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Starbreeze announces the terms of its rights issue

STOCKHOLM (15 March, 2018) Starbreeze AB (publ) (“Starbreeze” or the “Company”) announced on 24 January 2018 that the Board of Directors had decided, subject to approval at the extraordinary general meeting, to launch a rights issue of approximately SEK 150 million before issuing expenses to accelerate growth and broaden the revenue base within the core business, and to expand the game portfolio. Starbreeze Board of Directors today announces the terms of the rights issue through this press release.

Summary

- Shareholders in Starbreeze have preferential rights to subscribe for one (1) new share per fifteen (15) existing shares irrespective of share class, indicating a subscription ratio of 1:15
- The subscription price is SEK 7.50 per share, irrespective of share class, which amounts to proceeds of approximately SEK 152 million before issuing costs, assuming the rights issue is fully subscribed
- The record date for the rights issue is 22 March 2018 and the subscription period runs from and including 26 March 2018, to and including 10 April 2018
- The last day of trading shares of Starbreeze including right to participate in the rights issue is 20 March 2018
- The rights issue is subject to approval at the extraordinary general meeting which will be held 20 March 2018. Shareholders, together holding approximately 44 percent of the voting rights, are positive to the rights issue and have expressed their intention to vote in favor at the extraordinary general meeting.

Rights issue

Those who are registered shareholders in the share register held by Euroclear Sweden AB on the record day, 22 March 2018, will have a preferential right to subscribe for new shares in proportion to the number of shares that the holder already owns. For each share held in Starbreeze one (1) subscription right of class A or class B is received. Fifteen (15) subscription rights of class A entitle to subscription of one (1) new share of class A and fifteen (15) subscription rights of class B entitle to subscription of one (1) new share of class B. In addition, investors are offered to subscribe for shares without subscription rights.

If all of the new shares are not subscribed for with subscription rights, the board will decide on allotment of new shares subscribed for without subscription rights. Allotment will then be made firstly to subscribers for new shares with subscription rights, regardless of whether or not the

subscriber was a shareholder on the record date, and in the case of oversubscription, pro rata to the total number of subscription rights each has exercised for subscription of new shares, and to the extent that this is not possible, by drawing of lots. Secondly, allocation shall be completed to subscribers for new shares without subscription rights, and in the case of oversubscription, pro rata to the new number of shares subscribed for in the application, and to the extent that this is not possible, by drawing of lots.

The subscription price is SEK 7.50 per share, irrespective of share class. Assuming that the rights issue is fully subscribed, the share capital will be increased by a maximum of SEK 404,959.64 by a new issue of a maximum of 20,247,982 new shares, whereof 3,620,249 class A shares and 16,627,733 class B shares. Assuming full subscription, total issue proceeds amount to approximately SEK 152 million before issuing expenses.

The subscription period is expected to run from and including 26 March 2018, to and including 10 April 2018, or such later date as decided by the Board of Directors. Any extension of the subscription period will be announced by the Company in a press release no later than on 10 April 2018. Class A and Class B subscription rights will be traded from and including 26 March 2018, to and including 6 April 2018.

Shareholders who choose not to participate in the rights issue will have their shareholdings diluted by approximately 6.2 per cent, but are able to financially compensate for this dilution by selling their subscription rights. Last day for trading in subscription rights is 6 April 2018.

The rights issue is subject to approval at the extraordinary general meeting which will be held on 20 March 2018 at 10:30 CET at Carnegie Investment Bank's premises, Regeringsgatan 56 in Stockholm. The notice to the extraordinary general meeting was published on 15 February 2018 and is available on Starbreeze website.

Shareholders, together holding approximately 44 percent of the voting rights, are positive to the rights issue and have expressed their intention to vote in favor at the extraordinary general meeting.

Timetable

This timetable is preliminary and may be subject to change.

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| 20 March | Extraordinary general meeting to approve the Board of Directors decision on the rights issue |
| 20 March | Last day of trading shares of Starbreeze including right to participate in the rights issue |
| 22 March | Planned publishing date for prospectus |
| 22 March | Record date for participation in the rights issue, i.e. holders of shares who are registered in the share register on this day will receive subscription rights for participation in the rights issue |
| 26 March-6 April | Trading in subscription rights |
| 26 March-10 April | Subscription period |
| 13 April | Expected press release of the outcome of the rights issue |

Advisers

Carnegie Investment Bank AB is acting as financial adviser to Starbreeze and Advokatfirman Lindahl is acting as legal adviser to Starbreeze.

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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 15 March 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 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, 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

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This press release is not a prospectus. Invitation for relevant persons to subscribe for shares in Starbreeze will only be made through the prospectus which Starbreeze intends to publish on or around 22 March 2018.