



Thunderful Group

Q1 PRESENTATION
JAN–MAR 2021



TODAY'S PRESENTERS



BRJANN SIGURGEIRSSON
CEO

- CEO and founder of Image & Form
- Writer & Graphic Designer at Koyosha Co.
- Game Programmer at Subaru International



ANDERS MAIQVIST
CFO

- CFO at Bergsala Holding
- CFO at Peoples Choice
- EVP and CFO at Prognosis

KEY HIGHLIGHTS

THUNDERFUL GROUP & STRATEGY

BUSINESS SEGMENTS

FINANCIALS

EVENTS AFTER THE END

OF THE QUARTER

KEY HIGHLIGHTS

Q1 HIGHLIGHTS

- ✓ Good profitability (adj. EBITA) in both Games and Distribution

- ✓ Strengthened company managements in several positions

- ✓ Acquisition of Headup GmbH and a successful integration



KEY HIGHLIGHTS

AN EXCITING FIRST QUARTER WITH GOOD PROFITABILITY

Operating income growth 8.0%

- Games 119.0%
- Distribution -0.2%

Adj. EBITDA increase 15.5%

Adj. EBITA increase 11.7%

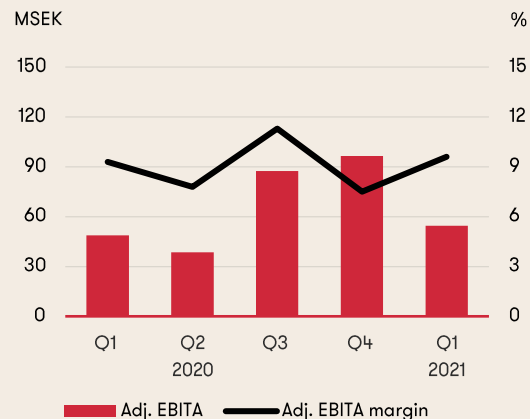
Events during the period

- Acquisition of Headup GmbH

KEY FIGURES

MSEK	Q1 2021	Q1 2020	R12M	2020
Operating income	568.3	526.3	3,124.3	3,082.3
Adj. EBITDA	62.7	54.3	299.8	291.4
Adj. EBITDA margin	11.0%	10.3%	9.6%	9.5%
Adj. EBITA	54.5	48.8	277.2	271.5
Adj. EBITA margin	9.6%	9.3%	8.9%	8.8%

ADJ. EBITA



KEY HIGHLIGHTS
THUNDERFUL GROUP & STRATEGY
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THIS IS THUNDERFUL GROUP

A European company operating in two business segments:

- **Games** - developing and publishing games for mainly PC and consoles
- **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

EMPLOYEES

348*

GAME RELEASES
OF OWN IPS

25*

GAMES IN
DEVELOPMENT

14*

BRAND
PORTFOLIO

c.100

NINTENDO
PARTNERSHIP SINCE

1981



* March 31 2021

BUSINESS STRATEGY

ACCELERATE INVESTMENTS

- Increase investments in the development and publishing of games.
- Acquire complementary businesses and intellectual property rights.
- Acquire development studios and other gaming companies that operate in a decentralised structure.

MAINTAIN AND DEVELOP IP-CENTRIC OPERATIONS

- Use IP rights and brands to create and develop experiences in new mediums and for new platforms.
- Ensure presence on platforms and in channels.
- Increase the share of proprietary brands.

HIGH-QUALITY PERFORMANCE IN THE GROUP'S BUSINESS SEGMENTS

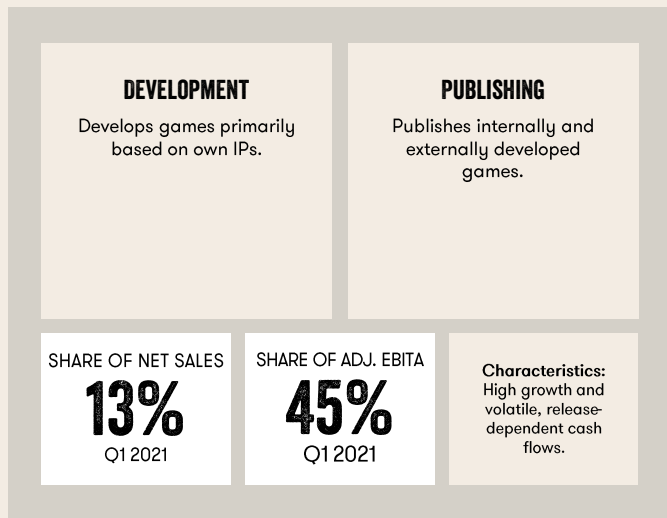
- Uphold an entrepreneurial culture with strong focus on quality.
- Retain and develop staff and internal competence.
- Retain and develop co-operations and partnerships.



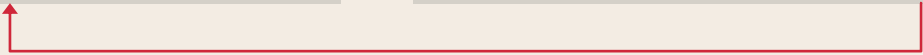
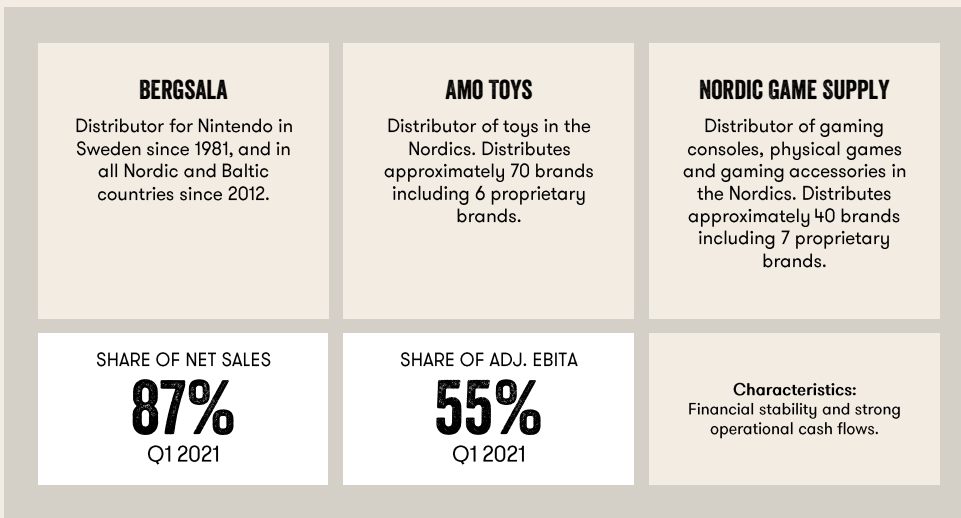
KEY HIGHLIGHTS
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TWO COMPLEMENTING BUSINESS SEGMENTS

GAMES...



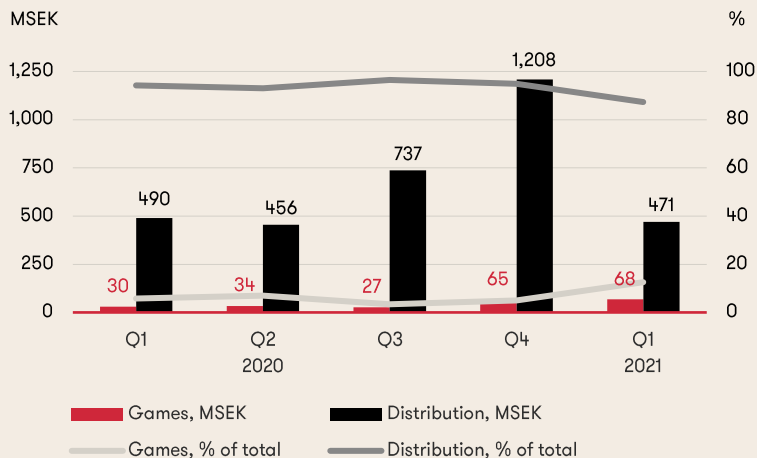
... & DISTRIBUTION



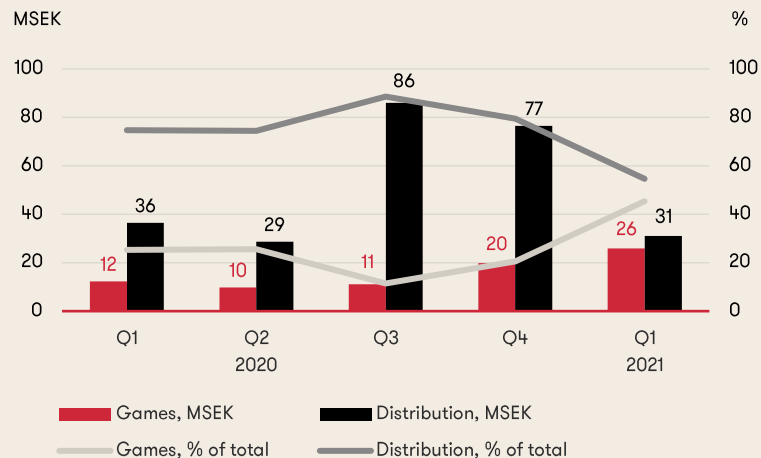
CASH FLOWS

GAMES SHARE OF NET SALES AND ADJ. EBITA IS INCREASING ACCORDING TO STRATEGY

NET SALES

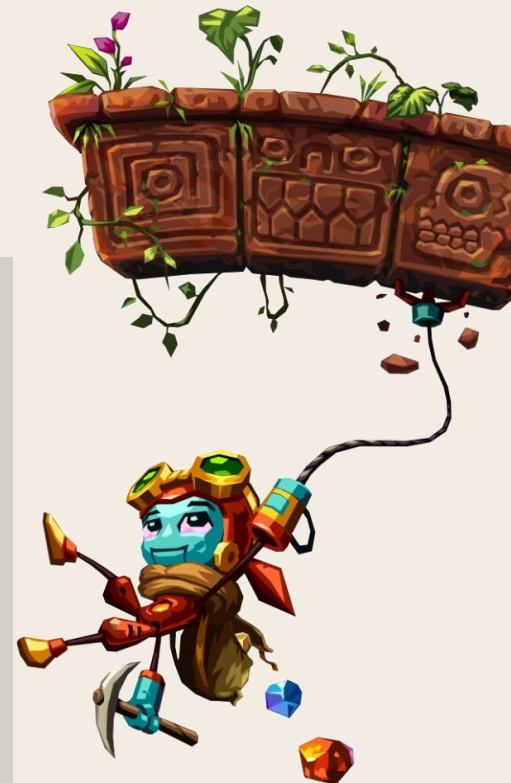


ADJ. EBITA



GAMES: OVERVIEW

DEVELOPMENT			PUBLISHING		
Develops games primarily based on own IPs.			Publishes internally and externally developed games.		
AVERAGE SCORE ON METACRITIC			INVESTMENTS IN EXTERNAL GAME PROJECTS SINCE 2018		
80			95 MSEK		
FOR THE LATEST TEN GAMES					
GAMES IN DEVELOPMENT	SOLD GAMES	RELEASED GAMES	INTERNAL GAMES PUBLISHED	EXTERNAL GAMES PUBLISHED SINCE 2018	EXTERNAL STUDIOS SINCE 2018
14	15M	37	3	37	67



GAMES: PIPELINE

- 14 internal games currently in development.
- Lost In Random delayed until 2H 2022.
- Jurassic World Aftermath part 2 delayed until 2H 2022.

ANNOUNCED RELEASES IN THUNDERFUL GAMES AS OF MARCH 31, 2021

Game Description			Platform							Distribution	
Title	Launch	Publisher	Own IP	PC	Console	Mobile	Browser	VR	Streaming	Digital	Physical
Lost in Random	2021, 2H	EA	●	●	●	○	○	○	○	●	○
TBA	2021, 2H	Thunderful Publishing	●	○	○	○	○	○	●	●	○
Jurassic World Aftermath Part 2	2021, 2H	TBA	○	○	○	○	○	●	○	●	○
The Gunk	2021, 2H	Thunderful Publishing	●	●	●	○	○	○	○	●	○
TBA	2022, 1H	Thunderful Publishing	●	●	●	○	○	○	○	●	○
TBA (SteamWorld game)	2022, 1H	Thunderful Publishing	●	●	●	●	○	○	○	●	○
TBA (SteamWorld game)	2022, 2H	Thunderful Publishing	●	●	●	●	○	○	○	●	○
TBA	2022, 2H	Coatsink	●	●	●	○	○	○	○	●	●
TBA	2022, 2H	Coatsink	○	●	●	○	○	○	○	●	○
TBA (SteamWorld game)	2023	Thunderful Publishing	●	●	●	○	○	○	○	●	○
TBA (SteamWorld game)	2023	Thunderful Publishing	●	●	●	○	○	○	○	●	○
TBA	2023	TBA	●	●	●	○	○	○	○	●	○
TBA	2023	TBA	●	●	○	○	○	○	○	●	○
TBA	2023	TBA	●	○	○	○	○	●	○	●	○

● Available ○ Not Available

GAMES: PIPELINE

- 29 number of published games from external developers.
- 15 games from Headup added this quarter.

ANNOUNCED RELEASES OF EXTERNALLY DEVELOPED GAMES AS OF 31 MARCH 2021

Game Description				Platform					Distribution			
Title	Launch	External developer	Genre	PC	Console	Mobile	Browser	VR	Streaming	Digital	Physical	
Ginga Force (physical)	2021	Qute	Shmup	●	●	○	○	○	○	○	●	
TBA	2021	TBA	Horror	●	○	○	○	○	○	●	○	
Natsuki Chronicles (physical)	2021	Qute	Shmup	●	●	○	○	○	○	○	●	
Lonely Mountains: Downhill (physical)	2021	Megagon Industries	Racing	●	●	○	○	○	○	○	●	
Source of Madness	2021	Carry Castle	Action	●	●	○	○	○	○	●	●	
TBA	2021	TBA	Platform	●	●	○	○	○	○	●	●	
Moonglow Bay	2021	Bunnyhug	RPG	●	●	○	○	○	●	●	○	
TinyShot	2021	Allaith Hammed "ZAX"	Action	●	○	○	○	○	○	●	○	
Cardaclysm	2021	Elder Games	Card Combat	●	●	○	○	○	○	●	○	
Dead Age 2	2021	Silent Dreams	RPG	●	○	○	○	○	○	●	○	
The Fabled Woods	2021	CyberPunch Studios	Adventure	●	●	○	○	○	○	●	○	
Scarlet Hood and The Wicked Wood	2021	Devespresso	Adventure	●	○	○	○	○	○	●	○	
Aerial_Knight's Never Yield	2021	Neil Jones	3D Runner	●	●	●	○	○	○	●	○	
Lost At Sea	2021	Studio Fizbin	Adventure	●	●	○	○	○	○	●	○	
Industria	2021	Bleakmill	FPS	●	●	○	○	○	○	●	○	

● Available ○ Not Available

GAMES: PIPELINE

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- 15 games from Headup added this quarter.

ANNOUNCED RELEASES OF EXTERNALLY DEVELOPED GAMES AS OF 31 MARCH 2021

Game Description				Platform					Distribution		
Title	Launch	External developer	Genre	PC	Console	Mobile	Browser	VR	Streaming	Digital	Physical
Gigapocalypse	2021	Goody Gameworks	Action	●	●	○	○	○	○	●	○
Escape from Naraka	2021	XeloGames	First Person Runner	●	○	○	○	○	○	●	○
White Shadows	2021	Monokel	Puzzle Platformer	●	●	○	○	○	○	●	○
Tinkertown	2021	Headup	Multiplayer Sandbox	●	●	●	○	○	○	●	○
TBA	2021	TBA	Strategy	○	●	○	○	○	○	●	○
TBA	2021	Headup	Action	○	●	○	○	○	○	●	○
TBA	2022	TBA	Sports	●	●	●	○	○	○	●	●
TBA	2022	TBA	Adventure	●	●	○	○	○	○	●	●
TBA	2022	TBA	Souls like	●	●	○	○	○	●	●	○
TBA	2022	TBA	2D Platform	●	●	○	○	○	●	●	○
Hell Pie	2022	Sluggerfly	Platformer	●	●	○	○	○	○	●	○
Crowns & Pawns	2022	Tag of Joy	Adventure	●	●	○	○	○	○	●	○
TBA	2022	TBA	Puzzle Adventure	●	●	●	○	○	○	●	○
TBA	2022	TBA	Action	●	●	○	○	○	○	●	○

● Available ○ Not Available

DISTRIBUTION: OVERVIEW

DISTRIBUTION

BERGSALA		AMO TOYS		NORDIC GAME SUPPLY	
Distributor for Nintendo in the Nordics and Baltic countries		Distributor of toys in the Nordics		Distributor of gaming consoles, physical games and gaming accessories in the Nordics	
GAMES SOLD	PROPRIETARY BRANDS	PROPRIETARY BRANDS	BRANDS, APPROX	PROPRIETARY BRANDS	BRANDS, APPROX
19M	9M	6	70	7	40
SWEDISH NINTENDO DISTRIBUTOR SINCE		AMO OY FOUNDED		NORDIC GAME SUPPLY FOUNDED	
1981		1965		2010	



KEY HIGHLIGHTS
THUNDERFUL GROUP & STRATEGY
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OF THE QUARTER

STRONG SALES AND GOOD PROFITABILITY IN Q1

Net sales growth 3.6%

- Games 125.6%
- Distribution -3.9%

Adj. EBITA growth 5.7 MSEK, 11.7%

- Games 13.5 MSEK, 108.9%
- Distribution -5.3 MSEK, -14.6%
- Other -2.5 MSEK

Operating cash flow -3.3 MSEK, -8.4%

- Strong op. cash flow in Q1'21, excluding capex for acquisitions [-49.1 MSEK].
- Adjusted for capex for acquisitions, op. cash flow in Q1'21 is +6.3 MSEK with a change YoY of +45.8 MSEK, instead of -3.3 MSEK.

KEY FIGURES

MSEK	Q1-2021	Q1-2020	Growth	%
Net sales	538.9	520.2	18.7	3.6
Adj. EBITA	54.5	48.8	5.7	11.7
Op. cashflow	-42.8	-39.5	-3.3	-8.4



GAMES

Net sales growth 125.6%

- Organic -0.3%
- Acquired 125.9%

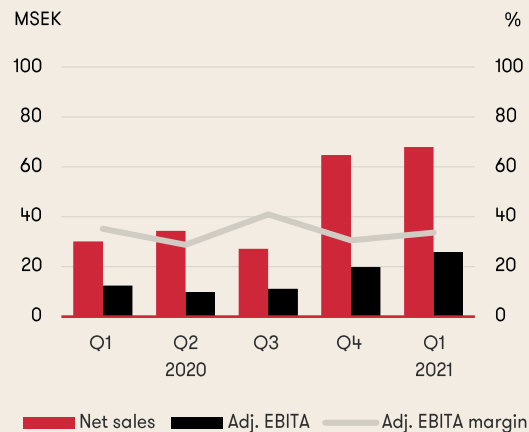
Adj. EBITA increase 108.9%

- Adj. EBITA margin at 33.6%
- Adj. EBITA margin negatively affected by strong publishing sales
- No game releases from Thunderful Development in Q1

KEY FIGURES

MSEK	Q1 2021	Q1 2020	R12M	2020
Operating income	77.1	35.2	219.6	184.1
Net Sales	67.9	30.1	193.9	156.2
Adj. EBITDA	32.3	15.9	83.6	67.2
Adj. EBITDA margin	41.9%	45.2%	38.1%	36.5%
Adj. EBITA	25.9	12.4	66.6	53.1
Adj. EBITA margin	33.6%	35.2%	30.3%	28.8%

NET SALES & ADJ. EBITA

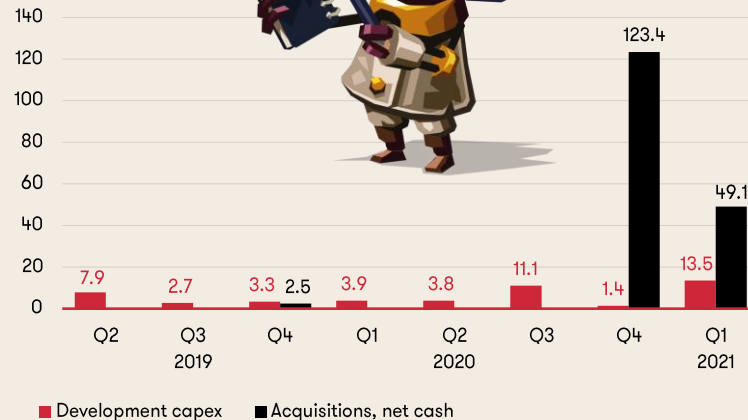


GAMES

- Accelerated capex for acquisitions from Q4'20 (IPO completed Dec 7 2020).
- Accelerated capex for development as number of FTEs increase, 221 (71) at the end of the quarter.
- Majority of developers still working on externally funded game projects, not being capitalized.

GAME INVESTMENTS

MSEK



DISTRIBUTION

Net sales decrease -3.9%

- Bergsala -33.5%. Comparison quarter driven by the release of Animal Crossing: New Horizon.
- Nordic Game Supply, +90.7%. Majority of increase from the brand Razer with full distribution from Q3'20.
- Amo Toys, -14.6%. Comparison quarter had only small Covid-19 impact (from March'20).

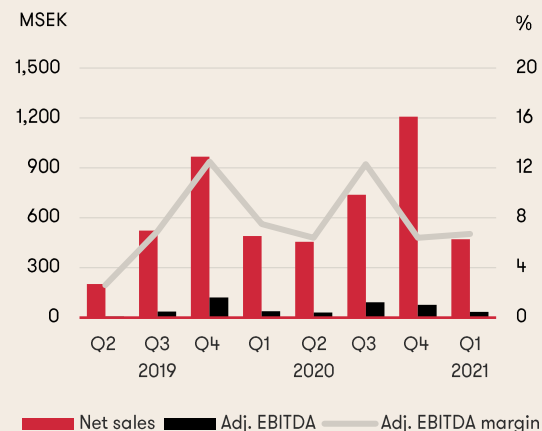
Adj EBITDA decrease -10.9%

- Decrease driven by lower profitability in Bergsala as a result of decreased net sales and continued marketing investments.
- Amo Toys reaches 11.7% EBITDA margin driven by strong demand for high-margin spring/summer products.

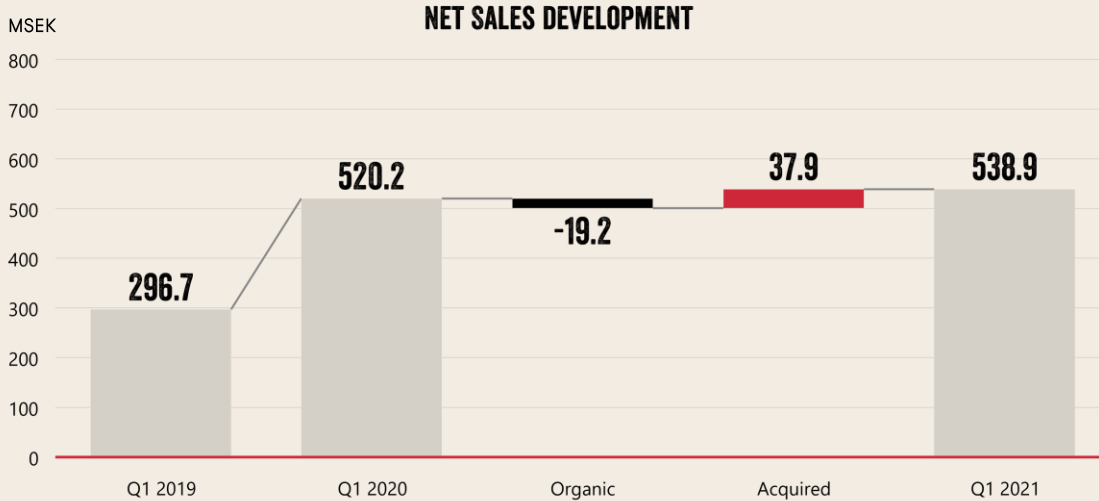
KEY FIGURES

MSEK	Q1 2021	Q1 2020	R12M	2020
Operating income	491.2	492.2	2,904.7	2,898.2
Net Sales	470.9	490.1	2,872.4	2,891.6
- Bergsala	189.2	284.4	1,615.2	1,708.4
- Nordic Game Supply	192.0	100.7	463.4	704.6
- Amo Toys	89.7	105.0	793.9	478.6
Adj. EBITDA	32.8	36.8	229.4	233.4
- Bergsala	14.4	33.1	141.9	160.6
- Nordic Game Supply	7.9	-4.0	52.4	40.5
- Amo Toys	10.5	7.7	35.1	32.3
Adj. EBITDA margin	6.7%	7.5%	7.9%	8.1%

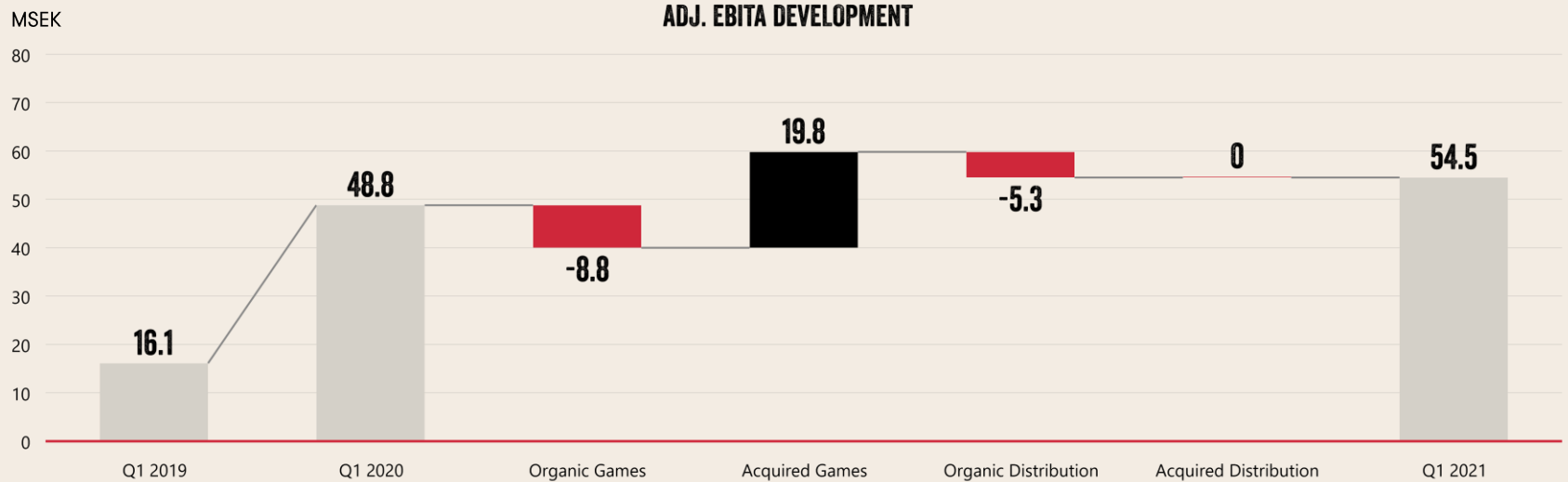
NET SALES AND ADJ. EBITDA



INCREASE IN NET SALES STRONGLY DRIVEN BY ACQUISITIONS

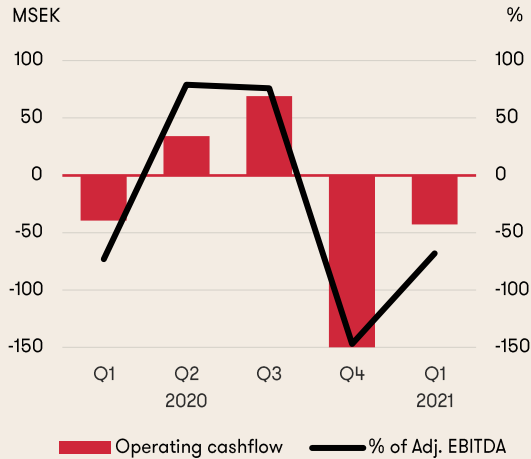


ACQUISITIONS IN GAMES SEGMENT DRIVES ADJ. EBITA INCREASE

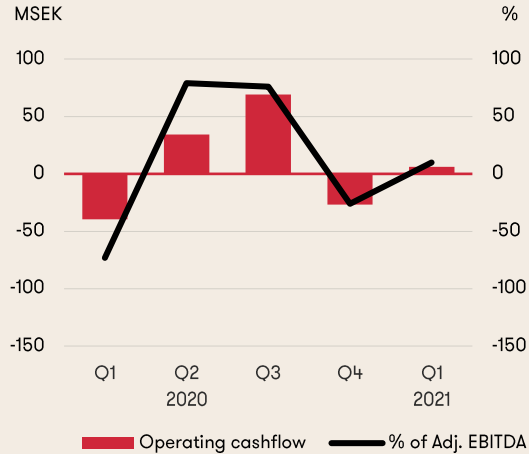


OPERATING CASH FLOW AND NET CASH POSITION

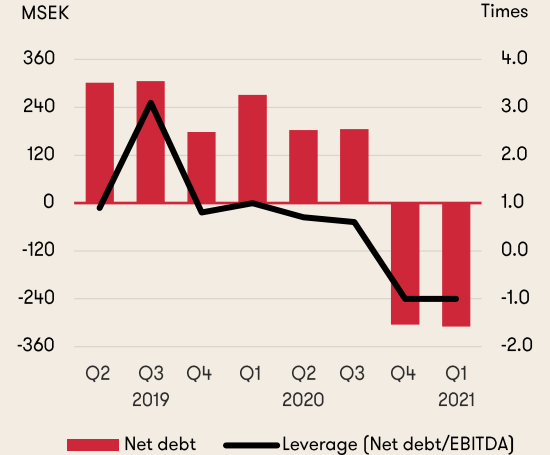
OPERATING CASH FLOW AND CASH CONVERSION



OPERATING CASH FLOW AND CASH CONVERSION ADJUSTED FOR ACQUISITIONS



NET DEBT AND LEVERAGE



KEY HIGHLIGHTS
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COATSINK

Coatsink signs new agreements at a total value exceeding 20 MUSD

- Coatsink signs multiple new contracts with Facebook-owned companies, and hands over publishing of VR game Onward.
- Contract payments will be split in linear fashion over 10 quarters, starting in Q3'21.
- Financially, the net effect is very positive for Thunderful Group.

Purchase Price Allocation (PPA) updated

- Purchase Price Allocation (PPA) for the acquisition of Coatsink updated in Q1'21.
- Revaluation performed in Q4'20 acc. to IFRS 3.
- In Q4'20 BS items Goodwill and Earnout debts increased by ca 85 MSEK.
- P&L statement only affected for Financial income (+2,9 MSEK) and tax (-0,6 MSEK), hence no changes to EBITDA, EBITA or EBIT.

COAT SINK.®

THANK YOU!

