



JUMP GATE

Interim Report for January 1, 2024 to March 31, 2024

- Net turnover in the period amounted to 16 400 TSEK (6 882 TSEK).
- Earnings before interest and taxes (EBIT) amounted to -7 676 TSEK (-4 881 TSEK).
- The result after financial items amounted to -10 903 TSEK (-6 160 TSEK).
- The result per share amounted to -0,023 SEK (-0,043 SEK) in the period.
- On January 31, it was announced that an Amendment Agreement had been entered into with the seller of Nukklear about the original Share Purchase Agreement. The payment date of the final part of the cash consideration (1 million EUR) was delayed from January 31 2024 to May 31 2024. The seller's right to an additional consideration paid in equity of a total value of 1 million EUR was terminated. Furthermore, the seller's obligation to remain as CEO of Nukklear was terminated and the term of certain competition clauses in the Share Purchase Agreement was shortened. The seller will also be entitled to a bonus on new third-party development contracts with a value over 1.25 million EUR brought in by the seller into Nukklear.
- On February 22, it was announced that Tableflip Entertainment had entered into a work for hire agreement with a larger game company with a contract value of ca 3.2 million SEK. The agreement comprises the remaster of a classic game to be relaunched for PC and console.
- After the period on April 17, it was announced that a Project Financing Agreement had been entered into with MG V Financing AB with a total contract value of 14 million SEK for a yet to be announced game project, to be published by THQ Nordic.
- After the period on April 19, it was announced that Tivola Games' Cat Rescue Story had won the Deutscher Computerspielepreis 2024 in the category best mobile game with a price award of 40 thousand EUR.
- After the period on May 3, it was announced that Tivola Games divests its mobile game portfolio for ca 8.2 million SEK.
- After the period on May 9, it was announced that Jumpgate carries out a rights issue of shares with a volume of ca 28.6 million SEK fully covered by subscription commitments, subscription intents and guarantee commitments, and proposes a directed conversion issue of ca 7.2 million SEK.

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

Effects from Cost Savings are Showing

After a dark 2023, with cancelled projects, shut down studios and signing stop for new game projects with many leading market participants, we finally now see positive signs that it is turning. We've had a big focus on cost control and cost savings, which has had a clear effect in the first quarter, with a

reduction in costs of more than 40 % compared to the previous quarter (from 40.6 MSEK to 23.9 MSEK), or more than 21 % adjusted for impairments (from 30.4 MSEK to 23.9 MSEK). The decrease in costs contributed to an improved EBIT result compared to the previous quarter from -15.9 MSEK to -7.7 MSEK.

Renegotiated Acquisition Agreement, Strategic Divestment and Share Issue Strengthens the Balance Sheet

Besides cost savings, reduced debt and a strengthened balance sheet has also been a focus area for the company, and important measures have been taken during and after Q1 2024. In the beginning of the quarter, we renegotiated an acquisition agreement for the key acquisition in 2023 of the game studio Nukklear, where we managed to negotiate away ca 11.2 MSEK which was to be paid in equity to the previous owner of the company. We have also sold the free-to-play mobile game portfolio in Tivola for ca 8.2 MSEK, as a part of the strategic restructuring of the company to a focus on premium games for PC and console. The main part of the consideration will be used to repay interest bearing debt.

We have also decided to carry out a rights issue of ca 28.6 MSEK, 100 % secured by subscription commitments, subscription intents and guarantee commitments, where a significant part of the proceeds will be used to pay down debt. With these measures we will exit the second quarter with a significantly reduced debt level and thereby lowered financial risk in the company and considerably lower capital costs.

While we are sorry to have to carry out a significantly discounted rights issue, we are humble and grateful over the support from a number of larger shareholders, who have committed to subscribe for their pro rata parts of the transaction and in several cases also contribute as guarantors aiming to increase their ownership in the company. In addition, we receive good new owners who can strengthen us and contribute to develop the company further.

Business Development and Profitability in Focus

With reduced costs and strengthened balance sheet under the first half year we create the pre-requisite to finally reach profitability in our operations, and to position ourselves for the coming turning of the game industry. This depends, however, on several additional externally financed game projects during the year. The game market remains challenging but is now beginning to open up after a very tough year.

Therefore, we are pleased to be able to follow-up a smaller development agreement in the quarter with a total value of ca 3.2 MSEK, with a larger project financing agreement with a total value of ca 14 MSEK, to be paid out at milestones during the contract period starting in the second quarter 2024 and lasting for about 12 months. We also have an upside from the revenue from the game in the event of a successful launch. The financing refers to a remaster of a classic not yet announced game, to be published by THQ Nordic.

Another important project for us is our own developed IP Battle Castles, where the project is developing in an exciting way, while we are in parallel having promising dialogues on external financing of the game. We now have the ambition to execute two additional significant agreements during the spring and summer to reach profitability on a monthly basis during the end of the year. This way, we are creating good pre-conditions to be able to deliver a really good 2025, with extra pulling power from our important Star Trek game Galactic Journey, where we have a significant upside, and several additional game releases, where we look forward to be in a position to say more during the coming months.

We hope that as many as possible of our owners are able and willing to exercise their subscription rights in the coming share issue and continue to follow us. Additionally, we look forward to welcome new shareholders to the company. 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 2024-05-22 11:00 CEST.

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