



HALF YEAR 2023/2024 RESULTS
December, 2023



**Laure
d'Hauteville**
Chief Financial
Officer



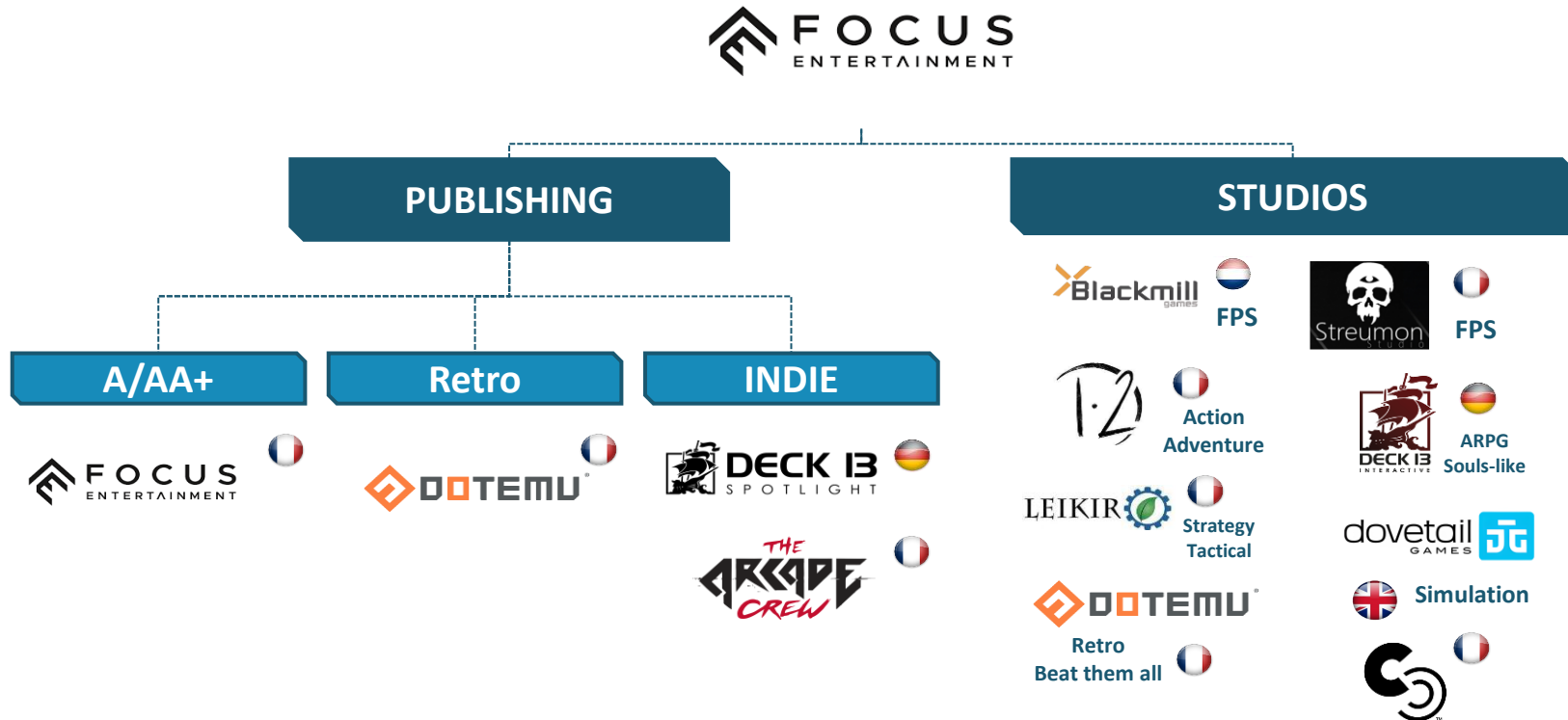
John Bert
Managing
Director

FOCUS ENTERTAINMENT, A RAPID TRANSFORMATION SINCE 2020



SnowRunner

A new model implemented in 3 years : from a distributor/ publisher model to a federation of entrepreneurs with 2 strong pillars: developer and publisher and a high potential for revenue synergies



FOCUS : 8 studios - 4 Publishing labels

Developer/ Publisher

Road to a new model

- Increase Co-IP & own IP
- Develop long term franchises
- Increase recurring revenue
- Increase margin
- Balance the risks

New opportunities

- Carpool
- Focus Production

¹ as of today

HALF YEAR 2023/2024

Strong revenue growth
led by back-catalogue



A Plague Tale: Requiem



INSURGENCY

SANDSTORM



A strong back-catalogue

Teenage Mutant Ninja Turtles: Shredder's Revenge

Insurgency: Sandstorm

A Plague Tale: Requiem

SnowRunner

Atomic Heart



58,6 M Euros +70% yoy

69% of revenue

H1 2023/24 - 9 LAUNCHES 2 AA & 7 INDIES



ATLAS FALLEN AA

Owned IP
Developed by Deck13 Interactive

65 (Steam) / 68 (M)



ALIENS
DARK DESCENT AA

Disney IP
Developed by Tindalos Interactive

89 (Steam) / 75 (M)



BOLTGUN Indie

Games Workshop IP
Developed by Auroch Digital

92 (Steam) / 75 (M)



TRAIN SIM WORLD 4 Sim

Owned IP
Developed & Published by Dovetail Games

73 (Steam) / 74 (M)



CITY TRANSPORT SIMULATOR TRAM Sim

Owned IP
Developed & Published by Dovetail Games

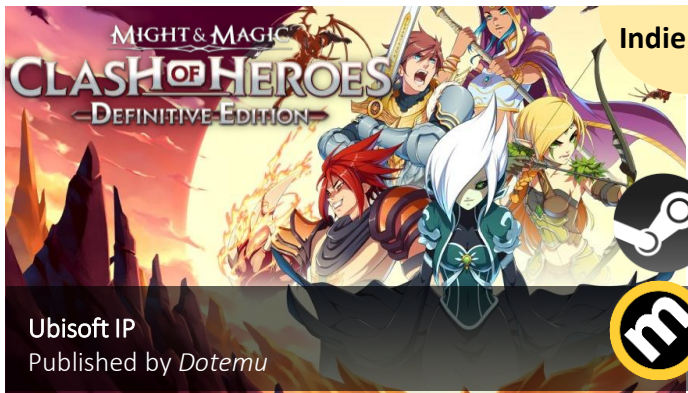
50 (Steam) / tbd (M)



chants of SENNAAR Indie

Co-Owned IP
Developed by Rundisc

98 (Steam) / 85 (M)



MIGHT & MAGIC CLASH OF HEROES
DEFINITIVE EDITION Indie

Ubisoft IP
Published by Dotemu

75 (Steam) / 77 (M)



VOID CREW Indie

Co-Owned IP
Developed by Hutlihut Games

90 (Steam) / tbd (M)



DORDOGNE Indie

Co-Owned IP
Developed by Un Je Ne Sais Quoi & UMANIMATION

95 (Steam) / 76 (M)

DOVETAIL : A SUCCESSFULL INTEGRATION



A new successful historic franchise
Launched on 26th September 2023

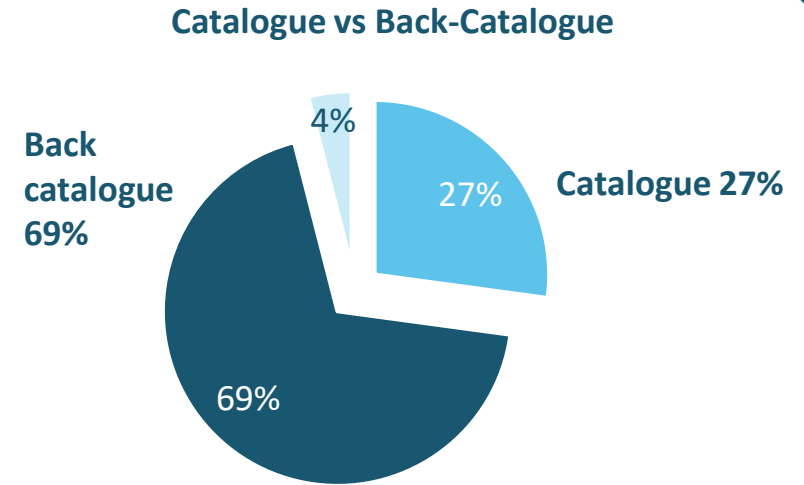
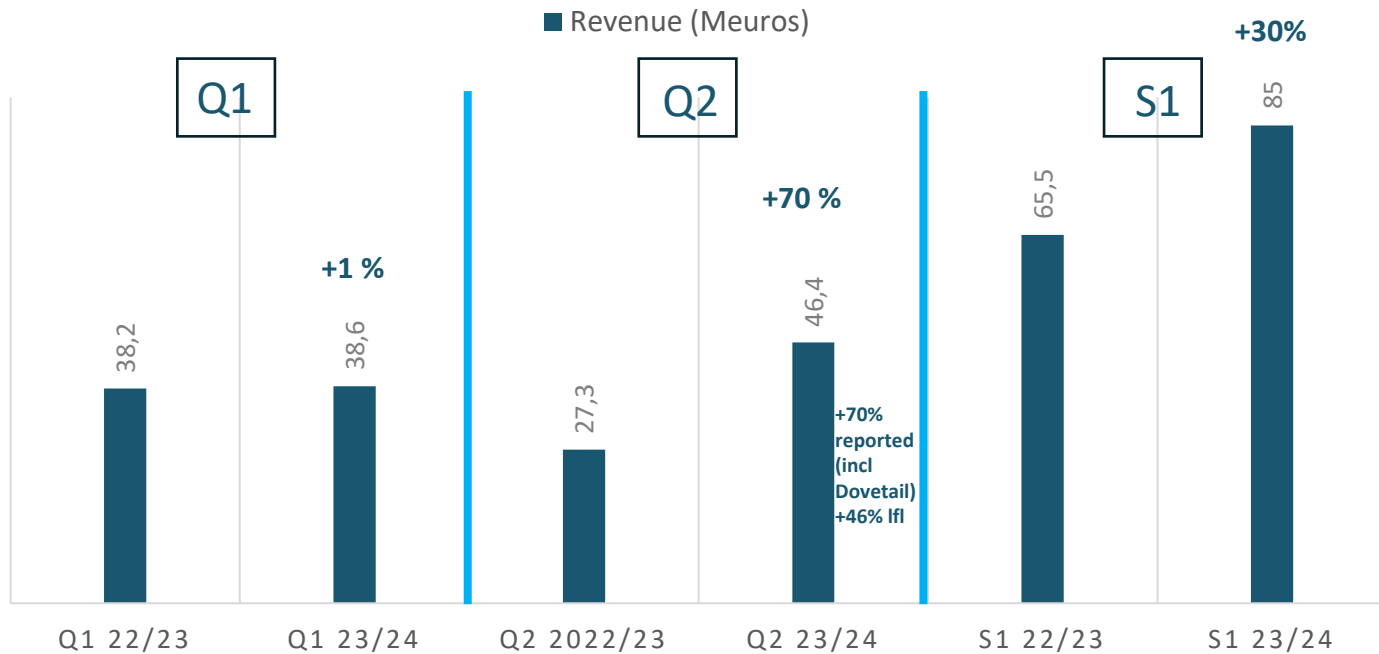
Dovetail Studio Simulation

Integration since April 2023



168 Talents

2023/24 FIRST SEMESTER REVENUE (end of September 2023) – released on 10/19/2023



- **Strong back-catalogue with regular additional content** : Teenage Mutant Ninja Turtles: Shredder’s Revenge, A Plague Tale: Requiem, Atomic Heart, SnowRunner, Insurgency: Sandstorm
- **Launches of new games** : Warhammer 40 000 : Boltgun, Aliens: Dark Descent, Chants of Sennaar, Train Sim World 4 by Dovetail ...
- **Long-lasting contribution, thanks to live content, of** : SnowRunner (launched April 2020), Insurgency: Sandstorm (launched December 2018)
- **Disappointment** : Atlas Fallen launch (08/10/23) – improvement program and new version for the first semester 2024/2025

Revenue :

- 90% Digital 95% International

HALF YEAR 2023/2024

Decline in profitability

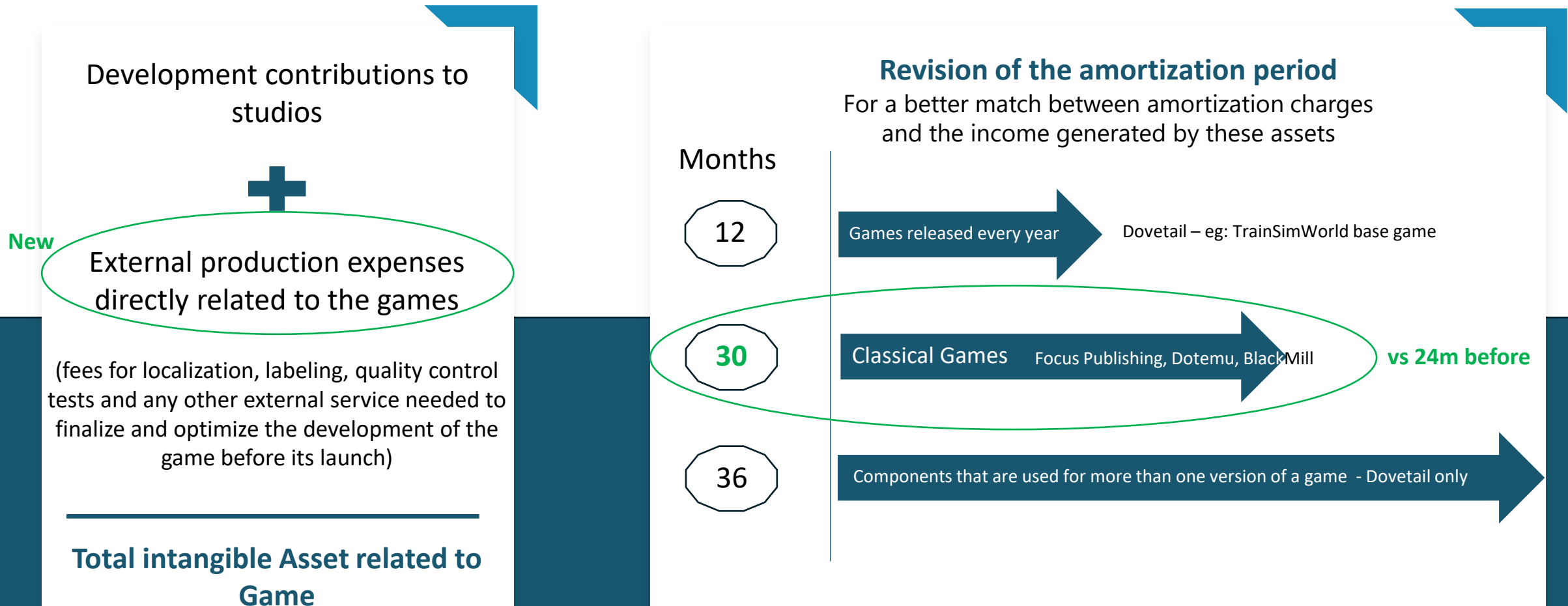


A Plague Tale: Requiem

Changes since April 1, 2023



Change in estimate as of April 1, 2023 to better reflect the overall cost of game assets and their lifetime



H1 23/24 impact => EBITA +1,7m€ - EBITDA +2,2m€

H1 2023/24 – P&L and EBITDA



| (in millions euros) | H1 2023 2024 | | H1 2022 2023 | |
|--|---------------|-------------|--------------|-------------|
| | 09/30/2023 | | 09/30/2022 | |
| Revenue | 85,0 | 100% | 65,5 | 100% |
| Gross margin¹ | 20,7 | 24% | 25,1 | 38% |
| Production costs | (7,2) | | (5,3) | |
| Sales and marketing costs | (10,8) | | (4,9) | |
| General and administrative expenses | (6,5) | | (4,4) | |
| Other operating income (expenses) | 2,4 | | 0,5 | |
| EBITA² | (1,5) | -2% | 10,9 | 17% |
| Amortization of goodwill & amortization of intangible assets identified through business combination | (5,9) | | (5,0) | |
| Financial income (expenses) | (2,6) | | (0,6) | |
| Exceptional income (expenses) | (0,0) | | (0,1) | |
| Income tax | (1,1) | | (2,2) | |
| Consolidated net income | (11,1) | -13% | 3,1 | 5% |
| Minority stakes | (0,4) | | (1,7) | |
| Group net income | (11,5) | -14% | 1,4 | 2% |
| | | | | |
| EBITA | (1,5) | -2% | 10,9 | 17% |
| D&A and provisions | (25,4) | | (8,0) | |
| EBITDA³ | 23,9 | 28% | 18,9 | 29% |

¹The Group defines Gross Margin as revenue minus the cost of goods sold and game development costs. The expense for amortization of intangible assets identified in a business combination process is not included in the gross margin.

²The Group defines Adjusted EBIT ("EBITA") as profit or loss from consolidated companies before exceptional items, before goodwill amortization, before amortization of intangible assets identified in a business combination process, and after the research tax credit / video games tax credit.

³The Group defines EBITDA as the EBITA before amortization and operating provisions.

KEYS TAKEAWAYS

Revenue YoY growth driven by Strong back catalogue
Product mix is very different though: 2 games launched in H1 22/23 including a great success (Teenage Mutant Ninja Turtles : Shredder's Revenge), while 9 games have been launched this semester – Aliens: Dark Descent and Atlas Fallen and 7 indies

Gross Margin and EBITA decrease YoY, despite good performance of most launches, impacted by

- demanding comparable basis with release of great success Teenage Mutant Ninja Turtles : Shredder's Revenge, last year
- missing revenue on Atlas Fallen
- higher Amortization, Production and Marketing costs directly linked to number of game released this semester
- higher fixed costs reflecting mainly integration of Dovetail (acquired April 23) and Influencer Agency (acquired in Nov 22)

Other Operating income increase mainly driven by Dovetail Video Game Tax Credit

Financial expense increase driven mainly by debt increase

EBITDA stands at €23.9m, 28% of revenue



H1 2023/24 – BALANCE SHEET

| | 30/09/2023 €322m | 31/03/2023 €307m | 30/09/2023 €322m | 31/03/2023 €307m | |
|--------|--|-----------------------------------|----------------------|---------------------|-------|
| Assets | Cash & Cash equivalents → €10m | -€62m | | | |
| | Trade & Other receivables €51m | +€8m | | | |
| | Intangibles, Tangibles and Financials Assets €169m | +€49m | | | |
| | Goodwill €92m | +€20m | | | |
| | | | Equity & Liabilities | | |
| | | Borrowings & Financial debt €126m | | +€43m | |
| | | Trade & other payables €60m | | -€18m | |
| | | | | Equity €136m | -€10m |

KEYS TAKEAWAYS

Goodwill increase is driven by Dovetail acquisition in April 2023
Intangible Assets include Games Asset for €149M and €16m for **Train Sim World** franchise
Trade receivables & Other increase driven mainly by integration of Dovetail and Income tax downpayment
Cash & cash equivalents is €10.4m

Equity is €135,9m vs €146m on March 31, 2023
Financial debt is at €126.2m
 €45,5m drawn over the period to fund external (Dovetail and Earn out) and organic (game development) growth
Trade payables have decreased mainly due to payment of earn outs and decrease of royalties' payables

New credit line secured €30m from banking pool and €10m from BPI + €15m credit revolving still available –

Net debt * stands at €118.5m vs €27m March 31, 2023

*includes cash & cash equivalents, financial debt and payables related to highly probable earn outs



H1 2023/24 – CASH FLOW

| | |
|---|---------------|
| EBITDA | 23,9 |
| Non cash items | (2,1) |
| Tangible & Intangible assets acquisitions | (45,0) |
| Change in working capital | (19,0) |
| Operating cash-flow | (42,3) |
| Net cash resulting from change in perimeter | (56,5) |
| Investment activities | (56,4) |
| Dividend group and dividend to minorities | (0,5) |
| Capital increase | 0,7 |
| Debt increase | 36,7 |
| Other changes in shareholders' equity | (1,0) |
| Financing activities | 36,0 |
| Effect of exchange rate changes | 0,9 |
| CASH VARIATION | (61,8) |
| Opening cash balance | 72,2 |
| Closing cash balance | 10,4 |

KEYS TAKEAWAYS

Intangible Assets Acquisition related to games is €44m to be compared to €37,5m a year ago, and in line with expectations

Negative WCR variation is mainly impacted by income tax adjustment and advance reflecting 2022/23 profitability

Continued **external growth strategy** with investment in Dovetail and earn outs payments

Additional Credit lines secured in November for €30m credit lines have been secured from banking pool and €10m from BPI
+ €15m credit revolving still available

Cash position at sept 30 2023 is at €10.4m

OUTLOOK SECOND SEMESTER
PREPARE FOR FUTURE SUCCESS



Banishers: Ghosts of New Eden

SECOND SEMESTER 2023/24



Q3 2023/24

No significant launch
while
Strong Q3 2022/23

Q4 2023/24

2 important launches

Bannishers : Ghosts of New
Eden (release date :
02/13/2024)

Expeditions : A MudRunner
Game (release date
03/05/2024)

Partnerships Studios

Afterburner

Asobo

BANISHERS: GHOSTS OF NEW EDEN

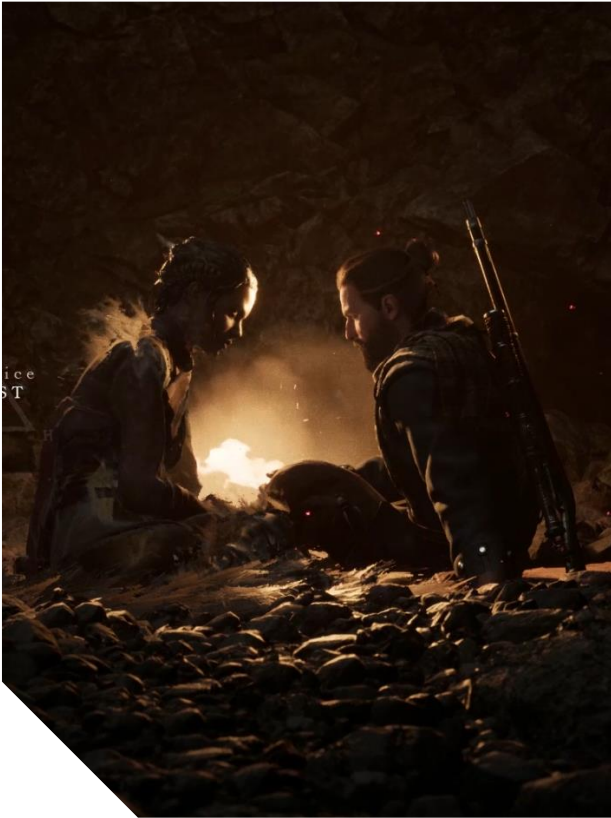
DON'T NOD
CO-IP

RELEASE DATE :

FEBRUARY 13, 2024

PLATFORMS:

PS5 | XSX | PC



**BRAND NEW, CO-OWNED IP
WITH STATE-OF-THE-ART
STORYTELLING**



**3RD PERSON ACTION RPG
WITH INNOVATIVE
FEATURES**



**MOST AMBITIOUS PROJECT
TO DATE FROM A CRITICALLY
ACCLAIMED STUDIO**

THE HIGHLY AMBITIOUS SPIRITUAL SUCCESSOR TO THE HIT ACTION-RPG VAMPYR

EXPEDITIONS

A MUDRUNNER GAME

DEVELOPED BY SABER INTERACTIVE

RELEASE DATE : March 5, 2024

PLATFORMS: PlayStation 5
PlayStation 4
Xbox Series X|S
Xbox One
PC
Nintendo Switch (*post-launch*)



THE MOST ADVANCED PHYSICS-BASED AND OFF-ROAD ADVENTURE BY THE CREATORS OF MUDRUNNER AND SNOWRUNNER (OVER 15 MILLIONS PLAYERS WORLDWIDE)



SCIENTIFIC EXPEDITIONS



NATURE'S CHALLENGES



DISCOVER THE MYSTERIES OF UNCHARTED LANDS



Afterburner is based in USA

Founded in 2018 by three veterans of the video games industry:
Robert Taylor, Ian Cofino and Paul Svoboda.

In 2021, release of Dreamscaper : 89% positive ratings on Steam (out of 2,000 reviews) and a Metacritic score of 80, reaching over 600,000 players.

Renew long-standing partnership with Asobo
Major new project

New Partnership with Afterburner studio
Creation of a new intellectual co-ownership



Extension of the productive collaboration that led to the "A Plague Tale" franchise

Last release of "A Plague Tale Requiem" : 3M players worldwide

OUTLOOK



Several very ambitious games are planned for 2024/2025



Banishers : Ghost of New Eden

Feeding back-catalogue



Expeditions : A MudRunner Game

Live-ops



Atlas Fallen
Enhanced Edition



Warhammer 40000 : Space Marine 2

Launch



John Carpenter's : Toxic Commando

launch

UNANNOUNCED GAMES

& MORE TO COME





IN A NUTSHELL



Transformation since 2020 to increase Co-IP & own IP, new growth opportunities



A European independent key player on indies, retro gaming and AA markets



A strong back catalogue with iconic franchises



Unique and extensive publishing services (data, influencers, ...)



A successful M&A and integration strategy



A diversified solid line up



Q&A

