Q3

FY 2025/26

EMBRACER GROUP INTERIM REPORT

OCTOBER – DECEMBER 2025

EMBRACER+ GROUP

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EMBRACER GROUP

What we cover today

Highlights

Operating segments

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

Financial performance

Looking ahead

Q&A


Kingdom Come
Deliverance
II
5 Million
copies sold


9/10
Nintendo Life
9/10
GamingBolt
4/5
Eurogamer
8/10
Push Square
8.5/10
Playstation Universe
8/10
GameSpot
84/100
COGconnected
REANIMAL
THQNORDIC
TARSIER
STUDIOS

Highlights from Q3

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Net sales | Q3

SEK 5,176 m

-26% YoY (**-8%** organic)

Adjusted EBIT | Q3

SEK 528 m

(**SEK 948 m**)
(or SEK 678 m excl. divested assets)

Free cash flow[1] | TTM

SEK -15 m

(**SEK -399 m**)

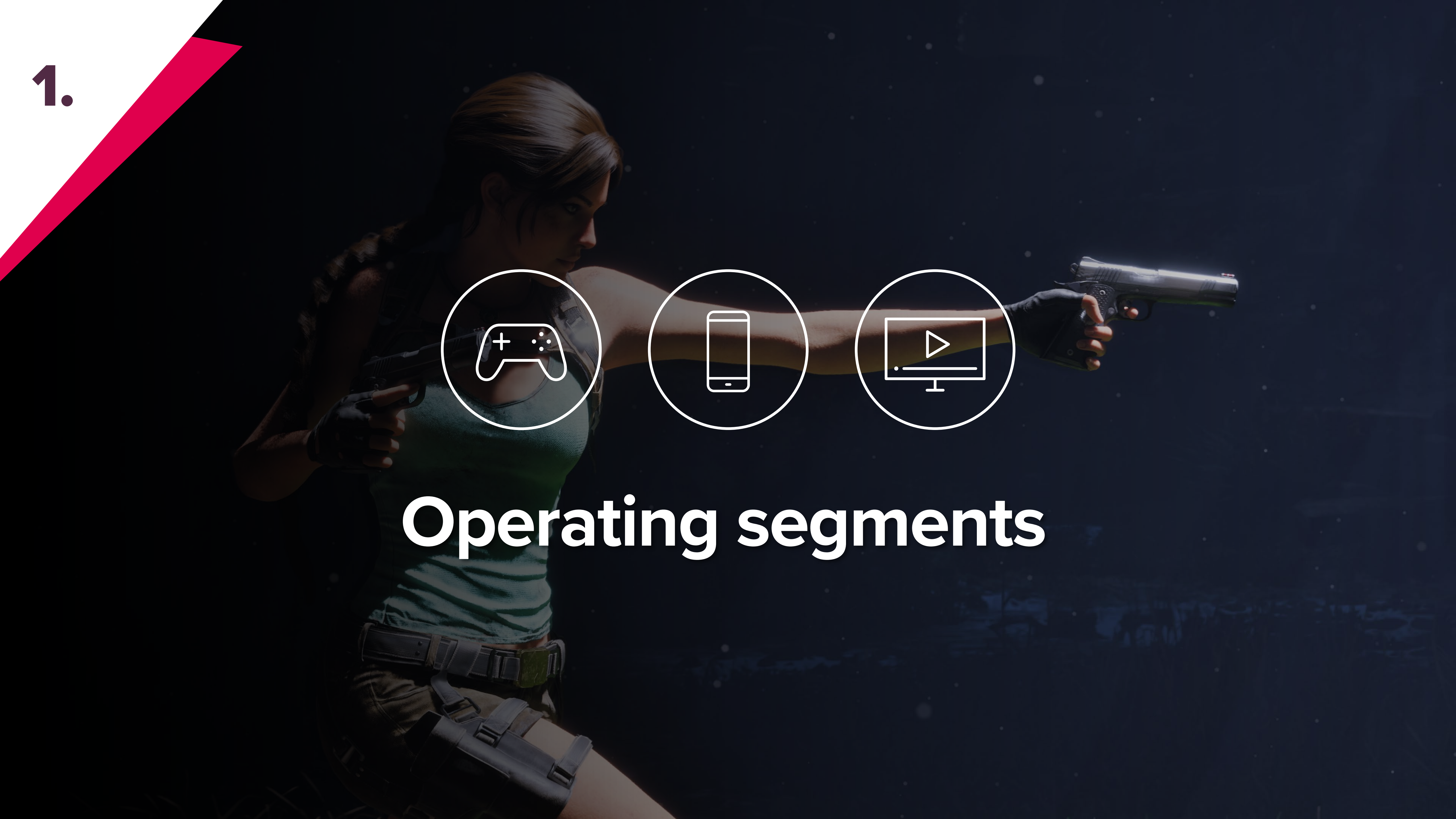
Core IPs continue to drive outperformance

Higher underlying expectations for FY 2025/26

Sharper strategic focus following the Coffee Stain Group spin-off 11 Dec

Source: as of December 31, 2025 | [1] Excludes discontinued operations (Asmodee and Coffee Stain)

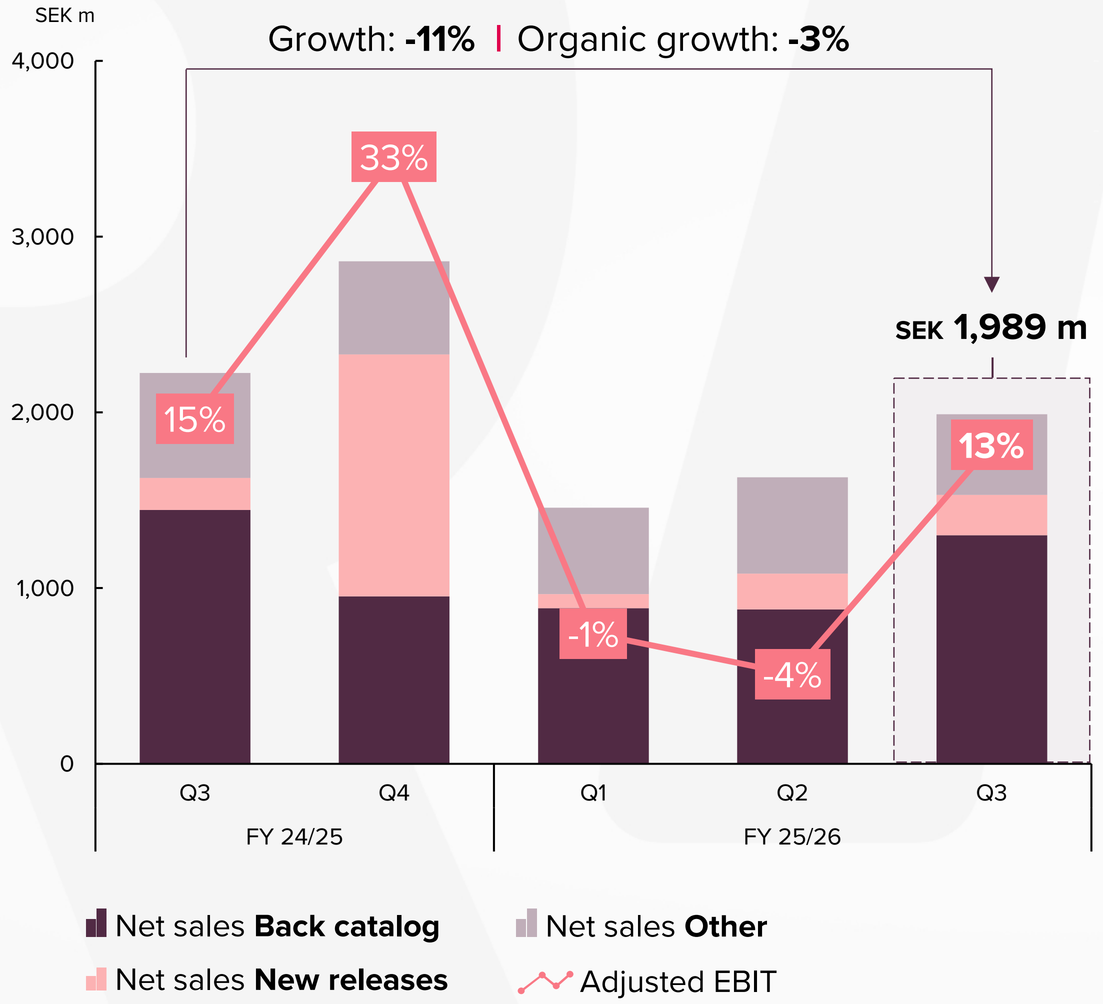
1.



Operating segments

PC/Console Games | Q3

PERFORMANCE



COMMENTS

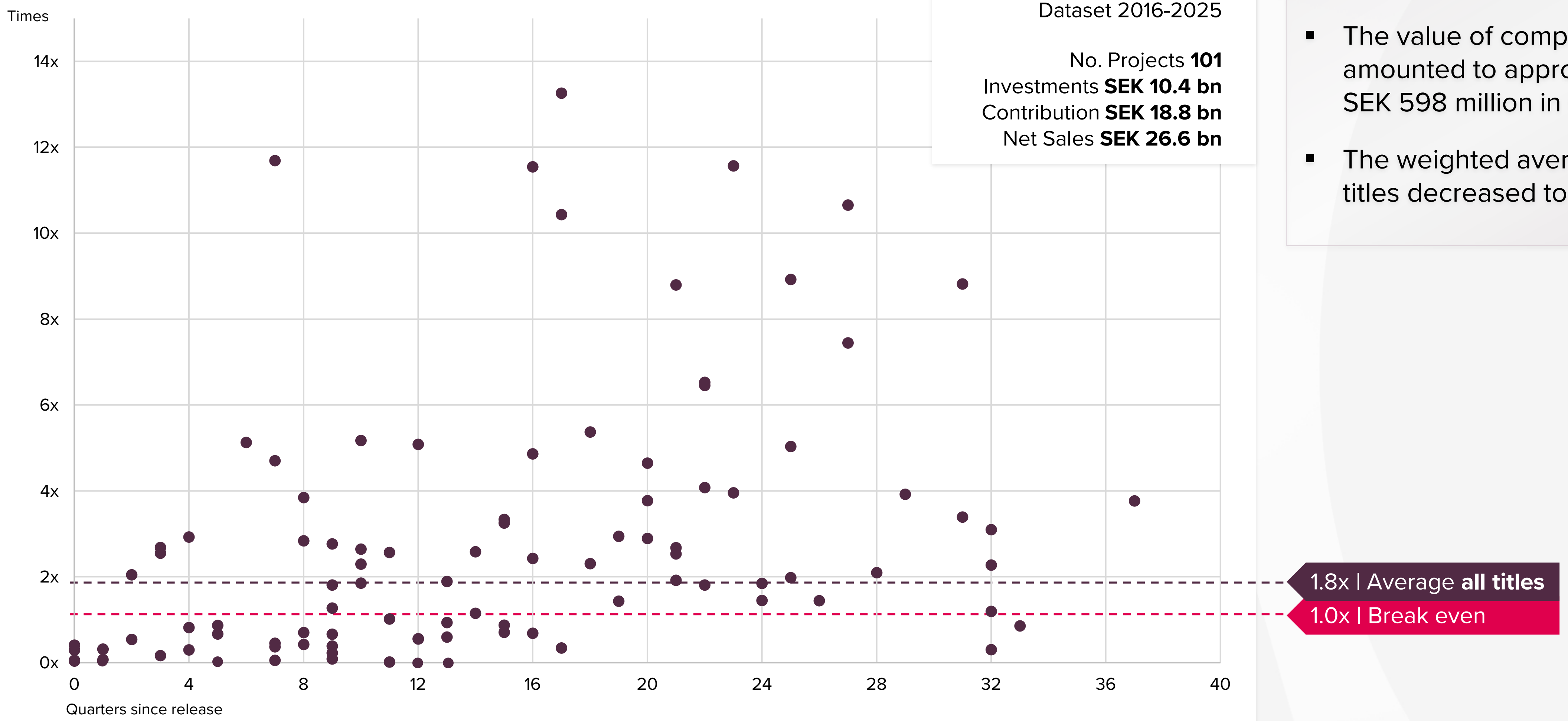
- Stable organic development, driven by solid back catalog performance across core IPs such as Kingdom Come: Deliverance, Tomb Raider and Dead Island
- A slow quarter for new releases, which included SpongeBob SquarePants: Titans of the Tide. Other net sales decreased YoY due lower work-for-hire revenue
- The Adjusted EBIT margin was down slightly YoY, but with a marked improvement QoQ driven by back catalog performance.

NET SALES DRIVERS | Q3 FY 2025/26

Source: as of December 31, 2025

PC/Console Games | ROI

ROI (CONTRIBUTION/INVESTMENT)



Dataset 2016-2025

No. Projects **101**
Investments **SEK 10.4 bn**
Contribution **SEK 18.8 bn**
Net Sales **SEK 26.6 bn**

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

COMMENTS

- The value of completed games amounted to approximately SEK 598 million in Q3
- The weighted average ROI of all titles decreased to 1.8x

Source: as of December 31, 2025

PC/Console | Pipeline details

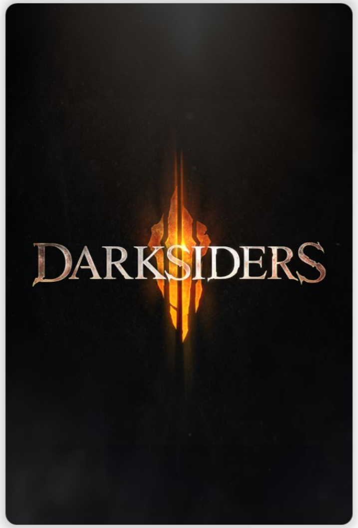
30* Announced titles to-date

Selected upcoming releases

- Ride 6 | 12 February 2026
- REANIMAL | 13 February 2026
- NORSE: Oath of Blood | 17 February 2026
- Screamer | 26 March 2026
- Tides of Tomorrow | 22 April 2026
- Gothic 1 Remake | 5 June 2026

Still to be dated

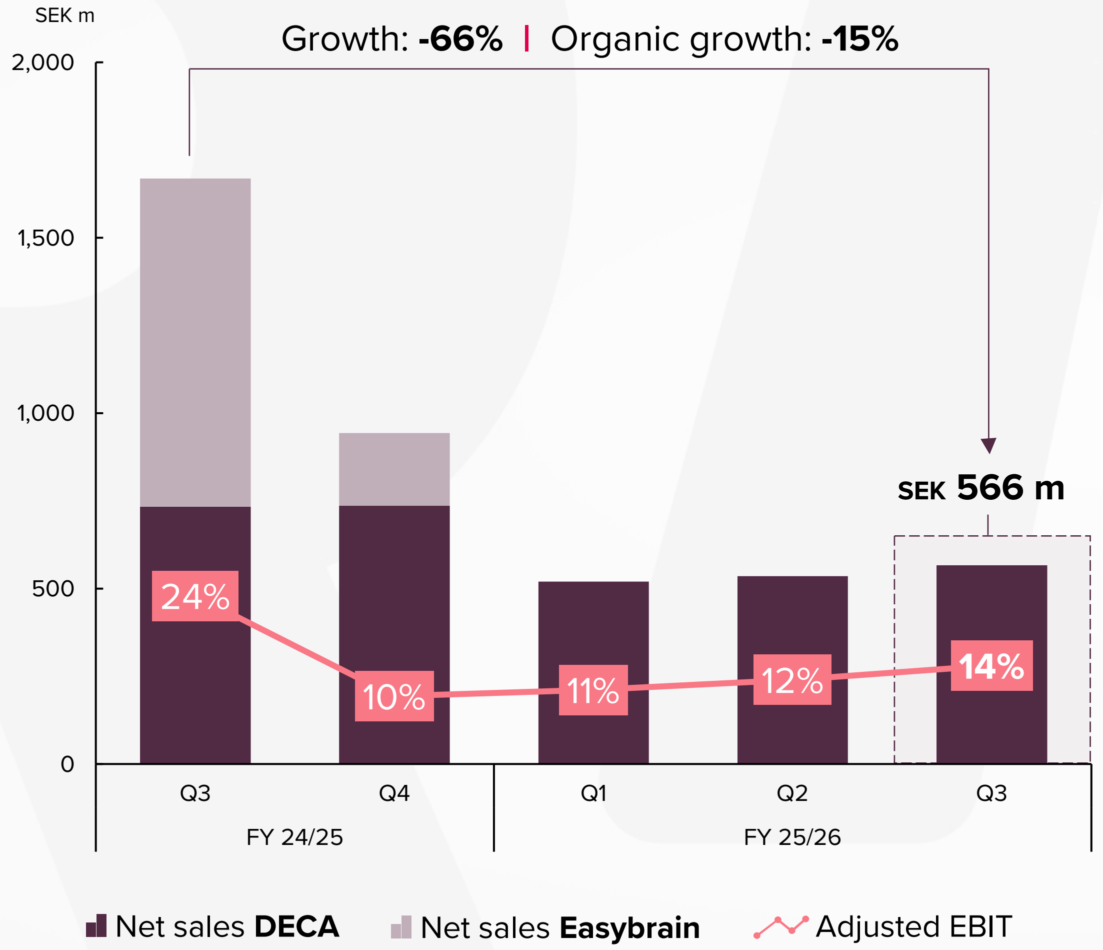
- Warhammer 40 000: Dawn of War IV | CY 2026
- Tomb Raider: Legacy of Atlantis | CY 2026
- Tomb Raider: Catalyst | CY 2027
- Fatekeeper
- Darksiders 4
- The Eternal Life of Goldman
- MARVEL 1943: Rise of Hydra
- Deus Ex Remastered
- And more...



For latest release dates please refer to above mentioned publishers | * Also includes titles from the Entertainment & Services segment

Mobile Games | Q3

PERFORMANCE



COMMENTS

- Organic growth YoY impacted by lower UAC with a gradual scaling of Glow Fashion Idol
- Solid sales and earnings trend in recent quarters. The lower profitability YoY is explained by the Easybrain divestment
- New game release Sled Surfers showing positive top line momentum in Q4 and into 2026
- Top-5 titles[1]: Glow Fashion Idol, Party in my Dorm, Flop House, Coffee Mania and Sled Surfers.

NET SALES DRIVERS | Q3 FY 2025/26


Glow Fashion Idol


Party in my Dorm


Flop House

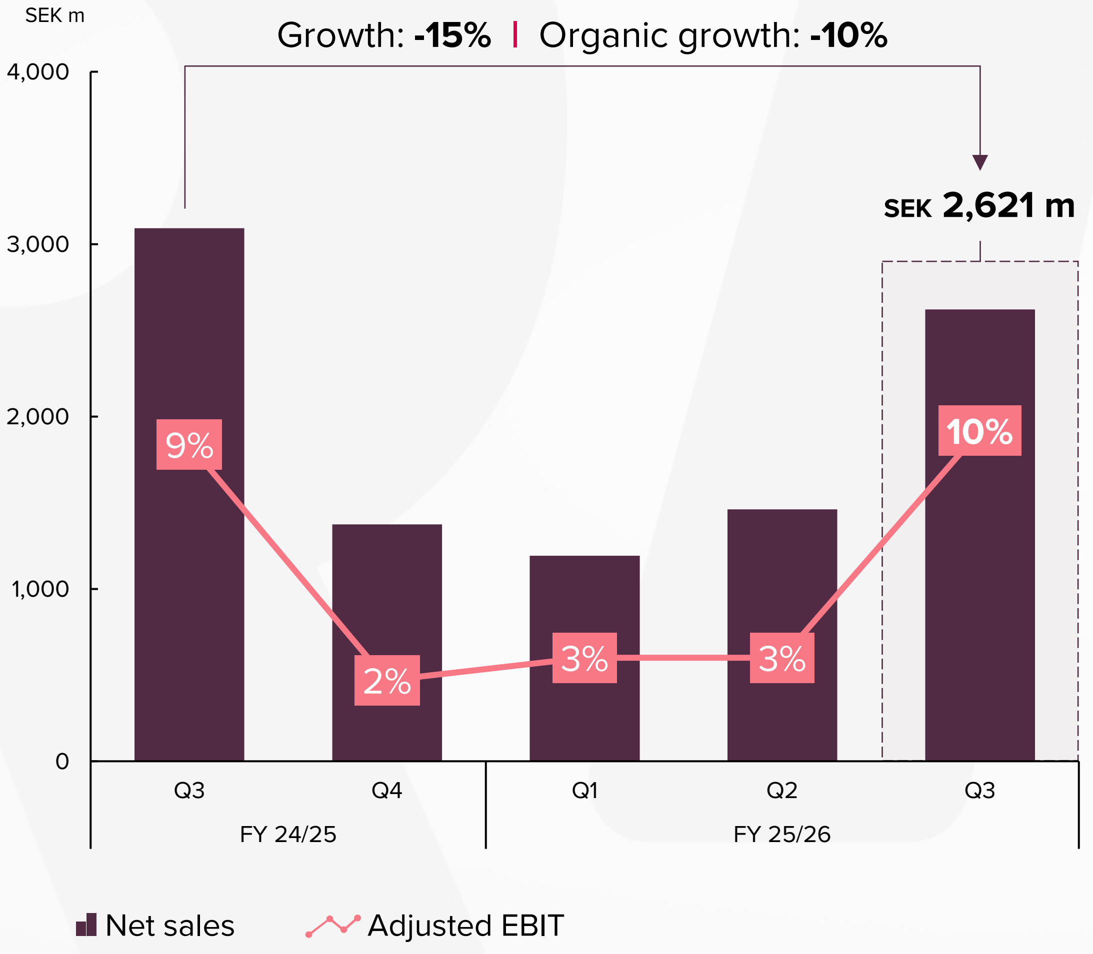

Coffee Mania


Sled Surfers

Source: as of December 31, 2025 | [1] Top-5 revenue generating titles in the quarter

Entertainment & Services | Q3

PERFORMANCE



COMMENTS

- Seasonal uptick in sales and earnings driven by PLAION Partners, Limited Run Games and Dark Horse Media
- Organic growth impacted by PLAION Partners, partly offset by a slight margin improvement YoY
- Middle-earth Enterprises entered into a strategic agreement with Asmodee Group in the quarter.

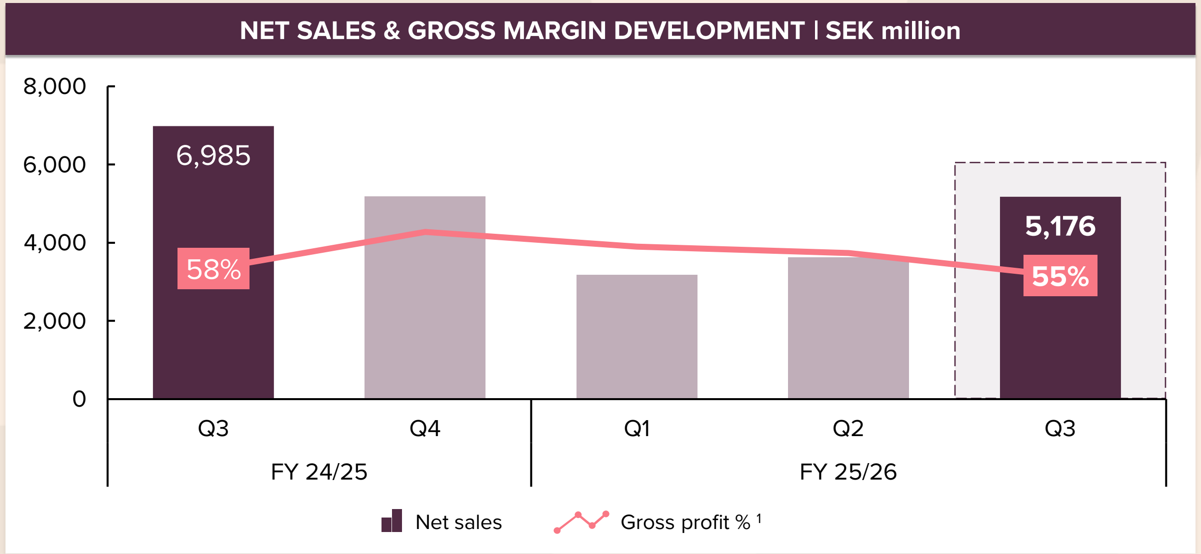
Magic The Gathering: Tales of Middle-earth, © & TM Mee under lic. to Wizards of the Coast

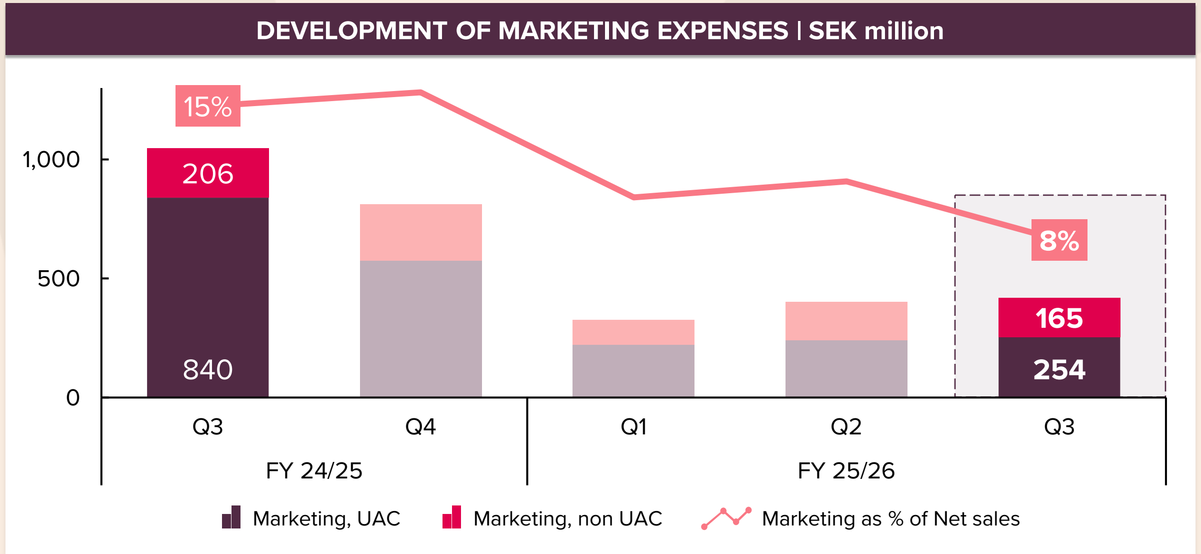
Source: as of December 31, 2025

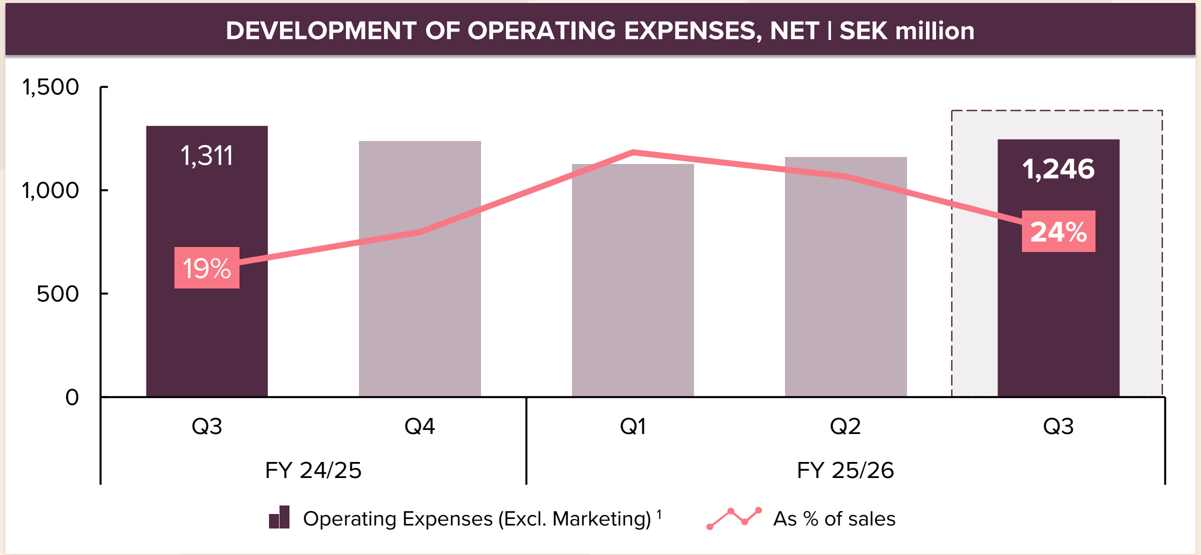
2.

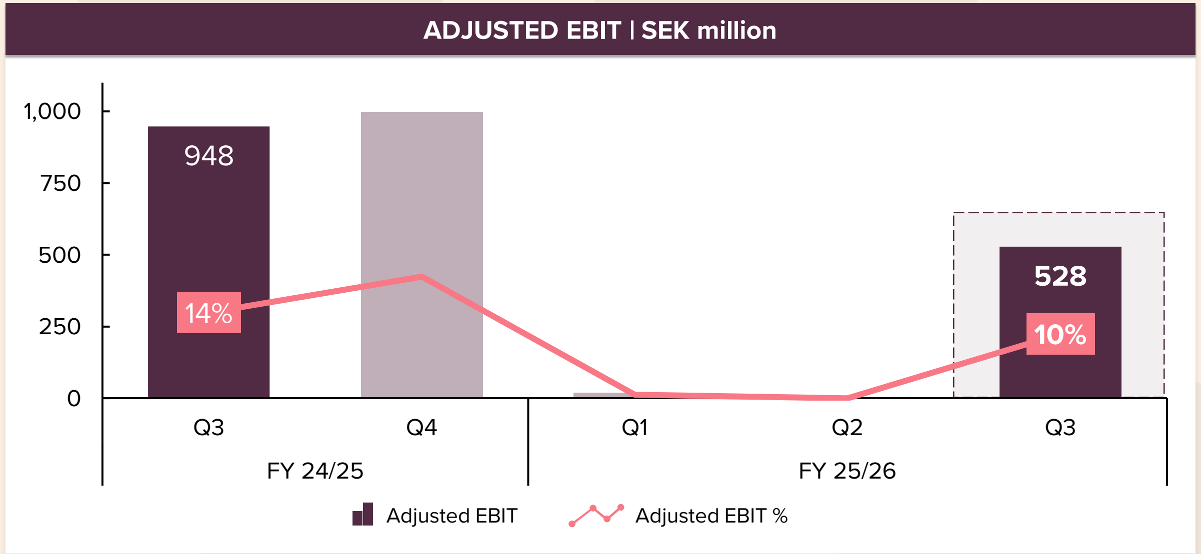
Financial performance

Financial development









Source: as of December 31, 2025 | [1] Excluding Items Affecting Comparability | Excludes discontinued operations (Asmodee and Coffee Stain)

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Cash flow and net cash

SEKm	FY25/26 Q3	FY24/25 Q3	FY 25/26 Q3 TTM	FY 24/25 Q3 TTM
Adjusted EBITDA	**1,196**	**1,722**	**4,528**	**5,993**
Cash Tax	-71	-187	-434	-693
Other items	9	-369	-402	-906
Operating Cash flow	**1,133**	**1,166**	**3,693**	**4,349**
Net investment in intangible assets	-763	-836	-3,046	-4,023
Net investment in tangible assets	-8	-25	-71	-130
Net investment in financial assets	-	97	-27	-64
Net Investment	**-771**	**-764**	**-3,144**	**-4,217**
Free Cash Flow before working capital	**362**	**402**	**549**	**177**
Change in working capital	-437	317	-564	-576
Free Cash Flow after working capital	**-75**	**719**	**-15**	**-399**
Cash Flow from financing activities	-766	-56	-9,910	-2,340
Net cash flow from acquired/divested companies/Investments in other companies	-297	-430	12,011	3,922
Cash effect IAC costs	-53	19	-285	-443
Discontinued operations	495	654	5,162	473
Cash Flow for the period	**-696**	**905**	**6,963**	**1,213**

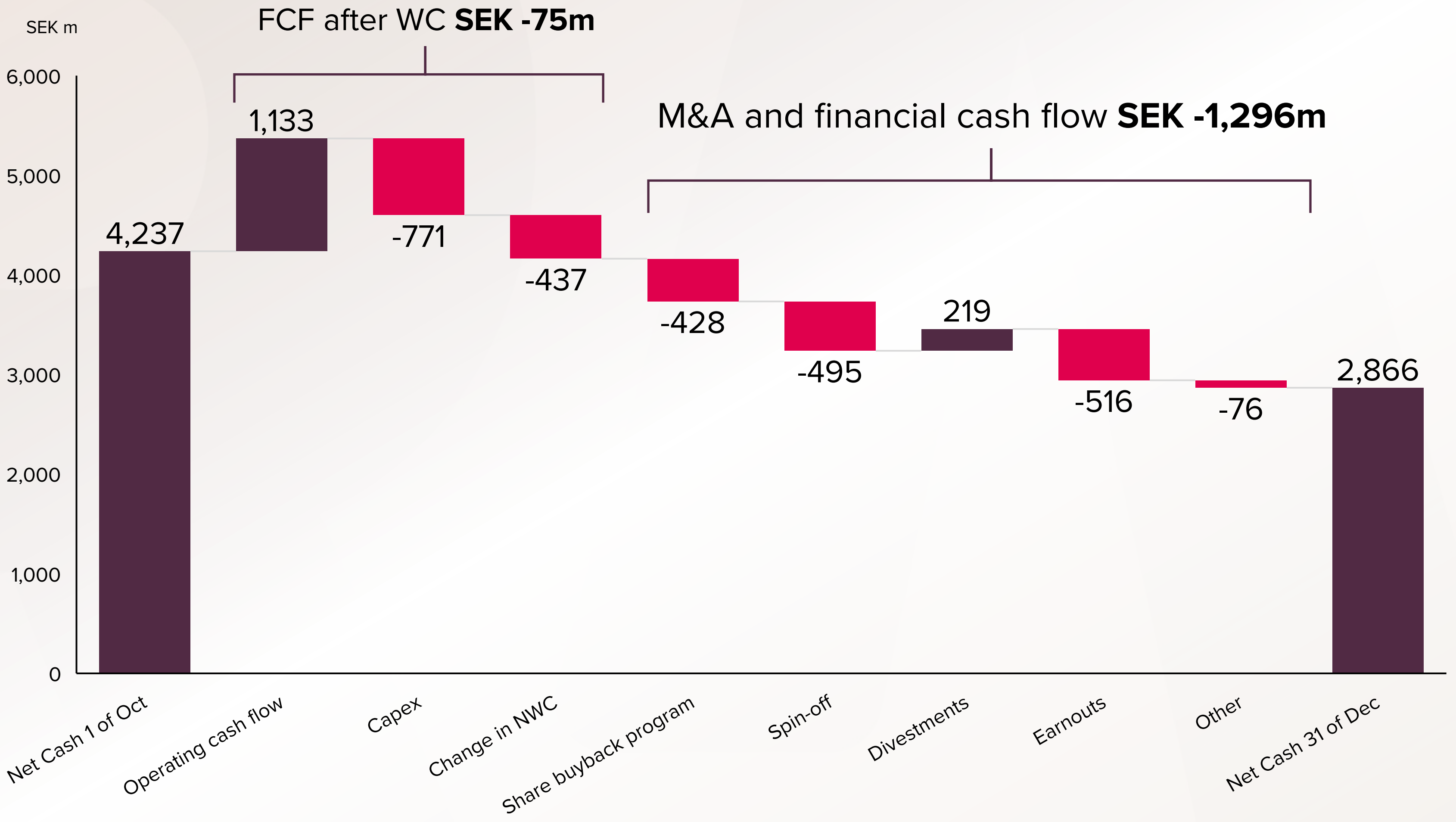
SEKm	Dec. 31, 2025	Dec. 31, 2024
Cash	4,876	3,258
Current liabilities to credit institutions	-901	-589
Non-current liabilities to credit institutions	-1,108	-5,883
Net Cash(+) / Net Debt (-)	**2,866**	**-3,216**

- Q3 Free Cash Flow after WC lower YoY due to timing in working capital expected to unwind in Q4
- TTM Free Cash Flow after WC improved YoY despite a significant contribution from divestments of around 700 SEKm in the comparison period
- Cash Flow for the period of -696 SEKm impacted by share buy-backs, earn-out payments, divestments and spin-off
- Available funds at 31st of December 2025 amounted to 5.8 SEKbn.

Source: as of December 31, 2025

Net cash bridge | Q3 FY 2025/26

Q3 FY 2025/26



COMMENTS

Maintained strong net cash position after key strategic and corporate actions completed in Q3

Estimated earn-out obligations to be paid over the next six financial years now amounts to only 730 SEKm.

Source: as of December 31, 2025

Higher underlying forecast

Adjusted EBIT at least **SEK 750 million**

- 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
- We see upside potential to our forecast from the underlying business performance.

Source: as of December 31, 2025

3.

Looking ahead

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Concluding remarks

- Core IPs continued to outperform in Q3, driving higher underlying forecast
- Executing against well-defined pipeline with at least one major in-house title from FY 2026/27, together with a range of important mid-sized titles
- Focusing on three strategic priorities to further improve profitability and cash flow generation:
  - **IP-led focus:** Capex shifting toward higher-return core IP (20% → 40% → to 80% of capex)
  - **Operational discipline:** Targeting continued opex / capex reduction next financial year
  - **Targeted cost initiatives:** Divestment of several non-strategic and unprofitable businesses in the quarter (Adj. EBIT of -178 SEKm TTM)
- Embracing and significantly experimenting with AI, as the technology advances at pace
- **Our broader long-term strategic direction is taking shape:** IP-first group, centered around our best talents, studios, and franchises.

Source: as of December 31, 2025

QUESTIONS & ANSWERS

UNTIL ~ 10:00 CET

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