

Q3

FY 2025/26

EMBRACER GROUP INTERIM REPORT

OCTOBER – DECEMBER 2025

Disclaimer

IMPORTANT INFORMATION – PLEASE READ THE FOLLOWING BEFORE CONTINUING READING

This presentation (the “**Presentation**”) has been prepared by Embracer Group AB (“**Embracer**” or the “**Company**”) and is provided for information purposes only. By attending a meeting where this Presentation is presented or by accessing information contained in or obtained from the Presentation, including by reading this Presentation, you agree to be bound by the following limitations and notifications.

This Presentation may not be used for, or in connection with, any offer to, or solicitation by, any person in any jurisdiction or under any circumstances. This Presentation does not constitute or form part of, and should not be constructed as, any offer, invitation, solicitation or recommendation to purchase, sell or subscribe for any securities in the Company in any jurisdiction and does not constitute any form of commitment or recommendation on the part of Embracer or anyone else. The Presentation is intended to present background information on the Company and is not intended to provide complete disclosure. Readers of the Presentation should not treat the contents of this Presentation as an advice relating to legal, taxation, investment or any other matters. Neither the Presentation, nor any part of it, shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. This presentation is not a research report. The Company and its affiliates, directors, advisors, employees and representatives disclaims any and all liability for direct and indirect consequences resulting from decisions which are wholly or partly based on information in the Presentation. The Presentation does not constitute and should not be considered as any form of financial opinion, advice or recommendation by the Company or anyone else.

This Presentation is not a prospectus in accordance with the (EU) 1129/2019 Prospectus Regulation and has not been approved or reviewed by any governmental authority or stock exchange in any jurisdiction in the EEA. Nor has the Presentation been reviewed or approved by any other regulatory authority or stock exchange globally.

The distribution of the Presentation in certain jurisdictions may be restricted by law and persons into whose possession the Presentation comes should make themselves aware of the existence of, and observe, any such restriction. The securities of the Company have not been and will not be registered under the U.S. Securities Act, as amended (the “**Securities Act**”), or under any of the relevant securities laws of any state or other jurisdiction of the United States and the Company does not intend to make a public offer of its securities in the United States.

Certain information contained in this Presentation (including market data and statistical information) has been obtained from various sources prepared by other parties (including third party sources) that the Company has deemed to be relevant and trustworthy. Moreover, certain information in the Presentation is based on assumptions, estimates and other factors that were available to the Company at the time of when the information was prepared. Such assumptions, estimates or other factors, either made by the Company or by third parties, may prove to be, or become, incorrect, thus rendering the information in the Presentation to be inaccurate, incomplete or incorrect. No representation or warranty,

express or implied, is made by the Company or any of its affiliates, directors, advisors, employees and representatives as to the accuracy, completeness or verification of any information contained in this Presentation. The Company has not made any independent review of information based on public statistics or information from any independent third parties regarding the market information that has been provided by such third party, the industry or general publications. Financial information contained in the Presentation is not necessarily directly extracted from the Company’s accounting systems or records. No information in the Presentation has been independently reviewed or verified by the Company’s auditors unless explicitly stated otherwise. In addition, certain financial information may be preliminary and has yet not been finalized, be forward-looking, or subject to review/audit from the Company’s auditors. Accordingly, such preliminary financial information may change. Furthermore, certain financial information in this Presentation has been prepared for illustrative purposes only and is solely intended to describe the hypothetical situation of if the acquired companies were part of Embracer for the periods referred to in the Presentation.

Statements in this Presentation, including those regarding the Company’s and its industry’s possible or assumed future, the Company’s business strategies, its expansion and growth of operations, future events, objectives, trend projections and expectations, or other performance of the Company or its industry, constitute forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, contingencies, uncertainties, assumptions and other factors as they relate to events and depend on circumstances that will or may occur in the future, whether or not outside the control of the Company. No assurance is given that such forward-looking statements will prove to be correct. Prospective investors should not place undue reliance on forward-looking statements and they speak only as of the date of this Presentation. Past performance does not guarantee or predict future performance. Moreover, the Company does not undertake any obligation to review, update or confirm expectations or estimates or to release any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this Presentation unless required by law or Nasdaq Stockholm’s Growth Market’s Rulebook for issuers. The Company and its affiliates, directors, advisors, employees and representatives expressly disclaim any liability whatsoever for such forward-looking statements.

This Presentation as well as any other information provided by or on behalf of Company in connection herewith shall be governed by Swedish law. The courts of Sweden, with the District Court of Stockholm as the first instance, shall have exclusive jurisdiction to settle any conflict or dispute arising out of or in connection with this Presentation or related matters.

What we cover today

Highlights

Operating segments

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

Financial performance

Looking ahead

Q&A



An artistic illustration of two knights on horseback, viewed from behind, looking out over a valley. The knight on the left is in full plate armor, while the knight on the right wears a patterned surcoat. The landscape below features a small village with a church spire, surrounded by green fields and trees. The sky is filled with large, dramatic clouds, with a bright light source creating a golden glow. The entire image is framed by ornate golden scrollwork in the corners.

Kingdom Come Deliverance

5 Million
copies sold

9/10

Nintendo Life

9/10

GamingBolt

4/5

Eurogamer

8/10

Push Square

8.5/10

Playstation Universe

8/10

GameSpot

84/100

COGconnected

REANIMAL

THQ NORDIC

TARSIER
STUDIOS

Highlights from Q3

Net sales | Q3

SEK **5,176** m

-26% YoY (-8% organic)

Adjusted EBIT | Q3

SEK **528** m

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

Free cash flow¹ | TTM

SEK **-15** m

(SEK -399 m)

Core IPs continue to drive
outperformance

**Higher underlying
expectations** for FY 2025/26

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

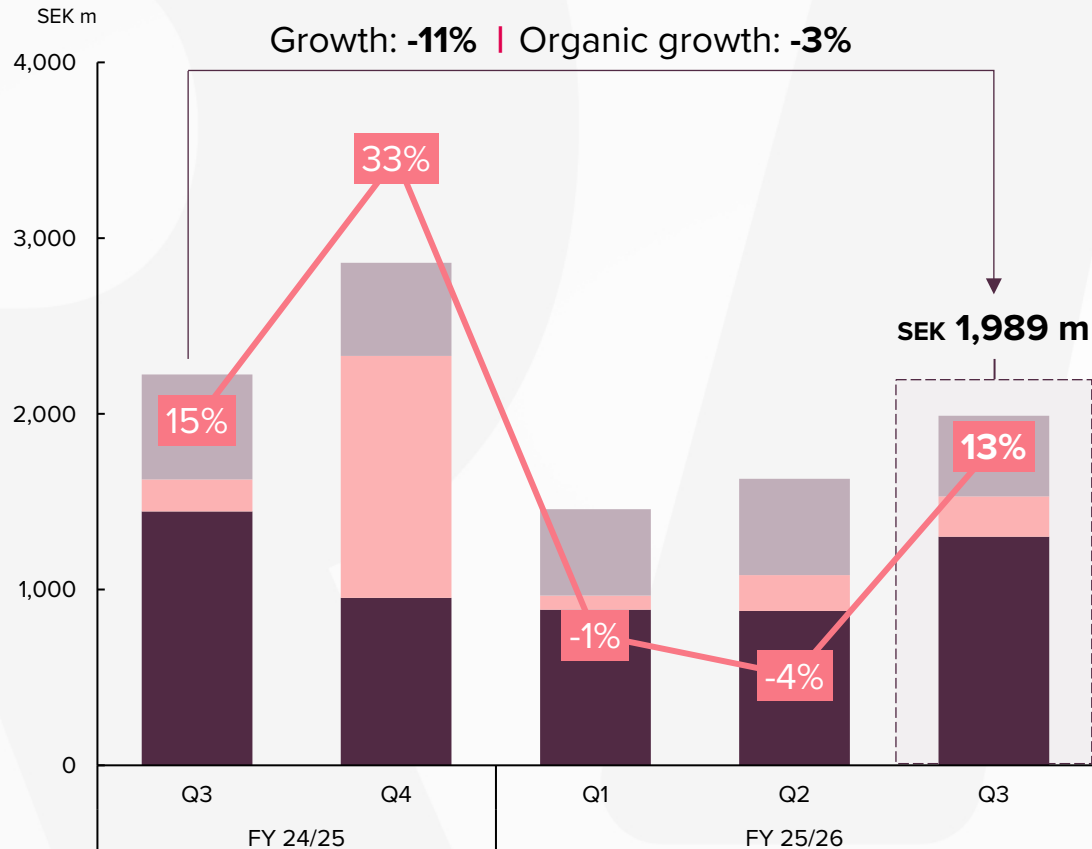
1.



Operating segments



PERFORMANCE



■ Net sales **Back catalog** ■ Net sales **Other**
■ Net sales **New releases** ~ Adjusted EBIT

COMMENTS

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

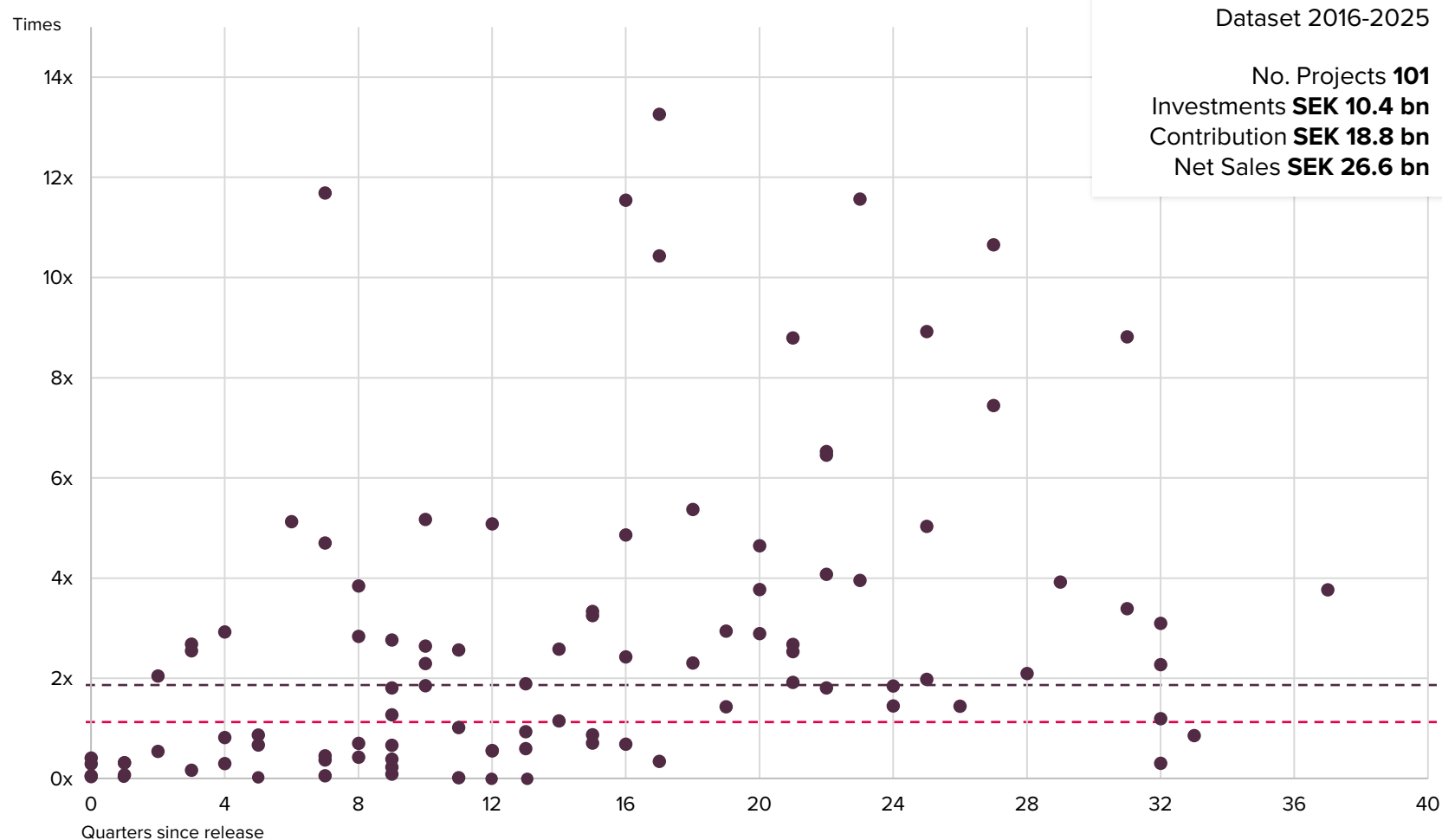
NET SALES DRIVERS | Q3 FY 2025/26





PC/Console Games | ROI

ROI (CONTRIBUTION/INVESTMENT)



COMMENTS

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

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



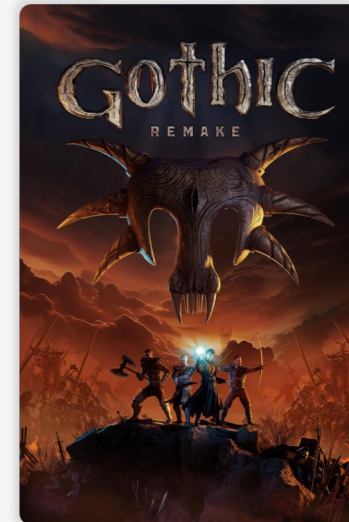
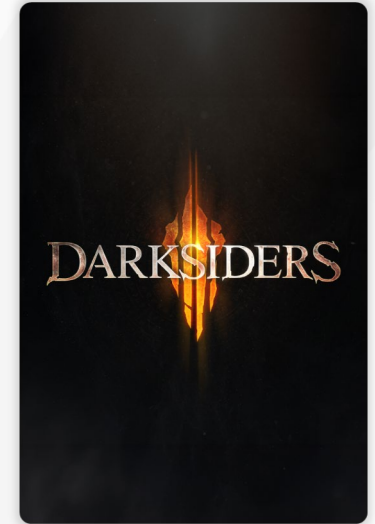
30^{*} Announced titles to-date

Selected upcoming releases

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

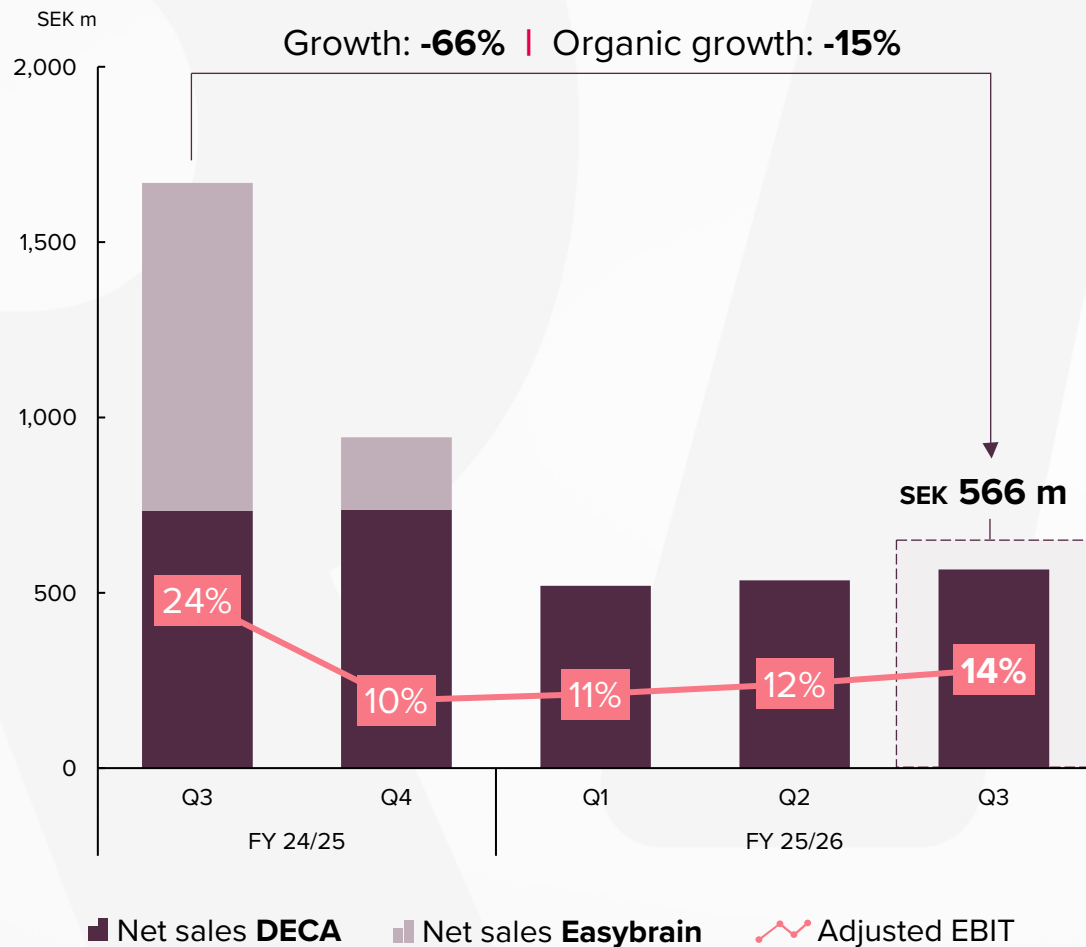
Still to be dated

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





PERFORMANCE



COMMENTS

- Organic growth YoY impacted by lower UAC with a gradual scaling of Glow Fashion Idol
- Solid sales and earnings trend in recent quarters. The lower profitability YoY is explained by the Easybrain divestment
- New game release Sled Surfers showing positive top line momentum in Q4 and into 2026
- Top-5 titles¹: Glow Fashion Idol, Party in my Dorm, Flop House, Coffee Mania and Sled Surfers.

NET SALES DRIVERS | Q3 FY 2025/26



Glow Fashion Idol



Party in my Dorm



Flop House



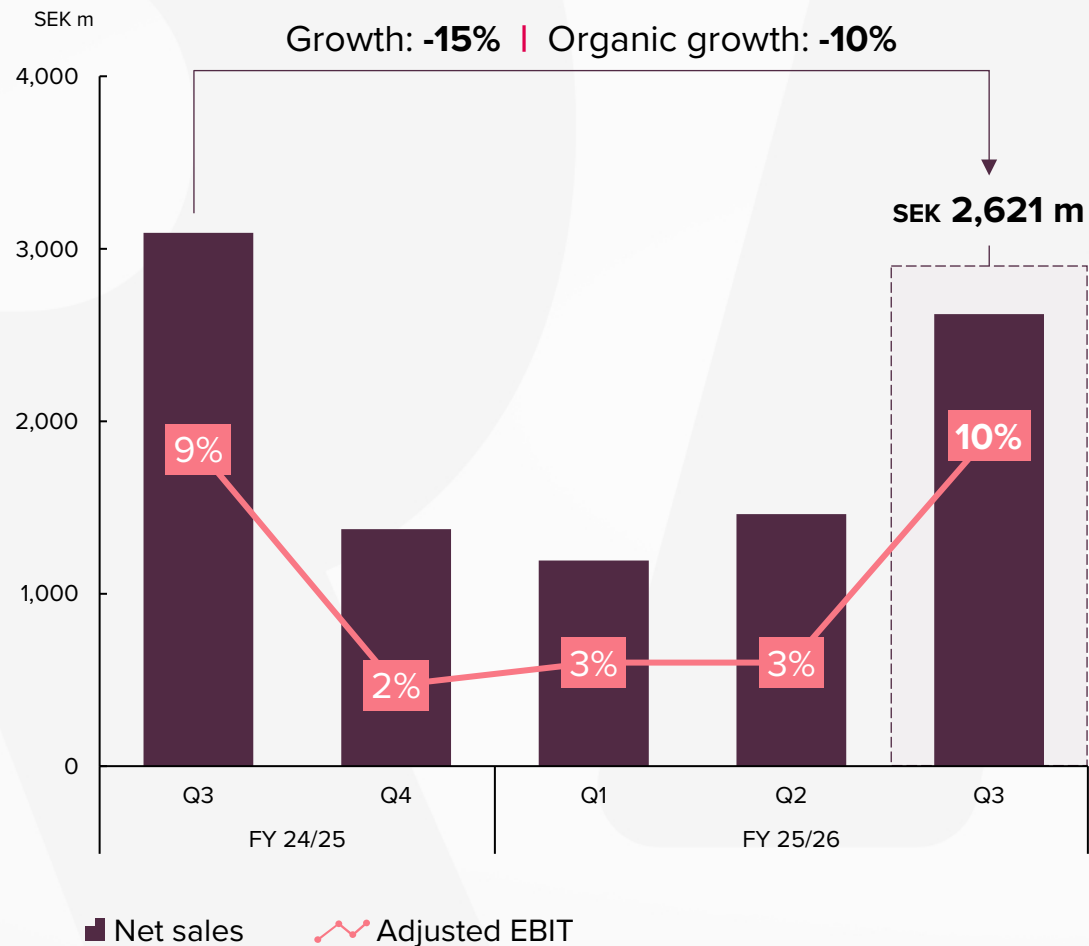
Coffee Mania



Sled Surfers



PERFORMANCE



COMMENTS

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

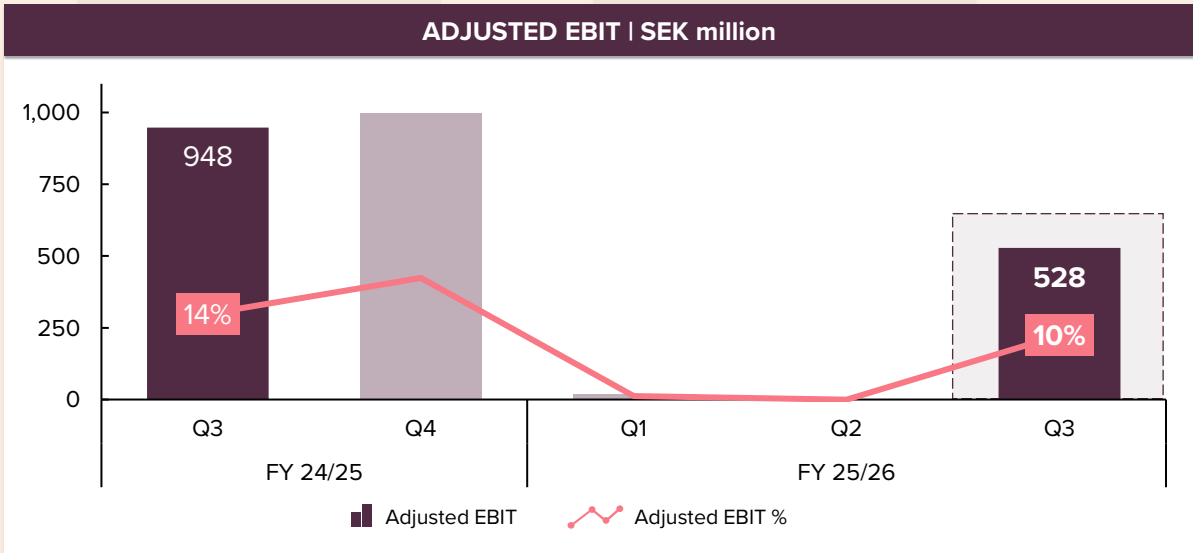
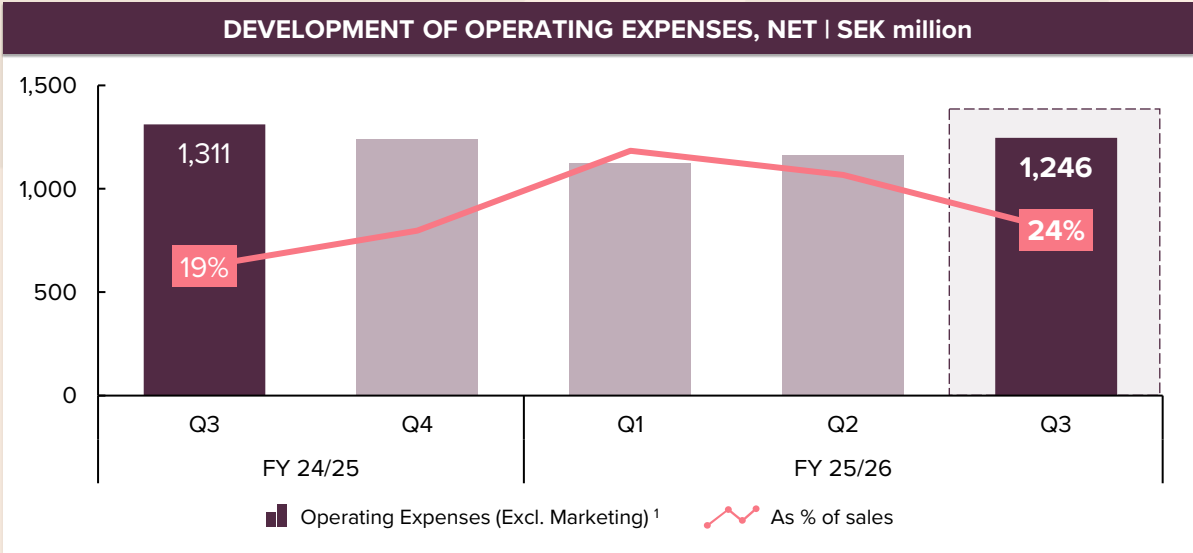
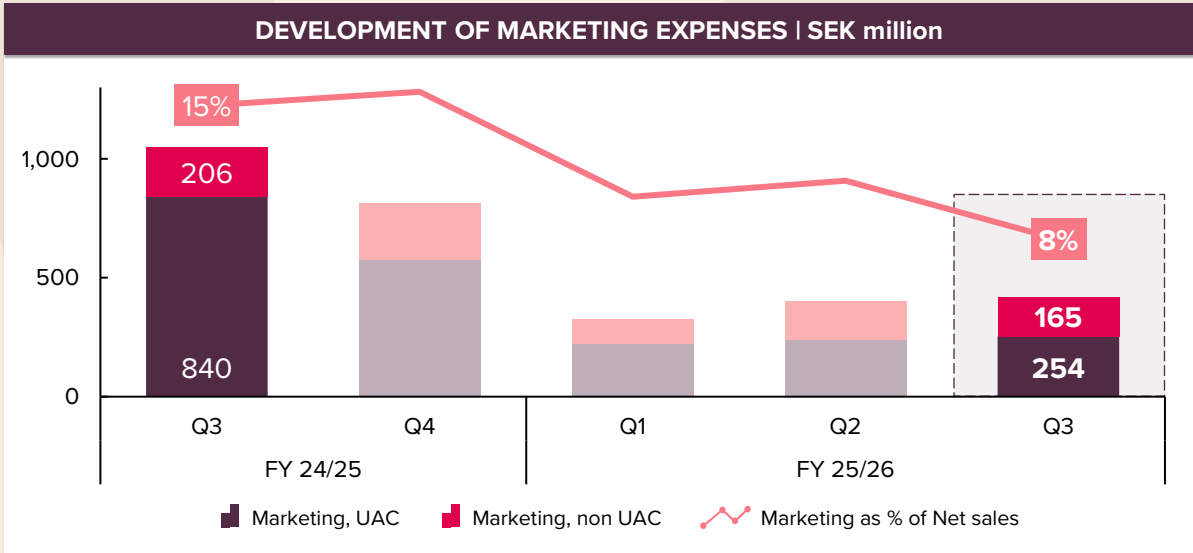
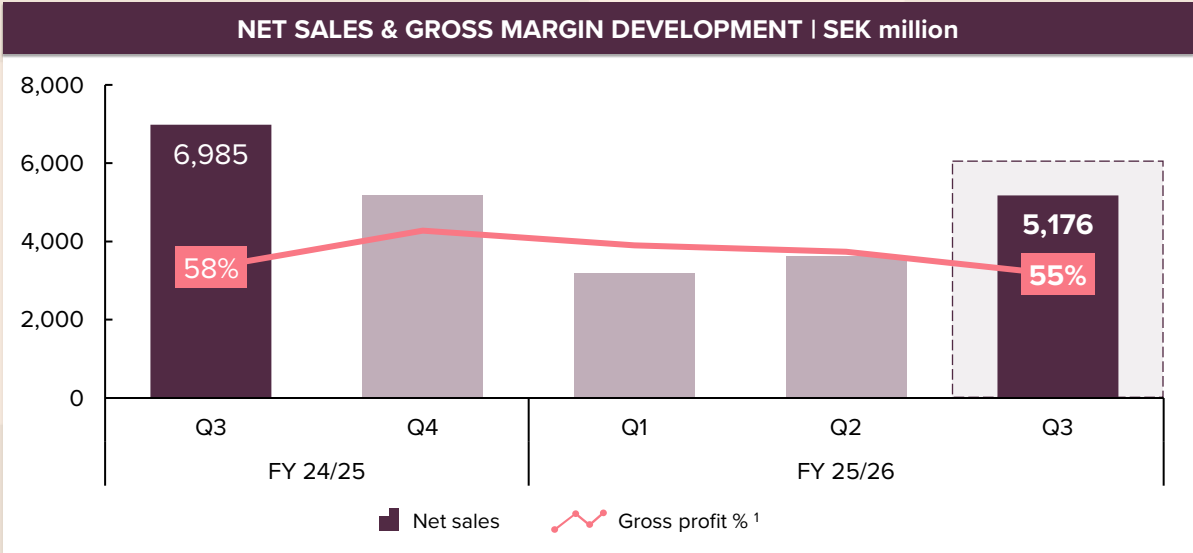


Magic The Gathering: Tales of Middle-earth, © & TM Mee under lic. to Wizards of the Coast

2.

Financial performance

Financial development



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

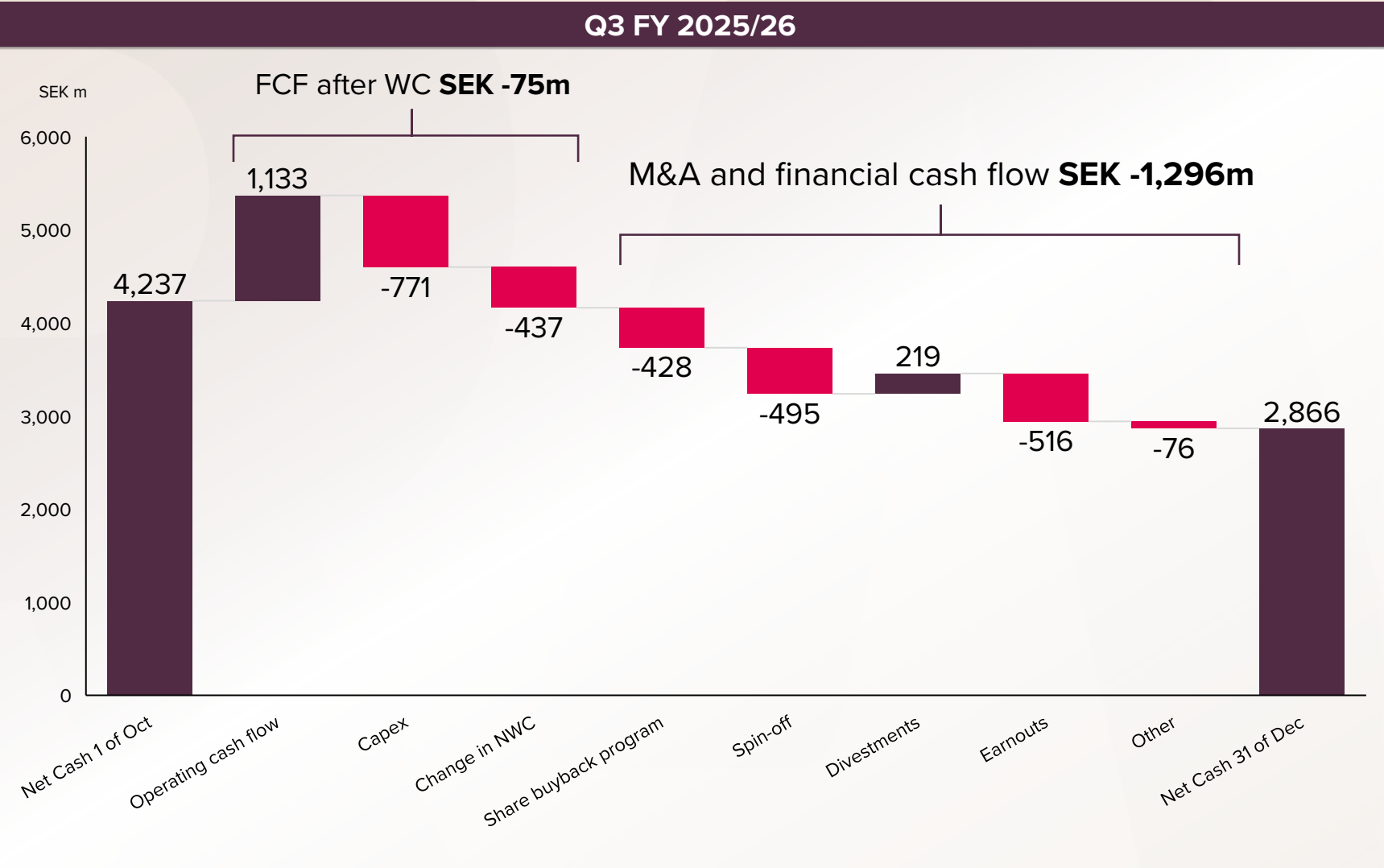
Cash flow and net cash

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

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

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

Net cash bridge | Q3 FY 2025/26



COMMENTS

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

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

Higher underlying forecast

Adjusted EBIT at least **SEK 750 million**

- The forecast compares to our previous expectation of at least SEK 1.0 billion, which included Coffee Stain Group for the full FY 2025/26
- We see upside potential to our forecast from the underlying business performance.

3.

Looking ahead



Concluding remarks

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

QUESTIONS & ANSWERS

UNTIL ~ 10:00 CET

EMBRACER⁺
GROUP