

Karlstad, Sweden June 10, 2022

CEO Comment on the Announcement of the Directed Share Issue to Savvy Gaming Group

Everyone,

Since our announcement two days ago regarding the investment by Savvy Gaming Group (SGG) I have received many questions. I would like to share some background and to provide you with a rationale for our decision. I understand and respect that there are different views on this topic. I don't claim to have the right answers, but I want it to be clear that this decision was not taken lightly. I appreciate this opportunity to explain my view on why this investment is an important step for Embracer on our continued journey as a company.

I want to be clear that Embracer will continue to be operated by me, our operative CEOs and management teams across the entire Group. Embracer is built on the principles of freedom, inclusion, humanity and openness. The transaction with SGG will not change this in any way. Embracer is still controlled by the people working in our Group. Together, we control a significant majority of the votes in the company. SGG will own slightly more than 5 percent of the votes and 8 percent of the capital and they have invested in Embracer because they support our current vision, strategy, and leadership, not to change it.

For me, communication and transparency are key, but it's also an increasingly difficult challenge in matters such as this. I believe in listening to, learning from and reflecting on different opinions. This takes some time and I want to be thoughtful in my response.

I have been asked over the past few days why we are accepting investment from an entity in a non-democratic country. To start, we need to look ourselves in the mirror, we are a public company and already have many hundreds of institutions from all parts of the world as shareholders, including investors from the Middle East and Africa (MENA) and Asia region. Many of them have participated in the capital raising during the past years. Many others have joined over the open market. During the process, we have learned that the SGG parent, PIF, is one of the world's largest investors, including sizeable ownership in many of our larger gaming peers. We genuinely believe that SGG, a fully commercial entity, has ambitions within gaming that are genuine in supporting the global ecosystem for our industry that are consistent with and important to the values and culture of our industry. SGG is providing a sizeable, truly long-term capital investment to support our strategy and our management so that we may continue the successful growth of our commercial businesses. My values as a Swedish entrepreneur are unwavering. We are a value-based

company, and our commitment to a decentralized operating model that empowers great people to make their own decisions will always remain.

One of my duties as the leader of a global business is to make the difficult and complex decisions that I believe are in the best interest of our stakeholders including our employees, our customers, the gaming and entertainment industry and our shareholders. In the decision-making process to partner with SGG there were a lot of different considerations to be made, as always. I would like to highlight our high ambition of building a substantial and sustainable company, with its roots in Sweden but with a global presence through all the incredible companies that have joined along the way. This ambition has taken us from 7 persons a decade ago to over 12,500 globally today. We have now built a unique platform for entrepreneurs like no other industry peer. We have started this journey, but there is still a long way to go. This expansion has required capital and we have thanks to our shareholders been able to raise approximately USD 2.5 billion since our IPO 2016. In order to stay as an independent company based in Sweden, we have been searching for more international long-term partners with capital that supports our strategy. For Embracer, there is only a handful of players in the world providing this type of sizable long-term equity capital. Without capital, our journey would notably slow down going forward which could also have many other implications for our businesses. SGG is providing very long-term capital to support our strategy without Embracer having to give up our way of operating or other commercial opportunities.

The initiatives of bringing more long-term shareholders onboard don't stop with SGG, our active discussions with other sizable strategic or non-strategic potential shareholders will continue, as stated in our last quarterly reporting.

Going forward, I believe it is even more important to stay true to and continuously improve our existing governance model, where we stand firm in our operational model, our governance, our work within ESG and sustainability, our commitments to openness and equality that is embodied in our Code of Conduct that guide our operations. Gaming has, in a short period of time, become one of the most important forms of entertainment in both Saudi Arabia and the wider MENA region. There are currently more gamers in MENA than in Europe or the US market, respectively. Embracer and the SGG team led by the long-time industry veteran CEO Brian Ward have spent the last six months learning about each other and sharing thoughts on how we can work together to grow in the future. We have also learned and discussed difficult topics involving non-gaming issues relating to Saudi Arabia. I truly believe in inclusion and the change that can be affected by opening our content to new markets. By bringing more of our products to the MENA region, we have the opportunity to build local connections, support entrepreneurs, employ a diverse group people in our whole ecosystem, promote growth and bring the world closer together through gaming.

Questions have been asked about a potential board seat. Ultimately this is a question for shareholders. However, I think it would be relevant to share my view. Brian has a deep industry knowledge that is valuable to Embracer, and I would be supportive if he personally would like to contribute to the board at a later date as long as he is committed to the time needed. If not, I look forward to building a strong relationship with SGG regardless. Ultimately this will be a matter for him and the shareholders at the AGM or at a later meeting.

I have been asked questions about our work with ESG and sustainability. We are committed to equality, a diverse work environment treats its employees with dignity and cultivating an atmosphere focused on improving the world around us. To be clear, all subsidiaries within the Embracer Group act independently but share common, high ethical standards and transparency. The Group has zero-tolerance against all forms of harassment and discrimination with a strong belief in diversity and inclusivity. I know Brian and the SGG team hold the same views and intend to operate SGG accordingly. The same rules will apply to any company we would establish in Saudi Arabia or the MENA region at large.

Several journalists and investors have also commented on the premium price and asked why SGG didn't buy shares on the open market. As we described in the press release on June 8, we have carefully considered alternative ways of raising capital and also concluded any deviation from a preferential capital raise could only be motivated by SGG investing at a premium to the current share price. I can't comment on why SGG didn't buy shares in the market, but for Embracer, it's obviously much better as we are getting capital injected into the company.

Hopefully, this letter gives more clarity to the questions raised in the past few days.

Yours sincerely,

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Group CEO, Embracer Group AB (publ).

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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 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.

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