



ZORDIX

Zordix acquires Merge Games

June 2021

SMALLAND

The background of the slide features a dark, atmospheric scene from the game Smalland. At the top, the word "SMALLAND" is written in large, stylized, dark letters with intricate patterns. Below the title, a character in a hooded cloak and boots is seen from behind, standing on a rocky outcrop and looking out over a vast, misty landscape with tall grasses and distant structures.

Zordix AB (publ) acquires **major UK publisher and developer Merge Games.**

- 1. Merge Games**
- 2. Highlights and Opportunities**
- 3. Acquisition History & Strategy**

Executive Summary

Introduction

- UK-based global publisher and developer of independent video games, with a portfolio of own and shared IPs
 - 100+ games published digitally on PC and console
 - 80+ games published for distribution – capitalising on profitable gaps in retail market
 - Global distribution reach with partners spanning APAC, North America, and Europe
 - With its Signature Edition premium brand, Merge offers videogame fans the finest collector’s editions
- 30%+ YoY revenue growth driven by 100% growth in digital sales



Attractive fully or partially owned IP



* Net revenue for the period FYE18/19 - LTM Mar'21



Executive Summary

Digital and retail publishing supported by strong IP portfolio

- ✓ Full production and marketing implementation
- ✓ Long-term earning potential through DLCs, sequels, and back-catalogue
- ✓ De-risks retail publishing through proven performance in digital
- ✓ High margin and ROI



- ✓ Stable cash flows
- ✓ Incremental distribution revenues not offered by digital-only publishers
- ✓ Relationship with top IPs (+ M&A funnel)
- ✓ Experience, knowledge, and networks
- ✓ Global reach

Strong pipeline of top quality IPs with full publishing rights across both digital and retail

2021 Releases – Digital + Retail



2022 Releases - Digital + Retail



* Aragami 2 is retail publishing only



Selected Project:

Spirit of the North

Spirit of the North

Merge assumed full publishing, production and marketing implementation across Steam and Console development. Initially released on PS4 and then led the full expansion across Switch, PC, and PS5. Merge leveraged their distribution network to ensure global coverage including Japan and Korea. Developers have already signed a sequel with Merge.

Developer:	Merge Games, Infuse Studio
Publisher:	Merge Games
Genre:	Adventure, Casual, Indie
Platforms:	PC, PS5, PS4, Xbox One, Xbox Series X/S, Switch
Price:	\$19.99 - \$24.99 USD
Release:	June 2021
Copies Sold:	250,000+



Selected Project:

Alex Kidd in Miracle World DX

Alex Kidd

Initially released in 1986 as a platform game for the Sega Master System, Alex Kidd garnered a cult following. Merge approached Sega for the publishing rights globally to remake the game. The game is highly anticipated and pre-ordering strongly.

Developer:	Merge Games, Jankenteam
Publisher:	Merge Games
Genre:	Action, Platform, Indie
Platforms:	PC, PS5, PS4, Xbox One, Xbox Series X/S, Switch
Price:	\$19.99 USD
Release:	End of June 2021



Selected Project:

Smalland

Smalland

Smalland sets out to be a big adventure on a tiny scale! Enjoy multiplayer survival in a vast, hazardous world. Preparation is key when you're this small, surrounded by massive creatures & at the bottom of the food chain. Craft weapons & armour, build encampments & explore a strange new land.

Merge purchased the IP in 2019 and led the game development. At it stands the game has close to 140K wishlists on Steam, a hugely active Discord group and sales expectations for our first owned IP are extremely high.

Developer:	Merge Games
Publisher:	Merge Games
Genre:	Action Adventure, Survival, Open-World
Platforms:	PC, PS4, Xbox One, Switch
Price:	TBA
Release:	Late 2021



Selected Project:

Dead Cells

Dead Cells

Merge Games worked closely with Motion Twin to help establish Dead Cells for retail channels across the US and European market. The game was a huge smash hit and won 'Best Action Game of the Year in 2018' and a Metacritic score of 91% to firmly establish itself as one of the best games launched in the last 10 years.

Developer:	Motion Twin
Publisher:	Merge Games, Motion Twin
Genre:	Rogue-like, Metroidvania
Platforms:	Retail PC, Switch, PS4
Price:	\$30-35 USD
Units Sold:	300,000+



Merge Games is a fast-growing global publisher and distributor with top-tier IPs. The acquisition solidifies our goal of controlling the whole value chain.

Complementary Addition

Complementary fit to existing business providing a **strong publishing arm with a global footprint**. Zordix can now publish its IP in-house and **retain all profits within the group**.

Strong Growth Prospects

Strong historical growth where **digital is a significant growth engine** and expected margin improvement due to the shift in business to own development.

Strong Management

The management of Merge Games has a long history in the industry who will add **experience**, knowledge and **entrepreneurial drive** to the Zordix Group.

Quality Pipeline

Recent and upcoming suite of **quality game releases** underpinning strong revenue growth.

Zordix
acquisition history

2021 Merge Games
Acquisition



2021 Just For Games
Acquisition



2020 Invictus
Acquisition



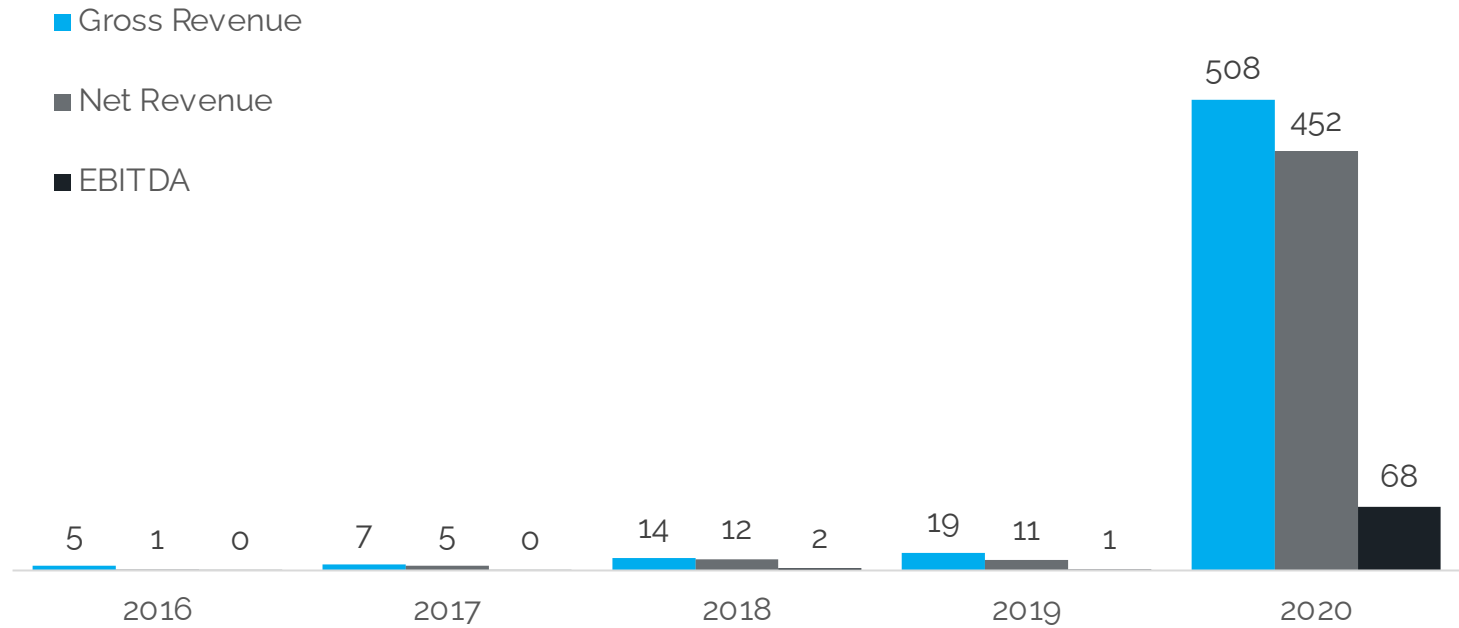
2019 Dimfrost
Acquisition





Pro-forma group financials

Recent acquisitions are transformative in terms of scale and capability



Note

2020 figures include the acquisition of Just For Games and Merge Games. Preliminary unaudited pro forma figures for the period of 1 January 2020 to 31 December 2020 is presented with the purpose of describing a hypothetical situation as if the transaction had been completed as of 1 January 2020. No synergy effects or integration costs have been considered in the pro forma figures. It is important to note that the pro forma figures should not be considered an estimate for the current year or the coming twelve months. Average EUR/SEK and GBP/SEK exchange rates for the period 1 January 2020 to 31 December 2020 of 10.487 and 11.798, respectively, have been used for conversions.



**Zordix
accelerated
acquisition strategy**

Building a publishing and distribution powerhouse together with an expansion of our own portfolio of IP.

We aim to continue acquiring publishers, distributors as well as IP in order to solidify our goal to control the whole value chain.



Contact us

For questions regarding the information in this presentation, please send us an e-mail to:

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