

Press release

Karlstad, Sweden, 5 August 2021

Embracer Group acquires 3D Realms

Embracer Group AB ("Embracer"), through its wholly owned subsidiary Saber Interactive¹ ("Saber"), has today entered into an agreement to acquire 100 percent of the shares in 3D Realms Entertainment ApS ("3D Realms"). 3D Realms, based in Aalborg, Denmark, is a game publisher with 30+ years of heritage in the industry and the creators of cult game series Duke Nukem. Through the acquisition, Saber onboards an experienced Danish publisher with an owner-led management team that will work closely with the Saber team going forward.

"We have a deep appreciation for 3D Realms' heritage and look forward to seeing them enter a new era and thrive," says Andrey Iones, CCO, Co-founder Saber Interactive.

Background and rationale

The history tracks back to 1987 in Texas, USA, where the company was originally founded as Apogee Software, focused on developing PC games. The studio rebranded in 1994 to 3D Realms and has been involved in the development of +40 games including the creation of the legendary Duke Nukem franchise. In 2014, the Danish company SDN Invest acquired 3D Realms and since then 3D Realms has been led by CEO Mike Nielsen and VP Frederik Schreiber, currently engaging a team of 7 employees and a few additional contractors. Since 2014, following a relocation to Aalborg, Denmark and a strategic shift towards publishing, 3D Realms has published six new game titles in collaboration with respected independent developers for both PC and console. The studio has a current pipeline of six new game titles and several exciting projects in collaboration with Slippgate Ironworks.

Through the acquisition, Saber onboards a connected, experienced publisher with a long background in games development. Going forward, 3D Realms will continue to operate as a subsidiary under Saber and work closely with the Saber team on publishing projects.

As part of the acquisition, CEO Mike Nielsen will step down and Frederik Schreiber will assume the role of CEO. Mike Nielsen will remain attached as an advisor.

"We are extremely honored to join the Embracer and Saber family. I know that under their guidance, 3D Realms will continue to grow on the path we have set out. I am very proud to have been a part of 3D Realms and I'm happy to pass on the torch to Frederik Schreiber who has run the company and built it to what it is today", says Mike Nielsen, Co-founder and ex-CEO 3D Realms.

¹ Acquired through Embracer's wholly owned subsidiary Embracer Group Lager 2 AB and will be part of the Saber Interactive group.

Purchase Price

The parties have agreed not to disclose the terms. The purchase price contains an upfront part and a 3-year earn-out and consists of a mix of cash and newly issued Embracer B shares. The transaction is in line with previous Embracer transactions.

Completion of the transaction

The transaction was completed as of 15 July 2021.

Advisers

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

For additional information, please contact:

Lars Wingefors, Co-founder and Group CEO of Embracer Group AB

Tel: +46 708 47 19 78

E-mail: lars.wingefors@embracer.com

Andrey Iones, Co-founder and CCO of Saber Interactive

E-mail: iones@saber3d.com

Frederik Schreiber, CEO of 3D Realms

E-mail: freds@3drealms.com

About Embracer Group

Embracer Group is the parent company of businesses developing and publishing PC, console and mobile games for the global games market. The Group has an extensive catalogue of over 240 owned franchises, such as Saints Row, Goat Simulator, Dead Island, Darksiders, Metro, MX vs ATV, Kingdoms of Amalur, TimeSplitters, Satisfactory, Wreckfest, Insurgency, World War Z and Borderlands, amongst many others.

With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its eight operative groups: THQ Nordic GmbH, Koch Media GmbH/Deep Silver, Coffee Stain AB, Amplifier Game Invest, Saber Interactive, DECA Games, Gearbox Entertainment and Easybrain. The Group has 69 internal game development studios and is engaging more than 7,000 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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Webcast presentation for investors, analysts and media

Representatives from Embracer Group and 3D Realms will participate in a webcast presentation today at 09.00 CET. Invitation and details for participation will be sent out by a separate press release.