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Thunderful Group acquires Coatsink Software

Thunderful Group AB (“Thunderful” or the “Group”) acquires 100 percent of the British development studio Coatsink Software Ltd (“Coatsink”) for an upfront consideration of GBP 23 million plus an earn-out component potentially resulting in a maximal total consideration of GBP 65.5 million. Following the transaction co-founders and several key employees of Coatsink will become shareholders in Thunderful.

Coatsink, headquartered in Sunderland, UK, was formed in December 2009 by Tom Beardsmore and Paul Crabb. Today it is a diverse and versatile development studio and publisher, which has built a strong industry reputation. Recent accolades include the critically acclaimed Oculus Quest launch title Shadow Point, the Oculus Go title Augmented Empire, the development partnership with Boneloaf on Gang Beasts, and the publishing partnership on the hit title Onward.

Thunderful will pay GBP 23 million upfront, of which GBP 11.5 million is paid in cash and GBP 11.5 million is paid in newly issued ordinary Thunderful shares. In addition, Thunderful will pay an earn-out component subject to Coatsink’s performance in 2021 and 2022. The earn-out consideration, which will be paid in a mix of cash and Thunderful shares, is capped at GBP 42.5m which is reached only if Coatsink exceeds its financial targets for 2021 and 2022. The total maximum consideration for the acquisition is thus GBP 65.5 million.

“We have established a good relationship with the founders and key personnel of Coatsink and believe that their strong work ethics and corporate culture will be a very valuable strong complement to Thunderful’s existing businesses. Although it’s just a first step, this is a good example of how we intend to leverage the Group’s powerful cash flow going forward”, says Thunderful Group’s CEO, Brjann Sigurgeirsson.

The acquisition is in line with Thunderful’s strategy to expand its Games segment by adding attractive platform partnerships and publishing deals. The acquisition will allow both companies to accelerate and strengthen ongoing and future development projects.

Currently, Coatsink is working on 5 announced and unannounced in-house projects, including Jurassic World Aftermath and Transformers Battlegrounds, as well as several work-for-hire and publishing projects, which will strengthen Thunderful’s existing development pipeline in 2021 and 2022.

Coatsink will remain an independent development studio and will be reported as part of Thunderful Games.



Advisers

Carnegie Investment Bank AB (publ) act as financial adviser and Setterwalls Advokatbyrå AB and Muckle LLP act as legal advisers in connection with the transaction.

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About Thunderful Group

Thunderful Group is a primarily Nordic group of companies active within development and publishing of games as well as distribution of, among other things, Nintendo products, games, game accessories and toys.

Thunderful Group was founded in 2019 after a restructuring of the company groups Bergsala and Thunderful. With its head office based in Gothenburg, Sweden, Thunderful Group has a presence throughout the industry value-chain through its two operating segments, Games and Distribution.

For more information visit <http://www.thunderfulgroup.com>.