

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name Embracer Group AB (Publ) ("Embracer")		2 Issuer's employer identification number (EIN) 98-1786963	
3 Name of contact for additional information Oscar Erixon	4 Telephone No. of contact +46 730 24 91 42	5 Email address of contact oscar.erixon@embracer.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact Tullhusgatan 1 b		7 City, town, or post office, state, and ZIP code of contact SE-652 09 Karlstad	
8 Date of action 11 December, 2025		9 Classification and description Distribution of shares in Coffee Stain Group AB ("Coffee Stain")	
10 CUSIP number	11 Serial number(s) SE0023615885	12 Ticker symbol EMBRAC-B	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► An Extraordinary General Meeting of Embracer held on 3 November 2025 resolved to distribute all the shares in Embracer's wholly owned subsidiary Coffee Stain to Embracer's shareholders. Embracer completed the distribution on 11 December 2025; for each A share in Embracer, the shareholders received one A share in Coffee Stain; and for each B share in Embracer, they received one B share in Coffee Stain. The record date for entitlement to the Coffee Stain shares was 9 December 2025. The last trading day for Embracer shares with dividend rights was 5 December 2025. The first trading day without dividend rights was 8 December 2025.

The B shares in Embracer are listed at Nasdaq Stockholm Stock Exchange in Sweden. Embracer B shares are traded on Nasdaq Stockholm Stock Exchange under the ticker EMBRAC-B. The A shares are not traded on a stock exchange or any other marketplace.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► A holder's basis in each Embracer share held prior to the distribution should be allocated between that Embracer share and the Coffee Stain share received in respect thereof in proportion to their relative fair market values. U.S. federal income tax law does not prescribe how holders should determine fair market value of a share on the date of the distribution and there are several possible methods for doing so (e.g., market opening, closing or volume weighted average trading price on the date of the distribution). For Swedish tax purposes, the relative fair market values of the Embracer share and the Coffee Stain share are based on the lowest daily trading prices on Nasdaq Stockholm 5 December 2025 and 8 December 2025. Under this calculation, which is based on the decrease in value of the Embracer shares following the distribution, a holder would allocate approximately 67% of its basis in Embracer shares held prior to the distribution to Embracer and approximately 33% to the Coffee Stain shares received.

The approach described above is illustrative and holders of Embracer and Coffee Stain shares are not obligated to follow this approach. Holders are urged to consult their tax advisors regarding whether a different approach should be used.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► On the last day of trading with the rights to receive shares in Coffee Stain (5 December 2025) the lowest price paid for Embracer shares was SEK 85.00. On the first day of trading without the rights to receive shares in Coffee Stain (8 December 2025) the lowest price paid for Embracer shares was SEK 57.18. The Embracer share fell by approximately 33% calculated as $(85.00 - 57.18) / 85.00$, which is allocated to the received Coffee Stain shares. The remaining portion of the basis is allocated to the Embracer shares.

Series B shares in Embracer are publicly traded in Nasdaq Stockholm, while Series A shares are not traded in a regulated market. Therefore, for both Series A and Series B shares, the calculation should be based on the price movement of Series B shares.

Illustrative numerical example below.

Assume the acquisition cost for one Embracer share at the time of distribution is SEK 100.

Accordingly, SEK 67 (0.68×100) should be attributed to the Embracer share, and SEK 33 (0.33×100) to the received Coffee Stain share.

For Paperwork Reduction Act Notice, see the separate Instructions.

Cat. No. 37752P

Form **8937** (12-2017)

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Sections 355(a) and 358(c)
of the Internal Revenue Code of 1986, amended and related Treasury Regulations.

18 Can any resulting loss be recognized? ▶ Embracer's shareholders should not recognize any loss as a result of the distribution of the shares of Coffee Stain.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ For a holder whose taxable year is calendar year, the reportable year is 2025.

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶



Date ▶

13 January 2026Print your name ▶ Ian GulamTitle ▶ Chief of Staff, Legal & Governance**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054