



FY 2021/2022 Annual Results and Lineup Overview

Paris, June 16th, 2022



DISCLAIMER –

This presentation (“Presentation”) has been produced by FOCUS ENTERTAINMENT (the "Company") for the sole purpose of being used at investor presentations.

By receiving this Presentation, and/or attending this meeting, you acknowledge yourself to be acquainted with the restrictions detailed at the end of this presentation.



FY 2021/2022

AUDITED ANNUAL RESULTS

Audit reports not yet issued

FY 2021/22 – P&L and EBITDA



(in millions of euros)	FY 2021 2022 31/03/2022		FY 2020 2021 31/03/2021		Variation %
Revenue	142,6	100%	171,0	100%	-17%
Gross margin	42,2	30%	51,1	30%	-17%
Production costs	(7,7)	-5%	(7,4)	-4%	3%
Sales and marketing expenses	(13,1)	-9%	(10,3)	-6%	27%
General and administration expenses	(8,4)	-6%	(8,6)	-5%	-3%
Other operating income (expenses)	0,1	0%	0,1	0%	
EBITA¹	13,2	9%	24,8	15%	-47%
Amortization of goodwill	(4,0)				
EBIT	9,1	6%	24,8	15%	-63%
Financial income (expenses)	(1,7)		(1,7)		
Exceptional income (expenses)	(1,3)		(3,0)		
Income tax	(3,0)		(6,8)		
Consolidated net income	3,1	2%	13,3	8%	-77%
Minority interests	(0,1)		-		
Group net income	3,0	2%	13,3	8%	-78%
EBIT	9,1		24,8		-63%
D&A and provisions	(33,0)		(25,7)		30%
EBITDA	42,1	30%	50,5	30%	-16%

KEY TAKEAWAYS

Revenue at €142,6m, including a €5,6m contribution from Dotemu*

- Very high comparable basis with the worldwide lockdown in 2020/21 that drove the back catalogue sales up (+60% YoY)
- Contrasted successes of games launched during the year
- Evil West and Hardspace Ship Breaker release delayed to 2022/23

Gross margin rate resilience at 30% : the overall product mix improvement offsets the accelerated amortization on 2 games

Production costs show a limited increase thanks to higher capitalization of our development teams costs which partially offset the higher costs generated by more launches this year

Marketing costs increase reflects a more games launched this year

Financial result is related to the debt financing plan secured in July 2021; FX impact is insignificant in 2021/22

EBITDA margin is maintained 30% of revenue

¹ EBITA: Adjusted EBIT, ie. EBIT before amortization and depreciation of goodwill
* DOTE MU is consolidated since September 30th2021

FY 2021/22 – Balance Sheet



(in millions of euros)	31/03/2022	31/03/2021
ASSETS		
Intangible assets	81.1	67.7
Goodwill	68.7	6.2
Property, plant & equipment	0.8	0.7
Financial assets	1.2	1.4
Total Non-Current Assets	151.9	76.0
Inventory and works in progress	0.9	1.5
Trade receivables	13.4	15.4
Other receivables, accruals and deferrals	22.4	6.7
Investment securities	0.6	-
Cash and cash equivalents	62.0	19.5
Total Current Assets	99.2	43.1
Total Assets	251.0	119.2
EQUITY & LIABILITIES		
Capital	7.8	6.4
Share premium	90.2	22.4
Reserves	32.7	26.5
Profit(loss) for the year	3.0	13.3
Total Equity (attributable to the group)	133.7	68.5
Minority Equity	1.6	-
Provisions	0.9	1.7
Borrowings and financial debt	66.1	12.5
Trade payables	19.0	23.4
Other payables, accruals and deferrals	29.7	13.0
Total Liabilities	251.0	119.2

KEY TAKEAWAYS

Intangible Assets related to Games represent €79.4m compared to €67,3m a year before, +18% YoY

The group acquired 4 studios in 2021/22 representing a €66.5m **Goodwill**

that is amortized over 10y.

- **Stream On Studio** 60% acquired in April 2021
- **Dotemu** 77,5% acquired in Sept 21
- **Douze Dixièmes** 50,01% acquired in Oct 21
- **Leikir Studio** 60% acquired in Feb 22

Total Equity more than doubled at 133,7m€ following the May 2021 capital increase

The financial debt is at €66,1m following the financing plan secured in July 2021

Net Treasury stands at €(14m), including a payable related to earn outs), versus €7m as of March 31,2021

FY 2021-22 – Cash Flows



CASH FLOWS (in millions of euros)	31/03/2022	31/03/2021
Net income of consolidated companies	3,1	13,3
Net change in D&A and provisions	33,1	25,8
Gains (losses) from disposals	0,0	0,0
Interests charges	0,6	-
Intangible assets acquisition	(36,4)	(40,2)
Change in deferred taxes	0,3	(0,5)
Change in working capital	(9,3)	(1,7)
Operating cash flow	(8,6)	(3,3)
Purchases of property, plant, equipment and financial assets	(0,4)	(1,4)
Other purchases net of disposed financial assets	0,3	-
Net cash resulting from acquisitions of subsidiaries	(59,1)	(6,2)
Investing cash flow	(59,2)	(7,6)
Capital increase	68,8	0,1
Debt increase/(decrease)	50,0	10,8
Other changes in shareholders' equity	(7,9)	0,0
Financing cash flow	110,9	10,9
Effect of exchange rate changes	0,0	(0,2)
Net Increase (decrease) in cash and cash equivalents	43,1	(0,1)

KEY TAKEAWAYS

Intangible Assets Acquisition: the group disbursed €35m in 2021/22 for the game's development, a decrease versus €39,5m in 2020/21. Some milestone payments have been postponed to 2022/23 due to delays in game development.

Continued **external growth strategy** with investments in Stream On Studio, Dotemu, Douze Dixièmes & Leikir Studio which represented €59.1m

The Group secured significant financial means

- **Capital raised** for a net amount of €68,8m in May 2021
- Banking **debt secured** for 130m€, net amount drawn of €52m at the end of March 2022

At the end of the period the **Net Debt** is worth €14m including payable related to earn outs – and to be compared to €(7)m as of March 2021.



OUR VISION AND STRATEGY

LINE UP OVERVIEW

WHAT'S FOCUS ENTERTAINMENT'S VISION & STRATEGY?



Our **vision** is to build our **own IPs** and a **Federation of Talents** in order to be a **Worldwide Leading Integrated** Video Game player

Our **strategy** is to move up the value chain, shifting from publisher/distributor to **developer/publisher**, and thus to **increase the share of owned IP in our portfolio**

WHERE DO WE STAND ON EXECUTING OUR STRATEGY?



2022: A BUSINESS MODEL THAT HAS ALREADY PIVOTED

The most ambitious ever portfolio of new games **secured**,

31 games to be launched by March 2025,

Out the lifetime revenue expected, **30%** expected to come from games whose **IP is owned (15%) or co-owned by FE (15%)**

And new **M&A operations** would accelerate the shift towards more IP

ZOOM ON OWNED/CO-OWNED IP PORTFOLIO



OWNED IP GAMES

- **5 studios** acquired since April 2020
- A **developer team** of more than 100 people, compared to 0 in March 2020
- Experimented and talented teams with their **own DNA** and **Expertise** (Shady Part of me, The Surge 2, Necromunda Hired Gun...) supported by the Group



CO-OWNED IP GAMES

- Long-term successful relationships with worldwide recognized studios, well known for the quality of their teams and games
- Development of new partnerships with promising studios including indie studios to enrich the creative approach
- Flexible investment capacities ranging from limited to significant investments



~30% of lifetime potential revenue of the secured mid term line-up
Better profitability with Owned/Co-owned IP than with Publishing activities



PUBLISHING GAMES

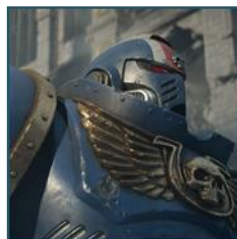
Our best-in-class services in Marketing, Commercialization, Content, Release Management, QA, Line productions ... have been selected by

- **Major licensors** to revive or keep expanding their Franchise
- **Worldwide renown Studios** with a proven track record of execution and long-lasting relationship with Focus
- **Promising studios**, amongst them will be the next gem

Securing a significant level of revenue in the AA and indie segments for the upcoming years



5 Saber Games



Space Marine 2



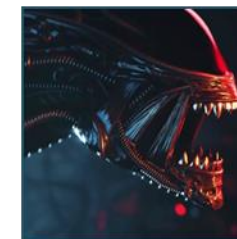
A Plague Tale Franchise



Metal Slug Tactics



Teenage Mutant Ninja Turtles: Shredder's Revenge

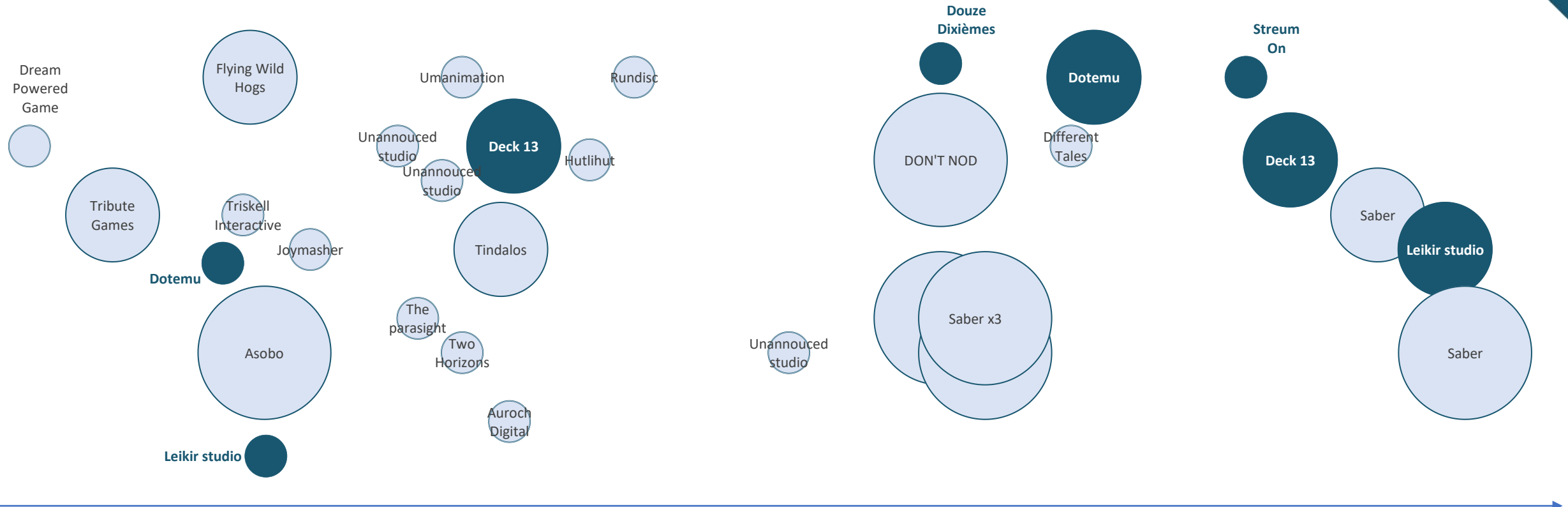


Aliens: Dark Descent

...

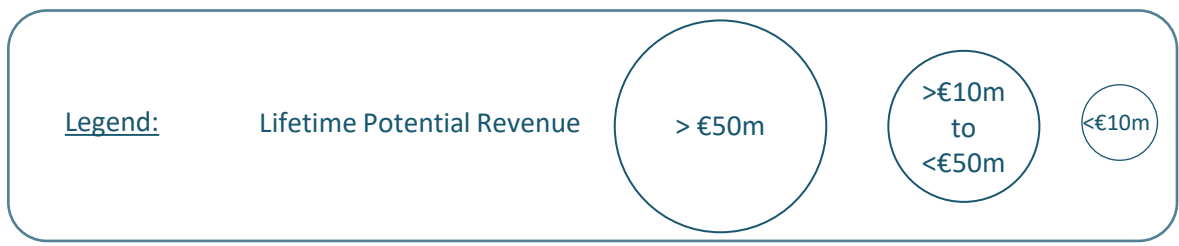
Lower profitability than Owned/Co-owned IP

LIFETIME POTENTIAL REVENUE OF GAMES TO BE LAUNCHED OVER THE NEXT 3 YEARS



Today

March 2025



12 projects in Co & Own IP out of 31 to be launched in the next 3 years



By 2025, while share of Own IP games will increase, the strong revenue growth, at constant perimeter, will mainly come from Publishing portfolio. The revenue growth will drive the gross margin and EBITDA up

Beyond 2025, our objective is to generate 50% of our revenue through own IPs thus, the improvement of product mix will drive the gross margin and EBITA/EBITDA rates up

ON TOP OF ORGANIC GROWTH, M&A...



...is still a key pillar of our strategy as it would accelerate the growth and the shift of our business model

But we will remain selective and respect our investments criteria

Yet we have the means to engage in transformative M&A and there are exciting opportunities



VIDEO LINE UP

<https://investor.focus-entmt.com/fr/ff992580-787c-46bc-b97c-b1b02dc0626a>

GAME OUTLOOK (1/3)



WARSTRIDE CHALLENGES
DREAM POWERED GAMES



INDIE SERIES

Currently in early
access

HARDSPACE: SHIPBREAKER
BLACK BIRD INTERACTIVE



SIM SERIES

Released on PC
May 24th
Coming later on
consoles

EVIL WEST
FLYING WILD HOG



FOCUS SERIES

September 20th

A PLAGUE TALE: REQUIEM
ASOBO STUDIO



FOCUS SERIES

To be announced
on June 23rd



GAME OUTLOOK (2/3)

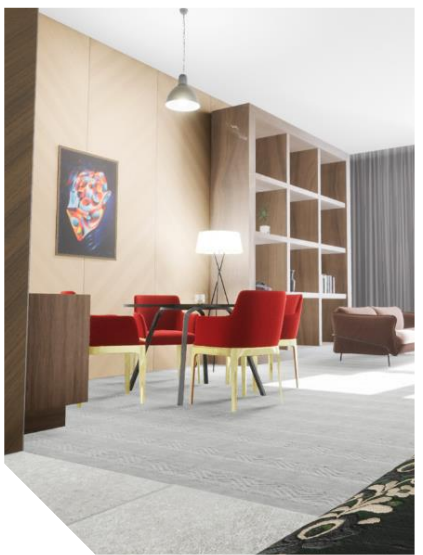
DORDOGNE
UN JE NE SAIS QUOI
UMANIMATION



 **INDIE SERIES**

2023

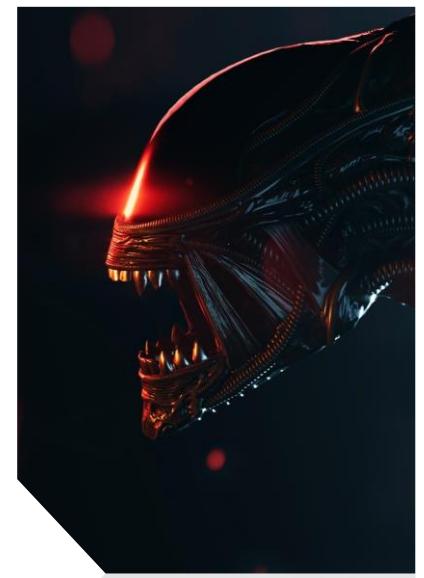
HOTEL RENOVATOR
TWO HORIZONS



 **SIM SERIES**

2023

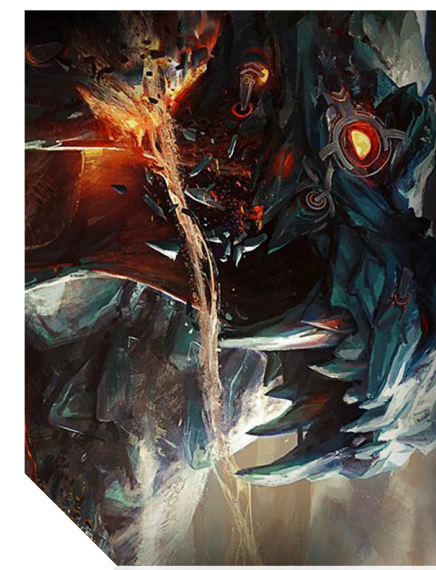
ALIENS: DARK DESCENT
TINDALOS INTERACTIVE




 **FOCUS SERIES**

2023

UNANNOUNCED TITLE
DECK13 INTERACTIVE



 **FOCUS SERIES**

2023

GAME OUTLOOK (3/3)



**TEENAGE MUTANT NINJA TURTLE:
SHREDDER'S REVENGE**
TRIBUTE GAMES



 **DOTEMU**

June 16th

METAL SLUG: TACTICS
LEIKIR STUDIO



 **DOTEMU**

TBA

PHARAOH: A NEW ERA
TRISKELL INTERACTIVE



 **DOTEMU**

2022



Q&A Session

DISCLAIMER (1/2)



This presentation ("Presentation") has been produced by FOCUS ENTERTAINMENT (the "Company") for the sole purpose of being used at investor presentations.

By receiving this Presentation, and/or attending this meeting, you acknowledge yourself to be acquainted with the following restrictions.

This Presentation is promotional in nature and does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation").

Any decision to buy or subscribe shares may only be made on the basis of information contained in a prospectus having been granted clearance by the AMF in connection with the Company's initial public offering.

This Presentation is delivered to you on a personal basis, solely for your information, and may be used only for the requirements of the Company presentation.

Neither this Presentation nor a copy hereof, or any information contained therein, constitutes an offer, or a solicitation of an offer to buy or subscribe for, or invitation to buy or sell securities of the Company, including securities mentioned in this Presentation and options, warrants or rights to or interests in any such securities of the Company in Australia, Canada, Japan, in the United States nor in any other country. This Presentation should not be construed as investment advice or a personal recommendation.

This Presentation was prepared by the Company under its sole responsibility. The information in this Presentation has not been audited or verified by an independent party and should not be seen as an indication of returns which might be received by investors. This Presentation and the expressions of opinion contained therein are based on information obtained from sources that the Company believes to be reliable and, to the best of its knowledge, contains no misleading, untrue or false statements but which it has not independently verified and such information may be subject to possibly significant updating, additions and revisions. The Company makes no guarantee, representation or warranty as to their accuracy or completeness.

The Company, its advisers and their representatives shall under no circumstances incur any liability for any loss or damage, whether arising from any use made of this Presentation or its content, or in any way connected with this Presentation. The Company is under no obligation to update the information contained in this Presentation, and any expressions of opinion or information contained in this Presentation is subject to change without notice.

This Presentation contains statements about the Company's aims and lines of development. These statements are sometimes identified by the use of the future tense or conditional mood, as well as terms such as "estimate", "have the objective of", "intend to", "expect", "result in", "should" and other similar expressions. This data is subject to risks and uncertainties that may later result in actual results that are substantially different. This forward-looking information does not reflect historical data and as such may not be interpreted as warranties that the facts and data cited will occur, that the assumptions have been verified and the objectives will be met. By nature, these objectives might not be achieved and the assumptions on which they are based may prove to be erroneous, without the Company, its advisors and their representatives being subject to any obligations to update this forward-looking information, subject to applicable regulations. This information about the objectives and any other statements which may be made by the Company from time to time are subject to certain risks and uncertainties linked to the Company's operating performance and the Company's activities following the proposed offering as well as any other future events and their potential effects on the Company subject to risks and uncertainties, where the Company's results, performances or achievements may differ significantly from future results, performances or achievements expressly or implicitly indicated in these forward-looking statements on objectives. In addition, these forward-looking statements necessarily depend upon assumptions, estimates and dates that may be incorrect or imprecise and involve known and unknown risks, uncertainties and other factors. Accordingly, any forward-looking statements included in this announcement do not purport to be predictions of future events or circumstances and may not be realised.

DISCLAIMER (2/2)

Except as required by applicable law, the Company assumes no obligation to update any of these forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements. Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of the Company.

This Presentation is intended exclusively for professional clients and eligible counterparties within the meaning of the Markets in Financial Instruments Directive II (MiFID II). Any recipient who is not such a person should return the Presentation to the Company immediately and should not rely on it for any purposes whatsoever.

This Presentation and its contents are confidential and may not be copied, reproduced, distributed, transferred to any other person, or published by you, whether directly or indirectly, wholly or partly, by any means, in any form and for any purpose except with the Company's prior written permission. You must observe all legislation applicable to the possession of such information including insider trading legislation, current regulations or the recommendations of the AMF. Neither this Presentation nor a copy hereof, or any information it contains, may be conveyed, disclosed or distributed, whether directly or indirectly, in the United States, Canada, Japan or Australia, or to any resident of those countries.

Non-observance of any or all of these restrictions may constitute a breach of statutory restrictions governing the offering of financial instruments in the United States, Canada, Japan or Australia. The distribution of this Presentation in other countries may be subject to legal restrictions, and any persons who may come into possession of it must inform themselves of the existence of any such restrictions and comply therewith.



