

Thunderful Group divests operations in Nordic Game Supply

Thunderful Group AB ("Thunderful Group" or the "Company") has today, through its wholly owned subsidiaries Nordic Game Supply AB and Nordic Game Supply A/S (collectively "Nordic Game Supply"), entered into an agreement to divest the operations and assets of Nordic Game Supply (the "Transaction") for a purchase price corresponding to the book value of the inventory in Nordic Game Supply after adjustment with an agreed discount, as described below. Buyer is Handelselskabet af 15 Marts 2024 A/S ("Buyer"), a company owned by Henrik Mathiasen (currently employed as CEO of Bergsala AB and acting CEO of Nordic Game Supply). With minor exceptions, the Transaction will involve a transfer of all business operations and all assets of Nordic Game Supply.

Background and motive

As previously announced on February 14, 2024, Thunderful Group has initiated a strategic evaluation of Nordic Game Supply, as the business has experienced difficulties with its profitability throughout 2022 and 2023. The transaction will have a positive impact on Thunderful Group's operating cash flows and reduce Thunderful Group's net debt. As part of the evaluation, the Company has been in dialogue with a handful of potential buyers. The terms of the Transaction with the Buyer have been deemed to represent the best option for Thunderful Group and its shareholders.

Summary of the transaction

- The buyer will take over Nordic Game Supply's business relationships with customers and suppliers of Nordic Game Supply.
- The buyer will take over the relevant trademarks and IP rights associated with Nordic Game Supply.
- The buyer takes over personnel from Nordic Game Supply.
- After completion of the Transaction, it is the intention that Nordic Game Supply will cease its operations as soon as possible.

Purchase price

- The purchase price payable by the Purchaser upon completion of the Transaction will be determined based on the book value of the inventory recorded as of the banking day prior to the date the transaction is completed ("Effective Time") adjusted for an effective discount of 28%. At the time of signing the Transaction, the book value of the registered inventory is 106 MSEK, which means a preliminary purchase price of 76 MSEK.
- In addition, the Buyer will pay 100% of the order value for orders that are in transit (ie, items not delivered to the specified storage facility at the time of the Effective Time).

Evaluation of the transaction

The Board of Directors of Thunderful Group has appointed BDO Deal Advisory as an independent third-party advisor, who have arm's length evaluated the transaction. According to the valuation

assessment, BDO Deal Advisory has concluded that the transaction terms, including the price and transaction structure, are reasonable.

Financial impact on Thunderful Group

- The Transaction will have a positive impact on the Company's operating cash flows immediately following the completion of the Transaction.
- The transaction proceeds will result in reduced net debt for the Company.
- As the purchase price will be based on the book value of the inventory after an agreed discount, the Company assesses that the Transaction will have a negative impact on the Company's EBIT of approximately 34 MSEK for the second quarter of 2024.

Terms and Completion of the Transaction

- The transaction is subject to approval by the shareholders of Thunderful Group at a general meeting which will be called separately from this press release. There are no other conditions for completing the Transaction.
- Completion of the Transaction will take place as soon as possible after approval by the general meeting.

Advisor

ABG Sundal Collier acts as financial advisor to Thunderful Group in connection with the Transaction. Gorrissen Federspiel and Setterwalls are acting as legal advisors to Thunderful Group in connection with the Transaction.

For more information, please contact:

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This information is information that Thunderful Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-04-26 11:45 CEST.

About Thunderful Group

Thunderful Group is a group of companies that develops, publishes and invests in games, while also distributing Nintendo products, games, game accessories and toys. It is headquartered in Gothenburg, Sweden, with offices in the United Kingdom, Spain, Germany, Denmark, Finland and Norway. The Group's overall goal is to provide high-quality entertainment products for people of all ages. Thunderful Group is listed on Nasdaq First North Premier. FNCA Sweden AB is appointed Certified Adviser.

Attachments

[Thunderful Group divests operations in Nordic Game Supply](#)