

# **EMBRACER<sup>+</sup> GROUP**

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Press release

Karlstad, Sweden, April 7, 2020

## **Embracer Group announces intention to carry out a Directed new B share**

**INSIDE INFORMATION:** Embracer Group AB (“Embracer Group” or the “Group”) hereby announces its intention of a placement of approximately 5% new Class B shares (the “New shares”) through the issuance of new shares directed to institutional investors, which is intended to be carried out based on the authorization granted by the annual general meeting September 17, 2019 (the “Directed new share issue”). Embracer Group has engaged Carnegie Investment Bank and Joh. Berenberg, Gossler & Co. KG (“Berenberg”), to investigate the conditions for a placement of new Class B shares through a so-called “accelerated bookbuilding” procedure.

Following the successful acquisition and closing of Saber Interactive, the Group is seeking to continue its strategy of successful acquisitions in order to complement its operations with new game publishers, development studios or other assets. The Group has since the announcement of Saber Interactive transaction on February 19, 2020 seen increased appetite from entrepreneurs within the gaming industry to engage in discussions with the Group and sees a growing list of acquisition targets, which are actively being reviewed and assessed. In order to be able to act fast when these attractive opportunities emerge, the Group aims to maintain its strong financial position through the Direct new share issue.

The price of the new shares will be determined through an accelerated bookbuilding procedure, which will begin immediately after publication of this release and end before the commencement of trading on Nasdaq First North Growth Market on April 8, 2020. The bookbuilding procedure may, at the discretion of the Group, close earlier or later and may be cancelled at any time.

In connection with the Directed new share issue, the Group has agreed, with customary exceptions, not to issue additional shares for a period of 90 calendar days after the settlement date. In addition, the principal owners (Lars Wingefors, Co-founder and Group CEO, and Erik Stenberg, Deputy CEO) have agreed not to sell any shares in Embracer Group for the same period of 90 calendar days after the settlement date, with customary exceptions.

### **Advisers**

Carnegie Investment Bank AB (publ) has been appointed Global Coordinator and Joint Bookrunner and Berenberg has been appointed Joint Bookrunner (jointly referred to as “Managers”). Baker & McKenzie Advokatbyrå KB acts as legal counsel to the Group and Gernandt & Danielsson Advokatbyrå KB acts as legal counsel to the Managers in connection with the Directed new share issue.

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## **Responsible party**

This information is such information Embracer Group AB is obliged to make public in accordance with the (EU) Market Abuse Regulation 596/2014. The information in this press release has been made public through the agency of the responsible person set out below for publication at the time stated by Embracer Group's news distributor Cision at the publication of this press release. The responsible person below may be contacted for further information.

## **For more information, please contact:**

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## **About Embracer Group:**

Embracer Group is the parent company of businesses developing and publishing PC and console games for the global games market.

The Group has an extensive catalogue of over 160 owned franchises, such as Saints Row, Goat Simulator, Dead Island, Darksiders, Metro, MX vs ATV, Kingdoms of Amalur, TimeSplitters, Satisfactory, Wreckfest and World War Z, amongst many others. With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its five operative groups: THQ Nordic GmbH, Koch Media GmbH/Deep Silver, Coffee Stain AB, Amplifier Game Invest and Saber Interactive. The Group has 31 internal game development studios and is engaging more than 3,500 employees and contracted employers in more than 40 countries.

Embracer Group's shares are publicly listed on Nasdaq First North Stockholm under the ticker EMBRAC B with FNCA Sweden AB as its Certified Adviser; info@fnca.se +46-8-528 00 399.

For more information, please visit: <http://www.embracer.com>

## **Important information**

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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Directed new share issue must be made on the basis of all publicly available information relating to the Group and the Group's shares. Such information has not been independently verified by the Managers. The information contained

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in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. The Managers are acting for the Group in connection with the transaction and no one else and will not be responsible to anyone other than the Group for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

This announcement does not constitute a recommendation concerning any investor's option with respect to the Directed new share issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this announcement and publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, the United States or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. Embracer Group has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed new share issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to,

and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

## **Forward-looking statements**

This press release contains forward-looking statements that reflect the Group's intentions, beliefs, or current expectations about and targets for the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Group operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Group does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Group nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.

## **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the B shares in Embracer Group have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the B shares in Embracer Group may decline and investors could lose all or part of their investment; the B shares in Embracer Group offer no guaranteed income and no capital protection; and an investment in the B shares in Embracer Group is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have

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sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed new share issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the B shares in Embracer Group.

Each distributor is responsible for undertaking its own target market assessment in respect of the B shares in Embracer Group and determining appropriate distribution channels.