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PRESENTATION
1 APRIL – 30 JUNE 2022



Today's presenters



Tobias Sjögren, CEO

Background: Former CEO of White Wolf Entertainment, previous positions at Paradox Interactive, Stardoll and international video game agency DDM Agency. Head of DICE Stockholm's studio while the first Battlefield game was released.



Mats Juhl, CFO

Background: CFO of Mips AB (publ.), CFO of Tengbomgruppen AB, CFO of Sweden Arena Management KB (Friends Arena), Finance Director at Ticnet AB, Finance Manager at Enea AB (publ.).



- **HIGHLIGHTS**
- **STARBREEZE & STRATEGY**
- **THE BUSINESS**
- **FINANCIALS**

**Stepping up ...
... to the next level**



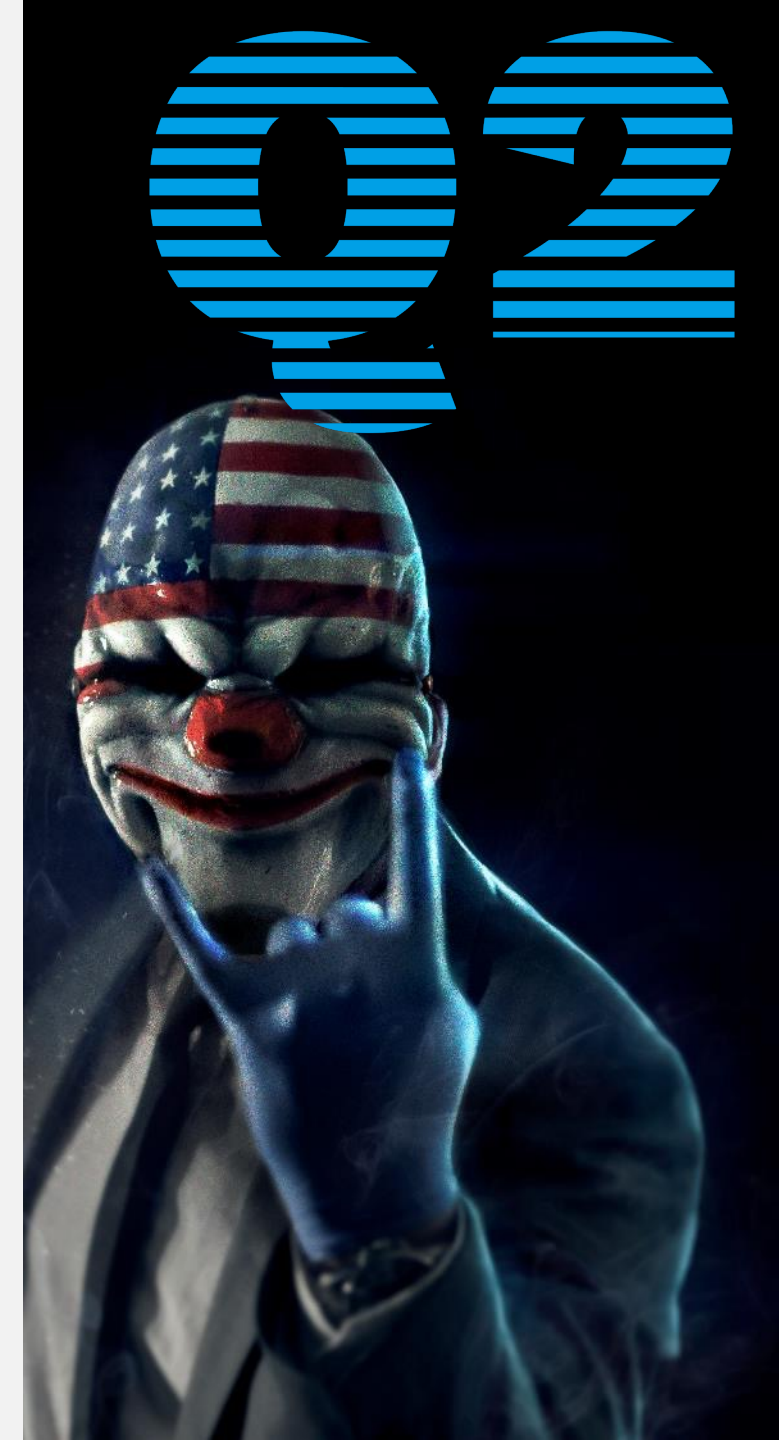
HIGHLIGHTS

HIGHLIGHTS

Summary Q2

- **PAYDAY 3, development according to plan**
- **PAYDAY 2, MAU + 585k peak in Q2**
- **Net Revenue, in line with previous year 31.8 MSEK**
- **EBITDA, 18.1 MSEK**
- **New IP, started development of a new game-IP**

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HIGHLIGHTS

Summary Q2

- **Net sales growth -0.8%**

- PAYDAY -4.7%

- **Adj. EBITDA* increase SEK 1.3m**

- **Profit before tax increase SEK 69.2m**

Significant events after the end of the period

No significant events after the period

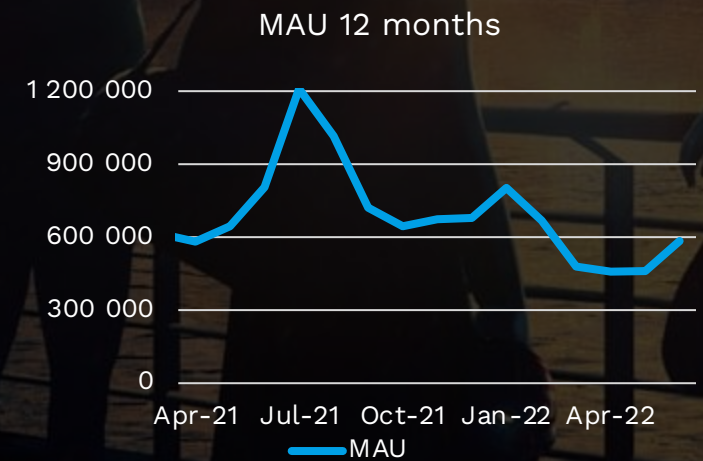
SEKm	Q2 2022	Q2 2021	R12M	2021
Net sales	31,764	32,010	121,052	125,689
EBITDA	18,106	-51,849	-328	6,268
EBITDA adjusted	18,106	16,823	58,182	74,940
Profit before tax	-10,838	-80,032	-55,557	-105,226
Cashflow from op.	15,441	9,328	60,151	73,868

* Adjusted EBITDA, adjusted for PopReach licensing agreement in Q2 2021.

Highest MAU during Q2 2022: 585,467

Highest DAU during Q2 2022: 93,619

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STARBREEZE & STRATEGY



Long-term game developer, with a big community

FOUNDATION

PAYDAY is one of the strongest brands in the games industry

- Starbreeze a leading developer in long-term value for its games
- A big and active community, high CCU and MAU KPI's

Core business focus, developing great games for PC and console

- PAYDAY 3 financed and set for release 2023
- Stable financial foundation and positive cash flow from PAYDAY 2

Experienced management team and a growing, international game development organization

FUTURE GROWTH

Maximize the PAYDAY offer

- Complement with other type of video games and platforms
- Grow outside video games, IP extensions are excellent for community growth

Use Starbreeze expertise for more games and build the portfolio

- In five years Starbreeze should have at least 3 games on the market
- A mix of own and licensed IP
- Build communities by user-generated content and high engagement
- Utilizing our publishing expertise

GaaS means constantly adapting the monetization! Starbreeze will continue to lead and innovate in this field.



152 employees in five countries

8,300,000

members on PAYDAY 2 Steam Community

STARBREEZE & STRATEGY

Create value beyond the gaming experience

Our four pillars for success

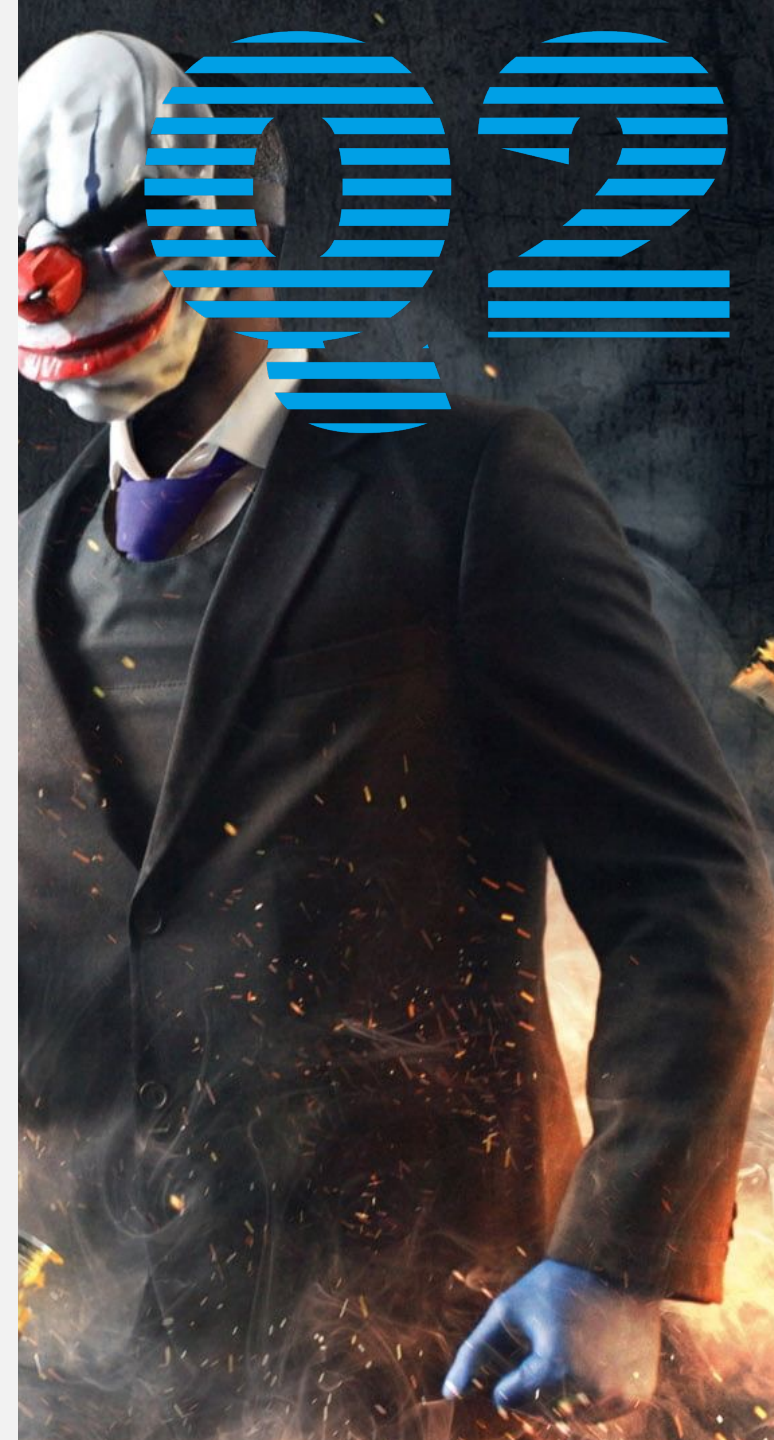
**Developing
games, IP and
beyond**

**Games as a
Service**

**A co-creating
community**

**The place
to be**

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THE BUSINESS

THE BUSINESS

The PAYDAY franchise

Co-op for PC and console

PAYDAY franchise in gross sales

>300m USD

Installed base

>36,000,000

DLCS and updates

>230

Steam community members

>8,300,000

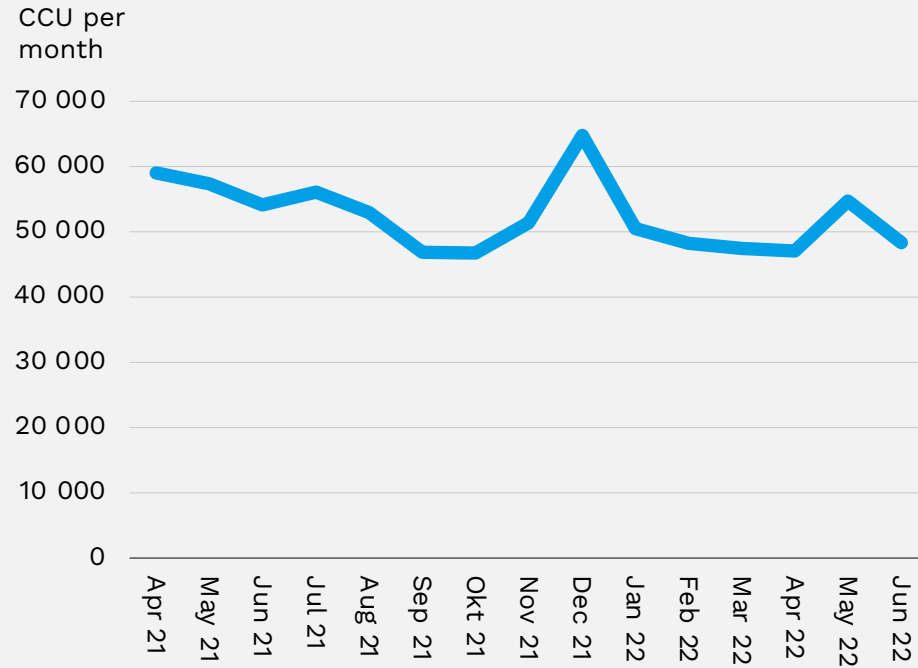
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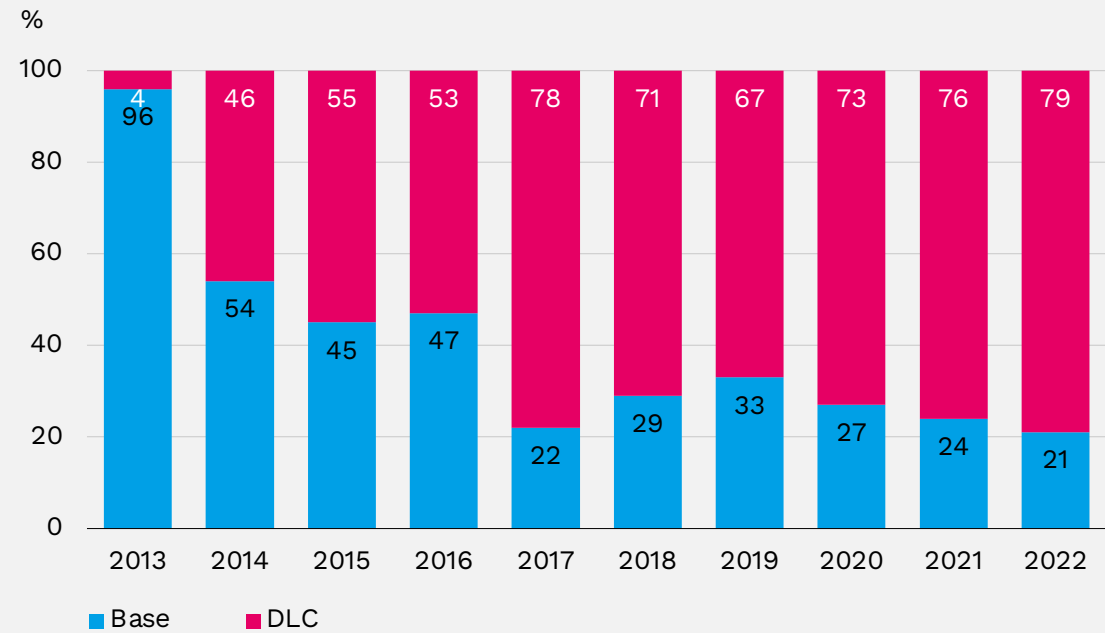
PAYDAY 2 – KPI development



PAYDAY–Peak CCU per month



PAYDAY 2–Base game vs DLC split PD2 Steam launch to date¹



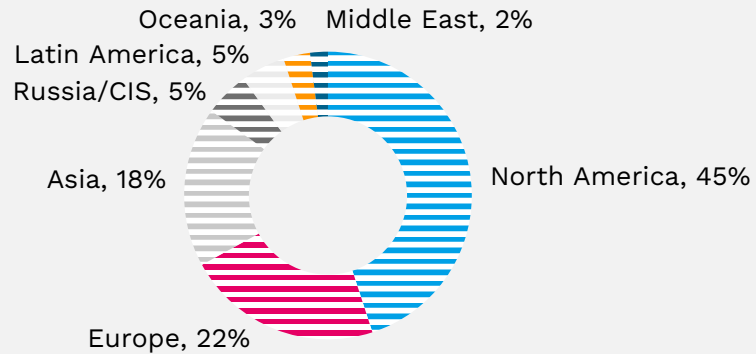
1) Share of net sales from PAYDAY 2 base games (all units and formats) vs. net sales from PAYDAY 2 DLCs (all units and PC).

THE BUSINESS

A big community creates opportunities

A key factor in PAYDAY's success is the involvement of players in the product, which includes maintaining a close dialogue between developers and fans

Breakdown of Starbreeze's revenues from Steam by region in 2021



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“

Since 2018, the company has established the world's largest game community on Steam

8,300,000

members on PAYDAY 2 Steam Community

Strong foundation for a successful launch of PAYDAY 3



A strong franchise built over eight years

Large installed base

>36,000,000

Installed base

>230

DLCs and updates

Strong reviews

89/100

Current Steam rating

94/100

Steam rating the past 30 days

>370,000

No. of Steam ratings

Well established community

8,300,000

Steam community members

Launch of PAYDAY 3

Multiple platforms

Simultaneous launch on PC and console (PAYDAY 2 was launched on PC first)

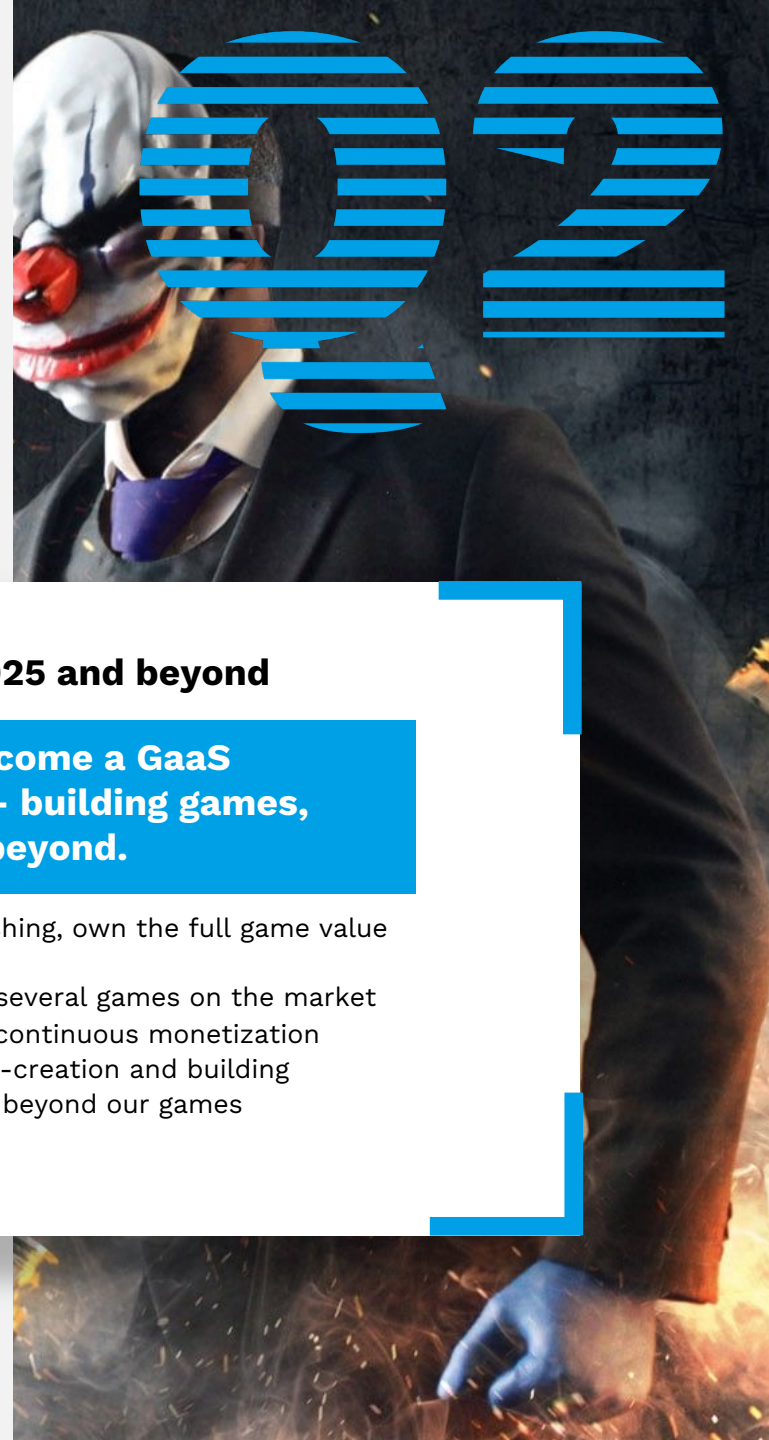


Games as a service

A game designed around content updates, new functionality added on a frequent basis and community services

THE BUSINESS

A solid foundation to deliver and grow



Roadmap

2022

Core focus creates capacity for growth ...

- Secure PD3 development and quality
- Continued monetization of PD2 – DLC
- Develop and implement Starbreeze Accounts – enhanced, multi-platform community
- Expand game production capabilities
- Expanding IP portfolio

2023–2024

... into a broadened IP portfolio ...

- Launch of PD3 and focus on the foundation for a high customer lifetime value (LTV)
- New IPs in production (developed, acquired and/or licensed)
- Multi-IP community
- Leveraging transmedia partnership(s)

2025 and beyond

... to become a GaaS leader – building games, IP and beyond.

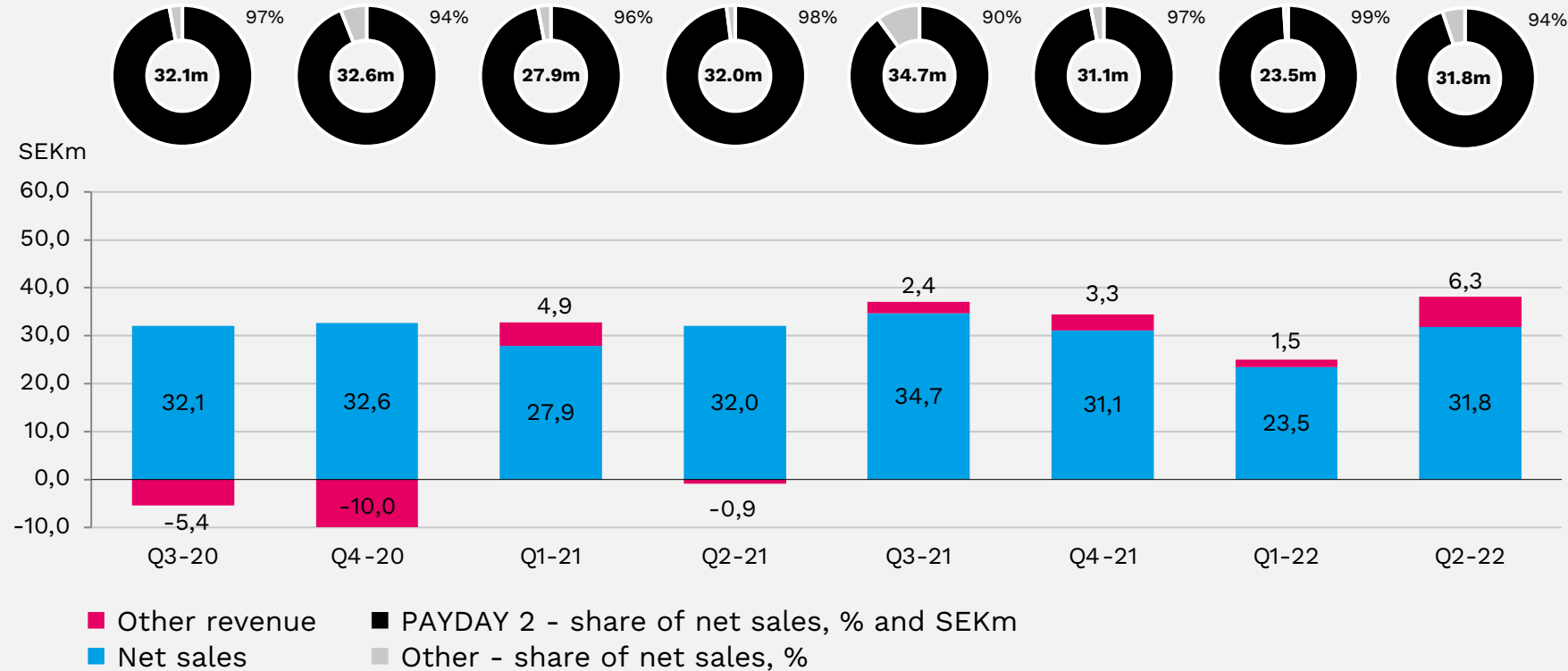
- Self-publishing, own the full game value chain
- Operating several games on the market
- PAYDAY 3 continuous monetization
- Leading co-creation and building franchises beyond our games

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FINANCIALS



Revenue development – growth in PAYDAY



- Net sales for Q2 2022 totaled to SEK 31.8m (32.0m)
- PAYDAY negative growth of -4.7% Q2 2022, compared to Q2 2021.
- Other revenue mainly relates to currency effects.

Operating expenses



Cost base development

SEKm	NOTE	Q2-22	Q2-21	2021
Direct costs	A	15,142	14,201	56,302
% of net sales		48%	44%	45%
Selling and marketing costs	B	3,894	2,957	12,946
% of net sales		12%	9%	10%
Administrative expenses	C	15,667	12,630	51,159
% of net sales		49%	39%	41%
Other expenses	D	-	68,672	68,672
% of net sales		-	215%	55%
Number of employees at the end of the period	E	152	136	138
Average number of employees		150	133	135

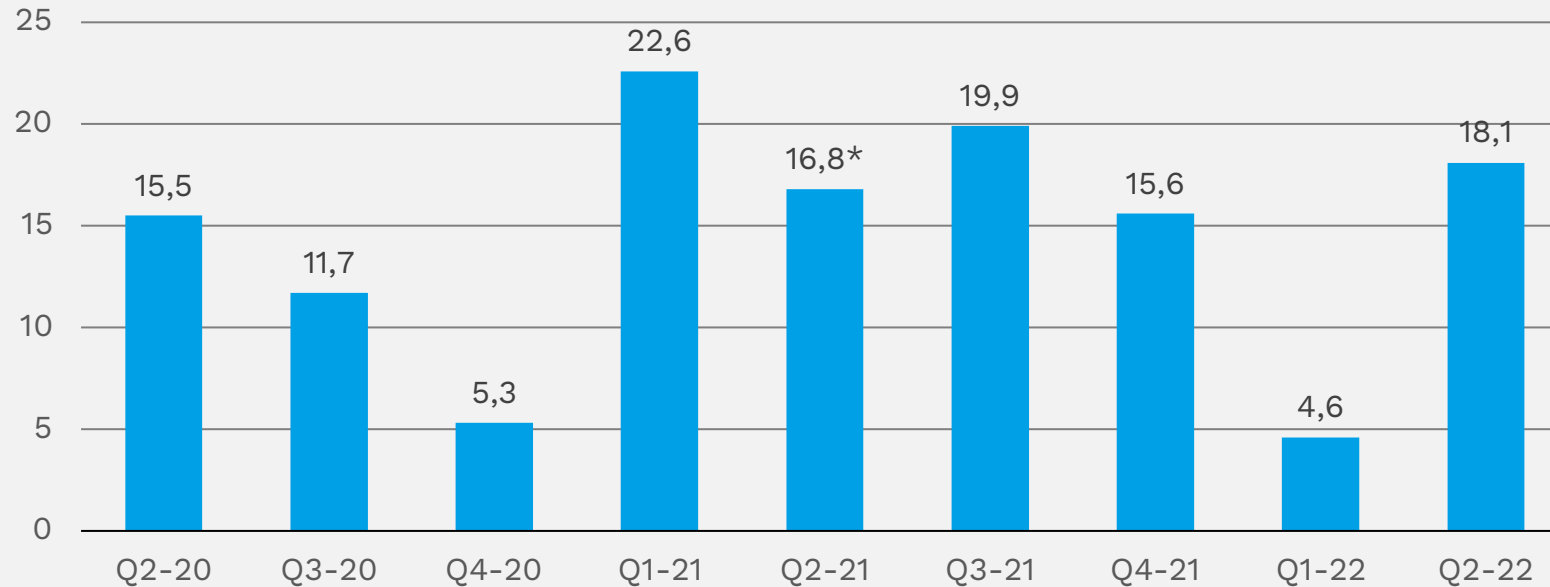
Source: Company information.

- A** Direct costs for Q2 22 amounted to SEK 15.1m (14.2) and consist of costs related to game production and game development. 10.9 million of direct cost relates to amortization and depreciation in the period. The increase is mainly due to higher personnel expenses that are not activated.
- B** Selling and marketing costs amounted to SEK 3.9m (3.0). The increase mainly relates to marketing activities during the quarter.
- C** Administrative expenses amounted to SEK 15.7m (12.6) and refer to items including office costs and payroll for employees who do not work in game production or marketing. The increase is mainly due to higher office expenses and payroll expenses regarding our PAYDAY 3 LTI (long term incentive) program for all staff.
- D** Other expenses in 2021 refers to earlier development expenses for PAYDAY Crime War being expensed due to license agreement with PopReach.
- E** We continue to grow the development organization and the number of employees increased by 2 during the quarter and by 16 compared to same quarter previous year. The development team for PAYDAY 3 will peak in size during 2022.

EBITDA development



SEKm



- EBITDA in Q2 2022 of 18.1m, EBITDA margin of 57%, 4.4% higher than Q2 2021.
- EBITDA impacted by higher personell cost for LTI, non activated personell costs and increase in royalty payments compared to 2021, offset by lower external expenses.
- *Adjusted EBITDA, adjusted for one time effect related to PopReach licensing agreement in Q2 2021.



FINANCIALS

Balance sheet

Assets

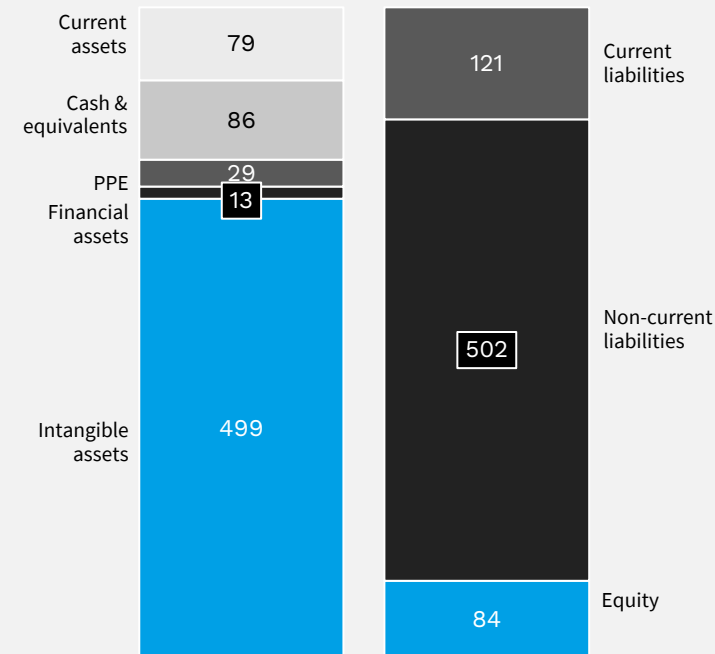
- Intangible assets amounted to SEK 499m and consist primarily of IP rights SEK 185.9m, capitalized costs for own game and technology development SEK 265.8m and Goodwill SEK 47.4m.
- PPE (property, plant and equipment) relates to right of use assets of SEK 26.9m and IT and other equipment of SEK 2.3m.
- Financial assets mainly consists of deferred tax of SEK 4.4m.
- Current assets consists of
 - Cash and equivalents of SEK 86.3m
 - Prepaid expenses and accrued income of SEK 38.9m
 - Trades and other receivables of SEK 40.5m

Liabilities

- Non-current liabilities amounted to SEK 502m, including
 - Convertible debt of SEK 347.3m
 - Financing liability to regarding financing for game development of SEK 129.8m
 - Lease liabilities of SEK 12.5m
 - Other non-current debt SEK 12.4m
- Current liabilities amounted to SEK 121.4m, including
 - Trade and other payables of SEK 67.8m
 - Accrued expenses and deferred income SEK 37.8m.
 - Lease contracts SEK 15.8m.

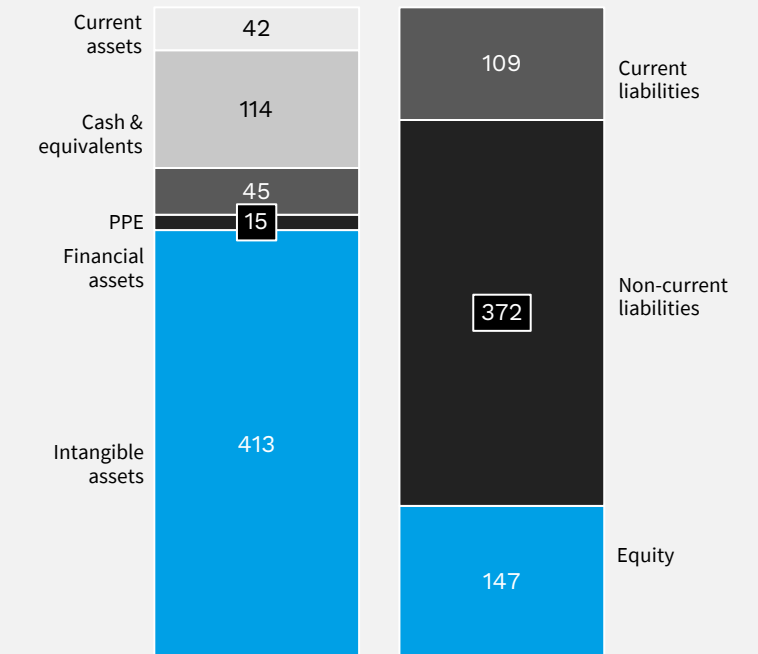
As per June 30, 2022

SEKm



As per June 30, 2021

SEKm

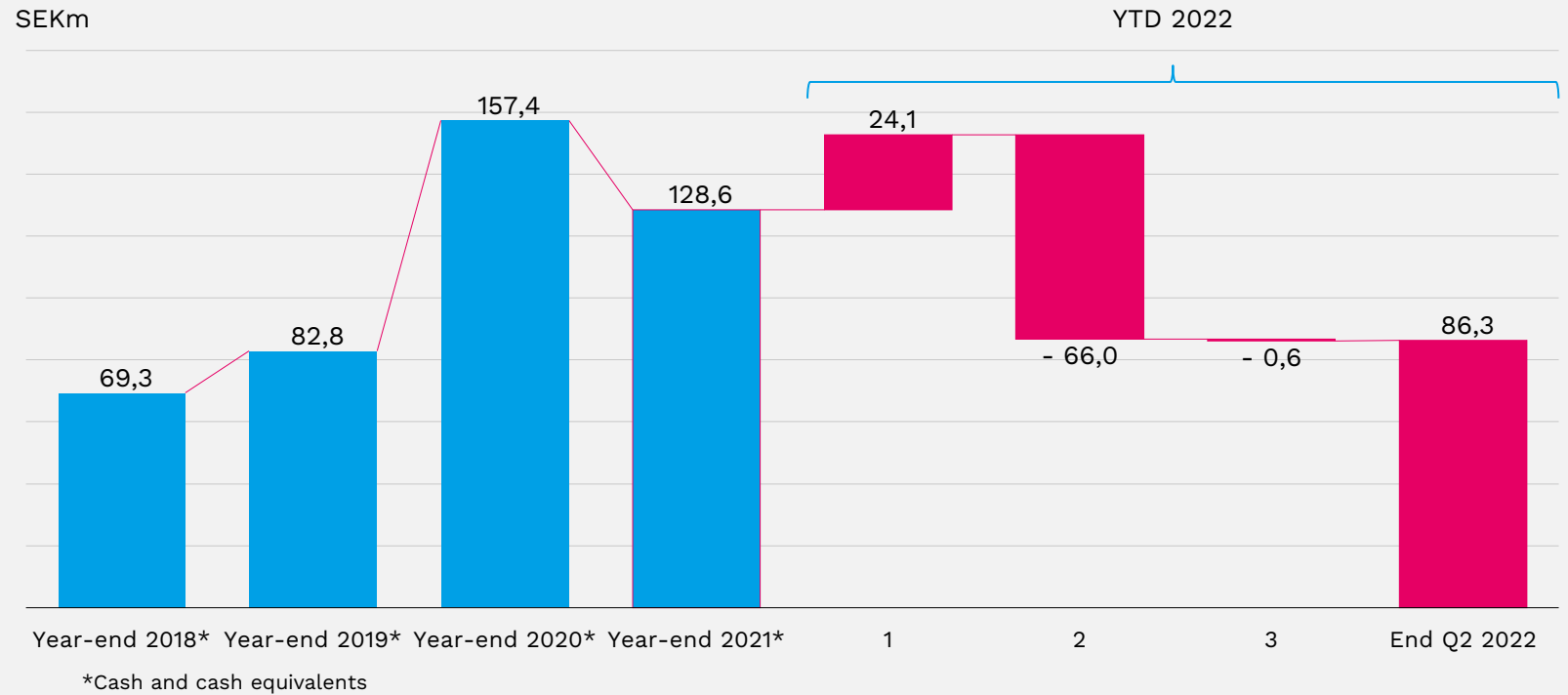


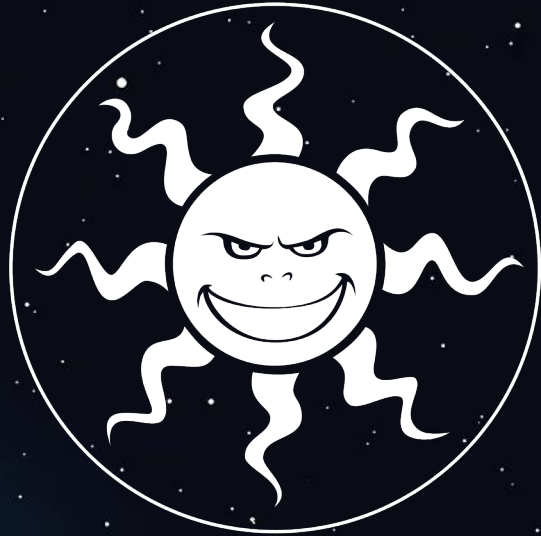


FINANCIALS

Cash flow development

- 1 Cash flow from Operating activities after changes in working capital, SEK 24.1m
- 2 Investing activities (game development), SEK -66.0m
- 3 Financing activities, SEK -0.6m (financing game development of 11.8m and IFRS16 -11.2m)





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THANK YOU!

