



Challenges in Games but positive results in Distribution

Fourth quarter October–December 2023

- Net revenue decreased 18.4 percent to 953.2 MSEK (1,168.1¹⁾).
- Operating profit (EBIT) decreased 574.0 percent to –678.3 MSEK (143.1), corresponding to an operating margin of –71.2 percent (12.3). Write-down of goodwill amounted to 500 MSEK and capitalised development cost to 98 MSEK.
- Adjusted EBITDA decreased 98.4 percent to 2.9 MSEK (185.2), corresponding to an adjusted EBITDA margin of 0.3 percent (15.9).
- Adjusted EBITA decreased 186.8 percent to –143.8 MSEK (165.7), corresponding to an adjusted EBITA margin of –15.1 percent (14.2).
- Profit for the quarter amounted to –587.1 MSEK (130.4).
- Earnings per share after dilution amounted to –8.35 SEK (1.86).
- Cash flow from operating activities amounted to 304.2 MSEK (406.3).
- Consolidated cash and cash equivalents together with unutilised credit facilities amounted to 320.1 MSEK (493.7) as of 31 December 2023.
- Henrik Lundkvist assumed his role as CFO for Thunderful Group effective 1 December 2023, succeeded Annette Colin, interim CFO.

Full year January–December 2023

- Net revenue decreased 4.6 percent to 2,818.2 MSEK (2,953.3¹⁾).
- Operating profit (EBIT) decreased 410.8 percent to –609.3 MSEK (196.1), corresponding to an operating margin of –21.6 percent (6.6). Write-down of goodwill amounted to 500 MSEK and capitalised development cost to 98 MSEK.
- Adjusted EBITDA decreased 35.6 percent to 241.9 MSEK (375.6), corresponding to an adjusted EBITDA margin of 8.6 percent (12.7).
- Adjusted EBITA decreased 97.3 percent to 7.7 MSEK (284.8), corresponding to an adjusted EBITA margin of 0.3 percent (9.6).
- Profit for the period amounted to –609.4 MSEK (121.2).
- Earnings per share after dilution amounted to –8.67 SEK (1.72).
- Cash flow from operating activities amounted to 315.4 MSEK (527.4).

Events after the end of the quarter

Thunderful Group announced that the company will implement a restructuring program to strengthen its long-term competitiveness. The program will aim to reduce costs and increase focus in areas with highest potential for future growth and profitability potential and is estimated to yield an annual savings of 90–110 MSEK.

Key performance indicators

GROUP	2023 Q4	2022 Q4	Δ%	2023 Jan–Dec	2022 Jan–Dec	Δ%
Net revenue, MSEK	953.2	1,168.1	–18.4%	2,818.2	2,953.3	–4.6%
Gross profit, MSEK	255.0	316.4	–19.4%	1,067.1	1,102.5	–3.2%
Gross margin, %	26.8%	27.1%		37.9%	37.3%	
EBITDA, MSEK	–1.6	179.7	–100.9%	229.6	370.1	–38.0%
Adjusted EBITDA, MSEK	2.9	185.2	–98.4%	241.9	375.6	–35.6%
Adjusted EBITDA margin, %	0.3%	15.9%		8.6%	12.7%	
EBITA, MSEK	–148.3	160.2	–192.6%	–4.6	279.3	–101.6%
Adjusted EBITA, MSEK	–143.8	165.7	–186.8%	7.7	284.8	–97.3%
Adjusted EBITA margin, %	–15.1%	14.2%		0.3%	9.6%	
Operating result (EBIT), MSEK	–678.3	143.1	–574.0%	–609.3	196.1	–410.8%
Operating margin (EBIT margin), %	–71.2%	12.3%		–21.6%	6.6%	
Profit for the period, MSEK	–587.1	130.4	–550.3%	–609.4	121.2	–602.9%
Net core working capital, MSEK	527.8	705.8	–25.2%	527.8	705.8	–25.2%
Cash flow from operating activities, MSEK	304.2	406.3	–25.1%	315.4	527.4	–40.2%
Interest-bearing net debt, MSEK	402.1	249.7	61.1%	402.1	249.7	61.1%
Interest-bearing net debt/adjusted EBITDA, R12M	1.7	0.7	142.9%	1.7	0.7	142.9%
Earnings per share before dilution, SEK	–8.35	1.86	–549.1%	–8.67	1.72	–604.1%
Earnings per share after dilution, SEK	–8.35	1.86	–549.1%	–8.67	1.72	–604.1%

See page 24 for the definition of key performance indicators.

¹⁾ Income related to marketing activities has been reclassified from net revenue to other income in the prior periods.



CEO Comments

During the fourth quarter, Thunderful Group faced challenges in the Games segment but saw positive results in Distribution. As part of our restructuring program announced in January 2024, we have taken significant measures, including write-down of goodwill and capitalised development expenditure, which have had a considerable impact on the results reported for the fourth quarter. Despite the negative results for 2023, the Group had a positive cash flow from operating activities of over 300 MSEK.

In the Distribution segment, it has been encouraging to see strong results from Bergsala and Amo Toys, although these are offset by losses within Nordic Game Supply. Performance in the Games segment has been mixed. Although sales of SteamWorld Build in December came in somewhat below our expectations, transactional sales for the portfolio reached their highest level ever.

We continue to focus our efforts on the areas with the greatest potential for growth and strong profitability.

Distribution: Amo Toys delivers strong performance, but substantial losses in Nordic Game Supply negatively affect the quarter

The Distribution segment had net revenue of 832 MSEK (969), which is 14 percent lower than the same quarter last year. Amo Toys shows strong performance and increasing revenue, however declining sales in Bergsala and Nordic Game Supply decreased the total revenue for the segment.

The decline in revenue in Bergsala – compared to a strong fourth quarter in 2022 – is directly attributable to weaker sales of Switch hardware. This is a natural consequence of the fact that the console is about to enter its eighth year on the market. We, like the rest of the world, are looking forward to the launch of Nintendo's new console, which is rumoured to be set for release in 2025. Gaming software (particularly The Legend of Zelda: Tears of the Kingdom and Super Mario Bros. Wonder) and accessories (controllers, etc.) are continuing to sell well and contribute good margins.

Amo Toys had a very strong quarter, in terms of both revenue and earnings. There is still significant market demand for the “soft toys” product category, especially during the Christmas sales, which is one of the factors behind this positive result.

Nordic Game Supply reported a sharp downturn in its result for the quarter. This is mainly due to the lingering effects of the closure of NGS's operations in Germany, the phase-out of private label products and a general sell-off of stock, at discounted prices, to reduce the amount of capital tied up in inventory. We have initiated a business review to assess how we can best capture the value available within Nordic Game Supply.

I would also like to mention that we continue to investigate how we can optimise the Distribution segment and reduce its substantial capital commitment over time.

Games: stable portfolio sales but heavy write-downs reduce earnings

The Games segment had net revenue of 121 MSEK (199), which is a significant change from the comparison quarter. This difference is mainly due to the fact that the acquisition of Jumpship in the fourth quarter of 2022 brought in acquired net revenue of 75 MSEK attributable to a platform agreement for the game Somerville.

Operating profit (EBIT) was severely decreased by write-down of goodwill and capitalised development expenditure amounting to nearly 600 MSEK. After analysing the acquisitions and project investments made in recent years, particularly in relation to the current market situation, we have concluded that these write-downs are necessary to make the balance sheet better reflect the Group's fair values. The impairments have no impact on the Group's cash flow.

Coatsink, which focuses on co-development with major partners such as Meta and other global companies, continues to deliver good revenue and solid margins.

SteamWorld Build, the first new SteamWorld game since 2019, was released in December. We are pleased to have new momentum with regard to our most important IP, but sales during December fell slightly short of our expectations. We believe this is because the genre of this game has not really appealed to our most dedicated target audience and it has not been well-suited to the Switch console, which has traditionally been a key platform for SteamWorld games.



Revenue was also boosted by Lego Bricktales VR, which has performed better than expected since its launch in December. This game has been very well-received by players and we are proud of its successful release. However, this type of licensed game offers limited profit margins for us, as we are one of several parties — Meta, Lego and the game developer — who share the revenue.

During the quarter, we also announced that we are exploring divesting the subsidiary Headup. Its business, which focuses on releasing relatively small indie games, does not fit with Thunderful's new strategy. Furthermore, Thunderful does not need two separate publishing operations and the Group's game publishing activities will be channelled solely through Thunderful Publishing going forward.

Our transactional sales, i.e. sales of our games directly to end consumers via online stores, have continued to grow and our total portfolio revenue during the quarter reached a new record high. Overall, we are seeing solid sales of our games portfolio and, with a clearer strategic focus – along with better processes and governance – we anticipate further improvements over time, while continuing to expand the portfolio with each new release.

Further reflections

During the quarter, a new Executive Team was formed with separate heads for each of our three primary business areas: game development and game publishing (both under the Games segment) and physical distribution (which has its own segment). In addition to the CEO, the new management team also includes the CFO, the head of operations and the head of people & culture. I am very pleased to have such expertise and experience in our management team, as well as the drive and commitment that each individual contributes. Although the work has just begun, we're off to a good start in reviewing the structure of the Group and coming to a shared view on how it should be managed in the future.

Since the end of the quarter, we have initiated a comprehensive restructuring program to address past overinvestments and focus our activities on areas with the greatest potential for growth and profitability. The restructuring program aims to strengthen the Group's

long-term competitiveness and is expected to deliver annual cost reductions of 90–110 MSEK along with corresponding improvements in cash flow. The program is expected to take full effect in the second half of 2024.

Together with the group management, I am fully focused on implementing this restructuring, but we also continue to work on setting a clear strategy and direction for Thunderful. There are a lot of capacity and good businesses within the Group, which will be brought to light when we have a more stable foundation to build from.

I have now been CEO of the Group for almost six months and this period has involved some intense work and major changes. When I assumed this role, I did not foresee that we would have to carry out such a thorough restructuring as we have now begun, but there is no doubt that the Group will be in a stronger financial position once it is completed.

Finally, I would like to thank everyone in the Group who has shown understanding of our situation and great commitment despite the changes that are now being implemented. The year 2024 will be a transition year, but it's necessary for building a solid foundation for Thunderful to return to growth and increased profitability.



Gothenburg, February 2024
Martin Walfisz, CEO

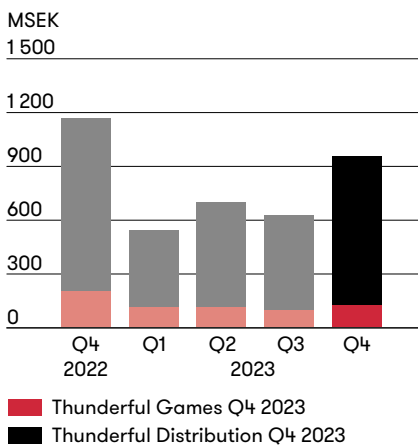


About Thunderful Group

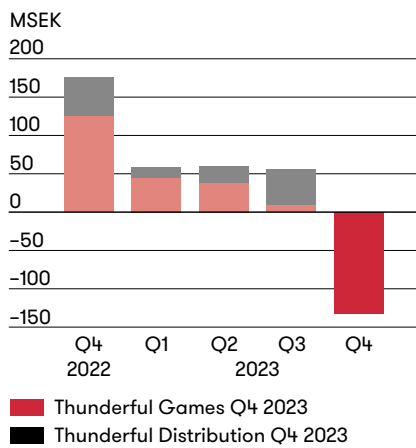
Thunderful Group AB (publ) is a group of companies active in the development and publishing of games as well as the distribution of Nintendo products, games, game accessories, toys and other products.

With its head office in Gothenburg, Thunderful Group AB (publ) covers the entire gaming industry value chain through its Thunderful Games and Thunderful Distribution segments. The Group consists of 30 subsidiaries and has around 500 employees in Europe.

Net revenue, Q4 2022-Q4 2023



Adjusted EBITA, Q4 2022-Q4 2023



Thunderful Group

MISSION

To provide creative entertainment products of the highest quality for people of all ages

VISION

To be a leader in a world where everyone can play



STEAMWORLD BUILD / THE STATION



Financial development of the Group

Third quarter (1 October–31 December)

Net revenue

The Group's net revenue for the fourth quarter amounted to 953.2 MSEK (1,168.1), corresponding to a decrease of 18.4 percent. The underlying drivers are described in the section for each segment.

Segment

Net revenue decreased 39.2 percent to 121.2 MSEK (199.4) in the Games segment and decreased 14.1 percent to 832.0 MSEK (968.7) in the Distribution segment.

MSEK	2023 Q4	2022 Q4	Δ%
Thunderful Games	121.2	199.4	-39.2%
Thunderful Distribution	832.0	968.7	-14.1%
- of which, Bergsala	417.6	566.9	-26.3%
- of which, Nordic Game Supply	177.3	235.2	-24.6%
- of which, Amo Toys	189.0	166.7	13.4%
Net revenue	953.2	1,168.1	-18.4%

Thunderful Games reported organic growth of -81.2 MSEK. The prior period includes an acquired revenue of 74.5 MSEK related to the acquisition of Jumpship and its launch of the game Somerville in Q4 2022. Acquisition-driven growth for the quarter contributed 2.9 MSEK in net revenue. Organic growth has not been adjusted for currency fluctuations.

%	Games	Distribution
	2023 Q4	2023 Q4
Net revenue growth, %	-39.2%	-14.1%
- of which, organic, %	-40.7%	-14.1%
- of which, acquired, %	1.5%	0.0%

In the Distribution segment, net revenue decreased 26.3 percent to 417.6 MSEK (566.9) in Bergsala, decreased 24.6 percent to 177.3 MSEK (235.2) in Nordic Game Supply and increased 13.4 percent to 189.0 MSEK (166.7) in Amo Toys.

Bergsala's sales decreased compared to a strong fourth quarter in prior year. Nordic Game Supply's negative impact was attributed to strategy changes resulting in discontinuation of private label sales and the German branch. The increase in Amo Toys for the quarter was due to a stronger product demand compared to the same quarter last year.

Gross profit

Gross profit for the first quarter amounted to 255.0 MSEK (316.4), corresponding to a decrease of 19.4 percent and a gross margin of 26.8 percent (27.1).

Operating expenses

Costs for goods for resale decreased 9.4 percent to -748.5 MSEK (-826.1). Purchased games-development services and royalties increased 301.7 percent to -43.8 MSEK (-10.9)

Other external expenses decreased 1.7 percent to -129.8 MSEK (-132.0).

Personnel expenses increased 28.6 percent to -111.1 MSEK (-86.4). The total number of employees at the end of the quarter was 519 (478).

Depreciation and amortisation increased 1,749.0 percent to -676.7 MSEK (-36.6). PPA-related depreciation (Purchase Price Allocation) increased by 513.0 MSEK, of which 500.4 MSEK was write-down of goodwill in the Games segment.

Adjusted operating profit, EBITDA

Adjusted operating profit before depreciation, amortisation and impairment of intangible assets and property, plant and equipment (EBITDA) during the quarter amounted to 2.9 MSEK (185.2), corresponding to an adjusted EBITDA margin of 0.3 percent (15.9). Adjusted EBITDA was adjusted for personnel related restructuring cost of -4.5 MSEK (-5.5).

Segment

Adjusted EBITDA for the Games segment amounted to 7.3 MSEK (138.3) for the quarter, corresponding to an adjusted EBITDA margin of 6.0 percent (69.4). Adjusted EBITDA was adjusted for personnel related restructuring cost of -4.5 MSEK (0.0).

Adjusted EBITDA for the Distribution segment totalled 5.9 MSEK (57.0) for the quarter, corresponding to an adjusted EBITDA margin of 0.7 percent (5.9).

Adjusted operating profit, EBITA

Adjusted operating profit before acquisition-related depreciation and amortisation (EBITA) amounted to -143.8 MSEK (165.7) for the quarter, corresponding to an adjusted EBITA margin of -15.1 percent (14.2). Adjusted EBITA was adjusted for personnel related restructuring cost of -4.5 MSEK (-5.5).

Segment

Adjusted EBITA for the Games segment amounted to -132.3 MSEK (124.4) for the quarter, corresponding to an adjusted EBITA margin of -109.2 percent (62.4). Adjusted EBITA was adjusted for personnel related restructuring cost of -4.5 MSEK (0.0).

Adjusted EBITA for the Distribution segment totalled -1.1 MSEK (51.4) for the quarter, corresponding to an adjusted EBITA margin of -0.1 percent (5.3).



Operating profit, EBIT

Operating profit during the quarter amounted to -678.3 MSEK (143.1), corresponding to an operating margin of -71.2 percent (12.3).

Operating profit includes personnel related restructuring cost of -4.5 MSEK (-5.5).

Segment

Operating profit in the Games segment amounted to -657.6 MSEK (116.7) for the quarter, corresponding to an operating margin of -542.7 percent (58.5). Operating profit includes personnel related restructuring cost of -4.5 MSEK (0.0).

Operating profit in the Distribution segment amounted to -10.4 MSEK (42.1) for the quarter, corresponding to an operating margin of -1.2 percent (4.3).

Financial net

Financial net amounted to 88.2 MSEK (9.4). Of the total financial net, 48.0 MSEK (-5.7) comprised the net of exchange gains and exchange losses, -10.8 MSEK (-7.7) of the net from interest cost and interest income, 46.3 MSEK (22.8) of the net from the revaluation of earn-outs and 4.8 MSEK (0.0) of results from associated companies.

Net exchange gains and exchange losses includes effects of -37.1 MSEK from unrealised exchange effects.

Profit for the period

Profit for the period amounted to -587.1 MSEK (130.4), corresponding to a net profit margin of -61.6 percent (11.2).

Other comprehensive income

Other comprehensive income during the quarter was impacted by currency translation differences in foreign operations and totalled -74.0 MSEK (5.5).





The Period (1 January–31 December)

Net revenue

The Group's net revenue for the period amounted to 2,818.2 MSEK (2,953.3), corresponding to a decrease of 4.6 percent. The underlying drivers are described in the section for each segment.

Segment

Net revenue decreased 17.3 percent to 425.3 MSEK (514.4) in the Games segment and decreased 1.9 percent to 2,392.9 SEK (2,438.8) in the Distribution segment.

MSEK	2023 Jan-Dec	2022 Jan-Dec	Δ%
Thunderful Games	425.3	514.4	-17.3%
Thunderful Distribution	2,392.9	2,438.8	-1.9%
– of which, Bergsala	1,308.3	1,215.8	7.6%
– of which, Nordic Game Supply	505.5	699.1	-27.7%
– of which, Amo Toys	579.1	524.0	10.5%
Net revenue	2,818.2	2,953.3	-4.6%

Thunderful Games reported organic growth of –96.2 MSEK. The prior period includes an acquired revenue of 74.5 MSEK related to the acquisition of Jumpship and its launch of the game Somerville in Q4 2022. Acquisition-driven growth for the period contributed 7.1 MSEK in net revenue. Organic growth has not been adjusted for currency fluctuations.

%	Games	Distribution
	Jan-Dec 2023	Jan-Dec 2023
Net revenue growth, %	-17.3%	-1.9%
– of which, organic, %	-18.7%	-1.9%
– of which, acquired, %	1.4%	0.0%

In the Distribution segment, net revenue increased 7.6 percent to 1,308.3 MSEK (1,215.8) in Bergsala, decreased 27.7 percent to 505.5 MSEK (699.1) in Nordic Game Supply and increased 10.5 percent to 579.1 MSEK (524.0) in Amo Toys.

Bergsala's sales increased compared to prior year driven by the successful release of the game The Legend of Zelda: Tears of the Kingdom, continued good access to hardware, and strong underlying demand from Nintendo's successful release of The Super Mario Bros. movie. Nordic Game Supply's negative impact was attributed to strategy changes resulting in discontinuation of private label sales and the German branch. Sales in Amo Toys were slightly higher as a result of stronger product demand.

Gross profit

Gross profit for the period amounted to MSEK 1,067.1 (1,102.5), corresponding to a decrease of 3.2 percent and a gross margin of 37.9 percent (37.3).

Operating expenses

Costs for goods for resale decreased 2.2 percent to –2,016.2 MSEK (–2,061.3). Purchased games-development services and royalties increased by 33.6 percent to –69.4 MSEK (–51.9).

Other external expenses decreased 0.7 percent to –382.7 MSEK (–385.2).

Personnel expenses increased 33.6 percent to –392.0 MSEK (–293.4). The total number of employees at the end of the period was 519 (478).

Depreciation and amortisation increased 381.9 percent to –838.9 MSEK (–174.1). PPA-related depreciation (Purchase Price Allocation) increased by 521.5 MSEK, of which 500.4 MSEK was write-down of goodwill in the Games segment.

Adjusted operating profit, EBITDA

Adjusted operating profit before depreciation, amortisation and impairment of intangible assets and property, plant and equipment (EBITDA) during the period amounted to 241.9 MSEK (375.6), corresponding to an adjusted EBITDA margin of 8.6 percent (12.7). Adjusted EBITDA was adjusted for restructuring, inventory movement and acquisition-related non-recurring items of –12.3 MSEK (–5.5).

Segment

Adjusted EBITDA for the Games segment amounted to 166.7 MSEK (301.3) for the quarter, corresponding to an adjusted EBITDA margin of 39.2 percent (58.6). Adjusted EBITDA was adjusted for restructuring-related non-recurring items of –6.8 MSEK (0.0).

Adjusted EBITDA for the Distribution segment totalled 105.7 MSEK (97.9) for the period, corresponding to an adjusted EBITDA margin of 4.4 percent (4.0). Adjusted EBITDA was adjusted for inventory movement-related non-recurring items of –2.7 MSEK (0.0).

Adjusted operating profit, EBITA

Adjusted operating profit before acquisition-related depreciation and amortisation (EBITA) amounted to 7.7 MSEK (284.8) for the period, corresponding to an adjusted EBITA margin of 0.3 percent (9.6). Adjusted EBITA was adjusted for restructuring, inventory movement and acquisition-related non-recurring items of –12.3 MSEK (–5.5).

Segment

Adjusted EBITA for the Games segment amounted to –42.1 MSEK (231.3) for the period, corresponding to an adjusted EBITA margin of –9.9 percent (45.0). Adjusted EBITA was adjusted for restructuring-related non-recurring items of –6.8 MSEK (0.0).

Adjusted EBITA for the Distribution segment totalled 80.6 MSEK (77.2) for the period, corresponding to an adjusted EBITA margin of 3.4 percent (3.2). Adjusted EBITA was adjusted for inventory movement-related non-recurring items of –2.7 MSEK (0.0).



Operating profit, EBIT

Operating profit during the period amounted to -609.3 MSEK (196.1), corresponding to an operating margin of -21.6 percent (6.6). Operating profit includes -12.3 MSEK (-5.5) of restructuring, inventory movement and acquisition-related non-recurring items.

Segment

Operating profit in the Games segment amounted to -616.4 MSEK (185.3) for the period, corresponding to an operating margin of -144.9 percent (36.0). Operating profit includes -6.8 MSEK (0.0) of restructuring-related non-recurring items.

Operating profit in the Distribution segment amounted to 40.7 MSEK (40.0) for the period, corresponding to an operating margin of 1.7 percent (1.6). Operating profit includes -2.7 MSEK (0.0) of inventory movement-related non-recurring items.

Financial net

Financial net amounted to 14.8 MSEK (-37.7). Of the total financial net, 4.3 MSEK (-49.1) comprised the net of exchange gains and exchange losses, -32.2 MSEK (-11.4) of the net from interest cost and interest income, 38.0 MSEK (22.8) of the net from the revaluation of earn-outs and 4.8 MSEK (0.0) of results from associated companies.

Net exchange gains and exchange losses includes effects of -7.1 MSEK from unrealised exchange effects.

Profit for the period

Profit for the period amounted to -609.4 MSEK (121.2), corresponding to a net profit margin of -21.6 percent (4.1).

Other comprehensive income

Other comprehensive income during the period was impacted by currency translation differences in foreign operations and totalled 7.9 MSEK (58.6).





Financial position

Financial position and liquidity

The Group's total assets on 31 December 2023 amounted to 3,194.1 MSEK, compared with 3,668.7 MSEK on 31 December 2022.

Core working capital on 31 December 2023 amounted to 527.8 MSEK, compared with 705.8 MSEK on 31 December 2022.

The Group's equity on 31 December 2023 totalled 1,382.3 MSEK, compared with 1,982.7 MSEK on 31 December 2022.

Thunderful Group has a confirmed credit facility of 55 MEUR with Danske Bank. On the balance-sheet date, 31 December 2023, Thunderful Group had utilised 499.3 MSEK of this facility and cash and cash equivalents amounted to 209.1 MSEK.

Including the unutilised portion of the confirmed credit facility, cash and cash equivalents as of 31 December 2023 amounted to 320.1 MSEK, compared with 493.7 MSEK on 31 December 2022.

The company's assessment is that current and available financing is sufficient to ensure continued operation.

Seasonal variations

Thunderful Group has a seasonal distribution business that is characterised by higher sales in connection with major commercial holidays. A significant part of the full year sales and profit has historically been generated during the fourth quarter, which also means that operating expenses in relation to sales are generally higher during the first to third quarter.

Cash flow and investments

Cash flow from operating activities during the fourth quarter amounted to 304.2 MSEK (406.3) and during the period to 315.4 MSEK (527.4).

Various investments, noted below, were made during the quarter and period:

MSEK	2023 Q4	2022 Q4	2023 Jan-Dec	2022 Jan-Dec
Internal game development capex	39.0	37.5	214.3	143.3
Publishing licences capex	20.9	21.1	82.8	69.7
Game projects capex	-2.4	4.5	1.7	9.1
Acquisition capex	0.0	70.2	23.8	70.2
Other capex	2.5	-0.6	7.6	9.4
Total investments	60.0	132.7	330.2	301.7

Cash flow from investing activities for the quarter amounted to -60.0 MSEK (-132.7) and during the period to -330.2 MSEK (-301.7).

Parent Company

Net revenue in the Parent Company during the period amounted to 10.4 MSEK (9.8), operating result to -34.0 MSEK (-32.9) and profit for the period to -364.6 MSEK (21.2). The Parent Company's revenue comprises intra-group services. During the fourth quarter write-down of shares in subsidiaries of 376.7 MSEK were made, of which 337.7 MSEK related to subsidiaries within the Games segment and 39.0 MSEK related to subsidiaries within the Distribution segment.

SQUISHMALLOWS / AMO TOYS





Operational overview by segment

Thunderful Games

Thunderful Games' operations are divided into four clear revenue streams:

- **IP Building** includes development and publishing of internally developed games with own IP:s and publishing of externally developed games with licensed IP:s. The revenue stream is dependent on a high rate of investment and can generate high profitability levels when published games reach commercial success.
- **Co-Development** includes game development within Thunderful Studios on behalf of external licensees. The revenue stream contributes with predictable revenues with stable and high margins and with revenue shares from developed games. There is no need for investments.
- **Partners** includes service and support for third-party game developers who self-publish games. The revenue stream contributes with predictable revenues with stable and high margins and with revenue shares from games that partners self-publish. There is no need for investments.
- **Investments** includes investments ranging from early prototype phase in game development projects to acquisitions of larger companies. The project investment revenue stream is dependent on a certain rate of investments and contributes with variable revenue shares from games in which Thunderful has invested.

The collaborations between the companies within Thunderful Games have resulted in several games projects and clients that generate parallel revenues in multiple revenue streams.

Comments on events during the quarter

Due to challenges in the Games segment, Thunderful Group has taken write-down of goodwill of 500 MSEK and capitalized development costs of 98 MSEK during the fourth quarter, which has had a significant impact on earnings.

After the end of the quarter, the company initiated an extensive restructuring program to overcome past over-investment and focus operations on the areas with the greatest potential for growth and profitability. The restructuring program aims to strengthen the Group's long-term competitiveness and is expected to yield an annual cost reduction of 90–110 MSEK with correspondingly improved cash flow. The program is expected to take full effect in the second half of the year 2024.

Thunderful Distribution

Thunderful Distribution, with operations in distribution and sale of, among other items, Nintendo products, games, game accessories and toys. The segment includes the distributors Bergsala, Amo Toys and Nordic Game Supply. Bergsala has been distributing Nintendo's products in Sweden since 1981. Amo Toys and Nordic Game Supply are Nordic distributors of toys, games, game accessories and merchandise. Brands distributed by Amo Toys and Nordic Game Supply include Rockstar, 2K Games, Razer, Thrustmaster, Konami, NExt Level Racing, L.O.L. Surprise, BabyBorn, Little Tikes, Squishmallows and Intex.

Comments on events during the quarter

Nordic Game Supply reported a significant loss during the quarter. This was mainly attributable to the continued effects of the discontinuation of Nordic Game Supply's operations in Germany, phase-out of private label products, as well as general clearance of inventory to discounted prices to reduce tied-up capital. The company has initiated a strategic review of the business.



Games released during and after the fourth quarter of 2023

During the fourth quarter of 2023, the Group released six games. Two of these were from the Group's internal studios. After the end of the quarter but before the publication of this report, one more game was released by an external studio through the Group's publishing activities from the Group's internal studios.

Releases in the third quarter contributed 23.8 MSEK in net revenue. This pertained only to the platforms and versions of the respective games released in the quarter. The Group has 14 ongoing internal game-development projects and 14 ongoing game-development projects that are being developed by third parties and which are intended to be published by one of the Group's publishing companies. An overview of these 28 game-development projects is available on page 11.

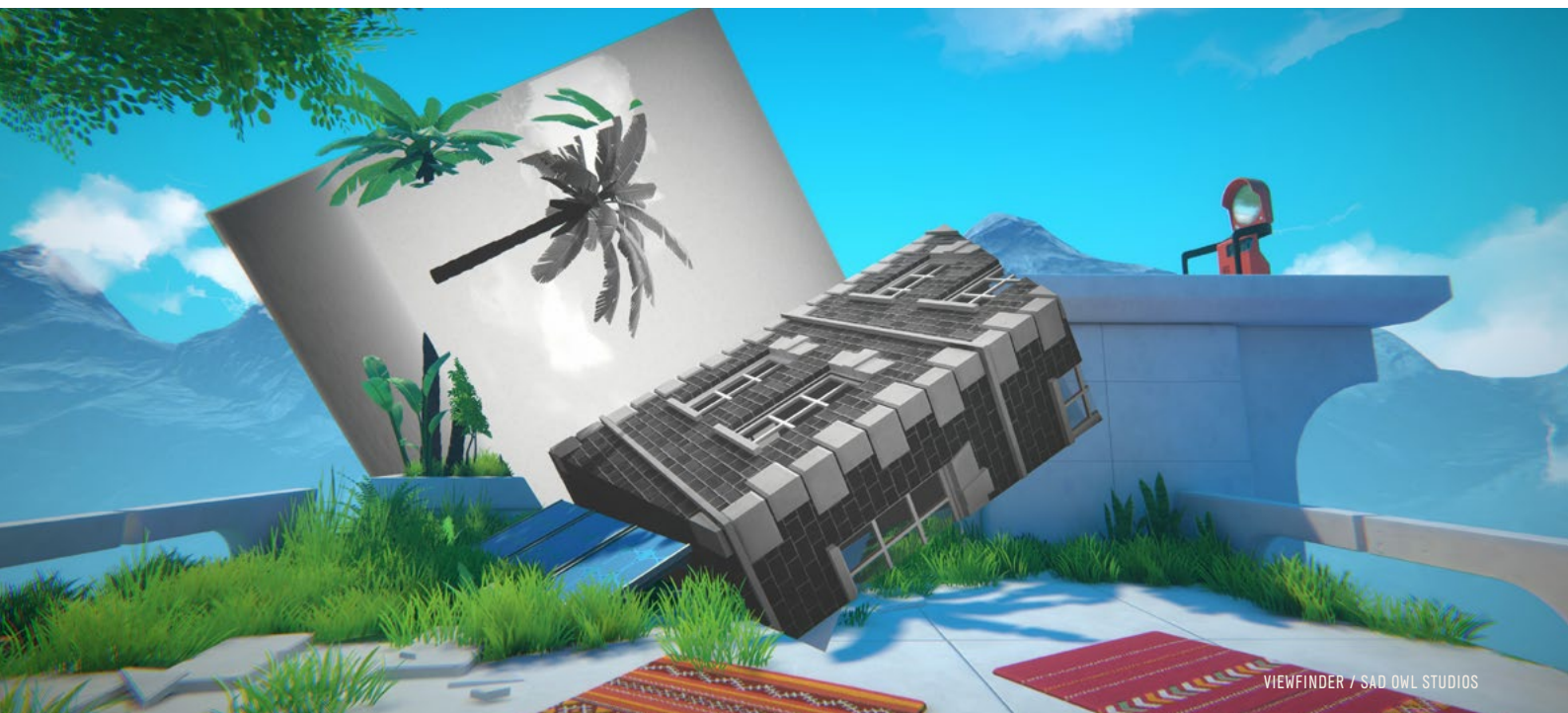
Games released during the fourth quarter of 2023

Game description				Platforms			
Title	Release	Publisher	Studio	PC	Console	Mobile	VR
Sol Frontiers	12-oct-23	Early Morning Studio	Internal	○	○	●	○
Laika: Aged Through Blood	19-oct-23	Headup	External	●	●	○	○
Worldless	21-nov-23	Coatsink	External	●	●	○	○
SteamWorld Build	01-dec-23	Thunderful	Internal	●	●	○	○
LEGO Bricktales	07-dec-23	Thunderful	External	○	○	○	●
Soulslinger	14-dec-23	Headup	External	●	●	○	○

Games released after the quarter but before the publication of this interim report

Game description				Platforms			
Title	Release	Publisher	Studio	PC	Console	Mobile	VR
Under Cover	15-feb-24	Coatsink	External	○	○	○	●

● Released ● Under development ○ N/A



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Announced releases of internally developed games

Game description			Platforms			
Title	Release	Publisher	PC	Console	Mobile	VR
Tinkertown	2024, 1H	Headup	●	●	○	○
Vendir: Plague of Lies	2024, 1H	Early Morning Studio	●	●	●	○
"Kokidon"	2024, 2H	Thunderful	●	●	○	○
"Caramel (a SteamWorld IP Game)"	2024, 2H	Thunderful	●	●	○	○
"Date"	2024, 2H	Coatsink	○	○	○	●
"Lemon"	2024, 2H	To The Sky	●	●	○	○
"Strawberry (a SteamWorld IP Game)"	2024, 2H	Thunderful	○	○	●	○
"Axe"	2024, 2H	Early Morning Studio	○	○	●	○
"Chilli Choc"	2024, 2H	Coatsink	○	○	○	●
Islanders	2024, 2H	Coatsink	○	○	○	●
"Mango"	2025	Thunderful	●	●	○	○
"Watermelon"	2025	Thunderful	●	●	○	○
"Neapolitan"	2025	Coatsink	●	●	○	○
"Oyster"	2025	Coatsink	○	○	○	●

Announced releases of externally developed games

Game description		Platforms			
Title	Release	PC	Console	Mobile	VR
"Leche"	2024, 1H	●	●	○	○
"Raspberry"	2024, 1H	●	●	○	○
Phantom Spark	2024, 1H	●	●	○	○
"Moose Tracks"	2024, 1H	●	●	○	○
Soulslinger	2024, 2H	●	●	○	○
Symphonia	2024, 2H	●	●	○	○
Replaced	2024, 2H	●	●	○	○
"Peach"	2024, 2H	●	●	○	○
"Snowflake"	2024, 2H	●	●	○	○
Ikaro Will Not Die	2025	●	●	○	○
"Matcha"	2025	●	●	○	○
"Rocky Road"	2025	●	●	○	○
"Ube"	2025	●	●	○	○
"Grape"	2025	●	●	○	○

"Non-advertised game name" ● Released ● Under development ○ N/A



Other information

Organisation

As of 31 December 2023, the number of full-time employees was 519 (478), of whom 149 (116) women and 370 (362) men.

Related party transactions

Anders Maiqvist became acting CEO of Thunderful Group on 10 August 2022. Through companies and together with related parties of his, Anders Maiqvist owns 50 percent of the shares in Wester Maiqvist AB. In June 2022, Thunderful Group entered into a consultancy agreement with Wester Maiqvist AB regarding warehouse and logistics optimisation. During 2023, Wester Maiqvist AB invoiced Thunderful Group approximately 2.5 MSEK for services provided. The consultancy agreement was terminated during the first quarter of 2023. Anders Maiqvist and Thunderful Group entered into another agreement in Q2 2023 concerning CFO-related consulting services and Maiqvist invoiced through his company 1.0 MSEK. The agreement was terminated in its entirety during the third quarter of 2023.

Risks and uncertainties

Thunderful Group is exposed to risks, particularly the dependence on key individuals, the dependence on successful game development, the sales performance of released games, the dependence on a few distributors, and the success and performance of acquisitions. The complete risk analysis is found on pages 50–55 and pages 71–72 of the Group's 2022 Annual Report, published on the company's website. The Annual Report is published on the company's website.

Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. For the Parent Company, the Swedish Financial Reporting Board's Recommendation RFR 2 Financial Reporting for Legal Entities has been applied in the preparation of this interim report. The accounting policies and basis of calculation correspond to the policies applied in the company's most recent annual report.

Income related to marketing activities has been reclassified from net revenue to other income in the prior periods.

For further information on the Group's accounting policies, refer to the 2022 Annual Report, which is published on the company's website.

Dividend

Thunderful Group strives to invest its profit and cash flows in organic growth initiatives and acquisitions to support value creation, and therefore does not intend to pay annual dividends in the medium term.

Events during the quarter

Henrik Lundkvist assumed his role as CFO for Thunderful Group effective 1 December 2023, succeeded Annette Colin, interim CFO.

Events after the end of the period

Thunderful Group announced that the company will implement a restructuring program to strengthen its long-term competitiveness. The program will aim to reduce costs and increase focus in areas with highest potential for future growth and profitability potential and is estimated to yield an annual savings of 90–110 MSEK.

Auditors' review

This interim report has not been subject to review by the company's auditors.



The share

Name	Shares	Shares of capital and votes, %
Bergsala Holding AB	17,913,693	25.5%
Brjann Sigurgeirsson (privately and through companies)	4,375,000	6.2%
Avanza Pension	4,340,555	6.2%
Lyngeled Holding AB	4,275,000	6.1%
Knutsson Holdings AB	2,496,028	3.6%
ÖstVäst Capital Management	2,200,000	3.1%
Nordnet Pensionsförsäkring	1,941,063	2.8%
Provobis Holding AB	1,750,000	2.5%
Nordea Liv & Pension	1,695,292	2.4%
Hinapulka & Allihuuppa Oy	1,260,000	1.8%
TOTAL TOP 10	42,246,631	60.1%
Other	28,043,966	39.9%
TOTAL	70,290,597	100.0%

Financial statements and other financial and general information are published on the Group's website www.thunderfulgroup.com

CFO Henrik Lundkvist
is responsible for IR issues
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Outstanding warrant programmes active at the time of this report's publication are:

Warrant programme	Number of warrants	Corresponding number of shares	Proportion of total shares	Exercise price	Expiration period
Warrant programme 2022/2025	270,000	270,000	0.4%	47.22	19 May - 30 Jun 2023
Warrant programme 2023/2026	940,000	940,000	1.3%	20.28	19 May - 30 Jun 2026
Summa	1,210,000	1,210,000			

As of 31 December 2023, Thunderful Group AB's share capital amounted 702,905.97 SEK distributed across 70,290,597 shares with a quotient value of 0.01 SEK per share. Thunderful Group AB (publ) has been listed since December 2020 on Nasdaq Stockholm and the company's share is traded on First North Premier Growth Market (THUNDR). On the balance-sheet date of 31 December 2023, Thunderful Group's market capitalisation was around 369.1 MSEK.

Certified adviser

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Signature

The Board of Directors and the CEO offer their assurance that this interim report gives a true and fair view of the Group's and Parent Company's operations, financial position and results of operations and describes the significant risks and uncertainties facing the Group and the Parent Company.

Gothenburg, 22 February 2024

Martin Walfisz
Chief Executive Officer

Patrick Svensk
Chairman

Mats Lönnqvist
Board member

Owe Bergsten
Board member

Tomas Franzén
Board member

Sara Bach
Board member

This information is of a nature that Thunderful Group AB (publ) is obligated to publish under the EU's Market Abuse Regulation. It was submitted for publication through the agency of the contact persons set out below at 7:30 a.m. CET on 22 February 2024.

For more information, please contact:

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Group income statement

MSEK	2023 Q4	2022 Q4 ¹⁾	2023 Jan-Dec	2022 Jan-Dec ¹⁾
Net revenue	953.2	1,168.1	2,818.2	2,953.3
Other operating income	60.8	-43.3	182.0	163.0
Operating income	1,013.9	1,124.8	3,000.2	3,116.2
Capitalised work on own account	33.3	28.6	152.4	99.6
Goods for resale (Distribution)	-748.5	-826.1	-2,016.2	-2,061.3
Purchased games-development services and royalties (Games)	-43.8	-10.9	-69.4	-51.9
Other external expenses	-129.8	-132.0	-382.7	-385.2
Personnel expenses	-111.1	-86.4	-392.0	-293.4
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-676.7	-36.6	-838.9	-174.1
Other operating expenses ¹⁾	-15.7	81.6	-62.9	-53.7
Operating profit	-678.3	143.1	-609.3	196.1
Total financial items	88.2	9.4	14.8	-37.7
Profit/loss after financial items	-590.1	152.6	-594.5	158.3
Tax on profit for the period	3.0	-22.1	-14.9	-37.2
Net profit/loss for the period	-587.1	130.4	-609.4	121.2
Other comprehensive income				
Currency translation difference in foreign operations	-74.0	5.5	7.9	58.6
Comprehensive income for the period	-661.1	135.9	-601.5	179.8
Net profit for the period attributable to:				
Shareholders of the Parent Company	-587.1	130.4	-609.4	121.2
Earnings per share before dilution, SEK	-8.35	1.86	-8.67	1.72
Earnings per share after dilution, SEK	-8.35	1.86	-8.67	1.72
Comprehensive income for the period attributable to:				
Shareholders of the Parent Company	-661.1	135.9	-601.5	179.8
Average number of shares	70,290,597	70,290,597	70,290,597	70,261,677

¹⁾ Income related to marketing activities has been reclassified from net revenue to other income in the prior periods.



Group balance sheet

MSEK	2023-12-31	2022-12-31
ASSETS		
Fixed assets		
<i>Intangible assets</i>		
IT systems	2.5	4.0
Capitalised development expenditure, games	307.1	231.7
Publishing licences	143.6	110.9
Investments in game projects	13.5	9.1
Publishing and distribution relationships	223.0	260.1
Goodwill	475.4	928.3
Game rights	291.8	331.4
Customer relationships	88.7	105.7
Other intangible assets	22.9	23.8
	1,568.5	2,004.9
<i>Property, plant and equipment</i>		
Right-of-use assets	113.7	133.7
Buildings and land	2.8	0.5
Equipment, tools, fixtures and fittings	20.5	17.5
	137.0	151.6
<i>Financial assets</i>		
Shares in associated companies	4.6	0.0
Other securities held as non-current assets	0.2	0.2
Other non-current receivables	7.4	7.4
	12.2	7.6
Deferred tax assets	1.1	1.3
Total fixed assets	1,718.8	2,165.4
Current assets		
<i>Inventories, etc.</i>		
Finished goods and goods for resale	578.6	600.3
Advance payments to suppliers	50.8	49.6
	629.4	649.9
<i>Current receivables</i>		
Accounts receivable	472.3	654.6
Current tax assets	14.3	19.3
Other receivables	15.6	9.0
Prepayments and accrued income	134.6	113.8
	636.8	796.8
Cash and cash equivalents	209.1	56.6
Total current assets	1,475.3	1,503.3
TOTAL ASSETS	3,194.1	3,668.7



Group balance sheet, continued

MSEK	2023-12-31	2022-12-31
EQUITY AND LIABILITIES		
Equity		
Share capital	0.7	0.7
Other capital contributions	1,274.8	1,274.8
Other equity, including net profit for the year	106.8	70.2
	1,382.3	1,982.7
Non-current liabilities		
Non-current earn-out considerations	181.6	286.9
Deferred tax liabilities	152.5	151.3
Provisions	2.0	1.8
Non-current lease liabilities	86.6	105.0
	422.6	545.1
Current liabilities		
Overdraft facility	0.0	63.6
Liabilities to credit institutions	499.3	111.3
Customer prepayments	1.1	0.0
Accounts payable	573.9	598.7
Current tax liabilities	26.9	35.7
Other liabilities	76.5	85.8
Current earn-out considerations	97.9	140.2
Current lease liabilities	25.3	26.4
Accrued expenses and deferred income	88.2	79.2
	1,389.2	1,140.9
TOTAL EQUITY AND LIABILITIES	3,194.1	3,668.7





Group statement of changes in equity

MSEK	Share capital	Other capital contributions	Other equity, incl. net profit for the period	Total equity
Opening balance, 1 January 2023	0.7	1,274.8	707.2	1,982.7
Issued warrants	0.0	0.0	1.1	1.1
Transactions with owners	0.0	0.0	1.1	1.1
Total comprehensive income for the period	0.0	0.0	-601.5	-601.5
Closing balance, 31 December 2023	0.7	1,274.8	106.8	1,382.3
Opening balance, 1 January 2022	0.7	1,271.8	527.4	1,799.9
New issues of shares, acquisition Headup GmbH	0.0	3.0	0.0	3.0
Transactions with owners	0.0	3.0	0.0	3.0
Total comprehensive income for the period	0.0	0.0	179.8	179.8
Closing balance, 31 December 2022	0.7	1,274.8	707.2	1,982.7





Group cash flow statement

MSEK	2023 Q4	2022 Q4	2023 Jan-Dec	2022 Jan-Dec
Operating activities				
Profit after financial items	-590.1	152.5	-594.5	158.3
Adjustment for non-cash items				
- Depreciation, amortisation and impairment	676.8	36.5	839.0	174.0
- Exchange-rate differences	-31.1	11.3	6.0	9.5
- Revaluation of earn-out debts	-54.1	-25.4	-44.8	-25.4
- Other adjustments	27.3	-0.4	27.2	-0.4
	28.8	174.6	232.9	316.0
Income tax paid	4.0	-43.4	-32.4	-81.9
Cash flow from operating activities before changes in working capital	32.8	131.2	200.5	234.1
Changes in working capital				
Change in inventories and advance payments to suppliers	94.5	208.4	-6.7	114.1
Change in accounts receivable	-74.1	-120.7	182.3	212.0
Change in accounts payable	266.1	240.3	-24.8	10.1
Change in other working capital	-15.2	-52.9	-35.9	-42.9
Cash flow from operating activities	304.2	406.3	315.4	527.4
Investing activities				
Acquisition of subsidiaries/business	0.0	-70.2	-23.8	-70.2
Investment in property, plant and equipment	-2.3	-1.0	-7.2	-7.3
Investment in capitalised game development expenditure	-39.0	-37.5	-214.3	-143.3
Investment in game projects	2.4	-4.5	-33.6	-9.1
Investment in publishing rights	-20.9	-21.1	-82.8	-69.7
Investment in other intangible assets	-0.2	0.0	-0.4	-1.6
Investment in financial assets	0.0	1.6	0.0	-0.5
Sale of fixed assets	0.0	0.0	31.9	0.0
Cash flow from investing activities	-60.0	-132.7	-330.2	-301.7
Financing activities				
Change in overdraft facility	-41.4	43.0	-63.6	-206.8
Borrowings from credit institutions/amortisation of loans	-17.9	-292.6	388.0	111.3
Repayment of lease liabilities	-11.1	-6.2	-33.6	-24.1
Repayment of earn-out liabilities	0.0	0.0	-124.1	-114.5
Warrant payment	0.0	0.0	1.1	0.0
Cash flow from financing activities	-70.4	-255.8	167.8	-234.1
Cash flow for the period	173.8	18.0	153.0	-8.4
Cash and cash equivalents at the beginning of the year	37.0	46.9	56.6	60.2
Exchange-rate differences in cash and cash equivalents	-1.8	-8.3	-0.5	4.8
Cash and cash equivalents at the end of the year	209.1	56.6	209.1	56.6

Exchange-rate differences in the credit facility have been reclassified from exchange rate differences in cash and cash equivalents to exchange rate differences in adjustment for non-cash items in the comparative periods.



Parent Company income statement

MSEK	2023 Jan-Dec	2022 Jan-Dec
Net revenue	10.4	9.8
Other operating income	0.2	0.1
Operating income	10.7	9.9
Operating expenses		
Other external expenses	-26.4	-25.8
Personnel expenses	-18.2	-16.9
Other operating expenses	-0.1	-0.1
Total operating expenses	-44.7	-42.8
Operating profit	-34.0	-32.9
Total financial items	-350.3	89.7
Profit after financial items	-384.3	56.8
Year-end appropriations	19.7	-36.1
Tax on profit for the period	0.1	0.5
Net profit/loss for the period and comprehensive income for the period	-364.6	21.2





Parent Company balance sheet

MSEK	2023-12-31	2022-12-31
ASSETS		
Fixed assets		
<i>Tangible fixed assets</i>		
Equipment, tools, fixtures and fittings	0.1	0.0
<i>Financial assets</i>		
Shares in Group companies	2,020.9	2,397.2
Total fixed assets	2,021.0	2,397.2
Current assets		
Receivables from Group companies	297.2	884.3
Current tax assets	0.1	3.5
Other receivables	3.1	0.8
Prepayments and accrued income	2.1	1.4
Total current assets	302.5	890.0
Cash and bank balances	148.8	0.0
TOTAL ASSETS	2,472.3	3,287.2
EQUITY AND LIABILITIES		
Equity		
<i>Restricted equity</i>		
Share capital	0.7	0.7
	0.7	0.7
<i>Unrestricted equity</i>		
Retained earnings	99.9	78.7
Share premium reserve	1,970.6	1,969.5
Net profit for the year	-364.6	21.2
Total unrestricted equity	1,705.8	2,069.4
Total equity	1,706.5	2,070.1
Non-current liabilities		
Non-current earn-out considerations	171.8	285.3
Total non-current liabilities	171.8	285.3
Current liabilities		
Overdraft facility	0.0	63.6
Liabilities to credit institutions	499.3	111.3
Liabilities to Group companies	0.0	605.4
Accounts payable	4.7	4.6
Other liabilities	0.7	3.1
Current earn-out considerations	87.4	136.8
Accrued liabilities	1.8	7.1
Total current liabilities	594.0	931.8
TOTAL EQUITY AND LIABILITIES	2,472.3	3,287.2



Segment reporting

Thunderful Group monitors net revenue, adjusted EBITDA, adjusted EBITA and operating profit (EBIT) per segment.

MSEK	2023 Q4	2022 Q4	2023 Jan-Dec	2022 Jan-Dec
Net revenue				
Thunderful Games	121.2	199.4	425.3	514.4
Thunderful Distribution	832.0	968.7	2,392.9	2,438.8
- of which, Bergsala	417.6	566.9	1,308.3	1,215.8
- of which, Nordic Game Supply	177.3	235.2	505.5	699.1
- of which, Amo Toys	189.0	166.7	579.1	524.0
Net revenue	953.2	1,168.1	2,818.2	2,953.3
Adjusted EBITDA				
Thunderful Games	73	138.3	166.7	301.3
Thunderful Distribution	5.9	57.0	105.7	97.9
- of which, Bergsala	40.5	60.7	113.5	99.3
- of which, Nordic Game Supply	-54.0	-4.2	-65.1	-2.1
- of which, Amo Toys	19.7	0.5	57.3	0.7
Other	-10.3	-10.1	-30.5	-23.5
Adjusted EBITDA	2.9	185.2	241.9	375.6
Adjusted non-recurring items (Games segment)	-4.5	0.0	-6.8	0.0
Adjusted non-recurring items (Distribution segment)	0.0	0.0	-2.7	0.0
Adjusted non-recurring items (Other segment)	0.0	-5.5	-2.8	-5.5
EBITDA	-1.6	179.7	229.6	370.1
Adjusted EBITDA margin - Thunderful Games, %	6.0%	69.4%	39.2%	58.6%
Adjusted EBITDA margin - Thunderful Distribution, %	0.7%	5.9%	4.4%	4.0%
Adjusted EBITDA margin - Thunderful Group, %	0.3%	15.9%	8.6%	12.7%
Adjusted EBITA				
Thunderful Games	-132.3	124.4	-42.1	231.3
Thunderful Distribution	-1.1	51.4	80.6	77.2
Other	-10.4	-10.2	-30.8	-23.7
Adjusted EBITA	-143.8	165.7	7.7	284.8
Adjusted non-recurring items (Games segment)	-4.5	0.0	-6.8	0.0
Adjusted non-recurring items (Distribution segment)	0.0	0.0	-2.7	0.0
Adjusted non-recurring items (Other segment)	0.0	-5.5	-2.8	-5.5
EBITA	-148.3	160.2	-4.6	279.3
Adjusted EBITA margin - Thunderful Games, %	-109.2%	62.4%	-9.9%	45.0%
Adjusted EBITA margin - Thunderful Distribution, %	-0.1%	5.3%	3.4%	3.2%
Adjusted EBITA margin - Thunderful Group, %	-15.1%	14.2%	0.3%	9.6%
Operating profit (EBIT)				
Thunderful Games	-657.6	116.7	-616.4	185.3
Thunderful Distribution	-10.4	42.1	40.7	40.0
Other	-10.4	-15.7	-33.7	-29.2
Operating profit (EBIT)	-678.3	143.1	-609.3	196.1
Operating margin (EBIT margin) - Thunderful Games, %	-542.7%	58.5%	-144.9%	36.0%
Operating margin (EBIT margin) - Thunderful Distribution, %	-1.2%	4.3%	1.7%	1.6%
Operating margin (EBIT margin) - Thunderful Group, %	-71.2%	12.3%	-21.6%	6.6%



Alternative KPIs

Certain information in this report that management and analysts use to assess the Group's development has not been prepared in accordance with IFRS. Management believes that this information makes it easier for investors to analyse the Group's earnings development and financial position. Investors should consider this information to be a complement to financial reporting in accordance with IFRS.

Definitions and explanations of alternative KPIs

Alternative KPI	Definition	Explanation
Net revenue growth	Change in net revenue for the period, calculated as an increase in net revenue compared with the previous year, expressed as a percentage.	Indicates the business's net revenue during the period compared with the previous period.
Gross profit	Profit after operating income, capitalised work on own account and costs for goods for resale, games-development services and royalties.	Indicates the product profitability of the core business.
Gross margin	Gross profit in relation to net revenue.	Indicates the product profitability of the core business.
Operating profit (EBIT)	Operating profit after depreciation, amortisation and impairment of property, plant and equipment and intangible assets.	Enables comparisons of profitability regardless of capital structure or tax situation.
Operating margin (EBIT margin)	Operating profit in relation to net revenue.	Enables comparisons of profitability regardless of capital structure or tax situation.
EBITDA	Operating profit before depreciation, amortisation and impairment of property, plant and equipment and intangible assets.	Shows the company's earning capacity from operating activities regardless of capital structure and tax situation and is intended to be compared with other companies in the same industry.
EBITDA margin	EBITDA in relation to net revenue.	Shows the company's earning capacity from operating activities regardless of capital structure and tax situation and is intended to be compared with other companies in the same industry.
Adjusted EBITDA	EBITDA excluding items affecting comparability.	Shows the company's earning capacity from operating activities regardless of capital structure, tax situation and items affecting comparability and is intended to be compared with other companies in the same industry.
Adjusted EBITDA margin	Adjusted EBITDA in relation to net revenue.	Shows the company's earning capacity from operating activities regardless of capital structure, tax situation and items affecting comparability and is intended to be compared with other companies in the same industry.
EBITA	Operating profit before amortisation and impairment of other intangible assets.	Shows the company's earning capacity from operating activities regardless of capital structure and tax situation and is intended to be compared with other companies in the same industry.
EBITA margin	EBITA in relation to net revenue.	Shows the company's earning capacity from operating activities regardless of capital structure and tax situation and is intended to be compared with other companies in the same industry.
Adjusted EBITA	EBITA excluding items affecting comparability.	Shows the company's earning capacity from operating activities regardless of capital structure and tax situation and is intended to be compared with other companies in the same industry.
Adjusted EBITA margin	Adjusted EBITA in relation to net revenue.	Shows the company's earning capacity from operating activities regardless of capital structure and tax situation and is intended to be compared with other companies in the same industry.
Core working capital, net	Inventories plus accounts receivable minus accounts payable.	Indicates the sum of core working capital that is tied up in the business and can be analysed in relation to net revenue to assess how efficiently the core working capital is used in the business.
Interest-bearing net debt	The sum of current and non-current interest-bearing liabilities to credit institutions, including overdraft facilities less cash and cash equivalents.	Interest-bearing net debt is a measure that shows the Group's interest-bearing indebtedness.
Interest-bearing net debt/EBITDA, R12M	Interest-bearing net debt as a share of adjusted EBITDA, R12M.	Thunderful Group believes that this measure is helpful in showing financial risk and that it is a useful measure to monitor the Group's debt level.



Calculation of alternative KPIs

MSEK	2023 Q4	2022 Q4	2023 Jan-Dec	2022 Jan-Dec
Net revenue growth				
Net revenue previous period	1,168.1	1,284.9	2,953.3	3,061.3
Net revenue current period	953.2	1,168.1	2,818.2	2,953.3
Net revenue growth, %	-18.4%	-9.1%	-4.6%	-3.5%
Gross profit and gross margin				
Operating income	1,013.9	1,124.8	3,000.2	3,116.2
Capitalised work on own account	33.3	28.6	152.4	99.6
Costs for goods for resale and game projects	-792.3	-837.0	-2,085.5	-2,113.3
Gross profit, MSEK	255.0	316.4	1,067.1	1,102.5
Gross margin, %	26.8%	27.1%	37.9%	37.3%
Adjusted EBITDA and adjusted EBITDA margin				
Operating profit (EBIT)	-678.3	143.1	-609.3	196.1
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	676.7	36.6	838.9	174.1
Adjusted non-recurring items	4.5	5.5	12.3	5.5
Adjusted EBITDA	2.9	185.2	241.9	375.6
Adjusted EBITDA margin, %	0.3%	15.9%	8.6%	12.7%
Adjusted EBITA and adjusted EBITA margin				
Operating profit (EBIT)	-678.3	143.1	-609.3	196.1
Amortisation and impairment of acquisition-related intangible assets	530.0	17.0	604.7	83.2
Adjusted non-recurring items	4.5	5.5	12.3	5.5
Adjusted EBITA	-143.8	165.6	7.7	284.8
Adjusted EBITA margin, %	-15.1%	14.2%	0.3%	9.6%
Core working capital, net				
Inventories	629.4	649.9	629.4	649.9
Accounts receivable	472.3	654.6	472.3	654.6
Accounts payable	-573.9	-598.7	-573.9	-598.7
Total core working capital	527.8	705.8	527.8	705.8
Interest-bearing net debt				
Non-current interest-bearing liabilities	86.6	105.0	86.6	105.0
Current interest-bearing liabilities	524.6	201.3	524.6	201.3
Cash and cash equivalents	-209.1	-56.6	-209.1	-56.6
Interest-bearing net debt	402.1	249.7	402.1	249.7
Adjusted EBITDA R12M	241.9	375.6	241.9	375.6
Interest-bearing net debt/adjusted EBITDA, R12M	1.7	0.7	1.7	0.7



Other information

Financial calendar

Annual report 2023	24 April 2024
Interim report Jan-Mar 2024	15 May 2024
Annual General Meeting 2024	22 May 2024
Interim report Apr-Jun 2024	15 Aug 2024
Interim report Jul-Sep 2024	14 Nov 2024
Year-end report 2024	11 Feb 2025

For more information

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