

*Press release*

*Karlstad, Sweden, 22 December 2021*

## **Five announced acquisitions are estimated to contribute SEK 246-316 million in operational EBIT during FY22/23 and SEK 519-689 million during FY23/24**

**Embracer Group AB (“Embracer”) and its subsidiaries have as previously communicated on 21 December 2021 entered into five acquisition agreements (the “Transactions”). The Transactions improve the group’s capabilities within game publishing and development, work-for-hire, comics publishing, film & TV production. The acquired businesses are expected to contribute to operational EBIT in the range of SEK 246-316 million during FY 22/23 and SEK 519-689 during FY 23/24. These figures exclude any commercial synergies or planned M&A.**

The aggregated day one purchase price for the Transactions amounts to approximately SEK 3.1 billion in total, on a cash and debt free basis. Approximately SEK 2.3 billion is paid in cash and approximately SEK 770 million is paid in newly issued Embracer B shares. To create long term alignment, a maximum additional consideration amounting to approximately SEK 950 million on an aggregated basis has been agreed, which is subject to fulfilment of agreed milestones, both operational and financial, over a period of up to eight years. The additional consideration comprises of a maximum of approximately SEK 720 million to be paid in cash and approximately SEK 230 million to be paid in Embracer B shares. All shares are issued at a price corresponding to the volume weighted average price per Embracer B share at Nasdaq First North Growth Market during 20 trading days preceding (but not including) the date of signing of each of the Transactions. Thus, the price per share ranges from SEK 90.50 to SEK 91.94. The aggregated maximum consideration amounts to SEK 4.05 billion. The estimated surplus value that will be in the preliminary PPA amounts to approx. SEK 2.9 billion. This will be amortized according to Embracer's current accounting principles straight over 5 years.

The total number of shares that will be issued as part of the aggregate consideration, excluding shares issued as part of earn-out structures, amounts to approximately 8,450,000 Embracer B shares. The part of the additional consideration consisting of Embracer B shares amounts to a maximum of approximately 2,600,000 shares provided that all earn out targets are met. In total, approximately 11,050,000 B shares can be issued. All shares issued as part of the day one purchase price will be subject to lock-up restrictions. All shares being part of the additional consideration will either be subject to claw back rights and/or lock-up restrictions.

**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. The Group has an extensive catalogue of over 250 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, Koch Media Publishing, Coffee Stain, Amplifier Game Invest, Saber Interactive, DECA Games, Gearbox Entertainment and Easybrain. The Group has 86 internal game development studios and is engaging more than 9,000 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](mailto:info@fnca.se) +46-8-528 00 399.

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