

May 16, 2023

# Starbreeze informs about Digital Bros' mandatory takeover bid exemption relating to Starbreeze's upcoming rights issue

On April 28, 2023, Starbreeze AB (publ) ("Starbreeze" or the "Company") resolved on a rights issue of class A and class B shares of approximately SEK 450 million before transaction costs (the "Rights Issue"), subject to approval by an Extraordinary General Meeting to be held on May 24, 2023 (the "EGM"). Starbreeze also announced that Digital Bros S.p.A. ("Digital Bros") had undertaken to subscribe for its pro rata share of the Rights Issue, corresponding to approximately SEK 54 million, and in addition to its subscription undertaking, had undertaken to underwrite the Rights Issue with an amount of SEK 100 million through set-off. Starbreeze now informs that Digital Bros has been granted an exemption from the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) in relation to its undertaking to subscribe for its pro rata share of the Rights Issue, and, on certain conditions, its undertaking to underwrite the Rights Issue with an amount of SEK 100 million.

Digital Bros currently holds 11.96 percent of the shares and 29.09 percent of the votes in Starbreeze. The Swedish Securities Council has - in relation to Digital Bros' undertaking to subscribe for its pro rata share of the Rights Issue - granted Digital Bros an exemption from the mandatory takeover bid requirement that would arise if Digital Bros' holdings of shares or votes in Starbreeze would exceed 30 percent as a consequence of Digital Bros' subscription commitment. Digital Bros has also been granted such an exemption in relation its undertaking to underwrite the Rights Issue with an amount of SEK 100 million, subject to (i) the shareholders of the Company being informed ahead of the EGM about the maximum ownership level that Digital Bros may reach upon utilization of its underwriting undertaking; and (ii) the EGM's resolution to approve the Rights Issue being supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the EGM, whereby shares held and represented by Digital Bros must be disregarded.

The Swedish Securities Council's ruling (AMN 2023:19) will be made available on the Swedish Securities Council's website ([www.aktiemarknadsnamnden.se](http://www.aktiemarknadsnamnden.se)).

Based on a hypothetical subscription price, in turn based on an assumed discount in relation to the current share price that is customary for rights issues of this type, and assuming that the Rights Issue is subscribed only to the extent covered by subscription and underwriting commitments from shareholders and external guarantors (i.e. that the Rights Issue raises gross issue proceeds of approximately SEK 250 million and that Digital Bros' underwriting undertaking is fully utilized), Digital Bros would hold approximately 28 percent of the shares and approximately 42 percent of the votes in Starbreeze following the Rights Issue.

Detailed terms and conditions for the Rights Issue, including the subscription price, the share capital increase, and the number of shares to be issued, are expected to be resolved upon by the Board of Directors and announced on or around May 23, 2023. Starbreeze will communicate more precise indicative ownership figures for Digital Bros in connection therewith and thus ahead of the EGM.

Digital Bros has also undertaken to exercise its right to convert the total outstanding loan amount of approximately SEK 215 million under its convertible loan to Starbreeze into class B shares in the Company, assuming *inter alia* completion of the Rights Issue. The mandatory takeover bid exemption does not encompass said conversion. This means that Digital Bros, upon said conversion, would be required to make a mandatory takeover bid unless Digital Bros, within four weeks from the conversion, converts class A shares to class B shares and/or divests shares in order for its holdings of shares and votes in Starbreeze to fall below the threshold that would trigger the mandatory takeover bid.

## Advisors

Carnegie Investment Bank AB (publ) is acting as financial advisor and Sole Global Coordinator and Bookrunner, Lazard is acting as financial advisor, and Mannheimer Swartling Advokatbyrå is acting as legal advisor to Starbreeze in connection with the Rights Issue.

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## About Starbreeze

Starbreeze is an independent developer, creator, publisher and distributor of PC and console targeting the global market, with studios in Stockholm, Barcelona, Paris and London. 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 [www.starbreeze.com](http://www.starbreeze.com).

## Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares, subscription rights or other securities in the Company in any jurisdiction. Any invitation to the persons concerned to subscribe for shares in Starbreeze will only be made through the prospectus that Starbreeze estimates to publish on or around May 26, 2023 at its website [www.starbreeze.com](http://www.starbreeze.com).

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This press release contains certain forward-looking information that reflects the Company's present view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "believe", "estimate" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or development and actual outcomes may differ materially from the statements set forth in the forward-looking information.