

Press release

Karlstad, Sweden, 11 May 2021

Embracer Group acquires Appeal Studios, KAIKO, Massive Miniteam and FRAME BREAK

Embracer Group AB (“Embracer”) through its subsidiaries **THQ Nordic GmbH** and **Amplifier Game Invest AB** have entered into four acquisition agreements to acquire **100% each of Appeal Studios S.A., KAIKO GmbH, Massive Miniteam GmbH and FRAME BREAK AB.** In addition, **THQ Nordic** is today also announcing that it has founded **Gate 21** in **Bosnia and Herzegovina.** The aggregated day one purchase price for all four acquisitions amounts to approximately **SEK 71 million** on a cash and debt free basis.

THQ Nordic has made the following acquisitions:

Appeal Studios SA: THQ Nordic GmbH has acquired Belgium-based- Appeal Studios S.A.– the original creators behind Outcast (1999). Appeals Studios was founded in 2018 and is currently engaging 55 employees. The team is currently developing an innovative Open-world sci-fi action adventure that has not been officially announced. See Appeal Studios' website for further information, <https://www.appeal-studios.com/>.

KAIKO GmbH: THQ Nordic GmbH has acquired the Frankfurt-based KAIKO – the developer behind numerous technically challenging ports such as in Red Faction Guerrilla Re-Mars-tered, Legend of Kay Anniversary, Darksiders: Warmastered, Darksiders II: Deathinitive Edition and most recently Kingdoms of Amalur Re-Reckoning and its upcoming expansion Fatesworn. The studio was founded 2014 and currently engages 10 employees. See KAIKO's website for further information, <http://www.KAIKOgames.com/>.

Massive Miniteam GmbH: THQ Nordic GmbH's studio and publisher, HandyGames has acquired the German-based studio Massive Miniteam. The acquisition is the first one done by HandyGames. Massive Miniteam was founded 2018. The studio is located Pulheim, near Cologne, and employs 20 team members. Massive Miniteam is a motivated and highly creative development team working with HandyGames on several titles. Massive Miniteam will be fully integrated within the HandyGames organization, under the operative group THQ Nordic. See Massive Miniteam's website for further information, <https://www.massiveminiteam.com/>.

In addition, THQ Nordic GmbH has founded and incorporated **Gate21 d.o.o** in Sarajevo, Bosnia and Herzegovina. The team will enable THQ Nordic GmbH to have world-class 3D characters using the most advanced character and facial rigs in development projects.

Amplifier Game Invest AB has made the following acquisition:

FRAME BREAK AB: Amplifier Game Invest AB has acquired the Swedish-based studio FRAME BREAK AB. The studio was founded in 2020 and today has a team size of 5 persons. FRAME BREAK will be developing games based on their own IP, focusing on highly replayable co-op experiences on platforms like PC and Consoles. FRAME BREAK, based in Skövde, becomes a wholly owned subsidiary of Amplifier Game Invest AB, joining the ranks of 13 other game development companies already part of the Amplifier family.

Purchase price

The aggregated day one purchase price for all four acquisitions amounts to approximately SEK 71 million on a cash and debt free basis. The additional aggregated consideration comprises a maximum of approximately SEK 53 million, which may be paid during a period of up to five years if certain financial milestones are met. The consideration is paid with a mix of cash and Embracer B-shares. The aggregated maximum consideration amounts to SEK 124 million.

The acquisitions

With these transactions Embracer's operating units – THQ Nordic and Amplifier Games Invest are making valuable bolt-on acquisitions. The group onboards more than 90 experienced and talented people, strengthens its developer footprint in Europe.

The announced acquisitions are aligned with Embracer's growth strategy and is enabled by the group's decentralized operating model. Over the past three years, Embracer has expanded from one to eight operating units. For Embracer's decentralized operating model to be sustainable and scalable, it is a necessity that most acquisitions are originated and onboarded on the operating unit level. The operating model emphasizes decentralized decision-making and independence for local management. It is also necessary that founders and management of acquired companies join Embracer with a long-term mindset.

Through the Acquisitions, Embracer Group grows to 68 internal studios and more than 7,100 employees and contracted employees in more than 40 countries.

The combined acquisitions will not have any material financial impact on the FY21/22 but Embracer is confident the acquisitions will bring notable value in the long-term.

More details and info will be revealed during Embracer's earnings call on May 20, 2021.

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 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 68 internal game development studios and is engaging more than 7000 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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