ANNUAL REPORT

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** The official annual report consists of pages 100-175*

FINANCIAL CALENDAR

Interim Report Q1, 2025/26	Aug. 14, 2025
Annual General Meeting	Sep. 18, 2025
Interim Report Q2, 2025/26	Nov. 13, 2025
Interim Report Q3, 2025/26	Feb. 12, 2026
Interim Report Q4, 2025/26	May 20, 2026

All figures in this report are as per year-end 2024/25 unless otherwise stated

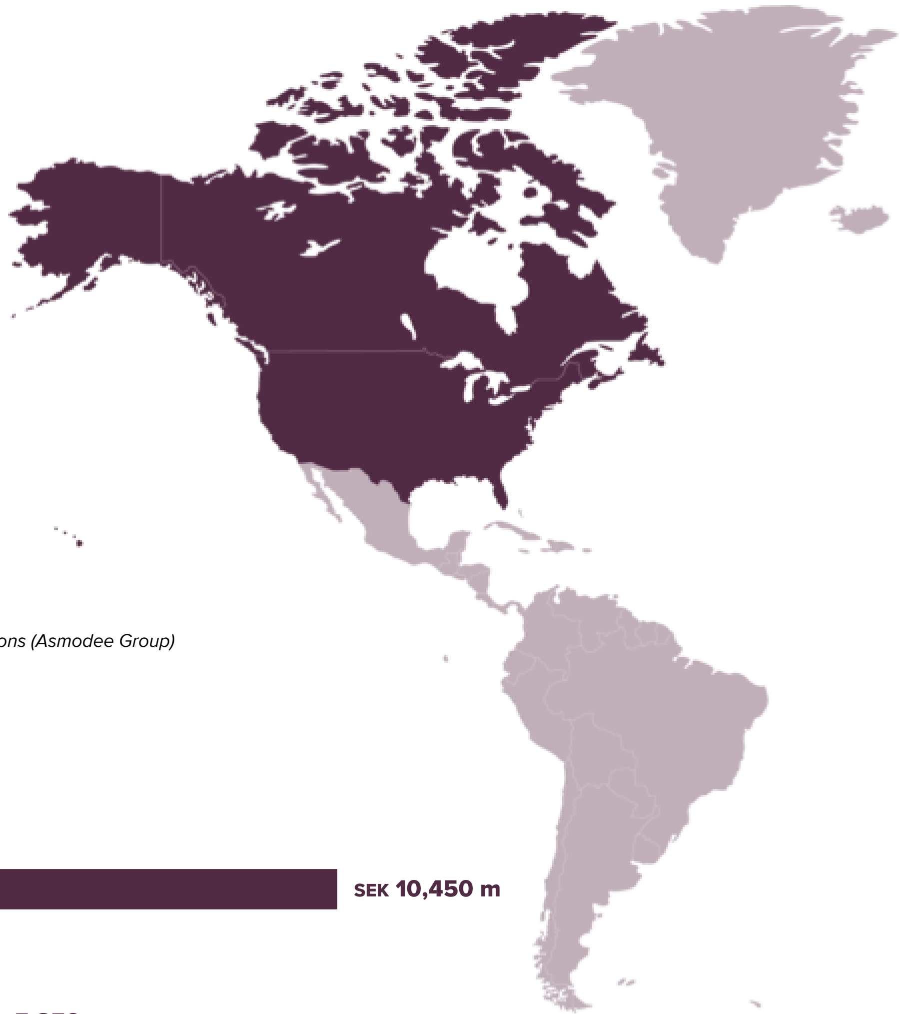
Embracer Group is a global group of creative and entrepreneurial businesses in PC, console and mobile games, as well as other related media. The Group has an extensive catalog of over 450 owned or controlled franchises.

With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its operative groups: THQ Nordic, PLAION, Coffee Stain, Amplifier Game Invest, DECA Games, Dark Horse, Freemode and Crystal Dynamics – Eidos. The Group includes 73 internal game development studios and engages over 7,000 talents across nearly 30 countries.

KINGDOM COME: DELIVERANCE II
Deep Silver / PLAION | Warhorse Studios

EMBRACER GROUP

IN BRIEF



// GROUP PERFORMANCE

NET SALES

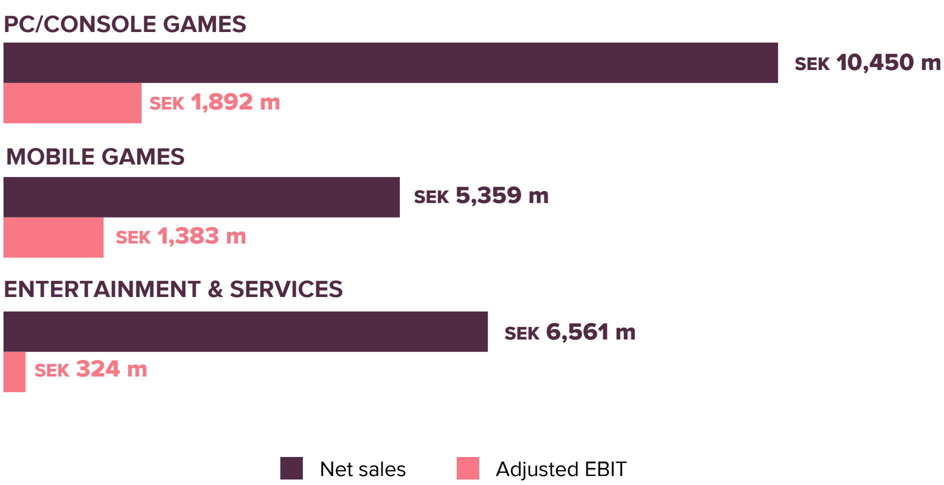
SEK **22,370** M

ADJUSTED EBIT

SEK **3,344** M

The figures above are excluding discontinued operations (Asmodee Group)

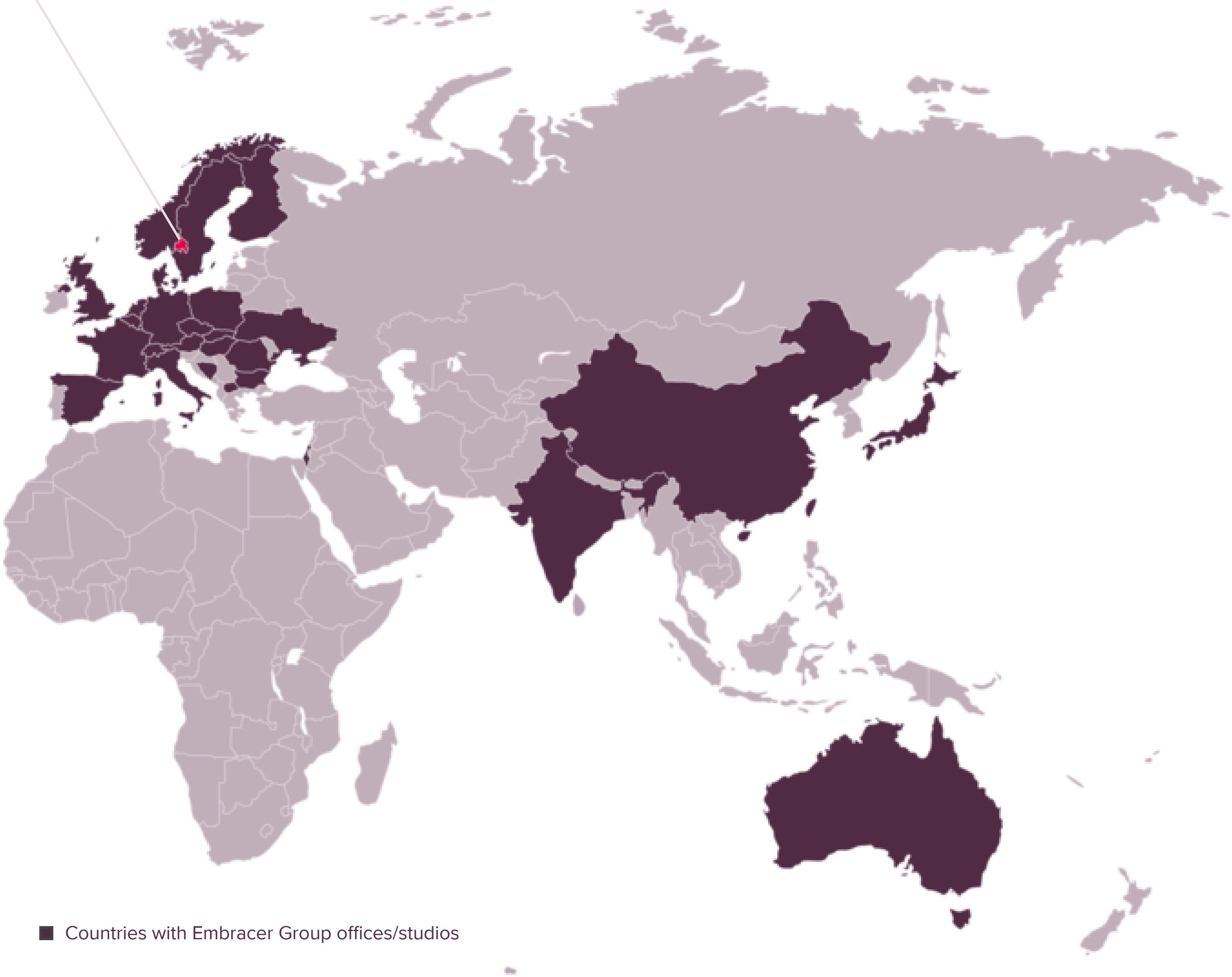
// SEGMENT SPLIT PERFORMANCE



// SOME OF OUR MOST ICONIC BRANDS AND LICENSED IPs

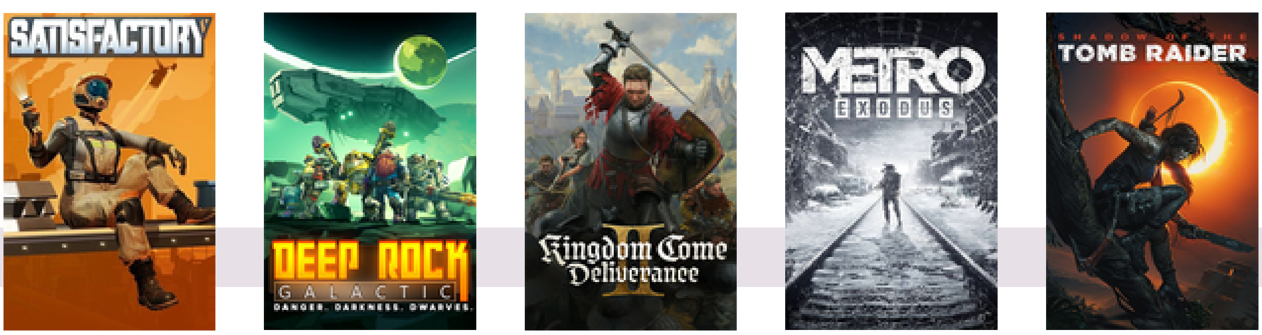
WELCOME TO VÄRMLAND, SWEDEN

This is where Embracer Group's journey began and the region's biggest city, Karlstad, is still home to the parent company. Värmland is a beautiful province with rolling hills, deep forests and over 10,000 lakes. Värmland also has a unique storytelling tradition which remains vivid in all contemporary arts.



■ Countries with Embracer Group offices/studios

// ENGAGED TALENTS	// INTERNAL STUDIOS	// COUNTRIES
7,180	**73**	**~30**



HIGHLIGHTS OF THE YEAR

During the year, Embracer Group made significant progress in its transformation into three distinct, publicly listed companies. A key milestone in this process was the successful spin-off of Asmodee, which has been trading independently on Nasdaq Stockholm since February.

Throughout the year, Embracer focused on optimizing its asset base and strengthening the foundation for long-term value creation. The Group is now in a considerably stronger and more robust financial position, supported by disciplined capital allocation, lower capex, and improved cash flow. Work continues across the organization to further enhance operational efficiency and position the Group for sustainable, long-term growth.

The year also saw creative and commercial highlights. Kingdom Come: Deliverance II, released in early February, exceeded expectations in terms of early reception and performance, enhancing the value of Embracer's IP portfolio.

PAGE 6

STRENGTHENING THE BUSINESS AND UNLOCKING VALUE

This has been another transformative year for Embracer Group, shaped by strategic initiatives focused on strengthening the business and unlocking long-term value. For the full year, excluding the contribution from the divested assets, we reached net sales of SEK 19 billion, Adjusted EBIT of around SEK 2.4 billion and a free cash flow of SEK 1.4 billion. Co-founder and CEO Lars Wingefors shares his reflections on the year's performance, the efforts behind the results, and his perspective on what lies ahead.

PAGE 12

FOUNDATION FOR A STRONGER FUTURE

Following several important strategic initiatives during FY 2024/25, Embracer Group continues its transformation through a planned separation into three independent publicly listed companies. The first step in this process was the successful spin-off of Asmodee in February 2025. Coffee Stain Group[1] is scheduled to be spun off by the end of calendar year 2025, concurrently with Embracer Group's name change to Fellowship Entertainment[1].

Fellowship Entertainment is to transform into one powerhouse group with game development and publishing at its core, complemented with transmedia capabilities within IP licensing, comics, merchandise, film and distribution.

Coffee Stain Group will consist of more than 250 passionate game developers and publishers, focused on community driven experiences.

[1] *Previously referred to working names "Coffee Stain & Friends" and "Middle-earth & Friends"*

INVESTED IN GAME DEVELOPMENT

SEK **3,268** M

GAME DEVELOPMENT PROJECTS

108

PAGE 14 — KINGDOM COME: DELIVERANCE II SUCCESS ENHANCES THE VALUE OF IP PORTFOLIO

Embracer Group is today organized in three operating segments: PC/Console Games, Mobile Games and Entertainment & Services, following the spin-off of Asmodee (Tabletop Games segment) during the year. Through these operating segments, Embracer Group has strong market positions in PC, console, VR and mobile games, as well as specialist operations in game distribution, film distribution and comic book publishing. Embracer also holds one of the industry's most exciting IP portfolios, featuring iconic franchises such as *The Lord of the Rings* and *Tomb Raider*. One of the key releases this year was *Kingdom Come: Deliverance II*, which exceeded expectations in terms of early reception and performance—highlighting the strength and value of Embracer's IP portfolio.

In the chapter, Operating Segments, provides a closer look at key developments and highlights within each segment over the year.

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

PAGE 22 — CONTINUED PROGRESS ON OUR SUSTAINABILITY JOURNEY

The Group has continued to advance its sustainability efforts during the year. These are rooted in a long-term perspective and built on a business model aimed at creating positive value – for people both within the organization and in the wider society. During the year, the focus has been on strengthening internal processes and building capacity to ensure compliance with the EU Corporate Sustainability Reporting Directive (CSRD). While full CSRD-compliant reporting will begin next year, this year's report is already inspired by the directive and serves as a first step towards full implementation.

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GAME DEVELOPERS

5,378 / 7,180

IP RIGHTS

464

COMMENTS FROM THE CO-FOUNDER AND CEO

STRENGTHENING THE BUSINESS AND UNLOCKING VALUE, STEP BY STEP

It has been another transformative year for Embracer Group, driven by a range of strategic initiatives aimed at strengthening our business and unlocking long-term value. A key milestone was the highly successful and critically acclaimed release of Kingdom Come: Deliverance II, which sold over 3 million copies within just three months. Looking ahead, we have a robust pipeline of exciting titles scheduled for release in the current financial year. Building on this year's key milestones—including the divestment of Easybrain and the successful spin-off of Asmodee—we are now preparing to spin off Coffee Stain Group a leading collective of community-driven game developers and publishers, by the end of calendar year 2025. This planned spin-off and the creation of Fellowship Entertainment, a powerhouse group with game development and publishing at its core, reflect our continued focus on creating value for gamers and fans around the globe, delivering sustainable profitable growth and a sharper strategic direction.

For the full year, we reached net sales of SEK 19 billion, Adjusted EBIT of SEK 2.4 billion and EBITDAC of SEK 2.1 billion, excluding the contribution from divested assets. Organic growth was negative at -9%, with lower earnings year-over-year, driven by fewer large PC/Console releases and lower *The Lord of the Rings* licensing revenue. Despite this decrease, there are several things that we can be proud of, including the highly successful release of *Kingdom Come: Deliverance II*. The Group's financial development also saw important improvements. Free cash flow improved from SEK -0.8 billion to around SEK 1.4 billion, supported by lower capex as a result of our restructuring program in FY 2023/24, as well as lower working capital. Free cash flow and EBITDAC remain key performance indicators as we continue to strengthen our business. Now, we are working hard to make sure that we can consistently and efficiently deliver more top-quality products and an even stronger financial performance in the coming years.

KINGDOM COME: DELIVERANCE II THE OPERATIONAL HIGHLIGHT OF THE YEAR

In the PC/Console Games segment, the release of *Kingdom Come: Deliverance II* in February 2025 was a key operational highlight and a true milestone for the Group. Developed by Warhorse Studios, the game surpassed 2 million copies sold in less than two weeks, and over 3 million within three months, while maintaining strong critical acclaim and highly positive player feedback.

This success underscores our belief that quality pays off. We remain committed to giving our talented teams the time and resources they need to deliver exceptional experiences—

because when great games meet high expectations, the results speak for themselves. Following a first successful DLC, Brushes With Death in May, we can't wait to see how our players respond to the next, even more ambitious, expansions coming later this year.

In the Mobile Games segment, organic growth accelerated significantly towards the end of the year, driven by successful game releases, such as Bus Frenzy – Traffic Jam and Glow Fashion Idol, a stable market backdrop and increased user acquisition costs. While the investments into user acquisition affect the margin negatively in the short-term, we expect it to provide sustained long-term profitability. Both DECA and CrazyLabs have strong management teams that we trust to drive profitable growth over time in a highly competitive market.

In the Entertainment & Services segment, we had a slower year from a profitability perspective after a strong performance in the prior year. The lower Adjusted EBIT margin was primarily explained by lower licensing revenue from *The Lord of the Rings*, partly due to the underwhelming box office performance for *The Lord of the Rings: The War of the Rohirrim* movie. I remain highly enthusiastic about the long-term prospects for *The Lord of the Rings*. Middle-earth Enterprises has a growing business development pipeline within video games, tabletop games, film and many other media formats. I am also encouraged by PLAION's expanding partner business footprint, as it continues to consolidate the market for distribution of physical games software and hardware, through new and expanded partnerships, in a profitable way.

A STRONG, DIVERSIFIED GAMES PORTFOLIO WITH MORE DRIVERS BEYOND THIS YEAR

Embracer is on a transformation journey. It has been exciting to follow the progress of Asmodee in the past year, in my role as a long-term and committed shareholder and as Chairman of the Board, working closely alongside CEO Thomas Kœgler and CFO Andrea Gasparini. The company has yet only taken its first few steps on its own, but has so far seen an encouraging start as a separately listed public company on Nasdaq Stockholm. The successful spin-off showcases one of our many valuable assets and encourages us to push on to further unlock value within the Group, as we continue to sharpen our strategic direction.

By the end of 2025, we plan to take our next exciting step by spinning off Coffee Stain Group, distributing its shares to Embracer's shareholders and listing it on the Nasdaq First North Premier Growth Market in Stockholm. This strategic move will allow Coffee Stain Group to focus on its core strengths, delivering high quality community-driven experiences. Coffee Stain Group has incredible talent, IPs and communities. To date, it has been a true recipe for success. I am confident in Anton Westbergh's strategy and leadership and see a clear long-term opportunity in attracting and enabling partnerships with like-minded independent game developers and talents.

Embracer will at the time of separation of Coffee Stain Group be renamed Fellowship Entertainment. Fellowship Entertainment will be uniting top creators and intellectual properties, fostering creativity to build unforgettable experiences for the fans. The strategy is to transform into one powerhouse group with game development and publishing at its core, complemented with transmedia capabilities within IP licensing, comics, merchandise, film and distribution.

In preparation for the Coffee Stain Group spin-off, we are strengthening the business for long-term stability and growth, with our key studios, publishers and IPs at the center. This includes continued work to simplify and streamline our structure across the group to support a more focused product lineup. The way we publish games and support creators is changing, with a broader studio and shared services structure to enable more collaboration and operational synergies within the future Fellowship Entertainment. As a result, we have had to make some difficult but necessary team changes, primarily within PC/Console publishing and distribution, as well as work-for-hire development. At the same time, Embracer's vision of

Hobbiton™ Movie Set
© & TM Mee under lic. to Rings Scenic Tours and Wingnut Film Productions

backing entrepreneurs and creators with a long-term mindset remains unchanged — enabling them to continue delivering unforgettable experiences and entertainment across the globe.

We continue our sustainability work with a core focus on social aspects, including our employees. Despite a transformative year , the Annual Employee Engagement Survey showed that we managed to increase the average satisfaction rate, to 78 from 76 in FY 2023/24. Our commitment to combating all forms of discrimination and harassment remains the highest-scoring area, with a score of 88 where 100 reflects the best result.

CONTINUING TO BUILD ON OUR STRENGTHS

The video games market is the largest entertainment industry in the world, engaging hundreds of millions of players globally every day. I remain as confident as ever in the long-term outlook for the industry. The market is expected to grow by 5% in calendar year 2025, driven largely by the console market, and supported by an increasing active user base. It is clear to me that the underlying market remains strong for high-quality products that really hit a nerve with players. It is paramount that we stay close to gaming communities, and that players feel seen, heard and empowered. Building strong connections with a game's community drives the creation of games that not only meet but exceed player expectations, becoming a powerful creative force and a strategic asset.

Amid increased global uncertainty — including geopolitical tensions and renewed trade policy risks, — we continue to monitor the macroeconomic environment closely. While our business is primarily digital and therefore less directly affected by tariff changes, we estimate a limited exposure of around 2% on an adjusted EBIT basis, primarily related to our physical businesses within our Entertainment & Services segment. We are proactively implementing mitigation measures where relevant and remain vigilant to shifts that could impact overall consumer sentiment.

We have seen encouraging developments in our digital operations after year-end — not least in mobile, where evolving app store fee structures are creating incremental opportunities. While our long-term success depends on focused execution and disciplined capital allocation, a more favorable industry backdrop supports our ambition to become a sharper, stronger, and more future-ready company. Entering FY 2025/26, we will continue to build on our strengths with leading IPs, talented teams and great companies.

On June 10, Phil Rogers was appointed as CEO of Embracer, effective as of 1 August 2025. Having worked very closely with Phil over the past years, I have high confidence in his abilities to run Embracer and the future Fellowship Entertainment. I am thankful for the years and lessons learned in my time as CEO. While the road has not always been straight, I am incredibly proud of the achievements made possible by our talented teams, which have created some incredible experiences for gamers. My proposed role as Executive Chairman of the Board allows me to focus on strategic initiatives, M&A, and capital allocation, with the ambition to ensure Embracer's continued growth and success, together with Phil and our teams. I am more convinced than ever that the best is still ahead of us.

To conclude, I would like to send my thanks to all our team members, shareholders, customers, and business partners for their contributions to our continued success and growth.

June 19, 2025, Karlstad, Värmland, Sweden

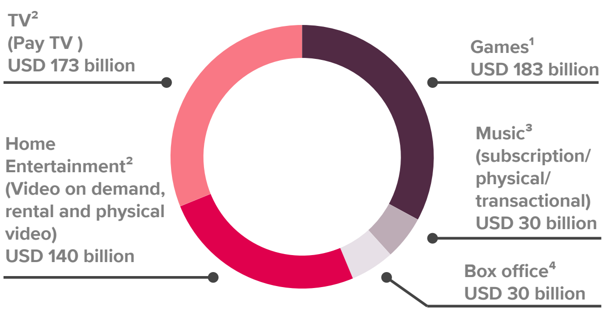
Lars Wingefors
Co-founder and CEO

Deep Rock Galactic: Rogue Core
Ghost Ship Publishing | Ghost Ship Games

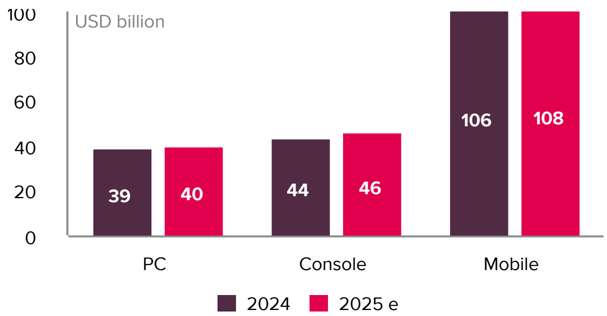
ENTERTAINMENT MARKET CONTINUES TO GROW

Embracer Group develops and publishes games for PC, console, VR and mobile games. The Group also offers partner publishing services.

ENTERTAINMENT INDUSTRY SALES, ESTIMATES 2024



GLOBAL VIDEO GAMES MARKET, ESTIMATES BY SEGMENT[1]



VIDEO GAMES MARKET

The video games market includes PC, console, mobile and VR games. It has grown rapidly during the past three decades and is now the largest entertainment sector with revenues of USD 183 billion (2024). It has surpassed the TV industry and now stands well above the box office, home entertainment, and music industries.

In 2024, the games market (content only, not including hardware) saw market growth of 3% despite challenging market and industry conditions[1].

The market benefited from renewed growth in the mobile segment, a notable increase in new PS5 console owners during the fourth quarter, and continued strength in the premium PC segment. In fact, 2024 marked the second strongest year on record—just 1% below the peak recorded during the Covid-19 pandemic in 2021, and 24% higher than pre-pandemic levels in 2019[1].

Game wise, it was a strong year for sequels as publishers prioritized established franchises and known IPs rather than try new, higher-risk, experimental projects. Single-player game experiences also did well as the live-service game model experienced a slow-down and signs of saturation and fatigue.

2024 was another year of consolidation and restructuring across the industry as a whole, with many company closures as well as job layoffs. Companies have been suffering from a low-growth market combined with rising costs, including in particularly high interest rates. This trend is expected to continue into 2025, although indications suggest that the most severe phase has passed. The number of layoffs and studio closures is anticipated to begin stabilizing.

Looking to the year ahead, the video games market is expected to increase its rate of growth to 3%[1] in 2025, driven largely by an acceleration the console sector.

PERFORMANCE AND TRENDS BY SEGMENT

Console games market

The Console games market, estimated at USD 44 billion (2024), accounts for 24% of the global video games market. It saw a small decline in 2024 of 2% YoY[1] as a result of a difficult comparable period, with a higher number of bigger and higher-priced releases in 2023, a natural life-cycle slow-down in the older legacy formats combined with a delay in consumer upgrading to newer consoles, perhaps hindered by tough economic conditions. There was also evidence of many users transitioning to PC gaming, which has a perceived better-value. Many gamers also chose to play titles included in subscriptions instead of buying full-priced games.

The 2025 market outlook for console games is more positive. It is expected to see a return to growth of 5%[1] driven by a strong release slate, an increasing active user-base and the launch of Nintendo's new console, the Switch 2.

PC games market

The PC games market is estimated at USD 39 billion (2024), accounting for 21% of the global games market. Growth in 2024 was 4%[1].

The PC games market also had tough economic conditions. 2025 should see a market growth of 2%[1] helped by growing in-game revenues, more effective monetization, a strong premium PC market and territory growth in Japan and Latin America driven by an increasing online population. The largest PC gamer retailer, Steam, continues to grow and, just recently, it crossed 40 million peak concurrent users for the first time, nearly a doubling from the pandemic peak in March 2020.

[1] Newzoo | [2] Ampere Analysis | [3] IFPI | [4] Gower Street Analytics

Mobile games market

The mobile games market, estimated at USD 100 billion (2024), is the largest games market, representing over half (55%) of the global games market. It achieved growth of 5.5% YoY in 2024, bouncing back from a small decline in 2023. It is expected to see similar growth levels, of 3%, in 2025[1] helped by growing consumer interest in 'snack' gaming, enhanced monetization strategies, and territory growth in emerging markets, such as Middle East & Africa, supported by a growing mobile adoption infrastructure. The mobile games market also has the potential to profit from increased monetization options outside of the traditional app stores.

PLAYER INSIGHTS[1]

More players than ever before

The number of players globally is higher than ever before at 3.4 billion in 2024, an increase of 5% YoY. The number of gamers is expected to continue growing each year by similar levels, reaching 3.8 billion in 2027[1].

Market size and number of players by region

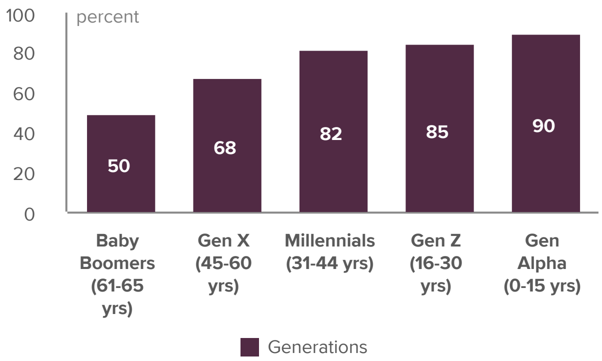
Asia Pacific remains the largest region both for revenues and the number of players. North America the second largest market in terms of revenue but much lower down the ranking list in terms of player numbers. The regions seeing the highest revenue growth in 2024 were Middle East & Africa and Latin America[1].

	2024	
REGION	**Million players**	**Market size (USD billion)**
Asia-Pacific	1,809	84
North America	244	49
Europe	454	31
Latin America	355	8
Middle East & Africa	559	6
Total	**3,421**	**178**

Gaming popularity across generations

Around the world (study of the online population in 36 countries) a substantial of 79% of people play games[1]. It is highest with the younger age groups, e.g. 90% of Gen Alpha play games. The split by gender also demonstrates a broad acceptance of gaming with almost half, 46%, of the engagement by female players (54% by male)[1].

Gaming Engagement by Generation

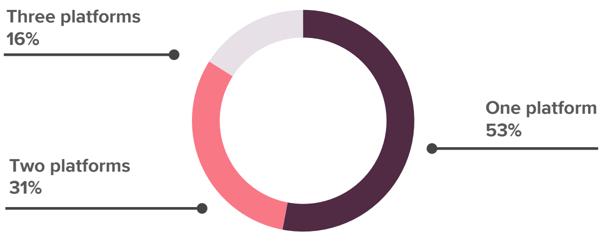


[1] *Newzoo*

Engagement by Platform

The same study by Newzoo showed that many people play across multiple platforms.

Platform play overlap between Mobile, PC and Console[1]



Although, mobile is the most popular platform, two-thirds of the total player population use a PC or console. Furthermore, across male players, specifically, the multi-platform nature was more pronounced with over half of all male gamers engaging on two or more platforms[1].

ENTERTAINMENT & SERVICES MARKET

Comics and Books

Sales of books in the US, for the full year of 2024, were +1% in unit sales and estimated at +3% in value YoY. Notably, it is the first increase in three years[2]. The most noticeable trend in category sales were for Ggraphic novels and manga which were -12% in unit sales and estimated at -7% in value (2024). This category represents 3% of total book sales. This is the second consecutive year of falling sales for graphic novels and manga albeit at a slower pace compared to 2023 (-22% in units and estimated at -15% in revenue). However, the category's performance over the longer period is still impressive with 57% higher in revenue than in 2020. There was tremendous growth in 2021 and 2022 driven specifically by the manga subcategory. *Berserk* by Dark Horse was one of the top-performing titles in the category in 2024.

Analysts and industry experts believe that comic and book sales could potentially be negatively impacted by any tariffs on imports. Art books and comics are often printed in China, and periodical-format comics in Canada[3].

TV and Film

Broadcasters' and streaming services' spending on content is expected to reach USD 248 billion (+0.4% YoY) in 2025[4]. The growth trend of streaming video on demand services market (SVOD) is projected to continue growing by +6% to USD 95 billion and it should surpass commercial broadcasters spending on content for the first time. Ad-funded and subscription-based services is predicted to account for 39% of global content spend in 2025.

Global box office revenues are expected to have generated USD 30 billion in 2024, -7% YoY[5]. When excluding China, which had a soft performance, the box office revenue achieved USD 24 billion which is down just -3% YoY. Analysts believe that this is a good performance given the long-running actors' and writers' strikes in Hollywood in 2023, which limited the release calendar for 2024. Global box office revenues for 2025 are expected to reach USD 34 billion fuelled by strong slates from both major studios as well as independent productions.

[1] *Newzoo* | [2] *Circana Bookscan* | [3] *Comics Beat* | [4] *Ampere Analysis* | [5] *Gower Street Analytics*

REANIMAL
THQ Nordic | Tarsier Studios

A STRONG FOUNDATION FOR FUTURE VALUE CREATION

Embracer Group is a global group of gaming and entertainment businesses, mainly focused on development, publishing and distribution of video games for PC, console and mobile. Embracer is increasingly focusing on its own, vast IP portfolio, consisting of over 450 IPs, including some of the most popular and iconic titles in gaming, comics, and other media. More than 7,000 talents deliver entertainment and value to gamers and fans around the globe every day. Following several important, strategic initiatives in FY 2024/25, the separation into Fellowship Entertainment and Coffee Stain Group is expected to further maximize operational efficiency and unlock value.

Today, Embracer Group is organized in three operating segments: PC/Console Games, Mobile Games and Entertainment & Services, following the spin-off of Asmodee (Tabletop Games segment) during the year. Through these operating segments, Embracer Group has strong market positions in PC, console, VR and mobile games, as well as specialist operations in game distribution, film distribution and comic book publishing.

To continue the transformation of Embracer Group into the future, a separation into three separate publicly listed companies is ongoing. Asmodee has already been successfully spun off, in February 2025. Coffee Stain Group is planned to be spun off by the end of calendar year 2025, while Embracer Group will at the same time be renamed Fellowship Entertainment.

EMPOWERING WORLD-CLASS TEAMS TO EXECUTE THEIR VISIONS

The success of *Kingdom Come: Deliverance II* in early 2025 exemplifies Embracer's core mission—to bring great products to market—ensuring that high-quality teams have the resources and time to execute their visions. This trust benefits everyone, including gamers, employees, and shareholders, positioning Embracer Group as an industry leader in its core business verticals for the future. It enables studios to be creatively bold in their mindset when developing games that players love. Embracer encourages individual game development studios to put quality first and create games that really stand out. Studios are encouraged to stay close to gaming communities, as building strong connections with a game's community drives the creation of games that can not only meet, but exceed player expectations. The portfolio is diversified across more than 100 game projects across genres, targeting different audiences.

FOCUSING CAPITAL ALLOCATION TOWARDS KEY IPS

Embracer Group has leading intellectual properties, iconic titles, talented teams, studios and great assets, making the Group well-positioned for the long-term. The Group is increasingly strategically channeling resources towards its

GROUP VALUES

TRUST | EMPOWER PEOPLE

> We believe in empowering great people. Our shared and inclusive entrepreneurial mindset is our collective driving force.

LONG-TERM MINDSET | UNLEASH THE POTENTIAL

> We're in it together. Our shared knowledge enables synergies through collaborations across our ecosystem.

EMBRACING | RESPECT AND ENDORSE DIFFERENCES

> We're true to ourselves and believe that different perspectives make us stronger.

own and controlled key IPs, such as *Darksiders*, *Dead Island*, *Deep Rock Galactic*, *Kingdom Come: Deliverance*, *The Lord of the Rings*, *Metro*, *Remnant*, *Satisfactory*, *Tomb Raider*, *Wreckfest*, and many others. *The Lord of the Rings* IP and universe has the potential to become a key driver in the coming decades, with the aim to delight fans across the globe. New stories in streaming and film, and working with partners for our key IPs, support taking the IPs to new heights.

ENHANCED OPERATIONAL EFFICIENCY AND LONG-TERM VALUE CREATION

The past two years have been transformative for Embracer Group, with efficiency measures and selective divestments creating a stronger foundation for profitability, cash flows, and long-term value creation. By reducing net debt through cash inflows from divestments, the impact of the Asmodee spin-off completed in February 2025 and improved free cash flow, Embracer Group has positioned itself for continued growth.

A TRANSFORMATION OF EMBRACER TO UNLEASH FURTHER UNTAPPED VALUE

A further separation of Coffee Stain Group with Embracer Group renamed Fellowship Entertainment is expected to materialize in 2025. This separation initiative aligns with Embracer Group's commitment to optimizing operational efficiency and unlocking value within the Group's high-quality assets. By addressing fixed operating costs and improving profitability, Embracer Group aims to accelerate these enhancements ahead of the next spin-off. The transformation will enable each company to fully utilize its own balance sheet, financial targets, and optimal financing structures, thereby maximizing operational efficiency and unlocking value.

Fellowship Entertainment

Fellowship Entertainment is intended to remain a creative powerhouse in AAA game development and publishing, complemented with transmedia capabilities within IP licensing, comics, merchandise, film and distribution.

As a standalone company, Fellowship Entertainment will operate as a more transparent company, offering a better structure to maximize the potential of its highly strategic franchises, with focus on *The Lord of the Rings* and a number of other key IPs. Company management will be closer to the teams, leading to enhanced capital expenditure management, accountability, and well-balanced investments to optimize financial performance and profitable growth over the long term.

Fellowship Entertainment will consist of companies such as 4A Games, Aspyr Media, CrazyLabs, Crystal Dynamics, Dambuster Studios, Dark Horse, DECA Games, Eidos-Montréal, Flying Wild Hog, Gunfire Games, Limited Run Games, Middle-earth Enterprises, Milestone, PLAION, Tarsier Studios, THQ Nordic, Tripwire Interactive, Vertigo Games, and Warhorse Studios amongst more than 40 other companies. IPs includes Darksiders, Dead Island, Killing Floor, Kingdom Come: Deliverance, The Lord of the Rings, Metro, Remnant and Tomb Raider, among many others.

Coffee Stain Group

Coffee Stain Group is intended to consist of leading publishers and developers focused on a variety of games primarily for PC and console, including community-driven indie/AA games and free-to-play games. As a standalone company, Coffee Stain Group will be able to better showcase its high margin profile and strong cash flow profile coupled with an enhanced ability to resume and allocate resources towards opportunities to maximize the long-term value creation.

The group will include Coffee Stain, Ghost Ship and Tuxedo Labs as well as certain studios from Amplifier Game Invest, all based in Scandinavia and among the most well-regarded game developers and publishers in the Nordics. Intellectual properties include *Deep Rock Galactic*, *Goat Simulator*, *Satisfactory*, *Teardown*, *Valheim*[1] and *Welcome to Bloxburg*.

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[1] *IP owned by Iron Gate AB, part-owned by Coffee Stain*

OPERATING SEGMENTS

SATISFACTORY
Coffee Stain Publishing | Coffee Stain Studios

OPERATING SEGMENT

PC/CONSOLE GAMES

PC and console games have been a core business for Embracer Group ever since its inception. The PC/Console Games operating segment develops and publishes games for PC and console including AAA, AA+, Indie, MMO, Free-to-play, Asset Care, VR, Work-for-Hire and other games development. The segment includes the operative groups PLAION, THQ Nordic, Coffee Stain, Crystal Dynamics - Eidos and Amplifier Game Invest.

SHARE OF GROUP SALES	INTERNAL HEADCOUNT	INTERNAL STUDIOS	INTELLECTUAL PROPERTY (IP)
47%	**4,918**	**62**	**241**

YEAR IN BRIEF

Net sales in the PC/Console Games operating segment amounted to SEK 10,450 million (14,410), a decrease by -27% compared to last year, or -13% organically. The lower reported net sales was primarily driven by the divestments of parts of Saber Interactive and Gearbox Entertainment. The organic growth was impacted by a lower contribution from new releases, with the key release of the year, *Kingdom Come: Deliverance II*, released late in the year. In the previous financial year, *Dead Island 2* and *Remnant II* were successfully released in the first half of the financial year.

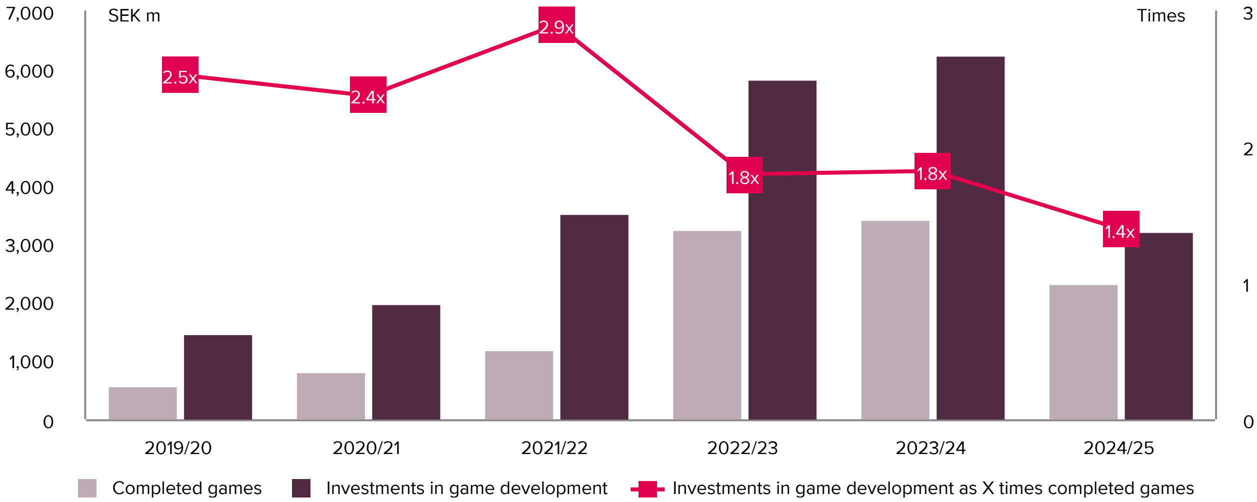
EBIT amounted to SEK -3,855 million (-7,887), yielding a -37% (-55%) EBIT margin. Adjusted EBIT amounted to SEK 1,892 million (2,441), yielding an 18% (17%) Adjusted EBIT margin. Items affecting comparability amounted to SEK -4,014 million (-7,312) and is mainly related to impairment of goodwill and write-downs of intangible assets. In the preparation for the next spin-off, actions taken to further optimize the business and structure drove mainly non-cash effects related to the discontinuation of studios or teams.

KEY PERFORMANCE INDICATORS, PC/CONSOLE GAMES	Apr 2024-Mar 2025	Apr 2023-Mar 2024
Net sales, SEK m	10,450	14,410
of which Digital products, SEK m	*6,990*	*9,609*
of which Physical products, SEK m	*903*	*1,490*
of which Other products [1], SEK m	*2,558*	*3,311*
Net sales growth	-27%	7%
Organic growth	-13%	-2%
EBIT, SEK m	-3,855	-7,887
EBIT margin	-37%	-55%
Adjusted EBIT, SEK m	1,892	2,441
Adjusted EBIT, margin	18%	17%
Type of income		
New releases sales, SEK m	*2,024*	*4,185*
Back catalog sales [2], SEK m	*5,869*	*6,914*
Other [1], SEK m	2,558	3,311
Number of employees	4,918	6,404
Number of internal studios	62	73
Number of IPs	241	255

[1] Primarily Work-for-Hire and other games development | [2] See Definitions

OPERATIVE GROUPS

GAME DEVELOPMENT INVESTMENTS AND COMPLETED GAMES



The Adjusted EBIT margin improved slightly year-over-year, driven by the successful release of *Kingdom Come: Deliverance II* towards the end of the financial year, but remained impacted by a relatively soft performance for mid-sized releases in FY 2023/24 and FY 2024/25.

Revenue from new releases amounted to SEK 2,024 million, decrease of 52% YoY. The main revenue drivers among new releases during the year was *Kingdom Come: Deliverance II*, with *Dead Island 2*, *Remnant II* and *Payday 3* released in the previous financial year .

Kingdom Come: Deliverance II, a story-driven action RPG (role playing game) developed by internal studio Warhorse Studios and published by Deep Silver, was successfully released on 4 February. The game has maintained a highly positive player and critic reception, delivering a strong financial performance which exceeded management expectations. The game has sold over 3 million copies in just 3 months. Warhorse Studios has a robust roadmap with both free updates and paid DLCs (Downloadable Content) planned to release over the next 12 months aimed at maintaining strong player engagement.

Other notable new releases during the year included *Disney Epic Mickey: Rebrushed*, *Wreckfest 2* (early access, PC) and *Hyper Light Breaker* (early access, PC).

Revenue from back catalog titles (including platform deals) amounted to SEK 5,869 million during the year, a decrease of 15% YoY, impacted by the divestment of Saber and Gearbox. The top-10 back catalog revenue drivers were *Dead Island 2*, *Remnant II*, *Kingdom Come: Deliverance*, *Star Trek Online*, *Goat Simulator 3*, *Satisfactory*, *Deep Rock Galactic*, *Payday 3*, *Metro: Exodus*, and *MX vs. ATV Legends*.

Other revenue amounted to SEK 2,558 million during the year, a decrease of 23% YoY. The negative growth development is explained by the divestments of Saber Interactive, Gearbox Entertainment and Shiver Entertainment.

BUSINESS MODEL

PC and console games have been a core business for Embracer Group ever since its inception. The PC/Console Games operating segment develops and publishes games for PC and console including AAA, AA+, Indie, MMO, Free-to-play, Asset Care, VR, Work-for-Hire and other games development. Sales of digital games take place via third-party digital stores such as Microsoft's Xbox Games Store, Sony's PSN, Epic, Discord and Steam. Sales of physical games takes place through both third-party online retailers and physical stores.

INVESTMENTS AND PIPELINE

The project pipeline consists of 108 PC/Console projects. There are 37 already announced projects, including *Killing Floor III*, *Marvel 1943: Rise of Hydra*, *Gothic 1 Remake*, *Titan Quest 2*, *REANIMAL, Deep Rock Galactic: Rogue Core,* and *Fellowship*, all expected to be released in FY 2025/26.

The PC/Console Games segment continued to make considerable investments in game development. In total, SEK 3,238 million (6,236) were invested in game development during the year. The finalized value of the completed and released games during the year amounted to SEK 2,321 million (3,421), driven by the release of *Kingdom Come: Deliverance II*, *Disney Epic Mickey Rebrushed*, *Hyper Light Breaker*, *Metro Awakening* and a number of small- and mid-sized releases. The ratio of investments to completed games thus declined YoY, to 1.4x, with a continued higher pace of ongoing investment into future game releases than completed investment in released games. When new games are released, capitalized development costs are amortized, based on a degressive depreciation model over two years.

[1] *Net sales of game titles in any time period apart from the release quarter*

OPERATING SEGMENT

MOBILE GAMES

The Mobile Games segment includes free-to-play, ad centric, in-app-purchase centric and pay-to-play mobile games. The segment consists of DECA Games, which includes CrazyLabs.[2]

SHARE OF GROUP SALES	INTERNAL HEADCOUNT	INTERNAL STUDIOS	INTELLECTUAL PROPERTY (IP)
24%	743	8	30

YEAR IN BRIEF

Net sales in the Mobile Games operating segment amounted to SEK 5,359 million (5,916), a decrease by -9% compared to last year, or –1% organically. Easybrain was divested during the year, negatively impacting net sales growth. Organic growth, however, accelerated throughout the year, driven by increased UAC in newly released games. The number of MAUs and DAUs both declined YoY, impacted by the divestment of Easybrain, but with a relatively stable development for DECA.

EBIT amounted to SEK 9,101 million (1,029), yielding a 170% (17%) EBIT margin. Adjusted EBIT amounted to SEK 1,383 million (1,921), yielding a 26% (32%) Adjusted EBIT margin. Items affecting comparability amounted to SEK 8,424 million (-165), positively impacted by a net gain from the divestment of Easybrain of SEK 8,586 million.

User acquisition costs amounted to SEK 2,508 million (2,466), or 47% (42%) of net sales. The lower profitability YoY is mainly explained by higher user acquisition costs. Live ops and new game releases continued to drive growth of the portfolio, supported by a data-driven approach. The significantly increased UAC was driven by investments into CrazyLabs' new games *Bus Frenzy - Traffic Jam*, *Glow Fashion Idol* and *Coffee Mania*.

KEY PERFORMANCE INDICATORS, MOBILE GAMES	Apr 2024-Mar 2025	Apr 2023-Mar 2024
Net sales, SEK m	5,359	5,916
Net sales growth	-9%	2%
Organic growth	-1%	-9%
EBIT, SEK m	9,101	1,029
EBIT margin	170%	17%
Adjusted EBIT, SEK m	1,383	1,921
Adjusted EBIT, margin	26%	32%
User Acquisition Cost (UAC), SEKm	2,508	2,466
User Acquisition Cost (UAC), % of net sales	47%	42%
Total Daily Active Users (DAU) [1], million	27	31
Total Monthly Active Users (MAU) [1], million	214	258
Number of employees	743	1,081
Number of internal studios	8	11
Number of IPs	30	49

OPERATIVE GROUP

DECA

[1] See definitions | [2] The divestment of Easybrain was completed on 23 January, 2025.

Bus Frenzy - Traffic Jam and *Glow Fashion Idol* had a strong growth in the second half of FY 2024/25, with continued growth for *Glow Fashion Idol* expected in FY 2025/26. *Coffee Mania* is a new hybrid casual game that shows strong performance and has risen to a significant scale. Revenue coming from the UAC related to these projects are expected to recoup in 4-6 months and are predicted to generate profit from retained users thereafter. The live portfolio across the mobile group has benefited from improved knowledge exchange and resource sharing across companies in the segment.

On a pro forma basis, excluding Easybrain, net sales amounted to SEK 2,640 million and Adjusted EBIT amounted to SEK 384 million in the Mobile Games segment in FY 2024/25.

BUSINESS MODEL

The Mobile Games operating segment is mainly a free-to-play and in-app advertising (IAA) centric business model. A smaller part of the business is in-app-purchase (IAP) centric (IAC) and pay-to-play mobile games. Distribution of mobile games primarily takes place through third-party digital stores such as Apple App Store and Google Play. Ad monetization takes place through various external ad networks and ad mediation platforms.

Bus Frenzy - Traffic Jam | CrazyLabs

OPERATING SEGMENT

ENTERTAINMENT & SERVICES

The Entertainment & Services segment consists of three operative groups: Dark Horse Media, Freemode and parts of PLAION. Dark Horse is a leading developer, publisher and distributor of comic books in the US. Freemode is a diverse mix of companies, including Middle-earth Enterprises and Limited Run Games as well as companies active in different parts of the gaming and entertainment value chain. The operating segment also includes PLAION's partner and film businesses.

SHARE OF GROUP SALES	INTERNAL HEADCOUNT	INTERNAL STUDIOS	INTELLECTUAL PROPERTY (IP)
29%	**738**	**3**	**193**

YEAR IN BRIEF

Net sales in the Entertainment & Services operating segment amounted to SEK 6,561 million (7,082), a decrease by -7% compared to last year, and -7% organically. EBIT amounted to SEK -1,096 million (-413), yielding a -17% (-6%) EBIT margin. Items affecting comparability amounted to SEK -1,047 million (-883), and mainly related to impairment of goodwill within Freemode and Dark Horse, Adjusted EBIT amounted to SEK 324 million (853), yielding a 5% (12%) Adjusted EBIT margin.

The lower margin YoY is primarily explained by lower licensing revenue for *The Lord of the Rings* IP, which resides in Middle-earth Enterprises within the operative group Freemode. Following a strong FY 2023/24 for Middle-earth Enterprises, fewer notable products came out in FY 2024/25. The lower Adjusted EBIT year-over-year was also impacted by a softer-than-expected performance for the theatrical release of the original anime *The Lord of the Rings: The War of the Rohirrim* by a partner.

After year-end, Warner Bros. and New Line Cinema announced that *The Lord of the Rings: The Hunt for Gollum* will open in theaters on December 17, 2027. Andy Serkis is directing and repeating his role as Gollum. *The Lord of the Rings: The Hunt for Gollum* is the first live-action Middle-earth film since *The Hobbit: The Battle of the Five Armies* (2014).

KEY PERFORMANCE INDICATORS, ENTERTAINMENT & SERVICES	Apr 2024-Mar 2025	Apr 2023-Mar 2024
Net sales, SEK m	6,561	7,082
of which Digital products, SEK m	1,083	643
of which Physical products, SEK m	5,144	5,469
of which Other products, SEK m	334	970
Net sales growth	-7%	34%
Organic growth	-7%	7%
EBIT, SEK m	-1,096	-413
EBIT margin	-17%	-6%
Adjusted EBIT, SEK m	324	853
Adjusted EBIT, margin	5%	12%
Number of employees	738	771
Number of internal studios	3	2
Number of IPs	193	193

OPERATIVE GROUPS

FREEMODE BY EMBRACER

DARK HORSE MEDIA

PLAION

The Lord of the Rings, one of the world's most renowned IPs and universes, has the potential to continue to captivate audiences worldwide. Embracer sees significant strategic opportunities and a long-term potential for *The Lord of the Rings* to be a key value driver across different media formats, including internally developed games, in the coming decades.

Within Freemode, Limited Run Games had a mixed year, with profitability impacted by a few delays and write-down of inventory towards the end of the year. Limited Run Games continues to build the catalog of classic games that are being brought back to modern platforms via their proprietary Carbon Engine. The highlights for Limited Run Games included the successful releases of *Castlevania Dominus*, *Sonic X Shadow Generations Collector's Edition* and the seven part *Yakuza* Collector's Edition series, but with sales well-diversified between a larger number of products.

PLAION's partner and film businesses had a solid development in FY 2024/25, with positive net sales growth and a notably improved profitability. PLAION had several successful releases from partners, including the boxing game *Undisputed*, published both physically and digitally, as one of the top line drivers.

Despite relatively challenging industry dynamics within comics and TV/film in FY 2024/25, Dark Horse delivered net sales growth YoY and profitability compared to the previous year. Dark Horse Entertainment's sales of manga continue to be strong with *Berserk* as the top performing series, with success also for titles such as *Avatar: The Last Airbender*, and the launch of the first of five *Trigun* books. Dark Horse has scaled down some digital and e-commerce initiatives to refocus its efforts on its best performing business areas, which is expected to lead to an increased profitability. Dark Horse's e-commerce site Dark Horse Direct remains an important strategic direct-to-consumer platform.

BUSINESS MODEL

The Entertainment & Services operating segment operates in several different market segments. First of all, it is the owner of some of the world's most renowned IPs, including *The Lord of the Rings* and *The Hobbit*, with licensing across a range of different media formats and channels. Second, it develops, publishes, distributes and sells comic books. Third, it conducts development, wholesale, publishing and distribution of physical games, primarily for console but also for PC. Finally, it conducts publishing and distribution of external films and TV-series, as well as the production and distribution of merchandise.

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SUSTAINABILITY REPORT

HYPER LIGHT BREAKER
Arc Games | Heart Machine

INTRODUCTION

At Embracer Group, sustainability is about acting in line with our values and contributing to meaningful outcomes for our stakeholders. With sustainability embedded into the business model, the Group capitalizes on opportunities while simultaneously managing risks. In addition to our own work within the group, collaboration with partners and peers to enhance industry awareness and address critical issues is relevant to the Group's business and sector. Furthermore, the Group remains responsive to global trends and challenges, ensuring strategies adapt to the changing landscape.

SUSTAINABILITY THAT SUPPORTS OUR BUSINESS

Embracer Group is a global group of creative and entrepreneurial businesses in games and entertainment. Its workforce of over 7,000 – including thousands of game developers – brings value and entertainment to gamers worldwide through an extensive portfolio of IP. Embracer creates joy, excitement, and spaces for interaction for children, young people, and adults. The commitment to enriching players' and consumer's lives with original and memorable entertainment experiences is what keeps us passionate about our work.

As a company driven by entrepreneurs, the Group's approach to business is inherently centered around empowering great people. This is also true for the sustainability work. The operative groups continue to work on their individual sustainability targets to address the most important topics to their business. The overarching Group focus is reflected in what is called the Smarter Business Framework. This is built around three pillars: Great People, Solid Work, and Our Planet. The framework reflects Embracer's material topics, which are identified as part of the double materiality assessment on how the company's business impacts an is impacted by, people and the planet. The framework remains an essential tool as it guides the Group's work and ensures that the Group prioritize key issues, enabling operative groups continue to work on their specific sustainability agenda to add value to their business. Prioritized key issues are continuously evaluated through ongoing dialogues with employees, investors, NGOs, and other stakeholders. Compared to previous reports, this report, is structured around upcoming reporting regulations to meet necessary changes in the sustainability reporting landscape.

During another transformational year for Embracer, the Group has made further headway in risk management, while bolstering intra-group integration and collaboration regarding sustainability. Thus, the sustainability approach continues to evolve and inform decision-making at all levels in the Group, advancing its capabilities to navigate risks and opportunities.

As Embracer Group moves through this significant transformation, recognizing that certain aspects, including

HIGHLIGHTS OF THE YEAR

- Focus on preparing for the Corporate Sustainability Reporting Directive (CSRD), including conducting a double materiality assessment, which maps the Group's most material sustainability matters.
- Improved results in our annual employee engagement survey and an eNPS of 20.
- Sustainability Policy adopted, further strengthening our commitments and delineates responsibilities.
- Reduced absolute Scope 1 and 2 emissions by 19% compared to last year.
- Continuous implementation of various internal control and integration processes.
- Ongoing annual mandatory trainings for all employees on Privacy and Anti Corruption.

group sustainability targets and transition plans, are still being developed. Once the Group has fully established these objectives, they will be consolidated and communicated. We are using this transformational phase as an opportunity to build on the valuable sustainability work already carried out across the group. While each Operative Group continues with their objectives in areas such as corporate culture, health and safety, diversity, inclusion, and employee well-being, aligning these at group level during this phase of change has not been deemed effective. Instead, group-wide goals will be developed and activated once the organization reaches a more stable stage, ensuring long-term relevance and impact. An exception to this is Embracer's science based climate goal, where the Group's commitment to the Paris Agreement remains, i.e., to reduce our carbon emissions by 45% by 2030 compared with the base year 2021/22, although this goal is also influenced by changes within the group. Recalculations of the base year are made to reflect the current group structure and keep them as valuable tools for leading us in the right direction at the right speed.

The sustainability report is compiled on a consolidated basis for Embracer Group and all its subsidiaries. Assessments and estimates are used to report certain data points, such as scope 3 emissions where actual data was unavailable. These estimates and assessments are regularly reassessed based on experience, the development of ESG reporting, and improved data quality.

This report is inspired by the European Sustainability Reporting Standards (ESRS), meaning that the Group discloses some requirements for selected ESRS standards on a voluntary basis, namely ESRS 2 (General Disclosures) and ESRS E1 (Environment - Climate Change). The Group has started with these standards to be able to develop sufficient internal processes and routines to manage the new reporting requirements, while also being prepared for any changes to the directive through the Omnibus package. ESRS E1 also connects to Embracer's still valid climate goal. Material social and governance information is reported following principles of Embracer's previous reports and are thereby not aligned with CSRD reporting requirements. ESRS 2 was selected as the starting point, as it forms the basis for future reporting through double materiality analysis and work with impact, risk and opportunity. Embracer Group started already in 2023 and have a carefully prepared Double Materiality Assessment (DMA) to present and follow. The reason the Group chose to focus on ESRS E1 is because this standard is a reporting intensive area with massive data requirements, and that Embracer has experience and a solid base, as reported according to the GHG protocol in past years. Therefore, from a pragmatic perspective, it makes sense for us to go ahead where there is a lot in place in terms of reporting and where data review makes us better prepared. ESRS quantitative metrics covering environmental, social, and governance factors have been assessed when applicable in this report, and due to changes in methodology in accordance with ESRS numerous metrics have no comparison from previous years. For the Annual and Sustainability Report FY 2025/26, all material ESRS will be implemented into the report following the legal requirements of the CSRD according to the Swedish ratification of the directive. References to ESRS disclosure requirements, where applicable, can be found in the Content index.

SOME OF OUR COMMITMENTS

Agenda 2030: Embracer supports Agenda 2030 and the holistic approach to sustainable development established through the UN Sustainable Development Goals (SDGs). Regarding the Group's business operations, the focus is on five SDGs that are particularly relevant for the group: Quality Education (4), Gender Equality (5), Decent work and Economic Growth (8), Responsible Consumption and Production (12), and Partnership for the Goals (17).

UN Global Compact: Embracer has been a member of the UN Global Compact since 2021. Supporting it aligns with the group's core values and facilitates cooperation with other companies and stakeholders. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet but also setting the stage for long-term success.

SBTi Commitment: The Science Based Targets initiative (SBTi) guides Embracer Group's greenhouse gas emissions reduction planning and actions. The group has set targets in line with the SBTi, which were validated and approved in December 2023.

CSR Sweden: As a member of CSR Sweden, Embracer Group gains access to a unique platform for sharing experiences and solutions to sustainability challenges. This network helps build strong relationships and ensure sustainability efforts align with the latest requirements in human rights, anti-corruption, and environmental responsibility.

I see an opportunity to strengthen the foundation of our sustainability efforts during this transformative phase to collectively clarify goals and direction for the future.

KARIN EDNER KARLSSON
Head of Sustainability, Embracer Group

AN UPDATE FROM OUR SUSTAINABILITY TEAM

INTERVIEW WITH KARIN EDNER KARLSSON

HEAD OF SUSTAINABILITY

Hi Karin! What have been Embracer Group’s priorities – from a sustainability perspective – this past year?

Our work is grounded in a long-term commitment to sustainability. During another transformational year for Embracer, we have continued to move forward on this journey with a steady and structured approach. A key priority has been to strengthen the Group's internal processes and continue to build in-house expertise.

Preparing for the EU Corporate Sustainability Reporting Directive (CSRD) has been a central focus. These new requirements open up valuable opportunities to deepen and accelerate Embracer's sustainability work – not least by making us sharpen our priorities and define our impact, our risks and opportunities. As a result, also reshaping how we gather and present data across the Group's operations – a shift we are meeting with careful planning and transparency.

How does Embracer Group plan to advance its sustainability efforts?

Collaboration across the entire organization will be key in driving efforts forward. I see an opportunity to strengthen the foundation of our sustainability efforts during this transformative phase to collectively clarify goals and direction for the future.

Meeting new expectations requires shared direction and engagement. We’ve built a solid base – now we need to keep improving together. It’s not only about compliance, but about identifying better, more resource-efficient and ethical ways to operate, generating long-term value for Embracer Group, our industry and beyond.

We are aware that the path ahead may include challenges. At the same time, the clear expectations from the board, management and across the group give us a strong foundation to maintain momentum.

How is Embracer Group strengthening its sustainability work in response to global developments?

At the Group level, we are closely monitoring global developments. While the pace of change can seem demanding, we remain focused and committed, guided by Embracer's established frameworks. Our games and entertainment contribute to imaginative experiences, community, adventure and fun, reinforcing the Group's motivation to contribute in a meaningful way. Games and entertainment influence – every day, worldwide. We face the same questions as many other industries: how to create long-term value, develop responsibly, and meet new demands from the surrounding world. However, we also have unique opportunities – the ability to reach broadly, inspire, and drive change through strong communities, content and the way we work.

Since joining in 2019, I’ve seen firsthand how the Group's companies approach their most important issues and seize new opportunities. Sustainability is ultimately about adaptation and improvement – one step at a time – always with relevance to our stakeholders in mind.

GENERAL INFORMATION

BUSINESS MODEL, STRATEGY AND VALUE CHAIN

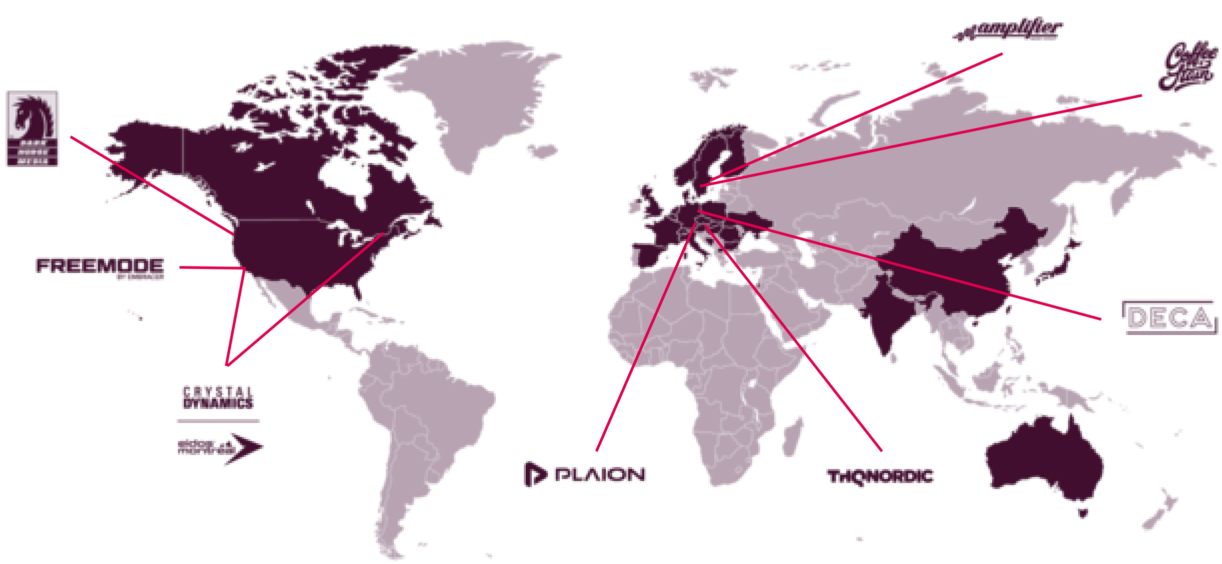
THE EMBRACER GROUP BUSINESS MODEL, STRATEGY AND VALUE CHAIN

Embracer Group is organized in three operating segments: PC/Console Games, Mobile Games and Entertainment & Services, following the spin-off of Asmodee (Tabletop Games segment) during the year. Through these operating segments, Embracer Group has strong market positions in PC, console, VR and mobile games, as well as niche positions in film and comic book publishing, including partner publishing. With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its operative groups: THQ Nordic, PLAION, Coffee Stain, Amplifier Game Invest, DECA Games, Dark Horse, Freemode and Crystal Dynamics – Eidos. In total, the Embracer Group engages over 7,000 employees in more than 30 countries. For further information about the workforce please refer to Social information page 36. Embracer Group is not active in, nor has revenues derived from, operations related to the fossil fuel (coal, oil and gas) sector, chemicals production, controversial weapons, nor the cultivation and production of tobacco.

The Group's key offering relates to PC and console games, entertainment & services and mobile games. including niche services related to IP, film, comic books publishing and distribution of merchandise. These segments are well reflected in Embracer's operative groups, with PC and console games constituting the largest share (47%) of total revenue, followed by entertainment & services (29%) and mobile games (24%). Major changes in the product catalog during the year concern the removal of the operating segment related to tabletop board games, due to the distribution of Asmodee. The Group has also divested Easybrain, a large share of the operating segment related to mobile games. These changes are connected to the on-going transformation of Embracer Group which is described in detail on page 13. Over the past two years, Embracer Group has implemented efficiency measures and selective divestments to enhance profitability, cash flow, and long-term value. The successful spin-off of Asmodee was completed in February 2025. Further separations into Coffee Stain Group and Fellowship Entertainment are planned for 2025. These efforts aim to optimize operational efficiency and unlock value, allowing each entity to maximize financial targets and utilize optimal financing structures. For further details on Embracer's operative groups and segments, please refer to Operating segments page 15 or Embracer's website.

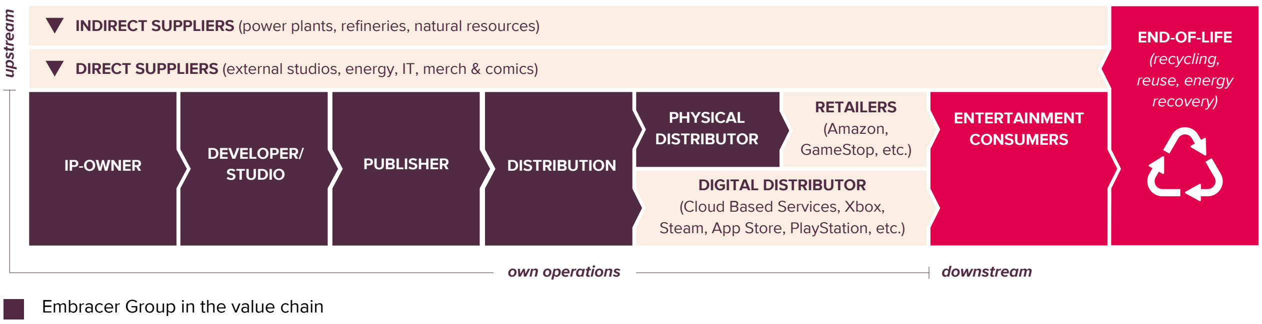
With a diverse offering Embracer serves the global market within the games and entertainment industry, and reach gamers and fans across the globe, from all generations, genders and nationalities. For more information about the games industry, please refer to Games & entertainment market overview page 9. Major changes in markets and customer groups are mostly related to the divestment of the tabletop board games segment and a large part of the mobile games segment. Looking forward, it is expected that after completing the ongoing transformation, the operative groups will be even more focused on business strategies tailored to their specific markets, customers groups and growth ambitions. There are no products and services in Embracer's portfolio that are banned in any of the markets served. However, there could be restrictions and censorship related to certain markets that require the group to adapt its products to comply with applicable law when launching new products or similar.

Key elements of the business model and main value chain that affect sustainability matters encircle the development,



distribution, publishing and user-phase of the products, which is mostly digital. The value that Embracer creates takes place within its offices and studios and is driven by its employees that operate in the digital world of creativity, graphic design, coding, editing, licensing, publishing, distribution and more. The value is also created in close collaboration with external partners. As such, connected to the main business model and offering segments Embracer does not have a physical value chain per such, specifically related to games development and other services which take place online from development to user-phase. However, operating in a digital landscape means that both Embracer's operations and its products are energy-dependent via the use of electronic devices and IT equipment. Thus, indirectly, there is a physical value chain related to both the energy generation and the production tiers of the electronics and IT equipment that is used. Including linked to the respective gaming equipment that Embracer's gamers and customers use. These are, however, produced outside of the Group's operations, by upstream actors of the manufacturing sectors and when these reach the end of its lifecycle, they are handled by downstream actors of the waste management and recovery sectors. This is visualized in the illustration below which outlines Embracer's value chain. Main emphasis of such illustration is placed on the Group's position in the value chain and the activities that take place within its operations at Embracer Group, and in collaboration with the closest business partners and contractors.

OUR VALUE CHAIN



Embracer Group has a large number of external partnerships whereby Embracer acts as both licensor and licensee. Embracer Group's main business areas are IP ownership, development and publishing. Some of the operative groups also have distribution and retail businesses. Some of Embracer Group's businesses, including Limited Run Games, Dark Horse, Grimfrost and DPI Merchandising operate a direct to consumer business. In addition Dark Horse operates the e-commerce and bricks and mortar retail chain Things From Another World.

Embracer Group's main direct business relationships are first and foremost those that have been established with all of the Group's employees and contractors. The core competencies embodied and demonstrated by employees and contractors represent a key input for delivering high-quality products within the games and entertainment industry. The physical inputs that are purchased are explained in detail on page 50, specifically under the section for Scope 3, category 1 on the Group's purchased goods and services. In connection with IP ownership and licensing, a large number of external partnerships have been established with film studios and agents, which are key relationships for all segments of the Group's operations. The extensive IP portfolio and unique licenses, alongside continuous creativity and entrepreneurship in game development, define Embracer's game releases and overall offering. This benefits gamers and customers by offering immersive experiences. It also benefits investors by securing a diversified portfolio that places the Group in a unique position to sustain operations against competitors.

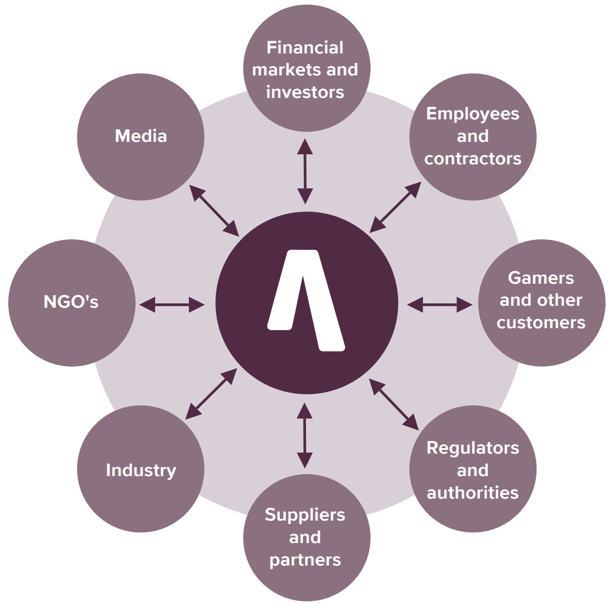
With regards to sustainability matters the Group has Embracer's Smarter Business Framework that was established in 2018. It is built around three pillars: Great People, Solid Work, and Our Planet and it has been aimed to ensure that we as a Group prioritize our efforts. However, due to the on-going transformation, the framework will be adjusted to better fit the Group's new structure. Such changes will be determined by the new organization based on the impacts, risks and opportunities associated with the respective value chain, markets and offering segments. Once such updates are in place, it will be possible to provide a clearer description of the elements of the strategy that relate to or impact sustainability matters, including the main challenges ahead, critical solutions or projects to be implemented. For further details about the material sustainability matters and how they interact with Embracer's strategy, business model and value chain, please refer to page 27 or the respective topical sections of the Sustainability Report.

STAKEHOLDER ENGAGEMENT

INTERESTS AND VIEWS OF OUR STAKEHOLDERS

The interests and views of Embracer Group's stakeholders are of utmost importance. The Group maintains ongoing contact with its stakeholders, directly or indirectly, which for instance includes employees, non-governmental organizations (NGOs), media, industry, regulators and authorities, financial markets, gamers and other customers and suppliers.

Stakeholder dialogues are conducted internally, with the type of engagement and communication channels varying across different stakeholder categories. The table below describe methods of engagement and the respective purpose:



Stakeholder group	Channels for communication	Purpose for engagement
Financial markets and investors	Regular reporting, direct dialogue and response to ESG ratings as Sustainalytics, S&P Global, UN Global Compact COP, and MSCI.	Maintain alignment on Embracers sustainability strategy and targets. Attracting responsible investors. Enhancing transparency. Responses to investors and the markets queries.
Employees and contractors	Annual Employee engagement surveys, performance and development reviews and Ambassador Group meetings.	Understand sustainability matters from the perspective of employees. Promote the Smarter Business Framework.
Gamers and other customers	Community engagement, consumer studies, and engagement through social media.	Build trust. Gain insights into customers' interests concerning sustainability topics. Adaptation of product/service and of marketing strategies.
Regulators and authorities	Monitoring and evaluation and assessment of regulations and requirements. Direct engagement through public affairs and regulatory dialogues.	Ensure compliance with existing and future legislation and increase awareness of potential transitional risks and opportunities driven by regulation to align the business model and strategy accordingly
Suppliers and partners	Direct engagements, supplier and partner reviews, interviews with group companies on their relationships with suppliers.	Ensure compliance with existing and future legislation and awareness of potential risks and opportunities driven regulation. Promote and implement alignment on Embracers sustainability strategy.
Industry	Engagement in industry organizations and sector associations such as Dataspelsbranschen and Video Games Europe. Attending work meetings and engaging in dialogue with peers.	Understand interests and views from a broader sector perspective, influence, capture inspiration and external insights on sector-wide issues.
NGOs	Direct engagement, collaboration with established partnerships, and response to NGO inquiries.	Gain insights on responsible business practices from a broader perspective and form collaborations.
Media	Open and ongoing communication with media to share updates , increase transparency, and build trust.	Stay informed about changes in public discourse and market expectations. Promote openness and support transparency.

DOUBLE MATERIALITY ASSESSMENT

OUR DOUBLE MATERIALITY PROCESS

As part of the annual preparations of Embracer Group's sustainability report, a double materiality assessment is conducted to identify the impacts, risks and opportunities on sustainability matters that are material for Embracer Group to report on. The Group follows the processes prescribed by the ESRS and the related guiding documents, which can be summarized into four main steps:

01 Mapping	02 Identifying	03 Assessing	04 Consolidating
	Impact materiality / Financial materiality	Impact materiality / Financial materiality	
Mapping relevant contextual information about Embracer's operations and its value chain.	Identifying business activities and dependencies that are key impact-, risk-, and opportunity-drivers related to sustainability matters.	Assessing the materiality of identified impacts, risks, and opportunities by understanding the inside-out impact on people and planet, and the outside-in financial effects to Embracer's operations	Consolidating the result of each material sustainability matter and mapping them against the applicable disclosure requirements to be disclosed.

The details for each step are further explained below for the two materiality perspectives, including the judgements, criteria, thresholds, and assumptions that has been used to determine the materiality. Further elaboration on the assessment of climate-related impacts, risks, and opportunities is provided below. For an overview of the results and how it interacts with the strategy and business model, please refer to page 27. This is the first time we present results from a double materiality assessment, which is why no methodological changes have been made compared to previous assessments aligned with the double materiality concept. As this is a new approach, methodologies will be continuously improved during annual reviews, and any future changes will be disclosed.

Impact materiality (Embracer Groups's impact on society and environment): In the first two steps of mapping contextual information and identifying impact-drivers, specific dependencies and business activities are listed as they occur within the Group's own operations and across the various stages of the upstream and downstream value chain. Please

refer to page 28 for an overview of the Group's key value chain. These business activities are then screened against the list of sustainability matters (topics, sub-topics and sub-sub-topics) prescribed by the ESRS. This kind of screening builds an understanding of the geographies and the circumstances under which activities occur across the value chain, including how they may impact stakeholders negatively and/or positively. Factors of heightened risks are considered to understand aspects that may influence the likelihood or severity of impacts e.g., management procedures, sector characteristics, applicable national laws, geopolitics or similar. Accordingly, the assessment considers impacts caused or contributed to within the Group's own operations, as well as those linked to the value chain, business relationships, and products. In the third step Embracer proceeded with a detailed assessment to understand the materiality. Negative impacts are prioritized based on the likelihood of occurrence and the severity to affected stakeholders, and for positive impacts based on the likelihood and benefit. Likelihood is only assessed for potential impacts, and the criteria for severity considers the scope, scale and remediable character of impacts. Impacts exceeding defined qualitative and quantitative thresholds are considered material for reporting. This means that all actual impacts with an "important" to "critical" severity are prioritized in the sustainability report, along with potential impacts that have a "significant" (or above) likelihood and severity. In contrary, the actual and potential impacts with an "informative" to "minimal" severity and/or "unlikely" likelihood are not material for reporting.

During the DMA process affected stakeholders are not consulted directly, however, the interests and perspectives of various stakeholder groups are considered by drawing insights from other ongoing stakeholder dialogues. This is done by engaging with different internal functions that are responsible for, or that possess insights and expertise related to, a given sustainability matter which informs the assessment. External experts and other sources are consulted to support the understanding of how stakeholders may be impacted in various ways. For further details on stakeholder engagements, please refer to page 29. Overall, this process considers the principles for sustainability due diligence outlined by the OECD Guidelines and the UNGPs. The DMA is seen as an integral part of the steps in due diligence that refers to identifying and assessing impacts on affected stakeholders, where stakeholders are both people and nature (which is considered as a salient stakeholder for environmental matters).

Financial materiality (impact on Embracer Group): Alongside the assessment of material impacts, financial aspects are looked into to understand whether there are connections between sustainability-related impacts, risks and opportunities. In such step we identify whether risks and opportunities may arise from any of the impacts and dependencies identified during the impact materiality assessment. Related to each sustainability matter, we establish an understanding about potential transitional and/or physical risks or opportunities that could trigger financial effects to the Group's operations, either negatively (risks) or positively (opportunities). For example, Embracer identifies if a given sustainability matter could cause events that impact its ongoing business activities, assets, revenues, expenditures or otherwise affecting the financial position over different time horizons. Where risks or opportunities have been identified, we assess the materiality based on the likelihood of occurrence and the anticipated magnitude of the financial effect. For magnitude. the assessment considers how financial effects could potentially impact the overall financial position. Impacts that exceed defined quantitative thresholds are

deemed material for reporting. This means that risks and opportunities with ‘significant’ to ‘critical’ magnitude in terms of potential effects on the financial position are prioritized in the sustainability report. While those with an ‘informative’ to ‘minimal’ magnitude and ‘unlikely’ likelihood are not material for reporting.

The financial materiality assessment is aligned with, but yet not part of, the Group-wide Enterprise Risk Management process (ERM). Embracer thereby follows the same basis for prioritization for sustainability-related risks relative to other types of business risks. An investigation is currently underway to explore how the sustainability matters addressed in the DMA could be integrated into existing tools within the overall risk management process. The Group's ERM decision-making process and the related internal control procedures, are further described in the Enterprise risk management section on page 95.

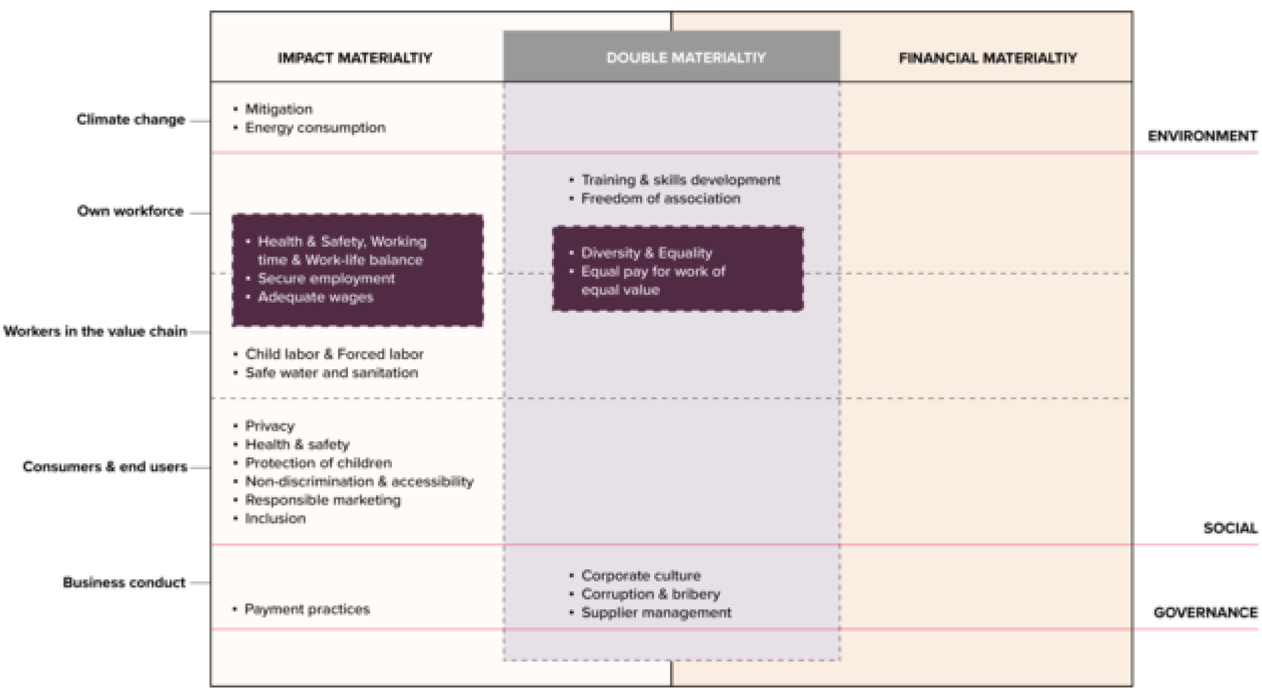
Specifically related to climate change, the Group's existing measurements of GHG emissions generated as part of the impact materiality assessment is considered. The GHG emissions in Scope 1, 2 and 3 provides insights about the impact on climate change that is caused by the Group or contributed to from Embracer's own operations, or that we are linked to via business relationships and products. The on-going transformation of Embracer Group has influenced the assessment and due to the high uncertainties, an assessment has not yet been conducted to determine how future activities or plans may impact, or be impacted by, climate change in other ways.

Related to the financial materiality assessment, both the climate-related physical and transitional risks and opportunities are evaluated. For physical risks, we have taken into consideration climate-hazardous that could potentially cause financial effects, either by impacting the Group's own operations directly or whether they derive from its value chain. For example, understanding whether future weather-related events such as storms, precipitation, heatwaves or similar could cause damage to Embracer's assets or other disruptions. For transition risks, we take into consideration whether the current business model may be exposed to transitional changes, creating implications on or impacting the investments, assets and business activities. For example, understanding whether reputational, regularity or market wide shifts could lead to changes in Embracer's expenditures (OpEx and CapEx) or revenue streams.

For the purpose of identifying and assessing climate-related impacts, risks, and opportunities we have not performed a formalized scenario analysis. It may become relevant to perform such deeper analysis and look deeper into a range of climate scenarios to better understand the exposure to physical and transition risks and opportunities over time horizons. However, as of today, we have not experienced the need to perform such a detailed assessment as part of the Group's double materiality assessment to arrive at a reasonable materiality result.

Overall, with regards to the methodologies and assumptions applied in the described process of the DMA, we recognize that professional judgement and assumptions have been used to draw conclusions. For example, due to lack of direct insights into all the specific steps and activities of Embracer's value chain, specifically related to the tiers of the upstream and downstream that go beyond direct relationships, we have leveraged external sources and sector experts to inform the analysis. This includes assumptions on activities further up the production tiers, as well as in the use-phase of the games and end-of-life stages where we currently do not have the traceability to assess direct information. Hence, we have relied on information from business partners, judgment and publicly available sources such as proxies relevant to the global gaming sector, generic industry data and reports as well as country-specific reports where relevant to build the Group's understanding.

DOUBLE MATERIALITY ASSESSMENT - RESULT



[1] *No material topics were identified as having solely a financial materiality.*

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

OUR MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

In this section we outline a summary of Embracer Group's material impacts, risks and opportunities (IROs) and how they interact with the strategy, business model, and value chain as described on page 27. Since this is the first time we present the Group's material sustainability matters following the double materiality approach, there are no changes to the material impacts, risks and opportunities compared to the previous reporting period. Overall, we continue to report on similar aspects of environmental, social and governance topics as in previous sustainability reports, although now in a more detailed format intended to partially follow the establishment of the ESRS framework that has inspired this year's sustainability report.

As of today, and where applicable the material impacts, risks and opportunities are covered by the ESRS Disclosure Requirements and we have not developed any entity-specific disclosures. One important note for this year's report is that we have decided to take inspiration from ESRS and disclose the requirements for selected ESRS standards on a voluntary basis, namely ESRS 2 and ESRS E1. Material social and governance topics on the other hand, are reported following principles of previous reports and are thereby not CSRD aligned. Next year we will implement all material ESRS into the report following the legal requirements of the CSRD according to the Swedish ratification of the directive. The table below provides an overview of where in the operations and value chain sustainability matters are concentrated, for a reference to the specific disclosure requirements under the relevant topical ESRS refer to Content Index.

ENVIRONMENT

Topic	Description of IROs	
Climate change	**Impact Materiality:** Material	**Financial Materiality:** Not material
	Value chain: Upstream, own operation & downstream	
	At Embracer Group we are causing GHG emissions from our own operation (in Scope 1 and 2) and we are linked to GHG emissions generated both upstream and downstream (in Scope 3). These together contribute to negative impact on climate change and are mostly driven by energy-related dependencies across our entire value chain, including in the user-phase of our products. These energy dependencies are mostly related to our, and the games and entertainment industry's reliance on the latest technology to uphold business. However, climate change and related dependencies are not expected to trigger significant financial effects to our operations, neither physical nor transitional. It is thereby deemed non-material for reporting from a financial materiality perspective.	

SOCIAL

Topic	Description of IROs	
Own workforce and workers in the value chain	**Impact Materiality:** Material	**Financial Materiality:** Material
	Value chain: Upstream & own operation	
	At Embracer Group, our employees are fundamental for the continuous success of our operations. This also include all the contractors that we engage. It is through our workforce that we leverage a broad range of capacities to deliver on creativity and positive impact within the games and entertainment industry. As such, the people that we employ are our most important resource. This comes with a responsibility to ensure that, while running a dynamic business which is under continuous movement, we priorities the well-being, personal development and engagement of our people. For instance, we acknowledge that our employees may sometimes work under high pressure e.g., in meeting deadlines for new launches. This means that a focus on ensuring a good and healthy working environment is key to prevent work related ill-health or similar. Additionally, in the relationships and interactions that take place between colleagues and leaders everyday there is always the risk of behavior occurring that goes against our values. We acknowledge that social dialogue, diversity, equality, inclusion and skills development are essential for retaining and attracting talent. Hence, for social sustainability matters we consider them to be material from both an impact materiality perspective and a financial materiality perspective (double materiality). The same reasoning applies to the workers in the value chain, ensuring respect for fundamental human rights and labor rights, specifically related to certain vulnerable groups . This is mainly due to increased risk factors, the activities and the locations of where these take place in the value chain. Hence, sustainability matters related to own workforce and workers in the value chain are material from both an impact materiality perspective and a financial materiality perspective.	
Consumers and end-users	**Impact Materiality:** Material	**Financial Materiality:** Material
	Value chain: Upstream & own operation	
	At Embracer Group, the reason for our existence is to create great games and entertainment for our end customers. Games and entertainment create value for users by offering immersive experiences, fostering creativity, and providing opportunities for social interaction and relaxation. Within the gaming community we can create positive impact by allowing users to temporarily disconnect from reality and engage in enjoyable activities. Additionally, games and entertainment can also stimulate cognitive abilities, enhance problem-solving skills, and offer a sense of achievement through challenges and rewards. However, we also acknowledge that gaming and entertainment products could potentially have a negative impact on habits, especially if over consumed. With emphasis on particular groups and children that are more vulnerable, overconsumption could lead to health implications or even financial consequences to users. In addition, through games and entertainment we could potentially influence the perception and views of gamers in relation to various cultural and social topics depending on our storytelling. This means that diversity and inclusion in games and entertainment, as well as digital well-being are key matters to us, alongside a focus on responsible marketing, transparency, integrity, information security and privacy. Hence, sustainability matters related to consumers and end-users are material from both an impact materiality perspective and a financial materiality perspective.	

GOVERNANCE

Topic	Description of IROs	
Business conduct	**Impact Materiality:** Material	**Financial Materiality:** Material
	Value chain: Upstream, own operation & downstream	
	At Embracer Group we are engaging employees, consumers, and business partners all over the world. In managing a global business, we must comply with all applicable international, national and local law as one fundamental aspect of how we do business. Beyond legal compliance, matters such as business ethics and responsible corporate culture are important factors to both our own operations and for our business relationships. Additionally, the possibility to report grievances related to our operations and value chain in an anonymous and safe way is also fundamental for granting whistleblowers protection. This is also key to help us ensure that we are continuously informed about potential breaches to our own commitments and values, as well as the regulatory and voluntary frameworks that we must align with. Hence, sustainability matters related to business conduct is material from both an impact materiality perspective and a financial materiality perspective.	

We assess that the resilience of the Group's strategy and business model is strong related to Embracer's capacity to address material impacts and risks, and to take advantage of opportunities. With growing awareness, sustainability has become a crucial topic in the games and entertainment industry, encompassing both social, governance and environmental responsibility. Notably, the financial sector's dialogue is evolving, with investors increasingly seeking to invest in companies that adhere to principles of responsible business conduct. We strive to focus the sustainability efforts on the matters where we can have the greatest positive development or where we can be part of the solution and drive change. We also believe that the on-going transformation of Embracer Group will make us even better fit to manage sustainability matters as we get closer to the markets for each of the segments.

SOCIAL INFORMATION

We create great games and entertainment while simultaneously empowering Embracer Group's own workforce and striving to have a positive impact on both workers in the value chain as well as end-users. This reflects the ambition to embrace creative independence and inclusion, enable both employee and digital well-being, and support the Group's communities. By doing this, we attract and retain top talent and push for change in society.

OWN WORKFORCE AND WORKERS IN THE VALUE CHAIN

OUR PEOPLE-RELATED COMMITMENT

Embracer Group has adopted a Sustainability Policy, publicly available on the website, that outlines the Group's commitments towards the people, environment and governance. Specifically related to people, it addresses areas such as working conditions, corporate culture, Human Rights and Labor Rights. Furthermore, the Group's sustainability efforts contribute to fostering an inclusive and engaging corporate culture, where every employee should feel valued and empowered to participate actively in the company's growth and success. Ensuring leaders have the right conditions to manage teams and enhance organizational value. Additional information on commitments within these areas, are stated in the following adopted policies and steering documents: Group Human Resources Policy, Group Internal Privacy Policy, Embracer Group Code of Conduct and Embracer Group's Supplier Code of Conduct.

SECURE EMPLOYMENT AND DIVERSITY & EQUALITY

At Embracer Group, we aim to maintain a safe and inclusive workplace where all employees can grow professionally. We focus on developing employee skills and competences and monitor their well-being through performance dialogues at the individual level and other measures. Diversity and inclusion in skillsets and perspectives are key components of the approach taken to create a dynamic and inclusive workplace. We understand the challenges posed by divestment, transformations and organizational change. Yet, we strive to maintain an environment where talents are nurtured and empowered. Recognizing the importance of diversity not only in recruitment but also in retaining talented employees is of the utmost importance. Currently, 27% of Embracer's workforce are female, compared to 30% last year. The decrease is primarily linked to organizational changes, mostly related to the Asmodee spin-off. While this is a shift in the previous trend towards overall gender balance, the commitment to fostering an inclusive culture across the group remains firm. Representation in management also reflects this trend, with 23% female managers compared to 26% the previous year. Encouragingly, the share of women among employees under 30 remains comparatively higher at 30%, indicating continued progress in attracting young female talent, despite a slight decline from 34% last year. The diverse skills and perspectives that this global presence brings are invaluable to Embracer's ongoing success and serve as a source of pride within the Group.

EMPLOYEES[1] BY CONTRACT TYPE		2024/25		
Contract Type	**Female**	**Male**	**Other**	**Total**
Permanent employees	1,369	3,692	18	5,079
Temporary employees	86	258	1	345
Non-guaranteed hours employees	5	13	0	18
Total Employees	**1,460**	**3,963**	**19**	**5,442**
Gender Distribution	**27%**	**73%**	**0%**	**100%**
Non-employees[1]	*N/A*	*N/A*	*N/A*	1,040
Total Headcount	**1460**	**3963**	**19**	**6,482**

[1] Employees are individuals who are in an employment relationship with the company according to national law or practice. Non-employees refers to individuals who are not directly employed by the company, such as contractors, and freelancers.

EMPLOYEE AGE DISTRIBUTION

Age Group	Female	Male	Other	Total	Age Distribution
	2024/25				
<30 years	441	945	10	1,396	**26%**
30-50 years	879	2,641	9	3,529	**65%**
>50 years	140	377	0	517	**9%**

EMPLOYEES BY COUNTRY

Country	Female	Male	Other	Total	Country Distribution
	2024/25				
USA[1)]	298	884	7	1,189	22 %
Germany[1)]	175	488	3	666	12 %
Canada	120	390	3	513	10 %
Italy	66	334	0	400	7 %
Austria	183	201	1	385	7 %
Other	618	1,666	5	2,289	42 %
Total Employees	**1,460**	**3,963**	**19**	**5,442**	**100 %**

[1] *USA and Germany represent at least 50 employees and at least 10 percent of the total number of employees.*

EMPLOYEES BY REGION

Contract Type	Europe	North America	Asia Pacific	Middle East	Total
		2024/25			
Permanent employees	3,235	1,677	120	47	5,079
Temporary employees	227	25	93	0	345
Non-guaranteed hours employees	11	0	7	0	18
Total Employees	**3,473**	**1,702**	**220**	**47**	**5,442**
Distribution by Region	**64 %**	**31 %**	**4 %**	**1 %**	**100 %**

Embracer Group AB, Karlstad

As part of Embracer Group's commitment to upholding the UN's Declaration of Human Rights, we maintain a zero-tolerance policy against all forms of discrimination and harassment within the Group. During the year, we re-conducted the annual Code of Conduct training, with 71% (72%) of employees and contractors completing it. Employees are encouraged to report breaches of Embracer's Code of Conduct to their immediate managers. Employees can anonymously report breaches using the whistleblower communication channel. In its legal sense, zero incidents falling under the legal definition of whistleblower matters, were reported and handled within the Group in the past year. 18 messages that are not assessed as whistleblower messages under the law have been reported to the Group's whistleblower system and provide us with valuable information about Embracer's global operations. The messages are managed based on the team's assessment and in consultation with the relevant units.

EMPLOYEE WELL-BEING

During the year, we have continued the efforts to develop leadership and teams within the group. Embracer's employee survey is a tool that indicates the well-being of employees in the group and how they perceive various aspects of their workplace. The employee survey forms the basis for the Group's leadership, team building and well-being work. The process includes interviews as a supplement when beneficial to even more precisely address the challenges and opportunities for improvement at each specific workplace. The initial survey in 2020/21, provided valuable insights that laid the foundation for investing in a more systematic approach. This step has since increased the priority of these issues across the group. One example of a proactive approach is PLAION, who has developed and implemented its own leadership program supported by group initiatives on leadership and team development.

In March 2025 the Group's fifth annual employee survey was performed. Over 5000 people in over 100 of Embracer's entities across the globe participated in the survey. The Global Employee Survey is based on a six-scale self-assessment format from “completely disagree” to “completely agree” that is recalculated in index points from 0 to 100, where 100 reflects the best result. With a 77% (83%) response rate in the Group the results form a solid base for analysis and conclusions made about satisfaction and engagement.

EMPLOYEE SURVEY	2020/21	2021/22	2022/23	2023/24	2024/25
Average satisfaction rate	79/100	81/100	80/100	76/100	78/100
Work environment	79/100	82/100	81/100	78/100	81/100
Collaboration	80/100	82/100	83/100	81/100	84/100
Engagement	82/100	83/100	82/100	79/100	81/100
Management culture	–	–	73/100	67/100	70/100

Despite a challenging year, with transformational changes, Embracer's latest survey indicates that we've managed to maintain a high level of employee satisfaction and engagement given the circumstances, with an increase of the average rate of 78 compared to 76 last year. This increase is consistent across the four aspect areas, which indicates that Embracer's companies are dedicated to raise and maintain the satisfaction employees have shown over the years. Enhancing the management culture remains a prioritized area with considerable room for improvement and dedicated resources. Embracer has a strong commitment to addressing this, acknowledging the significant work needed to elevate the standards. The focus includes fostering a culture that values transparency, accountability, and continuous development. By integrating these principles more deeply into operations, we aim to create an environment where all members of the organization can thrive and contribute to collective success.

The survey results indicate progress in several key areas, with the largest improvements observed in questions related to Corporate Social Responsibility, Operative Group Management and Internal Communication. Embracer's commitment to combating all forms of discrimination and harassment remains the highest-scoring area, with a score of 88. From a cultural perspective, Embracer's employees continue to demonstrate strong collaboration skills, particularly in working with colleagues from diverse cultural backgrounds, achieving a satisfaction score of 87. Moreover, mutual respect and appreciation are evident in the workplace culture. The survey also highlights areas for further development. In last year's feedback, employees expressed their expectations on internal communication had not been fully met, a score which has improved this year.

Embracer Group utilizes the Employee Net Promoter Score (eNPS) to gauge global employee well-being. The eNPS evaluates how likely employees are to recommend the company as an excellent workplace. In 2025, the eNPS was 20 compared to 17 in 2024. We acknowledge this improvement and also see opportunities for further enhancement. Consequently, additional efforts will be made to elevate this score.

The results are reported to the Board of Directors and discussed in senior management teams at both group and local levels. These findings serve as a very important guide for prioritizing future activities within the organization.

Using a traffic light system, companies that have concerning results in any key area receive support from the Parent Company. Encouragingly, companies that have received assistance in the past years have shown significant positive changes, indicating the effectiveness of this support system in driving improvement.

Employee turnover as a percentage of total employees was 20% during FY 2024/25, up from 19% the previous year. Data includes reasons for turnover and states that approximately equal numbers of employees left voluntarily as were dismissed. New hires as a percentage of total employees were 16% during FY 2024/25, the same as last year.

EMPLOYEE NEW HIRES	2024/25			
	Female	Male	Other	Total
Total new hires	266	580	2	848
- share of total new hires	*31 %*	*68 %*	*0 %*	*100 %*
Employee New Hire Rate [1)]	**18 %**	**15 %**	**11 %**	**16 %**

EMPLOYEE TURNOVER	2024/25			
Reason of Leaving	**Female**	**Male**	**Other**	**Total**
Voluntarily	203	354	3	560
Due to dismissal	121	391	5	517
Due to retirement	3	4	0	7
Due to death in service	0	0	0	0
Total	327	749	8	1,084
- share of total turnover	*30 %*	*69 %*	*1 %*	*100 %*
Employee Turnover Rate [1)]	**22 %**	**19 %**	**42 %**	**20 %**

[1] *As a share of total number of employees by gender.*

TRAINING & SKILLS DEVELOPMENT

We strive to establish a creative environment and support engaged employees continuing to develop their own skills Performance and career development reviews are formal assessments where an employee's work, skills, and contributions are evaluated to provide feedback, set goals, and encourage development. Performance reviews are used to summarize the past year, follow up on previous discussions, and lay the foundation for upcoming salary reviews. 86% of Embracer employees have participated in such reviews this year.

The Parent Company offers educational initiatives such as webinars or through the UN Global Compact Academy shared on our internal platform. Given our business model, group companies independently plan for training and skill development..

This year, Embracer Group is participating in the Swedish Government's Business Council, initiated by Minister for Migration Johan Forssell, to enhance Sweden's attractiveness to highly skilled professionals. Alongside a select group of other Swedish companies, we are committed to contributing to and developing concrete solutions that bolster Sweden's competitiveness and ability to attract international talent.

HEALTH AND SAFETY

Overall health and well-being are assessed in the employee engagement survey. The annual results, scoring 80/100 (77/100) for work-life balance, show most respondents manage a good personal and professional balance. Notably, 95% of employees within Embracers group companies are covered by health and safety management systems, established to prevent work-related injuries based on legal requirements or recognized standards or guidelines. And 73% of employees are entitled to mental health support via the company. For non-employees, this coverage extends to 30%. No work-related fatalities were registered among Embracer's employees, non-employees or other workers on undertakings sites.

Collective bargaining agreement coverage stands at 24%. 19% of Embracer Group companies confirmed the presence of a works council or a similar employee representative body at their company.

Social protection is a vital aspect of employee welfare, covering various areas of potential income loss. Our data states that, 93% of Embracer Group companies confirmed that all employees are covered by social protection against loss of income due to sickness. Additionally, 74% of companies reported that their employees are covered against loss of income due to unemployment. Coverage for employment injury and acquired disability stands at 88%, while protection against loss of income due to parental leave is at 89%. Lastly, 85% of companies stated that their employees are covered by social protection against loss of income due to retirement.

Among employees 85% are entitled to family-related leave, amounting to a total of 4627 employees. Of the total 627 employees that took family-related leave, 30% were women, 70% were men, and 4 individuals represent the employee group other gender.

COMMUNITY ENGAGEMENT

Almost half of the Group's companies report strong engagement in their local communities, through activities such as volunteer work, charity initiatives and collaborations with different organizations. During FY 2024/25 over 1,400 hours were dedicated to community involvement and over SEK 6 million was donated or sponsored for charitable causes. While these figures are lower than the previous year (9,000 hours and SEK 26 million), the decrease is largely a result of ongoing transformation efforts and cost-saving measures across the group. Despite this, the continued commitment from Embracer's companies highlights the importance placed on contributing to society, even in times of change.

Leadership development at PLAION

In 2024, PLAION underwent a significant change in leadership. Lead.Better.Together, PLAION's global Leadership Development program, was created to further develop leadership within the organization. The program consists of six modules and focuses on developing common key competencies to more effectively contribute to achieving the organization's vision. All employees from game studios, regional distribution and partner offices, as well as film offices, are included, either online or in person.

"Acquiring new skills, knowledge, and abilities is essential not only for job performance but also for bridging the gap between where the organization is and where it needs to be" says Miroslava Moreno, Senior Director Organizational Development at PLAION. The Leadership Development program is an expression of the shared commitment, across territories and business areas, to maximizing the potential of every leader and leveraging the resources of the global organization.

Through the Vision and Values rollout workshops, a shared understanding of leadership based on core values is established—defining the behaviors that are prioritized and rewarded, as well as those that are rejected. Of course, this effort goes beyond a session; it requires a comprehensive development of employee performance reviews, hiring processes, and many other structural elements.

Another key challenge in leadership culture is diversity and inclusion. The organization's diversity landscape is particularly intriguing; some regional offices have a higher representation of women than men, while certain business areas remain predominantly male-dominated. Some regions actively create opportunities for people with disabilities, whereas others primarily hire locally, maintaining a workforce of the same nationality, language, and even age range. To address this, PLAION's Diversity, Equity and Inclusion Framework was created and an annual DE&I objective was introduced, where each employee commits to a goal. Regardless of the scale or scope — whether the impact is global or local—everyone contributes to fostering a more inclusive workplace.

To support managers in developing their leadership skills and fostering a more positive culture, PLAION's Leadership Development program provides modules consisting of a structured set of activities designed to meet specific learning targets. The modules are delivered by both internal and external trainers, as well as strategic partner organizations such as Amazon.

"In conclusion, PLAION's Leadership Development program is a crucial part of our strategy to create a strong and positive leadership culture within the organization. By investing in our leaders and promoting an inclusive work environment, we ensure that we are well-equipped to face future challenges and continue our successful journey" says Miroslava Moreno, Senior Director Organizational Development at PLAION.

Solvatten

Solvatten is a solution to clean and heat up water in a sustainable and renewable way. With the support of Embracer Group, we have distributed nearly 6,000 Solvatten kits to families in Kenya and Uganda since 2021. More than 30,000 people have gained improved living conditions in terms of personal hygiene and health and Solvatten reduces climate impact as the families use less coal and wood to heat and clean water. This saves time and money for the families and is an incredibly positive change in their daily lives. Over its lifespan, the Solvatten kits will deliver 250,000 m^3 of clean water and avoid the need to cut down 300,000 trees.

Many of Kenya's rural communities depend on firewood and deforestation has been a problem for a long time. Uganda hosts the largest population of refugees in Africa and a majority of them are women and girls who are especially exposed to risks when collecting firewood. Solvatten's vision is for everyone to live a healthy and dignified life with access to clean and hot water. By supporting Solvatten, Embracer Group's helps to improve living conditions for people without clean and hot water in a sustainable and renewable way.

Oliwer Wadström
Deputy CEO Solvatten AB

Preserving gaming history – and building the future

EMBRACER GAMES ARCHIVE ON DONNA DAY

An initiative for inclusion and innovation

Donna Day is an annual event held during the Sweden Game Conference, an initiative that highlights female and non-binary talent in the gaming industry. Natalia, Chief Archivist at Embracer Games Archive, gave a well-received and insightful talk at this year's event. With a passion for both preserving and making gaming history accessible, she spoke about the archive's work and her own journey in a still male-dominated industry.

Natalia described how the archive, which collects and protects gaming history material from around the world, works to balance long-term archival preservation with the ability to make the content accessible to researchers, developers, and future generations. With a goal of “preserving by making available,” the archive is not just an institution for history—but a resource for future innovation.

In her speech, Natalia also highlighted the importance of retrospectives as a tool – not only to understand where we come from, but to inspire innovation. The old becomes new, and game history is given new life in future productions.

But Donna Day is more than technology and history. It is a forum for representation, community and inclusion. Natalia emphasized the importance of diversity in the games industry – both in content and in organizations – and shared Embracer’s ambition to build an open and inclusive work environment where more people can identify and take their place.

She sees the future as bright, but emphasized that more visible role models are needed for young women to dare to see a career in the gaming industry as possible and realistic.

Natalia's participation at Donna Day illustrates how Embracer combines cultural heritage work with active work for diversity, equity and inclusion (DEI) – two perspectives that strengthen both the future of the industry and Embracer.

Welcome to Bloxburg: A Journey of Growth and Innovation

Coffee Stain Göteborg, a dedicated 17-person team, is responsible for the development of Welcome to Bloxburg, a life simulation game hosted on the Roblox platform. The game began as a solo developer project in 2014 and entered paid early access in 2016. Over the years, it has been supported by a small team before the studio was opened in late 2022 to expand development efforts after joining the Coffee Stain and Embracer Group family.

Welcome to Bloxburg is a life simulation and role-playing game where players create and live out their own virtual lives. In the game, players can choose from a wide range of activities — working virtual jobs to earn in-game currency, building and customizing homes or businesses, driving vehicles, socializing with other players, and exploring the town. The robust building tools and item catalog empower players to construct everything from cozy houses to cafes, hotels, or anything else they can imagine.

"While our core audience consists of teenagers, the game appeals to a broad demographic, located all around the world. We've seen players ranging from children to older adults — even entire families who play together across generations. This inclusivity is something we're incredibly proud of."

The Team behind Bloxburg
Coffee Stain Göteborg

With a diverse player base that includes many younger users, player safety is a top priority, both for the team and the Roblox platform. On the platform side, Roblox continues to keep player safety a focus and provides a comprehensive set of features. These include robust moderation systems, including automatic chat filtering, voice chat oversight, image approval for user-uploaded content, and in-game reporting tools for inappropriate messaging or user behavior. These features are handled by Roblox's moderation team and are supplemented by their platform-level parental controls that can limit player-to-player communications, access to age-appropriate content, and external links.

The team takes additional steps to safeguard players. When players join Welcome to Bloxburg, they are prompted to read and agree to community guidelines, which encourage respectful, supportive, and creative interactions. User-generated content is closely monitored. While creativity is encouraged, it is understood that systems can be exploited. Players can report other player creations they find inappropriate, and once a threshold is met, that content is temporarily hidden from other players, pending review by the internal team. If the creation is found to violate guidelines, the offending account is subject to moderation. Users who submit accurate reports are also rewarded with in-game currency for their assistance in keeping the community safe.

Areas where players can input text are restricted to reduce potential abuse. For instance, the Neighborhoods feature allows players to host private servers, which are publicly viewable by other players — but the names for these servers must be created using a preselected word bank to prevent misuse of custom text inputs. This layered approach ensures a safer experience for all players, while still encouraging self-expression and creativity.

As the gaming and digital entertainment industry rapidly evolves, and as younger audiences gain more access to technology, it is critical that developers lead by example. The team is deeply aware of the real risks that exist in online spaces, particularly regarding predatory behavior. That is why they believe games must serve not just as fun and creative outlets, but also as safe and welcoming environments. Developers, game platforms, and regulatory bodies all have a shared responsibility to stay ahead of emerging technologies that may be misused and to continually improve the systems in place to protect players of all ages.

"It's through open collaboration, transparency, and proactive safety measures that we can collectively build trust with parents and players alike. Our goal is to contribute to an industry that not only entertains but also supports the well-being and development of its players."

Karin Edner Karlsson
Head of Sustainability, Embracer Group

OUR COLLABORATIONS

DONNA DAY

For several years and also during 2024/25, Embracer Group and the operative groups Coffee Stain and Amplifier Game Invest participated as a partner at the DONNA DAY at Sweden Game Arena. DONNA DAY is a day for women, trans and non-binary, who love games, to get together, make new connections, and have fun. At the event, Embracer Group had representatives as mentors from studios to inspire women to take leading positions or start their own companies within gaming. This years theme was "Finding your place in a team and in your life".

SAFE IN OUR WORLD

We support Safe in Our World, an initiative raising awareness about mental health in the gaming industry. Embracer's employees are its greatest resource, and we want to offer the Group's companies and their employees training and other support to manage and prevent mental health issues and, at the same time, raise awareness of mental health in the Group and in the industry.

WOMEN IN GAMES

Embracer aims to create even more diverse and inclusive workplaces. Part of that is enabling more women to be leaders in the Group. Different perspectives and skillsets lead to an even better environment for all of us and to better results for the business. In 2022, Embracer Group joined Women in Games as a Corporate Ambassador. The program consists of a worldwide network of individuals engaged with the agenda to support, empower, and celebrate talented women in the games industry. Several employees from different Operative Groups are registered as Women in Games ambassadors. This program empowers individuals to take action through collaborative, connected, diverse networks.

Read more about our collaborations and partnerships at embracer.com

CONSUMERS AND END-USERS

CONTENT IN GAMES AND ENTERTAINMENT

At Embracer Group we believe that embracing differences will create more successful, joyful, impactful, diverse and inclusive games and entertainment. The aim is to cultivate a positive environment for the Group's services, including players and end-users. It is imperative that players feel secure and respected within the platforms and communities provided by us. As individuals increasingly spend their leisure time engaging with digital games, it is crucial to ensure a healthy in-game culture. The ecosystem in which Embracer Group operates, encompassing game developers, publishers, platform providers, and users, recognizes the importance of responsible gaming to maintain a positive experience where imagination and creativity can thrive. Games and entertainment can be for everyone, regardless of background, gender, age, or ability. The broad portfolio entitles making products mirror the audience even better and increasing the accessibility to enjoy them.

INCLUSION AND PROTECTION OF CHILDREN

People play games for fun, to relax, be creative and collaborate with others, just to name a few motivators. This means playing games can have a huge positive impact on people’s well-being, however, there are also risks associated with gaming and the products. Embracer is aware of these risks, and the Group's as well as the the industry´s responsibility for mitigating them.

Digital safety and well-being describe the impact of technologies and digital services on people's mental, physical, social, and emotional health. For us, digital safety and well-being means taking responsibility for a good behavior in both games, gaming communities, forums, and other platforms where Embracer's games are played and discussed. This can sometimes be challenging as Embracer Group is not always the platform owner, increasing the need to collaborate with other actors and industry organizations.

Children are more vulnerable and can therefore be exposed and targeted in the digital environment. During the year, Embracer has participated in discussions and knowledge sharing around this topic with NGOs and investors as well as the studios. These discussions have covered the risk children are facing while playing games, and how the group, together with other actors, can work together to improve digital safety so that children can experience games in a safe and meaningful way. This has led to initiating an internal project aiming to leverage the work for safety online and reduce risk. One way the industry is addressing this is through technical parental tools that exist for both PC/console and mobile games. There are tools, developed by industry organizations and industry actors, to help parents ensure a safe gaming environment for their children and encourage them to engage positively in their children's gaming experiences, fostering connection and well-being.

Embracer Group has zero tolerance for bullying, racism, sexism, and other unwanted behaviors. It is also important that games and entertainment are accessible and inclusive for a wide audience. We work on responsible gaming content to reduce negative behavior in chats and forums. 84% of the Group's studios do not use communications or in-game chat forums for most of their games, reducing the risk of toxic behavior. Additionally, 59% of internal studios are active on third-party communities, and half of the studios have a community manager to ensure chats and dialogues follow guidelines. Worth highlighting in this regard is that Embracer Group has carried out a project to ensure compliance with the EU Digital Service Act ("DSA"), which entered into force last year. The group companies in scope have worked on bolstering report functions for chats and meeting other requirements under the DSA.

PRIVACY, AI AND SAFETY

Respect and care for the Group's players' personal data is a cornerstone in how we work to ensure a good environment for them. 36% (34%) of the studios handle end-user data. During FY 2024/25, Embracer Group received five substantiated complaints regarding data privacy and two concerning cybersecurity, all of which have been addressed. Embracer Group companies are evaluated for IT, privacy and AI Governance maturity during due diligence and onboarding processes as well as through a yearly auditing program. The audits are performed both through internal as well as third party auditors. All companies are required to adopt local policies in line with Embracer Group’s Internal Privacy Policy and AI Policy. In FY 2024/25 we saw significant focus on raising maturity and awareness with several group wide initiatives covering training, data sharing agreements, audit practices and templates.

AI significantly enhances game development by improving resource efficiency, intelligent behaviors, personalization, and gameplay optimization. It creates more engaging and immersive experiences tailored to each player. AI also accelerates development speed and planning. During FY 2024/25 we focused on coordinating and mapping AI use in the group to find common best practices and powerful cost effective solutions. Embracer's cornerstone principle of human empowerment through AI is more relevant than ever and continues to be be the focus moving forwards.

NON-DISCRIMINATION & ACCESSIBILITY

We believe that all people should be able to enjoy games and entertainment. Accessible games can help combat social isolation, build inclusive communities, and improve the quality of life for people with disabilities. By implementing adaptive gaming technology, the Group is making games accessible to a greater audience, thus bringing joy and inclusiveness, and enabling players with different backgrounds and abilities to play together. Of the 49 game studios that answered the question "Do you proactively work with accessibility within and to your games during the development phase?", almost 70% answered yes. The different needs addressed include challenges from both a physical, social and a cognitive perspective.

COMMUNITY ENGAGEMENT

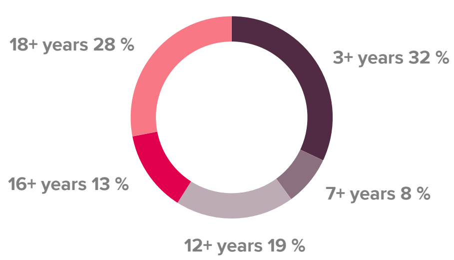
Creating safe gaming communities involves respectful communication and treatment of players, with zero tolerance for racism, sexism, and other exclusionary behaviors. Nearly half of the Group's studios have implemented responsible gaming routines, ensuring content is inclusive. 38% of studios have diversity and inclusion protocols, acknowledging their importance to Embracer and stakeholders. Steps include forming inclusivity panels to provide a safe space for developing inclusive products. Studios report having several channels for consumers and end-users to raise concerns or needs. These include community management like Discord servers with various channels for player interaction, news - and bug reports, support email for feedback and issues, forums on Steam and the studio or game website, as well as moderation on social media.

RESPONSIBLE MARKETING

Since Embracer Group is a provider of games and entertainment to a wide audience, transparency, responsible marketing practices and player community engagement are top priorities, especially regarding kids and youth communities. The Group's marketing practices are based on its values and applicable laws and regulations. All marketing activities are monitored, and violations of policies are dealt with promptly. All PC, console and mobile games are rated according to the Pan European Game Information (PEGI) rating system, Entertainment Software Rating Board (ESRB) or other well established rating systems. PEGI helps consumers make informed video game purchases by providing age classifications and content descriptors. The five age categories are 3, 7, 12, 16, and 18, indicating the suitability of a game based on its content. PEGI ratings consider the age suitability of a game's content, not the level of difficulty. For example, PEGI 3 games are content wise suitable for all ages, while PEGI 18 games contain violence or explicit content. Content descriptors offer further details, such as, bad language, or in-game purchases. ESRB is a similar rating providing age rating categories to suggest age suitability, content descriptors, and informs about interactive elements like user location sharing, in-game purchases, user interactions, and internet access.

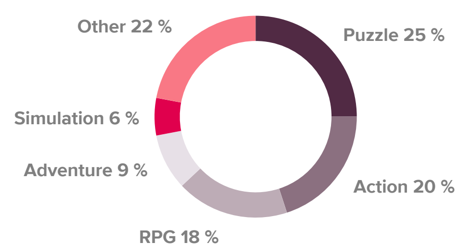
In-game purchases and loot boxes enable players to buy virtual items or content. Loot boxes are a common definition for a purchase with a randomized selection of in-game items ranging from cosmetic customization to in-game equipment such as weapons, magic potions, vehicle parts, or other in-game resources, either being persistent items or consumables. The system is also known as gacha based on Japanese vending machines with various capsule toys that the purchaser gets randomly. Loot boxes and transparent pricing for in-game content are currently high on the policy agenda within the EU. Recent court rulings in EU member states such as Austria, Belgium and the Netherlands heavily restricts or even prohibits the use of loot boxes. Further, The Consumer Protection Cooperation Network (the "CPC"), which is a cooperation between the EU member states consumer protection authorities, have just launched its "Key Principles on In-game Virtual Currencies" outlining requirements for how prices must be clearly disclosed in real world currency for video games' content. Embracer Group monitors these questions closely, with support from the trade organization Video Games Europe. 86% (80%) of studios within Embracer Group do not have games that include loot boxes or similar features, and out of those studios 80% have policies or guidelines regarding this matter. Complaints related to technical issues and ad content within the mobile segment were received, addressed, and resolved. Embracer Group studious share providing various channels for consumers and end-users to raise concerns, including official website forms, Discord servers, customer service support networks, hotline numbers, and bug trackers.

GAMES PORTFOLIO BY AGE CATEGORY



PEGI (The Pan European Game Information) is a European video game content rating system that provides age classifications and content descriptors. The chart includes Embracer's games that sold for more than 1 million SEK during FY 2024/25. This includes PC, console and mobile, both owned and external IP's. Due to updated methodology comparison to last year is not included.

GAMES PORTFOLIO BY GENRE



The chart visualizes a simplified overview of Embracer's total games portfolio and include Embracer's games that sold for more than 1 million SEK during FY 2024/25. This includes PC, console and mobile, both owned and external IP's. Due to updated methodology comparison to last year is not included. Genres included in 'Other' are Racing, Casual, Strategy, FPS, MMO, Music, and Sports.

ENVIRONMENTAL INFORMATION

The effects of climate change are becoming increasingly evident, and like all businesses, we have a responsibility to contribute to keeping the planet a place where all can live and thrive for generations. The gaming and entertainment industry generates emissions throughout its value chain, from game development, manufacturing, and data storage to events, travel, and packaging. By reducing Embracer Group's emissions both in operations and across the value chain, and by investing in projects that support the green transition, we can minimize the Group's environmental impact and contribute to greater awareness within the industry.

CLIMATE CHANGE

In this section we outline Embracer Group's climate-related work, focusing on the sustainability matters that are material for the group following the double materiality assessment for the financial year 2024/25. We cover in detail how we address GHG emissions in Scope 1, 2 and 3, as well as Embracer's energy dependencies. Climate-related risks and opportunities are not deemed to be material disclosures meaning the anticipated financial effects have not been quantified and are thereby omitted from the report. However, they will be included in future reports if they are considered material at that time. Please refer to page 30, and page 34, for our entire process of identifying, assessing and managing material impacts, risks and opportunities.

It is noteworthy that the on-going transformation of Embracer Group affects the reported disclosures under ESRS E1 on Climate Change. Where such contextual information is key to understand the disclosures, it is referred to directly in the text as the "transformation". Please refer to page 63 "About this Report", for further information about the transformation and how it affects the Group's disclosures.

OUR CLIMATE-RELATED COMMITMENT

Embracer Group has adopted a Sustainability Policy, publicly available on the Group's website, that outlines the Group's commitments towards the environment, people, and governance. Specifically related to climate change, it addresses areas such as climate change mitigation, renewable energy deployment and energy efficiency.

In short, Embracer's Sustainability Policy includes a commitment to mitigate the negative impact on the climate arising from the generation of GHG emissions. Specifically, to reduce Scope 1, 2 and 3 GHG emissions in alignment with the Paris Agreement, to limit global warming to 1.5°C. The general objective of such commitment is to ensure that we contribute to the global agenda of combating climate change. It is also a cornerstone for the journey towards achieving the Science-Based Targets recently adopted, which are further described under "Our Climate-Related Targets" page 47. Regarding energy, the Sustainability Policy includes a commitment to increase the share of renewable energy in Embracer's energy mix and to improve energy efficiency. The general objective of such commitment is twofold: to mitigate the negative impact deriving from energy consumption, and to capture energy-related opportunities as well as to prevent energy-related risks such as price volatility.

The scope of the Sustainability Policy applies to the whole Embracer Group. It covers the business activities, employees, and contractors across the geographies in which Embracer and its group companies operate. It also covers expectations for how we engage with actors of the upstream and downstream in implementing policy objectives to address those impacts, risks and opportunities that derive from the value chain.

The process for monitoring compliance with these commitments in the daily business will include ensuring that both the Parent Company and group companies are informed about and follows the Group's Sustainability Policy. For instance, via policy trainings and onboarding programs. Accountability for the implementation of, and compliance with, the Sustainability Policy lies with the Head of Sustainability, which also includes responsibility for translating the commitments into actionable strategies and measurable outcomes that are embedded across daily business procedures.

Embracer Group has played a notable role in the report titled "Code, Climate, Creativity - Game Development and the Green Transition" published by the Swedish Games Industry in October 2024. By sharing the Group's climate data from 2022, Embracer Group, alongside other Swedish peers, contributed to the report and the development of the Play, Create, Calculate toolbox. This toolbox provides instructions for data collection and use of the climate calculator for high-priority and medium-priority categories, helping game companies manage their emissions more efficiently. This initiative demonstrates one way to leverage the industry to support sustainability efforts and inspire positive change.

OUR CLIMATE-RELATED TARGETS

To uphold the Group's commitments described under 'Our Climate-Related Commitment' and to manage climate-related impact, Embracer Group has set GHG emissions reduction targets that was approved by the Science-Based Targets initiative (SBTi), and adopted by the Board, in the financial year 2023/24.

The set Science-Based target is to reduce absolute Scope 1 and 2 GHG emissions 45% by 2030 from a 2021 baseline year. It is also to reduce Scope 3 GHG emissions 51.6 % per million SEK within the same time frame. These apply to the whole Embracer Group and were developed in accordance with the Corporate Guide of the SBTi. However, considering the on-going transformation, a recalculation of the targets has been triggered. This means that, no later than FY2026/27, we must develop new targets and undergo re-validation in alignment with the SBTi procedures. Since further organizational changes are expected, the target recalculation has not been initiated. We remain committed to reducing the Group's climate impact as we have communicated and to reach the target. We are closely monitoring the changes proposed by the Science Based Targets initiative (SBTi) for corporate climate goals. These changes aim to align the standards with the latest science, address criticisms of current guidelines, and increase corporate ambitions in line with the Paris Agreement.

Overall, the data that informed the target-setting process is consistent with the methodology applied in Embracer's annual GHG inventory in accordance with the GHG Protocol, which is further described on page 50. This means that the targets, as well as the process for follow-up, is based on measurements of the gross GHG emissions and follows the same operational and organizational boundaries. This also means that we exclude any form of GHG removals, carbon credits or avoided emissions, if any, for the purpose of understanding the baseline and the performance against targets. Information on the Group's approach regarding offsetting can be found on page 52.

While the Science-Based targets are yet to be updated, we know from previous assessments that key decarbonization levers identified to achieve the targets are mostly connected to Embracer's energy-related activities. For example, to be able to reach the Group's climate-related targets for Scope 1 and 2, it is necessary to reduce the overall energy consumption at studios and offices, increase the share of renewable energy and replace refrigerants with alternatives of lower Global Warming Potential (GWP), where feasible. Other enablers concern the shift towards hybrid and electric vehicles in the Group's car fleet (88 vehicles). The decarbonization levers will be revised alongside the update of the Group's Science-based targets, mainly since the on-going transformation has led to significant changes in Embracer's Scope 3 categories. Again, please refer to page 50 for details on Embracer's total GHG emissions.

Beyond GHG reduction targets, the Group's energy consumption and energy mix is measured but have yet not adopted specific targets to monitor energy-related impacts, risks and opportunities. Such targets may be adopted over the long-term, if deemed valuable. Due to changes in methodologies and emission factors during the year, the results for Scope 1, 2 and 3 cannot be compared with the baseline data. Embracer will work to re-balance the baseline to ensure comparability for effective progress tracking.

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OUR ENERGY CONSUMPTION AND ENERGY MIX

During FY 2024/25, Embracer Group consumed a total amount of 15,427 MWh of energy, including energy derived from both non-renewable sources and renewable sources consumed in the own operations.

The total energy consumption, broken down by energy source, constitutes of 8,430 MWh of fossil energy, 226 MWh of nuclear energy and 6,771 MWh of renewable energy. This means that the share of renewables in the energy mix equals 44% (40%), and the share of nuclear equals 1% of the total energy consumption of Embracer Group. This is presented in the table below.

Energy consumption and mix (MWh)		2023/24	2024/25
6.	**Total fossil energy consumption**	**9,565**	**8,430**
	Share of fossil sources in total energy consumption (%)	*60 %*	*55 %*
7.	**Total nuclear energy consumption**	N/A	**226**
	Share of nuclear sources in total energy consumption (%)	N/A	*1 %*
8.	Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	N/A	17
9.	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	6,384	6,549
10.	Consumption of self-generated non-fuel renewable energy	N/A	205
11.	**Total renewable energy consumption**	**6,384**	**6,771**
	Share of renewable sources in total energy consumption (%)	*40 %*	*44 %*
	Total energy consumption	**15,949**	**15,427**

With regards to the total energy consumption from fossil sources and energy intensity based on net revenue, no detailed breakdown is required since Embracer Group does not have operations in High Climate Impact Sectors as defined by the EU. The detailed data points are thereby omitted.

However, with regards to the share of renewables, it includes 17 MWh from renewable energy sources in terms of fuel consumption of biofuels used in vehicles. These fuels are conventional fuels that are not actively chosen but rather fuels such as diesel that include a share of biofuels in the fuel mix due to national regulations. The total of 6,549 MWh of purchased renewable energy includes 6,083 MWh of renewable electricity, as well as 444 MWh of district heating and 22 MWh of district cooling. Moreover, as a result of the installation of solar panels at the group companies PLAION as well as THQ Nordic's Black Forest Games, Embracer Group consumed a total amount of 205 MWh of self-generated renewable energy. Other than that, we do not have any non-renewable energy production at the Group's facilities.

The figures presented in the table constitute the consolidated amounts within the entire Embracer Group. Observe that the comparative figures are the result after recalculation of the energy consumption, excluding the recently divested group companies due to the transformation. Overall, the total energy consumption of Embracer Group has decreased by 522 MWh (-3%) compared to the previous financial year. In contrast, the share of renewables in the energy mix increased by 387 MWh (+6%) compared to last year. These changes reflect Embracer's ambition and long-term commitment to energy efficiency and switch towards renewables. For more details on the GHG Emissions please refer to page 50.

Methodology for calculating Embracer Group's energy consumption and energy mix

The energy data is based on direct measurements of the actual energy consumption, excluding eventual offsetting, at each individual group company of Embracer Group respectively. The energy data is gathered in conjunction with the annual GHG inventory. Thus, it is the same data that is used to calculate the energy-related GHG Emissions in Scopes 1 and 2 according to the GHG Protocol as outlined under E1-6.

Reliable energy data is mostly available through direct supplier information, or the review of invoices related to the purchased or acquired electricity, district heating and district cooling. In some cases, energy consumption is obtained from monitoring systems installed directly at the facilities, or from landlords. Where energy data has been unobtainable from certain group companies, we have estimated the energy consumption and mix by using data from previous years and energy-intensity values based on number of employees and total area of facilities.

The collected raw data for energy has been converted into MWh using conversion factors from the Department for Environment, Food and Rural Affairs (DEFRA) either directly, or indirectly through ratios.

Overall, the figures provided for the energy disclosures are as complete as feasible, without the use of significant assumptions on Group level. The data has been validated internally but has not been reviewed by any external body.

OUR SCOPE 1, 2 AND 3 GHG EMISSIONS

Combating climate change by drastically reducing GHG emissions is one of the time's most important challenges to stop global warming. Embracer Group is committed to mitigate the direct climate impact from the own operation and those indirect GHG emissions connected to the development, distribution and use of the Group's digital games. We measure Embracer's total GHG emissions annually to keep track of the progress we make against the climate targets and to ensure we can uphold the commitment, as outlined on page 52.

In absolute values, Embracer Group emitted a total amount of 781 tCO_2e in Scope 1, 3,449 tCO_2e in Scope 2 (location-based) and 2,348 tCO_2e in Scope 2 (market-based), and 330,833 tCO_2e in Scope 3. Altogether, during FY2024/25, this equals to a total amount of 335,063 tCO_2e gross GHG emissions emitted across all Scopes 1, 2 and 3 (location-based) and 333,962 tCO_2e across all Scopes 1, 2 and 3 (market-based). This is presented in the table below, and the figures outlined are accompanied with information on inclusions and limitations for each Scope respectively.

GREENHOUSE GAS EMISSIONS

Amounts in tCO_2e	2024/25
Scope 1 GHG Emissions	
Gross Scope 1	781
Scope 2 GHG Emissions	
Gross location-based Scope 2	3,449
Gross market-based Scope 2	2,348
Significant Scope 3 GHG emissions	
Total Gross Scope 3	330,833
1. Purchased goods and services	5,032
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	749
4. Upstream transportation and distribution	1,124
6. Business travel	3,253
7. Employee commuting	2,985
9. Downstream transportation and distribution	1,763
11. Use of sold products	315,927
Total GHG emissions	
Total GHG emissions (location-based)	335,063
Total GHG emissions (market-based)	333,962

Scope 1: Out of the 781 tCO_2e Scope 1 GHG emissions, 0% originated from regulated emission trading schemes since Embracer Group is not subjected to such instruments e.g., EU ETS. The Scope 1 measurements include the GHG emissions generated from fuels and gas used in stationary combustion for heating (if any), mobile combustion from company vehicles and fugitive emissions from refrigerants used in HVAC systems. No process emissions, nor any biogenic emissions are accounted for in Scope 1 since it is not applicable to Embracer's own operations. Estimates have been used where precise data is unavailable.

Scope 2: Within Scope 2, the GHG emissions are measured following both the location-based and the market-based approach according to the GHG Protocol Scope 2 Guidance. The Scope 2 measurements, both location-based and market-based, include the GHG emissions generated at the production- and distribution-phase of the electricity, district heating, and district cooling we purchased and/or acquired in the financial year. No steam is accounted for in Scope 2 since it is not consumed by own operations, nor any biogenic emissions are accounted for in Scope 2 since bioenergy is not used.

Scope 3: With regards to the 330,833 tCO_2e in Scope 3, the measurements include those categories that were deemed a priority for us to measure based on the results of a broader Scope 3 screening performed in FY2023/24, alongside the SBTi submission process. In such a screening the GHG emissions associated with all the 15 Scope 3 categories were calculated and analyzed. This means that, due to immateriality or non-applicability, the remaining Scope 3 categories are excluded from the Group's public disclosures of the GHG inventory. Below follows a short summary of the methodology for each of the significant Scope 3 categories.

> **3.1 Purchased goods and services** is the second largest category in Scope 3 representing 2% of total Scope 3 emissions. It is calculated using primary data obtained from suppliers, such as the actual procurement volumes in tonnes, number of units, or spend. It includes data on the purchased cloud computing and data center services, as well as office consumables, merchandise, packaging, IT equipment (computers, phones, tables etc.) and furniture. It excludes data on larger assets such as buildings, vehicles etc. Estimates have been used where precise data is unavailable. We recognize the potential for improving the data collection process regarding Embracer's physical distribution and warehousing.

> **3.3 Fuel- and energy-related activities** is calculated using the same primary or estimated data collected for Scope 1 and 2 measurements, which also is the energy data provided under E1-5. However, it applies different emission factors to determine the indirect upstream GHG emissions generated during the production phase of the energy consumed at Embracer's facilities. By including this

category, we can understand the full life-cycle GHG emissions of Embracer's energy-dependencies.

- **3.4 Upstream transportation and distribution** is calculated at company level based on tonne-km using primary data obtained from suppliers, such as the transported volume (weight), transport routes (distance) and the applicable transportation mode (vehicle). It includes data on inbound logistic services purchased for transporting goods from the Group's first-tier suppliers to the facilities. Observe that this category is only measured for the companies with significant logistic operation, and not the entire Embracer Group. Estimates have been used where precise data is unavailable.
- **3.6 Business travel** is calculated using primary data obtained from direct measurements from suppliers, such as the actual transporting routes travelled by Embracer Group employees via flight, train, taxi, bus, private cars, rental cars and by boat or similar. It includes data from domestic and international business travels conducted in the year, and the hotel nights. Estimates have been used where precise data is unavailable.
- **3.7 Employee commuting** is calculated using results obtained from employee surveys, and where data were unavailable estimations have been made using data from FY 2023/24 and the change in number of employees. Since the calculations are based on several assumptions, we have adopted a conservative approach for the estimations used.
- **3.9 Downstream transportation and distribution** is calculated at company level based on tonne-km using primary as well as estimated data on the outbound logistics of sold products. Observe that this category is also only measured for companies with significant logistic operation, and not the entire Embracer Group.
- **3.11 Use of sold products** also continues to be guided by data from FY 2022/23. It accounts for 95% of Scope 3 and 94% of total GHG emissions. It is calculated using 100% of assumptions based on the number of sold digital games and estimates on their different platforms and consoles, average time spent on each game, energy efficiency for each console, and the electricity emissions factors for countries where the games were sold. Since the calculations are based on several assumptions, we have adopted a conservative approach for the estimations used.

GHG Intensity: With regards to GHG Emissions intensity, meaning the total GHG emissions in tCO_2e in relation to net revenue, the result was 15 tCO_2e per SEK 1 million for location-based and 15 tCO_2e per SEK 1 million for market-based. The net revenue amounts used in the denominator derives from note 3 of the financial statement.

Methodology for calculating our Scope 1, 2 and 3 GHG emissions

The GHG emission data is based on direct measurements following the operational control approach according to the Greenhouse Gas (GHG) Protocol. Hence, all figures are the consolidated figures from activities and group companies of which Embracer Group has operational control. All data is collected from each individual group company and is aggregated as a total number for the Embracer Group in this present report. The regular period reflected in the GHG Inventory is the financial year of April 2024 to March 2025, following the same principles of the Group's financial statement, hence not the same as the regular calendar year.

The comparative figures of the GHG emission results between the current and the previous reporting periods, have been recalculated. Hence, comparatives take into account the organizational transformation of Embracer Group where the group companies Asmodee and Easybrain have been divested.

All figures are outlined as gross GHG emissions, hence excluding eventual offsetting from the calculations to ensure a correct understanding of the actual GHG emissions. The GHG inventory includes emissions of carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbon (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3), measured in tCO_2e using suitable emission factors. Biogenic emissions are considered and disclosed separate when applicable.

For the calculations we use emission factors from sources such as the Department for Environment, Food and Rural Affairs (DEFRA), the International Energy Agency (IEA), and Carbon Footprint LTD. Emission factors for calculating energy-related emissions are selected based on country-specific circumstances, thus using national grid-mix averages based on the location of a given emissions generating activities, for the respective group companies.

Activity data is mostly available through direct suppliers or via internal systems. Where activity data has been unable to obtain from certain group companies, we have estimated the given emission source by using data from similar group companies and calculating the GHG emissions based on intensity values, such as number of employees, facility area or revenue.

Overall, the figures provided for the Group's GHG emissions for Scope 1 and Scope 2 are as complete as feasible, without the use of significant assumptions on Group level. However, for Scope 3 the reliability is expected to be lower due to the complexity and difficulty in ensuring both data quantity and data quality related to activities of the upstream and downstream value chain. The data has been validated internally but has not been reviewed by any external body.

Embracer Group Emissions (tCO_2e)	2023/24	2024/25	% Change
Scope 1 & 2	5,213	4,230	-19%
Scope 1	621	781	26%
Scope 2 (location-based)	4,592	3,449	-25%
Scope 3	383,992	330,833	-14%
Total	389,205	335,063	-14%

GHG Intensity per Net Revenue (tCO_2e / SEK m)	2023/24	2024/25	% Change
Total GHG emissions (location-based) per net revenue	14	15	7 %
Total GHG emissions (market-based) per net revenue	14	15	7 %

GHG REMOVALS AND CARBON CREDITS

In the financial year 2024/25, Embracer Group has not actively supported any GHG removal or mitigation projects aimed at permanently remove GHG from the atmosphere. Neither have we purchased carbon credits or engaged in other activities related to GHG removals, storage or offsetting. In Embracer's climate-related policy commitment we specifically underline that reducing its climate impact should by no means involve any sort of offsetting or GHG removals as a methodology. The approach to offsetting is to not use it. Why the specific data points of this disclosure requirement are omitted.

OUR ACTIONS TO ADDRESS CLIMATE CHANGE

In the financial year, Embracer Group has not taken any specific climate change mitigation actions. Therefore, detailed information is not provided. This is attributed to the ongoing transformation, greenhouse gas reduction initiatives, and other strategic actions. For instance, the development of a climate transition plan has not yet commenced.

While acknowledging the importance of being able to provide an understanding that clearly outlines Embracer's GHG mitigation efforts, as well as compatibility with the Paris Agreement, we do not have a climate-related transition plan in place. We are preparing to adopt such transition plan and disclose it in FY 2026/27, after completing the transformation program. Alongside that we expect to concretize the actions and resources needed for its implementation. As part of that development, we aim to integrate financing via the Group's internal Climate Fund that was established in in FY 2023/24. The purpose of the Climate Fund is specifically aimed at financing internal GHG reduction initiatives, but no funding has yet been assigned. It is expected to be a key enabler for future financial planning and emissions mitigating investments, at both the parent company-level and at individual group companies.

The same reasoning applies for the eventual development of an internal carbon pricing schemes as requested. As of today, we do not apply such approach in current decision-making procedures, but it may become relevant in the future to further incentivize action, and align decision-making with Embracer's climate-related policies and targets.

Other than that, concrete actions that have been initiated during the reporting year concern investments in system support for data gathering. The main objective is to strengthen capacities in the comprehensive data gathering, and to align methodologies for data analysis across the entire Embracer Group. Moreover, we have expanded the sustainability collaboration within the group including valuable resources with experience from GRI reporting to further strengthen the ESG data management team. We see this as preparatory actions to inform and support future mitigation actions in a systematic way, leveraging the competence in the global organization. We believe this is crucial for the success of reaching the Group's climate targets.

EU TAXONOMY

Embracer Group's primary business is to develop and publish PC, console, mobile, and VR games within the gaming and entertainment industry, which is not an economic activity covered by the taxonomy for environmental sustainability. Of the approximately 90 economic activities covered by the Taxonomy, Embracer Group has identified leasing of premises as well as acquisition and ownership of buildings as economic activities that Embracer Group conducts and that may fall within the taxonomy.

Upon closer analysis of how these activities are defined, Embracer Group concludes that the Group's owned and leased premises recognized as right-of-use assets, as well as investments in adaptation and renovation of leased and owned premises, are the only economic activities that Embracer Group conducts that fall within the taxonomy. Based on the above, Embracer Group reports the following information in the tables required by the EU Taxonomy on the following pages:

Turnover

None of the entities within Embracer Group conduct activities covered by the taxonomy for environmental sustainability, so the total is reported as Turnover of Taxonomy-non-eligible activities. The proportion of turnover – see Consolidated statement of profit or loss, row Net sales.

CapEx

Acquisition and ownership of buildings: Shows the proportion of Embracer Group's investments, in the balance sheet, that occur within the Group's owned and leased premises recognized as right-of-use assets, as well as investments in adaptation and renovation of leased and owned premises. Currently, there is no link between financial data and information about leased and owned premises that would be needed to assess taxonomy compliance, so the total is reported as non-taxonomy compliant. The proportion of CapEx – see note 15, row Investments of the year in the column Land and buildings, and note 16, Additional agreements.

OpEx

OpEx corresponds to non-capitalized short-term lease agreements (see note 16), maintenance and repair costs, and other direct costs for the day-to-day servicing of leased and owned premises. The key figure shows the proportion of such costs in Embracer Group that are within the Group's owned and leased premises recognized as right-of-use assets, as well as investments in adaptation and renovation of leased and owned premises and is reported in full as OpEx of Taxonomy-non-eligible activities.

Nuclear and fossil gas-related activities

None of the entities within Embracer Group conduct, finance, or are exposed to nuclear or fossil gas-related activities. The table thus applies to both individual entities and the group as a whole.

Double counting has been avoided by ensuring that only separate cost components have been included in the summation of the relevant activities.

DNSH criteria (“Does Not Significantly Harm”)

Embracer Group's economic activity within leasing of premises as well as acquisition and ownership of buildings risks being negatively affected by several of the climate-related risks listed in the EU Commission's annex with technical screening criteria in relation to the taxonomy. Primarily acute risks, such as storms, floods, or landslides, can negatively impact properties, but also chronic risks, such as global warming, can affect properties during their lifetime.

Social minimum requirements regarding human rights, anti-corruption, responsible tax, and fair competition (Minimum Safeguards)

Embracer Group's policies and guidelines (see page 59) form the basis for ensuring that the group complies with the social minimum requirements defined in relation to the EU taxonomy. In addition, the group has committed to following the OECD Guidelines for Multinational Enterprises and is working with Human Rights Due Diligence (HRDD) in line with the UN Guiding Principles on Business and Human Rights.

TAXONOMY TABLES

TURNOVER

Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year 2024/25 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
	FY 2024/25			Substantial Contribution Criteria					
		SEKm	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%
Of which Transitional		0	0%	0%					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%
A. Turnover of Taxonomy eligible activities (A1+A2)		0	0%	0%	0%	0%	0%	0%	0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities		22,370	100%						
TOTAL		**22,370**	**100%**						

TURNOVER | continued

Turnover continued

Economic activities (1)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023/24 (18)	Category enabling activity (19)	Category transitional activity (20)
	DNSH criteria ('Does Not Significantly Harm')									
	Y/N	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
Of which Enabling	N	N	N	N	N	N	N	0%		
Of which Transitional	N	N	N	N	N	N	N	0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								0%		
A. Turnover of Taxonomy eligible activities (A1+A2)								0%		

CapEx

Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year 2024/25 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
	FY 2024/25			Substantial Contribution Criteria					
		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%
Of which Transitional		0	0%	0%					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Acquisition and ownership of buildings	CCM 7.7	210	5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
CapEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**210**	**5%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
A. CapEx of Taxonomy eligible activities (A1+A2)		**210**	**5%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy-non-eligible activities		3,928	95%						
TOTAL		**4,138**	**100%**						

CapEx | continued

Economic activities (1)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023/24 (18)	Category enabling activity (19)	Category transitional activity (20)
	DNSH criteria ('Does Not Significantly Harm')									
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
Of which Enabling	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
Of which Transitional	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Acquisition and ownership of buildings								**6%**		
CapEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								**6%**		
A. CapEx of Taxonomy eligible activities (A1+A2)								**6%**		

OpEx

Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year 2023/24 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)
	FY 2024/25			Substantial Contribution Criteria					
		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%
Of which Transitional		0	0%	0%					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
OpEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%
A. OpEx of Taxonomy eligible activities (A1+A2)		0	0%	0%	0%	0%	0%	0%	0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities		13	100%						
TOTAL		13	100%						

OpEx | continued

Economic activities (1)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023/24 (18)	Category enabling activity (19)	Category transitional activity (20)
	DNSH criteria ('Does Not Significantly Harm')									
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	N	N	N	N	N	N	N	0%		
Of which Enabling	N	N	N	N	N	N	N	0%		
Of which Transitional	N	N	N	N	N	N	N	0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
OpEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								0%		
A. OpEx of Taxonomy eligible activities (A1+A2)								0%		

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Row	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

	Fossil gas related activities	YES/NO
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

SUSTAINABILITY GOVERNANCE INFORMATION

We have a solid governance foundation and are guided by strong business ethics to ensure that Embracer Group is complying with applicable laws and regulations. This framework, which includes policies and processes applicable throughout the Group, is effectively communicated across the entire organization and permeates our culture and values.

BUSINESS CONDUCT

OUR GOVERNANCE-RELATED COMMITMENT

Embracer Group has adopted a Sustainability Policy, publicly available on our website, that outlines the Group's commitments towards governance, people and the environment. Specifically related to Governance, it addresses areas such as business ethics and sustainable business operations. In concrete, it entails a commitment for Embracer Group to drive a sustainable business built on transparency, integrity, and collaboration in which all ideas on how we can improve are welcome. Additional information on our commitments within these areas, are stated in the following adopted policies and steering documents: Embracer Group Corporate Governance Policy, Embracer Group Anti-corruption Policy, Embracer Group Trade Compliance Policy, Embracer Group Tax Policy, Embracer Group Code of Conduct and Embracer Group's Supplier Code of Conduct.

OUR SUSTAINABILITY-RELATED GOVERNANCE STRUCTURE

At Embracer Group, the administrative, management and supervisory bodies are the Board of Directors, the Group CEO and the Group Executive Management Team. This also includes the Audit and Sustainability Committee as well as the Remuneration Committee, which are committees appointed by the Board. These are the governance bodies with the highest decision-making authority at the Group-level, including for sustainability matters. The ultimate owner of sustainability is the Board of Directors while various functions and executives are involved in execution the board holds the highest-level of responsibility for ensuring that sustainability is aligned with the company's strategy, risk management and long-term value creation. The Board has delegated responsibility and decision-making for sustainability matters to the CEO, with the Board yet as ultimately responsible, which is further described below.

The Board consists of seven members. Six board members are independent non-executive members (86%), and the Group CEO is the one executive member (14%). The female representation of the Board is 43%. As of today, there is no direct representation of employees and other workers on the Board.

The Group Executive Management Team consists of six members, all of them Senior Executives (100%). These are the Group CEO, the Group CFO, the Chief of Staff, Legal and Governance, the Chief Strategic Partnerships Officer, the Group Deputy CEO who is also the CEO of the Operative Group Crystal Dynamics – Eidos, and the CEO of the Operative Group Coffee Stain. The female representation in the Group Executive Management Team is 33%.

Together, Board members and Senior executives, possess a range of relevant experience from previous senior management positions and board assignments for listed companies and international companies operating in a similar context. It includes experiences from the gaming industry, game development, electronics, studio acquisitions, M&A, business transformation, divestment, reconstructions, team culture, governance, business development strategies, product management as well as other sectors such as IT, financial markets and law. For biography, please refer to the Corporate Governance Report on page 78 or the website.

With regards to sustainability matters, the Board has appointed three board members to the Audit and Sustainability Committee. The main task of this Committee is to have an advisory role to the Board. It is accountable for ensuring the quality of external reporting, the efficiency of internal controls, audits, and risk management, as well as the continued development of the sustainability work. However, the responsibility for oversight and the continuous executive management in addressing sustainability-related impacts, risks and opportunities has been further delegated by the Group CEO to the Group CFO. Additionally, to ensure that the sustainability-related governance procedures, oversight and controls are closer to our operations, part of the responsibility to monitor and manage sustainability-related matters in the daily business, has been delegated from the CFO to the Head of Sustainability and to the individual Operative Groups.

The Head of Sustainability is responsible for coordinating engagements with other internal management-level positions with respect to specific material sustainability matters, such as HR Managers for social matters regarding own workforce and Head of Governance & Compliance for business ethics matters. In addition, the Head of Sustainability is responsible for developing and maintaining the overall strategy and agenda within Embracer's sustainability framework. This includes engaging with external stakeholders and subject-matter experts. Part of the responsibility of the Head of Sustainability is also to bridge between the Embracer Group and the Operative Groups through continuous collaboration. The purpose is to enforce the Group strategies within sustainability across all group companies (top-down), facilitating collaboration and synergies for Group wide activities and reporting processes (bottom-up) within sustainability. The Group's sustainability team works closely with the Group CFO and all Operative Groups, both via direct contact and other forums. The Sustainability Ambassador Group is one forum, set up as a knowledge sharing network with representatives from all Operative Groups. For further information on the reporting lines on sustainability-matters to the Board, the Sustainability and Audit Committee and the Group Executive Management Team, please refer to page 57.

Overall, the Board, the Group CEO and the Group Executive Management Team are the highest accountable for decisions around the strategic agenda, target-setting, and policy adoption within sustainability, including the overall performance against these. However, the continuous monitoring and implementation to ensure progress towards these lies with the Head of Sustainability and the Operative Groups. They do so by accessing a range of internal subject matter experts that can be leveraged throughout the organization. We are also continuously working to strengthen Embracer's sustainability-related expertise to ensure successful management of our material impacts, risks and opportunities. Dedicated controls and procedures for managing sustainability-related information are underway to be established. For further information please refer to page 59. Moreover, we offer training on specific policies for all levels of the organization, from top management to employees. We also have educational initiatives via the UN Global Compact and other external training that employees can undertake.

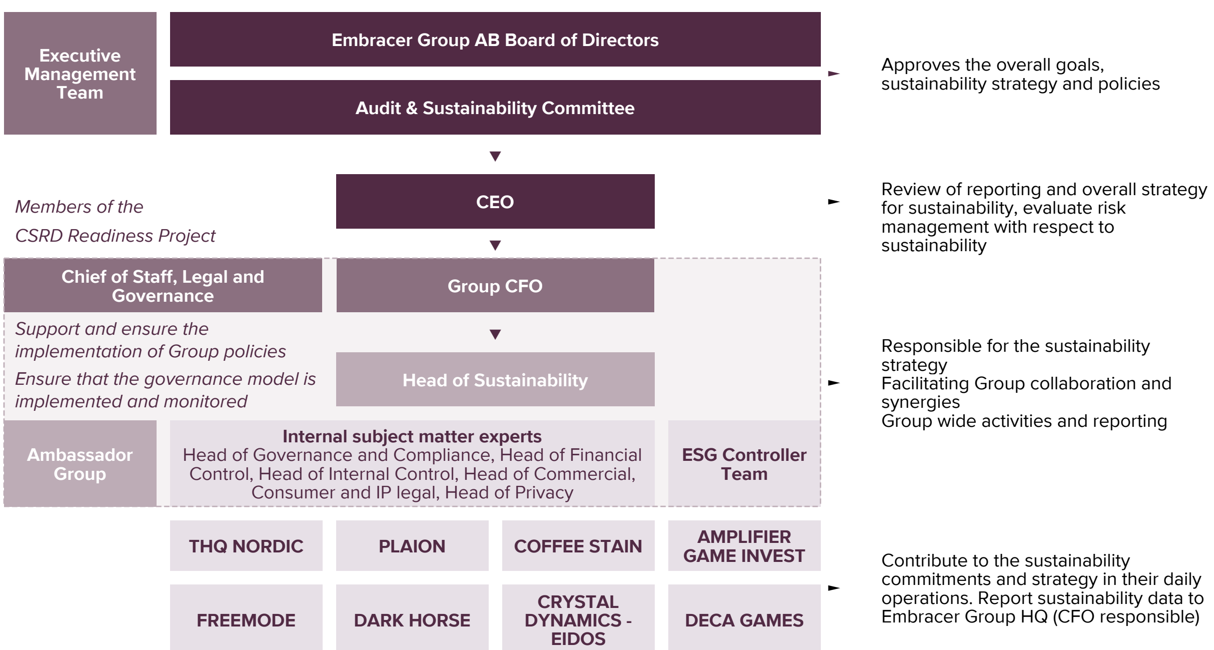
The material impacts, risks and opportunities addressed by the Board, and its Audit and Sustainability Committee, the CEO, and Group Executive management team, are those sustainability matters outlined on page 34. These sustainability matters are interlinked with the overall business strategy, business model and value chain as described on page 27. Hence, the impacts, risks and opportunities that are associated with different aspects of Embracer's operations are considered when overseeing the strategy and in decision-making on major transactions. Please refer to page 59 for further information on how we also aim to integrate these sustainability matters into our ongoing risk management process.

With reference to the overall governance structure, our administrative, management and supervisory bodies focus on the overarching targets, while management focuses on the more detailed targets and exercising oversight of the process to manage material impacts, risks and opportunities within all ESG areas. The Executive Management Team's role is mainly to stay informed so that sustainability matters can be integrated into and considered in the overall business, strategy and financial planning. During this year we have established an internal steering committee for our CSRD Readiness project, which is led by the Head of Sustainability and includes both the CFO and the Chief of Staff, Legal and Governance. In such forums, we discuss sustainability-related matters bi-monthly and align what matters must be communicated to the Board, the CEO and the Group Executive Management Team for decision making, approval, adoption and implementation of actions. Hence, the Board and its Audit and Sustainability Committee are informed about Embracer's material impacts, risks and opportunities.

With regards to the integration of sustainability-related performance in incentive schemes, Embracer Group has no incentive schemes targeted towards the Board or senior executives. The group's guidelines for remuneration to Senior Executives as adopted by the shareholders include requirements that sustainability targets are to be included in incentive scheme structures, if such exist.

Decisions on the eventual incorporation of sustainability targets as part of incentive scheme structures lie with the Board of Directors, after proposals from the Remuneration Committee (appointed by the Board). The Remuneration Committee is the responsible body for updating, preparing, and monitoring the global terms of Embracer's compensation programs. For further information on remuneration, please refer to page 105 of the Management Report.

SUSTAINABILITY ORGANIZATION AND GOVERNANCE



RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

The Group performs a Group-wide ERM assessment, which is updated at least bi-annually. In such processes, key risks to our operations are identified and mitigating actions as well as internal control processes are put into place. Identified risks, including sustainability-related risks, are assessed based on events that might impact the achievement of our strategic objectives. For further details on the overall Enterprise Risk Management (ERM) assessment, please refer to page 95.

In our ongoing process, the current sustainability-related risks monitored include the ability to recruit and retain talent, ensuring diversity and a good work environment, including diversity, inclusion and digital well-being in games and entertainment. It also considers aspects related to value chain management and governance. Additionally, sustainability reporting itself is one risk that is assessed alongside financial reporting risks, however dedicated controls for sustainability reporting are yet to be developed and implemented. Up until today, we have prioritized the introduction of various internal control and integration processes related to human resources-related sustainability matters, such as HR-payroll to manage fraud risks in compensation.

With regards to the process for obtaining and analyzing environmental data or other information around sustainability management procedures, we do not have an internal control system in place yet. Data needed for metrics is collected using our digital ESG platform. Through that system we collect data and do internal validation to ensure that the data delivered by the Group's companies is as complete and accurate as possible. Essentially, this means that, Embracer Group currently does not have a formalized risk management and internal control system specifically for the sustainability reporting process. However, we expect that the recent implementation of system support will align our sustainability reporting processes with other procedures applied for Embracer's financial reporting. For instance, the double materiality assessment undertaken as part of the CSRD work creates a basis for our future developed risk mapping and reporting according to the disclosure requirements of ESRS.

GROUP POLICIES

Governing documents and processes developed by the Parent Company ensure that laws, regulations and shared values concerning business ethics are communicated and followed throughout the Group. All Group policies have been developed by management at the Parent Company and subsequently adopted by the Board of Directors of Embracer Group. After the end of the FY 2024/25 the Board adopted our Sustainability Policy, where by the total number of Group policies amount to 18. The implementation phase for new policies in the operative groups consists of dialogues, workshops, guidelines, and instructions to ensure the new policies are implemented in line with the intention. The parent company monitors and evaluates implementation. To secure local implementation and alignment, the Group's policies are available in up to 17 languages. The Parent Company also follows up implementation through the internal control framework and has routines in place to receive confirmation when policies have been implemented. Embracer Group's internal guidelines and instructions provide support and guidance in the integration of the Group policies and processes.

Embracer Group expects everyone in the Group to conduct themselves in a professional manner and act in line with the Group's Code of Conduct. The Code of Conduct is the foundation for the shared company culture and values and has been implemented in 98% of all companies within the Group according to reported data. The Code of Conduct is divided into three sections: conduct in business, conduct towards employees and colleagues, and conduct in society. Embracer Group strives for a culture based on the values trust, long-term and embracing differences.

The Information Policy is available to all employees, and we also have an Insider Q&A, which supplements the Insider Policy. Embracer's Anti-Corruption Policy has been implemented by 98% of our companies and the re-conducted annual Anti-Corruption and Anti-Bribery training was completed by 76% of our employees and contractors. During 2024/25, we have not had any confirmed incidents of corruption. Our Trade Compliance Policy aims to ensure that the Group complies with sanctions against regimes and persons. The policy requires all third parties operating in high-risk countries to be screened, and a trade compliance clause must be included in both agreements and End-User License Agreements (EULA). All operative groups have procedures in place to ensure compliance with the Trade Compliance Policy. 92% of companies reported implementation is completed, including such as licenses for the Dow Jones screening system to ensure access to updated sanctions lists.

Operative groups are required to have an appointed Compliance Officer, who is the main responsible at the operative group level for compliance and monitoring of Group policies.

WHISTLEBLOWING SYSTEM

Employees and external stakeholders, such as suppliers, can anonymously report violations of the Code of Conduct or other policies through a third-party group wide whistleblowing system. In addition to the existing Global Group Reporting channel, we have implemented 14 local reporting channels to ensure that we fulfill our obligations according to the Directive EU 2019/1937 of the European Parliament and of the Council on the protection of persons who report breaches of Union Law and applicable rules on data protection ("the Whistleblowing Directive") as well as any specific local requirements in the EU Member States where we operate. Following relevant national legislation, the system ensures security, anonymity, and legal protection for users. This year, the system did not register any messages that were categorized as whistleblower messages. Nevertheless 18 messages were received - HR-related reports as well as other messages - through the system which have been handled through the appropriate channels. 98% (95%) of companies within Embracer Group have confirmed that all employees have knowledge of the whistleblowing system and how to use it. 71% (75%) of the companies also have a local mechanism in place that provides means to report any unethical behavior safely and anonymously.

18 GROUP POLICIES [1]

> AI Policy	64%	> HR Policy	81%	> Related Party Transaction Policy	88%
> Anti-Corruption Policy	98%	> Information Policy	85%	> Supplier Code of Conduct	83%
> Code of Conduct	98%	> Information Security Policy	87%	> Sustainability Policy [2]	—%
> Corporate Governance Policy	93%	> Insider Policy	88%	> Tax Policy	88%
> Delegation of Authority	91%	> IT Policy	80%	> Trade Compliance Policy	92%
> Enterprise Risk Management and Internal Control Policy	81%	> Privacy Policy	87%	> Treasury Policy	84%

[1] *% represents Implementation rate*
[2] *Under implementation, hence no %*

17 GROUP INSTRUCTIONS AND GUIDELINES

- Accounting Principles and Guidelines
- AI Image Guideline
- Authorization Instruction
- Business Continuity Plan
- Employee Handbook
- Enterprise Risk Management and Internal Control Guideline
- Financial Manual
- Guidelines for Non-Audit Services performed by the External Auditor of Embracer Group
- Insider Q&A
- Instruction for Cash Management and Liquidity
- IP Guidelines
- M&A Guidelines
- Onboarding and Offboarding Guidelines
- Password Guidelines
- Privacy Guidelines
- Smarter Business Framework
- Whistleblowing Guidelines

CONTENT INDEX

EMBRACER GROUP AB
Karlstad

ABOUT THIS REPORT

OUR GENERAL BASIS FOR PREPARATION AND SPECIFIC CIRCUMSTANCES

This present sustainability report has been prepared on a consolidated basis in accordance with the consolidation approach applied for the financial statement. This means that sustainability information that relate to the following subsidiaries THQ Nordic, PLAION, Coffee Stain, Amplifier Game Invest, DECA Games, Dark Horse Media, Freemode and Crystal Dynamics – Eidos has been consolidated into this presented report. By being included in the consolidation of this present report, the aforementioned subsidiaries are thereby exempted individual reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU. Major changes in what continues scope of the consolidation primarily result from the ongoing transformation of Embracer Group, for further details please refer to page 102 of the Board of directors´ Report.

This sustainability report is the statutory sustainability report required by ÅRL 6 chapter §10. The transformative year, the spinoff of Asmodee and the divestments that have been carried out, have impacted the Group's data collection. Companies no longer part of Embracer Group by the end of FY 2024/25 are excluded from the process and this Sustainability report. Businesses accounting for 99% of revenue are included in the Environmental information reports as well as in the Social and Governance information. Furthermore, businesses representing 97% of headcount are part of the Environmental information reports, and 93% are included in the Social and Governance data. This discrepancy is either due to ongoing divestments or the inability to submit complete data owing to other circumstances. For segment-specific questions (game studios specific), not relevant for all companies, the response rate is 95%.

The sustainability report has been developed using the Corporate Sustainability Reporting Directive (CSRD) and underlying European Sustainability Reporting Standards (ESRS) as inspiration. The CSRD entered into force in Sweden in January 2023. However, the Swedish government has delayed its application for the largest companies by one year. As a result, although European regulations require reporting for the financial year 2024, Swedish companies can begin reporting from financial year 2025. Hence Embracer Group, as a first-wave company, has decided to issue a CSRD-inspired report for the first time this year. For further details on the concrete ESRS disclosure requirements that have been implemented into this report, please refer to the table under page 59.

The sustainability report includes material information related to impacts, risks and opportunities within Embracer Group's own operation and our upstream and downstream value chain. We have not omitted any specific information corresponding to intellectual property, know-how or the results of innovation that could be relevant to fully understand the sustainability matters disclosed in this report.

With regards to time horizons, we have adopted the same definitions prescribed by the ESRS. This means that any reference to the short term is equal to one year, medium term is between two and five years, whereas long term is longer than five years.

In the case we have used estimates to fill information or data gaps, we have disclosed relevant information on such methodologies under each respective topic or data point throughout the sustainability report. Hence, all sources of estimations and outcome uncertainty are expressed in relation to the specific disclosure requirements, along with standards and protocols used for calculations. Overall, critical assumptions concern value chain information, especially with regards to the upstream and downstream tiers that occur further away our own operation, for which we lack traceability or insights. In such cases we have leveraged supplier information or relevant sector reports, country reports or other public information to enable informed conclusions to the extent possible. Critical assumptions also concern any potential impact where the concrete consequences cannot be confirmed, as well as future-oriented risks and opportunities. In case of doubt, we have applied a conservative approach and judgment consistently.

With regards to changes in preparation or presentation of sustainability information, we have disclosed changes in metrics and comparative figures from the last report, aligning them with specific disclosure requirements and the applied consolidation approach. These changes primarily result from the ongoing organizational transformation, and such is indicated under each respective disclosure requirement that it concerns.

In some cases, specific disclosures requirements have been incorporation by reference to make this Sustainability report more reader friendly. These references are outlined in table format under Content Index to enable traceability of information.

The Embracer Sustainability report covers data and information aligned with our financial year 2024/25, from April 1, 2024, to March 31, 2025.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 22-63 and that it is prepared in accordance with the Annual Accounts Act. Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Stockholm, June 19, 2025
Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant

CORPORATE GOVERNANCE REPORT

REMNANT II
Arc Games | Gunfire Games

KICKI WALLJE-LUND - CHAIR OF THE BOARD

A LETTER FROM A POSITION OF A RENEWED STRENGHT

The past financial year was a year of continued progress, which laid the foundation for a much leaner and more value-adding Embracer Group. At the beginning of the financial year (April 2024), we announced the intention to initiate the transformation of Embracer Group into three standalone publicly listed companies – and we have had significant momentum since. During the year we spun off Asmodee to be listed as a standalone company on Nasdaq Stockholm. In addition, we divested Easybrain in November 2024. Both are examples of important strategic steps that have reduced our net debt significantly, strengthened our focus on core strategies, and thereby establishing a solid foundation for sustainable and profitable growth.

Our north star as we entered the new financial year was to rebuild trust among all our stakeholders – and I believe we have made meaningful progress to that end. We are now better aligned with shareholder expectations, and we stand in a position of renewed strength.

A NEW ERA FOR GAMING

From 2011 to 2021, consumer spending on video games grew at an unprecedented rate. It beat any historical averages and outpaced global growth benchmarks (such as growing ~3x world real GDP)[1]. Since then, the entire industry has been confronted with slowing, and more normalized, growth rates.

In the wake of the 'golden growth era' for gaming, we have had to adapt to a new reality. Games development costs are still too high across the industry and new IPs struggle to break through; some growth levers have not played out the way we expected – and competition has heightened significantly.

However, despite difficult times the gaming industry is currently experiencing an all-time high in terms of global reach. The number of active gamers reached 3.4bn in 2024[2] – 42 percent of the world's population.

In essence: the gaming industry is in a strong position and players are still highly active. But there is a shift in what players value, and a fundamental shift in what defines a successful game. Today's players are not just looking for polished graphics or blockbuster production values, and there is a new generation of gamers who engage with games in new ways. They want something different: games that feel unique, social, and genuinely fun. In other words – experiences that evolves with them, spark connections, and never stand still.

The entire industry will have to meet these shifting demands. Including the studios within Embracer Group.

GAMING IS SUPERPOWER ENTERTAINMENT

Challenges and shifting demands aside, I would also like to underscore some of the fantastic opportunities that lie ahead. Across the Group, I continue to witness the range of initiatives around AI. Not only does it have the potential to reduce development costs and unleash additional creativity among developers – it is rapidly becoming a transformative force across the entire game lifecycle, from how games are conceived to how they are played, personalized, and evolved. In addition, I believe that handheld devices, mobile, and cloud gaming unlock entirely new ways for both new and existing players to experience immersive, accessible worlds – and completely new and expanded game genres can create engagement beyond what is currently available.

And to that point: gaming is engaging like nothing else. It is superpower entertainment. It has an immense reach, amplified by strong communities, and our own community engagement spans everything from promoting inclusion in games to engaging with local communities. Gaming is, and should be, a place for everyone. The true power of gaming stems from connection and collaboration. Staying close to our communities is not just important to us – it is essential to how our games are shaped, discovered and loved.

At our latest annual general meeting, I spoke about my excitement around our industry. I reflected about the power of gaming and came to a conclusion I would like to reiterate. I have a fundamental belief in the power of gaming. That is not to say that the industry is without challenges. Shifting consumer preferences, challenges related to costs, normalized growth and delays in games development can be challenging and forces everyone in the industry to rethink strategies. It has affected Embracer Group, too. But the core of the offer and games' superpower features still stand. The industry is not just evolving – it is expanding into a global medium for culture, creativity, and connection. From AI to cloud, from indie innovation to social universes, we are only scratching the surface of what games can become. I have a fundamental belief in the power of gaming.

THE IMPORTANCE OF A STRONG, DIVERSIFIED GAMES PORTFOLIO

During the year, it has been fantastic to see how our studios and companies continue to deliver exceptional experiences to millions of gamers and fans. *Kingdom Come: Deliverance II* is a great example of a AAA success that we are very proud of, and I watched from the sidelines as it reached more than one million downloads in the first 24 hours. As of May 2025, three months after its initial release, it had sold more than three million copies. An amazing achievement.

[1] The State of Video Gaming in 2025 | [2] Newzoo

However, major AAA releases are sometimes at risk of overshadowing all the other exciting games in our portfolio. Just to give a few examples, our pipeline of indie- and mid-sized games coming up includes titles such as *Deep Rock Galactic: Rogue Core*, *REANIMAL*, *Fellowship*, *Gothic 1 Remake* – as well as the hit PC game Satisfactory finally coming to consoles.

The strength of Embracer Group in part lies in our ability to consistently deliver world-class gaming experiences across a broad spectrum of genres.

SUPPORTING MANAGEMENT IN EXECUTION OF STRATEGIC INITIATIVES

During 2024/25 the most important focus for the Board has been to continue to ensure that Embracer Group becomes a leaner, considerably stronger, more focused and self-sufficient company. We have continued to work systematically to maximize operational efficiency as part of our ongoing commitment to business discipline.

In addition, the Board has devoted notable time exploring options to unlock additional value and create an optimal structure for the assets within Embracer Group. Spinning off Asmodee was one important step in this process, divesting Easybrain was another.

Going forward, the Board will continue to support the management team in executing the group's strategy to maximize shareholder value.

CREATING EXCEPTIONAL EXPERIENCES THAT DRIVES LASTING VALUE

Ultimately, the long-term value and great player-loved experiences Embracer Group creates for its stakeholders comes down to two things:

1. The entrepreneurial mindset and the creative culture within our studios that our creators and teams spearhead every day. This in turn makes it possible to create superpower entertainment that gamers love.
2. That Embracer Group continues to work hard, every day, to drive shareholder value by improving our profitability, strengthening operational resilience and by continuously evaluating the best organizational structure to optimize our business for the future. That is why Coffee Stain Group is intended to be spun off by the end of 2025, and why Embracer Group at the same time will transform into Fellowship Entertainment, a powerhouse group with game development and publishing at its core.

We have made significant progress over the course of this year, and we have laid the foundation for a leaner and more value-adding Embracer Group. The gaming industry is at an exciting point in time and despite our challenges, I am confident Embracer Group has made real progress in rebuilding its trust and becoming even more well-equipped to bring superpower entertainment to gamers around the world, not least following our structural evolution. Differentiation requires boldness — a willingness to rethink how games are made and how value is delivered. We are focused on lean, adaptive development that allows us to move fast, learn faster, and control costs without compromising ambition.

I am happy to be writing this letter from a position of renewed strength.

Kicki Wallje-Lund
Chair of the Board, Embracer Group

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GAMING IS SUPERPOWER ENTERTAINMENT

KICKI WALLJE-LUND
Chair of the Board, Embracer Group

CORPORATE GOVERNANCE

Embracer Group is a Swedish public limited liability company with registered office in Karlstad, Värmland, whose Series B share is listed on Nasdaq Stockholm. Corporate Governance at Embracer Group is based on Swedish law and good practice in the securities market as well as internal rules and guidelines. Embracer Group also follows the Swedish Corporate Governance Code (the "Code"). This Corporate Governance Report has been prepared as part of Embracer Group's application of the Code.

CORPORATE GOVERNANCE AT EMBRACER GROUP

Embracer Group follows the Code's principle to "follow or explain" with no deviation from the Code .

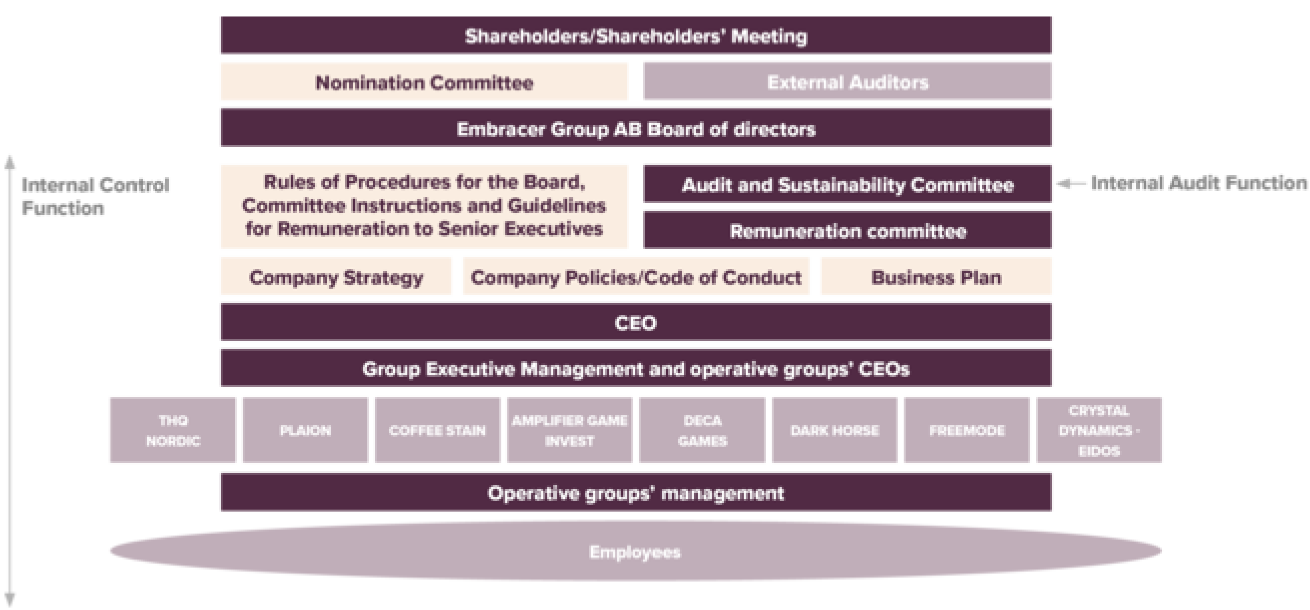
The Corporate Governance Report is examined by Embracer Group's auditor.

Corporate governance is a system of rules, practices and processes by which Embracer Group is operated and controlled. It provides the framework for sound Corporate Governance, responsible business practice and attaining the Company's objectives and creating value in the Group. Well-functioning Corporate Governance principles assure shareholders and other stakeholders that the activities of Embracer Group are characterized by reliability, management and control, openness, clarity and good business ethics. An effective scheme of Corporate Governance for Embracer Group can be summarized in a number of interacting components, which are described below.

The Board of Directors (the "Board") of Embracer Group is is the company's highest administrative body, and its duties are regulated by the Swedish Companies Act, the Articles of Association and the Code. The Board is responsible for the Company's organization and the management of its business worldwide and is obliged to follow directives provided by the shareholders meeting. The Board may appoint committees with specific areas of responsibility and furthermore authorize such committees to decide on specific matters in accordance with instructions established by the Board. Currently, the Board has established two committees within the Board, the Audit and Sustainability Committee and the Remuneration Committee.

The Chair of the Board directs the work of the Board and monitors the Board's fulfillment of its obligations. The Board annually adopts procedures and instructions for the work of the Board, which set out the principles for work of the Board and its established committees. The CEO of Embracer Group is appointed by the Board to handle the Group's day-to-day management and to lead the Group Executive Management Team, which also includes the Group CFO, Deputy CEO and CEO of Crystal Dynamics - Eidos, the Chief of Staff, Legal & Governance, the Chief Strategic Partnerships Officer, and the CEO of Coffee Stain.

GOVERNANCE MODEL



GOVERNANCE FRAMEWORK

Approved by	Type of Governing Document	Comments
General Meeting	Articles of Association	**Policies** are principle-based, binding and are an overall declaration of intent that expresses overall intentions and accepted practice in specific areas / process to guide decisions and achieve desired goals
Board of Directors	Rules of Procedures incl instructions and guidelines Policies/Code of Conduct	Policies can be accompanied by **Guidelines / instructions** which detail the processes etc. that appear in the policies. Recipients of instructions are typically all employees and / or other representatives of the Company, but a specific instruction may also be aimed at a specific specified recipient / recipient group.
CEO/Group Management Team	Guidelines / Instructions	Policies and instructions can be further detailed in **other types of governing documents**, such as routine descriptions, action plans, guidelines, descriptions, manuals and tutorials, which can refer to all employees or be function-based and local.
Operative Groups	Instructions and other types of governing documents	Each Operative Group CEO is responsible to identify and implement guidelines and instructions to meet the Group Policy requirements as deemed necessary. If assistance is needed, support is provided from the parent company

Embracer Group has eight operative group CEOs. The operative group CEOs Forum consist of eight CEOs who each head up one of the operative groups plus the Group CEO, Group CFO, Chief of Staff, Legal & Governance and Chief Strategic Partnerships Officer.

Within Embracer Group's decentralized business model the operative group CEOs are responsible for the day-to-day management of the operative groups, with support from the Group Executive Management Team.. While the business model is decentralized the governance model is implemented from parent company level to ensure a coherent model that aims to implement Embracer Group's values and governance, including financial reporting and internal control.

An integral part of Embracer Group's governance model is the governance framework adopted for policies, guidelines and instructions which is briefly described in the chart above. Currently Embracer Group has 18 Group policies in use:

- AI Policy
- Anti-Corruption Policy
- Code of Conduct
- Corporate Governance Policy
- Delegation of Authority
- Enterprise Risk Management and Internal Control Policy
- HR Policy
- Information Policy
- Information Security Policy
- Insider Policy
- IT Policy
- Privacy Policy
- Related Party Transaction Policy
- Supplier Code of Conduct
- Tax Policy
- Trade Compliance Policy
- Treasury Policy
- Sustainability Policy

In addition, Embracer Group's internal guidelines and instructions provide support and guidance in the integration of our Group policies. At present date Embracer Group has 17 Group guidelines and instructions:

- Accounting Principles and Guidelines
- AI Image Guideline
- Authorization Instruction
- Business Continuity Plan
- Employee Handbook
- Enterprise Risk Management and Internal Control Guideline
- Financial Manual
- Guidelines for Non-Audit Services performed by the External Auditor of Embracer Group
- Insider Q&A
- Instruction for Cash Management and Liquidity
- IP Guideline
- M&A Guidelines
- Onboarding and Offboarding Guidelines
- Password Guidelines
- Privacy Guideline
- Smarter Business Framework
- Whistleblowing Guidelines

General Meeting of shareholders

Pursuant to the Swedish Companies Act (2005:551), the shareholders' meeting is the Embracer Group's highest decision-making body. At a shareholders' meeting, shareholders exercise their voting rights on key issues such as the adoption of income statements and balance sheets, appropriation of Embracer Group's profit, discharge from liability of Board members and the CEO, and election of the Board and external auditors, and amendments to the articles of association. Embracer Group does not apply any special arrangements to the function of the shareholder meeting, either based on the provisions of the articles of association or any shareholders' agreements known to the Company. The annual general meeting ("AGM") is held within six months after the end of the financial year. In addition to the AGM, extraordinary general meetings may be convened when required.

Notice of the AGM, as well as an extraordinary general meeting ("EGM") at which the matter of amendment to the articles of association is to be addressed, shall be issued not earlier than six weeks and not later than four weeks prior to the general meeting. Notices of other EGMs shall be issued not earlier than six weeks and not later than three weeks prior to the EGM. In accordance with Embracer Group's articles of association, notices of AGMs and EGMs are made by an announcement in the Post- och Inrikes Tidningar (the Swedish Official Gazette) and by making the notice available on Embracer Group's website. Simultaneously, an announcement with information that the notice has been issued is to be published in Svenska Dagbladet. Documents related to proposals, proxy voting, postal voting and the minutes recorded at a general meeting are published on the company's website. Resolutions adopted by the general meeting are announced after the meeting in a press release, and the minutes from the meeting are published on the company's website. The AGM 2025 will take place on September 18, 2025.

Right to attend shareholders' meetings

All shareholders who are directly registered in the share register maintained by Euroclear Sweden AB six banking days prior to the shareholders' meeting (record date) and who have notified Embracer Group of their intention to participate (with potential assistants) at the shareholders' meeting no later than the date stated in the notice have the right to attend the shareholders' meeting and vote for the number of shares they hold. In addition to notifying Embracer Group, shareholders whose shares are nominee registered through a bank or other nominee must request that their shares are temporarily registered in their own names in the register of shareholders maintained by Euroclear Sweden AB, in order to be entitled to participate in the general meeting. Shareholders should inform their nominees well in advance of the record date. Voting registrations made by nominees not later than four banking days prior to the general meeting will be taken into account. Shareholders may attend the shareholder meeting in person or by proxy and may also be accompanied by a maximum of two assistants. Shareholders can normally register for the shareholders' meeting in several different ways stated in the notice.

Shareholder initiatives

Any shareholder of Embracer Group who wishes to have a matter dealt with at a general meeting must submit a written request to the Board to that effect. The matter will be dealt with at a general meeting if the request has been received by Embracer Group no later than seven weeks prior to the general meeting, or after such date, if it still is in due time for the matter to be included in the notice of the general meeting.

Authorization to issue shares

The AGM 2024 authorized the Board, on one or more occasions for the period before the next AGM, by applying or disapplying shareholders' preferential rights, to resolve to issue new shares in the Company, although, not more than 10 percent of the total number of shares in Embracer Group on the date of the AGM. As of the date of this annual report the Board has issued 128,895 of B shares under the authorization (considering the reverse share split 1:6). Thus, 22,499,081 B shares may be issued pursuant to the authorization.

Authorization to resolve on repurchase of own shares

The AGM 2024 authorized the Board, on one or more occasions for the period up until the next AGM, to resolve on repurchase of own B shares, up to a maximum number of B shares that the Company's holding of own shares corresponds to no more than one tenth of all shares in the Company. As of the date of this annual report the Board has repurchased zero B shares under the authorization. Thus 22,370,186 B shares may be repurchased pursuant to the authorization.

The share and shareholders

Embracer Group's B shares are traded at the regulated market Nasdaq Stockholm. Information about Embracer shares and major shareholders is provided on pages 87-92 of the annual report 2024/25. Lars Wingefors AB, directly or indirectly, hold shares that represent one tenth or more of the votes for all shares in Embracer Group.

Embracer Group holds 84,962 own B shares as per March 31, 2025.

Nomination Committee

The AGM 2023 adopted principles for appointment of a Nomination Committee, including the tasks of the Nomination Committee . The principles that apply until the Nomination Committee proposes changes, state that, the Nomination Committee, shall be appointed by Embracer Group's five largest shareholders in terms of votes on the last business day of November annually. The Chair of the board shall convene the first meeting of the Nomination Committee and shall also be an adjunct to the Nomination Committee.

The Nomination Committee applies rule 4.1 of the Swedish Code of Corporate Governance as diversity policy, entailing that the Board shall, with regards to the Company's business, phase of development and other relevant circumstances, have an appropriate composition of Board members elected by the general meeting that collectively display diversity and breadth in respect of skills, experience and background, and to strive for an equal gender distribution.

The Nomination Committee's proposal for the Board and Auditor will be presented no later than in connection with the publication of the notice to the AGM.

Board of Directors

The Board is the highest decision-making body after the shareholders' meeting and is ultimately responsible for Embracer Group's organization, administration, long-term development and strategy. In accordance with the Swedish Companies Act (2005:551) this means that the Board is responsible for establishing targets and strategies, ensuring that procedures and systems are in place for the evaluation of set targets, continuously evaluating Embracer Group's financial position and performance, and evaluating the executive management. The Board is also responsible for ensuring that the annual accounts and interim reports are prepared on time. The Board shall further ensure that Embracer Group complies with applicable laws and regulations, the Code, Nasdaq Stockholm's Rulebook for Issuers, Embracer Group's articles of association and internal rules and instructions. The Board is also charged with monitoring financial and sustainability developments, ensuring the quality of financial reporting and the internal control and evaluating the operations based on the established objectives and guidelines adopted by the Board.

From left to right: Lars Wingefors, Yasmina Brihi, Jacob Jonmyren, Cecilia Qvist, Brian Ward, Bernt Ingman and Kicki Wallje-Lund

Composition

The Board members, including the Chair of the Board, are elected annually at the AGM for the period until the end of the next AGM and an EGM can also elect new board members. According to Embracer Group's articles of association, the Board must consist of at least three members and at most ten members with no deputy members. The articles of association of Embracer Group contain no specific clauses governing the appointment or dismissal of Board members or regarding amendment of the articles of association.

The Board represents a mix of both important qualifications and valuable experiences within areas of strategic importance to Embracer Group. The Board also has a variety of geographical and cultural backgrounds, share the same mindset, has a firm commitment and a strong engagement. After the election at the AGM 2024, the composition of the Board's members is 43 percent women and 57 percent men, which exceeds the Swedish Corporate Governance Board's aspiration for each gender to represent a share of at least 40 percent of the Board of Directors. For a presentation of the Board members, see page 78.

Conflicts of interest

The Board members shall inform the Chair of the Board immediately if they find themselves in a conflict of interest situation. A Board member with a conflict of interest in relation to any matter to be dealt with by the Board may not participate in the discussions or decisions regarding such matter.

Board meetings

In accordance with the Rules of Procedure for the Board, the Board is expected to hold at least five meetings per year at venues to be agreed by the Board, in addition to the inaugural meeting. The Board meets the statutory auditor at least once a year without the CEO or any other member of the Group Executive Management Team present. The Group CFO and the Chief of Staff, Legal & Governance, who is the secretary of the Board, also attend Board meetings.

Board work and matters for the Board

The Board is responsible for the organization of Embracer Group and the management of its business. The Board continuously monitors Embracer Group's performance, evaluates Embracer Group's strategic direction and business plan as well as other aspects such as adherence to Embracer Group's Code of Conduct.

Sustainability is an integral part of Embracer Group's strategy and the Board and Audit and Sustainability Committee monitors Embracer Group's efforts in that area.

The Chair of the Board is elected by the AGM and has special responsibility for the management of the Board's work and to ensure that the Board's work is well organized and effectively implemented. The Board follows written Rules of Procedure, which are reviewed annually and adopted at the inaugural Board meeting each year or at another board meeting, if necessary. The Rules of Procedure outline the distribution of the Board's duties including the specific role and duties of the Chair, instructions for the division of duties between the Board and the CEO, and the reporting procedure for financial information to the Board. The Board has also adopted specific instructions for the Board Committees, which are linked to the Rules of Procedure. Certain matters that have not been expressly allocated to the Board are delegated to the Board Committees or the CEO as set out in the procedures and instructions for the work of the Board and CEO.

The Board meets according to an annual schedule that is established in advance. Besides these meetings, additional meetings can be arranged to handle questions that cannot be submitted to an ordinary meeting.

To ensure that the Board has good visibility of the Group's operations, the CEO submits a report on the business, including reporting from the operative group's at all ordinary Board meetings. At the ordinary Board meetings, the CFO also reports on the financials and governance of Embracer Group, including relevant matters relating to treasury, hedging, risk management, insurance, compliance and sustainability, as appropriate. The Chief of Staff, Legal & Governance also reports on certain matters at the ordinary Board meetings, including governance, compliance, legal matters, IT and HR. In addition, the Board discusses specific strategic topics of relevance and the Board Committees report on their work. At each Board meeting the Board is also presented with a number of decision items for consideration and approval as set out in the Rules of Procedure for the Board. The Board is also provided with a monthly financial report including items on operations and financials and receives any additional information depending on the specific matter at hand.

Besides the Board meetings, the Chair of the Board and the CEO continuously discuss the management of Embracer Group.

Evaluation of the work of the Board and the CEO

The Board conducts an annual survey of its work performed during the year. The survey covers areas such as the climate at Board meetings and the allocation of time spent on different topics, the work of the Board committees, the efficiency of the work of the Board, Board leadership and relations with the Group Management Team. Based on the result of the survey the Board will evaluate the performance and identify possible areas of improvement. In addition to the annual survey, the Chair of the Board conducts meetings with each individual Board member during the year.

The purpose of the evaluation is to further develop the Board's efficiency and working procedures and to determine the main focus of the Board's coming work. Areas that were covered also included issues related to strategy, sustainability, potential risks and succession planning. This gives valuable insights into the Board members' opinions about the performance of the Board. In addition, the evaluation serves as a tool for determining the competence required in the Board. The results of the evaluations of the Board as a collective and of the Chair of the Board, were discussed by the Board and shared with the Nomination Committee.

The Board also continuously evaluates the work of the CEO. An evaluation is carried out at least once a year without the CEO attending.

The Board's work in 2024/25

During the financial year 2024/25, the Board held 33 recorded meetings (of which 15 physical/video conference and 18 per capsulam). The large number of meetings mostly relates to the work with transformation of Embracer Group into three standalone publicly listed entities at Nasdaq Stockholm according to the intention which was publicly announced in April 2024, the divestment of Gearbox Entertainment and Easybrain, Asmodee Group AB's listing on Nasdaq Stockholm as a separate company and the continued work to further maximize operational efficiency. The Board members' attendance at Board meetings and Committee meetings is shown in the table below. The secretary of the Board meetings during the financial year was the Chief of Staff, Legal & Governance, Ian Gulam.

The Board's regular work is performed at formal Board meetings, all included in the initial meeting plan.

The Board work is also performed through meetings in the Board Committees. In addition, the Board has met on a frequent basis during the financial year, outside of the regular Board work, and such meetings have covered topics relating to refinancing, major divestments, cost savings plans and allocation of assets as part of our next spin-off.

The vast majority of the content at per capsulam meetings was devoted to acquisition matters (such as issue of shares, issue of promissory notes, allotment of shares), proposed decisions at general meetings and certain matters relating to investment in game development. In addition, the Chair of the Board continuously met with Board members separately between meetings to discuss imminent matters. During 2024/25 the most important focus for the Board has been to continue to ensure that Embracer becomes a leaner, stronger, more focused and self-sufficient company. The larger structured divestment processes, aimed at strengthening the balance sheet and further reduce capex, has also been an important focus during the year as well as to ensure that the Asmodee spin-off was successfully completed.

The Board has devoted notable time to explore options to maximize value and create the optimal structure to unlock value in the assets within Embracer Group, resulting in the proposal to transform Embracer into three standalone publicly listed companies.

At regular Board meetings, reports are presented on the Group's business performance. Embracer Group´s auditor also attended one Board meeting, during which Board members had the opportunity to pose questions to the auditor on audit reports and the efficiency of the internal control in the financial reporting process.

Reports from the operative groups have been presented on a quarterly basis. Such reports include information on performance in relation to budget, games releases, top revenue contributors, collaborations between operative groups and market updates. The Board is also continuously updated and involved in the development of the Group's sustainability framework and initiated projects.

Board Committees

The Board has established two Committees, the Audit and Sustainability Committee and the Remuneration Committee. The major tasks of these committees are of preparatory and advisory nature, but the Board may also delegate decision-making powers on specific issues to the committees. The issues considered at committee meetings shall be recorded in minutes of the meetings and continuously reported to the Board.

The members of each Committee are appointed by the Board annually at the inaugural Board meeting in connection to the AGM. The Chair of the Audit and Sustainability Committee is appointed by the Committee and the Chair of the Remuneration Committee is appointed by the Board at the inaugural Board meeting. The Committees' duties and decision-making authorities are regulated in the annually approved Committee instructions.

Members of the Audit and Sustainability Committee are elected from Board members who are not employees of Embracer Group. At least one of the members must have experience and be competent in accounting or auditing matters.

The Remuneration Committee is appointed by the Board and members of the Remuneration Committee must possess the required knowledge and experience of remuneration matters relating to senior executives.

BOARD OF DIRECTORS, ATTENDANCE & INDEPENDENCE

			Attendance			Independent in relation to:	
Name	Position	Member since	Board meetings[1]	Audit and Sustainability Committee meetings[1]	Renumeration Committee meetings[1]	The Company and management	Major shareholders
Kicki Wallje Lund	Board member (Chair)	2016	15/15	7/7	N/A	Yes	Yes
Lars Wingefors	Member of the Board	2011	15/15	N/A	N/A	No	No
Jacob Jonmyren[2]	Member of the Board	2018	15/15	7/7	1/1	Yes	No
Yasmina Brihi	Member of the Board	2023	14/15	N/A	3/3	Yes	Yes
Bernt Ingman	Member of the Board	2023	14/15	7/7	N/A	Yes	Yes
Cecilia Qvist[2]	Member of the Board	2023	15/15	N/A	N/A	Yes	Yes
Brian Ward[3]	Member of the Board	2024	5/7	N/A	N/A	Yes	Yes
Cecilia Driving[4]	Member of the Board	2022	8/8	N/A	2/2	Yes	Yes
Davd Gardner[4]	Member of the Board	2020	8/8	N/A	2/2	Yes	Yes

[1] *Per capsulam not included. Number of total meetings shows the maximum number of meetings a board member could have attended after appointment.*
[2] *Was appointed as member of the Renumeration Committee on September 19, 2024.*
[3] *Was appointed as Member of the Board on September 19, 2024.*
[4] *Left the Board on September 19, 2024.*

Audit and Sustainability Committee

The Board has assigned an Audit and Sustainability Committee to oversee Corporate Governance in areas such as financial reporting, sustainability and risks and compliance with external and internal regulations. The Audit and Sustainability Committee is responsible for identifying and reporting relevant issues to the Board within the Audit and Sustainability Committee's areas of responsibility.

The Audit and Sustainability Committee's tasks are to monitor the integrity of Embracer Group's financial reporting system, internal controls, Internal Audit, operation procedure and the enterprise risk management framework, recommend to the Board the appointment, removal and remuneration of the statutory auditors (subject to approval at the shareholders' meeting), maintain contact with and evaluate the work, qualifications and independence of the external auditor, and review the effectiveness of the Internal Audit. The Internal Audit function reports directly to the Audit and Sustainability Committee. Each year, the Audit and Sustainability Committee adopts an Internal Audit plan which is based on risks that have been identified by the Board in the review of commercial, governance, reporting, sustainability and compliance risks. The audit plan is prepared by the Internal Audit function and discussed with the external auditors to enhance the efficiency and quality of regular audit work.

Bernt Ingman (Chair of Committee), Kicki Wallje-Lund and Jacob Jonmyren are the current members of the Audit and Sustainability Committee. The Committee complies with the Swedish Companies Act's (2005:551) and the Code's requirements for independence as well as accounting and audit competence.

During 2024/25, Embracer Group's auditor attended five Audit and Sustainability Committee meetings.

Remuneration Committee

The Remuneration Committee prepared remuneration principles for the CEO and the Group Executive Management Team members that were adopted by the AGM 2022. Furthermore, the Committee supports the Board, with the approval of remuneration and benefits of the CEO and, in dialogue with the CEO, assist with or resolve on various other remuneration matters in relation to the Group management.

The Remuneration Committee is also responsible for preparing and monitoring of global terms of strategic variable compensation programs and incentive schemes. The Remuneration Committee also sees to the outcome of these remuneration programs and submits reports and proposals to the Board for resolution. The Remuneration Committee is also responsible for preparing the remuneration report to be presented at the AGM. The Remuneration Committee submits proposals to the Board regarding guidelines for remuneration and other employment terms and conditions for the Group Team Management. Yasmina Brihi (Chair of Committee), Jacob Jonmyren and Cecilia Qvist are the current members of the Remuneration Committee. The Committee complies with the Code's requirements for independence.

Compensation to the Board of Directors

The remuneration to the members of the Board is determined at the AGM. The AGM 2024 resolved that the remuneration to the Board shall be in total SEK 7,625,000, excluding remuneration for committee work, and for each director elected by the meeting and who is not employed by The Group, the remuneration shall be SEK 700,000 and the Chair of the Board is to receive SEK 2,200,000. It was further decided, in light of the additional workload that follows with the intention to transform into three independent listed companies, that an additional fee of SEK 200,000 should be paid to the chair of the board and SEK 150,000 to other board members who are not employed by the company ("Transformation fee").

Furthermore, the AGM 2024 resolved that remuneration for members of the audit and sustainability committee shall be SEK 175,000 and the remuneration to the chair of the audit and sustainability committee shall be SEK 275,000 and that remuneration for members of the remuneration committee shall be SEK 100,000 and remuneration to the Chair of the remuneration committee shall be SEK 150,000.

Remuneration to each Board member during 2024/25 is specified in Note 7.

CEO and management

The CEO is appointed by the Board and has the foremost responsibility for the continuous management of Embracer Group and the day-to-day operations. The division of work between the Board and the CEO is set out in the Rules of Procedure for the Board and in the instructions for the CEO and follows the Swedish Companies Act (2005:551). The CEO is also responsible for the preparation of reports and compiling information to the Board meetings and for presenting such material at the Board meetings.

According to the instruction for financial reporting, the CEO is further responsible for Embracer Group's financial reporting (while the Board remains ultimately responsible) and consequently must ensure that the Board receives adequate information for the Board to be able to evaluate the Group's financial condition. The CEO regularly keeps the Board informed of the developments in Embracer Group's operations, the development of sales, ongoing development projects, the Group's results and financial position, important business events and all other events, circumstances or conditions which can be assumed to be of significance to Embracer Group's shareholders.

The CEO leads the work of the operative group CEOs Forum and the Group Executive Management Team, which is responsible for the overall business development and operations of the Group. The operative group CEOs Forum consist of eight CEOs who each head up one of the operative groups plus the Group CEO, Group CFO & Deputy CEO, Chief of Staff, Legal & Governance and Chief Strategic Partnerships Officer. The Group Executive Management Team consists of the Group CEO, Group CFO, Deputy CEO and CEO of Crystal Dynamics-Eidos, the Chief of Staff, Legal & Governance, Chief Strategic Partnerships Officer and CEO of Coffee Stain.

The operative group CEOs have weekly meetings addressing operational performance and strategic matters. In addition, at the meetings, the operative group CEOs discuss pre-announced topics.

The Group Executive Management Team has weekly meetings addressing finance, strategic transformation, business performance, risk management, internal control, governance, compliance, sustainability and investor relations. In addition, at the meetings, the Group Executive Management Team discusses pre-announced topics.

The CEO, the operative group CEOs and the Group Executive Management Team are presented in more detail from page 80.

The Embracer Group operative group CEOs forum and Group Executive Management are described in the below chart.

Remuneration to the Group Executive Management Team

For information on remuneration to Group Executive Management see note P7. The remuneration report for 2024/25 will be published on the website prior to the annual general meeting.

Notice period and severance payment

Embracer Group and its CEO must observe a notice period of 6 months. The CEO is entitled to termination benefits corresponding to 6 months' salary, provided that Embracer Group terminated the employment contract and the CEO was not dismissed. Embracer Group and its CFO must observe a notice period of 3 months. The CFO is entitled to termination benefits corresponding to 3/10 of monthly salary per year of seniority (5 years of seniority in April 2025). The Chief Strategic Partnerships Officer is entitled to termination benefits corresponding to 6 months' salary plus 50 percent of any payable bonuses, provided that Embracer Group terminated the employment contract and the Chief Strategic Partnerships Officer was not dismissed. The CEO of Coffee Stain is entitled to termination benefits corresponding to 6 months' salary, provided that Embracer Group terminated the employment contract and the CEO of Coffee Stain was not dismissed. The other senior executives have no termination benefits and are entitled to a notice period with remuneration of up to 6-12 months. The executives must observe the same notice period.

External Auditor

At the AGM 2024 Öhrlings PricewaterhouseCoopers AB ("PwC") was re-elected to serve as external auditor until the end of the next AGM. PwC appointed Authorised Public Accountant Magnus Svensson Henryson (born in 1969 and member of FAR) as the auditor in charge. The external auditors discuss the external audit plan, audit findings and risk management with the Audit and Sustainability Committee. The results of their financial year audit and the audit of the annual report of the Parent Company and the consolidated financial statements are presented to the Audit and Sustainability Committee and the Board at meetings after year-end. The auditor also participated in five Audit and Sustainability Committee meetings during which the committee members had the opportunity to pose questions to the auditor without representations of the Management being present. When PwC is asked to provide services other than the external audit, this is done in accordance with laws and regulations as well as internal guidelines adopted by the Audit and Sustainability Committee.

Internal Auditor

The purpose of Internal Audit is to enhance risk management, governance, and internal control. The Group Internal Audit function is established to perform risk-based reviews of corporate governance and internal control procedures within the Group, at the request of the Audit and Sustainability Committee. Internal Audit is an independent and objective assurance and consulting activity that aims to enhance and protect organizational value by providing risk-based and objective advice and insight. The Internal Audit function formally reports to the Audit and Sustainability Committee and the Group Executive Management Team.

Embracer Group ERM process and Internal Control framework

According to the Swedish Companies Act (2005:551), the Board is responsible for ensuring an effective internal control framework, procedures, structure, governance and control within the Group. The Head of Internal Control ensures a common and consistent control environment throughout the Group and reports to the Audit and Sustainability Committee periodically.

Enterprise Risk Management (ERM) is the process of consistent Group-wide risk management enabling continuous risk identification, assessment, mitigation, and monitoring of risk exposure. The range of risks includes, strategic, operational, financial and compliance risks. For more information on the ERM process see page 94.

Embracer Group has established Group-level processes for enterprise risk management and internal control, based on the components defined by COSO (Control environment, Risk assessment, Control activities, Information and communication, and Monitoring). The aim of effective internal control is to achieve an efficient business that reaches its goals, ensuring reliable internal and external financial reporting, and compliance with applicable laws, rules, policies, and steering documents. Embracer Group's implemented internal control framework meets Nasdaq's requirements in terms of Governance and Internal Control for listed companies, including Internal control over financial reporting (ICFR). The internal control framework ensures a common and consistent control environment throughout the Group, stating what internal control measures need to be implemented, including ICFR, which aims to ensure reliable and timely financial information, in compliance with regulatory requirements.

Control Environment

The overall internal governance and control within Embracer Group is based on having a structure of governing documents, processes, and defined roles and responsibilities. The foundation of Embracer Group's control environment is the Code of Conduct, which sets the tone of the Group's policies, guidelines, and values.

Risk Assessment

The ERM risk identification process involves identifying events that threaten the organization's ability to achieve its business goals and objectives. During the fiscal year, a Group-wide ERM risk management process was reviewed and updated to ensure that key risks are identified, assessed, and mitigating actions are in place. The ERM risk management process is performed bi-annually, and the top risk report is approved by representatives of the Group executive management and reported to the Audit and Sustainability Committee. A separate, targeted risk assessment related to Financial Reporting (ICFR) has been performed at Group level to identify key risks for errors and fraud.

Control Activities

Based on the Embracer Group Risk Assessments, internal controls are designed, implemented, and documented to manage key risks in business and financial reporting processes. Control activities are actions established through policies and procedures that help ensure mitigation of unacceptable risks. The controls in the internal control framework consist of a combination of process-level and transaction-related key controls, enterprise-wide controls, and controls that ensure the continuity of the IT infrastructure.

Monitoring

The Head of Internal Control facilitates the monitoring of ERM and internal control. The effectiveness of the internal control activities is monitored by a risk-based annual assessment process, verified through testing done by an independent internal control coordinator in each operative group. The Internal Control process has an annual cycle, which is part of a multi-year risk-based plan with different focus areas and coverage. Any gaps and action items are documented in a remediation tracker.

Information and Communication

Regular and transparent communication between stakeholders in the ERM and internal control process is essential for sound internal governance and control. A Group internal control framework information campaign is communicated annually to stakeholders. The Head of Internal Control keeps regular contact with the operational group internal control coordinators.

Reporting

According to the annual plan, the internal control coordinators in each operative group report to the Head of Internal Control, which in turn reports status and potential gaps to representatives in Group Executive management and to the Audit and Sustainability Committee periodically. Action items are documented in a remediation tracker and any significant gaps are reported and followed up upon.

Embracer Group AB, Karlstad

LEGACY OF KAIN™ SOUL REAVER 1&2 REMASTERED
Aspyr | Crystal Dynamics

BOARD OF DIRECTORS

KICKI WALLJE-LUND Born: 1953

Chair of the Board, elected 2016

Member of the board's Audit and Sustainability Committee.

Education/background: Kicki Wallje-Lund has experience in business development from a variety of international companies, especially in the IT sector, primarily for the banking and finance industry as well as board assignments for listed companies on Nasdaq Stockholm, Large and Small cap. She has held leading global positions in companies like NCR, Digital Equipment, AT & T, Philips, ICL and Unisys.

Current relevant assignments: Kicki Wallje-Lund is a board member of Asmodee Group AB.

Holdings in Embracer Group: As of March 31, 2025, Kicki Wallje-Lund held 17,700 class B shares in Embracer Group AB (publ).

LARS WINGEFORS Born: 1977

Co-founder and CEO of Embracer Group

Board member, elected 2011

Education/background: Lars Wingefors is founder and CEO of Embracer Group. Lars Wingefors started his first video games company at the age of sixteen. He has a broad and long experience in entrepreneurship and business management.

Current relevant assignments: Lars Wingefors is a board member and CEO of Lars Wingefors AB and a board member and chair of the board of Asmodee Group AB.

Holdings in Embracer Group: As of March 31, 2025, Lars Wingefors held 80.26% of the shares and 96.42% of the votes of Lars Wingefors AB which in turn holds 8.710,034 class A shares and 35,039,721 class B shares in Embracer Group AB (publ).

JACOB JONMYREN Born: 1980

Board member, elected 2018

Member of the board's Audit and Sustainability Committee. Member of the board's Renumeration Committee.

Education/background: Jacob Jonmyren holds a M.Sc in Accounting and Financial Management from Stockholm School of Economics and has studied Finance at University of Wisconsin and Media & Communication Studies (Master level) at Stockholm University. Jacob Jonmyren has long experience from the financial markets.

Current relevant assignments: Jacob Jonmyren is CEO and board member at Jacob Jonmyren Kapital AB, chairman of the Board of Lars Wingefors AB and Consilio International AB, and a board member of Tiwaz Advisory Holding AB and Keep Pushing Group.

Holdings in Embracer Group: As of March 31, 2025, Jacob Jonmyren held 15,333 class B shares in Embracer Group privately and additional shares indirectly through Lars Wingefors AB.

YASMINA BRIHI Born: 1975

Board member, elected 2023

Chair of the board's Remuneration Committee

Education/background: Yasmina Brihi holds an MBA from Harvard Business School. Yasmina has held several senior management positions within Google, including Senior Director Marketing and Senior Product Manager. She is well experienced in building and scaling businesses in multiple industries such as devices, music, gaming and e-Commerce. This includes vast experience in leading and growing large organizations, shaping and transforming team culture across geographies.

Current relevant assignments: Yasmina Brihi has no other current assignments.

Holdings in Embracer Group: As of March 31, 2025, Yasmina Brihi held 867 class B shares in Embracer Group AB (publ).

BERNT INGMAN Born: 1954

Board member, elected 2023

Chair of the board's Audit and Sustainability Committee.

Education/Background: Bernt Ingman holds a Bachelor of Economics from Uppsala University. Bernt has broad competence in strategic and operational business development, divestments and restructuring from different industries and service businesses. He has held senior management positions within international companies, both within business-to-business and business-to-consumer companies, such as Alimak, Doro, Gunnebo, Husqvarna and Munters. Bernt has more than 30 years broad experience from board work in listed as well as private companies.

Current relevant assignments: Bernt Ingman is chairman of the board of TagMaster, chairman of the board of Pricer and a board member in Soltech Energy Sweden AB.

Holdings in Embracer Group: As of March 31, 2025 Bernt Ingman held 1,667 class B shares in Embracer Group AB (publ).

CECILIA QVIST Born: 1972

Board member, elected 2023

Member of the board's Remuneration Committee.

Education/Background: Cecilia Qvist holds an MBA from the University of Edinburgh and brings over 20 years of global executive experience from high-growth, technology-driven companies. She has held senior leadership roles at Spotify, LEGO , NASDAQ, with a focus on innovation and digital transformation.Cecilia has led strategic initiatives across multiple continents, with a strong track record in scaling innovation-led businesses, driving international expansion, and navigating complex market transformations. Her experience spans a range of sectors, including consumer technology, digital media, healthcare, and e-commerce.

Current relevant assignments: Chair of Apotea AB. Cecilia served as a board member of Kinnevik until May 12, 2025.

Holdings in Embracer Group: As of 31 March. 2025 Cecilia Qvist held 900 class B shares in Embracer Group AB (publ).

BRIAN WARD Born: 1957

Board member, elected 2024

Education/Background: Brian Ward holds both business and law degrees, and practiced law for several years. He has nearly 30 years of studio and operations video game experience, including senior positions at Electronic Arts, Microsoft (Xbox), and Activision Blizzard. As Senior Vice President, Worldwide Studios at Activision, Brian managed all game development and led more than a dozen studio acquisitions, quadrupling revenue and posting industry-leading margins. He has since led several more successful mergers, acquisitions and company reorganizations

Current relevant assignments: CEO of Savvy Games Group.

Holdings in Embracer Group: Brian Ward has no holding of shares in Embracer Group AB (publ).

AUDITOR

The auditor of Embracer Group is Öhrlings PricewaterhouseCoopers AB, with Magnus Svensson Henryson (born in 1969) as auditor-in-charge since the AGM 2023. Magnus Svensson Henryson is an Authorized Public Accountant and member of FAR

PARENT COMPANY

SENIOR EXECUTIVES

LARS WINGEFORS Born: 1977

Co-founder and CEO of Embracer Group

Board member, elected 2011

Education/background: Lars Wingefors is founder and CEO of Embracer Group. Lars Wingefors started his first video games company at the age of sixteen. He has a broad and long experience in entrepreneurship and business management.

Current relevant assignments: Lars Wingefors is a board member and CEO of Lars Wingefors AB.

Holdings in Embracer Group: As of March 31, 2025, Lars Wingefors held 80.26% of the shares and 96.42% of the votes of Lars Wingefors AB which in turn holds 8,710,034 class A shares and 35,039,721 class B shares in Embracer Group AB (publ).

MÜGE BOUILLON Born: 1979

Group CFO, employed since 2020

Education/background: Müge Bouillon, a Stanford Graduate School of Business alumna, also holds a master's in corporate finance from the ESSEC Business School and a major in finance from Istanbul University. She has over 20 years of experience in finance, including roles as CFO at Asmodee Group, Hana Group, and Paule Ka. Müge has extensive experience in financial management, strategic projects, M&A, and investor relations across various international markets. She has worked with both listed and private equity-backed firms on a global scale and has a strong track record of managing high-growth companies.

Current relevant assignments: Müge Bouillon is a member of the advisory board of WIGI (Women in Games International)

Holdings in Embracer Group: As of March 31, 2025, Müge Bouillon held 9,416 class B shares in Embracer Group AB (publ).

IAN GULAM Born: 1982

Chief of Staff, Legal & Governance, employed since 2021

Education/background: Ian Gulam holds a Master of Laws from Uppsala University. Ian was previously General Counsel of Embracer Group. Ian Gulam has extensive knowledge of corporate and capital markets law as well as governance topics and before joining Embracer Group he worked as a corporate and capital markets lawyer at Baker McKenzie.

Current relevant assignments: Ian Gulam is chair of the Board of TinyHouse AB.

Holdings in Embracer Group: As of March 31, 2025, Ian Gulam held 3,173 class B shares in Embracer Group AB (publ).

CAREEN YAPP Born: 1969

Chief Strategic Partnerships Officer, employed since 2023

Education/background: Careen Yapp has more than twenty years of technology and entertainment experience, including executive business development and licensing positions at Sony Computer Entertainment, Konami Digital Entertainment and others. Before joining Embracer Group, Careen worked at Google Stadia, where she led the strategic direction and pursuit of global content partnerships for Stadia Immersive Stream for Games. Careen holds a BA, English Literature (with Honors), from the University of California, Santa Barbara.

Current relevant assignments: Careen Yapp serves as chair of the Board for Women in Games International and as a board member of the Entertainment Software Association Foundation.

Holdings in Embracer Group: As of March 31, 202, Careen Yapp held 15,442 class B shares in Embracer Group AB (publ).

PHIL ROGERS Born: 1969

Group Deputy CEO, CEO Crystal Dynamics – Eidos and PLAION, employed since 2022

Education/Background: Phil holds a BSc degree in Mathematics (University of Leeds, UK) and has over 25 years' experience in the games industry working across start-ups to multinational organizations. He became CEO of Eidos in 2008 and was CEO across Square Enix's western business from 2009 to 2022.

Current relevant assignments: Phil Rogers has no other current assignments

Holdings in Embracer Group: Phil Rogers has no holding of shares in Embracer Group AB (publ).

ANTON WESTBERGH Born: 1985

Co-founder and CEO, Coffee Stain, employed 2019

Education/background: Anton Westbergh studied computer science at the University of Skövde, and has extensive experience in game and business development.

Current relevant assignments: Anton Westbergh has no other current assignments.

Holdings in Embracer Group: As of March 31, 2025, Anton Westbergh held 430,444 class B shares in Embracer Group AB (publ)

OPERATIVE GROUPS

CHIEF EXECUTIVE OFFICERS

This section includes operative group CEOs as of the date of this Annual Report.

KLEMENS KREUZER Born: 1976

Co-founder Embracer Group (founder of THQ Nordic GmbH)

CEO, THQ Nordic GmbH, employed 2011

Education/background: Klemens Kreuzer has a Masters degree in Business Administration from the Vienna University of Economics and Business. He also has experience from business management.

Current relevant assignments: Klemens Kreuzer has no other current assignments

ANTON WESTBERGH Born: 1985

Co-founder and CEO, Coffee Stain, employed 2019

Education/background: Anton Westbergh studied computer science at the University of Skövde, and has extensive experience in game and business development.

Current relevant assignments: Anton Westbergh has no other current assignments.

PER-ARNE LUNDBERG Born: 1970

CEO Amplifier Game Invest AB, employed since 2018

Education/Background: Per-Arne brings 21 years of games industry expertise, including founding The Game Incubator, where he supported the development of over 80 game companies like Coffee Stain Studios, Stunlock Studios, Landfall Games, and ACE Games. His extensive background spans leadership, business strategy, financing, and go-to-market strategies for startups and scale-ups, cultivated in both Sweden and Silicon Valley (including a Wallenberg Foundation Senior Fellowship at Nordic Innovation House in 2017).

Current relevant assignments: Board member, Forsway Scandinavia

KEN GO Born: 1980

Founder and CEO, DECA Games

Education/Background: Ken has a bachelors degree from The George Washington University. Ken is the CEO and founder of DECA games. He has spent over 19 years in the gaming industry focused on games as a service and free to play games. Ken has previously been the Executive Producer of the game Kingdoms of Camelot and the European General Manager of Kabam.

Current assignments: Ken Go has no other current assignments.

MIKE RICHARDSON Born: 1950

CEO Dark Horse Media

Education/Background: Mike Richardson holds a Bachelor of Arts degree from Portland State University. In 1980, he founded Pegasus Fantasy Books, which later became the Things From Another World retail chain. In 1986 he founded Dark Horse Comics, an award-winning international publishing house for which he has created numerous comics and graphic novels. Richardson is also the founder and President of Dark Horse Entertainment where he has produced many projects for film and television.

Current relevant assignments: Mike Richardson has no other current assignments.

LEE GUINCHARD Born: 1970

CEO, Freemode by Embracer

Education/Background: CEO Lee Guinchard was co-founder & CEO of Aionic Labs Inc an ideation technology incubator located in Silicon Valley, California. He was also Studio Head of Red Octane Design and VP of Hardware at video game publisher Activision Blizzard for 11 years. While at Activision Blizzard, he oversaw production, hardware development, manufacturing, and compliance for multibillion-dollar franchises such as Guitar Hero and Skylanders. Lee was also Founder and CEO of Joytech as well as Founder and Managing Director of LDA Distribution, a leading European game distributor. Both companies were acquired from Take 2 Interactive in 1999.

Current relevant assignments: Lee Guinchard has no other current assignments.

PHIL ROGERS Born: 1969

Group Deputy CEO, CEO Crystal Dynamics – Eidos and PLAION

Education/Background: Phil holds a BSc degree in Mathematics (University of Leeds, UK) and has over 20 years' experience in the games industry working across start-ups to multinational organisations. He became CEO of Eidos in 2008 and was CEO across Square Enix's western business from 2009 to 2022.

Current relevant assignments : Phil Rogers has no other current assignments

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement for financial year 01/04/2024 - 31/03/2025 on pages 64-84 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, June 19, 2025
Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant

AUDITOR

The auditor of Embracer Group is Öhrlings PricewaterhouseCoopers AB, with Magnus Svensson Henryson (born in 1969) as auditor-in-charge since the AGM 2023. Magnus Svensson Henryson is an Authorized Public Accountant and member of FAR.

TOMB RAIDER I–III REMASTERED
Aspyr | Crystal Dynamics

THE SHARE

KILLING FLOOR 3
Tripwire Interactive | Tripwire Interactive

LISTED ON NASDAQ STOCKHOLM

THE SHARE

Embracer Group has a diversified shareholder base with a large holding among the co-founders of the Group's companies as well as a large base of retail shareholders. At the end of the period, top-20 in management held a combined 22% of capital and 42% of votes in Embracer Group. Embracer Group's Class B shares are traded on Nasdaq Stockholm's main market under the short name EMBRAC B.

The share and owners

Share price and turnover

At the beginning of the financial year April 1, 2024, the share price was SEK 80.17 and the closing price of the share at the end of the financial year on March 31, 2025 was SEK 105.82, an increase of 32 percent. The share price varied during the year between a low of SEK 71.06 on August 15, 2024, and a high of SEK 149.75 on February 10, 2025. Embracer Group's market capitalization at the end of the financial year amounted to SEK 23.8 billion. The free float amounted to 75.2% of outstanding shares. The share price data is adjusted for the spin-off of Asmodee and the reverse share split 1:6 (source: Holdings).

Number of shares and share capital

On March 31, 2025, the number of shares in Embracer Group AB (publ) amounted to 9,000,000 A shares and 216,119,707 B shares, a total of 225,119,707 shares. B shares have one vote each and A shares have ten votes each. All shares represent an equal share of the company's assets and earnings.

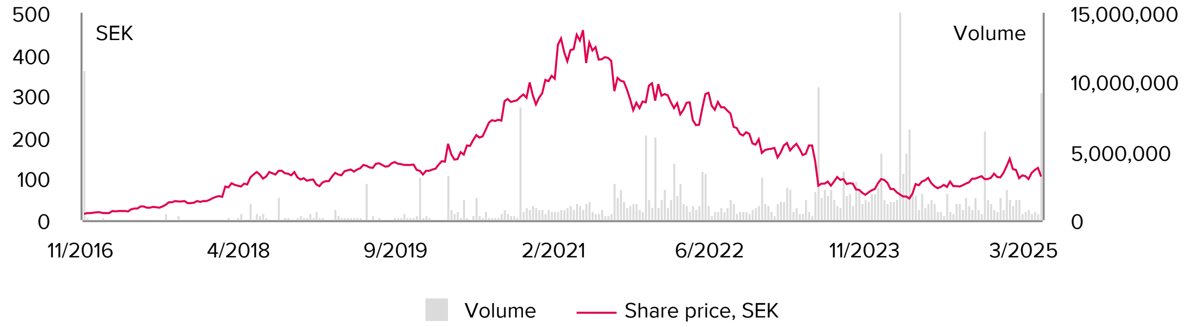
AGM 2025

The AGM 2025 will take place on September 18, 2025.

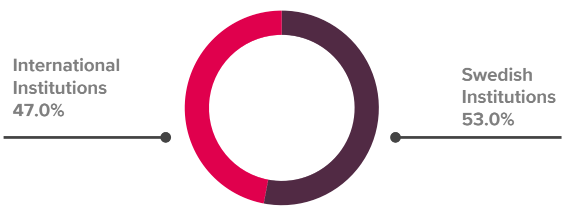
Information about Nasdaq Stockholm main market

Nasdaq Stockholm Main Market ("Nasdaq Stockholm") is a regulated marketplace operated by NASDAQ. Companies quoted on Nasdaq Stockholm are subject to Nasdaq Stockholm Rulebook for Issuers.

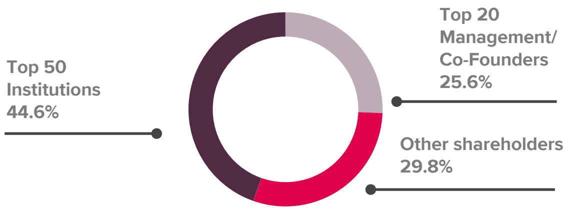
SHARE PRICE DEVELOPMENT AND SHARE TURNOVER



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



INSTITUTIONAL OWNERSHIP VS MANAGEMENT BY CAPITAL, AS OF MARCH 31, 2025



ANALYSTS FOLLOWING EMBRACER GROUP

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

REMNANT II
Arc Games | Gunfire Games

Historical share capital development

Registration date	Event	Class A shares	Class B shares	Total number of shares	Share capital, change	Share capital, total
30/12/1999	Establishment		1,000	1,000	100,000.00	100,000.00
30/09/2016	Bonus issue		499,000	500,000	400,000.00	500,000.00
14/10/2016	Split 120:1	9,000,000	50,500,000	60,000,000	0.00	500,000.00
07/11/2016	New share issue		32,500	60,032,500	270.83	500,270.83
28/11/2016	New share issue		10,000,000	70,032,500	83,333.33	583,604.17
02/12/2016	New share issue		2,000,000	72,032,500	16,666.67	600,270.83
26/09/2017	New share issue		7,203,250	79,235,750	60,027.10	660,297.92
04/06/2018	New share issue		135,135	79,370,885	1,126.13	661,424.04
07/06/2018	New share issue		1,082,601	80,453,486	9,021.68	670,445.72
12/07/2018	New share issue		7,700,000	88,153,486	64,166.68	734,612.38
16/11/2018	New share issue		3,136,903	91,290,389	26,140.86	760,753.24
16/11/2018	New share issue		60,358	91,350,747	502.98	761,256.22
15/02/2019	New share issue		142,870	91,493,617	1,190.58	762,446.81
27/02/2019	New share issue		4,732,661	96,226,278	39,438.85	801,885.66
06/03/2019	New share issue		74,357	96,300,635	619.64	802,505.30
14/03/2019	New share issue		6,267,339	102,567,974	52,227.84	854,733.12
14/08/2019	New share issue		133,048	102,701,022	1,108.74	855,841.86
14/08/2019	New share issue		1,267,323	103,968,345	10,561.02	866,402.88
02/10/2019	Split 3:1	18,000,000	189,936,690	311,905,035	0.00	866,402.88
27/12/2019	New share issue		162,163	312,067,198	450.46	866,853.34
01/04/2020	New share issue	6,399,137	35,386,220	353,852,555	116,070.44	982,923.78
04/08/2020	New share issue		18,500,000	372,352,555	51,388.89	1,034,312.67
13/08/2020	New share issue		2,466,070	374,818,625	6,850.20	1,041,162.87
13/08/2020	New share issue		6,338,901	381,157,526	17,608.06	1,058,770.93
13/08/2020	New share issue		186,225	381,343,751	517.30	1,059,288.23
13/08/2020	New share issue		6,504	381,350,255	18.07	1,059,306.30
13/08/2020	New share issue		26,090	381,376,345	72.48	1,059,378.78
13/08/2020	New share issue		32,596	381,408,941	90.55	1,059,469.33
10/09/2020	New share issue		924,771	382,333,712	2,568.81	1,062,038.14
16/09/2020	New share issue		623,209	382,956,921	1,731.14	1,063,769.28
18/09/2020	New share issue		2,492,837	385,449,758	6,924.55	1,070,693.83
08/10/2020	New share issue		35,689,907	421,139,665	99,138.64	1,169,832.47
18/11/2020	New share issue		8,800	421,148,465	24.45	1,169,856.92
18/11/2020	New share issue		61,280	421,209,745	170.23	1,170,027.15
18/11/2020	New share issue		247,419	421,457,164	687.28	1,170,714.43
18/11/2020	New share issue		84,665	421,541,829	235.19	1,170,949.62
18/11/2020	New share issue		109,707	421,651,536	304.75	1,171,254.37
18/11/2020	New share issue		117,036	421,768,572	325.11	1,171,579.48
19/11/2020	New share issue		352,640	422,121,212	979.56	1,172,559.04
25/11/2020	New share issue		233,416	422,354,628	648.38	1,173,207.42
09/12/2020	New share issue		840,899	423,195,527	2,335.84	1,175,543.26
11/12/2020	New share issue		37,111	423,232,638	103.09	1,175,646.35
01/02/2021	New share issue		567,039	423,799,677	1,575.11	1,177,221.46
25/02/2021	New share issue		1,025,771	424,825,448	2,849.37	1,180,070.83
18/03/2021	New share issue		36,000,000	460,825,448	100,000.02	1,280,070.85
01/04/2021	New share issue		5,365,709	466,191,157	14,904.75	1,294,975.60
01/04/2021	New share issue		1,774,871	467,966,028	4,930.20	1,299,905.80

CONTINUED >>

HISTORICAL SHARE CAPITAL DEVELOPMENT | continued

Registration date	Event	Class A shares	Class B shares	Total number of shares	Share capital, change	Share capital, total
01/04/2021	New share issue		32,518,984	500,485,012	90,330.53	1,390,236.33
02/06/2021	New share issue		2533	500487545	7.04	1390243.37
02/07/2021	New share issue		1,232	500,488,777	3.42	1,390,246.79
15/07/2021	New share issue		415,130	500,903,907	1,153.14	1,391,399.93
22/07/2021	New share issue		247,936	501,151,843	688.72	1,392,088.65
22/07/2021	New share issue		32,694	501,184,537	90.82	1,392,179.47
22/07/2021	New share issue		2,135,652	503,320,189	5,932.37	1,398,111.84
04/08/2021	New share issue		68,112	503,388,301	189.21	1,398,301.05
09/08/2021	New share issue		201,612	503,589,913	560.04	1,398,861.09
02/09/2921	New share issue		521	503,590,434	1.45	1,398,862.54
07/09/2021	New share issue		3,878,316	507,468,750	10,773.11	1,409,635.65
21/09/2021	New share issue		6,165	507,474,915	17.13	1,409,652.78
30/09/2021	Split 2:1	33,399,137	474,075,778	1,014,949,830	0.00	1,409,652.78
05/10/2021	New share issue		42,954	1,014,992,784	59.66	1,409,712.44
27/10/2021	New share issue		282,795	1,015,275,579	392.78	1,410,105.22
30/11/2021	New share issue		1,012	1,015,276,591	1.41	1,410,106.63
03/12/2021	New share issue		14,336	1,015,290,927	19.92	1,410,126.55
17/12/2021	New share issue		69,000,000	1,084,290,927	95,833.36	1,505,959.91
21/12/2021	New share issue		58,190	1,084,349,117	80.82	1,506,040.73
07/02/2022	New share issue		72,796	1,084,421,913	101.11	1,506,141.84
07/02/2022	New share issue		6,570,386	1,090,992,299	9,125.54	1,515,267.38
17/02/2022	New share issue		59,740	1,091,052,039	82.98	1,515,350.36
09/03/2022	New share issue		40,060,091	1,131,112,130	55,639.03	1,570,989.39
10/03/2022	New share issue		316,659	1,131,428,789	439.81	1,571,429.20
18/03/2022	New share issue		33,249	1,131,462,038	46.18	1,571,475.38
05/04/2022	New share issue		2,296,100	1,133,758,138	3,189.03	1,574,664.41
02/06/2022	New share issue		1,207,690	1,134,965,828	1,677.35	1,576,341.76
13/06/2022	New share issue		47,115,105	1,182,080,933	65,437.66	1,641,779.42
04/07/2022	New share issue		1,408,031	1,183,488,964	1,955.60	1,643,735.02
13/07/2022	New share issue		50,763,186	1,234,252,150	70,504.44	1,714,239.46
14/07/2022	New share issue		2,005,733	1,236,257,883	2,785.75	1,717,025.21
19/08/2022	New share issue		2,568,053	1,238,825,936	3,566.75	1,720,591.96
03/09/2022	New share issue		129,445	1,238,955,381	179.79	1,720,771.75
09/09/2022	New share issue		1,467,370	1,240,422,751	2,038.02	1,722,809.77
14/09/2022	New share issue		218,850	1,240,641,601	303.96	1,723,113.73
16/09/2022	New share issue		12,330	1,240,653,931	17.13	1,723,130.86
05/10/2022	New share issue		7,608,447	1,248,262,378	10,567.29	1,733,698.15
12/10/2022	New share issue		259,120	1,248,521,498	359.89	1,734,058.04
18/10/2022	New share issue		10,216,263	1,258,737,761	14,189.26	1,748,247.30
10/11/2022	New share issue		20,197	1,258,757,958	28.06	1,748,275.36
04/01/2023	New share issue		211,160	1,258,969,118	293.28	1,748,568.64
07/02/2023	New share issue		77,568	1,259,046,686	107.74	1,748,676.38
07/02/2023	New share issue		195,481	1,259,242,167	271.51	1,748,947.89
07/07/2023	New share issue		80,000,000	1,339,242,167	111,111.14	1,860,059.03
18/08/2023	New share issue		194,112	1,339,436,279	269.61	1,860,328.64
18/09/2023	New share issue		12,330	1,339,448,609	17.13	1,860,345.77
07/11/2023	New share issue		14,580	1,339,463,189	20.26	1,860,366.03
12/02/2024	New share issue		77,568	1,339,540,757	107.74	1,860,473.77
02/04/2024	Conversion of A shares to B shares	-12,798,274	12,798,274	1,339,540,757	0.00	1,860,473.77
12/06/2024	New share issue		2,083,267	1,341,624,024	2,893.43	1,863,367.20
12/06/2024	New share issue		8,320,839	1,349,944,863	11,556.73	1,874,923.93
07/10/2024	New share issue		14,580	1,349,959,443	20.26	1,874,944.19
30/10/2024	New share issue		758,794	1,350,718,237	1,053.89	1,875,998.08
08/01/2025	Reverse share split 1:6	-45,000,000	-1,080,598,530	225,119,707	0.00	1,875,998.08
	Total shares	**9,000,000**	**216,119,707**	**225,119,707**		

THE SHAREHOLDERS

TOP 20 OWNERS AS OF MARCH 31, 2025

Name	Class A shares	Class B shares	Share of capital, %	Share of votes, %
Lars Wingefors AB	8,710,034	35,039,721	19.43 %	39.90 %
Savvy Gaming Group		16,647,337	7.39 %	5.44 %
DNB Asset Management AS		8,845,830	3.93 %	2.89 %
Alecta Tjänstepension		7,850,000	3.49 %	2.56 %
Matthew Karch		7,429,703	3.49 %	2.56 %
Andrey Iones		6,586,275	2.93 %	2.15 %
PAI Partners		6,507,428	2.89 %	2.13 %
Canada Pension Plan Investment Board (CPP)		6,346,046	2.82 %	2.07 %
SEB Funds		5,823,172	2.59 %	1.90 %
Vanguard		5,757,489	2.56 %	1.88 %
Carnegie Fonder (Didner & Gerge Fonder)		5,424,962	2.41 %	1.77 %
Handelsbanken Fonder		5,391,614	2.39 %	1.76 %
Swedbank Robur Fonder		5,288,005	2.35 %	1.73 %
Norges Bank Investment Management		3,484,727	1.55 %	1.14 %
Avanza Pension		3,432,684	1.52 %	1.12 %
Första AP-fonden		3,333,332	1.48 %	1.09 %
BlackRock		3,236,211	1.44 %	1.06 %
Folksam		2,883,794	1.28 %	0.94 %
Randy Pitchford		2,622,662	1.17 %	0.86 %
DNB Asset Management SA		2,528,992	1.12 %	0.83 %
TOP 20	**8,710,034**	**144,459,984**	**68.04 %**	**75.64 %**
OTHERS	**289,966**	**71,659,723**	**31.96 %**	**24.36 %**
TOTAL	**9,000,000**	**216,119,707**	**100.00 %**	**100.00 %**

TOP 10 MANAGEMENT & CO-FOUNDER OWNERS AS OF MARCH 31, 2025

Owner [1]	Co-Founder	Class A shares	Class B shares	Share of capital, %	Share of votes, %
Lars Wingefors AB	Embracer Group	8,710,034	35,039,721	19.43 %	39.90 %
Ken Go	DECA Games		1,475,989	0.66%	0.48%
Founders/Management	4A		815,357	0.36%	0.27%
Management	CrazyLabs		733,786	0.33%	0.24%
Founders	Ghostship Games		654,694	0.29%	0.21%
Founders/Management	Aspyr		591,624	0.26%	0.19%
Anton Westbergh	Coffee Stain		430,444	0.19%	0.14%
Richard Stitselaar and Kimara Rouwit	Vertigo Games		386,475	0.17%	0.13%
Klemens Kundratitz	PLAION		375,976	0.17%	0.12%
Dennis Gustafsson	Tuxedo Labs		234,671	0.10%	0.08%
TOP 10		**8,710,034**	**40,738,737**	**21.97 %**	**41.76 %**
ALL OTHER SHAREHOLDERS		**289,966**	**175,380,970**	**78.03 %**	**58.24 %**
TOTAL		**9,000,000**	**216,119,707**	**100.00 %**	**100.00 %**

[1] Holdings by management above are in general owned trough various wholly owned companies. Holdings include clawback shares that are issued but subject to restrictions and in some cases these shares are not part of the transferred consideration in the PPA but is classified as renumeration for future services according to IFRS2.

REANIMAL
THQ Nordic | Tarsier Studios

ENTERPRISE RISK MANAGEMENT

DEAD ISLAND 2
Deep Silver / PLAION | Dambuster Studios

EMPOWERING THE GROUP IN A DYNAMIC WORLD

Embracer Group aims to transform into two public listed entities with predictable long-term growth in net sales, earnings, and cash flow. The strategy involves taking risks as part of enabling business growth and achieving higher risk-adjusted returns, than dividends to shareholders. This approach supports maintaining a diversified organization with multinational presence all within a common framework of governance and accountability.

The Group-wide Enterprise Risk Management process is embedded in daily operations and evolves with the Group's dynamic ecosystem in gaming and entertainment. It focuses on early risk identification, impact assessment, mitigation, and transparent monitoring, with updates at least bi-annually.

RISK ASSESSMENT AND RISK HEAT MAP

Key risks with significant potential consequences are analyzed for magnitude of impact and likelihood of occurrence. These insights shape a risk heat map, guiding resource allocation and governance priorities. The map is continuously updated to ensure a proactive, resilient risk management approach.

The heat map helps Embracer Group strengthen governance and risk mitigation by highlighting key improvement areas. We continuously adapt to new insights to maintain a proactive, resilient risk framework.

Risk Owners → **Group Executive Management Team** → **Audit and Sustainability Committee** → **Board of Directors**

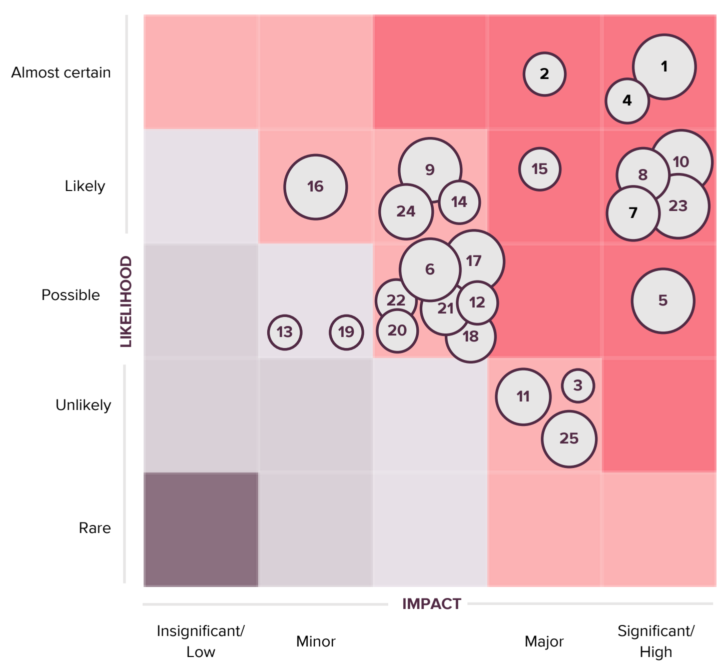
Risk owners are contributing with a risk description, risk mitigations of current status and potential action plan.

The **Group Executive Management team** challenges and approves the top risk reports and evaluates the residual risks given current mitigations.

Audit and Sustainability Committee being a part of the Board of directors assist overseeing the risk management.

The **Board of Directors** has a risk and control oversight role related to risk management.

RISK UNIVERSE & RISKS EXCEEDING RISK APPETITE



1 Game development (PC/Console) – Product quality of releases
2 Game development (PC/Console) – Delays in game projects
3 Technology
4 Customer expectations
5 M&A
6 IP-rights
7 IT and information security
8 Key personnel
9 Talent - retention, work environment and diversity
10 External communication
11 Games and entertainment - diversity, inclusion and digital well-being
12 Decentralized operating model
13 Distribution channels
14 Value chain - environmental, social and governance
15 Regulatory
16 Geopolitical conditions
17 Financial and Sustainability reporting
18 Currency
19 Credit
20 Funding
21 Tax
22 Goodwill
23 Privacy
24 AI Governance
25 Non implementation of AI

RISK AND MITIGATION OVERVIEW

The following overview includes some of Embracer Groups' identified risks. Read more about Significant risks and uncertainties page 108 and Sustainability related risks page 34.

#	Risk area	Description of risk	Likelihood	Impact	Mitigation
1.	**Game development (PC/Console) – product quality of releases**	Embracer Group faces risks related to developing new games and existing games. The company's growth relies on its ability to consistently create new games, enhance existing ones to improve the gaming experience, and secure new development projects. There is a risk that game releases do not meet expected quality.	5	5	> Embracer Group employs a "quality comes first" philosophy, prioritizing product quality and readiness to extend resources if needed, assuming that higher quality leads to better returns. > A diversified games portfolio mitigates individual title risk and broadens market presence across various genres and audiences. > An enhanced greenlight approval process for capital allocation, evaluating individual business cases. > All studios are required to have a formalized Development Process, including Quality Assurance, initiation controls, approvals, milestones, and project follow-up. An enhanced model with common milestones is in progress.
2.	**Game development (PC/Console) – delays to game projects**	Embracer Group may face adverse effects from launch delays and the discontinuation of major game titles. Delays can lead to potential revenue loss and harm the company's reputation. Additionally, delays might force Embracer Group to launch games at suboptimal times.	5	4	> Embracer Group employs a "quality comes first" philosophy, prioritizing product quality and readiness to extend resources if needed, assuming that higher quality leads to better returns. > A diversified games portfolio mitigates individual title risk and broadens market presence across various genres and audiences. > An enhanced greenlight approval process for capital allocation, evaluating individual business cases. > All studios are required to have a formalized Development Process, including Quality Assurance, initiation controls, approvals, milestones, and project follow-up. An enhanced model with common milestones is in progress.
3.	**Technology**	Technical shifts and dependency on available technology could render Embracer Group games obsolete. New technology, hardware, software, and game consoles may require significant investments to update or modify existing and future games. As some titles take years to develop, new hardware and software may be released during development, necessitating modifications that increase costs and delay launches.	2	4	> Embracer Group maintains close communication with key market players through its business developers, publishers, and game development studios to understand current and future trends. > The enhanced decentralized operational model allows for rapid response to changes.
4.	**Customer expectations**	Embracer Group may be adversely affected by changes in the games market and preferences among game reviewers and gaming customers. New game titles or updates may not be well-received due to quality expectation gaps, changing consumer preferences, or technological modifications. This can hinder the success of future upgrades or sequels if the game loses credibility among gamers. Additionally, current and changing market conditions impact on the ability to attract gamers, with fierce competition for their time and spending, especially in tougher economic conditions.	5	5	> Embracer Group employs a "quality comes first" philosophy, prioritizing product quality and readiness to extend resources if needed, assuming that higher quality leads to better returns. > A diversified games portfolio mitigates individual title risk and broadens market presence across various genres and audiences. > An enhanced greenlight approval process for capital allocation, evaluating individual business cases. > All studios are required to have a formalized Development Process, including Quality Assurance, initiation controls, approvals, milestones, and project follow-up. An enhanced model with common milestones is in progress.
5.	**M&A**	Embracer Group's M&A strategy involves risks in both acquisitions and divestments. On the buy-side, success depends on identifying suitable targets, conducting due diligence, negotiating favorable terms, securing funding, and integrating operations. There is a risk of failing to detect issues in target companies and uncertainties in assumptions and forecasts. On the sell-side, divestments are complex and time-consuming, potentially impacting day-to-day business and relationships with departing personnel. Successful divestments require maximizing asset value, negotiating favorable terms, and managing financial risks.	3	5	Embracer Group has established processes for M&A and onboarding/offboarding, including: > Approval processes aligned with Delegation of Authority and Request for Investment, covering key financial and deal terms. > Commercial, legal, financial, tax, and sustainability due diligence prior to acquisition. > Regulatory analysis for merger control and foreign investment regulations. > Implementation of Embracer Group's policies and processes. > Onboarding milestones post-acquisition and offboarding checklists for divestments. Processes are regularly updated to provide the necessary support. M&A agreements are drafted with legal advice, and business insurance is considered. Acquisitions often include earnouts to incentivize sellers in management roles, reducing risks.

#	Risk area	Description of risk	Likelihood	Impact	Mitigation
6.	**IP-rights**	Intellectual property rights (IPR) are vital to Embracer Group's assets and value, making the company reliant on protecting its IPR. Effective protection of games, franchises, and their revenue depends on adequate IPR protection. Insufficient protection or third-party infringement could negatively impact Embracer Group's financial position and earnings.	3	3	> Embracer's decentralized operating model assigns each operative group the responsibility for protecting Embracer Group's IPR through trademark, patent, copyright, and trade secret laws, as well as contractual restrictions. > The Parent Company supports key IPR projects and strategies, including centralizing the prosecution and administration of valuable trademark portfolios for a more strategic, cost-effective, and long-term approach to IPR protection.
7.	**IT & Information security**	Embracer Group faces IT and information security risks such as phishing, financial fraud, and ransomware attacks. The decentralized model makes the group harder to target, with impacts likely contained within individual subsidiaries. While this model has its benefits, it also encounters challenges, including the need for a cohesive IT and cybersecurity strategy, standardized procedures, and knowledge-sharing within the Group.	4	5	> The group has assessed incident response capability, established baseline requirements, and developed an Incident Response Plan for HQ and subsidiaries. > An endpoint protection solution from a global leader is implemented at HQ, with a group-wide opt-in model. > The Group's internal control framework ensures continuous updates and implementation of IT and information security controls. > A new cyber security awareness platform has been implemented and increased employee vigilance and enhanced reporting capabilities.
8.	**Key personnel**	Embracer Group relies on retaining key entrepreneurs, studio leaders, and Group senior executives. Replacing them could negatively impact operations. There's a risk of declining motivation or departures after earn-out payments, and insufficient incentives may lead to loss of motivation and exits.	4	5	> Management identifies essential key competencies to meet long-term goals. > Retention, attraction, and development of individuals are supported by a well-defined recruitment process, succession and incentive planning, competitive remuneration, and development opportunities. > Key personnel dependency is reduced through knowledge sharing and established processes.
10.	**External communication**	Embracer Group operates in industries that are subject to adverse public attention and debate, which can harm the brand's perception and impact the ability to attract investors, shareholders, retain gamers and employees. A specific crisis or untimely disclosure could affect market volatility and a loss of investor confidence. Negative perceptions may also arise from miscommunication at the Group, operative group, or company/studio level. Effective crisis management and consistent, clear messaging are crucial for maintaining stakeholder trust.	4	5	> Embracer Group has implemented several measures to mitigate risks associated with unclear communication. These include media monitoring tools for real-time alerts, processes for handling potential leaks and media inquiries, updated financial reporting procedures, a crisis communication strategy, and comprehensive training and policies for employees. > An external reporting software ensures a solid one source of truth of the financial reporting procedures.
12.	**Decentralized operating model**	Embracer Group has expanded globally into creative and entrepreneurial businesses using a decentralized model. This approach allows the operative groups, each with its own distinct heritage, branding, and strategy, to run independently, which has been key to building operations in nearly 30 countries. Following restructuring, spin-offs, and divestments, the Group is now leaner and more focused, facilitating effective steering. However, the decentralized model can lead to inconsistencies in steering, governance, compliance, and risk management across different operative groups.	3	3	> Embracer Group is executing its strategy with enhanced organizational oversight. By adopting new management forums and processes, they have improved oversight and increased focus on implementing actions for underperforming entities. > The number of operative groups/entities has been reduced following spin-offs and divestments, resulting in a leaner, more focused group with homogenous activities. > Embracer has an established governance structure with uniform policies across the group, enhancing the effective steering of the organization.
15.	**Regulatory**	Embracer Group operates in multiple countries, requiring continuous regulatory compliance amid a rapidly evolving landscape. Violations or claims against Embracer Group, its suppliers, or partners could result in significant fines, audits, negative publicity, and loss of trust among players, investors, and stakeholders.	4	4	> Embracer Group ensures compliance through a governance structure with extensive policies, guidelines, and instructions. Annual trainings cover the Code of Conduct, Data Privacy, and Anti-Corruption and Anti-Bribery. Operative groups and subsidiaries implement local governing documents and training as needed. > All companies must adhere to the Code of Conduct and other Group policies. Deviations are addressed appropriately. Channels for reporting unethical behavior, including anonymous reporting through the Whistleblowing system, are available and communicated to all personnel. Reported incidents are investigated and acted upon as necessary. > Embracer Group deploys Group resources and experts to support governance, regulatory, and litigious matters across subsidiaries. Operative groups complete quarterly questionnaires on known or possible litigation, claims, and assessments.

#	Risk area	Description of risk	Likelihood	Impact	Mitigation
16.	**Geopolitical conditions**	Embracer Group operates globally and is affected by geopolitical changes in its markets. Events such as diplomatic crises, wars, regional and/or cross-border crises, trade wars, natural disasters, epidemics, pandemics, or strikes can impact operations. The ongoing war in Ukraine has caused disruptions, but operations there are now functioning well.	**4**	**2**	> Embracer Group's diverse markets reduce exposure to regional risks. High-risk companies mitigate regulatory impact through the Trade Compliance Policy and Supplier Code of Conduct, including Dow Jones Screening. > Ceasing operations in Russia and Belarus has further decreased risk exposure. > An internal review shows limited overall impact from the trade wars, though some companies are significantly affected. The situation is monitored monthly with ongoing follow-ups.
23.	**Privacy**	Embracer Group processes Personal Data of players, employees, suppliers, and contractors, requiring compliance with global Personal Data laws. Non-compliance can lead to significant fines and damage to Embracer Group's reputation among investors and the public.	**4**	**5**	> Embracer Group ensures compliance through a Group Internal Privacy Policy, establishing a Personal Data processing baseline for all subsidiaries. > A third-party privacy audit has assessed selected operative groups. A Group-wide privacy forum and a tool is in place to increase awareness and manage privacy practices. > Standardized privacy contract templates and an Intercompany Data Sharing Agreement have been implemented.
24.	**AI Governance**	Embracer Group companies using AI must comply with comprehensive laws and requirements, including documentation, risk assessments, and continuous monitoring. Improperly trained or misused AI can produce unethical, biased, or incorrect results. AI-generated material is not patentable or copyrightable, posing potential copyright or intellectual property issues. Non-compliance with AI laws can result in significant fines and damage to Embracer Group's reputation.	**4**	**3**	> A Group-wide AI forum is in place to raise awareness of AI potential and requirements. > The Group AI Policy outlines the requirements for AI use, and the EU AI Act requirements have been mapped to group activities. > An AI mapping project has identified governance maturity and AI use in operative groups, resulting in an action list for follow-up. Additionally, AI risk assessments for a selection of AI tools have been conducted.
25.	**Non-implementation of AI**	AI can significantly enhance game development by optimizing resources, adding intelligent behaviors, and personalizing gameplay experiences. It can create more engaging and immersive experiences for each player. Additionally, AI can improve logistics, HR planning, decision-making, talent acquisition, and employee retention. Without coordinated AI use, Embracer Group risks losing competitiveness.	**2**	**4**	> A Group-wide AI forum is in place to raise awareness of AI potential and requirements. > An AI mapping project has identified high but siloed AI use within the group, aiming to improve coordination and spread awareness.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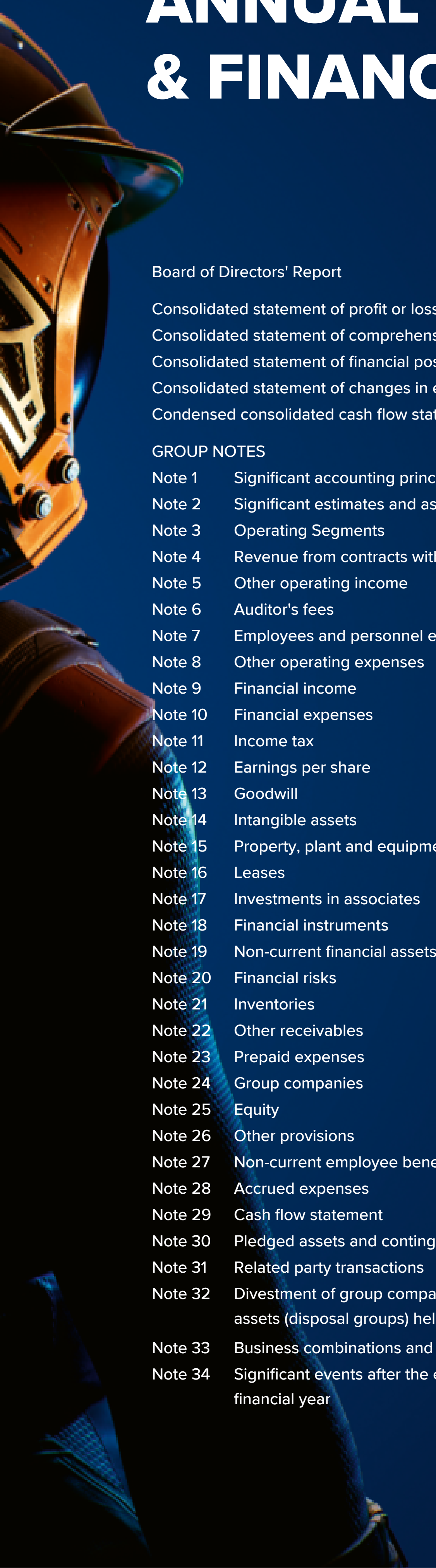
ANNUAL REPORT
& FINANCIAL STATEMENTS



The English version of the Annual Report is a translation of the original Swedish version. In case of any discrepancy between the versions, the Swedish version shall take precedence

BOARD OF DIRECTORS' REPORT

The Board and CEO of Embracer Group AB (publ), reg no. 556582-6558, hereby submit the Annual Report for financial year 2024/25. Embracer Group conducts operations as a limited liability company (publ) and is based in Karlstad, Sweden. The financial statements are presented in SEK, Swedish kronor, which is the functional currency of the Parent Company.

OPERATIONS – GENERAL INFORMATION

Embracer Group is a global group of creative and entrepreneurial businesses in gaming and entertainment. Its more than 7,000 developers and other employees deliver value and entertainment to gamers and customers around the globe based on one of the industry's largest and most exciting portfolios of intellectual property. Embracer Group has a decentralized operating model with 8 operative groups – each with their own distinctive heritage, branding, business strategy, and other characteristics, but sharing the same long-term and high ambitions and a common entrepreneurial culture. Together they form a unique and rapidly growing ecosystem, and they have strong market positions in PC/Console games, mobile games, and VR games as well as partner publishing and niche positions in film and comic book publishing.

Embracer Group comprises of an ecosystem of studios, publishers, and other gaming and entertainment companies. Embracer Group retains a strong position in all important parts of the gaming and entertainment market value chain; IP-ownership, development, publishing and distribution.

Embracer Group employs a decentralized operating model. We consider it key to empowering talented developers and entrepreneurs across the Group. The model empowers operative group CEOs, founders, and studio heads to run business operations, while acting in line with Embracer Group's strategic values and frameworks for risk management, reporting, financial control, Code of Conduct, governance and compliance. The Group seeks to realize synergies where possible and deemed appropriate, for instance through IP or talent sharing between operative groups.

Over the past several years, the Group has invested significantly in creating one of the industry's largest and most exciting game development pipelines. Embracer has around 5,000 developers creating games, many based on the Group's deep and growing catalog of IPs. These efforts have created significant value that can also be capitalized through partnership and licensing deals in order to improve predictability and lower business risk. The Group also strives to leverage its unique and diversified IP portfolio through a transmedia strategy that enables adaptation of IPs for new entertainment media formats.

NET SALES & EARNINGS

The Group's net sales for 2024/25 amounted to SEK 22,370 million (27,409). Work performed by the Company for its own use and capitalized amounted to SEK 2,733 million (5,165) during the financial year.

Expenses related to Goods for resale amounted to SEK -6,719 million (-7,479). Other external expenses amounted to SEK -5,541 million (-7,389) and include costs for Sales and Marketing. Personnel expenses amounted to SEK -8,362 million (-12,096). Other operating expenses amounted to SEK -108 million (-6,815),

EBITDA amounted to SEK 12,769 million (-629). The increase in EBITDA, mainly relates to net results from sales of subsidiaries.

Depreciation, amortization and impairments amounted to a total of SEK –9,234 million (–13,771), of which amortization of intangible assets amounted to SEK –4,908 million (–6,484), impairment of goodwill amounted to SEK -3,727 million (-4,345) and write-down of intangible assets amounting to SEK -841 million (-3,271).

The Group's EBIT increased to SEK 3,535 million (-14,400) mainly due to items affecting comparability, which include, net result from sales of subsidiaries. The Group's financial net amounted to -888 million (710). The decrease in the financial net is mainly due to changes in the value of contingent consolidations and FX-effects.

The Group's profit before tax amounted to SEK 2,648 million (-13,690) and tax for the year amounted to SEK -105 million (351). The Group's profit before tax mainly contains non-taxable income in the form of fair value assessments, for example, contingent considerations and net result from sales of subsidiaries, which results in a low cost of the current tax in relation to profit before tax.

The period´s profit/loss amounted to SEK 5,963 million (-18,178). Earnings per share before dilution amounted to SEK 28.88 (-91.68) and after dilution SEK 12.31 (-67.28).

FINANCIAL POSITION

Non-current assets

Non-current assets amounted to SEK 30,215 million (73,008).

Goodwill amounted to SEK 12,373 million (31,210). The decrease is due to impairment of goodwill and divestment of subsidiaries.

The value of intangible assets amounted to SEK 14,312 million (37,036) and the decrease mainly relates to write-down of projects and divestment of subsidiaries. Development projects in progress which is equivalent to the value of capitalized expenditure on ongoing development of new games and other entertainment products amounted to SEK 6,075 million (6,245) at the end of the financial year. The total number of game development projects at the end of the financial year amounted to 108 (141) projects. The value of acquired and completed development projects amounted to SEK 2,472 million (3,492) and amortization related to game development for the year amounted to SEK -2,642 million (-3,070). The value of IP rights amounted to SEK 5,632 million (27,073) and the amortization of IP rights amounted to SEK -1,723 million (-2,836).

Current assets

Current assets amounted to SEK 11,919 million (15,777).

The value of inventories, which mainly consist of physical videogames, tabletop games, merchandise products and films, amounted to SEK 707 million (3,218). Trade receivable amounted to SEK 2,200 million (4,960). Other receivables amounted to SEK 1,351 million (3,788). At the end of the financial year, cash and cash equivalents, short-term investments and unutilized credit facilities amounted to SEK 13,053 million (5,256).

DEVELOPMENT OF THE OPERATIONS, EARNINGS AND POSITION – GROUP

SEKm	2024/25	2023/24	2022/23	2021/22	2020/21
Net sales	22,370	27,409	24,533	17,067	9,000
EBIT	3,535	-14,400	-634	-1,126	2,058
EBIT margin, %	16	-53	-3	-7	23
Adjusted EBIT	3,344	4,984	4,356	4,465	2,858
Adjusted EBIT margin, %	15	18	18	26	32
Total assets	42,134	95,696	116,071	92,420	34,682
Equity/assets ratio, %	74	55	56	46	58
Average number of employees	6,803	9,083	9,371	6,532	3,174

Definitions, see page 175.

OPERATING SEGMENT

For accounting and monitoring, the Group has divided its operations into four operating segments based on how the chief operating decision maker reviews the operations for allocation of resources and assessment of performance. Embracer's CEO is identified as the Group's chief operating decision maker (CODM). The division of operating segments is based on differences in the goods and services that Embracer offers.

- PC/Console Games - This part of the business conducts development and publishing of premium games for PC and console.
- Mobile Games - This part of the business conducts development and publishing of mobile games.
- Entertainment & Services - This part of the business is engaged in development, publishing and distribution of comic books, conducts wholesale of publishing titles of games for console and PC as well as films, conducts publishing and external distribution of films and TV-series and produce and distribute.

	Net sales		Net sales	Adjusted EBIT		EBIT	
SEK m	2024/25	2023/24	Growth	2024/25	2023/24	2024/25	2023/24
PC/Console Games	10,450	14,410	-27%	1,892	2,441	-3,855	-7,887
Mobile Games	5,359	5,916	-9%	1,383	1,921	9,101	1,029
Entertainment & Services	6,561	7,082	-7%	324	853	-1,096	-413
Total	**22,370**	**27,409**		**3,600**	**5,215**	**4,149**	**-7,272**

Assets held for sale

Assets held for sale amounted to SEK 0 million (6,911) and is related to assets in subgroups Gearbox Entertainment and the remaining assets from the divestment of Saber Interactive.

Equity

The Group's equity amounted to SEK 31,196 million (52,482) as per March 31, 2025 and the equity/assets ratio increased to 74 percent (55) mainly affected by the distribution of the shares n Asmodee Group.

Non-current liabilities

The Group's non-current liabilities amounted to SEK 4,578 million (22,336). Non-current debt to credit institutions amounted to SEK 1,119 million (10,795). Contingent considerations amounted to SEK 822 million (1,980). Non-current deferred tax liabilities amounted to SEK 1,226 million (5,885).

Current liabilities

The Group's current liabilities amounted to SEK 6,360 million (18,708). Current debt to credit institutions amounted to SEK 545 million (8,946). Accounts payable amounted to SEK 1,207 million (2,197).

Liabilities attributable to assets held for sale

Liabilities attributable to assets held for sale amounted to SEK 0 million (2,170) and is related to liabilities in subgroups Gearbox Entertainment and the remaining liabilities from the divestment of Saber Interactive.

CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 3,926 million (5,816). Cash flow from operating activities for the year amounted to SEK 3,492 million (5,694), of which cash flow from changes in working capital amounted to SEK -434 million (–122).

Cash flow from investing activities amounted to SEK 14,016 million (-9,645). The cash flow effect of completed investments is mainly due to investments in intangible assets of SEK -3,615 million (-6,844) where SEK –3,268 million (–6,319) was invested in the game development portfolio. Cash flow from acquisitions/divestment of subsidiaries amounted to SEK 17,795 million (-2,223), which mainly relates to the divestments of Easybrain, Gearbox and Saber.

Free cash flow after changes in working capital amounted to SEK 1,351 million (–819).

Cash flow from financing activities amounted to SEK -12,648 million (2,741). The change is primarily driven by loans raised, which amounted to SEK 7,272 million (2,047) and reduced utilization of credit facilities, which amounted to SEK -24,763 million (-2,450). Payments received from and given to discontinued operations (Asmodee) amounted to SEK -4,708 million (1,623) and a dividend from Asmodee that amounted to MSEK 9,885 million (0).

CORPORATE GOVERNANCE REPORT

In accordance with the Swedish Annual Accounts Act Ch. 6, §6 and §8 Embracer Group has prepared a statutory Corporate Governance Report separately from the Board of Directors' Report. A separate Corporate Governance Report can be found on pages 64-84 of this Annual Report.

SUSTAINABILITY REPORT

In accordance with the Swedish Annual Accounts Act Ch. 6, §10 and §11, Embracer Group has prepared a statutory sustainability report separately from the Board of Directors' Report. The sustainability report is available on pages 22-63.

PARENT COMPANY

The Parent Company prepares its financial statements in accordance with RFR 2 Accounting for legal entities. The Parent Company acquires and conducts operations through its subsidiaries and underlying companies.

The parent company's net sales for the financial year amounted to SEK 87 million (85) and profit after financial items was SEK-3,148 million (-7,000). Profit after tax was SEK -3,001 million (-6,829).

Cash and current investments as of March 31, 2025 were SEK 5,648 million (486). Available funds amounted to SEK 10,338 million as of March 31, 2025. During the financial year, the subsidiary Asmodee Group AB was distributed as a dividend to the shareholders of Embracer Group AB. The dividend had an impact on the parent company's equity of SEK - 24,308 million.

SIGNIFICANT EVENTS IN THE FINANCIAL YEAR

> On the 22nd of April, Embracer announced a transformative step for value creation through the intention of a separation of the Group into three market-leading games and entertainment companies: Asmodee Group, “Coffee Stain & Friends” and “Middle-earth Enterprises & Friends” (only illustrative names). The three entities will be separate, publicly listed companies, enabling each entity to better focus on their respective core strategies and offer more differentiated and distinct equity stories for existing and new shareholders. This will enable the entities to unlock value in the high-quality assets of Embracer Group following the successful completion of the restructuring program. On the same occasion Stéphane Carville and Anton Westbergh were appointed to the executive management of Embracer Group. Further, Embracer announced on the same date and as part of its decision to transform the group into three separate publicly listed entities, through Asmodee it entered into a financing agreement with JP Morgan, BNP Paribas, SEB, Societe Generale and Swedbank. The financing amounted to EUR 900 million (approximately SEK 10.5 billion) with a maturity up to 18 months and on similar terms as the previous loan. The financing agreement creates a strong foundation for building an optimal capital structure for the three entities.

> As part of the spin-off preparation for Asmodee, Embracer Group agreed with the management of Asmodee to replace the existing put/call-option with a direct minority shareholding in Asmodee (Asmodee Group AB). The original put/call-option entitled the option holders to, given fulfillment of certain financial and operational targets, exchange their indirect ownership in Asmodee to a direct ownership in Embracer Group through a maximal amount of 41 million B shares in Embracer Group. Due to the new agreement the book value of the put/call-option of SEK 0.9 billion (representing 41 million Embracer Group B shares) was converted to equity. The non-controlling interests in Asmodee had a book value of SEK 1.3 billion at the time of the new agreement. This conversion maintains and enforces long-term incentives and alignment with Embracer for the management of Asmodee while facilitating the spin-off project.
The refinancing of Asmodee previously described was completed through a SEK 10.5 billion debt-push from Embracer Group AB whereby approx. SEK 10 billion was paid in dividend to Embracer Group AB, used to repay existing debt and SEK 0.5 billion was paid to the minority owners in Asmodee. At the end of the quarter, non-controlling interests in Asmodee had a book value of SEK 0.8 billion.

> On the 10th of May, Embracer, through its wholly-owned subsidiary Middle-earth-Enterprises confirmed that Warner Bros. Pictures and New Line Cinema, alongside the Oscar-winning team behind the nearly USD 6 billion blockbuster The Lord of the Rings and The Hobbit trilogies Peter Jackson, Fran Walsh and Philippa Boyens are reuniting to produce two new films from Tolkien's Middle-earth. The first film is set for theatrical release in 2026.

> On the 14th of May, Embracer, through the wholly-owned subsidiary Crystal Dynamics, announced and entered into a partnership with Amazon MGM Studios to develop additional stories for the acclaimed Tomb Raider franchise in both streaming and film.

> On the 23rd of May, Embracer announced that Johan Ekström has decided to step down from his role as CFO and deputy CEO. Müge Bouillon, currently deputy CFO, is appointed CFO effective as of September 1, 2024. Johan Ekström will remain within Embracer until March 31, 2025. Following the CFO transition on September 1, Johan will focus on the separation of Embracer into three separate companies. Further, Embracer announced, effective as of June 1, Phil Rogers, CEO of Crystal Dynamics – Eidos and leader of newly formed “Middle-earth Enterprises & Friends”, assumes the role as Deputy CEO of Embracer in addition to his current role. Both Müge Bouillon and Phil Rogers will be members of the Executive Management Team.

> On the 11th of June, the sale of Gearbox Entertainment to Take-Two Interactive Software, Inc. was closed.

> On the 20th of June, Embracer announced a repayment of SEK 3.2 billion (USD 300 million) of its revolving credit facility with maturity date in May 2025. The repayment was

made by the net proceeds already received from the recent sale of Take-Two Interactive Software, Inc. common stock, received as purchase price for the sale of Gearbox Entertainment.

- On July 11, Embracer announced it had secured a new EUR 600 million revolving credit facility with a two-year tenor, with an option to extend it for an additional year. The new facility replaces Embracer´s remaining revolving credit facility, which matures in May 2025.
- On July 19, Embracer entered into an agreement with the Swedish Export Credit Corporation for a bilateral loan of SEK 500 million (approximately EUR 43 million). The loan has a two year tenor, with an option to extend for an additional year. The terms for the loan are comparable to the revolving credit facility secured in July 2024.
- On September 2, Embracer announced the appointment of Thomas Kœgler as the new Chief Executive Officer of Asmodee Group. A Board of Directors for Asmodee Group AB, the Swedish parent company and the future listed entity, was also appointed and formed. The Board comprises Lars Wingefors (Chair of the Board), Kicki Wallje-Lund (Deputy Chair), Stéphane Carville, Marc Nunes, Jacob Jonmyren, and Linda Höljö. Further, Thomas Koegler was included as a member of Embracer's Executive Management Team, replacing Stéphane Carville.
- On September 13, Embracer announced the receipt of USD 168.4 million (approximately SEK 1.72 billion) for an early payment for the sale of Saber assets. In addition to the early repayment Embracer will be paid an additional USD 28.1 million later in 2024 and 2025. The settlement concluded the financial aspects of the transaction, with the total payment reflecting both the early settlement of the promissory notes and the cancellation of the option for the buyer to acquire 4A Games and Zen Studios.
- At the Annual General Meeting on September 19:
  - Yasmina Brihi, Bernt Ingman, Jacob Jonmyren, Cecilia Qvist, Kicki Wallje-Lund and Lars Wingefors were re-elected as directors of the board. Kicki Wallje-Lund was re-elected as the chair of the board. Brian Ward was elected as new director. Cecilia Driving and David Gardner were not re-elected as directors.
  - PwC was re-elected as Embracer's auditor. PwC has announced that the authorized auditor Magnus Svensson Henryson will remain as the main responsible auditor.
- On 14 November Embracer announced it entered into an agreement to divest the operative group Easybrain to Miniclip, for a consideration of USD 1.2 billion (approximately SEK 12.9 billion) on a cash and debt free basis. The transaction was completed on 23 January 2025.
- On 19 November Embracer announced, and as part of the announced divestment of Easybrain, that Embracer intended to contribute EUR 400 million to Asmodee through an equity investment upon the closing of the divestment of Easybrain. The proceeds was injected on 24 January 2025, Embracer also announced Asmodee's financial targets, which are aimed at driving profitable growth and maximizing shareholder value, Asmodee's dividend policy and net financial debt position as of 30 September 2024, including Asmodee's intention to refinance its EUR 900 million bank bridge through a debt capital markets transaction. This refinancing was concluded in December 2025.
- On 19 November Asmodee successfully held its Capital Market Day in Stockholm. The event's webcast on demand and presentations are available at the Embracer website.
- On 26 November Embracer announced a proposed and then later at 29 of November a successful pricing of EUR 940 million of senior secured notes by Asmodee.
- On 13 December Embracer published information brochure regarding the proposed distribution of Embracer's shares in Asmodee Group AB
- On January 7 Embracer held an extra general meeting where the following decisions were taken:
  - Embracer issued five B shares (equalization shares) with a subscription price of SEK 1 per share to make the total share number divisible by six for the reverse share split.
  - Articles of association to set the minimum number of shares at 220,000,000 and the maximum at 880,000,000.
  - Reverse share split, consolidating six shares into one. Total shares decreased from 1,350,718,237 to 225,119,707 (9,000,000 A shares, 216,119,707 B shares).
  - The distribution of all shares in Asmodee held by Embracer, where one Embracer share entitled the holder to one Asmodee share of the same class.
- On January 9 Embracer announced the record date, 16 January 2025, for the reverse share split in Embracer.
- On January 23, Embracer announced the closing of the Easybrain divestment.
- On January 27 Embracer announced the trading of Asmodee B shares on Nasdaq Stockholm to commence on February 7 2025.
- On January 29 Embracer announced a trading update for Q3, as it had experienced a stronger-than-expected performance during this period, based on preliminary figures.
- On 3 February Embracer announced that the members of the Nomination Committee for Embracer have been appointed in accordance with the principles for appointment of the Nomination Committee. The following members were appointed:
  - Per Fredriksson, appointed by Lars Wingefors AB, is the Chair of the committee
  - Ola Åhman, appointed by Savvy Gaming Group
  - Henrik Olsson, appointed by Canada Pension Plan Investment Board
  - Magnus Tell, appointed by Alecta
  - Anna Henricsson, appointed by Handelsbanken Fonder
- On February 7, the class B shares in Asmodee Group AB (publ) begun trading on Nasdaq Stockholm under ticker symbol ASMDEE.

IMPORTANT CONSIDERATIONS

Embracer Group's revenue streams from the sale of PC/ Console and mobile games have relatively short sales cycles, with a large proportion of the revenue for each game being generated on and soon after the launch. The Company's revenue from these revenue streams may therefor vary from year to year, depending on the number of game launches and how they develop.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

The AGM 2022 resolved to adopt Guidelines for Renumeration to Senior Executives of Embracer Group for the period up until the AGM held in 2026. The complete

Guidelines are available below and on Embracer Group's website, www.embracer.com/. Any changes to the guidelines will be presented in the notice for the AGM 2025.

General

The guidelines shall apply to remuneration that may be agreed upon or to changes in already agreed remunerations after the guidelines have been adopted by the annual general meeting. The guidelines do not apply to any remunerations that has specifically been resolved by the general meeting or any remuneration in the form of shares, warrants, convertibles or other share-related instruments such as synthetic options or employ stock options, which require specific approval by the general meeting.

These guidelines apply to the CEO, deputy CEO and the CFO, and Chief of Staff, Legal & Governance, and others who might become part of the group management, as well as to any remuneration to members of the board other than approved director fees. Reference to senior executives shall therefore be considered to include such remuneration to directors. Regarding employment conditions that are governed by rules other than Swedish, appropriate adjustments may be made in order to comply with such mandatory rules or established local practice, whereby the general objectives of these guidelines shall, to the extent possible, be met.

The guidelines contribution to the Company's business strategy, long term interest and sustainability

The guidelines shall contribute to establish conditions for the Company to recruit and maintain qualified senior executives in order to successfully implement the Company's business strategy and achieve the Company's longterm interests, including sustainability. The guidelines shall also stimulate an increased interest in the business and the result as a whole as well as increase the motivation of the senior executives and increase belonging within the Company. The guidelines' purpose is further to create alignment between the Company's shareholders and the senior executives. The guidelines shall also contribute to a good ethics and culture within the Company.

In order to achieve the Company's business strategy, total annual remuneration must be market-based and competitive in the employment market where the senior executive is located, as well as take into account the individual's qualifications and experience; furthermore, exceptional performance should be reflected in the total remuneration. For more information regarding the Company's business strategy, see page 12.

Variable cash remuneration covered by these guidelines is intended to promote the Company's business strategy and long-term interests, including sustainability.

The forms of remuneration etc.

The remuneration to the senior executives in the Company shall comprise of fixed cash salary, possible variable cash salary, other customary benefits and pension payments. The total cash remuneration, including pension benefits, shall, on a yearly basis, be in line with market practice and competitive on the labor market where the senior executive is based and take into account the individual responsibilities, competences, qualifications and experiences of the senior executive as well as reflecting any notable achievements. Fixed and variable cash salary shall be related to the senior executives' responsibility and authority. The fixed cash salary shall be revised on a yearly basis.

The senior executives may receive variable cash remuneration in addition to fixed cash salaries. The variable remuneration shall be based on the outcome of actual predetermined targets based on the Company's business strategy and the long-term business plan approved by the board of directors. The targets may include share based or financial targets, on group level, operational goals and goals for sustainability and social responsibility, employee engagement. These targets are to be established and documented annually. The Company has established financial targets and KPIs in relation to strategic and business critical initiatives and projects which ensures alignment with the business plan and business strategy for a continued sustainable business. The variable cash remuneration shall also be designed to encourage the right behavior and contribute to the achievement of increased community of interests between the executive and the Company's shareholders in order to contribute to the Company's long-term interests.

Cash based variable remuneration shall be earned and paid out pro rata based on the number of working months and days since first employment date assuming the employee starts with the Company no later than September 30. If the employee starts with the Company after September 30, any entitlement to cash based variable remuneration will commence from the following fiscal year. Any variable cash remuneration shall not exceed a maximum of 50 percent of the fixed annual cash salary. However, the variable cash remuneration may correspond to up to 100 percent of the fixed annual cash salary of a senior executive if justified by extraordinary arrangements in the individual case.

The conditions of any variable cash remuneration should be designed so that the board of directors may reduce or withhold payment of variable remuneration in the event of exceptional economic circumstances, or if the board of directors finds the payments unreasonable and incompatible with the Company's responsibility to its shareholders or stakeholders. With respect to yearly cash bonuses, it should be possible to reduce or withhold payments, if the board of directors deems it reasonable because of any other reasons. The Company shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds.

Additional variable cash compensation may be payable in exceptional circumstances, provided that such arrangements are limited in time and made only on an individual basis. The purpose of such arrangements must be to recruit or retain executives, or as compensation for extraordinary work in addition to the person's ordinary duties. Such compensation shall not exceed an amount corresponding to 25 percent of the fixed annual cash salary and shall not be paid more than once per year and per individual. A decision on such remuneration shall be made by the board of, directors upon proposal from the remuneration committee.

Pension benefits for the CEO and other senior executives must reflect normal market conditions, compared to what generally applies to corresponding senior executives in other companies and shall normally be based on defined contribution pension plans. Right to pension occurs normally at 65 years of age.

Employees have the right to salary exchange (i.e., instead of salary choose to receive salary as pension payments. Salary exchange shall be cost neutral for the employer). Variable cash remuneration does not qualify for any pension entitlements/contributions, unless local law provides otherwise. The pension premiums for defined contribution pensions shall amount to a maximum of 30 percent of the fixed annual cash salary.

The Company may provide other benefits to senior executives in accordance with local practice. Such other benefits may include company healthcare and education. Such benefits must be considered reasonable in relation to the practice in the market where the respective senior executives operate and may in total amount to a maximum of 5 percent of the fixed annual cash salary.

For executives who are stationed in a country other than their home country, additional remuneration and other benefits may be paid to a reasonable extent, taking into account the particular circumstances associated with such expatriation, whereby the overall purpose of these guidelines is to be met as far as possible. Such benefits may not exceed 15 percent of the fixed annual cash salary.

If a director performs services on behalf of the Company, which do not constitute board work additional consultancy fees or other additional remuneration may be paid to directors upon decision by the board of directors following recommendation by the remuneration committee. Any such remuneration shall be designed in accordance with these guidelines.

When the measurable period for fulfillment of the criteria for payment of variable cash compensation has ended, the extent to which the criteria have been met shall be determined. The board of directors, after following recommendation by the remuneration committee, is responsible for the assessment of variable cash remuneration to the CEO and the CEO is responsible for the assessment of variable cash remuneration to other senior executives. With respect to financial targets the evaluation shall be based on the Company's latest publicly available financial information.

Notice of termination and severance pay

Fixed salary during the notice period and any severance pay shall in total not exceed an amount corresponding to a maximum of two years' fixed salary. A sanctioned notice period for a senior executive may not exceed twelve months, during which time salary payment will continue. In the event of termination by the executive, the notice period may not exceed six months, without the right to severance pay.

Remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies.

No senior executives are entitled to any additional benefits during the notice period and the Company has no allocated or capitalized amounts for pensions or similar benefits in the event that a senior executive leaves his or her position.

Deviations from the guidelines

The board of directors shall be entitled to deviate from the guidelines with regards to such as the recruitment of senior executives on the global labor market to be able to offer competitive terms and conditions, in an individual case if there are special reasons for it and a deviation is necessary to ensure the Company's long-term interests and sustainability or to ensure the Company's economic viability. Such deviation shall also be approved by the remuneration committee. An arrangement deviating from the guidelines can be renewed but each arrangement shall be limited in time and shall not exceed a period of 24 months or an amount that is twice the remuneration that the individual would have received had no additional arrangement been made.

Preparation, decision processes etc.

Decisions regarding salary and other remuneration to the CEO and other senior executives are prepared by the remuneration committee and resolved by the board of directors or, where applicable, the CEO.

The remuneration committee shall also prepare the board of directors' decisions on issues concerning principles for remuneration. The remuneration committee shall also monitor and evaluate programs for variable remuneration, both ongoing and those that have ended during the year, for the senior executives and monitor and evaluate the application of these guidelines for remuneration to senior executives, as well as current remuneration structures and levels in the Company. The board of directors shall prepare proposals for new guidelines at least every four years and submit the proposal for resolution at the annual general meeting. The guidelines shall remain in force until new guidelines have been adopted by the general meeting.

The Company believes remuneration is one of several key components in attracting and retaining the right employees. The Company shall offer a total rewards package that is:

- Fair and equitable. No employee should be discriminated in relation to gender, ethnicity, age, disability or any other factor unrelated to performance or experience. Rewards should be understood in relation to the level of responsibility and impact on the business that a certain role has.
- In line with market. The Company strives to remunerate in accordance with market. Base and variable pay, as well as benefits and pensions should be in line with what each local market offers for similar positions.
- Performance based. The Company recognizes people who are committed to sustainable long-term performance that drives the business and develops the company in line with our values and principles. High performance is the main differentiator for employee's rewards packages.

In preparing the board of directors' proposal for these guidelines, salary and terms of employment for the Company's employees have been taken into account, with respect to information on the employees' total remuneration, the components of the remuneration and the rate of increase and increase over time, when the remuneration committees and the boards of directors have decided on the evaluation of the reasonableness of these guidelines and the limitations that follows from the guidelines.

The board of directors considers that the guidelines on remuneration to senior executives are proportionate in relation to salary levels, remuneration levels and conditions for other employees in the group.

Compliance with the guidelines must be checked annually through, among other things, the collection of documented annual targets for short-term variable remuneration.

SIGNIFICANT RISKS AND UNCERTAINTIES

Game development (PC/Console) – product quality of releases

Embracer Group may be adversely affected by risks related to developing new games and existing games. The company's growth relies on its ability to consistently create new games, enhance existing ones to improve the gaming experience, and secure new development projects. There is a risk that game releases do not meet expected quality.

Game development (PC/Console) – delays to game projects

Embracer Group may face adverse effects from launch delays and the discontinuation of major game titles. Delays can lead to potential revenue loss and harm the company's reputation. Additionally, delays might force Embracer Group to launch games at suboptimal times.

Financial & Sustainability reporting

Embracer Group relies on accurate financial and sustainability reporting to fairly represent its operations. Management and the Board must make complex estimates that affect financial outcomes and forward-looking guidance. Due to the decentralized structure, there's a risk of inaccuracies in local reporting, which could impact investor trust, share price, and capital costs.

Upcoming ESG regulations (e.g., CSRD) require enhanced readiness across the group. Limited ESG-reporting competence and regulatory uncertainty (e.g., EU Omnibus package) pose challenges. As Embracer is directly subject to several ESG rules, non-compliance or lack of transparency could erode stakeholder confidence.

Currency

Embracer Group is exposed to currency risk due to operations in multiple countries. While revenues are mainly in EUR and USD, the reporting currency is SEK. Although some costs are also in EUR and USD, long-term exchange rate fluctuations may negatively impact the Group's financial position, cash flow, and earnings.

Credit

Risks related to counterparty obligations, credit losses, the risk that a customer or partner cannot fulfill payment obligation towards Embracer Group resulting in credit losses.

Funding

Embracer Group finances game development through cash flow from sales revenue and relies on external financing for acquisitions and some game development. To finance acquisitions, Embracer Group has issued shares and taken loans. The ability to secure additional financing and refinance existing loans depends on financial market conditions, creditworthiness, and the ability to increase debt. Higher interest rates or lower creditworthiness could force Embracer Group to accept less favorable financing terms, page 94.

Tax

Embracer Group's global operations expose the Group for risks linked to compliance with a number of tax systems and the interpretation and application of different tax systems may vary between jurisdictions. This places demands on Embracer Group's ability to be aware of the changes which takes place locally in many different countries.

Goodwill

Embracer Group faces risks related to goodwill impairment. Goodwill values from acquisitions are based on management estimates and discounted cash flow models. Changes in assumptions or market conditions can significantly affect these valuations and impact the Group's financial position.

Privacy

Embracer Group processes Personal Data of players, employees, suppliers, and contractors, requiring compliance with global Personal Data laws. Non-compliance can lead to significant fines and damage to the Group's reputation among investors and the public.

Internal Control and Enterprise Risk Management

In accordance with the Swedish Annual Accounts Act Ch. 7§31, information about the main items of the internal control and enterprise risk management are included in the Corporate Governance Report on on pages 64-84.

OWNERSHIP AND AUTHORIZATION

On March 31, 2025, the number of shares in Embracer Group AB (publ) amounted to 9,000,000 A shares and 216,119,707 B shares, a total of 225,119,707 shares. B shares have one vote each and A shares each have ten votes. All shares represent an equal share of the company´s assets and earnings. Shares in Embracer Group AB (publ) have been listed on Nasdaq Stockholm since December 22, 2022. On March 31, 2025, the closing price was SEK 105.8 per share. The 2024 AGM authorized the board to, during the period until the next AGM, on one or more occasions, with or without deviating from the shareholders' preemptive rights, decide on the issue of new B shares in the company, to a number corresponding to a maximum of 10 percent of the total number of shares in the company at the time of the annual general meeting. Upon publication of this annual report, the board has issued 128,895 B shares through this authorization (considering the reverse share split 1:6). Thus, an additional 22,370,186 B shares can be issued during the authorization.

Furthermore, the 2024 annual general meeting authorized the board to, during the period until the next annual general meeting, decide on one or more occasions to acquire a maximum of so many of its own B shares that at any time after acquisition the company holds a total of no more than 10 percent of all shares in the company. At the time of publication of this annual report, the company hold 84 962 own shares (all received through reclaiming shares issued for earnout commitments).

Finally, the annual general meeting in 2024 authorized the board to, during the period until the next annual general meeting, on one or more occasions decide on the transfer of own shares up to the number of shares held by the company at any given time.

SHARES AND SHARE CAPITAL

CLASSES OF SHARES

SEK m	Class A shares	Class B shares	Total
Number of shares	9,000,000	216,119,707	**225,119,707**
Number of votes	90,000,000	216,119,707	**306,119,707**

OWNERS WITH MORE THAN 10 PERCENT OF THE VOTES

March 31, 2025	Class A shares	Class B shares	Capital, %	Votes, %
Lars Wingefors through company [1]	8,710,034	35,039,721	19.43	39.90

[1] *Lars Wingefors AB, controlled to 100 percent by CEO Lars Wingefors, Erik Stenberg, Klemens Kreuzer, Mikael Brodén, Reinhard Pollice and Jacob Jonmyren.*

Movements during the year in the number of shares are described in note 12.

On January 7, Embracer held an extraordinary general meeting where a resolution was made to conduct a 1:6 share reverse split whereby six existing A shares and six existing B shares would each be merged into one new share. The first day of trading in Embracer's shares after the reverse split was January 15, 2025. This means that the share price from January 15, 2025 will reflect the effect of the reverse split. After the reverse split, the number of shares amounted to 225,119,707, divided into 9,000,000 A shares and 216,119,707 B shares (before the reverse split, a total of 1,350,718,242 shares). The quota value of each share changed from approximately SEK 0.0013 to approximately SEK 0.008.

The articles of association contain no restrictions on the transferability of the company's B-shares, such as post-transfer acquisition rights clauses, and no other circumstances of that type have been identified that the company is liable to disclose under the provisions in chapter 6, section §2a and §§3–11 of the Swedish Annual Accounts Act.

To the best of Embracer Group's knowledge, there are no shareholder agreements or other agreements between the Company's shareholders aimed at jointly influencing the Company. Neither does the Board know of any agreements or similar that could lead to a change in control of the Company.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

For information on significant events after the reporting period see note 34 for the Group and note P24 for the Parent Company.

OPERATIONS SUBJECT TO PERMIT AND NOTIFICATION REQUIREMENTS UNDER THE SWEDISH ENVIRONMENTAL CODE

The Group and Parent Company do not conduct any operations subject to permit or notification requirements under the Swedish environmental code.

PROPOSED ALLOCATION OF THE COMPANY'S UNRESTRICTED EQUITY

The Board proposes that the unrestricted equity of SEK 27,750,572 thousand be allocated as follows:

At the disposal of the Annual General Meeting are the following earnings (SEK thousand):	31/03/2025
Share premium reserve	14,397,233
Retained earnings	16,354,578
Net profit for the year	-3,001,238
	27,750,572

The Board proposes that profits be allocated as follows (SEK thousand):	
To be carried forward	27,750,572
	27,750,572

More detailed disclosures about the Group's and the Parent Company's financial results and position can be found in the income statements, balance sheets and accompanying notes.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Amounts in SEK m	Note	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Net sales	3, 4	22,370	27,409
Other operating income	5	8,395	563
Total operating income		**30,765**	**27,971**
Work performed by the Company for its own use and capitalized		2,733	5,165
Goods for resale		-6,719	-7,479
Other external expenses	6	-5,541	-7,389
Personnel expenses	7	-8,362	-12,096
Depreciation, amortization and impairment	14, 15, 16, 32	-9,234	-13,771
Other operating expenses	8, 32	-108	-6,815
Share of profit of an associate after tax	17	1	12
Operating profit/loss (EBIT)		**3,535**	**-14,400**
Profit or loss from financial items			
Financial income	9	720	2,208
Financial expenses	10	-1,607	-1,498
Profit/loss before tax		**2,648**	**-13,690**
Income tax	11	-105	351
Profit for the year continuing operations		**2,543**	**-13,340**
Profit from Discontinued operation, net after tax [1]	32	3,420	-4,838
Net profit/loss for the year		**5,963**	**-18,178**
Net profit/loss for the period attributable to:			
Equity holders of the parent		5,963	-18,177
Non-controlling interests		0	-1
Earnings per share			
Basic earnings per share including Discontinued operation (SEK) [2]	12	28.88	-91.68
Diluted earnings per share including Discontinued operation (SEK) [2]	12	28.87	-91.68
Basic earnings per share excluding Discontinued operation (SEK) [2]	12	12.31	-67.28
Diluted earnings per share excluding Discontinued operation (SEK) [2]	12	12.31	-67.28

[1] *Excluding non-controlling interests of discontinued operations*

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	Note	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Net profit/loss for the year		**5,963**	**-18,178**
Other comprehensive income			
Items that may be reclassified to profit or loss (net of tax):			
Exchange differences on translation of foreign operations		-4,831	886
Cash flow hedges		-3	1
Items that will not be reclassified to profit or loss (net of tax):			
Remeasurement of defined benefit plans for employees	27	-2	-5
Total other comprehensive income for the year, net of tax		**-4,836**	**882**
Total comprehensive income for the year, net of tax		**1,127**	**-17,296**
Total comprehensive income attributable to:			
Equity holders of the parent		1,126	-17,295
Non-controlling interests		1	-1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK m	Note	31/03/2025	31/03/2024
ASSETS			
Non-current assets			
Goodwill	13	12,373	31,210
Intangible assets	14	14,312	37,036
Property, plant and equipment	15	527	881
Right-of-use assets	16	645	1,349
Investments in associates	17	246	254
Non-current financial assets	18, 19, 20	447	501
Deferred tax assets	11	1,665	1,776
Total non-current assets		**30,215**	**73,008**
Current assets			
Inventories	21	707	3,218
Trade receivables	18, 20	2,200	4,960
Contract assets	4, 18	82	13
Other receivables	18, 22	1,351	3,788
Prepaid expenses	23	481	457
Current investments	18	—	0
Cash and cash equivalents	18, 29, 32	7,097	3,341
Total current assets		**11,919**	**15,777**
Assets held for sale	32	—	6,911
TOTAL ASSETS		**42,134**	**95,696**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONTINUED

Amounts in SEK m	Note	03/31/2025	03/31/2024
EQUITY AND LIABILITIES			
Equity	25, 32		
Share capital		2	2
Other contributed capital		62,061	60,932
Reserves		990	5,826
Retained earnings, including net profit		-31,921	-14,341
Total equity attributable to equity holders of the parent		**31,133**	**52,419**
Non-controlling interests		64	64
Total equity		**31,196**	**52,482**
Non-current liabilities			
Liabilities to credit institutions	18, 20	1,119	10,795
Other non-current liabilities	18, 20	103	171
Lease liabilities	16, 20	438	1,024
Other provisions	26	186	52
Contingent considerations	18, 20	822	1,980
Non-current put/call options on non-controlling interests	18, 20	—	1,496
Deferred considerations	18, 20	—	10
Non-current employee benefits	7, 27	5	13
Non-current liabilities to employees related to historical acquisitions	7, 18, 20	679	910
Deferred tax liabilities	11	1,226	5,885
Total non-current liabilities		**4,578**	**22,336**
Current liabilities			
Liabilities to credit institutions	18, 20	545	8,946
Current account credit facilities	18, 20	—	35
Advances from customers	18, 20	158	143
Trade payables	18, 20	1,207	2,197
Lease liabilities	18, 20	249	381
Contract liabilities	4, 18, 20	1,023	1,511
Contingent considerations	18, 20	495	219
Deferred considerations	18, 20	—	474
Current put/call options on non-controlling interests	18, 20	—	285
Tax liabilities		365	499
Current liabilities to employees related to historical acquisitions	7, 18, 20	164	144
Other current liabilities	18, 20	498	906
Accrued expenses	18, 28	1,656	2,967
Total current liabilities		**6,360**	**18,708**
Liabilities attributable to assets held for sale	32	—	2,170
TOTAL EQUITY AND LIABILITIES		**42,134**	**95,696**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the parent						
Amounts in SEK m	Share capital	Other contributed capital	Reserves[1]	Retained earnings including profit for the period	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Opening balance 01/04/2023	**2**	**55,886**	**4,945**	**3,835**	**64,668**	**53**	**64,721**
Net profit/loss [2]	—	—	—	-18,177	-18,177	-1	-18,178
Other comprehensive income	—	—	882	—	882	—	882
Total comprehensive income for the period	**—**	**—**	**882**	**-18,177**	**-17,295**	**-1**	**-17,296**
Transactions with the owners							
New share issue	—	2,026	—	—	2,026	—	2,026
Excess value	—	-18	—	—	-18	—	-18
Issuance costs	—	-43	—	—	-43	—	-43
Tax effect issuance costs	—	9	—	—	9	—	9
Share-based remuneration according to IFRS 2	—	3,073	—	—	3,073	—	3,073
Transactions with non-controlling interests	—	—	—	—	—	11	11
Total	**—**	**5,047**	**—**	**—**	**5,047**	**11**	**5,058**
Closing balance 31/03/2024	**2**	**60,932**	**5,826**	**-14,341**	**52,419**	**64**	**52,482**
Opening balance 01/04/2024	**2**	**60,932**	**5,826**	**-14,341**	**52,419**	**64**	**52,482**
Net profit/loss [2]	—	—	—	5,963	5,963	—	5,963
Other comprehensive income	—	—	-4,836	—	-4,836	1	-4,836
Total comprehensive income for the period	**—**	**—**	**-4,836**	**5,963**	**1,126**	**1**	**1,127**
Transactions with the owners							
New share issue	—	268	—	—	268	—	268
Share-based remuneration according to IFRS 2	—	862	—	—	862	—	862
Dividend	—	—	—	-24,538	-24,538	—	-24,538
Dividend to non-controlling interests	—	—	—	—	—	-495	-495
Transactions with non-controlling interests	—	—	—	995	995	494	1,490
Total	**—**	**1,130**	**—**	**-23,542**	**-22,412**	**-1**	**-22,413**
Closing balance 31/03/2025	**2**	**62,061**	**990**	**-31,921**	**31,133**	**64**	**31,196**

[1] *Includes currency translation difference and cash flow hedge reserve.*

[2] *Includes Net profit/loss for non-controlling interests in discontinued operations, see* *note 32.*

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK m [2]	Note	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Operating activities			
Profit/loss before tax		2,648	-13,690
Adjustments for non-cash items, etc.	29	1,985	20,115
Income tax paid		-707	-609
Cash flow from operating activities before changes in working capital		**3,926**	**5,816**
Cash flow from changes in working capital			
Change in inventories		5	52
Change in operating receivables		325	-194
Change in operating liabilities		-764	20
Cash flow from operating activities		**3,492**	**5,694**
Investing activities			
Acquisition of property, plant and equipment	15	-129	-227
Proceeds from sales of property, plant and equipment		4	6
Acquisition of intangible assets	14	-3,615	-6,844
Proceeds from sales of intangible assets		—	33
Acquisition of subsidiaries, net of cash acquired [1]	18, 33	-702	-2,223
Divestment of subsidiaries, net of cash divested		18,497	—
Change in current investments		—	—
Acquisition of financial assets		-45	-412
Proceeds from sales of financial assets		6	22
Cash flow from investing activities		**14,016**	**-9,645**
Financing activities			
New share issue		—	2,000
Issuance costs		—	-42
Proceeds from borrowings		7,272	2,047
Received dividend		9,885	—
Received payment from and given to Discontinued operations		-4,708	1,623
Repayment of loans		-24,763	-2,450
Payment of lease liabilities		-333	-437
Cash flow from financing activities		**-12,648**	**2,741**
Total cash flow, Continuing operations		**4,860**	**-1,210**
Total cash flow, Discontinued operations		**5,280**	**-24**
Total cash flow, total Group		**10,140**	**-1,234**
Cash and cash equivalents at the beginning of period including discontinued operations		3,507	4,662
Exchange-rate differences in cash and cash equivalents		-95	80
Cash and cash equivalents in Discontinued operations		-6,454	-1,181
Cash and cash equivalents at the end of period	29	**7,097**	**2,326**

[1] *The change in the quarter refers to historical acquisitions.*

[2] *Reclassification of the assets and liabilities under IFRS 5 has been returned to the balances when the cash flow was calculated. The change in net working capital for the year 2023/24 is, therefore, not affected by this reclassification as it does not have a cash effect before completion of the transactions. The total cash flow for discontinued operations is presented as a separate row in the cash flow statement. Further details in disclosed in note 32.*

GROUP NOTES

NOTE 1 SIGNIFICANT ACCOUNTING PRINCIPLES

This annual report and the consolidated financial statements comprise the Swedish Parent Company Embracer Group AB ("Embracer"), with corporate identity number 556582-6558, and its subsidiaries. The Group conducts management and development of intellectual property rights, publishing, development of computer games, video games, and mobile games, and publishes and distributes films.

The group is divided into 8 subgroups which are THQ Nordic, PLAION, Coffee Stain, Amplifier Game Invest, DECA Games, Dark Horse, Freemode and Crystal Dynamics – Eidos Montréal.

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.

The Board of Directors has approved the historical financial information on June 18, 2025.

BASIS FOR PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and interpretations issued by IFRS Interpretations Committee (IFRS IC), as they have been adopted by the European Union (EU). Furthermore, the Group applies the Swedish Annual Accounts Act (1995:1554) and RFR 1 "Supplementary Accounting Rules for Groups" issued by the Swedish Corporate Reporting Board.

The Parent Company applies the same accounting principles as the Group except in the cases specified under the section "Parent company's accounting principles". The Parent Company applies the Annual Accounts Act (1995:1554) and RFR 2 Accounting for legal entities.

SIGNIFICANT ACCOUNTING PRINCIPLES

The Group provides information on significant accounting principles. Significant accounting principles mean that the underlying transaction is significant and that the information in the accounting principle is essential for the understanding of the transaction, for example if the Group has made a principal choice or if the accounting principle is company-specifically adapted. In cases where the Group applies an accounting principle as described in IFRS, information about the principle has not been provided. In addition to significant accounting principles presented in this note, significant accounting principles are also presented in direct connection with the note to which the accounting principle refers.

PRIMARY FINANCIAL STATEMENTS

The Group has chosen to present its report of consolidated statement of profit or loss by type of cost and the Group's report on condensed consolidated cash flow statement according to an indirect method.

NEW OR AMENDED STATEMENTS

New and amended standards that entered into force during the financial year

None of the new or amended standards that entered into force during the year have had any significant impact on the Group.

New and amended standards that haven´t entered into force

A number of new and amended standards and interpretations have been published by the IASB but have not yet entered into force. None of the new or amended standards or interpretations have been early adopted by the Group. The new and amended standards that could affect the Groups or Parent Company's financial reports are described below. Other new or amended standards or interpretations that the IASB has published are not expected to have any significant impact on the Group's or Parent Company's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements
From January 1, 2027, with retroactive application, IFRS 18 Statements will come into effect and will replace IAS 1 Presentation of Financial Statements.

The Group is currently working to identify all the effects that the changes will entail for the financial reports and their notes.

CURRENCY

Functional currency and reporting currency

Items included in the financial statements for each company in the Group are measured in the currency used in the primary economic environment in which the company primarily operates (functional currency). The functional currency of the parent company is Swedish kronor (SEK), which comprises the reporting currency for the Parent Company and the Group. All amounts are presented in millions Swedish kronor ("SEK m"), unless otherwise indicated. Rounding differences may occur.

Transactions in foreign currency

Exchange gains and losses relating to operating receivables and liabilities are recognized in operating profit while exchange gains and losses relating to financial assets and liabilities are recognized as financial items.

Foreign exchange gains and losses are recognized net.

CLASSIFICATION

Non-current assets and non-current liabilities primarily comprise of amounts that are expected to be recovered or paid more than twelve months from the balance-sheet date. Current assets primarily comprise of amounts that are expected to be realized during the Group's normal operating cycle, which is 12 months after the reporting period. Current liabilities primarily comprise of amounts that are expected to be settled during the Group's normal operating cycle, which is twelve months after the reporting period.

MERCHANDISE

Merchandise refers to costs for the purchase and production of physical products, development costs for mobile games, operation and maintenance of games as well as royalties to external game developers and other rights holders.

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. These assessments are based on experience and the assumptions that management and the Board of Directors consider to be reasonable under the prevailing circumstances. Actual outcome may differ from the estimates if the estimates or circumstances change. The estimates and assumptions are continuously evaluated and are deemed not to involve any significant risk for material adjustments in the carrying amounts of assets and liabilities during the coming financial year. Changes in estimates are recognized in the period when the change is made if the change affects that period only, or in the period when the change is made and in future periods if the change affects the period in question as well as future periods.

Assessments and estimates are presented in direct connection with the note to which the assessment and estimate refer. Significant assessments and estimates relate to:

- Income statement – note 4,
- Contract liabilities for price reductions and discounts – note 4,
- Deferred taxes – note 11,
- Goodwill – note 13,
- Capitalization of development expenditure – note 14,
- Contingent considerations – note 18,
- Inventories – note 21,
- Divestment of group companies and assets (disposal groups) held for sale or distribution - note 32, and
- Purchase price allocations – note 33.

NOTE 3 OPERATING SEGMENTS

SIGNIFICANT ACCOUNTING PRINCIPLES

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). CODM is the function that is responsible for the allocation of resources and the assessment of the operating segments results. Embracer's CEO has been identified as the CODM. An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, and for which discrete financial information is available. The division of the Group into segments is based on differences in goods and services that Embracer offers, which means that the Group's operations have been divided into three operating segments:

- **PC/Console Games** - This part of the business conducts development and publishing of premium games for PC and Console. THO Nordic, PLAION excluding Partner Publishing, Coffee Stain, Amplifier Game Invest, and Crystal Dynamics/Eidos are included in this operating segment.
- **Mobile Games** - This part of the business conducts development and publishing of mobile games. DECA Games and Easybrain are included in this operating segment.
- **Entertainment & Services** - This part of the business is engaged in development, publishing and distribution of comic books, conducts wholesale of publishing titles of games for console and PC as well as films, conducts publishing and external distribution of films and TV-series and produce and distribute merchandise. Dark Horse, Freemode and PLAION Partner Publishing are included in this operating segment.

No operating segments have been merged. HVB mainly uses the profit measure Adjusted EBIT in the assessment of the operating segments' results. HVB does not follow up the assets or liabilities of the operating segments for the distribution of resources or assessment of results. The same accounting principles are used for the operating segments as for the Group.

With Asmodee Group being classified as discontinued operations, the Tabletop segment is no longer presented in this note.

The same accounting principles are used for the segments as for the Group.

NOTE 3 CONTINUED

01/04/2024 - 31/03/2025	PC/Console Games	Mobile Games	Entertainment & Services	Total segments	Eliminations	Group functions	Group total
Revenue from external customers	10,450	5,359	6,561	22,370	—	—	22,370
Revenue from transactions with other operating segment	21	40	35	95	-95	—	—
Total revenue	**10,471**	**5,398**	**6,596**	**22,465**	**-95**	**—**	**22,370**
Adjusted EBIT	**1,892**	**1,383**	**324**	**3,600**	**—**	**-256**	**3,344**
Amortization of surplus values of acquired intangible assets	-567	-371	-356	-1,294	—	—	-1,294
Transaction costs	—	—	—	—	—	—	—
Personnel costs related to acquisitions	-1,171	-335	-18	-1,524	—	—	-1,524
Remeasurement of participation in associated companies	—	—	—	—	—	—	—
Remeasurement of contingent consideration	4	—	—	4	—	—	4
Items affecting comparability	-4,014	8,424	-1,047	3,363	—	-358	3,005
EBIT	**-3,855**	**9,101**	**-1,096**	**4,149**	**—**	**-614**	**3,536**
Net financial items							-888
Profit/loss before tax							**2,648**

01/04/2023 - 31/03/2024	PC/Console Games	Mobile Games	Entertainment & Services	Total segments	Eliminations	Group functions	Group total
Revenue from external customers	14,410	5,916	7,082	27,409	—	—	27,409
Revenue from transactions with other operating segment	29	—	27	56	-56	—	—
Total revenue	**14,439**	**5,916**	**7,109**	**27,465**	**-56**	**—**	**27,409**
Adjusted EBIT	**2,441**	**1,921**	**853**	**5,215**	**—**	**-231**	**4,984**
Amortization of surplus values of acquired intangible assets	-1,399	-441	-363	-2,203	—	—	-2,203
Transaction costs	-2	—	-6	-8	—	—	-8
Personnel costs related to acquisitions	-1,604	-286	-14	-1,904	—	—	-1,904
Remeasurement of participation in associated companies	3	—	—	3	—	—	3
Remeasurement of contingent consideration	-15	—	—	-15	—	-3	-18
Items affecting comparability	-7,312	-165	-883	-8,360	—	-6,895	-15,255
EBIT	**-7,887**	**1,029**	**-413**	**-7,272**	**—**	**-7,129**	**-14,400**
Net financial items							710
Profit/loss before tax							**-13,690**

Adjusted EBIT is EBIT excluding specific items related to historical acquisitions. See definitions page 171.

Non-current assets per segment in which the Group has operations	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
PC/Console Games	19,402	24,251
Mobile Games	4,127	10,071
Tabletop Games	—	30,397
Entertainment & Services	4,286	5,707
Group functions	42	51
Total	**27,857**	**70,477**

The carrying amount of the non-current assets are based on the segments to which the assets belong. Division by country has not been possible, as the assets are allocated over several geographical areas. Non-current assets in the table includes intangible assets, tangible assets and right-of-use assets.

NOTE 4 REVENUE FROM CONTRACTS WITH CUSTOMERS

SIGNIFICANT ACCOUNTING PRINCIPLES

The Group generates revenue mainly through the sale of interactive entertainment content and services, primarily for console, PC and mobile platforms, as well as through licensing of Embracer's intellectual property and media content. The Group also generates revenue from the sale of comic books, and merchandise. The Group recognize revenue when the Group satisfies a performance obligation, which is when a promised good or service is transferred to the customer and the customer obtains control of the good or service. Control over a performance obligation can transfer over time or at a point in time. Revenue is recognized at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The most material revenue streams per operating segment are the following:

- **Segment PC/Console Games:** sales of interactive entertainment content and services for console and PC platforms.
- **Segment Mobile Games:** sales of interactive entertainment content and services for mobile platforms.
- **Segment Entertainment and Services:** sales of comic books and related goods and services, sales of film and merchandise and wholesales of publishing titles of interactive entertainment content and film.
- **Segment Tabletop Games:** sales of tabletop games has been classified as discontinued operations in February, 2025.

The Group has chosen to apply the practical solution of not providing information on the transaction price allocated to unfulfilled (or partially unfulfilled) performance commitments at the end of the reporting period, including an explanation of the expected timing of revenue recognition, for contracts with customers that have an original expected term of maximum one year. For additional expenses to obtain an agreement, the Group uses the practical solution of reporting additional expenses as an expense if the depreciation period for the asset that would otherwise have been reported is one year or less.

In the following sections, the most material revenue streams per segment is described in more detail, as well as the assessments regarding revenue recognition that Embracer has made per material revenue stream.

Revenue from sales of interactive entertainment content and services for console and PC platforms

The Group sells digital games for console and PC platforms that typically provides access to the main game content. The Group also sells downloadable content that provide the players with additional in-game content in purchased games. Digital sales of interactive entertainment content are sold through third-party digital storefronts, such as Microsoft's Xbox Games Store, Sony's PSN, Epic and Steam. Embracer considers the digital storefront to be Embracer's customer and Embracer's performance obligation is therefore to provide a license to the digital storefront to sell the game or the downloadable content to end-users. The transaction price typically comprises of variable consideration in the form of sales-based royalty, that is recognized when the subsequent sale to end-user occurs in accordance with the guidelines for sales-based royalties in IFRS 15. The transaction price sometimes also consists of fixed consideration in the form of minimum sales guarantees. The license is deemed to constitute a right for the customer to use the intangible asset is current condition at the time of assignment, since the digital store then can resell the game to end consumers. There are no additional commitments in the agreement with the customer that significantly affect the intangible asset to which the customer is entitled. The revenue is therefore recognized in connection with the assignment to the customer.

The Group also has some free-to-play games for PC and console where players have the opportunity to purchase virtual goods in the game. When selling virtual goods, each virtual good usually constitutes a separate performance obligation. The transaction price for virtual goods comprises of a fixed consideration. Control transfers to the customer over time or at a point in time (when the good is made available to the customer) depending on the nature of the good, which is either consumed at the time of purchase or is permanent. Revenue attributable to goods not consumed at the time of purchase is recognized over the contract period, which is estimated to be the average playing period for the game's paying users.

When Embracer uses an external publisher for its developed games, the publisher is the Group's customer, and the performance obligation is to grant a license to the publisher. The transaction price typically comprises of both sales-based royalty (which is recognized as described above) and fixed consideration in the form of minimum sales guarantees or development funding from the publisher. Both minimum sales guarantees, and development funding are recognized as revenue at the point in them when the license is granted to the publisher, which corresponds to when control is transferred. There are also agreements where Embracer, in addition to providing the license to the publisher, also provide the license to a specific game to the publisher and where the publisher take control of the game over time. These agreements are deemed to constitute two performance commitments and the income from game development is reported in the same way as "work-for-hire" with fixed compensation as described below, meaning control is transferred over time because the publisher controls the game during the time the development assignment is carried out. In cases when Embracer has developed game development at the time of signing the agreement and the customer takes over this developed game development at one point, when the agreement is signed, a one-time income is reported at the time that part of the game is transferred. Remaining revenue from game development is reported over time in line with development. The performance commitment that involves the provision of a license is reported in the same way as described above.

The Group also derive revenue from sale of physical copies of owned and licensed games for console and PC platforms to physical retail stores such as GameStop and Media Markt, which is considered to be Embracer's customers. A physical copy of a game is a combination of a license and a physical good, where Embracer considers the license to be the primary/dominant component. The transaction price comprises of a fixed price per game, but also includes variable consideration in the form of right of return and price protection. The variable consideration is estimated by use of the expected value method. To make such an assessment, Embracer utilizes historical statistics and forecasts. Revenue is recognized when control is transferred to the customer, which is at the point in time when the license is transferred to the customer. Fixed consideration is therefore recognized when the license has been transferred to the retail store and variable consideration is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not subsequently occur. The remaining part of the variable consideration is recognized as the uncertainty associated with the consideration is subsequently resolved.

Revenue from when Embracer performs game development services ("work-for-hire") is also included in the segment PC/Console Games. Embracer assesses that the promise to develop a game for a customer constitute a single performance obligation. The transaction price typically comprises of a fixed consideration as well as variable consideration in the form of a revenue share for the game. The Group recognize fixed consideration from work-for-hire project as revenue over time as the performance obligation is satisfied. Control is transferred over time as the customer controls the game as the development service is being performed. The Group measure the progress towards complete satisfaction of the performance obligation using an input method based on cost incurred in relation to total estimated cost to fulfil the game development. Due to the uncertainty regarding the variable consideration, revenue from variable consideration is only recognized once the subsequent sale has occurred.

Revenue from sales of interactive entertainment content and services for mobile platforms
The Group develop games for mobile platforms. The Group's mobile games are essentially so called "Free-to-play games", in which the players are provided access to the main game content without paying a fee. Revenue is generated from sales of additional game content in the form of virtual goods and subscriptions. Regarding the sale of virtual goods, each separate virtual good is usually considered a distinct performance obligation which is satisfied when control is transferred to the customer. Some virtual goods are consumed at the time of purchase while other goods are durable and can be used by the player without time limit. The transaction price for virtual goods comprises of a fixed consideration. Control is transferred to the customer over time or at a point in time (when the good has been made available to the customer) depending on the nature of the good. Revenue from virtual goods not consumed at the time of purchase is recognized over the contract period, which is considered to be the average playing period for the game's paying users. Regarding the sale of subscriptions, Embracer's obligation is considered to be to stand ready to provide the benefits of the subscription service to the customer. The obligation is therefore considered to comprise of a series of distinct services that are substantially the same, wherefore each subscription is considered to constitute a single performance obligation. Control is transferred to the customer over time and revenue is recognized linearly over the subscription period.

The segment Mobile Games also generates revenue by displaying ads within Embracer's mobile apps. Embracer's customers are represented by the ad networks to which Embracer provide advertisement space. The ad networks in turn place ads from third parties in Embracer's mobile apps. Embracer assesses that the obligation to provide advertisement space to the ad network comprise of a series of distinct services that are substantially the same, wherefore each contract is considered to constitute a single performance obligation. The transaction price solely comprises of variable consideration and is dependent on the number of valid clicks or impressions that a specific ad generates whilst it is being displayed within the app. The variable consideration is allocated to each respective distinct service within the time period. The ad network simultaneously receives and consumes the benefits provided by Embracer's performance, wherefore, advertising revenue is recognized over time.

Revenue from sales of tabletop games
The segment Tabletop games has been classified as discontinued operations in February, 2025.

Revenue from sales of comic books and related goods and services, sales of film and merchandise and wholesale of publishing titles of interactive entertainment content and film
Regarding sales of comic books and related goods, each good is usually considered a distinct performance obligation. Comic books are sold in both physical printed editions and digital editions. The transaction price typically comprises of a fixed consideration but sometimes also includes variable consideration in the form of discounts and right of return.

The variable consideration is estimated by use of the expected value method. To make such an assessment, Embracer utilizes historical statistics and forecasts. Revenue is recognized when control is transferred to the customer. When selling digital editions of comic books, control is transferred to the customer when the comic book is made available for the customer. For physical sales, control is transferred when the product has been delivered to the customer.

Regarding sales of film and merchandise, each good is usually considered a distinct performance obligation which is satisfied when control is transferred to the customer. Sales of film and merchandise take place both physically and digitally. The transaction price for physical sales generally comprises of a fixed consideration per good, but with variable components such as right of return and price protection. The transaction price for digital sales comprises of either fixed or sales-based royalties. When selling physical copies of film and merchandise, control is transferred when the good has been delivered to the customer. When selling digital copies of film, control is transferred to the customer when the license is granted to the customer.

The Group also generates revenue from wholesale of physical copies of games and films. Sales are made to physical retail stores which are Embracer's customers. The transaction price comprises of a fixed consideration per copy of the game or film but also includes variable consideration in the form of right of return and price protection. The variable consideration is estimated by use of the expected value method. Revenue is recognized when control is transferred to the customer, which is at the point in time when the product is transferred to the customer. Fixed consideration is therefore recognized when the product has been transferred to the retail store and variable consideration is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not subsequently occur.

Principal- agent considerations
In some sales of the Group's goods and services, a third party is involved in providing the good or service. For example, when digital games are sold via third-party digital storefronts. When another party is involved in providing goods or services to a customer, Embracer evaluates which party that represents the Group's customer. This depends on whether the third party is the principal or agent in providing the product or service to the end consumer, which determines whether revenue from the sale is recognized gross or net (adjusted for commission received by third parties). Important indicators that the Group evaluates when deciding which party that represents the Group's customer include but are not limited to:

1. Which party that is primarily responsible for fulfilling the promise to provide the specified good or service.
2. Which party that establish the price for the specified good or service.
3. If the third party combines or integrates the good or service with other goods or services that Embracer does not deliver before delivery to the end consumer.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

Income statement
In certain agreements with customers, Embracer assigns a game with an associated license to a publisher. In order to determine how the income from these agreements should be reported, an analysis of the number of performance obligations in the agreement is required as well as an assessment of when the customer gains control of the game, as this determines when the income should be reported.

Contract liabilities for price reductions and discounts
Embracer reports liabilities for expected discounts and product returns. The liabilities are recognized based on expected sales and number of returns of each title. The calculation of the liabilities is made on basis of assumptions and empirical values about price development and return rates. Estimates that deviate from management's assessments can impact the Group's financial result and financial position.

On March 31, 2025 it is management's view that the book value of provisions for price reductions and discounts are sufficiently large.

The turnover in the Group is for the most part related to performance commitments that are fulfilled at a certain time. Less than 2% of turnover refers to performance commitments that must be fulfilled over time.

NOTE 4 CONTINUED

The turnover is divided into different operating segments. Below is a table showing the type of product that revenue from contracts with customers comes from:

01/04/2024 - 31/03/2025	PC/Console Games	Mobile Games	Entertainment & Services	Group total
Type of products				
Digital products	6,990	5,347	1,083	**13,420**
Physical products	903	—	5,144	**6,046**
Other [1]	2,558	12	334	**2,904**
Revenue from contracts with customers	**10,450**	**5,359**	**6,561**	**22,370**

01/04/2023 - 31/03/2024	PC/Console Games	Mobile Games	Entertainment & Services	Group total
Type of products				
Digital products	9,609	5,865	643	**16,117**
Physical products	1,490	—	5,469	**6,960**
Other [1]	3,311	51	970	**4,332**
Revenue from contracts with customers	**14,410**	**5,916**	**7,082**	**27,409**

[1] *Refers to Work-for-hire and other game development.*

In addition to the breakdown by type of product above, revenue from contracts with customers within the operating segment PC/Console Games is also followed up on subcategories. These subcategories are specific to this particular operating segment. Below is a table showing this:

PC/Console Games	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
IP-rights		
Owned titles	6,819	9,514
Publishing titles	3,631	4,896
Total	**10,450**	**14,410**
New releases	2,024	4,185
Back catalog	5,869	6,914
Other	2,558	3,311
Total	**10,450**	**14,410**

Net sales per geographic market

01/04/2024 - 31/03/2025	PC/Console Games	Mobile Games	Entertainment & Services	Group total
Europe excl Sweden	2,771	910	2,743	**6,424**
USA	6,188	2,796	3,067	**12,051**
Sweden	93	189	80	**362**
Other	1,398	1,464	671	**3,533**
Total	**10,450**	**5,359**	**6,561**	**22,370**

01/04/2023 - 31/03/2024	PC/Console Games	Mobile Games	Entertainment & Services	Group total
Europe excl Sweden	3,816	1,036	2,860	**7,712**
USA	8,282	3,202	3,353	**14,837**
Sweden	200	34	111	**345**
Other	2,112	1,644	758	**4,515**
Total	**14,410**	**5,916**	**7,082**	**27,409**

The distribution by geographic market is mainly based on where the companies have their operations.

NOTE 4 CONTINUED

Contract assets	31/03/2025	31/03/2024
Opening balance	**13**	790
Significant changes in contract assets:		
As a result of sales and distribution of subsidiaries	**-22**	-383
Reclassifications according to IFRS 5	**—**	-478
Changes attributable to ordinary business	**91**	84
Closing balance	**82**	**13**

Contract assets consist of accrued but not invoiced revenue in the case of percentage of completion.

Contract liabilities	31/03/2025	31/03/2024
Opening balance	**1,511**	2,012
Significant changes in contract liabilities:		
As a result of sales and distribution of subsidiaries	**-40**	-75
Reclassifications according to IFRS 5	**—**	-206
Changes attributable to ordinary business	**-448**	-221
Closing balance	**1,023**	**1,511**

Contractual liabilities refer to revenues invoiced but not processed in the case of percentage of completion and other prepaid revenues. In addition, reservations are included for price reductions and discounts as well as the return of goods sold.

NOTE 5 OTHER OPERATING INCOME

	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Marketing contributions	69	110
Gain sale of subsidiaries	7,951	—
FX gains on operating receivables/ liabilities	16	63
Insurance compansation	0	2
Benefits for development projects	65	138
Gain on non-current assets	15	45
Tax deduction R&D	187	103
Other	92	101
Total	**8,395**	**563**

Marketing contributions have been received from third party as a part of the total cost for marketing costs.

During the year, grants were received for projects development. Project development expenses are capitalized in accordance with the company´s accounting principles. Contributions received are reported as a reduction of own capitalized work. The operating result is not affected during the development period.

Other operating income includes exchange rate gains on receivables and liabilities operative in the Group. Other exchange rate effects in the Group can be found in other comprehensive income, Note 8 Other operating expenses, Note 9 Financial income and Note 10 Financial expenses.

NOTE 6 AUDITOR'S FEES

PwC	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Audit services	-16	-9
Other auditing activities	—	—
Tax advisory services	—	-5
Other services	-1	-2
Sum	**-18**	**-16**

EY	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Audit services	-7	-25
Other auditing activities	—	—
Tax advisory services	0	-3
Other services	0	-9
Sum	**-8**	**-37**

Moss Adams	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Audit services	-1	-1
Other auditing activities	—	—
Tax advisory services	-1	-1
Other services	—	—
Sum	**-2**	**-2**

Other auditors	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Audit services	-13	-17
Other auditing activities	0	0
Tax advisory services	-17	-8
Other services	-2	-4
Sum	**-33**	**-29**
Total	**-61**	**-84**

The item "Audit services" comprises examination of the annual financial statements, accounting records and administration of the business by the CEO and Board. Other services relate to other procedures required to be carried out by the Company's auditors and advice or other assistance relating to observations made during the performance of such other procedures.

NOTE 7 EMPLOYEES AND PERSONNEL EXPENSES

SIGNIFICANT ACCOUNTING PRINCIPLES

Other long-term employee benefits

Embracer has contractual obligations for employees regarding long-term bonuses and anniversary benefits. Long-term bonuses primarily relate to contingent consideration agreed in relation to certain business combinations that are classified as remuneration for future services as there are requirements for the seller to remain in employment to receive the contingent consideration. The long-term benefit is calculated with the Projected Unit Credit Method. The net of expenses relating to employee service, net interest on the net defined benefit liability, and remeasurements of the net defined benefit liability are recognized in the consolidated statement of profit or loss.

Termination benefits

An expense for benefits in connection with the termination of employment is recognized only if the entity is objectively obligated, without any realistic possibility of withdrawal, by virtue of a formal detailed plan to terminate an employment contract.

Share-based payments

In some of Embracer's business combinations, a contingent consideration has been agreed which requires future employment for certain key personnel in the acquired company. When the contingent consideration is settled with newly issued shares, the agreement is classified as a share-based payment. If the employees in question continue their employment during the specified period and the other conditions for the contingent consideration are met, the purchase price will be settled with newly issued shares. The expense for these transactions, which are settled with equity, consists of the fair value at the time the agreement is entered into.

The expense for share-based payments is recognized in the statement of profit or loss as personnel expenses with a corresponding increase in equity. The assessment regarding how many shares that are expected to be earned is updated at the end of each reporting period and any deviations is recognized in the statement of profit or loss with a corresponding adjustment in equity. In cases where the shares are forfeited due to the employee not fulfilling the vesting conditions, the amount previously recognized for these instruments will not be reversed.

	01/04/2024 - 31/03/2025		01/04/2023 - 31/03/2024	
	Average number of employees	Women, %	Average number of employees	Women, %
USA	1,463	24%	1,713	22%
Canada	655	21%	1,112	4%
Germany	561	26%	615	24%
France	120	33%	132	28%
United Kingdom	292	23%	337	23%
Sweden	452	24%	503	26%
Italy	450	19%	421	18%
Spain	111	39%	361	26%
Hungary	77	9%	399	23%
Russia	20	44%	319	24%
Austria	307	43%	312	45%
Armenia	0	—%	258	17%
Romania	436	28%	234	30%
The Netherlands	145	17%	200	19%
Belarus	124	48%	253	34%
China	169	34%	141	32%
Estonia	0	—%	204	15%
Poland	341	34%	75	44%
Denmark	75	24%	128	14%
Czech Republic	296	19%	140	25%
Ukraine	160	16%	156	16%
Serbia	2	—%	151	24%
Portugal	6	—%	144	15%
Bulgaria	164	29%	141	32%
Argentina	2	—%	78	23%
Israel	52	38%	61	44%
Other	323	23%	495	22%
Group, total	**6,803**	**23%**	**9,083**	**18%**

Gender distribution, Board of Directors and senior executives within the group, including all subsidiaries in the group	**31/03/2025 Women, %**	**31/03/2024 Women, %**
Board of Directors	8 %	8 %
Chief Executive Officer and other senior executives	18 %	17 %

The data refers to all board assignments within Embracer Group and an individual may sit on more than one board.

Salaries, other benefits and social security contributions, including pension costs	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Group		
Board of Directors, CEO and other senior executives		
Salaries and other remuneration	-461	-526
Social security contributions	-48	-69
Pension costs	-14	-15
Total	**-523**	**-610**
Other employees		
Salaries and other remuneration	-4,912	-8,930
Social security contributions	-663	-1,197
Pension costs	-74	-145
Total	**-5,649**	**-10,272**
Group, total	**-6,172**	**-10,882**

Remuneration to permanent contract self-employed persons is reported as personnel costs in the statement of profit or loss. In total, the compensation amounts to SEK - 646 million (-918). The amount is not included in the sum of SEK -4,912 million (-8,930) in the above table.

Pension costs and personnel expenses in the subsidiaries are to some extent attributable to defined benefit plans, see Note 27 Non-current employee benefits for further information.

In connection with acquisitions, agreements on conditional purchase price that are not classified as part of transferred purchase price have been entered into, where there is a requirement that the seller is still employed. This remuneration refers to future services and is classified as personnel costs according to IAS 19 or IFRS 2 depending on whether the remuneration is received in cash or in shares. During the year 2024/25, this amount has amounted to SEK 1,539 million (2,040), which are also not included in the amount of SEK -4,912 million (-8,930) in the table above.

	01/04/2024- 31/03/2025				
Remuneration to Board of Directors, CEO and other executives	**Base salary, Board fees**	**Variable remuneration**	**Pension costs**	**Other remuneration**	**Total**
Chair of the Board					
Kicki Wallje-Lund	-3	-1	0	0	-4
Board member					
David Gardner [1]	0	—	—	—	0
Cecilia Driving [1]	0	—	—	—	0
Jacob Jonmyren	-1	—	—	—	-1
Bernt Ingman	-1	—	—	—	-1
Cecilia Qvist	-1	—	—	—	-1
Yasmina Brihi	-1	—	—	—	-1
Brian Ward [2]	—	—	—	—	0
Chief Executive Officer					
Lars Wingefors	-1	—	—	—	-1
Other senior executives (5 persons)	-25	—	-1	—	-26
Total	**-33**	**-1**	**-1**	**—**	**-35**

[1] Resigned during the financial year 2024/25
[2] Joined during the financial year 2024/25

	01/04/2023- 31/03/2024				
Remuneration to Board of Directors, CEO and other executives	**Base salary, Board fees**	**Variable remuneration**	**Pension costs**	**Other remuneration**	**Total**
Chair of the Board					
Kicki Wallje-Lund	-2	-1	—	—	-3
Board member					
David Gardner	-1	—	—	—	-1
Cecilia Driving	-1	—	—	—	-1
Jacob Jonmyren	-1	—	—	—	-1
Matthew Karch [3]	—	—	—	—	0
Erik Stenberg [1]	—	—	—	—	0
Bernt Ingman [2]	-1	—	—	—	-1
Cecilia Qvist [2]	0	—	—	—	0
Yasmina Brihi [2]	-1	—	—	—	-1
Chief Executive Officer					
Lars Wingefors	-1	—	—	—	-1
Other senior executives (5 persons) [3], [4]	-32	—	-1	—	-33
Total	**-39**	**-1**	**-1**	**—**	**-42**

[1] Resigned during the financial year 2023/24
[2] Joined during the financial year 2023/24
[3] Member of Group Executive Management Team during the period June-November 2023. Resigned from the Board during the financial year 2023/24.
[4] During the financial year, Phil Rogers has been added as senior executive as from June, 2023.

Variable remuneration refers to time spent on a specific assignment.

REMUNERATION AND EMPLOYMENT TERMS FOR SENIOR EXECUTIVES

Remuneration to the CEO and other senior executives consists of salaries. Other senior executives refer to those persons who are part of the Group Executive Management Team.

TERMINATION BENEFITS

Embracer Group and its CEO must observe a notice period of 6 months. The CEO is entitled to termination benefits corresponding to 6 months' salary, provided that Embracer Group terminated the employment contract and the CEO was not dismissed. Embracer Group and its CFO must observe a notice period of 3 months. The CFO is entitled to termination benefits corresponding to 3/10 of monthly salary per year of seniority (5 years of seniority in April 2025). The Chief Strategic Partnerships Officer is entitled to termination benefits corresponding to 6 months' salary plus 50 percent of any payable bonuses, provided that Embracer Group terminated the employment contract and the Chief Strategic Partnerships Officer was not dismissed. The CEO of Coffee Stain is entitled to termination benefits corresponding to 6 months' salary, provided that Embracer Group terminated the employment contract and the CEO of Coffee Stain was not dismissed. The other senior executives have no termination benefits and are entitled to a notice period with remuneration of up to 6-12 months. The executives must observe the same notice period.

PROVISIONS FOR PERSONNEL COSTS

Embracer has contractual obligations for personnel regarding bonuses and anniversary benefits. These obligations relate to personnel in Austria, Italy, France and Spain. A liability is recognized for expected payments over a period of 40 years in the future regarding the non-current benefits. The liability corresponds only to the estimated remuneration for services already rendered by the employees and the probability that a person does not remain in service has been considered when measuring the liability. See also, note 26.

PERSONNEL COSTS IN CONNECTION WITH HISTORICAL ACQUISITIONS

In connection with acquisitions, agreements on conditional purchase price which not classified as part of transferred purchase price have been entered into, where there is a requirement that the seller is still employed. This remuneration refers to future services and is classified as personnel cost according to IAS 19 or IFRS 2 depending on whether the compensation is received in cash or in shares. During the year 2024/25, this amount has amounted to SEK 1,539 million (2,040).

	Liabilities to employees related to historical acquisitions	
	31/03/2025	**31/03/2024**
Opening balance as of 1 April	**1,434**	**1,090**
Paid	-1,294	-582
Expense of the year	427	955
Disposals/divestments	317	—
FX rate differences	-41	-29
Closing balance	**843**	**1,434**

Current liability amounts to SEK 164 million (144).

AGREEMENT ON SHARE-RELATED REMUNERATION (IFRS 2)

The fair value of the share-based payment is based on the market price of Embracer's share at the acquisition date of each respective acquisition. The table below presents granted and outstanding share rights at the beginning and the end of the financial year:

Number of share rights	31/03/2025	31/03/2024
Outstanding as of 1 April	**5,550,312**	**16,133,332**
Granted	0	0
Vested	-4,499,192	-10,583,020
Forfaited	-276,294	0
Omvänd split	-645,693	0
Outstanding as of 31 March	**129,133**	**5,550,312**
Exercisable at the end of the period	—	—
Weighted average share price at the grant date for share rights granted during the period	0 SEK	— SEK
Weighted average remaining term for outstanding share rights at the end of the period	0.71 year	2.08 year

The total expense recognized in the consolidated statement of profit or loss during the year as a result of share-based payments amounted to SEK 1,167 million (1,117).

NOTE 8 OTHER OPERATING EXPENSES

	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Other operating expenses	-108	-28
Transaction costs related to acquisitions	—	-8
Sales of subsidiaries	—	-6,778
Total	**-108**	**-6,815**

NOTE 9 FINANCIAL INCOME

	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
value through consolidated statement of profit or loss;		
Changes in fair value of contingent consideration	538	1,775
Change in fair value of contingent consideration receivable	0	3
Total recognized in consolidated statement of profit or loss	**539**	**1,778**
Assets measured at amortized cost:		
Interest income from other financial assets	106	49
Other financial income	18	19
Total interest income in accordance with the effective interest method	**124**	**69**
Other financial income:		
Exchange gain on contingent consideration	57	—
FX gain on income, financial items	—	361
Total	**57**	**361**
Total financial income	**720**	**2,208**

See also note 18 "*Financial instruments*"

NOTE 10 FINANCIAL EXPENSES

	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Assets and liabilities measured at fair value through consolidated statement of profit or loss;		
Change in fair value of contingent consideration receivable	-19	-19
Total recognized in consolidated statement of profit or loss	**-19**	**-19**
Liabilities measured at amortized cost:		
Interest expense liabilities to credit institutions	-287	-1,120
Interest expense liabilities contingent consideration	-72	-127
Interest expense liabilities deferred considerations	-9	-62
interest expense other financial liabilities	-328	-118
Total interest expense in accordance with the effective interest method	**-697**	**-1,426**
Other financial expense:		
Exchange loss on contingent consideration	—	-18
Exchange loss on deferred considerations	-2	—
FX loss, financial items	-855	—
Interest expense lease liabilities	-35	-35
Total	**-891**	**-53**
Total financial expenses	**-1,607**	**-1,498**

See also note 18 "*Financial instruments*"

NOTE 11 INCOME TAX

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

Deferred tax assets and liabilities are recognized for temporary differences and for the opportunity to in the future utilize tax loss carry forwards. Embracer's deferred tax assets are attributable to tax loss carry forwards and other temporary differences. The deferred tax liabilities relate to capitalized development expenses, excess values identified in connection with acquisitions and other temporary differences. The valuation of temporary differences and tax loss carry forwards is based on management's estimates of future taxable profits in different jurisdictions and the management's business plans.

Tax assets that derive from tax loss carry forwards have been generated in loss making subsidiaries. The tax losses have been assessed to be able to be utilized against future taxable income. New assessments are done on a regular basis to assess the future ability to utilize the deferred tax assets. Assessments regarding future utilization of tax loss carry forwards can change over time which may impact the tax expense recognized in profit or loss. Management regularly participates in the judgements of transactions and estimates of probable outcomes.

	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Current tax		
Current tax on profit for the year	-619	-625
Adjustments relating to prior years	19	45
Total current tax	**-600**	**-581**
Deferred tax		
Deferred tax attributable to temporary differences	636	965
Deferred tax attributable to loss carryforwards	-141	-32
Total deferred tax	**495**	**932**
Recognized tax in profit or loss	**-105**	**351**

Reconciliation of effective tax rate	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Profit before tax	**2,648**	**-13,690**
Tax at the applicable tax rate for the parant company, 20,6%	-545	2,820
Tax effect of:		
Effect of different tax rates in foreign subsidiaries	26	375
Other non-deductible expenses	-3,306	-2,595
Non-taxable income	3,551	64
Increase in tax losses for which no corresponding deferred tax was recognized	-81	-8
Utilization of previously unrecognized loss carry-forwards	2	2
Tax attributable to prior years	338	-16
Standards interest on tax allocation reserve	-2	-2
Other	-87	-290
Recognized effective tax	**-105**	**351**
Effective tax rate	-4%	-6%

Non-deductible costs/non-taxable income mostly refers to personnel costs related to acquisitions, depreciation of acquired surplus values on intangible assets and fair value changes regarding contingent considerations and impairment of goodwill.

Amounts recognized directly against equity	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Tax effect issuance costs	0	9
Total	**0**	**9**

Amounts recognized directly against equity	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Tax attributable to remeasurement of defined benefit plans for employees	0	0
Total	**0**	**0**

NOTE 11 CONTINUED

DISCLOSURE ON DEFERRED TAX ASSETS AND TAX LIABILITIES

The tables below specify the tax effect of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
Deferred tax	**31/03/2025**	**31/03/2024**	**31/03/2025**	**31/03/2024**
Opening balance as of 1 April	**1,776**	**1,777**	**5,885**	**7,965**
Business combinations	—	2	—	-1
Recognized in the consolidated statement of profit or loss	-68	-18	-182	-1,038
Recognized in other comprehensive income	1	10	—	0
Change in tax rates	0	1	—	-10
FX effect difference for the year	-92	44	-60	179
Sale of subsidiaries	40	-19	-4,011	-109
Other	8	-21	-405	-1,101
Closing balance as of March	**1,665**	**1,776**	**1,226**	**5,885**

	31/03/2025				31/03/2024			
Deferred tax spcified by item	**Deferred tax assets**	**Deferred tax liabilities**	**Net**	**Recognized in profit or loss for the year (+ income, - expense)**	**Deferred tax assets**	**Deferred tax liabilities**	**Net**	**Recognized in profit or loss for the year (+ income, expense)**
Untaxed reserves	—	126	-126	—	—	127	-127	—
Intangible assets	94	759	-666	-20	179	5,772	-5,593	260
Property, plant and equipment	13	8	5	2	7	23	-16	-9
Right-of-use assets	0	10	-10	6	3	168	-165	5
Lease liabilities	14	0	14	-5	182	0	182	-6
Accrued income	39	10	29	34	3	1	2	1
Other temporary differences	401	777	-376	-8	930	1,198	-268	2
Inventories	5	0	5	0	218	12	206	-6
Post employment benefits	5	—	5	0	3	—	3	—
Tax loss carry-forwards	1,230	—	1,230	603	1,313	0	1,313	527
Other unused tax credits	362	33	329	-26	348	-6	354	196
Deferred tax assets/liabilities	**2,163**	**1,724**	**439**	**584**	**3,186**	**7,295**	**-4,109**	**970**
Offsetting	-498	-498	0	-45	-1,410	-1,410	—	—
Deferred tax assets/liabilities (net)	**1,665**	**1,226**	**439**	**539**	**1,776**	**5,885**	**-4,109**	**970**

Offsetting refers to deferred tax attributable to lease liabilities and right-of-use assets.

There are loss carry-forwards for which deferred tax assets have not been recognized in the statement of financial position amounting to SEK 2 million (645) taxable value, resulting in a positive tax effect of SEK 0 million (165), of which SEK 0.6 million only can be utilized post the financial year 29/30. Deferred tax assets were not recognized for these items, since it was not deemed probable that the Group would be able to utilize them to offset future taxable profits.

PILLAR 2 - GLOBAL MINIMUM TAX FOR MULTINATIONAL CORPORATIONS

The Group is covered by the OECD's model rules for global minimum tax for multinational corporations (Pillar 2). The legislation on Pillar 2 has been adopted in Sweden, where the Group is headquartered, and has entered into force on 1 January 2024.

Under the legislation, the Group is liable to pay an additional tax for the difference between the effective tax rate calculated according to the legislation for each jurisdiction and the minimum tax rate of 15%. The Group has been exposed to paying income tax under the legislation, resulting in an additional tax of approximately SEK 86 million.

NOTE 12 EARNINGS PER SHARE

Basic earnings per share including Discontinued operation	**01/04/2024 - 31/03/2025**	**01/04/2023 - 31/03/2024**
Profit for the year attributable to equity holders of the parent	5,963	-18,177
Weighted average number of ordinary shares outstanding (millions)	206	198
Basic earnings per share	**28.88**	**-91.68**

Diluted earnings per share including Discontinued operation	**01/04/2024 - 31/03/2025**	**01/04/2023 - 31/03/2024**
Profit for the year attributable to equity holders of the parent	5,963	-18,177
Weighted average number of shares after dilution (millions)	207	198
Diluted earnings per share	**28.87**	**-91.68**

Basic earnings per share excluding Discontinued operation	**01/04/2024 - 31/03/2025**	**01/04/2023 - 31/03/2024**
Profit for the year attributable to equity holders of the parent	2,543	-13,339
Weighted average number of ordinary shares outstanding (millions)	206	198
Basic earnings per share	**12.31**	**-67.28**

Diluted earnings per share excluding Discontinued operation	**01/04/2024 - 31/03/2025**	**01/04/2023 - 31/03/2024**
Profit for the year attributable to equity holders of the parent	2,543	-13,339
Weighted average number of shares after dilution (millions)	207	198
Diluted earnings per share	**12.31**	**-67.28**

Reconciliation weighted average number of ordinary shares (millions)	**01/04/2024 - 31/03/2025**	**01/04/2023 - 31/03/2024**
Weighted average number of ordinary shares before dilution	**206**	**198**
Dilutive effect due to:		
Contingent considerations	0	0
Weighted average number of ordinary shares after dilution	**207**	**198**

According to the decision of the extraordinary general meeting on January 7, 2025, a reverse split 1:6 was carried out on January 15, 2025. The number of shares for previous periods has been adjusted. Basic earnings per share for the discontinued operation Asmodee (Table Top) amount to 16.57 (-24.4) and the diluted earnings per share amount to 16.56 (-24,4).

Embracer has certain instruments that may have a potential dilutive effect on earnings per share in the future, but which were not included in the calculation of diluted earnings per share because they did not give rise to any dilutive effect during the reported periods. Embracer has issued 0 ordinary shares (0 per 31 March 2024) with clawback rights if certain conditions are not met, that have not been included in the calculation of the average number of shares before dilution as the conditions were not met and 8,509,077 ordinary shares (24,792,489 per 31 March 2024) that have not been included in the calculation of the average number of shares after dilution as the conditions were not met at the end of the reporting period. In addition, there are 4,666,298 ordinary shares (17,789,151 per 31 March 2024) that may be issued if certain conditions are met that have not been included in the calculation of diluted earnings per share, as the conditions for the issue of the shares were not met at the end of the reporting period. In addition to these, there are no outstanding convertible loans, warrants or similar in the Embracer Group that could result in a potential dilution for shareholders.

Outstanding ordinary shares subject to redemption as a condition (ie, subject to revocation) - such as shares subject to claw-back conditions issued by Embracer upon acquisition are not treated as outstanding and are excluded from the calculation of pre-diluted earnings per share up to and including the date the shares are not longer subject to revocation. Such shares affect earnings per share after dilution if they are dilutive and to the extent that the conditions are met, without having yet been earned, at the end of the reporting period. The existence of such claw-back shares means that the number of shares used to calculate earnings per share is lower than the number of formally issued shares. These shares have been issued as part of the purchase price for the acquisition of companies and fall under the IFRS 2 regulations.

NOTE 13 GOODWILL

Goodwill is recognized at cost less any accumulated impairment. Reclassifications include reclassification according to IRFS 5 Assets held for sale, see note 32.

SIGNIFICANT ACCOUNTING PRINCIPLES

Impairment of non-financial assets

The Group conducts an impairment test in the event there are indications that a decrease in value have occurred, i.e. whenever events or changes in circumstances indicate that the carrying amount is not recoverable. Moreover, goodwill is tested for impairment annually by calculating the recoverable amount of the cash-generating unit to which the goodwill is attributed, regardless of whether there are indications of a decrease in value or not.

Impairment is recognized at the amount by which the carrying amount of the asset exceeds its recoverable amount. A recoverable amount comprises of the higher of fair value less costs of disposal and a value in use, which constitutes an internally generated value based on future cash flows. When determining impairment requirements, assets are grouped at the lowest level where cash inflows that are largely independent exist (cash-generating units). When impairment is identified for a cash-generating unit or group of units, the impairment amount is primarily allocated to goodwill. Other assets in the unit, or group of units, are subsequently proportionally impaired. When calculating value in use, future cash flows are discounted at a discount rate that considers risk-free interest and risk related to the specific asset. An impairment is recognized in the statement of profit or loss.

Impairment of goodwill is never reversed.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

Every year, and when indicated, Embracer evaluates goodwill for impairment needs. Evaluations are conducted simultaneously with impairment tests and are based on estimates and assumptions. The critical assumptions underlying these judgements are the growth rate, free cash flow and discount rates. Other estimates than those made by management may result in different result and a different financial position.

To determine whether the value of goodwill has decreased, the cash-generating units to which goodwill is attributed are measured which is done by discounting the cash-generating unit's cash flows. In applying this approach, Embracer relies on historical statistics and other assumptions, including results achieved, business plans, economic forecasts, and market data. Changes in the conditions for these assumptions and estimates could have a material effect on the value of goodwill. Impairment testing of the Group's goodwill is described below.

Accumulated cost	**31/03/2025**	**31/03/2024**
Opening balance	**42,348**	**48,524**
Business combinations	—	14
Reclassifications	41	-1,016
Divestment and distribution of subsidiaries	-22,088	-6,307
FX effects	-1,190	1,133
Closing balance	**19,112**	**42,348**

Accumulated impairment	**03/31/2025**	**03/31/2024**
Opening balance	**-11,138**	**0**
Impairment of the year	-3,727	-11,095
Divestment and distribution of subsidiaries	7,692	—
Reclassifications	2	—
FX effects	432	-43
Closing balance	**-6,739**	**-11,138**
Carrying amount at the end of the year	**12,373**	**31,210**

NOTE 13 CONTINUED

IMPAIRMENT TESTING OF GOODWILL

The Group performs impairment test at least annually, or when events or circumstances indicate that the carrying amount may not be recoverable. Impairment test of goodwill are performed at the lowest levels where there are independent cash flows (cash generating units), which for the Group consists of the Group's verticals. The carrying amount of goodwill is allocated to cash-generating units as presented below. The carrying amount of goodwill is allocated to cash-generating units as follows:

Goodwill	Segment	31/03/2025	31/03/2024
Amplifier Game Invest	PC/Console	141	318
Coffee Stain	PC/Console	1,951	2,030
Crystal Dynamics-Eidos	PC/Console	682	717
Gearbox Entertainment	PC/Console	—	1,100
Lager 2 [1]	PC/Console	2,198	—
PLAION	PC/Console	3,066	3,220
Saber Interactive	PC/Console	—	3,697
THQ Nordic	PC/Console	403	663
		8,441	**11,745**
DECA Games	Mobile	3,554	4,221
Easybrain	Mobile	—	3,767
		3,554	**7,987**
Asmodee	Table Top	—	10,405
		—	**10,405**
Dark Horse	Entertainment & Services	—	448
Freemode	Entertainment & Services	377	624
		377	**1,072**
Total		**12,373**	**31,210**

[1] *Consists of assets previously included in the divested CGU:s Saber Interactive and Gearbox entertainment*

During the fourth quarter, indications of impairment were identified for cash-generating units. The annual goodwill impairment test has subsequently resulted in the impairment of goodwill in the Group's operating groups (which also constitute the cash-generating units) presented below.

The impairment losses are allocated to the cash-generating units as shown in the table.

The impairment of goodwill in the Amplifier Game Invest is primarily an effect of closure of parts of the operations and prudent future expectations. The impairment in DECA is related to a closure of a certain operation. For Dark Horse, Freemode, Lager 2 and THQ Nordic the impairments is mainly an effect of headcount reductions lowering the value of the workforce, reorganizations and prudent future expectations. Furthermore, the discount rate used to discount future cash flows has increased since prior year to reflect increased market uncertainty. Impairment losses for the period amounting to SEK -3,727 million (-4,368) have been recognized on the line Depreciation, amortization and impairment losses in the consolidated income statement and SEK 432 (-43) million has been reported as a currency effect of the impairment. No impairment has been recognized in previous periods.

Cash generating unit	Operating segments	Impairment for the period, 1/04/2024-31 /03/2025	Impairment for the period, 1/04/2023-31 /03/2024
Amplifier Game Invest	PC/Console	-183	-29
Gearbox Entertainment	PC/Console	—	-778
Lager 2	PC/Console	-2,215	—
Saber Interactive	PC/Console	—	-2,907
THQ Nordic	PC/Console	-233	0
PC/Console		**-2,632**	**-3,714**
DECA Games	Mobile	-387	—
Mobile		**-387**	**—**
Dark Horse	Entertainment & Services	-447	-654
Freemode	Entertainment & Services	-262	—
Entertainment & Services		**-709**	**-654**
Total		**-3,727**	**-4,368**

To determine whether goodwill is impaired, the cash-generating units (CGUs) to which the goodwill relates are valued. The valuation is performed by calculating the value in use, which is based on a discounted cash flow model with a forecast period of five years or ten years followed by an extrapolation of the cash flow for the years beyond the forecast as goodwill has an infinitive lifetime.

Material assumptions used to calculate values in use:

> Forecast operating margin.

> Growth rate for extrapolating cash flows beyond the forecast period.

> Discount rate after tax used for estimated future cash flows

The material assumptions mentioned above and described below reflect past experiences, current and future situation as well as external information. Expected operating margins is based on management's overall assessment of historic profitability levels, current strategic decisions, general market conditions and trends as well as other available information for each individual CGU. Climate based risks has been considered in that extent that they could be estimated. A growth rate of 2.5 percent (2.5) has been used for all CGUs to extrapolate cash flows beyond the forecast period.This growth rate is considered to be a conservative estimate. The need for capital expenditures and working capital beyond the forecast period is deemed to increase approximately as the expected growth. Forecasted cash flows are discounted to current value applying a weighted average cost of capital (WACC). For each CGU an individual discount rate after tax has been used in calculating useful values. The difference in value compared with using a discount rate before tax is not deemed to be material. The applied discount rate and the applied discount rate previous year is in accordance with the tables below.

NOTE 13 CONTINUED

31/03/2025	Discount rate before tax (%)	Discount rate after tax (%)	Forecast of cash flow over:	Growth rate used to extrapolate cash flows beyond the forecast period (%)
Amplifier Game Invest	4.8	11.6	5 years	2.5
Coffee Stain	14.1	11.6	5 years	2.5
Crystal Dynamics-Eidos	15.2	11.6	5 years	2.5
Dark Horse	13.7	10.3	5 years	2.5
DECA Games	11.6	10.3	5 years	2.5
Freemode [1]	14.0	11.2	10 years	2.5
Lager 2	13.7	12.1	5 years	2.5
PLAION	14.2	11.6	5 years	2.5
THQ Nordic	14.8	12.1	5 years	2.5

03/31/2024	Discount rate before tax (%)	Discount rate after tax (%)	Forecast of cash flow over:	Growth rate used to extrapolate cash flows beyond the forecast period (%)
Amplifier Game Invest	14.7	11.5	5 years	2.5
Asmodee	12.4	9.7	5 years	2.5
Coffee Stain	13.7	11.3	5 years	2.5
Crystal Dynamics-Eidos	15.3	11.4	5 years	2.5
Dark Horse	13.4	9.9	5 years	2.5
DECA Games	10.8	9.5	5 years	2.5
Easybrain	11.0	9.7	5 years	2.5
Freemode	14.1	11.0	5 years	2.5
Gearbox Entertainment	14.5	11.4	5 years	2.5
PLAION	13.6	11.3	5 years	2.5
Saber Interactive	14.4	11.4	5 years	2.5
THQ Nordic	14.2	11.3	5 years	2.5

[1] *The understanding and insight into Freemode's operations and both external as internal underlying factors is deemed to be sufficient enough to apply a forecast of cash flows over 10 years.*

SENSITIVITY ANALYSIS

The sensitivity of the calculations indicates that the total carrying amount of goodwill would be maintained even if the after-tax discount rate were to increase by 0.5 percentage points while the long-term growth rate were to decrease by 0.5 percentage points and if the after-tax discount rate were to increase by 1 percentage point. If the operating margin before interest, taxes, depreciation and amortization were to decrease by 2 percentage points during the forecast period and the period thereafter it would indicate a potential impairment need of 7 % of the total carrying amount of goodwill.

At the individual CGU level, all sensitivity analyses indicate further impairments on the CGUs Amplifier Game Invest, Dark Horse, Freemode, Lager 2 and THQ Nordic where impairments have already been recognized. For the CGU PLAION, a potential need of impairment is identified in all of the sensitivity analysis mentioned above. The indications amounts to 6, 11 and 30 % respectively, off the carrying goodwill amount in PLAION. An impairment indicator in PLAION is identified at increase of the after-tax discount rate with 0.6 percentage points and at a decrease of operating margin before interest, taxes, depreciation and amortization uring the forecast period and the period thereafter with 0.7 percentage points.

For the other CGUs, the carrying amount of goodwill is maintained in all sensitivity analyses mentioned above.

These calculations are hypothetical and should not be taken as an indication that these factors are more or less likely to change.

These calculations do not take into account incentives and measures that would be implemented if actual cash flows differ negatively from projected cash flows.

The sensitivity analysis should therefore be interpreted with great caution.

NOTE 14 INTANGIBLE ASSETS

Publishing and distribution relationships and acquired film rights are measured at fair value on the acquisition date and subsequently carried at cost less accumulated amortization and any accumulated impairment losses. Completed development projects and internally generated film rights as well as Other intangible assets are recognized at cost less accumulated amortization and any accumulated impairments. Reclassifications include reclassification according to IRFS 5 Assets held for sale, see note 32.

SIGNIFICANT ACCOUNTING PRINCIPLES

Amortization methods

Completed development projects and film rights are amortized using the declining balance method, i.e. a decreasing expense over the useful life. IP-rights, publishing and distribution relationships and other intangible assets are amortized on a straight-line basis over its estimated useful life. The useful life is reassessed at the end of each reporting period and adjusted as needed. When determining the amortizable amount of the asset, the residual value of the asset is considered where applicable. Intangible assets with a finite useful life are amortized from the date they are available for use.

The estimated useful lives of material intangible assets are as follows:

> Completed game development projects 2 years

Depreciation of finished game development projects – degressive depreciation over two years. 1/3 depreciation during month 1 to 3 following release, 1/3 depreciation in month 4 to 12 following release and the remaining 1/3 in month 13 to 24 following release.

> IP-rights 5-25 years
> Publishing and distribution relationships 5-10 years
> Film rights 1-5 years
> Other intangible assets 5 years

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

Capitalization of development expenditure

The Group capitalizes certain development expenditures as intangible assets in the statement of financial position, primarily relating to game development. Capitalization of development expenditure is based, among other things, on the assessment that future economic benefits will be generated by the asset and that it is technically possible to complete the asset. The Group must make significant assessments regarding the timing of capitalization. The Group's expenditures related to game development is capitalized when games are technologically sufficient to enable evaluation of their commercial potential. The judgement of commercial ability and returns is based on experience from previous games. Development not yet completed and where amortization therefore has not started (since the game is not ready for use), are subject to annual impairment tests. The most important underlying assumption of these estimates may alter, and accordingly, have an impact on the Group's results and financial position.

As of 31 March 2025, the assessment is that the carrying amount of these assets does not exceed their fair value.

Accumulated cost	Projects in progress	Acquired and completed development projects	IP rights	Publishing and distribution relationships	Film rights	Other intangible assets	Total intangible assets
As of 1 April 2023	**9,630**	**7,656**	**38,436**	**871**	**1,351**	**540**	**58,485**
Investments for the year	6,329	143	0	—	347	225	7,042
Business combinations	0	5	-97	221	—	—	129
Sales/disposals	-3,202	-557	-151	—	—	-195	-4,105
Reclassifications	-1,410	-525	-4,661	—	—	9	-6,587
FX effects	201	159	913	22	34	14	1,343
Transferred from projects in progress to completed development projects	-3,492	3,492	—	—	—	—	—
As of 31 March 2024	**8,057**	**10,373**	**34,439**	**1,114**	**1,732**	**592**	**56,306**
Investments for the year	3,371	7	—	—	333	36	3,748
Sales/disposals	-463	-829	-21,881	-1	0	-544	-23,716
Reclassifications	-50	-1	-8	—	—	-18	-76
FX effects	-452	-605	-761	-69	-140	-14	-2,041
Transferred from projects in progress to completed development projects	-2,472	2,472	—	—	—	—	—
As of 31 March 2025	**7,991**	**11,417**	**11,789**	**1,044**	**1,925**	**53**	**34,220**

[1)] The item business combinations IP rights includes a reduction of the previously reported deferred consideration for the asset acquisition Middle-earth Enterprises LLC.

NOTE 14 CONTINUED

Accumulated amortization	Projects in progress	Acquired and completed development projects	IP rights	Publishing and distribution relationships	Film rights	Other intangible assets	Total intangible assets
As of 1 April 2023	**—**	**-5,512**	**-5,473**	**-335**	**-980**	**-119**	**-12,420**
Amortizarion for the year	—	-3,070	-2,836	-142	-335	-101	-6,484
Sales/disposals	—	421	73	—	—	35	529
Reclassifications	—	342	1,397	—	—	-58	1,681
FX effects	—	-112	-131	-9	-23	-5	-279
As of 31 March 2024	**—**	**-7,931**	**-6,970**	**-486**	**-1,338**	**-249**	**-16,974**
Amortizarion for the year	—	-2,642	-1,723	-146	-339	-58	-4,908
Sales/disposals	—	627	2,882	1	—	321	3,831
Reclassifications	—	26	3	—	—	14	43
FX effects	—	490	272	39	119	8	928
As of 31 March 2025	**—**	**-9,430**	**-5,537**	**-592**	**-1,558**	**35**	**-17,082**

Accumulated impairment	Projects in progress	Acquired and completed development projects	IP rights	Publishing and distribution relationships	Film rights	Other intangible assets	Total intangible assets
As of 1 April 2023	**-322**	**-56**	**-109**	**—**	**—**	**—**	**-487**
Impairment	-2,863	-60	-340	—	—	-8	-3,271
Sales/disposals	641	—	58	—	—	2	701
Reclassifications	745	28	0	—	—	6	779
FX effects	-12	-2	-5	—	—	—	-19
As of 31 March 2024	**-1,811**	**-89**	**-396**	**—**	**—**	**-1**	**-2,296**
Impairment	-360	-103	-263	-115	—	—	-841
Sales/disposals	158	—	—	—	—	—	157
Reclassifications	-7	—	—	—	—	—	-7
FX effects	103	12	38	7	—	—	160
As of 31 March 2025	**-1,916**	**-179**	**-621**	**-109**	**—**	**-1**	**-2,826**

	Projects in progress	Acquired and completed development projects	IP rights	Publishing and distribution relationships	Film rights	Other intangible assets	Total intangible assets
Opening balance at 1 April 2023	9,309	2,088	32,854	536	371	420	**45,579**
Closing balance at 31 March 2024	6,245	2,353	27,073	628	394	342	**37,036**
Closing balance at 31 March 2025	6,075	1,808	5,632	343	367	87	**14,312**

Internally generated intangible assets

In Embracer, internally generated intangible assets pertain primarily to game development and film rights. The costs that are capitalized in game development projects include costs for direct salaries, consultant fees and other to the project directly attributable costs. The costs that are capitalized for film rights include costs for direct salaries, consultant fees and other to the project directly attributable costs. All other costs that do not meet the criteria for capitalization are expensed in profit or loss as incurred.

IP-rights

IP-rights emanates from an acquisition and refers to rights attributable to the Group's game products, such as a game's software or title.

Publishing and distribution relationships

Publishing and distribution relationships emanates from an acquisition.

IMPAIRMENT TESTING

Impairment testing is done annually for ongoing projects for intangible assets and when an impairment of indicator is identified for completed intangible assets with a defined useful live period.The value of the asset as of the balance sheet date are compared with discounted cash flows during the asset's expected useful life period. Material assumption are primarily discount rate, estimated profit margin and requirement for capital expenditures. This years write-downs refers to non completed project within the operating segments PC/Console Games and Mobile Games as well as IP-rights and Publishing and distribution relationships within PC/ Console Games and Entertainment & Services.

NOTE 15 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognized in the Group at cost less accumulated depreciation and any impairment losses. Reclassifications include reclassification according to IRFS 5 Assets held for sale, see note 32.

SIGNIFICANT ACCOUNTING PRINCIPLES

Depreciation methods

Depreciation is recognized on a straight-line basis over the estimated useful life of the asset or component.

The estimated useful lives of material items of property, plant and equipment are as follows:

- Buildings 33-40 years
- Equipment, tools, fixtures and fittings 3-14 years

Leasehold improvements are depreciated over the shorter of useful life time and the length of the lease agreement, if the Group does not expect to use the assets after the end of the lease agreement.

Accumulated cost	Land and buildings	Equipment, tools, fixtures and fittings	Ongoing investments	Leasehold improvements	Total property, plant and equipment
As of 1 April 2023	**286**	**950**	**98**	**335**	**1,669**
Investments for the year	9	175	61	71	316
Sales/disposals	-6	-234	-6	-59	-305
Reclassifications	-21	-267	-18	-132	-438
Exchange rate differences	7	27	5	13	52
As of 31 March 2024	**276**	**651**	**140**	**227**	**1,293**
Investments for the year	1	144	14	22	181
Sales/disposals	-24	-535	-1	-162	-722
Reclassifications	-17	98	-147	65	-1
Exchange rate differences	-14	-60	0	-21	-95
As of 31 March 2025	**221**	**298**	**6**	**130**	**655**

Accumulated amortization	Land and buildings	Equipment, tools, fixtures and fittings	Ongoing investments	Leasehold improvements	Total property, plant and equipment
As of 1 April 2023	**-27**	**-389**	**—**	**-105**	**-521**
Depreciation	-10	-239	—	-57	-306
Sales/disposals	3	175	—	21	199
Reclassifications	5	202	—	56	262
Exchange rate differences	-1	-20	—	-7	-28
As of 31 March 2024	**-31**	**-271**	**—**	**-92**	**-393**
Depreciation	-7	-163	—	-39	-209
Sales/disposals	8	307	—	105	421
Reclassifications	13	1	—	-14	—
Exchange rate differences	1	49	—	13	63
As of 31 March 2025	**-15**	**-77**	**—**	**-27**	**-118**

Accumulated impairment	Land and buildings	Equipment, tools, fixtures and fittings	Ongoing investments	Leasehold improvements	Total property, plant and equipment
As of 1 April 2023	—	—	—	—	—
As of 31 March 2024	-2	-13	—	-5	-19
Impairment	—	-1	—	—	-1
Sales/disposals	—	10	—	—	10
Reclassifications	—	—	—	—	—
Exchange rate differences	—	—	—	1	1
As of 31 March 2025	**-2**	**-4**	**—**	**-4**	**-9**

	Land and buildings	Equipment, tools, fixtures and fittings	Ongoing investments	Leasehold improvements	Total property, plant and equipment
Opening balance at 1 April 2023	259	561	98	230	**1,148**
Closing balance at 31 March 2024	243	367	140	131	**881**
Closing balance at 31 March 2025	205	218	6	99	**527**

NOTE 16 LEASES

SIGNIFICANT ACCOUNTING PRINCIPLES

Right-of-use assets

The Group's right-of-use assets mainly consist of rental premises. Right-of-use assets are measured at cost less accumulated depreciation and any impairment losses and adjusted for remeasurements of the lease liability. Provided that Embracer is not reasonably certain that the ownership of the underlying asset will be assumed upon expiration of the lease, the right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the useful life.

For leases that have a lease term of 12 months or less or with an asset with a low underlying value, no right-of-use asset or lease liability is recognized. Lease payments for these leases are recognized as a cost straight line over the lease term.

With respect to materiality, Embracer presents its leases as two classes of underlying assets: Premises and Other. Other includes the Group's servers, cars and storage unit agreements. All office equipment are considered to be leases where the underlying asset is of low value. The following table presents the Group's opening and closing balances regarding right-of-use assets and lease liabilities, as well as the changes during the year.

	Right-of-use assets			
	Premises	Other	Total	Lease liabilities
Opening balance at 1 of April 2023	**1,423**	**—**	**1,423**	**1,488**
Additional agreements net	386	—	386	382
Depreciation	-541	—	-541	—
Remeasurement of leases	116	—	116	148
Interest expense	-35	—	-35	30
Lease payments	0	—	0	-644
Closing balance at 31 of March 2024	**1,349**	**—**	**1,349**	**1,404**
Additional/ terminated agreements net	-492	—	-492	-538
Depreciation	-408	—	-408	—
Remeasurement of leases	230	—	230	227
Interest expense	-35	—	-35	33
Lease payments	—	—	—	-439
Closing balance at 31 of March 2025	**645**	**—**	**645**	**687**

Of the net value for Additional/terminated agreements of SEK - 492 million, additional agreements is SEK 209 million.

The amounts recognized in the consolidated statement of profit or loss for the year attributable to leasing activities are presented below:

	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Expenses relating to current leases (part of other external expenses)	-7	-29
Expenses relating to leases of low-value assets (part of other external expenses)	-7	-7
Depreciation expense of right-of-use assets	-299	-541
Interest expenses on lease liabilities	-35	-35
Total	**-349**	**-612**

Embracer reports a cash outflow attributable to lease agreements amounting to SEK -333 million (-437). For a maturity analysis of the Group's lease liabilities, see note 20 Financial risks.

NOTE 17 INVESTMENTS IN ASSOCIATES

Below are the associates that are material to the Group as of 31 March 2025. Companies listed below have share capital consisting of shares which are owned directly by the Group. The share of equity is the same as the share of votes unless otherwise stated below.

Company	Reg.no	Country of incorporation and business	Share of equity (%) 31/03/2025	Share of equity (%) 31/03/2024	Nature of the entity´s relationship	Valuation method
Iron Gate AB	559203-4820	Sweden	30 %	30 %	Associated company	Equity method
Framebunker ApS	35237275	Denmark	34 %	34 %	Associated company	Equity method
Ugly Duckling ApS	42566276	Denmark	30 %	30 %	Associated company	Equity method
Super Deluxe Games Inc	0100-01-143799	Japan	40 %	40 %	Associated company	Equity method
Double Damage Games Inc	5493089	USA	33 %	33 %	Associated company	Equity method
Equinox	894382746	France	— %	40 %	Associated company	Equity method

All associates are game development studios.

Company	Carrying amount 31/03/2025	Carrying amount 31/03/2024
Iron Gate AB	239	227
Framebunker ApS	2	14
Ugly Duckling ApS	2	2
Super Deluxe Games Inc	3	1
Double Damage Games Inc	—	10
Equinox	—	—
Total investments accounted for according to the equity method	**246**	**254**

Result from associated companies amounts to SEK 1 million (SEK 12 million).

NOTE 18 FINANCIAL INSTRUMENTS

Reclassification of the assets & liabilities under IFRS 5, as per note 32 has been returned to the balances in note 18. The balances are, therefore, not affected by this reclassification as it does not have an effect before completion of the transactions.

SIGNIFICANT ACCOUNTING PRINCIPLES

Recognition and derecognition

Financial assets and liabilities are recognized when the Group becomes a party under the contractual terms of the instrument. A financial asset is derecognized from the statement of financial position (fully or partially) when the rights in the contract have been realized or matured, or when the Group no longer has control over it. A financial liability is derecognized from the statement of financial position (fully or partially) when the obligation of the agreement is discharged or otherwise expires. Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to either settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Classification and measurement

Financial assets

Financial assets are classified at amortized cost if they are held under a business model whose objective is to collect contractual cash flows that are solely payments of principal and interest on the principal amount. At initial recognition, financial assets at amortized cost are measured at fair value including transaction costs. After initial recognition, the assets are measured at amortized cost using the effective interest rate method. The assets are subject to impairment for expected credit losses. The Group's financial assets that are debt instruments classified at amortized cost are stated below.

Financial liabilities

Financial liabilities measured at fair value through consolidated statement of profit or loss include the Group's contingent considerations and derivative instruments with negative value.

Contingent consideration is classified either as equity or as financial liability. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Other contingent considerations are remeasured each reporting period and the changes in fair value are recognized in the consolidated statement of profit or loss.

In connection with certain business combinations, Embracer has prepaid contingent consideration classified as a financial liability, with a claw-back clause if the conditions for obtaining the contingent consideration are not met. Embracer evaluates the facts and circumstances in connection with such prepayments to determine whether the commitment is considered settled, whereby the liability is derecognized, or whether the commitment remains, whereby the liability continues to be recognized at fair value in the statement of financial position. Any right to recover a prepaid contingent consideration is reported as an asset at fair value in the statement of financial position.

Derivatives are recognized on a regularly basis at fair value. Changes in value for derivatives that are not hedged are reported in the consolidated statement of profit or loss.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

For certain business combinations, Embracer has agreed to pay contingent consideration as a part of the total consideration. Contingent consideration is recognized at fair value at the acquisition date. If a contingent consideration is classified as a financial liability, it is remeasured each reporting period and changes in fair value are recognized in the consolidated statement of profit or loss under financial net. If a contingent consideration is classified as equity, it shall not be remeasured, and its subsequent settlement shall be accounted for within equity. The assumptions underlying the fair value measurement of contingent considerations classified as financial liabilities are described in further detail below. Estimates other than those made by management may result in different results and financial position. According to management, the current evaluation provides a relevant assessment of the Group's financial situation for the actual periods.

Measurement of financial assets and liabilities as of March 31, 2025

Financial assets	Financial instruments measured at fair value through other comprehensive income	Derivative instruments identified as hedging instruments	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized cost	Total Carrying amount
Other non-current receivables	50	—	—	397	447
Trade receivables	—	—	—	2,200	2,200
Contract assets	—	—	—	82	82
Other current receivables	—	—	—	1,351	1,351
Current investments	—	—	—	0	0
Cash and cash equivalents	—	—	—	7,097	7,097
Total	**50**	**—**	**—**	**11,127**	**11,178**

Financial liabilities	Financial instruments measured at fair value through other comprehensive income	Derivative instruments identified as hedging instruments	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized cost	Total Carrying amount
Liabilities to credit institutions	—	—	—	1,664	1,664
Other non-current liabilities	—	—	—	103	103
Advances from customers	—	—	—	158	158
Trade payables	—	—	—	1,207	1,207
Contract liabilities	—	—	—	1,023	1,023
Contingent considerations	—	—	1,317	—	1,317
Put/call options on non-controlling interests	—	—	—	—	—
Deferred consideration	—	—	—	—	—
Liabilities to employees related to historical acquisitions	—	—	843	—	843
Other current liabilities	—	—	—	498	498
Accrued expenses	—	—	—	1,656	1,656
Total	**—**	**—**	**2,160**	**6,309**	**8,468**

Measurement of financial assets and liabilities as of March 31, 2024

Financial assets	Financial instruments measured at fair value through other comprehensive income	Derivative instruments identified as hedging instruments	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized cost	Total Carrying amount
Other non-current receivables	42	6	—	555	603
Trade receivables	—	—	—	5,254	5,254
Contract assets	—	—	—	491	491
Other current receivables	—	—	—	3,929	3,929
Current investments	—	—	—	0	0
Cash and cash equivalents	—	—	—	3,507	3,507
Total	**42**	**6**	**—**	**13,736**	**13,784**

Financial liabilities	Financial instruments measured at fair value through other comprehensive income	Derivative instruments identified as hedging instruments	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized cost	Total Carrying amount
Liabilities to credit institutions	—	—	—	19,878	19,878
Other non-current liabilities	—	—	—	171	171
Advances from customers	—	—	—	155	155
Trade payables	—	—	—	2,265	2,265
Contract liabilities	—	—	—	1,717	1,717
Contingent considerations	—	—	2,246	—	2,246
Put/call options on non-controlling interests	—	—	1,782	—	1,782
Deferred consideration	—	—	—	487	487
Liabilities to employees related to historical acquisitions	—	—	1,434	—	1,434
Other current liabilities	—	—	—	1,168	1,168
Accrued expenses	—	—	—	3,093	3,093
Total	**—**	**—**	**5,462**	**28,934**	**34,396**

CURRENT RECEIVABLES AND LIABILITIES

For current receivables and liabilities, such as trade receivables, lease liabilities and trade payables and for liabilities to credit institutions at variable interest rate, the carrying amount is considered to be a good approximation of the fair value.

The Group has no financial assets or liabilities that are offset in the accounts or that are subject to legally binding netting agreements. The maximum credit risk of the assets comprise the net amount of the carrying amounts in the tables above. The Group did not receive any pledged assets for the financial assets.

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 as of March 31, 2025	Level 1	Level 2	Level 3	Total
Current investments	50	—	—	**50**

Financial assets measured at fair value as of March 31, 2024	Level 1	Level 2	Level 3	Total
Ownership interests in other entities	—	6	—	**6**
Current investments	42	—	—	**42**

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

Financial liabilities measured at fair value as of March 31, 2024	Level 1	Level 2	Level 3	Total
Contingent consideration	—	—	2,246	**2,246**
Put/call options on non-controlling interests	—	—	1,782	**1,782**
Liabilities to employees related to acquisitions	—	—	1,434	**1,434**

DERIVATIVES

Derivative instruments are measured at fair value in accordance with Level 2 in the fair value hierarchy. Interest rate derivatives are measured in accordance with the market valuation determined by the issuing party, see note 20.

CONTINGENT CONSIDERATION

The fair value of contingent considerations have been calculated based on expected outcome of financial and operational targets for each individual agreement. The estimated expected settlement will vary over time depending on, among other things, the degree of fulfillment of the conditions for the contingent considerations, the development of certain exchange rates against the Swedish krona and the interest rate environment. Contingent considerations to be settled with shares are also dependent on the development of Embracer's share price.

Contingent considerations classified as financial liabilities are measured at fair value by discounting expected cash flows at a risk-adjusted discount rate of 1.8%-10.2%. 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 [1]	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Opening balance	**3,935**	**8,471**
Payment - shares to be issued	-79	-30
Payment - clawback shares	-565	-2,278
Payment - cash	-243	-258
FX effects	-85	167
Reclassifications	—	-32
Disposals/divestments	-252	-251
Change in fair value recognized in consolidated statement of profit or loss	-447	-1,853
Closing balance	**2,264**	**3,935**

[1] *See table below for distribution between financial debt and equity.*

Positive change in fair value of contingent considerations amounted to SEK -447 million. This amount is included in net financial items in the consolidated statement of financial position.

Given the contingent considerations recognized at the end of the period, an increase in the discount rate of 1.5 percentage points would affect the fair value of the contingent considerations by SEK -100 million and a lower discount rate of 1.5 percentage points has an impact on the fair value of SEK 80 million.

The Group's contingent considerations are settled in cash or through newly issued shares. As of March 31, 2025, the contingent consideration is expected to be settled as follows.

	Contingent consideration classified as financial liability			Contingent consideration classified as equity	
Expected settlement	**Cash settlement**	**Newly issued/ clawback shares**	**Total contingent consideration classified as financial liability**	**Newly issued/ clawback shares**	**Total contingent consideration**
31/03/2025	1,089	228	**1,317**	947	**2,264**
31/03/2024	1,638	612	**2,249**	1,686	**3,935**

Out of Embracer's issued shares, some relate to prepaid contingent consideration with clawback rights as specified in the following table:

As of 31/03/2025	Classified as financial liability	Of which already issued	Classified as equity	Of which already issued
Maximum number of shares related to contingent consideration	5,566,013	1,352,078	2,079,168	1,985,587

PUT/CALL OPTIONS ON NON-CONTROLLING INTEREST

Put/call options on non-controlling interest refers to put/call option on non-controlling interests in business combination where the selling shareholders keep some ownership and there is a contractual obligation where Embracer will purchase the remaining interest if the holder of the option determines to exercise. The valuation and settlement is similar as for contingent consideration (level 3 fair value measurement). The fair value of put/call options on non-controlling interests have 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 put/ call option on non-controlling interests, the development of certain exchange rates against the Swedish krona and the interest rate environment. Put/call option on non-controlling interests to be settled with shares are also dependent on the development of Embracer's share price.

Put/call option on non-controlling interests	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Opening balance	**1,782**	**2,905**
FX-effects	33	-274
Reclassifications	-906	0
Disposals/divestments	-982	—
Change in fair value recognized in consolidated statement of profit or loss	73	-850
Closing balance	**0**	**1,782**

During 2024/25, unrealized gains or losses on put/call options held at the balance sheet date amounted to SEK 73 million (-850). This amount is included as part of financial items in the consolidated income statements. As at March 31, 2025, the Group's put/call options on non-controlling interests will be settled in cash or shares as shown in the table below:.

	Put/call options on non controlling interest		
Expected settlement	**Cash settlement**	**Newly issued shares**	**Total classified as financial liability**
31/03/2025	—	—	**—**
31/03/2024	875	906	**1,782**

NOTE 18 CONTINUED

LIABILITIES TO EMPLOYEES RELATED TO HISTORICAL ACQUISITIONS

Non-current liabilities to employees related to historical acquisitions refers to part of the purchase price in historical acquisitions which according to IFRS is classified as personnel debt.

Liabilities to employees related to acquisitions	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Opening balance	**1,434**	**1,090**
Accrual of personnel cost in consolidated statement of profit or loss	395	923
Payment - cash after the acquisition day	-1,294	-582
Change in fair value recognized in consolidated statement of profit or loss	32	32
Disposals/divestments	317	—
FX-effects	-41	-29
Closing balance	**843**	**1,434**

Current liability amounts to SEK 164 million (144).

Given the non-current liabilities to employees related to acquisitions recognized at the end of the reporting period, an increase in the discount rate of 1.5 percentage points would affect the fair value of the non-current liabilities to employees related to acquisitions by SEK -34 million and a decrease in the discount rate of 1.5 percentage points would affect the fair value by SEK 36 million As at 31 March, 2025 the Group's non-current liabilities to employees related to acquisitions will be settled in cash.

DEFERRED CONSIDERATION, NOT CLASSIFIED AS A FINANCIAL INSTRUMENT AT FAIR VALUE

Deferred consideration refers to future payments from business combinations and asset deals where the payment is not contingent to future financial or operational targets.

Deferred considerations	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Opening balance	**488**	**2,019**
Acquisitions	—	193
Payment - cash	-479	-1,956
FX-effects	-9	147
Reclassifications	—	32
Disposals/divestments	-8	-10
Discount effect recognized in consolidated statement of profit or loss	9	62
Closing balance	**—**	**487**

NOTE 19 NON-CURRENT FINANCIAL ASSETS

	31/03/2025	31/03/2024
Receivables from associates	0	10
Non-current external receivables	376	439
Non-current receivables on employees	13	0
Securities holding	58	52
Carrying amount	**447**	**501**

Accumulated acquisition values	31/03/2025	31/03/2024
At the beginning of year	501	369
Investments for the year	13	10
Sales for the year	-2	-46
Reclassification	-381	-352
Loan	358	543
Repayment	-12	-34
Translation difference	-31	11
Carrying amount at end of year	**447**	**501**

NOTE 20 FINANCIAL RISKS

The Group's earnings, financial position and cash flow are impacted by both changes in the business environment and by the Group's own actions. The objective of risk-management activities is to define and analyze the risks faced by the entity and, as far as possible, prevent and limit any negative effects.

Through its operations, the Group is exposed to different types of financial risks: credit risk, market risk (interest-rate risk, currency risk and other price risk) as well as liquidity risk and refinancing risk. The Board is ultimately responsible for the Group's risk activities, including financial risks. Risk activities include identifying, assessing and evaluating the risks faced by the Group. Priority is assigned to the risks that are estimated to have the greatest negative impact on the Group, based on an overall assessment of potential effect, probability and consequences. The Group's overall aim for financial risks is to manage financial exposures to reduce volatility in the statement of profit or loss and the statement of financial position, protect future value of cash flows and financial assets, optimize and secure funding as well as taking advantage of economies of scale.

The Group has a number of policies that should work to mitigate the risks that need to be managed.

CREDIT RISK

Credit risk is the risk that the Group's counterparty in a financial instrument is unable to fulfil its obligations and thus causes a financial loss for the Group. The Group's credit risk primarily arises through receivables from customers and investing cash and cash equivalents. At each reporting date, the Group evaluates the credit risk of existing exposures, considering forward-looking factors.

The financial assets for which the Group has made loss allowances for expected credit losses are presented below. In addition to the assets below, the Group also monitors its loss allowance requirements for other financial instruments. In situations where the amounts are not deemed to be immaterial, loss allowances are also made for these financial instruments.

Credit risk in trade receivables and contract assets (simplified approach for credit risk provision)

Credit risk for the Group is primarily attributable to trade receivables and contract assets and Embracer's aim is to continuously monitor this credit risk. The Group's customers primarily comprise of digital retailers and physical stores as well as retailers. The Group has established guidelines to ensure that products are sold to customers with a suitable credit background. Payment terms are normally between 30 - 90 days. Historical credit losses amounts to insignificant amounts in relation to the Group's turnover.

The Group applies the simplified approach to recognizing expected credit losses on trade receivables and contract assets. This means that reserves for expected credit losses are recognized for the full lifetime, which is expected to be less than one year for all receivables. The Group applies a rating-based method for calculating expected credit losses based on probability of default, loss given default and exposure at default. When an external credit rating is not available for the counterparty, an internal assessment of the counterparty's credit rating is performed based on the Group's previous experience of the customer and other available information. Individual assessments are made for individually material receivables, which take into account past, current and forward-looking information. Collective assessments are made for individually immaterial receivables. The Group may have credit enhancements in the form of credit insurance for trade receivables, which is then considered when assessing expected credit losses. The Group writes off a receivable when there is no longer any expectation of receiving payment and when active measures to obtain payment have been discontinued.

Age analysis of trade receivables	31/03/2025
Trade receivables not yet due, excluding impairment	1,323
Past due trade receivables, excluding impairment	
1-60 days	237
61-120 days	14
>120 days	58
Total	**1,631**
Accrued income	606
Loss allowance for expected credit losses	-37
Carrying amount	**2,200**

The credit quality of receivables that are not more than 90 days past due is considered to be good, based on historically low bad debts and taking into account forward-looking factors. The value of written-off receivables still under recovery actions amounts to SEK 37 million (SEK 152 million).

Expected credit losses for trade receivables and contract assets (simplified approach)	01/04/2024 - 31/03/2025
Opening balance	**-152**
Impairment	-10
Sales or disposals of subsidiaries	123
FX effects	2
Closing balance	**-37**

NOTE 20 CONTINUED

Age analysis of Expected credit losses for trade receivables and contract assets	01/04/2024 - 31/03/2025
Past due trade receivables, impairment	
1-60 day	-30
61-120 days	0
>120 days	-7
Total	**-37**

Current investments and cash and cash equivalents

The Group's credit risk also pertains to cash and cash equivalents and investment of surplus liquidity. Embracer's aim is to continuously monitor credit risk attributable to deposits and investments. The Group shall reduce the Credit & Counterparty risk by conducting business with financial counterparties that holds a credit rating of minimum single A- long term credit rating as defined by S&P Global or equivalent from at least two rating agencies. Currently Embracer Group has a s small number of accounts in acquired companies where they work to achieve the objective.

Loss allowances for expected credit losses (general method)

For other items subject to expected credit losses, an impairment method with three stages is applied. Initially, and as of each reporting date, a loss allowance is recognized for the next 12 months, alternatively for a shorter period of time depending on the remaining life (stage 1). If there has been a significant increase in credit risk since initial recognition, resulting in a rating below investment grade, a loss allowance is recognized for the asset's remaining life (stage 2). For assets deemed to be credit impaired, loss allowances are still reserved for lifetime expected credit losses (stage 3). For credit-impaired assets and receivables, the calculation of interest income is based on the asset's carrying amount, net of loss allowance, as opposed to the gross amount in previous stages. The Group's assets covered of provision for expected credit losses according to the general method essentially refers to bank deposits

The Group applies a rating-based method for assessment of expected credit losses based on the probability of default, expected loss given default and exposure at default. Assessment is made per counterparty. The Group has defined default as when payment of a receivable is 120 days or more past due, or if other factors indicate default. The Group has assessed that there has been no significant increase of credit risk at the end of the reporting period for any receivable. Such an assessment is based on whether payment is 60 days or more past due, or if there is a significant deterioration in the rating, resulting in a rating below investment grade. Individual assessments are made for credit-impaired assets and receivables, which take into account past, current and forward-looking information. The valuation of expected credit losses takes into account any collateral and other credit enhancements in the form of guarantees.

The financial assets are recognized at amortized cost in the statement of financial position, i.e. net of gross amount and loss allowance. Changes in the loss allowance are recognized in profit or loss under "Other external expenses".

Credit risk exposure and credit risk concentration

The Group's credit risk exposure consists of trade receivables, contract assets and cash and cash equivalents. Cash and cash equivalents of SEK 7,097 million are invested with financial institutions with a credit rating of at least A-. The Group's trade receivables are distributed over a large number of different customers.

There has been no significant increase in credit risk for any of the Group's financial assets. The funds placed in banks in Ukraine, Russia and Belarus are the funds needed for approximately three months of operational activities and to liquidate the companies in Russia where the operations has been discontinued.

MARKET RISK

Market risk is the risk that the fair value of, or future cash flows from, a financial instrument will vary due to changes in market prices. According to IFRS, market risks comprises three types of risks: currency risk, interest rate risk and other price risk. The market risks that primarily impact the Group are interest rate risk and currency risk.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of, or future cash flows from, a financial instrument will vary due to changes in market interest rates. The aim is to not be exposed to future fluctuations in interest rate changes that impact the Group's cash flows and earnings to a greater extent than Embracer can manage. A significant factor affecting interest rate risk is the fixed interest rate period. The Group is primarily exposed to interest rate risk attributable to the Group's liabilities to credit institutions.

The following table specifies the terms and repayment dates for each interest-bearing liability:

					Carrying amount	
		Currency	Due date	Interest	31/03/2025	31/03/2024
Liabilities to credit institutions	Nordea Facility A	SEK	15/02/2025	Variable	—	8,000
Liabilities to credit institutions	Nordea RCF Mult	SEK	24/05/2025	Variable	—	6,339
Liabilities to credit institutions	Nordea RCF Mult	EUR	24/05/2025	Variable	—	2,708
Liabilities to credit institutions	Various lenders [1]	EUR	< 1 year - 2031	Variable	1,664	2,729
Total					**1,664**	**19,776**

[1] *Loans within our operational groups. The loans are bilateral, with different maturities, amortization schedules and covenants. The loans are 17 in total, spread over 10 credit institutions, with maturities from < 1 year to 2031-09-30 and with different sizes. The largest loan represents 20% of total debt.*

Of the total liabilities to credit institutions, SEK 0 (16,999) million relates to borrowing in the Parent Company. These loans are placed with Swedish credit institutions in SEK and EUR.

In some cases and to a lesser extent, the Group uses interest rate derivatives in the form of interest rate swaps to manage interest rate risk. In all interest rate swap agreements, Embracer has chosen to exchange floating interest rates for fixed interest rates. As of March 31, 2025, there were no interest rate swaps (SEK - million as of March 31, 2024).

The interest rate derivatives in the previous year have been agreed with institutions that have an investment grade rating, whereby the credit exposure to the institution is considered limited.

The table below shows the impact of an increase in interest rates on equity and profit or loss, given the interest-bearing assets and liabilities at the balance sheet date.

	31/03/2025	31/03/2024
Market interest rate -1 %	17	198
Market interest rate +1 %	-17	-198

NOTE 20 CONTINUED

CURRENCY RISK

Currency risk is the risk that the fair value of, or future cash flows from, a financial instrument will vary due to changes in foreign exchange rates. Currency risk relates to the translation of foreign operations' assets and liabilities into the Parent Company's functional currency, known as translation exposure. A substantial part of the Group's sales and purchases are also in foreign currencies, so-called transaction exposure. Currency risk related to sales and purchases in foreign currencies is managed by the Group's ambition to balance inflows and outflows in different currencies, thereby creating a natural hedge of the currency risk.

	01/04/2024 - 31/03/2025		01/04/2023 - 31/03/2024	
Currency exposure (%)	**Operating income**	**Operating expenses**	**Operating income**	**Operating expenses**
USD	68 %	45 %	50 %	30 %
EUR	25 %	27 %	33 %	51 %
Other currencies	6 %	28 %	16 %	19 %

	01/04/2024 - 31/03/2025		01/04/2023 - 31/03/2024	
Sensitivity - Exchange rate fluctuations against the Swedish krona	**Effect on profit or loss**	**Effect on equity**	**Effect on profit or loss**	**Effect on equity**
EUR - 10%	-162	400	-1,690	-27
USD - 10%	-253	-290	-244	569

LIQUIDITY RISK AND REFINANCING RISK

Liquidity risk is the risk that an entity will have difficulty in fulfilling obligations related to financial liabilities settled with cash or other financial assets. The Group's operations are essentially financed through equity and external funding. The Group manages the liquidity risk by continuously monitoring the operations and by maintaining cash pools for the currencies where financial synergies can be achieved. The risk is mitigated by the Group's liquidity reserves, which are immediately available. The Group regularly forecasts future cash flows based on different scenarios to ensure that financing takes place in due time.

The Group has a credit amount granted for its overdraft facilities amounting to SEK 7,616 million (21,678) Available funds consists of cash and unutilized overdraft facilities. At the end of the reporting period, SEK 5,956 million (1,749) of the overdraft facilities was not utilized.

Embracer Group AB has an agreement on covenants in its agreements for long- and short-term credits. The terms for these are 3.5 x the net debt through adjusted EBITDAC calculated according to agreement with the lenders. Embracer has not breached these commitments in 2024/25 or earlier.

Refinancing risk refers to the risk that financing of acquisitions or development cannot be retained, extended, refinanced or that such financing can only be made on terms that are unfavorable to the company. The need for refinancing is regularly reviewed by the company and the Board of Directors to ensure financing for the company's expansion and investments. The Group's aim is to have access to both current and non-current credit facilities at an given time to secure financing. This is achieved through forward planning and good relations with banks, financial institutions and credit facility providers. Terms and conditions in existing loan agreements are continuously monitored and managed.

The Group's contractual and undiscounted interest payments and repayments of financial liabilities are presented in the table below.

	31/03/2025				
Maturity analysis	**<1 year**	**1-3 years**	**3-5 years**	**>5 years**	**Total**
Liabilities to credit institutions	545	1,057	36	26	1,664
Contingent considerations	495	447	240	135	1,317
Liabilities to employees related to historical acquisitions	164	631	48	—	843
Lease liabilities	249	295	128	16	688
Contract liabilities	1,023	—	—	—	1,023
Advance from customers	158	—	—	—	158
Trade payables	1,207	—	—	—	1,207
Accrued expenses	1,656	—	—	—	1,656
Other current liabilities	497	—	—	—	497
Total	**5,994**	**2,430**	**452**	**176**	**9,053**

NOTE 20 CONTINUED

	31/03/2024				
Maturity analysis	**<1 year**	**1-3 years**	**3-5 years**	**>5 years**	**Total**
Liabilities to credit institutions	8,981	10,698	50	47	19,776
Contingent considerations	219	818	412	750	2,199
Put/call options on non-controlling interests	285	1,496	—	—	1,782
Liabilities to employees related to historical acquisitions	144	797	113	—	1,054
Deferred considerations	474	10	—	—	485
Lease liabilities	381	471	352	201	1,405
Contract liabilities	1,511	—	—	—	1,511
Advance to customers	143	—	—	—	143
Trade payables	2,197	—	—	—	2,197
Accrued expenses	2,967	—	—	—	2,967
Other current liabilities	906	—	—	—	906
Total	**18,208**	**14,291**	**927**	**998**	**34,424**

CAPITAL MANAGEMENT

The Board of Directors of Embracer Group have stipulated goals for the Capital Structure. The leverage target is to have Net Debt to adjusted EBIT of 1.0x on a 12-month forward looking basis.

The Group's financial targets are set quarterly by management and amount to a range between which adjusted EBIT is expected to be.

NOTE 21 INVENTORIES

SIGNIFICANT ACCOUNTING PRINCIPLES

Inventories are measured at the lower of cost and net realizable value. Cost is calculated using the weighted average cost formula and includes all costs of purchase for the inventories and transport of the inventories to their present location and condition. The net realizable value is defined as the sales price less selling expenses.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

Inventories are measured at the lower of cost and net realizable value. Calculation of net realizable value is based on factors such as assessments of future sales prices, which also consider expected price reductions. The actual outcome of future sales prices may differ from the assessments made. On March 31, 2025 it is management's view that the book value of the inventories do not exceed its fair value.

	31/03/2025	31/03/2024
Raw materials and supplies	2	16
Finished goods and goods for resale	626	3,045
Work in progress	78	157
Carrying amount	**707**	**3,218**

The Group's obsolescence reserve amounts to SEK 182 million as at 31 March 2025. Costs arising from inventory write-downs and disposals amount to SEK 117 million.

NOTE 22 OTHER RECEIVABLES

	31/03/2025	31/03/2024
Goods in transit	1	233
Prepayments to supplier	187	426
Other taxes recoverable	270	309
Other interests-bearing receivables	16	2,148
Other receivables	878	672
Carrying amount	**1,351**	**3,788**

NOTE 23 PREPAID EXPENSES

	31/03/2025	31/03/2024
Prepaid rental expenses	16	15
Prepaid financial expenses	20	5
Other prepaid expenses	412	437
Carrying amount	**481**	**457**

Prepaid expenses refer to costs that have been accrued and are attributable to a later period.

NOTE 24 GROUP COMPANIES

The Parent Company's, Embracer Group AB, holdings in direct and indirect subsidiaries included in the consolidated financial statements are shown in the following table:

				Share of equity/votes	
Company	**Corp. Reg. No.**	**Registered office**	**Country**	**31/03/2025**	**31/03/2024**
Embracer Group AB	556582-6558	Karlstad	Sweden	Parent Company	Parent Company
PLAION Holding GmbH	FN 482610 x	Hoefen	Austria	100 %	100 %
1337 VR B.V.	75347482	Rotterdam	The Netherlands	100 %	100 %
Anime Ltd.	SC406063	Glasgow	United Kingdom	100 %	100 %
Atlantis Games Ltd.	9771586	Theale/Reading	United Kingdom	100 %	100 %
Dambuster Studios Ltd.	9140280	Nottingham	United Kingdom	100 %	100 %
DigixArt Entertainment SAS	5912Z	Montpellier	France	100 %	100 %
DPI Merchandising GmbH	HRB262973	Planegg	Germany	100 %	100 %
DPI Merchandising Inc.	6456046	Roseburg	USA	100 %	100 %
Fishlabs GmbH	HRB105290	Hamburg	Germany	100 %	100 %
Flying Wild Hog Development Ltd.	11420362	Theale/Reading	United Kingdom	100 %	100 %
Flying Wild Hog Holding Ltd.	11293390	Nottingham	United Kingdom	100 %	100 %
Flying Wild Hog Services Sp. z o.o.	836773	Warsaw	Poland	100 %	100 %
Flying Wild Hog Studios Sp. z o.o.	836710	Warsaw	Poland	100 %	100 %
Force Field HBE Studio B.V.	34227248	Amsterdam	The Netherlands	100 %	100 %
Force Field LBE Studio B.V.	34336313	Amsterdam	The Netherlands	100 %	100 %
Force Field Productions B.V.	34247648	Amsterdam	The Netherlands	100 %	100 %
Free Radical Design Ltd.	13418580	Nottingham	United Kingdom	100 %	100 %
Milestone S.r.l.	10851750967	Milan	Italy	100 %	100 %
PLAION AB	559425-3469	Stockholm	Sweden	100 %	100 %
PLAION AG	CH-320.3.044.267-5	St. Gallen	Switzerland	100 %	100 %
PLAION B.V.	89776968	Amsterdam	The Netherlands	100 %	100 %
PLAION ENT S.L.U.	M-119499	Madrid	Spain	100 %	100 %
PLAION GmbH	FN 194505 m	Hoefen	Austria	100 %	100 %
PLAION GmbH	HRB105290	Planegg	Germany	100 %	100 %
PLAION Inc.	26-2243948	Larkspur	USA	100 %	100 %
PLAION Inc.	0118-01-038257	Tokyo	Japan	100 %	100 %
PLAION Ltd.	2925650	Theale/Reading	United Kingdom	100 %	100 %
PLAION Ltd.	2974237	Hong Kong	Hong Kong	100 %	100 %
PLAION PICTURES GmbH	HRB 160607	Planegg	Germany	100 %	100 %
PLAION Pty Ltd.	37608232177	Sydney	Australia	100 %	100 %
PLAION S.r.l.	MI-1963591	Milan	Italy	100 %	100 %
PLAION SAS	440642247	Issy-les-Moulineaux/Paris	France	100 %	100 %
PLAION Service s.r.o.	8219966	Olomouc	Czech Republic	100 %	100 %
PLAION Sp. z o.o.	383878148	Warsaw	Poland	100 %	100 %
Prism Ray Online Services GmbH	FN 579041 g	Hoefen	Austria	50 %	100 %
Sola Media AS	920804233	Bodø	Norway	100 %	100 %
Sola Media GmbH	HRB 24372	Stuttgart	Germany	100 %	100 %
Splatter Connect Ltd.	7965335	Theale/Reading	United Kingdom	100 %	100 %
Supernova Capital One Ltd.	11212523	Nottingham	United Kingdom	100 %	100 %
Vertigo Games Holding B.V.	73570400	Rotterdam	The Netherlands	100 %	100 %
Vertigo Publishing B.V	73574600	Rotterdam	The Netherlands	100 %	100 %
Vertigo Studios Amsterdam B.V.	32129579	Amsterdam	The Netherlands	100 %	100 %
Vertigo Studios B.V.	24446448	Rotterdam	The Netherlands	100 %	100 %
Voxler Ltd.	9887544	London	United Kingdom	100 %	100 %
Voxler SAS	484440243	Paris	France	100 %	100 %
Warhorse Studios s.r.o.	24155849	Prague	Czech Republic	100 %	100 %
Embracer Group Lager 5 (Easybrain Holding AB)	559237-4044	Karlstad	Sweden	100 %	100 %
Easybrain Group Ltd	HE 417027	Limassol	Cyprus	— %	100 %
Easybrain LLC (ООО Изибрэйн)	192677819	Minsk	Belarus	— %	100 %
Easybrain Ltd	HE 345807	Limassol	Cyprus	— %	100 %
EASYBRAIN sp. z o.o.	KRS no. 0000963602 REGON (statistical number): 52163727000000	Warsaw	Poland	— %	100 %

NOTE 24 CONTINUED

Company	Corp. Reg. No.	Registered office	Country	Share of equity/votes 03/31/2025	Share of equity/votes 03/31/2024
THQ Nordic AB	559338-6104	Karlstad	Sweden	100 %	100 %
Alkimia Interactive SL	B-67542720	Barcelona	Spain	100 %	100 %
Appeal Studios SA	0704.609.582	Charleroi	Belgium	100 %	100 %
Ashborne Games s.r.o.	9578439	Brno	Czech Republic	100 %	100 %
Black Forest Games GmbH	HRB 708729	Offenburg	Germany	100 %	100 %
Bugbear Entertainment Oy	1586716-8	Helsinki	Finland	100 %	100 %
Campfire Cabal ApS	43369830	Copenhagen	Denmark	100 %	100 %
Experiment 101 AB	559019-9609	Stockholm	Sweden	100 %	100 %
Gate21 d.o.o.	65-01-0368-21	Sarajevo	Bosnia i Herzegovina	80 %	80 %
Grimlore Games GmbH	HRB 214761	Munich	Germany	100 %	100 %
Gunfire Games LLC	32054776284	Austin	USA	100 %	100 %
HandyGames Studios GmbH	257/128/11229	Giebelstadt	Germany	100 %	100 %
KAIKO GmbH	HRB 98636	Frankfurt am Main	Germany	100 %	100 %
Massive Miniteam GmbH	HRB 94296	Pulheim	Germany	100 %	100 %
metricminds GmbH	HRB50908	Frankfurt am Main	Germany	100 %	100 %
Mirage Game Studios AB	559043-8437	Karlstad	Sweden	100 %	100 %
Nine Rocks Games s.r.o	131468/B	Bratislava	Slovakia	100 %	100 %
Palm Beach Studios srl	0899.697.764	Charleroi	Belgium	100 %	100 %
Pieces Interactive AB	556744-4384	Stockholm	Sweden	100 %	100 %
Piranha Bytes GmbH	HRB 30287	Essen	Germany	100 %	100 %
Piranha Bytes Real Estate GmbH	B 16663	Gladbeck	Germany	100 %	100 %
Pow Wow Entertainment GmbH	FN 530975 x	Vienna	Austria	— %	100 %
Purple Lamp GmbH	FN 483727 p	Vienna	Austria	100 %	100 %
Rainbow Studios Inc.	81-0979019	Arizona	USA	100 %	100 %
Tarsier Studios AB	556700-9278	Malmö	Sweden	100 %	100 %
Tarsier Studios Productions AB	556812-9802	Malmö	Sweden	100 %	100 %
THQ Nordic France SAS	898013073	Saint-Ouen	France	100 %	100 %
THQ Nordic GmbH	FN 366280 y	Vienna	Austria	100 %	100 %
THQ Nordic Holdings USA Inc	7549948	Austin	USA	100 %	100 %
THQ Nordic Inc.	33-1224317	Bohemmia	USA	100 %	100 %
THQ Nordic Japan KK	0100-01-204521	Tokyo	Japan	100 %	100 %
THQ Nordic Singapore Pte Ltd	202203960M	Singapore	Singapore	— %	100 %
We Sing AB	556758-8024	Karlstad	Sweden	100 %	100 %
www.handy-games.com GmbH	HRB 8667	Giebelstadt	Germany	100 %	100 %
Indie Games Holding AB	559280-0014	Karlstad	Sweden	100 %	100 %
Box Dragon AB	559219-7668	Gothenburg	Sweden	70 %	70 %
Coffee Stain Gbg AB	559105-9208	Skövde	Sweden	100 %	100 %
Coffee Stain Holding AB	556995-0180	Skövde	Sweden	100 %	100 %
Coffee Stain North AB	556950-9960	Stockholm	Sweden	100 %	100 %
Coffee Stain Publishing AB	559073-7069	Skövde	Sweden	100 %	100 %
Coffee Stain Studios AB	556821-8225	Skövde	Sweden	100 %	100 %
Easytrigger AB	559076-4543	Trollhättan	Sweden	100 %	100 %
Ghost Ship Games ApS	37989819	Copenhagen	Denmark	100 %	100 %
Ghost Ship Publishing ApS	44471248	Copenhagen	Denmark	100 %	100 %
GhostShip Holding ApS	37864005	Copenhagen	Denmark	100 %	100 %
Lavapotion AB	559087-8954	Gothenburg	Sweden	60 %	60 %
Mediocre AB	556852-0604	Skövde	Sweden	100 %	100 %
Middle-earth Enterprises AB	559273-7984	Karlstad	Sweden	100 %	100 %
Bitwave AB	556939-8117	Gothenburg	Sweden	100 %	100 %
Clear River Games AB	559092-8734	Karlstad	Sweden	100 %	100 %
Captured Dimensions Holding, LLC		Frisco	USA	100 %	100 %
Captured Dimensions, LLC	801306275	Frisco	USA	100 %	100 %
EF Investments, Inc.	20197538467	Washington	USA	100 %	100 %
MEE Holding AB	559349-7059	Karlstad	Sweden	100 %	100 %
MEE Iconic Holding Inc.	6962090	Delaware	USA	100 %	100 %
Embracer Freemode Inc.	87-3323684	Livemore	USA	100 %	100 %
Embracer Freemode Investment Holding AB	559349-7067	Karlstad	Sweden	100 %	100 %
Embracer Freemode Retro Holding AB	559237-4051	Karlstad	Sweden	100 %	100 %
Embracer Freemode Retro Holding Inc.	EIN 88-3703797	Wilmington	USA	100 %	100 %
Embracer Freemode Services Holding AB	556884-8369	Karlstad	Sweden	100 %	100 %
Freemode Go LLC	5152511	Ladera ranch	USA	100 %	100 %
Freemode Go Ltd	4511276	Clevedon	United Kingdom	100 %	100 %
Game Outlet Europe AB	556633-6052	Karlstad	Sweden	100 %	100 %
Gioteck Hong Kong Ltd	1154120	Hong Kong	Hong Kong	100 %	100 %
Grimfrost Production AB	556983-1026	Karlstad	Sweden	70 %	70 %
Grimfrost Records AB	559149-7317	Karlstad	Sweden	70 %	70 %
JIS Trading AB	559073-7036	Karlstad	Sweden	70 %	70 %
Limited Run Games, Inc.	C201701300593	Apex	USA	100 %	100 %
Limited Run Retail, LLC	C202026300043	Apex	USA	100 %	100 %

NOTE 24 CONTINUED

Company	Corp. Reg. No.	Registered office	Country	Share of equity/votes 03/31/2025	03/31/2024
Middle Earth AB	559429-7490	Karlstad	Sweden	100 %	100 %
Middle-earth Enterprises Limited	6234577	Clevedon	United Kingdom	100 %	100 %
Middle-earth Enterprises, LLC	6939689	Livemore CA	USA	100 %	100 %
Quantic Lab S.R.L	RO18404320	Cluj-Napoca	Romania	95 %	95 %
Quantic Lab UK Ltd	13092174		United Kingdom	95 %	95 %
Super Deluxe Games Inc.	0100-01-143799	Tokyo	Japan	100 %	100 %
TATSUJIN Co., Ltd.	0105-01-041069	Tokyo	Japan	90 %	90 %
Varyag Group AB	559185-6553	Karlstad	Sweden	70 %	70 %
Varyag LLC	7185200	Dover	USA	100 %	100 %
Amplifier Game Invest Holding AB	559092-8742	Karlstad	Sweden	100 %	100 %
A Creative Endeavor AB	556895-1221	Gothenburg	Sweden	100 %	100 %
Amplifier Boot Camp AB	559400-7626	Stockholm	Sweden	100 %	100 %
Amplifier Studios AB	559042-8818	Stockholm	Sweden	100 %	100 %
Amplifier Studios US Holding Inc	87-4258475	Durham	USA	100 %	100 %
DestinyBit	IT02555520390	Ravenna	Italy	100 %	100 %
Frame Break AB	559241-9278	Skövde	Sweden	100 %	100 %
Framebunker ApS	35237275	Copenhagen	Denmark	100 %	100 %
Green Tile Digital AB	559244-3393	Skövde	Sweden	100 %	100 %
Infinite Mana Games AB	559379-6146	Stockholm	Sweden	100 %	100 %
Invisible Walls Aps	38999524	Copenhagen	Denmark	100 %	100 %
Kavalri Games AB	559164-5089	Stockholm	Sweden	61 %	61 %
Misc Game AS	828183532	Sandnes	Norway	54 %	54 %
Misc Holding AS	928183556	Sandnes	Norway	54 %	54 %
Palindrome Interactive AB	559005-7906	Skövde	Sweden	100 %	100 %
Rare Earth Games GmbH	FN 535537	Vienna	Austria	— %	100 %
Studio Hermitage Inc	88-4288529	Morrisville	USA	— %	100 %
Zapper Games Inc	87-1962716	Durham	USA	— %	100 %
DECA Games Holding AB	559205-5387	Karlstad	Sweden	100 %	100 %
A Thinking Ape Entertainment Ltd.	802493247 RC0002	Vancouver	Canada	100 %	100 %
CocoPlay by TabTale Ltd	514761733	Tel Aviv-Yafo	Israel	100 %	100 %
Crazy Labs Ltd	514531110	Tel Aviv-Yafo	Israel	100 %	100 %
Crazy Style Ltd	514761725	Tel Aviv-Yafo	Israel	100 %	100 %
CrazyLabs by TabTale G.P	540249109	Tel Aviv-Yafo	Israel	100 %	100 %
Embracer Canada ATA Holdings Inc.	70063 3878 RC0001	Saint John	Canada	100 %	100 %
Embracer Canada IUGO Holdings Inc.	70063 2870 RC0001	Saint John	Canada	100 %	100 %
Embracer ExchangeCo ATA Inc.	70123 9535 RC0001	Saint John	Canada	100 %	100 %
Embracer Exchangeco IUGO Inc.	70123 4734 RC0001	Saint John	Canada	100 %	100 %
Firescore Interactive Private Limited	U74999MH2018PTC318252	India	India	95 %	95 %
Item Box Apps Ltd.	74263 0122 RC0001	Vancouver	Canada	100 %	100 %
IUGO Mobile Entertainment Inc.	87540 8601 RC0002	Vancouver	Canada	100 %	100 %
Kid Baby Toddler Ltd	514761774	Tel Aviv-Yafo	Israel	100 %	100 %
Kids Fun Club by TabTale G.P.	540249398	Tel Aviv-Yafo	Israel	100 %	100 %
Kids Funny Preschool Education Games Ltd	514761758	Tel Aviv-Yafo	Israel	100 %	100 %
Kids Games Club Ltd	514761782	Tel Aviv-Yafo	Israel	100 %	100 %
Sunstorm by TabTale G.P	540253895	Tel Aviv-Yafo	Israel	100 %	100 %
TabTale (Luoyang) Software Ltd Company	91410300396830851D	Luoyang	China	100 %	100 %
TabTale Inc	30-0806435	Delaware	USA	100 %	100 %
TabTale International Ltd	514791151	Tel Aviv-Yafo	Israel	100 %	100 %
DECA Live Operations GmbH	HRB 191999 B	Berlin	Germany	100 %	100 %
Beijing Deca Interactive Entertainment Technology Co., Ltd.	91110105MA04GAD673	Beijing	China	95 %	95 %
DECA Games EOOD	205681825	Veliko Tarnovo	Bulgaria	100 %	100 %
Embracer Group Archive AB	559273-7976	Karlstad	Sweden	100 %	100 %
Embracer Group Lager 10 AB (Dark Horse)	559273-7992	Karlstad	Sweden	100 %	100 %
Dark Horse Comics, LLC	93-0978055	Milwaukie	USA	100 %	100 %
Dark Horse Entertainment Comics Fund LLC	EIN 93-3606852	Dover	USA	100 %	100 %
Dark Horse Entertainment, LLC	93-1066511	Milwaukie	USA	100 %	100 %
Dark Horse Holding, Inc.	61-1897686	Wilmington	USA	100 %	100 %
Dark Horse Media, LLC	83-1567733	Milwaukie	USA	100 %	100 %
Dark Horse Technology & Trading, Ltd.		Shanghai	China	100 %	100 %
Gladiator Bidco Inc	88-0848177	Wilmington	USA	100 %	100 %
Things From Another World, LLC	93-1092217	Milwaukie	USA	100 %	100 %

NOTE 24 CONTINUED

Company	Corp. Reg. No.	Registered office	Country	Share of equity/votes 31/03/2025	Share of equity/votes 31/03/2024
Asmodee Group AB	559273-8016	Karlstad	Sweden	— %	100 %
AD2G STUDIO	803287150	Guyancourt	France	— %	100 %
ADC Blackfire Entertainment GmbH	HRB 25016	Ratingen	Germany	— %	100 %
ADC Blackfire Entertainment S.R.L	J40/9027/2014	Bucharest	Romania	— %	100 %
ADC Blackfire Entertainment s.r.o.	C 70317	Prague	Czech Republic	— %	100 %
ASMODEE ASIA Ltd	67839282-000-06 17-9	Hong Kong	Hong Kong	— %	100 %
ASMODEE BELGIUM SA	0429.666.250	Kortenberg	Belgium	— %	100 %
ASMODEE CANADA INC.	1163659668	Rigaud	Canada	— %	100 %
ASMODEE DIGITAL SAS	818058216	Guyancourt	France	— %	100 %
ASMODEE EDITIONS IBERICA SLU	C.I.F B85385300	Madrid	Spain	— %	100 %
ASMODEE EDITIONS LLC.	EIN 20-2123892	Saint Paul	USA	— %	100 %
ASMODEE ENTERTAINMENT LIMITED	12188396	London	United Kingdom	— %	100 %
ASMODEE FRANCE SAS	821169794	Guyancourt	France	— %	100 %
ASMODEE GmbH	HRB24912	Essen	Germany	— %	100 %
ASMODEE GROUP SAS	399899806	Guyancourt	France	— %	100 %
Asmodee Holding Australia PTY Ltd	661533866	Greenwich	Australia	— %	100 %
ASMODEE HOLDING GmbH	HRB29630	Essen	Germany	— %	100 %
Asmodee III	842403651	Guyancourt	France	— %	70 %
ASMODEE ITALIA SRL	2200000350	San Martino in Rio	Italy	— %	100 %
ASMODEE KOREA LIMITED	424-87-01981	Gyeonggi-do,	Korea, Republic of	— %	100 %
ASMODEE NORDICS A/S	27519601	Hvidovre	Denmark	— %	100 %
ASMODEE NORGE A/S	988238805	Hvidovre	Norway	— %	100 %
ASMODEE NORTH AMERICA INC.	8T-468	Roseville	USA	— %	100 %
ASMODEE TAÏWAN	53100400	Taipei	Taiwan (Province of China)	— %	100 %
ASMODEE TRADING (Shanghai) Co. Ltd	913100000512704061	Shanghai	China	— %	100 %
Asmodee Treasury Services	889410833	Guyancourt	France	— %	100 %
ASMODEE UK HOLDING LIMITED	11737872	London	United Kingdom	— %	100 %
ASMODEE VENTE A DOMICILE	885273474	Guyancourt	France	— %	100 %
Bezzerwizzer Nordic ApS	31854229	Hvidovre	Denmark	— %	100 %
DAYS OF WONDER SARL	443656277	Guyancourt	France	— %	100 %
ENIGMA DISTRIBUTION BENELUX BV	53234715	Helmond	The Netherlands	— %	100 %
ENIGMA DISTRIBUTION FINLAND OY	2204165-5	Siunto	Finland	— %	100 %
ENIGMA DISTRIBUTION SVERIGE AB	556718-9344	Gothenburg	Sweden	— %	100 %
ESDEVIUM GAMES LIMITED	3055732	London	United Kingdom	— %	100 %
EUROPEAN PLAYER NETWORK B.V.	862969591	Helmond	The Netherlands	— %	100 %
EXPLODING KITTENS Inc	EIN: 83-4511227	Los Angeles	USA	— %	100 %
FINANCIERE AMUSE BIDCO SAS	815143904	Guyancourt	France	— %	100 %
FINANCIERE AMUSE TOPCO SAS	842440778	Guyancourt	France	— %	100 %
FLAT PROD	512950254	Guyancourt	France	— %	100 %
FONDATION D'ENTREPRISE LIBELLUD (a French Corporate Foundation)	878959097	Poitiers	France	— %	100 %
FOREVER BRIGHT (Shenzhen) Limited Company	91440300781353326B	Shenzen	China	— %	100 %
GAMEGENIC GmbH	HRB 30099	Essen	Germany	— %	100 %
ILHAS GALÁPAGOS COMÉRCIO DE BRINQUEDOS E SERVIÇOS LTDA.-EPP	15.605.065/0001-38	São Paulo	Brazil	— %	100 %
IMPORTADORA Y COMERCIALIZADORA SKYSHIP SpA	76.353.094-9	Santiago	Chile	— %	100 %
Les Nouveaux Amis d'Asmodee	842398109	Guyancourt	France	— %	80 %
LION RAMPANT IMPORTS LT	1454467	Brantford	Canada	— %	100 %
LOOKOUT GmbH	HRB 47617	Schwabenheim	Germany	— %	100 %
PHILIBERT	313642613	Strasbourg	France	— %	100 %
PLAN B GAMES INC.	1176093970	Rigaud	Canada	— %	100 %
REBEL Spółka z ograniczoną odpowiedzialnością (REBEL sp. z o.o))	451062	Gdansk	Poland	— %	100 %
REPOS PRODUCTION	0535.709.224	Brussels	Belgium	— %	100 %
STONEMAIER GAMES LLC	7189742	Wilmington	USA	— %	100 %
THE GREEN BOARD GAME COMPANY LIMITED	2583329	London	United Kingdom	— %	100 %
Venross Pty Ltd	ACN 166 076 642	Dulwich	Australia	— %	100 %
VR Distribution (UK) Limited	11286297	Wellingborough	United Kingdom	— %	100 %
COILEDSPRING GAMES Ltd	4986141	London	United Kingdom	— %	100 %
Embracer Group Lager 13 AB	559352-6121	Karlstad	Sweden	100 %	100 %
Ace Radish Acquisition Canada Inc.	1421115-4	Toronto	Canada	100 %	100 %
Ace Radish Acquisition Inc.	EIN 88-2611962	Wilmington	USA	100 %	100 %
CDE Entertainment Ltd.	14053837	London	United Kingdom	100 %	100 %
Crystal Dynamics Canada, Inc.	1178225851	Montreal	Canada	100 %	100 %
Crystal Dynamics Spain, S.L.	B13752274	Valencia	Spain	100 %	100 %
Crystal Dynamics, Inc.	94-3161281	San Mateo	USA	100 %	100 %
Eidos Interactive Corp.	85948 5583 RC0001	Montreal	Canada	100 %	100 %
Meezey, LLC	84-2689894	Frisco	USA	100 %	100 %
Volition Games Holding, LLC	92-3041822	Champaign	USA	100 %	100 %

NOTE 24 CONTINUED

Company	Corp. Reg. No.	Registered office	Country	Share of equity/votes 31/03/2025	31/03/2024
Volition Games, LLC	90-0931309	Champaign	USA	100 %	100 %
Embracer Group Lager 4 AB (Gearbox Entertainment Company Holding AB)	559237-4036	Karlstad	Sweden	100 %	100 %
Arc Games B.V.	24484242	Amsterdam	The Netherlands	100 %	100 %
Arc Games Holding Corporation	4481387	Wilmington	USA	100 %	100 %
Arc Games Inc.	C4294399	Redwood City	USA	100 %	100 %
Arc Games (Shanghai) Co. Ltd	91310000676212708F	Shanghai	China	100 %	100 %
Cryptic Studios Inc.	C2238039	Los Gatos	USA	100 %	100 %
Embracer Group Lager 11 AB	559273-8008	Karlstad	Sweden	100 %	100 %
Runic Games Inc.	4581901	Wilmington	USA	100 %	100 %
The Gearbox Entertainment Company Inc.	80-3307675	Frisco	USA	— %	100 %
Gearbox Software LLC	75-2806132	Frisco	USA	— %	100 %
Gearbox Development Services, LLC	27-4592730	Frisco	USA	— %	100 %
Gearbox Enterprises, LLC	84-3286294	Frisco	USA	— %	100 %
Gearbox Studios Quebec, Inc.	1171354757	Montreal	Canada	— %	100 %
Gearbox Publishing, LLC	81-3874601	Frisco	USA	— %	100 %
Gearbox Studios, LLC	87-2843233	Frisco	USA	— %	100 %
Gearbox Productions, LLC	87-2623337	Frisco	USA	— %	100 %
Gearbox Production Services, LLC	87-2647274	Frisco	USA	— %	100 %
Hudson SPV LLC		Wilmington	USA	— %	100 %
Embracer Group Lager 2 AB	559237-4010	Karlstad	Sweden	100 %	100 %
34BigThings S.r.l.	10863730015	Torino	Italy	100 %	100 %
4A Games Ltd	C65059	Tas-Silema	Malta	100 %	100 %
Aspyr Canada ISL Holdings Inc.	1000163721	Toronto	Canada	100 %	100 %
Aspyr Exchangeco ISL Inc.	1000163722	Toronto	Canada	100 %	100 %
DIGIC HOLDINGS Vagyonkezelő Korlátolt Felelősségű Társaság	01-09-293721	Budapest	Hungary	— %	100 %
DIGIC PICTURES Filmgyártó, Szoftverfejlesztő és Kereskedelmi Korlátolt Felelősségű Társaság	01-09-693165	Budapest	Hungary	— %	100 %
DIGIC SERVICES Korlátolt Felelősségű Társaság	01-09-303274	Budapest	Hungary	— %	100 %
IdeaSpark Labs Inc.	2023590983	Edmonton	Canada	100 %	100 %
Limited Liability Group ”AAAA Group”	43289227	Kiev	Ukraine	100 %	100 %
Mad Head Games doo Novi Sad	20980818	Novi Sad	Serbia	— %	100 %
Plucky Bytes AB	559237-4028	Karlstad	Sweden	100 %	100 %
Tuxedo Labs AB	16559219-0259	Kävlinge	Sweden	100 %	100 %
ZEN Stúdió Kft.	Cg.01-09-691-205	Budapest	Hungary	100 %	100 %
Zen Studios s.r.o.	56099941	Komarno	Slovakia	75 %	75 %
Embracer Group Lager 17 AB	559381-0194	Karlstad	Sweden	100 %	100 %
Aspyr Media Canada Inc.	734468804BC0001	Vancouver	Canada	100 %	100 %
Aspyr Media Europe Ltd.	5073853	Hertfordshire	United Kingdom	100 %	100 %
Aspyr Media, Inc.	86-3477904	Austin	USA	100 %	100 %
Demiurge Studios Inc	1027134	Cambridge	USA	100 %	100 %
Lost Boys Interactive, LLC	L059605	Wisconsin	USA	100 %	100 %
On Til Morning Holdings, LLC		Frisco	USA	100 %	100 %
Shiver Entertainment Inc	80-0875186	Miami	USA	— %	100 %
Snapshot Games Inc	C4662393	Fort Lauderdale	USA	100 %	100 %
Snapshot Games Sofia EOOD (Снапшот Геймс София" ЕООД)	203132183	Sofia	Bulgaria	100 %	100 %
Tripwire Holding LLC		Wilmington	USA	100 %	100 %
Tripwire Interactive LLC	509050	Georgia	USA	100 %	100 %
Tripwire International Exports Inc.	5030372	Roswell	USA	— %	100 %
Tripwire Publishing, LLC	18083784	Georgia	USA	100 %	100 %
Embracer Group Lager 16 AB	559352-6139	Karlstad	Sweden	100 %	100 %
Embracer Group Lager 18 AB	559381-0202	Karlstad	Sweden	100 %	100 %
Embracer Group Lager 19 AB	559381-0210	Karlstad	Sweden	100 %	100 %
Embracer Group Lager 20 AB	559381-0228	Karlstad	Sweden	100 %	100 %
Embracer Group Lager 21 AB	559381-0236	Karlstad	Sweden	100 %	100 %
House in the Woods AB	556997-4271	Karlstad	Sweden	100 %	100 %
Saber Interactive SGS LLC (under liqudation)	1207800040315	St. Petersburg	Russia	100 %	100 %
Bytex (Байтэкс) Limited Liability Company (under liqudation)	1091326000446	Saransk	Russia	100 %	100 %
OOO Stuntworks GS (under liquidation)	1161326055770	Mordovia	Russia	100 %	100 %
SPL Limited (under liquidation)	1089847117458	St. Petersburg	Russia	100 %	100 %

NOTE 25 EQUITY

SHARE CAPITAL

The registered share capital of SEK 1,875,998,09 consists of 9,000,000 Class A shares and 216,119,707 Class B shares. The shares are denominated in SEK and each share has a quota value of approximately SEK 0.008. Each Series A share entitles the holder to ten votes and each Series B share entitles the holder to one vote at general meetings. Holders of ordinary shares are entitled to dividends which are determined in due course. All shares have equal rights to Embracer Group's remaining net assets. All shares are fully paid. Of Embracer's total 225 million outstanding shares, there were as of March 31, 2025, approximately 4 million shares subject to redemption. These shares have previously been issued to cover future contingent consideration obligations.

	Class A shares	Class B shares	Total
Number of shares outstanding as of 31 March 2023	**66,798,274**	**1,192,443,893**	**1,259,242,167**
New share issue	—	80,298,590	80,298,590
Number of shares outstanding as of 31 March 2024	**66,798,274**	**1,272,742,483**	**1,339,540,757**
New share issue		11,177,480	11,177,480
Conversion of A shares to B shares	-12,798,274	12,798,274	0
Reverse share split 1:6	-45,000,000	-1,080,598,530	-1,125,598,530
Number of shares outstanding as of 31 March 2025	**9,000,000**	**216,119,707**	**225,119,707**

The number of shares for the financial years 2023/24 and 2024/25 has been recalculated due to the 1:6 split reversal that took place on January 15, 2025.

In accordance with the Board's proposal, the Annual General Meeting in September 2024 passed a resolution authorizing the Board on one or more occasions to decide on the issue of Class B shares, convertibles and/or warrants with the right to convert to or subscribe for a number of Class B shares, with or without departure from shareholders' preferential rights, corresponding to a maximum of ten (10) percent of the total number of shares in the Company, to be settled in cash, by payment in kind and/or by way of offsetting.

Other contributed capital

Other contributed capital consists of capital contributed by Embracer Group's owners in the form of new share issues.

RESERVES

Translation reserve, actuarial reserve and cash flow hedging reserve

The Group's translation reserve includes all exchange differences arising from the translation of the financial statements of foreign operations that have prepared their financial statements in a functional currency other than the currency in which the Group's financial statements are presented. The Group presents its financial statements in Swedish kronor. Accumulated translation differences are recognized in profit or loss when a disposal of the foreign operation is closed. As of March 31, 2025 the reserve amounts to SEK 975 million (5 806).

Actuarial reserve refers to the assessment made to cover future payments for pensions and amounts to SEK 15 million (19).

Cash flow hedging reserve refers to hedge accounting. As of the balance sheet date, there were no significant amounts reported.

Reserves	03/31/2025	03/31/2024
Opening balance	5,826	4,945
Change during the year	-4,836	881
Closing balance	**990**	**5,826**

NOTE 26 OTHER PROVISIONS

	Provision for personnel costs	Provision for disputes and legal fees	Other provisions	Total
As of 31 March 2023	**44**	**—**	**74**	**118**
Sales or disposals of subsidiaries	0	—	-76	-76
Amounts utilized	-1	-3	—	-4
Reversal of reserve	-6	1	—	-6
Provision during year	11	5	—	17
FX effects	1	0	2	3
As of 31 March 2024	**49**	**3**	**—**	**52**
Sales or disposals of subsidiaries	-11	-2	—	-13
Reversal of reserve	-8	0	—	-9
Provision during year	158	0	—	158
FX effects	-2	0	—	-2
As of 31 March 2025	**185**	**0**	**—**	**186**

PROVISION FOR PERSONNEL COSTS

Refers to expected payments over a period of 40 years in the future regarding contractual obligations for staff (anniversary benefits, bonuses and other staff provisions regarding post-employment benefits other than pensions/severance pay). These provisions refer to obligations in Austria. Italy, France and Spain.

PROVISION FOR DISPUTES AND LEGAL FEES

Provision for litigation costs and fees is based on the expected outcome of active legal proceedings. The provision has been made based on the Group's assessment of the outcome after obtaining legal opinions from independent legal experts. The change in the provision for disputes and fees is based on cur-rent risk assessments of the ongoing processes. At the time of submitting this report, the Group has no ongoing material legal disputes.

NOTE 27 NON-CURRENT EMPLOYEE BENEFITS

Non-current employee benefits	03/31/2025	03/31/2024
Defined benefit pension plan	5	13
Total	**5**	**13**

The Group has defined benefit pension plans in Austria, Germany and Switzerland. The plans in Austria and Germany refer to individual commitments of old-age, disability and survivors' pensions towards two active CEOs in a subgroup of Embracer. The pension plans in Switzerland are issued in accordance with the Swiss federal law of old-age and survivor's insurance benefit plans and are classified as defined benefit plans due to the statutory minimum guarantees. All plans are funded. Investments are allocated among securities, properties and cash.

Embracer has certain obligations regarding other post-employment benefits that are not pensions or termination benefits. See note 7

The net defined benefit liability for employees are recognized in the statement of financial position under the line item non-current employee benefits.

The amounts recognized in the consolidated statement of profit or loss and the statement of financial position during the year are as follows:

Changes in the value of the pension liability	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Opening blance, defined benefit liability (gross)	**41**	**37**
Current service cost	8	2
Remeasurement of the defined benefit liability	0	2
Sales or disposals of subsidiaries	-17	0
FX effects	0	—
Closing balance, defined benefit liability (gross)	**33**	**41**
Fair value of plan assets	-28	-28
Closing balance, defined benefit liability (net)	**4**	**13**

NOTE 28 ACCRUED EXPENSES

	31/03/2025	31/03/2024
Accrued personnel expenses	517	797
Accrued royalties/commission	669	819
Audit and consulting expenses	40	60
Accrued expense for merchandise	63	304
Accrued interest expenses	—	162
Aquisition cost	1	19
Other items	367	806
Carrying amount	**1,656**	**2,967**

NOTE 29 CASH FLOW STATEMENT

Discontinued operations is moved to a specific row in the cash flow statement because of this the effects from discontinued operations has been removed from this note. The note only contains effects connected to the continuing operations.

Components of cash and cash equivalents	31/03/2025	31/03/2024
Bank deposit	7,097	3,507
of which discontinued operations	—	1,181
Carrying amount, Continuing operations	**7,097**	**2,326**

Interest	31/03/2025	31/03/2024
Received	82	44
Paid	-630	-1,011
	-548	**-968**

Adjustment for items not affecting cash flow	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Depreciation, amortization and impairment	9,269	13,808
Gains/losses on sale of non-current assets	-5	-41
Profit shares in associated companies Financial income	6	-12
Financial expenses/income	1,092	-465
Sale of group companies	-7,951	6,778
Personnel cost related to acquisitions	281	1,547
Change in fair value contingent consideration	-487	-1,538
Other non-cash items	-221	38
Total	**1,985**	**20,115**

NOTE 29 CONTINUED

Changes in liabilities attributable to financing activities	01/04/2024	Financing cash flows	Business combinations	Exchange differences	New and amended lease agreements	Other	31/03/2025
Liabilities to credit institutions	19,741	-17,491	—	-586	—	—	1,664
Lease liabilities	1,405	-333	—	-43	-342	—	687
Total liabilities attributable to financing activities	**21,146**	**-17,824**	**—**	**-629**	**-342**	**—**	**2,351**

Changes in liabilities attributable to financing activities	04/01/2023	Financing cash flows	Business combinations	Exchange differences	New and amended lease agreements	Cash flows from Discontinued operations	03/31/2024
Liabilities to credit institutions	20,243	-827	—	-19	—	344	19,741
Lease liabilities	1,488	-437	—	-82	642	-207	1,405
Total liabilities attributable to financing activities	**21,731**	**-1,264**	**—**	**-101**	**642**	**137**	**21,146**

NOTE 30 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets for liabilities to credit institutions	31/03/2025	31/03/2024
Shares in subsidiaries	1,221	28,327
Other	—	24
Total	**1,221**	**28,351**

Contingent liabilities	31/03/2025	31/03/2024
Contractual commitments	36	29
Firm and irrevocable commitments	—	228
Other contingent liabilities	13	13
Total	**49**	**270**

For the contingent liabilities, the highest amount that may be relevant is stated.

NOTE 31 RELATED PARTY TRANSACTIONS

A list of the Group's subsidiaries, which also are related parties to the Parent Company, is found in note 24 Group companies. All transactions between Embracer Group AB and its subsidiaries have been eliminated in the consolidated financial statements.

For information regarding remuneration of senior executives, see note 7 Employees and personnel expenses. Embracer's other transactions with related parties consist of transactions with companies that is owed by the major share-holders and the key personnel in the company.

Related party transaction	Related party	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Consulting service	Logvreten AB [1] (supplier)	-1	0
Transportation services/Rent	Mad Dog Games LLC, Mek Production [3] (supplier)	—	—
Transportation services	Sola Service i Karlstad AB [2] (supplier)	-17	-19
Transportation services	Empterwik Special Services Ltd [2] (supplier)	-22	-25
Sale of goods/services	Bröderna Wingefors AB [2] (supplier)	0	—
Consulting service	LW Comics [2] (supplier)	0	0
Consulting service	LVP Advisory Ltd [4] (supplier)	0	0
		-40	**-44**

[1] Kicki Wallje-Lund (Chairperson of the board) has controlling influence over the company.
[2] The company is part of Lars Wingefors AB
[3] Matthew Karch has controlling influence over the company.
[4] Closely related party to David Gardner has controlling influence.

As of the closing date, there were SEK 3 (5) million in unsettled debt to related parties.

NOTE 32 DIVESTMENT OF GROUP COMPANIES AND ASSETS (DISPOSAL GROUPS) HELD FOR SALE OR DISTRIBUTION

SIGNIFICANT ACCOUNTING POLICIES

IFRS 5, Non-current assets held for sale and discontinued operations

Assets held for sale or distribution

To be classified as non-current assets (or disposal groups) held for sale or distribution, the non-current assets must be available for immediate sale or distribution in its present condition subject only to terms that are usual and customary for sales or distribution of such assets (or disposal groups) and a transaction must be highly probable. Immediately before the initial classification as disposal group held for sale or distribution, the carrying amounts of all the assets and liabilities in the disposal group have been measured in accordance with applicable IFRS standards.

Following the classification as disposal groups held for sale or distribution, depreciation and amortizations ceases on non-current assets included in the disposal groups. The disposal groups are, at the time of classification, measured at the lower of their carrying amount and fair value less costs to sell. This has not resulted in any additional impairment losses for the disposal groups, as the fair value less cost to sell exceeds the carrying value for the disposal groups, respectively.

From the time of classification as disposal groups held for sale or distribution, the assets and liabilities, respectively, included in the disposal groups are presented as separate line items in the consolidated statement of financial position

Discontinued operations

To qualify as discontinued operations, a component of the Group must, in addition to having been classified as a disposal group held for sale or distribution, also represent a separate major line of business or be a part of a single coordinated plan to dispose of a separate major line of business.

SIGNIFICANT ESTIMATES AND JUDGMENTS

Non-current assets held for sale or distribution and discontinued operations

> On April 22, 2024, Embracer announced its intention to separate the Group into three standalone publicly listed entities: Asmodee Group (“Asmodee”), “Coffee Stain & Friends” and “Middle-earth Enterprises & Friends”. During Q3 FY 2024/25 an agreement was entered into to divest the operative group Easybrain.

> During Q3 FY 2024/25, Embracer reclassed Asmodee and Easybrain as non-current assets (or disposal group) held for sale or distribution under IFRS 5.

> During Q3 FY 2024/25, Embracer assessed that Asmodee qualifies as discontinued operation and that Easybrain do not meet the criteria of classification as a discontinued operation but the criteria of a disposal group held for sale. During Q4 FY 2024/25, the divestment of Easybrain was completed and Asmodee was distributed to the shareholders in Embracer.

Distribution to owners

On an extra general meeting held 7 January 2025 the formal decision to distribute all shares in Asmodee (representing the entire former segment of Table Top) to the shareholders in Embracer was taken. In February the shareholders received one Asmodee share for each Embracer share.. Asmodee was listed on Nasdaq Stockholm on 7 February 2025, with an opening price of SEK 105 per share. At the distribution of the Asmodee shares, Embracer recognized a capital gain of SEK 3,724 million within discontinued operations. The gain represents the difference between Asmodee's fair value and the carrying amount of Asmodee's net assets at the time of the distribution. As part of the distribution all historical translation differences allocated to Asmodee. amounting to SEK 1,112 million have been recycled to the income statement as Profit for discontinued operations. The distribution of Asmodee has been recognized and presented in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued operations and IFRIC 17 Distribution of Non-cash Assets to Owners.

SALE OF GROUP COMPANIES

During FY 2024/25 the sale of the operating group Gearbox Entertainment and the sale of the subsidiaries Digic and Mad Head have been completed. Those sales were classified as Non-current assets held for sale in previous FY. Further on, divestment of the subsidiaries Easybrain, Shiver Entertainment, Rare Earth Games Zapper and Studio Hermitage was closed during FY 2024/25. The result of the sales are presented below:

Segment	**PC/Console**	**Mobile**	**PC/Console**	**01/04/2024 - 31/03/2025**
Divestment of entities	**Gearbox Entertainment**	**Easybrain**	**Other**	**Total**
Total consideration	**4,100**	**12,677**	**778**	**17,555**
Carrying amount of net assets sold	4,788	5,377	902	11,067
Gain (loss) on sale before income tax and reclassification of foreign currency translation reserve	**-688**	**7,300**	**-124**	**6,488**
Reclassification of foreign currency translation reserve	168	1,286	9	1,463
Income tax expense on gain	—	—	—	—
Gain (loss) on sale after income tax	**-520**	**8,586**	**-115**	**7,951**
Net cash consideration received	4,046	12,977	252	17,275
Less: Cash and cash equivalents in divested companies	-101	-338	-67	-506
Impact on the Groups' cash and cash equivalents	**3,945**	**12,640**	**185**	**16,770**

Assets and liabilities included in the sale	01/04/2024 - 31/03/2025 Gearbox Entertainment	01/04/2024 - 31/03/2025 Easybrain	01/04/2024 - 31/03/2025 Other	01/04/2024 - 31/03/2025 Total
Goodwill	885	3,800	563	5,248
Intangible assets	3,973	983	341	5,297
Property, plant and equipment	133	35	19	187
Right-of-use assets	140	100	41	281
Other non-current financial assets	135	5	27	167
Trade receivables	92	463	174	729
Contract assets	484	—	42	526
Other current assets	303	36	21	360
Cash and cash equivalents	101	338	66	505
Total assets	**6,246**	**5,760**	**1,294**	**13,300**
Lease liabilities	-139	-93	-37	-269
Trade payables	-51	-124	-43	-218
Contract Liabilities	-160	—	-17	-177
Other liabilities	-1,108	-166	-295	-1,569
Total liabilities	**-1,458**	**-383**	**-392**	**-2,233**
Net assets	**4,788**	**5,377**	**902**	**11,067**

ASSETS (DISPOSAL GROUPS) HELD FOR SALE

Assets and liabilities included in disposal groups held for distribution/sale as of March 31, 2025	31/03/2025	31/03/2024
Goodwill	—	1,217
Intangible assets	—	4,105
Property, plant and equipment	—	149
Right-of-use assets	—	183
Other non-current assets	—	123
Inventories	—	23
Other current assets	—	946
Cash and cash equivalents	—	166
Total assets included in disposal group held for distribution/sale	**—**	**6,911**
Non-current interest-bearing liabilities	—	-277
Non-current non-interest-bearing liabilities	—	-791
Current interest-bearing liabilities	—	-445
Current non-interest-bearing liabilities	—	-656
Total liabilities included in disposal group held for distribution/sale	**—**	**-2,170**
Net assets	**—**	**4,742**

Income statement for Discontinued operations	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Net sales	13,073	14,797
Other operating income	0	12
Total operating income	**13,073**	**14,809**
Work performed by the Company for its own use and capitalized	126	185
Goods for resale	-7,825	-9,295
Other external expenses	-1,785	-1,609
Personnel expenses	-1,785	-2,142
Depreciation, amortization and impairment	-862	-7,966
Other operating expenses	-8	-87
Share of profit of an associate	23	-14
Operating profit (EBIT)	**958**	**-6,119**
Net financial items	-900	1,074
Profit before tax	**58**	**-5,045**
Income tax	-374	207
Net profit for the period	**-316**	**-4,838**
Profit (Loss) on remeasurements to fair value		
Profit (loss) from dividend of operations	2,611	—
Reclassification of foreign currency translation reserve	1,112	—
Net profit for the period, discontinued operations	**3,408**	**-4,838**
Net profit/loss for the period attributable to:		
Equity holders of the parent	3,420	-4,838
Non-controlling interests	-12	0

Cash flow statement for Discontinued operations	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Cash flow from operating activities	887	2,194
Cash flow from investing activities	-224	-309
Cash flow from financing activities	4,617	-1,909
Cash flow for the period	**5,280**	**-24**

NOTE 33 BUSINESS COMBINATIONS AND ASSET DEALS

SIGNIFICANT ACCOUNTING PRINCIPLES

Consolidation

Business combinations

The consideration transferred in a business combination is measured at fair value, which is measured as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. The consideration transferred only includes consideration paid to obtain control of the acquired company. This implies that consideration that settles pre-existing relation-ships between the parties or relate to separate transactions, such as transactions that remunerates employees or former owners of the acquiree for future services, are accounted for separately from the business combination.

Contingent consideration is classified either as equity or as financial liability. Contingent consideration is recognized at fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Other contingent considerations are remeasured each reporting period and the changes in fair value are recognized in the statement of profit or loss.

In connection with some of the Group's business combinations, the Group does not acquire all shares at the acquisition date. However, for certain business combinations, the Group enters into put and call options at the acquisition date for the remaining shares that can be exercised at a future date. There is no explicit guidance in IFRS regarding accounting for put and call options for the remaining shares in connection with a business combination, whereby the Group has, in accordance with IAS 8, developed and applied a uniform accounting principle for similar transactions. The obligation to acquire additional shares in the future from non-controlling interest constitutes a financial liability at fair value through profit or loss, no non-controlling interest is recognized. Thus, the trans-action is recognized as if the shares subject to the options have already been acquired by the Group.

Asset deals

For acquisitions where, in all material respects, the fair value of the acquired assets consists of an asset or a group of similar assets, this acquisition is reported as an asset acquisition. When acquiring assets, the acquisition value is allocated to the individual identifiable assets and liabilities based on their fair values at the time of acquisition. The fair value initially includes the conditional purchase price. Changes in the assessed value of contingent consideration after the acquisition are added to the cost of acquired assets. Transaction expenses are added to the acquisition value of acquired net assets in case of asset acquisition.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

Purchase price allocations

When subsidiaries are acquired, a purchase price allocation (PPA) is performed, in which the fair value at the acquisition date of acquired identifiable assets, liabilities and contingent liabilities are recognized. The valuation of identifiable assets and liabilities in acquired businesses includes items in the acquired entity's statement of financial position, and various types of items that have not been recognized in the acquired entity's statement of financial position, such as intangible assets. Initially, intangible assets that may have value need to be identified, such as ongoing game development, game back catalog, technical knowhow, trademarks, etc. Usually, there are no quoted prices for such assets and liabilities, and accordingly, different valuation methods must be applied. These methods are based on different assumptions such as future cash flows, growth rates of revenues, EBIT margins as well as tax rates and discount factors in different countries. Valuations of this kind involve a high degree of estimation, which all need thorough examination, measurement and analysis. Preliminary values linked to acquisitions can have adjusted fair values up to one year after the completion of the acquisition if new information about the facts and circumstances that existed at the time of acquisition is obtained.

The Groups' acquisitions during 2024/25

No acquisitions were closed by The Group during 2024/25.

The Groups' acquisitions during 2023/24

Acquired entity	Operation	Purpose of acquisition	Acquisition date	Capital and voting rights	Operating segment
Kavalri Games [1]	Studio	Integrated a talented studio into the Amplifier vertical	01/04/2023	61%	PC/Console Games
Mediocre [2]	IP-Rights	Acquisition of a smaller IP portfolio to further strengthen the Embracer IP portfolio.	01/04/2023	100%	PC/Console Games

1) Business combinations
2) Asset deals

PURCHASE PRICE ALLOCATIONS FOR ACQUISITIONS MADE DURING 2023/24

The business combinations are presented at an aggregated level, as the relative amounts of the individual business combinations are not considered material. All purchase price allocations for acquisitions completed during the period are final.

Purchase price allocations summary, PPA

Acquired net assets at the acquisition date	Total
Intangible assets	5
Cash and cash equivalents	12
Other assets	5
Liabilities	–4
Identified net assets	**18**
Goodwill	12
Non-controlling interests	–11
Total purchase consideration	**19**
Purchase consideration comprises:	
Cash	-
Contingent consideration	-
Deferred consideration	-
Equity instruments	-
Put/call options on non-controlling interests	-
Other	19
Total purchase consideration	**19**

Net cash outflow related to previous acquisitions amounted to SEK 2,134 million, resulting in a total cash flow impact from acquisitions (including asset acquisitions) of SEK 2,261 million.

The acquisitions impact on the consolidated statement of profit or loss and statement of comprehensive income

Revenues and net profit for the acquired companies since the acquisition date have been included in the Group's statement of comprehensive income for the period and is not presented separately. The revenues and EBIT that the companies would have contributed if the acquisition had taken place in the beginning of the period have not been calculated due to the fact that this would be disproportionately burdensome and they are not deemed to be material on an overall Group level.

Acquisition analyses prepared during the financial year are considered to be final at the date of the report.

ASSET DEALS

During the financial year, a number of small acquisitions classified as asset acquisitions were made. The total consideration transferred for these acquisitions amounted to SEK 232 million, of which SEK 139 million affected cash flow.

Goodwill	Goodwill mainly relates to	Recognized amount	Of which is expected to be deductible from tax
Completed acquisitions in 2023/24	Intangible assets which do not fulfil the demands for separate accounting and acquired competencies among employees	12	0

Transaction costs	
Transaction costs related to acquisitions made during the year	-

The acquisitions impact on the Group's cash flow	Total
Cash part of consideration	0
Less:	
Acquired cash	–12
Net cash outflow	**–12**

NOTE 34 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

> On May 22, it was announced that the next step in the transformation of Embracer Group was initiated: Embracer intends to spin-off Coffee Stain Group (previous working name "Coffee Stain & Friends") into a standalone group of community-driven game developers and publishers by the end of calendar year 2025. The shares in Coffee Stain Group will be distributed to the shareholders of Embracer, and are intended to be listed on the Nasdaq First North Premier Growth Market in Stockholm. At the same time, Embracer Group AB are planned to be renamed Fellowship Entertainment (previous working name "Middle Earth & Friends").

> On June 10 it was announced that the Board of Directors of Embracer Group AB ("Embracer") took the next step in the transformation process, appointing Phil Rogers as CEO of Embracer, effective as of 1 August 2025. Lars Wingefors is proposed to be appointed as Executive Chair of the Board of Embracer at the Annual General Meeting ("AGM") on 18 September 2025. Kicki Wallje-Lund, current Chair of the Board, is proposed to be Deputy Chair of the Board.

> Wingefors will not be part of the Executive Management Team as of 1 August 2025 and remain in his role as ordinary Board Member until the AGM. In his role as Executive Chair of the Board, Wingefors will, in addition to the general responsibilities as Chair of the Board, focus on matters such as capital allocation, M&A and strategy.

Further, it was at the same day announced Board and Management Appointments in the Coffee Stain Group:

> Jacob Jonmyren, currently Board Member of Embracer will be appointed as Chair of the Board of Coffee Stain Group.

> Lars Wingefors and CEO of Coffee Stain Group, Anton Westbergh, will be appointed as directors of Coffee Stain Group. Additional directors will be appointed prior to the spin-off of Coffee Stain Group and no later than in August 2025 with the intention that the Board of Coffee Stain Group will comply with the independency requirements set out in the Swedish Corporate Governance Code.

> Erik Sunnerdahl, currently Group Finance Director at Embracer, has been appointed as CFO of Coffee Stain Group. Sunnerdahl is based in Karlstad and has been part of Embracer's finance team for the past five years, reporting to Embracer's CFO.

PARENT COMPANY'S INCOME STATEMENT

Amounts in SEK m	Note	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Net sales	P2	87	85
Other operating income		2	30
Total operating income		**89**	**115**
Operating expenses			
Other external expenses	P3, P4	-139	-185
Personnel expenses	P5	-135	-132
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	P10, P11	-4	-4
Other operating expenses	P6, P13	-389	-7,246
Total operating expenses		**-668**	**-7,567**
Operating profit		-578	-7,451
Profit/loss from financial items	P7, P12		
Result from participations in group companies		-2,530	-77
Other interest income and similar income		1,111	1,733
Interest expense and similar expense		-1,151	-1,205
Profit after financial items		**-3,148**	**-7,000**
Appropriations			
Appropriations	P8	52	186
Profit before tax		**-3,096**	**-6,815**
Income tax	P9	95	-14
Net profit for the period		**-3,001**	**-6,829**

Net profit for the period in the Parent Company corresponds to the periods comprehensive income.

PARENT COMPANY'S BALANCE SHEET

Amounts in SEK m	Note	31/03/2025	31/03/2024
ASSETS			
Non-current assets			
Intangible assets	P10		
Other intangible assets		3	3
Total intangible assets		**3**	**3**
Tangible assets	P11		
Inventories, tools and installations		5	7
Total tangible assets		**5**	**7**
Financial assets			
Shares in group companies	P12, P13	15,258	48,400
Receivables from group companies	P14, P15	12,100	20,747
Other long term receivables	P15	95	51
Deferred tax assets	P9	181	0
Total financial assets		**27,634**	**69,198**
Total non-current assets		**27,642**	**69,208**
Current assets			
Receivables from group companies	P14, P15	3,096	3,869
Current tax assets	P9	16	0
Other receivables	P15	269	326
Prepaid expenses and accrued income	P15, P16	62	60
		3,443	**4,255**
Current investments			
Current investments		—	—
		—	**—**
Cash and cash equivalents			
Cash and cash equivalents	P15, P21	5,648	486
		5,648	**486**
Total current assets		**9,092**	**4,742**
TOTAL ASSETS		**36,733**	**73,950**

PARENT COMPANY'S BALANCE SHEET

CONTINUED

Amounts in SEK m	Note	31/03/2025	31/03/2024
EQUITY AND LIABILITIES			
Equity			
Share capital	P17	2	2
Restricted equity		**2**	**2**
Share premium reserve		14,397	14,136
Retained earnings		16,355	47,492
Net profit for the period		-3,001	-6,829
Unrestricted equity		**27,751**	**54,799**
Total equity		**27,752**	**54,801**
Untaxed reserves			
Accrual funds	P8	270	274
Total untaxed reserves		**270**	**274**
Provisions			
Other provisions	P18	101	118
Total provisions		**101**	**118**
Non-current liabilities			
Liabilities to credit institutions	P15, P19	0	8,999
Liabilities to group companies		1,220	0
Other long-term liabilities		86	0
Total non-current liabilities		**1,306**	**8,999**
Current liabilities			
Liabilities to credit institutions	P15, P19	0	8,000
Trade payables	P15, P19	30	51
Liabilities to group companies	P15, P19	7,231	1,432
Other current liabilities	P15	4	32
Accrued expenses and prepaid income	P20	38	243
Total current liabilities		**7,302**	**9,758**
TOTAL EQUITY AND LIABILITIES		**36,733**	**73,950**

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

	Restricted equity	Unrestricted equity			
Amounts in SEK m	**Share capital**	**Share premium reserve**	**Retained earnings**	**Net profit for the year**	**Total equity**
Opening balance 01/04/2023	**2**	**12,162**	**46,908**	**583**	**59,655**
Allocation of previous year's net profit	—	—	583	-583	—
Net profit	—	—	—	-6,829	-6,829
Other comprehensive income	—	—	—	—	—
Total comprehensive income	**—**	**—**	**—**	**-6,829**	**-6,829**
Transactions with the owners					
New share issue	0	2,008	—	—	2,008
Issuance costs	—	-43	—	—	-43
Tax effect	—	9	—	—	9
Total	**—**	**1,974**	**—**	**—**	**1,974**
Transfers between items in equity					
Development fund	—	—	—	—	—
Share premium reserve	—	—	—	—	—
Total	**—**	**—**	**—**	**—**	**—**
Closing balance 01/04/2023	**2**	**14,136**	**47,492**	**-6,829**	**54,801**

	Restricted equity	Unrestricted equity			
Amounts in SEK m	**Share capital**	**Share premium reserve**	**Retained earnings**	**Net profit for the year**	**Total equity**
Opening balance 01/04/2024	**2**	**14,136**	**47,492**	**-6,829**	**54,801**
Allocation of previous year's net profit	—	—	-6,829	6,829	—
Net profit/loss	—	—	—	-3,001	-3,001
Other comprehensive income	—	—	—	—	—
Total comprehensive income for the period	**—**	**—**	**—**	**-3,001**	**-3,001**
Transactions with the owners					
New share issue	0	268	—	—	268
Issuance costs	—	—	—	—	—
Dividend of Asmodee Group AB	—	—	-24,308	—	-24,308
Tax effect	—	—	—	—	—
Total	**—**	**268**	**-24,308**	**—**	**-24,040**
Transfers between items in equity					
Development fund	—	—	—	—	—
Share premium reserve	—	-6	—	—	-6
Total	**—**	**-6**	**—**	**—**	**-6**
Closing balance 31/03/2025	**2**	**14,397**	**16,355**	**-3,001**	**27,752**

PARENT COMPANY'S CASH FLOW STATEMENT

Amounts in SEK m	Note	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Operating activities			
Profit before tax		-3,096	-6,815
Adjustment for differences between profit before tax and net cash flow	P21	3,073	6,991
Income tax paid		-38	17
Cash flow from operating activities before changes in working capital		**-61**	**193**
Cash flow from changes in working capital			
Change in operating receivables		16	-311
Change in operating liabilities		-230	200
Cash flow from operating activities		**-275**	**82**
Investing activities			
Acquisition of subsidiaries		-32	-46
Acquisition of intangible assets	P10	-1	—
Acquisition of property, plant and equipment	P11	0	-2
Acquisition of non-current financial assets		-4	-13
Provided loans and shareholders contribution given to subsidiaries		-5,834	-2,884
Cash flow from investing activities		**-5,870**	**-2,945**
Financing activities			
New share issue		—	2,000
Issuance costs		—	-43
Received dividend		9,885	—
Proceeds from borrowings		5,373	—
Repayment of loans		-22,423	-62
Loans granted subsidiaries		18,474	1,432
Cash flow from financing activities		**11,309**	**3,327**
Cash flow for the year		**5,162**	**463**
Cash and cash equivalents at the beginning of the year		486	23
Cash and cash equivalents at the end of the year	P21	**5,648**	**486**

PARENT COMPANY NOTES

NOTE P1 THE PARENT COMPANY'S SIGNIFICANT ACCOUNTING PRINCIPLES

The Parent Company prepares its financial statements in accordance with the Swedish Annual Accounts Act (1995:1554) and the recommendation issued by the Financial Reporting Board RFR 2 "Accounting for legal entities".

The Parent Company applies the same accounting principles as the Group with the exceptions and additions specified in RFR 2. This means that IFRS is applied with the exceptions listed below. Unless otherwise indicated, the accounting policies stated below for the Parent Company have been applied consistently to all periods presented in the Parent Company's financial statements.

CLASSIFICATION AND PRESENTATION OF FINANCIAL STATEMENTS

The Parent entity's income statement and balance sheet are presented in accordance with the format prescribed in the Swedish Annual Accounts Act, while the statement of other comprehensive income, the statement of changes in equity and statement of cash flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

LEASE AGREEMENTS

The guidance on accounting for lease agreements in accordance with IFRS 16 are not applied in the Parent Company. This means that lease payments are expensed linearly over the lease term and right-of-use assets and lease liabilities are not included in the Parent Company's balance sheet. However, identification of a lease agreement is made in accordance with IFRS 16, i.e. than an agreement is, or contains a lease if the agreement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

REVENUE FROM INVESTMENTS IN SUBSIDIARIES

Dividends are recognized when the right to receive payment is considered certain. Revenue from divestment of subsidiaries is recognized when control of the subsidiary has been transferred to the acquirer.

TAXES

In the Parent Company, deferred tax liabilities attributable to untaxed reserves, are recognized gross in the balance sheet. The appropriations are recognized gross in the income statement.

SHARES IN SUBSIDIARIES

Shares in subsidiaries are recognized in the Parent Company in accordance with the cost method. This means that transaction costs are included in the carrying amount of the investment. In cases where the carrying amount exceeds the subsidiaries' consolidated value, an impairment is made that is recognized in the income statement. An impairment assessment is performed annually or more often if there is an indication of a need for impairment. If a previous impairment loss is no longer justified, it is reversed.

Assumptions are made about future conditions to calculate future cash flows that determine the recoverable amount. The recoverable amount is compared to the carrying amount for these assets and forms the basis for any impairments or reversals. The assumptions that affect the recoverable amount the most are future earnings development, discount rate and useful life. If future external factors and conditions change, assumptions may be affected so that the carrying amounts of the Parent Company's assets change.

GROUP CONTRIBUTIONS AND SHAREHOLDER CONTRIBUTIONS

The Parent Company recognize both received and paid group contributions as appropriations in accordance with the alternative method in RFR 2. Shareholder contributions paid by the Parent Company are recognized as an increase of shares and participations in the Parent Company. Shareholder contributions received are recognized as an increase of non-restricted equity.

FINANCIAL INSTRUMENTS

The Parent Company applies the exemption to not apply IFRS 9 Financial Instruments in the legal entity. Instead, the Parent Company applies, in accordance with the Swedish Annual Accounts Act, the cost method. In the Parent Company, non-current financial assets are thus measured at cost and current financial assets are measured at the lower of cost or net realizable value. The Parent Company does, however, apply the expected credit loss method (ECL) in accordance with IFRS 9 for financial assets that are debt instruments. Contingent considerations are measured at the amount that the Parent Company deems would need to be paid if it was settled at the end of the reporting period.

The Parent Company applies the exemption to not measure financial guarantee contracts for the benefit of subsidiaries, associates and joint ventures in accordance with IFRS 9. Instead, the Parent Company applies the policies for measurement in IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets, including intra-group receivables, are subject to impairment for expected credit losses.

For receivables from Group companies and other items subject of expected credit losses, an impairment method with three stages is applied in accordance with IFRS 9. The Parent Company applies a rating-based method for assessment of expected credit losses based on the probability of default, expected loss given default and exposure at default.

The Parent Company assesses that the subsidiaries currently have similar risk profiles and assessment is made on a collective basis. The assessment has been based on the Embracer Group's credit risk, which has been adjusted to reflect the subsidiaries' assessed credit risk. At the end of the reporting period, the expected credit losses have resulted in a decrease of receivables from Group companies and as an increase in financial costs.

Expected credit losses for cash and cash equivalents have not been recognized, as the amount has been deemed insignificant.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Parent Company presents the income statement and balance sheet in accordance with the format prescribed in the Swedish Annual Accounts Act, and does not follow the format prescribed in IFRS 5 where non-current assets held for sale are presented as a separate line-item in the balance sheet and the profit from discontinued operations is presented separately from profit from continuing operations. In the Parent Company, the assets concerned comprise shares in subsidiaries.

NOTE P2 NET SALES BREAKDOWN

Sweden	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Management fee	66	67
Other	2	2
	68	**69**
Austria		
Mangagement fee	19	16
	19	**16**
Total	**87**	**85**

98% (98%) of net sales refers to management fees to Group companies. No purchases from Group companies occur during any of the fiscal years.

NOTE P3 AUDITOR'S FEES

PwC	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Audit assignment	-10	-2
Tax advisory services	—	—
Other services	-1	-2
Sum	**-11**	**-4**

EY	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Audit assignment	—	-16
Tax advisory services	—	—
Other services	—	-5
Sum	**—**	**-21**

Audit assignment refers to the auditor's work on the statutory audit and auditing activities refers to various types of assurance services. Other services are such services as are not included in the audit assignment or tax advisory services.

NOTE P4 OPERATING LEASES

Future minimum lease payments	31/03/2025	31/03/2024
Within one year	-4	-3
Between one and five years	-13	-14
After five years	-1	-17
Total	**-19**	**-34**

The Parent Company's lease agreements mainly refer to office space.

The period's lease expense amounted to SEK 4 million (SEK 4 million).

NOTE P5 EMPLOYEES, PERSONNEL EXPENSES AND BOARD FEES

	01/04/2024 - 31/03/2025		01/04/2023 - 31/03/2024	
	Average number of employees	of which women, %	Average number of employees	of which women, %
Parent Company				
Sweden	51	52 %	46	52 %
Total in Parent Company	**51**	**52 %**	**46**	**52 %**

	31/03/2025		31/03/2024	
Gender distribution, Board of Directors and senior executives	Number at the end of the reporting period	of which women, %	Number at the end of the reporting period	of which women, %
Board of Directors Embracer Group AB	7	43 %	8	50 %
Chief Executive Officer and other senior executives	5	40 %	5	20 %

[1] *Other senior executives are Müge Bouillon (Group CFO), Ian Gulam (Chief of Staff, Legal & Governance), Careen Yapp (Chief Strategic Partnership Officer), Phil Rogers (Deputy CEO) and Anton Westbergh (CEO, Coffee Stain).*

NOTE 5 CONTINUED

Wages, salaries and other remunerations and social security costs, including pension costs	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Parent Company		
Board of Directors, CEO and other senior executives		
Salaries and other remuneration	-29	-13
Social security contributions	-3	-3
Pension costs	-1	-2
Total	**-33**	**-18**
Other employees		
Salaries and other remuneration	-53	-56
Social security contributions	-17	-18
Pension costs	-8	-8
Total	**-78**	**-82**
Group, total	**-111**	**-100**

For information on the remuneration of the members of the Board of Directors, CEO and senior executives, see note 7 for the Group.

NOTE P6 OTHER OPERATING EXPENSES

	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Other operating expenses	-363	-58
Loss sales of subsidiaries	-26	-7,188
Total	**-389**	**-7,246**

NOTE P7 PROFIT/LOSS FROM FINANCIAL ITEMS

Result from participations in group companies	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Impairment of shares	-15,452	-265
Dividend from subsidiaries	12,923	188
Total	**-2,530**	**-77**

Other interest income and similar profit/loss items	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Interest income, group companies	873	1,405
Interest income, Other	27	25
Exchange rate differences, Group companies	0	303
Exchange rate differences, Others	66	—
Other financial income	146	—
Total	**1,111**	**1,733**

Interest expense and similar profit/loss items	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Interest expense, group companies	-178	-42
Interest expense, Other	-337	-963
Exchange rate differences, group companies	-360	—
Exchange rate differences, Others	-138	-66
Other financial expenses	-139	-134
Total	**-1,151**	**-1,205**

NOTE P8 APPROPRIATIONS

Appropriations	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Group contribution received	504	548
Group contribution paid	-456	-249
This year´s change in tax allocation reserve	4	-113
Total	**52**	**186**

Tax allocation reserves	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Allocated for financial year 2018/19	0	4
Allocated for financial year 2019/20	45	45
Allocated for financial year 2022/23	60	60
Allocated for financial year 2023/24	165	165
Allocated for financial year 2024/25	—	—
Total	**270**	**274**

NOTE P9 INCOME TAX

	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Current tax	-76	-5
Change in deferred tax attributable to temporary differences	171	-9
Recognized tax	**95**	**-14**

Reconciliation of effective tax rate		
Profit before tax	-3,096	-6,815
Tax at the applicable tax rate for the Parent Company (20.6%)	638	1,404
Tax effect of:		
Non-deductible expenses	-3,192	-1,538
Non-taxable income	0	39
Standard interest on tax allocation reserve	-1	-1
Tax deduction of negative net interest	2,719	—
Top-up tax according to Pillar 2	-86	—
Other	17	82
Recognized tax	**95**	**-14**
Effective tax rate	-3%	— %

Income tax includes "top-up" tax according to Pillar 2 - Income Inclusion Rule (IIR), amounting to SEK -86 million.

DISCLOSURE ON DEFERRED TAX ASSETS

The tables below specify the tax effect of temporary differences:

Deferred tax assets	Tax loss carryforwards	Total
Opening balance as per 01/04/2023	—	—
Recognized		
In profit or loss	—	—
In other comprehensive income	—	—
Closing balance as per 31/03/2025	**—**	**—**
Opening balance as per 01/04/2024	—	—
Recognized		
In profit or loss	171	171
In other comprehensive income	—	—
Closing balance as per 31/03/2025	**171**	**171**

NOTE P10 INTANGIBLE ASSETS

Accumulated cost	Ongoing projects for intangible assets	Completed development projects	IP rights	Other intangible assets	Total intangible assets
As of 31 March 2023	**—**	**—**	**—**	**7**	**7**
Internally generated	—	—	—	—	—
Sales/disposals	—	—	—	—	—
As of 31 March 2024	**—**	**—**	**—**	**7**	**7**
Internally generated	—	—	—	2	2
Sales/disposals	—	—	—	—	—
As of 31 March 2025	**—**	**—**	**—**	**9**	**9**

Accumulated amortization	Ongoing projects for intangible assets	Completed development projects	IP rights	Other intangible assets	Total intangible assets
As of 31 March 2023	**—**	**—**	**—**	**-3**	**-3**
Amortizarion	—	—	—	-1	-1
Reclassifications	—	—	—	—	—
As of 31 March 2024	**—**	**—**	**—**	**-4**	**-4**
Amortizarion	—	—	—	-1	-1
As of 31 March 2025	**—**	**—**	**—**	**-6**	**-6**

	Ongoing projects for intangible assets	Completed development projects	IP rights	Other intangible assets	Total intangible assets
Closing balance 31 March 2024	—	—	—	3	3
Closing balance 31 March 2025	—	—	—	3	3

NOTE P11 PROPERTY, PLANT AND EQUIPMENT

Accumulated cost	31/03/2025	31/03/2024
Opening balance	**13**	**11**
Investments	0	2
Sales/disposals	-1	—
Closing balance	**13**	**13**

Accumulated depreciation	31/03/2025	31/03/2024
Opening balance	**-6**	**-3**
Depreciation	-3	-3
Sales/disposals	1	—
Closing balance	**-8**	**-6**
Carrying amount at the end of the year	**5**	**7**

Refers to Inventories, tools and installations.

NOTE P12 INVESTMENTS IN GROUP COMPANIES

	31/03/2025	31/03/2024
Opening balance accumulated cost	**48,666**	**42,505**
Acquisitions/shareholder contributions	6,618	14,187
Divestment and distribution	-34,808	-8,026
Closing balance accumulated cost	**20,477**	**48,666**
Impairment of investments in Group companies		
Opening balance accumulated impairments	**-266**	**-1**
Impairment of the year	-15,452	-265
Divestment and distribution	10,500	—
Closing balance accumulated impairments	**-5,219**	**-266**
Carrying amount at the end of the year	**15,258**	**48,400**

The list below includes shares and participations directly owned by the Parent Company. For information on the Parent Company's indirectly owned shares and participations, see the Group's note 24 Group companies.

Company	Corp. Reg. No.	Registered office	Share of equity and share of votes	Number of shares	Book value SEK m 31/03/2025	Book value SEK m 31/03/2024
THQ Nordic AB	559338-6104	Karlstad, Sweden	100%	250	1,297	853
House in the Woods AB	556997-4271	Färentuna, Sverige	100%	500	8	8
Amplifier Game Invest Holding AB	559092-8742	Karlstad, Sweden	100%	500	0	83
Indie Games Holding AB	559280-0014	Karlstad, Sweden	100%	250	0	0
PLAION Holding Gmbh	FN482610	Höfen, Austria	100%	3500	3,141	3,140
DECA Games Holding AB	559205-5387	Karlstad, Sweden	100%	500	544	521
DECA Live Operations GmbH	HRB 191999B	Berlin, Germany	100%	25	629	630
Embracer Group Lager 2 AB	559237-4010	Karlstad, Sweden	100%	250	133	91
Embracer Group Lager 4 AB	559237-4036	Karlstad, Sweden	100%	250	2,916	6,288
Embracer Group Lager 5 AB	559237-4044	Karlstad, Sweden	100%	250	0	0
Embracer Group Lager 10 AB	559273-7992	Karlstad, Sweden	100%	250	488	716
Asmodee Group AB	559273-8016	Karlstad, Sweden	100%	250	0	30,224
Embracer Group Lager 13 AB	559352-6121	Karlstad, Sweden	100%	250	487	436
Embracer Group Lager 16 AB	559352-6139	Karlstad, Sweden	100%	250	0	0
Embracer Group Lager 17 AB	556381-0194	Karlstad, Sweden	100%	250	2,584	2,311
Embracer Group Lager 18 AB	559381-0202	Karlstad, Sweden	100%	250	0	0
Embracer Group Lager 19 AB	559381-0210	Karlstad, Sweden	100%	250	0	0
Embracer Group Lager 20 AB	559381-0228	Karlstad, Sweden	100%	250	0	0
Embracer Group Lager 21 AB	559381-0236	Karlstad, Sweden	100%	250	0	0
Embracer Freemode AB	559273-7984	Karlstad, Sweden	100%	250	3,028	3,098
Embracer Group Archive AB	559273-7976	Karlstad, Sweden	100%	250	3	1
					15,258	**48,400**

NOTE P13 SALE OF SUBSIDARIES

SALE OF SUBSIDIARIES

During FY 2024/25 no directly owned subsidiaries were divested by the Parent Company. The expense that has occurred during FY 2024/25 relates to the sale of Saber Interactive which closed the previous financial year.

Sale of subsidiaries	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Purchase price received, or purchase price to be received:		
Cash	—	—
Repossessions taken over for payment of previous earn-outs	—	—
Promissory note	-26	947
Carrying amount of contingent consideration	—	-116
Total sale price	-26	**831**
Carrying amount of shares in subsidiaries included in the sale	—	8,018
Profit before tax [1]	**-26**	**-7,188**
Income tax expense	—	—
Profit after tax	**-26**	**-7,188**

[1] *The loss for the sale of shares in group companies is non-taxable and the Parent Company has not incurred any income tax expense as a result of the transaction.*

The result has been recognized as Other operating expenses in the income statement.

NOTE P14 RECEIVABLES FROM GROUP COMPANIES

	31/03/2025	31/03/2024
Opening balance accumulated cost long term receivables from group companies	**20,747**	**33,210**
Loans provided to group companies	116	3,527
Repayment of loans from group companies	-7,956	-15,727
Reclassification	-560	531
Translation differences during the year	-247	-794
Closing balance accumulated cost long term receivables from group companies	**12,100**	**20,747**
Short term receivables from group companies	3,096	3,869
Total receivables from group Companies	**15,195**	**24,616**

NOTE P15 FINANCIAL INSTRUMENTS

Valuation of financial assets and liabilities

Financial assets	Financial assets/liabilities valued according to amortized cost 31/03/2025	31/03/2024
Shares in group companies	15,258	48,400
Receivables from group companies	12,100	20,747
Other long term receivables	95	51
Receivables from group companies	3,096	3,869
Other receivables	269	326
Prepaid expenses and accrued income	62	60
Cash and cash equivalents	5,648	486
Total	**36,527**	**73,939**

Financial liabilities	Financial assets/liabilities valued according to amortized cost 31/03/2025	31/03/2024
Liabilities to credit institutions	0	16,999
Trade payables	30	51
Liabilities to group companies	7,231	1,432
Other current liabilities	4	32
Accrued expenses and prepaid income	38	243
Total	**7,302**	**18,757**

For financial instruments in the Parent Company, the carrying amount is considered to be a good approximation of the fair value.

	31/03/2025			31/03/2024		
	Gross	Impairment	Share of loss	Gross	Impairment	Share of loss
Non-current receivables from group companies	12,100		— %	20,747		— %
Current receivables from Group companies	3,096		— %	3,869		— %

LOSS ALLOWANCES FOR EXPECTED CREDIT LOSSES (GENERAL METHOD)

For receivables from group companies and other items subject of expected credit losses, an impairment method with three stages is applied. Initially, and as of each balance sheet date, a loss allowance is reported for the next 12 months, alternatively for a shorter period of time depending on the remaining life (stage 1). If there has been a significant increase in credit risk since initial recognition, resulting in a rating below investment grade, a loss allowance is recognized for the assets remaining life (stage 2). For assets deemed to be credit impaired, loss allowances are still reserved for lifetime expected credit losses (stage 3). For credit-impaired assets and receivables, the calculation of interest income is based on the asset's carrying amount, net of loss allowance, as opposed to the gross amount in previous stages. The Parent Company's assets have been assessed to be in stage 1, i.e. there has been no significant increase in credit risk.

The Parent Company applies a rating-based method for assessment of expected credit losses based on the probability of default, expected loss given default and exposure at default. The Parent Company assesses that the subsidiaries currently have similar risk profiles and assessment is made on a collective basis. The assessment has been based on the Embracer Group's credit risk, which has been adjusted to reflect the subsidiaries' assessed credit risk. The company has assessed that there is no significant increase of credit risk as of the end of the reporting period for any receivable.

The financial assets are recognized at amortized cost in the balance sheet, i.e. net of gross amount and loss allowance. Changes in the loss allowance are recognized in profit or loss.

CURRENT INVESTMENTS AND CASH AND BANK BALANCES

The Parent Company's credit risk also relates to cash and cash equivalents and investment of surplus liquidity. Embracer's aim is to continuously monitor credit risk attributable to deposits and investments. For deposits in bank accounts, the aim is for the counterparty to have a high credit rating of at least an "investment grade rating" (which refers to high to the highest credit rating). The credit risk is deemed as insignificant.

CREDIT FACILITIES

Embracer Group AB has been granted access to credit facilities amounting to SEK 4,690 million (SEK 250 million). Available funds include cash and unutilized credit. On 31 March, SEK 4,690 million of the credit facilities remained unutilized (SEK 250 million).

Embracer Group’s agreements on long term and short term credits include terms for covenants. These terms are 3.5x net debt divided by Adjusted EBITDAC based on an agreement with lenders. Embracer has lived up to these terms during 2024/25 and previously.

NOTE P16 PREPAID EXPENSES AND PREPAID INCOME

	31/03/2025	31/03/2024
Prepaid insurance premiums	—	—
Prepaid interest expenses	1	—
Prepaid expenses	39	56
Other	18	4
Carrying amount	**62**	**60**

NOTE P17 EQUITY

For information on equity, see the Group's note 25 Equity.

NOTE P18 PROVISIONS

	Contingent considerations	Other	Total
As of 31 March 2023	**159**	**—**	**159**
Reversal of reserve	-46	—	-46
Translation differences	3	—	3
Interest expenses	2	—	2
As of 31 March 2024	**118**	**—**	**118**
Reversal of reserve	-23	—	-23
Translation differences	-6	—	-6
Interest expenses	12	—	12
As of 31 March 2025	**101**	**—**	**101**

NOTE P19 MATURITY ANALYSIS FOR FINANCIAL LIABILITIES

31/03/2025	<1 year	1-3 years	3-5 years	>5 years	Total
Liabilities to credit institutions	—	—	—	—	**0**
Trade payables	30	—	—	—	**30**
Liabilities to group companies	7,231	1,220	—	—	**8,450**
Other current liabilities	4	—	—	—	**4**
Accrued expenses and prepaid income	38	—	—	—	**38**

31/03/2024	<1 year	1-3 years	3-5 years	>5 years	Total
Liabilities to credit institutions	8,000	8,999	—	—	**16,999**
Trade payables	51	—	—	—	**51**
Liabilities to group companies	1,432	—	—	—	**1,432**
Other current liabilities	32	—	—	—	**32**
Accrued expenses and prepaid income	243	—	—	—	**243**

NOTE P20 ACCRUED EXPENSES AND PREPAID INCOME

	31/03/2025	31/03/2024
Accrued personnel-related expenses	12	13
Audit and consulting expenses	8	9
Other interest expenses and similar items	—	160
Accrued expenses	18	61
Carrying amount	**38**	**243**

NOTE P21 CASH FLOW INFORMATION

Components of cash and bank balances	31/03/2025	31/03/2024
Bank deposit	5,648	486
Carrying amount	**5,648**	**486**

Interest	31/03/2025	31/03/2024
Received	66	21
Paid	-497	-856
	-431	**-835**

Adjustment for differences between profit before tax and net cash flow	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Depreciation/amortization	4	4
Impairment of shares in subsidiaries	15,452	265
Sale of subsidiaries	-12,897	6,999
FX effects	205	-288
Other non-cash items	308	11
Total	**3,073**	**6,991**

NOTE P22 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets for own liabilities to credit institutions	31/03/2025	31/03/2024
Shares in subsidiaries	0	30,224
Total	**0**	**30,224**

Contingent liabilities	31/03/2025	31/03/2024
Guarantees for subsidiaries	—	—
Total	**—**	**—**

NOTE P23 RELATED PARTY TRANSACTIONS

Related party transaction	Related party	03/31/2025	03/31/2024
Consulting service	Logvreten AB [1] (supplier)	-1	0
Transportation services/Rent	Karlstad AB [2] (supplier)	-17	-19
Transportation services	Services Ltd [2] (supplier)	-22	-25
Sale of goods/ services	Wingefors AB [2] (supplier)	0	—
Acquisition of game collection	Lars Wingefors AB [3] (supplier)	0	0
Consulting service	LW Comics [2] (supplier)	0	0
Consulting service	LVP Advisory Ltd [4] (supplier)	0	0
		-40	**-44**

1) Kicki Wallje-Lund (Chairperson of the board) has controlling influence over the company.
2) The company is part of the Group Lars Wingefors AB.
3) Lars Wingefors AB is owned by Lars Wingefors, Erik Stenberg , Mikael Brodén, Klemens Kreuzer, Reinhard Pollice and Jacob Jonmyren.
4) David Gardner has controlling influence over the company.

On the closing date there were SEK 3 (5) million in unsettled debt with related parties.

In note 24 Group companies there is information on direct and indirect ownership. In note P12 Investments in Group companies there is information on directly owned subsidiaries.

NOTE P24 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

For information on significant events after the end of the financial year, see note 34 for the Group.

NOTE P25 PROPOSED ALLOCATION OF THE COMPANY'S UNRESTRICTED EQUITY

At the disposal of the Annual General Meeting are the unrestricted equity:	31/03/2025
Share premium reserve	14,397
Retained earnings	16,355
Net profit for the year	-3,001
	27,751
The Board proposes that the unrestricted equity be allocated as follows:	
To be carried forward	27,751
	27,751

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES (APMs)

In accordance with the guidelines from ESMA (European Securities and Markets Authority), regarding the disclosure of alternative performance measures, the definition and reconciliation of Embracer's alternative performance measures are presented below. The guidelines entail increased disclosures regarding the financial measures that are not defined by IFRS. The performance measures presented below are reported in this report. They are used for internal control and follow-up. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies.

One important part of Embracer's strategy is to pursue inorganic growth opportunities through acquisitions. Thereby expanding the ecosystem to include more entrepreneurs within the gaming and entertainment markets. An acquisitive strategy is associated with certain complexity in terms of accounting for business combinations. The board and management of Embracer believes that it is important to separate the operational performance of the business from the acquisition part. Certain APM's are used to accomplish and give internal and external stakeholders the best picture of the underlying operational performance of the business, by the measurement of performance excluding specific items related to historical acquisitions and items affecting comparability. The individual APMs, definitions, purpose are described more in detail below.

Name	Definition	Reason for Use
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 and put/call options on non-controlling interests 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 and put/call options on non-controlling interests 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.	
EBIT margin	EBIT as a percentage of net sales.	

Name	Definition	Reason for Use
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.
EBITDAC	Adjusted EBITDA less Gross investments in intangible and tangible assets.	High level view on operational cash flow generation.
Free cash flow after working capital	Cash flow for the period, excluding cash flow from financing activities, acquisitions of subsidiaries including transaction costs, cash impact from personnel costs related to acquisitions and cash effect from items affecting comparability.	Provide a true and fair picture of the underlying operational performance, by excluding cash flow from specific items related to historical acquisitions and from items affecting comparability.
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 and put/call on non-controlling interest.	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

Amounts in SEK m	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
EBIT	**3,535**	**-14,400**
Depreciation, amortization and impairment	9,234	13,771
EBITDA	**12,769**	**-629**
Personnel costs related to acquisitions	1,524	1,904
Remeasurement of participation in associated companies	—	-3
Remeasurement of contingent consideration	-4	18
Transaction costs	—	8
Items affecting comparability [1]	-7,534	7,633
Adjusted EBITDA	**6,754**	**8,931**
Depreciation, amortization and impairment	-9,234	-13,771
Items affecting comparability [1]	4,529	7,622
Amortization of surplus values of acquired intangible assets	1,294	2,203
Adjusted EBIT	**3,344**	**4,984**

ADJUSTED EARNINGS PER SHARE - DERIVATION Amounts in SEK m	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Net profit for the period attributable to equity holders of the parent	**2,543**	**-13,339**
Adjustments		
Personnel costs related to acquisitions	1,524	1,904
Remeasurement of participation in associated companies	—	-3
Remeasurement of contingent consideration	-4	18
Transaction costs	—	8
Amortization of surplus values of acquired intangible assets	1,294	2,203
Change in fair value contingent consideration and put/call options on non-controlling interests	-559	-1,665
Interest expense contingent consideration	72	127
Items affecting comparability [1]	-3,005	15,255
Adjustments before tax	**-678**	**17,846**
Tax effects on adjustments	-532	-1,289
Adjustments after tax	**-1,210**	**16,557**
Total	**1,333**	**3,218**
Average number of shares, million [2]	225	220
Adjusted Earnings per share, SEK	**5.93**	**14.66**
Average number of shares after full dilution, million [2]	230	237
Adjusted Earnings per share after full dilution, SEK	**5.80**	**13.56**

[1] See next page for further explanation on items affecting comparability

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

FREE CASH FLOW AFTER WORKING CAPITAL Amounts in SEK m	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Cash flow for the period	**4,860**	**-1,210**
Cash flow from financing activities	**12,648**	**-2,741**
Net cash flow from acquired/divested companies	-17,795	2,223
Transaction costs	0	8
Payment personnel cost related to acquisitions	1,243	354
Cash flow effect IAC costs	395	548
Free cash flow after working capital	**1,351**	**-819**

ITEMS AFFECTING COMPARABILITY, IAC Amounts in SEK m	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Other external expenses	-35	-234
Personnel expenses	-131	-624
Sale of subsidiaries	7,951	-6,778
Other operating expenses	-250	3
Total IAC cost affecting EBITDA	**7,534**	**-7,633**
Write-down intangible assets	-423	-2,898
Write-down tangible assets	-1	-39
Impairment of goodwill	-3,727	-4,345
Impairment of other intangible assets	-378	-340
Total IAC cost affecting EBIT	**3,005**	**-15,255**

DEFINITIONS

Accumulated number of additional operative groups	Number of closed acquisitions of new operative groups.
Accumulated number of additional acquisitions added	Number of closed acquisitions which are not new operative groups including asset deals.
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 sales	Sales and transfer of products, physical and digital, through digital/electronic channels.
External game developers	Game developers engaged in game development projects by studios that are not owned by the group (external studios).
External Studios	Studios not owned by the group engaged in game development project financed by the Group.
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.
Internal employees, non-development	Employees not directly engaged in game development (both employees and contractors).
Internal game developers	Game developers (both employees and contractors) engaged in game development projects by studios that are owned by the group (internal studios).
Internal headcount	Internal game developers + internal employees, non-development
Internal Studios	Studios owned by the Group.
MAU	Average monthly active users in the period.
Max cash consideration	The maximum potential consideration to be paid in cash including upfront consideration and earnout consideration. The earnout consideration is based on the maximum potential consideration and is calculated based on the terms and FX-rates stated in each individual agreement.
Max share consideration	The maximum potential consideration to be paid in Embracer B-shares including upfront consideration and earnout consideration. The earnout consideration is based on the maximum potential consideration and is calculated based on the terms, FX-rates and Embracer VWAP20 Share Price stated in each individual agreement.
Max total consideration	The sum of the max cash and share consideration. Note that the total max consideration might deviate from the total consideration used in the Purchase Price Analysis following movements in FX-rates and Embracer Share price between the signing and closing date as well as if the expected achievement of the individual earnout targets deviate from the maximum scenario. The Max total consideration includes contingent consideration in cash and shares that is classified as remuneration for future services and not part of the transferred consideration in the PPA according to IFRS 2 and IAS 19. Also note that for a limited amount of acquisitions, for which there is a material difference between the expected consideration and the maximum potential consideration, the expected cash and shares consideration have been used as measure.
Number of IP:s	Number of IPs owned by the Group.
Net sales split – PC/Console segment	
Owned titles	Net sales of game titles that are owned IPs or titles that are controlled by the Group.
Publishing 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 quarter.
Back catalog	Net sales of game titles that are not released in the current quarter.
Physical product	Product sold/transferred through physical channels.
Physical sales	Sales and transfer of products, physical and digital, through physical channels.
Total installs	Total accumulated installs in the period.
UAC (User Acquisition Cost)	Marketing costs in the operating segment Mobile Games.

The Board of Directors and Chief Executive Officer offer their assurance that this Annual Report has been prepared according to accounting standards and that the consolidated accounts have been prepared in line with the No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The Annual Report and consolidated accounts give a fair overview of the Parent Company's and Group's financial position and result. The Board of Directors' Report for the Parent Company and Group gives a fair overview of the Parent Company's and Group's business, financial position

Karlstad, June 19, 2025

Kicki Wallje-Lund
Chair of the Board

Yasmina Brihi
Board member

Bernt Ingman
Board member

Jacob Jonmyren
Board member

Cecilia Qvist
Board member

Brian Ward
Board member

Lars Wingefors
CEO and Board member

Our audit report was submitted on June 19, 2025

Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant

AUDITOR'S REPORT

This is a translation of the Swedish original. For any interpretation the Swedish version prevails

To the general meeting of the shareholders of Embracer Group AB (publ), corporate identity number 556582-6558

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of Embracer Group AB (publ) for the financial period April 1st 2024 to March 31st 2025. The annual accounts and consolidated accounts of the company are included on pages 102-176 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31st March 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31st March 2025 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory Board of Directors report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's board of directors in accordance with the Audit Regulation (537/2014) Article 11.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OUR AUDIT APPROACH

Audit scope

We designed our audit by establishing the level of materiality and assessing the risk of material misstatements in the financial statements. We particularly considered the areas in which the CEO and the Board of Directors have made subjective judgements, such as key accounting estimates made on the basis of assumptions and forecasts concerning future events, which are by nature uncertain. As in all audits, we have also considered the risk that the board of directors and the CEO have disregarded internal control procedures and have, inter alia, considered whether there is evidence of systematic departures that have given rise to a risk of material misstatement due to irregularities.

We adapted our audit to perform an appropriate examination to enable us to express an opinion on the financial statements as a whole, with consideration given to the group's structure, accounting processes and internal reviews and the industry within which the group operates.

Materiality

The scope and direction of the audit is influenced by our materiality assessment. An audit is designed to achieve reasonable assurance as to whether the financial statements contain any material misstatements. Misstatements may arise due to irregularities or error. Misstatements are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based upon professional judgement, we established certain quantitative materiality levels, including for overall financial reporting. Using these and qualitative deliberations, we established the direction and scope of the audit and the nature, timing and scope of our audit checks, and assessed the impact of misstatements, individually and in the aggregate, on the financial statements as a whole.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Description of the key audit matter	How our audit addressed the key audit matter
Revenue recognition Total revenues amounted to SEK 22,370 million for the financial year 2024/25 and constitute a significant item of the consolidated accounts. The diverse nature of Embracer's business requires different revenue streams with various inherent characteristics depending on the type of products and how they are distributed. Embracer is party to agreements with publishers, platforms and other counterparties that may influence the recognition of revenues. Revenues are recorded when the agreed performance obligations have been met. The identification of the point in time when the performance obligations are met is normally straightforward for most revenues streams while there is more complexity in some areas including for example percentage-of-completion accounting of work for hire projects, rebate agreements and estimates of rights to royalty. Based on the inherent characteristics of the various revenue streams and the significance of the amounts, we assess that revenue recognition is a key audit matter. Accounting principles and significant estimates and judgements for revenue recognition are disclosed in Note 4.	Our audit procedures have included, but were not limited to, the procedures listed below. We have: > Evaluated if the Group's accounting principles for revenue recognition comply with IFRS. > Evaluated the Group's business processes for the recognition of significant revenue streams. > Performed tests of a sample of IT systems and business processes controls. > Tested a sample of transactions against supporting agreements and payments. > Tested a sample of transactions before and after year end to assess whether revenue has been recognized in the appropriate period. > Performed tests to verify if intra group sales have been eliminated in the consolidated accounts. > Evaluated the information on revenue recognition presented in the annual accounts and consolidated accounts and assessed whether it provides sufficient information according to the financial reporting frameworks.
Goodwill and business acquisitions Total goodwill amounted to SEK 12,373 million as of 31st March 2025 and constitute a significant item of the consolidated accounts. Embracer has acquired many businesses during previous years that has led to the recognition of goodwill and other assets and liabilities identified in the purchase price allocations. Goodwill assets have indefinite useful lives and are held at cost without amortization. Instead, the carrying amounts of individual assets are tested for impairment annually. Performing impairment tests require estimates of future cash flows, net realizable values and other inputs that are inherently subjective. There are several other factors impacting the goodwill balance during the financial year including divestments, closing of studios and external factors including changes in foreign exchange rates, market interest rates and asset prices. Based on the inherent complexity and subjectivity of the impairment tests and the significance of the amounts involved, we assess that the measurement of goodwill is a key audit matter. Accounting principles and significant estimates and judgements for goodwill are disclosed in Note 13.	Our audit procedures have included, but were not limited to, the procedures listed below. We have: > Evaluated if the Group's accounting principles for recognizing and measuring goodwill in accordance with IFRS. > Evaluated the Group's process for impairment tests. > Tested a sample of historic purchase price allocations against supporting documentation and calculations. > Examined a sample of impairment tests and evaluated significant assumptions made. > Tested the derecognition of goodwill assets sold and assets held for sale. > Evaluated the information presented in the annual accounts and consolidated accounts in regards of goodwill and assessed whether it provides sufficient information according to the financial reporting frameworks.
Separation and distribution of Asmodee On February 7, 2025, Asmodee was separated from Embracer through the distribution of all shares of Asmodee Group AB to the shareholders of Embracer and the separate listing of those shares on Nasdaq Stockholm. Asmodee was a separate business segment before the distribution, constituting approximately 37% of Embracer's total sales. In conjunction with the separation, transactions were made to achieve a sustainable funding of Asmodee and Embracer. Based on the effects of the separation on the group's reported financial results and position during the financial year and onwards, we consider the separation and distribution of Asmodee to be a key audit matter. The accounting principles as well as significant estimates and judgments that are important for the accounting of the separation and distribution of Asmodee are disclosed in Note 32.	Our audit procedures have included, but were not limited to, the procedures listed below. We have: > Tested significant transactions against underlying documents. > Verified that revenues and costs as well as assets and liabilities belonging to Asmodee have been reported separately from Embracer's continuing operations. > Evaluated the information presented in the annual report and the consolidated financial statements related to the separation of Asmodee and assessed whether it complies with the requirements of the reporting frameworks.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information ("Other information") than the annual accounts and consolidated accounts and is found on pages 1-100. The remuneration report that we collected before the date of this report is also Other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTOR'S AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar.

This description is part of the auditor´s report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Embracer Group AB for the financial period 1st April 2024 to 31st March 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

> has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
> in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors (and the Managing Director) have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Embracer Group AB for the financial period 1st April 2024 to 31st of March 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

BASIS FOR OPINION

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Embracer Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTOR'S (AND THE MANAGING DIRECTOR)

The Board of Directors (and the Managing Director) are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors (and the Managing Director) determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors (and the Managing Director), but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB, with Magnus Svensson Henryson in charge, was appointed auditor of Embracer Group AB (publ) by the general meeting of the shareholders on the 21 September 2023 and has been the company's auditor since the 21 September 2023.

Stockholm, June 19, 2025
Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant

CONTACTS

EMBRACER GROUP

Lars Wingefors
Co-founder and CEO
lars.wingefors@embracer.com

IR
Oscar Erixon
Head of Investor Relations
oscar.erixon@embracer.com

Sustainability
Karin Edner Karlsson
Head of Sustainability
karin.edner@embracer.com

Finance
Müge Bouillon
Group CFO
muge.bouillon@embracer.com

Brand & Communications
Beatrice Flink Forsgren
Head of Brand & Communication
beatrice.forsgren@embracer.com

Legal, Governance & Compliance
Ian Gulam
Chief of Staff, Legal & Governance
ian.gulam@embracer.com

OPERATIVE GROUPS

THQ Nordic
Klemens Kreuzer
CEO, THQ Nordic GmbH
kkreuzer@thqnordic.com

Amplifier Game Invest
Per-Arne Lundberg
CEO, Amplifier Game Invest
per-arne.lundberg@
amplifiergameinvest.com

Freemode by Embracer
Lee Guinchard
CEO, Freemode by Embracer
lee.guinchard@middleearth.com

PLAION
Phil Rogers
CEO, PLAION

DECA Games
Ken Go
CEO, DECA Games
ken@decagames.com

Crystal Dynamics-Eidos
Phil Rogers
CEO, Crystal Dynamics-Eidos
philr@eidosinteractive.com

Coffee Stain
Anton Westbergh
CEO, Coffee Stain
anton@coffeestain.se

Dark Horse
Mike Richardson
CEO, Dark Horse Media
miker@darkhorse.com

BOARD CONTACT

Kicki Wallje-Lund
Chair of the Board
kicki.wallje-lund@embracer.com

GENERAL CONTACT

info@embracer.com

INVESTOR RELATIONS

ir@embracer.com

PRESS/MEDIA

press@embracer.com