

Press release

Karlstad, Sweden, 5 August 2021

Embracer Group acquires Ghost Ship Games

Embracer Group AB ("Embracer") through its wholly owned subsidiary Coffee Stain Holding AB ("Coffee Stain"), has entered into an agreement to acquire 100 percent of Ghost Ship Holding ApS and thereby acquires the remaining 70 percent of Ghost Ship Games ApS ("Ghost Ship Games"). Ghost Ship Games is an award-winning studio composed of industry veterans with an established relationship with Coffee Stain.

"Ghost Ship has impressed us all the way through. From the moment we saw the first prototype of Deep Rock, up until today, by their way managing to improve continuously and grow the business at the same time. We are confident that Embracer will be a great owner to support their growth journey going forward and are excited to welcome Ghost Ship to the group", says Anton Westbergh, Co-founder and CEO of Coffee Stain.

Background and rationale

Ghost Ship Games is a Danish development studio founded by six industry veterans in 2016, with headquarters located in Copenhagen. The studio engages 26 employees that have worked with Coffee Stain on the development of the critically acclaimed co-op FPS game Deep Rock Galactic. Recently in March 2021, the game was awarded 'Indie Game of the Year' and 'Excellence in Multiplayer' at the SXSW 2021 Gaming Awards. Ghost Ship Games is led by co-founder and CEO Søren Lundgaard, and co-founder and Creative Director Mikkel Martin Pedersen who will remain in their current roles post-transaction.

Through the acquisition, Coffee Stain onboards an experienced team with proven capabilities of creating excellent indie IP. Ghost Ship Games will remain autonomous and Embracer and Coffee Stain look forward to supporting the studio with new game development projects going forward.

"Being invited into Embracer, one of the most visionary players in the global game market, is a truly fantastic opportunity for us. It feels crazy to think that it's only been five years since we founded Ghost Ship Games, and now we've become part of this big family of very clever game developers and publishers. With the backing of Embracer, we can more boldly create new IPs, continue our ventures in game-studio investments, and expand the Deep Rock Galactic IP to more markets. Merging with Embracer is by no means an exit for us - it's a natural continuation of our journey towards even greater achievements." says Søren Lundgaard, Co-founder and CEO of Ghost Ship Games.

Purchase price

The parties have agreed not to disclose the terms. The purchase price consideration contains an upfront part and an 8-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 16 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

Anton Westbergh, Co-founder and CEO of Coffee Stain Studios AB

E-mail: anton@coffeestain.se

Søren Lundgaard, Co-founder and CEO of Ghost Ship Games

E-mail: soren@ghostship.dk

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 Ghost Ship Games 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.