

EMBRACER GROUP
INTERIM REPORT

APRIL-JUNE 2026

Cash EBIT¹⁾ amounted to SEK 47 million

FIRST QUARTER, APRIL-JUNE 2026 (COMPARED TO APRIL-JUNE 2025)

This quarter is Embracer Group's first time reporting through the two separate operating segments Fellowship Entertainment and Embracer. This new structure is designed to enhance transparency in advance of the spin-off of Fellowship Entertainment planned for calendar year 2027.

- > Net sales increased by 24% (33% organic growth) to SEK 3,943 million (3,171).
The net sales split per operating segment:
 - > Fellowship Entertainment: decreased by -23% (-22% organic growth) to SEK 810 million (1,058).
 - > Embracer: increased by 48% (63% organic growth) to SEK 3,134 million (2,113).
 - > EBIT²⁾ amounted to SEK -79 million (-272), an EBIT margin of -2% (-9%). Cash EBIT increased by 147% to SEK 47 million (-99) with a Cash EBIT margin of 1% (-3%). Adjusted EBIT increased by 739% to SEK 151 million (18), corresponding to an Adjusted EBIT margin of 4% (1%).
 - > Cash flow from operating activities amounted to SEK 390 million (318). Net investments in intangible assets amounted to SEK -658 million (-707). Free cash flow³⁾ after changes in working capital amounted to SEK 3 million (-383).
 - > Basic earnings per share was SEK 0.18 (-2.01) and diluted earnings per share SEK 0.18 (-2.01). Adjusted earnings per share was SEK 1.04 (-0.84). Adjusted earnings per share after full dilution was SEK 1.03 (-0.84).
- > For the current financial year 2026/27, the Cash EBIT forecast of at least SEK 1.0 billion is reiterated.

Key performance indicators, Group	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Net sales, SEK m	3,943	3,171	15,906
EBIT, SEK m	-79	-272	-7,053
EBIT margin	-2%	-9%	-44%
Cash EBIT, SEK m	47	-99	511
Cash EBIT, margin	1%	-3%	3%
Adjusted EBIT, SEK m	151	18	905
Adjusted EBIT margin	4%	1%	6%
Adjusted EBITDA SEK m	775	703	3,757
Adjusted EBITDA margin	20%	22%	24%
Cash flow from operating activities, SEK m	390	318	2,465
Net investments in intangible assets, SEK m	658	707	2,913
Net sales growth	24%	-32%	-25%
Total game development projects	72	106	79
Total game developers	3,564	4,552	4,135
Total headcount	4,991	6,261	5,740

¹⁾ Cash EBIT is defined as Adjusted EBIT, excluding depreciation and amortization expenses and instead deducting cash investments in intangible and tangible assets and cash payments for lease liabilities. See further details in the section "Definitions of alternative performance measures" (APMs) on page 36.

²⁾ 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.

³⁾ Free Cash flow definition has changed to include lease payments.

CLEAR PROGRESS AND CONTINUED IMPROVEMENT

In the first quarter, we delivered organic growth of 33% year-over-year, with positive Cash EBIT and free cash flow ahead of our expectations. The performance was supported by solid momentum across our core IPs within both our new operating segments, Fellowship Entertainment and Embracer. We remain on track to double Cash EBIT this financial year as we continue to unleash the potential that we see in the years ahead.

Q1 GROWTH AND EARNINGS ABOVE PLAN

From this quarter, we report in our new operating segments, and have introduced Cash EBIT as our key earnings measure. Together, these changes sharpen our focus on operating performance, capital discipline and stronger conversion of earnings into cash flow as we prepare to spin off Fellowship Entertainment in calendar year 2027.

Compared to our internal expectations, Q1 was a strong start to the financial year. Net sales amounted to SEK 3.9 billion, up by 33% organically, and Cash EBIT improved to SEK 47 million from SEK -99 million last year. Free cash flow was also slightly positive despite a quieter seasonal and release period.

The Embracer operating segment delivered strong earnings improvement, led by the PC/Console business area, which saw a successful release of *Gothic 1 Remake* and continued momentum for *REANIMAL*. The first quarter was also supported by continued solid momentum across the Mobile and Entertainment & Services business areas. Mobile saw continued growth in net sales and profitability year-over-year, driven by the ongoing success of CrazyLabs' game *Sled Surfers*.

The operating segment Fellowship Entertainment delivered a resilient result, above internal expectations in a quiet quarter, demonstrating the strength of our catalog across franchises including *Kingdom Come: Deliverance*, *Metro*, *Tomb Raider* and *Dead Island*, and supported by disciplined execution. In Q1 last year, *Kingdom Come: Deliverance II* drove a significant catalog net sales contribution, providing a tough year-over-year comparison. Cash EBIT for Fellowship Entertainment was slightly negative in the quarter due to limited recent releases and upfront capex investments related to upcoming key game projects. These investments put us in a strong position for future Cash EBIT growth.

INTACT FY 2026/27 OUTLOOK, WITH METRO 2039 COMING TO GAMESCOM IN AUGUST

Our FY 2026/27 outlook remains intact. We continue to expect Cash EBIT of at least SEK 1.0 billion, with improving confidence following the first quarter. For Q2, we expect year-on-year Cash EBIT improvement in a similar pattern to Q1. We expect this to be driven by the

Embracer operating segment. Within Fellowship, Licensing is expected to compensate for a slower quarter of new content for Publishing & Development. The trading card game from our fantastic partners at Wizards of the Coast, *Magic the Gathering: The Hobbit*, is tracking well on pre-orders, ahead of its release tomorrow. Fellowship Entertainment's release of *Warhammer 40,000: Dawn of War 4* is now expected, in Q3 (3rd December) rather than in Q2. The game looks great and early indicators show that the excitement among fans is building. As is the fan engagement for *Stage Tour* from RedOctane Games. This game is being built with community at the heart, and it was great to see their reaction at San Diego Comic Con. We continue to expect earnings to be weighted to Q3 and especially Q4 due to the timing of key game releases within Fellowship Entertainment. From a free cash flow perspective, we expect some working capital build-up in Q2 ahead of the holiday season.

Our pipeline is strengthening while capex and opex continue to trend downwards. The current financial year is anchored by *Metro 2039* and *Tomb Raider: Legacy of Atlantis*, both expected to be released in February, 2027. Momentum for *Metro 2039*, developed by our studio 4A Games, is strong. After its reveal, the game raced to 1 million wishlists in record-breaking time, reaching this milestone faster than any title in our history. Wishlists continue to grow ahead of expectation. We are excited to let players experience the game at Gamescom in Cologne in a few weeks. In FY 2027/28, we expect the release of the next game in the *Kingdom Come* franchise from Warhorse Studios, *Darksiders 4* from Gunfire Games, as well as the externally published *Tomb Raider: Catalyst* from Crystal Dynamics along with *Flying Wild Hog* and *Eidos Montréal*.

SPIN-OFF PROCESS PROGRESSING WELL

The planned spin-off of Fellowship Entertainment is progressing well toward calendar year 2027. We expect to host a Capital Markets Event, which will be an important step in setting out our equity stories, strategic priorities and financial frameworks.

Starting in this quarter, we have made several changes to improve the relevance and clarity of the information

presented for the Group, including our catalog definition, revenue splits and other KPIs⁹. Some of these changes are driven by the new segment structure while some are intended to enhance the overall understanding of the Group and simplify reporting ahead of the Fellowship Entertainment spin-off.

During the quarter, we made progress in building the future Fellowship Entertainment organization around the needs of an IP-led entertainment company. Rather than replicating existing structures, we are creating a lean model where experienced people take broader responsibility across defined areas. This includes ongoing strengthening greenlight and portfolio decisions while bringing community insight closer to game development and live operations. The organization continues to evolve, but the direction is clear: IP is at the center of our operating model, investment decisions and long-term value creation.

UNLOCKING VALUE ACROSS BOTH OPERATING SEGMENTS

Fellowship Entertainment is being built as a focused, IP-led entertainment company. We are confident that the spin-off will enable us to accelerate the formation of a group of world-class studios with leading publishing and licensing capabilities. From FY 2027/28, Fellowship Entertainment is expected to get into the rhythm of releasing at least two major games with full economics per year, supporting both growth and profitability. In May, we revealed that Warhorse Studios, the team behind *Kingdom Come*, is making a new game, set in Middle-earth. It was a truly exciting moment for our teams to see how the news resonated with fans across the globe. It offered a glimpse into the potential for our IPs and our studios if we do things right.

The first quarter showed clear signs of the value creation potential ahead for Embracer, with the successful release of *Gothic 1 Remake* and lower overall costs following divestments and efficiency measures. Embracer now has a stronger and more focused PC/Console project pipeline, with an improved

ROI and profitability outlook. Importantly, Embracer also has a diversified revenue base, also including mobile games, distribution, retro and film. Following strong progress in the past 12 months, there is clear potential to further improve profitability through disciplined capital allocation, a more efficient structure and tighter cost control. The spin-off of Fellowship Entertainment will also allow Embracer more flexibility to pursue accretive but opportunistic bolt-on M&A, especially to strengthen its already successful and sizable niches in for example, mobile, distribution, retro, films, remakes and remasters.

At the end of the first quarter, we had a net cash position of SEK 3.5 billion. This financial strength gives us flexibility as we prepare both companies for their next chapter. In Q1, we paid more than half of our remaining cash earnouts, meaning we now have only SEK 0.2 billion left, spread out over the next five years. As of 30 June, we had repurchased outstanding shares for approximately SEK 100 million, as part of our current SEK 750 million share buyback program. We remain committed to distributing excess cash to shareholders also beyond this current program.

NEXT PHASE DEFINED BY EXECUTION

While the spin-off process is an important step in shaping the future of both companies, our day-to-day focus remains firmly on execution. Kaizen, the philosophy of continuous improvement, is central to how I think about the next phase of our journey. We will consistently seek ways to refine our execution and value creation, ensuring that every step forward enhances our processes and our performance. Over time, this generates powerful results.

Thank you for your continued support.

Phil Rogers
Group CEO

⁹ For more details on these changes, take a look at the section Definitions, quarterly information on page 40.



FINANCIAL COMMENTS

NET SALES

Net sales, SEK m ¹⁾	Apr-Jun 2026	Apr-Jun 2025	Change	Apr 2025-Mar 2026
Fellowship Entertainment	810	1,058	-23%	4,345
<i>of which Publishing & Development</i>	761	988	-23%	4,052
<i>of which Licensing</i>	49	70	-30%	293
Embracer	3,134	2,113	48%	11,561
<i>of which PC/Console</i>	728	433	68%	2,399
<i>of which Mobile</i>	610	520	17%	2,310
<i>of which Entertainment & Services</i>	1,768	967	83%	6,134
<i>of which Other</i>	27	193	-86%	719
Total	3,943	3,171	24%	15,906

¹⁾ For further information, see [note 4](#), Revenue from contracts with customers.

Total net sales in the quarter amounted to SEK 3,943 million, corresponding to an increase of 24% year-over-year. Q1 organic growth amounted to 33%. The growth in the quarter was driven by the Embracer operating segment, through a strong performance for its business areas Entertainment & Services and PC/Console, which saw the successful new release of *Gothic 1 Remake*. The growth for Embracer Group is partly offset by a negative growth contribution from operating segment Fellowship Entertainment in a quarter without significant product releases.

Net sales growth	Apr-Jun 2026	
	Net sales growth	Organic growth
Fellowship Entertainment	-23%	-22%
Embracer	48%	63%
Total	24%	33%

Based on the previous segment structure, the net sales split in the first quarter was: PC/Console Games SEK 1,408 million, Mobile Games SEK 610 million, and Entertainment & Services SEK 1,925 million. This split is provided to ease the transition to the new segment reporting in Q1.



Tomb Raider: Legacy of Atlantis
Amazon Games Studios | Crystal Dynamics | Flying Wild Hogs

EBIT, CASH EBIT AND ADJUSTED EBIT

EBIT amounted to SEK -79 million (-272) in the quarter, yielding an EBIT margin of -2% (-9%).

Cash EBIT increased by 147% and amounted to SEK 47 million (-99) with a margin of 1% (-3%). The improved Cash EBIT is primarily driven by the Embracer operating segment, which saw strong net sales and gross profit growth and lowered capex investments. The decreased Cash EBIT within Fellowship Entertainment operating segment is mainly an effect of fewer and less impactful releases in both the actual quarter and in the preceding quarters.

Adjusted EBIT increased by 739% and amounted to SEK 151 million (18) in the quarter, yielding a 4% margin (1%),

Items affecting comparability (IAC - see definitions page [36](#)) amounted to SEK -66 million (-62) in the quarter and are mainly explained by actions resulting in the discontinuation of studios and teams and divestments, primarily within the Embracer operating segment. IAC are presented in the table provided on page [39](#).

EBIT, SEK m	Apr-Jun 2026	Apr-Jun 2025	Change	Apr 2025- Mar 2026
Fellowship Entertainment	63	141	-55%	-1,863
Embracer	-84	-354	76%	-4,849
Corporate	-58	-59	2%	-341
Total	-79	-272	71%	-7,053

Cash EBIT, SEK m	Apr-Jun 2026	Apr-Jun 2025	Change	Apr 2025- Mar 2026
Fellowship Entertainment	-32	152	-121%	416
Embracer	136	-193	170%	317
Corporate	-57	-58	2%	-222
Total	47	-99	147%	511

Adjusted EBIT, SEK m	Apr-Jun 2026	Apr-Jun 2025	Change	Apr 2025- Mar 2026
Fellowship Entertainment	159	239	-33%	1,137
Embracer	49	-162	130%	-8
Corporate	-57	-59	3%	-224
Total	151	18	739%	905

FORECAST

For the current financial year 2026/27, the Cash EBIT forecast of at least SEK 1.0 billion is reiterated.

SHARE OF THE GROUPS' NET SALES

21% (33%)

HEADCOUNT

2,071 (2,275)

STUDIOS

9 (9)

OPERATING SEGMENT

FELLOWSHIP ENTERTAINMENT

An IP-led entertainment segment built around some of the world's most beloved franchises. Stewards of *The Lord of the Rings*, *The Hobbit* and *Tomb Raider* intellectual property rights, along with IPs such as *Darksiders*, *Dead Island*, *Kingdom Come Deliverance*, *Metro* and *Remnant*, among many others. The operating segment is divided into two distinct business areas: Publishing & Development and Licensing.

Key performance indicators, Fellowship Entertainment	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Net Sales ¹⁾ , SEK m	810	1,058	4,345
of which Publishing & Development, SEK m	761	988	4,052
of which Licensing, SEK m	49	70	293
Net Sales growth	-23%	17%	-21%
Publishing & Development - Type of income	761	988	4,052
New releases sales ²⁾ , SEK m	—	—	26
Catalog sales ²⁾ , SEK m	494	638	2,836
Other ³⁾ , SEK m	267	350	1,190
EBIT, SEK m	63	141	-1,863
EBIT margin	8%	13%	-43%
Cash EBIT, SEK m	-32	152	416
Cash EBIT, margin	-4%	14%	10%
Adjusted EBIT, SEK m	159	239	1,137
Adjusted EBIT, margin	20%	23%	26%
Gross profit ⁴⁾ SEK m	687	899	3,556
Gross margin	85%	85%	82%

¹⁾ For further information, see [note 4](#), Revenue from customers.

²⁾ See Definitions, quarterly information.

³⁾ Primarily Work-for-Hire and other game development projects.

⁴⁾ Excluding Items Affecting Comparability

SEGMENT HIGHLIGHTS

Net sales in the quarter for operating segment Fellowship Entertainment amounted to SEK 810 million, a decrease of -23% compared to the same period last year. Organic growth amounted to -22% YoY. The negative organic growth was primarily impacted by lower net sales from catalog and other net sales within the Publishing & Development business area. In the corresponding quarter in the previous financial year, *Kingdom Come: Deliverance II* drove a significant catalog net sales contribution in conjunction with the release of its first expansion. Net sales from the Licensing business area declined slightly YoY, in a quarter without significant product releases.

EBIT amounted to SEK 63 million (141) yielding a 8% (13%) EBIT margin. Items affecting comparability amounted to SEK -3 million (5). Cash EBIT amounted to SEK -32 million (152), yielding a -4% (14%) Cash EBIT margin. The lower Cash EBIT year-over-year is due to fewer and less impactful new game and content releases in the first quarter and in preceding quarters. Adjusted EBIT amounted to SEK 159 million (239), yielding a 20% (23%) Adjusted EBIT margin.

There were no new games released in the first quarter. Revenue from catalog titles amounted to SEK 494 million (638) in the quarter, a decrease of -23% YoY. The top-5 catalog net sales drivers in the quarter included *Kingdom Come: Deliverance II*, *Metro Exodus*, *Remnant II*, *Kingdom Come: Deliverance* and *Dead Island 2*.

Other net sales amounted to SEK 267 million (350) in the quarter, a decrease of -24% YoY. The decrease YoY is primarily explained by a lower number of externally financed work-for-hire projects.

Titles expected in FY 2026/27 within the Publishing & Development business area include *Warhammer 40,000: Dawn of War IV* (December, 2026), *Stage Tour* (holiday 2026), *Tomb Raider: Legacy of Atlantis* and *Metro 2039* (both scheduled for February, 2027). Within the Licensing business area, pre-orders for the trading card game *Magic The Gathering: The Hobbit*, from Wizards of the Coast, are tracking well, ahead of its release tomorrow, 14 August.



METRO 2039
Deep Silver | 4A Games

OPERATING SEGMENT EMBRACER

SHARE OF THE GROUPS' NET SALES

79% (67%)

HEADCOUNT

2,869 (3,929)

STUDIOS

30 (35)

An entrepreneurial games and entertainment segment with strong positions in PC/console and mobile games, game and film distribution, retro gaming and collectibles with established IPs, such as *Gothic*, *REANIMAL*, *Wreckfest*, *Titan Quest*, and *Sled Surfers*. The operating segment is built on specialist businesses, cash-generative catalogs, combining local autonomy with scale and shared capabilities within each niche. The Embracer operating segment is divided into four different business areas: PC/Console, Mobile, Entertainment & Services and Other.

Key performance indicators, Embracer	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Net Sales ¹⁾ , SEK m	3,134	2,113	11,561
of which PC/Console- SEK m	728	433	2,399
of which Mobile, SEK m	610	520	2,310
of which Entertainment & Services- SEK m	1,768	967	6,134
of which Other, SEK m	27	193	719
Net Sales growth	48%	-44%	-27%
PC/Console - Type of income	728	433	2,399
New releases sales ²⁾ , SEK m	310	69	1,058
Catalog sales ²⁾ , SEK m	340	263	1,020
Other ³⁾ , SEK m	77	101	320
EBIT, SEK m	-84	-354	-4,849
EBIT margin	-3%	-17%	-42%
Cash EBIT, SEK m	136	-193	317
Cash EBIT, margin	4%	-9%	3%
Adjusted EBIT, SEK m	49	-162	-8
Adjusted EBIT, margin	2%	-8%	0%
Gross profit ⁴⁾ SEK m	1,522	1,257	6,234
Gross margin	49%	59%	54%

¹⁾ For further information, see [note 4](#), Revenue from customers.

²⁾ See Definitions, quarterly information.

³⁾ Primarily Work-for-Hire and other game development projects.

⁴⁾ Excluding Items Affecting Comparability

SEGMENT HIGHLIGHTS

Net sales in the quarter for operating segment Embracer amounted to SEK 3,134 million, an increase of 48% compared to the same period last year. Organic growth amounted to 63% YoY. The strong growth was primarily driven by the business areas Entertainment & Services and PC/Console.

In PC/Console, net sales amounted to SEK 728 million (433), an increase of 68% YoY. Net sales from new releases within PC/Console grew significantly, to SEK 310 million (69), driven by the successful release of *Gothic 1 Remake* from THQ Nordic. THQ Nordic and development studio Alkimia Interactive released *Gothic 1 Remake* on 5 June. The game saw a strong reception from players and reached 500,000 copies sold within the first week. *Gothic 1 Remake* is, as of today, already close to recouping its full development and marketing spend. The release of *Fatekeeper*, an externally developed game, was also positively received and performed above management expectations in Q1. Catalog sales within the PC/Console business area grew to SEK 340 million (263) while Other net sales declined slightly to SEK 77 million (101). *REANIMAL* had a continued solid momentum and contributed strongly to catalog net sales in the first quarter.

Mobile net sales amounted to SEK 610 million (520), a 17% increase YoY, driven by the ongoing success of CrazyLabs' Sled Surfers and increased UAC. The game had a stable performance on a sequential basis after its recent global release and was a strong growth driver YoY. DECA continues to focus on stable live operations across its games portfolio.

In Entertainment & Services, net sales amounted to SEK 1,768 million (967), an increase of 83% YoY, driven by several new releases and catalog titles within PLAION Partners performed strongly.

Net sales from the Other business area, which mainly includes divested, unprofitable assets, declined by -86% YoY. These divestments contributed to an improved profitability compared to last year.

As a result of the sales mix, with strong growth for distributed products within Entertainment & Services, the gross margin declined YoY to 49% (59%). EBIT amounted to SEK -84 million (-354), yielding a -3% (-17%) EBIT margin. Items affecting comparability amounted to SEK -63 (-67) and relates to headcount reductions and related expenses, as well as two minor divestments. Cash EBIT amounted to SEK 136 million (-193), yielding a 4% (-9%) Cash EBIT margin. The higher Cash EBIT YoY is primarily due to a higher contribution new releases and lower capex within the PC/Console business area. Adjusted EBIT amounted to SEK 49 million (-162), yielding a 2% (-8%) Adjusted EBIT margin.

Looking ahead, *REANIMAL*'s main expansion, *The Expanded World*, is planned to release in three chapters, with Chapter 1, *The Prisoner*, released on 7 August 2026, following its announcement at the THQ Nordic Digital Showcase. Other planned releases during Q2 include THQ Nordic's *Way of the Hunter 2* for console, *The Guild - Europa 1410 (Early Access)*, as well as Milestone's *Hot Wheels: Infinite Rush*, all expected to be released in September, 2026.

The Embracer teams are monitoring developments in the distribution of physical console discs together with its partners. Potential changes could affect net sales within the Entertainment & Services business area from 2028. However, the impact on Cash EBIT is expected to be limited on a group basis, supported by higher margins in digital distribution across game development and publishing. Embracer has well-diversified distribution businesses, including collector's editions, hardware, as well as retro. These businesses have always had to adapt to industry change, and will remain agile as they move forward.



Gothic 1 Remake
Deep Silver | Alkimia Interactive



OTHER FINANCIAL INFORMATION

NET PROFIT/LOSS FOR THE PERIOD

Net profit/loss for the quarter amounted to SEK 39 million (-418), an improvement of SEK 457 million compared to the same period previous year. The improvement is mainly related to positive net financial items in the current quarter compared with a negative amount in the comparable quarter, as well as a lower operating loss (EBIT).

Net financial items amounted to SEK 147 million (-271) in the quarter.

See [Note 9](#) for further details on net financial items.

Income tax amounted to SEK -29 million (125) in the quarter. Current income tax amounted to SEK -116 million (35) and deferred tax amounted to SEK 91 million (92). Provision for Pillar 2 top-up tax amounted to SEK -4 million (-2).



CONDENSED CASH FLOW

SEK m	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Operating activities			
Cash flow from operating activities before changes in working capital	495	522	2,409
Cash flow from changes in working capital	-105	-204	56
Cash flow from operating activities	390	318	2,465
Cash flow from investing activities	-552	-792	-3,039
Cash flow from financing activities	207	261	-1,506
Total cash flow, Continuing operations	45	-213	-2,080
Total cash flow, Discontinued operations	—	-1	495
Total cash flow, total Group	45	-214	-1,585
Cash and cash equivalents at the beginning of period	4,957	7,097	7,097
Exchange-rate differences in cash and cash equivalents	-4	-5	-22
Cash and cash equivalents in Discontinued operations	—	-36	-533
Cash and cash equivalents at the end of period	4,997	6,843	4,957

Cash flow from operating activities before working capital amounted to SEK 495 million (522) in the quarter.

Cash flow from changes in working capital amounted to SEK -105 million (-204), which mainly is driven by increased inventory in the quarter.

Cash flow from investing activities amounted to SEK -552 million (-792) for the quarter, the change compared to the comparable quarter is mainly driven by lower investments in intangible assets and a positive contribution from proceeds from sales of financial assets. Cash flow from acquisition/divestment of subsidiaries amounted to SEK 36 million (-13). Investments in intangible assets amounted to SEK -658 million (-713), where SEK -530 million (-645) is invested in the portfolio of ongoing game development.

Free cash flow after changes in working capital amounted to SEK 3 million (-383) (see page 38), where the improvement from the comparable period is driven by improved profitability and lower capex.

Cash flow from financing activities amounted to SEK 207 million (261) in the quarter, where the change is mainly driven by the share buyback program which amounted to SEK -94 million (—). Proceeds from borrowings amounted to SEK 575 million (541) and reduced utilization of credit facilities amounted to SEK -223 million (-307). Payments received from and given to discontinued operations amounted to SEK — million (94).

NET CASH/DEBT AND AVAILABLE FUNDS

Net cash/Net debt, SEK m	Jun 30, 2026	Jun 30, 2025	Mar 31, 2026
Cash	4,997	6,879	4,957
Current liabilities to credit institutions	-825	-1,479	-792
Non-current liabilities to credit institutions	-700	-474	-366
Net Cash (+) / Net Debt (-)	3,473	4,926	3,799

As per June 30, 2026, the reported net cash amounted to SEK 3.5 billion, consisting of around SEK 5.0 billion in cash, SEK -0.8 billion related to current liabilities to credit institutions, as well as SEK -0.7 billion in non-current liabilities.

As per June 30, 2026, the Group had obligations related to historical acquisitions with an expected cash settlement of SEK 0.2 billion with an estimated maturity structure (see page 13).

Available funds, SEK m	Jun 30, 2026	Jun 30, 2025	Mar 31, 2026
Cash	4,997	6,879	4,957
Unutilized credit facilities	1,444	5,825	1,828
Available funds	6,441	12,704	6,785

Share buyback program

In the quarter Embracer Group repurchased 1,553,500 own Class B shares for a total amount of approximately SEK 100 million, of which SEK 94 million has been paid in cash. The share buybacks are a part of the SEK 750 million program that Embracer Group announced on May 20, 2026. The buyback program runs between May 20, 2026 and no later than March 31, 2027. The previous buyback program, amounting to SEK 500 million, ended in November, 2025. As of June 30, 2026, Embracer Group's holdings of treasury shares correspond to 3.1% of the total number of shares outstanding.



Wreckfest 2
THQ Nordic | Bugbear Entertainment

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 June 30, 2026. 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 250 million which is primarily driven by ordinary payments of obligations.

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
2026/2027	74	15	89
2027/2028	31	19	50
2028/2029	32	8	40
2029/2030	26	—	26
2030/2031	8	—	8
	171	42	214

Obligations related to historical acquisitions to 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.

As of June 30, 2026, already issued Clawback shares amount to 2.2 million and is split into Contingent consideration classified as part of the purchase price (1,9 million) and Obligations in relation to future personnel costs related to acquisitions (0.4 million).

Embracer Group has the legal obligation to issue 1.6 million shares according to agreement if targets are met. If the conditions are met the total number of shares after full dilution will be 230 million. Based on expected target achievement per June 30, 2026, expected number of shares to be issued is very minor.

PARENT COMPANY

The parent company acquires and conducts operations through its subsidiaries and underlying companies.

The parent company's net sales for April-June 2026 were SEK 23 million (23), and profit/loss before tax was SEK 166 million (-187). Other income for April-June 2026 amounted to SEK 1 million (0).

Income tax includes "top-up" tax according to Pillar 2 - Income Inclusion Rule (IIR), amounting to SEK -4 million (-2). Profit/loss after tax was SEK 125 million (-157).

Cash and current investments as of June 30, 2026 were SEK 3,449 million (5,351). Available funds amounted to SEK 3,799 million as of June 30, 2026. The parent company's equity at the end of the period was SEK 21,825 million (27,595).



Magic: The Gathering® | The Hobbit
© & TM Mee under lic. to Wizards of the Coast

SIGNIFICANT EVENTS DURING THE QUARTER

- > On 20 May 2026, Embracer Group announced the intention to separate the Group into two publicly listed companies through the spin-off of Fellowship Entertainment, with a listing on Nasdaq Stockholm planned during calendar year 2027.
- > On 20 May 2026, Embracer Group announced that Müge Boullion, in addition to her role as Group CFO, had been appointed Deputy CEO of the company.
- > On May 20 2026, Embracer Group announced that it had decided to initiate a share buyback program of up to SEK 750 million, pursuant to the authorization granted by the 2025 Annual General Meeting. The program commenced on May 20 2026 and will continue until no later than March 31 2027.
- > On June 18 2026, Embracer Group published its annual report for the financial year 2025/26.



Warhammer 40000: Dawn of War IV
Deep Silver | King Art Games

SUSTAINABILITY AND GOVERNANCE

SUSTAINABILITY

During the period, work on sustainability reporting and governance continued. Embracer completed its first sustainability reporting in accordance with CSRD and ESRS as part of the Annual Report for 2025/26. The reporting marks a step towards more structured, transparent and comparable ESG disclosures and provides a clearer basis for follow-up, internal control and the continued development of the Group's material sustainability matters. During the quarter, internal stakeholder dialogue was also carried out to gather perspectives from relevant parts of the organization and support the continued development of the double materiality assessment, the reporting process and the follow-up of identified impacts, risks and opportunities.

Embracer also participated in discussions during Almedalen in Visby, Sweden's leading forum for dialogue between policymakers, business and civil society, where the role of games in society and the safety of children and young people in digital environments were in focus. At SpelAlmedalen, a shared forum for the games industry, academia and civil society held during Almedalen week, *Through the Darkest of Times* was presented as an example of how games can help improve the visibility of complex issues related to democracy, influence and historical events. The game was developed by Paint Bucket Games and published by HandyGames. As the initiator of the *Tryggare spelvärldar* initiative, led by The Prince Couple's Foundation, Embracer also participated in roundtable discussions on digital well-being, trust and safer gaming environments. The participation highlighted the value of bringing business, politics and civil society together on issues where multiple perspectives and shared responsibility are needed to create long-term sustainable solutions.

GOVERNANCE

During the quarter we launched our annual AI Literacy training for all staff. The training fulfils the requirements of the EU AI Act and is designed to help employees understand how AI works and how it can be used to safely improve productivity within Embracer Group.



The Eternal Life of Goldman
THQ Nordic | Weappy Studio

ANALYSTS FOLLOWING EMBRACER GROUP

For an updated list of analysts covering Embracer Group, please refer to our website embracer.com.

THE SHARE

TOP 20 OWNERS AS OF JUNE 30, 2026					Change from Mar 31, 2026
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	36,047,907	19.68%	40.68%	—
2 DNB Asset Management AS		18,985,303	8.30%	6.13%	417,654
3 Savvy Gaming Group		16,647,337	7.27%	5.37%	—
4 Matthew Karch		12,429,703	5.43%	4.01%	—
5 Embracer Group AB		7,163,806	3.13%	2.31%	1,583,512
6 Alecta Tjänstepension		6,750,000	2.95%	2.18%	—
7 Andrey Iones		6,586,275	2.88%	2.13%	—
8 SEB Funds		6,027,903	2.63%	1.95%	64,834
9 Vanguard		5,904,207	2.58%	1.91%	-49,091
10 Carnegie Fonder		5,260,000	2.30%	1.70%	—
11 DNB Asset Management SA		5,113,824	2.23%	1.65%	455,463
12 Fjärde AP-fonden		4,361,108	1.91%	1.41%	1,391,951
13 Skandia Fonder		4,340,100	1.90%	1.40%	4,009
14 Folksam		4,243,316	1.85%	1.37%	81,558
15 Swedbank Robur Fonder		3,732,957	1.63%	1.20%	2,200,835
16 Hartford Funds Management Company, LLC		3,442,111	1.50%	1.11%	3,442,111
17 BlackRock		3,272,442	1.43%	1.06%	-42,696
18 Handelsbanken Fonder		3,203,324	1.40%	1.03%	120,214
19 Randy Pitchford		2,622,662	1.15%	0.85%	—
20 American Century Investment Management		2,453,760	1.07%	0.79%	-488,987
TOP 20	9,000,000	158,588,045	73.23%	80.23%	
OTHERS	0	61,265,082	26.77%	19.77%	
TOTAL	9,000,000	219,853,127	100.00%	100.00%	

Source: Monitor by Modular Finance.
Shareholder lists are available on embracer.com and are updated in real time.

INTERNATIONAL OWNERSHIP TOP 50 INSTITUTIONAL AS OF JUNE 30, 2026 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 net 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

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

For any questions on this report, please contact:

Phil Rogers, CEO

phil.rogers@embracer.com

Müge Bouillon, Deputy CEO and Group CFO

muge.bouillon@embracer.com

Oscar Erixon, Head of Investor Relations

oscar.erixon@embracer.com

Beatrice Flink Forsgren, Head of Brand & Communication

beatrice.forsgren@embracer.com



Fatekeeper
THQ Nordic | Paraglacial

SIGNATURES AND ASSURANCE

The Board of Directors and Chief Executive Officer offer their assurance that this interim report for the first 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, August 13, 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 2026-08-13 07:00 CEST. 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.



*Kingdom Come: Deliverance
Deep Silver | Warhorse Studios*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Amounts in SEK m	Note	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Net sales	3,4	3,943	3,171	15,906
Other operating income	6	63	90	661
Total operating income		4,006	3,261	16,567
Work performed by the Company for its own use and capitalized		485	556	2,130
Goods for resale		-1,734	-1,008	-6,110
Other external expenses	7	-875	-746	-3,565
Personnel expenses		-1,140	-1,400	-5,086
Depreciation, amortization and impairment		-775	-898	-10,914
Other operating expenses	8	-46	-37	-79
Share of profit of an associate after tax		0	1	3
Operating profit/loss (EBIT)		-79	-272	-7,053
Net financial items	9	147	-271	158
Profit/loss before tax		69	-543	-6,896
Income tax		-29	125	8
Profit for the year continuing operations		39	-418	-6,888
Profit from Discontinued operation, net after tax ¹⁾	6	—	7	1,071
Net profit/loss for the period		39	-410	-5,817
<i>Net profit/loss for the period attributable to:</i>				
Equity holders of the parent		39	-411	-5,819
Non-controlling interests		1	1	2
Earnings per share				
Basic earnings per share (SEK)		0.18	—	—
Diluted earnings per share (SEK)		0.18	—	—
Basic earnings per share including Discontinued operation (SEK)		—	-1.97	-27.67
Diluted earnings per share including Discontinued operation (SEK)		—	-1.97	-27.67
Basic earnings per share excluding Discontinued operation (SEK)		—	-2.01	-32.76
Diluted earnings per share excluding Discontinued operation (SEK)		—	-2.01	-32.76

¹⁾ Excluding non-controlling interests of discontinued operations

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	Note	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Net profit/loss for the period		39	-410	-5,817
Other comprehensive income				
<i>Items that may be reclassified to profit or loss (net of tax):</i>				
Exchange differences on translation of foreign operations		192	-178	-839
Cash flow hedges		1	5	0
<i>Items that will not be reclassified to profit or loss (net of tax):</i>				
Remeasurement of defined benefit plans for employees		—	0	1
Total other comprehensive income for the period, net of tax		193	-174	-837
Total comprehensive income for the period, net of tax		233	-584	-6,654
<i>Total comprehensive income attributable to:</i>				
Equity holders of the parent		232	-585	-6,656
Non-controlling interests		1	1	2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK m	Note	Jun 30, 2026	Jun 30, 2025	Mar 31, 2026
ASSETS				
Non-current assets				
Goodwill		4,065	12,243	4,000
Intangible assets		10,772	13,907	10,649
Property, plant and equipment		427	522	451
Right-of-use assets		492	607	459
Investments in associates		6	247	6
Non-current financial assets		436	500	484
Deferred tax assets		1,752	1,721	1,662
Total non-current assets		17,950	29,745	17,710
Current assets				
Inventories		941	800	783
Trade receivables		2,104	1,744	2,175
Contract assets		268	71	75
Other receivables		1,025	1,330	839
Prepaid expenses		246	449	260
Cash and cash equivalents		4,997	6,879	4,957
Total current assets		9,581	11,273	9,089
TOTAL ASSETS		27,531	41,019	26,798

CONT.>>

>>CONTINUED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK m	Note	Jun 30, 2026	Jun 30, 2025	Mar 31, 2026
EQUITY AND LIABILITIES				
Equity				
Share capital		2	2	2
Other contributed capital		61,787	62,083	61,899
Reserves		346	817	154
Retained earnings, including net profit/loss		-42,521	-32,339	-42,560
Total equity attributable to equity holders of the parent		19,615	30,564	19,495
Non-controlling interests		35	72	36
Total equity		19,650	30,636	19,530
Non-current liabilities				
Liabilities to credit institutions		700	474	366
Other non-current liabilities		122	187	108
Lease liabilities		365	421	322
Other provisions		183	167	184
Contingent considerations	5	130	644	151
Non-current employee benefits		—	5	—
Non-current liabilities to employees related to historical acquisitions	5	8	85	12
Deferred tax liabilities		630	1,130	644
Total non-current liabilities		2,137	3,113	1,785
Current liabilities				
Liabilities to credit institutions		825	1,479	792
Advances from customers		313	149	96
Trade payables		1,338	1,080	1,115
Lease liabilities		154	227	167
Contract liabilities		652	850	543
Contingent considerations	5	114	639	76
Tax liabilities		248	295	239
Current liabilities to employees related to historical acquisitions	5	19	730	262
Other current liabilities		503	476	445
Accrued expenses		1,579	1,347	1,747
Total current liabilities		5,744	7,270	5,483
TOTAL EQUITY AND LIABILITIES		27,531	41,019	26,798

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 ¹⁾	Retained earnings including profit for the period	Total equity attributable to equity holders of the parent		
Opening balance 2025-04-01	2	62,061	990	-31,921	31,133	64	31,196
Net profit/loss	—	—	—	-411	-411	1	-410
Other comprehensive income	—	—	-174	—	-174	0	-174
Total comprehensive income for the period	—	—	-174	-411	-585	1	-584
<i>Transactions with the owners</i>							
New share issue	0	—	—	—	—	—	—
Share-based remuneration according to IFRS 2	—	22	—	—	22	—	22
Transactions with non-controlling interests	—	—	—	-7	-7	7	—
Total	0	22	—	-7	15	7	22
Closing balance 2025-06-30	2	62,083	817	-32,339	30,564	72	30,636
Opening balance 2026-04-01	2	61,899	153	-42,560	19,495	36	19,530
Net profit/loss	—	—	—	39	39	1	39
Other comprehensive income	—	—	193	—	193	0	193
Total comprehensive income for the period	—	—	193	39	232	1	233
<i>Transactions with the owners</i>							
New share issue	0	4	—	—	4	—	4
Share-based remuneration according to IFRS 2	—	-16	—	—	-16	—	-16
Repurchase of own shares	—	-100	—	—	-100	—	-100
Transactions with non-controlling interests	—	—	—	—	—	-1	-1
Total	0	-112	—	—	-112	-1	-113
Closing balance 2026-06-30	2	61,787	346	-42,521	19,615	35	19,650

¹⁾ 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 ¹⁾	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Operating activities			
Profit/loss before tax	69	-543	-6,896
Adjustments for non-cash items, etc.	440	1,081	9,754
Income tax paid	-14	-15	-449
Cash flow from operating activities before changes in working capital	495	522	2,409
Cash flow from changes in working capital			
Change in inventories	-140	-105	-137
Change in operating receivables	-111	628	374
Change in operating liabilities	146	-726	-180
Cash flow from operating activities	390	318	2,465
Investing activities			
Acquisition of property, plant and equipment	-19	-29	-91
Proceeds from sales of property, plant and equipment	—	—	16
Acquisition of intangible assets	-658	-713	-2,920
Proceeds from sales of intangible assets	—	6	6
Acquisition of subsidiaries, net of cash acquired ²⁾	-2	-13	-378
Divestment of subsidiaries, net of cash divested	38	—	377
Change in current investments	-2	—	—
Acquisition of financial assets	-2	-43	-51
Proceeds from sales of financial assets	93	—	—
Cash flow from investing activities	-552	-792	-3,039
Financing activities			
Repurchase of own shares	-94	—	-500
Proceeds from borrowings	575	541	1,675
Payments received from and given to discontinued operations	—	94	-272
Repayment of loans	-223	-307	-2,163
Payment of lease liabilities	-51	-67	-246
Cash flow from financing activities	207	261	-1,506
Total cash flow, Continuing operations	45	-213	-2,080
Total cash flow, Discontinued operations	—	-1	495
Total cash flow, total Group	45	-214	-1,585
Cash and cash equivalents at the beginning of period	4,957	7,097	7,097
Exchange-rate differences in cash and cash equivalents	-4	-5	-22
Cash and cash equivalents in Discontinued operations	—	-36	-533
Cash and cash equivalents at the end of period	4,997	6,843	4,957

¹⁾ The total cash flow for discontinued operations is presented as a separate row in the cash flow statement. Details are disclosed in note 6.

²⁾ The change in the quarter refers to historical acquisitions.

NOTES

NOTE 1 MATERIAL ACCOUNTING PRINCIPLES

This interim report comprises of the Swedish parent company Embracer Group AB (publ), 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 2025/26. 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 2025/26. 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 [25-32](#) 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.

NOTE 2 SIGNIFICANT ESTIMATES AND ASSUMPTIONS

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 2025/26.

In connection with the changed segment structure that came into effect on April 1, 2026, certain assessments have been made regarding the identification of operating segments in accordance with IFRS 8. See further comments in [Note 3](#).

NOTE 3 OPERATING SEGMENTS

As of April 1, 2026, the Group has changed its internal reporting structure and thus the division into operating segments. The change reflects how the chief operating decision maker (COD) reviews the operations to allocate resources and assess results. Embracer Group's CEO is identified as the Group's chief operating decision maker (COD).

The Group has, for reporting and monitoring purposes, divided its operations into two operating segments: Fellowship Entertainment and Embracer, which are based on the internal organizational and governance model. Fellowship Entertainment encompasses operations focused on the development and management of established gaming brands (IPs), while Embracer encompasses a broader operational structure focused on efficiency, profitability and capital allocation.

Each segment is followed up through underlying business areas.

The CODM primarily uses the performance measure Cash EBIT and 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

Apr-Jun 2026	Fellowship Entertainment	Embracer	Total segments	Eliminations	Corporate	Group total
Revenue from external customers	810	3,134	3,943	–	–	3,943
Revenue from transactions with other operating segment	15	–	15	-15	–	–
Total revenue	825	3,134	3,958	-15	–	3,943
Cash EBIT	-32	136	104	–	-57	47
Depreciation, amortization and impairment	-114	-508	-622	–	-1	-624
Capex	288	390	677	–	–	677
Payment of lease liabilities	17	32	49	–	1	51
Adjusted EBIT	159	49	208	–	-57	151
Amortization of surplus values of acquired intangible assets	-86	-66	-152	–	–	-152
Personnel costs related to acquisitions	-7	-4	-11	–	–	-11
Items affecting comparability	-3	-63	-66	–	0	-66
EBIT	63	-84	-21	–	-58	-79
Net financial items						147
Profit/loss before tax						69

Apr-Jun 2025	Fellowship Entertainment	Embracer	Total segments	Eliminations	Corporate	Group total
Revenue from external customers	1,058	2,113	3,171	–	–	3,171
Revenue from transactions with other operating segment	9	2	11	-11	–	–
Total revenue	1,067	2,115	3,182	-11	–	3,171
Cash EBIT	152	-193	-41	–	-58	-99
Depreciation, amortization and impairment	-207	-477	-683	–	-2	-685
Capex	271	465	736	–	–	736
Payment of lease liabilities	21	44	66	–	1	67
Adjusted EBIT	237	-160	77	–	-59	18
Amortization of surplus values of acquired intangible assets	-93	-92	-185	–	–	-185
Personnel costs related to acquisitions	-8	-35	-43	–	–	-43
Items affecting comparability	5	-67	-62	–	0	-62
EBIT	141	-354	-213	–	-59	-272
Net financial items						-271
Profit/loss before tax						-543

CONT. >>

>> NOTE 3 CONTINUED

Apr 2025- Mar 2026	Fellowship Entertainment	Embracer	Total segments	Eliminations	Corporate	Group total
Revenue from external customers	4,345	11,561	15,906	–	–	15,906
Revenue from transactions with other operating segment	48	6	54	-54	–	–
Total revenue	4,393	11,567	15,960	-54	–	15,906
Cash EBIT	416	317	733	–	-222	511
Depreciation, amortization and impairment	-596	-2,249	-2,845	–	-7	-2,852
Capex	1,238	1,763	3,002	–	–	3,002
Payment of lease liabilities	78	162	240	–	5	246
Adjusted EBIT	1,137	-8	1,128	–	-224	905
Amortization of surplus values of acquired intangible assets	-367	-306	-673	–	–	-673
Personnel costs related to acquisitions	-40	190	149	–	–	149
Items affecting comparability	-2,594	-4,724	-7,318	–	-117	-7,435
EBIT	-1,863	-4,849	-6,713	–	-341	-7,053
Net financial items						158
Profit/loss before tax						-6,896

NOTE 4 REVENUE FROM CONTRACTS WITH CUSTOMERS

Apr-Jun 2026	Fellowship Entertainment		Embracer				Group total
	Publishing & Development	Licensing	PC/Console Games	Mobile Games	Entertainment & Services	Other	
Type of products							
Digital products	339	—	572	610	311	19	1,851
Physical products	155	—	78	—	1,443	—	1,676
Other ¹⁾	267	49	77	—	15	8	416
Revenue from contracts with customers	761	49	728	610	1,768	27	3,943

Apr-Jun 2025	Fellowship Entertainment		Embracer				Group total ²⁾
	Publishing & Development	Licensing	PC/Console Games	Mobile Games	Entertainment & Services	Other	
Type of products							
Digital products	485	—	302	520	14	107	1,428
Physical products	152	—	29	—	941	19	1,141
Other ¹⁾	351	70	101	—	12	68	602
Revenue from contracts with customers	988	70	433	520	967	193	3,171

Apr 2025- Mar 2026	Fellowship Entertainment		Embracer				Group total ²⁾
	Publishing & Development	Licensing	PC/Console Games	Mobile Games	Entertainment & Services	Other	
Type of products							
Digital products	2,052	—	1,849	2,303	1,111	416	7,731
Physical products	803	—	229	—	4,951	64	6,047
Other ¹⁾	1,196	293	321	7	72	238	2,127
Revenue from contracts with customers	4,052	293	2,399	2,310	6,134	719	15,906

¹⁾ See Operating segment, page 6-8

²⁾ A correction is made of FY 25/26 figures with a reclassification from Physical products to Digital products and Other.

CONT. >>

>> CONTINUED

In addition to the breakdown by revenue from contracts with customers, Embracer Group also monitor Fellowship Entertainment and Embracer segment in the categories below:

	Fellowship Entertainment	Embracer	
Apr-Jun 2026	Publishing & Development	PC/Console Games	Group total
<i>Type of products</i>			
Owned titles	630	484	1,114
External titles	131	244	375
Total	761	728	1,489
New releases	—	310	310
Catalog	494	340	834
Other	267	77	344
Total	761	728	1,489

	Fellowship Entertainment	Embracer	
Apr-Jun 2025	Publishing & Development	PC/Console Games	Group total
<i>Type of products</i>			
Owned titles	794	175	969
External titles	194	258	452
Total	988	433	1,421
New releases	0	69	69
Catalog	638	263	901
Other	350	101	451
Total	988	433	1,421

	Fellowship Entertainment	Embracer	
Apr 2025- Mar 2026	Publishing & Development	PC/Console Games	Group total
<i>Type of products</i>			
Owned titles	3,279	1,380	4,659
External titles	773	1,018	1,791
Total	4,052	2,399	6,451
New releases	26	1,058	1,084
Catalog	2,836	1,020	3,856
Other	1,190	320	1,510
Total	4,052	2,399	6,451

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 June 30, 2026	Level 1	Level 2	Level 3	Total
Investments	42	—	—	42

Financial assets measured at fair value as of June 30, 2025	Level 1	Level 2	Level 3	Total
Investments	69	—	—	69

Financial assets measured at fair value as of March 31, 2026	Level 1	Level 2	Level 3	Total
Investments	109	—	—	109

Financial liabilities measured at fair value

Financial liabilities measured at fair value as of June 30, 2026	Level 1	Level 2	Level 3	Total
Contingent consideration	—	—	244	244
Liabilities to employees related to historical acquisitions	—	—	27	27

Financial liabilities measured at fair value as of June 30, 2025	Level 1	Level 2	Level 3	Total
Contingent consideration	—	—	1,283	1,283
Liabilities to employees related to historical acquisitions	—	—	815	815

Financial liabilities measured at fair value as of March 31, 2026	Level 1	Level 2	Level 3	Total
Contingent consideration	—	—	227	227
Liabilities to employees related to historical acquisitions	—	—	275	275

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 Group'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-Jun 2026	Apr 2025-Mar 2026
Opening balance	575	2,264
Payment - shares to be issued	-4	-360
Payment - clawback shares	—	-416
Payment - cash	-2	-377
FX effects	-7	-33
Reclassifications	—	-71
Disposals/divestments	—	-21
Change in fair value recognized in consolidated statement of profit or loss	23	-411
Closing balance	585	575

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 -25 million and a lower discount factor of 1.5 percentage points will have an impact with SEK 27 million. The contingent considerations will be settled in cash or with shares.

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

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

Distribution to owners

During the last financial year Embracer Group assessed that the former subsidiary Coffee Stain qualified as discontinued operation and during the last financial year Coffee Stain was distributed to the shareholders in Embracer Group.

	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Income statement for Discontinued operations			
Net sales	—	184	568
Other operating income	—	0	1
Total operating income	—	184	569
Work performed by the Company for its own use and capitalized	—	35	84
Goods for resale	—	-19	-60
Other external expenses	—	-30	-115
Personnel expenses	—	-62	-153
Depreciation, amortization and impairment	—	-85	-163
Other operating expenses	—	-7	-8
Share of profit of an associate	—	0	2
Operating profit (EBIT)	—	15	157
Net financial items	—	-8	63
Profit before tax	—	7	220
Income tax	—	1	-6
Profit from operations	—	7	213
Profit (Loss) on remeasurements to fair value			
Profit from dividend of operations	—	—	861
Reclassification of foreign currency translation reserve	—	—	—
Net profit for the period, discontinued operations	—	7	1,074
<i>Net profit/loss for the period attributable to:</i>			
Equity holders of the parent	—	1	1,071
Non-controlling interests	—	6	4
Cash flow statement for Discontinued operations			
Cash flow from operating activities	—	139	352
Cash flow from investing activities	—	-43	-117
Cash flow from financing activities	—	-97	260
Cash flow for the period	—	-1	495

NOTE 7 RELATED PARTY TRANSACTIONS

Related party transaction	Related party	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Consulting service	Logvreten AB ¹⁾ (supplier)	–	–	0
Transportation services	Sola Service i Karlstad AB ²⁾ (supplier)	-2	-3	-12
Transportation services	Sola Air AB ²⁾ (supplier)	0	–	0
Transportation services	Empterwik Special Services Ltd ²⁾ (supplier)	-5	-2	-19
Rental income	Lars Wingefors AB ³⁾ (purchaser)	–	–	0
Consulting service	LW Comics ²⁾ (supplier)	0	0	0
Transportation services	FBO ²⁾ (supplier)	0	–	–
Total		-7	-5	-32

¹⁾ Kicki Walje-Lund has controlling influence over the company

²⁾ The company is part of Lars Wingefors AB

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

NOTE 8 OTHER OPERATING EXPENSES

SEK m	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Other operating expenses	-9	-37	-78
Impairment costs related to restructuring	–	–	-1
Divestment of subsidiaries ¹⁾	-36	–	–
FX gain/loss related to Personnel costs related to acquisitions	-1	–	–
Total	-46	-37	-79

¹⁾ During Q1 FY 2026/27 the divestments of Quantic Lab and 34 Big Things closed.

NOTE 9 NET FINANCIAL ITEMS

SEK m	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Interest income and other financial income	33	41	116
Interest expense and other financial expense	-15	-31	-129
Sum	18	10	-13
Change in fair value financial assets and liabilities	4	-5	436
Realized and unrealized exchange rate gains/losses	126	-275	-266
Total financial net	147	-271	158

PARENT COMPANY'S INCOME STATEMENT

Amounts in SEK m	Note	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Net sales		23	23	163
Other operating income		1	0	3
Total operating income		24	23	166
Operating expenses				
Other external expenses		-26	-30	-125
Personnel expenses		-33	-32	-186
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		0	-1	-3
Other operating expenses	P2	0	-19	-202
Operating profit/loss		-36	-59	-349
Net financial items	P3	122	3	-3,520
Profit/loss after financial items		86	-56	-3,869
Appropriations		80	-131	507
Profit/loss before tax		166	-187	-3,361
Income tax		-41	30	-107
Net profit/loss for the period		125	-157	-3,468

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

PARENT COMPANY BALANCE SHEET

Amounts in SEK m	Jun 30, 2026	Jun 30, 2025	Mar 31, 2026
ASSETS			
Non-current assets			
Intangible assets	0	3	0
Tangible assets	2	4	2
Shares in group companies	12,688	15,359	12,682
Receivables from group companies	5,032	11,817	6,048
Other financial assets	63	112	129
Deferred tax assets	167	213	167
Total financial assets	17,949	27,501	19,026
Total non-current assets	17,951	27,508	19,029
Current assets			
Receivables from group companies	7,824	3,291	6,610
Trade receivables	0	0	0
Other receivables	86	206	—
Prepaid expenses and accrued income	38	79	32
	7,948	3,575	6,642
Cash and cash equivalents	3,449	5,351	3,695
Total current assets	11,398	8,927	10,338
TOTAL ASSETS	29,349	36,434	29,367
EQUITY AND LIABILITIES			
Restricted equity	2	2	2
Unrestricted equity	21,823	27,593	21,791
Total equity	21,825	27,595	21,792
Untaxed reserves	—	270	—
Provisions	74	92	73
Long-term liabilities			
Liabilities to Group companies	116	1,068	114
Total long-term liabilities	116	1,068	114
Current liabilities			
Trade payables	10	35	11
Liabilities to group companies	7,065	7,268	7,204
Tax liabilities	131	62	139
Other current liabilities	98	5	5
Accrued expenses and prepaid income	30	39	29
Total current liabilities	7,334	7,409	7,388
TOTAL EQUITY AND LIABILITIES	29,349	36,434	29,367

Tax liabilities includes SEK 8 (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 2025/26. For further description of the parent company's applied accounting principles, see Note P1 in the Annual Report for FY 2025/26.

NOTE P2 OTHER OPERATING EXPENSES

SEK m	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Other operating expenses	0	-19	-4
Loss sale of subsidiaries	—	—	-198
Total	0	-19	-202

NOTE P3 NET FINANCIAL ITEMS

SEK m	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Dividend	—	—	1,313
Interest income	160	201	732
Interest expense	-75	-82	-330
Other financial items	22	-19	-34
FX effects	95	-77	-109
Write-down subsidiaries	-80	-21	-5,095
Expected credit loss	—	0	2
Total	122	3	-3,520

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 Group'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 Group'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 Group 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. From Q1 FY 2026/27, Embracer Group's mainly focus on the APM Cash EBIT. The individual APMs, definitions, purpose are described more in detail below.

Name	Definition	Reason for Use
Adjusted Earnings per share	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.
Adjusted Earnings per share after full dilution	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.
Adjusted EBIT	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.
Adjusted EBIT margin	Adjusted EBIT as a percentage of net sales.	
Adjusted EBITDA	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.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales.	
Average number of shares	Weighted average number of shares that are outstanding during the period. Number of shares have been recalculated with respect to split of shares.	
Average number of shares after full dilution	Weighted average number of ordinary shares and potential ordinary shares. Number of shares have been recalculated with respect to split of shares.	
Cash EBIT	Adjusted EBIT excluding operational depreciation and amortization expenses, less investments in intangible and tangible assets and payments of IFRS 16 lease liabilities.	Cash EBIT in order to provide a true and fair picture of the underlying operational performance that is closer to cash flow generation by excluding depreciation and amortization expenses and instead deducting cash investments in intangible and tangible assets and cash payments for lease liabilities.

Name	Definition	Reason for Use
Cash EBIT margin	Cash EBIT as a percentage of net sales.	
EBIT margin	EBIT as a percentage of net sales.	
EBITDA	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.
EBITDA margin	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.
Free cash flow after working capital	Cash flow for the period, excluding cash flow from financing activities (except for lease payments), 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.
Gross margin	Net sales less goods for resale divided by net sales.	Measuring the profitability from the net sales of products and services.
Items affecting comparability	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.
Net Debt (–) / Net Cash (+)	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.
Net investment in acquired companies	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.
Net sales growth	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.
Organic growth	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.
Pro forma growth	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.
Specific items related to historical acquisitions	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, ADJUSTED EBITDA AND CASH EBIT - DERIVATION

Amounts in SEK m	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
EBIT	-79	-272	-7,053
Depreciation, amortization and impairment	775	898	10,914
EBITDA	697	626	3,860
Personnel costs related to acquisitions	11	43	-149
Items affecting comparability ¹⁾	66	34	46
Adjusted EBITDA	775	703	3,757
Depreciation, amortization and impairment	-775	-898	-10,914
Items affecting comparability ¹⁾	—	28	7,389
Amortization of surplus values of acquired intangible assets	152	185	673
Adjusted EBIT	151	18	905
Depreciation, amortization and impairment	775	898	10,914
Items affecting comparability ¹⁾	—	-28	-7,388
Amortization of surplus values of acquired intangible assets	-152	-185	-673
Capex	-677	-736	-3,002
Payment of lease liabilities	-51	-67	-246
Cash EBIT	47	-99	511

FREE CASH FLOW AFTER WORKING CAPITAL

Amounts in SEK m	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Cash EBIT	47	-99	511
Paid tax and other items	9	-122	-713
Change in working capital	-54	-162	7
Free cash flow after working capital	3	-383	-193

ADJUSTED EARNINGS PER SHARE - DERIVATION

Amounts in SEK m	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Net profit for the period attributable to equity holders of the parent	39	-418	-6,890
Adjustments			
Personnel costs related to acquisitions	11	43	-149
Amortization of surplus values of acquired intangible assets	152	185	673
Change in fair value and interest expense contingent consideration.	8	-8	-448
Items affecting comparability ¹⁾	66	62	7,435
Adjustments before tax	237	282	7,511
Tax effects on adjustments	-38	-53	-532
Adjustments after tax	200	229	6,978
Total continuing operations	238	-189	88
Average number of shares, million	229	225	227
Adjusted Earnings per share, SEK	1.04	-0.84	0.39
Average number of shares after full dilution, million	230	230	228
Adjusted Earnings per share after full dilution, SEK	1.03	-0.84	0.39

¹⁾ See below for further explanation on items affecting comparability

[CONT. >>](#)

>> CONTINUED

ITEMS AFFECTING COMPARABILITY, IAC
Amounts in SEK m

	Apr-Jun 2026	Apr-Jun 2025	Apr 2025- Mar 2026
Revenue related to games reported as IAC	1	7	23
Other external expenses	-8	-4	-129
Personnel expenses	-22	-22	-200
Profit or loss sale of subsidiaries	-36	—	303
Other operating income/expenses	—	-16	-43
Total IAC affecting EBITDA	-66	-34	-46
Write-down intangible assets	—	-28	-1,559
Write-down tangible assets	—	0	0
Impairment of goodwill	—	—	-5,830
Total IAC affecting EBIT	-66	-62	-7,435

ORGANIC GROWTH - DERIVATION
Amounts in SEK m

	Apr-Jun 2026	Apr-Jun 2025	Change
Net sales	3,943	3,171	24%
Net sales from acquired/divested companies ¹⁾	—	-147	
Difference in exchange rate	—	-68	
Organic growth	3,943	2,956	33%

PRO FORMA GROWTH - DERIVATION
Amounts in SEK m

	Apr-Jun 2026	Apr-Jun 2025	Change
Net sales	3,943	3,171	24%
Net sales from acquired/divested companies ²⁾	—	-147	
Difference in exchange rate	—	-68	
Pro forma growth	3,943	2,956	33%

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

²⁾ Net sales from acquired/divested companies in the last five quarters have been added/removed.

DEFINITIONS, QUARTERLY INFORMATION

From Q1 FY 2026/27, certain KPI definitions have been revised to improve the relevance, consistency, and clarity of the information presented for the Group. These changes are intended to enhance stakeholders' overall understanding of the Group's operations and performance.

The following adjustments have been made:

Headcount: Previously reported as internal and external headcount. Going forward, headcount will be presented as the total number of employees engaged by the Group, excluding external headcount.

External Titles: Previously reported as Published Titles. The metric has been renamed to External Titles to better emphasize its definition.

New Releases: Previously only included titles released during the current quarter. Going forward, this metric will represent all new releases launched during the financial year.

Catalog: Previously reported as Back Catalog and included all net sales not generated by titles released during the current quarter. Going forward, the metric will represent revenue from titles released in all prior financial years. Further, it is renamed Catalog from Back catalog to improve clarity and consistency.

Studios: The number of studios has been recalculated based on studio brands, replacing the previous location-based count. Thus, a studio with three different locations is henceforth counted as one studio.

Comparative periods where the KPIs are presented has been restated.

Clawback shares	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.
Completed games	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.
DAU	Average daily active users in the period.
Digital product	Product sold/transferred through digital/electronic channels.
Digital net sales	Net sales and transfer of products, physical and digital, through digital/electronic channels.
Game development projects	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.
Headcount	Total number of employees and contractors engaged by the Group. External game developers are excluded.
Net sales split –Fellowship Entertainment Segment (Publishing & Development) and Embracer Segment (PC/Console)	
Owned titles	Net sales of game titles that are owned IPs or titles that are controlled by the group.
External titles	Net sales of game titles of IPs the group does not own or control.
New releases	Net sales of game titles that are released in the current fiscal year.
Catalog	Net sales of game titles that are not released in the current fiscal year
Physical product	Product sold/transferred through physical channels.
Physical net sales	Net sales and transfer of products, physical and digital, through physical channels.
Studios	Number of individual studio brands.
Total installs	Total accumulated installs in the period.
UAC (User Acquisition Cost)	Marketing costs for business area Mobile Games in Embracer Segment.

INFORMATION BY FINANCIAL YEAR AND QUARTER

	2023/24 ²⁾	2024/25 ³⁾	2025/26 ³⁾					2026/27
	Full year	Full year	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Full year Cont. op	Apr-Jun
Net sales, SEK m	27,409	21,314	3,171	3,628	5,176	3,931	15,906	3,943
Sales growth, Group, YoY %	-27%	-19%	-32%	-19%	-26%	-24%	-25%	24%
Organic growth, YoY, %	-2 %	-9 %	-1 %	7 %	-8 %	-10 %	-3 %	33 %
Gross Margin, %	73 %	69 %	68 %	65 %	55 %	61 %	62 %	56 %
EBIT, SEK m	-14,400	3,324	-272	-141	663	-7,304	-7,053	-79
EBIT, margin, %	-53%	16%	-9%	-4%	13%	-186%	-44%	-2%
Adjusted EBITDA, SEK m	8,931	6,011	703	806	1,196	1,051	3,757	774
Adjusted EBITDA, margin, %	33%	28%	22%	22%	23%	27%	24%	20%
Cash EBIT, SEK m	—	2,187	-99	-66	350	326	511	47
Cash EBIT, margin %	—	10 %	-3%	-2%	7%	8%	3%	1%
Adjusted EBIT, SEK m	4,984	2,793	18	-1	528	360	905	151
Adjusted EBIT, margin, %	18%	13%	1%	—%	10%	9%	6%	4%
Basic shares weighted average, million ¹⁾	198	206	208	209	212	213	210	213
Diluted shares weighted average ¹⁾	198	207	208	209	212	213	211	213
Average number of shares, million ¹⁾	220	225	225	225	228	229	227	229
Average number of shares after full dilution, million ¹⁾	237	230	230	231	229	230	228	230
Basic earnings per share, SEK	-67.28	11.37	-2.01	-0.38	2.25	-32.28	-32.76	0.18
Diluted earnings per share, SEK	-67.28	11.36	-2.01	-0.38	2.25	-32.28	-32.76	0.18
Adjusted Earnings per share, SEK ¹⁾	14.66	3.78	-0.84	-1.09	1.77	0.52	0.39	1.04
Adjusted Earnings per share after full dilution, SEK	13.56	3.70	-0.84	-1.09	1.76	0.51	0.39	1.04
Cash flow from operating activities, SEK m	5,694	2,660	318	250	443	1,454	2,465	390
Specific items related to historical acquisitions								
Amortization of surplus values of acquired intangible assets	-2,203	-1,135	-185	-179	-162	-147	-673	-152
Other specific items related to historical acquisitions	-1,926	-1,538	-43	209	-20	3	149	-11
Total	-4,129	-2,673	-228	30	-181	-144	-523	-174
Investments								
External game development and advances, SEK m	1,154	454	89	105	158	42	394	45
Internal capitalized development, SEK m	5,165	2,587	556	534	528	513	2,130	485
Sub-total - Investment in Game development, all segments	6,319	3,041	645	639	685	555	2,524	530
Other intangible assets/IP-rights, SEK m	537	354	63	152	78	96	388	128
Tangible assets, SEK m	225	122	28	15	23	23	90	19
Total	7,082	3,517	736	806	787	674	3,002	677
Completed games ⁴⁾								
Completed games, SEK m	3,423	2,233	165	1,145	601	637	2,549	420
Other KPIs								
Total Game development projects	141	94	106	98	87	79	79	72
Total Headcount	8,305	6,187	6,261	6,165	5,927	5,740	5,740	4,991
Number of studios	70	46	44	43	41	40	40	39

¹⁾ The number of shares for FY 2023/24 and 2024/25 have been recalculated due to the 1:6 reversed split carried out January 15, 2025.

²⁾ Excluding previous operating segment Tabletop Games

³⁾ Excluding discontinued operations

⁴⁾ Includes all segments in the Group

Embracer Group is a global games and entertainment group headquartered in Karlstad, Sweden. Through its creative and entrepreneurial businesses, the Group develops, publishes, and distributes PC, console and mobile games, and also operates in other areas of entertainment. The Group engages nearly 5,000 people across close to 30 countries and is home to a broad portfolio of owned and controlled intellectual properties, including globally recognized franchises.