



Press release May 13th 2015

Interim Report July 1st – March 31st 2015

THIRD QUARTER (JANUARY – MARCH 2015)

- Net sales amounted to SEK 47,7 million (SEK 32,1 million).
- Operating income before depreciation, EBITDA, amounted to SEK 14,0 million (SEK 20,9 million).
- Profit before tax amounted to SEK 10,8 million (SEK 16,2 million) and profit after tax amounted to SEK 8,1 million (SEK 11,6 million).
- Earnings per share before dilution were SEK 0,06 (SEK 0,08) and earnings per share after dilution were SEK 0.05 (SEK 0.08).
- As of March 31st 2015, cash amounts to SEK 165,4 million (126,3 million).
- During the quarter, PAYDAY 2 net sales amounted to SEK 42,2 million.
- In January, 505 Games acquired the rights to the Brothers – A Tale of Two Sons IP for SEK 4,1 million.
- In March Starbreeze announced its agreement with 505 Games regarding the continued support for the development of PAYDAY 2. The agreement gives Starbreeze SEK 127,6 million and extends the partnership an additional 24 months.

NINE-MONTH PERIOD (JULY 2014 – MARCH 2015)

- Net sales amounted to SEK 125,5 million (SEK 162,5 million).
- Operating income before depreciation, EBITDA, amounted to SEK 47,3 million (SEK 131,4 million).

- Profit before tax amounted to SEK 35,4 million (SEK 119,9 million) and profit after tax amounted to SEK 24,6 million (SEK 101,8 million).
- Earnings per share before dilution were SEK 0,17 (SEK 0,73) and earnings per share after dilution were SEK 0,17 (SEK 0,72).

AFTER THE PERIOD

- In April, Starbreeze signed a SEK 86,2 million console distribution agreement with 505 Games for OVERKILL's The Walking Dead.
- In April, Starbreeze share of the revenue for PAYDAY 2 sales via the PC platform Steam amounted to SEK 3,1 million.

CEO BO ANDERSSON KLINT GIVES HIS COMMENT – SUMMARY

Starbreeze accelerates

Net sales amounted to SEK 47,7 million, an increase by 49-percent year on year. Total income for the quarter is Starbreeze best since the launch of PAYDAY 2 in August 2013.

Our pulse strategy continues to work exceptionally well and PAYDAY 2 as a product has driven sales in a great way. In addition we're excited to see the product PAYDAY 2: Crimewave Edition for PlayStation 4 and Xbox One release in June together with our distribution partner 505 Games.

We've previously communicated our plan to increase our production capacity, while our broadened portfolio and establishment in the US is increasing our investment rate as planned. We're building Starbreeze to be a pioneer where we by an expanded portfolio, accelerated R&D and new collaborations significantly strengthen our offers. Our PAYDAY business is continuing to be profitable and enables investments in future products and technologies. The increased cost is in line with our strategy to further invest in the company's future and not a result of administrative overhead.

We're continuing to build out our portfolio, now featuring PAYDAY 2, its downloadable content (DLC), OVERKILL's The Walking Dead, Geminose and Storm, as well as the recently announced publishing project RAID: World War II. OVERKILL's The Walking Dead, the PAYDAY 2 DLC's and Geminose are now in full production. We've grown the organization and added several senior developers to our roster, as well as head hunted an experienced CFO, all of them already influencing the organization in many positive ways. Our budgeting, investment tempo and cost control processes have all been improved.

As CEO of Starbreeze it's very inspiring to see the team and board of directors alike work so closely and energetically towards the same tactical and strategic goals. We've managed to execute on our strategy faster than expected and I'm excited to realize our future opportunities as well as future product launches.

During the quarter we released 26 updates to PAYDAY 2 and announced a new collaboration with 505 Games worth a total of SEK 127,6 million for the continued development of PAYDAY 2. We've also signed a SEK 86,2 million console distribution agreement with 505 Games for OVERKILL's The Walking Dead.

Our current cash position together with future cash flows resulting from the above agreements, amounting to SEK 379 million, are funds available to develop our products and strategy during the next two years. Income from PAYDAY: The Heist and PAYDAY 2 will continue to generate an underlying cash flow which creates a good foundation for future events. With our ambition to grow our business and in the role as both publisher and a developer, our plan to implement a dual share structure with A&B shares is crucial. The change will enable us to acquire and form strategic collaborations without the risk of losing control over the company. We can maintain our independence and entrepreneurship and at the same time increase liquidity in our share, on both current and future markets.

In the near future, we're looking to acquire smaller companies to dynamically expand our technology stack and competencies. Starbreeze will grow best through partnerships and acquisitions. We'll continue to gain market share through all of 2015.

These words are written in Los Angeles, where I'm now sitting in our new offices which we'll soon be able to share with the world. In April we also took the decision to expand our capacity in Stockholm, where we're looking forward to moving to the venerable NK building.

The upcoming weeks will be fully focused on our setup and planning for the E3 Expo in Los Angeles and to make sure it's the historical event we envision. With a significant presence our ambition is to showcase both PAYDAY 2 and OVERKILL's The Walking Dead. We also look forward to further cement our role as a publisher and exploring more collaborations and projects like our recently announced deal with the Croatian developer Lion Game Lion for the upcoming game RAID: World War II.

Let's have a nice summer and let's do this!

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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 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>.