



## **Starbreeze acquires Visual Effects Studio and PresenZ technology creator Nozon for 7.1 MEUR**

**STOCKHOLM, SWEDEN (October 25, 2016)** Starbreeze AB, an independent creator, publisher and distributor of high quality entertainment products, today announced its acquisition of the Belgian Visual Effects (VFX) studio and PresenZ technology creator Nozon, for a total consideration of 7.1 MEUR, whereof 4.6 MEUR (approximately 44.6 MSEK) in cash and 2.5 MEUR in newly issued Starbreeze B-shares.

In addition, the parties have agreed on a capped ten-year earn-out for Nozon founders based on PresenZ future financial performance, taking effect after Starbreeze has recouped 2 MEUR of its investment. During the earn-out period, Starbreeze will pay a percentage on certain of its revenues benefitting from the PresenZ technology.

Since 1998, Nozon has steadily grown to become a well-known, award winning and established reference in VFX quality thanks to the company's artistic approach and strong R&D development. Clients trust Nozon every day to achieve complex VFX and 3D animation in their products.

Further innovating and honing their skills, Nozon in 2015 introduced PresenZ, a revolutionary technology for immersive virtual reality (VR) movies. PresenZ allows for interactive parallax in virtual reality and delivers high quality blockbuster computer graphics (CG) with true immersive feeling. Interactive parallax is a technique to enhance viewers' perception of perspective and view depth, adding to the immersive feeling.

By joining the Starbreeze family, Nozon will instantly be part of Starbreeze technology offering and a solid part of the VR ecosystem.

"PresenZ technology for multiple virtual reality applications will allow for room scale scanning and virtualization, and high quality computer graphics rendering at almost movie level polygon counts. The technology's parallax capabilities will greatly complement the high fidelity of the StarVR HMD with its 210-degree field of view," said Starbreeze CEO Bo Andersson Klint. "The future of VR is undefined but it is easy to imagine with this technology, where a space can be scanned and rendered in high quality CGI, the applications where you could render a space like the Louvre in Paris or Saint Mark's Basilica in Venice, and provide interactive guided tours. Additionally, one could potentially use computer graphic assets from a blockbuster Hollywood movie to create a cinematic VR experience."

To complete the deal, the Board resolved to issue 1,048,842 B-shares under its mandate from the AGM, based on a market share price determined at SEK 23.1 and an exchange rate of 9.6913. The issue

represents 0.3% of the capital and 0.1% of the votes on a fully diluted basis. After the transaction, the total number of B-shares in Starbreeze is 218,382,124.

The founders of Nozon will have industry standard lock-in agreement attached to the shares, equally distributed over three years. The ongoing VFX business of Nozon will have a limited but positive impact on Starbreeze revenue and profit from day one. In 2015, Nozon had revenues of 2.3 MEUR.

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**Media assets:**

Nozon acquisition announcement video on YouTube: <https://youtu.be/jdTJFua23jo>

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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 8:15 CET on October 25, 2016.**

***About Starbreeze:***

*Starbreeze is an independent creator, publisher and distributor of high quality entertainment products. With studios in Stockholm, Paris and Los Angeles, the company creates games and other virtual reality entertainment products, based on proprietary design and licensed content. Starbreeze's most recent games include PAYDAY 2, the adrenaline fueled bank robbing co-op game and the upcoming John Wick VR shooter and survival co-op FPS OVERKILL's The Walking Dead.*

*Starbreeze has set out to develop truly immersive virtual reality experiences, by integrating software and hardware in its StarVR head mounted display, to be produced together with Acer, displaying a unique field of vision and a mission to bring top-end VR to large audiences. Starbreeze launched StarVR with a VR-experience at the Electronic Entertainment Expo (E3) in June 2015, gained by teaming up with French Infinite Eye. In January 2016, Starbreeze unveiled the StarCade initiative; centers that invites people to immerse themselves into premium VR experiences. The first cinematic VR experience "Cockatoo Spritz" directed by Stephane Barbato, premiered at the 69<sup>th</sup> Cannes Film Festival 2016.*

*Headquartered in Stockholm, Sweden, Starbreeze's 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. For more information, please visit <http://www.starbreeze.com>, <http://www.starvr.com>, <http://www.overkillsoftware.com>*