STARBREEZE
COMPANY PRESENTATION

Carnegie Small & Mid Cap Seminar, 5 September 2017

AGENDA

01 WHO WE ARE

02 STARBREEZE GAMES & PUBLISHING

03 VIRTUAL REALITY

04 FINANCIALS & INVESTMENT CASE

STARBREEZE SNAPSHOT

19
YEARS IN THE BUSINESS

15+
GAMES DEVELOPED

2
MAIN SALES CHANNELS

600
EMPLOYEES

8
OFFICES (EU and NA)

2000
LISTED SINCE

STARBREEZE

TRANS-FORMING STARBREZE

EVOLVING OUR BUSINESS MODEL

2013- GAMES DEVELOPER

GAAS business model

Proven Games as a Service (GAAS) business model with PAYDAY 2 success.

PAYDAY 2

2015- PUBLISHING

The good publisher

Teaching our GAAS business model to other developers and publishing games in partnership.

2015- VIRTUAL REALITY

Investing in VR

Building the foundation for a significant investment in Virtual Reality.

STARVR

2016- ECOSYSTEM

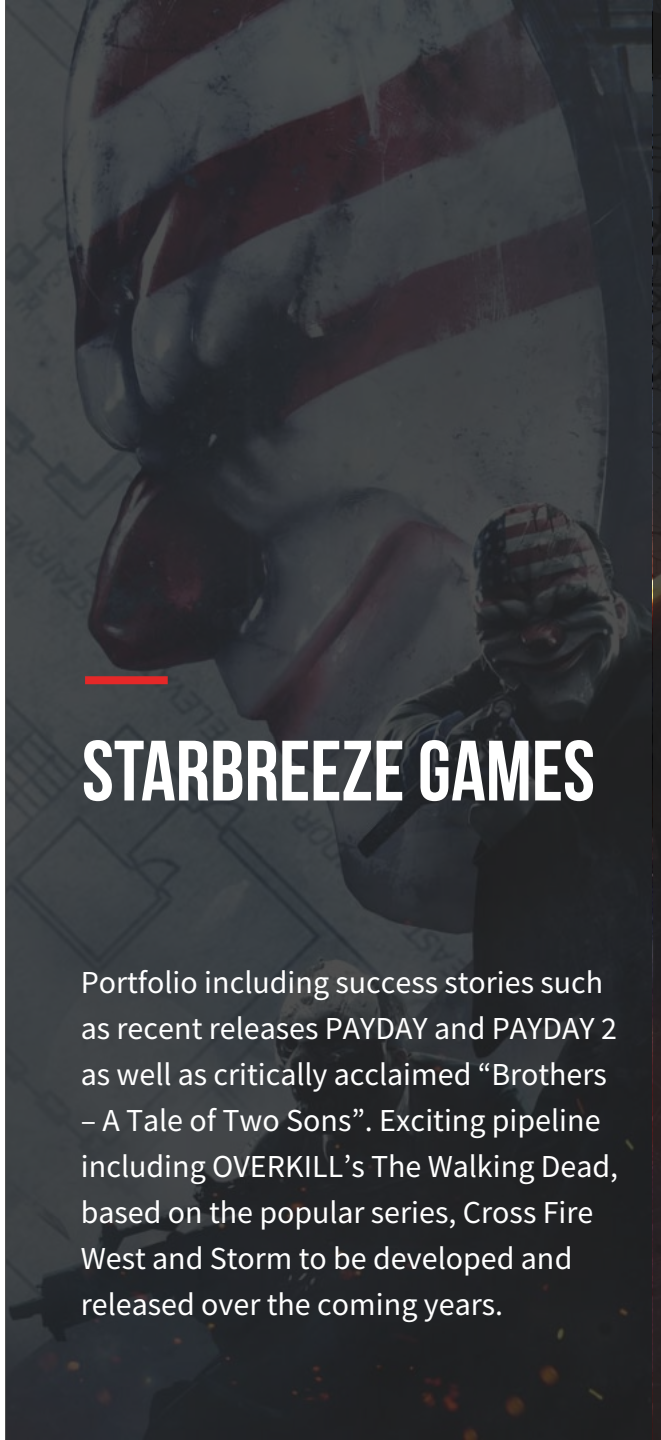
Establishing the ecosystem

Virtual Reality investment to start bearing fruit in 2017, key to partnerships.

ENTER SPACE

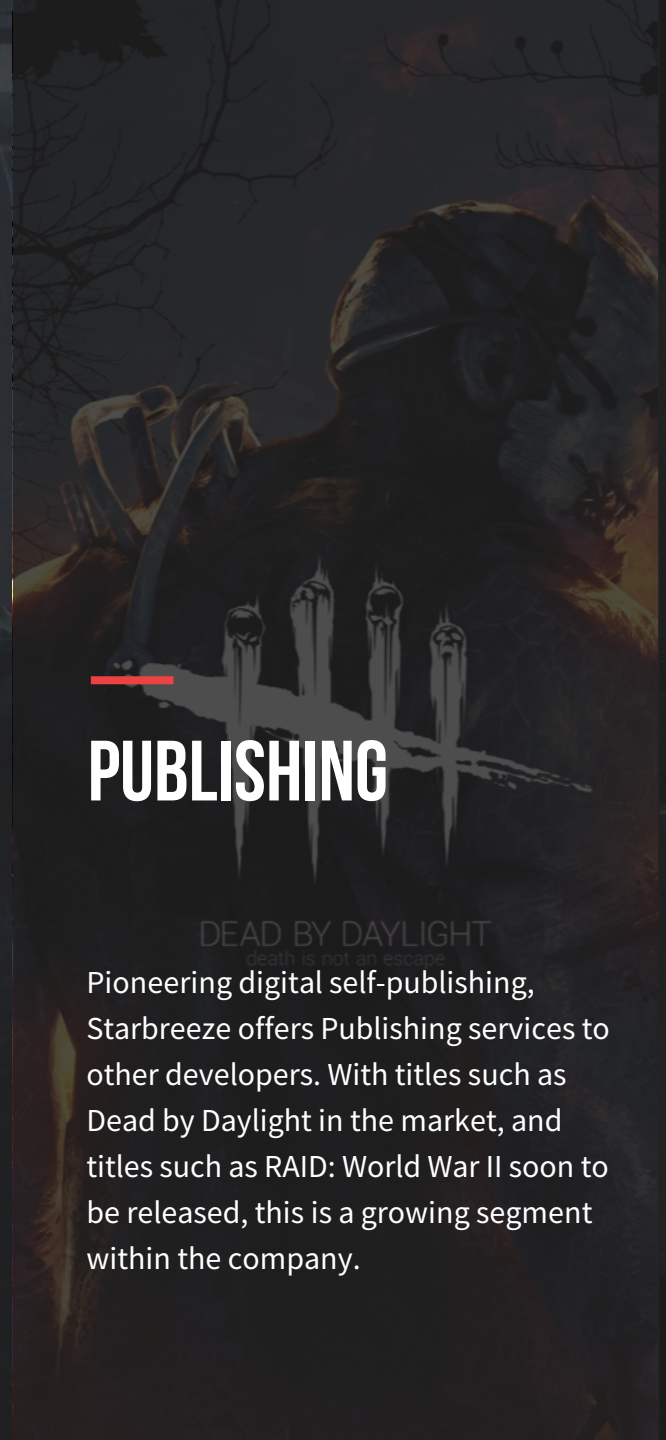
IMAX

WHAT WE DO



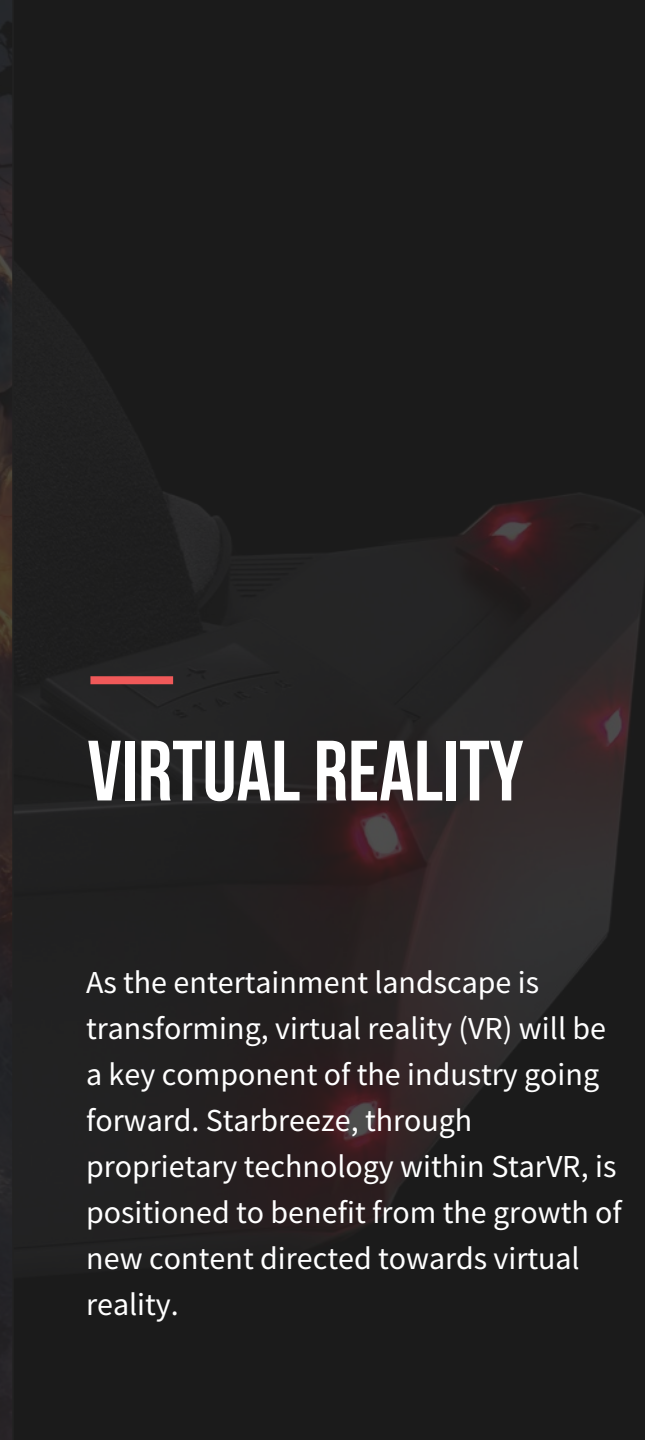
STARBREEZE GAMES

Portfolio including success stories such as recent releases PAYDAY and PAYDAY 2 as well as critically acclaimed “Brothers – A Tale of Two Sons”. Exciting pipeline including OVERKILL’s The Walking Dead, based on the popular series, Cross Fire West and Storm to be developed and released over the coming years.



PUBLISHING

Pioneering digital self-publishing, Starbreeze offers Publishing services to other developers. With titles such as Dead by Daylight in the market, and titles such as RAID: World War II soon to be released, this is a growing segment within the company.



VIRTUAL REALITY

As the entertainment landscape is transforming, virtual reality (VR) will be a key component of the industry going forward. Starbreeze, through proprietary technology within StarVR, is positioned to benefit from the growth of new content directed towards virtual reality.

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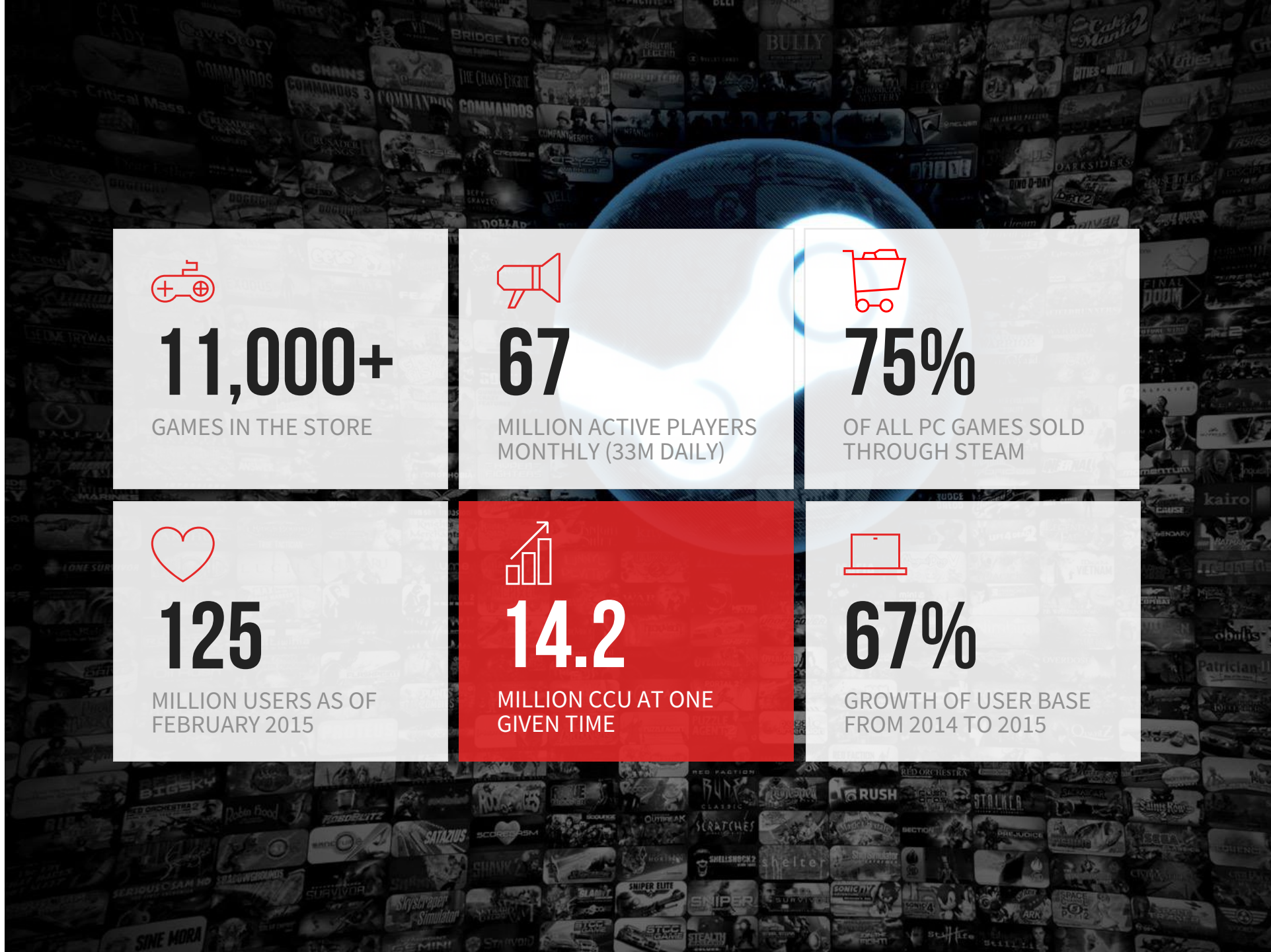
STARBREEZE

STEAM SNAPSHOT

Steam is a digital distribution platform for PC games, much like an app store for PC.

Steam is the marketplace where the majority of Starbreeze sales takes place.



11,000+
GAMES IN THE STORE

67
MILLION ACTIVE PLAYERS MONTHLY (33M DAILY)

75%
OF ALL PC GAMES SOLD THROUGH STEAM

125
MILLION USERS AS OF FEBRUARY 2015

14.2
MILLION CCU AT ONE GIVEN TIME

67%
GROWTH OF USER BASE FROM 2014 TO 2015

STARBREEZE
GAMES

PAYDAY UPDATE

Franchise still growing, PAYDAY 2 celebrated its fourth birthday in August 2017. Platform expansion continues and PAYDAY 2 was announced for Nintendo Switch.

2 GAMES

2 PAYDAY TITLES
PAYDAY: THE HEIST (2011), PAYDAY 2 (2013)

14 MILLION+

PAYDAY FRANCHISE UNITS SOLD
A WORLD WIDE STARBREEZE OWNED FRANCHISE

712 MSEK

PAYDAY 2 REVENUE
2013-2017

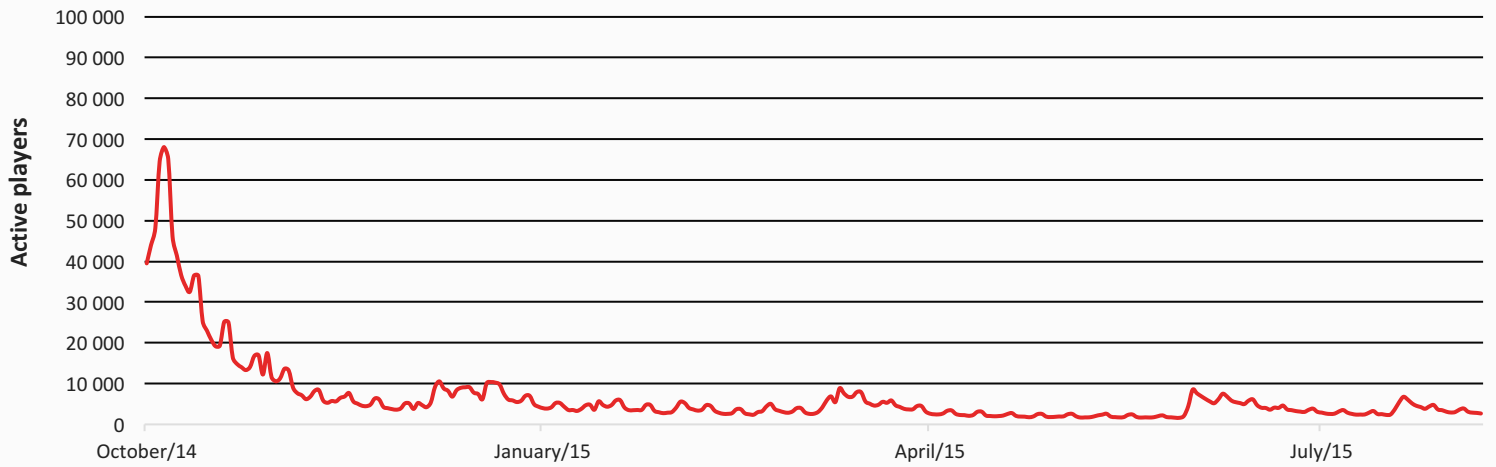
5.4 MILLION

PAYDAY 2 COMMUNITY MEMBERS
LARGEST COMMUNITY ON STEAM

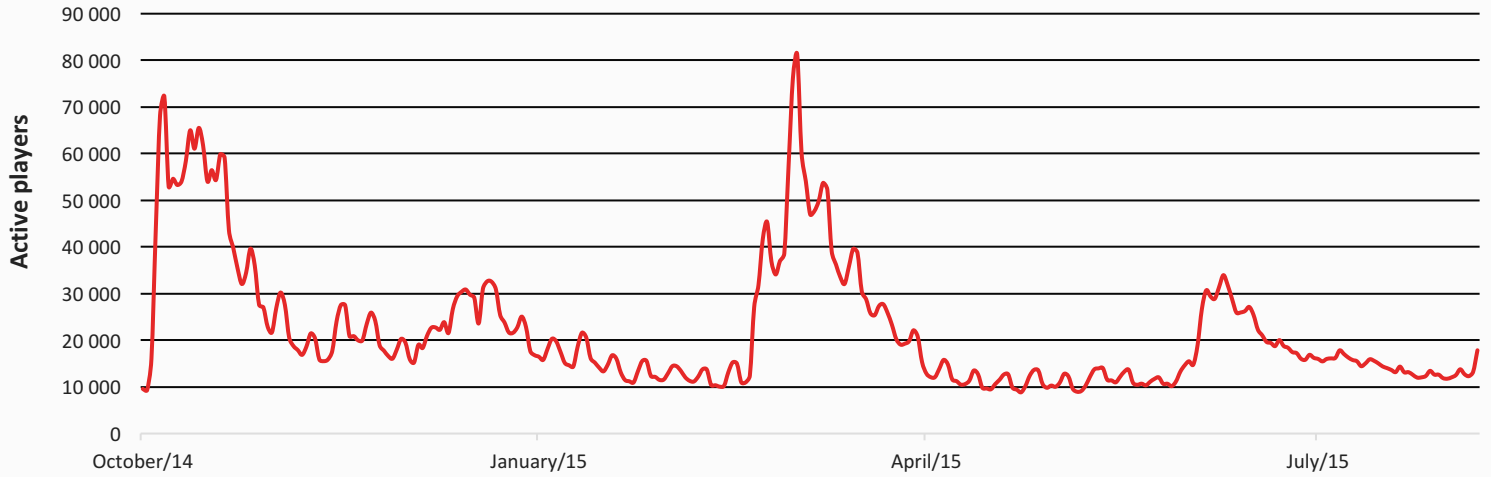
STARBREEZE

GAMES AS A SERVICE

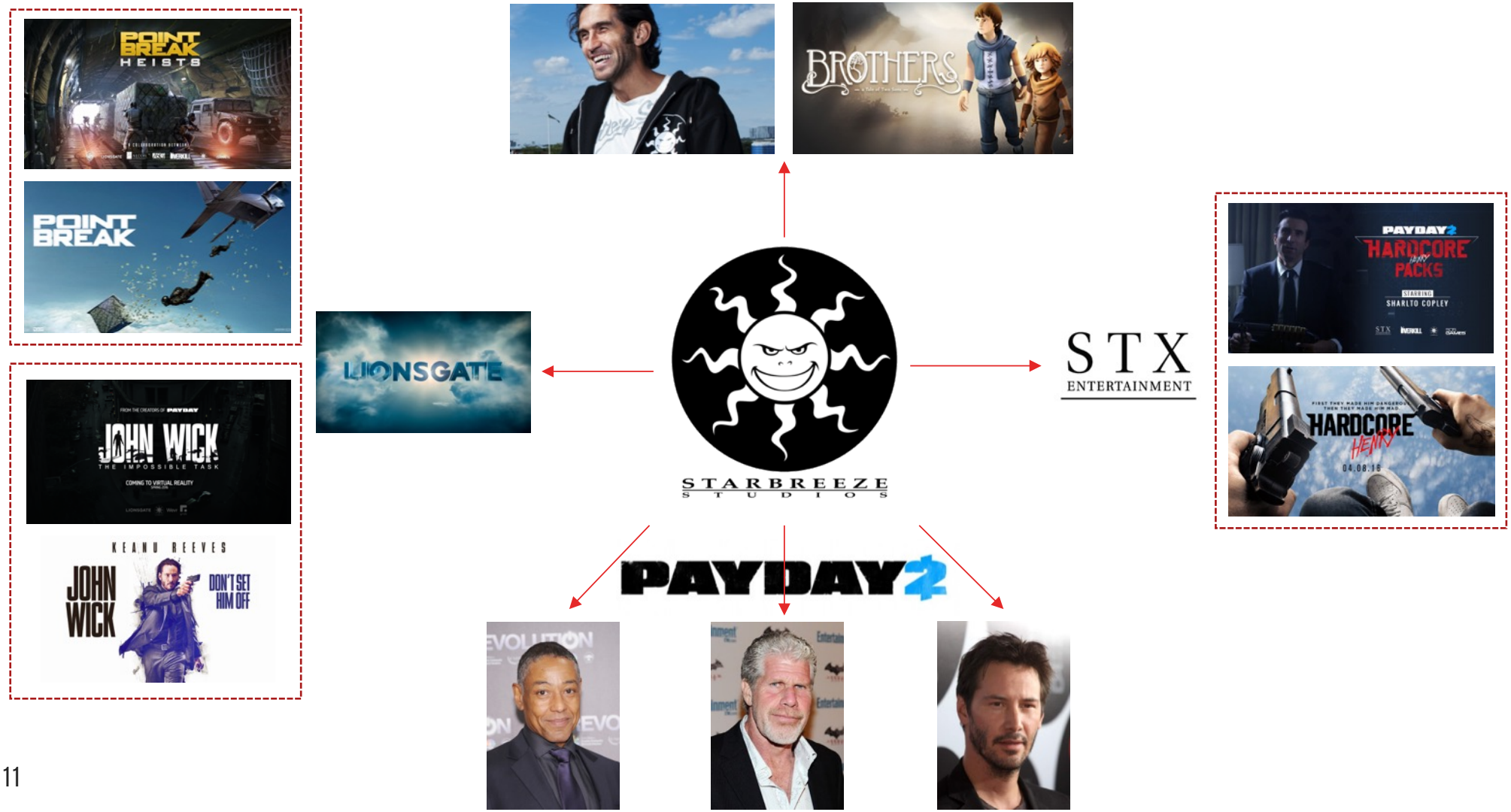
PRODUCT LIFETIME OF A NORMAL GAME



PAYDAY 2 TWO YEARS AFTER RELEASE



EXTENDING THE BUSINESS MODEL WITH COLLABORATIONS



TRUE MULTI CHANNEL STRATEGY - PER FRANCHISE

PC

CONSOLE

XBOX ONE PS4

STARBREEZE STUDIOS

MOBILE DEVICES

MOVIES

VIRTUAL REALITY

OVERKILL'S THE WALKING DEAD STARBREEZE

- To be released H2 2018
- PC, XBOX ONE & PS4

STARBREEZE
PUBLISHING
DEAD BY DAYLIGHT
death is not an escape

STARBREEZE

DEAD BY DAYLIGHT UPDATE

Dead by Daylight is Starbreeze first game released as publisher. It's an asymmetrical horror game developed by the Canadian studio Behaviour Digital.

The PC game was released on June 14, 2016 and had sold 270,000 units one week after its release.

700K

COMMUNITY

The Steam Community group has surpassed 700,000 members

>2 M UNITS

UNITS SOLD

In August 2017, more than 2 million units of Dead by Daylight had been sold on PC

43K

CONCURRENT

42,857 concurrent players have been noted for Dead by Daylight

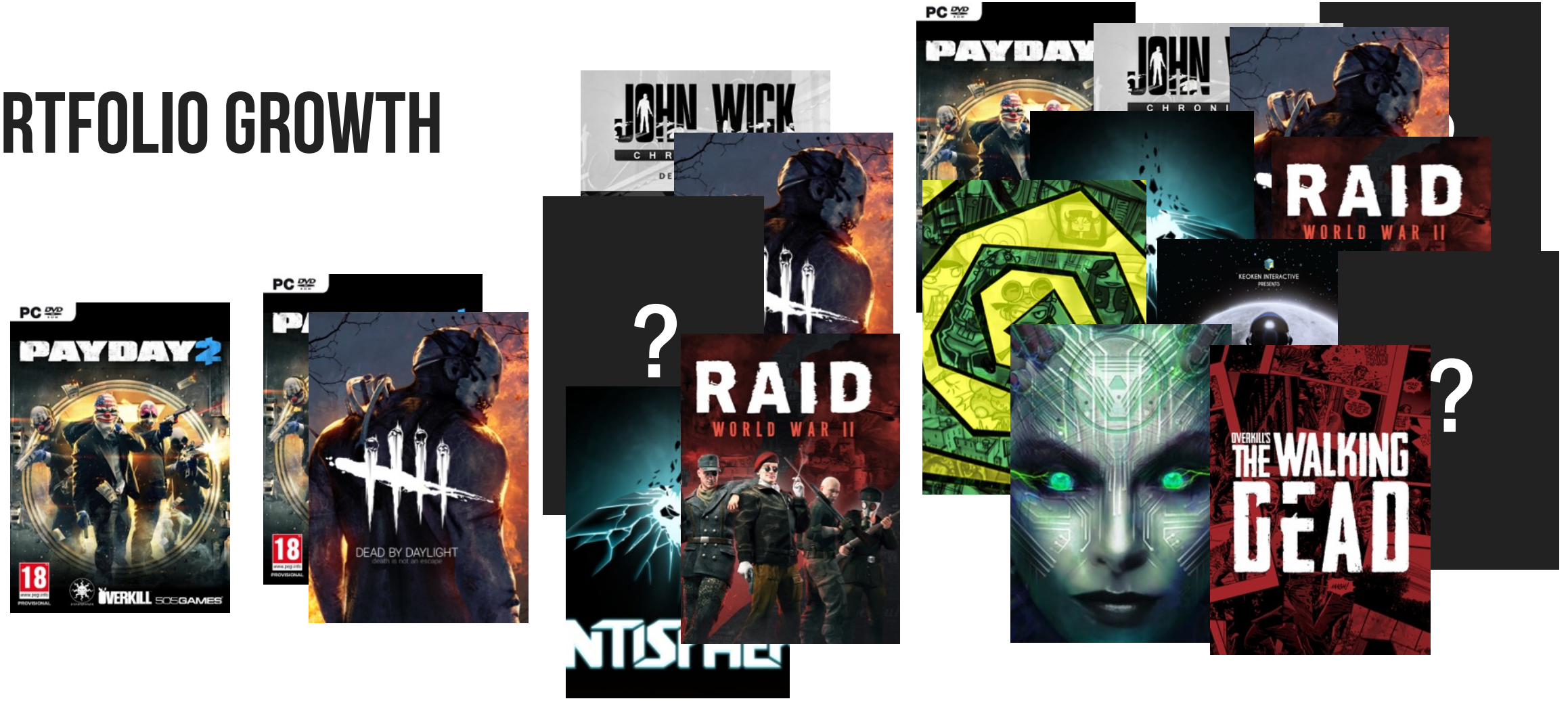
STARBREEZE

RAID: WORLD WAR 2 PUBLISHING

- To be released September/October 2017
- PC, XBOX ONE & PS4

PAYDAY DNA to World War II setting.

PORTFOLIO GROWTH



2013

Starbreeze initial revenue stream

2016

First publishing release in 2016 adding to our topline

2017

Further expanding revenue streams over the year

2018 & Onwards*

Solid slate of both publishing offerings and own development.

*Illustrative picture and not representative of the full slate

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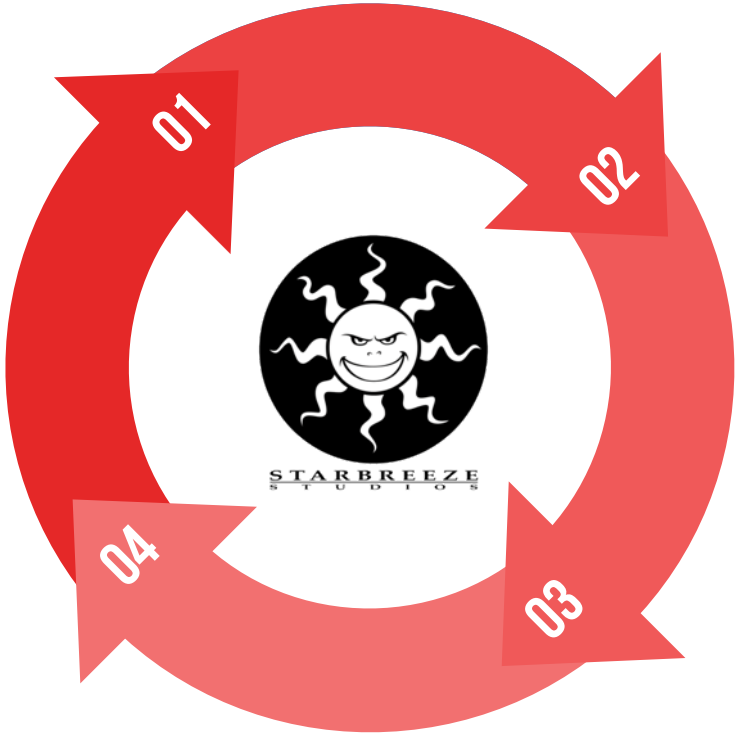
STARBREEZE
VIRTUAL REALITY

THE STARBREEZE VR ECOSYSTEM

CONTENT IS KING

Content and IP ownership is the base of our Ecosystem.



TECH

Investment in virtual reality and related tech, StarVR, ePawn and PresenZ.

IMAX
acer
Smilegate

PARTNERSHIPS

Collaborations to leverage best in class partnerships.

LOCATION BASED ENTERTAINMENT

The future of virtual reality entertainment through arcades and location based entertainment venues such as theme parks.

ENTER SPACE IMAX

STARVR
HMD

- Joint venture with Acer
- Development kit, mass production to start 2017/2018
- High end, high definition B2B headset
- 5K low persistent screen
- 210 degree field of view
- Perfect tracking through Phase Space tracking

STARBREEZE

LOCATION BASED ENTER-TAINMENT

BEST IN CLASS LBE VR EXPERIENCE

Combining experiences in a more casual setting with both entertainment and education.

FIRST CENTRE TO OPEN IN STOCKHOLM AUTUMN 2017

First location already in progress and set to open in the autumn 2017. More centers to follow, for example in Dubai.

POSITIONED FOR NO.1 LOCATION BASED VR-EXPERIENCE

Owning a part of the emerging VR market by premium experiences.

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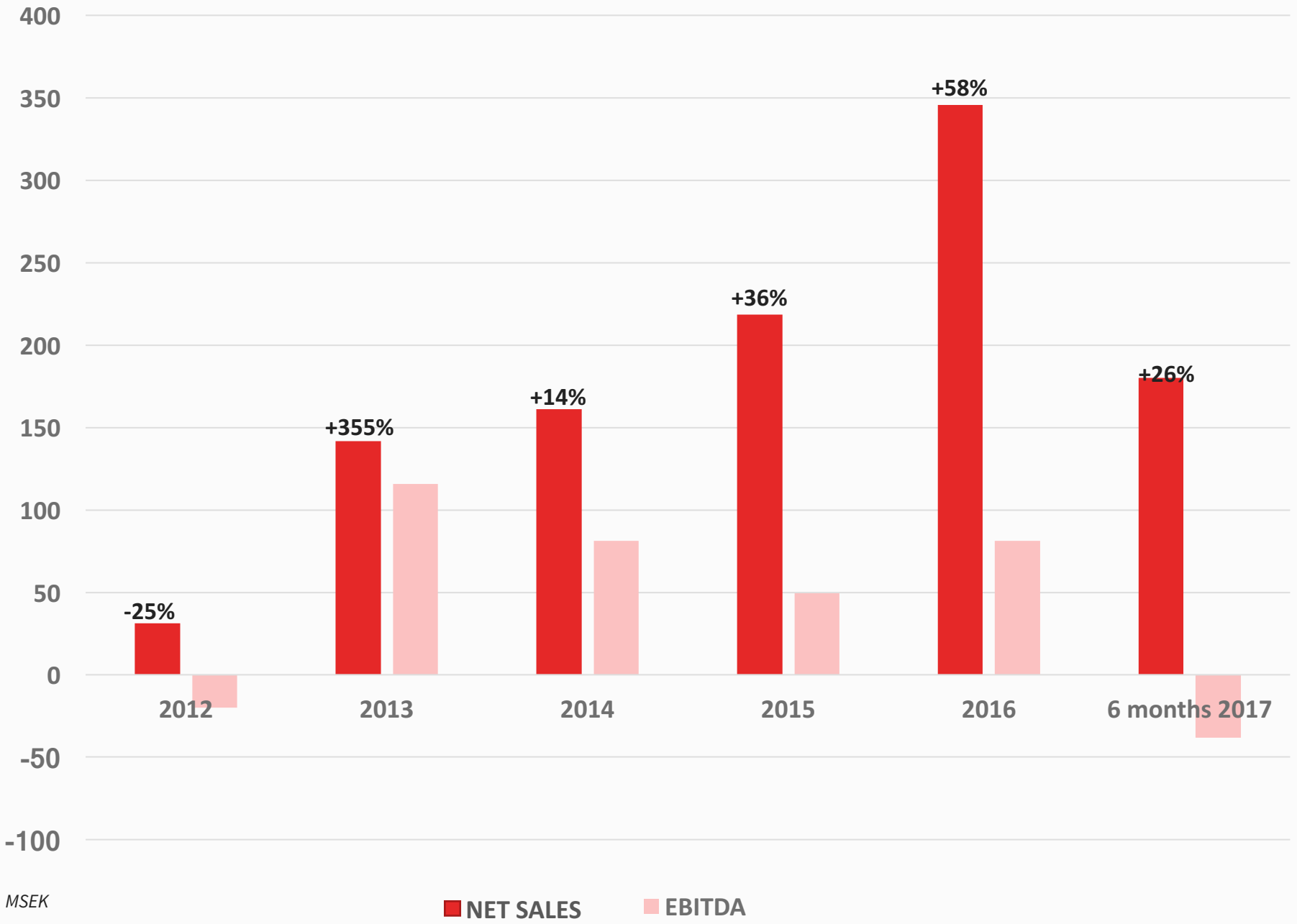
STARBREEZE

NET REVENUE AND EBITDA



STARBREEZE

KEY FIGURES Q2 2017

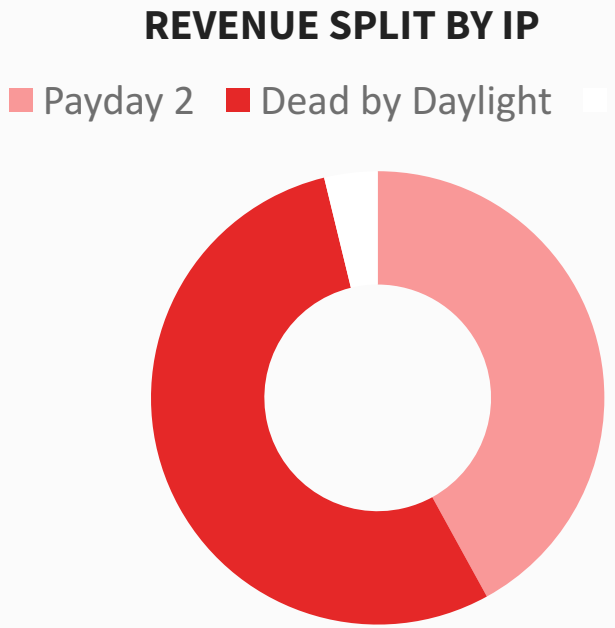
SECOND QUARTER 2017

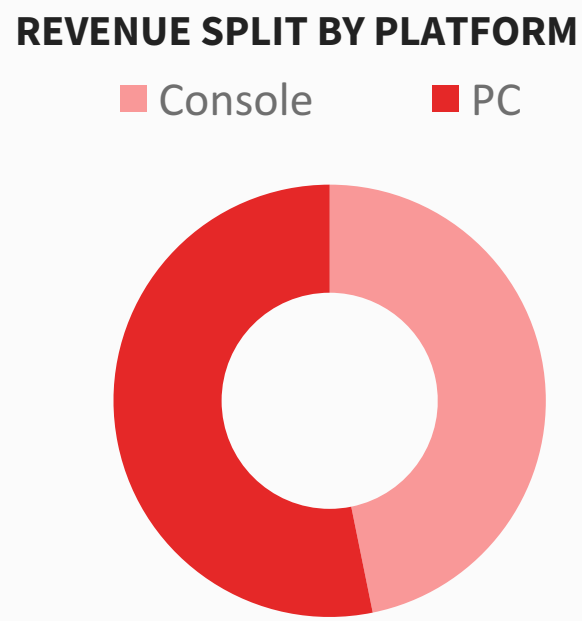
- Net sales increased by 20 percent.
- Adjusted for non-recurring revenue in Q2 2016, revenues rose by 48 percent.
- The growth is the outcome of strategy to widen the revenue base by increasing the numbers of both titles and distribution channels per title.
- New loan financing from Nordea of SEK 150 million was approved after the end of the quarter.

KSEK	2017 Q2	2016 Q2
Net sales	122,698	102,589
EBITDA	-2,683	27,459
Profit/loss before tax	-16,747	27,484
Profit/loss after tax	-9,924	21,258
Earnings per share, SEK	-0.04	0.09
Exchange difference	428	2,090
Net sales growth, %	19.6	42.7
EBITDA margin, %	-1.5	19.1

STARBREEZE

NET SALES Q2



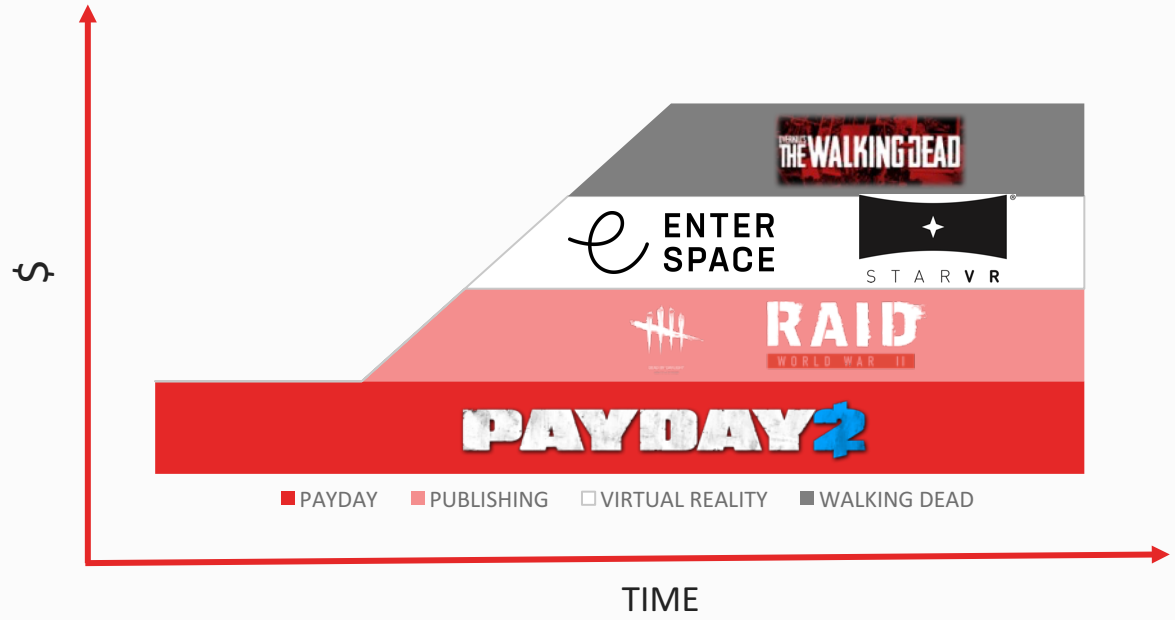


PAYDAY generated SEK 51.0 million (62.6) of the total net sales and Dead by Daylight SEK 65.8 million (39.9).

POSITIONED FOR GROWTH

REVENUE STREAMS

AN INCREASING AMOUNT OF REVENUE STREAMS



THANKS!

The Starbreeze Ecosystem & Beyond

STARBREEZE INVESTMENT CASE SUMMARY

01 ENTREPRENEURIAL MANAGEMENT

Strong management with entrepreneurial track record & management group

02 CONTINUED MARKET GROWTH

7,9% market growth yoy, healthy games and entertainment industry

03 ESTABLISHED & PROVEN PUBLISHING

Dead by Daylight proves publishing business model, Raid WW2 in the pipeline

04 PROVEN GAAS BUSINESS MODEL

PAYDAY longevity through Games As A Service

05

5

Top-line contributors in the pipeline

PAYDAY-franchise, Dead by Daylight, RAID: WW2, OVERKILL's The Walking Dead, Virtual Reality and more

06 GEO EXPANSION THROUGH COLLABORATIONS

Key partnerships to expand

07 VIRTUAL REALITY, STARVR HMD

VR hardware strategy to be realized and start generating revenue EO 2017. Strong partnerships with Acer and IMAX.

08 VIRTUAL REALITY, ECO SYSTEM

Starbreeze positioned to take part in several parts of the VR value chain