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 ANNUAL REPORT

26



**EMBRACER⁺
GROUP**

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** The official annual report consists of pages 27-197*

/ FINANCIAL CALENDAR

Interim Report Q1, 2026/27	Aug. 13, 2026
Annual General Meeting	Sep. 24, 2026
Interim Report Q2, 2026/27	Nov. 12, 2026
Interim Report Q3, 2026/27	Feb. 11, 2027
Interim Report Q4, 2026/27	May 20, 2027

All figures in this report are as per year-end 2025/26 unless otherwise stated



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Embracer Group is a global group of creative and entrepreneurial businesses in PC, console and mobile games, as well as other related media. The Group has an extensive catalog of over 400 owned or controlled franchises.

With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its operative groups: THQ Nordic, PLAION, DECA Games, Dark Horse, Freemode and Crystal Dynamics – Eidos. The Group includes 53 internal game development studios and engages over 6,000 talents across nearly 30 countries.

EMBRACER GROUP

IN BRIEF

The figures below are excluding discontinued operations (Coffee Stain Group)

/ NET SALES

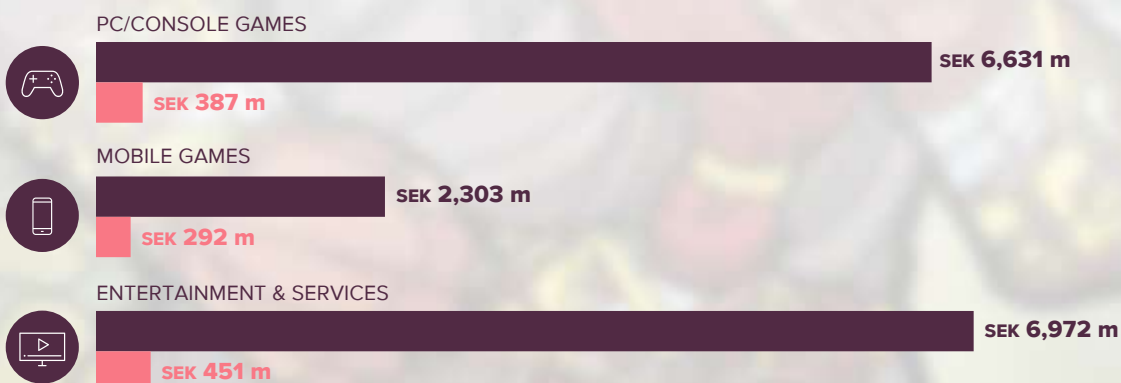
SEK **15,906** m

/ ADJUSTED EBIT

SEK **905** m

EBIT amounted to SEK -7.1 billion, significantly affected by non-cash impairment expenses.

/ SEGMENT SPLIT PERFORMANCE



■ Net sales ■ Adjusted EBIT

/ ENGAGED TALENTS

6,090

/ INTERNAL STUDIOS

53

/ SOME OF OUR STUDIOS AND COMPANIES

MIDDLE
EARTH
ENTERPRISES

4A GAMES

FLYING
WILD
HOG

CRYSTAL
DYNAMICS

WARRIØRSE

THQ NORDIC

/ SOME OF OUR MOST ICONIC BRANDS

THE
LORD
OF THE
RINGS

TOMB
RAIDER

Kingdom Come
Deliverance
II

DARKSIDERS

METRO

GOthic

The Lord of the Rings: Trick-Taking Game, © & TM Mee under lic. to Office Dog/Asmodee

HIGHLIGHTS OF THE YEAR

Embracer Group continued to make meaningful progress during the year in its transformation toward building a more focused and cohesive organization, strengthening profitability and unlocking long-term value. A milestone was the spin-off of Coffee Stain Group as a separately listed company as of December at Nasdaq First North Premier, representing an important step in the creation of more distinct entities with clearer strategic direction and accountability.

*At the same time, the Group's strengthened focus on core IP and franchise prioritization was reflected in solid performance across key titles. Titles such as *Kingdom Come: Deliverance II*, alongside the continued strength of established brands including *Dead Island* and *Tomb Raider*, underscore the value of concentrating resources on high-quality, enduring franchises.*

The year also marked a leadership transition. Founder Lars Wingefors assumed the role of Executive Chair of the Board, while Phil Rogers was appointed CEO. This transition reflects a natural next phase in Embracer's evolution, combining long-term entrepreneurial vision with strengthened operational leadership.



/ A YEAR OF EXECUTION AND PROGRESS PAGE 6

FY 2025/26 marked the next phase of the Group's transformation. It was a transition year, with a quieter slate of major PC/console releases and continued work to improve execution, cost discipline, capital allocation and cash generation. For the full year, net sales amounted to SEK 15.9 billion, Adjusted EBIT to SEK 905 million and free cash flow to SEK 50 million. The year was also characterized by significant non-cash impairments that affected EBIT. Group CEO Phil Rogers shares his reflections on the year's performance and the Group's future priorities.

/ CORE IP AT THE HEART OF VALUE CREATION PAGE 6

Embracer's portfolio of intellectual property remains central to the Group's long-term strategy. During the year, the organization continued to prioritize core franchises and its development pipeline, reinforcing its position as one of the industry's leading owners of iconic IP.

Following its successful release in February 2025, *Kingdom Come: Deliverance II* continued its strong early reception and commercial momentum, demonstrating the Group's ability to build and scale high-quality franchises with global appeal. *Dead Island* and *Tomb Raider* continue to represent significant long-term value, while *REANIMAL* stood out as a successful new IP with strong response from players and critics.

By focusing on high-quality releases, long-term franchise stewardship and selective transmedia opportunities, Embracer aims to maximize the value of its IP portfolio over time.



/ OPERATIONAL DISCIPLINE & STRATEGIC PRIORITIZATION PAGE 6

During the year, Embracer sharpened its focus on operational discipline and strategic prioritization.

Three priorities guided the organization: a stronger focus on core IP and franchise development; continued efforts to build a more efficient PC/Console platform through collaboration, streamlined processes and shared services, with AI playing an even more supportive role; and targeted cost initiatives to improve returns, cash conversion and long-term profitability. These initiatives included actions in underperforming businesses, studio closures, divestments and reduced investment in non-core IP, underscoring the importance of disciplined capital allocation and performance accountability.

This more focused and disciplined approach is designed to build a resilient organization that combines creative excellence with financial sustainability and supports long-term profitable growth.

/ SUSTAINABILITY REMAINS PRIORITY PAGE 66

During the year, Embracer increased collaboration across the Group on data management, climate targets, emissions reduction and digital safety for players. This report also marks Embracer's first sustainability report under the EU's CSRD, an important step in meeting new requirements. Sustainability issues are now more clearly integrated into processes, and the double materiality assessment has strengthened the link between sustainability work and long-term value creation. A new sustainability policy was implemented to set clearer frameworks for environmental, social and governance matters.

This first CSRD-aligned effort is only the beginning, demonstrating Embracer's commitment to transparency and resilience as regulations and the market continue to evolve.

/ NEXT STEPS IN THE STRATEGIC DIRECTION PAGE 176

On 20 May 2026, the Board of Directors for Embracer Group announced the intention to separate the Group into two publicly listed companies through the spin-off of Fellowship Entertainment, with a listing on Nasdaq Stockholm planned during calendar year 2027. At the same time, Müge Bouillon was appointed Deputy CEO of Embracer Group alongside her role as Group CFO, further supporting stronger governance and management focus.

COMMENTS FROM THE CEO

A NEW DAWN IS RISING

In the past year, we have made important progress on portfolio actions and operational focus, including the spin-off and listing of Coffee Stain Group. Following a start to the financial year with the outlook in focus, we recovered and ultimately delivered meaningful momentum across our core IPs, supported by strong execution by our teams. Looking ahead, we are building two focused business segments, Fellowship Entertainment and Embracer, guided by the same priorities: consistent delivery, disciplined capital allocation, and stronger conversion of earnings into cash flow. We now have the clear direction we've been building towards. I can't wait to continue the exciting path that we are on.

STRONG CORE FRANCHISE EXECUTION DURING A TRANSITION YEAR FOR PC/CONSOLE

For the full FY 2025/26, Embracer Group generated sales of SEK 15.9 billion, with organic growth of -3% and adjusted EBIT of SEK 905 million, constituting a margin of 6%. Positively, after a strong Q4, we ended the full year with a positive free cash flow. EBIT amounted to SEK -7.1 billion, significantly impacted by SEK -7.4 billion of non-cash impairments of goodwill and other intangible assets. The adjusted results exclude these items to better reflect the underlying business performance. The year was one of transition for our PC/Console Games segment, which had a quieter slate of major game releases. With certain key titles shifting, we stayed focused on what matters most: raising our execution standards, investing wisely and continuing to strengthen the group.

The year reinforced the importance of consistent delivery in our core franchises within our PC/Console Games segment. We supported *Kingdom Come: Deliverance II* with a steady

cadence of post-launch content, driving engagement and reaching several sales milestones. *Kingdom Come: Deliverance II* earned PC Gamer's Game of the Year and just recently a highly coveted BAFTA Games Award for Best Narrative. The game surpassed five million copies sold within its first year. At the same time, some new releases underperformed expectations, including *Killing Floor 3*, which showed, once again, how important execution and listening to community feedback is. With a more focused, IP-led pipeline, combined with a more disciplined greenlight and key decision gate process, I am confident we are now better positioned to execute on our pipeline. Toward the end of the year, *REANIMAL* launched and got off to a strong start for this exciting new IP. The incredible team at Tarsier Studios have captured the hearts and minds of players with this new IP and have something to really build on for the long-term. In total, organic growth amounted to -17% for the PC/Console Games segment, with lower earnings year-over-year.



PHIL ROGERS
Group CEO, Embracer Group



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

Our Mobile Games segment gained momentum throughout the year, although we saw a modest organic decline of -3% and lower earnings year-over-year on a pro forma basis. We saw sequential growth in all quarters and the year ended on a bright note, with positive organic growth and strong underlying earnings development in Q4, driven by the strong early performance of the new title *Sled Surfers*.

In our Entertainment & Services segment, we saw great progress with 15% organic growth year-over-year and a solid earnings growth. PLAION Partners signed several new partners on both the hardware and software side. We also executed several initiatives to modernize several of our key businesses and improve long-term profitability.

WINNING TODAY - AND TOMORROW

The games industry generated strong headline revenue growth in 2025, but competition is intensifying globally and cost inflation is impacting hardware affordability. That raises the bar for execution but it also makes it more rewarding when we get it right. Our performance this past year with *Kingdom Come: Deliverance II* and *REANIMAL* reflects that. The player base is larger than ever at over 3.6 billion expected players in 2026, Asian consumers are increasingly engaging with Western games, and there remains a significant long-term opportunity through cloud gaming, which is still in its infancy.

To me, it is clear that we must structure ourselves to win today, and also invest to win tomorrow. We believe long-term success is less about volume and more about focus: building franchises that earn sustained engagement, allocating capital with discipline, and running our portfolio to translate creativity into resilient cash flows. This does not mean a sole focus on major games and large budgets, but a sharper focus on our highest-conviction IPs, projects and teams.

The year has demanded hard choices - that have affected many colleagues. We are taking structural steps to make Embracer Group more focused and resilient for the years ahead. To this end, the future will involve more smart

collaboration and cost synergies. Advances in technology, especially AI, are creating new opportunities to go further, provided we use technology responsibly and thoughtfully.

An important part in winning is defining how we measure it. Beginning in the first quarter of FY 2026/27, Cash EBIT will be introduced alongside Adjusted EBIT as our primary measure of profitability. The key distinction is that Cash EBIT puts higher emphasis on cash investments. Game development represents our largest expenditure across the group and by adopting a profitability metric that more accurately reflects underlying cash flow we will provide clearer insights for both internal and external stakeholders.

TWO FUTURE COMPANIES, ONE GOAL

Over the past year, we have made strong progress in our strategic direction. We have divested several non-strategic and unprofitable businesses to improve focus and capital efficiency. We have reduced our capex run-rate by lowering investment in non-core IP, and reduced our opex run-rate through consolidation initiatives. Our publishing businesses have become sharper and more cost efficient. Simplifying the group around a more focused portfolio will help us make better decisions faster and further improve profitability.

Following our announcements after the year end in May 2026, our direction is clear: to build a more disciplined, IP-first group with two distinct business segments, Fellowship Entertainment and Embracer. Both with a focused mandate and a structure that supports transparency and execution. Starting in Q1 FY 2026/27, we will report on two segments so we can show progress and the key performance metrics. We are progressing toward a planned spin-out of Fellowship Entertainment on the main market in Stockholm during calendar 2027, splitting the group into two clearly defined listed companies with compelling, differentiated investment cases, while increasing management focus to drive shareholder value.

FELLOWSHIP ENTERTAINMENT: GAME WORLDS THAT GENERATE FANS

Fellowship Entertainment is built around a clear strategic focus: worlds that players return to – again and again. This does not imply live service games, but rather game worlds that generate fans, not just customers. Fellowship Entertainment will be a tight group of world-class game studios, consisting of more than 1,600 developers internally. This is large enough to deliver at scale, and it is located internationally to take advantage of global economics and talent. It will be agile enough to co-ordinate, enhance and share capabilities and technologies. *The Lord of the Rings* alone represents one of the world's most enduring and valuable IPs. Fellowship will concentrate on active stewardship of premium franchises, including *Tomb Raider*, *Metro*, *Kingdom Come*, *Dead Island*, *Darksiders* and *Remnant*.

FY 2026/27 is anchored by METRO 2039 and Tomb Raider: Legacy of Atlantis. We are heading into summer with great activity set around both. We were excited to announce METRO 2039 last month, together with our friends at 4A Games in Ukraine and Malta, and our partners at Xbox. We were pleased to also be able to provide some further clarity on our strong, multi-year pipeline of major PC/Console games in conjunction with our year-end report in late May. From FY 2027/28, we expect Fellowship Entertainment's strength to become increasingly visible through a higher cadence of major releases. This includes titles already announced, such as *Darksiders 4* and *Tomb Raider: Catalyst*, as well as the next mainline *Dead Island* game, building on the enduring engagement of a franchise that has already reached more than 20 million lifetime players. We are also encouraged by what is taking shape within the *Kingdom Come* franchise, where Warhorse Studios is working on a new release in the franchise.

We also announced something that illustrates, better than anything else, what Fellowship Entertainment is for: the team behind *Kingdom Come: Deliverance II* is also making a new game, set in Middle-earth. Warhorse Studios, which is celebrated for its extraordinary depth, historical authenticity and storytelling is bringing that craft to the greatest fantasy world ever created. An expansive, deep open-world experience. Warhorse demonstrated with *Kingdom Come* that they are one of the premier open-world RPG studios on the planet. Middle-earth deserves a game of that ambition and that craft. This is what Fellowship Entertainment is. Not just a holder of valuable IP, but an active steward of it. Putting the right creators in the right worlds and building the experiences that can define a generation of players.

EMBRACER: A LEANER ECOSYSTEM OF DURABLE BUSINESSES

As we have evolved the Group, the business segment Embracer has become a leaner, more focused collection of durable businesses that is tighter, more predictable and more disciplined than at any point in recent history. I view Embracer as an ecosystem of independent entrepreneurial companies, each with its own identity, audience and craft, rather than a set of subsidiaries managed from the center. What unites them is not uniformity, but shared ownership, structured support and the benefit of belonging to something larger, without losing what makes each business distinctive. Some of the companies within Embracer have been making or working with games for 30 years. That is not luck. It is culture, craft, and community built over decades. These businesses have navigated platform transitions, technology shifts, and changing player tastes. I am confident that they will navigate and prosper through the next ones too.

That strength is visible across a portfolio of niche leaders and long-standing specialists. Businesses such as THQ Nordic, DECA Games, Milestone, Aspyr and Tripwire Interactive bring proven franchises, loyal communities and expertise built over decades, while Entertainment & Services adds meaningful recurring and less cyclical revenue through operations such as PLAION Partners and PLAION Pictures. Alongside our deep passion for retro and preservation, reflected in businesses such as Limited Run Games, this gives Embracer a broader foundation than a traditional games segment alone. It is a group shaped by culture, craft and community, and one we believe is well positioned to navigate future platform shifts, technology change and evolving player preferences.

THE RIGHT PATH FORWARD

To conclude, we now have the clear direction we've been building towards. An approach to deliver long-term value for our fans, our businesses and IPs, our people, and our shareholders. Our focus now is consistent delivery.

As I write these words, I am almost one year into my role. At times, it has been challenging, but it has also been highly rewarding to see the progress and engagement. I can't wait to continue the exciting path that we are on. Thank you all for your support.

June 18, 2026, Karlstad, Värmland, Sweden

Phil Rogers

Group CEO, Embracer Group



IMPORTANT STEPS FOR VALUE CREATION

Over the past two years, we have taken important steps to improve Embracer. We have reduced complexity, lowered our cost base, strengthened the balance sheet and become more disciplined in how we prioritize across the group. That work has happened in a market that has remained tough and, in many parts, unforgiving. It has also made us clearer on what matters most: focus, execution and capital allocation. The planned spin-off of Fellowship Entertainment is an important step, but it is only one part of a broader effort to build stronger businesses, improve accountability and create better conditions for long-term value creation.

A SPIN-OFF FOR THE RIGHT REASONS

Two years ago, on April 22, 2024, we announced plans to separate into three publicly listed companies, which we have executed on through the spin-offs of Asmodee and Coffee Stain during 2025. Over the past year, the Board and management have worked towards a clearer strategic direction for Embracer. During that process, it became clear that the group remains heterogenous, with different needs, ambitions and necessary structures and processes. Thus, the aim of the separation into Fellowship Entertainment and Embracer remains the same as the previous spin-offs: to enable each business to sharpen its strategic focus and highlight its unique value for shareholders. The spin-off will increase management focus to capture the full joint potential of the IPs, the respective communities and some of the best game developers in the world.

I want to be clear that our spin-off initiative is about running towards something - not away. This is not fragmentation for its own sake. It is about focus, accountability, and giving each company the structure, leadership and flexibility needed to deliver, all while we keep a disciplined approach to capital allocation. Our ambition is to build two strong, creatively-led businesses with sustainable economics, prudent balance sheets, and a model that supports consistent execution year after year. That clarity supports better decisions, faster execution, and, over time, better returns for shareholders. Just as importantly, this clarity creates better conditions for our people: clearer priorities, stronger leadership support, and a structure that helps teams stay focused on creating great experiences for players while continuing to grow and develop over the long term.

LEARNINGS FROM ASMODEE AND COFFEE STAIN

As a board member and a shareholder, I would like to think that I take a very long-term view of things. Therefore, I only put so much weight on quarterly and even annual results. That said, it has been encouraging to see both Asmodee and Coffee Stain Group continue to deliver strong results as separately listed companies. Their progress reinforces our conviction that the decision to spin them off was right, and that a long-term time horizon is essential when shaping companies built to last.

At the same time, we have learned that structure and market mechanics' matter. Listing venues, investor mix, and index and passive-fund dynamics influence liquidity and understanding, factors we must plan for and communicate clearly from day one. In particular, our experience from Coffee Stain Group has strengthened our approach to adapting to the realities of passive ownership as well as restrictions for our long-term active shareholders. Therefore, the board has proposed to spin off Fellowship Entertainment to Nasdaq Stockholm. It means a longer and more diligent process, but one that will benefit the company and all shareholders long-term.

EMPOWERING MANAGEMENT TO DELIVER AGAINST A GREAT OPPORTUNITY

I have been part of building Embracer from the beginning, and while my role has changed from Group CEO to Chairman during the year, my perspective remains long-term: create great games, protect our culture, and allocate capital with care. We have learned along the way, and I am committed to demonstrate that through stronger execution and results in the years ahead.

In Fellowship, leadership and a clear mandate matter. Phil Rogers has made a real difference over the past two years, and especially as group CEO since 1 August, 2025, bringing focus, pace, and a long-term mindset. The objective is to build one strong developer and publisher group with a clear structure: great teams, meaningful IP, and a licensing platform that we can scale over time. We believe this structure can increase focus, strengthen execution, and improve the way we prioritize and commercialize our portfolio while preserving the creative autonomy that is essential in our industry.

Talking as a shareholder, I am convinced that Fellowship Entertainment can reach a profitability and long-term organic growth above the industry average. The business model is geared to have a high incremental Cash EBIT margin, with strong cash conversion as the company grows. This can be achieved through a stronger cadence of AAA product launches, a greater focus on licensing via a dedicated business unit, adoption of new technologies and AI, an increased management focus on executing this opportunity. The good news is that we already have all the assets to succeed with this transformative journey within Fellowship Entertainment. Now, we need patience and great execution.

THE FUTURE EMBRACER WILL LEVERAGE LEARNINGS TO DRIVE VALUE

The strategy for Embracer Group will be stronger without Fellowship Entertainment. I am a firm believer that the need for a strong holding company supporting industry leading entrepreneurs and management teams is greater than ever. At the same time, I want to be frank. While our execution and prioritization have not always met our own expectations, we have learned important lessons over the past several years. In hindsight, we could have moved faster to adapt our cost base and refine our project portfolio following the financial performance of new releases in the past 2-3 years. Since then, we have taken decisive actions to strengthen the business, and I am proud of the progress made. We now move forward with a strong foundation of IPs, franchises, and talented people around which we are building the future of Embracer.

This is a unique chance to create the future Embracer. The journey over the past decade has given some hard and invaluable learnings, which I, as Chairman, will make sure that we will use as we lay the foundation for the coming decade across both future companies. A new stronger governance structure led by CFO and Deputy CEO Müge Bouillon is now being put in place for the future Embracer. Even where average project sizes are smaller, our standards will not be. We will stay strict on greenlights, costs, and returns, project by project and studio by studio. We still believe in decentralization, but with clearer standards. In this future Embracer, we see significant levers for value creation: continued cost discipline, more strategic and cost-efficient use of our core IPs, improvements in selected physical businesses, and the flexibility to act on opportunities when pricing and timing are right.

Lastly, as you know, Embracer consists of many companies, IPs and products that are dear to me, and close to my heart. In particular, our retro and collectibles businesses has some great current momentum, which reminds us of the long-term value that can exist in a unique catalog when it is thoughtfully curated and handled with respect.

READY TO RETURN CAPITAL ON A REGULAR BASIS

Many shareholders have reached out over the year, and I want to thank you for that engagement. I always appreciate hearing from fellow shareholders, especially when perspectives differ, as it helps keep us focused, challenged and aligned around what matters most.

At Board level, we have remained constructive, while also recognizing that the path forward required decisive actions on structure, costs, and capital needs. Capital allocation is fundamentally a sequencing question. Spin-offs, the right cost structure, and the capital needs of each business must be aligned with a sustainable long-term strategy. Acting too early can create unnecessary risk; waiting too long can delay value creation.

Alongside the structural changes, I'm pleased that we announced a SEK 750 million share buyback program in conjunction with our year-end report. With a net cash position at the end of March of SEK 3.8 billion, we are well capitalized to start returning capital to shareholders on regular basis. The objective is straightforward: to allocate capital where it creates the most sustainable long-term value per share. We will be disciplined in our priorities and consistent in our execution. That is how we build credibility, and how we avoid overcommitting.

A STRENGTHENED FOUNDATION

We are building a more focused Embracer Group, with sharper mandates, more distinct financial profiles, and stronger accountability. This will strengthen execution and support long-term value creation.

Thank you to our teams across the group for the work you put in every day, and to our partners for your trust. And to you, my fellow shareholders, thank you for your patience, your feedback, and your long-term support.

Lars Wingefors

Chair of the Board & Co-Founder



A STRENGTHENED STRATEGIC FOCUS

Embracer Group is a global group of creative and entrepreneurial businesses, built around talented teams, strong owned and controlled IPs, and specialist capabilities across games and entertainment. As of 31 March 2026, the group had over 6,000 engaged people and a portfolio of more than 400 owned and controlled IPs. This breadth provides a strong foundation for disciplined capital allocation, operational resilience and long-term value creation, while supporting the group's continued strategic evolution. Embracer Group now intends to separate the group into two publicly listed companies, through the spin-off of Fellowship Entertainment in 2027, to further increase management focus to capture the full potential of the valuable or strategic assets and IPs within the group.

Today and up until the release of Embracer Group's Q1 FY 2026/2027, Embracer Group is organized in three operating segments: PC/Console Games, Mobile Games and Entertainment & Services. Through these operating segments, Embracer Group has strong market positions in PC, console, VR and mobile games, as well as specialist operations in game distribution, film distribution and comic book publishing.

Embracer Group has gone through a transformation over the past three years, while also divesting selected studios and companies and spinning off two companies: Asmodee and Coffee Stain Group. On 20 May, 2026, Embracer Group announced the intention to further separate the group into two publicly listed companies, through the spin-off of Fellowship Entertainment.

EMPOWERING WORLD-CLASS TEAMS

Embracer Group's core mission is to bring great products to market, ensuring that high-quality teams have the resources and time to execute their creative visions. This trust benefits everyone, including gamers, employees, and shareholders. It enables studios to be creatively bold in their mindset when developing games that players love. Embracer Group encourages individual game development studios to put quality first and create games that really stand out. Studios stay close to their gaming communities, as building strong connections with a game's community drives the creation of games that can not only meet, but exceed player expectations.

FOCUSING CAPITAL ALLOCATION TOWARDS KEY IPS

Embracer Group has leading intellectual properties, iconic titles, talented teams, studios and great assets, making the group exceptionally well-positioned for the long-term. The group is increasingly strategically channeling resources towards its own and controlled key IPs. *The Lord of the Rings* IP and universe are well-positioned to become a key long-term growth driver for the group over the coming decades, with the aim to delight fans across the globe. New stories in streaming and film, and working with partners for our key IPs, supports taking the IPs to new heights. With a more stringent capital

allocation process and improved investment standards, an enhanced return on investment is anticipated over time from new game releases, reflecting higher quality production.

ENHANCED RESILIENCE AND FINANCIAL POSITION ENABLES RETURN OF CAPITAL

The past three years have been transformative for Embracer Group, with efficiency measures, selective divestments and two spin-offs, creating a stronger foundation for profitability, cash flows, and long-term value creation. Through decisive action, Embracer Group has reached a net cash position at the end of March, 2026, of SEK 3.8 billion, allowing for the return of capital to shareholders on regular basis. A SEK 750 million share buyback program was announced in May 2026, in conjunction with the year-end report, following up from the previous program during the FY of SEK 500 million.

SEPARATION INTO FELLOWSHIP ENTERTAINMENT AND EMBRACER

The main rationale of the separation is to further increase management focus to capture the full potential of the valuable or strategic assets and IPs within the group. The separation is also expected to enable Fellowship Entertainment to accelerate the formation of a group of world-class studios with leading publishing and licensing capabilities. It would also allow Embracer more flexibility to pursue accretive but opportunistic bolt-on M&A, especially to strengthen its already successful and sizable niches in for example, mobile, distribution, retro, films, remakes and remasters.

Starting from Embracer Group's Q1 FY 2026/27, the company will report through two distinct business segments: Fellowship Entertainment and Embracer. This new structure is designed to enhance transparency and highlight the unique strengths and strategies of each segment, in advance of the spin-off.

Fellowship Entertainment business segment

Fellowship Entertainment aims to become an IP-led entertainment company built for growth and enduring momentum, with some of the world's most beloved franchises at its center as the stewards of *The Lord of the Rings* and

Tomb Raider intellectual properties. As a standalone company, Fellowship Entertainment will have a better structure to maximize the potential of its highly strategic franchises, with a higher degree of collaboration, resource sharing and operational synergies.

Fellowship Entertainment will be the home of critically acclaimed studios and companies: 4A Games, Crystal Dynamics, Dambuster Studios, Dark Horse Media, Eidos-Montréal, Fishlabs, Flying Wild Hog Studios, Gunfire Games, Middle-earth Enterprises, Redoctane Games and Warhorse Studios. Fellowship Entertainment aims to create a new publishing group, operationally consolidating the talents from PLAION and other parts of the group. IPs include *Darksiders*, *Dead Island*, *Kingdom Come*, *Metro*, *Remnant*, *The Hobbit*, *The Lord of the Rings*, *Tomb Raider*, and many more.

Fellowship Entertainment will report through two business areas:

- > Development & Publishing
- > Licensing

Licensing will focus on dedicated IP management, aiming to transform franchise ownership into recurring revenue streams across games, film, consumer products, and additional areas.

Embracer business segment

Embracer will retain a mainly decentralized structure and will be a natural home for proven entrepreneurs and creative talents. It will be supported by a more efficient structure, with enhanced governance, tighter cost control, and disciplined capital allocation. This will be combined with optionality from structural initiatives, including a continued focus on profitability and M&A, to drive shareholder value.

Entrepreneurially managed companies with deep heritage include Aspyr, Beamdog, CrazyLabs, DECA, Demiurge, DPI Merchandising, Limited Run Games, Milestone, PLAION Partners, PLAION Pictures, THQ Nordic (including 35 studios and subsidiaries), Tripwire and Vertigo Games. Intellectual properties include owned IPs such as *Arizona Sunshine*, *Biomutant*, *Destroy All Humans!*, *Desperados*, *Gothic*, *Killing Floor*, *Kingdom of Amalur*, *MX vs. ATV*, *REANIMAL*, *Ride*, *Screamer*, *Titan Quest*, *Wreckfest*, and many more IPs, as well as licenses such as *Hot Wheels Unleashed* and *SpongeBob SquarePants*.

Embracer operations will report through four business areas:

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



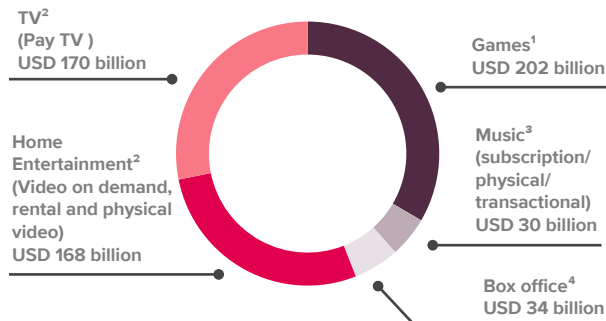
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GAMES & ENTERTAINMENT MARKET OVERVIEW

THE GAMES MARKET CONTINUES TO GROW AND SET NEW RECORDS

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

ENTERTAINMENT INDUSTRY SALES, ESTIMATES 2025



VIDEO GAMES MARKET

The video games market includes PC, console, mobile and VR games. It has grown rapidly during the past three decades and is the largest entertainment sector with revenues of USD 202 billion in 2025¹. It has surpassed the TV sector and stands well above the box office, home entertainment, and music industries.

In 2025, the games market (content only, not including hardware) broke several records whilst also demonstrating several positive trends in the process. It had a record year in terms of value, breaking the 200bn level for the first time ever, outperforming the previous high set in the one-off Covid peak of 2021¹. Furthermore its annual market growth rate of 9% in 2025 was its highest since 2020¹. In fact market growth has been extremely consistent over the last 10 years, only once seeing a decline, a market correction in 2022 following the pandemic high.

Looking to the future, the industry market analyst, Newzoo, expect further market growth with 6% expected in 2026 and a CAGR of 6% between 2024 and 2028¹.

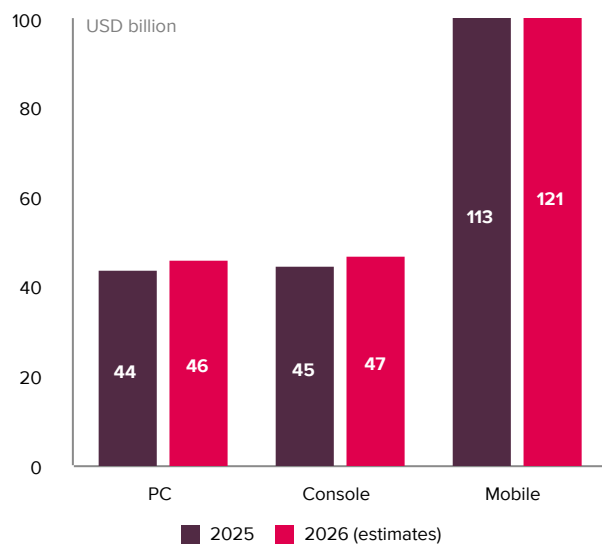
Opportunities for future growth

1. A high percentage of console users are still to upgrade to current-gen systems such as PS5, Switch 2 and Xbox Series XIS. This is important as current-gen users generally spend more than old-gen users such as PS4 and Xbox One.
2. Console generations typically see a strong slate of high-profile releases in the latter half of their lifecycles. Developers are more proficient with the platform at this stage and, furthermore, major titles start ending support for older consoles. GTA VI is one such example. This

inevitably prompts late adopters to transition to current-gen systems.

3. The PC sector continues its steady performance with 12% market growth in 2025 and another 5% expected in 2026¹. The sector has been remarkably reliable in recent years, consistently seeing market growth above that of the total market since 2021. It is not affected by the format lifecycle peaks and troughs that the console market experiences and it is also less reliant on the timing and performance of the triple A titles, due its large catalogue and Indie sector. The PC sectors' longer term performance will, no doubt, benefit from the high share of new younger users, playing popular sandbox titles such as Roblox and Minecraft.
4. Gaming's popularity overall is holding firm, despite the increased competition for player time from social media. A recent study by Newzoo showed that global playtime for PC & Console gaming remained level YoY in 2025, with the PC sector, in fact, showing growth. And an additional positive barometer for gaming is noticeable with the fact that games live streaming (Twitch etc) is as popular as ever. The number of hours watched in 2025 was up 6% YoY and equivalent to 2021's record setting level⁵.

GLOBAL VIDEO GAMES MARKET, ESTIMATES BY SEGMENT¹



¹ Newzoo | ² Ampere Analysis | ³ IFPI | ⁴ Gower Street Analytics | ⁵ IDG

PERFORMANCE AND TRENDS BY SEGMENT

Console games market

The Console games market, estimated at USD 45 billion in 2025, accounts for 22% of the global video games market. It saw a modest rise in 2025 of 3% YoY² helped by a strong release slate, growth in subscription services, and the launch of the Switch 2 console. In fact Switch 2 was the fastest ever selling console in its launch period and it even outperformed its predecessor over the same timeframe¹.

The 2026 market outlook for console games is also positive with expected growth increasing to 5% YoY² driven by a strong release slate, headed by GTA VI, as well as an expected rise in new release average pricing.

There are some challenges around the volatility of tariffs in the US as well as an impact from the global increase in RAM prices driven by AI. Both factors could potentially have a negative impact on console retail prices, which would, in turn, hamper market growth. In the longer term, higher RAM costs could also cause operational delays to the launch of future consoles. In fact some analysts believe that Sony is now considering pushing back the debut of its next PlayStation console from 2027 to 2028 or even 2029.

PC games market

The PC games market is estimated at USD 44 billion in 2025, accounting for 22% of the global games market. Growth was an impressive, 12% YoY², the highest rate of the three games sectors and the highest growth rate for the PC sector for over 10 years.

Premium game revenues were strong in 2025 based on good performance by a wide range of games from indie to AAA titles. At the same time many long-standing live-service games showed revenue declines, which was not offset by other popular live-service games such as Fortnite and Counter-Strike 2.

2026 should also see strong market growth of 5% YoY² driven by the premium sector, platform momentum from Steam player growth, continued cross-platform releases, higher average selling prices and the launch of Valve's new Steam Machine (chip availability permitting). The Steam Machine is designed as a living room friendly PC which should expand play and purchase options for existing Steam users and attract new players.

Mobile games market

The mobile games market, estimated at USD 113 billion in 2025, is the largest games sector, representing over half (56%) of the global games market value. It achieved strong growth of 11% YoY in 2025 and is expected to see continued growth of 7% in 2026² driven by success of its top titles. Other growth factors include the recent changes to the App Store and Google Play (which allows developers to profit from increased monetization and D2C initiatives outside of the traditional app stores), growth for UGC platforms/games, and strong sales of iPhone 17 (with its high-value user base that spends more on games than Android users).

Generative AI in the games business

Generative AI is moving from experimentation to selective adoption across the games industry and most recent studies indicate that a high percentage of developers are using generative AI tools. It is mostly being used in production workflows and areas such as coding, asset generation, and testing. But its main role appears to be as a productivity tool, where it can offer positive efficiency benefits, rather than as a standalone driver of new revenue.

ENTERTAINMENT & SERVICES MARKET

Comics and Books

Sales of books in the US, for the full year of 2025, reached 778 million units which was flat compared to 2024. The value was an estimated USD 15.28 billion showing 1% YoY growth³. After two years of declining sales, graphic novels in the book channel rose 9.2% YoY to 25.9 million units in 2025. Manga, a subcategory of graphic novels, grew 8.1% in volume and 4.6% in value.

Unit sales of graphic novels in the comics specialty stores sector grew by 28% YoY while manga in comic stores increased by 33% YoY (2025)⁴. Sales of comic books (distinct from graphic novels) rose 30% YoY. While comics are growing fast, graphical novel sales are still over 2.5 times comic sales. Total sales of comics and graphic novels in the US and Canadian comics specialty stores amounted to nearly USD 1 billion whilst seeing 30% YoY growth (2025). This represented stronger growth than the book channel for the first time in 15 years. This was despite the challenges presented by the May bankruptcy of the largest direct market distributor, Diamond Comic Distributors. Retailers expects the highest growth in 2026 to come from manga followed by adult graphic novels.

TV and Film

Broadcasters and streaming services spending on content is estimated to have reached USD 251 billion in 2025, up 1.6% YoY⁵. Streaming video on demand services overtook commercial broadcasters on content spending. In 2026, streamers (including both ad-funded and subscription-based platforms) are expected to further build on this lead, seeing 6% growth in their content expenditure and reaching USD 101 billion in spend, or 40% of the global market. Total global content spend is expected to land on USD 255 billion in 2026.

Global box office revenues

2025 was the first year since 2019 without the disruptive events of the Covid-19 pandemic and the Hollywood strikes. Theatrical revenues are estimated to have generated USD 33.55 billion in 2025, up 12% YoY⁶. This is the second highest grossing year since 2019. US box office revenues were up 1% YoY and international (excluding China) were up 3% YoY, while Chinese revenues were up 21% YoY. Analysts believe that 2026 will get close to the record set in 2019, achieving USD 42.3 billion in revenue.

¹ Nintendo | ² Newzoo | ³ Circana Bookscan | ⁴ ICv2 | ⁵ Ampere Analysis | ⁶ Gower Street Analytics





OPERATING SEGMENTS

18 PC/CONSOLE GAMES

20 MOBILE GAMES

22 ENTERTAINMENT & SERVICES



OPERATING SEGMENT

PC/CONSOLE GAMES

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

SHARE OF
GROUP SALES

42%

INTERNAL
HEADCOUNT

3,869

INTERNAL
STUDIOS

43

INTELLECTUAL
PROPERTY (IP)

207

YEAR IN BRIEF

Net sales in the PC/Console Games operating segment amounted to SEK 6,631 million (9,394), a decrease by -29% compared to last year, or -17% organically. The organic growth was impacted by a lower contribution from new releases in a year of no major releases, and with *Kingdom Come Deliverance II* released in the preceding year. The lower net sales was also impacted by a few divestments, including Arc Games and Cryptic Studios, as well as currency exchange rate changes driven by a strengthened Swedish Krona.

EBIT amounted to SEK -4,892 million (-4,067), yielding a -74% (-43%) EBIT margin. Adjusted EBIT amounted to SEK 387 million (1,341), yielding an 6% (14%) Adjusted EBIT margin. Items affecting comparability amounted to SEK -5,086 million (-3,815) and is mainly related to impairment of goodwill across several entities as well impairments of in particular one larger ongoing project, for which the studio or team has been discontinued.

KEY PERFORMANCE INDICATORS, PC/CONSOLE GAMES

	Apr 2025- Mar 2026	Apr 2024- Mar 2025
Net sales, SEK m	6,631	9,394
of which Digital products, SEK m	4,466	5,916
of which Physical products, SEK m	485	903
of which Other products ¹⁾ , SEK m	1,680	2,576
Net sales growth	-29%	-30%
Organic growth	-17%	-15%
EBIT, SEK m	-4,892	-4,067
EBIT margin	-74%	-43%
Adjusted EBIT, SEK m	387	1,341
Adjusted EBIT, margin	6%	14%
Type of income		
New releases sales, SEK m	893	1,906
Back catalog sales ²⁾ , SEK m	4,058	4,913
Other ¹⁾ , SEK m	1,680	2,576
Number of employees	3,869	4,649
Number of internal studios	43	50
Number of IPs	207	221

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

OPERATIVE GROUPS

THQ NORDIC

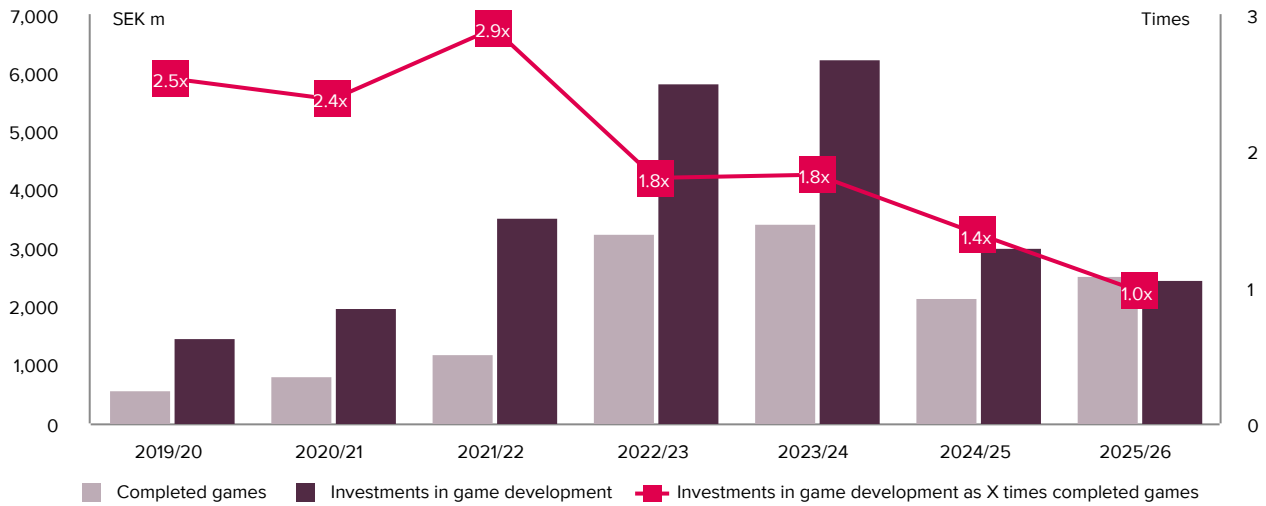
PLAION

**CRYSTAL
DYNAMICS**

**eidos
montreal**



GAME DEVELOPMENT INVESTMENTS AND COMPLETED GAMES



Despite a strong back catalog performance for core IPs, and in particular *Kingdom Come: Deliverance II*, the Adjusted EBIT margin declined year-over-year, impacted by a soft performance for new small and mid-sized releases during the year.

Revenue from new releases amounted to SEK 893 million, a decrease of -53% YoY. The main revenue drivers among new releases during the year were *Killing Floor 3*, *REANIMAL*, *SpongeBob SquarePants: Titans of the Tide*, *Titan Quest II* and *Screamer*.

Revenue from back catalog titles (including platform deals) amounted to SEK 4,058 million during the year, a decrease of -17% YoY, partly impacted by divestments and currency exchange rates. The top-5 back catalog revenue drivers were *Kingdom Come: Deliverance II*, *Dead Island 2*, *Kingdom Come: Deliverance*, *Star Trek Online* and *Remnant II*.

Execution was strong across core IPs throughout the year, with a strong performance for franchises such as *Kingdom Come*, *Tomb Raider* and *Dead Island*. *Kingdom Come: Deliverance II* was the key back catalog driver, supported by a solid release of three DLCs (Downloadable Content) during the year. In early 2026, the game reached another milestone with 5 million sold copies within its first year of release.

Other revenue amounted to SEK 1,680 million during the year, a decrease of 35% YoY, partly impacted by FX, but also driven by a reduction in the number of active work-for-hire projects and by the divestment of Lost Boys Interactive during the year. Additionally, other revenue was impacted by adjustments and reductions in active co-publishing and work-for-hire projects within Crystal Dynamics - Eidos.

BUSINESS MODEL

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

INVESTMENTS AND PIPELINE

The project pipeline consists of 79 PC/Console projects. There are 19 already announced projects, including *Warhammer 40,000: Dawn of War IV*, *Tomb Raider: Legacy of Atlantis*, *Tomb Raider: Catalyst*, *Darksiders 4* and *MARVEL 1943: Rise of Hydra*.

The PC/Console Games segment continued to make considerable investments in game development. In total, SEK 2,457 million (3,010) were invested in game development during the year. The finalized value of the completed and released games during the year amounted to SEK 2,535 million (2,166), driven by the release of *Killing Floor 3*, *REANIMAL*, *Fellowship*, *SpongeBob SquarePants: Titans of the Tide* and a number of small- and mid-sized releases. The ratio of investments to completed games thus declined YoY, to 1.0x. When new games are released, capitalized development costs are amortized, based on a degressive depreciation model over two years.

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



OPERATING SEGMENT

MOBILE GAMES

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

SHARE OF
GROUP SALES

14%

INTERNAL
HEADCOUNT

663

INTERNAL
STUDIOS

8

INTELLECTUAL
PROPERTY (IP)

30

YEAR IN BRIEF

Net sales in the Mobile Games operating segment amounted to SEK 2,303 million (5,359), a decrease by -57% compared to last year, or -3% organically. Easybrain was divested late in FY 2024/25, negatively impacting net sales growth this financial year. Currency exchange rate changes, driven by a strengthened Swedish Krona, also had a negative effect on net sales. The number of MAUs and DAUs both declined YoY, impacted by the divestment of Easybrain.

EBIT amounted to SEK -1,606 million (9,101), yielding a -70% (170%) EBIT margin. Adjusted EBIT amounted to SEK 292 million (1,383), yielding a 13% (26%) Adjusted EBIT margin.

Items affecting comparability amounted to SEK -1,817 million (8,424), with the previous financial year positively impacted by a net gain from the divestment of Easybrain of SEK 8,586 million. On a pro forma basis, excluding Easybrain, net sales amounted to SEK 2,640 million and Adjusted EBIT amounted to SEK 384 million in the Mobile Games segment in FY 2024/25.

User acquisition costs amounted to SEK 1,071 million (2,508), or 47% (47%) of net sales. The profitability was impacted by lower net sales and operating leverage.

KEY PERFORMANCE INDICATORS, MOBILE GAMES

	Apr 2025- Mar 2026	Apr 2024- Mar 2025
Net sales, SEK m	2,303	5,359
Net sales growth	-57%	-9%
Organic growth	-3%	-1%
EBIT, SEK m	-1,606	9,101
EBIT margin	-70%	170%
Adjusted EBIT, SEK m	292	1,383
Adjusted EBIT, margin	13%	26%
User Acquisition Cost (UAC), SEKm	1,071	2,508
User Acquisition Cost (UAC), % of net sales	47%	47%
Total Daily Active Users (DAU) ¹⁾ , million	10	27
Total Monthly Active Users (MAU) ¹⁾ , million	116	214
Number of employees	663	743
Number of internal studios	8	8
Number of IPs	30	30

OPERATIVE GROUP

DECA

¹ See definitions



DECA continued to focus on stable live operations across its games portfolio, and cost efficiency. CrazyLabs had larger variations in revenue growth, UAC and profitability throughout the year, in conjunction with the release of new games, but with increasing momentum throughout the year. The game *Glow Fashion Idol*, released late in the prior financial year, has become a strong contributor to the portfolio and receives continued investment in feature development and UAC. Towards the end of FY 2025/26, CrazyLabs successfully released the game *Sled Surfers*, which scaled strongly, materially outperforming internal expectations. The payback on UAC for the game will be monitored continuously to optimize investment levels and scaling potential.

The top-5 revenue generating titles in FY 2025/26 were: *Glow Fashion Idol*, *Sled Surfers*, *Coffee Mania*, *Alien Invasion* and *Party In My Dorm*.

BUSINESS MODEL

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



Sled Surfers | CrazyLabs



OPERATING SEGMENT

ENTERTAINMENT & SERVICES

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

SHARE OF
GROUP SALES

44%

INTERNAL
HEADCOUNT

1,156

INTERNAL
STUDIOS

2

INTELLECTUAL
PROPERTY (IP)

192

YEAR IN BRIEF

Net sales in the Entertainment & Services operating segment amounted to SEK 6,972 million (6,561), an increase by 6% compared to last year, and 15% organically. The strong organic net sales development was primarily driven by PLAION Partners, due to successful new releases and strong back catalog sales. The performance was also positively impacted by the strengthening of PLAION's global partner business footprint, through several new agreements, announced early in the financial year. Currency exchange rate changes, driven

by a strengthened Swedish Krona, had a negative effect on net sales.

EBIT amounted to SEK -113 million (-1,096), yielding a -2% (-17%) EBIT margin. Items affecting comparability amounted to SEK -315 million (-1,047), and mainly related to impairment of goodwill. Adjusted EBIT amounted to SEK 451 million (324), yielding a 6% (5%) Adjusted EBIT margin. The profitability improvement was primarily driven by the strong organic growth for PLAION Partners.

KEY PERFORMANCE INDICATORS, ENTERTAINMENT & SERVICES

	Apr 2025- Mar 2026	Apr 2024- Mar 2025
Net sales, SEK m	6,972	6,561
of which Digital products, SEK m	514	1,083
of which Physical products, SEK m	6,016	5,144
of which Other products, SEK m	442	334
Net sales growth	6%	-7%
Organic growth	15%	-7%
EBIT, SEK m	-113	-1,096
EBIT margin	-2%	-17%
Adjusted EBIT, SEK m	451	324
Adjusted EBIT, margin	6%	5%
Number of employees	1,156	738
Number of internal studios	2	3
Number of IPs	192	193

OPERATIVE GROUPS

FREEMODE
BY EMBRACER



PLAION



Middle-earth Enterprises had no major new product releases from partners during the financial year, but still generated a solid revenue and Adjusted EBIT. Middle-earth Enterprises has a growing business development pipeline within merchandise, location-based experiences, tabletop games, live stage productions, and video games. Collaboration and planning activities with internal PC/Console studios around the The Lord of the Rings IP continue with strong momentum. During the year, Middle-earth Enterprises also entered into a strategic agreement with Asmodee Group to provide category management services across all tabletop games and tabletop gaming accessories based on The Lord of the Rings and The Hobbit. As the exclusive provider of category management services, Asmodee Group will oversee the strategy in close collaboration with Middle-earth Enterprises and lead development of the tabletop range, working alongside external partners and experts of the industry as well as Middle-earth's growing team of creative and lore experts.

For several other companies within the Entertainment & Services segment, with a higher share of sales of physical

products, market conditions were partly challenging, impacted by US tariffs. Several strategic initiatives are ongoing to drive improved medium to long-term profitability.

BUSINESS MODEL

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



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

SUSTAINABILITY

Over time, we have strengthened our approach to sustainability by focusing on the topics most relevant to our business and long-term value creation, providing a clear foundation for continued progress. Embracer Group is committed to further advancing sustainability across the Group, shaping how we, our studios, and our companies create, collaborate, and grow. By integrating sustainability into everyday decisions, we aim to create lasting value for our employees, partners, players, and society. Our journey is guided by curiosity, openness, and the ability to adapt to changing market conditions and industry dynamics.

OUR PATH FORWARD

Embracer Group continues to evolve following three years of transformation. Following the spin-offs of Asmodee Group and Coffee Stain Group during calendar year 2025, there is an opportunity to refine our approach and identify more effective ways to create value, both for our business and for society. Sustainability remains central, not as a checklist, but as a guiding principle in how we work, collaborate, and develop. Our partnerships and collaborations continue to play a key role. By working together with industry peers, organizations, and stakeholders, we share knowledge and tackle challenges that matter, locally and globally. Looking ahead, we focus on building on what works, learning from experience, and staying open to new ideas. By listening to our employees, partners, and players, we aim to continue to strengthen our culture, sharpen our impact, and contribute to positive change. Sustainability is not just about reporting; it's a core part of our business strategy and culture. We are convinced that transparent and active sustainability work makes Embracer Group, our industry, and society stronger. Looking ahead, Embracer Group intends to establish clearer sustainability targets as the Group's transformation progresses, building on existing policies, actions, and internal engagement to support long-term value creation. Embracer Group's climate targets remain in place and continue to guide the Group's efforts to reduce greenhouse gas emissions.

Read more in the Sustainability Statement on page [64](#).

SOME OF OUR COMMITMENTS

Agenda 2030: Embracer Group supports Agenda 2030 and the holistic vision for sustainable development set out by the UN Sustainable Development Goals. In our operations, we focus on five SDGs that are especially relevant for the Group: Quality Education (4), Gender Equality (5), Decent Work and Economic Growth (8), Responsible Consumption and Production (12), and Partnership for the Goals (17). These priorities guide our actions and collaborations, helping us contribute to positive change both within the company and in the wider industry.

UN Global Compact: Embracer Group has been a proud member of the UN Global Compact since 2021. This commitment reflects our core values and enables us to collaborate with other companies and stakeholders on shared sustainability goals. By integrating the Ten Principles of the UN Global Compact into our strategies, policies, and everyday

work we strive to foster a culture of integrity and responsibility. By doing so we can lay the foundation for long-term success for people and planet, with active engagement in the trainings and programs offered by the initiative.

SBTi Commitment: Embracer Group's climate work is guided by the Science Based Targets initiative (SBTi). We have set greenhouse gas reduction targets in line with the Paris agreement, validated and approved in December 2023. Due to the ongoing organizational transformation, we are currently reviewing these targets. A project to update them and develop a transition plan has been initiated.

CSR Sweden: As a member of CSR Sweden, Embracer Group is part of a unique network for sharing experiences and solutions to sustainability challenges. This platform strengthens our relationships and ensures that our sustainability efforts keep pace with the latest requirements in human rights, anti-corruption, and environmental responsibility.

First-time ESRS/CSRD reporting, enhancing transparency and comparability:

- > Ongoing review of SBTi-aligned climate targets to reflect organizational transformation
- > Active engagement on children's safety and digital well-being in gaming environments.





BOARD OF DIRECTORS' REPORT

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



THE GROUP

The Board and CEO of Embracer Group AB (publ), reg no. 556582-6558, hereby submit the Annual Report for financial year 2025/26. Embracer Group conducts operations as a limited liability company (publ) and is based in Karlstad, Sweden. The financial statements are presented in SEK, Swedish kronor, which is the functional currency of the Parent Company.

GENERAL INFORMATION

Embracer Group is a global group of entrepreneurial businesses in gaming and entertainment. Through a portfolio of studios, publishers and other entertainment companies, the Group develops, publishes and distributes games and other entertainment experiences to audiences around the world. Embracer Group's operations are built on a strong foundation of intellectual property ownership, creative talent and long-term entrepreneurship.

The Group employs a decentralized operating model, which empowers management teams, founders and studio leaders to make decisions close to their businesses, while operating within common frameworks for governance, risk management, financial control, compliance and sustainability. Embracer Group considers this model key to fostering creativity, entrepreneurship and accountability across the Group.

During the financial year, Coffee Stain Group was successfully spun off and listed as a separate company. In May 2026, following the end of the financial year, Embracer Group announced its intention to establish Fellowship Entertainment as a separate listed company. Together, these steps reflect the Group's strategic direction towards a more focused structure with distinct businesses and increased management focus.

Embracer Group retains positions across key parts of the gaming value chain, including intellectual property ownership, development, publishing and distribution. The Group's portfolio combines established franchises, entrepreneurial businesses and long-standing industry expertise, creating opportunities for sustainable growth and long-term value creation.

The Group continues to invest selectively in its development capabilities and intellectual property portfolio, with an increasing focus on high-conviction franchises, operational excellence and disciplined capital allocation. Embracer Group also seeks to maximize the value of its intellectual property through licensing, partnerships and transmedia opportunities across multiple entertainment formats.

INTANGIBLE KEY RESOURCES

Embracer Group is a group where a significant share of value creation is built on intangible key resources. These include employees' expertise and experience in game development, brand management and business development, as well as know-how and processes that have been developed over time within the group's different business areas. Furthermore, long-term relationships with partners, studios and development teams constitute a central resource, as does the creative ability to drive projects from idea stage to launch.

These intangible key resources contribute to value creation by enabling the development of high-quality products, efficient project implementation and continuous improvements in working methods, technology and internal processes. The competence of the employees, combined with the Group's established structure and experience, create the conditions for innovation, competitiveness and sustainable long-term growth.

IMPORTANT CONSIDERATIONS

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

NET SALES & EARNINGS

The Group's net sales for 2025/26 amounted to SEK 15,906 million (21,314). Work performed by the Company for its own use and capitalized amounted to SEK 2,130 million (2,587) during the financial year.

Expenses related to Goods for resale amounted to SEK -6,110 million (-6,604). Other external expenses amounted to SEK -3,565 million (-5,459) and include costs for Sales and Marketing. Personnel expenses amounted to SEK -5,086 million (-8,107). Other operating expenses amounted to SEK -79 million (-104).

EBITDA amounted to SEK 3,860 million (12,008). The decrease in EBITDA, mainly relates to net results from sales of subsidiaries last year.

Depreciation, amortization and impairments amounted to a total of SEK -10,914 million (-8,684), of which amortization of intangible assets amounted to SEK -3,270 million (-4,908), impairment of goodwill amounted to SEK -5,830 million (-3,601) and write-down of intangible assets amounting to SEK -1,626 million (-841).

The Group's EBIT decreased to SEK -7,053 million (3,324) mainly due to items affecting comparability, which include impairment of intangible assets and goodwill. The Group's net financial items amounted to 158 million (-862). The increase in the net financial items is mainly due to changes in the value of contingent consolidations and FX-effects.

The Group's profit before tax amounted to SEK -6,896 million (2,461) and tax for the year amounted to SEK 8 million (-115). The Group's profit before tax mainly contains non-deductible expenses in the form of impairment of goodwill, which results in a low positive tax in relation to profit before tax.

The period's profit/loss amounted to SEK -5,817 million (5,963). Earnings per share including Discontinued operation before dilution amounted to SEK -27.67 (28.88) and after dilution SEK -27.67 (28.87).

FINANCIAL POSITION

Non-current assets

Non-current assets amounted to SEK 17,710 million (30,215).

Goodwill amounted to SEK 4,000 million (12,373). The decrease is due to impairment of goodwill and divestment of subsidiaries.

The value of intangible assets amounted to SEK 10,649 million (14,312) and the decrease mainly relates to write-down of projects and divestment of subsidiaries. Development projects in progress which is equivalent to the value of capitalized expenditure on ongoing development of new games and other entertainment products amounted to SEK 4,346 million (6,075) at the end of the financial year. The total

number of game development projects at the end of the financial year amounted to 79 (94) projects. The value of acquired and completed development projects amounted to SEK 2,814 million (2,472) and amortization related to game development for the year amounted to SEK -2,152 million (-2,642). The value of IP rights amounted to SEK 4,204 million (5,632) and the amortization of IP rights amounted to SEK -644 million (-1,723).

Current assets

Current assets amounted to SEK 9,088 million (11,919).

The value of inventories, which mainly consist of physical videogames, merchandise products and films, amounted to SEK 783 million (707). Trade receivable amounted to SEK 2,175 million (2,200). Other receivables amounted to SEK 839 million (1,351). At the end of the financial year, cash and cash equivalents, short-term investments and unutilized credit facilities amounted to SEK 6,785 million (13,053).

DEVELOPMENT OF THE OPERATIONS, EARNINGS AND POSITION – GROUP

SEKm	2025/26	2024/25	2023/24	2022/23	2021/22
Net sales	15,906	21,314	27,409	24,533	17,067
EBIT	-7,053	3,324	-14,400	-634	-1,126
EBIT margin, %	-44	16	-53	-3	-7
Adjusted EBIT	905	2,793	4,984	4,356	4,465
Adjusted EBIT margin, %	6	13	18	18	26
Total assets	26,798	42,134	95,696	116,071	92,420
Equity/assets ratio, %	73	74	55	56	46
Average number of employees	5,217	6,568	9,083	9,374	6,532

Definitions, see page 196.

OPERATING SEGMENT

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

> PC/Console Games - This part of the business conducts development and publishing of premium games for PC and console.

> Mobile Games - This part of the business conducts development and publishing of mobile games.

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

SEK m	Net sales		Net sales Growth	Adjusted EBIT		EBIT	
	2025/26	2024/25		2025/26	2024/25	2025/26	2024/25
PC/Console Games	6,631	9,394	-29%	387	1,341	-4,892	-4,067
Mobile Games	2,303	5,359	-57%	292	1,383	-1,606	9,101
Entertainment & Services	6,972	6,561	6%	451	324	-113	-1,096
Total	15,906	21,314		1,130	3,049	-6,611	3,938

Equity

The Group's equity amounted to SEK 19,530 million (31,196) as per March 31, 2026 and the equity/assets ratio increased to 73 percent (74) mainly affected by the distribution of the shares in Coffee Stain Group.

Non-current liabilities

The Group's non-current liabilities amounted to SEK 1,785 million (4,578). Non-current debt to credit institutions amounted to SEK 366 million (1,119). Contingent considerations amounted to SEK 151 million (822). Non-current deferred tax liabilities amounted to SEK 644 million (1,226).

Current liabilities

The Group's current liabilities amounted to SEK 5,483 million (6,360). Current debt to credit institutions amounted to SEK 792 million (545). Accounts payable amounted to SEK 1,115 million (1,207).

CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 2,409 million (3,207). Cash flow from operating activities for the year amounted to SEK 2,465 million (2,660), of which cash flow from changes in working capital amounted to SEK 57 million (-546).

Cash flow from investing activities amounted to SEK -3,039 million (14,246). The cash flow effect of completed investments is mainly due to investments in intangible assets of SEK -2,920 million (-3,415) where SEK -2,531 million (-3,014) was invested in the game development portfolio. Cash flow from acquisitions/divestment of subsidiaries amounted to SEK -1 million (17,795), which mainly relates to the divestments of Easybrain, Gearbox and Saber last year.

Free cash flow after changes in working capital amounted to SEK 50 million (745).

Cash flow from financing activities amounted to SEK -1,506 million (12,041). The change is primarily driven by loans raised, which amounted to SEK 1,675 million (7,272) and reduced utilization of credit facilities, which amounted to SEK -2,163 million (-24,763). Share buyback program amounted to SEK -500 million (-). Payments received from and given to discontinued operations (Asmodee and Coffee Stain) amounted to SEK -272 million (-4,118) and a dividend from Asmodee that amounted to SEK 0 million (9,885).

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

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

PARENT COMPANY

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

The parent company's net sales for the financial year amounted to SEK 163 million (87) and profit after financial items was SEK -3,869 million (-3,148). Profit after tax was SEK -3,468 million (-3,001).

Cash and current investments as of March 31, 2026 were SEK 3,695 million (5,648). Available funds amounted to SEK 4,045 million as of March 31, 2026. During the financial year, the subsidiary Coffee Stain Group AB was distributed as a dividend to the shareholders of Embracer Group AB. The dividend had an impact on the parent company's equity of SEK -2,379 million.

PROPOSED ALLOCATION OF THE COMPANY'S UNRESTRICTED EQUITY

The Board proposes that the unrestricted equity of SEK 21,790,568 thousand be allocated as follows:

At the disposal of the Annual General Meeting are the following earnings (SEK thousand):	31/03/2026
Share premium reserve	14,284,330
Retained earnings	10,974,658
Net profit for the year	-3,468,420
	21,790,568

The Board proposes that profits be allocated as follows (SEK thousand):

To be carried forward	21,790,568
	21,790,568

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

SIGNIFICANT EVENTS IN THE FINANCIAL YEAR

- > On May 22 Embracer announced its intention to spin-off Coffee Stain Group (previous working name "Coffee Stain & Friends") into a standalone group of community-driven game developers and publishers by the end of calendar year 2025. The shares in Coffee Stain Group will be distributed to the shareholders of Embracer, and are intended to be listed on the Nasdaq First North Premier Growth Market in Stockholm. At the same time, Embracer Group AB is planned to be renamed Fellowship Entertainment (previous working name "Middle Earth & Friends").
- > On June 10, the Board of Directors of Embracer took the next step in the transformation process, appointing Phil Rogers as CEO of Embracer, effective as of 1 August 2025. Lars Wingefors is proposed to be appointed as Executive Chair of the Board of Embracer at the Annual General Meeting on 18 September 2025. Kicki Wallje-Lund, current Chair of the Board, is proposed to be appointed Deputy Chair of the Board. As of 1 August 2025 Lars Wingefors is not part of the Executive Management Team and he is only a member of the Board.
- > On September 1, Embracer announced that as part of the preparations for the separation of Coffee Stain Group AB, Anton Westbergh is no longer part of the executive management team of Embracer. On the same occasion, it was announced that a Board of Directors for Coffee Stain Group, the parent company and the future listed entity, has also been appointed and formed. The Board comprises Jacob Jonmyren (Chair of the Board), Sara Börsvik, Henrik Tjärnström, Kicki Wallje-Lund, Anton Westbergh (CEO and board member) and Lars Wingefors.
- > At the Annual General Meeting on September 19:
 - > Yasmina Brihi, Bernt Ingman, Jacob Jonmyren, Cecilia Qvist, Kicki Wallje-Lund, Brian Ward and Lars Wingefors were re-elected as directors of the board.
 - > Lars Wingefors was elected as the Chair of the Board. Following the AGM at the inaugural meeting, the board of directors appointed Kicki Wallje-Lund as deputy chair.
 - > The board also resolved that the Audit and Sustainability Committee shall comprise Jacob Jonmyren (chair), Bernt

Ingman and Kicki Wallje-Lund, and that the Remuneration Committee shall comprise Yasmina Brihi (chair), Jacob Jonmyren and Cecilia Qvist.

- > PwC was re-elected as Embracer's auditor. PwC has announced that the authorized auditor Magnus Svensson Henryson will remain as the main responsible auditor.
- > On September 18 and 19, Embracer announced and initiated a share buyback program of up to SEK 500 million, running until December 2, 2025, at the latest. The purpose of the buyback program is to reduce the share capital of Embracer in order to optimize Embracer's capital structure and thereby contribute to increased shareholder value. Therefore, the board of directors intends to propose that the repurchased shares under the program are cancelled by way of a reduction of Embracer's share capital no later than at the annual general meeting 2026.
- > Between 19 September 2025 and 6 November 2025, Embracer Group repurchased in total 4,830,742 own B shares as part of the share buyback program initiated by the Board of Directors on 18 September 2025. Thus, shares with a total value of approximately SEK 500 million were repurchased.
- > On 17 November 2025, Embracer Group announced that it will leave Coffee Stain Group with a pro forma net cash position of SEK 500 million as of 30 September 2025. In connection with the planned spin-off and listing of Coffee Stain Group on Nasdaq First North Premier Growth Market in Stockholm.
- > On 26 November 2025, Embracer Group entered into a binding agreement to divest Arc Games and Cryptic Studios to Project Golden Arc, Inc., with financing from XD Inc., for expected net proceeds of approximately USD 30 million (SEK 287 million). The divestment has thereafter been completed. Embracer Group retained the publishing rights to the Remnant franchise and the rights to the online multiplayer title Fellowship. The latter were transferred to Coffee Stain Group in connection with its planned spin-off from Embracer Group.

- > On 8 December 2025, Coffee Stain Group AB published a company description on the company's website for the listing of its Class B shares on Nasdaq First North Premier Growth Market in Stockholm. The listing was carried out through a spin-off to the shareholders of Embracer Group AB and trading in Coffee Stain Group's Class B shares commenced on 11 December 2025.
- > On 15 January 2026, Embracer Group announced the appointment of Lee Guinard as Chief Operating Officer and a member of the Executive Management Team. As CEO of Embracer Freemode and Middle-earth Enterprises, he has played a central role in the group's development. In his new additional role as Chief Operating Officer of Embracer Group, he will bring this expertise to the wider group as the company evolves into Fellowship Entertainment.
- > On 4 February 2026, Embracer announced that the nomination committee for the 2026 Annual General Meeting has been appointed. The committee comprises Per Fredriksson, appointed by Lars Wingefors AB and Chair of the committee; Ola Åhman, appointed by Savvy Gaming Group; Magnus Tell, appointed by Alecta; Andreas Wollheim, appointed by SEB Asset Management; and Erik Granström, appointed by Folksam.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

See page [55](#).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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



SCREAMER
Milestone



THE SHARE

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LISTED ON NASDAQ STOCKHOLM

THE SHARE

Embracer Group has a diversified shareholder base with a large holding among the Board, Management and the co-founders of the Group's companies as well as a large base of retail shareholders. Embracer Group's Class B shares are traded on Nasdaq Stockholm's main market under the short name EMBRAC B.

THE SHARE AND OWNERS

Share price and turnover

At the beginning of the financial year April 1, 2025, the share price was SEK 71.83 and the closing price of the share at the end of the financial year on March 31, 2026 was SEK 48.34, a decrease of 32 percent. The share price varied during the year between a low of SEK 43.00 on March 23, 2026, and a high of SEK 87.36 on May 13, 2025. Embracer Group's market capitalization at the end of the financial year amounted to SEK 11,0 billion. The share price data is adjusted for the spin-off of Coffee Stain.

Number of shares, votes and share capital

On March 31, 2026, the number of shares in Embracer Group AB (publ) amounted to 9,000,000 A shares and 219,777,965 B shares, a total of 228,777,965 shares. B shares have one vote each and A shares have ten votes each, corresponding to 90,000,000 votes attributable to the A shares and 219,777,965 votes attributable to the B shares, or 309,777,965 votes in total. All shares represent an equal share of the company's assets and earnings. The registered share capital amounts to 1,906,483.60 as of 31st of March 2026. Changes in the share capital during the year are presented in the table Share capital development and in note 25 Equity.

Share buyback program

Between 19 September 2025 and 6 November 2025 Embracer repurchased 4,830,742 own Class B shares for a total amount of approximately SEK 500 million. The share buybacks are a part of the SEK 500 million program that Embracer announced on September 18, 2025. The buyback program started September 19, 2025 and as disclosed in the section Significant events in the financial year, The program ended on November 6, 2025. As of March 31, 2026, Embracer's holdings of treasury shares correspond to 2,4% of the total number of shares outstanding.

AGM 2026

The AGM 2026 will take place on September 24, 2026.

Information about Nasdaq Stockholm main market

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



SHARE PRICE DEVELOPMENT AND SHARE TURNOVER



INTERNATIONAL OWNERSHIP TOP 50 INSTITUTIONAL BY CAPITAL, AS OF MARCH 31, 2026



ANALYSTS FOLLOWING EMBRACER GROUP

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



HISTORICAL SHARE CAPITAL DEVELOPMENT

Registration date	Event	Class A shares	Class B shares	Total number of shares	Share capital, change	Share capital, total
02/04/2024	Conversion of A shares to B shares	-12,798,274	12,798,274	1,339,540,757	0.00	1,860,473.77
12/06/2024	New share issue		2,083,267	1,341,624,024	2,893.43	1,863,367.20
12/06/2024	New share issue		8,320,839	1,349,944,863	11,556.73	1,874,923.93
07/10/2024	New share issue		14,580	1,349,959,443	20.26	1,874,944.19
30/10/2024	New share issue		758,794	1,350,718,237	1,053.89	1,875,998.08
08/01/2025	New share issue		5	1,350,718,242	0.01	1,875,998.09
08/01/2025	Reverse share split 1:6	-45,000,000	-1,080,598,535	225,119,707	0.00	1,875,998.09
03/10/2025	New share issue		2,427	225,122,134	20.23	1,876,018.32
03/10/2025	New share issue		60,682	225,182,816	505.69	1,876,524.01
09/10/2025	New share issue		3,595,149	228,777,965	29,959.59	1,906,483.60
	Total shares	9,000,000	219,777,965	228,777,965		

Detailed information regarding the historical development of the Company's share capital is presented in Embracer Group AB's previously published annual reports. Changes in equity during the most recent two financial years are disclosed in Note 25 Equity.

THE SHAREHOLDERS**TOP 20 OWNERS AS OF MARCH 31, 2026**

Name	Class A shares	Class B shares	Share of capital, %	Share of votes, %
Lars Wingefors AB	9,000,000	36,047,907	19.69 %	40.69 %
DNB Asset Management AS		18,567,649	8.12 %	5.99 %
Savvy Gaming Group		16,647,337	7.28 %	5.37 %
Matthew Karch		12,429,703	5.43 %	4.01 %
Alecta Tjänstepension		6,750,000	3.49 %	2.56 %
Andrey Iones		6,586,275	2.88 %	2.13 %
SEB Funds		5,963,069	2.61 %	1.92 %
Vanguard		5,953,298	2.60 %	1.92 %
Embracer Group AB		5,580,294	2.44 %	1.80 %
Carnegie Fonder		5,260,000	2.30 %	1.70 %
DNB Asset Management SA		4,658,361	2.04 %	1.50 %
Skandia Fonder		4,336,091	1.90 %	1.40 %
Folksam		4,161,758	1.82 %	1.34 %
Wellington Management		3,482,896	1.52 %	1.12 %
BlackRock		3,315,138	1.45 %	1.07 %
Avanza Pension		3,167,833	1.38 %	1.02 %
Handelsbanken Fonder		3,083,110	1.35 %	1.00 %
Fjärde AP-fonden		2,969,157	1.30 %	0.96 %
American Century Investment Management		2,942,747	1.29 %	0.95 %
Norges Bank Investment Management		2,931,476	1.28 %	0.95 %
TOP 20	9,000,000	154,834,099	71.61 %	79.04 %
OTHERS	0	64,943,866	28.39 %	20.96 %
TOTAL	9,000,000	219,777,965	100.00 %	100.00 %

OWNERS WITH MORE THAN 10 PERCENT OF THE VOTES

March 31, 2025	Class A shares	Class B shares	Capital, %	Votes, %
Lars Wingefors through company ¹⁾	9,000,000	36,047,907	19.69	40.69

¹⁾ Lars Wingefors AB, controlled to 100 percent by Lars Wingefors (Chair of the Board), Erik Stenberg, Klemens Kreuzer, Mikael Brodén, Reinhard Pollice and Jacob Jonmyren.

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

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

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

Authorizations

The AGM 2025 authorized the Board, on one or more occasions for the period before the next AGM, by applying or disapplying shareholders' preferential rights, to resolve to issue new shares in the Company, although, not more than 10 percent of the total number of shares in Embracer Group on

the date of the AGM. As of the date of this annual report the Board has issued 3,733,420 of B shares under the authorization. Thus, 18,778,550 B shares may be issued pursuant to the authorization.

Furthermore, the 2025 annual general meeting authorized the board to, during the period until the next annual general meeting, decide on one or more occasions to acquire a maximum of so many of its own B shares that at any time after acquisition the company holds a total of no more than 10 percent of all shares in the company. As of 31 of March, 2026, the company holds 5,580,294 own B shares (4,830,742 B shares have been purchased under the buyback program and 664,590 B shares have been clawback shares transferred to Embracer).

Finally, the annual general meeting in 2025 authorized the board to, during the period until the next annual general meeting, on one or more occasions decide on the transfer of own shares up to the number of shares held by the company at any given time.



A dramatic, high-contrast scene from the game Warhammer 40,000: Dawn of War IV. The image is dominated by a massive, dark, mechanical creature with glowing orange and yellow lights, possibly a Goliath or a similar heavy unit. In the foreground, a Space Marine is seen from a first-person perspective, holding a power fist that is glowing with a bright orange flame. The background is filled with the chaos of battle, with other units and explosions visible in a dark, industrial environment. The overall tone is gritty and intense.

ENTERPRISE RISK MANAGEMENT

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ENTERPRISE RISK MANAGEMENT

NAVIGATING THROUGH A CHANGING LANDSCAPE

Embracer Group aims to enable predictable long-term growth in net sales, earnings, and cash flow. The strategy involves taking risks as part of enabling business growth and achieving higher risk-adjusted returns than dividends to shareholders. This approach supports the operation of a diversified organization with a multinational presence governed within a common framework of governance, accountability, transparency and control.

Embracer's Group wide Enterprise Risk Management framework (ERM) provides a structured approach to identifying, analyzing, evaluating, assessing, and reporting strategic, operational, financial, and compliance risks. Risk management is embedded in daily operations and adapts as the Group evolves.

ASSESSING AND MONITORING RISKS

The ERM process emphasizes early risk identification, assessment of impact and likelihood to ensure awareness of risks that could affect the achievement of strategic objectives. Group Executive Management, together with core functions and stakeholders, identifies and assess risks according to their possible effects on Embracer's strategy, operations, financials, and compliance. Risk mitigating actions are implemented at operational and group level. Group Executive Management role is to review and challenge the risks, while the Audit and Sustainability Committee provides oversight, all under the general supervision of the Board of Directors.

Risks are monitored on an ongoing basis, with updates conducted at least bi-annually, and the risk framework is continuously refined to address emerging risks and new insights.

The following section highlights the significant risks to Embracer's strategic objectives.

RISK AREA DEFINITIONS

Operational

The risk of loss caused by failures in day-to-day processes, systems, people, or external events.

- > Game development (PC/Console) – Product quality of releases
- > Game development (PC/Console) – Delays to game projects
- > Technology
- > IT & information security
- > Key personnel
- > Talent – retention, work environment & diversity
- > Distribution channels
- > Non implementation of AI

Compliance

The risk of legal or regulatory penalties, financial loss, or reputational damage resulting from failing to follow laws, regulations, or required internal policies.

- > IP-rights
- > Regulatory
- > Financial & Sustainability reporting
- > Privacy
- > AI Governance

Strategic

The risk of an organization's long-term plans or business decisions failing to achieve expected outcomes.

- > Customer Expectation
- > M&A
- > External Communication
- > Games and Entertainment – diversity, inclusion & digital wellbeing
- > Transformation of operating model
- > Value chain – environmental, social & governance
- > Geopolitical conditions

Financial

The risk of negative financial impact resulting from market, credit, or liquidity risks, as well as deficiencies in financial management, including the risk of misstatements in the financial reporting.


- > Currency
- > Credit
- > Funding
- > Tax
- > Goodwill

RISK AND MITIGATION OVERVIEW

The following overview includes Embracer Groups' identified risks that are assessed as the most significant. The risks are rated on a scale from 1 to 5 where 5 indicates the highest rate. Read more about Sustainability related risks page [73](#). Risk trend is an indication of how a risk exposure has developed since last year's assessment (increased, unchanged or decreased).

OPERATIONAL RISKS

Game development (PC/Console) - Product quality of releases

Impact | 5 Likelihood | 5 Risk trend | 

Risk description

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

Potential consequences

If Embracer Group fails to deliver new or existing games at the expected quality, game launches may be delayed or underperform, leading to lower revenues and weaker cash flow. This can result in reduced player satisfaction and engagement, negatively affecting retention and brand reputation. Over time, this may constrain the Group's growth, competitiveness, and ability to secure new development projects.

Mitigating actions

- > Embracer Group employs a "quality comes first" philosophy, prioritizing product quality and readiness to extend resources if needed, assuming that higher quality leads to better returns.
- > A diversified games portfolio mitigates individual title risk and broadens market presence across various genres and audiences.
- > An enhanced greenlight approval process for capital allocation, evaluating individual business cases.
- > All studios are required to have a formalized Development Process, including Quality Assurance, initiation controls, approvals, milestones, and project follow-up.

Game development (PC/Console) - Delays to game projects

Impact | 4 Likelihood | 5 Risk trend | 

Risk description

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

Potential consequences

Delays that force games to launch at suboptimal times can lead to lower sales and missed peak-demand windows or collide with releases from competitors. Further it can also impact weaken player engagement, as campaigns lose momentum or visibility. Over time, repeated mistimed launches may pressure cash flow, earnings and trust.

Mitigating actions

- > Embracer Group employs a "quality comes first" philosophy, prioritizing product quality and readiness to extend resources if needed, assuming that higher quality leads to better returns.
- > A diversified games portfolio mitigates individual title risk and broadens market presence across various genres and audiences.
- > An enhanced greenlight approval process for capital allocation, evaluating individual business cases.
- > All studios are required to have a formalized Development Process, including Quality Assurance, initiation controls, approvals, milestones, and project follow-up. An enhanced model with common milestones is in progress.

IT & Information security

Impact 5 | Likelihood 4 | Risk trend 

Risk description

Embracer Group faces IT and information security risks such as phishing, financial fraud, and ransomware attacks. The decentralized operational responsibility makes the group harder to target, with impacts likely contained within individual subsidiaries. While this model has its benefits, it also encounters challenges, including the need for a cohesive IT and cybersecurity strategy, standardized procedures, and knowledge-sharing within the Group.

Potential consequences

IT and Cyber incidents could cause operational disruption, financial loss, and reputational damage within subsidiaries in the Group. A lack of group-wide coordination may result in uneven cybersecurity maturity and slower response, increasing overall risk exposure for the Group.

Mitigating actions

- > Third party risk management strengthened through formal supplier reviews and standardized security assurance have been introduced for key IT vendors.
- > Access governance has been improved through strengthened identity and access controls, including regular access reviews, expanded use of SSO for critical systems, and alignment with recognized security frameworks.
- > Group wide IT and cybersecurity alignment has been advanced through the initiation of cross subsidiary collaboration to improve coordination, knowledge sharing, and cohesion across studios.
- > Work has been initiated to consolidate core technology platforms across the Group, including assessments of web hosting, SaaS backup, and software asset management, to reduce attack surface and strengthen security maturity.

Key personnel

Impact 4 | Likelihood 3 | Risk trend 

Risk description

Embracer Group relies on retaining key entrepreneurs, studio leaders and Group senior executives. Replacing them could negatively impact operations. There's a risk of declining motivation or departures after earn-out payments, and insufficient incentives may lead to loss of motivation and exits.

Potential consequences

Loss of key personnel could lead to operational disruption, weaker execution, and reduced performance, negatively affecting long-term growth and value creation.

Mitigating actions

- > Management identifies essential key competencies to meet long-term goals.
- > Retention, attraction, and development of individuals are supported by a well-defined recruitment process, succession and incentive planning, competitive remuneration, and development opportunities.
- > Key personnel dependency is reduced through knowledge sharing and established processes.
- > The current transformation has clarified strategy and direction, improving alignment with the business and enabling better employee incentives.
- > Transparency has increased through broader information-sharing across Group leadership via multiple forums.

Non implementation of AI

Impact 5 | Likelihood 3 | Risk trend 

Risk description

AI can significantly enhance game development by optimizing resources, adding intelligent behaviors, and personalizing gameplay experiences. It can create more engaging and immersive experiences for each player. Additionally, AI can improve logistics, HR planning, decision-making, talent acquisition, and employee retention. Without coordinated AI use, Embracer Group risks losing competitiveness.

Potential consequences


Without coordinated use of AI, Embracer Group risks weaker competitiveness, lower efficiency, and reduced innovation, affecting both game quality and operational performance.

Mitigating actions

- > A Group-wide AI forum is in place to raise awareness of AI potential and requirements.
- > AI use will be identified and followed through an ongoing operational process aimed at improving coordination, identifying synergies, golden use cases, enhancing ways of working, and raising awareness. We will approach this in both a top-down and bottom-up way.

STRATEGIC RISKS

Customer expectations

Impact | 5 Likelihood | 5 Risk trend | 

Risk description

Embracer Group may be adversely affected by changes in the games market and preferences among game reviewers and gaming customers. New game titles or updates may not be well-received due to quality expectation gaps, changing consumer preferences, or technological modifications. Additionally, current and changing market conditions impact on the ability to attract gamers, with fierce competition for their time and spending, especially in tougher economic conditions.


Potential consequences

Shifts in gamer preferences, reviews, and market conditions may lead to weaker player reception, lower sales, and reduced engagement. Combined with strong competition and economic pressure, this can negatively impact revenues, brand value, and long-term growth.

Mitigating actions

- > Embracer Group employs a "quality comes first" philosophy, prioritizing product quality and readiness to extend resources if needed, assuming that higher quality leads to better returns.
- > A diversified games portfolio mitigates individual title risk and broadens market presence across various genres and audiences.
- > An enhanced greenlight approval process for capital allocation, evaluating individual business cases.
- > Strategic franchise plans will help foster ongoing player engagement and community development through product release schedule.
- > All studios are required to have a formalized Development Process, including Quality Assurance, initiation controls, approvals, milestones, and project follow-up. An enhanced model with common milestones is in progress.

M&A

Impact | 4 Likelihood | 3 Risk trend | 

Risk description

Embracer Group's M&A strategy involves risks in both acquisitions and divestments. On the buy-side, success depends on identifying suitable targets, conducting due diligence, negotiating favorable terms, securing funding, and integrating operations. There is a risk of failing to detect issues in target companies and uncertainties in assumptions and forecasts.

On the sell-side, divestments are complex and time-consuming, potentially impacting day-to-day business and relationships with departing personnel. Successful divestments require maximizing asset value, negotiating favorable terms, and managing financial risks.

Potential consequences

M&A risks may result in overpayment, integration issues, or underperforming acquisitions, while complex divestments can disrupt operations and reduce realized value, negatively impacting financial performance and strategic focus.

Mitigating actions

Embracer Group has established processes for M&A and onboarding/offboarding, including:

- > Approval processes aligned with Delegation of Authority and Request for Investment, covering key financial and deal terms.
 - > Commercial, legal, financial, tax, and sustainability due diligence prior to acquisition.
 - > Regulatory analysis for competition laws and foreign investment regulations.
 - > Implementation of Embracer Group's policies and processes.
 - > M&A Guidelines that covers both acquisition and divestment
 - > Onboarding milestones post-acquisition and offboarding checklists for divestments.
- Processes are regularly updated to provide the necessary support. M&A agreements are drafted with legal advice, and business insurance is considered. Acquisitions often include earnouts to incentivize sellers in management roles, reducing risks.

External communication

Impact | 5 Likelihood | 4 Risk trend | 

Risk description

Embracer Group operates in industries that are subject to adverse public attention and debate, which can harm the brand's perception and impact the ability to attract investors, shareholders, retain gamers and employees. A specific crisis or untimely disclosure could affect market volatility and a loss of investor confidence. Negative perceptions may also arise from miscommunication at the Group, operative group, or company/studio level. Effective crisis management and consistent, clear messaging are crucial for maintaining stakeholder trust.

Potential consequences

Sustained negative attention or a mishandled disclosure could drive market volatility, loss of investor confidence, and brand damage, making it harder to attract capital, retain gamers, and keep key employees. Inconsistent messaging across Group, operative groups, or studios can amplify reputational risk and prolong crises, undermining stakeholder trust and long-term value.

Mitigating actions

- > Embracer Group has implemented several measures to mitigate risks associated with unclear communication. These include media monitoring tools for real-time alerts, processes for handling potential leaks and media inquiries, updated financial reporting procedures, a crisis communication strategy, and comprehensive training and policies for employees.
- > An external reporting software ensures a solid one source of truth of the financial reporting procedures.

Games & Entertainment - diversity, inclusion & digital wellbeing

Impact | 4 Likelihood | 3 Risk trend | 

Risk description

Embracer Group's business model and long-term value depend on maintaining end user trust, wellbeing, and engagement. These considerations must be addressed in line with regulatory requirements and stakeholder expectations, while maintaining an appropriate balance that preserves creative freedom and innovation. In parallel, an evolving regulatory landscape for digital environments including transparency in game purchases, age verification, and child protection, may impact product design, user access, and costs.

Potential consequences

Failure to balance end-user trust and wellbeing with regulatory requirements may lead to reduced engagement, weakened brand trust, increased costs, restricted user access, and negative impacts on long-term value and competitiveness.

Mitigating actions

- > Industry engagement supports responsible standards for diversity, inclusion, accessibility, and digital wellbeing.
- > Content rating frameworks (e.g. PEGI) are applied to ensure age-appropriate and transparent game design.
- > Ongoing regulatory monitoring and stakeholder dialogue help ensure compliance, strengthen responsible gaming practices, and address risks related to inclusion, accessibility, and the protection of vulnerable users.

COMPLIANCE

Regulatory

Impact 4 Likelihood 4 Risk trend 

Risk description

Embracer Group operates in multiple countries, requiring continuous regulatory compliance amid a rapidly evolving landscape. Violations or claims against Embracer Group, its suppliers, or partners could result in significant fines, audits, negative publicity, and loss of trust among players, investors, and stakeholders.

Potential consequences

Failure to continuously meet regulatory requirements across jurisdictions could lead to fines, audits, legal claims, and negative public exposure, damaging trust among players, investors, and other stakeholders. This may increase costs and weaken Embracer Group's reputation and long-term value creation.

Mitigating actions

- > Embracer Group ensures compliance through a governance structure with extensive policies, guidelines, and instructions. Annual trainings cover the Code of Conduct, Data Privacy, and Anti-Corruption and Anti-Bribery.
- > Operative groups and subsidiaries implement local governing documents and training as needed. All companies must adhere to the Code of Conduct and other Group policies. Deviations are addressed appropriately. Channels for reporting unethical behavior, including anonymous reporting through the Whistleblowing system, are available and communicated to all personnel. Reported incidents are investigated and acted upon as necessary.
- > Embracer Group deploys Group resources and experts to support governance, regulatory, and litigious matters across subsidiaries. Operative groups complete quarterly questionnaires on known or possible litigation, claims, and assessments.

Privacy

Impact 5 Likelihood 4 Risk trend 

Risk description

Embracer Group processes Personal Data of players, employees, suppliers, and contractors, requiring compliance with global Personal Data laws.

Potential consequences

Non-compliance with personal data regulations may result in significant fines and reputational damage, undermining trust among investors, players, and the public.

Mitigating actions

- > Embracer Group ensures compliance through a Group Internal Privacy Policy, establishing a Personal Data processing baseline for all subsidiaries.
- > An internal privacy maturity monitoring program is in place to monitor group companies.
- > A Group-wide privacy forum and a tool is in place to increase awareness and manage privacy practices.
- > Standardized privacy contract templates and an Intercompany Data Sharing Agreement are established.

FINANCIAL RISKS

Based on the risk assessment, no financial risks were identified that are currently considered significant risks to Embracer's financial position or its achievement of strategic objectives.



CORPORATE GOVERNANCE REPORT

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CORPORATE GOVERNANCE REPORT 2024/25

CORPORATE GOVERNANCE

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

CORPORATE GOVERNANCE AT EMBRACER GROUP

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

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

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

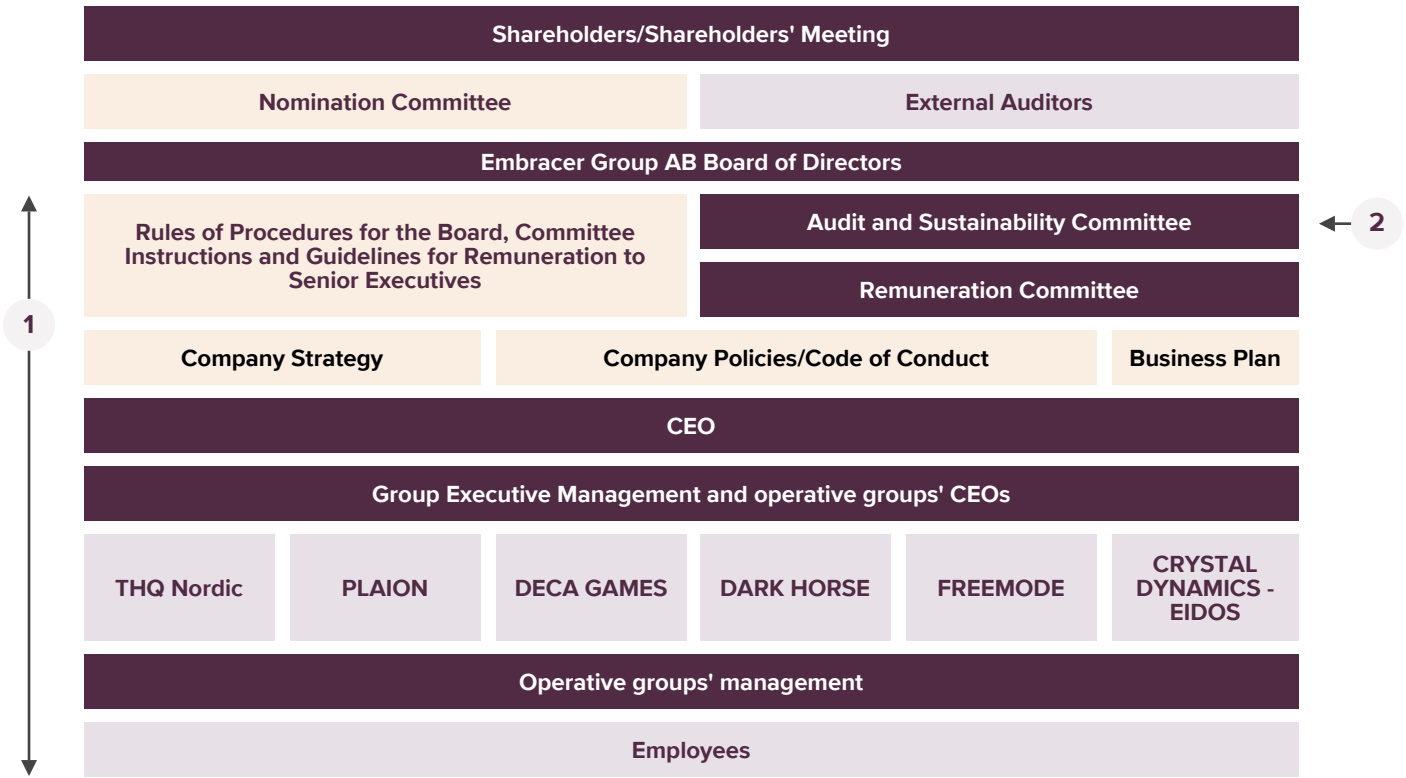
The Board of Directors (the "Board") of Embracer Group is the company's highest administrative body, and its duties are regulated by the Swedish Companies Act, the Articles of Association and the Code. The Board is responsible for the

Company's organization and the management of its business worldwide and is obliged to follow directives provided by the shareholders meeting. The Board may appoint committees with specific areas of responsibility and furthermore authorize such committees to decide on specific matters in accordance with instructions established by the Board. Currently, the Board has established two committees within the Board, the Audit and Sustainability Committee and the Remuneration Committee.

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



GOVERNANCE MODEL



1. Internal Control Function

2. Internal Audit Function



GOVERNANCE FRAMEWORK

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

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

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

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

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

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

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

General Meeting of shareholders

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

Notice of the AGM, as well as an extraordinary general meeting ("EGM") at which the matter of amendment to the

articles of association is to be addressed, shall be issued not earlier than six weeks and not later than four weeks prior to the general meeting. Notices of other EGMs shall be issued not earlier than six weeks and not later than three weeks prior to the EGM. In accordance with Embracer Group's articles of association, notices of AGMs and EGMs are made by an announcement in the Post- och Inrikes Tidningar (the Swedish Official Gazette) and by making the notice available on Embracer Group's website. Simultaneously, an announcement with information that the notice has been issued is to be published in Svenska Dagbladet. Documents related to proposals, proxy voting, postal voting and the minutes recorded at a general meeting are published on the company's website. Resolutions adopted by the general meeting are announced after the meeting in a press release, and the minutes from the meeting are published on the company's website. The AGM 2026 will take place on September 24, 2026.

Right to attend shareholders' meetings

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

Shareholder initiatives

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

Authorization to issue shares and repurchase of own shares

Information about authorizations to issue shares and repurchase own shares, respectively, is found on page [37](#) in the Board of Directors report.

The share and shareholders

Embracer Group's B shares are traded at the regulated market Nasdaq Stockholm. Information about Embracer shares and major shareholders as well as shareholders holding more than ten percent of the votes for all shares in Embracer Group is provided on pages [33-37](#) of the annual report 2025/26.

Embracer Group holds 5,580,294 own B shares as per March 31, 2026.

Nomination Committee

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

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

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

Board of Directors

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

Composition

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

The Board represents a mix of both important qualifications and valuable experiences within areas of strategic importance to Embracer Group. The Board also has a variety of geographical and cultural backgrounds, share the same mindset, has a firm commitment and a strong engagement. After the election at the AGM 2025, the composition of the Board's members is 43 percent women and 57 percent men, which exceeds the Swedish Corporate Governance Board's aspiration for each gender to represent a share of at least 40 percent of the Board of Directors. For a presentation of the Board members, see page [59](#).

Conflicts of interest

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

Board meetings

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

Board work and matters for the Board

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

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

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

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

To ensure that the Board has good visibility of the Group's operations, the CEO submits a report on the business, including



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

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

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

Evaluation of the work of the Board and the CEO

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

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

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

The Board's work in 2025/26

During the financial year 2025/26, the Board held 24 recorded meetings (of which 12 physical/video conference and 12 per capsulam), with the high number of meetings primarily reflecting the continued transformation of Embracer Group and the focus to further maximize operational efficiency, including work relating to structural separation, including Coffee Stain Group AB's listing on Nasdaq Stockholm as a separate company, divestments, such as the divestment of Arc Games and Cryptic, financing, cost savings, capital allocation and other measures aimed at creating a leaner, stronger, more focused and self-sufficient group.

The Board also devoted significant time during the year to evaluating the Group's future structure and options to maximize value, including continued work on the transformation agenda and the development of a more focused operating model, which culminated in the decision to transform the Group into two stand-alone groups, Fellowship Entertainment and Embracer.

In addition, at the regular meetings receiving reports on business performance, forecasts, annual operating plan, cost savings, strategic priorities and matters relating to the Group's business. The Board was also continuously informed about the development of the Group's sustainability framework, Enterprise Risk Management and internal control, and participated in dedicated training on CSRD during the year.

The Board's regular work was carried out at formal Board meetings in accordance with the annual meeting plan and through its committees, while additional meetings and written resolutions addressed matters requiring specific attention, including restructuring, divestments, investment matters, acquisition matters (such as issue of shares, issue of promissory notes, allotment of shares) and proposed resolutions to general meetings.

The Board's work was also carried out through its committees, the Audit and Sustainability Committee and the Remuneration Committee. The Audit and Sustainability Committee supported the Board in matters relating to financial and sustainability reporting, internal control, risk management and compliance, and held nine meetings during the financial year, including one meeting fully dedicated to CSRD. During the year, the Board approved the outcome of the double materiality assessment and adopted the Sustainability Policy and participated in dedicated training on CSRD. The Remuneration Committee prepared matters relating to remuneration guidelines, the remuneration report, long-term incentive structures and remuneration to senior executives, and reported its work and recommendations to the Board on an ongoing basis.

In addition, the Chair of the Board and Deputy Chair of the Board continuously met with Board members separately between meetings to discuss imminent matters.

Embracer Group's auditor also attended two Board meetings, during which Board members had the opportunity to pose questions to the auditor on audit reports and the efficiency of the internal control in the financial reporting process (also without the participation of management).

The Board members' attendance at Board meetings and Committee meetings is shown in the table below. The secretary of the Board meetings during the financial year was the Chief of Staff, Legal & Governance, Ian Gulam.

Board Committees

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

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

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

The Remuneration Committee is appointed by the Board and members of the Remuneration Committee must possess the

required knowledge and experience of remuneration matters relating to senior executives.

BOARD OF DIRECTORS, ATTENDANCE & INDEPENDENCE

Name	Position	Member since	Board meetings ¹⁾	Attendance		Independent in relation to:	
				Audit and Sustainability Committee meetings ¹⁾	Remuneration Committee meetings ¹⁾	The Company and management	Major shareholders
Lars Wingefors	Chair of the Board	2011	12/12			No	No
Kicki Wallje Lund	Board member (Deputy Chair)	2016	12/12	9/9		Yes	Yes
Jacob Jonmyren	Member of the Board	2018	12/12	9/9	2/2	Yes	No
Yasmina Brihi	Member of the Board	2023	12/12		2/2	Yes	Yes
Bernt Ingman	Member of the Board	2023	11/12	9/9		Yes	Yes
Cecilia Qvist	Member of the Board	2023	12/12		2/2	Yes	Yes
Brian Ward	Member of the Board	2024	8/12			Yes	Yes

¹⁾ Per capsulam not included. Number of total meetings shows the maximum number of meetings a board member could have attended after appointment.

Audit and Sustainability Committee

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

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

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

During 2025/26, Embracer Group's auditor attended five Audit and Sustainability Committee meetings.

Remuneration Committee

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

The Remuneration Committee is also responsible for preparing and monitoring of global terms of strategic variable compensation programs and incentive schemes. The

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

Compensation to the Board of Directors

The remuneration to the members of the Board is determined at the AGM. The AGM 2025 resolved that the remuneration to the Board shall be in total SEK 9,800,000, excluding remuneration for committee work, and for each director elected by the meeting and who is not employed by The Group, the remuneration shall be SEK 800,000 and the Chair of the Board is to receive SEK 2,500,000 and the Deputy Chair of the Board (if appointed) is to receive SEK 2,200,000. It was further decided, in light of the additional workload that follows with the intention to transform into three independent listed companies, that an additional fee of SEK 200,000 should be paid to the chair of the board and SEK 150,000 to other board members who are not employed by the company ("Transformation fee").

Furthermore, the AGM 2025 resolved that remuneration for members of the audit and sustainability committee shall be SEK 200,000 and the remuneration to the chair of the audit and sustainability committee shall be SEK 310,000 and that remuneration for members of the remuneration committee shall be SEK 115,000 and remuneration to the Chair of the remuneration committee shall be SEK 170,000.

Remuneration to each Board member during 2025/26 is specified in Note [7](#).

CEO and management

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

information to the Board meetings and for presenting such material at the Board meetings.

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

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

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

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

The CEO, the operative group CEOs and the Group Executive Management Team are presented in more detail from page [61](#).

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



Remuneration to the Group Executive Management Team

For information on remuneration to Group Executive Management see [note P7](#). The remuneration report for 2025/26 will be published on the website prior to the annual general meeting.

Guidelines For Remuneration To Senior Executives

The AGM 2022 resolved to adopt Guidelines for Remuneration to Senior Executives of Embracer Group for the period up until the AGM held in 2026. The complete Guidelines are available below and on Embracer Group's website, www.embracer.com/. Any changes to the guidelines will be presented in the notice for the AGM 2026.

General

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

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

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

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

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

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

The forms of remuneration etc.

The remuneration to the senior executives in the Company shall comprise of fixed cash salary, possible variable cash salary, other customary benefits and pension payments. The total cash remuneration, including pension benefits, shall, on a yearly basis, be in line with market practice and competitive on the labor market where the senior executive is based and take into account the individual responsibilities, competences,

qualifications and experiences of the senior executive as well as reflecting any notable achievements. Fixed and variable cash salary shall be related to the senior executives' responsibility and authority. The fixed cash salary shall be revised on a yearly basis.

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

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

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

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

Pension benefits for the CEO and other senior executives must reflect normal market conditions, compared to what generally applies to corresponding senior executives in other companies and shall normally be based on defined

contribution pension plans. Right to pension occurs normally at 65 years of age.

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

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

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

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

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

Notice of termination and severance pay

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

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

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

Deviations from the guidelines

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

Preparation, decision processes etc.

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

The remuneration committee shall also prepare the board of directors' decisions on issues concerning principles for remuneration. The remuneration committee shall also monitor and evaluate programs for variable remuneration, both ongoing and those that have ended during the year, for the senior executives and monitor and evaluate the application of these guidelines for remuneration to senior executives, as well as current remuneration structures and levels in the Company.

The board of directors shall prepare proposals for new guidelines at least every four years and submit the proposal for resolution at the annual general meeting. The guidelines shall remain in force until new guidelines have been adopted by the general meeting.

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

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

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

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

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

Notice period and severance payment

Embracer Group and its CEO must observe a notice period of 12 months. The CEO is not entitled to any termination benefits. Embracer Group and its CFO must observe a notice period of 3 months. The CFO is entitled to termination benefits corresponding to 3/10 of monthly salary per year of seniority (6 years of seniority in April 2026). Embracer Group and the COO must observe a notice period of 12 months if the COO is terminated by Embracer Group without cause or if terminated by the COO without good reason. If terminated with cause or by good reason by Embracer or the COO, respectively, no notice period applies. The COO is entitled to termination benefits corresponding to 6 months salary if the COO terminates for good reason or if Embracer terminates without cause. The Chief Strategic Partnerships Officer is entitled to termination benefits corresponding to 6 months' salary plus 50 percent of any payable bonuses, provided that Embracer Group terminated the employment contract and the Chief Strategic Partnerships Officer was not dismissed. The other senior executives have no termination benefits and are entitled to a notice period with remuneration of up to 6-12 months. The executives must observe the same notice period.

External Auditor

At the AGM 2025 Öhrlings PricewaterhouseCoopers AB ("PwC") was re-elected to serve as external auditor until the end of the next AGM. PwC appointed Authorised Public Accountant Magnus Svensson Henryson (born in 1969 and member of FAR) as the auditor in charge. The external auditors discuss the external audit plan, audit findings and risk management with the Audit and Sustainability Committee. The results of their financial year audit and the audit of the annual report of the Parent Company and the consolidated financial statements are presented to the Audit and Sustainability Committee and the Board at meetings after year-end. The auditor also participated in five Audit and Sustainability Committee meetings during which the committee members had the opportunity to pose questions to the auditor without representations of the Management being present. When PwC is asked to provide services other than the external audit, this is done in accordance with laws and regulations as well as internal guidelines adopted by the Audit and Sustainability Committee.

Internal Auditor

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

Enterprise Risk Management and Internal Control

In accordance with the Swedish Companies Act (2005:551), the Board of Directors is responsible for ensuring that Embracer Group maintains an effective system of internal

control, including appropriate procedures, structures, governance, and oversight. The Head of Internal Control is responsible for supporting a common and consistent control environment across the Group and reports periodically to the Audit and Sustainability Committee.

Enterprise Risk Management (ERM) is a structured, Group wide process for identifying, assessing, managing, and monitoring risks on a continuous basis. Embracer Group's risk universe includes strategic, operational, financial, and compliance risks. For further information on the ERM process, see page 40.

Embracer Group has established Group level processes for enterprise risk management and internal control based on the COSO framework, comprising the following components: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring. The internal control framework is designed to support the achievement of the Group's objectives, ensure reliable internal and external financial reporting, and ensure compliance with applicable laws, regulations, policies, and governing documents.

The framework is designed to meet Nasdaq's requirements for governance and internal control for listed companies, including internal control over financial reporting (ICFR). It provides a consistent structure for the design and implementation of internal controls across the Group to support reliable, accurate, and timely financial reporting in accordance with applicable regulatory requirements.

In parallel with the continued development of the internal control framework, Embracer Group has during the year initiated the further development of internal control over sustainability reporting (ICSR). This work is ongoing and will continue to evolve in line with regulatory requirements and the Group's sustainability reporting processes.

Control Environment

The internal governance and control framework within Embracer Group is based on documented governing documents, defined processes, and clearly assigned roles and responsibilities. The foundation of the control environment is the Group Code of Conduct, which establishes ethical standards and values guiding policies, guidelines, and business conduct throughout the Group.

Risk Assessments

The ERM risk assessment process aims to identify and assess events and circumstances that could negatively affect the Group's ability to achieve its strategic and operational objectives. Performed bi-annually, the Group-wide ERM assessment was reviewed and updated during the financial year. It includes ongoing dialogue with key stakeholders across the organization, supporting early identification of emerging risks and strengthening risk awareness, ownership, and timely response, thereby contributing to effective risk identification, assessment, and mitigation.

A consolidated top risk report is reviewed and approved by representatives of Group Executive Management and reported to the Audit and Sustainability Committee. In addition, a specific risk assessment related to financial reporting (ICFR) is conducted at Group level to identify key risks related to errors and fraud.

Control Activities

Based on identified risks, internal controls are designed, implemented, and documented to mitigate material risks in business operations and financial reporting. Control activities

are established through policies and procedures to support effective risk management.

The internal control framework comprises a combination of entity level controls, process level and transaction level key controls, and IT related controls designed to support the reliability, security, and continuity of the Group's information systems.

Monitoring

The effectiveness of ERM and internal control is monitored through a risk based annual assessment process facilitated by the Head of Internal Control. This includes controls testing, performed at arm's length by internal control coordinators within each operative group.

Testing documentation, results, actions and reporting are maintained in a dedicated internal control system. The internal control process follows an annual cycle and a risk based plan with varying focus areas and scope over time. Identified deficiencies and improvement actions are documented and tracked through a formal remediation process.

Information and Communication

Effective information sharing and communication are essential components of sound internal governance and control. Information relating to the internal control framework and annual processes is communicated to relevant stakeholders, and the Head of Internal Control maintains ongoing dialogue with internal control coordinators within the operative groups.

Reporting

In accordance with the annual plan, internal control coordinators within each operative group report the status of internal controls and identified deficiencies to the Head of Internal Control. Consolidated reporting is provided periodically to Group Executive Management and the Audit and Sustainability Committee.

Reporting, aggregation, and analysis of internal control activities, identified deficiencies, and remediation actions are supported by a dedicated internal control system, serving as a single source of truth and enabling consistent oversight and follow up at Group level. Material deficiencies and significant improvement areas are reported, monitored, and followed up as part of the Group's remediation and governance processes.

BOARD OF DIRECTORS



LARS WINGEFORS Born: 1977

*Chair of the board of Embracer Group and Co-founder
Board member, elected 2011*

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

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

Holdings in Embracer Group: As of March 31, 2026, Lars Wingefors held 80.26% of the shares and 96.42% of the votes of Lars Wingefors AB which in turn holds 9,000,000 class A shares and 36,047,907 class B shares in Embracer Group AB (publ).



KICKI WALLJE-LUND Born: 1953

*Deputy Chair of the Board, elected board member 2016
Member of the board's Audit and Sustainability Committee.*

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

Current relevant assignments: Kicki Wallje-Lund is deputy chair of the board of Asmodee Group AB, and board member of Coffee Stain Group AB.

Holdings in Embracer Group: As of March 31, 2026, Kicki Wallje-Lund held 17,700 class B shares in Embracer Group AB (publ).



JACOB JONMYREN Born: 1980

Board member, elected 2018

Chair of the board's Audit and Sustainability Committee. Member of the board's Remuneration Committee.

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

Current relevant assignments: Jacob Jonmyren is CEO and board member at Jacob Jonmyren Kapital AB. Chairman of the Board at Lars Wingefors AB, Consilio International AB and Coffee Stain Group AB. Board member at Wise Birds AB, Garo AB (publ), Asmodee Group AB and Keep Pushing Group AB. Deputy board member for Abios Holding AB.

Holdings in Embracer Group: As of March 31, 2026, Jacob Jonmyren held 15,333 class B shares in Embracer Group privately and additional shares indirectly through Lars Wingefors AB.



YASMINA BRIHI Born: 1975

Board member, elected 2023

Chair of the board's Remuneration Committee

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

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

Holdings in Embracer Group: As of March 31, 2026, Yasmina Brihi held 867 class B shares in Embracer Group AB (publ).



BERNT INGMAN Born: 1954

Board member, elected 2023

Member of the board's Audit and Sustainability Committee.

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

Current relevant assignments: Bernt Ingman is chair of the board of TagMaster Aktiebolag and Pricer Aktiebolag.

Holdings in Embracer Group: As of March 31, 2026 Bernt Ingman held 1,667 class B shares in Embracer Group AB (publ).



CECILIA QVIST Born: 1972

Board member, elected 2023

Member of the board's Remuneration Committee.

Education/Background: Cecilia Qvist holds an MBA from the University of Edinburgh and has more than 25 years of international executive leadership and board experience from technology-driven and consumer-focused companies. She has held senior executive roles at Spotify, LEGO Ventures, NASDAQ, and Leia, with a focus on innovation, digital transformation, international expansion, and scaling global businesses. Cecilia has led strategic initiatives across multiple continents and has extensive experience in building and developing organizations in rapidly evolving markets. Her experience spans digital platforms, consumer technology, media, e-commerce, and healthcare.

Current relevant assignments: Cecilia Qvist is chair of the board of Apotea AB.

Holdings in Embracer Group: As of 31 March, 2026 Cecilia Qvist held 2,350 class B shares in Embracer Group AB (publ).



BRIAN WARD Born: 1957

Board member, elected 2024

Education/Background: Brian is the Founding CEO of Savvy Games Group, the world's sixth largest games publisher and largest esports live events and production company, with 4000+ employees in more than 25 countries. He has 30 years of games studio and operations experience, including senior positions at Electronic Arts, Microsoft, and Activision Blizzard. In those roles he executed strategies and led teams that quadrupled revenue over five years while delivering industry-leading margins at two leading publishers. He holds Business and Law degrees from the University of Alberta and has built multiple award-winning teams in startup, \$400M and \$4B organizations.

Current relevant assignments: CEO of Savvy Games Group.

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



AUDITOR

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

PARENT COMPANY

SENIOR EXECUTIVES



PHIL ROGERS Born: 1969

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

Education/Background: Phil holds a BSc degree in Mathematics (University of Leeds, UK) and has over 25 years' experience in the games industry working across start-ups to multinational organizations. He became CEO of Eidos in 2008 and was CEO across Square Enix's western business from 2009 to 2022. In addition to his role as Group CEO, he also serves as CEO of Crystal Dynamics – Eidos and PLAION.

Current relevant assignments: Phil Rogers has no other current assignments

Holdings in Embracer Group: As of March 31, 2026, Phil Rogers held 155,486 class B shares in Embracer Group AB (publ).



MÜGE BOUILLON Born: 1979

Group CFO & Deputy CEO, employed since 2020

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

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

Holdings in Embracer Group: As of March 31, 2026, Müge Bouillon held 9,416 class B shares in Embracer Group AB (publ).



IAN GULAM Born: 1982

Group Chief of Staff, Legal & Governance, employed since 2021

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

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

Holdings in Embracer Group: As of March 31, 2026, Ian Gulam held 22,322 class B shares in Embracer Group AB (publ).



CAREEN YAPP Born: 1969

Group Chief Strategic Partnerships Officer, employed since 2023

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

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

Holdings in Embracer Group: As of March 31, 2026, Careen Yapp held 15,441 class B shares in Embracer Group AB (publ).



LEE GUINCHARD Born: 1970

Group COO, CEO Freemod by Embracer and Middle-earth Enterprises, employed since 2021

Education/Background: Lee Guinchard brings more than 30 years of leadership experience in the video game and entertainment industry. With his background and through his leadership in the development and stewardship of The Lord of the Rings IP, he has demonstrated strong operational execution and long-term franchise thinking. In addition to his role as COO, he serves as CEO of, among others, Freemod by Embracer and Middle-earth Enterprises, where he has played a central role in the group's development.

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

Holdings in Embracer Group: As of March 31, 2026, Lee Guinchard held 40,381 class B shares in Embracer Group AB (publ).

OPERATIVE GROUPS

CHIEF EXECUTIVE OFFICERS

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



KLEMENS KREUZER Born: 1976

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

CEO, THQ Nordic GmbH, employed 2011

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

Current relevant assignments: Klemens Kreuzer has no other current assignments



KEN GO Born: 1980

Founder and CEO, DECA Games

Education/Background: Ken has a bachelors degree from The George Washington University. Ken is the CEO and founder of DECA games. He has spent over 14 years in the gaming industry focused on games as a service and free to play games. Ken has previously been the Executive Producer of the game Kingdoms of Camelot and the European General Manager of Kabam.

Current assignments: Ken Go has no other current assignments.



LEE GUINCHARD Born: 1970

Group COO, CEO Freemode by Embracer and Middle-earth Enterprises, employed since 2021

Education/Background: Lee Guinchard brings more than 30 years of leadership experience in the video game and entertainment industry. With his background and through his leadership in the development and stewardship of The Lord of the Rings IP, he has demonstrated strong operational execution and long-term franchise thinking. In addition to his role as COO, he serves as CEO of, among others, Freemode by Embracer and Middle-earth Enterprises, where he has played a central role in the group's development.

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

Holdings in Embracer Group: As of March 31, 2026, Lee Guinchard held 40,381 class B shares in Embracer Group AB (publ).



PHIL ROGERS Born: 1969

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

Education/Background: Phil holds a BSc degree in Mathematics (University of Leeds, UK) and has over 25 years' experience in the games industry working across start-ups to multinational organizations. He became CEO of Eidos in 2008 and was CEO across Square Enix's western business from 2009 to 2022. In addition to his role as Group CEO, he also serves as CEO of Crystal Dynamics – Eidos and PLAION.

Current relevant assignments: Phil Rogers has no other current assignments

Holdings in Embracer Group: As of March 31, 2026, Phil Rogers held 155,486 class B shares in Embracer Group AB (publ).



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SUSTAINABILITY STATEMENT

INTRODUCTION

For the first time, Embracer Group has prepared its sustainability reporting in accordance with the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD). This marks a step towards more structured, transparent and comparable environmental, social and governance (ESG) disclosures, and aims to provide stakeholders with relevant insights of the Group's ESG performance.

HOW TO READ THE REPORT

- > Each section headline includes a reference to the relevant ESRS standard.
- > Qualitative and quantitative disclosures are accompanied by ESRS references, indicating the specific disclosure requirements addressed.
- > Where relevant, quantitative figures are presented together with additional qualitative information.



ESRS 2 | SUSTAINABILITY STATEMENT

GENERAL DISCLOSURES

BP-1 | SCOPE AND REPORTING PRINCIPLES

This sustainability statement has, for the first time, been developed in line with the Corporate Sustainability Reporting Directive (CSRD) and underlying European Sustainability Reporting Standards (ESRS). It is prepared on a consolidated basis in accordance with the consolidation approach applied for the financial statement covering all the Group's subsidiaries as of 31 March 2026. Hence, the sustainability information outlined in the report for own operations cover the parent company of Embracer Group and the six operative groups THQ Nordic, PLAION, DECA Games, Dark Horse Media, Freemode and Crystal Dynamics – Eidos. By being included in the consolidation of this present report, all operative groups and subsidiaries are exempted individual reporting pursuant to Articles 19a(9) or 29a(8) of Directive 2013/34/EU. Changes in what constitute the scope of the consolidation primarily compared to previous reports, result from the ongoing transformation of Embracer Group, for further details please refer to Significant events in the financial year page 30, and BP-2 on specific circumstances.

(BP-1-3, -5a-b)

Beyond the own operations, the sustainability statement also covers information related to impacts, risks and opportunities stemming from Embracer Group's upstream and downstream value chain to the extent that it is material. This includes information about the user-phase of the products sold by Embracer Group, with emphasis on the games. Embracer Group has not omitted any specific information corresponding to intellectual property, know-how or the results of innovation that could be relevant to fully understand the sustainability matters disclosed in this report. Embracer Group has not omitted any specific information corresponding to impending developments or matters in the course of negotiation.

(BP-1-5c-e)

BP-2 | SPECIFIC CIRCUMSTANCES

Specific circumstances affecting the preparation of the Sustainability Statement primarily relate to the ongoing transformation of Embracer Group, which impacts the scope of consolidation as a result of completed divestments, as well as the scope and content of material topics and related data compared to previous reporting periods. Further changes are expected in upcoming reporting periods. In the light of these changes, the Group is adapting to continuous organizational changes at a fast pace, and many sustainability-related strategic initiatives have thereby been put on hold, which is impacting on the overall content outlined under several disclosure requirements, specifically those relating to targets, actions and metrics.

(BP-2-6, -13)

For the financial year 2025/26, Embracer Group has also chosen to apply selected transitional provisions (phase-in) in accordance with the Omnibus proposal and Appendix C of ESRS 1, as well as "quick fix" reliefs. "Quick fix" reliefs have been applied for certain metrics under S1-8 (collective bargaining coverage and social dialogue outside the EEA) and S1-7 (non-employees in own workforce), meaning these disclosures are reported according to simplified rules. The Group has decided to omit the following disclosure requirements under S1 standard on own workforce: S1-11 Social Protection, S1-13 Training and skills development metrics and S1-15 Work-life balance metrics, and the following topical standards: S2 Workers in the Value Chain and S4 Consumers and End-Users. The S2 and S4 sections in this report are therefore limited to brief information about material topics, policies, actions, targets and metrics as required under ESRS 2

BP-2 when phase-in provisions are applied. The material matters identified under these standards, as described in ESRS 2 SBM-3, relate primarily to labor rights and working conditions in the value chain, as well as privacy, digital wellbeing, protection of children, diversity and inclusion, and responsible marketing for end-users. These matters are inherently linked to Embracer Group's business model and strategy, which are based on digital game development, global partnerships and long-term consumer trust. While full disclosures are phased in, the Group already addresses these impacts through Group-wide policies, governance and risk management processes. The phased-in approach reflects the ongoing transformation and the prioritization of establishing consistent data and management processes, without altering the strategic relevance of these matters.

For the avoidance of doubt, the use of phase-in provisions is distinct from the use of estimation techniques, proxy data or qualitative disclosures. Phase-in provisions have only been applied to the disclosure requirements and topical standards explicitly listed above and in accordance with Appendix C of ESRS 1. For all other disclosure requirements, the Group has reported information using estimation techniques, proxy data or qualitative disclosures where necessary, rather than omitting disclosures. Overall, the sustainability information included in the report reflects the outcomes from the Group's double materiality assessment (DMA), with details on the process and results outlined under IRO-1 and IRO-2.

(BP-2-17a-e)

Where estimation techniques or proxy data have been applied, this relates to the method of reporting and not to the

omission of disclosure requirements. With regards to metrics specifically, sources of estimation and outcome uncertainty, including assumptions, approximations and judgments applied, are described in dedicated reporting principles sections under each respective disclosure requirement as Reporting principles.

Hence, in the case where Embracer Group has used estimates to extrapolate information or to bridge data gaps, it

has disclosed relevant information, potential uncertainties and applicable standards used in the calculations for each respective metric. In case of doubt, the Group has applied a conservative approach as the general rule for all metrics to ensure consistently across the report.

VALUE CHAIN ESTIMATIONS

Metric	Basis for preparation	Actions to improve accuracy
GHG emissions	A combination of greenhouse gas (GHG) emissions reporting approaches is applied, including industry-average estimates, supplier-specific data, and estimates based on sales volumes, assumed usage time, platform-specific energy consumption, and country-specific electricity emission factors. A conservative approach is applied. Further information is provided under E1-6.	Developments in GHG emissions reporting methodologies and data availability are continuously monitored. The share of emissions calculated using supplier- and product-level data is being increased over time to enhance accuracy and transparency.
Energy	Estimates are applied for sites where electricity consumption is included in rental agreements.	Efforts are ongoing to improve the metering of own energy consumption.

The same approach also applies to any critical assumptions concerning value chain information, such as data points where the Group has leveraged supplier information or relevant sector reports, country reports or other public information to enable informed conclusions to the extent possible. Overall, the resulting level of accuracy is assessed as moderate, with lower accuracy for metrics relying on value chain data and estimations, such as Scope 3 emissions, due to the use of assumptions and secondary data. Metrics that include value chain data, in particular Scope 3 emissions, are sometimes subject to a higher level of measurement uncertainty, as the calculations are partly based on estimates, including spend-based methods and secondary data, in addition to primary data.

None of the metrics have been subject to external validation beyond the auditors' limited assurance.

(BP-2-8, -10a-d, -11a-bii)

Compared with the previous reporting period, certain changes in the reported information have occurred. These changes primarily reflect changes in the scope of reporting, although certain methodological refinements have also been applied, as detailed under E1-4 and E1-6 for the GHG emission baseline, and under E1-6 for the emissions inventory, including market-based Scope 2 and Scope 3 categories 1, 9 and 11.

As a result of the Group's transformation, including divestments, discontinued operations and spin-offs, the reporting scope for the 2025/26 financial year differs from the Group's composition at year-end. Entities that have been divested, discontinued or spun off are therefore not included in the Group's reporting scope as of 31 March 2026. Further information on sold entities is provided in Note 32, Sales of Group companies, page 173 in the Group financials. Consequently, these entities are excluded from reporting under the EU Taxonomy as well as from social and governance disclosures, which are based on the Group's composition at the reporting date.

However, for environmental reporting purposes, including greenhouse gas (GHG) emissions, divested, discontinued and spun-off operations are included for the part of the financial

year during which they were part of the Group and had an environmental impact.

Accordingly, following the spin-off of Coffee Stain Group, the entity is included in the Group's reporting scope where applicable. For environmental reporting, including GHG emissions, Coffee Stain Group is included up until the point of spin-off. Social and governance data for Coffee Stain Group are not included, as these metrics are reported on a year-end basis, hence after the spin-off. Where applicable, baseline and historic years are recalculated to ensure year-to-year comparability.

Due to these changes in scope, it is impracticable to ensure comparability with the previous reporting period for the affected information. Eventual changes in metrics and comparative figures from previous reports have been included under each respective disclosure requirement, where applicable. In general, and if any, changes mainly relate to the ongoing transformation whereas recalculations of baseline values and comparative data have been triggered for several metrics and targets. Importantly, all reported figures in this year's report are calculated in accordance with the scope of consolidation as outlined under BP-1.

(BP-2-13a-c)

Beyond the above mentioned changes, if significant errors have been identified from previous sustainability statements, these errors and eventual corrections are also disclosed under each respective disclosure requirement, if and as applicable.

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

In some cases, specific disclosure requirements are presented in other sections of the report to make it more reader friendly. A list of data points deriving from other EU legislation is presented in the Appendix on page 126. The disclosure requirements incorporated by reference are outlined in the Incorporation By Reference table.

(BP-2-9, -14, -15, -16)

INCORPORATION BY REFERENCE

Disclosure requirement	Label	Reference
Net revenue	E1-6	The net revenue amounts used to calculate GHG intensity derives from note 3 of the financial statement.
(BP-2-16) (E1-6-55) (E1-6-AR-55a) (E1-6-MDR-M-77d)		

GOV-1 GOVERNANCE STRUCTURE AND ROLES

At Embracer Group, the administrative, management and supervisory bodies are the Board of Directors, the Group CEO and the Group Executive Management Team. This also includes the Audit and Sustainability Committee as well as the Remuneration Committee, which are committees appointed by the Board. These are the governance bodies with the highest decision-making authority for business development, strategy and financial planning within Embracer Group, including for sustainability-related matters. For sustainability matters specifically, the Board is ultimately accountable but has delegated responsibility and decision-making authority to the CEO who is the most senior executive of the entire Group.

(GOV-1-19)

The Board of Directors consists of seven members. Six of the directors are independent non-executive members (86%). The share of women on the Board is 43%. As of today, there is no direct representation of employees and other workers on the Board.

The Senior Executives in the Group Executive Management Team consists of five members, all of them senior executives. These are the Group CEO, the Group CFO, the Group COO, the Chief of Staff, Legal and Governance and the Chief Strategic Partnerships Officer. The female representation is 40%.

Together, Board members and Senior Executives of Embracer Group, possess a range of relevant experience from previous senior management positions and board assignments for listed companies and international companies operating in a similar context. Their relevant expertise includes experience from the gaming industry, game development, electronics, acquisitions (M&A), business transformation, divestments, reconstructions, organizational culture and leadership, governance, business development strategies, product management as well as other sectors such as IT, financial markets and law. For biography, please refer to page [59-63](#) or the website. This expertise is directly applied to establish, approve, and monitor policies and processes for business conduct, ensuring that ethical standards are integrated into governance and daily operations throughout the Group.

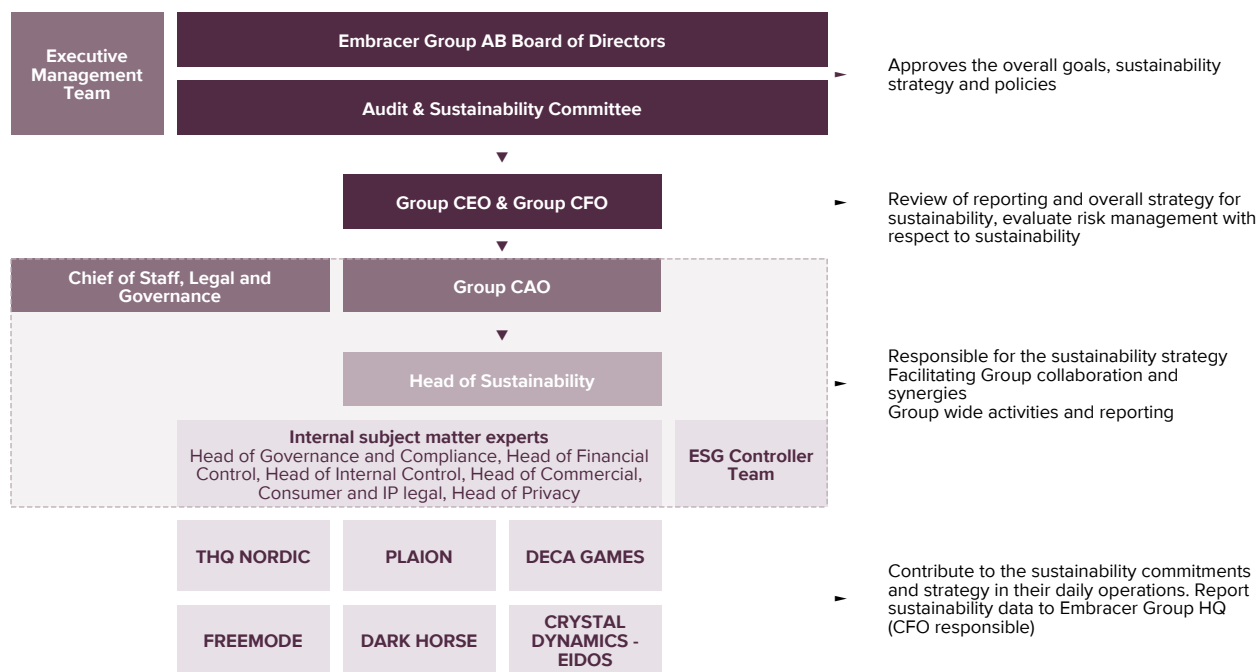
(GOV-1-5b, -19, -21a-e)

With regards to sustainability matters, the Board has appointed three board members to the Audit and Sustainability Committee. One of the main tasks of this Committee is to have an advisory role to the Board in the oversight of sustainability-related impacts, risks and opportunities. It is accountable for ensuring the quality of financial- and sustainability reporting, the efficiency of internal controls, audits, risk management and the continued development of the Group’s sustainability work. The executive responsibility for managing and addressing sustainability-related impacts, risks and opportunities lies with the Group CEO, who has further delegated such responsibilities to the Group CFO of the [Executive Management Team](#) and the Group CAO (Chief Accounting Officer). All Group Policies are owned by the Executive Management Team and are approved and adopted by the Board of Directors. Roles and responsibilities are delegated in accordance with Embracer Group’s Delegation of Authority.

Even further, to ensure that sustainability-related governance procedures, decision-making and controls are placed close to the matters in regards, part of the responsibility to monitor, manage and oversee impacts, risks and opportunities in the daily business, has been delegated to the Group Head of Sustainability and to the CEO’s of each operative group.

(GOV-1-19, 22a-ci)

SUSTAINABILITY ORGANIZATION AND GOVERNANCE



(GOV-1-AR4)

The Head of Sustainability is responsible for coordinating engagements with other internal management level positions with respect to specific material sustainability matters such as Head of Privacy & AI for Privacy matters and Head of Governance & Compliance for Business conduct matters. In addition, the Head of Sustainability is responsible for developing and maintaining the Group’s sustainability framework. This also includes leading engagement with external stakeholders and internal subject-matter experts. The Head of Sustainability works closely with the Group CFO and operates as the bridge between Embracer Group and the operative groups through continuous collaboration to enforce group-wide strategies, initiatives and reporting processes within sustainability (top-down) and facilitating collaboration and synergies in local contexts (bottom-up). For further information on the reporting lines to the Board, the Sustainability and Audit Committee and the Group Executive Management Team, please refer to GOV-2.

(GOV-1-5, -5a, -22cii, 23a-b)

In conclusion, the Board and its committees, the Group CEO and the Group Executive Management Team are the highest accountable for decisions around the strategic agenda, target-setting, and policy adoption within sustainability, including the overall performance against these.

This is enabled through access to internal subject-matter experts related to identified impacts, risks and opportunities (IROs) across the organization. The Board, the Audit and Sustainability Committee and the Group Executive Management Team are informed on a regular basis at Audit and Sustainability Committee meetings (nine ASC meetings during the financial year 2025/26) including one meeting fully dedicated to CSRD, and at designated Board meetings, where sustainability matters are also addressed as part of general updates. During the reporting period, the Board approved the

outcomes of the double materiality assessment and the Sustainability Policy, and participated in dedicated training on CSRD. Operational monitoring and implementation to ensure progress are handled locally by the Head of Sustainability and the operative groups. To ensure improvements in the management, Embracer Group is continuously working to strengthen its sustainability-related expertise related to material impacts, risks and opportunities via training that are available via the Group’s internal training platform, including on specific policies, for all levels from top management to employees and non-employees. There are also educational initiatives via the UN Global Compact and other external trainings that are offered within the group occasionally.

Dedicated controls for sustainability reporting have been initiated and are being aligned with financial reporting procedures. Full integration is planned as part of ongoing process development. See GOV-5 for details.

(GOV-1-19, -22cii-d, 23) (GOV-1-AR5)

With regard to Business conduct matters, the expertise of the administrative, management and supervisory bodies (AMSB), is relevant to the oversight and management of ethical conduct, compliance, corporate culture and integrity-related risks. This expertise supports informed decision-making and effective oversight of policies and actions related to Business conduct, including the Code of Conduct and related governance frameworks. That section also includes information about roles, responsibilities and expertise regarding sustainability matters, including Business conduct matters.

(GOV-1-5a-b)

GOV-2 | MANAGEMENT OVERSIGHT OF SUSTAINABILITY

The Embracer Group’s CEO, Board of Directors, Audit and Sustainability Committee and Group Executive Management Team are informed about sustainability matters on a regular basis at Board meetings and Group Executive Management Team meetings. Primarily, they are informed about the impacts, risks and opportunities that have been assessed as material to the Group following the double material assessment, as outlined under SBM-3 and IRO-2.

(GOV-2-24, -26, -26c)

With reference to the Group’s overall governance structure as described under GOV-1, their roles are mainly to stay informed and to ensure that sustainability matters are adequately considered into the overall business strategy and financial planning. The Board and the Audit and Sustainability Committee focuses on overarching targets, while the Group Executive Management Team focuses on the more detailed targets, performance monitoring and oversight of the actual

management processes that are driven by different manager positions across the group and operative groups depending on ESG area. For example, the group has established an internal steering committee for the CSRD Readiness project, which is led by Head of Sustainability and includes the Vice Chairman of the Board, the CFO and the Chief of Staff, Legal and Governance from the Group Executive Management Team, the Group CAO and, when relevant, other internal subject matter experts are invited to participate in dialogues. In such steering committee, bi-monthly discussions on sustainability-related matters are held to align whether certain matters must be communicated to the Executive Management Team and ultimately to the Board for decision making, approval and/or adoption of various initiatives.

(GOV-2-26a-b) (GOV-2-AR6)

GOV-3 | SUSTAINABILITY IN INCENTIVE SCHEMES

Embracer Group has no incentive schemes targeted towards the Board or senior executives. The current remuneration guidelines, as adopted by the shareholders, include requirements for sustainability-related objectives and social responsibility. Further information on the Group’s existing compensation programs can be found on page 54.

(GOV-3-13, -27, -29) (GOV-3-AR7)

Decisions on whether to include sustainability-related performance as part of existing remuneration structures (share-based programs) are made by the Group’s Board of Directors, following proposals from the Remuneration Committee. The Remuneration Committee is responsible for updating, preparing and overseeing the terms of the Group’s remuneration programs.

(GOV-3-29e) (E1-GOV-3)



THE 7TH GUEST REMAKE
Vertigo Games

GOV-4 DUE DILIGENCE

The table below outlines a mapping of the information provided in the Embracer Group’s sustainability statement that regards sustainability due diligence. It outlines the main aspects and steps of Embracer Group’s due diligence process, including references to the topical sections under which

further information can be accessed on the management of material sustainability matters.

(GOV-4-30, -32) (GOV-4-AR8, -10)

Core elements of due diligence

Paragraphs in the sustainability statement

a) Embedding due diligence in governance, strategy and business model	ESRS 2: GOV-2, GOV-3, SBM-3 ESRS E1: E1-2 incl. ESRS 2 MDR-P ESRS S1: S1-1 incl. ESRS 2 MDR-P ESRS S2 – phase in ESRS S4 – phase in ESRS G1: G1-1 incl. ESRS 2 MDR-P
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2: GOV-2, SBM-2, IRO-1 ESRS S1: S1-2 ESRS S2 – phase in ESRS S4 – phase in ESRS G1: G1-2
c) Identifying and assessing adverse impacts	ESRS 2: SBM-3, IRO-1
d) Taking action to address those adverse impacts	ESRS E1: E1-3 incl. ESRS 2 MDR-A ESRS S1: S1-4 incl. ESRS 2 MDR-A ESRS S2 – phase in ESRS S4 – phase in ESRS G1: G1-3 incl. ESRS 2 MDR-A
e) Tracking the effectiveness of these efforts and communicating	ESRS E1: E1-4, E1-5, E1-6, E1-7, E1-8 incl. ESRS 2 MDR-M and ESRS 2 MDR-T ESRS S1: S1-5, S1-6, S1-7, S1-8, S1-9, S1-14, S1-16, S1-17 incl. ESRS 2 MDR-M ESRS S2 – phase in ESRS S4 – phase in ESRS G1: G1-4, G1-6 incl. ESRS 2 MDR-M



GOV-5 RISK MANAGEMENT AND INTERNAL CONTROL

Embracer Group performs a Group-wide enterprise risk management (ERM) assessment, which is updated at least twice a year and the findings are presented to the administrative, management and supervisory bodies. In such process, key risks to the Group's operations are identified, including relevant mitigating actions as well as internal control processes to be put into place. The identified risks, including sustainability-related risks, are assessed based on events that might influence the achievement of the Group's strategic objectives. For further details on the overall approach and findings of the ERM assessment, please refer to Enterprise risk management on page [38-45](#).

(GOV-5-34, -36, -36b-e) (GOV-5-AR11)

In the Group's ongoing process, the sustainability-related risks currently being monitored include the ability to recruit and retain talent, as well as ensuring diversity among employees and a good work environment. The risks also include matters related to inclusion and digital wellbeing in games and entertainment, as well as aspects related to value chain governance and management. Additionally, sustainability reporting itself is one risk that is assessed alongside financial reporting risks, however dedicated controls for sustainability reporting is yet to be developed and implemented. As of today, Embracer Group has primarily introduced internal control and integration processes for human resources-related sustainability matters, such as HR-payroll to manage fraud risks in compensation but is yet to further accelerate control mechanism for other aspects. With regards to the process for

obtaining and analyzing environmental, social and governance data, metrics are collected and consolidated through a structured ESG data management process. Through that solution the Group manages data from its subsidiaries and performs internal reviews to ensure that the data is as complete and accurate as possible.

Findings from risk assessments and internal controls are integrated into the sustainability reporting process through structured feedback loops, updates to reporting instructions, and adjustments to estimation methodologies where relevant. Identified issues are communicated to reporting entities and inform continuous improvements to data quality and reporting practices.

Essentially, this means that Embracer Group currently does not have a formalized risk management and internal control system specifically for its sustainability reporting process. However, during the year the Group has initiated work to align the sustainability reporting processes with other procedures applied for financial reporting, including ERM and Internal Control. Certain control activities have been introduced and applied in parts of the sustainability reporting process, although these have not yet been formally tested. For instance, the double materiality assessment undertaken as part of the Group's CSRD work creates a basis for its future developed risk mapping and reporting according to the disclosure requirements of ESRS.

(GOV-5-34, -36a) (GOV-5-AR11)



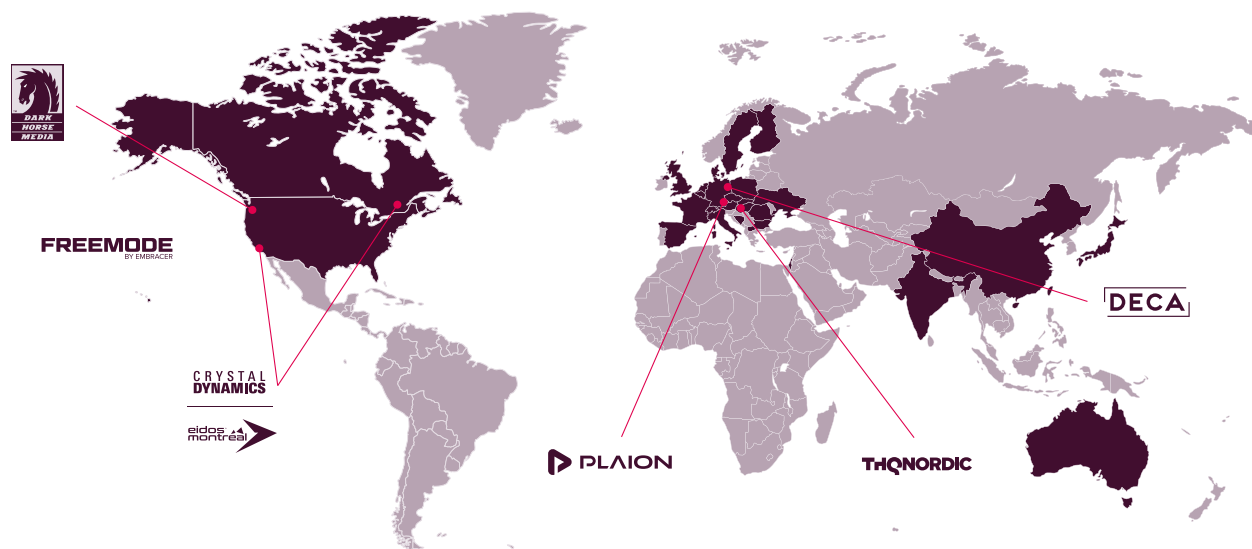
SBM-1 STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Embracer Group is a global group of entrepreneurial businesses in the games and entertainment industry. With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its six operative groups: THQ Nordic, PLAION, DECA Games, Dark Horse Media, Freemode and Crystal Dynamics – Eidos. These are the operative groups, under which more than 191 fully owned or controlled group companies deliver products and services within different segments of the Group’s overall strategy.

In total, the Embracer Group engages more than 6,000 people in our own workforce in more than 30 countries, which are further described under S1-6 and S1-7 about workforce characteristics.

(SBM-1-40, -40a, -40aiii)

EMBRACER GROUP'S GLOBAL PRESENCE



The Embracer Group’s key offering relates to PC and console games, mobile games and entertainment & services, including niche services related to IP, film, comic books publishing and merchandise. These segments are well reflected in the operative groups, with entertainment & services constituting the largest share (44%) of the Group’s total revenue followed by PC and console games (42%) and mobile games (14%). Major changes in the product portfolio during the year primarily reflect a transformative year for the Group, including the spin-off and listing of Coffee Stain Group in December. As a result, operations and related product offerings attributable to Coffee Stain Group are presented as discontinued operations in the groups financial statements. In parallel, the Group has continued to execute on its strategic priorities, including an increased focus on owned core IPs and the divestment of non-strategic operations. This has resulted in a more streamlined product catalog and clearer prioritization within PC and console, mobile, and entertainment & services. These changes have affected the composition and presentation of the Group’s product segments and operative groups, improving alignment between the operational structure and external reporting. This change is connected to the ongoing transformation of the Group which is described in detail on page 30 of the Board of Director’s report. For further details on the operative groups and product segments please

refer to page 29 of the Board of Director’s report, or on the Embracer Group [website](#).

(SBM-1-40ai)

Embracer Group operates in the global games and entertainment industry and reaches players and fans worldwide, across generations, genders and nationalities. There are no major changes in the markets and customers groups related to the spin-off of Coffee Stain. Looking forward, it is expected that after completing the ongoing transformation, the operative groups will be even more focused on business strategies tailored to their specific markets, customers groups and growth ambitions. There are no products and services within the Group’s portfolio that are banned in any of the markets that are currently served. However, there could be restrictions in certain markets that require the Group to adapt its products to comply.

(SBM-1-40aii-aiv)

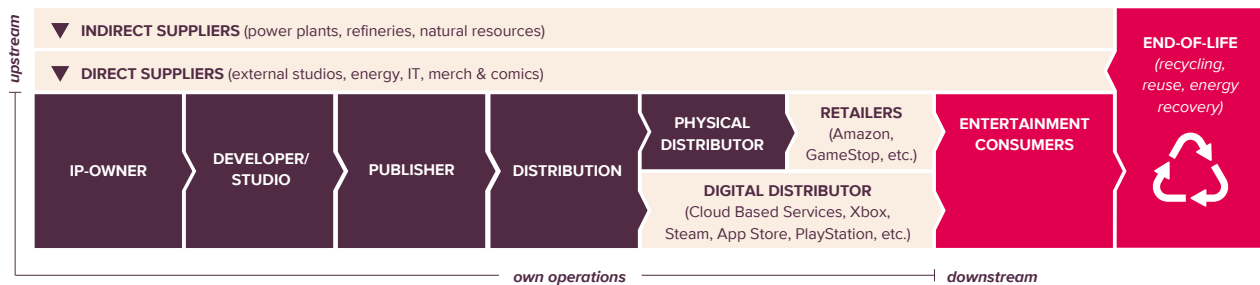
Key elements of Embracer Group’s business model and main value chain that affect sustainability matters encircle the development, distribution, publishing and user-phase of its products, which mostly take place in a digital landscape. As such, Embracer Group’s core business model and offering segments within games development and other services do not have a physical value chain. However, for relevant

business segments such as merchandise and comic books, a physical value chain exists. This includes sourcing, manufacturing, logistics, and distribution of physical products, managed by external partners and suppliers. The Group’s physical value chain is limited in scope compared to its digital operations, but is subject to the same sustainability standards and supplier codes of conduct. The resources underpinning Embracer Group’s business model are primarily generated within the Group’s own operations and value chain, reflecting the predominantly digital nature of the business, while dependencies related to energy use and equipment are inherent to the digital landscape described above. Operating in a digital landscape means that both the Group’s own operations and its products are energy-dependent via the use

of electronic devices and IT equipment. Thus, indirectly, there is a physical value chain related to energy and the production tiers of the equipment that is being used internally, including the respective gaming equipment being used by the gamers and customers. This equipment is produced outside of Embracer Group’s operations, by actors in the manufacturing sector and when these products reach the end of their lifecycle, they typically enter waste management and recovery streams managed by external parties, in accordance with local regulations and industry practices. This is illustrated in the figure below which outlines the Group’s key value chain.

(SBM-1-38, -42, -42a, -42c) (SBM-1-AR14)

EMBRACER GROUPS VALUE CHAIN



Embracer Group in the value chain

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

The Group’s primary direct business relationships are principally with its employees and contractors. Talent and competence within the workforce are key inputs to the business model, as Embracer Group is highly dependent on individuals’ specific capabilities in day-to-day operations, knowledge sharing and leadership that shape future direction. Other resources purchased by the Group are described under E1-6, specifically under purchased goods and services, while supply chain management procedures are further outlined under G1-2. In addition, through intellectual property ownership and licensing, Embracer Group has established a wide range of external partnerships with film studios and agents, which constitute key relationships across all operating segments. The Group’s extensive IP portfolio and unique licenses, together with continuous creativity and entrepreneurship in game development, shape its game releases. This supports the delivery of immersive gaming experiences for consumers and contributes to a diversified portfolio that positions the Group competitively.

(SBM-1-42b-c) (SBM-1-AR14b)

With regard to material sustainability matters the Group established its Smarter Business Framework in FY 2019. The framework is built around three pillars: Great People, Solid Work, and Our Planet with the purpose is to ensure that the Group prioritizes its efforts in a value-driven way. However, due to the ongoing transformation, the framework remains under development and is being refined over time. Finalization of the framework is planned for CY 2027, based on identified impacts, risks and opportunities across key value chains, markets, offering segments and stakeholder expectations. When such updates are in place, Embracer Group will have a better overview of the elements of its strategy that relate to or impact sustainability matters, including the main challenges ahead or critical solutions to be put in place.

(SBM-1-40e-g)

Embracer Group is not active in, nor has revenues derived from operations related to the fossil fuel (coal, oil and gas) sector, chemicals production, controversial weapons, nor the cultivation and production of tobacco.

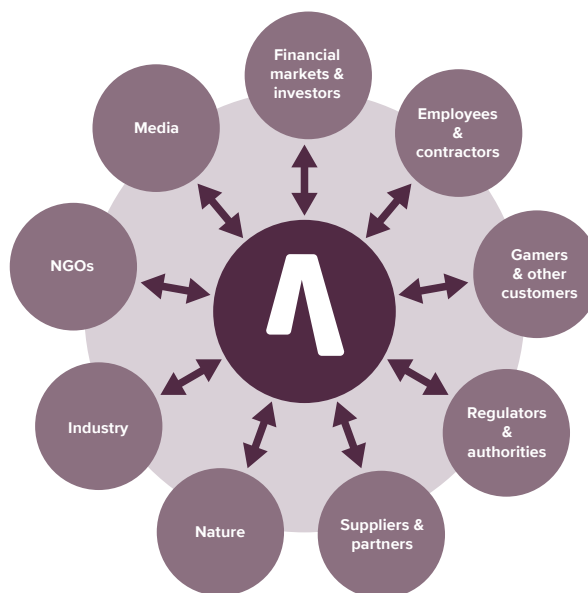
(SBM-1-40d-div)

SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS

Embracer Group is in continuous and close contact with its key stakeholders, which for instance includes employees and contractors (non-employees), Gamers and other customers, financial markets and investors, regulators and authorities, suppliers and partners, the industry, non-governmental organizations (NGOs), media and nature via external experts. The dialogue with the stakeholders is an ongoing activity and the purpose, type of engagement and channels for communication vary between different categories of stakeholder groups.

The table below provides a summarized description of engagement activities, as well as the purpose and how the outcomes are considered.

(SBM-2-45a-av)



Stakeholders	Material Topic	Channels for communication	Purpose and outcome
Financial markets & investors	E1, S1, S2, S3, G1	Regular reporting, direct dialogue and response to ESG ratings as Sustainalytics, S&P Global, UN Global Compact COP, and MSCI.	Maintain alignment on Embracers sustainability strategy and targets. Attracting responsible investors. Enhancing transparency. Responses to investors and the markets queries.
Employees & contractors	S1	Continuous direct dialogue with subject matter experts, employee engagement survey, performance and development reviews and regular HR network meetings.	Understand strengths and weaknesses in the workplace. Contribute to retain talent and improve the workplace. Promote the Sustainability Framework. Provide mandatory training in specific areas. Follow up through performance reviews.
Gamers & other customers	S4, G1	Community engagement, consumer studies, industry reports and engagement through social media.	Build trust. Gain insights into customers' interests concerning sustainability topics. Adaptation of product/service and of marketing strategies.
Regulators & authorities	E1, S1, S2, S3, G1	Monitoring and evaluation and assessment of regulations and requirements. Direct engagement through public affairs and regulatory dialogues.	Ensure compliance with existing and future legislation and increase awareness of potential transitional risks and opportunities driven by regulation to align the business model and strategy accordingly
Suppliers & partners	E1, S4, G1	Direct engagements, supplier and partner reviews, dialogue with group companies on their relationships with suppliers.	Ensure compliance with existing and future legislation and awareness of potential risks and opportunities driven regulation. Promote and implement alignment on Embracers sustainability strategy. Compliance with Supplier Code of Conduct and internal policies.
Industry	E1, S1, S2, S3, G1	Engagement in industry organizations and sector associations such as Dataspeksbranschen and Video Games Europe. Attending work meetings and engaging in dialogue with peers.	Understand interests and views from a broader sector perspective, influence, capture inspiration and external insights on sector-wide issues.
NGOs	E1, S1, S2, S3, G1	Direct engagement, collaboration with established partnerships, and response to NGO inquiries.	Gain insights on responsible business practices from a broader perspective and from collaborations.
Media	E1, S1, S2, S3, G1	Open and ongoing communication with media through press contacts and ongoing dialogue.	Stay informed about changes in public discourse and market expectations, and promote openness, support transparency, and build trust.
Nature	E1	Direct engagement with relevant internal and/or external environmental experts, supported by insights from reports and research.	Understand the Group's (negative) impacts on climate change and the environment across the value chain, as well as the related risks and opportunities.

(SBM-2-45, -45a, -45aiii, -45av)

Stakeholder dialogues play a key role in informing the Group’s double materiality analysis by providing diverse perspectives, insights, and concerns from stakeholders directly affected by the Group’s activities. In the DMA process the Group gathers all input gained over the year from ongoing stakeholder dialogues, and where necessary it collects further insights to make sure that the main interest and views of key stakeholders are considered. It is an integral part of the identification and assessment of impacts, risks and opportunities. The input from stakeholders fosters better understanding of which sustainability matters are material for the Group.

As one example, this includes assessing internal documentation, such as the results from employee satisfaction surveys conducted every other year, to capture aggregated perspectives and views from parts of the workforce. As part of the double materiality assessment, the Group is also talking directly to representatives and subject matter experts that can put forward their views or other important aspects that are considered when evaluating the materiality of a given sustainability matter. Specifically for actual (negative) impacts, another key aspect is assessing the Groups’ grievance mechanism as described under S1-3, to understand and act upon the voice of affected stakeholders through a formalized and robust process. Embracer Group may also assess external sources such as sector reports and research papers that are relevant for the gaming and entertainments industry, or the global markets in which the Group has operations. These activities together helps to understand in further depth how its business model and activities in its operations, and across the value chain, may influence its stakeholders in different ways.

(SBM-2-12, -45av, -45b) (SBM-2-AR4, -5)

The Group Executive Management Team is informed about stakeholders’ interests and views on sustainability impacts through structured internal reporting of insights from dialogue and surveys, as well as through sustainability-focused deep dives that incorporate stakeholder perspectives. Information on stakeholder views is communicated to the Group Executive Management Team with the timing and frequency of updates determined by the relevance of the topic.

Based on the outcomes of stakeholder engagements, Embracer Group makes adjustments to its strategy and business model as needed to support value creation in its operations. Mainly since the interests and views from the Group’s stakeholders are valuable input that informs decision-making in the daily operations, and for its continuous improvement. One example is the ongoing transformation currently expected to be finalized during CY 2027. This highly strategic change will not only influence the Group’s relationships with key stakeholder groups, but also enable it to better meet their interests. These outcomes are achieved through adjustments to the Group’s organizational structure, portfolio focus, and ways of operating as part of the transformation, which in turn amend how the strategy and business model are applied in practice.

(SBM-2-45c-ciii, -45d)

Embracer Group actively engages with its own workforce and their representatives to inform its strategy and business model, as fully disclosed under ESRS 2 SBM-2. Further details regarding existing engagement processes and specific examples of how these have a direct impact on the strategy and business model are disclosed in section S1-2 below. Moreover, Embracer Group’s policies as outlined under S1-1 further specify the commitment to respect the human and labor rights of the workforce, encouraging all employees and consultants to report any concerns to their supervisor, management, HR, Compliance Officer or through the whistleblowing channel disclosed in section S1-3.

(SBM-2-12) (SBM-2-AR4, -5)

SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND STRATEGY ALIGNMENT

In this section Embracer Group outlines a summary of its material impacts, risks and opportunities and how they interact with the Group’s strategy and business model, as well as the value chain as described under SBM-1. Information about material sustainability matters is provided for each ESG area according to the ESRS standard structure. The tables below serve as an overview, with further explanations in each section: Environment, Social, and Governance.

(SBM-3-46) (SBM-3-AR17)

Across all ESG areas, the Group continues to report on similar aspects of environmental, social and governance topics as in previous sustainability reports, although now in a more detailed format following the CSRD. Compared to the previous year, there have been no material changes in relation to the matters described under SBM-3. No entity-specific disclosures have been developed.

(SBM-3-48g-h)































Embracer Group assesses that the resilience of its strategy and business model is strong related to its capacity to address all material impacts and risks, and opportunities. Based on the assessment of material sustainability-related risks and opportunities, no material current financial effects on the Group’s financial position, financial performance or cash flows have been identified. Furthermore, no significant risk of material adjustment within the next reporting period to the carrying amounts of assets and liabilities has been identified. With growing awareness, sustainability has become a crucial topic in the gaming and entertainment industry, encompassing both environmental and social responsibility. In this context, the Group focuses its sustainability efforts on the matters where it can have the greatest positive impact or where it can contribute to solutions and drive change. For climate change specifically, no thorough climate risk, resilience or scenario analysis has been performed during the reporting period. Climate change is therefore not assessed from a resilience perspective in this reporting period. Notably, the financial sector’s dialogue is evolving, with investors increasingly seeking to invest in companies that adhere to principles of responsible business conduct. The ongoing transformation of Embracer Group will be even better equipped to manage sustainability matters, as the Group strengthens its connection between markets and operational decision-making.



























(SBM-3-48d, -48f)

Material Impacts, Risks and Opportunities (IROs)






























The following IROs have been deemed material for Embracer Group as part of the DMA shown on the previous pages. These IROs are addressed by Embracer’s management.

Impacts, risks and opportunities	Value chain	IRO description	Time horizon			
			S	M	L	
E1 CLIMATE CHANGE						
Climate change mitigation			Embracer Group’s own operations and value chain generate greenhouse gas emissions, mainly driven by energy use in its predominantly digital business model, contributing to climate change.			
Energy consumption and mix within the organization			Energy consumption in Embracer Group’s own operations reflects the energy needs of a predominantly digital business and results in environmental impact related to energy use.			
Actual Negative Impact	Actual Positive Impact	Potential Negative Impact	S	Short-term		
Opportunity	Risk	Potential Positive Impact	M	Medium-term		
Upstream	Own Operations	Downstream	L	Long-term		

Impacts, risks and opportunities	Value chain	IRO description	Time horizon		
			S	M	L
S1 OWN WORKFORCE					
Health and Safety	 	High employee workload, if not adequately managed, can negatively affect employees' health and well-being, including risks related to stress and burnout.	→		
Working-time	 	Employees at times experience periods of extended or intense working hours linked to project-driven work and launch cycles, negatively affecting work-life balance.	→		
Secure employment	 	Organizational transformation and reliance on both employees and non-employees has affected how employment stability is perceived by parts of the workforce, with a negative impact on motivation and engagement.	→		
Training and skills development	  	Insufficient continuous training and skills development can leave parts of the workforce without necessary capabilities over time, constituting a negative impact and increasing retention and talent-related risks.	→		
Diversity	  	A diverse and inclusive workforce supports innovation and employee engagement, creating opportunities to strengthen Embracer Group's position as an employer.	→		
Freedom of association	  	Limited collective bargaining coverage and low union representation, combined with limited formal controls, constitute impact on freedom of association and a related labor relations risk.	→		
Harassment	  	Harassment in the workplace can negatively affect employee well-being, leading to reduced engagement and increased turnover.	→		
Equal treatment	  	Discrimination can result in unfair treatment of employees, negatively affecting engagement and increasing turnover risk.	→		
<p>  Actual Negative Impact  Actual Positive Impact  Potential Negative Impact S Short-term  Opportunity  Risk  Potential Positive Impact M Medium-term  Upstream  Own Operations  Downstream L Long-term </p>					

Impacts, risks and opportunities	Value chain	IRO description	Time horizon		
			S	M	L
S2 WORKERS IN THE VALUE CHAIN					
Health and Safety	  	Unsafe working conditions in the value chain negatively affect workers' physical and mental health.	→		
Working-time	  	Unregulated working hours and overtime in the value chain negatively affect workers' work-life balance	→		
Adequate wages	  	Business partners not paying adequate wages contribute to unfair working conditions and negative impacts on workers.	→		
Collective bargaining	  	The absence of the right to collective bargaining and freedom of association can negatively affect workers' ability to protect their interests and working conditions.	→		
Equal treatment	  	Discrimination in the value chain imposes unequal disadvantages on individuals or denies equal opportunities, resulting in unfair treatment.	→		
Harassment	  	Harassment or inappropriate behavior in the value chain can negatively affect workers' safety and well-being and increase turnover risk.	→		
Diversity	  	A lack of diversity and inclusion in the value chain can limit equal opportunities, reduce engagement and contribute to unfair treatment of workers.	→		
Forced labor and Child labor	  	The presence of forced labor or child labor in the value chain constitutes a severe negative impact on human rights, children's development, and workers' freedom and safety.	→		
Water and Sanitation	 	Potential lack of access to safe and clean drinking water and sanitation in the value chain negatively affects workers' health, dignity and basic living conditions.	→		

-  Actual Negative Impact  Actual Positive Impact  Potential Negative Impact S Short-term
-  Opportunity  Risk  Potential Positive Impact M Medium-term
-  Upstream  Own Operations  Downstream L Long-term

Impacts, risks and opportunities	Value chain	IRO description	Time horizon		
			S	M	L
S4 CONSUMERS AND END-USERS					
Privacy	  	Personal data breaches caused by technical or human errors result in harm to end-users and give rise to privacy-related risks.	→		
Social inclusion	  	Discriminatory or non-inclusive content, limited accessibility or unequal access negatively affect players and increase risks related to trust, engagement and loss of customers.	→		
Protection of children	  	Children may be exposed to bullying, toxic behavior or grooming in games and online interactions, negatively affecting their safety and well-being and increasing related trust, regulatory and reputational risks.	→		
Health and safety	  	Over-consumption, lack of representation or inappropriate game content negatively affect players' well-being and experience, increasing the risk of adverse consumer reactions and loss of customers.	→		
Responsible marketing	  	Irresponsible or unclear marketing practices can negatively affect consumers and increase risks related to trust, complaints and regulatory or reputational exposure.	→		
G1 BUSINESS CONDUCT					
Corporate Culture	    	Embracer Group's decentralized business model may lead to inconsistent implementation of a shared behavioral culture. The ongoing implementation of internal controls in the sustainability area may result in the risk of insufficient alignment across the Group not being fully mitigated.	→		
Corruption and bribery	  	Embracer Group's decentralized business model can result in inconsistencies in the application of a shared behavioral culture across the Group. This may, over time, increase the risk of misalignment in behaviors and decision-making.	→		
Management of relationships with suppliers	   	Embracer Group's decentralized management of supplier relationships lead to variations in the assessment and follow-up of suppliers, impacting consistency and transparency.	→		
Payment practices	 	Delayed or non-transparent payment practices could negatively affect business partners' cash flows, in particular small and medium-sized enterprises.	→		
(SBM-3-48a-c, -48f-h)					

 Actual Negative Impact
  Actual Positive Impact
  Potential Negative Impact
 S Short-term
 Opportunity
  Risk
  Potential Positive Impact
 M Medium-term
 Upstream
  Own Operations
  Downstream
 L Long-term

IRO-1 PROCESS FOR IDENTIFYING AND ASSESSING MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

As part of the preparations of the sustainability statement, Embracer Group has conducted a double materiality assessment to identify the impacts, risks and opportunities on sustainability matters that are material and subject to reporting. Embracer Group follows the processes prescribed by the ESRS and the related guiding documents, which can be summarized into four main steps:

1. **Mapping** relevant contextual information about the Group's operations and value chain.
2. **Identifying** sustainability-related impacts, risks, and opportunities in connection to business activities and dependencies of the own operations, upstream and downstream.
3. **Assessing** the materiality of identified impacts, risks, and opportunities by understanding the likelihood and inside-out impact the Group has on sustainability matters, and/or how sustainability matters may trigger outside-in financial effects on the Group's financial position through risks and opportunities.
4. **Consolidating** the result for each material sustainability matter and mapping them against the applicable disclosure requirements, which are then disclosed in this present report.

The details for each step are further explained below for the two materiality perspectives, including the judgments, criteria, thresholds, and assumptions that have been used to determine the materiality. For an overview of the result and how material sustainability matters interact with the Group's strategy and business model, please refer to SBM-3.

(IRO-1-51, -53g)

Impact materiality

In the first two steps of mapping contextual information and identifying impact-drivers, the Group lists the specific dependencies and business activities that take place in its own operations and along the different steps of its upstream and downstream value chain, as described under SBM-1 in the Embracer Group value chain. These business activities are then screened against the list of sustainability matters (topics, sub-topics and sub-sub-topics) prescribed by the ESRS. In such screening Embracer Group builds an understanding of the geographies and the circumstances under which activities take place across the entire value chain, including how they may impact stakeholders negatively and/or positively. Factors of heightened risks are considered to understand aspects that may influence the likelihood or severity of impacts, such as management procedures or other specific circumstances such as sector characteristics, applicable national laws, geopolitics or similar. Hence, the Group considers the impacts with which it is causing or contributing to in its own operations, and those it is linked to in the value chain and through business relationships and products.

(IRO-1-53a, -53b-bii) (IRO-1-AR6)

In the third step the Group proceeds an assessment to understand materiality. For negative impacts, prioritization is based on the likelihood of occurrence and the severity to affected stakeholders, and for positive impacts it is based on the likelihood and benefit. Likelihood is only assessed for potential impacts, and the criteria for severity considers the scope, scale and remediable character of impacts. These

criteria are assessed in depth and impacts exceeding the qualitative and quantitative thresholds are deemed material for reporting. This essentially means that all actual impacts with a medium to critical severity are prioritized in the Group's sustainability statement, including the potential impacts with a higher likelihood and severity. In contrary, the actual and potential impacts with a lower severity and/or likelihood are not material for reporting.

(IRO-1-53biv)

During the DMA process itself the Group does not consult directly with affected stakeholders, but it considers the interests and views of various stakeholder groups by leveraging the results from its other on-going stakeholder dialogues. For example, by engaging with different internal functions that are responsible for, or that possess insights and expertise related to, a given sustainability matter which informs the DMA. The Group also consults external experts and other sources that help understand how stakeholders may be impacted in various ways. For further details on stakeholder engagements, please refer to SBM-2.

Overall, this process considers the principles for sustainability due diligence. Embracer Group sees the DMA as an integral part of the steps in due diligence that refers to identifying and assessing impacts on affected stakeholders, where stakeholders are both people and nature (which is considered a stakeholder for environmental sustainability matters).

(IRO-1-53b, -53biii)

Financial materiality

Alongside the assessment of material impacts, Embracer Group looks into financial aspects to understand whether there are connections between sustainability-related impacts, risks and opportunities. In such step the Group identifies whether risks and opportunities may arise from any of the impacts and dependencies already identified during the impact materiality assessment. Related to each sustainability matter, the Group establishes an understanding about potential transitional and/or physical risks or opportunities that could trigger financial effects to its operations, either negatively (risks) or positively (opportunities). For example, the Group identifies if a given sustainability matter could lead to events that impact its on-going business activities, assets, revenues, expenditures or otherwise affecting its financial position over different time horizons.

(IRO-1-53ci)

Where risks and/or opportunities have been identified, the materiality is assessed based on the likelihood of occurrence and the anticipated magnitude of the financial effect. For the magnitude the Group considers how financial effects could potentially impact its overall financial position, and those that exceed the quantitative thresholds are deemed material for reporting. This essentially means that the risks and opportunities with significant magnitude in terms of effects on the Group's financial position are prioritized in the sustainability statement. While those with a lower magnitude and likelihood are not material for reporting.

(IRO-1-53cii)

The financial materiality assessment is aligned with the Group-wide enterprise risk management (ERM) framework and has during the reporting year been further integrated into the Group's overall risk management processes. The sustainability function has worked more closely with the broader risk management function, applying a consistent basis for prioritization of sustainability-related risks and impact in relation to other business risks. While sustainability matters

covered by the double materiality assessment are not yet fully embedded in all existing ERM tools, progress has been made during the year to integrate these matters into the Group's established risk management processes.

The Group's ERM decision-making process and the related internal control procedures, are further described on page [38](#).

(IRO-1-53cii, -53d-f)

Assessment of previous material topics and IROs

Embracer's internal stakeholders and subject-matter experts revisited a previously identified long-list of topics, including both non-material and material topics, and assessed their relevance in the current context, due to divestments and global developments. This included evaluating associated IROs across local operations and geographies, applying previously used assessment guiding and scoring methodology. Embracer has assessed its impacts and dependencies to identify whether these lead to, or aggravate, risks and opportunities. In addition, each IRO has been assessed based on where it occurs in the value chain.

Non-material topics

Embracer Group has identified and assessed actual and potential impacts, risks and opportunities related to Pollution (ESRS E2), Water and Marine Resources (ESRS E3), Biodiversity and Ecosystems (ESRS E4) and Affected communities (ESRS S3). No material impacts, risks or opportunities were identified, and these topics are therefore excluded from the Sustainability Statement. This conclusion is based on an assessment of potential impacts in relation to Embracer Group's predominantly digital and asset-light business model, limited physical operations, and geographical presence.

IRO-2 | DISCLOSURE REQUIREMENTS IN ESRS COVERED

This section of the report is supported by a Content Index, please refer to page [124](#). The Content Index includes references to the relevant page(s) where each material Disclosure Requirement can be found.

A list of data points in cross-cutting and topical standards that derive from other EU legislation is presented in the Appendix, a tabular overview of all ESRS Disclosures. The table "List of data points from other EU legislation" also identifies the location and materiality of the underlying data points that derive from other EU legislation, including the Sustainable Finance Disclosure Regulation (SFDR), the Pillar 3 framework and the Benchmark Regulation. Where applicable, indications whether Omnibus phase-in provisions have been applied, in accordance with ESRS requirements. A sustainability matter is classified as material if at least one underlying impact, risk, or opportunity meets the threshold criteria.

(IRO-2-54, -56, -59)

For further details on the Group's processes for identifying and assessing material information to be disclosed, refer to SBM-3 and IRO-1.

SUSTAINABILITY STATEMENT

ENVIRONMENT

Embracer Group is committed to reducing its environmental impact and supporting a more sustainable future for the gaming and entertainment industry. Our environmental efforts encompass climate change, energy efficiency and responsible resource management. By collaborating with partners and industry peers, we aim to drive positive change and remain responsive to global environmental trends and challenges.

**/ CLIMATE TRANSITION PLAN
PROJECT INITIATED**

42%

**/ RENEWABLE ENERGY
IN OWN OPERATIONS**



Tides of Tomorrow, DigixArt - takes place on a plasticpunk oceanic planet and explores environmental themes through gameplay. The game allows players to influence each other's journeys, every choice you make is left behind for other players to encounter, while you, in turn, play through the consequences of the actions of those who came before you.

ESRS E1 | SUSTAINABILITY STATEMENT

CLIMATE CHANGE

Climate change is a central area within Embracer Group’s environmental work. The Group works with issues related to greenhouse gas emissions, energy efficiency, and the transition to a low-carbon economy. The climate work relates to frameworks such as the Paris Agreement and the EU Taxonomy, and climate-related risks and opportunities are considered in order to understand how the business model may be affected.

E1 SBM-3 | MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND STRATEGY ALIGNMENT

Impacts, risks and opportunities	Value chain	Description	Time horizon			
			S	M	L	
E1 CLIMATE CHANGE						
Climate change mitigation			Embracer Group’s own operations and value chain generate greenhouse gas emissions, mainly driven by energy use in its predominantly digital business model, contributing to climate change.			
Energy consumption and mix within the organization			Energy consumption in Embracer Group’s own operations reflects the energy needs of a predominantly digital business and results in environmental impact related to energy use.			
Actual Negative Impact	Actual Positive Impact	Potential Negative Impact	S	Short-term		
Opportunity	Risk	Potential Positive Impact	M	Medium-term		
Upstream	Own Operations	Downstream	L	Long-term		

Embracer Group emits GHG emissions from its own operations (Scope 1 and 2), as well as in its upstream and downstream value chain (Scope 3). These together contribute to global warming, leading to negative impact on climate. The emissions are primarily linked to energy use in the Group’s operations, in the supply chain, and in the use of the Group’s products and services, including the use of IT infrastructure and digital platforms.

(E1-SBM-3-48a, -48c-cv, -48d)

However, climate change and energy-related dependencies are not expected to trigger significant financial effects to Embracer Group, neither physical nor transition-related risks or opportunities. This conclusion is based on a qualitative assessment of potential climate-related impacts in relation to the Group’s predominantly digital business model with low capital intensity in fixed assets, its limited exposure to climate-sensitive physical assets, and prevailing regulatory and market conditions within the gaming industry. No formal climate scenario analysis has been conducted during the reporting period. During the reporting period, Embracer Group has not allocated any operating expenses (OPEX), capital expenditures (CAPEX) or financing specifically to climate change mitigation or adaptation actions. This is due to the ongoing Group-wide transformation, which has resulted in a temporary pause of strategic initiatives and investments

related to climate change. As a result, no financial resources have been committed to climate-related actions during the reporting year.

(E1-SBM-3-18, -19)

While no climate resilience- or scenario analysis has been performed, climate change is deemed non-material for reporting from a financial materiality perspective. The main reason for this result is because the Embracer Group’s value chain is predominantly digital, with the exception of certain operations such as merchandise, comics and other distribution activities, where the Group has a physical value chain and inventory. Nor does the Group operate in a High Climate Impact Sector as defined by EU, such as manufacturing, infrastructure and transportation industries.

(E1-SBM-3-19a-c, -57)

E1 IRO-1 IDENTIFYING AND ASSESSING CLIMATE RELATED MATERIAL IMPACTS, RISKS AND OPPORTUNITIES**Details for assessing climate-related impacts, risks and opportunities**

Specifically related to climate change, Embracer Group is considering the existing measurements of GHG emissions generated as part of the impact materiality assessment. The GHG emissions in Scope 1, 2 and 3 provide insights into the impact on climate change that the Group causes or contributes to from its own operations, or that it is linked to through via its business relationships and products. As part of the Group's double materiality assessment, Embracer Group has identified and assessed climate-related impacts by screening activities in its own operations and across the value chain in line with the processes described under ESRS 2 IRO-1. The screening focused on understanding how the Group's predominantly digital business model gives rise to greenhouse gas emissions through energy use in offices, studios and IT infrastructure in own operations, as well as through energy consumption related to the use of sold products in the downstream value chain.

Actual climate-related impacts were identified based on measured Scope 1, 2 and relevant Scope 3 greenhouse gas emissions, reflecting the Group's contribution to climate change through energy-related activities. Potential climate-related impacts were assessed by considering whether changes in operations, technology use or energy demand could increase or decrease emissions over time. The assessment of impacts took into account the scale and nature of emissions arising from own operations and the value chain, and informed the conclusion that climate change mitigation constitutes a material impact for reporting purposes.

In this process, the Group has not screened activities or plans to identify potential future GHG emission sources since the current identification and assessment focus on the business as it is today. If changes arise in operations and GHG emission sources, these will be reflected in annual reviews of the DMA.

(E1-IRO-1-20, -20a) (E1-IRO-1-AR9a-b)

In the financial materiality assessment, Embracer Group assesses climate-related physical risks and transition risks, as well as opportunities, within the DMA process. The qualitative screening undertaken as part of the double materiality assessment did not explicitly assess risks under defined high- or low-emission climate scenarios. Based on the predominantly digital business model, limited physical asset base and lack of exposure to high-climate-impact sectors, the Group assessed that climate-related physical and transition risks are not expected to result in significant financial effects under the current business context. This constitutes a limitation of the current assessment.

(E1-IRO-1-20b-bi, -20c-ci)

As part of the double materiality assessment, Embracer Group performed a qualitative screening of its business activities and assets to identify potential climate-related impacts, taking into account the predominantly digital nature of the operations and the limited physical asset base. This screening included a high-level consideration of physical climate hazards that could potentially cause financial effects, either through direct impacts on own operations or via the value chain, such as weather-related events including storms, precipitation and heatwaves across relevant time horizons, please refer to BP-2-9. Based on this assessment, no exposure of assets or

business activities to climate-related hazards was identified that could reasonably be expected to result in significant financial effects. This conclusion reflects the outcome of the qualitative screening of physical climate hazards in relation to the Group's business model, asset base and value chain. As the Group has low capital intensity in fixed assets, no distinct long-term climate-related exposures linked to asset lifetimes, strategic planning horizons or capital allocation plans have been identified. This assessment was based on a high-level qualitative screening and did not involve a detailed climate scenario analysis. Risks were instead identified and assessed at a qualitative level based on the nature of the Group's operations and business model, including consideration of potential physical risks such as extreme weather events or long-term climatic changes that could affect data-center availability or energy demand, as well as transition risks related to changes in energy prices, regulatory developments and increased requirements on energy efficiency. Based on this assessment, no business activities have been identified that are incompatible with, or would require significant efforts to be compatible with, a transition to a climate-neutral economy.

(E1-IRO-1-20bii) (E1-IRO-1-AR11a-c)

For transition risks, Embracer Group has taken into consideration whether its current business model may be exposed to transitional changes, creating financial implications on investments, assets and business activities over the short-, medium- and long-term time horizons. For example, understanding whether climate-related reputational, regularity or market wide shifts could lead to changes in its expenditures (Opex and Capex) or revenue streams.

(E1-IRO-1-20cii) (E1-IRO-1-AR12a-b)

As mentioned above, for the purpose of identifying and assessing climate-related impacts, risks, and opportunities Embracer Group has not performed a formalized scenario analysis. It may become relevant to look deeper into a range of climate scenarios to better understand the Group's exposure to physical and transition risks and opportunities. However, as of today, the Group has not experienced the need to perform such detailed assessment as part of its DMA in order to arrive at a reasonable result related to climate change considering the Group is not operating in High Climate Impact Sectors as defined by EU.

(E1-IRO-1-21) (E1-IRO-1-AR13a-d, -14, -15)

This is the first time Embracer Group outlines its results from a DMA in a CSRD aligned sustainability statement, why there are no changes in methodologies compared to previous assessments following the concept of double materiality. Considering this is a new concept, the Group will continuously improve its methodologies during the annual reviews and potential future changes will be disclosed.

(E1-IRO-1-53h)

E1-1 TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Embracer Group does not have a transition plan for climate change mitigation in place. This is due to the comprehensive transformation of the Group that was announced in FY 2023/24, and which is still ongoing. With regard to negative impacts related to a just transition in the context of climate change, Embracer Group has not yet developed a formal climate transition plan and has therefore not identified any impacts on its own workforce stemming from decarbonization initiatives. During the reporting year, the Group initiated a project to develop a climate transition plan in connection with preparations for the review of its Science Based Targets (SBTs). This initiative will provide a foundation for future assessments of transition-related impacts on the workforce and support ongoing alignment with climate-related

requirements. For further details about the transformation please refer to Significant events in the financial year page 30. Embracer Group does acknowledge the importance of being able to provide information that clearly outlines the Group’s strategy for reducing GHG emissions and, as communicated in the previous reporting period, a climate transition plan will be developed in CY 2027 after completing the transformation. Until then, this report provides certain information about exiting commitments, actions, targets and total GHG emissions under E1-2 on policies, E1-4 on actions, E1-4 on targets and E1-6 on Scope 1, 2 and 3 GHG emissions.

(E1-1-17)



TITAN QUEST II
THQ Nordic | Grimlore Games

E1-2 | POLICIES RELATED TO CLIMATE CHANGE

Embracer Group has adopted the following policies that outline its commitment to manage material impacts, risks and opportunities related to climate change:

(E1-2-22)

- > **Embracer Group Code of Conduct:** with one of the main objectives to emphasize the Group's commitments to protect the environment and climate through analyzing and understanding the Group's impact on the environment and the climate, as well as reviewing our business partners and making necessary controls in these aspects.
- > **Embracer Group Supplier Code of Conduct:** with the general objective of highlighting how Embracer Group upholds its environmental and climate-related commitments across its supply chain. For example, the SCoC require suppliers to identify their climate impacts and to have GHG emission reduction targets for Scope 1, 2 and 3, as well as action programs aimed at reducing their carbon footprint and implementing climate change adaptation measures as needed.

- > **Embracer Group Sustainability Policy:** with one of the main objectives to emphasize the Group responsibility in sustainable development and triple bottom line (ESG). Specifically related to climate change it addresses areas such as climate change mitigation, renewable energy deployment and energy efficiency. The policy includes a commitment to reduce Scope 1, 2 and 3 GHG emissions in alignment with the Paris Agreement on limiting global warming to 1.5°C degrees, or staying well-below 2°C degrees. It is also a cornerstone for the Group's journey towards achieving its Science-Based Targets adopted in FY 2023/24, which are further described under E1-4 on targets. Regarding energy, the Sustainability Policy includes a commitment to increase the share of renewable energy in the Embracer Group's energy mix and to improve energy efficiency.

(E1-2-24, -25a-d) (E1-2-MDR-P-63, -65, -65a, -65d)

	Code of Conduct	Supplier Code of Conduct	Sustainability Policy
Date of adoption	23/04/2019	5/31/2022	02/06/2025
Latest revision	19/09/2024	19/09/2024	02/06/2025
Most senior level accountable for adoption of the policy	Embracer Group Board of Directors	Embracer Group Board of Directors	Embracer Group Board of Directors
Most senior level responsible for communicating and monitoring the policy	Embracer Group Chief of Staff, Legal & Governance, as well as the executive management of each operative group	Embracer Group Chief of Staff, Legal & Governance, as well as the executive management of each operative group	Embracer Group Head of Sustainability
Scope of the policy	Own operations, Employees and non-employees globally	Upstream, Own operations and Down stream, Suppliers and business partners globally	Upstream, Own operations and Down stream, Employees and non-employees globally
Alignment with third-party standards or initiatives, specifically the UN Convention against Corruption	<ul style="list-style-type: none"> > UN Guiding Principles on Business and Human rights > International Charter of Human Rights > OECD Guidelines for Multinational Enterprises > International Labor Organization (ILO) > UN Global Compact > The principle of social partnership 		<ul style="list-style-type: none"> > OECD Due Diligence Guidance > International Bill of Human Rights (UDHR, ICESCR and ICCPR) > Instruments and core conventions of ILO Declaration > UN Global Compact > UN Paris Agreement > UN Kyoto Protocol
ESRS area	E1 - Climate Change S1 - Own Workforce S2 - Workers in the Value chain S3 - Consumers and End-users G1 - Business Conduct	E1 - Climate Change S2 - Workers in the Value chain G1 - Business Conduct	E1 - Climate Change S1 - Own Workforce S2 - Workers in the Value chain S3 - Consumers and End-users G1 - Business Conduct

E1-3 ACTIONS FOR CLIMATE CHANGE

In the reporting year, Embracer Group has not taken any specific actions with regards to reducing GHG emissions. The ongoing transformation of the Group has led to the temporary pause of Group-wide strategic initiatives and investments concerning climate change mitigation. As mentioned under E1-1, a climate transition plan will be developed in calendar year 2027 to ensure that the Group can achieve its GHG emission reduction targets and uphold its commitments on ensuring compatibility with the Paris Agreement. Further information about the targets and how these are also impacted by the ongoing transformation can be found under E1-4.

In the previous reporting period Embracer Group communicated that focus has been placed on preparatory initiatives in strengthening capacities in data gathering from all subsidiaries through the implementation of new solution support. The solution was put in place during the financial year

2025/26 and will serve as an important tool for ongoing and future follow-up of GHG emissions and mitigation actions, and will continue to be further developed over time. Another key component for climate actions, as communicated in previous reports, is the internal climate fund established by the parent company in FY 2023/24. To date, no funding has been allocated from this climate fund. The future role and use of the fund will be determined in connection with the development of the Group's climate transition plan. If activated, the fund is intended to provide internal financing for GHG reduction initiatives within the group companies. The climate fund may thus become a supporting tool for incentivizing climate action and financial planning over the short-, mid- and long-term, depending on the direction set in the forthcoming transition plan.

(E1-3-26)



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E1-4 TARGETS RELATED TO CLIMATE CHANGE

To uphold the climate-related commitments described under E1-2, Embracer Group has established greenhouse gas (GHG) emissions reduction targets that were approved by the Science Based Targets initiative (SBTi) and adopted by the Board in FY 2023/24. These targets apply to the entire Embracer Group and were developed in accordance with the SBTi Corporate Net-Zero Standard. The Group's climate targets were developed and set internally, led by the sustainability function, and validated through the Science Based Targets initiative (SBTi) target submission and approval process. The target-setting process did not involve formal external stakeholder consultation. Relevant internal stakeholders, including sustainability and management representatives, were involved in the development, review and sign-off of the targets prior to submission to SBTi. Due to comprehensive organizational changes and the divestment of certain operative groups over the past two years, a review of the targets has been triggered. As a result, Embracer Group is committed to undergo a review in line with SBTi procedures no later than CY 2027. No changes to the targets were implemented during the reporting year. In this context, a review process has been initiated to determine, in accordance with SBTi rules, whether recalculation and resubmission of baseline and target values are required, and at what level. Preparations for a potential resubmission of Embracer Group's Science Based Targets (SBTs) are underway, and this process will also support future assessments of transition-related impacts. The climate-related targets are aligned with Embracer Group's policy objective to contribute to climate change mitigation by reducing greenhouse gas emissions across the value chain.

(E1-4-30, -32, -33, -34e) (E1-4-MDR-T-78, -79a, -79e, -80, -80a, -80c, -80f-h)

The targets are, as they were set in FY 2023/24, to reduce absolute Scope 1 and 2 GHG emissions by 45% by 2030 from a 2021 baseline year which is compatible with a 1.5°C trajectory. Due to insufficient data quality and completeness across the value chain, Embracer Group is currently unable to set a reliable absolute Scope 3 target. In accordance with the phase-in provisions related to value chain information under ESRS, an intensity-based Scope 3 target is therefore applied as an interim approach. The targets are also to reduce Scope 3 GHG emissions 51.6 % per MSEK within the same time frame, measured in intensity values, which is compatible with a well-below 2°C trajectory. The baseline was considered representative at the time the targets were set, due to being the first year of full GHG inventory, and has since been recalculated to reflect the current organizational structure. No further normalization of values was applied, although certain Scope 3 categories, particularly business travel and employee commuting, may have been lower than in a more normal business year due to pandemic-related conditions.

(E1-4-34, 34a, -34c-d) (E1-4-AR25, -25a, -26) (E1-4-MDR-T-79, -79b, -80b, -80d-g)

The Scope 1 and Scope 2 target is not disaggregated by Scope, as it was developed and approved as a joint target

under the Science Based Targets initiative framework, and the target boundary covers the market-based approach for measuring Scope 2. For Scope 3, the target boundary covers the categories that are measured and disclosed in accordance with the Science Based Targets initiative (SBTi) methodology, but does not include all Scope 3 categories. This means that the targets, as well as the baseline and process for follow-up, is based on measurements of the gross GHG emissions and follows the same operational and organizational boundaries. This also means that the targets exclude any form of GHG removals, carbon credits or avoided emissions as a means of achieving them. Information on our approach regarding offsetting can be found under E1-7. Performance against the targets is monitored annually based on reported GHG emissions. During FY 2025/26, combined Scope 1 and 2 emissions increased compared with the 2021 baseline year, mainly due to improved data quality, more complete underlying data and the use of residual mix factors where supplier-specific electricity emission factors within the market-based Scope 2 boundary were unavailable or could not be validated. The reported Scope 3 emissions intensity per MSEK progressed at a slower pace than planned and remains above the level required to achieve the target. However, the recalculation of targets and baselines is required as significant changes in the Group's emissions profile currently limit the ability to consistently and reliably measure performance over time.

(E1-4-MDR-T-80c, -80j)

While the targets are yet to be updated, previously conducted assessments for the Group show that key decarbonization levers are mostly connected to energy-related activities. For example, to be able to reach the Scope 1 and 2 target, the Group must reduce its overall energy consumption at studios and offices, increase the share of renewable energy and replace refrigerants with alternatives of lower Global Warming Potential (GWP), where feasible. Other enablers concern the shift towards hybrid and electric vehicles in the car fleet, please refer to E1-6 for details on our total GHG emissions. At this stage, the relative quantitative contribution of each individual decarbonization lever to the achievement of the GHG reduction targets per Scope has not been estimated. This is due to the ongoing Group-wide transformation and the absence of a formal climate transition plan and detailed implementation roadmap during the reporting period.

(E1-4-34f) (E1-4-AR30a-b)

Beyond GHG reduction targets, Embracer Group is measuring energy consumption and energy mix which is disclosed under E1-5. However, the Group has not set any targets, nor qualitative or quantitative indicators to evaluate progress for energy-related impacts, risks and opportunities.

(E1-4-30, -33) (E1-4-MDR-T-79d, -81, -81b-bii)

E1-5 ENERGY CONSUMPTION AND MIX

During FY 2025/26, Embracer Group consumed a total amount of 17,229 MWh of energy in its own operations. The total amount covers energy derived from fossil sources, nuclear sources and renewable sources, for which 9,785 MWh was fossil energy, 225 MWh was nuclear energy and 7,219 MWh was renewable energy. The share of renewables in the energy mix of the Group equals 42% of the total energy consumption, and the share of nuclear equals 1%. This is illustrated in the table below.

(E1-5-35, -37a-c) (E1-5-MDR-M-73, -75, -76)

The renewable energy consumption includes renewable fuel consumption of 145 MWh covering biofuels used in vehicles. The share of renewables also includes 5,394 MWh of purchased renewable electricity sourced through Guarantees of Origin (GOs), Renewable Energy Certificates (RECs), and third-party certifications, as well as 1,456 MWh of renewable

district heating and 29 MWh of renewable district cooling. Furthermore, through the use of solar panels at the PLAION warehouse in Höfen (Austria), and at the Black Forest Games and HandyGames buildings in Offenburg and Giebelstadt (Germany), the group produced 346 MWh of renewable electricity on-site, of which 195 MWh was self-consumed and the remaining share exported to the grid. The Group does not have any on-site production of non-renewable energy.

(E1-5-37c-ciii, -39)

With regards to the fossil share of total energy and energy intensity based on net revenue, no further breakdown is required since Embracer Group does not have operations in High Climate Impact Sectors as defined by EU.

(E1-5-38, -40, -41, -42, -43) (E1-5-MDR-M-77d) (E1-5-AR33, -38)

Energy consumption and mix (MWh)	2025/26
6) Total fossil energy consumption	9,785
Share of fossil sources in total energy consumption	57 %
7) Total nuclear energy consumption	225
Share of nuclear sources in total energy consumption	1 %
8) Consumption of fuels from renewable sources, including biomass	145
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	6,879
10) Consumption of self-generated non-fuel renewable energy	195
11) Total renewable energy consumption (sum of 8 to 10)	7,219
Share of renewable sources in total energy consumption	42 %
Total energy consumption (sum of 6, 7 and 11)	17,229

Reporting principles: Energy consumption

Energy consumption and mix is reported for the Group's own operations, including activities under operational control. The energy scope includes stationary energy (electricity, heating and cooling for offices and warehouses) and mobile energy (fuel for company-owned vehicles), covering the same energy use as in Scope 1 and Scope 2 GHG emissions as outlined under E1-6. Energy related to Scope 3 activities, such as cloud services and external data centers, is excluded as it falls outside own operations.

For partial-year subsidiaries, estimates are derived for the time being in the Group using historical or representative data, ensuring alignment with financial reporting and emissions reported under E1-6.

Energy data is collected in various units and converted to MWh using DEFRA conversion factors. Values are based on actual data from suppliers or internal measurements where available, with estimates applied where such information is missing or incomplete.

Energy consumption is classified as renewable where supplier-specific information and guarantees of origin are available. Energy without verified renewable documentation is classified as non-renewable. Nuclear energy is disclosed separately where applicable.

(E1-5-37c-ciii, -39) (E1-5-MDR-M-77b)

E1-6 GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

Embracer Group measures its total GHG emissions annually for the entire consolidated Group. The purpose of the measurements is to keep track of GHG emission trends and the progress towards the targets described under E1-4. The measurements also inform the identification actions needed to uphold the commitments, as outlined under E1-2, on mitigating the direct climate impact from own operations and the indirect GHG emissions stemming from the value chain related to the development, distribution and use of the Group's products and services.

The comparability of GHG emission results between the current and the previous reporting period is affected by the Group's transformation. For environmental reporting purposes, including greenhouse gas (GHG) emissions, divested, discontinued and spun-off operations are included for the part of the financial year during which they were part of the Group and had an environmental impact. Estimated data based on the prior year is used as input. The baseline year has been recalculated to remain relevant and to ensure year-over-year comparability regardless of changes.

(E1-6-46, -47) (E1-6-AR40)

Greenhouse Gas Emissions (tCO ₂ e)	Retrospective		Target	
	Base year 2021	2025/26	2030	Annual % target / Base year
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions	957	812	—	—
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	0 %	0 %	—	—
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions	2,711	3,065	—	—
Gross market-based Scope 2 GHG emissions	2,950	3,821	—	—
Combined Scope 1 and market-based Scope 2 GHG emissions				
Total Scope 1 and Scope 2 GHG emissions (market-based)	3,907	4,633	2,149	7%
Significant Scope 3 GHG emissions				
Total gross (Scope 3) GHG emissions	33,559	198,466	—	—
1) Purchased goods and services	21,104	17,620	—	—
3) Fuel and energy-related activities	105	964	—	—
4) Upstream transportation and distribution	5,343	10,958	—	—
6) Business travel	664	2,288	—	—
7) Employee commuting	1,867	2,684	—	—
9) Downstream transportation and distribution ¹⁾	4,476	8,726	—	—
11) Use of sold products ¹⁾	—	155,226	—	—
Scope 3 GHG emissions per net revenue (tCO₂e/MSEK)	3	2	1	9%
Total GHG emissions				
Total GHG emissions (location-based)	37,227	202,343	—	—
Total GHG emissions (market-based)	37,466	203,099	—	—

(E1-6-44a-d, -47, -48a-b, -49a, -52a-b,) (E1-6-AR48) (E1-4-MDR-T-80c)

¹⁾ Category not included in base year or target

Scope 1: Since Embracer Group is not subjected to instruments such as EU ETS, 0% of Scope 1 GHG emissions originated from regulated emission trading schemes. The Scope 1 measurements include activity data from fuels and gas used in stationary combustion for heating, in mobile combustion for company vehicles as well as re-fill of refrigerants used in HVAC systems that are causing fugitive emissions. No process emissions from chemical or physical transformation are calculated in Scope 1 since it is not applicable to Embracer Group. Biogenic emissions are 2 tCO₂e and calculated separately from Scope 1.

(E1-6-48b) (E1-6-MDR-M-77a) (E1-6-AR43a, -43c)

Scope 2: Within Scope 2, the GHG emissions are measured following both the location-based and the market-based approaches according to the GHG Protocol Scope 2 Guidance. Both the Scope 2 measurements include activity data from electricity, district heating, and district cooling purchased and/or acquired during the financial year. With regard to the share of renewable energy, the market-based method includes contractual instruments as stated in E1-5, 51 % of the total electricity consumed is covered by bundled contractual instruments, such as Renewable Energy

Certificates (RECs), Guarantees of Origin (GOs) and TÜV-certified energy products, and no unbundled instruments have been identified within the group. The market-based Scope 2 emissions are higher than the location-based emissions, primarily due to limited availability of verified contractual instruments, resulting in the use of residual mix emission factors for a significant share of electricity consumption. No steam or energy from biogenic sources relevant to Scope 2 is purchased, accordingly, no such energy is included in Scope 2 emissions.

(E1-6-MDR-M-77a) (E1-6-AR45a-b, -45d-e)

Scope 3: The 198,459 tCO₂e reported within Scope 3 are measured in alignment with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and include the significant Scope 3 categories identified by the Group. This selection is based on the results of a broader Scope 3 screening performed in FY 2023/24, in connection

with the SBTi submission process, where the relevance and potential GHG emissions associated with all 15 Scope 3 categories were assessed and analyzed. Essentially this means that, due to immateriality or non-applicability, the following Scope 3 categories are excluded from the Group's from the GHG inventory: Capital goods, Waste generated in operations, Upstream and downstream leased assets, Processing of sold products, End-of-life treatment of sold products, Franchises and investments. The categories that are included are further described below. The full Scope 3 screening is to be updated every third year to ensure that the organizational and operational boundaries remain relevant, however due to the ongoing transformation no update will be conducted until after its completion in CY 2027, which is also the case for the overall baseline and the targets described under E1-4.

(E1-6-47, -51) (E1-6-MDR-M-77a) (E1-6-AR46, -46a, -46c- 46d-di, -46f)

Overview of significant Scope 3 categories and key emission drivers:

- > **3.1 Purchased goods and services** is the second largest Scope 3 category, representing 9% of total Scope 3 emissions in FY 2025/26. The category reflects emissions from upstream value chain activities, including cloud computing and data center services, office consumables, merchandise, packaging, IT equipment and furniture. Emission are measured using a combination of activity-based inputs and supplier-specific emissions data. Emissions are primarily driven by the composition of the Group's product portfolio during the reporting year, including the volume of physical products. In addition, the methodology applied at product level has been refined to better reflect material-related emissions.
- > **3.3 Fuel- and energy-related activities** is calculated using the data collected for Scope 1 and 2 measurements, which is also the same type of primary energy data provided under E1-5, but applying a different emission factor for obtaining the indirect upstream GHG emissions. By including this category, the Group is measuring the full lifecycle GHG emissions of its energy-dependencies.
- > **3.4 Upstream transportation and distribution** is calculated based on tonne-kilometers or emissions data obtained from suppliers. The category includes emissions from inbound logistics (transport from first-tier suppliers to the Group's facilities) and intercompany logistics (transport between own facilities).
- > **3.6 Business travel** covers travel by Embracer Group's employees and non-employees. This includes travel by flight, train, taxi, bus, private cars, rental cars and by boat or similar modes of transport. The calculation covers domestic and international business travel undertaken during the financial year, including related accommodation (hotel stays).
- > **3.7 Employee commuting** is calculated using data obtained from employee commuting surveys conducted across selected subsidiaries. This reflects commuting patterns of Embracer Group employees and non-employees in different countries. The calculation excludes remote working.
- > **3.9 Downstream transportation and distribution** is calculated based on tonne-kilometers or emissions data obtained directly from logistics providers and suppliers. Emissions are based on primary data derived from internal systems and supplier information on transported volumes, distances and transport modes. The category includes emissions from outbound logistics, covering the transportation and distribution of sold products from the Group's facilities to customers.
- > **3.11 Use of sold products** an updated calculation model has been implemented to improve the accuracy of emissions estimates from the use of sold product, based on gameplay time across device types and regions. Emissions are derived from primary telemetry data capturing usage across platforms and geographies, and estimated data. The model combines gameplay duration with device-specific energy consumptions and regional electricity emission factors. Where primary data is unavailable, assumptions, including gameplay time at subsidiary level, are applied. A conservative approach has been used.

(E1-6-MDR-M77a) (E1-6-AR39b, -45c, -46g-hi, -51)

GHG intensity

The GHG emissions intensity was 13 tCO₂e per MSEK of net revenue for both the location-based and market-based approaches. The net revenue used as the denominator is derived from Note 3 of the financial statements.

GHG intensity	2025/26
Total GHG emissions (location-based) per net revenue (tCO ₂ e/MSEK)	13
Total GHG emissions (market-based) per net revenue (tCO ₂ e/MSEK)	13

(E1-6-53, -54) (E1-6-AR53, -53b)

Reporting principles: GHG emissions and intensity

GHG emissions are reported for the Group's own operations and value chain in alignment with the Greenhouse Gas (GHG) Protocol, applying the operational control approach. All entities under operational control are included in full. Emissions are reported as gross GHG emissions (excluding removals, carbon credits and allowances) in tCO₂e, with biogenic emissions disclosed separately.

The inventory covers all Kyoto Protocol gases (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃) to the extent they arise within the reported scopes. Global Warming Potential (GWP) values are primarily based on the IPCC AR5 (100-year, excluding feedback loops), and where unavailable AR4, AR6 or EU F-gas regulation values are used.

Scope 1 includes stationary combustion, mobile combustion and fugitive refrigerant leakage, using emission factors from DEFRA.

Scope 2 emissions from purchased electricity, heating and cooling are disclosed using geographical grid-average factors for the location-based method and a hierarchy of supplier-specific factors, or residual mix where unavailable, for the market-based method, sourced from CaDI or DEFRA.

The FY 2025/26 Scope 3 reporting includes significant categories based on the screening performed for the SBTi submission process (purchased goods and services; fuel- and energy-related activities not included in Scope 1 or 2; upstream transportation and distribution; business travel; employee commuting; downstream transportation and distribution; and use of sold products). The base year, however, excludes optional emissions (e.g. hotel stays, remote work and use of sold products), and categories below a 5% materiality threshold are excluded from the base year boundary (waste generated; downstream transportation and distribution; and end-of-life treatment of sold products). Screening updates follow the Group's SBTi-aligned recalculation policy. The main sources for Scope 3 emission factors are DEFRA, ADEME and CEDA. More than half of emissions in this category are calculated using primary data obtained from suppliers.

Activity data is collected from subsidiaries using internal systems or supplier information where available. Where data is missing or incomplete, estimates are applied using representative data. For partial-year subsidiaries, estimates are derived for the time being in the Group using historical or representative data, ensuring alignment with financial reporting and energy consumption disclosures under E1-5.

GHG intensity is calculated as total gross emissions relative to net revenue (tCO₂e/MSEK), using the same boundary and methodology to ensure consistency and comparability across periods.

(E1-6-MDR-M-73, -75, -76, -77a-b) (E1-6-AR39-d, -43b, -43d, -45f, -46k,)

E1-7 & E1-8 | GHG REMOVALS THROUGH CARBON CREDITS AND INTERNAL CARBON PRICING

In FY 2025/26, Embracer Group has not invested in removals, storage or carbon credits at a Group-wide, consolidated level, covering its own operations, upstream or downstream value chain, nor outside its value chain. In general, Embracer Group does not engage in activities to permanently remove GHG emissions from the atmosphere or any other types of offsetting activities at Group level. However, certain entities within the Group may engage in such activities to a limited extent at local level. According to the Sustainability Policy and

the methodology described in the Sustainability Statement, removal or offsetting is only allowed for residual GHG emissions, and if any, they are not measured as progress against targets which are gross as described under E1-4.

With regards to internal carbon pricing schemes, Embracer Group does not apply such aspects in current decision-making procedures.

(E1-7-56) (E1-7-AR58c) (E1-8-62, -63a-b)



SUSTAINABILITY REPORT

EU TAXONOMY

Embracer Group has chosen to apply the simplified presentation of information under the Taxonomy framework as introduced by Commission Delegated Regulation (EU) 2026/73 which entered into force on January 2026.

Activities in scope of the EU Taxonomy

Embracer Group's core operations relate to the development and publishing of PC, console, mobile and VR games within the gaming and entertainment industry, which is not an economic activity covered by the EU Taxonomy for environmental sustainability. Following a review of the Group's activities against the Taxonomy, leasing of premises as well as the acquisition and ownership of buildings were identified as the only activities potentially in scope.

Materiality assessment

The Group has performed a structured assessment of Taxonomy applicability, including mapping relevant economic activities and evaluating whether they fall within Taxonomy-defined categories, environmental objectives and the associated technical screening criteria. In line with the definition of the key performance indicators under Article 8 and the Commission's guidance on interpretation and implementation, the assessment is focused on those activities that are relevant to Embracer Group's business model and financial reporting.

The assessment concluded that owned and leased premises, including related adaptation and renovation investments, are the only activities that fall within the scope of the EU Taxonomy for Embracer Group. These activities therefore form the basis for the disclosures presented in the Taxonomy reporting tables on the following pages.

Turnover

None of the entities within Embracer Group generate turnover from activities covered by the EU Taxonomy for environmental sustainability. Turnover is reported in full as Turnover from Taxonomy-non-eligible activities (see Consolidated statement of profit or loss, line Net sales).

CapEx

Acquisition and ownership of buildings: This key figure shows the proportion of Embracer Group's investments recognized in the balance sheet that relate to owned and leased premises (right-of-use assets), including investments in adaptation and renovation of leased and owned premises. Investments in adaptation and refurbishment relate to minor works that do not meet the criteria for classification as a standalone activity. Taxonomy-eligible CapEx has been identified but has not been assessed as taxonomy-aligned, as the Group currently lacks a sufficient linkage between financial data and the underlying information on leased and owned premises to evaluate compliance with the taxonomy criteria. Accordingly, the taxonomy-eligible CapEx is reported as 0% taxonomy-aligned. The proportion of CapEx – see note 15, line Investments of the year in the column Land and buildings, and note 16 Leases, in the text about additional agreements.

OpEx

OpEx comprises noncapitalized short-term lease expenses (see note 16), maintenance and repair costs, and other direct costs for the day-to-day servicing of leased and owned premises. For the reporting year, the Group has not recognized any such costs for the in-scope premises activities that fall within the OpEx definition under Article 8 (e.g., no noncapitalized short-term lease expenses, maintenance and repair costs or other direct servicing costs). This is mainly explained by the fact that the investments that formed the basis for the prior year's reporting were completed in FY 2024/25. Accordingly, no taxonomy-eligible OpEx is reported for the year, and an OpEx table is therefore not presented in the Taxonomy reporting.

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

Embracer Group's policies and guidelines (see page 50) provide the basis for addressing the social minimum safeguards under the EU Taxonomy. The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are used as reference frameworks for the continued development of the group's approach to human rights due diligence. A fully systematic due diligence process has not yet been implemented.

TAXONOMY TABLES

FY 2025/26

KPI	Total	Proportion of Taxonomy eligible activities		Taxonomy aligned activities		Breakdown by environmental objectives of Taxonomy aligned activities						Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy aligned activities in previous financial year (2024/25)	Proportion of Taxonomy aligned activities in previous financial year (2024/25)	
		SEKm	%	SEKm	%	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity						
Turnover	15,906	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CapEx	3,148	1%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OpEx	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

CAPEX

FY 2025/26

Economic Activities	Code	Taxonomy eligible KPI (Proportion of Taxonomy eligible CapEx)	Taxonomy aligned KPI (monetary value of CapEx)	Taxonomy aligned KPI (Proportion of Taxonomy aligned CapEx)	Environmental objective of Taxonomy aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
Text		%	SEKm	%	%	%	%	%	%	%	T	T	%
Acquisition and ownership of buildings	CCM 7.7	1%	0	0	0	0	0	0	0	0			0
Sum of alignment per objective		1%	0	0	0	0	0	0	0	0			0
TOTAL KPI CapEx		1%	0	0	0	0	0	0	0	0			0

SUSTAINABILITY STATEMENT

SOCIAL

Embracer Group is dedicated to upholding human rights, fair labor conditions, and well-being across its workforce. Our efforts focus on strengthening protections for employees, fostering diversity and inclusion, and promoting a safe, fair, and engaging workplace. We also prioritize the well-being and integrity of our players, supporting digital inclusion, safeguarding privacy and security, and advancing children's rights in the digital environment. Through active risk management and ongoing engagement with employees, players, and stakeholders, Embracer Group aims to create lasting, positive social impact within the gaming and entertainment industry.

/ HR NETWORK SUPPORTS FOLLOW-UP AND KNOWLEDGE SHARING

27%

/ WOMEN IN THE WORKFORCE, STABLE YEAR-ON-YEAR

































Kingdom Come: Deliverance II, Warhorse Studios - was awarded **Best Narrative** at the BAFTA Games Awards 2026. The jury highlighted the game's historically grounded storytelling, set in early 15th-century Bohemia, and its strong focus on realism, depth of characters and immersive narrative design.

ESRS S1 SUSTAINABILITY STATEMENT

OWN WORKFORCE

Embracer Group’s ability to create engaging games and entertainment is rooted in the strength and diversity of its workforce. By fostering a safe and inclusive work environment, and by promoting a wide range of skills, backgrounds, and perspectives, the Group empowers employees to thrive and contribute to long-term success. In this section, the report highlights the material topics related to the workforce covering well-being, fair labor conditions, diversity, and opportunities for growth that are essential to Embracer Group’s continued development.

S1 SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND STRATEGY ALIGNMENT

Impacts, risks and opportunities	Value chain	Description	Time horizon		
			S	M	L
S1 OWN WORKFORCE					
Health and Safety	 	High employee workload, if not adequately managed, can negatively affect employees’ health and well-being, including risks related to stress and burnout.	→		
Working-time	 	Employees at times experience periods of extended or intense working hours linked to project-driven work and launch cycles, negatively affecting work-life balance.	→		
Secure employment	 	Organizational transformation and reliance on both employees and non-employees have affected employment stability for parts of the workforce, leading to reduced motivation and engagement.	→		
Training and skills development	  	Insufficient continuous training and skills development can leave parts of the workforce without necessary capabilities over time, constituting a negative impact and increasing retention and talent-related risks.	→		
Diversity	  	A diverse and inclusive workforce supports innovation and employee engagement, creating opportunities to strengthen Embracer Group’s position as an employer.	→		
Freedom of association	  	Limited collective bargaining coverage and low union representation, combined with limited formal controls, constitute impact on freedom of association and a related labour relations risk.	→		
Harassment	  	Potential harassment in the workplace can negatively affect employee well-being, leading to reduced engagement and increased turnover.	→		
Equal treatment	  	Potential discrimination can result in unfair treatment of employees, negatively affecting engagement and increasing turnover risk.	→		
<p> Actual Negative Impact  Actual Positive Impact  Potential Negative Impact S Short-term</p> <p> Opportunity  Risk  Potential Positive Impact M Medium-term</p> <p> Upstream  Own Operations  Downstream L Long-term</p>					

In the DMA, all employees and non-employees that are part of the Group's own workforce have been considered into the assessment when identifying the material impacts arising from the daily work at Embracer Group and the subsidiaries, including material risks and opportunities. A full description of how the Group defines its workforce and key characteristics is provided under S1-6 on employees and S1-7 on non-employees.

(S1-SBM-3-13a-b, -14, -48a, -48c-civ) (S1-SBM-3-AR6, -7, -9)

Embracer Group understands that some groups of its workforce might be at greater risk of being affected by impacts than others. For example, the Group recognizes that individuals with particular characteristics, or individuals operating with specific responsibilities or in a specific geographical location or context might be more vulnerable due to their specific circumstances. To understand whether and how specific groups within the workforce could be at greater risk of being affected by impacts, Embracer Group captures the views and needs of its own workforce through regular engagement activities, such as the employee survey and local HR activities. The employee survey makes it possible to disaggregate results for certain groups and perspectives in the workforce, and categorize results by gender, age, location, operative group, group company and leadership role. See S1-2 on processes for engagement. Based on the double materiality assessment and results from the employee survey, Embracer Group considers that certain groups within the workforce may be more vulnerable to negative impacts. These include younger employees (under 30), employees identifying as non-binary, and those working remotely, who may experience challenges related to inclusion, work-life balance, and internal communication. The Group continuously monitors these areas through employee surveys and targeted actions to ensure a safe, inclusive, and supportive work environment for all.

(S1-SBM-3-15) (S1-SBM-3-AR8)

With regards to identified material negative impacts on Embracer Group's own workforce, most topics generally concern issues that are widespread and systemic as they exist broadly and cannot be isolated to a specific incident or situation. In other words, issues that not only exist within the Group, but also in greater society. Hence, they are mostly not directly linked to Embracer Group's business model as such, but is rather connected to a typical business landscape in which people work and interact simultaneously, whereas the business strategy is aimed at ensuring a positive culture to the workforce. For example, gender equality and equal pay for equal work are material topics to Embracer Group, but it is also an important topic on the global scene. The same systemic pattern applies to secure employment, working time, work-life balance and freedom of association. Identified negative impacts can also concern issues that are deemed material because they are missing formalized management across the Group, for example procedures to keep track of training and development. In contrast, identified negative impacts can also stem from individual incidents that have taken place, or that potentially could take place, in the interaction between colleagues. Examples include complaints related to discrimination or harassment in the workplace, which may arise despite existing policies and governance intended to prevent such issues. Another example concerns health and safety incidents that have occurred in connection with the performance of work activities.

(S1-SBM-3-14b)

With regard to negative impacts related to a just transition in the context of climate change, Embracer Group has not yet developed a formal climate transition plan and has therefore not identified any impacts on its own workforce stemming from decarbonization initiatives. Furthermore, the Group has not identified any significant risk of forced, compulsory and/or child labor related to its own operations, thus these topics have been concluded as immaterial. The identified material positive impact, namely diversity and inclusion, has been a focus area across Embracer Group for several years as the gaming industry is inherently male dominated. This focus includes the early implementation of several initiatives within the Embracer Group aimed at fostering an overall diverse and inclusive workplace, in both skill sets and perspectives. Specific examples of initiatives put in place to achieve this positive impact can be found under S1-4 on actions.

(S1-SBM-3-14b-c, -14f-g)

Finally, the identified material risks and opportunities related to the own workforce that are stemming from impacts and dependencies include diversity and training & skills development. In essence, these two material topics relate to the whole own workforce in terms of talent attraction and retention. For instance, the financial opportunity related to diversity lies in the Group's positive impact on the workforce, which enhances the overall talent attraction and retention. Furthermore, Embracer Group is highly dependent on individuals of the workforce's specific capabilities in day-to-day business operations, knowledge sharing and leadership for future direction. Consequently, financial risk can arise if there is a shortage in continuous training and skills development. This risk is particularly connected to individuals in leadership roles at the operative groups and subsidiaries, as they are important role models to sustain vision and culture. Risks related to freedom of association, harassment and equal treatment may give rise to financial effects, including increased costs related to labour disputes and remedial measures, operational disruptions, higher employee turnover, as well as reputational impacts affecting the ability to attract and retain talent.

(S1-SBM-3-14d, -16) (S1-SBM-3-AR9)

Embracer Group has assessed impacts, risks, and opportunities related to its own workforce in its double materiality assessment (DMA), as disclosed under ERS 2 SBM-3. That section also provides a description of the connection between material topics and Embracer Group's strategy and business model, as well as dependencies on own workforce and the interconnection with risks and opportunities.

In the DMA, all employees and non-employees that are part of the Group's own workforce have been considered into the assessment when identifying the material impacts arising from the daily work at Embracer Group or the subsidiaries, including material risks and opportunities. Employees affected by Embracer Group's material impacts are comprised of employees and non-employees as described under S1-6 and S1-7, including full-time and part-time employees as well as consultants. The identified material impacts are linked to the Group's own workforce as a whole and may affect individuals differently depending on role, responsibilities and working context.

(S1-SBM-3-13a-b, -14, -14a) (S1-SBM-3-AR6, -7, -9)

S1-1 POLICIES RELATED TO OWN WORKFORCE

Embracer Group has adopted several policies that outline its commitment to managing all material impacts, risks and opportunities related to own workforce, namely the following three policies:

(S1-1-17)

- > **Embracer Group Code of Conduct:** with the general objective to emphasize the Group’s corporate responsibility and culture by outlining its values, applicable laws, including alignment with the UN Guiding Principles on Business and Human Rights and other internationally recognized instruments as outlined in the table format below. In relation to the Group’s own workforce, the Code of Conduct addresses identified impacts and risks related to human and labour rights, including equal treatment, non-discrimination and occupational health and safety.
- > **Embracer Group Human Resources Policy:** with the general objective to set the minimum standards for the Group as an employer in accordance with its values and applicable laws. The policy addresses identified impacts and risks related to working conditions, recruitment and selection, learning and competence development, workplace health and safety, and substance abuse in the workplace. It also specifies the Group’s relationship with labor organizations and trade unions.
- > **Embracer Group Sustainability Policy:** with the general objective to emphasize the Group’s responsibility in sustainable development and triple bottom line (ESG). In relation to social matters and the Group’s own workforce, the policy addresses identified impacts and risks related to respect for internationally recognized human and labour rights as the International Bill of Human Rights and the fundamental instruments and core conventions of the ILO.

(S1-1-20, -21) (S1-1-MDR-P65a) (S1-1-AR12)

The commitment to respect human and labor rights is clearly stated across the existing policies listed above. The Group has specific commitments that explicitly address matters such as forced labor or compulsory labor and child labor in the Sustainability Policy and the Code of Conduct. Moreover, while the Group’s general approach to engagement with people of its own workforce is described in section S1-2 on processes for engagement, the Human Resources Policy explicitly outlines expectations regarding performance dialogues and similar. Moreover, the Group’s general

approach to providing remedy for human rights impacts is covered by internal guidelines for whistleblowing, as described under S1-3 on remediation and channels to raise concerns.

(S1-1-20a-c, -22)

With regards to policy commitments on the elimination of discrimination and harassment, as well as the promotion of equal opportunities, diversity and inclusion, these matters are integrated into all existing policies listed above - with zero-tolerance against all forms of discrimination and harassment and a strong belief in diversity and inclusiveness. Specifically, in the Code of Conduct, the Group prohibits any form of discrimination on the grounds of ethnic origin, race, skin color, gender, religion or philosophy, physical constitution, appearance, age, sexual identity, disability or other legally protected attributes. These commitments apply to the entire workforce and Embracer Group has not emphasized any specific commitments related to groups at particular risk of vulnerability.

(S1-1-24a-c)

With regards to specific policy commitments on workplace accident prevention, the Human Resource Policy explicitly promotes a work environment that supports health, safety and well-being. In this regard own workforce is covered by established health and safety management systems, which are further described under S1-14 on health and safety metrics.

The Group’s public policies are available on the website. All policies are enforced through onboarding procedures, with some reinforced digital training to support awareness and compliance. In addition, the implementation of policies is managed locally in accordance with applicable laws and local practices., including recruitment and selection, performance dialogues and workplace health and safety practices. Potential cases of discrimination or inappropriate conduct can be reported through internal reporting and whistleblowing channels and are handled in accordance with applicable local laws and internal disciplinary procedures. No specific implementation procedures related to discrimination exist beyond general mechanisms such as onboarding, policy training and whistleblowing.

(S1-1-23, -24d) (S1-1-MDR-P65f)

	Code of Conduct	Human Resources Policy	Sustainability Policy
Date of adoption	23/04/2019	29/08/2022	02/06/2025
Latest revision	19/09/2024	19/09/2024	02/06/2025
Most senior level accountable for adoption and implementation of the policy	Embracer Group Board of Directors	Embracer Group Board of Directors	Embracer Group Board of Directors
Most senior level responsible for communicating and monitoring the policy	Embracer Group Chief of Staff, Legal & Governance, as well as the executive management of each operative group	Embracer Group HR Manager	Embracer Group Head of Sustainability
Scope of the policy	Own operations, Employees and non-employees globally	Own operations, Employees and non-employees globally	Upstream, Own operations and Down stream, Employees and non-employees globally
Alignment with third-party standards or initiatives, specifically the UNGPs, OECD Guidelines and/ or ILO	<ul style="list-style-type: none"> > UN Guiding Principles on Business and Human rights > International Charter of Human Rights > OECD Guidelines for Multinational Enterprises > International Labor Organization (ILO) > UN Global Compact > The principle of social partnership 	<ul style="list-style-type: none"> > EU General Data Protection Regulation (GDPR) > Human rights and labour-related principles are addressed through the Embracer Group Code of Conduct 	<ul style="list-style-type: none"> > OECD Due Diligence Guidance > International Bill of Human Rights (UDHR, ICESCR and ICCPR) > Instruments and core conventions of ILO Declaration > UN Global Compact > UN Paris Agreement > UN Kyoto Protocol
ESRS area	E1 - Climate Change S1 - Own Workforce S2 - Workers in the Value chain S3 - Consumers and End-users G1 - Business Conduct	S1 - Own Workforce	E1 - Climate Change S1 - Own Workforce S2 - Workers in the Value chain S3 - Consumers and End-users G1 - Business Conduct



THE ETERNAL LIFE OF GOLDMAN
THQ Nordic | Weappy Studio

S1-2 ENGAGING WITH OWN WORKFORCE

Embracer Group engages directly with its own employees through its employee survey, which is performed bi-annually near the end of the financial year. It is an important process to gain perspectives that inform the basis of the Group's leadership and management of impacts, as well as the preventive work and activities relating to engagement and well-being of own workforce.

The survey is global and is distributed to all employees at all subsidiaries within Embracer Group, and focuses on how the employees perceive various aspects of their workplace by gathering insights into the following topics:

- > Work environment (e.g. work-life balance and inclusion)
- > Management culture (e.g. leadership and information about strategy and direction)
- > Engagement (e.g. overall satisfaction and commitment)
- > Collaboration (e.g. internal communication and actions against discrimination and harassment)

When considered necessary, the process also involves interviews with relevant stakeholders to better understand certain views, or to further identify challenges or opportunities for improvement related to specific matters or at specific group company. This might also include consultation with workers' representatives.

(S1-2-25, -27a-b) (S1-2-AR24, -24a, -24c)

Employees participating in the survey are disaggregated by selected categories to gain insight into certain groups and perspectives in the workforce, including groups that may be more vulnerable to impacts or potentially marginalized. These categories include gender, age, location, and leadership role.

The survey is initiated by the parent company at Embracer Group, and the HR Manager is responsible for driving the engagement process once it takes place. However, the Group CEO holds the ultimate authority to decide the frequency and timing of the survey and ensure that the insights gathered are used to understand and manage the workforce effectively.

After each survey is completed, it is the HR Manager, together with the Sustainability department, who analyses the results and presents them to the Board of Directors including the executive management team. The respective operative groups and subsidiaries are informed of the results. In some cases, the concerns raised might inform decisions on wider Group initiatives that must be put in place, while in other cases it might inform decisions on targeted initiatives that must be implemented locally, with or without Group support. For more information on concrete actions of this reporting period, refer to S1-4.

The results are benchmarked internally, meaning that results are compared among the different operative groups and subsidiaries, as well as with previous years to track development. The effectiveness of engagement is assessed based on response rates, providing insight into coverage and engagement across the Group. The survey content is also evaluated regularly, with additional questions potentially added where necessary to ensure coverage of relevant topics. Furthermore, each subsidiary has the option to add their own questions and segment the survey by, for example, department or area of work. This enables the survey to be tailored to the unique needs of each company and creates additional value from the same tool for their internal purposes.

In addition to the employee survey, Embracer Group regularly engages with its employees through various activities throughout the year. Most of this engagement is conducted locally through the local HR functions at the subsidiaries. This can include performance reviews, training and workshops related to specific matters (e.g., health and safety, diversity and inclusion), or other information communicated related to well-being and work environment. Moreover, the local HR functions are part of a Group network that shares insights and discusses relevant issues.

(S1-2-25, -27c, -27e, -28) (S1-2-AR24a-b, -24d, -26)

S1-3 REMEDY FOR NEGATIVE IMPACTS AND CHANNELS TO RAISE CONCERNS

Embracer Group has processes in place to manage impacts on its own workforce. These processes apply to the entire Group and include channels to raise concerns and to have them addressed, as well as processes to remediate negative impacts.

Specifically, with regards to channels to raise concerns, individuals from the Group's own workforce can report policy violations, misconduct or other irregularities through the Group-level whistleblowing channel, WhistleB, which allows for anonymous reporting. This constitutes the Embracer Group whistleblowing channel. In addition, concerns related to material impacts can be raised at the level of the undertaking the individual is employed by or contracted to work for through established local reporting routes, such as line management or local HR functions. Where required to comply with applicable national whistleblowing legislation, local whistleblowing arrangements have been established in the relevant jurisdictions. Through these channels, Embracer Group gains insight into concerns or issues within its own workforce that require attention and follow-up. The Embracer Group Whistleblowing Channel is accessible through the Group's website, including the channel to report, instructions

on how to report and Embracer Group's Whistleblowing Guidelines that inform stakeholders about all possible channels that can be used as well as explanations to the user on how the reporting and subsequent follow-up takes place. Communication about the availability of these channels is also supported through annual policy training, which is described more in section G1-1 on business conduct policies.

(S1-3-30, -32, -32b, -32d) (S1-3-AR30, -32b, -32d)

Embracer Group tracks and monitors whistleblowing cases through its whistleblowing framework, and reported concerns are addressed in accordance with internal procedures. The framework has been informed by internationally recognized standards such as the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance. In this regard, Embracer Group has clear internal guidelines that outline how whistleblowing cases must be managed, suggesting pre-defined procedures and timeframes to ensure its legitimacy, accountability and transparency. Amongst others, such guidance emphasizes the importance of dialogue with the whistleblower of a given case to achieve collaborative solutions as well as the importance to use insights from other

cases for ongoing improvement. Where a negative impact requires remedy, the determination of adequate remediation is defined following a case-by-case approach, depending on what is deemed most appropriate in the given case and guided by dialogue with the affected person(s). After closure, the final step carried out is to evaluate and implement preventative measures to avoid the arise of similar cases. All aspects of the whistleblowing handling process are considered in the ongoing evaluation of the effectiveness of the channel itself, and of the effectiveness of the remedy provided. This includes monitoring how cases are handled against defined procedures and timeframes, as well as follow-up after case closure. Finally, all cases and processes are monitored by the Chief of Staff, Legal & Governance, who is also a member of the Executive Management Team.

(S1-3-32a, -32e) (S1-3-AR27, -32, -32a, -32c, -32e, -32g, -32h)

The whistleblower channel is a secure, encrypted platform. Following relevant national legislation, it ensures security, anonymity, and legal protection for users, fulfilling the Group’s obligations under the EU Whistleblowing Directive. Awareness of and trust in the whistleblowing channels is assessed through, case handling experience and observed use of the channels. Additionally, Embracer Group has commitments on the protection of whistleblowers, which are further described

under G1-1. The awareness of the channel amongst own workforce is assessed through an annual questionnaire, in which 96% of the subsidiaries within Embracer Group have confirmed that their own workforce has knowledge of the whistleblowing system and how to use it. However, the trust in using such channels to raise their concerns or needs is currently not assessed.

(S1-3-33) (S1-3-AR31, -32b)

Any cases submitted that are not classified as whistleblowing matters according to the Group’s internal guidelines and applicable legislation are forwarded to other appropriate functions for further investigation. Generally, this could concern other issues related to dissatisfaction in the workplace which are redirected to the CEO, HR Managers, team leaders, local compliance officers or other relevant functions across Embracer Group or group companies. Concerns can also be identified from issues raised in other engagement processes, such as the employee satisfaction survey, and if needed these will be handled with similar precautions as outlined in the whistleblowing handling process.

(S1-3-32c)



TRUXTON EXTREME
Clear River Games | Tatsujin

S1-4 ACTIONS FOR OWN WORKFORCE

Embracer Group continuously works with managing impacts, risks and opportunities related to its own workforce. The employee engagement process, as described in section S1-2, is one of the processes that supports the identification of important areas that enable us to decide on actions needed to address material matters. Another process that guides what actions are needed is the Group's whistleblowing process as described under S1-3.

Overall, the type of actions and initiatives varies depending on whether they address negative impacts and risks or enhance positive impacts and opportunities. To improve clarity, actions are also described as taken during the reporting year, underway at the reporting date, or planned.

(S1-3-35, -38, -39)

Actions taken and underway to address negative impacts and risks:

The actions carried out during FY 2025/26 are linked to the material impacts and risks identified in the DMA, with work environment and leadership initiatives addressing risks related to workload and wellbeing, training and awareness activities addressing discrimination and harassment, and whistleblowing processes supporting the handling and remediation of identified incidents. These actions represent those taken during the reporting year. These initiatives are part of an ongoing systematic approach and have been established over the past five years, alongside other local initiatives that are driven by Embracer Group's operative groups and subsidiaries and therefore represent actions underway at the reporting date. The objective of the actions that are aimed at managing negative impacts and risks is to ensure a more equal, inclusive and supportive work environment, as well as to ensure work-life balance and health. Some of the key actions carried out within the group during FY 2025/26 to address the identified material impacts and risks were:

- > Initiated by Embracer Group's Executive Management, leadership training courses were conducted at selected subsidiaries, including targeted support and coaching for teams to address concerns around work environment identified in the employee survey.
- > Part of the Embracer Group-wide training programs, dedicated training related to anti-violence and anti-harassment in the work environment were executed to directly address concerns around harassment at the workplace.
- > An existing collaborative structure to strengthen HR (Human Resources) capability and reduce fragmentation across the Group. Enabling the ongoing sharing of HR practices, templates and policy-related guidance across parts of the Group, thereby supporting consistency and reducing vulnerability in local HR functions.
- > Initial activities to build awareness and basic competence related to AI within the workforce have been initiated across parts of the organization, including through local initiatives.
- > At the operative group level, PLAION supported health among its employees through a 'Mental Health Week' and it sponsored B2B run events. In Germany, PLAION also launched an offering to all employees to join the WorkLifePortal app for free, which is a digital wellness platform that supports exercise and health through gamification and rewards. The app is otherwise subject to a fee to the users, but PLAION covered such fee to all employees, including those from different insurance

providers. Moreover, related to freedom of association it has established affinity groups, and it has a total of five different communities on employee networks, peer support, and shared interests.

(S1-4-38a, -40a) (S1-4-MDR-A68a-c)

Related to situations where tensions can arise between addressing negative impacts and other business-related goals, these are managed in a case-by-case manner within Embracer Group or at the operative groups as relevant. For example, individuals in the workforce may at times work under high pressure to deliver on deadlines for new releases. In such situations, meeting the deadline may be business-critical to live up to external stakeholder expectations. To counteract these kinds of negative effects, THQ Nordic in Austria offers team leads the opportunity to grant colleagues individual and unbureaucratic compensatory time off at the team level after project-related high workloads. Voluntary trainings and workshops on work efficiency and stress management were also conducted, which are available to employees. The objective is to provide tools that can be leveraged in stressful work situations without compromising on health and knowing how to flag early to management.

(S1-4-41)

During FY 2025/26, remediation has been provided in cases where actual negative impacts occurred, primarily through follow-up actions handled in accordance with the Group's whistleblowing framework and established HR procedures as described in section S1-3. Overall risk handling is integrated into the Group-wide Enterprise Risk Management process described under ESRS 2 GOV-5.

(S1-4-38b) (S1-4-AR47)

Actions underway to enhance positive impacts and opportunities:

The actions carried out during FY 2025/26 described below are linked to and address the material positive impacts and opportunities related to the Group's own workforce, as identified in the double materiality assessment and presented under S1. In addition to actions aimed at preventing or mitigating negative impacts, there are on-going initiatives intended to enhance positive impacts and pursue opportunities related to diversity, inclusion and leadership development within the Group's own workforce, as identified in the double materiality assessment.

(S1-4-38c, -40b)

Leadership development initiatives are in use within parts of the Group. For example, PLAION has previously established a Global Leadership Development Program, which has encompassed all employees within the operative group to support leadership skills development. During FY 2025/26 PLAION also continued to drive their Diversity, Equity and Inclusion Framework, featuring an annual DE&I objective whereby each employee is encouraged to set a personal goal to promote diversity. These initiatives remain ongoing and are being adapted to align with the new organizational structure and updated methods of operation.

(S1-4-MDR-A68a-c)

With regard to the management of material impacts, risks and opportunities related to the Group’s own workforce, as identified in the double materiality assessment, Embracer Group’s HR function, in collaboration with local HR functions, is responsible for overseeing the implementation and follow-up of actions. The Group monitors the effectiveness of actions in practice through close dialogue with the management of the operative groups and subsidiaries, where initiatives are being implemented. This ongoing engagement ensures that feedback is gathered directly from those closest to the interventions, enabling timely adjustments and improvements as required. In the course of this monitoring, local HR functions can draw upon support and resources provided by Group Management, as well as from other local functions, teams, or committees that have designated responsibilities for managing people, workplace environment, and related matters. This collaborative approach ensures that

the tracking of effectiveness is systematic and that best practices are shared across the organization, thereby supporting continual improvement in the management of the identified material impacts, risks and opportunities related to the workforce.

(S1-4-38, -38d, -40a, -43) (S1-4-AR38, -39, 48)

During FY 2025/26 no actions have required any significant amounts of CapEx or OpEx. No new key actions or action plans have been adopted for the coming years at Group level, reflecting the ongoing restructuring of Embracer Group. These statements refer to the absence of new planned actions at the reporting date. Once completed, the Group plans to establish a new Group-wide framework for managing social impacts on own workforce.

(S1-4-MDR-A66, -68, -69)

S1-5 TARGETS RELATED TO OWN WORKFORCE

Embracer Group has not set any formal targets related to the management of material impacts, risks and opportunities concerning its own workforce. Until such targets have been established—an activity planned to take place following the completion of Embracer Group’s transformation—the Group is not in a position to disclose the detailed information required under S1-5, nor the minimum disclosure requirements under ESRS 2 MDR-T. Nevertheless, the effectiveness of the Group’s policies and actions is assessed through employee

engagement processes, as described under S1-2. To evaluate progress in the Group’s efforts, the results from these processes are benchmarked internally, including comparisons across operative groups and entities within the Group, as well as against previous years, in order to track trends and identify areas for further development.

(S1-5-44a-c, -46) (S1-5-MDR-T78, -81, -81a, -81b-bii)

S1-6 & S1-7 CHARACTERISTICS OF THE EMPLOYEES

As of March 31, 2026, Embracer Group had 4,992 employees by head count, and 1,104 non-employees. For reported FTE please refer to page 143 in the Group notes.

(S1-6-50a-b, -50f) (S1-7-53, -55, -55a)

Employees are individuals who are in a direct employment relationship with Embracer Group or its underlying subsidiaries according to national law or practice. The employees are based in multiple countries and regions, with a strong presence in Europe and North America, reflecting Embracer Group's international operations and organizational structure. Employees are primarily engaged in creative or technical roles related to game development or publishing for the Group's services in PC, console, mobile games, and entertainment. The Group also has several support functions related to finance and administration.

Non-employees are individuals who are not directly employed by Embracer Group, nor the subsidiaries, but that perform work for Embracer Group as contractors or via third

parties. For example, non-employees can be freelancers, consultants, or contractors hired to perform specialized tasks such as game development, design, or project management. Non-employees may also include temporary staff from third-party employment agencies who support ongoing operations, replace employees during leave, or assist during peak periods. In some cases, non-employees work on-site or provide technical services like equipment maintenance.

Over the reporting year, the total number of employees who have left Embracer Group was 1,224, resulting in a turnover rate of 25%. This change compared to the previous year, which represents a slight increase, is primarily attributable to the Group's ongoing transformation and the organizational changes resulting from it. These include workforce reductions and internal reorganizations, such as employee movements within the Group, which are not reflected in the reported turnover figures.

(S1-6-50c, 50e) (S1-6-AR59) (S1-7-53, -55c, -56) (S1-7-AR61, -62, -65)

NUMBER OF EMPLOYEES BY CONTRACT TYPE AND BY GENDER

Contract Type	2025/26				Total
	Female	Male	Other ³⁾	Not disclosed ⁴⁾	
Permanent employees ¹⁾	1,283	3,404	14	18	4,719
Temporary employees	80	165	—	—	245
Non-guaranteed hours employees	12	16	—	—	28
Total Employees	1,375	3,585	14	18	4,992
Non-employees ²⁾	—	—	—	1,104	1,104
Total Workforce					6,096

(S1-6-50b-biii) (S1-6-AR55, -56)

¹⁾Employees, are individuals who are in an employment relationship with the company according to national law or practice.

²⁾Non-employees, refers to individuals who are not directly employed by the company, such as contractors, and freelancers.

³⁾Other, refers to any legally recognized gender category beyond female and male.

⁴⁾Not disclosed, refers to cases where information on gender has not been provided.

EMPLOYEE HEADCOUNT BY COUNTRY

Country	Number of employees
USA ¹⁾	841
Germany ¹⁾	570
Italy	430
Romania	382
Canada	374
Other ²⁾	2,395
Total Employees	4,992

(S1-6-50a) (S1-6-AR54, -55)

¹⁾USA and Germany, represent at least 50 employees and at least 10 percent of the total number of employees.

²⁾Other, refers to the sum of all other countries in which the Group has less than 50 employees or representing less than 10% of the total number of employees.

EMPLOYEE HEADCOUNT BY CONTRACT TYPE AND REGIONS

Contract Type	2025/26				Total
	Europe	North America	Asia Pacific	Middle East	
Permanent employees	3,274	1,201	203	41	4,719
Temporary employees	232	13	—	—	245
Non-guaranteed hours employees	17	1	10	—	28
Total Employees	3,523	1,215	213	41	4,992

(S1-6-50a) (S1-6-AR54, -55)

In the case of temporary employees and non-guaranteed hours employees, the composition and purpose of these roles vary across the subsidiaries and geographies. Temporary contracts are primarily used to meet project-based needs in game development, design, and publishing, while non-guaranteed hours contracts are more common in support functions or operational roles with fluctuating demand.

(S1-6AR58)

Reporting principles: Own employees and non-employees

Embracer Group has compiled all data on its own employees and non-employees based on headcount at the end of the reporting period, meaning that divested, discontinued and spun-off operations are not included, as stated in ESRS 2 BP-2, and that certain fluctuations during the reporting period are not captured. All data is based on actual data reported by Embracer Group's subsidiaries, and no critical assumptions are used.

The employee turnover rate is calculated as the total number of leavers divided by the total number of own employees by headcount. Leavers are defined as own employees who leave voluntarily or due to dismissal, retirement, or death in service.

Embracer Group has applied the "quick fix" relief for the number of self-employed persons in the own workforce and the number of persons provided by employment agencies.

These metrics are used to monitor performance related to the material sustainability matters Diversity and Secure employment.

(S1-6-50d-dii) (S1-7-55b-bii) (S1-6-AR57, -60) (S1-7-AR64) (S1-6-MDR-M-75, -77b) (S1-7-MDR-M-75, -77b)



TOMB RAIDER: CATALYST
Amazon Game Studios | Crystal Dynamics

S1-8 COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

As stated in the policies described in section S1-1, Embracer Group is committed to upholding the right of freedom of association for both its own employees and non-employees. This includes supporting their ability to join trade unions or similar. The policies mentioned guide how working conditions and terms of employment are to be determined within Embracer Group, however, these are not influenced by any collective bargaining agreements since there are no signed agreements from a Group perspective. Nevertheless, some of the subsidiaries apply collective bargaining agreements for their respective employees.

(S1-8-58)

During FY 2025/26, 28% of own employees were covered by collective bargaining agreements. Within the EEA there are more than 15 collective bargaining agreements being applied, and the coverage rates in countries within the EEA with significant employment are reflected in the Table. Embracer

Group ensures that all employment agreements comply with local labor laws and are designed to meet or exceed market standards. This approach reflects the Group's commitment to providing competitive benefits and fostering an attractive workplace as part of the broader employer branding strategy.

(S1-8-60a-b) (S1-8AR66)

The share of employees covered by workers' representatives was 18% in FY 2025/26. The coverage rates of workplace representation in countries within the EEA with significant employment are also reflected in the Table. There are currently no employee representation agreements in place by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

(S1-8-58, -63a-b) (S1-8-AR68)

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

Coverage rate	Collective Bargaining Coverage	Social Dialogue
	Employees in the EEA	Workplace representation in the EEA
0-19%	Germany	Germany
20-39%	—	—
40-59%	—	—
60-79%	—	—
80-100%	—	—

(S1-8-AR70)

Reporting principles: Collective bargaining coverage and social dialogue

Collective bargaining coverage is calculated as the percentage of employees covered by collective bargaining agreements, excluding non-employees, in accordance with the ESRS. The percentage represents the employees by headcount at the end of FY 2025/26, where Embracer Group and its subsidiaries are obliged to apply such agreements in determining the terms of employment.

Workplace representation coverage is calculated as the number of employees who are employed at subsidiaries with workplace representation, through a works council or similar, divided by the total employee headcount of Embracer Group, in accordance with the ESRS and based on employee headcount at the end of FY 2025/26.

None of the metrics have been compiled using significant assumptions.

Embracer Group has applied the ESRS "quick-fix" relief for disclosures on collective bargaining coverage and employee representation outside the EEA.

These metrics are used to monitor performance related to the material sustainability matter Freedom of association.

(S1-8-MDR-M-73, -75, -77a-b) (S1-8-AR66, -68)

S1-9 DIVERSITY METRICS

The gender distribution at top management level within Embracer Group comprised 40% women during this reporting year, as outlined in the Table below.

TOP MANAGEMENT GENDER DISTRIBUTION	2025/26			Total
	Female	Male	Other ¹⁾	
Top management				
Number	2	3	—	5
Gender distribution (%)	40 %	60 %	— %	100 %

¹⁾Other, refers to any legally recognized gender category beyond female and male.

(S1-9-66a-b, -64) (S1-9-MDR-M77c)

EMPLOYEE AGE DISTRIBUTION

Age group	2025/26	
	Headcount	Age distribution
< 30 years	1,169	23 %
30-50 years	3,315	66 %
> 50 years	508	10 %
Total	4,992	100 %

Reporting principles: Gender and age distribution

The age distribution is defined as the total employee headcount of each age group excluding the non-employees, at the end of FY 2025/26, in line with the disclosure requirement S1-6. No significant assumptions have been used.

Top management is defined as the Embracer Group Senior Executives. Hence, it does not refer to members of the Board, nor any of its committees, which are instead disclosed under ERS 2 GOV-1.

These metrics are used to monitor performance related to the material sustainability matters Diversity and Equal treatment.

(S1-9-MDR-M-75, -77a-b) (S1-9-AR71)

S1-14 HEALTH AND SAFETY METRICS

Embracer Group has currently not established a group-wide health and safety (H&S) management system. Instead, each subsidiary is responsible for implementing health and safety practices in line with applicable legal requirements. These practices may vary depending on jurisdiction and operational context, where ensuring compliance with relevant regulations and promoting a safe working environment is key. Notably, 61% of the Group's workforce are covered by one of these H&S management systems, of which 91% are employees and 9% are non-employees.

During the reporting year, Embracer Group recorded 18 incidents related to work-related injuries within the Group's workforce. During the reporting period 0 fatalities occurred among employees, non-employees or other workers as a result of work-related injuries and work-related ill-health. The number of recordable work-related accidents as defined in national law was 8, corresponding to a rate of work-related accidents of 0.8.

(S1-14-86, -88a-c) (S1-14-AR82, -89, -91)

Reporting principles: Health and safety

The percentage of own workforce covered by H&S management systems is based on headcount of employees and non-employees, respectively, at the end of the reporting period, following applicable guidance of the ERS and in alignment with S1-6 and S1-7. No critical limitations or assumptions were applied.

The total number of incidents associated with work-related injuries and work-related accidents during the reporting period are reported by the subsidiaries in accordance with the definitions set out by applicable national legislation.

The rate of work-related accidents is calculated, in line with ERS guidance, as the number of accidents per one million hours worked. The total number of hours worked are based on submitted data reported by the subsidiaries for employees per 31 March 2026. No other critical limitations or assumptions were applied beyond estimating total hours worked.

These metrics are used to monitor performance related to the material sustainability matter Health and Safety.

(S1-14-MDR-M-73, -75, -76, -77a-b) (S1-14-AR80, -89, -90)

S1-16 REMUNERATION METRICS

FY 2025/26 is the first year that Embracer Group discloses comprehensive data on remuneration. The raw gender pay gap was 18.8% with an equal gap observed between females and males and between employees identifying as other and males. No adjusted gender pay gap has been calculated. The raw gender pay gap is influenced by the distribution of roles across countries and segments, where certain technical and leadership positions have a higher concentration of male employees.

The annual total remuneration ratio between the highest-paid individual in the Group and the median total remuneration of all own employees (excluding the highest-paid individual) is 1:56.

(S1-16-95, -97a-c) (S1-16-AR100, -101) (S1-16-MDR-M-77a)

Reporting principles: Remuneration

The gender pay gap is presented as the percentage difference relative to the average pay level of male employees, in line with the ESRS. The calculation includes all employees within the gender categories defined in S1-6: female, male and other. Gross hourly pay is calculated by dividing each employee's base salary and benefits in cash by total hours worked. Average gross hourly pay by gender category is then compared to the male average to determine the gender pay gaps.

The total annual remuneration ratio is calculated, as the ratio of the remuneration of the highest-paid individual to the median annual total remuneration of all employees excluding the highest-paid individual, in accordance with the ESRS. Total remuneration includes base salary, benefits in cash, benefits in kind, and the total fair value of annual long-term incentives, consistent with ESRS definitions.

Figures are compiled on a gross basis for each employee. Data is sourced from payroll systems and adjusted for purchasing power differences across countries. However, results are not adjusted for differences in role, seniority, tenure or experience, and therefore may not fully reflect underlying pay equity within comparable job categories.

These metrics are used to monitor performance related to the material sustainability matter Equal treatment.

(S1-16-97c, -99) (S1-16-MDR-M-73, -75, -76, -77a-b) (S1-16-AR98a-b, -99, 101b-c)

S1-17 INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

During the reporting period FY 2025/26, a total of 13 cases of work-related complaints were reported through the group's channels to raise concerns. None of the cases were confirmed incidents of discrimination or harassment, or severe human rights impacts. No fines, penalties or compensation occurred during the reporting period.

No cases have been identified concerning actual severe human rights impacts such as forced labor, human trafficking or child labor; therefore, these are deemed non-material topics for Embracer Group's own workforce. These metrics are used to monitor performance related to the material sustainability matters Equal Treatment and Harassment.

For more information on Embracer's whistleblowing system, refer to S1-3.

(S1-17-100, -102, -103a-d, 104a-b, -105) (S1-17-MDR-M-75)




































ESRS S2 | SUSTAINABILITY STATEMENT

WORKERS IN THE VALUE CHAIN

Phase-in provisions in accordance with Appendix C of ESRS 1

Embracer Group relies on a diverse network of business partners through the value chain to provide the resources and capabilities that support the Group’s operations and offerings. These partners include platform providers, publishers, external studios, wholesalers, distributors, and manufacturers who contribute to game development, merchandise, physical games, and comic books. Embracer Group is committed to promoting fair labor conditions, human rights, and responsible business practices across the value chain, ensuring that all workers are treated with respect and that sustainability standards are upheld in every partnership.

USE OF PHASE-IN PROVISIONS IN ACCORDANCE WITH APPENDIX C OF ESRS 1

Impacts, risks and opportunities	Value chain	Description	Time horizon		
			S	M	L
S2 WORKERS IN THE VALUE CHAIN					
Health & Safety		 	Unsafe working conditions in the value chain can negatively affect workers’ physical and mental health.		
Working-time		 	Unregulated working hours and overtime in the value chain can negatively affect workers’ work-life balance		
Adequate wages		 	Business partners not paying adequate wages contribute to unfair working conditions and negative impacts on workers.		
Collective bargaining		 	The absence of the right to collective bargaining and freedom of association can negatively affect workers’ ability to protect their interests and working conditions.		
Equal treatment		 	Discrimination in the value chain imposes unequal disadvantages on individuals or denies equal opportunities, resulting in unfair treatment.		
Harassment		 	Potential harassment or inappropriate behavior in the value chain can negatively affect workers’ safety and well-being and increase turnover risk.		
Diversity		 	A lack of diversity and inclusion in the value chain can limit equal opportunities, reduce engagement and contribute to unfair treatment of workers.		
Forced labor & Child labor		 	The presence of forced labor or child labor in the value chain constitutes a severe negative impact on human rights, children’s development, and workers’ freedom and safety.		
Water & Sanitation			Lack of access to safe and clean drinking water and sanitation in the value chain negatively affects workers’ health, dignity and basic living conditions.		

-  Actual Negative Impact
-  Actual Positive Impact
-  Potential Negative Impact
-  Short-term
-  Opportunity
-  Risk
-  Potential Positive Impact
-  Medium-term
-  Upstream
-  Own Operations
-  Downstream
-  Long-term

Embracer Group relies on its business partners such as platform providers, publishers, wholesalers, distributors, manufacturers, developers and game studios, to provide resources and capabilities that support the Group's operations and games and entertainment offerings. This comes with a responsibility to ensure that, while running a dynamic business that is constantly evolving, Embracer Group also considers the well-being and rights of the workers in the value chain, specifically related to certain vulnerable groups. For instance, the Group has identified that respect for fundamental human rights and labor rights are key material topics throughout the entire value chain and all business relationships. This includes aspects related to working conditions such as health and safety, working time and freedom of association for value chain workers in the game development and in the production tiers of merchandise and comic book offerings. In the same way, topics concerning diversity, gender equality, equal treatment and opportunities for all value chain workers are important. Based on the current assessment, no material negative impacts within the topics, nor global supply chain disruptions, have been identified as posing a material risk to the Group. Should such impacts arise, they could lead to additional investment needs related to supply chain management, supplier audits, and resilience. Increased risk factors across all topics mainly relate to business activities in the geographical locations of suppliers, where local context may indicate that value chain workers are not adequately protected by national laws.

(S2-SBM-3-48a, -48c-civ)

In Embracer Group's business context, it can sometimes be challenging to distinguish between value chain workers and non-employees considering that the Group has contractors that perform work under the Embracer brand. For example, individuals from external studios that are contracted by Embracer Group or the subsidiaries are considered as non-employees and are therefore covered under the S1 standard instead of the S2 disclosures in this section. Conversely, this section of the report focuses on the individuals that are working at the Group's direct business partners (first tier suppliers) such as the wholesalers or manufacturers, including individuals working at sub-suppliers further upstream that are not in a direct business relationship with Embracer Group but that are yet part of its value chain.

FY 2025/26 marks the first year that Embracer Group publishes a comprehensive sustainability report according to the ESRS and the Group is utilizing the phase-in provisions to omit the S2 standard on workers in the value chain, with full disclosures planned for FY 2026/27. This means that this year's disclosures are limited to a brief description of the topics that are material to the Group with regards to workers in the value chain, and high-level summaries of the policies, actions, targets and metrics that are in place.

(S2-BP-2-17)

To manage material impacts, risks and opportunities within these topics, Embracer Group has adopted two main policies that outline the Group's commitment towards workers in the value chain, namely the following policies:

- > **Embracer Group Supplier Code of Conduct:** with one of the main objectives to outline the expectations on corporate responsibility that Embracer Group place on suppliers and business partners to ensure that the Group's commitments can be upheld across the value chain. Amongst other matters, it specifies expectations on working conditions for value chain workers related to occupational health and safety, equal treatment and non-discrimination, the protection of freedom of association, as well as the prohibition of child labor and human exploitation. Additionally, it outlines Embracer Group's methodology for classifying suppliers based on environmental, social and governance criteria using the Amfori BSCI's risk country list.
- > **Embracer Group Sustainability Policy:** with one of the main objectives to emphasize the Group responsibility in sustainable development and triple bottom line (ESG). For instance, the policy clearly states the Group's commitment to respect human and labor rights, clarifying that this means all internationally recognized rights of the International Bill of Human Rights and the fundamental instruments and core conventions of the ILO.

During FY 2025/26 no new key actions nor initiatives have been implemented related to value chain workers, beyond the general approach for supply chain management described under G1-2. In the same way, Embracer Group does not have any targets, nor metrics, related to workers in the value chain.

(S2-BP-2-17b-e)
















ESRS S4 SUSTAINABILITY STATEMENT

CONSUMERS AND END-USERS

Phase-in provisions in accordance with Appendix C of ESRS 1

The well-being and integrity of gamers, referred to as end-users in ESRS terminology are central to Embracer Group’s purpose and long-term success. Gamers form a global community that inspires and drives the Group’s business model and strategy, motivating us to create engaging, inclusive, and responsible entertainment experiences. Embracer Group is committed to supporting digital well-being, safeguarding privacy, and promoting a safe and positive environment for all players, recognizing their vital role in shaping the future of gaming and entertainment.

USE OF PHASE-IN PROVISIONS IN ACCORDANCE WITH APPENDIX C OF ESRS 1

Impacts, risks and opportunities	Value chain	Description	Time horizon		
			S	M	L
S4 CONSUMERS AND END-USERS					
Privacy	  	Personal data breaches caused by technical or human errors can result in harm to end-users and give rise to privacy-related risks.	→		
Social inclusion	  	Discriminatory or non-inclusive content, limited accessibility or unequal access can negatively affect players and increase risks related to trust, engagement and loss of customers.	→		
Protection of children	  	Children may be exposed to bullying, toxic behaviour or grooming in games and online interactions, negatively affecting their safety and well-being and increasing related trust, regulatory and reputational risks.	→		
Health & safety	  	Over-consumption, lack of representation or inappropriate game content can negatively affect players’ well-being and experience, increasing the risk of adverse consumer reactions and loss of customers.	→		
Responsible marketing	  	Irresponsible or unclear marketing practices can negatively affect consumers and increase risks related to trust, complaints and regulatory or reputational exposure.	→		

-  Actual Negative Impact  Actual Positive Impact  Potential Negative Impact S Short-term
-  Opportunity  Risk  Potential Positive Impact M Medium-term
-  Upstream  Own Operations  Downstream L Long-term

Embracer Group's purpose, directly linked to the business model and strategy, is to create great games and entertainment for our end customers. Games and entertainment create value for users by offering immersive experiences, fostering creativity, and providing opportunities for social interaction and relaxation. Within the gaming community the Group can create positive impact by offering users a safe haven, a controllable environment where they can engage in enjoyable, accessible activities. Additionally, games and entertainment can also stimulate cognitive abilities, enhance problem-solving skills, and offer a sense of achievement through challenges and rewards. However, the Group also acknowledges that gaming and entertainment products could potentially have a negative impact on habits, especially if overconsumed. With emphasis on particular groups and children that are more vulnerable, overconsumption could lead to health implications or even financial consequences for users. In addition, through games and entertainment Embracer Group could potentially influence the perception and views of gamers in relation to various cultural and social topics depending on the Group's storytelling. This means that diversity and inclusion in games and entertainment, as well as digital well-being are key matters to the Group, alongside a focus on responsible marketing, integrity and privacy.

(S4-SBM-3-48a, -48c-civ)

This section of the report describes the topics that are material to Embracer Group with regards to end-users, and provide an overview of the policies, actions, targets and metrics that are in place, utilizing the phase-in provisions to omit the full S4 standard.

As described under ESRS 2 SBM-3, through the double materiality assessment Embracer Group has identified several material topics which fall into three main sub-topics. Below we highlight a summary of these, including the actions put into place to address them:

- > **Information-related impacts:** concerning privacy matters, to properly manage the impact on gamers and the associated business-related risks, Embracer Group has expanded the number of employees directly working on privacy matters in gaming and moved some of the privacy tasks from the operative groups to the Group Privacy team. In FY 2025/26, the Group continued to focus on raising maturity and awareness through training, data sharing agreements, audit practices and templates to be used by all subsidiaries.
- > **Social inclusions:** concerning diversity and inclusion, non-discrimination, accessibility to products and services as well as responsible marketing practices. In this regard, Embracer Group has taken actions to promote inclusion, non-discrimination and accessibility of its games by including these matters in the Group-wide Smarter Business Sustainability Framework. At the operative groups, some studios have implemented initiatives such as adaptive gaming technology and responsible gaming routines have been introduced to support users. All PC, console and mobile games are rated using international rating systems, for example, the Pan European Game Information (PEGI) and the Entertainment Software Rating Board (ESRB) systems, specifically relating to age categories and content. The Group also monitors requirements and developing legal obligations for in-game purchases, loot boxes and similar features, with support from the trade organization Video Games Europe and the Swedish Games Industry

(Dataspelsbranschen). In June of 2025, the Embracer Group Head of Sustainability took part in two panel discussions during Almedalen Week – Sweden's annual societal forum where decision-makers, organizations and businesses meet to discuss current issues. The first panel focused on innovation with the Children's Rights Compass, organized by the Prince Couple's Foundation, whilst the second panel addressed corporate sustainability efforts for 2025 and was organized by CSR Sweden.

- > **Personal safety:** concerning the protection of children as well as the health and safety of gamers. With regards to the digital well-being and safety of the most vulnerable end-users, children, two of the games industry organizations in which Embracer Group participates have launched initiatives that provide parental support for both PC/computer, console and mobile games. For example, the "Seize the control" by Video Games Europe and "Fråga, Prata, Spela" by the Swedish Games Industry (Dataspelsbranschen). Furthermore, In FY 2025/26, the Minister for Social Services and the Minister for Gender Equality invited Embracer Group to discuss measures to promote children's safety in online games together with different children's rights organizations. During the year, employees of Embracer Group participated in the UN Global Compact SDG Innovation Accelerator for Young Professionals in which they contributed to the development of an initiative aimed at making online gaming safer for children, with a particular focus on countering cyber grooming, criminal recruitment and bullying in gaming environments. The initiative was presented at the UN Global Compact Leadership Summit 2026 held in New York. In FY 2025/26 Embracer Group also participated in the initiative "Children and Digital Environment", which aims to explore how a children rights perspective and wellbeing-by-design can be integrated into digital products. This includes everything from policy development and child-safe digital content to research and the development of new methods that promote children's wellbeing through digital gaming. The initiative is led by UNICEF in collaboration with, among others, the Danske Bank, AP3, Folksam and SEB. During the year, Embracer Group also developed a project in collaboration with the Prinsparets Stiftelse (The Prince Couple's Foundation). The collaboration aims to develop and share good practices to promote children's safety in gaming environments and to help bridge the gap between the gaming world and societal actors working directly with children. The ambition is to contribute to increased trust and strengthened knowledge exchange between the industry, parents, civil society and policymakers, and to support the development of more effective and long-term sustainable solutions for children's safety in gaming.

(S4-BP-2-17, -17a, -17d)

As the basis to the above actions, Embracer Group has adopted several policies that outline its commitment to manage the abovementioned material matters, namely the following policies:

- > **Embracer Group Code of Conduct:** with the general objective to emphasize the Group corporate responsibility and culture by outlining its values and laws. Regarding customers, it outlines the Group's commitments to safeguarding personal data and ensuring that sensitive information is handled responsibly, particularly when artificial intelligence (AI) technologies are involved.
- > **Embracer Group Sustainability Policy:** with the general objective to emphasize the Group responsibility in sustainable development and triple bottom line (ESG). For instance, the policy describes Embracer Group's commitment to the protection of children, digital well-being and safety of its end-users, as well as responsible game content.

- > **Embracer Group AI Policy:** with the general objective to establish clear guiding principles to handle benefits and risks associated with the use of AI. The policy mandates an AI Risk Assessment before the deployment of any type of AI system within the Group. Furthermore, the policy specifies an internal AI Risk Rating and procedures for addressing AI breaches, incidents, and authority investigations.

- > **Embracer Group Internal Privacy Policy:** with the general objective to define and uphold data protection across the Group. In particular, the policy outlines principles for personal data protection, data subject rights, management of third-party data processors, cross-border data transfers, and procedures for handling data breaches and authority investigations.

Embracer Group has yet not adopted any targets, nor does it measure any specific metrics related to consumers and end-users as of today.

(S4-BP-2-17c-e)





SUSTAINABILITY STATEMENT

GOVERNANCE

Embracer Group aims to ensure transparency, accountability, and responsible business practices through its corporate governance framework. The Group's governance practices focus on managing key risks, overseeing sustainability initiatives, and upholding ethical standards in daily operations. Corporate governance includes established internal processes, anti-bribery and anti-corruption training, and structured engagement with relevant stakeholders, in line with internationally recognized frameworks and practices.

**/ BOARD ACCOUNTABLE FOR SUSTAINABILITY,
SUPPORTED BY AUDIT & SUSTAINABILITY COMMITTEE**

**/ GROUP-WIDE WHISTLEBLOWING SYSTEM
IN PLACE**

**/ GROUP-WIDE AI POLICY
DEFINES PRINCIPLES FOR RESPONSIBLE AI USE**

ESRS G1 | SUSTAINABILITY STATEMENT

BUSINESS CONDUCT

Embracer Group aims to maintain high standards of ethical business conduct across its operations and throughout the value chain. These standards inform the Group’s approach to daily interactions with both internal and external stakeholders. This section of the report outlines the material topics related to business conduct, including integrity, compliance, and responsible business practices.

G1 SBM-3 | MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND STRATEGY ALIGNMENT

Impacts, risks and opportunities	Value chain	Description	Time horizon			
			S	M	L	
G1 BUSINESS CONDUCT						
Corporate Culture						→
Corporate Culture		Embracer Group’s decentralized business model may lead to inconsistent implementation of a shared behavioral culture, constituting an actual negative impact. The ongoing implementation of internal controls in the sustainability area may result in the risk of insufficient alignment across the Group not being fully mitigated.				
Corruption & bribery						→
Corruption & bribery		Embracer Group’s decentralized business model can result in inconsistencies in the application of a shared behavioral culture across the Group, constituting an actual negative impact on governance. This may, over time, increase the risk of misalignment in behaviors and decision-making.				
Management of relationships with suppliers						→
Management of relationships with suppliers		Embracer Group’s decentralized approach to managing supplier relationships can lead to variations in how suppliers are engaged and assessed, constituting an actual negative impact on consistency and transparency. This may, over time, increase risks related to value-chain impacts and payment practices affecting business partners.				
Payment practices						→
Payment practices		Delayed or non-transparent payment practices could negatively affect business partners’ cash flows, in particular small and medium-sized enterprises.				

- Actual Negative Impact Actual Positive Impact Potential Negative Impact S Short-term
- Opportunity Risk Potential Positive Impact M Medium-term
- Upstream Own Operations Downstream L Long-term

Embracer Group engages employees, consumers, and business partners around the world. As a global organization, the Group is required to comply with all applicable international, national, and local laws, which constitutes a fundamental principle of its operations. Beyond legal compliance, matters such as business conduct and responsible corporate culture are also important factors to both the Group’s own operations and its business

relationships. Additionally, the possibility to report grievances related to own operations and value chain in an anonymous and safe way is key to ensure that Embracer Group is continuously informed about potential breaches to the Group’s commitments and values, as well as the regulatory and voluntary frameworks that the Group must align with.

(G1-SBM-3-48a, -48c-civ)

G1 IRO-1 PROCESS FOR IDENTIFYING AND ASSESSING MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

As disclosed under ESRS 2 SBM-3, Embracer Group has assessed impacts, risks, and opportunities related to business conduct matters in its double materiality assessment (DMA). Information about the material topics and their connection to the Group's business model and strategy is provided in that section. In the same way, information related to the overall DMA process on how the Group identified its material topics is disclosed under ESRS 2 IRO-1, including relevant criteria for identifying and assessing business conduct matters.

No group-wide initiatives were undertaken this year, nor are any planned for the next year, as quality and product safety issues are addressed within the scope of the subsidiaries' regular operations.

(G1-IRO-1-6) (G1-MDR-A-62)

G1-1 BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

The policies adopted within Embracer Group shape the overall company culture and values. With regards to business conduct matters, the Group has several policies in place that outline the key principles in fostering its corporate culture, and which cover key matters with respect to business conduct. The policies are the following:

(G1-1-7)

- > **Embracer Group Corporate Governance Policy:** with the general objective of setting clear responsibilities for a proper steering of the business and to ensure that the corporate governance across Embracer Group complies with external regulations as well as with all other adopted internal policies and established procedures.
- > **Embracer Group Code of Conduct:** with the general objective of emphasizing Embracer Group's responsibility, corporate culture and business conduct practices by outlining its values and applicable laws that the Group must comply with. The CoC also covers a range of sustainability matters which are described under the respective policy-related disclosures under the social and environmental sections of the report. It is also the CoC that includes its commitment on the protection of whistleblowers which is further described below and under S1-3 on remediation and channels to raise concerns.
- > **Embracer Group Supplier Code of Conduct (CoC):** with the general objective of highlighting how Embracer Group upholds its corporate responsibility across the supply chain by placing requirements on its suppliers and business partners. The requirements placed are aligned with the Embracer Group Code of Conduct, and specifically address governance topics relating to business ethics, including the prevention of any form of corruption, bribery and money laundering. For further details on supply chain management see G1-2 below, and the S2 standard on workers in the value chain.
- > **Embracer Group Sustainability Policy:** with the general objective to emphasize Embracer Group's responsibility in sustainable development and triple bottom line (ESG). On governance matters, the policy emphasizes the Group's commitment to business ethics and its approach for sustainability governance, and it refers to compliance with other internal policies. Moreover, it covers other sustainability matters, which are described under the respective policy-related disclosures under the social and environmental sections of the report.
- > **Embracer Group Trade Compliance Policy:** with the general objective of providing an overview of general laws, regulations and sanctions related to export and minimum trade requirements that apply to Embracer Group. Amongst

others, the policy specifies countries where business is prohibited for all subsidiaries, as well as a list of high-risk countries subject to heightened sanctions risk.

> **Embracer Group Tax Policy:** with the general objective to outline Embracer Group's basic compliance principles related to tax matters.

> **Embracer Group Anti-Corruption Policy:** with the general objective of preventing any form of corruption and bribery by setting common compliance standards for all individuals working at, or in the name of, Embracer Group. Hence, the policy is applicable to all employees and non-employees. The Group has currently not identified any specific functions at particular risk for corruption and bribery. Investigations into potential misconduct are initiated promptly and without undue delay once concerns are identified. Where concerns are handled through the whistleblowing process, investigations are carried out in accordance with the Embracer Group Whistleblowing Guidelines, which define the key steps of the investigation process and include specified timeframes for acknowledgement, follow-up and feedback. For further details on the Group's anti-corruption and anti-bribery work see G1-3 and G1-4 below.

(G1-1-10e, -10h) (MDR-P-DR65a)

All Embracer Group policies state that violation of a Group policy could lead to disciplinary action, and the main mechanism for identifying, reporting and investigating concerns is the whistleblowing mechanism described in section S1-3. This includes concerns about unlawful behavior or behavior in contradiction of the Embracer Group CoC or any other internal policy, which help to evaluate the Group's corporate culture. As mentioned under S1-3 on remediation and channels to raise concerns, the whistleblowing mechanism is available to both internal and external stakeholders and the Group provide training to its entire workforce on how to use it, including additional demonstration of the tool to staff receiving reports and investigating whistleblowing matters. Corporate culture is evaluated through regular employee surveys and stakeholder dialogues within leadership and management forums.

(G1-1-9, -10a, -10ci)

All policies are either available internally or publicly on the website and are implemented through procedures at onboarding. The Group provides policy-related training covering the entire workforce, focusing on the Embracer Group Code of Conduct and business conduct matters, including the matters described under G1-3 on anti-corruption and anti-bribery.

(G1-1-10ci, 10g) (G1-1-MDR-P-65f)

	Corporate Governance Policy	Code of Conduct	Supplier Code of Conduct	Anti-corruption Policy	Trade compliance Policy	Tax Policy	Sustainability Policy
Date of adoption	2/23/2022	23/04/2019	5/31/2022	17/09/2019	22/12/2020	23/02/2022	02/06/2025
Latest revision	19/09/2024	19/09/2024	19/09/2024	19/09/2024	19/09/2024	19/09/2024	02/06/2025
Most senior level accountable for adoption of the policy	Embracer Group Board of Directors	Embracer Group Board of Directors	Embracer Group Board of Directors	Embracer Group Board of Directors	Embracer Group Board of Directors	Embracer Group Board of Directors	Embracer Group Board of Directors
Most senior level responsible for communicating and monitoring the policy	Embracer Group Chief of Staff, Legal & Governance, as well as the executive management of each operative group	Embracer Group Chief of Staff, Legal & Governance, as well as the executive management of each operative group	Embracer Group Chief of Staff, Legal & Governance, as well as the executive management of each operative group	Embracer Group Chief of Staff, Legal & Governance, as well as the executive management of each operative group	Embracer Group Chief of Staff, Legal & Governance, as well as the executive management of each operative group	Embracer Group Global Head of Tax, as well as the executive management of each operative group	Embracer Group Head of Sustainability, as well as the executive management of each operative group
Scope of the policy	Own operations, Employees and non-employees globally	Own operations, Employees and non-employees globally	Upstream, Own operations and Down stream, Suppliers and business partners globally	Own operations, Employees and non-employees globally	Own operations, Employees and non-employees globally	Own operations, Employees and non-employees globally	Upstream, Own operations and Down stream, Employees and non-employees globally
Alignment with third-party standards or initiatives, specifically the UN Convention against Corruption		<ul style="list-style-type: none"> > UN Guiding Principles on Business and Human rights > International Charter of Human Rights > OECD Guidelines for Multinational Enterprises > International Labor Organization (ILO) > UN Global Compact > The principle of social partnership 				<ul style="list-style-type: none"> > OECD guidelines > Part 2 of Schedule 19, Finance Act 2016 	<ul style="list-style-type: none"> > OECD Due Diligence Guidance > International Bill of Human Rights (UDHR, ICESCR and ICCPR) > Instruments and core conventions of ILO Declaration > UN Global Compact > UN Paris Agreement > UN Kyoto Protocol
ESRS area	G1 - Business Conduct	E1 - Climate Change S1 - Own Workforce S2 - Workers in the Value chain S3 - Consumers and End-users G1 - Business Conduct	E1 - Climate Change S2 - Workers in the Value chain G1 - Business Conduct	G1 - Business Conduct	G1 - Business Conduct	G1 - Business Conduct	E1 - Climate Change S1 - Own Workforce S2 - Workers in the Value chain S3 - Consumers and End-users G1 - Business Conduct

G1-2 MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

Embracer Group sets the fundamental principles for the management and relationship with suppliers via the Embracer Group Supplier Code of Conduct (SCoC), which key content and objective is described in section S2 on workers in the value chain. Beyond the SCoC, supplier management does not sit with the Embracer Group management but is managed locally by the operative groups and group companies. In other words, they are responsible for their own respective supplier bases and must adhere to the principles of the SCoC, alongside other applicable policies and laws, whilst also considering supplier specific and local circumstances.

For example, in managing impacts or risks that are linked to a given supply chain, all suppliers are required to implement environmental and human rights due diligence procedures in their operations according to the SCoC. Subsequently, all suppliers must communicate findings to Embracer Group, including measures implemented to prevent, mitigate, and address adverse impacts and risks. In some cases, the subsidiaries seek collaboration with suppliers to support such implementation. Requirements can also be placed on the supplier to independently implement actions to address unrevealed issues, if any. Compliance with the SCoC, as well as agreed implementation measures, must be

demonstrated by suppliers upon request. This can take place either through self-assessments or via onsite visits and audits conducted by representatives from the Group or by independent third parties. Non-compliance may lead to reduced business or contract termination.

(G1-2-12, -15a)

In the selection of suppliers, the SCoC specifies comprehensive requirements that all suppliers must adhere to regarding both material social matters such as working conditions, and material environmental matters such as climate change. Again, more information can be found in section S2. Overall, there is a group-wide Methodology for Sustainability Risk Classification of Suppliers that guides the selection when entering new relationships and ongoing relationships.

At present, Embracer Group does not have a policy explicitly regarding late payments. However, the Group applies standard payment terms which are described under G1-6 on payment practices.

(G1-2-14, -15b)

G1-3 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

Embracer Group has a systematic approach for anti-corruption and anti-bribery. Primarily, it is the Embracer Group Anti-Corruption Policy and it's corresponding training that outlines the key principles for how the Group prevents corruption and bribery from taking place, as well as how it detects, investigates and responds to allegations or incidents, if they occur. The key content and objective of the Embracer Group Anti-Corruption Policy is described under G1-1, alongside other Group-wide policies that support its content such as the Embracer Group Code of Conduct.

In short, the prevention procedures put in place include regular policy training to ensure adherence to the Group's commitments. Moreover, the Embracer Group Whistleblowing Channel, as described under S1-3, informs the ongoing work to detect cases of corruption or bribery that are subject to investigation. Embracer Group also follows up directly with the subsidiaries with regards to corruption and bribery matters. If cases arise, the appointed investigators can be either internal or external depending on what is determined most appropriate. Regardless, the investigators are always independent, separate from any function involved in any given case that is under investigation. All cases are reported to the Chairman of The Board, and their outcomes, including conclusions, findings, actions and follow-up measures to be implemented, are presented to the Board as well as to the Executive Management Team.

(G1-3-16, -18a-c)

With regards to existing policy training, no specific functions at risk have been identified and Embracer Group rather requires mandatory bi-annual anti-corruption and anti-bribery training for all employees and non-employees, this includes senior executives as well as other members of the administrative and management bodies who are subject to the Group's Anti-Corruption Policy. The training is conducted online and takes approximately 30-40 minutes to complete. All matters covered by the Embracer Group Anti-Corruption Policy are covered by this training program, as well as aspects related to applicable laws. Amongst others, it offers definitions of what constitutes a bribe, conflicts of interest, including how to raise concerns inter alia via the existing Whistleblowing Channels within the Group. The administrative, management and supervisory bodies are regularly informed about training completion rates and any relevant incidents.

Furthermore, the Embracer Group Anti-Corruption Policy is available in 16 different languages and is made available through the Group's website and intranet. Again, more information on Embracer Group's policies and how they are implemented can be found under G1-1.

(G1-3-20, -21a-c) (G1-3-AR4)

G1-4 INCIDENTS OF CORRUPTION OR BRIBERY

During FY 2025/26 Embracer Group had no incidents of corruption or bribery. Hence, no convictions nor fines related to violations of anti-corruption laws or anti-bribery laws took place. Nor has the Group identified any breaches to the Embracer Group Anti-Corruption Policy or any other policy related to anti-corruption and anti-bribery.

(G1-4-22, -24a-b)

Embracer Group has not set any measurable targets related to corruption and bribery, as the matter is addressed through policies and actions within the subsidiaries' regular operations. Formal target-setting is not planned as of now.

(G1-MDR-T-81, -81a, -81b-bii)

G1-6 PAYMENT PRACTICES

Embracer Group is committed to fair and timely payment practices to all suppliers, and in particular to small and medium suppliers such as studios, manufacturers and wholesalers. However, Embracer Group has not determined any standard terms with regard to payment practices, instead our principle is to follow the terms specified by our suppliers. This means that the average time it takes to pay an invoice is dependent on the differences in terms across our supplier base. In FY 2025/26 the average time to pay an invoice was 62 days across all suppliers within Embracer Group, reflecting differences in contractual payment terms. This also means that Embracer Group has no material ongoing or

pending legal proceedings, lawsuits, mediation, litigation, nor arbitration, in connection with late payments.

(G1-6-31, -33a-d) (G1-6-AR16, -17)

Embracer Group has not set any measurable targets related to payment practices, as the matter is monitored through regular operational follow-up. Formal target-setting is not planned as of now.

(G1-MDR-T-81, -81a, -81b-bii)

Reporting principles: Payment practices

The methodology used to determine the average time taken to pay an invoice measures was calculated as average account payable divided by cost of goods sold (or purchases), multiplied by 360 days. No sampling, critical limitations nor assumptions were applied.

(G1-6-33d) (G1-6-MDR-M-73, -75, -76, -77a-b)

SUSTAINABILITY STATEMENT

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(IRO-2) (IRO-2-56) (IRO-2-AR19)

SUSTAINABILITY STATEMENT

LIST OF DATA POINTS FROM OTHER EU LEGISLATION

Appendix B of ESRS 2

Disclosure requirement	Related data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Page
GOV-1	21d Board's gender diversity	■	□	■	□	69
GOV-1	21e Percentage of board members who are independent	□	□	■	□	69
GOV-4	30 Statement on sustainability due diligence	■	□	□	□	72
SBM-1	40di Involvement in activities related to fossil fuel activities	■	■	■	□	75
SBM-1	40dii Involvement in activities related to chemical production	■	□	■	□	75
SBM-1	40diii Involvement in activities related to controversial weapons	■	□	■	□	75
SBM-1	40div Involvement in activities related to cultivation and production of tobacco	□	□	■	□	75
E1-1	14 Transition plan to reach climate neutrality by 2050	□	□	□	■	Not applicable
E1-1	16g Undertakings excluded from Paris-aligned Benchmarks	□	■	■	□	Not applicable
E1-4	34 GHG emission reduction targets	■	■	■	□	90
E1-5	38 Energy consumption from fossil sources disaggregated by sources	■	□	□	□	91
E1-5	37 Energy consumption and mix	■	□	□	□	91
E1-5	40-43 Energy intensity associated with activities in high climate impact sectors	■	□	□	□	91
E1-6	44 Gross Scope 1, 2, 3 and Total GHG emissions	■	■	■	□	92
E1-6	53-55 Gross GHG emissions intensity	■	■	■	□	69, 93
E1-7	56 GHG removals and carbon credits	□	□	□	■	94
E1-9	66 Exposure of the benchmark portfolio to climate-related physical risks	□	□	■	□	Phase-in
E1-9	66a Disaggregation of monetary amounts by acute and chronic physical risk	□	■	□	□	Phase-in
E1-9	66c Location of significant assets at material physical risk	□	■	□	□	Phase-in
E1-9	67c Breakdown of the carrying value of its real estate assets by energy-efficiency classes	□	■	□	□	Phase-in
E1-9	69 Degree of exposure of the portfolio to climate-related opportunities	□	□	■	□	Phase-in
E2-4	28 Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	■	□	□	□	Not material
E3-1	9 Water and marine resources	■	□	□	□	Not material
E3-1	13 Dedicated policy	■	□	□	□	Not material
E3-1	14 Sustainable oceans and seas	■	□	□	□	Not material
E3-4	28c Total water recycled and reused	■	□	□	□	Not material
E3-4	29 Total water consumption in m ³ per net revenue on own operations	■	□	□	□	Not material
E4-SBM-3	16ai	■	□	□	□	Not material
E4-SBM-3	16b	■	□	□	□	Not material
E4-SBM-3	16c	■	□	□	□	Not material
E4-2	24b Sustainable land/agriculture practices or policies	■	□	□	□	Not material
E4-2	24c Sustainable oceans/seas practices or policies	■	□	□	□	Not material
E4-2	24d Policies to address deforestation	■	□	□	□	Not material
E5-5	37d Non-recycled waste	■	□	□	□	Not material
E5-5	39 Hazardous waste and radioactive waste	■	□	□	□	Not material
S1-SBM-3	14f Risk of incidents of forced labor	■	□	□	□	100
S1-SBM-3	14g Risk of incidents of child labor	■	□	□	□	100
S1-1	20 Human rights policy commitments	■	□	□	□	101

Disclosure requirement	Related data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Page	
S1-1	21	Sustainability due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	101
S1-1	22	Processes and measures for preventing trafficking in human beings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	101
S1-1	23	Workplace accident prevention policy or management system	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	101
S1-3	32c	Grievance/complaints handling mechanisms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	104
S1-14	88b,c	Number of fatalities and number and rate of work-related accidents	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	110
S1-14	88e	Number of days lost to injuries, accidents, fatalities or illness	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Phase-in
S1-16	97a	Unadjusted gender pay gap	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	111
S1-16	97b	Excessive CEO pay ratio	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	111
S1-17	103a	Incidents of discrimination	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	111
S1-17	104a	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	111
S2-SBM-3	11b	Significant risk of child labor or forced labor in the value chain	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Phase-in
S2-1	17	Human rights policy commitments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Phase-in
S2-1	18	Policies related to value chain workers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Phase-in
S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Phase-in
S2-1	19	Sustainability due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Phase-in
S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Phase-in
S3-1	16	Human rights policy commitments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not material
S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Not material
S3-4	36	Human rights issues and incidents	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not material
S4-1	16	Policies related to consumers and end-users	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Phase-in
S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Phase-in
S4-4	35	Human rights issues and incidents	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Phase-in
G1-1	10b	United Nations Convention against Corruption	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable
G1-1	10d	Protection of whistleblowers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not applicable
G1-4	24a	Fines for violation of anti-corruption and anti-bribery laws	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	123
G1-4	24b	Standards of anti-corruption and anti-bribery	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	123
(BP-2-15) (IRO-2-56)							



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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Amounts in SEK m	Note	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Net sales	3, 4	15,906	21,314
Other operating income	5	661	8,389
Total operating income		16,567	29,703
Work performed by the Company for its own use and capitalized		2,130	2,587
Goods for resale		-6,110	-6,604
Other external expenses	6, 16	-3,565	-5,459
Personnel expenses	7	-5,086	-8,107
Depreciation, amortization and impairment	14, 15, 16, 32	-10,914	-8,684
Other operating expenses	8, 32	-79	-104
Share of profit of an associate after tax	17	3	-8
Operating profit/loss (EBIT)		-7,053	3,324
Profit or loss from financial items			
Financial income	9	984	713
Financial expenses	10	-826	-1,575
Profit/loss before tax		-6,896	2,461
Income tax	11	8	-115
Profit for the year continuing operations		-6,888	2,346
Profit from Discontinued operation, net after tax ¹⁾	32	1,071	3,617
Net profit/loss for the year		-5,817	5,963
<i>Net profit/loss for the period attributable to:</i>			
Equity holders of the parent		-5,819	5,964
Non-controlling interests		2	-1
Earnings per share			
Basic earnings per share including Discontinued operation (SEK)	12	-27.67	28.88
Diluted earnings per share including Discontinued operation (SEK)	12	-27.67	28.87
Basic earnings per share excluding Discontinued operation (SEK)	12	-32.76	11.37
Diluted earnings per share excluding Discontinued operation (SEK)	12	-32.76	11.36

¹⁾ Excluding non-controlling interests of discontinued operations

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	Note	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Net profit/loss for the year		-5,817	5,963
Other comprehensive income			
<i>Items that may be reclassified to profit or loss (net of tax):</i>			
Exchange differences on translation of foreign operations		-839	-4,831
Cash flow hedges		0	-3
<i>Items that will not be reclassified to profit or loss (net of tax):</i>			
Remeasurement of defined benefit plans for employees	27	1	-2
Total other comprehensive income for the year, net of tax		-837	-4,836
Total comprehensive income for the year, net of tax		-6,654	1,126
<i>Total comprehensive income attributable to:</i>			
Equity holders of the parent		-6,656	1,127
Non-controlling interests		2	-1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in SEK m	Note	31/03/2026	31/03/2025
ASSETS			
Non-current assets			
Goodwill	13	4,000	12,373
Intangible assets	14	10,649	14,312
Property, plant and equipment	15	451	527
Right-of-use assets	16	459	645
Investments in associates	17	6	246
Non-current financial assets	18, 19, 20	484	447
Deferred tax assets	11	1,662	1,665
Total non-current assets		17,710	30,215
Current assets			
Inventories	21	783	707
Trade receivables	18, 20	2,175	2,200
Contract assets	4, 18	75	82
Other receivables	18, 22	839	1,351
Prepaid expenses	23	260	481
Current investments	18	—	0
Cash and cash equivalents	18, 29, 32	4,957	7,097
Total current assets		9,088	11,919
Assets held for sale	32	—	—
TOTAL ASSETS		26,798	42,134

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONTINUED

Amounts in SEK m	Note	31/03/2026	31/03/2025
EQUITY AND LIABILITIES			
Equity	25, 32		
Share capital		2	2
Other contributed capital		61,899	62,061
Reserves		153	990
Retained earnings, including net profit		-42,560	-31,921
Total equity attributable to equity holders of the parent		19,495	31,133
Non-controlling interests		36	64
Total equity		19,530	31,196
Non-current liabilities			
Liabilities to credit institutions	18, 20	366	1,119
Other non-current liabilities	18, 20	108	103
Lease liabilities	16, 20	322	438
Other provisions	26	184	186
Contingent considerations	18, 20	151	822
Non-current put/call options on non-controlling interests	18, 20	—	—
Deferred considerations	18, 20	—	—
Non-current employee benefits	7, 27	0	5
Non-current liabilities to employees related to historical acquisitions	7, 18, 20	12	679
Deferred tax liabilities	11	644	1,226
Total non-current liabilities		1,785	4,578
Current liabilities			
Liabilities to credit institutions	18, 20	792	545
Current account credit facilities	18, 20	—	—
Advances from customers	18, 20	96	158
Trade payables	18, 20	1,115	1,207
Lease liabilities	18, 20	167	249
Contract liabilities	4, 18, 20	543	1,023
Contingent considerations	18, 20	76	495
Deferred considerations	18, 20	—	—
Current put/call options on non-controlling interests	18, 20	—	—
Tax liabilities		239	365
Current liabilities to employees related to historical acquisitions	7, 18, 20	262	164
Other current liabilities	18, 20	445	498
Accrued expenses	18, 28	1,747	1,656
Total current liabilities		5,483	6,360
Liabilities attributable to assets held for sale	32	—	—
TOTAL EQUITY AND LIABILITIES		26,798	42,134

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK m	Equity attributable to equity holders of the parent						Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves ¹⁾	Retained earnings including profit for the period	Total equity attributable to equity holders of the parent			
Opening balance 01/04/2024	2	60,932	5,826	-14,341	52,419	64	52,482	
Net profit/loss ²⁾	—	—	—	5,964	5,964	-1	5,963	
Other comprehensive income	—	—	-4,836	—	-4,836	—	-4,836	
Total comprehensive income for the period	—	—	-4,836	5,964	1,127	-1	1,126	
<i>Transactions with the owners</i>								
New share issue	0	268	—	—	268	—	268	
Share-based remuneration according to IFRS 2	—	862	—	—	862	—	862	
Dividend	—	—	—	-24,538	-24,538	—	-24,538	
Dividend to non-controlling interests	—	—	—	—	—	-495	-495	
Transactions with non-controlling interests	—	—	—	995	995	495	1,489	
Total	—	1,130	—	-23,543	-22,413	—	-22,413	
Closing balance 31/03/2025	2	62,061	990	-31,921	31,133	64	31,196	
Opening balance 01/04/2025	2	62,061	990	-31,921	31,133	64	31,196	
Net profit/loss ²⁾	—	—	—	-5,819	-5,819	2	-5,817	
Other comprehensive income	—	—	-837	—	-837	—	-837	
Total comprehensive income for the period	—	—	-837	-5,819	-6,656	2	-6,654	
<i>Transactions with the owners</i>								
New share issue	—	389	—	—	389	—	389	
Share-based remuneration according to IFRS 2	—	-52	—	—	-52	—	-52	
Repurchase of own shares	—	-500	—	—	-500	—	-500	
Dividend	—	—	—	-4,819	-4,819	—	-4,819	
Transactions with non-controlling interests	—	—	—	—	—	-30	-30	
Total	—	-162	—	-4,820	-4,982	-30	-5,012	
Closing balance 31/03/2026	2	61,899	153	-42,560	19,495	36	19,530	

¹⁾ Includes currency translation difference and cash flow hedge reserve.

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK m ²⁾	Note	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Operating activities			
Profit/loss before tax		-6,896	2,461
Adjustments for non-cash items, etc.	29	9,754	1,447
Income tax paid		-449	-701
Cash flow from operating activities before changes in working capital		2,409	3,207
Cash flow from changes in working capital			
Change in inventories		-137	5
Change in operating receivables		374	237
Change in operating liabilities		-180	-788
Cash flow from operating activities		2,465	2,660
Investing activities			
Acquisition of property, plant and equipment	15	-91	-123
Proceeds from sales of property, plant and equipment		16	4
Acquisition of intangible assets	14	-2,920	-3,415
Proceeds from sales of intangible assets		6	26
Acquisition of subsidiaries, net of cash acquired ¹⁾	18, 33	-378	-702
Divestment of subsidiaries, net of cash divested		377	18,497
Acquisition of financial assets		-51	-47
Proceeds from sales of financial assets		0	6
Cash flow from investing activities		-3,039	14,246
Financing activities			
Repurchase of own shares		-500	—
Proceeds from borrowings		1,675	7,272
Received dividend		—	9,885
Received payment from and given to Discontinued operations		-272	-4,118
Repayment of loans		-2,163	-24,763
Payment of lease liabilities		-246	-316
Cash flow from financing activities		-1,506	-12,041
Total cash flow, Continuing operations		-2,080	4,866
Total cash flow, Discontinued operations		495	5,274
Total cash flow, total Group		-1,585	10,141
Cash and cash equivalents at the beginning of period including discontinued operations		7,097	3,507
Exchange-rate differences in cash and cash equivalents		-22	-97
Cash and cash equivalents in Discontinued operations		-533	-6,492
Cash and cash equivalents at the end of period	29	4,957	7,059

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

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

GROUP NOTES

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NOTE 1 MATERIAL ACCOUNTING PRINCIPLES

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

The group is divided into 6 subgroups which are THQ Nordic, PLAION, DECA Games, Dark Horse, Freemod and Crystal Dynamics – Eidos Montréal.

The Parent Company is a limited liability company with its registered office in Karlstad, Sweden. The address of the head office is Tullhusgatan 1B, 652 09 Karlstad.

The Board of Directors has approved the historical financial information on June 17, 2026.

BASIS FOR PREPARATION

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

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

MATERIAL ACCOUNTING PRINCIPLES

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

PRIMARY FINANCIAL STATEMENTS

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

NEW OR AMENDED STATEMENTS**New and amended standards that entered into force during the financial year**

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

New and amended standards that haven't entered into force

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

IFRS18 does not change the accounting or measurement of individual items, but it does introduce a revised structure for the financial statements and may affect how the Group presents its operating results. The most significant changes include a clearer presentation of the income statement, the introduction of mandatory interim results and requirements for disclosure of management performance measures (MPMs). The standard also provides more detailed guidance on the aggregation and breakdown of information in both primary reports and notes.

The Group is currently analyzing the consequences of IFRS18 and preparing necessary adjustments to processes, systems and reporting routines to ensure effective and correct application upon transition.

CURRENCY**Functional currency and reporting currency**

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

Transactions in foreign currency

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

Foreign exchange gains and losses are recognized gross.

CLASSIFICATION

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

Goods for resale

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

NOTE 2 SIGNIFICANT ESTIMATES AND ASSUMPTIONS

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

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

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

NOTE 3 OPERATING SEGMENTS

MATERIAL ACCOUNTING PRINCIPLES

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

- > **PC/Console Games** - This part of the business conducts development and publishing of premium games for PC and Console. THQ Nordic, PLAION excluding Partner Publishing and Crystal Dynamics/Eidos are included in this operating segment.
- > **Mobile Games** - This part of the business conducts development and publishing of mobile games. DECA Games is included in this operating segment.

- > **Entertainment & Services** - This part of the business is engaged in development, publishing and distribution of comic books, conducts wholesale of publishing titles of games for console and PC as well as films, conducts publishing and external distribution of films and TV-series and produce and distribute merchandise. Dark Horse, Freemod and PLAION Partner Publishing are included in this operating segment.

No operating segments have been merged. CODM mainly uses the profit measure Adjusted EBIT in the assessment of the operating segments' results. CODM does not follow up the assets or liabilities of the operating segments for the distribution of resources or assessment of results.

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

Group Financials | Parent Company Financials

NOTE 3 CONTINUED

01/04/2025 - 31/03/2026	PC/Console Games	Mobile Games	Entertainment & Services	Total segments	Eliminations	Group functions	Group total
Revenue from external customers	6,631	2,303	6,972	15,906	—	—	15,906
Revenue from transactions with other operating segment	29	36	32	96	-96	—	—
Total revenue	6,660	2,338	7,004	16,002	-96	—	15,906
Adjusted EBIT	387	292	451	1,130	—	-225	905
Amortization of surplus values of acquired intangible assets	-219	-206	-248	-673	—	—	-673
Transaction costs	—	—	—	—	—	—	—
Personnel costs related to acquisitions	27	124	-1	149	—	—	149
Remeasurement of participation in associated companies	—	—	—	—	—	—	—
Remeasurement of contingent consideration	—	—	—	—	—	—	—
Items affecting comparability	-5,086	-1,817	-315	-7,218	—	-217	-7,435
EBIT	-4,892	-1,606	-113	-6,611	—	-443	-7,053
Net financial items							158
Profit/loss before tax							-6,896

01/04/2024 - 31/03/2025	PC/Console Games	Mobile Games	Entertainment & Services	Total segments	Eliminations	Group functions	Group total
Revenue from external customers	9,394	5,359	6,561	21,314	—	—	21,314
Revenue from transactions with other operating segment	21	40	35	95	-95	—	—
Total revenue	9,415	5,398	6,596	21,409	-95	—	21,314
Adjusted EBIT	1,341	1,383	324	3,049	—	-256	2,793
Amortization of surplus values of acquired intangible assets	-408	-371	-356	-1,135	—	—	-1,135
Personnel costs related to acquisitions	-1,189	-335	-18	-1,542	—	—	-1,542
Remeasurement of contingent consideration	4	—	—	4	—	—	4
Items affecting comparability	-3,815	8,424	-1,047	3,562	—	-358	3,204
EBIT	-4,067	9,101	-1,096	3,938	—	-614	3,324
Net financial items							-862
Profit/loss before tax							2,461

Adjusted EBIT is EBIT excluding specific items related to historical acquisitions. See definitions page [192](#).

Non-current assets per segment in which the Group has operations	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
PC/Console Games	9,968	19,402
Mobile Games	1,960	4,127
Entertainment & Services	3,604	4,286
Group functions	26	42
Total	15,558	27,857

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

NOTE 4 REVENUE FROM CONTRACTS WITH CUSTOMERS**MATERIAL ACCOUNTING PRINCIPLES**

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

- > **Segment PC/Console Games:** sales of interactive entertainment content and services for console and PC platforms.
- > **Segment Mobile Games:** sales of interactive entertainment content and services for mobile platforms.
- > **Segment Entertainment and Services:** sales of comic books and related goods and services, sales of film and merchandise and wholesales of publishing titles of interactive entertainment content and film.

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

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

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

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

The Group also has some free-to-play games for PC and console where players have the opportunity to purchase virtual goods in the game. When selling virtual goods, each virtual good usually constitutes a separate performance obligation. The transaction price for virtual goods comprises of a fixed

consideration. Control transfers to the customer over time or at a point in time (when the good is made available to the customer) depending on the nature of the good, which is either consumed at the time of purchase or is permanent. Revenue attributable to goods not consumed at the time of purchase is recognized over the contract period, which is estimated to be the average playing period for the game's paying users.

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

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

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

NOTE 4 CONTINUED

consideration, revenue from variable consideration is only recognized once the subsequent sale has occurred.

Revenue from sales of interactive entertainment content and services for mobile platforms

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

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

Revenue from sales of comic books and related goods and services, sales of film and merchandise and wholesale of publishing titles of interactive entertainment content and film

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

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

Regarding sales of film and merchandise, each good is usually considered a distinct performance obligation which is satisfied when control is transferred to the customer. Sales of film and merchandise take place both physically and digitally. The transaction price for physical sales generally comprises of a fixed consideration per good, but with variable components such as right

of return and price protection. The transaction price for digital sales comprises of either fixed or sales-based royalties. When selling physical copies of film and merchandise, control is transferred when the good has been delivered to the customer. When selling digital copies of film, control is transferred to the customer when the license is granted to the customer.

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

Principal-agent considerations

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

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

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

Income statement

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

Contract liabilities for price reductions and discounts

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

On March 31, 2026 it is management's view that the book value of provisions for price reductions and discounts are sufficiently large.

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

NOTE 4 CONTINUED

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

01/04/2025 - 31/03/2026	PC/Console Games	Mobile Games	Entertainment & Services	Group total
Type of products				
Digital products	4,466	2,303	514	7,283
Physical products	485	—	6,016	6,501
Other ¹⁾	1,680	0	442	2,121
Revenue from contracts with customers	6,631	2,303	6,972	15,906

01/04/2024 - 31/03/2025	PC/Console Games	Mobile Games	Entertainment & Services	Group total
Type of products				
Digital products	5,916	5,347	1,083	12,346
Physical products	903	—	5,144	6,046
Other ¹⁾	2,576	12	334	2,922
Revenue from contracts with customers	9,394	5,359	6,561	21,314

^{1) Refers to Work-for-hire and other game development.}

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

PC/Console Games	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
IP-rights		
Owned titles	4,746	5,912
Publishing titles	1,886	3,482
Total	6,631	9,394
New releases	893	1,906
Back catalog	4,058	4,913
Other	1,680	2,576
Total	6,631	9,394

Net sales per geographic market

01/04/2025 - 31/03/2026	PC/Console Games	Mobile Games	Entertainment & Services	Group total
Europe excl Sweden	2,100	302	3,541	5,943
USA	3,333	1,328	2,497	7,158
Sweden	103	13	104	220
Other	1,095	660	830	2,585
Total	6,631	2,303	6,972	15,906
01/04/2024 - 31/03/2025	PC/Console Games	Mobile Games	Entertainment & Services	Group total
Europe excl Sweden	2,498	910	2,743	6,151
USA	5,600	2,796	3,067	11,463
Sweden	86	189	80	355
Other	1,210	1,464	671	3,345
Total	9,394	5,359	6,561	21,314

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

NOTE 4 CONTINUED

Contract assets	31/03/2026	31/03/2025
Opening balance	82	13
Significant changes in contract assets:		
As a result of sales and distribution of subsidiaries	0	-22
Reclassifications according to IFRS 5	0	—
Changes attributable to ordinary business	-8	91
Closing balance	75	82

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

Contract liabilities	31/03/2026	31/03/2025
Opening balance	1,023	1,511
Significant changes in contract liabilities:		
As a result of sales and distribution of subsidiaries	-64	-40
Reclassifications according to IFRS 5	0	—
Changes attributable to ordinary business	-416	-447
Closing balance	543	1,023

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

NOTE 5 OTHER OPERATING INCOME

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Marketing contributions	99	69
Gain sale of subsidiaries	303	7,951
FX gains on operating receivables/ liabilities	19	10
Reversal of reserves	-4	—
Indemnities	8	—
Benefits for development projects	18	65
Gain on non-current assets	6	15
Tax deduction R&D	129	187
Other	84	92
Total	661	8,389

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

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

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

NOTE 6 AUDITOR'S FEES

PwC	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Audit services	-17	-16
Other auditing activities	—	—
Tax advisory services	—	—
Other services	—	-1
Sum	-17	-17

EY	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Audit services	-1	-7
Other auditing activities	—	—
Tax advisory services	0	—
Other services	—	—
Sum	-1	-7

Grant Thornton	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Audit services	-4	-1
Other auditing activities	—	—
Tax advisory services	—	—
Other services	—	—
Sum	-4	-1

Other auditors	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Audit services	-12	-12
Other auditing activities	-3	0
Tax advisory services	-5	-17
Other services	0	-2
Sum	-20	-31

Total	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
	-41	-59

The item "Audit services" refer to the examination of the annual report and accounting as well as the administration of the board and the CEO. Other assignments refer to other services and advice connected to such assignments. The note presents remuneration to the company's auditors recognized as an expense in the income statement during the financial year.

NOTE 7 EMPLOYEES AND PERSONNEL EXPENSES

MATERIAL ACCOUNTING PRINCIPLES

Other long-term employee benefits

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

Termination benefits

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

Share-based payments

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

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

	01/04/2025 - 31/03/2026		01/04/2024 - 31/03/2025	
	Average number of employees	Women, %	Average number of employees	Women, %
USA	1,043	26%	1,463	24%
Canada	496	22%	655	21%
Germany	478	27%	561	26%
France	125	30%	120	33%
United Kingdom	290	23%	292	23%
Sweden	268	23%	282	24%
Italy	452	18%	450	19%
Spain	104	37%	111	39%
Hungary	75	9%	77	9%
Russia	—	—%	20	44%
Austria	280	42%	307	43%
Australia	18	62%	17	58%
Romania	386	31%	436	28%
The Netherlands	123	19%	145	17%
Belgium	40	15%	41	11%
Belarus	—	—%	124	48%
Bosnia and Herzegovina	15	35%	23	34%
China	174	35%	169	34%
Japan	30	—%	36	—%
Slovakia	54	18%	47	21%
Poland	50	46%	341	34%
Finland	31	3%	29	6%
Denmark	13	35%	10	29%
Czech Republic	193	24%	296	19%
Ukraine	199	19%	160	16%
Serbia	1	—%	2	—%
Portugal	5	—%	6	—%
Bulgaria	160	30%	164	29%
Argentina	2	—%	2	—%
Israel	44	39%	52	38%
Other	68	81%	130	31%
Group, total	5,217	26%	6,568	23%

Gender distribution, Board of Directors and senior executives within the group, including all subsidiaries in the group	31/03/2026 Women, %	31/03/2025 Women, %
Board of Directors	11 %	8 %
Chief Executive Officer and other senior executives	25 %	18 %

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

Disclosure of the gender distribution of the Parent Company's Board of Directors and executive management is provided in Note [P5](#).

NOTE 7 CONTINUED

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Salaries, other benefits and social security contributions, including pension costs		
Group		
<i>Board of Directors, CEO and other senior executives</i>		
Salaries and other remuneration	-324	-438
Social security contributions	-23	-44
Pension costs	-7	-12
Total	-354	-494
<i>Other employees</i>		
Salaries and other remuneration	-3,648	-4,747
Social security contributions	-644	-630
Pension costs	-49	-60
Total	-4,341	-5,437
Group, total	-4,695	-5,931

Remuneration to permanent contract self-employed persons is reported as personnel costs in the statement of profit or loss. In total, the compensation amounts to SEK -457 million (-616). The amount is not included in the sum of SEK -3,648 million (-4,747) in the above table.

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

In connection with acquisitions, agreements on conditional purchase price that are not classified as part of transferred

purchase price have been entered into, where there is a requirement that the seller is still employed. This remuneration refers to future services and is classified as personnel costs according to IAS 19 or IFRS 2 depending on whether the remuneration is received in cash or in shares. During the year 2025/26, the cost has amounted to SEK -131 million (1,558), which are also not included in the amount of SEK -3,648 million (-4,747) in the table above.

	01/04/2025- 31/03/2026				
Remuneration to Board of Directors, CEO and other executives	Base salary, Board fees	Variable remuneration	Pension costs	Other remuneration	Total
Chair of the Board					
Kicki Wallje-Lund (remuneration April-September)	-1	—	—	—	-1
Lars Wingefors (remuneration October-March)	-2	—	—	—	-2
Deputy Chair of the Board					
Kicki Wallje-Lund (remuneration October-March)	-2	—	—	—	-2
Board member					
Jacob Jonmyren	-1	—	—	—	-1
Bernt Ingman	-1	—	—	—	-1
Cecilia Qvist	-1	—	—	—	-1
Yasmina Brihi	-1	—	—	—	-1
Brian Ward	-1	—	—	—	-1
Chief Executive Officer					
Lars Wingefors (remuneration April-July)	-1	—	0	—	-1
Phil Rogers (remuneration August-March)	-4	—	—	-25	-29
Other senior executives EMT (4 persons) ¹⁾	-22	—	-1	-5	-28
Total	-36	0	-1	-30	-67

¹⁾ During the financial year, Anton Westbergh and Phil Rogers served as other senior executives for part of the year, and Lee Guinchard was appointed as a senior executive as of January 2026.

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

¹⁾ Resigned during the financial year 2024/25

²⁾ Joined during the financial year 2024/25

NOTE 7 CONTINUED

Variable remuneration refers to time spent on a specific assignment.

REMUNERATION AND EMPLOYMENT TERMS FOR CEO AND SENIOR EXECUTIVES

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

During the financial year 2025/26, the Board of Directors decided on deviation from the guidelines for remuneration to CEO. The deviation was made in accordance with the provisions of the guidelines and were deemed necessary. The deviation was approved by the Remuneration Committee and were limited in time.

TERMINATION BENEFITS

Embracer Group and its CEO must observe a notice period of 12 months. The CEO is not entitled to any termination benefits. Embracer Group and its CFO must observe a notice period of 3 months. The CFO is entitled to termination benefits corresponding to 3/10 of monthly salary per year of seniority (6 years of seniority in April 2026). Embracer Group and the COO must observe a notice period of 12 months if the COO is terminated by Embracer Group without cause or if terminated by the COO without good reason. If terminated with cause or by good reason by Embracer or the COO, respectively, no notice period applies. The COO is entitled to termination benefits corresponding to 6 months salary if the COO terminates for good reason or if Embracer terminates without cause. The Chief Strategic Partnerships Officer is entitled to termination benefits corresponding to 6 months' salary plus 50 percent of any payable bonuses, provided that Embracer Group terminated the employment contract and the Chief Strategic Partnerships Officer was not dismissed. The other senior executives have no termination benefits and are entitled to a notice period with remuneration of up to 6-12 months. The executives must observe the same notice period.

PROVISIONS FOR PERSONNEL COSTS

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

PERSONNEL COSTS IN CONNECTION WITH HISTORICAL ACQUISITIONS

Personnel costs in connection with historical acquisitions are incurred when acquisition agreements include contingent purchase price arrangements that are not classified as part of the transferred purchase price, requiring the seller to continue their employment. Remuneration for future services is recognized as personnel costs in accordance with IAS 19 or IFRS 2, depending on whether the compensation is provided in cash or shares. For the financial year 2025/26, personnel costs related to these arrangements amounted to SEK -131 million (1,558).

AGREEMENT ON SHARE-RELATED REMUNERATION (IFRS 2)

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

Number of share rights	31/03/2026	31/03/2025
Outstanding as of 1 April	129,133	5,550,312
Granted	—	—
Redemption of shares	-177,118	—
Vested	424,174	-4,499,192
Forfeited	-14,705	-276,294
Reversed split	—	-645,693
Outstanding as of 31 March	361,484	129,133
Exercisable at the end of the period	361,484	—
Weighted average share price at the grant date for share rights granted during the period	— SEK	— SEK
Weighted average share price at the grant date for the redemption of shares during the period	109.78 SEK	— SEK
Weighted average remaining term for outstanding share rights at the end of the period	0 year	0.71 year

The total expense recognized in the consolidated statement of profit or loss during the year as a result of share-based payments amounted to SEK 82 million (1,167).

NOTE 8 OTHER OPERATING EXPENSES

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Other operating expenses	-79	-104
Sales of subsidiaries	0	0
Total	-79	-104

NOTE 9 FINANCIAL INCOME

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
<i>value through consolidated statement of profit or loss;</i>		
Change in fair value financial assets and liabilities	783	534
Change in fair value of contingent consideration receivable	—	0
Total recognized in consolidated statement of profit or loss	783	534
Assets measured at amortized cost:		
Interest income from other financial assets	114	104
Other financial income	2	17
Total interest income in accordance with the effective interest method	116	121
Other financial income:		
Exchange gain on contingent consideration	24	57
FX gain on income, financial items	60	—
Total	84	57
Total financial income	984	713

See also [note 18](#) "Financial instruments"

NOTE 10 FINANCIAL EXPENSES

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
<i>Assets and liabilities measured at fair value through consolidated statement of profit or loss:</i>		
Change in fair value financial assets and liabilities	-367	-91
Total recognized in consolidated statement of profit or loss	-367	-91
<i>Liabilities measured at amortized cost:</i>		
Interest expense liabilities to credit institutions	-70	-287
Interest expense liabilities deferred considerations	—	-9
interest expense other financial liabilities	-41	-326
Total interest expense in accordance with the effective interest method	-111	-623
<i>Other financial expense:</i>		
Exchange loss on contingent consideration	-1	—
Exchange loss on deferred considerations	—	-2
FX loss, financial items	-325	-825
Interest expense lease liabilities	-22	-34
Total	-349	-861
Total financial expenses	-826	-1,575

See also [note 18](#) "Financial instruments"

NOTE 11 INCOME TAX

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

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

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

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Current tax		
Current tax on profit for the year	-454	-597
Adjustments relating to prior years	93	23
Total current tax	-361	-575
Deferred tax		
Deferred tax attributable to temporary differences	632	599
Deferred tax attributable to loss carryforwards	-263	-140
Total deferred tax	369	459
Recognized tax in profit or loss	8	-115

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Reconciliation of effective tax rate		
Profit before tax	-6,896	2,461
Tax at the applicable tax rate for the parent company, 20,6%	1,421	-507
Tax effect of:		
Effect of different tax rates in foreign subsidiaries	-6	26
Other non-deductible expenses	-1,702	-3,306
Non-taxable income	388	3,511
Increase in tax losses for which no corresponding deferred tax was recognized	-98	-81
Net effect of temporary differences	-110	0
Utilization of previously unrecognized loss carry-forwards	0	2
Tax attributable to prior years	33	338
Standards interest on tax allocation reserve	-1	-1
Other	85	-97
Recognized effective tax	8	-115
Effective tax rate	0%	-5%

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

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Amounts recognized directly against equity		
Tax effect issuance costs	0	—
Total	0	—

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Amounts recognized directly against equity		
Tax attributable to remeasurement of defined benefit plans for employees	0	0
Total	0	0

NOTE 11 CONTINUED

DISCLOSURE ON DEFERRED TAX ASSETS AND TAX LIABILITIES

The tables below specify the tax effect of temporary differences:

Deferred tax	Deferred tax assets		Deferred tax liabilities	
	31/03/2026	31/03/2025	31/03/2026	31/03/2025
Opening balance as of 1 April	1,665	1,776	1,226	5,885
Business combinations	—	—	—	—
Recognized in the consolidated statement of profit or loss	75	-68	-279	-182
Recognized in other comprehensive income	0	1	0	—
Change in tax rates	-2	0	0	—
FX effect difference for the year	-18	-92	-48	-60
Sale of subsidiaries	-35	40	-269	-4,011
Other	-23	8	13	-405
Closing balance as of March 31	1,662	1,665	644	1,226

Deferred tax specified by item	31/03/2026				31/03/2025			
	Deferred tax assets	Deferred tax liabilities	Net	Recognized in profit or loss for the year (+ income, - expense)	Deferred tax assets	Deferred tax liabilities	Net	Recognized in profit or loss for the year (+ income, expense)
Untaxed reserves	0	8	-8	59	—	126	-126	0
Intangible assets	153	351	-198	240	94	759	-666	-22
Property, plant and equipment	6	2	3	-4	13	8	5	2
Right-of-use assets	-1	2	-3	1	—	10	-10	6
Lease liabilities	2	—	2	-2	14	0	14	-5
Accruals	45	0	45	-75	39	10	29	34
Other temporary differences	46	278	-232	201	401	777	-376	-8
Inventories	1	0	1	-1	5	0	5	0
Post employment benefits	4	—	4	0	5	—	5	—
Tax loss carry-forwards	1,316	—	1,316	-82	1,230	—	1,230	602
Other unused tax credits	116	27	90	43	362	33	329	-26
Deferred tax assets/liabilities	1,687	669	1,018	379	2,163	1,724	439	582
Offsetting	-25	-25	—	-9	-498	-498	—	-45
Deferred tax assets/liabilities (net)	1,662	644	1,018	369	1,665	1,226	439	537

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

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

PILLAR 2 - GLOBAL MINIMUM TAX FOR MULTINATIONAL CORPORATIONS

The Group is covered by the OECD's model rules for global minimum tax for multinational corporations (Pillar 2).

Under the legislation, the Group is liable to pay an additional tax for the difference between the effective tax rate calculated according to the legislation for each jurisdiction and the minimum tax rate of 15%. The Group has been exposed to paying income tax under the legislation, resulting in an additional tax of approximately SEK 7 (86) million.

NOTE 12 EARNINGS PER SHARE

Basic earnings per share including Discontinued operation	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Profit for the year attributable to equity holders of the parent	-5,819	5,964
Weighted average number of ordinary shares outstanding (millions)	210	206
Basic earnings per share	-27.67	28.88
Diluted earnings per share including Discontinued operation	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Profit for the year attributable to equity holders of the parent	-5,819	5,964
Weighted average number of shares after dilution (millions)	211	207
Diluted earnings per share	-27.67	28.87
Basic earnings per share excluding Discontinued operation	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Profit for the year attributable to equity holders of the parent	-6,890	2,347
Weighted average number of ordinary shares outstanding (millions)	210	206
Basic earnings per share	-32.76	11.37
Diluted earnings per share excluding Discontinued operation	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Profit for the year attributable to equity holders of the parent	-6,890	2,347
Weighted average number of shares after dilution (millions)	211	207
Diluted earnings per share	-32.76	11.36
<i>Reconciliation weighted average number of ordinary shares (millions)</i>	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Weighted average number of ordinary shares before dilution	210	206
Dilutive effect due to:		
Contingent considerations	1	1
Weighted average number of ordinary shares after dilution	211	207

Basic earnings per share for the discontinued operation amount to 5.09 (17.51) and the diluted earnings per share amount to 5.09 (17.51).

Embracer has certain instruments that may have a potential dilutive effect on earnings per share in the future, but which were not included in the calculation of diluted earnings per share because they did not give rise to any dilutive effect during the reported periods. Embracer has issued 0 ordinary shares (0 per 31 March 2026) with clawback rights if certain conditions are not met, that have not been included in the calculation of the average number of shares before dilution as the conditions were not met and 4,004,452 ordinary shares (8,509,077 per 31 March 2025) that have not been included in the calculation of the average number of shares after dilution as the conditions were not met at the end of the reporting period. In addition, there are 1,679,156 ordinary shares (4,666,298 per 31 March 2025) that may be issued if certain conditions are met that have not been included in the calculation of diluted earnings per share, as the conditions for the issue of the shares were not met at the end of the reporting period. In addition to these, there are no outstanding convertible loans, warrants or similar in the Embracer Group that could result in a potential dilution for shareholders.

Outstanding ordinary shares subject to redemption as a condition (i.e., subject to revocation) - such as shares subject to claw-back conditions issued by Embracer upon acquisition are not treated as outstanding and are excluded from the calculation of pre-diluted earnings per share up to and including the date the shares are no longer subject to revocation. Such shares affect earnings per share after dilution if they are dilutive and to the extent that the conditions are met, without having yet been earned, at the end of the reporting period. The existence of such claw-back shares means that the number of shares used to calculate earnings per share is lower than the number of formally issued shares. These shares have been issued as part of the purchase price for the acquisition of companies and fall under the IFRS 2 regulations.

NOTE 13 GOODWILL

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

MATERIAL ACCOUNTING PRINCIPLES**Impairment of non-financial assets**

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

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

Impairment of goodwill is never reversed.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

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

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

<i>Accumulated cost</i>	31/03/2026	31/03/2025
Opening balance	19,112	42,348
Reclassifications	—	41
Divestment and distribution of subsidiaries	-3,435	-22,088
FX effects	-430	-1,190
Closing balance	15,246	19,112

<i>Accumulated impairment</i>	31/03/2026	31/03/2025
Opening balance	-6,739	-11,138
Impairment of the year	-5,830	-3,727
Divestment and distribution of subsidiaries	1,175	7,692
Reclassifications	—	2
FX effects	148	432
Closing balance	-11,246	-6,739
Carrying amount at the end of the year	4,000	12,373

NOTE 13 CONTINUED

IMPAIRMENT TESTING OF GOODWILL

The Group performs impairment test at least annually, or when events or circumstances indicate that the carrying amount may not be recoverable. Impairment test of goodwill are performed at the lowest levels where there are independent cash flows (cash generating units), which for the Group consists of the Group's segments. Historically the Group has identified cash-generating units (CGUs) on operative group level. Management has reassessed this approach and concluded that CGUs should instead be identified on segment level, since several of the operative groups no longer are able to generate cash flows that are largely independent which mainly is due to changes of how assets are utilized to generate revenue.

Furthermore, due to these operational changes management are monitoring performance, profitability and cash flow on segment level and not on operative group level. The changed identification of CGUs has not caused any reallocation of goodwill.

The carrying amount of goodwill is allocated to cash-generating units as presented below. The carrying amount of goodwill is allocated to cash-generating units as follows:

Cash generating unit	Segment	31/03/2026	31/03/2025
PC/Console	PC/Console	2,183	8,441
Mobile	Mobile	1,626	3,554
Entertainment & Services	Entertainment & Services	191	377
Total		4,000	12,373

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

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

The impairment of goodwill in the PC/Console is primarily an effect of headcount reductions lowering the value of the workforce, reorganizations and prudent future expectations on certain markets. The impairment in mobile is related to prudent future expectations on growth in the mobile market. For Entertainment & Services impairments is mainly an effect of headcount reductions lowering the value of the workforce and prudent future expectations on certain markets.

Furthermore, the discount rate used to discount future cash flows has increased since prior year to reflect increased market uncertainty. Impairment losses for the period amounting to SEK -5,830 million (-3,727) have been recognized on the line Depreciation, amortization and impairment losses in the consolidated income statement and SEK 148 (432) million has been reported as a currency effect of the impairments.

Cash generating unit	Operating segments	Impairment for the period, 1/04/2025-31/03/2026	Impairment for the period, 1/04/2024-31/03/2025
PC/Console	PC/Console	-3,766	-2,632
Mobile	Mobile	-1,811	-387
Entertainment & Services	Entertainment & Services	-253	-709
Total		-5,830	-3,727

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

Material assumptions used to calculate values in use:

- > Forecast operating margin.
- > Growth rate for extrapolating cash flows beyond the forecast period.
- > Discount rate after tax used for estimated future cash flows

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

NOTE 13 CONTINUED

31/03/2026	Discount rate before tax (%)	Discount rate after tax (%)	Forecast of cash flow over:	Growth rate used to extrapolate cash flows beyond the forecast period (%)
PC/Console	16.2	12.7	5 years	2.5
Mobile	13.0	11.3	5 years	2.5
Entertainment & Services	14.3	11.2	5 years	2.5

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

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

SENSITIVITY ANALYSIS

The Group has performed the following sensitivity analysis.

- > Increase of the after-tax discount by 0.5 percentage points while the long-term growth rate were to decrease by 0.5 percentage points.
- > Increase of the after-tax discount rate by 1 percentage point.
- > Decrease of the operating margin before interest, taxes, depreciation and amortization by 2 percentage points during the forecast period and the period thereafter.

At the individual CGU level, all sensitivity analyses indicate further impairments on all of the CGUs, besides on PC/Console where an increase of the after-tax discount by 0.5 percentage points while the long-term growth rate were to decrease by 0.5 percentage points wouldn't indicate any impairment.

If the after-tax discount rate were to increase by 0.5 percentage points while the long-term growth rate were to decrease by 0.5

percentage points it would indicate a potential impairment need of 13 % of the total carrying amount of goodwill.

If the after-tax discount rate were to increase by 1 percentage point it would indicate a potential impairment need of 18 % of the total carrying amount of goodwill.

If the operating margin before interest, taxes, depreciation and amortization were to decrease by 2 percentage points during the forecast period and the period thereafter it would indicate a potential impairment need of 64 % of the total carrying amount of goodwill.

These calculations are hypothetical and should not be taken as an indication that these factors are more or less likely to change. These calculations do not take into account incentives and measures that would be implemented if actual cash flows differ negatively from projected cash flows. The sensitivity analysis should therefore be interpreted with great caution.

NOTE 14 INTANGIBLE ASSETS

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

MATERIAL ACCOUNTING PRINCIPLES

Amortization methods

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

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

- > Completed game development projects 2 years

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

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

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

Capitalization of development expenditure

The Group capitalizes certain development expenditures as intangible assets in the statement of financial position, primarily relating to game development. Capitalization of development expenditure is based, among other things, on the assessment that future economic benefits will be generated by the asset and that it is technically possible to complete the asset. The Group must make significant assessments regarding the timing of capitalization. The Group's expenditures related to game development is capitalized when games are technologically sufficient to enable evaluation of their commercial potential. The judgment of commercial ability and returns is based on experience from previous games. Development not yet completed and where amortization therefore has not started (since the game is not ready for use), are subject to annual impairment tests. The most important underlying assumption of these estimates may alter, and accordingly, have an impact on the Group's results and financial position.

As of 31 March 2026, the assessment is that the carrying amount of these assets does not exceed their fair value.

<i>Accumulated cost</i>	Projects in progress	Acquired and completed development projects	IP rights	Publishing and distribution relationships	Film rights	Other intangible assets	Total intangible assets
As of 1 April 2024	8,057	10,373	34,439	1,114	1,732	592	56,307
Investments for the year	3,371	7	—	—	333	36	3,748
Business combinations	—	—	—	0	—	—	0
Sales/disposals	-463	-829	-21,881	-1	—	-544	-23,716
Reclassifications	-50	-1	-8	—	—	-18	-76
FX effects	-452	-605	-761	-69	-140	-14	-2,041
Transferred from projects in progress to completed development projects	-2,472	2,472	—	—	—	—	—
As of 31 March 2025	7,991	11,417	11,789	1,044	1,925	52	34,220
Investments for the year	2,640	2	—	—	373	15	3,030
Sales/disposals	-506	-1,458	-1,606	—	-184	-40	-3,794
Reclassifications	-12	0	3	—	—	-1	-10
FX effects	-93	22	-339	-38	16	-3	-435
Transferred from projects in progress to completed development projects	-2,814	2,814	—	—	—	—	—
As of 31 March 2026	7,206	12,798	9,848	1,006	2,130	24	33,011

NOTE 14 CONTINUED

<i>Accumulated amortization</i>	Projects in progress	Acquired and completed development projects	IP rights	Publishing and distribution relationships	Film rights	Other intangible assets	Total intangible assets
As of 1 April 2024	—	-7,931	-6,970	-486	-1,338	-249	-16,974
Amortization for the year	—	-2,642	-1,723	-146	-339	-58	-4,908
Sales/disposals	—	627	2,882	1	—	321	3,831
Reclassifications	—	26	3	—	—	14	43
FX effects	—	490	272	39	119	8	928
As of 31 March 2025	—	-9,430	-5,537	-592	-1,558	35	-17,082
Amortization for the year	—	-2,152	-644	-85	-364	-24	-3,270
Sales/disposals	—	829	982	—	103	28	1,942
Reclassifications	—	-2	-3	—	—	3	-2
FX effects	—	-21	48	15	-16	1	27
As of 31 March 2026	—	-10,775	-5,154	-662	-1,835	42	-18,384

<i>Accumulated impairment</i>	Projects in progress	Acquired and completed development projects	IP rights	Publishing and distribution relationships	Film rights	Other intangible assets	Total intangible assets
As of 1 April 2024	-1,811	-89	-396	—	—	-1	-2,296
Impairment	-360	-103	-263	-115	—	—	-841
Sales/disposals	158	—	—	—	—	0	157
Reclassifications	-7	—	—	—	—	—	-7
FX effects	103	12	38	7	—	—	160
As of 31 March 2025	-1,916	-179	-621	-109	—	-1	-2,826
Impairment	-1,221	-349	-34	-22	—	—	-1,626
Sales/disposals	206	68	157	—	—	—	431
Reclassifications	71	-42	—	—	—	—	29
FX effects	1	—	8	6	—	—	15
As of 31 March 2026	-2,860	-502	-490	-125	—	-1	-3,978

	Projects in progress	Acquired and completed development projects	IP rights	Publishing and distribution relationships	Film rights	Other intangible assets	Total intangible assets
Opening balance at 1 April 2024	6,245	2,353	27,073	628	394	342	37,036
Closing balance at 31 March 2025	6,075	1,808	5,632	343	367	87	14,312
Closing balance at 31 March 2026	4,346	1,520	4,204	218	295	66	10,649

Internally generated intangible assets

In Embracer, internally generated intangible assets pertain primarily to game development and film rights. The costs that are capitalized in game development projects include costs for direct salaries, consultant fees and other to the project directly attributable costs. The costs that are capitalized for film rights include costs for direct salaries, consultant fees and other to the project directly attributable costs. All other costs that do not meet the criteria for capitalization are expensed in profit or loss as incurred.

IP-rights

IP-rights emanates from an acquisition and refers to rights attributable to the Group's game products, such as a game's software or titles like *Lord of the Rings* and *Tomb Raider*.

Publishing and distribution relationships

Publishing and distribution relationships emanates from an acquisition.

IMPAIRMENT TESTING

Impairment testing is done annually for ongoing projects for intangible assets and when an impairment of indicator is identified for completed intangible assets with a defined useful live period. The value of the asset as of the balance sheet date are compared with discounted cash flows during the asset's expected useful life period. Material assumption are primarily discount rate, estimated profit margin and requirement for capital expenditures. This years write-downs refers to non completed project within the operating segments PC/Console Games and Mobile Games as well as IP-rights and Publishing and distribution relationships within PC/Console Games and Entertainment & Services.

NOTE 15 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognized in the Group at cost less accumulated depreciation and any impairment losses. Reclassifications include reclassification according to IRFS 5 Assets held for sale, see [note 32](#).

MATERIAL ACCOUNTING PRINCIPLES

Depreciation methods

Depreciation is recognized on a straight-line basis over the estimated useful life of the asset or component.

The estimated useful lives of material items of property, plant and equipment are as follows:

- > Buildings 33-40 years
- > Equipment, tools, fixtures and fittings 3-14 years

Leasehold improvements are depreciated over the shorter of useful life time and the length of the lease agreement, if the Group does not expect to use the assets after the end of the lease agreement.

<i>Accumulated cost</i>	Land and buildings	Equipment, tools, fixtures and fittings	Ongoing investments	Leasehold improvements	Total property, plant and equipment
As of 1 April 2024	276	651	140	227	1,293
Investments for the year	1	144	14	22	181
Sales/disposals	-24	-535	-1	-162	-722
Reclassifications	-17	98	-147	65	-1
Exchange rate differences	-14	-60	0	-21	-95
As of 31 March 2025	221	298	6	130	655
Investments for the year	—	76	4	10	90
Sales/disposals	6	-192	0	-21	-208
Reclassifications	—	2	-1	1	2
Exchange rate differences	2	-18	0	-6	-22
As of 31 March 2026	229	166	9	113	516

<i>Accumulated amortization</i>	Land and buildings	Equipment, tools, fixtures and fittings	Ongoing investments	Leasehold improvements	Total property, plant and equipment
As of 1 April 2024	-31	-271	—	-92	-393
Depreciation	-7	-163	—	-39	-209
Sales/disposals	8	307	—	105	421
Reclassifications	13	1	—	-14	0
Exchange rate differences	1	49	—	13	63
As of 31 March 2025	-15	-77	—	-27	-119
Depreciation	-6	-99	—	-28	-132
Sales/disposals	-8	166	—	16	175
Reclassifications	—	-2	—	0	-2
Exchange rate differences	—	15	—	4	19
As of 31 March 2026	-28	3	—	-34	-59

<i>Accumulated impairment</i>	Land and buildings	Equipment, tools, fixtures and fittings	Ongoing investments	Leasehold improvements	Total property, plant and equipment
As of 1 April 2024	-2	-13	—	-5	-19
As of 31 March 2025	-2	-4	—	-4	-9
Impairment	—	0	—	—	0
Sales/disposals	2	2	—	—	4
Reclassifications	—	—	—	—	—
Exchange rate differences	—	0	—	—	0
As of 31 March 2026	—	-2	—	-4	-6

	Land and buildings	Equipment, tools, fixtures and fittings	Ongoing investments	Leasehold improvements	Total property, plant and equipment
Opening balance at 1 April 2024	243	367	140	131	881
Closing balance at 31 March 2025	205	218	6	99	527
Closing balance at 31 March 2026	201	167	9	74	451

NOTE 16 LEASES

MATERIAL ACCOUNTING PRINCIPLES

Right-of-use assets

The Group's right-of-use assets mainly consist of rental premises. Right-of-use assets are measured at cost less accumulated depreciation and any impairment losses and adjusted for remeasurements of the lease liability. Provided that Embracer is not reasonably certain that the ownership of the underlying asset will be assumed upon expiration of the lease, the right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the useful life.

For leases that have a lease term of 12 months or less or with an asset with a low underlying value, no right-of-use asset or lease

liability is recognized. Lease payments for these leases are recognized as a cost straight line over the lease term.

With respect to materiality, Embracer presents its leases as two classes of underlying assets: Premises and Other. Other includes the Group's servers, cars and storage unit agreements. All office equipment are considered to be leases where the underlying asset is of low value. The following table presents the Group's opening and closing balances regarding right-of-use assets and lease liabilities, as well as the changes during the year.

	Right-of-use assets			Lease liabilities
	Premises	Other	Total	
Opening balance at 1 of April 2024	1,349	—	1,349	1,404
Additional/ terminated agreements net	-492	—	-492	-538
Depreciation	-408	—	-408	—
Remeasurement of leases	230	—	230	227
Interest expense	-34	—	-34	33
Lease payments	—	—	—	-439
Closing balance at 31 of March 2025	645	—	645	687
Additional/ terminated agreements net	-21	—	-21	-44
Depreciation	-217	—	-217	—
Impairment of the year	-7	—	-7	—
Remeasurement of leases	83	—	83	82
Interest expense	-22	—	-22	21
Lease payments	—	—	—	-257
Closing balance at 31 of March 2026	459	—	459	489

Of the net value for Additional/terminated agreements of SEK -21 (- 492) million, additional agreements is SEK 27 (209) million.

The amounts recognized in the consolidated statement of profit or loss for the year attributable to leasing activities are presented below:

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Expenses relating to current leases (part of other external expenses)	—	-7
Expenses relating to leases of low-value assets (part of other external expenses)	-6	-7
Depreciation expense of right-of-use assets	-208	-280
Interest expenses on lease liabilities	-22	-34
Total	-236	-328

Embracer reports a cash outflow attributable to lease agreements amounting to SEK -246 million (-316). For a maturity analysis of the Group's lease liabilities, see [note 20](#) Financial risks.

NOTE 17 INVESTMENTS IN ASSOCIATES

Below are the associates that are material to the Group as of 31 March 2026. Companies listed below have share capital consisting of shares which are owned directly by the Group. The share of equity is the same as the share of votes unless otherwise stated below.

Company	Reg.no	Country of incorporation and business	Share of equity (%)		Nature of the entity's relationship	Valuation method
			31/03/2026	31/03/2025		
Iron Gate AB	559203-4820	Sweden	— %	30 %	Associated company	Equity method
Framebunker ApS	35237275	Denmark	— %	34 %	Associated company	Equity method
Ugly Duckling ApS	42566276	Denmark	— %	30 %	Associated company	Equity method
Super Deluxe Games Inc	0100-01-143799	Japan	40 %	40 %	Associated company	Equity method
Double Damage Games Inc	5493089	USA	— %	33 %	Associated company	Equity method

All associates are game development studios.

Company	Carrying amount	
	31/03/2026	31/03/2025
Iron Gate AB	—	239
Framebunker ApS	—	2
Ugly Duckling ApS	—	2
Super Deluxe Games Inc	6	3
Double Damage Games Inc	—	0
Total investments accounted for according to the equity method	6	246

Result from associated companies amounts to SEK 3 million (-8).

NOTE 18 FINANCIAL INSTRUMENTS

Reclassification of the assets & liabilities under IFRS 5, as per [note 32](#) has been returned to the balances in [note 18](#). The balances are, therefore, not affected by this reclassification as it does not have an effect before completion of the transactions.

MATERIAL ACCOUNTING PRINCIPLES

Recognition and derecognition

Financial assets and liabilities are recognized when the Group becomes a party under the contractual terms of the instrument. A financial asset is derecognized from the statement of financial position (fully or partially) when the rights in the contract have been realized or matured, or when the Group no longer has control over it. A financial liability is derecognized from the statement of financial position (fully or partially) when the obligation of the agreement is discharged or otherwise expires. Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to either settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Classification and measurement

Financial assets

Financial assets are classified at amortized cost if they are held under a business model whose objective is to collect contractual cash flows that are solely payments of principal and interest on the principal amount. At initial recognition, financial assets at amortized cost are measured at fair value including transaction costs. After initial recognition, the assets are measured at amortized cost using the effective interest rate method. The assets are subject to impairment for expected credit losses. The Group's financial assets that are debt instruments classified at amortized cost are stated below.

Financial liabilities

Financial liabilities measured at fair value through consolidated statement of profit or loss include the Group's contingent considerations and derivative instruments with negative value.

Contingent consideration is classified either as equity or as financial liability. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Other contingent considerations are remeasured each reporting period and the changes in fair value are recognized in the consolidated statement of profit or loss.

In connection with certain business combinations, Embracer has prepaid contingent consideration classified as a financial liability, with a claw-back clause if the conditions for obtaining the contingent consideration are not met. Embracer evaluates the facts and circumstances in connection with such prepayments to determine whether the commitment is considered settled, whereby the liability is derecognized, or whether the commitment remains, whereby the liability continues to be recognized at fair value in the statement of financial position. Any right to recover a prepaid contingent consideration is reported as an asset at fair value in the statement of financial position.

Derivatives are recognized on a regularly basis at fair value. Changes in value for derivatives that are not hedged are reported in the consolidated statement of profit or loss.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

For certain business combinations, Embracer has agreed to pay contingent consideration as a part of the total consideration. Contingent consideration is recognized at fair value at the acquisition date. If a contingent consideration is classified as a financial liability, it is remeasured each reporting period and changes in fair value are recognized in the consolidated statement of profit or loss under financial net. If a contingent consideration is classified as equity, it shall not be remeasured, and its subsequent settlement shall be accounted for within equity. The assumptions underlying the fair value measurement of contingent considerations classified as financial liabilities are described in further detail below. Estimates other than those made by management may result in different results and financial position. According to management, the current evaluation provides a relevant assessment of the Group's financial situation for the actual periods.

NOTE 18 CONTINUED

Measurement of financial assets and liabilities as of March 31, 2026

Financial assets	Financial instruments measured at fair value through other comprehensive income	Derivative instruments identified as hedging instruments	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized cost	Total Carrying amount
Other non-current receivables	109	—	—	374	484
Trade receivables	—	—	—	2,175	2,175
Contract assets	—	—	—	75	75
Other current receivables	—	—	—	839	839
Cash and cash equivalents	—	—	—	4,957	4,957
Total	109	—	—	8,420	8,529

Financial liabilities	Financial instruments measured at fair value through other comprehensive income	Derivative instruments identified as hedging instruments	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized cost	Total Carrying amount
Liabilities to credit institutions	—	—	—	1,157	1,157
Other non-current liabilities	—	—	—	108	108
Advances from customers	—	—	—	96	96
Trade payables	—	—	—	1,115	1,115
Contract liabilities	—	—	—	543	543
Contingent considerations	—	—	227	—	227
Liabilities to employees related to historical acquisitions	—	—	275	—	275
Other current liabilities	—	—	—	445	445
Accrued expenses	—	—	—	1,747	1,747
Total	—	—	501	5,211	5,713

Measurement of financial assets and liabilities as of March 31, 2025

Financial assets	Financial instruments measured at fair value through other comprehensive income	Derivative instruments identified as hedging instruments	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized cost	Total Carrying amount
Other non-current receivables	50	—	—	397	447
Trade receivables	—	—	—	2,200	2,200
Contract assets	—	—	—	82	82
Other current receivables	—	—	—	1,351	1,351
Current investments	—	—	—	0	0
Cash and cash equivalents	—	—	—	7,097	7,097
Total	50	—	—	11,127	11,178

NOTE 18 CONTINUED

Financial liabilities	Financial instruments measured at fair value through other comprehensive income	Derivative instruments identified as hedging instruments	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized cost	Total Carrying amount
Liabilities to credit institutions	—	—	—	1,664	1,664
Other non-current liabilities	—	—	—	103	103
Advances from customers	—	—	—	158	158
Trade payables	—	—	—	1,207	1,207
Contract liabilities	—	—	—	1,023	1,023
Contingent considerations	—	—	1,317	—	1,317
Liabilities to employees related to historical acquisitions	—	—	843	—	843
Other current liabilities	—	—	—	498	498
Accrued expenses	—	—	—	1,656	1,656
Total	—	—	2,160	6,309	8,468

CURRENT RECEIVABLES AND LIABILITIES

For current receivables and liabilities, such as trade receivables, lease liabilities and trade payables and for liabilities to credit institutions at variable interest rate, the carrying amount is considered to be a good approximation of the fair value.

The Group has no financial assets or liabilities that are offset in the accounts or that are subject to legally binding netting agreements. The maximum credit risk of the assets comprise the net amount of the carrying amounts in the tables above. The Group did not receive any pledged assets for the financial assets.

FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The table below presents financial instruments measured at fair value based on the classification in the fair value hierarchy. The different levels are defined as follows:

Level 1 - Quoted (unadjusted) market prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly (i.e. price quotations) or indirectly (i.e. derived from price quotations).

Level 3 - Input data for the asset or liability which is not based on observable market data (i.e. unobservable input data).

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

Financial assets measured at fair value as of March 31, 2025	Level 1	Level 2	Level 3	Total
Current investments	50	—	—	50

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

Financial liabilities measured at fair value as of March 31, 2025	Level 1	Level 2	Level 3	Total
Contingent consideration	—	—	1,317	1,317
Liabilities to employees related to acquisitions	—	—	843	843

DERIVATIVES

Derivative instruments are measured at fair value in accordance with Level 2 in the fair value hierarchy. Interest rate derivatives are

measured in accordance with the market valuation determined by the issuing party, see [note 20](#).

CONTINGENT CONSIDERATION

The fair value of contingent considerations have been calculated based on expected outcome of financial and operational targets for each individual agreement. The estimated expected settlement will vary over time depending on, among other things, the degree of fulfillment of the conditions for the contingent considerations, the development of certain exchange rates against the Swedish krona and the interest rate environment. Contingent considerations to be settled with shares are also dependent on the development of Embracer's share price.

Contingent considerations classified as financial liabilities are measured at fair value by discounting expected cash flows at a risk-adjusted discount rate of 1.8%-12.1%. Measurement is therefore in accordance with Level 3 in the fair value hierarchy. Significant unobservable input data consists of forecasted turnover and a risk-adjusted discount rate as well operational targets.

Contingent considerations ¹⁾	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Opening balance	2,264	3,935
Payment - shares to be issued	-360	-79
Payment - clawback shares	-416	-565
Payment - cash	-377	-243
FX effects	-33	-85
Reclassifications	-71	—
Disposals/divestments	-21	-252
Change in fair value recognized in consolidated statement of profit or loss	-411	-447
Closing balance	575	2,264

¹⁾ See table below for distribution between financial debt and equity.

NOTE 18 CONTINUED

The change in fair value of contingent considerations amounted to SEK -411 million. This amount is included in net financial items in the consolidated statement of financial position.

Given the contingent considerations recognized at the end of the period, an increase in the discount rate of 1.5 percentage points would affect the fair value of the contingent considerations by SEK

-25 million and a lower discount rate of 1.5 percentage points has an impact on the fair value of SEK 27 million.

The Group's contingent considerations are settled in cash or through newly issued shares. As of March 31, 2026, the contingent consideration is expected to be settled as follows.

Expected settlement	Contingent consideration classified as financial liability		Total contingent consideration classified as financial liability	Contingent consideration classified as equity		Total contingent consideration
	Cash settlement	Newly issued/ clawback shares		Newly issued/ clawback shares		
31/03/2026	171	56	227	348		575
31/03/2025	1,089	228	1,317	947		2,264

Out of Embracer's issued shares, some relate to prepaid contingent consideration with clawback rights as specified in the following table:

As of 31/03/2026	Classified as financial liability	Of which already issued	Classified as equity	Of which already issued
Maximum number of shares related to contingent consideration	2,616,724	1,187,196	766,839	691,677

PUT/CALL OPTIONS ON NON-CONTROLLING INTEREST

Put/call options on non-controlling interest refers to put/call option on non-controlling interests in business combination where the selling shareholders keep some ownership and there is a contractual obligation where Embracer will purchase the remaining interest if the holder of the option determines to exercise. The valuation and settlement is similar as for contingent consideration (level 3 fair value measurement). The fair value of put/call options on non-controlling interests have been calculated based on expected

outcome of financial and operational targets for each individual agreement. The estimated expected settlement will vary over time depending on, among other things, the degree of fulfillment of the conditions for the put/ call option on non-controlling interests, the development of certain exchange rates against the Swedish krona and the interest rate environment. Put/call option on non-controlling interests to be settled with shares are also dependent on the development of Embracer's share price.

Put/call option on non-controlling interests	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Opening balance	—	1,782
FX-effects	—	33
Reclassifications	—	-906
Disposals/divestments	—	-982
Change in fair value recognized in consolidated statement of profit or loss	—	73
Closing balance	—	0

During 2025/26, unrealized gains or losses on put/call options held at the balance sheet date amounted to SEK 0 million (0). This amount is included as part of financial items in the consolidated income statements.

NOTE 18 CONTINUED

LIABILITIES TO EMPLOYEES RELATED TO HISTORICAL ACQUISITIONS

Non-current liabilities to employees related to historical acquisitions refers to part of the purchase price in historical acquisitions which according to IFRS is classified as personnel debt.

Liabilities to employees related to acquisitions	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Opening balance	843	1,434
Accrual of personnel cost in consolidated statement of profit or loss	-212	395
Payment - cash after the acquisition day	-318	-1,294
Change in fair value recognized in consolidated statement of profit or loss	4	32
Reclassifications	27	—
Disposals/divestments	-49	317
FX-effects	-20	-41
Closing balance	275	843

Current liability amounts to SEK 262 million (164).

Given the non-current liabilities to employees related to acquisitions recognized at the end of the reporting period, an increase in the discount rate of 1.5 percentage points would affect the fair value of the non-current liabilities to employees related to acquisitions by SEK -10 million and a decrease in the discount rate of 1.5 percentage points would affect the fair value by SEK 10 million. As at 31 March, 2026 the Group's non-current liabilities to employees related to acquisitions will be settled in cash.

DEFERRED CONSIDERATION, NOT CLASSIFIED AS A FINANCIAL INSTRUMENT AT FAIR VALUE

Deferred consideration refers to future payments from business combinations and asset deals where the payment is not contingent to future financial or operational targets.

Deferred considerations	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Opening balance	—	488
Acquisitions	—	—
Payment - cash	—	-479
FX-effects	—	-9
Reclassifications	—	—
Disposals/divestments	—	-8
Discount effect recognized in consolidated statement of profit or loss	—	9
Closing balance	—	—

NOTE 19 NON-CURRENT FINANCIAL ASSETS

	31/03/2026	31/03/2025
Receivables from associates	0	0
Non-current external receivables	374	376
Non-current receivables on employees	—	13
Securities holding	110	58
Carrying amount	484	447

Accumulated acquisition values	31/03/2026	31/03/2025
At the beginning of year	447	501
Investments for the year	0	13
Sales for the year	—	-2
Reclassification	-39	-381
Impairment	-36	0
Additional receivables	220	358
Repayment	-89	-12
Translation difference	-20	-31
Carrying amount at end of year	484	447

NOTE 20 FINANCIAL RISKS

The Group's earnings, financial position and cash flow are impacted by both changes in the business environment and by the Group's own actions. The objective of risk-management activities is to define and analyze the risks faced by the entity and, as far as possible, prevent and limit any negative effects.

Through its operations, the Group is exposed to different types of financial risks: credit risk, market risk (interest-rate risk, currency risk and other price risk) as well as liquidity risk and refinancing risk. The Board is ultimately responsible for the Group's risk activities, including financial risks. Risk activities include identifying, assessing and evaluating the risks faced by the Group. Priority is assigned to the risks that are estimated to have the greatest negative impact on the Group, based on an overall assessment of potential effect, probability and consequences. The Group's overall aim for financial risks is to manage financial exposures to reduce volatility in the statement of profit or loss and the statement of financial position, protect future value of cash flows and financial assets, optimize and secure funding as well as taking advantage of economies of scale.

The Group has a number of policies that should work to mitigate the risks that need to be managed.

CREDIT RISK

Credit risk is the risk that the Group's counterparty in a financial instrument is unable to fulfil its obligations and thus causes a financial loss for the Group. The Group's credit risk primarily arises through receivables from customers and investing cash and cash equivalents. At each reporting date, the Group evaluates the credit risk of existing exposures, considering forward-looking factors.

The financial assets for which the Group has made loss allowances for expected credit losses are presented below. In addition to the assets below, the Group also monitors its loss allowance requirements for other financial instruments. In situations where the amounts are not deemed to be immaterial, loss allowances are also made for these financial instruments.

Credit risk in trade receivables and contract assets (simplified approach for credit risk provision)

Credit risk for the Group is primarily attributable to trade receivables and contract assets and Embracer's aim is to continuously monitor this credit risk. The Group's customers primarily comprise of digital retailers and physical stores as well as retailers. The Group has established guidelines to ensure that products are sold to customers with a suitable credit background. Payment terms are normally between 30 - 90 days. Historical credit losses amounts to insignificant amounts in relation to the Group's turnover.

The Group applies the simplified approach to recognizing expected credit losses on trade receivables and contract assets. This means that reserves for expected credit losses are recognized for the full lifetime, which is expected to be less than one year for all receivables. The Group applies a rating-based method for calculating expected credit losses based on probability of default,

loss given default and exposure at default. When an external credit rating is not available for the counterparty, an internal assessment of the counterparty's credit rating is performed based on the Group's previous experience of the customer and other available information. Individual assessments are made for individually material receivables, which take into account past, current and forward-looking information. Collective assessments are made for individually immaterial receivables. The Group may have credit enhancements in the form of credit insurance for trade receivables, which is then considered when assessing expected credit losses. The Group writes off a receivable when there is no longer any expectation of receiving payment and when active measures to obtain payment have been discontinued.

Age analysis of trade receivables	31/03/2026	31/03/2025
Trade receivables not yet due, excluding impairment	1,232	1,323
Past due trade receivables, excluding impairment		
1-60 days	557	237
61-120 days	24	14
>120 days	33	58
Total	1,846	1,631
Accrued income	356	606
Loss allowance for expected credit losses	-28	-37
Carrying amount	2,175	2,200

The credit quality of receivables that are not more than 90 days past due is considered to be good, based on historically low bad debts and taking into account forward-looking factors. The value of written-off receivables still under recovery actions amounts to SEK 28 million (37).

Expected credit losses for trade receivables and contract assets (simplified approach)	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Opening balance	-37	-152
Impairment	-2	-10
Sales or disposals of subsidiaries	12	123
FX effects	1	2
Closing balance	-28	-37

NOTE 20 CONTINUED

Age analysis of Expected credit losses

for trade receivables and contract assets	31/03/2026	31/03/2025
Past due trade receivables, impairment		
1-60 day	-14	-30
61-120 days	0	0
>120 days	-14	-7
Total	-28	-37

Current investments and cash and cash equivalents

The Group's credit risk also pertains to cash and cash equivalents and investment of surplus liquidity. Embracer's aim is to continuously monitor credit risk attributable to deposits and investments. The Group shall reduce the Credit & Counterparty risk by conducting business with financial counterparties that holds a credit rating of minimum single A- long term credit rating as defined by S&P Global or equivalent from at least two rating agencies. Currently Embracer Group has a small number of accounts in acquired companies where they work to achieve the objective.

Loss allowances for expected credit losses (general method)

For other items subject to expected credit losses, an impairment method with three stages is applied. Initially, and as of each reporting date, a loss allowance is recognized for the next 12 months, alternatively for a shorter period of time depending on the remaining life (stage 1). If there has been a significant increase in credit risk since initial recognition, resulting in a rating below investment grade, a loss allowance is recognized for the asset's remaining life (stage 2). For assets deemed to be credit impaired, loss allowances are still reserved for lifetime expected credit losses (stage 3). For credit-impaired assets and receivables, the calculation of interest income is based on the asset's carrying amount, net of loss allowance, as opposed to the gross amount in previous stages. The Group's assets covered of provision for expected credit losses according to the general method essentially refers to bank deposits

The Group applies a rating-based method for assessment of expected credit losses based on the probability of default, expected loss given default and exposure at default. Assessment is made per counterparty. The Group has defined default as when payment of a receivable is 120 days or more past due, or if other factors indicate default. The Group has assessed that there has been no significant increase of credit risk at the end of the reporting period for any receivable. Such an assessment is based on whether payment is 60 days or more past due, or if there is a significant deterioration in the rating, resulting in a rating below investment grade. Individual assessments are made for credit-impaired assets and receivables, which take into account past, current and forward-looking information. The valuation of expected credit losses takes into account any collateral and other credit enhancements in the form of guarantees.

The financial assets are recognized at amortized cost in the statement of financial position, i.e. net of gross amount and loss allowance. Changes in the loss allowance are recognized in profit or loss under "Other external expenses".

Credit risk exposure and credit risk concentration

The Group's credit risk exposure consists of trade receivables, contract assets and cash and cash equivalents. Cash and cash equivalents are mostly invested in financial institutions with a credit rating of at least A-. The Group's trade receivables are distributed over a large number of different customers.

There has been no significant increase in credit risk for any of the Group's financial assets. The funds placed in banks in Russia are the funds to handle the ongoing liquidation of the companies in Russia where the operations has been discontinued.

MARKET RISK

Market risk is the risk that the fair value of, or future cash flows from, a financial instrument will vary due to changes in market prices. According to IFRS, market risks comprises three types of risks: currency risk, interest rate risk and other price risk. The market risks that primarily impact the Group are interest rate risk and currency risk.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of, or future cash flows from, a financial instrument will vary due to changes in market interest rates. The aim is to not be exposed to future fluctuations in interest rate changes that impact the Group's cash flows and earnings to a greater extent than Embracer can manage. A significant factor affecting interest rate risk is the fixed interest rate period. The Group is primarily exposed to interest rate risk attributable to the Group's liabilities to credit institutions.

As of March 31, 2026, the Group's liabilities to credit institutions amount to SEK 1,158 million (1,664). The liabilities are denominated in EUR and relate to loans from several different credit institutions within the Group. All loans carry variable interest rates and mature continuously, with final maturities ranging from less than one year up to 2031. The loan portfolio consists of 10 (17) bilateral loans across 8 (10) credit institutions, with varying maturities, amortization schedules, and covenant structures. The largest individual loan represents 47% (20%) of the total interest-bearing debt.

Of the total liabilities to credit institutions, SEK 0 (0) million relates to borrowing in the Parent Company. During the year the previous revolving credit facility of EUR 400 million was canceled as planned in conjunction with the spin-off of coffee Stain Group.

In some cases and to a lesser extent, the Group uses interest rate derivatives in the form of interest rate swaps to manage interest rate risk. In all interest rate swap agreements, Embracer has chosen to exchange floating interest rates for fixed interest rates. As of March 31, 2026, there were one interest rate swap amounting to SEK 21 million (SEK - million as of March 31, 2025).

The interest rate derivatives in the previous year have been agreed with institutions that have an investment grade rating, whereby the credit exposure to the institution is considered limited.

The table below shows the impact of an increase in interest rates on equity and profit or loss, given the interest-bearing assets and liabilities at the balance sheet date.

	31/03/2026	31/03/2025
Market interest rate -1 %	12	17
Market interest rate +1 %	-12	-17

NOTE 20 CONTINUED

CURRENCY RISK

Currency risk is the risk that the fair value of, or future cash flows from, a financial instrument will vary due to changes in foreign exchange rates. Currency risk relates to the translation of foreign operations' assets and liabilities into the Parent Company's functional currency, known as translation exposure. A substantial

part of the Group's sales and purchases are also in foreign currencies, so-called transaction exposure. Currency risk related to sales and purchases in foreign currencies is managed by the Group's ambition to balance inflows and outflows in different currencies, thereby creating a natural hedge of the currency risk.

Currency exposure (%)	01/04/2025 - 31/03/2026		01/04/2024 - 31/03/2025	
	Operating income	Operating expenses	Operating income	Operating expenses
USD	51 %	41 %	68 %	45 %
EUR	38 %	36 %	25 %	27 %
Other currencies	11 %	23 %	6 %	28 %

Sensitivity - Exchange rate fluctuations against the Swedish krona	01/04/2025 - 31/03/2026		01/04/2024 - 31/03/2025	
	Effect on profit or loss	Effect on equity	Effect on profit or loss	Effect on equity
EUR - 10%	-218	-42	-162	400
USD - 10%	-97	839	-253	-290

LIQUIDITY RISK AND REFINANCING RISK

Liquidity risk is the risk that an entity will have difficulty in fulfilling obligations related to financial liabilities settled with cash or other financial assets. The Group's operations are essentially financed through equity and external funding. The Group manages the liquidity risk by continuously monitoring the operations and by maintaining cash pools for the currencies where financial synergies can be achieved. The risk is mitigated by the Group's liquidity reserves, which are immediately available. The Group regularly forecasts future cash flows based on different scenarios to ensure that financing takes place in due time.

The Group has a credit amount granted for its overdraft facilities amounting to SEK 2,987 million (7,616) Available funds consists of cash and unutilized overdraft facilities. At the end of the reporting period, SEK 1,828 million (5,956) of the overdraft facilities was not utilized.

Refinancing risk refers to the risk that financing of acquisitions or development cannot be retained, extended, refinanced or that such financing can only be made on terms that are unfavorable to the company. The need for refinancing is regularly reviewed by the company and the Board of Directors to ensure financing for the company's expansion and investments. The Group's aim is to have access to both current and non-current credit facilities at an given time to secure financing. This is achieved through forward planning and good relations with banks, financial institutions and credit facility providers. Terms and conditions in existing loan agreements are continuously monitored and managed.

The Group's contractual and undiscounted interest payments and repayments of financial liabilities are presented in the table below.

Maturity analysis	31/03/2026				Total
	<1 year	1-3 years	3-5 years	>5 years	
Liabilities to credit institutions	792	317	41	9	1,157
Contingent considerations	76	110	40	—	226
Liabilities to employees related to historical acquisitions	262	12	—	—	274
Lease liabilities	167	241	68	12	489
Contract liabilities	543	—	—	—	543
Advance from customers	96	—	—	—	96
Trade payables	1,115	—	—	—	1,115
Accrued expenses	1,747	—	—	—	1,747
Other current liabilities	445	—	—	—	445
Total	5,244	680	149	21	6,094

NOTE 20 CONTINUED

Maturity analysis	31/03/2025				Total
	<1 year	1-3 years	3-5 years	>5 years	
Liabilities to credit institutions	545	1,057	36	26	1,664
Contingent considerations	495	447	240	135	1,317
Liabilities to employees related to historical acquisitions	164	631	48	—	843
Lease liabilities	249	295	128	16	688
Contract liabilities	1,023	—	—	—	1,023
Advance to customers	158	—	—	—	158
Trade payables	1,207	—	—	—	1,207
Accrued expenses	1,656	—	—	—	1,656
Other current liabilities	498	—	—	—	498
Total	5,994	2,430	452	176	9,053

CAPITAL MANAGEMENT

The Board of Directors of Embracer Group have stipulated goals for the Capital Structure. The leverage target is to have Net Debt to adjusted EBIT of 1.0x on a 12-month forward looking basis.

The Group's financial targets are set quarterly by management and amount to a range between which adjusted EBIT is expected to be.

NOTE 21 INVENTORIES

MATERIAL ACCOUNTING PRINCIPLES

Inventories are measured at the lower of cost and net realizable value. Cost is calculated using the weighted average cost formula and includes all costs of purchase for the inventories and transport of the inventories to their present location and condition. The net realizable value is defined as the sales price less selling expenses.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

Inventories are measured at the lower of cost and net realizable value. Calculation of net realizable value is based on factors such as assessments of future sales prices, which also consider expected price reductions. The actual outcome of future sales prices may differ from the assessments made. On March 31, 2026 it is management's view that the book value of the inventories do not exceed its fair value.

	31/03/2026	31/03/2025
Raw materials and supplies	4	2
Finished goods and goods for resale	695	626
Work in progress	84	78
Carrying amount	783	707

The Group's obsolescence reserve amounts to SEK 80 million as at 31 March 2026. Costs arising from inventory write-downs and disposals amount to SEK 17 million.

NOTE 22 OTHER RECEIVABLES

	31/03/2026	31/03/2025
Goods in transit	2	1
Prepayments to supplier	255	187
Other taxes recoverable	236	270
Other interests-bearing receivables	15	16
Other receivables	331	878
Carrying amount	839	1,351

NOTE 23 PREPAID EXPENSES

	31/03/2026	31/03/2025
Prepaid rental expenses	3	16
Prepaid financial expenses	13	53
Other prepaid expenses	244	412
Carrying amount	260	481

Prepaid expenses refer to costs that have been accrued and are attributable to a later period.

NOTE 24 GROUP COMPANIES

The Parent Company's, Embracer Group AB, holdings in direct and indirect subsidiaries included in the consolidated financial statements are shown in the following table:

Company	Corp. Reg. No.	Registered office	Country	Share of equity/votes	
				31/03/2026	31/03/2025
Embracer Group AB	556582-6558	Karlstad	Sweden	Parent Company	Parent Company
PLAION Holding GmbH	FN 482610 x	Hoefen	Austria	100 %	100 %
1337 VR B.V. (liquidated)	75347482	Rotterdam	The Netherlands	— %	100 %
Anime Ltd.	SC406063	Glasgow	United Kingdom	— %	100 %
Atlantis Games Ltd.	9771586	Theale/Reading	United Kingdom	100 %	100 %
Dambuster Studios Ltd.	9140280	Nottingham	United Kingdom	100 %	100 %
DPI Merchandising Holding Inc.	EIN 41-2287084	Wilmington	USA	100 %	— %
Fishlabs GmbH	HRB105290	Hamburg	Germany	100 %	100 %
Flying Wild Hog Development Ltd.	11420362	Theale/Reading	United Kingdom	100 %	100 %
Flying Wild Hog Holding Ltd.	11293390	Nottingham	United Kingdom	100 %	100 %
Flying Wild Hog Services Sp. z o.o.	836773	Warsaw	Poland	100 %	100 %
Flying Wild Hog Studios Sp. z o.o.	836710	Warsaw	Poland	100 %	100 %
Force Field HBE Studio B.V.	34227248	Amsterdam	The Netherlands	100 %	100 %
Force Field LBE Studio B.V.	34336313	Amsterdam	The Netherlands	100 %	100 %
Force Field Productions B.V.	34247648	Amsterdam	The Netherlands	100 %	100 %
Free Radical Design Ltd. (liquidated)	13418580	Nottingham	United Kingdom	— %	100 %
Milestone S.r.l.	10851750967	Milan	Italy	100 %	100 %
PLAION AB	559425-3469	Stockholm	Sweden	100 %	100 %
PLAION AG	CH-320.3.044.267-5	St. Gallen	Switzerland	100 %	100 %
PLAION B.V.	89776968	Amsterdam	The Netherlands	100 %	100 %
PLAION ENT S.L.U.	M-119499	Madrid	Spain	100 %	100 %
PLAION GmbH	FN 194505 m	Hoefen	Austria	100 %	100 %
PLAION GmbH	HRB105290	Planegg	Germany	100 %	100 %
PLAION Inc.	26-2243948	Larkspur	USA	100 %	100 %
PLAION Inc.	0118-01-038257	Tokyo	Japan	100 %	100 %
PLAION Ltd.	2925650	Theale/Reading	United Kingdom	100 %	100 %
PLAION Ltd.	2974237	Hong Kong	Hong Kong	100 %	100 %
PLAION PICTURES GmbH	HRB 160607	Planegg	Germany	100 %	100 %
PLAION Pty Ltd.	37608232177	Sydney	Australia	100 %	100 %
PLAION S.r.l.	MI-1963591	Milan	Italy	100 %	100 %
PLAION SAS	440642247	Issy-les-Moulineaux/Paris	France	100 %	100 %
PLAION Service s.r.o.	8219966	Olomouc	Czech Republic	100 %	100 %
PLAION Sp. z o.o.	383878148	Warsaw	Poland	100 %	100 %
Prism Ray Online Services GmbH	FN 579041 g	Hoefen	Austria	50 %	50 %
Sola Media AS	920804233	Bodø	Norway	100 %	100 %
Sola Media GmbH	HRB 24372	Stuttgart	Germany	100 %	100 %
Splatter Connect Ltd. (liquidated)	7965335	Theale/Reading	United Kingdom	— %	100 %
Springboard VR B.V.	70279160	Rotterdam	The Netherlands	100 %	100 %
Supernova Capital One Ltd.	11212523	Nottingham	United Kingdom	100 %	100 %
Vertigo Games Holding B.V.	73570400	Rotterdam	The Netherlands	100 %	100 %
Vertigo Publishing B.V.	73574600	Rotterdam	The Netherlands	100 %	100 %
Vertigo Studios Amsterdam B.V.	32129579	Amsterdam	The Netherlands	100 %	100 %
Vertigo Studios B.V.	24446448	Rotterdam	The Netherlands	100 %	100 %
Warhorse Studios s.r.o.	24155849	Prague	Czech Republic	100 %	100 %
Fellowship Studios AB (Embracer Group Lager 5)	559237-4044	Karlstad	Sweden	100 %	100 %
THQ Nordic AB	559338-6104	Karlstad	Sweden	100 %	100 %
Alkimia Interactive SL	B-67542720	Barcelona	Spain	100 %	100 %
Ashborne Games s.r.o.	9578439	Brno	Czech Republic	100 %	100 %
Black Forest Games GmbH	HRB 708729	Offenburg	Germany	100 %	100 %
Bugbear Entertainment Oy	1586716-8	Helsinki	Finland	100 %	100 %
Campfire Cabal ApS	43369830	Copenhagen	Denmark	100 %	100 %

NOTE 24 CONTINUED

Company	Corp. Reg. No.	Registered office	Country	Share of equity/votes	
				31/03/2026	3/31/2025
DigixArt Entertainment SAS	5912Z	Montpellier	France	100 %	100 %
Experiment 101 AB	559019-9609	Stockholm	Sweden	100 %	100 %
Gate21 d.o.o.	65-01-0368-21	Sarajevo	Bosnia i Hercegovina	80 %	80 %
Grimlore Games GmbH	HRB 214761	Munich	Germany	100 %	100 %
Gunfire Games Europe SA (Appeal Studios SA)	0704.609.582	Charleroi	Belgium	100 %	100 %
Gunfire Games LLC	32054776284	Austin	USA	100 %	100 %
HandyGames Studios GmbH	257/128/11229	Giebelstadt	Germany	100 %	100 %
KAIKO GmbH	HRB 98636	Frankfurt am Main	Germany	100 %	100 %
Massive Miniteam GmbH (merged)	HRB 94296	Pulheim	Germany	— %	100 %
metricminds GmbH	HRB50908	Frankfurt am Main	Germany	100 %	100 %
Mirage Game Studios AB	559043-8437	Karlstad	Sweden	100 %	100 %
Nine Rocks Games s.r.o	131468/B	Bratislava	Slovakia	100 %	100 %
Palm Beach Studios srl (merged)	0899.697.764	Charleroi	Belgium	— %	100 %
Pieces Interactive AB	556744-4384	Stockholm	Sweden	100 %	100 %
Piranha Bytes GmbH	HRB 30287	Essen	Germany	100 %	100 %
Piranha Bytes Real Estate GmbH (liquidated)	B 16663	Gladbeck	Germany	— %	100 %
Purple Lamp GmbH	FN 483727 p	Vienna	Austria	100 %	100 %
Palm Beach Studios srl (merged)	81-0979019	Arizona	USA	100 %	100 %
Tarsier Studios AB	556700-9278	Malmö	Sweden	100 %	100 %
Tarsier Studios Productions AB	556812-9802	Malmö	Sweden	100 %	100 %
THQ Nordic France SAS	898013073	Saint-Ouen	France	100 %	100 %
THQ Nordic GmbH	FN 366280 y	Vienna	Austria	100 %	100 %
THQ Nordic Holdings USA Inc	7549948	Austin	USA	100 %	100 %
THQ Nordic Inc.	33-1224317	Bohemia	USA	100 %	100 %
THQ Nordic Japan KK	0100-01-204521	Tokyo	Japan	100 %	100 %
THQ Nordic Mobile GmbH	FN 652507	Wien	Sweden	100 %	100 %
Voxler Ltd.	9887544	London	United Kingdom	100 %	100 %
Voxler SAS	484440243	Paris	France	100 %	100 %
We Sing AB	556758-8024	Karlstad	Sweden	100 %	100 %
www.handy-games.com GmbH	HRB 8667	Giebelstadt	Germany	100 %	100 %
ZEN Stúdió Kft.	Cg.01-09-691-205	Budapest	Hungary	100 %	100 %
STUDZEN s.r.o. likvidácii (Zen Studios s.r.o.)	56099941	Komarno	Slovakia	75 %	75 %
Indie Games Holding AB	559280-0014	Karlstad	Sweden	— %	100 %
A Creative Endeavor AB	556895-1221	Gothenburg	Sweden	— %	100 %
Box Dragon AB	559219-7668	Gothenburg	Sweden	— %	70 %
Coffee Stain Gbg AB	559105-9208	Skövde	Sweden	— %	100 %
Coffee Stain Holding AB	556995-0180	Skövde	Sweden	— %	100 %
Coffee Stain North AB	556950-9960	Stockholm	Sweden	— %	100 %
Coffee Stain Publishing AB	559073-7069	Skövde	Sweden	— %	100 %
Coffee Stain Studios AB	556821-8225	Skövde	Sweden	— %	100 %
Easytrigger AB	559076-4543	Trollhättan	Sweden	— %	100 %
Frame Break AB	559241-9278	Skövde	Sweden	— %	100 %
Framebunker ApS	35237275	Copenhagen	Denmark	— %	100 %
Ghost Ship Games ApS	37989819	Copenhagen	Denmark	— %	100 %
Ghost Ship Publishing ApS	44471248	Copenhagen	Denmark	— %	100 %
GhostShip Holding ApS	37864005	Copenhagen	Denmark	— %	100 %
Invisible Walls Aps	38999524	Copenhagen	Denmark	— %	100 %
Kavalri Games AB	559164-5089	Stockholm	Sweden	— %	61 %
Lavapotion AB	559087-8954	Gothenburg	Sweden	— %	60 %
Mediocre AB	556852-0604	Skövde	Sweden	— %	100 %
Tuxedo Labs AB	16559219-0259	Kävlinge	Sweden	— %	100 %
Middle-earth Enterprises AB	559273-7984	Karlstad	Sweden	100 %	100 %
Bitwave AB	556939-8117	Gothenburg	Sweden	— %	100 %
Clear River Games AB	559092-8734	Karlstad	Sweden	100 %	100 %
Captured Dimensions Holding, LLC	27-3257846	Frisco	USA	100 %	100 %
Captured Dimensions, LLC	801306275	Frisco	USA	100 %	100 %
DPI Merchandising GmbH	HRB262973	Planegg	Germany	100 %	100 %
DPI Merchandising LLC.	6456046	Roseburg	USA	100 %	100 %
MEE Holding AB	559349-7059	Karlstad	Sweden	100 %	100 %
MEE Iconic Holding Inc.	6962090	Delaware	USA	100 %	100 %
Fellowship Entertainment Inc. (Embracer Freemode Inc.)	87-3323684	Livmore	USA	100 %	100 %
Embracer Freemode Investment Holding AB	559349-7067	Karlstad	Sweden	100 %	100 %
Embracer Freemode Retro Holding AB	559237-4051	Karlstad	Sweden	100 %	100 %
Embracer Freemode Retro Holding Inc.	EIN 88-3703797	Wilmington	USA	100 %	100 %
Embracer Freemode Services Holding AB	556884-8369	Karlstad	Sweden	100 %	100 %

NOTE 24 CONTINUED

Company	Corp. Reg. No.	Registered office	Country	Share of equity/votes	
				31/03/2026	3/31/2025
Freemode Go LLC	5152511	Ladera ranch	USA	100 %	100 %
Freemode Go Ltd	4511276	Clevedon	United Kingdom	100 %	100 %
Game Outlet Europe AB	556633-6052	Karlstad	Sweden	100 %	100 %
Gioteck Hong Kong Ltd	1154120	Hong Kong	Hong Kong	100 %	100 %
Grimfrost Production AB	556983-1026	Karlstad	Sweden	70 %	70 %
Grimfrost Records AB	559149-7317	Karlstad	Sweden	70 %	70 %
JIS Trading AB	559073-7036	Karlstad	Sweden	70 %	70 %
Limited Run Games, Inc.	C201701300593	Apex	USA	100 %	100 %
Limited Run Retail, LLC	C202026300043	Apex	USA	100 %	100 %
Middle Earth AB	559429-7490	Karlstad	Sweden	100 %	100 %
Middle-earth Enterprises Limited	6234577	Clevedon	United Kingdom	100 %	100 %
Middle-earth Enterprises, LLC	6939689	Livemore CA	USA	100 %	100 %
Quantic Lab S.R.L	RO18404320	Cluj-Napoca	Romania	95 %	95 %
Quantic Lab UK Ltd	13092174		United Kingdom	95 %	95 %
Redoctane Games Limited	16520108	Clevedon	United Kingdom	100 %	— %
Redoctane Games LLC	EIN 39-2681312	Delaware	USA	100 %	— %
TATSUJIN Co., Ltd.	0105-01-041069	Tokyo	Japan	90 %	90 %
Varyag Group AB	559185-6553	Karlstad	Sweden	70 %	70 %
Varyag LLC	7185200	Dover	USA	100 %	100 %
Amplifier Game Invest Holding AB	559092-8742	Karlstad	Sweden	100 %	100 %
Amplifier Boot Camp AB	559400-7626	Stockholm	Sweden	100 %	100 %
Amplifier Studios AB	559042-8818	Stockholm	Sweden	100 %	100 %
Amplifier Studios US Holding Inc	87-4258475	Durham	USA	100 %	100 %
DestinyBit	IT02555520390	Ravenna	Italy	100 %	100 %
Green Tile Digital AB	559244-3393	Skövde	Sweden	100 %	100 %
Infinite Mana Games AB	559379-6146	Stockholm	Sweden	100 %	100 %
Misc Game AS	828183532	Sandnes	Norway	— %	54 %
Misc Holding AS	928183556	Sandnes	Norway	— %	54 %
Palindrome Interactive AB	559005-7906	Skövde	Sweden	100 %	100 %
DECA Games Holding AB	559205-5387	Karlstad	Sweden	100 %	100 %
A Thinking Ape Entertainment Ltd.	802493247 RC0002	Vancouver	Canada	100 %	100 %
CocoPlay by TabTale Ltd	514761733	Tel Aviv-Yafo	Israel	100 %	100 %
Crazy Labs Ltd	514531110	Morrisville	USA	100 %	100 %
Crazy Style Ltd	514761725	Tel Aviv-Yafo	Israel	100 %	100 %
CrazyLabs by TabTale G.P	540249109	Tel Aviv-Yafo	Israel	100 %	100 %
Embracer Canada ATA Holdings Inc.	70063 3878 RC0001	Saint John	Canada	100 %	100 %
Embracer Canada IUGO Holdings Inc.	70063 2870 RC0001	Saint John	Canada	100 %	100 %
Embracer ExchangeCo ATA Inc.	70123 9535 RC0001	Saint John	Canada	100 %	100 %
Embracer Exchangeco IUGO Inc.	70123 4734 RC0001	Saint John	Canada	100 %	100 %
Firescore Interactive Private Limited	U74999MH2018PTC3182 52	India	India	95 %	95 %
Item Box Apps Ltd.	74263 0122 RC0001	Vancouver	Canada	100 %	100 %
IUGO Mobile Entertainment Inc.	87540 8601 RC0002	Vancouver	Canada	100 %	100 %
Kid Baby Toddler Ltd	514761774	Tel Aviv-Yafo	Israel	100 %	100 %
Kids Fun Club by TabTale G.P.	540249398	Tel Aviv-Yafo	Israel	100 %	100 %
Kids Funny Preschool Education Games Ltd	514761758	Tel Aviv-Yafo	Israel	100 %	100 %
Kids Games Club Ltd	514761782	Tel Aviv-Yafo	Israel	100 %	100 %
Sunstorm by TabTale G.P	540253895	Tel Aviv-Yafo	Israel	100 %	100 %
TabTale (Luoyang) Software Ltd Company	91410300396830851D	Luoyang	China	100 %	100 %
TabTale Inc	30-0806435	Delaware	USA	100 %	100 %
TabTale International Ltd	514791151	Tel Aviv-Yafo	Israel	100 %	100 %
DECA Live Operations GmbH	HRB 191999 B	Berlin	Germany	100 %	100 %
Beijing Deca Interactive Entertainment Technology Co., Ltd.	91110105MA04GAD673	Beijing	China	95 %	95 %
DECA Games EOOD	205681825	Veliko Tarnovo	Bulgaria	100 %	100 %
Embracer Group Archive AB	559273-7976	Karlstad	Sweden	100 %	100 %
Embracer Group Lager 10 AB	559273-7992	Karlstad	Sweden	100 %	100 %
Dark Horse Comics, LLC	93-0978055	Milwaukie	USA	100 %	100 %
Dark Horse Entertainment Comics Fund LLC	EIN 93-3606852	Dover	USA	100 %	100 %
Dark Horse Entertainment, LLC	93-1066511	Milwaukie	USA	100 %	100 %
Dark Horse Holding, Inc.	61-1897686	Wilmington	USA	100 %	100 %

Group Financials | Parent Company Financials

NOTE 24 CONTINUED

Company	Corp. Reg. No.	Registered office	Country	Share of equity/votes	
				31/03/2026	31/03/2025
Dark Horse Media, LLC	83-1567733	Milwaukee	USA	100 %	100 %
Dark Horse Technology & Trading, Ltd.		Shanghai	China	100 %	100 %
Gladiator Bidco Inc	88-0848177	Wilmington	USA	100 %	100 %
Things From Another World, LLC	93-1092217	Milwaukee	USA	100 %	100 %
Embracer Group Lager 13 AB	559352-6121	Karlstad	Sweden	100 %	100 %
Ace Radish Acquisition Canada Inc.	1421115-4	Toronto	Canada	100 %	100 %
Ace Radish Acquisition Inc.	EIN 88-2611962	Wilmington	USA	100 %	100 %
CDE Entertainment Ltd.	14053837	London	United Kingdom	100 %	100 %
Crystal Dynamics Canada, Inc.	1178225851	Montreal	Canada	100 %	100 %
Crystal Dynamics Spain, S.L.	B13752274	Valencia	Spain	100 %	100 %
Crystal Dynamics, Inc.	94-3161281	San Mateo	USA	100 %	100 %
Eidos Interactive Corp.	85948 5583 RC0001	Montreal	Canada	100 %	100 %
Meezey, LLC (liquidated)	84-2689894	Frisco	USA	— %	100 %
Volition Games Holding, LLC	92-3041822	Champaign	USA	100 %	100 %
Volition Games, LLC	90-0931309	Champaign	USA	100 %	100 %
Embracer Group Lager 4 AB	559237-4036	Karlstad	Sweden	100 %	100 %
Arc Games B.V.	24484242	Amsterdam	The Netherlands	— %	100 %
Arc Games Holding Corporation	4481387	Wilmington	USA	— %	100 %
Arc Games Inc.	C4294399	Redwood City	USA	— %	100 %
Arc Games (Shanghai) Co. Ltd	91310000676212708F	Shanghai	China	— %	100 %
Cryptic Studios Inc.	C2238039	Los Gatos	USA	— %	100 %
Embracer Group Lager 11 AB	559273-8008	Karlstad	Sweden	100 %	100 %
Runic Games Inc.	4581901	Wilmington	USA	— %	100 %
Embracer Group Lager 2 AB	559237-4010	Karlstad	Sweden	100 %	100 %
34BigThings S.r.l.	10863730015	Torino	Italy	100 %	100 %
4A Games Ltd	C65059	Tas-Silema	Malta	100 %	100 %
Aspyr Canada ISL Holdings Inc.	1000163721	Toronto	Canada	100 %	100 %
Aspyr Exchangeco ISL Inc.	1000163722	Toronto	Canada	100 %	100 %
IdeaSpark Labs Inc.	2023590983	Edmonton	Canada	100 %	100 %
Limited Liability Group "AAAA Group"	43289227	Kiev	Ukraine	100 %	100 %
Plucky Bytes AB (merged)	559237-4028	Karlstad	Sweden	— %	100 %
Embracer Group Lager 17 AB	559381-0194	Karlstad	Sweden	100 %	100 %
Aspyr Media Canada Inc.	734468804BC0001	Vancouver	Canada	100 %	100 %
Aspyr Media Europe Ltd.	5073853	Hertfordshire	United Kingdom	100 %	100 %
Aspyr Media, Inc.	86-3477904	Austin	USA	100 %	100 %
Demiurge Studios Inc	1027134	Cambridge	USA	100 %	100 %
Lost Boys Interactive, LLC	L059605	Wisconsin	USA	— %	100 %
On Til Morning Holdings, LLC (liquidated)		Frisco	USA	— %	100 %
Snapshot Games Inc	C4662393	Fort Lauderdale	USA	100 %	100 %
Snapshot Games Sofia EOOD (Снапшот Геймс София" ЕООД)	203132183	Sofia	Bulgaria	100 %	100 %
Tripwire Holding LLC		Wilmington	USA	100 %	100 %
Tripwire Interactive LLC	509050	Georgia	USA	100 %	100 %
Tripwire Publishing, LLC	18083784	Georgia	USA	100 %	100 %
Fellowship Entertainment AB (Embracer Group Lager 21)	559381-0236	Karlstad	Sweden	100 %	100 %
Embracer Group Lager 16 AB	559352-6139	Karlstad	Sweden	100 %	100 %
Embracer Group Lager 18 AB	559381-0202	Karlstad	Sweden	100 %	100 %
Embracer Group Lager 19 AB	559381-0210	Karlstad	Sweden	100 %	100 %
Embracer Group Lager 20 AB	559381-0228	Karlstad	Sweden	100 %	100 %
House in the Woods AB	556997-4271	Karlstad	Sweden	100 %	100 %
Saber Interactive SGS LLC (under liquidation)	1207800040315	St. Petersburg	Russia	100 %	100 %
Bytex (Байтэкс) Limited Liability Company (under liquidation)	1091326000446	Saransk	Russia	100 %	100 %
OOO Stuntworks GS (liquidated)	1161326055770	Mordovia	Russia	— %	100 %
SPL Limited (liquidated)	1089847117458	St. Petersburg	Russia	— %	100 %

NOTE 25 EQUITY

MATERIAL ACCOUNTING PRINCIPLES

Repurchase of own shares

Expenditure for the purchase of own shares reduces retained earnings in equity in the Parent company and the portion of consolidated equity that pertains to owners of the Parent company. If these shares are sold, the sales proceeds are included in retained earnings in the equity pertaining to owners of the Parent company.

SHARE CAPITAL

The registered share capital of SEK 1,906,483.60 consists of 9,000,000 Class A shares and 219,777,965 Class B shares. The shares are denominated in SEK and each share has a quota

value of approximately SEK 0.008. Each Series A share entitles the holder to ten votes and each Series B share entitles the holder to one vote at general meetings. Holders of ordinary shares are entitled to dividends which are determined in due course. All shares have equal rights to Embracer Group's remaining net assets. All shares are fully paid. Of Embracer's total 229 million outstanding shares, there were as of March 31, 2026, approximately 6 million Series B shares held by Embracer (treasury shares). As of March 31, 2026, Embracer's holdings of treasury shares correspond to 2,4% of the total number of shares outstanding.

	Class A shares	Class B shares	Total
Number of shares outstanding as of 31 March 2024	66,798,274	1,272,742,483	1,339,540,757
New share issue		11,177,480	11,177,480
Conversion of A shares to B shares	-12,798,274	12,798,274	0
Reverse share split 1:6	-45,000,000	-1,080,598,530	-1,125,598,530
Number of shares outstanding as of 31 March 2025	9,000,000	216,119,707	225,119,707
New share issue		3,658,258	3,658,258
Number of shares outstanding as of 31 March 2026	9,000,000	219,777,965	228,777,965

In accordance with the Board's proposal, the Annual General Meeting in September 2025 passed a resolution authorizing the Board on one or more occasions to decide on the issue of Class B shares, convertibles and/or warrants with the right to convert to or subscribe for a number of Class B shares, with or without departure from shareholders' preferential rights, corresponding to a maximum of ten (10) percent of the total number of shares in the Company, to be settled in cash, by payment in kind and/or by way of offsetting.

Other contributed capital

Other contributed capital consists of capital contributed by Embracer Group's owners in the form of new share issues.

RESERVES

Translation reserve, actuarial reserve and cash flow hedging reserve

The Group's translation reserve includes all exchange differences arising from the translation of the financial statements of foreign operations that have prepared their financial statements in a functional currency other than the currency in which the Group's financial statements are presented. The Group presents its financial statements in Swedish kronor. Accumulated translation differences are recognized in profit or loss when a disposal of the foreign operation is closed. As of March 31, 2026 the reserve amounts to SEK 137 million (975).

Actuarial reserve refers to the assessment made to cover future payments for pensions and amounts to SEK 16 million (15).

Cash flow hedging reserve refers to hedge accounting. As of the balance sheet date, there were no significant amounts reported.

Reserves	31/03/2026	31/03/2025
Opening balance	990	5,826
Change during the year	-837	-4,836
Closing balance	153	990

NOTE 26 OTHER PROVISIONS

	Provision for personnel costs	Provision for disputes and legal fees	Other provisions	Total
As of 31 March 2024	49	3	—	52
Sales or disposals of subsidiaries	-11	-2	—	-13
Amounts utilized	0	—	—	0
Reversal of reserve	-8	0	—	-9
Provision during year	158	0	—	158
FX effects	-2	0	—	-2
As of 31 March 2025	185	0	—	186
Sales or disposals of subsidiaries	0	—	—	0
Reversal of reserve	-1	0	—	-1
Provision during year	-1	0	—	-1
FX effects	0	0	—	0
As of 31 March 2026	183	0	—	184

PROVISION FOR PERSONNEL COSTS

Refers to expected payments over a period of 40 years in the future regarding contractual obligations for staff (anniversary benefits, bonuses and other staff provisions regarding post-employment benefits other than pensions/severance pay). These provisions refer to obligations in Austria, Italy, France and Spain.

PROVISION FOR DISPUTES AND LEGAL FEES

Provision for litigation costs and fees is based on the expected outcome of active legal proceedings. The provision has been made based on the Group's assessment of the outcome after obtaining legal opinions from independent legal experts. The change in the provision for disputes and fees is based on current risk assessments of the ongoing processes. At the time of submitting this report, the Group has no ongoing material legal disputes.

NOTE 27 NON-CURRENT EMPLOYEE BENEFITS

Non-current employee benefits	31/03/2026	31/03/2025
Defined benefit pension plan	0	5
Total	0	5

The Group has defined benefit pension plans in Austria, Germany and Switzerland. The plans in Austria and Germany refer to individual commitments of old-age, disability and survivors' pensions towards two active CEOs in a subgroup of Embracer. The pension plans in Switzerland are issued in accordance with the Swiss federal law of old-age and survivor's insurance benefit plans and are classified as defined benefit plans due to the statutory minimum guarantees. All plans are funded. Investments are allocated among securities, properties and cash.

Embracer has certain obligations regarding other post-employment benefits that are not pensions or termination benefits. See [note 7](#)

The net defined benefit liability for employees are recognized in the statement of financial position under the line item non-current employee benefits.

The amounts recognized in the consolidated statement of profit or loss and the statement of financial position during the year are as follows:

Changes in the value of the pension liability	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Opening balance, defined benefit liability (gross)	33	41
Current service cost	3	8
Remeasurement of the defined benefit liability	6	0
Sales or disposals of subsidiaries	—	-17
FX effects	0	0
Closing balance, defined benefit liability (gross)	42	33
Fair value of plan assets	-43	-28
Reclassified to Non-current financial assets	1	—
Closing balance, defined benefit liability (net)	0	5

NOTE 28 ACCRUED EXPENSES

	31/03/2026	31/03/2025
Accrued personnel expenses	446	517
Accrued royalties/commission	764	669
Audit and consulting expenses	32	40
Accrued expense for merchandise	80	63
Acquisition cost	1	1
Other items	425	367
Carrying amount	1,747	1,656

NOTE 29 CASH FLOW STATEMENT

Discontinued operations is moved to a specific row in the cash flow statement because of this the effects from discontinued operations has been removed from this note. The note only contains effects connected to the continuing operations.

Components of cash and cash equivalents	31/03/2026	31/03/2025
Bank deposit	4,957	7,097
<i>of which discontinued operations</i>	—	38
Carrying amount, Continuing operations	4,957	7,059

Interest	31/03/2026	31/03/2025
Received	87	79
Paid	-70	-630
	17	-550

Adjustment for items not affecting cash flow	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Depreciation, amortization and impairment	10,936	8,719
Gains/losses on sale of non-current assets	-1	-5
Profit shares in associated companies Financial income	-3	14
Financial expenses/income	-293	1,089
Sale of group companies	-303	-7,951
Personnel cost related to acquisitions	-468	292
Change in fair value contingent consideration	-448	-482
Other non-cash items	334	-229
Total	9,754	1,447

NOTE 29 CONTINUED

Changes in liabilities attributable to financing activities	01/04/2025	Financing cash flows	Business combinations	Exchange differences	New and amended lease agreements	Other	31/03/2026
Liabilities to credit institutions	1,647	-488	—	-2	—	—	1,157
Lease liabilities	687	-246	—	-11	59	—	489
Total liabilities attributable to financing activities	2,334	-733	—	-13	59	—	1,647

Changes in liabilities attributable to financing activities	04/01/2024	Financing cash flows	Business combinations	Exchange differences	New and amended lease agreements	Cash flows from Discontinued operations	31/03/2025
Liabilities to credit institutions	19,741	-17,491	—	-586	—	—	1,664
Lease liabilities	1,405	-316	—	-43	-342	-17	687
Total liabilities attributable to financing activities	21,146	-17,807	—	-629	-342	-17	2,351

NOTE 30 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets for liabilities to credit institutions	31/03/2026	31/03/2025
Shares in subsidiaries	—	1,221
Total	—	1,221

Embracer Group is, in the ordinary course of business, involved in contract-related matters, including issues relating to commercial agreements and amendments thereto. No ongoing matters are considered, individually or in aggregate, to have a material impact on the Group's financial position or results.

Contingent liabilities	31/03/2026	31/03/2025
Contractual commitments	1,514	36
Other contingent liabilities	—	13
Total	1,514	49

The Group's contingent liabilities amounted to SEK 1,514 million (49) and mainly relate to collateral for contractual obligations towards third parties.

The amounts stated in the table represent maximum potential payment obligations to third parties and do not reflect the likely outcome of the contingent liabilities, the highest amount that may be relevant is stated.

NOTE 31 RELATED PARTY TRANSACTIONS

A list of the Group's subsidiaries, which also are related parties to the Parent Company, is found in [note 24](#) Group companies. All transactions between Embracer Group AB and its subsidiaries have been eliminated in the consolidated financial statements.

For information regarding remuneration of senior executives, see [note 7](#) Employees and personnel expenses. Embracer's other transactions with related parties consist of transactions with companies that is owed by the major share-holders and the key personnel in the company.

Related party transaction	Related party	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Consulting service	Logvreten AB ¹⁾ (supplier)	0	-1
Transportation services	Sola Service i Karlstad AB ²⁾ (supplier)	-12	-17
Transportation services	Sola Air AB ²⁾ (supplier)	0	—
Transportation services	Empterwik Special Services Ltd ²⁾ (supplier)	-19	-22
Sale of goods/services	Bröderna Wingefors AB ²⁾ (supplier)	—	0
Rental income	Lars Wingefors AB ³⁾ (supplier)	0	—
Consulting service	LW Comics ²⁾ (supplier)	0	0
Consulting service	LVP Advisory Ltd ⁴⁾ (supplier)	—	0
		-32	-40

¹⁾ Kicki Wallje-Lund (Deputy Chairperson of the board) has controlling influence over the company.

²⁾ The company is part of Lars Wingefors AB

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

⁴⁾ People close to David Gardner (former board member - resigned September 2024) have controlling influence.

As of the closing date, there were SEK 3 million (3) in unsettled debt to related parties.

NOTE 32 DIVESTMENT OF GROUP COMPANIES AND ASSETS (DISPOSAL GROUPS) HELD FOR SALE OR DISTRIBUTION

MATERIAL ACCOUNTING POLICIES

IFRS 5, Non-current assets held for sale and discontinued operations

Assets held for sale or distribution

To be classified as non-current assets (or disposal groups) held for sale or distribution, the non-current assets must be available for immediate sale or distribution in its present condition subject only to terms that are usual and customary for sales or distribution of such assets (or disposal groups) and a transaction must be highly probable. Immediately before the initial classification as disposal group held for sale or distribution, the carrying amounts of all the assets and liabilities in the disposal group have been measured in accordance with applicable IFRS standards.

Following the classification as disposal groups held for sale or distribution, depreciation and amortizations ceases on non-current assets included in the disposal groups. The disposal groups are, at the time of classification, measured at the lower of their carrying amount and fair value less costs to sell. This has not resulted in any additional impairment losses for the disposal groups, as the fair value less cost to sell exceeds the carrying value for the disposal groups, respectively.

From the time of classification as disposal groups held for sale or distribution, the assets and liabilities, respectively, included in the disposal groups are presented as separate line items in the consolidated statement of financial position

Discontinued operations

To qualify as discontinued operations, a component of the Group must, in addition to having been classified as a disposal group held for sale or distribution, also represent a separate major line of business or be a part of a single coordinated plan to dispose of a separate major line of business.

SIGNIFICANT ESTIMATES AND JUDGMENTS

Non-current assets held for sale or distribution and discontinued operations

- > On May 22, 2025, Embracer announced its intention to spin-off Coffee Stain Group into a standalone group of community-driven game developers and publishers by the end of calendar year 2025.
- > During Q3 FY 2025/26, Embracer reclassified Coffee Stain Group as non-current assets (or disposal group) held for sale or distribution under IFRS 5.

- > During Q3 FY 2025/26, Embracer assessed that Coffee Stain qualifies as discontinued operation.
- > During Q3 FY 2025/26, Coffee Stain was distributed to the shareholders in Embracer.
- > During Q4 FY 2025/26 the divestment of Anime Ltd was closed.

Distribution to owners

At an extra general meeting held 3 November 2025 the formal decision to distribute all shares in Coffee Stain Group AB to the shareholders in Embracer was taken. In December the shareholders received one Coffee Stain share for each Embracer share. Coffee Stain Group was listed on Nasdaq First North Premier Growth Market in Stockholm on 11 December 2025, with an opening price of SEK 26.62 per share. The amounts for continuing and discontinued operations in the consolidated financial statements are presented after elimination of intragroup transactions and balances unless the similar types of transactions and balances are expected to continue also after the disposal. The continuing operations within PC/Console Games will continue to perform development services towards Coffee Stain Group after the distribution. At the distribution of the Coffee Stain shares, Embracer recognized a capital gain of SEK 861 million within discontinued operations. The gain represents the difference between Coffee Stains fair value and the carrying amount of Coffee Stains net assets at the time of the distribution. As part of the distribution all historical translation differences allocated to Coffee Stain Group, amounting to SEK 0 million have been recycled to the income statement as Profit for discontinued operations.

SALE OF GROUP COMPANIES

During FY 2025/26 agreements was entered into to divest Bitwave, Misc Games, Arc Games, Cryptic Studios, Lost Boys Interactive and Anime Ltd. All transactions were closed in during FY 2025/26. Below table presents the effect from divestments of subsidiaries and includes purchase price adjustments for divestments closed previous financial years.

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Divestment of entities		
Total consideration	63	17,555
Carrying amount of net assets sold	139	11,067
Gain (loss) on sale before income tax and reclassification of foreign currency translation reserve	-76	6,488
Reclassification of foreign currency translation reserve	-5	1,463
Income tax expense on gain	—	—
Gain (loss) on sale after income tax	-81	7,951
Net cash consideration received	222	17,275
Less: Cash and cash equivalents in divested companies	-2	-506
Impact on the Groups' cash and cash equivalents	220	16,770

NOTE 32 CONTINUED

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Assets and liabilities included in the sale		
Goodwill	37	5,248
Intangible assets	93	5,297
Property, plant and equipment	1	187
Right-of-use assets	—	281
Other non-current financial assets	12	167
Trade receivables	23	729
Contract assets	—	526
Other current assets	40	360
Cash and cash equivalents	2	505
Total assets	209	13,300
Lease liabilities	—	-269
Trade payables	-12	-218
Contract Liabilities	—	-177
Other liabilities	-58	-1,569
Total liabilities	-70	-2,233
Net assets	139	11,067

ASSETS (DISPOSAL GROUPS) HELD FOR SALE

Assets and liabilities included in disposal groups held for distribution/sale as of March 31, 2026	31/03/2026	31/03/2025
Goodwill	—	—
Intangible assets	—	—
Property, plant and equipment	—	—
Right-of-use assets	—	—
Other non-current assets	—	—
Inventories	—	—
Other current assets	—	—
Cash and cash equivalents	—	—
Total assets included in disposal group held for distribution/sale	—	—
Non-current interest-bearing liabilities	—	—
Non-current non-interest-bearing liabilities	—	—
Current interest-bearing liabilities	—	—
Current non-interest-bearing liabilities	—	—
Total liabilities included in disposal group held for distribution/sale	—	—
Net assets	—	—

NOTE 32 CONTINUED

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Income statement for Discontinued operations		
Net sales	568	14,158
Other operating income	1	6
Total operating income	569	14,164
Work performed by the Company for its own use and capitalized	84	272
Goods for resale	-60	-7,940
Other external expenses	-115	-1,896
Personnel expenses	-153	-2,039
Depreciation, amortization and impairment	-163	-1,411
Other operating expenses	-8	-12
Share of profit of an associate	2	32
Operating profit (EBIT)	157	1,170
Net financial items	63	-925
Profit before tax	220	245
Income tax	-6	-364
Net profit for the period	213	-119
Profit (Loss) on remeasurements to fair value		
Profit (loss) from dividend of operations	861	2,611
Reclassification of foreign currency translation reserve	—	1,112
Net profit for the period, discontinued operations	1,074	3,605
<i>Net profit/loss for the period attributable to:</i>		
Equity holders of the parent	1,071	3,616
Non-controlling interests	4	-12
Cash flow statement for Discontinued operations		
	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Cash flow from operating activities	352	1,720
Cash flow from investing activities	-117	-455
Cash flow from financing activities	260	4,010
Cash flow for the period	495	5,274

NOTE 33 BUSINESS COMBINATIONS AND ASSET DEALS

MATERIAL ACCOUNTING PRINCIPLES

Consolidation

Business combinations

The consideration transferred in a business combination is measured at fair value, which is measured as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. The consideration transferred only includes consideration paid to obtain control of the acquired company. This implies that consideration that settles pre-existing relationships between the parties or relate to separate transactions, such as transactions that remunerates employees or former owners of the acquiree for future services, are accounted for separately from the business combination.

Contingent consideration is classified either as equity or as financial liability. Contingent consideration is recognized at fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Other contingent considerations are remeasured each reporting period and the changes in fair value are recognized in the statement of profit or loss.

In connection with some of the Group's business combinations, the Group does not acquire all shares at the acquisition date. However, for certain business combinations, the Group enters into put and call options at the acquisition date for the remaining shares

that can be exercised at a future date. There is no explicit guidance in IFRS regarding accounting for put and call options for the remaining shares in connection with a business combination, whereby the Group has, in accordance with IAS 8, developed and applied a uniform accounting principle for similar transactions. The obligation to acquire additional shares in the future from non-controlling interest constitutes a financial liability at fair value through profit or loss, no non-controlling interest is recognized. Thus, the transaction is recognized as if the shares subject to the options have already been acquired by the Group.

Asset deals

For acquisitions where, in all material respects, the fair value of the acquired assets consists of an asset or a group of similar assets, this acquisition is reported as an asset acquisition. When acquiring assets, the acquisition value is allocated to the individual identifiable assets and liabilities based on their fair values at the time of acquisition. The fair value initially includes the conditional purchase price. Changes in the assessed value of contingent consideration after the acquisition are added to the cost of acquired assets. Transaction expenses are added to the acquisition value of acquired net assets in case of asset acquisition.

NOTE 33 CONTINUED

SIGNIFICANT ESTIMATES AND ASSUMPTIONS**Purchase price allocations**

When subsidiaries are acquired, a purchase price allocation (PPA) is performed, in which the fair value at the acquisition date of acquired identifiable assets, liabilities and contingent liabilities are recognized. The valuation of identifiable assets and liabilities in acquired businesses includes items in the acquired entity's statement of financial position, and various types of items that have not been recognized in the acquired entity's statement of financial position, such as intangible assets. Initially, intangible assets that may have value need to be identified, such as ongoing game development, game back catalog, technical knowhow, trademarks,

etc. Usually, there are no quoted prices for such assets and liabilities, and accordingly, different valuation methods must be applied. These methods are based on different assumptions such as future cash flows, growth rates of revenues, EBIT margins as well as tax rates and discount factors in different countries. Valuations of this kind involve a high degree of estimation, which all need thorough examination, measurement and analysis. Preliminary values linked to acquisitions can have adjusted fair values up to one year after the completion of the acquisition if new information about the facts and circumstances that existed at the time of acquisition is obtained.

The Group's acquisitions during 2025/26

No acquisitions were closed by the Group during 2025/26.

The Group's acquisitions during 2024/25

No acquisitions were closed by the Group during 2024/25.

NOTE 34 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

- > On 20 May 2026, the Board of Directors for Embracer Group announced the intention to separate the Group into two publicly listed companies through the spin-off of Fellowship Entertainment, with a listing on Nasdaq Stockholm planned during calendar year 2027.
- > On 20 May 2026, Embracer Group announced that Müge Bouillon, in addition to her role as Group CFO, had been appointed Deputy CEO of the company.
- > On 20 May 2026, Embracer Group announced the initiation of a share buyback program of up to SEK 750 million, starting on the same day, pursuant to the authorization granted by the Annual General Meeting 2025.

PARENT COMPANY'S INCOME STATEMENT

Amounts in SEK m	Note	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Net sales	P2	163	87
Other operating income		3	2
Total operating income		166	89
Operating expenses			
Other external expenses	P3, P4	-125	-139
Personnel expenses	P5	-186	-135
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	P10, P11	-3	-4
Other operating expenses	P6, P13	-202	-389
Total operating expenses		-516	-668
Operating profit		-349	-578
Profit/loss from financial items			
Result from participations in group companies	P7, P12	-3,781	-2,530
Other interest income and similar income		832	1,111
Interest expense and similar expense		-570	-1,151
Profit after financial items		-3,869	-3,148
Appropriations			
Appropriations	P8	507	52
Profit before tax		-3,361	-3,096
Income tax	P9	-107	95
Net profit for the period		-3,468	-3,001

Net profit for the period in the Parent Company corresponds to the periods comprehensive income.

PARENT COMPANY'S BALANCE SHEET

Amounts in SEK m	Note	31/03/2026	31/03/2025
ASSETS			
Non-current assets			
Intangible assets			
Other intangible assets	P10	0	3
Total intangible assets		0	3
Tangible assets			
Inventories, tools and installations	P11	2	5
Total tangible assets		2	5
Financial assets			
Shares in group companies	P12, P13	12,682	15,258
Receivables from group companies	P14, P15	6,048	12,100
Other long term receivables	P15	129	95
Deferred tax assets	P9	167	181
Total financial assets		19,026	27,634
Total non-current assets		19,029	27,642
Current assets			
Receivables from group companies	P14, P15	6,610	3,096
Trade receivables		0	—
Current tax assets	P9	—	—
Other receivables	P15	—	269
Prepaid expenses and accrued income	P15, P16	32	62
		6,642	3,428
Current investments			
Current investments		—	—
		—	—
Cash and cash equivalents			
Cash and cash equivalents	P15, P21	3,695	5,648
		3,695	5,648
Total current assets		10,338	9,076
TOTAL ASSETS		29,367	36,716

PARENT COMPANY'S BALANCE SHEET

CONTINUED

Amounts in SEK m	Note	31/03/2026	31/03/2025
EQUITY AND LIABILITIES			
Equity			
Share capital	P17	2	2
Restricted equity		2	2
Share premium reserve		14,284	14,397
Retained earnings		10,975	16,355
Net profit for the period		-3,468	-3,001
Unrestricted equity		21,791	27,751
Total equity		21,792	27,752
Unpaid taxes			
Untaxed reserves			
Accrual funds	P8	—	270
Total unpaid taxes		—	270
Provisions			
Other provisions	P18	73	101
Total provisions		73	101
Non-current liabilities			
Liabilities to group companies		114	1,220
Other long-term liabilities		—	—
Total non-current liabilities		114	1,220
Current liabilities			
Trade payables	P15, P19	11	30
Liabilities to group companies	P15, P19	7,204	7,231
Tax liabilities	P9	139	70
Other current liabilities	P15	5	4
Accrued expenses and prepaid income	P20	29	38
Total current liabilities		7,388	7,372
TOTAL EQUITY AND LIABILITIES		29,367	36,716

Tax liabilities includes SEK 94 million (86) in booked top-up tax according to Pillar 2 and has also been offset against tax receivables even though it is likely to be paid later than within 12 months.

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

Amounts in SEK m	Restricted equity	Unrestricted equity			Total equity
	Share capital	Share premium reserve	Retained earnings	Net profit for the year	
Opening balance 01/04/2024	2	14,136	47,492	-6,829	54,801
Allocation of previous year's net profit	—	—	-6,829	6,829	—
Net profit	—	—	—	-3,001	-3,001
Other comprehensive income	—	—	—	—	—
Total comprehensive income	—	—	—	-3,001	-3,001
<i>Transactions with the owners</i>					
New share issue	0	268	—	—	268
Issuance costs	—	—	—	—	—
Dividend of Asmodee Group AB	—	—	-24,308	—	-24,308
Tax effect	—	—	—	—	—
Total	—	268	-24,308	—	-24,040
<i>Transfers between items in equity</i>					
Development fund	—	—	—	—	—
Share premium reserve	—	-6	—	—	-6
Total	—	-6	—	—	-6
Closing balance 01/04/2024	2	14,397	16,355	-3,001	27,752

Amounts in SEK m	Restricted equity	Unrestricted equity			Total equity
	Share capital	Share premium reserve	Retained earnings	Net profit for the year	
Opening balance 01/04/2025	2	14,397	16,355	-3,001	27,752
Allocation of previous year's net profit	—	—	-3,001	3,001	—
Net profit/loss	—	—	—	-3,468	-3,468
Other comprehensive income	—	—	—	—	—
Total comprehensive income for the period	—	—	—	-3,468	-3,468
<i>Transactions with the owners</i>					
New share issue	0	389	—	—	389
Issuance costs	—	—	—	—	—
Repurchase of own shares	—	-500	—	—	-500
Dividend	—	—	-2,379	—	-2,379
Tax effect	—	—	—	—	—
Total	—	-111	-2,379	—	-2,489
<i>Transfers between items in equity</i>					
Development fund	—	—	—	—	—
Share premium reserve	—	-2	—	—	-2
Total	—	-2	—	—	-2
Closing balance 31/03/2026	2	14,284	10,975	-3,468	21,792

PARENT COMPANY'S CASH FLOW STATEMENT

Amounts in SEK m	Note	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Operating activities			
Profit before tax		-3,361	-3,096
Adjustment for differences between profit before tax and net cash flow	P21	3,972	3,073
Income tax paid		-24	-38
Cash flow from operating activities before changes in working capital		587	-61
Cash flow from changes in working capital			
Change in operating receivables		87	16
Change in operating liabilities		-35	-230
Cash flow from operating activities		639	-275
Investing activities			
Acquisition of subsidiaries		-29	-32
Acquisition of intangible assets	P10	—	-1
Acquisition of property, plant and equipment	P11	0	0
Acquisition of non-current financial assets		-35	-4
Provided loans and shareholders contribution given to subsidiaries		-3,262	-5,834
Cash flow from investing activities		-3,326	-5,870
Financing activities			
Repurchase of own shares		-500	—
Received dividend		—	9,885
Proceeds from borrowings		68	5,373
Repayment of loans		—	-22,423
Loans granted subsidiaries		1,166	18,474
Cash flow from financing activities		734	11,309
Cash flow for the year			
Cash and cash equivalents at the beginning of the year		5,648	486
Cash and cash equivalents at the end of the year	P21	3,695	5,648

PARENT COMPANY NOTES

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NOTE P1 THE PARENT COMPANY'S MATERIAL ACCOUNTING PRINCIPLES

The Parent Company prepares its financial statements in accordance with the Swedish Annual Accounts Act (1995:1554) and the recommendation issued by the Financial Reporting Board RFR 2 "Accounting for legal entities".

The Parent Company applies the same accounting principles as the Group with the exceptions and additions specified in RFR 2. This means that IFRS is applied with the exceptions listed below. Unless otherwise indicated, the accounting policies stated below for the Parent Company have been applied consistently to all periods presented in the Parent Company's financial statements.

CLASSIFICATION AND PRESENTATION OF FINANCIAL STATEMENTS

The Parent entity's income statement and balance sheet are presented in accordance with the format prescribed in the Swedish Annual Accounts Act, while the statement of other comprehensive income, the statement of changes in equity and statement of cash flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

LEASE AGREEMENTS

The guidance on accounting for lease agreements in accordance with IFRS 16 are not applied in the Parent Company. This means that lease payments are expensed linearly over the lease term and right-of-use assets and lease liabilities are not included in the Parent Company's balance sheet. However, identification of a lease agreement is made in accordance with IFRS 16, i.e. than an agreement is, or contains a lease if the agreement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

REVENUE FROM INVESTMENTS IN SUBSIDIARIES

Dividends are recognized when the right to receive payment is considered certain. Revenue from divestment of subsidiaries is recognized when control of the subsidiary has been transferred to the acquirer.

TAXES

In the Parent Company, deferred tax liabilities attributable to untaxed reserves, are recognized gross in the balance sheet. The appropriations are recognized gross in the income statement.

SHARES IN SUBSIDIARIES

Shares in subsidiaries are recognized in the Parent Company in accordance with the cost method. This means that transaction costs are included in the carrying amount of the investment. In cases where the carrying amount exceeds the subsidiaries' consolidated value, an impairment is made that is recognized in the income statement. An impairment assessment is performed annually or more often if there is an indication of a need for impairment. If a previous impairment loss is no longer justified, it is reversed.

Assumptions are made about future conditions to calculate future cash flows that determine the recoverable amount. The recoverable amount is compared to the carrying amount for these assets and forms the basis for any impairments or reversals. The assumptions that affect the recoverable amount the most are future earnings development, discount rate and useful life. If future external factors and conditions change, assumptions may be affected so that the carrying amounts of the Parent Company's assets change.

GROUP CONTRIBUTIONS AND SHAREHOLDER CONTRIBUTIONS

The Parent Company recognize both received and paid group contributions as appropriations in accordance with the alternative method in RFR 2. Shareholder contributions paid by the Parent Company are recognized as an increase of shares and participations in the Parent Company. Shareholder contributions received are recognized as an increase of non-restricted equity.

FINANCIAL INSTRUMENTS

The Parent Company applies the exemption to not apply IFRS 9 Financial Instruments in the legal entity. Instead, the Parent Company applies, in accordance with the Swedish Annual Accounts Act, the cost method. In the Parent Company, non-current financial assets are thus measured at cost and current financial assets are measured at the lower of cost or net realizable value. The Parent Company does, however, apply the expected credit loss method (ECL) in accordance with IFRS 9 for financial assets that are debt instruments. Contingent considerations are measured at the amount that the Parent Company deems would need to be paid if it was settled at the end of the reporting period.

The Parent Company applies the exemption to not measure financial guarantee contracts for the benefit of subsidiaries, associates and joint ventures in accordance with IFRS 9. Instead, the Parent Company applies the policies for measurement in IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets, including intra-group receivables, are subject to impairment for expected credit losses.

For receivables from Group companies and other items subject of expected credit losses, an impairment method with three stages is applied in accordance with IFRS 9. The Parent Company applies a rating-based method for assessment of expected credit losses based on the probability of default, expected loss given default and exposure at default.

The Parent Company assesses that the subsidiaries currently have similar risk profiles and assessment is made on a collective basis. The assessment has been based on the Embracer Group's credit risk, which has been adjusted to reflect the subsidiaries' assessed credit risk. At the end of the reporting period, the expected credit losses have resulted in a decrease of receivables from Group companies and as an increase in financial costs.

Expected credit losses for cash and cash equivalents have not been recognized, as the amount has been deemed insignificant.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Parent Company presents the income statement and balance sheet in accordance with the format prescribed in the Swedish Annual Accounts Act, and does not follow the format prescribed in IFRS 5 where non-current assets held for sale are presented as a separate line-item in the balance sheet and the profit from discontinued operations is presented separately from profit from continuing operations. In the Parent Company, the assets concerned comprise shares in subsidiaries.

NOTE P2 NET SALES BREAKDOWN

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Sweden		
Management fee	61	66
Other	57	2
	119	68
Austria		
Management fee	44	19
	44	19
Total	163	87

65% (98%) of net sales refers to management fees to Group companies. No purchases from Group companies occur during any of the fiscal years.

NOTE P3 AUDITOR'S FEES

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
PwC		
Audit assignment	-9	-10
Tax advisory services	—	—
Other services	—	-1
Sum	-9	-11

Audit assignment refers to the auditor's work on the statutory audit and auditing activities refers to various types of assurance services. Other services are such services as are not included in the audit assignment or tax advisory services.

NOTE P4 OPERATING LEASES

Future minimum lease payments	31/03/2026	31/03/2025
Within one year	-4	-4
Between one and five years	-10	-13
After five years	—	-1
Total	-14	-19

The Parent Company's lease agreements mainly refer to office space. The period's lease expense amounted to SEK 5 million (4).

NOTE P5 EMPLOYEES, PERSONNEL EXPENSES AND BOARD FEES

	01/04/2025 - 31/03/2026		01/04/2024 - 31/03/2025	
	Average number of employees	of which women, %	Average number of employees	of which women, %
Parent Company				
Sweden	48	50 %	51	52 %
Total in Parent Company	48	50 %	51	52 %
	31/03/2026		31/03/2025	
	Number at the end of the reporting period	of which women, %	Number at the end of the reporting period	of which women, %
Gender distribution, Board of Directors and senior executives				
Board of Directors Embracer Group AB	7	43 %	7	43 %
Chief Executive Officer and other senior executives ¹⁾	4	50 %	5	40 %

¹⁾ Other senior executives are Müge Bouillon (Group CFO), Ian Gulam (Chief of Staff, Legal & Governance), Careen Yapp (Chief Strategic Partnership Officer), Phil Rogers (Deputy CEO) part of the year, Anton Westbergh (CEO, Coffee Stain) part of the year and Lee Guinchard (COO) part of the year.

NOTE 5 CONTINUED

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Wages, salaries and other remunerations and social security costs, including pension costs		
Parent Company		
Board of Directors, CEO and other senior executives		
Salaries and other remuneration	-66	-29
Social security contributions	-3	-3
Pension costs	-1	-1
Total	-70	-33
Other employees		
Salaries and other remuneration	-75	-53
Social security contributions	-24	-17
Pension costs	-8	-8
Total	-107	-78
Parent, total	-177	-111

For information on the remuneration of the members of the Board of Directors, CEO and senior executives, see [note 7](#) for the Group.

NOTE P6 OTHER OPERATING EXPENSES

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Other operating expenses	-4	-363
Loss sales of subsidiaries	-198	-26
Total	-202	-389

NOTE P8 APPROPRIATIONS

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Appropriations		
Group contribution received	377	505
Group contribution paid	-140	-456
This year's change in tax allocation reserve	270	4
Total	507	52

NOTE P7 PROFIT/LOSS FROM FINANCIAL ITEMS

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Result from participations in group companies		
Impairment of shares	-5,095	-15,452
Dividend from subsidiaries	1,313	12,923
Total	-3,781	-2,530

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Tax allocation reserves		
Allocated for financial year 2019/20	—	45
Allocated for financial year 2022/23	—	60
Allocated for financial year 2023/24	—	165
Total	—	270

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Other interest income and similar profit/loss items		
Interest income, group companies	639	873
Interest income, Other	75	27
Exchange rate differences, Others	93	66
Other financial income	25	146
Total	832	1,111

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Interest expense and similar profit/loss items		
Interest expense, group companies	-328	-178
Interest expense, Other	-1	-337
Exchange rate differences, group companies	-81	-360
Exchange rate differences, Others	-125	-138
Other financial expenses	-35	-139
Total	-570	-1,151

NOTE P9 INCOME TAX

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Current tax	-93	-76
Change in deferred tax attributable to temporary differences	-14	171
Recognized tax	-107	95
Reconciliation of effective tax rate		
Profit before tax	-3,361	-3,096
Tax at the applicable tax rate for the Parent Company (20.6%)	692	638
Tax effect of:		
Non-deductible expenses	-1,094	-3,192
Non-taxable income	272	0
Tax attributable to prior years	-14	0
Standard interest on tax allocation reserve	-1	-1
Tax deduction of negative net interest	45	2,719
Top-up tax according to Pillar 2	-7	-86
Other	0	17
Recognized tax	-107	95
Effective tax rate	3%	(3)%

Income tax includes "top-up" tax according to Pillar 2 - Income Inclusion Rule (IIR), amounting to SEK -7 million (-86).

DISCLOSURE ON DEFERRED TAX ASSETS

The tables below specify the tax effect of temporary differences:

Deferred tax assets	Tax loss carryforwards	Total
Opening balance as per 01/04/2024	—	—
<i>Recognized</i>		
In profit or loss	181	181
In other comprehensive income	—	—
Closing balance as per 31/03/2025	181	181
Opening balance as per 01/04/2025	181	181
<i>Recognized</i>		
In profit or loss	-14	-14
In other comprehensive income	—	—
Closing balance as per 31/03/2026	167	167

NOTE P10 INTANGIBLE ASSETS

Accumulated cost	Other intangible assets	Total intangible assets
As of 31 March 2024	7	7
Internally generated	2	2
Sales/disposals	—	—
As of 31 March 2025	9	9
Internally generated	—	—
Sales/disposals	-2	-2
As of 31 March 2026	7	7

Accumulated amortization	Other intangible assets	Total intangible assets
As of 31 March 2024	-4	-4
Amortization	-1	-1
Reclassifications	—	—
As of 31 March 2025	-6	-6
Amortization	-1	-1
As of 31 March 2026	-7	-7

	Other intangible assets	Total intangible assets
Closing balance 31 March 2025	3	3
Closing balance 31 March 2026	—	—

NOTE P11 PROPERTY, PLANT AND EQUIPMENT

<i>Accumulated cost</i>	31/03/2026	31/03/2025	<i>Accumulated depreciation</i>	31/03/2026	31/03/2025
Opening balance	13	13	Opening balance	-8	-6
Investments	—	0	Depreciation	-2	-3
Sales/disposals	—	-1	Sales/disposals	0	1
Closing balance	13	13	Closing balance	-10	-8
			Carrying amount at the end of the year	2	5

Refers to Inventories, tools and installations.

NOTE P12 INVESTMENTS IN GROUP COMPANIES

	31/03/2026	31/03/2025
Opening balance accumulated cost	20,477	48,666
Acquisitions/shareholder contributions	4,897	6,618
Divestment and distribution	-2,833	-34,808
Closing balance accumulated cost	22,541	20,477
Impairment of investments in Group companies		
Opening balance accumulated impairments	-5,219	-266
Impairment of the year	-5,095	-15,452
Divestment and distribution	454	10,500
Closing balance accumulated impairments	-9,859	-5,219
Carrying amount at the end of the year	12,682	15,258

The list below includes shares and participations directly owned by the Parent Company. For information on the Parent Company's indirectly owned shares and participations, see the Group's [note 24](#) Group companies.

Company	Corp. Reg. No.	Registered office	Share of equity and share of votes	Number of shares	Book value SEK m	
					31/03/2026	31/03/2025
THQ Nordic AB	559338-6104	Karlstad, Sweden	100%	250	1,528	1,297
House in the Woods AB	556997-4271	Färentuna, Sverige	— %	500	—	8
Amplifier Game Invest Holding AB	559092-8742	Karlstad, Sweden	— %	500	—	0
Indie Games Holding AB	559280-0014	Karlstad, Sweden	— %	250	—	0
PLAION Holding GmbH	FN482610	Höfen, Austria	100%	3,500	3,141	3,141
DECA Games Holding AB	559205-5387	Karlstad, Sweden	100%	500	544	544
DECA Live Operations GmbH	HRB 191999B	Berlin, Germany	100%	25	629	629
Embracer Group Lager 2 AB	559237-4010	Karlstad, Sweden	100%	250	147	133
Embracer Group Lager 4 AB	559237-4036	Karlstad, Sweden	100%	250	299	2,916
Fellowship Studios AB (Embracer Group Lager 5 AB)	559237-4044	Karlstad, Sweden	100%	250	0	0
Embracer Group Lager 10 AB	559273-7992	Karlstad, Sweden	100%	250	488	488
Embracer Group Lager 13 AB	559352-6121	Karlstad, Sweden	100%	250	772	487
Embracer Group Lager 16 AB	559352-6139	Karlstad, Sweden	100%	250	—	0
Embracer Group Lager 17 AB	556381-0194	Karlstad, Sweden	100%	250	2,104	2,584
Embracer Group Lager 18 AB	559381-0202	Karlstad, Sweden	— %	250	—	0
Embracer Group Lager 19 AB	559381-0210	Karlstad, Sweden	— %	250	—	0
Embracer Group Lager 20 AB	559381-0228	Karlstad, Sweden	— %	250	—	0
Fellowship Entertainment AB (Embracer Group Lager 21)	559381-0236	Karlstad, Sweden	100%	250	0	0
Middle-earth Enterprises AB (Embracer Freemod AB)	559273-7984	Karlstad, Sweden	100%	250	3,028	3,028
Embracer Group Archive AB	559273-7976	Karlstad, Sweden	100%	250	0	3
					12,682	15,258

During the year, House in the Woods AB, Embracer Group Lager 16 AB, Embracer Group Lager 18 AB, Embracer Group Lager 19 AB and Embracer Group Lager 20 AB were transferred from the Parent Company to Fellowship Entertainment AB.

NOTE P13 SALE OF SUBSIDIARIES

SALE OF SUBSIDIARIES

During FY 2025/26 no directly owned subsidiaries were divested by the Parent Company.

	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
Sale of subsidiaries		
Purchase price received, or purchase price to be received:		
Cash	—	—
Repossessions taken over for payment of previous earn-outs	—	—
Promissory note	—	-26
Carrying amount of contingent consideration	—	—
Total sale price	—	-26
Carrying amount of shares in subsidiaries included in the sale	—	—
Profit before tax ¹⁾	—	-26
Income tax expense	—	—
Profit after tax	—	-26

¹⁾ The loss for the sale of shares in group companies is non-taxable and the Parent Company has not incurred any income tax expense as a result of the transaction.

The result has been recognized as Other operating expenses in the income statement.

NOTE P14 RECEIVABLES FROM GROUP COMPANIES

	31/03/2026	31/03/2025
Opening balance accumulated cost long term receivables from group companies	12,100	20,747
Loans provided to group companies	417	116
Repayment of loans from group companies	-687	-7,956
Reclassification	-5,709	-560
Translation differences during the year	-72	-247
Closing balance accumulated cost long term receivables from group companies	6,048	12,100
Short term receivables from group companies	6,610	3,096
Total receivables from group Companies	12,658	15,195

NOTE P15 FINANCIAL INSTRUMENTS

Valuation of financial assets and liabilities

Financial assets	Financial assets/liabilities valued according to amortized cost	
	31/03/2026	31/03/2025
Shares in group companies	12,682	15,258
Receivables from group companies	6,048	12,100
Other long term receivables	129	95
Receivables from group companies	6,610	3,096
Other receivables	—	269
Prepaid expenses and accrued income	32	62
Cash and cash equivalents	3,695	5,648
Total	29,197	36,527

Financial liabilities	Financial assets/liabilities valued according to amortized cost	
	31/03/2026	31/03/2025
Liabilities to credit institutions	—	—
Trade payables	11	30
Liabilities to group companies	7,204	7,231
Other current liabilities	5	4
Accrued expenses and prepaid income	29	38
Total	7,249	7,302

For financial instruments in the Parent Company, the carrying amount is considered to be a good approximation of the fair value.

	31/03/2026			31/03/2025		
	Gross	Impairment	Share of loss	Gross	Impairment	Share of loss
Non-current receivables from group companies	6,048	—	— %	12,100	—	— %
Current receivables from Group companies	6,610	—	— %	3,096	—	— %

LOSS ALLOWANCES FOR EXPECTED CREDIT LOSSES (GENERAL METHOD)

For receivables from group companies and other items subject of expected credit losses, an impairment method with three stages is applied. Initially, and as of each balance sheet date, a loss allowance is reported for the next 12 months, alternatively for a shorter period of time depending on the remaining life (stage 1). If there has been a significant increase in credit risk since initial recognition, resulting in a rating below investment grade, a loss allowance is recognized for the assets remaining life (stage 2). For assets deemed to be credit impaired, loss allowances are still reserved for lifetime expected credit losses (stage 3). For credit-impaired assets and receivables, the calculation of interest income is based on the asset's carrying amount, net of loss allowance, as opposed to the gross amount in previous stages. The Parent Company's assets have been assessed to be in stage 1, i.e. there has been no significant increase in credit risk.

The Parent Company applies a rating-based method for assessment of expected credit losses based on the probability of default, expected loss given default and exposure at default. The Parent Company assesses that the subsidiaries currently have similar risk profiles and assessment is made on a collective basis. The assessment has been based on the Embracer Group's credit risk, which has been adjusted to reflect the subsidiaries' assessed credit risk. The company has assessed that there is no significant

increase of credit risk as of the end of the reporting period for any receivable.

The financial assets are recognized at amortized cost in the balance sheet, i.e. net of gross amount and loss allowance. Changes in the loss allowance are recognized in profit or loss.

CURRENT INVESTMENTS AND CASH AND BANK BALANCES

The Parent Company's credit risk also relates to cash and cash equivalents and investment of surplus liquidity. Embracer's aim is to continuously monitor credit risk attributable to deposits and investments. For deposits in bank accounts, the aim is for the counterparty to have a high credit rating of at least an "investment grade rating" (which refers to high to the highest credit rating). The credit risk is deemed as insignificant.

CREDIT FACILITIES

Embracer Group AB has been granted access to credit facilities amounting to SEK 350 million (4,690). Available funds include cash and unutilized credit. On 31 March, SEK 350 million (4,690) of the credit facilities remained unutilized.

Embracer Group's agreements on long term and short term credits include terms for covenants. These terms are 3.5x net debt divided by Adjusted EBITDAC based on an agreement with lenders. Embracer has lived up to these terms during 2025/26 and previously.

NOTE P16 PREPAID EXPENSES AND PREPAID INCOME

	31/03/2026	31/03/2025
Prepaid interest expenses	6	5
Prepaid expenses	19	39
Other	8	18
Carrying amount	32	62

NOTE P17 EQUITY

For information on equity, see the Group's [note 25](#) Equity.

NOTE P18 PROVISIONS

	Contingent considerations	Other	Total
As of 31 March 2024	118	—	118
Reversal of reserve	-23	—	-23
Translation differences	-6	—	-6
Interest expenses	12	—	12
As of 31 March 2025	101	—	101
Reversal of reserve	-1	—	-1
Payment	-29	—	-29
Translation differences	1	—	1
Interest expenses	1	—	1
As of 31 March 2026	73	—	73

NOTE P19 MATURITY ANALYSIS FOR FINANCIAL LIABILITIES

31/03/2026	<1 year	1-3 years	3-5 years	>5 years	Total
Liabilities to credit institutions	—	—	—	—	—
Trade payables	11	—	—	—	11
Liabilities to group companies	7,204	114	—	—	7,318
Other current liabilities	5	—	—	—	5
Accrued expenses and prepaid income	29	—	—	—	29

31/03/2025	<1 year	1-3 years	3-5 years	>5 years	Total
Liabilities to credit institutions	—	—	—	—	—
Trade payables	30	—	—	—	30
Liabilities to group companies	7,231	1,220	—	—	8,450
Other current liabilities	4	—	—	—	4
Accrued expenses and prepaid income	38	—	—	—	38

NOTE P20 ACCRUED EXPENSES AND PREPAID INCOME

	31/03/2026	31/03/2025
Accrued personnel-related expenses	18	12
Audit and consulting expenses	7	8
Other interest expenses and similar items	—	—
Accrued expenses	4	18
Carrying amount	29	38

NOTE P21 CASH FLOW INFORMATION

Components of cash and bank balances	31/03/2026	31/03/2025
Bank deposit	3,695	5,648
Carrying amount	3,695	5,648
Interest		
Received	68	66
Paid	-1	-497
	67	-431
Adjustment for differences between profit before tax and net cash flow		
	01/04/2025	01/04/2024
	- 31/03/2026	- 31/03/2025
Depreciation/amortization	3	4
Impairment of shares in subsidiaries	5,095	15,452
Sale of subsidiaries	-1,115	-12,897
FX effects	44	205
Other non-cash items	-55	308
Total	3,972	3,073

NOTE P22 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets for own liabilities to credit institutions	31/03/2026	31/03/2025
Shares in subsidiaries	—	—
Total	—	—

As of the balance sheet date, the parent company has no pledged assets for own liabilities to credit institutions.

Contingent liabilities	31/03/2026	31/03/2025
Contractual commitments	1,094	—
Total	1,094	—

Embracer Group AB is, in the ordinary course of business, involved in contract-related matters, including issues relating to commercial agreements and amendments thereto. No ongoing matters are considered, individually or in aggregate, to have a material impact on the parent company's financial position or results. The parent company's contingent liabilities amounted to SEK 1,094 million (—) and relates to guarantees for commitments towards third parties. In addition, the parent company has issued a letter of comfort in respect of a subgroup, implying an undertaking to support its operations and financial development, if necessary. Due to its nature, the commitment is not quantifiable.

The amounts presented in the table represent maximum potential payment obligations towards third parties and do not reflect the expected outcome.

NOTE P23 RELATED PARTY TRANSACTIONS

Related party transaction	Related party	31/03/2026	31/03/2025
Consulting service	Logvreten AB ¹⁾ (supplier)	0	-1
Transportation services/Rent	Sola Service i Karlstad AB ²⁾ (supplier)	-12	-17
Transportation services	Sola Air AB ²⁾ (supplier)	0	—
Transportation services	Empterwik Special Services Ltd ²⁾ (supplier)	-19	-22
Sale of goods/services	Bröderna Wingefors AB ²⁾ (supplier)	0	0
Acquisition of game collection	Lars Wingefors AB ³⁾ (supplier)	0	—
Consulting service	LW Comics ²⁾ (supplier)	0	0
Consulting service	LVP Advisory Ltd ⁴⁾ (supplier)	—	0
		-32	-40

¹⁾ Kicki Wallje-Lund (Deputy Chairperson of the board) has controlling influence over the company.

²⁾ The company is part of the Group Lars Wingefors AB.

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

⁴⁾ NPPeople close to David Gardner (former board member - resigned September 2024) have controlling influence.

On the closing date there were SEK 3 million (3) in unsettled debt with related parties.

In [note 24](#) Group companies there is information on direct and indirect ownership. In [note P12](#) Investments in Group companies there is information on directly owned subsidiaries.

NOTE P24 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

For information on significant events after the end of the financial year, see [note 34](#) for the Group.

NOTE P25 PROPOSED ALLOCATION OF THE COMPANY'S UNRESTRICTED EQUITY

At the disposal of the Annual General Meeting are the unrestricted equity:	31/03/2026
Share premium reserve	14,284
Retained earnings	10,975
Net profit for the year	-3,468
	21,791
The Board proposes that the unrestricted equity be allocated as follows:	
To be carried forward	21,791
	21,791

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES (APMs)

In accordance with the guidelines from ESMA (European Securities and Markets Authority), regarding the disclosure of alternative performance measures, the definition and reconciliation of Embracer's alternative performance measures are presented below. The guidelines entail increased disclosures regarding the financial measures that are not defined by IFRS. The performance measures presented below are reported in this report. They are used for internal control and follow-up. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies.

One important part of Embracer's strategy is to pursue inorganic growth opportunities through acquisitions. Thereby expanding the ecosystem to include more entrepreneurs within the gaming and entertainment markets. An acquisitive strategy is associated with certain complexity in terms of accounting for business combinations. The board and management of Embracer believes that it is important to separate the operational performance of the business from the acquisition part. Certain APM's are used to accomplish and give internal and external stakeholders the best picture of the underlying operational performance of the business, by the measurement of performance excluding specific items related to historical acquisitions and items affecting comparability. The individual APMs, definitions, purpose are described more in detail below.

Name	Definition	Reason for Use
Adjusted Earnings per share	Net profit for the period excluding specific items related to historical acquisitions and items affecting comparability net of tax, change in fair value contingent consideration net of tax and Interest expense contingent consideration net of tax divided by the average number of shares in the period. Net taxes are calculated using the effective tax rate.	Shows earnings per share after adjustments to specific items attributable to historical acquisitions, and items affecting comparability.
Adjusted Earnings per share after full dilution	Net profit for the period excluding specific items related to historical acquisitions and items affecting comparability net of tax, change in fair value contingent consideration net of tax and interest expense contingent consideration net of tax divided by the average number of shares after full dilution in the period. Net taxes are calculated using the effective tax rate.	Shows earnings per share after adjustments to specific items attributable to historical acquisitions and items affecting comparability with regard for full dilution.
Adjusted EBIT	EBIT excluding specific items related to historical acquisitions and items affecting comparability.	Adjusted EBIT in order to provide a true and fair picture of the underlying operational performance, by excluding specific items related to historical acquisitions and items affecting comparability.
Adjusted EBIT margin	Adjusted EBIT as a percentage of net sales.	
Adjusted EBITDA	EBITDA excluding specific items related to historical acquisitions and items affecting comparability.	Adjusted EBITDA in order to provide a true and fair picture of the underlying operational performance, by excluding specific items related to historical acquisitions and items affecting comparability.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales.	
Average number of shares	Weighted average number of shares that are outstanding during the period. Number of shares have been recalculated with respect to split of shares.	
Average number of shares after full dilution	Weighted average number of ordinary shares and potential ordinary shares. Number of shares have been recalculated with respect to split of shares.	
Cash EBIT	Adjusted EBIT excluding operational depreciation and amortization expenses, less investments in intangible and tangible assets and payments of IFRS 16 lease liabilities.	Cash EBIT in order to provide a true and fair picture of the underlying operational performance that is closer to cash flow generation by excluding depreciation and amortization expenses and instead deducting cash investments in intangible and tangible assets and cash payments for lease liabilities.
EBIT margin	EBIT as a percentage of net sales.	
EBITDA	Earnings before interest, taxes, depreciation and amortization.	EBITDA and EBITDA margin are reported because these are metrics commonly used by investors, financial analysts and other stakeholders to measure the Company's financial results.
EBITDA margin	EBITDA as a percentage of net sales.	EBITDA and EBITDA margin are reported because these are metrics commonly used by certain investors, financial analysts and other stakeholders to measure the Company's financial results.
EBITDAC	Adjusted EBITDA less Gross investments in intangible and tangible assets.	High level view on operational cash flow generation.
Free cash flow after working capital	Cash flow for the period, excluding cash flow from financing activities, acquisitions of subsidiaries including transaction costs, cash impact from personnel costs related to acquisitions and cash effect from items affecting comparability.	Provide a true and fair picture of the underlying operational performance, by excluding cash flow from specific items related to historical acquisitions and from items affecting comparability.

Name	Definition	Reason for Use
Gross margin	Net sales less goods for resale divided by net sales.	Measuring the profitability from the net sales of products and services.
Items affecting comparability	Transactions that are not related to recurring business operations, but affecting the financial outcome in a material way, and where the probability of reoccurrence over the coming year is limited.	Items affecting comparability includes events and transactions with significant effects, which are relevant for understanding the financial performance when comparing income for the current period with previous periods.
Net Debt (-) / Net Cash (+)	The company's cash and short-term investments decreased with the company's short- and long-term interest-bearing liabilities excluding leasing liabilities according to IFRS16, pension provisions, contingent consideration and put/call on non-controlling interest.	The metric is commonly used by investors, financial analysts and other stakeholders to measure the debt compared to its liquid assets. This metric is also used in calculating the Company's financial leverage.
Net investment in acquired companies	Acquisition of subsidiaries, net of cash acquired plus cash impact from specific items related to historical acquisitions, plus acquisition of IPs through asset deal structures.	A measure of cash flow allocated to inorganic growth opportunities in the reporting period.
Net sales growth	Net sales growth for the current period compared to the same period previous year.	Net sales growth is reported by the Company because it regards this KPI as contributing to investor understanding of the Company's historical progress.
Organic growth	Growth between periods where net sales from companies acquired/divested in the last five quarters have been excluded. The comparison period is adjusted for differences in exchange rates.	Growth measure for companies that has been part of Embracer Group for more than one year excluding effects of differences in exchange rates.
Pro forma growth	Growth between periods where net sales from companies acquired/divested in the last five quarters have been added/adjusted historically. The comparison period is adjusted for differences in exchange rates.	Growth measure for all companies that are a part of Embracer Group as per reporting date regardless of when the company became a part of Embracer Group excluding effects of differences in exchange rates.
Specific items related to historical acquisitions	Specific income/expenses related to historical acquisitions consist of personnel cost related to acquisitions (In connection with certain business combinations, contingent consideration agreements that are not classified as part of the consideration transferred, as there is a requirement for continued employment to receive the amount. Accordingly, the amount is classified as consideration for future services), amortization of surplus values of acquired intangible assets (e.g. IP-rights, publishing rights, brand name), transaction costs (Costs for legal- financial- tax- and commercial due diligence for completed transactions.), remeasurement of participation in associated companies and remeasurement of contingent consideration.	Input used to calculate Adjusted EBITDA and Adjusted EBIT.

ALTERNATIVE PERFORMANCE MEASURES

Amounts in SEK m	01/04/2025 - 31/03/2026	01/04/2024 - 31/03/2025
EBIT	-7,053	3,324
Depreciation, amortization and impairment	10,914	8,684
EBITDA	3,860	12,008
Personnel costs related to acquisitions	-149	1,542
Remeasurement of contingent consideration	—	-4
Items affecting comparability ¹⁾	46	-7,534
Adjusted EBITDA	3,757	6,011
Depreciation, amortization and impairment	-10,914	-8,684
Items affecting comparability ¹⁾	7,389	4,330
Amortization of surplus values of acquired intangible assets	673	1,135
Adjusted EBIT	905	2,793
ADJUSTED EARNINGS PER SHARE - DERIVATION	01/04/2025	01/04/2024
Amounts in SEK m	- 31/03/2026	- 31/03/2025
Net profit for the period attributable to equity holders of the parent	-6,890	2,347
Adjustments		
Personnel costs related to acquisitions	-149	1,542
Remeasurement of contingent consideration	—	-4
Amortization of surplus values of acquired intangible assets	673	1,135
Change in fair value contingent consideration and put/call options on non-controlling interests	-452	-555
Interest expense contingent consideration	4	72
Items affecting comparability ¹⁾	7,435	-3,203
Adjustments before tax	7,511	-1,013
Tax effects on adjustments	-532	-484
Adjustments after tax	6,978	-1,498
Total continuing operations	88	849
Average number of shares, million	227	225
Adjusted Earnings per share, SEK	0.39	3.78
Average number of shares after full dilution, million	228	230
Adjusted Earnings per share after full dilution, SEK	0.39	3.70

¹⁾ See next page for further explanation on items affecting comparability

FREE CASH FLOW AFTER WORKING CAPITAL	01/04/2025	01/04/2024
Amounts in SEK m	- 31/03/2026	- 31/03/2025
Cash flow for the period	-2,080	4,866
Cash flow from financing activities	1,506	12,041
Net cash flow from acquired/divested companies	1	-17,795
Investments in other companies	33	—
Payment personnel cost related to acquisitions	318	1,250
Cash flow effect IAC costs	272	383
Free cash flow after working capital	50	745

ITEMS AFFECTING COMPARABILITY, IAC	01/04/2025	01/04/2024
Amounts in SEK m	- 31/03/2026	- 31/03/2025
Revenue related to games reported as IAC	23	—
Other external expenses	-129	-35
Personnel expenses	-200	-131
Sale of subsidiaries	303	7,951
Other operating expenses	-43	-250
Total IAC cost affecting EBITDA	-46	7,534
Write-down intangible assets	-1,559	-729
Write-down tangible assets	0	-1
Impairment of goodwill	-5,830	-3,601
Total IAC cost affecting EBIT	-7,435	3,203

DEFINITIONS

Clawback shares	Shares of the company issued to sellers at completion of acquisitions of companies or assets. Clawback shares are part of the earnout consideration to sellers of companies or assets. Clawback shares are held by sellers, either in escrow accounts or on regular accounts, with an agreed right for the company to receive the shares back, at no consideration, if specific earnout targets are not met. Clawback shares are kept by the sellers if earnout targets are met.
Completed games	Total book value of finished game development projects (released games) upon submission of completion. Upon completion the released games are reclassified from On-going Game Development Projects to Finished Games and amortization starts.
DAU	Average daily active users in the period.
Digital product	Product sold/transferred through digital/electronic channels.
Digital sales	Sales and transfer of products, physical and digital, through digital/electronic channels.
External game developers	Game developers engaged in game development projects by studios that are not owned by the group (external studios).
External Studios	Studios not owned by the group engaged in game development project financed by the Group.
Game development projects	On-going game development projects financed by the group and number of on-going game development projects financed by third party with notable expected royalty income.
Internal employees, non-development	Employees not directly engaged in game development (both employees and contractors).
Internal game developers	Game developers (both employees and contractors) engaged in game development projects by studios that are owned by the group (internal studios).
Internal headcount	Internal game developers + internal employees, non-development
Internal Studios	Studios owned by the Group.
MAU	Average monthly active users in the period.
Max cash consideration	The maximum potential consideration to be paid in cash including upfront consideration and earnout consideration. The earnout consideration is based on the maximum potential consideration and is calculated based on the terms and FX-rates stated in each individual agreement.
Max share consideration	The maximum potential consideration to be paid in Embracer B-shares including upfront consideration and earnout consideration. The earnout consideration is based on the maximum potential consideration and is calculated based on the terms, FX-rates and Embracer VWAP20 Share Price stated in each individual agreement.
Max total consideration	The sum of the max cash and share consideration. Note that the total max consideration might deviate from the total consideration used in the Purchase Price Analysis following movements in FX-rates and Embracer Share price between the signing and closing date as well as if the expected achievement of the individual earnout targets deviate from the maximum scenario. The Max total consideration includes contingent consideration in cash and shares that is classified as remuneration for future services and not part of the transferred consideration in the PPA according to IFRS 2 and IAS 19. Also note that for a limited amount of acquisitions, for which there is a material difference between the expected consideration and the maximum potential consideration, the expected cash and shares consideration have been used as measure.
Number of IP:s	Number of IPs owned by the Group.
NET SALES SPLIT – PC/CONSOLE SEGMENT	
Owned titles	Net sales of game titles that are owned IPs or titles that are controlled by the Group.
Publishing titles	Net sales of game titles of IPs the Group does not own or control.
New releases	Net sales of game titles that are released in the current quarter.
Back catalog	Net sales of game titles that are not released in the current quarter.
Physical product	Product sold/transferred through physical channels.
Physical sales	Sales and transfer of products, physical and digital, through physical channels.
Total installs	Total accumulated installs in the period.
UAC (User Acquisition Cost)	Marketing costs in the operating segment Mobile Games.

The Board of Directors and Chief Executive Officer offer their assurance that this Annual Report has been prepared according to accounting standards and that the consolidated accounts have been prepared in line with the No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The Annual Report and consolidated accounts give a fair overview of the Parent Company's and Group's financial position and

result. The Board of Directors' Report for the Parent Company and Group gives a fair overview of the Parent Company's and Group's business, financial position. The Board of Directors and the CEO further offer their assurance that the annual accounts and consolidated accounts have been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and the specifications adopted pursuant to Article 8.4 of the EU Taxonomy Regulation.

The annual report was approved on June 18, 2026

Lars Wingefors
Chair of the Board & Co-founder

Kicki Wallje-Lund
Deputy Chair of the Board

Yasmina Brihi
Board member

Bernt Ingman
Board member

Jacob Jonmyren
Board member

Cecilia Qvist
Board member

Brian Ward
Board member

Phil Rogers
Group CEO

Our audit report was submitted on June 18, 2026

Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant

AUDITOR'S REPORT

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

To the general meeting of the shareholders of Embracer Group AB (publ), corporate identity number 556582-6558

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Embracer Group AB (publ) for the financial period April 1st 2025 to March 31st 2026. The annual accounts and consolidated accounts of the company are included on pages [27-197](#) in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31st March 2026 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31st March 2026 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement and the statutory sustainability report on pages 47-63 and 65-127, respectively. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis For Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our Audit Approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Description of the key audit matter**Revenue recognition**

Total revenues amounted to SEK 15 906 million for the financial year 2025/26 and constitute a significant item of the consolidated accounts. The diverse nature of Embracer's business requires different revenue streams with various inherent characteristics depending on the type of products and how they are distributed. Embracer is party to agreements with publishers, platforms and other counterparties that may influence the recognition of revenues. Revenues are recorded when the agreed performance obligations have been met. The identification of the point in time when the performance obligations are met is normally straightforward for most revenues streams while there is more complexity in some areas including for example percentage-of-completion accounting of work for hire projects, rebate agreements and estimates of rights to royalty. Based on the inherent characteristics of the various revenue streams and the significance of the amounts, we assess that revenue recognition is a key audit matter. Accounting principles and significant estimates and judgments for revenue recognition are disclosed in [Note 4](#).

How our audit addressed the key audit matter

Our audit procedures have included, but were not limited to, the procedures listed below. We have:

- > Evaluated if the Group's accounting principles for revenue recognition comply with IFRS.
- > Evaluated the Group's business processes for the recognition of significant revenue streams.
- > Performed tests of a sample of IT systems and business processes controls.
- > Tested a sample of transactions against supporting agreements and payments.
- > Tested a sample of transactions before and after year end to assess whether revenue has been recognized in the appropriate period.
- > Performed tests to verify if intra group sales have been eliminated in the consolidated accounts.
- > Evaluated the information on revenue recognition presented in the annual accounts and consolidated accounts and assessed whether it provides sufficient information according to the financial reporting frameworks.

Goodwill and business acquisitions

Total goodwill amounted to SEK 4 000 million as of 31st March 2026 and constitute a significant item of the consolidated accounts. Embracer has acquired many businesses during previous years that has led to the recognition of goodwill and other assets and liabilities identified in the purchase price allocations. Goodwill assets have indefinite useful lives and are held at cost without amortization. Instead, the carrying amounts of individual assets are tested for impairment annually. Performing impairment tests require estimates of future cash flows, net realizable values and other inputs that are inherently subjective. There are several other factors impacting the goodwill balance during the financial year including divestments, closing of studios and external factors including changes in foreign exchange rates, market interest rates and asset prices. Based on the inherent complexity and subjectivity of the impairment tests and the significance of the amounts involved, we assess that the measurement of goodwill is a key audit matter. Accounting principles and significant estimates and judgments for goodwill are disclosed in [Note 13](#).

Our audit procedures have included, but were not limited to, the procedures listed below. We have:

- > Evaluated if the Group's accounting principles for recognizing and measuring goodwill in accordance with IFRS.
- > Evaluated the Group's process for impairment tests.
- > Tested a sample of historic purchase price allocations against supporting documentation and calculations.
- > Examined a sample of impairment tests and evaluated significant assumptions made.
- > Tested the derecognition of goodwill assets sold and assets held for sale.
- > Evaluated the information presented in the annual accounts and consolidated accounts in regards of goodwill and assessed whether it provides sufficient information according to the financial reporting frameworks.

Separation and distribution of Coffee Stain

On December 11, 2025, Coffee Stain was separated from Embracer through the distribution of all shares of Coffee Stain AB to the shareholders of Embracer and the separate listing of those shares on Nasdaq First North Premier Growth Market. Before the distribution, Coffee Stain accounted for approximately 5% of Embracer's total sales and 16% of adjusted EBIT. Based on the effects of the separation on the group's reported financial results and position during the financial year and onwards, we consider the separation and distribution of Coffee Stain to be a key audit matter. The accounting principles as well as significant estimates and judgments that are important for the accounting of the separation and distribution of Coffee Stain are disclosed in [Note 32](#).

Our audit procedures have included, but were not limited to, the procedures listed below. We have:

- > Tested significant transactions against underlying documents.
- > Verified that revenues and costs as well as assets and liabilities belonging to Coffee Stain have been reported separately from Embracer's continuing operations.
- > Evaluated the information presented in the annual report and the consolidated financial statements related to the separation of Coffee Stain and assessed whether it complies with the requirements of the reporting frameworks.

Other Information Than The Annual Accounts And Consolidated Accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-26, 47-63 och 205. The remuneration report for the financial year also constitutes other information. The Board of Directors and the CEO are responsible for other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities Of The Board Of Director's And The Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on

Revisorsinspektionen's website:

www.revisorsinspektionen.se/revisornsansvar.

This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

THE AUDITOR'S EXAMINATION OF THE ADMINISTRATION OF THE COMPANY AND THE PROPOSED APPROPRIATIONS OF THE COMPANY'S PROFIT OR LOSS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Embracer Group AB for the financial period 1st April 2025 to 31st March 2026 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis For Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities Of The Board Of Directors And The Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's Responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- > has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- > in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Embracer Group AB (publ) for the financial period 1st April 2025 to 31st March 2026.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis For Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Embracer Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities Of The Board Of Director's (And The Managing Director)

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director

determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 47-63 has been prepared in accordance with the Annual Accounts Act.

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

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

Öhrlings PricewaterhouseCoopers AB, with Magnus Svensson Henryson in charge, was appointed auditor of Embracer Group AB (publ) by the general meeting of the shareholders on the 21 September 2023 and has been the company's auditor since the 21 September 2023.

Stockholm, June 18, 2026
Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant

AUDITOR'S LIMITED ASSURANCE REPORT OF EMBRACER GROUP AB (PUBL)'S STATUTORY SUSTAINABILITY STATEMENT

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

To the general meeting of the shareholders of Embracer Group AB (publ), corporate identity number 556582-6558

CONCLUSION

We have conducted a limited assurance engagement of the sustainability statement for Embracer Group AB (publ) for the financial period April 1st 2025 to March 31st 2026. The sustainability statement is included on page 65-127 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- > whether the sustainability statement meets the requirements of ESRS,
- > whether the process the company has carried out to identify reported sustainability information has been conducted as described in IRO-1 Description of the process to identify and assess material impacts, risks and opportunities on page [82](#) of the sustainability statement,
- > compliance with the reporting requirements of the EU's Green Taxonomy Regulation Article 8.

BASIS FOR CONCLUSION

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Our responsibility according to this recommendation is further described in the section Auditor's responsibility.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OTHER MATTER

The sustainability report for the financial period from 1 April 2024 to 31 March 2025 was prepared in accordance with the Global Reporting Initiative and was subject to our limited assurance review. Consequently, no review has been performed of the comparative figures in the sustainability report for the financial period from 1 April 2024 to 31 March 2025, in accordance with the current wording of the Swedish Annual Accounts Act after 1 July 2024.

OTHER INFORMATION THAN THE SUSTAINABILITY STATEMENT

This document also contains other information than the sustainability statement and is found on pages 1-64, 128-196 and 205 respectively. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTOR'S AND THE MANAGING DIRECTOR

The Board of Directors, and the Managing Director, are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determines necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on whether the sustainability report has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of Embracer Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

THE REVIEW PROCEDURES PRIMARILY INCLUDE:

Our procedures regarding the process that the company has implemented to identify sustainability information to be reported included, but were not limited to, the following:

- > Obtaining an understanding of the process by:
 - > Making inquiries to understand the sources of information used by management (e.g., stakeholder dialogues, business plans, and strategy documents); and
 - > Reviewing the company's internal documentation of its process; and
- > Evaluating whether the information obtained from our actions regarding the process implemented by the company is consistent with the description of the process in IRO-1 Description of the process to identify and assess material impacts, risks and opportunities on page [82](#) of the sustainability statement.

Our procedures regarding the sustainability report included, but were not limited to, the following:

- > Through inquiries, obtain a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- > Evaluate whether the information identified by the Process is included in the sustainability statement;
- > Evaluate whether the structure and the presentation of the sustainability statement is in accordance with the ESRS;
- > Perform inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement;
- > Perform substantive assurance procedures on selected information in the sustainability statement;
- > Through inquiries and analytical procedures, evaluate supporting evidence to the methods [, assumptions and data] for developing significant estimates and forward-looking information;
- > Obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement:
- > The review of taxonomy disclosures included, but was not limited to, the following review procedures:
 - > Through inquiries, obtained an understanding of the process and the sources of the information used in the taxonomy disclosures.
 - > Performed substantive testing on a sample basis of disclosures provided in accordance with the EU Taxonomy.

INHERENT LIMITATIONS IN PREPARING THE SUSTAINABILITY STATEMENT

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of Embracer Group AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Embracer Group AB (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Stockholm, June 18, 2026
Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant

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