

Press Release  
Karlstad, Sweden, 22 May 2025

## **Embracer to spin off Coffee Stain Group – remaining business to be renamed Fellowship Entertainment**

**Following the communication on April 22, 2024, and the separation of Asmodee in February 2025, the next step in the transformation of Embracer Group AB (“Embracer”) is now being initiated. Embracer today announces its intention to spin-off Coffee Stain Group (previous working name “Coffee Stain & Friends”) into a standalone group of community-driven game developers and publishers by the end of calendar year 2025. The shares in Coffee Stain Group will be distributed to the shareholders of Embracer, and are intended to be listed on the Nasdaq First North Premier Growth Market in Stockholm. At the same time, Embracer Group AB are planned to be renamed Fellowship Entertainment (previous working name “Middle Earth & Friends”).**

*“We’re really proud of everything we’ve built as part of Embracer, and grateful for the support and trust we’ve received over the years. Now, as we take the step to become a separately listed company, it feels both exciting and, honestly, a little bit scary—but in a good way.*

*The games industry is more competitive than ever, but also more rewarding if you do things right, and we believe this move gives us the clarity and control to navigate the landscape better on our own terms. We can now focus even more on what we do best—supporting our developers, staying close to our communities, and building an even brighter future for Coffee Stain”,* says Anton Westbergh, co-founder and Group CEO of Coffee Stain.

*“Coffee Stain Group has incredible talent, IPs and communities. To date, it has been a true recipe for success. I am confident in Anton’s strategy and leadership and see a clear long-term opportunity in attracting and enabling partnerships with like-minded independent game developers and talents”,* says Lars Wingefors, co-founder and Group CEO of Embracer.

Coffee Stain Group will consist of more than 250 passionate game developers and publishers, focused on community driven experiences. The group will include Coffee Stain, Ghost Ship and Tuxedo Labs as well as certain studios from Amplifier Game Invest, all based in Scandinavia. Anton Westbergh, CEO and Co-Founder of Coffee Stain, will become Group CEO. The Group’s IPs include award-winning, community driven, evergreen games

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such as Deep Rock Galactic, Goat Simulator, Satisfactory, Teardown, Valheim, and Welcome to Bloxburg. In FY 2024/25, Coffee Stain Group generated, on a pro forma basis, net sales of SEK 1,089 million, Adjusted EBIT of SEK 544 million and EBITDAC of SEK 526 million.

Embracer will at the time of spin-off of Coffee Stain Group be renamed Fellowship Entertainment (previous working name "Middle Earth & Friends"). Fellowship Entertainment will be uniting top creators and intellectual properties, fostering creativity to build unforgettable experiences for the fans. The strategy is to transform into one powerhouse group with game development and publishing at its core, complemented with transmedia capabilities within IP licensing, comics, merchandise, film and distribution. In total, Fellowship Entertainment will have approximately 6,000 employees across more than 30 countries. The group will be steward of the commercial rights to J.R.R. Tolkien's work The Hobbit and The Lord of the Rings, as well as intellectual properties Kingdom Come Deliverance, Metro\*, Dead Island, Killing Floor, Darksiders, Remnant and Tomb Raider, amongst more than 300 other gaming IPs.

Fellowship Entertainment will consist of companies such as 4A Games, Aspyr Media, CrazyLabs, Crystal Dynamics, Dambuster Studios, Dark Horse, Deca Games, Eidos-Montréal, Flying Wild Hog, Gunfire Games, Limited Run Games, Middle-earth Enterprises, Milestone, PLAION, Tarsier Studios, THQ Nordic, Tripwire Interactive, Vertigo Games, and Warhorse Studios amongst more than 40 other companies.

### **Transformation process**

- The shares in Coffee Stain Group will be distributed to the shareholders of Embracer, and are intended to be listed on the Nasdaq First North Premier Growth Market in Stockholm.
- The intention is to carry out the spin-off by way of a dividend distribution of all shares, a so-called Lex ASEA dividend. The current dual share class of A and B-shares will be replicated into the new public company. Subject to approval of the general meeting of Embracer to distribute the shares of Coffee Stain Group and an approval from Nasdaq, it is anticipated that a listing of Coffee Stain Group can be completed by the end of calendar year 2025.
- Fellowship Entertainment (current Embracer Group) will remain listed on Nasdaq Stockholm.
- Further details, including the capital structure of both Coffee Stain Group and Fellowship Entertainment, will be provided ahead of the spin-off

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As previously communicated, the largest shareholder, Lars Wingefors AB, will, in connection with the name change to Fellowship Entertainment, establish a privately held holding company. The new company will be named Embracer AB. It will act as an active and supportive long-term shareholder of Asmodee Group, Coffee Stain Group and Fellowship Entertainment, as well as potentially other companies complementing a wider ecosystem of capabilities within gaming and connected businesses managed by leading entrepreneurs and creators.

**For more information, please contact:**

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**About Embracer Group**

Embracer Group is a global group of creative and entrepreneurial businesses in PC, console and mobile games, as well as other related media. The Group has an extensive catalog of over 450 owned or controlled franchises. With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its operative groups: THQ Nordic, PLAION, Coffee Stain, Amplifier Game Invest, DECA Games, Dark Horse, Freemode and Crystal Dynamics – Eidos. The Group includes 73 internal game development studios and engages over 7,000 talents across nearly 30 countries.

Embracer Group's shares are publicly listed on Nasdaq Stockholm under the ticker EMBRAC B.

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**Attachments**

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