

Press Release
Karlstad, Sweden, 20 May 2026

Embracer Group announces its intention to spin off Fellowship Entertainment on Nasdaq Stockholm

INSIDE INFORMATION: The Board of Directors of Embracer Group AB (“Embracer Group”) today announces the intention to separate the group into two publicly listed companies, through the spin-off of Fellowship Entertainment with a listing on Nasdaq Stockholm planned for calendar year 2027. The main rationale is to further increase management focus to capture the full potential of the high-quality assets in the group and accelerate value creation.

- **Fellowship Entertainment**, an IP-led entertainment company built around game development, publishing and a licensing focus, as the stewards of The Lord of the Rings, Tomb Raider and many other great intellectual properties.
 - Net Sales SEK of 4,393 million on an illustrative historical basis in FY 2025/26 and a total headcount of 2,169 as of 31 March, 2026.
- **Embracer**, a natural home for proven entrepreneurs, supported by a more efficient structure, with enhanced governance, tighter cost control, and disciplined capital allocation.
 - Net Sales SEK of 11,544 million on an illustrative historical basis in FY 2025/26 and a total headcount of 3,518 as of 31 March, 2026.

Starting from Embracer Group’s Q1 FY 2026/27, the company will report through two distinct business segments: Fellowship Entertainment and Embracer. This new structure is designed to enhance transparency and highlight the unique strengths and strategies of each segment, in advance of the spin-off.

“This separation is about sharper management focus and clearer accountability, giving each business the structure and leadership to realize more of its full potential. I am truly excited about Fellowship Entertainment’s prospects to organically grow substantially over the coming years. I am equally optimistic about the potential of the deep portfolio and selective M&A opportunities for a more focused Embracer. As Chair and major shareholder, I am strongly committed to support the preparations to drive value in two listed companies over the long-term”, says Lars Wingefors, Chair of the Board of Embracer Group.

Press Release
Karlstad, Sweden, 20 May 2026

“Our direction is clear: to build a more disciplined group with two distinct businesses, each with a mandate and a structure that supports transparency and execution. I am confident that this is the right path forward to deliver long-term value for our fans, our businesses and IPs, our people, and our shareholders”, says Phil Rogers, CEO of Embracer Group.

Background and strategic rationale:

- Increase management focus to capture the full potential of the valuable or strategic assets and IPs within the group.
- Enable Fellowship Entertainment to accelerate the formation of a group of world-class studios with leading publishing and licensing capabilities.
- Allow Embracer more flexibility to pursue accretive but opportunistic bolt-on M&A, especially to strengthen its already successful and sizable niches in for example, mobile, distribution, retro, films, remakes and remasters.

Fellowship Entertainment

Fellowship Entertainment aims to become an IP-led entertainment company built for growth and enduring momentum, with some of the world's most beloved franchises at its centre as the stewards of The Lord of the Rings and Tomb Raider intellectual properties. As a standalone company, Fellowship Entertainment will have a better structure to maximize the potential of its highly strategic franchises.

Fellowship Entertainment will be the home of critically acclaimed studios and companies: 4A Games, Crystal Dynamics, Dambuster Studios, Dark Horse Media, Eidos-Montréal, Fishlabs, Flying Wild Hog Studios, Gunfire Games, Middle-earth Enterprises, Redoctane Games and Warhorse Studios. Fellowship Entertainment aims to create a new publishing group, operationally consolidating the talents from PLAION and other parts of the group. IPs include Darksiders, Dead Island, Kingdom Come Deliverance, Metro, Remnant, The Hobbit, The Lord of the Rings, Tomb Raider, and many more.

Fellowship Entertainment will report through two business areas:

1. Development & Publishing
2. Licensing

Press Release
Karlstad, Sweden, 20 May 2026

Licensing will focus on dedicated IP management, aiming to transform franchise ownership into recurring revenue streams across games, film, consumer products, and additional areas.

Embracer

Embracer will be a natural home for proven entrepreneurs and creative talents, supported by a more efficient structure, with enhanced governance, tighter cost control, and disciplined capital allocation. This will be combined with optionality from structural initiatives, including a continued focus on profitability and M&A, to drive shareholder value.

Entrepreneurially managed companies with deep heritage include Aspyr, Beamdog, CrazyLabs, Deca, Demiurge, DPI Merchandising, Limited Run Games, Milestone, PLAION Partners, PLAION Pictures, THQ Nordic (including 35 studios and subsidiaries), Tripwire and Vertigo Games. Intellectual properties include owned IPs such as Arizona Sunshine, Biomutant, Destroy All Humans!, Desperados, Gothic, Killing Floor, Kingdom of Amalur, MX vs. ATV, REANIMAL, Ride, Screamer, Titan Quest, Wreckfest, and many more IPs, as well as licenses such as Hot Wheels Unleashed and SpongeBob SquarePants.

Embracer operations will report through four business areas:

1. PC/Console Games
2. Mobile Games
3. Entertainment & Services
4. Other

Transformation structure and process

The Board of Directors proposes that shares in Fellowship Entertainment will be distributed to the shareholders of Embracer Group and listed on Nasdaq Stockholm.

The intention of the Board of Directors of Embracer Group is to carry out the spin off by way of a dividend distribution of all shares, a so-called Lex ASEA dividend. Such dividend is subject to shareholders' approval at a general meeting in Embracer Group. 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 Group and certain other customary conditions, it is anticipated that a listing of Fellowship Entertainment can be completed in calendar year 2027.

Press Release
Karlstad, Sweden, 20 May 2026

As part of the spin-off and ahead of the separation the full capital structure, including both equity and debt, will be reviewed in Fellowship Entertainment and Embracer to create the best possible long-term foundation for each entity as a separately listed company.

Leadership and organization

In addition to Müge Bouillon's role as Group CFO she is appointed as Deputy CEO of Embracer Group, effective today. In this expanded role, her key responsibility is to set up an enhanced governance structure for the Embracer business segment.

Embracer Group's current CEO Phil Rogers and COO Lee Guinchard remain in their respective roles of Embracer Group, with the key responsibility, from today, to prepare Fellowship Entertainment for its spin-off. At the time of spin-off, they will transition to become the CEO and COO of Fellowship Entertainment, along with CFO Müge Bouillon.

A recruitment process for a CEO and CFO for Embracer has been initiated, with a plan to have appointments in place well ahead of the spin-off of Fellowship Entertainment.

Investor presentation

Embracer Group will hold a webcast presentation for investors, analysts, media and other stakeholders today, May 20, at 09:00 CEST, following the company's Q4 presentation on the same date.

Further details regarding the separation process and other key process components, along with FAQ will follow this press release and be available on the company's [website](#).

For more information, please contact:

Oscar Erixon
Head of Investor Relations
Phone: + 46 730 24 91 42
Email: oscar.erixon@embracer.com

Arman Teimouri
Head of Media & Public Affairs
Phone: +46 793 33 05 60
Email: arman.teimouri@embracer.com

Press Release
Karlstad, Sweden, 20 May 2026

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 400 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, DECA Games, Dark Horse, Freemode and Crystal Dynamics – Eidos. The Group includes 53 internal game development studios and engages over 6,000 talents across nearly 30 countries.

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

Subscribe to press releases and financial information [here](#).

This information is information that Embracer Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was submitted for publication, through the agency of the contact persons set out above, at 2026-05-20 06:59 CEST. The persons above may also be contacted for further information.

Attachments

[Embracer Group announces its intention to spin off Fellowship Entertainment on Nasdaq Stockholm](#)