



Thunderful Group

Q2 PRESENTATION
APR–JUN 2023

Today's presenters



Anders Maiqvist
Acting CEO



Lennart Sparud
CFO



KEY HIGHLIGHTS
THUNDERFUL GROUP & SEGMENTS
FINANCIALS

Q2 Highlights

- ✓ 42 MSEK in net sales contribution from new releases in the Games segment, reaching Net Sales of 107 MSEK and adj. EBITA of 38 MSEK.

- ✓ Improved profitability in Distribution driven by Bergsala. Distribution segment's Net Sales of 608 MSEK is +31% y/o/y, while adj. EBITDA of 27 MSEK is +250% y/o/y.

- ✓ Cash flow from operating activities was -30 MSEK in Q2.
 - Negatively impacted by inventory build-up of 56 MSEK, including prepayments and goods in transit of 65 MSEK.
 - Inventory reduction for goods in stock has continued in Apr-Jun in Nordic Game Supply and Amo Toys, totaling -42 MSEK in Q2 and -119 MSEK for Jan-Jun.



Games: 42 MSEK in net sales contributions from new releases

Distribution: strong organic EBITA growth

Net sales growth 23.2%

- Games -6.8%
- Distribution 30.6%

Adj. EBITDA increase 19.0%

- Games -3.6%
- Distribution 251.9%

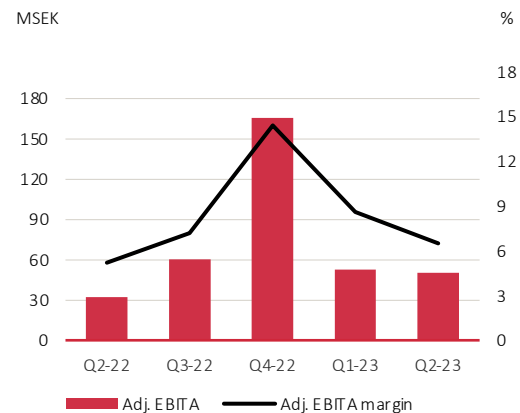
Adj. EBITA increase 56.0%

- Games 8.8%
- Distribution 762.5%

KEY FIGURES

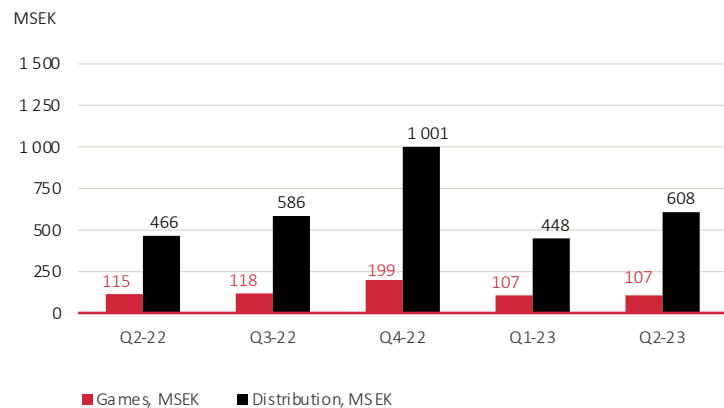
MSEK	Q2 2023	Q2 2022	Δ	2022
Net sales	715.3	580.7	23.2%	3,030.7
Adj. EBITDA	83.2	69.9	19.0%	375.6
Adj. EBITDA, %	10.7%	11.3%		11.7%
Adj. EBITA	50.1	32.1	56.0%	284.8
Adj. EBITA, %	6.5%	5.2%		8.9%
Cash flow from operating act.	-29.5	-40.1	26.6%	497.5

ADJUSTED EBITA

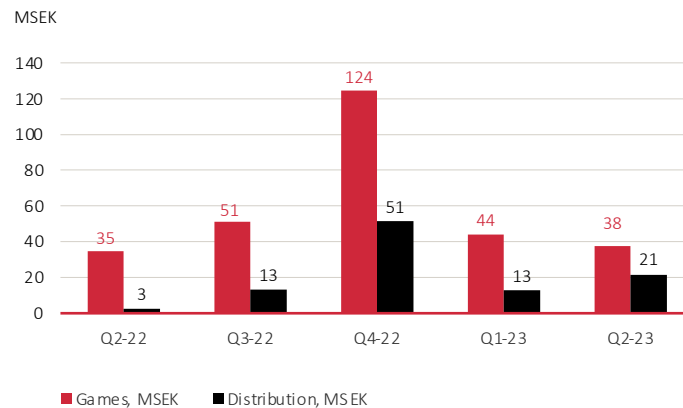


Games and Distribution: Net sales and Adjusted EBITA

NET SALES



ADJUSTED EBITA



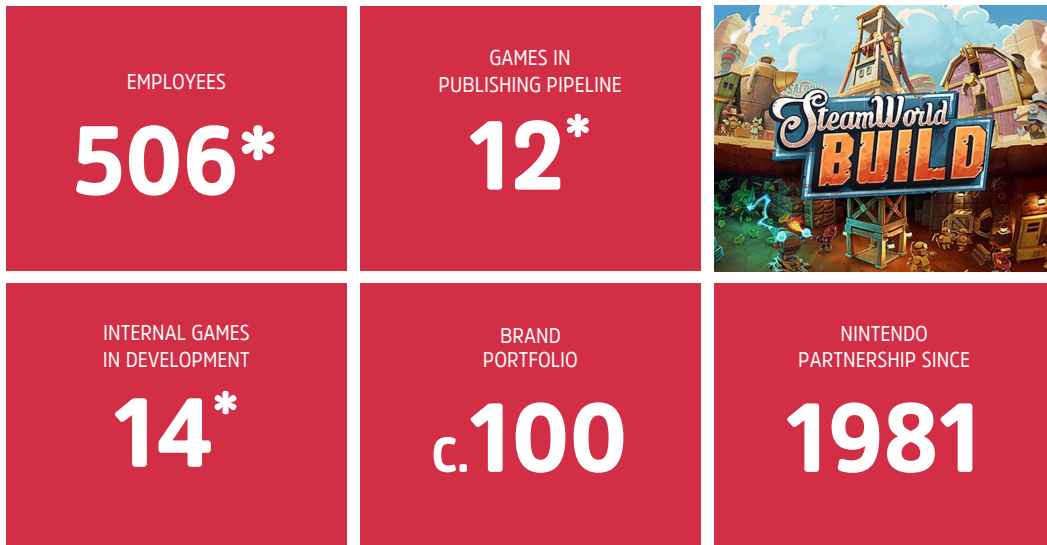


KEY HIGHLIGHTS
THUNDERFUL GROUP & SEGMENTS
FINANCIALS

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



* June 30, 2023

Distribution: Overview

BERGSALA

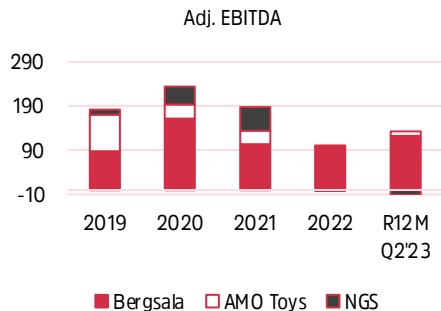
Distributor for Nintendo in the Nordics and Baltic countries. Has been distributing Nintendo products since 1981.

AMO TOYS

Distributor of toys in the Nordics. The distribution portfolio includes some of the most popular toy brands and the activities started in 1965.

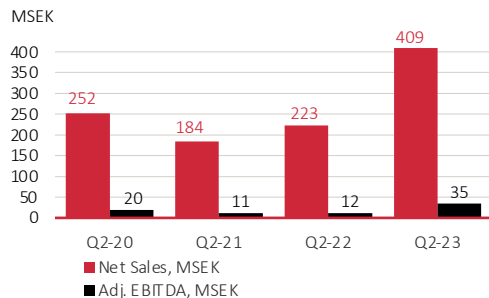
NORDIC GAME SUPPLY

Distributor of gaming accessories, gaming merchandise and physical games in the Nordics, including some of the most popular brands. Founded in 2010.

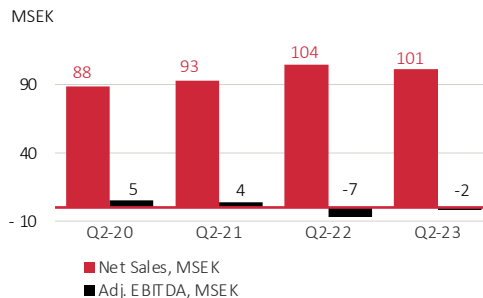


Distribution: Development in Q2

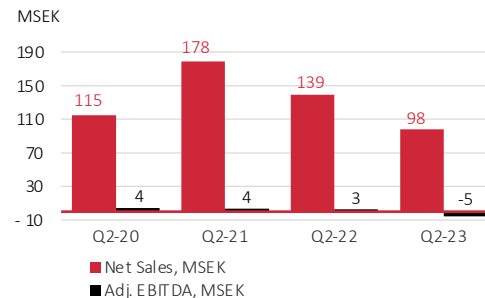
BERGSALA



AMO TOYS

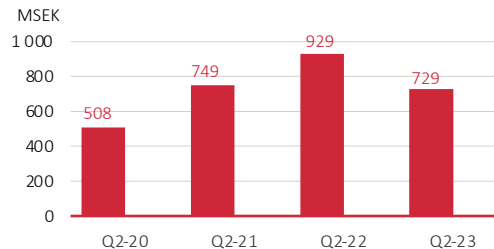


NORDIC GAME SUPPLY



- ✓ Bergsala's successful release of *The Legend of Zelda: Tears of the Kingdom* driving growth
 - EBITDA reaches 35 MSEK despite fx-loss of -8 MSEK in Q2 (revaluation of AR and AP)
- ✓ Amo Toys EBITDA growth of 5 MSEK y/o/y despite -3 % in net sales growth y/o/y
 - Q2'23 margins impacted by close-out sales of spring-summer toys left from 2022
- ✓ NGS net sales growth -30% y/o/y with weak end consumer demand in high price categories
 - EBITDA of -5 MSEK affected by -2 MSEK effect from closure of business in Germany

INVENTORY VALUES



Games: Overview

CO-DEVELOPMENT

Includes game development within Thunderful Studios on behalf of external licensees.

The revenue stream contributes with predictable revenues with solid 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 solid 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: Releases during and after the quarter

Releases during the second quarter 2023

42.3 MSEK in sales contribution during the second quarter

- 5 games released in Q2'23
 - 2 games from internal studios
 - 3 games from external studios
- Net sales contribution in Q2 includes platform deals for Planet of Lana (Q2-release) and Viewfinder (July-release)

Positive reviews from gamers and press

- **Planet of Lana (released 23 May)**
81 in OpenCritic score with 84% critics recommended
- **Viewfinder (released 18 July)**
83 in OpenCritic score with 93% critics recommended

Games released during the second quarter 2023

Game Description				Platform			
Title	Release	Publisher	Studio	PC	Console	Mobile	VR
Super Meat Boy Forever	2023-04-20	Headup	External	○	○	●	○
LEGO Bricktales	2023-04-27	Thunderful	External	○	○	●	○
Planet of Lana	2023-05-23	Thunderful	External	●	●	○	○
Dr Fetus Mean Meat Machine	2023-06-22	Headup	Internal	●	●	○	○
Tinkertown	2023-06-22	Headup	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
Viewfinder	2023-07-18	Thunderful	External	●	●	○	○

● Available ○ Not available

Games: Pipeline

Internal games

- 14 internal games currently in development
- 4 releases planned for H2 2023
- Additional SKUs for released games not included
- **SteamWorld Build** announced in Jan'23
 - Strongest reception of any announced Thunderful game based on industry standard metrics
 - Check out Gamescom for updates
- **Astronimo** announced February 7
 - First own IP game from Coatsink since the acquisition in 2020

Announced releases of internally developed games as of August 21, 2023

Game description			Platform			
Title	Release	Publisher	PC	Console	Mobile	VR
Astronimo	2023, 2H	Coatsink	●	○	○	○
SteamWorld Build	2023, 2H	Thunderful	●	●	○	○
Islanders	2023, 2H	Coatsink	●	●	○	●
"Spear"	2023, 2H	Early Morning Studio	○	○	●	○
"Strawberry (a SteamWorld IP Game)"	2024	Thunderful	○	○	●	○
"Kokidon"	2024	Thunderful	●	○	○	○
"Date"	2024	Coatsink	○	○	○	●
Vendir: Plague of Lies	2024	Early Morning Studio	●	●	●	○
SteamWorld Headhunter	2024	Thunderful	●	●	○	○
"Caramel (a SteamWorld IP Game)"	2024	Thunderful	●	●	●	○
"Lemon"	2024	To The Sky	●	●	○	○
"Vanilla"	2024	Thunderful	●	●	○	○
"Axe"	2024	Early Morning Studio	○	○	●	○
"Mango"	2024	Thunderful	●	●	○	○

"Not announced game name"

● Released

● Under development

○ N/A

Games: Pipeline

External games

- 12 games from external studios in publishing pipeline
- 6 releases currently planned for H2 2023
 - 2 games announced, without release date
 - 4 games to be announced for release in 2023

Announced releases of **externally** developed games as of August 21, 2023

Game Description		Platform			
Title	Release	PC	Console	Mobile	VR
Worldless	2023, 2H	●	●	○	○
"Raspberry"	2023, 2H	●	●	○	○
Laika: Aged Through Blood	2023, 2H	●	●	○	○
"Rum & Raisin"	2023, 2H	●	●	○	○
"Lime"	2023, 2H	●	○	○	○
"Lychee"	2023, 2H	○	○	○	●
"Cinnamon"	2024	○	○	○	●
"Cashew"	2024	●	●	○	○
Replaced	2024	●	●	○	○
"Peach"	2024	●	●	○	○
"Maple"	2024	●	●	○	○
"Snowflake"	2024	●	●	○	○

"Not announced game name"



Released



Under development



N/A



KEY HIGHLIGHTS
THUNDERFUL GROUP & SEGMENTS
FINANCIALS

Solid quarter with 23% net sales growth

Net sales growth 134.6 MSEK, 23.2%

- Games -7.8 MSEK, -6.8%
- Distribution 142,4 MSEK, 30.6%

Adj. EBITA growth 18.0 MSEK, 56.0%

- Games 3.1 MSEK, 8.8%
- Distribution 18.9 MSEK, 762.5%
- Other -3.9 MSEK

Cash flow from operating activities -29.5 MSEK

- Cash flow from operating activities was -29.5 MSEK in Q2'23, compared to -40.1 MSEK in Q2'22.
- Inventory build-up in Distribution contributes with cash flow of -56.3 MSEK in Q2'23.

KEY FIGURES

MSEK	Q2 2023	Q2 2022	Growth	%
Net sales	715.3	580.7	134.6	23.2%
Adj. EBITA	50.1	32.1	18.0	56.0%
Cash flow from operating activities	-29.5	-40.1	10.6	26.6%

Games

Net sales growth -7.8 MSEK, -6.8%

- Organic -8.1%
- Acquired 1.3%

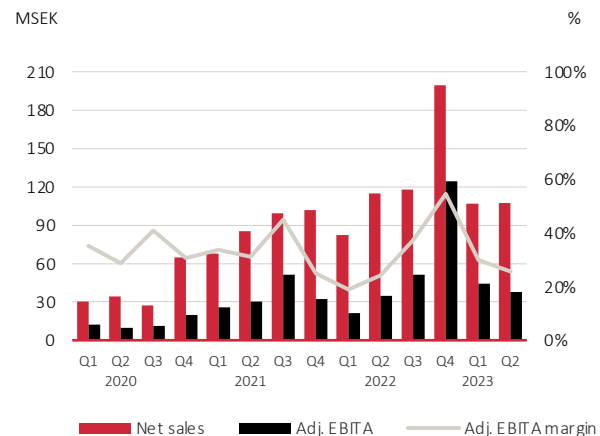
Adj. EBITA growth 3.1 MSEK, 8.8%

- Adj. EBITA margin at 25.5%
- Coatsink, TFDV and Robot Teddy is driving the positive net sales and EBITA contribution in the quarter.
- Jumpship and Fizbin represents the acquired growth.

KEY FIGURES

MSEK	Q2 2023	Q2 2022	Δ	2022
Operating income	147.8	143.8	2.8%	621.0
Net sales	107.1	114.9	-6.8%	514.4
Adj. EBITDA	64.7	67.1	-3.6%	301.3
Adj. EBITDA margin	43.8%	46.7%		48.5%
Adj. EBITA	37.7	34.6	8.8%	231.3
Adj. EBITA margin	25.5%	24.1%		37.3%

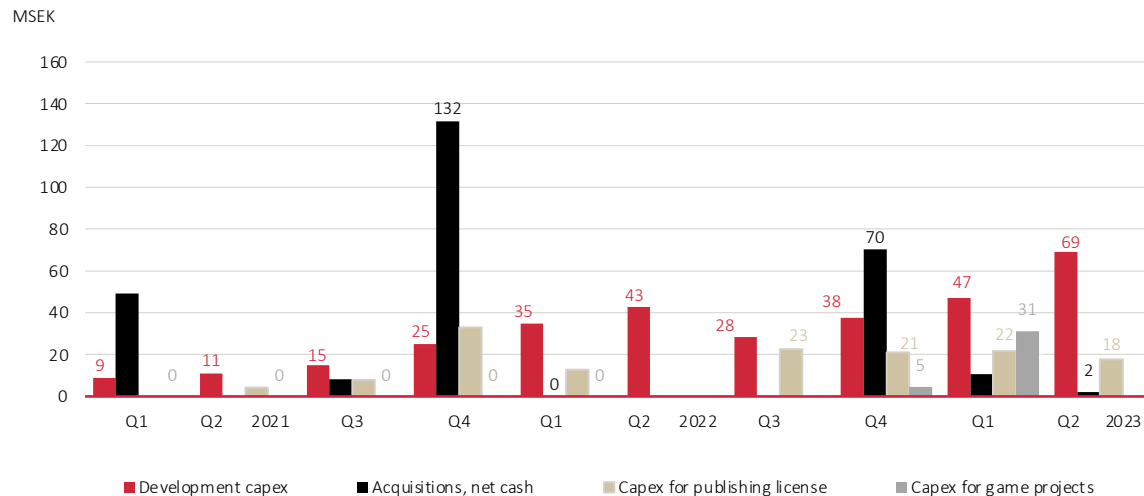
NET SALES & ADJ. EBITA



Game investments

- Total capex for Games in Q2'23 was 64 MSEK.
- Repaid investment in game projects Q2'23, -32 MSEK.
- Increased capex for development as number of FTEs within development increases.
 - -2,3 MSEK in items affecting comparability in Thunderful Games related to redundancies in Thunderful Development.

GAME INVESTMENTS



Distribution

Net sales increase 30.6%

- Bergsala 83.7%. This is due to the release of The Legend of Zelda: Tears of Kingdom, good access to hardware etc.
- Nordic Game Supply, -29.6%. General lower market demand in this product segment.
- Amo Toys, -2.9%.

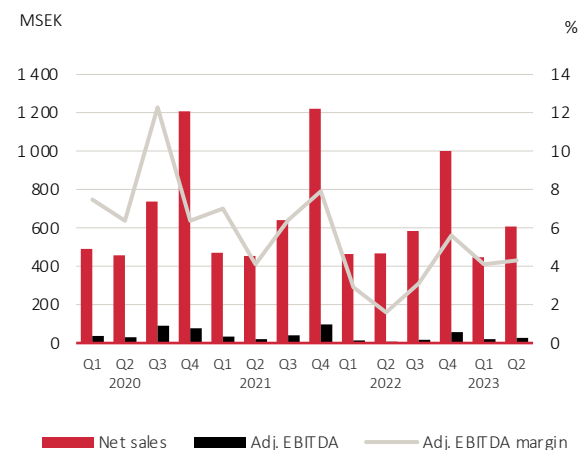
Adj EBITDA increase 19.5 MSEK, 251.9%

- In Bergsala an effect of the higher sales.
- NGS is still adversely affected by lower market demand in general.
- Adj. EBITDA in Amo Toys affected positively by sales mix and f/x.

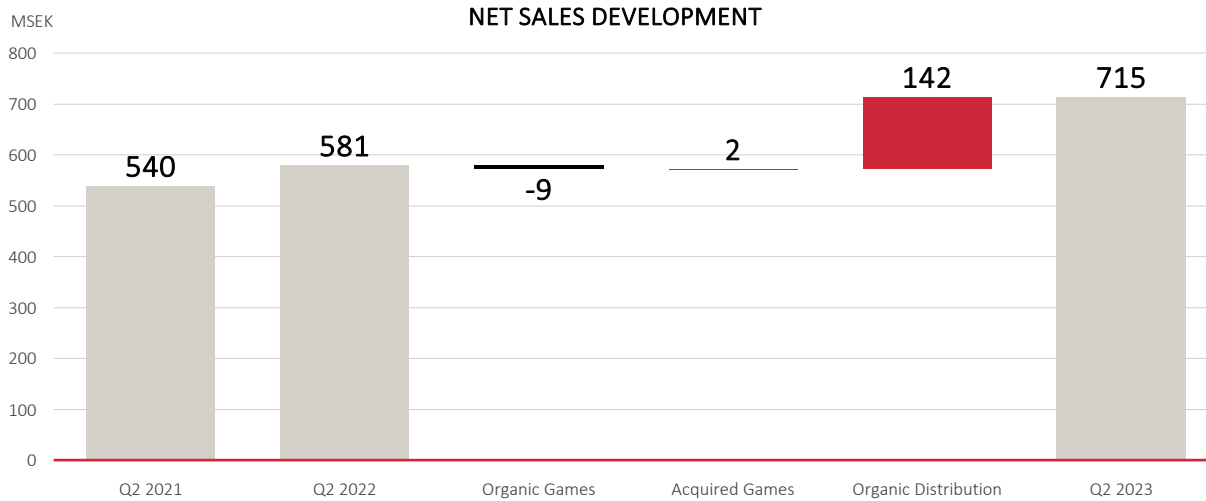
KEY FIGURES

MSEK	Q2 2023	Q2 2022	Δ	2022
Operating income	627.1	475.0	32.0%	2,594.7
Net sales	608.2	465.8	30.6%	2,516.2
– Bergsala	409.2	222.7	83.7%	1,293.2
– Nordic Game Supply	97.7	138.8	-29.6%	699.1
– Amo Toys	101.4	104.4	-2.9%	524.0
Adj. EBITDA	27.3	7.8	251.9%	97.9
– Bergsala	34.5	12.1	184.8%	99.3
– Nordic Game Supply	-5.3	2.6	-304.3%	-2.1
– Amo Toys	-1.9	-6.9	72.3%	0.7
Adj. EBITDA margin	4.3%	1.6%		3.8%

NET SALES AND ADJ. EBITDA

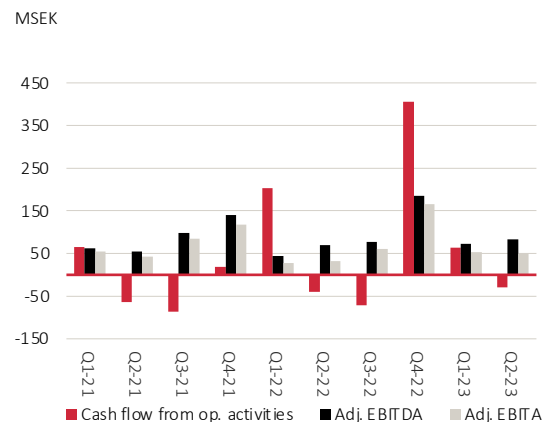


31% growth in Distribution

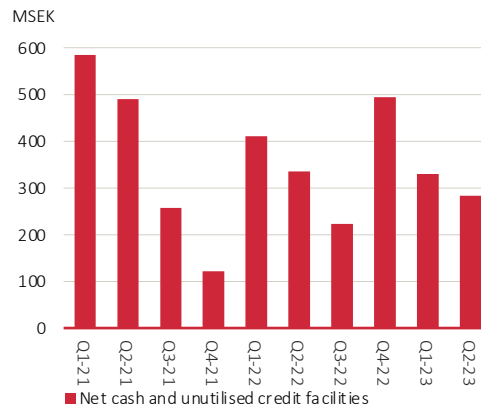


Cash flow from operating activities and net cash position

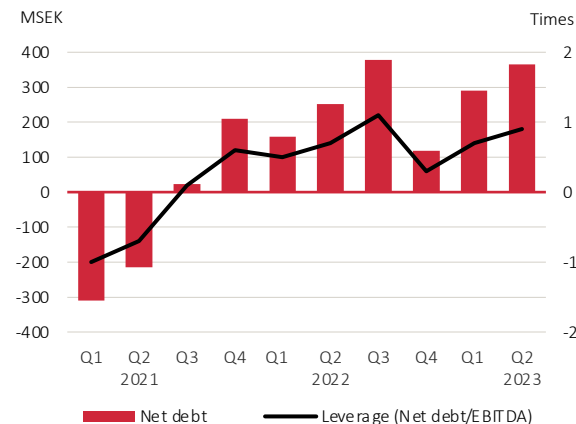
CASH FLOW FROM OPERATING ACITIVITES



TOTAL AVAILABLE CASH, INCLUDING UNUTILISED CREDIT FACILITIES



NET DEBT AND LEVERAGE



Financial calendar

Interim Report Jul–Sep 2023

15 November 2023

Year-end Report 2023

22 February 2024

