

Press release

Karlstad, Sweden, 18 August 2021

## Embracer Group enters into agreement to acquire Demiurge Studios

**Embracer Group AB ("Embracer"), through its wholly owned subsidiary Saber Interactive Inc. ("Saber"), has entered into an agreement to acquire 100 percent of the shares in Demiurge Studios, Inc. ("Demiurge") from its current owners. Demiurge is an independent games development studio based in Cambridge, Massachusetts, US. Through the transaction, Saber onboards an experienced team of developers and strengthens its' footprint in the US.**

*"Demiurge is one of the most highly respected development studios in the world. Their expertise is without parallel and their reputation for tackling the hardest technical tasks makes them a perfect fit for Saber's plan to vastly expand its work-for-hire business", says Matt Karch, Co-founder and CEO of Saber Interactive.*

### Background and rationale

Demiurge Studios is an independent games developer based just outside of vibrant gaming hub Boston in Cambridge, Massachusetts, US, founded in 2002 by Albert Reed, Chris Linder and Tom Lin. Demiurge has a rich history, and after a shift in strategy in 2008 to focus on free-to-play mobile, Demiurge was acquired by SEGA's mobile division in 2015, and then re-acquired in a management buyout in 2020 by Albert Reed. The original founders are still involved in Demiurge today and CEO Kurt Reiner leads the team of 68 employees in total.

Demiurge Studios has been involved in many co-development projects and contributed to over two dozen titles, out of which four are original mobile free-to-play titles: *Crazy Taxi Gazillionaire*, *Sega Heroes*, *Puzzle and Glory*, and *Marvel Puzzle Quest*. The studio develops games cross-platform and is now focusing primarily on the AAA segment. It has worked with leading international developers and publishers such as THQ, Gearbox, Electronic Arts, Ubisoft, SEGA, and Epic Games on titles such as *Titan Quest*, *Borderlands*, *Brothers-in-Arms*, *Mass Effect*, *Medal of Honor: Airborne*, and *Rocket League: Sideswipe*.

During 2021, management expects that Demiurge will generate approx. \$15m in revenues. The studio is profitable and has an exciting pipeline to accelerate growth and grow the team past 350+ employees during the next five years.

*"Our search for a partner that would give us the freedom and trust to grow our business has led us to this day. Demiurge fits perfectly into the Saber/Embracer ecosystem and we*

*have plans for immediate and rapid growth as part of the company”, says Kurt Reiner, CEO of Demiurge Studios.*

Through the acquisition, Saber onboards a talented team that will strengthen Embracer’s work-for-hire capabilities with significant experience of AAA game development. Demiurge further builds on Saber’s footprint in the US and enables direct access to Boston, a city with tremendous talent and a major hub of game development on the East Coast.

### **Purchase price**

The parties have agreed not to disclose the terms. The purchase price structure is based on an upfront payment, and up to a 5-year earnout consideration, all paid in cash. The terms and conditions for the acquisition are in line with previous Embracer transactions.

### **Completion of the transaction**

The transaction is subject to certain closing conditions and is estimated to be completed during August 2021.

### **Advisers**

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

Juno Capital Partners is acting as financial advisors and Fenwick & West is acting as legal counsel to Demiurge in the transaction.

### **For additional information, please contact:**

#### **Lars Wingefors, Co-founder and Group CEO Embracer Group AB**

Tel: +46 708 47 19 78

E-mail: [lars.wingefors@embracer.com](mailto:lars.wingefors@embracer.com)

#### **Matt Karch, Co-founder and CEO Saber Interactive**

E-mail: [karch@saber3d.com](mailto:karch@saber3d.com)

#### **Kurt Reiner, CEO Demiurge Studios, Inc.**

E-mail: [kurt@demiurgestudios.com](mailto:kurt@demiurgestudios.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 77 internal game development studios and is engaging more than 8,000 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.

Subscribe to press releases and financial information:  
<https://embracer.com/investors/subscription/>