

Thunderful Group to divest Headup

Thunderful Group AB (the “Company” or “Thunderful Group”) has entered into an agreement to divest all the shares in its German-based publishing subsidiary Headup GmbH (“Headup”) to Microcuts Holding GmbH a legal entity controlled by its founder Dieter Schoeller (the “Buyer”). The transaction consideration will partly be offset against existing earnout liabilities related to the acquisition of Headup by Thunderful Group in March 2021.

Background and rationale

As announced on 23 November 2023, Thunderful Group has initiated the process of evaluating a potential divestment of Headup as the Company is implementing a strategy focused on publishing fewer and larger titles through its Thunderful Publishing unit. As part of the evaluation, Thunderful Group has been in dialogue with a handful of potential buyers. The terms with the Buyer are assessed to represent the best alternative for Thunderful Group and its shareholders.

Summary of the transaction

- The Buyer will pay a purchase price of EUR 500k for all the shares in Headup. Out of the remaining earnout liabilities of the Company in the aggregate amount EUR 1,873k which have become due for payment; EUR 957k will be payable by the Company as of closing of the transaction. The amount will be set-off against the purchase price, resulting in a cash payment to be made by the Company at closing in the amount EUR 457k. The remaining part of the earnout in the total amount of 916k EUR will be postponed and become due for payment on 31 March 2025. EUR 83k is payable in cash and the remaining amount of EUR 833k is payable in cash or in a mix of 2/3 in cash and 1/3 in newly issued shares in the Company (the mix is determined by the Company).
- The transaction includes a back catalogue of approximately 80 titles and a pipeline of 5 games, including financing commitments.
- Thunderful Group will retain control over select assets and IPs.
- Thunderful Group will receive a revenue share on a future unannounced title up to a total of EUR 300k.

Financial impact for Thunderful Group

- The transaction will positively impact the near-term cash flow profile of Thunderful Group and is in line with the ambitions announced in connection with the initiation of the restructuring programme on 17 January 2024.
- There will be no additional write-down of goodwill in connection with the transaction as the write-downs of SEK 500m announced on 14 February 2024 included the goodwill related to Headup.
- IP with a booked value of SEK 4m will be transferred to Headup and will result in a loss for Thunderful in the transaction.

Conditions and closing of the transaction

- The transaction is subject to the following conditions: (i) approval by the shareholders at an extraordinary general meeting that will be called for separately from this press release, (ii) transfer of Headup's subsidiary, Studio Fizbin GmbH, to the Company, and (iii) transfer of three IP-related agreements from members of the Company's group to Headup and obtainment of third party consents in respect of such transfers.
- There are no other closing conditions.
- Closing of the transaction will take place as soon as possible following an approval at the extraordinary general meeting.

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 2024-03-27 18:45 CET.

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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 to divest Headup](#)