Q1

FY 2026/27

EMBRACER GROUP INTERIM REPORT

APRIL 2026 – JUNE 2026

EMBRACER+ GROUP

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What we cover today

Highlights from the quarter

Operating segments

- Fellowship Entertainment
- Embracer

Financial development

Q&A

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Highlights from Q1 2026/27

Financial Highlights | SEK

NET SALES	CASH EBIT	FREE CASH FLOW
3,943 m	**47 m**	**3 m**
24% YoY (**33%** organic)	(**-99 m**)	**(-383 m)**

Comments

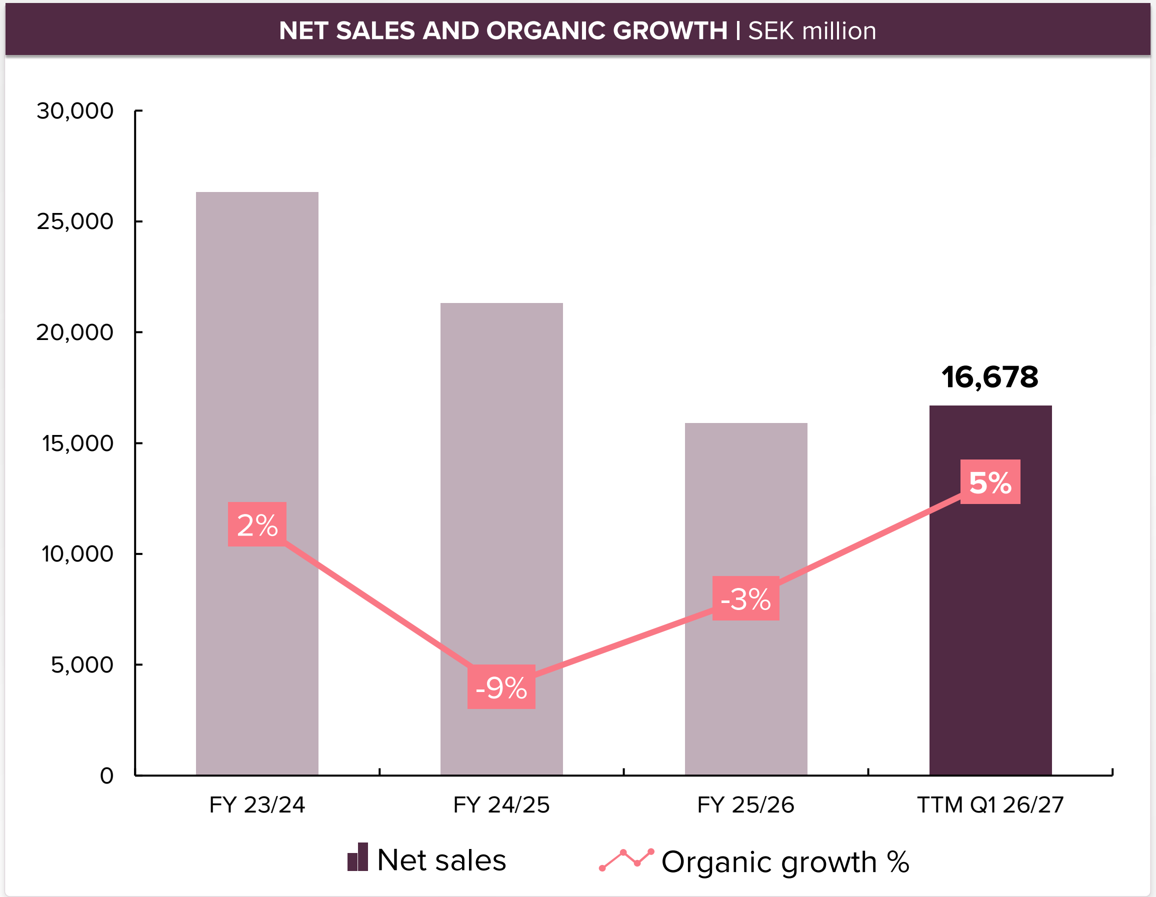
Growth and earnings development above plan in Q1

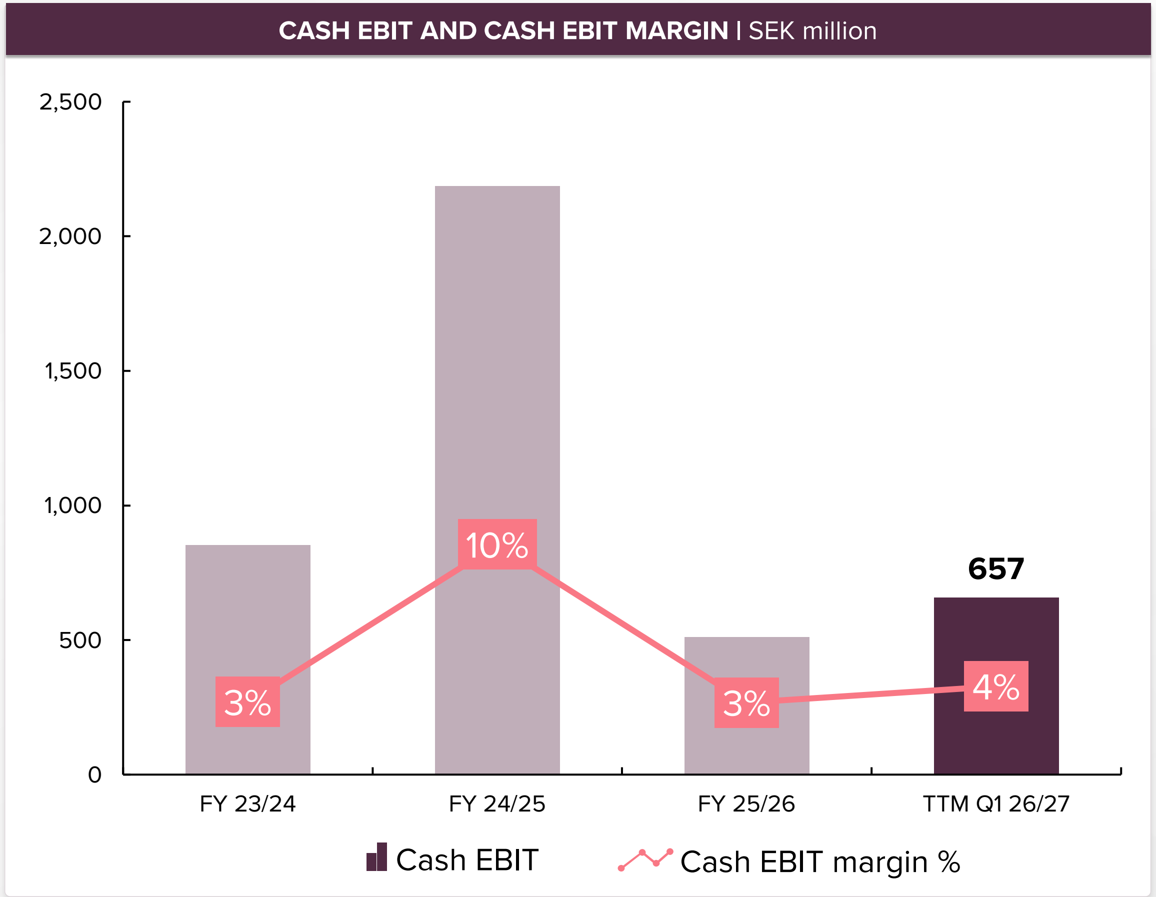
Intact FY 2026/27 outlook, with strong traction for METRO 2039

Fellowship Entertainment spin-off progressing well planned for CY 2027

Source: as of June 30, 2026

Improving growth and earnings trajectory





Source: as of June 30, 2026 | All periods excludes discontinued operations (Asmodee & Coffee Stain Group)


Operating segments

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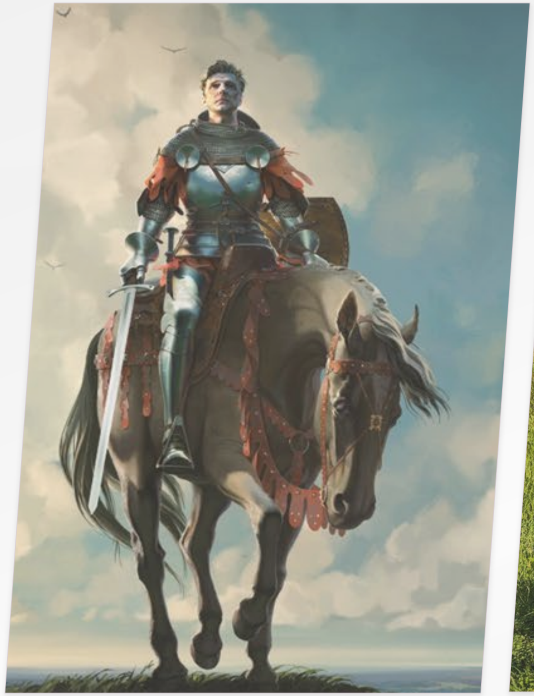
Two segments with respective business areas

FELLOWSHIP ENTERTAINMENT

/ PUBLISHING & DEVELOPMENT



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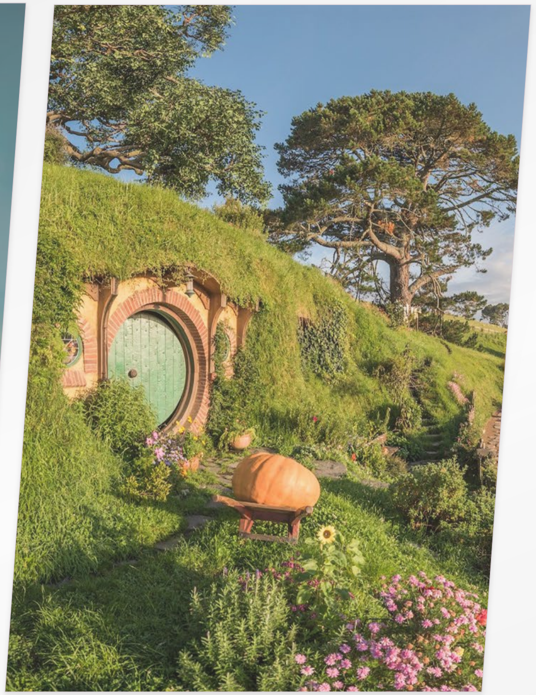

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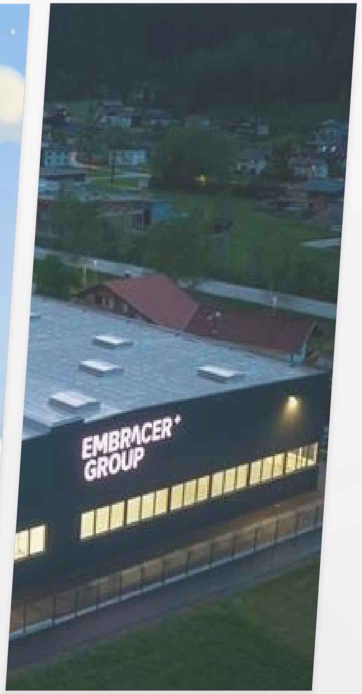
/ PC/CONSOLE

/ MOBILE

/ ENTERTAINMENT & SERVICES

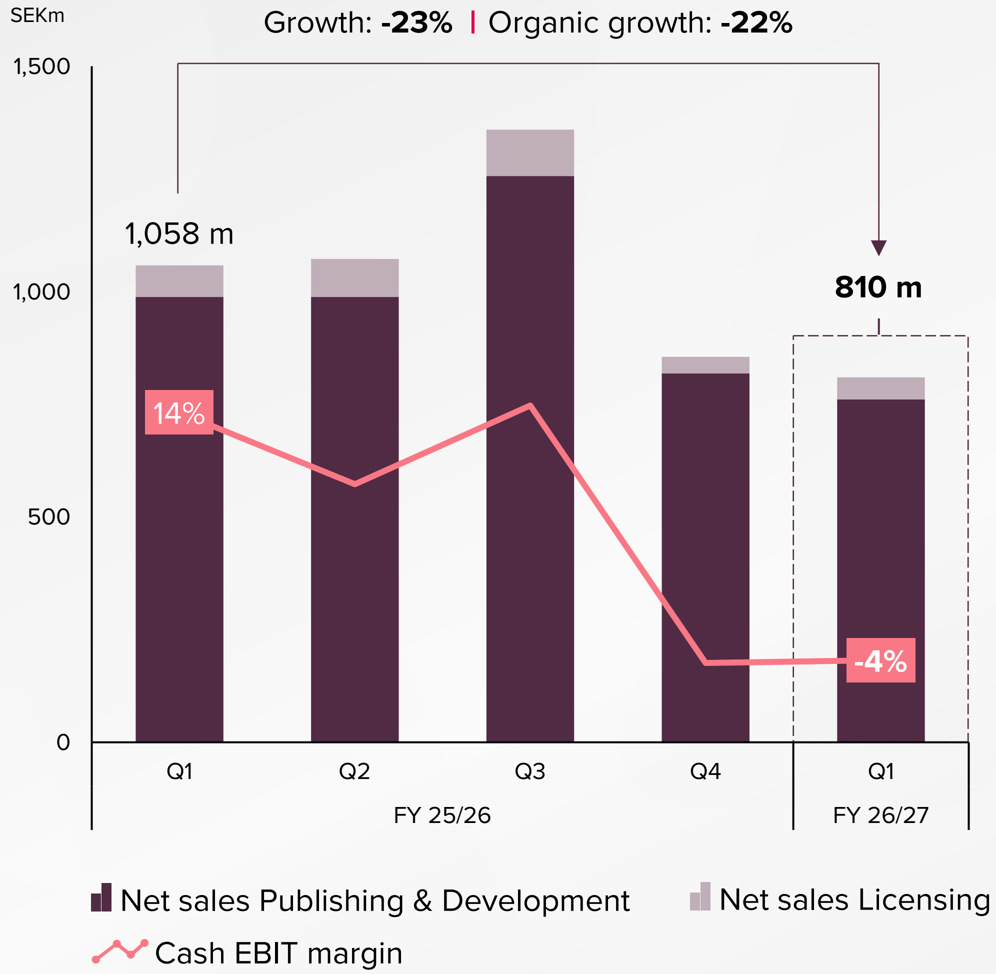


/ OTHER [1]

[1] Mainly divested assets

Fellowship Entertainment: Highlights

PERFORMANCE



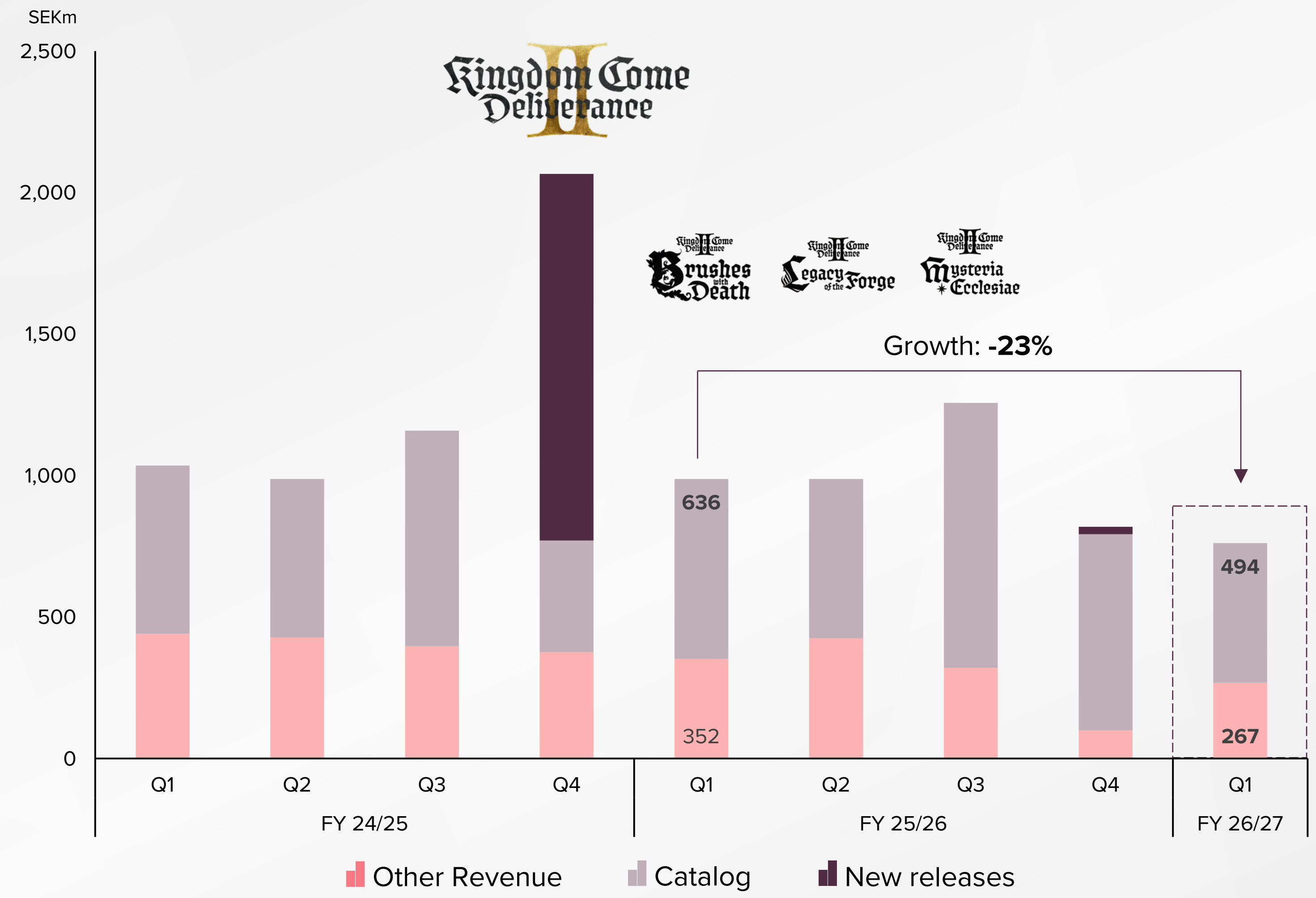
COMMENTS

- Fellowship Entertainment delivered a resilient quarter, with limited new content across Publishing & Development and Licensing.
- Cash EBIT above internal expectations due to catalog performance from Kingdom Come Deliverance, Metro, Remnant and Dead Island.
- Adjusted EBIT amounted to SEK 159 million, for a margin of 20%.

NET SALES DRIVERS | Q1 FY 2026/27

Publishing & Development: Net sales drivers

PUBLISHING & DEVELOPMENT – TYPE OF INCOME I NET SALES



FY 2026/27

- Q3: Warhammer 40 000: Dawn of War IV
- Q3: Stage Tour
- Q4: Tomb Raider: Legacy of Atlantis
- Q4: METRO 2039

FY 2027/28

- Kingdom Come
- Darksiders 4

Game release rhythm

- At least two major game releases with full economics per year

Source: as of June 30, 2026

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Fellowship Entertainment: Key financials

	FY 2024/25	FY 2025/26					FY 2026/27
SEK million	**Full year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full year**	**Q1**
Net Sales	**5,524**	**1,058**	**1,072**	**1,359**	**855**	**4,345**	**810**
Gross Profit	4,581	899	878	1,085	694	3,556	687
Operating Expenses, Net	-1,926	-455	-489	-474	-406	-1,823	-414
Marketing	-296	-45	-46	-51	-33	-175	-41
UAC	0	0	0	0	0	0	0
Other Operating Expenses	-1,630	-410	-443	-423	-373	-1,649	-373
Adjusted EBITDA	**2,655**	**444**	**389**	**611**	**289**	**1,732**	**273**
Depreciation, amortization and impairment	-811	-207	-140	-132	-118	-596	-114
Adjusted EBIT	**1,843**	**237**	**249**	**479**	**171**	**1,137**	**159**
Capex	-1,350	-271	-271	-390	-307	-1,238	-288
Leasing	-92	-21	-21	-19	-17	-78	-17
Cash EBIT	**1,213**	**152**	**97**	**202**	**-36**	**416**	**-32**
Gross Margin (%)	83%	85%	82%	80%	81%	82%	85%
Adjusted EBIT margin (%)	33%	23%	23%	35%	20%	26%	20%
Cash EBIT margin (%)	22%	14%	9%	15%	-4%	10%	-4%

KEY DRIVERS Q1 FY 2026/27

- Net sales impacted by strong Kingdom Come: Deliverance II comparator resulting in organic growth of -22%
- Solid catalogue performance on Core IP’s
- Gross margin impact partly offset by opex savings
- Cash EBIT of -32m SEK impacted by strong comparator and limited new content in Publishing & Development and Licensing

Source: as of June 30, 2026

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Publishing & Development: Titles announced-to-date

FY 26/27 anchored by Metro, Tomb Raider, Warhammer 40k: Dawn of War IV

Publishing & Development

Core upcoming releases

- **Warhammer 40 000: Dawn of War IV** | PC — 3 December 2026
- **Stage Tour** | PC, XB X|S, PS5, Switch 2 — Holiday 2026
- **Tomb Raider: Legacy of Atlantis** | PC, XB X|S, PS5, Switch 2 — 12 February 2027
- **METRO 2039** | PC, XB X|S, PS5 — February 2027
- **Darksiders 4** | PC, XB X|S, PS5 — FY 2027/28
- **Kingdom Come** | TBC — FY 2027/28
- **Tomb Raider: Catalyst** | PC, XB X|S, PS5 — CY 2028

New iterations of previous releases

- **Deus Ex Remastered** | PC, XB X|S, PS5, Switch — TBD
- **Thief: The Dark Project Remastered** | PC, XB X|S, PS5, PS4, Switch, Switch 2 — TBD

Source: as of August 13, 2026 | For latest release dates please refer to respective publishers

Licensing: Expanding our IPs with world class partners

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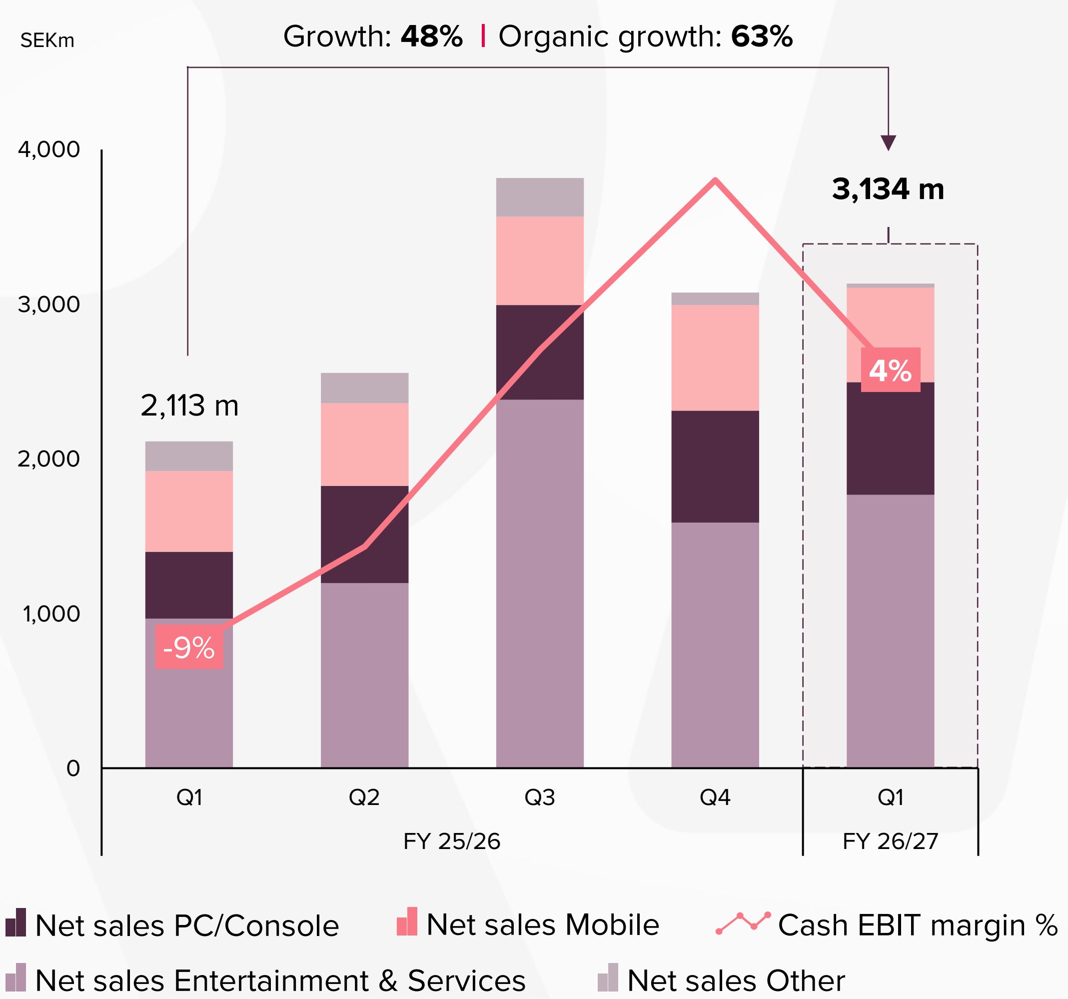
Embracer: Highlights

PERFORMANCE



COMMENTS

- The Embracer operating segment delivered 63% organic growth, with growth across all segments
- Core revenue drivers included the successful **new release of Gothic 1 Remake** and the catalog performance of REANIMAL, along with Sled Surfers in Mobile, and very strong growth for Entertainment & Services, driven by PLAION Partners
- Cash EBIT improved significantly YoY, driven by PC/Console
- Adjusted EBIT amounted to SEK 49 million, for a margin of 2%.

CORE REVENUE DRIVERS IN THE QUARTER

Source: as of June 30, 2026

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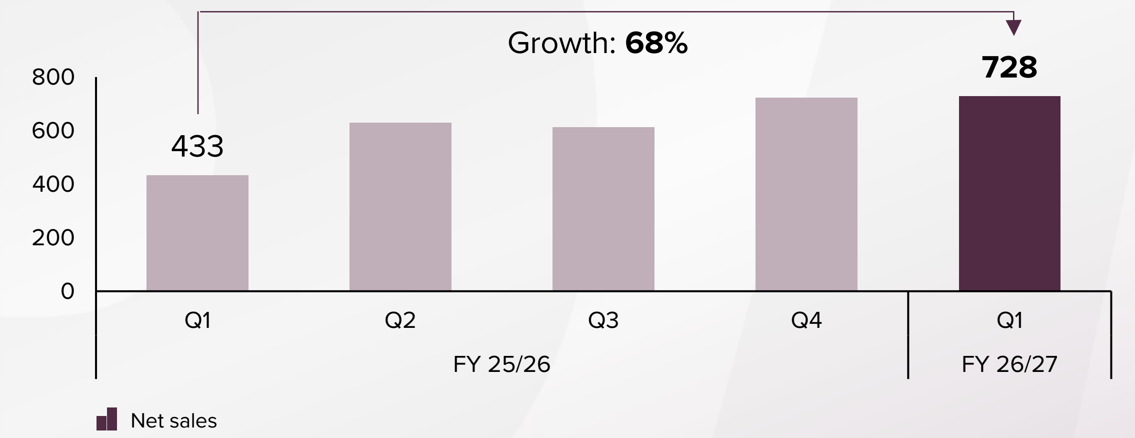
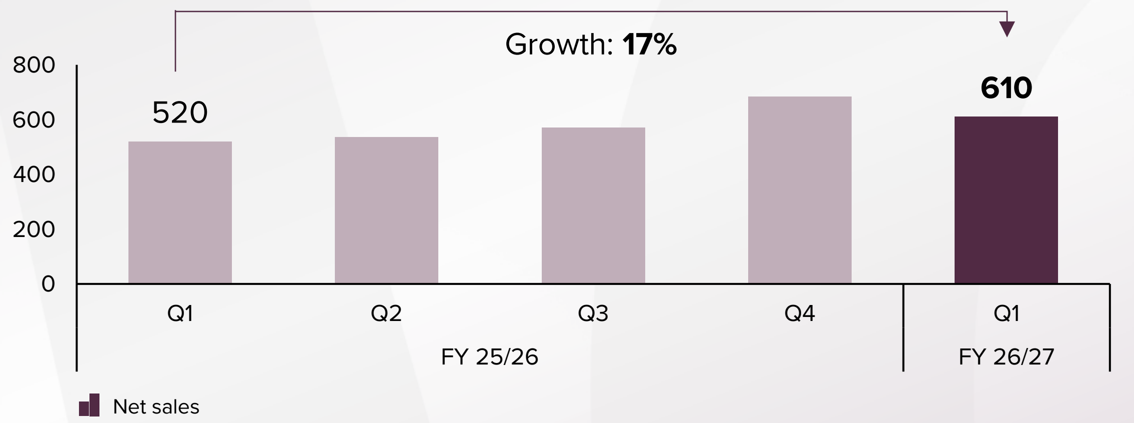
Embracer: Business area performance

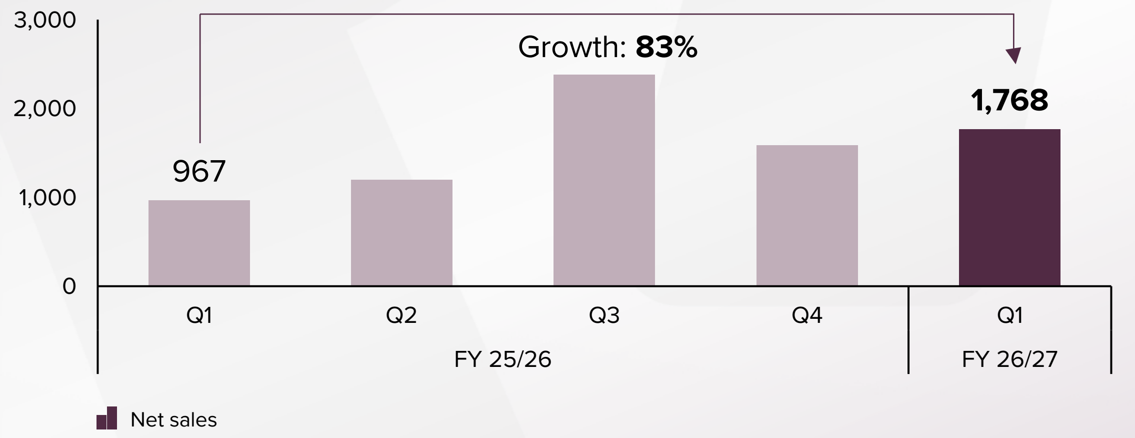
PC/CONSOLE NET SALES | SEK million



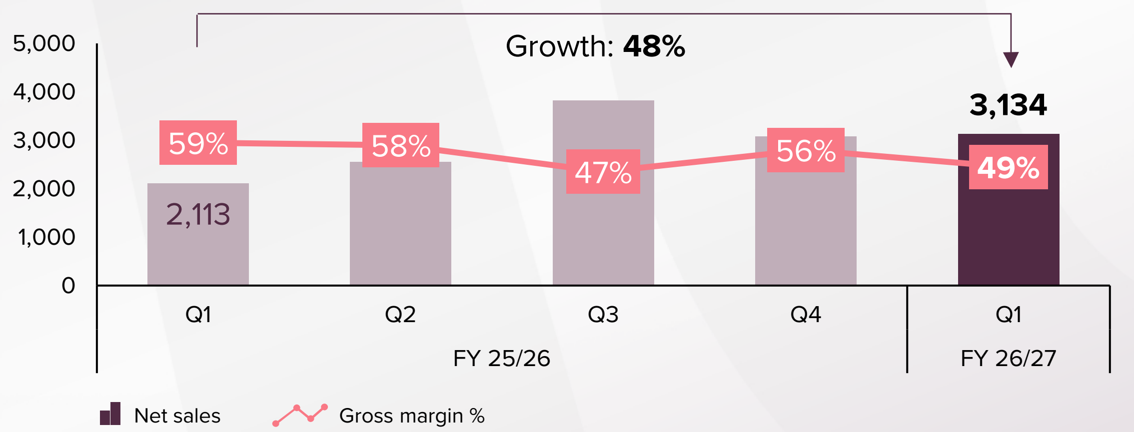
MOBILE NET SALES AND | SEK million



ENTERTAINMENT & SERVICES NET SALES | SEK million



TOTAL[1] NET SALES AND GROSS MARGIN | SEK million



Source: as of June 30, 2026 | [1] Total also includes business area Other

Embracer: Key financials

	FY 2024/25	FY 2025/26					FY 2026/27
SEK million	**Full year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full year**	**Q1**
Net Sales	**15,790**	**2,113**	**2,555**	**3,817**	**3,075**	**11,561**	**3,134**
Gross Profit	10,281	1,257	1,492	1,776	1,709	6,234	1,522
Operating Expenses, Net	-6,678	-940	-1,022	-1,137	-893	-3,993	-965
Marketing	-477	-59	-115	-114	-91	-378	-122
UAC	-2,510	-222	-241	-254	-353	-1 071	-300
Other Operating Expenses	-3,690	-659	-665	-769	-450	-2,544	-543
Adjusted EBITDA	**3,604**	**316**	**470**	**639**	**816**	**2,241**	**557**
Depreciation, amortization and impairment	-2,399	-477	-666	-535	-572	-2,249	-508
Adjusted EBIT	**1,205**	**-160**	**-195**	**103**	**244**	**-8**	**49**
Capex	-2,158	-465	-534	-397	-367	-1,763	-389
Leasing	-219	-44	-45	-40	-33	-161	-32
Cash EBIT	**1,227**	**-193**	**-109**	**202**	**416**	**317**	**136**
Gross Margin (%)	65%	59%	58%	47%	56%	54%	49%
Adjusted EBIT margin (%)	8%	-8%	-8%	3%	8%	0%	2%
Cash EBIT margin (%)	8%	-9%	-4%	5%	14%	3%	4%

KEY DRIVERS Q1 FY 2026/27

- Net sales grew 66% organically with Entertainment & Services being biggest driver
- Revenue mix drives lower GM%
- Opex and capex reductions driven by divestments, closures and restructurings
- Increased UAC supports Mobile sales performance
- Marketing cost reflects higher release activity
- Results in significant YoY cash EBIT improvement

Source: as of June 30, 2026

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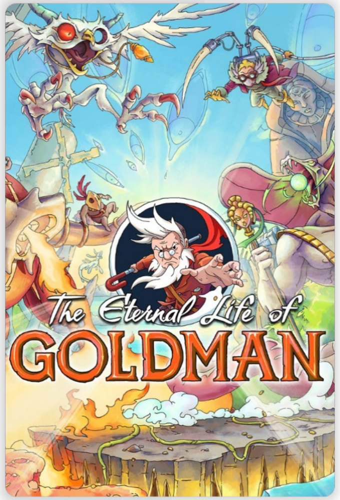
Embracer: Pipeline



PC/Console

Core upcoming releases

- **Hot Wheels: Infinite Rush** | PC, XB X|S, PS5, Switch 2 — 10 September 2026
- **Way of the Hunter 2** | PC[1], XB X|S, PS5 — 29 September 2026
- **The Guild – Europa 1410** | PC *(Early Access)* — September 2026
- **The Eternal Life of Goldman** | PC, XB X|S, PS5, Switch — TBD
- **Wreckfest 2** | PC[1], XB X|S, PS5 *(full release)* — TBD
- **Titan Quest 2** | PC[1], XB X|S, PS5 *(full release)* — TBD

New iterations of previous releases

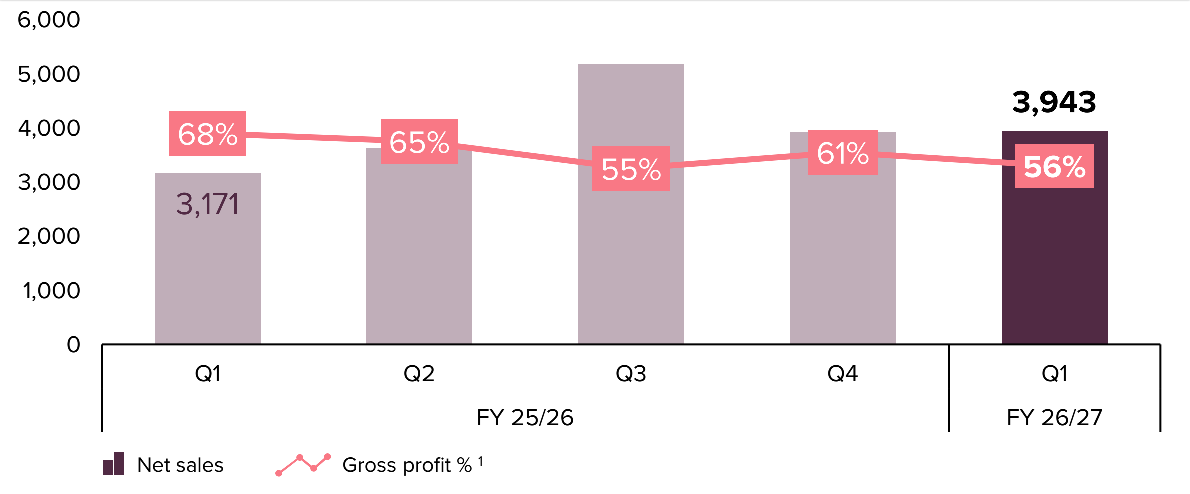
- **Destroy All Humans! 2 – Reprobed** | Switch 2 — 15 September 2026
- **Gothic II Complete Classic** | XB One, XB X|S, PS4, PS5 — 29 September 2026
- **Disney Epic Mickey: Rebrushed** | Switch 2 — 6 October 2026
- **SpongeBob SquarePants: Titans of the Tide** | Switch — 13 October 2026

Source: as of August 13, 2026 | For latest release dates please refer to respective publishers | [1] Released in early access

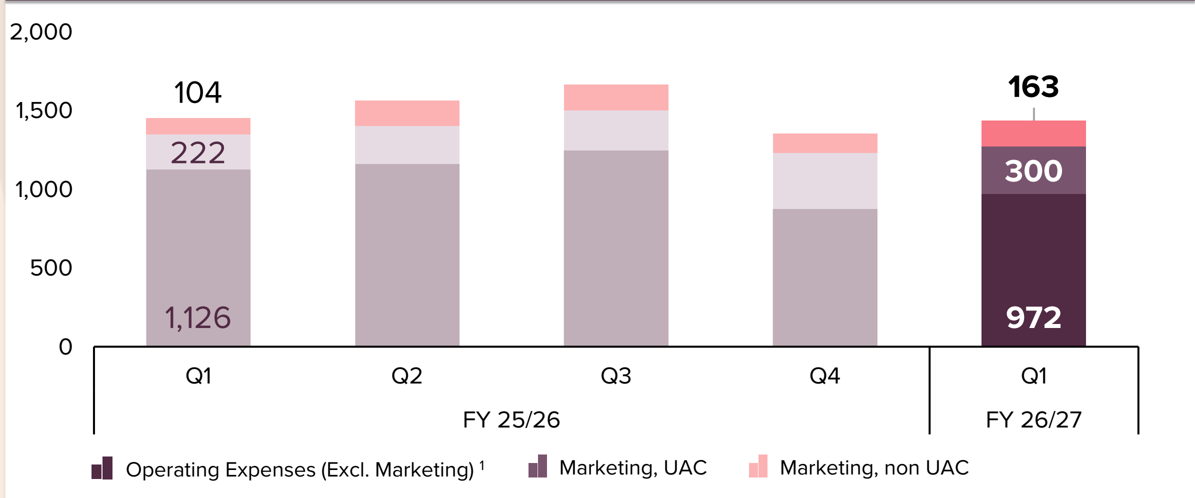
Financial performance

Group financial development

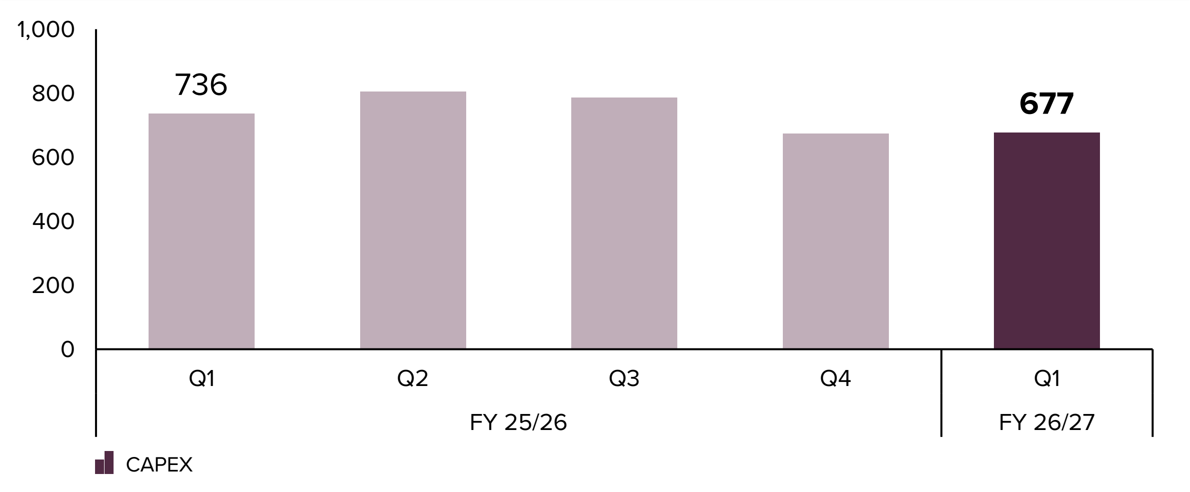
NET SALES & GROSS MARGIN DEVELOPMENT | SEKm



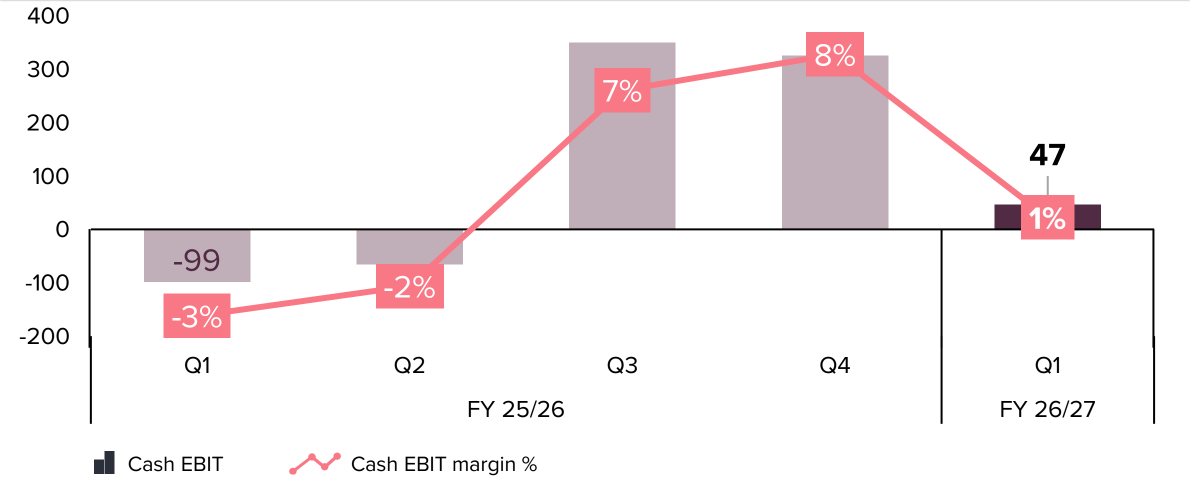
DEVELOPMENT OF OPERATING EXPENSES, NET | SEKm



CAPEX | SEKm



CASH EBIT | SEKm



Source: as of June 30, 2026| [1] Excluding Items Affecting Comparability

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Cash flow and net cash

SEKm	FY 26/27 Q1	FY 25/26 Q1	FY 26/27 Q1 TTM	FY 25/26 Full Year
Adjusted EBITDA	**775**	**703**	**3,828**	**3,757**
Capex	-677	-736	-2,943	-3,002
Payment of lease liabilities	-51	-66	-229	-246
Cash EBIT	**47**	**-99**	**657**	**511**
Paid tax and other items	9	-122	-582	-713
Free Cash Flow before working capital	56	-220	75	-201
Change in working capital	-54	-162	116	7
Free Cash Flow after working capital[1]	**3**	**-383**	**192**	**-193**
Cash Flow from financing activities	259	327	-1,329	-1,261
Net cash flow from acquired/divested companies/Investments in other companies	-135	-99	-385	-348
Cash effect IAC costs	-81	-58	-299	-276
Cash Flow for the period, Continuing operations	**45**	**-213**	**-1,822**	**-2,080**
Discontinued operations	0	-1	496	495
Cash Flow for the period	**45**	**-214**	**-1,326**	**-1,585**

SEKm	June 30, 2026	June 30, 2025
Cash	4,997	6,879
Current liabilities to credit institutions	-825	-1,479
Non-current liabilities to credit institutions	-700	-474
Net Cash	**3,473**	**4,926**

- Positive FCF of 3 SEKm supported by strong top line performance, improved profitability and lower capex.
- Cash Flow for the quarter amounted to 45 SEKm, due to proceeds from borrowings partly offset by share buyback program, earnout payments and cash IACs.
- Net cash as of 30th of June 2026 amounted to 3.5 SEKbn. Earnouts amounted to 0.2 SEKbn. Available funds amounted to 6.4 SEKbn.

Source: as of June 30, 2026 I 1 Free cash flow definition has changed to include lease payments

Forecast FY 2026/27

Cash EBIT of at least **1.0 SEK billion**

- For the current financial year 2026/27, the Cash EBIT forecast of at least SEK 1.0 billion is reiterated.
- In Q2, a year-on-year Cash EBIT improvement in a similar pattern to Q1 is expected.
- Free cash flow is expected to strengthen in line with Cash EBIT year-on-year, with a weighting towards the second half of the year still expected.

Source: as of June 30, 2026

Q&A

Appendix

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Revised KPI definitions from Q1 FY 2026/27

From Q1 FY 2026/27, certain KPI definitions have been revised for greater relevance, consistency and clarity.

Headcount	Employees engaged by the Group; external headcount excluded
External Titles	Renamed from Published Titles
New Releases	All releases in the financial year, not just the quarter
Catalog	Renamed from Back Catalog; revenue from titles released in prior financial years
Studios	Counted by studio brand instead of location

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