

Starbreeze AB (publ) Interim Q1 2020 report

First quarter 2020

- Net sales were SEK 22.0 million (47.8). PAYDAY accounted for SEK 21.7 million (26.7), in the comparison period for 2019 a non-reoccurring revenue of SEK 13,2 million is included.
- EBITDA* amounted to SEK 10.5 million (-106.7).
- Depreciation, amortization and impairments totalled SEK 10.4 million (49.9).
- Costs related to the reconstruction amounted to SEK 3.8 million (11.0).
- Loss before tax of SEK -97.3 million (-167.3).
- Basic and diluted earnings per share were -0.28 (-0.52).
- An extraordinary general meeting was held 13 January 2020. The EGM resolved in accordance with the board's proposal to amend the terms of the company's outstanding convertible bond to extend its maturity to December 2024 and adjust the conversion price to SEK 2.25 per share.
- Starbreeze executed a directed issue of Class A shares in the amount of SEK 51.3 million to several institutional investors including Swedbank Robur, AP1 and AP4.
- Mats Juhl was appointed Chief Financial Officer (CFO) and took over that role effective 4 May 2020.

CEO Mikael Nermark remarks on the report:

All focus on PAYDAY

We maintained full focus during the first quarter on the core business – creating games with PAYDAY front and centre.

Consequent upon changes in living conditions in the wake of Covid-19 and the release of PAYDAY 2: Silk Road – Cartel Business, demand for our products has increased during the quarter.

Our discussions with potential partners regarding a future publishing agreement for PAYDAY 3 are continuing in a positive spirit, but travel restrictions due to Covid-19 have somewhat impeded ongoing discussions. We are optimistic that a good publishing agreement is in the offing.

Covid-19 has had profound impact on the world and on Starbreeze as a company. We are carefully monitoring developments, adjusting to prevailing circumstances and following the recommendations of government authorities. To ensure the well-being of our people to the greatest extent possible, all employees have been working remotely since mid-March. Although this is a new situation for most, it is working well and has had no discernible effect on our productivity. At the same time, we see that the previously implemented cost savings established and having full effect. We executed a directed issue during the quarter which will create stability for the company.

Focus going forward will be on continuing to maintain good and high-quality production and closing the publishing agreement for PAYDAY 3.

Mikael Nermark

Vd Starbreeze

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Starbreeze AB is required to disclose this information under the EU Market Abuse Regulation and the Securities Market Act. The information was provided by the above contact person for publication on May 12, 2020 at 08:00 CET.

About Starbreeze

Starbreeze is an independent developer, creator, publisher and distributor of PC and console targeting the global market, with studios in Stockholm, Barcelona and Paris. 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 with the ISIN-codes SE0007158928 (A share) and SE0005992831 (B share). For more information, please visit starbreeze.com