

Press Release
Karlstad, Sweden, 14 November 2024

Embracer Group divests Easybrain to Miniclip for a consideration of USD 1.2 billion

INSIDE INFORMATION: Embracer Group AB ("Embracer") has today entered into an agreement to divest the operative group Easybrain to Miniclip, for a consideration of USD 1.2 billion (approximately SEK 12.9 billion) on a cash and debt free basis. The transaction has a strong strategic and financial rationale.

"This transaction transforms Embracer's financial position and puts us in a stronger position to drive value. Easybrain has been an important part of the Embracer family for over three years, contributing to strong value creation during this time. As Easybrain's market is transforming, Miniclip is the right strategic buyer to enable the company to stay at the forefront of the ad-driven mobile game industry. I would like to extend my gratitude to the founders and senior management Oleg Grushevich, Peter Skoromnyi and Matvey Timoshenko, who remain Embracer shareholders and the fantastic Easybrain team for their contributions to Embracer. I am confident that Easybrain will continue to innovate and achieve sustainable growth in the industry," says Lars Wingefors, co-founder and CEO of Embracer.

"We are delighted to welcome Easybrain to Miniclip. We have long admired Easybrain's ability to build loyal and engaged puzzle game communities. The addition of evergreen franchises like Sudoku.com further reinforces our vision to engage a broad audience of players. Oleg and I have known each other for some time, and we are happy to be able to work together to deliver exceptional experiences for our players. The combination of Miniclip and Easybrain brings us closer to our vision of unleashing the gamer in everyone," says Saad Choudri, CEO of Miniclip.

"Embracer has been a wonderful home for the Easybrain team - allowing us to focus on our business and grow in our unique way. We're proud to have contributed to Embracer's story and strength along the way, and we extend our sincere thanks to Lars for being an exceptional partner who has been supportive and trustworthy throughout. Today, Easybrain starts a new chapter, and we are confident that joining forces with Miniclip will enable us to leverage new strengths and deliver even more enriching experiences for our players. This is an inspiring new phase for the Easybrain team, and I'm excited to start working with Saad and look forward to a journey of innovation and growth together," says Oleg Grushevich, CEO of Easybrain.

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Transaction key components

- The purchase price on a cash and debt free basis amounts to USD 1.2 billion (SEK 12.9 billion), for 100% of the company and is paid 100% in cash.
- The expected net proceeds, after transaction costs, hedging costs, advisor fees and other related costs, amounts to approximately SEK 12.7 billion.
- In connection with closing, 5,313,559 B shares issued under clawback will be released to satisfy share earnout obligations.

Embracer financial impact

- Embracer will transform from a net debt position of SEK 13.2 billion as of Q2 FY 2024 /25 to approximately SEK 0.5 billion on a pro forma basis.
- Excluding the debt related to the ringfenced Asmodee structure, amounting to approximately SEK 9.4 billion, pro forma net cash for the remaining Embracer Group amounts to approximately SEK 8.9 billion.
- During FY 23/24 (ending March 2024), Easybrain contributed with net sales of SEK 3,395 million, Adjusted EBIT of SEK 1,392 million, and Adjusted EBITDAC of SEK 1,382 million. User acquisition costs amounted to SEK 1,524 million, representing 45 percent of net sales.

Closing of the transaction

Closing of the transaction is expected to take place in the first months of 2025 and is conditional upon customary conditions including regulatory approvals.

Investor presentation

In connection with Embracer's Q2 presentation on 14 November at 09:00 CET, this transaction will also be addressed. For more information, [see the invitation](#) to the presentation communicated on 7 November 2024.

Advisors

To Embracer, Aream & Co. is acting as financial M&A adviser, Covington & Burling LLP is acting as legal adviser and EY has provided services related to financials and tax.

To Miniclip, Merrill Lynch International ("BofA Securities") is acting as financial adviser, Latham & Watkins is acting as legal adviser and KPMG advised on financial and tax due diligence along with other related advisory services.

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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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BofA Securities, a subsidiary of Bank of America Corporation, is acting exclusively for Miniclip in connection with the transaction referred to in this announcement and for no one else and will not be responsible to anyone other than Miniclip for providing the protections afforded to its clients or for providing advice in relation to such transaction.

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 2024-11-14 06:30 CET. The persons above may also be contacted for further information.

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Attachments

Embracer Group divests Easybrain to Miniclip for a consideration of USD 1.2 billion