



Annual Report 2025

FRACTAL GAMING GROUP AB

EXPERIENCE GAMING

Operation.....	3
The year in summary	5
A word from the CEO.....	6
Highlights 2025	8
Our financial goals	10
Strategy.....	11
Goals & growth strategy.....	13
Our business model:.....	16
Brand & Marketing	19
Market & Trends	22
Sustainability report	25
Social impact.....	30
Double materiality assessment	37
Value chain from an environmental perspective	39
Personnel and workplace.....	42
Sustainability risks and measures.....	47
Corporate governance	49
The share and shareholders.....	50
Corporate Governance Report.....	52
Board of Directors	55
Management.....	56
Auditor's opinion on the corporate governance report	58
Financial report	59
Management report	59
Notes to the financial reports	70
Declaration of the Board of Directors and the Chief Executive Officer.....	93
Auditor's report.....	94
Miscellaneous	97



Fractal is a leading manufacturer in the premium segment of gaming hardware. Since our start in 2010, we have grown into a global brand with sales in over 50 countries.

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

As the leader in computer cases and with a growing position in chairs, 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.

Since February 2021, Fractal Gaming Group is listed on Nasdaq First North Premier Growth Market in Stockholm.

Offices in Gothenburg / Dallas / Taipei / Dongguan

GLOBAL MARKET POSITION

Top 3

MARKET POSITION IN THE NORDIC REGION

No 1

BRAND POSITION

Premium

NET SALES

809 million

PRODUCTS SOLD

9+ million

NUMBER OF EMPLOYEES

>115

Gaming as part of the home

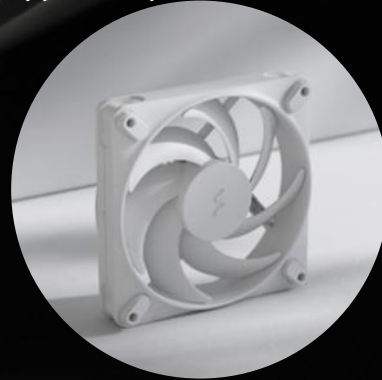
From a hidden computer corner to a natural part of both home and everyday life. All of our products are designed to form a whole with a clear focus on Scandinavian design combined with industry-leading performance.

Our product categories



Computer cases

The case is the heart of every gaming station – a product where technology and design come together in harmony. 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 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 coolers and fans are designed to meet the highest demands while harmonizing with the appealing styling of our PC cases. This is where market-leading airflow meets low noise levels.



Computer chairs

Our gaming chairs combine Scandinavian design with well-thought-out ergonomics and carefully selected functionality. With a wide range of adjustment options they are designed to provide optimal comfort, even during the longest gaming sessions. With Fractal's well-known quality standard, we ensure long-term durability and a first-class experience.

Headsets

Our gaming headsets take the sound experience to a new level. 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.



The year in summary

2025 was characterized by growth and strategic portfolio expansion in a challenging operating environment. Fractal delivered 25 percent organic growth and reported the highest net sales in the company's history.

During the year, the company's first gaming headset was launched and the expansion in gaming chairs continued, while the case business remained the foundation of the company's sales.

The broader product portfolio, combined with stable demand in the core business and several successful case launches, contributed to organic growth and strengthened the company's position in the premium segment. The portfolio expansion gradually reduces dependence on individual product categories and creates the conditions for structurally increased growth over time.

In parallel, measures were taken to strengthen the company's long-term competitiveness and adapt the business to changing market conditions. Improved processes, strengthened governance and continued development of the organization contributed to increased scalability and better conditions for future profitability. At the same time, earnings were negatively impacted by external factors, primarily related to tariffs, exchange rate fluctuations and tariff-related logistics costs in the United States. During the year, the company took measures to manage these effects and continues to work to strengthen margin growth through further streamlining and continued discipline in cost and working capital management.

During the first quarter of 2025, new financial targets were set with aims for annual organic growth above 15 percent and an adjusted EBITDA margin above 15 percent over time, which clarifies the company's long-term direction.

Net sales amounted to SEK 809.5 million (697.9), the product margin amounted to 37.7 percent (40.3) and the EBITDA margin to 9.6 percent (12.0).

MSEK	2025	2024	2023	2022
Nettoomsättning	809,5	697,9	773,3	485,6
Nettoomsättning i USD	82,3	66,0	72,8	47,9
Produktresultat	305,2	281,1	315,3	179,1
Produktmarginal, %	37,7%	40,3%	40,8%	36,9%
EBITDA	77,8	84,0	137,2	34,0
EBITDA-marginal, %	9,6%	12,0%	17,7%	7,0%
Operativt kassaflöde	16,1	59,2	131,6	26,4
Kassagenerering	20,7%	70,5%	95,9%	77,6%
Räntebärande nettoskuld	3,3	-50,6	-7,9	115,6
USD/SEK, genomsnitt	9,8	10,6	10,6	10,1

För definitioner av nyckeltal, se sid 93

A word from the CEO

During the year we continued to deliver on our business strategy and we reported organic net sales growth of 25%. With the launch of the Scape gaming headset, we established Fractal in another completely new product category, where our unique Scandinavian design language continues to lead the way towards the gaming station of the future. This was very well received by both customers and partners.

In parallel with our product and market expansion we further developed the organization and strengthened our working methods with improved and more efficient processes. These investments are key to creating long-term structural conditions for significantly higher sales and increased earnings over time. At the same time, we noted that profitability during the year was significantly lower than our targets, mainly due to external factors such as tariffs, exchange rate fluctuations and tariff-related storage costs in the United States.

During the year, we adjusted our pricing structure and optimized our product cost and operational efficiency. These initiatives are already having a positive impact on our margins, although they have not yet fully offset the external factors that have negatively affected profitability.

High growth in a turbulent world

When we summarized the full year 2025, we reported net sales of SEK 809.5 million (697.9), an increase of 16% in SEK and 25% organically. This was the highest level of net sales in the company's history. The growth was driven by a stronger market, successful expansion in new product categories, a positive reception of the launch of Meshify 3 and continued growth for the North series.

EBITDA amounted to SEK 77.8 million (84.0), slightly lower than last year, due to a lower product margin affected by negative external factors. The EBITDA margin was 9.6% (12.0). We are not satisfied with the profitability trend, and this is a clear focus area for management and organization. Excluding the effects of tariffs and exchange rate fluctuations the EBITDA margin was approximately 14%, clearly demonstrating the underlying improvement in our operating activities.

We ended the year with a continued strong financial position, which gives us room for maneuver to continue our strategic initiatives.

Mitigation of challenging external factors

We worked intensively in 2025 to manage a period of high uncertainty and changing market conditions, mainly linked to tariffs in the USA. During the fourth quarter, we received positive news as the so-called fentanyl tariff was halved to 10%, while the pause for the reciprocal tariffs, as well as our 25-percent 301 exclusion for cases, was extended for another year. This provided relief for our largest product category, while reducing the overall tariff burden by around 10 percentage points across the portfolio.

We continue to have inventories in the USA burdened with higher tariffs, but this dynamic is actively managed and the impact on profitability is expected to gradually decrease during the first half of 2026. In parallel we continue to manage pricing strategy, inventory optimization and, if necessary, shift production outside China.

Fractal leads the way to the gaming station of the future

We at Fractal are driven by a strong passion to create the ultimate gaming experience. 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. We build on our unique position, which distinguishes itself with a more mature Scandinavian design profile, which fits well into the modern home and shows that you can enjoy gaming in a stylish and elegant environment.

With the launch of the Refine gaming chair and Scape gaming headset, we successfully ventured into new product categories where the results exceeded our expectations. This creates the conditions to apply Fractal's recipe for success, which has made us the market leader in the PC case and components categories, to a larger part of players' overall gaming

experience. During the year, we also launched the Meshify 3 and Epoch case series, which were very well received by both reviewers and customers. We have a well-stocked pipeline of new product launches across multiple product categories in 2026, most recently with the launch of the Pop 2 Air case in January, North Momentum in February and Pop 2 Vision in April.

An important success factor for us is to be an integral part of gaming communities, through collaboration with our approximately 300 ambassadors in the Fractal Creator Program. The collaboration enables us to reach a global target group quickly and credibly in a cost-effective way, while receiving continuous feedback on our products and what new products, features and improvements are requested. An important addition to the dialogue we have with our customers, dealers and other partners. During the year, we also continued to strengthen our global presence.

Our Path Forward

Towards the end of the year, we noted challenges in the global component market, where shortages of RAM began to affect supply and pricing. This shortage, driven by increased demand from the emerging AI economy, has led to rising prices for RAM and NAND memory, affecting both the DIY market and demand for consumer products in general.

The uncertainty around tariffs has stabilized somewhat and we have built greater flexibility into our business through pricing, inventory strategy and production structure. This gives us better conditions for managing fluctuations in the business environment while balancing growth and profitability in line with our objectives. With our product portfolio, strategy and financial position as a foundation, we continue to develop the business toward our long-term financial targets.

In closing, I would like to thank all colleagues at Fractal Gaming Group, whose strong commitment and important work deliver the products and services that our enthusiastic high-performance gaming customers around the world rely on. I would also like to thank our shareholders and partners for your commitment and support for our continued development.

Jonas Holst, CEO



Highlights 2025

During the year we expanded our award-winning chassis portfolio, launched new categories and upgraded our channel network to reach more customers than ever.

Meshify 3 was named "Best Case of 2025"

The **Meshify 3 Series** became one of the most acclaimed case series in 2025. Leading tech journalist GamersNexus named Meshify 3 Ambience Pro "Best Overall Case of 2025".

Refine wins design award iF Design Award

During the year, the gaming chair Refine was awarded the iF Design Award 2025- one of the world's most prestigious design awards highlighting the combination of innovative ergonomics, quality materials and Scandinavian design.



Successful debut Scape

In addition to a strong sales start this summer, Scape made it into several Best of 2025 lists, Editor's choice articles and buying guides at leading gaming, technology and lifestyle media such as PC Gamer, TechPowerUp and The Verge.

Introduction of the Epoch case family

The **Epoch series** enjoyed a consistently positive reception from reviewers when launched last summer. Reviews emphasized a well-balanced offering in terms of functionality and performance with a particular focus on efficient cooling via our performance-focused Momentum fans.

Powerful cooling with the Momentum-series

The new **Momentum fan series** combines carefully selected materials with advanced engineering to deliver maximum cooling performance with minimal noise – designed for uncompromising PC builders and gamers who demand the best.

Ion 3 Gold – new power supply units

Developed for latest generation graphics cards. Our Ion Gold-series has been recognized for its impressive performance and quiet operation.

Our financial goals

Fractal's medium to long-term financial targets

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

50–80%

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.

Strategy



We shape the gaming station of the future

Gaming is undergoing one of its biggest changes ever. What was once a niche for enthusiasts has become a global driving force influencing how people live, work and express themselves. Today's users have matured and have a strong focus on design with a clear expectation that technology and gaming hardware should integrate seamlessly into the home.

Fractal has been a leading driving force for many years, picking up the baton to shape where gaming is heading. Where many providers still focus on the older stereotypes, we have instead chosen to focus on one of our main questions:

“Why can't gaming hardware be developed with the same care and design mindset as other products in the home?”

Based on our Scandinavian design tradition we create products where function, performance and carefully selected materials meet a timeless design language. Our vision is to enable gaming environments that feel harmonious, mature and well thought-out – places in the home where technology and design interact and become a natural part of everyday life.

Over the years, Fractal has evolved from a challenger to a leading brand in gaming hardware – a journey we continue together with millions of customers and communities across the world.

Community as a driving force

The **Fractal community** is a central part of our brand and a strong competitive advantage. In a market where the user is well-read, discerning and detail-oriented, trust is built not only from products but also through customer experiences that are then actively discussed in a variety of channels and platforms.

The community also acts as a catalyst in our product development. Through feedback, tests and open dialogue, we get early signals about needs, trends and challenges in the market.

At the same time, the community plays a crucial role in building the brand's long-term credibility. Today's gamers are experts in their own experiences and seek out brands that are transparent, responsive and reliable over time. When users actively recommend Fractal as their favorite brand in forums, reviews and social channels, invaluable trust capital is created.

Goals & growth strategy

Fractal has established a clearly differentiated offering by consistently challenging traditional stereotypes. With a deep understanding of its customers, leading positions in several product categories and a brand with high loyalty, the company is in a strong position to take advantage of the rapidly growing gaming market.

Our growth strategy: The Fractal Code

The **Fractal Code** is our framework built on the initiatives that have made Fractal one of the most respected PC gaming brands in the world.

We are redefining the gaming station of the future, building a stronger brand and expanding our global reach. Three mutually reinforcing initiatives, and with the Fractal community at their core, they create a self-reinforcing dynamic: stronger products build a stronger brand, a stronger brand opens up new markets, and new markets fund the next generation of products. That's the Flying Wheel, and it's the foundation for how we build profitable growth in the long term.



Redefine the Gaming Station

With a unique **Scandinavian design** language and a clear position in the premium segment, where shape meets performance, we continue to lead the development of next-generation gaming hardware.

By further developing our product portfolio with a strong position in the gaming ecosystem, we generate increased loyalty and over time can meet more of the needs of gamers and computer builders across multiple categories.



Build Brand Equity

Fractal enjoys unparalleled trust in the gaming and tech community, built on award-winning products and world-class customer service. Our brand and the trust from our customers are some of our most important assets.

Through daily dialogue with our target groups and a global network of influencers, the aim is to reach more customers than ever. Targeted investments in customer-facing channels further strengthen awareness, drive growth and consolidate Fractal as the obvious choice for enthusiasts worldwide.



Strengthen Global Access

With a **presence in over 50 countries**, we are driving growth through consolidation in existing markets as well as expansion into new points of contact.

By further developing our distribution model and adding important sales channels, we increase both reach and market share.

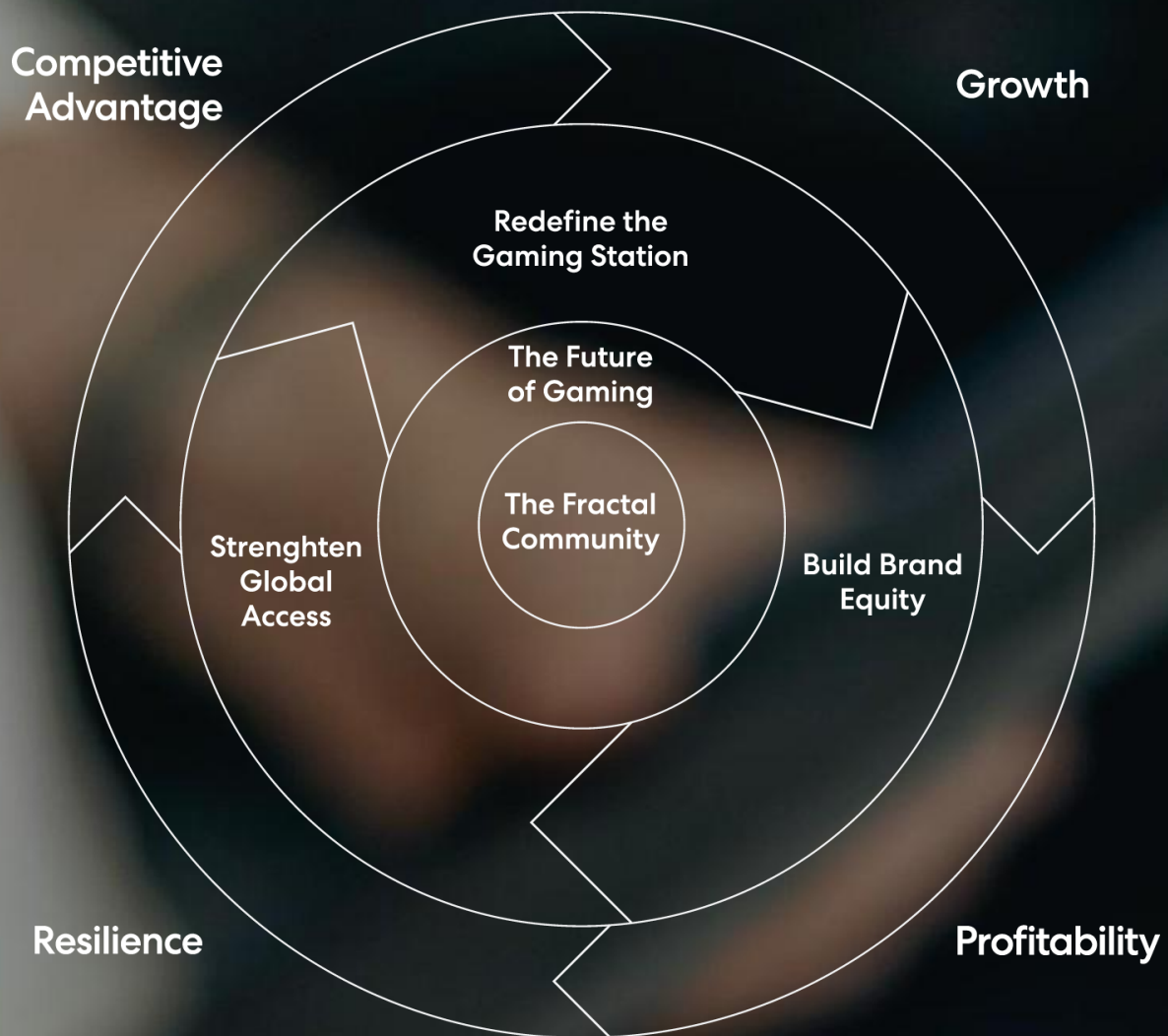
One Fractal as a guiding star

Corporate culture is at the heart of everything we do and one of the elements that sets us apart from our competitors. One Fractal unites our global teams around People, Performance and Passion, giving us the power and cohesion to exceed customer expectations, launch after launch.

A clear model for scalability

All **parts of our growth** strategy are interrelated. Together, the initiatives create increased resilience to market fluctuations, strengthen our competitive position and lay the foundation for continued investments in Fractal's future.

The Flying Wheel



Our business model: From sketch to part of the home

Fractal's success is based on a deep understanding of what the gamer and PC builder wants and actually needs, which has created a scalable and repetitive business model.

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.

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 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.

Strengthened presence in sales channels and marketplaces

During the year, we continued to work on targeted initiatives to increase the reach and availability of our product range. An essential part of this strategy has been to continuously expand the cooperation with Amazon. The channel is scalable and capital-efficient, and plays a particularly large role in the United States. For 2026, the focus is on further increasing global availability, including opening up more Amazon entities in Europe in addition to those already active.

We have also developed our strategic partnerships with key players in important markets. During 2025, we achieved several tangible milestones, including the launch of a flagship store at JD.com in China, sales at Yodobashi in Japan and a strengthened store presence at Micro Center in the US. These partnerships enable an increased presence in key sales channels and create the conditions for reaching even more potential consumers globally.



Outstanding geographic 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 - 34% OF SALES
REGIONAL OFFICE, WAREHOUSE
AND SALES HUB

EMEA - 53% OF SALES
HEADQUARTERS, REGIONAL
WAREHOUSE AND FOUR SALES HUBS

APAC - 13% OF SALES
TWO REGIONAL OFFICES AND SALES
HUBS, GLOBAL WAREHOUSE AND
OUTSOURCED MANUFACTURING.

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, direct sales are combined with most distributors, while sales in Asia take place mainly 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.

Brand & Marketing

The Fractal brand is one of our greatest assets

Our customers, whether they are PC builders or gamers, seek out information in many 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, these voices play a crucial role – their opinions shape the market and can directly influence a product's success. With ongoing 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.

STREAMED LIVE @TWITCH.TV/MISSMIKAA

Visible around the clock, worldwide

With over 300 ambassadors active around the clock, we ensure both high visibility and an active role in the community.

Having an active presence where conversations and recommendations take place is crucial for our brand. It's not just about listening, but about being an active part of the dialogue, whether it's about our products, industry challenges or upcoming launches. During the year we have deepened our presence through even more collaborations with streamers and creators around the world.

The Fractal Creator Program, our global ambassador network, continues to be an important platform for reaching out to new customer segments. With hundreds of influencers worldwide, our message and vision reach an audience that is both inspired by and trusts the voices that shape gaming and computer building.

Through collaborations via both YouTube and Twitch, we not only gain valuable insights, but our streamers' self-created content also contributes to strong visibility, wide reach and high credibility, which is especially important for new launches.

HOURS IN STREAM

MOST VIEWED GAMING
HARDWARE TEAMS ON
TWITCH

AMBASSADORS

56M Place 1 300



😊 “ Fractal Design Customer Support is GOATED!

😊 “ Shoutout to Fractal Design Team for their amazing support!!!

😊 “ The Fractal Support is amazing!

😊 “ Fractal customer supports is one of the reasons why I always buy their cases!

– REDDIT USERS @ / R / FRACTALDESIGN 2025

Market-leading customer service

Our after-sales department ensures that customers not only have confidence 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 launch after launch. This work is the foundation for creating a long-term, reliable, and strong brand in communities worldwide.

Our customers' high expectations drive us to deliver a consistent and exceptional experience, regardless of point of contact or time. The relations we build with our customers over time are a crucial part of our business model. This leads to recurring purchases and loyalty as well as continuous support from new brand ambassadors.

Market & Trends

Gaming continues to grow as one of the most influential forms of entertainment. What was once a niche has evolved into being part of everyday life of millions of people around the world. Gaming has become accepted as a mainstream hobby where we see a growing need to integrate gaming as part of the home.

The factors for driving growth include a growing user base with the number of gamers projected to reach around 3.6 billion by the end of 2025 compared to around 3.4 billion by 2024 - equivalent to growth of around 5%. PC gamers, who today are Fractal's primary target group, remain a significant and strong segment, with an estimated 900–950 million PC gamers globally.

The gaming hardware market was valued at USD 41 billion in 2025 and is expected to reach USD 77 billion by 2035 with an average annual growth rate of 6.5% over the period 2026–2035.

The PC platform holds strong

PC gamers show stronger commitment and, above all, a strong willingness to invest compared to other platforms, where PC is considered a basic requirement for gaming enthusiasts - especially for those users who want to experience the highest possible performance and take part in the latest technology developments.

Cloud gaming continues to grow according to analytics companies despite leading platform GeForce Now not having formally updated its official user numbers since 2023. The market was valued at USD 2.2 billion in 2024 and is expected to reach USD 21 billion by 2030 at a CAGR of 44.3% - driven primarily by new customers drawn from the casual and mobile segments.

Upgrades and new technologies in focus

After a relatively quiet 2024 from a GPU perspective, the upgrade cycle started in earnest as new product lineups from Nvidia and AMD were launched in early 2025. The gaming industry unveiled new game engines focusing on 4K gaming, ray tracing and AI-assisted rendering, which in turn raised system requirements. Another piece of positive news in the second half of the year was the normalization of graphics card prices combined with increased availability.

AI puts pressure on the component market

After a period of falling prices for RAM and NAND flash (SSD storage) that bottomed out around 2024, prices have rebounded in the last quarter. The reason is the strong demand for memory chips from AI data centers, which is prioritized by manufacturers instead of the end consumer market.

PC manufacturers are therefore at a disadvantage; the AI sector is consuming large volumes of DRAM leaving the consumer market with a shrinking supply. This results in rising prices for both memory and storage. In late 2025, price increases of over 100–300% for DRAM and 100–200% for NAND flash were reported.

Already in late 2025, major OEMs began announcing price increases for upcoming PC models to compensate for more expensive components.

It is also reported that the lack of memory may hit the GPU market which also relies on VRAM from the same manufacturers, which could result in higher prices for graphics cards for some models in 2026.

At the end of the year, IDC forecast that the PC market in 2026 could contract by up to 9% due to tough comparative figures following last year's boom combined with higher system prices.

High level of commitment for new game releases

Leading gaming platform Steam continues to break records in terms of both users and offering. The number of game titles increased to over 20,000, which is +9% on an annual basis. The number of logged in users reached 42 million in January 2026, an increase of 27% compared to the previous year.

2025 presented a series of impressive AAA releases such as Battlefield 6 with over 20 million copies sold and highly successful community-driven titles such as ARC Raiders, which surpassed 12 million copies sold in a short time and with over 3 million active players.

Both major launches and community-driven game releases contribute to the purchase of new systems and needs for upgrades among our customers. 2026 is shaping up to be a really interesting game year with a series of highly anticipated titles, such as Fable, Resident Evil, Elder Scrolls, Crimson Desert, Forza and possibly GTA 6.

Growth in key segments

Case market holds strong

Globally, the PC case market is estimated to reach a value of USD 6.8 billion in 2025, up from about USD 6.4 billion in 2024. The growth rate is expected to be around 5–6% annually. APAC is expected to be a primary growth market driven by stronger interest in esports, a growing DIY culture and with a projected CAGR of 7% by 2032.

In more mature markets such as North America and Europe, growth is more modest (~4% annually) and the market share is expected to decline slightly as APAC grows faster.

Headset market continues to grow

The gaming headset market continued to grow in 2025 with an estimated global market value of USD 2.7 billion, up from about USD 2.5 billion in 2024.

Forecasts also show a continued increase (~7% CAGR) until the end of the decade, driven by technology development and a continued growing interest in gaming.

Computer and office chairs make new strides

The gaming chair market is estimated at approximately USD 1.7 billion in 2025 with a forecast to reach USD 1.8 billion in 2026, which would mean annual growth of around 7–8%. On the one hand, the aftermath of the pandemic with hybrid/home working has led many consumers to invest more in quality chairs that can serve dual purposes: work during the day and gaming at night.

Geographically, North America accounted for the largest share (about 41%) of sales in 2025 while APAC is the fastest growing region with ~9% annual growth.

The market looking ahead

Looking ahead, we note mixed signals regarding 2026. Graphics card prices are expected to rise in 2026 where some PC manufacturers have already announced upcoming price increases due to component shortages, which could have a short-term impact on the desire to upgrade among some customer segments.

At the same time, analysts point out that although the number of products sold is expected to decrease, the overall value of the market may remain intact or even increase as the average price per component sold or gaming PC is expected to increase. The market intelligence firm IDC notes just that, estimating that even if the number of PCs sold falls in 2026, overall turnover could increase as the industry focuses on selling more expensive models with higher or maintained margins.

For peripherals such as headsets and chairs, the outlook is brighter. These product categories are usually not as immediately affected by a single component shortage. Demand for new computer chairs or headsets may continue even if the customer chooses to buy a new system or upgrade their existing PC. We can thus see a scenario where the Total Addressable Market (TAM) for headsets/chairs continues to grow steadily during the year, even though the market for PC components faces challenges.

In 2026, further announcements on the next generation of graphics cards from Nvidia and AMD are expected. Along with potentially pent-up demand, this could set the stage for a stronger upgrade cycle ahead although rumors suggest a 2027 launch.

How Fractal meets the market

In 2026, customers are expected to navigate a more uncertain landscape. The memory shortage is predicted to continue at least through the first half of 2026. It is precisely the lack of DDR5 memory that can lead to continued price increases for other components and thus limit purchases among certain customer segments. For the DIY market, that means enthusiasts either pay more for the components or delay their upgrades.

We are well equipped to meet these challenges with a clear focus on growth, agility and profitability, combined with our strong competitive advantages – all of which are central to our strategy. Combined with the strong trust from our customer base, this gives Fractal favorable conditions not only to defend but also strengthen our market shares, even in a turbulent market. When the pent-up demand is released, Fractal is well positioned to lead the next big wave of upgrades.

Sources: IDC, Jon Peddie, Trendforce, DataIntel, StraitsResearch, SNSInsider, Coherent Market Insights, ResearchAndMarkets.



Sustainability report

2025

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 2025, we focused on strengthening our sustainability reporting and further developing our internal processes. A key initiative has been the implementation of a double materiality assessment. The insights from this assessment form the basis for our future strategy and ensure effective governance where we prioritize the sustainability issues that are most business-critical for us and our stakeholders.

Our business

Fractal is a leading manufacturer of premium PC gaming hardware. 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

Our sustainability strategy includes goals and initiatives to drive forward the development in environmental, social impact and business ethics. The strategy is based on insights from our double materiality assessment (DMA) to ensure that the work is an integral and value-adding element of Fractal's overall business plan and long-term goals.

Our responsibility

Responsible business practices are the foundation for us at Fractal and a requirement for being able to run a successful business in the long term. Sustainability work is a central part of our aim to contribute to a positive development in the industry, and a clear agenda is important for customers and investors as well as employees and society at large.

During the year, we focused on further developing our internal processes to meet increased expectations on transparency and comparability. By integrating sustainability work more clearly into our operations management, we create a solid foundation for the future. This ensures that we can effectively drive development towards our set goals and create long-term value for our stakeholders.

Governance and stakeholder dialogue

Sustainability work is an integrated part of Fractal's overall corporate governance and means ensuring that the business is run in a sustainable, responsible and efficient manner. Clear governance forms the basis for achieving our strategic goals and creating long-term value for our stakeholders.

During the year, we have continued to develop stakeholder dialogue to ensure relevance in our prioritizations. This dialogue has been an important component of our double materiality assessment (DMA), which has been carried out to identify material sustainability aspects. The assessment identifies both how external factors affect Fractal's financial value creation and how our operations affect people and the environment – giving us a comprehensive picture of our risks and opportunities.

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 unethical business practices.

Initiatives in 2025

- ▶ **Strategic anchoring and DMA:**
During the year, the implementation of the double materiality assessment was pivotal. The results have been implemented in the operations to strengthen governance, sharpen our priorities and ensure that sustainability work is integrated into the business plan.
- ▶ **Circularity and lifespan:**
We have further developed our spare parts offering with increased inventory and more efficient management. By directing support tickets directly to our own channel, rather than through resellers, we can effectively reduce unnecessary returns and extend the lifespan of products.
- ▶ **Enhanced supplier monitoring:**
We have further developed our audit of the supply chain. This year's audits show a clear improvement with an average compliance rate with our Code of Conduct of 95.4%, up from last year's 88.7%.
- ▶ **Social commitment:**
Fractal's mental health initiatives have been intensified with continued collaborations with organizations such as Save the Children, Suicide Zero and the Swedish Cancer Society. We have put a lot of focus on engaging our community to promote a more inclusive and healthy gaming culture.



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.

**SUICIDE
ZERO**

 **CANCERFONDEN**

 **Rädda Barnen**

Social impact

A safer playing field for the next generation

Gaming offers a unique place where experiences and community live in symbiosis. It is a hobby where people build relationships, explore and, most importantly, develop. Many young people today underestimate how these components of everyday life affect mental health. That's why we at Fractal have chosen to make mental health in gaming a priority focus area.

Three years of commitment

We are more committed than ever to using gaming as a catalyst for positive change. Over the past three years, we have run and participated in successful campaigns on Twitch along with our Fractal Creator Program that have reached hundreds of thousands of gamers worldwide. Together with influencers, ambassadors and an engaged community, we have raised awareness and incentivized change in how we view and manage mental illness. Our collaborations have also inspired partners to participate and create their own initiatives.

Synergy with common objectives

During 2025, we continued to collaborate with well-established organizations such as Suicide Zero, Save the Children and the Swedish Cancer Society. Our support has included participating in and sponsoring events where creators from our ambassador program, together with their followers, have contributed to charitable causes worldwide. We continue to be an enabler in these social outreach activities by providing resources and platforms to strengthen efforts.

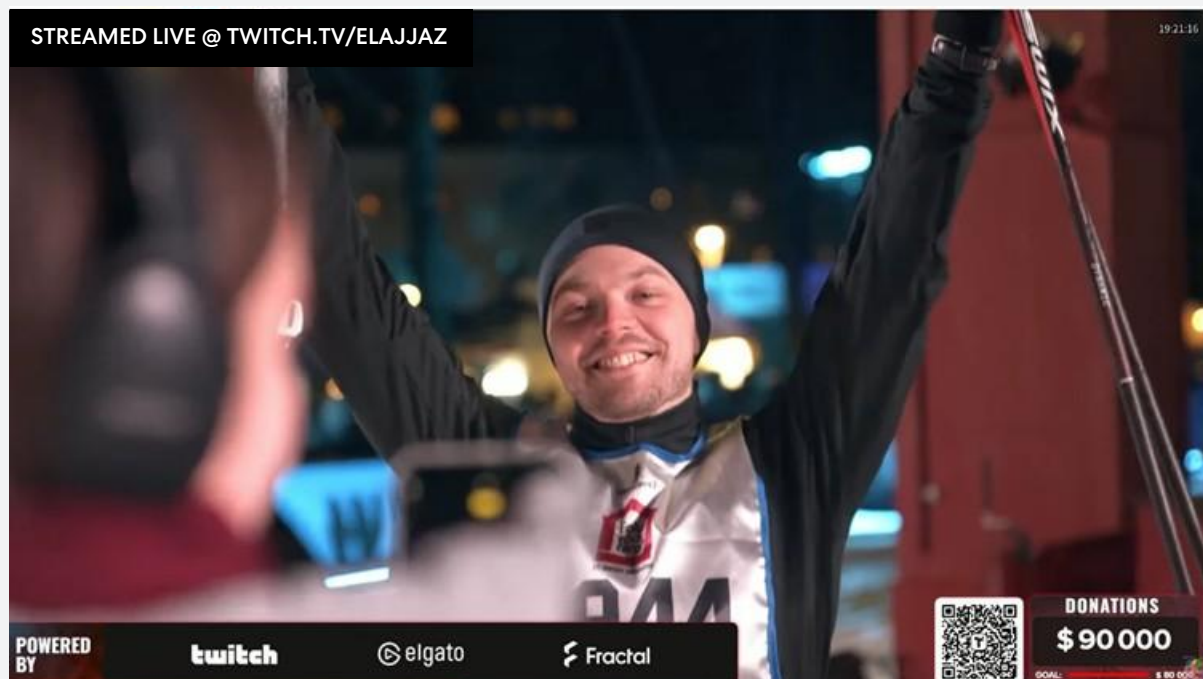
Fractal Creator Program in focus

Our Fractal Creator Program plays a central role in this work. It's through the creators' own channels and communities, not least on Twitch, that the messages reach the farthest and resonate the strongest. Through personal stories and direct conversations with their followers, creators have helped reduce the stigma surrounding mental illness in a way that traditional communication rarely achieves.

The future and how we get there

Working with mental health in gaming is long-term and we see this as a continuous commitment rather than individual campaigns. In 2026, we will continue to consolidate our existing partnerships and seek new ways to reach out to gaming communities. The goal remains the same: a gaming scene where more people feel at home and welcome.

CSR campaigns of the year



AVERAGE NUMBER
OF VIEWERS

9,079

AMOUNT RAISED

98,000+

MARCH 2, 2025

Elajjaz: “Redemption Race” – Vasaloppet

During the year Elias Lönn, better known as Elajjaz, once again took on the iconic challenge that is Vasaloppet. This marked the start of him taking on the challenge of completing the Swedish Classic Circuit to benefit Save the Children. In addition to seeking revenge after last year's setback, the primary goal was to raise money for charitable causes.

Fractal supported the initiative by contributing Refine chairs and North cases as well as a donation to the fundraiser. During the live broadcast, ambassador Elina from the Fractal Creator Program participated as host, where she decorated a North case with stained glass paint. The unique case was then auctioned off to benefit the fundraising. This year's broadcast was a hit once again, attracting nearly 160,000 more unique viewers than the previous year.



AVERAGE NUMBER
OF VIEWERS

6,860

AMOUNT RAISED

\$32,000+

MARCH 6, 2025

Split Fiction: Together Against Cancer

In March, game studio Hazelight released the sequel to the bestseller It Takes Two, namely Split Fiction. As part of the launch, Hazelight collaborated with the Swedish Cancer Society and creators MissMikkaa and Elajjaz. During a joint live broadcast viewers were encouraged to donate, where players encountered various challenges by achieving milestones. A total of over \$32,000 was raised, with Fractal contributing to the bottom line.



AVERAGE NUMBER
OF VIEWERS

7,627

AMOUNT RAISED

\$83,000+

JUNE 13, 2025

Elajjaz and the Swedish Classic Circuit: Final leg

Elajjaz continued his fundraising for Save the Children by taking on Vätternrundan – a 315 km bike race around Lake Vättern. As with Vasaloppet, the broadcast was supported by several creators who acted as hosts. The event enjoyed wide global reach with over 344,000 viewers and was also highlighted by Twitch's official account on X (formerly Twitter) whose sharing reached an audience of over 10 million.

We supported the initiative with Scape headsets, giveaways, North and Terra cases and financial contributions. Here, too, a side panel of a North case was painted by the hosts, which was auctioned off to the highest bidder. The total amount raised came to USD 83,167, all of which went to Save the Children.



AVERAGE NUMBER OF VIEWERS

378

AMOUNT RAISED

SEK 35,000+

NOVEMBER 26, 2025

Slop3 and Suicide Zero

In November Fredrik Wahlstedt, better known as Slop3 and ambassador in the Fractal Creator Program, conducted a campaign in collaboration with Suicide Zero. For seven days he broadcast live from varying locations and played various games to raise money. Fractal supported the initiative with both a donation to the fundraiser and products that were raffled off to enthusiastic donors. In total, the campaign generated over SEK 35,000 for mental health promotion.



AMOUNT RAISED

\$85,000+

DECEMBER 2, 2025

Gaming Tuesday

Gaming Tuesday is Save the Children's recurring fundraising event for the gaming community, where creators from around the world raise money for the benefit of vulnerable children. Over 40 live streamers participated in this year's edition and, along with their viewers, the campaigns raised over USD 85,000.

Fractal supported the initiative with donations as well as three prize packs with Fractal products, which were awarded to the creators who managed to raise the most money.



AVERAGE NUMBER OF VIEWERS

4,915

AMOUNT RAISED

\$60,000+

DECEMBER 19, 2025

Northern Lights

In December, MissMikkaa concluded the year with a unique fundraising event in Iceland - Under the Northern Lights. For three days, she and a number of participating creators broadcast live from the island, alternating with activities and adventures in the Icelandic landscape, all for the benefit of Save the Children. Fractal supported the event as the proud main sponsor. In total, over USD 60,000 was raised for Save the Children.

Our business model and value chain

A resource-efficient and responsible value chain is a central part of our business strategy. It is about creating long-term value for our stakeholders while minimizing our negative impact on the world around us.

Our double materiality assessment has confirmed where in the value chain our impact is the greatest – both in terms of risks and opportunities. The assessment covers the entire chain, from design, raw material extraction and production to use and final recycling. It clearly shows that factors we influence indirectly, such as suppliers' working conditions and material choices, are at least as business-critical as our direct operations.

Based on these insights, we continued our supplier audits in 2025. The purpose is not only to identify risks, but to actively ensure that our code of conduct is complied with and that we drive positive development together with our partners.



Design and product development

All innovation, concept development and design takes place in-house at Fractal's headquarters in Gothenburg. The work is based on our overall brand and product strategy, where we balance innovation with current market trends to always meet or exceed the high expectations of the end customer.

By having full control over the design process, Fractal is able to continuously integrate sustainability aspects and maximize the products' lifespan. Our products are free from conflict minerals such as gold, tin, tantalum and tungsten, which are often mined in conflict-affected and high-risk countries.

Procurement and production

All manufacturing is done in China and in close cooperation with carefully selected suppliers. Because Fractal owns the manufacturing tools, we have the flexibility to freely choose the manufacturer without compromising on quality or requirements.

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. This gives us great opportunities to directly influence both quality and product sustainability performance.

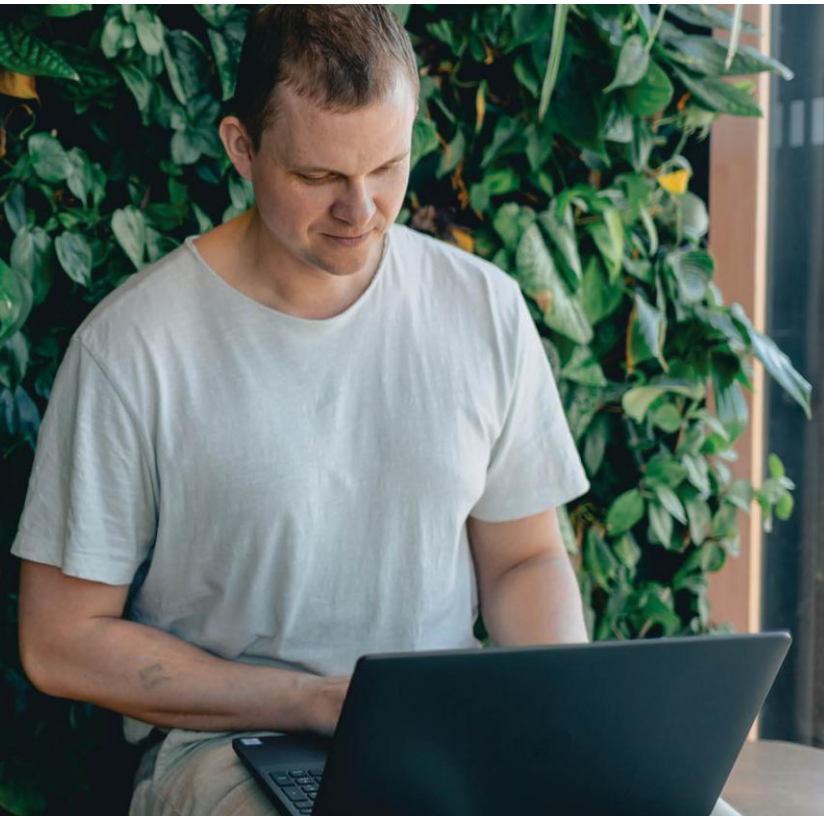
Deliveries and logistics

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

2025
CUSTOMER
SATISFACTION

92%

- FRESHWORKS
SURVEY



Product support

Customer support and after-sales support are key functions to help our customers make the correct choice and maximize the lifespan of the product. Choosing a product from Fractal should be synonymous with a safe and long-term customer experience. In 2025, customer satisfaction with our support reached 92%, and we are continuously working to improve the service level even further. By handling cases directly, even when the product is purchased through resellers, we can effectively reduce unnecessary returns and ensure faster support.



Buy

Use

Repair

Reuse

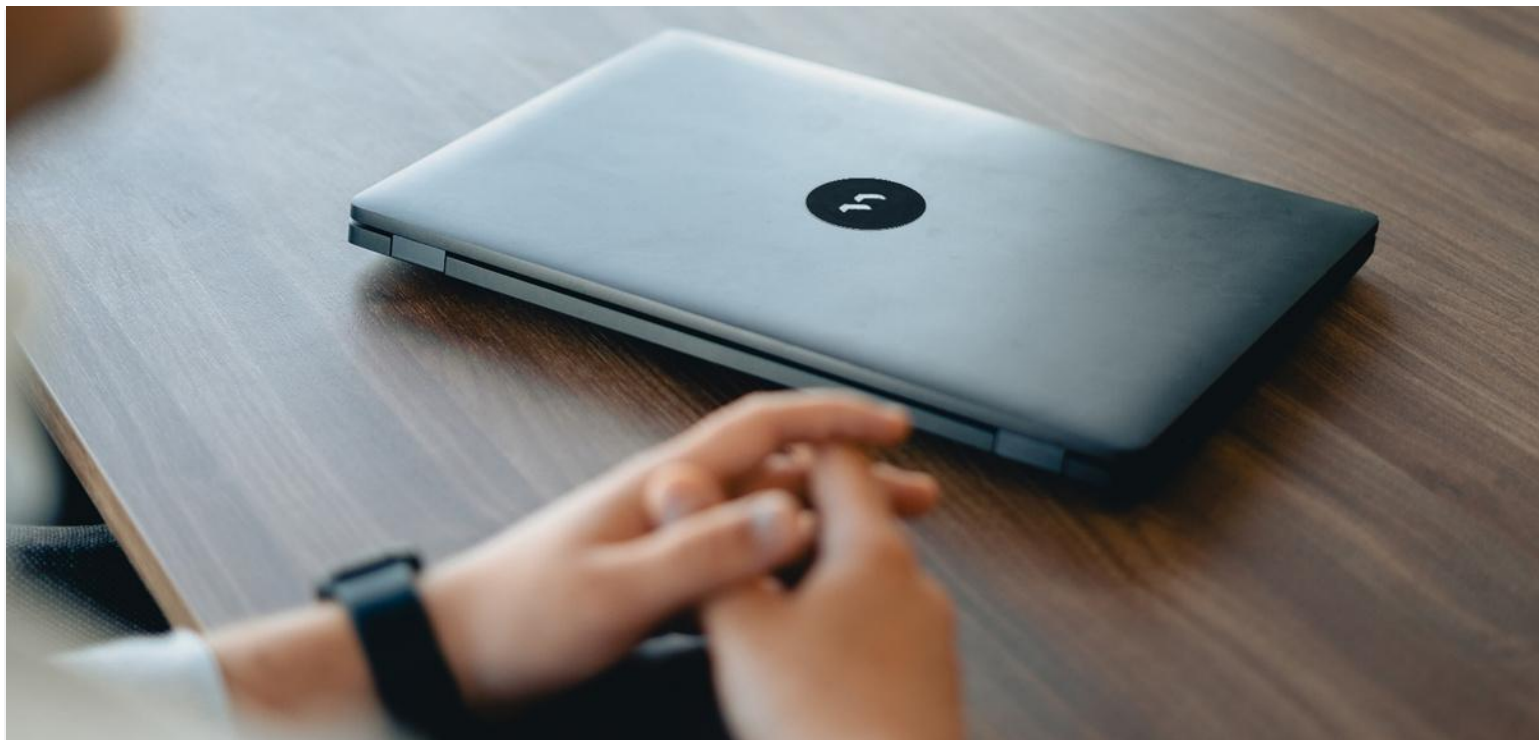
Strategic focus areas

Our sustainability work is based on six priority areas that permeate the entire operations:

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

Value chain and product lifecycle

The Fractal value chain is designed to deliver market-leading performance and experiences in the premium PC gaming segment. Our cases, chairs, headsets, power supplies and fans are designed with a focus on maximum quality and long technical lifespan. An important part of this is that the products should be easy to repair and upgrade, and to recycle as much as possible at the end of their lifecycle. Our support and after-sales department plays a key role here by guiding customers, providing spare parts and handling warranty issues in a resource-efficient way.



Double materiality assessment

In 2025, we conducted an in-depth double materiality assessment in accordance with ESRS to identify which sustainability issues are most important for Fractal. The assessment was made based on the company's direct and indirect impact on people and the environment and how sustainability-related risks and opportunities can affect our long-term financial development.

The **assessment forms the** basis for our objectives and management of sustainability work and helps us prioritize the right areas, allocate resources and ensure that our reporting is relevant and transparent.

Method and implementation

The work was conducted in close collaboration with external expertise and followed the ESRS method for both impact materiality and financial materiality. The assessment covered all relevant parts of our value chain, including product design, input materials, production, distribution, use and end-of-life.

The assessment of **impact** materiality was based on:

- ▶ **Scale** – severity of impact
- ▶ **Scope** – number of people, areas or ecosystems affected
- ▶ **The degree to which the impact can be remediated**

- ▶ **Probability**, i.e. whether the impact is actual or potential

The assessment of **financial materiality** focused on effects on:

- ▶ business model and competitiveness
- ▶ expenses, income and cash flows
- ▶ risk exposure and short, medium and long-term opportunities

The work combined internal workshops, risk reviews, analysis of business data and dialogue around stakeholder perspectives. Together, it provides a robust and forward-looking picture of which issues are most strategically important to Fractal.

Environmental	Social	Governance
<p>Climate change</p> <p>E1.2 Emissions</p> <ul style="list-style-type: none"> Emissions generated in own operations <p>E1.3 Energy use</p> <ul style="list-style-type: none"> Energy in own operations Energy consumption in the downstream <p>Water & marine resources</p> <p>E3.1 Water withdrawals</p> <ul style="list-style-type: none"> Water withdrawals in own operations <p>Resource use & circular economy</p> <p>E5.1 Resource inflows</p> <ul style="list-style-type: none"> Resource inflows in own operations <p>E5.2 Resource outflows</p> <ul style="list-style-type: none"> Resource outflows in own operations <p>E5.3 Waste</p> <ul style="list-style-type: none"> Waste generated in office-related operations Waste generated in the downstream 	<p>Own workforce</p> <p>S1.1 Working conditions</p> <ul style="list-style-type: none"> Secure employment Health and safety <p>S1.2 Equal treatment and opportunities</p> <ul style="list-style-type: none"> Promotion and compensation practices Diversity <p>S1.3 Other work-related rights</p> <ul style="list-style-type: none"> Privacy <p>Workers in the value chain</p> <p>S2.1 Working conditions</p> <ul style="list-style-type: none"> Secure employment in the value chain Working time Upstream wages Social dialogue Collective worker participation Collective bargaining Lack of work-life balance Health & safety in steel/electronics manufacturing <p>S2.2 Equal treatment and opportunities</p> <ul style="list-style-type: none"> Equal pay upstream Training and skill <p>S2.3 Other work-related rights</p> <ul style="list-style-type: none"> Potential negative impacts on child labour Potential forced labour <p>Consumers & end-users</p> <p>S4.3 Data security</p> <ul style="list-style-type: none"> Loss of customer data 	<p>Business conduct</p> <p>G1.1 Corporate culture</p> <ul style="list-style-type: none"> Corporate culture <p>G1.2 Whistle-blower protection</p> <ul style="list-style-type: none"> Protection of whistleblowers <p>G1.5 Supplier relationships</p> <ul style="list-style-type: none"> Procurement and payment terms affect suppliers <p>G1.6 Anti-corruption</p> <ul style="list-style-type: none"> Corruption and bribery incidents in upstream

Key areas in 2025

The analysis shows that Fractal's most significant sustainability issues are concentrated in three areas:

Environmental

In the environmental field, the most critical issues relate to emissions and energy use in the value chain, resource efficiency and the management of material flows. A central part of our environmental focus is also sustainable product design and product support that enables longer lifespans, better opportunities for consumers to repair and upgrade their products, and more circular material flows.

These areas have both high impact on and great strategic importance for our business – and represent important opportunities for innovation, reduced environmental impact and long-term value creation.

Social

Our employees' working conditions, health and development opportunities are central aspects of our sustainability work. Material aspects include work environment, safety, integrity, diversity and equal treatment – factors that are crucial to creating an attractive, inclusive and developing workplace where our teams can thrive and perform in the long term.

In addition, working conditions and human rights in the supply chain are high on the agenda. Particularly important are issues related to wage conditions, working hours, safety in production and children's and young people's rights in global value chains. These are areas where our procurement, relationships and requirements can make the biggest difference.

Governance

Good business ethics, anti-corruption and responsible supplier management are essential to maintaining trust and ensuring long-term growth. These issues are closely linked to our business relationships and form a cornerstone of how we operate.

We work closely with our suppliers and conduct annual audits to ensure compliance with our requirements on ethics, working conditions and production. This gives us a clear picture of risks and areas for improvement, and creates the conditions for a long-term and responsible partnerships throughout the value chain.

How we use the results in our continued sustainability work

The updated DMA is the basis for how we structure and prioritize our sustainability work moving forward. The results will:

- ▶ govern the development of our **sustainability roadmap**
- ▶ guide our goals, **KPIs and sustainability information reporting**
- ▶ support the updating of **policies and governing documents**
- ▶ reinforce our **procedures for supplier** follow-up
- ▶ strengthen integration with our overarching work in **risk management and** business development

By working systematically with double materiality, we get a clear and continuously updated picture of where we need to act, where we can create the greatest positive impact and how we can ensure that Fractal continues to develop sustainably – both from a business and social perspective.

Value chain from an environmental perspective

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

Steps towards a circular economy

A **circular economy** is based on extending product lifespan, reducing waste, conserving natural resources and transitioning to renewable materials. Because Fractal controls both design and product development, we have great opportunities to directly influence energy efficiency, lifespan and choice of materials.

We work actively to help our customers make informed purchasing decisions by providing detailed product information. Together with our customers, we can reduce the climate impact by extending the lifespan of our products – such as by offering opportunities to repair, upgrade, resell and ultimately recycle components.

Transport

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.

Code of Conduct and Policies

The Board of Directors, management, and employees of Fractal have committed to adhering to the company's code of conduct, policies and applicable legislation. This also includes regulations such as GDPR, government regulations and industry regulations.

Our code of conduct covers both employees and suppliers, with zero tolerance for bribery and corruption as a cornerstone. The aim is to ensure that all parties in the value chain work on the basis of common guidelines and a shared set of values.

Supply chain measures in 2025

In 2025, we took several measures to strengthen the sustainability of our supply chain and further integrate environmental and social aspects into the procurement process:

Refined supplier audit:

We have continued to optimize the audit process that was expanded in 2023 with specific sustainability parameters. A total of nine audits were conducted during the year. The result shows a clear improvement with an average compliance rate for sustainability requirements of 95.4%, up from 88.7% last year. No serious deviations were identified, and we also see positive development among our new partners.

Sustainable packaging initiatives:

We have intensified our efforts to develop sustainable packaging solutions. During 2025, we developed tools and prototypes for packaging without EPS/EPE material (foam plastic), for both new and existing products. The tests have been successful – all prototypes have passed our strict criteria for vibration and drop tests. In 2026, we will evaluate the implementation plan to gradually introduce these new concepts into production.

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 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 EU Directive** on the Restriction of Hazardous Substances (RoHS).
- ▶ **Only use** minerals and metals originating from conflict-free areas, so-called "DRC conflict-free minerals".

Business ethics

- ▶ **Conduct the 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 contravene applicable laws or generally accepted good business practice.

Do not participate in or facilitate any form of corruption. This includes fraudulent acts, bribery, facilitation payments, and money laundering.

Summary of supplier audits carried out in 2025

In the nine audits that were carried out, suppliers achieved an average overall score of 95.4%.

The audits show good results in all areas of assessment. At the same time, supplier monitoring is an ongoing process, and we therefore continue to follow up and develop our processes in this area.

During 2026, we will evaluate our existing processes to identify possible improvement measures, while we now see that our processes for supplier audits have reached a level in line with our target. For 2026, we have planned to audit a total of 11 suppliers.

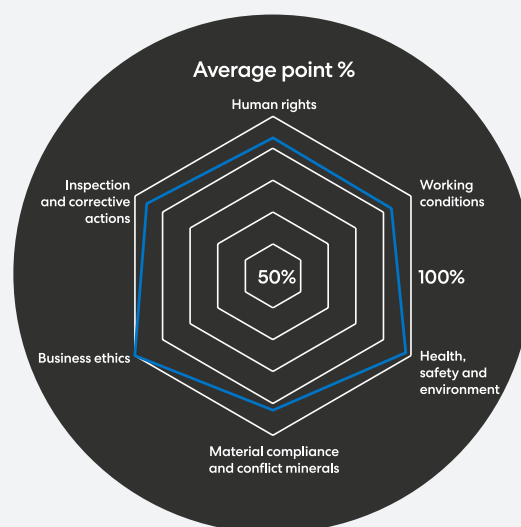
Supplier	Human rights	Working conditions:	Health, safety, and environment	Material compliance and conflict minerals:	Business ethics	Inspection and corrective actions
Supplier 01	20	28.3	10	6.70	20	8.8
Supplier 02	20	26.7	10	10	20	10
Supplier 03	16	26.7	9.3	10	20	10
Supplier 04	20	26.7	10	10	20	8.8
Supplier 05	18	30	10	10	20	10
Supplier 06	18	28.3	10	10	20	10
Supplier 07	18	30	10	10	20	10
Supplier 08	20	28.3	10	6.7	20	8.8
Supplier 09	18	26.7	10	10	20	10
Average score	18.67	27.97	9.92	9.27	20	9.6
Max score	20	30	10	10	20	10
Outcome %	93.4	93.2	99.2	92.7	100%	96.0%

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 weighted 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 continues to develop an open, efficient and welcoming workplace where freedom with responsibility, professionalism and innovation go hand in hand. Close collaboration between our departments is crucial to our development potential and allows us to bring new products to market quickly and with high quality. During the year, we strengthened internal communication and created more forums for knowledge sharing, which has improved both transparency and collaboration between the teams.

Our work environment

During 2025, we strengthened the systematic and proactive work environment management throughout the organization. The health and safety committee now operates on a clear annual plan of regular meetings and risk assessments, allowing any issues to be identified and dealt with more quickly. We have also improved fire protection at headquarters and updated our policy documents, including our global policy on equal

treatment and professional conduct, which makes for a stronger, more inclusive and respectful work environment.

We maintain high ethical standards. Deviations can be reported to line managers or via our digital whistleblowing system to ensure transparency and security.

Support and development

The HR team stepped up its global efforts to ensure consistency in health and safety issues and to provide employees with the right support at the right time. The focus has been on further developing the health and safety policy, ensuring a balanced workload and promoting dialogue and cooperation. Our recurring *Winning Team & Culture* workshops, conducted semi-annually, have continued to help teams develop and identify areas for improvement. This has contributed to clearer communication and a more cohesive global culture.

How do we define a safe and secure work environment?

- ▶ **No one** risks injury or illness as a result of their work
- ▶ **The focus here is on cooperation**, respect and opportunities for development
- ▶ **Risks** are identified, assessed and managed on an ongoing basis
- ▶ **Stress** and ill health are detected early through systematic monitoring
- ▶ **Every** employee should have space to be creative and solution-oriented
- ▶ **Our** workplace should invite cross-border cooperation and clear communication

OUR CORPORATE CULTURE

One Fractal

During the year we continued to develop *One Fractal*, our shared cultural direction. The focus has been on strengthening communication, cooperation and knowledge exchange, and to increase understanding of how the different parts of the business interact.

One Fractal rests on three pillars – *People*, *Performance* and *Passion* – which are now more clearly integrated into day-to-day work. This helps us to work in a more coordinated way and make well-founded decisions. Our values continue to characterize everything from product launches to strategic goals and represent a decisive competitive advantage in a fast-moving market.

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 and precision, combined with a constant effort to exceed both customer and market expectations, is the guiding principle of our 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 commitment and dedication in all stages of the work.

Looking ahead

Fractal continuously implements initiatives to strengthen teams and culture. Insights from our weekly employee surveys provide an important basis for continuously driving engagement and quickly acting on feedback from the operations.

In the coming years, we will focus on consolidating our shared values and cooperation within the Group. This is done through clearer communication, inspiring storytelling and regular workshops. We are also implementing a new leadership framework and launching training courses to give our leaders the right tools to succeed. Through competency mapping, succession planning and a new training framework, we create strengthened opportunities for employees to grow and develop within Fractal.

In parallel, we are finalizing our matrix structure and refining our HR processes, including streamlining payroll and ensuring global compliance. Finally, we are strengthening our external visibility with an updated Employee Value Proposition (EVP), coordinated communication channels and dedicated employee ambassadors.





Engaging workplace

In 2025, we reinforced our efforts to identify the key drivers of engagement in the organization. By combining qualitative insights from workshops with quantitative data from Winningtemp, we now get a comprehensive picture of the teams' well-being and needs.

The analysis has resulted in clear focus areas, especially in communication, collaboration and workload. We have also established a common process for monitoring, where results are systematically translated into tangible improvements. The data thus serves as an active tool for creating a supportive work environment and reinforcing engagement in a sustainable way.

Inclusion and equality

Fractal promotes equal rights and opportunities for all employees. With us, every individual should be able to be themselves and feel safe, respected and included – regardless of gender, gender identity or expression, ethnicity, religion, disability, sexual orientation or age.

We always base our recruitment processes on competency, potential and the ability to contribute to the team and the business. We choose the most qualified candidate and actively work to promote objectivity, transparency and freedom from discrimination. This creates the conditions for an innovative, inspiring and sustainable work environment.

We strive to build strong teams where different perspectives, experiences and backgrounds are valued. Diversity improves our cooperation, the quality of our decisions and the solutions we create. Therefore, all employees at Fractal should have equal opportunities for professional development, fair conditions and be treated with respect, consideration and trust.

Employee well-being and development

At Fractal, each leader is responsible for ensuring that all employees have a clear role with defined responsibilities, targets and authorizations. We attach great importance to giving each individual the opportunity for the development and training required to achieve their targets.

Work efforts are continuously monitored and discussed at regular performance reviews. These discussions are conducted on a six-monthly basis with the aim of jointly evaluating performance, giving and receiving feedback and identifying development needs. Dialogue is also an important tool for promoting well-being and proactively preventing stress and ill health.

Our regular employee engagement surveys show that team spirit, participation and leadership are our main strengths. These are areas we will continue to prioritize to set Fractal apart as an employer. The results provide us with a valuable basis for continuing to strengthen our brand – both internally and externally.





Activities during the year

During the year, we continued to strengthen our HR processes in recruitment, performance, development and engagement. The performance appraisal process has been updated to more be clearly linked to our values, goals and competency development. We have also implemented a new HR system that gathers our processes in a consistent and data-driven way, as well as improved our personnel planning and awareness of personnel costs.

The recruitment process has been modernized with new tools that enhance the quality of both selection and candidate flow. To welcome new colleagues, the onboarding process has been updated and a buddy program introduced, making the induction process stronger and providing a faster understanding of the operations. Furthermore, the annual salary review process has been digitized and system support improved to meet the requirements of the Pay Transparency Directive.

We have also completed an update of policies, guidelines and employee handbook, creating a clearer structure for the entire organization. All in all, this year's activities have improved our work procedures, reinforced our culture and laid a solid foundation for continued sustainable growth.

Ambitions for the work environment

In 2026, we continue to focus on collaboration, communication and leadership, with the goal of maintaining a high level of engagement. We prioritize measures that ensure high job satisfaction, personal development and well-being.

Proactive efforts to prevent stress and ill health continue as a key part of our efforts to achieve a healthy and sustainable work environment. Our measures include weekly employee surveys, access to professional support, promoting a healthy work-life balance, and additional initiatives to boost well-being.

KPI

Number of employees at the end of 2025	118
Staff turnover	2.7%
Gender distribution	66% men, 34% women
Sick leave %	2.39%
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	25%



FRACTAL DESIGN IS A GOOD PLACE FOR ME TO LEARN NEW THINGS AT WORK.

“ Absolutely — mountains of new things.



I AM ABLE TO MAKE DECISIONS REGARDING MY OWN WORK.

“ I have the freedom to set my focus areas very freely, ensuring they align with the long-term goals of Fractal as a company. This is done in communication with my managers to ensure we stay on course.



MY COLLEAGUES AND I COLLABORATE WELL.

“ Yes, we know that whenever anyone needs help, we support each other.



I WOULD PUT IN SIGNIFICANT EXTRA EFFORT TO ENSURE THAT FRACTAL DESIGN SUCCEEDS.

“ I've already done it, I'm doing it right now, and I will do it again.

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. Below are the most material risks based on our completed double materiality assessment and related measures.

Environment, climate and circular flows

Climate change and resource shortages are increasing the need for transition. Increased regulation from regulators and expectations from customers for energy-efficient and circular products pose a strategic risk. If Fractal does not succeed in transitioning to more sustainable materials and circular business models, this could lead to reduced competitiveness. To address this, we integrate sustainability perspectives and conscious design choices into product development at an early stage. The aim is to ensure long lifespans, repairability and recycling.

Social responsibility in the value chain and internally

Our social risks span from the supply chain to our own organization. Externally, shortcomings in working conditions or human rights at our suppliers could negatively affect people and cause serious damage to the brand and trust in the company. Internally, the risks are mainly about competency supply and work environment – not being able to attract or retain the right competencies in a competitive industry.

We manage these risks using two parallel tracks. At the supplier level, we set strict requirements with our code of conduct and ensure compliance through regular audits. Internally, we work systematically with work environment, leadership development and ongoing engagement surveys to ensure a safe and attractive workplace.

Business ethics and anti-corruption

As a global player, Fractal is active in markets where the risk of corruption, bribery and lack of business ethics varies. Violations can lead to heavy fines, legal sanctions and irreparable damage to the company's reputation. Fractal's long-term strategy for managing these risks is based on a zero-tolerance approach to corruption. Our code of conduct is implemented throughout the organization and at all suppliers. We have established whistleblowing channels and train staff and partners on an ongoing basis to ensure a sound business culture and regulatory compliance.

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

Auditor's opinion

Engagement and responsibility

It is the Board of Directors that is responsible for the sustainability report for the year 2025 on pages 25-47 and that it is prepared in accordance with the Annual Accounts Act pursuant to the older wording that applied 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 21, 2026

KPMG AB

Maria Kylén

Authorized Public Accountant



Corporate governance

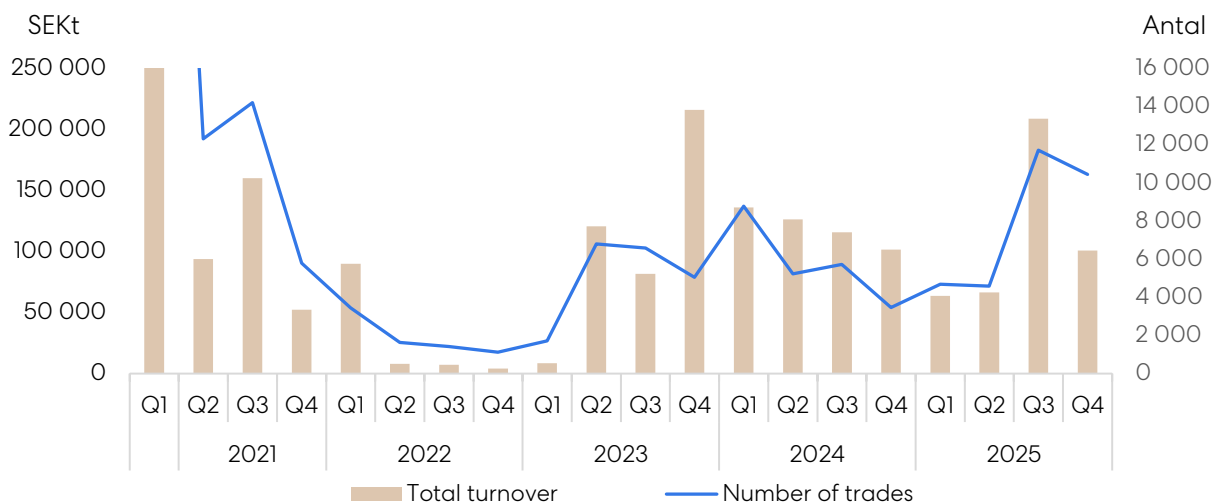
The share and shareholders

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 2025, Fractal's share price was listed at SEK 29.60 (33.60). This was equivalent to a market capitalization of SEK 863 million (978). The highest price quoted during the financial year was SEK 53.00 (46.00) and the lowest price was SEK 28.30 (28.10). During the period, a total of 11.9 million (14.3 million) shares were traded with a total value of SEK 440.3 million (490.3 million).

Share capital

As of December 31, 2025 capital stock in Fractal amounted to SEK 500,876, divided into 29,170,500 shares 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. In 2025, an employee stock-option plan from 2022 was terminated. A total of 51,000 shares were subscribed for, increasing the number of shares outstanding to 29,170,500 (previously 29,119,500).



Ownership structure

The company had 4,843 (4,562) shareholders as of December 31. The ten largest shareholders controlled 81.8% (81.2%) of capital and votes. The three largest shareholders were Hannes Wallin, Herenco Holding Aktiebolag and Mediuminvest AS.

Dividend and dividend policy

Fractal's goal is to pay out 50%-80% of the net profits, considering other factors such as financial position, cash flow, and growth opportunities. The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the 2025 financial year.

10 largest shareholders	Total number of shares	% of total number of shares
Hannes Wallin	8 523 533	29,3
Herenco Holding Aktiebolag	4 152 776	14,2
Mediuminvest A/S	2 115 817	7,3
Måns Flodberg	1 850 000	6,3
Ramhill AB	1 850 000	6,3
TIN Fonder	1 839 024	6,3
Nordnet Pensionsförsäkring	1 614 175	5,5
Avanza Pension	950 223	3,3
Patrick Söderlund	514 290	1,8
Pareto Asset Management	444 777	1,5

Data per share	2025
Stock price as of December 31	29,6
Market capitalization as of 31 December	863 446 800
Dividend, SEK / share	1,3
Earnings per share, SEK	1,1
Number of outstanding shares	29 170 500
Average number of shares before dilution	29 149 250
Average number of shares after dilution	29 149 250
The number of shareholders as of December 31	4 843

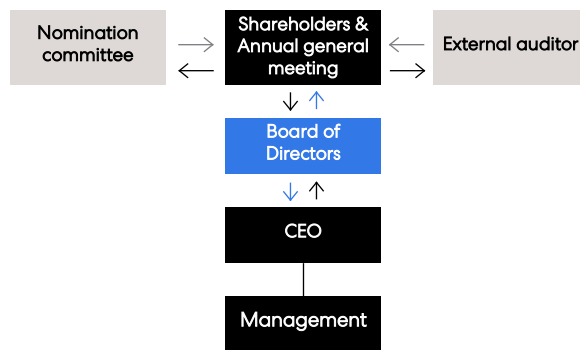
Shareholder spread	Shareholders	Holdings,%
1-500	4 034	83,3
501-1 000	372	7,7
1 001-5 000	336	6,9
5 001-10 000	39	0,8
10 001-20 000	28	0,6
20 001-	34	0,7
	4 843	100,0

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 Share issue following the exercise of employee stock options	29,119,500	500,000
2025		29,170,500	500,876

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 corporate governance report is prepared in accordance with the Swedish Annual Accounts Act, Chapter 6, Section 6.



Shareholders

At the end of the year, Fractal had capital stock of SEK 500,876. The number of registered shares amounted to 29,170,500.

Fractal's largest shareholders were Hannes Wallin with 29.3% of votes, Herenco Holding Aktiebolag with 14.2% and Mediuminvest AS with 7.3%. The number of shareholders amounted to 4,843 (4,562). 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, 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 20, 2025. A total of 10 shareholders participated or were represented at the meeting, representing approximately 62% 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. The Annual General Meeting passed the following decisions, among others:

- ▶ resolution, in accordance with the proposal of the Board of Directors, on a dividend of SEK 1.25 per share.
- ▶ resolution, in accordance with the nomination committee's proposal, that the Board of Directors shall have four (4) members without deputy members.
- ▶ decision, in accordance with the nomination committee's proposal, that remuneration to the Board of Directors shall be paid in a maximum amount of SEK 990,000, of which SEK 350,000 to the Chairman of the Board and SEK 175,000 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), Ola Nilsson (re-election) and Gustav Thott (re-election) as Board Members. Hannes Wallin was reelected Chairman of the Board. Pernilla Ekman chose to leave the Board of Directors.
- ▶ 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 changed principles for appointing the nomination committee (see below).
- ▶ 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 10% of the number of shares outstanding and votes in the company.

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.

The nomination committee shall consist of representatives from the four largest shareholders listed in the share register maintained by Euroclear Sweden AB as of the last banking day in September. Should any of the four largest shareholders refrain from appointing a representative to the nomination committee, the right shall pass, in turn, to the shareholder who, after these four shareholders, has the largest shareholding in the company. The Chairman of the Board convenes 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 four largest shareholders, representatives appointed by these shareholders shall resign, and the shareholders who subsequently belong to the four 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 reported to the Board of Directors immediately.

The nomination committee forms a quorum when more than half of the members are present. However, no decision may be taken on the matter unless all members have been invited to discuss the matter. The nomination committee's decision shall be the opinion which more than half of the members in attendance vote for or, in the event of a tie, the opinion supported by the chairperson of the nomination committee.

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 2026 Annual General Meeting, the nomination committee consisted of Daniel Johnsson representing Hannes Wallin, Carl-Mikael Lindholm representing Herenco Holding Aktiebolag, Philip W. Tadayoni representing Medium Invest AS, and Daniel Gabriel representing Ramhill AB, and the Chairman of the Board Hannes Wallin. Daniel Johnsson has been appointed president of the nomination committee. The shareholders appointed as representatives to the nomination committee jointly represent 57.1% of the votes in Fractal.

Board member	Appointed by	Independent	Participation* / number of meetings
Daniel Johnsson	Repr. For Hannes Wallin	Yes	4/4
Philip W. Tadayoni	Medium Invest AS	Yes	3/4
Carl-Mikael Lindholm	Herenco Holding AB	Yes	4/4
Hannes Wallin	In his capacity as Chairman of the Board	No	4/4
Daniel Gabriel	Ramhill AB	Yes	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 2025, eleven recorded board meetings were held, including inaugural meetings and per capsulam meetings.

Board member	Elected	Independent of the company and the company management	Independent of major shareholders	Participation / number of meetings
Magnus Yngen	2017	Yes	Yes	11/11
Hannes Wallin	2010	No	No	11/11
Gustav Thott	2016	Yes	Yes	11/11
Pernilla Ekman	2020	Yes	Yes	4/11
Ola Nilsson	2021	Yes	Yes	10/11

Note: Pernilla Ekman resigned from the board at the annual general meeting in May 2025.

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.



Ola Nilsson

Born: 1969. Board Member since 2021.

Education: Bachelor of Economics.

Other current positions: -

Previous positions (last five years): part of Electrolux group management 2016–2023.

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

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 at Fractal. 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): 18,058 shares



Karin Ingemarson

Born: 1976

Current position: CFO since 2019.

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

Other current positions: Deputy Board Member for Stevia Holding AB.

Previous position (last five years): -

Shareholding in the company (including any related-party holdings): 88,650 shares.



Alexander Ernryd

Born: 1985

Current position: CMO since 2020.

Education: Game Development, Örebro University and San Diego University.

Other current positions: -

Previous position (last five years): -

Shareholding in the Company (including any related-party holdings): 13,320 shares.



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): 5,393 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 – Turtle Beach/ROCCAT

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, Board Member at Techship AB

Shareholding in the company (including any related-party holdings): 29 151 shares



Jennie Widell

Born: 1979

Current position: CHRO since 2025

Education: Program in personnel and working life issues with focus on workplace and organizational psychology at Örebro University and Human resource management - University of Stirling, Scotland

Other current positions: -

Previous position (last five years): Head of HR - Specsavers Sweden AB 2015-2022, Head of People & Culture - Pulsen Group 2022-2025

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

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 2025 on pages 52 – 57 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 21, 2026

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 559080-2970, 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 hardware 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 hardware. 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 PC 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 after-sales 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 52.

Development of business and position

Net sales for the full year 2025 amounted to SEK 809.5 million, an increase of approximately 16 percent compared to the previous year. The growth was driven by a stronger market, expansion in new product categories and a positive reception of the launch of Meshify 3 and continued growth in the North series. Organic growth, measured in USD, amounted to 25%.

EBITDA amounted to SEK 77.8 (84.0) million, which was lower than the previous year due to a lower product margin affected by negative external factors. The EBITDA margin was 9.6% (12.0). The company's financial position remains strong.

Summary of the Group

MSEK	2025	2024	2023	2022
Net sales	809.5	697.9	773.3	485.6
Net sales, USDm	82.3	66.0	72.8	47.9
Product profit	305.2	281.1	315.3	179.1
Product margin, %	37.7%	40.3%	40.8%	36.9%
EBITDA	77.8	84.0	137.2	34.0
EBITDA margin	9.6%	12.0%	17.7%	7.0%
Operating cash flow	16.1	59.2	131.6	26.4
Cash generating	20.7%	70.5%	95.9%	77.6%
Interest-bearing net debt	3.3	-50.6	-7.9	115.6
USD/SEK, average	9.8	10.6	10.6	10.1

For the definitions of key ratio, see page 93

Items affecting comparability were SEKm 0 (0).

Summary of the Parent Company

MSEK	2025	2024	2023	2022
Net sales	8.2	5.7	4.9	5.9
Profit/loss after financial items	35.3	-1.6	-1.3	-1.5
Balance sheet total	279.3	279.3	273.4	274.6

Significant events during the financial year

During the 2025 financial year, Fractal made several strategically important decisions regarding the company's financial focus and capital allocation, while operations were affected by a changing and difficult to predict trade policy landscape.

During the first quarter of the year, the Board of Directors decided on new financial targets for the Group. The targets relate to annual organic growth of over 15%, an adjusted EBITDA margin above 15% and a dividend ratio in the range of 50–80%. The Board of Directors further proposed a dividend for the 2024 financial year.

The Annual General Meeting decided, in accordance with the Board of Directors' proposal, on a dividend of SEK 1.25 per share, which was paid in May 2025.

During the year, an employee stock option program from 2022 was terminated. All outstanding warrants were exercised for subscription of shares in accordance with the terms of the program. In total, the number of shares outstanding increased by 51,000, to 29,170,500. The measure has not had any material impact on the company's financial position.

The financial year was marked by changes in U.S. trade policy, particularly regarding tariffs on imports from China to the United States. During the year, several different types of tariffs were introduced and adjusted. Fractal's computer cases benefited from exemptions from the Section 301 tariffs throughout the year, which were gradually extended. In November, a further extension of the exemption until November 10, 2026, was decided.

During the fourth quarter, US authorities also decided on adjustments to other applicable tariffs. At the end of the financial year, the combined tariffs amounted to approximately 10% for computer cases, 20% for headsets and 45% for computer chairs. The company follows developments on an ongoing basis, as future changes may affect both cost structure and pricing.

On October 1, 2025, Jennie Widell assumed the position of Chief Human Resources Officer with responsibility for the company's HR strategy and continued global organizational development.

Operations in research and development

Fractal conducts internal product development to further develop both new and existing product areas. Expenditure on product development in 2025 amounted to TSEK 21,655 (19,844), of which TSEK 18,614 (15,577) were recorded as capitalized development expenditure.

Development operations take place 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 25.

Information on risks and uncertainties

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

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.

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.

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 are looking positively to the future from a long-term perspective, as the Group's global market is expected to have good growth prospects, partly driven by the growing interest in gaming. Fractal has a strong global market position and believes that the company is well positioned to continue to grow and develop profitability based on the company's attractive offerings to high-performance gamers.

The underlying long-term demand is considered to be good and Fractal intends to continue to drive its growth-advancing initiatives through, among other things, geographic expansion and continued development of the product portfolio. At the same time, short-term developments may be affected by external factors such as macroeconomic conditions, exchange rate fluctuations and changes in the availability and prices of certain computer components. Towards the end of 2025 and into 2026, the availability of RAM has been limited while prices have increased, affecting the cost to end customers of upgrading their computers and thus the demand for related products in the short term.

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	180,287
Retained earnings	46,512
Net loss for the year	39,240
Total	266,039
To be carried forward.	266,039
Total	266,039

Regarding the Group's and the Parent Company's results and position in general, refer to subsequent financial reports with associated notes.

Consolidated statement of income and other comprehensive income

January 1 - December 31

TSEK	Note	2025	2024
Net sales	2, 3	809,458	697,903
Capitalized development expenditure		13,056	13,626
Other operating income	4	1,129	625
		823,644	712,154
Operating expenses			
Goods for resale		-504,211	-417,752
Other external expenses	6	-131,937	-113,151
Personnel expenses	5, 21	-109,666	-97,258
Depreciation and impairment of tangible and intangible non-current assets		-27,647	-25,397
		-773,461	-653,557
Operating profit		50,183	58,597
Net financial income and expenses			
Finance income	7	1,369	4,231
Finance costs	7	-9,748	-2,397
		-8,379	1,834
Profit/loss after financial items		41,803	60,430
Income tax expense	9	-9,262	-12,710
Net loss for the year		32,541	47,721
Other comprehensive income			
Items that have been reclassified or can be reclassified to profit/loss for the period			
Foreign subsidiaries - foreign currency translation differences		-1,334	517
Other comprehensive income for the year		-1,334	517
Total comprehensive income for the year		31,207	48,238
Profit for the year attributable to:			
Shareholders of the Parent Company		32,541	47,721
Annual profit		32,541	47,721
Total comprehensive income attributable to:			
Parent Company's shareholders		31,207	48,238
Total comprehensive income for the year		31,207	48,238
Earnings per share, SEK		1.1	1.6
Before and after dilution, SEK	10	1.1	1.6

Statement of the financial position – The group

TSEK	Not	31/12/2025	31/12/2024
Assets			
Goodwill	11	210,167	210,167
Capitalised development costs	12	60,021	50,021
Tangible assets	13	36,004	40,728
Right-of-use assets	14	5,112	9,188
Total non-current assets		311,304	310,104
Inventories	15	133,148	108,914
Accounts receivable	16, 25	161,050	180,828
Prepaid expenses and accrued income	17	7,170	5,480
Other receivables		12,865	5,961
Cash and cash equivalents	18	16,993	50,588
Total current assets		331,227	351,771
TOTAL ASSETS		642,532	661,875
Shareholders' equity			
Share capital	19	501	500
Share premium		180,287	178,580
Reserves		-1,548	-214
Retained earnings including profit/loss for the period		233,188	237,045
Equity attributable to the Parent Company's shareholders		412,427	415,911
Total equity		412,427	415,911
Liabilities			
Long-term lease liabilities	20, 25	1,711	5,022
Provisions	22	7,103	6,229
Deferred tax liabilities	9	1,231	3,397
Total non-current liabilities		10,045	14,647
Overdraft facility	20, 25	20,293	-
Current lease liabilities	20, 25	3,515	4,293
Accounts payable	25	151,458	186,872
Tax liabilities	9	1,467	8,411
Other liabilities		5,457	2,074
Accrued expenses and prepaid income	23	37,870	29,666
Total current liabilities		220,060	231,317
Total Liabilities		230,104	245,964
Total Equity and liabilities		642,532	661,875

Consolidated statement of changes in equity

Equity attributable to the parent company's shareholders

	Share capital	Share premium	Translation reserve	Retained earnings including profit/loss for the period	Total	Total equity
Opening equity 2024-01-01	500	178,403	-731	189,325	367,497	367,497
Comprehensive income for the year						
Other comprehensive income for the year			517	47,721	48,238	48,238
Other comprehensive income for the year			517	47,721	48,238	48,238
		176			176	176
Outgoing equity 2024-12-31	500	178,580	-214	237,046	415,911	415,911

Equity attributable to the parent company's shareholders

	Share capital	Share premium	Translation reserve	earnings including profit/loss for the period	Total	Total equity
Opening equity 2025-01-01	500	178,580	-214	237,046	415,911	415,911
Comprehensive income for the year						
Other comprehensive income for the year			-1,334	32,541	31,207	31,207
Other comprehensive income for the year			-1,334	32,541	31,207	31,207
Dividends paid				-36,399	-36,399	-36,399
	1	1,708			1,708	1,708
Outgoing equity 2025-12-31	501	180,288	-1,548	233,187	412,427	412,427

Consolidated cash flow statement

1 January – 31 December

TSEK	Note	2025	2024
	32		
<i>Cash flows from operating activities</i>			
Profit/loss after financial items		41,803	60,430
Adjustments for items not included in cash flow		29,662	25,274
Income tax paid		-22,131	-16,311
<hr/>			
Increase (+)/Decrease (-) of inventories		-24,234	50,670
Increase (+)/Decrease (-) of operating receivables		14,940	-76,007
Increase (+)/Decrease (-) of operating liabilities		-23,828	31,592
Net cash from operating activities		16,212	75,648
<i>Cash flows from investing activities</i>			
Acquisition of property, plant and equipment		-9,495	-12,742
Acquisition intangible assets		-19,135	-18,292
Net cash used in investing activities		-28,630	-31,034
<i>Cash flows from financing activities</i>			
New share issue		1,709	-
Net change other short term interest-bearing liabilities		-	-10,000
Net change, bank overdraft facility		20,293	-2,450
Repayment of borrowings		-4,089	-4,229
Paid dividend to non-controlling interests		-36,399	-
Net cash used in financing activities		-18,486	-16,679
<hr/>			
Net change in cash and cash equivalents		-30,904	27,935
Cash and cash equivalents at start of the year		50,588	20,352
Effects of movements in exchange rates on cash held		-2,690	2,301
Cash and cash equivalents at end of the year		16,993	50,588

Parent Company's income statement

1 January – 31 December

TSEK	Note	2025	2024
Net sales		8,220	5,656
Other operating income		1	-
		8,221	5,656
Operating expenses			
Other external expenses	6	-2,239	-1,694
Personnel expenses	5, 21	-7,541	-5,597
Operating profit		-1,559	-1,636
Net financial income and expenses			
Result from shares in subsidiaries		37,000	-
	7	9	2
Finance costs	7	-106	-1
Profit/loss after financial items		35,344	-1,635
Appropriations	8	4,658	15,146
Net income before taxes		40,002	13,511
Income tax expense	9	-762	-2,877
Profit/loss for the year		39,240	10,634

Net profit/loss for the year corresponds to comprehensive income for the year and therefore only one income statement is presented without a separate statement for other comprehensive income.

Parent Company's balance sheet

TSEK	Note	31/12/2025	31/12/2024
Assets			
Non-current assets			
Financial fixed assets			
Shares in group companies	30	271,432	271,432
Total non-current assets		271,432	271,432
Current assets			
Current assets			
Receivables from group companies	2	7,096	6,697
Other receivables		233	34
Prepaid expenses and accrued income	17	157	153
<i>Total current receivables</i>		<i>7,485</i>	<i>6,884</i>
Cash and cash equivalents		384	967
Total current assets		7,870	7,851
Total assets		279,302	279,283
EQUITY AND LIABILITIES			
Shareholders' equity			
<i>Restricted equity</i>			
Share capital		501	500
<i>Non-restricted equity</i>			
Share premium		180,287	178,580
Retained earnings		46,512	72,277
Profit for the year		39,240	10,634
Shareholders' equity		266,540	261,991
Untaxed reserves	31	6,000	10,458
Current liabilities			
Tax liabilities		1,229	3,744
Other liabilities		1,009	405
Accrued expenses and prepaid income	23	4,524	2,686
<i>Total current liabilities</i>		<i>6,761</i>	<i>6,834</i>
Total equity and liabilities		279,302	279,283

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 2024-01-01	500	178,403	56,156	16,121	251,181
Comprehensive income for the year					
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	-
		176			176
Outgoing equity 2024-12-31	500	178,580	72,277	10,634	261,991

TSEK	Restricted equity	Unrestricted equity			Total equity
	Share capital	Share premium fund	Balanced results	Profit/loss for the year	
Opening equity 2025-01-01	500	178,580	72,277	10,634	261,991
Comprehensive income for the year					
Net loss for the year				39,240	39,240
<i>Comprehensive income for the year</i>				39,240	39,240
Reversal of previous year's results			10,634	-10,634	-
Dividends paid			-36,399		-36,399
Premium paid on the issuance of share option	1	1,708			1,709
Outgoing equity 2025-12-31	501	180,287	46,512	39,240	266,540

Parent Company - Statement of cash flows

1 January – 31 December

TSEK	Note	2025	2024
	32		
<i>Cash flows from operating activities</i>			
Profit/loss after financial items		35,344	-1,635
Income tax paid		-3,278	-1,699
		32,066	-3,333
Increase (+)/Decrease (-) of operating receivables		-601	-6,645
Increase (+)/Decrease (-) of operating liabilities		2,442	-784
Net cash from operating activities		33,907	-10,762
<i>Cash flows from financing activities</i>			
New share issue		1,709	-
Received group contribution		200	10,000
Dividend received		-	-
Dividend paid		-36,399	-
Net cash used in financing activities		-34,490	10,000
Net change in cash and cash equivalents		-583	-762
Cash and cash equivalents at start of the year		967	1,729
Cash and cash equivalents at end of period		384	967

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

IFRS 18, Presentation and Disclosure in Financial Statements, was published on April 1, 2024, and replaces IAS 1 Presentation of Financial Statements.

This standard is applicable for financial years beginning on or after January 1, 2027, and shall be applied retroactively. IFRS 18 changes the presentation and disclosure requirements in the financial statements, primarily regarding the structure of the financial statements, the introduction of mandatory operating subtotals (operating profit and profit before financing and income taxes) and expanded disclosure requirements regarding management performance measures.

The Group is currently assessing the effects of IFRS 18.

The standard is not expected to affect the group's financial position or performance, but may result in changes in the presentation of the income statement and in the scope and structure of the disclosures in the notes.

Other 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.

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 hardware. 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 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 Corporate Reporting Board's recommendation, RFR 2 Accounting for Legal Entities. Statements issued by the Swedish Corporate Reporting Board regarding 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 IFRS Accounting Standards and statements adopted by the EU to the extent possible within the framework of the Swedish Annual Accounts Act, Safeguarding of Pension Commitments 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 income primarily from the sale of premium PC gaming hardware in the form of computer cases, gaming headsets, gaming chairs, 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 income mainly consists 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	
MSEK	2025	2024	2025	2024	2025	2024
Geographic market						
Americas	249.6	241.9	26.1	9.8	275.8	251.7
EMEA	360.6	318.8	69.8	46.2	430.4	365.0
APAC & Other	86.8	65.5	16.5	15.7	103.3	81.2
Time of revenue recognition						
Goods recognized at a point in time	697.1	626.2	112.4	71.7	809.5	697.9
Goods and services recognized over time	-	-	-	-	-	-
Total net sales	697.1	626.2	112.4	71.7	809.5	697.9

Sales by customer group

MSEK	2025	2024
Distributors	412.0	338.8
Resellers	397.5	359.1
Total	809.5	697.9

Contract balances

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

Group

TSEK	Note	31/12/2025	31/12/2024
Accounts receivable		161,050	180,828
Deferred income		-	-

Parent company

TSEK	Note	31/12/2025	31/12/2024
Accounts receivable, which are included in "receivables on group companies"		7,096	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, gaming headsets, gaming chairs, 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	
	2025	2024	2025	2024	2025	2024	2025	2024
Revenue from external customers	697,077	626,168	112,381	71,733	-	-	809,458	697,901
Product profit	274,118	259,340	31,129	21,764	-	-	305,247	281,104
other income in operating profit	-	-	-	-	14,186	14,251	14,186	14,251
Other costs in operating profit	-	-	-	-	-269,250	-235,805	-269,250	-235,805
Financial income					1,369	8,595	1,369	8,595
Financial expenses					-9,748	-6,754	-9,748	-6,754
Profit/loss before tax							41,803	61,391

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.

Geographic areas

TSEK	2025	2024
Group		
<i>Income from external customers</i>		
Sweden	37,463	27,775
Germany	137,882	126,844
USA	256,589	234,860
Americas excluding USA	19,161	16,838
EMEA excluding Sweden and Germany	254,948	210,380
APAC & Other	103,415	81,206
	809,458	697,903
Group		
<i>Fixed assets</i>		
Sweden	310,750	308,560
USA	554	1,293
Taiwan	-	193
China	-	57
APAC & Other	-	-
	311,304	310,104

Information about major customers

During 2025, sales to an individual customer amounted to SEK 72,5 million (80).

Note 4 – Other operating income

TSEK	2025	2024
Group		
Insurance compensation	-	606
Gain on disposal of portpery, plant and equipment	6	20
Foreign exchange gains on operating receivables and	1,124	-
Rounding differences	-5	-0
Other	3	-
	1,129	625

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	2025	2024
Group		
Exchange rate gains	51,748	103,337
Exchange rate losses	-50,542	-104,293
	1,206	-956

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

Costs for compensation to employees

TSEK	2025	2024
Group		
Salaries and allowances, etc.	79,021	71,020
Pension costs, defined contribution pension plans (for more information, see Note 21)	6,736	5,764
Social security contributions	18,276	15,289
	104,032	92,073

Average number of employees	2025	2024
Parent company		
Sweden	1	1
<i>Total Parent company</i>	1	1
Subsidiaries		
Swedem	73	72
USA	14	14
Taiwan	10	8
China	14	14
<i>Total Subsidiaries</i>	111	108
Group total	112	109

Proportion of men	Proportion of men	
	31/12/2025	31/12/2024
Parent company		
Board of directors	100%	80%
Other senior executives	100%	100%
Group		
Board of directors	100%	80%
Other senior executives	71%	83%

Salaries and other remuneration distributed between senior executives and other employees

and social costs in the Parent Company

* The persons included in the position of senior executives include members of the Board of Directors and the CEO and other senior executives.

Moderbolaget	2025		
	Senior executives (6 persons)	Other employees	Total
Salaries and other remuneration	3,127	-	3,127
(of which bonus etc.)	-	-	-
<i>Total Parent company</i>	3,127	-	3,127
(of which bonus etc.)	-	-	-
contributions (of which pension costs)	1,648	-	1,648
	666	-	666

Moderbolaget	2024		
TSEK	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.)	-	-	-
contributions (of which pension costs)	1,259	-	1,259
	462	-	462

Severance pay

The company has entered into agreements on severance pay, which may entitle to compensation equivalent to 12 months' salary, where the terms of the severance pay are set out in each agreement. No severance pay was paid during the financial year.

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

TSEK	Senior executives 11 persons (11 persons)	
	2025	2024
Group		
Salaries and other remuneration (of which bonus etc.)	15,751	12,014
	3,035	1,481
Pension costs	2,330	1,948

Salaries and other remuneration to senior executives

Parent company 2025 TSEK	Basic salary/ board fee	Variable remun- eration	Pension cost	share-based remuneration	Total
Chairman of the Board (Hannes Wallin)					
Remuneration from the parent company	350				350
Remuneration from subsidiaries					
Board member (Magnus Yngen)					
Remuneration from the parent company	175				175
Remuneration from subsidiaries					
Board member (Pernilla Ekman)					
Remuneration from the parent company	175				175
Remuneration from subsidiaries					
Board member (Pernilla Ekman)					
Remuneration from the parent company	175				175
Remuneration from subsidiaries					
CEO (Jonas Holst)					
Remuneration from the parent company	2,252	877	666	1,291	5,086
Remuneration from subsidiaries					-
Other senior executives (5 personer) ¹⁾					
Remuneration from the parent company	-	-	-	-	-
Ersättning från dotterföretag ¹⁾	7,422	1,612	1,664	1,423	12,120
<i>total</i>	10,548	2,489	2,330	2,714	18,081
Remuneration from the parent company	3,127	877	666	1,291	5,961
Remuneration from subsidiaries	7,422	1,612	1,664	1,423	12,120

¹⁾ The VP of Global Sales invoices their fee and is therefore not included in the table c

Pernilla Ekman served as a board member for part of the financial year but resigned during the year and is therefore not included in the table above.

Parent company 2024 TSEK	Basic salary/ board fee	Variable remun- eration	Pension cost	share-based remuneration	Total
Chairman of the Board (Magnus Yngen)					
Remuneration from the parent company	330				330
Remuneration from subsidiaries					
Board member (Patrik Söderlund)					
Remuneration from the parent company	165				165
Remuneration from subsidiaries					
Board member (Gustav Thott)					
Remuneration from the parent company	165				165
Remuneration from subsidiaries					
Board member (Pernilla Ekman)					
Remuneration from the parent company	165				165
Remuneration from subsidiaries					
Board member (Ola Nilsson)					
Remuneration from the parent company	165				165
Remuneration from subsidiaries					
CEO (Hannes Wallin)					
Remuneration from the parent company	1,548		462		2,010
Remuneration from subsidiaries	141		42		183
Other senior executives (5 persons)					
Remuneration from the parent company	-	-	-	-	-
Ersättning från dotterföretag ¹⁾	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

¹⁾ The VP of Global Sales invoices their fee

Option programme	Number of outstanding options	Exercise price (SEK)
LTIP 2023	34,000	50.43
LTIP 2024	18,000	46.90
Summa	52,000	

The long-term incentive program decided in 2022 (LTIP 2022) had a duration of three years and ran until 2025. The subscription price was SEK 33.50. During the financial year, the program was terminated by the exercise of all outstanding warrants. A total of 51,000 warrants have been redeemed under LTIP 2022. Each warrant entitled the holder to subscribe for one share. As of the balance sheet date, there were no warrants outstanding relating to LTIP 2022.

LTIP 2023 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 2023, participants were offered to subscribe for a maximum of 17,000 warrants each, at market value calculated according to the Black & Scholes formula. The subscription price amounted to SEK 50.43 per share, corresponding to 130 percent of the volume-weighted average price for the company's share during the period from and including May 18, 2023 through June 1, 2023 (SEK 38.79). The term was 3 years, the volatility 37%, the risk-free interest at 2.8%, which gave an option premium of SEK 10.65.

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.

LTIP 2024 offered participants 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 share 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.

At the Annual General Meeting in 2025, it was decided that a new employee share-option plan for 2025 would not be established.

The company has a long-term incentive program for senior executives (LTIP 2025). The program is based on the fulfilment of financial targets, where the remuneration is linked to the development of the Group's EBITDA.

Remuneration under the program is paid in the form of cash bonuses and is recorded as short-term employee benefits in accordance with IAS 19. There is no connection to the company's share price when calculating the remuneration.

Participants are required, after payment has been received and after deduction of tax, to invest the net amount in shares in the company on the market and to retain these shares for a certain period. The Company does not provide shares or other equity instruments under the program.

For complete terms and conditions, please refer to the notices of the 2022, 2023, 2024 and 2025 annual general meetings, which can be found on www.fractal-design.com.

Not 6 – Fees and expenses to auditors

TSEK	2025	2024
Group		
<i>KPMG AB</i>		
Audit assignment	490	440
Auditory operation beyond the auditory assignment	-	-
TAX advice	-	-
Other assignments	-	40
Parent company		
<i>KPMG AB</i>		
Audit assignment	134	120
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	2025	2024
Group		
Interest income from financial assets valued at amortised cost		
Exchange rate difference on current receivables	1,330	590
Net exchange rate gains	-	4,213
Financial income - other	39	18
Total financial income	1,369	4,820
Financial expenses		
Other liabilities valued at accrued amortised cost - interest expenses	-1,662	-2,967
Net exchange rate losses	-8,086	-
	-9,748	-2,967
Net financial items reported in pro	-8,379	1,834

TSEK	2025	2024
Parent Company		
Interest income and similar income items		
Other interest income	9	2
Total	9	2
Interest expenses and similar earnings items		
Interest expenses	-106	-1
Of which others	-106	-1

Note 8 – Appropriations

TSEK	2025	2024
Parent Company		
Tax allocation reserve, reversal for the year	4,458	5,146
Group contribution received	200	10,000
Total	4,658	15,146

Note 9 – Taxes

Group	2025	2024
Current tax expense (-)		
Tax expense for the year	-11,093	-13,781
Adjustment of tax attributable to prior years	-335	-5
	-11,428	-13,786
Deferred tax on temporary differences		
	-	0
Deferred tax on untaxed reserves		
	2,165	1,076
	2,165	1,076
Total reported tax expense in the group	-9,262	-12,710

TSEK	2025	2024
Parent company		
Current tax expense (-)		
Tax expense for the year	-692	-2,877
Adjustment of tax attributable to prior years	-70	0
Total reported tax expense in the parent company	-762	-2,877

Reconciliation of effective tax

TSEK	2025	2024
Group		
Profit/loss before tax	41,803	60,430
Tax according to the current tax rate for the parent company	-20.6%	-8,612
	-20.6%	-12,449
Effect of other tax rates for foreign subsidiaries	-0.3%	-134
	0.0%	-14
Non-deductible expenses	-0.7%	-273
	-0.4%	-254
Non-taxable income	0.0%	8
	0.0%	4
Tax attributable to previous years	-0.8%	-335
	0.0%	-5
Other	0.2%	82
	0.0%	8
Reported effective tax	-22.2%	-9,262
	-21.0%	-12,710

TSEK	2025		2024	
Parent company				
Profit/loss before tax		40,002		13,511
Tax according to the current tax rate for the parent company	-20.6%	-8,240	-20.6%	-2,783
Non-deductible expenses	-0.1%	-32	-0.1%	-10
Non-taxable income	19.1%	7,623	0.0%	1
Tax attributable to prior years	-0.2%	-70	0.0%	-
Standard interest on tax allocation reserve	-0.1%	-42	-0.6%	-84
Reported effective tax	-1.9%	-762	-21.3%	-2,877

Change in deferred tax in temporary differences and loss carry-forwards	Balance as at Jan 12025	Presented in result for the year	Presented in other comprehensive income	Presented in equity	Acquisition / Sale of business	Balance as at December 312025
TSEK						
Group						
Rights of use assets	1,893	-840				1,053
tax allocation reserves	3,397	-2,165				1,231
Leasing liabilities	-1,919	842				-1,077
Other	26	-3				23
	3,397	-2,165	-	-	-	1,231

	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
TSEK						
Group						
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

Note 10 – Earnings per share

Result per share SEK	Before and after dilution	
	2025	2024
Earnings per share	1.1	1.6
TSEK	2025	2024
Profit for the year attributable to the parent company's ordinary shareholders	32,541	47,721
Results attributable to the parent company's ordinary shareholders	32,541	47,721
The number of shares outstanding at the end of the year	29,170,500	29,119,500
Weighted average number of shares*	29,149,250	29,119,500

*The weighted average number of shares has been calculated as the weighted average of the number of shares outstanding during the financial year. In June 2025, 51,000 shares were issued under an employee share option programme.

Note 11 – Goodwill

TSEK	Immateriella anläggningstillgångar	
	2025	2024
Koncernen		
Ingående balans	210 167	210 167
Förvärv	-	-
Utgående balans	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 11.7% 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. Overall market growth has varied over time due to macroeconomic factors and upgrade cycles linked to end-user needs. The expected market growth in the coming years is based on the assessment that the industry has good long-term growth prospects, driven by continued development in gaming and esports, as well as upgrade cycles linked to end-user needs. At the same time, the short-term development may be affected by external factors such as macroeconomic conditions, component supply, exchange rate fluctuations and other market-related factors. 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 2.6%, the market's risk premium at 5.9%, 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

TSEK	Intangible fixed assets	
	2025	2024
Group		
Accumulated acquisition values		
Opening balance	70,526	53,543
Internally developed assets	19,006	16,982
Disposals	-	-
Closing balance	89,532	70,526
Accumulated depreciation		
Opening balance	-20,505	-14,668
This year's depreciations	-9,006	-5,837
Disposals	-	-
Closing balance	-29,511	-20,505
Reported values	60,021	50,021

Note 13 – Tangible fixed assets

TSEK	Fixtures, tools and installations	
	2025	2024
Group		
Accumulated acquisition values		
Opening balance	116,770	104,027
Acquisition	9,496	12,743
Disposals	-	-
Closing balance	126,266	116,770
Accumulated depreciation		
Opening balance	-76,043	-62,016
This year's depreciations	-14,219	-14,027
Disposals	-	-
Closing balance	-90,262	-76,043
Reported values	36,004	40,727

Note 14 – Right-of-use assets

TSEK	Leasing assets	
	2025	2024
Group		
Accumulated acquisition values		
Opening balance	27,348	24,924
Acquisition	-	2,424
Disposals	-	-
Closing balance	27,348	27,348
Accumulated depreciation		
Opening balance	-18,161	-13,937
This year's depreciations	-4,076	-4,224
Disposals	-	-
Closing balance	-22,237	-18,161
Reported values	5,112	9,188

Note 15 – Inventory

TSEK	31/12/2025	31/12/2024
Group		
Goods for resale	133,148	108,914
Total	133,148	108,914

Note 16 – Accounts receivable

Trade receivables are reported after taking account of customer losses incurred during the year, which amounted to SEK 0 thousand (676) 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	31/12/2025	31/12/2024
Group		
	669	652
Prepaid insurance	1,337	590
Other prepaid expenses and accrued income	5,165	4,238
	7,170	5,480
Parent company		
Prepaid insurance	-	9
Other prepaid expenses and accrued income	157	144
	157	153

Note 18 – Cash and cash equivalents

TSEK	31/12/2025	31/12/2024
Group		
<i>The following components are included in cash and cash equivalents:</i>		
Cash and bank balances	16,993	50,588
<i>Total according to the report on financial position</i>	16,993	50,588
<i>Total according to the cash flow statement</i>	16,993	50,588

Note 19 – Equity

	2025	2024
Ordinary share		
Issued as of January 1st	29,119,500	29,119,500
Split of shares	-	-
Withdrawal of shares	-	-
Issue of shares upon exercise of share options	51,000	-
Issued as of December 31 - paid	29,170,500	29,119,500

As of December 31, 2025, the registered capital stock comprised 29,170,500 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 paid a dividend during the financial year 2025. During the period 2018-2024 no dividend was paid.

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	2025	2024
Group		
Long-term liabilities		
Leasing liabilities	1,711	5,022
	1,711	5,022
Current liabilities		
Overdraft facility	20,293	-
Short-term leasing liabilities	3,515	4,293
	23,809	4,293

Terms and repayment terms

Granted credit as of December 31, 2025, was TSEK 120,000 (TSEK 80,000). 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	2025	2024
Group		
Costs for defined contribution plans	6,736	5,764
Parent company		
Costs for defined contribution plans	666	462

Note 22 – Provisions

TSEK	31/12/2025	31/12/2024
Group		
Warranty commitments	7,103	6,229
<i>Total</i>	7,103	6,229

TSEK	31/12/2025	31/12/2024
Group		
Total carrying amount at the beginning of the period	6,229	4,960
Provisions made during the period	874	1,269
<i>Total carrying amount at the end of the period</i>	7,103	6,229

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	31/12/2025	31/12/2024
Group		
Accrued wages	8,614	3,890
Accrued holiday pay	6,110	4,940
Accrued social security contribu	3,848	2,433
Accrued shipping costs	2,332	2,219
Other accrued expenses	16,966	16,184
	37,870	29,666
Parent company		
Accrued wages	2,959	1,791
Accrued holiday pay	473	252
Accrued social security contribu	1,078	642
	4,524	2,686

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 80 million (SEK 120 million).

As of December 31, 2025, SEK 20.2 million (SEK 0 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
2025 Group						
Overdraft facility	20,293	-	20,293	-	-	-
Accounts payable	151,387	40,876	56,909	53,602	-	-
Leasing liabilities	5,226	-	963	2,489	1,774	-
<i>Total</i>	176,907	40,876	78,165	56,091	1,774	-

TSEK	Total	<1 month	1-3 months	3 months-1		
				year	1-5 years	> 5 years
2024 Group						
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	-

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 2025, a change of +/- 2 percent in USD/SEK would have had an impact on the Group's operating profit/loss within the range SEK -3.99 - +3.99 million. For 2024, the corresponding figure was SEK -6.2 - + 6.2 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 2025, credit losses after insurance compensation amounted to TSEK 0 (TSEK 70). The insurance cost amounted to TSEK 876 (TSEK 868) in 2025. The group has some customers who account for a significant proportion of sales, see note 3.

As of December 31, 2025, the credit exposure for trade receivables per counterparty is as follows.

TSEK	Carrying amount	
	2025	2024
Distributors	86,424	83,547
Re-sellers	75,252	97,737
Other	-627	-456
Total	161,050	180,828

As of December 31, 2025, the carrying amount for the Group's largest customer was TSEK 15,822 (TSEK 23,360)

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	2025	2024
Opening balance as of 1 January	200	200
Settled amounts	-	-
New loss reserves	-	-
Closing balance as of 31 December	200	200

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 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	2025	2024
Group		
Depreciation during the year	-4,076	-4,272
Interest on leasing liabilities	-164	-252
Variable leasing fees that are not included in the valuation of the leasing liability	-1,529	-1,671
Costs for short-term leasing	-	-
Costs for leases of low value, not short-term leasing of low value	-30	-30

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

TSEK	2025	2024
Group		
Total cash outflows attributable to leasing agreements	5,799	6,225

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	31/12/2025	31/12/2024
Group		
Pledged assets		
<i>As pledged assets for own liabilities and provisions</i>		
Corporate mortgages	120,000	120,000
	120,000	120,000
Total pledged assets	120,000	120,000
TSEK	31/12/2025	31/12/2024
Parent entity		
Pledged assets		
<i>As pledged assets for own liabilities and provisions</i>		
Pledged shares in group companies	271,433	271,433
	271,433	271,433
Total pledged assets	271,433	271,433
Contingent liabilities		
Guarantees for the benefit of subsidiaries	120,000	120,000
Total contingent liabilities	120,000	120,000

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.

Ownership in %	Ownership in %	
	31/12/2025	31/12/2024
Subsidiary's registered office, country		
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	2025	2024
Parent company		
Accumulated acquisition values		
At the beginning of the year	271,432	271,432
Carrying amount on 31 December	271,432	271,432

Note 28 - Appropriation of company profits

Proposed disposition of the company's profit

company	180,287
Retained earnings	46,512
Profit for the year	39,240
Total	266,039
To be carried forward	266,039
Total	266,039

Note 29 – Related party transactions

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, 8,219 TSEK (5,656 TSEK) consist of group management services. Receivables and liabilities to group companies appear in the balance sheets for each year. Transactions with related parties are priced on market terms.

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.

Specification of the parent company's direct holding of shares in subsidiaries

Subsidiaries / Organization number / Säte	Number of shares	Number in %	Carrying amount	
			31/12/2025	31/12/2024
Fractal Gaming AB, 556799-7506, Gothenburg	600	100	271,432	271,432

Note 31 – Untaxed reserves

TSEK	2025	2024
Parent company		
Tax allocation reserve		
Provision at taxation 2020	6,000	10,457
<i>Closing balance 31 December</i>	6,000	10,457
Amount of untaxed reserves	6,000	10,457

Adjustments for items that are not included in cash flow

	2025	2024
Group		
Depreciations	27,647	25,397
Translation differences within the group	1,141	-1,392
Changes in provisions	874	1,269
	29,662	25,274
TSEK	2025	2024
Group		
Acquisition of assets through leasing agreements	-	2,424

Note 32 – Specifications for the statement of cash flows

TSEK	12/31/2025	12/31/2024
Group		
The following components are included in cash and cash equivalents:		
Cash and bank balances	16,993	50,588
<i>Total according to the balance sheet</i>	16,993	50,588
<i>Total according to the cash flow statement</i>	16,993	50,588

Parent company

The following components are included in cash and cash equivalents:

Cash and bank balances	384	967
<i>Total according to the balance sheet</i>	384	967
<i>Total according to the cash flow analysis</i>	384	967

	2025	2024
Group		
Interest received	1,369	597
Interest paid	-902	-2,531
Parent company		
Dividends received	37,000	-
Interest received	9	2
Interest paid	-103	-

Group					Total liabilities arising from financing activities
TSEK	Overdraft credit	Bankloan	Leasing liability		
Opening balance 2024	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	
Other changes					
Additional leasing liabilities			2,603	2,603	
Repayment of loans		-10,000		-10,000	
Total change		-10,000	2,603	-7,397	
Closing balance 2024	-	-	9,315	9,315	
Opening balance 2025	-	-	9,315	9,315	
Cash flows in financing activities					
Net change	20,293	-	-4,089	16,204	
Amortization of lease liabilities			-4,089	-4,089	
Other changes					
Additional leasing liabilities				-	
				-	
Total change		-	-	-	
Closing balance 2025	20,293	-	5,226	25,519	

TSEK	2025	2024
Group		
Unutilized credits amount to	59,707	120,000
Parent company		
Unutilized credits amount to	-	-

Note 33 - Events after the balance sheet date

On March 11, the nomination committee published proposals for the composition of the Board of Directors ahead of the Annual General Meeting, including re-election of the Chairman of the Board of Directors and proposals for new election of board members.

The IEEPA tariffs previously debited to Fractal's product portfolio expired on February 24, 2026.

At the same time, Section 122 tariffs of 10% were imposed on imports into the United States. Fractal can confirm that its computer cases are exempt from the Section 122 tariffs. Computer cases are also exempt from Section 301 tariffs, an exemption that will apply until November 10, 2026. All in all, this means zero tariffs on the company's largest product category and a lower overall tariff burden for the portfolio. Fractal is more positive about the possibility of recovering the paid IEEPA tariffs, estimated at USD 2 million, although uncertainty remains regarding the outcome and time schedule.

Based on the industry in which the Group operates, the conflict in Ukraine has not affected the business to any material extent 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 Financial Statements for the year 2025 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 19, 2026.

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.

The Annual Report has been approved for issuance on April 21, 2026.

Stockholm, April 21, 2026

Hannes Wallin

Chairman of the Board

Magnus Yngen

Board Member

Gustav Thott

Board Member

Ola Nilsson

Board Member

Jonas Holst

CEO

Our audit report was submitted on April 21, 2026

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 for Fractal Gaming Group AB for the year 2025. The company's Annual Report and Consolidated Financial Statements are included on pages 59-92 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, 2025, 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, 2025, 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 general meeting adopt the income statement and the balance sheet for the Parent Company as well as the statement of comprehensive income and consolidated statement of financial position.

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 2-47, 49-51 and 97-98. This other information is the responsibility of the Board of Directors and the CEO.

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 Report and Consolidated Financial Statements. 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
- ▶ we plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of companies or business units within the Group as a basis for expressing an opinion on the Consolidated Financial Statements. We are responsible for managing, monitoring and reviewing the audit work carried out for the purpose of 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 2025 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.

Gothenburg, the date shown on our electronic signature

KPMG AB

Maria Kylén

Authorized Public Accountant

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 such 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.

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	This measure shows how much net working capital is tied up in Fractal's operations.

Non-IFRS measures	Description	Justification for using measurement
	income and other receivables. Net working capital liabilities are calculated as the sum of accounts payable and tax liabilities, accrued 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.

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

Interim report January – March 2026	05/07/2026
Annual general meeting	05/19/2026
Interim report January – June 2026	08/19/2026
Interim report January – September 2026	11/06/2026

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