

Press Release  
Karlstad, Sweden, 19 November 2024

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## **Embracer Group intends to contribute EUR 400m to Asmodee and presents Asmodee's financial targets, dividend policy and net financial debt**

**INSIDE INFORMATION:** On 22 April 2024 Embracer Group AB ("Embracer Group") announced its intention to list its subsidiary Asmodee Group AB ("Asmodee") as a separate entity through a spin-off to the shareholders of Embracer Group (the "Distribution"). As part of Embracer Group's previously announced divestment of Easybrain, Embracer Group intends to contribute EUR 400 million to Asmodee through an equity investment upon the closing of the divestment (the "Equity Investment"). The proceeds from the Equity Investment are intended to mainly be used to repay gross debt. In conjunction with Asmodee's capital markets day being held today, on 19 November 2024, Embracer Group also announces Asmodee's financial targets, which are aimed at driving profitable growth and maximizing shareholder value, Asmodee's dividend policy and net financial debt position as of 30 September 2024, including Asmodee's intention to refinance its EUR 900 million bank bridge through a debt capital markets transaction.

### **Financial targets**

Ahead of the Distribution and the contemplated listing of the shares of Asmodee on Nasdaq Stockholm, the Board of Directors of Asmodee has resolved to adopt the following financial targets.

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- **Growth:** On average mid-single digit annual organic growth over the medium term[1], further enhanced by M&A.
- **Profitability:** Achieve an Adjusted EBITDA margin[2] in excess of 18 percent in the medium term.
- **Leverage ratio:** Target Leverage Ratio on net debt below 3.0x Adjusted EBITDA in the medium term and below 2.0x Adjusted EBITDA in the long term[3].

*“Asmodee is well-positioned for the future and we are now setting financial targets to reflect our confidence in our growth trajectory. Our aim is to achieve mid-single-digit organic revenue growth over the medium term and an Adjusted EBITDA margin in excess of 18 percent in the medium term. With favorable market dynamics and our focus on innovation and operational efficiency, we are confident in our ability to enhance our products and deliver sustainable value to our stakeholders”,* says Thomas Kægler, CEO of Asmodee.

### **Dividend policy**

Ahead of the Distribution and the listing of the Asmodee shares on Nasdaq Stockholm, the Board of Directors of Asmodee has also resolved to adopt the following dividend policy:

- **Dividend policy:** Distribution of excess liquidity to shareholders after reaching long term Target Net Leverage Ratio below 2.0x Adjusted EBITDA.

### **Net financial debt**

As disclosed in the below table, Asmodee’s net financial debt as of 30 September 2024 was EUR 893 million. In April 2024, a EUR 900 million bank bridge, provided by BNP PARIBAS, J.P. Morgan, Skandinaviska Enskilda Banken, Société Générale and Swedbank, was obtained by Asmodee, with funds distributed to Embracer Group through a dividend. Prior to the Distribution, Asmodee intends to refinance its current bank bridge through a debt capital markets transaction led by BNP PARIBAS and J.P. Morgan. The refinancing process will include public ratings being issued by rating agencies and will be marketed to institutional investors.

Following the closing of Embracer Group’s divestment of Easybrain, which is expected to take place in the first months of calendar year 2025, Embracer Group intends to make a EUR 400 million equity investment in Asmodee. Asmodee is expected to use EUR 300 million of this equity investment to repay gross debt and the remaining EUR 100 million to

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further strengthen its balance sheet ahead of the listing and allow it to resume its value accretive M&A strategy. On a pro-forma basis for the Equity Investment, Asmodee's net financial debt amounted to EUR 493 million as of 30 September 2024, resulting in a net leverage ratio of 2.2x. [4]

<i>EUR million</i>	<b>Sep-24</b>
Cash & cash equivalents	88
Liabilities to credit institutions	(929)
Other financial liabilities	(1)
Lease liabilities	(51)
<b>Net financial debt</b>	<b>(893)</b>
<i>Net leverage ratio [4] [5]</i>	4.1x
Equity Investment	400
<b>Pro forma net financial debt adjusted for the Equity Investment</b>	<b>(493)</b>
<i>Pro forma net leverage ratio adjusted for the Equity Investment [4] [6]</i>	2.2x

### **Additional information**

- Before the end of December 2024, Embracer Group intends to call for an Extraordinary General Meeting (EGM) to resolve on the Distribution of Asmodee to the shareholders of Embracer Group.
- The Distribution of Asmodee is expected to be completed during the first quarter of 2025 ending March. BNP PARIBAS, J.P. Morgan SE, Skandinaviska Enskilda Banken and Société Générale are acting as financial advisors on the Distribution.

[1] "Medium term" refers to 3-5 years.

[2] Adjusted EBITDA is an alternative performance measure applied by Asmodee and defined as EBITDA excluding specific items related to historical acquisitions and items affecting comparability.

[3] "Long term" refers to +5 years.

[4] Post IFRS-16 and based on LTM Adjusted EBITDA of EUR 220 million.

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[5] Excluding M&A commitments of EUR 107 million. Including M&A commitments would imply a net leverage ratio of 4.5x.

[6] Excluding M&A commitments of EUR 107 million. Including M&A commitments would imply a net leverage ratio of 2.7x.

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*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 2024-11-19 07:00 CET. The persons above may also be contacted for further information.*

**About Embracer Group**

Embracer Group is a global group of creative and entrepreneurial businesses in PC/console, mobile and tabletop games and other related media. The Group has an extensive catalog of over 900 owned or controlled franchises. With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its ten operative groups: THQ Nordic, PLAION, Coffee Stain, Amplifier Game Invest, DECA Games, Easybrain, Asmodee, Dark Horse, Freemod and Crystal Dynamics – Eidos. The Group has 103 internal game development studios and is engaging more than 10,000 employees in more than 40 countries.

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

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**About Asmodee**

Asmodee is an entertainment leader specialized in tabletop games, committed to bringing people together through great games and amazing stories. Thanks to its global and passionate workforce of over 2,200 people, players around the world enjoy one of the largest tabletop game IP catalogs with CATAN, Ticket to Ride®, Dobble/Spot it!, Exploding Kittens and hundreds more across a variety of digital and physical platforms. With its operational headquarters in France, Asmodee operates across Europe, North America, South America, Asia and Oceania.

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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.

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 Embracer Group or Asmodee. The financial advisers are acting for Embracer Group in connection with the transaction and no one else and will not be responsible to anyone other than Embracer 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.

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This press release contains forward-looking statements that reflect Embracer Group's intentions, beliefs, or current expectations about and targets for Embracer Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which Embracer 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 Embracer 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. Embracer 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 Embracer 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, unless it is not required by law or Nasdaq Nordic Main Market Rulebook for Issuers of Shares.

**Attachments**

Embracer Group intends to contribute EUR 400m to Asmodee and presents Asmodee's financial targets, dividend policy and net financial debt