



Starbreeze acquires VR company Enterspace for 20 MSEK

STOCKHOLM, SWEDEN (June 12th, 2017) Starbreeze AB, an independent creator, publisher and distributor of high quality entertainment products, today announced its agreement to acquire the Swedish location based Virtual Reality (VR) company Enterspace AB, for a total of 20 MSEK, whereof 17.0 MSEK in Starbreeze B-shares and 3.0 MSEK in cash. At the time of the acquisition, Starbreeze will also convert a loan to Enterspace of 20 MSEK to equity which will further strengthen Enterspace future finances. The parties have additionally agreed on a limited three-year-earn-out for the sellers based on Enterspace's future financial performance, taking effect after Starbreeze has recouped 120 per cent of the 20 MSEK investment through the above-mentioned loan conversion (as well as any additional future financings/investments in Enterspace).

Started in early 2016, Enterspace aims to bring a completely new type of large-scale, location-based VR entertainment to the public. The company's debut experience *Ringwalker* is an interactive, multi-user space adventure with a story that mixes a thoughtful narrative and unexpected twists with inspiring science. Enterspace is headquartered in Stockholm and has 14 employees. Its founders have extensive experience of destination based installations at planetariums around the world.

Enterspace's first VR Experience centre is set to open in central Stockholm during the autumn of 2017. The site will include 9 600 sqf of virtual experience space and a cafébar.

"The Enterspace team brings technology and content that is very well suited for entertainment and that also have an educational touch. They have established experience from location based entertainment and provide a concept ready for launch. We see that Enterspace fits our VR ecosystem perfectly and are looking forward to seeing the StarVR Virtual Reality HMD being utilized in their business. We look forward to kick-starting with a centre in Stockholm this fall with more locations to come," said Starbreeze CEO Bo Andersson Klint.

Completion of the transaction is planned for June 30, 2017. At completion, the Board will resolve to issue 1 071 203 B-shares under its authorization from the AGM. The subscription price will be SEK 15.87, corresponding to the volume weighted average price paid per Starbreeze class B-share at Nasdaq First North during the 10 (ten) trading days prior to the date of signing. These shares will be covered by customary lock-up and stay-on provisions.

As of the date of this press-release, the registered number of shares in Starbreeze is 279 619 132, of which 55 971 982 are class A shares and 223 647 150 are class B shares. The new shares will thus represent approximately 0.4 per cent of the share capital and 0.1 per cent of the votes in Starbreeze.

“We’re creating virtual experiences that anyone with a curious mind can enjoy. The technology itself is amazing and takes over your physical world. We’re adding stories and themes that inspire, amaze, and at times even educate. Stories that will have an impact on the visitor - whether it’s a thought, a discovery, or a feeling”, says Staffan Klashed, founder of Enterspace.

Enterspace centres will include both seated and roaming ‘pod’ experiences, and will provide technologies unavailable in consumer and ‘at-home’ markets. The free roaming Enterspace experience will use light, wireless backpack hardware and motion sensors for a unique and interactive group experience. With the addition of the StarVR HMD, an additional layer of realism will be achieved.

Enterspace’s in-house content and media development team develops signature experiences and will also offer a number of Starbreeze VR titles.

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This information is information that Starbreeze AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above 17:45 CET on June 12th, 2017.

About Enterspace

Enterspace creates thought-provoking and captivating virtual reality (VR) experiences that can be shared by curious people at their experience centers. At Enterspace you get the best of all worlds; in the world of storytelling, the world of technology and the world of social space.

Started in early 2016 and headquartered in the heart of Stockholm, Sweden, the quickly-expanding Enterspace team includes artists, developers, engineers and marketers with decades of experience from the worlds of gaming, digital planetarium technology, and themed entertainment. Our experience centers will be available in a network of select, standalone locations or as part of other existing attractions such as shopping destinations or family entertainment centers (FECs). For more information, please visit www.enterspacevr.com.

About Starbreeze

Starbreeze is an independent creator, publisher and distributor of high quality entertainment products. With studios in Stockholm, Paris, Los Angeles, Barcelona and Brussels, the company creates games and other virtual reality entertainment products, based on proprietary design and licensed content. Starbreeze most recent games include PAYDAY 2®, John Wick VR shooter and upcoming survival co-op FPS OVERKILL’s The Walking Dead. Under its publishing initiative, Starbreeze has together with Canadian studio Behaviour Digital successfully launched horror thriller Dead by Daylight.

Starbreeze has set out to develop truly immersive virtual reality experiences, by integrating software and hardware in its StarVR® head mounted display, which is produced together with Acer, displaying a unique field of view and a mission to bring top-end VR to large audiences. Together with IMAX, Starbreeze aspires to dominate the location based VR market with the IMAX VR centers. The first IMAX VR center opened in Los Angeles in January 2017.

Headquartered in Stockholm, Sweden, Starbreeze shares are listed on Nasdaq Stockholm First North Premier under the tickers STAR A and STAR B with the ISIN-codes SE0007158928 (A share) and SE0005992831 (B share). Remium Nordic is the company’s Certified Adviser. For more information, please visit <http://www.starbreeze.com>, <http://www.starvr.com>, <http://www.overkillsoftware.com>