



Starbreeze partner Acer steps up financing of the StarVR joint venture

STOCKHOLM, SWEDEN and TAIPEI, TAIWAN (24 October 2017) Starbreeze AB (NQSE: STAR A, STAR B) and Acer Inc. (TWSE: 2353, LSE: ACID) announce today that a new capitalization plan has been agreed for the StarVR Corporation – the joint venture for marketing and sales of the StarVR Virtual Reality (VR) headset. Under the new agreement, Acer will inject USD 5 million into the joint venture and increase its interest to 66.7%. Starbreeze will be relieved from its remaining capital commitment of USD 7.5 million and its interest will be 33.3%.

The joint venture, originally announced 25 June 2016, was created with a capitalization plan of up to USD 25 million to be shared equally between Starbreeze and Acer through capital injections on a set schedule. As of today, a total of USD 10 million has been injected into the company in equal amounts by the two parties. Under the new arrangement, Acer will provide a capital injection of USD 5 million into the joint venture. No further capital injections have been agreed, but the parties are proceeding in their support of the joint venture. As majority owner Acer will be able to facilitate future financing for StarVR Corporation should further capital needs arise.

“Starbreeze remains fully dedicated to the field of VR where we see great potential in the development of location-based VR that gives users access to premium VR experiences. We have pushed design and technical innovation to fruition in our StarVR collaboration with Acer. Starbreeze will continue to push innovation in the headset and focus on its core business – content. Our games and related premium VR experiences will primarily use the StarVR headset for location-based VR centers and we are eager to continue contributing to the success of StarVR,” says Starbreeze CEO Bo Andersson Klint.

“VR is one of Acer’s key focus areas, as we continue to make huge strides across hardware, software and content development to unlock its potential. The increase of Acer’s stake in StarVR underlines our commitment to the industry, and we look forward to continuing to deliver best-in-class VR experiences through our successful partnership with Starbreeze and ongoing technological innovation,” says Acer Chairman and CEO Jason Chen.

Starbreeze continues to hold StarVR-related intellectual property rights, including patents and trademarks related to InfinitEye, StarVR (headset), ePawn and the StarVR SDK (Software Development Kit). Acer continues to hold patents related to electrical engineering, mechanical design and ergonomics that are used in the headset. R&D and reference design for the StarVR headset will also be carried out by Starbreeze and Acer going forward.

About StarVR Corporation

StarVR Corporation, which sells and markets the StarVR headset, is a joint venture between Swedish Starbreeze and Taiwanese Acer. At present, the product is available to select partners and to consumers at venues including IMAX VR centers in New York and Los Angeles. Soon the headset will be available at Starbreeze VR-centers in Stockholm and Dubai.

The StarVR headset is being developed as a high-quality VR product, where the main differentiation against other VR headsets aimed at a professional market is the 210-degree field of view with 5K resolution. The purpose of the joint venture is to sell the StarVR system to location-based VR centers, amusement parks and various B2B segments, such as real estate sales, the automobile industry, medical devices and education.

The joint venture manages a sales organization and aftermarket support. Under the terms of the joint venture, Starbreeze owns and controls IP rights related to StarVR, while Acer manufactures the product. R&D and reference design work for the StarVR headset will be carried out jointly by Starbreeze and Acer.

The original announcement regarding the joint venture was made on 25 June 2016 and is available here: www.starbreeze.com/2016/06/acer-starbreeze-boards-approve-definitive-agreement-form-joint-venture-starvr/

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This information is such 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 24 October 2017.

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 studios in Stockholm, Paris, Los Angeles, Barcelona and Brussels, 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 game development, Publishing, and VR Tech for technology development, including the StarVR venture. 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

About Acer

Founded in 1976, Acer is now one of the world's top ICT companies and has a presence in over 160 countries. As Acer looks into the future, it is focused on enabling a world where hardware, software and services will fuse with one another to open up new possibilities for consumers and businesses alike. From service-oriented technologies to the Internet of Things to gaming and virtual reality, Acer's 7,000+ employees are dedicated to the research, design, marketing, sale and support of products and solutions that break barriers between people and technology. Please visit www.acer.com for more information.