

Q4

FY 22/23

EMBRACER GROUP
INTERIM REPORT

JANUARY – MARCH 2023

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TODAY'S AGENDA

PART 1

INTRODUCTION
& FORECAST
09:00 – ~10:00

- Update on strategic partnership negotiations
- Forecast
- Q&A session #1

PART 2

Q4 PRESENTATION,
DEEP DIVES AND OTHER
PRESENTATIONS
~10:00 – ~11:00

- Highlights from Q4 and Full Year Report
- Operating segments Q4 performance
- Financial performance Q4
- Embracer and Sustainability
- Earnout per Year-End
- 5 years of PLAION and Dambuster Studios | Dead Island 2
- Q&A session #2

Update on strategic partnership negotiations

- Late last night, we were informed that one ground-breaking strategic partnership that has been negotiated for seven months will not materialize
- The specific strategic partnership deal would have included USD 2bn+ contracted development revenue over a period of six years and would have enabled a catch-up payment at closing for already capitalized costs for a range of large-budget games

Forecast FY 23/24

	CURRENT FORECAST	PREVIOUS FORECAST
Adjusted EBIT	SEK 7,000 - 9,000 million	SEK 10,300 - 13,600 million

- Compared to the previous guidance, a specific, significant transformative partnership will not materialize.
- Additionally, several notable games in the PC/Console Games segment have been delayed from FY 23/24 to FY 24/25.
- In the PC/Console Games segment, we expect a solid, underlying earnings growth driven by more owned and self-published, large-budget game releases during the financial year. The forecast includes more cautious assumptions for certain releases. Additionally, the forecast assumptions include slate changes for a few notable, unannounced games.
- In the Mobile Games segment, we expect a low single-digit organic growth, with gradually stronger growth during the financial year. We assume stable, soft underlying market trends with some gradual improvements to ad monetization throughout the year. The Adjusted EBIT margin is expected to be largely in line or slightly above FY 22/23.
- In the Tabletop Games segment, we expect high-single-digit organic growth driven by the trading cards product area, with an Adjusted EBIT margin slightly below FY 22/23.
- To give some background to the financial guidance for FY 23/24. When comparing to the original forecast given in Q2 FY21/22 it is notable the at least net six notable releases have moved out from FY 23/24 to later years.



Q&A

Moderated by Martin Arnell, DNB Markets, until ~10:00 CEST

This will be followed by Part 2: Q4 Presentation, Deep Dives & Other Presentations



Q4 Presentation, Deep Dives and Other Presentations

Interim Report Q4 FY 22/23

Q4 FY 22/23

Net Sales Group

SEK 9,356m

YOY GROWTH

79%

GROUP ORGANIC GROWTH

- 4%

GROUP PRO FORMA GROWTH

- 5%

Adjusted EBIT

SEK 915m

YOY GROWTH

-14%

FULL YEAR FY 22/23

Net Sales Group

SEK 37,655m

YOY GROWTH

121%

Adjusted EBIT

SEK 6,366m

YOY GROWTH

43%

Adjusted EPS AFTER FULL DILUTION

SEK 4.06

(3.50)

2023/24 PIPELINE



2 MILLION UNITS SOLD



SEVERAL NOTABLE GAMES EXPECTED THIS FY

SEK 9,309m

in capitalized development as of Q4

ANNOUNCED PARTNERSHIPS

THE LORD OF THE RINGS



amazon games

UPDATED FORECAST

SEK 7,000m - SEK 9,000m



Operating segments

Q4 performance

Operative Groups by segment

PC / CONSOLE GAMES

Internal Headcount: 10,436 | Internal Studios: 102 | IP: 258


THQ NORDIC








MOBILE GAMES

Internal Headcount: 1,177 | Internal Studios: 11 | IP: 48


DECA


ENTERTAINMENT & SERVICES

Internal Headcount: 900 | Internal Studios: 3 | IP: 193



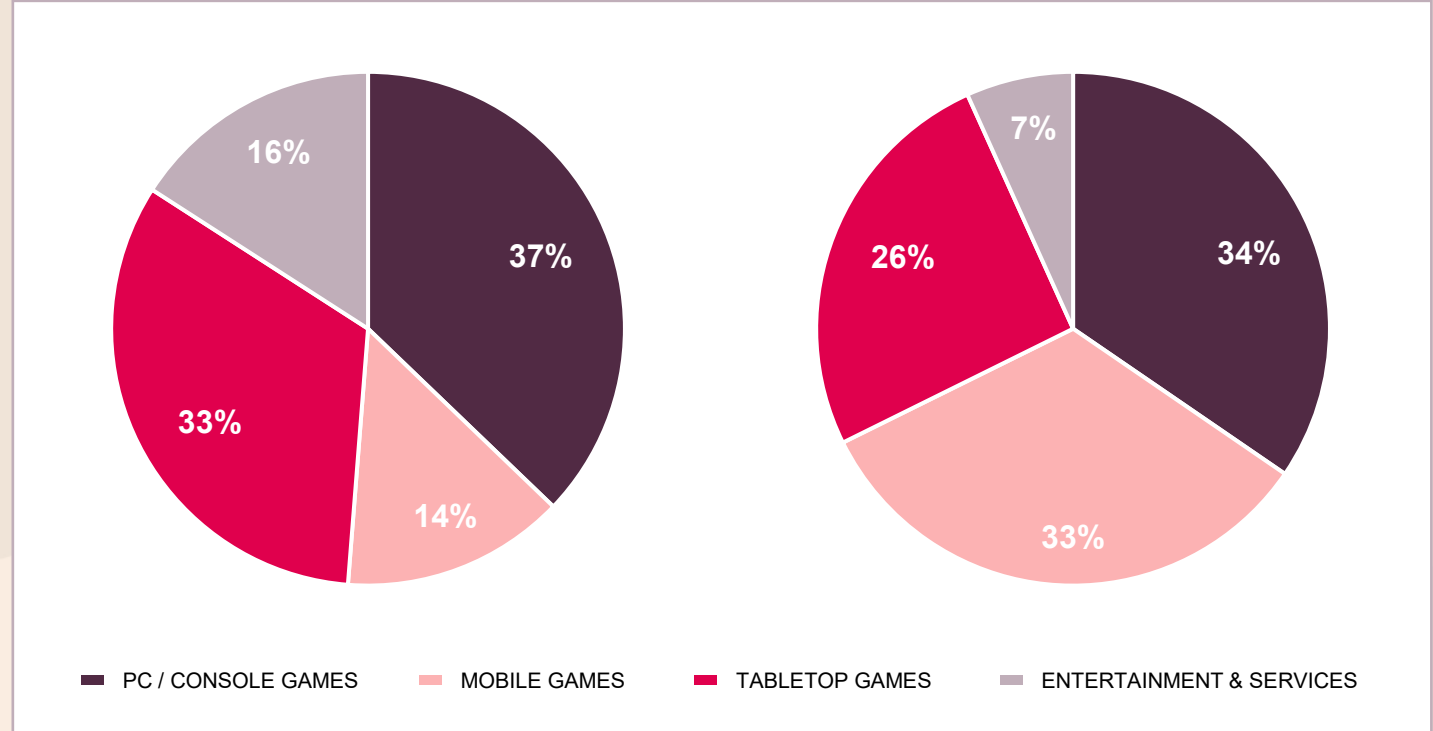



TABLETOP GAMES

Internal Headcount: 2,582 | Internal Studios: 22 | IP: 397


asmodee

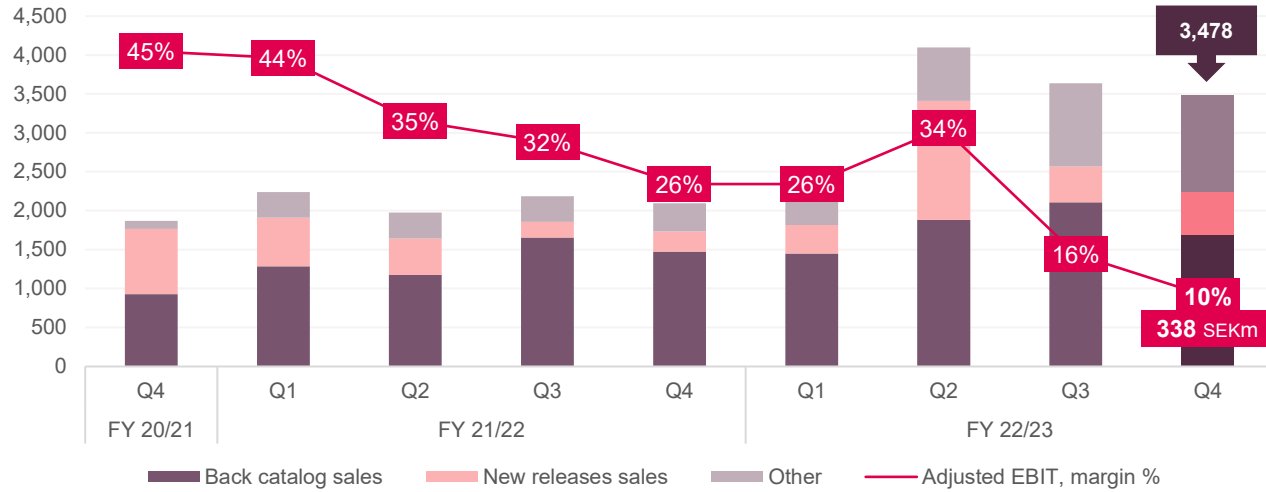
NET SALES SPLIT | Q4 FY 22/23



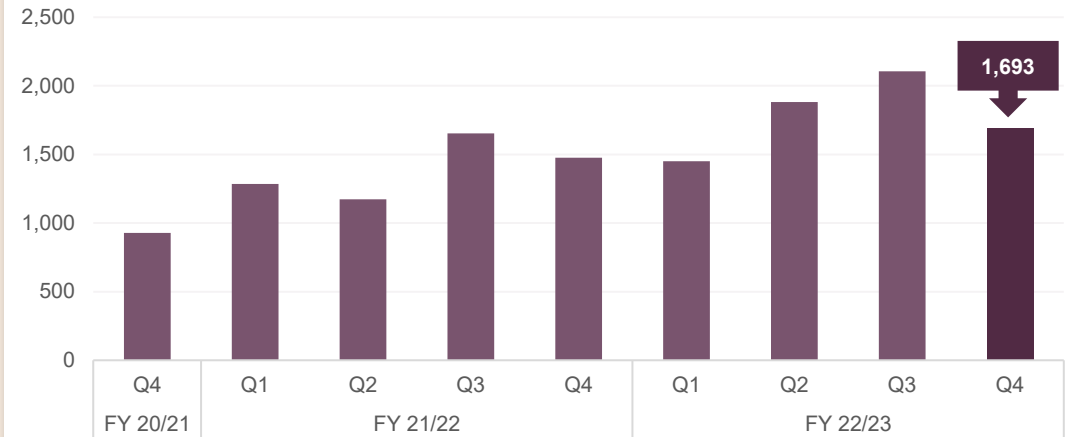


PC/Console Games

NET SALES REVENUE SPLIT SEKm & ADJUSTED EBIT MARGIN



BACK CATALOG SALES SEKm



NEW RELEASES



TOP 10 BACK CATALOG TITLES Q3 FY22/23

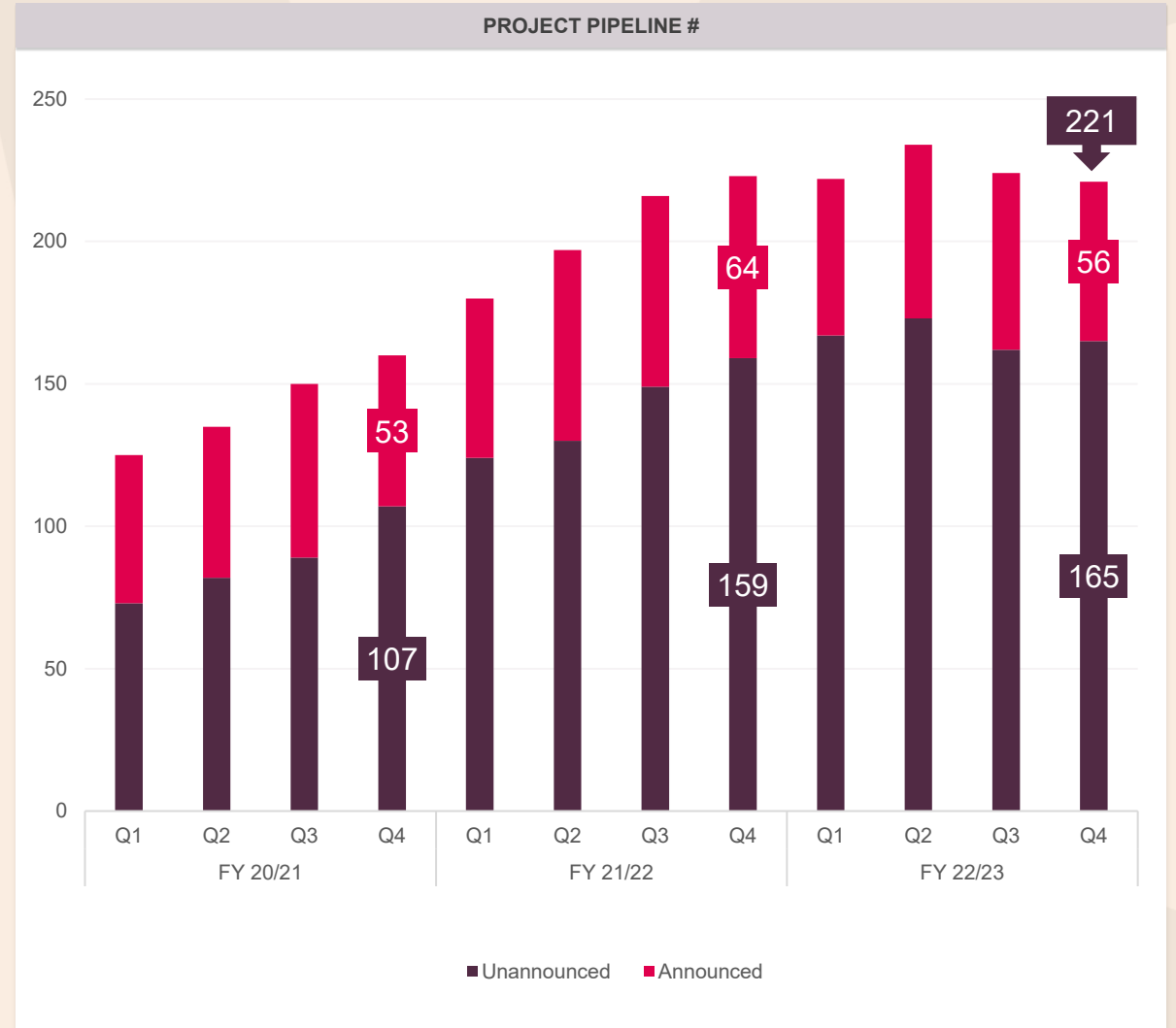
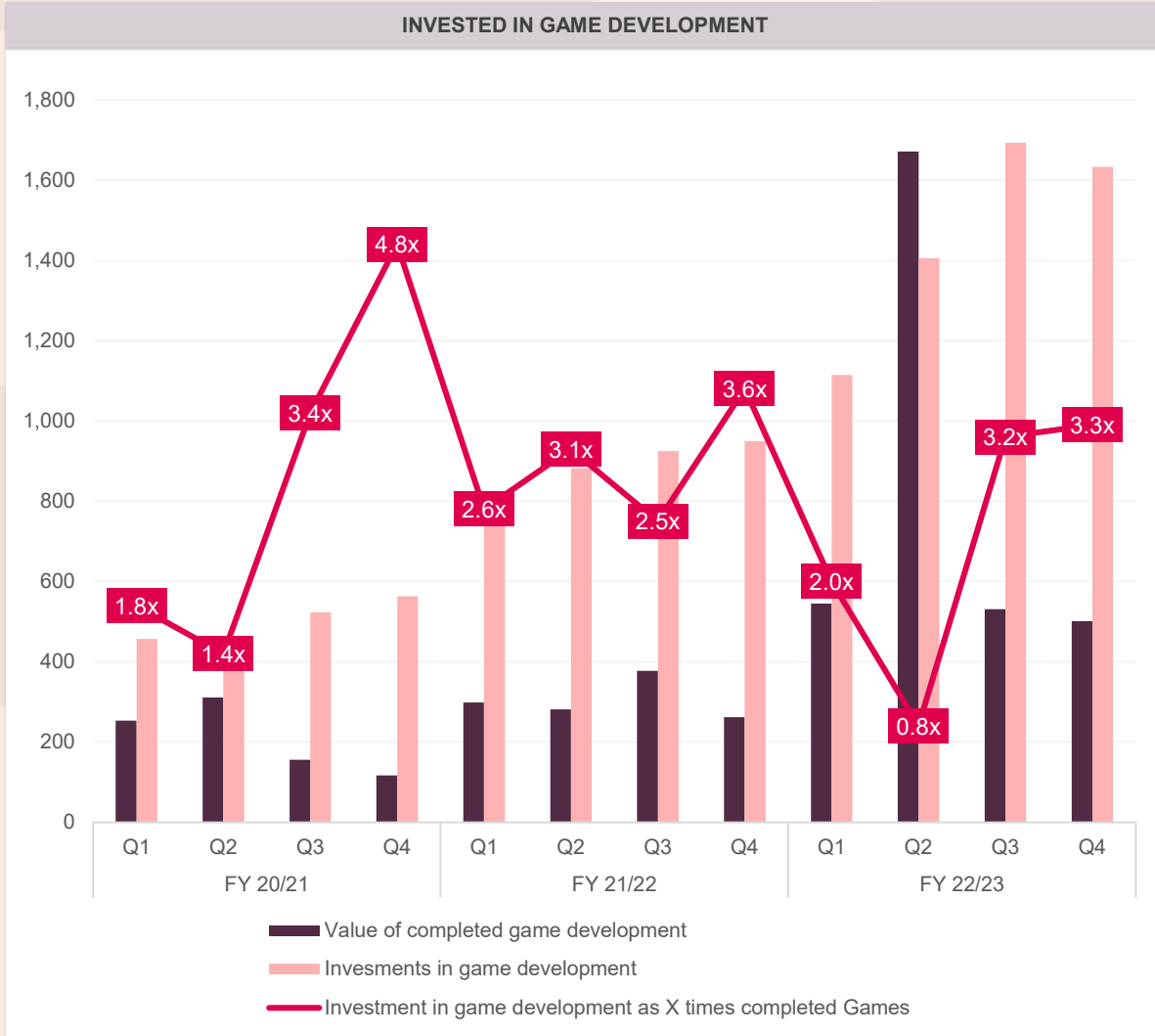


OPERATIVE GROUPS



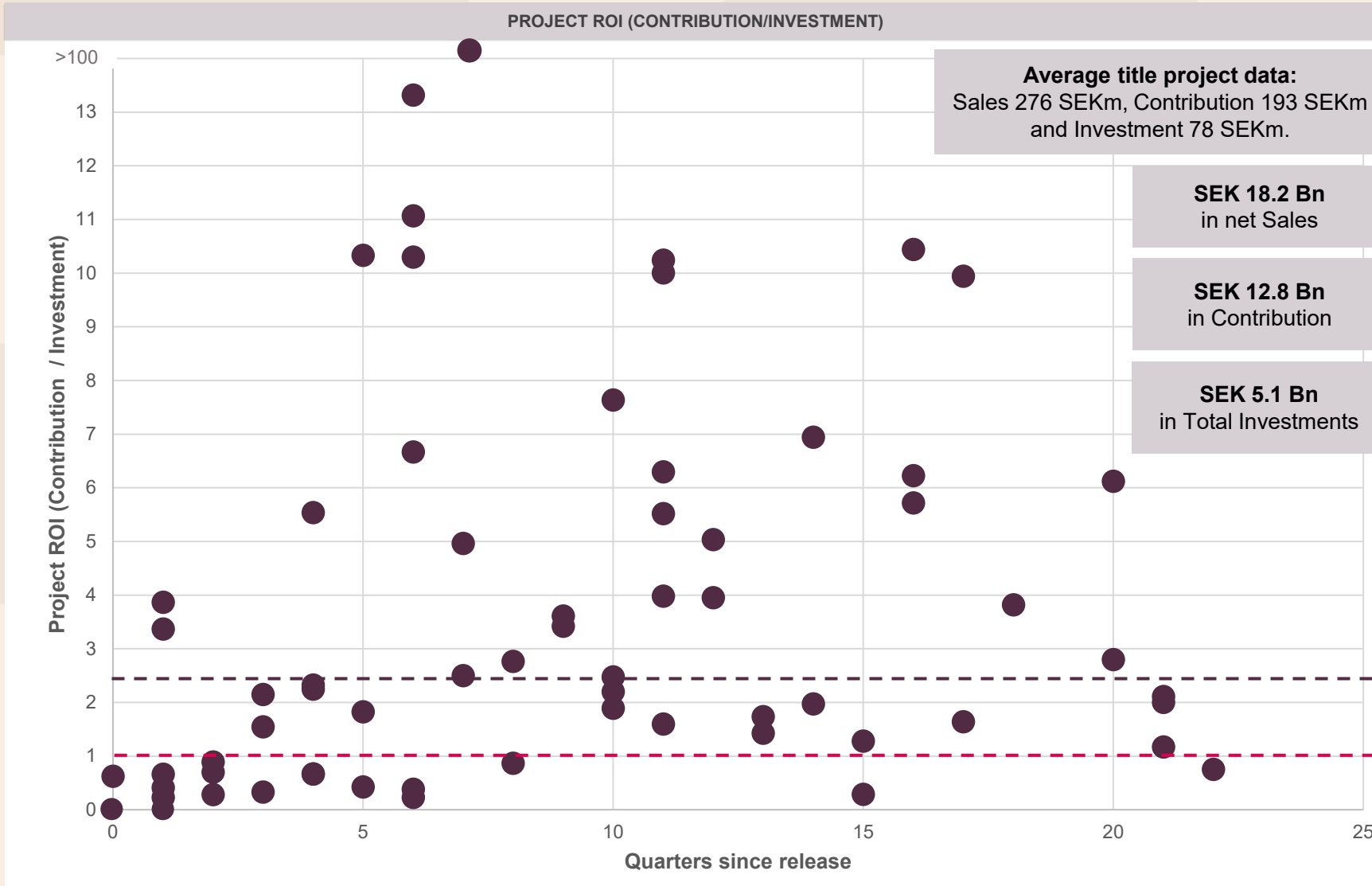


PC/Console Games





PROJECT ROI

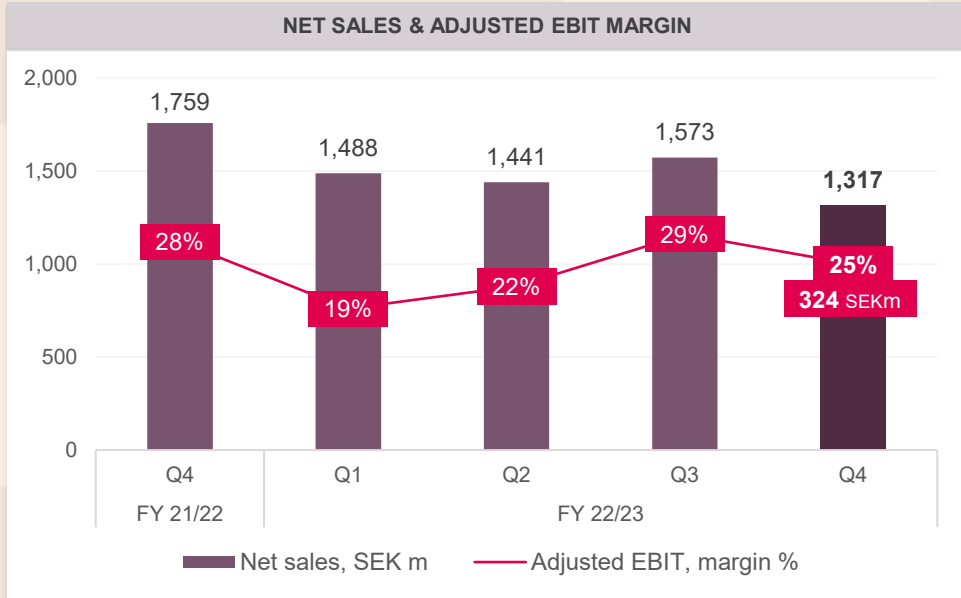


DETAILS

- Based on reported numbers until 31 March 2023
- Sample includes projects with sales above SEK 40 mn or investment above SEK 40 mn (66 projects)
- ROI = Contribution / Investment
- Contribution = Gross Profit less marketing expenses from release to 31 March 2023.
- Investment = Capitalized Development Expenses including follow-on investment.



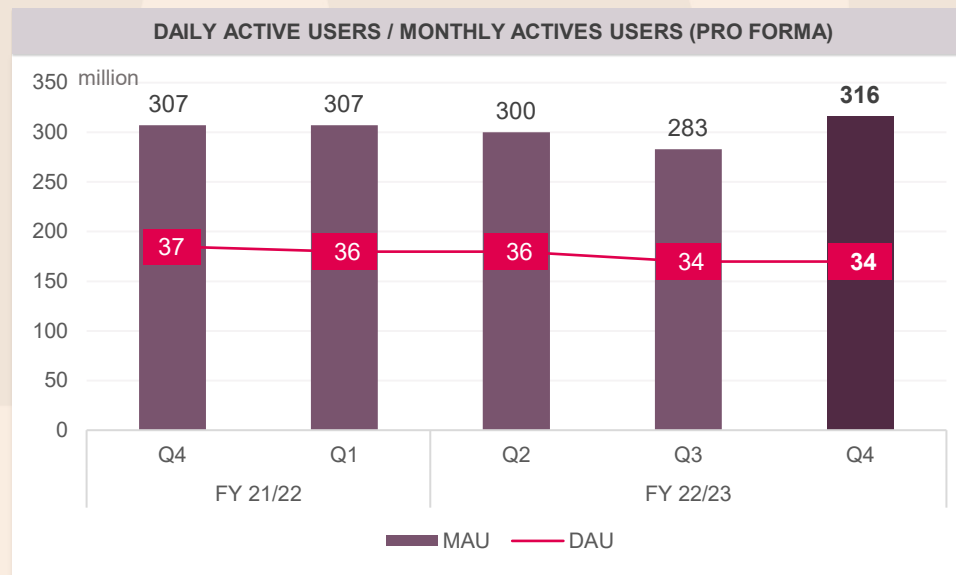
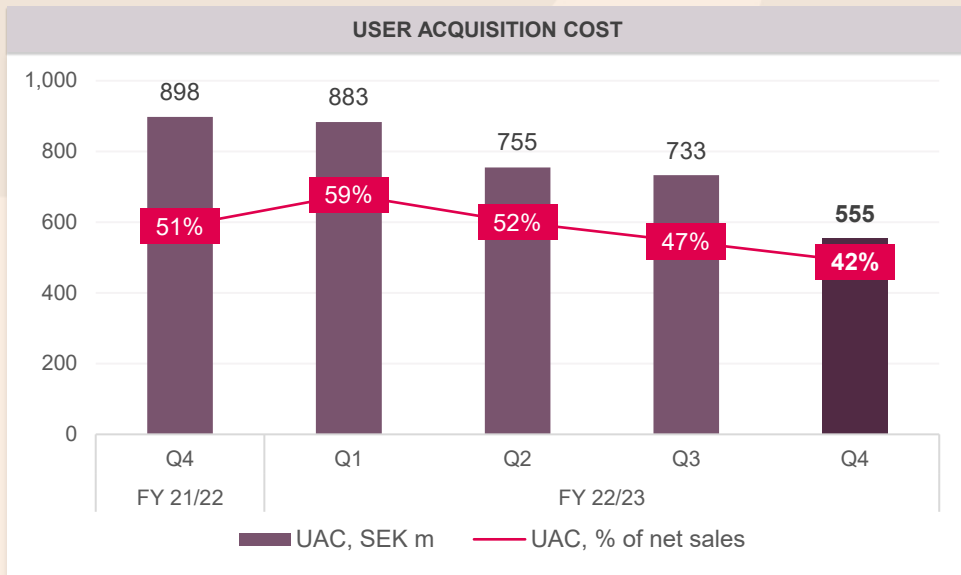
Mobile Games



MILESTONES

CrazyLabs **6.02 bn** DOWNLOADS*

Easybrain **1.5 bn** DOWNLOADS*



NET SALES DRIVERS

Jigsaw Puzzle	Nonogram.com	Sudoku.com
Art Puzzle	Number Match	Blockudoku

OPERATIVE GROUPS

DECA

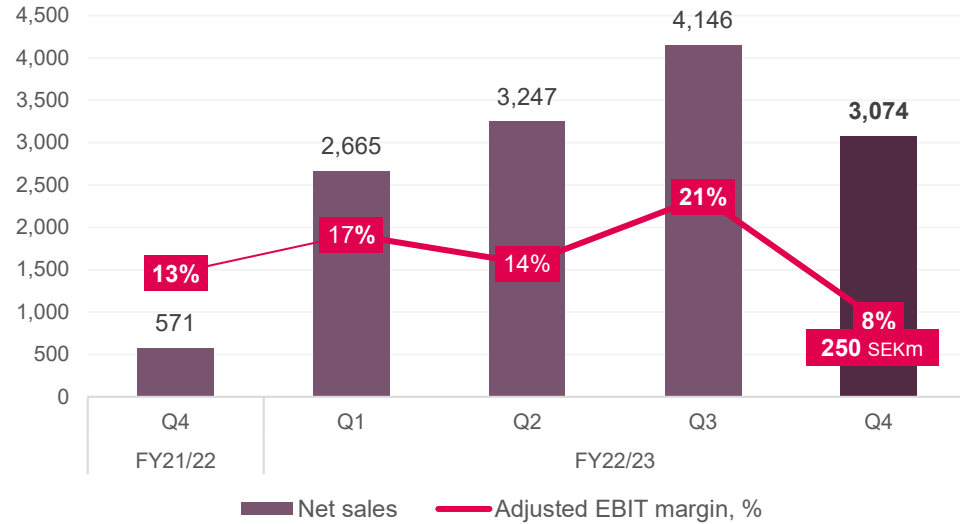
Easybrain

Source: as of 31 March, 2023 | *Accumulated downloads



Tabletop Games

NET SALES SEKm & ADJUSTED EBIT MARGIN



NEW RELEASES



STRONG LINEUP OF KEY NEW RELEASES FOR FY 23/24



25 projects underway within Embracer Group's operative groups

Several bolt-on acquisition opportunities in various stages



Star Wars™: Unlimited Trading Card Game

Coming 2024



Strong free cash flow generation expected to convert above 100% of its Adjusted EBIT in FY 22/23

Closing net inventory in line with our internal forecast (Q2 deep dive)



Star Wars: The Deckbuilding Game

Another solid P&L performance to close the year in seasonally quiet quarter

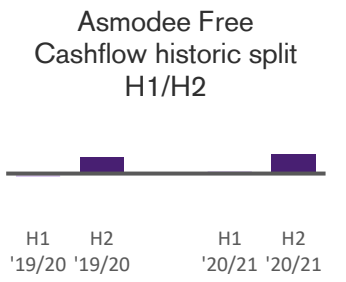
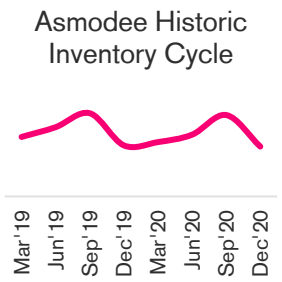
 Q4	 Full Year		
Net Sales 3,074m SEK	+6% vs Q4 '21/22 ⁽¹⁾	Net Sales 13,132m SEK	+2% vs last year ⁽¹⁾
Adj. EBITDA 345m SEK	-12% vs Q4 '21/22 ⁽²⁾	Adj. EBITDA 2,318m SEK	-10% vs last year ⁽²⁾
Adj. EBIT 250m SEK	-18% vs Q4 '21/22 ⁽²⁾	Adj. EBIT 2,010m SEK	-11% vs last year ⁽²⁾

(1) On a pro-forma basis at constant rates of exchange
 (2) On an adjusted pro-forma basis at constant rates of exchange

Careful working capital management and unwinding of inventory drives strong H2 cash generation

Reminder from Q2

Seasonality



Expectation

Seasonal unwinding of stock to year end with ~70m€ of temp effects unwinding over next 12 months

Strong H2 cash generation even after accounting for a partial phasing to next year

Q4 update

Net Inventory

Q4 closing value = **3,6bn SEK** ⁽¹⁾

-659m SEK/ -21 days vs Q2 ⁽²⁾

Free cashflow ⁽³⁾

1,6bn SEK ⁽⁴⁾ generated in H2

140% conversion of H2 Adj EBIT

Closing inventory is in line with internal forecasts from Q2 and careful working capital management delivers very strong H2 cash generation

(1) 322m€, including 11m€ of VR net inventory

(2) -70m€, on like for like basis excluding 11m€ impact from VR acquisition

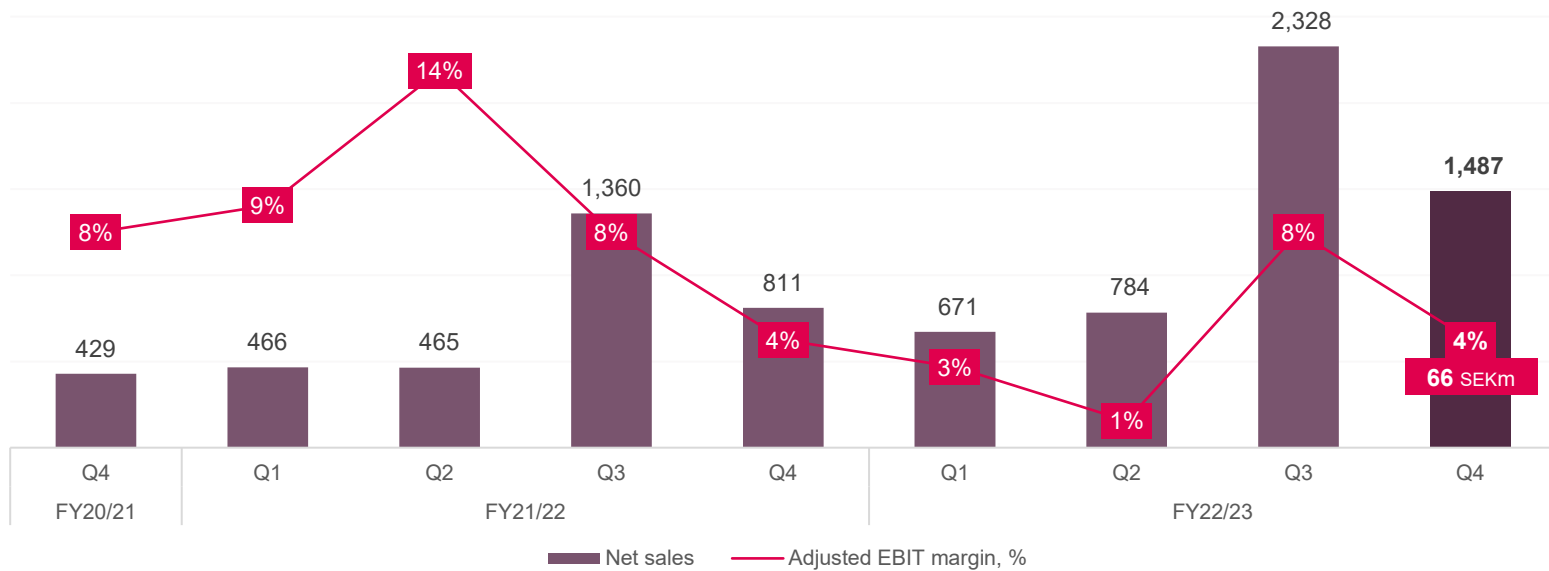
(3) Free Cashflow (FCF) = Adj. EBIT + operating D&A - capex +/- mvt in working capital

(4) 144m€



Entertainment & Services

NET SALES SEKm & ADJUSTED EBIT MARGIN



Middle-earth Enterprises | The Lord of the Rings

OPERATIVE GROUPS

COMPANIES

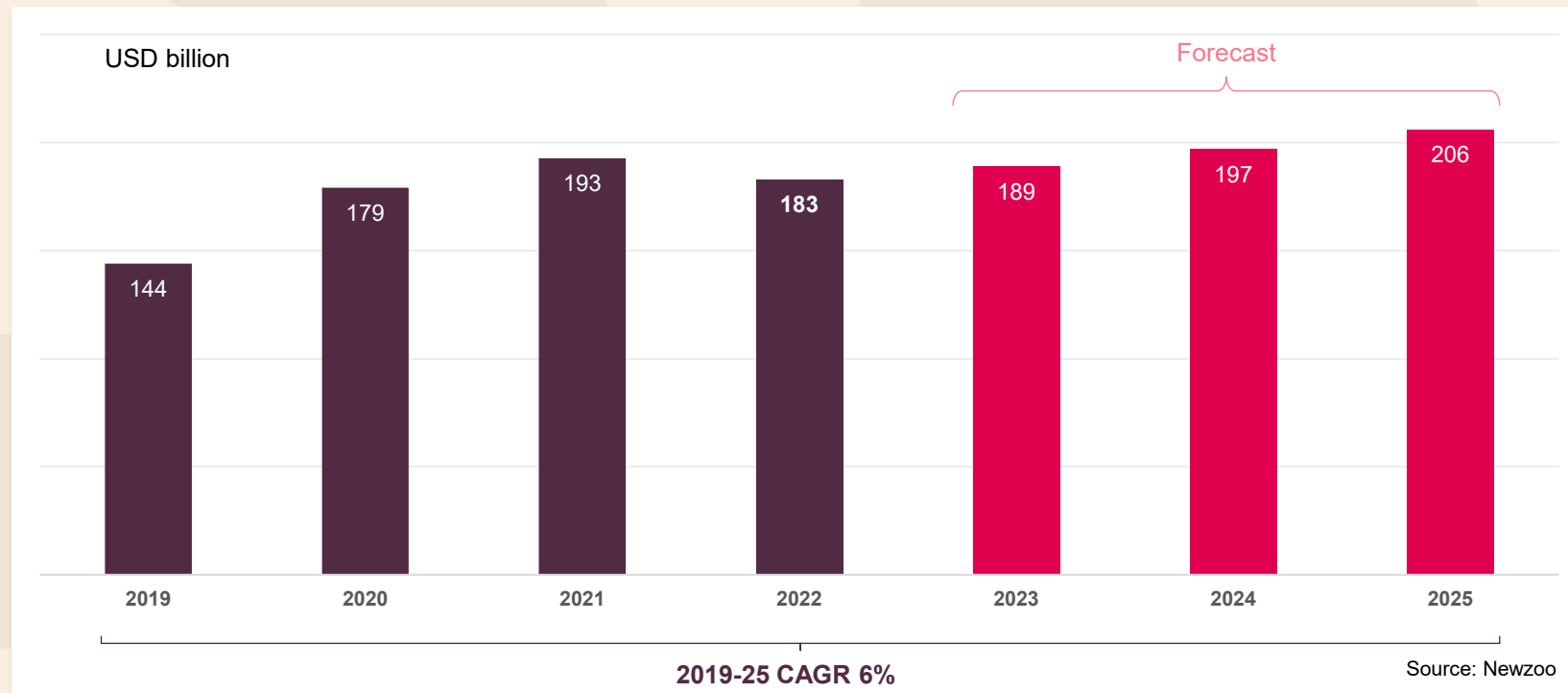


THE LORD OF THE RINGS

- Five titles in production with 3rd party licensed partners that will release during the next 24 months.
- New Line Cinema and Warner Bros. Pictures concluded a multi-year agreement to collaborate on feature films based on “The Lord of the Rings” and “The Hobbit”.
- Middle-earth Enterprises and Amazon Games announced a new open-world MMO adventure based on “The Lord of the Rings” and “The Hobbit”.

Market update

GLOBAL VIDEO GAMES MARKET REVENUE FORECAST



GLOBAL MARKET

PC *
 expected to grow by
+0.5%
 in 2023

Console *
 expected to grow by
+7%
 in 2023

Mobile *
 expected to grow by
+2%
 in 2023

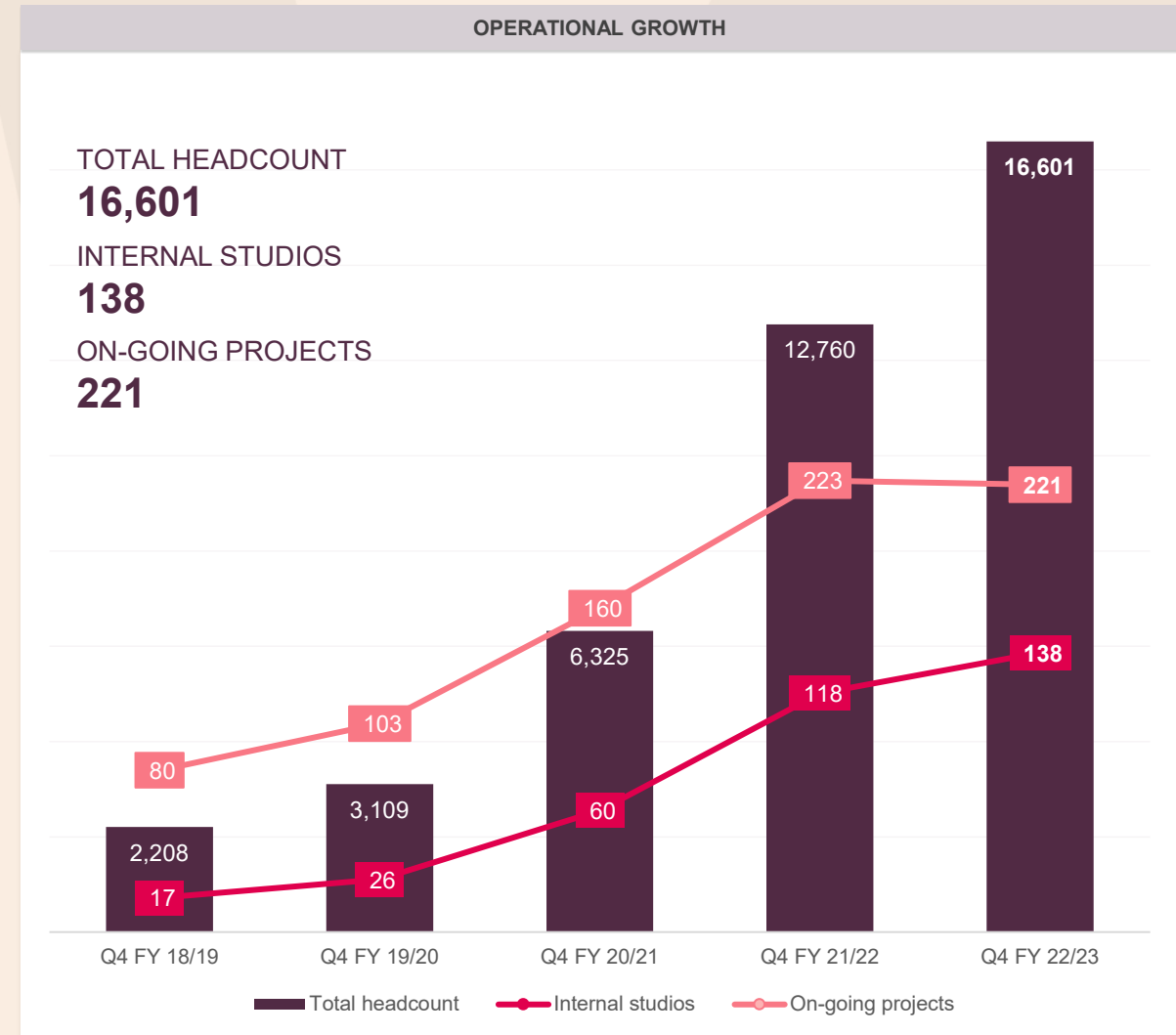
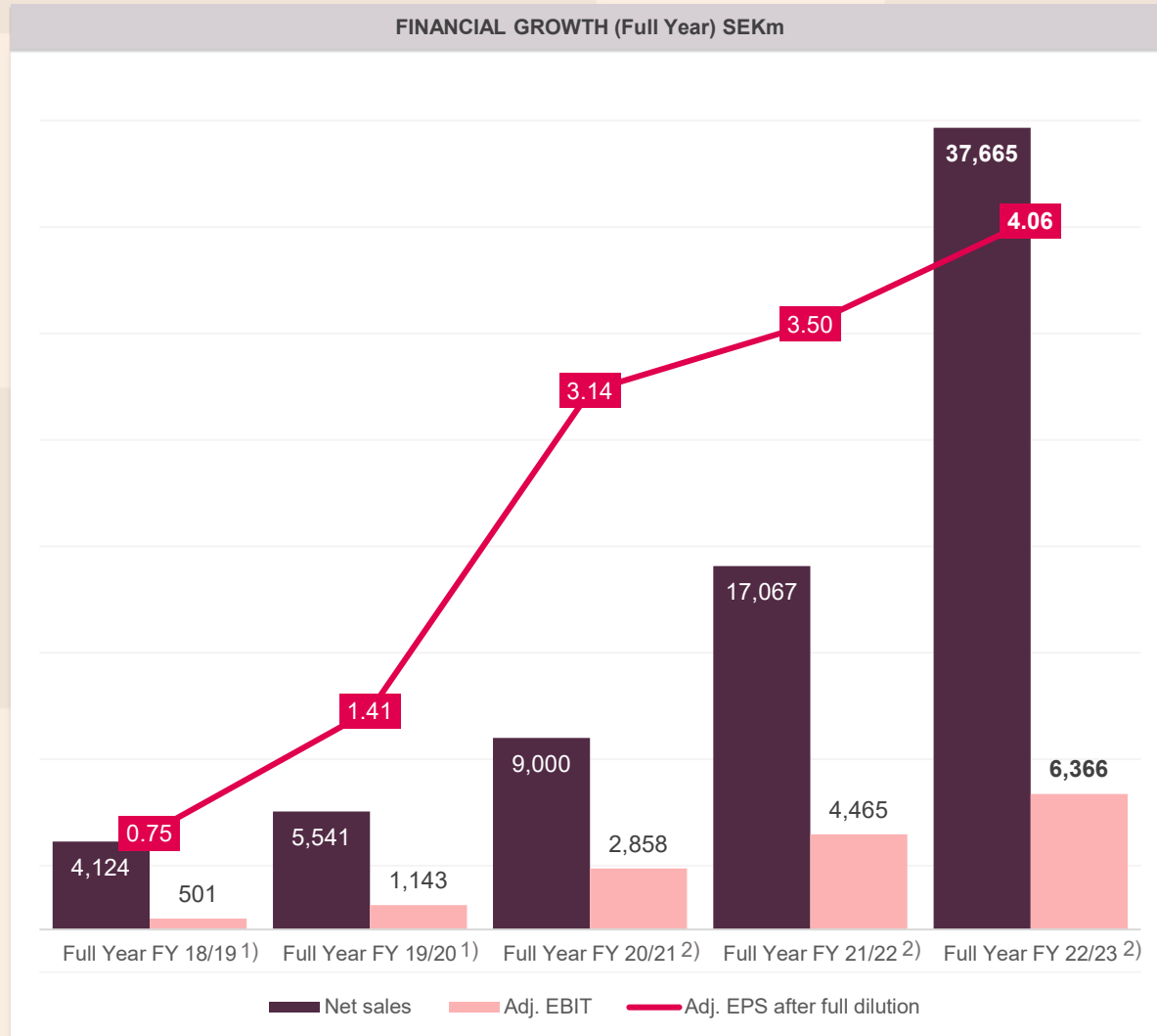
Tabletop **
 all-time record Q4
+10%
 YoY
 (CAGR of +10% for the last 4 full fiscal years)

- The global games market had a corrective year, generating USD 183 bn in 2022, a –5 % decrease YoY1). Compared to 2019 (pre-covid), the growth was 27%.
- The market is expected to grow by +3 % YoY to reach USD 189 bn**
- The longer-term growth prospects also remain strong, with Newzoo expecting a +6 % CAGR between 2019 and 2025*.
- The tabletop games market has proven resilient and has seen solid growth in January-March 2023, with 10% YoY growth and positive growth every month.

Financial Performance



Continued growth

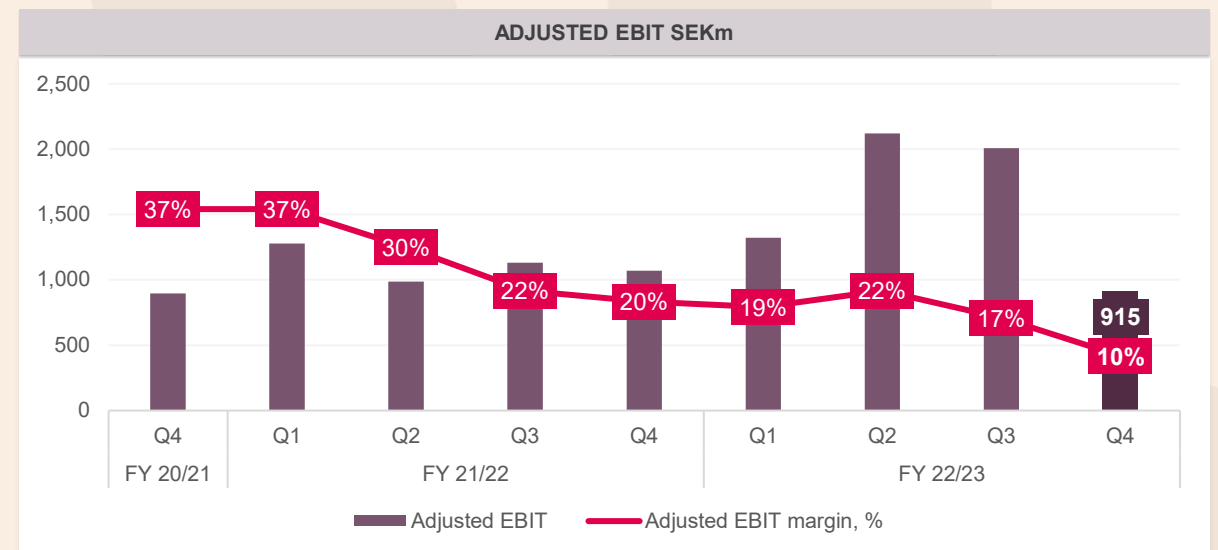
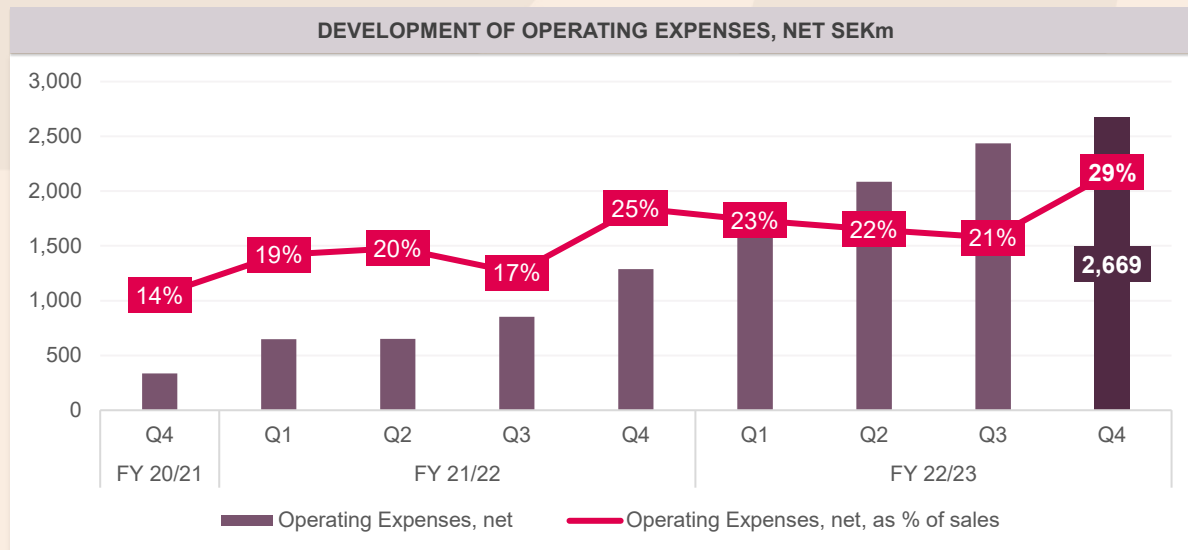
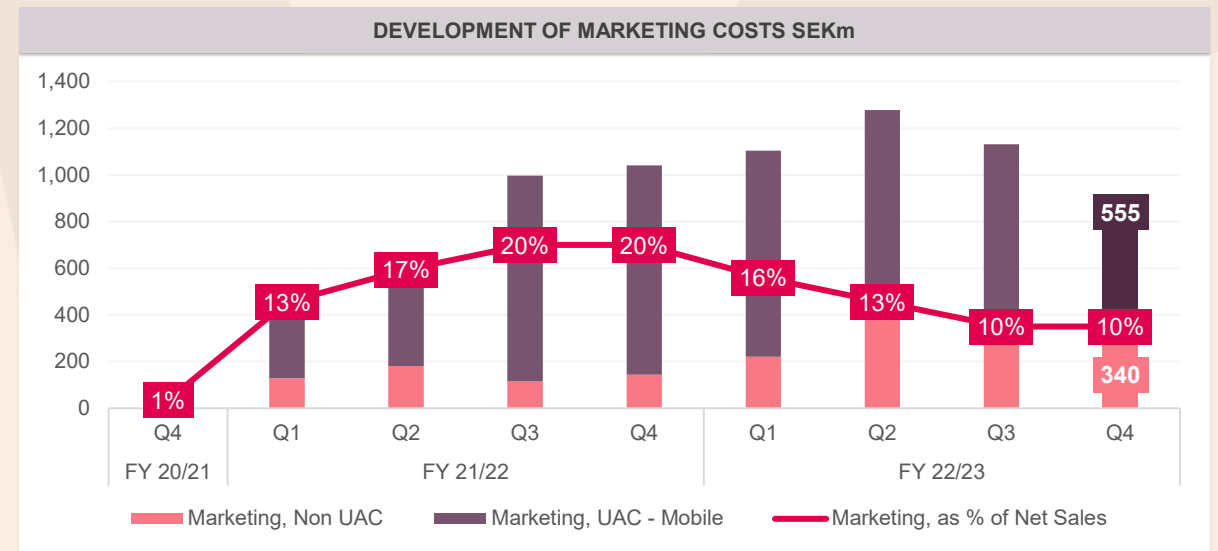
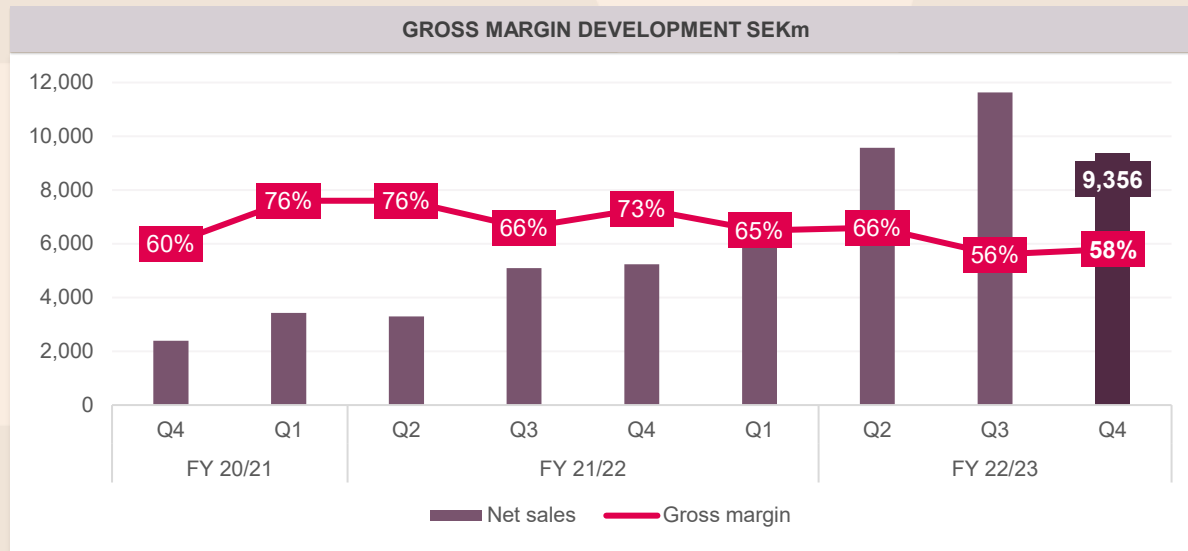


1) According to previous reporting standards K3. 2) According to International Financial Reporting Standards (IFRS) | source: as of 31 March, 2023

Key PNL Metrics

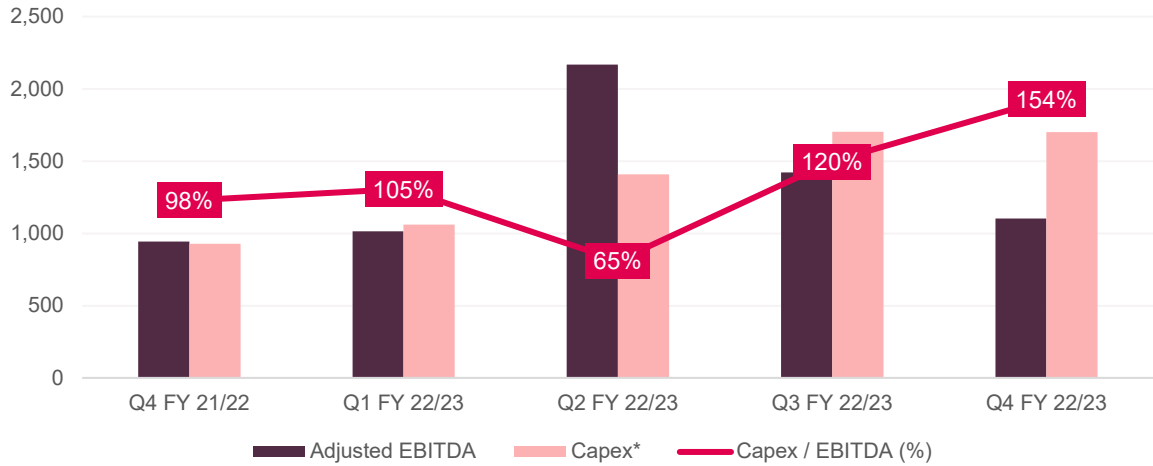
SEK million	Q4 FY 22/23	Q4 FY 21/22	YOY GROWTH	YOY ORGANIC GROWTH	YOY PRO FORMA GROWTH
Net sales	9,356	5,238	79%	-4%	-5%
Net sales – PC / Console Games	3,478	2,097	66%	17%	0%
Net sales – Mobile Games	1,317	1,759	-25%	-36%	-36%
Net sales – Tabletop Games	3,074	571	438%	-	6%
Net sales – Entertainment & Services	1,487	811	83%	20%	8%
Adjusted EBIT (margin %)	915 (10%)	1,069 (20%)	-14%	-	-
Adjusted EBIT – PC / Console Games	338 (10%)	553 (26%)	-39%	-	-
Adjusted EBIT – Mobile Games	324 (25%)	494 (28%)	-34%	-	-
Adjusted EBIT – Tabletop Games	250 (8%)	74 (13%)	237%	-	-
Adjusted EBIT – Entertainment & Services	66 (4%)	30 (4%)	124%	-	-
Adjusted EPS, SEK	0.38	0.81	-53%		
Adjusted EPS after full dilution, SEK	0.35	0.76	-54%		

Financial development

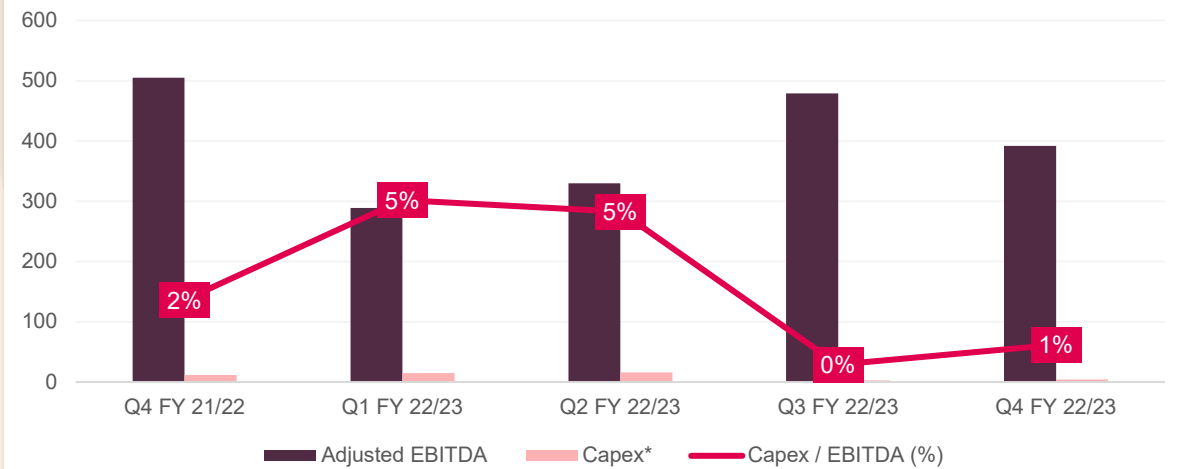


EBITDA and Capex

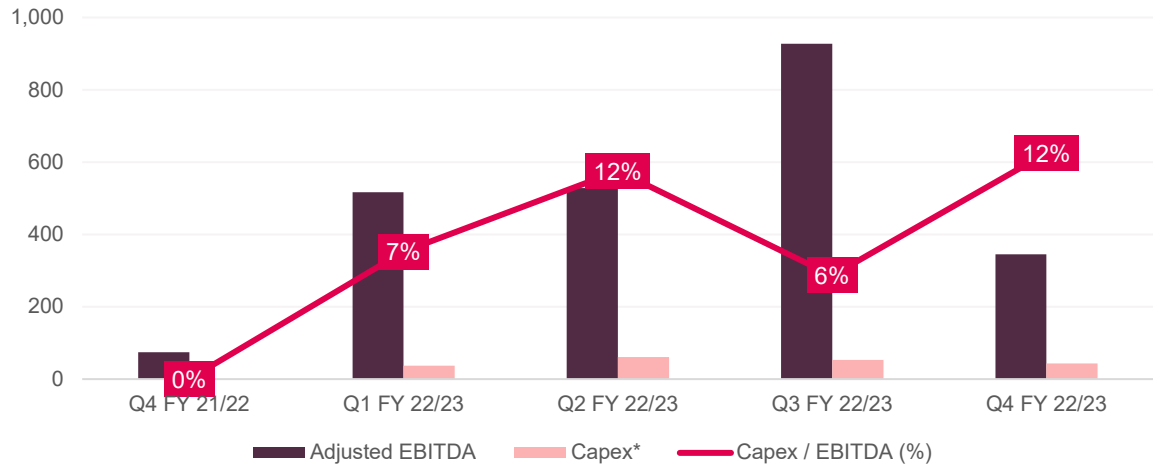
PC/CONSOLE GAMES



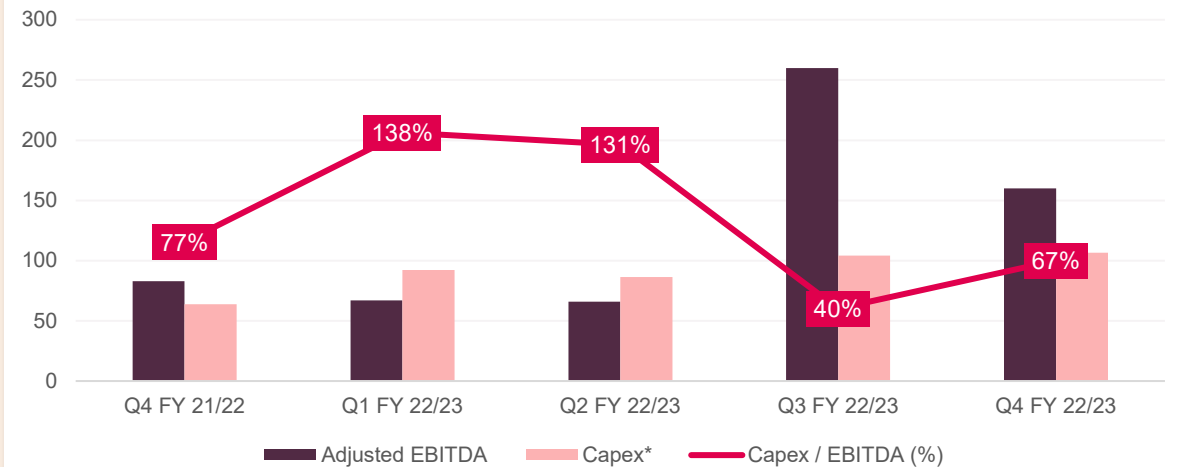
MOBILE GAMES



TABLETOP



ENTERTAINMENT & SERVICES



Cash flow and investments

SEK million	FY22/23 Q4	FY21/22 Q4	TTM Q4
Adjusted EBITDA	1,938	1,527	9,867
Cash Tax	-158	-86	-902
Other items	-251	349	-288
Operating Cash flow	1,529	1,790	8,677
Net investment in intangible assets	-1,807	-998	-5,996
Net investment in tangible assets	-178	-100	-497
Net investment in financial assets	62	-62	-61
Net Investment	-1,923	-1,160	-6,554
Free Cash Flow before WC	-395	630	2,123
Change in working capital	363	42	-2,162
Free Cash Flow after WC	-32	672	-39
Cash Flow from financing activities	-877	18,014	8,501
Net investment in acquired companies	-652	-27,914	-10,067
Cash Flow for the period	-1,561	-9,228	-1,605

- Negative Free Cash flow Before WC mainly driven by increased net investment in portfolio of ongoing game development in PC/Console Games Segment.
- At the end of March 2023, net debt amounted to SEK 15.6 bn and available funds amounted to SEK 6.1 bn.
- Embracer Group AB has an agreement on covenants in its credit agreements. The terms for these are 2.5x net debt through Adjusted EBITDA calculated according to agreement with lenders. As per 31 March Embracer has substantial headroom to the covenants.

Cash & credit facilities

SEK 5.2bn

Beginning of May 2023

Embracer and Sustainability

A stylized illustration of a forest at night. The scene is dominated by tall, thin trees with dark trunks and sparse foliage. The ground is covered in tall grasses and small plants. In the center, a large fox is walking towards the right, followed by two smaller foxes. The background shows a dark sky with a few stars and a faint glow of light from the left. The overall color palette is dark blue, purple, and brown.

Goal for our sustainability work

- Minimizing the risk of negative impacts on our stakeholders.
- Finding and developing business opportunities to do good for our stakeholders and the rest of the world.
- Living our values.

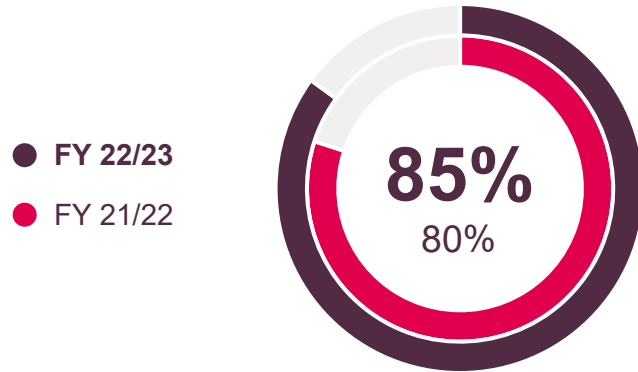


Sustainability tools

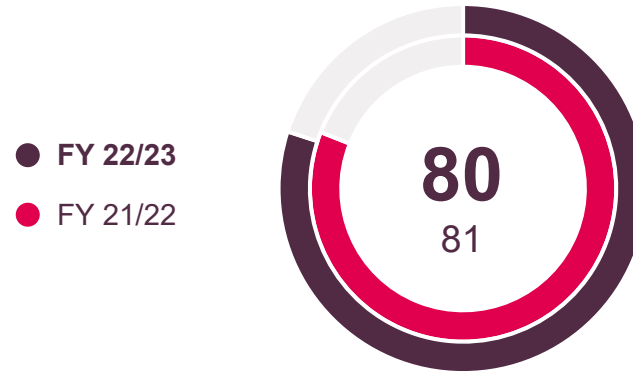
- Sustainability goals
- Policies
- Ambassador Group
- Case database for sustainability work
- Internal webinars
- **Employee Survey**
- Whistleblower program
- Reporting

Result of the Employee Survey 2023

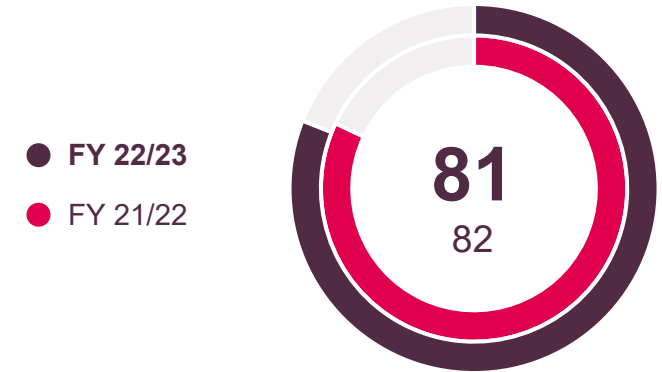
Response rate



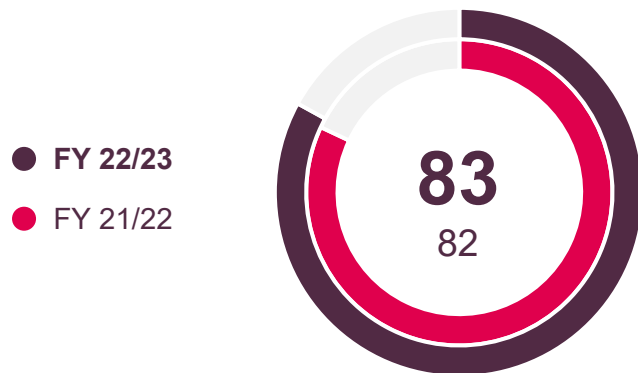
Global satisfaction rate



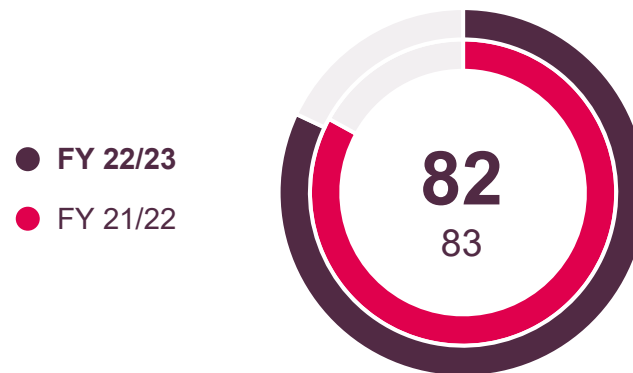
Work environment



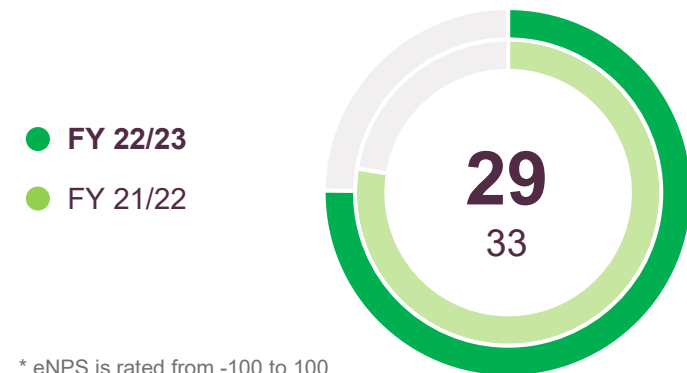
Collaboration



Engagement

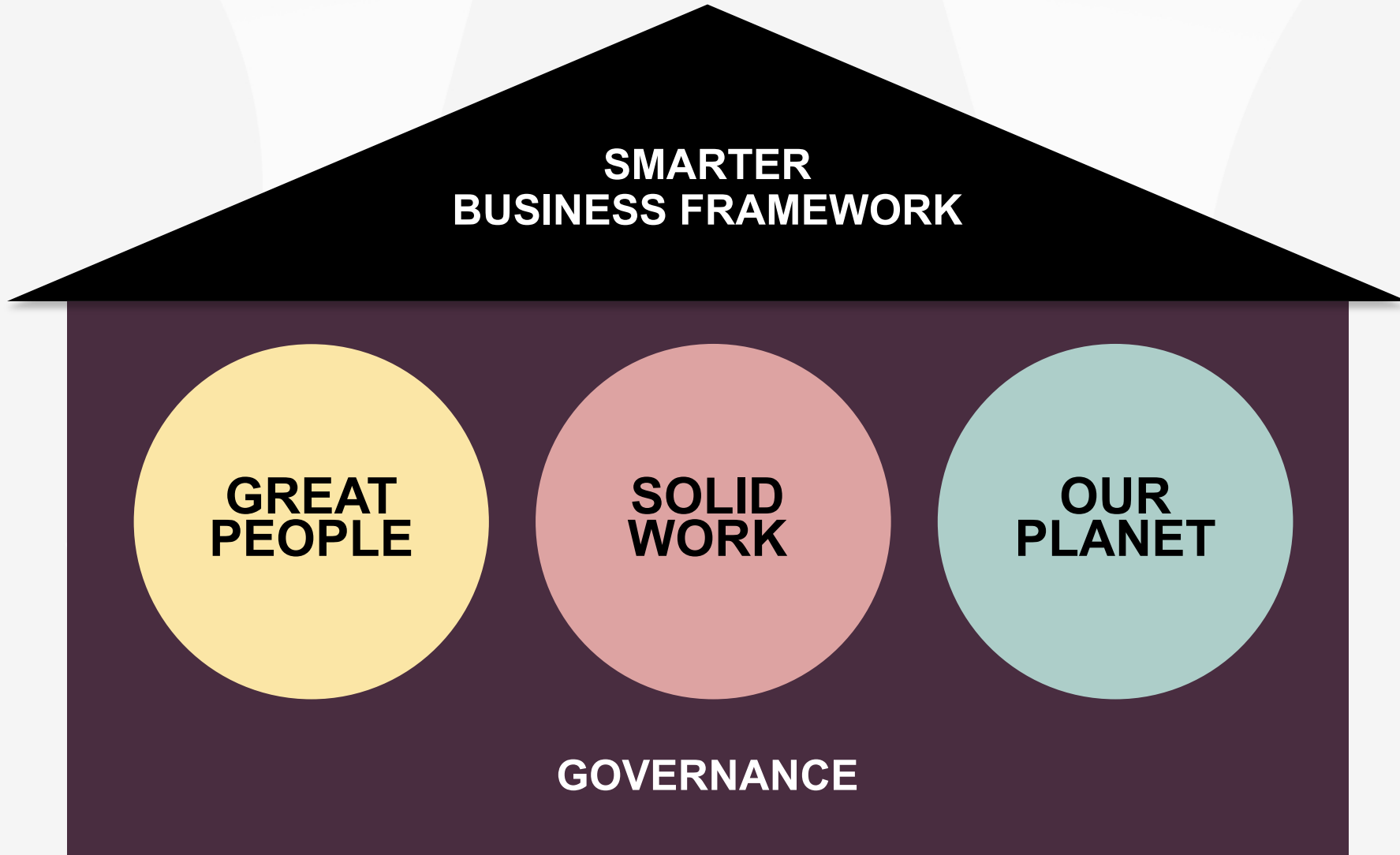


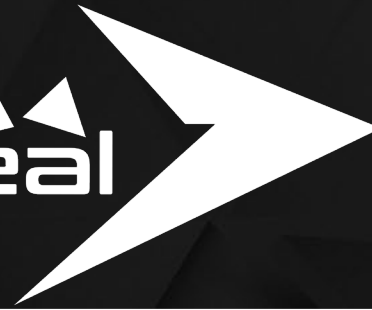
Employee net promoter score (eNPS*)



* eNPS is rated from -100 to 100

Smarter business – Great People





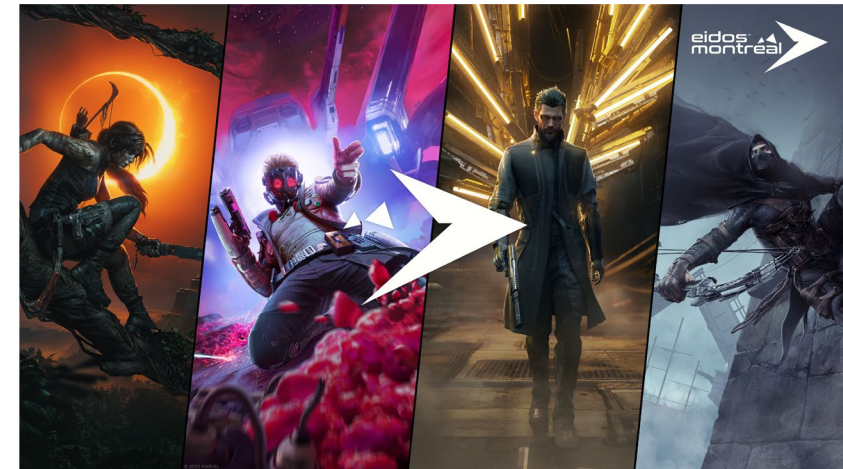
LINDA DUCHAUSSOY
Communications Director | Eidos-
Montréal



SUSTAINABILITY | EIDOS-MONTRÉAL

FOCUS ON GREAT PEOPLE

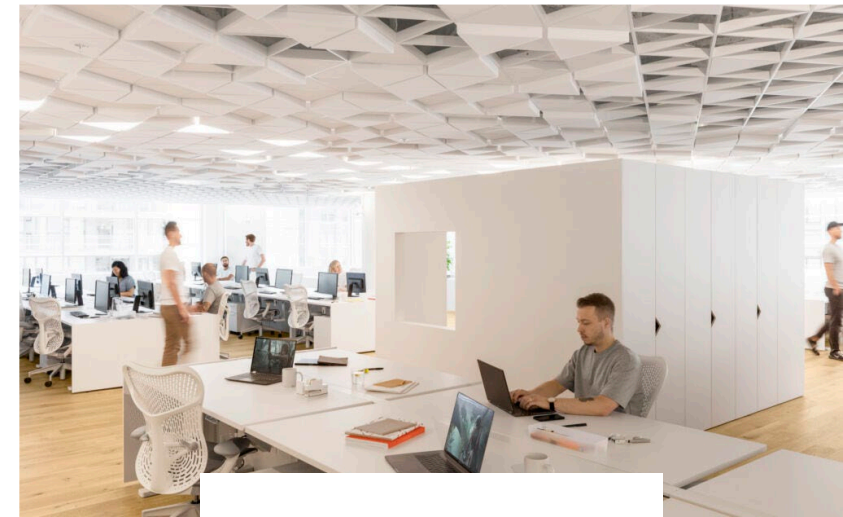
eidos™
montreal



OUR CONTEXT

- ❑ **WORLD'S 5TH LARGEST VIDEO GAME DEVELOPMENT HUB**
- ❑ **MORE THAN 200 STUDIOS**
- ❑ **19 000 TALENTS**

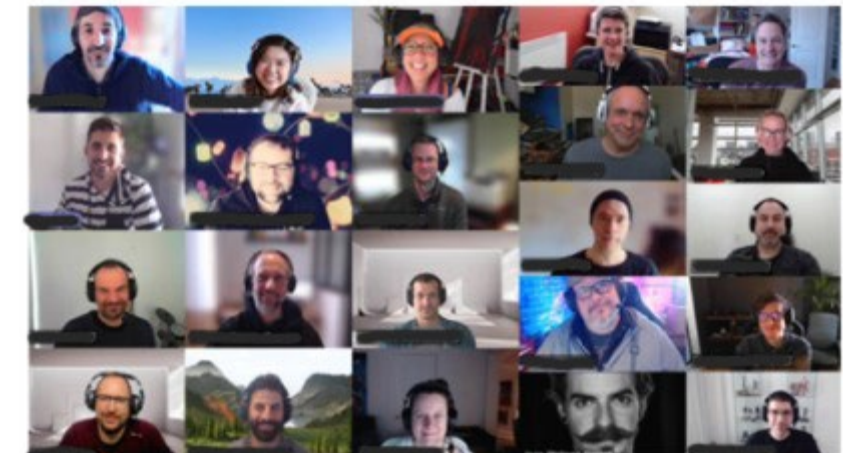
** Data from Montréal International*





WORK-LIFE BALANCE

- ❑ **HYBRID MODEL: WORK REMOTELY OR FROM THE OFFICE**
- ❑ **TIME MANAGEMENT POLICY**
- ❑ **HOLISTIC APPROACH TO WELL-BEING**



WELL-BEING

- ❑ HEALTHCARE ASSISTANCE
- ❑ PROVISION OF VARIOUS FITNESS FACILITIES AND ACTIVITIES
- ❑ GIVE BACK, BEING PART OF OUR COMMUNITY



CAREER DEVELOPMENT

❑ INTERNAL MOBILITY: PEOPLE OR TECHNICAL PATH

❑ CONTINUOUS LEARNING

❑ COMMUNITIES OF PRACTICE



CONCLUSION

Net Promoter Score of 32 (Great) to the question :
How likely is it that you would recommend your company
to a friend?

POSITIVE IMPACT ON EMPLOYEE SATISFACTION & ENGAGEMENT

- ❑ Improved employee well-being
- ❑ Reduced turnover and absenteeism
- ❑ Increased Talent acquisition and rehiring



A night-time scene at an oil field. In the foreground, a large pumpjack is illuminated by a warm light. To the left, a tanker truck with its headlights on is parked. The background shows a dark forest and mountains under a starry night sky. The text "Earnout per Year-End" is overlaid in the center.

Earnout per Year-End

Earnouts – Fair value evaluation

As part of the year-end closing, we have performed fair value evaluations on contingent considerations and other balance sheet items relating to earnouts. The evaluation considers the likelihood of meeting earnout targets, the timing of meeting earnout targets and the settlement structure. The results can be viewed from an IFRS and NON-GAAP perspective, with the following impacts on Profit & Loss (PL), Balance Sheet (BS), Cash Flow (CF) and dilution on capital.

IFRS	Impact in SEKm
Impact on adjusted EBIT	0 SEKm
Decrease of personnel expenses in profit and loss	1,029 SEKm
Gain in financial net in profit and loss	1,359 SEKm
Total impact on PL/BS	2,388 SEKm
Decrease in future personnel expenses ¹	700 SEKm
Total decrease of future obligations	3,088 SEKm
Of which cash ²	2,082 SEKm
Of which shares	1,006 SEKm
Of which number of shares ³	14 million shares

NON-GAAP	Impact in SEKm
Impact on adjusted EBIT	0 SEKm
Decrease of personnel expenses in profit and loss	0 SEKm
Gain in financial net in profit and loss	0 SEKm
Total impact on PL	0 SEKm
Decrease in future personnel expenses ¹	0 SEKm
Total decrease of future obligations	3,088 SEKm
Of which cash ²	2,082 SEKm
Of which shares	1,006 SEKm
Of which number of shares ³	14 million shares

The present value of obligations as of 2023-03-31 represents managements best estimation for expected outcome for each individual agreement (SEK 8.6 bn in cash and 63-76 million shares to be issued)

1. No impact on PL or BS as of 31/3-2023

2. Total decrease from Q3 of 2640 MSEK also includes changes in settlement structure from cash to shares, payments in the quarter, new acquisitions, FX and present value.

3. According to the individual VWAP share price in each individual agreement.

FY 2022/23 – derivation of P&L metrics

Adjusted EBIT Derivation	GAAP	NON-GAAP
Reported EBIT	194 SEKm	194 SEKm
Add back of acquisition related personnel expenses	+0 SEKm	+2,631 SEKm
Add back of acquisition related amortizations	+0 SEKm	+2,973 SEKm
Add back of transaction costs	+0 SEKm	+290 SEKm
Non recurring items	+0 SEKm	+278 SEKm
Adjusted EBIT	194 SEKm	6,366 SEKm

To reflect a true and fair picture of the underlying operational performance, specific items related to historical acquisitions and items affecting comparability are excluded from EBIT in NON-GAAP.

Adjusted Net Profit Derivation	GAAP	NON-GAAP
Reported Net profit	4,454 SEKm	4,454 SEKm
Add back Acq-rel. Items in financial net, net of tax	+0 SEKm	+1,061 SEKm
Adjusted Net profit	4,454 SEKm	5,515 SEKm

The higher net profit in NON-GAAP is excluding adjustments to specific items attributable to historical acquisitions and items affecting comparability with regard for full dilution to be able to calculate Adjusted Earnings per share after full dilution.

FY 2022/23 – derivation of EPS and BS metrics

Earn out Derivation	GAAP	NON-GAAP
Cash obligation included in purchase price	5,595 SEKm	8,595 SEKm
Cash obligation classified as personnel cost	3,065 SEKm	0 SEKm
Total cash obligation	8,595 SEKm	8,595 SEKm
Share obligation included in purchase price	173 million shares	238 million shares
Share obligation classified as personnel cost	65 million shares	0 million shares
Total share obligation	238 million shares	238 million shares

To reflect a true and fair picture of the Obligations related to historical acquisitions, obligations treated as personnel liability is included as part of the purchase price under NON-GAAP. Hence, operationally it is more representative to include all of the cash and shares obligations as part of purchase price.

Adjusted earnings per share Derivation	Not adjusted (GAAP)	Adjusted (NON-GAAP)
Net profit	4,454 SEKm	5,515 SEKm
Average number of shares, no dilution	1,069 million	1,252 million
Dilution	+12 million	+108 million
Average number of shares, diluted	1,081 million	1,360 million
Earnings per share after full dilution	4,12	4,06

Average number of diluted shares under GAAP is lower due to that shares that has not been released to the recipients due to target achievement is excluded.

The overall higher share count in NON-GAAP is used to reflect the actual shares outstanding and the maximal amount of shares that could be issued to settle future obligations. Hence the diluted share count is 279 million higher.



Deep Dive:
5 Years of PLAION as
Part of Embracer Group

Klemens Kundratitz, CEO

5 Years at Embracer

Growing and Unlocking Potential

Acquired by Embracer Group

EMBRACER+ GROUP



Acquired Warhorse Studios and Milestone



Acquired Sola Media

voxler

Acquired Voxler



Established Free Radical Design Studio



Acquired Springboard VR and Force Field VR



Acquired Splatter Connect

Rebranding to PLAION



Release of Dead Island 2

2019

Released Metro Exodus



Published Kingdom Come: Deliverance



2020

Acquired Flying Wild Hog



Acquired Vertigo Games



2021

Acquired DigixArt Studio



2022

Acquired DPI Merchandising



Acquired by Koch Films Spotfilm Networkx



2023

Acquired by PLAION PICTURES Anime Ltd.



Release of Saints Row



TODAY

Timeline

Creating Long-Lasting Value By
Building a AAA Games Business

A track record of developing and publishing
PC/console games to global success

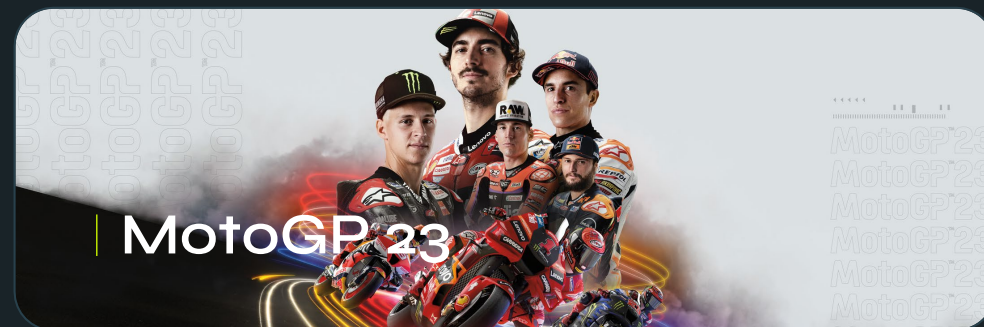




Specialized in Racing Games

Milestone

On track for expanding the games portfolio and audience





VR Experts

Vertigo Games Group

Leading AAA VR games developer and publisher





Transmedia Opportunities

DPI Merchandising

Expanding our reach and revenue through diverse merchandising opportunities tied to our game IPs and films



European Independent Film Company with Award-Winning Portfolio

PLAION PICTURES

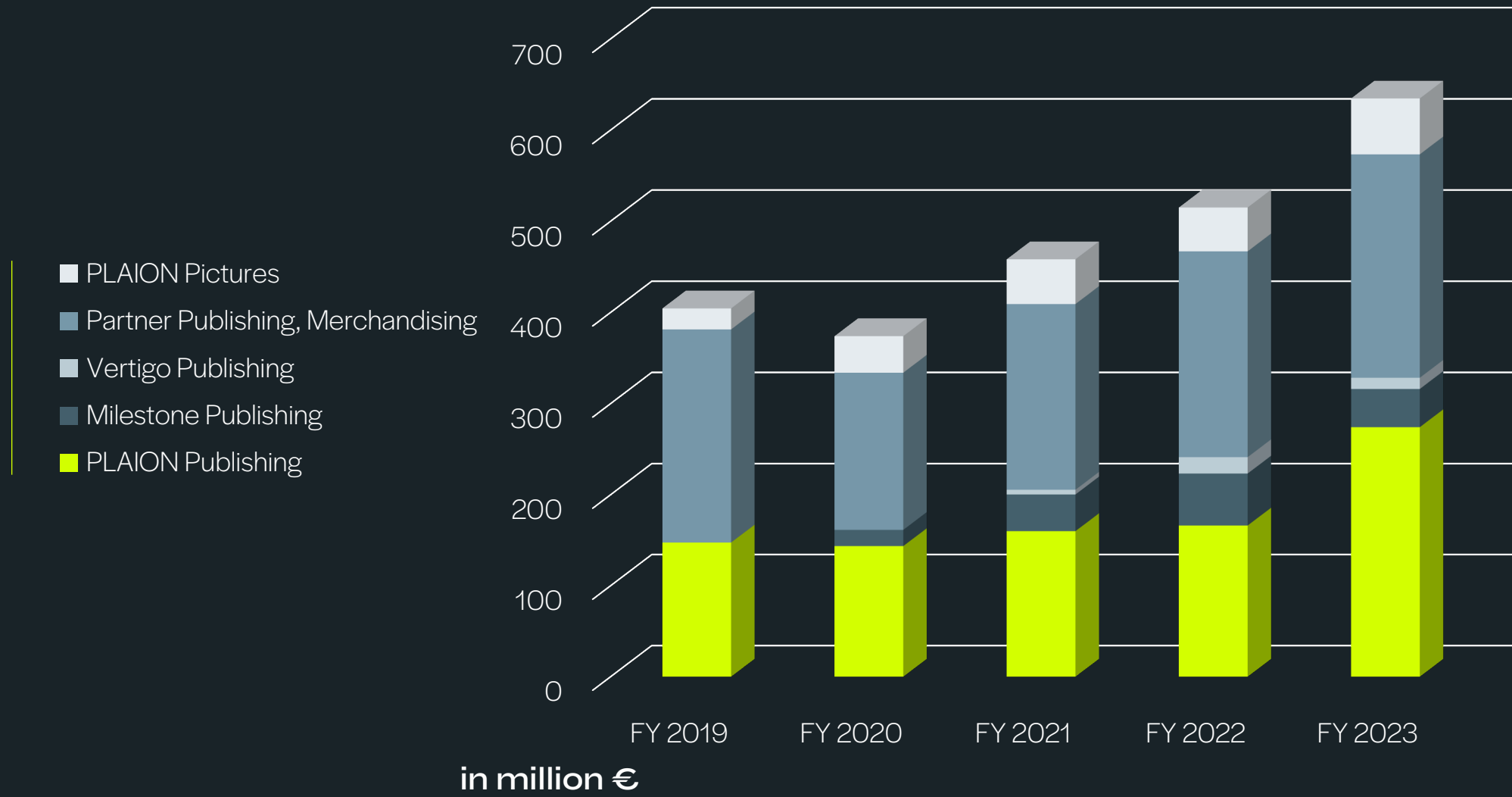
The Whale, the next Oscar-winning film –
further establishing our presence in the film industry





5 Years of Commercial Success

Revenue Performance



Resurrecting an IP
Dead Island 2

Pioneering zombie-slaying
RPG genre, propelling PLAION's
growth and brand recognition



DEAD ISLAND 2





18 MIL COPIES



100+ MIL YT VIEWS

BRAND CHALLENGES



DI2 was already announced in 2014, players and press got promised a specific tone and content



A new iteration of DI2 was deemed dead on arrival – way too many zombie IPs to be able to stand out



Game was believed cancelled or in constant development hell

DAMBUSTER RESPONSE

NEW BRAND ID & TONE



NO SMOKE AND MIRRORS



BUILD UPON KEY DIFFERENCES



AIM FOR TOP TIER ASSET



DAMBUSTER RESPONSE

ESTABLISH KEY PILLARS



FOCUS ON OUR PASSIONS



LESS IS MORE



TECHNICAL EXCELLENCE

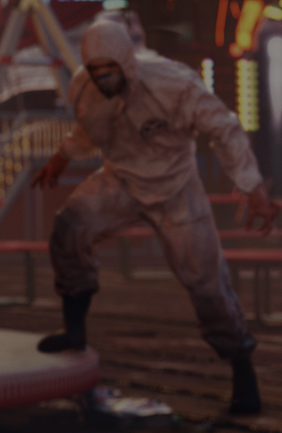


DEAD ISLAND 2



DEAD ISLAND 2

THE OUTCOME



DEAD ISLAND 2

**"MELEE COMBAT IS AS GLORIOUSLY
EXCESSIVE AS EVER"**

TheSixthAxis

**"A LOVE LETTER TO ZOMBIES
AND HORROR"**

Dextero

**"MINDLESS CHAOS AND
EXCEPTIONAL ENTERTAINMENT"**

VG24/7

**"A BRUTAL, BLOOD-SOAKED
ZOMBIE SLAYER"**

Daily Star

**"DISGUSTING, FASCINATING,
AND INCREDIBLY IMPRESSIVE"**

VGC

DEAD ISLAND 2

REVIEW QUOTES

**"THIS IS THE END OF
THE WORLD DONE RIGHT"**

The Mirror

**"WEIGHTY, SATISFYING,
LIMB-CHOPPING COMBAT"**

VideoGamer

**"IMPRESSIVE GORE, FUN JOKES, AND
SICKENINGLY CRUNCHY COMBAT"**

GAMINGbible

**"DEAD ISLAND 2
IS A MUST"**

Windows Central

**"FRESH, GORY ZOMBIE
SLAYING ACTION"**

PushSquare



DEAD ISLAND 2

Shane Bezzo 1 mese fa

Honestly, taking in consideration how long this game has been in development hell, how many hands have passed it along, it's nothing short of a miracle that the game isn't a complete clusterfuck.

3324 Rispondi

25 risposte

Tieu Long Doan 1 mese fa
7/10 for this game. I've been waiting for the sequel for a long time and managed to get this game out after all the troubles.

3189 Rispondi

45 risposte

Level 100 Boss 1 mese fa
Round of applause for the team that managed to get this game out after all the troubles.

1176 Rispondi

18 risposte

Italo Romeno 1 mese fa
Had never heard of this game until now. It's a great original and fun game.

176 Rispondi

1 risposta

Erick Lucio 1 mese fa
I'm glad they kept it simple and fun just like the original game.

179 Rispondi

3 risposte

Sahil Singh Pujji 4 settimane fa
This game is amazing, first hour was boring but after getting guns and better weapons it's extremely fun to play. Graphics are amazing and the detail of zombies and detailing is next level. It's better than any other zombie game even if it seems generic, trust me you will enjoy this better than 2 hours in the game. Better than dying light 2 anyway.

23 Rispondi

3 risposte

Matz 3 settimane fa
I'm honestly in love with this game, yes the story is short and tbh the cutscenes can be a bit boring for some quests but with the quality of combat over the story and the combat is the best, the gore physics are some of the best I've seen in a game, I would definitely recommend it. I've enjoyed the earlier titles but I would wait till it's on offer to save money.

1 Rispondi

Killa Kage 1 mese fa
I loved the simplicity of dead island. the character builds, side quests, collectibles, all of it. It was a simple hack and slash zombie game, but something about it always stuck with me. Dead island will always have a special place in my heart.

451 Rispondi

8 risposte

PRESS

- GAME RUNS SMOOTHLY AND LOOKS GORGEOUS IN EVERY PLATFORM
- GORE TECH IS AN IMPRESSIVE NEXT GEN FEAT
- CORE GAMEPLAY IS ADDICTIVE AND FUN
- LOS ANGELES LOOKS INCREDIBLE

S

Shane Bezzo 1 mese fa

Game looks like a lot of fun to me and awesome graphics. I'm really looking forward to playing it. I'll be playing it and see if that 7/10 rating is accurate.

39 Rispondi

2 risposte

V

Vitamin Me 1 mese fa

Humor and endless gore is what I'm expecting with this game and I'm happy to see there are plenty of both!

57 Rispondi

1 risposta

Jb Mar

Jb Mar 1 mese fa

Happy to see the game out, seeing reviews of this game is like amazing.

SENTIMENT

...a game to date nothing comes close to the detail in the gore. Graphics are fantastic aswell very addictive fun time

...a game that was set to be doomed and I'm all here for it

...Not once did he mention the actual graphics, for a game that was on life support, it looks amazing.

515 Rispondi

23 risposte

PLAYERS

- MASSIVE PRAISE FOR DAMBUSTER'S WORK DESPITE ALL ODDS
- GAME SIMPLICITY IS ONE OF ITS CORE STRENGTHS
- TRUE TO NAME AND SPIRIT TO THE ORIGINAL DEAD ISLAND
- GAME TONE AND LOOK ARE SPOT ON

9 Rispondi

C

Charles Russell 3 settimane fa

Honestly I'm perfectly fine with them taking this long to finish this game, it's absolutely beautiful and a LOAD of fun

26 Rispondi

...but all the cool
...you can't just
...can't take itself
...as gold and I...

DEAD ISLAND 2

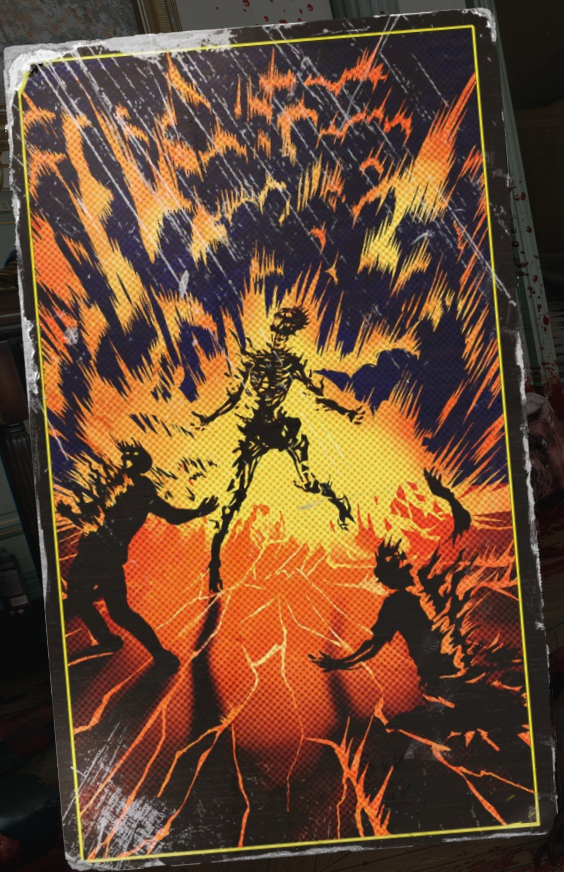
SALES NUMBERS

DEAD ISLAND 2

2 MILLION
COPIES SOLD!



"KEY STATS"



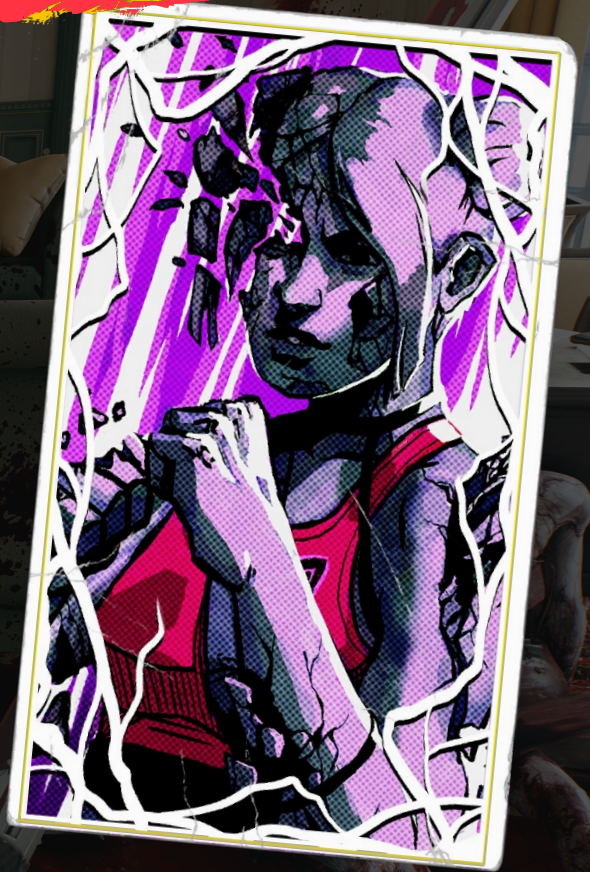
5 BILL

ZOMBIES DISPATCHED



10 BILL

DISMEMBERMENTS



170 MIL

PLAYER DEATHS

FUTURE IS GORY
1Y OF NEW CONTENT
AND GAME SUPPORT



Navigating the Present

Embracing Opportunities and Challenges in the Entertainment Industry



Adapting to market changes: Successfully navigating the evolving landscape in gaming and film during the COVID-19 pandemic and in the post-pandemic era



Re-branding from Koch Media to PLAION: Seamlessly transitioning to a new brand identity while maintaining a strong market presence



Portfolio Diversification: Balancing a mix of game IPs, film projects, and merchandising, driving success across multiple sectors



Global Distribution Network: Leveraging our extensive network of territory offices to effectively distribute our products worldwide



PLAION's Strategy Update and Organizational Alignment

Guiding Principles Going Forward



Focused

Streamlined portfolio,
prioritizing quality over
quantity and leveraging our
IPs in gaming, film and
merchandising



PLAION's Strategy Update and Organizational Alignment

Guiding Principles Going Forward



Focused

Streamlined portfolio, prioritizing quality over quantity and leveraging our IPs in gaming, film and merchandising



Better

Commitment to delivering outstanding entertainment experiences for our players, viewers, and consumers



PLAION's Strategy Update and Organizational Alignment

Guiding Principles Going Forward



Focused

Streamlined portfolio, prioritizing quality over quantity and leveraging our IPs in gaming, film and merchandising



Better

Commitment to delivering outstanding entertainment experiences for our players, viewers, and consumers



Together

Fostering collaboration and teamwork within our organization to drive innovation and success in the entertainment industry

Building for The Future

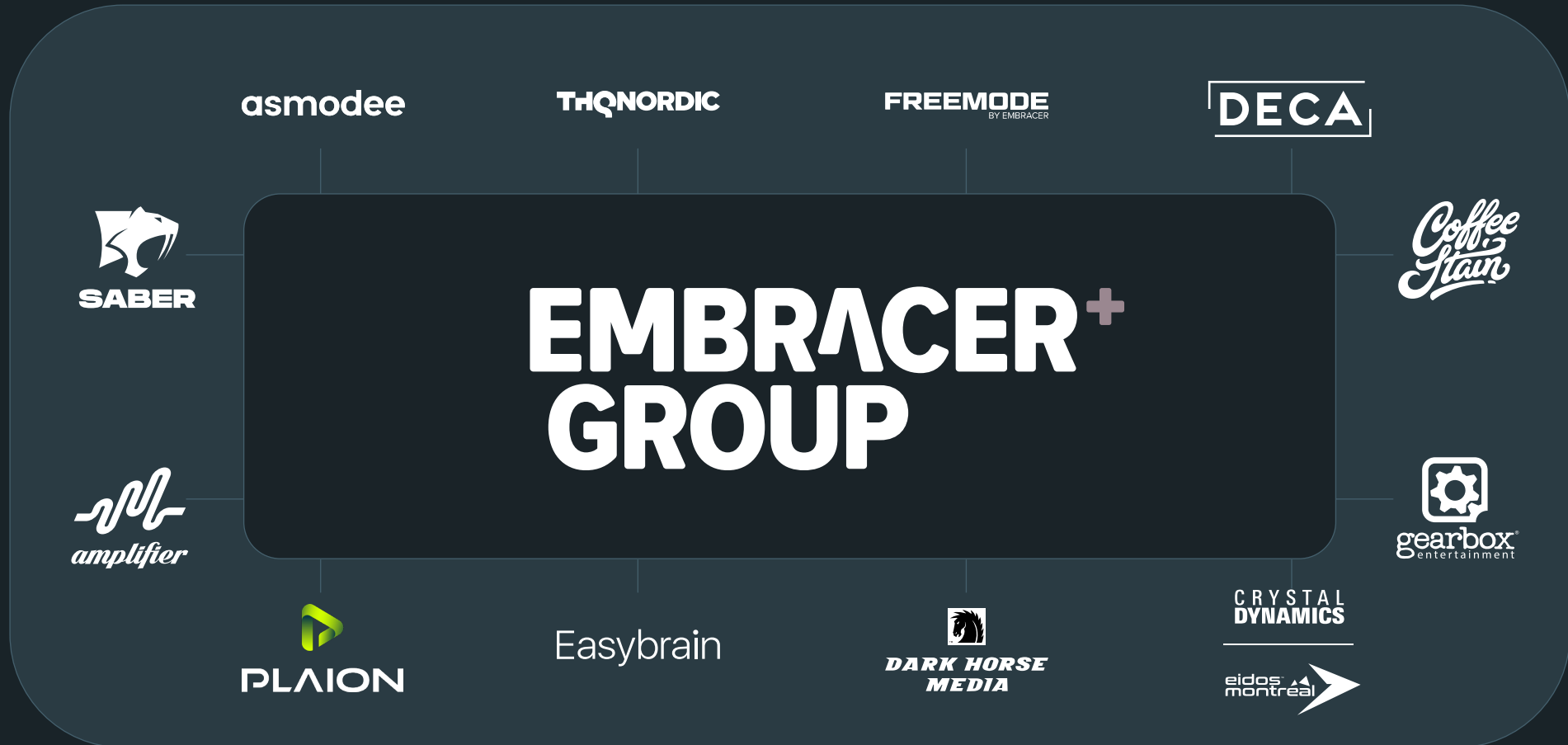
Development

- WARKORSE
- FREE RADICAL
- FLYING WILD HOG
- FISHLABS
- DAMBUSTER STUDIOS
- DIGIX ART
- VERTIGOGAMES
- VOXLER
- MILESTONE

Publishing


- LET'S SING 2024
- FINAL FANTASY XVI
- PAYDAY 3
- DIABLO

Supporting M&A Deal-Making and Strategic Partnerships
Smart Collaboration within Embracer





Focused. Better. Together.



Q&A

Until ~11:00 CEST

Appendix

Example of a typical earnout structure

Embracer has made an agreement to acquire a game studio with a deal term of total 1,500. 600 will be paid at day of closing and 900 is future payments pending on earnout agreements.

Of the total earnout of 900, 300 is connected to that key employees are still employed three years from closing. Hence, this part is excluded from the purchase price in the PPA and will be accounted as personnel expenses.

The remaining 600 of the earnout is contingent to financial targets from the day of closing to the three-year anniversary of closing. This earnout is part of the purchase price in the PPA.

Total purchase price in the PPA sums therefore up to 1,200.

	Deal terms	Purchase price under IFRS
Day 1 consideration	600	600
Earnout contingent to future employment	300	0
Earnout contingent to financial targets	600	600
Sum	1,500	1,200

Earnout effects on P&L, BS, CF and dilution

Non-GAAP	Year 1	Year 2	Year 3	Year 4
Earnout liability ¹	900	900	900	0
Personnel expenses	0	0	0	0
Personnel liability	0	0	0	0
Cash/Shares ⁵ outflow	600	0	0	900

NON-GAAP

- The full value of the earnout is recognized at day 1
- No costs is accrued over the PL
- In year 4 when the conditions for earnout has been met 900 is paid to settle the earnout
- **Total cash flow/shares paid for the acquisition sums up to 1500 (600+900)**

IFRS	Year 1	Year 2	Year 3	Year 4
Earnout liability ²	600	600	600	0
Personnel expenses ³	100	100	100	0
Personnel liability ⁴	100	200	300	0
Cash/Shares outflow	600	0	0	900

IFRS

- Only the part of the earnout (part of the PPA) is recognized day 1
- A yearly personnel cost of 100 is accrued in the PL (300/3 years)
- In year 4 when the conditions for the earnout have been met, 900 is paid to settle the earnout part of the PPA and the employee liability not part of the PPA.
- **Total cash flow/shares paid for the acquisition sums up to 1,500 (600+900)**

1. Corresponding to total liability in obligation table at page 21 of the quarterly report
 2. Corresponding to contingent consideration presented in note 5 of the quarterly report
 3. Corresponding to amount presented in Adjusted EBITDA/EBIT derivation table of the quarterly report
 4. Corresponding to liabilities to employees presented in note 5 of the quarterly report
 5. Assuming a share price of 1 per share

**EMBRACER⁺
GROUP**