



BEYOND FRAMES

Beyond Frames Entertainment AB (publ) Year-End report Q4 2023

Fourth quarter, October 1 – December 31, 2023

- Sales amounted to 40,386 (4,239) kSEK, an increase of 853% compared to Q4 2022.
- Operating profit before depreciation and amortization and shares in associated companies' earnings (EBITDA) amounted to 3,853 (-5,186) kSEK
- Profit after financial items amounted to -3,749 (-7,840) kSEK
- EBITDA per share amounted to 0.22 (-0.30) SEK
- Profit per share after financial items amounted to SEK -0.22 (-0.46) SEK
- Cash and cash equivalents at the end of the quarter amounted to 21,820 (48,309) kSEK. This compares to 34,555 kSEK at the end of the previous quarter.
- Equity attributable to the parent company's shareholders in the Group amounted to 81,921 kSEK at the end of the quarter, corresponding to 4.77 SEK per share, compared with 89,556 kSEK, corresponding to 5.22 SEK per share at the end of the corresponding quarter last year.

The Period, Jan 1 – December 31, 2023

- Sales amounted to 136,932 (24,817) kSEK, an increase of 452% compared to the corresponding period of 2022.
- Operating profit before depreciation and amortization and shares in associated companies' earnings (EBITDA) amounted to 10,160 (-13,513) kSEK
- Profit after financial items amounted to -7,746 (-22,696) kSEK
- EBITDA per share amounted to 0.59 (-0.79) SEK
- Profit per share after financial items amounted to SEK -0.45 (-1.32) SEK

Comparative figures refer to the corresponding period of the previous year unless otherwise stated.

CEO comments

Historic Growth and a Promising Future

Beyond Frames finished the year on a strong 4th quarter with an 853% increase in revenue year over year, and positive EBITDA. For the 12-month period, revenues were up 452%, marking the company's best year so far.

The incredible performance of Ghosts of Tabor was our major headline-maker throughout 2023. The singular title's KPIs have been game-changing for Beyond Frames and we look forward to its continued contribution. Additionally, the 32.6 MSEK in project funding secured for Cortopia productions, which will continue to be paid out through 2025, was a strong addition to the core of our business today and into the future.

Our growth this year has been historic, and with 6 projects already in production we're excited about the future. Beyond what's already in the pipeline, we're still focused on scaling the business and looking to find creative ways to do so as we weather these tough market conditions.

Publishing

This was the first holiday for Ghosts of Tabor and sales were exceptional, even while the game was still in early access. On February 8th, Ghosts of Tabor graduated out of Meta's App Lab market onto the main Meta Quest Store. The title had a successful relaunch, holding a solid top-5 position on the Meta Quest Store's Top-Sellers list during its launch week, and has remained in a top-5 position as of this report. The game launched at a higher price point of \$24.99 USD compared to its beta period price of \$19.99 USD. At launch, several downloadable content (DLC) bundles were sold and performed well. We plan to work with Combat Waffle to release more DLC in the future.

We announced furthering our partnership with Combat Waffle Studios by publishing their next 2 titles, GRIM and Silent North. These titles are already gaining traction. The plan is to launch these titles onto Meta Quest App Labs and SteamVR Early Access similar to the strategy used for Ghosts of Tabor.

Our Publishing division continues to hunt for the next big hit using the proprietary data we've collected from our portfolio. We have a full pipeline of candidates and look forward to announcing more partnerships this year.

Studios

Cortopia is working on the three titles we mentioned in Q3. We haven't provided details on any of the titles yet, but plan to announce the first of the three titles this spring. For Cortopia projects with external project funding, the studio recognized their paid milestones in Q4.

Moon Mode has come on board with Cortopia to assist with the development of our yet-to-be-named major studio IP title.

Odd Raven is still in production on their unannounced title.

Market

For the first time, Meta's Reality Labs segment earned more than a billion USD in a quarter with the Meta Quest 2 and 3 having a strong holiday. The Meta Quest app, which is required to play the Meta Quest line of hardware, was the #1 app on iOS in the United States again just as it was in 2022. Beyond Frames felt the rise in headset sales as our own titles sold better across our entire catalog.

The Apple Vision Pro, Apple's first XR headset, has been released to the public. During the pre-order period, the device sold out within 15 minutes. We see this as a promising signal for

XR and spatial computing and future mass market adoption.

The video game industry at large is going through a market correction. Layoffs and studio closures have taken over headlines in recent days and we see this trend continuing through the rest of the year. We also see this time as an opportunity for companies with resources to consolidate and/or found new studios with more efficient development capabilities. We're certainly keeping an eye out for ways Beyond Frames can leverage its resources to build an even stronger company group.

The Future

Our 6 active productions have planned releases through early 2026, and we believe they will pave a financially lucrative road for Beyond over the next few years. During that time, we're still eager to expand our operations to PC and console gaming. Given the state of the market, we believe there are great deals to be made to secure our non-XR pipeline. We're adjusting our approach under these new market conditions and look forward to sharing more in 2024.

Thanks to our players, staff, partners, and stakeholders for your continued support.

Ace St. Germain, CEO Beyond Frames Entertainment AB (publ)

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About Beyond Frames Entertainment

Headquartered in Stockholm, Sweden, Beyond Frames is an XR-focused publisher with its development studios Cortopia, Moon Mode and partner studio Odd Raven. Offering creative and technical consulting, funding, marketing and publishing services, Beyond Frames partners with studios creating amazing XR products such as Ghosts of Tabor (Combat Waffle Studios), Outta Hand (Capricia Productions), ARK and ADE (Castello Inc.), Silhouette (Team Panoptes) and Mixture (Played With Fire). Beyond Frames Entertainment AB (publ) is listed on the Swedish Spotlight Stock Market, ISIN: SE0011614965.