

Press Release  
Karlstad, Sweden, 22 April 2024

## **Open letter by Embracer Group CEO about the transformation into three standalone publicly listed entities**

*Everyone,*

*My journey started more than 30 years ago trading comic books to collectors and I have always dreamt to build something meaningful and significant. For me, building a business is not about reaching a certain size or position, it is about the journey to turn many small and sometimes a few large steps into something greater. Today is clearly a day when we take a bigger step. I am so excited to imagine what the coming decades will bring. At the IPO in 2016 I made a promise to stakeholders that I would be around for at least 25 years - and I still have 17 years left to fulfill that.*

*It has not always been a straight road, but I am very proud of the achievements made possible by thousands of talented individuals who create exceptional content entertaining millions of people worldwide. We have some of the most extraordinary companies and IPs in the games and entertainment industry within Embracer today, and it is my duty to ensure the best possible conditions for continued success.*

*I am convinced that the best is still ahead of us.*

*History has shown that diversified groups like ours can significantly enhance their chances of success by adopting a more agile, fast-moving approach and focusing on well-defined core market segments.*

*Numerous inspiring examples from Sweden illustrate how large enterprises have achieved greater success by dividing into multiple separate specialized companies. I am deeply motivated and inspired by these success stories and believe they offer valuable insights for our own strategic direction. The time is right for Embracer to become three public companies, each boasting sufficient scale, coherent strategies, specialized business models and empowered by visionary leadership teams. Rather than imposing conformity on thriving businesses, we should foster an environment that amplifies existing success. I am confident that this will be easier with three distinct winning formulas in specific market segments.*

*Asmodee is the leading developer, publisher, and distributor of tabletop games on the planet. "Coffee Stain & Friends" will become the leading and most innovative developer of community-driven games for PC/Console and Mobile. "Middle-earth Enterprises & Friends" will be developing immersive world-class entertainment IPs, including the iconic Lord of the Rings, leveraging in-house AAA capabilities and formidable partnerships.*

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*I have always viewed my role as a Group CEO and main owner to be a promotor for successful entrepreneurs, gamemakers and business leaders in achieving more success.*

*This will not change.*

*I today also communicate my intention to form a new long-term ownership structure. This will include the current holdings in Embracer (representing approximately 20% of the capital and 40% of the votes). I intend to remain a long-term, active, committed and supportive owner of all three entities. This structure will be based on the values and ideas that Embracer was founded upon, trust, a long-term mindset, and a desire to embrace different perspectives going forward.*

*There is not one way to do business, but some business models are more similar than others. The same goes for businesspeople. The ambitions may be similar, but the approach differs. The similarities between the businesses that will make up Asmodee, "Coffee Stain & Friends" and "Middle-earth Enterprises & Friends" are striking, but so are also the differences when it comes to go-to-market strategies and business profiles. All the companies have bright futures ahead, by perfecting what is working for each of them, and by continuing to cooperate when it makes sense.*

*There is significant untapped potential within the group, which I am confident the new structure will unleash. This will empower each individual and each team to grow and excel further in their careers as well as provide them with their own leadership and strategic direction.*

*This is the start of a new chapter, a chapter that I intend to remain part of as an active, committed, and supportive shareholder of all three new entities, with an evergreen horizon. Moving towards three independent companies reinforces Embracer's vision of backing entrepreneurs and creators with a long-term mindset, allowing them to continue to deliver unforgettable experiences and entertainment across the globe.*

*I would especially like to thank all employees standing with us in the past challenges. Today marks the first day of the new journey, lets join it together and create the future.*

*This is the start of a new chapter.*

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*Yours sincerely,*

*Lars Wingefors*

**Attachments**

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