



# Annual Report 2024

FRACTAL GAMING GROUP AB

EXPERIENCE GAMING

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**Fractal is a leading manufacturer in the premium segment of gaming products. Since our founding in 2010, we have grown into a reputable brand in the gaming and tech communities with sales in over 50 countries.**

With the help of our award-winning product portfolio, we have challenged and driven the gaming market forward launch after launch.

As the market leader in computer cases and with a growing presence in gaming chairs, gaming headsets, power supplies, cooling and fans, our vision is clear – to create the ultimate Scandinavian gaming station where form and function meet in perfect harmony. Fractal Gaming Group is listed on First North since February 2021.

**Offices in** Gothenburg / Dallas / Taipei / Dongguan

GLOBAL MARKET POSITION

**Top 3**

MARKET POSITION IN THE  
NORDIC REGION

**Place 1**

BRAND POSITION

**Premium**

TURNOVER

**698 million**

PRODUCTS SOLD

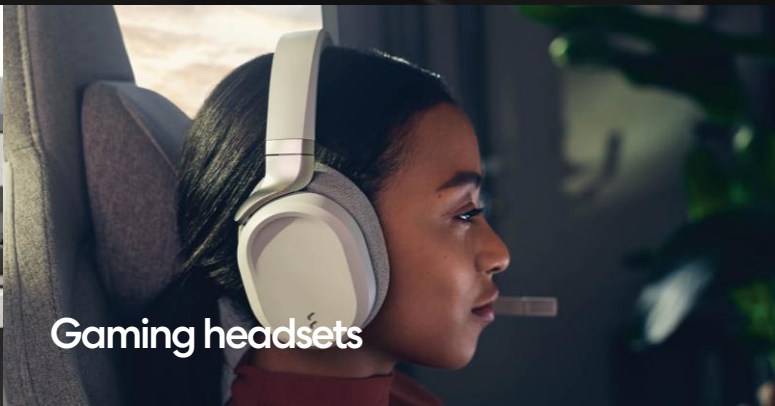
**9+ million**

NUMBER OF EMPLOYEES

**>100**



**Computer cases**



**Gaming headsets**



**Gaming chairs**



**Water Cooling & Computer fans**



# Our unique vision for gaming hardware

**Already in 2010, we saw something that the industry giants had failed to notice – the gaming market was undergoing a fundamental change.**

**Gaming and technology** was no longer limited to RGB lights and LAN parties in the basement, but was becoming a natural part of the home. A new generation of gamers and PC builders emerged where the passion for gaming became an extension of their identity, social interaction and lifestyle.

**“Why couldn't gaming products be as well thought out, stylish and of the same quality as other products in the home?”**

We understood the change because we ourselves were part of it. With a Scandinavian design heritage, we challenged existing trends and asked the question: why can't gaming products be as well thought out, stylish and of the same quality as other products in the home? What started as a niche option quickly became a movement where our first customers became ambassadors for a new breed of gamers and PC builders, whose gaming stations resembled pages from architecture magazines rather than tech-forums.

Fifteen years later and with millions of products sold, our vision is stronger than ever. Fractal continues to shape the future of gaming – where technical performance meets market-leading design, where Scandinavian styling continues to shape the cultural evolution of gaming.



2024\*  
CUSTOMER  
SATISFACTION

90%

\*FRESHWORKS  
SURVEY

# We live for the customer experience and community

Fractal's relations with customers extend far beyond our products, where gaming is both a strong community and a growing culture. By bringing together gamers and tech enthusiasts from all over the world, who value Scandinavian design and market-leading performance, we not only create a strong Fractal community but also build genuine brand affiliation.

For us, it goes without saying that our products should not only offer a distinctive look, but also deliver on all the hygiene factors expected by our discerning customers. We place great emphasis on material selection and engineering to create products that not only meet but exceed expectations, even long after the purchase..

It's also not just about which products we create, but how we work continuously towards and with the market. Our customers' expectations drive us to deliver a continuous and exceptional experience, regardless of point of contact or point in time. The relations we build over time with our customers are a central part of our business model.

**"I would recommend Fractal solely for their exceptional customer service."**

– REDDIT USER @ /R/FRACTALDESIGN 2024

Our aftermarket department ensures that customers not only have faith in our products, but also in us as a brand and company. We pride ourselves on maintaining market-leading customer satisfaction and actively build strong relations with our consumers, year after year and product after product. This is the foundation for creating a long-term, reliable, and strong brand.

# The year in summary

**2024 was a year characterized by strategic initiatives with a focus on long-term competitiveness and expanding our offering. It was also the year when we launched the Refine gaming chair – a milestone for our continued expansion linked to increasing the number of categories, strengthening the brand and securing profitable growth.**

**The focus during the year has been** on clarifying our global brand and market position while optimizing the organization for increased efficiency and profitability. Continued investments in innovation and product development have laid the foundation for future expansion. Furthermore, structural changes have been implemented and a clearer business strategy established, with a focus on operational efficiency and strengthened collaboration between functions and markets. These initiatives have created better conditions for continued growth and strengthen Fractal's position ahead of future opportunities and challenges. During the year, Fractal has also received a number of important awards, which further confirms the company's strong market position and ability to deliver products that are appreciated by both customers and leading reviewers.

**Net sales amounted to SEK 697.9 million (773.3), the product margin was 40.3% (40.8) and the EBITDA margin was 12.0% (17.7). The Board of Directors proposes a dividend of SEK 1.25 (0) per share.**

MSEK	2024	2023	2022	2021
Net sales	697.9	773.3	485.6	478.6
Net sales, USDm	66.0	72.8	47.9	56.0
Product profit	281.1	315.3	179.1	158.1
Product margin, %	40.3%	40.8%	36.9%	33.0%
EBITDA	84.0	137.2	34.0	12.4
EBITDA margin	12.0%	17.7%	7.0%	2.6%
Operating cash flow	59.2	131.6	26.4	-60.7
Cash generating	70.5%	95.9%	77.6%	-488.8%
Interest-bearing net debt	-50.6	-7.9	115.6	126.2
USD/SEK, average	10.6	10.6	10.1	8.5

For the definitions of key ratio, see page 93

# Our product portfolio



## Computer cases

**The case is the heart** of every gaming station – a product where technology and design come together. Our cases combine high performance with distinctive Scandinavian styling, making them the obvious choice for gamers and PC builders worldwide. With a broad portfolio adapted to different users and needs, Fractal has a market-leading position and is named one of the most sought-after brands in the category year after year.

## Water Cooling & Computer fans

**Uncompromising experiences require** cooling that can handle the most advanced components. Our CPU coolers and fans are designed to meet high demands while harmonizing with the appealing styling of our PC cases. Here, high airflow combines with requirements that the most discerning of customers can rely on.



## Gaming chairs

**Our gaming chairs combine** Scandinavian design with well-thought-out ergonomics and carefully selected functionality. With a wide range of adjustment options, they're designed to provide optimal comfort, even during the longest gaming sessions – adapting to the unique needs of different users. The elegant look makes our chairs a natural addition to the modern gamer's home and appeals to users with high demands on their gaming station. With Fractal's well-known quality standard, we ensure long-term durability and a first-class experience.

## Gaming Headset\* [2025]

**Our upcoming gaming headsets** elevate the audio experience to a new level and perfect one of the gaming station's most crucial components. Here, design, comfort and performance come together in a stylish package, complete with wireless charging. With carefully selected materials of a quality commonly associated with HiFi headsets, our headsets are designed to look as natural on the desk as on the head.





# Highlights 2024

During the year, we have added to our award-winning case portfolio, launched new categories and expanded our channel network to reach more customers than ever before. With powerful marketing efforts, we have further strengthened our position as the obvious choice in gaming.



## The North family is expanded

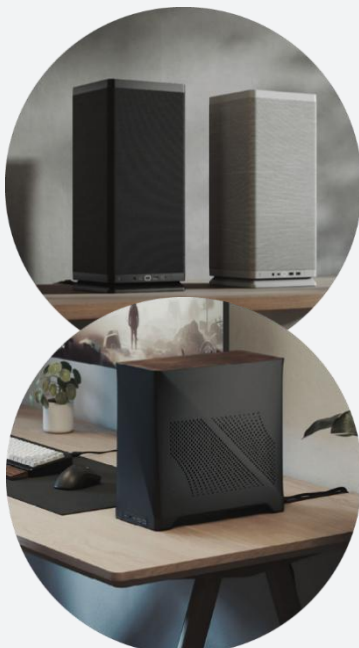
**The North series that revolutionized** what a PC case can look like when the first product was launched in 2022, received a long-awaited addition during the year in the form of a larger version; North XL. The addition offers support for larger components, which means even more powerful builds and has been received with great enthusiasm from both users and the media. The North series continues to win awards and consolidate its position as a clear trendsetter in the industry, where Scandinavian design and innovative choices of material have become a natural part of gaming stations worldwide.

## Terra wins the "Red Dot Design Award"

**The customer favorite Terra which** was released in 2023 has been awarded the prestigious "Red Dot Design Award 2024" for its cutting-edge look. With a unique combination of colors and exclusive materials, Terra impresses by housing powerful components and delivering high performance without compromising on functionality – in a compact format. The recognition is further proof of our ability to lead the market forward through innovative design.



reddot winner 2024



## Mood & Era 2 – Case-news that stand out

**During the second half of the year** we introduced two new cases:

**Mood:** A compact computer case with a pioneering textile design that makes a subtle impression and integrates well into the home environment. A great choice for small desks or TV stands.

**Era 2:** A long-awaited sequel to our boutique-series of aluminum cases with real walnut on the top. A case where engineering meets elegant look. The Era 2 has been given a lot of attention by several tech and gaming communities for its handy format combined with good component cooling.



# Refine & Scape – a milestone in our journey

Both consumers and retailers have long demanded more product categories from Fractal with the same unique design philosophy and high quality requirements that have made us the market leader in PC cases.

## Fractal Refine – a new era of gaming chairs

Gaming chairs have long been synonymous with racing-inspired design – a style that many customers have never identified with. With Refine we are introducing a new standard and combine Scandinavian minimalism, top-notch ergonomics and design that easily become a natural part of the home.

Refine is not just a gaming chair, but a design furniture that works just as well in the living room and home office as the gaming corner. Acclaimed by communities and influencers around the world on its release, Refine marks a milestone in our continued quest to challenge and shape the future of gaming hardware.

**“This is one of the best gaming or office chairs I have ever reviewed.”**

– KITGURU

## Fractal Scape – an obvious choice for the modern gamer

With the launch of Scape, we present our first gaming headset – a product that reflects our Scandinavian design philosophy and takes its place as a natural part of a gamer's home. Scape stands out for its exceptional sound quality, high comfort and long battery life with a minimalist charging station.

Scape, just like Refine, is an extension of Fractal's holistic approach to each customer's gaming station – a product that harmonizes with our ecosystem and elevates the entire gaming experience.

**“Its metal frame in combination with some remarkably soft earpads lends it a very high-end feeling”**

– PC GAMER



# Expanded sales network with strengthened presence among leading marketplaces

**As part** of our growth strategy, we have increased the global availability of our products during the year. We have expanded our collaboration with Amazon in several markets, which is an important channel for both existing and new customers, especially in the USA. This has further strengthened our ability to reach out with our existing product portfolio and new categories to an even larger audience.

To further consolidate our position in the US market, we have also entered into partnerships with key players such as BestBuy and iBuyPower. These collaborations enable us to meet our customers where they prefer to shop while strengthening our presence in one of the world's largest markets.

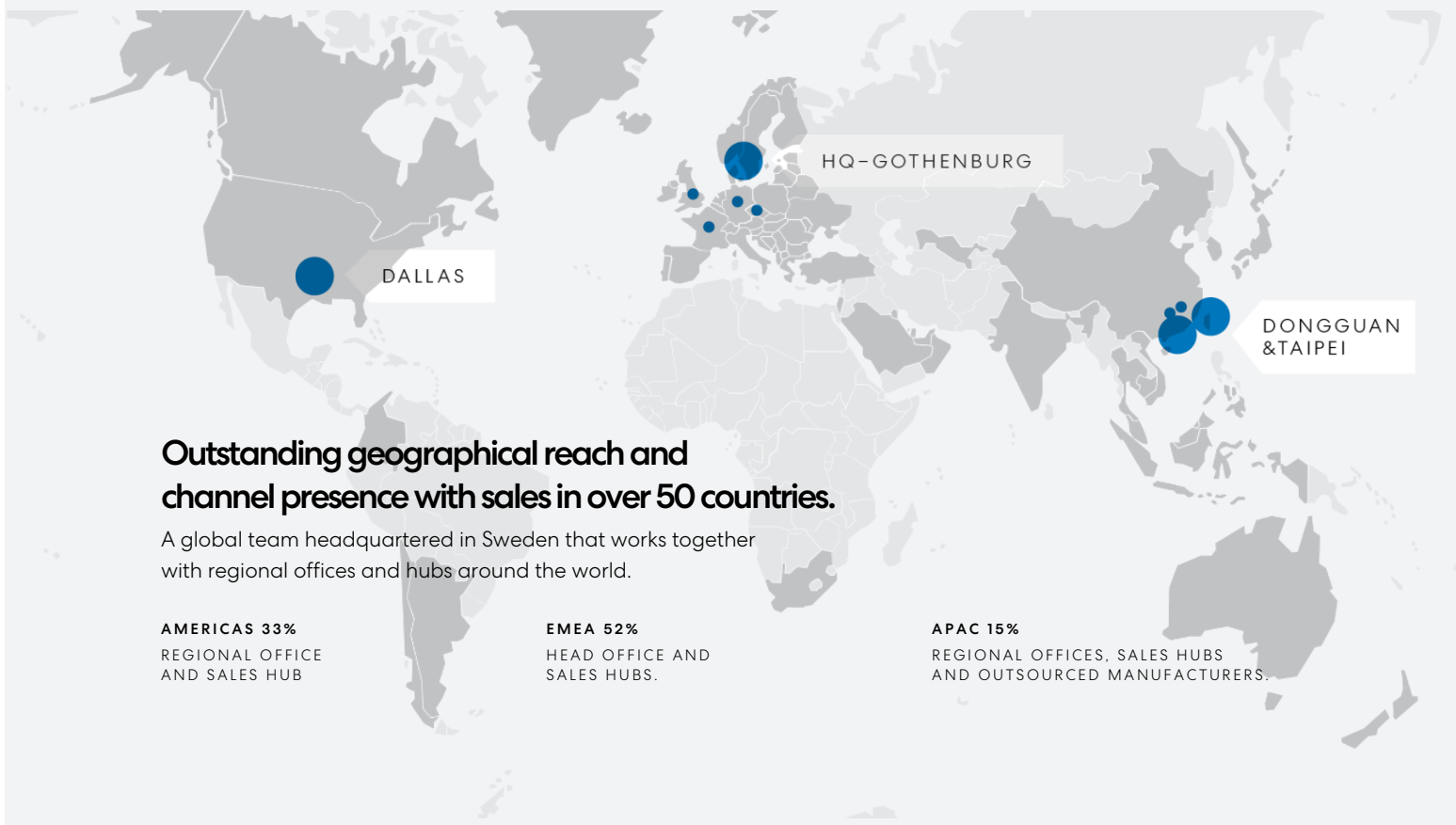
## Outstanding geographical reach and channel presence with sales in over 50 countries.

A global team headquartered in Sweden that works together with regional offices and hubs around the world.

**AMERICAS 33%**  
REGIONAL OFFICE  
AND SALES HUB

**EMEA 52%**  
HEAD OFFICE AND  
SALES HUBS.

**APAC 15%**  
REGIONAL OFFICES, SALES HUBS  
AND OUTSOURCED MANUFACTURERS.





# Community as a driving force

**Understanding our customers – their needs, challenges and future, has always been the starting point in everything we do. Our community is made up of a broad and passionate group of PC builders, gamers and creators spread across the globe.**

Having an active presence among the channels and platforms where discussions and interactions take place is crucial for us. It's not just about listening, but also about participating in the daily conversation - whether the talking point is our own products, our brand or the next big game or hardware release.

During the year, we have further deepened our connection to our various communities by participating in more conversations than ever before.

The Fractal Creator Program, our ambassador network, has been a central part of this initiative. With over 300 Ambassadors on Twitch sharing our vision with their followers on a daily basis, we've not only gained new insights, but also expanded our reach to more communities than ever before. This expansion has led to us being ranked as a leading gaming hardware brand on Twitch, which has strengthened our position in the market and created new relations with potential customers around the world.

HOURS WATCHED IN 2024    AMBASSADORS

**55,6M                      300**

MOST VIEWED GAMING HARDWARE  
TEAM ON TWITCH

**Place 1**

## Fractal is more visible than ever

In addition to being an integral part of communities, collaboration with leading influencers on YouTube has continued to play a central role in reaching new customers. During the year, we have also been featured in several major articles and media channels where both tech and gaming journalists highlight Fractal as a leading brand that actively drives the market forward.

Having an active presence and a relevant message in a number of customer-oriented channels is crucial to our success. By strengthening our visibility and getting more people to discover Fractal's unique take on gaming, we can continue to grow together with the market.



# Our business model: From idea to part of the home

Fractal's success is based on a deep understanding of what the gamer and PC builder wants and needs. With a strong passion for our community, where the customer's demands on performance and design are a given, we have created a scalable business model that not only meets, but exceeds expectations.

## Product development & design – where ideas become reality

All our products begin their journey at our head office in Gothenburg. Here, engineers, designers, and product teams collaborate to create the next generation of gaming hardware. Through close dialogue with our customers and retailers, we ensure that our products create clear added value, offer unique differentiation and thus set new trends. Our process is based on Scandinavian design, and every detail is designed to meet the conscious gamer's demands on functionality and performance.



## Purchasing & Production – high standards without compromise

All our production takes place in China where we own the manufacturing tools to maintain flexibility in the choice of partners and suppliers. With offices in both Taipei and Dongguan, we have our own teams that oversee sourcing, quality, production and logistics - giving us full control over the entire production chain.

We carefully choose which subcontractors we work with and set high requirements in all stages, from component production to the final product. This approach ensures that our products live up to high standards and reflects our commitment to quality – something that Fractal is recognized for.



# Brand & Marketing

**Fractal's brand is one of our biggest assets.**

Fractal's target group are highly conscious and well-read customers who place high demands on communication. Our customers, whether they are PC builders or gamers, seek out information in different ways. This means that the customer journey often varies greatly depending on the type of product, requirements and time of purchase.

To create long-term relations with both existing and new customers, we employ a broad marketing strategy on both a global and regional level. Through ongoing campaigns, strong launches, advertising, product placements and influencer collaborations, we reach out to new customers while continuously nurturing existing relations through our own channels.

## Media & PR

To maximize our visibility, we work both with PR and partnerships with various global and regional influencers. In the world of tech and gaming, influencers play a crucial role – their opinions shape the market and can directly influence a product's success. Through these collaborations we both increase our reach and strengthen the brand's impact.

## Social channels

Social media and communities are a central part of our marketing strategy. In these channels, products and brands are discussed openly and without filters. For us at Fractal, it is crucial to take an active role and be part of these conversations on a daily basis.

## Robust communication

Our customers are curious and want to access relevant information on their own terms. When we stir interest in a product, it is crucial to offer clear, accurate and easily accessible content – whether it's through our website, social media or at retailers. That's why we prioritize clarity in both our brand and product communication.

## Loyalty as a growth factor

Loyalty is a crucial factor for growth. A satisfied customer who appreciates both the product and the brand often becomes an ambassador – and in our market there are many channels where the customer's voice can be far-reaching. That's why we continue to invest in our after-sales service, whether it's answering questions, providing spare parts or giving support before, during and after a purchase.



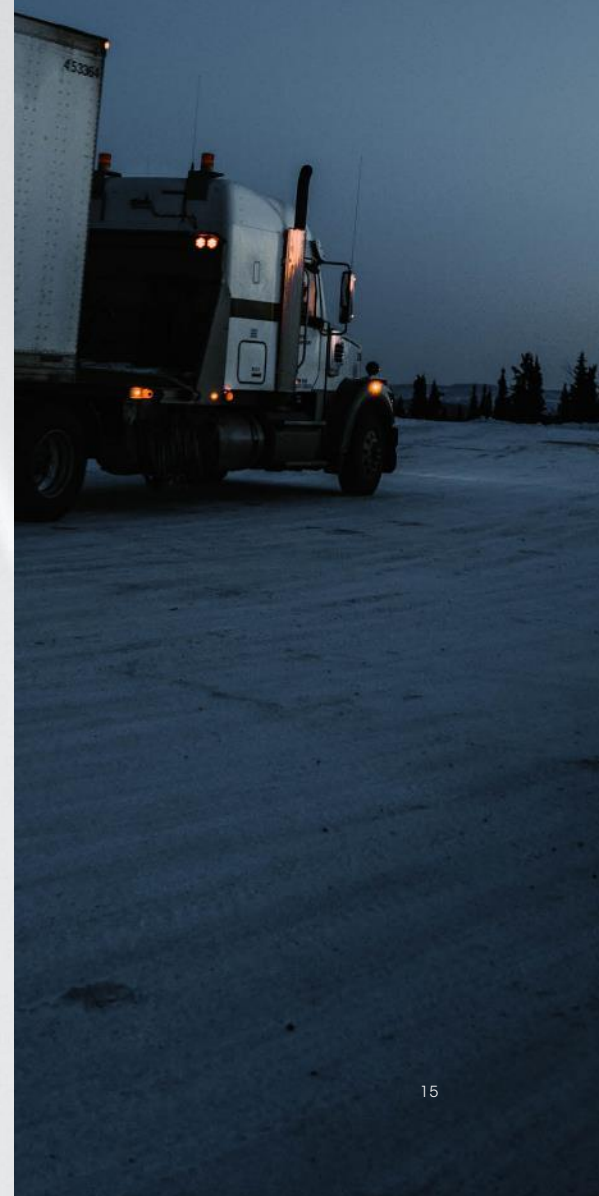
## Logistics & Sales – global reach

**Our products are sold through a global network of distributors, retailers, marketplaces and system integrators, making Fractal's portfolio available in over 50 markets worldwide.**

**We work with** third-party suppliers for logistics where we set clear requirements that our products are shipped and delivered in a safe and sustainable manner.

The split between direct sales to retailers and sales through distributors varies by region. North America is dominated by direct sales, as retailers here are generally large corporations. In Europe, Asia and other markets, however, sales are mostly made through distributors.

Over 90 percent of our products are sold online with a slightly higher share in North America and Europe compared to Asia, where customers often prefer to shop directly in physical stores.



# The company's CEO has the floor

## A transformative year

2024 was a transformative year for the company where we took great steps in the development of Fractal's global brand and market position. The expansion of our product portfolio into new categories has been received very positively, which gives us strong confidence in the future and is clear confirmation that we are making the right strategic choices. We are at the start of our growth journey and are determined to further advance our position in the market. We therefore continue to invest in our long-term growth strategy in order to continue to shape the future of gaming.

With a strengthened and clearer organization together with an updated business strategy for profitable growth heading for 2030, we have laid the foundation for being able to take Fractal to the next level. Our most important asset is our fantastic people, and as a team we have developed a common global corporate culture – One Fractal, where the three elements People, Performance and Passion lead us towards an efficient, high-performance and customer-oriented business. With these important elements in place, we will be able to up the pace and take advantage of the extensive opportunities we see ahead.

## Strong end to the year

We ended 2024 strongly by achieving the second highest net sales ever in the last quarter, together with a significantly improved result compared to the same period the previous year. Net sales for the full year were SEK 697.9 million, which is approximately 10% lower than the record year of 2023 when we had growth of 59%. Market and external conditions during the first nine months of 2024 were significantly weaker compared to 2023, and we see it as positive that we have maintained a good sales level and gained market shares in our most important markets. Overall, we have handled the macroeconomic and geopolitical challenges we faced well, including the uncertainty in the Red Sea that impacted both sales and freight rates for parts of the year, as well as the delay of key PC component launches.

EBITDA for the full year 2024 decreased to SEK 84.0 million (137.2) impacted by lower net sales and a slightly lower product margin. This year's result is the third highest for Fractal to date, and we have had a strong focus on streamlining our operations and ensuring good cost control while making major investments in future growth. Our financial position is strong, with a net cash position at the end of the year of SEK 50.6 million (7.9), which gives us room for maneuver to drive our strategic initiatives forward. The Board of Directors proposes a dividend of SEK 1.25 (0) per share.

Fractal's U.S. tariff exemption for computer cases is currently in effect through May 31, 2025. For a long time, we have had tariffs on all categories except cases, and as of spring 2025 additional tariffs will be introduced on the entire product portfolio sold in the US. The introduction of tariffs on products in our portfolio affects the entire industry equally and is thus competition-neutral. We are monitoring the situation closely and have a plan with a mix of measures to mitigate increased costs.

## Our biggest launch year

At the beginning of June 2024, we showcased our expanded product portfolio to retailers, suppliers and media at the global Computex expo in Taipei. This is our biggest launch ever and it has been received very well. With the introduction of our new Refine gaming and computer chair and Scape gaming headset, we have expanded into two new product categories based on the same recipe for success that has made us the market leader in the case category. Sales of Refine to end consumers began in the third quarter of 2024 and have exceeded our expectations. The launch of Scape is scheduled for the second quarter of 2025 and we look forward to delivering our headsets to enthusiastic gamers soon. During the year, we have also launched our Mood and Era 2 cases, and we are also very proud that our bestsellers North and North XL have been awarded the prestigious distinction "Best Overall PC Case 2024" by influential and leading tech journalist GamersNexus.

With our broader product portfolio, we now cover a larger part of the consumer ecosystem with a clear



target to develop the gaming station of the future through design-driven innovation. Since Fractal was founded, we have challenged prevailing trends and have gradually established a unique position that sets itself apart through clean Scandinavian styling and a more mature design profile that fits well into the modern home and shows that it is possible to engage in gaming in a stylish and elegant environment.

A key development area for us is to improve the sustainability performance of our products throughout their life cycle and ensure a sustainable supplier chain. Our business is built on designing and developing high-quality products, offering world-class replacement parts and customer service, and gradually developing a more circular business model.

We at Fractal are driven by a strong passion to create the ultimate gaming experience. We are an integral part of gaming communities, including through dialogue and collaboration with our approximately 300 ambassadors in the Fractal Creator Program, whereby we reach out to our global target group and at the same time receive continuous feedback on product features that contribute to the experience and what novelties and improvements are in demand. An important addition to the ongoing dialogue we have with our customers, dealers and other partners.

An important part of our growth strategy is also to strengthen our global presence and to reach more customers, partly by expanding into new geographical areas and partly by expanding and deepening our sales channels. One example is our expanded collaboration with Amazon in the US to increase the availability of our products for US customers.

## Outlook

We have entered the new year with good sales momentum where we expect increased demand in 2025, supported by key component launches and new game titles. Nvidia's new generation of graphics cards, launched in January 2025, is expected to be a catalyst for the next-generation gaming experience and increased interest in upgrading your gaming station.

Fractal's product portfolio and globally established brand in gaming have never been stronger. We see good opportunities to drive profitable growth in 2025 and beyond, supported by our expansion into new product categories, new launches and our extended marketing and channel initiatives.

Lastly, I would like to thank all my colleagues at Fractal Gaming Group who, with their great dedication and important work, deliver the products and services that our enthusiastic high-performance gaming customers around the world have come to depend on. I also want

to thank our shareholders and partners for your commitment and support for our continued development.

*Jonas Holst, CEO*





# Goals & growth strategy

For many years, Fractal has successfully challenged the stereotype of gaming, set new trends and taken a market-leading position in various segments of the case market. Our ability to understand the customer and offer a clear alternative where function and design go hand in hand has made us a trendsetter.

**Interest in gaming** is growing at record speed and more and more people want to integrate their gaming hardware as a natural part of the home environment. Fractal meets this demand with a modern and appreciated brand that already has a strong and loyal follower base. This has given us a solid foundation to build on and take a larger share of the gamer's budget. Our growth strategy revolves around three core areas:



## Continuing to expand our offering

Our success model, where design and function work together in harmony, is now being expanded to include more product categories. This makes it possible to both cover a larger part of the gamer's budget and create new pathways into our offering and vision for the future of gaming.

In an industry in constant change, both agility and close relations with the market are required. By actively listening to our various communities, we can adapt to both current and future needs. In this way, we continuously identify new opportunities – both to expand our existing portfolio and to explore completely new product categories.



## Strengthening the brand further and advancing the customer experience

**Fractal has a** unique and leading position in tech communities and among PC builders, where we are known as the established and trustworthy choice in the market. Our products and customer experiences are highlighted by both official and unofficial ambassadors – a crucial factor in consolidating our position as a premium brand in a highly competitive market.

The gaming market is growing at a rapid pace with a strong influx of new users in recent years. This creates an exciting opportunity to reach a wider and more diverse audience. By strengthening our presence directly in the tech and gaming communities, we can connect with more potential customers than ever before. More and more gamers have grown up and are looking for a modern and design-driven alternative – and with the help of inspiring campaigns and engaging content, we can further strengthen interest in our products and brand.

We also see opportunities to further invest in the customer experience, from the first contact to long after the purchase. By delivering a superior experience at every step of the customer journey, we can transform satisfied users into loyal ambassadors who in turn pass on our vision. It is through their commitment that we build on Fractal's long-term brand strength.



## Reaching even more customers and increasing availability

**We see opportunities** to further increase the availability of our products as our portfolio grows. By actively strengthening our presence in multiple regions, we can not only stimulate growth, but also build deeper and more meaningful relations with both consumers and retailers on a local level. The proximity to the market also allows a better adaptation of our offering and the ability to meet specific customer needs in an efficient manner.

We are also expanding our distribution network in connection with the launch of new categories. With a focus on scalable and sustainable solutions, we can ensure that our products reach more potential customers worldwide. In selected regions, we are also further developing our channel strategies to meet customers where they prefer to shop – whether online, in-store or through niche retailers.



# Our financial goals

The Board of Directors has adopted the following financial targets for the medium to long term.

## GROWTH

# 15%

**Fractal's target** is to achieve annual organic net sales growth in USD of 15 percent or more.

## PROFITABILITY

# 15%

**Fractal's target** is to achieve an adjusted EBITDA margin of 15% or more.

## DIVIDEND POLICY

# 50%

**Fractal intends** to continuously invest in organic growth and to develop the business. In addition, Fractal's goal is to distribute 50 to 80 percent of its net income.



## GAMING AS A CULTURAL FORCE

# Market & trends

**Gaming is becoming a more and more common element of everyday life and has become the most influential form of entertainment among many generations.**

**Gaming has** established itself as a central component of popular culture - visible in everything from movies and TV series to music, fashion and art. Playing by yourself, following others or actively participating in different communities is no longer just a hobby, but an accepted and natural social activity.

Families gather to play together, choosing gaming over more traditional forms of entertainment, including social media. At the same time, gaming stations and dedicated spaces in the home are becoming more common - a sign of how gaming not only affects leisure time, but also takes a natural place in our homes and the lifestyle that comes with it. In other words, gaming has become a cultural force that shapes how we socialize, socialize and spend our free time.

## PC gaming as a platform continues to grow

The number of global PC gamers continues to increase and is projected to reach 1.86 billion in 2024, which is a growth of 30 million compared to the previous year. The global PC gaming hardware market is expected to grow at an average CAGR of 8.5% until 2032. PC gaming remains the most preferred platform and is used by 60% of gamers globally (excluding mobile games).



## Hardware and upgrades

**The rapid development of components is driving the need for upgrades and accelerating the transition to 4K gaming, a strong driving force for our target audience.**

For gamers and PC builders, upgrades are an important part of the customer journey. Many people choose to upgrade or buy new systems when new graphics cards come on the market, which is often necessary to be able to play the latest games with optimal performance. 2024 can be described as a gap year in this regard, with pent-up demand in the absence of major launches. Expectations are high for Nvidia's and other developer's new generations of graphics cards – components that are expected to be crucial for "next-gen gaming" in 2025.

Cloud gaming, which offers gaming without the need for a local PC, continues to grow in terms of the number of active users. However, the technology has yet to reach the level of performance that Fractal's typical target audience demands. Although cloud gaming is expected to grow stronger as technology develops, the demands on the experience are also increased through the equally fast-growing development of components and games. For many of Fractal's customers who play at a more advanced level, factors such as response time and precision are crucial, factors where cloud gaming today does not deliver at a high enough level. On the other hand, cloud gaming can drive growth in other product categories in addition to PC components. Whether the customer is playing on a traditional computer or via a cloud gaming service, there is strong demand for peripherals for gaming stations as a whole.

The AI boom currently mainly affects game development. Game studios are increasingly using AI to create complex worlds and realistic characters, as well as to streamline coding – a development that is expected to accelerate as technology becomes more advanced. This development will also place new demands on hardware in the long run, where powerful AI-optimized gaming PCs and the graphics cards that come with them will be crucial to meet the performance requirements of future games and to be able to take full advantage of AI technology.

The global PC market as a whole showed signs of recovery in 2024 with an annual growth rate of 2% and is expected to continue to grow by 2-3% per year until 2028. Gaming laptops stand out as a strong growth engine with an expected CAGR of 5% until 2029.

Gaming monitors also showed strong growth with sales increasing by 13.6% compared to 2023, where the shift to 4K gaming plays an important role. With the launch of new generations of graphics cards in 2025, the price of hardware that enables 4K gaming is expected to drop, which in turn lowers the threshold for more budget-conscious consumers to upgrade their gaming PCs and enjoy a more advanced gaming experience.

## The gaming industry – a strong launch calendar in 2025

**Despite the fact that many** game studios faced financial challenges in 2024, the number of games launched increased significantly compared to 2023. Steam, which continues to be the leading platform for PC gaming, reported over 19,000 new game releases in 2024 – an impressive 32% increase compared to the year before. The PC gaming market showed growth of 2.1% during the year and is expected to have a CAGR of 12.7% until 2032.

Although more games than ever were released in 2024, driven by many smaller indie studios, most AAA titles suffered delays, making 2025 look set to be an exceptional year for major releases. With a strong launch calendar and long-awaited titles such as Civilization 7, Elden Ring Nightreign, Fable, Doom Dark Ages and Awowed, interest in PC gaming is expected to rise further. In addition, many of these games are developed with next-generation graphics engines, which will require our users to upgrade components.

## Gaming as part of everyday life attracts new competitors

**The gaming market today is** larger than ever in terms of both the number of game titles, communities and addressable target groups. The growth and gaming as a phenomenon have also attracted more players and competitors who are trying to take a larger slice of the pie. At the same time, both the market and gaming as an activity have matured significantly, which has led to a growing customer base putting increasingly higher demands on their products and becoming more selective in their choice of preferred brands.

The average gamer is 35 years old, which marks a clear shift towards an older demographic. The average gamer today has over 17 years of experience in gaming, which has made gaming a natural part of many adults' lives, who now in turn introduce gaming to the next generation. In other words, gaming today is a natural part of everyday life, intertwining technology, lifestyle and family life in ways we have never seen before.







# Sustainability report

## 2024

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# About our sustainability work

**Fractal Gaming Group's sustainability report describes the value chain and our environmental and social impacts. The report also describes prioritized sustainability areas and related risks and opportunities.**

**We have prepared the report in accordance with chapter six of the Annual Accounts Act.** We also base our work on the UN Sustainable Development Goals. In 2024, we focused on implementing measures related to the CSRD (Corporate Sustainability Reporting Directive), with the aim of ensuring full compliance and strengthening our sustainability reporting. We have worked to prepare the organization for the new regulations, including training staff and adapting our internal processes and strategies, as well as ensuring effective governance to meet the requirements of the directive.

## Our business

Fractal is a leading manufacturer of premium PC gaming products. Founded in 2010, the Group's products are now sold in more than 50 countries worldwide. Fractal maintains a market leading position in the premium segment of computer cases along with a growing position in gaming chairs, headsets, power supplies, cooling products and fans.

Since its inception, Fractal has enjoyed profitable growth by successfully combining the design, performance, and quality demanded by discerning consumers. We have continuously and successfully expanded our product range and geographical presence.

The head office is based in Gothenburg (Sweden), with additional locations in Dallas (USA), Dongguan (China), and Taipei (Taiwan). All our products are made in China. Sales are then made to distributors and through direct sales to retailers and system integrators. Our sales channels rely on a broad distribution network with several major distributors such as Exertis, ASK Corporation, and Ma Labs. We also work with several major retailers, including Newegg, Amazon, and JD.com.



# Sustainability strategy

Fractal's current sustainability strategy extends to 2025. The strategy includes our goals and initiatives to drive forward development in sustainability, social impact, as well as corporate governance and business ethics. In 2025, an enhanced sustainability strategy will be developed as an integral part of Fractal's overall business plan and goals until 2027.

## Our responsibility

**Responsible entrepreneurship** is the foundation for us at Fractal and a requirement for being able to run a successful business in the long term. Sustainability work is part of our ambition to contribute to positive development in the industry. Clearly defined sustainability work is also important for our customers, investors, employees and society at large.

In 2024, we focused on preparing the organization for the coming EU regulatory framework Corporate Sustainability Reporting Directive (CSRD). The CSRD is central to harmonizing and improving sustainability reporting across the EU, ensuring greater transparency and comparability. For Fractal, this means both opportunities to strengthen our sustainability work and requirements for extensive adjustments to internal processes and accounting procedures.

## Governance and stakeholder dialogue

Sustainability work is part of Fractal's overall corporate governance and means making sure that the business is run in a sustainable, responsible, and efficient manner. Governance is an important basis for achieving our long-term strategic objectives and creating value for our stakeholders.

In 2024 we continued to develop the stakeholder dialogue to obtain valuable input on key sustainability aspects. This work has been an important step in meeting the requirements of the CSRD. A double materiality analysis was carried out in 2024 to identify sustainability aspects which Fractal's operations both affect and are affected by. A double materiality analysis means that we not only analyze which issues are important to our stakeholders, but also to identify and assess the areas where Fractal has a material sustainability impact and the sustainability-related risks and opportunities that exist.

## Our promises

Fractal has a thorough understanding of our environmental and social impact and the areas where we can make a difference. With the materiality analysis as a basis, we can take into account significant sustainability aspects when making decisions, e.g. when selecting the right partners, evaluating new shipping options, in the design of products or when selecting spare parts and materials.

Fractal only works with partners who maintain high quality in their operations and who have committed to adhere to our code of conduct. We conduct regular supplier audits and sustainability audits to ensure compliance with the code of conduct. We also require our partners to meet specific standards in ethics and sustainability and have a zero-tolerance policy against bribery, corruption and questionable business ethics.



## Initiatives in 2024

- ▶ Preparations for the Corporate Sustainability Reporting Directive (CSRD) were a central part of our work in 2024. Among the measures we have implemented are Scope measurements, double materiality analysis and the implementation of new procedures to ensure compliance and transparency.
- ▶ In 2024, Fractal's mental health initiative continued to evolve through collaborations with organizations such as Save the Children, Suicide Zero, the Swedish Cancer Society and Hope for the Day. Through these collaborations we aim to promote a healthier and more inclusive gaming culture, where we create awareness and support concrete efforts that contribute to positive change.
- ▶ We continue to explore solutions for more sustainable packaging concepts. Through close dialogue with suppliers and innovative work with prototypes, we strive to create the next generation of sustainable packaging – adapted both to future legal requirements and to minimize environmental impact.
- ▶ During the year, we have further developed our spare parts offering to ensure efficient management and delivery of a wide range of spare parts. This includes an expanded inventory and stricter SLA requirements to further improve service levels.
- ▶ We always encourage our retailers to refer support cases directly to our end-customer support. By managing the spare parts supply centrally, we can reduce unnecessary returns, provide faster support and extend the product's lifespan – thus strengthening customer loyalty and contributing to more sustainable consumption.





# We want to make gaming a more open and healthier space

Fractal's social impact initiative is to create conditions for improved mental health among future generations of gamers.



# Social impact

## Our promise to the next generation of gamers

Gaming communities offer people a place to explore, develop, and socialize. Being able to step into new worlds and stories to become part of a greater affiliation and related community can be important factors for well-being. At Fractal, we have decided to make mental health in the gaming scene a focus area. This means that we both collaborate with organizations and initiatives that support and increase awareness around mental health and that we use our ambassador program, Fractal Creator Program, to spread awareness and counteract mental ill-health.

## Intensified cooperation

Two years into the initiative, we are committed to using gaming as a catalyst for positive change. Over the years, we've run several successful campaigns on Twitch that raised significant funds for charity and created mental health awareness among hundreds of thousands of gamers and creators worldwide. Our collaborations have also inspired both competitors and other partners to participate in initiatives that make a difference. In 2024, we deepened our collaborations with several charities that work with mental health.

## Partnership with shared goals

During the year, we have collaborated with organizations such as Suicide Zero, Save the Children, the Swedish Cancer Society and Hope for the Day. Our support has included participating in and sponsoring live

events where Twitch streamers from our own ambassador program have raised significant amounts for charity together with their communities. Fractal has been an enabler in this by contributing resources and platforms to strengthen these efforts.

Through these collaborations we have not only raised awareness of important issues around mental ill-health, but also put our commitment to a more inclusive gaming scene in concrete terms.

## Fractal Creator Program in focus

The Fractal Creator Program has continued to play a central role in highlighting mental health issues. Through our network of influencers and creators, we have spread knowledge and collected resources to support charities. Twitch and similar platforms in particular have been in focus, where successful campaigns have combined entertainment with important messages.

## Next step: continued commitment and innovation

We look forward to further developing our work to combat mental ill-health. In 2025, we plan to expand our collaborations and find new ways to engage even more gaming and tech communities. Our goal is to create more inclusive and supportive environments where both gamers and creators can contribute to a positive development.





# Fractal's commitment to mental health

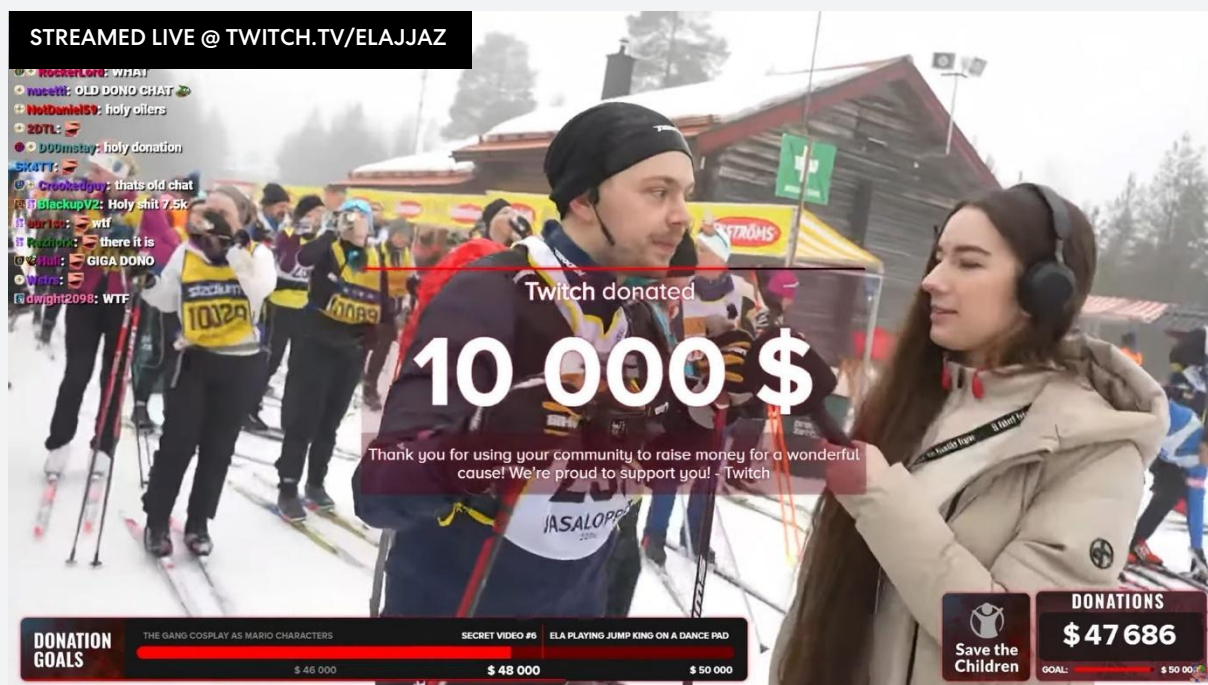
**Annual collaborations** and donations to organizations that work with mental ill-health among young gamers.

**Quarterly activities to** raise awareness of young people's mental health by Fractal Ambassadors via our network on Twitch.

**Internal involvement by** jointly selecting organizations or initiatives, voted on by our staff.



# CSR activations during the year



UNIQUE VIEWERS

**220 359**

AVERAGE NUMBER  
OF VIEWERS

**9 802**

AMOUNT RAISED

**\$260 000+**

FRACTAL'S  
CONTRIBUTION

**\$2 000**

MARCH 3, 2024

## Elajjaz Road to the Swedish Classic

**Elajjaz**, an **international** streamer based in Sweden, is currently one of the biggest content creators for the Speedsouls category (Dark Souls and other FromSoft games that are played in challenging ways and with elements of speedrunning).

In an attempt to once again push his limits in real life he took part in the Swedish Classic Circuit, which concluded with the 90-kilometer cross-country ski race 'Vasaloppet'. The challenge was taken on both to raise awareness of the benefits of physical exercise and to raise money for the charity Save the Children. Fractal and other brands contributed to the event by sponsoring the stream and providing products for the charity auction. Fractal also participated in the Vasaloppet stream via a representative in the studio, who introduced viewers to the brand and product range.





UNIQUE VIEWERS

**124,722**AVERAGE NUMBER  
OF VIEWERS**674**

AMOUNT RAISED

**\$30,000+**FRACTAL'S  
CONTRIBUTION**\$11,000**

DECEMBER 6, 2024

## Play Together Against Cancer

On December 6, two prominent Twitch streamers from Sweden, Elajjaz and MissMikaa, participated in a fundraising event for the Swedish Cancer Society. They competed in Elden Ring for 7 hours and managed to raise over \$30,000.

Fractal contributed to the event by donating \$1,100 as well as providing Refine chairs and Scape headsets for the contestants. Two more Refine chairs were donated for the event's prize draw, further increasing the product's visibility. Refine got a very positive reception from the communities, with Elajjaz even completing an in-game challenge by defeating a boss while playing in fully reclined mode, something that was both appreciated and highlighted the functionality in practice.



UNIQUE VIEWERS

**16,226**AVERAGE NUMBER  
OF VIEWERS**9,585**

AMOUNT RAISED

**\$5,700+**FRACTAL'S  
CONTRIBUTION**\$5,000**

DECEMBER 15, 2024

## Craft for a Cause

On December 15, the Fractal Creator Program participated in another important initiative – 'Craft for a Cause'.

The event brought together four creators on Twitch who joined forces in Minecraft to raise money for Hope For The Day – a nonprofit organization that promotes dialogue about proactive suicide-prevention and mental healthtraining. More than fifteen thousand dollars were raised in total. As an official partner, Fractal contributed five thousand dollars and donated four North cases to the event's prize draw. At the same time, the organizers built a giant replica of a white North case inside the game, which also became the players' base during the event. All participating creators shared Fractal's brand video created for the unveiling of Refine and Scape with their viewers, and received a lot of positive feedback.

# Our business model and value chain

**A resource-efficient and responsible value chain is a central part of our business strategy to create increased value for our stakeholders and for society at large.**

**To ensure** an efficient and responsible value chain, we have conducted a thorough analysis of our impact on people and the environment. The analysis includes factors that we can control directly and factors that we can influence indirectly, such as what requirements are imposed on our suppliers and how we manage the dialog with our customers and business partners. Based on this, we carried out several supplier audits in 2024 to assess how closely our suppliers adhere to our code of conduct.



## Design and product development

All aspects of innovation, concept, and design of our products take place in-house at Fractal's headquarters in Gothenburg. The work is based on our overall brand and product strategy. We are keen to balance innovative thinking and current market trends in order to always be able to meet or exceed the end customer's high expectations.

With Fractal fully in control of the design process, we have the opportunity to continuously incorporate positive sustainability features and extend the lifespan of our products. Fractal's products do not contain any so-called conflict minerals - such as gold, tin, tantalum or tungsten - which are often mined in conflict zones and high-risk countries.

## Procurement and production

All manufacturing of Fractal's products takes place in China and in close cooperation with carefully selected suppliers. Since Fractal owns the manufacturing tools, we are also able to freely choose manufacturers without having to compromise. Ongoing quality controls and sustainability audits are performed on site in Taiwan and China. We also manage the contact with subcontractors for the procurement of materials and manufacturing of components. As a result, we have great potential to influence both the quality and sustainability performance of our products.

## Deliveries and logistics

Fractal's products are sold through distributors, retailers, and system integrators. Our shipping partners are usually responsible for deliveries. In most cases, distributors, and retailers handle the logistics themselves, in keeping with our supplier requirements for safety and sustainability.

2024\*  
CUSTOMER  
SATISFACTION

90%

\*FRESHWORKS  
SURVEY



## Product support

**Customer support and after-sales** are important to help our customers choose the right products and increase the product's lifespan. Choosing a Fractal product should mean enjoying a long and trouble-free customer experience. Customer satisfaction with our support was 90% in 2024 and we are constantly striving for new ways to improve service and elevate the customer experience. Even if the product was purchased through a retailer, we can handle the case directly, reducing unnecessary returns.



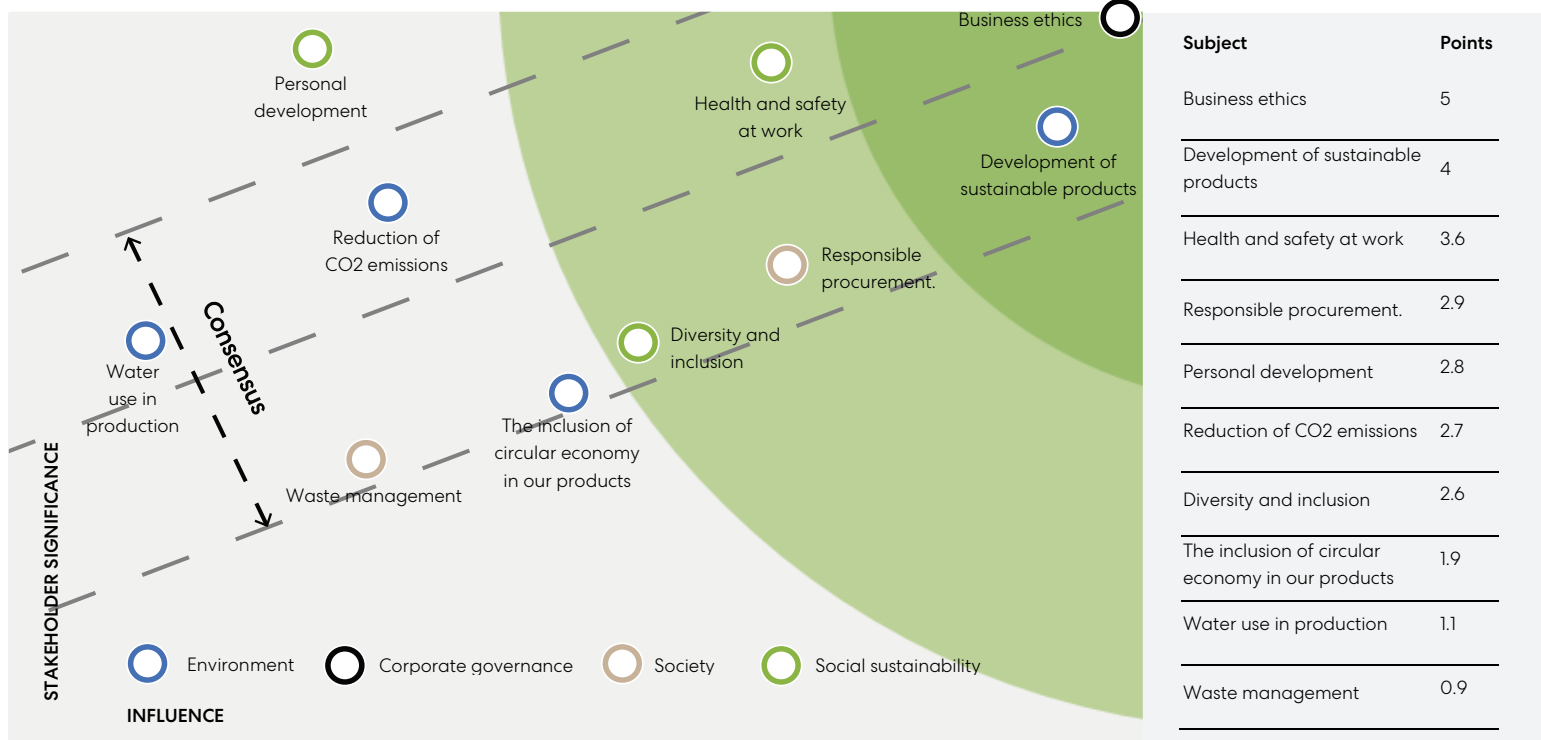
## Fractal Gaming Group's focus areas for sustainability

- **Sustainable** products with high quality and performance.
- **Reduced** climate impact.
- **Responsible** procurement.
- **Healthy** workplace that is inclusive and engaging.
- **Good** business ethics.
- **Social** responsibility.

The Fractal value chain is designed to deliver optimal performance and experience to customers in the high-performance PC gaming hardware market. Our computer cases, gaming chairs, headsets, power supplies and fans are designed to have the highest possible performance with a long lifespan.

The products must be possible to repair and upgrade. They must also be recyclable to the greatest extent possible at the end of the product life cycle. Fractal's customer support and aftermarket department plays an important role in guiding customers to the right product, offering replacement parts, and handling any warranty issues.





# Materiality analysis

In 2022, a single materiality analysis was carried out with the aim of mapping our stakeholders' most important issues when it comes to sustainability as well as the strategic importance of various factors in creating value.

In 2024, we carried out a double materiality analysis. The in-depth analysis ensures that we can provide a more comprehensive account and meet the new requirements.

Fractal's main stakeholders include:

- Employees
- Owners
- Customers
- Suppliers and their employees
- Manufacturers and their employees
- Distributors

The sustainability areas identified in 2022 were:

- Business ethics
- Diversity and inclusion
- Personal development
- Reduction of CO<sub>2</sub> emissions
- Water use
- Waste management

- **Circular** economy
- **Development** of sustainable products
- **Health** and safety at work
- **Responsible** procurement

The area ranked highest among stakeholders was business ethics. At Fractal, business ethics is something that runs through the entire company, from our internal relations to our business relationships with customers and partners.

The second highest is the development of sustainable products, an area that has strongly contributed to the design of our current sustainability strategy and is directly linked to our products' lifespan.

The insights from the analysis allow us to focus on priority areas, set goals and plan activities, and to continuously report on developments.

# Value chain from an environmental perspective

**Fractal's environmental impact relates mainly to the energy consumption of the products during their lifespan, raw materials, manufacturing, packaging materials, and emissions during shipment.**

**Products are shipped** mainly by ship from the factories in China that we work with to our local warehouses or directly to our distribution channels around the world. At Fractal, we use as few intermediaries as possible, which proves both economically and environmentally beneficial.

Handling and recycling constitute the last phase of the product lifecycle. At this stage, a large part of the sustainability performance has been delivered as our products have a long lifespan, thanks in part to the high quality of their design, replacement parts, and other forms of after-sales support.

## Steps towards a circular economy

A circular economy is based on extending product lifespan, reducing waste, conserving natural resources, and transitioning to more renewable forms of energy and materials. Since we design and develop our products ourselves, we have a great opportunity to influence energy efficiency, lifespan, and environmental impact, and to optimize material selection from a quality perspective. Fractal also provides replacement parts and after-sales service. We help our customers make informed purchasing decisions that account for the sustainability performance of products. Detailed product information increases interest, further contributing to more informed purchasing decisions and product choices. Together with our customers, we are well placed to help reduce climate impact by extending product lifetimes. This is done in part by making it possible to repair, upgrade, resell and ultimately recycle them.

## Code of Conduct and Policies

The Board of Directors, management, and employees of Fractal are committed to adhering to the company's Code of Conduct, policies, guidelines, and applicable legislation. This commitment also includes other relevant rules such as the GDPR, government regulations, and industry rules.

The code of conduct for our employees includes, among other things, zero tolerance against bribery and corruption. The principle is that everyone should work on the basis of common guidelines and have a shared set of values.

## Supply chain measures in 2024

In 2024, we took several measures to strengthen the sustainability of our supply chain and further integrate environmental and social aspects into our operations:

- **Expanded audit of suppliers:** As a continuation of the extended audit process from 2023, we now include sustainability parameters in addition to the quality audit. During the year, a total of nine audits were conducted, which showed average compliance with sustainability requirements of 88.7%. No serious deviations were identified. The introduction of new suppliers and a potential new partner affected the average slightly compared to 2023, when more established suppliers were audited.
- **Sustainable packaging initiatives:** We have intensified our efforts to develop sustainable packaging solutions. In the fourth quarter of 2024, a collaboration was initiated with a potential new packaging supplier with the aim of developing prototypes for packaging that does not use EPS/EPE material for products where it is still used. As a first step, vibration and drip testing will be carried out to ensure performance and durability.

# Purchasing policy and code of conduct for suppliers

Fractal Gaming Group's Supplier Code of Conduct is divided into five parts that are reviewed and subject to follow-up during each supplier audit. All our suppliers must sign the code of conduct and comply with the requirements it puts forth.

## Human rights

- ▶ **Respect** the personal rights and privacy of every individual.
- ▶ **Zero tolerance** for violations of human rights, human trafficking and forced labor.
- ▶ **All** people are of equal worth and have the same rights regardless of origin, culture, affiliation and sexual orientation.

## Fair working conditions

- ▶ **Zero tolerance** for child- or forced labor.
- ▶ **All** employees have the right to a fair salary and reasonable working hours.
- ▶ **Compensate** employees fairly and follow local wage regulations and/or collective agreements.
- ▶ **Working hours**, including overtime, must never exceed applicable legal limits.

## Health, safety, and environment

- ▶ **Safeguard** the health and safety of all employees.
- ▶ **Consider** environmental aspects based on relevant objectives, requirements, and directives.
- ▶ **Provide a safe** and healthy workplace for all employees and run the business in an environmentally sustainable manner.
- ▶ **Maintain** a commitment to environmental protection and management.

## Sustainable manufacturing methods

- ▶ **Comply** with all applicable laws and regulations regarding environmental legislation.
- ▶ **Have** an organization and procedures in place to effectively manage health, safety, and environmental risks.

## Hazardous substances and conflict minerals

- ▶ **Comply** with regulatory requirements regarding the prohibition and restriction of substances.
- ▶ **Comply** with the Restriction of Hazardous Substances Directive (RoHS).
- ▶ **Only** use minerals and metals originating from conflict-free areas, so-called "DRC conflict-free minerals".

## Business ethics

- ▶ **Conduct** business operations according to the highest standards of integrity and ethics.
- ▶ **Do** business openly, honestly, and ethically.
- ▶ **Do not** offer customers or suppliers, or any representatives of such entities, rewards or benefits that violate applicable laws or generally accepted good business practice.
- ▶ **Do not** participate in or facilitate any form of corruption. This includes fraudulent acts, bribery, payments to exercise influence and money laundering.



# Summary of supplier audits carried out in 2024

**In the seven audits that were carried out, suppliers got an average overall score of 88.7%.**

In 2025, we will be continuously evaluating our existing processes to identify possible improvement measures. Fractal will expand the sustainability work towards

suppliers to prepare the business for future CSRD requirements. In our plan for 2025, we have planned to audit a total of 15 suppliers.

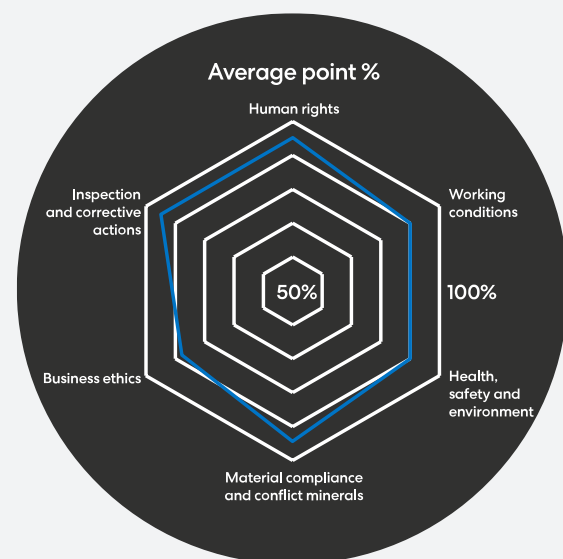
Supplier	Human rights	Working conditions:	Health, safety, and environment	Material compliance and conflict minerals:	Business ethics	Inspection and corrective actions
Supplier 01	18	30	10	7	18	10
Supplier 02	20	27	10	10	20	6
Supplier 03	18	25	10	20	16	10
Supplier 04	20	25	9	7	20	9
Supplier 05	16	23	10	10	20	9
Supplier 06	18	22	7	8	20	9
Supplier 07	20	23	8	10	16	6
Supplier 08	20	23	9	7	20	9
<b>Average score</b>	<b>19</b>	<b>24</b>	<b>9</b>	<b>10</b>	<b>19</b>	<b>9</b>
Max score	20	30	10	10	20	10
<b>Outcome %</b>	<b>95.7%</b>	<b>90.4%</b>	<b>90.0%</b>	<b>94.3%</b>	<b>88.6%</b>	<b>95.7%</b>

Explanation: Each criterion has a maximum score. Every supplier is evaluated on each criterion and scored with regard to compliance. The scores for each criterion and supplier are added together to give an average score. The outcome in % describes the ratio between the average score and the maximum score.

## Sustainability aspects in our supplier audits

The sustainability aspects in our supplier audits are divided into six criteria that are given importance as follows:

- **Human rights:** 20% of the total score
- **Working conditions:** 30% of the total score
- **Health, safety, and environment:** 10% of the total score
- **Material compliance and conflict minerals:** 10% of the total score
- **Business ethics:** 20% of the total score
- **Inspection and corrective actions:** 10% of the total score





# Personnel and workplace

## Our workplace

**Fractal has** an open and welcoming workplace where personal freedom and development are important aspects of the company culture. Good interdepartmental cooperation creates the best possible conditions for our innovative development work, which is refined into new, improved, and more sustainable products. Owing to our agile approach, we bring new products to market quickly and effectively without compromising on either function or quality.

## Our work environment

We work to create a pleasant, safe, and stimulating work environment with strong team spirit and developmental opportunities for everyone. This includes balanced staff turnover and a healthy work-life balance.

Our skilled employees are Fractal's most important resource. Our success is based largely on the commitment, openness, curiosity, and creativity of the whole team.

In 2024, we continued to implement and further develop our policies and guidelines for the entire organization. We updated our health and safety policy and improved the way the health and safety committee works, which focuses on maintaining a good work environment at Fractal.

In terms of business principles, ethics, and transparency, we have zero tolerance for bribery and corruption. Any signs of inappropriate activities are reported to the immediate manager or through a digital whistleblowing tool.

Our workplace health and safety policy was also further developed over the year. The document provides an in-depth description of what we consider to be a well-functioning and safe work environment, including responsibilities and working methods.

## How do we define a safe and secure work environment?

- ▶ **No one** risks injury or illness as a result of their work
- ▶ **Focus on cooperation**, development, and job satisfaction
- ▶ **Continuous** assessments of moments of risk are carried out
- ▶ **Proactive** efforts to identify stress problems at an early stage are carried out
- ▶ **Opportunity** to be creative and solution-oriented in one's professional role
- ▶ **We** promote a positive workplace that encourages interdepartmental cooperation.



## OUR CORPORATE CULTURE

# One Fractal

During the year, Fractal took an important step in further strengthening and clarifying the corporate culture that has been crucial to our success. *One Fractal* is based on three cornerstones: *People*, *Performance* and *Passion*

**One Fractal's cornerstones** are reflected in every product launch, strategic decision and customer interaction. These principles are what sets us apart in a fast-moving and competitive market and what unites us in our vision to offer the ultimate Scandinavian gaming station.

**People: The heart of the company**

With a culture of curiosity and innovation, we encourage our colleagues to always challenge old truths. We value different perspectives and together identify both solutions and opportunities.

**Performance: How we measure success**

Delivering the best possible product is part of our DNA. A strong focus on craftsmanship, high accuracy and a constant desire to exceed both the customer's and the market's expectations are all guiding principles for how we work.

**Passion: The driving force behind our offering**

At Fractal, we are united by a strong passion – for our respective areas of responsibility, the next launch or gaming and tech. We always strive to deliver market-leading customer experiences and encourage both dedication and heart in all stages of the work.

## Looking ahead

**Fractal continuously implements** initiatives to strengthen teams and culture. Insights from monthly employee surveys are used as a foundation to continuously drive employee engagement and gather feedback from our teams. A new HR system will be implemented in 2025 to improve internal support and additional resources with a clear goal of further developing employee satisfaction.

**The focus is also** on creating a sustainable and inclusive work environment where employees feel motivated, valued and committed. Through specific culture-oriented programs and initiatives designed to continuously meet the coming and existing needs of our teams.



## Engaging workplace

In 2024, we continued to develop our employee survey tool, which helps us to continuously measure and improve our employees' well-being, engagement and satisfaction in real time. These insights help the organization identify strengths and areas for improvement, allowing us to make informed decisions to create a more supportive and motivating workplace. During the year, new ways of working were implemented to manage the results from Winningtemp, which was documented as best practice.

## Inclusion and equality

Fractal promotes equal rights and opportunities for all employees, regardless of gender, nationality, ethnic origin, sexual orientation or religious beliefs. Our recruitment policy is to always select the most qualified individual. This sets the framework for an innovative and inspiring work environment.

We aim to build strong teams made up of different skills, genders, ages, and nationalities. All employees should be given equal opportunities for professional development and be treated with respect.

## Employee well-being and development

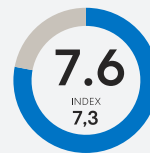
At Fractal, every manager ensures that all employees have a clear role with responsibilities and powers and that they enjoy their work. Furthermore, employees must be given the opportunity for the development and training required to achieve set goals. Performance is evaluated on an ongoing basis and reported at regular review meetings where progress, challenges, and personal development are discussed. Performance reviews are held twice a year. The aim is to strengthen the development process and prevent both stress and disease.

Fractal offers wellness grants and gym facilities during working hours to encourage physical activity.

LEADERSHIP



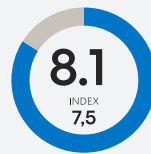
JOB SATISFACTION



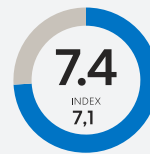
MEANINGFULNESS



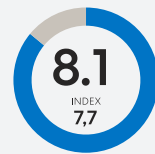
AUTONOMY



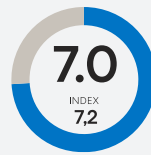
WORK SITUATION



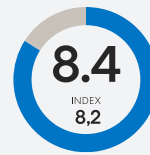
PARTICIPATION



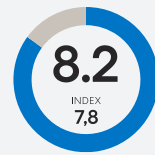
PERSONAL DEVELOPMENT



TEAM SPIRIT



COMMITMENT



The survey shows that our main strengths are team spirit, participation and leadership. This is something we will continue to develop to differentiate Fractal from other comparable employers. These results help us continue to strengthen our brand, both internally and externally.





## Activities during the year

Throughout the year, Fractal continued to work on improving HR processes in areas such as recruitment, employee performance and development, engagement and more. As part of this work, Fractal introduced the "One Fractal" cultural initiative based on People, Performance & Passion. The initiative emphasizes the importance of uniting individuals who inspire passion and drive high performance through clear goals, efficient processes, and a shared commitment to success. Going forward, we will further integrate these values across departments and regions to strengthen a cohesive culture that supports sustainable growth and success.


We have worked to promote the well-being of our employees by encouraging physical activity. The measures include health and wellness allowances, weekly hours off to exercise and encouraging group exercise. In addition, we are continuously working to educate our employees on how to maintain a healthy workplace through proper ergonomics, both at home and in the office. We are also committed to raising awareness of our sustainability work among our employees. We continue to evaluate how employees view the company's initiatives and efforts in social, environmental and economic sustainability through our employee surveys.

## Ambitions for the work environment


In 2025, we will continue to focus on strengthening Fractal's team spirit and leadership, while maintaining the high level of commitment among all employees. We prioritize measures that ensure high job satisfaction, personal development and well-being. We continue to work proactively to prevent stress and ill health in the workplace, as part of our ongoing commitment to a healthy and sustainable work environment. Proactive measures include weekly employee surveys, opportunities for professional support, promoting a healthy work-life balance, and additional initiatives to boost well-being.

## KPI

Number of employees at the end of 2024	106
Staff turnover	7.55%
Gender distribution	67% Men 33% Women
Sick leave %	2.56%
Employees per country	Sweden: 67 USA: 15 China: 14 Taiwan: 7 Czech Republic 2 France: 1
Health-related incidents	0
Women on the Board	20%
Women in management	14%

HOW MEANINGFUL DO YOU FEEL THAT YOUR WORK IS AT FRACTAL DESIGN?  
 “ I should say my work is very meaningful and contribute Fractal to succeed.

I FEEL THAT FRACTAL IS A GOOD WORKPLACE THAT BRINGS OUT THE BEST IN ME  
 “ People respect each other, and have different personalities but can also work effectively together, and there are many experienced people who can offer valuable advice for me.

DO YOU FIND JOY IN YOUR WORK?  
 “ Absolutely, I like my colleagues at work and like the company's commitment to well-being at work through breakfasts, coffee and other AW activities.

# UN Sustainable Development Goals

Based on Fractal's operations and social and environmental footprint, we can contribute and make a difference within 4 of the 17 Sustainable Development Goals of the 2030 Agenda.

The Sustainable Development Goals were adopted by the UN General Assembly and endorsed by all member states in 2015. The aim is to achieve a better and more sustainable future by 2030. We have identified goals with a direct or indirect impact that can influence developments across the value chain. These include:



## Goal no. 5 – Gender equality

Fractal is dedicated to providing equal opportunities to every person employed by the company. Our strategic direction is to be an inclusive company that welcomes and develops extraordinary people, regardless of gender or cultural background.



## Goal no. 8 – Decent work and economic growth

Our employees are Fractal's most important asset. We therefore offer safe and competitive working conditions and terms throughout the organization. All our suppliers have signed and agreed to follow our code of conduct.



## Goal no. 12 – Responsible consumption and production

As Fractal controls the design process, important sustainability features can be incorporated into the products. Our goal is to increase sustainability across the entire product life cycle and to take additional steps towards a circular business model, which we see as an important part in reducing our environmental and climate impact.



## Goal no. 16 – Peace, justice and strong institutions

Responsible and ethical business practices are requirements for prosperous, fair and well-functioning societies. It is also a central part of Fractal's values and our sustainability work. To prevent risks in the value chain, we have implemented policies and procedures for all employees and business partners.

# Sustainability risks and measures

**Effective risk management is a prerequisite for creating competitiveness and a long-term sustainable business. Fractal Gaming Group works systematically to identify and manage sustainability-related risks. The most significant risks and associated measures are presented below.**

## Sustainable products

Demand for sustainability from customers and other stakeholders is gradually increasing. Commercial success on the market presupposes a high level of trust in the Fractal's operations and that business is conducted in a sustainable and ethical manner. Risks also include any harmful substances or products that do not meet the sustainability requirements of customers or authorities. Requirements for energy efficiency, upgradability, and recyclability of products are also expected to increase.

Fractal conducts extensive product testing, quality controls, and other measures to ensure compliance with legal requirements and policies.

## Climate impact and more stringent sustainability requirements

The EU's and the UN's sustainability goals require improved sustainability performance in all parts of the value chain. Companies failing to comply with these requirements and expectations risk falling behind other market players, which can lead to a loss of competitiveness. Demands are also increasing not only from customers, but also as employees, owners, and lenders.

Climate change and natural disasters can affect Fractal and our suppliers, which in turn can affect the ability to manufacture and deliver products.

## Business risks linked to corruption and ethics

Global companies operate in markets and societies with heightened risks of corruption and bribery. Risks include loss of trust as well as damage to the brand, imposition of penalties, fines or other financial consequences for violating laws and regulations.

Fractal's long-term strategy for controlling risks is an essential part of its sustainability work. Implementation and continuous updating of our Code of Conduct and supplier compliance with the Code of Conduct are key factors. Approval of suppliers and business partners and follow-up through sustainability audits are important measures to manage current risks. Training initiatives are also a tool to ensure compliance with the Code of Conduct.

## Circular resource flows

Scarcity of natural resources and assets can lead to new legislation that makes production more expensive and complex, which in turn can lead to higher prices.

Fractal designs all products, giving it good control over the product's properties, performance and choice of material.



To the general meeting of the shareholders of  
Fractal Gaming Group AB  
Company reg. no. 559080-2970

# Auditor's opinion

## Assignment and Responsibility Distribution

The board of directors is responsible for the sustainability report for the year 2024 on pages 24–45 and for ensuring that it is prepared in accordance with the Annual Accounts Act as per the older version that was in effect before July 1, 2024.

## Focus and scope of the audit

Our audit was conducted in accordance with FAR's recommendation RevR 12 *Auditor's opinion on the statutory sustainability report*. This means that our audit of the sustainability report has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the audit has provided us with sufficient basis for our opinion.

## Opinions

A sustainability report has been prepared.

Gothenburg, April 29, 2025

KPMG AB

**Maria Kylén**

Authorized Public Accountant



# Corporate governance

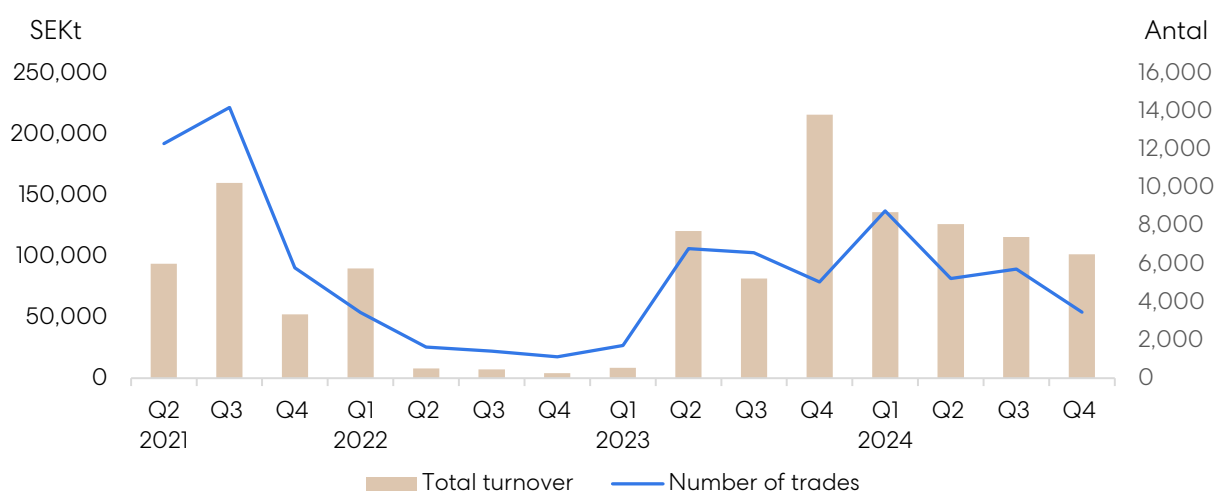
# The share and shareholders

## Share price development and turnover

Fractal has been listed on Nasdaq First North Premier since February 11, 2021 and trades under the ticker symbol FRACTL. At the end of 2024, Fractal's share price was listed at SEK 33.60 (34.90). This was equivalent to a market capitalization of SEK 978 million (1,016). The highest price quoted during the financial year was SEK 46.00 (49.90) and the lowest price was SEK 28.10 (20.25). During the period, a total of 14.3 million (12.9 million) stock units were traded with a total value of SEK 490.3 million (427.3 million).

## Share capital

As of December 31, 2024, capital stock in Fractal amounted to SEK 500,000, divided into 29,119,500 stock units with a quota value of SEK 0.017. According to the company's articles of association, share capital may not be less than SEK 500,000 and not exceed SEK 2,000,000, and the number of shares must remain between 29,000,000 and 116,000,000. Each share entitles the holder to one vote at the General Meeting and each shareholder is entitled to vote for all shares held by the shareholder. On January 8th, 2021, a share split was carried out and the number of shares went from 970,650 to 29,119,500.





## Ownership structure

The company had 4,562 (5,173) shareholders as of December 31. The ten largest shareholders controlled 81.2% (82.1%) of capital and votes. The three largest shareholders were Långholmen Holding AB, Herenco Holding Aktiebolag and Mediuminvest AS.

## Dividend and dividend policy

Fractal intends to continuously invest in organic growth and to develop the business. In addition, Fractal's goal is to distribute 50 to 80 percent of its net income. The Board of Directors proposes a cash dividend of SEK 1.25 (0) per stock unit, equivalent to SEK 36.4 million (0). The proposed record day for right to dividend is May 22, 2025. Provided that the general meeting approves the proposal, the expected payment date is May 27, 2025.

Data per share	2024
Stock price as of December 31	33.6
Market capitalization as of 31 December	978,415,200
Dividend, SEK / share	-
Earnings per share, SEK	1.6
Number of outstanding shares	29,119,500
Average number of shares before dilution	29,119,500
Average number of shares after dilution	29,119,500
The number of shareholders as of December 31	4,562

10 largest shareholders	Total number of shares	% of total number of shares
Långholmen Holding AB	8,460,280	29.1
Herenco Holding Aktiebolag	4,152,776	14.3
Mediuminvest AS	2,915,847	10.0
TIN Fonder	1,839,024	6.3
Nordnet Pensionsförsäkring	1,573,314	5.4
Avanza Pension	1,273,763	4.4
Enter Fonder AB	980,309	3.4
Alcur Fonder AB	904,277	3.1
Ramhill AB	850,000	2.9
Eskilsson, Alexander Christian	685,000	2.3

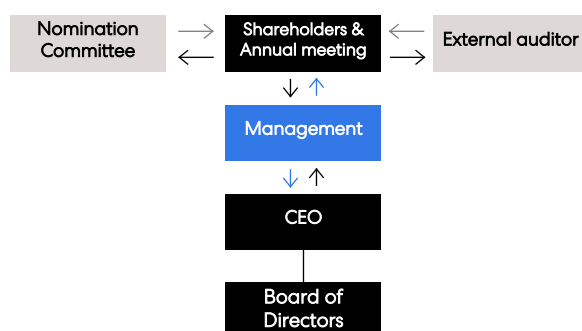
Shareholder spread	Shareholders	Holdings,%
1-500	3,830	84.0%
501-1 000	329	7.2%
1 001-5 000	300	6.6%
5 001-10 000	38	0.8%
10 001-15 000	17	0.4%
15 001-20 000	8	0.2%
20 001-	40	0.9%
	<b>4,562</b>	<b>100%</b>

Year	Transaction	Number of shares after transaction	Total share capital after transaction
2018	New share issue	1,015,773	101,577
2020	Withdrawal	970,650	101,577
2021	Split	29,119,500	500,000

# Corporate Governance Report

## Corporate governance structure

The governance of Fractal Gaming Group AB (Fractal) is regulated by both internal governing documents as well as external regulations. External regulations include the Swedish Companies Act and the Annual Accounts Act, Nasdaq Stockholm's regulations for issuers and other laws and regulations. The internal governing documents consist of, among other things, the Articles of Association adopted by the Annual General Meeting, the Board's rules of procedure and the Board's instructions for the CEO. The Swedish Code of Corporate Governance (the Code) is applied by the company and no deviations from the Code have been reported.



the shareholders exercise their voting rights on key issues such as approval of income statements and balance sheets, appropriation of the company's profit or loss, granting discharge from liability for Board Members and the CEO, election of Board Members and auditor, and remuneration to the Board and auditor.

The Annual General Meeting must be held no later than six months after the end of the financial year. An Extraordinary General Meeting may be convened in addition to the Annual General Meeting. In accordance with the Articles of Association, notice to convene the General Meeting is announced by advertising in Post- och Inrikes Tidningar and by making the notice available on the company website. The notice to convene is also announced in Svenska Dagbladet. The Annual General Meeting is held in Stockholm or Gothenburg.

Each share in Fractal entitles the holder to one vote at the General Meeting and each shareholder has the right to vote for all shares held by the shareholder.

### Shareholder initiatives

Shareholders who wish to have a matter considered at the General Meeting must submit a written request on this matter to the Board of Directors. The request should normally be received by the Board no later than seven weeks before the General Meeting.

### Annual general meeting

Fractal's last Annual General Meeting was held on May 21, 2024. A total of 10 shareholders participated or were represented at the meeting, representing approximately 61% of the total number of votes in the company. Minutes from the Annual General Meeting and the Articles of Association are available on Fractal's website, [group.fractal-design.com](http://group.fractal-design.com). The Annual General Meeting passed the following decisions, among others:

- decision, in accordance with the nomination committee's proposal, that remuneration to the Board of Directors should be paid in a maximum amount of SEK 990,000, of which SEK 330,000 to the Chairman of the Board and SEK 165,000 to each of the other Board Members.
- decision, in accordance with the nomination committee's proposal, to appoint Magnus Yngen (re-election), Hannes Wallin (re-election), Pernilla Ekman

## Shareholders

At the end of the year, Fractal had capital stock of SEK 500,000. The number of registered shares amounted to 29,119,500.

Fractal's largest shareholders were Långholmen Holding AB with 29.1% of votes, Herenco Holding Aktiebolag with 14.3% and Mediuminvest AS with 10.0%. The number of shareholders amounted to 4,562 (5,173). Distribution of ownership is presented on the previous page. Fractal's shares are connected to Euroclear Sweden AB, meaning that they maintain a shareholder register of owners and administrators in the company and that no share certificates are issued.

## General meeting

In accordance with the Swedish Companies Act (2005:551), the general meeting is the company's highest decision-making body. At the General Meeting,

(re-election), Ola Nilsson (re-election) and Gustav Thott (re-election) as Board members. Hannes Wallin was elected Chairman of the Board.

- decision, in accordance with the nomination committee's proposal, to re-elect KPMG AB as the company's auditor, with Maria Kylén as auditor in charge.
- decision on the principles for appointing the nomination committee (see below).
- decision, in accordance with the Board's proposal, on a long-term incentive program and issue of warrants to certain senior executives.
- decision, in accordance with the Board's proposal, to authorize the Board to resolve to increase the company's share capital by issuing new shares, corresponding to a maximum of 20% of the number of outstanding shares and votes in the company.
- decision, in accordance with the Board's proposal, to allow annual general meetings to be held digitally.

## Nomination committee

Companies complying with the Code must have a nomination committee. The Code states that the General Meeting shall appoint the members of the nomination committee or specify how the members are to be appointed. That the nomination committee shall, according to the Code, consist of at least three members, a majority of which are independent in relation to the company and Group management. Additionally, at least one member of the nomination committee must be independent in relation to the largest shareholder in terms of votes or the group of shareholders who collaborate on managing the company.

At the Annual General Meeting held on May 21, 2024, it was decided that the nomination committee shall consist of representatives from the three largest shareholders listed in the share register maintained by Euroclear Sweden as of September 30, 2024 and the Chairman of the Board, who will also convene the first meeting of the nomination committee. The member representing the largest shareholder shall be appointed president of the nomination committee unless the nomination committee unanimously appoints someone else. If one or more of the shareholders who appointed representatives to the nomination committee earlier than three months before the Annual General Meeting are no longer among the three largest shareholders, representatives appointed by these shareholders shall resign, and the shareholders who subsequently belong to the three largest shareholders may appoint their own representatives.

If a representative resigns from the nomination committee before the nomination committee's work is completed and the nomination committee considers it necessary to replace the said representative, such a replacement representative shall represent the same shareholder unless said shareholder is no longer one of the largest shareholders, in which case the replacement representative shall instead represent the largest shareholder in turn. Shareholders who have appointed a representative as a member of the nomination committee have the right to dismiss such a member and appoint a new representative as a member of the nomination committee. Changes in the composition of the nomination committee must be announced immediately.

The composition of the nomination committee prior to the Annual General Meeting is usually announced no later than six months before the meeting.

Representatives in the nomination committee shall not receive compensation. The company shall reimburse any costs that the nomination committee incurs through its work. The term of office for the nomination committee ends when the composition of the following nomination committee has been announced.

Prior to the 2024 Annual General Meeting, the nomination committee consisted of Daniel Johnsson representing Långholmen Holding AB, Carl-Mikael Lindholm representing Herenco Holding Aktiebolag and Philip W. Tadayoni

representative for Medium Invest AS, and Chairman of the Board Magnus Yngen. Daniel Johnsson has been appointed president of the nomination committee. The shareholders appointed as representatives to the nomination committee jointly represent 53.3% of the votes in Fractal.

Board member	Appointed by	Independent	Participation * / number of meetings
Daniel Johnsson	Repr. for Långholmen Holding AB	Yes	4/4
Philip W. Tadayonisom	Medium Invest AS	Yes	4/4
Carl-Mikael Lindholm	Herenco Holding AB	Yes	4/4
Hannes Wallin	In his capacity as Chairman of the Board	Nej	4/4

\*by the company and the company management



## Board of Directors

### The work of the Board

The Board of Directors is Fractal's highest decision-making body after the General Meeting. In accordance with the Swedish Companies Act, the Board is responsible for the company's management and organization, which means in part that the Board is responsible for setting goals and strategies, ensuring routines and systems for evaluating set goals, continuously evaluating the company's results, financial position and operational management. The Board is also responsible for ensuring that the Annual Report and interim reports are prepared in a timely manner. The Board also appoints Fractal's CEO.

### Composition of the Board of Directors

The members of the Board of Directors are normally elected by the Annual General Meeting for the period until the end of the next Annual General Meeting. In keeping with Fractal's Articles of Association, the Board (as elected by the General Meeting) shall consist of a minimum of three members and a maximum of ten members (no deputies). In accordance with the Code, the Chairman of the Board is elected by the Annual General Meeting and has a special responsibility for the management of the Board's work and for ensuring that said work being is organized and carried out in an efficient manner.

The Board follows written rules of procedure that are revised annually and adopted annually at the inaugural meeting. The rules of procedure regulate, among other things, board practice, functions, and the distribution of work between Board Members and the CEO. In connection with the inaugural meeting, the Board of Directors also adopts the instructions for the CEO, including financial reporting.

The Board of Directors has decided to discharge the tasks of the Remuneration Committee and the Audit Committee in full. This means that the Board as a whole must, among other things, monitor Fractal's financial reporting, monitor the efficiency of the company's internal control, internal audit and risk management, remain abreast of the audit of the Annual Report and Consolidated Financial Statements, review and monitor the auditor's impartiality and independence and thereby pay particular attention to whether the auditor provides non-audit services to Fractal, and prepare proposals for the election of the auditor by the general meeting. Furthermore, the Board shall also decide on remuneration and other terms of employment for the CEO and senior executives.

The Board meets according to an annually established schedule. Additional board meetings can be convened to address issues that cannot be referred to an ordinary board meeting. In addition to the board meetings, the Chairman of the Board and the CEO have an ongoing dialog regarding the management of Fractal. In 2024, nine recorded board meetings were held, including board meeting following election and per capsulam meetings.

Board member	Elected	Indepen- dent of the company and the company manage-ment	Indepen- dent of major share- holders	Partici- pation / number of meetings
Magnus Yngen	2017	Yes	Yes	9/9
Hannes Wallin	2010	No	No	9/9
Patrick Söderlund	2019	Yes	Yes	3/9
Gustav Thott	2016	Yes	Yes	8/9
Pernilla Ekman	2020	Yes	Yes	9/9
Ola Nilsson	2021	Yes	Yes	9/9
Erik Stenberg	2022	Yes	Yes	3/9

Note: Patrick Söderlund and Erik Stenberg resigned from the Board of Directors at the Annual General Meeting in May 2024.

### CEO and other senior executives

The CEO is subordinate to the Board and is responsible for Fractal's ongoing management and day-to-day operations. The division of tasks between the Board and the CEO is set out in the Rules of Procedure for the Board and the Instructions for the CEO. The CEO is also responsible for preparing reports and compiling information from management prior to board meetings and is the presenter of the material at board meetings.

According to the financial reporting instructions, the CEO is responsible for financial reporting in the company and must consequently ensure that the Board of Directors receives sufficient information to enable the Board to continuously evaluate Fractal's financial position. The CEO shall keep the Board of Directors continuously informed of developments in Fractal's operations, the development of sales, earnings and financial position, liquidity and financial situation, important business events and any other event, circumstance, or relationship that can be assumed to be of material importance to Fractal's shareholders.

**Internal control**

Internal control encompasses control of the Group's organization, procedures, and support measures. The aim is to ensure that the financial reporting is reliable and accurate, that company and consolidated financial reports are prepared in accordance with regulations and applicable accounting practice, that Fractal's assets are protected, and that other requirements are met. The internal control system is also designed to monitor compliance with Fractal's policies, principles, and instructions. Internal control also includes analysis of risks and monitoring of implementing information and business systems. The Group identifies, assesses, and manages risks based on the Group's vision and objectives. Risk assessments of strategic, compliance, operational, and financial risks are performed annually by the CFO, and the assessment is presented to the Board.

The Board is responsible for internal control. Processes for managing the business and ensuring that the Group delivers value should be established within the business management system. The CEO is responsible for the process structure within the Group.

A self-evaluation of the minimum requirements of defined controls for identified risks shall be performed annually and reported to the Board of Directors. The CFO is responsible for the self-evaluation process, which is facilitated given that the internal control works. In addition, the internal control function performs assessments of risk controls and internal systems in accordance with the plan agreed upon with the Board and Group Management.

**Audit**

The auditor shall review Fractal's annual report and accounts and the management of the Board of Directors and CEO. After each financial year, the auditor shall submit an auditor's report and a consolidated auditor's report to the Annual General Meeting.

Per Fractal's Articles of Association, the Company shall have a minimum of one (1) and a maximum of two (2) auditors and a maximum of two (2) deputy auditors. The company's independent auditors are KPMG AB, with Maria Kylén as chief auditor.

# Board of Directors



**Hannes Wallin**

**Born** 1982. Chairman of the Board since 2024. Board member between 2010–2024.

**Education:** -

**Other current positions:** Chairman of the Board for JHD Holding AB. Board member of Långholmen Holding AB and SANNPA Ltd.

**Previous positions** (last five years): CEO Fractal Gaming Group AB.

**Shareholding in the company** (including any related-party holdings): 8,523,533 shares.



**Magnus Yngen**

**Born** 1958. Board Member since 2024. Chairman of the Board between 2017–2024.

**Education:** Master of Science in Engineering, Royal Institute of Technology.

**Other current positions:** Chairman of the Board for Lindemann GmbH and LMY Stockholm AB.

**Previous positions** (last five years): CEO Dometic Group AB, CEO Camfil AB, Chairman of the Board Duni AB, Vice Chairman of the Board of Intrum AB, Board member Dometic AB.

**Shareholding in the company** (including any related-party holdings): 428,550 shares.



**Gustav Thott**

**Born** 1977. Board Member since 2016.

**Education:** Master's degree, Stockholm School of Economics.

**Other current positions:** Head of M&A and Corporate Development KEYTO Group

**Previous positions** positions (last five years): Partner Litorina, Board Member of Physical Medicine Group, NN07 and Leos Lekland (Leo's Playcenter).

**Shareholding in the company** (including any related-party holdings): 6,000 shares



**Pernilla Ekman**

**Born:** 1972. Board Member since 2020.

**Education:** Master of Science Business Administration and Economics, Stockholm University.

**Other current positions:** CEO Aarke AB. Board Member Profoto Holding AB.

**Previous positions** (last five years): CEO Zound Industries International AB, Chairman of the Board for Aarke Holding AB and Chairman of the Board for Stronger AB.

**Shareholding in the company** (including any related-party holdings): 44,340 shares.



**Ola Nilsson**

**Born:** 1969. Board Member since 2021.

**Education:** Bachelor of Economics.

**Other current positions:** -

**Previous positions** (last five years): part of Electrolux corporate management 2016–2023, including as ultimately responsible for all Global Product Lines. Prior to that, held senior positions in the Electrolux Group since 1994.

**Shareholding in the company** (including any related-party holdings): 70,000 shares.



# Management



**Jonas Holst**

**Born:** 1984

**Current position:** Chief Executive Officer (CEO) since 2024.

**Education:** Master's Degree in European Studies, Bachelor's Degree in Economic History, Bachelor's Degree in Industrial and Financial Economics, University of Gothenburg

**Other current positions:** Chairman of the Board for I&L Consulting AB

**Previous position (last five years):** VP Global Sales since 2022., Chief Product Officer for Blueair AB, Director Blueair Asia Limited, Board Member for Blueair AB, Board Member for Jonborsten AB

**Shareholding in the company (including any related-party holdings):** 13,295 stock units.



**Karin Ingemarson**

**Born:** 1976

**Current position:** CFO since 2019

**Education:** Master's degree in economics, University of Gothenburg

**Other current positions:** Deputy Board Member of Stevia Holding AB

**Previous position (last five years):** Board Member of Shiloh Holdings Sweden AB and Shiloh Industries AB

**Shareholding in the company (including any related-party holdings):** 88,650 stock units



**Alexander Ernryd**

**Born:** 1985

**Current position:** CMO since 2020

**Education:** Game Development, Örebro University and University of San Diego

**Other current positions:** -

**Previous position (last five years):** Nordic e-commerce manager for Ingram Micro Mobility Sweden AB

**Shareholding in the company (including any related-party holdings):** 13,320 stock units



**Martin Gustavsson**

**Born:** 1977

**Current position:** VP Supply Chain since 2021.

**Education:** Master of Science in Engineering, Chalmers University of Technology, Gothenburg

**Other current positions:** -

**Previous position (last five years):** VP Global Sourcing at Breas Medical AB.

**Shareholding in the company (including any related-party holdings):** 3,130 shares.



**Alexander Kahl**

**Born:** 1976

**Current position:** VP Global Sales since 2024

**Education:** Master/Diploma Management & Economics

**Other current positions:** -

**Previous position (last five years):** VP & GM Asia at Turtle Beach/ROCCAT and Director Sales EMEA at RAZER

**Shareholding in the company (including any related-party holdings):** -



**Henrik Gunnerling**

**Born:** 1977

**Current position:** CTO since 2023

**Education:** MSc in Industrial Engineering & Management, Chalmers University, Gothenburg

**Other current positions:** Chairman of the Board Henrik Gunnerling AB, Chairman of the Board for Treiso AB

**Previous position (last five years):** Range & Product Engineering Manager at Inter IKEA, Range & Product Innovation Manager at Inter IKEA, Purchasing Development Manager at Inter IKEA, Board Member at Techship AB

**Shareholding in the company (including any related-party holdings):** 21,625

# Auditor's opinion on the corporate governance report

To the general meeting of the shareholders of Fractal Gaming Group AB  
Company reg. no. 559080-2970

## Engagement and responsibility

It is the Board of Directors that is responsible for the corporate governance report for the year 2024 on pages 50 – 54 and that it has been prepared in accordance with the Annual Accounts Act.

## Focus and scope of the audit

Our audit has been conducted in accordance with FAR's auditing standard RevU16 *The auditor's examination of the corporate governance report*. This means that our audit of the corporate governance report has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the audit has provided us with sufficient basis for our opinion.

## Opinions

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, section 6, second paragraph, items 2-6 of the Annual Accounts Act and Chapter 7, section 31, second paragraph of the same Act are consistent with the Annual report and Consolidated Financial Statements and are in accordance with the Annual Accounts Act.

Gothenburg, April 29, 2025

KPMG AB

**Maria Kylén**

Authorized Public Accountant

# Management report

## Group

The Fractal Group consists of the Parent Company Fractal Gaming Group AB and the subsidiary Fractal Gaming AB, which in turn has three subsidiaries: Fractal Design North American Inc, Fractal Design Swedish Taiwan Ltd., and Fractal Design (Dongguan) Co, Ltd.

Amounts in these Consolidated Financial Statements and Annual Report are stated in SEK thousands, unless otherwise specified.

## Parent Company

The parent company Fractal Gaming Group AB, corporate ID number 556080-2970, has its registered office in Stockholm. The operations of the Parent Company consist of Group management services performed for the Group companies.

## General information about the business

Founded in 2010, Fractal quickly became a pioneer, revamping the image of what gaming products could look like with a clean and streamlined design. Fractal has since developed into both an international brand and a benchmark in the premium segment of PC gaming products. Today, Fractal sells in over 50 countries in the attractive and still-growing gaming market.

The product categories today consist of computer cases, gaming headsets, gaming chairs, power supplies, cooling products and fans for gaming computers. Fractal is the market leader in computer cases in several geographical markets: currently number one in the Nordic region, second in Japan, and maintains a top-three position globally. Fractal's offer and range is distinguished by Scandinavian design, careful material selection, and high quality.

From day one, the Company has delivered profitable growth by successfully combining design, performance, and quality to satisfy consumer demand, while also expanding the product offering and geographical presence.

Fractal is a leading, well-established brand with a strong premium positioning that has proven popular within relevant and influential communities. Extensive effort is devoted to improving the customer experience itself, in part through the industry's most acclaimed customer service and aftermarket departments.

Fractal has identified a number of growth areas for continued profitability and development, such as broader and more innovative marketing, aggressive broadening of both the product portfolio and product range, and a continued focus on geographical expansion and new markets. The head office is based in Gothenburg (Sweden) with satellite offices in Dallas (USA), Dongguan (China), and Taipei (Taiwan).

## Corporate Governance Report

Fractal has chosen to make the corporate governance report available as a separate document from the Annual Report in accordance with the Annual Accounts Act, chapter 6, section 8. The corporate governance report can be found on page 35.

## Development of business and position

Net sales for the full year 2024 amounted to SEK 697.9 million, a decrease of approximately 10 percent compared to the previous year. Weakened market conditions in the first nine months of the year were followed by a strong fourth quarter with improved earnings and one of the company's highest quarterly sales to date. During the year, the company has handled disruptions in the Red Sea, delayed product launches and general global uncertainty.

EBITDA amounted to SEK 84.0 million (137.2). Fractal has continued to invest in future growth while maintaining cost control, resulting in a net cash position of SEK 50.6 million (7.9) at year-end. New import tariffs in the US will be introduced in the spring of 2025, but affect the entire industry and are deemed to be competition-neutral.



**Koncernen i sammandrag**

MSEK	2024	2023	2022	2021
Net sales	697.9	773.3	485.6	478.6
Net sales, USDm	66.0	72.8	47.9	56.0
Product profit	281.1	315.3	179.1	158.1
Product margin, %	40.3%	40.8%	36.9%	33.0%
EBITDA	84.0	137.2	34.0	12.4
EBITDA margin	12.0%	17.7%	7.0%	2.6%
Operating cash flow	59.2	131.6	26.4	-60.7
Cash generating	70.5%	95.9%	77.6%	-488.8%
Interest-bearing net debt	-50.6	-7.9	115.6	126.2
USD/SEK, average	10.6	10.6	10.1	8.5

For the definitions of key ratio, see page 93

Items affecting comparability were SEK 0m (0), related to listing costs.

**Moderbolaget i sammandrag**

MSEK	2024	2023	2022	2021
Net sales	5.7	4.9	5.9	26.3
Profit/loss after financial items	-1.6	-1.3	-1.5	-0.3
Balance sheet total	279.3	273.4	274.6	273.0

## Significant events during the financial year

On January 18, 2024, Fractal published a press release that Alexander Kahl had been appointed VP Global Sales, effective February 1, 2024. Alexander comes most recently from the role of VP and General Manager for Turtle Beach Asia and has many years of senior industry experience.

On January 9, Fractal published a press release stating that the company is expanding its direct import business in the United States and expanding the network of sales channels to include Amazon.

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

During the last days of May 2024, word came that Fractal had once again received a tariff exemption for computer cases for sales to the USA. The exemption applies through May 31, 2025. Previous exemptions applied through May 31, 2024.

At the beginning of June 2024, in connection with the computer fair Computex in Taiwan, four new products were introduced, two of which in new product categories; chairs and headsets.

The Annual General Meeting on May 21, 2024, resolved, in accordance with the Board of Directors' proposal, that no dividend will be paid for the 2023 financial year.

## Operations in research and development

Fractal conducts internal product development, to further develop both new and existing product areas. Expenditure on product development in 2024 amounted to TSEK 19,844 (14,456), of which TSEK 15,577 (13,200) were recorded as capitalized development expenditure.

Development operations take place mainly in the subsidiary Fractal Gaming AB.

## Sustainability report according to the Annual Accounts Act

Fractal has voluntarily prepared a sustainability report, taking into account the requirements of the Annual Accounts Act. In doing so, Chapter 6, section 11 of the Annual Accounts Act has been applied. The sustainability report can be found on page 24.

Fractal is exposed to fluctuations in raw material prices, primarily steel and plastics. Restrictions in the supply chain (such as a shortage of semiconductors) can affect the Group's earnings. Our operations are also dependent on the free global flow of goods (especially between the major markets in North America and Europe), manufacturing in China, and other factors.

## Information on risks and uncertainties

Fractal is dependent on product launches taking place as planned, and delays can have large effects on total sales volume.

The Group's products are priced mainly in USD. Procurement is also priced mainly in USD but is also partly affected by the relationship between the USD and the Chinese currency CNY. Changes in the exchange rate (especially SEK/USD) greatly affect the Group's earnings.

## Financial instruments and risk management

The Group's financial policy involves forecasting and monitoring liquidity and financial position on an ongoing basis. This includes forecasting and monitoring the USD flow.

Currency risk is managed primarily through close monitoring of the net flow of USD and adjusting the supply to the expected demand. Hedging instruments and hedge accounting are not used to manage currency risk. See also note 25. Credit risk, which is mainly

attributable to trade receivables, is managed partly through credit checks and partly through credit insurance. So far, the net cost of unpaid receivables has been very low.

The Parent Company faces indirect currency risk through investment in subsidiaries.

## Future outlook

The company's Board of Directors and management have a positive outlook on the future, as the Group's global market is growing given the continued growth of e-sports, among other things. Fractal continues to maintain a strong global market position and the Board and management see good conditions for continued growth and profitability based on the company's attractive offerings that meet the demands of high-performance gamers.

The underlying long-term demand is good, and Fractal will continue to pursue its growth-advancing initiatives with continued geographical expansion and market growth.

Given the industry in which the Group operates, the conflict in Ukraine has not had any significant impact on its operations during the period.

## Proposal for distribution of the company's profits

The following profit appropriation is at the disposal of the Annual General Meeting in SEK

Share premium	178,580
Retained earnings	72,277
Net loss for the year	10,634
<b>Total</b>	<b>261,491</b>
To shareholders, 1,25 SEK per share will be distributed	36,399
To be carried forward.	225,092
<b>Total</b>	<b>261,491</b>

Regarding the Group's and the parent company's results and financial position in other respects, reference is made to the subsequent financial reports and accompanying notes.

# Consolidated statement of income and other comprehensive income

January 1 - December 31

TSEK	Note	2024	2023
Net sales	2, 3	697,903	773,260
Capitalized development expenditure		13,626	8,711
Other operating income	4	625	200
		712,154	782,172
Operating expenses			
Goods for resale		-417,752	-457,969
Other external expenses	6	-113,151	-106,124
Personnel expenses	5, 21	-97,258	-80,858
Depreciation and impairment of tangible and intangible non-current assets		-25,397	-21,450
		-653,557	-666,400
<b>Operating profit</b>		<b>58,597</b>	<b>115,772</b>
Net financial income and expenses			
Finance income	7	4,231	1,130
Finance costs	7	-2,397	-3,498
		1,834	-2,368
<b>Profit/loss after financial items</b>		<b>60,430</b>	<b>113,404</b>
Income tax expense	9	-12,710	-23,758
<b>Net loss for the year</b>		<b>47,721</b>	<b>89,646</b>
<i>Other comprehensive income</i>			
<b>Items that have been reclassified or can be reclassified to profit/loss for the period</b>			
Foreign subsidiaries - foreign currency translation differences		458	-687
<b>Other comprehensive income for the year</b>		<b>458</b>	<b>-687</b>
<b>Total comprehensive income for the year</b>		<b>48,179</b>	<b>88,959</b>
Profit for the year attributable to:			
Shareholders of the Parent Company		47,721	89,646
<b>Annual profit</b>		<b>47,721</b>	<b>89,646</b>
Total comprehensive income attributable to:			
Parent Company's shareholders		48,179	88,959
<b>Total comprehensive income for the year</b>		<b>48,179</b>	<b>88,959</b>
<b>Earnings per share, SEK</b>		<b>2</b>	<b>3</b>
Before and after dilution, SEK	10	2	3



# Statement of the financial position -

## The group

TSEK	Not	31/12/2024	31/12/2023
<b>Assets</b>			
Goodwill	11	210,167	210,167
Capitalised development costs	12	50,021	38,875
Tangible assets	13	40,728	42,011
Right-of-use assets	14	9,188	10,987
Deferred Tax Asset	9	-	-0
<b>Total non-current assets</b>		<b>310,104</b>	<b>302,040</b>
Inventories	15	108,914	159,583
Accounts receivable	16, 25	180,828	107,923
Prepaid expenses and accrued income	17	5,480	4,318
Other receivables		5,961	2,869
Cash and cash equivalents	18	50,588	20,352
<b>Total current assets</b>		<b>351,771</b>	<b>295,045</b>
<b>TOTAL ASSETS</b>		<b>661,875</b>	<b>597,085</b>
<b>Shareholders' equity</b>			
	19		
Share capital		500	500
Share premium		178,580	178,403
Reserves		-91	-731
Retained earnings including profit/loss for the period		236,922	189,325
<b>Equity attributable to the Parent Company's shareholders</b>		<b>415,911</b>	<b>367,497</b>
<b>Total equity</b>		<b>415,911</b>	<b>367,497</b>
<b>Liabilities</b>			
Long-term lease liabilities	20, 25	5,022	6,762
Provisions	22	6,229	4,960
Deferred tax liabilities	9	3,397	4,472
<b>Total non-current liabilities</b>		<b>14,647</b>	<b>16,194</b>
Overdraft facility	20, 25	-	2,450
	20, 25	-	10,000
Current lease liabilities	20, 25	4,293	4,142
Accounts payable	25	186,872	158,670
Tax liabilities	9	8,411	9,781
Other liabilities		2,074	2,133
Accrued expenses and prepaid income	23	29,666	26,218
<b>Total current liabilities</b>		<b>231,317</b>	<b>213,395</b>
<b>Total Liabilities</b>		<b>245,964</b>	<b>229,589</b>
<b>Total Equity and liabilities</b>		<b>661,875</b>	<b>597,085</b>

# Consolidated statement of changes in equity

	Equity attributable to the parent company's shareholders				Total	Total equity
	Share capital	Share premium	Translation reserve	Retained earnings including profit/loss for the period		
Opening equity 2023-01-01	500	178,041	-44	99,679	278,177	278,177
<i>Comprehensive income for the year</i>						
Other comprehensive income for the year			-687	89,646	88,959	88,959
<i>Other comprehensive income for the year</i>			-687	89,646	88,959	88,959
Dividends paid						
Fund issue						
		362			362	362
<i>Total transactions with the Group's owners</i>						
Outgoing equity 2023-12-31	500	178,403	-731	189,325	367,497	367,497

	Equity attributable to the parent company's shareholders				Total	Total equity
	Share capital	Share premium	Translation reserve	Retained earnings including profit/loss for the period		
Opening equity 2024-01-01	500	178,403	-731	189,325	367,497	367,497
<i>Comprehensive income for the year</i>						
Other comprehensive income for the year			458	47,721	48,179	48,179
<i>Other comprehensive income for the year</i>			458	47,721	48,179	48,179
Dividends paid						
Fund issue						
		216			216	216
<i>Total transactions with the Group's owners</i>						
Outgoing equity 2024-12-31	500	178,620	-273	237,046	415,893	415,893

# Consolidated cash flow statement

Januari 1 – December 31

TSEK	Note	2024	2023
	32		
<i><b>Cash flows from operating activities</b></i>			
Profit/loss after financial items		60,430	113,404
Adjustments for items not included in cash flow		25,274	22,857
Income tax paid		-16,311	-13,048
Increase (+)/Decrease (-) of inventories		50,670	-32,800
Increase (+)/Decrease (-) of operating receivables		-76,007	-4,194
Increase (+)/Decrease (-) of operating liabilities		31,592	60,192
<b>Net cash from operating activities</b>		<b>75,648</b>	<b>146,411</b>
<i><b>Cash flows from investing activities</b></i>			
Acquisition of property, plant and equipment		-12,742	-15,040
Disposal of tangible fixed assets		-	-
Acquisition intangible assets		-18,292	-13,814
<b>Net cash used in investing activities</b>		<b>-31,034</b>	<b>-28,854</b>
<i><b>Cash flows from financing activities</b></i>			
		-	40,000
Net change other short term interest-bearing liabilities		-10,000	-30,000
Net change, bank overdraft facility		-2,450	-107,087
Repayment of borrowings		-4,229	-3,971
<b>Net cash used in financing activities</b>		<b>-16,679</b>	<b>-101,058</b>
Net change in cash and cash equivalents		27,935	16,499
Cash and cash equivalents at start of the year		20,352	3,890
Effects of movements in exchange rates on cash held		2,301	-38
<b>Cash and cash equivalents at end of the year</b>		<b>50,588</b>	<b>20,352</b>

# Parent Company's income statement

Januari 1 – December 31

TSEK	Note	2024	2023
Net sales		5,656	4,912
		5,656	4,912
Operating expenses			
Other external expenses	6	-1,694	-1,565
Personnel expenses	5, 21	-5,597	-4,695
<b>Operating profit</b>		<b>-1,636</b>	<b>-1,349</b>
<b>Net financial income and expenses</b>			
Other interest income and similar profit items		2	28
Finance costs	7	-1	-2
<b>Profit/loss after financial items</b>		<b>-1,635</b>	<b>-1,322</b>
Appropriations	8	15,146	21,920
<b>Net income before taxes</b>		<b>13,511</b>	<b>20,598</b>
Income tax expense	9	-2,877	-4,476
<b>Profit/loss for the year</b>		<b>10,634</b>	<b>16,121</b>



# Parent Company's balance sheet

TSEK	Note	31/12/2024	31/12/2023
<b>Assets</b>			
<b>Non-current assets</b>			
Financial fixed assets			
Shares in group companies	30	271,432	271,432
<b>Total non-current assets</b>		<b>271,432</b>	<b>271,432</b>
<b>Current assets</b>			
Current assets			
Receivables from group companies	2	6,697	-
Other receivables		34	32
Prepaid expenses and accrued income	17	153	207
<i>Total current receivables</i>		<i>6,884</i>	<i>239</i>
Cash and cash equivalents		967	1,729
<b>Total current assets</b>		<b>7,851</b>	<b>1,968</b>
<b>Total assets</b>		<b>279,283</b>	<b>273,401</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<i>Restricted equity</i>			
Share capital		500	500
<i>Non-restricted equity</i>			
Share premium		178,580	178,403
Retained earnings		72,277	56,156
Profit for the year		10,634	16,121
<b>Shareholders' equity</b>		<b>261,991</b>	<b>251,181</b>
<b>Untaxed reserves</b>	31	<b>10,458</b>	<b>15,603</b>
<b>Long-term liabilities</b>			
<i>Total long-term liabilities</i>		<i>-</i>	<i>-</i>
<b>Current liabilities</b>			
Overdraft facility		-	36
Debt to group companies		-	988
Tax liabilities		3,744	2,742
Other liabilities		405	452
Accrued expenses and prepaid income	23	2,686	2,398
<i>Total current liabilities</i>		<i>6,834</i>	<i>6,617</i>
<b>Total equity and liabilities</b>		<b>279,283</b>	<b>273,401</b>

# Parent Company's statement of changes in equity

TSEK	Restricted equity	Unrestricted equity			Total equity
	Share capital	Share premium fund	Balanced results	Profit/loss for the year	
Opening equity 2023-01-01	500	178,041	56,016	140	234,697
<b>Comprehensive income for the year</b>					
Net loss for the year				16,121	16,121
<i>Comprehensive income for the year</i>				16,121	16,121
Reversal of previous year's results			140	-140	-
Paid premium upon issuance of stock options		362			362
Outgoing equity 2023-12-31	500	178,403	56,156	16,121	251,181

TSEK	Restricted equity	Unrestricted equity			Total equity
	Share capital	Share premium fund	Balanced results	Profit/loss for the year	
Opening equity 2024-01-01	500	178,403	56,156	16,121	251,181
<b>Comprehensive income for the year</b>					
Net loss for the year				10,634	10,634
<i>Comprehensive income for the year</i>				10,634	10,634
Reversal of previous year's results			16,121	-16,121	-
Paid premium upon issuance of stock options		176			176
Outgoing equity 2024-12-31	500	178,580	72,277	10,634	261,991

# Parent Company's Case Flow Statement

January 1 – December 31

TSEK	Note	2024	2023
	32		
<i>Cash flows from operating activities</i>			
Profit/loss after financial items		-1,635	-1,322
Income tax paid		-1,699	222
		<b>-3,333</b>	<b>-1,101</b>
Increase (+)/Decrease (-) of operating receivables		-6,645	1,134
Increase (+)/Decrease (-) of operating liabilities		-784	-10,005
<b>Net cash from operating activities</b>		<b>-10,762</b>	<b>-9,971</b>
<i>Cash flows from financing activities</i>			
Received group contribution		10,000	11,500
<b>Net cash used in financing activities</b>		<b>10,000</b>	<b>11,500</b>
Net change in cash and cash equivalents		-762	1,529
Cash and cash equivalents at start of the year		1,729	201
<b>Cash and cash equivalents at end of period</b>		<b>967</b>	<b>1,729</b>

# Notes to the financial reports

## Note 1 – Significant accounting principles

### Compliance with regulations and laws

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. In addition, the Swedish Corporate Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has also been applied. The Parent Company applies the same accounting principles as the Group except in the cases stated in the section "Parent Company's accounting principles" below.

### Valuation principles applied in the preparation of the financial reports

Assets and liabilities are recognized at historical acquisition values. The Group does not hold any assets or liabilities that are reported at fair value.

### Functional currency and reporting currency

The Parent Company's functional currency is Swedish kronor, which is also the reporting currency for the Parent Company and for the Group. This means that the financial reports are presented in Swedish kronor. All amounts are, unless otherwise stated, rounded to the nearest thousand.

### Significant accounting principles applied

Other than the exceptions described in detail, the accounting principles below have been applied consistently to all periods presented in the Group's financial statements. The accounting principles applied in the consolidated accounts have also been applied consistently by the individual companies within the Group.

### New IFRS that are not yet effective

New and amended IFRS with future application are not expected to have any material effect on the company's financial statements.

### Consolidation principles and business combinations

Subsidiaries are companies that are under a controlling influence from Fractal Gaming Group AB. Controlling influence exists if Fractal Gaming Group AB has influence over the investment object, is exposed to or entitled to a variable return from its commitment and may use its influence over the investment to impact

return. When determining whether a controlling influence exists, consideration is given to potential voting rights and whether de facto control exists.

Subsidiaries are recognized according to the acquisition method. The method means that the acquisition of a subsidiary is regarded as a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis determines the fair value at the acquisition date of the identifiable assets acquired and liabilities assumed and any non-controlling interests. Transaction costs, except for those related to the issuance of equity or debt instruments, are recognized directly in the profit or loss for the year.

In business combinations where the transferred consideration, any non-controlling interests, and the fair value of previously held equity interests (in step acquisitions) exceed the fair value of the identifiable assets acquired and liabilities assumed that are recognized separately, the difference is recognized as goodwill. When the difference is negative, i.e., a low-price acquisition, it is recognized directly in the profit or loss for the year.

In cases where the conditional purchase price is classified as an equity instrument, no revaluation is made and adjustment is made within equity. For other conditional purchase prices, these are revalued at each reporting date and the change is reported in the profit or loss for the year. In cases where the acquisition does not concern 100% of the subsidiary, non-controlling interest arises. There are two options for reporting non-controlling interests. These two alternatives are to report non-controlling interests' share of proportional net assets, or for non-controlling interests to be reported at fair value, which means that non-controlling interests have a share in goodwill. The choice between the various options to report non-controlling interests can be made acquisition by acquisition. The Group's acquisitions are reported according to the latter option.

### Foreign currency

#### Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rate prevailing on the transaction date. The functional currency is the currency of the primary economic environment in which the companies operate. Monetary assets and liabilities in foreign currency are translated into the functional



currency at the exchange rate prevailing on the balance sheet date. Exchange rate differences arising from these translations are recognized in the profit or loss for the year. Non-monetary assets and liabilities that are stated at historical cost are translated at the exchange rate prevailing on the transaction date. The Group does not contain any assets or liabilities that are recognized at fair value.

### Foreign company financial reports

Assets and liabilities of foreign operations, including goodwill and other consolidation adjustments, are translated from the functional currency of the foreign operation to the reporting currency of the Group, Swedish krona, at the exchange rate prevailing on the balance sheet date. Revenues and expenses of a foreign operation are translated into Swedish krona at an average rate that approximates the exchange rates prevailing at the transaction dates. Translation differences arising from the translation of foreign operations are recognized in other comprehensive income and accumulated in a separate component of equity, referred to as the translation reserve.

### Revenue

#### Performance commitments and revenue recognition principles

Revenue is measured based on the consideration specified in the agreement with the customer. The Group recognizes revenue when control over a good or service is transferred to the customer. The Group's revenue mainly refers to sales of goods in the form of PC gaming products. Customers gain control of the goods once they have been delivered and accepted and at this point revenue is recognized. Invoices are created at this time and are usually due within 30-90 days. Volume discounts occur, and are calculated continuously and reduce reported revenue.

### Leasing

When a contract is concluded, the Group determines whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to preside over an identified asset for a period of time in exchange for consideration.

At the beginning of a lease or when re-evaluating a lease that contains multiple components - lease and non-lease components - the Group allocates the consideration in the agreement to each component based on the standalone price.

#### Leasing agreements where the Group is the lessee

The Group reports a right-of-use asset and a leasing liability at the commencement date of the leasing agreement. The right-of-use asset is initially measured at cost, which consists of the initial value of the lease

liability plus any lease payments made at or before the commencement date, plus any initial direct costs. The right-of-use asset is depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life and the end of the lease term, which in typical cases for the Group is the end of the lease term. In the less common cases where the cost of the right-of-use reflects the fact that the Group will exercise an option to purchase the underlying asset, the asset is depreciated until the end of the useful life.

The lease liability - which is divided into long-term and short-term - is initially measured in part at the present value of the remaining lease payments during the assessed lease term. The leasing term consists of the non-cancellable period with additions for additional terms in the agreement if it is deemed reasonably certain at the commencement date that these will be utilized.

The leasing fees are normally discounted at the Group's marginal borrowing rate, which, in addition to the Group's credit risk, reflects the respective lease term, currency, and quality of the underlying asset as collateral.

The value of the liability is increased by the interest cost for the respective period and reduced by the lease payments. The interest cost is calculated as the value of the liability times the discount rate

The lease liability for the Group's premises with indexed rent is calculated based on the rent applicable at the end of each reporting period. At this time, the liability is adjusted with a corresponding adjustment to the reported value of the right-of-use asset. In the same way, the value of the liability and the asset is adjusted when the lease term is re-assessed. This occurs when the last termination date within the previously estimated lease term for leases for premises has passed, or if significant events occur or circumstances change significantly in a way that is within the Group's control and affects the current assessment of the lease term.

The Group presents right-of-use assets and lease liabilities as separate items in the statement of financial position. For leasing agreements that have a lease term of 12 months or less or with an underlying asset of low value, less than SEK 50,000, no right-of-use asset and lease liability are recognized. Lease payments for these leases are recognized as an expense on a straight-line basis over the lease term. The Group has no agreements where the Group is the lessor.

## Financial income and expenses

Interest income or interest expenses are recognized according to the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future inflows and outflows over the expected term of the financial instrument to either:

- the gross carrying amount of the financial asset, or
- the amortized cost of the financial liability.

Interest income and interest expenses are calculated by applying the effective interest method to the gross carrying amount of the asset (when the asset is not impaired) or the amortized cost of the financial liability. For financial assets that have become impaired after the initial recognition, interest income is calculated by applying the effective interest rate to the financial asset's amortized cost. If the asset is no longer impaired, interest income is calculated again through application of the effective interest rate to the gross carrying amount.

## Financial instruments

### *Classification and subsequent valuation*

#### Financial assets

At initial recognition, a financial asset is classified and measured at: amortized cost; fair value through other comprehensive income - debt instrument investment; fair value through other comprehensive income - equity instrument investment; or fair value through profit or loss. All of the Group's financial assets are classified as measured at amortized cost.

#### Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or fair value through profit or loss. All of the Group's financial liabilities are classified as measured at amortized cost.

#### Impairments - expected credit losses

The loss reserve for trade receivables, contractual assets, and lease receivables is always measured at an amount corresponding to expected credit losses over the remaining term of the receivable. The Group uses a matrix for calculating the loss reserve with expected loss percentages divided by how many days a receivable is late and which customer category the receivable originates from. The loss percentages are based on historical experience and specific conditions and expectations as of the end of the reporting period.

## *Tangible fixed assets*

#### Owned assets

Tangible fixed assets are reported in the Group at acquisition value after deductions for accumulated depreciation and any impairment. The acquisition value includes the purchase price as well as expenses directly

attributable to the asset to bring it into place and in condition to be used in accordance with the purpose of the acquisition.

The carrying amount of a tangible fixed asset is removed from the statement of financial position upon retirement or disposal or when no future financial benefits are expected from the use or retirement/disposal of the asset. The gain or loss arising on the disposal or retirement of an asset is the difference between the selling price and the carrying amount of the asset less direct costs to sell. Gains and losses are recognized as other operating income/expenses.

#### Subsequent expenditures

Subsequent expenditure is added to the cost only if it is probable that the future economic benefits associated with the asset will flow to the entity and the cost can be measured reliably. All other subsequent expenditure is recognized as an expense in the period in which it is incurred.

#### Depreciation principles

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, taking into account the estimated residual value where appropriate.

Depreciation methods used, residual values, and useful life are reviewed at each year-end.

## *Intangible assets*

#### Goodwill

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to the cash-generating units and tested annually for impairment.

#### Research and Development

Expenditures for research aimed at obtaining new scientific or technical knowledge are recognized as an expense when incurred. Expenses for research where research results or other knowledge are applied to create new or improved products or processes, are recognized as an asset in the financial position statement if the product or process is technically and commercially feasible, and if the company has sufficient resources to complete the development and subsequently use or sell the intangible asset. The carrying amount includes all directly attributable expenditure; e.g. on materials and services, employee benefits, registration of a legal right, amortization of patents and licenses, borrowing costs in accordance with IAS 23. Other development expenditure is recognized in the income statement as an expense when incurred. Development expenditures recognized in the statement of financial position are recorded at cost less accumulated depreciation and any impairment.

**Subsequent expenditures**

Subsequent expenditures for capitalized intangible assets are recorded as an asset in the statement of financial position only when they increase the future economic benefits of the specific asset to which they relate. All other expenditures are expensed as incurred.

**Depreciation principles**

Depreciation is recognized in profit or loss for the year on a straight-line basis over the estimated useful lives of intangible assets unless such useful lives are indeterminate. The useful lives are reassessed at least annually. Goodwill and other intangible assets with an indeterminate useful life or that are not yet ready to be used are tested for impairment annually or as soon as indications appear indicating that the asset in question has decreased in value. Intangible assets with determinable useful lives are amortized from the time when they are available for use.

**Impairment of tangible fixed assets, intangible assets, and right-of-use assets**

If there is an indication of impairment, the recoverable amount of the asset is calculated (see below). For goodwill, other intangible assets with an indefinite useful life, and intangible assets that are not yet ready for use, the recoverable amount is also calculated annually. If it is not possible to determine substantially independent cash flows for an individual asset, and its fair value less the selling costs cannot be used, the assets are grouped together when assessing impairment to the lowest level where substantially independent cash flows can be identified – a so-called cash-generating unit. An impairment is recognized when the carrying amount of an asset or cash-generating unit (group of units) exceeds its recoverable amount. An impairment is recognized as an expense in profit or loss for the year. When an impairment is identified for a cash-generating unit (group of units), the impairment amount is first allocated to goodwill. Thereafter, a proportional impairment is made of the other assets included in the unit (group of units). The recoverable amount is the higher of fair value less the selling costs and value in use. When calculating the value in use, future cash flows are discounted using a discount rate that considers the risk-free rate and the risk associated with the specific asset.

**Reversal of impairment**

An impairment is reversed if there is an indication that the impairment is no longer necessary and there has been a change in the assumptions underlying the calculation of the recoverable amount. However, impairment of goodwill is never reversed. Reversal is only made to the extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been recognized, net of depreciation where applicable, if no impairment had been recognized.

**Inventory**

Inventories are measured at the lowest of cost and net realizable value. The cost of inventories is calculated by applying the first-in, first-out (FIFO) method and includes expenses incurred in acquiring the inventory assets and transporting them to their current location and condition. Net realizable value is the estimated sales price in the normal course of business, less the estimated costs necessary to make the sale.

***Payment of capital to owners*****Dividends**

Dividends are recorded as a liability after they have been approved by the annual general meeting.

**Earnings per share**

The calculation of earnings per share before dilution is based on the Group's profit or loss for the year attributable to the Parent Company's owners and the weighted average number of outstanding shares during the year. There have been no circumstances that could have led to dilution effects for the Group.

***Employee benefits*****Short-term benefits**

Short-term benefits to employees are calculated without discounting and recognized as an expense when the related services are provided.

**Defined contribution pension plans**

Defined contribution pension plans are those plans where the company's obligation is limited to the contributions the company has committed to pay. In such cases, the size of the employee's pension depends on the contributions that the company pays to the plan or to an insurance company and the return on those contributions. Consequently, it is the employee who bears the actuarial risk (that the compensation will be lower than expected) and the investment risk (that the invested assets will be insufficient to provide the expected compensation). All of the Group's pension plans are defined contribution plans and contributions to these are recognized as an expense in profit or loss for the year as they are earned through services rendered by employees to the company during a period.

**Termination benefits**

A termination benefit liability is recognized at the earlier of the following: when the company can no longer withdraw the offer of those employee benefits, or when the company recognizes costs for a restructuring. The benefits that are expected to be settled after twelve months are reported at their present value. Benefits not expected to be settled within twelve months are recognized as long-term benefits.

## Provisions

A provision differs from other liabilities in that there is uncertainty about the time of payment or the size of the amount to settle the provision. A provision is recognized in the statement of financial position when there is an existing legal or informal obligation as a result of a past event, and it is probable that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are made at the best estimate of the expenditure required to settle the existing obligation on the balance sheet date. Where the effect of the timing of the payment is material, provisions are calculated by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where applicable, the risks associated with the liability.

## Guarantees

A provision for guarantees is recognized when the underlying products or services are sold. The provision is based on historical data on guarantees and a weighing of possible outcomes in relation to the probabilities with which the outcomes are associated.

## Contingent liabilities

Disclosure of contingent liabilities is made when there is a possible obligation arising from past events, the existence of which is confirmed only by one or more uncertain future events beyond the control of the Group, 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, or it cannot be reliably estimated.

## The Parent Company's accounting principles

The Parent Company has prepared its Annual Report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation, RFR 2 Accounting for Legal Entities. Statements issued by the Swedish Financial Reporting Board for listed companies have also been applied. RFR 2 specifies that the Parent Company in the Annual Report for the legal entity is to apply all IFRSs and statements adopted by the EU to the extent possible within the framework of the Swedish Annual Accounts Act and Pension Obligations Vesting Act, and with regard to the relationship between accounting and taxation. The recommendation specifies the exceptions and additions to be made to IFRS Accounting Standards.

## Differences between the accounting policies applied by the Group and the Parent Company

The differences between the accounting policies applied by the Group and the Parent Company are presented below.

The accounting policies described below for the Parent Company have been applied consistently to all periods in the financial statements of the Parent Company.

## Classification and presentation formats

The Parent Company presents an income statement and a statement of income and other comprehensive income, where for the Group these two statements jointly constitute a consolidated statement of income and other comprehensive income. Furthermore, the Parent Company uses the terms balance sheet and cash flow statement for the reports titled statement of financial position and statement of cash flows in the Group. The income statement and balance sheet for the Parent Company are presented according to the templates of the Annual Accounts Act, while the statement of income and other comprehensive income, statement of changes in equity, and cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The differences with the consolidated financial statements that arise in the Parent Company's income statement and balance sheet relate mainly to the presentation of fixed assets, equity, and the existence of untaxed reserves in the balance sheet.

## Subsidiaries

Investments in subsidiaries are reported in the Parent Company at cost using the acquisition method. This means that transaction costs are included in the carrying amount. In the consolidated financial statements, transaction costs related to subsidiaries are recognized directly in profit or loss when they arise.

## Leased assets

The Parent Company does not apply IFRS 16, in accordance with the exemption provided by RFR 2. As a lessee, lease payments are recognized as expenses on a straight-line basis over the lease term and therefore the right of use and lease liability are not reported on the balance sheet.

## Taxes

In the Parent Company, any untaxed reserves are reported on the balance sheet without a breakdown between equity and deferred tax liability, unlike in the Group. Similarly, in the income statement, the Parent Company does not allocate the portion of appropriations to deferred tax expense.

## Group contributions

Group contributions are recognized as appropriations.



## Note 2 – Revenue

### Revenue Streams

The Group generates revenue primarily from the sale of premium PC gaming products in the form of computer cases, power supplies, cooling products and fans, and other. Sales are made to distributors, retailers, and system integrators and purchases are made from contracted manufacturers. Control over the sold products normally passes to the customer upon physical delivery of the respective product. Other revenues mainly consist of invoiced transport and exchange rate

differences regarding sales and purchases and are not included in the table below describing the nature of the revenue streams. The Parent Company's revenue consists mainly of invoiced Group management services.

### Breakdown of revenue from contracts with customers

The breakdown of net sales by product area, geographic market and reporting date is summarized below. Product areas and geographic markets coincide with those used in segment reporting.

Group	Operating segment					
	Chassis		Other products		Total	
	2024	2023	2024	2023	2024	2023
<b>MSEK</b>						
<b>Geographic market</b>						
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 & Other	65.5	84.6	15.7	22.7	81.2	107.3
<b>Time of revenue recognition</b>						
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	-	-	-	-	-	-
<b>Total net sales</b>	<b>626.2</b>	<b>705.6</b>	<b>71.7</b>	<b>67.6</b>	<b>697.9</b>	<b>773.3</b>

### Sales by customer group

MSEK	2024	2023
Distributors	338.8	362.6
Resellers	359.1	410.6
<b>Total</b>	<b>697.9</b>	<b>773.3</b>

### Contract balances

Information on receivables, contract assets and contract liabilities from contracts with customers is summarized below.

#### Group

TSEK	Note	31/12/2024	31/12/2023
Accounts receivable		180,828	107,923
Deferred income		-	-

#### Parent company

TSEK	Note	31/12/2024	31/12/2023
Accounts receivable, which are included in "receivables on group companies"		6,697	-

## Note 3 – Operating segments

The Group's operations are divided into operating segments based on the Group management's follow-up structure. Group management follows up on revenues and product results per product segment. The product segments used are Computer cases and Other products. Computer cases is the largest segment and includes the

sale of computer cases, primarily within the market's premium segment aimed at gamers. Other products include the sale of power supplies, cooling products and fans, also within the market's premium segment aimed at gamers.

### Group operating segment

TSEK	Chassis		Other products		Group-wide		Total consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue from external customers	626,168	705,626	71,733	67,636	-	-	697,901	773,262
Product profit	259,340	290,556	21,764	24,746	-	-	281,104	315,302
Other income in operating profit	-	-	-	-	14,251	8,910	14,251	8,910
Other costs in operating profit	-	-	-	-	-235,805	-208,432	-235,805	-208,432
Financial income					8,595	1,130	8,595	1,130
Financial expenses					-6,754	-3,498	-6,754	-3,498
Profit/loss before tax							61,391	113,413

Product result corresponds to the item Net sales less the item Goods for resale in the consolidated income statement. The column "Group-wide" refers in summary to the items in the consolidated income statement that are not subject to follow-up at segment level.

### Geographical areas

TSEK	2024	2023
<b>Group</b>		
<i>Income from external customers</i>		
Sweden	27,775	29,791
Germany	126,844	134,307
USA	234,860	233,667
Americas excluding USA	16,838	25,312
EMEA excluding Sweden and Germany	210,380	242,860
APAC & Other	81,206	107,324
	697,903	773,260
<b>Group</b>		
<i>Fixed assets</i>		
Sweden	308,560	299,354
USA	1,293	2,032
Taiwan	193	425
China	57	229
	310,104	302,040

### Information about major customers

During 2024, sales to an individual customer amounted to SEK 80 million (129).

## Note 4 – Other operating income

TSEK	2024	2023
<b>Group</b>		
Insurance compensation	606	11
Government grants	-	18
Gain on sale of fixed assets	20	172
Rounding differences	-0	-1
	625	200

The Group has significant gross flows in foreign currency, mainly USD, and exchange rate gains as well as exchange rate losses occur. The table below shows gross gains and losses, which are presented net in the consolidated income statement.

TSEK	2024	2023
<b>Group</b>		
Exchange rate gains	-103,337	-122,132
Exchange rate losses	104,293	123,105
	956	972

## Note 5 – Employees, personnel costs and remuneration of senior executives

*Costs for compensation to employees*

TSEK	2024	2023
<b>Group</b>		
Salaries and allowances, etc.	71,020	56,183
Pension costs, defined contribution pension plans (for more information, see Note 21)	5,764	3,718
Social security contributions	15,289	13,476
	92,073	73,378

Average number of employees	2024	2023
-----------------------------	------	------

<b>Parent company</b>		
Sweden	1	1
<i>Total Parent company</i>	1	1
<b>Subsidiaries</b>		
Sweden	72	64
USA	14	12
Taiwan	8	8
China	14	-
<i>Total Subsidiaries</i>	108	84
<b>Group total</b>	109	85

Proportion of men	Proportion of men	
	31/12/2024	31/12/2023

<b>Parent company</b>		
Board of directors	80%	86%
Other senior executives	100%	100%
<b>Group</b>		
Board of directors	80%	86%
Other senior executives	83%	83%

### Salaries and other remuneration distributed between senior executives and other employees and social costs in the Parent Company

Moderbolaget	2024		
	Senior executives (6 persons)	Other employees	Total
Salaries and other remuneration	2,538	-	2,538
(of which bonus etc.)	-	-	-
<i>Total Parent company</i>	2,538	-	2,538
(of which bonus etc.)	-	-	-
Social security contributions	1,259	-	1,259
(of which pension costs)	462	-	462

	2023		
TSEK	Senior executives (7 persons)	Other employees	Total
Salaries and other remuneration	3,499	-	3,499
(of which bonus etc.)	654	-	654
<i>Total Parent company</i>	3,499	-	3,499
(of which bonus etc.)	654	-	654
Social security contributions	1,094	-	1,094
(of which pension costs)	357	-	357

### Salaries and other remuneration, pension costs, and pension obligations for senior executives in the Group

	Senior executives 11 persons (12 persons)	
TSEK	2024	2023
<b>Group</b>		
Salaries and other remuneration	12,014	10,654
(of which bonus etc.)	1,481	2,619
Pension costs	1,948	1,239

## Salaries and other remuneration to senior executives

Parent company 2024 TSEK	Basic salary/ board fee	Variable remun- eration	Pension cost	Other compen- sation	Total
<b>Chairman of the Board (Hannes Wallin)</b>					
Remuneration from the parent company	330				330
Remuneration from subsidiaries					
<b>Board member (Magnus Yngen)</b>					
Remuneration from the parent company	165				165
Remuneration from subsidiaries					
<b>Board member (Gustav Thott)</b>					
Remuneration from the parent company	165				165
Remuneration from subsidiaries					
<b>Board member (Pernilla Ekman)</b>					
Remuneration from the parent company	165				165
Remuneration from subsidiaries					
<b>Board member (Ola Nilsson)</b>					
Remuneration from the parent company	165				165
Remuneration from subsidiaries					
<b>CEO (Jonas Holst)</b>					
Remuneration from the parent company	1,548		462		2,010
Remuneration from subsidiaries	141		42		183
<b>Other senior executives (5 persons)</b>					
Remuneration from the parent company	-	-	-	-	-
Remuneration from subsidiaries <sup>1)</sup>	7,855	1,481	1,444		10,780
<i>total</i>	10,534	1,481	1,948	-	13,962
Remuneration from the parent company	2,538	-	462	-	3,000
Remuneration from subsidiaries	7,996	1,481	1,486	-	10,963

<sup>1)</sup> VP Global Sales invoices their fee



Parent company 2023 TSEK	Basic salary/ board fee	Variable remun- eration	Pension cost	Other compen- sation	Total
<b>Chairman of the Board (Magnus Yngen)</b>					
Remuneration from the parent company	320				320
Remuneration from subsidiaries					
<b>Board member (Patrik Söderlund)</b>					
Remuneration from the parent company	160				160
Remuneration from subsidiaries					
<b>Board member (Gustav Thott)</b>					
Remuneration from the parent company	160				160
Remuneration from subsidiaries					
<b>Board member (Pernilla Ekman)</b>					
Remuneration from the parent company	160				160
Remuneration from subsidiaries					
<b>Board member (Ola Nilsson)</b>					
Remuneration from the parent company	160				160
Remuneration from subsidiaries					
<b>Board member (Erik Stenberg)</b>					
Remuneration from the parent company	160				160
Remuneration from subsidiaries					
<b>CEO (Hannes Wallin)</b>					
Remuneration from the parent company	1,653	654	357	72	2,736
Remuneration from subsidiaries					
<b>Other senior executives (5 persons)</b>					
Remuneration from the parent company	-	-	-	-	-
Remuneration from subsidiaries	4,937	1,965	882	253	8,037
<i>total</i>	7,710	2,619	1,239	325	11,893
Remuneration from the parent company	2,773	654	357	72	3,856
Remuneration from subsidiaries	4,937	1,965	882	253	8,037

Incentive program	Number of outstanding warrants	Subscription price (SEK)
LTIP 2022	51,000	33.50
LTIP 2023	34,000	50.43
LTIP 2024	18,000	46.90
<b>Summa</b>	<b>103,000</b>	

The 2024 Annual General Meeting decided on a long-term incentive program (LTIP 2024) for senior executives in Fractal Group. Each warrant entitled the holder to subscribe for one share. LTIP 2024 covered a maximum of 4 people. The company's Board Members were not covered. The right to subscribe for warrants, with a deviation from the shareholders' preemptive right, was granted to certain senior executives employed in the Group.

Under LTIP 2024, participants were offered to subscribe for a maximum of 11,900 warrants each, at market value calculated according to the Black–Scholes–Merton model. The subscription price amounted to SEK 46.90 per share, corresponding to 120 percent of the volume-weighted average price for the company's stock unit during the period from and including May 22, 2024, through June 5, 2024 (SEK 39.11). The term was 3 years, the volatility 35%, the risk-free interest at 2.6%, which gave an option premium of SEK 9.80.

For complete terms and conditions, please refer to the notices of the 2022, 2023 and 2024 annual general meetings, which can be found on [www.fractal-design.com](http://www.fractal-design.com).

## Note 6 - Fees and expenses to auditors

TSEK	2024	2023
<b>Group</b>		
<i>KPMG AB</i>		
Audit assignment	440	400
Auditory operation beyond the auditory assignment	-	-
TAX advice	-	-
Other assignments	40	-
<b>Parent company</b>		
<i>KPMG AB</i>		
Audit assignment	120	100
Auditory operation beyond the auditory assignment	-	-
TAX advice	-	-
Other assignments	-	-

An audit engagement refers to the statutory audit of the annual and consolidated financial statements and bookkeeping, as well as the management of the Board of Directors and the CEO, and auditing and other review work performed in accordance with agreements or contracts.

This includes other tasks that the company's auditor is required to perform as well as advice or other assistance resulting from observations made during such an audit or the performance of such other tasks.

## Note 7 – Net financial income

TSEK	2024	2023
<b>Group</b>		
Current receivables	-	-
Cash and cash equivalents	-	-
<b>Interest income from financial assets valued at amortised cost</b>		
Exchange rate difference on current receivables	-	-
Net exchange rate gains	4,213	1,070
<b>Financial income - other</b>	18	60
<b>Total financial income</b>	4,231	1,130
<b>Financial expenses</b>		
Other liabilities valued at accrued amortised cost - interest expenses	-2,397	-3,498
Net exchange rate losses	-	-
<b>Financial costs - other</b>	-2,397	-3,498
<b>Net financial items reported in profit</b>	1,834	-2,368

TSEK	2024	2023
<b>Parent Company</b>		
<b>Interest expenses and similar earnings items</b>		
Interest expenses	-1	-2
Of which others	-7	-2

## Note 8 – Appropriations

TSEK	2024	2023
<b>Parent Company</b>		
TAX allocation reserve, provision for the year	-	-
TAX allocation reserve, reversal for the year	5,146	10,420
Group contribution received	10,000	11,500
<b>Total</b>	15,146	21,920

## Note 9 – Taxes

TSEK	2024	2023
<b>Group</b>		
<b>Current tax expense (-)</b>		
Tax expense for the year	-13,781	-25,901
Current tax for prior periods	-5	-9
<b>Deferred tax expense (-) / tax revenue (+)</b>		
Deferred tax on temporary differences	0	0
Deferred tax on untaxed reserves	1,076	2,152
	1,076	2,152
<b>Total reported tax expense in the group</b>	-12,710	-23,758

TSEK	2024	2023
<b>Parent company</b>		
<b>Current tax expense (-)</b>		
Tax expense for the year	-2,877	-4,476
Current tax for prior periods	0	0
	-2,877	-4,476
<b>Total reported tax expense in the parent company</b>	-2,877	-4,476

## Reconciliation of effective tax

TSEK	2024		2023		TSEK	2024		2023	
<b>Group</b>					<b>Parent company</b>				
Profit/loss before tax	60,430		113,404		Profit/loss before tax	13,511		20,598	
Tax according to the current tax rate for the parent company	-20.6%	-12,449	-20.6%	-23,361	Tax according to the current tax rate for the parent company	-20.6%	-2,783	-20.6%	-4,243
					Non-deductible expenses	-0.1%	-10	-0.7%	-135
					Non-taxable income	0.0%	1	0.0%	6
Effect of other tax rates for foreign subsidiaries	0.0%	-14	0.0%	-8	Current tax for prior periods	0.0%	-	0.0%	0
					Standard interest rate on tax allocation reserve	-0.6%	-84	-0.5%	-104
Non-deductible expenses	-0.4%	-254	-0.3%	-393	<i>Reported effective tax</i>	-21.3%	-2,877	-21.7%	-4,476
Non-taxable income	0.0%	4	0.0%	12					
Tax attributable to previous years	0.0%	3	0.0%	-9					
<i>Reported effective tax</i>	-21.0%	-12,710	-21.0%	-23,758					

## Change in deferred tax in temporary differences and loss carry-forwards

TSEK	Balance as at Jan 12024	Presented in result for the year	Presented in other comprehensive income	Presented in equity	Acquisition / Sale of business	Balance as at December 312024
<b>Group</b>						
Rights of use assets	2,263	-371				1,893
tax allocation reserves	4,472	-1,076				3,397
Leasing liabilities	-2,246	327				-1,919
Other	-17	43				26
	4,472	-1,076	-	-	-	3,397

TSEK	Balance as at Jan 12023	Presented in result for the year	Presented in other comprehensive income	Presented in equity	Acquisition / Sale of business	Balance as at December 312023
<b>Group</b>						
Rights of use assets	2,486	-222				2,263
tax allocation reserves	6,624	-2,152				4,472
Leasing liabilities	-2,474	228				-2,246
Other	-11	-6				-17
	6,624	-2,152	-	-	-	4,472

## Note 10 – Earnings per share

Result per share	Before and after dilution	
SEK	2024	2023
Earnings per share	1.6	3.1
<i>Profit for the year attributable to the parent company's ordinary shareholders</i>	-	-
TSEK	2024	2023
Profit for the year attributable to the parent company's ordinary shareholders	47,721	89,646
Results attributable to the parent company's ordinary shareholders	47,721	89,646
The number of shares outstanding at the end of the year	29,119,500	29,119,500
Weighted average number of shares	29,119,500	29,119,500

## Note 11 – Goodwill

	Intangible fixed assets	
TSEK	2024	2023
<b>Group</b>		
Opening balance	210,167	210,167
Acquisition	-	-
Closing balance	210,167	210,167

### Impairment testing of goodwill

The Group's goodwill is entirely attributable to the Parent Company's acquisition of Fractal Gaming AB in 2016. No new operations have been acquired or started up since then, for which reason the impairment test of the value has been carried out on the entire Group's operations, excluding those conducted in the Parent Company.

The impairment test has been based on the calculation of value in use. This value is based on cash flow calculations, the first four years of which are based on the business plan approved by the Board of Directors. For year five of the calculation, a growth rate of 10% has been used. Thereafter, the cash flows are based on an annual growth rate of 2%. The estimated cash flows have undergone present value computation with a discount rate of 11.0% after tax. Assumptions that are important in the business plan are described below.

### Important variables and methods for estimating values

#### Market growth

The general market growth has fluctuated over time for various reasons such as macroeconomic effects and upgrade cycles linked to end customer needs. The expected market growth in the coming years is based on the industry, which is generally expected to grow in the coming years. The growth in the coming years is also based on future product launches, marketing efforts, and regional expansion.

#### Discount rate

The discount rate is derived from a weighted average cost of capital for the industry in which the Group operates and reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flows have not been adjusted. The risk-free interest rate has been set at 1.9%, the market's risk premium at 5.7%, the size premium at 2.5% and the adjustment for company-specific risk at 2%.

It is the position of company management that no reasonable changes in the key assumptions would cause the estimated recoverable amount to be less than the carrying amount.

## Note 12 – Capitalized development expenditure

	Intangible fixed assets	
TSEK	2024	2023
<b>Group</b>		
<b>Accumulated acquisition values</b>		
Opening balance	53,543	39,730
Internally developed assets	16,982	13,814
Disposals	-	-
Closing balance	70,526	53,543
<b>Accumulated depreciation</b>		
Opening balance	-14,668	-9,778
This year's depreciations	-5,837	-4,890
Disposals	-	-
Closing balance	-20,505	-14,668
<b>Reported values</b>	<b>50,021</b>	<b>38,875</b>



## Note 13 – Tangible fixed assets

TSEK	Fixtures, tools and installations	
	2024	2023
<b>Group</b>		
<b>Accumulated acquisition values</b>		
Opening balance	104,027	88,986
Acquisition	12,743	15,040
Disposals	-	-
Closing balance	116,770	104,027
<b>Accumulated depreciation</b>		
Opening balance	-62,016	-49,221
This year's depreciations	-14,027	-12,795
Disposals	-	-
Closing balance	-76,043	-62,016
<b>Reported values</b>	<b>40,727</b>	<b>42,011</b>

## Note 14 – Right-of-use assets

TSEK	Leasing assets	
	2024	2023
<b>Group</b>		
<b>Accumulated acquisition values</b>		
Opening balance	24,924	22,237
Acquisition	2,424	2,687
Disposals	-	-
Closing balance	27,348	24,924
<b>Accumulated depreciation</b>		
Opening balance	-13,937	-10,172
This year's depreciations	-4,224	-3,765
Disposals	-	-
Closing balance	-18,161	-13,937
<b>Reported values</b>	<b>9,188</b>	<b>10,987</b>

## Note 15 – Inventory

TSEK	31/12/2024	31/12/2023
<b>Group</b>		
Goods for resale	108,914	159,583
	108,914	159,583

## Note 16 – Accounts receivable

Trade receivables are reported after taking account of customer losses incurred during the year, which amounted to TSEK 676 (0) in the group. The Parent Company has not suffered any customer losses. For the development of the credit loss reserve, see note 25.

## Note 17 – Prepaid expenses and accrued income

TSEK	31/12/2024	31/12/2023
<b>Group</b>		
Prepaid insurance	590	739
Other prepaid expenses and accrued income	4,890	3,580
	5,480	4,318

### Parent company

Prepaid insurance	9	8
Other prepaid expenses and accrued income	144	199
	153	207

## Note 18 – Cash and cash equivalents

TSEK	31/12/2024	31/12/2023
<b>Group</b>		
<i>The following components are included in cash and cash equivalents:</i>		
Cash and bank balances	50,588	20,352
<i>Total according to the report on financial position</i>	50,588	20,352
<i>Total according to the cash flow statement</i>	50,588	20,352

## Note 19 – Equity

	2024	2023
<b>Ordinary share</b>		
Issued as of January 1st	29,119,500	29,119,500
Split of shares	-	-
Withdrawal of shares	-	-
Issued as of December 31 - paid	29,119,500	29,119,500

As of December 31, 2024, the registered capital stock comprised 29,119,500 common stock (29,119,500).

Holders of ordinary shares are entitled to a dividend that is determined on a case-by-case basis and the shareholding entitles them to voting rights at the general meeting with one vote per share. All shares have the same right to the Parent Company's remaining net assets.

### Translation reserve

The translation reserve includes all foreign exchange differences arising from the translation of financial statements of foreign operations that have prepared their financial statements in a currency other than the currency in which the Group's financial statements are presented. The Parent Company and the group present their financial reports in Swedish kronor.

### Parent Company

#### Restricted equity

Restricted equity may not be reduced through profit distribution.

#### Unrestricted equity

The following components, together with the profit for the year, constitute unrestricted equity, i.e. the amount available for distribution to shareholders.

#### Share premium reserve

When shares are issued at a premium, i.e., when the shares are paid for more than their nominal value, an amount corresponding to the amount received in excess of the nominal value of the shares shall be transferred to the share premium reserve.

#### Retained Earnings

Retained earnings consist of the previous year's retained earnings and results after deduction of dividends paid during the year. Fractal Gaming Group AB did not pay any dividends during the period 2018-2024.

## Note 20 – Interest-bearing liabilities

The following provides information on the company's contractual terms regarding interest-bearing liabilities. For more information on the company's exposure to interest rate risk and risk of exchange rate changes, refer to note 25.

TSEK	2024	2023
<b>Group</b>		
<b>Long-term liabilities</b>		
Liabilities to Group companies	-	-
Leasing liabilities	5,022	6,762
	5,022	6,762
<b>Current liabilities</b>		
Overdraft facility	-	2,450
Short-term leasing liabilities	4,293	4,142
	4,293	6,592

### Terms and repayment terms

Granted credit as of December 31, 2024, was TSEK 120,000 (TSEK 120,000). As collateral for the bank overdraft, chattel mortgages in the amount of TSEK 120,000 (TSEK 120,000) have been provided. For more information, see note 27.

## Note 21 – Pensions

### Defined contribution pension plans

There are only defined contribution pension plans in the group. Payment to these plans takes place on an ongoing basis according to the rules in each plan.

TSEK	2024	2023
<b>Group</b>		
Costs for defined contribution plans	5,764	3,718
<b>Parent company</b>		
Costs for defined contribution plans	462	357

## Note 22 – Provisions

TSEK	31/12/2024	31/12/2023
<b>Group</b>		
Warranty commitments	6,229	4,960
<i>Total</i>	6,229	4,960

TSEK	31/12/2024	31/12/2023
<b>Group</b>		
Total carrying amount at the beginning of the period	4,960	3,552
Provisions made during the period	1,269	1,407
<i>Total carrying amount at the end of the period</i>	6,229	4,960

Provisions for guarantees relate to product guarantees. The provision is based on calculations made on the basis of historical data linked to product sales.

## Note 23 – Accrued expenses and deferred income

TSEK	31/12/2024	31/12/2023
<b>Group</b>		
Accrued wages	3,890	5,393
Accrued holiday pay	4,940	4,657
Accrued social security contributions	2,433	2,873
Accrued shipping costs	2,219	1,781
Other accrued expenses	16,184	11,514
	29,666	26,218

<b>Parent company</b>		
Accrued wages	1,791	1,586
Accrued holiday pay	252	238
Accrued social security contribu	642	573
	2,686	2,398

## Note 24 – Valuation of financial assets and liabilities

### Classification and fair value

All financial assets and liabilities in the group are measured at amortized cost. The carrying amount is a reasonable approximation of fair value.

## Note 25 – Financial risks and risk management

Through its operations, the Group is exposed to various types of financial risks.

- Credit risk
- Liquidity risk
- Market risk

### Framework for financial risk management

The Group's financial policy for managing financial risks has been developed by the Board of Directors and provides a framework of guidelines and rules in the form of risk mandates and limits for financial activities. Responsibility for the group's financial transactions and risks is handled centrally by the group's finance department, which is part of the subsidiary Fractal Gaming AB. The overall objective of the finance function is to provide cost-effective financing and minimize negative effects on the group's results that arise mainly from currency risks.

### Liquidity risk

Liquidity risk is the risk that the group may have difficulties fulfilling its obligations associated with

financial liabilities. The group has rolling liquidity planning that covers all the group's units. The plan is updated every quarter. Liquidity planning is used to manage the liquidity risk and the costs of financing the group. The objective is for the Group to be able to meet its financial obligations in both upturns and downturns without significant unforeseeable costs and without risking the Group's reputation. Liquidity risks are managed centrally for the entire group by the finance department in the subsidiary Fractal Gaming AB.

The group finances its operations partly through the operations' cash flow and partly through bank financing. The existing credit agreement contains restrictions on raising additional credit, making acquisitions and disposals, carrying out mergers, making changes to the business, guaranteeing debts or incurring other liabilities and granting pledges.

At present, the group's credit agreement takes the form of a bank overdraft of SEK 120 million (SEK 120 million).

As of December 31, 2024, SEK 0 million (SEK 2.5 million) of the bank overdraft was utilized.

The maturity structure of the group's financial liabilities is shown in the table below.

#### Maturity structure of financial liabilities - undiscounted cash flows

TSEK	Total	<1 month	1-3 months	3 months-1 year	1-5 years	> 5 years
<b>2024 Group</b>						
Accounts payable	186,872	33,880	51,373	101,619	-	-
Leasing liabilities	9,315	22	1,070	3,044	5,179	-
<i>Total</i>	196,187	33,902	52,443	104,663	5,179	-

TSEK	Total	<1 month	1-3 months	3 months-1 year	1-5 years	> 5 years
<b>2023 Group</b>						
Overdraft facility	2,450	-	-	2,450	-	-
Current interest-bearing liabilities	10,000	10,000	-	-	-	-
Accounts payable	158,670	7,708	94,681	56,281	-	-
Leasing liabilities	10,904	1	1,019	2,973	6,911	-
<i>Total</i>	182,025	17,709	95,701	61,704	6,911	-

### Market risks

The Group is mainly affected by currency risk, but credit also involves some interest rate risk.

### Interest rate risk

The Group's interest rate risk is mainly attributable to the use of the overdraft facility and, to some extent, the use of leases to finance the use of premises and other fixed assets. Currently, the fixed interest on the overdraft is

7 days, whereby the variable interest component of Nordea Stiborbas (NSSU) is adjusted to the current level.

### Currency risk

The group's accounting currency is SEK and the financial reports are exposed to risks linked to currencies other than SEK. The group sells its products in USD and pays its suppliers mainly in USD. Furthermore, the agreements with suppliers leave the Group exposed to fluctuations in the CNY as mechanisms in the supplier agreements



mean that the price of purchased goods varies with the CNY exchange rate. The group is exposed to currency risk in SEK/USD between the time of purchase and sale because the currency flows are not hedged.

In addition to currency exposure arising from purchases and sales in foreign currency (transaction exposure), the Group is exposed to currency exposure from the translation of the financial statements of foreign operations (translation exposure). Currently, the translation exposure is not significant as the Group's operations are mainly attributable to the Swedish subsidiary. On the other hand, the transaction flow in foreign currencies is significant, with SEK/USD accounting for the greatest exposure. The currency exposure is continuously monitored by management in accordance with the group's guidelines for currency exposures. The group does not use hedging instruments to manage the currency risk because the net flow is in foreign currency. In 2024, a change of +/- 2 percent in USD/SEK would have an impact on the group's operating profit/loss within the range -6.2 - +6.2 MSEK. For 2023, the corresponding figure was SEK -4.2 - + 4.2 million.

### Credit risk

Credit risk is the risk that a customer or counterparty in a financial instrument cannot fulfill its commitment and thereby cause the group a financial loss and arises mainly from the Group's trade receivables. The group has active customer credit insurance and strives for at least 90% of trade receivables to be credit insured in accordance with the group's financial policy. For 2024, credit losses after insurance compensation amounted to TSEK 70 (TSEK 0). The insurance cost amounted to TSEK 868 (TSEK 1,056) in 2024. The group has some customers who account for a significant proportion of sales, see note 3.

As of December 31, 2024, the credit exposure for trade receivables per counterparty is as follows.

TSEK	Carrying amount	
	2024	2023
Distributors	83,547	53,905
Re-sellers	97,737	51,986
Other	-456	2,032
<b>Total</b>	<b>180,828</b>	<b>107,923</b>

As of December 31, 2024, the carrying amount for the group's largest customer was TSEK 23,360 (TSEK 17,091)

### Reserve for expected credit losses

#### *Assessment of expected credit losses*

The group assesses its reserve for expected customer losses based on the credit risk exposure in absolute terms and its age structure. On the basis of historical experience, a reserve is then recognized taking into account the age of the exposures. If knowledge of the

credit deterioration of individual customers is obtained, that information is used to assess the individual claims.

### Changes in reserves for impairment regarding trade receivables

TSEK	2024	2023
<b>Opening balance as of 1 January</b>	200	350
Settled amounts	-	-300
New loss reserves	-	150
<b>Closing balance as of 31 December</b>	<b>200</b>	<b>200</b>

### Capital management

According to the Board's policy, the group's financial objective is to have a solid financial position, which contributes to maintaining the confidence of investors, creditors, and the market, while also forming a basis for continued development of business operations; this while also generating satisfactory the long-term returns for shareholders.

The dividend policy aims to pay out 50 to 80% of the group's net profit, taking into account other factors such as financial position, cash flow and growth opportunities.

## Note 26 – Leases

### Leasing agreements where the company is the lessee

The group's leasing agreements mainly concern office space and company cars. No leases contain covenants or other restrictions beyond the security of the leased asset. The Parent Company has not entered into any leasing agreements.

### Right-of-use assets

Disclosures on carrying amounts and additional right-of-use assets are presented in note 14.

Cash outflows include amounts for leases recognized as lease liabilities, as well as amounts paid for variable lease payments, short-term leases and low-value leases.

**Amounts recognized in the income statement**

TSEK	2024	2023
<b>Group</b>		
Depreciation during the year	-4,272	-3,765
Interest on leasing liabilities	-252	-233
Variable leasing fees that are not included in the valuation of the leasing liability	-1,671	-685
Costs for short-term leasing	-	-
Costs for leases of low value, not short-term leasing of low value	-30	-36

For a maturity analysis of the leasing liabilities, see Note 25  
Financial risks and risk management in the section on liquidity risk.

TSEK	2024	2023
<b>Group</b>		
Total cash outflows attributable to leasing agreements	6,225	4,719

**Extension and termination options**

Some leases contain extension or termination options that the Group may or may not exercise before the end of the non-cancellable lease term. When practical, the Group tries to include such options in new leases, as this contributes to operational flexibility. Whether or not it is reasonably certain that an extension option will be exercised is determined on the start date of the lease. The Group reassesses whether or not it is reasonably certain that an extension option will be exercised if there is a significant event or significant change in circumstances within the Group's control.

## Note 27 – Pledged collateral, contingent liabilities and contingent assets

TSEK	2024-12-31	2023-12-31
<b>Koncernen</b>		
<b>Ställda säkerheter</b>		
<i>I form av ställda säkerheter för egna skulder och avsättningar</i>		
Företagsinteckningar	120 000	120 000
	120 000	120 000
<b>Summa ställda säkerheter</b>	120 000	120 000

TSEK	31/12/2024	31/12/2023
<b>Parent entity</b>		
<b>Pledged assets</b>		
<i>As pledged assets for own liabilities and provisions</i>		
Pledged shares in group companies	271,433	271,432
	271,433	271,432
<b>Total pledged assets</b>	271,433	271,432
<b>Contingent liabilities</b>		
Guarantees for the benefit of subsidiaries	120,000	120,000
<b>Total contingent liabilities</b>	120,000	120,000

## Note 28 – Appropriation of company profits

**Proposed disposition of the company's profit**

Unrestricted equity in the parent company	261,491
To be carried forward	261,491
<b>Total</b>	261,491

## Note 29 – Related parties

**Related parties**

Salaries and remuneration for management and key personnel are shown in note 5.

The Parent Company has a related party relationship with its subsidiaries, see note 30. Net sales in the parent company, 5,656 TSEK (4,912 TSEK) consist of group management services. Receivables and liabilities to group companies appear in the balance sheets for each year.

The Annual General Meeting on May 21, 2024, decided, in accordance with the Board's proposal, to introduce a long-term incentive program for certain senior executives and to issue a maximum of 71,400 warrants with subscription rights for 71,400 new stock units in the company. In 2024, 18,000 options were thus granted with an average redemption price per stock option of SEK 46.90.

Transactions with related parties are priced on market terms.

## Note 30 – Group companies

The business is mainly conducted in Fractal Gaming AB, which in turn has three subsidiaries - Fractal Design North America Inc., Fractal Design Swedish Taiwan Ltd, and Fractal Design (Dongguan) Co., Ltd. The American subsidiary conducts marketing, sales, and technical support in the North American market, while the company in Taiwan and China is responsible for, among other things, procurement and quality assurance of the company's products.

Ownership in %			Ownership in %	
Subsidiary's registered office, country			31/12/2024	31/12/2023
Fractal Gaming AB, 556799-7506, Gothenburg			100%	100%
Fractal Design North America Inc, Frisco, Texas USA			100%	100%
Fractal Design Swedish Taiwan Co, Ltd, Taipei, Taiwan			100%	100%
Fractal Design (Dongguan) Co., Ltd, Dongguan City, China			100%	100%
TSEK			2024	2023
Parent company				
Accumulated acquisition values				
At the beginning of the year			271,432	271,432
Carrying amount on 31 December			271,432	271,432
Specification of the parent company's direct holding of shares in subsidiaries				
			Carrying amount	
			Number	Number
Subsidiaries / Organization number / Säte			shares	in %
			31/12/2024	31/12/2023
Fractal Gaming AB, 556799-7506, Gothenburg			600	100
			271,432	271,432

## Note 31 – Untaxed reserves

TSEK	2024	2023
Parent company		
Tax allocation reserve		
Provision at taxation 2019	-	5,146
Provision at taxation 2020	10,457	10,457
Closing balance 31 December	10,457	15,603
Amount of untaxed reserves	10,457	15,603

## Note 32 – Specifications for the statement of cash flows

TSEK 31/12/2024 31/12/2023

### Group

The following components are included in cash and cash equivalents:

Cash and bank balances	50,588	20,352
<i>Total according to the balance sheet</i>	50,588	20,352

<i>Total according to the cash flow statement</i>	50,588	20,352
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### Parent company

The following components are included in cash and cash equivalents:

Cash and bank balances	967	1,729
<i>Total according to the balance sheet</i>	967	1,729

<i>Total according to the cash flow analysis</i>	967	1,729
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### Group

TSEK	Overdraft credit	Bankloan	Leasing liability	Total liabilities arising from financing activities
<b>Opening balance 2023</b>	109,537	-	12,009	121,546
Cash flows in financing activities				
Net change	-107,087	10,000	-1,105	-98,192
Amortization of lease liabilities			-3,971	-3,971
Exchange rate differences			233	233
<i>Other changes</i>				
Additional leasing liabilities			2,633	2,633
New short-term borrowing		40,000		40,000
Repayment of short-term loans		-30,000		-30,000
<i>Total change</i>		10,000	2,633	12,633
<b>Closing balance 2023</b>	2,450	10,000	10,904	23,354
<b>Opening balance 2024</b>	2,450	10,000	10,904	23,354
Cash flows in financing activities				
Net change	-2,450	-10,000	-1,589	-14,039
Amortization of lease liabilities			-4,192	-4,192
<i>Other changes</i>				
Additional leasing liabilities			2,603	2,603
Repayment of short-term loans		-10,000		-10,000
<i>Total change</i>		-10,000	2,603	-7,397
<b>Closing balance 2024</b>	-	-	9,315	9,315

Adjustments for items that are not included in cash flow 2024 2023

<b>Group</b>		
Depreciations	25,397	21,450
Currency translation operating receivables, operating liabilities, bank	-	-1,124
Translation differences within the group	-1,392	1,124
Changes in provisions	1,269	1,407
	25,274	22,857

TSEK 2024 2023

### Group

Acquisition of assets through leasing agreements	2,424	2,687
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### Paid interest and received dividends

	2024	2023
Received interest	597	1,155
Paid interest	-2,531	-3,770
Received interest	2	30
Paid interest	-	-3

TSEK	2024	2023
<b>Group</b>		
Unutilized credits amount to	120,000	117,550
<b>Parent company</b>		
Unutilized credits amount to	-	-

## Note 33 - Events after the balance sheet date

Fractal's U.S. tariff exemption for computer cases applies through May 31, 2025. Authorities in the United States announced on February 5 the imposition of tariffs of 10% on goods from China as of February 2025 that will affect Fractal's entire product portfolio, i.e. all sales in the USA. Our net sales in the USA amounted to SEK 251.7 million for the full year 2024, corresponding to 36% of the Fractal Group's total net sales.

We estimate an annualized negative impact on EBITDA of approximately 1 percentage point. The calculation includes compensation from suppliers but is based on the assumption that no price increases are made for consumers. If the tariff exemption for cases is not extended, the EBITDA effect will increase from the second half of 2025, but we expect to be able to compensate through price increases, relocation of production outside China and other measures that reduce the tariff impact.

Given the industry in which the Group operates, the conflict in Ukraine has not had any significant impact on its operations during the period.

## Note 34 – Significant estimates and judgments

### Payments to customers

The Group makes payments to customers partly as compensation for carrying out specific marketing activities relating to the Group's products and/or brand and partly through sales-based discounts. The former payments are recognized as marketing expenses and the latter are recognized as a reduction in the group's net sales.

### Leases

Some leases contain extension or cancellation options that the Group may or may not exercise before the end of the non-cancellable lease term. Whenever possible, the Group includes such options in new leases, as this contributes to operational flexibility. An assessment of whether or not it is reasonably certain that an extension option will be exercised is done on the start date of the lease. The Group reassesses the lease term upon the occurrence of a significant event or significant changes in circumstances within its control that affect whether it is reasonably certain that the Group will exercise (or not exercise) an option included in the original contract.

### Important sources of uncertainty in estimates

The sources of uncertainty in estimates listed below refer to those that entail a significant risk that the value of assets or liabilities may need to be adjusted to a significant degree during the coming financial year.

### Impairment testing of goodwill

In calculating the recoverable amount of cash-generating units for assessing any impairment of goodwill, several assumptions about future conditions and estimates of parameters have been made. An account of these can be found in note 11.

### Recovery of the value of development expenditure

The group has capitalized expenses for its product development work. Based on the current and estimated expected development of sales of these products, no indications of impairment have been identified. A change in the conditions for these assumptions and estimates could have a material effect on the value of the capitalized development expenditure.

## Note 35 – Disclosures about the Parent Company

Fractal Gaming Group AB, Corp. ID no. 559080-2970, is a Swedish-registered stock corporation with its registered office in Stockholm. The address of the head office is Victor Hasselblads Gata 16A, 421 31 Västra Frölunda.

The consolidated accounts for the year 2024 consist of the parent company and its subsidiaries, jointly referred to as the group.



# Declaration of the Board of Directors and the Chief Executive Officer

The income statement and balance sheet will be presented to the Annual General Meeting on May 20, 2025.

The Board of Directors and the Chief Executive Officer certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position and results. The annual report has been prepared in accordance with generally accepted accounting principles and gives a true and fair view of the Parent Company's position and results.

The Directors' Report for the group and the Parent Company provides a fair overview of the development of the group's and the Parent Company's operations, position and results, and describes significant risks and uncertainty factors that the Parent Company and the companies that are part of the group face.

Stockholm, April 29, 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

**Our audit report was submitted on April 29, 2025**

KPMG AB

**Maria Kylén**

Authorized Public Accountant

# Auditor's report

To the general meeting of the shareholders of Fractal Gaming Group AB  
Company reg. no. 559080-2970

## Report on the Annual report and Consolidated Financial Statements

### Opinions

We have audited the Annual Report and Consolidated Financial Statements of Fractal Gaming Group AB for the year 2024. The company's Annual Report and Consolidated Financial Statements are included on pages 56-89 of this document.

In our opinion, the Annual Report has been prepared in accordance with the Annual Accounts Act and gives a true and fair view in all material respects of the parent company's financial position as of 31 December, 2024, and of its financial performance and cash flow for the year in accordance with the Annual Accounts Act. The Consolidated Financial Statements have been prepared in accordance with the Annual Accounts Act and give a true and fair view in all material respects of the group's financial position as of December 31, 2024, and of its financial performance and cash flow for the year in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The Directors' Report is consistent with the other parts of the Annual Report and Consolidated Financial Statements.

We therefore recommend that the Annual General Meeting adopts the income statement and balance sheet for the parent company and for the group.

### Basis for Opinions

We have performed the audit in accordance with International Standards on Auditing (ISA) and generally accepted accounting principles in Sweden. Our responsibilities under these standards are described in more detail in the Auditor's Responsibilities section. We are independent of the parent association and the group 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.

### Information other than the Annual Report and Consolidated Financial Statements

This document also contains information other than the Annual Report and Consolidated Financial Statements and can be found on pages 1-45, 48-49 and 93-94. The Board of Directors is responsible for this other information.

Our opinion on the Annual Report and Consolidated Financial Statements does not cover this information and we do not express any form of assurance conclusion on this other information.

In connection with our audit of the Annual Report and Consolidated Financial Statements, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. As part of this examination, we also take into account the knowledge we have otherwise acquired during the audit and assess whether the information otherwise appears to contain material misstatement.

If, based on the work done on this information, we conclude that the other information contains a material misstatement, we are required to report this. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the CEO

It is the Board of Directors and the CEO who are responsible for the preparation of the Annual Report and Consolidated Financial Statements and for ensuring that they present a true and fair view in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of an Annual Report and Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Report and Consolidated Financial Statements, the Board of Directors and CEO are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters that may affect the ability to continue as a going concern and to use the going concern assumption. The going concern assumption is not, however, applied if the Board and

CEO intend to liquidate the company, cease operations or have no realistic alternative than to do so.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the Annual Report and Consolidated 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 ISA 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 this Annual Report and Consolidated Financial Statements.

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 report and Consolidated Financial Statements, 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 CEO.
- ▶ conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting in preparing the Annual Report and Consolidated Financial Statements. 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 and the group'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 Report and Consolidated Financial Statements or, if such disclosures are

inadequate, to modify our opinion about the Annual Report and Consolidated Financial Statements.

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 report and Consolidated Financial Statements, including the disclosures, and whether the Annual Report and Consolidated Financial Statements reflect the underlying transactions and events in a manner that achieves fair presentation
- ▶ obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our opinions.

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.

## Report on other legal and regulatory requirements

### Opinions

In addition to our audit of the Annual Report and Consolidated Financial Statements, we have also audited the administration by the Board of Directors and the CEO of Fractal Gaming Group AB for the year 2024 and the proposal to deal with the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the Directors' Report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent association and the group 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.

## Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the Parent Company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes, among other things, continuously assessing the company's and Group's financial situation, and ensuring that the company's organization is structured so that accounting, asset management, and the company's financial affairs otherwise are controlled in a satisfactory manner.

The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO in any material respect:

- ▶ has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- ▶ in any other way acted in violation of the Companies Act, the Annual Accounts Act or the articles of association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion on this matter, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Which additional audit measures are performed are based on our professional judgment based on risk and materiality. This means that we focus the audit on actions, areas, and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken, and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Gothenburg, April 29, 2025

KPMG AB

**Maria Kylén**

Authorized Public Accountant

# Miscellaneous

This report contains financial key ratios in accordance with the framework applied by Fractal, which is based on IFRS. In addition, there are other key ratios (alternative key ratios) that are used by company management and other stakeholders to analyze trends and the development of the group's operations that cannot be directly read or derived from the financial reports. Fractal's stakeholders should not consider these alternative key ratios as substitutes, but rather as complements to the financial reporting prepared in accordance with IFRS. See below for a list of definitions and key ratios used and referenced in this report.

Non-IFRS measures	Description	Justification for using measurement
Net sales, USDm million	Invoiced amounts in USD attributable to sales, adjusted for distributor and reseller discounts also denominated in other currencies.	Fractal's sales are invoiced fully in USD. The purpose of presenting the key ratio is to present the Group's organic growth.
Product results	Net sales less the cost of merchandise.	Shows the product profitability of the core business.
Product margin, %	Product results in relation to net sales.	Shows the product profitability of the core business in relation to net sales.
Operating profit (EBIT)	Fractal's reported operating profit.	Operating profit (EBIT) is a performance measure that, together with EBITDA, shows the profit generated by the operational activities.
Operating margin (EBIT margin), %	Operating profit (EBIT) in relation to net sales.	Facilitates comparisons of profitability independent of capital structure or tax situation.
EBITDA	Operating profit (EBIT) with reversal of costs for depreciation and amortization of tangible and intangible assets.	EBITDA together with Operating profit (EBIT) gives an overall picture of the generation of results from the operational activities.
EBITDA margin, %	EBITDA in relation to net sales.	This key ratio is used for the analysis of Fractal's operational profit generation.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability.	Adjusted EBITDA is a performance measure that is considered relevant to understanding Fractal's financial performance from operating activities. The measure shows the financial performance of the operating business without the influence of significant cost or revenue items that affect the ability to make 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 ratio considered relevant to understanding Fractal's financial performance from operating activities without the influence of material cost or revenue items that affect comparability over time.
Items affecting comparability	Income and expense items that are reported separately due to their nature and amount.	Items affecting comparability are used to explain differences in historical results. Separate disclosure 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 reduced by net working capital liabilities. Net working capital assets are calculated as the sum of inventories, trade receivables, prepaid expenses and accrued income and other receivables. Net working capital liabilities are calculated as the sum of accounts payable and tax liabilities, accrued	This measure shows how much net working capital is tied up in Fractal's operations.



Non-IFRS measures	Description	Justification for using measurement
	expenses and deferred income and other liabilities.	
Operating cash flow	EBITDA less acquisitions of tangible and intangible assets and adjusted for changes in inventories, operating receivables, and operating liabilities.	Operating cash flow is used by Fractal as a measure of how much cash flow the business generates.
Cash generation, %	Operating cash flow in relation to EBITDA.	Fractal uses the key ratio to monitor how efficiently the Group manages current investments and net working capital.
Interest-bearing net liabilities	Interest-bearing liabilities less cash and cash equivalents. Interest-bearing liabilities consist of the sum of overdrafts and liabilities of group companies.	Interest-bearing net liabilities is a measure that shows the total indebtedness of the company.
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 the Company's net sales and operating profit.
Net sales growth, %	Net sales growth for the period, calculated as an increase in net sales compared to the previous year, expressed as a percentage.	Shows the change in net sales of the business during the period compared to the previous period.
Organic net sales growth, %	Growth in net sales in USD million for the period, calculated as the change in net sales, USD million compared to the previous year, expressed as a percentage.	Shows the business's organic growth during the period compared to the previous period.
Equity ratio	Equity in relation to total assets.	Shows what proportion of the assets are financed with equity and can be used as an indicator of the company's ability to pay over the long term.
Operational key ratios	Description	Justification for using measurement
Sales from retailers to end consumers (Sales Out), USD	Sales to end consumers in USD, reported by retailers to Fractal.	Reporting back of sales from external resellers measured in USD are used by Fractal as an indicator of the underlying demand for the Company's products.



## Financial calendar

Annual general meeting	05/20/2025
Interim report January – June 2024	08/15/2025
Interim report January – September 2024	10/24/2025

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