



STARBREEZE **Q3 2018 HIGHLIGHTS**

6 November 2018

Q3 KEY DELIVERIES



BETA RELEASE OF OVERKILL'S THE WALKING DEAD



BETA RELEASE OF PAYDAY CRIME WAR



LAUNCH OF PLUGIN FOR PRESENZ



STARVR ONE REVEALED AT SIGGRAPH



MOVE OF VR TECH DEVELOPMENT TEAM TO STARVR

THE START FOR RELEASES OF OUR NEW GAME PORTFOLIO

RESULTS/KEY FIGURES

	2018	2017
SEKk	Q3	Q3
Net sales	33,882	77,726
Direct costs	-78,939	-79,287
Gross profit	-45,057	-1,561
Operating costs	-42,339	-37,454
EBIT	-87,396	-39,015
EBITDA	-37,868	-21,868
EBITDA %	-112	-28

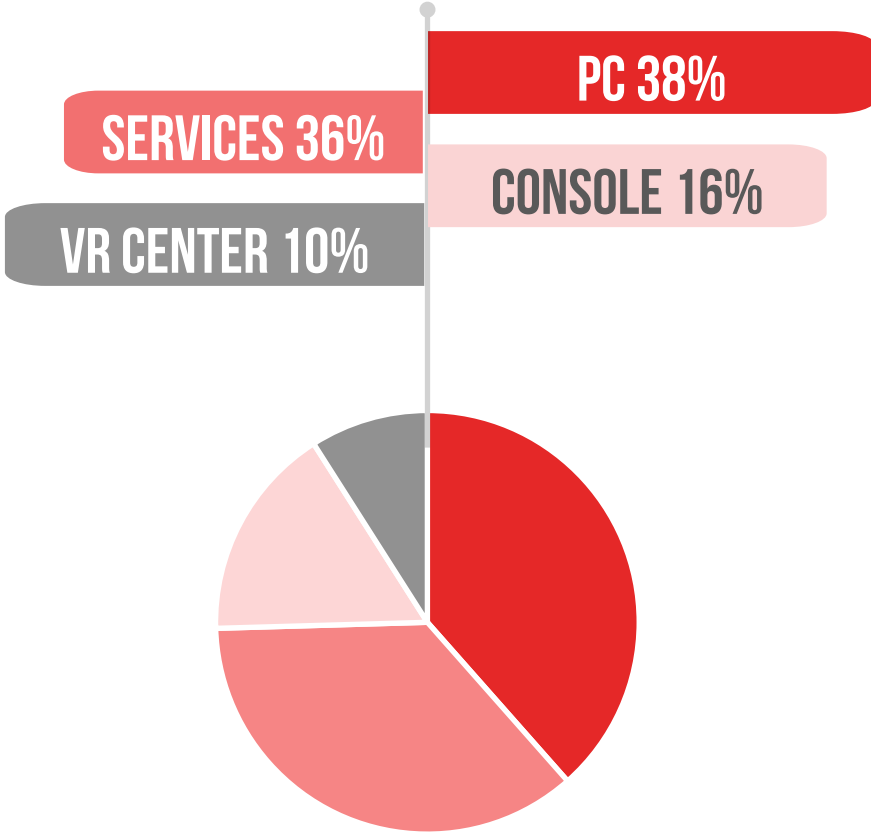
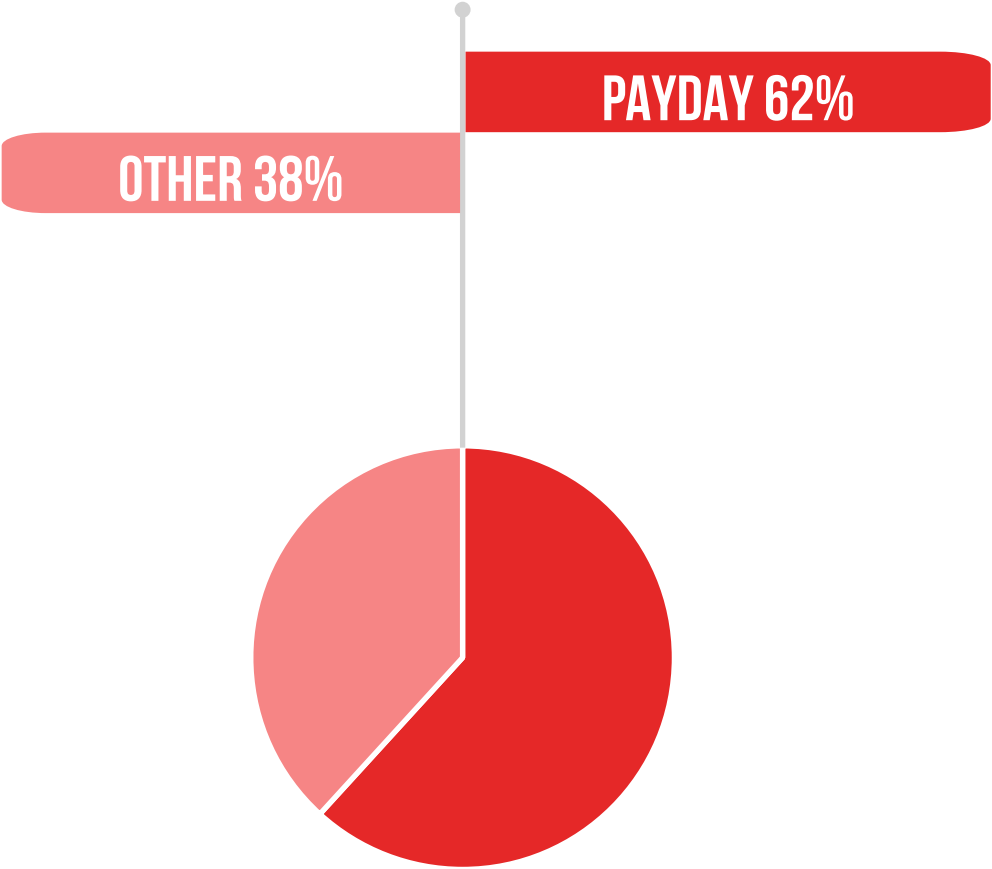
HIGH LIGHTS DURING Q3

- Sale of the publishing rights to Dead by Daylight closed.
- Revenues derived exclusively from PAYDAY – SEK 20.9 million (24.4).
- Resulting in negative results for Q3.
- PAYDAY revenues from Steam grew with 19%.
- Target remains to deliver positive EBITDA starting next quarter and thereafter on an annual basis.

The nine-month period (January–September 2018):

- Positive EBITDA of SEK 63 million, an improvement by SEK 123 million compared to 2017.
- Improvement mainly due to the sale of publishing rights for Dead by Daylight.

REVENUE BREAKDOWN Q3 2018



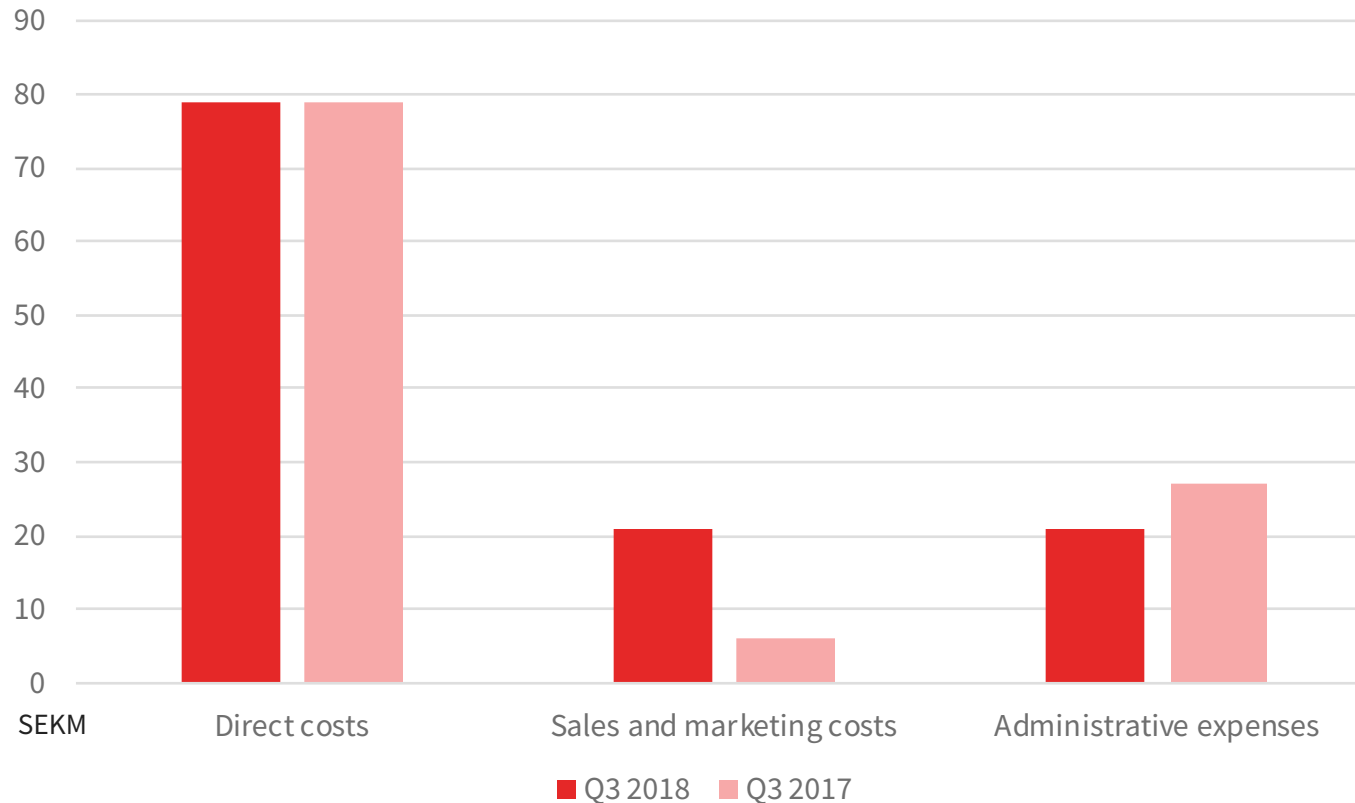
OVERKILL'S THE WALKING DEAD

Key Terms

- ① Publisher PC: Starbreeze
- ② Publisher console: 505 Games
- ③ Recoup rights 505 Games (10 MUSD)
- ④ Revenue share to IP owner (Skybound) and publisher 505 Games (console only)

Examples in USD	PC digital sales	Console digital sales	Console physical sales
Selling price per unit	59.99	59.99	59.99
VAT, %	10	10	12
Cost per unit sold, %	-	-	10
Distribution fees, %	30	30	60
Starbreeze net sales	37.79	37.79	19.00
Revenue share to IP holder (Skybound)			
Revenue share to 505			

COST Q3 2018 VS Q3 2017



Q3 2018 COMPARED TO Q3 2017

- No costs for servicing Dead by Daylight.
- Increase in depreciation within Direct Cost mainly due to more game releases in 2018 and depreciation on VR parks.
- Direct cost has also increased due to the acquisition of Dhruva.
- Increase in marketing costs related to the release of OVERKILL's The Walking Dead.
- Decrease in overhead costs due to allocation of global production resources to game production, lower variable pay/bonuses and the no costs related to the IPO in 2018.

CASH FLOW

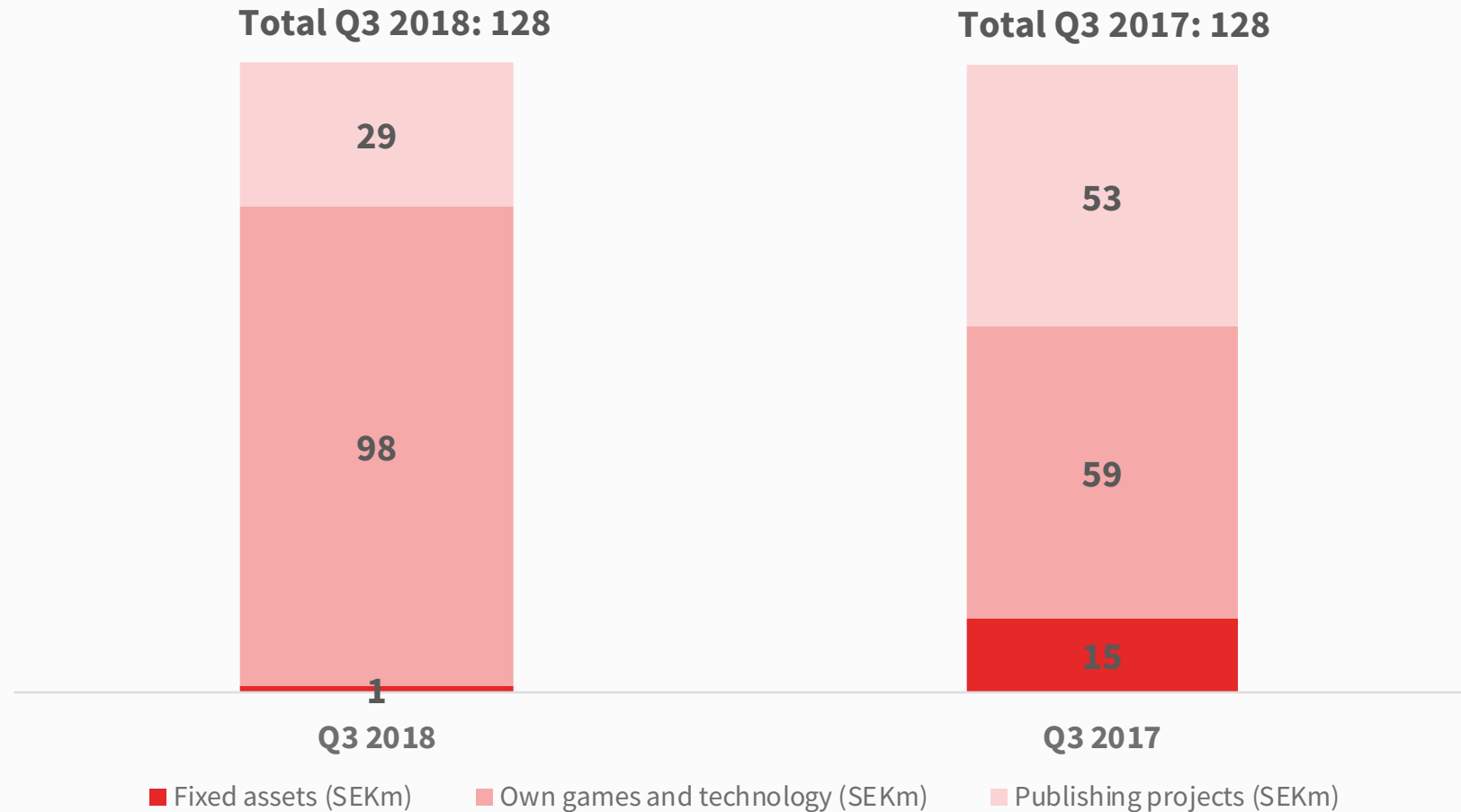
CASH FLOW		
	2018	2017
SEKk	Q3	Q3
Cash flow from operating activities	-57,219	59,575
Investments in own games and technology	-97,661	-59,272
Investments in publishing projects	-29,277	-53,068
Other investments	3,655	-5,970
Cash flow from investing activities	-124,519	-133,512
Cash flow from financing activities	61,603	121,150
Cash flow from the period	-120,084	47,213

HIGHLIGHTS DURING Q3

- **Cash flow from operating activities** declined primarily due to change in working capital.
- **Cash flow from investing activities** – more investments in own games and less investments in VR Parks and Publishing.
- **Cash flow from financing activities** refers primarily to changes in the bank over-draft facility.
- **Total cash flow for the quarter** decline is related mainly to reduced borrowing of both long-term loans and current liabilities.
- **Cash and cash equivalents** at the end of the period amounted to SEK 147.5 million (431.5).

INVESTMENTS SECURING FUTURE GROWTH

INVESTMENTS DURING Q3 2018 VS Q3 2017, SEKm



PAYDAY CRIMEFEST

Read more on our website:
<http://www.overkillsoftware.com/the-greatest-heist-of-all/>



SOFT LAUNCH
PAYDAY
CRIME WAR



PAYDAY

CRIME WAR



OVERKILL'S THE WALKING DEAD

BETA PERIOD
FOR **OTWD**
STARTED IN
OCTOBER

CLOSED PC BETA
STARTS OCTOBER
9TH

PRE-ORDER NOW FOR ACCESS

OTWD MARKETING

The screenshot shows the Gamereactor website homepage. At the top, there is a navigation bar with various utility links like CDON, PHP, MySQL, SCRIPT, JQUERY, CSS, Tablas, Vcard, Info Variada, Traductor de DeepL, permalink entre llaves, AMP, WeTransfer, B.T. Nyheder, and Laes ny. Below this is a language selection bar with options for Dansk, Svenska, Norsk, Suomi, Deutsch, Italiano, Español, Português, Français, Nederlands, 中國, Indonesia, and Polski. The main header features the '20 YEAR ANNIVERSARY GAMEREACTOR' logo and a user profile for 'jagalca87' with an email address 'javier6500@hotmail.com'. A secondary navigation bar includes categories like News, Previews, Reviews, Articles, Esports, Videos, and Community, along with console-specific links for PC, PS4, Xbox One, Wii U, PS3, 3DS, and Switch. The main content area is dominated by a large red banner for 'OVERKILL'S THE WALKING DEAD' with the tagline 'THINK. FIGHT. LIVE.' and a 'PRE-ORDER NOW' button. Below the banner are three article thumbnails: 'Fallout 76 - Closed B.E.T.A. Impressions', 'Astro Bot Rescue Mission', and 'Thronebreaker: The Witcher Tales'. A large, detailed image of a zombie face is visible on the right side of the banner.

OTWD LAUNCH!

OVERHILLS
THE WALKING DEAD

OVERKILL

AMERICA

505
GAMES



PRESENTS

**STREAMING
DEAD**

live!

FEATURING

SHROUD ANNEMUNITION
JGHOSTY ANGRYPUG

HOSTED BY

GREG MILLER

GAMEPLAY GIVEAWAYS
MAYHEM AND MORE

NOV 6 @ 2PM PT
TWITCH.TV/STARBREEZE

Top Wishlists

Windows

Search

Sort by **Relevance**

Your content preferences have not been applied to the search results you see below. [Click here](#) to perform this search again with your preferences applied.



Sekiro™: Shadows Die Twice



22 Mar, 2019

59,99€



RESIDENT EVIL 2 / BIOHAZARD RE:2



Jan. 25, 2019

59,99€



OVERKILL's The Walking Dead



6 Nov, 2018

49,99€



Metro Exodus



22 Feb, 2019

84,99€



Devil May Cry 5



59,99€



Insurgency: Sandstorm



12 Dec, 2018

-10%

29,99€

26,99€



BIOMUTANT



2019



Total War: THREE KINGDOMS



7 Mar, 2019

59,99€



Darksiders III

Narrow by tag

- Indie
- Action
- Adventure
- Casual
- Strategy

search for more tags

SEE ALL

Show selected types

- Games
- Software
- Videos
- Downloadable Content
- Demos

SEE ALL

Narrow by number of players

- Single-player

Global Top Sellers

















Windows 

enter search term or tag

Search

Sort by **Relevance** 

Your content preferences have not been applied to the search results you see below. [Click here](#) to perform this search again with your preferences applied.

	PLAYERUNKNOWN'S BATTLEGROUNDS	21 Dec, 2017		29,99€
	OVERKILL's The Walking Dead	6 Nov, 2018		49,99€
	Grand Theft Auto V	14 Apr, 2015	 -34%	29,99€ 19,79€
	OVERKILL's The Walking Dead	6 Nov, 2018		49,99€
	Rocket League®	7 Jul, 2015		19,99€
	ARK: Survival Evolved Season Pass	1 Sep, 2016		39,99€
	Total War: WARHAMMER II - Curse of the Vamp...	8 Nov, 2018	 -10%	17,49€ 15,74€
	Assassin's Creed® Odyssey	5 Oct, 2018		59,99€
	MONSTER HUNTER: WORLD	9 Aug, 2018		59,99€

Narrow by tag

- Indie
- Action
- Adventure
- Casual
- Strategy

search for more tags

SEE ALL 

Show selected types

- Games
- Software
- Videos
- Downloadable Content
- Demos

SEE ALL 

Narrow by number of players

- Single-player
- Multi-player
- Online Multi-Player



QUESTIONS?

The Starbreeze team

FIVE YEAR ANNIVERSARY
GOLDEN WOLF MASK
PAYDAY 2