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Press release
Karlstad, Sweden, 18 November 2020

Embracer Group acquires Snapshot Games

Embracer Group AB ("Embracer") has today entered into an agreement to acquire 100 percent of the shares in Snapshot Games Inc. ("Snapshot Games"), and its wholly owned subsidiary Snapshot Games Sofia EOOD. Snapshot Games will form a part of Embracer's wholly owned subsidiary Saber Interactive¹ ("Saber"). Snapshot Games, based in USA and Bulgaria, is the independent video game developer behind premium strategy title Phoenix Point. Through the acquisition, Saber brings a reputable studio of 65 people and well renowned IPs into the group.

"Julian Gollop is a video game legend and we could not be more excited to bring Snapshot Games into the Embracer family. Snapshot's specialty in strategy games makes them a perfect fit in our overall portfolio. Last year's Phoenix Point was a fantastic title that resonated with players and the press, so we look forward to collaborating with them to define the future of this genre" says Matthew Karch, CEO Saber Interactive and Director of the Embracer Board.

Background and rationale

Snapshot Games is a premium independent video game developer and publisher, originally established in 2013 through a Kickstarter crowdfunding campaign. The company is founded and led by industry visionary Julian Gollop, recognized as the creator of the X-COM franchise, and games business veteran David Kaye. Snapshot Games currently operates in two locations, with a studio consisting of 50+ passionate developers in Sofia, Bulgaria, and a smaller team in Los Angeles dedicated to marketing and publishing.

Snapshot Games' first title Chaos Reborn, a wizard combat game, was released in 2014 and the most recent title produced by Snapshot Games, sci-fi strategy game Phoenix Point, was released in 2019. The two titles produced by Snapshot Games to date have been critically praised.

Snapshot Games has proven capabilities in developing and publishing original IPs, originating from a team of diverse backgrounds and skills. The company currently has a major title in development with a planned release in 2023. Saber sees additional

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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opportunity in leveraging the combined expertise and experience of Snapshot Games and Saber to realize the full potential of Snapshot Games portfolio of premium strategy titles and collaborate on future premium games.

Within the Embracer Group, Snapshot Games will operate as an independent studio under Saber, with continued focus on developing premium games. With the acquisition of Snapshot Games, Saber will onboard a team led by experienced industry professionals with proven experience in developing and publishing esteemed titles within the strategy segment. With presence in USA and Bulgaria, two active regions within the gaming industry, the acquisition of Snapshot Games further strengthens Embracer's international presence.

"We are thrilled that Snapshot is joining forces with the world class team at Saber. Julian and I look forward to working with Andrey, Matt and Lars to develop and expand the Phoenix Point universe, and to bring new IP to a global audience" says David Kaye, Co-founder and President Snapshot Games.

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 earnout consideration is based on financial targets up until 2025 (5 years). The terms and conditions for the acquisition is in line with previous Saber transactions.

Completion of the transaction

The transaction is expected to be completed within a few days after signing subject to the merger certificate filings in the US.

Advisers

Ernst & Young AB is providing transaction support and Baker McKenzie is acting as legal counsel to Embracer in the transaction. Aream & Co. acted as financial advisor to the Seller and Perkins Coie as legal counsel to the Seller.

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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.

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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