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Press release  
Karlstad, Sweden, 18 November 2020

## Embracer Group acquires IUGO Mobile Entertainment

**Embracer Group AB ("Embracer"), through its wholly owned subsidiary DECA Games ("DECA"), has today entered into an agreement to acquire 100 percent of the shares in Canada-based IUGO Mobile Entertainment Inc. ("IUGO"). IUGO is a Canadian mobile Free-to-Play ("FTP") game developer with longstanding experience from the gaming industry consisting of a sizable team of 86 people.**

*"I'm extremely happy and excited to welcome Hong Yee and the entire IUGO team to the Embracer family. Their 17 year track record of developing top grossing titles is truly impressive and their strong relationships with IP holders and publishers will be a major asset to the new operating unit"* says Ken Go, Founder and CEO, DECA Games.

### Background and rationale

IUGO is a game development studio focused on mobile FTP games, founded in 2003 by Hong-Yee Wong. The company is based in Vancouver, an active hub for game development in Canada. IUGO today consists of 86 people with a unique and diverse set of backgrounds, a team reputed for developing top-grossing game titles in collaboration with leading global publishers and top tier IP licensors within their WFH business.

IUGO is the co-creator and developer of the mobile title The Walking Dead: Road to Survival that was released in 2015. The popular game has more than 45 million installs globally and was awarded as one of the 'Best Game of 2016' on Google Play. IUGO has also collaborated with global publishing partners on mobile game titles Middle-Earth: Shadows of War and Knights & Dragons, the later now in DECA's IP portfolio since 2019.

The studio currently has an original IP in production with expected release during 2021, and additionally plans new WFH project together with external publishers in 2021 as well.

The acquisition marks an important milestone as DECA expand its operations within the FTP mobile games segment, establishing an operating unit together with IUGO, to create a full-scale mobile and FTP operation with expertise across IP origination, development User Acquisition and Live operations. With the acquisition, DECA onboards a sizable team of 86 developers with proven ability of producing award-winning mobile games, strengthening the development capabilities of the DECA

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operating unit. Embracer will provide resources for IUGO to pursue new own IP projects while continuing to scale up of their business offering pursuing further B2B opportunities.

IUGO strengthens Embracer Group's presence in the vibrant Canadian developer scene and provides a platform for expansion in the Vancouver region going forward.

*"This is an exhilarating time for mobile games and we are thrilled to join the Embracer Group. We have strong alignment in core values and share common strategies in long term thinking and planning. IUGO is devoted to creating great mobile game experiences and this collaboration will propel us to play an even bigger role in the industry"* says Hong-Yee Wong, Founder & President IUGO Mobile Entertainment.

### **Purchase Price**

The parties have agreed not to disclose the full transaction terms due to commercial reasons. The upfront consideration consists of a mixture of cash and Embracer B shares. An additional consideration may be payable if certain financial metrics are met up until 2030 (10 years). The terms and conditions for the acquisition is in line with previous transactions.

### **Completion of the transaction**

The transaction is planned to close in February 2021 subject to customary conditions including foreign investment approval.

### **Advisers**

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

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

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### **About Embracer Group**

Embracer Group is the parent company of businesses developing and publishing PC,

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console and mobile games for the global games market. Embracer Group has an extensive catalogue of over 190 owned franchises, such as Saints Row, Goat Simulator, Dead Island, Darksiders, Metro, MX vs ATV, Kingdoms of Amalur, TimeSplitters, Satisfactory, Wreckfest, Insurgency and World War Z, amongst many others.

With its head office based in Karlstad, Sweden, Embracer Group has a global presence through its six operative groups: THQ Nordic GmbH, Koch Media GmbH/Deep Silver, Coffee Stain AB, Amplifier Game Invest, Saber Interactive and DECA Games. Embracer Group has 46 internal game development studios and is engaging more than 4,000 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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