Coffee Stain

2024/2025
Historical Financial Information

FINANCIAL STATEMENTS

COMBINED STATEMENT OF PROFIT OR LOSS

Amounts in SEK m	Note	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Net sales	3	1,089	1,085
Other operating income	4	6	2
Total operating income		**1,095**	**1,087**
Work performed by the Company for its own use and capitalized		146	155
Goods for resale		-117	-109
Other external expenses	5	-121	-159
Personnel expenses	6	-255	-239
Depreciation, amortization and impairment	11, 12, 13,	-431	-337
Other operating expenses		-4	-4
Share of profit of an associate	14	9	9
Operating profit/loss (EBIT)		**322**	**404**
Financial income	7	35	83
Financial expenses	8	-93	-74
Profit before tax		**264**	**412**
Income tax	9	-72	-93
Net profit for the period		**192**	**319**
Net profit/loss for the period attributable to:			
Equity holders of the parent		191	321
Non-controlling interests		1	-2

COMBINED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK m	Note	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Net profit/loss for the year		**192**	**319**
Other comprehensive income			
Items that may be reclassified to profit or loss (net of tax):			
Exchange differences on translation of foreign operations		-92	47
Total other comprehensive income for the year, net of tax		**-92**	**47**
Total comprehensive income for the year, net of tax		**100**	**366**
Total comprehensive income attributable to:			
Equity holders of the parent		99	368
Non-controlling interests		1	-2

COMBINED STATEMENT OF FINANCIAL POSITION

Amounts in SEK m	Note	31/03/2025	31/03/2024	01/04/2023
ASSETS				
Non-current assets				
Goodwill	10	2,019	2,097	2,064
Intangible assets	11	918	1,088	1,164
Property, plant and equipment	12	17	17	14
Right-of-use assets	13	24	26	22
Investments in associates	14	243	231	218
Non-current financial assets	15, 16, 17	14	33	93
Deferred tax assets	9	4	2	2
Total non-current assets		**3,239**	**3,492**	**3,578**
Current assets				
Trade receivables	15, 17	188	276	540
Current tax assets		54	74	1
Other receivables	15,	42	121	52
Prepaid expenses	18	9	11	8
Cash and cash equivalents	15, 22	472	312	586
Total current assets		**766**	**794**	**1,187**
TOTAL ASSETS		**4,005**	**4,287**	**4,764**

COMBINED STATEMENT OF FINANCIAL POSITION CONTINUED

Amounts in SEK m	Note	03/31/2025	03/31/2024	04/01/2023
EQUITY AND LIABILITIES				
Equity	20			
Share capital		0	0	0
Reserves		100	192	146
Retained earnings, including net profit		1,347	1,465	1,485
Total equity attributable to equity holders of the parent		**1,447**	**1,656**	**1,630**
Non-controlling interests		9	8	9
Total equity		**1,456**	**1,664**	**1,640**
Non-current liabilities				
Liabilities to owners	15, 17	1,631	1,632	2,267
Lease liabilities	13, 17	10	12	10
Provisions		0	0	0
Contingent considerations	15, 17	53	60	73
Non-current liabilities to employees related to historical acquisitions	6, 15, 17	9	27	11
Deferred tax liabilities	9	195	225	254
Total non-current liabilities		**1,898**	**1,957**	**2,616**
Current liabilities				
Trade payables	15, 17	59	70	16
Lease liabilities	15, 17	14	13	12
Contract liabilities	3, 15, 17	7	—	—
Contingent considerations	15, 17	—	6	117
Tax liabilities		0	0	25
Liabilities to owners		425	464	0
Other current liabilities	15, 17	6	5	6
Accrued expenses	15, 21	141	107	332
Total current liabilities		**652**	**666**	**509**
TOTAL EQUITY AND LIABILITIES		**4,005**	**4,287**	**4,764**

COMBINED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK m	Share capital	Reserves[1)]	Retained earnings including profit for the period	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Equity attributable to equity holders of the parent					
Opening balance 01/04/2023	**0**	**146**	**1,485**	**1,630**	**9**	**1,640**
Net profit/loss	—	—	321	**321**	-2	**319**
Other comprehensive income	—	47	—	**47**		**47**
Total comprehensive income for the period	**—**	**47**	**321**	**368**	**-2**	**366**
Transactions with the owners						
Group contribution	—		-443	**-443**	—	**-443**
Tax effect on group contribution	—	—	91	**91**	—	**91**
Other*			10	**10**		**10**
Total	**—**	**—**	**-342**	**-342**	**—**	**-342**
Closing balance 31/03/2024	**0**	**192**	**1,464**	**1,656**	**8**	**1,664**
Opening balance 01/04/2024	0	192	1,464	1,656	8	1,664
Net profit/loss	—	—	192	**192**	1	**192**
Other comprehensive income	—	-92	—	**-92**	—	**-92**
Total comprehensive income for the period	**—**	**-92**	**192**	**100**	**1**	**100**
Transactions with the owners						
Group contribution	—	—	-399	**-399**	—	**-399**
Tax effect on group contribution			82	**82**		**82**
Other*	—	—	8	**8**	—	**8**
Total	**—**		**-309**	**-309**	**—**	**-309**
Closing balance 31/03/2025	**0**	**100**	**1,347**	**1,447**	**9**	**1,456**

[1)] Includes currency translation difference.
**) Other includes the movements in equity related to the combined financial statements.*

COMBINED CASH FLOW STATEMENT

Amounts in SEK m	Note	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Operating activities			
Profit before tax		264	412
Adjustments for non-cash items, etc.	22	475	350
Tax paid		-4	-130
Cash flow from operating activities before changes in working capital		**735**	**632**
Cash flow from changes in working capital			
Change in operating receivables		88	290
Change in operating liabilities		24	-188
Cash flow from operating activities		**847**	**734**
Investing activities			
Acquisition of property, plant and equipment	12	-6	-8
Acquisition of intangible assets	11	-226	-219
Acquisition of subsidiaries, net of cash acquired 1)	15	—	-87
Acquisition of financial assets		2	-6
Cash flow from investing activities		**-230**	**-320**
Financing activities			
Proceeds from borrowings		—	5
Transactions with owners		-439	-679
Payment of lease liabilities		-17	-17
Cash flow from financing activities		**-456**	**-691**
Total cashflow		**161**	**-277**
Cash and cash equivalents at the beginning of period		312	586
Exchange-rate differences in cash and cash equivalents		-1	3
Cash and cash equivalents at the end of period	22	**472**	**312**

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

GROUP NOTES

NOTE 1 MATERIAL ACCOUNTING PRINCIPLES

These combined financial statements comprise the Swedish Parent Company Coffee Stain Group AB ("Coffee Stain"), with corporate identity number 559280-0014, and its subsidiaries. The Group conducts management and development of intellectual property rights, publishing, development of computer games, video games, and mobile games.

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 this document on 8 December, 2025.

BASIS FOR PREPARATION

The combined financial statements have been prepared in accordance with IFRS® Accounting Standards (IFRS) published by the International Accounting Standards Board (IASB) and interpretations that have been issued by IFRS Interpretations Committee (IFRS IC) as they have been adopted by the European Union (EU). Furthermore, 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.

All entities comprising the Coffee Stain Group were not under the direct control of Coffee Stain Group AB for the historical periods presented. Coffee Stain Group therefore presents the historical financial information as combined financial statements. The term "combined financial statements" refers to financial information prepared by aggregating financial information for entities under common control that do not meet the definition of a group according to IFRS 10. IFRS does not specifically address the preparation of combined financial statements. However, all entities combined as a part of the Coffee Stain Group have been under common control via Embracer Group AB's ownership for all periods presented. As these transactions are not covered by any IFRS standard, a suitable accounting principle has been applied in accordance with IAS 8. A suitable and established method is to use the previous carrying amount (predecessor basis of accounting), which is the principle that the Coffee Stain Group has applied. This entails that the assets and liabilities of the units comprising Coffee Stain Group have been aggregated and recognized based on the carrying amounts they represent in Embracer Group AB's consolidated financial statements as from the date they became part of the Embracer Group. These combined financial statements are Coffee Stain's first financial statements prepared in accordance with IFRS.

Coffee Stain has elected to apply the optional exemption in IFRS 1 to measure its assets and liabilities at the carrying amounts that would be included in the parent's consolidated financial statements. Thus, Coffee Stain will carry forward the amounts reported to Embracer Group in accordance with IFRS for historical periods.

The accounting principles set out below have been applied consistently to all periods presented, unless otherwise stated, and for all entities included in the combined financial statements.

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 combined statement of profit or loss by nature of the expense and the Group's report on combined cash flow statement according to an indirect method.

The majority of the functions and processes required to establish Coffee Stain Group as an independent listed company have been implemented during fiscal year 25/26. As a result, the financial information presented herein is not fully representative of the standalone costs associated with these functions and processes. The Company believes that fiscal year 26/27 will be the first full year in which such costs are fully reflected in the Group's financial statements.

NEW OR AMENDED STATEMENTS

New and amended standards applicable during the financial year

None of the new or amended standards that that are mandatory applicable during the year have had any significant impact on the Group.

New and amended standards applicable after the financial year

New and amended standards and interpretations have been published by the IASB but are not yet mandatorily applicable. 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 Presentation and Disclosure in FInancial Statements will come into effect and will replace IAS 1 Presentation of Financial Statements.The Group is currently evaluating the effects that IFRS 18 will entail for the Group.

CURRENCY

Presentation currency

The presentation currency for the Group is Swedish kronor. All amounts are presented in millions of 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 net.

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.

OPERATING SEGMENTS

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. In Coffee Stain, the Chief Executive Officer 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 revenues and incur expenses, for which discrete financial information is available, and whos operating results are regularly reviewed by the CODM to make decisions about resources to be allocated to the segment and assess its performance.

When the CODM is reviewing the performance of Coffee Stain for the purpose of making decisions about resources to be allocated to the segment and assess its performance, the review is based on the performance of the Group as a whole. Therefore, the segment reporting is composed on one single segment, the Group as presented in the Consolidated Statement of Profit and Loss and Consolidated Statement of Financial Position. The assets of the operative segment is allocated into the following geographic markets.

Assets per geographic market

	2023/2024	2024/2025
Sweden	1,496	1,839
Denmark	1,482	1,388
	2,978	**3,227**

For information about net sales per geographic market, refer to note 3.

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:

- Revenue recognition – note 3,
- Goodwill – note 10,
- Capitalization of development expenditure and IP_rights – note 11,
- Contingent considerations – note 15,

NOTE 3 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. The Group recognizes revenue when a performance obligation is satisfied, which is when a promised good or service is transferred to the customer and the customer obtains control of the good or service. Control can transfer over time or at a point in time. Revenue is recognized at an amount that reflects the consideration to which Coffee Stain expects to be entitled to in exchange for those goods or services. The Group has chosen to apply the practical expedient of not providing information on the transaction price allocated to unfulfilled (or partially unfulfilled) performance obligations at the end of the reporting period, for contracts with customers that have an original expected term of maximum one year. For incremental costs of obtaining a contract, the Group uses the practical expedient of recognizing these as an expense if the depreciation period for the asset that would otherwise have been recognized is one year or less.

In the following sections, the most material revenue streams is described in more detail, as well as the significant assessments relating to revenue recognition that Coffee Stain 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 external digital storefronts, such as Steam, Microsoft's Xbox Games Store, Sony's PSN and Epic. Coffee Stain considers the digital storefront to be Coffee Stain's customer and Coffee Stains's performance obligation is therefore to provide a license to the digital storefront to, in turn, sell the game or the downloadable content to end-users. The transaction price typically comprises 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 comprises 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 in its current condition at the time of assignment, since the digital store then can resell the game to end-users. There are no additional obligations in the contract with the customer that significantly affect the intangible asset to which the customer is entitled. The revenue is therefore recognized in connection with the transfer of the license to the customer. When Coffee Stain releases new downloadable content ("DLC") the procedure is the same as for the original game, and revenue is recognized in the form of sales-based royalty.

The Group also derives revenue from sale of licenses that entitles the customer a right to produce and sell physical copies of games to retailers. Coffee Stain is entitled to sales-based royalty of the subsequent sale.

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 a mix of premium games, subscription games and so called "Free-to-try games", in which the players are provided access to the selected parts of the game content without paying a fee. Revenue is generated from purchase of the premium games, user-based royalty for subscription games and for Free-to-try games: sales of additional game content in the form of virtual goods or ad revenue. 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. For revenue generated by displaying ads within Coffee Stain's mobile apps, the customers are the ad networks to which Coffee Stain provide advertisement space. The ad networks in turn place ads from third parties in Coffee Stain's mobile apps. 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.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

Assessment of the customer

Coffee Stain is a publisher and sells games to digital storefronts for further sale to end-users. Coffee Stain enters into a contract with the digital storefront that gives the digital storefront the right to sell the game to end-users. Coffee Stain has assessed that it has rights and obligations against the digital storefront which in turn is the customer in the contract. Consequently, Coffee Stain recognizes revenue based on the amount to which it is entitled in the contract with the digital storefront and not based on the amount of the subsequent sale to the end-user.

Revenue in the Group mainly comprises sales-based royalties from games sold to third parties by the customers of the Group. The performance obligation is satisfied when the license is provided to the customer and revenue for the sales-based royalty is recognized when the subsequent sale occurs.

The Company presents revenue in two categories: PC/console and Other. The PC/console category comprises sales from titles distributed through established platforms such as Steam, PlayStation and Xbox. The Other category mainly includes revenue generated through platforms with differing revenue models and user dynamics, such as Roblox and mobile platforms

Below is a table showing the Group´s revenue split on the type of platform to which it relates:

01/04/2024 - 31/03/2025	Group total
Type of platform	
PC/Console	**873**
Other platforms	**0**
Revenue from contracts with customers	**873**

01/04/2023 - 31/03/2024	Group total
Type of platform	
PC/Console	**886**
Other platforms	**0**
Revenue from contracts with customers	**886**

Net sales per geographic market

01/04/2024 - 31/03/2025	Group total
Europe excl Sweden	**57**
USA	**991**
Sweden	**11**
Other	**30**
Total	**1,089**

01/04/2023 - 31/03/2024	Group total
Europe excl Sweden	**79**
USA	**945**
Sweden	**11**
Other	**50**
Total	**1,085**

The split by geographic market is based on the location of customer.

NOTE 4 OTHER OPERATING INCOME

	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
FX gains on operating receivables/ liabilities	5	-1
Gain on non-current assets	—	0
Other	1	3
Total	**6**	**2**

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, Other operating expenses, Note 7 Financial income and Note 8 Financial expenses.

NOTE 5 AUDITOR'S FEES

PwC	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Audit services	-1	0
Other auditing activities	—	—
Tax advisory services	—	—
Other services	—	—
Sum	**-1**	**0**

EY	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Audit services	0	-1
Other auditing activities	—	—
Tax advisory services	0	0
Other services	0	—
Sum	**0**	**-1**

Other auditors	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Audit services	0	0
Other auditing activities	—	—
Tax advisory services	—	—
Other services	0	0
Sum	**0**	**0**
Total	**-1**	**-1**

The item "Audit services" comprises examination of the annual financial statements, accounting records and administration of the business by the CEO and Board. Other services relate to other procedures required to be carried out by the Company's auditors and advice or other assistance relating to observations made during the performance of such other procedures.

NOTE 6 EMPLOYEES AND PERSONNEL EXPENSES

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.

	01/04/2024 - 31/03/2025		01/04/2023 - 31/03/2024	
	Average number of employees	Women, %	Average number of employees	Women, %
Sweden	200	25%	200	31%
Denmark	65	23%	59	21%
Group, total	**265**	**25%**	**259**	**28%**

Salaries, other benefits and social security contributions, including pension costs	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Group		
Board of Directors, CEO and other senior executives		
Salaries and other remuneration	-23	-23
Social security contributions	-4	-5
Pension costs	-2	-2
Total	**-29**	**-30**
Other employees		
Salaries and other remuneration	-165	-142
Social security contributions	-33	-32
Pension costs	-14	-10
Total	**-212**	**-184**
Group, total	**-241**	**-214**

	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
Board member					
Ian Gulam	—	—	—	—	—
Chief Executive Officer					
Anton Westbergh	1	0	0	—	2
Total	**1**	**0**	**0**	**—**	**2**

	01/04/2023- 31/03/2024				
Remuneration to Board of Directors, CEO and other executives	Base salary, Board fees	Variable remuneration	Pension costs	Other remuneration	Total
Board member					
Ian Gulam	—	—	—	—	—
Chief Executive Officer					
Anton Westbergh	2	—	—	—	2
Total	**2**	**0**	**0**	**—**	**2**

Variable remuneration refers to time spent on a specific assignment.

The gender distribution within the Board of Directors and among the Chief Executive Officer and other senior executives in the group is 100% men (100%; 100%).

REMUNERATION AND EMPLOYMENT TERMS FOR SENIOR EXECUTIVES

Remuneration to the CEO and other senior executives consists of salaries, bonuses and pension. Other senior executives refer to those persons who are part of the Group Executive Management Team and CEO:s in subsidiaries.

TERMINATION BENEFITS

Coffee Stain Group and its CEO must observe a notice period of 6 months. The CEO is entitled to termination benefits corresponding to 6 months' salary, provided that Coffee Stain Group terminated the employment contract and the CEO was not dismissed.

PERSONNEL COSTS IN CONNECTION WITH HISTORICAL ACQUISITIONS

In connection with acquisitions, agreements on conditional purchase price which 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 cost according to IAS 19. During the year 2024/25, this amount has amounted to SEK 18 million (-15). See Note 15 Financial instruments for further information.

NOTE 7 FINANCIAL INCOME

	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Assets and liabilities measured at fair value through combined statement of profit or loss;		
Changes in fair value of contingent consideration	14	42
Total recognized in combined statement of profit or loss	**14**	**52**
Assets measured at amortized cost:		
Interest income from other financial assets	18	14
Other financial income	1	0
Total interest income in accordance with the effective interest method	**19**	**14**
Other financial income:		
FX gain on income, financial items	0	24
Total	**2**	**27**
Total financial income	**35**	**83**

See also note 15 "*Financial instruments*"

NOTE 8 FINANCIAL EXPENSES

	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Assets and liabilities measured at fair value through combined statement of profit or loss;		
Change in fair value of contingent consideration receivable	-3	-6
Total recognized in combined statement of profit or loss	**-3**	**-6**
Liabilities measured at amortized cost:		
Interest expense other financial liabilities	-59	-64
Total interest expense in accordance with the effective interest method	**-59**	**-64**
Other financial expense:		
Exchange loss on contingent consideration	—	-4
FX loss, financial items	-30	—
Interest expense lease liabilities	-1	-1
Total	**-31**	**-5**
Total financial expenses	**-93**	**-74**

See also note 15 "*Financial instruments*"

NOTE 9 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. Coffee Stain's deferred tax assets are attributable to tax loss carry forwards and other temporary differences. The deferred tax liabilities relate to capitalized development expenses, fair value adjustments of acquired assets in business combinations and other temporary differences. The measurement 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.

	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Current tax		
Current tax on profit for the year	-94	-126
Adjustments relating to prior years	-4	0
Total current tax	**-97**	**-126**
Deferred tax		
Deferred tax attributable to temporary differences	26	33
Deferred tax attributable to loss carryforwards	—	0
Total deferred tax	**26**	**33**
Recognized tax in profit or loss	**-72**	**-93**

Reconciliation of effective tax rate	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Profit before tax	**264**	**412**
Tax at the applicable tax rate for the parent company, 20,6%	-54	-85
Tax effect of:		
Effect of different tax rates in foreign subsidiaries	0	0
Other non-deductible expenses	-31	0
Non-taxable income	15	4
Standards interest on tax allocation reserve	-1	-1
Other	0	-12
Recognized effective tax	**-72**	**-93**
Effective tax rate	27%	23%

Non-deductible costs/non-taxable income primarily refers to personnel costs related to acquisitions, amortization of fair value adjustments on acquired intangible assets and fair value changes regarding contingent considerations and impairment of goodwill.

DISCLOSURE ON DEFERRED TAX ASSETS AND TAX LIABILITIES

The tables below specify the tax effect of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
Deferred tax	**31/03/2025**	**31/03/2024**	**31/03/2025**	**31/03/2024**
Opening balance as of 1 April	**2**	**2**	**225**	**254**
Business combinations	—	2	—	0
Recognized in the combined statement of profit or loss	2	-1	-32	-29
FX effect difference for the year	0	0	-1	0
Closing balance as of March	**4**	**2**	**192**	**225**

	31/03/2025				31/03/2024			
Deferred tax specified by item	**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)**
Intangible assets	2	173	-171	2	-6	164	-6	—
Property, plant and equipment	—	0	0	—	—	0	0	0
Tax loss carry-forwards	2	—	2	1	9	0	9	0
Deferred tax assets/liabilities	**4**	**195**	**-191**	**3**	**2**	**225**	**-223**	**1**
Offsetting	—	—	—	—	—	—	—	—
Deferred tax assets/liabilities (net)	**4**	**195**	**-191**	**3**	**2**	**225**	**-223**	**1**

	01/04/2023		
Deferred tax specified by item	**Deferred tax assets**	**Deferred tax liabilities**	**Net**
Intangible assets	—	193	-193
Tax loss carry-forwards	2	—	2
Deferred tax assets/liabilities	**2**	**254**	**-252**
Offsetting	—	—	—
Deferred tax assets/liabilities (net)	**2**	**254**	**-252**

There are no tax loss carry-forwards or temporary differences for which deferred tax assets have not been recognized in the statement of financial position.

NOTE 10 GOODWILL

Goodwill is recognized at cost less any accumulated impairment.

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

Coffee Stain evaluates goodwill for impairment needs at least annually and whenever there are indications that the goodwill is impaired.. Evaluations are performed as part of the impairment tests and are based on estimates and assumptions. The critical assumptions underlying these judgments are 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 units' cash flows. In applying this approach, Coffee Stain relies on historical statistics and other assumptions, including results achieved, business plans, financial 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.

Accumulated cost	31/03/2025	31/03/2024
Opening balance	**2,602**	**2,594**
Business combinations	—	5
FX effects	-78	3
Closing balance	**2,524**	**2,602**

Accumulated impairment	31/03/2025	31/03/2024
Opening balance	**-504**	**-504**
Impairment of the year	—	—
Closing balance	**-504**	**-504**
Carrying amount at the end of the year	**2,019**	**2,098**

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 Coffee Stain is assessed to be the entire Group.

To determine whether goodwill is impaired, the cash-generating units (CGUs) to which the goodwill relates are measured. 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 indefinite 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 are based on management's overall assessment of historic profitability levels, current strategic decisions, general market conditions and trends as well as other available information. Climate based risks has been considered to the extent that they could be estimated. A growth rate of 2.5 percent (2.5, 2.0) has been applied 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 present value applying a weighted average cost of capital (WACC). A discount rate after tax has been used in calculating value in use. The difference in value compared with using a discount rate before tax is not deemed to be material. The applied discount rate after tax amount to 14.1% (13.7%, 10.9%).

SENSITIVITY ANALYSIS

The sensitivity of the calculations indicates that the total carrying amount of goodwill would be maintained even 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. If the after-tax discount rate were to increase by 1 percentage point the result would still not indicate a need for impairment. Further, goodwill would not be impaired 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.

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 11 INTANGIBLE ASSETS

IP-rights are measured at fair value at the acquisition date and subsequently carried at cost less accumulated amortization and any accumulated impairment losses. Completed development projects as well as Other intangible assets are recognized at cost less accumulated amortization and any accumulated impairments.

MATERIAL ACCOUNTING PRINCIPLES

Amortization methods

Completed development projects are amortized using the declining balance method, i.e. a decreasing expense over the useful life. IP-rights 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 5-7 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), is subject to annual impairment tests. The most important underlying assumption of these estimates may alter, and accordingly, have an impact on the Group's performance and financial position.

As of 31 March 2025, the assessment is that the carrying amount of these assets does not exceed their fair value.

Accumulated cost	Projects in progress	Acquired and completed development projects	IP rights	Other intangible assets	Total intangible assets
As of 1 April 2023	**179**	**308**	**1,233**	**12**	**1,732**
Investments for the year	222	—	—	—	222
Business combinations	—	—	11	—	11
Sales/disposals	-18	—	—	0	-19
Reclassifications	-2	5	—	—	2
FX effects	1	1	3	—	5
Transferred from projects in progress to completed development projects	-128	128	—	—	—
As of 31 March 2024	**252**	**443**	**1,247**	**11**	**1,954**
Investments for the year	227	—	—	—	227
Reclassifications	13	—	—	—	13
FX effects	-8	-6	-10	—	-24
Transferred from projects in progress to completed development projects	-155	155	—	—	—
As of 31 March 2025	**329**	**592**	**1,237**	**11**	**2,169**

NOTE 12 CONTINUED

Accumulated amortization	Projects in progress	Acquired and completed development projects	IP rights	Other intangible assets	Total intangible assets
As of 1 April 2023	**—**	**-211**	**-331**	**-7**	**-550**
Amortization for the year	—	-124	-187	-2	-313
Reclassifications	—	—	—	0	0
FX effects	—	-1	-1	0	-2
As of 31 March 2024	**—**	**-336**	**-520**	**-9**	**-865**
Amortization for the year	—	-156	-159	-2	-316
FX effects	—	5	7	—	12
As of 31 March 2025	**—**	**-486**	**-672**	**-11**	**-1,169**

Accumulated impairment	Projects in progress	Acquired and completed development projects	IP rights	Other intangible assets	Total intangible assets
As of 1 April 2023	**-18**	**—**	**—**	**—**	**-18**
Impairment	—	-1	—	—	-1
Reclassifications	18	—	—	—	18
FX effects	—	0	—	—	0
As of 31 March 2024	**—**	**-1**	**0**	**—**	**-1**
Impairment	-72	-9	—	—	-81
Reclassifications	—	—	—	—	0
FX effects	—	—	—	—	0
As of 31 March 2025	**-73**	**-10**	**—**	**—**	**-83**

	Projects in progress	Acquired and completed development projects	IP rights	Other intangible assets	Total intangible assets
Opening balance at 1 April 2023	161	97	902	4	**1,164**
Closing balance at 31 March 2024	252	105	728	3	**1,088**
Closing balance at 31 March 2025	256	96	565	1	**918**

Internally generated intangible assets
In Coffee Stain, internally generated intangible assets pertain primarily to game development. The costs that are capitalized in game development projects 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 have been acquired in business combinations and refers to rights attributable to the Group's game products, such as a game's software or title.

IMPAIRMENT TESTING

Impairment testing is done annually for ongoing projects for intangible assets and when an indicator of impairment 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.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognized in the Group at cost less accumulated depreciation and any impairment losses.

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:

> Equipment, tools, fixtures and fittings 3-14 years

Leasehold improvements are depreciated over the shorter of its useful life and the lease term, if the Group does not expect to use the assets after the end of the lease term.

Accumulated cost	Equipment, tools, fixtures and fittings	Leasehold improvements	Total property, plant and equipment
As of 1 April 2023	**22**	**0**	**22**
Investments for the year	8	—	8
Sales/disposals	0	—	0
Reclassifications	—	—	—
Exchange rate differences	0	—	0
As of 31 March 2024	**30**	**0**	**30**
Investments for the year	3	5	7
Sales/disposals	0	—	0
Reclassifications	-1	1	—
Exchange rate differences	0	0	0
As of 31 March 2025	**31**	**5**	**36**

Accumulated depreciation	Equipment, tools, fixtures and fittings	Leasehold improvements	Total property, plant and equipment
As of 1 April 2023	**-7**	**0**	**-7**
Depreciation	-5	0	-5
Sales/disposals	0	—	0
Reclassifications	—	—	—
Exchange rate differences	0	—	0
As of 31 March 2024	**-13**	**0**	**-13**
Depreciation	-6	-1	-6
Sales/disposals	0	—	0
Reclassifications	1	-1	—
Exchange rate differences	0	0	0
As of 31 March 2025	**-17**	**-1**	**-19**

Accumulated impairment	Equipment, tools, fixtures and fittings	Leasehold improvements	Total property, plant and equipment
As of 1 April 2023	—	—	—
As of 31 March 2024	-1	—	-1
Impairment	—	—	—
Sales/disposals	—	—	—
Reclassifications	—	—	—
Exchange rate differences	—	—	—
As of 31 March 2025	**-1**	**—**	**-1**

	Equipment, tools, fixtures and fittings	Leasehold improvements	Total property, plant and equipment
Opening balance at 1 April 2023	14	0	**14**
Closing balance at 31 March 2024	17	0	**17**
Closing balance at 31 March 2025	13	4	**17**

NOTE 13 LEASES

MATERIAL ACCOUNTING PRINCIPLES

Right-of-use assets

The Group's right-of-use assets 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 Coffee Stain 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 a low-value asset, no right-of-use asset or lease liability is recognized. Lease payments for these leases are recognized as an expense on a straight line basis over the lease term.

Coffee Stain presents one class of underlying assets: Premises. 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		
	Premises	Total	Lease liabilities
Opening balance at 1 of April 2023	**22**	**22**	**22**
Additional agreements net	21	21	22
Depreciation	-17	-17	—
Remeasurement of leases	—	—	0
Interest expense	-1	-1	0
Lease payments	—	—	-17
Closing balance at 31 of March 2024	**26**	**26**	**25**
Additional/ terminated agreements net	18	18	15
Depreciation	-19	-19	—
Interest expense	-1	-1	1
Lease payments	—	—	-17
Closing balance at 31 of March 2025	**24**	**24**	**24**

Of the net value for Additional/terminated agreements of SEK 18 million (21), additional agreements is SEK 18 million (21).

The amounts recognized in the combined statement of profit or loss for the year attributable to leasing activities are presented below:

	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Expenses relating to short-term leases	—	—
Expenses relating to leases of low-value assets (part of other external expenses)	—	—
Depreciation expense of right-of-use assets	-19	-17
Interest expenses on lease liabilities	-1	-1
Total	**-20**	**-18**

Coffee Stain reports a cash outflow attributable to lease agreements amounting to SEK -17 million (-17). For a maturity analysis of the Group's lease liabilities, see note 17 Financial risks.

NOTE 14 INVESTMENTS IN ASSOCIATES

Below are the Group's associates as of 31 March 2025. 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
			31/03/2025	31/03/2024	01/04/2023		
Iron Gate AB	559203-4820	Sweden	30 %	30 %	30 %	Associated company	Equity method
Framebunker ApS	35237275	Denmark	34 %	34 %	34 %	Associated company	Equity method
Ugly Duckling ApS	42566276	Denmark	30 %	30 %	30 %	Associated company	Equity method

All associates are game development studios.

Company	Carrying amount		
	31/03/2025	31/03/2024	01/04/2023
Iron Gate AB	239	226	209
Framebunker ApS	2	2	6
Ugly Duckling ApS	2	2	3
Total investments accounted for according to the equity method	**243**	**231**	**218**

Share of profit of associates amounts to SEK 9 million (9, 126).

NOTE 15 FINANCIAL INSTRUMENTS

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 combined 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.

Financial liabilities

Financial liabilities measured at fair value through combined statement of profit or loss include the Group's contingent considerations. Contingent considerations are remeasured each reporting period and the changes in fair value are recognized in the combined statement of profit or loss.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

For certain business combinations, Coffee Stain 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 combined statement of profit or loss under financial net. According to management, the current evaluation provides a relevant assessment of the Group's financial situation for the actual periods.

Measurement of financial assets and liabilities as of March 31, 2025

Financial assets	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized cost	Total Carrying amount
Other non-current receivables	7	7	14
Trade receivables	—	188	188
Other current receivables	—	42	42
Cash and cash equivalents	—	472	472
Total	**7**	**710**	**717**

Financial liabilities	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized cost	Total Carrying amount
Trade payables	—	59	59
Contract liabilities	—	7	7
Contingent considerations	53	—	53
Liabilities to employees related to historical acquisitions	9	—	9
Liabilities to owners	—	2,056	2,056
Other current liabilities	—	6	6
Accrued expenses	—	141	141
Total	**62**	**2,268**	**2,330**

Measurement of financial assets and liabilities as of March 31, 2024

Financial assets	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized cost	Total Carrying amount
Other non-current receivables	9	24	33
Trade receivables	—	276	276
Other current receivables	—	121	121
Cash and cash equivalents	—	312	312
Total	**9**	**733**	**742**

Financial liabilities	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized cost	Total Carrying amount
Trade payables	—	70	70
Contingent considerations	66	—	66
Liabilities to employees related to historical acquisitions	27	—	27
Liabilities to owners	—	2,097	2,097
Other current liabilities	—	5	5
Accrued expenses	—	107	107
Total	**93**	**2,279**	**2,372**

Measurement of financial assets and liabilities as of April 01, 2023

Financial assets	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized cost	Total Carrying amount
Other non-current receivables	12	81	93
Trade receivables	—	540	540
Other current receivables	—	52	52
Cash and cash equivalents	—	586	586
Total	**12**	**1,259**	**1,271**

Financial liabilities	Financial instruments measured at fair value through profit or loss	Financial instruments measured at amortized cost	Total Carrying amount
Trade payables	—	16	16
Contingent considerations	190	—	190
Liabilities to employees related to historical acquisitions	11	—	11
Liabilities to owners	—	2,267	2,267
Other current liabilities	—	6	6
Accrued expenses	—	332	—
Total	**201**	**2,621**	**2,490**

CURRENT RECEIVABLES AND LIABILITIES

For current receivables and liabilities, such as trade receivables, lease liabilities and trade payables, the carrying amount is considered to be a fair 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).

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 classified as financial liabilities are measured at fair value by discounting expected cash flows at a risk-adjusted discount rate of 2%-9%. 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	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Opening balance	**66**	**187**
Payment - cash	—	-88
FX effects	—	6
Change in fair value recognized in combined statement of profit or loss	-13	-39
Closing balance	**53**	**66**

Positive changes in fair value of contingent considerations amounted to SEK -13 million (-39). This amount is included in net financial items in the combined statement of financial position.

The Group's contingent considerations are settled in cash or through newly issued shares. As of March 31, 2025, the contingent consideration is expected to be settled as follows.

	Contingent consideration classified as financial liability		
Expected settlement	Cash settlement	Newly issued	Total contingent consideration
31/03/2025	30	23	**53**
31/03/2024	48	18	**66**
01/04/2023	156	34	**190**

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	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Opening balance	**27**	**11**
Accrual of personnel cost in combined statement of profit or loss	-18	16
Closing balance	**9**	**27**

Current liability amounts to SEK 0 million (0, 0).

As at 31 March, 2025 the Group's non-current liabilities to employees related to acquisitions will be settled in cash.

NOTE 16 NON-CURRENT FINANCIAL ASSETS

	31/03/2025	31/03/2024
Receivables from associates	—	3
Non-current external receivables	7	21
Non-current receivables on employees	—	—
Securities holding	7	9
Carrying amount	**14**	**33**

Accumulated cost	31/03/2025	31/03/2024
At the beginning of year	33	33
Investments for the year	0	1
Sales for the year	-6	-3
Reclassification	-12	0
Loan	3	1
Repayment	-2	—
Translation difference	-1	0
Carrying amount at end of year	**14**	**33**

NOTE 17 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 cash flows and values of financial assets, optimize and secure funding as well as taking advantage of economies of scale..

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 (simplified approach for credit risk provision)

Credit risk for the Group is primarily attributable to trade receivables and Coffee Stain's aim is to continuously monitor this credit risk. The Group's customers primarily comprise of digital 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 - 45 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. 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 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	31/03/2025	31/03/2024
Trade receivables not yet due, excluding impairment	17	63
Past due trade receivables, excluding impairment		
1-60 days	1	3
61-120 days	10	—
>120 days	21	—
Total	**50**	**65**
Accrued income	149	211
Loss allowance for expected credit losses	-10	—
Carrying amount	**188**	**276**

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 10 million (0).

Expected credit losses for trade receivables and contract assets (simplified approach)	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Opening balance	**—**	**—**
Impairment	-10	—
Closing balance	**-10**	**—**

Age analysis of Expected credit losses for trade receivables and contract assets	31/03/2025	31/03/2024
Past due trade receivables, impairment		
1-60 day	-10	—
61-120 days	—	—
>120 days	—	—
Total	**-10**	**—**

Current investments and cash and cash equivalents

The Group's credit risk also pertains to cash and cash equivalents and investment of surplus liquidity. Coffee Stain'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 Coffee Stain Group has a s 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 and cash and cash equivalents. Cash and cash equivalents of SEK 472 million are invested with 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.

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 currency risk.

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 assets and liabilities in foreign currency into the functional currency of the Group companies, known as translation exposure. A substantial part of the Group's sales also in foreign currencies, so-called transaction exposure. In addition to these direct exposures, the Group is also subject to indirect currency effects on operating income through its platforms. As platform revenues are generated in a variety of currencies, the Group benefits from a natural diversification effect. Consequently, negative movements in individual exchange rates are partly offset by revenues and collections in other currencies, thereby mitigating the overall impact of foreign exchange fluctuations on the Group's financial performance.

	01/04/2024 - 31/03/2025		01/04/2023 - 31/03/2024	
Currency exposure (%)	**Operating income**	**Operating expenses**	**Operating income**	**Operating expenses**
USD	95 %	2 %	94%	5%
EUR	4 %	11 %	4%	13%
Other currencies	1 %	87 %	2%	82%

	01/04/2024 - 31/03/2025		01/04/2023 - 31/03/2024	
Sensitivity - Exchange rate fluctuations against the Swedish krona	**Effect on profit or loss**	**Effect on equity**	**Effect on profit or loss**	**Effect on equity**
EUR - 10%	9	0	9	0
USD - 10%	-102	0	100	0

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. 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.

NOTE 17 CONTINUED

Maturity analysis	31/03/2025 <1 year	1-3 years	3-5 years	>5 years	Total
Contingent considerations	0	25	0	0	25
Liabilities to employees related to historical acquisitions	0	5	5	—	9
Lease liabilities	14	9	—	—	24
Trade payables	59	—	—	—	59
Accrued expenses	141	—	—	—	141
Other current liabilities	56	—	—	—	56
Total	**277**	**39**	**5**	**0**	**321**

Maturity analysis	31/03/2024 <1 year	1-3 years	3-5 years	>5 years	Total
Contingent considerations	6	0	—	—	6
Lease liabilities	13	—	—	—	13
Trade payables	70	—	—	—	70
Accrued expenses	107	—	—	—	107
Other current liabilities	451	—	—	—	451
Total	**648**	**0**	**—**	**—**	**648**

Maturity analysis	01/04/2023 <1 year	1-3 years	3-5 years	>5 years	Total
Contingent considerations	117	0	—	—	117
Liabilities to employees related to historical acquisitions	—	5	6	—	11
Lease liabilities	12	10	—	—	22
Trade payables	16	—	—	—	16
Accrued expenses	332	—	—	—	332
Other current liabilities	6	—	—	—	6
Total	**483**	**15**	**6**	**—**	**504**

NOTE 18 PREPAID EXPENSES

	31/03/2025	31/03/2024
Prepaid rental expenses	6	7
Other prepaid expenses	3	4
Carrying amount	**9**	**11**

Prepaid expenses refer to costs that have been accrued and are attributable to a later period.

NOTE 19 GROUP COMPANIES

The Parent Company's, Coffee Stain Group AB, holdings in direct and indirect subsidiaries included in the combined financial statements are presented in the following table:

				Share of equity/votes		
Company	**Corp. Reg. No.**	**Registered office**	**Country**	**31/03/2025**	**31/03/2024**	**01/04/2023**
Coffee Stain Group AB	559280-0014	Karlstad	Sweden	Parent Company	Parent Company	Parent Company
Box Dragon AB	559219-7668	Gothenburg	Sweden	70 %	70 %	70 %
Coffee Stain Gbg AB	559105-9208	Skövde	Sweden	100 %	100 %	100 %
Coffee Stain Holding AB	556995-0180	Skövde	Sweden	100 %	100 %	100 %
Coffee Stain North AB	556950-9960	Stockholm	Sweden	100 %	100 %	100 %
Coffee Stain Publishing AB	559073-7069	Skövde	Sweden	100 %	100 %	100 %
Coffee Stain Studios AB	556821-8225	Skövde	Sweden	100 %	100 %	100 %
Easytrigger AB	559076-4543	Trollhättan	Sweden	100 %	100 %	100 %
Ghost Ship Games ApS	37989819	Copenhagen	Denmark	100 %	100 %	100 %
Ghost Ship Publishing ApS	44471248	Copenhagen	Denmark	100 %	100 %	100 %
GhostShip Holding ApS	37864005	Copenhagen	Denmark	100 %	100 %	100 %
Lavapotion AB	559087-8954	Gothenburg	Sweden	60 %	60 %	60 %
Mediocre AB	556852-0604	Skövde	Sweden	100 %	100 %	100 %
A Creative Endeavor AB	556895-1221	Gothenburg	Sweden	100 %	100 %	100 %
Frame Break AB	559241-9278	Skövde	Sweden	100 %	100 %	100 %
Invisible Walls Aps	38999524	Copenhagen	Denmark	100 %	100 %	100 %
Kavalri Games AB	559164-5089	Stockholm	Sweden	61 %	61 %	61 %
Tuxedo Labs AB	16559219-0259	Kävlinge	Sweden	100 %	100 %	100 %

NOTE 20 EQUITY

SHARE CAPITAL

As per end of year 2024/2025 the share capital amounts to SEK 25.000. After the closing of the year a stock dividend issue has been performed. Holders of ordinary shares are entitled to dividends which are determined in due course. All shares have equal rights to Coffee Stain Group's remaining net assets. All shares are fully paid. For more information see note 25. Significant events after the quarter.

RESERVES

Translation 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, 2025 the reserve amounts to SEK 100 million (192; 146).

	Currency translation reserve
Opening balance at 1 of April 2023	**146**
Change during the year	46
Closing balance at 31 of March 2024	**192**
Change during the year	-92
Closing balance at 31 of March 2025	**100**

NOTE 21 ACCRUED EXPENSES

	31/03/2025	31/03/2024	01/04/2023
Accrued personnel expenses	39	34	10
Accrued royalties/commission	25	24	235
Audit and consulting expenses	11	9	2
Accrued interest expenses	13	13	16
Other items	52	27	69
Carrying amount	**141**	**107**	**332**

NOTE 22 CASH FLOW STATEMENT

Components of cash and cash equivalents	31/03/2025	31/03/2024	01/04/2023
Bank deposit	472	312	586
Carrying amount	**472**	**312**	**586**

Interest	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Received	2	6
Paid	0	0
	2	**6**

Adjustment for items not affecting cash flow	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Depreciation, amortization and impairment	432	338
Share of profit of an associate	-9	-9
Financial expenses/income	72	55
Change in fair value contingent consideration	-13	-39
Other non-cash items	-8	5
Total	**475**	**350**

Changes in liabilities attributable to financing activities	01/04/2024	Financing cash flows	Business combinations	Exchange differences	New and amended lease agreements	Other	03/31/2025
Liabilities to owners	2,096	-439	—	-3	—	402	2,056
Lease liabilities	25	-17	—	1	15	—	24
Total liabilities attributable to financing activities	**2,121**	**-456**	**—**	**-2**	**15**	**402**	**2,080**

Changes in liabilities attributable to financing activities	01/04/2023	Financing cash flows	Business combinations	Exchange differences	New and amended lease agreements	Other	03/31/2024
Liabilities to owners	2,267	-679	—	0	—	508	2,096
Lease liabilities	22	-17	—	-1	22	0	25
Total liabilities attributable to financing activities	**2,289**	**-696**	**—**	**-1**	**22**	**508**	**2,121**

Liabilities to owner, column Other mainly refers to changes in Cash pool account.

NOTE 23 PLEDGED ASSETS AND CONTINGENT LIABILITIES

The company has no pledged assets. The contingent liabilities are presented in note 15.

NOTE 24 RELATED PARTY TRANSACTIONS

A list of the Group's subsidiaries, which also are related parties to the Parent Company, is found in note 19 Group companies. All transactions between Coffee Stain Group AB and its subsidiaries have been eliminated in the combined financial statements.

For information regarding remuneration of senior executives, see note 6 Employees and personnel expenses. Coffee Stain's other transactions with related parties consist of transactions with Embracer Group AB which comprised Coffee Stain's parent company during the historical periods presented and the key personnel in the company.

Related party transaction	Related party	01/04/2024 - 31/03/2025	01/04/2023 - 31/03/2024
Management fee	Embracer Group AB	-3	-2
Interest income	Embracer Group AB	16	6
Interest costs	Embracer Group AB	-55	-62
		-42	**-59**

As of the closing date, there were SEK 2,022 million (SEK 2,072 million as per 31 of March 2024 and SEK 2,263 million as per 1 of April 2023) in unsettled debt to related parties.

NOTE 25 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

> On September 1 , Embracer group announced that the board of directors, for the future listed entity has 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.

> On September 30, Coffee Stain Group's share capital was increased by SEK 475,000 to SEK 500,000 through a bonus. The number of shares in the group was also changed as a result of a split of the existing 250 shares, whereby 10 A shares were divided into 9,000,000 A shares and 240 B shares were divided into 216,119,707 B shares. Each A share has 10 voting rights and each B share has 1 vote right.

> On November 30, Coffee Stain Group's share capital was increased by SEK 17,775 to SEK 517,775 through a bonus issue. Simultaneously, the Group's share capital was decreased by SEK 4,420 to SEK 513,354 through a share redemption by retirement of 1,922,036 B shares. Through the bonus issue, the group did not require permission from the Swedish Companies Registration Office or the general court when resolving on the share redemption.

> On November 26, Embracer Group announced that Coffee Stain Group will have a proforma net cash position of SEK 500 million as of 30 September 2025 where on November 26, Coffee Stain Group received an unconditional shareholder contribution payable in cash of SEK 251 million.

> On November 26, Embracer Group announced that multiplayer online game Fellowship intends to be part of Coffee Stain group trough an internal transfer from Embracer Group. The transaction was structured as a non-cash transfer and was finalized on November 30, at which point Coffee Stain Group received a non-cash unconditional shareholder contribution of SEK 173 million to settle the transfer.

The Board of Directors and Chief Executive Officer offer their assurance that this combined financial statement 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 combined financial statement a fair overview of the Group's financial position and result. The Board of Directors' Report for the Group gives a fair overview of the Group's business, financial position

Karlstad, December 7, 2025

Jacob Jonmyren
Chair of the Board

Lars Wingefors *Board member*	**Sara Börsvik** *Board member*	**Kicki Wallje-Lund** *Board member*	**Henrik Tjärnström** *Board member*

Anton Westbergh
CEO and Board member

Auditor's report

To the Board of Directors of Coffee Stain Group AB (publ), Reg. No. 559280-0014

Report on the Combined Financial Statements

Opinions

We have performed an audit of the combined financial statements of Coffee Stain Group AB (publ), which comprise the combined balance sheets as of March 31, 2025, and March 31, 2024, the combined statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the years then ended, as well as the notes, including a summary of significant accounting policies. The combined financial statements are included on pages 02–29 of this document.

In our opinion, the combined financial statements give a true and fair view, in all material respects, of the Group's financial position as of March 31, 2025, and March 31, 2024, as well as of its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act (1995:1554) and RFR 1 "Supplementary Accounting Rules for Groups" issued by the Swedish Corporate Reporting Board.

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 Coffee Stain 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Emphasis of matter

We draw particular attention to Note 1, which describes the basis of preparation for the combined financial statements. The combined financial statements present financial information for entities under common control that did not constitute a group under IFRS 10 for the periods presented. Management has, in accordance with IAS 8, developed and applied an accounting policy for combinations under common control using the predecessor accounting method. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the combined financial statements and for ensuring that they give a true and fair view in accordance with IFRS 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 that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, The Board of Directors and the Managing Director are responsible for the assessment of the company'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.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the combined financial statements 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Directors' use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Stockholm, December 7, 2025
Öhrlings PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant

Martin Bengtsson
Authorized Public Accountant