

Fourth Quarter 2024 Presentation

2025-02-18



INTERNATIONAL
TECHNOLOGIES INC.
CAL. 9MM

Quarter & Period in Brief

01

Fourth Quarter – Key Takeaways

Leveraging the PAYDAY® IP – PUBG: Battlegrounds and Roblox

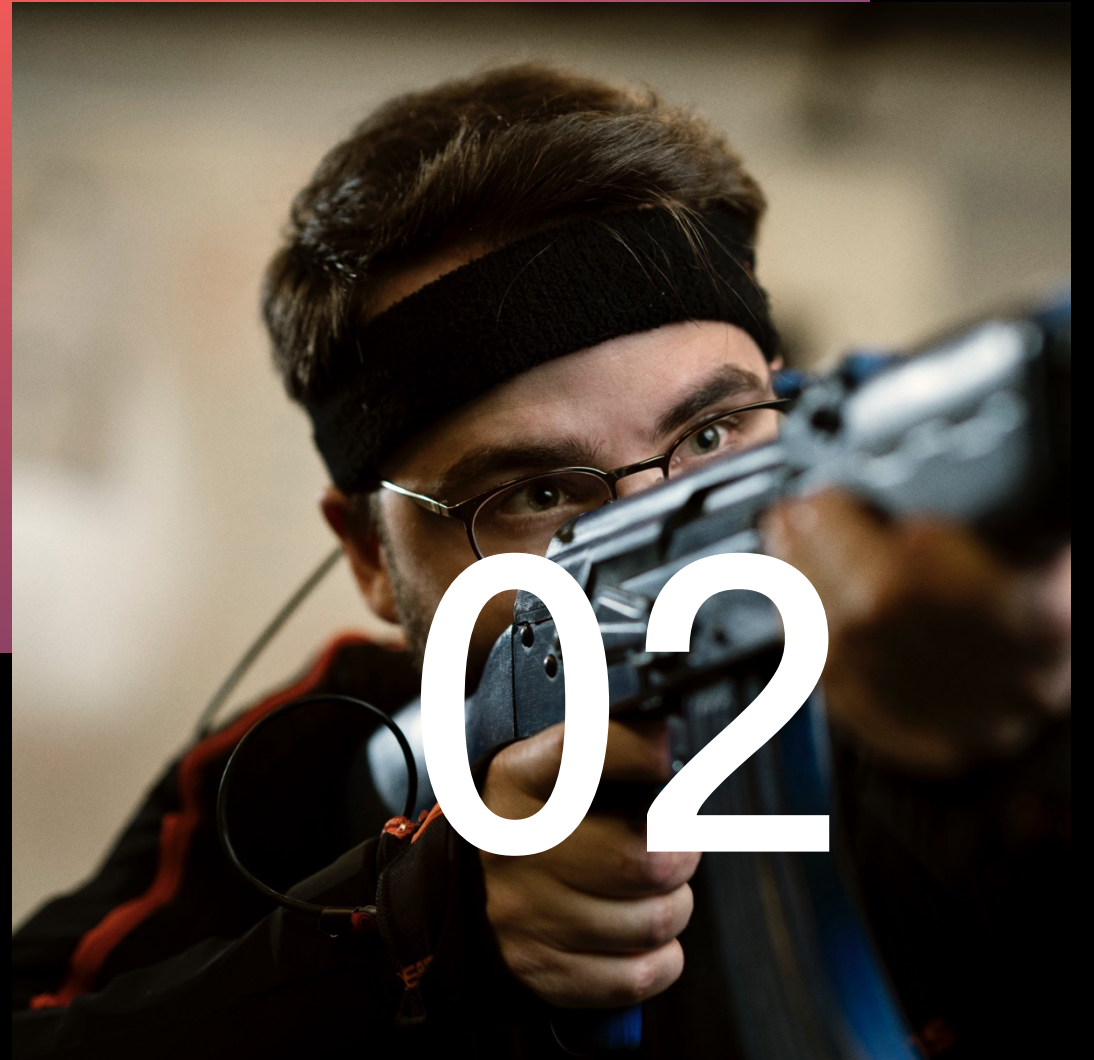
“Baxter” in full production – ongoing meetings with potential partners this spring

Continuously keep several titles on market, reduces risk and diversifying revenue

Controlling our cost-side and improving efficiency

Cash position and limited debt ensure strategy execution

Our Strategy



A Strong Foundation to Deliver and Grow

Core focus created capacity for growth...

- ✓ Secure PD3 development and quality – deal with PLAION
- ✓ Continued monetization of PD2 – DLC – 30+ DLCs published for PD2 during this period
- ✓ Develop and implement Starbreeze Nebula – enhanced, multi-platform community
- ✓ Expanding IP portfolio and restart of publishing

...into a broadened IP portfolio...

- ✓ PAYDAY 3 launched in September 2023 – operating three games on the market
- Ensuring high LTV for PAYDAY 3 through consistent release of paid and free DLCs is our current highest priority
- ✓ Dungeons & Dragons® licensed for Project Baxter, self-financed and planned release in 2026
- ✓ Expanding Third-Party Publishing – smash-hit Roboquest added

...building games, IP and beyond

- Self-publishing of own titles
- Operating several games on the market – increasing revenue streams and reducing title-risk
- Continuous monetization of all titles published by Starbreeze
- Continue to build the PAYDAY franchise – media beyond games but also opportunities to partner and out-license our IP

2020-2022

2023-2024

2025-2027

We make cooperative multiplayer games with a strong focus on community engagement, committed to having a long lifetime by updates and support

Significant events, during and after the period



Year 1 Edition – multiple new features



Work-for-hire for KRAFTON, Inc.



Starbreeze joins forces with The Gang



“First World Bank” free heist



PAYDAY experience on Roblox®



Roboquest coming to PlayStation in H1



PAYDAY™ 3 on PlayStation®Plus

Controlling cost and investing in efficiency

- Strategic overview completed taking into account current and future projects – strengthening Starbreeze long-term.
- As a result we have;
 - Evaluating the opportunity to build a state-of-the-art tech team, with its base in Sweden
 - Reviewed the organization in terms of needs and competencies, which over the past months unfortunately has included some redundancies across primarily marketing roles
 - To reduce cost and complexity we are also evaluating the termination of foreign entities
 - We continue to hire specific competencies for each of our projects, and are currently at a net change of employees in the single digits
- We are taking several steps to strengthen Starbreeze long-term, financially and operationally.

Group financials

03

Financial update, Q4 2024

NET SALES, SEKm

46.4 (69.2)

DEPRECIATION, AMORTIZATION & IMPAIRMENT, SEKm

71.6 (74.4)

EBITDA, SEKm

19.7 (-20.6)

PROFIT/LOSS AFTER TAX, SEKm

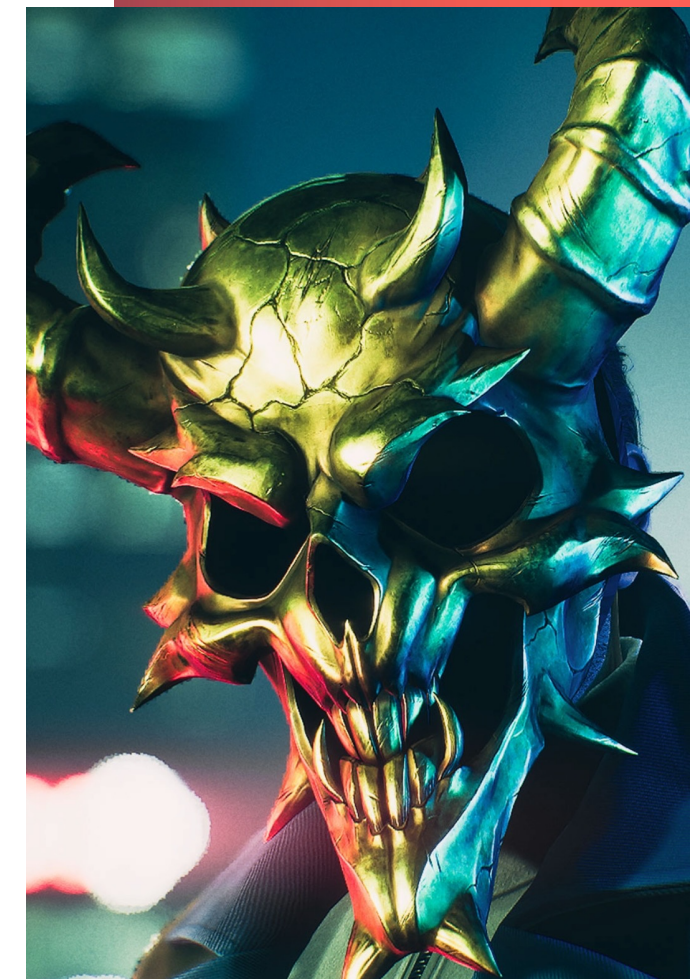
-49.2 (-91.7)

CASHFLOW FROM OPERATING ACTIVITIES, SEKm

-0.3 (62.7)

CASH AND CASH EQUIVALENTS, SEKm

191.9 (347.8)



Financial update, Full-year 2024

NET SALES, SEKm

185.9 (633.5)

EBITDA, SEKm

97.6 (439.3)

CASHFLOW FROM OPERATING ACTIVITIES, SEKm

64.9 (114.6)

DEPRECIATION, AMORTIZATION & IMPAIRMENT, SEKm

298.8 (249.0)

PROFIT/LOSS AFTER TAX, SEKm

-199.3 (207.6)

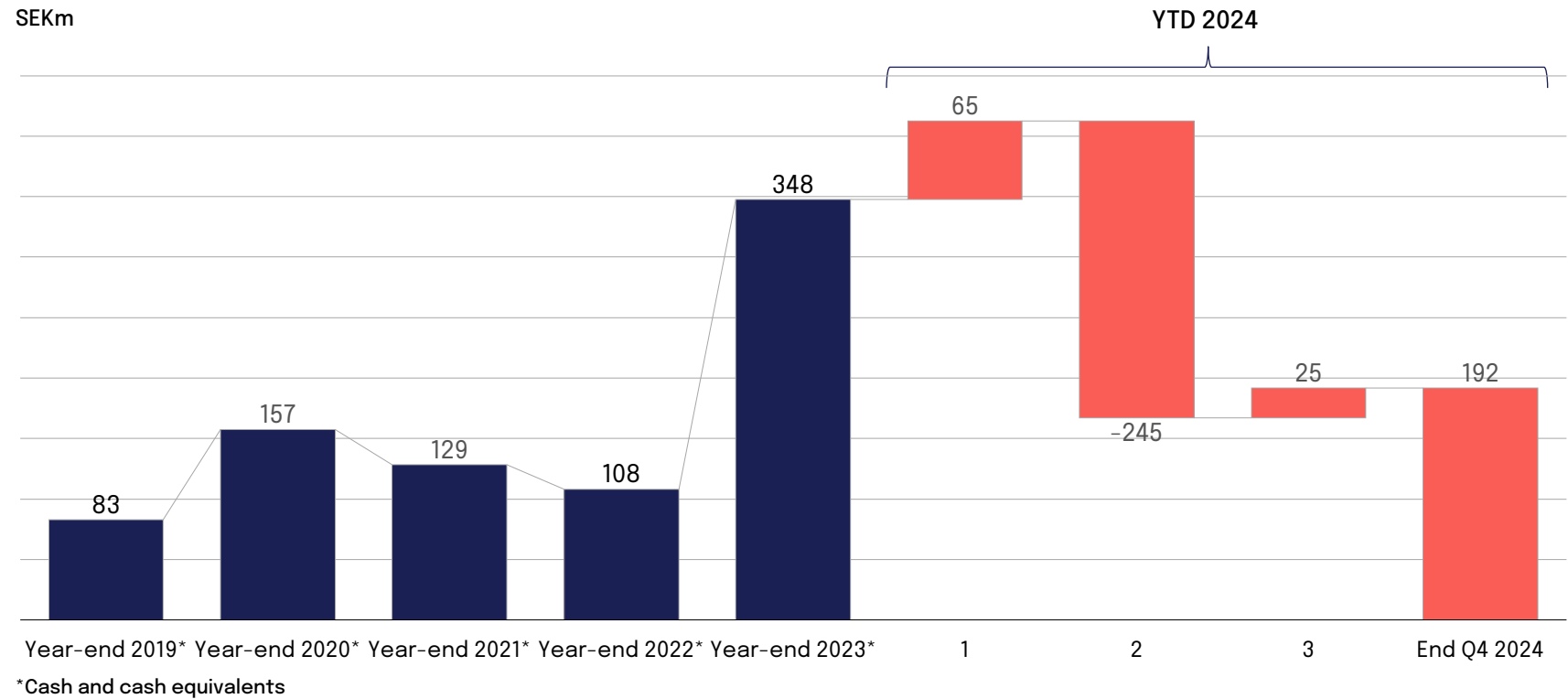
CASH AND CASH EQUIVALENTS, SEKm

191.9 (347.8)



Cashflow development

- 1 Operating activities after changes in working capital, SEK 64.9m
- 2 Investing activities, SEK -245.5m (-227.6m game development)
- 3 Financing activities, SEK 24.5m (financing for game development 47.9m, and financial lease -23.4m. *Outstanding trade receivables linked to PAYDAY 3 financing amounted to 19.3m*)



Operating expenses

Cost base development

SEKm	NOTE	Q4'24	Q4'23	2024	2023
Direct costs	A	-80.4	-111.3	-330.3	-309.3
Selling and marketing costs	B	-6.7	-15.3	-30.2	-46.8
Administrative expenses	C	-9.8	-22.3	-29.0	-79.4
Other expenses	D	-6.4	-17.8	-6.4	-21.4
Number of employees at the end of the period	E	186	194	186	194
Average number of employees		189	196	189	184

Source: Company information.

- A** Direct costs for Q4'24 amounted to SEK 80.4m (111.3m) and consists of costs related to game development, depreciations of IP:n, royalty payments and non-activatable personnel expenses. The change from Q4'23 mainly comes from lower server costs of SEK 1.5 m (19.8) and higher capitalization of development expenditure of SEK 48.8m compared to SEK 37.8m.
- B** Selling and marketing costs amounted to SEK 6.7m (15.3m) and relate to marketing activities and personnel costs. The decrease is mainly attributable to lower external marketing expenses compared to Q4 2023.
- C** Administrative expenses amounted to SEK 9.8m (22.3m) and refers to items including office costs and payroll for employees who do not work in game development or marketing. The lower expenses are mainly due to lower personnel-related costs compared to Q4 2023.
- D** Other expenses amounted to SEK 6.4m (17.8m) and relates to a capital loss linked to liquidation of subsidiaries. In comparing figures this item consisted of exchange rate effects.
- E** We continue to hire specific skills for each project while streamlining and adapting the organization to our needs while ensuring long-term competitiveness and skill development.

Balance sheet

Assets

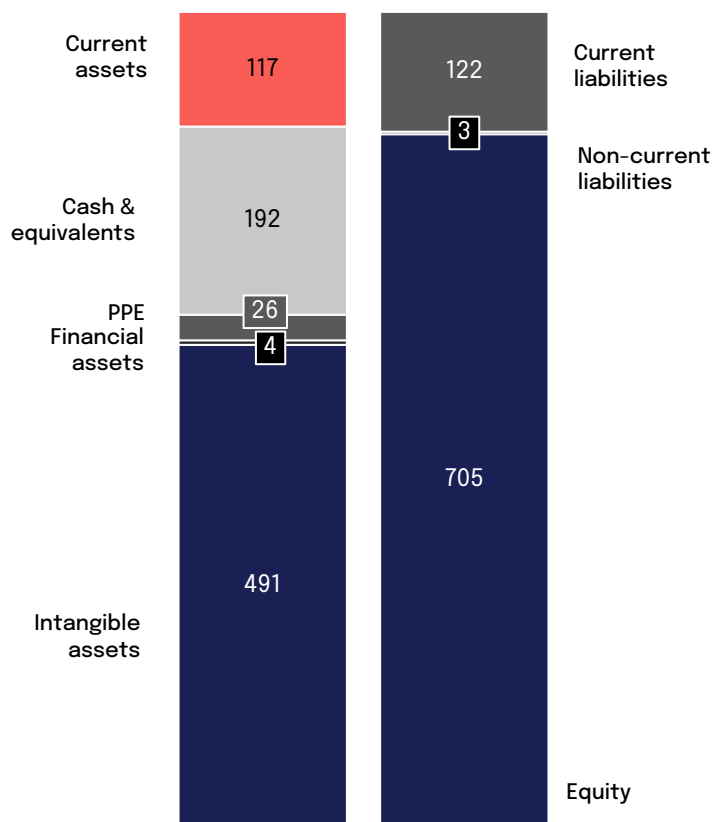
- Intangible assets amounted to SEK 491m and consist of IP rights SEK 116m, capitalized costs for own game and technology development SEK 343m, publishing and licenses SEK 32m
- PPE (property, plant and equipment) relates to right of use assets of SEK 18m and IT and other equipment of SEK 8m
- Financial assets of SEK 4m, consists of long-term deposit
- Current assets consists of
 - Cash and equivalents of SEK 192m
 - Prepaid expenses and accrued income of SEK 74m
 - Trades and other receivables of SEK 43m (trade receivables related to PAYDAY 3 of 20m)

- Non-current liabilities amounted to SEK 3m, including
 - Lease and other non-current liabilities of SEK 0.5m
 - Tax SEK 2m

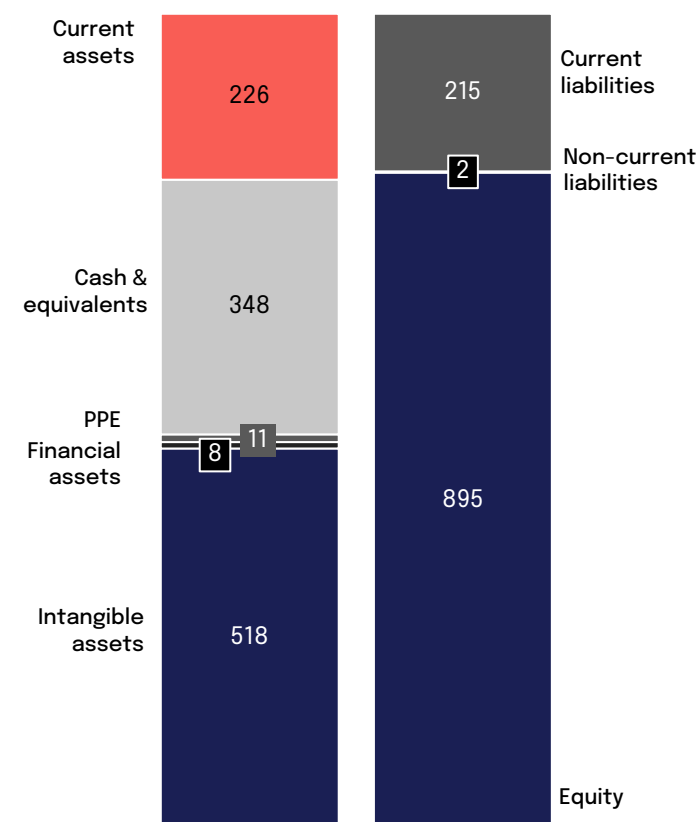
- Current liabilities amounted to SEK 122m, including
 - Trade and other payables of SEK 69m
 - Accrued expenses and deferred income SEK 36m
 - Lease contracts SEK 18m

Liabilities

As per December 31, 2024
SEKm



As per December 31, 2023
SEKm



Fourth Quarter – Key Takeaways

Leveraging the PAYDAY® IP – PUBG: Battlegrounds and Roblox

“Baxter” in full production – ongoing meetings with potential partners this spring

Continuously keep several titles on market, reduces risk and diversifying revenue

Controlling cost and improving efficiency

Cash position and limited debt ensure strategy execution

Building Community by Making Games

