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Press release

Karlstad, Sweden, 18 November 2020

Embracer Group acquires Purple Lamp Studios

Embracer Group AB ("Embracer"), through its wholly owned subsidiary THQ Nordic GmbH ("THQ Nordic"), has entered into an agreement to acquire 100 percent of the shares in Purple Lamp Studios ("PLS"). PLS is an independent video game developer specialized in third party IP games, based in Vienna, Austria. PLS has a longstanding partnership with THQ Nordic and has successfully delivered several titles in collaboration, including *SpongeBob SquarePants: Battle for Bikini Bottom – Rehydrated*. Through the acquisition, THQ Nordic onboards a longstanding partner with a team of 38 into the group with the ambition to work exclusively on titles for THQ Nordic.

"After numerous years of working in a predominantly international setting, we are extremely excited to further increase our footprint "at home", i.e. here in Austria, by adding one of its most adept and experienced development studios to our ensemble. A warm welcome to the entire Purple Lamp team! We are happy to start putting our ambitious plans into action." says Klemens Kreuzer, CEO THQ Nordic.

Background and rationale

PLS are an independent video games development studio, based in Vienna, Austria. The studio was founded by an experienced team in 2018 and consists of 38 developers with diverse backgrounds from leading actors within the gaming industry.

The studio is specialized in development of third-party IP games and has a longstanding history of collaborating with THQ Nordic. Both parties have in cooperation produced titles like *SpongeBob SquarePants: Battle for Bikini Bottom – Rehydrated* and *The Guild 3*.

Through the acquisition, THQ Nordic onboards a longstanding partner to the group to create an even closer collaboration with the experienced team of PLS. Going forward, PLS will work exclusively on titles on THQ Nordic's behalf, where the two companies are jointly working on two upcoming titles currently in development. PLS' focus after the acquisition will primarily be centered around developing games based on licensed IP, where THQ Nordic sees synergies in development and production.

Within the Embracer Group, PLS will operate as an independent studio under THQ Nordic. PLS will continue working as a development studio exclusively focusing on titles for THQ Nordic and continuing developing premium games related to licensed IPs.

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Embracer sees potential in the extensive experience of the PLS team and their considerable work with third-party licensing IPs. The acquisition will strengthen the established partnership between THQ Nordic and PLS, with two titles already in development.

"We've been working with THQ Nordic since the foundation of Purple Lamp and their support and openness has made working with them a pleasure. Their respect for IPs and fans, as well as their clear passion for games, matches our studio goals, so deepening our partnership feels like a perfect fit. We're very excited to be joining the THQ Nordic family and seeing where the future takes us!" says Andrew Hance, CEO Purple Lamp Studios.

Purchase price

The parties have agreed not to disclose the full transaction terms due to commercial reasons. The consideration consists of a mix of cash and Embracer B shares.

Completion of the transaction

The transaction is not subject to any further condition and is completed as of November 18, 2020. The terms and conditions for the acquisition is in line with previous THQ Nordic transactions.

Advisers

Ernst & Young AB is providing transaction support and Baker McKenzie, supported by the local Serbian law firm BDK Advokati, is acting as legal counsel to Embracer in the transaction.

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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. Embracer Group has an

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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 +46-8-528 00 399.

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