



Thunderful Group

Q2 PRESENTATION
APR-JUN 2022

TODAY'S PRESENTERS



ANDERS MAIQVIST
Acting CEO



LENNART SPARUD
CFO

KEY HIGHLIGHTS
THUNDERFUL GROUP & SEGMENTS
FINANCIALS
EVENTS AFTER THE END OF THE QUARTER

KEY HIGHLIGHTS

Q2 HIGHLIGHTS

- ✓ Strong quarter in the segment Games
- ✓ New deals and good performance generated 34,4 MSEK in EBITA from acquired Games companies
- ✓ EBITA in organic Games companies impacted by -19,9 MSEK from impairment and depreciation from The Gunk, released on PC/Steam in this quarter
- ✓ Continued EBITDA-pressure and negative cash flow generation in two of the Distribution companies



KEY HIGHLIGHTS

GAMES: STRONG SECOND QUARTER IN ACQUIRED COMPANIES DISTRIBUTION: REDUCED PROFITABILITY

Operating income growth 11.1%

- Games 48.8%
- Distribution 3.2%

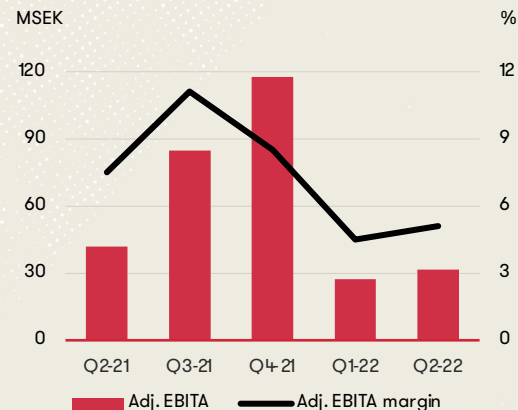
Adj. EBITDA increase 26.9%

Adj. EBITA decrease -25.0%

KEY FIGURES

MSEK	Q2 2022	Q2 2021	Δ	R12M	2021
Operating income	618.7	556.8	11.1%	3,377.0	3,273.8
Adj. EBITDA	69.3	54.6	26.9%	352.2	356.5
Adj. EBITDA margin	11.2%	9.8%		10.4%	10.9%
Adj. EBITA	31.5	42.0	-25.0%	261.1	298.8
Adj. EBITA margin	5.1%	7.5%		7.7%	9.1%

ADJ. EBITA



KEY HIGHLIGHTS
THUNDERFUL GROUP & SEGMENTS
FINANCIALS
EVENTS AFTER THE END OF 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

EMPLOYEES

444*

GAMES IN PUBLISHING PIPELINE

22*

INTERNAL GAMES IN DEVELOPMENT

14*

BRAND PORTFOLIO

c.100

NINTENDO PARTNERSHIP SINCE

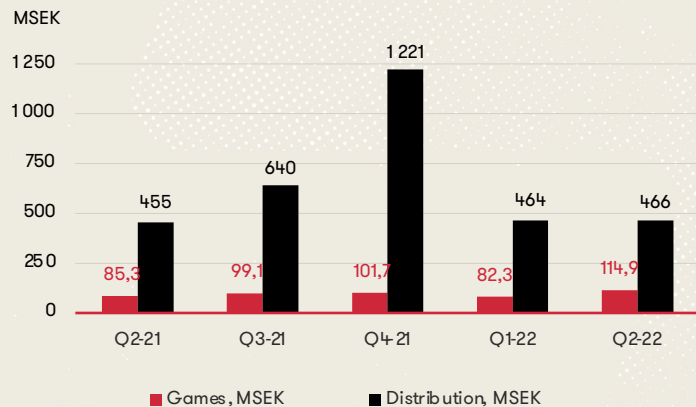
1981



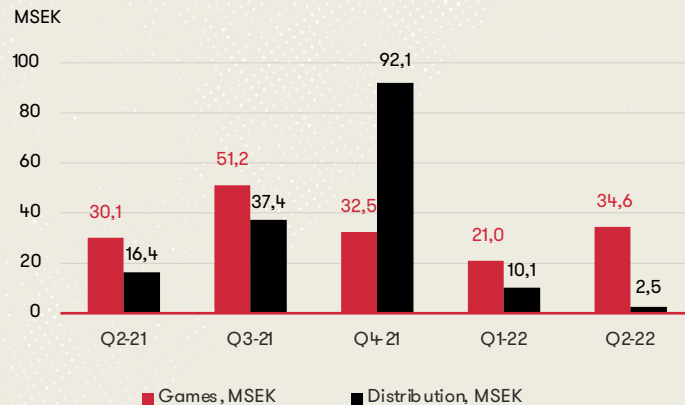
* June 30 2022

GAMES AND DISTRIBUTION: NET SALES AND ADJUSTED EBITA

NET SALES



ADJ. EBITA



GAMES: OVERVIEW



DISTRIBUTION: OVERVIEW

BERGSALA		AMO TOYS		NORDIC GAME SUPPLY	
Distributor for Nintendo in the Nordics and Baltic countries		Distributor of toys in the Nordics		Distributor of gaming accessories, gaming merchandise and physical games in the Nordics	
GAMES SOLD	CONSOLES SOLD	PROPRIETARY BRANDS	BRANDS, APPROX	PROPRIETARY BRANDS	BRANDS, APPROX
20M	9M	6	70	7	40
SWEDISH NINTENDO DISTRIBUTOR SINCE		AMO OY FOUNDED		NORDIC GAME SUPPLY FOUNDED	
1981		1965		2010	

GAMES: RELEASES DURING AND AFTER THE QUARTER

Releases

- 7 games launched commercially on at least one platform
- 1 internally developed game
- 6 externally developed games
- 1 externally developed game shipped after the quarter
- 4.9 MSEK in sales contribution during the second quarter, mainly from Source of Madness.

GAMES RELEASED DURING THE SECOND QUARTER 2022

Game Description					Platform			
Title	Launch	Publisher	Genre	Studio	PC	Console	Mobile	VR
Get Packed: Couch Chaos	2022-04-28	Coatsink	Action Puzzle	External	●	○	○	○
The Gunk	2022-04-29	Thunderful	Action	Internal	●	○	○	○
Crowns and Pawns	2022-05-06	Thunderful	Point'n'Click	External	●	○	○	○
Source of Madness	2022-05-10	Thunderful	Roguelike Action	External	●	○	○	○
Industria	2022-06-09	Headup		External	○	●	○	○
Cloud Gardens	2022-06-16	Coatsink		External	○	●	○	○
Firegirl	2022-06-22	Thunderful		External	○	●	○	○

GAMES RELEASED AFTER THE QUARTER BUT BEFORE THE PUBLICATION OF THIS QUARTERLY REPORT

Game Description					Platform			
Title	Launch	Publisher	Genre	Studio	PC	Console	Mobile	VR
Hell Pie	2022-07-21	Headup		External				

● Available ○ Not available

GAMES: PIPELINE

Internal games

- 14 internal games currently in development

Updates in Q2

- **The Gunk** launched on Steam

ANNOUNCED RELEASES OF INTERNALLY DEVELOPED GAMES AS OF JUNE 30, 2022

Game Description					Platform			
Title	Launch	Publisher	Genre	Own IP	PC	Console	Mobile	VR
Vendir: Plague of Lies	2022, 2H	EMS	CRPG	Yes	●	●	●	○
Wavetale	2022, 2H	Thunderful	Action Adventure	Yes	●	●	○	○
“Strawberry (a SteamWorld IP Game)”	2022, 2H	Thunderful	Puzzle	Yes	○	○	●	○
“Jaffa (a Jurassic World IP Game)”	2022, 2H	Coatsink	Survival Horror	No	○	●	○	●
Tinkertown	2022, 2H	Headup	Sandbox	Yes	●	●	○	○
“Cicada”	2023	Coatsink	Adventure / Survival	Yes	●	○	○	○
“Coffee (a SteamWorld IP Game)”	2023	Thunderful	Citybuilder	Yes	●	●	○	○
SteamWorld Headhunter	2023	Thunderful	Third Person Action	Yes	●	●	○	○
“Chocolate”	2023	Coatsink	Sandbox Adventure	No	●	●	○	○
“Date”	2023	Coatsink	VR Co-op survival	Yes	○	○	○	●
“Mango”	2023	Thunderful	Rougelike Action	Yes	●	●	○	○
“Lemon”	2024	To The Sky	Third Person Action-Adventure	Yes	●	●	○	○
“Vanilla”	2024	Thunderful	Horror Stealth	Yes	●	●	○	○
“Caramel (a SteamWorld IP Game)”	2024	Thunderful	Turned-based tactical Shooter / Strategy	Yes	●	●	●	○

“Not announced game name” ● Available ○ Not available

GAMES: PIPELINE

External games

- 22 games from external developers in publishing pipeline

Updates in Q2

- **Source of Madness** left Early Access and was fully released to PC and Console
- **LEGO® Bricktales** demo launched
- **Crowns and Pawns** launched on Steam
- **Firegirl** launched to Console
- **Surreal Lynchian Narrative FPS INDUSTRIA** launched on PS5 and Xbox Series X|S
- **Planet of Lana** released a new trailer at the Future Game Show
- **Curious Expedition 2 DLC** and **Lonely Mountains Downhill Daily Ride Seasons** keep retention high on live ops games

ANNOUNCED RELEASES OF EXTERNALLY DEVELOPED GAMES AS OF JUNE 30, 2022

Game Description			Platform			
Title	Launch	Genre	PC	Console	Mobile	VR
Gigapocalypse	2022, 2H	Arcade	○	●	●	○
Super Meat Boy Forever	2022, 2H	Platformer	○	○	●	○
Swordship	2022, 2H	Arcade	●	●	○	○
Moonglow Bay	2022, 2H	Casual RPG	○	●	○	○
LEGO Bricktales (ex. "Cheesecake")	2022, 2H	Puzzle Adventure	●	●	●	○
Cursed to Golf	2022, 2H	Roguelike Sports	●	●	○	○
Paper Cut Mansion	2022, 2H	Roguelike Action	●	●	○	○
Togges	2022, 2H	Puzzle Adventure	●	●	○	○
The Last Hero Of Nostalgaia	2022, 2H	Souls-like / Action RPG	●	●	○	○
"Cinnamon"	2023	Arcade Style Shooter	○	○	○	●
Planet of Lana	2023	Puzzle Platformer	●	●	○	○
Glide Rush	2023	Time Trial racing	●	●	○	○
Laika: Aged Through Blood	2023	Motorvania	●	●	○	○
Replaced	2023	Action Adventure	●	●	○	○
"Hazelnut"	2023	Action Platformer	●	●	○	○
"Raspberry"	2023	Survival RPG	●	●	○	○
"Moon Mist"	2023	Third Person Action	●	●	○	○
"Coconut"	2023	First Person Puzzle Adventure	●	●	○	○
"Cashew"	2023	Platformer	●	●	○	○
"Maple"	2023	Third Person Action	●	●	○	○
"Lime"	2023	Roguelike FPS	●	○	○	○
"Peach"	2023	Metrodvania	●	●	○	○

"Not announced game name" ● Available ○ Not available

KEY HIGHLIGHTS
THUNDERFUL GROUP & SEGMENTS
FINANCIALS
EVENTS AFTER THE END OF THE QUARTER

A STRONG QUARTER IN GAMES BUT REDUCED PROFITABILITY IN DISTRIBUTION

Net sales growth 40.3 MSEK, 7.5%

- Games 29.6 MSEK, 34.7%
- Distribution 10.7 MSEK, 2.4%

Adj. EBITA negative growth 10.5 MSEK, -25.0%

- Games 4.5 MSEK, 15.1%
- Distribution -13.9 MSEK, -84.9%
- Other -1.1 MSEK

Cash flow from operating activities +23.3 MSEK

- Cash flow from operating activities was -40.1 MSEK in Q2'22, compared to -63.4 MSEK in Q2'21.
- Inventory build-up in Distribution contributes with cash flow of -100.0 MSEK in Q2'22.
- A/R and A/P contributes with cash flow of +46.2 MSEK in Q2'22, mainly driven by Distribution.

KEY FIGURES

MSEK	Q2-2022	Q2-2021	Growth	%
Net sales	580.7	540.4	40.3	7.5%
Adj. EBITA	31.5	42.0	-10.5	-25.0%
Cash flow from operating activities	-40.1	-63.4	23.3	36.8%



GAMES

Net sales growth 29.6 MSEK, 34.7%

- Organic -12.8%
- Acquired 47.5%

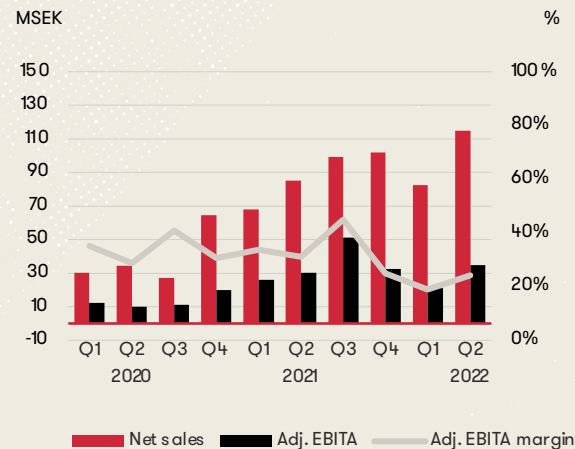
Adj. EBITA growth 4.5 MSEK, 15.1%

- Adj. EBITA margin at 24.1%
- Robot Teddy (non-organic) is driving the positive net sales and EBITA contribution in the quarter.
- Depreciation and impairment of -19.9 MSEK for The Gunk impacts adj. EBITA negatively .

KEY FIGURES

MSEK	Q2 2022	Q2 2021	Δ	R12M	2021
Operating income	143.8	96.6	48.8%	520.3	418.5
Net Sales	114.9	85.3	34.7%	418.6	354.0
Adj. EBITDA	67.1	40.4	66.1%	233.0	185.2
Adj. EBITDA margin	46.7%	41.8%		44.8%	44.3%
Adj. EBITA	34.6	30.1	15.1%	159.9	139.7
Adj. EBITA margin	24.1%	31.2%		30.7%	33.4%

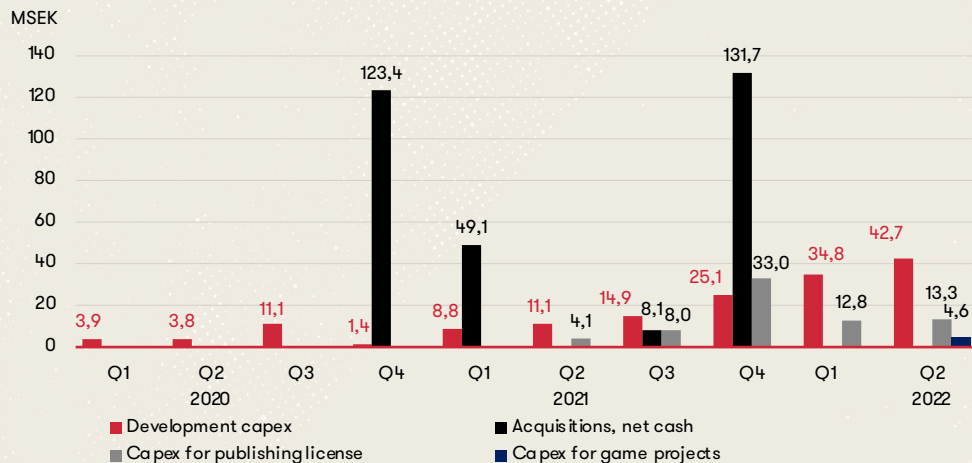
NET SALES & ADJ. EBITA



GAMES

- Total capex for Games in Q2'22 was 60.6 MSEK.
- Accelerated capex for development as number of FTEs within development increase, 295 (230) at the end of the quarter.
- We have agreed to fund prototype development for a number of games and will continue to evaluate titles for investment (capex for game projects).
- Compared to the same quarter last year, higher share of internal developers working on games not being externally financed.

GAME INVESTMENTS



DISTRIBUTION

Net sales increase 2.4%

- Bergsala 21.2%. Higher availability of hardware than in comparison quarter.
- Nordic Game Supply, -22.2%. Lower demand from key customers in the quarter.
- Amo Toys, 12.2%.

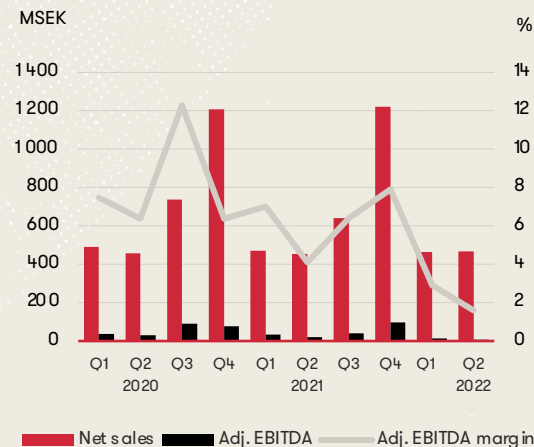
Adj EBITDA decrease -10.9 MSEK, -58.6%

- Sales mix effects in Bergsala impacting the adj. EBITDA margin (more hardware).
- Lower gross profit and higher costs for logistics in NGS. Lower gross profit comes from lower net sales and sales mix.
- Amo Toys adj. EBITDA affected by higher logistics costs, expected to continue in Q3.

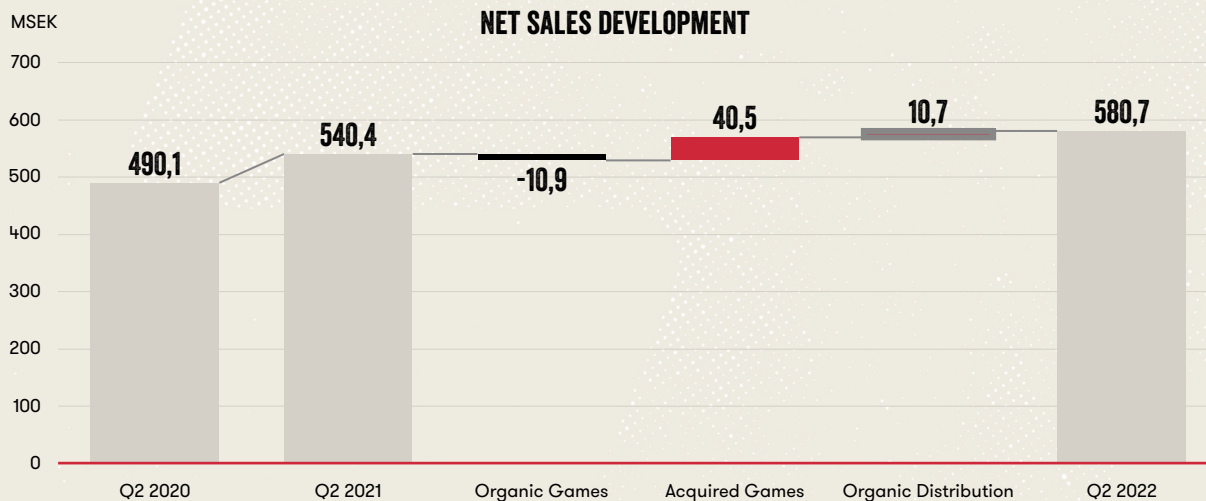
KEY FIGURES

MSEK	Q2 2022	Q2 2021	Δ	R12M	2021
Operating income	475.0	460.2	3.2%	2,877.4	2,855.3
Net Sales	465.8	455.1	2.4%	2,790.2	2,786.8
- Bergsala	222.7	183.7	21.2%	1,341.6	1,308.3
- Nordic Game Supply	138.8	178.4	-22.2%	917.4	984.9
- Amo Toys	104.4	93.0	12.2%	531.2	493.6
Adj. EBITDA	7.8	18.7	-58.6%	159.4	188.5
- Bergsala	12.1	11.0	10.0%	99.7	104.3
- Nordic Game Supply	2.6	3.7	-30.1%	45.7	53.9
- Amo Toys	-6.9	4.0	-273.5%	14.0	30.3
Adj. EBITDA margin	1.6%	4.1%		5.5%	6.6%

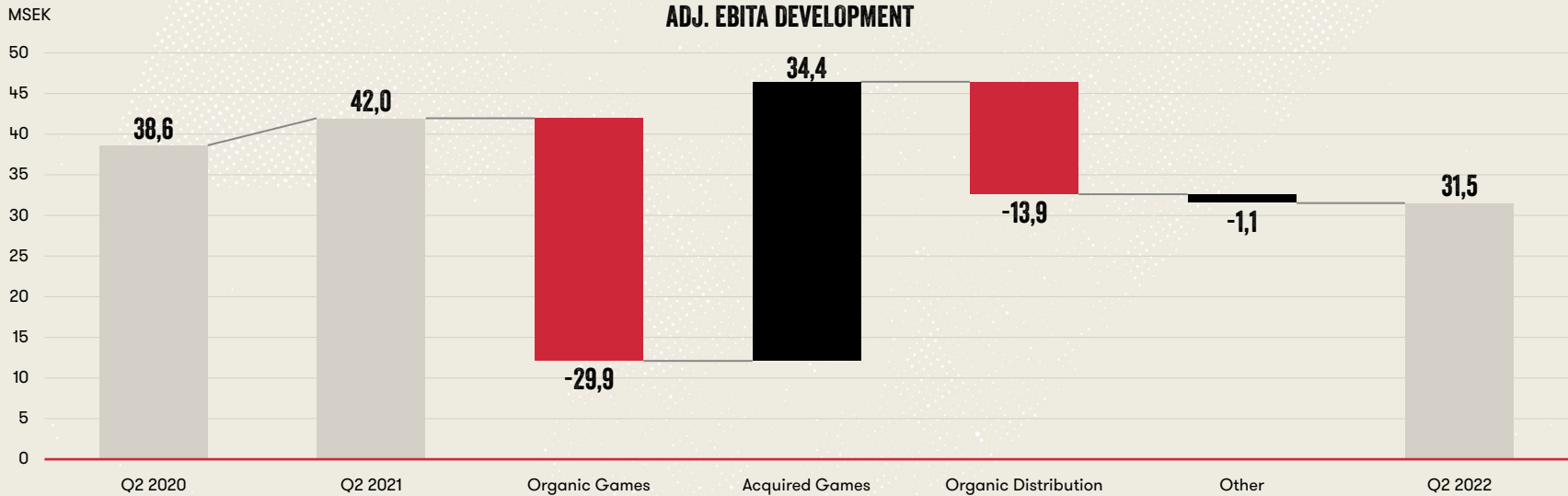
NET SALES AND ADJ. EBITDA



7.5% GROWTH IN NET SALES

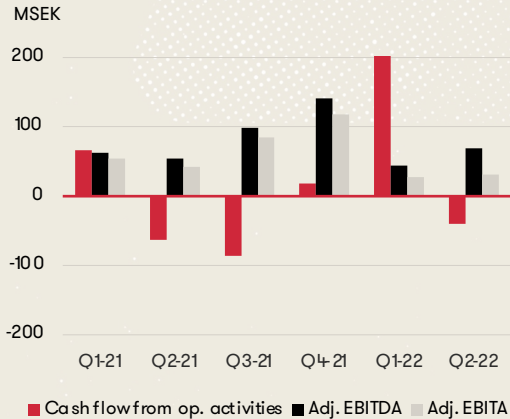


NEGATIVE ORGANIC GROWTH IN GAMES DRIVES ADJ. EBITA DECREASE

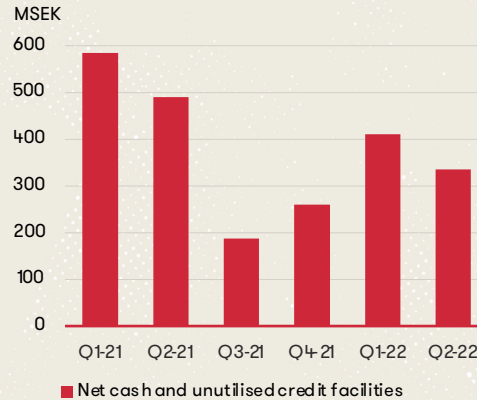


CASH FLOW FROM OPERATING ACTIVITIES AND NET CASH POSITION

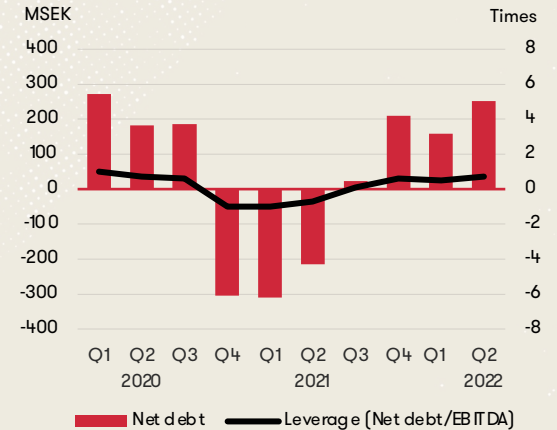
CASH FLOW FROM OPERATING ACTIVITIES



TOTAL AVAILABLE CASH, INCLUDING UNUTILISED CREDIT FACILITIES



NET DEBT AND LEVERAGE



KEY HIGHLIGHTS
THUNDERFUL GROUP & SEGMENTS
FINANCIALS
EVENTS AFTER THE END OF THE QUARTER

NEW ACTING CEO: ANDERS MAIQVIST

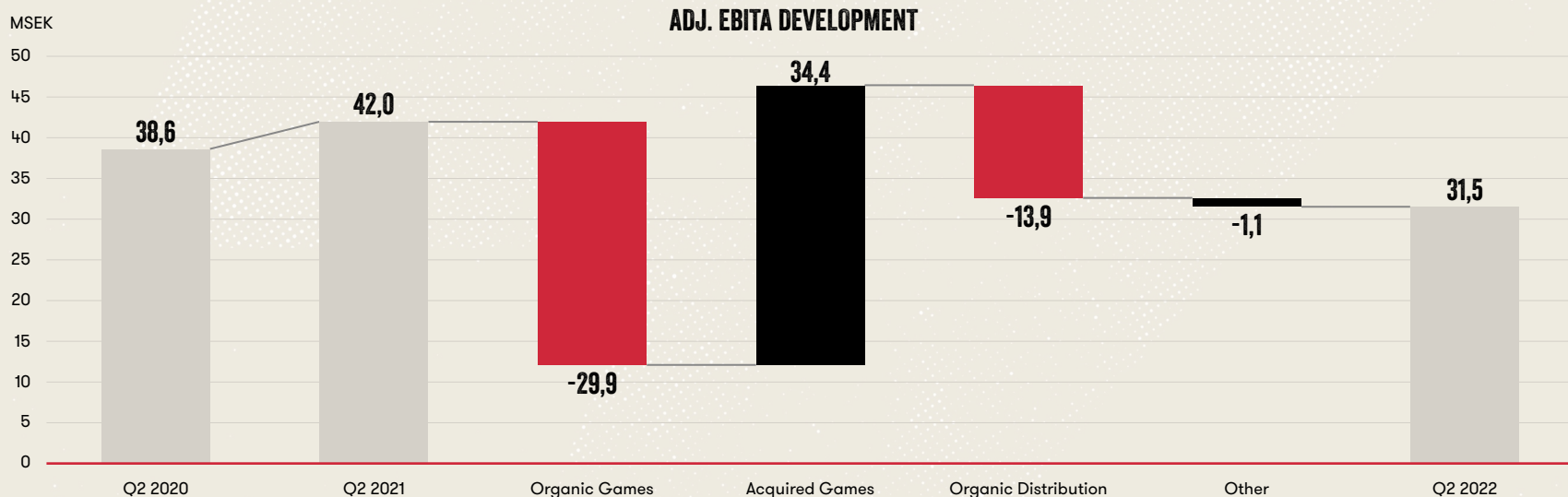
Board of Directors yesterday announced:

- Acting CEO Anders Maiqvist starts today
- Former CEO Brjann Sigurgeirsson starts new role in Thunderful Games



ANDERS MAIQVIST
Acting CEO

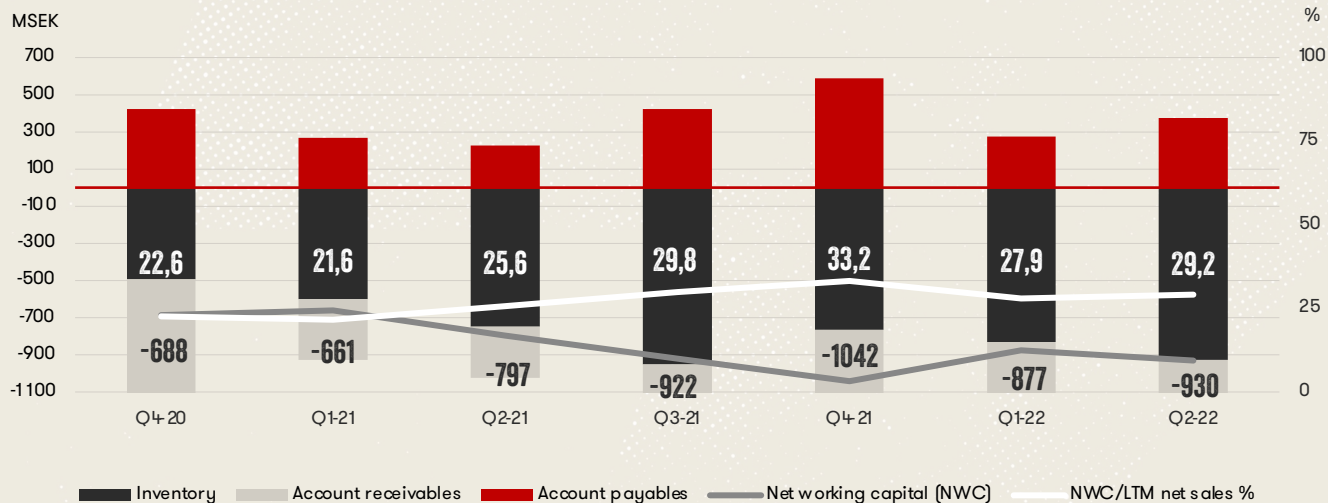
SHORT-TERM FOCUS IN THUNDERFUL GAMES



➤ Reduce losses and improve profitability in Organic Games

SHORT-TERM FOCUS IN THUNDERFUL DISTRIBUTION

NET WORKING CAPITAL DEVELOPMENT (IN MSEK AND % OF LTM NET SALES)



➤ Dedicated focus on the inventory reduction plan



THANK YOU!