

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, HONG KONG, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES.

Press release

Karlstad, Sweden, 8 June 2022

Embracer Group to carry out a directed share issue of B shares raising proceeds of approximately SEK 10.3 billion

INSIDE INFORMATION: Embracer Group AB (the "Company" or "Embracer Group") has resolved to carry out a directed share issue of approximately 99.9 million B shares at a subscription price of SEK 103.47 per share (the "Share Issue"), corresponding to a premium of 15.0 percent compared to the closing price of the B shares on 7 June 2022. The proceeds from the Share Issue amount to approximately SEK 10.3 billion. The shares will be issued to Savvy Gaming Group ("SGG"), which upon settlement of the Share Issue will hold approximately 8.1 percent of the shares and 5.4 percent of the votes in the Company.

"Embracer is comprised of passionate people and entrepreneurs with ambitious long-term visions. Our decentralized operating model empowers people, fosters autonomy and speed, and creates sustainable organic synergies across the group ecosystem. Our strategy includes having a diverse range of forward-looking shareholders who support our long-term business plans. Savvy Gaming Group's investment of \$1B enables us to continue executing our strategy proactively from a position of strength across the global gaming industry. Over the past few years, Saudi-based entities have become one of the most significant investors in the global gaming market, and the games market in MENA is one of the world's fastest growing, with \$5.7B in 2021 revenues and more active gamers than either the US or Western Europe. The largest country in this market, by far, is Saudi Arabia, and having visited Saudi Arabia, I have seen the gaming community and the opportunities firsthand. Our relationship with Savvy Gaming Group will enable us to set up a regional hub in Saudi Arabia, from which we will be able to make investments across the MENA region, either organically, via partnerships, joint ventures, or via acquisitions of companies led by strong entrepreneurs." says Lars Wingefors, Founder and Group CEO of Embracer Group

"Savvy Gaming Group has committed to invest heavily in the games and esports industry and to materially strengthen the global games community. This investment in Embracer Group is a starting point for a long-term commitment to the company. The Embracer team has built a truly unique and leading ecosystem of entrepreneurs and creators at a scale

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, HONG KONG, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES.

which we believe will continue to generate enormous value for the games community in the coming years. We are very much looking forward to strengthening our relationship and supporting Embracer as they execute on their global strategy.” says Brian Ward, CEO of Savvy Gaming Group

The Share Issue

The Share Issue in short:

- The subscription price in the Share Issue is SEK 103.47 per share and has been determined by the Board of Directors of the Company following arm's-length negotiations with SGG based on the current share price of Embracer's B shares. The subscription price corresponds to a premium of 15.0 percent compared to the closing price of SEK 89.97 on 7 June 2022 for Embracer's B shares on Nasdaq First North Growth Market.
- The Share Issue consists of a total of 99,884,024 B shares and will be divided into two tranches where one tranche corresponding to 47,115,105 B shares will be resolved by the Board of Directors based on the authorization granted by the extra general meeting on 7 January 2022 and subject to payment and settlement in June 2022. It is envisaged that the second tranche, corresponding to 52,768,919 B shares, will be subject to resolution, subscription, payment and settlement during July / August 2022. Since the board utilizes the whole current authorization from 7 January 2022, the board will summon an extra general meeting shortly following the publication of this press release.
- Through the Share Issue, the Company will receive gross proceeds of approximately SEK 10.3 billion, before transaction costs.

Through the Share Issue the Company further strengthen its institutional shareholder base with a significant long-term shareholder. SGG has agreed, with customary exceptions, to a lock-up of 360 calendar days after 8 June 2022 with the clear intention to be a long-term shareholder and to continue to support Embracer's future growth and M&A ambitions.

Use of proceeds

The Company intends to use the net proceeds received from the Share Issue to further strengthen the Company's financial position, which will enable the Company to continue executing its successful acquisition strategy by complementing existing operations with new game publishers, game development studios or other assets.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, HONG KONG, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES.

Deviation from shareholder preferential right

The Company's Board of Directors has made an overall assessment and carefully considered the possibility to raise capital through a rights issue, but considers that it, for example, would entail a risk that the Company cannot provide for its capital needs and at the same time maintain an optimal capital structure. Furthermore, certain major shareholders, including Lars Wingefors AB[1], have notified the Company that they do not support a rights issue, since it for example (due to an expected customary substantial discount in rights issues, particularly in this volatile and difficult market) would entail a large dilution for the shareholders compared to the Share Issue. As the Share Issue is concluded with a premium of 15.0 percent compared to the closing price of SEK 89.97 on 7 June 2022 for Embracer's B shares on Nasdaq First North Growth Market and also, among other things, will (i) provide the Company with a significant and reputable long-term shareholder, (ii) further strengthen the Company's financial position to enable the Company to continue executing on its successful acquisition strategy in general, (iii) be conducted in a more time efficient way and at a lower cost and with less complexity than a rights issue, and (iv) the value of a strong balance sheet in the current market situation, the Board of Directors' overall assessment is that the reasons for carrying out the Share Issue outweigh the reasons that motivate the main rule that share issues are to be made with preferential rights for the shareholders. Therefore, the Board of Directors considers that there are strong reasons for deviating from the shareholders' preferential rights and that the Share Issue is also in the best interest of both the Company and its shareholders.

Dilution and changes in share capital, number of shares and votes

The dilution of the Share Issue is approximately 8.1 percent of the number of shares and approximately 5.4 percent of the number of votes in Embracer Group. Through the Share Issue, the number of shares in the Company will increase by 99,884,024 to 1,234,849,852 and the number of votes will increase by 99,884,024 to 1,836,034,318 (in total 1,234,849,852 shares, divided between 66,798,274 A shares and 1,168,051,578 B shares following the Share Issue). The share capital will increase by approximately SEK 138,727.84 from approximately SEK 1,576,341.76 to approximately SEK 1,715,069.60.

Advisers

Nordea Bank Abp, filial i Sverige is Global Coordinator and Bookrunner (the "**Global Coordinator**"). Baker & McKenzie Advokatbyrå KB acts as legal counsel to the Company. Goldman Sachs acts as exclusive financial adviser and Latham & Watkins (London) LLP and Roschier Advokatbyrå AB acts as legal counsel to SGG.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, HONG KONG, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES.

Responsible party

This information constitutes inside information that Embracer Group AB is obliged to make public in accordance with the (EU) Market Abuse Regulation 596/2014. The information in this press release has been made public through the agency of the responsible person set out below for publication at the time stated by Embracer Group's news distributor Cision at the publication of this press release. The responsible person below may be contacted for further information.

For additional information, please contact:

Lars Wingefors, Co-founder and Group CEO Embracer Group AB (publ)

Tel: +46 708 47 19 78

E-mail: lars.wingefors@embracer.com

Beatrice Forsgren, Head of Brand and Communication Embracer Group AB (publ)

Tel: +46 704 52 57 63

E-mail: beatrice.forsgren@embracer.com

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 catalog of over 850 owned or controlled 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 120 internal game development studios and is engaging more than 12,750 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.

Subscribe to press releases and financial information:

<https://embracer.com/investors/subscription/>

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, HONG KONG, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES.

For more information, please visit: <https://www.embracer.com>

[1] Lars Wingefors AB is owned by Lars Wingefors, founder and CEO of Embracer Group, Erik Stenberg, Mikael Brodén, Klemens Kreuzer and Reinhard Pollice, co-founders of Embracer Group.

About Savvy Gaming Group

Savvy Gaming Group (SGG) is a games and esports company founded to drive the long-term growth and development of esports and the wider games industry worldwide. SGG was set up and is 100 percent owned by PIF. As a global champion of this buoyant sector, SGG aims to become a global leader in games and esports through deploying significant capital over long-term horizons.

Its investments will create opportunities for participation and progression in the sector, across gender, geography, means and ability. SGG's investments are intended to drive growth of the sector globally, making it a more supportive, exciting and rewarding place for fans, players, developers, and technology innovators, and facilitating broader, more equitable access to this fast-growing, dynamic sector. SGG's CEO is Brian Ward, former head of worldwide studios at Activision Blizzard.

Important information

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in Embracer Group in any jurisdiction, neither from Embracer Group nor from someone else.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Share Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Global Coordinator. The information contained in this announcement is for background purposes only and does not purport to

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, HONG KONG, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES.

be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. The Global Coordinator is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

This announcement does not constitute a recommendation concerning any investor's option with respect to the Share Issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this announcement and publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. Goldman Sachs is acting for SGG and no one else in connection with the Share Issue and will not be responsible to anyone other than SGG for providing the protections afforded to clients of Goldman Sachs, or for giving advice in connection with the Share Issue or any matter referred to herein.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe to securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, the United States or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus**

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, HONG KONG, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES.

Regulation) and has not been approved by any regulatory authority in any jurisdiction. Embracer Group has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein are only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, “qualified investors” (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company’s intentions, beliefs, or current expectations about and targets for the Company’s future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “may”, “plan”, “estimate”, “will”, “should”, “could”, “aim” or “might”, or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, HONG KONG, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES.

those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertakes to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Growth Market's rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the B shares in Embracer Group have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "EU Target Market Assessment"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the B shares in Embracer Group may decline and investors could lose all or part of their

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, HONG KONG, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES.

investment; the B shares in Embracer Group offer no guaranteed income and no capital protection; and an investment in the B shares in Embracer Group is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other advisers) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Global Coordinator will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the B shares in Embracer Group.

Each distributor is responsible for undertaking its own target market assessment in respect of the B shares in Embracer Group and determining appropriate distribution channels.