

Press release

Karlstad, Sweden, 18 August 2022

Embracer Group Announces the 11th Operating Group: Embracer Freemode

Embracer Group AB (“Embracer”) today announced the formation of Embracer Freemode (“Freemode”), an operative group comprised of certain gaming and entertainment companies owned by Embracer. Freemode is led by CEO Lee Guinchard, a 30-year gaming veteran and entrepreneur. Freemode provides a global strategic, operational, and financial support ecosystem for its collective of small to mid-sized companies to achieve operational efficiency and effectively grow their businesses to fulfil their long-term goals. In addition, Freemode will expand its operating activities in the retro, classic, and heritage gaming category, as well as investing in iconic gaming & entertainment properties.

The newly formed operative group focuses on 6 broad and diverse business market segments including: Retro/Classic/Heritage Gaming & Entertainment, Game Development & Production, Devices, Gear & Collectables, Community & Ecommerce, New Idea & Technology Incubation and Production Services.

“With our announcement of Freemode, we demonstrate our continued commitment to diversified growth into new areas, ultimately preserving yesterday’s classics in addition to expanding further tomorrow’s gaming and entertainment experiences,” says Lars Wingefors, Embracer AB Group CEO.

Freemode strikes the ideal balance of independence with targeted levels of world class operational support, growth capital, and strategic guidance. The founders of acquired companies within this progressive ecosystem maintain autonomy and creative control, whilst also gaining the critical resources to scale.

“Creators by their nature are at the forefront of industry-leading innovation and disruption. Founders are empowered to realize their true creative vision. Ultimately, our goal is to provide our entrepreneur-led companies with the essential resources to deliver the most exciting entertainment experiences for fans around the world.” says Lee Guinchard, Freemode CEO.

CEO Lee Guinchard was co-founder & CEO of Aionic Labs Inc an ideation technology incubator located in Silicon Valley, California. He was also Studio Head of Red Octane Design and VP of Hardware at video game publisher Activision Blizzard for 11 years.

While at Activision Blizzard, he oversaw hardware development, manufacturing, and compliance for multibillion dollar franchises such as Guitar Hero and Skylanders. Lee was also Founder and CEO of Joytech, a global video game accessory company, as well as Founder and Managing Director of LDA Distribution, a leading pan-European video game distributor. Both companies were acquired by Take 2 Interactive in 1999.

We are also proud to officially announce that we recently acquired Tatsujin which is Embracer's first studio located in Japan. Tatsujin is led by Masahiro Yuge, one of the founders of the iconic arcade games studio Toaplan known for games such as Truxton, Snow Bros and Flying Shark. Acquiring the rights to the Toaplan catalogue separately in another deal means Tatsujin with several employees that once created the Toaplan games can now curate these classics and shepherd them into the future.

Freemode also acquired Bitwave Games, a Swedish studio with passion for retro games. With the backing of Freemode, Bitwave can expand the internal development team and build a publishing team. Bitwave will bring the highly regarded shoot 'em up games from Toaplan to PC and publish the NES/Famicom classic platformer Gimmick! on console and modern consoles in the west.

We are also excited to announce that we recently acquired Gioteck one Europe's leading gaming accessory brands. Gioteck has a rich heritage spanning 2 decades. We believe there are great opportunities for Gioteck to collaborate within Embracer as well as the wider gaming industry.

Freemode is headquartered in Karlstad, Sweden with territory offices in Livermore, California, London, UK, and Hong Kong.

Freemode's founding companies are existing Embracer owned businesses that previously reported directly to our group CEO & HQ in Karlstad, Sweden.

Freemode operates 12 Companies in 6 Countries and with a total of 509 Employees.

Founding Freemode Operating Group companies include Embracer companies: Tatsujin (Japan), Game Outlet Europe (Sweden), Clear River Games (Sweden), Quantic Lab (Romania), Bitwave Games (Sweden), Gioteck (United Kingdom), C77 Entertainment (USA) and Grimfrost (Sweden).

For additional information, please contact:

Oscar Erixon, Head of Investor Relations Embracer Group AB (publ)

Tel: + 46 730 24 91 42

Email: oscar.erixon@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

Lee Guinchard, CEO Embracer Freemode AB

Tel: +1 408 649 1100

E-mail: lee.guinchard@embracerfreemode.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 eleven operative groups: THQ Nordic, Plaion, Coffee Stain, Amplifier Game Invest, Saber Interactive, DECA Games, Gearbox Entertainment, Easybrain, Asmodee, Dark Horse and Embracer Freemode. 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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About Bitwave Games (Sweden)

Founded originally as Retroid Interactive in Gothenburg, Sweden, in 2013, Bitwave Games is a developer and publisher of polished, high-quality, accessible, and fun video games mixing the best of the past, present, and future anyone can enjoy.

About Tatsujin (Japan)

A Japanese studio led by veteran Masahiro Yuge. He was one of the original founders of the iconic arcade games studio Toaplan known for their shoot 'em up games. Tatsujin continues the heritage and manages the Toaplan catalogue of classic games such as Truxton, Snow Bros, Flying Shark and Zero Wing known for the line "All your base are belong to us".

About Clear River Games (Sweden)

Founded in 2019, Clear River Games is a Swedish publisher in Karlstad next to "Klarälven – i.e. Clear River". Clear River Games' primary focus is publishing high-quality classic game franchises, modern retro and pixel art games and indie games that inspire gamers and bring back great memories of the past or discover new great games. CRG's vision is to bring the joy of experiencing vintage retro games and revived classic game franchises to players worldwide.

About Game Outlet Europe (GOE) Distribution (Sweden)

Founded in early 2000, that pioneered the Swedish gaming industry in the early 1990s., GOE Distribution is an independent distributor of video games and gaming accessories. GOE distributes a wide assortment of back catalogue and video games from all the smallest to major publishers. GOE is also the official distributor for 8bitdo and Retro-bit accessories and cartridge revivals. Based in Karlstad, Sweden, GOE is doing business globally with more than 40 different countries, including indie stores, big box stores, Amazon global etc.

About Gioteck (United Kingdom)

Established in 2008 Gioteck is one of the Europe`s leading gaming accessories brands. Designed and engineered in the UK. Gioteck accessories offer gaming and audio enthusiasts the latest and most innovative peripherals to improve their overall immersive experience. Gioteck's ethos is to design product with "form follows function" in mind. Whilst our look and feel are extremely important to us, the fundamental design on how the product is used, played with and lasts is priority.

About Quantic Lab (Romania)

Established in 2006, Quantic Lab is a highly experienced outsourcing company specialized in all-platform high-quality testing, UX and localization solutions. With over fifteen years of experience, we are one of the leading European outsourcing companies, contributing through our outstanding activity to the release of thousands of projects worldwide (including games, business applications and more). Quantic Lab takes great pride in its successful long-term partnerships based on integrity and trust.

About Grimfrost (Sweden)

Grimfrost is a Swedish company founded in 2014 with the goal of sharing our heritage and our modern-day lifestyle with the rest of the world. We are dedicated to making and selling the highest quality Viking reproductions on the market, ranging from simple pendants to unique high-end products not found elsewhere. In addition to historical items, we also offer contemporary products that have been inspired by and interpreted from Viking Age culture.

About C77 Entertainment (USA)

C77 is led by Mattias Kylén and Kenny Magnusson; two Swedes with a long history in the game industry. Together they've worked on several award-winning AAA titles, including leadership roles on franchise development teams such as Halo, Battlefield, and Mercenaries. Located in Seattle, our team consists of passionate developers with deep experience in AAA game development and VFX.