

Karlstad, Sweden, March 15, 2022

Update on the situation due to the war in Ukraine

Dear Shareholders,

I have been following the events of the past weeks very closely. As a human being, citizen of the world and leader of a global business built on principles of freedom, humanity and openness, I want to say that I am deeply saddened and worried about the current inhumane and aggressive war and implications for everyone. The stories that have been shared with me by our employees over the past weeks are heartbreaking.

Our first priority right now is to provide the safety of our staff and their families.

By the end of 2021 we engaged approximately 250 people in Ukraine, 1,000 in Russia, and 250 in Belarus. We have been working hard to support the relocation and safety of many of our employees and family members who are willing to leave. However, by no means is everyone out of danger yet. I believe that humanitarian aid is one of the best investments we can make in the given situation. If we fail to act with compassion and humanity, we will fail as a business and an employer. I am proud of the unprecedented actions taken across our companies to aid those affected by the crisis. All of our employees are important to us and part of our family. Our goal is to enable our employees to work safely and live in an environment free of physical or political dangers. We have been working hard to achieve this goal and will continue to do so.

We now estimate that we will dedicate at least USD 5 million into humanitarian aid across the group during the quarter ending March 31, which will equally lower our Operational Ebit in the period. In addition, many of our employees are contributing further funds and resources to humanitarian aid.

We have received hundreds of questions the past weeks, from shareholders, analysts, media, and other stakeholders. Those of you who have been a part of the Embracer family for some time know that I normally prefer full transparency, but unfortunately, this time, there are many questions we can't answer without putting our employees and their families in danger. We closely monitor and assess the situation to understand how we can provide support during these very difficult times.

Furthermore, at this stage, many questions simply do not have clear answers in this challenging, evolving, and complex situation. I want to reassure you that we are doing everything we can for our great people and our business, and of course, we continue to comply with relevant sanctions, laws, and regulations. As always, when we have

information that may have a significant impact on the share price, we will make it public immediately according to applicable rules and regulations.

The employees in the affected regions mainly do game development or related support services. Publishing and intellectual properties are owned and managed by companies outside the region. We do not have significant assets in these territories other than invaluable human resources. Embracer does not have any direct consumer sales in Ukraine, Russia, or Belarus. Consumer sales are made through third-parties which has historically represented approximately 1% of our global net sales.

I really appreciate, and I am humbled by, the support expressed by our long-term shareholders, industry peers and friends over the past weeks. Your support and trust are crucial in this difficult situation. We are confident that we will get through this crisis, stronger and more unified as a company than ever before.

Lars Wingefors
Group CEO, Embracer Group AB

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About Embracer Group

Embracer Group is a parent company of businesses led by entrepreneurs in PC, console, mobile and board games and other related media. The Group has an extensive catalogue of over 850 owned franchises.

With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its ten operative groups: THQ Nordic, Koch Media, Coffee Stain, Amplifier Game Invest, Saber Interactive, DECA Games, Gearbox Entertainment, Easybrain, Asmodee and Dark Horse. The Group has 115 internal game development studios and is engaging more than 12,500 employees and contracted employees in more than 40 countries.

Embracer Group's shares are publicly listed on Nasdaq First North Growth Market Stockholm under the ticker EMBRAC B with FNCA Sweden AB as its Certified Adviser; info@fnca.se +46-8-528 00 399.

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