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Press release
Karlstad, Sweden, November 18, 2020

Embracer Group acquires Sandbox Strategies LLC

Embracer Group AB ("Embracer"), through its wholly owned subsidiary Saber Interactive¹ ("Saber"), has today entered into an agreement to acquire 100 percent of the shares in Sandbox Strategies, LLC ("Sandbox Strategies"). Sandbox Strategies, based in New York, USA, is a PR and influencer relations agency, specialized in content creation for gaming and entertainment. Through the acquisition, Embracer onboards an "earned media" group to collaborate on future innovative gaming content creation across the organization.

"Sandbox Strategies has been Saber Interactive's PR and influencer team for many years, and has helped us position, message, and support our communities on various projects. We have seen first-hand the hard work, dedication to excellence, and positive impact Sandbox has had on our games. We felt that bringing Sandbox internal would allow us to have an even closer working relationship with their entire team, as our interests will be completely aligned. We feel with the acquisitions of new studios and the development of more games that having an "earned media" group inside Embracer Group would be a benefit across the entire organization" says Matthew Karch, CEO Saber Interactive and Director of the Embracer Board.

Background and rationale

Sandbox Strategies was founded in 2005 by Corey Wade and Rob Fleischer, whom together with Shaun Norton have created a strong leadership team with extensive experience from the gaming industry. Sandbox Strategies has established itself as a media agency with core expertise within PR, influencer outreach and marketing consulting for video games. With a small team of passionate people dedicated to video games, Sandbox Strategies focuses on delivering strategic gaming content across a wide range of media platforms. Sandbox Strategies has a longstanding history of collaborating with companies within the Embracer Group, primarily Saber, as well as THQ Nordic.

"After fifteen years as an agency promoting video games, we are thrilled that Sandbox has found a home in the Embracer family. While we will remain a stand-alone group continuing to work with our wonderful clients all around the gaming industry to reach press and content creators, we look forward to building on the years of success we have

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

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had with Saber Interactive and collaborating more extensively with other developers and publishers within Embracer” says Rob Fleischer, Vice President, Media and Influencer Relations, Sandbox Strategies.

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. The terms and conditions for the acquisition is in line with previous Saber transactions.

Saber acquires 100 percent of the shares in Sandbox Strategies and the transaction is completed at an undisclosed value. Sandbox Strategies will operate as a PR and influencer agency under Saber. With the acquisition of an experienced gaming-dedicated agency, Embracer sees great opportunity to further exploit the partnership between Sandbox Strategies and Saber to execute on strategic content campaigns in relation to future gaming projects.

Completion of the transaction

The transaction is subject to conditions and is expected to be completed within a month.

Advisers

Ernst & Young AB is providing transaction support and Baker McKenzie 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 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.

EMBRACER⁺ GROUP

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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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