAL COMMENTS

### NET SALES

Net sales, SEK m	Oct-Dec 2025	Oct-Dec 2024	Change	Apr-Dec 2025	Apr-Dec 2024	Apr 2024-Mar 2025
PC/Console Games	1,989	2,223	-11%	5,078	6,534	9,394
Mobile Games	566	1,669	-66%	1,621	4,415	5,359
Entertainment & Services	2,621	3,093	-15%	5,277	5,188	6,561
<b>Total</b>	<b>5,176</b>	<b>6,985</b>	<b>-26%</b>	<b>11,975</b>	<b>16,137</b>	<b>21,314</b>

Total net sales in the quarter amounted to SEK 5,176 million, corresponding to a decrease of -26%. The negative net sales growth in the quarter is in all three segments primarily related to lower foreign exchange rates, combined with negative organic growth whilst Mobile Games also has a negative effect driven by the divestment of Easybrain.

Both organic growth and pro forma growth amounted to -8% in the quarter. Entertainment & Services had both a negative organic and pro forma growth of -10%, which is mainly explained by several strong releases from PLAION Partners in the comparison quarter. For Mobile Games, both organic and pro forma growth amounted to -15%, explained by lower spend of User Acquisition Costs in the preceding and actual quarter. The decrease of -3% for both organic and pro forma growth in PC/Console Games in the quarter was mainly driven by decreased work-for-hire revenue.

Net sales growth	Oct-Dec 2025			Apr-Dec 2025		
	Net sales growth	Organic growth	Pro forma growth	Net sales growth	Organic growth	Pro forma growth
PC/Console Games	-11%	-3%	-3%	-22%	-8%	-8%
Mobile Games	-66%	-15%	-15%	-63%	-7%	-7%
Entertainment & Services	-15%	-10%	-10%	2%	9%	9%
<b>Total</b>	<b>-26%</b>	<b>-8%</b>	<b>-8%</b>	<b>-26%</b>	<b>-1%</b>	<b>-1%</b>



*Tomb Raider: Catalyst*  
Amazon Game Studios | Crystal Dynamics

## EBIT AND ADJUSTED EBIT

EBIT amounted to SEK 663 million (454) in the quarter, yielding an EBIT margin of 13% (7%). The increase compared to the previous year mainly relates to increased profit from sale of subsidiaries along with generally lower operating expenses than in the comparable quarter.

Items affecting comparability (IAC - see definitions page [40](#)) amounted to SEK 316 million (-96) in the quarter and are mainly related to profit from sale of subsidiaries of SEK 350 million. SEK -20 million relates to write-downs of intangible assets. These write-downs are related to minor game development projects and IP-rights across both PC/Console Games and Mobile Games. Other IAC amounted to SEK -14 million which are mainly related to profitability actions resulting in the discontinuation of studios and teams. IAC are presented in the table provided on page [43](#).

Adjusted EBIT decreased by -44% and amounted to SEK 528 million (948) in the quarter, yielding a 10% margin (14%), with the lower margin year-over-year explained by the product mix. The Mobile Games segment, is affected by the divested assets of Easybrain which contributed with SEK 325 million in the comparable quarter while the decrease in PC/Console Games and Entertainment & Services is mainly explained by lower net sales.

EBIT, SEK m	Oct-Dec 2025	Oct-Dec 2024	Change	Apr-Dec 2025	Apr-Dec 2024	Apr 2024-Mar 2025
PC/Console Games	509	78	553%	158	-1,778	-4,067
Mobile Games	11	242	-95%	169	837	9,101
Entertainment & Services	214	194	10%	112	13	-1,096
Corporate	-71	-59	-20%	-188	-179	-614
<b>Total</b>	<b>663</b>	<b>454</b>	<b>46%</b>	<b>250</b>	<b>-1,107</b>	<b>3,324</b>

Adjusted EBIT, SEK m	Oct-Dec 2025	Oct-Dec 2024	Change	Apr-Dec 2025	Apr-Dec 2024	Apr 2024-Mar 2025
PC/Console Games	252	324	-22%	183	392	1,341
Mobile Games	80	400	-80%	197	1,292	1,383
Entertainment & Services	252	284	-11%	334	292	324
Corporate	-56	-60	7%	-169	-180	-256
<b>Total</b>	<b>528</b>	<b>948</b>	<b>-44%</b>	<b>545</b>	<b>1,796</b>	<b>2,793</b>

## FORECAST

For our current full financial year 2025/26 we expect an adjusted EBIT of at least SEK 750 million. The forecast compares to our previous expectation of at least SEK 1.0 billion, which included Coffee Stain Group, now reclassified as discontinued operations, for the full FY 2025/26. On a comparable basis, our latest forecast represents a modest upgrade of our underlying expectations.





## OPERATING SEGMENT PC/CONSOLE GAMES

The PC/Console Games operating segment includes the following operative groups: THQ Nordic, PLAION 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, Free-to-play, Asset Care, VR, Work-for-Hire and other game development.

### SHARE OF GROUP SALES

**38%** (32%)

### INTELLECTUAL PROPERTY (IP)

**206** (221)

### INTERNAL HEADCOUNT

**3,985** (4,891)

### INTERNAL STUDIOS

**44** (52)

Key performance indicators, PC/Console Games	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
Net Sales, SEK m	1,989	2,223	5,078	6,534	9,394
of which Digital products, SEK m	1,345	1,318	3,229	3,782	5,916
of which Physical products, SEK m	185	309	349	707	903
of which Other products <sup>1)</sup> , SEK m	459	596	1,500	2,045	2,576
Net Sales growth	-11%	-28%	-22%	-38%	-30%
EBIT, SEK m	509	78	158	-1,778	-4,067
EBIT margin	26%	4%	3%	-27%	-43%
Adjusted EBIT, SEK m	252	324	183	392	1,341
Adjusted EBIT, margin	13%	15%	4%	6%	14%
Type of income					
New releases sales, SEK m	228	183	513	530	1,906
Back catalog sales <sup>2)</sup> , SEK m	1,302	1,444	3,065	3,960	4,913
Other <sup>1)</sup> , SEK m	459	596	1,500	2,045	2,576

<sup>1)</sup> Primarily Work-for-Hire and other game development projects.

<sup>2)</sup> See Definitions, quarterly information.

### SEGMENT HIGHLIGHTS

Net sales in the quarter for PC/Console Games amounted to SEK 1,989 million, a decrease of -11% compared to the same period last year, and -3% both organically and pro forma. The negative organic growth was primarily impacted by lower other revenue, related to a lower contribution from work-for-hire projects.

EBIT amounted to SEK 509 million (78) yielding a 26% (4%) EBIT margin. Items affecting comparability amounted to SEK 312 million (-97) and relates primarily to profit from the divestment of Arc Games and Cryptic Studios. Adjusted EBIT amounted to SEK 252 million (324), yielding a 13% (15%) Adjusted EBIT margin. The lower Adjusted EBIT is primarily explained by lower net sales.

Net sales from new releases amounted to SEK 228 million (183) in the quarter, an increase of 25% YoY. Among the new releases in the quarter, *SpongeBob SquarePants: Titans of the Tide* and *Let's Sing 2026* were the main contributors. *SpongeBob SquarePants: Titans of the Tide* saw solid reviews from critics and users, but performed below management expectations across digital channels.

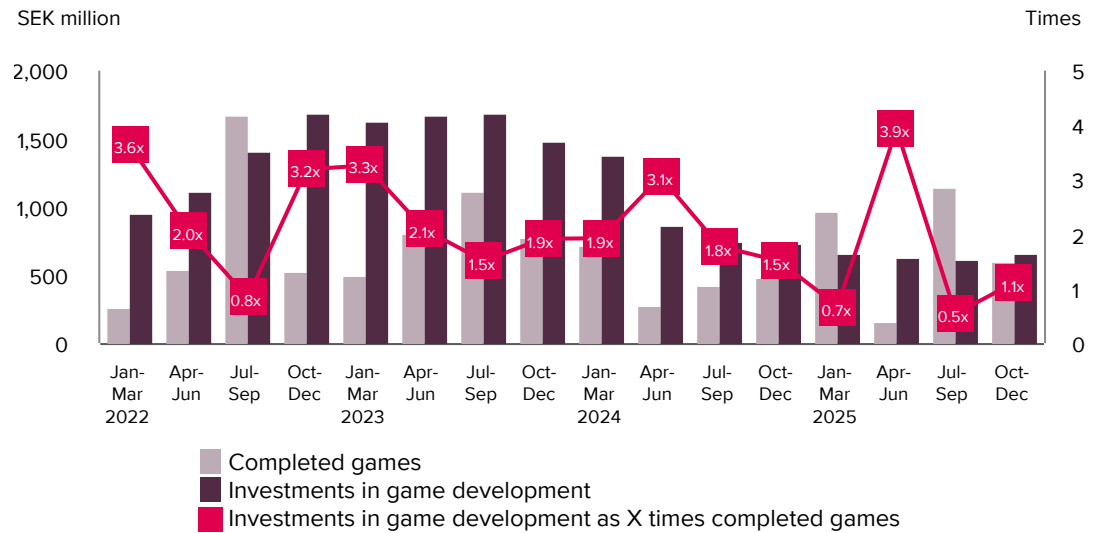
Revenue from back catalog titles (including platform deals) amounted to SEK 1,302 million (1,444) in the quarter, a decrease of -10% YoY. The top-5 back catalog net sales drivers in the quarter included *Kingdom Come: Deliverance II*, *Dead Island 2*, *Killing Floor 3*, *MX vs. ATV: Legends* and *Shadow of the Tomb Raider*. *Kingdom Come: Deliverance II* performed well ahead of expectations, supported by a solid release of the third expansion, *Mysteria Ecclesiae*. Furthermore, *Kingdom Come: Deliverance II* reached another milestone as they after the quarter announced 5 million sold copies within its first year of release.

Other net sales amounted to SEK 459 million (596) in the quarter, a decrease of -23% YoY, partly impacted by FX, but also driven by a reduction in the number of active work-for-hire projects and by the divestment of Lost Boys Interactive in the quarter.



## GAME DEVELOPMENT INVESTMENTS AND COMPLETED GAMES

The finalized value of the completed and released games during the quarter amounted to SEK 598 million (486), driven by the release of *SpongeBob SquarePants: Titans of the Tide*, *Wreckreation*, *Thief VR: Legacy of Shadow* and *Let's Sing 2026*. In total, SEK 666 million (734) were invested in the quarter. The ratio of investments to completed games decreased from 1.5x to 1.1x YoY. When new games are released, capitalized development costs are amortized, based on a degressive depreciation model over two years.



THQ NORDIC

PLAION

CRYSTAL DYNAMICS | eidos montreal



## ANNOUNCED PC/CONSOLE RELEASES AS OF FEBRUARY 12, 2025

Title	Publishing Label	IP Owner	Main Developer	Platforms
<i>Deus Ex Remastered</i>	Aspyr	Own	Internal	PC, PS5, XB XIS
<i>Rushing Beat X: Return of Brawl Brothers</i>	Clear River Games	External	External	TBC
<i>Taito Milestones 4</i>	Clear River Games	External	External	Switch
<i>Truxton Extreme</i>	Clear River Games	Own	Internal	PC, PS5
<i>WiZmans World Re;Try</i>	Clear River Games	External	External	PS5, Switch
<i>Warhammer 40,000: Dawn of War IV</i>	Deep Silver / PLAION	External	External	PC
<i>TENSE</i>	Demiurge Studios	Own	Internal	PC
<i>Tomb Raider: Catalyst</i>	External	Own	Internal	PC, PS5, XB XIS
<i>Tomb Raider: Legacy of Atlantis</i>	External	Own	Internal	PC, PS5, XB XIS
<i>A Rat's Quest</i>	HandyGames	External	External	PC
<i>Double Shake</i>	Limited Run Games	External	External	PC, PS5, Switch
<i>Fear Effect 2</i>	Limited Run Games	External	Internal	PC, PS5, Switch, PS4
<i>He-Man and the Masters of the Universe™: Dragon Pearl of Destruction</i>	Limited Run Games	External	External	PC, PS5, Switch, PS4
<i>Jaws: Retro Edition</i>	Limited Run Games	External	Internal	PS5, Switch
<i>Nickelodeon Splat Pack</i>	Limited Run Games	External	Internal	PC, PS5, Switch
<i>Renaine</i>	Limited Run Games	External	External	PC, Switch
<i>Snow Bros: Classic Collection</i>	Limited Run Games	Own	Internal	PC, PS5, Switch
<i>Ride 6</i>	Milestone	Own	Internal	PC, PS5, XB XIS
<i>Screamer</i>	Milestone	External	Internal	PC, PS5, XB XIS
<i>MARVEL 1943: Rise of Hydra</i>	PLAION	External	External	TBC
<i>Darksiders 4</i>	THQ Nordic	Own	Internal	PC, PS5, XB XIS
<i>Fatekeeper</i>	THQ Nordic	Own	External	PC, PS5, XB XIS
<i>Gothic 1 Remake</i>	THQ Nordic	Own	Internal	PC, PS5, XB XIS
<i>Pumuckl and the Crown of the Pirate King</i>	THQ Nordic	External	Internal	PC, Switch
<i>REANIMAL</i>	THQ Nordic	Own	Internal	PC, PS5, XB XIS, Switch 2
<i>Söldner: Secret Wars Remastered</i>	THQ Nordic	Own	External	PC
<i>The Eternal Life of Goldman</i>	THQ Nordic	External	External	PC, PS5, XB XIS, Switch
<i>The Guild Europa 1410</i>	THQ Nordic	Own	Internal	PC
<i>Tides of Tomorrow</i>	THQ Nordic	Own	Internal	PC, PS5, XB XIS
<i>NORSE: Oath of Blood</i>	Tripwire	External	External	PC, PS5, XB XIS

\* PC/Console titles from the operating segments Mobile 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.



## OPERATING SEGMENT MOBILE GAMES

*The Mobile Games operating segment consists of DECA Games, which includes CrazyLabs. The segment includes free-to-play, ad centric, in-app-purchase centric and pay-to-play mobile games.*

### SHARE OF GROUP SALES

**11%** (24%)

### INTELLECTUAL PROPERTY (IP)

**30** (51)

### INTERNAL HEADCOUNT

**762** (1,092)

### INTERNAL STUDIOS

**8** (10)

Key performance indicators, Mobile Games	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
Net Sales, SEK m	566	1,669	1,621	4,415	5,359
Net Sales growth	-66%	2%	-63%	-3%	-9%
EBIT, SEK m	11	242	169	837	9,101
EBIT margin	2%	14%	10%	19%	170%
Adjusted EBIT, SEK m	80	400	197	1,292	1,383
Adjusted EBIT, margin	14%	24%	12%	29%	26%
User Acquisition Cost (UAC), SEK m	254	840	718	1,933	2,508
User Acquisition Cost (UAC), % of Net Sales	45%	50%	44%	44%	47%
Total installs, million	143	254	476	736	940
Total Daily Active Users (DAU), million	9	26	10	27	27
Total Monthly Active Users (MAU), million	111	210	118	211	214

### SEGMENT HIGHLIGHTS

Net sales in the quarter for Mobile Games amounted to SEK 566 million, with both organic growth and pro forma growth of -15% YoY, driven by lower User Acquisition Cost (UAC) in the past few quarters. In total net sales decreased by -66% YoY, primarily due to the divestment of Easybrain. The development of total downloads, DAU and MAU, compared to the same period last year is mainly due to the divestment of Easybrain.

EBIT amounted to SEK 11 million (242), yielding a 2% (14%) EBIT margin. Adjusted EBIT amounted to SEK 80 million (400), yielding a 14% (24%) Adjusted EBIT margin. UAC amounted to SEK 254 million (840), or 45% (50%) of net sales. The lower Adjusted EBIT YoY is entirely explained by the divestment of Easybrain, which contributed with SEK 325 million in the comparison quarter.

DECA Games achieved a steady performance in the quarter, with a positive top line and profitability trend sequentially. CrazyLabs saw negative growth year-over-year, with lower UAC despite the successful scaling and growth of a new game, *Sled Surfers*, in December. *Glow Fashion Idol* continues to grow steadily with increased UAC. The back catalog across the Mobile Games segment continues to deliver a steady performance.

The top-5 revenue generating titles in the quarter were: *Glow: Fashion Idol*, *Party in My Dorm*, *Flop House*, *Coffee Mania* and *Sled Surfers*.

# DECA



## OPERATING SEGMENT ENTERTAINMENT & SERVICES

### SHARE OF GROUP SALES

**51%** (44%)

### INTELLECTUAL PROPERTY (IP)

**193** (193)

### INTERNAL HEADCOUNT

**1,126** (845)

### INTERNAL STUDIOS

**3** (3)

The Entertainment & Services segment consists of three operative groups: Dark Horse Media, Freemode and PLAION's partner and film business. 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.

Key performance indicators, Entertainment & Services	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
Net Sales, SEK m	2,621	3,093	5,277	5,188	6,561
of which Digital products, SEK m <sup>†</sup>	127	564	316	864	1,083
of which Physical products, SEK m <sup>†</sup>	2,348	2,416	4,591	4,083	5,144
of which Other products, SEK m	146	114	370	242	334
Net Sales growth	-15%	19%	2%	-11%	-7%
EBIT, SEK m	214	194	112	13	-1,096
EBIT margin	8%	6%	2%	0%	-17%
Adjusted EBIT, SEK m	252	284	334	292	324
Adjusted EBIT, margin	10%	9%	6%	6%	5%

<sup>†</sup> A correction is made of the Q1 figures 2025 with a reclassification from Digital to Physical sales.

### SEGMENT HIGHLIGHTS

Net sales in the quarter for Entertainment & Services amounted to SEK 2,621 million, an decrease of -15% compared to the same period last year, or -10% organically and pro forma. The negative organic growth was primarily driven by PLAION Partners, which faced tough comparison numbers in the corresponding quarter, driven by the release of *Undisputed* across digital platforms.

EBIT amounted to SEK 214 million (194), yielding a 8% (6%) EBIT margin. Adjusted EBIT amounted to SEK 252 million (284), yielding a 10% (9%) Adjusted EBIT margin. Items affecting comparability amounted to SEK 25 million (-). The lower Adjusted EBIT was driven by negative organic growth within PLAION Partners.

Middle-earth Enterprises had no major new product releases within the quarter, but still generated a solid revenue and Adjusted EBIT. In the quarter, Middle-earth Enterprises entered into a strategic agreement with Asmodee Group to provide category management services across all tabletop games and tabletop gaming accessories based on *The Lord of the Rings* and *The Hobbit*.

Dark Horse Media and Freemode's other businesses, with a higher share of sales from physical products, saw a seasonally stronger performance in Q3, in line with historical trends. Several strategic initiatives are ongoing to drive improved profitability within these businesses.



## OTHER FINANCIAL INFORMATION

### NET PROFIT/LOSS FOR THE PERIOD

Net profit/loss for continuing operations for the quarter amounted to SEK 477 million (806), corresponding to a decrease of SEK 329 million. The decrease is mainly related to negative net financial items in the current quarter compared with a positive amount in the comparable quarter. For the period April to December net profit for continuing operations amounted to SEK -20 million (-1,598), an increase of SEK 1,618 million. The increase explained by generally lower operating expenses and profit from sale of subsidiaries compared to losses from sales of subsidiaries in the comparable period.

Net financial items amounted to SEK -87 million (578) in the quarter. Net interest income/expenses and other financial income/expenses amounted to SEK -17 million (-108). Changes in fair value of financial assets and liabilities amounted to SEK -65 million (86). Exchange rate gain/losses amounted to SEK -5 million (600), mainly related to the revaluation of intercompany financial receivables.

Income tax amounted to SEK -99 million (-227) in the quarter. Current income tax amounted to SEK -126 million (-185) and deferred tax amounted to SEK 28 million (-14). Provision for Pillar 2 top-up tax amounted to SEK -1 million (-28).



## CONDENSED CASH FLOW

SEK m	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
<b>Operating activities</b>					
Cash flow from operating activities before changes in working capital	896	1,138	1,800	1,752	3,207
Cash flow from changes in working capital	-453	336	-788	-574	-547
<b>Cash flow from operating activities</b>	<b>443</b>	<b>1,474</b>	<b>1,011</b>	<b>1,178</b>	<b>2,660</b>
Cash flow from investing activities	-868	-1,167	-2,574	2,454	14,246
Cash flow from financing activities	-766	-56	-576	-2,706	-12,041
<b>Total cash flow, Continuing operations</b>	<b>-1,191</b>	<b>251</b>	<b>-2,139</b>	<b>926</b>	<b>4,866</b>
<b>Total cash flow, Discontinued operations</b>	<b>495</b>	<b>654</b>	<b>495</b>	<b>607</b>	<b>5,274</b>
<b>Total cash flow, total Group</b>	<b>-696</b>	<b>905</b>	<b>-1,644</b>	<b>1,534</b>	<b>10,141</b>
Cash and cash equivalents at the beginning of period	6,127	4,052	7,097	3,507	3,507
Exchange-rate differences in cash and cash equivalents	-22	92	-45	9	-95
Cash and cash equivalents in Discontinued operations	-533	-1,836	-533	-1,836	-6,491
<b>Cash and cash equivalents at the end of period</b>	<b>4,876</b>	<b>3,213</b>	<b>4,876</b>	<b>3,214</b>	<b>7,061</b>

Cash flow from operating activities before working capital amounted to SEK 896 million (1,138) in the quarter.

Cash flow from changes in working capital amounted to SEK -453 million (336) driven by lower trade payables at the end of the quarter.

Cash flow from investing activities amounted to SEK -868 million (-1,167) for the quarter where cash flow from acquisition/divestment of subsidiaries amounted to SEK -97 million (-401). Investments in intangible assets amounted to SEK -763 million (-841), where SEK -685 million (-742) is invested in the portfolio of ongoing game development.

Free cash flow after changes in working capital amounted to SEK -75 million (719) (see page 43). The comparable quarter includes a positive free cash flow of SEK 215 million generated from the divested assets of Easybrain.

Cash flow from financing activities amounted to SEK -766 million (-56) in the quarter where proceeds from borrowings amounted to SEK 481 million (343) and reduced utilization of credit facilities amounted to SEK -288 million (-511). The cash flow from repurchase of own shares amounted to -428 MSEK (—).



## NET CASH/DEBT AND AVAILABLE FUNDS

Net cash/Net debt, SEK m	Dec 31, 2025	Dec 31, 2024 <sup>1)</sup>	Mar 31, 2025
Cash	4,876	3,258	7,097
Current investments	—	—	0
Current liabilities to credit institutions	-901	-589	-545
Non-current liabilities to credit institutions	-1,108	-5,883	-1,119
<b>Net Cash (+) / Net Debt (-)</b>	<b>2,866</b>	<b>-3,216</b>	<b>5,434</b>

<sup>1)</sup> Reclassification of the assets and liabilities under IFRS 5 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 December 31, 2025, the reported net cash amounted to SEK 2.9 billion, consisting of around SEK 4.9 billion in cash, SEK -0.9 billion related to current liabilities to credit institutions, as well as SEK -1.1 billion in non-current liabilities. The leverage target is to have net debt to Adjusted EBIT of 1.0x on a 12-month forward looking basis.

As per December 31, 2025, the group had obligations related to historical acquisitions with an expected cash settlement of SEK 0.7 billion with an estimated maturity structure (see page 14).

Available funds, SEK m	Dec 31, 2025	Dec 31, 2024	Mar 31, 2025
Cash	4,876	3,258	7,097
Current investments	—	—	0
Unutilized credit facilities	947	4,521	5,956
<b>Available funds</b>	<b>5,823</b>	<b>7,779</b>	<b>13,053</b>

During the quarter the previous revolving credit facility of EUR 400m was canceled as planned in conjunction with the spin-off of Coffee Stain Group.

### Share buyback program

In the quarter Embracer repurchased 3,991,782 own Class B shares for a total consideration of SEK 428 million. The share buybacks are a part of the SEK 500 million program that Embracer announced on September 18, 2025. The buyback program started September 19, 2025 and ended on November 6, 2025 and a total of 4,830,742 shares were repurchased. As of December 31, 2025, Embracer's holdings of treasury shares correspond to 2.4% of the total number of shares outstanding.



Screamer  
Milestone | Milestone

## 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 December 31, 2025. The present value of contingent considerations has been calculated based on expected outcome for financial and operational targets for each individual agreement. The financial obligation 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.

Since the last quarter the total obligation has decreased with SEK 584 million which is primarily driven by ordinary payments.

Financial year when settlement might occur	Contingent consideration classified as part of purchase price, SEK m	Obligations in relation to future personnel costs related to acquisitions, SEK m	Total obligations related to historical acquisitions, SEK m
2025/2026	0	7	7
2026/2027	85	247	332
2027/2028	53	21	74
2028/2029	62	12	74
2029/2030	100	21	121
2030/2031	51	13	64
2031/2032	47	12	59
	<b>398</b>	<b>332</b>	<b>730</b>

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 December 31, 2025, the debt amounted to SEK 297 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 December 31, 2025, which will be settled in 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, thousands	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 <sup>1)</sup>	1,886	446	2,333
To be issued	1,558	174	1,733
<b>Total number of shares</b>	<b>3,445</b>	<b>621</b>	<b>4,066</b>

<sup>1)</sup> See definitions on page 44

The number of shares to be issued as additional purchase price can vary but never exceed 1.7 million according to the agreements. If all shares are issued, the dilution in capital will amount to 0.56% and 0.75% of the voting rights as of December 31, 2025, and the total number of shares after full dilution will be 231 million. Expectations of shares to be issued as per December 31, 2025 based on target achievement is within the interval 0.1 to 0.2 million. If



shares within this interval are issued, the dilution in capital will amount to 0.06-0.08% and 0.05-0.06% of the voting rights as of December 31, 2025. Compared with the last quarter the number of shares in the table has decreased due to several share issues to settle obligations.

### Specific items related to historical acquisitions

The forecast is based on the average exchange rates for the period April 2025 to December 2025. The forecast includes closed acquisitions as per December 31, 2025, which contain finalized purchase price allocations.

SEK m	25/26							Total
	Q4	26/27	27/28	28/29	29/30	30/31	31/32	
Amortization of surplus values of acquired intangible assets	152	502	349	336	313	289	287	2,228
Personnel costs related to acquisitions	29	51	44	38	21	2	—	185
<b>Specific items related to historical acquisitions</b>	<b>181</b>	<b>553</b>	<b>393</b>	<b>374</b>	<b>334</b>	<b>291</b>	<b>287</b>	<b>2,413</b>



REANIMAL  
THQ Nordic | Tarsier Studios

## 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 48 million (21), and loss/profit before tax was SEK -1,578 million (902). Other income for the quarter amounted to SEK 166 million (0) and is attributable to purchase price adjustments related to previously completed acquisitions.

Income tax includes "top-up" tax according to Pillar 2 - Income Inclusion Rule (IIR), amounting to SEK -1 million (-28). Loss/Profit after tax was SEK -1,585 million (766).

The parent company's net sales for April-December 2025 were SEK 121 million (64), and loss before tax was SEK -1,749 million (-410). Other income for April-December 2025 amounted to SEK 166 million (1) and is attributable to purchase price adjustments related to previously completed acquisitions.

Income tax includes "top-up" tax according to Pillar 2 - Income Inclusion Rule (IIR), amounting to SEK -3 million (-86). Loss after tax was SEK -1,728 million (-424).

Cash and current investments as of December 31, 2025 were SEK 3,665 million (1,281). Available funds amounted to SEK 4,015 million as of December 31, 2025. The parent company's equity at the end of the period was SEK 23,532 million (54,644).



*NORSE: Oath of Blood*  
Tripwire Presents | Arctic Hazard

## SIGNIFICANT EVENTS DURING THE QUARTER

- > Between 19 September 2025 and 6 November 2025, Embracer Group repurchased in total 4,830,742 own B shares as part of the share buyback program initiated by the Board of Directors on 18 September 2025. Thus, shares with a total value of approximately SEK 500 million were repurchased.
- > On 17 November 2025, Embracer Group announced that it will leave Coffee Stain Group with a pro forma net cash position of SEK 500 million as of 30 September 2025. In connection with the planned spin-off and listing of Coffee Stain Group on Nasdaq First North Premier Growth Market in Stockholm.
- > On 26 November 2025, Embracer Group entered into a binding agreement to divest Arc Games and Cryptic Studios to Project Golden Arc, Inc., with financing from XD Inc., for expected net proceeds of approximately USD 30 million (SEK 287 million). The divestment has thereafter been completed. Embracer Group retained the publishing rights to the Remnant franchise and the rights to the online multiplayer title Fellowship. The latter were transferred to Coffee Stain Group in connection with its planned spin-off from Embracer Group.
- > On 8 December 2025, Coffee Stain Group AB published a company description on the company's website for the listing of its Class B shares on Nasdaq First North Premier Growth Market in Stockholm. The listing was carried out through a spin-off to the shareholders of Embracer Group AB and trading in Coffee Stain Group's Class B shares commenced on 11 December 2025.

## SIGNIFICANT EVENTS AFTER THE QUARTER

- > On 15 January 2026, Embracer Group announced the appointment of Lee Guinchard as Chief Operating Officer and a member of the Executive Management Team. As CEO of Embracer Freemode and Middle-earth Enterprises, he has played a central role in the group's development. In his new additional role as Chief Operating Officer of Embracer Group, he will bring this expertise to the wider group as the company evolves into Fellowship Entertainment.
- > On 4 February 2026, Embracer announced that the nomination committee for the 2026 Annual General Meeting has been appointed. The committee comprises Per Fredriksson, appointed by Lars Wingefors AB and Chair of the committee; Ola Åhman, appointed by Savvy Gaming Group; Magnus Tell, appointed by Alecta; Andreas Wollheim, appointed by SEB Asset Management; and Erik Granström, appointed by Folksam.



## SUSTAINABILITY AND GOVERNANCE

### SUSTAINABILITY

During the third quarter, we continued to strengthen our work with data quality, an area that has become even more prioritized in light of the new requirements arising from EU directives. To ensure a shared understanding and direction, we organized an in-person workshop with those responsible for ESG data within our global group. The purpose was to foster collaboration, build consensus, and increase engagement around the challenges and opportunities we face. We are convinced that this is the right path to meet increased regulatory requirements while also generating value for the business.

A particular focus during the period has been the further development of our frameworks and processes, so that they are adapted to the new conditions associated with the transformation. By involving relevant parts of the organization in the development work, we aim to secure engagement and provide the opportunity for direct influence where business decisions are made. In this way, we are building a robust structure that not only meets external requirements but also strengthens our internal efficiency and ensures that we are working with our most material issues, impacts, opportunities, and risks in these areas.

### GOVERNANCE

During the quarter, the Group re-launched the annual e-learning within Data Privacy.



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

## ANALYSTS FOLLOWING EMBRACER GROUP

For an updated list of analysts covering Embracer Group, please refer to our website [embracer.com](https://embracer.com).

## THE SHARE

TOP 20 OWNERS AS OF DECEMBER 31, 2025					Change from Sep 30, 2025
Name	Class A shares	Class B shares	Share of capital, %	Share of votes, %	Class A and B shares
1 Lars Wingefors AB	9,000,000	35,857,907	19.61%	40.63%	—
2 Savvy Gaming Group		16,647,337	7.28%	5.37%	—
3 DNB Asset Management AS		16,530,606	7.23%	5.34%	1,712,441
4 Matthew Karch		12,429,703	5.43%	4.01%	—
5 Alecta Tjänstepension		6,750,000	2.95%	2.18%	-500,000
6 Andrey Iones		6,586,275	2.88%	2.13%	—
7 SEB Funds		5,903,304	2.58%	1.91%	33,296
8 Vanguard		5,724,498	2.50%	1.85%	-104,555
9 Embracer Group AB		5,580,294	2.44%	1.80%	4,261,768
10 Norges Bank Investment Management		5,418,946	2.37%	1.75%	—
11 Carnegie Fonder		5,250,000	2.29%	1.69%	—
12 DNB Asset Management SA		4,422,819	1.93%	1.43%	248,329
13 Första AP-fonden		4,400,000	1.92%	1.42%	0
14 Folksam		4,129,709	1.81%	1.33%	38,477
15 Canada Pension Plan Investment Board (CPP)		4,080,176	1.78%	1.32%	—
16 Skandia Fonder		3,728,489	1.63%	1.20%	415,013
17 Avanza Pension		3,101,981	1.36%	1.00%	1,666,101
18 BlackRock		3,094,924	1.35%	1.00%	-149,869
19 Handelsbanken Fonder		2,733,492	1.19%	0.88%	274,908
20 Randy Pitchford		2,622,662	1.15%	0.85%	—
<b>TOP 20</b>	<b>9,000,000</b>	<b>154,993,122</b>	<b>71.68%</b>	<b>79.09%</b>	
<b>OTHERS</b>	<b>0</b>	<b>64,784,843</b>	<b>28.32%</b>	<b>20.91%</b>	
<b>TOTAL</b>	<b>9,000,000</b>	<b>219,777,965</b>	<b>100.00%</b>	<b>100.00%</b>	

Source: Monitor by Modular Finance.  
Shareholder lists are available on [embracer.com](https://embracer.com) and are updated in real time.

## INTERNATIONAL OWNERSHIP TOP 50 INSTITUTIONAL AS OF DECEMBER 31, 2025 BY CAPITAL



## 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 not been subject to review by the Company's auditor.

## FINANCIAL CALENDAR

Full Year Report Q4, January-March 2026	May 20, 2026
Annual Report 2025/26	Week 25, 2026
Interim Report Q1, April-June 2026	August 13, 2026
Annual General Meeting 2026	September 24, 2026
Interim Report Q2, July-September 2026	November 12, 2026
Interim Report Q3, October-December 2026	February 11, 2027
Full Year Report Q4, January-March 2027	May 20, 2027

## FOR MORE INFORMATION

Find more information about the Company at its website: [embracer.com](https://embracer.com)

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*Kingdom Come: Deliverance II*  
Deep Silver | Warhorse Studios

## SIGNATURES AND ASSURANCE

The Board of Directors and Chief Executive Officer offer their assurance that this interim report for the third 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, February 12, 2026

Lars Wingefors  
*Chair of the Board*

Kicki Wallje-Lund  
*Deputy Chair of the Board*

Yasmina Brihi  
*Board member*

Bernt Ingman  
*Board member*

Jacob Jonmyren  
*Board member*

Cecilia Qvist  
*Board member*

Brian Ward  
*Board member*

Phil Rogers  
*CEO*

*This information is information that Embracer Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was submitted for publication, through the agency of the contact persons set out above, at 2026-02-12 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.*



**Ride 6**  
Milestone | Milestone

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Amounts in SEK m	Note	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
Net sales	3, 4	5,176	6,985	11,975	16,137	21,314
Other operating income	6	426	91	618	314	8,389
<b>Total operating income</b>		<b>5,603</b>	<b>7,076</b>	<b>12,593</b>	<b>16,451</b>	<b>29,703</b>
Work performed by the Company for its own use and capitalized		528	643	1,617	1,980	2,587
Goods for resale		-2,316	-2,906	-4,579	-5,149	-6,604
Other external expenses	7	-989	-1,555	-2,619	-4,110	-5,459
Personnel expenses	8	-1,309	-1,671	-3,797	-6,280	-8,107
Depreciation, amortization and impairment		-850	-1,049	-2,891	-3,290	-8,684
Other operating expenses	9	-3	-85	-78	-711	-104
Share of profit of an associate after tax		1	1	3	1	-8
<b>Operating profit/loss (EBIT)</b>		<b>663</b>	<b>454</b>	<b>250</b>	<b>-1,107</b>	<b>3,324</b>
Net financial items	10	-87	578	-230	-228	-862
<b>Profit/loss before tax</b>		<b>576</b>	<b>1,032</b>	<b>20</b>	<b>-1,335</b>	<b>2,461</b>
Income tax		-99	-227	-40	-263	-115
<b>Profit for the year continuing operations</b>		<b>477</b>	<b>806</b>	<b>-20</b>	<b>-1,598</b>	<b>2,346</b>
Profit from Discontinued operation, net after tax <sup>1)</sup>	6	966	192	1,029	23	3,617
<b>Net profit/loss for the period</b>		<b>1,443</b>	<b>997</b>	<b>1,009</b>	<b>-1,575</b>	<b>5,963</b>
<i>Net profit/loss for the period attributable to:</i>						
Equity holders of the parent		1,442	996	1,007	-1,576	5,964
Non-controlling interests		1	1	2	1	-1
<b>Earnings per share <sup>2)</sup></b>						
Basic earnings per share including Discontinued operation (SEK)		6.82	4.81	4.81	-7.65	28.88
Diluted earnings per share including Discontinued operation (SEK)		6.82	4.80	4.81	-7.65	28.87
Basic earnings per share excluding Discontinued operation (SEK)		2.25	3.88	-0.10	-7.76	11.37
Diluted earnings per share excluding Discontinued operation (SEK)		2.25	3.88	-0.10	-7.76	11.36

<sup>1)</sup> Excluding non-controlling interests of discontinued operations

<sup>2)</sup> Recalculated with respect to the reversed split 1:6 carried out on January 15, 2025 as resolved at the extra general meeting on January 7, 2025. Number of shares for previous periods have been adjusted.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	Note	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
<b>Net profit/loss for the period</b>		<b>1,443</b>	<b>997</b>	<b>1,009</b>	<b>-1,575</b>	<b>5,963</b>
<b>Other comprehensive income</b>						
<i>Items that may be reclassified to profit or loss (net of tax):</i>						
Exchange differences on translation of foreign operations		-757	1,659	-1,113	-692	-4,831
Cash flow hedges		-2	1	2	-1	-3
<i>Items that will not be reclassified to profit or loss (net of tax):</i>						
Remeasurement of defined benefit plans for employees		—	0	—	0	-2
<b>Total other comprehensive income for the period, net of tax</b>		<b>-759</b>	<b>1,660</b>	<b>-1,111</b>	<b>-694</b>	<b>-4,836</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>684</b>	<b>2,657</b>	<b>-102</b>	<b>-2,269</b>	<b>1,126</b>
<i>Total comprehensive income attributable to:</i>						
Equity holders of the parent		683	2,656	-104	-2,270	1,127
Non-controlling interests		1	1	2	1	-1

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK m	Note	Dec 31, 2025	Dec 31, 2024	Mar 31, 2025
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill		9,686	17,013	12,373
Intangible assets		11,924	16,433	14,312
Property, plant and equipment		455	591	527
Right-of-use assets		471	711	645
Investments in associates		6	262	246
Non-current financial assets		568	493	447
Deferred tax assets		1,629	1,628	1,665
<b>Total non-current assets</b>		<b>24,738</b>	<b>37,131</b>	<b>30,215</b>
<b>Current assets</b>				
Inventories		822	1,049	707
Trade receivables		2,581	3,128	2,200
Contract assets		307	208	82
Other receivables		1,185	1,372	1,351
Prepaid expenses		295	383	481
Current investments		—	—	0
Cash and cash equivalents		4,876	3,041	7,097
<b>Total current assets</b>		<b>10,065</b>	<b>9,181</b>	<b>11,919</b>
Assets held for sale or distribution	6	—	43,549	—
<b>TOTAL ASSETS</b>		<b>34,803</b>	<b>89,861</b>	<b>42,134</b>

CONT.>>

>>CONTINUED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK m	Note	Dec 31, 2025	Dec 31, 2024	Mar 31, 2025
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		2	2	2
Other contributed capital		61,887	61,836	62,061
Reserves		-121	5,133	990
Retained earnings, including net profit/loss		-35,733	-16,256	-31,921
<b>Total equity attributable to equity holders of the parent</b>		<b>26,035</b>	<b>50,715</b>	<b>31,133</b>
Non-controlling interests		36	903	64
<b>Total equity</b>		<b>26,071</b>	<b>51,618</b>	<b>31,196</b>
<b>Non-current liabilities</b>				
Liabilities to credit institutions		1,108	5,883	1,119
Other non-current liabilities		192	175	103
Lease liabilities		337	489	438
Other provisions		185	39	186
Contingent considerations	5	368	1,505	822
Non-current employee benefits		4	3	5
Non-current liabilities to employees related to historical acquisitions	5	50	755	679
Deferred tax liabilities		717	1,450	1,226
<b>Total non-current liabilities</b>		<b>2,962</b>	<b>10,300</b>	<b>4,578</b>
<b>Current liabilities</b>				
Liabilities to credit institutions		901	589	545
Advances from customers		82	122	158
Trade payables		1,505	1,964	1,207
Lease liabilities		166	267	249
Contract liabilities		605	1,019	1,023
Contingent considerations	5	104	303	495
Tax liabilities		176	377	365
Current liabilities to employees related to historical acquisitions	5	246	101	164
Other current liabilities		496	471	498
Accrued expenses		1,489	2,136	1,656
<b>Total current liabilities</b>		<b>5,771</b>	<b>7,348</b>	<b>6,360</b>
Liabilities directly associated with assets classified as held for sale or distribution	6	—	20,596	—
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>34,803</b>	<b>89,861</b>	<b>42,134</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK m	Equity attributable to equity holders of the parent					Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves <sup>1)</sup>	Retained earnings including profit for the period	Total equity attributable to equity holders of the parent		
<b>Opening balance 2024-04-01</b>	<b>2</b>	<b>60,932</b>	<b>5,826</b>	<b>-14,341</b>	<b>52,419</b>	<b>64</b>	<b>52,482</b>
Net profit/loss	—	—	—	-1,576	-1,576	1	-1,575
Other comprehensive income	—	—	-694	—	-694	0	-694
<b>Total comprehensive income for the period</b>	<b>—</b>	<b>—</b>	<b>-694</b>	<b>-1,576</b>	<b>-2,270</b>	<b>1</b>	<b>-2,269</b>
<i>Transactions with the owners</i>							
New share issue	0	268	—	—	268	—	268
Share-based remuneration according to IFRS 2	—	637	—	—	637	—	637
Transactions with non-controlling interests	—	—	—	-339	-339	1,332	994
Dividend to non-controlling interests	—	—	—	—	—	-495	-495
<b>Total</b>	<b>0</b>	<b>905</b>	<b>—</b>	<b>-339</b>	<b>566</b>	<b>837</b>	<b>1,404</b>
<b>Closing balance 2024-12-31</b>	<b>2</b>	<b>61,836</b>	<b>5,133</b>	<b>-16,256</b>	<b>50,715</b>	<b>903</b>	<b>51,618</b>
<b>Opening balance 2025-04-01</b>	<b>2</b>	<b>62,061</b>	<b>990</b>	<b>-31,921</b>	<b>31,133</b>	<b>64</b>	<b>31,196</b>
Net profit/loss	—	—	—	1,007	1,007	2	1,009
Other comprehensive income	—	—	-1,111	—	-1,111	0	-1,111
<b>Total comprehensive income for the period</b>	<b>—</b>	<b>—</b>	<b>-1,111</b>	<b>1,007</b>	<b>-104</b>	<b>2</b>	<b>-102</b>
<i>Transactions with the owners</i>							
New share issue	0	389	—	—	389	—	389
Share-based remuneration according to IFRS 2	—	-64	—	—	-64	—	-64
Repurchase of own shares	—	-500	—	—	-500	—	-500
Dividend	—	—	—	-4,819	-4,819	—	-4,819
Transactions with non-controlling interests	—	—	—	0	—	-30	-30
<b>Total</b>	<b>0</b>	<b>-174</b>	<b>—</b>	<b>-4,820</b>	<b>-4,994</b>	<b>-30</b>	<b>-5,023</b>
<b>Closing balance 2025-12-31</b>	<b>2</b>	<b>61,887</b>	<b>-121</b>	<b>-35,733</b>	<b>26,035</b>	<b>36</b>	<b>26,071</b>

<sup>1)</sup> 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 <sup>2)</sup>	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
<b>Operating activities</b>					
Profit/loss before tax	576	1,032	20	-1,335	2,461
Adjustments for non-cash items, etc.	391	292	2,141	3,715	1,447
Income tax paid	-71	-186	-361	-628	-701
<b>Cash flow from operating activities before changes in working capital</b>	<b>896</b>	<b>1,138</b>	<b>1,800</b>	<b>1,752</b>	<b>3,207</b>
<b>Cash flow from changes in working capital</b>					
Change in inventories	58	114	-152	-126	5
Change in operating receivables	-1,147	-951	-630	-826	237
Change in operating liabilities	636	1,173	-6	378	-788
<b>Cash flow from operating activities</b>	<b>443</b>	<b>1,474</b>	<b>1,011</b>	<b>1,178</b>	<b>2,660</b>
<b>Investing activities</b>					
Acquisition of property, plant and equipment	-24	-28	-68	-104	-123
Proceeds from sales of property, plant and equipment	16	3	16	3	4
Acquisition of intangible assets	-763	-841	-2,269	-2,624	-3,415
Proceeds from sales of intangible assets	—	4	6	21	26
Acquisition of subsidiaries, net of cash acquired <sup>1)</sup>	-316	-379	-374	-684	-702
Divestment of subsidiaries, net of cash divested	219	-22	157	5,866	18,497
Acquisition of financial assets	—	95	-44	-31	-47
Proceeds from sales of financial assets	—	1	0	7	6
<b>Cash flow from investing activities</b>	<b>-868</b>	<b>-1,167</b>	<b>-2,574</b>	<b>2,454</b>	<b>14,246</b>
<b>Financing activities</b>					
Repurchase of own shares	-428	—	-500	—	—
Proceeds from borrowings	481	343	1,493	6,884	7,272
Received dividend	—	—	—	9,885	9,885
Payments received from and given to discontinued operations	-470	190	-272	448	-4,118
Repayment of loans	-288	-511	-1,102	-19,680	-24,763
Payment of lease liabilities	-61	-78	-195	-243	-316
<b>Cash flow from financing activities</b>	<b>-766</b>	<b>-56</b>	<b>-576</b>	<b>-2,706</b>	<b>-12,041</b>
<b>Total cash flow, Continuing operations</b>	<b>-1,191</b>	<b>251</b>	<b>-2,139</b>	<b>926</b>	<b>4,866</b>
<b>Total cash flow, Discontinued operations</b>	<b>495</b>	<b>654</b>	<b>495</b>	<b>607</b>	<b>5,274</b>
<b>Total cash flow, total Group</b>	<b>-696</b>	<b>905</b>	<b>-1,644</b>	<b>1,534</b>	<b>10,141</b>
Cash and cash equivalents at the beginning of period	6,127	4,052	7,097	3,507	3,507
Exchange-rate differences in cash and cash equivalents	-22	92	-45	9	-95
Cash and cash equivalents in Discontinued operations	-533	-1,836	-533	-1,836	-6,491
<b>Cash and cash equivalents at the end of period</b>	<b>4,876</b>	<b>3,213</b>	<b>4,876</b>	<b>3,214</b>	<b>7,061</b>

<sup>1)</sup> The change in the quarter refers to historical acquisitions.

<sup>2)</sup> The total cash flow for discontinued operations is presented as a separate row in the cash flow statement. Details are disclosed in note 6.

# NOTES

## NOTE 1 MATERIAL ACCOUNTING PRINCIPLES

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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 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 2024/25, with additions described below. 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 2024/25. For the parent company's applied accounting policies, see Note P1.

Disclosures in accordance with IAS 34.16A appear in addition to the financial statements and its related notes in the interim information on page [27-36](#) 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.

### Accounting principles - Repurchase of own shares

Expenditure for the purchase of own shares reduces retained earnings in equity in the Parent company and the portion of consolidated equity that pertains to owners of the Parent company. If these shares are sold, the sales proceeds are included in retained earnings in the equity pertaining to owners of the Parent company.

## NOTE 2 SIGNIFICANT ESTIMATES AND ASSUMPTIONS

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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 2024/25.

### NOTE 3 OPERATING SEGMENTS

For accounting and monitoring, the Group has divided its operations into three 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.

**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.

Oct-Dec 2025	PC/Console Games	Mobile Games	Entertainment & Services	Total segments	Eliminations	Corporate	Group total
Revenue from external customers	1,989	566	2,621	5,176	–	–	5,176
Revenue from transactions with other operating segment	18	9	13	40	-40	–	–
<b>Total revenue</b>	<b>2,007</b>	<b>575</b>	<b>2,634</b>	<b>5,216</b>	<b>-40</b>	<b>–</b>	<b>5,176</b>
<b>Adjusted EBIT</b>	<b>252</b>	<b>80</b>	<b>252</b>	<b>584</b>	<b>–</b>	<b>-56</b>	<b>528</b>
Amortization of surplus values of acquired intangible assets	-50	-50	-61	-162	–	–	-162
Personnel costs related to acquisitions	-5	-13	-1	-20	–	–	-20
Items affecting comparability	312	-5	25	331	–	-15	316
<b>EBIT</b>	<b>509</b>	<b>11</b>	<b>214</b>	<b>734</b>	<b>–</b>	<b>-71</b>	<b>663</b>
Net financial items							-87
<b>Profit/loss before tax</b>							<b>576</b>

Oct-Dec 2024	PC/Console Games	Mobile Games	Entertainment & Services	Total segments	Eliminations	Corporate	Group total
Revenue from external customers	2,223	1,669	3,093	6,985	–	–	6,985
Revenue from transactions with other operating segment	3	12	8	23	-23	–	–
<b>Total revenue</b>	<b>2,226</b>	<b>1,681</b>	<b>3,101</b>	<b>7,008</b>	<b>-23</b>	<b>–</b>	<b>6,985</b>
<b>Adjusted EBIT</b>	<b>324</b>	<b>400</b>	<b>284</b>	<b>1,008</b>	<b>–</b>	<b>-60</b>	<b>948</b>
Amortization of surplus values of acquired intangible assets	-90	-95	-89	-275	–	–	-275
Personnel costs related to acquisitions	-58	-63	-1	-122	–	–	-122
Items affecting comparability	-97	–	–	-97	–	1	-96
<b>EBIT</b>	<b>78</b>	<b>242</b>	<b>194</b>	<b>513</b>	<b>–</b>	<b>-59</b>	<b>454</b>
Net financial items							578
<b>Profit/loss before tax</b>							<b>1,032</b>

Apr-Dec 2025	PC/Console Games	Mobile Games	Entertainment & Services	Total segments	Eliminations	Corporate	Group total
Revenue from external customers	5,078	1,621	5,277	11,975	–	–	11,975
Revenue from transactions with other operating segment	23	36	24	82	-82	–	–
<b>Total revenue</b>	<b>5,100</b>	<b>1,656</b>	<b>5,300</b>	<b>12,057</b>	<b>-82</b>	<b>–</b>	<b>11,975</b>
<b>Adjusted EBIT</b>	<b>183</b>	<b>197</b>	<b>334</b>	<b>715</b>	<b>–</b>	<b>-169</b>	<b>545</b>
Amortization of surplus values of acquired intangible assets	-169	-162	-195	-526	–	–	-526
Personnel costs related to acquisitions	9	139	-1	147	–	–	147
Items affecting comparability	135	-5	-26	103	–	-19	84
<b>EBIT</b>	<b>158</b>	<b>169</b>	<b>112</b>	<b>438</b>	<b>–</b>	<b>-188</b>	<b>250</b>
Net financial items							-230
<b>Profit/loss before tax</b>							<b>20</b>

CONT. >>

>> NOTE 3 CONTINUED

Apr-Dec 2024	PC/Console Games	Mobile Games	Entertainment & Services	Total segments	Eliminations	Corporate	Group total
Revenue from external customers	6,534	4,415	5,188	16,137	–	–	16,137
Revenue from transactions with other operating segment	14	24	25	63	-63	–	–
<b>Total revenue</b>	<b>6,548</b>	<b>4,439</b>	<b>5,213</b>	<b>16,200</b>	<b>-63</b>	<b>–</b>	<b>16,137</b>
<b>Adjusted EBIT</b>	<b>392</b>	<b>1,292</b>	<b>292</b>	<b>1,976</b>	<b>–</b>	<b>-180</b>	<b>1,796</b>
Amortization of surplus values of acquired intangible assets	-322	-309	-267	-898	–	–	-898
Personnel costs related to acquisitions	-1,097	-147	-11	-1,255	–	–	-1,255
Remeasurement of contingent consideration	4	–	–	4	–	–	4
Items affecting comparability	-755	–	–	-755	–	1	-754
<b>EBIT</b>	<b>-1,778</b>	<b>837</b>	<b>13</b>	<b>-928</b>	<b>–</b>	<b>-179</b>	<b>-1,107</b>
Net financial items							-228
<b>Profit/loss before tax</b>							<b>-1,335</b>

Apr 2024- Mar 2025	PC/Console Games	Mobile Games	Entertainment & Services	Total segments	Eliminations	Corporate	Group total
Revenue from external customers	9,394	5,359	6,561	21,314	–	–	21,314
Revenue from transactions with other operating segment	21	40	35	95	-95	–	–
<b>Total revenue</b>	<b>9,415</b>	<b>5,398</b>	<b>6,596</b>	<b>21,409</b>	<b>-95</b>	<b>–</b>	<b>21,314</b>
<b>Adjusted EBIT</b>	<b>1,341</b>	<b>1,383</b>	<b>324</b>	<b>3,049</b>	<b>–</b>	<b>-256</b>	<b>2,793</b>
Amortization of surplus values of acquired intangible assets	-408	-371	-356	-1,135	–	–	-1,135
Personnel costs related to acquisitions	-1,189	-335	-18	-1,542	–	–	-1,542
Remeasurement of contingent consideration	4	–	–	4	–	–	4
Items affecting comparability	-3,815	8,424	-1,047	3,562	–	-358	3,204
<b>EBIT</b>	<b>-4,067</b>	<b>9,101</b>	<b>-1,096</b>	<b>3,938</b>	<b>–</b>	<b>-614</b>	<b>3,324</b>
Net financial items							-862
<b>Profit/loss before tax</b>							<b>2,461</b>

**NOTE 4 REVENUE FROM CONTRACTS WITH CUSTOMERS**

Oct-Dec 2025	PC/Console Games	Mobile Games	Entertainment & Services	Group total
<b>Type of products</b>				
Digital products	1,345	566	127	2,038
Physical products	185	–	2,348	2,533
Other <sup>1)</sup>	459	–	146	605
<b>Revenue from contracts with customers</b>	<b>1,989</b>	<b>566</b>	<b>2,621</b>	<b>5,176</b>
<hr/>				
Oct-Dec 2024	PC/Console Games	Mobile Games	Entertainment & Services	Group total
<b>Type of products</b>				
Digital products	1,318	1,667	564	3,549
Physical products	309	–	2,416	2,725
Other <sup>1)</sup>	596	2	114	711
<b>Revenue from contracts with customers</b>	<b>2,223</b>	<b>1,669</b>	<b>3,093</b>	<b>6,985</b>
<hr/>				
Apr-Dec 2025	PC/Console Games	Mobile Games	Entertainment & Services <sup>2)</sup>	Group total
<b>Type of products</b>				
Digital products	3,229	1,621	316	5,167
Physical products	349	–	4,591	4,939
Other <sup>1)</sup>	1,500	–	370	1,869
<b>Revenue from contracts with customers</b>	<b>5,078</b>	<b>1,621</b>	<b>5,277</b>	<b>11,975</b>
<hr/>				
Apr-Dec 2024	PC/Console Games	Mobile Games	Entertainment & Services	Group total
<b>Type of products</b>				
Digital products	3,782	4,404	864	9,049
Physical products	707	–	4,083	4,790
Other <sup>1)</sup>	2,045	12	242	2,298
<b>Revenue from contracts with customers</b>	<b>6,534</b>	<b>4,415</b>	<b>5,188</b>	<b>16,137</b>
<hr/>				
Apr 2024- Mar 2025	PC/Console Games	Mobile Games	Entertainment & Services	Group total
<b>Type of products</b>				
Digital products	5,916	5,347	1,083	12,346
Physical products	903	–	5,144	6,046
Other <sup>1)</sup>	2,576	12	334	2,922
<b>Revenue from contracts with customers</b>	<b>9,394</b>	<b>5,359</b>	<b>6,561</b>	<b>21,314</b>

<sup>1)</sup> See Operating segment, page 6-10

<sup>2)</sup> A correction is made of the Q1 figures 2025 with a reclassification from Digital to Physical sales.

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

	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
<b>PC/Console Games</b>					
<b>IP-rights</b>					
Owned titles	1,437	1,361	3,535	3,701	5,912
Publishing titles	552	862	1,542	2,833	3,482
<b>Total</b>	<b>1,989</b>	<b>2,223</b>	<b>5,078</b>	<b>6,534</b>	<b>9,394</b>
<hr/>					
New releases	228	183	513	530	1,906
Back catalog	1,302	1,444	3,065	3,960	4,913
Other	459	596	1,500	2,045	2,576
<b>Total</b>	<b>1,989</b>	<b>2,223</b>	<b>5,078</b>	<b>6,534</b>	<b>9,394</b>

Reclassification of the assets & liabilities under IFRS 5 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 December 31, 2025	Level 1	Level 2	Level 3	Total
Current investments	112	—	—	112

Financial assets measured at fair value as of December 31, 2024	Level 1	Level 2	Level 3	Total
Current investments	45	—	—	45

Financial assets measured at fair value as of March 31, 2025	Level 1	Level 2	Level 3	Total
Current investments	50	—	—	50

#### Financial liabilities measured at fair value

Financial liabilities measured at fair value as of December 31, 2025	Level 1	Level 2	Level 3	Total
Contingent consideration	—	—	472	472
Liabilities to employees related to historical acquisitions	—	—	297	297

Financial liabilities measured at fair value as of December 31, 2024	Level 1	Level 2	Level 3	Total
Contingent consideration	—	—	1,808	1,808
Liabilities to employees related to historical acquisitions	—	—	855	855

Financial liabilities measured at fair value as of March 31, 2025	Level 1	Level 2	Level 3	Total
Contingent consideration	—	—	1,317	1,317
Liabilities to employees related to historical acquisitions	—	—	843	843

#### 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%-12.1%. 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-Dec 2025	Apr-Dec 2024	Apr 2024-Mar 2025
Opening balance	2,264	3,935	3,935
Payment - shares to be issued	-360	-79	-79
Payment - clawback shares	-416	-459	-565
Payment - cash	-377	-225	-243
FX effects	18	34	-85
Reclassifications	-195	—	—
Disposals/divestments	-21	-252	-252
Change in fair value recognized in consolidated statement of profit or loss	-137	-94	-447
Closing balance	776	2,860	2,264

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 -41 million and a lower discount factor of 1.5 percentage points will have an impact with SEK 44 million.

CONT. >>

>> NOTE 5 CONTINUED

The Group's contingent considerations will be settled in cash or with issued shares. As at December 31, 2025, the contingent considerations are expected to be settled according to the table below.

	Contingent consideration classified as financial liability		Total contingent consideration classified as financial liability	Contingent consideration classified as equity		Total contingent consideration
Expected settlement	Cash settlement	Newly issued shares			Newly issued shares	
Total	398	74	472	304	776	
As of December 31, 2025			Classified as financial liability	Of which already issued	Classified as equity	Of which already issued
Maximum number of shares related to contingent consideration			2,675,543	1,187,196	769,216	699,216

**Liabilities to employees related to historical acquisitions**

Liabilities to employees related to historical 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 historical 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.

	Apr-Dec 2025	Apr-Dec 2024	Apr 2024-Mar 2025
<b>Liabilities to employees related to historical acquisitions</b>			
<b>Opening balance</b>	<b>843</b>	<b>1,434</b>	<b>1,434</b>
Accrual of personnel cost in consolidated statement of profit or loss	-196	309	395
Payment - cash after the acquisition day	-311	-1,264	-1,294
Change in fair value recognized in consolidated statement of profit or loss	5	31	32
Reclassifications	27	-386	—
Disposals/divestments	-49	713	317
FX-effects	-23	19	-41
<b>Closing balance</b>	<b>297</b>	<b>855</b>	<b>843</b>

As of December 31, 2025, the Group's liabilities to employees related to historical acquisitions will be settled in cash.

## NOTE 6 ASSETS (DISPOSAL GROUPS) HELD FOR SALE OR DISTRIBUTION

### Divestment of group companies

During Q3 FY 2025/26 agreements were entered into to divest Arc Games, Cryptic Studios and Lost Boys Interactive. All transactions were closed in December 2025. Below table presents the effect in the quarter from divestments of subsidiaries and includes purchase price adjustments for divestments closed in previous quarters.

	Oct-Dec 2025
Divestment of entities	Total
<b>Total consideration</b>	<b>337</b>
Carrying amount of net assets sold	294
<b>Gain (loss) on sale before income tax and reclassification of foreign currency translation reserve</b>	<b>43</b>
Reclassification of foreign currency translation reserve	307
Income tax expense on gain	—
<b>Gain (loss) on sale after income tax</b>	<b>350</b>
<b>Net cash consideration received</b>	<b>368</b>
Less: Cash and cash equivalents in divested companies	-149
<b>Impact on the Groups' cash and cash equivalents</b>	<b>219</b>

The net gain is recognized as Other operating income in the consolidated statement of profit or loss.

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

	Oct-Dec 2025
Assets and liabilities included in the sale	Total
Intangible assets	198
Property, plant and equipment	9
Right-of-use assets	16
Other non-current financial assets	21
Trade receivables	28
Other current assets	89
Cash and cash equivalents	149
<b>Total assets</b>	<b>510</b>
Lease liabilities	-15
Trade payables	-10
Other liabilities	-191
<b>Total liabilities</b>	<b>-216</b>
<b>Net assets</b>	<b>294</b>

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## NOTE 6 CONTINUED

### IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

#### Distribution to owners

At an extra general meeting held 3 November 2025 the formal decision to distribute all shares in Coffee Stain Group AB to the shareholders in Embracer was taken. In December the shareholders received one Coffee Stain share for each Embracer share. Coffee Stain Group was listed on Nasdaq First North Premier Growth Market in Stockholm on 11 December 2025, with an opening price of SEK 26.62 per share. The amounts for continuing and discontinued operations in the consolidated financial statements are presented after elimination of intragroup transactions and balances unless the similar types of transactions and balances are expected to continue also after the disposal. The continuing operations

within PC/Console Games will continue to perform development services towards Coffee Stain Group after the distribution.

At the distribution of the Coffee Stain shares, Embracer recognized a capital gain of SEK 861 million within discontinued operations. The gain represents the difference between Coffee Stains fair value and the carrying amount of Coffee Stain's net assets at the time of the distribution. As part of the distribution all historical translation differences allocated to Coffee Stain Group, amounting to SEK 0 million have been recycled to the income statement as Profit for discontinued operations.

Assets and liabilities included in disposal groups held for sale or distribution as of December 31, 2025	Apr-Dec 2025	Apr-Dec 2024 <sup>1)</sup>	Apr 2024-Mar 2025
Goodwill	—	14,255	—
Intangible assets	—	19,553	—
Property, plant and equipment	—	272	—
Right-of-use assets	—	667	—
Other non-current assets	—	45	—
Inventories	—	2,288	—
Other current assets	—	4,461	—
Cash and cash equivalents	—	2,008	—
<b>Total assets included in disposal group held for sale or distribution</b>	<b>—</b>	<b>43,549</b>	<b>—</b>
Non-current interest-bearing liabilities	—	-12,805	—
Non-current non-interest-bearing liabilities	—	-4,045	—
Current interest-bearing liabilities	—	-76	—
Current non-interest-bearing liabilities	—	-3,669	—
<b>Total liabilities included in disposal group held for sale or distribution</b>	<b>—</b>	<b>-20,596</b>	<b>—</b>
<b>Net assets</b>	<b>—</b>	<b>22,953</b>	<b>—</b>

<sup>1)</sup> During the last financial year Embracer assessed that the former operating segment Tabletop (Asmodee) qualified as discontinued operation and during the last financial year Asmodee was distributed to the shareholders in Embracer.

CONT. >>

**NOTE 6 CONTINUED**

	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
<b>Income statement for Discontinued operations</b>					
<b>Net sales</b>	162	5,319	568	12,667	14,158
Other operating income	1	7	1	7	6
<b>Total operating income</b>	<b>163</b>	<b>5,326</b>	<b>569</b>	<b>12,674</b>	<b>14,164</b>
Work performed by the Company for its own use and capitalized	18	49	84	217	272
Goods for resale	-15	-2,901	-60	-7,059	-7,940
Other external expenses	-13	-904	-70	-1,749	-1,896
Personnel expenses	-35	-646	-153	-1,799	-2,039
Depreciation, amortization and impairment	0	-369	-163	-1,146	-1,411
Other operating expenses	0	2	-8	-12	-12
Share of profit of an associate	1	6	2	29	32
<b>Operating profit (EBIT)</b>	<b>120</b>	<b>563</b>	<b>202</b>	<b>1,153</b>	<b>1,170</b>
Net financial items	0	-250	-24	-711	-925
<b>Profit before tax</b>	<b>120</b>	<b>313</b>	<b>178</b>	<b>442</b>	<b>245</b>
Income tax	-11	-120	-6	-431	-364
<b>Profit from operations</b>	<b>108</b>	<b>194</b>	<b>172</b>	<b>11</b>	<b>-119</b>
<b>Profit (Loss) on remeasurements to fair value</b>					
Profit from dividend of operations	861	—	861	—	2,611
Reclassification of foreign currency translation reserve	—	—	—	—	1,112
<b>Net profit for the period, discontinued operations</b>	<b>969</b>	<b>194</b>	<b>1,033</b>	<b>11</b>	<b>3,605</b>
<i>Net profit/loss for the period attributable to:</i>					
Equity holders of the parent	966	192	1,029	23	3,617
Non-controlling interests	4	1	4	-13	-13
<b>Cash flow statement for Discontinued operations</b>					
	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
Cash flow from operating activities	58	1,009	352	1,573	1,720
Cash flow from investing activities	-29	-105	-117	-392	-455
Cash flow from financing activities	466	-250	260	-574	4,010
<b>Cash flow for the period</b>	<b>495</b>	<b>654</b>	<b>495</b>	<b>607</b>	<b>5,274</b>

## NOTE 7 RELATED PARTY TRANSACTIONS

Related party transaction	Related party	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
Consulting service	Logvreten AB <sup>1)</sup> (supplier)	0	0	0	-1	-1
Transportation services	Sola Service i Karlstad AB <sup>2)</sup> (supplier)	-3	-6	-9	-13	-17
Transportation services	Sola Air AB <sup>2)</sup> (supplier)	0	—	0	—	—
Transportation services	Empterwik Special Services Ltd <sup>2)</sup>	-5	-6	-15	-16	-22
Sale of goods/services	Bröderna Wingefors AB <sup>2)</sup> (supplier)	—	—	—	0	0
Rent income	Lars Wingefors AB <sup>3)</sup> (purchaser)	0	—	0	—	—
Consulting service	LW Comics <sup>2)</sup> (supplier)	0	0	0	0	0
<b>Total</b>		<b>-8</b>	<b>-11</b>	<b>-24</b>	<b>-30</b>	<b>-40</b>

<sup>1)</sup> Kicki Walje-Lund has controlling influence over the company

<sup>2)</sup> The company is part of Lars Wingefors AB

<sup>3)</sup> Lars Wingefors AB is owned by Lars Wingefors, Erik Stenberg, Mikael Brodén, Klemens Kreuzer, Reinhard Pollice and Jacob Jonmyren.

## NOTE 8 PERSONNEL EXPENSES

SEK m	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
Personnel expenses	-1,291	-1,577	-3,924	-5,037	-6,550
Personnel costs related to acquisitions - Excluding FX gain/loss <sup>1)</sup>	-19	-93	127	-1,243	-1,558
<b>Total</b>	<b>-1,309</b>	<b>-1,671</b>	<b>-3,797</b>	<b>-6,280</b>	<b>-8,107</b>

<sup>1)</sup> Personnel costs related to acquisitions has a positive effect in Apr-Dec 2025 due to several changes related to estimations of fulfillment degree and timing of such fulfillment.

## NOTE 9 OTHER OPERATING EXPENSES

SEK m	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
Other operating expenses	-3	14	-78	9	-104
Divestment of subsidiaries	—	-87	—	-707	0
<b>Total</b>	<b>-3</b>	<b>-85</b>	<b>-78</b>	<b>-711</b>	<b>-104</b>

## NOTE 10 NET FINANCIAL ITEMS

SEK m	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
Interest income and other financial income	22	23	95	70	121
Interest expense and other financial expense	-39	-131	-108	-553	-645
<b>Sum</b>	<b>-17</b>	<b>-108</b>	<b>-13</b>	<b>-483</b>	<b>-524</b>
Change in fair value financial assets and liabilities	-65	86	151	93	489
Interest deferred consideration	—	—	—	-9	-9
Realized and unrealized exchange rate gains/losses	-5	600	-369	171	-818
<b>Total financial net</b>	<b>-87</b>	<b>578</b>	<b>-230</b>	<b>-228</b>	<b>-862</b>

# PARENT COMPANY'S INCOME STATEMENT

Amounts in SEK m	Note	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
Net sales		48	21	121	64	87
Other operating income		166	0	166	1	2
<b>Total operating income</b>		<b>214</b>	<b>21</b>	<b>287</b>	<b>64</b>	<b>89</b>
<b>Operating expenses</b>						
Other external expenses		-37	-35	-101	-105	-139
Personnel expenses		-59	-35	-153	-100	-135
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		-1	-1	-3	-3	-4
Other operating expenses	P2	-5	0	-3	-293	-389
<b>Operating profit/loss</b>		<b>113</b>	<b>-51</b>	<b>28</b>	<b>-436</b>	<b>-578</b>
Net financial items	P3	-1,844	663	-1,826	-52	-2,570
<b>Profit/loss after financial items</b>		<b>-1,731</b>	<b>611</b>	<b>-1,798</b>	<b>-488</b>	<b>-3,148</b>
Appropriations		154	290	49	78	52
<b>Profit/loss before tax</b>		<b>-1,578</b>	<b>902</b>	<b>-1,749</b>	<b>-410</b>	<b>-3,096</b>
Income tax		-7	-136	21	-14	95
<b>Net profit/loss for the period</b>		<b>-1,585</b>	<b>766</b>	<b>-1,728</b>	<b>-424</b>	<b>-3,001</b>

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

# PARENT COMPANY BALANCE SHEET

Amounts in SEK m	Dec 31, 2025	Dec 31, 2024	Mar 31, 2025
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	1	3	3
Tangible assets	3	5	5
Shares in group companies	13,958	38,877	15,258
Receivables from group companies	7,177	18,257	12,100
Other financial assets	160	59	95
Deferred tax assets	205	93	181
<b>Total financial assets</b>	<b>21,501</b>	<b>57,286</b>	<b>27,634</b>
<b>Total non-current assets</b>	<b>21,504</b>	<b>57,294</b>	<b>27,642</b>
<b>Current assets</b>			
Receivables from group companies	6,786	3,588	3,096
Trade receivables	0	0	0
Other receivables	188	320	269
Prepaid expenses and accrued income	25	53	62
	<b>6,998</b>	<b>3,962</b>	<b>3,427</b>
Cash and cash equivalents	3,665	1,281	5,648
<b>Total current assets</b>	<b>10,663</b>	<b>5,242</b>	<b>9,075</b>
<b>TOTAL ASSETS</b>	<b>32,168</b>	<b>62,537</b>	<b>36,716</b>
<b>EQUITY AND LIABILITIES</b>			
Restricted equity	2	2	2
Unrestricted equity	23,530	54,642	27,751
<b>Total equity</b>	<b>23,532</b>	<b>54,644</b>	<b>27,752</b>
<b>Untaxed reserves</b>	<b>270</b>	<b>171</b>	<b>270</b>
<b>Provisions</b>	<b>72</b>	<b>97</b>	<b>101</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	—	3,979	—
Liabilities to Group companies	1,177	1,220	1,220
Other long-term liabilities	—	28	—
<b>Total long-term liabilities</b>	<b>1,177</b>	<b>5,227</b>	<b>1,220</b>
<b>Current liabilities</b>			
Trade payables	13	35	30
Liabilities to group companies	7,021	2,152	7,231
Tax liabilities	48	58	70
Other current liabilities	4	78	4
Accrued expenses and prepaid income	28	75	38
<b>Total current liabilities</b>	<b>7,116</b>	<b>2,397</b>	<b>7,372</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,168</b>	<b>62,537</b>	<b>36,716</b>

Tax liabilities includes SEK 89 million in booked top-up tax according to Pillar 2 and has also been offset against tax receivables even though it is likely to be paid later than within 12 months.

**NOTE P1 THE PARENT COMPANY'S MATERIAL ACCOUNTING PRINCIPLES**

The year-end 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 2024/25, with additions described below. For further description of the parent company's applied accounting principles, see Note P1 in the Annual Report for FY 2024/25.

**Accounting principles - Repurchase of own shares**

Expenditure for the purchase of own shares reduces retained earnings in unrestricted equity in the Parent company. If these shares are sold, the sales proceeds are included in retained earnings in the equity pertaining to owners of the Parent company.

**NOTE P2 OTHER OPERATING EXPENSES**

SEK m	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
Other operating expenses	-5	0	-3	-263	-363
Loss sale of subsidiaries	—	—	—	-30	-26
<b>Total</b>	<b>-5</b>	<b>0</b>	<b>-3</b>	<b>-293</b>	<b>-389</b>

**NOTE P3 NET FINANCIAL ITEMS**

SEK m	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
Dividend	137	296	137	10,184	12,923
Interest income	160	239	555	734	960
Interest expense	-81	-87	-250	-396	-527
Other financial items	29	-29	-1	-133	-126
FX effects	-96	247	-223	42	-432
Write-down subsidiaries	-1,993	—	-2,046	-10,500	-15,452
Expected credit loss	—	-3	2	18	85
<b>Total</b>	<b>-1,844</b>	<b>663</b>	<b>-1,825</b>	<b>-52</b>	<b>-2,570</b>

## 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
<b>Adjusted Earnings per share</b>	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 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.
<b>Adjusted Earnings per share after full dilution</b>	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 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.
<b>Adjusted EBIT</b>	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.
<b>Adjusted EBIT margin</b>	Adjusted EBIT as a percentage of net sales.	
<b>Adjusted EBITDA</b>	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.
<b>Adjusted EBITDA margin</b>	Adjusted EBITDA as a percentage of net sales.	
<b>Average number of shares</b>	Weighted average number of shares that are outstanding during the period. Number of shares have been recalculated with respect to split of shares.	
<b>Average number of shares after full dilution</b>	Weighted average number of ordinary shares and potential ordinary shares. Number of shares have been recalculated with respect to split of shares.	
<b>EBIT margin</b>	EBIT as a percentage of net sales.	

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Name	Definition	Reason for Use
<b>EBITDA</b>	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.
<b>EBITDA margin</b>	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.
<b>EBITDAC</b>	Adjusted EBITDA less Gross investments in intangible and tangible assets.	High level view on operational cash flow generation.
<b>Free cash flow after working capital</b>	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.
<b>Gross margin</b>	Net sales less goods for resale divided by net sales.	Measuring the profitability from the net sales of products and services.
<b>Items affecting comparability</b>	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.
<b>Net Debt (-) / Net Cash (+)</b>	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	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.
<b>Net investment in acquired companies</b>	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.
<b>Net sales growth</b>	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.
<b>Organic growth</b>	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.
<b>Pro forma growth</b>	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.
<b>Specific items related to historical acquisitions</b>	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	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
<b>EBIT</b>	<b>663</b>	<b>454</b>	<b>250</b>	<b>-1,107</b>	<b>3,324</b>
Depreciation, amortization and impairment	850	1,049	2,891	3,290	8,684
<b>EBITDA</b>	<b>1,513</b>	<b>1,503</b>	<b>3,141</b>	<b>2,183</b>	<b>12,008</b>
Personnel costs related to acquisitions	20	122	-147	1,255	1,542
Remeasurement of contingent consideration	—	—	—	-4	-4
Items affecting comparability <sup>1)</sup>	-336	96	-289	754	-7,535
<b>Adjusted EBITDA</b>	<b>1,196</b>	<b>1,722</b>	<b>2,706</b>	<b>4,188</b>	<b>6,011</b>
Depreciation, amortization and impairment	-850	-1,049	-2,891	-3,290	-8,684
Items affecting comparability <sup>1)</sup>	20	—	205	—	4,330
Amortization of surplus values of acquired intangible assets	162	275	526	898	1,135
<b>Adjusted EBIT</b>	<b>528</b>	<b>948</b>	<b>545</b>	<b>1,796</b>	<b>2,793</b>

## ADJUSTED EARNINGS PER SHARE - DERIVATION

Amounts in SEK m	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
<b>Net profit for the period attributable to equity holders of the parent</b>	<b>476</b>	<b>805</b>	<b>-22</b>	<b>-1,599</b>	<b>2,347</b>
<b>Adjustments</b>					
Personnel costs related to acquisitions	20	122	-147	1,255	1,542
Remeasurement of contingent consideration	—	—	—	-4	-4
Amortization of surplus values of acquired intangible assets	162	275	526	898	1,135
Change in fair value contingent consideration	102	-113	-148	-179	-555
Interest expense contingent consideration	1	27	19	95	72
Items affecting comparability <sup>1)</sup>	-316	96	-84	754	-3,203
<b>Adjustments before tax</b>	<b>-32</b>	<b>407</b>	<b>166</b>	<b>2,819</b>	<b>-1,013</b>
Tax effects on adjustments	-40	-64	-174	-213	-484
<b>Adjustments after tax</b>	<b>-73</b>	<b>343</b>	<b>-8</b>	<b>2,606</b>	<b>-1,498</b>
<b>Total continuing operations</b>	<b>403</b>	<b>1,147</b>	<b>-30</b>	<b>1,007</b>	<b>849</b>
Average number of shares, million <sup>2)</sup>	228	225	226	225	225
<b>Adjusted Earnings per share, SEK</b>	<b>1.77</b>	<b>5.10</b>	<b>-0.13</b>	<b>4.48</b>	<b>3.78</b>
Average number of shares after full dilution, million <sup>2)</sup>	229	231	228	230	230
<b>Adjusted Earnings per share after full dilution, SEK</b>	<b>1.76</b>	<b>4.97</b>	<b>-0.13</b>	<b>4.37</b>	<b>3.70</b>

<sup>1)</sup> See next page for further explanation on items affecting comparability

<sup>2)</sup> Recalculated with respect to the reversed split 1:6 carried out on January 15, 2025 as resolved at the extra general meeting on January 7, 2025. Number of shares for previous periods have been adjusted.

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**ORGANIC GROWTH - DERIVATION**

Amounts in SEK m	Oct-Dec 2025	Oct-Dec 2024	Change
<b>Net sales</b>	<b>5,176</b>	<b>6,985</b>	<b>-26%</b>
Net sales from acquired/divested companies <sup>1)</sup>	-152	-1,097	
Difference in exchange rate	—	-432	
<b>Organic growth</b>	<b>5,024</b>	<b>5,456</b>	<b>-8%</b>

**PRO FORMA GROWTH - DERIVATION**

Amounts in SEK m	Oct-Dec 2025	Oct-Dec 2024	Change
<b>Net sales</b>	<b>5,176</b>	<b>6,985</b>	<b>-26%</b>
Net sales from acquired/divested companies <sup>2)</sup>	-152	-1,097	
Difference in exchange rate	—	-432	
<b>Pro forma growth</b>	<b>5,024</b>	<b>5,456</b>	<b>-8%</b>

<sup>1)</sup> Net sales from companies acquired or divested in the last five quarters have been excluded.

<sup>2)</sup> 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	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
<b>Cash flow for the period</b>	<b>-1,191</b>	<b>251</b>	<b>-2,139</b>	<b>926</b>	<b>4,866</b>
<b>Cash flow from financing activities</b>	<b>766</b>	<b>56</b>	<b>576</b>	<b>2,706</b>	<b>12,041</b>
Net cash flow from acquired/divested companies	97	401	217	-5,182	-17,795
Investments in other companies	—	—	33	—	—
Payment personnel cost related to acquisitions	200	28	311	1,211	1,250
Cash flow effect IAC	53	-17	169	266	383
<b>Free cash flow after working capital</b>	<b>-75</b>	<b>719</b>	<b>-833</b>	<b>-73</b>	<b>745</b>

**ITEMS AFFECTING COMPARABILITY, IAC**

Amounts in SEK m	Oct-Dec 2025	Oct-Dec 2024	Apr-Dec 2025	Apr-Dec 2024	Apr 2024- Mar 2025
Revenue related to games reported as IAC	—	—	10	—	—
Other external expenses	-18	-1	-32	-1	-35
Personnel expenses	-22	-9	-66	-49	-131
Profit or loss sale of subsidiaries	350	-87	384	-707	7,951
Other operating income/expenses	26	—	-7	3	-250
<b>Total IAC affecting EBITDA</b>	<b>336</b>	<b>-96</b>	<b>289</b>	<b>-754</b>	<b>7,534</b>
Write-down intangible assets	-20	—	-205	0	-729
Write-down tangible assets	—	—	—	—	-1
Impairment of goodwill	—	—	—	—	-3,601
<b>Total IAC affecting EBIT</b>	<b>316</b>	<b>-96</b>	<b>84</b>	<b>-754</b>	<b>3,203</b>

## DEFINITIONS, QUARTERLY INFORMATION

<b>Clawback shares</b>	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.
<b>Completed games</b>	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.
<b>DAU</b>	Average daily active users in the period.
<b>Digital product</b>	Product sold/transferred through digital/electronic channels.
<b>Digital sales</b>	Sales and transfer of products, physical and digital, through digital/electronic channels.
<b>External game developers</b>	Game developers engaged in game development projects by studios that are not owned by the group (external studios).
<b>External Studios</b>	Studios not owned by the group engaged in game development project financed by the Group.
<b>Game development projects</b>	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.
<b>Internal employees, non-development</b>	Employees not directly engaged in game development (both employees and contractors).
<b>Internal game developers</b>	Game developers (both employees and contractors) engaged in game development projects by studios that are owned by the group (internal studios).
<b>Internal headcount</b>	Internal game developers + internal employees, non-development
<b>Internal Studios</b>	Studios owned by the group.
<b>MAU</b>	Average monthly active users in the period.
<b>Max cash consideration</b>	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.
<b>Max share consideration</b>	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.
<b>Max total consideration</b>	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.
<b>Net sales split – PC/Console segment</b>	
<b>Owned titles</b>	Net sales of game titles that are owned IPs or titles that are controlled by the group.
<b>Publishing titles</b>	Net sales of game titles of IPs the group does not own or control.
<b>New releases</b>	Net sales of game titles that are released in the current quarter.
<b>Back catalog</b>	Net sales of game titles that are not released in the current quarter.
<b>Number of IP:s</b>	Number of IPs owned by the group.
<b>Physical product</b>	Product sold/transferred through physical channels.
<b>Physical sales</b>	Sales and transfer of products, physical and digital, through physical channels.
<b>Total installs</b>	Total accumulated installs in the period.
<b>UAC (User Acquisition Cost)</b>	Marketing costs in the operating segment Mobile Games.

# INFORMATION BY FINANCIAL YEAR AND QUARTER

	2020/21	2021/22 <sup>2)</sup>	2022/23 <sup>2)</sup>	2023/24 <sup>3)</sup>	2024/25 <sup>4)</sup>	2025/26 <sup>4)</sup>		
	Full year	Full year	Full year	Full year	Full year Cont. op	Apr-Jun	Jul-Sep	Oct-Dec
Net sales, SEK m	9,000	17,067	37,665	27,409	21,314	3,171	3,628	5,176
Sales growth, Group, YoY %	71%	90%	121%	-27%	-19%	-32%	-19%	-26%
EBIT, SEK m	2,058	-1,126	194	-14,400	3,324	-272	-141	663
EBIT, margin, %	23%	-7%	1%	-53%	16%	-9%	-4%	13%
Adjusted EBIT, SEK m	2,858	4,465	6,366	4,984	2,793	18	-1	528
Adjusted EBIT, margin, %	32%	26%	17%	18%	13%	1%	0%	10%
Adjusted EBITDA, SEK m	4,016	5,942	9,866	8,931	6,011	703	806	1,196
Adjusted EBITDA, margin, %	45%	35%	26%	33%	28%	22%	22%	23%
Basic shares weighted average, million <sup>1)</sup>	120	151	178	198	206	208	209	212
Diluted shares weighted average <sup>1)</sup>	120	154	180	198	207	208	209	212
Average number of shares, million <sup>1)</sup>	133	172	209	220	225	225	225	228
Average number of shares after full dilution, million <sup>1)</sup>	133	181	227	237	230	230	231	229
Basic earnings per share, SEK	-20.97	6.47	25.00	-67.28	11.37	-2.01	-0.38	2.25
Diluted earnings per share, SEK	-20.97	6.36	24.72	-67.28	11.36	-2.01	-0.38	2.25
Adjusted Earnings per share, SEK <sup>1)</sup>	18.87	22.07	26.43	14.66	3.78	-0.84	-1.09	1.77
Adjusted Earnings per share after full dilution, SEK	18.82	20.95	24.33	13.56	3.70	-0.84	-1.09	1.76
Cash flow from operating activities, SEK m	3,825	4,070	5,383	5,694	2,660	318	250	443
Organic growth, YoY, %	— %	— %	— %	-2 %	-9%	-1%	7%	-8%
Gross Margin, %	60%	72%	63%	73%	69%	68%	65%	55%
<b>Specific items related to historical acquisitions</b>								
Amortization of surplus values of acquired intangible assets	-510	-1,316	-2,973	-2,203	-1,135	-185	-179	-162
Transaction costs, SEK m	-150	-367	-290	-8	—	—	—	—
Personnel costs related to acquisitions	-181	-4,277	-2,631	-1,904	-1,542	-43	209	-20
Remeasurement of participation in associated companies, SEK m	41	416	—	3	—	—	—	—
Remeasurement of contingent consideration, SEK m	—	-46	—	-18	4	—	—	—
<b>Total</b>	<b>-801</b>	<b>-5,591</b>	<b>-5,894</b>	<b>-4,129</b>	<b>-2,673</b>	<b>-228</b>	<b>30</b>	<b>-181</b>
<b>Investments</b>								
External game development and advances, SEK m	697	1,233	1,291	1,154	454	89	105	158
Internal capitalized development, SEK m	1,291	2,293	4,788	5,165	2,587	556	534	528
<b>Sub-total - Investment in Game development, all segments</b>	<b>1,988</b>	<b>3,526</b>	<b>6,079</b>	<b>6,319</b>	<b>3,041</b>	<b>645</b>	<b>639</b>	<b>685</b>
Other intangible assets/IP-rights, SEK m	151	190	416	537	354	63	152	78
Tangible assets, SEK m	71	344	500	225	122	28	15	23
<b>Total</b>	<b>2,210</b>	<b>4,060</b>	<b>6,995</b>	<b>7,082</b>	<b>3,517</b>	<b>736</b>	<b>806</b>	<b>787</b>
<b>Completed games</b>								
Completed games, PC/Console, SEK m	837	1,218	3,248	3,421	2,165	162	1,142	598
<b>Other KPIs</b>								
<b>Game development projects, PC/Console</b>								
Announced Game Dev projects	53	64	56	43	30	32	26	24
Unannounced Game Dev projects	107	159	165	98	64	74	72	63
<b>Total</b>	<b>160</b>	<b>223</b>	<b>221</b>	<b>141</b>	<b>94</b>	<b>106</b>	<b>98</b>	<b>87</b>
<b>Headcount</b>								
Total internal game developers	4,036	7,240	9,971	5,996	4,452	4,552	4,470	4,297
Total external game developers	1,079	1,346	1,455	1,387	688	670	490	442
Total internal employees, non-development	1,210	4,174	5,175	2,309	1,735	1,709	1,695	1,630
<b>Total</b>	<b>6,325</b>	<b>12,760</b>	<b>16,601</b>	<b>9,692</b>	<b>6,875</b>	<b>6,931</b>	<b>6,655</b>	<b>6,369</b>
<b>Number of studios</b>								
Total number External Studios	66	63	56	41	19	15	12	9
Total number Internal Studios	60	118	138	86	61	58	57	55
<b>Total</b>	<b>126</b>	<b>181</b>	<b>194</b>	<b>127</b>	<b>80</b>	<b>73</b>	<b>69</b>	<b>64</b>
<b>IP-rights</b>	<b>225</b>	<b>815</b>	<b>896</b>	<b>497</b>	<b>444</b>	<b>444</b>	<b>440</b>	<b>429</b>

<sup>1)</sup> 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. Further, the number of shares for the fiscal years 2020/21, 2021/22, 2022/23, 2023/24 and 2024/25 have been recalculated due to the 1:6 reversed split carried out January 15, 2025.

<sup>2)</sup> Including discontinued operations

<sup>3)</sup> Excluding operating segment Tabletop Games

<sup>4)</sup> Excluding discontinued operations

Embracer Group is a global group of creative and entrepreneurial businesses in PC, console and mobile games, as well as other related media. The Group has an extensive catalog of over 400 owned or controlled franchises. With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its operative groups: THQ Nordic, PLAION, DECA Games, Dark Horse, Freemod and Crystal Dynamics – Eidos. The Group includes 55 internal game development studios and engages nearly 6,500 talents across nearly 30 countries.