

STARBREEZE

ENTERTAINMENT

Q4

Year-end Report

January - December 2024



Fourth quarter 2024

- Net sales amounted to SEK 46.4 million (69.2). PAYDAY 2 accounted for SEK 10.3 million (18.3). PAYDAY 3 accounted for SEK 14.7 million (36.2). Third-party publishing accounted for SEK 15.4 million (14.1). Work-for-hire accounted for SEK 5.0 million (0).
- EBITDA* amounted to SEK 19.7 million (-20.6).
- Cash flow from operating activities amounted to SEK -0.3 million (62.7).
- Depreciation, amortization and impairment amounted to SEK 71.6 million (74.4).
- Profit/loss before taxes amounted to SEK -49.0 million (-91.5).
- Basic and diluted earnings per share amounted to SEK -0.03 (-0.06).

Full-year 2024

- Net sales amounted to SEK 185.9 million (633.5). PAYDAY 2 accounted for SEK 41.8 million (139.1). PAYDAY 3 accounted for SEK 82.9 million (477.0). Third-party publishing accounted for SEK 47.7 million (14.9). Work-for-hire accounted for SEK 6.3 million (0).
- EBITDA* amounted to SEK 97.6 million (439.3), including items affecting comparability of SEK 18.8 million.
- Cash flow from operating activities amounted to SEK 64.9 million (114.6).
- Depreciation, amortization and impairment amounted to SEK 298.8 million (249.0).
- Profit/loss before taxes amounted to SEK -199.1 million (207.7).
- Basic and diluted earnings per share amounted to SEK -0.13 (0.19).
- Cash and cash equivalents amounted to SEK 191.9 million (347.8).
- In line with the company's dividend policy, the Board of Directors proposes that no dividend is paid for the 2024 financial year.

Significant events during the quarter

- October 14, announcement that Roboquest will be launching on PlayStation® 4 and 5 in the first half of 2025. [Read more here.](#)
- October 30, Part 2 of the Anniversary Update for PAYDAY® 3 was released with server browser, VoIP, UI update and more. A Year 1 Edition with all the content from the first year was released at the same time. [Read more here.](#)
- November 27, Roboquest celebrated its anniversary with “The Endless Update”, a major new update to the hit game. [Read more here.](#)
- December 5, Starbreeze announced a work-for-hire agreement with South Korean KRAFTON, Inc to bring the PAYDAY® experience to KRAFTON's game “PUBG: Battlegrounds”. [Read more here.](#)
- December 10, a new free heist “First World Bank” was released for PAYDAY® 3. [Read more here.](#)
- December 12, relaunch of “Notoriety” as an officially licensed PAYDAY® experience on Roblox. [Read more here.](#)

KEY FIGURES

	2024	2023	2024	2023
SEkk	Q4	Q4	JAN-DEC	JAN-DEC
Net sales	46,350	69,219	185,851	633,510
EBITDA*	19,670	-20,639	97,644	439,340
Profit (-loss) before tax	-49,039	-91,522	-199,107	207,656
Earnings per share, SEK	-0.03	-0.06	-0.13	0.19
Cash flow from operations	-303	62,668	64,870	114,575
Net sales per employee	245	353	983	3,443

*For definitions of performance measures, see page 24

Table of contents

- 01 CEO's message
- 02 Net sales and earnings
- 03 Other financial information
- 04 Financial reports
- 05 Other information

CEO's message

A More Multifaceted Starbreeze

During the fourth quarter, we continued to work on developing and strengthening the most important brands we work on. PAYDAY is and remains the basis of our strategy, operations and our most important asset. Together with our Dungeons & Dragons® project 'Baxter', third party publishing and our licensing and franchising business, we continue to deliver on our strategy. That is, to diversify our business, optimally utilize resources, capitalize on the strength of our own brand and not least to broaden our target groups and increase our reach.

In the quarter, we announced our collaboration with KRAFTON, Inc. to take PAYDAY to the ever-popular global hit 'PUBG: Battlegrounds' ("PUBG") through a work-for-hire deal. We also launched new content for PAYDAY 3, revealed that our blockbuster Roboquest is coming to PlayStation®4 and 5 in the first half of the year, and relaunched the Roblox game 'Notoriety' as an officially licensed PAYDAY experience.

RESULTS AND FINANCIAL POSITION

During the fourth quarter, we generated revenue from a number of sources; sales of PAYDAY 3 and associated content packages, continued stable demand for PAYDAY 2, third-party publishing where Roboquest continues to contribute strongly to turnover, and the first revenues from our work-for-hire deal. A project that started on a smaller scale, growing to full production in the first quarter of 2025. Compared to the same quarter last year, we have a more balanced and broader revenue mix, which lowers our risk profile and contributes to a more stable basis for growth going forward.

PAYDAY

PAYDAY 3

Close to the anniversary of PAYDAY 3's launch, a major update was released with new and requested functionality, including server browser, VoIP and a new user interface. In December it was followed by another heist for all

players, this time the PAYDAY classic 'First World Bank'. At this time of writing, PAYDAY 3 is one of the games of the month on PlayStation®Plus, meaning that during February it will be available for anyone with a Plus subscription to download and play. The collaboration with PlayStation will contribute positively to PAYDAY's revenue in the first quarter of 2025, but most of all, it is an incredible opportunity to let millions of people try PAYDAY 3 as it is today, after 1.5 years of hard work to improve the game both functionally and content-wise.

COLLABORATION AND BRAND EXTENSION

During the quarter, PAYDAY as a brand strengthened its presence and visibility in other channels and took steps towards new game environments. Through a work-for-hire to bring PAYDAY to PUBG, we have a unique opportunity to introduce PAYDAY as a brand and experience to a wider global audience. PUBG is one of the few "evergreen" - ever-popular - gaming platforms in the world, and



having the opportunity to create something that attracts both PAYDAY and PUBG fans is an incredibly inspiring opportunity.

During the quarter, the popular Roblox game 'Notoriety' was relaunched under the official PAYDAY banner. The game has built up a large audience over many years, and developer Evan Pickett at Moonstone Games has done a fantastic job of translating the soul of PAYDAY to a brand new platform. Through our presence on one of the world's largest gaming platforms, we also reach a completely new, and younger, audience that is schooled into the PAYDAY experience. Our philosophy is to continue to increase the reach and relevance of the brand through collaborations and creative partnerships combined with our own titles.

PROJECT BAXTER - DUNGEONS & DRAGONS®

Significant progress was made with Project Baxter during the quarter, and the team has ongoing playtests to fine-tune and iterate on the gameplay experience - all to create both a unique to Dungeons & Dragons® and a cooperative experience that puts player actions at the center. During and after the quarter, we have ongoing in-depth conversations and game tests with potential partners to maximize the

project's commercial potential, and the response has been positive.

THIRD-PARTY PUBLISHING

Third-party publishing is an important part of our strategy to spread risk and use our expertise as both developer and publisher. Roboquest continues to be at the center of this effort, where we are preparing for launch on PlayStation®4 and 5 in the first half of 2025. The game has continued to receive a very good reception on Steam and Xbox, and we are convinced that presence on Sony's platforms means great sales potential.

We are in ongoing discussions with developers of potential new third-party projects. The focus is on finding titles with clear commercial potential that are long gone, or fully developed, as a project. After the end of the quarter, we added 'Unseen' by Swedish developer The Gang to our portfolio of third-party games.

ORGANIZATION

Our organization continues to develop and change in step with our projects. We will continue to hire specific expertise for our projects going forward. At the same time, like many of our industry colleagues, we are forced to adapt the organization to market realities and ensure that every krona is spent on the right thing - game development. The net change in the number of employees is single

digits so far, but we have chosen to reduce the ambition for our own marketing department and implemented a skill shift in certain roles to strengthen the development organization. During the first quarter of 2025, we will move the head office in Stockholm to new premises that are better adapted to our operations and provides a fantastic opportunity to strengthen our culture and collaboration internally. At the end of the quarter, the number of employees amounted to 189.

CLOSING WORDS

2024 has been an intense but in many ways also successful year for Starbreeze. We have continued to strengthen the PAYDAY brand through collaborations and enhancements, while making great progress with Project Baxter and establishing a strong foundation for our third-party publishing.

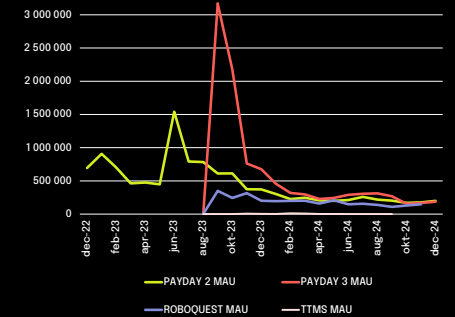
With a balanced risk profile, strong cash position and several ongoing projects approaching important milestones, we look forward to 2025. Our vision to be a leading multi-title studio is more realistic than ever, and we are well positioned to continue building value for our players and owners.

MATS JUHL, acting CEO

Aggregated peak monthly active users (MAU) for Starbreeze' games

546 569

in December 2024



Source: Game data via Starbreeze telemetry

Significant events during the quarter

Roboquest is coming to PlayStation® in H1 2025

October 14, announcement that Roboquest will be launching on PlayStation® 4 and 5 in the first half of 2025.

[Read more here.](#)

New free content released for PAYDAY® 3

October 30, Part 2 of the Anniversary Update for PAYDAY™ 3 was released with server browser, VoIP, UI update and more. A Year 1 Edition with all the content from the first year was released at the same time. [Read more here.](#)

Roboquest celebrated first year with “The Endless Update”

November 27, Roboquest celebrated its anniversary with “The Endless Update”, a major new update to the hit game.

[Read more here.](#)

Strategic partnership with KRAFTON, Inc.

December 5, Starbreeze announced a work-for-hire agreement with South Korean KRAFTON, Inc to bring the PAYDAY experience to KRAFTON's game “PUBG: Battlegrounds”. [Read more here.](#)

New free content released for PAYDAY™ 3

December 10, a new free heist “First World Bank” was released for PAYDAY® 3. [Read more here.](#)

Relaunch of “Notoriety” as an officially licensed PAYDAY® experience

December 12, relaunch of “Notoriety” as an officially licensed PAYDAY® experience on Roblox. [Read more here.](#)

Significant events after the period

PAYDAY® 3 is monthly game on PlayStation® Plus in February, plus the return of a fan favorite character

January 30, Starbreeze announced that PAYDAY 3 will be the monthly game on PlayStation® Plus, and that the game will also get its first paid character when fan favorite Jacket returns to the game. [Read more here.](#)

Starbreeze Entertainment and The Gang join forces to publish “Unseen”

On February 6, Starbreeze announced a partnership with innovative Swedish studio The Gang to publish the game “Unseen”. [Read more here.](#)





Net sales and
earnings

02

Net sales and earnings

For net sales and earnings, the comparative period refers to the corresponding period of the previous year.

Fourth quarter 2024

Sales

Net sales for the quarter amounted to SEK 46.4 million (69.2). The comparison period includes revenue attributable to the launch of PAYDAY 3. Game sales amounted to SEK 25.1 million (54.4), Third-party publishing to SEK 15.4 million (14.1) and Licensing to SEK 0.9 million (0.5). Other revenue amounted to SEK 5.0 million (0.1) and relates to work-for-hire.

Starbreeze's reported revenue attributable to PAYDAY 3 amounted to SEK 14.7 million (36.2). All revenue is related to sales on Steam, Xbox Game Pass, Xbox X|S, Playstation 5, and Epic Games Store platforms. Sales consist of different editions of the base game, license versions, and sales of DLC.

PAYDAY 2 sales amounted to SEK 10.3 million (18.3) and relate to Steam, Epic Games Store, and console platform sales.

Costs

Direct costs amounted to SEK 80.4 million (111.3) and consist of costs linked to game production and game development. Direct costs include depreciation of intangible assets of SEK 65.4 million (68.5), server costs of

SEK 1.5 million (19.8) and revenue sharing linked to third-party publishing of SEK 7.6 million (7.1).

Capitalized development expenditure reduced the direct costs by SEK 46.8 million (37.8) and relates to the games PAYDAY 3 and Baxter, and development of new IP.

Sales and marketing costs amounted to SEK 6.7 million (15.3) and relate to marketing activities and personnel costs. The decrease is mainly attributable to lower marketing costs.

Administrative expenses during the quarter amounted to SEK 9.8 million (22.3) and are related to office costs, salaries to employees who do not work in game production or marketing, as well as other external costs. The lower expenses are mainly due to lower personnel-related costs compared with the same period in the previous year.

Administrative expenses include depreciation of SEK 6.2 million (4.0). Capitalized development expenditure reduced the administrative expenses by SEK 11.2 million (9.9) and relates to the games PAYDAY 3, Baxter, and other IP.

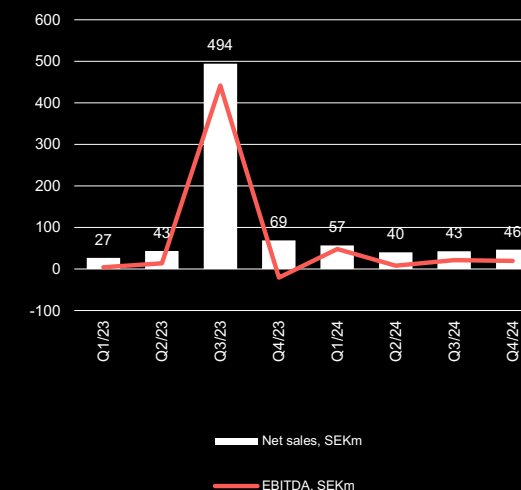
Other revenue amounted to SEK 5.0 million (2.5). This item also consists of exchange rate effects relating to the revaluation of assets and liabilities denominated in foreign currencies of SEK 4.9 million (-17.8).

Other expenses amounted to SEK 6.4 million (17.8) and relate to a capital loss linked to the liquidation of

Net sales and earnings

SEKk	2024 Q4	2023 Q4	2024 JAN-DEC	2023 JAN-DEC
Net sales	46,350	69,219	185,851	633,510
EBITDA *	19,670	-20,639	97,644	439,340
Profit (-loss) before tax	-49,039	-91,522	-199,107	207,656
Net profit (-loss) for the period	-49,172	-91,747	-199,287	207,632
Earnings per share, SEK	-0.03	-0.06	-0.13	0.19
Net sales growth, %	-33.0	105.8	-70.7	396.5
EBITDA margin, %	42.4	-29.8	52.5	69.4

*See page 24 for the definitions of key figures



subsidiaries in Luxembourg and the US. This item consisted of exchange rate effects in the previous year.

Earnings

Earnings before interest, taxes, depreciation, and amortization, EBITDA, amounted to SEK 19.7 million (-20.6).

Net financial income/expense

Net financial income/expense amounted to SEK 2.9 million (3.5). During the quarter, the company impaired lease liabilities and fixed assets linked to the office in Stockholm, due to terminated agreements, in accordance with IFRS 16. The impact on earnings amounted to SEK 1.8 million (0).

The company received interest of SEK 2.8 million (3.1) relating to holdings in banks.

During the quarter, interest expenses on lease liabilities of SEK -1.7 million (-0.1) were charged to net financial income/expense.

Profit/loss before taxes and profit/loss for the quarter

Profit/loss before taxes amounted to SEK -49.0 million (-91.5).

Earnings for the period were SEK -49.2 million (-91.7).

Basic and diluted earnings per share amounted to SEK -0.03 (-0.06).

Full-year 2024

Sales

Net sales for the period January to December 2024 amounted to SEK 185.9 million (633.5). The comparison period includes revenue attributable to the launch of PAYDAY 3. Game sales amounted to SEK 125.7 million (616.7),

Third-party publishing to SEK 47.7 million (14.9) and Licensing to SEK 1.7 million (1.7). Other revenue amounted to SEK 10.7 million (0.1) and relates to the sale of the Cinemaware catalog and work-for-hire.

Starbreeze's reported revenue attributable to PAYDAY 3 amounted to SEK 82.9 million (477.0). All revenue is related to sales on Steam, Xbox Game Pass, Xbox X|S, Playstation 5, and Epic Games Store platforms. Sales consist of different editions of the base game, license versions, and sales of DLC.

PAYDAY 2 sales amounted to SEK 41.8 million (139.1) and relate to Steam, Epic Games Store, and console platform sales.

Costs

Direct costs amounted to SEK -330.3 million (309.3) and consist of costs linked to game production and game development. Direct costs include depreciation of intangible assets of SEK 277.7 million (231.6), server costs of SEK 15.9 million (41.5) and revenue sharing linked to third-party publishing of SEK 25.5 million (10.8).

Capitalized development expenditure reduced the direct costs by SEK 185.2 million (143.7) and relates to the games PAYDAY 3 and Baxter, and development of new IP.

Sales and marketing costs amounted to SEK 30.2 million (46.8) and relate to marketing activities and personnel costs. Marketing costs were down year on year in Q4 2024.

Administrative expenses for the period amounted to SEK 29.0 million (79.4). Adjusted for items affecting comparability of SEK 22.3 million, expenses amounted to SEK 51.3 million. In addition to the items affecting comparability, the expenses are related to office costs, salaries to personnel who do not work in game production or marketing, as well as other external costs.

Specification of net financial income/expenses

SEKk	2024 Q4	2023 Q4	2024 JAN-DEC	2023 JAN-DEC
Interest on convertible bonds	-	-	-	5,803
Write-down StarVR Corp.	-	-	-410	-
Net profit (-loss) from StarVR Corp.	-	-89	1,358	-64
Write-down financial asset	1,752	-	-509	-
Implicit interest	-	-	-	7,130
Interest bank	2,828	3,098	5,654	3,098
Interest on lease liability	-1,651	-56	-4,013	-359
Unrealized change in value of derivatives	-	877	-	2,102
Other items	-5	-341	-33	-356
Total	2,923	3,490	2,047	17,353

The items affecting comparability of SEK 22.3 million are attributable to the reversal of previously expensed personnel costs relating to the company's long-term incentive program linked to the launch of PAYDAY 3 and restructuring costs relating to personnel changes.

Administrative expenses include depreciation of SEK 21.0 million (15.6). Capitalized development expenditure reduced the administrative expenses by SEK 38.5 million (36.8) and relates to the games PAYDAY 3, Baxter, and other IP.

Other revenue amounted to SEK 8.8 million (13.7). This item also consists of exchange rate effects relating to the revaluation of assets and liabilities denominated in foreign currencies of SEK 9.8 million (-21.4).

Other expenses amounted to SEK 6.4 million (-21.4 million) and relate to a capital loss linked to the liquidation of subsidiaries in Luxembourg and the US. This item consisted of exchange rate effects in the previous year.

Earnings

Earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to SEK 97.6 million (439.3). In the comparison period, earnings were strongly impacted by the launch of PAYDAY 3.

Net financial income/expense

Net financial income amounted to SEK 2.0 million (17.4). During the period, the company received interest of SEK 5.7 million (3.1) relating to holdings in banks. During the period, the company liquidated its share in the StarVR joint venture, which had a negative effect of SEK -0.4 million, and impaired financial assets of SEK -2.3 million. During the period, the company impaired lease liabilities and fixed assets linked to the office in Stockholm, due to terminated agreements, in accordance with IFRS 16. The impact on earnings amounted to SEK 1.8 million (0).

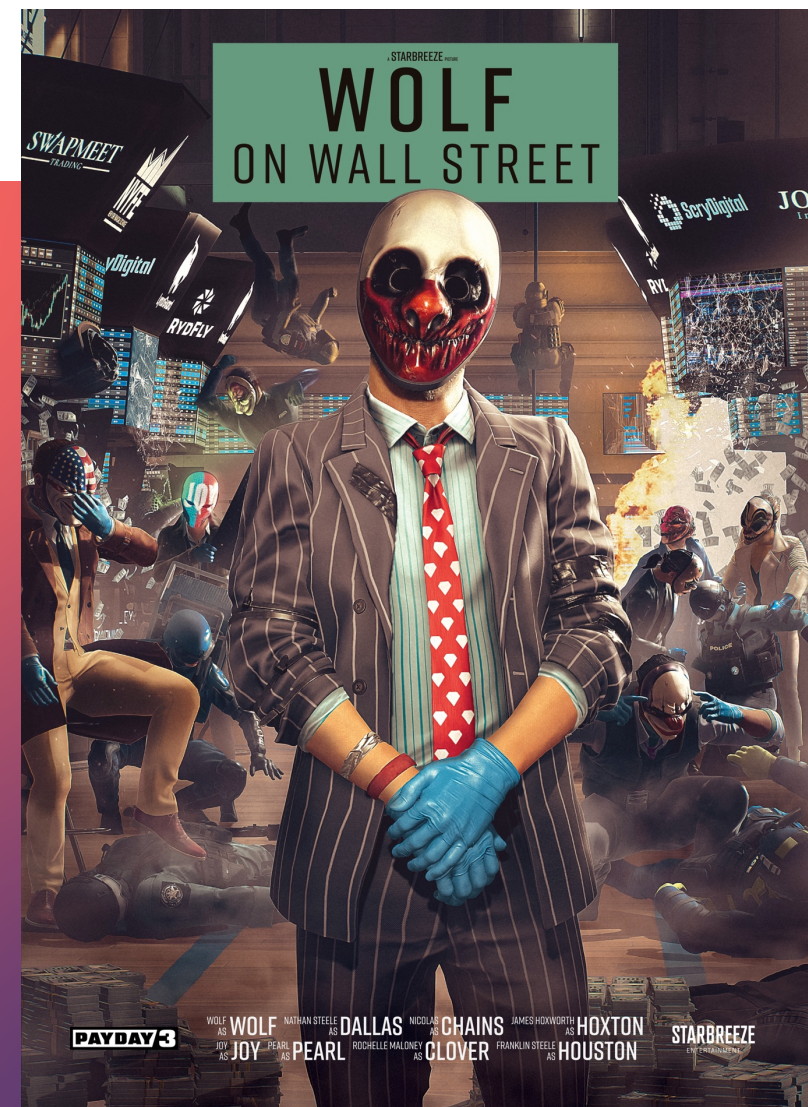
During the period, interest expenses on lease liabilities of SEK -4.0 million (-0.4) were charged to net financial income/expense.

Profit/loss before taxes and profit/loss for the period

Profit/loss before taxes amounted to SEK -199.1 million (207.7).

Earnings for the period were SEK -199.3 million (207.6).

Basic and diluted earnings per share amounted to SEK -0.13 (0.19).





Other financial
information

03

Other financial information

For financial information, the comparative period refers to the corresponding period of the previous year.

Fourth quarter 2024

Cash flow

Cash flow from operating activities before changes in working capital amounted to SEK 14.4 million (-23.4), with operating profit amounting to SEK -52.0 million (-95.0) and adjustments for items not included in cash flow amounting to SEK 62.1 million (68.4). Adjustments for items not included in cash flow consist of the depreciation of assets of SEK 71.6 million (74.4) and exchange rate effects of SEK -5.6 million (5.8). The item also includes the payment made in relation to financing for game development previously received from Plaion of SEK -14.7 million (-12.5). The debt was settled in conjunction with the release of DLC as previously received financing for game development is recognized as income without any impact on cash flow. The cash flow effect has already occurred as the game financing is received on an ongoing basis during the development of PAYDAY 3. During the period, the liquidation of our subsidiaries in Luxembourg and the US generated a non-cash item of SEK 6.4 million.

Cash flow from operating activities after changes in working capital amounted to SEK -0.3 million (62.7).

Cash flow from investing activities amounted to SEK -65.5 million (-53.5), of which investments in proprietary game development accounted for SEK -58.9 million (-41.1). Investments in publishing projects amounted to SEK -4.3 million (-0.1) and other intangible assets relating to a license fee linked to Project Baxter of SEK 0 million (-11.1). This license fee will be offset against future license fees after the game has been released.

Cash flow from financing activities amounted to SEK 8.4 (25.8) million and is a result of the game financing received for the development of DLC for PAYDAY 3 of SEK 16.7 million (30.0). Outstanding trade receivables linked to PAYDAY 3 amounted to SEK 19.3 million. Leasing expenses amounted to SEK -8.3 million (-3.8).

Total cash flow for the quarter was SEK -57.4 million (35.0). Cash and cash equivalents at the end of the quarter amounted to SEK 191.9 million (347.8).

Investments

During the period, the Group's investments in property, plant and equipment amounted to SEK -2.3 million (-1.1). Investments in proprietary game and technology development amounted to SEK -58.9 million (-41.1).

Cash and cash equivalents as of
December 31 2024

SEK 191.9m

Full-year 2024

Cash flow

Cash flow from operating activities before changes in working capital amounted to SEK 40.5 million (190.0), with operating profit amounting to SEK -201.2 million (190.3), and adjustments for items not included in cash flow amounting to SEK 235.8 million (-2.5). Adjustments for items not included in cash flow consist of the depreciation of assets of SEK 298.9 million (249.0) and exchange rate effects of SEK -9.7 million (5.9). The item also includes the payment made in relation to financing for game development previously received from Plaion of SEK -59.6 million (-259.6). The debt was settled in conjunction with the release of DLC as previously received financing for game development is recognized as income without any impact on cash flow. The cash flow effect has already occurred as the game financing is received on an ongoing basis during the development of PAYDAY 3.

Cash flow from operating activities after changes in working capital amounted to SEK 64.9 million (114.6). The paid receivable linked to PAYDAY 3 had a positive effect on working capital.

Cash flow from investing activities amounted to SEK -245.5 million (-202.4), of which investments in proprietary game development accounted for SEK -227.6 million (-173.9). Investments of SEK -8.8 million (-13.9) were made in publishing projects and SEK -10.7 million (-11.1) in other intangible assets.

Cash flow from financing activities amounted to SEK 24.5 (327.4) million and is a result of the game financing

received for the development of DLC for PAYDAY 3 of SEK 47.9 million (77.9). Outstanding trade receivables linked to PAYDAY 3 amounted to SEK 19.3 million. Leasing expenses amounted to SEK -23.4 million (-15.3).

Total cash flow for the period was SEK -156.1 million (239.6). Cash and cash equivalents at the end of the year amounted to SEK 191.9 million (347.8).

Investments

During the period, the Group's investments in property, plant and equipment amounted to SEK -5.9 million (-3.5). Investments in proprietary game and technology development amounted to SEK -227.6 million (-173.9).



Financial position

Non-current assets

Licenses amount to SEK 21.8 million (11.1) and consist of rights to use IP rights.

Intangible assets, consisting mainly of IP rights, amounted to SEK 115.7 million (141.9).

Capitalized expenditure for proprietary game and technology development amounted to SEK 342.9 million (312.0).

Investments in publishing projects amounted to SEK 10.4 million (6.8).

Amortization and impairment of intangible assets amounted to SEK 278.0 million (233.6) during the period. The increase is due to the depreciation of PAYDAY 3.

Current assets

Trade and other receivables amounted to SEK 43.1 million (164.2), of which trade receivables linked to PAYDAY 3 amounted to SEK 19.3 million. Starbreeze receives cash only after Plaion receives cash, and Starbreeze has issued an invoice for the share to which Starbreeze is entitled according to the terms of the revenue sharing agreement.

Prepaid expenses and accrued income at the end of the period amounted to SEK 74.1 million (62.0), of which SEK 13.3 million (17.1) relates to receivables for PAYDAY 2 and PAYDAY 3 sales.

Cash and cash equivalents amounted to SEK 191.9 million (347.8).

Equity

Group equity at the balance sheet date amounted to SEK 705.4 million (894.7).

Non-current liabilities

Non-current liabilities amounted to SEK 2.5 million (2.0). The non-current part of lease liabilities amounted to SEK 0 million (0.2). During the period, the company impaired lease liabilities and fixed assets linked to the office in Stockholm due to the termination of contracts. New offices will be acquired in 2025 and are not included in the books in accordance with IFRS 16. Deferred tax liabilities amounted to SEK 2.0 million (1.3).

Current liabilities

Current liabilities amounted to SEK 122.2 million (214.8). Trade payables and other liabilities at the end of the period amounted to SEK 68.8 million (100.2). Current lease liabilities amounted to SEK 17.7 million (6.5) and relate to leasing costs for the remaining period for the current office in Stockholm. Accrued expenses and deferred income at the end of the period was SEK 35.7 million (108.1).

Share capital

The share capital at the end of the period amounted to SEK 29,535,241 (29,535,241) divided into 1,476,762,040 shares (1,476,762,040), of which 142,303,908 class A shares (149,372,353) and 1,334,458,132 class B shares (1,327,389,687).

Risks and uncertainties

To prepare interim reports and annual financial statements in accordance with generally accepted accounting principles, management must make assumptions and estimates that affect the assets, liabilities and income reported in the financial statements. Actual results may differ from these estimates.

The biggest risks and uncertainties are low revenues when launching games and project delays, which can lead to financial risks like lower cash-flows and write-

Distribution, employees

	2024	2023
	Q4	Q4
Employees	189	196
Men	149	161
Women	40	35

No. of employees

189

down of assets. These and other risks, such as copyright infringement, loss of key personnel, and exchange rate fluctuations, are described in the Starbreeze Annual Report 2023 in the management report on pages 41–42, in Note 3, and in the prospectus regarding the rights issue 2023 on pages 11–21. Furthermore, the value of certain assets and liabilities is based on an expected outcome, which means that these items must be revalued on an ongoing basis and may therefore affect future earnings.

The short-term impact on earnings from exchange rate fluctuations may be positive or negative, depending on the current currency exposure from trade receivables, bank accounts and other assets and liabilities in foreign currency. In the long term, however, a falling US dollar exchange rate will have a negative impact on profit margins. As the Group has foreign subsidiaries, there is also translation exposure.

Parent company

During the quarter, the Group's operations were conducted in the Parent Company Starbreeze AB (publ) and the subsidiaries Starbreeze Production AB, Starbreeze Studios AB, Starbreeze Publishing AB, New Starbreeze Publishing PD IP AB, Starbreeze VR AB, Starbreeze Barcelona SL, Starbreeze Paris SAS, New Starbreeze Studios AB, New Starbreeze Publishing AB, Enterspace AB, Starbreeze IP AB, and Starbreeze Studios UK Ltd. Starbreeze USA Inc, Starbreeze LA Inc, Starbreeze IP LUX, and Starbreeze IP LUX II Sarl were liquidated during the year.

The Parent Company's net sales during the quarter amounted to SEK 5.2 million (8.3) and for the period to SEK 17.2 million (32.4). Sales mainly relate to the allocation of management fees.

Profit/loss before and after taxes was SEK -170.3 million (-580.0) for the quarter and SEK -180.8 million (-597.6) for the period.

At the end of the period, cash and cash equivalents amounted to SEK 106.6 million (161.8) and the Parent Company's equity was SEK 556.0 million (736.8).

Related-party transactions

Other than salaries and benefits, and intra-Group transactions, there were no related-party transactions during the period.

Auditor's review

This interim report has not been reviewed by the company's auditor.



The Board of Directors and CEO declare that this interim report gives a true and fair view of the Group's and Parent Company's activities, financial position and

earnings from operations, and describes the material risks and uncertainties facing the Group and the Parent Company.

Stockholm, February 18, 2025

Jürgen Goeldner
Chairman of the Board

Anna Lagerborg
Board member

Thomas Lindgren
Board member

Christine Rankin
Board member

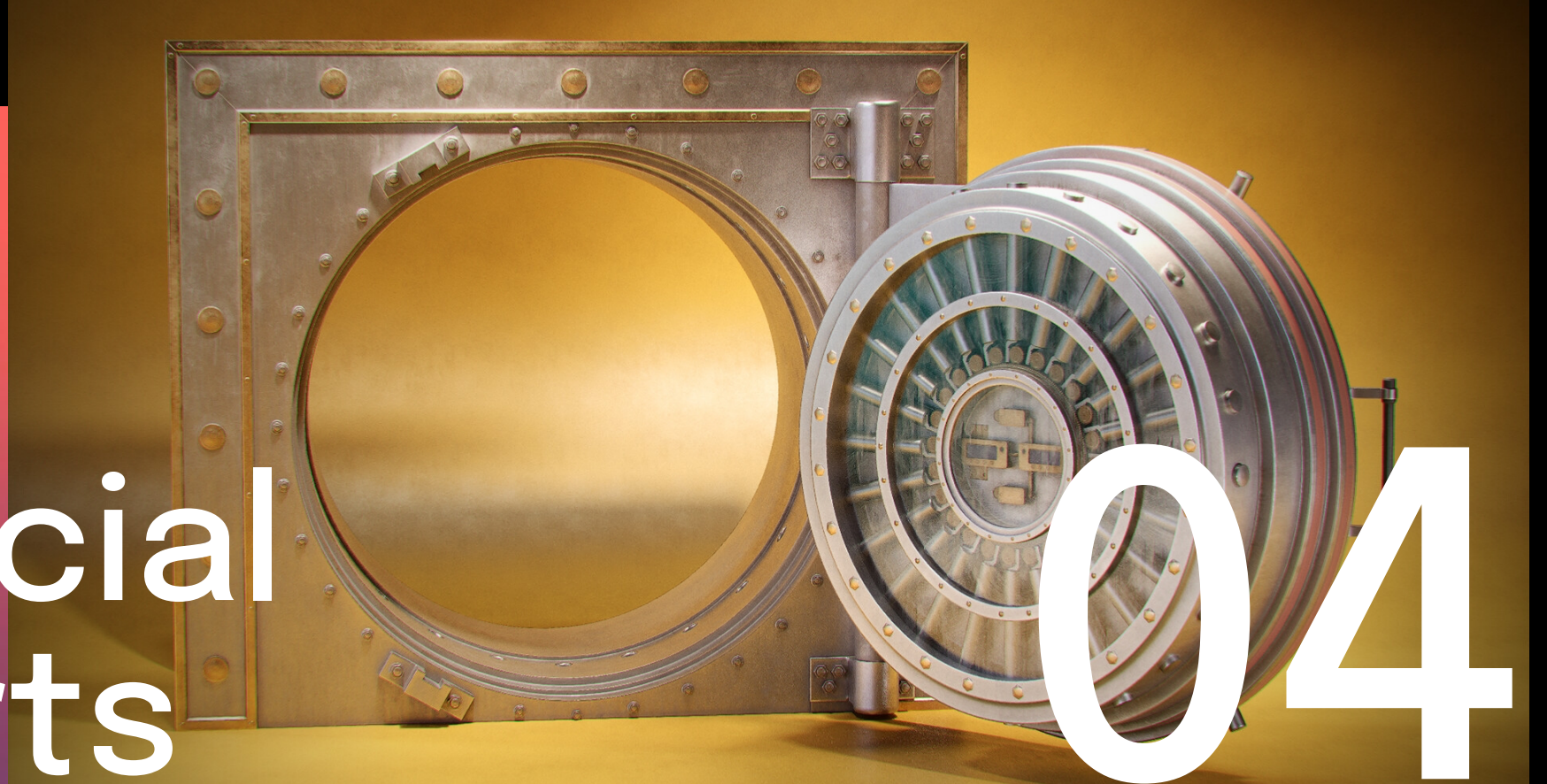
Jon Gillard
Board member

Mats Juhl
Acting CEO



Financial reports

04



Consolidated statement of comprehensive income

SEKk	NOTE	2024 Q4	2023 Q4	2024 JAN-DEC	2023 JAN-DEC
Net sales	3	46,350	69,219	185,851	633,510
Direct costs	4	-80,426	-111,321	-330,288	-309,271
Gross profit (-loss)		-34,076	-42,102	-144,437	324,239
Selling and marketing costs	4	-6,661	-15,346	-30,166	-46,824
Administrative expenses	4	-9,836	-22,309	-28,971	-79,406
Other revenue		4,987	2,526	8,796	13,707
Other expenses		-6,376	-17,781	-6,376	-21,413
Operating profit (-loss)		-51,962	-95,012	-201,154	190,303
Financial income		4,579	3,062	7,406	3,098
Financial expenses		-1,656	517	-6,717	14,319
Share in profit or loss of holdings accounted for using the equity method		-	-89	1,358	-64
Profit (-loss) before tax		-49,039	-91,522	-199,107	207,656
Income tax		-133	-225	-180	-24
Net profit (-loss) for the period		-49,172	-91,747	-199,287	207,632
Other comprehensive income that may subsequently be reclassified to profit and loss					
Exchange differences		13,719	3,389	10,078	940
Total comprehensive income for the period		-35,453	-88,358	-189,209	208,572
Total comprehensive income for the period attributable to:					
Owners of the parent		-35,453	-88,358	-189,209	208,572
Earnings per share attributable to owners of the parent during the period (SEK):					
- Basic		-0.03	-0.06	-0.13	0.19
- Diluted		-0.03	-0.06	-0.13	0.19

Consolidated statement of financial position, Group

SEKk	NOTE	2024-12-31	2023-12-31
ASSETS			
<i>Intangible assets</i>			
Licenses		21,845	11,121
Other intangible assets		115,734	188,518
Capitalized development cost for own games and technology development		342,886	311,976
Investments in publishing projects		10,364	6,758
<i>Financial assets</i>			
Financial assets		4,275	7,253
Investments in joint ventures		-	1,238
<i>Property, plant and equipment</i>			
IT equipment and other equipment		8,276	4,428
Right-of-Use asset-Buildings		17,652	6,164
Total non-current assets		521,032	537,456
<i>Current assets</i>			
Trades and other receivables		43,118	164,244
Prepaid expenses and accrued income		74,076	62,041
Cash and cash equivalents		191,906	347,752
Total current assets		309,100	574,037
TOTAL ASSETS		830,132	1,111,493

Consolidated statement of financial position, Group (cont.)

SEKK	NOTE	2024-12-31	2023-12-31
EQUITY AND LIABILITIES			
<i>Equity attributable to owners of the parent</i>			
Share capital		29,535	29,535
Other contributed capital		2,593,362	2,593,362
Reserves		24,228	14,150
Retained earnings including net profit or loss for the period		-1,941,682	-1,742,395
Total equity		705,443	894,652
<i>Non-current liabilities</i>			
Deferred tax liability		2,010	1,345
Non-current lease liability		-	158
Other non-current liabilities		519	489
Total non-current liabilities		2,529	1,992
<i>Current liabilities</i>			
Current liabilities, convertible loan and related debt			
Trade and other payables		68,762	100,202
Current lease liability		17,697	6,534
Accrued expenses and deferred income		35,701	108,113
Total current liabilities		122,160	214,849
TOTAL EQUITY AND LIABILITIES		830,132	1,111,493

Consolidated statement of changes in equity

SEKk	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
Balance at 1 January 2024	29,535	2,593,362	14,150	-1,742,395	894,652
Net profit (-loss) for the period	-	-	-	-199,287	-199,287
<i>Other comprehensive income for the period</i>					
Translation differences	-	-	10,078	-	10,078
Total comprehensive income	-	-	10,078	-199,287	-189,209
Balance at 31 December 2024	29,535	2,593,362	24,228	-1,941,682	705,443
Balance at 1 January 2023	14,492	1,979,111	13,210	-1,950,027	56,786
Net profit (-loss) for the period	-	-	-	207,632	207,632
<i>Other comprehensive income for the period</i>					
Translation differences	-	-	940	-	940
Total comprehensive income	-	-	940	207,632	208,572
Conversion of convertible loan	2,966	212,086	-	-	215,052
New issue	12,077	440,804	-	-	452,881
Issue cost recognized in equity	-	-38,639	-	-	-38,639
Total contribution from and value transfers to shareholders, recognized directly in equity	15,043	614,251	-	-	629,294
Balance at 31 December 2023	29,535	2,593,362	14,150	-1,742,395	894,652
				2024	2023
CHANGE IN NUMBER OF OUTSTANDING SHARES				JAN-DEC	JAN-DEC
Number of shares at the beginning of the period				1,476,762,040	724,609,266
New issue				-	603,841,050
Conversion of convertible loan				-	148,311,724
Total shares outstanding at the end of the period				1,476,762,040	1,476,762,040

Consolidated statement of cash flows, Group

SEKk	NOTE	2024 Q4	2023 Q4	2024 JAN-DEC	2023 JAN-DEC
<i>Operating activities</i>					
Cash flow from operations		-51,962	-95,012	-201,154	190,303
Adjustment for non-cash items		62,091	68,409	235,847	-2,522
Interest received		2,827	3,062	5,654	3,098
Income taxes paid		1,401	92	109	-902
Cash flow from (-used in) operating activities before changes in working capital		14,357	-23,449	40,456	189,977
<i>Cash flow from changes in working capital</i>					
Increase (+)/decrease (-) in operating receivables		-3,584	44,450	123,161	-164,423
Increase (+)/decrease (-) in operating liabilities		-11,076	41,667	-98,747	89,021
Cash flow from (-used in) operating activities after changes in working capital		-303	62,668	64,870	114,575
<i>Investing activities</i>					
Purchase of property, plant and equipment		-2,302	-1,129	-5,852	-3,506
Sold non-current assets		43	-	151	-
Sold intangible assets		-	-	5,213	-
Divested joint venture		-	-	2,186	-
Purchase of intangible assets		-	-11,121	-10,725	-11,121
Investments in own games and technology		-58,926	-41,123	-227,636	-173,852
Investments in publishing projects		-4,342	-135	-8,795	-13,900
Cash flow from (-used in) investing activities		-65,527	-53,508	-245,458	-202,379
<i>Financing activities</i>					
New issue		-	-	-	452,881
Costs related to new issues		-	-	-	-38,638
Repayment of loans		-	-349	-	-149,370
Financing game development		16,707	29,992	47,948	77,857
Effect of financial lease		-8,311	-3,821	-23,425	-15,285
Cash flow from financing activities		8,396	25,822	24,523	327,445
Cash flow for (-used in) the period		-57,434	34,982	-156,065	239,641
Cash and cash equivalents at the beginning of the period		249,252	312,907	347,752	108,217
Exchange difference in cash and cash equivalents		88	-137	219	-106
Cash and cash equivalents at the end of the period		191,906	347,752	191,906	347,752

Performance measures, Group

	2024 Q4	2023 Q4	2024 JAN-DEC	2023 JAN-DEC
Net sales, SEKk	46,350	69,219	185,851	633,510
EBITDA, SEKk	19,670	-20,639	97,644	439,340
EBIT, SEKk	-51,962	-95,012	-201,154	190,303
Profit (-loss) before tax, SEKk	-49,039	-91,522	-199,107	207,656
Profit (-loss) after tax, SEKk	-49,172	-91,747	-199,287	207,632
EBITDA margin, %	42.4	-29.8	52.5	69.4
EBIT margin, %	-112.1	-137.3	-108.2	30.0
Profit margin, %	-105.8	-132.2	-107.1	32.8
Equity to assets ratio, %	85.0	80.5	85.0	80.5
Closing price of A share for the period, SEK *	0.21	0.50	0.21	0.50
Closing price of B share for the period, SEK *	0.21	0.47	0.21	0.47
Basic earnings per share, SEK	-0.03	-0.06	-0.13	0.19
Diluted earnings per share, SEK	-0.03	-0.06	-0.13	0.19
Number of shares at end of period before dilution	1,476,762,040	1,476,762,040	1,476,762,040	1,476,762,040
Number of shares at end of period after dilution	1,476,762,040	1,476,762,040	1,476,762,040	1,476,762,040
Average number of shares before dilution	1,476,762,040	1,476,762,040	1,476,762,040	1,097,076,815
Average number of shares after dilution	1,476,762,040	1,476,762,040	1,476,762,040	1,097,076,815
Average number of employees	189	196	189	184
Number of employees at the end of the period	186	194	186	194

Performance measures, Group

EBITDA

Earnings before interest, tax, depreciation, and amortization.

EBIT

Earnings before interest and taxes.

EBITDA margin

Earnings before interest, tax, depreciation, and amortization as a percentage of net sales.

Operating margin

Earnings after depreciation and amortization as a percentage of net sales.

Profit margin

Profit after financial items as a percentage of total net sales.

Equity/assets ratio

Equity as a percentage of capital employed.

Earnings per share

Profit or loss after taxes divided by the average number of shares during the period.

Equity

Reported equity including 79.4 percent of untaxed reserves.

Reconciliation of alternative performance measures

	2024 Q4	2023 Q4	2024 JAN-DEC	2023 JAN-DEC
<i>EBITDA</i>				
Operating profit (-loss), SEKk	-51,962	-95,012	-201,154	190,303
Amortization of intangible assets, SEKk	65,521	70,399	278,011	233,609
Depreciation of property, plant and equipment, SEKk	6,111	3,974	20,787	15,428
EBITDA	19,670	-20,639	97,644	439,340
<i>EBITDA margin, %</i>				
EBITDA, SEKk	19,670	-20,639	97,644	439,340
Net sales, SEKk	46,350	69,219	185,851	633,510
EBITDA margin, %	42.4	-29.8	52.5	69.4
<i>EBIT margin, %</i>				
Operating profit (-loss), SEKk	-51,962	-95,012	-201,154	190,303
Net sales, SEKk	46,350	69,219	185,851	633,510
EBIT margin, %	-112.1	-137.3	-108.2	30.0
<i>Profit margin, %</i>				
Profit (-loss) before tax, SEKk	-49,039	-91,522	-199,107	207,656
Net sales, SEKk	46,350	69,219	185,851	633,510
Profit margin, %	-105.8	-132.2	-107.1	32.8
<i>Equity to assets ratio, %</i>				
Total equity	705,443	894,652	705,443	894,652
Total equity and liabilities, SEKk	830,132	1,111,493	830,132	1,111,493
Equity to assets ratio, %	85.0	80.5	85.0	80.5

Alternative Performance Measures (APMs) are financial indicators of performance, financial position and cash flow not defined in the applicable reporting framework (IFRS). These are considered to be important additional key figures for the Group's performance. Since not all entities calculate financial measurements in the same way, they are not always comparable to those used by other entities.

Parent company income statement

SEKk	2024 Q4	2023 Q4	2024 JAN-DEC	2023 JAN-DEC
Net sales	5,221	8,324	17,184	32,381
Other operating revenue	-479	-10,495	524	-2,826
Total sales	4,742	-2,171	17,708	29,555
Other external expenses	-13,744	-3,792	-27,731	-16,912
Employee benefit expense	-6,579	-13,398	-22,341	-42,220
Depreciation of property, plant and equipment	-3	-4	-12	-15
Operating profit (-loss)	-15,584	-19,365	-32,376	-29,592
Profit from holdings in group companies	1,679	-484,787	1,679	-513,587
Other financial income	2,950	5,397	14,006	13,841
Financial expenses	-	-	-4,733	12,965
Profit (-loss) after net financial income/expense	-10,955	-498,755	-21,424	-516,373
Appropriations	-159,354	-81,259	-159,354	-81,259
Profit (-loss) before tax	-170,309	-580,014	-180,778	-597,632
Income tax	-	-	-	-
Net profit (-loss) for the period	-170,309	-580,014	-180,778	-597,632

For the parent company, net profit or loss for the period corresponds to comprehensive income.

Parent company balance sheet

SEKk	2024-12-31	2023-12-31
ASSETS		
<i>Non-current assets</i>		
<i>Property, plant and equipment</i>		
Computers and other equipment	35	7
<i>Financial assets</i>		
Investments in group companies	344,780	336,059
Investments in associates	-	4,656
Other financial assets	-	2,208
Total non-current assets	344,815	342,930
<i>Current assets</i>		
Trade and other receivables	2,941	956
Receivables from group companies	342,602	740,139
Prepaid expenses and accrued income	3,628	622
Cash and cash equivalents	106,609	161,826
Total current assets	455,780	903,543
TOTAL ASSETS	800,595	1,246,473

Parent company balance sheet (cont.)

SEKk	2024-12-31	2023-12-31
EQUITY AND LIABILITIES		
<i>Equity</i>		
Share capital	29,535	29,535
Share premium reserve	2,526,379	2,526,379
Retained earnings	-1,819,153	-1,221,521
Net profit (-loss) for the period	-180,778	-597,632
Total equity	555,983	736,761
<i>Current liabilities</i>		
Trade payables	1,564	1,400
Liabilities to group companies	233,178	480,753
Other liabilities	1,912	2,788
Accrued expenses and deferred income	7,958	24,771
Total current liabilities	244,612	509,712
TOTAL EQUITY AND LIABILITIES	800,595	1,246,473

Notes

Note 1 Accounting and valuation principles

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The accounting principles and calculation methods are consistent with those applied in 2023.

The Parent Company's report has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities and in accordance with the same accounting principles and calculation methods as the Annual Report 2023 (Note 2, pages 55–60).

No new or revised IFRS rules have come into force that are expected to have a significant impact on the Group. For all financial assets and liabilities, the carrying amount is a good approximation of fair value.

Depreciation of intangible assets

Finished proprietary game development is depreciated in accordance with the principle of degressive depreciation, i.e. the amount of depreciation decreases over the useful life. Intangible assets with a determinable useful life are depreciated from the date on which they are available for use. The estimated useful life for proprietary game development is five years. Depreciation is performed at 2/3 in year 1, 33% in month 1 and 33% in months 2–12, 15% in year 2 and 6% in each of years 3–5.

Goodwill

During the period, the company has reclassified previously reported Goodwill to IP rights. The goodwill applied to PAYDAY and is now included in the item for Other intangible assets. The comparison period has also been adjusted in accordance with IAS 8.

Note 2 Pledged assets

In March 2021, Starbreeze entered into a co-publishing agreement with Plaion regarding PAYDAY 3. The agreement concerns both product development and marketing of PAYDAY 3, as well as the continued development and marketing of the game according to the Starbreeze Games as a Service model. All development of the game is done by Starbreeze, which owns the brand and all other rights associated with the brand, and Plaion will distribute and actively assist in promoting the game and managing local communities. In order to hedge initial investments made by Plaion until game release, under the agreement, all shares in Starbreeze's wholly-owned subsidiary, New Starbreeze Publishing PD IP AB, have been pledged in favor of Plaion. This pledge will remain in place until Plaion has recovered its initial investment in full. As of December 31, 2024, Plaion had recovered the majority of its investment.

SEKk	2024-12-31	2023-12-31
Pledged assets	239,978	239,978

Note 3 Net sales per category

SEKk	2024 Q4	2023 Q4	2024 JAN-DEC	2023 JAN-DEC
Game sales	25,074	54,433	125,722	616,681
3rd party publishing	15,399	14,104	47,729	14,885
Licensing	880	549	1,731	1,682
Other	4,997	133	10,669	262
Total net sales	46,350	69,219	185,851	633,510

Note 4 Group depreciation by function

SEKk	2024 Q4	2023 Q4	2024 JAN-DEC	2023 JAN-DEC
Depreciation and impairment of property, plant and equipment				
Direct costs	-12	-20	-50	-91
Selling and marketing costs	-5	-6	-19	-24
Administrative expenses	-6,094	-3,948	-20,718	-15,313
Total depreciation and impairment of property, plant and equipment	-6,111	-3,974	-20,787	-15,428
Amortization and impairment of intangible assets				
Direct costs	-65,441	-68,498	-277,696	-231,471
Selling and marketing costs	-	-1,822	-	-1,822
Administrative expenses	-80	-79	-315	-316
Total amortization and impairment of intangible assets	-65,521	-70,399	-278,011	-233,609
Total depreciation and amortization and impairment	-71,632	-74,373	-298,798	-249,037



Other
information

05

About Starbreeze

Starbreeze is an independent developer, publisher, and distributor of PC and consoles 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

Read more on www.starbreeze.com and corporate.starbreeze.com

This information is information that Starbreeze AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, via the contact persons set out above, at 6:45 am CET on February 18, 2025.

For more information

Mats Juhl, acting CEO & CFO
Tel: +46 (0)8-209 229

ir@starbreeze.com

Financial calendar

Annual Report 2024	April 10, 2025
Interim Report Q1 2025	May 13, 2025
Annual General Meeting	May 15, 2025

Presentation

The company will hold a webcast at 10 AM, February 18, 2025. To join the presentation - [click here](#).

STARBREEZE

ENTERTAINMENT

