

EMBRACER⁺ GROUP

M&A Medley – 13 Acquisitions

18th November 2020



A THINKING APE



Today's Speakers:



Ken

Founder & CEO,
DECA Games



Kenshi

Co-founder & CEO,
A Thinking Ape



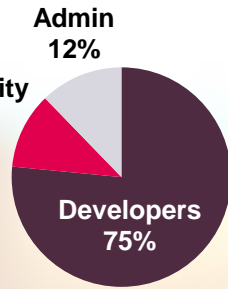
A Thinking Ape: Mobile FTP games with a social core

2008

ANNO

82
FTEs

Community
11%



59%

4%

37%

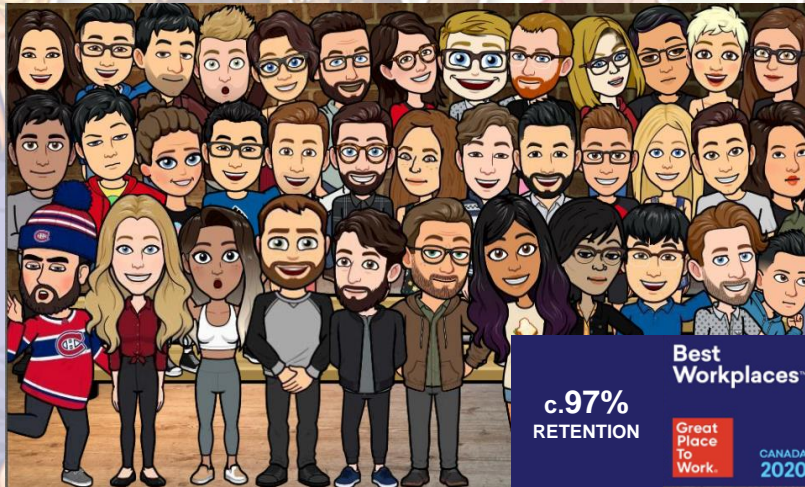


All time high revenues 10 years after first release

30m
Accounts created¹

\$190m
Lifetime revenue¹

1/3
Of DAC
>3yrs old



BASED IN VANCOUVER: ONE OF THE LARGEST HUBS FOR GAME DEVELOPMENT IN CANADA



Notes:
1) Including both active and discontinued games

Deal terms

PURCHASE PRICE

\$31m with a corresponding Enterprise Value of **\$28m** on a cash and debt free basis

Paid with **\$20m** in cash and **\$11m** in shares

Acquired from founders: Kenshi Arasaki (CEO), Wilkins Chung (non-active), Eric Diep (non-active) and financial investors

TEN YEAR ALIGNMENT

Up to **\$74m** in additional consideration paid in cash and shares over ten years, mainly conditioned on cumulative EBIT targets with thresholds in years 3, 5 and 10

Maximum earnout achieved by reaching cumulative EBIT in year 10 of \$200m or more

A Thinking Ape remains independent in the DECA operating group with continued focus on F2P games

THE WALKING DEAD

ROAD TO SURVIVAL

Today's Speakers:



Ken

Founder & CEO,
DECA Games



Hong-Yee

Founder & President,
IUGO Games

IUGO
mobile entertainment

IUGO : Mobile F2P game developer with 17 year track record



BASED IN VANCOUVER: ONE OF THE LARGEST HUBS FOR GAME DEVELOPMENT IN CANADA



Hong-Yee Wong
Founder & President

2003
ANNO

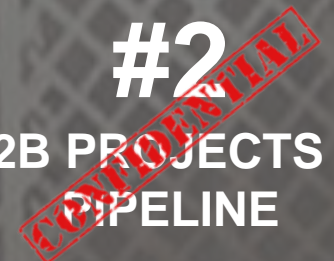
PROJECT UNICORN
IN PRODUCTION



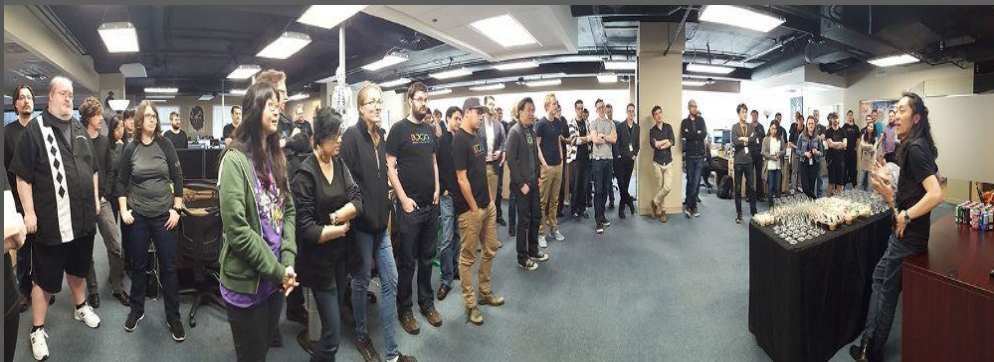
YK Hun
CEO

86
FTEs

#2
B2B PROJECTS IN PIPELINE



TEAM OF INSPIRED GAME CREATORS AND TECHNOLOGY EXPERTS



THE WALKING DEAD
ROAD TO SURVIVAL

45m+ INSTALLS GLOBALLY

Pioneering studio

producing chart-topping titles for major global publishing partners

MIDDLE-EARTH
SHADOW OF WAR



DEAL TERMS

Through the acquisition **100%** of the shares in IUGO games are acquired. The purchase price consists of cash and shares and includes an additional consideration based on financial targets over 10 years

The new DECA operating unit – A decentralized ecosystem for mobile and FTP acquisitions



Ken

CEO of DECA
Operating unit
and DECA Games



Kenshi

CEO of ATA and
part of DECA op.
unit steering
team



Hong-Yee

President of
IUGO and part of
DECA op. unit
steering team

Full scale mobile/FTP operation with expertise across IP origination, development UA and Live ops

Each business is run independently by founders and local management, but cooperate to achieve win-win synergies





zen STUDIOS

Today's Speakers:



Matt
Co-founder and
CEO, Saber



Andrey
Co-founder and
COO, Saber



Zsolt
Co-founder &
Managing Director,
Zen Studios



Mel
COO
Zen Studios

: Developer of the world's leading Pinball game platforms

2003

Founded

100m

lifetime players

67

FTEs



Metascore

85

89

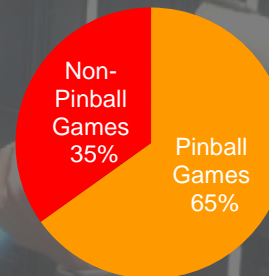
90



Collaborated with:



Revenue split



Non-Pinball successes



THE TEAM



Zsolt Kigyossy

Co-founder and
Managing Director



BASED IN BUDAPEST



DEAL TERMS

Through the acquisition **100%** of the shares in Zen Studios are acquired. The purchase price consists of cash and shares and includes an earnout consideration based on financial targets over 5 years

SNAPSHOT

GAMES

Today's Speakers:



Matt

Co-founder &
CEO Saber



Andrey

Co-founder and
COO, Saber



David

Co-Founder &
President Snapshot

” *Chaos Reborn* – A true wizard’s wheeze, and a fine return for one of gaming’s oldest tactical classics

PC GAMER

” *Phoenix Point* is, without a doubt, one of the best strategy games to come out in the last few years

—noisy pixel—

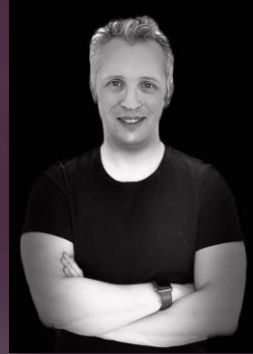
” *Phoenix Point* – A very solid first entry for a new IP, and we hope it continues to grow – the foundation is so good it could easily be one of the best strategy franchises

VANDAL

Snapshot Games – Independent developer of premium strategy games



**JULIAN
GOLLOP**
CO-FOUNDER



**DAVID
KAYE**
CO-FOUNDER



2 IPs
IN PORTFOLIO

65
FTEs

2 SITES
LA & SOFIA

- HQ in Los Angeles, USA with the majority of the team in Sofia, Bulgaria
- Two IPs released to date (*Chaos Reborn* & *Phoenix Point*)
- Currently working on a major title that is planned to be released 2023

PHOENIX POINT

+\$12m
lifetime
revenues

STEAM
RELEASE
DEC20

STEAM®

TO BE
RELEASED
2021

XBOX ONE
PS4
STADIA

DEAL TERMS

Through the acquisition **100%** of the shares in Snapshot Games are acquired. The purchase price consists of cash and shares and includes an earnout consideration based on financial targets over 5 years



NIMBLE

GIANT

ENTERTAINMENT

Today's Speakers:



Matt

Co-founder &
CEO, Saber



Andrey

Co-founder and
COO, Saber



Martin

CEO
Nimble Giant

NGE: Sizeable Latin American premium game developer

2002 **75**
founded **FTEs**



Example customers



2 games with owned ip,
 1 published



MANAGEMENT TEAM

			
Martin Cao CEO	Andrés Chilkowski Co-founder & CCO	Nicolas Maier CTO	Lucas Wall COO

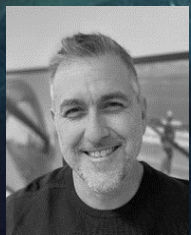
DEAL TERMS

Through the acquisition **100%** of the shares in Nimble Giant are acquired. The purchase price consists of cash and shares and includes an earnout consideration based on financial targets over 5 years



34BigThings

Today's Speakers:



Matt

Co-founder &
CEO, Saber



Andrey

Co-founder and
COO, Saber



Valerio

Founder & CEO,
34BigThings

34BT: Award winning developer of premium games

2013

ANNO

10

GAMES
RELEASED

2

PREMIUM GAMES
IN PIPELINE

13

AWARDS

OWNED IPs



MANAGEMENT TEAM AND FOUNDERS



Valerio Di Donato
Founder & CEO



Giacomo Ferronato
Co-Founder & Game Developer



Giuseppe Franchi
Co-Founder & Lead Game Designer



Ivano Zanchetta
Co-founder & Game and Cinematic Director



Marco Tansini
Co-founder & Lead UI Programmer

DEAL TERMS

Through the acquisition **100%** of the shares in 34BigThings are acquired. The purchase price consists of cash and shares and includes an earnout consideration based on financial targets over 6 years



Today's Speakers:



Matt
Co-founder and
CEO, Saber



Andrey
Co-founder and
COO, Saber



Nenad
Co-founder & CEO,
Mad Head Games

Mad Head Games: Extensive and efficient developer in Serbia



developer in

MAD HEAD GAMES IN BRIEF

2011

founded

130

employees

4

offices

THE FOUNDERS



Nenad Tomić
Co-founder & CEO



Uroš Banješević
Co-founder & CCO



Aleksa Todorović
Co-founder & CTO

PARTNERSHIPS



KOCH MEDIA



WARGAMING.NET

THE TEAM



BASED IN BELGRADE & NOVI SAD



DEAL TERMS

Through the acquisition **100%** of the shares in Mad Head Games are acquired. The purchase price consists of cash and shares and includes an earnout consideration based on financial targets over 6 years



SANDBOX STRATEGIES

Today's Speaker:



Matt
Co-founder and CEO,
Saber



Andrey
Co-founder and
COO, Saber



Corey
Co-founder and Partner,
Sandbox Strategies

Sandbox Strategies: Veteran PR and influencer relations agency

SANDBOX STRATEGIES IN BRIEF



Rob Fleischer
Co-founder & Partner



Corey Wade
Co-founder & Partner



Shaun Norton
Partner

2005
founded

13
employees

Example Customers



THE TEAM



TRANSACTION

Acquired 100% of the shares from owners Robert Fleischer and Corey Wade for an undisclosed consideration

Management is retained and incentivized



PURPLE LAMP

Today's Speaker:



Klemens
Managing
Director, THQ



Andrew
Co-founder & CEO
Purple Lamp

Purple Lamp: Game studio with established relationship with THQ Nordic

THE TEAM



EXAMPLES OF GAMES (CO-)DEVELOPED



PURPLE LAMP IN BRIEF

2018
founded

38
employees



Andrew Hance
Co-founder & CEO



BASED IN VIENNA



Tanja Gönye
COO

DEAL TERMS

Through the acquisition **100%** of the shares in Purple Lamp are acquired. The purchase price consists of cash and shares



QUANTIC LAB™

Quality Assurance.

Today's Speaker



Stefan
Founder and
CEO, Quantic Lab

Quantic Lab: a growing specialist within gaming quality assurance

QUANTIC LAB IN BRIEF

2006

founded

390

employees

3

offices



Stefan Seicarescu
Founder & CEO

Specialized in all-platform high quality testing solutions

Functionality tests for the entire games production cycle, user-experience testing, and localization

Will work with both external and internal clients at arms length distance, continuing Embracer's "partner with the industry" strategy

CLUJ-NAPOCA "THE SILICON VALLEY OF ROMANIA"



Providing services to more than 20+ notable game companies the past year



CD PROJEKT®



UBISOFT

THQ NORDIC

DEAL TERMS

Through the acquisition **95%** of the shares in Quantic Lab are acquired. The purchase price consists of cash





Coffee Stain NORTH

Today's Speakers:



Anton
Co-founder and
CEO,
Coffee Stain



Sebastian
Co-founder and
CEO,
Coffee Stain North

Coffee Stain North

COFFEE STAIN NORTH IN BRIEF

- **Founded in 2013 and in co-operation with Coffee Stain for many years**
- **Subsidiary of Coffee Stain since 2018, currently an integrated part of the Coffee Stain family**
- **Stockholm - based with 23 employees**

CONFIDENTIAL

Title in production

*Estimated
2021*

In development with
Coffee Stain since 2017



Sebastian Erikson
CEO & Co-founder

THE TEAM



DEAL TERMS

Through the acquisition **40%** of the remaining shares in Coffee Stain North are acquired. The purchase price consists of cash and shares and includes an earnout consideration based on financial targets over 8 years



SILENT GAMES

Today's Speaker



Per-Arne
CEO, Amplifier
Game Invest



Sally
Co-founder
& CEO,
Silent Games

Silent Games Studio: RPG game developer

SILENT GAMES IN BRIEF

Founded in 2018, by Sally Blake and Joseph Rogers, based in Newcastle Upon Tyne, currently 4 team members



Sally Blake
CEO
& Co-founder



Joseph Rogers
Game Director
& Co-founder



Nick Twigger
Developer

GAMES IN PRODUCTION

TITLE IN
PRE-PRODUCTION

Third-person multiplayer
action RPG

~~CONFIDENTIAL~~
UNANNOUNCED
TITLE

In development
Single player RPG

Silent games remains independent under



DEAL TERMS

Through the acquisition 100% of the shares in Silent Games are acquired. The purchase price consists of cash and shares and includes an earnout consideration based on financial targets over 10 years

FLYING WILD HOG

TODAY'S SPEAKERS:



Klemens
Co-Founder & CEO
Koch Media



Michal
Co-Founder & CEO
Flying Wild Hog

A GREAT PLACE TO WORK

POLAND IS IMPORTANT & GROWING
HUB FOR GAME DEVELOPMENT



266
FTEs

~24%
CY20 HC
GROWTH

92%
TEAM
RETENTION

LEADERSHIP:



MICHAL Szustak
Co-Founder & CEO



PAWEL Libiszewski
CCO



MICHAL Hrydziuszko
COO



MICHAL Kuk
Head of studio Cracow



MARCIN Kryspin
Head of studio Rzeszów



KATARZYNA Ludwiczak
Head of Production



GRZEGORZ Rdzany
Head of Technology



KATARZYNA Sekula
Head of HR



JOANNA Stanisewska
Head of Marketing & PR

TEAM PAST HITS:



TECHNOLOGY:



PAST & FUTURE



DEAL TERMS The upfront purchase price amounts to **\$135m** for **100%** of the shares in Flying Wild Hog, paid in cash to the seller group. Additionally, an earnout consideration of **\$7.1m** conditioned on fulfilment of agreed milestones is paid in shares over 5 years

EMBRACER⁺
GROUP