Embracer Group acquires Aspyr Media
3 February 2021
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Saber Interactive acquires Aspyr

Today’s speakers

MICHAEL ROGERS
Co-founder
CEO

TED STALOCH
Co-founder
EVP Publishing
Management team

Daily leaders

MICHAEL ROGERS
Co-founder
CEO
+24 years with Aspyr

Lifelong game enthusiast and driven entrepreneur

TED STALOCH
Co-founder
EVP Publishing
+24 years with Aspyr

Driving licensing and development teams

Senior team
Collective experience of 100+ years within the gaming industry

RYAN ANSON
VP HR

ANABEL BALDERAS
Head of Finance

DANIEL HAGEN
IT Director

DAN PRIGG
VP Production

VISION
Creating games celebrated across the universe

VALUES
We create value in all our relationships

QUALITY
We perform beyond the value expected in our products, services, and results

TRUST
We do what we say. You can count on us.

LONGEVITY
We build long-term value across products, services, and relationships

RELATIONSHIP
We strive to have people want to work with us today and tomorrow

PROFITABILITY
We create profitable partnerships and projects
About Aspyr

25-years in development and publishing
Over 200 games for all platforms

HQ’d in Austin, TX, we are 140+ and growing
Our employees stay with Aspyr for an average of almost 8 years - so we truly are all in this together

Founder-owned and operated, Michael & Ted founded Aspyr Media in 1996
With the mission of bringing the industry’s most celebrated games to new platforms

Trusted business development relationships
11 of 15 of the world’s largest video game publishers

An extensive global network of external specialized teams
Supporting product and publishing needs to create efficiency and scale

Aspyr Studio Libraries: a proprietary technology
Helps reduce port times by 75% - we can easily expand the reach of partner brands to new audiences
Timeline
Selected corporate and commercial highlights

- **1996**: Founded aspyr
- **1998**: Produced Stubb’s the Zombie for Xbox and PC
- **2003 - 2006**: Contracts with Lucasfilm on 4 Star Wars Games
- **2011 - 2015**: 60%+ Market Share in Mac OS Gaming
- **2016 - 2018**: Release of Civilization V on Mac in partnership with 2K
- **2019**: Release of 1st internally published game, Layers of Fear, on Xbox, PlayStation, PC and Mac
- **2019**: Release of Civilization VI on iOS and Mac
- **2019**: Major ongoing game development project with a approx. budget of USD 70 million.

- **1998**: Contracts with 2K for Civilization IV
- **2003 - 2006**: Contracts with Lucasfilm on 4 Star Wars Games
- **2003 - 2006**: Release of original Star Wars KOTOR on IOS and Android
- **2011 - 2015**: Release of Civilization IV on Mac in partnership with 2K
**Publishing**

**Best in class Sales, Marketing and Business Development specialists**
Supported by operational expertise who launch digital and physical video games globally

<table>
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<tr>
<th>Marketing</th>
<th>Insights</th>
<th>Business Development</th>
<th>Customer Relations</th>
<th>Sales</th>
<th>Publishing Operations</th>
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**Publishing Technology**
ProLog

In game player communication platform that benefits players, developers and publishers by:

- Increasing sales
- Increasing engagement
- Increasing player communication
- Increasing customer satisfaction

**Key Partner Relationships**

Maintains partnerships with key publishers and platform owners to continue to port and publish games on additional platforms

- Typical agreement: Aspyr incurs development costs. Then works with the publisher and distribution partners to bring the game to market.
- Minimal expenses related to the maintenance and upgrades of games.
- Incoming revenue is predominantly profit (except for publishing royalties, varying by game)
Studio

Relentless over-delivery for our players and partners

Creative Leadership  Engineering Expertise  Quality Assurance & Production  Lifelong Support

Studio Technology
Aspyr Studio Libraries

- Allows Windows games to be customized and played on non-Windows platforms
- Works on proprietary engines as well as industry standard technology
- Supports Mac, Linux, iOS, Android, Switch, Xbox and PS4 as targets
Typical content profiles

**Small:**
6-12 month projects

Externally created independent IP that allow Aspyr to perform low-risk market experiments around customers, monetization, genres, or technology and opportunities for IP/studio ownership.

**Medium:**
12-24 month projects

Internally and externally developed branded games including re-releases, remakes and small scale branded original games which provide a foundation for future investments.

**Large:**
24+ month projects

Internally and externally developed games including remakes and large scale original development which come with a large established audience.
### Transaction

**Upfront purchase price**

$100m (cash and debt free basis)
Paid with $60m in cash, $40m in shares

Acquired from founders Michael Rogers and Ted Staloch

**Potential earn-outs**

**Earn-out 1**
$25m ($12.5m in cash, $12.5m in shares)
*Payable if founders have remained with Aspyr and if a commercial product has been released each year until March 2026*

**Earn-out 2**
Up to $325m (50% in cash, 50% in shares)
*Payable as a share of the accumulated EBIT in excess of a $70m threshold measured over a 7-year period (40% for seller). To earn maximum Earn-Out 2 the accumulated EBIT has to exceed USD 961 million.*

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**Financial performance**

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<th>LTM Dec 20</th>
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<tbody>
<tr>
<td>USD</td>
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<tr>
<td>40.6m</td>
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<tr>
<td>REVENUE</td>
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**Post deal structure**

**Aspyr will remain independent under Saber Interactive**

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Note: The upfront consideration shares represent newly issued EMBRAC B shares priced at 197.57 (20 day volume weighted average price up to and including 2 February 2021) and lock-up rights. The earnout consideration shares will be issued when earned priced at 197.57 (20 day volume weighted average price up to and including 2 February 2021) and will be freely tradeable when issued.