

A large, stylized, grey cartoon character with a round face, a wide, toothy grin, and a single visible eye with a sharp, angular shape. The character is set against a dark background with abstract, wavy grey shapes.

STARBREEZE **COMPANY PRESENTATION**

September, 2021

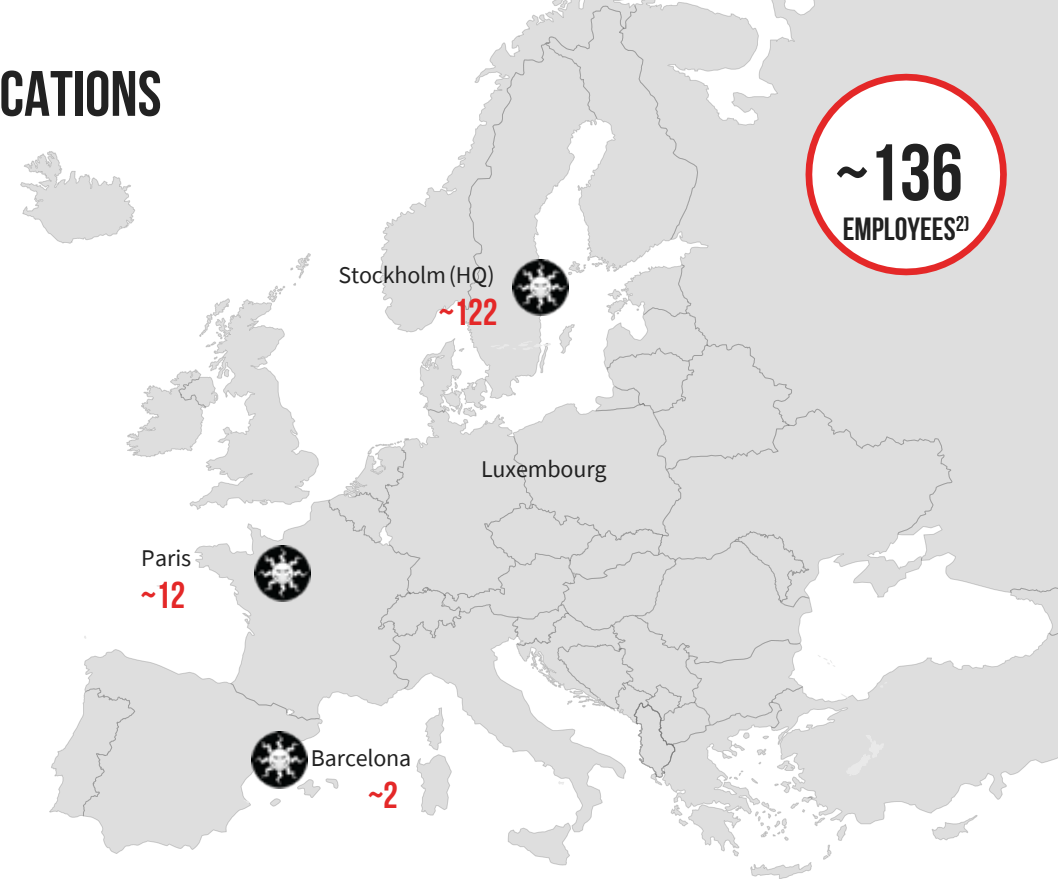
STARBREEZE IN BRIEF

AT A GLANCE

- Independent game developer for PC- and console games
- Owns and fully controls the PAYDAY franchise, one of the most successful PC games of all times
 - Total net sales from the PAYDAY franchise since initial release amounts to approx. SEK 1.1bn¹⁾
 - >35,000,000 installed base (PAYDAY franchise)
 - Highest number of Monthly Active Users (MAU) in Q2'21 amounted to 804 029
 - Streamlined business with approximately 136 employees focusing on the core asset PAYDAY
- Stable and predictable revenue streams from PAYDAY 2
- PAYDAY 3 in co-publishing deal with Koch Media, launch 2023
- PAYDAY Crime War, mobile game licensing deal with PopReach

Note: 1) Refers to all Starbreeze revenues from the PAYDAY franchise (excluding publishing share) since initial release.

OFFICE LOCATIONS



THE PAYDAY IP



STARBREEZE IS ON A MISSION

**DEVELOP VIDEO GAME IP'S INTO ENTERTAINMENT
PROPERTIES WITH HIGHLY ENGAGED COMMUNITIES**

OUR KEY TARGET AUDIENCE ARE HARD CORE GAMERS ON PC AND CONSOLE

OUR GAMES BUILDS OUR STARBREEZE BRAND RECOGNITION

SERVICE THE COMMUNITY AND THEY WILL SERVE YOU

PC GAMES +7.9% YOY

\$34.2 BN

CONSOLE GAMES +6.8% YOY

\$45.2 BN

= 49% OF THE MARKET IN 2020

SOURCE: GLOBAL GAMES MARKET OCTOBER 2020 BY NEWZOO.

SUMMARY Q2 2021

- **LICENSING DEAL PAYDAY CRIME WAR**
- **GREAT GROWTH IN SALES FOR PAYDAY 2**
- **FULLY FUNDED STUDIO ON ONGOING BASIS**
- **CASH TO FURTHER DEVELOP STARBREEZE**
- **PAYDAY 3 DEVELOPMENT ACCORDING TO PLAN**

Q2 2021— SOLID GROWTH FOR PAYDAY 2

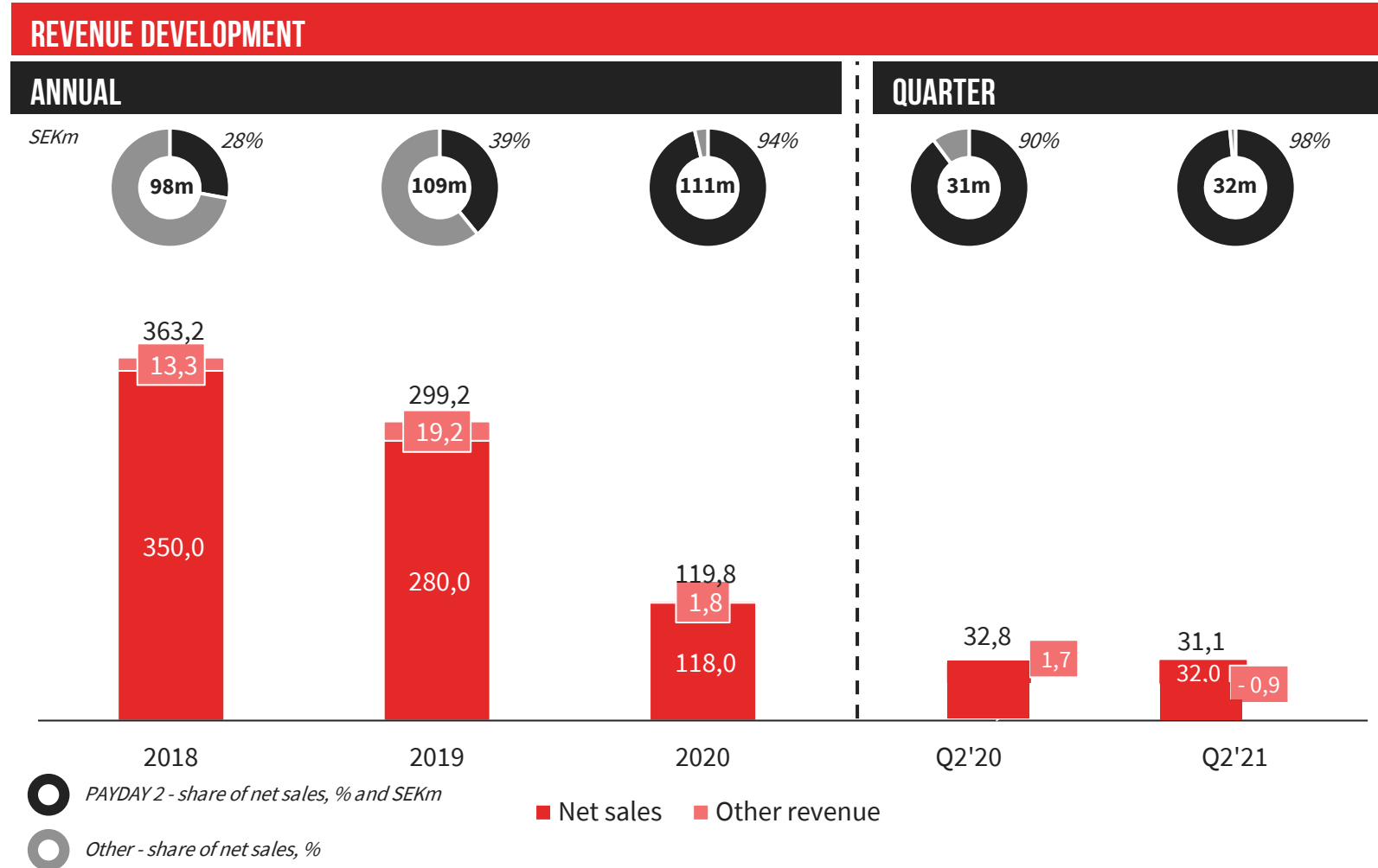
PAYDAY 2 sales demonstrate the power of PAYDAY IP and its community - a stable foundation for PAYDAY 3's launch in the coming years. Currency adjusted growth of 38% on Steam for Payday 2.

Licensing deal with PopReach regarding PAYDAY Crime War, up-front payment and royalty.

Development organization continues to recruit and an increased focus on marketing and business development.

Cash position of 114 MSEK enables us to further develop Starbreeze.

REVENUE DEVELOPMENT - GROWTH IN PAYDAY



COMMENTARY

- Net sales in Q2'21 totaled to SEK 32.0m, compared to SEK 31.3m in Q2'20. The PAYDAY franchise accounted for SEK 31.5m, compared to 28.1m in Q2'20.
- PAYDAY growth in net sales 12.1% in Q2'21.
- Net sales for the half year of 2021 totaled to SEK 59.9m, compared to SEK 53.3m in 2020. The PAYDAY franchise accounted for SEK 58.4m compared to 49.7m in 2020.
- PAYDAY growth in net sales 17.5% in H1 2021.
- Other revenue mainly relates to currency effects.

Impact of COVID-19

- No direct impact on ongoing revenue-generating operations because the majority of revenues are generated through a digital distribution model
- The effect on Starbreeze's revenues has until now been positive due to higher volumes
- Focus has been on business continuation. Most employees are currently working from home with limited operational impact
- The short-term effect on ongoing projects is viewed as minor

Source: Company Information.

OPERATING EXPENSES

COST BASE DEVELOPMENT

SEKM	NOTE	2020	Q1'20	Q1'21	H1'20	H1'21
Direct costs	A	-31.1	-6.3	-14.2	-15.8	-25.8
<i>% of net sales</i>		26%	20%	44%	30%	43%
Selling and marketing costs	B	-8.5	-2.3	-3.0	-4.4	-5.3
<i>% of net sales</i>		7%	7%	9%	8%	9%
Administrative expenses	C	-69.4	-19.4	-12.6	-38.9	-23.4
<i>% of net sales</i>		59%	62%	39%	73%	39%
Other expenses	D	-	-	-68.7	-	-68.7
<i>% of net sales</i>		n.a.	n.a.	215%	n.a.	215%
<i>Number of employees at the end of the period</i>	E	124	129	133	126	132
<i>Average number of employees</i>		123	125	136	125	136

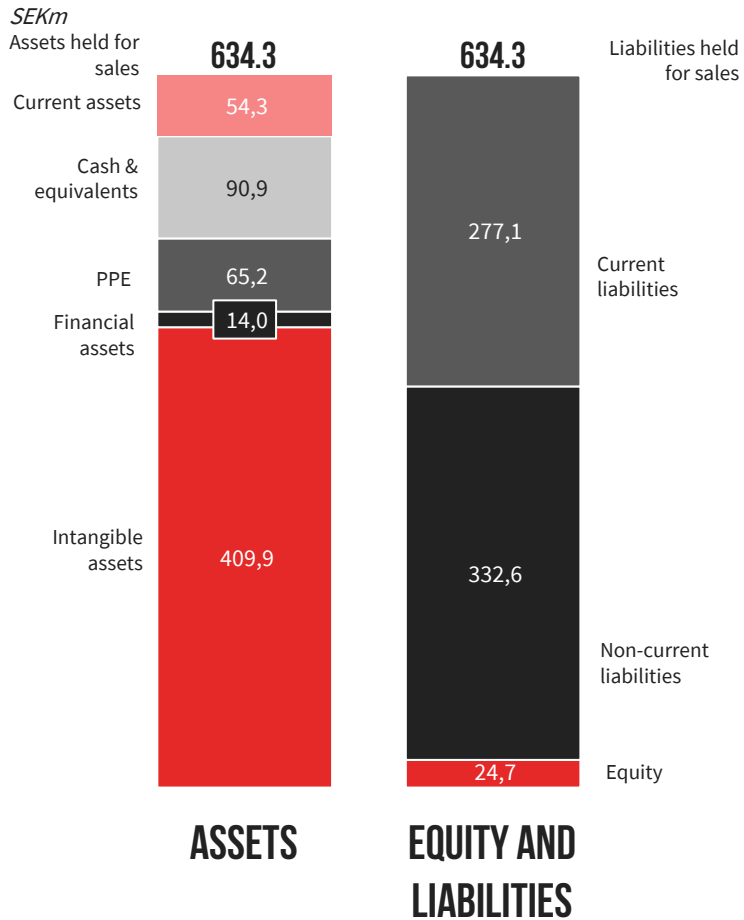
COMMENTARY

- A Direct costs for Q2'21 amounted to SEK 14.2 million, compared to SEK 6.3m in Q1'20, and consist of costs related to game production and game development. The increase is mainly due to higher depreciations of intangible assets of SEK 10.5m (6.1).
- A For the first half of 2021 direct costs amounted to SEK 25.8m compared to SEK 15.8m in 2020. The increase is as for the quarter mainly attributable to higher depreciations of intangible assets of SEK 19.0m (9.1).
- B Selling and marketing costs amounted to SEK 3.0 million, compared to SEK 2.3m in Q2'20. For the first half of 2020 selling and marketing costs amounted to SEK 5.3m compared to SEK 4.4m.
- C Administrative expenses amounted to SEK 12.6 million, compared to SEK 19.4m in Q2'20, and refer to items including office costs and payroll for employees who do not work in game production or marketing, as well as legal costs related to the reconstruction process.
- C The reduction over years is mainly due to lower costs related to the reconstruction process, lower studio costs and lower headcount.
- D Other expenses in the period refers to earlier development expenses for PAYDAY Crime War being expensed due to license agreement with PopReach.
- E Significant headcount reduction following discontinuation and divestment of non-core operations over the years. In 2021 number of employees starting to increase again as we ramp up the game development for PAYDAY.

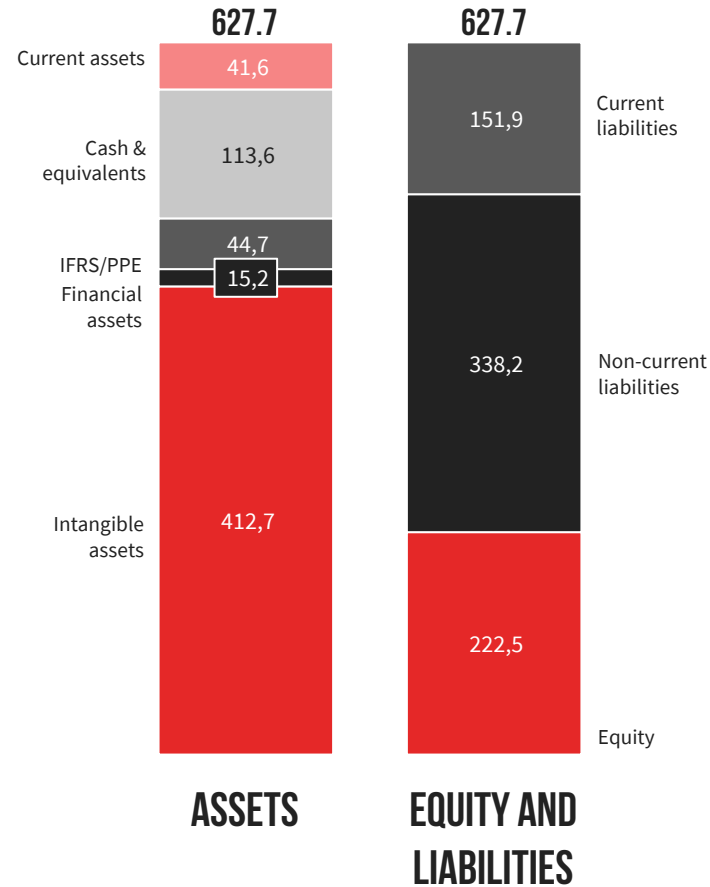
Source: Company Information.

BALANCE SHEET

BALANCE SHEET AS PER JUNE 30, 2020



BALANCE SHEET AS PER JUNE 30, 2021



COMMENTARY

Assets

- Intangible assets primarily consists of IP rights (SEK 214.2m), capitalized costs for own game and technology development (SEK 154.3) and Goodwill. Goodwill consists of synergies and other intangible assets such as market position and personnel relating to past acquisitions (SEK 40.2m)
- PPE (property, plant and equipment relates to Right of use assets of SEK 41.4 m and IT and other equipment of SEK 3.3 m)
- Current assets consists of
 - Cash and equivalents of SEK 113.6m
 - Prepaid expenses and accrued income of SEK 34.0m
 - Trades and other receivables of SEK 5.3m
 - Current lease receivable of SEK 2.2m

Liabilities

- Non-current liabilities amounted to SEK 372.4m, compared to 332.6m in 2020, including:
 - Convertible debt of SEK 293.6m
 - Financing liability to Koch of SEK 37.8m
 - Lease liabilities of SEK 29.1m
 - Other SEK 11.9 m (Unity)
- Current liabilities amounted to SEK 108.5m, compared to 277.1m in 2020
 - Trade and other payables of SEK 61.6m, compared to SEK 214.5m in '20.
 - Accrued expenses and deferred income SEK 28.4m.
 - Lease contracts SEK 18.5 m.
- Amortizations to Nordea of SEK 59.1m (including interest) was made during H1.



**THE PAYDAY FRANCHISE — ONE OF THE
MOST SUCCESSFUL IPS IN THE WORLD**

STRONG FOUNDATION FOR A SUCCESSFUL LAUNCH OF PAYDAY 3

PAYDAY
THE HEIST



PAYDAY2



PAYDAY3

A STRONG FRANCHISE BUILT OVER EIGHT YEARS

LARGE INSTALLED BASE

>35,000,000

Installed base

>200

DLCs and updates

STRONG REVIEWS

88/100

Current steam rating

94/100

Steam rating the past 30 days

>335,000

No. of Steam ratings

WELL ESTABLISHED COMMUNITY

7,500,000

Steam community members

MULTIPLE PLATFORMS

Simultaneous launch on PC
and console (PAYDAY 2
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 PAYDAY FRANCHISE

Action / Co-op for PC and console

PAYDAY FRANCHISE IN GROSS SALES

>300M USD

INSTALLED BASE

>35,000,000

DLCS AND UPDATES

>200

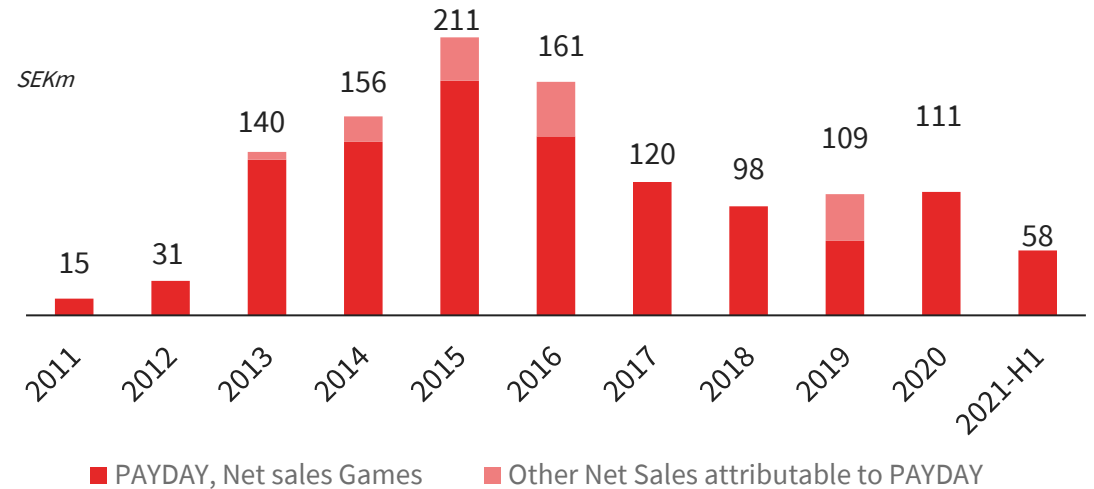
STEAM COMMUNITY MEMBERS

>7,500,000

PAYDAY 2 release dates

August 2013 (PC) & June 2015 (Console)

PAYDAY 1 & 2 STARBREEZE NET SALES



August 2013 (PC) & June 2015 (Console)

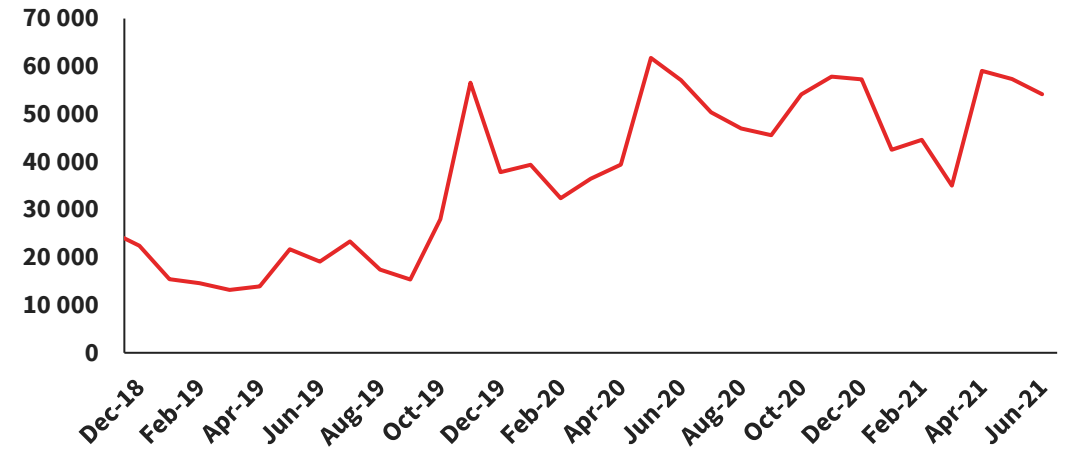
PAYDAY 2 - REVENUE AND KPI DEVELOPMENT

**STEAM COMMUNITY MEMBERS
CONTINUES TO INCREASE 7.5 M**

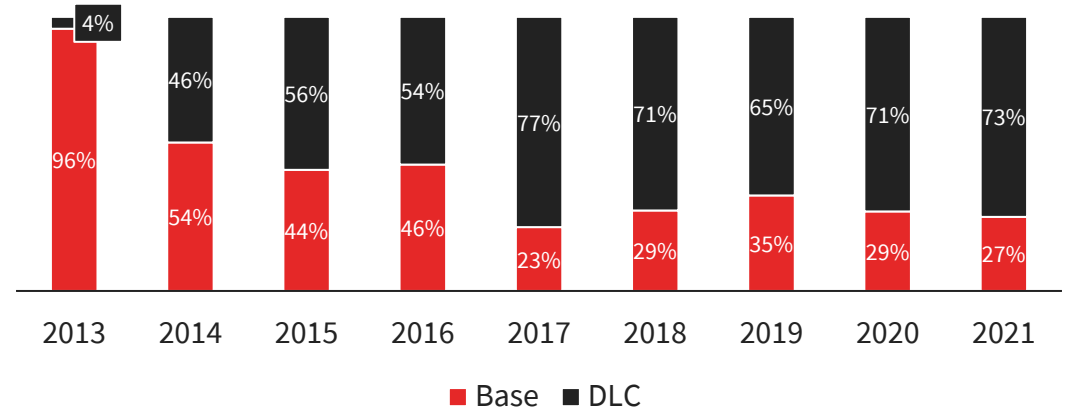
**96% POSITIVE STEAM REVIEWS
RATING 30 DAYS POST CONTENT
RELEASE**

**FREQUENT EXPANSION PACKS
RELEASED MAKING 2/3 OF REVENUE**

PAYDAY 2 — PEAK CCU PER MONTH (OCT 2018-2021)



PAYDAY 2 BASE GAME VS DLC SPLIT PD2 STEAM LAUNCH TO DATE¹⁾

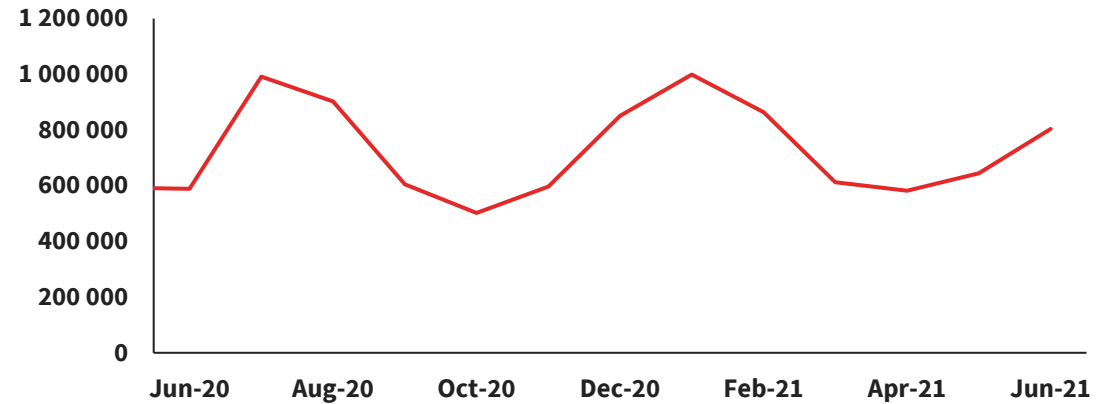


PAYDAY 2 — MAU AND DAU

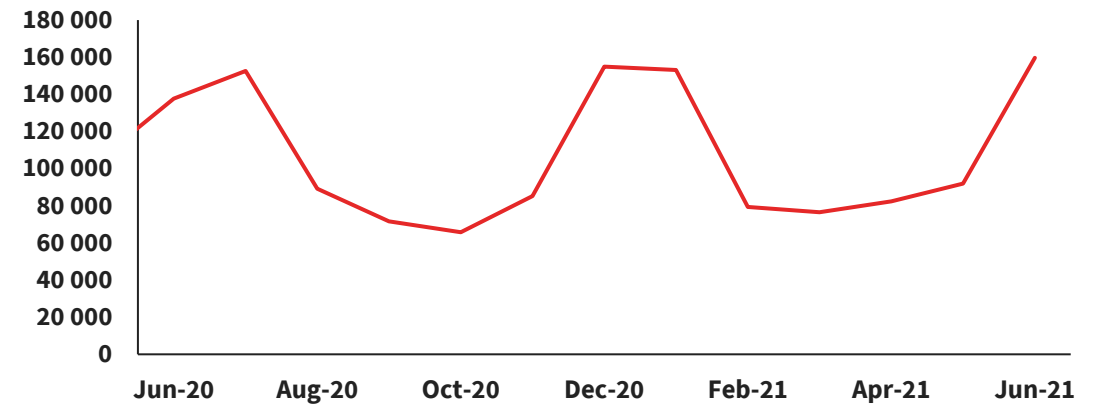
HIGHEST MAU DURING Q2 2021: 804 029

HIGHEST DAU DURING Q2 2021: 159 652

PAYDAY 2 — HIGHEST MAU PER MONTH JUNE 2020 — JUNE 2021



PAYDAY 2 — HIGHEST DAU PER MONTH JUNE 2020 — JUNE 2021



KEY STRATEGIES

FINANCIAL STABILITY WHILE BUILDING A WORLD CLASS GAME STUDIO

- PC & CONSOLE, A GREAT PARTNERSHIP WITH KOCH MEDIA FOR PAYDAY 3
- MOBILE, A LICENSING AGREEMENT WITH POPREACH FOR PAYDAY CRIME WAR

FURTHER GROW OUR “GAMES AS A SERVICE” DEVELOPMENT CAPABILITY

- DEVELOPMENT AND UTILISATION OF THE PAYDAY IP
- COMPLEMENT WITH MORE IP'S FOR THE FUTURE

IN THE FOREFRONT OF COMMUNITY MANAGEMENT

- CO-CREATE YOUR EXPERIENCE, USER GENERATED CONTENT
- BE PART OF THE STARBREEZE FAMILY

PAYDAY 3 — LIVING THE HEIST FANTASY

- DEVELOPMENT STARTED IN OCTOBER 2019
- USING THE UNREAL GAME ENGINE
- ESTIMATED RELEASE DATE 2023
- CO — PUBLISHING WITH KOCH MEDIA
- IP DEVELOPED AND OWNED BY STARBREEZE
- GAAS MODEL = ADDING NEW CONTENT LONG AFTER THE RELEASE
- ESTIMATED DEVELOPMENT AND MARKETING INVESTMENT UP TO 18 MONTH AFTER RELEASE CAN BE OVER 50 MILLION EUR

LEGENDARY OUTLAWS

URBAN MAYHEM

EXECUTE THE PERFECT HEIST

EXPANSIVE UNIVERSE