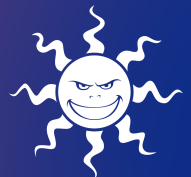


**STARBREEZE**

ENTERTAINMENT

# Annual Report 2025



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## Message from the CEO

# PAYDAY® Our Platform for Growth

2025 was a year of sharper focus and necessary choices for Starbreeze. We simplified the company, aligned our resources more clearly around PAYDAY, and regained the publishing rights to the franchise. These were important strategic steps, but they do not by themselves define success. That will be determined by our ability to execute with greater consistency, strengthen player trust, and translate focus into stronger long-term performance. We will continue to build a company that is not only more profitable, but also more resilient and more coherent.

### STRATEGIC FOCUS

During the year, we made deliberate choices about where Starbreeze should concentrate its time, talent, and capital. This is about giving our ambitions a clearer foundation.

For Starbreeze, the strongest path to value creation is not broad diversification. It is to build from the strength of the franchise we know best, own fully, and believe has the greatest long-term potential. PAYDAY has global recognition, a distinct identity, and a loyal player community. It gives us a clear strategic centre.

Regaining the publishing rights to PAYDAY was an important milestone of the year. It gives us greater control over the development, commercial direction, and long-term expansion of the franchise. It also sharpens accountability. With greater control comes greater responsibility to execute well, and that is the standard we are setting for ourselves.

### PAYDAY AS A PLATFORM

We view PAYDAY as more than a single title. It is a franchise and an ecosystem that can engage players over time across different experiences, platforms, and stages of the player journey.

PAYDAY 2 and PAYDAY 3 serve different roles within that ecosystem. PAYDAY 2 continues to hold an important place in the market and remains actively supported. PAYDAY 3 is where much of our internal focus is concentrated, and during 2025 we laid important groundwork for its continued development.

One of the clearest operational improvements during the year was establishing a more consistent cadence for updates in PAYDAY 3. That matters in live games. Rhythm, responsiveness, and continuous improvement are essential to

building engagement over time. We also continued the work of rebuilding trust with our community. That trust is earned through delivery, clarity, and consistency. We have more work to do, but our commitment is clear.

Over time, the PAYDAY franchise will grow further through new formats, new platforms, and new ways for players to engage with the universe. We will pursue those opportunities thoughtfully, while staying grounded in the identity that has made PAYDAY successful.

### BUILDING THE RIGHT STARBREEZE

A focused strategy requires an organisation that can support it. During 2025, we simplified the company, reduced structural complexity, and aligned our operating model more closely with our priorities. These were not easy decisions, but they were necessary ones.

A more focused company is a more effective one. Clearer priorities support better decision-making, stronger accountability, and better use of capital. For Starbreeze, that is both an operational improvement and a strategic advantage.



**FINANCIAL DISCIPLINE**

This work also required financial discipline. We have worked to align our cost base more closely with our strategy and to direct investment towards the activities most likely to strengthen PAYDAY and create long-term value. That discipline remains essential as we move forward. Creativity and ambition must be matched by operational consistency and responsible capital allocation.

**LOOKING AHEAD**

As we enter 2026, our priorities are clear. The year ahead is about execution. We will continue to develop PAYDAY 3 with greater consistency and quality. We will continue to support PAYDAY 2 and the broader PAYDAY ecosystem. We will expand thoughtfully across platforms, audiences, and formats where it strengthens the franchise and fits our capabilities. And we will do so with a

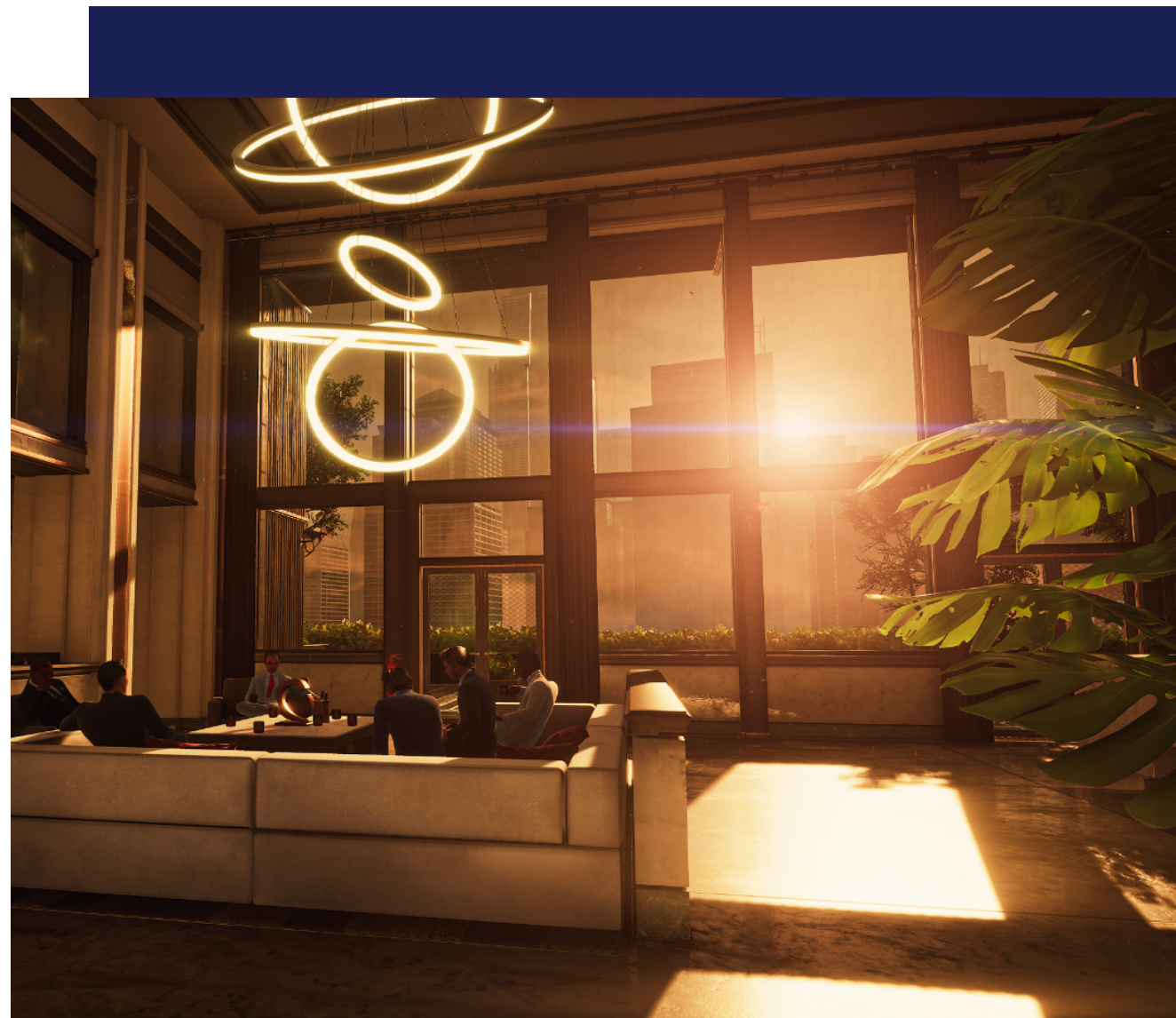
continued focus on execution, financial discipline, and long-term value creation.

We are still early in this chapter. We have taken important steps to sharpen Starbreeze and clarify its direction, but we have not yet earned the right to declare success. That will come from sustained execution, better player outcomes, and stronger performance over time.

PAYDAY is our core. It is our strongest asset, our creative centre, and our platform for long-term value creation. That is where we are focused, and that is the work ahead.

I want to thank our players, our team, and our shareholders for their continued engagement and support.

**ADOLF KRISTJANSSON, CEO**





# Sustainability 02

# Sustainability

The gaming sector is growing rapidly and as game developers we have a responsibility for how our products and the company's operations affect the environment, the climate, people and society in general. We work actively to ensure a responsible approach and to act responsibly within our own operations and in the value chain.

## Sustainability at Starbreeze

As one of Sweden's oldest game development companies, our ambition is to contribute to sustainable digital growth and digital innovation. Starbreeze has grown into a leading player in the industry and has built a strong community within the gaming world, which means that we have a responsibility to operate a healthy and responsible business. The work we do is based on a transparent and honest dialogue with both internal and external stakeholders, where trust is crucial to everything we do. Our ambition is to run a business that is aware of its impact on both the environment and people, and we constantly strive to become better.

## Our behaviors:

Engagement stems from freedom, creativity and participation. In order to grow as a company, it is essential that we support each individual employee in growing and developing at Starbreeze. Culture is created through action. At Starbreeze we work based on the following behaviors:

## *Smarter Together*

*We use our diverse experiences, skills and backgrounds to achieve the best possible results.*

## *Learn & Develop*

*We learn through our mistakes – giving and receiving feedback is part of our daily routine.*

## *Accountability*

*We are committed and hold ourselves and others accountable for delivering great results.*

## *Enabling Creativity*

*We explore new ideas and possibilities through fun, passion and creativity.*

## **Our contribution**

Starbreeze supports Agenda 2030 and its holistic approach to sustainable development. Six global goals have been identified in our operations, where we can see that we not only have a significant responsibility but also the opportunity to contribute. The goals give us a good indicator that our work can be part of a positive development, even from a global perspective.



# Our contribution

## MILJO OCH KLIMAT



*Goal 12 aims to ensure sustainable consumption and production patterns. The goal highlights, among other things, sustainable management and efficient use of natural resources and reduction of the amount of waste.*

Goal 12: The majority of Starbreeze's game distribution is digital, which reduces the scope of the physical distribution chain and thus the need for transportation and plastic packaging. The ambition is to minimize the company's ecological footprint and therefore Starbreeze works towards this goal by following the development of climate-smart alternatives for all parts of the business.

## MEDARBETARE OCH SAMHALLE



*Goal 4 aims to ensure inclusive and equitable quality education and to promote lifelong learning for all.*

*Goal 5 aims to increase gender equality and to reduce all forms of discrimination, violence and oppression.*

*Goal 10 focuses on reducing inequality and the importance of working towards a society where no one is left behind the development.*

Goal 4: To contribute to reinforcing the supply of skills, Starbreeze has close intern partnerships with universities and colleges around Sweden. Employees are active at most jobs fair days and at Swedish universities.

Goal 5: All employees, regardless of gender, must have the same opportunities at Starbreeze. Starbreeze is actively working to increase gender equality in the gaming industry and is conducting several initiatives for increased inclusion.

Goal 10: At Starbreeze, equal rights for everyone, regardless of background and circumstances, are of utmost importance. Starbreeze ensures labor law protection by only conducting business in countries which have that as a national function and Starbreeze sets requirements for partners in the value chain using the company's Code of Conduct.

## AFFÄRSETIK OCH STYRNING



*Goal 8 focuses on decent working conditions and sustainable economic growth.*

*Goal 17 aims to strengthen the implementation of global partnerships for sustainable development.*

Goal 8: Starbreeze aims to create conditions for innovation while ensuring good working conditions by offering employees a developmental and sustainable workplace. Career opportunities and room for development are offered within the company to create a stimulating working environment where employees can thrive. Routine employee surveys are conducted to engage all parts of the business.

Goal 17: Starbreeze works based on international guidelines and engages in global partnerships to ensure relevance in its sustainability work and to contribute to strengthened collaborations within the industry.

# Governance

Sustainability, based on social, environmental and economic responsibility, forms the foundation of our operations. Our vision, mission, values, Code of Conduct and other governing documents guide employees and managers in their daily and strategic work, which includes personnel and social issues, human rights, the environment and anti-corruption. The Starbreeze management team is responsible for the company's sustainability work, for which the CEO is ultimately responsible.

For a few years now, Starbreeze has worked to establish a framework for prioritizing the most relevant environmental, social and corporate governance issues. The work must take established international principles, regulations, standards and guidelines into account. Examples of these include the UN Global Compact, the EU taxonomy, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

## Main policies

Starbreeze has a set of policies that support the sustainability work in our business. Our most important policies are our Code of Conduct, our HR policies, IP data protection and our privacy policies. The Code of Conduct includes, among other things, how we should work in terms of business ethics, anti-corruption, corporate governance, the environment and how we act towards our colleagues and partners.

All policy documents have been developed by the responsible person in accordance with Starbreeze's guidelines for internal control and are updated when necessary or at least annually. The central documents are approved annually by the Board and upon new employment, every employee must be given access to them.

## Policy documents

Starbreeze works based on the following policy documents to ensure that laws and values are complied with and communicated to the entire company. A selection;

- Code of Conduct for Employees and Suppliers
- Information Security Policy
- IP Data Protection Policy
- Corporate Governance Policy
- Communication and Insider Policy
- Work Environment Policy
- Privacy Policy
- Policy against Discrimination and Harassment



# Environment and climate

The gaming industry has a relatively low impact on the environment and climate because most of the operations are conducted digitally and the distribution of games primarily occurs via digital channels. Our greatest environmental and climate impact occurs is related to the energy consumption of server halls and business travel by air.

## Server operation and digital distribution

The majority of our products are sold via download. We strive to promote sales via digital channels instead of physical sales in stores, because digital management can result in a lower climate impact in the form of reduced consumption of raw materials. Server operation and hardware have an environmental and climate impact, and Starbreeze actively follows the development of more climate-friendly server rooms and other solutions with the aim of minimizing its environmental impact.

## Business travel

We strive, whenever possible, to replace physical travel and gatherings with digital alternatives, such as digital conferences and meetings. We have adopted a business travel policy to ensure that our employees travel in the most sustainable ways. Among other things, the policy states that the means of transport

<sup>1</sup> Data for energy consumption and carbon dioxide emissions is provided by the property owner and is calculated based on the number of square

with the lowest possible climate impact must be prioritized and that public transport must be chosen because it is often the most efficient alternative, from both the financial and environmental perspectives. The primary challenge lies in air travel to the US, which is where most global trade shows and physical conferences for game development take place.

## Premises

Starbreeze rents all premises, which means a limited ability to influence and control, for example, the share of renewable electricity, waste management and recycling options. We maintain an active dialogue with our landlords with the aim of ensuring that the premises and associated services are as environmentally and climate-friendly as possible.

## Energy consumption and emissions

Starbreeze works continuously to reduce its environmental impact and in 2023 began mapping the company's energy consumption and carbon dioxide emissions. In this year's report, the company's premises have been included in the calculations, where over 95 percent of the company's employees are based. During the year, Starbreeze moved to more suitable premises, which affected energy consumption and emissions. This year's report includes water consumption for the first time. In total, Starbreeze's energy consumption amounted to 269,114 kWh, a decrease of 46 percent compared to the previous year. Converted to carbon dioxide emissions, that is equivalent to 4,812 kg, an increase of 280 percent because the data this year also includes the impact of the premises' water consumption<sup>1</sup>.

meters rented by Starbreeze and a standard calculation of the share of the property's general electricity consumption. [Read more here.](#)

ENERGY CONSUMPTION <sup>1</sup>	2025	2024	2023
Total energy consumption, kWh	269 114	501 660	507 033
- Of which electricity, kWh	80 400	474 180	488 655
- Of which heating, kWh	69 914	27 480	18 378
- Of which cooling	118 800	-	-
Share of non-renewable electricity, %	-	-	-
Share of renewable electricity, %	100	100	100
WATER CONSUMPTION, kg/CO2			
Cold water	184	i.u.	i.u.
Hot water	409	i.u.	i.u.
Carbon emissions, kg/CO2	4 812	1 264	992

<sup>1</sup> Refers only to the company's HQ in Stockholm, Sweden

# Employees and society

Starbreeze is a knowledge company and our success depends on prosperous and creative employees. Our goal is to become the role model as a workplace and employer in terms of diversity, engagement and career opportunities.

## Employees in several countries

We have employees in four countries, representing a total of around 30 nationalities, and it is of the utmost importance that we conduct business fairly and clearly, with respect to all employees and local conditions. Our governance documents apply to all employees and we comply with the applicable laws and regulations in the countries in which we operate.

## Health and safety

The goal of Starbreeze's work environment work is to create a safe and health-promoting workplace. Risks of physical and psychosocial occupational injury are actively prevented. Continuous evaluations of the actions implemented are carried out with the aim of improving daily work. The game development industry is characterized to a large extent by sedentary work often accompanied by high levels of stress. We have continued to encourage and implement a range of different activities during 2025, with the ambition of increasing the level of physical activity and reducing the risk of work-related stress,. This has included: work

environment training, wellness grants, company-wide sports and continuing the work on focus time.

The company has existing policy documents that are continuously updated and apply to all employees, regardless of geographical location. We monitor the sick leave statistics for our employees on an ongoing basis and are observant in cases where there is a risk of a negative trend occurring.

## Diversity, equality and inclusion

We treat all colleagues and prospective colleagues equally, regardless of gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age. At Starbreeze, there is zero tolerance for all forms of discrimination, harassment and threats. It is therefore important that all employees feel safe in their workplace and are confident enough to raise any incidents with their manager, colleagues or the human resources department.

Our diversity and equality work aims to create an inclusive and conscious culture, both among employees and in the business relationships and activities that we initiate and conduct. As a result of our systematic work, more women have been employed within the company in recent years. Starbreeze carries out several different types of initiatives and activities in the area. One example is that when conferences are arranged; we try to ensure a broad range of speakers, including based on gender.

HEALTH AND WELL-BEING, %	2025	2024	2023
ABSENCE	2.8	2.02	1.91
<b>OWN WORKFORCE</b>			
	<b>2025</b>	<b>2023</b>	<b>2023</b>
Total number of employees (FTE)	139	186	194 <sup>1</sup>
Average total number of employees(FTE)	160	189	184
Number of countries with local presence	3	4	4
Number of languages spoken	26	30	30
<b>TYPE OF EMPLOYMENT, NO. OF EMPLOYEES</b>			
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Permanent employees	138	178	194 <sup>1</sup>
Temporary employees	1	7	0
Temporary employment with hourly salary	0	0	0
Full-time employees	139	185	194
Part-time employees	0	0	0
<b>AGE DISTRIBUTION,NO. OF EMPLOYEES</b>			
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<30	13	23	35
30-50	116	151	148
>50	10	11	11

<sup>1</sup> incl. employees remote, and excluding consultants.

### Attracting and retaining talent

There is a shortage of game developers in Sweden, which means that the ability to attract and retain talent is a key issue for Starbreeze. In order to attract talent, we work actively to ensure a properly-functioning recruitment and induction process, which has resulted in more applicants and an increased breadth of applicants. 37 new employees were hired in 2025.

To ensure that we retain talented employees, we focus on offering good career opportunities and space for personal development, regardless of where in the organization the employee works. Employee surveys are conducted twice a year with the aim of measuring and monitoring employee engagement over time, among other things.

### Skills development

The technical competence of Starbreeze employees is ensured through various skills-development training courses. Good leadership is central to ensuring that operations function optimally and that the well-being and engagement of employees are maximized.

### Community involvement

For Starbreeze, it is important to accept social responsibility and to contribute to positive social development where the company is able to. Our strongest gaming brand, PAYDAY has an age limit rating of 18, which means we cannot accept interns below that age. Therefore, we do not have close intern partnerships with high schools or upper secondary schools, but instead with universities and colleges in Sweden. Starbreeze encourages employees to participate as speakers at job fairs and other events connected to Swedish universities and colleges, as well as industry conferences.

GENDER DISTRIBUTION, %	2025	2024	2023
<b>Entire organization</b>			
- Women	32	20	18
- Men	103	77	82
- Non-binary	3	2	-
- Not specified	1	1	-
<b>Management team</b>			
- Women	0	0	33
- Men	100	100	67
<b>Board</b>			
- Women	25	40	33
- Men	75	60	67
<b>EMPLOYEES PER REGION, %</b>			
Sweden	96.4	82.6	83.5
UK	1.4	2.2	2.1
Spain	2.2	2.7	1.5
USA	0	0	1.0
Ireland	0	0	0.5
Germany	0	0	0.5
Switzerland	0	0	0.5
France	0	12.5	10.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>HIRING AND TURNOVER</b>			
	<b>2025</b>	<b>2024</b>	<b>2023</b>
New hires	37	36	49
Staff turnover, %	50.3	22.1	13.5

# Business ethics and governance

Our business is characterized by good business ethics in all aspects of our operations and business activities. We comply with the applicable laws, regulations and standards in the countries where we operate.

## Anti-corruption & fair competition

Our Code of Conduct sets out the fundamental principles for how the company should do business. The code constitutes an ethical compass for employees, the business, its partners and suppliers. It explains how we and our partners/suppliers must work against corruption and bribery and promote fair competition.

All employees and managers must familiarize themselves with the Code of Conduct, which is done in connection with the recruitment and induction process. Each manager is responsible for ensuring that the daily operations of their team comply with the Code of Conduct.

## Whistleblowing

Starbreeze implements a whistleblower function through a web-based reporting system in which information is collected and managed securely. In accordance with the EU Whistleblower Directive, anyone who comes into contact with Starbreeze has the opportunity to anonymously warn of the occurrence of behavior or situations that are not in line

with the Code of Conduct, and/or applicable laws. There is no requirement to provide personal information and the option of anonymity ensures the whistleblower's privacy. The purpose of the whistleblower function is to encourage all actors, internal and external, to report suspicions of potential or actual misconduct. This is to maintain the company's cultural values and to meet high professional and ethical standards through daily operations.

## Information and IT security

Information and IT security are critical to maintaining the long-term success of Starbreeze's business. The company works continuously to develop robust systems and processes to ensure that everyone who comes into contact with Starbreeze receives personal data protection. Guidelines to guarantee confidentiality and integrity in the company have been designed based on frameworks such as ISO 27001, CIS and GDPR. All strategic decisions related to information security must be made by the management team to maintain relevant information management while minimizing the risk of errors occurring. Training to increase awareness of information security must be carried out on an ongoing basis with Starbreeze employees so that everyone is confident about the risks that exist and the regulations that apply.

IT security is an integral part of Starbreeze's work and it must ensure appropriate protection of IT systems and infrastructure to successfully minimize risks. All information must be processed by appropriate persons and classified based on the security level that is deemed correct. Sensitive information must be encrypted and processed according to the company's policies and, if necessary, Starbreeze must be able to remotely control and delete all information on the company's various devices. Starbreeze must, as a minimum, comply with the laws and regulations related to data protection and privacy in all the countries in which the company operates.

### Personal data and user privacy

Everyone who comes into contact with Starbreeze's operations should feel secure about how their personal data is handled. Starbreeze handles a large amount of personal data regarding employees and customers, therefore user privacy is of the highest priority. The company has processes for how information is collected and personal data is processed in accordance with the guidelines and requirements contained in the General Data Protection Regulation (GDPR). The Starbreeze Data Protection Officer is responsible for ensuring that the company complies with government regulations. The Starbreeze website contains the company's privacy policy, including separate policies for different games.

### Fair marketing

We follow the relevant geographic market's regulations and recommendations for labeling and marketing of games, for example the company follows PEGI for the EU and ESRB for the USA regarding content and age limits. Marketing is ethical, correct, honest and reflects generally accepted social standards for the product.

### Human rights

Support for and compliance with human rights is seen as a matter of course, both in Starbreeze's operations and in the value chain. We consider the risk of non-compliance with human rights in our own operations to be low, given that we work actively internally with the code of conduct, core values and that we consciously avoid risk geographies. We only conduct our own operations in countries where employees have strong national labor law protection, including the work environments.

There is always a risk that our partners and suppliers may operate in risky geographies. To avoid as much risk as possible of suppliers violating human rights, we use contractual requirements, which are based on the Code of Conduct and national laws and regulations.

### Risks

Our risks relating to the business are reported in the Risk section on page 25.

### About the Sustainability Report

The Sustainability Report applies to the financial year January 1 - December 31, 2025 and refers to Starbreeze AB and all subsidiaries within the Group. The Board is responsible for ensuring that the Sustainability Report is prepared in accordance with the provisions of Chapter 6 of the Annual Accounts Act.

The Sustainability Report is included in this document, which also includes the company's statutory Annual Report for 2025.

### Auditor's report on the statutory sustainability report

*To the general meeting of the shareholders in Starbreeze AB (publ), corporate identity number 556551-8932.*

#### Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2025 [on pages 5-13 and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

#### The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

#### Opinion

A statutory sustainability report has been prepared.

Stockholm April 15

Öhrlings PricewaterhouseCoopers AB

Martin Johansson  
Authorized Public Accountant

# Corporate Governance Report

## General information about corporate governance

Starbreeze is a Swedish limited liability company and is listed on Nasdaq Stockholm. Corporate governance in Starbreeze is based on Nasdaq's rules for issuers, the Swedish Code of Corporate Governance (the "Code"), the Swedish Companies Act, best practice in the stock market, the company's Articles of Association, internal governance documents and other applicable laws, regulations and recommendations.

The internal governance documents primarily include the Board's rules of procedure, instructions for the CEO, instructions for financial reporting and authorization and the financial policy. Furthermore, Starbreeze also has a number of policy documents and manuals containing rules and recommendations, which contain principles and provide guidance in the company's operations and for its employees.

Companies that apply the Code are not required to follow every rule in the Code at all times. If a company finds that a certain rule is not suitable in view of the company's particular circumstances, the company may choose an alternative solution, provided that the company then reports the deviation and the alternative solution (all according to the "comply or explain" principle). Starbreeze has applied the Code since October 2, 2017, when the company was listed on Nasdaq Stockholm.

## Annual General Meeting

The shareholders' influence in the company is exercised at the Annual General Meeting, which is the company's highest decision-making body. Every shareholder who is entered in the share register maintained by Euroclear Sweden AB and recorded in a securities register or in a securities account, on the record date for the Annual General Meeting, has the right to participate, in person or through an authorized representative in the Annual General Meeting. The meeting can decide on all matters concerning the company that do not expressly fall under the exclusive competence of another company body, according to

the Companies Act or the Articles of Association. The meeting can, for example, decide to increase or decrease the share capital, amend the Articles of Association and place the company into liquidation. With regard to new issues of shares, convertibles or warrants, the Annual General Meeting, in addition to the opportunity to decide on this itself, has the opportunity to authorize the Board to make the issue decision. Every shareholder, regardless of the size of their shareholding, has the right to have a specified matter addressed at the Annual General Meeting. Shareholders who wish to exercise this right must submit a written request to the company's Board of Directors. Such a request must normally be received by the Board in time for the matter to be included in the notice of the Annual General Meeting.

The Annual General Meeting is held annually within six months of the end of the financial year. The chairman of the meeting must be nominated by the Nomination Committee and elected by the meeting. The tasks of the Annual General Meeting include electing the company's Board of Directors and auditors, approving the Group's and the company's balance sheets and income statements, deciding on allocations regarding the company's profit or loss according to the approved balance sheet, and deciding on discharging the Board members and the CEO from liability. The meeting also decides on the fees to be paid to the Board members and the company's auditors.

An Extraordinary General Meeting may be convened by the Board of Directors when the Board considers that there are reasons to hold a meeting before the next Annual General Meeting. The Board of Directors must also convene an Extraordinary General Meeting when an auditor or shareholder holding more than ten percent of the shares in the company requests in writing that a meeting be held to discuss a specific matter.

Notice of the Annual General Meeting must be given by advertisement in the Swedish Official Gazette and on the company's website. At the time of the notice, information that the notification has been issued must be announced in Dagens Industri. Notice of an Annual General Meeting and an Extraordinary General Meeting where amendments to the Articles

of Association are to be considered must be issued no earlier than six (6) and no later than four (4) weeks before the general meeting. Notice of another Extraordinary General Meeting must be issued no earlier than six (6) weeks before and no later than three (3) weeks before the Extraordinary General Meeting. The minutes of the meeting are available on the company's website no later than two weeks after the meeting.

During the 2025 financial year, the Annual General Meeting took place on May 15, 2025. The next Annual General Meeting is planned to take place on May 12, 2026.

## Nomination Committee

At the Annual General Meeting on May 13, 2020, it was decided to adopt a procedure for appointing a Nomination Committee for future Annual General Meetings.

According to this procedure, the Nomination Committee must consist of the Chairman of the Board and a maximum of four Board members, who must be appointed by the largest owners or groups of owners in terms of votes. The four largest shareholders by number of votes, based on the company's list of registered shareholders as of the last banking day in August, provided by Euroclear, will be contacted. Shareholders who are not registered in Euroclear and who wish to be represented on the Nomination Committee must notify the Chairman of the Board no later than September 1 and be able to prove their ownership. When assessing who constitute the four largest owners in terms of voting rights, a group of shareholders shall be considered to constitute an owner if they (i) have been grouped as owners in the Euroclear system or (ii) have made public and notified the company in writing that they have reached a written agreement to adopt a long-term common position regarding the company's management through coordinated exercise of voting rights. The Chairman of the Board must convene the four largest shareholders in the company in terms of votes to the Nomination Committee as soon as possible after the end of August. If any of the four largest shareholders in terms of votes waives their right to appoint a member to the Nomination Committee, the next largest shareholder must be given the opportunity to appoint a

member, however, no more than ten shareholders need to be consulted. The chairman of the Nomination Committee must, unless the members agree otherwise, be the member representing the largest shareholder. The names of the Committee members and the names of the shareholders who appointed them, as well as how the Nomination Committee can be contacted, must be published as soon as the Nomination Committee has been appointed, which must be no later than six months before the Annual General Meeting.

The term of office of the Nomination Committee extends until a new Nomination Committee has been appointed. No fees shall be paid to the members of the Nomination Committee. However, the company shall be responsible for reasonable costs associated with the Nomination Committee's fulfillment of its duties.

The Nomination Committee's task shall be to submit proposals prior to the Annual General Meeting and, where applicable, the Extraordinary General Meeting regarding the number of Board members to be elected by the meeting, Board fees, the composition of the Board, the Chairman of the Board, the Chairman of the Annual General Meeting, the election of auditors and auditor fees, and how the Nomination Committee shall be appointed.

The members of the Nomination Committee must be published on the company's website no later than six months before the Annual General Meeting.

The company's Nomination Committee for the 2026 Annual General Meeting, and for the period until a new Nomination Committee is appointed, consists of: Michael Hjorth (Indian Nation), Christoffer Saidac (Digital Bros), Emanuel Lipschütz (Spiky Investments AB, Strongvault Capital AB), Ian Gulam (Embracer AB) and Jürgen Goeldner (Chairman of the Board) is co-opted to the Nomination Committee.

## Board of Directors

### Duties of the Board of Directors

The Board of Directors bears ultimate responsibility for the company's organization and the management of the company's operations, which must be in the interest of the company and all its shareholders. Some of the Board's main tasks are to manage strategic issues regarding operations, financing, establishments, growth, results and financial position and to continuously

evaluate the company's financial situation. The Board must also ensure that there are effective systems for monitoring and controlling the company's operations and ensure that the company's information provision is characterized by transparency and is accurate, relevant and reliable.

### Composition of the Board of Directors

According to Starbreeze's Articles of Association, the Board of Directors must consist of a minimum of three and a maximum of eight Board members, with a maximum of two deputies. The Board members are normally elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting, but additional Board members may be elected during the year at an Extraordinary General Meeting.

At the time of publication of the Annual Report, the Board consists of four regular Board members: Jürgen Goeldner (Chairman), Michael Hjorth, Cecilia Tosting and Stefano Salbe.

At the 2025 Annual General Meeting, Jürgen Goeldner was re-elected and Michael Hjorth, Cecilia Tosting and Stefano Salbe were elected as Board members by new elections.

All Board members were elected for the period until the end of the next Annual General Meeting, which will be held on May 12, 2026. However, each Board member has the right to resign from their position at any time.

The Nomination Committee has assessed that Jürgen Goeldner, Cecilia Tosting and Michael Hjorth are independent in relation to both the company and management, as well as of major shareholders. Stefano Salbe is not independent of the major owner because he holds a role as CFO of the company's largest owner Digital Bros. However, he is independent in relation to the company and the company management. The composition of the Board of Directors meets the Code's requirements for independence.

On page 19 there is a table regarding the Board members' participation in various committees, when the member took up their position and the Board's assessment of the independence of the various members.

### Chairman of the Board of Directors

The Chairman of the Board of Directors has the task, among other things, of leading the work of the Board and ensuring that the work of the Board is conducted efficiently and that the Board

fulfills its duties. Through contact with the CEO, the Chairman must continuously receive the information needed to monitor the company's position, financial planning and development. The Chairman must also consult with the CEO on strategic issues and ensure that the Board's decisions are implemented effectively.

The Chairman of the Board is responsible for contact with shareholders on ownership issues and for conveying views from the owners to the Board. The Chairman of the Board is elected by the Annual General Meeting.

### Working methods of the Board of Directors

The Board follows written rules of procedure that are reviewed annually and are adopted at the statutory meeting of the Board of Directors held in conjunction with the Annual General Meeting. The rules of procedure regulate, among other things, the Board's working methods, duties, decision-making procedures within the company, the Board's meeting procedures, the Chairman's duties and the division of work between the Board and the CEO. Instructions regarding financial reporting and instructions to the CEO are also established in connection with the statutory Board meeting.

During the 2025 financial year, 14 minuted meetings were held. The respective members who have attended Board and committee meetings are shown in the table on page 19.

The rapporteurs are the CEO on strategic issues and the Group's CFO for economic and financial issues. During the financial year, the Board met with the auditor on several occasions. At least one board meeting per year, the board and auditor meet without the presence of company management.

### Board committees

The company's Board of Directors has established two committees; an Audit Committee and a Remuneration Committee. The Board has adopted rules of procedure for both committees.

### Audit Committee

The Audit Committee's task is to prepare the Board's work to quality assure the company's financial reporting. Furthermore, the Audit Committee must establish guidelines for which services, other than auditing, the company may procure from the company's auditors. The committee is also tasked with providing its evaluation of the audit work to the Nomination Committee when preparing the Nomination Committee's proposal to the Annual General Meeting for the election of auditors and the size

of the audit fee. During the 2025 financial year, the Audit Committee, among other things, consulted with the company's auditors regarding existing accounting assessments. Furthermore, the Audit Committee has proposed measures to ensure that the company continuously improves its internal controls.

The Audit Committee will consist of the following from the statutory Board meeting after the 2025 Annual General Meeting: Cecilia Tosting (chair), Stefano Salbe and Jürgen Goeldner.

#### Remuneration Committee

The Remuneration Committee's duties are mainly to prepare issues regarding remuneration and other terms of employment for the CEO and other senior executives. Through the year, on an ongoing basis, the Remuneration Committee must also monitor and evaluate completed variable remuneration programs for company management, as well as monitoring and evaluating the application of the guidelines for remuneration for senior executives that have been decided upon by the Annual General Meeting.

As a result of the statutory board meeting after the 2025 Annual General Meeting, the Remuneration Committee consists of the following: Jürgen Goeldner (chairman) and Michael Hjorth.

**Remuneration to Board members** The remuneration to Board members elected at the Annual General Meeting is decided by the Annual General Meeting. At the 2025 Annual General Meeting, it was decided that fees of SEK 750,000 would be paid to the Chairman of the Board and SEK 280,000 be paid to each of the other Board members who are not employees of the company. No fee shall be paid to Stefano Salbe, who is a full-time employee of the largest owner, Digital Bros.

In addition, the Annual General Meeting approved fees for the Audit Committee of SEK 175,000 for the chairman and SEK 65,000 for each member, and for the Remuneration Committee a fee of SEK 50,000 for the chairman and SEK 40,000 for each member. The auditor's fee is paid according to an approved invoice.

The remuneration paid to the Board members in 2025 is shown on page 19.

#### Evaluation of the Board's work

The Board's work is evaluated annually with the aim of developing the Board's working methods and efficiency. The Chairman of the

Board is responsible for the evaluation and for presenting it to the Nomination Committee. The purpose of the evaluation is to gain an understanding of the Board members' opinions on how the Board's work is conducted and what measures can be taken to make the Board's work more efficient, as well as whether the Board is well-balanced in terms of expertise. The evaluation is an important basis for the Nomination Committee before the Annual General Meeting.

During the year 2025, an evaluation of the Board's work was carried out and presented to the Nomination Committee. The Nomination Committee has discussed what experiences and skills are needed on the Board, including in light of the, now completed, corporate restructuring and the core business that the company has defined.

### CEO and other senior executives

#### Duties of the CEO and other Group management

The CEO is appointed by the Board of Directors and manages the Group's day-to-day management in accordance with the Board's guidelines and instructions. The CEO is responsible for keeping the Board informed of the company's development and reporting on significant deviations from established business plans and on events that have a major impact on the company's development and operations, as well as providing relevant decision-making information to the Board, for example regarding establishments, investments and other strategic issues. The Group Management Team, led by the company's CEO, consists of individuals with responsibility for key areas of operation within Starbreeze.

#### Remuneration to the CEO and senior executives

A total of SEK 14,425 thousand (15,433) has been paid to senior executives, including the CEO, in terms of salary, variable remuneration and other benefits. SEK Thousand in 2025.

Share-based compensation amounts to SEK 0 thousand (0). For senior executives, defined-contribution pension premiums are paid that correspond to the cost under the ITP plan.

#### Guidelines for remuneration of senior executives

These guidelines cover senior executives in Starbreeze, who are those are part of the company's management team. The guidelines must be applied to remuneration that is agreed upon, and changes made to remuneration that has already been agreed upon, after the guidelines have been adopted by the Annual

General Meeting. The guidelines do not cover remuneration decided by the Annual General Meeting.

Regarding employment relationships that are subject to other regulations than the Swedish, appropriate adjustments may be made to comply with such mandatory regulations or local practices, whereby the overall purpose of these guidelines must be met.

The guidelines are intended to promote the company's business strategy, long-term interests and sustainability.

#### The company's business strategy is briefly as follows:

Starbreeze is an independent developer, creator, publisher and distributor of PC and console games with a global market focus, with studios in Stockholm, Barcelona and London. With the successful PAYDAY brand at its center, Starbreeze develops games based on its own and other brands, both internally and in collaboration with external game developers.

Starbreeze's main business consists of development of its own television and computer games, which is financed entirely or partially with its own funds. The majority of the company's employees are primarily engaged in developing the company's products. The games are then distributed mainly via digital platforms such as Steam, or in partnership with other companies for physical distribution. The company's end customers are the consumers who purchase the game via the various gaming platforms or retailers.

For further information about the company's business strategy, see [www.starbreeze.com](http://www.starbreeze.com) / [corporate.starbreeze.com](http://corporate.starbreeze.com).

The company must offer market conditions that enable the company to recruit and retain competent personnel.

Variable remuneration covered by these guidelines must aim to promote the company's business strategy and long-term interests, including its sustainability.

#### Forms of remuneration etc.

Remuneration to company management may consist of fixed salary, variable remuneration, pension and other customary benefits. In addition, the Board must annually evaluate whether share-based or share price-related incentive programs should be proposed to the Annual General Meeting. Such share-based or share price-related incentive programs are decided by the

Annual General Meeting and are therefore not covered by these guidelines.

The fixed salary is generally reviewed once a year and must take the individual's qualitative performance into account. The remuneration of the CEO and other senior executives must be in line with market conditions.

The Board shall also have the right to make decisions on variable remuneration in the form of cash bonuses to the company's senior executives. The variable remuneration must be linked to predetermined and measurable criteria. The variable remuneration on an annual basis may amount to a maximum of 75 percent of the fixed annual salary for the CEO and 50 percent of the fixed annual salary for other senior executives.

Defined-contribution pension premiums are paid for the CEO and senior executives, which correspond to the cost according to the usual ITP plan. Other customary benefits may not exceed a total of 10 percent of the fixed annual salary.

Regarding employment relationships that are subject to other regulations than the Swedish, with regard to pension benefits and other benefits, appropriate adjustments may be made to comply with such mandatory regulations or local practices, whereby the overall purpose of these guidelines must be met.

#### **Termination of employment**

In the event of termination by the CEO, a notice period of six months applies, and in the event of termination by the company, a notice period of six months applies, with the addition that severance pay of 6 months shall be paid. Other senior executives shall have a notice period of three to nine months.

In addition, compensation may be paid for any commitment to restrict competition. Such compensation must compensate for any loss of income and shall only be paid to the extent that the former executive is not entitled to severance pay. The compensation shall amount to a maximum of 60 percent of the fixed cash salary at the time of termination, unless otherwise provided for by mandatory collective agreement provisions, and must be paid during the period for which the non-competition obligation applies, which must be a maximum of 18 months after termination of employment.

#### **Salary and employment conditions for employees**

In preparing the Board's proposal for these remuneration

guidelines, the salaries and terms of employment for the company's employees were taken into account by information on employees' total remuneration, the components of such remuneration, and the increase in remuneration and its rate of increase over time, forming part of the basis for the decisions of the Compensation Committee and the Board of Directors when evaluating the reasonableness of the guidelines and the limitations arising therefrom.

#### **The decision-making process for establishing, reviewing and implementing the guidelines**

The Board has established a Remuneration Committee. The Committee's duties include preparing the Board's decision on proposed guidelines for remuneration to senior executives. The Board must prepare proposals for new guidelines at least every four years and present the proposal for decision at the Annual General Meeting.

The guidelines must apply until new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee must also monitor and evaluate variable remuneration programs for company management, the application of guidelines for remuneration to senior executives, and current remuneration structures and remuneration levels in the company. When the Board of Directors considers and makes decisions on remuneration-related issues, the CEO or other members of the company's management may not be present, to the extent that they are affected by the issues.

#### **Deviation from the guidelines**

The Board has the right to deviate from the above guidelines in whole or in part if the Board determines that there are special reasons that justify an individual case and a deviation is necessary to meet the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, the Remuneration Committee's duties include preparing the Board's decisions on remuneration issues, which includes decisions on deviations from the guidelines.

### **Audits and controls**

#### **External auditor**

The company's auditor is appointed by the Annual General Meeting. The auditor must review the company's Annual Report and accounting records as well as the management of the Board of Directors and the CEO.

In addition to the Auditor's Report, the auditor also normally issues a review report in conjunction with the third quarter interim report.

At the Annual General Meeting on May 15, 2025, the auditing firm Öhrlings PricewaterhouseCoopers AB, (Torsgatan 21, SE-113 21 Stockholm) was re-elected as the company's auditors for the period until the end of the Annual General Meeting to be held in 2026. Öhrlings PricewaterhouseCoopers AB has been the company's auditor for the years 2015–2025 and until the 2026 Annual General Meeting. The auditor in charge is Martin Johansson, a certified public accountant.

Martin Johansson is a member of FAR. The Auditor's Report is signed by Martin Johansson.

#### **Remuneration to the auditor**

Decisions on remuneration for the auditor are made by the Annual General Meeting, following proposals from the Nomination Committee. At the Annual General Meeting on May 15, 2025, it was decided that the auditor's fee would be paid according to an approved invoice.

#### **Internal control**

The Board's responsibility for internal controls is regulated by the Companies Act and the Annual Accounts Act, which require that information about the most important elements of Starbreeze's system for internal control and risk management in connection with financial reporting is included in the Corporate Governance Report each year. The Board's responsibility for internal control is also regulated in the Code.

The Board must, among other things, ensure that Starbreeze has good internal controls and formalized procedures that ensure that established principles for financial reporting and internal control are complied with and that there are appropriate systems for monitoring and controlling the company's operations and the risks associated with the company and its operations. The overall purpose of internal control is to ensure within reason that the company's operational strategies and goals are followed up and that the owners' investment is protected. Internal control must further ensure that the external financial reporting is, with reasonable assurance, reliable and prepared in accordance with generally accepted accounting principles, meets requirements for disclosure in accordance with internal policies, and that

applicable laws and regulations are followed and that the requirements for listed companies are complied with.

In light of the governance and internal control systems described above, the Board has assessed that there is currently no need to establish a separate internal audit function.

#### Control environment

Internal control within Starbreeze is based on a control environment that encompasses organization, decision-making processes, authority and responsibility. The Board has written rules of procedure that clarify the Board's responsibilities and regulate the Board's division of work. The rules of procedure also state which issues are to be submitted to the Board for decisions. The division of roles between the Board and the CEO is communicated in the Board's rules of procedure and in its CEO's instructions. The CEO also manages the operations based on the Swedish Companies Act, other laws and regulations, regulations for listed companies, the Swedish Code of Corporate Governance, and more. The Board monitors compliance with established principles for financial reporting and internal control and maintains the appropriate relationships with the company's auditors. Company management is responsible for the system of internal controls required to manage significant risks in ongoing operations. Furthermore, the Audit Committee prepares issues for decisions by the Board with the aim of maintaining good control.

#### Risk assessment and control activities

A clear organization and decision-making process aims to create good awareness of risks among employees and well-balanced risk-taking. Built-in checkpoints also aim to minimize the risk of errors in accounting. There are also documented procedures regarding management of the company's finances and the consolidation system. Follow-up is carried out on an ongoing basis to maintain good internal control and thereby prevent and detect risks.

#### Risk management

The significant risks that affect internal control regarding financial reporting and operational controls are identified and managed at Group, business area and subsidiary levels. The Audit Committee of the Board is responsible for identifying significant financial risks and risks of errors in financial reporting and preparing decisions on possible measures by the Board to ensure correct financial reporting. Particular priority is given to

identifying processes where there is a relatively higher risk of material errors due to the complexity of the process or in contexts where large values are involved.

The Board of Directors assigns management to analyze the operations and to identify and quantify the risks to which the Group is exposed. After the risks have been identified, they are ranked by probability and consequence. Based on this analysis, the company has developed a large number of controls in the areas of Finance, Management, IT, HR and Game Development, Publishing and PR as well as IR. A planned self-assessment procedure is carried out according to a set plan and the outcome is reported to the Audit Committee and the Board, which ensures that the checks have been carried out. Results, analysis and remedial action for this work are reported directly to the Audit Committee and the Board.

#### Follow-up

The Board continuously evaluates the information presented by management and the Audit Committee. The Board's work also includes ensuring that measures are taken regarding any shortcomings and proposals for measures that have emerged from external audits and the internal follow-up of internal controls that the company has implemented. After the Board has received the analysis of the internal control, the Audit Committee prepares proposals for decisions by the Board regarding measures to address the deficiencies and weaknesses that have been identified.

At the end of the year, the Audit Committee receives a final report on the outcome and status of internal control. Based on this, the Audit Committee prepares proposals to the Board regarding improvement measures. This is an ongoing process according to the annual cycle of audit and control.

The Board also receives ongoing reports on the Group's financial position and development. After each quarter-end, the Group's financial situation is reviewed and management analyzes the earnings trend at a detailed level on a monthly basis, which is then reported in summarized form to the Board monthly. The Audit Committee monitors the financial statements at its meetings, and the Audit Committee and the Board of Directors receive a special presentation from the auditors regarding their observations once per financial year.

## Auditor's report on the Corporate Governance Statement

*To the general meeting of the shareholders in Starbreeze AB (publ), corporate identity number 556551-8932*

#### Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2025 on pages 14-20 and that it has been prepared in accordance with the Annual Accounts Act.

#### The scope of the audit

Our examination has been conducted in accordance with FAR's standard Rev 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

#### Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 15 April 2026

Öhrlings PricewaterhouseCoopers AB

Martin Johansson  
Authorized Public Accountant

## Composition of the Board of Directors

Name	Audit and Remuneration Committees	Position held since	Independent company/owner	Attendance at Board meetings	Audit Committee attendance	Remuneration Committee attendance
Jurgen Goeldner,	Audit and Remuneration Committees	2023	Yes/Yes	7/7	4/4	1/1
Cecilia Tosting	Audit Committee (Chairman)	2025	Yes/Yes	7/7	4/4	-
Mikael Hjorth	-	2025	Yes/Yes	7/7	-	1/1
Stefano Salbe	Audit Committee	2025	Yes/No	7/7	4/4	-

## Remuneration of the Board of Directors and Senior Managers\*

2025 (SEK thousand)	Basic salary/Board fee	Variable remuneration	Other benefits	Pension cost	Amount
Jürgen Goeldner, Chairman of the Board	840	-	-	-	694
Cecilia Tosting	445	-	-	-	310
Mikael Hjorth	310	-	-	-	331
Stefano Salbe	-	-	-	-	-
Adolf Kristjansson, CEO	2,547	-	-	460	3 007
Other senior executives, an average of 3 people, at the end of the year 2 people	8,989	-	183	10,421	10,421
<b>Amount</b>	<b>13,131</b>	<b>-</b>	<b>183</b>	<b>1,609</b>	<b>14,763</b>

\*For detailed information on Remuneration of the Board and senior executives, see Note 13.

## Board of Directors and auditor

### Jurgen Goeldner

Chairman of the Board since 2024, Board member since 2023

Born: 1953

**Education:** Studies in education and psychology at the University of Darmstadt on Germany

**Main occupation:** Jürgen is a German citizen and has spent 40 years in the gaming industry and has held several senior positions. His most recent position was as CEO of Focus Home Interactive. Today, Juergen is a business consultant and investor.

**Other assignments:** No other assignments.

**Holdings in the company:** For updated ownership, see [this link](#).

Jürgen is independent in relation to the company, its management and major shareholders.

### Cecilia Tosting

Board member since 2025

Born: 1963

**Education:** Master of Science (B.Sc.) in Economics from Stockholm University.

**Main occupation:** Former CEO of Activision Blizzard Nordics AB and senior positions within the Walt Disney Company in the EMEA region, as well as experience from PwC.

**Other assignments:** No other assignments.

**Holdings in the company:** For updated ownership, see [this link](#).

Cecilia is independent in relation to the company, its management and major shareholders.

### Michael Hjorth

Board member since 2025

Born: 1963

**Education:** Bachelor of Philosophy from Bard College, New York, USA.

**Main occupation:** Founder of the production company Tre Vänner AB and is active in the entertainment industry (books, film and television production, as well as investments in new technology.) He was Chairman of the Board of Starbreeze from 2013 to 2019 and a Board member from 2007 to 2019.

**Other assignments:** No other assignments.

**Holdings in the company:** For updated ownership, see [this link](#).

Michael is independent in relation to the company, its management and major shareholders.

### Stefano Salbe

Board member since 2025

Born: 1965

**Education:** Bachelor of Business Administration from Università Commerciale "L. Bocconi", Milan, Italy.

**Main occupation:** Stefano is CFO and board member of Digital Bros, which is listed on the Milan Stock Exchange (Borsa Italiana). Digital Bros was originally a distributor of video games but is now also a publisher and developer. Stefano Salbe has previous experience as, among other things, CFO and a financial analyst.

**Other assignments:** No other assignments.

**Holdings in the company:** For updated ownership, see [this link](#).

Stefano is independent in relation to the company and its management but not in relation to major shareholders.

### Auditor

The authorized accounting firm Öhrlings PricewaterhouseCoopers AB has been elected as auditor.

#### Martin Johansson

Chief auditor of Starbreeze AB (publ) since 2025.

Born 1967

Certified public accountant.

## Management team

### Adolf Kristjansson

CEO since 2025

Born: 1973

**Education:** Master's degree in Business Administration, specialization in Finance

**Background:** Over 20 years of gaming industry experience and roles working on some of the world's best known gaming IPs, including FIFA, Battlefield, Apex and Star Wars. Held roles at Electronic Arts as International Commercial Senior Director, Global Head of Digital and Global Strategic Franchise Senior Director.

**Holdings in the company:** For updated ownership, see [this link](#).

### Mats Juhl

CFO since 2020.

Born: 1973

**Education:** Master's degree in Finance Lund University

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

**Holdings in the company:** For updated ownership, see [this link](#).



# Directors' Report

07

# Director's Report

The Board of Directors and CEO of Starbreeze AB (publ), 556551-8932, hereby submit the Annual Report and consolidated financial statements for the financial year 20250101-20251231, Starbreeze's 28th financial year. The information provided in the Annual Report refers, unless otherwise stated, to the Group. All amounts, unless otherwise stated, are stated in SEK thousand. Data in parentheses refers to the previous year.

## General information about the business

Starbreeze is an independent developer, creator, publisher and distributor of PC and console games for the global market.

Starbreeze was founded in 1998 and has since developed into a well-established game developer and publisher of computer and video games, with operations in several countries around the world and its main operations in Stockholm. In 2025, operations consisted mainly of in-house game development and publishing operations with a focus on the in-house IPs PAYDAY and third-party publishing.

Other activities consist partly of what is defined as non-core activities, and no resources were allocated to these activities during the year.

During the quarter, Group operations were conducted by the parent company Starbreeze AB (publ), 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. During the year, Starbreeze VR AB and Enterspace AB were divested with the aim of liquidation.

## Significant events during the year

On January 30th, it was announced that PAYDAY 3 was game of the month on PlayStation® Plus and that the game would also be getting its first paid character when fan favorite Jacket returned to the game.

On February 6, it was announced that Starbreeze would be acting as publisher for Swedish gaming company The Gang's upcoming game, Out of Sight.

On March 31, Adolf Kristjansson was appointed as the new CEO of Starbreeze. Adolf took up his position on April 1, 2025. He replaced acting CEO Mats Juhl, who is continuing in his role as Chief Financial Officer of Starbreeze.

On May 6, Starbreeze entered into an agreement for the publishing rights for PAYDAY™ 3 and carried out a private placement.

On May 15, the Starbreeze Annual General Meeting 2025 was held.

On May 22, 'Out of Sight' launched on PC, console and VR platforms

On May 26, 'Party Powder' was launched for PAYDAY™ 3, a DLC with a new heist, content, functionality and improvements.

On May 27, Roboquest launched on PlayStation® 5 and 4.

On June 25, 'Smash & Grab' was launched for PAYDAY™ 3, a DLC with new game mode, content, functionality and improvements.

On October 2, Starbreeze announced that it is increasing its focus on the PAYDAY franchise – Baxter is discontinued as part of strategic changes.

On October 2, Starbreeze presented an updated strategy – increasing the focus on PAYDAY and expanding the heisting genre.

On December 2, Skills 2.0 for PAYDAY™3 was released as a free update for PC and console. The update involves a major overhaul of the Skills system, with a clearer and theme-driven structure that gives players more meaningful choices and more opportunities to build different playstyles.

## Events after the end of the financial year

On January 13, Shopping Spree was launched, a new DLC heist for PAYDAY 3. In connection with the launch, a free update was also released to all players with improvements to the gameplay experience and more comprehensive bug fixes.

For detailed information on significant events during the year and after the end of the financial year, please visit [corporate.starbreeze.com](https://corporate.starbreeze.com)

## Net sales and profit

The financial year covers 12 months (January–December 2025).

Net sales for the whole year amounted to SEK 221.0 million (185.9). Game sales amounted to SEK 127.2 million (125.7), Third-party publishing amounted to SEK 15.4 million (47.7) and Licensing deals to SEK 4.0 million (1.7). Other revenue amounted to SEK 74.4 million (10.7) and relates to work-for-hire.

Starbreeze's reported sales attributable to PAYDAY 3 amounted to SEK 76.5 million (82.9). In February, PAYDAY 3 was game of the month on PlayStation Plus. All revenue is related to the platforms Steam, Xbox Game Pass, Xbox X|S, Playstation 5, and Epic Games Store. Sales consist of sales of different editions of the base game, license versions, and sales of DLC.

PAYDAY 2 sales amounted to SEK 50.1 million (41.8) and relate to sales via Steam, Epic Games Store, and console platforms.

Direct costs amounted to SEK 490.9 million (448.8) and consist of costs linked to game production and game development. Direct costs include amortization of intangible assets of SEK 398.4 million (396.3) and include the impairment of Project Baxter of SEK 261.9 million. Revenue sharing related to third-party publishing amounted to SEK 8.8 million (25.5) and costs related to work-for-hire amounted to SEK 37.9 million (3.9).

Capitalized development expenditure has reduced direct costs by SEK 125.0 million (185.2) and relates to the games PAYDAY 3, Baxter, and development of new IPs.

Sales and marketing costs amounted to SEK 33.5 million (30.2) and relate to market activities and personnel costs.

Administrative expenses during the whole year amounted to SEK 79.0 million (29.0). Adjusted for items affecting comparability, administrative expenses for the corresponding period the previous year amounted to SEK 51.3 million. The item includes

costs related to offices, salaries for staff who do not work in game production or marketing, and other external costs. The increased costs are mainly due to increased depreciation of SEK 10.5 million relating to the company's previous office, for which the contract was terminated during the quarter and lower capitalized development costs.

Administrative expenses include depreciation of SEK 31.5 million (21.0). Capitalized development expenditure reduced administrative expenses by SEK 28.9 million (38.5) and relates to the games PAYDAY 3, Baxter, and other IP.

Other revenue amounted to SEK 1.8 million (8.8).

Other costs amounted to SEK 20.3 million (6.4) and relate to exchange rate effects relating to the revaluation of assets and liabilities denominated in foreign currencies. In the comparative period, the company had positive currency effects and they are recorded under other income.

Operating profit before depreciation, amortization and impairment (EBITDA), amounted to SEK 29.0 million (97.6). Considering items affecting comparability for the comparative period, EBITDA amounted to SEK 29.0 million (78.9).

## Net financial income/expense

Net financial income/expense amounted to SEK 1.7 million (2.0).

The company received interest on income of SEK 0.4 million (5.7) linked to bank balances.

During the whole year, interest expenses on lease liabilities of SEK -2.1 million (-4.0) were charged to net financial income/expense.

Profit/loss before taxes amounted to SEK -402.7 million (-317.7).

Profit/loss amounted to SEK -398.9 million (-317.8).

Basic and diluted earnings per share amounted to -0.25 SEK (-0.22).

## Non-current assets

License assets amounted to SEK 0 million (21.8) and consist of rights to use IP rights.

Intangible assets, consisting mainly of IP rights, amounted to SEK 21.9 million (65.0).

Capitalized expenditure for proprietary game and technology development amounted to SEK 103.6 million (275.0).

Investments in publishing projects amounted to SEK 4.3 million (10.4).

Amortization and impairment relating to intangible assets amounted to SEK 398.6 million (396.6) during the period. During the third quarter, the company carried out impairment of the Baxter project by SEK 261.9 million.

Financial assets amounted to SEK 7.3 million (4.3).

Property, plant and equipment amounted to SEK 45.3 million (25.9) and relates to rights of use, buildings and IT equipment and other equipment.

## Current assets

Accounts receivable and other receivables amounted to SEK 14.3 million (43.1).

Prepaid expenses and accrued income at the end of the period amounted to SEK 36.6 million (74.1), of which SEK 20.2 million (13.3) relates to receivables for sales of PAYDAY 2 and PAYDAY 3.

Cash and cash equivalents amounted to SEK 102.6 million (191.9).

## Equity

Group equity at the balance sheet date amounted to SEK 221.0 million (586.9). During the period, the company has carried out a private placement of Class B shares of SEK 33 million.

## Non-current liabilities

Non-current liabilities amounted to SEK 60.6 million (2.5). The long-term portion of lease liabilities amounted to SEK 26.7 million (0). Other non-current liabilities amounted to SEK 33.9 million (42.1) and deferred tax liability amounted to SEK 0 million (2.0).

## Current liabilities

Current liabilities amounted to SEK 55.9 million (80.6). Accounts payable - trade, and other liabilities at the end of the period amounted to SEK 19.3 million (27.2). Current liabilities for lease

contracts amounted to SEK 14.4 million (17.7) and relate to leasing costs for the current office in Stockholm. Accrued expenses and deferred income at the end of the period was SEK 22.2 million (35.7).

## Cash flow

Cash flow from operating activities before changes in working capital amounted to SEK -33.4 million (40.5), of which operating profit amounted to SEK -400.9 million (-319.7) and adjustment for items not included in cash flow amounted to SEK 435.0 million (354.4). Adjustments for items not included in cash flow mainly consist of depreciation of assets of SEK 430.4 million (417.4), exchange rate effects of SEK 0.2 million (-9.7) and non-cash items of SEK 5.1 million linked to divested subsidiaries for liquidation.

Cash flow from operating activities after changes in working capital amounted to SEK 45.8 million (64.9).

Cash flow from investing activities amounted to SEK -167.3 million (-245.5), of which investments in proprietary game development accounted for SEK -155.5 million (-227.6). During the period, the Group's investments in property, plant and equipment amounted to SEK -8.7 million (-5.9).

Cash flow from financing activities amounted to SEK 32.4 million (24.5) and is a result of the game financing received for the development of DLC for PAYDAY 3 of SEK 20.7 million (47.9). Leasing expenses amounted to SEK -21.3 million (-23.4). During the second quarter, the company carried out a private placement, which generated SEK 33 million in cash.

Total cash flow for the period was SEK -89.1 million (-156.1). Cash and cash equivalents at the end of the period amounted to SEK 102.6 million (191.9).

## Investments

During the period, the Group's investments in property, plant and equipment amounted to SEK -8.7 million (-5.9). Investments in proprietary game and technology development amounted to SEK -155.5 million (-227.6).

## Impairment

Starbreeze performs ongoing impairment tests of assets without a defined useful lifetime to ensure that the carrying amount of an asset does not exceed its fair value. During the financial year, these impairment tests resulted in impairments related to capitalized development costs for the Baxter project of SEK 261.9 million and other projects of SEK 17.8 million.

## Research and development

The Group conducts research and development in game development. The majority of the company's development expenses are spent on developing and updating games and related development and consist mainly of personnel costs. Most of the work is specific to the different games. Some of the development concerns features and mechanics common to multiple games. The costs for this are incurred continuously during the development phase itself, that is, until it is technically possible to complete the product and it becomes commercially viable. When the project has reached this level and has thus entered a development phase, the expenses are capitalized and then reported as an intangible asset. Once the asset is completed, it is depreciated over the economic life of the asset.

## Environmental impact

None of the Group's companies conduct any activities that require a permit according to the Environmental Code. However, Starbreeze has a stated ambition to minimize the negative impact of its operations on the environment and has established a number of guidelines in this regard.

## Sustainability

Starbreeze's Sustainability Report can be found on pages 6–13 of this Annual Report. A good and safe working environment is an important sustainability issue for Starbreeze. The goal of Starbreeze's work environment work is to create a physically, mentally and socially healthy and developmental workplace for all employees.

The company's Code of Conduct sets out the fundamental principles for how Starbreeze does business. The Code of Conduct also states what employees can expect from Starbreeze as an employer in terms of, for example, the work

environment, safety, human rights, equality, health and individual integrity.

Marketing must be ethical, honest and must reflect generally accepted social standards of what is considered good taste and decency.

## Employees

The number of employees at the end of the year amounted to 137 people (186), of whom 77 percent were men, 20 percent were women and 3 were non-binary/not specified. The average age as of December 31, 2025 was xx years (37). For more information, see notes 11 and 12 and the Group's Sustainability Report on pages 6–13 of this Annual Report.

## Remuneration to the Board and senior executives

Guidelines for remuneration to the Board of Directors and senior executives, decided and proposed for the 2025 Annual General Meeting, can be found in the Corporate Governance Report on pages 14–18. Costs in 2025 for remuneration to senior executives are shown in Note 13 and in the Remuneration Report for 2025.

## Parent company

Starbreeze AB (publ) is the parent company of the Group. The management team and other central group functions are located in the parent company.

The parent company's net sales amounted to SEK 26.6 million (17.2). Sales mainly relate to the allocation of management fees.

Profit before and after tax was SEK -25.9 million (-252.0).

At year end, cash and cash equivalents amounted to SEK 17.1 million (106.6) and the parent company's equity was SEK 491.9 million (484.7).

## Share and ownership

Starbreeze shares have been listed on Nasdaq Stockholm in the Small Cap index since October 2, 2017. The shares are traded under the ticker symbols STAR A and STAR B with the ISIN codes SE007158928 and SE0005992831.

At year end, the total market capitalization amounted to approximately SEK 170 million, compared to approximately SEK 310 million the previous year.

Within the framework of the company's conversion program, 7,068,445 A shares were converted to B shares during the year.

Starbreeze had 30,072 shareholders (32,828) at the end of the year. The three largest owners at year end were Digital Bros S.P.A with 19.11 percent of the share capital and 37.67 percent of the votes, Embracer Group AB with 9.09 percent of the share capital and 5.09 percent of the votes, and Avanza Pension with 5.73 percent of the share capital and 3.62 percent of the votes. More information about the stock and owners is available at [corporate.starbreeze.com](http://corporate.starbreeze.com).

## Risks and uncertainties

How Starbreeze works with internal control and risk management is described in the Corporate Governance Report. The most significant operational risks for Starbreeze are described below, in no particular order.

## Risks related to external developers

Within the framework of the company's publishing operations, Starbreeze is dependent on the studios that produce the contracted productions living up to the agreements that they have entered into.

## Project delays

Delays can occur in both internal projects and projects where external partners handle development. The completion of a project may also require more resources than originally estimated and then, especially in the case of an internal project, the cost must usually be borne by Starbreeze.

## Low revenue when launching games or other products

When launching new games or other products, there is a risk that they will not be positively received by the market. This applies to both self-financed projects and games where Starbreeze acts as publisher and accounts for a significant portion of the financing. Capitalized development costs also risk having to be written down in such cases.

### Dependency on key people

Starbreeze is a knowledge-intensive company and is dependent on continuing to be able to hire, train and retain a number of key people to achieve success in all functions in the locations where Starbreeze operates. This includes commercial experience, understanding of player preferences and expertise in game development and technology. The business also relies on key personnel at the management level.

### Financing needs and capital

Within the framework of Starbreeze's operations, revenue is often distributed unevenly over time, which has an impact on liquidity over time. There is therefore a risk that the company will need to raise capital in the future. There is also a risk that, at any given time, the company may be unable to raise additional capital, or that such capital may not be raised on terms favorable to existing shareholders.

The Board of Directors regularly reviews the company's liquidity and concludes that the going concern assumption is valid.

### Intellectual property-related issues

Intellectual property rights constitute a significant portion of Starbreeze's assets, primarily in the form of copyrights to proprietary games and software, publishing licenses for games with rights owned by third parties, patents and patent

applications, trademarks, as well as internal expertise and know-how.

Ensuring that the assets developed within the Group remain the property of Starbreeze is therefore critical.

There is also a risk that third parties may infringe the company's intellectual property rights or that the company may infringe the intellectual property rights of others.

### Currency risks

Starbreeze operates in an international market. A substantial share of Starbreeze's revenue is generated in USD and EUR. At the same time, the company incurs expenses primarily in SEK, but also in EUR. Starbreeze is therefore exposed to fluctuations in the foreign exchange market and changes in exchange rates.

### Risk of impairment of intangible assets

The consolidated balance sheet consists largely of intangible assets, which as of December 31, 2025 amounted to a total of SEK 129.8 million. Starbreeze continuously monitors relevant circumstances that affect the company's operations and its overall financial position, as well as the potential impact such circumstances may have on the valuation of the company's intangible assets. It is possible that changes in such circumstances, or in the many factors the company takes into account in its assessments, assumptions, and estimates in connection with the valuation of intangible assets, may in the

future require the company to recognize impairment losses on intangible assets. In 2025, Starbreeze's impairment losses related to intangible assets amounted to SEK 279.7 million.

### Proposed appropriation of profits

The Board of Directors proposes that the retained earnings of SEK 459,393,180 be carried forward.

SEK	Parent Company 2025-12-31
Retained earnings	-2,071,169,789
Share premium reserve	2,556,425,096
Net profit/loss for the year	-25,862,127
<b>Carried forward</b>	<b>459,393,180</b>

### Dividend

The Board of Directors proposes that no dividend (0) be paid for the 2025 fiscal year.

### Annual General Meeting

The Annual General Meeting of Starbreeze AB (publ), 556551-8932, will be held on Tuesday, May 12, 2026.

## Financial overview

### Condensed consolidated statement of comprehensive income

SEK thousand	2025	2024	2023	2022	2021
<b>Operating revenue</b>					
Net sales	220,982	185,851	633,510	127,602	125,689
Operating expenses	-621,926	-505,565	-443,207	-120,856	-179,409
<b>Operating profit/loss (EBIT)</b>	<b>-400,944</b>	<b>-319,714</b>	<b>190,303</b>	<b>6,746</b>	<b>-53,720</b>
Net financial income/expense	-1,715	2,047	17,353	-61,149	-51,506
<b>Profit/loss before tax</b>	<b>-402,659</b>	<b>-317,667</b>	<b>207,656</b>	<b>-54,403</b>	<b>-105,226</b>
Income tax	3,344	-180	-24	-5,405	1,758
<b>Earnings for the period</b>	<b>-399,315</b>	<b>-317,847</b>	<b>207,632</b>	<b>-59,808</b>	<b>-103,468</b>

### Condensed consolidated balance sheet

SEK thousand	2025-12-31	2024-12-31	2023-12-31	2022-12-31	2021-12-31
<b>Assets</b>					
<b>Non-current assets</b>					
Intangible assets	138,691	376,544	526,864	563,406	462,494
Property, plant and equipment	45,268	25,928	10,592	22,520	36,013
<b>Total non-current assets</b>	<b>183,959</b>	<b>402,472</b>	<b>537,456</b>	<b>585,926</b>	<b>498,507</b>
<b>Current assets</b>	<b>153,521</b>	<b>309,100</b>	<b>574,037</b>	<b>160,479</b>	<b>175,640</b>
<b>Total assets</b>	<b>337,480</b>	<b>711,572</b>	<b>1,111,493</b>	<b>746,405</b>	<b>674,147</b>
<b>Equity and liabilities</b>					
<b>Equity</b>	<b>221,030</b>	<b>586,883</b>	<b>894,652</b>	<b>56,786</b>	<b>122,817</b>
<b>Liabilities</b>					
Non-current liabilities	60,568	44,106	1,992	386,462	442,743
Current liabilities	55,882	80,583	214,849	303,157	108,587
<b>Total liabilities</b>	<b>116,450</b>	<b>124,689</b>	<b>216,841</b>	<b>689,619</b>	<b>551,330</b>
<b>Total equity and liabilities</b>	<b>337,480</b>	<b>711,572</b>	<b>1,111,493</b>	<b>746,405</b>	<b>674,147</b>

### Condensed consolidated statement of cash flows

SEK thousand	2025	2024	2023	2022	2021
Cash flow from operating activities	45,832	64,870	114,575	57,825	73,868
Cash flow from investing activities	-167,329	-245,458	-202,379	-143,936	-109,006
Cash flow from financing activities	32,423	24,523	327,445	65,522	6,172
<b>Cash flow for the period</b>	<b>-89,074</b>	<b>-156,065</b>	<b>239,641</b>	<b>-20,589</b>	<b>-28,966</b>
Cash and cash equivalents at the start of the period	191,906	347,752	108,217	128,572	157,423
Exchange rate difference in cash and cash	-214	219	-106	234	115
<b>Cash and cash equivalents at the end of the</b>	<b>102,618</b>	<b>191,906</b>	<b>347,752</b>	<b>108,217</b>	<b>128,572</b>

### Group key figures

SEK thousand	2025	2024	2023	2022	2021
EBITDA margin, %	13.1	52.5	69.4	52.0	5.0
EBITDA margin, % adjusted <sup>1</sup>	13.1	52.5	69.4	52.0	59.6
EBIT margin, %	-181.4	-172.0	30.0	5.3	-42.7
Profit margin, %	-182.2	-170.9	32.8	-42.6	-83.7
Equity/assets ratio, %	65.5	82.5	80.5	7.6	18.2
Basic earnings per share, SEK	-0.25	-0.22	0.19	-0.08	-0.14
Diluted earnings per share, SEK	-0.25	-0.22	0.19	-0.08	-0.14
Number of shares at the end of the period before dilution	1,624,438,244	1,476,762,040	1,476,762,040	724,609,266	724,609,266
Number of shares at the end of the period after dilution	1,624,438,244	1,476,762,040	1,476,762,040	724,609,266	724,609,266
Average number of shares before dilution	1,573,864,202	1,476,762,040	1,097,076,815	724,609,266	724,609,266
Average number of shares after dilution	1,573,864,202	1,476,762,040	1,097,076,815	724,609,266	724,609,266
Average number of employees	158	189	184	154	135
Number of employees at the end of the period	137	186	194	165	138



# Financial information

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# Financial information

## Definitions, Group key figures

The annual report refers to a number of non-IFRS performance metrics used to help both investors and management analyze the company's operations. The metrics presented in this report may differ from metrics with similar names used by other companies.

### EBITDA

Earnings before interest, tax, depreciation, and amortization.

### EBITDA margin

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

### EBITDA adjusted

Earnings before interest, tax, depreciation, and amortization, adjusted for one-time effects related to the license agreement for PAYDAY Crime War.

### EBITDA margin adjusted

Earnings before interest, tax, depreciation, and amortization as a percentage of net revenue, adjusted for one-time effects related to the license agreement for PAYDAY Crime War.

### Profit margin

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

### Earnings per share

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

### Equity/assets ratio

Equity as a percentage of capital employed.

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### Consolidated statement of comprehensive income

SEK thousand	Note	2025	2024
	2,4,11		
Net sales	5.6	220,982	185,851
Direct costs	5.8	-490,924	-448,848
<b>Gross profit (-loss)</b>	<b>5</b>	<b>-269,942</b>	<b>-262,997</b>
Selling and marketing costs	8,10,12,13	-33,514	-30,166
Administrative expenses	8,9,10,12,13	-78,995	-28,971
Other revenue	7	1,832	8,796
Other expenses	14	-20,325	-6,376
<b>Operating profit (-loss), EBIT</b>		<b>-400,944</b>	<b>-319,714</b>
Financial income	15	438	7,406
Financial expenses	15	-2,153	-6,717
Share of profit or loss from holdings recognized using the equity	38	-	1,358
<b>Profit (-loss) before tax</b>		<b>-402,659</b>	<b>-317,667</b>
Income tax	17	3,344	-180
<b>Net profit (-loss) for the year</b>		<b>-399,315</b>	<b>-317,847</b>
<b>Net income attributable to:</b>			
Parent Company's shareholders		-399,315	-317,847
<i>Other comprehensive income that may subsequently be reclassified to profit and loss:</i>			
Exchange differences		462	10,078
<b>Total comprehensive income for the year</b>		<b>-398,853</b>	<b>-307,769</b>
<b>Total comprehensive income attributable to:</b>			
Capitalize Owners		-398,853	-307,769
Earnings per share attributable to owners of the parent during the period (SEK)			
Basic earnings per share, SEK	18	-0.25	-0.22
Diluted earnings per share, SEK	18	-0.25	-0.22

### Consolidated statement of financial position

SEK thousand	Note	2025-12-31	2024-12-31
<b>Assets</b>	1,2,3,4		
<b>Non-current assets</b>			
<i>Intangible assets</i>			
Licenses	5,20	-	21,845
Other intangible assets	5,20	21,943	65,021
Capitalized expenditure for own games and technology development	5,20	103,615	275,039
Investments in publishing projects	5,20	4,250	10,364
	24,25		
<i>Financial assets</i>			
Financial assets	5,22	7,273	4,275
Deferred tax assets	17	1,610	-
<i>Property, plant and equipment</i>			
Computers and other equipment	5,21	13,218	8,276
Right-of-use asset - buildings	5,10	32,050	17,652
<b>Total non-current assets</b>		<b>183,959</b>	<b>402,472</b>
<b>Current assets</b>	25		
Trade and other receivables	24,26	14,326	43,118
Prepaid expenses and accrued income	27	36,577	74,076
Cash and cash equivalents	24,28,39	102,618	191,906
<b>Total current assets</b>		<b>153,521</b>	<b>309,100</b>
<b>Total assets</b>		<b>337,480</b>	<b>711,572</b>

SEK thousand	Note	2025-12-31	2024-12-31
<b>Equity and liabilities</b>			
<i>Equity attributable to Parent Company's shareholders</i>	19,29		
Share capital		32,489	29,535
Other capital contributions		2,623,408	2,593,362
Reserves		24,690	24,228
Retained earnings including profit or loss for the year		-2,459,557	-2,060,242
<b>Total equity</b>		<b>221,030</b>	<b>586,883</b>
	39		
<i>Non-current liabilities</i>			
Deferred tax liabilities	17	-	2,010
Non-current lease liability	10	26,713	-
Other non-current liabilities	24,37	33,855	42,096
<b>Total non-current liabilities</b>		<b>60,568</b>	<b>44,106</b>
<i>Current liabilities</i>			
Trade and other payables	24,30,37,39	19,317	27,185
Current lease liability	10	14,360	17,697
Accrued expenses and deferred income	31	22,205	35,701
<b>Total current liabilities</b>		<b>55,882</b>	<b>80,583</b>
<b>Total liabilities</b>		<b>116,450</b>	<b>124,689</b>
<b>Total equity and liabilities</b>		<b>337,480</b>	<b>711,572</b>

Consolidated statement of changes in equity

SEK thousand	Share capital	Other capital contributions	Reserves	Retained earnings (-loss)	Total equity
<b>Balance at January 1 2025</b>	29,535	2,593,362	24,228	-2,060,242	586,883
Net profit (-loss) for the year	-	-	-	-399,315	-399,315
<b>Other comprehensive income for the year</b>					
Exchange differences	-	-	462	-	462
<b>Total comprehensive income</b>	-	-	462	-399,315	-398,853
<b>Transactions with shareholders</b>					
New share issue	2,954	30,046	-	-	33,000
<b>Total contribution from and value transfers to shareholders, recognized directly in equity</b>	2,954	30,046	-	-	33,000
<b>Balance at 31 December 2025</b>	32,489	2,623,408	24,690	-2,459,557	221,030

SEK thousand	Share capital	Other capital contributions	Reserves	Retained earnings (-loss)	Total equity
<b>Balance at January 1 2024</b>	29,535	2,593,362	14,150	-1,742,395	894,652
Net profit (-loss) for the year	-	-	-	-317,847	-317,847
<b>Other comprehensive income for the year</b>					
Exchange differences	-	-	10,078	-	10,078
<b>Total comprehensive income</b>	-	-	10,078	-317,847	-307,769
<b>Balance at 31 December 2024</b>	29,535	2,593,362	24,228	-2,060,242	586,883

## Consolidated statement of cash flows

SEK thousand	Note	2025	2024
<b>Operating activities</b>			
Cash flow from operations		-400,944	-319,714
Adjustment for non-cash items	35	434,961	354,407
Interest paid		-28	-
Interest received		438	5,654
Income taxes paid		-1,028	109
<b>Cash flow from (-used in) operating activities before changes in working capital</b>		<b>33,399</b>	<b>40,456</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/decrease (+) in operating receivables		44,045	123,161
Increase (+)/decrease (-) in operating liabilities		-31,612	-98,747
<b>Cash flow from (-used in) operating activities after changes in working capital</b>		<b>45,832</b>	<b>64,870</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		-8,683	-5,852
Sold non-current assets		551	151
Sold intangible assets		-	5,213
Divested subsidiaries	38	-	2,186
Purchase of intangible assets	20	-	-10,725
Investments in own games and technology	20	-155,533	-227,636
Investments in publishing projects		-650	-8,795
Investments in other financial assets		-3,014	-
<b>Cash flow from (-used in) investing activities</b>		<b>-167,329</b>	<b>-245,458</b>
<b>Financing activities</b>			
New issue		33,000	-
Financing game development		20,681	47,948
Effect of financial lease		-21,258	-23,425
<b>Cash flow from financing activities</b>		<b>32,423</b>	<b>24,523</b>
<b>Cash flow from (-used in) the year</b>			
Cash and cash equivalents at the beginning of the year		191,906	347,752
Exchange differences in cash and cash equivalents		-214	219
<b>Cash and cash equivalents at the end of the year</b>	<b>28</b>	<b>102,618</b>	<b>191,906</b>

Parent Company, income statement

KSEK	Note	2025	2024
	1,2,3,4		
Net sales	5.6	26,554	17,184
Other operating revenue	7	6,713	524
<b>Total revenue</b>		<b>33,267</b>	<b>17,708</b>
Other external expenses	8.9	-24,465	-27,731
Employee benefits expenses	8,11,12,13	-36,375	-22,341
Depreciation of property, plant and equipment	8.21	-28	-12
Other operating expenses	14	-1,874	-
<b>Operating profit (-loss)</b>		<b>-29,475</b>	<b>-32,376</b>
Profit from holdings in group companies	34	-	1,679
Other financial income	15	3,617	14,006
Financial expenses	15	-4	-4,733
<b>Profit (-loss) after net financial income (-expense)</b>		<b>-25,862</b>	<b>-21,424</b>
Appropriations	16	-	-230,593
<b>Profit (-loss) before tax</b>		<b>-25,862</b>	<b>-252,017</b>
Income tax	17	-	-
<b>Net profit (-loss) for the year</b>		<b>-25,862</b>	<b>-252,017</b>

Parent Company balance sheet

KSEK	Note	2025-12-31	2024-12-31
<b>Assets</b>	1,2,3,4		
<b>Non-current assets</b>			
<i>Property, plant and equipment</i>			
Computers and other equipment	21	100	35
<i>Financial assets</i>	24		
Investments in group companies	23	507,025	344,780
<b>Total non-current assets</b>		<b>507,125</b>	<b>344,815</b>
<b>Current assets</b>			
Trade and other receivables	24.26	993	2,941
Receivables from group companies	24,26,34	155,264	342,602
Prepaid expenses and accrued income	27	804	3,628
Cash and cash equivalents	24.28	17,069	106,609
<b>Total current assets</b>		<b>174,130</b>	<b>455,780</b>
<b>Total assets</b>		<b>681,255</b>	<b>800,595</b>

KSEK	Note	2025-12-31	2024-12-31
<b>Equity and liabilities</b>			
<b>Equity</b>	19.29		
Share capital		32,489	29,535
<i>Non-restricted equity</i>			
Share premium reserve		2,556,425	2,526,379
Retained earnings (-loss)		-2,071,170	-1,819,153
Net profit (-loss) for the year		-25,862	-252,017
<b>Total equity</b>		<b>491,882</b>	<b>484,744</b>
<b>Current liabilities</b>			
Trade payables	24.30	1,131	1,564
Liabilities to group companies	24,30,34	180,484	304,417
Other liabilities	24.30	2,530	1,912
Accrued expenses and deferred income	31	5,228	7,958
<b>Total current liabilities</b>		<b>189,373</b>	<b>315,851</b>
<b>Total equity and liabilities</b>		<b>681,255</b>	<b>800,595</b>

Parent Company statement of changes in equity

SEK thousand	Restricted reserves		Non-restricted reserves		Total equity
	Share capital	Fair value reserve	Share premium reserve	Retained earnings (-loss)	
Balance at January 1 2025	29,535	-	2,526,379	-2,071,170	484,744
New share issue	2,954	-	30,046	-	33,000
Net profit (-loss) for the year	-	-	-	-25,862	-25,862
<b>Balance at 31 December</b>	<b>32,489</b>	<b>-</b>	<b>2,556,425</b>	<b>-2,097,032</b>	<b>491,882</b>

SEK thousand	Restricted reserves		Non-restricted reserves		Total equity
	Share capital	Fair value reserve	Share premium reserve	Retained earnings (-loss)	
Balance at January 1 2024	29,535	-	2,526,379	-1,819,153	736,761
Net profit (-loss) for the year	-	-	-	-252,017	-252,017
<b>Balance at 31 December 2024</b>	<b>29,535</b>	<b>-</b>	<b>2,526,379</b>	<b>-2,071,170</b>	<b>484,744</b>

Parent Company statement of cash flows

SEK thousand	Note	2025	2024
<b>Operating activities</b>			
Cash flow from operations		-29,475	-32,376
Adjustment for non-cash items	35	23	12
Interest paid		-4	-2
Interest received		200	4,291
<b>Cash flow from (-used in) operating activities before changes in working capital</b>		<b>-29,256</b>	<b>-28,075</b>
<b>Cash flow from changes in working capital</b>			
Increase (+)/decrease (-) in operating liabilities		298,099	452,835
Cash flow from (-used in) operating activities		-391,295	-482,123
<b>Cash flow from (-used in) operating activities</b>		<b>-122,452</b>	<b>-57,363</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		-94	-40
Divested Joint Venture		-	2,186
Sold non-current assets		6	-
<b>Cash flow from (-used in) investing activities</b>		<b>-88</b>	<b>2,146</b>
<b>Financing activities</b>			
New issue		33,000	-
<b>Cash flow from (-used in) financing activities</b>		<b>33,000</b>	<b>-</b>
<b>Cash flow for (-used in) the year</b>		<b>-89,540</b>	<b>-55,217</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>106,609</b>	<b>161,826</b>
Cash and cash equivalents at the end of the year		17,069	106,609
<b>Total available cash and cash equivalents</b>	<b>28</b>	<b>17,069</b>	<b>106,609</b>

# Notes

## Note 1 General information

Starbreeze AB (publ) is an independent developer, creator, publisher, and distributor of PC and console games with a global market focus.

Starbreeze was founded in 1998 and has since grown into a well-established developer and publisher of computer and video games, with offices in several countries around the world and its main operations based in Stockholm.

The parent company, with company registration number 556551-8932, is a registered limited liability company with its registered office in Stockholm, Sweden. The company's address is Birger Jarlsgatan 61, Box 7731, 103 95 Stockholm. Starbreeze AB (publ) is listed on Nasdaq Stockholm in the Small Cap segment.

These consolidated financial statements were approved for publication by the Board of Directors on April 14, 2026.

## Note 2 Summary of key accounting policies

The most significant accounting principles applied in the preparation of these consolidated financial statements are set forth below. These principles have been applied consistently for all years presented, unless otherwise noted.

### 2.1 Basis for the preparation of the financial statements of the parent company and the Group

The consolidated financial statements for Starbreeze AB have been prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, as well as International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the EU. It has been prepared using the historical cost method, with the exception of the revaluation of liabilities measured at fair value through profit or loss.

The parent company's functional currency is the Swedish krona, which is also the reporting currency for the parent company and

the Group. This means that the financial statements are presented in Swedish kronor. Unless otherwise stated, all amounts are rounded to the nearest thousand.

Preparing financial statements in accordance with IFRS requires the use of certain significant accounting estimates. In addition, management is required to make certain judgments when applying the company's accounting principles. Estimates and assumptions are based on historical experience and a number of factors that appear reasonable under current conditions. The results of these estimates and assumptions are then used to determine the carrying amounts of assets and liabilities that are not otherwise clearly evident from other sources. Actual results may differ from these estimates and assessments. The areas that involve a high degree of judgment, are complex, or where assumptions and estimates are of significant importance to the consolidated financial statements are described in Note 4. The parent company's accounting principles are described in Note 2.22.

### 2.2 Changes in accounting principles and disclosures

#### A. New and amended standards applied by the Group

No IFRS or IFRIC interpretations that are mandatory for the first time for the fiscal year beginning January 1, 2025, have had any material impact on the Group.

#### B. New standards, amendments, and interpretations of existing standards that have not yet become effective and have not been adopted early by the Group

A number of new standards and interpretations will take effect for fiscal years beginning on or after January 1, 2025, and have not been applied in the preparation of this financial report. These are not expected to have any material effect on the Group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements The Group will apply the new standard from its mandatory effective date of January 1, 2027. Retroactive application is required; therefore, comparative information for the fiscal year ending December 31, 2026, will be restated in accordance with IFRS 18.

### 2.3 Consolidated financial statements

Subsidiaries are all companies over which the Group exercises control.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its interest in the entity and has the ability to affect those returns through its influence over the entity. The Group also assesses whether it has a controlling influence even if it does not hold more than half of the voting rights but is nevertheless able to exercise a controlling influence through de facto control. De facto control may arise in circumstances where the Group's share of voting rights, relative to the size and distribution of the voting rights held by other shareholders, enables the Group to direct financial and operational strategies, etc.

Subsidiaries are included in the consolidated financial statements as of the date on which control is transferred to the Group. They are excluded from the consolidated financial statements as of the date on which controlling influence ceases.

The purchase method is used to account for the Group's business combinations. The purchase price for the acquisition of a subsidiary consists of the fair value of the assets transferred, liabilities assumed by the Group toward the former owners of the acquired entity, and the shares issued by the Group. The purchase price also includes the fair value of all assets or liabilities resulting from an agreement on a contingent consideration. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair value as of the acquisition date. For each acquisition - that is, acquisition by acquisition - the Group determines whether non-controlling interests in the acquired company are recognized at fair value or at the holding's proportionate share of the carrying amount of the acquired entity's identifiable net assets.

Acquisition-related costs are recognized as they are incurred.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent

changes in the fair value of a contingent consideration classified as a liability are recognized in the income statement in accordance with IFRS 9.

Goodwill is initially measured as the excess of the total acquisition cost and the fair value of non-controlling interests over the fair value of identifiable acquired assets and assumed liabilities. If the purchase price is lower than the fair value of the acquired company's net assets, the difference is recognized directly in the income statement. Intra-group transactions, balance sheet items, and revenue and expenses arising from transactions between group companies are eliminated. Gains and losses resulting from intra-group transactions and recognized in assets are eliminated. The accounting principles for subsidiaries have been amended where necessary to ensure consistent application of the Group's principles.

## 2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to management, which is responsible for allocating resources and assessing the performance of the operating segments.

Starbreeze's core business consists primarily of game development, game sales, third-party publishing, and licensing. Any revenue and expenses not related to core operations are classified as other revenue and expenses. The Game Sales segment consists of games developed in-house by Starbreeze. Revenue for the year consists primarily of sales revenue and royalties from the rights to PAYDAY.

## 2.5 Foreign currency translation

### Functional currency and reporting currency

Items included in the Group's financial statements are measured in the currency used in the economic environment in which each entity primarily operates (functional currency). The consolidated financial statements are presented in SEK, which is the parent company's functional currency and reporting currency.

### Transactions and balance sheet items

Transactions in foreign currency are translated into the functional currency using the exchange rates in effect on the transaction date. Foreign currency gains and losses arising from the settlement of such transactions and from the translation of

monetary assets and liabilities denominated in foreign currencies at the closing rate are recognized in the income statement as other operating income and other operating expenses, respectively.

### Group companies

The financial results and financial position of all Group companies (none of which has a high-inflation currency as its functional currency) that have a functional currency other than the Group's reporting currency are translated into the Group's reporting currency as follows:

1. assets and liabilities for each balance sheet are restated at the exchange rate on the balance sheet date
2. income and expenses for each income statement are translated at the average exchange rate (provided that this average rate is a reasonable approximation of the cumulative effect of the exchange rates prevailing on the transaction date; otherwise, income and expenses are translated at the exchange rate on the transaction date), and
3. all exchange rate differences that arise are recognized in other comprehensive income.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of that operation and translated at the exchange rate prevailing on the balance sheet date. Currency gains and losses are recognized in other comprehensive income.

## 2.6 Tangible fixed assets

Tangible fixed assets are valued at cost less depreciation. The cost includes expenses that are directly attributable to the acquisition of the asset. Additional expenses are added to the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Group and the asset's cost can be measured reliably. All other types of repairs and maintenance are recognized as expenses in the income statement in the period in which they are incurred.

Depreciation of assets is calculated on a straight-line basis over their estimated useful lives, as follows:

- Computers 3 years
- Other equipment 5 years

The residual values and useful lives of assets are tested at each balance sheet date and adjusted as necessary.

The carrying amount of an asset is immediately written down to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount (section 2.7).

Gains and losses on disposal are determined by comparing the sales proceeds with the carrying amount at the time of sale.

## 2.7 Intangible fixed assets

### A. Capitalized expenses for game and technology development

Software maintenance costs are expensed as they are incurred. Development costs that are directly attributable to the development and testing of identifiable and unique software products (typically game development projects) controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically possible to complete the software so that it can be used,
- the company's intention is to complete the software and to use or sell it,
- the conditions are in place to use or sell the software,
- how the software generates probable future economic benefits can be demonstrated,
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenses attributable to the software during its development can be measured reliably.

For development projects deemed to meet all the criteria for capitalization, these expenses are capitalized on the balance sheet and are classified as Capitalized expenses for in-house game and technology development. Starbreeze will expense development costs if the above conditions are not met.

During the year, the Group capitalized game development expenses related to PAYDAY 3, Baxter, and new IP.

Capitalization is recognized net in the income statement, meaning that the expenses capitalized reduce costs in the income statement on the line where the original expense was reported. For completed in-house game development, depreciation is based on the declining balance method, i.e. a decreasing depreciation amount over the useful life. Intangible assets with finite useful lives are amortized from the date they are available for use. Estimated useful life for in-house game development is 3 years. Depreciation is calculated as follows: 2/3 in year 1, 33% in month 1, 33% in months 2-12, and 33% spread over years 2 and 3.

#### B. Software rights

Game rights, game engines, and other software licenses (technology) acquired through a business combination are recognized at fair value on the acquisition date.

Purchased software licenses are capitalized based on the costs incurred when the software in question was acquired and put into service. These capitalized expenses are amortized over their estimated useful lives, which are typically between 18 and 60 months. Since the depreciation period is intended to reflect the economic life of an asset, it is not always linear.

#### C. Licenses and other rights

Licenses and other rights acquired separately are recognized at cost. Licenses acquired through a business combination are recognized at fair value on the acquisition date. If there is variable remuneration based on future revenue, it is recognized at fair value when the actual results are realized. Licenses and rights have a determinable useful life and are recognized at cost less accumulated amortization. Depreciation is calculated to allocate the cost of licenses over their estimated useful life of 3-10 years.

### 2.8 Impairment of non-financial assets

Assets with an indefinite useful life are not depreciated but are tested annually for impairment. Assets subject to depreciation are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. During the year, impairment losses were recognized for projects that the

company decided not to proceed with, or in connection with the revaluation of these projects. The total impairment loss for 2025 amounts to SEK 279.8 million and relates primarily to Baxter, at SEK 261.9 million (127.1).

### 2.9 Financial instrument

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual terms of the financial instrument. Financial assets are derecognized from the statement of financial position when the contractual rights to the financial asset expire, or when the financial asset and all significant risks and rewards are transferred. A financial liability is removed from the statement of financial position once it is extinguished, that is, when it is settled, canceled, or ceases to exist.

#### Classification and measurement of financial assets upon initial recognition

Except for trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for any transaction costs.

#### Subsequent valuation of financial assets

Financial assets, other than those identified and effective as hedging instruments, are classified into the following categories:

- amortized cost
- fair value through profit or loss
- fair value through other comprehensive income

The Group has no financial assets classified as at fair value through profit or loss or at fair value through other comprehensive income in 2025. The classification is determined by both:

- the company's business model for managing the financial asset and
- the characteristics of the contractual cash flows from the financial asset

All income and expenses related to financial assets recognized in profit or loss are classified as financial expenses or financial income, except for write-downs of accounts receivable, which are classified as selling expenses.

Financial assets are measured at amortized cost if the assets meet the following conditions and are not recognized at fair value through profit or loss:

they are held within the framework of a business model the objective of which is to hold the financial assets and collect the contractual cash flows, and

the contractual terms of the financial assets give rise to cash flows consisting solely of principal payments and interest on the outstanding principal.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted if the effect of discounting is immaterial.

The Group's cash and cash equivalents, accounts receivable, and most other receivables fall into this category of financial instruments.

#### Classification and valuation of financial liabilities

The Group's financial liabilities include accounts payable and other liabilities, other long-term liabilities, and liabilities related to additional purchase consideration.

Financial liabilities are initially measured at fair value adjusted for transaction costs, unless the Group has classified the financial liability as at fair value through profit or loss.

After initial recognition, financial liabilities are measured at amortized cost using the effective interest method, except for financial liabilities measured at fair value through profit or loss. Financial liabilities measured at fair value through profit or loss are financial liabilities held for trading and consist, within the Group, of contingent consideration. Liabilities in this category are classified as current liabilities if they are expected to be settled within twelve months; otherwise, they are classified as non-current liabilities.

All interest-related charges and, where applicable, changes in the fair value of an instrument recognized in profit or loss are included in the items Financial expenses or Financial income, or Other operating income or Other operating expenses.

### 2.10 Impairment of financial assets

The Group determines the value of its financial assets by assessing the strengths and weaknesses of customers and

other counterparties based on the information available. Since the company's other receivables relate to a small number of counterparties that are financially strong and pay according to schedule or past payment patterns, and since the Group has historically not incurred any significant credit losses, it is determined that any loss allowance in excess of the amounts already provisioned need not be recognized due to the immaterial nature of the amounts involved.

### 2.11 Accounts receivable

Accounts receivable are amounts owed by customers for goods sold or services rendered in the course of ordinary business operations. If payment is expected within one year, they are classified as current assets. Otherwise, they are recognized as non-current assets. Accounts receivable are initially recognized at fair value and subsequently at amortized cost using the effective interest method, less any allowance for impairment.

The Group's customer base consists of a small number of large and financially strong customers, which means that the Group's credit risk is low. Revenue does not come from end customers. Receivables past due for more than six months relate to the former VRtech and Operations segment and have been fully provisioned.

### 2.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits, and short-term investments with maturities of three months or less from the date of acquisition.

### 2.13 Share capital

Common stock is classified as equity. Transaction costs directly attributable to the issuance of new shares or options are recognized, net of any taxes, in equity as a deduction from the proceeds of the issuance.

### 2.14 Accounts payable

Accounts payable are obligations to pay for goods or services acquired in the course of ordinary business operations. Accounts payable are classified as current liabilities if they are due within one year or sooner. Otherwise, they are recognized as long-term liabilities.

Accounts payable are initially recognized at fair value and subsequently at amortized cost using the effective interest method.

### 2.15 Current and deferred taxes

Tax expense for the year includes current and deferred taxes. Tax is reported in the income statement. The current tax expense is calculated based on the tax rules that have been approved or effectively enacted as of the balance sheet date in the countries where the parent company and its subsidiaries operate and generate taxable income. Management regularly reviews the claims made in tax returns regarding situations where applicable tax rules are subject to interpretation. When deemed appropriate, they allocate provisions for amounts that are likely to be paid to the tax authority.

Deferred tax is recognized in full, in accordance with the balance sheet method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from a transaction that constitutes the initial recognition of an asset or liability other than a business combination and that, at the time of the transaction, affects neither accounting nor taxable profit, it is not recognized. Deferred tax is also not recognized if it arises from the initial recognition of goodwill. Deferred tax is calculated using tax rates (and laws) that have been adopted or announced as of the balance sheet date and that are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

Loss carryforwards cannot be utilized between companies in different countries. For any losses incurred through 2019, a restriction on group contributions has been imposed on New Starbreeze Studios AB and New Starbreeze Publishing AB. These losses can be utilized no earlier than 2026. For losses incurred through the end of 2021, a restriction on group contributions applies to one of the Group's subsidiaries, New Starbreeze Publishing PD IP AB; as a result, such losses cannot be utilized until 2028 at the earliest. In addition, for losses incurred through the end of 2022, there is a restriction on group contributions to a

subsidiary within the Group, Starbreeze IP AB; as a result, such losses cannot be utilized until 2029 at the earliest.

### 2.16 Employee benefits

#### Pension obligations

Pension plans within the Group consist predominantly of defined-contribution plans. Under defined-contribution plans, the company pays fixed contributions to a separate legal entity and has no obligation to make further contributions in the future. The Group's earnings are charged as personnel expenses as the benefits are earned.

#### Severance pay

Severance pay is paid when an employee's employment is terminated by the Group prior to the normal retirement date or when the employee accepts voluntary resignation in exchange for such remuneration. Severance pay is recognized only when the Group has offered voluntary separation or when a formal, irrevocable plan has been established.

#### Profit sharing and bonus plans

The Group recognizes a liability and an expense for bonus programs and variable remuneration. Cost and liability for variable remuneration are based on calculations of expected outcomes.

### 2.17 Revenue recognition

The Group's recurring revenue comes primarily from end customers who pay a one-time price for the game, as well as from sales of DLCs, i.e., downloadable content for games. This revenue is generated through sales on Steam and other platforms and is invoiced monthly or quarterly, in the month following the sales period. Payment terms range from payment upon receipt of the invoice to 30 days from the invoice date.

During the first quarter, the Group generated recurring revenue from revenue sharing through its co-publishing partner Plaion in connection with PAYDAY 3.

Revenue from customers who purchase games is often split among several parties depending on the role each party plays in the transaction. Depending on whether a party is a distributor, publisher, developer, or holds the rights on which the game is based, different shares of gross revenue from customers are

received. For each agreement to which the Group is a party, an analysis is conducted of the Group's role and what it entails in terms of acting as the principal or agent in the revenue stream for accounting purposes. In cases where the Group is deemed to be the principal for a revenue stream, the revenue is recognized on a gross basis as net sales, and the portions passed on to other parties are recognized as expenses in the income statement. Currently, the Group is classified as an agent in all agreements and therefore recognizes the net amount of revenue and the principal's share as net revenue.

In cases where publishing rights are sold or licensing agreements are entered into, these must be reported separately. No such transactions have taken place during the year. See also notes 5 and 6.

To determine whether the Group acts as a principal or an agent in revenue transactions where multiple parties are involved in delivering a game to the end customer, an assessment is made as to whether the Group has control over the asset that the customer purchases before it is transferred. When the Group sells through a third party, the assessment is that it does not control the sales service involved in selling the game to the end customer. The Group's assessment is also that it does not control the game itself (the product) at the stage where it is sold to the end customer through a third party. Starbreeze sets the price when sales are made via digital channels. In cases where the game is a physical product sold through retailers, it is also determined whether the retailer has assumed the inventory risk associated with the game, which is the case in all such sales. Starbreeze's overall assessment is that, within the various transaction chains, it does not have control over the final stage of the sales process and therefore reports its revenue net of the share of the customer's payment for a game that goes to partners and resellers.

Royalties from game sales are recognized as revenue in the period in which the sale occurred, in accordance with the provisions of IFRS 15. Under certain agreements, Starbreeze sells the distribution methods of a game IP for a specific platform. This usually occurs during the game's development. Starbreeze recognizes this payment as a liability until the game is completed and delivered. Upon delivery of the basic game, which constitutes performance obligation 1, the liability is recognized as revenue. Any future revenue sharing that may accrue to Starbreeze will be recognized on an ongoing basis. This revenue

stream relates to Performance Commitment 2, which consists of future DLCs that, under the terms of the agreement, will be provided if the game is successful.

When games are sold to retailers, the Group receives royalties only after the end consumer has purchased the game, and not when the product has been delivered to the retailer. The stores do not have the option to return any sold goods.

Interest income is recognized on an amortized basis using the effective interest method.

Revenue related to work-for-hire is recognized as the project progresses.

## 2.18 Leasing

The Group applies IFRS 16 Leasing.

All agreements reported according to IFRS 16 relate to rental premises. Other lease agreements fall under the exemption rules for low-value or short-term contracts and primarily concern the lease of office equipment.

The company has a car that is reported according to IFRS16.

As of the balance sheet date, the Group had a carrying amount of 32.1 million SEK (17.7) for rights of use. On the liabilities side, the Group has recognized a long-term liability of SEK 26.7 million (0.0) and a short-term liability of SEK 14.4 million (17.7). The value of the right-of-use assets has decreased by SEK 28.1 million (18.9) as a direct result of depreciation of the right-of-use assets during the year. During the year, a new lease agreement for a new office was signed, resulting in an increase in assets of SEK 42.5 million. Net financial items were negatively impacted by SEK 2.1 million (4.0). The deposit paid for the premises in Stockholm is recognized as a financial fixed asset on the balance sheet.

No rental fees have been paid in advance at year-end.

When discounting future lease payments, Starbreeze has used the marginal borrowing rate for each country as the discount rate. The marginal borrowing rate is based on the lessee's financial strength, country, and the term of the current lease agreement.

Since it is considered unlikely that these will be exercised, any extension options in the contracts have not been taken into

account in the calculations. Non-leasing components such as electricity costs have not been included in the calculations. See also Note 10 Rights of use.

## 2.19 Cash flow statement

The cash flow statement is prepared using the indirect method. The reported cash flow includes only transactions that result in cash receipts or disbursements. As of the balance sheet date, the company's cash and cash equivalents consist of cash on hand and bank deposits.

## 2.20 Earnings per share

### Before dilution

Earnings per share before dilution are calculated by dividing the profit attributable to the parent company's shareholders by the weighted average number of outstanding common shares during the period, excluding any share buybacks held as treasury stock by the parent company.

### After dilution

To calculate diluted earnings per share, the weighted average number of outstanding common shares is adjusted for the dilutive effect of all potential common shares. There is no such dilution effect for the 2025 financial year.

## 2.21 Joint ventures

Under IFRS 11, an interest in a collaborative arrangement must be classified as either a joint operation or a joint venture, depending on the contractual rights and obligations of each investor.

In 2024, the company sold its 33 percent stake in its joint venture, StarVR Corporation, to Acer.

## 2.22 Parent company accounting principles

### Formats

The income statement and balance sheet follow the format prescribed by the Annual Accounts Act. This results in differences compared with the consolidated financial statements, primarily regarding financial income and expenses, provisions, and the statement of changes in equity.

The annual report for the parent company, Starbreeze AB, has been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2. RFR 2 stipulates that the parent company must apply International Financial Reporting Standards (IFRS) as adopted by the EU in its annual report, to the extent possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act, and taking into account the relationship between accounting and taxation. The recommendation specifies the exceptions and additions required in relation to IFRS.

The parent company therefore applies the principles set forth in Note 2 to the consolidated financial statements, with the exceptions noted below. These principles have been applied consistently for all years presented, unless otherwise stated. The same accounting principles as in the previous year have been applied.

#### Shares and participations in subsidiaries and associated companies

Shares and interests in subsidiaries and associated companies are reported at cost, net of any impairment losses. Dividends received are reported as income.

When there is an indication that shares and participations in subsidiaries or associates have decreased in value, a calculation of the recoverable amount is performed. If this is lower than the reported value, an impairment loss is recognized. Impairment losses are recognized in the item Impairment of shares in subsidiaries.

The parent company does not apply the Group's accounting method for acquisition costs. The parent company includes costs related to the acquisition of shares in Group companies under the item Non-current assets.

#### Financial instruments

The notes to the financial assets explain how the balance sheet items relate to the classification used in the consolidated balance sheet and in the consolidated accounting principles. The company applies fair value valuation in accordance with the Swedish Annual Accounts Act 4: 14 a-d and the description of accounting principles in Note 2.9 to the consolidated financial statements therefore also apply to the parent company.

#### Group contributions

Group contributions are reported as an appropriation.

#### Deferred income tax

Amounts allocated to untaxed reserves constitute taxable temporary differences. However, due to the connection between accounting and taxation, a legal entity recognizes the deferred tax liability on untaxed reserves as part of those untaxed reserves. Appropriations in the income statement are also reported including deferred tax.

#### Leasing

Lease agreements, whether financial or operating, are accounted for as operating leases.

### Note 3 Financial risk management

Through its operations, the Group is exposed to a variety of financial risks: market risk (primarily currency risk, as well as a non-significant interest rate risk), credit risk, liquidity risk, and capital risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and aims to minimize potential adverse effects on the Group's earnings. Risk management is handled by the finance department and the CEO in accordance with decisions made by the board. A more detailed description of the Group's risks and how they are managed can be found in the management report.

#### A. Market risk

##### Currency risk

The Group operates internationally and is exposed to currency risks arising from various currency exposures. Currency risk arises from future business transactions, reported assets and liabilities, and net investments in foreign operations. The Group may use forward contracts to manage the currency risk arising from future business transactions, recognized assets, and liabilities. Before entering into contracts denominated in foreign currency, the CEO or CFO discusses potential hedging with the Board of Directors, which may decide whether to proceed with such hedging. The Group matches incoming and outgoing cash flows in the various currencies as much as possible, thereby achieving a natural form of hedging. Currency flows are continuously monitored and followed up by the finance department.

The Group receives royalties on games sold as well as other revenue in USD and EUR.

Currency risks arise when future business transactions or reported assets and liabilities are denominated in a currency other than the Group's functional currency. Decisions regarding forward hedging are made by the board of directors.

If the USD exchange rate had been 10 percent higher/lower against the SEK, with all other variables held constant, revenue for the year as of December 31, 2025, would have been SEK 15.7 million (10.5) higher/lower, and expenses for the year would have been SEK 4.6 million (5.4) higher/lower.

If the exchange rate for the euro had been 10 percent higher/lower against the Swedish krona, with all other variables held constant, revenue for the year as of December 31, 2025, would have been SEK 5.9 million (9.3) higher/lower, and expenses for the year would have been SEK 4.6 million (7.4) higher/lower.

Of the net assets denominated in foreign currencies as of the balance sheet date of December 31, 2025, SEK 54.1 million (4.6) were denominated in USD. If the USD exchange rate had been 10 percent higher/lower than the exchange rate in effect as of December 31, 2025, the Group's profit/equity after tax would have been positively/negatively affected by SEK 5.4 million (0.5).

Of the net assets denominated in foreign currencies as of the balance sheet date of December 31, 2025, SEK -33.7 million (17.4) were denominated in EUR. If the exchange rate for the euro had been 10 percent higher/lower than the exchange rate in effect as of December 31, 2025, the Group's profit/equity after tax would have been negatively/positively affected by SEK -3.4 million (1.7).

If the Swedish krona had weakened/strengthened by 10 percent against the euro, with all other variables held constant, the recalculated profit after tax as of December 31, 2025, would have been SEK 1.9 million (4.1) lower/higher.

If the Swedish krona had weakened/strengthened by 10 percent against the USD, with all other variables held constant, the recalculated profit after tax as of December 31, 2025, would have been SEK 11.1 million (6.2) lower/higher.

The parent company also has receivables from subsidiaries, primarily in EUR and USD. These receivables are revalued at the

exchange rate on the balance sheet date, and changes are recognized in the parent company's operating income.

Interest rate risk regarding cash flow and fair values

The company currently has no interest-bearing liabilities. A rise in interest rates therefore has a limited impact on the company's costs. However, since the company has a positive cash position, a higher interest rate results in the company receiving interest income. A lower interest rate consequently means lower interest income.

Price risk

The Group is exposed to price risk if it holds investments classified as assets measured at fair value through profit or loss. As of December 31, 2025, there are no short-term investments in the company.

**B. Credit risk**

Credit risk arises from cash and cash equivalents, balances with banks and financial institutions, and credit exposures to customers, including outstanding receivables and contracted transactions. The Group has no significant concentration of credit risks. Maximum credit risk exposure corresponds to the carrying amount of the financial assets.

Only banks and financial institutions that have received a credit rating of at least "A" from independent rating agencies are accepted, and the approved financial institutions are listed in the company's financial policy. Use of another institution requires a decision by the board. The main bank funds are in Swedish commercial banks.

Creditworthiness among partners is continuously assessed in order to minimize credit risk. Any outstanding amounts are followed up immediately, and customers are contacted. We monitor the industry and have ongoing and close contact with our customers. The Group's customer base consists of a small number of large and financially strong customers, which means that the Group's credit risk is low. Revenue does not come from end customers. See also Note 2.10 Impairment of financial assets.

The outstanding intra-group liabilities are expected to be paid off as the Group generates a positive cash flow.

**C. Liquidity risk**

Cash flow forecasts are prepared for the Group as a whole. The Finance Department prepares and evaluates ongoing forecasts for the Group's liquidity reserve. The CFO is responsible for ensuring that these are prepared and reported to the CEO and the Board of Directors in accordance with the Group's financial policy.

The Group's policy is that any investments made should be safe, low-risk investments with short maturities, thereby reducing the risk of a liquidity shortfall.

The table below analyzes the Group's financial liabilities, broken down by the time remaining as of the balance sheet date until the contractual maturity date. The amounts shown in the table are the contractual, undiscounted cash flows.

SEK thousand	1-6 mo	7-12 mo	1-2 yrs	3-5 yrs	>5 yrs
<b>At 31 December 2025</b>					
Trade and other payables	8,674	-	-	-	-
Lease liability	7,299	7,299	14,630	14,346	-
Other liabilities	5,315	5,329	33,855	-	-
<b>Total</b>	<b>21,287</b>	<b>12,628</b>	<b>48,485</b>	<b>14,346</b>	<b>-</b>

SEK thousand	1-6 mo	7-12 mo	1-2 yrs	3-5 yrs	>5 yrs
<b>At 31 December 2024</b>					
Trade and other payables	11,364	-	-	-	-
Lease liability	17,665	32	-	-	-
Other liabilities	5,819	51,578	2,529	-	-
<b>Total</b>	<b>34,847</b>	<b>51,610</b>	<b>2,529</b>	<b>-</b>	<b>-</b>

**D. Capital risk**

The Board of Directors continuously monitors the Group's liquidity and capital requirements for the next twelve months and has determined that the going concern assumption is met.

**Note 4 Key accounting estimates and judgements**

Estimates and judgments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under current conditions.

The Group makes estimates and assumptions about the future. The resulting estimates for accounting purposes will, by definition, rarely correspond to the actual outcome. The estimates and assumptions that pose a significant risk of material adjustments to the carrying amounts of assets and liabilities in the coming financial year are discussed below.

**Income taxes**

Deferred tax assets are recognized for tax loss carryforwards to the extent that it is probable that they can be utilized against future taxable profits.

Since the company's projected future profits cannot be reliably estimated, the Group has no reported tax assets related to tax loss carryforwards as of December 31, 2025. Loss carryforwards cannot be utilized between companies in different countries. Losses incurred through 2019 are subject to a restriction on group contributions to New Starbreeze Publishing AB and New Starbreeze Studios AB. For losses incurred through the end of 2021, a restriction on group contributions applies to one of the Group's subsidiaries, New Starbreeze Publishing PD IP AB; as a result, such losses cannot be utilized until 2028 at the earliest. In addition, for losses incurred through the end of 2022, there is a restriction on group contributions to a subsidiary within the Group, Starbreeze IP AB; as a result, such losses cannot be utilized until 2029 at the earliest.

**Revenue recognition**

Self-produced games are sold digitally and physically through third-party distributors for both PC and game consoles such as PS4, PS5, Xbox Live, and Nintendo Switch. In all cases, the gross payment flow goes through the platform distributor. Starbreeze has determined that agreements regarding the sale of internally developed games should be classified as revenue-sharing agreements, which means that Starbreeze recognizes only its share of the revenue (its royalty) in its income statement. For contracts where it is determined that Starbreeze is instead a party to the end customer, the company shall recognize the entire revenue on a gross basis, and the publisher's share of the revenue shall be recognized as a deductible expense item, resulting in the same net profit as under the current accounting treatment. Net sales also include sales of licenses, game franchises, or other similar rights, as such transactions are of a recurring nature for the Company.

**Capitalization of game development expenses**

The Group's game development expenses are capitalized once the commercial potential of the game can be assessed. The assessment of marketability and return is based, among other things, on previously released games.

**Leasing agreement(s)**

As the company regularly reviews its facility requirements, it is uncertain whether any lease extension options recognized under IFRS 16 will be exercised. These have therefore not been taken into account in the calculations.

**Impairment test of intangible assets**

Each year, the Group assesses whether there is any need for impairment of intangible assets with indefinite useful lives, in accordance with IFRS and IAS 36. Testing is carried out more frequently if there is an indication of impairment. This year's impairment losses relate to projects that the company has decided not to proceed with, or to the revaluation of these projects. Total impairment losses for 2025 amount to SEK 279.8 million (127.1).

For sensitivity analysis, see Note 20 Intangible fixed assets.

**Valuation of subsidiary shares and receivables from subsidiaries**

Each year, the parent company assesses whether there is any impairment requirement for shares in subsidiaries and receivables from subsidiaries.

## Note 5 Segment information

During the fiscal year, Starbreeze reported its results by segment: game sales, third-party publishing, licensing, and other. Reporting takes place down to operating profit, and no reporting is provided on assets and liabilities.

Operating segments are reported in a manner consistent with the internal reporting provided to management, which is responsible for allocating resources and assessing the performance of the operating segments. Management evaluates the business by dividing it into four segments.

	2025	2024
<b>Game Sales</b>		
Net sales	127,150	125,722
Direct costs	-384,933	-345,828
<b>Gross profit</b>	<b>-257,783</b>	<b>-220,106</b>
Operating costs	17,254	-10,961
<b>Operating profit (-loss)</b>	<b>-240,529</b>	<b>-231,067</b>
<b>3rd party publishing</b>		
Net sales	15,405	47,729
Direct costs	-29,583	-29,427
<b>Gross profit</b>	<b>-14,178</b>	<b>18,302</b>
Operating costs	-5,666	-7,886
<b>Operating profit (-loss)</b>	<b>-19,844</b>	<b>10,416</b>
<b>Licenses</b>		
Net sales	4,018	1,731
Direct costs	-	-
<b>Gross profit</b>	<b>4,018</b>	<b>1,731</b>
Operating costs	-8	-
<b>Operating profit (-loss)</b>	<b>4,010</b>	<b>1,731</b>
<b>Other</b>		
Net sales	74,409	10,669
Direct costs	-76,409	-73,593
<b>Gross profit</b>	<b>-2,000</b>	<b>-62,924</b>
Operating costs	-142,581	-37,870
<b>Operating profit (-loss)</b>	<b>-144,581</b>	<b>-100,794</b>
<b>Total</b>		
Net sales	220,982	185,851
Direct costs	-490,925	-448,848
<b>Gross profit</b>	<b>-269,943</b>	<b>-262,997</b>
Operating costs	-131,001	-56,717
<b>Operating profit (-loss)</b>	<b>-400,944</b>	<b>-319,714</b>

See also section 2.3 under Accounting principles for further information about the company's segments.

There is no revenue from transactions between operating segments; the net sales presented therefore relate to revenue from external customers. The breakdown of earnings by segment is shown up to and including Operating profit.

For depreciation per segment, see Note 20.

Operating profit is reconciled against profit before tax as follows:

	2025	2024
Game Sales	-240,529	-231,067
3rd party publishing	-19,844	10,416
Licenses	4,010	1,731
Other	-144,581	-100,794
<b>Total</b>	<b>-400,944</b>	<b>-319,714</b>
Net financial income or expense	-1,715	2,047
<b>Profit/loss before tax</b>	<b>-402,659</b>	<b>-317,667</b>

Revenue of SEK 74.4 million (6.3) relates to an individual customer. This revenue is attributed to the Other segment and relates to work-for-hire.

Assets and investments, distribution 31 Dec 2025.

SEK thousand	Sweden	France	Spain	Total Group
<b>2025-12-31</b>				
Intangible assets	129,808	-	-	129,808
Financial assets	8,624	7	253	8,883
Property, plant and equipment	45,244	24	-	45,268
<b>Total</b>	<b>183,675</b>	<b>31</b>	<b>253</b>	<b>183,959</b>

Assets and investments, distribution 31 Dec 2024.

SEK thousand	Sweden	France	Spain	Total Group
<b>2024-12-31</b>				
Intangible assets	372,269	-	-	372,269
Financial assets	4,000	7	268	4,275
Property, plant and equipment	25,840	88	-	25,928
<b>Total</b>	<b>402,109</b>	<b>95</b>	<b>268</b>	<b>402,472</b>

### Note 6 Net sales

The timing of revenue recognition is as follows: Revenue from game sales is recognized in the period in which the end customer purchased the product.

Revenue from other services is recognized in the period in which the service is rendered.

#### Contract assets and contract liabilities

The Group has no contract assets. In addition to accounts receivable, the Group has receivables arising from contracts with customers where payment for services is based solely on time elapsed. Receivables from customer contracts are reported as part of Prepaid expenses and deferred revenue under the line item Royalties.

#### Outstanding unfulfilled performance obligations

All agreements regarding the sale of services included in development projects have an initial term of no more than one year or are billed on the basis of time spent.

SEK thousand	Group		Parent company	
	2025	2024	2025	2024
Game sales	127,150	125,722	-	-
3rd party publishing	15,405	47,729	-	-
Licenses	4,018	1,731	-	-
Other services	74,409	10,669	26,554	17,184
<b>Total</b>	<b>220,982</b>	<b>185,851</b>	<b>26,554</b>	<b>17,184</b>

### Note 7 Other operating income

SEK thousand	Group		Parent company	
	2025	2024	2025	2024
Exchange differences	-	9,756	-	524
Net result sold shares in Subsidiaries	-	-	6,611	-
Reinvoicing of publishing costs	1,730	-	-	-
Other income	102	-960	102	-
<b>Total</b>	<b>1,832</b>	<b>8,796</b>	<b>6,713</b>	<b>524</b>

### Note 8 Costs broken down by cost type

SEK thousand	Group		Parent company	
	2025	2024	2025	2024
Capitalized development	-155,533	-238,361	-	-
External services	130,867	154,350	24,465	27,731
Employee benefits expenses	193,752	171,561	36,375	22,341
Cost of premises	4,405	3,077	-	-
Depreciation, amortization and	429,942	417,358	28	12
<b>Total</b>	<b>603,433</b>	<b>507,985</b>	<b>60,868</b>	<b>50,084</b>

### Note 9 Remuneration to auditors

PwC, KSEK	Group		Parent company	
	2025	2024	2025	2024
Statutory audit	2,000	2,281	2,000	2,281
Auditing services in addition to statutory audit	338	100	338	100
Tax advisory services	137	229	137	229
Other services	-	-	-	-
<b>Other</b>				
Statutory audit	223	210	-	-
Tax advisory services	-	32	-	32
<b>Total</b>	<b>2,698</b>	<b>2,852</b>	<b>2,475</b>	<b>2,642</b>

Group: Of the audit services provided outside the scope of the audit engagement, SEK 0.3 million (0.1) relates to PwC Sweden; of the fees for tax advisory services, SEK 0.1 million (0.2) relates to PwC Sweden; and of other services, SEK 0.0 million (0.0) relates to PwC Sweden.

Parent company: For the parent company, audit services outside the scope of the audit engagement amounted to SEK 0.3 million (0.1) from PwC Sweden; fees for tax advisory services amounted to SEK 0.1 million (0.2) from PwC Sweden; and other services amounted to SEK 0.0 million (0.0) from PwC Sweden.

### Note 10 Rights-of-use assets

The Group applies IFRS 16. The agreements covered by this standard pertain to leases for commercial premises in Sweden. Other lease agreements, such as for office equipment, fall under the exception rules for short-term and/or low-value agreements and continue to be expensed on a straight-line basis in the income statement.

When discounting future lease payments, Starbreeze has used the marginal borrowing rate for each country as the discount rate. The marginal borrowing rate is based on the lessee's financial strength, country, and the term of the current lease agreement. See also note 2.18.

A new lease agreement has been signed for a new office in Stockholm, effective January 1, 2025, and has been capitalized in accordance with IFRS 16.

Right-of-use assets in the balance sheet	2025-12-31	2024-12-31
Development contracts	32,050	17,652
<b>Total</b>	<b>32,050</b>	<b>17,652</b>

Change in right-of-use assets during the	2025-12-31	2024-12-31
Opening right-of-use assets, January 1, 2025	17,652	6,164
Additional right-of-use assets	42,509	112,451
Depreciation for the year	-28,111	-18,930
Write-down for the year	-	-82,033
<b>Carrying amount, december 31, 2025</b>	<b>32,050</b>	<b>17,652</b>

Maturity analysis of lease liability	2025-12-31	2024-12-31
Within one year	14,360	17,697
Later than one year but within five years	26,713	-
Later than five years	-	-
<b>Total</b>	<b>41,073</b>	<b>17,697</b>

**Note 11 Average number of employees**

Average number of employees	2025		2024	
	Total	Of whom, men	Total	Of whom, men
<b>Parent company</b>				
Sweden	12	7	14	7
<b>Subsidiaries</b>				
Sweden	131	103	142	118
France	8	5	23	18
Spain	5	5	4	4
England	2	2	6	4
<b>Total</b>	<b>158</b>	<b>122</b>	<b>189</b>	<b>151</b>

Directors and senior management personnel	2025		2024	
	Total	Of whom, men	Total	Of whom, men
<b>Group</b>				
Directors	4	3	5	3
CEO and senior management personnel	4	4	5	5
<b>Parent company</b>				
Directors	4	3	5	3
CEO and senior management personnel	4	4	5	5

**Note 12 Employee benefits expenses**

**Board of Directors**

The Chairman and members of the Board of Directors receive remuneration in accordance with the resolution of the Annual General Meeting. The Annual General Meeting held on May 15, 2025, resolved that the Board of Directors' remuneration for the period until the next Annual General Meeting shall amount to TSEK 1,595 (2,240). The Chairman of the Board receives SEK 725 thousand (725) and the Board members receive TSEK 270 (270) each. In addition, the Annual General Meeting approved a fee of SEK 50 thousand (50) for the chairman and TSEK 40 (40) for each of the other members of the Remuneration Committee. A fee of TSEK 175 (175) for the chairman and TSEK 65 (65) for each member was approved for the Audit Committee.

There is one member of the board who does not receive any remuneration.

**CEO**

The Chairman of the Board negotiates with the CEO regarding his salary and terms. These are then presented by the chairman to the other board members before the board makes a final decision. Salaries and remuneration for the Board of Directors and the CEO include the CEO's salary and benefits for the year, amounting to TSEK 3,341 (6,111), and pension costs of TSEK 663 (641). During the year, the company has had 2 (3) different CEOs. The CEO is subject to a six-month notice period in the event of both voluntary resignation and termination by the company. The CEO has a severance package equivalent to six months' salary.

Defined-contribution pension premiums are paid on behalf of the CEO, corresponding to the cost under the ITP plan.

**Senior executives**

Remuneration to other senior executives is decided by the CEO.

**Employee remuneration costs**

Total	Group		Parent company	
	2025	2024	2025	2024
Salaries and other remuneration	126,540	115,698	24,470	15,373
Social insurance costs	54,481	49,813	10,455	5,678
(of which, pension expenses)	15,442	16,033	3,904	3,728
<b>Total</b>	<b>181,021</b>	<b>165,511</b>	<b>34,925</b>	<b>21,051</b>

Salaries and remuneration distributed between the Board and CEO and other employees.

Total	Group		Parent company	
	2025	2024	2025	2024
Group	5,209	8,604	121,331	107,094
Parent company	5,209	8,604	19,261	6,769

**Note 13 Remuneration to the Board of Directors and Senior Management**

**Principles**

The principles for remuneration of senior executives were adopted at the Annual General Meeting in May 2025. Remuneration for the CEO and other senior executives shall consist of a fixed salary. The Board of Directors also has the right to decide on variable remuneration in the form of a cash bonus, the amount of which, on an annual basis, shall not exceed 75 percent of the fixed annual salary for the CEO and 50 percent of the fixed annual salary for other senior executives.

Defined-contribution pension premiums are paid for the CEO and senior executives, which correspond to the cost according to the usual ITP plan. The CEO is subject to a six-month notice period in the event of resignation or termination by the company. Other senior executives have a notice period of 3-9 months. The CEO has a severance package equivalent to six months' salary.

Other senior executives refers to the management team as listed in the Senior Executives section.

**Remuneration and other benefits during the financial year**

A total of SEK 14,425 thousand (15,433) has been paid to senior executives, including the CEO, in terms of salary, variable remuneration and other benefits. The average number of senior executives, including the CEO, was 4 in 2025, compared with 5 in 2024. For senior executives, defined-contribution pension premiums are paid that correspond to the cost under the ITP plan.

Board and senior management 2025	Base pay/director's fee	Variable pay and royalties	Other benefits	Pension expenses	Total
Jürgen Goeldner, chariman	866	-	-	-	866
Anna Lagerborg, director 2025-01-01 -- 2025-05-15	116	-	-	-	116
Thomas Lindgren, director 2025-01-01 -- 2025-05-15	125	-	-	-	125
Christine Rankin, director 2025-01-01 -- 2025-05-15	167	-	-	-	167
Jon Gillard, director 2025-01-01 -- 2025-05-15	101	-	-	-	101
Stefano Salbe, director 2025-05-15	-	-	-	-	-
Cecilia Tosting, director 2025-05-15	285	-	-	-	285
Michael Hjort, director 2025-05-15	207	-	-	-	207
Adolf Kristjansson, CEO 2025-04-01	2,547	-	-	460	3,007
Mats Juhl, interim CEO 2025-01-01 -- 2025-03-31	762	-	32	203	997
Other senior management personnel; average of 3 individuals, 2 individuals at year-end	8,989	-	183	1,249	10,421
<b>Total</b>	<b>14,165</b>	<b>-</b>	<b>215</b>	<b>1,912</b>	<b>16,292</b>

Board and senior management 2024	Base pay/director's fee	Variable pay and royalties	Other benefits	Pension expenses	Total
Torgny Hellström, chairman 2024-01-01 -- 2024-05-15	306	-	-	-	306
Jürgen Goeldner, director 2024-01-01 -- 2024-05-15, chariman 2024-05-15	694	-	-	-	694
Anna Lagerborg, director	310	-	-	-	310
Thomas Lindgren, director	331	-	-	-	331
Christine Rankin, director	441	-	-	-	441
Jon Gillard, director	334	-	-	-	334
Tobias Sjögren, CEO 2024-01-01 -- 2024-03-12	3,760	-	1	351	4,112
Jürgen Goeldner, CEO 2024-03-12 -- 2024-05-15	579	-	-	-	579
Mats Juhl, interim CEO 2024-05-15	1,772	-	75	290	2,137
Other senior management personnel; average of 4 individuals, 4 individuals at year-end	7,466	-	77	1,061	8,604
<b>Total</b>	<b>15,993</b>	<b>-</b>	<b>153</b>	<b>1,702</b>	<b>17,848</b>

**Note 14 Other operating expenses**

	Group		Parent company	
	2025	2024	2025	2024
Capital loss liquidated subsidiary	-	6,376	-	-
Currency loss	20,325	-	1,874	-
<b>Total</b>	<b>20,325</b>	<b>6,376</b>	<b>1,874</b>	<b>-</b>

**Note 15 Financial income and expenses**

	Group		Parent company	
	2025	2024	2025	2024
Interest income	438	5,654	3,617	14,006
Write-down leasing	-	1,752	-	-
<b>Total financial income</b>	<b>438</b>	<b>7,406</b>	<b>3,617</b>	<b>14,006</b>

	Group		Parent company	
	2025	2024	2025	2024
Interest expenses lease	-2,125	-4,013	-	-
Impairment of joint venture	-	-410	-	-2,471
Write-down financial asset	-	-2,261	-	-2,261
Other financial expenses	-28	-33	-4	-1
<b>Total financial expenses</b>	<b>-2,153</b>	<b>-6,717</b>	<b>-4</b>	<b>-4,733</b>

**Note 16 Appropriations**

	2025	2024
Group Contribution	-	-230,593
<b>Total</b>	<b>-</b>	<b>-230,593</b>

**Note 17 Income tax and deferred tax**

The applicable tax rate is the income tax rate for the Group. The average weighted tax rate is 21.2 percent. Temporary differences arise when the tax bases of assets or liabilities differ from their carrying amounts. Starbreeze's temporary differences have mainly arisen from tax losses. Deferred tax assets are recognized for tax loss carryforwards to the extent that it is probable they can be utilized against future taxable profits and to the extent that they can be offset against deferred tax liabilities arising from temporary differences.

No deferred tax asset related to tax loss carryforwards has been recognized as of December 31, 2025. As of the balance sheet date, the unrecognized tax loss carryforward for the parent company and the Swedish subsidiaries amounts to SEK 1,115.1 million (954.9). Loss carryforwards cannot be utilized between companies in different countries. Losses incurred through 2019 are subject to a restriction on group contributions to New Starbreeze Publishing AB and New Starbreeze Studios AB, and cannot be utilized until 2026. For losses incurred through the end of 2021, a restriction on group contributions applies to one of the Group's subsidiaries, New Starbreeze Publishing PD IP AB; as a result, such losses cannot be utilized until 2028 at the earliest. In addition, for losses incurred through the end of 2022, there is a restriction on group contributions to a subsidiary within the Group, Starbreeze IP AB; as a result, such losses cannot be utilized until 2029 at the earliest.

	Group		Parent company	
	2025	2024	2025	2024
Recognized profit (-loss) before tax	-402,659	-317,667	-25,862	-252,017
Tax at applicable tax rate	83,173	56,951	5,328	51,916
Tax effect of other non-deductible costs	-154,443	-29,416	644	883
Tax effect of other non-taxable income	56	108	8	9
Change of unrecognized tax assets related to loss carryforwards	74,558	-27,823	-5,980	-52,808
<b>Tax on profit for the year according to income statement</b>	<b>3,344</b>	<b>-180</b>	<b>-</b>	<b>-</b>

	2025	2024
<b>Distribution of income tax, Group</b>		
Current tax	-277	-243
Deferred tax	3,621	63
<b>Tax on profit for the year according to income statement</b>	<b>3,344</b>	<b>-180</b>

Group	2025-12-31	2024-12-31
Balance at 1 January, deferred tax liabilities	-2,010	-1,345
Change of value of loss carryforwards through profit or loss	3,764	3,162
Changes in temporary differences in surplus values in the Group	-1,897	-2,589
Change in previously capitalized deficits	-1	-1,162
Lease IFRS16	1,754	-76
<b>Balance at December 31, deferred tax liabilities/assets</b>	<b>1,610</b>	<b>-2,010</b>

Specification of deferred tax liabilities/assets	2025-12-31	2024-12-31
Lease IFRS16	1,755	1
Temporary differences in surplus values in the Group	-	1,897
Reclassification of previously capitalized deficits	-	1
Change of temporary differences in capitalized development costs	-145	-3,909
<b>Total deferred tax liabilities/asset</b>	<b>1,610</b>	<b>-2,010</b>

### Note 18 Earnings per share

Group	2025	2024
<b>Earnings per share</b>		
Basic, SEK	-0.25	-0.22
Diluted, SEK	-0.25	-0.22
<b>Number of shares at the end of the period</b>		
Basic	1,624,438,244	1,476,762,040
Diluted*	1,624,438,244	1,476,762,040
<b>Average number of shares</b>		
Basic	1,573,864,202	1,476,762,040
Diluted*	1,573,864,202	1,476,762,040

Earnings per share before and after dilution are calculated by dividing the profit attributable to the parent company's shareholders by the weighted average number of outstanding shares during the period.

To calculate diluted earnings per share, the weighted average number of outstanding common shares is adjusted for the dilutive effect of all potential common shares.

### Note 19 Dividend per share

No dividend will be proposed.

### Note 20 Intangible fixed assets

The Group regularly assesses whether there is any need for impairment of intangible assets that are not yet completed, in accordance with IAS 36. For intangible assets that have been completed and are being amortized, an impairment test is performed if the Group receives indications that the fair value may be lower than the carrying amount.

Recoverable values for cash-generating units have been determined by calculating their value in use. For these calculations, sales forecasts have been estimated both for the Group as a whole and for individual game development projects. Cash flows are based on a conservative forecast.

As of December 31, 2025, impairment tests have been performed on intangible assets and shares in subsidiaries. The game development projects for which costs have been capitalized have been tested separately. Impairment losses have been recognized for projects that the company has decided not to proceed with. Total impairment losses for 2025 amount to SEK 279.8 million (127.1). The remaining assets are primarily attributable to the core business of game development, i.e., the game sales segment.

For assets in the game sales segment and other assets, the Group has performed impairment tests based on discounted future cash flows.

The assets have been divided into various cash-generating units, known as CGUs. The division into CGUs is based on commercialization and not which platform it belongs to. For example, PAYDAY is its own CGU. The Payday CGU includes PAYDAY, PAYDAY 2 and PAYDAY 3. In other words, it is not the platform that is the determining factor, but rather the IP itself that generates the cash flow. When assets are tested for impairment, this is viewed from a CGU perspective. During the fiscal year, these impairment tests resulted in an impairment charge of SEK 261.9 million for the Baxter project and SEK 17.8 million for other projects. Project Baxter was written down in its entirety during the third quarter.

Key assumptions in the impairment test include the quantification of future revenue, expected margin, growth, and the cost of capital.

CGU	Description of CFU	Other intangible assets	Capitalized game and technology development costs	Investments in 3rd party publishing	Total
Payday	Game IP	21,943	95,322	-	117,265
Roboquest	3rd party Publishing	-	-	4,250	4,250
Other	Game IP	-	8,293	-	8,293
<b>Total</b>		<b>21,943</b>	<b>103,615</b>	<b>4,250</b>	<b>129,808</b>

**Game and technology development projects**

For game development projects, the impairment test has been based on the estimated future cash flows and earnings for each game, based on management's forecasts and budgets for the next five years. PAYDAY 2 is expected to generate lower pre-sales than the current figures, and for PAYDAY 3, the expected cash flows are based on the current forecast for the coming years. See also Section D, Capital Risk, in Note 3, Financial Risk

Management, and Note 4, Key Accounting Estimates and Judgments. The discount rate used in the impairment tests is 17.0 percent (16.5). It has been determined that the discount rate for remaining assets is the same for all assets. This assumption is based, among other things, on an external valuation of the assets. A sensitivity analysis shows that a margin remains even with an increased discount rate of 5 percent for in-house developed games.

Group	IP/Technology	Licenses	Capitalized game and technology development costs	Investments in 3rd party publishing	Other	Total
<b>Cost at 1 January 2025</b>	<b>421,980</b>	<b>21,845</b>	<b>857,472</b>	<b>101,133</b>	-	<b>1,402,430</b>
Acquisition of publishing rights	-	-	-	650	-	650
Acquisition of licenses	-	-	-	-	-	-
Development in progress						
Own development	-	-	155,533	-	-	155,533
Exchange differences	-1,311	-	-	-	-	-1,311
Sales and disposals	-162,023	-	-66,108	-19,831	-	-247,962
<b>Cost at 31 December 2025</b>	<b>258,646</b>	<b>21,845</b>	<b>946,897</b>	<b>81,952</b>	-	<b>1,309,340</b>
<b>Depreciation, amortization and impairments at 1 January 2025</b>	<b>-356,959</b>	-	<b>-582,433</b>	<b>-90,769</b>	-	<b>-1,030,161</b>
Depreciation and amortization for the year	-37,758	-	-75,855	-5,257	-	-118,870
Impairments for the year	-5,320	-21,845	-251,102	-1,507	-	-279,774
Sales and disposals	162,023	-	66,108	19,831	-	247,962
Exchange differences	1,311	-	-	-	-	1,311
<b>Depreciation, amortization and impairments at 31 December 2025</b>	<b>-236,703</b>	<b>-21,845</b>	<b>-843,282</b>	<b>-77,702</b>	-	<b>-1,179,532</b>
<b>Total carrying amount at 31 December 2025</b>	<b>21,943</b>	-	<b>103,615</b>	<b>4,250</b>	-	<b>129,808</b>

Group	IP/Technology	Licenses	Capitalized game and technology development costs	Investments in 3rd party publishing	Other	Total
<b>Cost at 1 January 2024</b>	<b>778,639</b>	<b>11,121</b>	<b>1,363,272</b>	<b>191,002</b>	<b>6,705</b>	<b>2,350,739</b>
Sale of publishing rights	-	-	-	8,795	-	8,795
Acquisition of licenses	-	10,724	-	-	-	10,724
Development in progress						
Own development	-	-	227,636	-	-	227,636
Exchange differences	24,270	-	408	-	-	24,678
Sales and disposals	-380,929	-	-733,844	-98,664	-6,705	-1,220,142
<b>Cost at 31 December 2024</b>	<b>421,980</b>	<b>21,845</b>	<b>857,472</b>	<b>101,133</b>	<b>-</b>	<b>1,402,430</b>
<b>Depreciation, amortization and impairments at 1 January 2024</b>	<b>-590,121</b>	<b>-</b>	<b>-1,051,296</b>	<b>-184,244</b>	<b>-6,705</b>	<b>-1,832,366</b>
Depreciation and amortization for the year	-75,163	-	-189,129	-5,189	-	-269,481
Impairments for the year	-51,668	-	-75,423	-	-	-127,091
Divested subsidiary	380,111	-	733,823	98,664	6,705	1,219,303
Exchange differences	-20,118	-	-408	-	-	-20,526
<b>Depreciation, amortization and impairments at 31 December 2024</b>	<b>-356,959</b>	<b>-</b>	<b>-582,433</b>	<b>-90,769</b>	<b>-</b>	<b>-1,030,161</b>
<b>Total carrying amount at 31 December 2024</b>	<b>65,021</b>	<b>21,845</b>	<b>275,039</b>	<b>10,364</b>	<b>-</b>	<b>372,269</b>

Note 21 Tangible fixed assets

	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
<b>Computers and other equipment</b>				
Cost at 1 January	138,865	135,960	1,616	2,753
Purchases	8,683	5,852	93	40
Retirements and disposals	-3,073	-3,012	-195	-1,177
Exchange differences	-100	65	-	-
<b>Accumulated cost at 31 December</b>	<b>144,375</b>	<b>138,865</b>	<b>1,514</b>	<b>1,616</b>
Depreciation at 1 January	-130,589	-131,532	-1,581	-2,746
Retirements and disposals	3,017	2,960	195	1,177
Planned depreciation for the year	-3,681	-1,957	-28	-12
Exchange differences	96	-60	-	-
<b>Closing balance accumulated depreciation</b>	<b>-131,157</b>	<b>-130,589</b>	<b>-1,414</b>	<b>-1,581</b>
<b>Planned residual value at 31 December</b>	<b>13,218</b>	<b>8,276</b>	<b>100</b>	<b>35</b>

No impairment losses were recognized during the year with respect to the Group's tangible fixed assets.

Note 22 Financial fixed assets

	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Deposits, rent guarantees	7,014	4,000	-	-
Other financial assets	259	275	-	-
<b>Total</b>	<b>7,273</b>	<b>4,275</b>	<b>-</b>	<b>-</b>

Outstanding deposits consist primarily of deposits for the rental of premises.

Note 23 Shares in Group companies

	Country of registration and operation	Business		Share of equity	Share of votes	Number of shares	Carrying amount in parent company	Equity excluding net result	Net result	Total Equity
Starbreeze Studios AB	Sverige	Spelutveckling	100.0%	100.0%	100.0%	10,000	96,947	110	2,873	2,983
Starbreeze Publishing AB	Sverige	Spelutveckling	100.0%	100.0%	100.0%	1,000	276,400	708,775	-487,629	221,146
Starbreeze Production AB	Sverige	Spelutveckling	100.0%	100.0%	100.0%	1,000	98,382	143,330	-1,384	141,945
Starbreeze Paris SAS	Frankrike	Teknikutveckling	100.0%	100.0%	100.0%	58,281	-	5,494	-5,672	-178
Starbreeze Barcelona SL	Spanien	Spelutveckling	100.0%	100.0%	100.0%	3,000	-	-7,276	-2,470	-9,746
New Starbreeze Publishing AB	Sverige	Spelutveckling	-	100.0%	100.0%	2,360,777	-	441,621	-179,143	262,478
New Starbreeze Studios AB	Sverige	Spelutveckling	100.0%	100.0%	100.0%	500	26,990	83,973	-76,480	7,493
New Starbreeze Publishing PD IP AB	Sverige	Spelutveckling	-	100.0%	100.0%	500	-	78,296	-61,447	16,849
Starbreeze IP AB	Sverige	Spelutveckling	100.0%	100.0%	100.0%	500	8,305	4,694	-4,590	104
Starbreeze Studios UK Ltd	Storbritannien	Spelutveckling	100.0%	100.0%	100.0%	100	1	49	-746	-697
							<b>507,025</b>	<b>1,459,065</b>	<b>-816,688</b>	<b>642,378</b>

Parent company, shares in subsidiaries	2025-12-31	2024-12-31
Cost at 1 January	344,780	336,059
Shareholder contribution	162,245	8,721
<b>Accumulated cost at 31 December</b>	<b>507,025</b>	<b>344,780</b>

Note 24 Financial instruments by category

Group, 31 December 2025

Assets on the balance sheet	Accrued acquisition value	Fair value through profit and loss	Fair value through comprehensive income	Derivative	Total
Financial assets	7,273	-	-	-	7,273
Trade and other receivables	14,326	-	-	-	14,326
Cash and cash equivalents	102,618	-	-	-	102,618
<b>Total assets</b>	<b>124,217</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124,217</b>

Liabilities in the balance sheet	Accrued acquisition value	Fair value through profit and loss	Fair value through comprehensive income	Derivative	Total
Other non-current liabilities	33,855	-	-	-	33,855
Trade and other payables	19,317	-	-	-	19,317
<b>Total liabilities</b>	<b>53,172</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,172</b>

Group, 31 December 2024

Assets on the balance sheet	Accrued acquisition value	Fair value through profit and loss	Fair value through comprehensive income	Derivative	Total
Financial assets	4,275	-	-	-	4,275
Trade and other receivables	43,118	-	-	-	43,118
Cash and cash equivalents	191,906	-	-	-	191,906
<b>Total assets</b>	<b>239,299</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>239,299</b>

Liabilities in the balance sheet	Accrued acquisition value	Fair value through profit and loss	Fair value through comprehensive income	Derivative	Total
Other non-current liabilities	42,096	-	-	-	42,096
Trade and other payables	27,185	-	-	-	27,185
<b>Total liabilities</b>	<b>69,281</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,281</b>

Parent company at December 31 2025

<b>Assets on the balance sheet</b>	<b>Accrued acquisition value</b>	<b>Fair value through profit and loss</b>	<b>Fair value through comprehensive income</b>	<b>Derivative</b>	<b>Total</b>
Financial assets	-	-	-	-	-
Trade and other receivables	156,257	-	-	-	156,257
Cash and cash equivalents	17,069	-	-	-	17,069
<b>Total assets</b>	<b>173,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>173,326</b>

<b>Liabilities in the balance sheet</b>	<b>Accrued acquisition value</b>	<b>Fair value through profit and loss</b>	<b>Fair value through comprehensive income</b>	<b>Derivative</b>	<b>Total</b>
Trade and other payables	184,145	-	-	-	184,145
<b>Total liabilities</b>	<b>184,145</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>184,145</b>

Parent company at December 31 2024

<b>Assets on the balance sheet</b>	<b>Accrued acquisition value</b>	<b>Fair value through profit and loss</b>	<b>Fair value through comprehensive income</b>	<b>Derivative</b>	<b>Total</b>
Financial assets	-	-	-	-	-
Trade and other receivables	345,543	-	-	-	345,543
Cash and cash equivalents	106,609	-	-	-	106,609
<b>Total assets</b>	<b>452,152</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>452,152</b>

<b>Liabilities in the balance sheet</b>	<b>Accrued acquisition value</b>	<b>Fair value through profit and loss</b>	<b>Fair value through comprehensive income</b>	<b>Derivative</b>	<b>Total</b>
Trade and other payables	307,893	-	-	-	307,893
<b>Total liabilities</b>	<b>307,893</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>307,893</b>

### Note 25 Credit quality of financial assets

	2025-12-31	2024-12-31
Group 1	2,896	22,018
Group 2	275	10,470
<b>Total</b>	<b>3,171</b>	<b>32,488</b>

As of December 31, 2025, past-due and uncollected accounts receivable amounted to SEK 1.8 million (24.7).

Group 1: existing customers (more than 6 months) with no previous payment defaults. Group 2: existing customers (more than 6 months) with some previous non-payments.

Credit risk is managed at the Group level. Only banks and credit institutions that have received a credit rating of at least "A" from an independent rating agency will be accepted.

### Note 26 Trade and other receivables

	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Trade receivables	3,171	32,488	-	-
Receivables from group companies	-	-	155,264	342,602
Other receivables	11,155	10,630	993	2,941
<b>Total</b>	<b>14,326</b>	<b>43,118</b>	<b>156,257</b>	<b>345,543</b>

Aging report	Group	
	2025-12-31	2024-12-31
Not due	1,335	7,834
1-90 days	1,659	13,090
3-6 months	3	6,134
> 6 months	174	5,430
<b>Total</b>	<b>3,171</b>	<b>32,488</b>

### Trade and other receivables per currency

	Group	
	2025-12-31	2024-12-31
SEK	11,007	10,632
EUR	1,980	13,519
USD	1,333	18,967
GBP	6	-
<b>Total</b>	<b>14,326</b>	<b>43,118</b>

Since the Group has historically not incurred any material credit losses and believes that these conditions will continue in the future, it is estimated that a provision for potential future credit losses would not amount to a significant amount. See also Note 2.10 Impairment of financial assets.

### Note 27 Prepaid expenses and accrued income

	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Other accrued receivables	12,990	38,744	804	3,628
Accrued royalty income	23,587	35,332	-	-
<b>Total</b>	<b>36,577</b>	<b>74,076</b>	<b>804</b>	<b>3,628</b>

Accrued royalty revenue refers to receivables from sales related to PAYDAY 2, PAYDAY 3, and Roboquest.

### Note 28 Cash and cash equivalents

	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Cash and bank deposits	102,618	191,906	17,069	106,609
<b>Total</b>	<b>102,618</b>	<b>191,906</b>	<b>17,069</b>	<b>106,609</b>

Cash and cash equivalents include short-term investments maturing within three months of the date of acquisition that can be easily converted into cash without incurring interest expenses.

### Note 29 Change in the number of shares

The share capital, TSEK 32,489, is divided into 1,624,438,244 shares, resulting in a par value of SEK 0.02 per share. One Class A share entitles the holder to ten (10) votes, and one Class B share entitles the holder to one (1) vote. All shares issued by the parent company are fully paid up.

Number of shares	Class B shares	Class A shares
<b>Number of shares 31 Dec 2023</b>	<b>1,327,389,687</b>	<b>149,372,353</b>
Conversion	7,068,445	-7,068,445
<b>Number of shares 31 Dec 2024</b>	<b>1,334,458,132</b>	<b>142,303,908</b>
New issue	147,676,204	-
Conversion	176,225	-176,225
<b>Number of shares 31 Dec 2025</b>	<b>1,482,310,561</b>	<b>142,127,683</b>

### Note 30 Trade and other payables

	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Trade payables	8,674	11,364	1,131	1,564
Liabilities to group companies	-	-	180,484	304,417
Other liabilities	2,242	2,673	1,286	658
Social insurance and comparable fees	8,401	8,702	1,244	1,254
current part of convertible bond,	-	4,446	-	-
<b>Total</b>	<b>19,317</b>	<b>27,185</b>	<b>184,145</b>	<b>307,893</b>

**Note 31 Accrued expenses and prepaid income**

	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Accrued salaries	2,646	2,014	1,134	1,185
Accrued annual leave pay	10,831	12,671	1,856	1,706
Accrued social insurance fees, annual leave pay	3,403	4,272	583	536
other accrued expenses	5,325	16,744	1,655	4,531
<b>Total</b>	<b>22,205</b>	<b>35,701</b>	<b>5,228</b>	<b>7,958</b>

**Note 32 Pledged assets**

	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Pledged shares in subsidiaries for loan credit with Nordea	-	235,978	-	-
Deposits, rent guarantees	7,014	4,000	-	-
<b>Total</b>	<b>7,014</b>	<b>239,978</b>	<b>-</b>	<b>-</b>

**Note 33 Contingent liabilities**

As part of the acquisition of the distribution rights to PAYDAY, a royalty of 33 percent was agreed upon, up to \$40 million, based on the net profit from PAYDAY 3 after deducting investments made as part of the purchase price paid to 505 Games S.p.A. As of the closing date, no royalty payments have been made. The Group has no other contingent liabilities.

**Note 34 Related-party transactions**

The parent company Starbreeze AB, which is the ultimate parent company of the Group, has billed Group companies for game development costs and a portion of shared expenses totaling SEK 26.6 million (17.2). The table below shows the invoicing by other Group companies to Group companies: The parent company, Starbreeze AB, has purchased services totaling SEK 9.4 million (15.0) from Group companies. Other group companies' purchases from group companies are shown in the table below:

Remuneration to senior executives is presented in Note 13.

Receivables and liabilities	2025-12-31	2024-12-31
<b>Receivables</b>		
Parent company Starbreeze AB	155,264	342,602
<b>Liabilities</b>		
Parent company Starbreeze AB	180,484	304,417

Group company billing	2025	2024
Starbreeze AB	26,555	17,184
Starbreeze Paris SAS	20,748	28,372
Starbreeze Barcelona	5,343	3,855
Starbreeze LA	-	771
New Starbreeze Publishing AB	93,020	157,142
New Starbreeze Studios AB	224,756	204,215
New Starbreeze Publishing PD IP	12,833	16,054
Starbreeze Studios UK Ltd	3,180	6,905
Starbreeze IP AB	14,912	13,330
<b>Total</b>	<b>401,347</b>	<b>447,828</b>

Purchases from group companies	2025	2024
Starbreeze AB	9,363	14,985
Starbreeze Paris SAS	306	533
Starbreeze Barcelona	199	106
New Starbreeze Publishing AB	198,332	172,618
New Starbreeze Studios AB	8,256	6,075
New Starbreeze Publishing PD IP	71,007	112,826
Starbreeze Studios UK AB	112	199
Starbreeze IP AB	113,772	140,486
<b>Total</b>	<b>401,347</b>	<b>447,828</b>

**Note 35 Adjustment of items not included in cash flow**

	Group		Parent company	
	2025	2024	2025	2024
Amortization/write-down of intangible assets	398,644	396,571	-	-
Depreciation of property, plant and equipment	31,792	20,787	28	12
Gains & losses on sale of assets	-494	-	-5	-
Change in provision	-228	-	-	-
Capital loss, liquidated subsidiaries	5,075	6,376	-	-
Other unrealized exchange losses	172	-9,740	-	-
Adjustment financing debt	-	-59,587	-	-
<b>Total</b>	<b>434,961</b>	<b>354,407</b>	<b>23</b>	<b>12</b>

**Note 36 Events after the balance sheet date**

On January 13, Shopping Spree was launched, a new DLC heist for PAYDAY 3. In connection with the launch, a free update was also released to all players with improvements to the gameplay experience and more comprehensive bug fixes.

For detailed information on significant events during the year and after the end of the financial year, please visit [corporate.starbreeze.com](http://corporate.starbreeze.com)

**Note 37 Interest-bearing liabilities**

Supplier invoices are available in SEK, but mainly in USD and EUR.

Group	2025-12-31			2024-12-31		
	Base pay/director's fee	Variable pay and royalties	Other benefits	Pension expenses	Share-based payments	Total
Financing for game development	-	-	-	-	4,446	4,446
Other non-current liabilities	263	-	263	519	-	519
<b>Total</b>	<b>263</b>	<b>-</b>	<b>263</b>	<b>519</b>	<b>4,446</b>	<b>4,966</b>

Parent	2025-12-31			2024-12-31		
	Base pay/director's fee	Variable pay and royalties	Other benefits	Pension expenses	Share-based payments	Total
Convertible bond	-	-	-	-	-	-
Non current liability, renegotiation loss	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note 38 Shares in joint venture

Group	Country of operation	Business	Share of equity	Share of votes	Number of shares	Carrying amount
StarVR Corporation	Taiwan	Technology development	-	-	-	-

The company's joint venture with Acer, StarV R Corporation, is a sales and marketing company that handles the sales process for business customers, as well as support and after-sales services. As part of the collaboration, Starbreeze IP owns and controls the intellectual property rights related to StarV R, while Acer manufactures the product. Research and development, as well as the creation of reference designs for headsets, are carried out jointly by Starbreeze and Acer. StarV R Corporation bears all costs related to the marketing and sales of StarV R, but as long as Starbreeze retains the intellectual property rights, Starbreeze bears the R&D-related costs. Manufacturing costs are borne by Acer. The reconciliation below reflects adjustments made by the Group in applying the equity method, including fair value adjustments at the time of acquisition and adjustments for differences in accounting principles.

In 2024, the company sold its 33 percent stake to Acer.

	2025-12-31	2024-12-31
<b>Reconciliation against net carrying amounts:</b>		
Opening net assets, January 1	0	3,751
Profit/loss for the period	-	4,081
Exchange rate differences	-	35
<b>Closing net assets</b>	<b>0</b>	<b>7,867</b>
Group share	-	33%
Group share in SEK thousand	-	2,596
Received cash divestment Joint Venture	-	-2,186
	-	-410
Group share in SEK thousand	-	0
Carrying amount	-	-

The table below presents summary financial information for the Group's interest in a joint venture (StarVR Corporation), which the Group has determined to be material. The information shows the amounts reported in the financial statements of the joint venture and not Starbreeze's share of those amounts. Reconciliation of Starbreeze's share is shown above.

	2025-12-31	2024-12-31
<b>Condensed balance sheet</b>		
Current assets	-	-
Current liabilities	-	-
<b>Net assets</b>	<b>-</b>	<b>-</b>
<b>Condensed statement of comprehensive income</b>		
Revenue	-	-
Profit (-loss) for the period	-	4,081
<b>Total comprehensive income</b>	<b>-</b>	<b>4,081</b>

Note 39 Net debt

	Other assets	Liabilities related to financing activities			
	Base pay/director's fee	Convertible bonds	Renegotiation loss convertible bond and other non-current liabilities	Other Current liabilities	
Balance at 1 January 2025	191,906	-	-44,106	-22,142	-66,248
Cash flow	-89,288	-	-18,472	-	-18,472
Exchange differences	-	-	-	351	351
Other non-cash items	-	-	2,010	7,431	9,441
<b>Balance at 31 December 2025</b>	<b>102,618</b>	<b>-</b>	<b>-60,568</b>	<b>-14,360</b>	<b>-74,928</b>

	Other assets	Liabilities related to financing activities			
	Base pay/director's fee	Convertible bonds	Renegotiation loss convertible bond and other non-current liabilities	Other Current liabilities	
Balance at 1 January 2024	347,752	-	-1,992	-16,661	-18,653
Cash flow	-155,846	-	-41,449	-47,948	-89,397
Exchange differences	-	-	-	103	103
Other non-cash items	-	-	-665	42,364	41,699
<b>Balance at 31 December 2024</b>	<b>191,906</b>	<b>-</b>	<b>-44,106</b>	<b>-22,142</b>	<b>-66,248</b>

Net liability	2025-12-31	2024-12-31
Cash and cash equivalents	102,618	191,906
Non-current liabilities	-60,568	-2,529
Current liabilities	-14,360	-22,143
<b>Net Liability</b>	<b>27,690</b>	<b>167,234</b>

The income statement and balance sheet will be presented to the Annual General Meeting on May 12, 2026, for approval.

The Board of Directors and the CEO certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and present a true and fair view of the Group's financial position and results.

The annual report has been prepared in accordance with generally accepted accounting principles and presents a true and fair view of the parent company's financial position and results.

The management report for the Group and the parent company provides a fair overview of the development of the Group's and the parent company's operations, financial position, and results, and describes the significant risks and uncertainties facing the parent company and the companies included in the Group.

Stockholm, April 14, 2026, Starbreeze AB (publ)

Jürgen Goeldner  
*Chairman of the Board*

Stefano Salbe  
*Board member*

Michael Hjorth  
*Board member*

Cecilia Tosting  
*Board member*

Adolf Kristjansson  
*CEO*

Our audit report was issued on April 15, 2026  
Öhrlings PricewaterhouseCoopers AB

Martin Johansson  
*Certified public accountant*

# Auditor's report

To the general meeting of the shareholders of Starbreeze AB (publ), corporate identity number 556551-8932

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Starbreeze AB (publ) for the year 2025. The annual accounts and consolidated accounts of the company are included on pages 23-64 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Audit approach

#### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on

the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

#### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

### Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

*Key Audit Matter****Accounting and valuation of capitalized expenses for own game and technology development***

As stated in the statutory administration report and note 20, Starbreeze invests significant amounts in game and technology development. Note 20 shows that SEK 156 million has been capitalized in 2025 and the total carrying amount of capitalized expenses for game and technology development and investments in publishing projects amounts to SEK 108 million. A significant part of this amount constitutes investments in the game Payday 3. Due to the size of the amount and that the capitalization of capitalized expenses for game and technology development as well as the valuation of capitalized expenses include assessments by management regarding whether the expenses meet the criteria for capitalization, for example that it is possible to reliably measure the expenses attributable to the asset and that the asset will generate sufficient future economic benefits to justify the value, this is a particularly significant area of the audit.

*How our audit addressed the Key Audit Matter*

We have reviewed the company's specification of ongoing development projects that have been capitalized as intangible assets during the financial year. We have taken samples of the projects and tested the accuracy of capitalizing the expenses based on the criteria in IAS 38, including by assessing the procedures to ensure that the costs are recognized on the correct project and by randomly reviewing underlying expenses against supporting documents.

We have also reviewed management's assessment of whether there is any need for impairment of capitalized expenses for in-house game and technology development. We evaluated the mathematical accuracy of the models used and assessed significant assumptions in the impairment test and the reasonableness of the company's forecasts. We have also assessed the sensitivity of the calculations. Finally, we have assessed whether the information provided in the notes to the annual report is consistent with IFRS. We found that the company's method and assumptions have been applied consistently.

## Other information than the annual accounts and the consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-13 and *the remuneration report on pages 69-70*. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and

the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

## Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Swedish Inspectorate of Auditors' website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## Report on other legal and regulatory requirements

*The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss*

## Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Starbreeze AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the

Board of Directors and the Managing Director be discharged from liability for the financial year.

## Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

## Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Swedish Inspectorate of Auditors' website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

### *The auditor's examination of the ESEF report*

#### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for ABC AB (publ) for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

#### Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent

of Starbreeze AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Directors (and the Managing Director)

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Starbreeze AB (publ) by the general meeting of the shareholders on the 15 May 2025 and has been the company's auditor since the 25 September 2000.

Stockholm 15 april 2026

Öhrlings PricewaterhouseCoopers AB

Martin Johansson

*This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.*

Authorized Public Accountant

# Remuneration report 2025

## Introduction

This report describes how Starbreeze's current guidelines for senior executive remuneration were applied in 2025. The report also contains information on remuneration to the CEO. This report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's Code on Remuneration of Senior Executives and Incentive Programs.

Further information regarding remuneration for senior executives is provided in Note 13 (Remuneration for the Board of Directors and Senior Executives) on page 50 of the 2025 Annual Report. Information regarding the Remuneration Committee's work in 2025 can be found in the corporate governance report on pages 14-20 of the 2025 Annual Report.

Board fees are not covered by this report. Such fees are determined annually by the Annual General Meeting and are disclosed in Note 13 on page 50 of the 2025 Annual Report.

## Development during 2025

The CEO summarizes the company's overall performance in his report on pages 3-4 of the 2025 Annual Report.

### Company remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and the protection of its long-term interests, including its sustainability, is the company's ability to recruit and retain qualified employees. This requires the company to be able to offer competitive remuneration. The Company's remuneration guidelines enable senior executives to be offered competitive total remuneration. According to the remuneration guidelines, remuneration to senior executives shall be in line with market conditions and may consist of the following components: base salary, variable remuneration, pension and other benefits. In addition, the Board must annually evaluate whether share-based or share price-related incentive programs should be proposed to the Annual General Meeting. Variable remuneration shall be paid in the form of a cash bonus and shall be linked to predetermined and measurable criteria. In addition to the annual variable cash remuneration, variable cash remuneration may be paid in the form of a long-term incentive bonus (LTI bonus) covering four financial years. The criteria for the payment of variable remuneration shall be designed to promote the company's business strategy and long-term interests, including its sustainability.

The guidelines can be found on pages 14-18 of the 2025 annual report. In 2025, the company complied with the applicable remuneration guidelines adopted by the annual general meeting. No deviations from the guidelines have been made, and no deviations have been made from the decision-making process that, according to the guidelines, must be followed to determine the remuneration. The auditor's opinion on the company's compliance with the guidelines is available on [www.starbreeze.com](http://www.starbreeze.com). No remuneration has been claimed back.

Table 1 - Total remuneration to the CEO in 2025 (TSEK)\*

Name of CEO	Fixed remuneration		Variable remuneration			Pension	Total remuneration	Fixed / Variable remuneration
	Base salary TSEK**	Other benefits (Car benefit, Health care)	One-year variable	Multi-year variable				
Mats Juhl, acting	TSEK 762	TSEK 32	N/A	N/A	TSEK 203	TSEK 1,254	100 % / 0 %	
Adolf Kristjansson	TSEK 2,547	TSEK 0	N/A	N/A	TSEK 460	TSEK 2,750	100 % / 0 %	

\* With the exception of multi-year variable remuneration, the table shows remuneration amounting to 2025. Multi-year variable remuneration is recognized to the extent that it has become subject to vesting in 2025 and has thus been earned (see further under Variable Remuneration below). This applies regardless of whether or not a payment has been made in the same year.

\*\* Including holiday pay.

## Share-based remuneration

### Outstanding share-based and share price-based incentive programs

During the 2025 financial year, Starbreeze did not have any share-based or share-price-based incentive programs.

### Remuneration to the CEO in shares and share options

No remuneration in the form of shares or stock options was paid to the CEO in 2025.

### Variable remuneration

In 2025, the CEO was not eligible to receive annual variable remuneration in the form of a cash bonus, and the Board of Directors did not establish any criteria for the payment of such remuneration in 2025 (see Table 1 above).

**Comparative information regarding changes in remuneration and the company's results**

**Table 2 – Changes in remuneration and the company's results during the last four reported financial years (TSEK)**

TSEK	RR 2021	RR 2022	RR 2023	RR 2024	RR 2025
<b>Remuneration to CEOs</b>	3,646	3,568	3,609	7,178**	4,004**
<i>change</i>	<i>-4,954 (-57.6%)</i>	<i>-78 (-2.1%)</i>	<i>41 (1.1%)</i>	<i>3,569 (98.9%)</i>	<i>-3,174 (-44.2%)</i>
<b>Group operating profit</b>	-53,720	6,746	190,303	-201,154	-400,944
<i>change</i>	<i>-64,595</i>	<i>+60,466</i>	<i>+183,557</i>	<i>-391,457</i>	<i>-199 790</i>
<b>Remuneration per employee*</b>	657	637	629	675	785
<i>change</i>	<i>0.8%</i>	<i>-3.0%</i>	<i>-1.2%</i>	<i>7.3%</i>	<i>16.3%</i>

\* Average remuneration based on average employees (excluding CEO)

\*\* (Including severance pay to the outgoing CEO)

*This Annual Report is a translation of the Swedish language original. In the event of any differences between the versions, the Swedish language version shall prevail.*

# STARBREEZE

ENTERTAINMENT

