Embracer Group acquires 4A Games
13 August 2020
4A Games: AAA developer behind the Metro franchise

**The Business**

**Top-Tier AAA Developer**
- Longstanding relationship with Deep Silver/Koch Media
- Initiating development of a brand new AAA IP

**Leading Proprietary Tech**
- Best-in-class FPS engine that has powered all of 4A’s games
- Developed in-house over 15+ years and constantly evolving

**The Deal**

**Enterprise Value**
- $36m whereof $20m in shares
- Net cash: c.$9m (at closing)

**Long Term Commitment**
- Up to $35m in earnout over five years — strong goal alignment and financial incentives
- 4A remains independent under Saber Interactive with continued focus on AAA projects

**The Future**

**Synergies**
- Internalize long-term value creation of current and future titles
- Royalty and development cost savings
- Strengthen Saber Interactive’s Ukraine presence
- Combine 4A and Saber’s tech
- IP catalog

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**Note:** Financials based on unaudited preliminary management accounts and estimates prepared in local GAAP. Consideration and earnout shares represent newly issued EMBRAC B shares priced at VWAP 20 subject to claw-back rights. 1) Embracer acquires 100% of 4A Games for approximately $36m paid on a cash and debt free basis whereof $20m in shares (c.1.2m shares). Net cash position of c.$9m at closing is assumed by Embracer at closing. 2) Earnout conditional on operational targets as well as CEO and key management retention, whereof 50% paid in cash and 50% paid with up to c.1.2m shares.
Veteran team with a diverse and unique set of backgrounds

DEVELOPERS 87%
ADMIN 13%

2006 ANNO
150+ FTEs

KIEV: c.80 FTEs
MALTA: c.70 FTEs

12 NATIONALITIES
83% MALE
17% FEMALE

c.95% RETENTION

STUDIO EXPANSION PLAN

GROW CURRENT STUDIOS
OPEN NEW STUDIO

+40 FTEs

150+

12

TODAY

2006 ANNO
0.95% RETENTION
History of 4A Games

Inception: Kyiv (2005)
By game industry veterans

2005
Inception: Kyiv

2010
Teamed up with Deep Silver as publisher for Metro 2033

2013
Moved HQ and 50+ employees from Ukraine to Malta

2014

2017

2019
150+ FTEs with continued focus on AAA experiences

AAA TITLE IN PRODUCTION
INITIATING A BRAND NEW AAA IP PROJECT
“It’s a new age for the Metro series, and Exodus is everything you’ve hoped for.”

“it’s one of the best shooters in years”

“an exquisite post-apocalyptic triumph”

“4A games has nothing left to prove”

“this game is damn good”
Leading technology developed in-house since 2005

NATIVELY MULTI-PLATFORM AND SCALABLE

INTEGRATIONS INCLUDE

BEST-IN-CLASS FPS TECHNOLOGY

ROBUST FUNCTIONALITY: LIMITED 3RD PARTY DEPENDENCY

POWERED ALL OF 4A's GAMES

Note: 1) Integration with Saber’s LiveOps soon to come
Joining Embracer and slotting within Saber Interactive gives 4A ample opportunity for growth and expansion

4A GAMES + SABER INTERACTIVE

Continue to explore the Metro series with Glukhovsky and Deep Silver

Ongoing collaboration on new project
- 4A’s AAA acumen
- Combined tech
- Saber Interactive’s multiplayer and LiveOps expertise

Initiating development of brand new AAA IP
Leverage decades of experience side by side
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 catalog 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 in Karlstad, Sweden, Embracer Group has a global presence through its five operative groups: THQ Nordic, Koch Media/Deep Silver, Coffee Stain, Amplifier Game Invest and Saber Interactive. The group has 33 internal game development studios engaging more than 4,000 employees and contracted employers in more than 40 countries.