EMBRACER GROUP

INFORMATION BROCHURE

INFORMATION TO THE SHAREHOLDERS OF EMBRACER GROUP AB REGARDING THE DISTRIBUTION OF SHARES IN COFFEE STAIN GROUP AB TO BE RESOLVED AT THE EXTRAORDINARY GENERAL MEETING ON 3 NOVEMBER 2025

Coffee Stain

This information brochure is not a prospectus within in the meaning of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "**Prospectus Regulation**"). The information brochure is intended to be used as basis for decision by Embracer Group AB's shareholders when resolving on the Board of Directors' proposal to distribute the shares of Coffee Stain Group AB to the shareholders of Embracer Group AB. Provided that the Extraordinary General Meeting of Embracer Group AB on 3 November 2025 resolves to distribute the shares of Coffee Stain Group AB in accordance with the Board of Directors' proposal, no further action is required for the shareholders of Embracer Group AB in order to receive shares in Coffee Stain Group AB other than being registered as shareholders (directly registered or nominee registered) on the record date for the distribution of the shares. Provided that the Extraordinary General Meeting resolves on a distribution in accordance with the Board of Directors' proposal, a Company Description (defined below) will be prepared and published by Coffee Stain Group AB prior to the admission to trading of Coffee Stain Group AB's class B shares on Nasdaq First North Premier Growth Market.

IMPORTANT INFORMATION TO INVESTORS

The Board of Directors of Embracer Group AB, corporate identity number 556582-6558 ("**Embracer Group**"), has proposed that an Extraordinary General Meeting to be held on 3 November 2025 resolves to distribute the shares held by Embracer Group in Coffee Stain Group AB, corporate identity number 559280-0014 ("**Coffee Stain**", the "**Company**" or the "**Group**"), to the shareholders of Embracer Group (the "**Distribution**"). This information brochure (the "**Information Brochure**") only contains general information and does not constitute a prospectus in accordance with the Prospectus Regulation. Instead, the Information Brochure is to be used as support for the shareholder resolution regarding the Distribution. Provided that the Extraordinary General Meeting on 3 November 2025 resolves to approve the Distribution, Coffee Stain will apply for the admission to trading of its class B shares on Nasdaq First North Premier Growth Market in Stockholm ("**Nasdaq First North Premier**") (the "**Listing**") and will for that purpose prepare a company description (the "**Company Description**"). Skandinaviska Enskilda Banken AB is acting as Lead Financial Advisor and DNB Carnegie Investment Bank AB (publ), Nordea Bank Abp, filial i Sverige and SB1 Markets, filial i Sverige are acting as Financial Advisors in connection with the Distribution and the Listing.

The Information Brochure is governed by Swedish law. Disputes arising from the Information Brochure and related legal matters shall be decided exclusively by the Swedish courts, whereby the Stockholm District Court shall be the first instance. The Information Brochure has been prepared in English only.

Information to investors in the United States

The shares of Coffee Stain have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the securities laws of any state or other jurisdiction of the United States, including the District of Columbia, and may not be offered, sold or otherwise transferred, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of each relevant state or other jurisdiction of the United States. Neither the United States Securities and Exchange Commission nor any state securities commission in the United States has approved or disapproved the Information Brochure or the Distribution or passed upon the accuracy or suitability of the Information Brochure. Any statement to the contrary is a criminal offense in the United States.

Forward-looking statements and risk factors

The Information Brochure contains certain forward-looking statements and opinions related to Embracer Group and Coffee Stain. Forward-looking statements are statements that do not relate to historical facts and events, and such statements and opinions pertaining to the future that, for example, contain wordings such as "according to estimates", "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of" "will", "would" or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in the Information Brochure concerning future financial returns, plans and expectations with respect to the business and management of Embracer Group and/or Coffee Stain, future growth and profitability, the general economic and regulatory environment, and other matters affecting Embracer Group and/or Coffee Stain.

Forward-looking statements are based on estimates and assumptions made to the best of Embracer Group and/or Coffee Stain knowledge as of the date of the Information Brochure, unless otherwise is stated. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including Embracer Group and/or Coffee Stain cash flow, financial position and operating profit to differ from the information presented in such statements, fail to meet expectations expressly or implicitly assumed or described in those statements or turn out to be less favorable than the results expressly or implicitly assumed or described in those statements. Accordingly, undue reliance should not be placed on such forward-looking statements. Embracer Group and/or Coffee Stain makes no representation or warranty as to the future accuracy of the opinions presented or whether the anticipated developments will actually occur.

Risk factors

A number of factors may affect Embracer Group and Coffee Stain's operations. A description of certain risk factors associated with the Distribution is included in section "*Risk factors associated with the Distribution of Coffee Stain*". Material risk factors pertaining to Coffee Stain will be included in the Company Description to be prepared and published by Coffee Stain prior to the admission of trading of the class B shares in Coffee Stain on Nasdaq First North Premier.

Industry and market information

The Information Brochure contains information about Coffee Stain's geographic markets and product markets, market size, market shares, market position and other market information pertaining to Coffee Stain's business and market in the section "*Description of Coffee Stain*". Such information is based on Coffee Stain's collective analysis and knowledge of Coffee Stain's markets (based on e.g., statistics and information from external industry or market reports, market research, public information and commercial publications).

Industry and market publications generally state that the information reproduced therein has been obtained from sources deemed to be reliable, but the accuracy and completeness of such information cannot be guaranteed. Neither Embracer Group nor Coffee Stain have independently verified, and therefore cannot guarantee the accuracy of, the market information contained in the Information Brochure that has been obtained from or is derived from these market publications. Market information and market statistics are inherently forward-looking, subject to uncertainty, could be interpreted subjectively and do not necessarily reflect actual or future market conditions. Such information and statistics are based on market research, which itself is based on selection and subjective interpretations and assessments, including judgements as to the type of products and transactions that should be covered by the relevant market, both by the surveyors and the respondents. Accordingly, readers of the Information Brochure should be aware that the financial information, market information and forecast and estimates of market information contained in the Information Brochure do not necessarily constitute reliable indicators of Coffee Stain's future results.

Presentation of financial information

Certain figures in the Information Brochure, including financial data, have been rounded. Accordingly, figures shown in totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them. Unless otherwise explicitly stated, no information in the Information Brochure has been audited or reviewed by an auditor.

Additional information

The Information Brochure contains limited information related to Embracer Group and Coffee Stain and is supplemented by information already published by Embracer Group and financial reports of Embracer Group as well as other information available on Embracer Group's website. The following relevant documentation is, or will be, publicly available:

- Embracer Group's Annual Reports for 2023/2024 and 2024/2025, available at https://embracer.com/investors/reports-presentations/.
- Coffee Stain's Company Description for the admission to trading of Coffee Stain's class B shares on Nasdaq First North Premier, which will be published on Coffee Stain's website prior to the admission to trading of the class B shares on Nasdaq First North Premier.

Shareholders are encouraged to read the information outlined above together with the Information Brochure.

CONTENTS

BACKGROUND AND RATIONALE	4
INFORMATION REGARDING THE DISTRIBUTION OF COFFEE STAIN	5
DESCRIPTION OF COFFEE STAIN	6
SELECTED HISTORICAL FINANCIAL INFORMATION FOR COFFEE STAIN	17
BRIEF DESCRIPTION OF EMBRACER GROUP, EXCLUDING COFFEE STAIN	23
SELECTED HISTORICAL FINANCIAL INFORMATION FOR EMBRACER GROUP, EXCLUDING COFFEE STAIN	24
COFFEE STAIN'S BOARD OF DIRECTORS, SENIOR EXECUTIVES AND AUDITOR	28
SHARE CAPITAL AND OWNERSHIP STRUCTURE IN COFFEE STAIN	31
RISK FACTORS ASSOCIATED WITH THE DISTRIBUTION OF COFFEE STAIN	33
CERTAIN SWEDISH TAX CONSIDERATIONS	34
FREQUENTLY ASKED QUESTIONS	36

IMPORTANT DATES

Event	Date
Record date to participate at the Extraordinary General Meeting of Embracer Group	24 October 2025
Final date to notify the participation at the Extraordinary General Meeting of Embracer Group	28 October 2025
Extraordinary General Meeting of Embracer Group	3 November 2025
The latest date for distribution of Coffee Stain shares and first day of trading on Nasdaq First North Premier	By the end of calendar year 2025

Participation at the Extraordinary General Meeting of Embracer Group

Information regarding the right to participate and how to register for participation at the Extraordinary General Meeting of Embracer Group on 3 November 2025, can be found in the notice published on 8 October 2025 at Embracer Group's website.

BACKGROUND AND RATIONALE

On 22 April 2024, Embracer Group announced a transformative step for value creation through a separation of the Embracer Group into three market-leading games and entertainment companies: Asmodee, ”Coffee Stain & Friends” and ”Middle-Earth & Friends”. The three entities were planned to be separate publicly listed companies, enabling each entity to better focus on their core strategies and offer more differentiated and distinct equity stories for existing and new shareholders. The aim was to enable the entities to unlock value in the high-quality assets of Embracer Group following the successful completion of the restructuring program announced in June 2023.

On 7 February 2025, Embracer Group successfully completed the first step of this process with the separation and listing of Asmodee’s class B shares on Nasdaq Stockholm (main market).

On 22 May 2025, Embracer announced its proposed intention to distribute the shares of Coffee Stain Group and to list the class B shares on the Nasdaq First North Premier Growth Market in Stockholm by the end of calendar year 2025.

The Coffee Stain Group brings together Scandinavian game developers and publishers with a portfolio of community-driven games primarily for PC and console. It has a proven track record of building successful titles such as Goat Simulator, Satisfactory, Deep Rock Galactic, Valheim, Teardown and Welcome to Bloxburg. The Group consists of around 250 employees and 13 game studios including Coffee Stain, Ghost Ship and Tuxedo Labs.

The Distribution and Listing will allow the Coffee Stain Group to focus on its core strengths, delivering high quality community-driven experiences, focused capital allocation and creating opportunities to attract and enable partnerships with like-minded independent game developers and talents.

The first day of trading of the class B shares in Coffee Stain on Nasdaq First North Premier is expected to be no later than by the end of calendar year 2025.

20 October 2025

Embracer Group
Board of Directors

INFORMATION REGARDING THE DISTRIBUTION OF COFFEE STAIN

DISTRIBUTION OF THE SHARES IN COFFEE STAIN GROUP AB

The Board of Directors of Embracer Group AB has proposed that the extraordinary general meeting of Embracer Group on 3 November 2025 resolves to distribute the shares in Coffee Stain to the shareholders of Embracer Group. If the shareholders resolve to carry out the Distribution in accordance with the Board of Directors' proposal, shareholders of Embracer Group registered as such on the record date for the Distribution, as subsequently will be determined by the Board of Directors' of Embracer Group, are entitled to receive, one class A share in Coffee Stain for each class A share held in Embracer Group, and one class B share in Coffee Stain for each class B share held in Embracer Group.

In connection with the Distribution, Coffee Stain intends to apply for the admission to trading of Coffee Stain's class B shares on Nasdaq First North Premier, which is expected to be completed no later than by the end of calendar year 2025.

DISTRIBUTION RATIO

The envisaged distribution ratio is that one (1) class A share in Embracer Group will entitle the holder to receive one (1) class A share in Coffee Stain, and that one (1) class B share in Embracer Group will entitle the holder to receive one (1) class B share in Coffee Stain.

No brokerage fee will be charged in connection with the Distribution.

RECORD DATE

The Board of Directors of Embracer Group proposes that the Extraordinary General Meeting authorizes the Board of Directors to determine the record date for the Distribution. The record date for the Distribution will be announced well in advance prior to the first day of trading in Coffee Stain's class B shares on Nasdaq First North Premier.

RECEIPT OF THE SHARES IN COFFEE STAIN

Assuming that the Extraordinary General Meeting resolves to approve the Board of Directors' proposal on the Distribution, no actions will be required by Embracer Group's shareholders in order to receive shares in Coffee Stain, *provided* that the shareholder is registered as a shareholder on the record date for the Distribution (directly registered or nominee-registered).

Shares in Coffee Stain will be available on the securities account of those shareholders who are entitled to receive the distribution (or the securities account belonging to the party who is otherwise entitled to receive the distribution) no later than two banking days after the record date. Thereafter, Euroclear Sweden will send out a statement containing information on the number of shares registered on the securities account of the recipient. Shareholders whose shares in Embracer Group are registered in the name of a nominee (i.e., a bank or other nominee) on the record date for the distribution of shares in Coffee Stain, will not receive a statement from Euroclear Sweden. Notification and the crediting of shares in Coffee Stain to the accounts of nominee-registered shareholders will instead be carried out in accordance with the procedures of the respective nominee.

SWEDISH TAX CONSIDERATIONS

The Distribution is expected to fulfill the requirements set out in Chapter 42 of the Swedish Income Tax Act (Sw. *Inkomstskattelag (1999:1229)*) (the so called "Lex Asea" rules) and the Distribution will therefore not be immediately taxable for individuals and limited liability companies that are unlimited tax liable in Sweden. Refer to section "*Certain Swedish tax considerations*" for further information.

DESCRIPTION OF COFFEE STAIN

MARKET OVERVIEW

This section contains information about the Company's markets, including information regarding addressable market, market growth and market size, and the Company's market position relative to competitors. Unless otherwise indicated, the information in this section is based on the Company's collective analysis and knowledge of the Company's markets. As far as the Company is aware and able to verify, the information provided in the following section is reliable and accurate, and no facts have been omitted that would render the reproduced information inaccurate or misleading. However, the Company has not independently verified the accuracy or completeness of any third-party information, and the Company cannot therefore guarantee its accuracy or completeness.

The information presented in this section may include estimates on future market performance and other forward-looking statements. Estimates and forward-looking statements are no guarantee for future results and actual events and circumstances may differ significantly from current expectations.

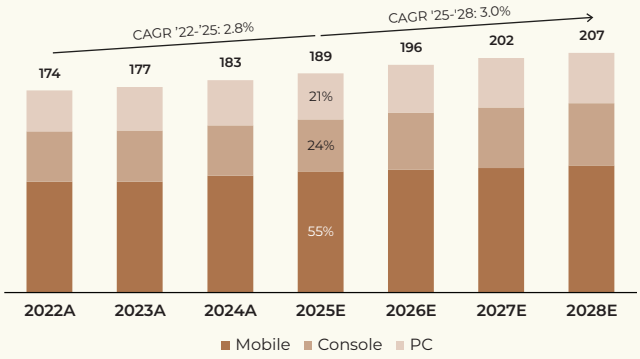
INTRODUCTION

The global gaming industry is one of the largest segments within entertainment. Over the past decade, gaming has expanded, reaching a broad audience ranging from casual players to dedicated enthusiasts. The total market can be divided into three primary platforms: PC, Console, and Mobile, each with its own trends and drivers. Small-scale and indie developers have in recent years contributed at a large scale to innovation and diversity to the overall offering with their impact ranging from hobbyist creators experimenting with unique ideas to larger studios delivering near-AAA quality productions. This spectrum of approaches highlights how indie studios not only enrich the cultural and artistic fabric of gaming, but also increasingly influence their commercial growth and long-term market dynamics.

GAMING MARKET OVERVIEW

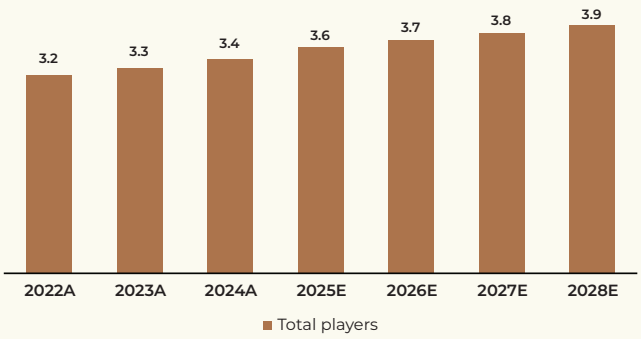
Gaming is part of the larger entertainment industry, sitting in the intersection between social entertainment, culture and consumer products. Gaming has expanded since 2022 and attracted a broad audience from casual players to dedicated enthusiasts.

Total market size, USDbn[1]



The global gaming market is projected to reach USD 189 billion in 2025, segmented across three primary platforms – PC, Console and Mobile. The number of players is expected to grow to 3.6 billion in 2025, representing approximately 61.5% of the global population with internet access, with the majority engaging through mobile devices. The proportion of players relative to the online population is anticipated to remain stable. Despite this plateau in penetration, average spending per player continues to expand, with global willingness to pay growing at a faster pace than overall player growth.[2]

Total number of players globally, bn[3]



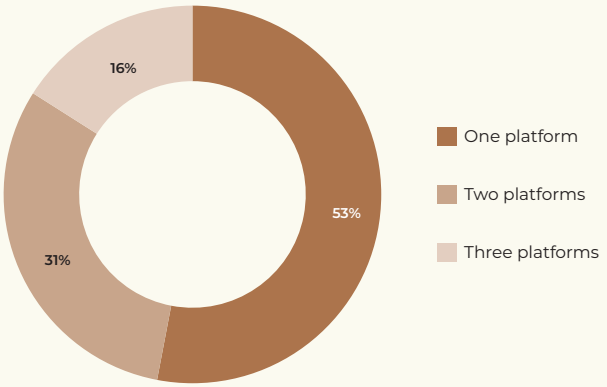
1) Newzoo, Global Games market report August 2025.

2) Newzoo, Global Games market report August 2025.

3) Newzoo, Global Games market report August 2025.

The global gaming market is projected to reach 3.6 billion players in 2025, reflecting a 4.4% year-on-year increase. By platform, mobile devices will dominate with approximately 3.0 billion players (83%), followed by 0.9 billion PC players (26%) and 0.6 billion console players (18%). Growth is expected to moderate beyond 2025, highlighting the sector's maturity and the importance of monetization strategies. The number of players is expected to continue growing each year by similar levels, reaching 3.9 billion in 2028.[1]

Player distribution by platform estimated 2025[2]



In 2025, while 53% of players are expected to engage on a single platform, a significant share already spans multiple ecosystems, with 31% playing on two platforms and 16% on all three. This demonstrates a clear trend toward multi-platform gaming, reflecting increasing consumer flexibility and broader engagement across PC, Console and Mobile.[3]

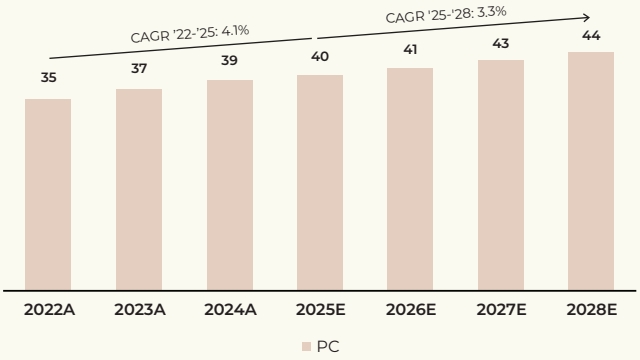
Communities have emerged as increasingly central to sustaining engagement and generating long-term value. According to Newzoo, early access, which is a playable pre-release version of a game, is no longer just a pre-launch tool but a way to involve players early, shaping development and building loyalty before full release. Post-launch strategies now rely heavily on maintaining active communities through updates, events and re-engagement campaigns, ensuring that titles remain relevant well beyond their initial sales window. Platforms like Roblox also illustrate how native developers leverage deep community ties to drive success, showing that cultural alignment and direct interaction with players are critical differentiators in today's crowded market.

In recent years, AI has become a common tool in game development, with nearly nine out of ten developers using it in some capacity.[4] These tools primarily support production efficiency, helping teams streamline workflows and handle repetitive tasks, while also assisting in content creation and the design process.[5]

MARKET SIZE AND DEVELOPMENT PER PLATFORM

PC market

PC market size, USDbn[6]



The global PC games market is projected to reach USD 40 billion in 2025, accounting for 21% of the total gaming market. Growth is fueled by expanding Steam adoption in China and Japan as well as a strong release slate. Western markets also benefit from high-profile launches, while esports engagement remains an additional driver. Looking ahead, momentum will be supported by rising Gen Z and Gen Alpha enthusiasm, higher average sales prices and the anticipated PC release of Grand Theft Auto VI in 2027, although growth in mature Western markets is expected to remain limited.[7]

1) Newzoo, Global Games market report August 2025.

2) Market information included in the annual report of Embracer Group AB for the financial year ending 31 March 2025.

3) Market information included in the annual report of Embracer Group AB for the financial year ending 31 March 2025.

4) Google, AI meets the games industry.

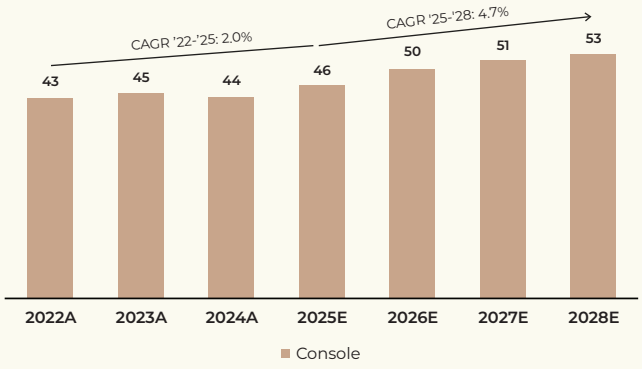
5) BCG, Could GenAI be Gaming's Ultimate Power-Up?

6) Newzoo, Global Games market report August 2025.

7) Newzoo, Global Games market report August 2025.

Console market

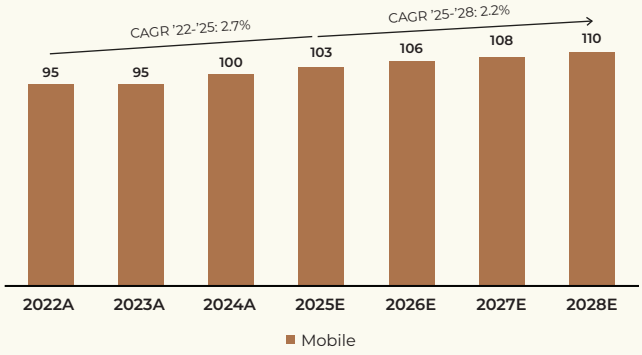
Console market size, USDbn[1]



The global Console games market is expected to generate USD 46 billion in 2025, accounting for 24% of the total gaming market. Growth is led by the launch of the Nintendo Switch 2, higher average software prices and a slate of major releases. Asia-Pacific, particularly Japan, drives the fastest growth, while North America remains the largest market by share. The upcoming release of Grand Theft Auto VI is expected to set sales records and accelerate Gen-9 console adoption. Despite stagnating player growth in mature markets, revenues are supported by content quality, subscription services and premium pricing strategies.[2]

Mobile market

Mobile market size, USDbn[3]



The global Mobile games market is forecast to reach USD 103 billion in 2025, accounting for 55% of the total gaming market, however it is expected to have the lowest growth of all primary platforms. Growth is sustained by the strong performance of 2024's top-grossing titles and continued expansion of Roblox. Structural drivers include rising smartphone penetration, improved mobile internet infrastructure and a growing middle class in emerging markets. At the same time, the accelerating shift toward direct-to-consumer distribution and alternative app stores reshapes monetization, expanding off-app store revenues and giving developers greater control player relationships and therefore costs. Some challenges on the global games market include the discoverability of individual games, new regulations impacting game publishing, and increased costs resulting from the growing D2C trend.[4]

INDIE GAMES MARKET OVERVIEW

The market can also be segmented by studio type, based on their scale and operating model. The indie games market consists of titles developed by independent studios, i.e. without financial or creative control from publishers, typically with smaller teams and budgets than major developers. Unlike large-scale AAA productions, indie games emphasize creativity, innovation, and niche appeal. The segment serves as an important source of experimentation within the broader global gaming industry.

The indie games market has experienced rapid expansion over the last years, even as the broader industry has slowed. Revenues have more than doubled since 2018, with indie titles on Steam now generating levels of income comparable to AA and AAA productions. However, the definition of "indie" has blurred, and market segmentation shows a spectrum ranging from small-scale hobby projects, releasing smaller creative projects, to well-funded studios capable of delivering AAA-level quality. The larger end of indie games has seen the strongest growth.[5]

Growth has also been fueled by increasing professionalization across the sector. More studios are releasing second or third games, which consistently outperform debut titles, showing that experience strongly improves commercial outcomes. While smaller teams still play an important role in innovation, the revenue distribution is increasingly concentrated at the top end of the market, highlighting both the opportunities and the competitive challenges within the indie space.[6]

1) Newzoo, Global Games market report August 2025.

2) Newzoo, Global Games market report August 2025.

3) Newzoo, Global Games market report August 2025.

4) Newzoo, Global Games market report August 2025.

5) VG Insights, Global Indie Games Market Report 2024.

6) VG Insights, Global Indie Games Market Report 2024.

BUSINESS DESCRIPTION

Introduction to Coffee Stain

Coffee Stain Group is a Scandinavian game developer and publisher, founded in 2010 with a portfolio of community-driven games primarily for PC and console, and with a proven track record of building successful intellectual properties including *Goat Simulator*, *Satisfactory*, *Deep Rock Galactic*, *Valheim*, *Teardown* and *Welcome to Bloxburg*. The Group consists of around 250[1] passionate individuals spread over 13 game studios including Coffee Stain, Ghost Ship and Tuxedo Labs – all united by the aspiration of "small teams making big games for huge audiences".

Coffee Stain's history

Coffee Stain was founded in Skövde, Sweden, in 2010 with the goal to create innovative, player-centric games. The Company first gained international recognition with the launch of *Goat Simulator* (2014), which became a cultural phenomenon and established Coffee Stain's reputation for creativity and originality.

In the years that followed, Coffee Stain expanded its portfolio and publishing activities, supporting titles such as *Deep Rock Galactic* (2018), *Satisfactory* (2019) and *Valheim* (2021), which each achieved global reach and built highly engaged communities. The Group further broadened its capabilities through the integration of studios such as Ghost Ship Games (2021) and Tuxedo Labs (2025).

The upcoming spin-off enables Coffee Stain to operate with greater strategic focus and independence – allowing a culturally aligned group of studios to grow with autonomy and build lasting IPs over time. In line with this direction, Tuxedo Labs, Kavalri Games, Frame Break, Invisible Walls, and A Creative Endeavor was transferred from Embracer Group – all sharing Coffee Stain's development philosophy of lean teams, creative ownership, and long-term product thinking.

Over the past 15 years, Coffee Stain has grown into a group of diverse small independent studios with a strong portfolio of durable IPs, consistent profitability and a robust pipeline of future content.

The below table describes the most notable events and milestones for Coffee Stain since its foundation in 2010 up until the date of the Information Brochure.

Year	Key events
2010	• Coffee Stain was founded in Skövde, Sweden by the Group's current CEO Anton Westbergh and eight co-founders
2014	• Coffee Stain's initial release of *Goat Simulator*
2017	• Started Coffee Stain Publishing
	• Acquired 30% of Danish studio Ghost Ship Games (creator of *Deep Rock Galactic*)
	• Acquired 60% of Lavapotion (creator of *Songs of Conquest*)
2018	• Coffee Stain was acquired by THQ Nordic AB (currently Embracer Group)
	• Coffee Stain published *Deep Rock Galactic* – created by Ghost Ship Games
	• Acquired 60% of Coffee Stain North (formerly Gone North Games)
2019	• *Satisfactory* released in early access
	• Acquired 30% of Iron Gate (creator of *Valheim*)
2020	• Acquired 70% of Box Dragon (creator of *As We Descend*)
	• Acquired remaining 40% in Coffee Stain North
2021	• Coffee Stain published *Valheim*, created by Iron Gate
	• Embracer Group acquired the remaining 70% of Ghost Ship Games and Easy Trigger, putting them both under the Coffee Stain umbrella
2022	• Embracer Group acquired Shortcake AB, a Roblox game developer which developed *Welcome to Bloxburg* (released as paid access in 2014) and included the company under the Coffee Stain umbrella
	• *Goat Simulator 3* released (created by Coffee Stain North)
2025	• Embracer Group announced the spin-off of Coffee Stain
	• *Teardown* (released 2022) creator Tuxedo Labs joined the Group from Embracer Group, which acquired the company in 2022
	• Kavalri Games, Frame Break, Invisible Walls and A Creative Endeavor joined Coffee Stain in internal transfers from Embracer Group

1) As of 30 June 2025.

COFFEE STAIN'S OPERATIONS

Coffee Stain consists of 13 studios based across Scandinavia that operate under a decentralized model with lean teams. The structure creates a capital-efficient ecosystem of autonomous studios that hold full accountability for development and continuous content updates, while the small central organization provides strategic and publishing support. As a developer driven by ideas, the company regards its people as its most valuable assets. Attracting best-in-class talent and empowering teams to take full creative responsibility are key to sustaining long-term success.

Coffee Stain develops and publishes a diversified portfolio of games across PC, Console and Mobile platforms, combining internal development with a selective partnership strategy. Its philosophy prioritizes gameplay quality and long-term community engagement, supported by early access, user-generated content and continuous updates. This approach has enabled the creation of enduring IPs, including six genre-leading titles with deeply engaged player communities.

The Company further operates as a strategic partner by identifying high-potential external projects at an early stage and fostering long term business relationships. This partnership model broadens the pipeline, enhances scalability and leverages the Group's industry expertise to drive sustainable growth.

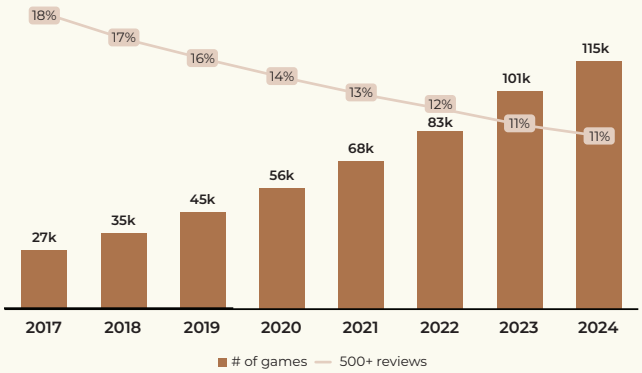
Coffee Stain combines central oversight with decentralized studio responsibility. The Group sets the overall roadmap and strategy, facilitates knowledge sharing, and provides administrative support in areas such as finance, IT, legal, and HR while each studio is responsible for its own financial performance and for developing and executing game concepts. Functions that benefit from coordination, including marketing, player insights, and the dissemination of best practices, are handled jointly to create alignment and efficiency across the organization.

The developers within the Group are actively exploring various new tools, including AI. Being decentralized, Coffee Stain values independence but also encourages knowledge sharing, meaning no single set of tools or workflows are imposed. The different teams are encouraged to experiment and identify responsible, practical uses of new tools, including AI, to work more efficiently to improve games and community engagement. The approach prioritizes curiosity and flexibility over rigid rules, while remaining attentive to player perception and adjusting practices accordingly.

Finally, the Group is committed to ESG and operates with a strong governance framework and a responsible approach to ESG. Having been part of a main-market listed group, the Company follows transparent, risk-based governance practices. Employee well-being is prioritized, with a focus on developing safe games and fostering meaningful connections with communities. By the nature of its business, Coffee Stain has a limited environmental footprint, while continuing to emphasize sustainable long-term value creation.

COFFEE STAIN IN THE MARKET

Total number of games on Steam[1]



The number of games released each year continues to rise, making it harder for individual titles to capture attention and achieve meaningful visibility. Despite this crowded landscape, Coffee Stain has consistently managed to break through, with its portfolio recognized for strong community reception and highly positive reviews. This ability to stand out demonstrates Coffee Stain's strength in delivering games that resonate with players and sustain engagement over time. Within the portfolio, 15 games have more than 500 reviews on Steam, five have over 50K reviews, and the average across all titles exceeds 75K reviews, led by Valheim with 510K, followed by Deep Rock Galactic with 354K and Satisfactory with 246K.[2]

In terms of market position, Coffee Stain's development approach shares several traits with the indie segment, particularly the emphasis on small, agile teams, iterative development, conservative resource allocation and strong reliance on player feedback throughout the process. Like many independent studios, the focus is on creativity, innovation and cultivating close relationships with communities. However, Coffee Stain differs from traditional indie developers through its scale, structure and financial discipline. The Group combines the flexibility and innovation of indie studios with the resources, publishing capabilities and long-term IP management, which are more typical of established publishers. The Company's smaller scale compared to AAA developers enables rapid pivots, efficient prototyping, and the pursuit of creative ideas that larger studios often avoid, resulting in a clear competitive advantage. This enables Coffee Stain to achieve global reach, sustain industry-leading profitability, and extend the commercial lifecycles of its titles well beyond what is common in the broader indie market. This has rendered in a unique brand identity, giving Coffee Stain a distinct niche in the market.

1) SteamDB, Steam Indie Game Releases by Review Count.

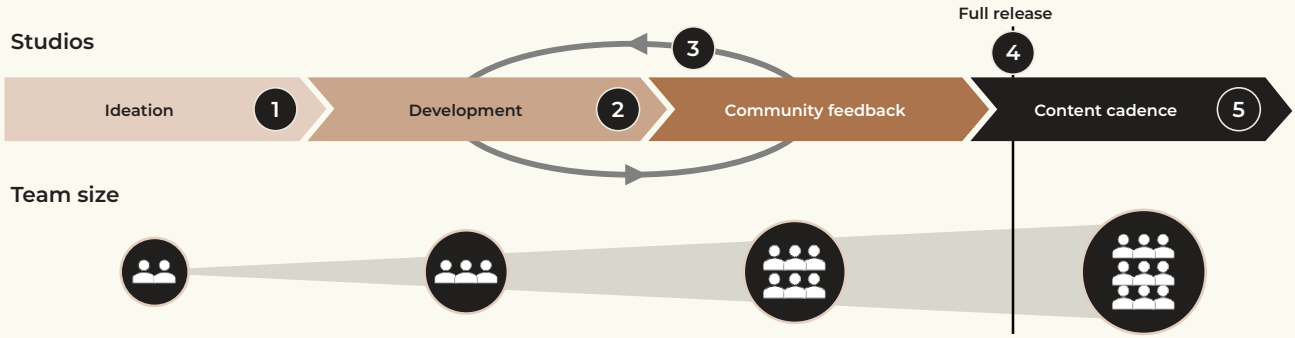
2) Steam as of October 2025.

HOW COFFEE STAIN DEVELOPS GAMES WITH A LONG-TERM VIEW

Coffee Stain operates under a decentralized model, where agile teams in smaller studios are fully accountable for design, development and continuous updates, further supported by Coffee Stain's strategic guidance and publishing capabilities. This structure is reinforced by a "gameplay first" philosophy, which prioritizes content, quality and depth to deliver long-lasting novelty-driven and system-driven player experiences.

The development of games is conducted through an iterative process where independent studios drive ideas with accountability for quality, delivery and profitability. The Group supports with strategy, knowledge sharing and publishing, while community feedback is integrated throughout development. This structure ensures that games are continuously refined, supported with updates and sustained over time.

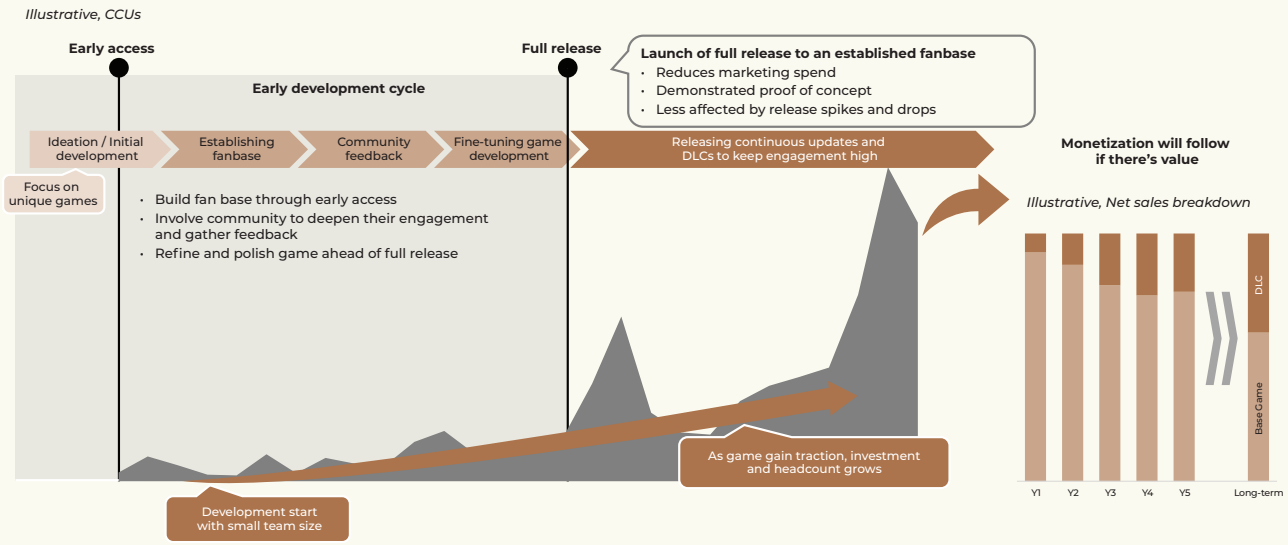
Development to publishing phases for Coffee Stain and studios



1. Studios are entrusted to pursue creative ideas
2. Each studio develops its games independently
3. Games are iteratively refined based on feedback from communities
4. Games are released, with support from Coffee Stain
5. Studios maintain responsible for post-launch updates, Downloadable Content (DLC) as well as overall game profitability

Coffee Stain typically involve players in early development, for example through features like Steam early access, which enables the integration of player feedback directly into the cycle, building trust and community engagement well ahead of full release. Launching into an established fanbase reduces marketing spending, demonstrates proof of concept, and mitigates release volatility. After full release, titles continue to grow through updates and DLC, securing long-term relevance and ability to turn quirky concepts into commercially viable IPs.

Graph over development phases to build up Concurrent users (CCUs)



Satisfactory clearly illustrates Coffee Stain's development cycle, where an initial idea was shaped through community involvement and early access. Since its release, the game has been continuously updated with input from its player base, including new features, optimizations and user-generated content support. With almost five years in active development during early access, thousands of reviews, and a growing modding ecosystem, the title demonstrates how iteration, transparency and feedback integration result in a product that evolves together with its community until full release. Sustained player activity, reflected in CCU levels, drives sales performance, making continuous community engagement a key driver of commercial success.

ENGAGED COMMUNITIES

Coffee Stain places strong emphasis on engaged player communities, integrating them directly into the development process through early gameplay access where continuous feedback shapes game design. This close dialogue fosters trust, loyalty and alignment with community expectations, ultimately creating self-sustaining ecosystems that support long-term engagement and the commercial success of its titles. The same philosophy underpins a community-led marketing approach, which departs from traditional high-spend models by leveraging early access, social platforms and modding communities to drive organic growth, minimize upfront marketing costs and maximize word-of-mouth adoption.

Overview of number of members/followers on Twitch, Discord, Steam and Reddit[1]

COMMUNITIES[i]

	Goat Simulator / Goat Simulator 3	SATISFACTORY	DEEP ROCK GALACTIC	TEARDOWN	Welcome to Bloxburg	VALHEIM
Followers	94K	295K	136K	30K	N.A.	432K
Members	36K	242K	628K	33K	141K	150K
Followers	129K	394K	2.8M	210K	4.9M[ii]	505K
Members	12K	392K	408K	28K	58K	542K

STRENGTHS AND COMPETITIVE ADVANTAGES

Coffee Stain's past performance as well as its ability to achieve its objectives is based on the following strengths, competitive advantages and opportunities.

Long track record with successful intellectual property combined with growth potential

For over more than a decade, the Group has created and scaled multiple globally recognized IPs. Its track record demonstrates the ability to consistently deliver innovative games that achieve long-term commercial success and cultural relevance. The Group's portfolio is anchored in durable, community-driven franchises such as Goat Simulator, Satisfactory, Deep Rock Galactic, Valheim, Teardown and Welcome to Bloxburg. Approximately 90 percent of sales are generated by the Group's six largest titles, each with an average age of more than seven years, illustrating the titles' long lifecycles and sustained player engagement. The Group's existing franchises offer significant potential for sequels, DLC and further platform expansion. Combined with a pipeline of new IPs, Coffee Stain is well positioned to capture long-term growth opportunities in the global gaming market.

Community driven model

Coffee Stain, with few exceptions, develops games by applying a long early access phase, enabling players to engage early in the process to drive community engagement. Feedback is incorporated continuously, which not only improves quality and reduces release risk but also allows monetization to begin ahead of full release. Communities grow organically during development, building strong loyalty and long-term engagement that carries into the lifecycle of the full release. This creates a foundation for extended revenues through updates, downloadable content and expansions. Coffee Stain's approach, emphasizing early access, modding and user-generated content, creates strong feedback loops and resilient communities around each franchise.

Capital-efficient operating model

The Group's strategy of small, multi-skilled teams, early testing and iterative development keeps upfront costs low while enabling rapid innovation. This capital-light approach combines creative freedom with financial responsibility, which has enabled the Group to sustain industry-leading profitability and strong free cash flow generation.

1) (i) Data as of October 2025 from Twitch, Discord, Steam, Reddit, Roblox, ii) Data on Welcome to Bloxburg: Fan Club.

PORTFOLIO OVERVIEW AND CORE GAMES

Currently, the core game portfolio consists of six games, representing a blend of in-house development and some through the partnership model. Covering a wide range of genres, from sandbox simulation to cooperative action, and most of them offer gameplay that can be enjoyed long-term. Titles in the core portfolio have all achieved significant success, complemented by a broader selection of other titles that expand the Group's reach and diversify its offering.

Overview of portfolio[1]

Core owned & operated portfolio

	Goat Simulator / Goat Simulator 3	Satisfactory	Deep Rock Galactic / Subnautica	Teardown	Welcome to Bloxburg
Franchise					Acquired in Aug-22
Years in market	11+	6+	7+	5+	9+
Lifetime Net sales, SEK[iv]	1,400m	1,100m	1,250m	450m	1,350m[v]
Steam / Metacritic reviews	98% / 7.7	97% / 8.8	97% / 8.4	96% / 8.1	88%[vi]
Avg. playtime[vii]	20.8H[viii]	95.6H	55.1H	29.4H	N.A.
Platforms					

Other

		Steam reviews	Lifetime net sales, SEK
3rd party partnership	Valheim	94%	2,000m
Earlier stage IP scaling & iterating	Songs of Conquest	86%	
	As We Descend	86%	
	Huntdown	95%	
	Lightyear Frontier	84%	
	Midnight Ghost Hunt	77%	
Legacy & Non-Core	Sanctum	90%	
	A Story About My Uncle	92%	

+ other

1) Note: Data as of October 2025 unless otherwise stated, i) Reviews based on Goat Simulator 3, ii) Data applicable for Deep Rock Galactic, iii) Coffee Stain owns the IP but developed by third-part, iv) As of August 2025, net sales is gross net sales - platform fees, v) Approximate number given the game was acquired in August 2022, vi) Positive Roblox Reviews, vii) Data from VG Insights, viii) Sum of the average playtime for all Goat Simulator titles.

Goat Simulator

Developed by Coffee Stain Studios and first released in April 2014, Goat Simulator is a third-person sandbox game that began as a small parody project and unexpectedly grew into a global phenomenon. Presented as a tongue-in-cheek take on traditional simulation games, it lets players control a goat and wreak havoc in open environments with intentionally absurd physics and unpredictable outcomes. The game deliberately embraces bugs, slapstick chaos, and emergent gameplay over structured goals, inviting players to experiment, explore, and create their own fun. What began as a joke release has grown into a full franchise with multiple spin-offs. With the sequel Goat Simulator 3, developed by Coffee Stain North, the series has secured its place as one of the most recognized and viral games ever.

Satisfactory

Developed by Coffee Stain Studios and first released in March 2019 (early access), Satisfactory is a first-person factory-building and automation game set on a vast alien planet. Players gather resources, design intricate production lines, and build sprawling industrial complexes that scale from small outposts to massive, planet-spanning factory systems.

The game blends engineering challenges with creative freedom, requiring players to optimize logistics, balance power systems, and explore hostile environments to unlock new technologies. Its combination of open-world exploration, cooperative multiplayer, and limitless construction possibilities has made Satisfactory one of the most celebrated modern factory sims, with an enduring community of players continuously pushing the boundaries of efficiency and creativity.

Deep Rock Galactic

Developed by Ghost Ship Games and released in May 2020 (following early access in February 2018), Deep Rock Galactic is a cooperative first-person shooter built around mining, exploration, and teamwork. Players take on the roles of space-faring dwarves working for an interstellar mining corporation, descending into procedurally generated cave systems filled with hostile alien creatures and valuable resources.

The game combines class-based abilities, fully destructible environments, and mission-based objectives, making every expedition a mix of intense combat, resource management, and coordinated strategy. Over time, Deep Rock Galactic has grown into a beloved live-service title with an active community, praised for its humor, re-playability, and dedication to player-driven updates and expansions.

Teardown

Developed by Tuxedo Labs and released in April 2022 (following early access in October 2020), Teardown is a physics-driven sandbox game centered on creative destruction and problem-solving. Built entirely on a proprietary voxel-based engine, it allows players to interact with fully destructible environments where every wall, object, and structure can be dismantled.

The game's campaign revolves around heist-style missions, where players must carefully plan and improvise their approaches whether by demolishing buildings, creating shortcuts, or constructing elaborate escape routes. Beyond its single-player experience, Teardown has become a platform for creativity through modding, user-generated content, and ongoing expansions, including premium DLC and upcoming multiplayer functionality. Its groundbreaking destruction technology and commitment to long-term support have cemented it as a standout example of how technical innovation fuels player-driven gameplay.

Welcome to Bloxburg

Released in November 2014, Welcome to Bloxburg is a life-simulation sandbox RPG created within the Roblox platform. It gives players the freedom to build and customize houses, take on jobs, earn in-game currency, and roleplay in a persistent online city.

The game emphasizes creativity, social interaction, and long-term engagement, with millions of players designing unique homes, forming communities, and crafting personal stories. Over the years, Welcome to Bloxburg has become one of Roblox's most iconic experiences, blending user-driven content with sandbox systems that encourage both casual play and deep immersion in its vibrant social world.

Valheim – Through partnership model

Developed by Iron Gate Studio and released in February 2021, Valheim is a survival and exploration game inspired by Norse mythology. Players awake in a procedurally generated world where they must gather resources, craft tools and weapons, build settlements, and face mythological beasts. Progression is tied to defeating powerful bosses, which unlock new tiers of technology and challenges.

Supporting both single-player and cooperative multiplayer, Valheim strikes a balance between combat, exploration, construction, and survival, giving players the freedom to carve their own path in a hostile but beautiful world. The game has become one of the most successful indie titles of its generation, selling millions of copies worldwide.

Valheim is also a leading example of Coffee Stain's partnership model: Coffee Stain holds a 30% ownership stake (approximately 50% economics as an effect of the ownership combined with publishing) in Iron Gate Studio, while Iron Gate retains full control of intellectual property and creative vision. Through this partnership, Coffee Stain provides publishing expertise and long-term support, helping the title reach its full potential while enabling the developer to remain independent.

GROWTH AVENUES

Coffee Stain's growth avenues can be divided into two sections: focus avenues and additional potential avenues. Focus avenues include the development of the existing portfolio, particularly the six core titles that are continuously expanded through additional content and platform adaptations to broaden their reach. The performance of these titles allows for continuous resource allocation and investments in new IPs, which, if they gain traction, can be scaled up and integrated into the Coffee Stain model. New IPs also support sustained community engagement and the attraction of new players. Potential avenues are considered on a selective basis and include selected M&A and partnership opportunities, primarily with studios already connected through publishing. Transmedia and licensing initiatives can also be explored, but these are regarded as supplementary rather than core activities

The upcoming consoles, labelled as Gen 10 consoles, are built with architectures more comparable to gaming PCs, making the transition of titles between platforms less resource intensive. At the same time, the rise of remote play allows resource demanding games to be enjoyed on simpler devices, such as phones, through cloud infrastructure. For Coffee Stain, this means less complex porting, broader platform presence and direct access to a larger pool of potential players.

DIVIDEND POLICY

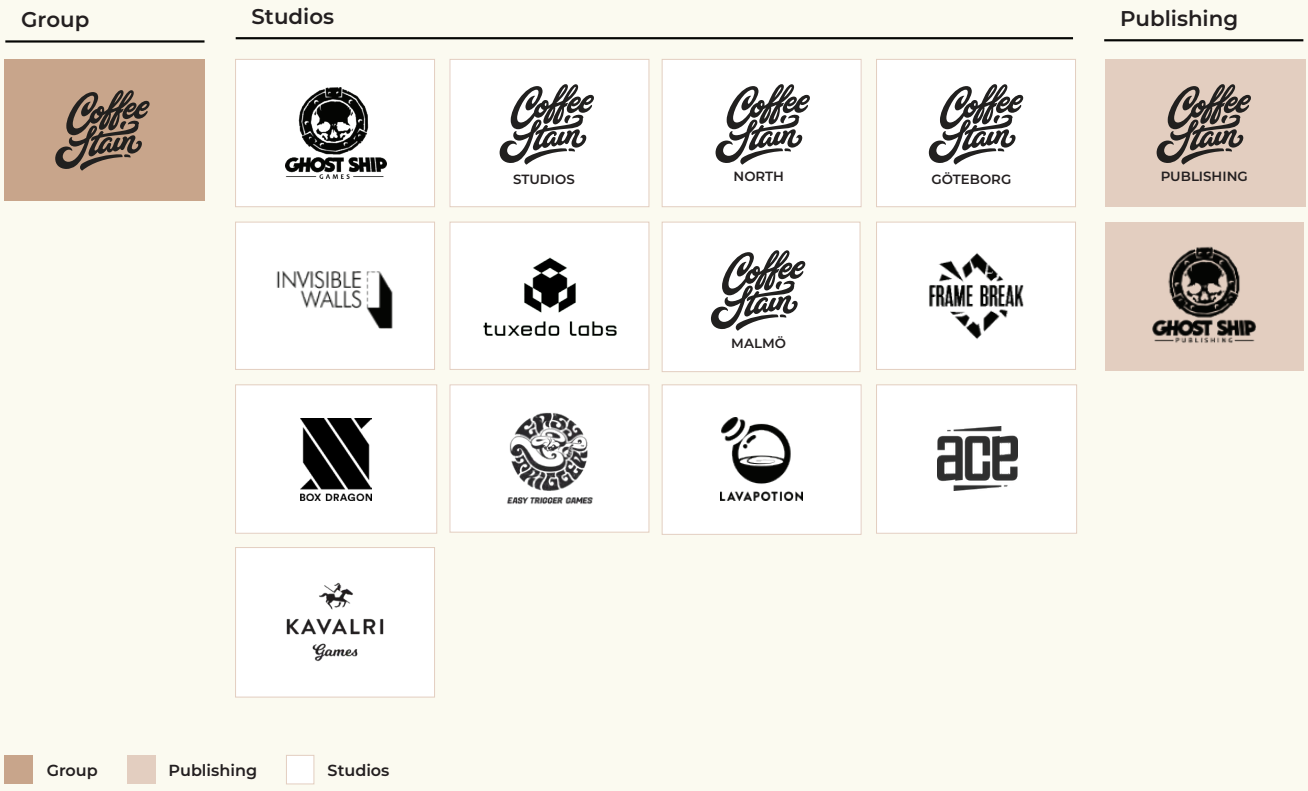
The Group's aim is to distribute excess liquidity to shareholders, while maintaining a strong financial position. The long-term principle is for capital to be allocated to investments in sustainable organic growth, value-creating M&A and to return excess capital to shareholders. The Board of Directors shall each year evaluate the possibility of distributing a dividend after taking into account the development of the business as well as its operating profit and financial position.

ORGANIZATIONAL STRUCTURE

The Group's corporate structure

The Group is structured around a portfolio of 13 majority owned studios focused on PC & Console and Mobile. In total there are around 250 full-time equivalents (FTEs) within the Group as of 30 June 2025.

Organizational chart[1]



1) Includes majority owned studios, Iron Gate (30% ownership), Other Tales Interactive (18.4% ownership), Great Ape Games (10.18% ownership), and Ugly Duckling Games (30% ownership) are excluded.

SELECTED HISTORICAL FINANCIAL INFORMATION FOR COFFEE STAIN

The historical financial information covered by the Information Brochure consists of Coffee Stain's historical financial information for the financial years 1 April 2024 - 31 March 2025 and 1 April 2023 - 31 March 2024, which has been prepared in accordance with IFRS® Accounting Standards (IFRS) published by the International Accounting Standards Board (IASB) and interpretations that have been issued by IFRS Interpretations Committee (IFRS IC) as they have been adopted by the European Union (EU). Furthermore, Coffee Stain applies the Swedish Annual Accounts Act (1995:1554) and RFR 1 "Supplementary Accounting Rules for Groups" issued by the Swedish Corporate Reporting Board.

The historical financial information for the financial years 1 April 2024 - 31 March 2025 and 1 April 2023 - 31 March 2024 is in the process of being audited by the Company's auditor. The audited financial statements will be included with the Company Description to be published by Coffee Stain.

Coffee Stain also intends to include interim financial information for the period 1 April 2025 - 30 September 2025, with comparative financial figures for the corresponding period for the previous financial year, in the Company Description.

No information in the Information Brochure, has been audited or reviewed by the Company's auditor unless expressly stated otherwise.

COMBINED STATEMENT OF PROFIT OR LOSS

SEK million	1 April 2024 – 31 March 2025	1 April 2023 – 31 March 2024
Net sales	1,089	1,085
Other operating income	6	2
Total operating income	**1,095**	**1,087**
Work performed by the Company for its own use and capitalized	146	155
Goods for resale	-117	-109
Other external expenses	-121	-159
Personnel expenses	-255	-239
Depreciation, amortization and impairment	-431	-337
Other operating expenses	-4	-4
Share of profit of an associate	9	9
Operating profit/loss (EBIT)	**322**	**404**
Financial income	35	83
Financial expenses	-93	-74
Profit before tax	**264**	**412**
Income tax	-49	-93
Net profit for the period	**215**	**319**

COMBINED STATEMENT OF FINANCIAL POSITION

SEK million	31 March 2025	31 March 2024
ASSETS		
Non-current assets		
Goodwill	2,019	2,097
Intangible assets	918	1,088
Property, plant and equipment	17	17
Right-of-use assets	24	26
Investments in associates	243	231
Non-current financial assets	14	33
Deferred tax assets	4	2
Total non-current assets	**3,239**	**3,492**
Current assets		
Trade receivables	188	276
Current tax assets	54	74
Other receivables	42	121
Prepaid expenses	9	11
Cash and cash equivalents	472	312
Total current assets	**766**	**794**
TOTAL ASSETS	**4,005**	**4,287**

COMBINED STATEMENT OF FINANCIAL POSITION (cont.)

SEK million	31 March 2025	31 March 2024
EQUITY AND LIABILITIES		
Equity		
Share capital	0	0
Reserves	305	433
Retained earnings, including net profit	1,142	1,224
Total equity attributable to equity holders of the parent	**1,447**	**1,656**
Non-controlling interests	9	8
Total equity	**1,456**	**1,664**
Non-current liabilities		
Liabilities to owners	1,631	1,632
Lease liabilities	10	12
Provisions	0	0
Contingent considerations	53	60
Non-current liabilities to employees related to historical acquisitions	9	27
Deferred tax liabilities	195	225
Total non-current liabilities	**1,898**	**1,957**
Current liabilities		
Trade payables	59	70
Lease liabilities	14	13
Contract liabilities	7	–
Contingent considerations	–	6
Tax liabilities	0	0
Liabilities to owners	425	464
Other current liabilities	6	5
Accrued expenses and prepaid income	141	107
Total current liabilities	**652**	**666**
TOTAL EQUITY AND LIABILITIES	**4,005**	**4,287**

COMBINED CASH FLOW STATEMENT

SEK million	1 April 2024 – 31 March 2025	1 April 2023 – 31 March 2024
Operating activities		
Profit before tax	264	412
Adjustments for non-cash items	475	350
Tax paid	-4	-130
Cash flow from operating activities before changes in working capital	**735**	**632**
Cash flow from changes in working capital		
Change in operating receivables	88	290
Change in operating liabilities	24	-188
Cash flow from operating activities	**847**	**734**
Investing activities		
Acquisition of property, plant and equipment	-6	-8
Acquisition of intangible assets	-226	-219
Acquisition of subsidiaries, net of cash acquired[1]	–	-87
Acquisition of financial assets	2	-6
Cash flow from investing activities	**-230**	**-320**
Financing activities		
Proceeds from borrowings	-	5
Transactions with owners	-439	-679
Payment of lease liabilities	-17	-17
Cash flow from financing activities	**-456**	**-691**
Total cashflow	**161**	**-277**
Cash and cash equivalents at the beginning of period	312	586
Exchange-rate differences in cash and cash equivalents	-1	3
Cash and cash equivalents at the end of period	**472**	**312**

1) The change in the year refers to historical acquisitions.

KEY PERFORMANCE INDICATORS (KPIS)

The Board of Directors and management of Coffee Stain believes that it is important to separate the operational performance of the business from the acquisition part. Certain KPIs 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 KPIs, definitions, purpose are described more in detail below.

These KPIs, as defined by Coffee Stain, should not be compared to other similarly titled performance measures used by other companies. This is because the aforementioned performance measures are not always defined in the same way and other companies may calculate them in a different way. For definitions and the reason for the use of KPIs, see below under the heading "Definitions of KPIs".

The table below shows Coffee Stain's selected KPIs, described in alphabetical order, for the financial years 1 April 2023 – 31 March 2024 and 1 April 2024 – 31 March 2025

Unless otherwise stated, no KPIs have been audited or reviewed by the Company's auditor.

SEK million (unless otherwise stated)	1 April 2024 – 31 March 2025	1 April 2023 – 31 March 2024
Adjusted EBIT	544	606
Adjusted EBIT margin, %	50	56
Cash EBIT	484	510
Cash EBIT margin, %	44	47
Free cash flow before working capital	486	389
Free cash flow after working capital	598	491
Net sales	1,089	1,085

DEFINITIONS OF KPIS

KPI	Definition
Adjusted EBIT	EBIT excluding specific items related to historical acquisitions and items affecting comparability.
Adjusted EBIT margin, %	Adjusted EBIT as a percentage of net sales.
Cash EBIT	Adjusted EBIT less gross investments in intangible and tangible assets, operational depreciation and amortization expenses, and payments of lease liabilities.
Cash EBIT margin, %	Cash EBIT as percentage of net sales.
Free cash flow before working capital	Cash EBIT less tax paid, other cash flow items and cash effect from items affecting comparability.
Free cash flow after working capital	Cash EBIT less tax paid, other cash flow items, changes in working capital and cash effect from items affecting comparability.

RECONCILIATION TABLES FOR KPIS

Adjusted EBIT and Adjusted EBIT margin, %

SEK million (unless otherwise stated)	1 April 2024 – 31 March 2025	1 April 2023 – 31 March 2024
EBIT	**322**	**404**
Acquisition related amortizations	168	187
Items affecting comparability	72	–
Personnel costs related to acquisitions	-18	16
Adjusted EBIT	**544**	**606**
Net sales	1,089	1,085
Adjusted EBIT margin, %	**50**	**56**

Cash EBIT and Cash EBIT margin, %

SEK million (unless otherwise stated)	1 April 2024 – 31 March 2025	1 April 2023 – 31 March 2024
Adjusted EBIT	**544**	**606**
Operational depreciation and amortization expenses	192	150
Gross investments in intangible and tangible assets	-234	-230
Payment of lease liabilities	-17	-16
Cash EBIT	**484**	**510**
Net sales	1,089	1,085
Cash EBIT margin, %	**44**	**47**

Free cash flow before and after working capital

SEK million (unless otherwise stated)	1 April 2024 – 31 March 2025	1 April 2023 – 31 March 2024
Cash EBIT	**484**	**510**
Tax paid	-4	-130
Other cash flow items	6	9
Free cash flow before working capital	**486**	**389**
Changes in working capital	112	102
Free cash flow after working capital	**598**	**491**

Free cash flow before and after working capital

SEK million (unless otherwise stated)	1 April 2024 – 31 March 2025	1 April 2023 – 31 March 2024
Write-down intangible assets	-72	–
Items affecting comparability	**-72**	**–**

Components used for reconciliation of KPIs

SEK million (unless otherwise stated)	1 April 2024 – 31 March 2025	1 April 2023 – 31 March 2024
Operational depreciation and amortization expenses	192	150
Acquisition related amortizations	168	187
Items affecting comparability	72	–

BRIEF DESCRIPTION OF EMBRACER GROUP, EXCLUDING COFFEE STAIN

INTRODUCTION

Embracer Group is a global group of creative and entrepreneurial businesses in PC, Console, Mobile and other related media. Embracer Group, excluding Coffee Stain Group, had net sales of SEK 21,285 million during the financial year ended 31 March 2025. At 30 June 2025, Embracer Group, excluding Coffee Stain Group, engaged approximately 7,000 people around the world, with 57 internal game development studios and over 445 owned or controlled franchises.

Following the Distribution of the Coffee Stain Group, Embracer Group, with its head office in Karlstad, will have a global presence across its three main operating segments; PC/Console, Mobile and Entertainment & Services, which are further described below.

PC/CONSOLE

The PC/Console Games operating segment consists of three operative groups: THQ Nordic, PLAION and Crystal Dynamics – Eidos.

PC/Console Games have been a core business for Embracer Group since its inception. The segment develops and publishes games for PC and console. It includes AAA, AA+, Indie, MMO, Free-to-play, Asset Care, VR, Work-for-Hire and other game 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 take place through both third-party online retailers and physical stores.

IPs include The Lord of the Rings, Kingdom Come Deliverance, Metro[1], Dead Island, Killing Floor, Darksiders, Remnant and Tomb Raider, amongst many more.

MOBILE

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

ENTERTAINMENT & SERVICES

The Entertainment & Services segment consists of three operative groups: Dark Horse Media, Freemode and PLAION's partner and film businesses. Dark Horse is a leading IP-focused creator, publisher, and distributor of comic books, art books & merchandise. Freemode is an ecosystem of fan centric game and entertainment related businesses, including Middle-earth Enterprises and Limited Run Games.

EMBRACER GROUP TO BE RENAMED FELLOWSHIP ENTERTAINMENT

Embracer Group will be renamed Fellowship Entertainment, which will unite top creators and IPs, fostering creativity to build unforgettable experiences for the fans. It will strive to be a truly IP-first company centred around key studios and franchises in a structure enabling focus and operational discipline.

KEY IPS AND STUDIOS

Kingdom Come Deliverance · The Lord of the Rings · Dead Island 2 · Remnant · Metro · Darksiders · The Hobbit · Tomb Raider

And more...

Flying Wild Hog · Gunfire Games · Tarsier Studios · Milestone · Crystal Dynamics · Eidos Montréal · 4A Games · Dambuster Studios · Bugbear · Tripwire · aspyr · Warhorse · Middle-earth Enterprises

And more...

1) Exclusive license.

SELECTED HISTORICAL FINANCIAL INFORMATION FOR EMBRACER GROUP, EXCLUDING COFFEE STAIN

The information below present selected financial information for the financial years 2023/2024 and 2024/2025 illustrating the remaining operations in Embracer Group excluding Coffee Stain. The basis for the financial information in this section is the financial information presented in Embracer Group's annual report for the financial years ending 31 March 2024 and 31 March 2025 and excluding financial information of Coffee Stain Group AB and its subsidiaries.

Consolidated statement of profit or loss

SEK million	1 April 2024 – 31 March 2025	1 April 2023 – 31 March 2024
Net sales	21,285	26,334
Other operating income	8,389	561
Total operating income	**29,674**	**26,895**
Work performed by the Company for its own use and capitalized	2,587	5,010
Goods for resale	-6,632	-7,371
Other external expenses	-5,430	-7,269
Personnel expenses	-8,107	-11,857
Depreciation, amortization and impairment	-8,803	-13,434
Other operating expenses	-104	-6,811
Share of profit of an associate	-8	3
Operating profit/loss (EBIT)	**3,177**	**-14,835**
Net financial items	-866	642
Profit before tax	**2,310**	**-14,192**
Income tax	-56	444
Net profit for the period	**2,254**	**13,748**

Consolidated statement of financial position

SEK million	31 March 2025	31 March 2024
ASSETS		
Non-current assets		
Goodwill	10,354	29,113
Intangible assets	13,394	35,948
Property, plant and equipment	510	864
Right-of-use assets	621	1,323
Investments in associates	3	23
Receivables from subsidiaries	1,631	1,632
Non-current financial assets	433	468
Deferred tax assets	1,661	1,774
Total non-current assets	**28,607**	**71,145**
Current assets		
Inventories	707	3,218
Trade receivables	2,012	4,685
Contract assets	82	13
Receivables from subsidiaries	425	464
Other receivables	1,309	3,667
Prepaid expenses	472	446
Cash and cash equivalents	6,625	3,029
Total current assets	**11,632**	**15,522**
Assets held for sale	-	6,911
TOTAL ASSETS	**40,239**	**93,578**

Consolidated statement of financial position (cont.)

SEK million	31 March 2025	31 March 2024
EQUITY AND LIABILITIES		
Equity		
Share capital	2	2
Other contributed capital	62,196	61,067
Reserves	890	5,634
Retained earnings, including net profit	-33,404	-15,940
Total equity attributable to equity holders of the parent	**29,684**	**50,763**
Non-controlling interests	55	56
Total equity	**29,739**	**50,819**
Non-current liabilities		
Liabilities to credit institutions	1,119	10,795
Other non-current liabilities	103	171
Lease liabilities	428	1,012
Provisions	186	52
Contingent considerations	769	1,920
Non-current Put/call Options on non-controlling interests	-	1,496
Deferred consideration	-	10
Non-current employee benefits	5	13
Non-current liabilities to employees related to acquisitions	670	883
Deferred tax liabilities	1,031	5,660
Total non-current liabilities	**4,311**	**22,012**
Current liabilities		
Liabilities to credit institutions	545	8,946
Current account credit facilities	-	35
Advances from customers	152	143
Trade payables	1,148	2,127
Lease liabilities	235	368
Contract liabilities	1,023	1,511
Contingent considerations	495	213
Current Put/call Options on non-controlling interests	-	474
Deferred consideration	-	285
Tax liabilities	419	573
Current liabilities to employees related to acquisitions	164	144
Other current liabilities	492	901
Accrued expenses	1,515	2,860
Total current liabilities	**6,188**	**18,580**
Liabilities attributable to assets held for sale	**-**	**2,170**
TOTAL EQUITY AND LIABILITIES	**40,239**	**93,578**

Consolidated cash flow statement

SEK million	1 April 2024 – 31 March 2025	1 April 2023 – 31 March 2024
Cash flow from operating activities before changes in working capital	**3,191**	**5,184**
Cash flow from changes in working capital	-546	-224
Cash flow from operating activities	**2,645**	**4,960**
Cash flow from investing activities	14,246	-9,325
Cash flow from financing activities	-12,192	3,432
Cash flow for the period continued operations	**4,699**	**-933**
Cash flow for the period discontinued operations	**5,280**	**-24**
Cash and cash equivalents at the beginning of period	3,195	4,076
Exchange-rate differences in cash and cash equivalents	-94	77
Cash and cash equivalents in discontinued operations	-6,454	-1,181
Cash and cash equivalents at the end of period	**6,625**	**2,014**

SELECTED ALTERNATIVE PERFORMANCE MEASURES

SEK million	1 April 2024 – 31 March 2025	1 April 2023 – 31 March 2024
Adjusted EBIT	2,800	4,378
Free cash flow after working capital	1,646	63

Definitions of selected alternative performance measures

Name	Definition	Reason for use
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.
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.

COFFEE STAIN'S BOARD OF DIRECTORS, SENIOR EXECUTIVES AND AUDITOR

BOARD OF DIRECTORS

The Company's Board of Directors consist of six members including the chair of the board, all of whom have been elected for the period up until the end of the 2026 annual general meeting. A description of the board members, their position, the year in which they were elected and proposed for election for the first time and whether they are regarded as independent in relation to the Company and senior executives and in relation to major shareholders is presented in the table below.

			Independent in relation to:	
Name	**Position**	**Board member since**	**The Company and senior executives**	**Major shareholders**
Jacob Jonmyren	Chair	2025	Yes	No
Sara Börsvik	Board member	2025	Yes	Yes
Henrik Tjärnström	Board member	2025	Yes	Yes
Kicki Wallje-Lund	Board member	2025	Yes	Yes
Anton Westbergh	Board member	2025	No	Yes
Lars Wingefors	Board member	2025	Yes	No

JACOB JONMYREN (BORN 1980)

Chair of the Board of Directors

Education/background: Jacob Jonmyren holds a Master of Science 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 assignments: Jacob Jonmyren is chair of the board of Lars Wingefors AB, Consilio International AB and Wise Birds AB. CEO and board member of Jacob Jonmyren Kapital AB. Board member of Asmodee Group AB, Embracer Group AB and Keep Pushing Group AB. Deputy board member of Abios Holding AB.

Previous assignments (past five years): Partner, Portfolio Manager & Head of Research and board member of RAM One AB. Board member of RAM Rational Asset Management AB, Wermlandssemlan Invest AB and Forskningsstiftelsen SSE-MBA. Board member and CEO of World Market Coverage i Stockholm AB.

Holdings in Embracer Group (and subsequently in the Company after the Distribution): As of date of the Information Brochure, Jacob Jonmyren owns no class A and 15,333 class B shares in Embracer Group. Jacob Jonmyren also owns a minority stake in Lars Wingefors AB, which is a majority shareholder of Embracer Group.

SARA BÖRSVIK (BORN 1982)

Board member

Education/background: Sara Börsvik holds an M.Sc. in Accounting and Finance from Gothenburg University. She is CFO of Epidemic Sound, a global soundtracking platform providing unrestricted music and sound effects. She has extensive experience in finance, accounting and business control, having previously served as CEO and CFO at Bonnierförlagen AB, CFO at Rebtel and Head of Controlling at Tele2 Sweden.

Current assignments: Board member of Aktiebolaget Svensk Filmindustri, G5 Entertainment AB, BIMobject AB, Overtone Studios AB, Aentidote AB, Epidemic Sound NewCo Holding AB, Epidemic Sound NewCo AB, Epidemic Sound B.V., Epidemic Sound US Inc., Epidemic Sound UK Ltd., Soundly AS and Epidemic Sound France S.A.S. Board member and CFO of Epidemic Sound AB. Deputy board member of Mere Holding AB and Archipelago Games AB.

Previous assignments (past five years): Chair of the board of Mockingbird Publishing Software AB. CEO and board member of Bonnierförlagen Aktiebolag and Bokförlaget Maxström AB. Board member of SEMIC International Aktiebolag, New RebTel AB, SOFO Royale AB, Marbel Songs AB, Epidemic Sound Management AB, Epidemic Sound Holding AB, Rebtel Partners AB, Epidemic Sound MepCo AB, BZR Publishing AB, Romanus & Selling AB, Epidemic Sound MepCo 2 AB, BFA Bazar Förlag AB, Alpha Forlag A/S, Gutkind Forlag A/S, WSOY (Werner Söderström Ltd., Cappelen Holding AS and Rebtel AB. Deputy board member of Albert Bonniers Förlag Aktiebolag, Pocketgrossisten Sverige AB and RebTel Holding AB. Deputy auditor (Sw. *revisorssuppleant*) of Svenska Förläggareföreningen ek. för.

Holdings in Embracer Group (and subsequently in the Company after the Distribution): As of the date of the Information Brochure Sara Börsvik owns no class A shares and no class B shares in Embracer Group.

HENRIK TJÄRNSTRÖM (BORN 1970)

Board member

Education/background: Henrik Tjärnström holds an M.Sc. in Industrial Engineering and Management from Linköping University, Faculty of Science and Engineering. Henrik has extensive leadership experience from international listed companies. He was CEO of Kindred Group (formerly Unibet Group) from 2010 to 2023, and earlier CFO. Before joining Kindred, he held senior finance roles at Skanska Infrastructure Development in Sweden and the UK. Since 2024 he is founder and CEO of BetCentury Group.

Current assignments: Board member of Football Analytics Sweden AB, HPT Mercator AB, PACUVIUS INVESTMENTS AB, Operational Imperium AB and CMD Support Service AB. CEO of BetCentury Group AB.

Previous assignments (past five years): Board member of Creaspac AB.

Holdings in Embracer Group (and subsequently in the Company after the Distribution): As of the date of the Information Brochure Henrik Tjärnström owns no class A shares and 360,166 class B shares in Embracer Group.

KICKI WALLJE-LUND (BORN 1953)

Board member

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 assignments: Deputy chair of the board of Embracer Group AB and Asmodee Group AB. Board member of Logvreten AB.

Previous assignments (past five years): Board member of C-Rad AB.

Holdings in Embracer Group (and subsequently in the Company after the Distribution): As of the date of the Information Brochure Kicki Wallje-Lund owns no class A shares and 17,700 class B shares in Embracer Group.

ANTON WESTBERGH (BORN 1985)

Board member and CEO

Education/background: Anton Westbergh studied computer science at the University of Skövde. Anton Westbergh is one of the co-founders of Coffee Stain and has extensive experience in game and business development.

Current assignments: Chair of the board of Coffee Stain North AB, Easy Trigger AB and Box Dragon AB. CEO and board member of Coffee Stain Studios AB, Coffee Stain Holding AB and Coffee Stain Publishing AB. Board member of Inwestbergh AB, Lavapotion AB and Coffee Stain Gbg AB. Deputy board member of Nyckelbordsdivisionen AB and Mediocre AB.

Previous assignments (past five years): -

Holdings in Embracer Group (and subsequently in the Company after the Distribution): As of the date of the Information Brochure Anton Westbergh owns no class A and 590,832 class B shares in Embracer Group.

LARS WINGEFORS (BORN 1977)

Board member

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 broad and long experience in entrepreneurship and business management.

Current assignments: Chair of the board of Embracer Group AB and Asmodee Group AB. CEO and board member of Lars Wingefors AB. Board member of Wingefors Invest AB, Wingefors Depå Nio AB, Wingefors Depå Åtta AB, Wingefors Depå Fem AB, Empterwik Rental AB, Fly sola air AB and Varyag Group AB. External signatory for LW Comics AB, Lars Wingefors Kapitalförvaltning AB, Wingefors Depå Sju AB, Wingefors Depå Fyra AB and Wingefors Depå Tre AB. Deputy board member of Gigalomaniac Holding AB, FBO Karlstad AB, Sola Service i Karlstad AB and Gerado 22 AB.

Previous assignments (past five years): CEO and board member of We Sing AB. Board member of We Sing Company Holding AB, Plucky Bytes AB, Amplifier Game Invest Holding AB, Embracer Group Lager 2 AB, Embracer Group Lager 4 AB, Embracer Group Lager 5 AB, Embracer Group Lager 10 AB, Embracer Group Lager 11 AB, Embracer Freemode Retro Holding AB, Middle-earth Enterprises AB, Deca Games Holding AB, Embracer Group Archive AB and Pieces Interactive AB. Deputy board member of Coffee Stain Studios AB, Coffee Stain Holding AB, House in the Woods AB, Gerado AB, Experiment 101 AB, Mirage Game Studios AB and Coffee Stain Publishing AB.

Holdings in Embracer Group (and subsequently in the Company after the Distribution): As of the date of the Information Brochure, Lars Wingefors, via Lars Wingefors AB, a company he has a controlling stake in, owns 9,000,000 class A shares and 35,857,907 class B shares in Embracer Group.

SENIOR EXECUTIVES

Name	Position	Employed since
Anton Westbergh	CEO	2010
Erik Sunnerdahl	CFO	2025

ANTON WESTBERGH (BORN 1985)

Board member and CEO

See above under section ''Board of Directors''.

ERIK SUNNERDAHL (BORN 1986)

CFO

Education/background: Erik Sunnerdahl holds an M.Sc. in Business Administration from Linköping University. He has five years of experience in the gaming industry from his time at Embracer Group AB (publ), where he held various roles within finance, accounting, and business control, most recently serving as Group Finance Director. Prior to that, Erik worked in different roles in finance at JM AB (publ) and EY.

Current assignments: -

Previous assignments (past five years): -

Holdings in Embracer Group (and subsequently in the Company after the Distribution): As of the date of the Information Brochure Erik Sunnerdahl owns no class A shares and 1,966 class B shares in Embracer Group.

AUDITOR

Öhrlings PricewaterhouseCoopers AB is the Company's auditor with Magnus Svensson Henryson as lead auditor and Martin Bengtsson as co-signing auditor. Magnus Svensson Henryson is an authorized public accountant and a member of FAR (Professional Institute for Authorized Public Accounts). Öhrlings PricewaterhouseCoopers AB's address is Torsgatan 21, 113 21 Stockholm.

SHARE CAPITAL AND OWNERSHIP STRUCTURE IN COFFEE STAIN

GENERAL INFORMATION REGARDING THE SHARES OF THE COMPANY

In accordance with the Company's articles of association, the share capital may not be less than SEK 25,000 and may not exceed SEK 100,000, and the number of shares may not be less than 250 and may not exceed 1,000 shares.

As of the date of the Information Brochure, the registered share capital of the Company amounted to SEK 25,000 among 250 shares and each share had a quota value of SEK 100. The share capital and number of shares (including a class A and B share structure) and conversion to a public limited liability company, will prior to the Distribution be registered with the Swedish Companies Registration Office to enable the Distribution and the envisaged distribution ratio described in the section "*Information regarding the Distribution of Coffee Stain*".

The shares in the Company have been issued in accordance with Swedish law. All issued shares are fully paid and freely transferable. The information on the ISIN code for Coffee Stain's class B share will be contained in the Company Description that is to be published ahead of the listing of Coffee Stain's class B shares. The shares of the Company are denominated in SEK.

CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

The Company will upon the Distribution and Listing have two share classes outstanding, class A shares carrying ten votes per share and class B shares carrying one vote per share. Only the class B shares will be listed on Nasdaq First North Premier.

The rights attached to the shares issued by the Company, including the rights pursuant to the Company's articles of association, may only be amended in accordance with the procedures set out in the Swedish Companies Act.

PREFERENTIAL RIGHTS TO NEW SHARES, ETC.

If the Company decides to issue new class A shares and class B shares against cash or set-off of claim, owners of class A shares and class B shares shall have preferential right to subscribe for new shares of the same class of shares in proportion to the number of shares they already hold (primary preferential right). Shares which have not been subscribed for by primary preferential right shall be offered to all shareholders for subscription (secondary preferential right). Unless the shares thus offered are sufficient for the subscription under the secondary preferential right, the shares shall be allocated between the subscribers in proportion to the number of shares they already hold and, to the extent this is not possible, by drawing of lots.

If the Company decides to issue only class A shares or only class B shares against cash or set off of claim, all shareholders shall have a preferential right to subscribe for new shares in proportion to the number of shares they already hold, irrespective of whether they hold class A shares or class B shares.

The above shall not imply any restriction in the possibility to decide on a new share issue against cash or set off of claim, with derogation from the shareholders' preferential right.

If the Company decides to issue warrants or convertibles against cash or set-off of claim, the shareholders have a preferential right to subscribe for warrants as though the issue concerned those shares which might be subscribed for on account of the option and a preferential right to subscribe for convertibles as though the issue concerned those shares which the convertibles may be exchanged to, respectively.

If the share capital is raised through a bonus issue, new shares shall be issued of each class of shares in proportion to the existing number of shares of the same class. Old shares of a certain class of shares shall entail a right to new shares of the same class of shares in relation to its proportion of the share capital. The above shall not imply any restriction in the possibility to carry out a bonus issue and, after necessary change in the articles of association, issue new shares of a new class.

Voting rights

Class A shares entitles the holder to ten votes per share at general meetings, while class B shares entitles the holder to one vote per share at general meetings. Each shareholder is entitled to cast votes for all its shares at general meetings.

Right to dividends and balances in the event of liquidation

All shares carry equal rights to dividends and to the Company's assets and any surplus in the event of liquidation. Decisions regarding dividends in Swedish limited liability companies are made by the general meeting. Entitlement to receive dividends accrues to those who, on the record date adopted by the general meeting, are registered as shareholders in the share register maintained by Euroclear. Dividends are normally distributed to the shareholders as a cash amount per share through Euroclear but may also be distributed in forms other than cash (distribution in kind). Should a shareholder be unable to be reached through Euroclear, the shareholder will continue to have a claim against the Company with regard to the dividend amount, limited in time pursuant to a ten-year statute of limitation. Should the claim become barred by the statute of limitation, the dividend amount accrues to the Company.

No restrictions on the right to receive dividends apply to shareholders residing outside of Sweden. With reservation for any limitations imposed by banks and clearing systems in the jurisdictions concerned, distributions to such shareholders are conducted in the same manner as to shareholders in Sweden. Shareholders who are not subjects to taxation in Sweden are usually subject to Swedish withholding tax.

Conversion of class A shares

Owners of class A shares may demand that all or a part of their class A shares be converted into class B shares. Such request of conversion shall be made in writing to the Company's Board of Directors. The conversion is executed at the time for registration and when it has been noted in the Company's share register.

CENTRAL SECURITIES DEPOSITORY

The shares in the Company will be registered in a central securities depositary register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479). This register is maintained by Euroclear, Box 191, 101 23 Stockholm, Sweden.

OWNERSHIP STRUCTURE

As of the date of the Information Brochure, Embracer Group holds 100 percent of the shares in the Company. The table below presents Embracer Group's largest shareholders based on an ownership table compiled by Modular Finance as of 30 September 2025. If the record date for the Distribution of shares in Coffee Stain had been on 30 September 2025, the top ten largest shareholder of Coffee Stain would have initially been as illustrated below.

As of the date of this Information Brochure, Embracer Group holds 3,091,688 class B shares in treasury which do not entitle to shares in Coffee Stain through the Distribution.

Shareholder	Class A shares	Class B shares	% of capital	% of votes
Lars Wingefors AB	9,000,000	35,857,907	19.93	41.11
Savvy Gaming Group	-	16,647,337	7.39	5.44
DNB Asset Management AS	-	14,818,165	6.58	4.84
Matthew Karch	-	12,429,703	5.52	4.06
Alecta Tjänstepension	-	7,250,000	3.22	2.37
Andrey Iones	-	6,586,275	2.93	2.15
PAI Partners	-	6,507,428	2.89	2.13
SEB Funds	-	5,870,008	2.61	1.92
Vanguard	-	5,829,053	2.59	1.90
Norges Bank Investment Management	-	5,418,946	2.41	1.77
Total major shareholders	**9,000,000**	**117,214,822**	**56.07**	**67.69**
Other shareholders	-	*98,904,885*	*43.93*	*32.31*
Total	**9,000,000**	**216,119,707**	**100**	**100**

RISK FACTORS ASSOCIATED WITH THE DISTRIBUTION OF COFFEE STAIN

Below is a brief outline of certain risk factors related to the Distribution of the shares in Coffee Stain. A more detailed description of the risks relating to Coffee Stain and its shares will be included in the Company Description to be published prior to the listing of Coffee Stain on Nasdaq First North Premier.

THE DISTRIBUTION MAY FAIL TO REALIZE ANTICIPATED BENEFITS

The intended purpose of the proposed separation of Coffee Stain from Embracer Group is to allow Coffee Stain to focus on its core strengths, delivering high quality community-driven experiences, focused capital allocation and creating opportunities to attract and enable partnerships with like-minded independent game developers and talents. However, there is a risk that the anticipated benefits of the Distribution will not be achieved if the assumptions underlying the decision to carry out the Distribution turn out to be incorrect, or if the anticipated benefits or underlying drivers have been overestimated. For example, Coffee Stain, as a stand-alone company, may not be able to procure external financing or other financial services on conditions as favorable as those obtainable by Embracer Group before the Distribution. There is also a risk that the investors' appetite in investing directly in Coffee Stain is overestimated, thus causing the share price in Coffee Stain to develop unfavorably following the admission to trading of Coffee Stain's shares on Nasdaq First North Premier. Moreover, to the extent that Coffee Stain as a standalone company incurs additional costs or achieves lower sales, its business, financial position and results of operations could be adversely affected and the anticipated benefits from the Distribution could fail to be realized.

THE DISTRIBUTION MAY AFFECT THE PRICE OF BOTH EMBRACER GROUP AND COFFEE STAIN'S SHARES

The Distribution of Coffee Stain involves the creation of an independent group consisting of operations and assets that generated approximately 5 percent of Embracer Group's net sales for the financial year ended 31 March 2025. It is impossible to predict the market price of the shares of Embracer Group and Coffee Stain as standalone companies or whether their aggregate share price would exceed the share price of Embracer Group as currently constituted. The Distribution may also have an effect on the individual companies' financial position and risk profile as well as other conditions for conducting their respective business. There is a risk that the market will not react favorably to the Distribution and that investors may perceive the standalone companies less favorably than the Embracer Group, as currently constituted.

CERTAIN SWEDISH TAX CONSIDERATIONS

The following is a general description of certain tax considerations relating to the distribution of shares in Coffee Stain to the shareholders of Embracer Group. It does not purport to be a complete analysis of all tax considerations, neither in Sweden, the United States or elsewhere. The tax treatment of each individual shareholder depends on the shareholder's particular circumstances and the tax laws in the country where the shareholder is resident for tax purposes. Each shareholder should therefore consult its own tax adviser with regard to the specific tax consequences that may arise in the individual case. This summary is based upon the laws and regulations in effect as of the date of this Information Brochure and does not consider changes in laws or regulations effective, sometimes with retroactive effect, after such date.

CERTAIN TAX CONSIDERATIONS IN SWEDEN

The following is a summary of certain Swedish tax consequences that may arise from the distribution of shares in Coffee Stain to shareholders of Embracer Group. The summary is based on current legislation and only provide general information applicable to individuals and limited liability companies (Sw. *aktiebolag*) resident in Sweden for tax purposes, unless otherwise stated. The summary does not cover: (i) shares held by partnerships or as current assets in business operations (Sw. *lagertillgångar*); (ii) the specific rules concerning tax-exempt capital gains (including non-deductibility for capital losses) and dividends in the corporate sector in case shares are deemed to be held for business reasons under the Swedish participation exemption regime (Sw. *näringsbetingade andelar*); (iii) shares that are held in an investment savings account (Sw. *investeringssparkonto*) or endowment insurance (Sw. *kapitalförsäkring*), which are both subject to notional taxation; or (iv) special tax rules applicable to certain investors (e.g. investment funds and insurance companies). The tax consequences for each individual shareholder will ultimately depend on the holder's particular circumstances. Each shareholder should therefore consult a tax adviser regarding the specific tax consequences that may arise in the individual case, including (but not limited to) the applicability and effect of foreign tax rules and tax treaties.

INDIVIDUALS

Taxation of the distribution of Coffee Stain

It is expected that the distribution of the shares in Coffee Stain will fulfill the requirements set out in the so-called "Lex Asea" rules. The distribution of Coffee Stain's shares to Embracer Group's shareholders will therefore not trigger any immediate taxation. Shareholders in Embracer Group entitled to participate in the distribution will have the tax basis in their Embracer Group shares allocated among these shares and the shares received in Coffee Stain. The allocation of the tax basis will be based on the change in value of the Embracer Group shares due to the distribution of the shares in Coffee Stain. Embracer Group will request general guidelines from the Swedish Tax Agency (Sw. *Skatteverket*) concerning how this tax basis should be allocated and these guidelines will be published on the websites of Embracer Group, Coffee Stain and the Swedish Tax Agency as soon as possible.

Taxation of dividends with regard to Coffee Stain shares

Dividend distributions pertaining to listed shares are taxed as capital income at a rate of 30 percent. A preliminary tax of 30 percent is withheld on dividends distributed to individuals tax resident in Sweden. The preliminary tax is withheld by Euroclear Sweden or, in respect of nominee registered shares, by the Swedish nominee.

Thus, dividend distributed by Coffee Stain will be treated equivalent to dividend distributed by Embracer provided they are equivalently held.

Capital gains taxation upon disposal of Coffee Stain shares

A sale or other disposal of listed shares will result in a taxable capital gain or a deductible capital loss. Capital gains are taxed as capital income at a rate of 30 percent. The capital gain or loss is generally calculated as the difference between the sales proceeds, reduced by sales costs, and the tax basis. The tax basis for all shares of the same class and type is calculated together in accordance with the "average cost method" (Sw. *genomsnittsmetoden*). Alternatively, upon the sale of listed shares, the tax basis may be determined as 20 percent of the sales proceeds, after deducting sales costs, under the "standard method" (Sw. *schablonmetoden*). The acquisition cost, and thus the tax basis, for the shares received in Coffee Stain through the distribution from Embracer Group is calculated based on the general guidelines received from the Swedish Tax Agency (see "*Taxation of the distribution of Coffee Stain*" above).

Capital losses can be fully offset against taxable capital gains on listed and non-listed shares and other listed equity-related securities with the exception of units in securities funds or special funds that consist solely of Swedish receivables (Sw. *räntefonder*). Capital losses not absorbed by these set-off rules are deductible at 70 percent in the capital income category. If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. This tax reduction is granted at 30 percent of the net loss that does not exceed SEK 100,000 and at 21 percent of any remaining net loss. An excess net loss cannot be carried forward.

Taxation upon the disposal of shares and fractions of shares in Coffee Stain

The disposal of Coffee Stain shares received will result in capital gains taxation. The same applies to shareholders who receive fractions of Coffee Stain shares that are subsequently sold for their account. The capital gain or capital loss is calculated as the difference between the sales price, after deducting selling expenses, and the tax basis (consisting of, inter alia, the acquisition cost). The acquisition cost of the Coffee Stain shares received by the distribution will be determined based on the general guidelines that the Swedish Tax Agency will render. The acquisition cost of each fraction of a Coffee Stain share should be the corresponding portion of the acquisition cost of a Coffee Stain share established on the basis of the Swedish Tax Agency's guidelines. Since the shares in Coffee Stain will be listed on the stock market, the tax basis of these shares may alternatively be determined at 20 percent of the net sales revenue, using the standard method.

LIMITED LIABILITY COMPANIES

Taxation of the distribution of Coffee Stain shares

Since it is expected that the distribution of the shares in Coffee Stain will fulfill the requirements set out in the so-called "Lex Asea" rules the distribution will not give rise to any immediate taxation. Please refer to the corresponding section regarding individuals for the determination of tax basis in the Coffee Stain shares.

Taxation of dividends and capital gains with regard to Coffee Stain shares

For Swedish limited liability companies, all income, including taxable capital gains and dividends, is taxed as business income at a rate of 20.6 percent. Capital gains and capital losses are calculated in the same manner as described above for individuals. Deductible capital losses on shares or other equity-related securities may only be deducted against taxable capital gains on such securities. Under certain circumstances, such capital losses may also be offset against capital gains in another company in the same group, provided that the requirements for group consolidation (Sw. *koncernbidragsrätt*) are met. A capital loss that cannot be utilized during a given income year may be carried forward indefinitely and offset against taxable capital gains on shares and other equity-related securities during future income years.

SPECIFIC TAX CONSIDERATIONS FOR SHAREHOLDERS WHO ARE NOT TAX RESIDENTS IN SWEDEN

Taxation of the distribution of Coffee Stain

Even though it is expected that the distribution of the shares in Coffee Stain will fulfill the requirements set out in the so-called "Lex Asea" rules, shareholders who are not tax resident in Sweden may, however, be subject to taxation in their country of residence.

Withholding tax on dividends

Since it is expected that the distribution of the shares in Coffee Stain will fulfill the requirements set out in the so-called "Lex Asea" rules no Swedish withholding tax will be levied on the distribution.

Future dividend distributions received from Coffee Stain will generally be subject to Swedish withholding tax. The withholding tax rate is 30 percent but it is often reduced for shareholders who are tax resident in countries with which Sweden has entered into a tax treaty. In Sweden, Euroclear Sweden or, for nominee registered shares, the nominee, carries out the withholding.

In the event that 30 percent withholding tax is deducted from a payment to a person entitled to be taxed at a lower rate, or if too much withholding tax has otherwise been withheld, a refund can be claimed from the Swedish Tax Agency prior to the expiry of the fifth calendar year following the dividend distribution.

Capital gains taxation upon disposal of Coffee Stain shares

Shareholders who are not tax residents in Sweden and whose shareholding is not attributable to a permanent establishment in Sweden, are generally not subject to capital gains taxation in Sweden upon the disposal of shares. The shareholder may, however, be subject to taxation in their country of residence. Under a specific tax rule, individuals who are not tax residents in Sweden may, however, be subject to tax in Sweden on the sale of shares if they have been resident or lived permanently in Sweden at any time during the calendar year of such disposal or during any of the previous ten calendar years. The application of this rule may be limited by tax treaties between Sweden and other countries.

FREQUENTLY ASKED QUESTIONS

» WHY ARE THE SHARES IN COFFEE STAIN DISTRIBUTED?

The Board of Directors of Embracer Group believes that long-term shareholder value will be created by splitting the current Embracer Group into two separate companies via the distribution and the admission to trading of the class B shares of Coffee Stain on Nasdaq First North Premier.

» WHAT ARE THE TERMS AND CONDITIONS FOR THE DISTRIBUTION?

The envisaged distribution ratio is that one (1) class A share in Embracer Group will entitle the holder to receive one (1) class A share in Coffee Stain, and that one (1) class B share in Embracer Group will entitle the holder to receive one (1) class B share in Coffee Stain.

No brokerage fee will be charged in connection with the Distribution.

» DO I NEED TO TAKE ANY ACTIONS IN ORDER TO RECEIVE DISTRIBUTED SHARES?

No, registered (directly registered or nominee registered) shareholders of Embracer Group on the record date for distribution will automatically receive shares in Coffee Stain.

» WHEN IS THE RECORD DATE FOR THE DISTRIBUTION?

The Board of Directors of Embracer Group proposes that the Extraordinary General Meeting authorizes the Board of Directors to determine the record date for the Distribution. The record date for the Distribution will be announced in ample time prior to the first day of trading in Coffee Stain's class B shares on Nasdaq First North Premier.

» WHEN WILL THE COMPANY DESCRIPTION BE PUBLISHED AND WHERE CAN I FIND IT?

A Company Description, containing information about Coffee Stain and the risks associated with an investment in Coffee Stain's class B shares, is planned to be published by Coffee Stain prior to the first day of trading in Coffee Stain's class B shares on Nasdaq First North Premier.

» WILL THE DISTRIBUTION CAUSE ANY TAX CONSEQUENCES FOR SHAREHOLDERS?

It is expected that the distribution of the shares in Coffee Stain will fulfill the requirements set out in the "Lex Asea" rules and therefore not be immediately taxable for individuals and limited liability companies that are Swedish tax residents. The tax basis for the shares in Embracer Group that carry distribution rights will however be allocated among these shares and the shares received in Coffee Stain. The allocation of the tax basis will be based on the change in value of the shares in Embracer Group due to the distribution of the shares in Coffee Stain. Embracer Group will request general guidelines from the Swedish Tax Agency regarding the allocation of the tax basis. Information regarding the Swedish Tax Agency's general guidelines will be published as soon as possible on the websites of Embracer Group, Coffee Stain and the Swedish Tax Agency.

No Swedish withholding tax will be levied on a distribution made in accordance with the requirements set out in the "Lex Asea" rules.

EMBRACER GROUP