



Increased profitability in Distribution

Third quarter July–September 2023

- Net revenue decreased 9.4 percent to 626.2 MSEK (691.1¹⁾).
- Operating profit (EBIT) decreased 34.0 percent to 25.0 MSEK (37.9), corresponding to an operating margin of 4.0 percent (5.5).
- Adjusted EBITDA increased 7.9 percent to 83.2 MSEK (77.1), corresponding to an adjusted EBITDA margin of 13.3 percent (11.2).
- Adjusted EBITA decreased 18.5 percent to 48.9 MSEK (60.0), corresponding to an adjusted EBITA margin of 7.8 percent (8.7).
- Profit for the quarter amounted to 24.7 MSEK (11.4).
- Earnings per share after dilution amounted to 0.35 SEK (0.16).
- Cash flow from operating activities amounted to –62.0 MSEK (–54.3).
- Consolidated cash and cash equivalents together with unutilised credit facilities amounted to 110.6 MSEK (222.9) as of 30 September 2023.
- The Board of Directors appointed Martin Walfisz as new CEO. Martin, who assumed his role on 28 August 2023, succeeded Anders Maiqvist, Acting CEO since 10 August 2022.
- Annette Colin assumed her role as interim CFO for Thunderful Group effective 28 August 2023.

The period January–September 2023

- Net revenue increased 4.5 percent to 1,865.0 MSEK (1,785.1¹⁾).
- Operating profit (EBIT) increased 27.8 percent to 69.0 MSEK (54.0), corresponding to an operating margin of 3.7 percent (3.0).
- Adjusted EBITDA increased 24.8 percent to 239.0 MSEK (191.5), corresponding to an adjusted EBITDA margin of 12.8 percent (10.7).
- Adjusted EBITA increased 26.0 percent to 151.5 MSEK (120.2), corresponding to an adjusted EBITA margin of 8.1 percent (6.7).
- Profit for the period amounted to –22.3 MSEK (–9.2).
- Earnings per share after dilution amounted to –0.32 SEK (–0.13).
- Cash flow from operating activities amounted to 11.2 MSEK (132.9).

Events after the end of the quarter

Henrik Lundkvist was appointed as new CFO. Henrik, who will assume his role by 1 January 2024 at the latest, succeeds Annette Colin, interim CFO.

Key performance indicators

GROUP	2023 Q3	2022 Q3	Δ%	2023 Jan–Sep	2022 Jan–Sep	Δ%
Net revenue, MSEK	626.2	691.1	-9.4%	1,865.0	1,785.1	4.5%
Gross profit, MSEK	282.3	234.0	20.6%	812.1	693.7	17.1%
Gross margin, %	45.1%	33.9%		43.5%	38.9%	
EBITDA, MSEK	83.2	77.1	7.9%	231.2	191.5	20.7%
Adjusted EBITDA, MSEK	83.2	77.1	7.9%	239.0	191.5	24.8%
Adjusted EBITDA margin, %	13.3%	11.2%		12.8%	10.7%	
EBITA, MSEK	48.9	60.0	-18.5%	143.7	120.2	19.6%
Adjusted EBITA, MSEK	48.9	60.0	-18.5%	151.5	120.2	26.0%
Adjusted EBITA margin, %	7.8%	8.7%		8.1%	6.7%	
Operating result (EBIT), MSEK	25.0	37.9	-34.0%	69.0	54.0	27.8%
Operating margin (EBIT margin), %	4.0%	5.5%		3.7%	3.0%	
Profit for the period, MSEK	24.7	11.4	115.6%	-22.3	-9.2	-141.3%
Net core working capital, MSEK	841.5	1,033.9	-18.6%	841.5	1,033.9	-18.6%
Cash flow from operating activities, MSEK	-62.0	-54.3	-14.2%	11.2	132.9	-91.5%
Interest-bearing net debt, MSEK	521.5	377.6	38.1%	521.5	377.6	38.1%
Interest-bearing net debt/adjusted EBITDA, R12M	1.2	1.1	9.1%	1.2	1.1	9.1%
Earnings per share before dilution, SEK	0.35	0.16	115.7%	-0.32	-0.13	-146.2%
Earnings per share after dilution, SEK	0.35	0.16	115.7%	-0.32	-0.13	-146.2%

See page 24 for the definition of key performance indicators.

¹⁾ Income related to marketing activities has been reclassified from net revenue to other income in the prior periods.



CEO Comments

Thunderful Group delivered mixed results for the third quarter. The Distribution segment continues to perform well, primarily due to strong development in Amo Toys and continued good results from Bergsala. The Games segment only had one major release during the quarter with the game Viewfinder.

Distribution: improved profitability in the segment and a strong quarter for Amo Toys

The Distribution segment had net revenue of 536 MSEK (573), which is slightly lower than Q3 2022. Adjusted EBITDA totalled 53 MSEK (19) for the quarter.

Bergsala had a strong quarter, but it is Amo Toys in particular that is performing well above previous years due to better access to goods and a smaller percentage of clearance sales. Nordic Game Supply continued to face challenges, with net revenue and EBITDA both down compared to the same quarter last year. Since the end of the quarter we have modified our product portfolio within NGS; part of the inventory is being sold to a distributor that has also taken over dealings with some of NGS's suppliers. Efforts to optimise NGS continue.

Games: a quarter with few releases

The Games segment had net revenue of 90 MSEK (118), which is well below the comparison quarter and directly attributable to the low number of new releases during Q3. The most successful release was the critically acclaimed game Viewfinder (developed by our collaboration studio, Sad Owl Studios), which launched on PlayStation 5 and PC in July.

We now look forward to the release of SteamWorld Build on 1 December. This will be the first new SteamWorld game to be released since 2019. The objective moving forward is to better utilise the potential in the IP, and from now on we aim to release a new game in the SteamWorld universe annually, as well as extra content and add-on packs for previous SteamWorld game releases.

Looking at the market in general, parts of the game industry have continued to experience pressure during the period. During the last six months in particular, there has been major focus on AAA releases, such as Microsoft's Starfield and Nintendo's Super Mario Bros Wonder, which have reduced the commercial space for mid-tier AA games to some extent. I am convinced that this is a temporary situation, and primarily a post-Covid effect which means that releases of many eagerly awaited AAA games have been delayed until now. From a macroeconomic perspective, there is nothing to suggest lower interest in the type of games that Thunderful develops and releases. On the contrary, we operate in a growing industry with hundreds of millions of potential customers. We simply need to continue delivering high quality products and work even harder to cut through the noise in the market.

Some initial reflections on the business

I have now been CEO for just over two months, and I am starting to form an impression about the group.

The Distribution segment continues to deliver a good cash flow, which is being reinvested in the ongoing development of the Games segment as planned. The Group believes it is possible to optimise the distribution business even further by focusing on important KPIs internally, and enhancing collaboration between purchasing, sales and logistics. We also believe that going forward we will be able to gradually decrease working capital further, partly by tying up less capital in inventory.

I believe that the Games segment has great potential to be the major, long-term growth engine in Thunderful, but this requires us to clarify our strategies, develop our portfolio mix and improve our working processes. This work has now commenced, and I am truly grateful for the amount of experience and drive within the organisation and management team.

I am delighted to welcome Henrik Lundkvist as our new CFO. He joins Thunderful from the same role at mid cap company Probi AB and will assume his position by the first business day of 2024, at the latest. There is clear potential for improvement in many areas within the Group, and I am convinced that Henrik has just the right personality and experience to, together with the management team, prioritise the right improvement measures.

Finally, I would like to thank our co-workers for their fine efforts during the quarter. I look forward to ending the year with a continued strong sense of engagement throughout the entire organisation.



Gothenburg, November 2023
Martin Walfisz, CEO

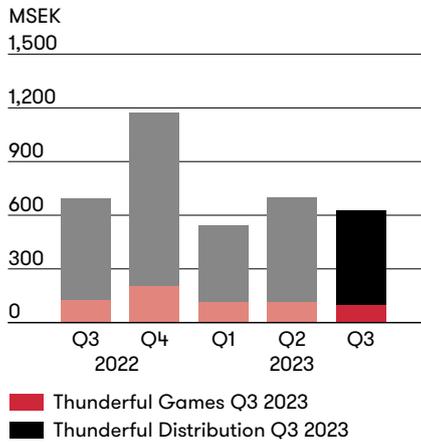


About Thunderful Group

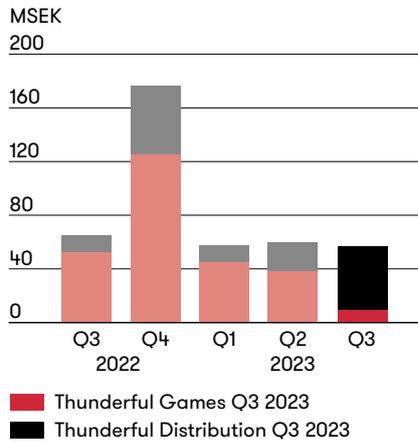
Thunderful Group AB (publ) is a group of companies active in the development and publishing of games as well as the distribution of Nintendo products, games, game accessories, toys and other products.

With its head office in Gothenburg, Thunderful Group AB (publ) covers the entire gaming industry value chain through its Thunderful Games and Thunderful Distribution segments. The Group consists of 30 subsidiaries and has around 525 employees in Europe.

Net revenue, Q3 2022–Q3 2023



Adjusted EBITA, Q3 2022–Q3 2023



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



VIEWFINDER / SAD OWL STUDIOS



Financial development of the Group

Third quarter (1 July–30 September)

Net revenue

The Group's net revenue for the second quarter amounted to 626.2 MSEK (691.1), corresponding to a decrease of 9.4 percent. The underlying drivers are described in the section for each segment.

Segment

Net revenue decreased 23.6 percent to 90.0 MSEK (117.8) in the Games segment and decreased 6.5 percent to 536.1 MSEK (573.3) in the Distribution segment.

MSEK	2023 Q3	2022 Q3	Δ%
Thunderful Games	90.0	117.8	-23.6%
Thunderful Distribution	536.1	573.3	-6.5%
- of which, Bergsala	260.1	275.4	-5.5%
- of which, Nordic Game Supply	100.7	161.0	-37.4%
- of which, Amo Toys	175.3	136.9	28.0%
Net revenue	626.2	691.1	-9.4%

Thunderful Games reported organic growth of -29.9 MSEK. Acquisition-driven growth for the quarter contributed 2.1 MSEK in net revenue. Organic growth has not been adjusted for currency fluctuations.

%	Games	Distribution
	2023 Q3	2023 Q3
Net revenue growth, %	-23.6%	-6.5%
- of which, organic, %	-25.4%	-6.5%
- of which, acquired, %	1.8%	0.0%

In the Distribution segment, net revenue decreased 5.5 percent to 260.1 MSEK (275.4) in Bergsala, decreased 37.4 percent to 100.7 MSEK (161.0) in Nordic Game Supply and increased 28.0 percent to 175.3 MSEK (136.9) in Amo Toys.

Bergsala's sales are in line with the comparison quarter. Nordic Game Supply is adversely affected by lower market demand in general, particularly in the higher price categories. Sales in Amo Toys increased as a result of better access to goods compared to the same quarter prior year.

Gross profit

Gross profit for the first quarter amounted to 282.3 MSEK (234.0), corresponding to an increase of 20.6 percent and a gross margin of 45.1 percent (33.9). This profit trend was attributable to higher gross margin in the Distribution segment.

Operating expenses

Costs for goods for resale and purchased games-development services and royalties decreased 14.7 percent to -435.3 MSEK (-510.3).

Other external expenses increased 3.0 percent to -85.6 MSEK (-83.1).

Personnel expenses increased 47.4 percent to -98.0 MSEK (-66.5). The total number of employees at the end of the quarter was 525 (459).

Depreciation and amortisation increased 48.5 percent to -58.1 MSEK (-39.2). PPA-related depreciation (Purchase Price Allocation) increased by 1.9 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 83.2 MSEK (77.1), corresponding to an adjusted EBITDA margin of 13.3 percent (11.2). EBITDA was not subject to any adjustments in the third quarter 2023.

Segment

Adjusted EBITDA for the Games segment amounted to 36.9 MSEK (63.0) for the quarter, corresponding to an adjusted EBITDA margin of 41.0 percent (53.5).

Adjusted EBITDA for the Distribution segment totalled 53.3 MSEK (18.5) for the quarter, corresponding to an adjusted EBITDA margin of 9.9 percent (3.2).

Adjusted operating profit, EBITA

Adjusted operating profit before acquisition-related depreciation and amortisation (EBITA) amounted to 48.9 MSEK (60.0) for the quarter, corresponding to an adjusted EBITA margin of 7.8 percent (8.7). EBITA was not subject to any adjustments in the third quarter 2023.

Segment

Adjusted EBITA for the Games segment amounted to 8.5 MSEK (51.3) for the quarter, corresponding to an adjusted EBITA margin of 9.5 percent (43.5).

Adjusted EBITA for the Distribution segment totalled 47.5 MSEK (13.2) for the quarter, corresponding to an adjusted EBITA margin of 8.9 percent (2.3).



Operating profit, EBIT

Operating profit during the quarter amounted to 25.0 MSEK (37.9), corresponding to an operating margin of 4.0 percent (5.5). EBIT was not subject to any adjustments in the third quarter 2023.

Segment

Operating profit in the Games segment amounted to -6.1 MSEK (38.6) for the quarter, corresponding to an operating margin of -6.7 percent (32.7).

Operating profit in the Distribution segment amounted to 38.2 MSEK (3.9) for the quarter, corresponding to an operating margin of 7.1 percent (0.7).

Financial net

Financial net amounted to 6.1 MSEK (-17.8). Of the total financial net, 25.7 MSEK (-18.7) comprised the net of exchange gains and exchange losses, -8.7 MSEK (0.5) of the net from interest cost and interest income and -10.9 MSEK (0.4) of the net from the revaluation of earn-outs.

Net exchange gains and exchange losses includes effects of 71.9 MSEK from unrealised exchange effects.

Profit for the period

Profit for the period amounted to 24.7 MSEK (11.4), corresponding to a net profit margin of 3.9 percent (1.7).

Other comprehensive income

Other comprehensive income during the quarter was impacted by currency translation differences in foreign operations and totalled -67.9 MSEK (10.7).





The Period (1 January–30 September)

Net revenue

The Group's net revenue for the period amounted to 1,865.0 MSEK (1,785.1), corresponding to an increase of 4.5 percent. The underlying drivers are described in the section for each segment.

Segment

Net revenue decreased 3.5 percent to 304.1 MSEK (315.0) in the Games segment and increased 6.2 percent to 1,560.9 SEK (1,470.1) in the Distribution segment.

MSEK	2023 Jan-Sep	2022 Jan-Sep	Δ%
Thunderful Games	304.1	315.0	-3.5%
Thunderful Distribution	1,560.9	1,470.1	6.2%
- of which, Bergsala	842.6	648.9	29.8%
- of which, Nordic Game Supply	328.2	463.9	-29.3%
- of which, Amo Toys	390.1	357.3	9.2%
Net revenue	1,865.0	1,785.1	4.5%

Thunderful Games reported organic growth of -16.4 MSEK. Acquisition-driven growth for the period contributed 5.5 MSEK in net revenue. Organic growth has not been adjusted for currency fluctuations.

%	Games	Distribution
	Jan-Sep 2023	Jan-Sep 2023
Net revenue growth, %	-3.5%	6.2%
- of which, organic, %	-5.2%	6.2%
- of which, acquired, %	1.7%	0.0%

In the Distribution segment, net revenue increased 29.8 percent to 842.6 MSEK (648.9) in Bergsala, decreased 29.3 percent to 328.2 MSEK (463.9) in Nordic Game Supply and increased 9.2 percent to 390.1 MSEK (357.3) in Amo Toys.

Bergsala's sales are up compared to the comparison period driven by the successful release of the game The Legend of Zelda: Tears of the Kingdom, continued good access to hardware, and strong underlying demand from Nintendo's successful release of The Super Mario Bros. Nordic Game Supply is adversely affected by lower market demand in general, particularly in the higher price categories. Sales in Amo Toys are slightly higher as a result of better access to goods compared to the same period prior year in addition to lower clearance sale.

Gross profit

Gross profit for the period amounted to MSEK 812.1 (693.7), corresponding to an increase of 17.1 percent and a gross margin of 43.5 percent (38.9).

Operating expenses

Costs for goods for resale and purchased games-development services and royalties increased 1.3 percent to -1,293.3 MSEK (-1,276.3).

Other external expenses decreased 0.1 percent to -252.9 MSEK (-253.2).

Personnel expenses increased 35.7 percent to -280.9 MSEK (-207.0). The total number of employees at the end of the period was 525 (459).

Depreciation and amortisation increased 17.9 percent to -162.2 MSEK (-137.5). PPA-related depreciation (Purchase Price Allocation) increased by 8.5 MSEK.

Adjusted operating profit, EBITDA

Adjusted operating profit before depreciation, amortisation and impairment of intangible assets and property, plant and equipment (EBITDA) during the period amounted to 239.0 MSEK (191.5), corresponding to an adjusted EBITDA margin of 12.8 percent (10.7). Adjusted EBITDA was adjusted for restructuring, inventory movement and acquisition-related non-recurring items of -7.8 MSEK (0.0).

Segment

Adjusted EBITDA for the Games segment amounted to 159.3 MSEK (163.0) for the quarter, corresponding to an adjusted EBITDA margin of 52.4 percent (51.7). Adjusted EBITDA was adjusted for restructuring-related non-recurring items of -2.3 MSEK (0.0).

Adjusted EBITDA for the Distribution segment totalled 99.8 MSEK (40.9) for the period, corresponding to an adjusted EBITDA margin of 6.4 percent (2.8). Adjusted EBITDA was adjusted for inventory movement-related non-recurring items of -2.7 MSEK (0.0).

Adjusted operating profit, EBITA

Adjusted operating profit before acquisition-related depreciation and amortisation (EBITA) amounted to 151.5 MSEK (120.2) for the period, corresponding to an adjusted EBITA margin of 8.1 percent (6.7). Adjusted EBITA was adjusted for restructuring, inventory movement and acquisition-related non-recurring items of -7.8 MSEK (0.0).

Segment

Adjusted EBITA for the Games segment amounted to 90.2 MSEK (106.9) for the period, corresponding to an adjusted EBITA margin of 29.7 percent (33.9). Adjusted EBITA was adjusted for restructuring-related non-recurring items of -2.3 MSEK (0.0).

Adjusted EBITA for the Distribution segment totalled 81.7 MSEK (25.8) for the period, corresponding to an adjusted EBITA margin of 5.2 percent (1.8). Adjusted EBITA was adjusted for inventory movement-related non-recurring items of -2.7 MSEK (0.0).



Operating profit, EBIT

Operating profit during the period amounted to 69.0 MSEK (54.0), corresponding to an operating margin of 3.7 percent (3.0). Operating profit includes -7.8 MSEK (0.0) of restructuring, inventory movement and acquisition-related non-recurring items.

Segment

Operating profit in the Games segment amounted to 41.1 MSEK (68.6) for the period, corresponding to an operating margin of 13.5 percent (21.8). Operating profit includes -2.3 MSEK (0.0) of restructuring-related non-recurring items.

Operating profit in the Distribution segment amounted to 51.1 MSEK (-2.1) for the period, corresponding to an operating margin of 3.3 percent (-0.1). Operating profit includes -2.7 MSEK (0.0) of inventory movement-related non-recurring items.

Financial net

Financial net amounted to -73.4 MSEK (-48.2). Of the total financial net, -43.7 MSEK (-43.4) comprised the net of exchange gains and exchange losses, -21.4 MSEK (-3.7) of the net from interest cost and interest income and -8.3 MSEK (-1.1) of the net from the revaluation of earn-outs.

Net exchange gains and exchange losses includes effects of 30.0 MSEK from unrealised exchange effects.

Profit for the period

Profit for the period amounted to -22.3 MSEK (-9.2), corresponding to a net profit margin of -1.2 percent (-0.5).

Other comprehensive income

Other comprehensive income during the period was impacted by currency translation differences in foreign operations and totalled 81.9 MSEK (53.0).



SQUISHMALLOWS / AMO TOYS



Financial position

Financial position and liquidity

The Group's total assets on 30 September 2023 amounted to 3,708.7 MSEK, compared with 3,451.2 MSEK on 30 September 2022.

Core working capital on 30 September 2023 amounted to 841.5 MSEK, compared with 1,033.9 MSEK on 30 September 2022.

The Group's equity on 30 September 2023 totalled 2,043.4 MSEK, compared with 1,846.7 MSEK on 30 September 2022.

Thunderful Group has a confirmed credit facility of 55 MEUR with Danske Bank. On the balance-sheet date, 30 September 2023, Thunderful Group had utilised 558.5 MSEK of this facility and cash and cash equivalents amounted to 37.0 MSEK.

Including the unutilised portion of the confirmed credit facility, cash and cash equivalents as of 30 September 2023 amounted to 110.6 MSEK, compared with 222.9 MSEK on 30 September 2022.

The company's assessment is that current and available financing is sufficient to ensure continued operation.

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 during the quarter amounted to -62.0 MSEK (-54.3) and during the period to 11.2 MSEK (132.9).

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

MSEK	2023 Q3	2022 Q3	2023 Jan-Sep	2022 Jan-Jun	Full-year 2022
Internal game development capex	59.2	28.3	175.3	105.8	143.3
Publishing licences capex	22.3	22.5	61.9	48.6	69.7
Game projects capex	0.0	0.0	4.1	4.6	9.1
Acquisition capex	0.0	0.0	23.8	0.0	70.2
Other capex	1.3	3.1	5.1	10.0	9.4
Total investments	82.8	53.9	270.2	169.0	301.7

Cash flow after investing activities for the quarter amounted to -144.8 MSEK (-108.2) and during the period to -259.0 MSEK (-36.1).

Parent Company

Net revenue in the Parent Company during the period amounted to 7.6 MSEK (7.6), operating result to -23.3 MSEK (-19.0) and profit for the period to -24.3 MSEK (130.8). The Parent Company's revenue comprises intra-group services.



SUPER MARIO BROS. WONDER / NINTENDO



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

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 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., Baby-Born, Little Tikes, GeoMag and Intex.

Comments on events during the quarter

No significant events during the quarter.



Games released during and after the third quarter of 2023

During the third quarter of 2023, the Group released three games. Two of these were from the Group’s internal studios. After the end of the quarter but before the publication of this report, two more game were released of which one by an external studio through the Group’s publishing activities from the Group’s internal studios.

Releases in the third quarter contributed 19.1 MSEK in net revenue. This pertained only to the platforms and versions of the respective games released in the quarter. The Group has 15 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 33 game-development projects is available on page 11.

Games released during the third quarter of 2023

Game description				Platforms			
Title	Release	Publisher	Studio	PC	Console	Mobile	VR
Viewfinder	2023-07-18	Thunderful	External	●	●	○	○
Astronimo	2023-09-27	Coatsink	Internal	●	○	○	○
Islanders	2023-09-28	Coatsink	Internal	●	●	●	●

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

Game description				Platforms			
Title	Release	Publisher	Studio	PC	Console	Mobile	VR
Sol Frontiers	2023-10-12	Early Morning Studio	Internal	○	○	●	○
Laika: Aged Through Blood	2023-10-19	Headup	External	●	●	○	○

● Released ● Under development ○ N/A



PLANET OF LANA / WISHFULLY



Announced releases of internally developed games

Game description			Platforms			
Title	Release	Publisher	PC	Console	Mobile	VR
SteamWorld Build	2023-12-01	Thunderful	●	●	○	○
Tinkertown	2023, H2	Headup	●	●	○	○
Islanders	2024, H1	Coatsink	●	●	●	●
"Kokidon"	2024, H1	Thunderful	●	●	○	○
Vendir: Plague of Lies	2024, H1	Early Morning Studio	●	●	●	○
"Caramel (a SteamWorld IP Game)"	2024, H1	Thunderful	●	●	○	○
"Axe"	2024, H1	Early Morning Studio	○	○	●	○
"Strawberry (a SteamWorld IP Game)"	2024, H2	Thunderful	○	○	●	○
"Date"	2024, H2	Coatsink	○	○	○	●
SteamWorld Headhunter	2024, H2	Thunderful	●	●	○	○
"Lemon"	2024, H2	To The Sky	●	●	○	○
"Watermelon"	2025	Thunderful	●	●	○	○
"Neapolitan"	2025	Coatsink	●	●	○	○
"Oyster"	2025	Coatsink	○	○	○	●
"Mango"	2025	Thunderful	●	●	○	○

Announced releases of externally developed games

Game description		Platforms			
Title	Release	PC	Console	Mobile	VR
Worldless	2023-11-21	●	●	○	○
Soulslinger	2023-12-14	●	●	○	○
Lego Bricktales	2023-12-07	○	○	●	●
Laika: Aged Through Blood	2023, H2	●	●	○	○
"Leche"	2023, H2	●	●	○	○
"Raspberry"	2024, H1	●	●	○	○
Phantom Sparks	2024, H1	●	●	○	○
"Moose Tracks"	2024, H1	●	●	○	○
"Cinnamon"	2024, H1	○	○	○	●
"Cashew"	2024, H1	●	●	○	○
Replaced	2024, H2	●	●	○	○
"Peach"	2024, H2	●	●	○	○
"Snowflake"	2024, H2	●	●	○	○
IKARO Will Not Die	2025	●	●	○	○
"Grape"	2025	●	●	○	○
"Matcha"	2025	●	●	○	○
"Rocky Road"	2025	●	●	○	○
"Ube"	2025	●	●	○	○

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



Other information

Organisation

As of 30 September 2023, the number of full-time employees was 525 (459), of whom 141 (109) women and 384 (350) 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 2023, Wester Maiqvist AB invoiced Thunderful Group approximately 2.5 MSEK for services provided. The consultancy agreement was terminated during the first quarter of 2023.

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 50–55 and pages 71–72 of the Group's 2022 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.

Income related to marketing activities has been reclassified from net revenue to other income in the prior periods.

For further information on the Group's accounting policies, refer to the 2022 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

- Martin Walfisz assumed his role as new CEO for Thunderful Group effective 28 August 2023.
- Annette Colin assumed her role as interim CFO for Thunderful Group effective 28 August 2023.

Events after the end of the period

Henrik Lundkvist was appointed as new CFO. Henrik, who will assume his role by 1 January 2024 at the latest, succeeds Annette Colin, interim CFO.

Auditors' review

This interim report has been subject to review by the company's auditors, see the audit report on page 15.



The share

Name	Shares	Shares of capital and votes, %
Bergsala Holding AB	17,913,693	25.5%
Brjann Sigurgeirsson (privately and through companies)	4,375,000	6.2%
Lynged Holding AB	4,275,000	6.1%
Avanza Pension	2,300,816	3.3%
Alcur Fonder	2,270,068	3.2%
ÖstVäst Capital Management	2,200,000	3.1%
Knutsson Holdings AB	2,080,293	3.0%
Provobis Holding AB	1,750,000	2.5%
Nordea Liv & Pension	1,515,292	2.2%
Nordnet Pensionsförsäkring	1,461,960	2.1%
TOTAL TOP 10	40,142,122	57.1%
Other	30,148,475	42.9%
TOTAL	70,290,597	100.0%

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

Interim CFO Annette Colin is responsible for IR issues
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annette.colin@thunderfulgroup.com



Outstanding warrant programmes active at the time of this report's publication are:

Warrant programme	Number of warrants	Corresponding number of shares	Proportion of total shares	Exercise price	Expiration period
Warrant programme 2020/2023	505,180	505,180	0.7%	38.37	1 Nov – 30 Nov 2023
Warrant programme 2022/2025	270,000	270,000	0.4%	47.22	19 May – 30 Jun 2025
Warrant programme 2023/2026	940,000	940,000	1.3%	20.28	19 May – 30 Jun 2026
Summa	1,715,180	1,715,180			

As of 30 September 2023, 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 AB (publ) 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 30 September 2023, Thunderful Group's market capitalisation was around 530.7 MSEK.

Certified adviser

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Signature

The interim report for Thunderful Group AB (publ) has been submitted by the company's CEO Martin Walfisz after authorisation from the Board of Directors.

Gothenburg, 15 November 2023

Martin Walfisz
Chief Executive Officer

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 15 November 2023.

For more information, please contact:

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Auditor's report (Unofficial Translation)

Thunderful Group AB (publ). reg. no. 559230-0445

Introduction

We have reviewed the condensed interim financial information (interim report) of Thunderful Group AB as of 30 September 2023 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Gothenburg, November 15 2023

Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg

Authorized Public Accountant



Group income statement

MSEK	2023 Q3	2022 Q3 ^{1,2)}	2023 Jan-Sep	2022 Jan-Sep ^{1,2)}	2022/23 R12M ²⁾	2022 Full-year ²⁾
Net revenue	626.2	691.1	1,865.0	1,785.1	3,033.1	2,953.3
Other operating income	51.9	32.6	121.3	113.9	170.3	163.0
Operating income	678.1	723.7	1,986.3	1,899.1	3,203.4	3,116.2
Capitalised work on own account	39.6	20.7	119.1	71.0	147.7	99.6
Goods for resale (Distribution)	-427.8	-499.8	-1,267.7	-1,235.3	-2,093.7	-2,061.3
Purchased games-development services and royalties (Games)	-7.6	-10.6	-25.6	-41.1	-36.5	-51.9
Other external expenses	-85.6	-83.1	-252.9	-253.2	-384.9	-385.2
Personnel expenses	-98.0	-66.5	-280.9	-207.0	-367.3	-293.4
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-58.1	-39.2	-162.2	-137.5	-198.8	-174.1
Other operating expenses	-15.6	-7.5	-47.2	-42.0	-58.9	-53.7
Operating profit	25.0	37.9	69.0	54.0	211.1	196.1
Total financial items	6.1	-17.8	-73.4	-48.2	-62.9	-37.7
Profit/loss after financial items	31.2	20.1	-4.4	5.8	148.1	158.3
Tax on profit for the period	-6.5	-8.7	-17.9	-15.0	-40.0	-37.2
Net profit/loss for the period	24.7	11.4	-22.3	-9.2	108.1	121.2
Other comprehensive income						
Currency translation difference in foreign operations	-67.9	10.7	81.9	53.0	87.5	58.6
Comprehensive income for the period	-43.2	22.1	59.6	43.8	195.6	179.8
Net profit for the period attributable to:						
Shareholders of the Parent Company	24.7	11.4	-22.3	-9.2	108.1	121.2
Earnings per share before dilution, SEK	0.35	0.16	-0.32	-0.13	1.54	1.72
Earnings per share after dilution, SEK	0.35	0.16	-0.32	-0.13	1.54	1.72
Comprehensive income for the period attributable to:						
Shareholders of the Parent Company	-43.2	22.1	59.6	43.8	195.6	179.8
Average number of shares	70,290,597	70,290,597	70,290,597	70,252,037	70,290,597	70,261,677

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 Jan-Sep 2022 has been reduced by 92.3 MSEK and other operating expenses has been reduced by 93.4 MSEK. Other operating income in Q3 2022 has been reduced by 89.6 MSEK while other operating expenses has been reduced by 89.3 MSEK. Corresponding adjustments has been done in total financial items.

²⁾ Income related to marketing activities has been reclassified from net revenue to other income in the prior periods.



Group balance sheet

MSEK	2023-09-30	2022-09-30	2022-12-31
ASSETS			
Fixed assets			
<i>Intangible assets</i>			
IT systems	2.8	4.3	4.0
Capitalised development expenditure, games	381.2	196.3	231.7
Publishing licences	149.1	92.8	110.9
Investments in game projects	16.3	4.6	9.1
Publishing and distribution relationships	232.3	269.4	260.1
Goodwill	1,009.3	745.0	928.3
Game rights	314.5	276.3	331.4
Customer relationships	102.7	108.7	105.7
Other intangible assets	18.6	23.8	23.8
	2,226.8	1,721.2	2,004.9
<i>Property, plant and equipment</i>			
Right-of-use assets	133.7	138.0	133.7
Buildings and land	1.6	0.6	0.5
Equipment, tools, fixtures and fittings	17.7	17.3	17.5
	153.1	155.9	151.6
<i>Financial assets</i>			
Other securities held as non-current assets	0.2	0.2	0.2
Other non-current receivables	7.4	7.3	7.4
	7.6	7.5	7.6
Deferred tax assets	0.7	1.7	1.3
Total fixed assets	2,388.2	1,886.3	2,165.4
Current assets			
<i>Inventories, etc.</i>			
Finished goods and goods for resale	684.5	842.5	600.3
Advance payments to suppliers	66.6	15.8	49.6
	751.2	858.3	649.9
<i>Current receivables</i>			
Accounts receivable	398.1	534.0	654.6
Current tax assets	22.2	17.8	19.3
Other receivables	13.2	7.7	9.0
Prepayments and accrued income	98.7	100.2	113.8
	532.3	659.7	796.8
Cash and cash equivalents	37.0	46.9	56.6
Total current assets	1,320.5	1,565.0	1,503.3
TOTAL ASSETS	3,708.7	3,451.2	3,668.7



Group balance sheet, continued

MSEK	2023-09-30	2022-09-30	2022-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital	0.7	0.7	0.7
Other capital contributions	1,274.8	1,274.8	1,274.8
Other equity, including net profit for the year	767.8	571.2	707.2
	2,043.4	1,846.7	1,982.7
Non-current liabilities			
Non-current earn-out considerations	244.5	210.2	286.9
Deferred tax liabilities	160.5	145.7	151.3
Other provisions	1.8	2.2	1.8
Non-current lease liabilities	100.1	109.6	105.0
	507.0	467.7	545.1
Current liabilities			
Overdraft facility	41.4	20.6	63.6
Liabilities to credit institutions	517.2	404.0	111.3
Accounts payable	307.8	358.4	598.7
Current tax liabilities	28.6	51.5	35.7
Other liabilities	70.7	75.7	85.8
Current earn-out considerations	98.2	133.9	140.2
Current lease liabilities	31.0	25.9	26.4
Accrued expenses and deferred income	63.5	67.0	79.2
	1,158.3	1,136.9	1,140.9
TOTAL EQUITY AND LIABILITIES	3,708.7	3,451.2	3,668.7



ASTRONIMO / COATSINK



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 2023	0.7	1,274.8	707.2	1,982.7
Issued stock options	0.0	0.0	1.1	1.1
Total comprehensive income for the period	0.0	0.0	59.6	59.6
Closing balance, 30 September 2023	0.7	1,274.8	767.8	2,043.4
Opening balance, 1 January 2022	0.7	1,271.8	527.4	1,799.9
New issues of shares, acquisition Headup GmbH	0.0	3.0	0.0	3.0
Transactions with owners	0.0	3.0	0.0	3.0
Total comprehensive income for the period	0.0	0.0	43.8	43.8
Closing balance, 30 September 2022	0.7	1,274.8	571.2	1,846.7
Opening balance, 1 January 2022	0.7	1,271.8	527.4	1,799.9
New issues of shares, acquisition Headup GmbH	0.0	3.0	0.0	3.0
Transactions with owners	0.0	3.0	0.0	3.0
Total comprehensive income for the period	0.0	0.0	179.8	179.8
Closing balance, 31 December 2022	0.7	1,274.8	707.2	1,982.7





Group cash flow statement

MSEK	2023 Q3	2022 Q3	2023 Jan-Sep	2022 Jan-Sep	2022/23 R12M	2022 Full-year
Operating activities						
Profit after financial items	31.2	20.2	-4.4	5.8	148.1	158.3
Adjustment for non-cash items						
- Depreciation, amortisation and impairment	58.1	39.1	162.2	137.5	198.7	174.0
- Exchange-rate differences	-27.5	-16.7	37.1	10.0	33.4	9.5
- Revaluation of earn-out debts	11.8	0.0	9.3	0.0	-12.9	-25.4
- Other adjustments	0.0	0.0	-0.1	0.0	-0.3	-0.4
	73.6	42.6	204.1	153.3	367.0	316.0
Income tax paid	-8.4	-8.9	-36.4	-38.5	-79.8	-81.9
Cash flow from operating activities before changes in working capital	65.2	33.7	167.7	114.8	287.2	234.1
Changes in working capital						
Change in inventories and advance payments to suppliers	-22.2	70.3	-101.3	-94.3	107.2	114.1
Change in accounts receivable	76.1	-158.0	256.5	332.6	135.8	212.0
Change in accounts payable	-194.3	-16.6	-290.9	-230.2	-50.6	10.1
Change in other working capital	13.2	16.3	-20.8	10.0	-73.7	-42.9
Cash flow from operating activities	-62.0	-54.3	11.2	132.9	405.9	527.4
Investing activities						
Acquisition of subsidiaries/business	0.0	0.0	-23.8	0.0	-94.0	-70.2
Investment in property, plant and equipment	-1.7	-0.8	-4.9	-6.3	-5.9	-7.3
Investment in capitalised game development expenditure	-59.2	-28.3	-175.3	-105.8	-212.8	-143.3
Investment in game projects	0.0	0.0	-36.0	-4.6	-40.5	-9.1
Investment in publishing rights	-22.3	-22.5	-61.9	-48.6	-83.0	-69.7
Investment in other intangible assets	0.4	-0.3	-0.2	-1.6	-0.2	-1.6
Investment in financial assets	0.0	-2.0	0.0	-2.1	1.6	-0.5
Sale of fixed assets	0.0	0.0	31.9	0.0	31.9	0.0
Cash flow from investing activities	-82.8	-53.9	-270.2	-169.0	-402.9	-301.7
Financing activities						
Change in overdraft facility	38.5	10.6	-22.2	-249.8	20.8	-206.8
Borrowings from credit institutions	104.4	83.6	405.8	404.0	113.2	111.3
Repayment of lease liabilities	-6.7	-6.2	-22.5	-17.9	-28.7	-24.1
Repayment of earn-out liabilities	-3.5	-13.6	-124.1	-114.5	-124.1	-114.5
Paid stock option premium	1.1	0.0	1.1	0.0	1.1	0.0
Dividend paid	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	133.8	74.3	238.1	21.7	-17.7	-234.1
Cash flow for the period	-11.0	-34.1	-20.9	-14.6	-14.7	-8.4
Cash and cash equivalents at the beginning of the period	50.2	78.2	56.6	60.2	46.9	60.2
Exchange-rate differences in cash and cash equivalents	-2.2	2.8	1.3	1.3	4.8	4.8
Cash and cash equivalents at the end of the period	37.0	46.9	37.0	46.9	37.0	56.6

Currency effects in the credit facility have been reclassified from exchange-rate difference in cash and cash equivalents to exchange-rate differences in the prior periods.



Parent Company income statement

MSEK	2023 Jan-Sep	2022 Jan-Sep ¹⁾
Net revenue	7.6	7.6
Other operating income	0.2	0.1
Operating income	7.8	7.6
Operating expenses		
Other external expenses	-17.8	-20.1
Personnel expenses	-13.2	-9.8
Other operating expenses	-0.1	3.3
Total operating expenses	-31.1	-26.6
Operating profit	-23.3	-19.0
Total financial items	-1.0	149.7
Profit after financial items	-24.3	130.7
Tax on profit for the period	0.0	0.1
Net profit/loss for the period and comprehensive income for the period	-24.3	130.8

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 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.





Parent Company balance sheet

MSEK	2023-09-30	2022-09-30	2022-12-31
ASSETS			
Fixed assets			
<i>Financial assets</i>			
Shares in Group companies	2,397.6	2,178.7	2,397.2
Total fixed assets	2,397.6	2,178.7	2,397.2
Current assets			
Receivables from Group companies	526.4	807.8	884.3
Current tax assets	4.0	13.4	3.5
Other receivables	3.4	0.4	0.8
Prepayments and accrued income	1.3	1.4	1.4
Total current assets	535.1	823.0	890.0
Cash and bank balances	0.0	0.0	0.0
TOTAL ASSETS	2,932.8	3,001.7	3,287.2
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	99.9	78.7	78.7
Share premium reserve	1,970.6	1,969.5	1,969.5
Net profit for the year	-24.3	130.8	21.2
Total unrestricted equity	2,046.2	2,179.0	2,069.4
Total equity	2,046.9	2,179.7	2,070.1
Untaxed reserves			
Tax allocation reserves	0.0	27.5	0.0
Total untaxed reserves	0.0	27.5	0.0
Non-current liabilities			
Non-current earn-out considerations	234.8	208.4	285.3
Total non-current liabilities	234.8	208.4	285.3
Current liabilities			
Overdraft facility	41.4	20.6	63.6
Liabilities to credit institutions	517.2	404.0	111.3
Liabilities to Group companies	0.0	26.7	605.4
Accounts payable	2.0	1.3	4.6
Other liabilities	0.9	0.9	3.1
Current earn-out considerations	87.7	130.7	136.8
Accrued liabilities	1.9	2.0	7.1
Total current liabilities	651.1	586.1	931.8
TOTAL EQUITY AND LIABILITIES	2,932.8	3,001.7	3,287.2



Segment reporting

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

MSEK	2023 Q3	2022 Q3	2023 Jan-Sep	2022 Jan-Sep	2022/23 R12M	2022 Full-year
Net revenue						
Thunderful Games	90.0	117.8	304.1	315.0	503.5	514.4
Thunderful Distribution	536.1	573.3	1,560.9	1,470.1	2,529.6	2,438.8
- of which, Bergsala	260.1	275.4	842.6	648.9	1,409.5	1,215.8
- of which, Nordic Game Supply	100.7	161.0	328.2	463.9	563.4	699.1
- of which, Amo Toys	175.3	136.9	390.1	357.3	556.8	524.0
Net revenue	626.2	691.1	1,865.0	1,785.1	3,033.1	2,953.3
Adjusted EBITDA						
Thunderful Games	36.9	63.0	159.3	163.0	297.6	301.3
Thunderful Distribution	53.3	18.5	99.8	40.9	156.8	97.9
- of which, Bergsala	28.8	17.8	73.2	38.6	133.9	99.3
- of which, Nordic Game Supply	-6.1	-1.3	-11.0	2.1	-15.3	-2.1
- of which, Amo Toys	30.6	2.0	37.6	0.1	38.2	0.7
Other	-7.0	-4.5	-20.2	-12.3	-31.4	-23.5
Adjusted EBITDA	83.2	77.1	239.0	191.5	423.1	375.6
Adjusted non-recurring items (Games segment)	0.0	0.0	-2.3	0.0	-2.3	0.0
Adjusted non-recurring items (Distribution segment)	0.0	0.0	-2.7	0.0	-2.7	0.0
Adjusted non-recurring items (Other segment)	0.0	0.0	-2.8	0.0	-8.3	-5.5
EBITDA	83.2	77.1	231.2	191.5	409.8	370.1
Adjusted EBITDA margin - Thunderful Games, %	41.0%	53.5%	52.4%	51.7%	59.1%	58.6%
Adjusted EBITDA margin - Thunderful Distribution, %	9.9%	3.2%	6.4%	2.8%	6.2%	4.0%
Adjusted EBITDA margin - Thunderful Group, %	13.3%	11.2%	12.8%	10.7%	13.9%	12.7%
Adjusted EBITA						
Thunderful Games	8.5	51.3	90.2	106.9	214.7	231.3
Thunderful Distribution	47.5	13.2	81.7	25.8	133.1	77.2
Other	-7.1	-4.6	-20.4	-12.5	-31.7	-23.7
Adjusted EBITA	48.9	60.0	151.5	120.2	316.1	284.8
Adjusted non-recurring items (Games segment)	0.0	0.0	-2.3	0.0	-2.3	0.0
Adjusted non-recurring items (Distribution segment)	0.0	0.0	-2.7	0.0	-2.7	0.0
Adjusted non-recurring items (Other segment)	0.0	0.0	-2.8	0.0	-8.3	-5.5
EBITA	48.9	60.0	143.7	120.2	302.8	279.3
Adjusted EBITA margin - Thunderful Games, %	9.5%	43.5%	29.7%	33.9%	42.6%	45.0%
Adjusted EBITA margin - Thunderful Distribution, %	8.9%	2.3%	5.2%	1.8%	5.3%	3.2%
Adjusted EBITA margin - Thunderful Group, %	7.8%	8.7%	8.1%	6.7%	10.4%	9.6%
Operating profit (EBIT)						
Thunderful Games	-6.1	38.6	41.1	68.6	157.8	185.3
Thunderful Distribution	38.2	3.9	51.1	-2.1	93.2	40.0
Other	-7.1	-4.6	-23.3	-12.5	-40.0	-29.2
Operating profit (EBIT)	25.0	37.9	69.0	54.0	211.1	196.1
Operating margin (EBIT margin) - Thunderful Games, %	-6.7%	32.7%	13.5%	21.8%	31.3%	36.0%
Operating margin (EBIT margin) - Thunderful Distribution, %	7.1%	0.7%	3.3%	-0.1%	3.7%	1.6%
Operating margin (EBIT margin) - Thunderful Group, %	4.0%	5.5%	3.7%	3.0%	7.0%	6.6%



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, capitalised work on own account and costs for goods for resale, games-development services and royalties.	Indicates the product profitability of the core business.
Gross margin	Gross profit in relation to net revenue.	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 net revenue.	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 net revenue.	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 net revenue.	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 net revenue.	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 net revenue.	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.
Core working capital, net	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.
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, R12M	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	2023 Q3	2022 Q3	2023 Jan-Sep	2022 Jan-Sep	2022/23 R12M	2022 Full-year
Net revenue growth						
Net revenue previous period	691.1	715.8	1,785.1	1,776.4	3,070.1	3,061.3
Net revenue current period	626.2	691.1	1,865.0	1,785.1	3,033.1	2,953.3
Net revenue growth, %	-9.4%	-3.5%	4.5%	0.5%	-1.2%	-3.5%
Gross profit and gross margin						
Operating income	678.1	723.7	1,986.3	1,899.1	3,203.4	3,116.2
Capitalised work on own account	39.6	20.7	119.1	71.0	147.7	99.6
Costs for goods for resale, purchased games-development services and royalties	-435.3	-510.3	-1,293.3	-1,276.3	-2,130.2	-2,113.3
Gross profit, MSEK	282.3	234.0	812.1	693.7	1,220.9	1,102.5
Gross margin, %	45.1%	33.9%	43.5%	38.9%	40.3%	37.3%
Adjusted EBITDA and adjusted EBITDA margin						
Operating profit (EBIT)	25.0	37.9	69.0	54.0	211.1	196.1
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	58.1	39.2	162.2	137.5	198.8	174.1
Adjusted non-recurring items	0.0	0.0	7.8	0.0	13.3	5.5
Adjusted EBITDA	83.2	77.1	239.0	191.5	423.1	375.6
Adjusted EBITDA margin, %	13.3%	11.2%	12.8%	10.7%	13.9%	12.7%
Adjusted EBITA and adjusted EBITA margin						
Operating profit (EBIT)	25.0	37.9	69.0	54.0	211.1	196.1
Amortisation and impairment of acquisition-related intangible assets	23.9	22.0	74.7	66.2	91.7	83.2
Adjusted non-recurring items	0.0	0.0	7.8	0.0	13.3	5.5
Adjusted EBITA	48.9	60.0	151.5	120.2	316.1	284.8
Adjusted EBITA margin, %	7.8%	8.7%	8.1%	6.7%	10.4%	9.6%
Core working capital, net						
Inventories	751.2	858.3	751.2	858.3	751.2	649.9
Accounts receivable	398.1	534.0	398.1	534.0	398.1	654.6
Accounts payable	-307.8	-358.4	-307.8	-358.4	-307.8	-598.7
Total core working capital	841.5	1,033.9	841.5	1,033.9	841.5	705.8
Interest-bearing net debt/adjusted EBITDA, R12M						
Non-current interest-bearing liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Current interest-bearing liabilities	558.5	424.5	558.5	424.5	558.5	174.9
Cash equivalents	-37.0	-46.9	-37.0	-46.9	-37.0	-56.6
Interest-bearing net debt	521.5	377.6	521.5	377.6	521.5	118.3
Adjusted EBITDA R12M	423.1	330.9	423.1	330.9	423.1	375.6
Interest-bearing net debt/adjusted EBITDA, R12M	1.2	1.1	1.2	1.1	1.2	0.3



Other information

Financial calendar

Interim report Oct–Dec 2023	22 February 2024
Interim report Jan–Mar 2024	15 May 2024
Annual General Meeting 2024	22 May 2024

For more information

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