



# STRONG CASH FLOW AND IMPROVED PROFITABILITY

## Fourth quarter October–December 2022

- Net revenue decreased 9.2% to 1,200.5 MSEK (1,322.6).
- Operating profit (EBIT) increased 71.0% to 143.1 MSEK (83.7), corresponding to an operating margin of 12.4% (6.0).
- Adjusted EBITDA increased 31.4% to 185.2 MSEK (140.9), corresponding to an adjusted EBITDA margin of 16.1% (10.2).
- Adjusted EBITA increased 40.9% to 165.7 MSEK (117.6), corresponding to an adjusted EBITA margin of 14.4% (8.5).
- Profit for the quarter amounted to 130.4 MSEK (50.0).
- Earnings per share after dilution amounted to 1.86 SEK (0.71).
- Cash flow from operating activities amounted to 406.3 MSEK (18.6).
- Consolidated cash and cash equivalents together with unutilised credit facilities amounted to 493.7 MSEK (122.2).
- Thunderful entered into an agreement regarding changes of additional earn-out component in relation to the acquisition of Coatsink Software Ltd.
- Thunderful acquired Jumpship Ltd November 15 2022, see note 1.

## Full year January–December 2022

- Net revenue decreased 3.5% to 3,030.7 MSEK (3,140.8).
- Operating profit (EBIT) declined 6.1% to 196.1 MSEK (208.8), corresponding to an operating margin of 6.1% (6.4).
- Adjusted EBITDA increased 5.4% to 375.6 MSEK (356.5), corresponding to an adjusted EBITDA margin of 11.7% (10.9).
- Adjusted EBITA declined 4.7% to 284.8 MSEK (298.8), corresponding to an adjusted EBITA margin of 8.9% (9.1).
- Profit for the full year amounted to 121.2 MSEK (132.2).
- Earnings per share after dilution amounted to 1.72 SEK (1.90).
- Cash flow from operating activities amounted to 497.5 MSEK (-64.9).
- The Board of Directors will not propose any dividend to be paid for the financial year 2022 to the Annual General Meeting.

## Events after the end of the period

No significant events since the end of the period.

## Key performance indicators

GROUP	2022 Q4	2021 Q4	Δ%	2022 Jan–Dec	2021 Jan–Dec	Δ%
Operating income, MSEK	1,153.5	1,386.7	-16.8%	3,215.8	3,273.8	-1.8%
Net revenue, MSEK	1,200.5	1,322.6	-9.2%	3,030.7	3,140.8	-3.5%
Gross profit, MSEK	316.5	371.1	-14.7%	1,102.5	956.3	15.3%
Gross margin, %	27.4%	26.8%		34.3%	29.2%	
EBITDA, MSEK	179.7	126.5	42.1%	370.1	335.8	10.2%
Adjusted EBITDA, MSEK	185.2	140.9	31.4%	375.6	356.5	5.4%
Adjusted EBITDA margin, %	16.1%	10.2%		11.7%	10.9%	
EBITA, MSEK	160.2	103.2	55.2%	279.3	278.1	0.4%
Adjusted EBITA, MSEK	165.7	117.6	40.9%	284.8	298.8	-4.7%
Adjusted EBITA margin, %	14.4%	8.5%		8.9%	9.1%	
Operating result (EBIT), MSEK	143.1	83.7	71.0%	196.1	208.8	-6.1%
Operating margin (EBIT margin), %	12.4%	6.0%		6.1%	6.4%	
Profit for the period, MSEK	130.4	50.0	160.8%	121.2	132.2	-8.3%
Net core working capital, MSEK	705.8	1,042.0	-32.3%	705.8	1,042.0	-32.3%
Cash flow from operating activities, MSEK	406.3	18.6	2,084.3%	497.5	-64.9	866.6%
Interest-bearing net debt, MSEK	118.3	210.2	-43.7%	118.3	210.2	-43.7%
Interest-bearing net debt/adjusted EBITDA, R12M	0.3	0.6	-47.0%	0.3	0.6	-47.0%
Earnings per share before dilution, SEK	1.86	0.72	158.3%	1.72	1.91	-9.9%
Earnings per share after dilution, SEK	1.86	0.71	162.0%	1.72	1.90	-9.5%

See page 24 for the definition of key performance indicators.



## CEO COMMENTS

### Improved profitability in Games and strong cash flow from Distribution

In the fourth quarter, the Games segment reported adjusted EBITA of 124.4 MSEK and an EBITA margin of 54.5 percent. Game releases in Q4 accounted for just under half of Thunderful Games' revenue, and revenue from new game releases increased for the third consecutive quarter. For the Distribution segment, Q4 marked the end of the clearance sales initiated in late August. The result is a cash flow from the Group's operating activities of 406.3 MSEK and repayments on bank loans of 249.6 MSEK during the fourth quarter, while the rate of investment in Games remains high.

Thunderful Group's net revenue amounted to 1,200.5 MSEK (1,322.6) and its adjusted EBITA was 165.7 MSEK (117.6). Cash flow from operating activities in the Group during Q4 amounted to 406.3 MSEK (18.6), the Group's net indebtedness had fallen to 118.3 MSEK (210.2) at the end of the quarter. By the end of the third quarter the Group's indebtedness was 377.6 MSEK.

Capital expenditure during Q4 totalled 132.7 MSEK (193.7), primarily in Thunderful Games. Despite this the Group reports a strong cash flow of 195.8 MSEK for 2022, also after investing activities.

Changes mainly in the Distribution segment have produced desired results, but work still remains to optimise stock levels and adapt operations to prevailing market conditions. Even so, it is pleasing that the Group once again is reporting a positive cash flow.

#### **Distribution: strong cash flow but pressure on margins in two of three companies**

Net revenue for the Distribution segment totalled 1,001.2 MSEK (1,220.9), while adjusted EBITDA was 57.0 MSEK (96.1).

Clearance sales initiated in Amo Toys and Nordic Game Supply in late August have reduced inventories by 649.9 MSEK, which is 278.7 MSEK lower than at the end of Q2. Profitability in the segment continues to be squeezed by earnings in Amo Toys and Nordic Game Supply. In Q4, these companies jointly reported adjusted EBITA of -3.7 MSEK, bringing their overall adjusted EBITDA result for the second half of 2022 to -3.0 MSEK.

The structured clearance sales between August and December had a negative impact on profitability in both companies, but these sales are now finished, the companies have avoided impairments of inventory and have delivered strong cash flows. Ahead of the new year, Thunderful Distribution is now better equipped, thanks partly to far lower stock levels and also various cost-cutting initiatives.

A decision was made to reduce the workforce in Nordic Game Supply during Q3, and in Q4 the decision was made to close the loss-making operation in Germany. Amo Toys is moving into the Group's combined distribution centre in Jönköping in January 2023, making it the last company to do so. The combined centre is expected to bring significant cost savings for both Amo Toys and Nordic Game Supply.

Bergsala delivered strong Q4 results with adjusted EBITDA of 60.7 MSEK (56.7). The profit growth of 7.1 percent comes despite a fall in net revenue of 5.2 percent, due primarily to a higher proportion of sales of games, which have a higher margin than hardware.

Since the end of the quarter, the subsidiary Amo Toys has made a small add-on acquisition of the assets from the operations in distribution group TecTeam. Making acquisitions in the distribution segment is not an explicit strategy for Thunderful Group, but it was an easy decision to make when the opportunity arose to make a complementary add-on acquisition through an asset deal, at the right price and with the right conditions.

Our short-term view of demand in Distribution indicates continued strong demand for distributed Nintendo products and toys, but for lower demand for game accessories, particularly in the higher price categories.



### **Games: game releases drive growth and profitability**

Net revenue for the Games segment totalled 199.4 MSEK (101.7), while adjusted EBITDA was 124.4 MSEK (32.5). The strong growth are driven by game releases during Q4, which contribute a total of 91.6 MSEK to net revenue.

For the third consecutive quarter, net revenue from game releases has increased. The main contributors during Q4 were the games Somerville, Lego Bricktales and The Last Hero of Nostalgia. Organic growth in Games is 22.8 percent, even though catalogue sales of games are in line with previous quarters in 2022. The organic growth is instead being driven by companies in the Co-development and Partners revenue streams.

Somerville was developed by Jumpship, a game development studio acquired during Q4. Somerville was released on the acquisition-date and the EBITA recognised in Jumpship in the quarter it was acquired was in line with the upfront consideration.

An improved cash flow in the Group affords Thunderful Games greater opportunities to make acquisitions. In an uncertain world, it is even more important to assess every acquisition opportunity judiciously to create the best possible shareholder value. With the right structure and the right conditions, the management is not closing the door on further acquisitions.

Since the end of the quarter, the subsidiary Headup has made a small add-on acquisition of German game development studio, Studio Fizbin. Headup is part of Thunderful's publishing operation, which even before the acquisition acted as the publisher for Studio Fizbin's next game, with the release expected in 2024. Studio Fizbin has previously released four proprietary games, one of them with Thunderful as the publisher, and also founded the indie games collective Saftladen in Berlin. The studio is Thunderful Games' eleventh majority-owned internal game development studio.

Our internal game development studios have announced a new game in our most successful brand: SteamWorld Build with the release expected during 2023. It was also announced at the Game Awards in December that Thunderful is the publisher of the game Viewfinder, which is developed by Sad Owl Studios, a game development studio in which Thunderful is a minority shareholder.

Since public listing in December 2020, Thunderful's game releases have not achieved the commercial success the management, board and shareholders expected. During 2022, Thunderful Games has created four clear revenue streams and has shown good profit growth quarter on quarter, excluding game releases. Thunderful Games is now no longer reliant on game releases every quarter to reach profit growth. Successful game releases can, however, help take Thunderful Games to new heights, as in the fourth quarter.

Interest and expectations from the press and gamers have never been stronger ahead of a launch year than prior to 2023, which is both pleasing and challenging.



**Gothenburg,  
February 2023.  
Anders Maiqvist,  
Acting CEO.**



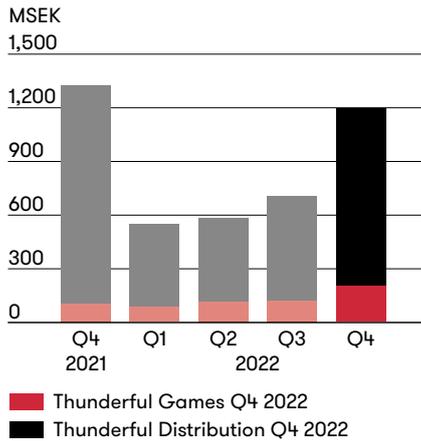


## ABOUT THUNDERFUL GROUP

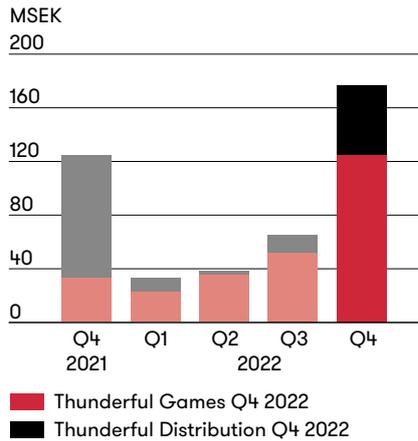
Thunderful Group is a group of companies active in the development and publishing of games as well as the distribution of Nintendo products, games, game accessories, toys and other products.

Thunderful Group was founded in late 2019 after a restructuring of the company groups Bergsala and Thunderful. With its head office in Gothenburg, Thunderful Group covers the entire gaming industry value chain through its Thunderful Games and Thunderful Distribution segments. The Group consists of over 20 subsidiaries and has approximately 480 employees in Europe.

**Net revenue, Q4 2021-Q4 2022**



**Adjusted EBITA, Q4 2021-Q4 2022**



**Thunderful Group**

## MISSION

To provide creative entertainment products of the highest quality for people of all ages

## VISION

To be a leader in a world where everyone can play





# FINANCIAL DEVELOPMENT OF THE GROUP

## Fourth quarter (1 October – 31 December)

### Net revenue

The Group's net revenue for the fourth quarter amounted to 1,200.5 MSEK (1,322.6), corresponding to an decrease of 9.2%. The underlying drivers are described in the section for each segment.

### Segment

Net revenue increased 96.1% to 199.4 MSEK (101.7) in the Games segment and decreased 18.0% to 1,001.2 MSEK (1,220.9) in the Distribution segment.

MSEK	2022 Q4	2021 Q4	Δ%
Thunderful Games	199.4	101.7	96.1%
Thunderful Distribution	1,001.2	1,220.9	-18.0%
- of which, Bergsala	599.3	632.4	-5.2%
- of which, Nordic Game Supply	235.2	395.7	-40.6%
- of which, Amo Toys	166.7	192.8	-13.5%
Other	0.0	0.0	0.0%
<b>Net revenue</b>	<b>1,200.5</b>	<b>1,322.6</b>	<b>-9.2%</b>

Thunderful Games reported organic growth of 23.2 MSEK. Acquisition-driven growth for the quarter contributed 74.5 MSEK in net revenue.

%	Games	Distribution
	Q4 2022	Q4 2022
Net revenue growth, %	96.1%	-18.0%
- of which, organic (%)	22.8%	-18.0%
- of which, acquired (%)	73.3%	0.0%

In the Distribution segment, net revenue decreased 5.2% to 599.3 MSEK (632.4) in Bergsala, decreased 40.6% to 235.2 MSEK (395.7) in Nordic Game Supply and decreased 13.5% to 166.7 MSEK (192.8) in Amo Toys.

Bergsala's sales are down compared to the comparison quarter due to limited access to hardware. Nordic Game Supply is adversely affected by lower market demand in general, particularly in the higher price categories. The decrease for Amo Toys was driven by better access to products in the third quarter, when the net revenue increased by 18.8% compared to the comparison quarter.

### Gross profit

Gross profit for the fourth quarter amounted to 316.5 MSEK (371.1), corresponding to an decrease of 14.7% and a gross margin of 27.4% (26.8). This profit trend was attributable to a sharp increase in net revenue in the Games segment, with a significantly higher gross margin than in the Distribution segment, while a decrease in net revenue in the Distribution segment. The gross margin decreased in Distribution in Nordic Game Supply and Amo Toys driven by structured clearance sales during the quarter.

### Operating expenses

Costs for goods for resale and purchased games-development services decreased 17.6% to -836.9 MSEK (-1,015.6).

Other external expenses decreased 6.4% to -132.0 MSEK (-141.0).

Personnel expenses increased 11.4% to -86.4 MSEK (-77.6). The total number of employees at the end of the quarter was 478 (408).

Depreciation and amortisation decreased 14.6% to -36.6 MSEK (-42.8). PPA-related depreciation (Purchase Price Allocation) decreased by 2.5 MSEK.

### Adjusted operating profit, EBITDA

Adjusted operating profit before depreciation, amortisation and impairment of intangible assets and property, plant and equipment (EBITDA) during the quarter amounted to 185.2 MSEK (140.9), corresponding to an adjusted EBITDA margin of 16.1% (10.2). Adjusted EBITDA was adjusted for acquisition-related non-recurring items of -5.5 MSEK (-6.7) in the fourth quarter of 2022.

### Segment

Adjusted EBITDA for the Games segment amounted to 138.3 MSEK (51.7) for the quarter, corresponding to an adjusted EBITDA margin of 60.5 % (39.6).

Adjusted EBITDA for the Distribution segment totalled 57.0 MSEK (96.1) for the quarter, corresponding to an adjusted EBITDA margin of 5.6% (7.7).



### Adjusted operating profit, EBITA

Adjusted operating profit before acquisition-related depreciation and amortisation (EBITA) amounted to 165.7 MSEK (117.6) for the quarter, corresponding to an adjusted EBITA margin of 14.4% (8.5). Adjusted EBITDA was adjusted for acquisition-related non-recurring items of -5.5 MSEK (-6.7) in the fourth quarter of 2022.

#### Segment

Adjusted EBITA for the Games segment amounted to 124.4 MSEK (32.5) for the quarter, corresponding to an adjusted EBITA margin of 54.5% (24.9).

Adjusted EBITA for the Distribution segment totalled 51.4 MSEK (92.1) for the quarter, corresponding to an adjusted EBITA margin of 5.1% (7.3).

### Operating profit, EBIT

Operating profit during the quarter amounted to 143.1 MSEK (83.7), corresponding to an operating margin of 12.4% (6.0). In the fourth quarter of 2022, operating profit includes -5.5 MSEK (-6.7) of acquisition-related non-recurring items.

#### Segment

Operating profit in the Games segment amounted to 116.7 MSEK (14.6) for the quarter, corresponding to an operating margin of 51.1% (11.2).

Operating profit in the Distribution segment amounted to 42.1 MSEK (82.6) for the quarter, corresponding to an operating margin of 4.1% (6.6).

### Financial net

Financial net amounted to 9.4 MSEK (-20.0). Of the total financial net, -5.7 MSEK (-17.7) comprised the net of exchange gains and exchange losses, -7.7 MSEK (-2.3) of the net from interest cost and interest income and 22.8 MSEK (0.0) of the net from the revaluation of earn-outs.

Net exchange gains and exchange losses includes effects of 1.2 MSEK from unrealised exchange effects.

### Profit for the period

Profit for the period amounted to 130.4 MSEK (50.0), corresponding to a net profit margin of 11.3% (3.6).

### Other comprehensive income

Other comprehensive income during the quarter was impacted by currency translation differences in foreign operations and totalled -5.5 MSEK (30.0).





## The full year (1 January – 31 December)

### Net revenue

The Group's net revenue for the full year amounted to 3,030.7 MSEK (3,140.8), corresponding to an decrease of 3.5%. The underlying drivers are described in the section for each segment.

### Segment

Net revenue increased 45.3% to 514.4 MSEK (354.0) in the Games segment and decreased 9.7% to 2,516.2 MSEK (2,786.8) in the Distribution segment.

MSEK	2022 Jan-Dec	2021 Jan-Dec	Δ%
Thunderful Games	514.4	354.0	45.3%
Thunderful Distribution	2,516.2	2,786.8	-9.7%
- of which, Bergsala	1,293.2	1,308.3	-1.2%
- of which, Nordic Game Supply	699.1	984.9	-29.0%
- of which, Amo Toys	524.0	493.6	6.2%
Other	0.0	0.0	0.0%
<b>Net revenue</b>	<b>3,030.7</b>	<b>3,140.8</b>	<b>-3.5%</b>

Thunderful Games reported organic growth of 9.2 MSEK. Acquisition-driven growth for the full year contributed 151.2 MSEK net revenue.

%	Games	Distribution
	Jan-Dec 2022	Jan-Dec 2022
Net revenue growth, %	45.3%	-9.7%
- of which, organic (%)	2.6%	-9.7%
- of which, acquired (%)	42.7%	0.0%

In the Distribution segment, net revenue decreased 1.2% to 1,293.2 MSEK (1,308.3) in Bergsala, decreased 29.0% to 699.1 MSEK (984.9) in Nordic Game Supply and increased 6.2% to 524.0 MSEK (493.6) in Amo Toys.

Bergsala's sales during the full year were on a par with the comparison period. Nordic Game Supply is adversely affected by lower market demand in general, a negative development which has accelerated during the year. The increase for Amo Toys was driven partly by better access to spring and summer toys than in the comparison period.

### Gross profit

Gross profit for the full year amounted to 1,102.5 MSEK (956.3 MSEK), corresponding to an increase of 15.3% and a gross margin of 34.3% (29.2). This profit trend was attributable to increased net revenue in the Games segment, with a significantly higher gross margin than in the Distribution segment, and slightly decreased net revenue in the Distribution segment.

### Operating expenses

Costs for goods for resale and purchased games-development services decreased 8.8% to -2,113.3 MSEK (-2,317.5).

Other external expenses increased 17.4% to 385.2 MSEK (-328.1). Of the total expense increase of -57.1 MSEK, -15.0 MSEK was from increased marketing costs, -27.6 MSEK from increased warehouse and logistics costs in Amo Toys and NGS, and -0.6 MSEK from acquired companies.

Personnel expenses increased 22.9% to -293.4 MSEK (-238.7). The total number of employees at the end of the period was 478 (408).

Depreciation and amortisation rose 37.1% to -174.1 MSEK (-127.0). The key drivers were increased amortisation and impairment from capitalised game development expenditure and publishing licences, which rose -40.6 MSEK (including depreciation and amortisation of -24.8 MSEK for the game The Gunk), and depreciation and amortisation related to purchase price allocations (PPA), which increased -13.9 MSEK.



LEGO BRICKTALES / CLOCKSTONE STUDIO

**Adjusted operating profit, EBITDA**

Adjusted operating profit before depreciation, amortisation and impairment of intangible assets and property, plant and equipment (EBITDA) during the full year amounted to 375.6 MSEK (356.5), corresponding to an adjusted EBITDA margin of 11.7% (10.9). Adjusted EBITDA was adjusted for acquisition-related non-recurring items of -5.5 MSEK (-10.3).

**Segment**

Adjusted EBITDA for the Games segment amounted to 301.3 MSEK (185.2) for the period, corresponding to an adjusted EBITDA margin of 48.5% (44.3).

Adjusted EBITDA for the Distribution segment amounted to 97.9 MSEK (188.5) for the full year, corresponding to an adjusted EBITDA margin of 3.8% (6.6).

**Adjusted operating profit, EBITA**

Adjusted operating profit before acquisition-related depreciation and amortisation (EBITA) amounted to 284.8 MSEK (298.8) for the full year, corresponding to an adjusted EBITA margin of 8.9% (9.1). Adjusted EBITA was adjusted for acquisition-related non-recurring items of -5.5 MSEK (-10.3).

**Segment**

Adjusted EBITA for the Games segment amounted to 231.3 MSEK (139.7) for the full year, corresponding to an adjusted EBITA margin of 37.3% (33.4).

Adjusted EBITA for the Distribution segment amounted to 77.2 MSEK (176.6) for the full year, corresponding to an adjusted EBITA margin of 3.0% (6.2).

**Operating profit, EBIT**

Operating profit for the full year amounted to 196.1 MSEK (208.8), corresponding to an operating margin of 6.1% (6.4). Operating profit includes -5.5 MSEK (-10.3) of acquisition-related non-recurring items.

**Segment**

Operating profit in the Games segment amounted to 185.2 MSEK (99.2) for the full year, corresponding to an operating margin of 29.8% (23.7).

Operating result in the Distribution segment amounted to 40.0 MSEK (137.4) for the full year, corresponding to an operating margin of 1.5% (4.8).

**Financial net**

Financial net amounted to -37.7 MSEK (-39.9). Of the total financial net, -49.1 (-33.8) MSEK comprised the net of exchange gains and exchange losses, -11.4 MSEK (-6.1) of the net from interest cost and interest income and 22.8 MSEK (0.0) of the net from the revaluation of earn-outs.

Net exchange gains and exchange losses includes effects of -50.9 MSEK from unrealised exchange effects.

**Result for the period**

Result for the full year amounted to 121.2 MSEK (132.2), corresponding to a net margin of 3.8% (4.0).

**Other comprehensive income**

Other comprehensive income was impacted by currency translation differences in foreign operations and totalled 58.5 MSEK (79.0).



# FINANCIAL POSITION

## Financial position and liquidity

The Group's total assets on 31 December 2022 amounted to 3,663.6 MSEK, compared with 3,619.7 MSEK on 31 December 2021.

Core working capital on 31 December 2022 amounted to 705.8 MSEK, compared with 1,042.0 MSEK on 31 December 2021.

The Group's equity on 31 December 2022 totalled 1,982.7 MSEK, compared with 1,799.9 MSEK on 31 December 2021.

Thunderful Group has a confirmed credit facility of 55 MEUR with Danske Bank. On the balance-sheet date, 31 December 2022, Thunderful Group had utilised 174.9 MSEK of this facility and cash and cash equivalents amounted to 56.6 MSEK.

Including the unutilised portion of the confirmed credit facility, cash and cash equivalents as of 31 December 2022 amounted to 493.7 MSEK, compared with 122.2 MSEK on 31 December 2021.

## Seasonal variations

Thunderful Group has a seasonal distribution business that is characterised by higher sales in connection with major commercial holidays. A significant part of the full year sales and profit has historically been generated during the fourth quarter, which also means that operating expenses in relation to sales are generally higher during the first to third quarter.

## Cash flow and investments

Cash flow from operating activities amounted to 406.3 MSEK (18.6) for the fourth quarter and to 497.5 MSEK (-64.9) for the period.

Various investments, noted below, were made during the quarter and the entire period.

MSEK	2022 Q4	2021 Q4	2022 Jan-Dec	2021 Jan-Dec
Internal game development capex	37.5	25.1	143.3	59.6
Publishing licences capex	21.1	33.0	69.7	45.1
Game projects capex	4.5	0.0	9.1	0.0
Acquisition capex	70.2	131.7	70.2	188.9
Other capex	-0.6	3.9	9.4	23.2
<b>Total investments</b>	<b>132.7</b>	<b>193.7</b>	<b>301.7</b>	<b>316.8</b>

Cash flow after investing activities amounted to 273.6 MSEK (-175.1) for the fourth quarter and to 195.8 MSEK (-381.7) for the full year.

## Parent Company

Net revenue in the Parent Company during the period amounted to 9.8 MSEK (6.0), operating result to -32.9 MSEK (-21.5) and profit for the period to 21.2 MSEK (14.4).

The Parent Company's revenue comprises intra-group services.



# OPERATIONAL OVERVIEW BY SEGMENT

## Thunderful Games

Thunderful Games' operations are divided into four clear revenue streams:

- **IP Building** includes development and publishing of internally developed games with own IP:s and publishing of externally developed games with licensed IP:s. The revenue stream is dependent on a high rate of investment and can generate high profitability levels when published games reach commercial success.
- **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.
- **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 partners self-publish. There is no need for investments.
- **Investments** 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.

The collaborations between the companies within Thunderful Games have resulted in several games projects and clients that generate parallel revenues in multiple revenue streams.

## Comments on events during the quarter

- Thunderful entered into an agreement regarding changes of additional earn-out component in relation to the acquisition of Coatsink Software Ltd.
- On 15 November 2022, Thunderful Group acquired all of the shares in Jumpship Ltd, based in Guildford, the UK, see note 1.

## Thunderful Distribution

Thunderful Distribution, with operations in distribution and sale of, among other items, Nintendo products, games, game accessories and toys. The segment includes the distributors Bergsala, Amo Toys and Nordic Game Supply. Bergsala has been distributing Nintendo's products in Sweden since 1981. Amo Toys and Nordic Game Supply are Nordic distributors of toys, games, game accessories and merchandise. Brands distributed by Amo Toys and Nordic Game Supply include Rockstar, 2K Games, Razer, Thrustmaster, PowerA, Hori, L.O.L., BabyBorn, Little Tikes, GeoMag and Intex.

## Comments on events during the quarter

No significant events during the quarter.



## GAMES RELEASED DURING AND AFTER THE FOURTH QUARTER OF 2022

During the fourth quarter of 2022, the Group released eight games. Three of these were from the Group’s internal studios and five are from external studios through the Group’s publishing activities. After the end of the quarter but before the publication of this report, two more games were released which are both from the Group’s internal studios.

Releases in the fourth quarter contributed 91.6 MSEK in net revenue. This pertained only to the platforms and versions of the respective games released in the quarter. The Group has 11 ongoing internal game-development projects and 18 ongoing game-development projects that are being developed by third parties and which are intended to be published by one of the Group’s publishing companies. An overview of these 29 game-development projects is available on page 12.

### Games released during the fourth quarter of 2022

Game description				Platform			
Title	Release	Publisher	Studio	PC	Console	Mobile	VR
LEGO Bricktales	2022-10-12	Thunderful	External	●	●	○	○
The Last Hero of Nostalgaia	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 interim 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	○	○	○	●

● Released ○ Yet to be released



### Announced releases of **internally** developed Thunderful games

Game description			Platforms			
Title	Release	Publisher	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	○	○	●	○
“Kokidon”	2024	Thunderful	●	○	○	○
“Date”	2024	Coatsink	○	○	○	●
SteamWorld Headhunter	2024	Thunderful	●	●	○	○
“Caramel” (a SteamWorld IP Game)	2024	Thunderful	●	●	●	○
“Lemon”	2024	To The Sky	●	●	○	○
“Vanilla”	2024	Thunderful	●	●	○	○

### Announced releases of **externally** developed Thunderful games

Game description		Platforms			
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	●	●	○	○

“Non-advertised game name” ● Released ● Under development ○ N/A



## OTHER INFORMATION

### Organisation

As of 31 december 2022, the number of full-time employees was 478 (408), of whom 116 (96) women and 362 (312) men.

### Related party transactions

Anders Maiqvist became acting CEO of Thunderful Group on 10 August 2022. Through companies and together with related parties of his, Anders Maiqvist owns 50 percent of the shares in Wester Maiqvist AB. In June 2022, Thunderful Group entered into a consultancy agreement with Wester Maiqvist AB regarding warehouse and logistics optimisation. During the third quarter of 2022, Wester Maiqvist AB invoiced Thunderful Group approximately 1.3 MSEK for services provided.

### Risks and uncertainties

Thunderful Group is exposed to risks, particularly the dependence on key individuals, the dependence on successful game development, the sales performance of released games, the dependence on a few distributors, and the success and performance of acquisitions. The complete risk analysis is found on pages 66–71 and pages 89–90 of the Group's 2021 Annual Report, published on the company's website. The Annual Report is published on the company's website.

### Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. For the Parent Company, the Swedish Financial Reporting Board's Recommendation RFR 2 Financial Reporting for Legal Entities has been applied in the preparation of this interim report. The accounting policies and basis of calculation correspond to the policies applied in the company's most recent annual report, except for the company has, in historical financial reports, accounted for revaluations of financial debts related to earn-out considerations as other revenues/other expenses in the income statement. In this financial report, the company has made a change of accounting principles which has implied that such revaluations are now classified as financial income/financial expense in the income statement.

The historical numbers in the financial reports have been corrected retrospectively in accordance with IAS 8. The change of accounting principle has not impacted the classification of items in the balance sheet or cash flow for historical periods.

The corresponding change of accounting principle has been accounted for in the parent company's income statement.

The Group applies the following amortisation principles for its game development and publishing projects:  
Amortisation of finished game-development projects and launched publishing projects – degressive amortisation over two years; 1/3 amortisation during months 1 to 3 following release, 1/3 amortisation in months 4 to 12 following release and the remaining 1/3 in months 13 to 24 following release.

For further information on the Group's accounting policies, refer to the 2021 Annual Report, which is published on the company's website.

### Dividend

Thunderful Group strives to invest its profit and cash flows in organic growth initiatives and acquisitions to support value creation, and therefore does not intend to pay annual dividends in the medium term.

The Board of Directors will not propose any dividend to be paid for the financial year 2022 to the Annual General Meeting.

### Events during the quarter

- Thunderful entered into an agreement regarding changes of additional earn-out component in relation to the acquisition of Coatsink Software Ltd.
- Thunderful acquired Jumpship Ltd November 15 2022, see note 1.

### Events after the end of the period

No significant events since the end of the period.

### Auditors' review

This report has not been subject to review by the Group's auditors.

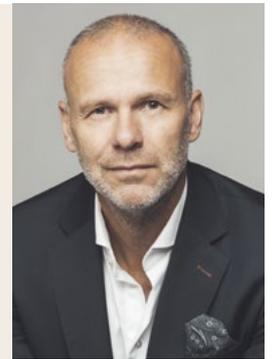


## THE SHARE

Name	Shares	Shares of capital and votes, %
Bergsala Holding AB	17,613,693	25.1%
Swedbank Robur Fonder	4,783,505	6.8%
Lyngeled Holding AB	4,380,000	6.2%
Briann Sigurgeirsson (privately and through companies)	4,375,000	6.2%
ODIN Fonder	2,800,000	4.0%
RAM Rational Asset Management	2,212,953	3.1%
ÖstVäst Capital Management	2,200,000	3.1%
Knutsson Holdings AB	2,100,000	3.0%
Alcur Fonder	1,373,269	2.0%
Lancelot Asset Management AB	1,300,000	1.8%
<b>TOTAL TOP 10</b>	<b>43,138,420</b>	<b>61.4%</b>
<b>Other</b>	<b>27,152,177</b>	<b>38.6%</b>
<b>TOTAL</b>	<b>70,290,597</b>	<b>100.0%</b>

Financial statements and other financial and general information are published on the Group's website [www.thunderfulgroup.com](http://www.thunderfulgroup.com)

**CFO Lennart Sparud** is responsible for IR issues,  
Tel: +46 705 58 66 04,  
e-mail: [lennart@thunderfulgroup.com](mailto:lennart@thunderfulgroup.com)



As of 31 December 2022, Thunderful Group AB's share capital amounted 702,905.97 SEK distributed across 70,290,597 shares with a quotient value of 0.01 SEK per share. Thunderful Group has been listed since December 2020 on Nasdaq Stockholm and the company's share is traded on First North Premier Growth Market (THUNDR). On the balance-sheet date of 31 December 2022, Thunderful Group's market capitalisation was around 1,040.3 MSEK.

### Certified adviser

**FNCA Sweden AB**  
[info@fnca.se](mailto:info@fnca.se)

### Analysts who follow Thunderful Group

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## SIGNATURES AND ASSURANCE

The Board of Directors and the Acting CEO offer their assurance that this interim report gives a true and fair view of the Group's and Parent Company's operations, financial position and results of operations and describes the significant risks and uncertainties facing the Group and the Parent Company.

**Gothenburg, 22 February 2023**

**Mats Lönnqvist**  
Chairman of the Board

**Tomas Franzén**  
Board member

**Owe Bergsten**  
Board member

**Cecilia Ogvall**  
Board member

**Oskar Burman**  
Board member

**Anders Maiqvist**  
Acting CEO

This information is of a nature that Thunderful Group AB is obligated to publish under the EU's Market Abuse Regulation. It was submitted for publication through the agency of the contact persons set out below at 7:30 a.m. CET on 22 February 2023.

**For more information, please contact:**

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**Lennart Sparud**, CFO, Thunderful Group  
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**THUNDERFUL GROUP**  
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# GROUP INCOME STATEMENT

MSEK	2022 Q4	2021 Q4	2022 Jan-Dec	2021 Jan-Dec
Net revenue	1,200.5	1,322.6	3,030.7	3,140.8
Capitalised work on own account	28.6	25.1	99.6	57.1
Other operating income <sup>1)</sup>	-75.7	39.0	85.6	75.9
<b>Operating income</b>	<b>1,153.5</b>	<b>1,386.7</b>	<b>3,215.8</b>	<b>3,273.8</b>
<b>Operating expenses</b>				
Goods for resale (Distribution)	-826.1	-1,004.1	-2,061.3	-2,268.4
Purchased games-development services and royalties (Games)	-10.9	-11.5	-51.9	-49.1
Other external expenses	-132.0	-141.0	-385.2	-328.1
Personnel expenses	-86.4	-77.6	-293.4	-238.7
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-36.6	-42.8	-174.1	-127.0
Other operating expenses <sup>1)</sup>	81.6	-26.0	-53.7	-53.7
<b>Total operating expenses</b>	<b>-1,010.3</b>	<b>-1,303.0</b>	<b>-3,019.7</b>	<b>-3,065.0</b>
<b>Operating profit</b>	<b>143.1</b>	<b>83.7</b>	<b>196.1</b>	<b>208.8</b>
<b>Total financial items<sup>1)</sup></b>	<b>9.4</b>	<b>-20.0</b>	<b>-37.7</b>	<b>-39.9</b>
<b>Profit/loss after financial items</b>	<b>152.6</b>	<b>63.7</b>	<b>158.3</b>	<b>168.9</b>
Tax on profit for the period	-22.1	-13.7	-37.2	-36.7
<b>Net profit/loss for the period</b>	<b>130.4</b>	<b>50.0</b>	<b>121.2</b>	<b>132.2</b>
<b>Other comprehensive income</b>				
Currency translation difference in foreign operations	5.5	30.0	58.6	79.0
<b>Comprehensive income for the period</b>	<b>135.9</b>	<b>80.0</b>	<b>179.7</b>	<b>211.2</b>
<b>Net profit for the period attributable to:</b>				
Shareholders of the Parent Company	130.4	50.0	121.2	132.2
Earnings per share before dilution, SEK	1.86	0.72	1.72	1.91
Earnings per share after dilution, SEK	1.86	0.71	1.72	1.90
<b>Comprehensive income for the period attributable to:</b>				
Shareholders of the Parent Company	135.9	80.0	179.7	211.2
Average number of shares	70,290,597	69,976,275	70,261,677	69,322,610

1) The accounting principle for revaluation of financial debt related to earn-out has been changed in Q4 2022. These revaluations, which earlier were accounted for as other operating income/other operating expenses are now classified as financial income/financial cost in the income statement. Other operating income in Q4 2022 has been reduced by 92.3 MSEK and other operating expenses has been reduced by 93.4 MSEK. Corresponding adjustments has been done in total financial items.

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# GROUP BALANCE SHEET

MSEK	2022-12-31	2021-12-31
<b>ASSETS</b>		
<b>Fixed assets</b>		
<i>Intangible assets</i>		
IT systems	4.0	3.6
Capitalised development expenditure, games	231.7	122.7
Publishing licences	110.9	57.5
Investments in game projects	9.1	0.0
Publishing and distribution relationships	260.1	297.3
Goodwill	943.5	728.0
Game rights	300.6	296.0
Customer relationships	105.7	120.0
Other intangible assets	34.3	24.2
	<b>1,999.9</b>	<b>1,649.2</b>
<i>Property, plant and equipment</i>		
Right-of-use assets	133.7	114.6
Buildings and land	0.5	0.6
Equipment, tools, fixtures and fittings	17.5	14.8
	<b>151.6</b>	<b>130.0</b>
<i>Financial assets</i>		
Other securities held as non-current assets	0.2	0.1
Deferred tax assets	1.3	1.3
Other non-current receivables	7.4	7.0
	<b>8.9</b>	<b>8.5</b>
<b>Total fixed assets</b>	<b>2,160.4</b>	<b>1,787.6</b>
<b>Current assets</b>		
<i>Inventories, etc.</i>		
Finished goods and goods for resale	600.3	758.6
Advance payments to suppliers	49.6	5.4
	<b>649.9</b>	<b>764.0</b>
<i>Current receivables</i>		
Accounts receivable	654.6	866.6
Current tax assets	19.3	4.6
Other receivables	9.0	35.7
Prepayments and accrued income	113.8	101.0
	<b>796.8</b>	<b>1,007.9</b>
Cash and cash equivalents	56.6	60.2
<b>Total current assets</b>	<b>1,503.3</b>	<b>1,832.1</b>
<b>TOTAL ASSETS</b>	<b>3,663.6</b>	<b>3,619.7</b>



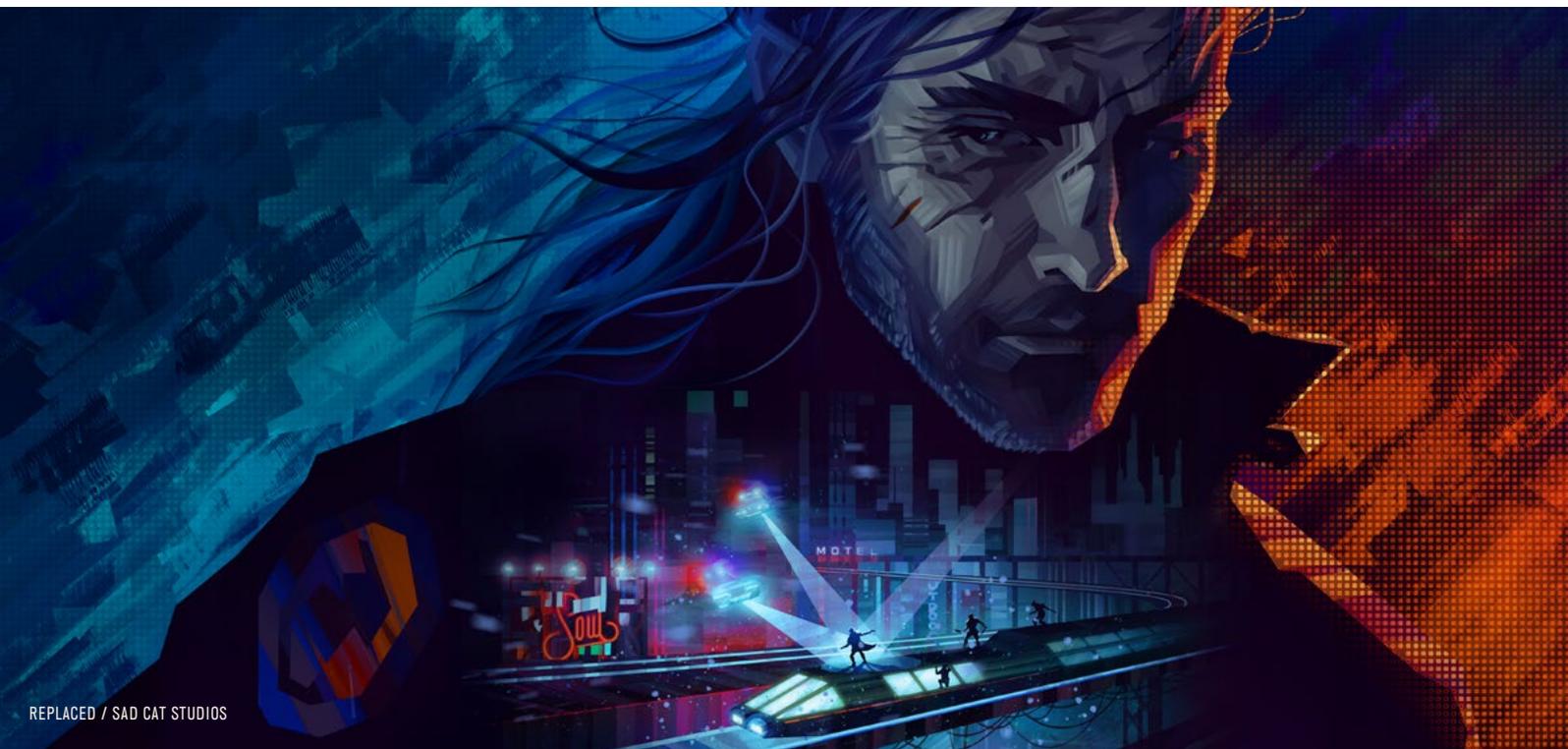
## GROUP BALANCE SHEET, CONTINUED

MSEK	2022-12-31	2021-12-31
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	0.7	0.7
Other capital contributions	1,274.8	1,271.8
Other equity, including net profit for the year	707.2	527.4
	<b>1,982.7</b>	<b>1,799.9</b>
<b>Provisions</b>		
Provisions for pensions and similar obligations	0.2	0.2
Deferred tax liabilities	146.3	156.9
Other provisions	1.7	2.0
	<b>148.1</b>	<b>159.1</b>
<b>Non-current liabilities</b>		
Non-current earn-out considerations	286.9	355.8
Non-current lease liabilities	105.0	91.2
	<b>391.9</b>	<b>447.0</b>
<b>Current liabilities</b>		
Overdraft facility	63.6	270.4
Liabilities to credit institutions	111.3	0.0
Accounts payable	598.7	588.6
Current tax liabilities	35.7	50.4
Other liabilities	85.8	97.7
Current earn-out considerations	140.2	96.6
Current lease liabilities	26.4	20.5
Accrued expenses and deferred income	79.2	89.5
	<b>1,140.9</b>	<b>1,213.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,663.6</b>	<b>3,619.7</b>



## GROUP STATEMENT OF CHANGES IN EQUITY

MSEK	Share capital	Other capital contributions	Other equity, incl. net profit for the period	Total equity
<b>Opening balance, 1 January 2022</b>	<b>0.7</b>	<b>1,271.8</b>	<b>527.4</b>	<b>1,799.9</b>
New issues of shares, acquisition Headup GmbH	0.0	3.0	0.0	3.0
<b>Transactions with owners</b>	<b>0.0</b>	<b>3.0</b>	<b>0.0</b>	<b>3.0</b>
Total comprehensive income for the period	0.0	0.0	179.8	179.8
<b>Closing balance, 31 December 2022</b>	<b>0.7</b>	<b>1,274.8</b>	<b>707.2</b>	<b>1,982.7</b>
<b>Opening balance, 1 January 2021</b>	<b>0.7</b>	<b>1,171.9</b>	<b>316.2</b>	<b>1,488.8</b>
New issues of shares, acquisition Headup GmbH	0.0	25.3	0.0	25.3
New issues of shares, acquisition Stage Clear Studios, SL	0.0	4.1	0.0	4.1
New issues of shares, acquisition Robot Teddy Ltd	0.0	35.5	0.0	35.5
New issues of shares, acquisition Early Morning Studio AB	0.0	35.0	0.0	35.0
<b>Transactions with owners</b>	<b>0.0</b>	<b>99.9</b>	<b>0.0</b>	<b>99.9</b>
Total comprehensive income for the period	0.0	0.0	211.2	211.2
<b>Closing balance, 31 December 2021</b>	<b>0.7</b>	<b>1,271.8</b>	<b>527.4</b>	<b>1,799.9</b>



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# GROUP CASH FLOW STATEMENT

MSEK	2022 Q4	2021 Q4	2022 Jan-Dec	2021 Jan-Dec
<b>Operating activities</b>				
Profit after financial items	152.5	63.8	158.3	168.9
Adjustment for non-cash items				
- Depreciation, amortisation and impairment	36.5	42.7	174.0	127.0
- Translation differences	11.3	16.9	-20.4	31.2
- Other adjustments	-25.8	-0.6	-25.8	-0.9
	<b>174.5</b>	<b>122.8</b>	<b>286.1</b>	<b>326.2</b>
Income tax paid	-43.4	-5.2	-81.9	-39.2
<b>Cash flow from operating activities before changes in working capital</b>	<b>131.1</b>	<b>117.6</b>	<b>204.2</b>	<b>287.0</b>
<b>Changes in working capital</b>				
Change in inventories and advance payments to suppliers	208.4	188.3	114.1	-268.0
Change in accounts receivable	-120.7	-475.5	212.0	-247.2
Change in accounts payable	240.3	161.2	10.1	165.8
Change in other working capital	-52.9	27.0	-42.9	-2.5
<b>Cash flow from operating activities</b>	<b>406.3</b>	<b>18.6</b>	<b>497.5</b>	<b>-64.9</b>
<b>Investing activities</b>				
Acquisition of subsidiaries/business (see note 1)	-70.2	-131.7	-70.2	-188.9
Investment in property, plant and equipment	-1.0	-1.0	-7.3	-12.5
Investment in capitalised game development expenditure	-37.5	-25.1	-143.3	-59.6
Investment in game projects	-4.5	0.0	-9.1	0.0
Investment in publishing rights	-21.1	-33.0	-69.7	-45.1
Investment in other intangible assets	0.0	-0.3	-1.6	-10.5
Investment in financial assets	1.6	-2.6	-0.5	-3.6
Sale of fixed assets	0.0	0.0	0.0	3.4
<b>Cash flow from investing activities</b>	<b>-132.7</b>	<b>-193.7</b>	<b>-301.7</b>	<b>-316.8</b>
<b>Financing activities</b>				
Change in overdraft facility	43.0	118.4	-206.8	270.4
Borrowings from credit institutions/amortisation of loans	-292.6	0.0	111.3	0.0
Repayment of lease liabilities	-6.2	-5.0	-24.1	-16.9
Repayment of earn-out liabilities	0.0	0.0	-114.5	-119.1
<b>Cash flow from financing activities</b>	<b>-255.8</b>	<b>113.4</b>	<b>-234.1</b>	<b>134.4</b>
<b>Cash flow for the year</b>	<b>18.0</b>	<b>-61.7</b>	<b>-38.3</b>	<b>-247.3</b>
Cash and cash equivalents at the beginning of the year	46.9	129.2	60.2	305.1
Exchange-rate differences in cash and cash equivalents	-8.3	-7.3	34.7	2.4
Cash and cash equivalents at the end of the year	56.6	60.2	56.6	60.2



## PARENT COMPANY INCOME STATEMENT

MSEK	2022 Jan-Dec	2021 Jan-Dec
Net revenue	9.8	6.0
Other operating income <sup>1)</sup>	0.1	0.1
<b>Operating income</b>	<b>9.9</b>	<b>6.1</b>
<b>Operating expenses</b>		
Other external expenses	-25.8	-16.2
Personnel expenses	-16.9	-9.7
Other operating expenses <sup>1)</sup>	-0.1	-1.7
<b>Total operating expenses</b>	<b>-42.8</b>	<b>-27.6</b>
<b>Operating profit</b>	<b>-32.9</b>	<b>-21.5</b>
<b>Total financial items<sup>1)</sup></b>	<b>89.7</b>	<b>22.9</b>
<b>Profit after financial items</b>	<b>56.8</b>	<b>1.4</b>
Year-end appropriations	-36.1	16.8
Tax on profit for the period	0.5	-3.8
<b>Net profit/loss for the period and comprehensive income for the period</b>	<b>21.2</b>	<b>14.4</b>

1) The accounting principle for revaluation of financial debt related to earn-out has been changed in Q4 2022. These revaluations, which earlier were accounted for as other operating income/other operating expenses are now classified as financial income/financial cost in the income statement. Other operating income in Q4 2022 has been reduced by 92.3 MSEK and other operating expenses has been reduced by 93.1 MSEK. Corresponding adjustments has been done in total financial items.



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# PARENT COMPANY BALANCE SHEET

MSEK	2022-12-31	2021-12-31
<b>ASSETS</b>		
<b>Fixed assets</b>		
<i>Financial assets</i>		
Shares in Group companies	2,397.2	2,181.2
<b>Total fixed assets</b>	<b>2,397.2</b>	<b>2,181.2</b>
<b>Current assets</b>		
Receivables from Group companies	409.0	1,084.8
Current tax assets	3.5	0.0
Other receivables	0.8	16.3
Prepayments and accrued income	1.4	2.8
<b>Total current assets</b>	<b>414.8</b>	<b>1,103.9</b>
Cash and bank balances	0.0	0.0
<b>TOTAL ASSETS</b>	<b>2,811.9</b>	<b>3,285.1</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<i>Restricted equity</i>		
Share capital	0.7	0.7
	<b>0.7</b>	<b>0.7</b>
<i>Unrestricted equity</i>		
Retained earnings	78.7	64.3
Share premium reserve	1,969.5	1,966.5
Net profit for the year	21.2	14.4
<b>Total unrestricted equity</b>	<b>2,069.4</b>	<b>2,045.2</b>
<b>Total equity</b>	<b>2,070.1</b>	<b>2,045.9</b>
<b>Untaxed reserves</b>		
Tax allocation reserves	0.0	27.5
<b>Total untaxed reserves</b>	<b>0.0</b>	<b>27.5</b>
<b>Provisions</b>		
Deferred tax	0.0	0.0
<b>Total provisions</b>		<b>0.0</b>
<b>Non-current liabilities</b>		
Non-current earn-out considerations	285.3	348.8
<b>Total non-current liabilities</b>	<b>285.3</b>	<b>348.8</b>
<b>Current liabilities</b>		
Overdraft facility	63.6	268.6
Liabilities to credit institutions	111.3	0.0
Liabilities to Group companies	130.1	484.6
Accounts payable	4.6	3.1
Tax liabilities	0.0	4.5
Other liabilities	3.1	0.4
Current earn-out considerations	136.8	96.6
Accrued liabilities	7.1	5.1
<b>Total current liabilities</b>	<b>456.5</b>	<b>862.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,811.9</b>	<b>3,285.1</b>

**Q4**

**THUNDERFUL GROUP**  
 YEAR-END REPORT  
 JANUARY–DECEMBER 2022

**23**

# SEGMENT REPORTING

Thunderful Group monitors net revenue, adjusted EBITDA, adjusted EBITA and operating profit (EBIT) per segment.

MSEK	2022 Q4	2021 Q4	2022 Jan-Dec	2021 Jan-Dec
<b>Net revenue</b>				
Thunderful Games	199.4	101.7	514.4	354.0
Thunderful Distribution	1,001.2	1,220.9	2,516.2	2,786.8
- of which, Bergsala	599.3	632.4	1,293.2	1,308.3
- of which, Nordic Game Supply	235.2	395.7	699.1	984.9
- of which, Amo Toys	166.7	192.8	524.0	493.6
<b>Net revenue</b>	<b>1,200.5</b>	<b>1,322.6</b>	<b>3,030.7</b>	<b>3,140.8</b>
<b>Adjusted EBITDA</b>				
Thunderful Games	138.3	51.7	301.3	185.2
Thunderful Distribution	57.0	96.1	97.9	188.5
- of which, Bergsala	60.7	56.7	99.3	104.3
- of which, Nordic Game Supply	-4.2	34.9	-2.1	53.9
- of which, Amo Toys	0.5	4.5	0.7	30.3
Other	-10.1	-6.9	-23.5	-17.2
<b>Adjusted EBITDA</b>	<b>185.2</b>	<b>140.9</b>	<b>375.6</b>	<b>356.5</b>
Adjusted non-recurring items (Games segment)	0.0	-7.7	0.0	-8.4
Adjusted non-recurring items (Distribution segment)	0.0	0.0	0.0	-2.0
Adjusted non-recurring items (Other segment)	-5.5	-6.7	-5.5	-10.3
<b>EBITDA</b>	<b>179.7</b>	<b>126.5</b>	<b>370.1</b>	<b>335.8</b>
Adjusted EBITDA margin - Thunderful Games, %	60.5%	39.6%	48.5%	44.3%
Adjusted EBITDA margin - Thunderful Distribution, %	5.6%	7.7%	3.8%	6.6%
Adjusted EBITDA margin - Thunderful Group, %	16.1%	10.2%	11.7%	10.9%
<b>Adjusted EBITA</b>				
Thunderful Games	124.4	32.5	231.3	139.7
Thunderful Distribution	51.4	92.1	77.2	176.6
Other	-10.2	-7.0	-23.7	-17.5
<b>Adjusted EBITA</b>	<b>165.7</b>	<b>117.6</b>	<b>284.8</b>	<b>298.8</b>
Adjusted non-recurring items (Games segment)	0.0	-7.7	0.0	-8.4
Adjusted non-recurring items (Distribution segment)	0.0	0.0	0.0	-2.0
Adjusted non-recurring items (Other segment)	-5.5	-6.7	-5.5	-10.3
<b>EBITA</b>	<b>160.2</b>	<b>103.2</b>	<b>279.3</b>	<b>278.1</b>
Adjusted EBITA margin - Thunderful Games, %	54.5%	24.9%	37.3%	33.4%
Adjusted EBITA margin - Thunderful Distribution, %	5.1%	7.3%	3.0%	6.2%
Adjusted EBITA margin - Thunderful Group, %	14.4%	8.5%	8.9%	9.1%
<b>Operating profit (EBIT)</b>				
Thunderful Games	116.7	14.6	185.3	99.2
Thunderful Distribution	42.1	82.6	40.0	137.4
Other	-15.7	-13.5	-29.2	-27.8
<b>Operating profit (EBIT)</b>	<b>143.1</b>	<b>83.7</b>	<b>196.1</b>	<b>208.8</b>
Operating margin (EBIT margin) - Thunderful Games, %	51.1%	11.2%	29.8%	23.7%
Operating margin (EBIT margin) - Thunderful Distribution, %	4.1%	6.6%	1.5%	4.8%
Operating margin (EBIT margin) - Thunderful Group, %	12.4%	6.0%	6.1%	6.4%



## ALTERNATIVE KPIS

Certain information in this report that management and analysts use to assess the Group's development has not been prepared in accordance with IFRS. Management believes that this information makes it easier for investors to analyse the Group's earnings

development and financial position. Investors should consider this information to be a complement to financial reporting in accordance with IFRS.

### Definitions and explanations of alternative KPIs

Alternative KPI	Definition	Explanation
<b>Net revenue growth</b>	Change in net revenue for the period, calculated as an increase in net revenue compared with the previous year, expressed as a percentage.	Indicates the business's net revenue during the period compared with the previous period.
<b>Gross profit</b>	Profit after operating income and costs for goods for resale and games-development services.	Indicates the product profitability of the core business.
<b>Gross margin</b>	Gross profit in relation to operating income.	Indicates the product profitability of the core business.
<b>Operating profit (EBIT)</b>	Operating profit after depreciation, amortisation and impairment of property, plant and equipment and intangible assets.	Enables comparisons of profitability regardless of capital structure or tax situation.
<b>Operating margin (EBIT margin)</b>	Operating profit in relation to operating income.	Enables comparisons of profitability regardless of capital structure or tax situation.
<b>EBITDA</b>	Operating profit before depreciation, amortisation and impairment of property, plant and equipment and intangible assets.	Shows the company's earning capacity from operating activities regardless of capital structure and tax situation and is intended to be compared with other companies in the same industry.
<b>EBITDA margin</b>	EBITDA in relation to operating income.	Shows the company's earning capacity from operating activities regardless of capital structure and tax situation and is intended to be compared with other companies in the same industry.
<b>Adjusted EBITDA</b>	EBITDA excluding items affecting comparability.	Shows the company's earning capacity from operating activities regardless of capital structure, tax situation and items affecting comparability and is intended to be compared with other companies in the same industry.
<b>Adjusted EBITDA margin</b>	Adjusted EBITDA in relation to operating income.	Shows the company's earning capacity from operating activities regardless of capital structure, tax situation and items affecting comparability and is intended to be compared with other companies in the same industry.
<b>EBITA</b>	Operating profit before amortisation of other intangible assets and after impairment of goodwill.	Shows the company's earning capacity from operating activities regardless of capital structure and tax situation and is intended to be compared with other companies in the same industry.
<b>EBITA margin</b>	EBITA in relation to operating income.	Shows the company's earning capacity from operating activities regardless of capital structure and tax situation and is intended to be compared with other companies in the same industry.
<b>Adjusted EBITA</b>	EBITA excluding items affecting comparability.	Shows the company's earning capacity from operating activities regardless of capital structure and tax situation and is intended to be compared with other companies in the same industry.
<b>Adjusted EBITA margin</b>	Adjusted EBITA in relation to operating income.	Shows the company's earning capacity from operating activities regardless of capital structure and tax situation and is intended to be compared with other companies in the same industry.
<b>Core working capital, net</b>	Inventories plus accounts receivable minus accounts payable.	Indicates the sum of core working capital that is tied up in the business and can be analysed in relation to net revenue to assess how efficiently the core working capital is used in the business.
<b>Interest-bearing net debt</b>	The sum of current and non-current interest-bearing liabilities to credit institutions, including overdraft facilities less cash and cash equivalents.	Interest-bearing net debt is a measure that shows the Group's interest-bearing indebtedness.
<b>Interest-bearing net debt/ EBITDA, R12M</b>	Interest-bearing net debt as a share of adjusted EBITDA, R12M.	Thunderful Group believes that this measure is helpful in showing financial risk and that it is a useful measure to monitor the Group's debt level.



## CALCULATION OF ALTERNATIVE KPIS

MSEK	2022 Q4	2021 Q4	2022 Jan-Dec	2021 Jan-Dec
<b>Net revenue growth</b>				
Net revenue previous period	1,322.6	1,273.0	3,140.8	3,047.8
Net revenue current period	1,200.5	1,322.6	3,030.7	3,140.8
Net revenue growth, %	-9.2%	3.9%	-3.5%	3.1%
<b>Gross profit and gross margin</b>				
Operating income	1,153.5	1,386.7	3,215.8	3,273.8
Costs for goods for resale and game projects	-836.9	-1,015.6	-2,113.3	-2,317.5
<b>Gross profit, MSEK</b>	<b>316.5</b>	<b>371.1</b>	<b>1,102.5</b>	<b>956.3</b>
Gross margin, %	27.4%	26.8%	34.3%	29.2%
<b>Adjusted EBITDA and adjusted EBITDA margin</b>				
Operating profit (EBIT)	143.1	83.7	196.1	208.8
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	36.6	42.8	174.1	127.0
Adjusted non-recurring items	5.5	14.4	5.5	20.7
<b>Adjusted EBITDA</b>	<b>185.2</b>	<b>140.9</b>	<b>375.6</b>	<b>356.5</b>
Adjusted EBITDA margin, %	16.1%	10.2%	11.7%	10.9%
<b>Adjusted EBITA and adjusted EBITA margin</b>				
Operating profit (EBIT)	143.1	83.7	196.1	208.8
Amortisation and impairment of acquisition-related intangible assets	17.0	19.5	83.2	69.3
Adjusted non-recurring items	5.5	14.4	5.5	20.7
<b>Adjusted EBITA</b>	<b>165.7</b>	<b>117.6</b>	<b>284.8</b>	<b>298.8</b>
Adjusted EBITA margin, %	14.4%	8.5%	8.9%	9.1%
<b>Core working capital, net</b>				
Inventories	649.9	764.0	649.9	764.0
Accounts receivable	654.6	866.6	654.6	866.6
Accounts payable	598.7	588.6	598.7	588.6
<b>Total core working capital</b>	<b>705.8</b>	<b>1,042.0</b>	<b>705.8</b>	<b>1,042.0</b>
<b>Interest-bearing net debt</b>				
Non-current interest-bearing liabilities	0.0	0.0	0.0	0.0
Current interest-bearing liabilities	174.9	270.4	174.9	270.4
Cash and cash equivalents	-56.6	-60.2	-56.6	-60.2
<b>Interest-bearing net debt</b>	<b>118.3</b>	<b>210.2</b>	<b>118.3</b>	<b>210.2</b>
Adjusted EBITDA R12M	378.7	356.5	378.7	356.5
Interest-bearing net debt/adjusted EBITDA, R12M	0.3	0.6	0.3	0.6



## NOTE 1 BUSINESS ACQUISITIONS

### Jumpship Ltd

On 15 November 2022, Thunderful Group acquired the British game development studio Jumpship Ltd for an upfront cash consideration of 6.0 MGBP. Jumpship Ltd, founded in 2017, launched, at the acquisition date, its first game, the sci-fi adventure Somerville. The head office is located in Guildford, United Kingdom. The acquisition is in line with Thunderful Group's strategy to expand in the Games segment and in the Group as a whole.

The acquisition strengthens Thunderful Group's international position, broadens its network to include more development studios. Following the acquisition, Jumpship's co-founder Dino Patti has assumed the position of strategic advisor in Thunderful Games.

The major part of the purchase consideration amounted to 75.9 MSEK was financed by existing credit facilities. The acquisition was implemented on a debt- and cash-free basis. The contingent consideration is based on a share of the company's EBIT performance between 2022-2027. The total contingent consideration is capped at 24.0 MGBP.

If Jumpship Ltd had been acquired on 1 January 2022, the acquisition would have contributed revenue of 74.5 MSEK and operating profit (EBIT) of 54.3 MSEK. From the acquisition date until 31 December 2022, Jumpship has contributed with revenue of 74.5 MSEK and operating profit (EBIT) of 73.3 MSEK.

### Consideration for the acquisition:

MSEK	
<b>Purchase consideration</b>	
Cash (of which 73.6 MSEK paid on the balance sheet date)	75.9
Contingent earn-out consideration	107.1
<b>Total purchase consideration</b>	<b>183.0</b>
<i>Carrying amount of identifiable net assets</i>	
Property, plant and equipment	0.1
Intangible assets	0.0
Other current assets	8.3
Cash and cash equivalents	3.4
Current liabilities	-42.5
	<b>-30.7</b>
Other intangible assets	39.5
Deferred tax on other intangible assets	-9.9
Goodwill	184.1





## OTHER INFORMATION

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### Financial calendar

Year-end report 2022	26 April 2023
Interim report Jan–Mar 2023	16 May 2023
2023 Annual General Meeting	17 May 2023
Interim report April–June 2023	24 August 2023

#### For more information

More information about the Group is available on its website:  
[thunderfulgroup.com](https://thunderfulgroup.com)

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