



JUMPGATE

Year-End Report and report for the fourth quarter for January 1, 2023 to December 31, 2023

- Net turnover in the period amounted to 52 075 TSEK (27 738 TSEK). Net turnover in the fourth quarter amounted to 19 685 TSEK (7 492 TSEK).
- Earnings before interest and taxes (EBIT) amounted to -29 869 TSEK (-24 092 TSEK). Earnings before interest and taxes (EBIT) in the fourth quarter amounted to -11 802 TSEK (-10 287 TSEK).
- The result after financial items amounted to -34 079 TSEK (-31 377 TSEK). The result after financial items in the fourth quarter amounted to -10 407 TSEK (-13 924 TSEK).
- The result per share amounted to -0,073 SEK (-0,21 SEK) in the period. The result per share in the fourth quarter amounted to -0,024 SEK (-0,09 SEK).
- On October 3, it was announced that gameXcite hand entered into a licensing agreement with Paramount Consumer Products for the use of Star Trek: The Next Generation, Star Trek: Deep Space Nine and Star Trek: Voyager for a coming PC- and console game.
- On October 5, it was announced that Asterix & Obelix: Heroes, a multi-platform card collector game with roleplaying game mechanics developed by gameXcite and published by NACON had been released globally for Playstation 4 & 5, Xbox, Nintendo Switch and PC.
- On November 16, it was announced that Horse Village: Wildshade had been soft launched for iOS and Android. The game is externally developed and published by Tivola Games.
- On November 16, it was announced that Animal Hospital had been released for Playstation 4 & 5, Xbox, PC and Nintendo Switch. The game has been developed by Tivola Games and published by NACON.
- On November 16, it was announced that Wildshade: Unicorn Champions had been released for Playstation 4 & 5, Xbox and PC. The game has been developed by Tivola Games and published by NACON.
- On December 22, it was announced that a conversion share issue had been done with regard to debt at a value of approximately 1.5 MSEK with the purpose of lowering the Company's debt position.
- After the period on January 31, it was announced that an Amendment Agreement had been executed with the seller of Nukklear, for the original Sale and Purchase Agreement. The due date of the final instalment of the consideration (1 MEUR) was deferred from January 31 2024 to May 31 2024. The seller's right to an additional consideration paid in equity for a total value of 1 MEUR was deleted. Furthermore, the obligations of the seller to remain as CEO of Nukklear and the term of certain competition stipulations were shortened. In addition the seller shall be entitled to a bonus for new third party development agreements with a contract value of >1,25 MEUR that are brought into Nukklear.

The "Company" or "Jumpgate" means Jumpgate AB with corporate registration number 556842-4062. Information in parentheses relate to the previous year.

Comment to the Year-End Report

A tough quarter concludes a tough year

As we summarise the past year, we can conclude that we crowned a very tough year with a likewise demanding final quarter. As expected, revenue in the fourth quarter was significantly higher than the previous year based on the acquisitions of Nukklear and Funatics with an increase of 163 %. The EBIT was negatively effected by impairments, while cash flow was positive with 2.6 million SEK in the quarter compared with a negative cash flow in the previous year.

Profitability and strengthened balance sheet remain in focus. We have cut the cost base especially in Tableflip and Tivola with effects in the end of the first quarter this year. Together with additional externally financed game projects the measures shall provide profitability in the business. We continue to take action to decrease the debt. In the end of the fourth quarter, we converted 1.5 million SEK in debt to equity and in the beginning of this year we re-negotiated parts of the Sale & Purchase Agreement with the seller of Nukklear, resulting in the elimination of a 11.2 million SEK debt from the balance sheet, which would have been paid with new equity and resulted in a significant dilution for us shareholders. We're also exploring the possibility of selling the free-to-play mobile games portfolio as part of the strategic transformation of the company which would also enable a larger amortization.

Update on operations

The game projects in collaboration with NACON have now been concluded. The collaboration has been successful and the first numbers from the retail sales are positive. We believe that there is a good possibility that the products will be profitable, which means that we take part of the royalty when NACON has covered their investment from sales.

Nukklear has signed additional work for the coming Funcom game Dune Awakening, which remains the focus of the studio for most of 2024.

The development of the Star Trek game Galactic Journey from gameXcite is progressing as planned towards a launch during next year. The project was recently internally demo-ed for our partners Paramount and Daedalic and was very well received. The deal structure provides a significant retained upside for us in the event of a successful launch.

Business development opening up

2023 was probably the worst of all my years in the industry, with cancelled projects, terminated studios and signing stop for new projects at many leading market participants. While news about significant cutbacks at industry colleagues keep coming into the new year, we still experience that the business development is starting to open up. Many publishers now have holes to cover in their release plans for 2025 and 2026 and we have several projects on offer for the relevant period. Newly home from the large games conference D.I.C.E. in Las Vegas, it's encouraging to summarise a surprisingly strong business development pipeline, a lot of good meetings and promising leads to follow up.

Especially worth mentioning in the business development now is our own IP Battle Castles, where focus now is to find a partner for external financing of the game. The feedback from potential publishers and other financiers has been beyond expectation and we clearly see how important it was that we made the investment to build a prototype for the game and positioned ourselves for the coming turn in the market.

The tough market also creates openings, where we through our strong network have been offered several very interesting opportunities to come into established game projects which would otherwise be inaccessible to us. It may for example be newly cancelled projects in established game series, where significant investments have already been made and there is an opportunity to take over the project as well as the team at very favourable terms. We aim to be opportunistic and creative to find financing solutions which provides for us to act, without compromising with our strategy to only take limited financial risk in the projects, while still retaining significant upside at successful launches.

We have signed an agreement which gives us the opportunity to re-launch a historically very profitable game in a popular game series with a large and loyal fan base. We're now investigating the best opportunities to finance the project and are in discussions with potential partners and look forward to be able to say more shortly. Additionally, we have recently signed a new development agreement with a larger game company with a contractual value of 3.2 million SEK, with the ambition to follow up with 1-2 more larger development agreements. We keep executing our strategy based on externally financed game projects with significant upside.

Harald Riegler

CEO, Jumpgate AB

About the Company

Jumpgate AB is an independent group of game development companies founded in 2011, comprising five game studios: Nukklear (Hannover), Tivola Games (Hamburg), gameXcite (Hamburg), Funatics (Düsseldorf) and Tableflip Entertainment (Visby). The group develops and publishes its own games as well as developing games and other digital products for external companies. The companies in the group have established collaborations with strong industry partners and exciting product portfolios with large potential. The group is engaged in the global market, distributing games on a worldwide basis and has a large international network. For more information: www.jumpgategames.se

This information is such information Jumpgate AB (publ) is obliged to make public in accordance with the EU Market Abuse Regulation (MAR). The information was submitted for publication, through the agency of the contact persons set out above, at 2024-02-22 08:00 CET.

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