

Press release

Karlstad, Sweden, 18 August 2021

Embracer Group acquires SmartPhone Labs

Embracer Group AB ("Embracer"), through its wholly owned subsidiary Saber Interactive Inc.¹ ("Saber"), has entered into an agreement to acquire 100 percent of the shares in Russian-based SmartPhone Labs ("SPL"), an independent software testing and games development company for mobile, PC, consoles and VR, from its founders.

"We have worked with SPL for a long time and are excited to bring them into the Embracer family. This acquisition will add talent, development and testing capabilities to our organization and will add value to our internal development projects," says Andrey Iones, COO and co-founder of Saber Interactive.

Background and rationale

SPL is an independent software testing and game development company, established in 2002 and led to this day by its co-founder Artem Kharitonov. The studio is based in Veliky Novgorod, Russia, and engages over 100 employees. SPL develops games on multiple platforms including PC, PlayStation, Xbox, Switch, mobile and VR. They focus on modern production and testing practices and have extensive experience working with Unity, custom C++ engines, VR and backend systems. SPL has a long-standing developer relationship with Saber, having collaborated on many successful projects including bringing Mudrunner to mobile and World War Z to Switch, in addition to several work-for-hire projects.

Within Embracer, SPL will operate as a subsidiary under Saber Interactive, with continued focus on software testing and games development. With the acquisition of SPL, that was owned by the founders and current management, Saber will onboard an experienced team and will further strengthen Saber's position in Russia and Eastern Europe.

"We are thrilled that SPL is joining forces with the world class team at Saber. Saber has been our partner for a long time and we really share their values. I look forward to continue working with the team at Saber on new exiting projects in the future", says Artem Kharitonov, co-founder and CEO of SPL.

Purchase price

The parties have agreed not to disclose the terms. The purchase price contains an upfront part and a one-year potential earn-out, both paid only in cash. The terms and conditions for the acquisition are in line with previous Embracer transactions.

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

Completion of the transaction

The transaction was completed as of 11 August 2021.

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:

Lars Wingefors, Co-founder and Group CEO of Embracer Group AB

Tel: +46 708 47 19 78

E-mail: lars.wingefors@embracer.com

Andrey Iones, COO and co-founder of Saber Interactive

E-mail: iones@saber3d.com

Artem Kharitonov, CEO and co-founder of SPL

E-mail: artem.kharitonov@spl.co

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, Koch Media Publishing, Coffee Stain, Amplifier Game Invest, Saber Interactive, DECA Games, Gearbox Entertainment and Easybrain. The Group has 77 internal game development studios and is engaging more than 8,000 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.

Subscribe to press releases and financial information:

<https://embracer.com/investors/subscription/>