STARBREEZE
ENTERTAINMENT



Q1

Interim Report

January – March 2024

First Quarter 2024

- Net sales amounted to SEK 56.6 million (26.7).
  PAYDAY 2 accounted for SEK 10.9 million (26.4).
  PAYDAY 3 accounted for SEK 23.3 million (0).
  Third-party publishing accounted for SEK 17.4 million (0).
- EBITDA* amounted to SEK 48.5 million (4.1), including items affecting comparability of 19.9 million.
- Cash flow from operating activities amounted to SEK 78.4 million (20.7).
- Depreciation, amortization and impairment amounted to SEK 71.8 million (15.6).
- Profit/loss before taxes amounted to SEK -21.0 million (-24.7).
- Basic and diluted earnings per share amounted to SEK -0.01 (-0.03).
- Cash and cash equivalents amounted to SEK 387.2 million (78.0).

Significant events during and after the period

- January 9, Starbreeze announced changes in Group management.
- January 10, the Starbreeze Nomination Committee announced the proposal to appoint Jürgen Goeldner as the new Chairperson of the Board of Directors at the 2024 Annual General Meeting.
- February 15, “Operation Medic Bag” was launched – a focused project to meet the expectations of the player community and improve PAYDAY 3. The game has seen three major updates since February 15.
- February 22, The Tribe Must Survive was released in Early Access on Steam.
- March 12, Board member Jürgen Goeldner was appointed interim CEO of Starbreeze. A process to recruit a permanent CEO is ongoing.
- April 15, a content update was released for Roboquest with new content, new functionality, and improvements.

KEY FIGURES SEKk	2024 JAN-MAR	2023 JAN-MAR	2023 JAN–DEC
Net sales	56,610	26,661	633,510
EBITDA*	48,496	4,051	439,340
Profit (-loss) before tax	-20,968	-24,725	207,656
Earnings per share, SEK	-0.01	-0.03	0.19
Cash flow from operations	78,382	20,690	114,575
Net sales per employee	296	156	3,443

*For definitions of performance measures, see page 22

STARBREEZE

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CEO's message

PAYDAY™ 3 evolves with "Operation Medic Bag"



Starbreeze has been a force in the global games industry for more than 25 years and will continue to be so by developing and publishing games globally and leverage the strength of both the organization and the IP portfolio.

During my months as interim CEO my focus has been on PAYDAY 3 as well as business development aspects, for example our presence at the Game Developers Conference (GDC) in March, where we among other things met industry peers and new potential partners. We also showed a playable tech demo of Project Baxter and received high interest.

RESULTS AND FINANCIAL POSITION

Our cash position at the end of the quarter was SEK 387m, with a balance sheet light on debt. The underlying result for the quarter, adjusted for items affecting comparability, was strong thanks to revenues from multiple titles as well as cost control measures. The revenue streams show that we are no longer a one product company. Together with our co-publisher we are running a concerted effort to improve on PAYDAY 3 by reprioritizing and focusing the development based on players' feedback with only a minor impact on planned investments.

PAYDAY 3

PAYDAY 3's 'Operation Medic Bag' is a comprehensive initiative that covers both smaller initiatives as well as improvements to the games' progression system. On top also matchmaking and server infrastructure and a solo/offline mode. We are going to increase both the cadence and scope of the patches, with several larger milestone releases planned, the first of which will launch in June. The team is working from feedback from our players and community, identifying the changes that we believe are the most impactful ones from a player perspective. We can already see the sentiment shift confirming that we are on the right track. "Operation Medic Bag" has meant that we've pushed some content DLCs in favor of adding new features. So, our pipeline for the summer months is very strong. Consequently, we expect to see an impact on sales from the third quarter onwards. The PAYDAY IP is strong, and the potential for the IP remains high, evident not only from our conversations in the industry.

PROJECT BAXTER

As previously mentioned, Starbreeze' presence at GDC was in large part to talk to future partners about Baxter. While we will be the publisher of the game, we will enter partnerships where it makes sense. This will be for marketing, distribution in both the digital and physical sense or other support that increases the quality and potential of the project while at the same time lowering the project risk.

THIRD PARTY PUBLISHING

Roboquest continues to perform strongly, and we continue to work with the developer to expand the game. Roboquest follows a Games as a Service-model with four targeted updates slated for 2024, the first of which was published here in April. The game continues to enjoy a very high rating from both players and media.

During the quarter, The Tribe Must Survive launched in Early Access on Steam. The purpose of Early Access is to foster a collaborative relationship with the player community, gathering valuable feedback on all aspects of the game. The 1.0 version of the full game will launch on May 23rd, 2024.

ORGANIZATION

During the quarter, the number of employees decreased slightly. We continue to hire specific competency for positions on Project Baxter while keeping the organization efficient for all our projects.

CLOSING WORDS

The search for a permanent CEO is coming to an end. For that position many candidates were identified, interviewed and assessed.

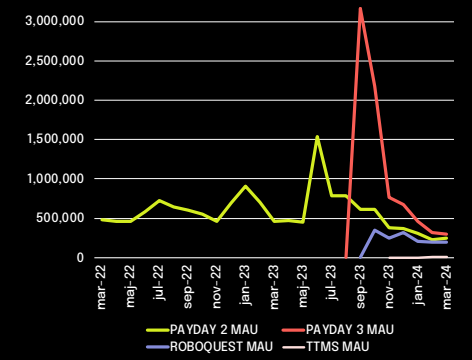
With a "vertical slice" of Project Baxter as the next step of the project, interested parties will be invited to submit their offers and we will select the best partner and deal for the product, the brand and ultimately for the company.

JÜRGEN GOELDNER, interim CEO

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

1,074,206

in January 2024



Source: Game data via Starbreeze telemetry

Significant events during the quarter

Starbreeze announced changes in Group management

January 9, Starbreeze announced changes in Group management in connection with the recruitment of a new Chief Strategy Officer. Read more here.

Jürgen Goeldner proposed as new Chairperson of Starbreeze

January 10, the Starbreeze Nomination Committee announced the proposal to appoint Jürgen Goeldner as the new Chairman of the Board of Directors at the Annual General Meeting in May 2024. Read more here.

Operation Medic Bag launched

February 15, "Operation Medic Bag" was launched – a focused project to meet the expectations of the player community and improve PAYDAY 3. The game has seen three major updates since February 15. Read more here.

Early Access launch of The Tribe Must Survive on February 22

January 17, Starbreeze announced the Early Access launch of The Tribe Must Survive on Steam® on February 22. Read more here.

First patch of "Operation Medic Bag" launched

March 1, the first patch of "Operation Medic Bag" launched including initiatives such as rotating stealth modifiers, unready button and improved controller settings. In addition, it also includes support for various Nvidia technologies and 300+ fixes. Read more here.

Interim CEO Jürgen Goeldner

March 12, Board member Jürgen Goeldner was appointed interim CEO of Starbreeze. A process to recruit a permanent CEO is ongoing. Read more here.

Second patch of "Operation Medic Bag" launched

On March 28, the second patch "Operation Medic Bag" launched, including new adaptive armor, the new Adrenaline feature, a new skill line and several fixes. Read more here.

Significant events after the end of the period

New content launched for Roboquest

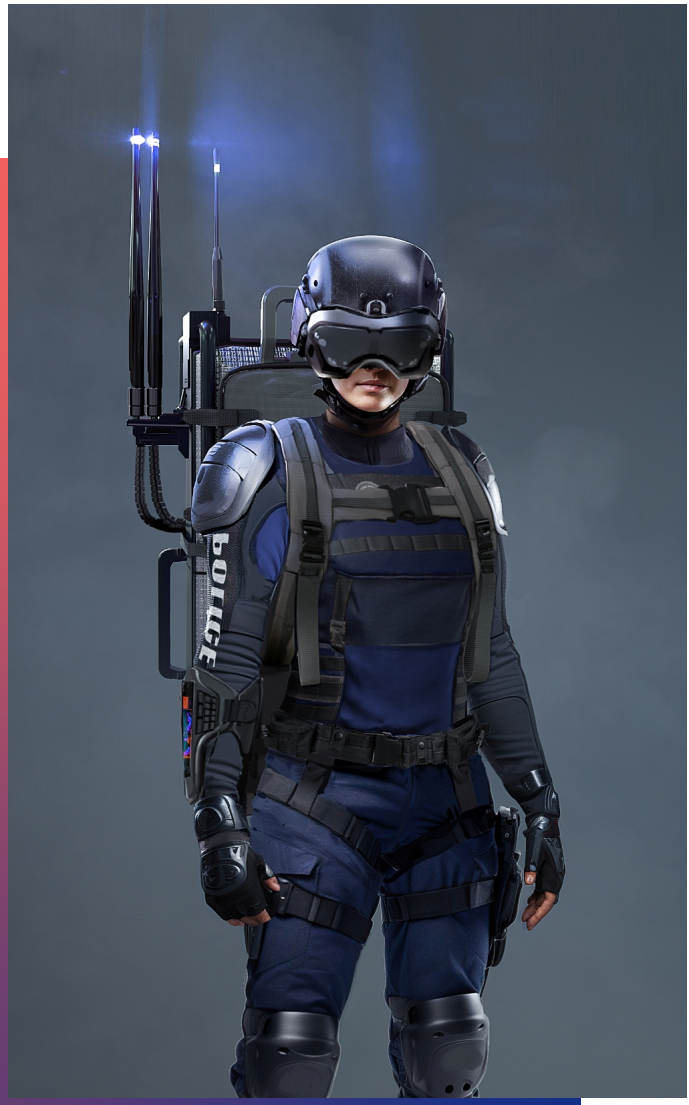
April 15, a content update was released for Roboquest with new content, new functionality, and improvements. Read more here.

Third patch of "Operation Medic Bag launched

On April 30, the third patch of "Operation Medic Bag" launched, including new quickplay, ability to merge players into party post-game, skip mission intro, shock grenade and several fixes such as over 90 percent of all server crashes and over 70 percent of all client crashes. Read more here.

The Tribe Must Survive launching 1.0

On May 2nd, the release date of the 1.0 full release of The Tribe Must Survive – May 23rd 2024, was announced. Read more here.



STARBREEZE



Net sales and earnings

02

Net sales and earnings

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

First quarter 2024

Sales

Net sales for the quarter amounted to SEK 56.6 million (26.7). Overall, sales were up 112.0 percent during the quarter. The increase is attributable to PAYDAY 3 and revenue relating to third-party publishing. Game sales amounted to SEK 34.3 million (26.7), Third-party publishing to SEK 17.4 million (0) and Licensing to SEK 0.5 million (-0.1). Other revenue amounted to SEK 4.4 million (0.1) and relates to the sale of the Cinemaware catalog.

Starbreeze's reported revenue attributable to PAYDAY 3 amounted to SEK 23.3 million. All revenue is related to sales on Steam, Xbox Game Pass, Xbox X|S, Playstation 5, and Epic Games Store platforms. Sales consist of sales of different editions of the base game, license versions, and sales of DLC.

PAYDAY 2 sales amounted to SEK 10.9 million (26.4) and relate to Steam, Epic Games Store and console platform sales.

Costs

Direct costs amounted to SEK 86.5 million (15.8) and consist of costs linked to game production and game development. Direct costs include depreciation intangible assets of SEK 67.8 million (11.8), server costs of SEK 6.5 million (0.3), personnel related costs of SEK 30.9 million (30.3), and revenue sharing linked to third-party publishing of SEK 10.3 million (0).

Capitalized development expenditure reduced the direct costs by SEK 35.3 million (36.8) and relates to the games PAYDAY 3 and Baxter, and development of new IP.

Sales and marketing costs amounted to SEK 7.4 million (5.6) and relate to market activities and personnel costs. The increase is mainly attributable to higher personnel costs of SEK 2.1 million.

Administrative expenses during the quarter amounted to plus SEK 4.8 million. Adjusted for items affecting comparability of SEK 19.9 million, it amounted to SEK 15.1 million (18.5). In addition to the items affecting comparability, expenses are related to office costs, salary to employees who do not work in game production or marketing, as well as other external costs.

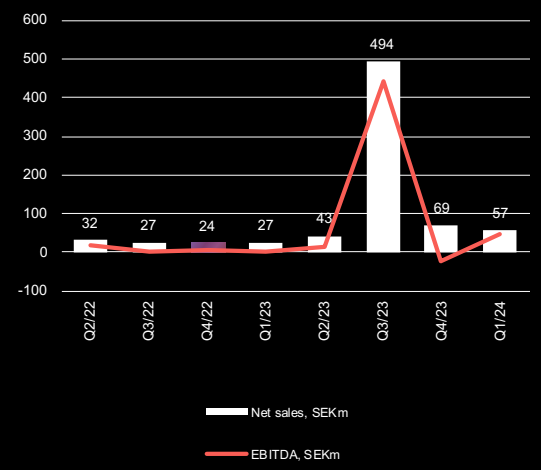
The items affecting comparability, totaling SEK 19.9 million are attributable to the reversal of previously expensed personnel costs for the company's long-term incentive program linked to the launch of PAYDAY 3 and restructuring costs relating to remuneration payable to the company's former CEO.

Administrative expenses include depreciation of SEK 4.0 million (3.8). Capitalized development expenditure reduced

Net sales and earnings

SEKk	2024 JAN-MAR	2023 JAN-MAR
Net sales	56,610	26,661
EBITDA *	48,496	4,051
Profit (-loss) before tax	-20,968	-24,725
Net profit (-loss) for the period	-21,023	-24,934
Earnings per share, SEK	-0.01	-0.03
Net sales growth, %	112.3	13.3
EBITDA margin, %	85.7	15.2

*See page 22 for the definations of key figures



administrative expenses by SEK 9.4 million (8.5) and relates to the games PAYDAY 3, Baxter, and other IP.

Other revenue amounted to SEK 9.2 million (1.6). This item also consists of exchange rate effects relating to the revaluation of assets and liabilities denominated in foreign currencies of SEK 11.0 million (-2.2) and rental income of SEK 0.5 million (0.9).

Earnings

Earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to SEK 48.5 million (4.1). The improvement in earnings is attributable to increased revenue linked to PAYDAY 3 and third-party publishing, as well as adjustment of reserved costs for incentive programs relating to PAYDAY 3.

Net financial income/expense

Net financial income/expense amounted to SEK 2.4 million (-13.1). During the quarter, the company received interest relating to holdings in banks.

During the quarter, interest expenses on lease liabilities of SEK -0.0 million (-0.1) were charged to net financial income/expense.

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

Profit/loss before taxes amounted to SEK -21.0 million (-24.7).

Earnings for the period were SEK -21.0 million (-24.9).

Basic and diluted earnings per share amounted to SEK -0.01 (-0.03).

Specification of net financial income/expenses

SEKk	2024 JAN-MAR	2023 JAN-MAR
Interest on convertible bonds	-	-7,145
Net profit (-loss) from StarVR Corp.	1,346	-25
Implicit interest	-	-6,003
Interest bank	1,040	-
Interest on lease liability	-33	-123
Unrealized change in value of derivatives	-	161
Other items	-0	8
Total	**2,352**	**-13,128**



03 Other financial information

Other financial information

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

First quarter 2024

Cash flow

Cash flow from operating activities before changes in working capital amounted to SEK 40.4 million (6.8), with negative operating profit amounting to SEK -23.3 million (-11.6) and adjustments for items not included in cash flow amounting to SEK 62.4 million (18.7). Adjustments for items not included in cash flow consist of the depreciation of assets of SEK 71.8 million (15.6) and exchange rate effects of SEK -5.0 million (2.6).

Cash flow from operating activities after changes in working capital amounted to SEK 78.4 million (20.7). The paid receivable linked to PAYDAY 3 sales had a positive effect on working capital.

Cash flow from investing activities amounted to SEK -49.0 million (-46.8), of which investments in proprietary game development accounted for SEK -49.9 million (-45.4).

Cash flow from financing activities amounted to SEK 9.9 (-4.2) million and is a result of the game financing received for the development of DLC for PAYDAY 3 of SEK 13.7 million (0). Outstanding trade receivables linked to the financing of PAYDAY 3 amounted to SEK 31.4 million. Leasing expenses amounted to SEK -3.8 million (-3.8).

Total cash flow for the period was SEK 39.3 million (-30.3). Cash and cash equivalents at the end of the quarter amounted to SEK 387.2 million (78.0).

Investments

During the period, the Group's investments in property, plant and equipment amounted to SEK -2.5 million (-0.3). Investments in proprietary game and technology development amounted to SEK -49.9 million (-45.4).

Cash and cash equivalents at March 31st 2024

387,2 MSEK

Financial position

Non-current assets

Goodwill at the end of the period amounted to SEK 49.3 million (48.0). The increase in goodwill is attributable to the revaluation of assets in foreign currencies.

Licenses amount to SEK 11.1 million (0) and consist of rights to use IP rights.

Intangible assets, consisting mainly of IP rights, amounted to SEK 122.3 million (168.0).

Capitalized expenditure for proprietary game and technology development amounted to SEK 312.8 million (368.0).

Investments in publishing projects amounted to SEK 8.7 million (5.1).

Amortization and impairment of intangible assets amounted to SEK 67.9 million (11.9) during the period. The increase is due to the depreciation of PAYDAY 3.

Current assets

Trade and other receivables amounted to SEK 52.5 million (31.4), of which trade receivables linked to PAYDAY 3 amounted to SEK 31.5 million. Starbreeze receives cash only after Plaion receives cash, and Starbreeze has issued an invoice for the share to which Starbreeze is entitled according to the terms of the revenue sharing agreement.

Prepaid expenses and accrued income at the end of the period amounted to SEK 71.1 million (43.5), of which SEK 30.9 million (11.1) relates to receivables for PAYDAY 2 and PAYDAY 3 sales.

Equity

Group equity at the balance sheet date amounted to SEK 870.5 million (31.4). The increase in equity is a result of the preferential rights issue carried out in the second quarter of 2023 and the conversion of the company's convertible loan in the third quarter of 2023.

Non-current liabilities

Non-current liabilities amounted to SEK 100.0 million (395.5). The non-current part of lease liabilities amounted to SEK 98.1 million (1.6), and the increase is due to a new lease agreement for office premises in Stockholm for the next five years. Deferred tax liabilities amounted to SEK 1.4 million (1.4).

Current liabilities

Current liabilities totaled SEK 176.0 (342.6) million. Trade payables and other liabilities at the end of the period amounted to SEK 96.8 million (274.2). Current lease liabilities amounted to SEK 17.2 million (16.3). Accrued expenses and deferred income at the end of the period was SEK 61.9 million (50.2).

Share capital

The share capital at the end of the period amounted to SEK 29,535,241 (14,492,185) divided into 1,476,762,040 shares (724,609,266), with 149,372,353 class A shares (164,308,598) and 1,327,389,687 class B shares (560,300,668).

Risks and uncertainties

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

The biggest risks and uncertainties are low revenues when launching games and project delays. These and other risks, such as copyright infringement, loss of key personnel, and exchange rate fluctuations, are described in the Starbreeze Annual Report 2023 in the management report on pages 41–42, in Note 3, and on

Distribution, employees

	2024 Q1	2023 Q1
Employees	191	171
Men	*156*	*144*
Women	*35*	*27*

Number of employees

191

pages 11–21 of the rights issue 2023 prospectus. Furthermore, the value of certain assets and liabilities is based on an expected outcome, which means that these items must be revalued on an ongoing basis and may therefore affect future earnings.

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

Parent company

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

The Parent Company's net sales for the quarter amounted to SEK 4.8 million (7.3). Sales mainly relate to the allocation of management fees.

Earnings before and after tax for the quarter were SEK 7.7 million (-15.1).

At the end of the period, cash and cash equivalents amounted to SEK 154.4 million (1.2) and the Parent Company's equity was SEK 744.4 million (690.0).

Related-party transactions

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

Auditor's examination

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



The Board of Directors and CEO declare that this interim report gives a true and fair view of the Group's and Parent Company's activities, financial position and earnings from operations, and describes the material risks and uncertainties facing the Group and the Parent Company.

Stockholm, May 14, 2024

Torgny Hellström
Chairman of the Board

Anna Lagerborg
Board member

Thomas Lindgren
Board member

Christine Rankin
Board member

Jon Gillard
Board member

Jürgen Goeldner
Interim CEO / Board member



STARBREEZE



Financial reports

04

Consolidated statement of comprehensive income

SEKk	NOTE	2024 JAN-MAR	2023 JAN-MAR	2023 JAN–DEC
Net sales	3	56,610	26,661	633,510
Direct costs	4	-86,452	-15,791	-309,271
Gross profit (-loss)		**-29,842**	**10,870**	**324,239**
Selling and marketing costs	4	-7,441	-5,625	-46,824
Administrative expenses	4	4,735	-18,472	-79,406
Other revenue		9,228	1,630	13,707
Other expenses		-	-	-21,413
Operating profit (-loss)		**-23,320**	**-11,597**	**190,303**
Financial income		1,039	8	3,098
Financial expenses		-33	-13,111	14,319
Share in profit or loss of holdings accounted for using the equity method		1,346	-25	-64
Profit (-loss) before tax		**-20,968**	**-24,725**	**207,656**
Income tax		-55	-209	-24
Net profit (-loss) for the period		**-21,023**	**-24,934**	**207,632**
Other comprehensive income that may subsequently be reclassified to profit and loss				
Exchange differences		-3,156	-423	940
Total comprehensive income for the period		**-24,179**	**-25,357**	**208,572**
Total comprehensive income for the period attributable to:				
Owners of the parent		-24,179	-25,357	208,572
Earnings per share attributable to owners of the parent during the period (SEK):				
- Basic		-0.01	-0.03	0.19
- Diluted		-0.01	-0.03	0.19

Consolidated statement of financial position, Group

SEKk	NOTE	2024-03-31	2023-03-31	2023-12-31
ASSETS				
Intangible assets				
Goodwill		49,284	47,987	46,666
Licenses		11,121	-	11,121
Other intangible assets		122,312	167,981	141,852
Capitalized development cost for own games and technology development		312,789	367,979	311,976
Investments in publishing projects		8,658	5,096	6,758
Financial assets				
Financial assets		7,397	7,318	7,253
Investments in joint ventures		2,583	1,277	1,238
Property, plant and equipment				
IT equipment and other equipment		6,443	2,252	4,428
Right-of-Use asset-Buildings		115,065	16,814	6,164
Total non-current assets		**635,652**	**616,704**	**537,456**
Current assets				
Trades and other receivables		52,458	31,396	164,244
Prepaid expenses and accrued income		71,123	43,516	62,041
Cash and cash equivalents		387,246	77,966	347,752
Total current assets		**510,827**	**152,878**	**574,037**
TOTAL ASSETS		**1,146,479**	**769,582**	**1,111,493**

Consolidated statement of financial position, Group (cont.)

SEKk	NOTE	2024-03-31	2023-03-31	2023-12-31
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital		29,535	14,492	29,535
Other contributed capital		2,593,362	1,979,111	2,593,362
Reserves		10,994	12,787	14,150
Retained earnings including net profit or loss for the period		-1,763,418	-1,974,961	-1,742,395
Total equity		**870,473**	**31,429**	**894,652**
Non-current liabilities				
Deferred tax liability		1,362	1,350	1,345
Non-current lease liability		98,116	1,636	158
Other non-current liabilities		508	392,524	489
Total non-current liabilities		**99,986**	**395,510**	**1,992**
Current liabilities				
Trade and other payables		96,849	274,173	100,202
Derivatives		-	1,941	-
Current lease liability		17,239	16,285	6,534
Accrued expenses and deferred income		61,932	50,244	108,113
Total current liabilities		**176,020**	**342,643**	**214,849**
TOTAL EQUITY AND LIABILITIES		**1,146,479**	**769,582**	**1,111,493**

Consolidated statement of changes in equity

SEKk	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
Balance at 1 January 2024	**29,535**	**2,593,362**	**14,150**	**-1,742,395**	**894,652**
Net profit (-loss) for the period	-	-	-	-21,023	-21,023
Other comprehensive income for the period					
Translation differences	-	-	-3,156	-	-3,156
Total comprehensive income	**-**	**-**	**-3,156**	**-21,023**	**-24,179**
Balance at 31 March 2024	**29,535**	**2,593,362**	**10,994**	**-1,763,418**	**870,473**
Balance at 1 January 2023	**14,492**	**1,979,111**	**13,210**	**-1,950,027**	**56,786**
Net profit (-loss) for the period	-	-	-	207,632	207,632
Other comprehensive income for the period					
Translation differences	-	-	940	-	940
Total comprehensive income	**-**	**-**	**940**	**207,632**	**208,572**
Conversion of convertible loan	2,966	212,086	-	-	215,052
New issue	12,077	440,804	-	-	452,881
Issue cost recognized in equity	-	-38,639	-	-	-38,639
Total contribution from and value transfers to shareholders, recognized directly in equity	**15,043**	**614,251**	**-**	**-**	**629,294**
Balance at 31 December 2023	**29,535**	**2,593,362**	**14,150**	**-1,742,395**	**894,652**

CHANGE IN NUMBER OF OUTSTANDING SHARES	2024 JAN-MAR	2023 JAN-DEC
Number of shares at the beginning of the period	1,476,762,040	724,609,266
New issue	-	603,841,050
Conversion of convertible loan	-	148,311,724
Total shares outstanding at the end of the period	**1,476,762,040**	**1,476,762,040**

Consolidated statement of cash flows, Group

SEKk	NOTE	2024 JAN-MAR	2023 JAN-MAR	2023 JAN–DEC
Operating activities				
Cash flow from operations		-23,320	-11,597	190,303
Adjustment for non-cash items		62,384	18,707	-2,522
Interest received		1,040	8	3,098
Income taxes paid		290	-288	-902
Cash flow from (-used in) operating activities before changes in working capital		**40,394**	**6,830**	**189,977**
Cash flow from changes in working capital				
Increase (+)/decrease (-) in operating receivables		104,224	2,445	-164,423
Increase (+)/decrease (-) in operating liabilities		-66,236	11,415	89,021
Cash flow from (-used in) operating activities after changes in working capital		**78,382**	**20,690**	**114,575**
Investing activities				
Purchase of property, plant and equipment		-2,457	-307	-3,506
Sold non-current assets		72	-	-
Sold intangible assets		5,213	-	-
Purchase of intangible assets		-	-	-11,121
Investments in own games and technology		-49,920	-45,358	-173,852
Investments in publishing projects		-1,900	-1,122	-13,900
Cash flow from (-used in) investing activities		**-48,992**	**-46,787**	**-202,379**
Financing activities				
New issue		-	-	452,881
Costs related to new issues		-	-	-38,638
Repayment of loans		-	-340	-149,370
Financing game development		13,740	-	77,857
Effect of financial lease		-3,821	-3,821	-15,285
Cash flow from financing activities		**9,919**	**-4,161**	**327,445**
Cash flow for (-used in) the period		**39,309**	**-30,258**	**239,641**
Cash and cash equivalents at the beginning of the period		347,752	108,217	108,217
Exchange difference in cash and cash equivalents		185	7	-106
Cash and cash equivalents at the end of the period		**387,246**	**77,966**	**347,752**

Performance measures, Group

	2024 JAN-MAR	2023 JAN-MAR	2023 JAN–DEC
Net sales, SEKk	56,610	26,661	633,510
EBITDA, SEKk	48,496	4,051	439,340
EBIT, SEKk	-23,320	-11,597	190,303
Profit (-loss) before tax, SEKk	-20,968	-24,725	207,656
Profit (-loss) after tax, SEKk	-21,023	-24,934	207,632
EBITDA margin, %	85.7	15.2	69.4
EBIT margin, %	-41.2	-43.5	30.0
Profit margin, %	-37.0	-92.7	32.8
Equity to assets ratio, %	75.9	4.1	80.5
Closing price of A share for the period, SEK *	0.28	1.83	0.50
Closing price of B share for the period, SEK *	0.24	1.51	0.47
Basic earnings per share, SEK	-0.01	-0.03	0.19
Diluted earnings per share, SEK	-0.01	-0.03	0.19
Number of shares at end of period before dilution	1,476,762,040	724,609,266	1,476,762,040
Number of shares at end of period after dilution	1,476,762,040	724,609,266	1,476,762,040
Average number of shares before dilution	1,476,762,040	724,609,266	1,097,076,815
Average number of shares after dilution	1,476,762,040	724,609,266	1,097,076,815
Average number of employees	191	171	184
Number of employees at the end of the period	192	173	194

Performance measures, Group

EBITDA
Earnings before interest, tax, depreciation, and amortization.

EBIT
Earnings before interest and taxes.

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

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

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

Equity/assets ratio
Equity as a percentage of capital employed.

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

Equity
Reported equity including 79.4 percent of untaxed reserves.

Reconciliation of alternative performance measures

	2024 JAN-MAR	2023 JAN-MAR	2023 JAN–DEC
EBITDA			
Operating profit (-loss), SEKk	-23,320	-11,597	190,303
Amortization of intangible assets, SEKk	67,890	11,887	233,609
Depreciation of property, plant and equipment, SEKk	3,926	3,761	15,428
EBITDA	48,496	4,051	439,340
EBITDA margin, %			
EBITDA, SEKk	48,496	4,051	439,340
Net sales, SEKk	56,610	26,661	633,510
EBITDA margin, %	85.7	15.2	69.4
EBIT margin, %			
Operating profit (-loss), SEKk	-23,320	-11,597	190,303
Net sales, SEKk	56,610	26,661	633,510
EBIT margin, %	-41.2	-43.5	30.0
Profit margin, %			
Profit (-loss) before tax, SEKk	-20,968	-24,725	207,656
Net sales, SEKk	56,610	26,661	633,510
Profit margin, %	-37.0	-92.7	32.8
Equity to assets ratio, %			
Total equity	870,473	31,429	894,652
Total equity and liabilities, SEKk	1,146,479	769,582	1,111,493
Equity to assets ratio, %	75.9	4.1	80.5

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

Parent company income statement

SEKk	2024 JAN-MAR	2023 JAN-MAR	2023 JAN–DEC
Net sales	-3,093	7,381	32,381
Other operating revenue	7,870	1,045	-2,826
Total sales	**4,777**	**8,426**	**29,555**
Other external expenses	-4,737	-4,338	-16,912
Employee benefit expense	3,286	-8,634	-42,220
Depreciation of property, plant and equipment	-2	-8	-15
Operating profit (-loss)	**3,324**	**-4,554**	**-29,592**
Profit from holdings in group companies	-	-	-594,846
Other financial income	4,345	2,568	13,841
Financial expenses	-	-13,148	12,965
Profit (-loss) after net financial income/expense	**7,669**	**-15,134**	**-597,632**
Appropriations	-	-	-
Profit (-loss) before tax	**7,669**	**-15,134**	**-597,632**
Income tax	-	-	-
Net profit (-loss) for the period	**7,669**	**-15,134**	**-597,632**

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

Parent company balance sheet

SEKk	2024-03-31	2023-03-31	2023-12-31
ASSETS			
Non-current assets			
Property, plant and equipment			
Computers and other equipment	19	25	7
Financial assets			
Investments in group companies	336,059	331,373	336,059
Investments in associates	4,656	4,656	4,656
Other financial assets	2,294	2,244	2,208
Total non-current assets	**343,028**	**338,298**	**342,930**
Current assets			
Trade and other receivables	3,979	997	956
Receivables from group companies	738,318	1,370,949	740,139
Prepaid expenses and accrued income	993	952	622
Cash and cash equivalents	154,373	1,173	161,826
Total current assets	**897,663**	**1,374,071**	**903,543**
TOTAL ASSETS	**1,240,691**	**1,712,369**	**1,246,473**

Parent company balance sheet (cont.)

SEKk	2024-03-31	2023-03-31	2023-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital	29,535	14,492	29,535
Share premium reserve	2,526,379	1,912,128	2,526,379
Retained earnings	-1,819,153	-1,221,521	-1,221,521
Net profit (-loss) for the period	7,669	-15,134	-597,632
Total equity	**744,430**	**689,965**	**736,761**
Non-current liabilities			
Other non-current liabilities	-	391,165	-
Total non-current liabilities	**-**	**391,165**	**-**
Current liabilities			
Trade payables	1,778	1,658	1,400
Liabilities to group companies	479,829	607,311	480,753
Other liabilities	2,024	2,662	2,788
Accrued expenses and deferred income	12,630	19,608	24,771
Total current liabilities	**496,261**	**631,239**	**509,712**
TOTAL EQUITY AND LIABILITIES	**1,240,691**	**1,712,369**	**1,246,473**

Notes

Note 1 Accounting and valuation principles

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

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

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

Note 2 Pledged assets

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

SEKk	2024-03-31	2023-03-31	2023-12-31
Pledged assets	239,978	239,978	239,978

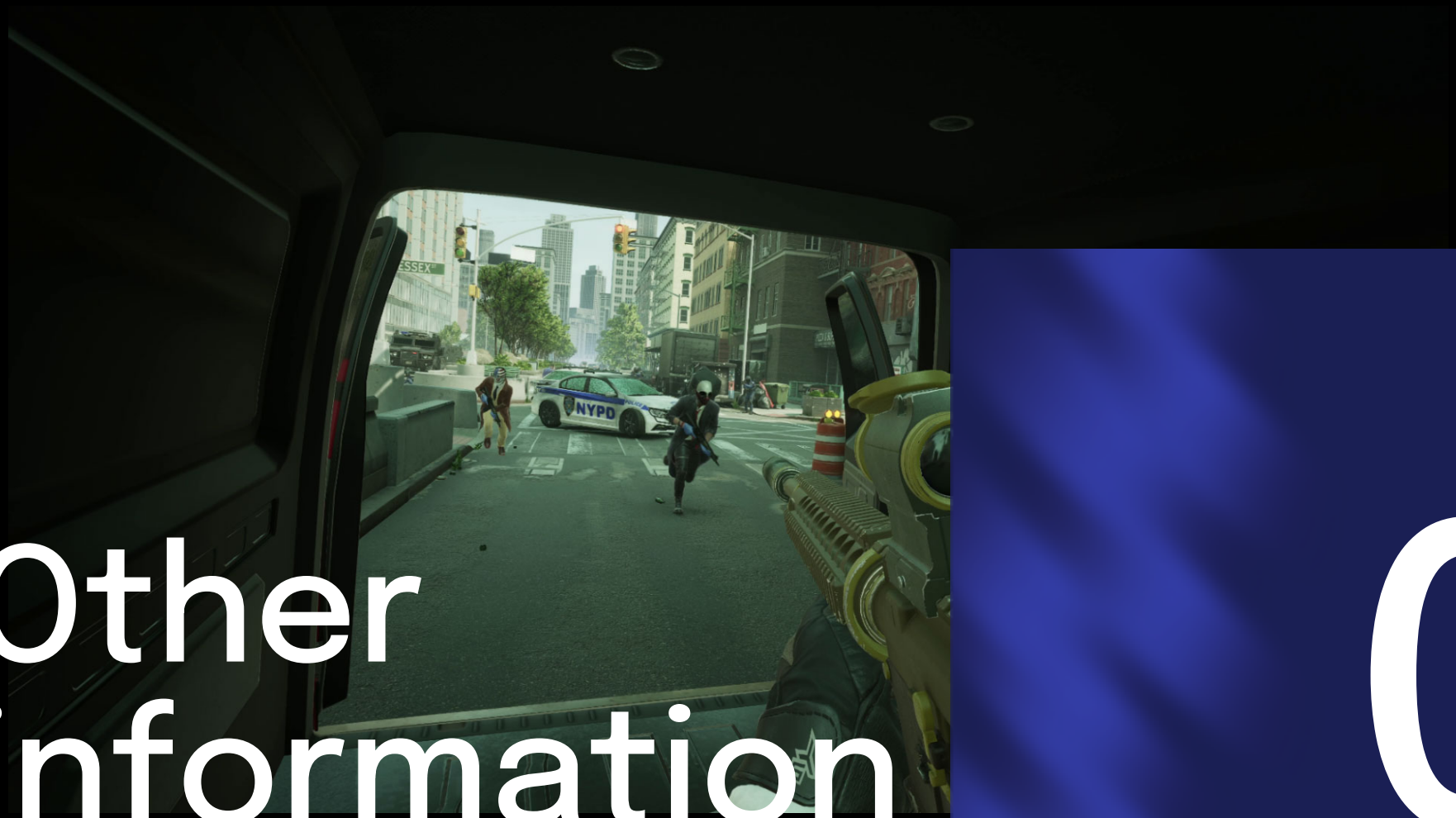
Note 3 Net sales per category

SEKk	2024 JAN-MAR	2023 JAN-MAR	2023 JAN-DEC
Game sales	34,278	26,700	616,681
3rd party publishing	17,415	0	14,885
Licensing	515	-110	1,682
Other	4,402	71	262
Total net sales	**56,610**	**26,661**	**633,510**

Note 4 Group depreciation by function

SEKk	2024 JAN-MAR	2023 JAN-MAR	2023 JAN–DEC
Depreciation and impairment of property, plant and equipment			
Direct costs	-13	-25	-91
Selling and marketing costs	-5	-6	-24
Administrative expenses	-3,908	-3,730	-15,313
Total depreciation and impairment of property, plant and equipment	**-3,926**	**-3,761**	**-15,428**
Amortization and impairment of intangible assets			
Direct costs	-67,814	-11,811	-231,471
Selling and marketing costs	0	0	-1,822
Administrative expenses	-76	-76	-316
Total amortization and impairment of intangible assets	**-67,890**	**-11,887**	**-233,609**
Total depreciation and amortization and impairment	**-71,816**	**-15,648**	**-249,037**

STARBREEZE



Other information

05

About Starbreeze

Starbreeze is an independent developer, publisher, and distributor of PC and consoles targeting the global market, with studios in Stockholm, Barcelona, Paris and London. Housing the smash hit IP PAYDAY™, Starbreeze develops games based on proprietary and third-party rights, both in-house and in partnership with external game developers. Starbreeze shares are listed on Nasdaq Stockholm under the tickers STAR A and STAR B

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

This information is information that Starbreeze AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, via the contact persons set out above, at 6:45 am CEST on May 14, 2024.

For more information

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Financial calendar

AGM 2024	May 15, 2024
Interim report Q2	August 15, 2024
Interim report Q3	November 14, 2024

Presentation

The company will hold a webcast at 10am, May 14. To join the presentation – click here.

STARBREEZE

ENTERTAINMENT

