STARBREEZE

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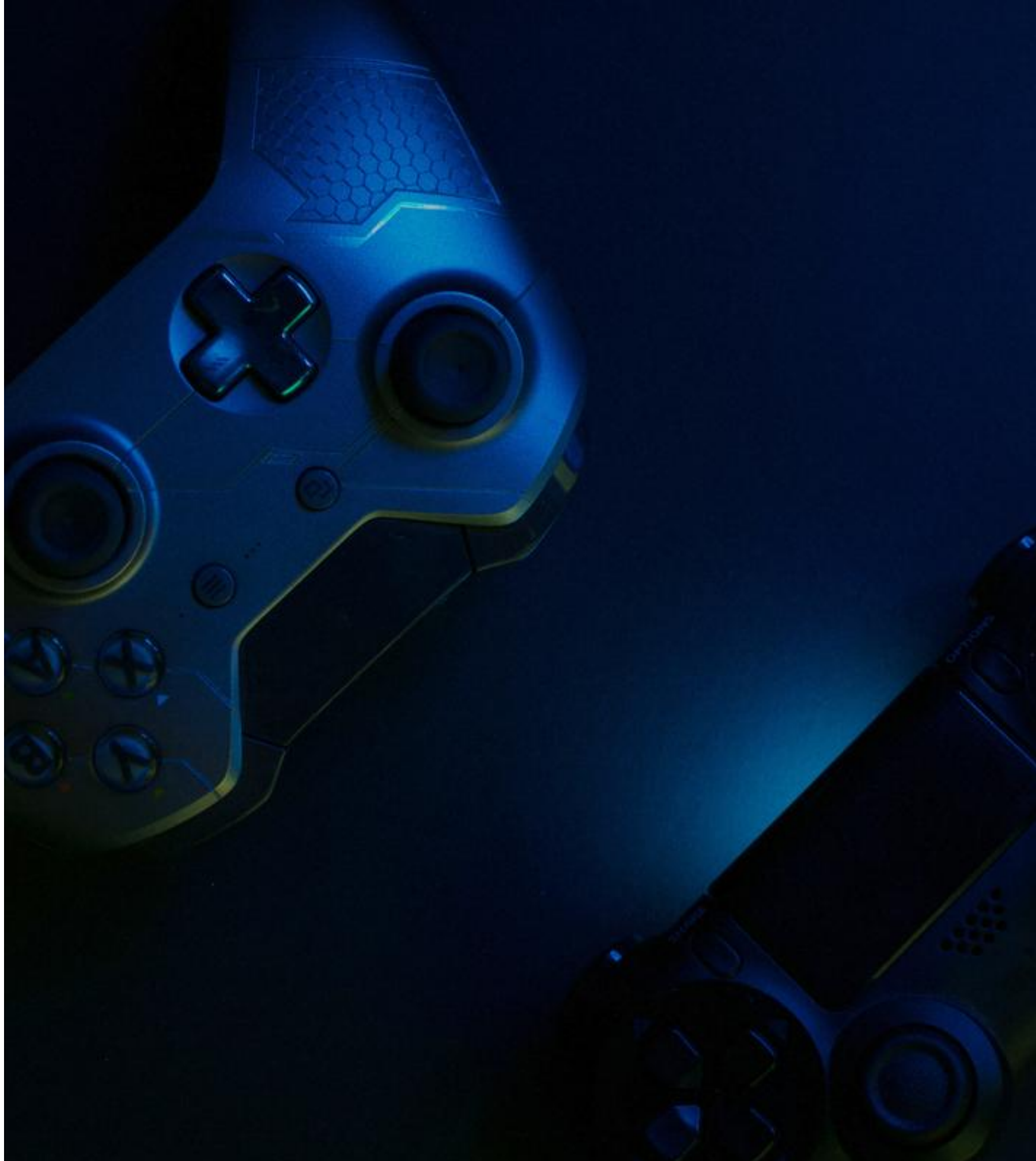
INDERES CORPORATE CUSTOMER

COMPANY REPORT



The outlook remains hard to gauge

Starbreeze delivered in-line Q3 revenue, but adjusted EBIT was below expectations, primarily due to higher amortization levels. PAYDAY 3 revenue was particularly soft relative to our estimates, but this was offset by renewed strength from PAYDAY 2 following the subscription model introduction. To our understanding, monthly content updates for PD3 will begin from December onwards, with the company providing shorter, ongoing content roadmaps rather than year-long plans. However, visibility on new work-for-hire projects remains limited, and with the KRAFTON partnership nearing completion, we have lowered our revenue assumptions due to timing effects. This, coupled with revisions to our expected revenue mix and slightly higher amortization, resulted in downward estimate adjustments. Given the continued low player activity in PD3, we believe the company has much to prove before a stronger scenario can be priced in with confidence. Despite the low absolute valuation, the lack of clear short-term drivers keeps us on the sidelines. We reiterate our Reduce recommendation and lower the target price to SEK 0.14 (was SEK 0.15).

Revenue mix surprised, and EBIT was below our estimates

Q3 revenues reached 58 MSEK, which was in line with our estimates and 37% higher than last year. While PAYDAY-related revenue more or less aligned with our forecast, the composition surprised, PD2 on the upside and PD3 on the downside. The launch of a subscription model along with the franchise sale during the quarter showed a greater impact on PD2 revenue than we expected, and we feel this highlights the title's enduring appeal, despite limited efforts put into the game. On PD3, contribution from new content releases, as well as the impact from acquiring full publishing rights, was muted during the quarter. Reported EBIT was significantly impacted by the announced discontinuation of Project Baxter, leading to an impairment of 262 MSEK in the quarter. Adjusted for this, EBIT amounted to -24 MSEK, which was well below our -4 MSEK estimate. The shortfall was primarily driven by higher normalized game amortization (39 MSEK vs Inderes est: 28 MSEK), as OPEX otherwise aligned with our estimates.

We revise our estimates down following Q3

Following the Q3 report and management commentary, we revised our estimates. For PD3, we lowered our FY25-27e revenue assumptions by 14-3% given the weak Q3 outcome and declining player activity post Q3, though we continue to expect the accelerated monthly content updates to drive strong revenue growth in 2026. These revisions are somewhat offset by our raised estimates for PD2, where Q3 revenue and the contribution of the newly launched subscription model clearly exceeded our expectations. We lowered FY26 assumptions for work-for-hire due to limited pipeline visibility beyond the KRAFTON partnership. In aggregate, we have reduced our FY25 revenue estimate by 2% to 232 MSEK and FY26-27 estimates by 2-5%, with EBITDA down 2-6% for FY26-27.

We remain cautious on the investment case

The shift away from becoming a multi-title studio removed some of the short-term triggers from our previous investment case. Despite the low absolute valuation (2025e EV: 97 MSEK, EV/S: 0.4x), we currently see limited near-term triggers. While the PAYDAY IP has big potential, in our view, Starbreeze still has much to prove after recent years' challenges with PD3. Our DCF now indicates a value per share of SEK 0.18 (was SEK 0.20), reflecting a scenario where we assume the company will operate with a leaner cost base, realizes a near-term boost in PAYDAY-related revenue through greater resource allocation, and continues securing work-for-hire projects. Over time, we expect PAYDAY-related revenue to gradually decline from a higher base, with new activities around the franchise providing modest support. However, given weaker short-term triggers and ongoing execution risks, we see limited justification for leaning too heavily on our DCF valuation until visibility into PD3 performance improvement builds up.

Recommendation
Reduce
(prev. Reduce)

Target price:
SEK 0.14
(prev. SEK 0.15)

Share price:
SEK 0.13

Business risk

Valuation risk

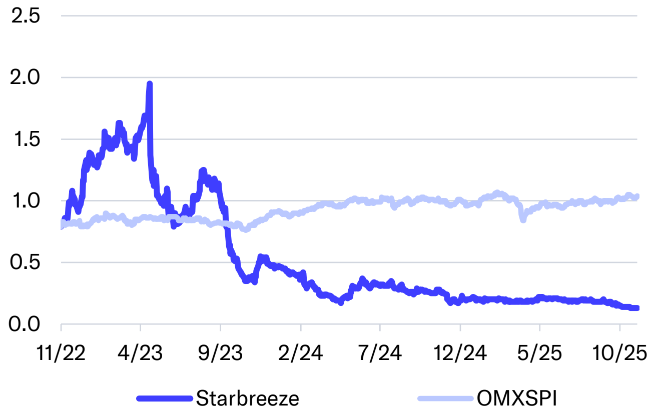
	2024	2025e	2026e	2027e
Revenue	186	232	260	252
growth-%	-71%	25%	12%	-3%
EBIT adj.	-229	-50	39	56
EBIT-% adj.	-123.2 %	-21.5 %	14.9 %	22.2 %
Net Income	-199	-348	36	54
EPS (adj.)	-0.15	-0.03	0.02	0.03

P/E (adj.)	neg.	neg.	5.7	3.8
P/B	0.5	0.8	0.7	0.6
EV/EBIT (adj.)	neg.	neg.	2.5	1.9
EV/EBITDA	1.1	1.6	0.7	0.8
EV/S	0.6	0.4	0.4	0.4

Source: Inderes

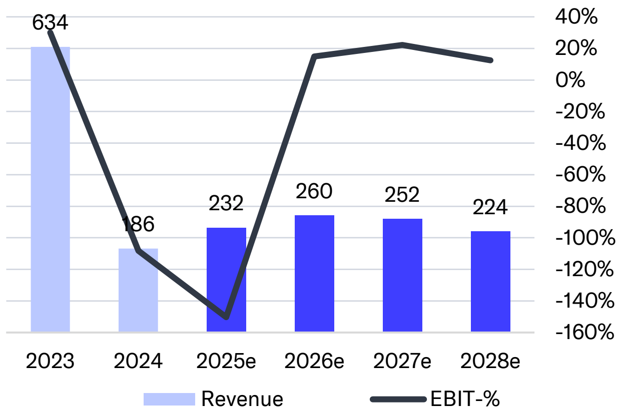
Guidance (Starbreeze provides no guidance)

Share Price



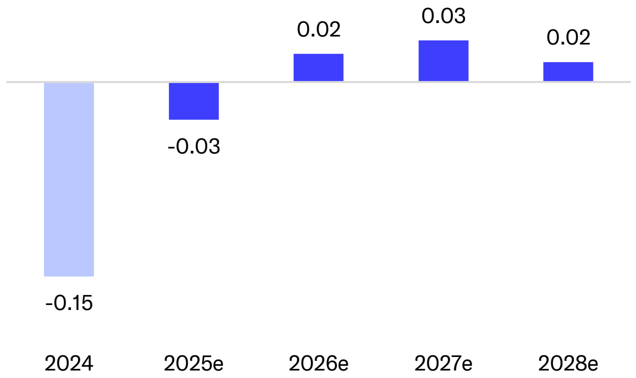
Source: Millistream Market Data AB

Revenues and operating profit-%



Source: Inderes

Earnings per share



Source: Inderes

Value drivers

- The company's main asset is its ownership of the PAYDAY game franchise
- If Starbreeze can entice players to return to PAYDAY 3, the company's financial outlook, as well as its potential to expand and/or license the IP, would improve significantly
- New games and/or experiences that broaden the heisting genre beyond its core projects
- Successfully selecting profitable work-for-hire projects that enable competence development, brand expansion, and steady cash flows
- Highly scalable business model with successful launches

Risk factors

- If PAYDAY-related revenue continues to decline, alongside weakening player sentiment and activity, the IP's value and Starbreeze's overall financial position would deteriorate noticeably
- Limited visibility into the company's new strategic initiatives makes it hard to assess the company's long-term potential
- Commercial failure and/or delays in future projects
- Changes in expectations for future projects can cause significant volatility in the stock
- High development costs and a fixed cost base exert pressure on cash flows

Valuation	2025e	2026e	2027e
Share price	0.13	0.13	0.13
Number of shares, millions	1,624	1,624	1,624
Market cap	206	206	206
EV	97	97	106
P/E (adj.)	neg.	5.7	3.8
P/E	neg.	5.7	3.8
P/B	0.8	0.7	0.6
P/S	0.9	0.8	0.8
EV/Sales	0.4	0.4	0.4
EV/EBITDA	1.6	0.7	0.8
EV/EBIT (adj.)	neg.	2.5	1.9

Source: Inderes

Revenue in line, but profitability weaker than expected 1/2

Revenue composition shows PAYDAY 2 strength, but PAYDAY 3 disappointed

Q3 revenues reached 58 MSEK (Q2'25: 54 MSEK, Q3'24: 43 MSEK), which was in line with our estimates and 37% higher than last year. The year-on-year revenue growth primarily stems from the work-for-hire partnership with KRAFTON, which contributed 20 MSEK to revenue and matched our estimates. Revenue from PD3 decreased by -23% year-on-year to 18 MSEK (Q3'24: 23 MSEK) and was flat quarter-on-quarter. This was well below our estimated 25 MSEK. This is particularly notable considering the late Q2 heist release that we believed only had a small impact on the previous quarter's figures, the September heist launch, and franchise sale during the end of quarter. Even more importantly, Q3 reflected a full quarter of Starbreeze's 100% ownership of the publishing rights, meaning that they retain all game-related sales rather than sharing them with PLAION as in the previous structure.

However, PD2 revenue was the clear positive surprise at 15 MSEK (Q2'25: 8 MSEK, Q3'24: 12 MSEK) and clearly exceeded our estimate of 9 MSEK. We believe this reflects the impact of the subscription service launched in late September, along with the franchise sales, and highlights the title's continued staying power. Third-party publishing ("3PP") revenue decreased by 2 MSEK (q/q) to 5 MSEK (Q2'25: 7 MSEK, Q3'24: 6 MSEK) in line our estimate and with the company's stated shift away from this area. We expect revenue from this segment to continue to decline in the coming quarters.

While not disclosed explicitly, FX effects are likely to have impacted the top line negatively during the quarter and given current FX rates we expect the stronger Swedish krona (against USD and EUR) to weigh on the financials in Q4 as well.

Adjusted EBIT miss driven by higher-than-expected amortization

Starbreeze reported a Q3 operating result (EBIT) of -285 MSEK (Inderes est. -259 MSEK), where the previously announced write-down of the Baxter project weighed on the result by -262 MSEK, slightly above the 255 MSEK Starbreeze guided for. Adjusting for this, EBIT was -24 MSEK (adj. Q2'25: -17 MSEK, Q3'24: -63 MSEK). The y/y improvement is primarily driven by the revenue growth and lower amortization levels (Q3'25: 39* MSEK, Q3'24: 70 MSEK). However, this was below our estimate of -4 MSEK, primarily driven by higher normalized game amortization of 39 MSEK versus our estimate of 28 MSEK, suggesting that capitalized development costs are being amortized more aggressively than we anticipated.

Estimates MSEK / SEK	Q3'24 Comparison	Q3'25 Actualized	Q3'25e Inderes	Q3'25e Consensus	Consensus Low	 High	Difference (%) Act. vs. inderes	2025e Inderes
Revenue	42.7	58.4	58.7				0%	232
EBITDA	21.4	19.3	24.5				-21%	60.5
EBIT (adj.)	-63.0	-23.5	-3.5				-564%	-50.0
EBIT	-55.0	-285.4	-258.5				-10%	-349.4
EPS (reported)	-0.04	-0.18	-0.16				-13%	-0.21
Revenue growth-%	-91.4 %	36.8 %	37.4 %				-0.6 pp	25.1 %
EBIT-% (adj.)	-147.7 %	-40.3 %	-6.0 %				-34.2 pp	-21.5 %

Source: Inderes

Starbreeze Q3´25: All eyes on the new strategy's progress

Revenue in line, but profitability weaker than expected 2/2

Cash flow improved year-on-year

Cash flow from operating activities after WC changes was 22 MSEK (Q3'24: -16 MSEK) and investments for the quarter totaled 37 MSEK (Q3'24: 63 MSEK), leading to a free cash flow of -15 MSEK (Q2'25: -65 MSEK, Q3'24: -79 MSEK) The quarter's operating cash flow was positively impacted by changes in working capital (3 MSEK) due to settled receivables linked to PD3. The cash balance decreased by -21 MSEK quarter-on-quarter to 135 MSEK (Q2'25: 156 MSEK), with virtually no debt (excl. leasing).

Although the work-for-hire projects tie up some working capital, the acquisition of full publishing rights should enhance Starbreeze cash flow going forward, as the company now can collect cash from game sales on different platforms faster. Following the discontinuation of the Baxter project, CAPEX decreased clearly in the quarter, and we expect CAPEX to be at a slightly lower level going forward as in-house development will concentrate only on the PAYDAY franchise. Coupled with the full impact of the leaner cost base (due to lowered headcount) to materialize from Q4 onwards, we expect cash flow to improve.

Estimate revisions MSEK / SEK	2025e Old	2025e New	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	238	232	-2%	273	260	-5%	257	252	-2%
EBITDA	70.4	60.5	-14%	159	149	-6%	132	129	-2%
EBIT (exc. NRIs)	-22.0	-50.0	-127%	52.1	38.7	-26%	57.2	56.1	-2%
EBIT	-314.5	-349.4	-11%	52.1	38.7	-26%	57.2	56.1	-2%
EPS (excl. NRIs)	-0.01	-0.03	-134%	0.03	0.02	-27%	0.03	0.03	-2%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	0%

Source: Inderes

Starbreeze Q3´25: All eyes on the new strategy's progress

We lower our estimates following Q3

Following the Q3'25 results, we have made targeted revisions to our revenue and profitability estimates across the forecast period.

- For PAYDAY 3, we lowered our Q4'25 and FY26 revenue assumptions for PD3 given the weak Q3 outcome and declining player activity post-quarter. With limited visibility on clear revenue-driving content before year-end and continued weak engagement metrics, we feel increased caution is warranted. That said, the upcoming release of Skill 2.0 (a revamped progression and character-build system) represents an important milestone for strengthening retention and engagement, which we believe should create better prerequisites for improved monetization in 2026 and onwards. To our understanding, monthly content updates will begin in December and onwards, and we expect this accelerated cadence to drive quarter-on-quarter revenue improvements through 2026 as the transition from a transaction-based (DLC) model to a modern live-engagement model takes hold. However, the pace of this ramp-up remains uncertain given current player sentiment, in our view.
- The subscription model introduced in PAYDAY 2 in late Q3 had a significantly greater impact than we anticipated, with revenue of 15 MSEK coming in well above our 9 MSEK estimate. We feel this outcome highlights the title's enduring appeal and staying power, even with limited development efforts since PD3's launch. Moreover, we expect the newly announced partnership with Sidetrack Games to further support PD2's longevity through ongoing quality-of-life improvements and technical updates We have raised our Q4'25 and outer-year PD2 estimates to reflect this stronger baseline and the subscription model's ongoing contribution potential.
- Management commentary in the Q3 report and during the earnings call offered limited visibility on the status of ongoing partnership discussions beyond KRAFTON, which is nearing completion. We feel this adds increased uncertainty around our FY26 assumptions, where we had previously modeled a new work-for-hire project of similar scope as the KRAFTON partnership. Given the lack of clarity on timing and pipeline, we lowered our FY26 work-for-hire revenue assumptions.
- The higher-than-expected game amortization in Q3 (39 MSEK vs. Inderes est. 28 MSEK, excluding the Baxter write-down) has led us to increase our normalized amortization assumptions going forward, impacting direct costs. Our OPEX and net financial estimates remain largely unchanged.
- In aggregate, we lowered our FY25 revenue estimate by 2% to 232 MSEK (was 238 MSEK) and our FY26-27 revenue estimates by 2-5%. The combination of lower revenues and higher amortization has resulted in EBITDA estimate reductions of 2-6% for FY26-27, with a more pronounced impact on EBIT in 2026 due to the increased D&A expectations.

Estimate revisions MSEK / SEK	2025e Old	2025e New	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	238	232	-2%	273	260	-5%	257	252	-2%
EBITDA	70.4	60.5	-14%	159	149	-6%	132	129	-2%
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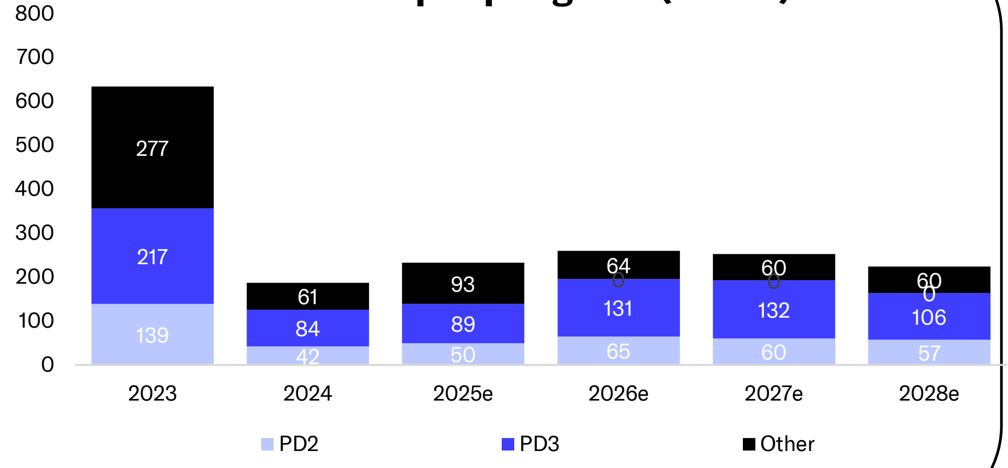
EPS (excl. NRIs)	-0.01	-0.03	-134%	0.03	0.02	-27%	0.03	0.03	-2%
DPS	0.00	0.00		0.00	0.00		0.00	0.00	

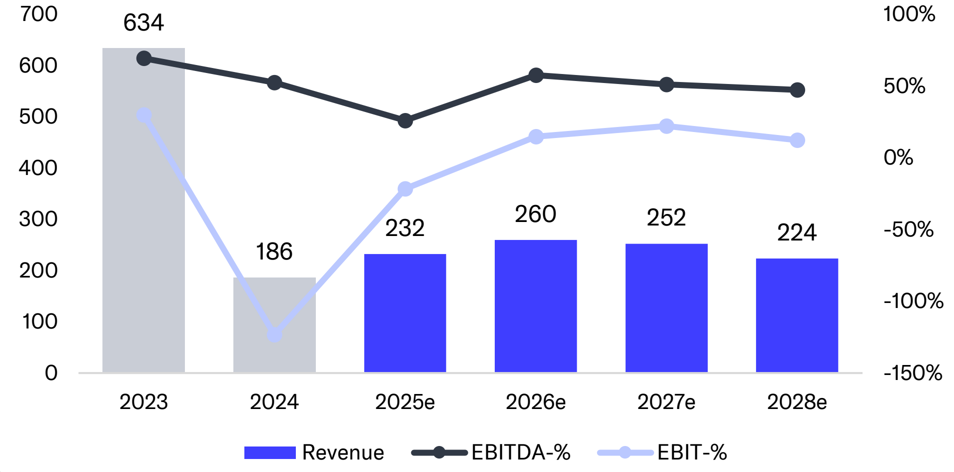
Source: Inderes

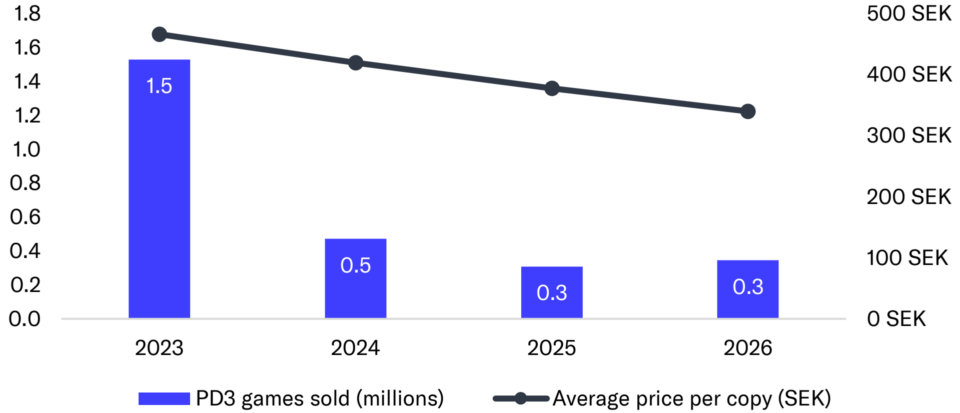
Starbreeze, Webcast, Q3'25

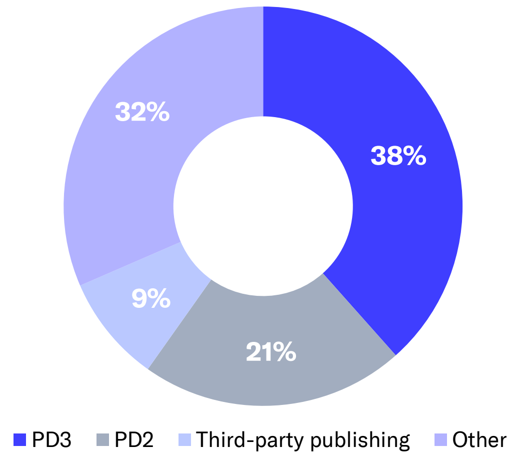
Underlying assumptions for revenue estimates



* "Other" primarily constitute of revenue received from the work-for-hire agreements and 3PP revenue. In 2023, previously received game financing was recorded as revenue.







Source: Starbreeze, Inderes estimates

Valuation 1/3

Lack of clear near-term triggers leads us to the sidelines

At the current valuation (EV 2025e: ~100 MSEK), we feel expectations for both the PAYDAY franchise and updated strategy as a whole are low for all the right reasons. The main risks that we see lie in execution and timing, with PAYDAY 3 being launched two years ago and having struggled to reignite engagement at scale. Meanwhile, Starbreeze has put limited effort into PAYDAY 2 since, even though the title has held up surprisingly well, arguably benefiting from PAYDAY 3's shortcomings. There are no guarantees that the franchise will deliver a major turnaround following the company's strategic revision and renewed efforts. With the company's core focus directed at the PAYDAY franchise, expanding within the heisting genre, and continuing work-for-hire projects, we feel that Starbreeze has a lot to prove not only to the players but also to investors going forward.

By concentrating nearly all resources on the PAYDAY franchise, Starbreeze is once again placing the bulk of its risk and opportunity into a single IP. The introduction of "Special Operations" (work-for-hire projects) as a strategic pillar, coupled with genre-adjacent expansion, does mitigate concentration risk somewhat, but the majority of revenues will still depend on one franchise that continues to face structural challenges. The revised strategy will also test Starbreeze's ability to consistently secure profitable work-for-hire contracts to support both utilization and cash flow stability.

In the near-term, we believe these doubling-down initiatives in the PAYDAY franchise will be supportive to the franchise's revenue streams through e.g. a higher update cadence, refined player experience, and improved monetization models. However, the medium- to long-term outlook remains uncertain, and the path to sustained engagement at materially higher levels is not yet visible.

That said, we see underlying value in the IP. This is supported by the franchise's vast installed player base, strong community, the KRAFTON partnership, and the regained publishing rights for PAYDAY 3. However, the discontinuation of Project Baxter removed some of the near-term triggers that previously supported our investment case. Combined with what we feel are elevated risks to our estimates following the strategic pivot, we believe it is prudent to remain on the sidelines until we see clearer evidence that the new strategy can deliver both sustainably higher engagement and improved monetization across the franchise. Hence, we reiterate our Reduce recommendation and lower our target price to SEK 0.14 (was SEK 0.15).

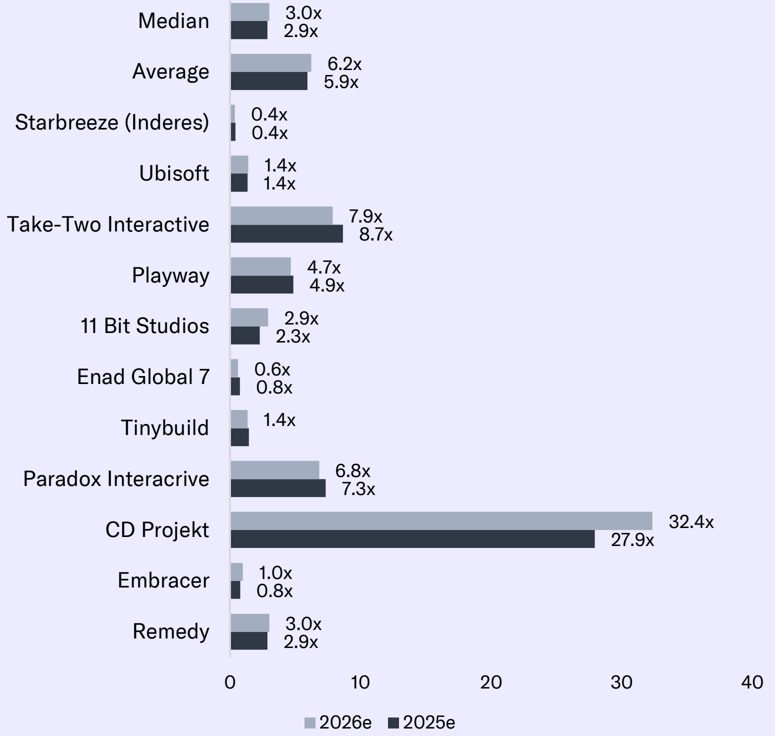
On another note, the company's low valuation and recent operational streamlining could make it a potential M&A target for a larger, better-capitalized publisher seeking to acquire proven IPs. However, we view such a scenario as speculative at this stage, albeit not implausible given the ongoing industry consolidation trend toward established franchises.

Multiple-based valuation suffers from fluctuating financials

Starbreeze's fluctuating revenues and earnings naturally result in variance in multiples. Depreciation and amortization will also fluctuate based on the timing of game releases. In addition, it is not easy to determine an appropriate multiple for Starbreeze. For instance, EBITDA multiples do not fully account for game development costs and paint an overly rosy picture. Meanwhile, EV/EBIT and P/E suffer from uneven D&A costs related to game releases. This essentially leaves us with sales-based multiples (P/S and EV/S) in the short term, of which EV/S is more appropriate as it accounts for net debt. However, even EV/S is problematic given how revenue fluctuations linked to game release cycles can distort comparisons.

Valuation	2025e	2026e	2027e
Share price	0.13	0.13	0.13
Number of shares, millions	1,624	1,624	1,624
Market cap	206	206	206
EV	97	97	106
P/E (adj.)	neg.	5.7	3.8
P/E	neg.	5.7	3.8
P/B	0.8	0.7	0.6
P/S	0.9	0.8	0.8
EV/Sales	0.4	0.4	0.4
EV/EBITDA	1.6	0.7	0.8
EV/EBIT (adj.)	neg.	2.5	1.9

Starbreeze and peers' EV/S multiples, 2025-2026



Valuation 2/3

With our revenue estimates, the EV/S multiples for 2025-2027 are around 0.4x. This is lower than the peer group median of 2.7-3.3x for 2025-2027. However, a discount is reasonable as Starbreeze is significantly smaller than the peer group average and possesses a less diversified games portfolio, which in turn presents a higher degree of volatility in earnings and uncertainty regarding cash flows. In addition, there are significant company-specific differences in the multiples, and we currently do not see the peer group multiples having a meaningful impact on Starbreeze's valuation.

DCF valuation

Our DCF model now implies a fair value of SEK 0.18 per share (was SEK 0.20). The model reflects a scenario where Starbreeze operates with a leaner cost base and achieves a near-term uplift in PAYDAY-related revenues, driven by the increased resource allocation toward the franchise and supported by recurring work-for-hire projects.

In 2027-2029, we project revenue to decrease as we expect the effects of near-term revitalization efforts within the PAYDAY ecosystem to fade, compounded by what we see as an increasingly uncertain long-term outlook. That said, we are incorporating revenue growth in 2030-2034 to account for any potential effects from launching new games or further experiences (e.g. spin-offs) within its core heisting genre.

While the lower cost structure and expected revenue uplift from PAYDAY initiatives support profitability in the near term, this comes from a smaller revenue base. At the company's current development stage, the model's assumptions are subject to considerable uncertainty, and the cash flows are concentrated far in the future. Consequently, we do not view the DCF valuation offering strong near-term support, as Starbreeze's valuation and equity story remain closely tied to the execution and performance of the PAYDAY franchise in the coming years.

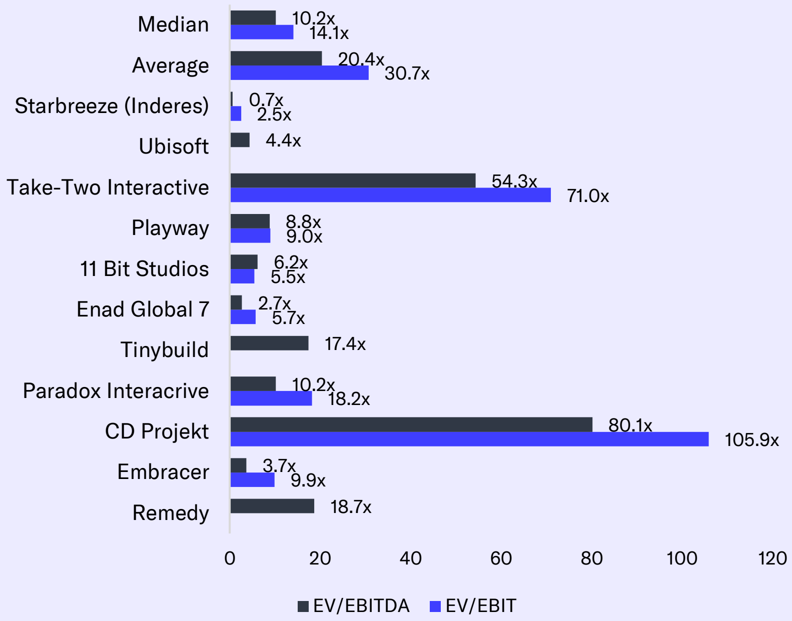
Scenario analysis

As our Starbreeze estimates are more heavily dependent on projections of one single franchise, there is quite a bit of uncertainty in these estimates. Therefore, to support our valuation, we have conducted a DCF valuation for the following three scenarios: baseline scenario, downside scenario, and upside scenario.

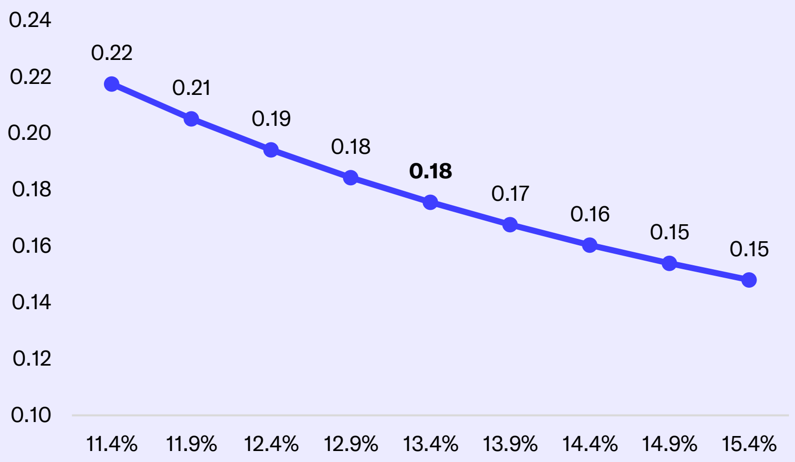
Our **baseline scenario** assumes that the PAYDAY franchise experiences a meaningful short-term recovery driven by increased update cadence, improved monetization, and broader engagement initiatives, though these effects are expected to gradually fade over time. We also assume Starbreeze continues to secure work-for-hire projects comparable in size and scope to the KRAFTON contract, providing steady revenue streams alongside game-related sales. Over the long term, we factor in revenue from new games and/or "heisting experiences" within the PAYDAY universe, but take a conservative approach to their contributions. For the terminal period, we have used an EBIT margin of 16% and a revenue growth rate of 2.5%.

In the **downside scenario**, we account for a weaker execution on near-term turnaround efforts, resulting in a smaller boost to player engagement and lower incremental revenues from PAYDAY-related content. While our trajectory follows the same general pattern as the baseline, revenue levels are expected to be lower. This scenario also assumes similar investment levels, which would strain the company's cash flow position and potentially increase the likelihood of an equity raise within the forecast period. For the terminal period, we apply an EBIT margin of 12% and a growth rate of 2%, resulting in an estimated equity value of SEK 0.07 per share.

Starbreeze and peers' 2026e EV/EBIT and EV/EBITDA



DCF value sensitivity



Valuation 3/3

This illustrates the inherent downside risk of investing in binary cases like Starbreeze. Given the company's current low diversification and the volatile nature of the gaming industry, Starbreeze's future hinges on the success of strengthening its core IP to finance new projects and/or initiatives, as well as ongoing operations. In this downside case, one could also consider a scenario where Starbreeze decides to sell the PAYDAY franchise to a better capitalized game developer.

In our view, such a sale could potentially fetch a value higher than our DCF model suggests, depending on the state of the franchise at the time, the potential buyer, and other factors.

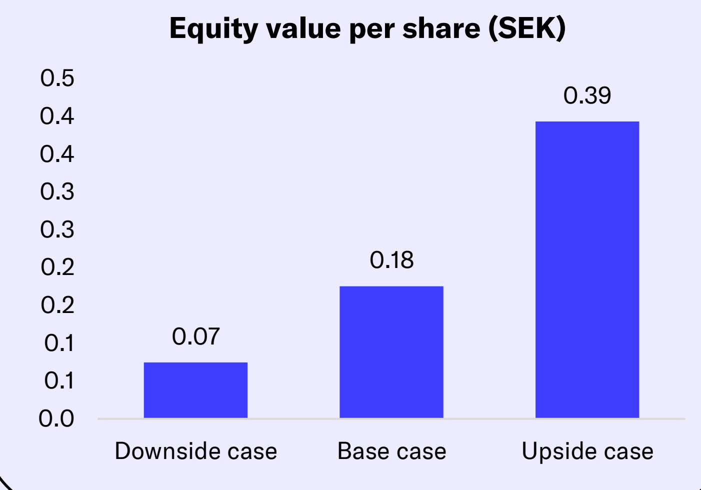
In the **upside scenario**, we assign a higher probability to Starbreeze successfully revitalizing both PAYDAY 3 and the broader franchise through new upgrades (incl. content), and experiences, while also being more successful in monetization and leveraging other content avenues (e.g. transmedia, emerging platforms), leading to stronger commercial performance than our base scenario, as reflected in the higher net revenue and earnings estimates in this scenario.

In this more optimistic outlook, we project an EBIT margin of 23% for the terminal period, compared to 16% in the baseline scenario. Based on these assumptions, we estimate a potential share price of SEK 0.39 (was SEK 0.40). However, the current market valuation suggests that investors assign a relatively low probability to this scenario materializing. Nonetheless, we believe it is important to consider this possibility, as Starbreeze remains a highly binary case, where fortunes could shift dramatically and unexpectedly, given the nature of the gaming industry.

Base Case	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	Term
Revenues	232	260	252	224	203	243	282	311	321	330	2.5 %
EBIT	-349	39	56	28	0	17	42	43	45	53	
EBIT-%	-150%	15%	22%	12%	0%	7%	15%	14%	14%	16%	16%

Downside Case	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	Term
Revenues	209	187	182	179	162	183	198	217	225	224	2.0 %
EBIT	-293	4	16	0	-11	4	12	13	25	26	
EBIT-%	-140%	2%	9%	0%	-7%	2%	6%	6%	11%	12%	12%

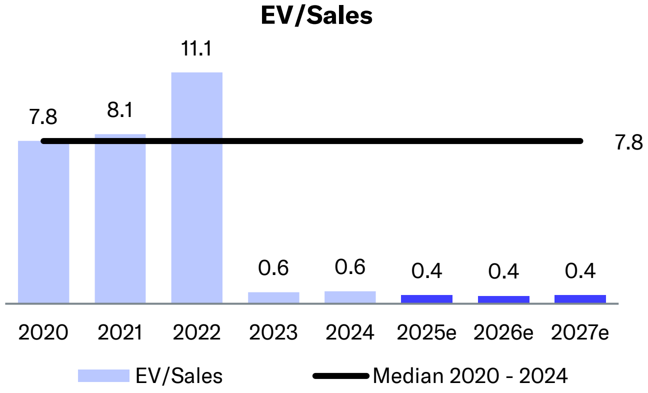
Upside Case	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	Term
Revenues	256	309	300	277	262	326	373	410	424	428	2.5 %
EBIT	-320	59	72	36	26	42	75	82	98	99	
EBIT-%	-125%	19%	24%	13%	10%	13%	20%	20%	23%	23%	23%

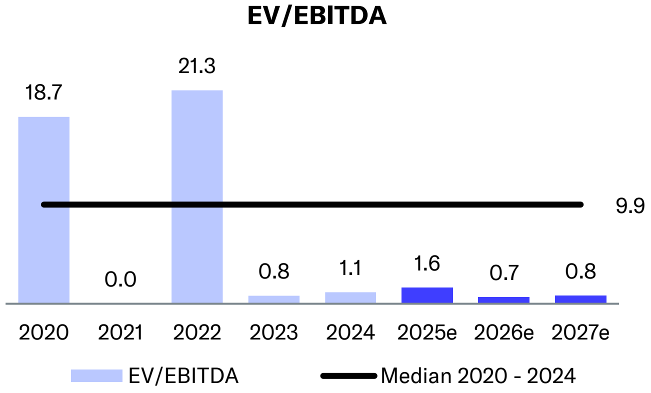


Valuation table

Valuation	2020	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Share price	1.09	1.00	1.58	0.47	0.21	**0.13**	**0.13**	**0.13**	**0.13**
Number of shares, millions	725	725	725	1,477	1,477	**1,624**	**1,624**	**1,624**	**1,624**
Market cap	784	727	1,142	699	304	**206**	**206**	**206**	**206**
EV	919	1,021	1,413	350	111	**97**	**97**	**106**	**128**
P/E (adj.)	neg.	neg.	neg.	2.5	neg.	**neg.**	**5.7**	**3.8**	**8.0**
P/E	neg.	neg.	neg.	2.5	neg.	**neg.**	**5.7**	**3.8**	**8.0**
P/B	3.4	5.9	20.1	0.8	0.5	**0.8**	**0.7**	**0.6**	**0.5**
P/S	6.6	5.8	8.9	1.1	1.6	**0.9**	**0.8**	**0.8**	**0.9**
EV/Sales	7.8	8.1	11.1	0.6	0.6	**0.4**	**0.4**	**0.4**	**0.6**
EV/EBITDA	18.7	>100	21.3	0.8	1.1	**1.6**	**0.7**	**0.8**	**1.2**
EV/EBIT (adj.)	84.5	68.3	>100	1.8	neg.	**neg.**	**2.5**	**1.9**	**4.6**

Source: Inderes





The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation	EV	EV/EBIT		EV/EBITDA		EV/S		P/E		Dividend yield-%		P/B
Company	**MEUR**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**	**2026e**	**2025e**
Remedy	160		159.7	13.3	32.0	2.7	3.2		1312.0			3.2
Embracer	1,378	4.2	7.2	2.5	2.7	0.6	0.8	9.4	11.8		0.4	0.4
CD Projekt	5,535	66.7	88.3	55.0	66.4	24.6	27.3	74.2	84.8	0.4	0.5	8.0
Paradox Interacrive	1,616	28.4	20.6	12.5	10.8	7.6	7.2	41.8	26.7	2.5	2.8	6.8
Tinybuild	28			12.6	8.5	0.9	0.9		92.0			
Enad Global 7	117	57.0	9.7	5.1	2.5	0.8	0.6	15.9	13.0			0.3
11 Bit Studios	81	4.9	5.9	3.2	5.8	2.1	2.6	3.9	5.3			1.4
Playway	348	8.1	7.6	8.0	7.5	5.1	4.8	10.4	9.9	8.1	8.7	3.9
Take-Two Interactive	38,269	70.6	60.8	56.7	46.2	7.9	6.9	93.3	72.4			7.3
Ubisoft	2,011			2.6	3.5	1.1	1.1					0.4
Starbreeze (Inderes)	**9**	**-1.9**	**2.5**	**1.6**	**0.7**	**0.4**	**0.4**	**-4.2**	**5.7**	**0.0**	**0.0**	**0.8**
Average		**33.0**	**42.1**	**17.5**	**18.5**	**5.5**	**5.6**	**34.9**	**165.2**	**2.8**	**2.5**	**3.9**
Median		**26.4**	**19.2**	**12.5**	**8.5**	**2.7**	**3.2**	**23.3**	**25.2**	**1.4**	**0.5**	**3.6**
Diff-% to median		***-107%***	***-87%***	***-87%***	***-92%***	***-85%***	***-88%***	***-118%***	***-77%***	***-100%***	***-100%***	***-79%***

Source: Refinitiv / Inderes

Income statement

Income statement	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue	**634**	**57**	**40**	**43**	**46**	**186**	**68**	**54**	**58**	**53**	**232**	**260**	**252**	**224**
EBITDA	**439**	**48**	**8**	**21**	**20**	**98**	**16**	**6**	**19**	**20**	**61**	**149**	**129**	**106**
Depreciation	-249	-72	-79	-76	-72	-299	-45	-31	-305	-30	-410	-111	-73	-78
EBIT (excl. NRI)	**190**	**-43**	**-71**	**-63**	**-52**	**-229**	**1**	**-17**	**-24**	**-10**	**-50**	**39**	**56**	**28**
EBIT	**190**	**-23**	**-71**	**-55**	**-52**	**-201**	**-29**	**-25**	**-285**	**-10**	**-349**	**39**	**56**	**28**
Share of profits in assoc. compan.	0	1	0	0	0	1	0	0	0	0	0	0	0	0
Net financial items	17	1	0	-4	3	1	-1	-1	0	0	-2	-2	-2	-2
PTP	**208**	**-21**	**-71**	**-59**	**-49**	**-199**	**-29**	**-25**	**-286**	**-11**	**-352**	**36**	**54**	**26**
Taxes	0	0	0	0	0	0	3	-1	1	0	4	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net earnings	**208**	**-21**	**-71**	**-58**	**-49**	**-199**	**-26**	**-26**	**-285**	**-11**	**-348**	**36**	**54**	**26**
EPS (rep.)	**0.19**	**-0.01**	**-0.05**	**-0.04**	**-0.03**	**-0.13**	**-0.02**	**-0.02**	**-0.18**	**-0.01**	**-0.21**	**0.02**	**0.03**	**0.02**

Key figures	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25	Q2'25	Q3'25	Q4'25e	2025e	2026e	2027e	2028e
Revenue growth-%	396.5 %	112.3 %	-7.0 %	-91.4 %	-33.0 %	-70.7 %	19.5 %	33.8 %	36.8 %	13.5 %	25.1 %	11.8 %	-2.9 %	-11.2 %
Adjusted EBIT growth-%	2721.0 %	272.7 %	2300.2 %	-121.0 %	-45.3 %	-220.4 %	-103.0 %	-75 %	-62.7 %	-80.2 %	-78.2 %	-177.3 %	45.0 %	-50.5 %
EBITDA-%	69.3 %	85.7 %	20.1 %	50.2 %	42.4 %	52.5 %	23.2 %	11.0 %	33.1 %	37.2 %	26.0 %	57.5 %	51.2 %	47.4 %
Adjusted EBIT-%	30.0 %	-76.3 %	-176.2 %	-147.7 %	-112.1 %	-123.2 %	1.9 %	-32.4 %	-40.3 %	-19.6 %	-21.5 %	14.9 %	22.2 %	12.4 %
Net earnings-%	32.8 %	-37.1 %	-175.9 %	-136.8 %	-106.1 %	-107.2 %	-39.0 %	-48.4 %	-487.7 %	-20.5 %	-149.7 %	13.9 %	21.3 %	11.5 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2023	2024	2025e	2026e	2027e
Non-current assets	**537**	**402**	**217**	**233**	**291**
Goodwill	47	0	0	0	0
Intangible assets	472	372	157	183	235
Tangible assets	11	26	55	47	51
Associated companies	1	0	0	0	0
Other investments	0	0	0	0	0
Other non-current assets	7	4	4	4	4
Deferred tax assets	0	0	0	0	0
Current assets	**574**	**309**	**179**	**205**	**189**
Inventories	0	0	0	0	0
Other current assets	0	0	0	0	0
Receivables	226	117	70	96	88
Cash and equivalents	348	192	109	109	100
Balance sheet total	**1,111**	**712**	**395**	**439**	**479**

Source: Inderes

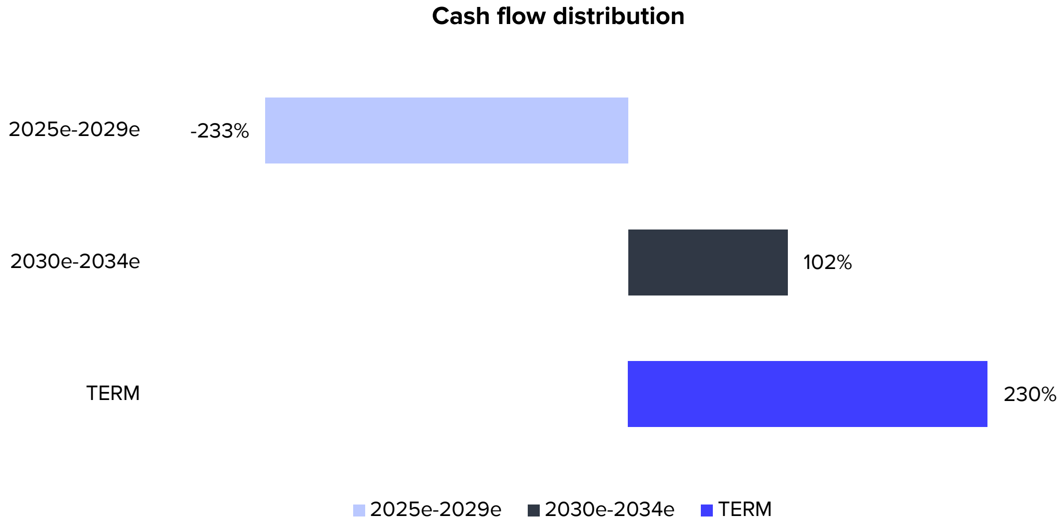
Liabilities & equity	2023	2024	2025e	2026e	2027e
Equity	**895**	**587**	**272**	**308**	**362**
Share capital	30	30	32	32	32
Retained earnings	-1,742	-2,060	-2,408	-2,372	-2,318
Hybrid bonds	0	0	0	0	0
Revaluation reserve	14	24	24	24	24
Other equity	2,593	2,593	2,623	2,623	2,623
Minorities	0	0	0	0	0
Non-current liabilities	**2**	**3**	**32**	**27**	**22**
Deferred tax liabilities	1	2	2	2	2
Provisions	0	0	0	0	0
Interest bearing debt	0	0	0	0	0
Convertibles	0	0	0	0	0
Other long term liabilities	1	1	30	25	20
Current liabilities	**215**	**122**	**91**	**104**	**96**
Interest bearing debt	0	0	0	0	0
Payables	208	104	81	94	86
Other current liabilities	7	18	10	10	10
Balance sheet total	**1,111**	**712**	**395**	**439**	**479**

DCF-calculation

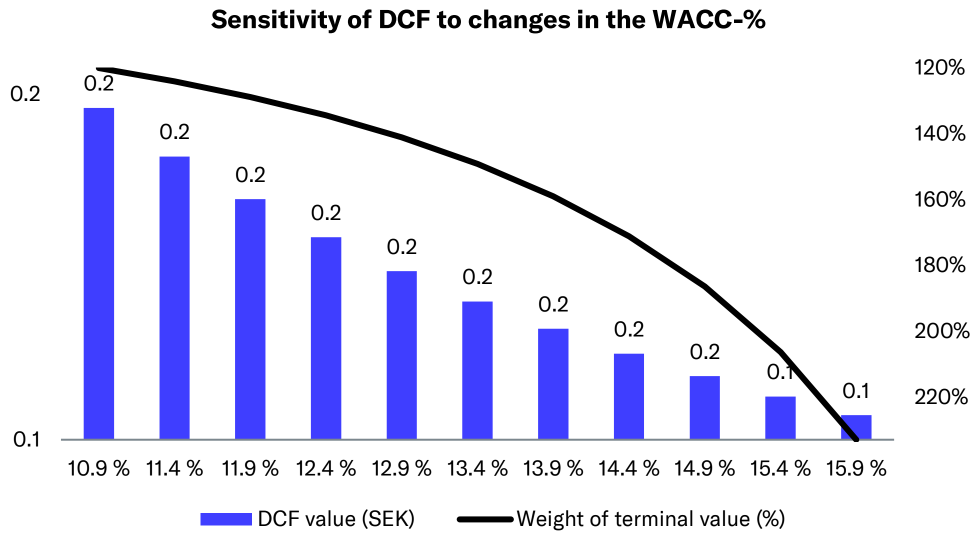
DCF model	2024	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TERM
Revenue growth-%	-70.7 %	25.1 %	11.8 %	-2.9 %	-11.2 %	-9.4 %	20.0 %	16.0 %	10.0 %	3.5 %	2.5 %	2.5 %
EBIT-%	-108.2 %	-150.3 %	14.9 %	22.2 %	12.4 %	-0.2 %	7.2 %	14.8 %	13.9 %	14.0 %	16.0 %	16.0 %
EBIT (operating profit)	**-201**	**-349**	**39**	**56**	**28**	**0**	**17**	**42**	**43**	**45**	**53**	
+ Depreciation	299	410	111	73	78	111	117	125	130	127	124	
- Paid taxes	0	4	0	0	0	0	0	-8	-8	-9	-10	
- Tax, financial expenses	0	0	0	0	0	0	0	0	0	0	0	
+ Tax, financial income	0	0	0	0	0	0	0	0	0	0	0	
- Change in working capital	16	17	-14	0	0	4	10	2	1	1	0	
Operating cash flow	**115**	**81**	**135**	**129**	**106**	**115**	**145**	**160**	**166**	**163**	**167**	
+ Change in other long-term liabilities	0	29	-5	-5	0	0	0	0	0	0	0	
- Gross CAPEX	-165	-224	-128	-130	-126	-135	-134	-137	-129	-119	-120	
Free operating cash flow	**-51**	**-114**	**3**	**-6**	**-20**	**-21**	**11**	**23**	**37**	**44**	**47**	
+/- Other	0	33	0	0	0	0	0	0	0	0	0	
FCFF	-51	-81	3	-6	-20	-21	11	23	37	44	47	0
Discounted FCFF		**-80**	**2**	**-5**	**-13**	**-12**	**6**	**11**	**15**	**16**	**15**	**139**
Sum of FCFF present value		93	173	171	175	189	201	196	185	170	154	139
Enterprise value DCF		**93**										
- Interest bearing debt		0										
+ Cash and cash equivalents		192										
-Minorities		0										
-Dividend/capital return		0										
Equity value DCF		**285**										
Equity value DCF per share		**0.18**										

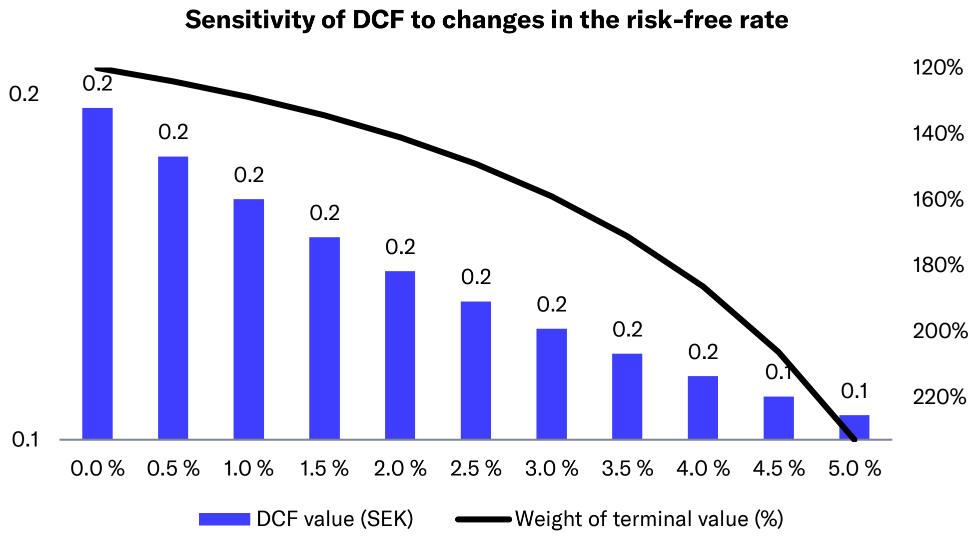
WACC	
Tax-% (WACC)	20.6 %
Target debt ratio (D/(D+E)	0.0 %
Cost of debt	8.0 %
Equity Beta	2.00
Market risk premium	4.75%
Liquidity premium	1.40%
Risk free interest rate	2.5 %
Cost of equity	**13.4 %**
Weighted average cost of capital (WACC)	**13.4 %**

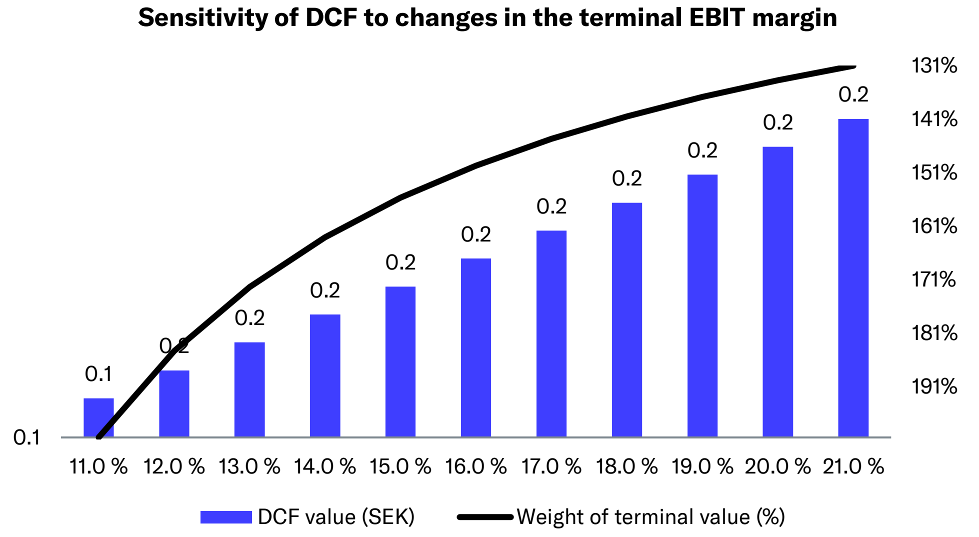
Source: Inderes

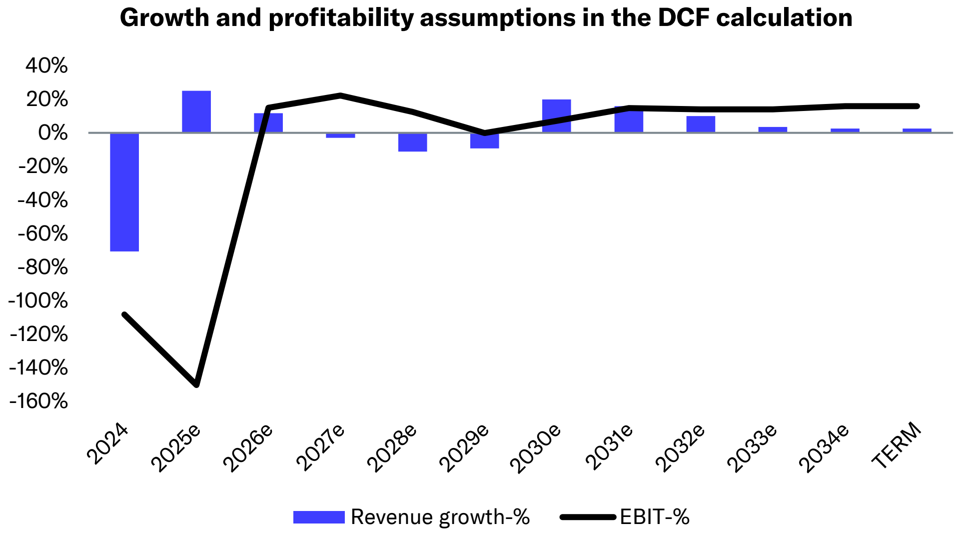


DCF sensitivity calculations and key assumptions in graphs









Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2022	2023	2024	2025e	2026e
Revenue	128	634	186	**232**	**260**
EBITDA	66	439	98	**61**	**149**
EBIT	7	190	-201	**-349**	**39**
PTP	-54	208	-199	**-352**	**36**
Net Income	-60	208	-199	**-348**	**36**
Extraordinary items	0	0	28	**-299**	**0**

Balance sheet	2022	2023	2024	2025e	2026e
Balance sheet total	746	1,111	712	**395**	**439**
Equity capital	57	895	587	**272**	**308**
Goodwill	48	47	0	**0**	**0**
Net debt	271	-348	-192	**-109**	**-109**

Cash flow	2022	2023	2024	2025e	2026e
EBITDA	66	439	98	**61**	**149**
Change in working capital	-8	-262	16	**17**	**-14**
Operating cash flow	65	177	115	**81**	**135**
CAPEX	-151	-201	-165	**-224**	**-128**
Free cash flow	-102	-28	-51	**-114**	**3**

Valuation multiples	2022	2023	2024	2025e	2026e
EV/S	11.1	0.6	0.6	**0.4**	**0.4**
EV/EBITDA	21.3	0.8	1.1	**1.6**	**0.7**
EV/EBIT (adj.)	>100	1.8	neg.	**neg.**	**2.5**
P/E (adj.)	neg.	2.5	neg.	**neg.**	**5.7**
P/B	20.1	0.8	0.5	**0.8**	**0.7**
Dividend-%	0.0 %	0.0 %	0.0 %	**0.0 %**	**0.0 %**

Source: Inderes

Per share data	2022	2023	2024	2025e	2026e
EPS (reported)	-0.08	0.19	-0.13	**-0.21**	**0.02**
EPS (adj.)	-0.08	0.19	-0.15	**-0.03**	**0.02**
OCF / share	0.09	0.16	0.08	**0.05**	**0.08**
OFCF / share	-0.14	-0.03	-0.03	**-0.07**	**0.00**
Book value / share	0.08	0.82	0.40	**0.17**	**0.19**
Dividend / share	0.00	0.00	0.00	**0.00**	**0.00**

Growth and profitability	2022	2023	2024	2025e	2026e
Revenue growth-%	2%	396%	-71%	**25%**	**12%**
EBITDA growth-%	958%	562%	-78%	**-38%**	**147%**
EBIT (adj.) growth-%	-55%	2721%	-220%	**-78%**	**-177%**
EPS (adj.) growth-%	72%	-329%	-181%	**-81%**	**-174%**
EBITDA-%	52.0 %	69.3 %	52.5 %	**26.0 %**	**57.5 %**
EBIT (adj.)-%	5.3 %	30.0 %	-123.2 %	**-21.5 %**	**14.9 %**
EBIT-%	5.3 %	30.0 %	-108.2 %	**-150.3 %**	**14.9 %**
ROE-%	-66.6 %	43.6 %	-26.9 %	**-81.1 %**	**12.5 %**
ROI-%	1.4 %	28.6 %	-27.0 %	**-81.4 %**	**13.3 %**
Equity ratio	7.6 %	80.5 %	82.5 %	**68.8 %**	**70.2 %**
Gearing	478.0 %	-38.9 %	-32.7 %	**-40.1 %**	**-35.4 %**

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

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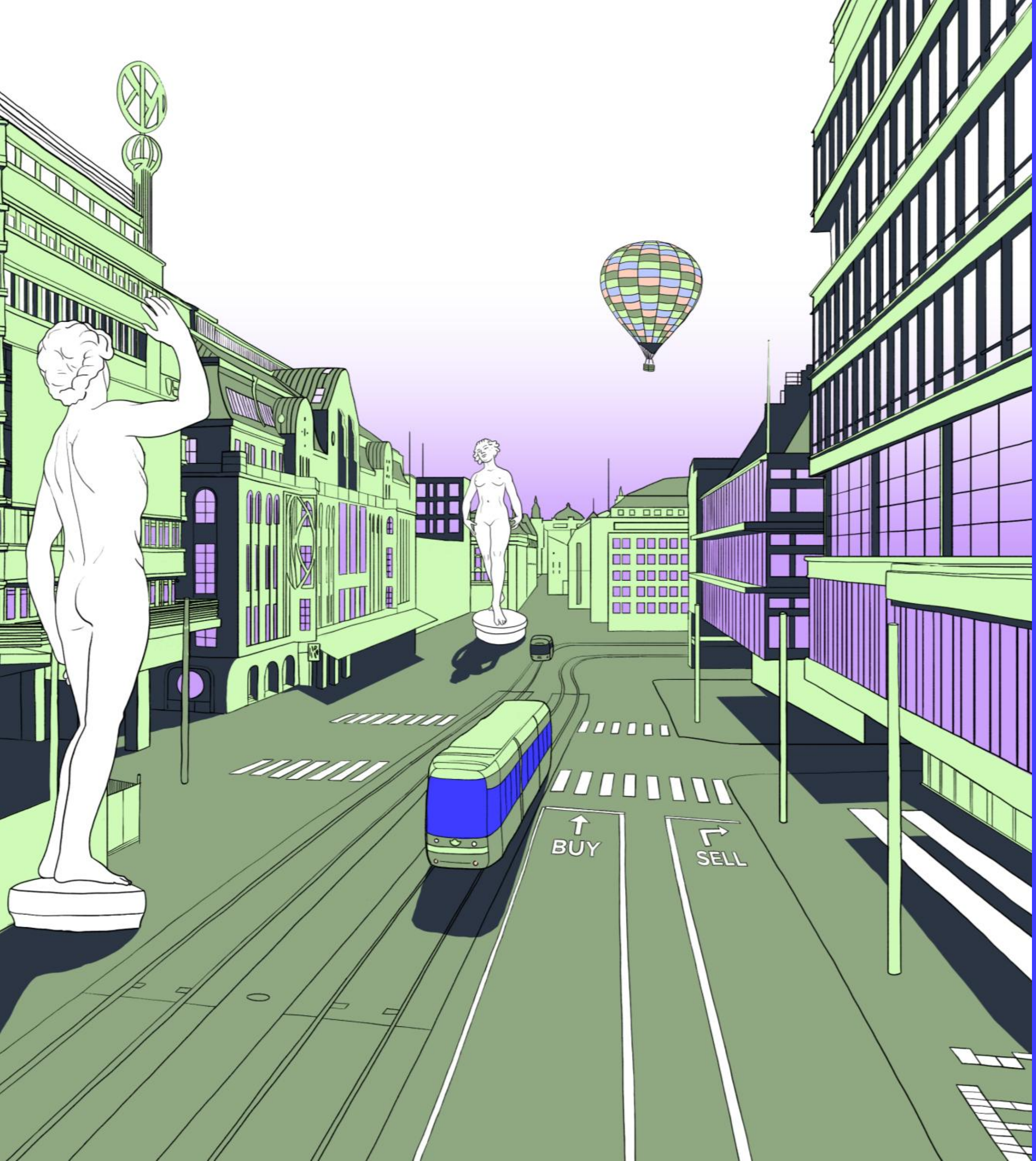
Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
2023-05-30	Accumulate	1.15 SEK	1.03 SEK
2023-08-18	Reduce	1.15 SEK	1.19 SEK
2023-09-12	Accumulate	1.15 SEK	0.95 SEK
2023-10-02	Buy	0.85 SEK	0.60 SEK
2023-11-17	Accumulate	0.55 SEK	0.44 SEK
2024-02-16	Reduce	0.35 SEK	0.35 SEK
Change of Analyst			
2024-05-15	Reduce	0.30 SEK	0.27 SEK
2024-08-21	Reduce	0.30 SEK	0.28 SEK
2024-09-30	Reduce	0.30 SEK	0.28 SEK
2024-11-15	Reduce	0.22 SEK	0.20 SEK
2024-12-06	Accumulate	0.22 SEK	0.17 SEK
2025-02-19	Accumulate	0.24 SEK	0.20 SEK
2025-05-09	Accumulate	0.26 SEK	0.22 SEK
2025-05-14	Accumulate	0.26 SEK	0.21 SEK
2025-08-20	Accumulate	0.22 SEK	0.18 SEK
2025-10-07	Reduce	0.15 SEK	0.16 SEK
2025-11-12	Reduce	0.14 SEK	0.13 SEK



CONNECTING INVESTORS AND COMPANIES.

Inderes democratizes financial information by connecting investors and listed companies. For investors, we are an investing community and a trusted source of financial information and equity research. For listed companies, we are a partner in delivering high-quality investor relations. Over 500 listed companies in Europe use our investor relations products and equity research services to provide better investor communications to their shareholders.

Our goal is to be the most investor-minded company in finance. Inderes was founded in 2009 by investors, for investors. As a Nasdaq First North-listed company, we understand the day-to-day reality of our customers.

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