



Biomutant

## KOCH MEDIA DRIVES SALES IN Q1, EBIT INCREASED 236% TO SEK 107 MILLION

Our business continues to grow; net sales increased by 673% to SEK 633 million in the quarter, mainly thanks to Koch Media, which was acquired and consolidated on February 14. Excluding Koch Media, net sales were up 64% to SEK 135 million. EBITDA was up 439% to SEK 226 million and EBIT increased by 236% to SEK 107 million compared to the same period last year. Excluding Koch Media, EBIT was up 54% to SEK 49 million.

Koch Media is by far our largest acquisition to date and confirms our focus on creating value for our shareholders. With this transaction, we took a great step forward to further build a diversified, substantial and relevant player within the growing games industry. We got off to a great start together with the Deep Silver release of Kingdom Come Deliverance. I'm also happy to inform that Deep Silver will be publishing the upcoming RPG's Wasteland 3 and Bards Tale IV. Both games are developed by InXile, a California-based studio founded by the industry legend Brian Fargo. Along with them, we are all looking forward to Deep Silver's next key release, Metro Exodus, now expected in Q1 2019.

The THQ Nordic GmbH operations also had a good quarter with five new releases including MX vs ATV: All Out, our in-house developed sequel, released at the end of the quarter. Revenues for the THQ Nordic GmbH operations were 135 million, an increase by 68% compared to the same quarter last year. Their next key releases, Biomutant and Darksiders 3, are still under evaluation for setting a release date.

I expect the future of our well invested pipeline of products – currently at a record 54 ongoing projects – to generate growing revenues and improved profitability. In order to make the best possible return on our investments and to continue building IP value I would like to restate the importance that we are patient to deliver the expected customer experience along with finding the right release window for up-coming releases.

Meanwhile, we continue to evaluate further investments into game development projects for key IPs along with further potential acquisitions or strategic partnerships that could add considerable value for the group and its shareholders. Stay tuned.

– LARS WINGEFORS, FOUNDER & CEO

### FIRST QUARTER 2018

- > Net sales increased by 673% to SEK 632.9 m [81.9].
- > EBITDA increased by 439% SEK 225.9 m [41.9], corresponding to an EBITDA margin of 35,9%.
- > Cash flow from operating activities amounted to SEK 699.8 m [29.7].
- > Earnings per share (diluted) were SEK 1.02 [0.33].
- > As of 31 March 2018, cash and cash equivalents were SEK 98.7 m. Available liquidity including credit facility was SEK 1,117 m.
- > Acquisition of Koch Media was completed during the first quarter and is consolidated from 14 February 2018.

### KEY PERFORMANCE INDICATORS, GROUP

SEK million	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Net sales	632.9	81.9	507.5
EBITDA	225.9	41.9	272.6
EBIT	107.3	31.9	188.2
Profit after tax	81.1	23.5	139.2
Earnings per share, SEK	1.02	0.33	1.88
Cash flow from operating activities	699.8	29.7	179.1
Sales growth, %	673	90	68
EBITDA margin, %	36	51	54
EBIT margin, %	17	39	37
Net sales split, business area games:			
– Owned titles, %	34	67	77
– Publishing titles, %	66	33	23

In this Report, all figures in brackets are for the corresponding period of the previous year, unless otherwise stated.



Red Faction Guerrilla

## FINANCIAL PERFORMANCE, FIRST QUARTER 2018

### CONSOLIDATED NET SALES

Consolidated net sales for the first quarter were up by 673% to SEK 632.9 m [81.9]. The increase is primarily sourced from the acquisition of Koch Media that was consolidated from 14 February 2018.

Excluding Koch Media, THQ Nordic net sales amounted to SEK 134.5 m during the quarter (SEK 81.9 m), corresponding to an organic growth of 64%. The Koch Media contribution to consolidated net sales was SEK 498.4 m in the period. For the full quarter pro forma, Koch Media had net sales of SEK 805 m, split between Business Area Games Deep Silver SEK 342 m and Business Area Partner Publishing/Film SEK 463 m.

### CONSOLIDATED EXPENSES

Expenses were SEK 617.3 m [63.8] in the first quarter. Cost of goods sold was SEK 319.9 m [24.5]. Other external expenses amounted to SEK 74.5 m [10.7]. Personnel expenses were SEK 104.3 m [18.0]. The increase of all cost items is to some extent sourced from organic growth but is primarily a consequence of the acquisition of Koch Media, which has had a substantial impact on the cost structure. Depreciation and amortization was SEK 118.7 m [10.1]. Other expenses were SEK – m [0.5].

### CONSOLIDATED EARNINGS

The group's EBITDA for the first quarter 2018 increased by 439% to SEK 225.9 m [41.9] following increased sales and favorable scalability as well as the acquisition of Koch Media.

EBIT in the quarter was SEK 107.3 m [31.9]. Excluding Koch Media, EBIT was up 54% to SEK 49.2 million. Profit after financial items were SEK 98.0 m [31.5] for the first quarter. Profit after tax was SEK 81.1 m [23.5].

### CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities for the quarter was SEK 699.8 m [29.7]. The difference is due to improved operating profit, higher depreciations and a reduction of working capital in Koch Media through forfeiting of about SEK 450 m in the period.

Cash flow from investing activities was SEK –549.5 m [–68.1], of which SEK –362.6 m is relating to the acquisition of Koch Media and the rest is mainly investments in game development projects. Cash flow from financing activities amounted to SEK –681.4 m [1.9], of which SEK –781.3 m was amortization of debt by Koch Media during March.

Cash and cash equivalents at the end of the period were SEK 98.7 m [626.5 as of 31 December 2017]. The Company also had unutilized credit facilities, mainly within Koch Media, of SEK 1,018.3 m [69.3]. The group's total available cash and unutilized credit facilities were SEK 1 117.0 m [766.8 as of 31 December 2017].

The company had intangible assets of SEK 1,899.2 m [286.1] at the end of the period, distributed as follows:

- Finished, completed games SEK 200 m
- Ongoing game development projects SEK 1,131 m
- Films and royalty advances SEK 148 m
- IP:s, surplus values and goodwill SEK 420 m.

### CAPITAL EXPENDITURE, DEPRECIATION AND AMORTIZATION

In the first quarter, the group's investments in intangible assets amounted to SEK 184.5 m [67.2], mainly related to capitalized expenditure for ongoing game development. Investments in property, plant and equipment amounted to SEK 2.5 m [0.9].

Amortization of intangible assets in the first quarter was SEK 115.9 m [9.8]. Depreciation of property, plant and equipment amounted to SEK 2.8 m [0.3].





C64 Mini

## ABOUT THQ NORDIC AB

THQ Nordic acquires, develops and publishes PC and console games for the global games market. The company is a major player within game and partner publishing with an extensive catalogue of over 100 owned franchises, such as Saints Row, Dead Island, Homefront, Darksiders, Metro (exclusive license), Titan Quest, MX vs ATV, Red Faction, Delta Force, Destroy All Humans, ELEX, Biomutant, Jagged Alliance, SpellForce, The Guild amongst others. THQ Nordic has a global publishing reach within marketing, sales and distribution, both online and offline. The company has a global presence, with its group head office located in Karlstad, Sweden and with operational offices in Vienna, Austria and Munich, Germany. The group has ten internal game development studios based in Germany, UK, USA and Sweden and contracts with 26 external game studios in a number of different countries. THQ Nordic engages more than 1,700 people.

### ACQUISITION OF KOCH MEDIA

At February 14 THQ Nordic AB (publ) acquired 100 percent of the share capital of Koch Media GmbH, including, inter alia, the games developer and publisher Deep Silver with AAA-intellectual property rights such as Saints Row, Dead Island and exclusive licence for Metro. The total consideration for 100% of the shares in Koch Media GmbH was EUR 91.5 million.

Koch Media is a leading, independent producer and marketer of digital entertainment products in Europe and North America with studios in Germany, the UK, and the US and 11 regional offices across Europe.

Koch Media will continue to operate as a separate entity within the THQ Nordic group under the leadership of Co-Founder and CEO, Dr. Klemens Kundratitz, and CFO, Reinhard Gratl. THQ Nordic sees potential for revenue synergies and margin improvements, e.g. from partnerships from both groups' IPs, assets, and development capacity. By having a larger development capacity and pipeline, more IPs, a larger publishing capacity through THQ Nordic and Deep Silver, the combined group has a greater capacity, thus creating a more stable operation and a more flexible organisation.

## OPERATIONS

### NEW RELEASES IN THE FIRST QUARTER

#### Business area Games – THQ Nordic

THQ Nordic released the following new products in the first quarter:

- The new owned IP **Rad Rogers** for Playstation 4, Xbox One and PC. The game is developed by the external development studio Slippgate in Denmark.
- The Asset Care title **de Blob 2** for Playstation 4 and Xbox One.
- The Asset Care title **The Raven Remastered** for Playstation 4, Xbox One and PC.
- The Asset Care title **Titan Quest** for Playstation 4 and Xbox One.
- The owned IP sequel **MX vs ATV All Out** for Playstation 4, Xbox One and PC. The game is developed by the internal studio Rainbow Studios in Phoenix, Arizona.

The key title **MX vs ATV All Out** had mixed reviews from various media outlets since the released version initially had performance issues. Rainbow Studios continue to work on basegame improvements and new DLC for MX vs ATV All Out along with a new, unannounced racing title.

The mobile games **The Muscle Hustle** and **Snipers vs Thieves** are still under development at the internal studio, Foxglove. Both are showing promising performance but still needs further development before marketing can commence on a larger scale. During the quarter, the third party publisher of Snipers vs Thieves agreed to make a recoupable investment into the continued development of the game. By the end of the quarter Snipers vs Thieves had more 20 million installs.

In March, an agreement between THQ Nordic and **Nickelodeon** was announced, to bring back selected game titles from the past on current console formats that were developed under the former THQ Inc. This will include revival of several game titles connected with Nickelodeon properties such as Avatar: The Last Airbender, Jimmy Neutron, Rocket Power, Rugrats, SpongeBob SquarePants, Tak And The Power Of JUJU amongst others.



Metro Exodus

### Business area Games – Deep Silver

In the period, Deep Silver released the following new products:

- The publishing title **Kingdom Come Deliverance**. The game is developed by the external development studio Warhorse in Prague and had a strong reception on the market. Deep Silver has the global publishing rights, including digital console (except Steam).
- The publishing title **Radiant Historia: Perfect Chronology** from Sega of America. Deep Silver are physical publisher in the EMEA region.
- The publishing title **Surviving Mars** by Paradox Interactive on physical channels.

### Business area Partner Publishing/Film

Notable highlights from the quarter were:

- **C64 Mini** – retro gaming console by Retro Games Ltd. Koch Media has the global distribution rights.
- **Life is Strange – Before the Storm** by Square Enix.
- **Yakuza 6: The Song of Life** by Sega of America.
- **Secret of Mana** by Square Enix.
- **AOT 2** by Tecmo Koei.

The **C64 Mini** has been a major success. Supply constraints lead to launch in Europe and Australia only. Further sales – in addition to other territories - will follow during 2018.

With the exception of the above mentioned highlights, back catalogue business was strong, lead by **F1 2017** (Codemasters), **Ark: Survival Evolved** (Studio Wildcard) and **Persona 5** (Atlus).

### OTHER EVENTS DURING THE FIRST QUARTER

During the quarter THQ Nordic GmbH opened a second office in Vienna that will be focusing on production and quality assurance.

The group has taken part of the following events during the period:

- DreamHack, Leipzig, Germany
- PC Gamer Weekender, London, England
- Play Station Arena 2018, Seoul, South Korea
- GamersCon, Jeddah, Saudi Arabia
- GDC, San Fransisco, USA (including a joint "mixer" event THQ Nordic/Deep Silver).
- DPS Scottsdale, Arizona, USA

### EVENTS AFTER THE END OF THE QUARTER

During the period 1 April until 15 May the following titles were released:

Title	Publishinglabel	IP Owner	Platforms	Channels
Manticore Galaxy of Fire	Deep Silver	Koch Media	Switch	Online
Conan Exile	Deep Silver	Funcom/Conan	PC, PS4, Xbox One	Offline
Battle Chasers Nightwar	THQ Nordic	Airship Syndicate	Switch	On- and Offline
Pillars of Eternity II - Deadfire	THQ Nordic	Obsidian	PC	Offline

After the period, Koch Media has completed the acquisition of the facilities in Höfen, Austria.



Conan Exile

## ONGOING DEVELOPMENT

At the end of the first quarter, the group had 54 game projects in development of which 19 had been announced.

During the quarter, 6 new game development projects were started. The projects were both porting, remakes as well as sequel development across both internal and external development studios.

In total the group had 1,250 engaged game developers by the end of the quarter (536 internal and 714 external).

## ANNOUNCED UPCOMING RELEASES AS OF 16 MAY 2018

Title	Publishinglabel	IP Owner	Platforms	Channels
Aquanox Deep Descent	THQ Nordic	THQ Nordic	PC, PS4, Xbox One	On- and Offline
Biomutant	THQ Nordic	THQ Nordic	PC, PS4, Xbox One	On- and Offline
Darksiders 3	THQ Nordic	THQ Nordic	PC, PS4, Xbox One	On- and Offline
de Blob	THQ Nordic	THQ Nordic	Switch	On- and Offline
Fade to Silence	THQ Nordic	THQ Nordic	PC, PS4, Xbox One	On- and Offline
Legend of Kay	THQ Nordic	THQ Nordic	Switch	On- and Offline
Pillars of Eternity II - Deadfire	THQ Nordic	Obsidian/ Versus Evil	PS4, Xbox One, Switch	Offline
Red Faction Guerrilla Re-Mars-tered	THQ Nordic	THQ Nordic	PC, PS4, Xbox One	On- and Offline
The Guild 3	THQ Nordic	THQ Nordic	PC	On- and Offline
This is the Police 2	THQ Nordic	THQ Nordic	PC, Mac, PS4, Xbox One, Switch	On- and Offline
Titan Quest	THQ Nordic	THQ Nordic	Switch	On- and Offline
Wreckfest	THQ Nordic	Bugbear	PC, PS4, Xbox One	On- and Offline
Dead Island 2	Deep Silver	Koch Media	PC, PS4, Xbox One	On- and Offline
Metro Exodus	Deep Silver	Exclusive licence	PC, PS4, Xbox One	On- and Offline
Shenmue III	Deep Silver	External	PC, PS4	On- and Offline
Dakar 2018	Deep Silver	External	PC, PS4, Xbox One	On- and Offline
Agony	Madmind	PlayWay	PS4, Xbox One	On- och Offline
Wasteland 3	Deep Silver	InXile	PC, PS4, Xbox One	TBA
Bards Tale IV	Deep Silver	InXile	TBA	TBA

Latest release dates for the products can be found on [www.thqnordic.com](http://www.thqnordic.com) or [www.deepsilver.com](http://www.deepsilver.com)

## HUMAN RESOURCES

As of 31 March 2018, the Company had 1,006 employees [94]. The average number of full-time employees for the quarter was 577 [90].

## PARENT COMPANY

The Parent Company's net sales for the first quarter were SEK 69.4 m [31.0] and profit before tax was SEK 23.1 m [21.6]. Profit after tax was SEK 18.0 m [16.8].

Cash and cash equivalents as of 31 March 2018 were SEK 0.6 m [115.6].

Investments in intangible assets in the period were SEK 88.7 m [0.8]. The Parent Company's equity at the end of the quarter was SEK 994.4 m [303.1].

The Board of Directors intends to propose a change of the name of the listed parent company in order to clarify the difference between the parent company THQ Nordic AB and its subsidiary THQ Nordic GmbH. The process is on-going and will require some more time until a new name can be announced.



## RELATED PARTY TRANSACTIONS

During the first quarter 2018, Nordic Games Group AB has invoiced THQ Nordic GmbH for QA-services amounting to SEK 1.0 m [0.7]. THQ Nordic GmbH has invoiced Game Outlet Europe AB for sold games amounting to SEK 3.3 m [2.5]. THQ Nordic also has a rental agreement with Lars Wingefors AB. During the first quarter, THQ Nordic paid SEK 0.1 m [0.1] in rent and an additional SEK 0.0 m [0.1] for other services by companies in the Lars Wingefors-group.

## OWNERS AS OF 31 MARCH 2018

Name	Class A shares	Class B shares	Share of capital, %	Share of votes, %
Lars Wingefors through company <sup>1)</sup>	6,501,467	29,523,732	45.5	59.0
Erik Stenberg through company <sup>2)</sup>	1,407,724	6,392,600	9.8	12.8
Swedbank Robur Funds <sup>3)</sup>		6,826,979	8.6	4.3
Handelsbanken Funds <sup>4)</sup>		4,919,200	6.2	3.1
Mikael Brodén through company <sup>5)</sup>	483,378	2,195,063	3.4	4.4
Didner & Gerge Funds		1,860,000	2.3	1.2
Family Dan Sten Olsson, with trust		1,306,573	1.6	0.8
Chalex/Martin Larsson		1,231,911	1.6	0.8
Klemens Kreuzer through company <sup>6)</sup>	201,784	916,321	1.4	1.8
Life Insurance Skandia		1,102,702	1.4	0.7
Avanza Pension		1,094,152	1.4	0.7
Pelle Lundborg with family through company <sup>7)</sup>	289,966	716,760	1.3	2.3
Reinhard Pollice through company <sup>8)</sup>	115,681	655,524	1.0	1.1
Lundström Family		739,637	0.9	0.5
Fondita Funds		657,000	0.8	0.4
Skandia Funds		649,881	0.8	0.4
Michael Knutsson		600,000	0.8	0.4
RAM One Funds		538,845	0.7	0.3
Oddo BHF Asset Management		509,801	0.6	0.3
Nordnet Pension Insurance		243,538	0.3	0.2
<b>TOTAL TOP 20</b>	<b>9,000,000</b>	<b>62,680,219</b>	<b>90.5</b>	<b>95.3</b>
<b>OTHER</b>		<b>7,555,531</b>	<b>9.5</b>	<b>4.7</b>
<b>TOTAL</b>	<b>9,000,000</b>	<b>70,235,750</b>	<b>100.0</b>	<b>100.0</b>

1) Lars Wingefors AB, controlled to 100% by CEO Lars Wingefors

2) Xagonus AB, controlled to 100% by CFO Erik Stenberg

3) Swedbank Robur consists of three funds; Småbolagsfond Sverige, Småbolagsfond Norden and Ny Teknik

4) Handelsbanken Funds consists of five funds; Sverige, Svenska Småbolag, Bosparfond Bostadsrätterna, Nordiska Småbolag and MicroCap

5) CMB Holding AB, controlled to 100% by Mikael Brodén, co-founder of THQ Nordic

6) Gerado AB, controlled to 100% by Klemens Kreuzer, MD THQ Nordic GmbH

7) Lumarisimo AB, controlled by Pelle Lundborg with family, co-founder of THQ Nordic

8) Gigalomaniac Holding AB, controlled to 100% by Reinhard Pollice, Director of Business Development and Production, THQ Nordic GmbH.



## INFORMATION ABOUT NASDAQ FIRST NORTH

Nasdaq First North ("First North") is an alternative marketplace operated by the constituent exchanges of Nasdaq Stockholm. It does not have the same legal status as a regulated marketplace. Companies quoted on First North are subject to First North's rules, rather than the legal requirements set for trading on a regulated marketplace. An investment in a company trading on First North implies higher risk than one in a listed company. Companies must apply to the exchange and gain approval before trading on First North can commence. A Certified Adviser guides the company through the listing process and also ensures that the company continuously satisfies First North's standards.

FNCA Sweden AB is THQ Nordic's certified adviser.

## RISKS AND UNCERTAINTY FACTORS

THQ Nordic is exposed to risks, particularly the dependence on key persons, dependence of the success of game development, the sales performance of launched games, dependence on a few distributors and the success and performance of acquisitions. The complete risk analysis is found in the company's Annual Report.

## ACCOUNTING AND VALUATION POLICIES

This Interim Report has been prepared in accordance with the Swedish Annual Accounts Act. The accounting and valuation policies applied are consistent with the Swedish Accounting Standards Board's Category 3 (BFN K3) regulation and are unchanged since the latest published Annual Accounts, and the Swedish Accounting Standards Board's BFNAR 2012:1.

The Company's accounting policies are stated in its most recent Annual Accounts 2017.

Amounts are reported in Swedish kronor, rounded to the nearest thousand unless otherwise stated. Rounding to the nearest thousand may mean that amounts are not consistent when added. Amounts and figures stated in brackets are comparatives for the corresponding period of the previous year.

## AUDITOR'S REVIEW

This Interim Report has not been subject to review by the Company's auditor.

## FORTHCOMING REPORTS

THQ Nordic intends to publish financial reports on the following dates:

Interim Report, January-June 2018 and the Second Quarter	15 August 2018
Interim Report, January-September 2018 and the Third Quarter	14 November 2018
Interim Report, January-December 2018 and the Fourth Quarter*	13 February 2019
Full Extended Year Report 2018/2019 and the Fifth Quarter*	May 2019

\* Extension of financial year to January 2018 - March 2019 is subject to resolution at AGM 2018.

## FOR MORE INFORMATION

There is more information about the Company at its website:  
[www.thqnordic.com](http://www.thqnordic.com) and [www.thqnordic-investors.com](http://www.thqnordic-investors.com).

For any questions on this report, please contact:  
Lars Wingefors, Founder & CEO, [lwingefors@thqnordic.com](mailto:lwingefors@thqnordic.com).

Lars Wingefors  
Chief Executive Officer

Karlstad, Sweden, 16 May 2018

*This Interim Report is information that is mandatory for THQ Nordic to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 06:30 CET on 16 May 2018.*

## CONSOLIDATED INCOME STATEMENT

SEK 000's	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Net sales	632,942	81,904	507,525
Work performed by the Company for its own use and capitalized	57,634	13,014	79,556
Other operating income	33,991	775	2,700
<b>Total operating income</b>	<b>724,567</b>	<b>95,693</b>	<b>589,781</b>
<b>Operating expenses</b>			
Goods for resale	-319,888	-24,512	-147,678
Other external expenses	-74,497	-10,688	-75,159
Personnel expenses	-104,253	-18,038	-94,101
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-118,678	-10,054	-84,416
Other operating expenses	-	-542	-225
<b>Total operating expenses</b>	<b>-617,316</b>	<b>-63,834</b>	<b>-401,579</b>
<b>Operating profit</b>	<b>107,251</b>	<b>31,859</b>	<b>188,202</b>
<i>Profit from financial items</i>			
Other interest income, etc	8	2	11
Other interest expenses, etc	-9,241	-372	-6,200
<b>Total financial items</b>	<b>-9,233</b>	<b>-370</b>	<b>-6,189</b>
<b>Profit after financial items</b>	<b>98,018</b>	<b>31,489</b>	<b>182,013</b>
<b>Appropriations</b>	-	-	-
<b>Profit before tax</b>	<b>98,018</b>	<b>31,489</b>	<b>182,013</b>
Tax	-16,948	-7,952	-42,844
<b>Net profit for the period</b>	<b>81,070</b>	<b>23,537</b>	<b>139,169</b>
<i>Attributable to:</i>			
Equity holders of the parent	81,070	23,537	139,169
Non-controlling interests	-	-	-
Earnings per share, SEK	1.02	0.33	1.88
Average number of outstanding shares, thousands	79,236	72,032	73,927



## CONDENSED CONSOLIDATED BALANCE SHEET

SEK 000's	31 Mar 2018	31 Mar 2017	31 Dec 2017
Intangible assets	1,899,243	286,071	571,064
Property, plant equipment	33,288	4,130	8,102
Financial assets	195,211	447	2,781
Inventories	146,162	16,626	30,103
Current receivables	590,522	26,749	90,206
Cash and bank balance	98,709	130,842	626,523
<b>Total assets</b>	<b>2,963,135</b>	<b>464,865</b>	<b>1,328,779</b>
Share capital	660	600	660
Other capital reserves	811,120	226,945	811,120
Recognized profit including profit for the period	374,802	140,680	261,452
Provisions	338,719	11,460	40,737
Current liabilities	1,437,834	85,180	214,810
<b>Total liabilities and equity</b>	<b>2,963,135</b>	<b>464,865</b>	<b>1,328,779</b>
Interest-bearing receivables amount to	98,709	167,445	626,523
Interest-bearing liabilities amount to	252,586	28,752	109,762

## CONSOLIDATED STATEMENT OF EQUITY

SEK 000's	Share capital	Other paid-up capital	Other equity including net profit	Consolidated equity
<b>Amount as of 1 January 2018</b>	<b>660</b>	<b>811 120</b>	<b>261,452</b>	<b>1,073,232</b>
Actuarial reserve			518	518
Translation difference			31,762	31,762
Net profit			81,070	81,070
<b>Amount as of 31 March 2018</b>	<b>660</b>	<b>811,120</b>	<b>374,802</b>	<b>1,186,582</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK 000's	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
<b>Cash flow from operating activities before changes in working capital</b>	<b>191,861</b>	<b>34,662</b>	<b>249,494</b>
Change in working capital	507,915	-5,012	-70,395
<b>Cash flow from operating activities</b>	<b>699,776</b>	<b>29,650</b>	<b>179,099</b>
<b>Cash flow from investing activities</b>	<b>-549,547</b>	<b>-68,068</b>	<b>-375,401</b>
<b>Cash flow from financing activities</b>	<b>-681,432</b>	<b>1,907</b>	<b>654,743</b>
<b>Cash flow for the period</b>	<b>-531,203</b>	<b>-36,511</b>	<b>458,441</b>
Cash and cash equivalents at beginning of period	626,523	167,446	167,446
Translation difference in cash and cash equivalents	3,389	-93	636
<b>Cash and cash equivalents at end of period</b>	<b>98,709</b>	<b>130,842</b>	<b>626,523</b>

## PARENT COMPANY INCOME STATEMENT

SEK 000's	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Net sales	69,443	31,023	244,915
Other operating income	5,382	279	3,332
<b>Total operating income</b>	<b>74,825</b>	<b>31,302</b>	<b>248,247</b>
<b>Operating expenses</b>			
Other external expenses	-2,497	-1,210	-8,280
Personnel expenses	-1,221	-901	-4,165
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-42,348	-7,397	-69,074
Other operating expenses	-	-2	-
<b>Total operating expenses</b>	<b>-46,066</b>	<b>-9,510</b>	<b>-81,519</b>
<b>Operating profit</b>	<b>28,759</b>	<b>21,792</b>	<b>166,728</b>
Result from participations in Group companies	6,584	-	-1,400
Interest income, etc.	3,688	471	15,643
Interest expenses, etc.	-15,966	-664	-6,073
<b>Total financial income/expenses</b>	<b>-5,694</b>	<b>-193</b>	<b>8,170</b>
<b>Profit after financial items</b>	<b>23,065</b>	<b>21,599</b>	<b>174,898</b>
<b>Appropriations</b>	<b>-</b>	<b>-</b>	<b>-45,127</b>
<b>Profit before tax</b>	<b>23,065</b>	<b>21,599</b>	<b>129,771</b>
Tax	-5,074	-4,753	-28,930
<b>Net profit for the period</b>	<b>17,991</b>	<b>16,846</b>	<b>100,841</b>

## CONDENSED PARENT COMPANY BALANCE SHEET

SEK 000's	31 Mar 2018	31 Mar 2017	31 Dec 2017
Intangible assets	217,273	44,844	171,336
Property, plant and equipment	4	57	18
Financial assets	1,173,078	143,263	240,104
Current receivables	312,527	88,207	225,898
Cash and bank balance	645	115,647	571,850
<b>Total assets</b>	<b>1,703,527</b>	<b>392,018</b>	<b>1,209,206</b>
Equity	994,379	303,084	971,314
Untaxed reserves	91,748	51,960	91,748
Provisions	3,600	-	3,600
Current liabilities	613,800	36,974	142,544
<b>Total liabilities and equity</b>	<b>1,703,527</b>	<b>392,018</b>	<b>1,209,206</b>

## SELECTED KEY PERFORMANCE INDICATORS, GROUP

Financial metrics defined or specified pursuant to Swedish Accounting Standards Board standards (BFNAR)	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Net sales, SEK 000's	632,942	81,904	507,526
Operating profit, SEK 000's	107,251	31,859	188,201
Profit before tax, SEK 000's	98,018	31,489	182,012
Profit after tax, SEK 000's	81,070	23,537	139,169
Number of shares at end of period, thousands	79,236	72,032	79,236
Average number of outstanding shares, thousands	79,236	72,032	73,927
Average number of full-time employees in the period	577	90	143
Number of employees at the end of the period	1,006	94	193

Alternative key performance indicators not defined or specified pursuant to BFNAR	Jan-Mar 2018	Jan-Mar 2017	Full year 2017
Net sales growth, %	673	90	68
EBITDA, SEK 000's	225,929	41,913	272,617
EBITDA margin, %	36	51	54
EBIT, SEK 000's	107,251	31,859	188,201
EBIT margin, %	17	39	37
Amortization of IP rights, SEK 000's	-4,124	-3,008	-14,114
Equity/assets ratio, %	40	77	81
Earnings per share, SEK	1.02	0.33	1.88
Dividend per share, SEK	-	-	-

*Derivation of the alternative KPIs and EBITDA*

<b>EBIT, SEK 000's</b>	<b>107,251</b>	<b>31,859</b>	<b>95,015</b>
Depreciation and amortization, SEK 000's	118,678	10,054	37,354
<b>EBITDA, SEK 000's</b>	<b>225,929</b>	<b>41,913</b>	<b>132,369</b>

## DEFINITIONS OF ALTERNATIVE KPIs

THQ Nordic's definitions of a number of alternative KPIs used in this Interim Report are stated below. Net sales growth is reported by the Company because it regards this KPI as contributing to investor understanding of the Company's historical progress. EBITDA and EBITDA margin are reported because these are metrics commonly used by certain investors, financial analysts and other stakeholders to measure the Company's financial results. The equity/assets ratio is stated because the Company regards this as a metric commonly used by certain investors, financial analysts and other stakeholders to measure the Company's financial position. Dividend per share is stated in the Interim Report to illustrate the dividend yield the Company's shareholders receive.

### DEFINITIONS OF KPIs, GROUP

<b>Earnings per share</b>	Profit after tax divided by the average number of shares in the period
<b>EBIT margin</b>	EBIT as a percentage of net sales
<b>EBITDA</b>	Earnings before interest taxes, depreciation and amortization
<b>EBITDA margin</b>	EBITDA as a percentage of net sales
<b>Equity/assets ratio</b>	Equity as a percentage of total assets
<b>Net sales growth</b>	Net sales for the current period divided by net sales for the corresponding period of the previous year



# QUARTERLY INFORMATION

	2015					2016					2017					2018
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	Q1
<b>Consolidated Group</b>																
Net sales	37.6	36.9	40.0	98.4	212.9	43.1	52.7	77.9	128.2	301.9	81.9	85.6	84.7	255.4	507.5	632.9
EBITDA	17.4	19.2	16.1	52.3	105.0	23.1	23.2	25.4	60.8	132.5	41.9	39.7	34.6	156.4	272.6	225.9
EBIT	9.3	12.5	9.6	35.2	66.6	14.2	14.2	16.0	50.6	95.0	31.9	30.3	24.0	102.0	188.2	107.3
Profit after tax	7.0	9.5	7.2	27.6	51.3	10.7	10.6	12.7	38.0	72.0	23.5	23.2	19.0	73.4	139.2	81.1
Earnings per share, SEK	0.12	0.16	0.12	0.46	0.86	0.18	0.18	0.21	0.59	1.16	0.33	0.32	0.26	0.93	1.88	1.02
Cash flow from operating activities	N/A	N/A	8.4	63.3	109.9	25.3	2.1	20.5	51.3	99.2	29.7	21.6	29.2	98.6	179.1	699.8
Number of shares (A&B), adjusted	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	64.4	61.1	72.0	72.0	72.3	79.2	73.9	79.2
Sales growth, %	9%	0%	12%	39%	20%	15%	42%	95%	30%	42%	90%	62%	9%	99%	68%	673%
EBITDA, margin, %	46%	52%	40%	53%	49%	54%	44%	33%	47%	44%	51%	46%	41%	61%	54%	36%
EBIT, margin, %	25%	34%	24%	36%	31%	33%	27%	21%	39%	31%	39%	35%	28%	40%	37%	17%
Gross Margin (Net sales-COGS)	24.5	27.1	25.3	65.9	142.8	29.8	34.6	41.2	77.5	183.1	57.4	61.3	54.9	186.2	359.8	313.0
Gross Margin, %	65%	74%	63%	67%	67%	69%	66%	53%	60%	61%	70%	72%	65%	73%	71%	50%
<b>Net sales per business area</b>																
Games - THQ Nordic, SEK m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	134.5
Games - Deep Silver, SEK m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	256.5
Partner Publishing/Film, SEK m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	241.9
<b>Net sales split – business area Games</b>																
Owned titles, %	72%	77%	64%	85%	77%	86%	73%	56%	73%	71%	67%	76%	74%	82%	77%	34%
Publishing titles, %	28%	23%	36%	15%	23%	14%	27%	44%	27%	29%	33%	24%	26%	18%	23%	66%
Owned titles, SEK m	27.1	28.4	25.6	83.6	164.7	37.1	38.5	43.6	94.0	213.1	54.9	65.5	62.6	208.2	391.2	133.8
Publishing titles, SEK m	10.5	8.5	14.4	14.8	48.2	6.0	14.2	34.3	34.2	88.8	27.0	20.1	22.1	47.2	116.3	257.2
New releases current FY, %	7%	20%	44%	61%	41%	0%	24%	51%	56%	41%	36%	20%	48%	86%	61%	63%
Backcatalogue, %	93%	80%	56%	39%	59%	100%	76%	49%	44%	59%	64%	80%	52%	14%	39%	37%
New releases current FY, SEK m	2.6	7.4	17.6	60.0	87.6	0.0	12.6	39.7	71.8	124.2	29.5	17.1	41.5	218.8	306.9	246.1
Backcatalogue, SEK m	35.0	29.5	22.4	38.4	125.3	43.1	40.1	38.2	56.4	177.7	52.4	68.4	43.2	36.6	200.6	144.9
New releases sales by each quarter, %	7%	16%	37%	52%	-	0%	24%	37%	36%	-	36%	16%	39%	74%	-	63%
Backcatalogue, %	93%	84%	63%	48%	-	100%	76%	63%	64%	-	64%	84%	61%	26%	-	37%
New releases sales by each quarter, SEK m	2.6	5.9	14.8	51.2	-	0.0	12.6	28.8	46.2	-	29.5	13.7	33.7	190.2	-	246.1
Backcatalogue, SEK m	35.0	31.0	25.2	47.2	-	43.1	40.1	49.1	82.0	-	52.4	71.9	51.0	65.1	-	144.9
Physical sales, %	42%	33%	52%	57%	49%	48%	39%	49%	58%	51%	49%	31%	44%	60%	50%	62%
Digital sales, %	58%	67%	48%	43%	51%	52%	61%	51%	42%	49%	51%	69%	56%	40%	50%	38%
Physical sales, SEK m	15.8	12.2	20.8	56.1	104.9	20.7	20.6	38.2	74.4	153.8	40.1	26.6	36.1	149.9	253.2	243.0
Digital sales, SEK m	21.8	24.7	19.2	42.3	108.0	22.4	32.1	39.7	53.8	148.1	41.8	59.0	48.6	101.6	249.4	147.6
<b>Depreciation</b>																
IP Acquisitions	-3.0	-2.9	-3.2	-3.2	-12.3	-3.3	-3.3	-3.3	-3.0	-13.0	-3.4	-3.4	-3.5	-3.8	-14.1	-4.1
Game development	-5.2	-3.8	-3.3	-13.9	-26.2	-5.5	-5.6	-6.0	-7.1	-24.3	-6.3	-5.6	-6.5	-43.4	-61.8	-65.5
Partner publishing and Film	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-44.4
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-1.2
Other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.4
<b>Investments</b>																
Game development & royalty advances	14.8	13.3	13.7	14.3	64.5	16.3	22.3	24.9	34.9	98.4	54.2	44.2	58.9	54.2	211.5	115.3
Capitalized internal development	1.7	1.7	1.7	3.3	8.4	5.7	7.9	10.2	12.4	36.2	13.0	14.4	19.2	33.0	79.6	57.6
IP Acquisitions	-	0.3	4.4	-0.1	4.6	2.8	-	-	19.8	22.6	-	-	3.8	-	3.8	-
Investments in films	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.4
Other investments in intangible assets	-	-	0.7	0.7	1.4	-	-	-	-	-	-	-	-	10.6	10.6	5.2
whereof completed development	-	1.1	-	31.3	32.4	-	1.4	-	12.6	14.0	0.8	1.9	39.8	133.9	176.4	122.9
<b>Other KPIs</b>																
Total Game Dev projects	N/A	N/A	N/A	N/A		N/A	N/A	29	27		32	30	29	36		54
Announced Game Dev projects	N/A	N/A	N/A	N/A		N/A	N/A	8	7		14	13	13	12		19
Unannounced Game Dev projects	N/A	N/A	N/A	N/A		N/A	N/A	21	20		18	17	16	24		35
Total internal game developers	N/A	N/A	N/A	N/A		N/A	N/A	69	68		78	82	163	178		536
Total external game developers	N/A	N/A	N/A	N/A		N/A	N/A	270	264		282	306	261	229		714
Total internal overhead/publishing	N/A	N/A	N/A	N/A		N/A	N/A	38	40		44	44	45	55		470
Total number headcounts	N/A	N/A	N/A	N/A		N/A	N/A	377	372		404	432	469	462		1,720



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