

Press release
Karlstad, Sweden, 18 November, 2020

Embracer Group acquires Coffee Stain North

Embracer Group AB ("Embracer") has today entered into an agreement to acquire the remaining 40 percent of the shares in Coffee Stain North AB ("CSN"), from the nine original founders. CSN is a 22-person strong game studio located in Stockholm, Sweden. The acquisition makes CSN a wholly owned subsidiary of Coffee Stain Holding AB ("Coffee Stain").

"We're really happy to get this deal done. We've worked with CSN since 2013 and their team is a great addition to the Coffee Stain group. There's some really exciting stuff being worked on that we can't wait to share with the world!" says Anton Westbergh, CEO Coffee Stain Studios.

Background and rationale

CSN is a game development studio founded in 2013. The studio, consisting of a smaller team of 22 dedicated developers, is based in Stockholm, Sweden. CSN has been a longstanding partner of Coffee Stain Studios and a partly owned subsidiary since 2018. CSN has collaborated on the phenomena Goat Simulator and developed the original title A Story About My Uncle. CSN currently has a title in production with expected release during 2021, an ongoing collaboration with Coffee Stain Studios since 2017.

With the acquisition, Coffee Stain look forward to continuing the longstanding partnership with the team of CSN.

Purchase Price

The parties have agreed not to disclose the full transaction terms due to commercial reasons. The upfront consideration consists of a mix of cash and Embracer B shares. The earn-out consideration is based on financial targets up until 2028 (8 years).

Completion of the transaction

The transaction is not subject to any further condition and is completed as of November 18, 2020.

Advisers

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

For additional information, please contact:

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About Embracer Group

Embracer Group is the parent company of businesses developing and publishing PC, console and mobile games for the global games market. Embracer Group has an extensive catalogue of over 190 owned franchises, such as Saints Row, Goat Simulator, Dead Island, Darksiders, Metro, MX vs ATV, Kingdoms of Amalur, TimeSplitters, Satisfactory, Wreckfest, Insurgency and World War Z, amongst many others.

With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its six operative groups: THQ Nordic GmbH, Koch Media GmbH/Deep Silver, Coffee Stain AB, Amplifier Game Invest, Saber Interactive and DECA Games. Embracer Group has 46 internal game development studios and is engaging more than 4,000 employees and contracted employees 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.

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