Fractal

Q2 2026

Interim Report

Fractal

Interim Report

Second quarter

- **Net** sales decreased 65.3% to SEK 74.7 million. This trend was impacted by a sharp rise in DRAM prices and flagging market conditions, which dampened demand and resulted in lower sales volumes, particularly in the case category. Meanwhile, sell-out is estimated to have been significantly higher than sell-in during the quarter, which enabled continued destocking in the distribution stage.
- **The** product margin improved to 39.2 percent from 35.6 percent, due primarily to a stronger USD, lower shipping and customs costs, and an improved product mix. This effect was partially offset by higher price discounts.
- **EBITDA** amounted to SEK –23.4 million, corresponding to adjusted EBITDA of SEK –20.3 million. This difference pertains to restructuring costs of SEK 3.1 million. The cost-cutting program has begun to yield results and its impact is expected to gradually increase during the second half of the year, with full-year effects in 2027.
- **Operating** cash flow amounted to SEK 3.8 million and net cash amounted to SEK 18.0 million at the end of the quarter.
- **Earnings** per share decreased to SEK –0.8 from SEK 0.2.

Amounts in MSEK	Q2 2026	Q2 2025	Δ	Jan-Jun 2026	Jan-Jun 2025	Δ	Jul–Jun 25/26	Full year 2025
Net sales	74.7	215.4	–65%	213.1	441.4	–52%	581.2	809.5
Net sales, MUSD	8.0	22.3	–64%	23.1	43.4	–47%	62.0	82.3
Product profit	29.3	76.7	–62%	83.4	168.0	–50%	220.7	305.2
Product margin, %	39.2	35.6		39.1	38.1		38.0	37.7
EBITDA	–23.4	19.8	–218%	–22.1	57.1	–139%	–1.3	77.8
EBITDA margin	–31.3	9.2		–10.4	12.9		–0.2	9.6
Adjusted EBITDA	–20.3	19.8	–203%	–19.0	57.1	–133%	1.8	77.8
Adjusted EBITDA margin	–27.2	9.2		–8.9	12.9		0.3	9.6
EBIT	–31.2	13.0	–341%	–37.1	43.6	–185%	–30.5	50.2
EBIT margin, %	–41.8	6.0		–17.4	9.9		–5.2	6.2
Adjusted EBIT	–28.1	13.0	–317%	–34.0	43.6	–178%	–27.4	50.2
Adjusted EBIT margin	–37.7	6.0		–15.9	9.9		–4.7	6.2
Operating cash flow	3.8	5.6		27.1	78.3		–35.1	16.1
Interest-bearing net debt	–18.0	–65.7		–18.0	–65.7		–18.0	3.3
Earnings per share, SEK	–0.8	0.2		–1.0	0.9		–0.8	1.1
USD/SEK, average	9.4	9.7		9.2	10.2		9.4	9.8

Fractal

CEO’s comments

Inventory adjustments weigh on net sales

As expected, the flagging market conditions we described after the first quarter have persisted. Despite strong interest in gaming, sharp rises in DRAM prices – driven by investments in AI and data centers – have dampened demand from end consumers.

This has temporarily pushed our partners to drastically reduce purchases in order to adapt their inventories, which had been sized to meet higher levels of demand. The inventory levels in our sales channels in the Americas and APAC achieved equilibrium during the second quarter, while EMEA is expected to reach a similar level during the third quarter.

As a response to the market conditions, we have implemented extensive cost adjustments that are expected to improve profitability starting in the second half of the year.

Temporarily weak sell-in results in negative earnings

Net sales decreased 65.3% to SEK 74.7 million and organic sales decreased 64.3%. The comparative figures were very strong, as the second quarter of 2025 was Fractal’s second-strongest quarter.

Sales from resellers to end customers decreased 28%, and overall we strengthened market shares in our key markets. Since February, our reported end-customer sales have stabilized at just over USD 4 million per month, with some improvement in June and July that was due in part to Prime Day. This is an indication that the downturn in demand has slowed, even though the market remains dampened and purchasing behaviors are more promotion-driven.

Our reported end-customer sales exceeded sell-in by more than 60%. This is attributable to our partners reducing their purchases in order to adjust their inventory levels. Net sales thus fell significantly more than the underlying demand. This was particularly evident in EMEA, where weak sell-in stood in contrast to the strongest performance in end-customer sales (sell-out) among our regions. This decline was most pronounced in component-dependent DIY products such as cases, water coolers and PSUs.

The weak market conditions have also affected the development and establishment of our new categories. Although performance has not yet met our ambitions, the launches of Refine and Scape have established Fractal in two new categories. To strengthen our position and sales within these categories, we are focusing on improving existing products and accelerating the renewal of the portfolio. In parallel, we are prioritising these categories in our marketing investments, increasing channel activation and working to achieve broader retail distribution and exposure.

The lower levels of sales significantly impacted earnings. EBITDA amounted to SEK –23.4 million. Excluding SEK 3.1 million in restructuring costs, EBITDA amounted to SEK –20.3 million. The product margin improved to 39.2% (35.6), with positive currency effects and lower shipping and tariff costs being offset by higher discounts resulting from a more promotion-driven market. Operating cash flow amounted to SEK 3.8 million (5.6) and the quarter ended with net cash of SEK 18.0 million (65.7). Working capital is expected to have a greater negative impact on cash flow in the second half of the year than in the first. At the same time, we are entering this period with a net cash position and renegotiated banking terms that provide us with good financial flexibility.

Cost-cutting measures are adapting us to the new market conditions

The cost-cutting program that was launched in the second quarter has begun to yield results, and sharp reductions in purchases have enhanced our cash flow. Meanwhile, we are continuing to implement further structural changes to reduce our cost base and increase operational efficiency. All together, our organization – including consultants – will shrink by about 20% in 2026. Furthermore, we believe that there will be additional restructuring costs of approximately SEK 6–9 million in the second half of the year.

Overall, these measures are expected to gradually enhance profitability in the second half of 2026. With full effect beginning in the new year, our fixed operating cost base in 2027 is expected to be approximately 20% lower than in 2025. Meanwhile, we are closely monitoring market development and will make further adjustments to our operations as necessary.

The prospects for repayment of previously paid IEEPA tariffs have strengthened further, and we expect a repayment in the second half of the year. The total value amounts to approximately USD 2.5 million and is expected to have a positive impact on both earnings and cash flow. At the same time, the lower tariff burden continues to positively impact the product margin.

Continued strong interest in gaming

The underlying interest in gaming is strong. Steam continues to set records, showing that the challenges lie in the hardware market.

We launched Pop 2 Vision – our first full-vision case – during the quarter, and it was very positively received. We will continue to deliver on our product roadmap during the second half of the year with new launches while we are increasing our promotional activities and enhancing our partnership with systems integrators in order to expand the reach of our products.

At the same time, the DRAM situation is expected to continue impacting the market in the near future. We therefore expect underlying demand to remain subdued but gradually improve. As inventory adjustments taper off, net sales are expected to develop more in line with underlying demand than in the second quarter.

Adapting our operations to current market conditions puts us in a good position to strengthen profitability, with significant further potential as the market recovers over time.

Jonas Holst,
CEO

Fractal

Market performance and trends

Signs that memory prices are plateauing in an increasingly complex component market

In Q1, we reported sharp increases in DRAM prices, with a rise of 90–95% compared with 2025. Ahead of the second quarter, TrendForce estimated further price increases of 50–60%. However, the outcome was significantly more balanced. DDR5 prices stabilized and were relatively unchanged by the end of the quarter while prices for older DDR4 modules fell approximately 10% in June compared to May. This indicates that sections of the memory market may have reached normal levels after the exceptional price increases earlier in the year.

Prices for storage also increased, since volumes continued to be prioritized toward data centers, AI infrastructure and the enterprise segment. Consumer prices for 1 TB SSD devices increased approximately 20–30% in Q2 – compared with the increase of 50–60% during Q1 – but showed signs of stabilizing toward the end of the quarter, similar to the trend in the DRAM market.

The graphics card market is also being impacted by high memory costs. Price increases for consumer graphics cards have become clearly segmented, with entry-level models seeing increases of about 5%, mid-range models 5–15%, and the premium segment 15–40% or more. This has resulted in price premiums being greatest in the higher-end performance segments, while demand is increasingly concentrated in the entry-level and mid-range segments. Meanwhile, the market continues to be impacted by speculations around updated model programs in the lower-price segments and when the next generation of RTX series, based on NVIDIA's Rubin architecture, can be expected. However, NVIDIA has not yet announced any specific launch plans.

Increases in component prices have resulted in a market where many consumers choose to delay upgrades while waiting for new product launches and a more predictable pricing landscape for the component market. At the same time, there is a gradual adjustment toward higher cost levels for PC building with speculation that broader market acceptance is gradually developing.

From complete systems to selective upgrades

There were several signals in Q2 that the DIY market has been shifting from complete new builds toward selective upgrades. At Computex, AMD extended its support for the AM5 platform through 2029 and unveiled new X3D processors for both the AM5 and the older AM4 platforms, which uses DDR4 memory. In a market where RAM and storage have become significantly more expensive, the value of older or existing platforms that permit incremental upgrades (rather than investments in entirely new systems) is increasing.

NVIDIA Spark and the future of AI PCs

At Computex, RTX Spark – a new AI-focused PC platform designed for on-premises AI workflows, content creation, and gaming – was unveiled. Manufacturers such as ASUS, Dell, HP, Lenovo, Microsoft and MSI are expected to launch new lines of laptops and mini desktops in the autumn of 2026.

This platform is sold as complete systems where the user does not select the components themselves, which means that the platform currently has limited impact on Fractal's addressable DIY market since the initial products are aimed primarily at laptops and workstations rather than the enthusiast market that traditionally drives the DIY market.

Steam Machine launched to mixed reviews

After a prolonged period of speculation, the Steam Machine was launched on June 29. Valve's pre-built gaming PC – based on SteamOS – is primarily aimed at living room and console gamers, as well as users looking for an easy way to get into PC gaming without having to build a computer themselves.

Initial reactions from reviewers have been mixed, however. Several influencers argue that the product's current price – approximately USD 1,000 without a controller – offers little value for the money compared to building a personal computer with equivalent or even better performance.

For Fractal, this launch primarily means increased competition in the entry-level and living-room gaming segments. At the same time, the impact on the traditional DIY market is currently deemed to be limited and may even have a positive effect, with many customers instead choosing to build their own living-room PCs using Fractal's products.

Robust engagement despite pressures on purchasing power

Engagement in PC gaming is continuing to grow despite higher component prices. During the quarter, Steam set a new record of 42.7 million users, representing approximately 6% growth year-on-year.

This trend shows that interest in gaming has not declined – just that the hardware economy has become more challenging.

For Fractal, this points to a market where purchases and upgrades are being spread out over a longer period of time while demand builds up gradually and consumer purchasing decisions become increasingly well-considered. The significance of quality, the customer experience and products that can justify their value across several upgrade cycles increases as component costs rise.

In a market like this, Fractal is well positioned as a premium brand. Although competition for consumer purchasing power is intensifying, this increased caution creates favorable conditions for companies with strong brands, high product quality and a loyal customer base.

Sources: Trendforce, Tom's Hardware, Steam DB, PC Gamer, TechRadar, The Verge & Gartner.

Launches during Q2

Fractal introduces its first Full Vision case with Pop 2 Vision

On April 29, Pop 2 Vision – Fractal's first Full Vision product and, as such, an important step into a new segment within the chassis category – was launched. Full Vision cases are characterized by a more component-centric design and have grown significantly in popularity among PC builders and gamers in recent years.

Pop 2 Vision combines a panoramic glass design with Fractal's well-known focus on high product quality and a seamless building experience. Designed for a broad target audience, the case is available in several configurations to meet different needs and price points.

The case comes with four pre-installed fans, support for contemporary graphics cards, and extensive cooling options while the internal layout has been designed with a focus on easy cable management and a clean, minimalist final look.

The reception from the market has been highly positive

Leading tech media outlets and influencers around the world have pointed out, specifically, that Pop 2 Vision offers Fractal's well-known product quality at an attractive price point under USD 100 – a positioning that is highly relevant in today's market, with higher component prices making consumers increasingly value-conscious. This is why several reviewers have described Pop 2 Vision as one of the strongest alternatives in its price class and called attention to the combination of construction quality, cooling performance and value as one of the product's chief strengths.

In addition to its strong value offering, reviews have highlighted the case's excellent cooling performance "right out of the box" as well as its innovative interior. Despite the design constraints posed by a panoramic case with large glass surfaces, Fractal has developed a solution that preserves the company's Scandinavian design DNA through a highly organized, stylish interior.

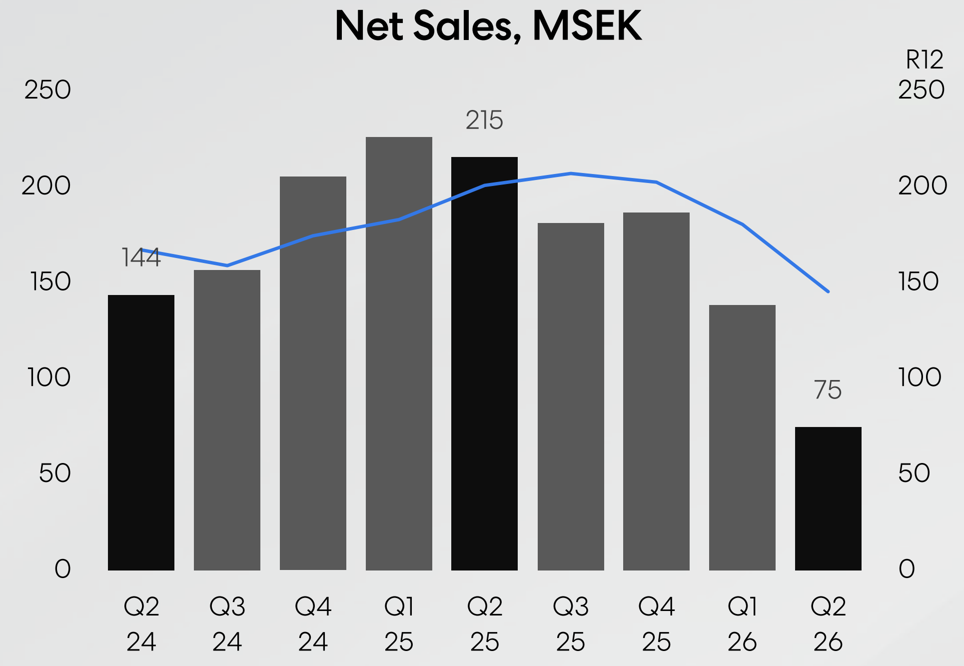
Pop 2 Vision demonstrates Fractal's ability to combine design and function even in new segments, and strengthens the company's position in a growing and strategically important area of the case market.

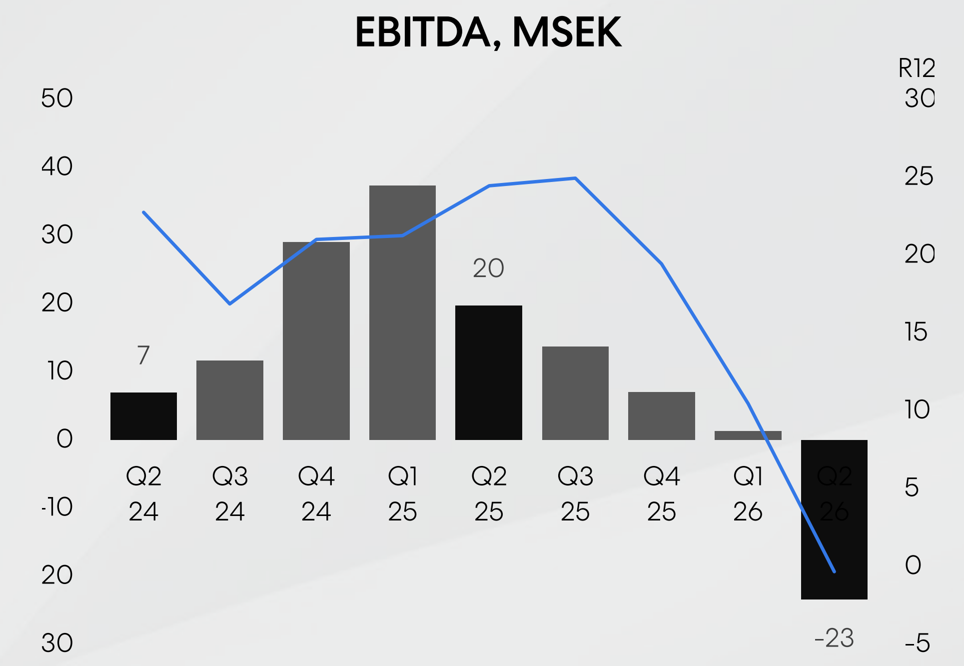
Dynamic 3 strengthens Fractal's cooling offering

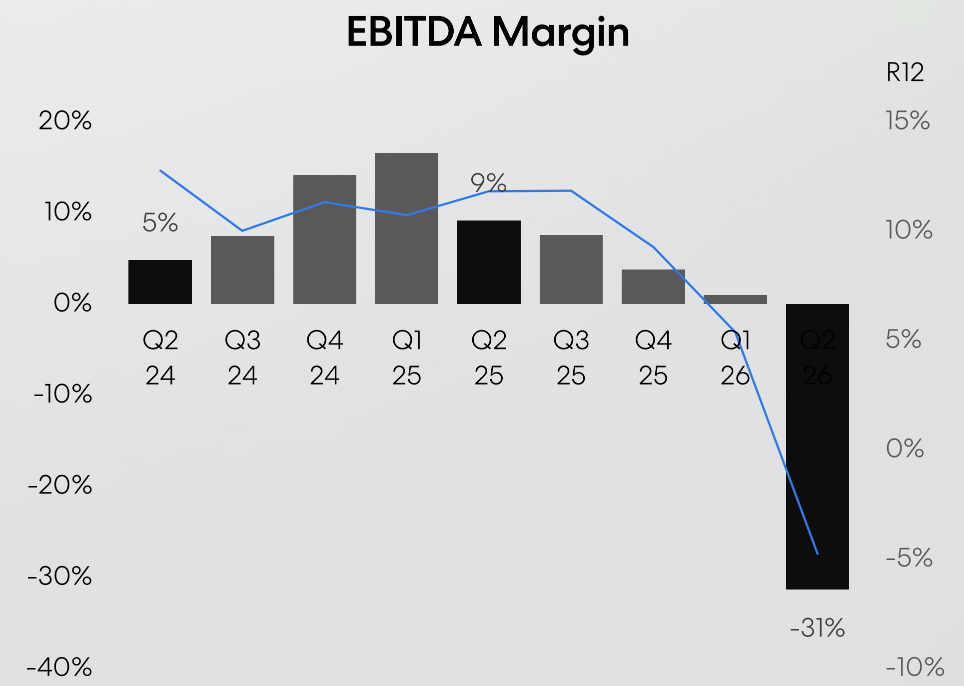
In May, Fractal expanded its cooling lineup with the launch of Dynamic 3, the next-generation fan series with a focus on high performance and low noise at an affordable price. The series is available in both 120 mm and 140 mm format, with several color and RGB options to meet the needs of both new and experienced PC builders.

Dynamic 3 was developed to deliver a strong offering in a market segment where consumers are increasingly seeking a balance between performance and price. Dynamic 3 is an attractive product both for users of Fractal's own cases and for the broader DIY market.

Financial performance







Net sales

The Group's net sales amounted to SEK 74.7 million (215.4), down 65.3% year-on-year. All sales are exclusively in USD, and net sales amounted to USD 8.0 million (22.3), corresponding to a decrease of 64.3%.

The decline in net sales is attributable primarily to the weaker market and the subsequent inventory adjustment in the distribution stage, with partners sharply reducing their purchases to bring inventory levels in line with lower demand among end customers. The slump in sales was most prominent in the case category, which accounted for 79.3% (89.4) of total sales during the quarter.

Net sales for the January–June period totaled SEK 213.1 million (441.4), down 51.7%. Sales performance during the period was influenced by the same market factors as in the second quarter.

Earnings

Product profit amounted to SEK 29.3 million (76.7), corresponding to a product margin of 39.2% (35.6), which was an increase of 3.6 percentage points. This improvement was driven primarily by a stronger USD, which made a positive contribution of about 3.5 percentage points. Lower freight costs had an impact of approximately 1.2 percentage points, and lower US tariff costs of approximately 0.7 percentage points. An improved product mix also had a positive impact of approximately 0.5 percentage points. This was offset in part by higher price discounts, which impacted the product margin negatively by approximately 2.3 percentage points. The higher discounts were driven by prevailing market conditions and by the fact that a major promotional period was moved up from the third to the second quarter. Product profit for the January–June period totaled SEK 83.4 million (168.0) and the product margin was 39.1% (38.1).

Other external costs amounted to SEK –24.3 million (–35.4). The year-on-year decrease is attributable primarily to implemented cost-saving measures that covered both fixed and variable costs as well as a continued focus on adapting our cost base to the lower levels of sales. Other external costs for the January–June period amounted to SEK –53.8 million (–66.8).

Personnel costs amounted to SEK –29.6 million (–27.1), including restructuring costs of SEK 3.1 million. Adjusted for these costs, personnel costs were slightly lower than in the previous year. Additional savings effects are expected in the second half of 2026. Personnel costs for the January–June period amounted to SEK –56.8 million (–53.3).

EBITDA amounted to SEK –23.4 million (19.8), corresponding to an EBITDA margin of –31.3% (9.2). The lower result is attributable primarily to the significantly lower level of net sales during the quarter. EBITDA was charged with a total of SEK 3.1 million in restructuring costs. Excluding these costs, adjusted EBITDA amounted to SEK –20.3 million (19.8), corresponding to an adjusted EBITDA margin of –27.2% (9.2). EBITDA for the January–June period amounted to SEK –22.1 million (57.1), and adjusted EBITDA amounted to SEK –19.0 million (57.1).

EBIT amounted to SEK –31.2 million (13.0), corresponding to an EBIT margin of –41.8% (6.0). Depreciation/amortization and impairment amounted to SEK –7.9 million (–6.8), mainly linked to investments in product tools and capitalized development costs. Excluding restructuring costs, adjusted EBIT amounted to SEK –28.1 million (13.0), corresponding to an adjusted EBIT margin of –37.7% (6.0). EBIT for the January–June period amounted to SEK –37.1 million (43.6), and adjusted EBIT amounted to SEK –34.0 million (43.6).

Earnings amounted to SEK –24.5 million (6.6), net financial items amounted to SEK 0.6 million (–4.3) and reported tax income amounted to SEK 6.1 million (–2.0), of which SEK 6.6 million pertained to a positive effect from deferred tax. Earnings per share amounted to SEK –0.8 (0.2). No dilution effect arose, since no shares were issued during the quarter. Earnings for the January–June period amounted to SEK –28.4 million (27.4) and earnings per share amounted to SEK –1.0 (0.9).

Fractal

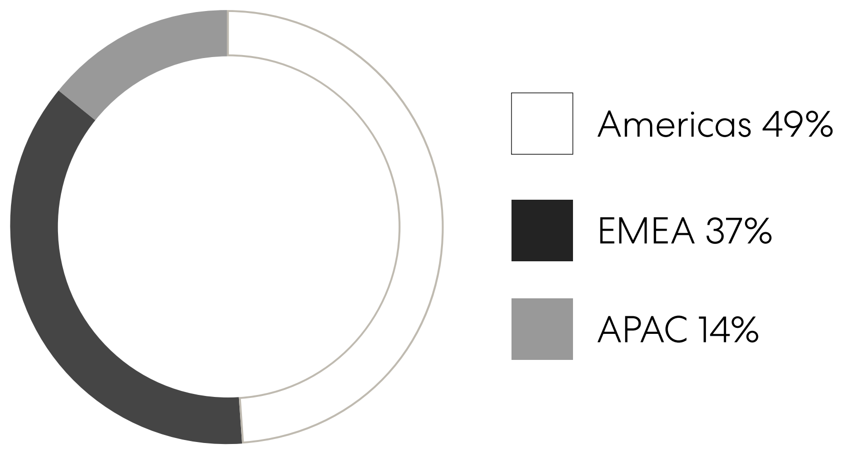
Geographic markets

The largest region during the quarter was the Americas, with net sales of SEK 36.4 million (75.6), corresponding to 48.8% (35.1) of the Group's total net sales.

Net sales in EMEA amounted to SEK 27.7 million (109.0), corresponding to 37.1% (50.6) of net sales, while APAC amounted to SEK 10.5 million (30.8), corresponding to 14.1% (14.3).

All regions posted lower year-on-year sales for the quarter as a result of the prevailing market conditions. The regional breakdown between EMEA and the Americas changed during the period, attributable primarily to differences in channel dynamics between the regions. The effect of previous purchases in the Americas was limited, while EMEA was impacted to a greater extent by stockpiling from purchases during the fourth quarter of 2025 and first quarter of 2026. This temporarily reduced shipments to EMEA during the second quarter and impacted the regional sales mix.

Net Sales, Quarter



Net Sales, Quarter

MSEK	Q2 2026	Q2 2025	Δ %	Jan–Jun 2026	Jul–Jun 2025	Δ %	Jul–Jun 25/26	Full year 2025
Net sales Americas	36.4	75.6	−51.8	78.1	163.2	−52.1	190.7	275.7
Net sales Americas, MUSD	3.9	7.8	−50.2	8.5	16.0	−47.1	20.4	27.9
Net sales EMEA	27.7	109.0	−74.6	108.2	222.1	−51.3	316.5	430.4
Net sales EMEA, MUSD	2.9	11.3	−73.9	11.7	21.9	−46.3	33.7	43.9
Net sales APAC	10.5	30.8	−65.8	26.7	56.1	−52.3	74.0	103.3
Net sales APAC, MUSD	1.1	3.2	−64.9	2.9	5.5	−47.2	7.9	10.5

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Financial position and cash flow

Financial position

At the end of the period, the Group's balance sheet total amounted to SEK 548.5 million (719.3), with equity of SEK 384.5 million (407.9) and an equity ratio of 70.1% (56.7).

At the end of the period, Fractal had net cash of SEK 18.0 million (65.7). The utilized bank overdraft facility amounted to SEK 0.0 million (0.0) and the credit available totaled SEK 100.0 million. During the quarter, the company signed a supplementary agreement with the bank regarding temporarily adjusted covenants. In coming quarters, these covenants will be based on quarterly EBITDA levels, after which the structure will return to financial covenants based on net debt/EBITDA.

Inventory levels amounted to SEK 113.1 million (171.2). The decrease year-on-year was attributable primarily to a normalization of inventory levels, as the comparative period was impacted by deliberate stockpiling in anticipation of potential changes in tariff conditions. Net financial items amounted to SEK 59.7 million (48.9).

Cash flow for the quarter

Cash flow from operating activities amounted to SEK 15.9 million (3.4). The improvement year-on-year is attributable primarily to the development in working capital. During the comparative period, significant capital was tied up in inventory in anticipation of expected changes in tariff conditions while lower inventory levels during the quarters of this year contributed positively to cash flow. Lower levels of accounts receivable also had a positive effect, which was partially offset by lower levels of accounts payable. At the same time, the lower sales levels and poorer earnings had a negative impact on cash flow.

Cash flow from investment activities amounted to SEK –11.0 million (–6.7) and pertained primarily to investments in product tools as well as the development of new products. Cash flow from financing activities amounted to SEK –1.1 million (–35.7), attributable primarily to amortization of lease liabilities. The comparative period was charged with a dividend of approximately SEK 36 million.

The aggregate cash flow for the quarter amounted to SEK 3.8 million (–39.1).

Cash flow Jan–Jun

Cash flow from operating activities for the period amounted to SEK 44.8 million (68.2). The decrease year-on-year was attributable primarily to lower levels of sales. Working capital had a positive impact on cash flow, primarily through lower levels of accounts receivable and normalized inventory levels.

Cash flow from investment activities amounted to SEK –22.6 million (–14.1) and pertained primarily to development of new products. Cash flow from financing activities amounted to SEK –21.9 million (–36.8) and was attributable primarily to reduced utilization of the overdraft facility. The comparative period was also affected by dividends.

The aggregate cash flow for the period amounted to SEK 0.3 million (17.3).

Fractal

Additional information

Important events in the quarter and period

Update on the tariff situation

The company has applied for repayment of approximately USD 2.5 million in IEEPA tariffs paid. The assessment is that repayment will be received in the second half of 2026. Moreover, interest is expected to be added.

On July 24, 2026, the temporary Section 122 tariffs were replaced by new Forced Labor Section 301 tariffs. The current tariff levels are 0% for cases, 12.5% for headsets and 37.5% for chairs. For cases and related components, a 25% Section 301 tariff has been imposed effective November 29, 2026, unless a further exemption or other change is introduced before then.

Dividend

In light of the ongoing turbulence in the global component market, the 2026 Annual General Meeting resolved, in accordance with the proposal from the Board of Directors, that no dividend would be paid for the 2025 fiscal year.

New members elected to Fractal's Board

At the Annual General Meeting, five members were elected to Fractal's Board of Directors for the term ending at the close of the next Annual General Meeting. Hannes Wallin was re-elected as Chairman of the Board, and Anders Hülse, Martin Axhamre, Hanna Mannberg and Daniel Gabriel were elected as new Board members. Magnus Yngen, Gustav Thott and Ola Nilsson declined re-election.

Organization

On June 30, there were 106 (115) full-time employees, of whom 31 women (38) and 75 men (77). The average number of employees in the organization during the quarter was 112 (114), of whom 33 women (38) and 79 men (76).

Seasonal variations

Fractal's operation is normally characterized by higher sales during the second half of the year due to important campaign periods. Production is routinely adapted to take this seasonal variation into account.

Parent Company

The Parent Company's operations comprise Group management services performed for the Group's companies. The Parent Company's net sales amounted to SEK 0.9 million (0.8) in the second quarter. Operating loss amounted to SEK –0.3 million (–0.5) and loss for the period to SEK –0.3 million (profit: 36.5).

The share

At June 30, 2026, the number of shares in Fractal amounted to 29,170,500 (29,170,500). The largest shareholders were: Hannes Wallin, 29.2%; Herenco Holding AB, 14.2%; Ramhill AB, 9.8%; Måns Flodberg, 8.9%; and Lars Lindgren, 8.3%.

Fractal's shares were allocated among 4,270 shareholders (4,397) as of June 30, 2026.

Significant risks and uncertainties

Fractal relies on trends in other PC hardware such as graphics cards, memory and processors. Shortages, price changes, or shifts in technology within these categories may affect consumers' willingness to upgrade and, consequently, demand for Fractal's products. Fractal also relies on planned product launches, and delays could have a substantial impact on the total sales volume.

Exchange rate fluctuations – particularly USD/SEK – impact the Group's earnings since all sales as well as product purchasing take place in USD. Fractal is exposed to changes in raw material prices, primarily steel and plastic. The business is dependent on free global flows of goods, particularly between the major markets in North America and Europe and manufacturing in China.

Further information about risks and uncertainties can be found in the Annual Report, available at fractal-design.com.

Accounting policies

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

Assurance of the Board of Directors and the CEO

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

STOCKHOLM, AUGUST 19, 2026

Hannes Wallin
CHAIRMAN OF THE BOARD

Anders Hülse
BOARD MEMBER

Martin Axhamre
BOARD MEMBER

Hanna Mannberg
BOARD MEMBER

Daniel Gabriel
BOARD MEMBER

Jonas Holst
CEO

Fractal

Income statement, Group

MSEK	2026 Q2	2025 Q2	Jan–Jun 2026	Jan–Jun 2025	Jul–Jun 25/26	Full year 2025
Net sales	74.7	215.4	213.1	441.4	581.2	809.5
Capitalized development expenditure	3.8	3.3	7.8	6.8	14.1	13.1
Other operating income	0.0	2.2	0.0	2.4	–1.3	1.1
Total revenue	**78.5**	**221.0**	**221.0**	**450.6**	**594.0**	**823.6**
Operating expenses						
Goods for resale	–48.0	–138.7	–132.4	–273.4	–363.2	–504.2
Other external expenses	–24.3	–35.4	–53.8	–66.8	–118.9	–131.9
Personnel expenses	–29.6	–27.1	–56.8	–53.3	–113.2	–109.7
Depreciation and impairment of tangible and intangible non-current assets	–7.9	–6.8	–15.0	–13.5	–29.2	–27.6
Total operating expenses	**–109.7**	**–208.0**	**–258.0**	**–407.0**	**–624.5**	**–773.5**
Operating profit	**–31.2**	**13.0**	**–37.1**	**43.6**	**–30.5**	**50.2**
Finance income	0.8	0.0	1.9	0.0	1.9	0.0
Finance costs	–0.2	–4.3	–0.6	–8.8	–0.2	–8.4
Net financial income and expenses	**0.6**	**–4.3**	**1.4**	**–8.8**	**1.8**	**–8.4**
Profit/loss after financial items	**–30.7**	**8.6**	**–35.7**	**34.9**	**–28.8**	**41.8**
Income tax expense	–0.5	–2.1	–0.9	–7.6	–4.7	–11.4
Deferred tax liabilities	6.6	0.1	8.2	0.2	10.2	2.2
Profit for the period	**–24.5**	**6.6**	**–28.4**	**27.4**	**–23.3**	**32.5**
Other comprehensive income						
Items that have been reclassified or can be reclassified to profit/loss for the period						
Foreign subsidiaries - foreign currency translation differencies	–3.7	–0.2	–3.5	–0.8	–1.3	1.5
Other comprehensive income for the period	**–3.7**	**–0.2**	**–3.5**	**–0.8**	**–1.3**	**1.5**
Total comprehensive income for the period	**–28.2**	**6.4**	**–32.0**	**26.6**	**–24.5**	**34.0**
Profit for the year attributable to:						
Parent Company's shareholders	–24.5	6.6	–28.4	27.4	–23.3	32.5
Profit for the period	**–24.5**	**6.6**	**–28.4**	**27.4**	**–23.3**	**32.5**
Total comprehensive income attributable to:						
Parent Company's shareholders	–28.2	6.4	–32.0	26.6	–24.5	34.0
Total comprehensive income for the period	**–28.2**	**6.4**	**–32.0**	**26.6**	**–24.5**	**34.0**
Average number of shares before dilution	29.2	29.2	29.2	29.2	29.2	29.2
Average number of shares after dilution	29.2	29.2	29.2	29.2	29.2	29.2
Earnings per share, SEK	–0.8	0.2	–1.0	0.9	–0.8	1.1
Before and after dilution, SEK	–0.8	0.2	–1.0	0.9	–0.8	1.1

Balance sheet, Group

MSEK	30 Jun 2026	30 Jun 2025	31 Dec 2025
ASSETS			
Non-current assets			
Goodwill	210.2	210.2	210.2
Capitalised development costs	64.9	56.5	60.0
Property, plant and equipment	40.9	36.9	36.0
Right-of-use assets	5.1	7.1	5.1
Total non-current assets	**321.0**	**310.7**	**311.3**
Current assets			
Inventories	113.1	171.2	133.1
Accounts receivable	62.0	150.4	161.1
Prepaid expenses and accrued income	8.3	7.5	7.2
Other receivables	26.1	13.8	12.9
Cash and cash equivalents	18.0	65.7	17.0
Total current assets	**227.5**	**408.6**	**331.2**
TOTAL ASSETS	**548.5**	**719.3**	**642.5**
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	0.5	0.5	0.5
Share premium	180.3	180.3	180.3
Reserves	−4.9	−0.8	−1.5
Retained earnings including profit/loss for the period	208.6	227.9	233.1
Equity attributable to the Parent Company's shareholders	**384.5**	**407.9**	**412.4**
Total equity	**384.5**	**407.9**	**412.4**
Non-current liabilities			
Long-term lease liabilities	1.9	3.2	1.7
Provisions	7.3	6.8	7.1
Deferred tax liabilities	1.3	3.4	1.2
Total non-current liabilities	**10.6**	**13.4**	**10.0**
Current liabilities			
Overdraft facility	0.0	0.0	20.3
Current lease liabilities	3.7	4.0	3.5
Accounts payable	109.2	258.8	151.5
Tax liabilities	0.4	1.7	1.5
Other liabilities	9.3	4.1	5.5
Accrued expenses and prepaid income	31.0	29.4	37.9
Total current liabilities	**153.5**	**297.9**	**220.1**
TOTAL EQUITY AND LIABILITIES	**548.5**	**719.3**	**642.5**

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Cash flow, Group

MSEK	Q2 2026	Q2 2025	Jan–Jun 2026	Jan–Jun 2025	Jul–Jun 25/26	Full year 2025
Cash flows from operating activities						
Profit/loss after financial items	−30.7	8.6	−35.7	34.9	−28.8	41.8
Adjustments for items not included in cash flow	8.4	7.5	14.8	15.6	28.9	29.7
Income tax paid	0.1	−5.4	−6.1	−17.5	−10.7	−22.1
	−22.3	**10.8**	**−26.9**	**32.9**	**−10.5**	**49.3**
Increase (+)/Decrease (-) of inventories	5.7	−65.9	20.0	−62.2	58.0	−24.2
Increase (+)/Decrease (-) of operating receivables	58.7	11.4	97.1	23.9	88.1	14.9
Increase (+)/Decrease (-) of operating liabilities	−26.2	47.1	−45.4	73.6	−142.8	−23.8
Net cash from operating activities	**15.9**	**3.4**	**44.8**	**68.2**	**−7.2**	**16.2**
Cash flows from investing activities						
Acquisition of property, plant and equipment	−5.9	−1.6	−12.0	−3.5	−18.1	−9.5
Acquisition intangible assets	−5.0	−5.1	−10.6	−10.6	−19.1	−19.1
Net cash used in investing activities	**−11.0**	**−6.7**	**−22.6**	**−14.1**	**−37.1**	**−28.6**
Cash flows from financing activities						
Share issue	0.0	1.7	0.0	1.7	0.0	1.7
Net change, bank overdraft facility	0.0	0.0	−20.3	0.0	0.0	20.3
Repayment of lease liabilities	−1.1	−1.0	−1.6	−2.1	−3.6	−4.1
Paid dividend	0.0	−36.4	0.0	−36.4	0.0	−36.4
Net cash used in financing activities	**−1.1**	**−35.7**	**−21.9**	**−36.8**	**−3.6**	**−18.5**
Net increase in cash and cash equivalents	3.8	−39.1	0.3	17.3	−47.9	−30.9
Cash and cash equivalents at start of period	13.9	105.3	17.0	50.6	65.7	50.6
Effects of movements in exchange rates on cash held	0.3	−0.5	0.7	−2.2	0.2	−2.7
Cash and cash equivalents at end of period	**18.0**	**65.7**	**18.0**	**65.7**	**18.0**	**17.0**

Change in equity, Group

Amounts in MSEK	Share capital	Share premium	Reserves	Retained earnings including profit/loss for the year	Total	Non-controlling interest	Total equity
Balance at 2025-01-01	**0.5**	**178.6**	**−0.1**	**236.9**	**415.9**	**0.0**	**415.9**
Profit for the period				27.4	27.4		27.4
Translation differences			−0.7		−0.7		−0.7
Total comprehensive income for the period			−0.7	27.4	26.7		26.7
Share premium reserve	0.0	1.7					1.7
Proposed/Distributed Dividend				−36.4	−36.4		−36.4
Balance at 2025-06-30	**0.5**	**180.3**	**−0.8**	**227.9**	**407.9**	**0.0**	**407.9**
Balance at 2026-01-01	**0.5**	**180.3**	**−1.5**	**233.1**	**412.4**	**0.0**	**412.4**
Profit for the period				−24.5	−24.5		−24.5
Translation differences			−3.5		−3.5		−3.5
Total comprehensive income for the period			−3.5	−24.5	−28.0		−28.0
Balance at 2026-06-30	**0.5**	**180.3**	**−4.9**	**208.6**	**384.5**	**0.0**	**384.5**

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Income statement, Parent Company

MSEK	Q2 2026	Q2 2025	Jan–Jun 2026	Jan–Jun 2025	Jul–Jun 25/26	Full year 2025
Net sales	0.9	0.8	2.2	2.3	8.1	8.2
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
Total revenue	**0.9**	**0.8**	**2.2**	**2.3**	**8.1**	**8.2**
Operating expenses						
Other external expenses	−0.3	−0.5	−0.8	−0.9	−2.1	−2.2
Personnel expenses	−0.8	−0.8	−1.8	−2.3	−7.1	−7.5
Total operating expenses	**−1.1**	**−1.3**	**−2.6**	**−3.2**	**−9.2**	**−9.8**
Operating profit	**−0.3**	**−0.5**	**−0.4**	**−0.9**	**−1.1**	**−1.6**
Net financial income and expenses						
Result from shares in subsidiaries	0.0	37.0	0.0	37.0	0.0	37.0
Other financial income	0.0	0.0	0.0	0.0	0.0	0.0
Finance costs	0.0	−0.1	0.0	−0.1	0.0	−0.1
Profit/loss after financial items	**−0.3**	**36.4**	**−0.4**	**36.0**	**−1.1**	**35.3**
Appropriations	0.0	0.0	0.0	0.0	4.7	4.7
Net income before taxes	**−0.3**	**36.4**	**−0.4**	**36.0**	**3.6**	**40.0**
Income tax expense	0.0	0.0	0.0	0.0	−0.8	−0.8
Deferred tax liabilities	0.0	0.1	0.1	0.1	0.0	0.0
Profit for the period	**−0.3**	**36.5**	**−0.3**	**36.2**	**2.8**	**39.2**

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

Fractal

Balance sheet, Parent Company

MSEK	30 Jun 2026	30 Jun 2025	31 Dec 2025
ASSETS			
Non-current assets			
Financial fixed assets			
Shares in group companies	271.4	271.4	271.4
Total non-current assets	**271.4**	**271.4**	**271.4**
Current assets			
Receivables from group companies	1.4	1.3	7.1
Other receivables	0.0	1.6	0.2
Prepaid expenses and accrued income	0.4	0.3	0.2
Total current receivables	**1.8**	**3.2**	**7.5**
Cash and cash equivalents	0.2	1.7	0.4
Total current assets	**2.0**	**4.9**	**7.9**
TOTAL ASSETS	273.4	276.4	279.3
EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity			
Share capital	0.5	0.5	0.5
Total restricted equity	**0.5**	**0.5**	**0.5**
Non-restricted equity			
Share premium	180.3	180.3	180.3
Retained earnings	85.8	46.5	46.5
Profit for the period	−0.3	36.2	39.2
Total non-restricted equity	**265.7**	**263.0**	**266.0**
Shareholders' equity	**266.2**	**263.5**	**266.5**
Untaxed reserves	**6.0**	**10.5**	**6.0**
Current liabilities			
Dept to group companies	0.0	0.0	0.0
Accounts payable	0.1	0.0	0.0
Tax liabilities	0.0	0.2	1.2
Other liabilities	0.3	0.6	1.0
Accrued expenses and prepaid income	0.8	1.7	4.5
Total current liabilities	**1.2**	**2.5**	**6.8**
TOTAL EQUITY AND LIABILITIES	273.4	276.4	279.3

Fractal

Operating segment and revenue distribution

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

Note 1 – Net sales and earnings by segment

MSEK	Q2 2026	Q2 2025	Jan–Jun 2026	Jan–Jun 2025	Jul–Jun 25/26	Full year 2025
Net sales	**74.7**	**215.4**	**213.1**	**441.4**	**581.2**	**809.5**
- Cases	59.2	192.6	175.1	387.5	484.7	697.1
- Other	15.5	22.8	38.0	53.9	96.5	112.4
Product profit	**29.3**	**76.7**	**83.4**	**168.0**	**220.6**	**305.2**
- Cases	25.0	70.1	71.6	152.6	193.1	274.1
- Other	4.3	6.6	11.8	15.4	27.5	31.1
Capitalized development expenditure	3.8	3.3	7.8	6.8	14.1	13.1
Other operating income	0.0	2.2	0.0	2.4	−1.3	1.1
Other external expenses	−24.3	−35.4	−53.8	−66.8	−118.9	−131.9
Personnel expenses	−29.6	−27.1	−56.8	−53.3	−113.2	−109.7
Depreciation and impairment of tangible and intangible non-current assets	−7.9	−6.8	−15.0	−13.5	−29.1	−27.6
Operating profit	**−31.2**	**13.0**	**−37.1**	**43.6**	**−30.5**	**50.2**
				0.0		
Finance income	0.8	0.0	1.9	0.0	0.0	0.0
Finance costs	−0.2	−4.3	−0.6	−8.8	−0.2	−8.4
Net financial income and expenses	**0.6**	**−4.3**	**1.4**	**−8.8**	**1.8**	**−8.4**
Net income before taxes	**−30.7**	**8.6**	**−35.7**	**34.9**	**−28.8**	**41.8**

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Note 2 – Distribution of revenue

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

Disaggregation of revenue from agreements with customers

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

Group	Business Segment					
	Cases		Other		Total	
MSEK	**Jan–Jun 2026**	**Jan–Jun 2025**	**Jan–Jun 2026**	**Jan–Jun 2025**	**Jan–Jun 2026**	**Jan–Jun 2025**
Geographic market						
Americas	69.2	153.3	8.9	9.9	78.1	163.2
EMEA	84.7	185.6	23.5	36.6	108.2	222.1
APAC	21.2	48.7	5.5	7.4	26.7	56.1
Time of revenue recognition						
Goods recognized at a point in time	175.1	387.5	38.0	53.9	213.1	441.4
Goods and services recognized over time	0.0	0.0	0.0	0.0	0.0	0.0
Total net sales	**175.1**	**387.5**	**38.0**	**53.9**	**213.1**	**441.4**

Note 3 – Financial instruments at fair value

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

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Definitions

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

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

Fractal

Definitions

Non-IFRS metrics	Description	Justification for the use of metrics
Net working capital	Net working capital is calculated as net working capital assets less net working capital liabilities. Net working capital assets are calculated as the sum of inventories, accounts receivable and prepaid expenses and accrued income as well as other receivables. Net working capital liabilities are calculated as the sum of accounts payable and tax liabilities, accrued expenses and prepaid income as well as other liabilities.	This metric shows how much net working capital is tied up in Fractal's business.
Operating cash flow	EBITDA less acquisition of property, plant and equipment and capitalized development expenditure and adjustments for changes in inventories, operating receivables and operating liabilities.	Operating cash flow is used by Fractal as a metric for how much cash flow the business generates.
Cash conversion, %	Operating cash flow in relation to EBITDA.	Fractal uses this key ratio to monitor how effectively the Group manages ongoing investments and net working capital.
Interest-bearing net debt	Interest-bearing debt less cash and cash equivalents. Interest-bearing debt consists of the sum of overdraft facility, and debt to Group companies.	Interest-bearing net debt 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 company net sales and operating profit.
Net sales growth, %	Growth in net sales for the period, calculated as an increase in net sales compared to the preceding year, expressed as a percentage.	Shows change in net sales for the business during the period compared to the preceding period.
Organic net sales growth, %	Growth in net sales in USD million for the period, calculated as the change in net sales in USD million compared to the preceding year, expressed as a percentage.	Shows organic business growth during the period compared to the preceding period.
Equity ratio	Equity in relation to total assets.	Shows how large a share of assets are financed by equity and can be used as an indicator of the company's ability to pay over the long term.

Key Performance Indicators (KPIs)	Description	Justification for the use of metrics
Sales from resellers to end consumers (Sales Out), USD	Sales out measured in USD, reported by Fractal's resellers.	Sales out measured in USD is used by Fractal as an indicator of the underlying demand for the company's products.

Fractal

Financial calendar

Interim Report January – September 2026	2026-11-06
Year-end Report January – December 2026	2027-02-08
Interim Report January – March 2027	2027-04-27

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