



Thunderful Group

Q4 PRESENTATION
OCT-DEC 2022

Today's presenters



Anders Maiqvist
Acting CEO



Lennart Sparud
CFO



KEY HIGHLIGHTS
THUNDERFUL GROUP & SEGMENTS
FINANCIALS
EVENTS AFTER THE QUARTER

Q4 Highlights

- ✓ Games segment reaches 199 MSEK in net sales with 124 MSEK in EBITA. Releases contributing with 46% of net sales and organic growth reached 23% in Q4.

- ✓ Cash flow from operating activities reached +406 MSEK in Q4, resulting in +196 MSEK in FCF (cash flow after investing activities) for FY2022 with net debt reduced to 118 MSEK.

- ✓ Acquisition of Jumpship Ltd closed November 15 and Jumpship contributed with 75 MSEK in net sales in Q4.

- ✓ Stable performance in Bergsala, delivering 61 MSEK in EBITDA with 10% EBITDA-margin in Q4.

- ✓ Continued EBITDA-pressure in Distribution caused by gross margin pressure from closeout sales in 2 of 3 companies.



Games: improved profitability and organic growth

Distribution: strong cashflow but reduced profitability

Net sales growth -9.2%

- Games 96.1%
- Distribution -18.0%

Adj. EBITDA increase 31.4%

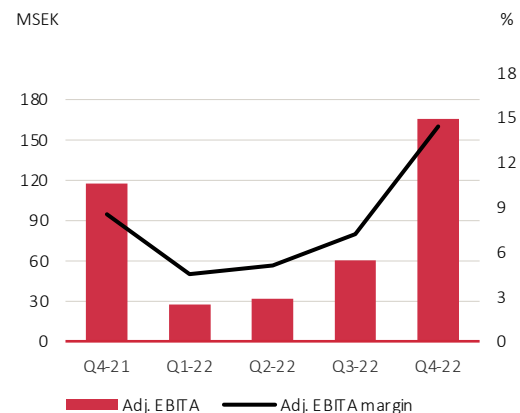
Adj. EBITA increase 40.9%

Cash flow from operating act. increase 2,084.3%

KEY FIGURES

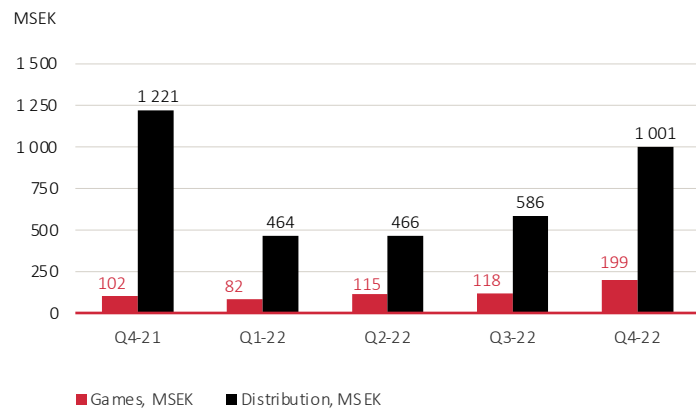
MSEK	Q4 2022	Q4 2021	Δ	2022	2021
Net sales	1,200.5	1,322.6	-9.2%	3,030.7	3,140.8
Adj. EBITDA	185.2	140.9	31.4%	375.6	356.5
Adj. EBITDA, %	16.1%	10.2%		11.7%	10.9%
Adj. EBITA	165.7	117.6	40.9%	284.8	298.8
Adj. EBITA, %	14.4%	8.5%		8.9%	9.1%
Cash flow from operating act.	406.3	18.6	2,084.3%	497.5	-64.9

ADJUSTED EBITA

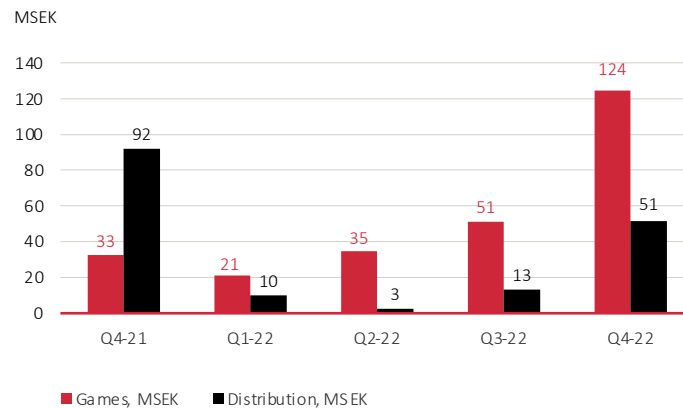


Games and Distribution: Net sales and Adjusted EBITA

NET SALES



ADJUSTED EBITA



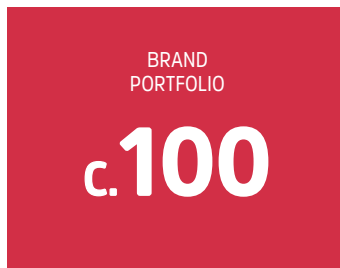
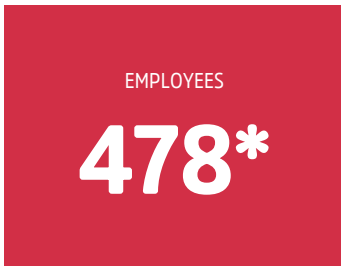


KEY HIGHLIGHTS
THUNDERFUL GROUP & SEGMENTS
FINANCIALS
EVENTS AFTER THE QUARTER

This is Thunderful Group

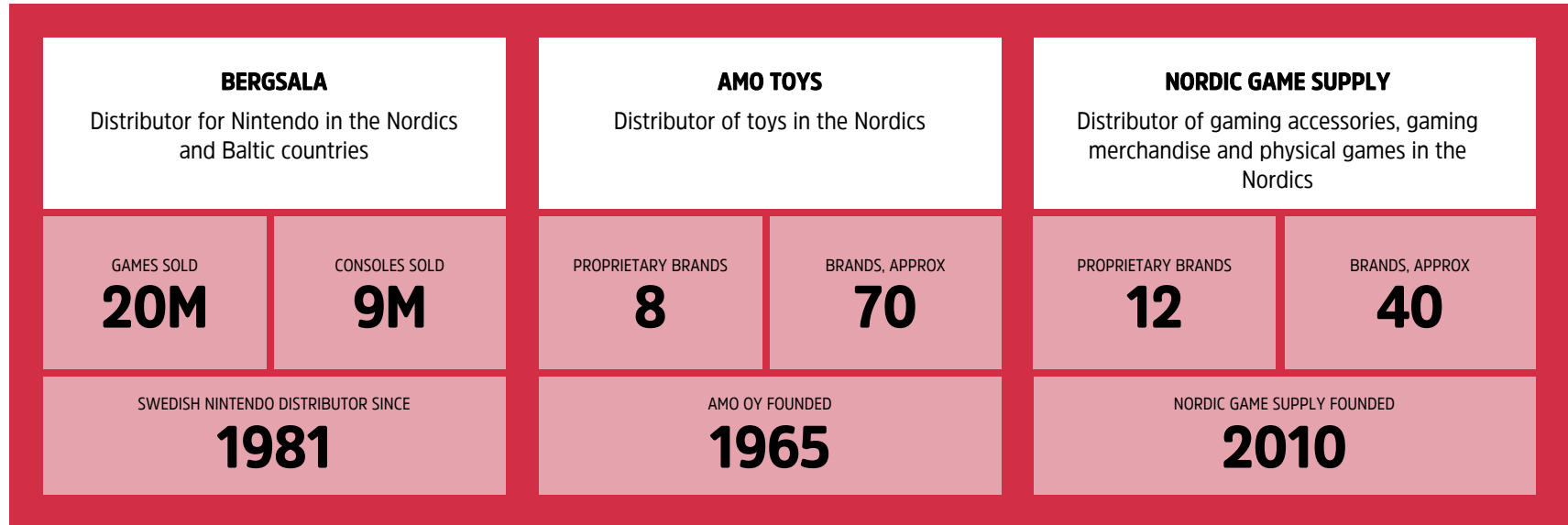
A European company operating in two segments:

- **Games** – developing, publishing and investing in games for PC, consoles and mobile platforms
- **Distribution** – distributing Nintendo products, games, gaming accessories and toys
- **Vision:** To be a leader in a world where everyone can play
- **Mission:** To provide creative entertainment products of the highest quality for people of all ages



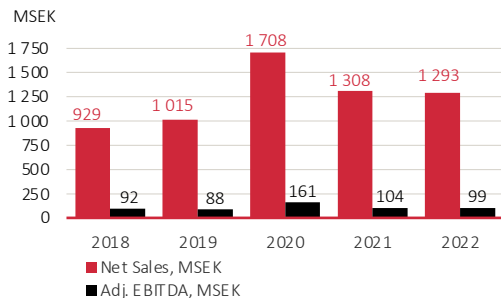
* December 31, 2022

Distribution: Overview

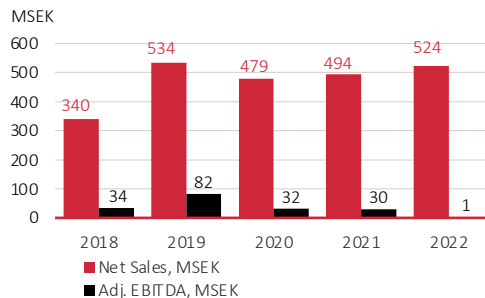


Distribution: Development in 2022

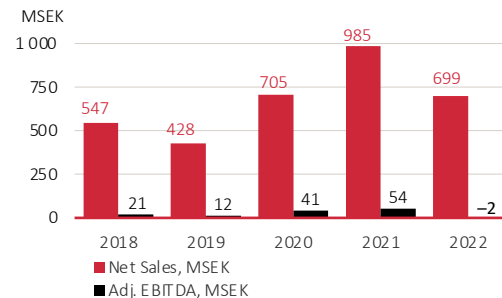
BERGSALA



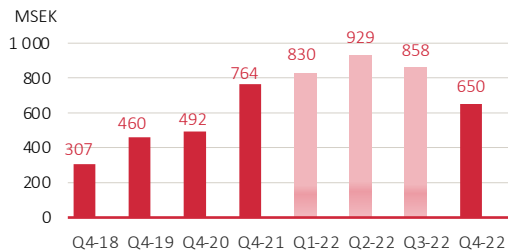
AMO TOYS



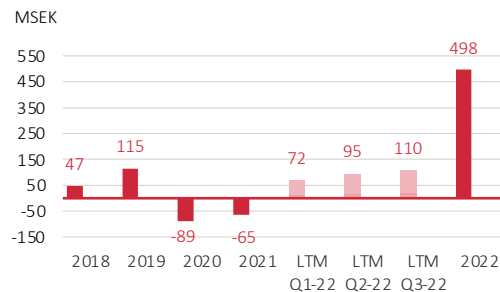
NORDIC GAME SUPPLY



INVENTORY VALUES¹



CASH FLOW FROM OPERATING ACT¹



¹ Data from consolidated company group balance sheet and consolidated company group cash flow statement

Games: 4 revenue pillars

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.

IP-BUILDING

Includes development and publishing of internally developed games with own IPs and publishing of externally developed games with licensed IPs.

The revenue stream is dependent on a high rate of investment and can generate high profitability levels when published games reach commercial success.

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 our partners self-publish. There is no need for investments.

INVESTMENT

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.



Games: Achievements in the pillars in 2022

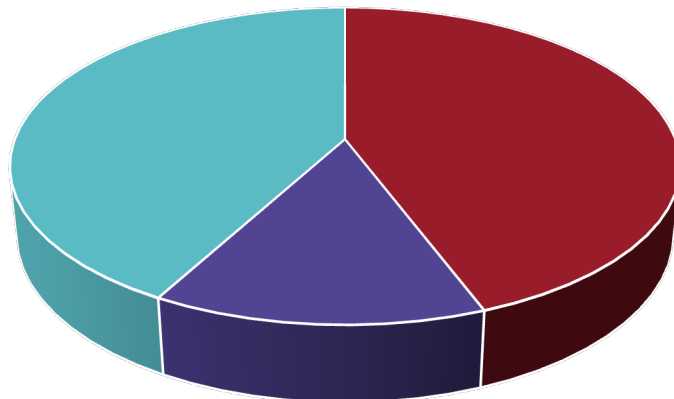
CO-DEVELOPMENT

- Strengthened intra-studio collaboration
- Increased revenues in 4 consecutive quarters
- Signed new deals for 2023 and 2024 in H2
- Main EBITA contributor in 2022

IP-BUILDING

- Improved revenues from releases in 4 consecutive quarters
- Strengthened marketing and production teams
- Stable contribution from back catalogue despite negative market sentiment
- IP-Building contributed with positive EBITA from Q4

Share of net sales FY2022



PARTNERS

- Strengthened the team in H2
- Increased revenues y/o/y (proforma)
- Onboarded new clients, including:
 - **Poncle**, developer of indie title of the year 2022, **Vampire Survivors**
 - **GSC Game World**, developer of highly anticipated AAA-title, **S.T.A.L.K.E.R. 2: Heart of Chernobyl**

INVESTMENT

- Initial game project investment made in Q2
- No revenue contribution from game project investments yet
- Closed acquisition of Jumpship in Q4. Jumpship revenues reported in IP-Building revenue stream
- Invested in **The Last Clockwinder**, "one of the best games for PSVR2", acc. to Polygon. Revenues recognized in Partners

Games: Releases during and after the quarter

Releases during the fourth quarter 2022

- 91.6 MSEK in sales contribution during the fourth quarter, mainly from
 - **Somerville**
 - **Lego Bricktales**
 - **The Last Hero of Nostalgia**
- 5 externally developed games released in Q4
- 3 internally developed games released in Q4

Releases after the quarter

- 2 internally developed games released
 - **Vendir: Plague of Lies** released on iOS and Google Play yesterday
 - **Jurassic World: Aftermath Collection** released on PSVR2 today

Games released during the fourth quarter 2022

Game Description				Platform			
Title	Release	Publisher	Studio	PC	Console	Mobile	VR
LEGO Bricktales	2022-10-12	Thunderful	External	●	●	○	○
The Last Hero of Nostalgia	2022-10-19	Coatsink	External	●	●	○	○
Paper Cut Mansion	2022-10-27	Thunderful	External	●	●	○	○
Jurassic World: Aftermath Collection	2022-11-10	Coatsink	Internal	○	●	○	○
Somerville	2022-11-15	Jumpship	Internal	●	●	○	○
Swordship	2022-12-05	Thunderful	External	●	●	○	○
Togges	2022-12-07	Thunderful	External	●	●	○	○
Wavetale	2022-12-12	Thunderful	Internal	●	●	○	○

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

Game Description				Platform			
Title	Release	Publisher	Studio	PC	Console	Mobile	VR
Vendir: Plague of Lies	2023-02-21	Early Morning Studio	Internal	○	○	●	○
Jurassic World: Aftermath Collection	2023-02-22	Coatsink	Internal	○	○	○	●

● Available ○ Not available

Games: Pipeline

Internal games

- 11 internal games currently in development
- 4 releases planned for 2023
- **SteamWorld Build** announced Jan'23
 - Strongest reception of any announced Thunderful game based on industry standard metrics
 - Coming to PC/Consoles in 2023
- **Astronimo** announced February 7
 - First own IP game from Coatsink since the acquisition in 2020
 - Early Access coming soon
- **"Kokidon"** from Studio Fizbin added to the pipeline of internal games

Announced releases of internally developed games as of December 31, 2022

Title	Release	Publisher	Platform			
			PC	Console	Mobile	VR
Tinkertown	2023, 1H	Headup	●	●	○	○
Astronimo	2023, 1H	Coatsink	●	○	○	○
SteamWorld Build	2023, 2H	Thunderful	●	●	○	○
Islanders	2023, 2H	Coatsink	●	●	○	●
"Strawberry" (a SteamWorld IP Game)	2024	Thunderful	○	○	●	○
"Date"	2024	Coatsink	○	○	○	●
SteamWorld Headhunter	2024	Thunderful	●	●	○	○
"Caramel" (a SteamWorld IP Game)	2024	Thunderful	●	●	●	○
"Lemon"	2024	To The Sky	●	●	○	○
"Vanilla"	2024	Thunderful	●	●	○	○
"Kokidon"	2024	Thunderful	●	○	○	○

"Not announced game name"



Released



Available



Not available

Games: Pipeline

External games

- 18 games from external developers in publishing pipeline
- 15 releases currently planned for 2023
- **Viewfinder** announced at Game Awards
 - Developed by Sad Owl Studios, where Thunderful is minority owner
- **Planet of Lana** to be released in May'23
 - Reached +300k wishlists in Feb'23
- **"Raspberry"** entered closed alpha testing in Nov'22
 - To be announced in the near future

Announced releases of **externally** developed games as of December 31, 2022

Game Description		Platform			
Title	Release	PC	Console	Mobile	VR
Moonglow Bay	2023, 1H	●	●	○	○
The Last Hero of Nostalgaia	2023, 1H	●	●	○	○
Super Meat Boy Forever	2023, 1H	○	○	●	○
LEGO Bricktales	2023, 1H	●	●	●	○
"Cinnamon"	2023, 1H	○	○	○	●
"Eggnog"	2023, 1H	●	●	○	○
Worldless	2023, 1H	●	●	○	○
Planet of Lana	2023, 1H	●	●	○	○
"Raspberry"	2023, 2H	●	●	○	○
Laika: Aged Through Blood	2023, 2H	●	●	○	○
Replaced	2023, 2H	●	●	○	○
"Coconut"	2023, 2H	●	●	○	○
"Cashew"	2023, 2H	●	●	○	○
"Rum & Raisin"	2023, 2H	●	●	○	○
"Lime"	2023, 2H	●	○	○	○
"Peach"	2024	●	●	○	○
"Maple"	2024	●	●	○	○
"Snowflake"	2024	●	●	○	○

"Not announced game name"

● Released

● Available

○ Not available



KEY HIGHLIGHTS
THUNDERFUL GROUP & SEGMENTS
FINANCIALS
EVENTS AFTER THE QUARTER

Improved profitability in Games and strong cash flow in Distribution

Net sales growth -122.1 MSEK, -9.2%

- Games 97.7 MSEK, 96.1%
- Distribution -219.7 MSEK, -18.0%

Adj. EBITA growth 48.1 MSEK, 40.9%

- Games 91.9 MSEK, 282.8%
- Distribution -40.7 MSEK, -44.2%
- Other -3.2 MSEK

Cash flow from operating activities 406.3 MSEK

- Cash flow from operating activities was 406.3 MSEK in Q4'22, compared to 18.6 MSEK in Q4'21.
- Less inventory build-up in Distribution contributes with cash flow of 208.4 MSEK in Q4'22.
- A/R and A/P contributes with cash flow of 119.6 MSEK in Q4'22, mainly driven by Distribution.

KEY FIGURES

MSEK	Q4-2022	Q4-2021	Growth	%
Net sales	1,200.5	1,322.6	-122.1	-9.2%
Adj. EBITA	165.7	117.6	48.1	40.9%
Cash flow from operating activities	406.3	18.6	387.7	1,084.3%

Games

Net sales growth 97.7 MSEK, 96.1%

- Organic 22,8%
- Acquired 73.3%

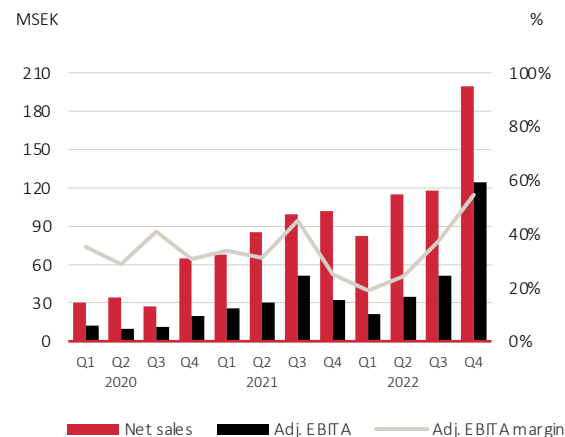
Adj. EBITA growth 91.9 MSEK, 282.8%

- Adj. EBITA margin at 54.5%
- Coatsink, Headup and Robot Teddy (non-organic) is driving the positive net sales and EBITA contribution in the quarter.
- Jumpship represents the acquired growth.

KEY FIGURES

MSEK	Q4 2022	Q4 2021	Δ	2022	2021
Operating income	228.5	130.7	74.8%	621.0	418.5
Net sales	199.4	101.7	96.1%	514.4	354.0
Adj. EBITDA	138.3	51.7	167.5%	301.3	185.2
Adj. EBITDA margin	60.5%	39.6%		48.5%	44.3%
Adj. EBITA	124.4	32.5	282.8%	231.3	139.7
Adj. EBITA margin	54.5%	24.9%		37.3%	33.4%

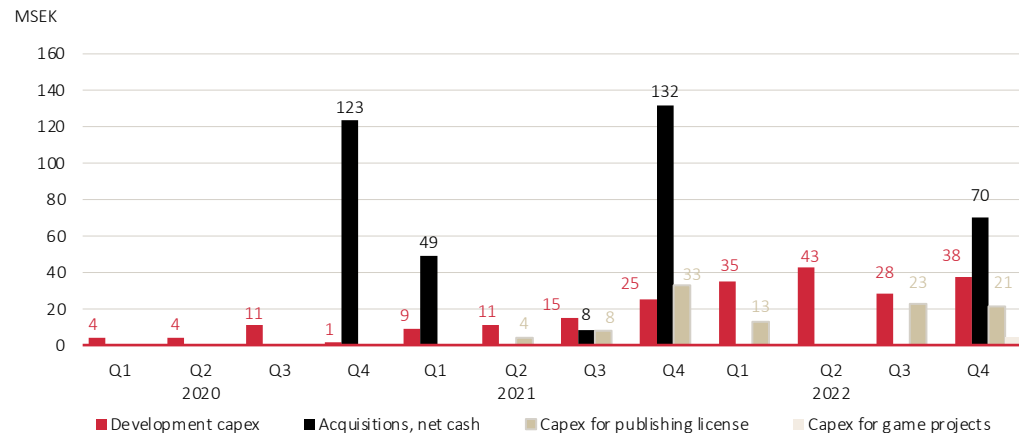
NET SALES & ADJ. EBITA



Game investments

- Total capex for Games in Q4'22 was 133.3 MSEK.
- Accelerated capex for development as number of FTEs within development increases.
- 70.2 MSEK related to the acquisition of Jumpship Ltd.
- Compared to the same quarter last year, higher share of internal developers working on games not being externally financed.

GAME INVESTMENTS



Distribution

Net sales decrease -18.0%

- Bergsala -5.2%. Less availability of hardware than in comparison quarter.
- Nordic Game Supply, -40.6%. General lower market demand in this product segment.
- Amo Toys, -13.5%.

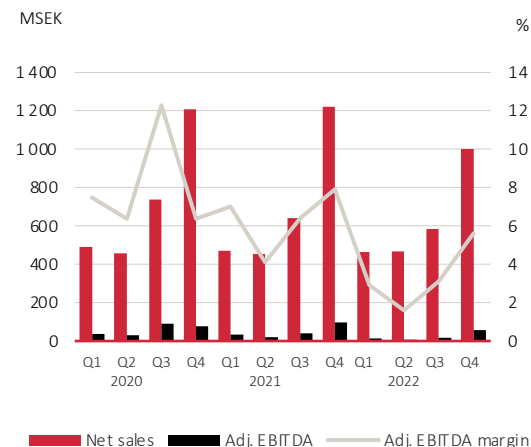
Adj EBITDA decrease -39.1 MSEK, -40.7%

- Higher proportion of sales of games in Bergsala impacting the adj. EBITDA margin positively.
- Adj. EBITDA in NGS and Amo Toys affected by pressure on margins from clearance sales and high logistics overhead.

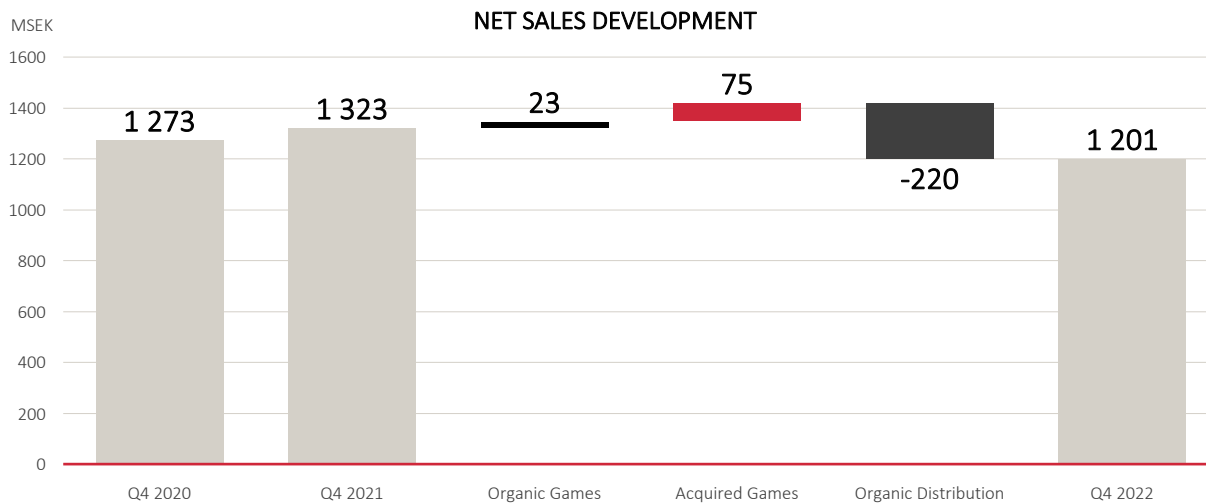
KEY FIGURES

MSEK	Q4 2022	Q4 2021	Δ	2022	2021
Operating income	1,017.2	1,256.0	-19.0%	2,594.7	2,855.3
Net sales	1,001.2	1,220.9	-18.0%	2,516.2	2,786.8
– Bergsala	599.3	632.4	-5.2%	1,293.2	1,308.3
– Nordic Game Supply	235.2	395.7	-40.6%	699.1	984.9
– Amo Toys	166.7	192.8	-13.5%	524.0	493.6
Adj. EBITDA	57.0	96.1	-40.7%	97.9	188.5
– Bergsala	60.7	56.7	7.0%	99.3	104.3
– Nordic Game Supply	-4.2	34.9	-112.1%	-2.1	53.9
– Amo Toys	0.5	4.5	-87.8%	0.7	30.3
Adj. EBITDA margin	5.6%	7.7%		3.8%	6.6%

NET SALES AND ADJ. EBITDA

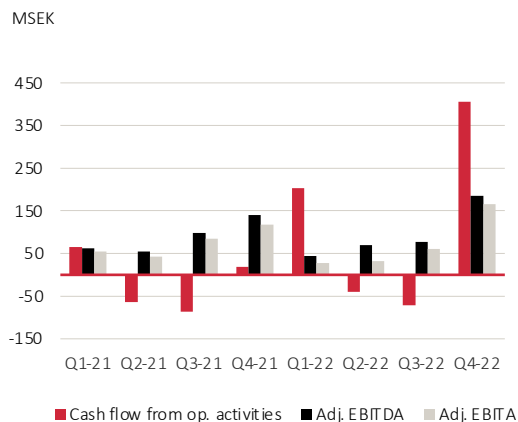


23% organic growth in Games

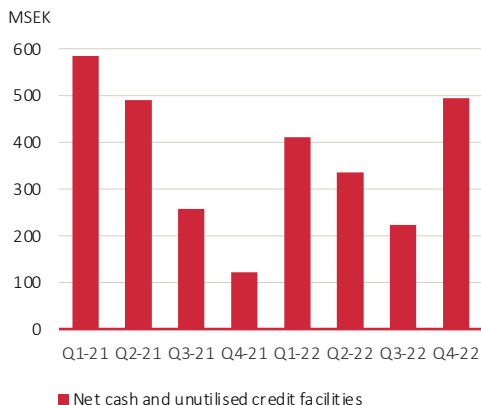


Cash flow from operating activities and net cash position

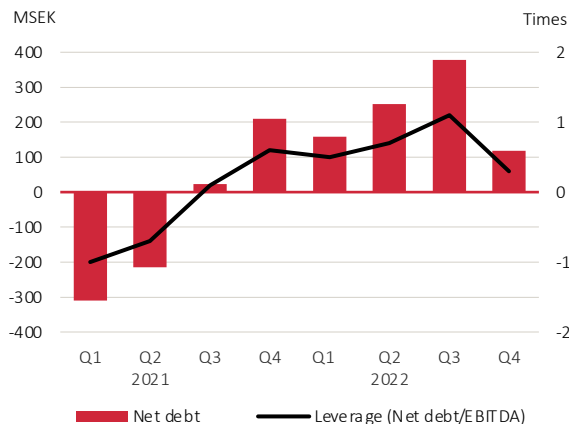
CASH FLOW FROM OPERATING ACITIVITES



TOTAL AVAILABLE CASH, INCLUDING UNUTILISED CREDIT FACILITIES



NET DEBT AND LEVERAGE





KEY HIGHLIGHTS
THUNDERFUL GROUP & SEGMENTS
FINANCIALS
EVENTS AFTER THE QUARTER

Add-on acquisitions made by Headup and Amo Toys in Q1

Studio Fizbin

- Game development studio in Berlin. Acquired by Headup GmbH in Feb'23
- Has released 4 games, 1 with Thunderful as publisher
- 20 FTEs, all currently working on "Project Kokidon"
- Acquisition completed after years of partnership
- EBITA accretive in Thunderful Games from Q1'23, but limited EBITA- and net sales contribution



Asset deal from TecTeam

- Amo Toys bought the assets from TecTeam in late Jan'23
- Nordic distribution of primarily R/C toys, integrated in Amo Toys from mid Feb'23
- Business is fully complementary to Amo Toys product portfolio
- Adds revenue with minimal impact on fixed costs
- EBITDA accretive in Thunderful Distribution from Q1'23, but limited EBITDA- and net sales contribution



THANK YOU!

The image features a solid red background. In the center, the words "THANK YOU!" are written in a bold, white, sans-serif font. The text is slightly shadowed, giving it a 3D appearance. In the top right and bottom left corners, there are decorative white circular patterns that resemble stylized clouds or overlapping circles.