

Focus Entertainment acquires the acclaimed UK-based Dovetail Games Group for their best-in-class expertise in IP development in simulation

PARIS, France - April 20, 2023 - Focus Entertainment [ALFOC - FR0012419307] announces the acquisition of 100% of Railsimulator.com, the parent company of Dovetail Games' group (DTG), alongside senior management. This award-winning UK-based developer and publisher has become a definitive reference point for the train sim genre and has a strong track record for creating superb, immersive and authentic sim-experiences.

"We are extremely pleased to welcome the talented and passionate teams from Dovetail Games into the Focus Group", says Sean Brennan, CEO of Focus Entertainment. "The studio and its IPs are a very good fit for us and a worthy complement to the Focus lineup and strategy, with unique, compelling and definitive sim games celebrated by players all around the world."

Jon Rissik, CEO of Dovetail Games goes on: *"From our first meeting with Sean and the talented team at Focus it was clear that we share much in common, most notably a deep-rooted passion for simulation gaming, a commitment to deliver engaging and rewarding experiences for our customers and an underlying set of values that both empower our people and support their career journey. As a business we are ambitious and we believe that Focus' publishing and distribution power will amplify our own talents as a digital publisher, allowing us to grow in key markets such as North America with access to a wider network of resources and new monetization opportunities. I am extremely proud of the company and strong brands that we have built over the past 14 years and look forward to joining Focus Entertainment's confederation of entrepreneurs."*

Rationale

With sim franchises such as ***Train Simulator Classic***, and ***Train Sim World***, Dovetail Games has shown know-how to successfully create, engage, and entertain a large and loyal community of millions of players around the world.

For years, the studio has adopted a robust business model based on synergies between full game releases and a strong live service content strategy providing recurring revenue. Indeed, in addition to its core products, Dovetail has created and maintained an extensive library of 900+ pieces of DLC, delivering players a steady stream of new content, quality of life updates, catalog choices and deep engagement.

This acquisition of this UK-based studio, with established owned IPs and delivering recurring revenue is aligned with Focus' Strategy and is a step forward in moving up the value chain. Consequently, the Dovetail acquisition is expected to be somewhat accretive from a percentage margin standpoint.

Dovetail Games has also recently entered the digital board game space with the release of **CATAN®: Console Edition** and is committed to delivering original and authentic board game experiences to video gamers globally.

Dovetail should record in excess of £15m in revenue for the year ending March 31, 2023.

Dovetail Games will be consolidated into Focus Entertainment's accounts starting April 20, 2023.

Terms of the acquisition

The acquisition purchase price is consistent with the current market multiples, it contains an upfront payment mainly paid in cash, as well as price complements based upon company performance.

Key senior managers, along with Jon Rissik, CEO of Dovetail Games, will continue to run the company and are committed to the long-term value creation of Dovetail.

Focus Entertainment Financial Calendar

Publication	Date
2022/23 – FY Results	June 15, 2023
2023/24 – Q1 Revenues	July 20, 2023
Annual General Shareholders Meeting	September 12, 2023

About Focus Entertainment

FOCUS ENTERTAINMENT is one of Europe's leading video game publishers and developers. Its vocation is to support leading French and 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*, *Evil West*, *A Plague Tale* and *Atomic Heart*, the Group generated revenues of €194.1 million in 2022/23. FOCUS ENTERTAINMENT generates 95% of its sales internationally. For additional information, visit www.focusent.com

About DOVETAIL GAMES

RailSimulator.com Ltd, was founded in 2009 and was re-branded as Dovetail Games in 2013. Today Dovetail Games is responsible for developing and publishing highly authentic train, fishing and digital tabletop experiences for PC and leading gaming platforms. The company's hobby simulation franchises include *Train Sim Classic* (2009), *Train Sim World* (2017),



Bassmaster Fishing (2021), and the recently launched *CATAN® - Console Edition* (2023). For additional information, visit www.dovetailgames.com.

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