

Focus Home Interactive posted record results again in 2020/21 and structured itself to accelerate its transformation

- Revenue growth of +20% to €171.0 million
- 17% growth in EBITDA to €50.5 million and 29% growth in EBIT to €24.8 million
- An organization and financial resources that now allow the Group to change dimension

PARIS, FRANCE – 24th June 2021 – FOCUS HOME INTERACTIVE (FR0012419307 ALFOC), a leading French actor in the video games industry, announced its results for the fiscal year 2020/21 for the period ending March 31, 2021.

Fiscal Year 2020/21 results

French GAAP In million euros	FY* 2020/21	FY* 2019/20	Var.
Revenue	171.0	142.8	+20%
Gross margin	51.1	44.0	+16%
<i>% of revenue</i>	<i>29.9%</i>	<i>30.8%</i>	
EBITDA	50.5	43.1	+17%
<i>% of revenue</i>	<i>29.5%</i>	<i>30.2%</i>	
Operating income	24.8	19.2	+29%
<i>% of revenue</i>	<i>14.5%</i>	<i>13.5%</i>	
Exceptional income	-3.0	0.0	<i>n.a.</i>
Group net income	13.3	13.0	+2%
<i>% of revenue</i>	<i>7.8%</i>	<i>9.1%</i>	

* Audit procedures are in progress

Christophe Nobileau, Chairman of the Management Board, declared: *"During fiscal year 2020/21, our Group has undergone a profound transformation. This transformation has recently accelerated with a second acquisition of a partner studio and a capital increase of more than 70 million euros. We now have a more adapted organization and resources to accelerate our development. In addition, we have achieved another record year with an increase of our operating income margin from 13.5% to 14.5%. I would like to thank all our teams for their involvement during this very special year, without whom this success would not have been possible".*

John Bert, Managing Director, added: *"We are very proud of this fiscal year 2020/21 during which we have raised our revenue targets and recorded a strong increase in profitability. The next fiscal year will be marked by a significant number of game releases and supported by the depth of our back-catalogue. Despite the latest effects of the health crisis, we are confident in the quality of the work of our teams and our partner studios to make these releases future commercial successes".*

Significant increase in operating profit for fiscal year 2020/21

Focus Home Interactive's revenues are up 20% to €171.0 million for fiscal year 2020/21, including revenues of €1.6 million generated by Deck13 Interactive GmbH (Deck13), the acquisition of which was completed on June 25, 2020. Digital sales continue to grow and represent 89% of revenues in 2020/21, up 30% compared to the year ending March 31, 2020.

With more than one million copies sold in less than a month, SnowRunner marked the beginning of the 2020/21 fiscal year and continues to generate significant revenues with the regular provision of additional content. Given the health context, this fiscal year has been less dense in terms of new releases. However, Focus Home Interactive and its partners continued to offer titles such as Othercide, HardSpace: Shipbreaker (Early Access), MudRunner Mobile, Shady Part of Me and Curse of the Dead Gods. These games have all been praised by the press and gamers, demonstrating once again the quality of Focus Home Interactive's teams and its partner studios. The back-catalogue, which grew by 63%, accounted for a significant portion of the fiscal year's revenues. Flagship licenses such as World War Z, Farming Simulator and Insurgency: Sandstorm benefited from new content, extending the gaming experience and generating recurring revenue.

Gross profit for the fiscal year 2020/21 was €51.1 million, up 16% compared to €44.0 million for the previous year. The gross margin for 2020/21 was 29.9% of revenue, compared with 30.8% in the previous year. This temporary decrease in gross margin is explained by the write-off of several projects which, due to the complex working conditions during the pandemic, did not reach the quality standards expected by Focus Home Interactive. Excluding the write-off of these games, the gross margin would have increased.

EBITDA amounted to €50.5 million for this fiscal year, representing an EBITDA margin of 29.5%. In the previous year, EBITDA amounted to €43.1 million, or a margin of 30.2%.

Operating profit rose by 29% in the financial year 2020/21 to €24.8 million, compared with €19.2 million in the previous year. The operating income margin rose from 13.5% to 14.5% over the same period. The adjustment of marketing, events and sales costs, in line with the economic situation, offset the increase in general and administrative costs resulting from the structuring of the Group necessary for its future development.

Net income for the year amounted to €13.3 million, after taking into account a financial loss of €(1.7) million, mainly due to foreign exchange losses, and an exceptional loss of €(3.0) million, mostly related to the fine imposed by the European Commission¹, and a corporate income tax charge of €6.8 million.

A stronger balance sheet as of March 31, 2021

The Group's balance sheet total increased from €89.8 million on March 31, 2020 to €119.2 million on March 31, 2021. Shareholders' equity, which was €54.7 million on March 31, 2020, rose to €68.5 million on March 31, 2021. The Group's net cash position amounted to €7 million.

The Annual Financial Report 2020/21 will be published on July 15, 2021 on the Group's website.

Structuring the Group to change dimension

During fiscal year 2020/21, Focus Home Interactive has structured an organization capable of absorbing strong growth in the years to come. Within the new Executive Committee, John Bert has been appointed Managing Director and Philippe Perthuis has joined the Group as General Secretary and Chief Business Model Officer. Previously Managing Director of Lagardère Studios, Philippe Perthuis is responsible for defining the framework of Focus Home Interactive's contractual and commercial relationships with its partner studios and for supporting the deployment of a cross-functional organization.

In March 2021, Focus Home Interactive also announced the appointment of Yves Le Yaouanq as Chief Content Officer. After 10 years at Ubisoft, Yves Le Yaouanq will oversee the Publishing department, and

¹ See press release published November 9, 2020

will be responsible for implementing the Group's editorial strategy, building the catalogue and developing relationships with the studios.

Focus Home Interactive has also strengthened its commercial capacity with the promotion of Vincent Chataigner to Chief Commercial Officer. Vincent Chataigner was previously Director of Business Development at Focus Home Interactive. He will be assisted by Wilfrid Vinmer who joined the Group on June 1, 2021 as Head of sales and who previously held similar positions within the Blizzard Group in Europe.

Finally, during this financial year, Focus Home Interactive also retained four members of the Executive Committee and 34 of its key managers with the implementation of two free performance shares plans in December 2020² and January 2021³ respectively. In addition, the Group wishes to set up a plan allowing each of its employees to become a shareholder of the Group, on the basis of the authorizations granted by the shareholders at the Ordinary and Extraordinary General Meeting of April 16, 2021. These operations demonstrate the confidence that the entire management of the Company has in its ability to create an integrated Group, and to become a federator of talents and a key player in the video game sector.

Events after the closing of the accounts

Capital increase of €70.4 million

On May 19, 2021, the Group announced the very successful completion of its €70.35 million capital increase with the cancellation of shareholders' preferential subscription rights in favor of a category of beneficiaries, via the accelerated construction of an order book. The transaction was carried out at a limited discount of 0.89% to the closing price on May 18, 2021.

The funds raised will enable Focus Home Interactive to accelerate its development in France and abroad. In this perspective, the net proceeds of the offering are intended to provide the Company and its subsidiaries with additional means to:

- Finance its medium and long-term external growth operations, in particular via the acquisition of companies that will enrich the Group's pool of talent, and
- Continue to upgrade the range of games produced by the Group and thus invest more in development budgets.

² See press release published December 17, 2020

³ See press release published January 27, 2021

Acquisition of Streum On Studio

On April 20, 2021, Focus Home Interactive announced the acquisition of the majority of the shares making up the capital of Streum On Studio paid in cash and shares of the Company. Streum On Studio, with a team of some 20 talented employees, has specialized in shooting games since its creation in 2007 and owns the E.Y.E. Divine license. Streum On Studio developed the iconic game Space Hulk: Deathwing for Focus Home Interactive, which has sold nearly a million copies. The studio recently developed Necromunda: Hired Gun and is currently working on a new project. Streum On has been a strong and historical partner of the Group since 2013.

Strong commercial activity in spring 2021

Focus Home Interactive launched **Hood Outlaws & Legends** on May 10, 2021, a multiplayer game with original content and developed by Sumo Digital. After a successful launch, teams are working on new game modes, as well as new content and optimizations that should boost and improve player engagement and retention - this content will be added regularly throughout the year.

On May 18, 2021, Focus Home Interactive announced the release of Exodus, a new PC expansion for the best-selling title **Insurgency: Sandstorm**. This content, along with all Insurgency DLC, will be available on the console version to be released later this year.

On May 19, 2021, Focus Home Interactive and Saber Interactive launched **SnowRunner** on Nintendo Switch and Steam - a second year of content was also announced, ensuring a renewed experience for lovers of the license.

Focus Home Interactive has also continued its long-standing collaboration with the Games Workshop license. On May 27, 2021, the Group announced the release of **Warhammer Age of Sigmar: Storm Ground** developed by Gasket Games and available on PlayStation 4, Xbox One, PlayStation 5, Xbox Series, Nintendo Switch and Windows. On June 1, 2021, the Group announced the release of **Necromunda: Hired Gun**, developed with Streum On Studio acquired by the Group in April 2021. The game is available on PlayStation 4, Xbox One, PlayStation 5, Xbox Series, and has been praised by gamers and critics alike upon its release - performing very well in its first few weeks on the market.

On June 3, 2021, Focus Home Interactive announced its collaboration with Cold Iron Studios and 20th Century Games for the release of **Aliens: Fireteam Elite**, which will be released in the summer of 2021 on Xbox Series X|S, Xbox One, PlayStation®5, PlayStation®4 and PC. Focus Home Interactive will be in charge of publishing the title for Europe and several territories in Asia.

In a first for Focus, the Group unveiled at the Microsoft Xbox E3 conference on June 14, 2021, the new title in the successful franchise developed by Asobo Studio, **A Plague Tale: Requiem**. This new project is the direct sequel to A Plague Tale: Innocence, the critically acclaimed and award-winning game that sold nearly two million copies. This epic new adventure will arrive in 2022 on Xbox Series X|S, PlayStation 5 and PC. A Plague Tale: Requiem will also be released on Nintendo Switch using Nintendo's Cloud Streaming technology.

Changes in governance

At the Ordinary and Extraordinary Shareholders' Meeting held on April 16 2021, Thaima Samman and Louise Tingström were appointed as new independent members of the Supervisory Board. The Meeting also ratified the co-option of Mrs. Tiphanie Lamy as a member of the Supervisory Board. The Supervisory Board of Focus Home Interactive is now composed of six members, two of whom are independent and has equal representation of men and women.

Outlook

Focus Home Interactive is approaching the coming fiscal year with numerous releases, (Alien: Fireteam Elite, Insurgency on consoles, Evil West, Hardspace Shipbreaker...) and ambitious new partnerships.

At this stage, the Group's revenue outlook for fiscal year 2021/22 remains unchanged. Focus Home Interactive confirms its revenue forecast for the 2021/22 fiscal year: €150 to €200 million (on a like-for-like basis).

In addition, the Group is actively pursuing its organization and structuring work, as well as its strategies for external growth and upgrading its games

Upcoming events

Event	Date
2020/21 – 1 st quarter revenue	22 July 2021
Annual General Meeting 2020/21	23 September 2021
2020/21 – 2 nd quarter revenue	21 October 2021
2020/21 – 3 rd quarter revenue & HY results	20 January 2022
2020/21 – 4 th quarter revenue	21 April 2022
2020/21 – FY results	24 June 2021

About Focus Home Interactive

FOCUS HOME INTERACTIVE is one of Europe's leading video game publishers and developers. Its vocation is to support leading international studios in the development, production monitoring, marketing, sales and financing of their projects. As a publisher of strong brands such as The Surge, Vampyr, and A Plague Tale: Innocence, the Group generated revenues of €171 million in 2020/21, up 20% compared to the previous comparable period. FOCUS HOME INTERACTIVE generates 95% of its sales internationally. For additional information, visit www.focus-home.com

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