



STOCKHOLM (29th September 2017)

Starbreeze publishes new financial targets and prospectus in conjunction with the listing on Nasdaq Stockholm

On 22nd September 2017, Starbreeze AB (publ) (“Starbreeze” or the “Company”) announced that the Nasdaq Stockholm Listing Committee has approved the admission to trading of the Starbreeze share on Nasdaq Stockholm. The Board of Directors has in conjunction with the listing adopted new financial targets and filed a prospectus which has today been approved by the Swedish Financial Supervisory Authority (“Finansinspektionen”). The prospectus has now been published on the website, starbreeze.com, and will be made public on the Finansinspektionen website, fi.se.

The first day of trading on Nasdaq Stockholm is 2nd October 2017 and the last day of trading on First North Premier is today, 29th September 2017. Shareholders in the Company do not have to take any action in connection with the listing on Nasdaq Stockholm. The shares will be traded under the same tickers and ISIN codes as before: STAR A, SE 007158928 and STAR B, SE0005992831.

New financial targets

The new financial targets adopted by the Board of Directors of Starbreeze are linked to the Company’s business plan. Starbreeze is in an expansive phase that entails major initiatives in all business areas, which in the short term have impact on profitability and cash flow for the Company. The initiatives in progress are expected to create substantial value for the Company’s shareholders in the future. The Company’s target is to achieve net sales of at least SEK 2 billion in 2020 and generate positive EBITDA for the fourth quarter of 2018 and then on an annual basis for each subsequent financial year. Starbreeze’s business model is scalable in several dimensions, which increases revenues while maintaining a relatively constant cost base, and significantly higher profitability is expected as a result.

Higher revenues for the Company as a whole are expected in pace with Starbreeze’s expansion in its three business areas, as well as wider a revenue base, which is estimated to contribute to more consistent revenue streams and cash flow.

In order to achieve the financial targets, Starbreeze shall remain a leading in-house game developer, with primary focus on the important internally developed titles OVERKILL’s The Walking Dead, Crossfire and PAYDAY 3, as well as a significant publisher of games to which rights are fully or partially owned by external parties.

In addition, the market for location-based VR is growing and Starbreeze believes it has good potential to generate substantial revenues from operating activities in location-based VR, as well as increased content production and publishing of VR experiences. The Company considers VR a rapidly growing platform that complements earlier platforms such as PCs and game consoles. The forthcoming VR center in Dubai, located in one of the biggest retail spaces in the world, visited by more than 50 million people every year, will be a flagship VR center and a platform for further deals in the location-based VR segment. Starbreeze intends to use financial and strategic partners for the continued expansion in VR.

The Company's new financial targets are presented in their entirety below.

- **Net sales:**
Starbreeze's target is to achieve net sales of at least SEK 2 billion in 2020. This significant growth will be driven primarily by the Company's important in-house developed game titles. In addition, the board sees substantial growth potential in continued expansion of the game portfolios within both Starbreeze Games and Publishing, an increased number of distribution channels, new platforms like VR and new geographical markets.
- **Profitability:**
Starbreeze's target is to generate positive EBITDA for the fourth quarter of 2018 and then on an annual basis for each subsequent financial year. Starbreeze's business model is scalable in several dimensions, which increases revenues while maintaining a relatively constant cost base, and significantly higher profitability is expected as a result.
- **Dividend policy:**
The board of directors does not intend to propose dividends in the next few years, and instead intends to use generated cash flow to finance the continued growth and development of the business. Starbreeze's long-term dividend policy is to distribute 50 percent of net profit after tax from the preceding financial year.

For further information about the Company's business plan, please refer to the prospectus, which has been released today, September 29th 2017 and is published on the website, starbreeze.com.

Adviser

Carnegie Investment Bank AB is acting as financial adviser to Starbreeze and Advokatfirman Lindahl is the Company's legal adviser in relation to the listing on Nasdaq Stockholm.

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For more information, please contact:

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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, at 3.30 pm CET on 29th September 2017.

About Starbreeze

Starbreeze is a global computer and video game company whose vision is to be a leading provider in the entertainment industry by creating world-class experiences. Starbreeze was founded in 1998 and has since evolved into a well-established developer and publisher of PC and console games and VR products aimed at the global market. With studios in Stockholm, Paris, Los Angeles, Barcelona, Brussels and India, Starbreeze develops high-quality entertainment products based on proprietary and third-party rights, both in-house and in partnership with external game developers. Operations are organized in three business areas: Starbreeze Games for own games, Publishing, and VR Tech for technology development, including the StarVR venture. 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 starbreeze.com