

Unofficial translation of the Annual Report

If any discrepancy between the English and the Swedish version, the Swedish version shall prevail.

The board of directors and CEO of

Beyond Frames Entertainment AB (publ)

Org nr 559058-8322

presents

**the Annual report
and the consolidated financial statements**

for the financial year 2025-01-01 - 2025-12-31

Table of contents:	Page
Board of Directors' Report	1
Income statement - Group	6
Balance sheet - Group	7
Cash Flow Statement - Group	9
Income statement - Parent company	10
Balance sheet - Parent company	11
Cash Flow Statement - Parent Company	13
Notes	14
Signatures	31

Board of Directors' Report

The Board of Directors of Beyond Frames Entertainment AB (publ) hereby submits the Annual Report for the financial year 2025-01-01-2025-12-31

General information about the activities

Beyond Frames Entertainment is a games company headquartered in Stockholm, Sweden. We strive to unite skilled game developers with a shared vision: to create engaging, high-quality gaming experiences for PC and console, as well as Virtual Reality (VR), Augmented Reality (AR), and Mixed Reality (MR) technologies. Our strategy involves developing games through our own and operated studios as well as partnering with external studios to promote their growth through world-leading publisher services.

The company's headquarters in Stockholm.

Management report

Studio

During 2025, Cortopia continued developing two new titles for release during 2025 and 2026, as previously communicated.

- GORN 2: Developed by Cortopia in collaboration with Devolver Digital, GORN 2 was released on April 17, 2025. The game had a strong launch and performed well commercially with sales remaining stable throughout the rest of the year.
- TMNT: On May 28, 2025, Cortopia, in collaboration with Paramount Game Studios, announced that the studio's next game expected to launch in spring 2026 is *Teenage Mutant Ninja Turtles: Empire City*. The game is the first standalone virtual reality (VR) experience set in the well-known Teenage Mutant Ninja Turtles universe. Development is progressing according to plan.

Publishing

Beyond Frames Entertainment is the publisher of *Teenage Mutant Ninja Turtles: Empire City* on behalf of their wholly owned studio, Cortopia Studios. The game has attracted significant attention since its announcement, and the project represents Beyond Frames' largest undertaking since the company began its publishing operations in 2022.

During the year Beyond Frames Entertainment has expanded its game portfolio with the release of two new titles: *GRIM* in January and *Silent North* in April. Both games were developed in collaboration with Combat Waffle Studios, a partner with whom Beyond Frames has previously enjoyed strong success with through the hit *Ghosts of Tabor*.

Market

The XR market continues to grow with steadily increasing user engagement, rising demand for new content and significant investment in new hardware. New games and immersive experiences have shown strong levels of engagement throughout the year despite short-term uncertainty driven by cutbacks in the tech sector.

Beyond Frames Entertainment believes the industry may be approaching a potential shift, with increasing focus likely to move from today's VR headsets toward smart glasses. Such a transition is expected to broaden the target audience. Major players like Meta and other hardware manufacturers continue to invest significant resources in the development of next-generation devices. Taken together, ongoing technological advancements and a growing user base are creating the conditions for new business models and distribution channels.

Development of the company's operation, result and position

Group

Amount KSEK	2025-12-31	2024-12-31	2023-12-31	2022-12-31	2021-12-31
Net sales	129 980	175 834	136 932	24 817	23 742
Capitalized development	72 873	64 429	60 571	39 366	21 044
EBITDA	17 625	14 166	10 160	-13 513	233
EBITDA/Share (SEK)	0,95	0,81	0,59	-0,79	0,01
Profit after tax	-10 347	-19 386	-7 778	-22 702	-8 666
Profit after tax/Share	-0,56	-1,1	-0,45	-1,32	-0,55
Total assets	96 094	93 099	105 281	99 401	79 441
Equity, parent company (owners)	63 643	63 468	81 923	89 556	69 300
Equity/Share (SEK)	3,42	3,62	4,77	5,22	4,4
Number of shares	18 635 409	17 544 409	17 159 709	17 159 709	15 759 709

Parent company

Amount KSEK	2025-12-31	2024-12-31	2023-12-31	2022-12-31	2021-12-31
Net sales	121 403	156 305	127 012	16 595	6 239
Capitalized development	12 416	13 285	8 882	3 158	1 254
EBITDA	1 998	10 691	10 332	-19 794	-9 841
EBITDA/Share (SEK)	0,11	0,61	0,6	-1,15	-0,62
Profit after tax	-6 706	5 236	3 670	-20 935	-8 776
Profit after tax/Share	-0,36	0,3	0,21	-1,22	-0,56
Total assets	147 843	140 265	119 682	104 748	84 225
Equity	114 703	111 193	105 148	101 477	79 680
Equity/Share (SEK)	6,16	6,34	6,13	5,91	5,06
Number of shares	18 635 409	17 544 409	17 159 709	17 159 709	15 759 709

Material risks and uncertainties

Earnings Capacity and Capital Requirements

The market in VR and AR is in an early stage, which is characterized by rapid technological and innovative development, which opens for many new players, including Beyond Frames Entertainment AB (publ). In addition, major players from traditional game development in PC, console and mobile games may enter the VR and AR market as it matures. Several of these, both current and future competitors, may have a competitive advantage in the form of more established brands, longer histories and greater financial resources. If Beyond Frames Entertainment AB (publ) fails in maintaining its market position through continued innovation, there is a risk that Beyond Frames Entertainment AB (publ) will lose competitiveness, which could negatively affect Beyond Frames Entertainment AB (publ).

Furthermore, it cannot be excluded that it will take longer than expected before Beyond Frames Entertainment AB (publ) achieves continuous stable profitability. It cannot be ruled out that Beyond Frames Entertainment AB (publ) will have a greater capital requirement in the future than is currently deemed necessary.

Market

It cannot be excluded that changing consumer behaviors, new regulations or other market-related factors in VR, AR or related industries may lead to a decrease in market interest. There is thus a risk that changes in consumer behavior, regulations or other market-related factors may lead to a weaker demand for Beyond Frames Entertainment AB (publ)'s products, which could have a significant negative impact on the company's business, financial position and results.

Partners

Beyond Frames Entertainment AB (publ) is dependent on partners for the publishing business, financing and distribution of the company's products, and has established collaborations and business relationships with recognized players in the market and other game studios.

If any of these partners were to find themselves in a situation that complicates or delays the partner's commitments, or disagreements concerning for example the cooperation or agreement, there is a risk

that the company's operations will be adversely affected

Intangible fixed assets

The launch of new game titles may generate lower revenue than expected. This entails a risk that the carrying values of the company's assets may be adjusted during the next financial year. It cannot be excluded that games in development do not meet milestone criteria, which may lead to higher development costs, delayed milestone payments and/or the game not reaching the market. In addition, it cannot be excluded that errors occur in launched games, which may increase the company's costs and/or reduce the estimated number of units sold. If this occurs, it could have a significant adverse impact on the company's operations, financial condition and results.

Intellectual property protection

In game development, as for all software development, there is a risk that Beyond Frames Entertainment AB (publ) games may be imitated by competitors. There is also a risk that other companies hold intellectual property rights that Beyond Frames Entertainment AB (publ) could be claimed to infringe. Defense of Beyond Frames Entertainment AB (publ) intellectual property rights or compensation to third parties for infringement of and/or use of third parties' intellectual property rights may result in reduced revenues or increased costs until infringements are prosecuted, license fees have been paid and/or permission has been obtained to use third parties' intellectual property rights. Taken together, this could have a negative impact on Beyond Frames Entertainment AB (publ)'s operations, results of operations and financial position.

Acquisition of game studios

Part of Beyond Frames Entertainment AB (publ)'s business strategy is based on the acquisition of prominent game studios in games based on VR and AR technology. There is a risk that acquired game studios do not live up to the expectations that Beyond Frames Entertainment AB (publ) had and that led to the acquisition. These expectations relate to the level of competence, skill, financial circumstances, the ability to cooperate or other factors. There is a risk that acquired game studios will not be integrated into Beyond Frames Entertainment AB (publ)'s operations in an appropriate manner. Expected positive synergies may not materialize in whole or in part. Taken together, these risks could have a negative impact on Beyond Frames Entertainment AB (publ)'s business, results of operations and financial position.

Key

Key employees within Beyond Frames Entertainment AB (publ) have extensive expertise and experience in the company's area of operation. If senior executives and/or other key employees leave their employment with the company, there is a risk that the company will not be able to recruit staff with equivalent skills or knowledge level required to be able to perform the tasks needed. It is therefore of great importance for the company to succeed in attracting and retaining key employees. Loss of key personnel or inability to recruit qualified personnel could have a negative impact on the company's operations, financial position and results.

Currency risks

Beyond Frames Entertainment AB (publ) is a Swedish public limited liability company whose accounts are denominated in SEK. The gaming industry is a global and digital market where the majority of revenue streams may be generated in foreign currencies. These revenues may result in Beyond Frames Entertainment AB (publ) being exposed to significant currency fluctuations. These could have a negative impact on Beyond Frames Entertainment AB (publ)'s sales, earnings and financial position.

IT systems and cyberattacks

Beyond Frames Entertainment AB (publ) operations are dependent on reliable, functional, and maintained IT systems that are continuously further developed, this includes the company's systems related to the development, launch and maintenance of games as well as support systems such as the accounting system. The inability to continuously update the company's IT systems could have a negative impact on the company's operations, financial position and results. IT systems are vulnerable to external influences. It is becoming increasingly common for companies to be exposed to cyberattacks, some of which are sophisticated targeted attacks on companies' computer networks. There is therefore a risk that the company will not be able to prevent the attacks or take effective measures in time, which could mean that unauthorized parties succeed in gaming access to information or otherwise damage the information. This could have a negative impact on the company's operations, financial position and earnings.

Equity

Group

	<i>Share capital</i>	<i>Other additional capital</i>	<i>Other separate contributed.</i>	<i>Min. interest</i>
Equity 250101	877	167 430	-104 839	1 943
Profit for the year			-10 038	-309
<i>Changes towards equity:</i>				
<i>Issued warrants:</i>				
<i>Transactions with owner:</i>				
<i>New share issued</i>				
Profit for the year	54	10 160		
Equity 251231	931	177 590	-114 877	1 634

This year's allocation to the fund for Development cost amounted to SEK 8 444 (5 803).

Parent company

	<i>Share capital</i>	<i>Fund development</i>	<i>Free share premium reserve</i>	<i>Other. free separate chapter.</i>
Eget kapital 250101	877	13 360	156 541	-59 588
Profit of the year				-6 706
<i>Capitalized development.</i>		-869		869
<i>Issued warrants.</i>				
<i>New share issue</i>	54		10 160	
Equity 251231	931	12 491	166 701	-65 425

This year's allocation to the fund for Development cost amounted to SEK -869 (4 478).

Proposal for appropriation of the company's profit or loss

The Board of Directors and the CEO propose that unrestricted equity, SEK 101 279 960 will be allocated in accordance with:

Retained earnings	107 984 821
Profit of the year	-6 704 861
Sum	101 279 960
To be carried forward	101 279 960
Sum	101 279 960

With regard to the Group's and the Parent Company's profit and position in general, reference is made to the subsequent income statements and balance sheets with accompanying notes.

Income statement - Group

<i>Amount in KSEK</i>	<i>Note</i>	<i>2025-01-01- 2025-12-31</i>	<i>2024-01-01- 2024-12-31</i>
Operating income			
Net sales		129 980	175 834
Capitalized work on own account	27	31 879	33 661
Other operating income		2 367	1 852
		<u>164 226</u>	<u>211 347</u>
Operating expenses			
Goods for resale		-95 652	-150 963
Other external costs	5	-15 290	-13 223
Personnel costs	3	-35 658	-32 787
Depreciation and amortization of tangible and Intangible fixed assets	4	-24 300	-31 268
Other operating expenses		-	-208
		<u>-6 674</u>	<u>-17 102</u>
Operating profit			
		-6 674	-17 102
Resultat från finansiella poster			
Profits from associated companies and joint venture	6	-118	-482
Interest income, expenses and similar items	7	-3 502	-1 802
		<u>-10 294</u>	<u>-19 386</u>
Profit after financial items			
		-10 294	-19 386
Profit before tax			
		-10 294	-19 386
Tax on profit of the year	8	-53	-
		<u>-10 347</u>	<u>-19 386</u>
Profit of the year			
		-10 347	-19 386
Attributable to			
Parent company's shareholders		-10 038	-19 264
Non-controlling interests		-309	-122

Balance sheet – Group

<i>Amount in KSEK</i>	<i>Note</i>	<i>2025-12-31</i>	<i>2024-12-31</i>
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalized costs for game development and similar	9	72 873	64 429
Concessions, patents, licenses, trademarks and similar rights	10	74	74
Goodwill	11	-	254
		<u>72 947</u>	<u>64 757</u>
<i>Property, plant and equipment</i>			
Inventory, tools and installations	12	576	1 187
		<u>576</u>	<u>1 187</u>
<i>Financial fixed assets</i>			
Participation in associated companies and joint venture	15	868	986
Other long-term receivables	16	950	950
		<u>1 818</u>	<u>1 936</u>
Total fixed assets		<u>75 341</u>	<u>67 880</u>
Current assets			
<i>Current receivables</i>			
Account receivables		6 806	13 431
Tax assets		531	888
Other assets		2 987	2 579
Deferred expenses and accrued income	17	1 564	958
		<u>11 888</u>	<u>17 856</u>
Cash and bank		<u>8 865</u>	<u>7 364</u>
Total current assets		<u>20 753</u>	<u>25 220</u>
Total assests		<u>96 094</u>	<u>93 100</u>

Balance sheet – Group

<i>Amount in KSEK</i>	<i>Note</i>	<i>2025-12-31</i>	<i>2024-12-31</i>
EQUITY AND LIABILITIES			
Equity			
Share capital		931	877
Other capital contributed		177 589	167 430
Other equity incl profit for the year		-114 877	-104 840
Equity attributable to parent company shareholders		63 643	63 467
Non-controlling interests		1 635	1 944
Total equity		65 278	65 411
Long-term liabilities			
Other liabilities to credit institutions.		3 333	-
		3 333	-
Current liabilities			
Accounts payable		2 351	4 668
Tax liabilities		91	331
Other current liabilities	23	13 185	5 710
Accrued liabilities and deferred income	20	11 856	16 980
		27 483	27 689
TOTAL EQUITY AND LIABILITIES		96 094	93 100

Cash Flow Statement - Group

<i>Amount in KSEK</i>	2025-12-31	2024-12-31
Operating activities		
Profit after financial items	-10 294	-19 386
Adjustments for items not included in the cash flow:		
Depreciation and amortization of assets	24 300	31 268
Share of associated companies' profit	118	482
Income tax paid	64	-132
Cash flow from operating activities before changes in working capital	14 188	12 232
<i>Cash flow from changes in working capital</i>		
Change in operating receivables	5 611	-279
Change in operating liabilities	34	6 596
Cash flow from operating activities	19 833	18 546
Investments		
Acquisition of intangible fixed assets	-31 879	-33 736
Acquisition of property, plant and equipment	-	-75
Cash flow from investing activities	-31 879	-33 811
Financing activities		
New share issue	10 214	19
Premiums for warrants		790
Loans raised	3 333	-
Cash flow from financing operations	13 547	809
Cash flow for the year	1 501	-14 456
Cash & cash equivalents at the beginning of the year	7 364	21 820
Cash and cash equivalents at year-end	8 865	7 364

Income statement – parent company

<i>Amount in KSEK</i>	<i>Note</i>	<i>2025-01-01- 2025-12-31</i>	<i>2024-01-01- 2024-12-31</i>
Operating income			
Net sales		121 403	156 305
Capitalized work on own account	27	3 990	7 611
Other operating income		4 096	3 560
		<u>129 489</u>	<u>167 476</u>
Operating expenses			
Goods for resale		-105 000	-136 746
Other external costs	5	-12 221	-10 019
Personnel costs	3	-10 270	-10 020
Depreciation and amortization of tangible and Intangible fixed assets	4	-5 272	-3 675
Other operating expenses		-	-
Operating profit		<u>-3 274</u>	<u>7 016</u>
Profit from financial items			
Interest income, expenses and similar items	7	-3 432	-1 780
Profit after financial items		<u>-6 706</u>	<u>5 236</u>
Profit before tax		<u>-6 706</u>	<u>5 236</u>
Profit for the year		<u>-6 706</u>	<u>5 236</u>

Balance sheet – parent company

<i>Amount in KSEK</i>	<i>Note</i>	<i>2025-12-31</i>	<i>2024-12-31</i>
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalized costs for game development and the like	9	12 416	13 285
Concessions, patents, licenses, trademarks and similar rights	10	74	74
		<u>12 490</u>	<u>13 359</u>
<i>Property, plant and equipment</i>			
Inventory, tools and installations	12	390	802
		<u>390</u>	<u>802</u>
<i>Financial fixed assets</i>			
Shares in Group companies	13	110 134	45 800
Receivables from Group companies	14	1 000	1 000
Participations in associated companies and jointly controlled companies	15	8 369	8 369
Other long-term receivables	16	950	950
		<u>120 453</u>	<u>56 119</u>
Total fixed assets		<u>133 333</u>	<u>70 280</u>
Current assets			
<i>Current receivables</i>			
Accounts receivable		6 380	11 759
Receivables from Group companies		51	52 533
Current tax asset		209	209
Other receivables		1 856	1 340
Deferred expenses and accrued income	17	1 385	1 060
		<u>9 881</u>	<u>66 901</u>
Cash and bank		4 629	3 084
Total current assets		<u>14 510</u>	<u>69 985</u>
TOTAL ASSETS		<u>147 843</u>	<u>140 265</u>

Balance sheet – parent company

<i>Amount in KSEK</i>	<i>Note</i>	<i>2025-12-31</i>	<i>2024-12-31</i>
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital (18,635,409 shares)		932	877
Development expenditure fund		12 491	13 360
		<u>13 423</u>	<u>14 237</u>
<i>Free equity</i>			
Retained Profit or Loss		-58 716	-64 822
Free share premium reserve		166 702	156 542
Profit for the year		-6 706	5 236
		<u>101 280</u>	<u>96 956</u>
Total equity		<u>114 703</u>	<u>111 193</u>
Long-term liabilities			
Other liabilities to credit institutions		3 333	-
		<u>3 333</u>	<u>-</u>
Current liabilities			
Account payable		1 455	3 412
Liabilities to Group companies		269	-
Other current liabilities	23	12 365	4 916
Accrued expenses and deferred income	20	15 718	20 744
		<u>29 807</u>	<u>29 072</u>
TOTAL EQUITY AND LIABILITIES		<u>147 843</u>	<u>140 265</u>

Cash Flow Statement – parent company

<i>Amount in KSEK</i>	<i>2025-12-31</i>	<i>2024-12-31</i>
Operating activities		
Profit after financial items	-6 706	5 236
Adjustments for items, not included in the cash flow:		
Depreciation of assets	5 272	3 675
Cash flow from operating activities before Changes in working capital	-1 434	8 911
<i>Cash flow from changes in working capital</i>		
Change in operating receivables	57 022	921
Change in operating liabilities	735	5 483
Cash flow from operating activities	56 323	15 315
Investment		
Acquisition of subsidiaries	-64 334	-26 000
Acquisition of intangible fixed assets	-3 991	-7 686
Acquisition of property, plant and equipment	-	-32
Cash flow from investing activities	-68 325	-33 718
Financing activities		
New share issue	10 214	19
Issue of convertible loans	-	790
Loans raised	3 333	-
Cash flow from financing operations	13 547	809
Cash flow for the year	1 545	-17 594
Cash & cash equivalents at the beginning of the year	3 084	20 678
Cash and cash equivalents at year-end	4 629	3 084

Note

Note 1 Accounting principles

Amounts in KSEK unless otherwise stated.

General accounting principles

The Annual Report has been prepared in accordance with the Annual Accounts Act and in accordance with the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3).

Valuation principles etc.

Assets, provisions and liabilities have been measured at cost unless otherwise stated below.

Foreign currency

Monetary items in foreign currency are converted at the exchange rate of the balance sheet date. Non-monetary items are not reevaluated and are reported at the exchange rate at the time of acquisition.

Exchange differences arising from the adjustment or translation of monetary items are recognized in the income statement in the financial year in which they arise

Intangible assets

Game Development Expenses

Expenses for game development are recognized as an expense in the income statement when they arise. When reporting expenses for game development, the capitalization model is applied. This means that expenses incurred during the development phase are recognized as an intangible asset in the balance sheet and as an income in the income statement when all of the following conditions are met:

- It is possible from a technical perspective to complete the intangible fixed asset so that it can be used or sold.
- The intention is to complete the intangible fixed asset and to use or sell it.
- The prerequisites exist for using or selling the intangible fixed asset.
- It is likely that the intangible fixed asset will generate future economic benefits.
- There are the necessary and adequate technical, financial and other resources to complete the development and to use or sell the intangible fixed asset.
- Expenses related to the intangible fixed asset can be reliably calculated.

Intangible non-current assets are recognized in the balance sheet at cost less accumulated depreciation and impairment related to each asset

Depreciation of intangible assets

Depreciation takes place on a linear basis over the expected lifetime, and for intangible assets, depreciation begins immediately when an intangible asset has been capitalized. Depreciation is recognized as an expense in the income statement. The following usage period is used:

	<i>Group</i>	<i>Parent company</i>
The following depreciation periods apply:		
<i>Internally accumulated intangible assets</i>		
Retained expenditure on development and related works	5	5
<i>Acquired intangible assets</i>		
Retained expenditure on development and related works	5	5
Patent	5	5
Goodwill	5	5

Impairment losses on intangible assets

At each balance sheet date, it is assessed whether there is any indication that an asset's value is lower than the asset's carrying value. If such an indication is present, the recoverable value of the asset is calculated. See tangible assets for definition of recoverable value

Impairment assessment of Intangible Assets relating to capitalization expenses for in-house developed games and acquired Publishing Rights is done from a portfolio perspective. Where the company's entire game portfolio is considered as one cash-generating unit. Given that the combination of in-house developed games and acquired publishing rights together constitutes the company's strategy to diversify the revenue streams and create the opportunity to analyze a larger amount of data for future investments, both for in-house developed games and future acquisition of rights.

Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and impairment.

Additional expenditure

Additional expenses that meet the asset criteria are included in the asset's carrying amount. Expenses for ongoing maintenance and repairs are reported as costs when they arise.

Depreciation of property, plant and equipment

Depreciation occurs on a linear basis over the asset's estimated lifetime, as it reflects the expected consumption of the asset's future economic benefits. Depreciation is recognized as an expense in the income statement.

The following depreciation periods apply:

	<i>Group year</i>	<i>Mother- enterprise year</i>
Property, plant and equipment:		
-Improvement expenses on someone else's property	3	3
- Inventory, tools and installations	5	5
-Computers	3	3

Write-downs of property, plant and equipment and participation in Group companies

At each balance sheet date, it is assessed whether there is any indication that an asset's value is lower than the assets carrying amount. If such an indication is present, the recoverable value of the asset is calculated.

The recoverable value is the highest of fair value less cost of sales and value in use. When calculating the value in use, the present value is calculated as the expected future cash flows from the asset and when in time it is expected to be divested or scrapped. The discount rate used is pre-tax and reflects market-based assessments of the time value of the money and the risks associated with the asset. A previous write-down is reversed only if the reasons on the basis for which the recovery value was calculated at the time of the last write-down have changed.

Leasing - Lessee

All leases are classified as financial or operating leases. A financial lease is a lease under which the risks and rewards associated with owning an asset are essentially transferred from the lessor to the lessee. An operating lease is a lease that is not a financial lease.

Operating leases

Lease payments under operating leases, including increased first-time rent but excluding expenses for services such as insurance and maintenance, are reported as costs on a straight-line basis over the lease period.

Financial assets and liabilities

Financial assets and liabilities are reported based on cost in accordance with Chapter 11 of BFNAR 2012:1.

Accounting in and removal from the balance sheet

A financial asset or financial liability is recorded on the balance sheet when the company becomes a party to the contractual terms of the instrument.

A financial asset is removed from the balance sheet when the contractual right to the cash flow from the asset has expired or been settled. The same applies when the risks and benefits associated with the holding have been transferred to another party in all material respects and the company no longer has control over the financial asset. A financial liability is removed from the balance sheet when the agreed obligation has been fulfilled or terminated. Spot purchases and spot sales of financial assets are reported on the business day.

Classification and valuation

Financial assets and liabilities have been classified into different valuation categories in accordance with Chapter 12 of BFNAR 2012:1. The classification into different valuation categories forms the basis for how the financial instruments are to be valued and how changes in value are to be reported.

Financial assets are measured at cost at the first time of recognition.

Financial current assets are valued after the first accounting date at the lower of the acquisition value and the net sales value on the balance sheet date.

Trade receivables and other receivables that constitute current assets are valued individually at the amount that is estimated to accrue.

Financial fixed assets are measured at cost after the first accounting date, less any write-downs and the addition of any revaluations.

Interest-bearing financial assets are measured at amortized cost using the effective interest method.

Employee benefits

Short-term employee benefits

Short-term compensation is compensation to employees that falls due for payment within twelve months of the balance sheet date of the year in which the employee earned the compensation, except for compensation after termination of employment and compensation in the event of termination.

Short-term employee benefits are calculated without discounting and are recognized as cost when the related services are obtained. Short-term compensation for paid absences is reported as costs and short-term liabilities when the employees have performed the services that entitle them to future paid absences.

Compensation to employees after termination of employment

Classification

Plans for post-employment benefits are classified as defined.

In the case of defined contribution plans, fixed contributions are paid to another company, normally an insurance company, and no longer have any obligation to the employee once the contribution has been paid. The amount of the employee's compensation after termination of employment depends on the contributions paid and the return on capital that the contributions provide.

Defined contribution plans

The fees for defined contribution plans are reported as costs. Unpaid fees are reported as debts.

Other long-term employee benefits

Liabilities relating to other long-term remuneration to employees are recognized at the present value of the obligation on the balance sheet date.

Compensation in the event of termination

Compensation in the event of redundancies, to the extent that the compensation does not provide the company with any future financial benefits, is only recognized as a liability and a cost when the company has a legal or informal obligation to either:

- a) terminate the employment of an employee or group of employees before the normal termination of employment, or
- b) provide compensation in the event of termination through an offer to encourage voluntary resignation.

Compensation for redundancies is only recognized when the company has a detailed plan for the termination and has no realistic possibility of canceling the plan.

Share-based remuneration

Share-based remuneration refers to remuneration to employees in accordance with an employee stock option program. As the program is regulated by equity instruments, they are classified as "equity regulated" and an amount corresponding to the reported personnel costs is recognized directly in equity (retained earnings).

The vesting of the option is dependent on the program participant remaining in employment.

Tax

Tax on profit for the year in the income statement consists of current tax and deferred tax. The tax in question is income tax for the current financial year, which refers to the year's taxable profit and the part of the previous financial year's income tax that has not yet been reported. Deferred tax is income tax on taxable profit for future financial years resulting from past transactions or events.

Deferred tax liability is recognized for all taxable temporary differences, but not for the temporary differences arising from the first recognition of goodwill. Deferred tax assets are reported for deductible temporary differences and for the possibility of using tax loss carry-forwards in the future. The valuation is based on how the carrying amount of the corresponding asset or liability is expected to be recovered or regulated. The amounts are based on the tax rates and tax rules decided before the balance sheet date and have not been calculated at present value.

In the consolidated balance sheet, untaxed reserves are divided into deferred tax and equity.

Sales

The Group reports sales to consumers excluding VAT as net revenue, as well as sales commissions to gaming platforms and external studios as sales costs, as it is considered that the consumer is the company's customer, not the gaming platform and the external studio. Sales revenue and related expenses are posted in the period in which they are incurred.

For service assignments on current account, the income attributable to a completed service assignment is reported as income as work is performed, costs arise, and deliveries are completed. Revenues are accrued in accordance with the financial meaning of the agreement.

Consolidated financial

Subsidiaries

Subsidiaries are companies in which the parent company directly or indirectly holds more than 50% of the voting rights or otherwise has a controlling influence. Controlling influence means the right to formulate a company's financial and operational strategies with a view to obtaining economic benefits. The reporting of business combinations is based on the unitary view. This means that the acquisition analysis is prepared as of the time when the acquirer acquires a controlling influence. From this point on, the acquirer and the acquired entity are considered an accounting entity. The application of the unitary view also means that all assets (including goodwill) and liabilities, as well as income and expenses, are included in their entirety also for part-owned subsidiaries.

The acquisition costs of subsidiaries is calculated as the sum of fair value at the time of acquisition of the assets paid off, plus the liabilities incurred and assumed, as well as the equity instruments issued and any earn-outs. The acquisition analysis determines, with a few exceptions, the fair value at the time of acquisition of identifiable assets and assumed liabilities and minority interest. Minority interests are valued at fair value at the time of acquisition. From the date of acquisition, the consolidated financial statements include the acquired company's income and expenses, identifiable assets and liabilities, as well as any goodwill or negative goodwill accrued.

Goodwill

Group-based goodwill arises when the acquisition value of shares in subsidiaries exceeds the value of the acquired company's identifiable net assets as determined in the acquisition analysis. Goodwill is recognized at cost less accumulated depreciation and any impairment.

Earn-out

If, at the time of acquisition, it is likely that the purchase price will be adjusted at a later date and the amount can be reliably estimated, the amount shall be included in the estimated final cost of the acquired entity.

Adjustment of the value of the earn-out consideration within twelve months from the date of acquisition affects goodwill/negative goodwill. Adjustments later than twelve months after the date of acquisition are reported in the consolidated income statement

Acquisition analysis adjustment

In the event that the assumptions for the acquisition analysis are incomplete, it will be adjusted to better reflect actual conditions at the time of acquisition. The adjustments will be made retroactively within twelve months of the acquisition date. Adjustments later than twelve months after the acquisition date are reported as a changed estimate and assessment.

Changes in ownership

In the case of acquisitions of additional shares in companies that are already subsidiaries, no new acquisition analysis is prepared because the parent company already has a controlling influence. Since changes in the holding in companies that are subsidiaries are only a transaction between the owners, no profit or loss is recognized in the income statement, but the effect of the transaction is recognized only in equity.

When acquiring additional shares in a company so that the company becomes a subsidiary, an acquisition analysis is prepared. The previously owned shares are considered divested. Shares in a subsidiary have been acquired. Profit or loss, calculated as the difference between fair value and consolidated carrying amount, shall be recognized in the consolidated income statement.

If shares in a subsidiary are divested or controlling interest ceases in some other way, the shares are considered to be divested in the consolidated financial statements and the gain or loss on the sale is recognized in the consolidated income statement. If shares remain after the controlling influence has ceased, they are recognized with the fair value at the time of acquisition as acquisition value.

Associated companies

Shareholdings in associated companies in which the Group holds a minimum of 20% and a maximum of 50% of the votes or otherwise has a significant influence on operational and financial management are accounted for in accordance with the equity method. The equity method means that the carrying amount of shares in associated companies in the Group corresponds to the Group's share in the equity of associated companies, any residual values of Group surplus and undervalue, including goodwill and negative goodwill reduced by any internal profits.

In the Group's income statement, the Group's share in associated companies' profit after tax is reported as "Share in associated companies' profit after tax, adjusted for any depreciation or dissolution of acquired surplus and undervalue, including amortization of goodwill/dissolution of negative goodwill. Dividends received from associated companies reduce the carrying value. Profit shares accrued after the acquisitions of associated companies that have not yet been realised through dividends are allocated to the equity fund

Elimination of intercompany transactions, associated companies and jointly controlled companies

Inter-group receivables and liabilities, income and expenses, and unrealized gains or losses arising from transactions between Group companies are eliminated in their entirety. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no indication of any impairment need.

Accounting policies in the parent company

The accounting policies of the Parent Company are in accordance with the accounting policies set out above in the consolidated financial statements, except in the cases below.

Participation in subsidiaries, associates and jointly controlled companies

Participations in subsidiaries, associated companies and jointly controlled companies are recognized at cost less accumulated impairment charges. In addition to the purchase price, the acquisition value also includes expenses directly attributable to the acquisition.

Group contributions and shareholder contributions

Shareholder contributions made without issued shares or other equity instruments being received in exchange are recognized in the balance sheet as an increase in the carrying amount of the share. Repaid shareholder contributions are recognized as a reduction in equity when a decision on repayment has been made.

Leasing

All leases in which the company is a lessee are reported as operating leases (leases), regardless of whether the agreements are financial or operational. The lease fee is reported as a cost on a straight-line basis over the lease period

The company's leasing of office space is classified as an operational lease. Lease income is reported on a straight-line basis during the lease period.

Note 2 Estimates and assessments

The company makes estimates and assessments about the future. The estimates and assumptions that are significant for the Group are discussed below.

Balanced development expenditure

Direct costs of building games and platform are capitalized as assets on the balance sheet. Direct costs consist of salary costs for the employees working in the development phase, costs for hired subcontractors and other external costs that can be directly attributed to the specific development.

The production of games can be divided into two parts, the creation of objects used in the games and the work with the technical platform on which the games are based. Both of these parts can largely be reused in several games, the technical platform is a foundation that the company uses in different parts for all games, but also objects can be reused such as environments etc.

Only costs in the pure development phase are capitalized.

Note 3 Employees, personnel costs and fees to the Board of Directors

Average number of employees

	2025-01-01- 2025-12-31	Of which men	2024-01-01- 2024-12-31	Of which men
Parent company				
Sweden	8	5	12	10
Total parent company (1)	8	5	12	10
Subsidiary				
Sweden	35	27	34	25
Total subsidiary	35	27	34	25
Group total	43	32	46	35

(1) In 2024 five board members were included in the information for the parent company. Board members are not included in 2025

Reporting of gender distribution among senior executives

	2025-12-31 Share women in %	2024-12-31 Share women in %
Group		
Board	17	40
Other senior executives	75	75
Parent company		
Board	17	40
Other senior executives	75	75

Salaries and other allowances and social security costs, including pension costs

	2025-01-01- 2025-12-31	2024-01-01- 2024-12-31
Group		
Board of Directors and CEO	2 654	2 496
Other employees	22 671	21 165
Total	25 325	23 661
Social costs	9 378	8 486
(of which pension costs) (1)	1 331	1 063
Parent company		
Board of Directors and CEO	2 129	1 987
Other employees	5 062	5 218
Total	7 191	7 205
Social costs	2 691	2 441
(of which pension costs) (2)	384	233

(1) Of the Group's pension costs, 57 (as of year 28) relate to the Group companies' respective CEOs in respect of 1 (2) person. The Group's outstanding pension obligations to these amounts to 0 (fg year 0).

(2) Of the parent company's pension costs, 0 (fg year 0) refer to the company's CEO in respect of 0 (1) person. The company's outstanding pension obligations to these amount to 0 (fg year 0).

Note 4 Depreciation and amortization of property, plant and equipment and intangible fixed assets

	2025-01-01- 2025-12-31	2024-01-01- 2024-12-31
Group		
<i>Depreciation according to plan by asset</i>		
Capitalized expenses for game development and the like	23 434	19 093
Improvement expenses on someone else's property	-	47
Goodwill	254	507
Inventory, tools and installations	401	414
Computers	210	496
	<u>24 300</u>	<u>20 557</u>
<i>Impairment by asset</i>		
Capitalized game development expenditure	-	10 711
	-	<u>10 711</u>
Parent undertaking		
<i>Depreciation according to plan by asset</i>		
Capitalized expenses for game development and the like	4 860	3 045
Improvement expenses on someone else's property	-	47
Inventory, tools and installations	335	334
Computers	77	86
	<u>5 272</u>	<u>3 512</u>
<i>Impairment by asset</i>		
Capitalized expenses for game development and the like	-	163
	-	<u>163</u>

Note 5 Operating leases

Leasing agreements where the company is the lessee

	2025-01-01- 2025-12-31	2024-01-01- 2024-12-31
Group		
Agreed future minimum lease payments for non-terminable contracts are due		
Within a year:	2 557	2 491
	<u>2 557</u>	<u>2 491</u>
Parent company		
Agreed future minimum lease payments for non-terminable contracts are due		
Within a year:	2 557	2 491
	<u>2 557</u>	<u>2 491</u>

Note 6 Profit from participation in associates and jointly managed enterprises

	2025-01-01- 2025-12-31	2024-01-01- 2024-12-31
Income	-118	-88
Amortization goodwill	-	-394
Sum	<u>-118</u>	<u>-482</u>

Note 7 Interest income and similar income items

	2025-01-01- 2025-12-31	2024-01-01- 2024-12-31
Group		
Interest income, foreign exchange gains and other	85	387
Interest expenses, foreign exchange losses and other	-3 587	-2 189
	<u>-3 502</u>	<u>-1 802</u>
Parent company		
Interest income, foreign exchange gains and other, Group	34	36
Interest income, foreign exchange gains and other	70	359
Interest expenses, foreign exchange losses and other	-3 536	-2 175
	<u>-3 432</u>	<u>-1 780</u>

Note 8 Tax on profit for the year

	2025-01-01- 2025-12-31	2024-01-01- 2024-12-31
Group		
Current tax	53	-
Deferred tax	-	-
	53	-
Parent company		
Current tax	-	-
Deferred tax	-	-
	-	-

Reconciliation of effective tax

	2025		2024	
Group	Percent	Amount	Percent	Amount
Profit before tax		-10 294		-19 386
Tax at the applicable tax rate of the parent company	20,6%	-2 121	20,6%	-3 993
Other non-deductible expenses		-33		-52
Non-taxable income		4		3
Increase in loss carry-forwards without corresponding				
Activation of deferred tax		2 097		23 428
Reported effective tax	1%	53	0%	-
Parent company	Percent	Amount	Percent	Amount
Profit before tax		-6 706		5 236
Tax at the applicable tax rate of the parent company	20,6%	-1 381	20,6%	1 079
Non-deductable expenses		-32		-46
Non-deductable income		1		-
Utilization of previously uncapitalized loss carry forwards		-		-1 033
Increase in tax loss carry forwards without corresponding capitalization of deferred tax		1 412		-
Reported effective tax	0%	-	0%	-

Note 9 Capitalized expenditure on development

	2025-12-31	2024-12-31
Group		
<i>Cumulative acquisition values:</i>		
-At the beginning of the year	134 417	100 755
-Acquisitions	31 879	33 662
Closing acquisition values	166 296	134 417
<i>Accumulated depreciation:</i>		
-At the beginning of the year	-58 343	-39 250
-Depreciation for the year	-23 434	-19 093
Closing accumulated depreciation	-81 777	-58 343
<i>Accumulated impairment charges:</i>		
-At the beginning of the year	-11 645	-934
-Impairment losses for the year	-	-10 711
Closing accumulated impairment charges	-11 645	-11 645
Carrying amount at year-end	72 873	64 429
Parent company		
<i>Cumulative acquisition values:</i>		
-At the beginning of the year	22 858	15 248
-New acquisitions	3 991	7 610
Closing acquisition values	26 849	22 858
<i>Accumulated depreciation:</i>		
-At the beginning of the year	-9 110	-6 066
-Depreciation for the year	-4 860	-3 044
Closing accumulated depreciation	-13 970	-9 110
-At the beginning of the year	-463	-300
-Impairment losses for the year	-	-163
Closing and impairment losses	-463	-463
Carrying amount at year-end	12 416	13 285

Note 10 Concessions, patents, licenses, trademarks and similar rights

	2025-12-31	2024-12-31
Group		
<i>Cumulative acquisition values:</i>		
-At the beginning of the year	74	-
-New acquisitions	-	74
Carrying amount at year-end	74	74
Parent company		
<i>Cumulative acquisition values:</i>		
-At the beginning of the year	74	-
-New acquisitions	-	74
Carrying amount at year-end	74	74

Note 11 Goodwill

	2025-12-31	2024-12-31
Group		
<i>Cumulative acquisition values:</i>		
-At the beginning of the year	2 535	2 535
Closing acquisition values	2 535	2 535
<i>Accumulated depreciation:</i>		
-At the beginning of the year	-1 774	-1 267
-Depreciation for the year	-507	-507
Closing accumulated depreciation	-2 281	-1 774
Carrying amount at year-end	254	761

Note 12 Inventory, tools and installations

	2025-12-31	2024-12-31
Group		
<i>Cumulative acquisition values:</i>		
-At the beginning of the year	3 857	3 780
-New acquisitions	-	77
Outgoing accumulated acquisitions	3 857	3 857
<i>Accumulated depreciation:</i>		
-At the beginning of the year	-2 670	-1 759
-Depreciation for the year	-611	-911
Closing accumulated depreciation	-3 281	-2 670
Carrying amount at year-end	576	1 187
Parent company		
-At the beginning of the year	1 941	1 908
-New acquisitions	-	33
Outgoing accumulated acquisitions	1 941	1 941
<i>Accumulated depreciation:</i>		
-At the beginning of the year	-1 139	-719
-Depreciation for the year	-412	-420
Closing accumulated depreciation	-1 551	-1 139
Carrying amount at year-end	390	802

Leasing

No inventory is held under financial leasing (SEK 0).

Note 13 Participations in Group companies

	2025-12-31	2024-12-31
<i>Cumulative acquisition values:</i>		
-At the beginning of the year	45 800	19 800
- Shareholder contributions	64 334	26 000
Closing acquisition values	110 134	45 800
Carrying amount at year-end	110 134	45 800

Spec of the parent company's and the group's holding of shares in group companies

The ownership of the capital is referred to, which also corresponds to the share of votes for the total number of shares.

<i>Subsidiary / Corporate Identity No. / Registered Office</i>	<i>Number % of shares</i>	2025-12-31 <i>Carrying amount value</i>	2024-12-31 <i>Carrying amount value</i>
Cortopia AB, 559156-7358, Stockholm	100	107 934	43 600
Moon Mode AB, 559053-3351, Stockholm	55	2 200	45 800
		110 134	19 800

	Equity 2025-12-31	Results 2025
Cortopia AB, 559156-7358, Stockholm	65 807	-4 255
Moon Mode AB, 559053-3351, Stockholm	4 066	430

Note 14 Receivables from Group companies

	2025-12-31	2024-12-31
Parent company		
<i>Cumulative acquisition values:</i>		
-At the beginning of the year	1 000	1 000
-At the end of the year	1 000	1 000
Carrying amount at year-end	1 000	1 000

Note 15 Participations in associates and jointly controlled companies

	2025-12-31	2024-12-31
Group		
<i>Cumulative acquisition values:</i>		
- At the beginning of the year	986	1 468
- Share for the year in the profit of associated enterprises	-118	-482
Closing acquisition values	868	986
Carrying amount at year-end	868	986

Specification of the parent company's and the group's holdings of shares in associated companies

<i>Associates / org nr, registered office</i>	<i>Profit for the year</i>	<i>Share %</i>	<i>Value of the capital in the Group</i>	<i>Carrying value in material Company</i>
Directly owned				
Odd Raven Studios AB, 559055-8432, Stockholm	-239	38	868	8 369
Carrying amount at year-end			868	8 369

The ownership share of the capital is referred to, which also corresponds to the share of the votes for the total number of shares.

Note 16 Other long-term receivables

	2025-12-31	2024-12-31
Group		
<i>Cumulative acquisition values:</i>		
-At the beginning of the year	950	950
Closing acquisition values	950	950
Carrying amount at year-end	950	950
Parent company		
<i>Cumulative acquisition values:</i>		
-At the beginning of the year	950	950
Closing acquisition values	950	950
Carrying amount at year-end	950	950

Note 17 Deferred expenses and accrued income

	2025-12-31	2024-12-31
Group		
Other items	1 564	958
	1 564	958
Parent undertaking		
Other items	1 385	1 060
	1 385	1 060

Note 18 Number of shares and quota value

	2025-12-31	2024-12-31
Ordinary shares		
Number of shares	18 635 409	17 544 409
quota value	0,05 kronor	0,05 kronor

Note 19 Long-term liabilities

	2025-12-31	2024-12-31
Group		
Liabilities that fall due later than five years from the balance sheet date:		
Other liabilities to credit institutions	3 333	-
	3 333	-
Parent company		
Liabilities that fall due later than five years from the balance sheet date:		
Other liabilities to credit insitutions	3 333	-
	3 333	-

Note 20 Accrued expenses and deferred income

	2025-12-31	2024-12-31
Group		
Salaries and holiday pay	4 483	3 314
Accrued social security contributions	1 409	1 420
Other items	5 964	12 246
	11 856	16 980

Parent		
Salaries and holiday pay	1 732	1 148
Accrued social security contributions	544	417
Other items	13 372	19 179
	<u>15 648</u>	<u>20 744</u>

Note 21 Pledged collateral and contingent liabilities - Group

Collateral provided	2025-12-31	2024-12-31
<hr/>		
<i>Other liabilities to credit institutions</i>		
Business mortgages	25 000	5 000
Total collateral pledged	<u>25 000</u>	<u>5 000</u>

Note 22 Pledged collateral and contingent liabilities - Parent

Collateral provided	2025-12-31	2024-12-31
<hr/>		
<i>Other liabilities to credit institutions</i>		
Business mortgages	25 000	5 000
Total collateral pledged	<u>25 000</u>	<u>5 000</u>

Note 23 Related party transactions

No transactions with related parties were carried out during the year.

Note 24 Significant events after the end of the financial year

Beyond Frames Entertainment decided on March 3rd, 2026, to implement a strategic reprioritization of the group's operations in order to adapt its cost structure to current market conditions. The decided measures are expected to take effect during Q2 2026 and are estimated to result in annual cost savings of approximately SEK 23–27 million. Please refer to the company's website, <https://beyondframes.com/investors/>, for a complete description of significant events occurring after the balance sheet date.

Note 25 Group information

Purchase and sales within the group

Of the parent company's total purchases and sales measured in SEK, 2% (0%) of purchases and 1% (3%) of sales relate to other companies within the entire group of companies to which the company belongs.

Note 26 Definitions of key figures

EBITDA

Earnings before interest, tax, impairment and depreciation

Note 27 Capitalized work on own account

Group	2025-01-01 - 2025-12-31	2024-01-01 - 2024-12-31
Capitalized expenses for personnel	17 661	15 811
Capitalized external expenditure and acquired through acquisitions	14 218	17 850
Total Enabled Work		
On own account	31 879	33 661
Parent company	2025-01-01 - 2025-12-31	2024-01-01 - 2024-12-31
Capitalized expenses acquired through separate acquisitions	3 990	7 611
Total Enabled Work		
On own account	3 990	7 611

Signatures

The content of the annual report was approved on 2026-04-15
Stockholm, on the date indicated by the digital signatures.

Fredrik Burvall
Chairman of the board

Arthur St Germain
Chief executive officer

Patrick Bach

Sandra Neudinger

Björn Nordblom

Arvid Klingström

Jesper Åkerlind

Our auditor's report was submitted on the day
indicated by digital signatures
Revideco AB

Erik Emilsson
Auktoriserad revisor

The consolidated income statement and balance sheet, as well as the parent company's income statement and balance sheet, will be submitted for adoption at the Annual General Meeting.