



Q1

THUNDERFUL GROUP
INTERIM REPORT
JANUARY–MARCH 2022

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A WEAK FIRST QUARTER ENDS WITH POSITIVE SIGNALS

First quarter January–March 2022

- Revenue increased 7.3% to 609.6 MSEK (568.3).
- Adjusted EBITA fell –49.9% to 27.3 MSEK (54.5), corresponding to an adjusted EBITA margin of 4.5% (9.6).
- Adjusted EBITDA decreased –30.3% to 43.7 MSEK (62.7), corresponding to an adjusted EBITDA margin of 7.2% (11.0).
- Operating profit (EBIT) declined –85.3% to 5.2 MSEK (35.4), corresponding to an operating margin of 0.9% (6.2).
- Profit for the quarter amounted to 1.1 MSEK (13.2).
- Earnings per share after dilution amounted to 0.01 SEK (0.19).
- Cash flow from operating activities amounted to 202.7 MSEK (65.9).
- Consolidated cash and cash equivalents together with unutilised credit facilities amounted to 410.3 MSEK (642.3).
- Bergsala AB extended the distribution agreement with Nintendo of Europe GmbH.
- Thunderful Group has entered into a confirmed credit facility of 55 MEUR with Danske Bank.

Events after the end of the quarter

- Thunderful Group has paid the earn-out to the seller of Headup GmbH through the directed issue of 75,995 new shares in Thunderful Group AB, corresponding to 277,777.78 EUR.



Key performance indicators

GROUP	Quarter		12 months	Full-year
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021–Mar 2022	2021
Operating income, MSEK	609.6	568.3	3,315.1	3,273.8
Net revenue, MSEK	546.0	538.9	3,147.9	3,140.8
Gross profit, MSEK	229.5	187.3	998.5	956.3
Gross margin, %	37.6	33.0	30.1	29.2
Operating profit (EBIT), MSEK	5.2	35.4	178.6	208.8
Operating margin (EBIT margin), %	0.9	6.2	5.4	6.4
EBITA, MSEK	27.3	51.9	253.5	278.1
Adjusted EBITA, MSEK	27.3	54.5	271.6	298.8
Adjusted EBITA margin, %	4.5	9.6	8.2	9.1
EBITDA, MSEK	43.7	60.1	319.4	335.8
Adjusted EBITDA, MSEK	43.7	62.7	337.5	356.5
Adjusted EBITDA margin, %	7.2	11.0	10.2	10.9
Profit for the period, MSEK	1.1	13.2	120.1	132.2
Net working capital, MSEK	704.9	535.3	704.9	883.4
Cash flow from operating activities, MSEK	202.7	65.9	71.9	–64.9
Interest-bearing net debt, MSEK	158.3	–309.6	158.3	210.2
Interest-bearing net debt/adjusted EBITDA, LTM	0.5	–1.0	0.5	0.6
Earnings per share before dilution, SEK	0.02	0.19	1.73	1.91
Earnings per share after dilution, SEK	0.01	0.19	1.72	1.90



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WORDS FROM THE CEO

A weak first quarter ends with positive signals

It has been a financially tough first quarter of 2022 for Thunderful Group. Net sales for the Games segment grew against the comparison quarter, but organic growth landed at a low SEK 1.1 million. Net sales for the Distribution segment came close to that of the comparison quarter, but higher costs for warehousing and logistics, due to lingering effects of the pandemic and increased costs, resulted in a weak bottom line for the segment. During the quarter Thunderful Group also established a revolving credit facility of 55 million EUR and an extension of the distribution agreement with Nintendo. After the quarter we have signed deals worth more than USD 6.5 million and acquired the Islanders IP. Our new CFO Lennart Sparud joins on May 23.



For the first quarter 2022, Thunderful Group presents net sales of SEK 546.0 million (538.9) and an adjusted EBITA of SEK 27.3 million (54.5), which corresponds to an adjusted EBITA margin of 4.5 percent (9.6 percent). We are now 437 full-time employees, up from 348 around this time last year.

The overall result for the quarter is a disappointment, and our two business segments are underperforming for different reasons. We expected that this was coming, however, and we have a strategy for how we will move forward. We had hoped to be further along at this point, but in a longer perspective, the changes and growth we have undertaken in the past year are paving the way for a much stronger company.

Games: lower EBITA margin pending platform deals

For the Games segment, net sales came to SEK 82.3 million (67.9), while the adjusted EBITA came to SEK 21.0 million (25.9). This meant an adjusted EBITA margin of 18.9 percent (33.6 percent).

The primary reason for the lower result and margin is that we in the comparison quarter received external financing for the development of *Lost in Random*, *Wavetale* and *The Gunk*. These have now been released and sales have been disappointing. In addition, late-stage delays to these projects meant delaying the development of our new games. Prototypes and playables for these are now ready. We had hoped to showcase them earlier, so that we would already be obtaining external financing for them.

Our number one priority is now to sign deals with platforms and other partners in order to secure external financing for the games we have in development. These deals de-risk our production, as we receive pre-determined milestone payments along the way, while still retaining the IP rights for our original content and sharing revenues after release. We are confident that we will do well here. We have evolved as a company in the past year, and our new leadership team contains experienced negotiators. We are in a stronger position than before to negotiate beneficial deals – as well as make better games.

We have recently signed new deals worth more than 6.5 million USD. Among these are a platform deal for the unannounced game “Coconut” (see page 11) and a new development contract with Meta. Of these revenues, 5 million USD land already in 2022. We expect to sign additional deals worth 15–20 million USD in the next few months, but we are involved in multiple discussions beyond that as well.

A deal can include multiple games, which means that a game can be delayed until the deal is struck. Some of our releases have been moved from H1 to H2 2022 for this reason. Sometimes a delay is justified for the sake of the player experience, sometimes for the sake of the development team, and sometimes for the sake of business. Regardless why, a delay typically ends up being good for the game. That rhymes well with our mission to provide entertainment products of the highest quality to people of all ages.



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Positive signals going forward

We have also acquired the *Islanders* IP. The game, originally developed by GrizzlyGames and released by Coatsink on Nintendo Switch last summer, has sold over a million units with a Metacritic score of 80 across platforms. *Islanders* has great untapped potential, and acquiring strong IPs is a direct way to increase our reach. We will expand the original *Islanders* game, bring it to more platforms and release future versions. GrizzlyGames will continue to collaborate with us on the game.

Thunderful Publishing released *Bridge Constructor+* on Apple Arcade, Apple's own subscription service for mobile games, and the game generated substantial net revenues in its first weeks of inclusion. In this context, content – and IP ownership – truly is king. The *Bridge Constructor+* deal illustrates the shift from transaction-based to deal-based revenues.

Coatsink has been chosen to develop a launch title for Sony's next-generation VR console, PSVR2. This cements Coatsink's top role in the VR industry, and through them we are now in a great position to influence the future of VR business and technology.

Thunderful Investment has financed their first two game projects. One of them is *The Last Clockwinder*, slated for release this summer on Oculus Quest 2 and Steam VR, while the other is yet to be announced. We continue to evaluate titles for investment, and there is substantial interest from developers.

As another example of ongoing collaborations and relationships, Thunderful Publishing announced the exciting *LEGO Bricktales* in March. The game is being developed by the veterans at ClockStone and will be released in the summer of 2022. Naturally, it's a great privilege to be collaborating with one of most beloved toy brands in the world, but we also have high commercial hopes for this title.

Continued challenges for the Distribution segment

For the Distribution segment, net sales came to SEK 463.7 million (470.9), while the adjusted EBITDA came to SEK 14.6 million (32.8). This meant an adjusted EBITDA margin of 2.9 percent (6.7 percent).

For two years the pandemic disrupted global supply chains, which affected our distribution business. While there are now signs that things will return to normal, there is still systemic unbalance and challenges to overcome. Supply-chain issues caused late deliveries in Q4, which resulted in inventory build-up across all Nordic retailers. In turn, this affected warehouse availability and open-to-buy budgets negatively as we entered into 2022.

The new year started off with strong consumer spending, spurred by a post-pandemic sentiment. The consumer demand slowed towards the end of the quarter, but there was still good momentum in terms of sales. However, the first quarter's EBITDA was affected negatively by increased logistics costs and lower gross margins.

We have a lot of products in stock, and reducing the inventory is a challenge. We have implemented an inventory reduction plan for the Distribution segment, but we will not see significant inventory reductions until the third and fourth quarter of 2022. The segment's EBITDA is likely to be under continued pressure in the second and third quarter, but we expect our cashflow to be markedly better than last year.

In conclusion

- It has been a financially tough quarter for both segments.
- The Distribution segment's EBITDA will continue to be under pressure in Q2-Q3.
- In the Games segment, we have signed game title deals worth 6.5 million USD, of which we receive 5 million USD in 2022. In the next few months we expect to sign additional deals worth 15–20 million USD.
- We have acquired the *Islanders* IP.
- We have announced *LEGO Bricktales*, which was received with excitement.
- We have signed our first major Apple Arcade deal.
- Thunderful Investment have signed their first projects.



And finally: please welcome **Lennart Sparud**, who starts on Monday as the new CFO of Thunderful Group.

Göteborg, May 2022
Brjann Sigurgeirsson
CEO



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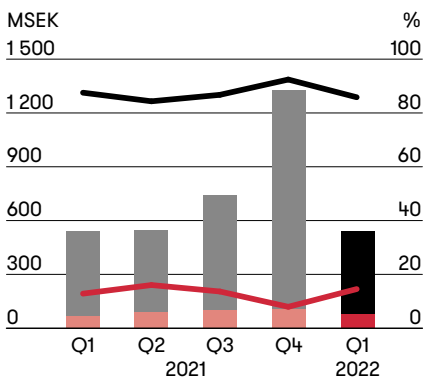
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ABOUT THUNDERFUL GROUP

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.

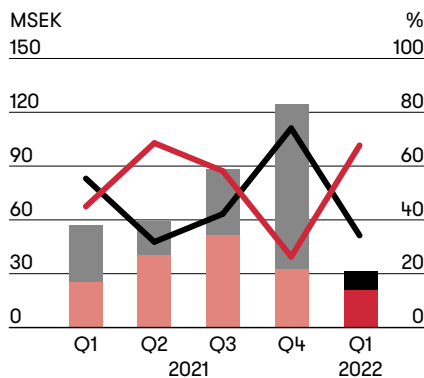
Thunderful Group was founded in late 2019 after a restructuring of the company groups Bergsala and Thunderful. With its head office in Gothenburg, Thunderful Group covers the entire gaming industry value chain through its Thunderful Games and Thunderful Distribution segments. The Group consists of over 20 subsidiaries and has more than 400 employees in Europe.

Net revenue, Q1 2021-Q1 2022



■ Thunderful Games Q1 2022: 14%
■ Thunderful Distribution Q1 2022: 86%

Adjusted EBITA, Q1 2021-Q1 2022



■ Thunderful Games Q1 2022: 68%
■ Thunderful Distribution Q1 2022: 32%



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

LEGO BRICK TALES/STUDIO



BRICK TALES





FINANCIAL DEVELOPMENT OF THE GROUP

Quarter January–March

Net revenue

The Group's net revenue for the first quarter amounted to 546.0 MSEK (538.9), corresponding to an increase of 1.3%. The underlying drivers are described in the section for each business segment.

Business segments

Net revenue increased 21.2% to 82.3 MSEK (67.9) in the Games segment and decreased -1.5% to 463.7 MSEK (470.9) in the Distribution segment.

MSEK	Quarter		12 months	Full-year
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021–Mar 2022	2021
Thunderful Games	82.3	67.9	368.4	354.0
Thunderful Distribution	463.7	470.9	2,779.6	2,786.8
- of which, Bergsala	183.5	189.2	1,302.6	1,308.3
- of which, Nordic Game Supply	164.1	192.0	957.0	984.9
- of which, Amo Toys	116.0	89.7	519.9	493.6
Other	0.0	0.0	0.0	0.0
Net revenue	546.0	538.9	3,147.9	3,140.8

Thunderful Games reported organic growth of 1.1 MSEK. The companies acquired in the last 12 months contributed growth of 13.3 MSEK to net revenue.

MSEK	Games	Distribution
	Jan-Mar 2022	Jan-Mar 2022
Net revenue growth, %	21.3	-1.5
- of which, organic (%)	1.7	-1.5
- of which, acquired (%)	19.6	0.0

In the Distribution segment, net revenue decreased -3.0% to 183.5 MSEK (189.2) in Bergsala, decreased -14.5% to 164.1 MSEK (192.0) in Nordic Game Supply and increased 29.3% to 116.0 MSEK (89.7) in Amo Toys.

In March, the last month of the quarter, Bergsala experienced hardware delivery interruptions, and the decrease for Nordic Game Supply was driven by lower demand from key customers who after Christmas trading had remaining product inventories. The increase for Amo Toys was driven by the year-on-year improvement in the supply of spring and summer toys.

Gross profit

Gross profit for the first quarter amounted to 229.5 MSEK (187.3), corresponding to an increase of 22.5% and a gross margin of 37.6% (33.0). This profit trend was attributable to increased net revenue in the Games segment, with a significantly higher gross margin than in the Distribution segment, while net revenue in the Distribution segment declined.

Operating expenses

Costs for goods for resale and purchased games-development services decreased -0.2% to -380.1 MSEK (-381.0).

Other external expenses increased 54.9% to -89.2 MSEK (-57.6). Of the total expense increase of -31.6 MSEK, -11.0 MSEK was from increased marketing costs, -10.0 MSEK from increased warehouse and logistics costs in Amo Toys and NGS, and -2.1 MSEK from acquired companies.

Personnel expenses increased 38.2% to -70.5 MSEK (-51.0). 76.0% of the cost increase was attributable to the Games segment, in which several acquisitions have been completed and where the management team has been strengthened during the year. The total number of employees at the end of the quarter was 437 (348).

Depreciation and amortisation rose 55.9% to -38.5 MSEK (-24.7). The key drivers were increased amortisation from capitalised game development expenditure and publishing licences, which rose -4.5 MSEK, and depreciation and amortisation related to purchase price allocations (PPA), which increased -5.6 MSEK.

MSEK	Quarter		12 months	Full-year
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021–Mar 2022	2021
Costs for goods for resale and games-development services	-380.1	-381.0	-2,316.6	-2,317.5
Other external expenses	-89.2	-57.6	-359.7	-328.1
- of which, marketing costs	-29.9	-18.9	-139.5	-128.5
- of which, acquisition-related nonrecurring costs	0.0	-1.9	-8.4	-10.3
- of which, other nonrecurring costs	0.0	-0.7	-9.7	-10.4
Personnel expenses	-70.5	-51.0	-258.2	-238.7
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-38.5	-24.7	-140.8	-127.0
of which, acquisition-related amortisation of intangible assets	-22.1	-16.5	-74.9	-69.3
Other operating expenses	-26.1	-18.6	-61.2	-53.7
Total operating expenses	-604.4	-532.9	-3,136.5	-3,065.0



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.

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 43.7 MSEK (62.7), corresponding to an adjusted EBITDA margin of 7.2% (11.0). Adjusted EBITDA was not subject to any adjustment items in the first quarter of 2022.

Business segments

Adjusted EBITDA for the Games segment amounted to 32.8 MSEK (32.3) for the quarter, corresponding to an adjusted EBITDA margin of 29.5% (41.9).

Adjusted EBITDA for the Distribution segment totalled 14.6 MSEK (32.8) for the quarter, corresponding to an adjusted EBITDA margin of 2.9% (6.7).

MSEK	Quarter		12 months	Full-year
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021–Mar 2022	2021
Thunderful Games	32.8	32.3	185.7	185.2
Thunderful Distribution	14.6	32.8	170.3	188.5
Other	-3.7	-2.4	-18.5	-17.2
Adjusted EBITDA	43.7	62.7	337.5	356.5
Adjusted nonrecurring items (Games segment)	0.0	-0.7	-7.7	-8.4
Adjusted nonrecurring items (Distribution segment)	0.0	0.0	-2.0	-2.0
Adjusted nonrecurring items (Other segment)	0.0	-1.9	-8.4	-10.3
EBITDA	43.7	60.1	319.4	335.8
Adjusted EBITDA margin				
Thunderful Games, %	29.5	41.9	41.0	44.3
Thunderful Distribution, %	2.9	6.7	5.9	6.6
Thunderful Group, %	7.2	11.0	10.2	10.9

Adjusted operating profit, EBITA

Adjusted operating profit before acquisition-related depreciation and amortisation (EBITA) amounted to 27.3 MSEK (54.5) for the quarter, corresponding to an adjusted EBITA margin of 4.5% (9.6). Adjusted EBITA was not subject to any adjustment items in the first quarter of 2022.

Business segments

Adjusted EBITA for the Games segment amounted to 21.0 MSEK (25.9) for the quarter, corresponding to an adjusted EBITA margin of 18.9% (33.6).

Adjusted EBITA for the Distribution segment totalled 10.1 MSEK (31.1) for the quarter, corresponding to an adjusted EBITA margin of 2.0% (6.3).

MSEK	Quarter		12 months	Full-year
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021–Mar 2022	2021
Thunderful Games	21.0	25.9	134.8	139.7
Thunderful Distribution	10.1	31.1	155.6	176.6
Other	-3.8	-2.5	-18.8	-17.5
Adjusted EBITA	27.3	54.5	271.6	298.8
Adjusted nonrecurring items (Games segment)	0.0	-0.7	-7.7	-8.4
Adjusted nonrecurring items (Distribution segment)	0.0	0.0	-2.0	-2.0
Adjusted nonrecurring items (Other segment)	0.0	-1.9	-8.4	-10.3
EBITA	27.3	51.9	253.5	278.1
Adjusted EBITA margin				
Thunderful Games, %	18.9	33.6	29.8	33.4
Thunderful Distribution, %	2.0	6.3	5.4	6.2
Thunderful Group, %	4.5	9.6	8.2	9.1



Operating profit, EBIT

Operating profit during the quarter amounted to 5.2 MSEK (35.4), corresponding to an operating margin of 0.9% (6.2). In the first quarter of 2022, operating profit included no adjusted nonrecurring items.

Business segments

Operating profit in the Games segment amounted to 8.2 MSEK (18.1) for the quarter, corresponding to an operating margin of 7.4% (23.5).

Operating profit in the Distribution segment amounted to 0.8 MSEK (21.7) for the quarter, corresponding to an operating margin of 0.2% (4.4).

MSEK	Quarter		12 months	Full-year
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021-Mar 2022	2021
Thunderful Games	8.2	18.1	89.3	99.2
Thunderful Distribution	0.8	21.7	116.5	137.4
Other	-3.8	-4.4	-27.2	-27.8
Operating profit	5.2	35.4	178.7	208.8
Operating margin				
Thunderful Games, %	7.4	23.5	19.7	23.7
Thunderful Distribution, %	0.2	4.4	4.1	4.8
Thunderful Group, %	0.9	6.2	5.4	6.4

Financial net

Financial net amounted to -6.4 MSEK (-18.2). Of the total financial net, -4.4 MSEK comprised the net of exchange gains and exchange losses.

Profit for the period

Profit for the period amounted to 1.1 MSEK (13.2), corresponding to a net profit margin of 0.2% (2.3).

Other comprehensive income

Other comprehensive income during the quarter was impacted by currency translation differences in foreign operations and totalled 4.3 MSEK (70.1).





FINANCIAL POSITION

Financial position and liquidity

The Group's total assets on 31 March 2022 amounted to 3,202.9 MSEK, compared with 2,556.3 MSEK on 31 March 2021.

Working capital on 31 March 2022 amounted to 704.9 MSEK, compared with 535.3 MSEK on 31 March 2021.

The Group's equity on 31 March 2022 totalled 1,805.3 MSEK, compared with 1,597.4 MSEK on 31 March 2021.

Thunderful Group has agreed a confirmed credit facility of 55 MEUR with Danske Bank. The facility replaced the existing overdraft facility of 32.5 MEUR. On the balance-sheet date, 31 March 2022, Thunderful Group had utilised 330.8 MSEK of this facility and cash and cash equivalents amounted to 172.5 MSEK.

Full utilisation of the confirmed credit facility would have meant that available funds as of 31 March 2022 would have amounted to 410.3 MSEK, compared with 642.3 MSEK on 31 March 2021.

In the first quarter of 2022, Thunderful Group paid -97.4 MSEK in the form of a cash earn-out, which breaks down as follows: -1.5 MSEK to the sellers of Guiding Rules Games AB, -74.1 MSEK to the sellers of Coatsink Software Ltd, -6.7 MSEK to the sellers of Stage Clear Studios, SL, -5.9 MSEK to the sellers of Headup GmbH and -9.2 MSEK to the sellers of Early Morning Studio AB.

The current value of remaining earn-out liabilities as of 31 March 2022 totalled 358.8 MSEK, breaking down as 122.6 MSEK in short-term earn-outs and 236.2 MSEK in long-term earn-outs.

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 high during the first to third quarter.

Cash flow and investments

Cash flow from operating activities during the first quarter amounted to 202.7 MSEK (65.9).

Cash flow from investing activities during the first quarter totalled -53.6 MSEK (-61.9).

Cash flow from financing activities during the first quarter totalled -42.6 MSEK (-3.5).

Total cash flow for the quarter amounted to 106.5 MSEK (0.5).

MSEK	Quarter		12 months	Full-year
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021-Mar 2022	2021
Development capex	34.8	13.5	80.9	59.6
Publishing licences capex	12.8	N/A	57.9	45.1
Acquisition capex	0.0	49.1	139.8	188.9
Other capex	6.0	-0.7	29.9	23.2
Total investments	53.6	61.9	308.5	316.8

Investments in internal game development during the first quarter amounted to 34.8 MSEK (13.5) and investments in publishing licences amounted to 12.8 MSEK.

Acquisition investments amounted to 0.0 MSEK (49.1) during the first quarter.

Other investments amounted to 6.0 MSEK (0.7) in the first quarter.

Total investments thus amounted to 53.6 MSEK (61.9) in the first quarter.

Parent Company

Net revenue in the Parent Company during the first quarter amounted to 1.6 MSEK (1.7), operating profit to -5.0 MSEK (-2.6) and profit for the period to 7.7 MSEK (-5.3).

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



OPERATIONAL OVERVIEW BY BUSINESS AREA

Thunderful Games

Thunderful Games develops, publishes and invests in game projects. The business segment consists of three divisions:

- Thunderful Studios, with game development teams from previously independent game studios including Image & Form, Zoink, The Station and Coatsink. The game development strategy is based on in-house developed, high-quality and rich content games for PC, consoles and mobile.
- Thunderful Publishing, with publishing teams in several European countries who have been integrated into a joint organisation and conduct publishing operations under one and the same brand. The division publishes games that are developed both inside and outside of the Group.
- Thunderful Investment, with an emphasis on investing in external game-development projects. The aim is to broaden the admission area for good games and game studios and offer synergies in the form of development support, publishing services and acquisitions.

Comments on events during the quarter

No significant events during the quarter.

Thunderful Distribution

Thunderful Distribution, with operations in distribution and sale of, among other items, Nintendo products, games, game accessories and toys. The business 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 games, game accessories, merchandise and toys. Brands distributed by Nordic Game Supply and Amo Toys include Rockstar, 2K Games, Razer, Thrustmaster, PowerA, Hori, L.O.L., BabyBorn, Little Tikes, GeoMag and Intex.

Comments on events during the quarter

Bergsala AB extended the distribution agreement with Nintendo of Europe GmbH. The new agreement applies until 31 March 2024 and has essentially the same terms and conditions as the current agreement.





GAMES RELEASED DURING AND AFTER THE FIRST QUARTER OF 2022

During the first quarter of 2022, the Group released four games. One of these is from the Group’s own studios and three are from external studios through the Group’s publishing activities. After the end of the quarter but before the publication of this report, four more games were released. One of these is from the Group’s own studios and three are from external studios through the Group’s publishing activities

The Group has 14 ongoing in-house game-development projects and 27 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 41 game-development projects is available on page 11.

Launches in the first quarter contributed 0.5 MSEK (8.8 MSEK) in net revenue. This pertained only to the platforms and versions of the respective games launched in the quarter.

Games released during the first quarter of 2022

Game description					Platforms			
Title	Release	Publisher	Genre	Studio	PC	Console	Mobile	VR
The Ramp	17 Mar 2022	Coatsink	Casual Sport Simulation	External	○	●	○	○
Curious Expedition 2	17 Mar 2022	Thunderful	Roguelike Strategy	External	○	●	○	○
Shadow Point	22 Mar 2022	Coatsink	Puzzle Adventure	Internal	○	○	○	●
Aerial Knight's Never Yield	30 Mar 2022	Headup	Runner	External	○	○	●	○

Games released after the quarter but before the publication of this interim report

Game description					Platforms			
Title	Release	Publisher	Genre	Studio	PC	Console	Mobile	VR
Get Packed: Couch Chaos	28 Apr 2022	Coatsink	Action Puzzle	External	○	●	○	○
The Gunk	29 Apr 2022	Thunderful	Action Adventure	Internal	●	○	○	○
Crowns and Pawns	6 May 2022	Thunderful	Point'n'Click	External	●	○	○	○
Source of Madness	11 May 2022	Thunderful	Roguelike Action	External	○	●	○	○

● Released ○ Yet to be released



Announced releases of **internally** developed Thunderful games

Game description					Platforms			
Title	Release	Publisher	Genre	Own IP	PC	Console	Mobile	VR
Vendir: Plague of Lies	2022, 2H	EMS	CRPG	Yes	●	●	●	○
Wavetale	2022, 2H	Thunderful	Action Adventure	Yes	●	●	○	○
"Jaffa (a Jurassic World IP Game)"	2022, 2H	Coatsink	Survival Horror	No	○	●	○	●
Tinkertown	2022, 2H	Headup	Sandbox	Yes	●	●	○	○
"Cicada"	2022, 2H	Coatsink	Adventure / Survival	Yes	●	○	○	○
"Strawberry (a SteamWorld IP Game)"	2023	Thunderful	Puzzle	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	Roguelike Action	Yes	●	●	○	○
"Caramel (a SteamWorld IP Game)"	2024	Thunderful	Turned-based tactical Shooter / Strategy	Yes	●	●	●	○
"Lemon"	2024	To The Sky	Third Person Action-Adventure	Yes	●	●	○	○
"Vanilla"	2024	Thunderful	Horror Stealth	Yes	●	●	○	○

Announced releases of **externally** developed Thunderful games

Game description			Platforms			
Title	Release	Genre	PC	Console	Mobile	VR
Gigapocalypse	2022, 1H	Arcade	○	●	●	○
Cloud Gardens	2022, 1H	Creative	○	●	○	○
Firegirl	2022, 1H	Roguelike Platformer	○	●	○	○
Industria	2022, 1H	First Person Shooter	●	○	○	○
Hell Pie	2022, 1H	3D Platformer	●	●	○	○
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 (ex. "Peanut Butter")	2022, 2H	Souls-like / Action RPG	●	●	○	○
"Cinnamon"	2022, 2H	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	●	●	○	○
"Coconut"	2023	First Person Puzzle Adventure	●	●	○	○
"Cashew"	2023	Platformer	●	●	○	○
"Maple"	2023	Third Person Action	●	●	○	○
"Lime"	2023	Roguelike FPS	●	●	○	○
"Peach"	2023	Metroidvania	●	●	○	○
"Eggnog"	2023	Puzzle Game	●	●	○	○
"Moon Mist"	2023	Third Person Action	●	●	○	○

"Non-advertised game name" ● Under development ○ N/A



OTHER INFORMATION

Organisation

As of 31 March 2022, the number of full-time employees was 437 (348), of whom 110 (86) women and 327 (262) men.

Related party transactions

No transactions with related parties took place during the quarter.

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. For financial assets and liabilities, carrying amounts are deemed to be a good approximation of fair value. Financial instruments measured at fair value comprise liabilities for earn-outs. These are measured at fair value through profit or loss. Measurement is based on other observable data for the asset or liability, meaning Level 3 according to IFRS.

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.

Events during the quarter

- Bergsala AB extended the distribution agreement with Nintendo of Europe GmbH. The new agreement applies until 31 March 2024 and has essentially the same terms and conditions as the current agreement.
- Thunderful Group has entered into a confirmed credit facility of 55 MEUR with Danske Bank. The facility replaced an overdraft facility of 32.5 MEUR and will be used for acquisitions and investments in the Games segment and for general corporate purposes.

Events after the end of the quarter

- Thunderful Group has paid the earn-out to the seller of Headup GmbH through the directed issue of 75,995 new shares in Thunderful Group AB, corresponding to 277,777.78 EUR.

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	17,371,693	24.7
Swedbank Robur Fonder	5,739,674	8.2
Brjann Sigurgeirsson (privately and through companies)	4,375,000	6.2
Lyngedal Holding AB	4,275,000	6.1
ODIN Fonder	3,100,000	4.4
Knutsson Holdings AB	2,200,000	3.1
Naventi	1,451,079	2.1
Hinapulka & Allihuuppa Oy	1,260,000	1.8
RAM Rational Asset Management	1,198,629	1.7
Lancelot Asset Management AB	1,125,000	1.6
TOTAL TOP 10	42,096,075	60.0
Other	28,118,527	40.0
TOTAL	70,214,602	100.0

Financial statements and other financial and general information are published on the Group's website www.thunderfulgroup.com.

The CEO Brjann Sigurgeirsson is responsible for IR issues, Tel: +46 708 161632, e-mail: brjann@thunderfulgroup.com

As of 31 December 2021, Thunderful Group AB's share capital amounted 702,146.02 SEK distributed across 70,214,602 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). In the first quarter of 2022, the share price decreased -26.1% from an opening price of 57.00 SEK on 3 January 2022 to the closing price of 42.10 SEK on 31 March 2022. The highest

closing price of 58.50 SEK was noted on 3 January and the lowest closing price of 37.20 SEK was noted on 15 March. In the first quarter, share turnover was 333,594,406 shares with a total of 28,239 trades. The share was traded on all of the trading days and posted an average daily turnover of 5,295,149 SEK with an average of 448 trades per day. On the balance-sheet date of 31 March 2022, Thunderful Group's market capitalisation was around 2,956.0 million SEK.

Certified adviser

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SIGNATURES AND ASSURANCE

The Board of Directors and the 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, 18 May 2022

Mats Lönnqvist, Chairman of the Board

Tomas Franzén, Board member

Owe Bergsten, Board member

Cecilia Ogvall, Board member

Oskar Burman, Board member

Brjann Sigurgeirsson, 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. CEST on 18 May 2022.

For more information, please contact:

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Tel: +46 708 16 16 32

Anders Maiqvist, CFO, Thunderful Group

E-mail: anders.maiqvist@thunderfulgroup.com

Tel: +46 739 37 24 36

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GROUP INCOME STATEMENT

MSEK	Quarter		12 months	Full-year
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021-Mar 2022	2021
Net revenue	546.0	538.9	3,147.9	3,140.8
Capitalised work on own account	25.8	8.7	74.2	57.1
Other operating income	37.8	20.7	93.0	75.9
Operating income	609.6	568.3	3,315.1	3,273.8
Operating expenses				
Goods for resale	-363.4	-373.4	-2,258.4	-2,268.4
Purchased games-development services	-16.7	-7.6	-58.2	-49.1
Other external expenses	-89.2	-57.6	-359.7	-328.1
Personnel expenses	-70.5	-51.0	-258.2	-238.7
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-38.5	-24.7	-140.8	-127.0
Other operating expenses	-26.1	-18.6	-61.2	-53.7
Total operating expenses	-604.4	-532.9	-3,136.5	-3,065.0
Operating profit	5.2	35.4	178.6	208.8
Profit/loss from financial items				
Total financial items	-6.4	-18.2	-28.1	-39.9
Profit/loss after financial items	-1.2	17.2	150.5	168.9
Tax on profit for the period	2.3	-4.0	-30.4	-36.7
Net profit for the period	1.1	13.2	120.1	132.2
Other comprehensive income				
Currency translation difference in foreign operations	4.3	70.1	13.2	79.0
Comprehensive income for the period	5.4	83.3	133.3	211.2
Net profit for the period attributable to:				
Shareholders of the Parent Company	1.1	13.2	120.1	132.2
Earnings per share before dilution, SEK	0.02	0.19	1.73	1.91
Earnings per share after dilution, SEK	0.01	0.19	1.72	1.90
Comprehensive income for the period attributable to:				
Shareholders of the Parent Company	5.4	83.3	133.3	211.2
Average number of shares	70,474,212	68,530,668	69,733,565	69,322,610

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GROUP BALANCE SHEET

MSEK	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Fixed assets			
Intangible assets			
IT systems	3.6	3.3	3.6
Capitalised development expenditure, games	152.3	54.1	122.7
Publishing licences	66.5	50.0	57.5
Publishing and distribution relationships	288.0	325.2	297.3
Goodwill	728.8	474.6	728.0
Game rights	288.0	172.9	296.0
Customer relationships	115.3	46.9	120.0
Other intangible assets	23.9	19.8	24.2
	1,666.5	1,146.8	1,649.2
Property, plant and equipment			
Right-of-use assets	112.6	60.2	114.6
Buildings and land	0.8	0.0	0.6
Equipment, tools, fixtures and fittings	18.8	7.3	14.8
	132.3	67.5	130.0
Financial assets			
Other securities held as non-current assets	0.2	0.2	0.1
Deferred tax assets	1.7	1.2	1.3
Other non-current receivables	7.0	3.5	7.0
	8.9	4.9	8.4
Total fixed assets	1,807.7	1,219.2	1,787.6
Current assets			
Inventories, etc.			
Finished goods and goods for resale	814.8	451.7	758.6
Advance payments to suppliers	15.2	149.3	5.4
	830.0	601.0	764.0
Current receivables			
Accounts receivable	322.2	328.1	866.6
Current tax assets	12.8	18.3	4.6
Other receivables	13.4	28.8	35.7
Prepayments and accrued income	44.4	51.3	101.0
	392.7	426.5	1,007.9
Cash and cash equivalents	172.5	309.6	60.2
Total current assets	1,395.2	1,337.1	1,832.1
TOTAL ASSETS	3,202.9	2,556.3	3,619.7

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GROUP BALANCE SHEET, CONTINUED

MSEK	31 Mar 2022	31 Mar 2021	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	0.7	0.7	0.7
Subscribed but not registered share capital	0.0	25.3	0.0
Other capital contributions	1,271.8	1,171.9	1,271.8
Other equity, including net profit for the year	532.8	399.5	527.4
	1,805.3	1,597.4	1,799.9
Provisions			
Provisions for pensions and similar obligations	0.2	0.2	0.2
Deferred tax liabilities	152.9	121.0	156.9
Other provisions	2.0	2.6	2.0
	155.1	123.8	159.1
Non-current liabilities			
Non-current earn-out consideration	236.2	115.8	355.8
Non-current lease liabilities	88.9	37.3	91.2
	325.1	153.1	447.0
Current liabilities			
Overdraft facility	0.0	0.0	270.4
Liabilities to credit institutions	330.8	0.0	0.0
Advance payments from customers	0.1	0.4	0.0
Accounts payable	275.0	268.2	588.6
Current tax liabilities	34.4	39.7	50.4
Other liabilities	63.1	61.8	97.7
Current earn-out consideration	122.6	227.3	96.6
Current lease liabilities	21.0	22.1	20.5
Accrued expenses and deferred income	70.4	62.5	89.5
	917.4	682.0	1,213.7
TOTAL EQUITY AND LIABILITIES	3,202.9	2,556.3	3,619.7



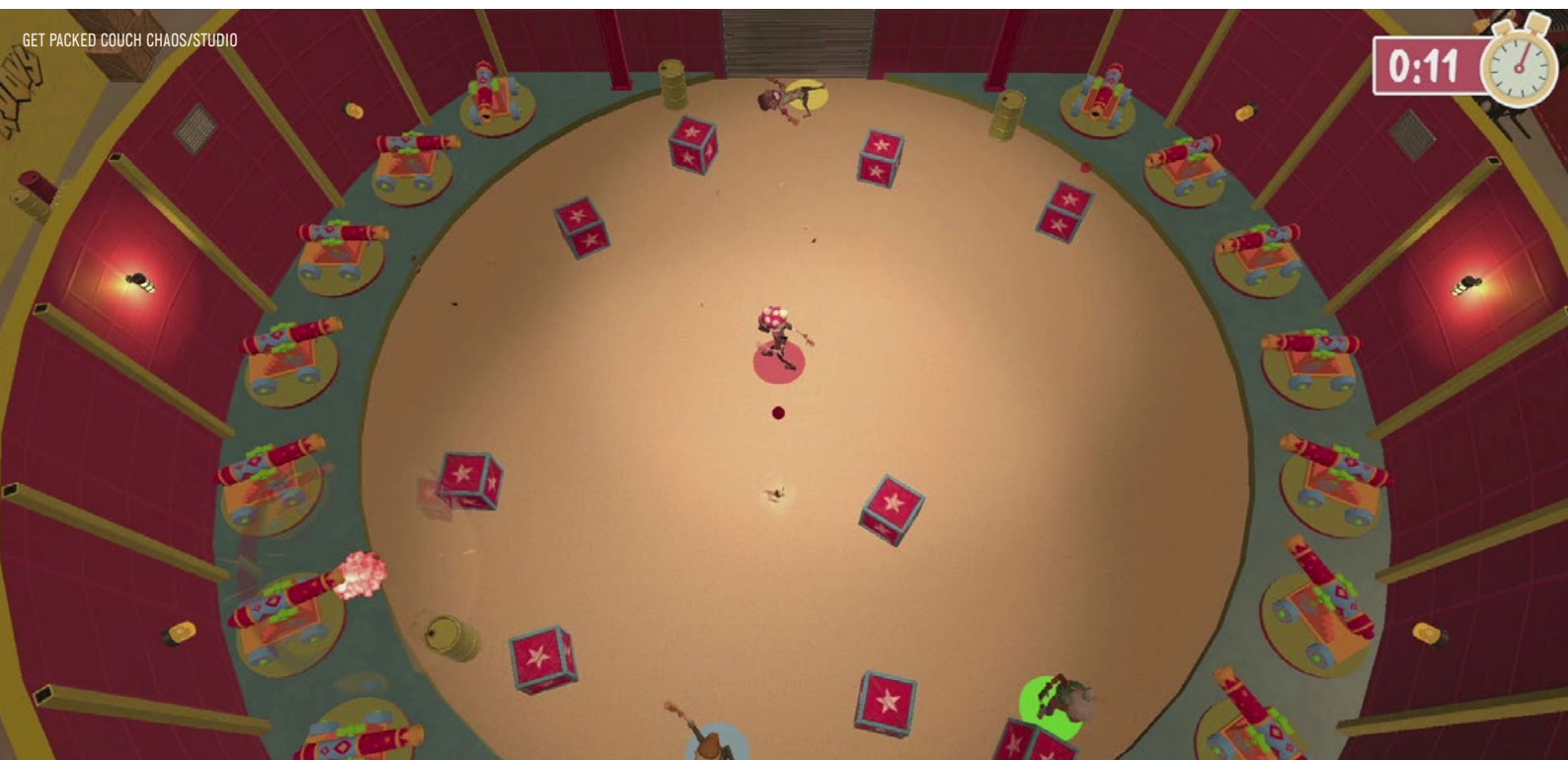
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GROUP STATEMENT OF CHANGES IN EQUITY

MSEK	Share capital	Other capital contributions	Other equity, incl. net profit for the period	Total equity
Opening balance, 1 January 2022	0.7	1,271.8	527.4	1,799.9
Total comprehensive income for the period	0.0	0.0	5.4	5.4
Closing balance, 31 March 2022	0.7	1,271.8	532.8	1,805.3
Opening balance, 1 January 2021	0.7	1,171.9	316.2	1,488.8
Subscribed but not registered share capital	0.0	25.3	0.0	25.3
Transactions with owners	0.0	25.3	0.0	25.3
Total comprehensive income for the period	0.0	0.0	83.3	83.3
Closing balance, 31 March 2021	0.7	1,197.2	399.5	1,597.4
Opening balance, 1 January 2021	0.7	1,171.9	316.2	1,488.8
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
Transactions with owners	0.0	99.9	0.0	99.9
Total comprehensive income for the period	0.0	0.0	211.2	211.2
Closing balance, 31 December 2021	0.7	1,271.8	527.4	1,799.9



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GROUP CASH FLOW STATEMENT

MSEK	Quarter			Full-year
	Jan–Mar 2022	Jan–Mar 2021	Apr 2021–Mar 2022	2021
Operating activities				
Profit/loss after financial items	-1.2	17.2	150.5	168.9
Adjustment for non-cash items				
- Depreciation, amortisation and impairment	38.5	24.7	140.8	127.0
- Translation differences	1.5	17.4	15.3	31.2
- Other adjustments	0.0	-0.3	-0.6	-0.9
	38.8	59.0	306.0	326.2
Income tax paid	-26.3	-20.4	-45.1	-39.2
Cash flow from operating activities before changes in working capital	12.5	38.6	260.9	287.0
Changes in working capital				
Change in inventories and advance payments to suppliers	-64.6	-107.4	-225.2	-268.0
Change in accounts receivable	544.4	291.3	5.9	-247.2
Change in accounts payable	-313.6	-154.6	6.8	165.8
Change in other working capital	24.0	-2.0	23.5	-2.5
Cash flow from operating activities	202.7	65.9	71.9	-64.9
Investing activities				
Acquisition of subsidiaries/business	0.0	-49.1	-139.8	-188.9
Investment in property, plant and equipment	-5.5	-1.5	-16.5	-12.5
Investment in capitalised game development expenditure	-34.8	-13.5	-80.9	-59.6
Investment in publishing rights	-12.8	N/A	-57.9	-45.1
Investment in other intangible assets	-0.4	-1.1	-9.8	-10.5
Investment in financial assets	-0.1	-0.1	-3.6	-3.6
Sale of fixed assets	0.0	3.4	0.0	3.4
Cash flow from investing activities	-53.6	-61.9	-308.5	-316.8
Financing activities				
Change in overdraft facility	-270.4	0.0	0.0	270.4
Borrowings from credit institutions	330.8	0.0	330.8	0.0
Repayment of lease liabilities	-5.6	-3.5	-19.0	-16.9
Repayment of earn-out liabilities	-97.4	0.0	-216.5	-119.1
New issues of shares	0.0	0.0	0.0	0.0
Dividend paid	0.0	0.0	0.0	0.0
Cash flow from financing activities	-42.6	-3.5	95.3	134.4
Cash flow for the period	106.5	0.5	-141.3	-247.3
Cash and cash equivalents at the beginning of the period	60.2	305.1	309.6	305.1
Exchange-rate differences in cash and cash equivalents	5.8	4.0	4.2	2.4
Cash and cash equivalents at the end of the period	172.5	309.6	172.5	60.2

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PARENT COMPANY INCOME STATEMENT

MSEK	Quarter		12 months	Full-year
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021-Mar 2022	2021
Net revenue	1.6	1.7	5.9	6.0
Other operating income	2.7	0.1	2.7	0.1
Operating income	4.3	1.7	8.6	6.1
Operating expenses				
Other external expenses	-6.9	-3.3	-19.8	-16.2
Personnel expenses	-2.4	-1.0	-11.1	-9.7
Other operating expenses	0.0	0.0	-1.7	-1.7
Total operating expenses	-9.3	-4.3	-32.6	-27.6
Operating profit/loss	-5.0	-2.6	-24.0	-21.5
Profit/loss after financial items				
Total financial items	13.9	-1.8	38.6	22.9
Profit/loss after financial items	8.9	-4.4	14.6	1.4
Year-end appropriations	0.0	0.0	16.8	16.8
Tax on profit for the period	-1.2	-0.9	-4.1	-3.8
Net profit/loss for the period and comprehensive income for the period	7.7	-5.3	27.3	14.4



BRIDGE CONSTRUCTOR/STUDIO

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PARENT COMPANY BALANCE SHEET

MSEK	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Fixed assets			
<i>Financial assets</i>			
Shares in Group companies	2,178.7	1,715.3	2,181.2
Total fixed assets	2,178.7	1,715.3	2,181.2
Current assets			
Receivables from Group companies	498.0	408.8	646.1
Current tax assets	10.3	0.0	0.0
Other receivables	2.9	14.4	16.3
Prepayments and accrued income	2.6	1.1	2.8
Total current assets	513.8	424.3	665.2
Cash and bank balances	75.7	189.4	0.0
TOTAL ASSETS	2,768.2	2,328.9	2,846.4
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	0.7	0.7	0.7
	0.7	0.7	0.7
<i>Unrestricted equity</i>			
Retained earnings	65.4	51.0	51.0
Subscribed but not registered share capital	0.0	25.3	0.0
Share premium reserve	1,979.8	1,879.9	1,979.8
Net profit for the year	7.7	-5.3	14.4
Total unrestricted equity	2,052.9	1,950.9	2,045.2
Total equity	2,053.6	1,951.6	2,045.9
Untaxed reserves			
Tax allocation reserves	27.5	21.4	27.5
Total untaxed reserves	27.5	21.4	27.5
Provisions			
Deferred tax	0.3	0.9	0.0
Total provisions	0.3	0.9	0.0
Non-current liabilities			
Non-current earn-out consideration	231.5	108.8	348.8
Total non-current liabilities	231.5	108.8	348.8
Current liabilities			
Overdraft facility	0.0	0.0	268.6
Liabilities to credit institutions	330.8	0.0	0.0
Liabilities to Group companies	0.0	0.0	45.9
Accounts payable	1.7	0.6	3.1
Tax liabilities	0.0	16.6	4.5
Other liabilities	0.5	0.4	0.4
Current earn-out consideration	119.1	227.3	96.6
Accrued liabilities	3.2	1.3	5.1
Total current liabilities	455.3	246.2	424.2
TOTAL EQUITY AND LIABILITIES	2,768.2	2,328.9	2,846.4

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THUNDERFUL GROUP
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SEGMENT REPORTING

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

MSEK	Quarter		12 months	Full-year
	Jan–Mar 2022	Jan–Mar 2021	Apr 2021–Mar 2022	2021
Net revenue				
Thunderful Games	82.3	67.9	368.4	354.0
Thunderful Distribution	463.7	470.9	2,779.6	2,786.8
– of which, Bergsala	183.5	189.2	1,302.6	1,308.3
– of which, Nordic Game Supply	164.1	192.0	957.0	984.9
– of which, Amo Toys	116.0	89.7	519.9	493.6
Net revenue	546.0	538.8	3,147.9	3,140.8
Adjusted EBITDA				
Thunderful Games	32.8	32.3	185.7	185.2
Thunderful Distribution	14.6	32.8	170.3	188.5
– of which, Bergsala, (%)	8.7 (4.7)	14.4 (7.6)	98.6 (7.6)	104.3 (8.0)
– of which, Nordic Game Supply, (%)	0.8 (0.5)	7.9 (4.1)	46.8 (4.9)	53.9 (5.5)
– of which, Amo Toys, (%)	5.1 (4.4)	10.5 (11.7)	24.9 (4.8)	30.3 (6.1)
Other	–3.7	–2.4	–18.5	–17.2
Adjusted EBITDA	43.7	62.7	337.5	356.5
Adjusted nonrecurring items (Games segment)	0.0	–0.7	–7.7	–8.4
Adjusted nonrecurring items (Distribution segment)	0.0	0.0	–2.0	–2.0
Adjusted nonrecurring items (Other segment)	0.0	–1.9	–8.4	–10.3
EBITDA	43.7	60.1	319.4	335.8
Adjusted EBITDA margin – Thunderful Games, %	29.5	41.9	41.0	44.3
Adjusted EBITDA margin – Thunderful Distribution, %	2.9	6.7	5.9	6.6
Adjusted EBITDA margin – Thunderful Group, %	7.2	11.0	10.2	10.9
Adjusted EBITA				
Thunderful Games	21.0	25.9	134.8	139.7
Thunderful Distribution	10.1	31.1	155.6	176.6
Other	–3.8	–2.5	–18.8	–17.5
Adjusted EBITA	27.3	54.5	271.6	298.8
Adjusted nonrecurring items (Games segment)	0.0	–0.7	–7.7	–8.4
Adjusted nonrecurring items (Distribution segment)	0.0	0.0	–2.0	–2.0
Adjusted nonrecurring items (Other segment)	0.0	–1.9	–8.4	–10.3
EBITA	27.3	51.9	253.5	278.1
Adjusted EBITA margin – Thunderful Games, %	18.9	33.6	29.8	33.4
Adjusted EBITA margin – Thunderful Distribution, %	2.0	6.3	5.4	6.2
Adjusted EBITA margin – Thunderful Group, %	4.5	9.6	8.2	9.1
Operating profit (EBIT)				
Thunderful Games	8.2	18.1	89.3	99.2
Thunderful Distribution	0.8	21.7	116.5	137.4
Other	–3.8	–4.4	–27.2	–27.8
Operating profit (EBIT)	5.2	35.4	178.7	208.8
Operating margin (EBIT margin) – Thunderful Games, %	7.4	23.5	19.7	23.7
Operating margin (EBIT margin) – Thunderful Distribution, %	0.2	4.4	4.1	4.8
Operating margin (EBIT margin) – Thunderful Group, %	0.9	6.2	5.4	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
Net revenue growth	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.
Gross profit	Profit after operating income and costs for goods for resale and games-development services.	Indicates the product profitability of the core business.
Gross margin	Gross profit in relation to operating income.	Indicates the product profitability of the core business.
Operating profit (EBIT)	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.
Operating margin (EBIT margin)	Operating profit in relation to operating income.	Enables comparisons of profitability regardless of capital structure or tax situation.
EBITDA	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.
EBITDA margin	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.
Adjusted EBITDA	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.
Adjusted EBITDA margin	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.
EBITA	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.
EBITA margin	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.
Adjusted EBITA	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.
Adjusted EBITA margin	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.
Net working capital	Non-interest-bearing current assets less non interest-bearing current liabilities.	Indicates the sum of working capital that is tied up in the business and can be analysed in relation to net revenue to assess how efficiently the working capital is used in the business.
Interest-bearing net debt	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.
Interest-bearing net debt/ EBITDA, LTM	Interest-bearing net debt as a share of adjusted EBITDA, LTM.	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.

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CALCULATION OF ALTERNATIVE KPIS

MSEK	Quarter		12 months	Full-year
	Jan-Mar 2022	Jan-Mar 2021	Apr 2021-Mar 2022	2021
Net revenue growth				
Net revenue previous period	538.9	520.2	3,066.5	3,047.8
Net revenue current period	546.0	538.9	3,147.9	3,140.8
Net revenue growth, %	1.3	3.6	2.7	3.1
Gross profit and gross margin				
Operating income	609.6	568.3	3,315.1	3,273.8
Costs for goods for resale and game projects	-380.1	-381.0	-2,316.6	-2,317.5
Gross profit, MSEK	229.5	187.3	998.5	956.3
Gross margin, %	37.6	33.0	30.1	29.2
Adjusted EBITA and adjusted EBITA margin				
Operating profit (EBIT)	5.2	35.4	178.6	208.8
Amortisation and impairment of acquisition-related intangible assets	22.1	16.5	74.9	69.3
Adjusted nonrecurring items (Games segment)	0.0	0.7	7.7	8.4
Adjusted nonrecurring items (Distribution segment)	0.0	0.0	2.0	2.0
Adjusted nonrecurring items (Other segment)	0.0	1.9	8.4	10.3
Adjusted EBITA	27.3	54.5	271.6	298.8
Adjusted EBITA margin, %	4.5	9.6	8.2	9.1
Adjusted EBITDA and adjusted EBITDA margin				
Operating profit (EBIT)	5.2	35.4	178.6	208.8
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	38.5	24.7	140.8	127.0
Adjusted nonrecurring items (Games segment)	0.0	0.7	7.7	8.4
Adjusted nonrecurring items (Distribution segment)	0.0	0.0	2.0	2.0
Adjusted nonrecurring items (Other segment)	0.0	1.9	8.4	10.3
Adjusted EBITDA	43.7	62.7	337.4	356.5
Adjusted EBITDA margin, %	7.2	11.0	10.2	10.9
Net working capital				
Inventories	830.0	601.0	830.0	764.0
Accounts receivable	322.2	328.1	322.2	866.6
Other receivables	13.4	28.8	13.4	35.7
Accounts payable	275.0	268.2	275.0	588.6
Other liabilities	185.7	154.4	185.7	194.3
Total net working capital	704.9	535.3	704.9	883.4
Interest-bearing net debt				
Non-current interest-bearing liabilities	0.0	0.0	0.0	0.0
Current interest-bearing liabilities	330.8	0.0	330.8	270.4
Cash and cash equivalents	-172.5	-309.6	-172.5	-60.2
Interest-bearing net debt	158.3	-309.6	158.3	210.2
Adjusted EBITDA, LTM	337.4	302.4	337.4	356.5
Interest-bearing net debt/adjusted EBITDA, LTM	0.5	-1.0	0.5	0.6



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OTHER INFORMATION

Financial calendar

Interim report Apr–Jun 2022

10 August 2022

Interim report Jul–Sep 2022

15 November 2022

For more information

More information about the Group is available on its website:
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