



Notice of Annual General Meeting in Starbreeze AB (publ)

STOCKHOLM – The shareholders of Starbreeze AB (publ), 556551–8932, are given notice of the Annual General Meeting to be held on Wednesday 12 May 2021.

In the light of the ongoing corona pandemic and in order to minimize any risk of spreading of the corona virus, the Board of Directors has decided that the Annual General Meeting is to be held only through postal voting in accordance with temporary legislation. This means that the Annual General Meeting will be conducted without the physical presence of shareholders, representatives or external parties and that shareholders will only be able to exercise their voting rights by postal voting in advance of the Annual General Meeting in the manner described below.

Information on the resolutions passed at the meeting will be disclosed on 12 May 2021, as soon as the outcome of the postal voting has been finally confirmed.

Registration and notification

A person who wishes to participate in the Annual General Meeting must

- be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Tuesday 4 May 2021, and
- give notice of participation no later than Tuesday 11 May 2021, by casting its postal vote in accordance with the instructions under the heading “*Postal voting*” below so that the postal voting form is received by Euroclear Sweden AB no later than that day.

In order to be entitled to participate in the meeting, a shareholder whose shares are registered in the name of a nominee must, in addition to giving notice of participation in the general meeting by submitting its postal vote, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of the record date Tuesday 4 May 2021. Such registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee, in accordance with the nominee’s routines, at such a time in advance as decided by the nominee. Voting rights registrations that have been made by the nominee no later than Thursday 6 May 2021 will be taken into account in the presentation of the share register.

Postal voting

The Board of Directors has decided that shareholders should be able to exercise their voting rights only by postal voting in accordance with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form must be used for the postal vote. The form for postal voting is valid as notice of participation to the AGM and is available on the Group's website www.starbreeze.com. Completed and signed forms for postal voting can be sent by mail to Starbreeze AB, "Annual General Meeting 2021", c/o Euroclear Sweden, Box 191, 101 23 Stockholm or by e-mail to generalmeetingservice@euroclear.com (state "Starbreeze AB – Postal voting" in the subject line). Completed forms must be received by Euroclear no later than 11 May 2021. Shareholders who are natural persons may also cast their votes electronically through verification with BankID. A link to electronic postal voting is available on the Company's website, www.starbreeze.com, and via <https://anmalan.vpc.se/EuroclearProxy>. Such electronic votes must be submitted no later than 11 May 2021.

The shareholders may not provide special instructions or conditions to the postal vote. If so, the vote (i.e. the postal vote in its entirety) is invalid. Further instructions and conditions can be found in the postal voting form and at <https://anmalan.vpc.se/EuroclearProxy/>.

Powers of attorney

If the shareholder submits its postal vote by proxy, a written and dated Power of attorney signed by the shareholder must be attached to the postal voting form. Proxy forms are available on the Group's website www.starbreeze.com. If the shareholder is a legal person, a registration certificate or other authorization document must be attached to the form.

Shareholders' right to receive information

The Board of Directors and CEO shall, if any shareholder so request and the Board of Directors believes that it can be done without material harm to the Company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the Company's or its subsidiaries' financial situation and the Company's relation to other companies within the Group. A request for such information shall be made in writing to the Company no later than ten days prior to the Annual General Meeting, i.e. no later than 2 May 2021, at the address of Starbreeze AB, "Annual General Meeting 2021", Box 7731, 103 95 Stockholm or by email to info@starbreeze.com, (entitled "Annual General Meeting 2021"). The information will be made available on the Group's website www.starbreeze.com and on the Company's head office, Regeringsgatan 38, 111 56 Stockholm, no later than Friday 7 May 2021. The information is also sent within the same time to the shareholders who requested it and stated their address.

Proposed agenda

1. Election of Chairman of the meeting
2. Election of one or two persons to verify the minutes
3. Presentation and approval of the voting list
4. Approval of the agenda
5. Determination as to whether the meeting has been properly convened
6. Presentation of
 - a. the annual accounts and the auditor's report as well as the consolidated accounts and the auditor's report on the consolidated accounts

- b. the auditor's statement on whether the guidelines for executive compensation, which have applied since the previous Annual General Meeting, have been followed
7. Resolution on
 - a. adoption of the income statement and balance sheet and the consolidated income statement and the consolidated balance sheet, allocation of the Company's profits or losses in accordance with the adopted balance sheet.
 - b. Discharge from liability of the Board members and the CEO
8. Determination of the number of Board members and deputy Board members to be elected by the meeting
9. Determination of remuneration to the Board members and the auditor
10. Election of the Board members and chairman of the Board of Directors
 - a. Election of Jan Benjaminsson (re-election)
 - b. Election of Torgny Hellström (re-election)
 - c. Election of Anna Lagerborg (re-election)
 - d. Election of Kerstin Sundberg (re-election)
 - e. Election of Mike Gamble (new election)
 - f. Election of Thomas Lindgren (new election)
 - g. Election of Torgny Hellström as chairman (re-election)
11. Election of auditor (re-election)
12. Resolution on approval of remuneration report
13. Resolution on guidelines for remuneration to senior executives
14. Resolution on authorizing the Board of Directors to resolve upon new issues
15. Resolution to amend the Articles of Association

Nominating Committee's proposals (items 1 and 8-11)

Election of Chairman of the meeting (item 1)

The lawyer Patrik Marcellius.

Determination of the number of Board members and deputy Board members to be elected by the meeting (item 8)

Six Board members and no deputies.

Determination of remuneration to the board members and the auditor (item 9)

The Chairman of the Board: SEK 750,000 (800,000).

Board members: SEK 225,000 (250,000).

The Chairman of the audit committee: SEK 280,000 (350,000).

Member of the audit committee: SEK 120,000 (150,000).

The Chairman of the remuneration committee: SEK 70,000 (75,000).

Member of the remuneration committee: SEK 60,000 (75,000).

The auditor's fee is to be paid as per approved invoice.

Election of the Board members and chairman of the Board (item 10)

Re-election of Jan Benjaminson, Torgny Hellström, Anna Lagerborg and Kerstin Sundberg and new election of Mike Gamble and Thomas Lindgren. Tobias Sjögren, who on 24 March 2021 has been appointed CEO of Starbreeze, has declined re-election at the AGM 2021.

Re-election of Torgny Hellström as Chairman of the Board.

Mike Gamble, born in 1964, is an Honorary Doctor of Staffordshire University for services to the game industry and holds a B. Sc. Tech. Mike has extensive experience of leading organizations in the gaming industry, including from Epic Games where he has been active for many years, most recently as Head of Game Licensing EMEA. He recently left Epic Games to start a Board career.

Thomas Lindgren, born in 1971, has a Master of science from the Stockholm School of Economics. Thomas has extensive experience of leading gaming companies and has, among other things, been acting Chairman of the Board of Fatshark AB, Goodbye Kansas Game Invest and also CEO and Chairman of the Board of Glorious Games Group AB (formerly Stardoll AB). Thomas currently works with investments and Board assignments. He is a working Chairman of Wanderword and a Board member of Ecobloom and Rahms städ AB.

Information about the Board members proposed for re-election can be found on the company's website, www.starbreeze.com.

Election of auditor (item 11)

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, re-election of Öhrlings PricewaterhouseCoopers as auditor for the period until the end of the 2022 Annual General Meeting. Öhrlings PricewaterhouseCoopers has announced that if the audit firm is elected, the audit firm will appoint the authorised auditor Nicklas Kullberg as auditor in charge.

Election of one or two persons to verify the minutes (item 2)

The Nomination Committee proposes Michael Hjort and Ossian Ekdahl, or if one or both of them are prevented from participating, the person(s) appointed by the Board of Directors to check the minutes. The assignment to check the minutes also include checking the voting list and that the received postal votes are correctly reflected in the minutes of the meeting.

Presentation and approval of the voting list (item 3)

The voting list proposed to be approved is the voting list prepared by Euroclear Sweden AB, based on the shareholders' register for the general meeting and the postal votes received, as verified by the persons elected to approve the minutes.

Resolution on approval of remuneration report (item 12)

The Board of Directors proposes that the Annual General Meeting resolves to approve the Board of Directors' report regarding compensation pursuant to Chapter 8, Section 53 a of the Swedish Companies Act.

Resolution on guidelines for remuneration to senior executives (item 13)

The Board of directors proposes that the annual general meeting resolves on an addition to the guidelines for remuneration for senior executives entailing that senior executives, in addition to

annual variable cash remuneration, may receive variable cash remuneration in the form of a *long term incentive bonus (LTI bonus)*, whereafter the guidelines will have the following wording.

The Board of Directors' proposal regarding remuneration guidelines for senior executives

The senior executives in Starbreeze, which consist of those who from time to time form part of the Company's management team, fall within the provisions of these guidelines. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting. These guidelines do not apply to any remuneration decided or approved by the General Meeting.

Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or local practice, taking into account, to the overall purpose of these guidelines.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

In short, the Company's business strategy is the following.

Starbreeze is an independent developer, creator, publisher and distributor of PC and console targeting the global market, with studios in Stockholm, Barcelona and Paris. With the successful PAYDAY brand at the center, Starbreeze develops games based on proprietary and third-party rights, both in-house and in partnership with external game developers.

Starbreeze's main business consists of its own development of video and computer games, which are wholly or partly financed by own resources. The majority of the Company's employees are mainly employed to develop the Company's products. Thereafter, the games are mainly distributed via digital platforms such as Steam, or in partnership with other physical distribution companies. The Company's end customers are the consumers who buy the game through the various gaming platforms or retailers.

For more information regarding the Company's business strategy, please see www.starbreeze.com.

The Company shall offer competitive remuneration in order to be able to recruit and retain qualified personnel.

Variable cash remuneration covered by these guidelines shall aim at promoting the Company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

The remuneration to the senior executives may consist of fixed salary, variable remuneration, pension benefits and other customary benefits. In addition, the Board of Directors annually evaluates whether share-based or share price-related incentive programs should be proposed to the Annual General Meeting. Such share-related or share-price incentive programs are decided by the General Meeting and are therefore excluded from these guidelines.

As a general rule, the fixed salary is reviewed once a year and shall take into account the qualitative nature of the individual accomplishment. Remuneration to the CEO and other senior executives shall be on market terms.

Furthermore, the Board of Directors shall have the right to decide on variable remuneration in form of a cash bonus to the Company's senior executives. The variable remuneration must be linked to predetermined and measurable criteria. The variable remuneration on an annual basis may amount

to not more than 75 per cent of the fixed annual salary for the CEO and 50 per cent of the fixed annual salary for other senior executives.

In addition to annual variable cash remuneration, variable cash remuneration can be paid in the form of a long term incentive bonus (LTI bonus) which covers four financial years. The LTI bonus shall be based on milestones related to the launch, datametrics reviews and sales of PAYDAY 3 during the years covered by the LTI bonus. The LTI bonus shall be combined with a shareholding requirement. Furthermore, the conditions shall include that part of the LTI bonus shall be subject to deferred payment for a certain period of time, in order to contribute to sustainable long-term growth. The LTI bonus may cover up to a maximum of four annual salaries for the CEO and up to a maximum of two annual salaries for other senior executives. The total LTI bonus for all participants in the bonus program shall be limited to 25 percent of the company's operating profit during the LTI period.

For the CEO and senior executives, defined pension premiums are paid which corresponds to the cost according to the usual ITP plan.

Other benefits may amount to not more than 10 per cent of the fixed annual salary.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or local practice, taking into account the overall purpose of these guidelines.

Termination of employment

In the event the employment is terminated by the CEO the notice period is six months, and in the event the employment is terminated by the Company the notice period is nine months. Other senior executives shall have a notice period of three to nine months. No severance pay shall occur.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall amount to not more than 60 per cent of the fixed cash salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies, however not for more than 18 months following termination of employment.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The CEO and other members of the executive management do not participate in the Board

of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Resolution on authorizing the Board of Directors to resolve upon new issues (item 14)

The Board of Directors proposes that the AGM authorizes the Board of Directors to, on one or several occasions and until the end of the next AGM, with or without deviation of the shareholders' preferential rights, resolve to issue new shares of class B, or convertible bonds or warrants entitling to shares of class B corresponding to (at considered exercise of such convertible bonds or warrants, as applicable) no more than ten (10) per cent of the number of outstanding shares at each relevant time, against payment in cash, through set off or payment in kind. The purpose of the authorization and reason for any deviation from the shareholders' preferential rights is that the Company shall be able to issue shares or other instruments in connection with acquisition of companies or businesses as well as to be able to execute issues with deviation from the shareholders' preferential rights for the purpose of raising funds to the Company, for example in connection with financing of game production. The issue price may not be lower than a fair market price. Other terms and conditions shall be made on fair market terms.

Majority requirements

According to the Swedish Companies Act (2005:551), in order for the Annual General Meeting's resolution to be valid, the resolution must be accepted by shareholders holding no less than two thirds of the votes cast as well as the shares represented at the Annual General Meeting.

Resolution to amend the Articles of Association (item 15)

According to Chapter 7, Section 4 of the Swedish Companies Act (2005:551) the Board of Directors has the right to collect powers of attorney for the general meeting if it is specified in the articles of association. According to Chapter 7, Section 4 a of the Swedish Companies Act it may also be stated in the articles of association that the Board of Directors may decide that the shareholders shall be able to exercise their voting rights by post before the general meeting.

In order to be able to use the alternatives provided by the Swedish Companies Act to decide on collection of powers of attorney and postal voting, the Board of Directors proposes that a new article 9 is included in the Articles of Association, with the wording set out below, and that the Articles of Association be re-numbered so that the current article 9 becomes article 10 and the current article 10 becomes article 11.

Proposed wording

§ 9

The Board of Directors has the right to collect powers of attorney as set out in Chapter 7, Section 4, second paragraph of the Swedish Companies Act (2005:551). The Board of Directors may decide before a General Meeting that the shareholders shall be able to exercise their voting rights by post before the General Meeting pursuant to the procedure stated in Chapter 7, Section 4 a of the Swedish Companies Act (2005:551).

The Board of Directors further proposes two editorial amendments to the Articles of Association due to previously adopted legislative changes. However, § 1 is not amended in the English version of the Articles of Association.

Current wording	Proposed wording
§ 1 The name of the company is Starbreeze AB (publ).	§ 1 The name of the company is Starbreeze AB (publ).
§ 11 The Company's shares shall be registered in a central securities depository register pursuant to the Swedish Financial Instruments Accounts Act (1998:1479).	§ 11 The Company's shares shall be registered in a central securities depository register pursuant to the Swedish <i>Central Securities Depositories and</i> Financial Instruments Accounts Act (1998:1479).

Majority requirements

According to the Swedish Companies Act (2005:551), in order for the Annual General Meeting's resolution to be valid, the resolution must be accepted by shareholders holding no less than two thirds of the votes cast as well as the shares represented at the Annual General Meeting.

Other information relating to the Annual General Meeting

Number of shares and votes

At the time of the issue of the notice there are a total of 724 609 266 shares in the Company, whereof 169 210 216 shares of class A and 555 399 050 shares of class B, and in total 2 247 501 210 votes. Class A shares carries 10 vote and class B shares carries 1 vote. The Company holds no own shares.

Documents

The Annual Report, the Auditor's Report, the Board of Directors' remuneration report pursuant to Chapter 8, Section 53 of the Swedish Companies Act, as well as the Auditor's statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act regarding the remuneration guidelines for the Executive management are presented by being available on the Company's website, www.starbreeze.com, no later than Wednesday 21 April 2021 and by being available at the Company's head office, Regeringsgatan 38, 111 56 Stockholm, Sweden. The documents will further be sent free of charge to shareholders who so request and state their address.

Processing of personal data

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

Stockholm in March 2021
Starbreeze AB (publ)
The Board of Directors

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For more information, please contact:

Torgny Hellström, Chairman of the Board
torgny.hellstrom@starbreeze.com

The information was submitted for publication, through the agency of the contact person set out above, at 08.00 CET on 9 April 2021.

About Starbreeze

Starbreeze is an independent developer, creator, publisher and distributor of PC and console targeting the global market, with studios in Stockholm, Barcelona and Paris. Housing the smash hit IP PAYDAY, Starbreeze develops games based on proprietary and third-party rights, both in-house and in partnership with external game developers. 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