

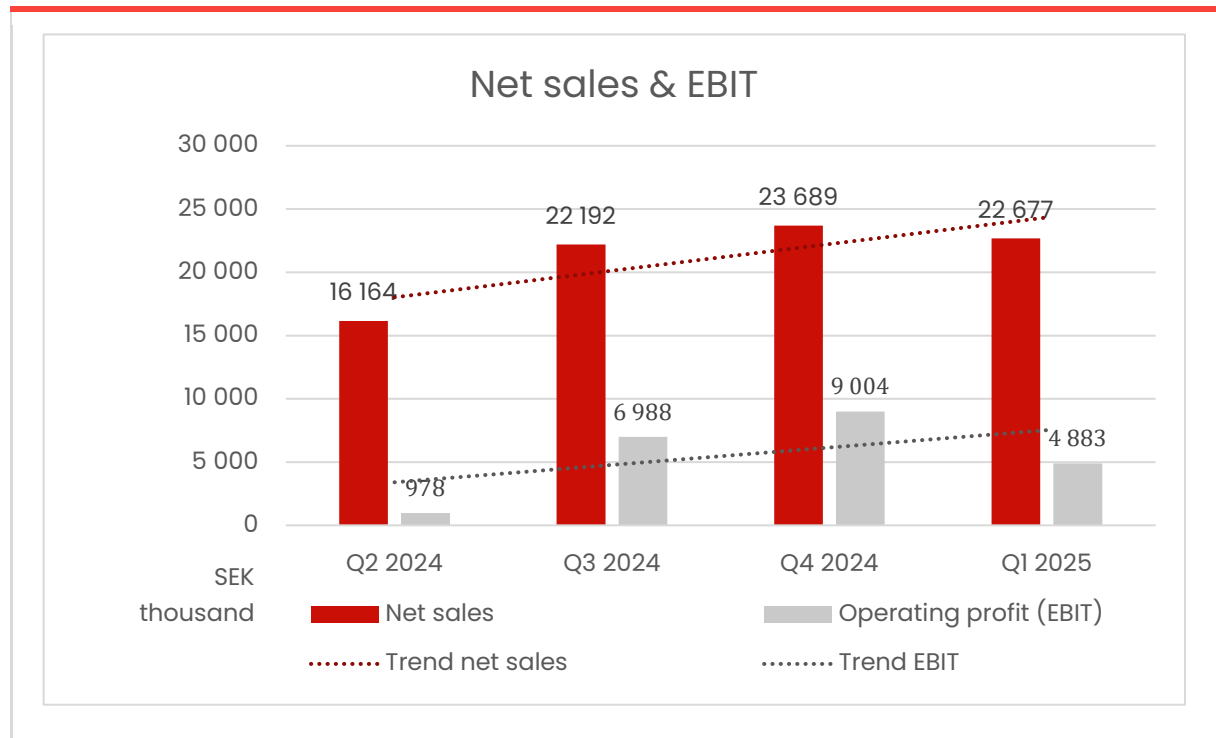


Interim report

First quarter 2025

Envar Holding AB

Financial highlights | Q1 2025



FINANCIAL OVERVIEW

SEK thousand	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net sales	22,677	23,689	22,192	16,164	11,065
EBITDA	5,061	9,208	7,192	1,182	-3,425
EBITDA margin (%)	22.32	38.87	32.41	7.31	-30.95
Operating profit (EBIT)	4,883	9,004	6,988	978	-3,629
EBIT margin (%)	21.53	38.01	31.49	6.05	-32.80
Sales growth (%)	104.94	18.53	165.52	N/A	N/A
Equity ratio (%)	85.09	82.12	68.37	69.12	71.43
Earnings per share (SEK)	0.25	0.71	12,176.06	1,692.12	-7,167.05
Average number of shares, basic*	12,500,000	10,833,333	500	500	500
Average number of shares, diluted*	13,014,780	11,176,520	500	500	500
Number of shares at balance sheet date*	12,500,000	12,500,000	500	500	500

*A 20,000:1 share split and a quota value issue of 2,500,000 shares were registered in the fourth quarter of 2024.

Interim report

First quarter | January –March

- Net sales amounted to SEK 22,677 thousand (11,065), an increase of 104.94 percent compared to the same period last year.
 - Operating profit before depreciation (EBITDA) totaled SEK 5,061 thousand (-3,425), representing an operating margin of 22.32 percent (-30.95) before depreciation.
 - Operating profit (EBIT) totaled SEK 4,883 thousand (-3,629), representing an operating margin of 21.53 percent (-32.80).
 - Earnings per share, basic, amounted to SEK 0.25 (-7,167.05). A 20,000-for-1 share split and a quota value issue of 2,500,000 shares were registered in the fourth quarter of 2024.
 - Cash and cash equivalents totaled SEK 53,285 thousand (3,465). Cash flow from operating activities amounted to SEK -4,553 thousand (-148).
 - Net cash totaled SEK 53,285 thousand. The Company has no interest-bearing liabilities.
- (Figures for comparison in parentheses refer to the corresponding period of the previous year).

Comments on the first quarter of 2025

In the year's first quarter, the Company recorded strong sales. Compared to the same period in the preceding year, net sales increased by SEK 11,612 thousand, an increase of 104.94 percent. The main driver of growth in sales was the ever-increasing shift in the gaming market from employing personnel in-house to outsourcing projects. During the year, Envar has been represented by management at international and national gaming events as part of brand building and sales promotion activities. Over the quarter, the US dollar weakened relative to the Swedish krona, which is reflected in the Company's reports. The actual impact is limited as the Company's payment flows are mainly effected in the same currency.

Net sales during the quarter amounted to SEK 22,677 thousand (11,065). Operating profit (EBIT) totaled SEK 4,883 thousand (-3,629), an EBIT margin of 21.53 percent (-32.80).

COMMENT FROM THE CEO

I am pleased to present Envar's results from first quarter in the 2025 financial year, a quarter in which the Company delivered a very strong financial performance. Compared to Q1 2024, sales more than doubled and in the first quarter this year, operating profit (EBIT) increased by SEK 8.5 million. The quarter was characterized by work to raise Envar's profile in the international arena through participation in international and national gaming events, with the aim of broadening the customer base, increasing the pace of sales and brand building.

An intensive recruitment program is in progress at both subsidiaries, and several competent colleagues were added during the quarter.

Envar Entertainment

The gaming industry continues to evolve in terms of cost efficiency and the Company's strong sales of approximately SEK 22.6 million in Q1 – compared to approximately SEK 11 million in Q1 2024 – are evidence that the industry is moving more and more towards outsourced game development. During the quarter, Envar executed and received, from its largest customer, orders representing approximately 77 percent of the customer's volume for the entire fiscal year 2024, which indicates a very strong trend for orders.

Also during the quarter, a major contract with an order value of approximately SEK 9.1 million was extended with an existing leading customer in the Royal Battle category, for high-quality Concept Art. The term of the contract is six months, starting on April 1, 2025, and the order is valued at more than double the value of sales to the customer in 2024. Envar announced the news in a press release on March 28th. Envar Entertainment has continued to recruit new co-workers for roles in customer projects, HR, Tech Art and the Envar Community.

Envar Games

Production in game development is in full swing and progress towards an early access release in Q2 2026 is on schedule. During the quarter, the Company focused closely on recruitment, and Envar Games engaged 12 new co-workers for roles in programming, 3D environment art and the game trailer. In addition, Envar Games entered into a partnership with a supplier of sound design and music for the game.

We continue to work towards our vision of becoming a global and market-leading entertainment hub and we look forward to continuing to share Envar's success.

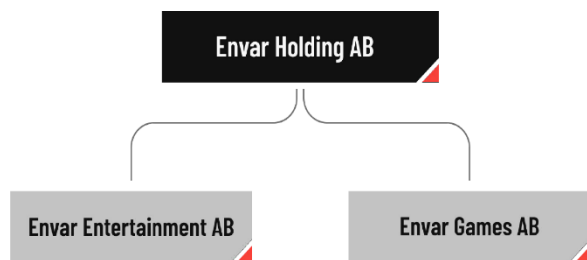
Yours sincerely,

Atey Ghailan
CEO Envar Holding AB

About Envar Holding

Envar Holding is an outsourcing and development studio focusing on graphic design, 3D graphics, animations and illustrations mainly on behalf of world-leading game development companies and other companies active in the entertainment industry. The Company has established itself as a provider of graphics and development services to some of the biggest brands in the gaming industry, including companies such as Riot Games, Netflix, EA Games, Nickelodeon, NetEase, Blizzard, 2K, Hasbro, Sony, Tencent and EPIC Games.

Envar Holding today consists of two wholly-owned subsidiaries: Envar Entertainment AB and Envar Games AB. Historically, Envar Entertainment has constituted the main business but at the end of 2022 the Company established Envar Games for in-house game development and IP ownership.



Envar Entertainment

Envar Entertainment is a leading player in outsourcing and co-development in the gaming and entertainment industry. Through its expertise, wide-ranging services and high quality, the Company has established strong relationships with several of the largest players in the market, including industry giants such as Riot Games, Tencent and Blizzard. The size of the team varies, depending on the nature of client assignments, and consists of mainly freelancers in more than 20 countries.

Envar Games

Envar Games is a game development company with a long-term vision of creating, developing and refining innovative and engaging gaming experiences. Envar Games is responsible for developing the Company's first in-house developed game – Project Hercules – with a launch planned for Q2 2026.

History

2020

Envar Entertainment is founded by Atey Ghailan in Stockholm

2021

Revenue:
SEK 20,225 thousand

EBIT: SEK 10,435 thousand

2022

Number of co-workers reaches 60

Atey Ghailan establishes game development activities

Revenue:
SEK 54,944 thousand

EBIT: SEK 20,689 thousand

2023

Envar Games is established to separate the Group's two business areas

Investment in game development increased via cash flows from Envar Entertainment

Revenue:
SEK 75,214 thousand

EBIT: SEK 2,030 thousand

2024

130 co-workers in more than 20 countries

Listed on Nasdaq First North Growth Market

Revenue:
SEK 87,204 thousand

EBIT: SEK 13,340 thousand

SIGNIFICANT EVENTS DURING THE QUARTER

- During the quarter, Envar moved into modern, well-adapted business premises on Södermalm, Stockholm.
- Also during the quarter, a previously planned intra-Group transfer of the game development business from the operating company Envar Entertainment to Envar Games was carried out. The transfer makes for clearer operational and financial monitoring, and helps to create a stronger employee culture in each of the business areas.
- In March, Envar announced a major order from a leading game developer in the Battle Royal category. The order is valued at approximately SEK 9.1 million and extends over a contract term of six months. It is one of the largest orders in relation to contract length in the Company's history. The counterparty has been a customer of Envar since 2024.

SIGNIFICANT EVENTS AFTER THE QUARTER

- In early May, Envar announced a major order from a leading game developer in the Multiplayer Online Battle Arena (MOBA) category. The order is valued at approximately SEK 7.3 million and the counterparty has been a customer of Envar since 2020.

MATERIAL RISKS AND UNCERTAINTIES

Envar Holding AB's operations and performance are affected by a number of external and internal factors. Management works continuously to identify risks and assess how each risk should be managed. Risks may be categorized as financial, market and operational risks.

EMPLOYEES AND ORGANIZATION

At the end of the period, the Group had 29 employees. The Company also engages external consultants for individual projects.

Number of employees at the end of the period	Total, Group
Number of employees Q1 2025	29
Number of employees Q1 2024	32
Number of consultants Q1 2025	116
Number of consultants Q1 2024	84

NUMBER OF SHARES

At the end of the period the Company has 12,500,000 (500) shares in issue. The average number of shares is shown below.

	Jan – Mar 2025	Jan – Mar 2024	Jan – Dec 2024
Average number of shares, basic	12,500,000	500	2,708,708
Average number of shares, diluted	13,014,780	500	2,794,505

FINANCIAL POSITION | GROUP

SALES, EXPENSES AND OPERATING PROFIT

FIRST QUARTER | JANUARY– MARCH

Net sales totaled SEK 22,677 thousand (11,065), representing growth of 104.94 percent from the same period last year.

Research and development expenses during the period totaled SEK 2,468 thousand (2,623). Game development costs are capitalized on an ongoing basis over the quarter. The costs capitalized are, on prudential grounds, mainly those linked to direct salary and consultancy fees for the in-house developed game.

Operating profit (EBIT) totaled SEK 4,883 thousand (-3,629). Operating profit increased by SEK 8,512 thousand, compared to the same period last year. The main factor in the strong improvement in profitability was significantly increased net sales that were 104.94 percent higher compared to the same period last year.

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

FIRST QUARTER | JANUARY– MARCH

Cash flow from operating activities during the quarter totaled SEK -4,553 thousand (-148). The Company's cash and cash equivalents totaled SEK 53,285 thousand (3,465).

During the quarter, investments affected cash flow in the amount of SEK -2,862 thousand (-2,623). These investments consisted for the most part of capitalization of costs incurred in in-house game development.

Cash flow from financing activities was SEK 0 thousand (-18).

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK thousand	NOTE	JAN 2025– MAR 2025	JAN 2024– MAR 2024	FULL YEAR 2024
Net sales		22,677	11,065	73,110
Research and development expenses		2,468	2,623	9,389
Other operating income		2,229	561	4,705
Total revenue		27,374	14,249	87,204
Operating expenses				
Raw materials and consumables		-10,369	-6,487	-32,489
Other external costs		-4,836	-3,235	-15,087
Personnel costs		-6,276	-7,665	-23,674
Depreciation and amortization		-178	-204	-816
Other operating expenses		-832	-287	-1,798
Operating profit/loss		4,883	-3,629	13,340
Net financial items				
Financial income	8	0	62	35
Financial expenses	9	-880	-17	-745
Profit/loss after financial items		4,003	-3,584	12,630
Tax on profit for the period	10	-724	–	-1,594
Profit/loss for the period		3,279	-3,584	11,036

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK thousand	NOTE	JAN 2025– MAR 2025	JAN 2024– MAR 2024	FULL YEAR 2024
Profit/loss for the period		3,279	-3,584	11,036
Profit/loss for the period		3,279	-3,584	11,036

CONDENSED CONSOLIDATED BALANCE SHEET

SEK thousand	NOTE	31/03/2025	31/03/2024	31/12/2024
ASSETS				
Non-current assets				
Intangible non-current assets	2	19,707	10,473	17,239
Property, plant and equipment	3	1,591	2,228	1,616
Financial non-current assets	4	2,000	2,000	2,000
Total non-current assets		23,298	14,701	20,855
Current assets				
Trade receivables		4,979	4,531	7,073
Current tax assets		5	5	14
Other receivables		232	205	49
Revenue earned but not invoiced		9,514	–	1,471
Interim receivables		3,667	2,586	3,579
Total current assets		18,397	7,327	12,186
Cash and cash equivalents		53,285	3,465	61,383
TOTAL ASSETS		94,980	25,493	94,424
EQUITY AND LIABILITIES				
Equity		80,821	18,212	77,542
Non-current liabilities				
Deferred tax liability	6	1,590	1,698	1,698
Other liabilities	7	1,198	–	1,198
Total non-current liabilities		2,788	1,698	2,896
Current liabilities				
Accounts payable		4,282	3,070	7,639
Current tax liabilities		2,405	203	1,608
Other liabilities		868	885	1,116
Interim liabilities		3,816	1,425	3,623
Current liabilities		11,371	5,583	13,986
TOTAL EQUITY AND LIABILITIES		94,980	25,493	94,424

KEY PERFORMANCE INDICATORS – GROUP

SEK thousand	JAN 2025– MAR 2025	JAN 2024– MAR 2024	FULL YEAR 2024
Net sales	22,677	11,065	73,110
EBITDA	5,061	-3,425	14,156
EBITDA margin (%)	22.32	-30.95	19.36
Operating profit (EBIT)	4,883	-3,629	13,340
EBIT margin (%)	21.53	-32.80	18.25
Sales growth (%)	104.94	N/A	12.06
Equity ratio (%)	85.09	71.43	82.12
Earnings per share, SEK	0.25	-7,167.05	4.07
Average number of shares, basic*	12,500,000	500	2,708,708
Average number of shares, diluted*	13,014,780	500	2,794,520
Number of shares at balance sheet date *	12,500,000	500	12,500,000

*A 20,000:1 share split and a quota value issue of 2,500,000 shares were registered in the fourth quarter of 2024.

CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

SEK thousand	Share capital	Other contributed capital	Retained earnings incl. profit/loss for the year*	Equity attributable to shareholders in Parent Company	Total Equity
Opening Equity 01/01/2024	50	125	21,639	21,813	21,813
New share issue and warrants		-18		-18	-18
Profit/loss for the period			-3,584	-3,584	-3,584
Equity 31/03/2024	50	107	18,055	18,212	18,212
Opening Equity 01/01/2024	50	125	21,639	21,813	21,813
New share issue and warrants	125	50,191		50,317	50,317
Costs associated to issue of shares		-5,481		-5,481	-5,481
Repurchase of warrants		-143		-143	-143
Bonus share issue	450		-450	-	-
Profit/loss for the period			11,036	11,036	11,036
Equity 31/12/2024	625	44,692	32,225	77,542	77,542
Opening Equity 01/01/2025	625	44,692	32,225	77,542	77,542
Profit/loss for the period			3,279	3,279	3,279
Equity 31/12/2024	625	44,692	35,503	80,821	80,821

* Retained profit includes ongoing allocations to the development reserve representing the entry for capitalized work for own account under intangible non-current assets on the balance sheet.

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK thousand	NOTE	JAN 2025– MAR 2025	JAN 2024– MAR 2024	FULL YEAR 2024
Operating activities				
Operating profit/loss		4,883	-3,629	13,340
Adjustments for non-cash items		570	204	179
Interest received		0	62	35
Interest paid		-198	-16	-744
Income tax paid		-25	1,568	-1,752
Cash flow from operating activities before changes in working capital		5,230	-1,811	11,058
Change in trade receivables		1,899	1,539	-717
Change in current trade receivables		-8,313	2,070	-239
Change in trade payables		-3,314	-1,201	3,357
Change in current liabilities		-55	-745	4,852
Cash flow from operating activities		-4,553	-148	18,311
Investing activities				
Acquisitions of intangible non-current assets		-2,468	-2,623	-9,389
Acquisitions of property, plant and equipment		-394	–	–
Acquisitions of Group companies		–	–	–
Investments in financial non-current assets		–	–	–
Cash flow from investing activities		-2,862	-2,623	-9,389
Financing activities				
New share issue during the year		–	–	44,835
Repayment of warrants		–	-18	-142
Loans raised		–	–	1,198
Amortization of loans		–	–	–
Cash flow from financing activities		–	-18	45,891
CASH FLOW FOR THE PERIOD		-7,415	-2,789	54,813
Cash and cash equivalents at the beginning of the period		61,383	6,254	6,254
Exchange rate difference in cash and cash equivalents		-683	–	316
Cash and cash equivalents at the end of the period		53,285	3,465	61,383

CONDENSED PARENT COMPANY INCOME STATEMENT

SEK thousand	NOTE	JAN 2025– MAR 2025	JAN 2024– MAR 2024	FULL YEAR 2024
Net sales		–	–	–
Other operating income		–	–	–
Total revenue				
Operating expenses				
Other external costs		–57	–4	–92
Other operating expenses		–	–	–
Operating profit/loss		–57	–4	–92
Net financial items				
Income from participations in Group companies		–	–	–
Interest expense and similar items	9	–186	–	–717
Profit/loss after financial items		–243	–4	–809
Group contribution		–	–	6,290
Tax on profit for the period	10	–	–	–
Profit/loss for the period		–243	–4	5,481

CONDENSED PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK thousand	NOTE	JAN 2025– MAR 2025	JAN 2024– MAR 2024	FULL YEAR 2024
Profit/loss for the period		–243	–4	5,481
Profit/loss for the period		–243	–4	5,481

CONDENSED PARENT COMPANY BALANCE SHEET

SEK thousand	NOTE	31/03/2025	31/03/2024	31/12/2024
ASSETS				
Financial non-current assets				
Shares in Group companies	5	3,493	3,472	3,493
Total non-current assets		3,493	3,472	3,493
Current assets				
Receivables from Group companies		7,518	–	5,197
Other receivables		–	–	–
Interim receivables		173	16	45
Total current assets		7,691	16	5,242
Cash and cash equivalents		42,346	50	46,890
TOTAL ASSETS		53,530	3,538	55,625
EQUITY AND LIABILITIES				
Equity		53,530	3,470	53,773
Current liabilities				
Accounts payable		–	–	1,852
Liabilities to Group companies		–	21	–
Other liabilities		–	47	–
Interim liabilities		–	–	–
Current liabilities		–	68	1,852
TOTAL EQUITY AND LIABILITIES		53,530	3,538	55,625

CONDENSED STATEMENT OF CHANGES IN EQUITY IN PARENT COMPANY

SEK thousand	Share capital	Other contributed capital	Retained earnings incl. profit for the year	Equity attributable to shareholders in Parent Company	Total Equity
Opening Equity 01/01/2024	50	–	3,425	3,475	3,475
Profit/loss for the period			–4	–4	–4
Equity 31/03/2024	50	–	3,420	3,470	3,470
Opening Equity 01/01/2024	50	–	3,425	3,475	3,475
New share issue / Warrants	125	50,173		50,298	50,298
Costs associated to issue of shares		–5,481		–5,481	–5,481
Increase in share capital	450		–450	–	–
Profit/loss for the period			5,481	5,481	5,481
Equity 31/12/2024	625	44,692	8,456	53,773	53,773
Opening Equity 01/01/2025	625	44,692	8,456	53,773	53,773
Profit/loss for the period			–243	–243	–243
Equity 31/03/2025	625	44,692	8,213	53,530	53,530

PARENT COMPANY STATEMENT OF CASH FLOWS

SEK thousand	NOTE	JAN 2025– MAR 2025	JAN 2024– MAR 2024	FULL YEAR 2024
Operating activities				
Operating profit/loss		-57	-4	-92
Adjustments for non-cash items		-	-	-
Interest paid		-186	-	-717
Cash flow from operating activities before changes in working capital		-243	-4	-809
Change in current trade receivables		-2,449	-17	-5,242
Change in trade payables		-1,852	-	1,852
Change in current liabilities		-	-	-46
Cash flow from operating activities		-4,544	-21	-4,245
Investing activities				
Acquisitions of Group companies		-	-	-22
Cash flow from investing activities		-	-	-22
Financing activities				
New share issue		-	-	44,817
Group contribution		-	-	6,290
Loans raised by Group companies		-	-	1,072
Repayment of loans to Group companies		-	-	-1,093
Cash flow from financing activities		-	-	-
CASH FLOW FOR THE PERIOD		-4,544	-21	46,819
Cash and cash equivalents at the beginning of the period		46,890	71	71
Cash and cash equivalents at the end of the period		42,346	50	46,890

NOTES TO THE FINANCIAL STATEMENTS

Note 1 Accounting policies

This condensed interim report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general recommendation BFNAR 2012:1 Annual Report and Consolidated Accounts (K3).

PREPARATION OF THE COMPANY'S FINANCIAL STATEMENTS

The Company's functional currency is the Swedish krona, which is also the Company's reporting currency. The financial statements are thus presented in Swedish kronor. Unless otherwise stated, all amounts are rounded off to the nearest thousand.

The financial statements are prepared in accordance with BFNAR 2012:10 (K3), which requires management to make assessments, estimates and assumptions that affect the application of accounting policies and the amounts reported regarding assets, liabilities, revenue and expenses. Actual outcomes may differ from these estimates and assessments.

The estimates and assumptions are reviewed regularly. Changes in accounting estimates are recognized in the period in which the change is made if the change affects only that period, or in the period in which the change is made and in future periods if the change affects both the current period and future periods.

CONSOLIDATED ACCOUNTS

Method of consolidation

The consolidated accounts are prepared using the purchase method of accounting. Under the acquisition method, the acquisition of a subsidiary by an entity is regarded as a transaction whereby the Parent Company indirectly acquires the assets and assumes the liabilities of the subsidiary. The costs of acquisition are expensed as incurred.

The consolidated accounts include the companies in which the Parent Company directly or indirectly holds more than half of the votes for all shares, or otherwise has a controlling influence as defined in section 1:4 of the Swedish Annual Accounts Act. The results of subsidiaries are included in the consolidated results from the date of acquisition until the date of disposal.

Goodwill

Goodwill consists of the amount by which the cost of an acquisition exceeds the fair value of the Group's share of the net identifiable assets of the acquired entity at the date of acquisition. Goodwill is amortized on a straight-line basis over the estimated useful life. Goodwill is amortized over 10 years, in view of the fact that the acquisitions made by the Parent Company are regarded as long-term holdings and will contribute value over a long period of time within the Group.

Intra-Group transactions

Intra-Group receivables and liabilities, intra-Group transactions and unrealized gains are eliminated in full. Unrealized losses are also eliminated unless the transaction represents an impairment loss.

Any change in internal gains over the financial year has been eliminated in the consolidated income statement.

Intra-Group receivables and payables and intra-Group transactions are eliminated in full. Unrealized internal gains are eliminated with the share of profit attributable to the owner company. Unrealized losses are not eliminated to the extent that the loss equates to an impairment loss on the asset transferred.

Revenue recognition

Sales of goods or services are recognized when material risks and rewards are transferred from the seller to the buyer in accordance with the terms of the sale. Sales are recorded net of VAT and discounts.

Interest income and dividends

Compensation in the form of interest or dividends is recognized as revenue when it is probable that the entity will receive the economic benefits associated with the transaction and when the amount of income can be measured reliably. Dividends are recognized when the competent body has resolved that the dividend should be paid. Interest income is recognized over the period to maturity using the effective interest method.

FINANCIAL INSTRUMENTS

Financial non-current assets are measured at cost less and impairment and financial current assets at the lower-of-cost-principle. The cost of interest-bearing instruments is adjusted for the accrued difference between what was originally paid, net of transaction costs, and the amount paid at maturity (premium or discount).

A financial asset is derecognized from the statement of financial position when the rights in the contract are realized, expire or the Company loses control over them. The same applies to part of a financial asset. A financial liability is derecognized from the statement of financial position when the contractual obligation is discharged or otherwise extinguished. The same applies to part of a financial liability.

CLASSIFICATION

Non-current assets and non-current liabilities consist essentially of amounts expected to be recovered or paid after more than 12 months from the balance sheet date. Current assets and current liabilities consist essentially of amounts expected to be recovered or paid within 12 months of the balance sheet date.

Shares and participations in subsidiaries

Shares and participations in subsidiaries are recognized at cost, less any write-downs. The cost includes the purchase consideration paid for the shares and acquisition costs. Any capital contributions are added to the cost as they are made. Dividends from subsidiaries are recognized as revenue.

In the case of investments in subsidiaries, the value of the asset is assessed annually on the basis of the forecast earnings of the subsidiaries.

Intangible non-current assets

Other intangible assets acquired by the Company are recognized at cost less accumulated amortization and impairment losses. Expenditure on internally generated goodwill and trademarks is recognized in the income statement as an expense as incurred.

Amortization is calculated using the straight-line method over the estimated useful life of the asset and begins when the asset becomes available for use. The amortization items are recognized as an expense in the income statement.

<i>Intangible non-current assets</i>	<i>Year</i>
Capitalized expenditure on development and similar work	5

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. In addition to the purchase price, the cost includes expenditure directly attributable to the acquisition.

Depreciation is applied on a straight-line basis over the estimated useful life of the asset as it reflects the expected consumption of the asset's future economic benefits. The depreciation amount is recognized as an expense in the income statement.

<i>Property, plant and equipment</i>	<i>Year</i>
Expenditure on leasehold property	3
Machinery, computers and other technical equipment	3
Equipment, tools and installations	5

Tax

Tax on profit for the year in the income statement consists of current tax and deferred tax. Current tax is income tax for the current financial year relating to the taxable profit for the year and the part of the previous financial year's income tax that has not yet been recognized. Deferred tax is income tax on taxable profits of future financial years arising from past transactions or events. Deferred tax liabilities are recognized for all taxable temporary differences, except for temporary differences arising from the initial recognition of goodwill. Deferred tax assets are recognized for deductible temporary differences and for the possibility of future utilization of tax loss carryforwards. The calculation is based on how the carrying amount of the corresponding asset or liability is expected to be recovered or settled. The amounts are based on the tax rates and tax rules enacted before the balance sheet date and have not been discounted.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of available balances at banks and balances at securities depositories.

SHARE CAPITAL

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares or options are recognized, net of tax, in equity as a deduction from the issue proceeds.

CONTINGENT LIABILITIES

A contingent liability is recognized when there is a possible obligation that arises from past events and whose existence will be confirmed only by one or more uncertain future events or multiple uncertain future events, or when there is an obligation that is not recognized as a liability or provision because it is not probable that an outflow of resources will be required.

EARNINGS PER SHARE

Profit for the year in SEK in relation to the average number of shares in issue on the balance sheet date.

STATEMENT OF CASH FLOWS

The statement of cash flows is prepared using the indirect method. The recognized cash flow includes only transactions resulting in cash receipts or payments.

In addition to cash and cash equivalents, the Company classifies as cash and cash equivalents balances with banks and other credit institutions and short-term liquid investments that are quoted in an active market and have a maturity of less than three months from the date of acquisition. Changes in restricted funds are reported in investing activities.

DEFINITIONS OF KEY PERFORMANCE INDICATORS

Net sales

The principal items of operating income, invoiced expense, ancillary revenue and revenue adjustments of the business.

EBITDA*

The Company's operating profit before interest, tax, impairment losses, depreciation and amortization.

EBITDA margin, (%)*

Operating profit before depreciation, amortization and impairment losses, as a percentage of net sales.

Operating profit (EBIT)*

Profit before financial income and expenses, and before extraordinary income and expenses.

EBIT margin (%)*

Operating profit as a percentage of net sales.

Sales growth (%)*

Percentage increase in sales for the period compared to the reference period.

Equity ratio (%)*

Equity as a percentage of total assets.

Net cash*

Cash, cash equivalents and short-term investments less interest-bearing liabilities.

Earnings per share, SEK

Profit for the year in SEK in relation to the average number of shares in issue on the balance sheet date.

Number of shares

The number of shares in the Company

*Alternative key performance indicators not defined according to BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3), which are thus not necessarily comparable with key performance indicators with similar names used by other companies.

Note 2 Intangible non-current assets

GROUP	31/03/2025	31/03/2024	31/12/2024
Capitalized development expenditure			
<i>Accumulated cost</i>			
At beginning of period	17,239	7,851	7,851
In-house developed assets	2,469	2,622	9,388
At end of period	19,708	10,473	17,239
<i>Accumulated amortization</i>			
At beginning of period	–	–	–
Amortization for the year	–	–	–
At end of period	–	–	–
	19,708	10,473	17,239

Note 3 Property, plant and equipment

GROUP	31/03/2025	31/03/2024	31/12/2024
Expenditure on improvements to leasehold property			
<i>Accumulated cost</i>			
At beginning of period	418	418	418
Purchases for the year	–	–	–
At end of period	418	418	418
<i>Accumulated depreciation</i>			
At beginning of period	-406	-267	-267
Depreciation for the year	-12	-35	-139
At end of period	-418	-302	-406
Equipment, tools and installations			
<i>Accumulated cost</i>			
At beginning of period	2,962	2,962	2,962
Purchases for the year	153	–	–
At end of period	3,115	2,962	2,962
<i>Accumulated depreciation</i>			
At beginning of period	-1,358	-681	-681
Depreciation for the year	-166	-169	-677
At end of period	-1,524	-850	-1,358
	1,591	2,228	1,616

Note 4 Financial non-current assets

GROUP	31/03/2025	31/03/2024	31/12/2024
Other long-term receivables			
<i>Accumulated cost:</i>			
At beginning of period	2,000	2,000	2,000
Additional receivables	–	–	–
Claims settled	–	–	–
At end of period	2,000	2,000	2,000

Note 5 Participations in Group companies

PARENT COMPANY	Share of equity	Share of votes	Number of participations	Book value 31/03/2025	Book value 31/03/2024	Book value 31/12/2024
Envar Entertainment AB	100%	100%	500	3,446	3,446	3,446
Envar Games AB – Class A	100%	100%	5,000	25	25	25
Envar Games AB – Class B	100%	100%	45,217	22	–	22
				3,493	3,472	3,493

Note 6 Deferred tax liability

GROUP	31/03/2025	31/03/2024	31/12/2024
<i>Deferred tax liability on untaxed reserves</i>			
At beginning of period	1,698	1,698	1,698
Change for the year	–108	–	–
At end of period	1,590	1,698	1,698

Note 7 Other long-term liabilities

GROUP	31/03/2025	31/03/2024	31/12/2024
Rent deposits	1,198	1,198	1,198
	1,198	1,198	1,198

Note 8 Interest income and similar items

GROUP	JAN 2025– MAR 2025	JAN 2024– MAR 2024	FULL YEAR 2024
Foreign exchange gains, unrealized	–	–	–
Other interest income	0	62	35
	0	62	35

Note 9 Interest expense and similar items

GROUP	JAN 2025– MAR 2025	JAN 2024– MAR 2024	FULL YEAR 2024
Exchange rate losses	-683	–	-832
Other interest costs	-11	-17	-28
Other financial costs	-186	–	-717
	-880	-17	-745

PARENT COMPANY	JAN 2025– MAR 2025	JAN 2024– MAR 2024	FULL YEAR 2024
Other financial costs	-186	–	-717
	-186	–	-717

Note 10 Tax on profit for the year

GROUP	PERCENT	JAN 2025– MAR 2025	JAN 2024– MAR 2024	FULL YEAR 2024
Current tax	20.60%	-724	–	-1,594
Reconciliation of effective tax				
Profit before tax		4,003	-3,584	12,630
Tax at the rate applicable to the Parent Company	20.60%	-824	–	-2,602
Non-deductible expenses		-8	–	-92
Non-taxable income		0	–	13
Non-deductible expenses not entered in the accounts		–	–	1,129
Standard interest rate on tax allocation reserve		–	–	-42
Utilization of non-capitalized loss carryforwards		108	–	–
		-724	–	-1,594

Note 11 Transactions with related parties

None of the shareholders, directors, senior executives, auditors or related parties in the Envar Group has had any direct or indirect involvement in any business transactions with the companies that are or were unusual in nature or as regards terms. Nor has the Company granted any loans, guarantees or sureties to or for the benefit of any of the shareholders, directors, senior executives, auditors or related parties of the companies. Agreements on services with related parties are entered into on an arm's length basis. There were no transactions between Envar and related parties that materially affected the Group's financial position and performance during the reporting periods.

OTHER INFORMATION

REVIEW

This interim report has not been reviewed by the Company's auditor.

COMMUNICATION LANGUAGE

The board has decided that the communication language for the company shall be Swedish and English, with the Swedish version taking precedence.

THE COMPANY'S OPERATIONS AND RISK FACTORS

The Board of Directors and the CEO certify that the interim report gives a true and fair view of the Company's and the Group's operations, financial position and performance, and describes the material risks and uncertainties faced by the Company and the companies included in the Group.

CERTIFIED ADVISER

Amudova AB is the Company's Certified Adviser and may be contacted at info@amudova.se or +46 8 545 017 58.

UPCOMING REPORT DATES

Annual General Meeting 2025	May 27, 2025
Interim report January–June 2025	August 26, 2025
Interim report January–September 2025	November 25, 2025
Year-end report January–December 2025	February 16, 2026

Stockholm May 27, 2025

Atey Ghailan

CEO

Emil Dugaard

Chair of the Board of Directors

Ewelina Pettersson

Member of the Board of Directors

Pernilla Jennesäter

Member of the Board of Directors

Amanda Bergerståhl

Member of the Board of Directors

FOR FURTHER INFORMATION, PLEASE CONTACT

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This information is information that Envar Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contacts set out above, on May 27th 2025 at 08.00 CET.