

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, HONG KONG, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES.

Press release  
Karlstad, Sweden, 18 November 2020

## Embracer Group acquires Mad Head Games

**Embracer Group AB ("Embracer"), through its wholly owned subsidiary Saber Interactive<sup>1</sup> ("Saber"), has today entered into an agreement to acquire 100 percent of the shares in Mad Head Games doo Novi Sad ("Mad Head Games"). The company, based in Belgrade and Novi Sad, Serbia, is an independent game developer led by three founders with a team of 130 people across four offices in Belgrade and Novi Sad.**

*"After years of following Mad Head's success in making casual adventure games, it's been impressive watching them expand into premium core titles. This is a versatile group that is capable of creating triple AAA content with the potential to be one of the world's leading developers."* says Matthew Karch, CEO Saber Interactive and Director of the Embracer Board.

### Background and rationale

Mad Head Games was founded in 2011 by Nenad Tomić, Uroš Banješević, and Aleksa Todorović, all three having more than 15 years game development experience. Residing in a talented region with a strong gaming industry presence, the company currently operates in four office locations, with two offices in Belgrade and Novi Sad, respectively. Over nearly a decade, Mad Head Games has grown into a sizable team of 130 people.

Being a skilled Unreal developer, Mad Head Games has extensive experience collaborating with leading publishers such as Big Fish Games, Koch Media, and Wargaming. Mad Head Games has also developed some original IPs over the years, including the well-received single-player mystery game Adam Wolfe.

For Saber, Mad Head Games represents a studio with significant experience in full-scale turnkey development of core games across multiple gameplay genres on both PC and console platforms. With Saber's expertise and support there is potential to enhance Mad Head Games development processes even further on entirely new projects for games with owned IPs. The acquisition will also strengthen Embracer's presence in Eastern Europe with the first studio operating in Serbia.

---

<sup>1</sup> Acquired through Embracer's wholly owned subsidiary Embracer Group Lager 2 AB and will be part of the Saber Interactive group.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, HONG KONG, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES.

*“The love for gaming brings people closer, especially in times like these. Together - we can achieve more. Together - we can reach further. In Embracer, we recognized a powerful ally, with a shared passion and strategic vision, allowing us to unlock new, exciting possibilities that will enable us to become a leading AA+ developer in the region.”* says Nenad Tomić, Co-founder and CEO Mad Head Games.

Mad Head Games will continue to operate as an independent game developer under Saber, with continued leadership by the three founders. With the acquisition, Saber will further strengthen their development capabilities by bringing a studio of 100+ experienced developers into the group.

### **Purchase Price**

The parties have agreed not to disclose the full transaction terms due to commercial reasons. The upfront consideration consists of a mix of cash and Embracer B shares. The earn-out consideration, also consisting of a mix of cash and Embracer B shares, is based on financial targets up until 2027 (a little more than 6 years).

### **Completion of the transaction**

The transaction is subject to certain conditions and is expected to be completed within the next couple of weeks.

### **Advisers**

Ernst & Young AB is providing transaction support and Gernandt & Danielsson Advokatbyrå, supported by the local Serbian law firm BDK Advokati, is acting as legal counsel to Embracer 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)

Matthew Karch, CEO Saber Interactive

Tel: +1 917 570 2740

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

Nenad Tomić, Co-founder and CEO Mad Head games

Tel: +381 63 510 290

E-mail: [nenad.tomic@madheadgames.com](mailto:nenad.tomic@madheadgames.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. Embracer Group has an

# EMBRACER<sup>+</sup> GROUP

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, HONG KONG, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES.

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.

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

For more information, please visit: <http://www.embracer.com>