



Press release February 26th 2015

Half-Year Report July 1st – December 31st 2014

SECOND QUARTER (OCTOBER - DECEMBER 2014)

- Net sales amounted to SEK 47,7 million (SEK 40,1 million).
- Operating income before depreciation, EBITDA, amounted to SEK 24,8 million (SEK 29,1 million).
- Profit before tax amounted to SEK 20,4 million (SEK 24,3 million) and profit after tax amounted to SEK 14,0 million (SEK 18,1 million).
- Earnings per share before dilution were SEK 0,10 (SEK 0,13) and earnings per share after dilution were SEK 0.09 (SEK 0.13).
- As of December 31st 2014, cash to SEK 184,4 million (77,6 million).
- During the quarter, PAYDAY 2 net sales amounted to SEK 45,4 million.
- In October, the doors opened to OVERKILL Software's own merchandise store – <http://store.overkillsoftware.com>
- During the month of October Starbreeze launched the Crimefest campaign, celebrating three years of PAYDAY with the community. The Internet phenomenon "The Creatures" hosted a liveshow in collaboration with Starbreeze and DreamHack in Stockholm.
- In October it was announced that Starbreeze in collaboration with Lionsgate would make John Wick a playable character in PAYDAY 2
- In October, an announcement was made regarding collaboration between Starbreeze and Lion Game Lion, who are currently working on a DLC to PAYDAY 2 titled "The Bomb".

- November 25 the official PAYDAY 2 Steam group grew to 2 million members
- December 18 marked the date of the PAYDAY 2: Game of the Year edition release on Steam.

THE HALF-YEAR (JULY – DECEMBER 2014)

- Net sales amounted to SEK 77,7 million (SEK 130,4 million).
- Operating income before depreciation, EBITDA, amounted to SEK 33,3 million (SEK 110,5 million).
- Profit before tax amounted to SEK 24,6 million (SEK 103,7 million) and profit after tax amounted to SEK 16,6 million (SEK 90,3 million).
- Earnings per share before dilution were SEK 0,11 (SEK 0,65) and earnings per share after dilution were SEK 0.11 (SEK 0.64).

AFTER THE PERIOD

- In January Starbreeze announced that 505 Games had acquired the rights to Brothers – A Tale of Two Sons.
- In January, Starbreeze share of the revenue for PAYDAY 2 sales via the PC platform Steam amounted to 6,3 MSEK.

CEO BO ANDERSSON KLINT GIVES HIS COMMENT – SUMMARY

All aboard!

Net sales amounted to SEK 47,7 million (SEK 40,1 million) for the period, which is the third best quarterly turnover we've seen since the launch of PAYDAY 2 in August 2013.

To achieve a better second quarter in year on year growth is something we're very proud of, especially as the product is the same. This is something very rare in the gaming industry, and outside the norm.

We now have a well-defined and tested strategy with sales pulses that gives us confidence for future releases.

We're currently investing in our capacity and production efficiency, something that has increased our cost side somewhat. This will enable us to develop better and more frequent releases. Our already high tempo has increased.

There were 19 updates for PAYDAY 2 during the quarter; we ended the calendar year of 2014 strongly with a Christmas Sale on Steam, our primary distribution channel. We also released a PAYDAY 2 Game of the Year Edition, a bundle of the main product and all its DLCs at a great price during the sale. We're now looking forward to a full year of updates and activities. 2015 will be great for PAYDAY. Lion Game Lion opened the year, as the first third party studio delivering content to PAYDAY 2, with two expansions to the game. The DLCs yielded great reviews from the community.

Speaking of studios, we're getting close to the opening of the Starbreeze Los Angeles offices in April. The office will house the Geminose team, as well as an in-sourced team of developers hired to develop PAYDAY 2 updates and participate in the OVERKILL's The Walking Dead project. We've managed to find several experienced developers well versed in the gaming industry to join us on the continued journey.

During the period we have also been overwhelmed by the reception of our Crimefest initiative. We met with many from the community and participated in the discussions online. It was an extraordinary occasion that we are now following up with the "Hype Train" event. We're letting the community decide of what updates we produce next during the spring. The initial reception and feedback has been substantial and positive.

We will continue to care and nurture the PAYDAY franchise. As a part of this journey we're happy to announce that the next generation installment of PAYDAY 2, the Crimewave Edition, will hit retailers world wide in June. PAYDAY 2: Crimewave Edition will be released for PlayStation 4 and Xbox One in a complete package with a full year of DLCs included in the box. But we decided not to stop there, we're also giving everyone pre-ordering the game a 25% discount on PlayStation Network and Xbox Live for the duration of the pre-order period. The product will release around the time of the gaming convention E3 in Los Angeles.

In January we agreed to let 505 Games acquire the rights to Brothers: A Tale of Two sons. We've proven that we can create critically acclaimed games, develop them, and sell them with a profit.

The development of our future franchises, OVERKILL's The Walking Dead (OTWD) and Geminose, are progressing according to plan. OTWD is in a stage with heavy technology and design focus. The game is created by OVERKILL in Stockholm and with insourced staff in Los Angeles. Geminose' initial design phase is slowly moving towards a content creation phase. Geminose' development is largely outsourced; we're excited to start testing gameplay internally.

The gaming industry is in an interchangeable state; the landscape is constantly changing. We keep focus on the core of our business – to develop games with replayability, and nurturing our direct contact with our community.

As I communicated on our Yearly Shareholder's Meeting in November, this isn't just a year where we focus on PAYDAY and our sales pulses. We also need to strengthen our organization to make sure we're maximizing the potential of our expansive opportunities.

Therefore I'm especially happy to welcome a new member in our organization, Sebastian Ahlskog, who will take on the role of CFO in Starbreeze. Sebastian has a solid background with international characteristics, efficiency improvements and strategic initiatives. I believe it will be an invaluable addition to our financial department.

We're also happy to note that Ursula Bende, with more than ten years in the company will share her substantial Starbreeze experience with Sebastian in her new role as Financial Controller.

We'll continue to amaze and surprise you throughout the year. Customer and partner care above all. More PAYDAY and more professional resources will be the agenda for the second half.

For more information please contact:

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Brief information about Starbreeze:

Starbreeze is an independent creator, publisher and distributor of high quality entertainment products, headquartered in Stockholm, Sweden. At Starbreeze we create games by our own design and through licensed content, establishing franchises that can live and prosper outside the game itself. We live and die by gameplay.

Starbreeze is pioneering digital self-publishing, currently hosting one of the largest community groups on the digital distribution platform Steam. Starbreeze's most recent products include PAYDAY 2, our adrenaline fuelled bank robbing co-op game and the critically acclaimed Brothers – A Tale of Two Sons.

Starbreeze AB is publicly traded on Nasdaq Stockholm First North Premier under the ticker STAR and the ISIN code: SE0005992831. Remium Nordic is the company Certified Adviser. Starbreeze brands include OVERKILL Software and the PAYDAY series.

For more information, please visit <http://www.starbreeze.com>