



Q4 2024

Interim Report



Q4 2024

Interim Report

Fourth quarter

- ▶ Net sales amounted to SEK 205.2 million (142.6).
- ▶ Product profit amounted to SEK 80.2 million (58.2), with a product margin of 39.1% (40.8).
- ▶ EBITDA amounted to SEK 29.0 million (12.6), corresponding to an EBITDA margin of 14.2% (8.8).
- ▶ EBIT amounted to SEK 21.4 million (6.8), corresponding to an EBIT margin of 10.4% (4.8).
- ▶ Operating cash flow amounted to SEK 17.2 million (-56.2).
- ▶ Interest-bearing net debt was SEK -50.6 million (-7.9).
- ▶ Earnings per share amounted to SEK 0.7 (0.1).
- ▶ No items affecting comparability for the quarter.

Jan–Dec 2024

- ▶ Net sales amounted to SEK 697.9 million (773.3).
- ▶ Product profit amounted to SEK 281.1 million (315.3), with a product margin of 40.3% (40.8).
- ▶ EBITDA amounted to SEK 84.0 million (137.2), corresponding to an EBITDA margin of 12.0% (17.7).
- ▶ EBIT amounted to SEK 58.6 million (115.8), corresponding to an EBIT margin of 8.4% (15.0).
- ▶ Operating cash flow amounted to SEK 59.2 million (131.6).
- ▶ Earnings per share amounted to SEK 1.6 (3.1).
- ▶ No items affecting comparability during the period.

Amounts in SEKm	Q4		Jan–Dec	
	2024	2023	2024	2023
Net sales	205.2	142.6	697.9	773.3
Net sales, USDm	19.0	13.4	66.0	72.8
Product profit	80.2	58.2	281.1	315.3
Product margin, %	39.1	40.8	40.3	40.8
EBITDA	29.0	12.6	84.0	137.2
EBITDA margin	14.2	8.8	12.0	17.7
EBIT	21.4	6.8	58.6	115.8
EBIT margin, %	10.4	4.8	8.4	15.0
Operating cash flow	17.2	-56.2	59.2	131.6
Interest-bearing net debt	-50.6	-7.9	-50.6	-7.9
Earnings per share, SEK	0.7	0.1	1.6	3.1
USD/SEK, average	10.8	10.7	10.6	10.6

CEO's comments

Strong end to the year

During the fourth quarter, our strategic initiatives contributed to a strong end to the year. We achieved our second-highest ever net sales for a single quarter and a significantly better result. We also foresee a brighter market situation in 2025, with the launch of important PC components and new gaming titles expected to positively impact consumer demand and prompt more consumers to upgrade their gaming stations.

As a team, we are enthusiastic about the growth opportunities we foresee, based on both stronger demand and our strategic initiatives. Fractal's expansion into new product categories during the year, which was very positively received in the market, will enable the transformative development of the company in the years ahead. We are at the start of our growth journey and see excellent opportunities to continue developing market-leading and distinctive products in both existing and entirely new categories based on our unique design philosophy and globally established brand.

Net sales for the quarter increased 44% to SEK 205.2 million (142.6). All sales take place in USD and sales increased 42% organically to USD 19.0 million (13.4). Sales during the quarter benefited from many of our partners increasing their purchasing to meet demand during the seasonally strong fourth quarter and, above all, ahead of anticipated stronger demand in 2025. Sales from resellers to end consumers increased 12%, driven by strong sales during Black Friday and Christmas trading, which resulted in our strongest quarter ever for end-customer sales. We enter the new year with a positive sales trend and low customer stock levels, which is expected to balance out during Q1 as sales from Q4 reach the markets.

EBITDA for the quarter increased to SEK 29.0 million (12.6), corresponding to an EBITDA margin of 14.2% (8.8). The higher earnings are mainly due to increased net sales. The product margin declined to 39.1% (40.8), impacted by the impairment of products in the water cooling category, which were charged to the margin by approximately 1.3 percentage points. During the quarter, discounts were at normal levels and in line with the same period in the previous year. We continued to have a sharp focus on enhancing the efficiency of our operations and ensuring good cost control while continuing to invest in future growth.

Fractal's US tariff exclusions for PC cases for now apply until May 31, 2025. We have had tariffs on all categories except cases for some time now, and from February 2025 an additional 10% will be added to the entire product portfolio sold in the US. The introduction of tariffs on products in our portfolio impacts the whole industry equally and is therefore competition neutral. We are carefully monitoring the situation and have a plan involving a mix of measures to mitigate higher costs. Our net sales in the US were SEK 251.7 million in 2024, corresponding to 36% of total net sales. We estimate an annualized negative EBITDA impact of about 1 percentage point.

If we sum up full-year 2024, we achieved net sales totaling SEK 697.9 million, approximately 10% lower than the record year in 2023 when we had growth of 59%. Despite the significantly weaker market and external conditions during the first three quarters of 2024, we succeeded nonetheless in retaining a healthy sales level and capturing market shares in our core markets. EBITDA for full-year 2024 decreased to SEK 84.0 million (137.2), affected by lower net sales and a somewhat lower product margin.

Fractal's financial position is strong, with net cash of SEK 50.6 million (7.9), which provides us with the scope to pursue our strategic initiatives.

Transformative brand shift

During the year, we made our largest ever launch and began a shift of Fractal's global brand and market position. The reception from communities, customers, partners and the media globally has been highly positive. With our new Refine gaming and computer chair and Scape gaming headset, we have expanded into two important product categories. These launches are a milestone in our growth journey. We now have an opportunity to apply Fractal's recipe for success, which has made us market leaders in the case and component category in a larger share of the consumer ecosystem.

Sales of Refine to end customers began in the third quarter and continued to exceed our expectations in Q4. The launch of Scape to end customers is planned for the second quarter of 2025, which is a delay compared with our original plans, but we look forward to soon being able to deliver our new headsets to enthusiastic gamers. During the year, we also launched our new Mood and Era 2 cases, which are strategically important for our product portfolio. We are also very proud that our best-selling North and North XL received the prestigious "Best Overall PC Case 2024" award from the influential and leading tech journal, GamersNexus. This award is further confirmation of the North series' continued success and its position as an innovative example in the casing market.

Outlook going forward

We enter the new year with good sales momentum, expecting increased demand in 2025 with support from key component launches and new gaming titles. Nvidia's new generation of graphics cards, launched in January 2025, is expected to be a catalyst for the next generation's gaming experience and for increasing interest in upgrading their gaming stations.

Fractal's product portfolio and globally established brand for gaming has never been stronger. We are well positioned to drive profitable growth in 2025 and beyond with the support of our expansion into new product categories, new launches and our expanded marketing and channel initiatives.

Jonas Holst, CEO

February 2025

MARKET POSITION

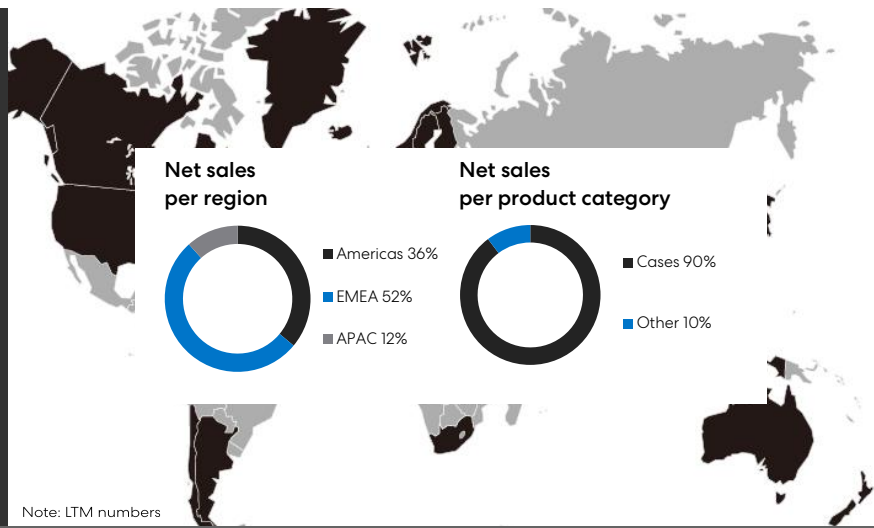
Top 3

GLOBAL REACH

50+ countries

NUMBER OF EMPLOYEES

108



>9,000,000 products sold

Offices in Gothenburg / Dallas / Taipei / Dongguan

Founded 2010

This is Fractal

Founded in 2010, Fractal quickly became a pioneer that challenged the idea of what gaming products should look like using sleek and scaled-down design. Since then, we've grown into an international brand and an influential company within the premium segment of PC gaming products. Fractal products are available in over 50 countries in the attractive and ever-growing gaming market.

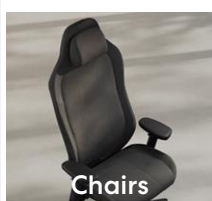
Our product categories are cases, gaming chairs, gaming headsets, power supply, cooling products and fans for PC gaming computers. Fractal is a market leader for cases in several geographic markets: number one in the Nordics and Japan, and a top three position globally. Our products are characterized by Scandinavian design, carefully considered materials and high quality.

From day one, we have achieved profitable growth by successfully combining design, performance and quality demanded by consumers, while expanding our product range and geographic presence. Fractal is a leading, well-established brand with a strong premium position, something that has earned us a clear and strong position in relevant and influential communities. We have focused a great deal on the customer experience, for which our customer service and aftermarket department have received high praise in the industry.

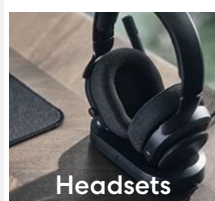
We have identified several growth areas for continued profitability and development, through initiatives like broader and more innovative marketing, continued focus on geographic expansion and new markets. Our head office is based in Gothenburg (Sweden) with satellite offices in Dallas (the US), Dongguan (China) and Taipei (Taiwan).



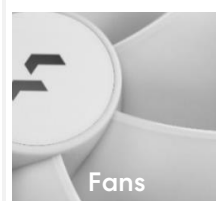
Market leading cases for demanding gamers and PC enthusiasts. Fractal's award-winning cases stand out with a unique Scandinavian design combined with high performance and recognized quality.



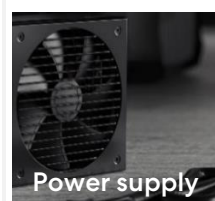
Ergonomic gaming chairs aimed at the most demanding gamers, streamers and creators. Fractal's exclusive gaming chairs offer superior comfort and ergonomics and are designed to fit into the modern gamer's home.



Headsets that challenge the stereotype of how gaming hardware can be designed. Fractal's gaming headset offers top-tier audio and microphone quality combined with a high level of comfort and unique Scandinavian design.



Fans for quiet and efficient cooling of cases and radiators. Fractal's fans are available in every conceivable design, from the discreet and quiet 120 mm models to the powerful 180 mm models.



Reliable and secure power supply for the most high-performance components. Fractal's quiet and high-performance power supply units are offered in a range of different versions and sizes.



Water cooling is a popular alternative to air cooling of a computer's processors. Fractal's water coolers are available in a number of different sizes and with high performance, low noise levels and a scaled-down design.



Image: Nvidia

Market performance and trends

The fourth quarter showed signs of market recovery

Black Friday and Christmas trading, two of the year's most important sales periods, delivered impressive results. Sales during Black Friday in the US increased 2% compared with 2023, while Cyber Monday, which often focuses on home electronics and components, noted growth of a full 9%. Electronics was the fourth largest product category, with higher sales than, for example, home and sports products.

PC gaming continues to engage and capture an increasingly central place in the home and daily life for a globally expanding audience. An annual survey by the Consumer Technology Association prior to Christmas trading found that 35% of US consumers who planned to purchase technology products considered a stationary PC as a Christmas gift, up 9 percentage points compared with the preceding year. In total, 78% stated that they intended to purchase some form of computer hardware, with the wireless headset emerging as the most popular category among tech-related Christmas gifts.

Upgrade cycle gathers momentum

PC and hardware upgrades are a decisive factor for our consumers and 2025 looks like an exciting year for new builds and associated equipment. Nvidia's new generation of graphics cards, which was launched in January 2025, is expected to be a catalyst for "next-gen gaming". This technological development enables gaming with higher resolutions and is expected to trigger a wave of upgrades among tech enthusiasts and gamers who want to share in the latest and most optimal gaming experience.

At the same time, strong launches in other component categories, such as the CPU category, which commenced at the end of 2024 and continued into 2025, have contributed

to creating additional upgrade needs.

Intel's new Battlemage graphics cards, which are aimed at the more wallet-friendly segment, were well received by reviewers. In other words, Battlemage, with planned availability in January 2025, is expected to capture considerable market shares in the lower budget segments and also to serve as a gateway to more advanced PC builds in the future.

2025 also marks five years since the sales boom of the pandemic, when many customers took the opportunity to upgrade their systems. The combination of the next generation of components being available, older builds reaching the end of their useful life, and an upcoming strong year of launches for the gaming industry, will have a positive impact on our addressable target group and drive growth in several product categories related to the gaming station.

Strong launch schedule driving growth

Although 2024 set a record in the number of game launches, mainly driven by small studios and indie developments, 2025 is expected to be a year filled with strong and major title releases. The most anticipated games include Doom Dark Ages and Civilization 7.

A new report from Newzoo indicates that the gaming industry, and particularly the PC as choice of platform, can expect stronger growth in 2025 after a flat trend in 2024. Looking ahead, the gaming industry in its entirety is expected to grow by an average (CAGR) of 6.5% by 2033, which indicates a positive, long-term trend.

Sources: *GlobeNewsWire, Steam, GamesIndustryBiz, NPR*



North & North XL win “Best Overall PC Case 2024”

North and North XL received the prestigious “Best Overall PC Case 2024” award from the influential and leading tech journal, GamersNexus.

This award is further confirmation of the North series’ continued success and its position as an innovative example in the casing market.

North rapidly took a market-leading position using pioneering esthetics, in which the use of wood and exclusive materials introduced a completely new appearance for PC cases. The design not only created an immediate visual identity for the North series and Fractal’s brand but also started a new design trend in the industry as a whole.

At the beginning of the year, we launched XL varieties of the popular North case series, enabling even more powerful builds and further broadening the target group.

The fact that North remains the preferred choice of professional media and consumers throughout the world confirms its status as an iconic product in the market. It is also strong confirmation of Fractal’s ability to unite form and function and further strengthens our position as a design leader and trendsetter in gaming hardware.

Financial performance

Net sales

The Group's net sales amounted to SEK 205.2 million (142.6), up 43.8%. All of Fractal's sales take place in USD and net sales amounted to USD 19.0 million (13.4), corresponding to organic growth of 42.0%. Growth in the fourth quarter was driven by several factors. Demand from end consumers increased compared with the corresponding period of the preceding year. In addition, Black Friday and other campaigns were successful and increased sales of North and North XL after these products were honored with the "Best Overall PC Case 2024" award. In addition, a record quarter for Amazon was achieved, as well as good sales of the Refine gaming chair.

Sales in the case product category accounted for 86% (91) of total sales. This decrease was mainly attributable to the Refine gaming chair now accounting for a larger share of sales.

Earnings

Product profit amounted to SEK 80.2 million (58.2), corresponding to a product margin of 39.1% (40.8). The main cause of the decrease was an impairment of older products in the water cooling category,

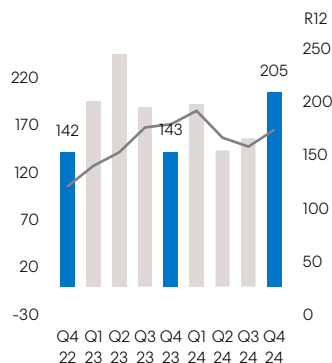
which had a negative impact on the margin of about 1.3 percentage points. In addition, somewhat lower margins in the case product category contributed approximately 0.6 percentage points.

Other factors, such as currency effects, tariffs, freight costs and price discounts, had an overall marginal net effect on the product margin, corresponding to a positive impact of approximately 0.2 percentage points.

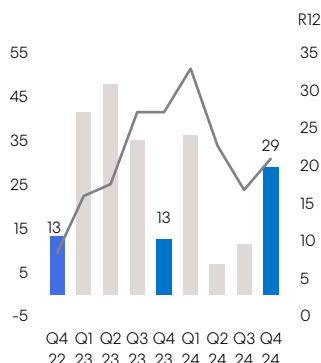
EBIT amounted to SEK 21.4 million (6.8), corresponding to an EBIT margin of 10.4% (4.8). Depreciation/amortization and impairment amounted to SEK -7.7 million (-5.8) and was mainly related to investments in product tools and capitalized development costs related to new product launches.

Earnings for the period amounted to SEK 21.2 million (3.2) and net financial items to SEK 5.0 million (-2.6). Tax on earnings for the period amounted to SEK -6.0 million (-3.0). Earnings per share amounted to SEK 0.7 (0.1). There is no dilution effect as no shares were issued during the period.

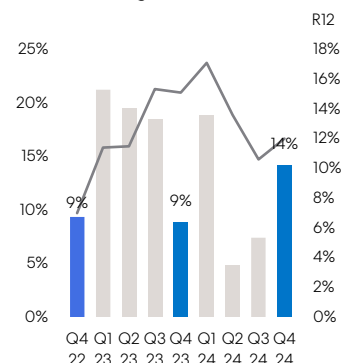
Net sales, SEK million



EBITDA, SEK million



EBITDA margin



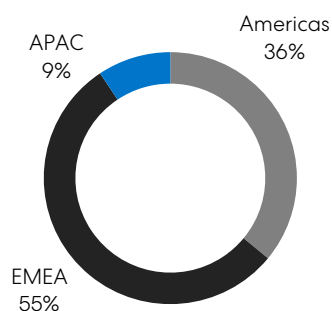
Geographic markets

The strongest region during the quarter was EMEA, with net sales of SEK 112.1 million (62.9). Net sales in the Americas amounted to SEK 73.8 million (58.7) and APAC amounted to SEK 19.2 million (21.1).

The year-on-year increase in EMEA and Americas was mainly driven by higher demand from end consumers. Growth in EMEA was particularly strong and could be attributed to the record quarter for Amazon and the successful sale of the Refine gaming chair.

Of total net sales, EMEA accounted for 54.6% (44.1), the Americas for 36.0% (41.1) and APAC for 9.4% (14.8).

Net sales, quarter



By geography (Americas, EMEA, APAC)

SEKm	Q4			Jan—Dec	Full year
	2024	2023	Δ %	2024	2023
Net sales Americas	73.8	58.7	25.9	251.7	259.0
Net sales Americas, USDm	6.8	5.5	24.3	23.8	24.4
Net sales EMEA	112.1	62.9	78.3	365.0	407.0
Net sales EMEA, USDm	10.4	5.9	75.9	34.5	38.3
Net sales APAC	19.2	21.1	-8.8	81.2	107.3
Net sales APAC, USDm	1.8	2.0	-9.5	7.7	10.1



January–December

Net sales

The Group's net sales amounted to SEK 697.9 million (773.3) in the period, a decrease of -9.7%. Net sales in USD amounted to USD 66.0 million (72.8), an organic decrease of -9.5%.

Lower net sales were noted during the period, particularly in the second quarter, compared with the year-earlier period. The second quarter of 2023 was the strongest in the company's history, and the third quarter of 2024 faced high comparative figures as well. The strong growth during these quarters was primarily due to significant restocking by our customers.

Furthermore, the second and third quarters of 2024 were characterized by some restraint in reseller purchases, which was affected by longer delivery lead times and higher freight costs as a result of the unrest near the Red Sea and the Suez Canal. In addition, reduced demand from end consumers, caused by the wait for new GPU releases and high inflation, also contributed to this restraint.

However, the period was favored by the successful launch of North XL and then Refine gaming chair. The year also ended with a strong fourth quarter, driven by higher demand from end consumers. Black Friday and other campaigns contributed to the success, while the sales of North and North XL increased after these products were honored with the "Best Overall PC Case 2024" award. In addition, a record

quarter for Amazon was achieved, as well as good sales of Refine.

Earnings

Product profit amounted to SEK 281.1 million (315.3), corresponding to a product margin of 40.3% (40.8). A negative currency effect impacted the margin by 0.9 percentage points, while price discounts and sales campaigns negatively impacted the margin by 1.0 percentage point.

This was partly mitigated by lower purchasing prices for several of our products, which had a positive effect on the margin of approximately 1.0 percentage point. Furthermore, the margin was positively impacted by 0.4 percentage points by lower freight costs and the product mix.

EBIT amounted to SEK 58.6 million (115.8), corresponding to an EBIT margin of 8.4% (15.0). Depreciation/amortization and impairment amounted to SEK -25.4 million (-21.4) and pertained mainly to investments in tools related to new product launches.

No items affecting comparability during the period.

Earnings for the period amounted to SEK 47.7 million (89.6). Net financial items amounted to SEK 1.8 million (-2.4). Tax on earnings for the period amounted to SEK -13.8 million (-25.9). Earnings per share amounted to SEK 1.6 (3.1). There is no dilution effect as no shares were issued during the period.



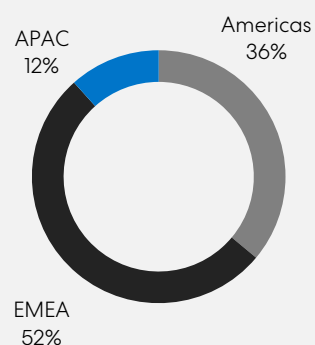
Geographic markets

The strongest region during the period was the EMEA, with net sales of SEK 365.0 million (407.0), while the Americas amounted to SEK 251.7 million (259.0) and APAC amounted to SEK 81.2 million (107.3).

Year-on-year, net sales were weaker in all regions, which was mainly attributable to restocking, unrest near the Red Sea and the Suez Canal, as well as reduced demand from end consumers while awaiting new GPU releases.

Of total net sales, EMEA accounted for 52.3% (52.6), the Americas for 36.1% (33.5) and APAC for 11.6% (13.9).

Net sales, Jan-Dec



SEKm	Jan-Dec		Δ %
	2024	2023	
Net sales Americas	251.7	259.0	-2.8
Net sales Americas, USDm	23.8	24.4	-2.7
Net sales EMEA	365.0	407.0	-10.3
Net sales EMEA, USDm	34.5	38.3	-10.0
Net sales APAC	81.2	107.3	-24.3
Net sales APAC, USDm	7.7	10.1	-23.9



Financial position and cash flow

Financial position

At the end of the period, the Group's balance sheet total amounted to SEK 661.9 million (597.1). Stock levels amounted to SEK 108.9 million (159.6), which was partly attributable to a stronger market in Q4, and partly related to Fractal's ongoing efforts to optimize resource use and increase the stock turnover rate.

Utilization of the bank overdraft facility amounted to SEK 0.0 million (2.5). The bank overdraft facility has a scope of SEK 120 million. Fractal has a strong financial position, which gives the company financial stability and flexibility, and the scope to invest in strategic initiatives for growth.

At the end of the period, Fractal had net cash of SEK 50.6 million, compared with net cash of SEK 7.9 million at the end of 2023. Net working capital amounted to SEK 74.1 million (77.9) at the end of the period. The Group's equity amounted to SEK 415.9 million (367.5) and the equity ratio to 62.8% (61.5) at the end of the period.

Cash flow for the quarter

Cash flow from operating activities amounted to SEK 38.4 million (-54.6), primarily driven by higher sales compared with the same period in the previous year. The change in working capital, which increased by SEK 6 million during the quarter, was due to higher stock levels to meet anticipated demand, increased accounts receivable in line with higher invoicing volumes and an increase in accounts payable related to higher purchasing and production levels. Overall,

this reflects a natural consequence of our growth and strengthens our ability to meet future demand, at the same time as the improved cash flow indicated a stronger financial position. Cash flow from investment activities amounted to SEK -17.7 million (-11.3) and was mainly related to the development of new products. Cash flow from financing activities during the quarter amounted to SEK -1.1 million (-8.6) and was largely related to changes in lease liabilities.

Total cash flow in the quarter amounted to SEK 19.6 million (-74.6).

Cash flow, January–December

Cash flow from operating activities for the full year amounted to SEK 76.8 million (146.4). The change was mainly due to lower sales compared with the preceding year, which had a negative impact on cash flow. At the same time, changes in working capital had a positive effect: lower stock levels and increased accounts payable freed up capital, while higher accounts receivable due to stronger sales in the fourth quarter had the opposite effect. Cash flow from investment activities amounted to SEK -31.0 million (-28.9), mainly related to the development of new products. Cash flow from financing activities during the period amounted to SEK -16.7 million (-101.1) and was largely related to changes in other current interest-bearing liabilities.

Total cash flow in the period amounted to SEK 29.1 million (16.5).

Additional information

Important events in the quarter and period

On January 1, 2024, Jonas Holst took over as CEO of Fractal Gaming Group AB, replacing Hannes Wallin (founder). Hannes Wallin was elected Chairman of Fractal Gaming Group at the Annual General Meeting on May 21, 2024.

On January 9, 2024, Fractal announced that the company would be expanding its direct import business in the US and expanding its sales channels to include Amazon.

On January 18, 2024, Alexander Kahl was appointed VP Global Sales starting February 1, 2024. Alexander comes from the role as VP and General Manager of Turtle Beach Asia and has many years of senior industry experience.

In the final days of May 2024, it was announced that Fractal was once again to be excluded from tariffs on cases for sales to the US. The exclusion is in force until May 31, 2025.

In conjunction with the Computex computer expo in Taiwan in early June 2024, four new products were launched, of which two in new product categories: chairs and headsets.

On October 15, the Nomination Committee was appointed ahead of the 2025 Annual General Meeting. As in previous years, the Committee comprises representatives from the three largest shareholders listed in the share book on September 30, as well as the Chairman of the board.

Significant events after the end of the reporting period

Fractal's US tariff exclusions for PC cases apply until May 31, 2025. On February 5, authorities in the US announced the imposition of 10% tariffs on goods from China starting in February 2025 that will impact Fractal's entire product portfolio, meaning all sales in the US. Our net sales in the US amounted to SEK 251.7 million for full-year 2024, corresponding to 36% of the Fractal Group's total net sales.

We estimate an annualized negative EBITDA impact of about 1 percentage point. The estimate includes compensation from suppliers and assumes that there will be no price increases to consumers. If the tariff exemption for cases is not extended, the impact on EBITDA will increase as of the second half of 2025, but at that point we expect to be able to offset the impact through price increases, relocation of production outside China and other measures that will mitigate the tariff impact. Furthermore, we expect that the tariffs are likely to strengthen the USD, which will have a positive effect on Fractal's earnings given that all sales are in USD.

Effects of war in Ukraine

Given the industry in which the Group operates, the conflict in Ukraine had no material impact on operations during the period.

Organization

On December 31, there were 106 (92) full-time employees, of whom 35 women (29) and 71 men (63). During the fourth

quarter, the average number of employees in the organization was 105 (91), of whom 35 women (29) and 71 men (63).

Seasonal variations

Fractal has a seasonal business that is characterized by higher sales during the second half of the year due to important campaign periods. The first quarter includes the Chinese New Year. The company's product purchasing is adapted to take into account this seasonal variation.

Parent Company

The Parent Company's operations comprise Group management services performed for the Group's companies. The Parent Company's net sales amounted to SEK 1.4 million (1.3) in the fourth quarter. Operating loss amounted to SEK -0.4 million (-0.4) and profit for the period to SEK 11.7 million (17.0).

The share

At December 31, 2024, the number of shares in Fractal amounted to 29,119,500 (29,119,500). The largest shareholders were: Långholmen Holding AB 29.1%, Herenco Holding AB 14.3%, Mediuminvest AS 10%, TIN Ny Teknik 6.3% and Nordnet Pensionsförsäkring AB 5.4%. Fractal's shares were allocated among 4,562 shareholders as of December 31, 2024.

Significant risks and uncertainties

Fractal has credit insurance for all its customers, but at present there is one customer without this insurance. The company is actively engaged in finding a solution to also insure this customer. Fractal is dependent on product launches progressing as planned and delays could potentially have a substantial impact on total sales volume. Changes in exchange rates, particularly USD/SEK, are very important for the Group's earnings as all sales as well as product purchasing take place in USD. Fractal is exposed to changes in raw material prices, primarily steel and plastic. The business is dependent on free global flows of goods, particularly between the major markets in North America and Europe and manufacturing in China. Further information about risks and uncertainties can be found in the annual report for 2023 and in the prospectus, which are available at www.fractal-design.com.

Accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and RFR 1 Supplementary Accounting Rules for Groups. This interim report was prepared in accordance with IAS 34, Interim Financial Reporting, and applicable provisions in the Swedish Annual Accounts Act. Disclosures in accordance with IAS 34.16A are, in addition to the financial statements and accompanying notes, also presented in other parts of the interim report. The Parent Company's report is prepared in accordance with the regulations in RFR 2 Accounting for Legal Entities and Chapter 9 of the Swedish Annual Accounts Act.

Assurance of the Board of Directors and the CEO

The Board of Directors and the CEO give their assurance that the interim report gives a true and fair view of the development of the Group's and Parent Company's operations, financial position and results of operations and describes significant risks and uncertainties facing the Parent Company and the Group companies. This report has not been audited.

Stockholm, February 6, 2025

Hannes Wallin

Chairman of the Board

Magnus Yngen

Board member

Gustav Thott

Board member

Pernilla Ekman

Board member

Ola Nilsson

Board member

Jonas Holst

CEO

Income statement, Group

SEKm	Q4		Jan—Dec	
	2024	2023	2024	2023
Net sales	205.2	142.6	697.9	773.3
Capitalized development expenditure	4.8	2.8	13.6	8.7
Other operating income	0.0	1.0	0.6	0.2
Total revenue	210.0	146.5	712.2	782.2
Operating expenses				
Goods for resale	-124.4	-85.4	-417.8	-458.0
Other external expenses	-30.8	-25.3	-113.2	-106.1
Personnel expenses	-25.7	-23.2	-97.3	-80.9
Depreciation and impairment of tangible and intangible non-current assets	-7.7	-5.8	-25.4	-21.4
Total operating expenses	-188.6	-139.7	-653.6	-666.4
Operating profit	21.4	6.8	58.6	115.8
Finance income	5.2	0.1	4.2	1.1
Finance costs	-0.2	-2.7	-2.4	-3.5
Profit/loss after financial items	26.3	4.2	60.4	113.4
Income tax expense	-6.0	-3.0	-13.8	-25.9
Deferred tax liabilities	0.9	2.0	1.1	2.2
Profit for the period	21.2	3.2	47.7	89.6
Other comprehensive income				
Items that have been reclassified or can be reclassified to profit/loss for the period				
Foreign subsidiaries - foreign currency translation differences	0.8	-0.9	0.5	-0.6
Other comprehensive income for the period	0.8	-0.9	0.5	-0.6
Total comprehensive income for the period	22.0	2.2	48.2	89.0
Profit for the year attributable to:				
Parent Company's shareholders	21.2	3.2	47.7	89.6
Profit for the period	21.2	3.2	47.7	89.6
Total comprehensive income attributable to:				
Parent Company's shareholders	22.0	2.2	48.2	89.0
Total comprehensive income for the period	22.0	2.2	48.2	89.0
Average number of shares before dilution	29.1	29.1	29.1	29.1
Average number of shares after dilution	29.1	29.1	29.1	29.1
Earnings per share, SEK	0.7	0.1	1.6	3.1
Before and after dilution, SEK	0.7	0.1	1.6	3.1

Balance sheet, Group

SEKm	Dec 31, 2024	Dec 31, 2023
ASSETS		
Non-current assets		
Goodwill	210.2	210.2
Capitalised development costs	50.0	38.9
Property, plant and equipment	40.7	42.0
Right-of-use assets	9.2	11.0
Deferred Tax Asset	-	-
Total non-current assets	310.1	302.0
Current assets		
Inventories	108.9	159.6
Accounts receivable	180.8	107.9
Prepaid expenses and accrued income	5.5	4.3
Other receivables	6.0	2.9
Cash and cash equivalents	50.6	20.4
Total current assets	351.8	295.0
TOTAL ASSETS	661.9	597.1
EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	0.5	0.5
Share premium	178.6	178.4
Reserves	-0.1	-0.6
Retained earnings including profit/loss for the period	236.9	189.2
Equity attributable to the Parent Company's shareholders	415.9	367.5
Total equity	415.9	367.5
Non-current liabilities		
Long-term lease liabilities	5.0	6.8
Provisions	6.2	5.0
Deferred tax liabilities	3.4	4.5
Total non-current liabilities	14.6	16.2
Current liabilities		
Overdraft facility	-	2.5
Other short term interest-bearing liabilities	-	10.0
Current lease liabilities	4.3	4.1
Accounts payable	186.9	158.7
Tax liabilities	8.4	9.8
Other liabilities	2.1	2.1
Accrued expenses and prepaid income	29.7	26.2
Total current liabilities	231.3	213.4
TOTAL EQUITY AND LIABILITIES	661.9	597.1

Cash flow, Group

SEKm	Q4		Jan—Dec	
	2024	2023	2024	2023
Cash flows from operating activities				
Profit/loss after financial items	26.3	4.2	60.4	113.4
Adjustments for items not included in cash flow	7.9	5.9	26.4	22.9
Income tax paid	-1.8	-7.2	-16.3	-13.1
	32.5	2.8	70.6	123.2
Increase (+)/Decrease (-) of inventories	-18.4	2.2	50.7	-32.8
Increase (+)/Decrease (-) of operating receivables	-56.5	26.2	-76.0	-4.2
Increase (+)/Decrease (-) of operating liabilities	80.9	-85.9	31.6	60.2
Net cash from operating activities	38.4	-54.6	76.8	146.4
Cash flows from investing activities				
Acquisition of property, plant and equipment	-11.3	-6.2	-12.7	-15.0
Acquisition intangible assets	-6.4	-5.1	-18.3	-13.8
Net cash used in investing activities	-17.7	-11.3	-31.0	-28.9
Cash flows from financing activities				
Net change other short term interest-bearing liabilities	-	-10.0	-10.0	10.0
Net change, bank overdraft facility	-	2.5	-2.5	-107.1
Repayment of borrowings	-1.1	-1.0	-4.2	-4.0
Net cash used in financing activities	-1.1	-8.6	-16.7	-101.1
Net increase in cash and cash equivalents	19.6	-74.6	29.1	16.5
Cash and cash equivalents at start of period	29.8	95.5	20.4	3.9
Effects of movements in exchange rates on cash held	1.1	-0.6	1.1	-0.0
Cash and cash equivalents at end of period	50.6	20.4	50.6	20.4

Change in equity, Group

Amounts in SEKm	Share capital	Share premium	Reserves	Retained earnings including profit/loss for the year	Total	Non-controlling interest	Total equity
Balance at 2023-01-01	0.5	178.0	-0.0	99.7	278.2	-	278.2
Profit for the period				89.6	89.6		89.6
Translation differences			-0.6		-0.6		-0.6
Total comprehensive income for the period			-0.6	89.6	89.0		89.0
Premium paid when issuing stock options		0.4			0.4		0.4
Balance at 2023-12-31	0.5	178.4	-0.6	189.2	367.5	-	367.5
Balance at 2024-01-01	0.5	178.4	-0.6	189.2	367.5	-	367.5
Profit for the period				47.7	47.7		47.7
Translation differences			0.5		0.5		0.5
Total comprehensive income for the period			0.5	47.7	48.2		48.2
Premium paid when issuing stock options		0.2			0.2		0.2
Balance at 2024-12-31	0.5	178.6	-0.1	236.9	415.9	-	415.9

Parent Company

Income statement

SEKm	Q4		Jan–Dec	
	2024	2023	2024	2023
Net sales	1.4	1.3	5.7	4.9
Other operating income	-	-0.0	-	-0.0
	1.4	1.3	5.7	4.9
Operating expenses				
Other external expenses	-0.4	-0.4	-1.7	-1.6
Personnel expenses	-1.4	-1.3	-5.6	-4.7
	-1.8	-1.7	-7.3	-6.3
Operating profit	-0.4	-0.4	-1.6	-1.3
<i>Net financial income and expenses</i>				
Finance income	0.0	0.0	0.0	0.0
Finance costs	-0.0	-0.0	-0.0	-0.0
Profit/loss after financial items	-0.4	-0.3	-1.6	-1.3
Appropriations	15.1	21.9	15.1	21.9
Net income before taxes	14.7	21.6	13.5	20.6
Income tax expense	-2.9	-4.5	-2.9	-4.5
Deferred tax liabilities	-0.2	-0.1	-	-0.0
Profit for the period	11.7	17.0	10.6	16.1

The Parent Company has no items that are recognized as other comprehensive income. Total comprehensive income is therefore the same as net profit for the period.

Balance sheet

SEKm	Dec 31, 2024	Dec 31, 2023
ASSETS		
Non-current assets		
Shares in group companies	271.4	271.4
Deferred Tax Asset	-	-
Total non-current assets	271.4	271.4
Current assets		
Receivables from group companies	6.7	-
Other receivables	0.0	0.0
Prepaid expenses and accrued income	0.2	0.2
Cash and cash equivalents	1.0	1.7
Total current assets	7.9	2.0
TOTAL ASSETS	279.3	273.4
EQUITY AND LIABILITIES		
Shareholders' equity		
Restricted equity		
Share capital	0.5	0.5
Total restricted equity	0.5	0.5
Non-restricted equity		
Share premium	178.6	178.4
Retained earnings	72.3	56.2
Profit for the period	10.6	16.1
Total non-restricted equity	261.5	250.7
Shareholders' equity	262.0	251.2
Untaxed reserves	10.5	15.6
Current liabilities		
Debt to group companies	-	1.0
Accounts payable	-	0.0
Tax liabilities	3.7	2.7
Other liabilities	0.4	0.5
Accrued expenses and prepaid income	2.7	2.4
Total current liabilities	6.8	6.6
TOTAL EQUITY AND LIABILITIES	279.3	273.4

Operating segment and revenue distribution

Fractal monitors net sales and product profit by product category. Sales are also monitored by geography, for which separate disclosures are provided in the report.

Note 1 – Net sales and earnings by segment

SEKm	Q4		Jan–Dec	
	2024	2023	2024	2023
Net sales	205.2	142.6	697.9	773.3
- Cases	175.9	130.4	626.2	705.6
- Other	29.3	12.2	71.7	67.6
Product profit	80.2	58.2	281.1	315.3
- Cases	73.5	54.5	259.3	290.6
- Other	6.7	3.7	21.8	24.7
Capitalized development expenditure	4.8	2.8	13.6	8.7
Other operating income	0.0	1.0	0.6	0.2
Other external expenses	-30.8	-25.3	-113.2	-106.1
Personnel expenses	-25.7	-23.2	-97.3	-80.9
Depreciation and impairment of tangible and intangible non-current assets	-7.7	-5.8	-25.4	-21.4
Operating profit	21.4	6.8	58.6	115.8
Finance income	5.2	0.1	8.6	1.1
Finance costs	-0.2	-2.7	-6.8	-3.5
Net financial income and expenses	5.0	-2.6	1.8	-2.4
Net income before taxes	26.3	4.2	60.4	113.4

Note 2 – Distribution of revenue

The Group generates revenue primarily from the sale of premium PC gaming products in the form of cases, power supply units, cooling products and fans. Sales are made to distributors, resellers and system integrators and purchases are made from contracted manufacturers. Ownership of the sold products normally transfers to the customer on physical delivery of each product. Other revenue mainly consists of currency exchange differences regarding sales and purchases and are not included in the table below, which describes the nature of the revenue streams.

Disaggregation of revenue from agreements with customers

The disaggregation of net sales in product areas, geographic markets and time of reporting is summarized below. Product areas and geographic markets coincide with those mentioned in the segment reporting.

Group	Cases		Other		Total	
	Jan–Dec		Jan–Dec		Jan–Dec	
SEKm	2024	2023	2024	2023	2024	2023
Geographic market						
Americas	241.9	251.4	9.8	7.6	251.7	259.0
EMEA	318.8	369.6	46.2	37.3	365.0	407.0
APAC	65.5	84.6	15.7	22.7	81.2	107.3
Time of revenue recognition						
Goods recognized at a point in time	626.2	705.6	71.7	67.6	697.9	773.3
Goods and services recognized over time	-	-	-	-	-	-
Total net sales	626.2	705.6	71.7	67.6	697.9	773.3

Note 3 – Financial instruments at fair value

The Group's financial instruments are recognized at amortized cost. The carrying amount offers a reasonable estimate of fair value.

Definitions

This report contains key financial figures in accordance with the framework applied by Fractal, which is based on IFRS. In addition, other key figures (alternative performance measures) are used by management and other stakeholders to analyze trends and the performance of the Group's operations that cannot be identified or derived from the financial statements. Fractal's stakeholders should not regard these alternative performance measures as a substitute, but rather as a complement to the financial statements which are prepared in accordance with IFRS. A list of definitions and key figures used and referred to in this report is presented below.

Non-IFRS metrics	Description	Justification for the use of metrics
Net sales, USD million	Amounts invoiced in USD relating to sales, adjusted for distributor and reseller discounts that are also denominated in other currencies.	Fractal's sales are invoiced in full in USD. The purpose of presenting the key figure is to present the organic growth for the Group.
Product profit	Net sales less goods for resale.	Demonstrates product profitability of the core business.
Product margin, %	Product profit in relation to net sales.	Demonstrates product profitability of the core business in relation to net sales.
Operating profit (EBIT)	Fractal's reported operating profit (EBIT).	Operating profit (EBIT) is a performance metric that along with EBITDA, shows the earnings generated by the day-to-day activities.
Operating margin (EBIT margin), %	Operating profit (EBIT) in relation to net sales.	Enables comparisons of profitability irrespective of capital structure or tax situation.
EBITDA	Operating profit (EBIT) with a reduction of depreciation and impairment of tangible and intangible non-current assets.	EBITDA together with operating profit (EBIT) provides an overall picture of the generation of earnings from the day-to-day activities.
EBITDA margin, %	EBITDA in relation to net sales.	This key figure is used for analysis of the generation of earnings by Fractal.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability.	Adjusted EBITDA is a performance metric that is considered relevant to the understanding of Fractal's financial performance from the day-to-day activities. This metric shows the financial performance of the day-to-day activities without any influence from significant cost or income items that affect the possibility of making comparisons over time, as described under "items affecting comparability" below.
Adjusted EBITDA margin, %	Adjusted EBITDA in relation to net sales.	Adjusted EBITDA margin is a key figure that is considered relevant to understanding Fractal's financial performance from the day-to-day activities without any impact from significant cost or income items that affect the ability to make comparisons over time.
Items affecting comparability	Income and cost items that are reported separately as a result of their nature and amount.	Items affecting comparability are used to explain differences in the historical profit/loss. Separate reporting and specification of items affecting comparability enables readers of the financial statements to understand and evaluate the adjustments made in the presentation of adjusted operating profit (adjusted EBIT) and adjusted EBITDA.
Net working capital	Net working capital is calculated as net working capital assets less net working capital liabilities. Net working capital assets are calculated as the sum of inventories, accounts receivable and prepaid expenses and accrued income as well as other receivables. Net working capital liabilities are calculated as the sum of accounts payable and tax liabilities, accrued expenses and prepaid income as well as other liabilities.	This metric shows how much net working capital is tied up in Fractal's business.
Operating cash flow	EBITDA less acquisition of property, plant and equipment and capitalized development expenditure and adjustments for changes in inventories, operating receivables and operating liabilities.	Operating cash flow is used by Fractal as a metric for how much cash flow the business generates.
Cash conversion, %	Operating cash flow in relation to EBITDA.	Fractal uses this key ratio to monitor how effectively the Group manages ongoing investments and net working capital.

Non-IFRS metrics	Description	Justification for the use of metrics
Interest-bearing net debt	Interest-bearing debt less cash and cash equivalents. Interest-bearing debt consists of the sum of overdraft facility, and debt to Group companies.	Shows organic business growth during the period compared to the preceding period.
USD/SEK, average	Net sales in SEK million in relation to net sales in USD million.	The average USD/SEK exchange rate has a significant impact on company net sales and operating profit.
Net sales growth, %	Growth in net sales for the period, calculated as an increase in net sales compared to the preceding year, expressed as a percentage.	Shows change in net sales for the business during the period compared to the preceding period.
Organic net sales growth, %	Growth in net sales in USD million for the period, calculated as the change in net sales in USD million compared to the preceding year, expressed as a percentage.	Shows organic business growth during the period compared to the preceding period.
Equity ratio	Equity in relation to total assets	Shows how large a share of assets are financed by equity and can be used as an indicator of the company's ability to pay over the long term.
Key Performance Indicators (KPIs)		
Sales out, USD sellers to end consumers (Sales Out), USD	Sales out measured in USD, reported by Fractal's resellers.	Sales out measured in USD is used by Fractal as an indicator of the underlying demand for the company's products.

Financial calendar

Interim report, January–March 2025
Annual General Meeting
Interim report, January–June 2025
Interim report, January–September 2025

May 8, 2025
May 20, 2025
August 15, 2025
October 23, 2025

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