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Karlstad (Sweden), August 13 2020

Embracer Group acquires New World Interactive

Embracer Group AB ("Embracer"), through its wholly-owned subsidiary Saber Interactive, has today entered into an agreement to acquire 100 percent of the shares in US/Canada based New World Interactive LLC ("NWI"). NWI is an award-winning indie-spirited creator and developer of First-Person-Shooter ("FPS") IPs for PC founded in 2010 in North America. Through the acquisition, Embracer Group adds its first studio in Canada and establishes a strong foothold for further growth.

NWI consists of a passionate team of approximately 40 people headquartered in Denver, CO (USA) with a development studio in Calgary, AB (Canada) including approximately 35 game developers led by Keith Warner (CEO). NWI has released three proprietary PC titles, developed a dedicated fanbase of more than 10 million gamers and is working with an exciting project pipeline with the potential to achieve AAA results in the marketplace. The purchase price will not be disclosed. Embracer expects to recoup its investment over the course of approximately 3 years as current development projects are released. Closing of the transaction is conditional upon customary conditions and closing is expected to take place during the [third calendar quarter 2020].

"NWI is a gamer-centric company that has created great franchises with devoted and loyal fans. With the aid of Saber's backend technology, NWI will be better positioned to leverage its capabilities for providing games as a service. Saber will also provide resources to bring NWI's hit titles to new platforms where we expect revenues will greatly increase. We are excited for them to join our growing team of talented developers." says Matt Karch, CEO Saber Interactive Inc., Director of the Embracer Board

NWI was founded in 2010 as a remote mod-team and has throughout the years developed into a PC FPS specialist best known for the creation of the team-based multiplayer series Insurgency. The game Insurgency was first released in 2014 and the sequel to the original game, Insurgency: Sandstorm, was released in 2018. In June 2020, NWI released the first batch of additional content to Insurgency: Sandstorm and will continue to serve its dedicated fanbase with quarterly releases going forward. Together, approximately 7 million copies of the Insurgency series have been sold on PC alone and the original game holds a 90 percent rating on Steam. NWI has also developed Day of Infamy, taking Insurgency's gameplay and bringing it to World War II, which was released in 2017. To date, NWI's three proprietary titles have collectively generated more than MUSD 50 in revenues.

Following the success of Insurgency in 2014, the team doubled in size between the years 2014 and 2017 with a studio in Denver where the core team worked. In 2019, as Insurgency: Sandstorm was released and in anticipation of sustained growth after a successful launch, the company opened a studio in Calgary, ON (Canada). Today NWI engages 39 onsite FTEs and 6 freelancers in Calgary, AB (Canada) and Denver, CO (USA). The near-term target is to add another 50+ people in Canada with the Calgary studio and the addition of a new studio in Montreal. NWI is currently working on a new unannounced owned IP and has partnered with Saber Interactive Inc ("**Saber**") for the Console versions of Insurgency: Sandstorm expected to be released in the first half of 2021. Keith Warner (CEO) and the leadership team at NWI are retained and will continue to operate as an independent studio within Saber.

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“As part of Embracer Group and Saber Interactive, NWI will have access to publishing, marketing and other development resources to help grow and scale quickly. This will among other things improve development quality and add new platforms – we’re simply delighted to join” says Keith Warner, CEO NWI

Background and Rationale

Through the acquisition, Embracer adds a passionate team, successful IPs and establishes a foothold for further growth in Canada while also strengthening its footprint in the US. This is in line with Embracer long-term strategy of acquiring game franchises and development studios. The Calgary studio will mark Embracer’s first owned studio in Canada, the worlds third largest market for games development¹, offering a deep talent pool and reduced costs of development relative to other territories. Embracer will support NWI to realize its expansion plan in Canada with the Calgary studio and the addition of a new studio in Montreal.

Embracer is acquiring 100 percent of the share capital in NWI paid with cash and newly issued B shares in Embracer priced at a 20 day volume weighted average price of Embracer B shares on Nasdaq First North Growth Market up to and including 12 August 2020. NWI will operate as an independent studio under Saber. Embracer sees great opportunity to further exploit the partnership between NWI and Saber on both existing and new IPs and to capture the bulk of NWI’s revenues internally going forward.

NWI will continue to serve its growing fanbase of 10 million gamers, that have proven willing to spend time and money on additional content, with quarterly releases and will leverage Saber’s backend technology to expand its service capabilities and support the shift to a Premium GaaS and LiveOps model.

Closing of the transaction is conditional upon customary conditions and closing is expected to take place during the [third calendar quarter 2020].

Advisers

Ernst & Young AB is providing transaction support and Baker McKenzie is acting as legal counsel to Embracer in the transaction.

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About Embracer Group:

Embracer Group is the parent company of businesses developing and publishing PC and console games for the global games market.

The Group has an extensive catalogue of over 170 owned franchises, such as Saints Row, Goat Simulator, Dead Island, Darksiders, Metro, MX vs ATV, Kingdom Come: Deliverance, TimeSplitters, Satisfactory, Wreckfest, Destroy All Humans!, World War Z and SnowRunner, amongst many others. With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its five operative groups: THQ Nordic, Koch

1) ESAC and Nordicity (2019)

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Media/Deep Silver, Coffee Stain, Amplifier Game Invest and Saber Interactive. The Group has 33 internal game development studios and is engaging more than 4,000 employees and contracted employers in more than 40 countries.

Embracer Group's shares are publicly listed on Nasdaq First North Growth Market Stockholm under the ticker EMBRAC B with FNCA Sweden AB as its Certified Adviser; info@fnca.se +46-8-528 00 399.

For more information, please visit: <http://www.embracer.com>

Forward-looking statements

This press release contains forward-looking statements that reflect Embracer's intentions, beliefs, or current expectations about and targets for Embracer's and the group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company 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 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 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 nor anyone else undertakes 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.