



Starbreeze sells rights to Dead by Daylight to Behaviour for USD 16 million

STOCKHOLM 21 March 2018 – Starbreeze has today decided to sell the publishing rights to the game Dead by Daylight to the developer, Behaviour Interactive Inc (Behaviour). Starbreeze will receive an initial payment of USD 4 million, followed by an additional USD 12 million paid in stages as royalties of 65 percent of game revenues. The deal will accelerate cash flows to Starbreeze from the game, which will strengthen Starbreeze earnings and free up capital for new projects. Starbreeze strategy to widen the game portfolio with additional publishing titles has not changed.

The publishing rights to the game will not be transferred to Behaviour until Starbreeze has been paid the entire consideration of USD 16 million. Until then, Starbreeze will retain control over the games payment streams and remain the official publisher of the game. Per 1st of January 2018, Behaviour however assumes the obligations of Starbreeze in connection with the game under the Publishing Agreement, including all development and marketing costs. Behaviour has the option to remit final payment of the remaining balance due at any time and thereby take over the rights at an earlier date.

“The publishing title Dead by Daylight has been a stellar deal for Starbreeze. We initially invested USD 2 million in developing the game, which has sold more than 3 million copies since release and generated approximately SEK 345 million in net sales. We are now concluding the partnership with Behaviour in a favourable manner and Dead by Daylight has become an even better deal for Starbreeze,” says Starbreeze CEO Bo Andersson Klint. “In addition to securing and accelerating our revenues from the game, we will incur no costs related to further development and marketing. Through this deal, we expect the profits from the game to exceed our projection for the remaining lifespan for the title.”

“Our strategy to widen the game portfolio with additional publishing titles has not changed. We received an attractive offer from Behaviour that we have assessed as better for us in both the long and short terms. We aim to be ‘The Good Publisher’ and are happy to be a part of giving external development partners the opportunity to own their own future. It has been a joy working with Behaviour and we wish them continued success,” says Mikael Nermark, COO and Executive Vice President at Starbreeze.

According to the original publishing agreement, Starbreeze and Behaviour split net revenues from the game 50/50 after development and marketing costs. Revenues from Dead by Daylight amounted to SEK 202 million in 2017, which was split 50/50 with Behaviour. During the same period, Starbreeze incurred costs attributable to the game of SEK 34 million, resulting in a surplus to Starbreeze for the game of SEK 66 million in 2017. The effect of the deal on Starbreeze revenues and profit will be determined by how the sales of the game develop.

Dead by Daylight was initially released for PC in 2016 and the console version was released in 2017. Ten downloadable content (DLC) bundles have since been released. If the game follows the usual trend curve, sales revenues will decline in future years.

Upon expiration of the publishing agreement, Starbreeze will no longer have any rights connected to the game apart from rights to further compensation if the game is launched in China before 2020.

“We are incredibly proud of everything we have accomplished on Dead by Daylight, building a strong IP that has sold over 3 million copies. Our community is the backbone of our success and we are totally committed to continue investing and growing the game. We would like to thank the team at Starbreeze for their collaboration and efforts to jointly make Dead by Daylight a success,” says Rémi Racine, CEO and Executive Producer, Behaviour Interactive.

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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 21.30 CET on 21 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 offices in Stockholm, Paris, Los Angeles, Barcelona, Brussels and now India as well, 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