Embracer Group acquires Spotfilm Networx
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Today’s speakers

Lars Wingefors
CEO
Embracer Group

Stefan Kapelari
MD
Koch Films GmbH (Muc)

Markus Hauk
MD
Spotfilm Networx
KOCH FILMS PROFILE
A FAST-GROWING EUROPEAN FILM COMPANY

Koch Films – a leading independent film publisher mainly operating in German-speaking Europe and Italy - serving all channels.

Koch Films catalogue consists of +3,000 films in all genres but is particularly strong in anime, cult classics and world cinema movies.

Koch Films acts as exclusive home entertainment distributor for other publishers (e.g. Paramount in Italy since 2021, StudioCanal in GAS as of 2022).

Koch Films owns Sola Media – a German based world sales agent for theatrical family entertainment movies.

Koch Films now owns Spotfilm Networx – the leading ad-supported streaming service in Germany.
KOCH FILMS PROFILE
FLEXIBLE DISTRIBUTION & WINDOWING

Status Quo | Business as usual

Box Office | Theatrical

Transactional Video on Demand

Home Entertainment

Pay-TV | SVOD | Free-TV

Embrace new distribution models | reach additional audience

DTC e-shop

SVOD Channels

AVOD & FAST channels
Background information

- Spotfilm Networx (Spotfilm Networx GmbH) owns Netzkin - the leading Advertising-based Video on Demand (AVOD) channel in Germany.

- Spotfilm Networx operates 20 AVOD channels and 2 Subscription Video on Demand (SVOD) channels, hosting 3,000 videos on YouTube and own streaming apps.

- Founded by Peter von Ondarza – a veteran of digital film distribution in Germany.

- Long-serving MD Markus Hauk will stay on board and in his roll.

KPIs

- 22: Branded channels
- ~7 M: Unique users
- > 30 M: Video views per month
- > 40 M: Ad-impressions monthly
- > 3,000: Movies online
**Acquisition rationale**

Spotfilm is a strong case on its own:
- German leader ad-supported multi channel network
- AVOD is the fastest growing area in the film business
- Dedicated management / team with 10+ yrs of experience.

Provides strong synergies with Koch Films:
- Provides a fast lane in digital development for Koch Films
- Increased volumes through content sharing
- Cost savings through knowledge and technology transfers.
- Platform for international expansion

**Transaction details**

- Embracer Group, via its subsidiary Koch Media / Koch Films acquires 100% of the shares from Spotfilm's currently five owners.
- The acquisition includes film rights, all AVOD and SVOD platform and channel contracts, advertising and network contracts, apps including source code, streaming website and customer data
- The parties have agreed not to disclose the terms and conditions for the transaction. The transaction will be accretive to adjusted earnings per share.

**Financials**

- More than 100 film slate contracts, some flat ➔ more than 3,000 movies in total.
- Forecasted operational EBIT for FY 22/23 are approximately SEK 6 million and FY 23/24 approximately SEK 9 million.
EMBRACER GROUP