

Thunderful Group Implements Strategic Restructuring Program: Doubling Down on Third-party Game Publishing and Scaling Back Internal Development, Resulting in Write Downs of 220-240 MSEK

Thunderful Group AB (publ) ("**Thunderful**" or "**the Group**") announces today the implementation of a strategic restructuring program within its Publishing segment ("**the program**") aimed to increase the focus on third-party game publishing while reducing investments in internal game projects. The program will lead to workforce reductions and the discontinuation of some internal game projects. In short, the program will mean:

- Annual cost savings and consequently improved cash flow of 80–90 MSEK. The cash flow is also impacted by increased investments in publishing rights of 30–40 MSEK per year.
- One-time costs of 25–30 MSEK during Q4, subject to negotiations with affected labour unions.
- Right down of capitalised game development expenditures, goodwill and investments in game rights to a value of 220–240 MSEK.

Thunderful's management and Board of Directors have continued to assess the Group's business capabilities and capital structure, and after careful consideration, have decided to implement this strategic restructuring program in the Publishing segment. The shift will entail a greater focus on third-party game publishing and a reduction in investments in internally developed projects.

This newly announced program follows the cost-saving measures introduced earlier this year, as well as the divestment of the Group's distribution business to manage previously incurred net debt. Whilst significant reductions in cost levels were achieved this year, revenue targets have not been met and the Group is still struggling with negative cash flow.

Shifting focus to external publishing will reduce the Group's fixed costs and allow for greater flexibility, enabling faster, diverse game releases by leveraging external talent and resources in a balanced manner, while still retaining some internal development capacity. The restructuring program will be implemented immediately.

"It is regrettable to announce a second restructuring of Thunderful in less than a year, but we unfortunately see no other alternatives in order to ensure the Group's long-term sustainability and resilience. The strategic move towards publishing games from external partners allows us to reduce fixed costs, increase flexibility, and better control our cash flow," says **Martin Walfisz**, CEO of Thunderful Group. *"We have many talented and dedicated employees, and it is with great regret that we are forced to part ways."*

The restructuring program will result in the termination of a large portion of the development team, as well as positions within management and administration, both in and outside Sweden. The program, which is expected to impact 80-100 employees, will incur one-time costs of 25–30 MSEK during Q4, subject to negotiations with affected labour unions.

The workforce reductions will yield annual cost savings and consequently improved cash flow of 80–90 MSEK. The cash flow is also impacted by increased investments in game rights of 30–40 MSEK per year. The Group expects the majority of these savings to take effect starting Q1 2025.

As a result of the program, capitalised game development expenditures, goodwill and investments in game rights will be written down, with a value of 220–240 MSEK.

Thunderful Group's Co-development and Services segment, is not affected by the program.

Thunderful will hold a webcast in English to discuss the strategic restructuring program today (14 November 2024) at 15:00 CET. The webcast will offer the opportunity to ask questions. Join the webcast via the link: <https://www.redeye.se/events/1044922/live-q-thunderful-group-2>

For more information, please contact:

Martin Walfisz, CEO, Thunderful Group, +46 705 37 19 10, IR@thunderfulgroup.com

Per Alnefelt, interim CFO Thunderful Group, +46 727 17 02 17

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 2024-11-14 07:15 CET.

About Thunderful Group

Thunderful Group is focused on publishing and developing high-quality digital games for PC and console platforms. Headquartered in Gothenburg, Sweden, Thunderful Group spans a significant part of the gaming industry value chain through its two main business segments: Publishing and Co-Development & Services. The Group comprises a global game publishing operation, eight game studios with broad creative and technical expertise, and offers publishing services to external partners. These segments work together to develop, market, and support a diverse portfolio of gaming experiences. Thunderful Group is listed on Nasdaq First North Premier. The company's Certified Adviser is FNCA Sweden AB.

Attachments

[Thunderful Group Implements Strategic Restructuring Program: Doubling Down on Third-party Game Publishing and Scaling Back Internal Development, Resulting in Write Downs of 220-240 MSEK](#)