



Starbreeze completes Dhruva Interactive acquisition

STOCKHOLM (28 August, 2017) Starbreeze AB has agreed with the owners of Indian art production company Dhruva Interactive to complete the acquisition of 90.5% of the shares in Dhruva Interactive for 8.5 MUSD.

The acquisition was announced 16 December 2016 with terms stipulating a purchase price consisting of 7.0 MUSD in cash and 1.5 MUSD in newly issued Starbreeze B-shares. Due to the complex regulatory environment in India, the transaction has taken more time than expected to complete. To facilitate regulatory technical limitations, the transaction was restructured to ensure that the effective purchase price remains the same. While the total purchase price of 8.5 MUSD will be in cash, a part of the seller group will acquire newly issued Starbreeze B shares of 1.5 MUSD (in compliance with the Indian regulations). The new shares will be issued by the board utilizing its authorization from the AGM, at market value (10 days trading average). The new share issue will represent approximately 0.4% of the capital and 0.1% of the votes, both on a fully diluted basis.

The deal also contains an earn-out agreement of maximum 0.5 MUSD over the next five years, compared to previously communicated 0.8 MUSD over the next four years.

Dhruva Interactive's ongoing outsourcing business will have a limited but positive impact on Starbreeze revenue and profit from day one. In the financial year ending March 2017 Dhruva Interactive's revenues amounted to 6.1 MUSD, a year on year growth of 32.6%.

Dhruva Interactive is a highly reputed and best-of-breed art production house, with whom Starbreeze has a long-standing relationship. Founded in 1997, Dhruva is India's leading game developer with over 320 employees, providing art production services to the global games industry. Dhruva has three state-of-the-art studios in India.

The original announcement regarding the acquisition can be found here:

<https://www.starbreeze.com/2016/12/starbreeze-acquires-indian-art-production-company-dhruva-interactive-for-8-5-musd/>

For more information, please contact:

Ann Charlotte Svensson, Head of IR and Corporate Communications, Starbreeze AB

Tel: +46(0)8-209 208, email: ir@starbreeze.com

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 8.30 am CET on 28 August 2017.

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 (VR) experiences by integrating software and hardware in its StarVR® head mounted display, produced together with Acer. Together with wholly owned subsidiary Enterspace, Starbreeze further solidifies its presence in location based entertainment. StarVR can additionally be found at IMAX VR Centres in Los Angeles and New York.

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.

More information: starbreeze.com, starvr.com, overkillsoftware.com