

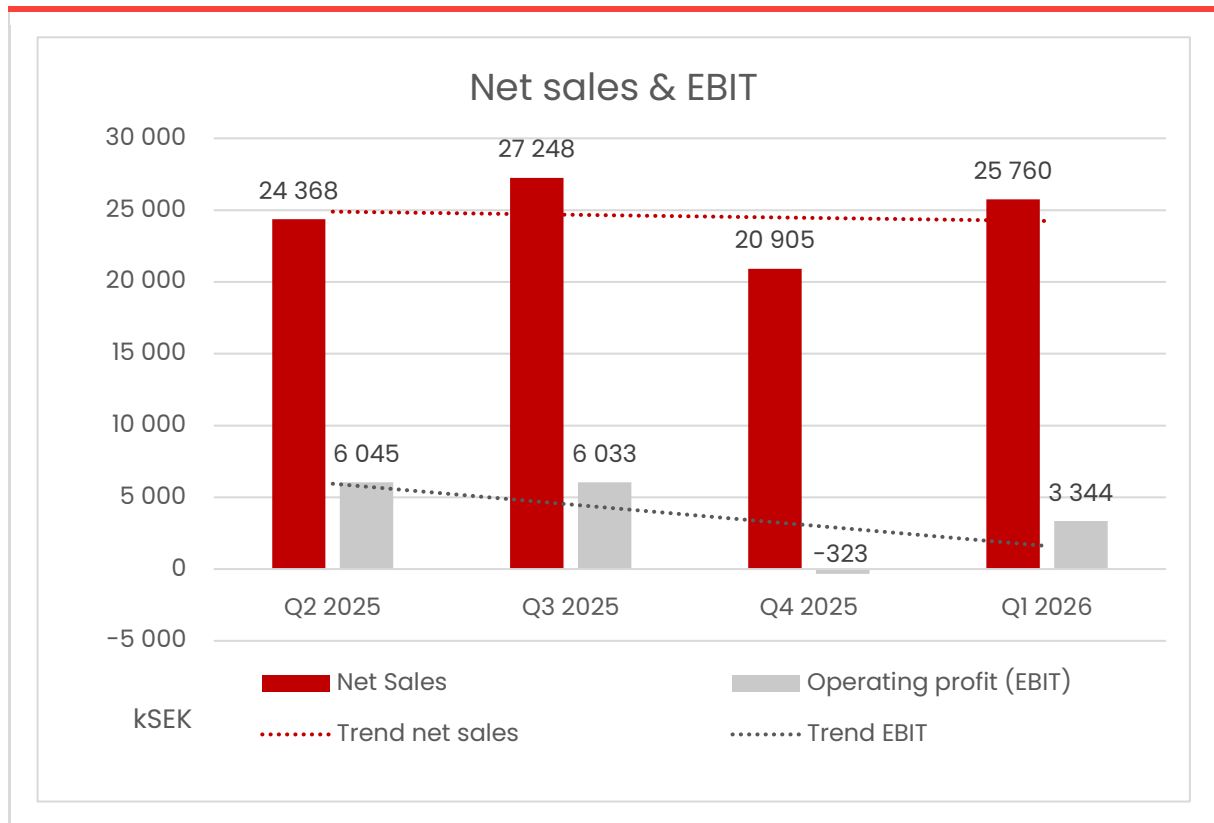


Interim report

First quarter 2026

Envar Holding AB

Financial highlights | Q1 2026



FINANCIAL OVERVIEW

SEK thousand	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Net sales	25,760	20,905	27,248	24,368	22,677
EBITDA	3,535	-74	6,240	6,222	5,061
EBITDA margin (%)	13.72	-0.35	22.90	25.53	22.32
Operating profit (EBIT)	3,344	-323	6,033	6,045	4,883
EBIT margin (%)	12.98	-1.55	22.14	24.81	21.53
Sales growth (%)	13.60	-11.75	22.78	50.75	104.94
Equity ratio (%)	81.64	83.42	83.32	83.19	85.09
Earnings per share, basic (SEK)	0.23	-0.04	0.37	0.38	0.26
Earnings per share, diluted (SEK)	0.22	-0.03	0.35	0.37	0.25
Average number of shares, basic*	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000
Average number of shares, diluted*	13,014,780	13,014,780	13,014,780	13,014,780	13,014,780
Number of shares at balance sheet date*	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000

*For definitions of key performance indicators go to page 21 in the report.

Interim report

First quarter | January – March 2026

- Net sales amounted to SEK 25,760 thousand (22,677), an increase of 13.60 percent compared to the same period last year.
- Operating profit before depreciation (EBITDA) totaled SEK 3,535 thousand (5,061), representing an operating margin of 13.72 percent (22.32) before depreciation.
- Operating profit (EBIT) totaled SEK 3,344 thousand (4,883), representing an operating margin of 12.98 percent (21.53). EBIT for the period is affected by SEK 1,114 thousand in marketing expenses connected to the release of Witchspire which, in accordance with the applied accounting policies, cannot be capitalized.
- Earnings per share, basic, amounted to SEK 0.23 (0.26).
- Cash and cash equivalents totaled SEK 37,238 thousand (53,285). Cash flow from operating activities amounted to SEK -4,258 thousand (-4,553).
- Net cash totaled SEK 37,238 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 2026

The first quarter of the year delivered strong sales, driven largely by work on illustrations for a card game for one of the group's largest customers, as well as work on game trailers. Compared with the same period last year, net revenue increased by SEK 3,083 thousand, corresponding to an increase of 13.60%. As described in previous reports, we continue to see that the main driver of revenue growth is the transformation of the games market from using in-house employees to outsourcing projects to an increasingly greater extent.

We continue along the chosen path of maintaining a high level of participation at international gaming and industry events to strengthen our brand, create new partnerships, and generate new business.

Operating profit (EBIT) amounted to SEK 3,344 thousand for the quarter, a decrease of SEK 1,539 thousand compared with the same period last year. The decrease in EBIT is largely attributable to the fact that EBIT for Q1 2026 includes significant marketing expenses for the upcoming game launch of Witchspire, taking place 10 June. These marketing expenses, totaling SEK 1,114 thousand, cannot be capitalized in accordance with the applied accounting principles and therefore impact the result. In addition, the Group continued to invest more in its IT infrastructure compared to the corresponding period previous year as well as staffing the organization administratively to support growth.



COMMENT FROM THE CEO

I have been looking forward to presenting Envar's first quarter of the 2026 financial year, which was a strong financial quarter. Compared with the same period in 2025, net revenue increased by SEK 3,083 thousand, corresponding to an increase of 13.60%. Operating profit (EBIT) amounted to SEK 3,344 thousand for the quarter, which was a decrease of SEK 1,539 thousand compared with the same period the previous year. This decrease is mainly because during Q1 the Group incurred marketing expenses totaling SEK 1,114 thousand related to marketing of the game development, an item that is reflected in operating profit as it is considered a non-capitalizable expense.

Envar Entertainment

The increased sales for the quarter demonstrate Envar Entertainment's strong position in the outsourcing market. With the first quarter of the year reaching net revenue of SEK 25,760 thousand, the customer Sony is the one that has increased the most in order volume in percentage terms, and overall, there has been a very strong inflow of orders from existing customers.

Compared with the end of the fourth quarter, an additional 14 freelancers have been hired, and at the end of Q1 the company has 120 freelancers and 39 employees.

Envar Games

At the digital event, Galaxies Showcase, what many have been waiting for was presented—the launch date for Witchspire, set for 10 June 2026. Development remains on schedule and, alongside the ongoing "polish phase," we are planning post-launch activities. Going forward, we will communicate about the road to the complete 1.0 release and any updates that will be released until then.

Within Envar Games, we have established an additional development team that we internally refer to as Envar Blue. We see a business opportunity in creating attractive game experiences for players looking for more varied experiences—more specifically, development projects that at the same time require smaller development teams. The Envar Blue team's mission is to launch indie titles within more limited development budgets, as a complement to Envar's production of larger titles such as Witchspire. Our newly recruited Game Director for Envar Blue is responsible for tailoring the team and leveraging close collaboration with other competencies within Envar Games and the Group as a whole.

In summary, Envar Blue creates strong opportunities to broaden Envar Games target market with more titles and more frequent game launches, and to leverage the internal talent within our group. When Envar Blue reaches full production, our ambition is to launch a new title every 12–15 months.

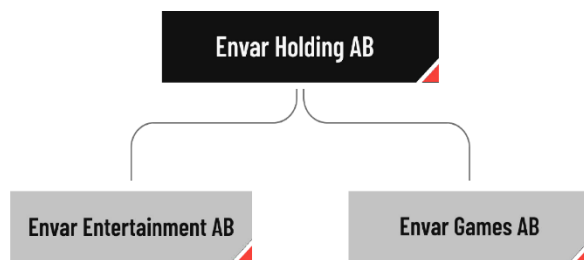
Yours sincerely,

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, Witchspire, launched on 10 June 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

2025

160 co-workers in more than 20 countries

Envar Games announces its debut title *Witchspire*, bringing a world of magic to the survival-crafting adventure genre.

Revenue:
SEK 95 197 thousand

EBIT: SEK 16,638 thousand

SIGNIFICANT EVENTS DURING THE QUARTER

- In February, Envar Games announced that the number of wishlists for Witchspire on Steam had reached over 200,000.

SIGNIFICANT EVENTS AFTER THE QUARTER

- Notice of the Annual General Meeting in Envar Holding AB was published in April. The AGM will be held on Monday, 11 May 2026.
- In April, Envar Holding AB published the annual report for 2025.
- In April, Envar Games announced via press release that the launch date for Witchspire is set for 10 June 2026.
- In April, Envar Games announced via press release that Witchspire had surpassed 300,000 wishlists on Steam.

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.

The risks identified include the Group's dependence on certain key customers and the need to attract the right talent to maintain the company's growth and profitability. In the game development industry, where Envar operates, there is a risk that the market will not receive the company's game developments as expected. At present, the risks are considered limited, but company management continuously monitors market developments. When long-term customer contracts are signed, there is a potential risk that projected direct costs may become higher than expected. Careful project monitoring helps minimize these risks.

The Group invoices customers primarily in USD, while part of the cost base is in SEK, which exposes the Group to currency risk that may affect profit and cash flow.

EMPLOYEES AND ORGANIZATION

At the end of the period, the Group had 39 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 2026	39
Number of employees Q1 2025	29
Number of consultants Q1 2026	120
Number of consultants Q1 2025	116

NUMBER OF SHARES

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

	Q1 2026	Q1 2025	FULL YEAR 2025
Average number of shares, basic	12,500,000	12,500,000	12,500,000
Average number of shares, diluted	13,014,780	13,014,780	13,014,780

FINANCIAL POSITION | GROUP

SALES, EXPENSES AND OPERATING PROFIT

FIRST QUARTER | JANUARY– MARCH

Net sales totaled SEK 25,760 thousand (22,677), representing revenue growth of 13.60% compared with the same period last year.

Research and development expenses during the period totaled SEK 7,309 thousand (2,468). 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. During the period, the Group incurred marketing expenses totaling SEK 1,114 thousand related to marketing of the game development—an item that is reflected in operating profit as it is considered a non-capitalizable expense.

Operating profit (EBIT) totaled SEK 3,344 thousand for the quarter, a decrease of SEK 1,539 thousand compared with the same period last year. The decrease in EBIT is largely attributable to the fact that EBIT for Q1 2026 includes significant marketing costs for the upcoming game release of Witchspire, taking place 10 June. These marketing costs, totaling SEK 1,114 thousand, cannot be capitalized in accordance with the applied accounting principles and therefore impact the result. In addition, the Group continued to invest more in its IT infrastructure compared to the corresponding period previous year as well as staffing the organization with more project managers to support growth.

CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

FIRST QUARTER | JANUARY– MARCH

Cash flow from operating activities during the quarter totaled SEK -4,258 thousand (-4,553). The Group's cash and cash equivalents totaled SEK 37,238 thousand (53,285).

During the quarter, investments affected cash flow in the amount of SEK -7,766 thousand (-2,862). 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 (0).

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK thousand	NOTE	JAN 2026– MAR 2026	JAN 2025– MAR 2025	FULL YEAR 2025
Net sales		25,760	22,677	95,197
Research and development expenses		7,309	2,468	21,126
Other operating income		2,548	2,229	9,050
Total revenue		35,617	27,374	125,373
Operating expenses				
Raw materials and consumables		-14,697	-10,369	-52,785
Other external costs		-7,491	-4,836	-23,119
Personnel costs		-9,345	-6,276	-29,710
Depreciation and amortization		-191	-178	-811
Other operating expenses		-549	-832	-2,310
Operating profit/loss		3,344	4,883	16,638
Net financial items				
Financial income	8	1,228	0	893
Financial expenses	9	-904	-880	-2,152
Profit/loss after financial items		3,668	4,003	15,379
Tax on profit for the period	10	-773	-724	-3,132
Profit/loss for the period		2,895	3,279	12,247

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK thousand	NOTE	JAN 2026– MAR 2026	JAN 2025– MAR 2025	FULL YEAR 2025
Profit/loss for the period		2,895	3,279	12,247
Profit/loss for the period		2,895	3,279	12,247

CONDENSED CONSOLIDATED BALANCE SHEET

SEK thousand	NOTE	31/03/2026	31/03/2025	31/12/2025
ASSETS				
Non-current assets				
Intangible non-current assets	2	45,675	19,707	38,365
Property, plant and equipment	3	3,003	1,591	2,738
Financial non-current assets	4	2,000	2,000	2,000
Total non-current assets		50,678	23,298	43,103
Current assets				
Trade receivables		8,044	4,979	8,692
Current tax assets		-	5	-
Other receivables		853	232	356
Revenue earned but not invoiced		12,174	9,514	1,403
Prepaid expenses and accrued income		4,546	3,667	5,103
Total current assets		25,617	18,397	15,554
Cash and cash equivalents		37,238	53,285	48,960
TOTAL ASSETS		113,533	94,980	107,617
EQUITY AND LIABILITIES				
Equity		92,684	80,821	89,778
Non-current liabilities				
Deferred tax liability	6	1,590	1,590	1,590
Other liabilities	7	1,198	1,198	1,198
Total non-current liabilities		2,788	2,788	2,788
Current liabilities				
Accounts payable		7,118	4,282	4,452
Current tax liabilities		2,919	2,405	3,846
Other liabilities		2,414	868	1,852
Accrued expenses and prepaid income		5,610	3,816	4,901
Current liabilities		18,061	11,371	15,051
TOTAL EQUITY AND LIABILITIES		113,533	94,980	107,617

KEY PERFORMANCE INDICATORS – GROUP

SEK thousand	JAN 2026– MAR 2026	JAN 2025– MAR 2025	FULL YEAR 2025
Net sales	25,760	22,677	95,197
EBITDA	3,535	5,061	17,450
EBITDA margin (%)	13.72	22.32	18.33
Operating profit (EBIT)	3 344	4,883	16,638
EBIT margin (%)	12.98	21.53	17.48
Sales growth (%)	13.60	104.94	30.21
Equity ratio (%)	81.64	85.09	83.42
Earnings per share, basic (SEK)	0.23	0.26	0.98
Earnings per share, diluted (SEK)	0.22	0.25	0.94
Average number of shares, basic*	12,500,000	12,500,000	12,500,000
Average number of shares, diluted*	13,014,780	13,014,780	13,014,780
Number of shares at balance sheet date *	12,500,000	12,500,000	12,500,000

*For definitions of key performance indicators go to page 21 in the report.

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 01/01/2025	625	44,692	32,225	77,542	77,542
Profit/loss for the period			3,279	3,279	3,279
Equity 31/03/2025	625	44,692	35,503	80,821	80,821
Opening Equity 01/01/2025	625	44,692	32,225	77,542	77,542
Profit/loss for the period			12,247	12,247	12,247
Equity 31/12/2025	625	44,692	44,472	89,789	89,789
Opening Equity 01/01/2026	625	44,692	44,472	89,789	89,789
Profit/loss for the period			2,895	2,895	2,895
Equity 31/03/2026	625	44,692	47,367	92,684	92,684

* 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	JAN 2026– MAR 2026	JAN 2025– MAR 2025	FULL YEAR 2025
Operating activities			
Operating profit/loss	3,344	4,883	16,638
Adjustments for non-cash items	-79	570	1,087
Interest received	1,228	0	893
Interest paid	-1,206	-198	-270
Income tax paid	-1,689	-25	-998
Cash flow from operating activities before changes in working capital	1,598	5,230	17,350
Change in trade receivables	597	1,899	-2,253
Change in current trade receivables	-10,712	-8,313	-1,762
Change in trade payables	2,988	-3,314	-2,830
Change in current liabilities	1,271	-55	2,014
Cash flow from operating activities	-4,258	-4,553	12,519
Investing activities			
Acquisitions of intangible non-current assets	-7,309	-2,468	-21,126
Acquisitions of property, plant and equipment	-457	-394	-1,934
Cash flow from investing activities	-7,766	-2,862	-23,060
Financing activities			
New share issue during the year	-	-	-
Loans raised	-	-	-
Amortization of loans	-	-	-
Cash flow from financing activities	-	-	-
CASH FLOW FOR THE PERIOD	-12,024	-7,415	-10,541
Cash and cash equivalents at the beginning of the period	48,960	61,383	61,383
Exchange rate difference in cash and cash equivalents	302	-683	-1,882
Cash and cash equivalents at the end of the period	37,238	53,285	48,960

CONDENSED PARENT COMPANY INCOME STATEMENT

SEK thousand	NOTE	JAN 2026– MAR 2026	JAN 2025– MAR 2025	FULL YEAR 2025
Net sales		-	-	-
Other operating income		-	-	-
Total revenue		-	-	-
Operating expenses				
Other external costs		-361	-57	-1,025
Other operating expenses		-	-	-
Operating profit/loss		-361	-57	-1,025
Net financial items				
Income from participations in Group companies	8	22	-	633
Interest expense and similar items	9	-	-186	-0
Profit/loss after financial items		-339	-243	-392
Group contribution		-	-	392
Tax on profit for the period	10	-	-	-
Profit/loss for the period		-339	-243	0

CONDENSED PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK thousand	NOTE	JAN 2026– MAR 2026	JAN 2025– MAR 2025	FULL YEAR 2025
Profit/loss for the period		-339	-243	0
Profit/loss for the period		-339	-243	0

CONDENSED PARENT COMPANY BALANCE SHEET

SEK thousand	NOTE	31/03/2026	31/03/2025	31/12/2025
ASSETS				
Financial non-current assets				
Shares in Group companies	5	3,493	3,493	3,493
Total non-current assets		3,493	3,493	3,493
Current assets				
Receivables from Group companies		32,413	7,518	23,587
Other receivables		-	-	-
Prepaid expenses and accrued income		271	173	455
Total current assets		32,684	7,691	24,042
Cash and cash equivalents		17,263	42,346	26,241
TOTAL ASSETS		53,440	53,530	53,776
EQUITY AND LIABILITIES				
Equity		53,434	53,530	53,773
Current liabilities				
Accounts payable		-	-	-
Other liabilities		-	-	3
Accrued expenses and prepaid income		6	-	-
Current liabilities		6	-	3
TOTAL EQUITY AND LIABILITIES		53,440	53,530	53,776

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 01/01/2025	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
Opening Equity 01/01/2025	625	44,692	8,456	53,773	53,773
Profit/loss for the period			0	0	0
Equity 31/12/2025	625	44,692	8,456	53,773	53,773
Opening Equity 01/01/2026	625	44,692	8,456	53,773	53,773
Profit/loss for the period			-339	-339	-339
Equity 31/03/2026	625	44,692	8,117	53,434	53,434

PARENT COMPANY STATEMENT OF CASH FLOWS

SEK thousand	NOTE	JAN 2026– MAR 2026	JAN 2025– MAR 2025	FULL YEAR 2025
Operating activities				
Operating profit/loss		-361	-57	-1,025
Adjustments for non-cash items		-	-	-
Interest received		22	-	632
Interest paid		-	-186	-0
Cash flow from operating activities before changes in working capital		-339	-243	-393
Change in current trade receivables		-8,643	-2,449	-18,407
Change in trade payables		-	-1,852	-1,853
Change in current liabilities		4	-	3
Cash flow from operating activities		-8,978	-4,544	-20,649
Investing activities				
Acquisitions of Group companies		-	-	-
Cash flow from investing activities		-	-	-
Financing activities				
New share issue		-	-	-
Group contribution		-	-	-
Loans raised by Group companies		-	-	-
Repayment of loans to Group companies		-	-	-
Cash flow from financing activities		-	-	-
CASH FLOW FOR THE PERIOD		-8,978	-4,544	-20,649
Cash and cash equivalents at the beginning of the period		26,241	46,890	46,890
Cash and cash equivalents at the end of the period		17,263	42,346	26,241

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 2012:1 (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.

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. Income from assignments on a current account basis is recognized as revenue as work is performed and materials are delivered or consumed.

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 (%)*

Change in net sales for the period in relation to the comparison period, expressed as a percentage

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	Q1 31/03/2026	Q1 31/03/2025	FULL YEAR 31/12/2025
Capitalized development expenditure			
<i>Accumulated cost</i>			
At beginning of period	38,366	17,239	17,239
In-house developed assets	7,309	2,469	21,126
At end of period	45,675	19,708	38,365
<i>Accumulated amortization</i>			
At beginning of period	-	-	-
Amortization for the year	-	-	-
At end of period	-	-	-
	45,675	19,708	38,365

Note 3 Property, plant and equipment

GROUP	Q1 31/03/2026	Q1 31/03/2025	FULL YEAR 31/12/2025
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	-418	-406	-406
Depreciation for the year	-	-12	-12
At end of period	-418	-418	-418
Equipment, tools and installations			
<i>Accumulated cost</i>			
At beginning of period	4,895	2,962	2,962
Purchases for the year	456	153	1,933
At end of period	5,351	3,115	4,895
<i>Accumulated depreciation</i>			
At beginning of period	-2,157	-1,358	-1,358
Depreciation for the year	-191	-166	-799
At end of period	-2,348	-1,524	-2,157
	3,003	1,591	2,738

Note 4 Financial non-current assets

GROUP	Q1 31/03/2026	Q1 31/03/2025	FULL YEAR 31/12/2025
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 31/03/2026	Book value 31/03/2025	Book value 31/12/2025
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	22
				3,493	3,493	3,493

Note 6 Deferred tax liability

GROUP	Q1 31/03/2026	Q1 31/03/2025	FULL YEAR 31/12/2025
<i>Deferred tax liability on untaxed reserves</i>			
At beginning of period	1,590	1,698	1,698
Change for the year	-	-108	-108
At end of period	1,590	1,590	1,590

Note 7 Other long-term liabilities

GROUP	Q1 31/03/2026	Q1 31/03/2025	FULL YEAR 31/12/2025
Rent deposits	1,198	1,198	1,198
	1,198	1,198	1,198

Note 8 Interest income and similar items

GROUP	JAN 2026– MAR 2026	JAN 2025– MAR 2025	FULL YEAR 2025
Foreign exchange gains, unrealized	1,205	-	257
Other interest income	23	0	636
	1,228	0	893

PARENT COMPANY	JAN 2026– MAR 2026	JAN 2025– MAR 2025	FULL YEAR 2025
Övriga ränteintäkter	22	-	633
	22	-	633

Note 9 Interest expense and similar items

GROUP	JAN 2026– MAR 2026	JAN 2025– MAR 2025	FULL YEAR 2025
Exchange rate losses	-904	-683	-2,140
Other interest costs	0	-11	-12
Other financial costs	-	-186	-
	-904	-880	-2,152

PARENT COMPANY	JAN 2026– MAR 2026	JAN 2025– MAR 2025	FULL YEAR 2025
Other financial costs	-	-186	-0
	-186	-186	-717

Note 10 Tax on profit for the year

GROUP	PERCENT	JAN 2026– MAR 2026	JAN 2025– MAR 2025	FULL YEAR 2025
Current tax	20.60%	-773	-724	-3,251
Reconciliation of effective tax				
Profit before tax		3,668	4,003	15,379
Tax at the rate applicable to the Parent Company	20.60%	-756	-824	-3,168
Non-deductible expenses		-9	-8	-41
Non-taxable income		0	0	0
Non-deductible expenses not entered in the accounts		-	-	-
Standard interest rate on tax allocation reserve		-8	-	-31
Utilization of non-capitalized loss carryforwards		-	108	-
		-773	-724	-3,240

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

Interim report January–June 2026	August 11, 2026
Interim report January–September 2026	November 12, 2026
Year-end report January–December 2026	February 16, 2027

Stockholm May 11, 2026

Atey Ghailan
CEO

Emil Daugaard
Chair of the Board of Directors

Ewelina Pettersson
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 contact persons set out above, at 2026-05-11 08:00 CEST.