



Starbreeze AB (publ) including five Swedish subsidiaries have today filed for reconstruction

STOCKHOLM (3 December 2018) – Starbreeze AB (publ) (“Starbreeze” or the “Company”) announces that the board of Starbreeze AB (publ) and the boards of the Company’s Swedish subsidiaries Starbreeze Publishing, Starbreeze Production, Starbreeze Studios, Enterspace and Enterspace International, have today filed for reconstruction with the Stockholm District Court. The decision is based on a shortage of liquidity and deemed to be a necessary step to give the Company the time needed to negotiate a long-term financial solution and implement changes in the organization and operations. The financial targets for Q4 2018 and 2020 no longer applies.

As communicated on 23 November 2018, the board of directors has mandated executive management to review operation and the company has initiated a program to lower costs and focus on its core business. However, with the latest statistics from Overkill’s The Walking Dead (including effects from latest marketing efforts) affecting the forecasted sales, it has reduced the short term forecasted revenue resulting in an expected shortfall of cash in January 2019.

The reconstruction framework will include salaries to employees of Starbreeze and operations will continue as usual. During the reconstruction period, no payments can be made to suppliers for services or goods relating to the period prior to the date of filing for reconstruction. Suppliers will be paid for services and goods provided during the reconstruction period. As also announced today, Bo Andersson will leave his position as CEO. Bo Andersson and Kristofer Arwin have further resigned from Starbreeze Board of Directors effective immediately. Reconstruction would not entail any other changes to the management or the Board of the company of the Company who will continue to be responsible for its operation.

Nozon, Parallaxter, Starbreeze LA Inc, Starbreeze USA Inc, Starbreeze Paris, Starbreeze Barcelona, Starbreeze IP LUX, Starbreeze IP Lux II Sarl and Dhruva Infotech Ltd could be indirectly affected by the reconstruction since they are partly funded by the Company. Other companies within the group are not affected by today’s decision.

The Company has suggested Mr. Lars Söderqvist from WSA Law firm as Administrator.

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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 08.00 CET on 3 December 2018.

About Starbreeze

Starbreeze is a global 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 offices in Stockholm, Paris, Los Angeles, San Francisco, Barcelona, Brussels, Bangalore and Dehradun, Starbreeze develops high-quality entertainment products based on proprietary and third-party rights, both in-house and in partnership with external game developers. The Company's operations are divided into three business areas: Starbreeze Games, Publishing, and VR Tech & Operations. Starbreeze shares are listed on Nasdaq Stockholm under the tickers STAR A and STAR B with the ISIN codes SE0007158928 (A share) and SE0005992831 (B share). For more information, please visit starbreeze.com