

NEWS FLASH

22 April 2025
Sweden
Software & Services

Research analysts:

Rikard Engberg

Beyond Frames

Share price: SEK10.9

Fair value range: SEK18.0–26.0

Strong release of GORN 2

First weekend of sales shows encouraging data for latest release

On 17 April Beyond Frames subsidiary Cortopia, in partnership with Free Lives and with publishing by Developer Digital, launched GORN 2. The title has been well received by the market and was number one on the Steam List for VR, number two on the Meta Quest Store for premium games and number five on the total Meta Quest Store best-seller list, which includes free to play games. The reviews were strong, 4.7/5 based on ~300 ratings on the Meta Quest store; and Very Positive, based on 150 reviews, on Steam. Overall, while it is still early days for the game, we believe that the release has been good.

Reviews and estimated sales support our investment case

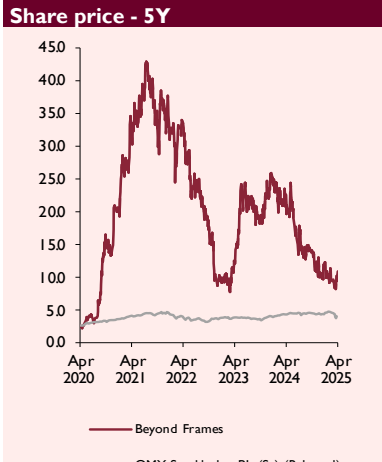
We argue that the reception of this release supports our equity story for the Beyond Frames share. We consider delayed or bad releases, i.e. box office bombs, to be the main risks associated with VR gaming development. In 2025 Beyond Frames has shown that it can meet its deadlines and release games that are positively reviewed, and we therefore argue that the release of GORN 2 derisks our estimates for 2025e.

Valued close to two-year low

Beyond Frames currently trades at EV/sales ~0.8x, this can be compared to the median in 2023–25e of ~2.1x. We argue that in light of the successful releases of GORN 2 and Silent North in 2025 the risks related to game development should decrease, which could lead to multiple expansion over time.

Upcoming events

- Q1 Report: 22 May 2025
- Q2 Report: 21 Aug 2025
- Q3 Report: 20 Nov 2025

Key facts		Key figures (SEK)				Share price - 5Y	
No. shares (m)	18.5	2024	2025e	2026e	2027e		
Market cap. (USDm)	21	Sales (m)	176	196	235		
Market cap. (SEKm)	202	EBITDA (m)	12	37	54		
Net IB Debt. (SEKm)	-27	EBIT (m)	-19	5	22		
Adjustments (SEKm)	0	EPS	-1.11	0.20	0.90		
EV (2025e) (SEKm)	175	EPS adj.	-1.11	0.20	0.90		
Free float	0.0%	DPS	0.00	0.00	0.00		
Avg. daily vol. ('000)	3	Sales growth Y/Y	28%	12%	20%		
Risk	Medium Risk	EPS adj. growth Y/Y	-chg	+chg	347%		
Fiscal year end	December	EBIT margin	-10.9%	2.5%	9.2%		
Share price as of (CET)	22 Apr 2025 09:55	P/E adj.	n.m.	53.9	12.0		
		EV/EBIT	neg.	35.2	7.2		
		EV/EBITA	neg.	35.2	7.2		
		EV/EBITDA	14.3	4.7	2.9		
		P/BV	2.9	2.5	2.1		
		Dividend yield	0.0%	0.0%	0.0%		
		FCF yield	-7.7%	4.0%	10.3%		
		Equity/Total Assets	71.0%	68.4%	69.3%		
		ROCE	-25.6%	6.9%	24.5%		
		ROE adj.	-25.9%	5.0%	19.1%		
		Net IB debt/EBITDA	-0.6	-0.7	-0.9		
						High/Low (12M) SEK24.4/8.2 Perf. 3M 6M 12M YTD Abs. -9.9 -21.3 -47.3 5.8 Rel. 1.3 -12.1 -42.5 12.2	

Source: Carnegie Research, FactSet, Millstream & company data

This report has been commissioned and sponsored by Beyond Frames. Commissioned research is considered to be marketing communication (i.e. not investment research under MiFID II). This material may be subject to restrictions on distribution in certain areas.

For more information, see disclosures and disclaimers at the end of this report

Disclosures and disclaimers

Carnegie Investment Bank AB

Carnegie Investment Bank AB (publ.) is a leading investment bank with a Nordic focus. The Carnegie group of companies, together "Carnegie", generates added value for institutions, companies and private clients in the areas of trade in securities, investment banking and private banking. Carnegie has approximately 600 employees, located in offices in six countries

Valuation, methodology, and assumptions

Commissioned research reports include the analyst's assessment of a fair value range over the coming six to 12 months based on various fundamental valuation methods. A commonly used method is DCF valuation, where future cash flows are discounted to today. Analysts may also use different valuation multiples, e.g. P/E ratio and EV/EBIT multiples, relative to industry peers. For companies where it is appropriate, a fair value range can also be based on the analyst's assessment of a fair ratio relative to the net asset value of the company. Fair value ranges represent the assessment of the analyst(s) at the time of writing

Frequency of update

Carnegie's research analysis consists of case-based analyses, which implies that the frequency of the analytical report may vary over time. Unless otherwise expressly stated in the report, the analysis is updated when considered necessary by the research department, for example in the event of significant changes in market conditions or events related to the issuer/the financial instrument.

Analyst certification

The research analyst or analysts responsible for the content of this commissioned research report certify that, notwithstanding the existence of any potential conflicts of interests referred to herein, the views expressed in this commissioned research report accurately reflect the research analyst's personal views about the companies and securities covered. It is further certified that the research analyst has not been, nor is or will be, receiving direct or indirect compensation related to the specific ratings or views contained in this commissioned research report.

Potential conflicts of interest

Carnegie, or its subsidiaries, may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any company mentioned in this report. Any such publicly announced business activity, during the past 12 months, will be referred to in this commissioned research report. A set of rules handling conflicts of interest is implemented in the Carnegie Group. Investment Banking and other business departments in Carnegie are surrounded by information barriers to restrict the flows of sensitive information. Persons outside such barriers may gain access to sensitive information only after having observed applicable procedures. The remuneration of persons involved in preparing this commissioned research report is not tied to investment banking transactions performed by Carnegie or a legal person within the same group.

Confidential and non-public information regarding Carnegie and its clients, business activities and other circumstances that could affect the market value of a security ("sensitive information") is kept strictly confidential and may never be used in an undue manner.

Internal guidelines are implemented in order to ensure the integrity and independence of research analysts. In accordance with the guidelines the research department is separated from the Investment Banking department and there are no reporting lines between the research department and Investment Banking. The guidelines also include rules regarding, but not limited to, the following issues; contacts with covered companies, prohibition against offering favourable recommendations, personal involvement in covered companies, participation in investment banking activities, supervision and review of research reports, analyst reporting lines and analyst remuneration.

Other material conflicts of interest

This report was commissioned and sponsored by the issuer (issuer-paid research).

Distribution restrictions

This commissioned research report is intended only for distribution to professional investors. Such investors are expected to make their own investment decisions without undue reliance on this commissioned research report. This commissioned research report does not have regard to the specific investment objectives, financial situation or particular needs of any specific person who may receive it. Investors should seek financial advice regarding the appropriateness of investing in any securities discussed in this commissioned research report and should understand that statements regarding future prospects may not be realized. Past performance is not necessarily a guide to future performance. Carnegie and its subsidiaries accept no liability whatsoever for any direct or consequential loss, including, without limitation, any loss of profits arising from the use of this commissioned research report or its contents. This commissioned research report may not be reproduced, distributed or published by any recipient for any purpose. The document may not be distributed to persons that are citizens of or domiciled in any country in which such distribution is prohibited according to applicable laws or other regulations.

This commissioned research report is distributed in Sweden by Carnegie Investment Bank AB. Carnegie Investment Bank AB is a bank incorporated in Sweden with limited liability which is authorised and regulated by the Swedish Financial Supervisory Authority (Finansinspektionen). In Finland this commissioned research report is issued by Carnegie Investment Bank AB, Finland Branch. The Finland branch is authorised by the Swedish Financial Supervisory Authority and subject to limited regulation by the Finnish Financial Supervisory Authority (Finanssivalvonta). In Norway this commissioned research report is issued by Carnegie AS, a wholly-owned subsidiary of Carnegie Investment Bank AB. Carnegie AS is regulated by the Financial Supervisory Authority of Norway (Finanstilsynet). In Denmark this commissioned research report is issued by Carnegie Investment Bank AB, Denmark Branch. The Denmark branch is authorised by the Swedish Financial Supervisory Authority and subject to limited regulation by the Danish Financial Supervisory Authority (Finanstilsynet).

This commissioned research report is distributed in the US by Carnegie, Inc., a US-registered broker-dealer and a member of FINRA and SIPC. Carnegie's research analysts located outside of the US are employed by non-US affiliates of Carnegie Inc. ("non-US affiliates") that are not subject to FINRA regulations. Generally, Carnegie research analysts are not registered with or qualified as research analysts with FINRA, and therefore are not subject to FINRA rule 2241 restrictions intended to prevent conflicts of interest by, among other things, prohibiting certain compensation practices, restricting trading by analysts and restricting communications with the companies that are the subject of the research report. Research reports distributed in the U.S. are intended solely for major US institutional investors and US institutional investors as defined under Rule 15a-6 of the Securities Exchange Act of 1934. This commissioned research report is provided for informational purposes only and under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy any securities. Reports regarding equity products are prepared by non-US affiliates of and distributed in the United States by Carnegie Inc. under Rule 15a-6(a)(3). When distributed by Carnegie Inc, Carnegie Inc. takes responsibility for the commissioned research report. Any US person who wishes to effect transactions based on this commissioned research report should contact Carnegie Inc. Investors in the US should be aware that investing in non-US securities entails certain risks. The securities of non-US issuers may not be registered with, or be subject to, the current information reporting and audit standards of the US Securities and Exchange Commission.

This commissioned research report has been issued in the UK by Carnegie UK which is the UK Branch of Carnegie Investment Bank AB. Carnegie UK is authorised and regulated by the Financial Conduct Authority (FCA).

Research Disclaimer

This commissioned research report is provided solely for information. It does not constitute or form part of, and shall under no circumstances be considered as an offer to sell or a solicitation of an offer to purchase or sell any relevant financial instrument.

This commissioned research report has been requested and paid for by the issuer and should therefore be considered a marketing communication (i.e. not investment research). Payment for the report has been agreed in advance on a non-recourse basis. As commissioned research, this material can be considered an acceptable minor non-monetary benefit under MiFID II. It has not been prepared in accordance with the legal requirements designed to promote the independence of investment research. However, it is still subject to a prohibition on dealing ahead of the dissemination of the report.

Carnegie Investment Bank AB is responsible for the preparation of this commissioned research report in Sweden, Finland, Denmark, and the UK. Carnegie AS is responsible for the preparation of this commissioned research report in Norway. Carnegie Inc. is responsible for this research report in the US.

The information in this commissioned research report was obtained from various sources. While all reasonable care has been taken to ensure that the information is true and not misleading, Carnegie gives no representation or warranty, express or implied, about its accuracy or completeness. Carnegie, its subsidiaries and any of their officers or directors may have a position, or otherwise be interested in, transactions in securities that are directly or indirectly the subject of this commissioned research report. Any significant financial interests held by the analyst, Carnegie or a legal person in the same group in relation to the issuer will be referred to in the company-specific disclosures.

Company specific disclosures

The following disclosures relate to relationships between Carnegie Investment Bank AB (with its subsidiaries, "Carnegie") and the issuer or an affiliate.

Parts of this commissioned research report may have been submitted to the issuer prior to its publication.

Copyright © 2025 Carnegie



Commissioned Research sponsored by Beyond Frames

22 April 2025

Carnegie Investment Bank AB

Regeringsgatan 56
SE-103 38 Stockholm
Tel +46 8 5886 88 00 Fax +46 8 5886 88 95
www.carnegie.se
A member of the Stockholm Stock Exchange

Carnegie Investment Bank, Denmark Branch

Overgaden neden Vandet 9B PO Box 1935
DK-1414 Copenhagen K
Tel +45 32 88 02 00 Fax +45 32 96 10 22
www.carnegie.dk
A member of the Copenhagen Stock Exchange

Carnegie Investment Bank AB, Finland Branch

Eteläesplanadi 2 PO Box 36
FI-00131 Helsinki
Tel +358 9 618 71 230 Fax +358 9 618 71 720
www.carnegie.fi
A member of the Helsinki Stock Exchange

Carnegie AS

Fjordalleen 16, 5th Floor PO Box 684,
Sentrum NO-0106 Oslo
Tel +47 22 00 93 00 Fax +47 22 00 94 00
www.carnegie.no
A member of the Oslo Stock Exchange

Carnegie, Inc.

20 West 55th St. ,
New York N.Y. 10019
Tel +1 212 262 5800 Fax +1 212 265 3946
www.carnegiegroup.com
Member FINRA / SIPC

Carnegie Investment Bank AB, UK Branch

Finwell House, 26 Finsbury Square
London EC2A 1DS
Tel +44 20 7216 4000 Fax +44 20 7417 9426
www.carnegie.co.uk
Regulated by the FCA in the conduct of Designated
Investment Business in the UK
