TODAY’S PRESENTER

LARS WINGEFORS
Co-Founder & Group CEO

Games developer and publisher, focusing on PC and console

► 23 years experience in gaming industry
► Entrepreneur since the age of 13
1. INTRODUCTION
LEGACY OF GAMING, ENTREPRENEURSHIP AND DEAL-MAKING

- 1993: Mail order video games
- 1996: Gaming retail #1
- 2004: Gaming retail #2
- 2009: Games publishing
- 2011: Acquisition of JoWood
- 2013: Acquisition of key franchises

Source: Company information
GLOBAL FOOTPRINT SUPPORTED BY 40+ PUBLISHING PERSONNEL AND 430+ GAME DEVELOPERS

- Karlstad, SWE
  - 4 personnel
  - Group CEO/CFO

- Vienna, AUT
  - 40 personnel
  - Operational CEO

- Munich, GER
  - 35 personnel

- Phoenix, AZ
  - 24 personnel

- Stockholm, SWE
  - 19 personnel

- Karlstad, SWE
  - 4 personnel

- Skövde, SWE
  - 13 personnel

- Germany
  - 50 personnel

Global Video & Computer games publisher

Publishing & Ops HQ in Vienna

HQ in Karlstad

Founded 2011

Core Business model: Acquiring IPs and catalogues of assets

Example announced external studios
- Piranha Bytes
- Airship Syndicate
- Golem Labs
- Digital Arrow

Wired Productions
- Weappy Studio
- KING Arts
- Kaiko

Unannounced external studios

Source: Company information | 1) Mirage Game Studios and Foxglove Studios are currently under name change (to Mirage Game Studios and Foxglove Studios) at the Swedish Companies Registration Office | Note: “Personnel” may refer to both employees and contractors working either on- or off-site.
EXPERIENCED, INCENTIVISED AND COMPLEMENTARY MANAGEMENT TEAM

Management

Ownership table 30 June 2017

<table>
<thead>
<tr>
<th>Name</th>
<th>Class A shares</th>
<th>Class B shares</th>
<th>Capital %</th>
<th>Votes %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lars Wingefors AB</td>
<td>6,501,467</td>
<td>29,523,732</td>
<td>50.01</td>
<td>61.78</td>
</tr>
<tr>
<td>Xagonus AB</td>
<td>1,407,724</td>
<td>6,392,600</td>
<td>10.83</td>
<td>13.38</td>
</tr>
<tr>
<td>Swedbank Robur</td>
<td>0</td>
<td>3,985,928</td>
<td>5.53</td>
<td>2.60</td>
</tr>
<tr>
<td>Handelsbanken Fonder</td>
<td>0</td>
<td>3,416,999</td>
<td>4.74</td>
<td>2.23</td>
</tr>
<tr>
<td>CMB Holding AB</td>
<td>483,378</td>
<td>2,195,063</td>
<td>3.72</td>
<td>4.59</td>
</tr>
<tr>
<td>Didner &amp; Gerge Småbolag</td>
<td>0</td>
<td>2,200,663</td>
<td>3.06</td>
<td>1.44</td>
</tr>
<tr>
<td>Ram One AB</td>
<td>0</td>
<td>1,796,745</td>
<td>2.49</td>
<td>1.17</td>
</tr>
<tr>
<td>Lumarisimo AB</td>
<td>289,966</td>
<td>1,316,760</td>
<td>2.23</td>
<td>2.76</td>
</tr>
<tr>
<td>Martin Larsson &amp; Co</td>
<td>0</td>
<td>1,316,944</td>
<td>1.83</td>
<td>0.86</td>
</tr>
<tr>
<td>Avanza Pension</td>
<td>0</td>
<td>1,308,766</td>
<td>1.82</td>
<td>0.86</td>
</tr>
<tr>
<td>Novobis AB</td>
<td>0</td>
<td>1,250,000</td>
<td>1.74</td>
<td>0.82</td>
</tr>
<tr>
<td>Gerado AB</td>
<td>201,784</td>
<td>916,321</td>
<td>1.55</td>
<td>1.92</td>
</tr>
<tr>
<td>Olson family &amp; foundation</td>
<td>0</td>
<td>990,000</td>
<td>1.37</td>
<td>0.65</td>
</tr>
<tr>
<td>Gigalomaniac</td>
<td>115,681</td>
<td>655,524</td>
<td>1.07</td>
<td>1.18</td>
</tr>
<tr>
<td>Knutsson family &amp; Co</td>
<td>0</td>
<td>600,000</td>
<td>0.83</td>
<td>0.39</td>
</tr>
<tr>
<td>Other shareholders</td>
<td>0</td>
<td>5,166,455</td>
<td>7.18</td>
<td>3.37</td>
</tr>
<tr>
<td><strong>Total no. shares</strong></td>
<td><strong>9,000,000</strong></td>
<td><strong>63,032,500</strong></td>
<td><strong>100.00</strong></td>
<td><strong>100.00</strong></td>
</tr>
<tr>
<td><strong>Total no. votes</strong></td>
<td><strong>153,032,500</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Company information

Ownership stake (capital)
- Lars Wingefors: 50.01%
- Klemens Kreuzer: 1.55%
- Erik Stenberg: 10.83%
- Reinhard Pollice: 1.07%

Industry experience
- Lars Wingefors: 23 years
- Klemens Kreuzer: 10 years
- Erik Stenberg: 16 years
- Reinhard Pollice: 8 years

Key skills and focus
- Lars Wingefors: Leadership, strategy, deal-making
- Klemens Kreuzer: Operations, marketing, culture-building
- Erik Stenberg: Finance, deal-making
- Reinhard Pollice: Business development, marketing
We acquire, develop, publish and distribute our own games

OWNED GAMES

We publish and distribute others’ games

PUBLISHING DEALS

~85 IPs/Franchises and 270+ games

71% of 2016 net sales

60+ Titles

29% of 2016 net sales

Digital Distribution Worldwide

51% of sales (2016)

Physical Distribution Worldwide

49% of sales (2016)
2. Market overview
THQ IS PRESENT IN LARGE, ATTRACTIVE SEGMENTS

Gaming market future outlook, USDbn

- CAGR
  - 6%
  - 6%

- 128
- 101
- 38
- 30
- 32
- 28
- 64
- 36

- 2016
- 2020E

Games market to reach USD 128 billion in 2020E

Gaming market by platform, 2016

- PC
- Console
- PC/MMO

- Other

- Other, 42%
- Console, 31%
- PC/MMO, 27%

Gaming market by geography, 2016

- North America, 25%
- EMEA, 24%
- Asia Pacific, 47%
- Latin America, 4%

- THQ Nordic’s core geographies are North America, EMEA, Australia and New Zealand

PC and Console comprised virtually 100% of our net sales in 2016

Source: NewZoo 2017 Global Games Market Report, Company information
FAVOURABLE MARKET TRENDS AND FEATURES

(Quality) content is king

Dedicated fans

Digital distribution increasing but physical persists

Industry consolidation

Relatively non-cyclical Market¹

Source: Statista, NewZoo 2016 Global Games Market Report, Company estimates | ¹ Market data between 2006 and 2009 has been retrieved from Statista, market data from 2012 to 2014 has been retrieved from NewZoo 2016 Global Games Market Report. Two data sets are combined in the chart above for data availability reasons.
3. Company overview and growth strategy
KEY INVESTMENT HIGHLIGHTS

1. Proven business model
2. Diversified games portfolio with quality content available on all major platforms
3. Strong and well-invested pipeline
4. Robust financial performance
Attractive price of games at acquisition

We acquire games at attractive multiples…

...then we increase the value of the games through multiple initiatives

Value of games after our initiatives

Source: Company information
HOW WE INCREASE THE VALUE OF AN ACQUIRED GAME

1. Attractive price of games at acquisition

DISTRIBUTION EXPANSION
- Add digital channels
  - Steam
  - XBOX LIVE
  - PlayStation Store
- Add and reactivate physical channels
  - GameStop
  - Walmart
  - Amazon

ASSET CARE
- Port to new platforms
- Release remasters, new versions and patches
  - Version → Remaster I → Remaster II
- Release DLCs (downloadable content)
  - Swords, helmets etc.

SEQUELS
- Release sequels
  - First Game → Sequel I → Sequel II → Sequel III

Value of games after our initiatives

Source: Company information
Step 2: Since acquisition we have invested €3.6m in remasters, DLCs, portings, etc.

Result: Significant cash flow from and value increase of MX vs. ATV

Since acquisition:
(Jun 2013–Jun 2017)

Sales: €30M
Gross profit: €20M

Investments in released content since acquisition
(Jun 2013–Jun 2017)

€3.6M

Source: Company information | Summary of the figures: During the period June 2013–June 2017: Sales = €30m, gross profit = €20m, investments made in released content = €3.6m, amortization of capitalized development = €3m, amortization of IP right = €0.4m. Acquisition price = €0.6m
We will leverage our growth strategy on 1) our recent complete rebranding and 2) our IPO.
GAMES PORTFOLIO OVERVIEW

Owned content

~85 FRANCHISES
~270 GAMES
~30 REMASTERS
~330 DLCs

Publishing deals

~60 GAMES (publishing)

Source: Company information | (1) Most of our titles are owned 100% but not all e.g. ELEX is owned 70%
3 STRONG AND WELL-INVESTED PIPELINE

Our 3 largest development projects to date, with an estimated development budget of SEK 65–125m each

- **Elex**: Our first major brand-new game development. "Elex is definitely the most ambitious game that we saw at E3 this year." – NewGameNetwork
  - Owned, 70%

- **Darksiders III**: Major sequel based on key franchise
  - Owned, 100%

- **SpellForce 3**: Large-scale project based on existing franchise
  - Owned, 100%

- **The Guild 3**: Major sequel based on key franchise
  - Owned, 100%

- **Aquanoxx: Deep Descent**: Major sequel based on key franchise
  - Owned, 100%

Brand new Open-world Kung-Fu fable RPG
- Owned, 70%

Brand-new games based on best-selling comic book
- Owned, 100%

Brand new game with unique racing experience
- Owned, 100%

Major sequel based on key franchise
- Owned, 100%

In total, we have 13 announced and 17 unannounced projects in our pipeline, as of Jun 2017

Strong platform presences
Original studios and/or well-suited quality studios

Source: Company information

---

**SEK 339 M**
Balanced investment as of Jun 2017
(Intangible assets)

**SEK 126 M**
Investments made Jan-Jun 2017
(Investments in intangible assets)

**+21 more**

SEK

Plus 21 other pipeline projects

---

Our 3 largest development projects to date, with an estimated development budget of SEK 65–125m each

- **Elex**: Our first major brand-new game development. "Elex is definitely the most ambitious game that we saw at E3 this year." – NewGameNetwork
  - Owned, 70%

- **Darksiders III**: Major sequel based on key franchise
  - Owned, 100%

- **SpellForce 3**: Large-scale project based on existing franchise
  - Owned, 100%

- **The Guild 3**: Major sequel based on key franchise
  - Owned, 100%

Brand new Open-world Kung-Fu fable RPG
- Owned, 70%

Brand-new games based on best-selling comic book
- Owned, 100%

Brand new game with unique racing experience
- Owned, 100%

Major sequel based on key franchise
- Owned, 100%
The increase in investment levels is linked to the many attractive investment opportunities which arose from the THQ IP acquisitions.

Source: Company information
HIGH TOPLINE GROWTH WITH STABLE MARGINS

Net sales, SEKm

Sales growth has more than doubled in H1 2017 compared to H1 2016

Gross profit margin, %

Strong growth in both gross profit and gross profit margin, H1 2017 compared to H1 2016

EBIT margin, %

EBIT has more than doubled in H1 2017 compared to H1 2016

Source: Company information
4. 2017 Q2 highlights
# PROMOTIONS AND SCALABILITY DRIVES PROFIT

<table>
<thead>
<tr>
<th></th>
<th>Apr-Jun 2016</th>
<th>Apr-Jun 2017</th>
<th>var +/-</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>52.7</td>
<td>85.6</td>
<td>62%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>23.2</td>
<td>39.7</td>
<td>71%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>14.2</td>
<td>30.3</td>
<td>113%</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>10.6</td>
<td>23.2</td>
<td>119%</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td>2.0</td>
<td>21.6</td>
<td>980%</td>
</tr>
<tr>
<td><strong>EBITDA Margin</strong></td>
<td>44%</td>
<td>46%</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT Margin</strong></td>
<td>27%</td>
<td>35%</td>
<td></td>
</tr>
</tbody>
</table>

- 5 owned and 2 publishing titles releases in the second quarter
- The Darksiders-series is the notable contributor in Q2
- Increased EBIT margin due to lower amortization

Source: Company information
# DIGITAL SHARE A RECORD 69% OF NET SALES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Margin (Net sales-COGS)</td>
<td>29.8</td>
<td>34.6</td>
<td>41.2</td>
<td>77.5</td>
<td>57.4</td>
<td>61.3</td>
</tr>
<tr>
<td>Gross Margin, %</td>
<td>69%</td>
<td>66%</td>
<td>53%</td>
<td>60%</td>
<td>70%</td>
<td>72%</td>
</tr>
</tbody>
</table>

## Net sales split

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Owned titles, %</strong></td>
<td>86%</td>
<td>73%</td>
<td>64%</td>
<td>68%</td>
<td>67%</td>
<td>77%</td>
</tr>
<tr>
<td><strong>Publishing titles, %</strong></td>
<td>14%</td>
<td>27%</td>
<td>36%</td>
<td>32%</td>
<td>33%</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Owned titles</strong></td>
<td>37.1</td>
<td>38.5</td>
<td>49.9</td>
<td>87.2</td>
<td>54.9</td>
<td>65.9</td>
</tr>
<tr>
<td><strong>Publishing titles</strong></td>
<td>6.0</td>
<td>14.2</td>
<td>28.0</td>
<td>41.0</td>
<td>27.0</td>
<td>19.7</td>
</tr>
</tbody>
</table>

## New releases sales by each quarter, %

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Backcatalogue, %</strong></td>
<td>100%</td>
<td>76%</td>
<td>63%</td>
<td>64%</td>
<td>64%</td>
<td>84%</td>
</tr>
<tr>
<td><strong>New releases sales by each quarter</strong></td>
<td>0.0</td>
<td>12.6</td>
<td>28.8</td>
<td>46.2</td>
<td>29.5</td>
<td>13.7</td>
</tr>
<tr>
<td><strong>Backcatalogue</strong></td>
<td>43.1</td>
<td>40.1</td>
<td>49.1</td>
<td>82.0</td>
<td>52.4</td>
<td>71.9</td>
</tr>
</tbody>
</table>

## Physical sales, %

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>** Physical sales**</td>
<td>48%</td>
<td>39%</td>
<td>49%</td>
<td>58%</td>
<td>49%</td>
<td>31%</td>
</tr>
<tr>
<td><strong>Digital sales</strong></td>
<td>52%</td>
<td>61%</td>
<td>51%</td>
<td>42%</td>
<td>51%</td>
<td>69%</td>
</tr>
<tr>
<td><strong>Physical sales</strong></td>
<td>20.7</td>
<td>20.6</td>
<td>38.2</td>
<td>74.4</td>
<td>40.1</td>
<td>26.5</td>
</tr>
<tr>
<td><strong>Digital sales</strong></td>
<td>22.4</td>
<td>32.1</td>
<td>39.7</td>
<td>53.8</td>
<td>41.8</td>
<td>59.0</td>
</tr>
</tbody>
</table>

Source: Company information