



STARBREEZE **Q2 2017 HIGHLIGHTS**

24 August 2017

AGENDA

01 WHO WE ARE

02 FINANCIAL UPDATE

03 EVENTS DURING THE QUARTER

ABOUT STARBREEZE

Starbreeze is an independent creator, publisher and distributor of high quality entertainment products. With studios in Paris, Los Angeles, Barcelona and Brussels, we create games and virtual reality products based on proprietary design and licensed content.

Headquartered in Stockholm, Sweden, Starbreeze's shares are listed on Nasdaq Stockholm First North Premier under the tickers STAR A and STAR B, ISIN codes SE0007158928 (class A) and SE0005992831 (class B). The company's Certified Adviser is Remium Nordic. More information: starbreeze.com, starvr.com, overkillsoftware.com



WHAT WE DO

SLIDE / 4

STARBREEZE GAMES

Portfolio including success stories such as recent releases PAYDAY and PAYDAY 2 as well as critically acclaimed “Brothers – A Tale of Two Sons”. Exciting pipeline including OVERKILL’s The Walking Dead, based on the popular series, Cross Fire West and Storm to be developed and released over the coming years.

PUBLISHING

Pioneering digital self-publishing, Starbreeze offers Publishing services to other developers. With titles such as Dead by Daylight in the market, and titles such as RAID: World War II soon to be released, this is a growing segment within the company.

VIRTUAL REALITY

As the entertainment landscape is transforming, virtual reality (VR) will be a key component of the industry going forward. Starbreeze, through proprietary technology within StarVR, is positioned to benefit from the growth of new content directed towards virtual reality.

AGENDA

01 WHO WE ARE

02 FINANCIAL UPDATE

03 EVENTS DURING THE QUARTER

KEY FIGURES

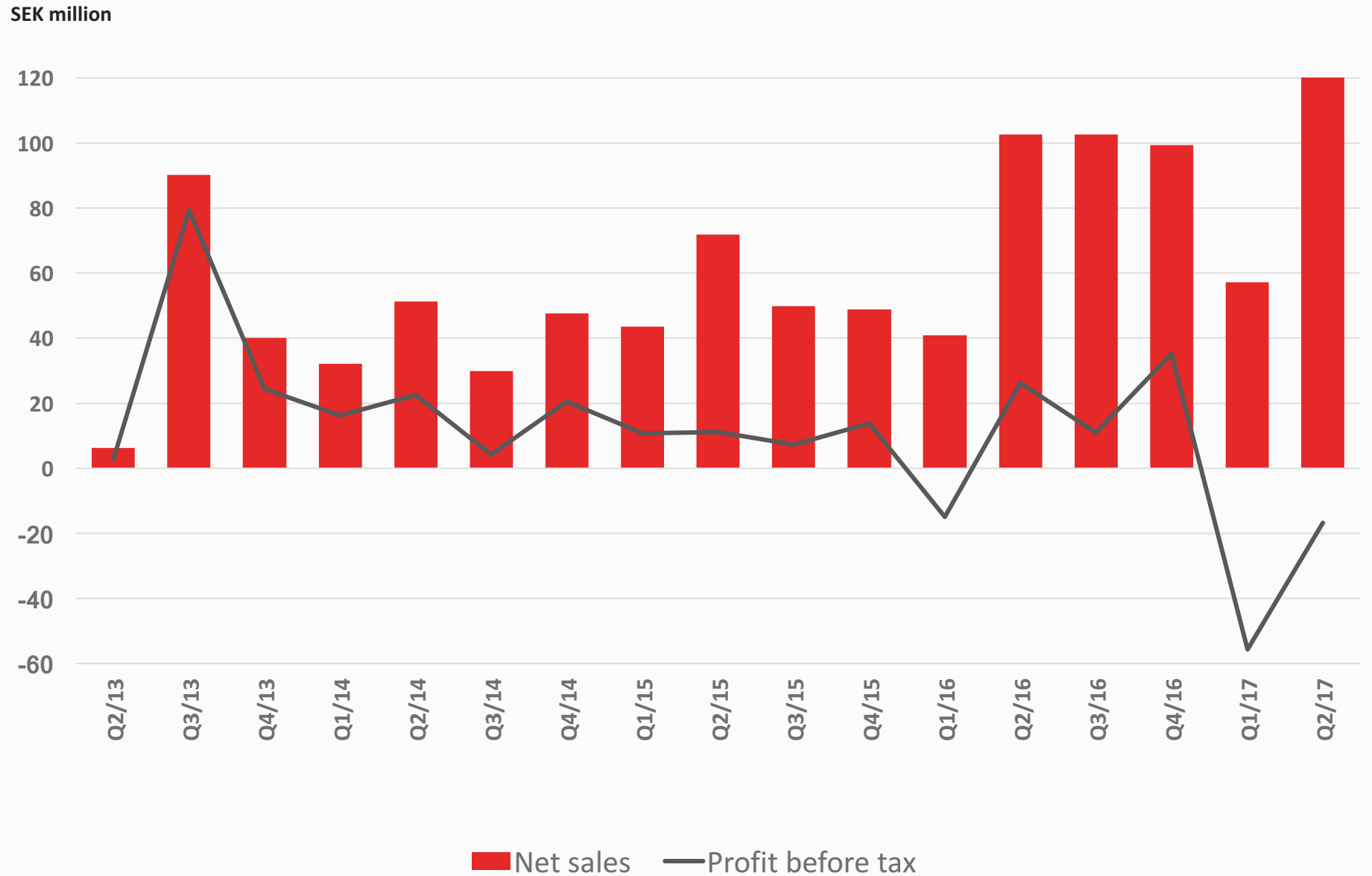
Q2 2017

SECOND QUARTER 2017 – KEY FIGURES & EVENTS

- Net sales increased by 20 percent.
- Adjusted for non-recurring revenue in Q2 2016, revenues rose by 48 percent.
- The growth is the outcome of strategy to widen the revenue base by increasing the numbers of both titles and distribution channels per title.
- PAYDAY generated SEK 51.0 million (62.6) of the total net sales and Dead by Daylight SEK 65.8 million (39.9).
- Acquisition of VR company Enterspace for SEK 20 million plus an estimated earn out of SEK 46.8 million.
- Release of Dead by Daylight for console.
- After the end of the quarter, Enterspace made an agreement on a new VR center in Dubai.
- New loan financing from Nordea of SEK 150 million was approved after the end of the quarter.

	2017	2016
KSEK	Q2	Q2
Net sales	122,698	102,589
EBITDA	-2,683	27,459
Profit/loss before tax	-16,747	27,484
Profit/loss after tax	-9,924	21,258
Earnings per share, SEK	-0.04	0.09
Exchange difference	428	2,090
Net sales growth, %	19.6	42.7
EBITDA margin, %	-1.5	19.1

NET SALES AND PROFIT BEFORE TAX



NET SALES

PD2 AND DBD MAIN GROWTH DRIVERS IN Q2

The growth in net sales is primarily attributable to the release of Dead by Daylight for console, the sale of the game's physical console rights and sales of PAYDAY 2.

PAYDAY 2

- PAYDAY: Ultimate Edition released
- New ATH peak players at steam 247 K +
- 8 million + new players during Q2

Dead By Daylight

- Console launch
- Two DLC releases on Steam
- Communities on Steam with over 700 K members

REVENUE SPLIT BY IP

■ Payday 2 ■ Dead by Daylight ■ Other



REVENUE SPLIT BY PLATFORM

■ Console ■ PC



STARBREEZE GAMES

The Starbreeze Games business area consists of Starbreeze proprietary games portfolio. Revenues currently comprise royalties for the rights to PAYDAY. The business area also includes ongoing game projects, including OVERKILL's The Walking Dead (OTWD) and Crossfire.

Second quarter 2017

- PAYDAY 2: Ultimate Edition was released in June.
- Net sales amounted to SEK 51.4 million (62.7), with the majority generated by the proprietary game PAYDAY 2.
- Development costs of SEK 25.8 million (17.2) were capitalized during the period, with the increase driven mainly by higher activity in the OTWD project.

	2017	2016	2017	2016
KSEK	Q2	Q2	JAN - JUN	JAN - JUN
Starbreeze Games				
Net sales	51,400	62,719	75,476	103,499
Capitalized development costs	25,754	17,246	53,609	33,625
Other operating revenue	-	3,174	-	3,174
Total	77,154	83,139	129,085	140,298
Operating profit (-loss)	18,841	27,383	19,196	50,045

SEGMENTS

2/4

PUBLISHING

The Publishing business area consists of Starbreeze publishing operations with games developed by third parties. Revenues currently comprise mainly royalties for the rights to Dead by Daylight.

Second quarter 2017

- Dead by Daylight for PlayStation 4 and Xbox One were released in Europe and the US in late June.
- Net sales amounted to SEK 66.6 million (39.9), of which:
 - Dead by Daylight SEK 65.8 million (39.9)
 - John Wick: Chronicles SEK 8.1 million (0.0)
- Activity in Publishing was higher than in Q2 2016, with a significantly larger product portfolio, which impacted profit.

	2017	2016	2017	2016
KSEK	Q2	Q2	JAN - JUN	JAN - JUN
Publishing				
Net sales	66,598	39,870	94,822	39,870
Capitalized development costs	8,694	10,018	15,210	13,755
Other operating revenue	-	1,307	-	1,307
Total	75,292	51,195	110,032	54,932
Operating profit (-loss)	-8,788	21,278	-10,852	15,554

SEGMENTS

3/4

VR TECH

The VR Tech business area consists of Starbreeze technology and software development in virtual reality (VR), which includes the StarVR venture. VR technology is also included in the acquired companies Starbreeze Paris (formerly ePawn) and Enterspace, as well as Nozon's PresenZ technology.

Second quarter 2017

- The VR company Enterspace AB was acquired. Enterspace plans to open a VR center in Stockholm in autumn 2017. After the end of the quarter, Enterspace signed an agreement on a new VR center in Dubai.
- Contract negotiations with IMAX over a joint venture for IMAX VR Centers were closed and replaced with license agreements regarding content for the centers.
- Net sales amounted to SEK 0.0 million (0.0).
- The increase in capitalized development work was due mainly to a higher level of activity in the StarVR venture.

	2017	2016	2017	2016
KSEK	Q2	Q2	JAN - JUN	JAN - JUN
VR Tech				
Net sales	29	-	70	-
Capitalized development cost	22,389	6,357	37,651	15,534
Other operating revenue	-	1,237	-	1,237
Total	22,418	7,594	37,721	16,771
Operating profit (-loss)	634	-11,401	2,984	-17,082

SEGMENTS

4/4

OTHER

Group-wide costs and minor projects that are not attributable to the above segments, including Nozon's operating activities, are reported under "Other."

Second quarter 2017

- Net sales amounted to SEK 4.7 million (0.0).
- Costs increased in Q2 2017 compared to Q2 2016 due to completed acquisitions.

	2017	2016	2017	2016
KSEK	Q2	Q2	JAN - JUN	JAN - JUN
Other				
Net sales	4,672	-	9,600	22
Capitalized development cost	-	77	-	77
Other operating revenue	-	1,635	-	-1,923
Total	4,672	1,712	9,600	-1,824
Operating profit (-loss)	-29,311	-14,529	-80,752	-35,285

AGENDA

01 WHO WE ARE

02 FINANCIAL UPDATE

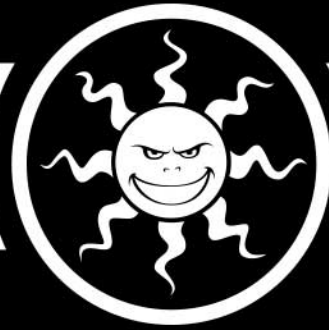
03 EVENTS DURING THE QUARTER

STAR- STREAM EVENT

Starbreeze showcased its slate of products during the Starstream event in May. During the show a “Veterans of the Industry” panel was hosted and PAYDAY 2 VR announced.

Revisit the event on our website:
www.starbreeze.com/starstream/

STAR



STREAM

TUNE IN

MAY 10TH

18:00

CEST

WATCH IT LIVE ON TWITCH



twitch.tv/starbreeze



A STREAMED STARBREEZE EVENT IN COLLABORATION WITH OUR PARTNERS



TWEET YOUR THOUGHTS AT **#STARSTREAM17**

ENTER- SPACE ACQUISITION

Starbreeze announced the acquisition of Swedish location based Virtual Reality (VR) company Enterspace AB in June 2017.

Read more about the news on our website:
[Starbreeze acquires VR company Enterspace for 20 MSEK](#)



ENTER SPACE

www.enterspacevr.com

STARBREEZE GAMES





PAYDAY UPDATE

Franchise still growing, PAYDAY 2 celebrated its fourth birthday in August 2017. Platform expansion continues and PAYDAY 2 was announced for Nintendo Switch.

2 GAMES

2 PAYDAY TITLES

PAYDAY: THE HEIST (2011), PAYDAY 2 (2013)

14 MILLION+

PAYDAY FRANCHISE UNITS SOLD

A WORLD WIDE STARBREEZE OWNED FRANCHISE

712 MSEK

PAYDAY 2 REVENUE

2013-2017

5.4 MILLION

PAYDAY 2 COMMUNITY MEMBERS

LARGEST COMMUNITY ON STEAM

PAYDAY 2: ULTIMATE EDITION

Starbreeze introduced PAYDAY 2: Ultimate Edition, a full package with the base game PAYDAY 2 and all DLCs released. Previous to the event, close to 8 million copies of the base game was given away for free.

Read more on our website: [PAYDAY 2 Ultimated Edition](#), 5 million copies of PAYDAY 2 for free during a limited time, includes future release of PAYDAY 2 VR





STARBREEZE
PUBLISHING

DEAD BY DAYLIGHT
death is not an escape

DEAD BY DAYLIGHT UPDATE

Dead by Daylight is Starbreeze first game released as publisher. It's an asymmetrical horror game developed by the Canadian studio Behaviour Digital.

The PC game was released on June 14, 2016 and had sold 270,000 units one week after its release.

700K

COMMUNITY

The Steam Community group has surpassed 700.000 members

>2 M
UNITS

UNITS SOLD

In August 2017, more than 2,000,000 units of Dead by Daylight had been sold on PC

43K

CONCURRENT

42.857 concurrent players have been noted for Dead by Daylight

DEAD BY DAYLIGHT CONSOLE RELEASE

Dead by Daylight had its anticipated release on consoles June 20th.

Read more on our website: [Dead by Daylight™ out now on PlayStation® 4 and XBOX One in North and South America!](#)



ARE YOU A **KILLER** OR A **SURVIVOR?**

DEAD BY DAYLIGHT IS **OUT NOW**
ON PLAYSTATION 4 AND XBOX ONE



WWW.DEADBYDAYLIGHT.COM

505
GAMES

DEAD BY DAYLIGHT DLC RELEASES

Dead by Daylight updates
released during Q2 2017

SPARK OF MADNESS

Dead by Daylight paid character update

Released May 11 on Steam at \$6.99

- One new killer
- One new survivor
- One new map

MORE INFORMATION

- [Dead by Daylight – New SPARK OF MADNESS Chapter out now on STEAM – introduces new Killer, Survivor and Map](#)



HEAD CASE

Dead by Daylight paid cosmetic update

Released May 8 on Steam at \$2.99

- 6 new cosmetic items

MORE INFORMATION

- [Get your Killer some swag with the new add-on for Dead by Daylight – “The Headcase” out now on Steam](#)



STARBREEZE
VIRTUAL REALITY





VIRTUAL REALITY NEXT@ ACER

StarVR and future content for Location Based VR showcased at Acer partner event. Announced APE-X, The Raft, Hero and Golem.

Read more on our website: [Starbreeze teases upcoming immersive Virtual Reality stories to be told in StarVR® at Next@Acer, New York April 27th](#)





VIRTUAL REALITY

THE MUMMY PRODIGIUM STRIKE

New Location Based VR
experience produced in
collaboration with Universal
prior to the movie launch.

Read more on our website: [Universal pictures' the mummy expands beyond the big screen with new digital experiences in VR, mobile and console games](#)

SLIDE / 25



T H E
MUMMY
PRODIGIUM STRIKE™

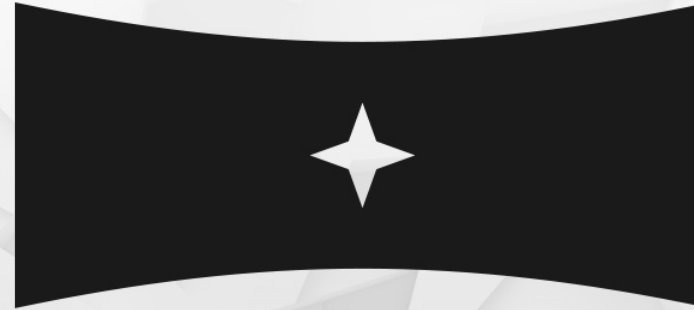
PRESENTED IN
S T A R V R®

VIRTUAL REALITY SALT EVENT

StarVR showcased at the SALT event in Las Vegas, USA in May.

Read more on our website: [StarVR®](#), [Starbreeze and Acer showcases the Future of Enterprise in Virtual Reality at the SALT Conference in Las Vegas, May 16-19](#)

SLIDE / 26



S T A R V R

SHOWCASING THE **FUTURE** OF ENTERPRISE IN **VIRTUAL REALITY**



“STARBREEZE STUDIOS®”, “STARVR®”, THE STARBREEZE AND STARVR LOGO, ARE REGISTERED TRADEMARKS OF STARBREEZE AB (PUBL) AND STARBREEZE VR AB. ©2017 STARBREEZE AB (PUBL) ©2017 STARBREEZE VR AB

acer

VIRTUAL REALITY ZEROLIGHT

StarVR and ZeroLight partnered to showcase an ultra-high definition automotive virtual reality experience, during London Tech Week.

Read more on StarVR website: [ZeroLight and StarVR® partner to deliver truly premium immersive experiences](#)

SLIDE / 27



OUR ADDRESSES:

STARBREEZE STUDIOS

Visiting address:
Regeringsgatan 38
111 56 STOCKHOLM
SWEDEN

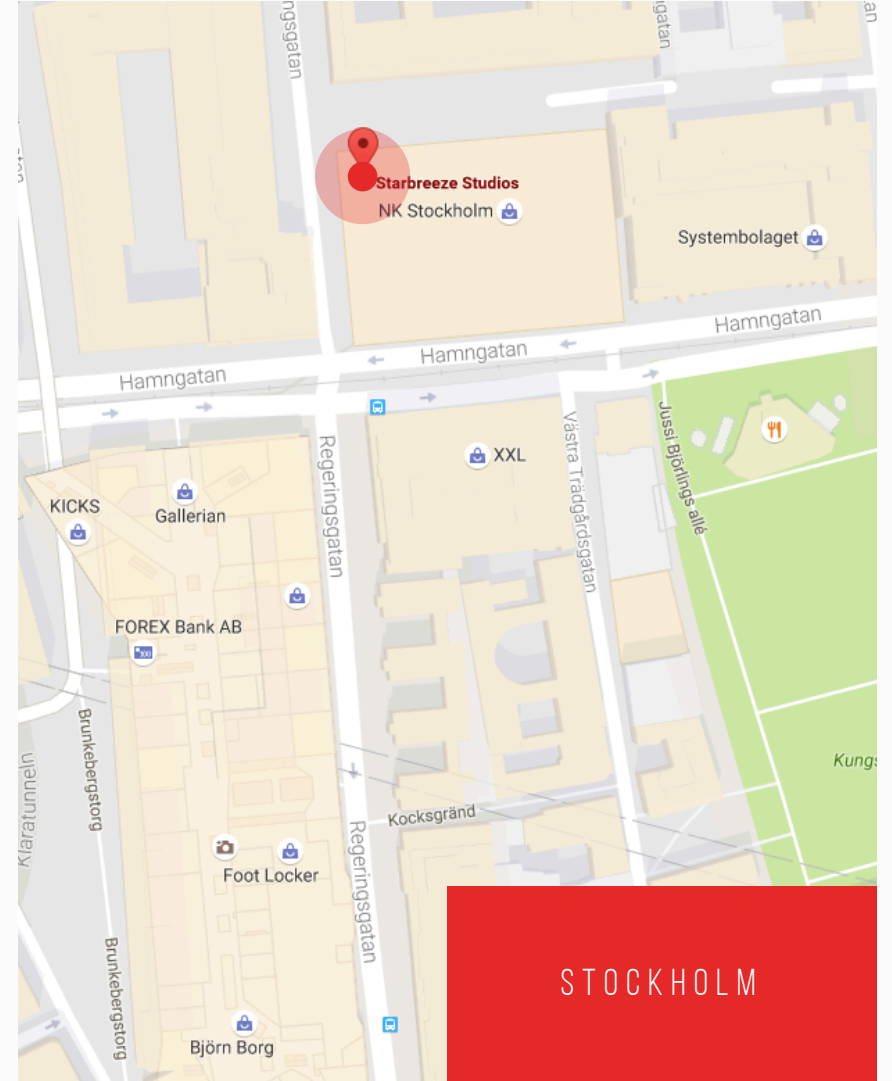
Postal address:
PO Box 7731
103 95 Stockholm
SWEDEN

OUR CONTACTS:

WWW.STARBREEZE.COM
Website

INFO@STARBREEZE.COM
General contact

IR@STARBREEZE.COM
Investor Relations contact



THANKS!

Starbreeze Q2 2017 Presentation

