

**EMBRACER⁺
GROUP**

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**EMBRACER GROUP
CORPORATE
GOVERNANCE
2019/2020**

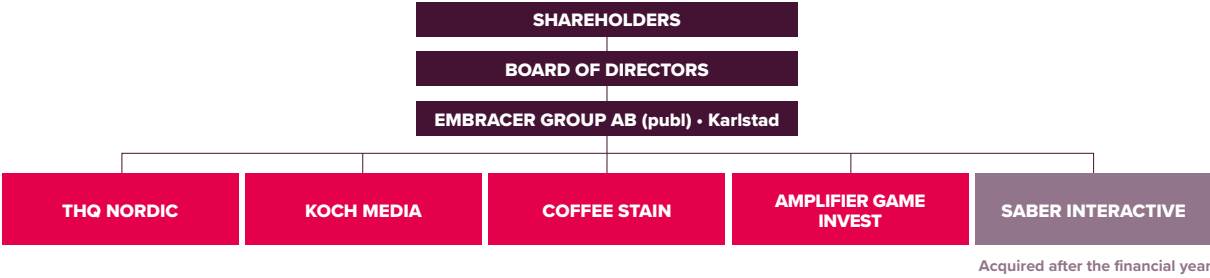


CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE

Embracer Group is a Swedish public limited liability company. Embracer Group’s corporate governance is based on Swedish law, internal rules and instructions, Nasdaq First North Growth Market Rulebook for Issuers and other applicable regulations. Since Embracer Group is listed on Nasdaq First North Growth Market, Embracer Group does not currently apply the Swedish Code of Corporate Governance.



CORPORATE GOVERNANCE

Corporate governance is the system of rules, practices, and processes by which Embracer Group is directed and controlled. It provides the framework for attaining the company’s objectives and to create value in the Group. Well-functioning corporate governance principles to assure shareholders and other stakeholder that the activities of the Embracer Group are characterized by reliability, effective management and control, openness, clarity and good business ethics.

Shareholders’ meeting

Pursuant to the Swedish Companies Act, the shareholder meeting is the company’s highest decision-making body. At the shareholders’ meeting, the shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, appropriation of the Company’s profit, discharge from liability of Board members and the CEO, election of the Board and auditors. In addition to the annual general meeting (AGM), extraordinary general meetings may be convened. In accordance with Embracer Group’s articles of association, convening notices for the annual general meeting and extraordinary general meetings are made by announcement in the Post- och Inrikes Tidningar (the Swedish Official Gazette) and by making the concerning notice available on the Embracer Group website. An announcement that notice has been given is published in Svenska Dagbladet.

Right to attend shareholders’ meetings

All shareholders who are directly registered in the share register maintained by Euroclear Sweden AB five weekdays before the shareholder meeting and have

notified the Company of their intention to participate (with potential assistants) in the shareholders’ meeting not later than the date stated in the notice convening the shareholders’ meeting have the right to attend the shareholders’ meeting and vote for the number of shares they hold. Shareholders may attend the shareholder meeting in person or by proxy and may also be accompanied by a maximum of two assistants. Shareholders can normally register for the shareholders meeting in several different ways stated in the convening notice for the meeting.

Board of Directors

The Board of Directors is the highest decision-making body after the shareholder meeting.

In accordance with the Swedish Companies Act, the Board is responsible for the management and organization of the Company, which means that the Board is responsible for establishing targets and strategies, ensuring that procedures and systems are in place for the evaluation of set targets, continuously evaluating Embracer Group’s financial position and performance, and evaluating the executive management. The Board is also responsible for ensuring that the annual accounts, consolidated accounts and interim reports are prepared on time.

The Board members are elected every year at the AGM for the period until the end of the next AGM, and an EGM can elect new board members, as happened on two occasions after the end of the financial year. According to the Company’s articles of association, the Board, must consist of at least three members at most ten members with no deputy members.

The chairman of the Board is elected by the AGM and has special responsibility for the management of the Board's work and ensuring that the Board's work is well organized and effectively implemented.

The Board follows written rules of procedure, which are revised annually and adopted by the inaugural Board meeting every year, or another board meeting if necessary.

The Board meets according to an annual schedule that is established in advance. Besides these meetings, additional meetings can be arranged to handle questions that cannot be submitted to an ordinary meeting. Besides the Board meetings, the chairman of the Board and the CEO continuously discuss the management of the Company.

At the time of publication, the Company's Board consists of seven members who are presented in more detail in the section "Board of directors".

CEO AND GROUP MANAGEMENT

The CEO is appointed by the Board and has the foremost responsibility for the continuous management of the Company and day-to-day operations. The CEO has extended the management with senior executives supporting the management of Embracer Group's overall business as well as Chief Executive officers representing and responsible for the company's Operative Groups. The division of work between the Board and the CEO is set forth in the rules of procedure for the Board and the instructions for the CEO. The CEO is also responsible for the preparation of the reports and compiling information from executive management for the Board meetings and for presenting such materials at the Board meetings.

According to the instructions for financial reporting, the CEO is responsible for financial reporting in the Company and, accordingly, must ensure that the Board receives adequate information in order for the Board to continuously be able to evaluate Embracer Group's financial position.

The CEO must continuously keep the Board informed of the development of Embracer Group's operations, the amount of sales, the Company's financial position and performance, the liquidity and credit situation, important business events and other circumstances that cannot be presumed to be of insignificant importance to the Company's shareholders for the Board to be aware of (such as material disputes, cancellation of agreements that are important to Embracer Group

and significant circumstances concerning Embracer Group's facilities).

The CEO and other senior executives are presented in more detail in the section "Board of directors" and "Senior executives".

Internal Control

The Board is responsible for the internal control. Internal control includes control over Embracer Group's organization, procedures and actions. The aim is to ensure that reliable and accurate financial reporting occurs, that the Company's and the Group's financial reporting is prepared in accordance with law and applicable accounting standards and that other requirements are met. The System for internal control also aims to monitor compliance with Embracer group's policies, principles and instructions. In addition to this, monitoring takes place of the protection of the Company's assets and that the Company's resources are utilized cost-effectively and appropriately. Moreover, internal control takes place through follow-up in implemented information and business systems and through the analysis of risks.

Risk assessment

Risk management is part of the Board's and management's governance and follow-up of the business. This means identification of the most significant business risks associated with the performance of the company's strategy and overall goals, as well as risks in association with the annual accounts.

The primary scope and focus for the Company's risk assessment process is to manage operational and compliance risks in the respective business operations. Financial risks are managed by the CFO function. Strategic risks are managed directly by senior management on relevant levels as an integrated part of running the business operations.

The Board follows up frequently on risk exposure to ensure the ability to reach business strategies and goals. The CEO is responsible for continuous management of all risks within the business and to ensure action plans are implemented when needed to minimize the probability and impact of identified risks.

Internal Audit

In 2019, Embracer Group established a Group Internal Audit function which performs risk-based reviews of the corporate governance and internal control procedures within the Group. Internal Audit is an inde-

OVERVIEW BOARD OF DIRECTORS AND INDEPENDENCE

Name	Position	Member since	Attendance	Independent in relation to:	
				The Company and the Company management	Major shareholders
Kicki Wallje Lund	Board member (Chairman)	2016	27/27	Yes	Yes
Lars Wingefors	Member of the Board	2002	27/27	No	No
Erik Stenberg	Member of the Board	2002	27/27	No	No
Jacob Jonmyren	Member of the Board	2018	27/27	Yes	Yes
Ulf Hjalmarsson	Member of the Board	2018	26/27	Yes	Yes
David Gardner	Member of the Board	2020	-/-	Yes	Yes
Matthew Karch	Member of the Board	2020	-/-	No	No

pendent function that formally reports to the Board; findings are also reported to Group Executive Management and business area management. The outputs of the reviews include action plans for improvement.

Board meetings 2019/2020

In 2019/2020, the Board held 27 recorded meetings (of which 17 per capsulam), of which one was the statutory meeting. The Board members' attendance is shown above.

At regular Board meetings the CEO presented analyses and reports of the ongoing operations and development potential in the business areas. These analyses were discussed and assessed by the Board with a focus on each business area in the Group as well as in the context of overall strategic discussions.

The Board has also devoted time to ensure that the company has appropriate systems for following up and controlling the company's business and the risk for the company as well as further increased the focus on the corporate governance model and key governing policies. An important part of the Board's work is the financial reports presented, the interim reports and the year-end report. The Embracer Group's auditor also attended two Board meetings during which Board members had the opportunity to pose questions to the auditor.

The implementation of the Sustainability framework and its approach has been discussed and assessed by the Board with a focus on the projects initiated.

The Board has paid particular attention to potential strategic acquisitions and a series of major investments during the year as well as updated its long-term financial strategy for the Embracer Group.

The Board has regularly discussed and reviewed strategic priorities relevant for the business areas as well as in the context of the overall growth strategy for the Group. The Board has also devoted time to both internal and external presentations of the global gaming market trends.

BOARD OF DIRECTORS



KICKI WALLJE-LUND Born: 1953

Chairman of the board, elected 2016

Education/background: Kicki Wallje-Lund has experience in business development from a variety of international companies, especially in the IT sector. She has held leading global positions in companies like NCR, Digital Equipment, AT & T, Philips, ICL and Unisys.

Current assignments: Board member of C-Rad AB (publ).

Holdings in the Company: As of 31 March 2020, Kicki Wallje-Lund held 45,600 Class B shares in Embracer Group AB (publ).



ERIK STENBERG Born: 1963

Board Member, elected 2002

Deputy CEO

Education/background: Erik Stenberg has a Degree of Master of Science in Business and Economics from Högskolan Karlstad (today Karlstad University) and a long and solid experience in business management.

Current relevant assignments: Erik Stenberg is a Board member of Xagonus Zagonus AB and Stonemountain Invest AB. He is also chairman of the Board of Tingvalla Invest AB.

Holdings in the Company: As of 31 March 2020, Erik Stenberg held 4,223,172 Class A shares and 19,177,800 Class B shares in Embracer Group AB (publ).



LARS WINGEFORS Born: 1977

Founder of Embracer Group

Board member, elected 2002

Education/background: Lars Wingefors is founder and CEO of Embracer Group. Lars Wingefors started his first company at the age of thirteen. He has a broad and long experience in entrepreneurship and business management.

Current relevant assignments: Lars Wingefors is a board member and CEO of Lars Wingefors AB. He is also a Board member of Wingefors Depå Två AB, Wingefors Invest AB och Lars Wingefors 2 AB.

Holdings in the Company: As of 31 March 2020, Lars Wingefors held through companies, 19,504,401 Class A shares and 88,571,196 Class B shares in Embracer Group AB (publ).



JACOB JONMYREN Born: 1980

Board member, elected 2018

Education/background: Jacob Jonmyren holds a M.Sc in Accounting and Financial Management from Stockholm School of Economics and has studied Finance at University of Wisconsin – Madison and Media & Communication Studies (Master level) at Stockholm University, where he was president of the Student Association at the Department of Journalism, Media & Communication. Jacob Jonmyren has long experience from the financial markets. He has been invested in the stock market since the age of nine and has for the last thirteen years been employed at RAM Rational Asset Management, a Swedish, independent asset management company with focus on absolute return.

Current assignments: Jacob Jonmyren is Partner, Portfolio Manager and Head of Research at RAM ONE AB and member of the Board at Jacob Jonmyren Kapital AB and World Market Coverage i Stockholm AB.

Holdings in the company: As of 31 March 2020, Jacob Jonmyren held 10,500 Class B shares in Embracer Group AB (publ).



ULF HJALMARSSON Born: 1956

Board member, elected 2018

Education/background: Ulf holds a M.Sc in Accounting and Financial Management from Lund’s University and has served as an officer in the Swedish armed forces. Ulf has long experience from the financial markets and, has amongst other things, been the head of corporate finance Sweden at Aros Securities AB, financial analyst and portfolio manager and head of corporate finance at AB Investor/Förvaltnings AB Providentia.

Current assignments: Chairman of the Board in Hjalmarsson & Partners Corporate Finance AB, director of the Board in Lannebo Fonder AB, Connecting Capital Holding AB and Stiftelsen Kungafonden.

Holdings in the Company: –



MATTHEW KARCH Born: 1971

Board member, elected 2020

CEO and Co-founder of Saber Interactive

Education/Background: Matthew has a Bachelor of Arts from Washington University and a Juris Doctor from University of Pennsylvania. He has extensive experience in game design and development, business and legal affairs and is fluent in Russian.

Current assignments: Matthew Karch is the founder and CEO of Saber Interactive, a game development company within the Embracer Group with studios in multiple locations across the globe. Matthew started the company in 2001 after a brief career as an attorney. He has experience in game development, ranging from design and licensing to business development and has for the past 19 years, served as CEO of Saber Interactive.

Holdings in Embracer Group: As of 1 April 2020, after the completed acquisition of Saber Interactive, Matthew Karch held 3,679,504 Class A shares and 20,347,077 Class B shares.



DAVID GARDNER Born: 1965

Board member, elected 2020

Education/background: David Gardner has a solid industry background and experience. He met Electronic Arts founder Trip Hawkins in 1981, and David became part of the founding team behind EA. He went on to establish EA’s European Business Unit in 1986 and lead it as it grew to USD 1 billion in gross revenue and 1,200 employees. David became part of EA’s global management team based in California from 2004 to 2007 when he then returned to Europe to live there with his family. David became CEO of Atari S.A. where the turnaround goal was marked by the successful sale of Atari’s distribution companies, the privatization of the US unit and the acquisition of Cryptic Studios.

Current assignments: David is co-founder and general partner of London Venture Partners LLP, a VC-company founded in 2010. Based in London and Berlin, London Venture Partners focus on companies in the gaming industry at an early stage.

Holdings in the Company: –

AUDITOR

The auditor of Embracer Group is Ernst & Young AB, with Ulrich Adolfsson (born in 1965) as auditor-in-charge since the 2006 annual general meeting. Ulrich Adolfsson is an authorized public accountant and member of FAR.

SENIOR EXECUTIVES



LARS WINGEFORS Born: 1977

Founder and CEO of Embracer Group

Board member, elected 2002

Education/background: Lars Wingefors is founder and CEO of Embracer Group. Lars Wingefors started his first company at the age of thirteen. He has a broad and long experience in entrepreneurship and business management.

Current relevant assignments: Lars Wingefors is a board member and CEO of Lars Wingefors AB. He is also a Board member of Wingefors Depå Två AB, Wingefors Invest AB och Lars Wingefors 2 AB.

Holdings in the Company: As of 31 March 2020, Lars Wingefors held through companies, 19,504,401 Class A shares and 88,571,196 Class B shares in Embracer Group AB (publ).



ERIK STENBERG Born: 1963

Deputy CEO

Board Member, elected 2002

Education/background: Erik Stenberg has a Degree of Master of Science in Business and Economics from Högskolan Karlstad (today Karlstad University) and a long and solid experience in business management.

Current relevant assignments: Erik Stenberg is a Board member of Xagonus Zagonus AB and Stonemountain Invest AB. He is also chairman of the Board of Tingvalla Invest AB.

Holdings in the Company: As of 31 March 2020, Erik Stenberg held 4,223,172 Class A shares and 19,177,800 Class B shares in Embracer Group AB (publ).



JOHAN EKSTRÖM Born: 1977

CFO, appointed 14 August 2019

Education/background: Johan Ekström holds a M.Sc in business administration from Stockholm School of Economics. He has an extensive background in accounting, reporting and financial control from previous positions at Crem International, Permobil and PwC.

Current assignments: Johan Ekström has no other current assignments.

Holdings in the Company: As of 31 March 2020, Johan Ekström held 4,638 Class B shares in Embracer Group AB (publ).

CHIEF EXECUTIVE OFFICERS



KLEMENS KREUZER Born: 1976

CEO, THQ Nordic GmbH, employed 2011

Education/background: Klemens Kreuzer has a Masters degree in Business Administration from the Vienna University of Economics and Business. He also has experience from business management.

Current assignments: Klemens Kreuzer has no other current assignments.

Holdings in the Company: As of 31 March 2020, Klemens Kreuzer held, through companies, 605,352 Class A shares and 2,748,963 Class B shares in Embracer Group AB (publ).



KLEMENS KUNDRATITZ Born: 1962

CEO, Koch Media, employed 1994

Education/background: Klemens Kundratitz holds a Doctor of Law degree from Leopold-Franzen-University in Innsbruck and has a strong track record within the gaming and entertainment industry. He is among other things co-founder of Koch Media and has developed the company and as its Managing Director and CEO. Klemens Kundratitz is also the founder of Deep Silver, the games publishing label of Koch Media.

Current assignments: Klemens Kundratitz has no other current assignments.

Holdings in the Company: As of 31 March 2020, Koch Media Holding GmbH held 1,127,928 Class B shares in Embracer Group (publ). Koch Media Holding GmbH (previously Parent Company in the Koch Media Group) is partly owned by Klemens Kundratitz, co-founder and CEO of the Koch Media Group.



ANTON WESTBERGH Born: 1985

CEO, Coffee Stain, employed 2013

Education/background: Anton Westbergh studied computer science at the University of Skövde, and have extensive experience in game and business development.

Current assignments: Anton Westbergh has no other current assignments.

Holdings in the Company: As of 31 March 2020, Anton Westbergh held, through companies 1,206,333 Class B shares in Embracer Group AB (publ).

CHIEF EXECUTIVE OFFICERS



PER-ARNE LUNDBERG Born: 1970

CEO Amplifier Game Invest AB, employed since 2018

Education/Background: Per-Arne has 16 years of experience in the Games Industry. As head of The Game Incubator, he participated in and developed over 80 game companies, amongst others Coffee Stain Studios, Pieces Interactive, ACE and Flamebait Games. He has a broad experience in business development, financing, and goto-market strategies for start-ups and scaleups, in both Sweden and Silicon Valley, where he held a one-year Fellowship from VINNOVA at Nordic Innovation House during 2017.

Current assignments: Member of the Board, Forsway Scandinavia.

Holdings in Embracer Group: As of 31 March 2020, Per-Arne Lundberg held 2,170 Class B shares in Embracer Group AB (publ).



MATTHEW KARCH Born: 1971

CEO and Co-founder of Saber Interactive

Board member, elected 2020

Education/Background: Matthew has a Bachelor of Arts from Washington University and a Juris Doctor from University of Pennsylvania. He has extensive experience in game design and development, business and legal affairs and is fluent in Russian.

Current assignments: Matthew Karch is the founder and CEO of Saber Interactive, a game development company within the Embracer Group with studios in multiple locations across the globe. Matthew started the company in 2001 after a brief career as an attorney. He has experience in game development, ranging from design and licensing to business development and has for the past 19 years, served as CEO of Saber Interactive.

Holdings in Embracer Group: As of 1 April 2020, after the completed acquisition of Saber Interactive, Matthew Karch held 3,679,504 Class A shares and 20,347,077 Class B shares.



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Embracer Group AB (publ)
Älvgatan 1
SE-652 25 Karlstad, Sweden
embracer.com