

Press release

Karlstad, Sweden, 14 December 2020

## **Embracer Group's co-founders complete consolidation of shareholdings**

**The original co-founders of Embracer Group AB ("Embracer") has notified Embracer that the restructuring, announced in connection with the private placement carried out on 7 and 8 October 2020, has been completed. Through the restructuring, the original co-founders have consolidated their shareholdings in Embracer into Lars Wingefors AB. Following the completion of the restructuring Lars Wingefors AB holds 130,836,066 shares in Embracer, divided on 26,130,102 A shares and 104,705,964 B shares, corresponding to approximately 31 percent of the shares and approximately 51 percent of the votes in Embracer.**

In connection with the private placement on 7 October and 8 October 2020, the original co-founders agreed on the restructuring and consolidation of their shareholdings in Embracer by entering into a binding term-sheet. The original co-founders are Lars Wingefors, Erik Stenberg, Mikael Brodén, Klemens Kreuzer, and Reinhard Pollice (the "Co-Founders").

In connection with the private placement, Lars Wingefors AB carried out a sale of 9,084,703 existing B shares in Embracer (the "Sell-down"). The Sell-down was carried out as part of the consolidation of the original co-founders shareholdings in Embracer. The Sell-down by Lars Wingefors AB was worth SEK 1,471 million. Through the Sell-down Lars Wingefors AB financed the SEK 5.8 billion acquisition of the other Co-Founders' shares.

The rationale of the Sell-down was to enable Embracer to attract new long-term shareholders such as Canadian Pension Plan Investment Board as well as put a long term and evergreen ownership of Embracer in place by consolidating the Co-Founders' shareholdings in Lars Wingefors AB. The Sell-down and consolidation also provided some liquidity to the Co-Founders respective holding companies.

The transactions contemplated under the binding term-sheet are now completed and Lars Wingefors AB has made the following cash payments to the holding

companies of the Co-Founders: Erik Stenberg SEK 630 million, Mikael Brodén SEK 208 million, Klemens Kreuzer SEK 90 million and Reinhard Pollice SEK 16 million. The balance of the transaction has been paid with new B-shares in Lars Wingefors AB. Lars Wingefors AB received net proceeds of approximately SEK 525 million after the completion of the consolidation and Sell-down, giving Lars Wingefors AB a net cash position of approximately SEK 100 million. This cash position will continue to support Lars Wingefors AB's existing long-term operations within real estate and other existing ventures.

The other Co-Founders have become direct owners in Lars Wingefors AB and will no longer own shares directly through their own holding companies in Embracer, except for Klemens Kreuzer, Reinhard Pollice and Erik Stenberg who will hold 559,052 B shares, 200,000 B shares and 4,500,000 B shares, respectively.

Prior to the Sell-down and consolidation Lars Wingefors AB and Wingefors Depå Två AB jointly held 19,504,401 A shares and 88,571,196 B shares. After completion of the consolidation, Lars Wingefors AB holds 130,836,066 shares in Embracer, divided on 26,130,102 A shares and 104,705,964 B shares, corresponding to approximately 31 percent of the shares and approximately 51 percent of the votes in Embracer. The net proceeds of approximately SEK 525 million received by Lars Wingefors AB through the Sell-down and consolidation corresponds to a sale of approximately 3.2 million B shares in Embracer. The number of shares corresponded to approximately 3 percent of Lars Wingefors holdings in Embracer prior to the Sell-down and consolidation. Through the consolidation, Lars Wingefors will hold approximately 81 percent of the capital and approximately 97 percent of the votes in Lars Wingefors AB, with the residual held by the other Co-Founders.

As announced in the press release on 8 October 2020, Lars Wingefors AB, through which the Co-Founders will own their shares, (except for a part still held by Klemens Kreuzer, Reinhard Pollice and Erik Stenberg as set out above) has entered into a lock-up undertaking, with customary exceptions, not to sell any shares in Embracer for a period of 180 calendar days after 12 October 2020.

**For additional information, please contact:**

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## **About Embracer Group**

Embracer Group is the parent company of businesses developing and publishing PC, console and mobile games for the global games market. Embracer Group has an extensive catalogue of over 200 owned franchises, such as Saints Row, Goat Simulator, Dead Island, Darksiders, Metro, MX vs ATV, Kingdoms of Amalur, TimeSplitters, Satisfactory, Wreckfest, Insurgency and World War Z, amongst many others.

With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its six operative groups: THQ Nordic GmbH, Koch Media GmbH/Deep Silver, Coffee Stain AB, Amplifier Game Invest, Saber Interactive and DECA Games. Embracer Group has 55 internal game development studios and is engaging more than 5,000 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](mailto:info@fnca.se) +46-8-528 00 399.

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