## Today’s agenda

<table>
<thead>
<tr>
<th>Section</th>
<th>Time</th>
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</thead>
<tbody>
<tr>
<td>1. Company update part 1</td>
<td>13:00-13:15</td>
</tr>
<tr>
<td>- Intro, welcome, agenda</td>
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<tr>
<td>- Recap THQ Nordic, Koch Media acquisition, synergies</td>
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<tr>
<td>2. Koch Media presentation</td>
<td>13:15-14:00</td>
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<tr>
<td>3. Coffee break</td>
<td>14:00-14:15</td>
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<tr>
<td>5. THQ Nordic – Line-up presentation</td>
<td>14:35-14:55</td>
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<tr>
<td>- Growth strategy, asset care, M&amp;A and financing</td>
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## Today’s presenters

<table>
<thead>
<tr>
<th>Name</th>
<th>Title/Role</th>
<th>Company</th>
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</thead>
<tbody>
<tr>
<td>LARS WINGEFORS</td>
<td>Group CEO &amp; Co-Founder</td>
<td>THQ Nordic AB (publ)</td>
</tr>
<tr>
<td>KLEMEMS KUNDRATITZ</td>
<td>CEO</td>
<td>Koch Media</td>
</tr>
<tr>
<td>REINHARD GRATL</td>
<td>CFO</td>
<td>Koch Media</td>
</tr>
<tr>
<td>EUGENIO VITALE</td>
<td>Director Games Development</td>
<td>Deep Silver</td>
</tr>
<tr>
<td>CRAIG MCNICOL</td>
<td>Managing Director Northern Europe</td>
<td>Koch Media</td>
</tr>
<tr>
<td>REINHARD POLLICE</td>
<td>Business &amp; Product Development Director</td>
<td>THQ Nordic GmbH</td>
</tr>
<tr>
<td>MARIO GERHOLD</td>
<td>International Marketing</td>
<td>Director Games Koch Media</td>
</tr>
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</table>
Recap of THQ Nordic history

What did we say at the IPO?
Accelerate business model and growth by utilizing the THQ Nordic platform:

- Accelerate Asset Care and development and launch of sequels
- Additional acquisitions of IPs
- Acquire game development studios
- Explore licensing of IPs
- Begin Asset Care of IPs for mobile games

Same strategy going forward
Larger platform, more diversified revenue streams and more possibilities to execute on our growth strategy

Journey of THQ Nordic

Revenue, SEKm
THQ Nordic – A European player of great scale
Additional operational leverage with the acquisition of Koch Media

THQ Nordic group structure

Group HQ
Karlstad, Sweden
Group CEO/CFO

THQ Nordic

Operational HQ
Vienna, Austria
Klemens Kreuzer
Operational CEO

Koch Media

Operational HQ
Munich, Germany
Klemens Kundratitz
Operational CEO

7 Internal development studios
22 External development studios
2 Sales, marketing, and publishing office

3 Internal development studios
8 External development studios
11 Sales, marketing, and publishing offices

Diversified revenue base

Net sales split for THQ Nordic and Koch Media, 2017 9m

Games 36%
Partner publishing & Film 64%

In total, we have
19 announced and
35 unannounced projects in our pipeline, as of 31 March 2018

Strong pipeline ahead
Rationale for Koch Media acquisition

- AAA intellectual property rights Saints Row and Dead Island
- Long-term exclusive license within Games for “Metro” based on books by Dmitry Glukhovsky
- 4 AAA titles in production including announced Metro Exodus and Dead Island 2
- 2 AAA studios Deep Silver Volition (Champaign, IL) and Deep Silver Dambuster Studios (Nottingham, UK)
- #1 Publishing partner in Europe for 50+ companies
- Complementary business models and entrepreneurial cultural fit
- Potential revenue synergy and strong platform for further acquisitions
- EPS accretive acquisition to THQ Nordic shareholders
Synergy potential with Koch Media

Operational synergies from combining two businesses – no cost cutting!

→ Distribution of THQ Nordic titles across various territories

→ Implementing Asset care strategy on Koch Media IPs/Assets

→ Development resources / knowledge

→ IP usage

→ Shared tech and development assets

→ Business intelligence / business development / shared knowledge
Dr. Klemens Kundratitz
Co-Founder and CEO
Koch Media
1. INTRODUCTION
A Global Footprint

Staff by region

- Germany: 221
- Austria: 161
- UK: 145
- US: 154
- Other: 145

# = Headcount

Publishing Offices
- Deep Silver North America
- Deep Silver Volition
- Koch Media Benelux
- Koch Media Nordics
- Koch Media United Kingdom
- Koch Media France
- Koch Media Spain
- Koch Media Italy
- Koch Media Switzerland
- Deep Silver Dambuster Studios
- Koch Films Germany
- Koch Media Germany
- Koch Media Austria
- Koch Media Switzerland

Internal Studios
- Deep Silver Volition
- Koch Media Benelux
- Koch Media Nordics
- Koch Media United Kingdom
- Koch Media France
- Koch Media Spain
- Koch Media Italy
- Koch Media Switzerland
- Deep Silver Dambuster Studios
- Koch Films Germany
- Koch Media Germany
- Koch Media Austria
- Koch Media Switzerland
2. GAMES
Deep Silver Business

~350 internal developers
~415 external developers
15 IPs
14 Game development projects

Retail
Digital

Own Products
Partner Products

Digital Sales

Selected Own IP and long-term Licenses
Selected Publishing IP
Selected 3rd Party Studios & Partners
Deep Silver – Game History
Deep Silver Development Landscape

**Internal Studios**

**Deep Silver Volition, Champaign, Illinois, USA**
- Headcount: 148
- Developers: 132
- Key Expertise: 3rd Person Action Games, Open World, Multiplayer, Core tech
- Game Portfolio: Descent, Freespace, Summoner, The Punisher, Red Faction, Saints Row, Agents of Mayhem
- Working on: Unannounced AAA known franchise PC/PS4/XBO

**Deep Silver Dambuster Studios, Nottingham, England**
- Headcount: 116
- Developers: 112
- Key Expertise: FPS, Core tech, Cinematic and Multiplayer expertise
- Game Portfolio: Timesplitters, Haze, Crysis, Homefront,
- Working on: Unannounced AAA project, and co-developing with Sumo

**Deep Silver Fishlabs, Hamburg, Germany**
- Headcount: 67
- Developers: 55
- Key Expertise: handheld consoles, VR, mobile, Sci-fi shooters expertise
- Game Portfolio: Galaxy on Fire, Dead Island Survivors
- Working on: Two unannounced game development projects

**External Studios**

**4A Games, Malta and Kiev / Ukraine**
- Developers: 150
- Key Expertise: FPS, Core tech, VR, Story and Immersion expertise
- Game Portfolio: Metro, Artika
- Working on: Metro Exodus PC/PS4/XBO

**Sumo Digital, Sheffield, England**
- Key Expertise: Racing, Open Word Action
- Working on: Dead Island 2

**YS NET, Tokyo, Japan**
- Developers: 45
- Key Expertise: TP Action-Adventure, Story expertise
- Game Portfolio: Shenmue
- Working on: Shenmue III PC/PS4

**Warhorse Studios, Prague, Czech Republic**
- Headcount: 105
- Developers: 95
- Key Expertise: FP RPG, Immersion expertise
- Game Portfolio: Kingdom Come Deliverance
- Working on: More content for KDC on PC/PS4/XBO

---

**Full Development Management**
- Internal / Licensed IP

**Managed Development Process Stack (SGP, MATs, …)**
- Publishing
- Production, Product Management, Localization, QA
## Technology Landscape and Product Development Mission

### Development mission

- Deep Silver is engaged in the development and global publishing of AAA digital games on console and PC platforms.
- We aim to excite gamers around the world with innovative and immersive gameplay at the highest possible quality.

### Technology

#### Middleware
- Ikinema
- Audiokinetics
- FMOD
- Etc

#### Platforms and Tools
- DeepArch – telemetry and games services

#### Engines
- Unreal Engine
- Cry Engine
- Unity Engine
- Volition Engine

#### Our Philosophy
- We are using the engine most suitable for each game.
- There is no “one-engine” solution in this industry.
- Technology independence matters.

### AAA – Managed Development Cycle

- Mass market Appeal
- High production value and variety of features
- Diverse playstyles and modes required
- High accessibility is key
- High Production Costs
- Solid development processes: large scale teams and multi-site development

### Regular / Indie Game Development

- Niche product
- Innovation and few features
- One or few playstyle to keep its focus
- Accessibility is less important - hardcore fans are more forgiving
- Low – Mid Production costs
- More informal processes
Stage Gate Process for Deep Silver Games

→ Business process envelop for methods and tools to develop products
→ Strong consumer focused development process
→ Supported by Top management involvement, fully engaged in reviews and decisions

→ Significant up front time devoted to research and product definition
→ Executed by dedicated cross-functional teams in the larger organization
→ Supported by strong project management ensuring that the scope, timing, cost and quality project requirements are achieved.
→ Linked to business objectives through regular executive reviews of products in development

Quality:
• Focus on innovation
• Assure compliance with IP strategy
• Decreased new product failures
• Fewer errors and re-work within projects
• Leverage cross-functional engagement of the larger organization
• Realistic schedules

Focus:
• Identify early on minimum viable product and prioritize game elements and features
• Efficient and effective allocation of resources
• Well defined project scope
• Defined roles and responsibilities
• Agreement on accepted risks and mitigation plans

Time:
• Faster speed-to-market
• Increased organizational efficiency
• Improved visibility of all projects in the pipeline
• Improved alignment across business leaders
• Minimal “firefighting” late in the process
• No design changes late in the process
Deep Silver GamesLab – User Research

→ Understanding player behavior through qualitative and quantitative research

→ This internal service is utilized during all AAA game developments in order to help understand gamer behavior

**UX RESEARCH**

- Germany
- United Kingdom
- USA

**TELEMETRY**

- Biometrics

**METHODOLOGY**

- Players Surveys

**KNOWLEDGE EXCHANGE**

- Telemetry
3. PARTNER PUBLISHING & FILM
Partner Publishing

Games Software – Partner Publishing

• Koch Media – #1 European Publishing Partner
• 50+ Publishing Partners
• Providing territorial publishing services to our partners in Europe and North America
• Tailor-made agreements depending on individual partner requirements
• Scalable business model

Non-Games Software Partner Publishing

• Product categories include retro gaming consoles, games merchandise, head-sets, games accessories, non-games software, strategy guides, etc
• Complementary portfolio to games helps opening and maintaining incremental sales channels in retail and online

Selected key partners

Selected key partners
Film Publishing

- Independent publisher and distributor of films in GAS and Italy
- Active in all channels: Cinema, Physical Video, Pay- and Free-TV, Digital (TVOD / SVOD)
- Leading in niches such as "cult classics" in Germany and horror movies in Italy

**koch films**
A diversified film library

~1,500 film titles
~250 license partners
~ 15 theatrical releases per year
~ 2-3% market share

**Sales by Territory**

**Selection of key titles**

- **King of Queens**
  - Genre: TV-Series/Comedy
  - Launch: DTV
  - Release: Jun 05
  - Revenue: €45.0m
  - Territory: GAS
  - Term until: 2025

- **Army of Darkness**
  - Genre: Cult Classic
  - Launch: DTV
  - Release: Apr 13
  - Revenue: €0.7m
  - Territory: GAS
  - Term until: 2022

- **Shaun the Sheep**
  - Genre: Kids / Animation
  - Launch: Theatrical
  - Release: Feb 15
  - Revenue: €1.8m
  - Territory: Italy
  - Term until: 2027

- **The Boy**
  - Genre: Horror
  - Launch: Theatrical
  - Release: Feb 16
  - Revenue: €2.4m
  - Territory: GAS
  - Term until: 2031

- **Overdrive**
  - Genre: Action
  - Launch: Theatrical
  - Release: Aug 17
  - Revenue: €1.1m
  - Territory: Italy
  - Term until: 2032

**Home Video (Physical Sales)**

- Total Ca. 30m€
- Cinema: 49.0%
- Home Video: 11.3%
- TV: 25.9%
- Digital: 26.8%
**Console Games – Physical Landscape**

**Physical Console Software Market in CY2017 in Koch European Direct Countries* at Retail Value**

**Total EUR 3.875bn**

<table>
<thead>
<tr>
<th>Year</th>
<th>Nordics</th>
<th>GAS</th>
<th>United Kingdom</th>
<th>France/Benelux</th>
<th>Iberio</th>
<th>Italy</th>
</tr>
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<tbody>
<tr>
<td>2015</td>
<td>35%</td>
<td>17%</td>
<td>17%</td>
<td>14%</td>
<td>14%</td>
<td>7%</td>
</tr>
<tr>
<td>2016</td>
<td>39%</td>
<td>19%</td>
<td>20%</td>
<td>16%</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>2017</td>
<td>50%</td>
<td>27%</td>
<td>26%</td>
<td>21%</td>
<td>20%</td>
<td>18%</td>
</tr>
</tbody>
</table>

* UK, Germany, France, Italy, Spain, Nordic, Benelux, Austria and Switzerland

- Physical still dominating market share
- Publishers require local marketing and communications services
- The network required to deliver the discoverability are highly complex and need considerable effort
- Contrary to the “The Growing Issue of Digital Discoverability”, physical retail presents a clutter free shop window

**Format Share of Physical Console in CY2017***

- PS4 67%
- XBOX 19%
- Switch 14%

**Digital as a % of Physical Full Games – Growing But Still Minority**
Vendor Base – The Waiting Game

Publisher Segmentation

- Top 10 (87%)
- Top 11-20 (9%)
- Top 21-30 (2%)
- Other (2%)

Regional Differences

- Spain
- Benelux
- Italy
- GAS
- United Kingdom
- Nordic
- France

Tipping Point for Publisher To Abandon Direct Model

- Publishers Direct % of Market
- Digital Proportion of Full Product Sales

1. 
2.
# Leading European Publishing Partner

## Northern Europe
- Own direct distribution in the **UK, Benelux, Scandinavia**
- Offices in Theale (West of London), Amsterdam and Stockholm
- Own fully employed sales teams in all three territories

## Central Europe
- Own direct distribution in **Germany, Austria, Switzerland**
- Offices in Planegg/Munich, Heiligenhaus/Düsseldorf, St. Gallen/CH, Höfen/Austria
- Own sales teams (total 30 staff)

## Southern Europe
- Own direct distribution in **France, Spain, Italy**
- Offices in Paris, Madrid, Milano
- Own fully employed sales teams in all three territories

### Vendor rank to retail in 2017

<table>
<thead>
<tr>
<th>Territory</th>
<th>UK</th>
<th>BNX</th>
<th>SCAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>7</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Market share among Game Vendors (GfK)</td>
<td>5.3%</td>
<td>7.2%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Territory</th>
<th>GER</th>
<th>AUT</th>
<th>CH</th>
</tr>
</thead>
<tbody>
<tr>
<td>GER</td>
<td>5</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Market share among Game Vendors (GfK)</td>
<td>7.1%</td>
<td>6.8%</td>
<td>7.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Territory</th>
<th>FRA</th>
<th>SP</th>
<th>ITAL</th>
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</thead>
<tbody>
<tr>
<td>FRA</td>
<td>6</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Market share among Game Vendors (GfK)</td>
<td>4.8%</td>
<td>7.5%</td>
<td>9.0%</td>
</tr>
</tbody>
</table>

### Key KPIs
- #1 3rd party distributor in each territory
- Strong relationship with Turtlebeach (BNX)
- Powerful reporting and data management
- Local UK warehouse

- Largest sales force (field sales, key accounts and telesales combined)
- Headquartered in Germany
- Distributing wide product portfolio (videogames, games accessories, games hardware, consumer software and films)

- France is our fastest growing country
- More than 20 years established and very well respected in Spain
- Powerful set-up in Italy with a combination of internal and external sales teams
Complete Publishing for own IP and Partners

360° PC & Console Publisher

Mastering the complexity of global game publishing since more than 20 years

- Deep Silver Studios
- Affiliated Development Studios
- Independent Developer/Publishers
- Digital Publishing Partners

**Product related publishing tasks**

- Development Support
- Localisation
- Manufacturing
- Production Management
- Age Ratings

**Commercial publishing tasks**

- Digital Sales
- PR / Social Media
- Physical Sales
- Marketing
- Events

Publishing Services timeline

- Development Support
- Localization
- Age Ratings
- Production Management
- Manufacturing
- Events
- Marketing
- PR / Social Media
- Physical Sales
- Digital Sales

Lifecycle Management
Complete Publishing for own IP and Partners

**Product related publishing tasks**

- Localize text and voices
- Support partner localisation
- Localisation QA (internal / external)
- Submissions / advice globally
- ESRB, PEGI, USK, ACB, CERO
- Advice on editions (standard, day1, collectors, special eds)
- Create product packaging
- 1st party approvals, versioning
- Handling local labelling requirements
- Forecast physical day1 qty / lifetime sales
- Handle manufacturing and printing facilities
- Coordinate parts and assembly of all editions
- Handle freight to local warehouses, re-orders

**Commercial publishing tasks**

- Coordinate / maximize global pre- and day1 sales & marketing efforts
- Leverage deep 1st Party relationships globally
- Promotion scheduling globally
- Business Intelligence / tracking
- Create / advise on communications plan
- Coordinate messaging globally
- Handle local key media and influencers
- Support social media activities
- Track / benchmark PR coverage
- Support in brand strategy and global marketing plan
- Asset creation / trailers
- Implement marketing plan globally
- Leverage buying volume with media and social channels
- Reporting / Accounting
- Advise on date of 1st release
- Forecast day1 and lifetime sales through benchmarking
- Pre-sales physically / digitally
- Strong / measured sell-in into all relevant retail
- Pro-active lifecycle management
- Global stock management
- Detailed reporting
- E3, Gamescom, TGS, PAX, etc.
- Local Consumer Events
- Retailer events, Launch / PR events
Koch Media’s Digital Team is in charge of the growing digital segment of the publishing operation. The role of the unit is to provide marketing & sales strategy, planning and execution. It coordinates all other functions to achieve the defined revenue & discoverability goals on all relevant global and local digital marketplaces.

**Synchronized D1**
*Identify, Filter, Deploy* globally & locally on selected platforms

**1st Party Marketing**
*Maximize Discoverability* through AAA inventory, leverage all channels and latest available features

**Lifecycle Management**
*From Presale to Live Operations:* adaptable sales cycle with Premium inventory

**Global Control**
*All-seeing eye* on channel activities, local pricing, digital key security and IP enforcement

**Business Intelligence**
*Designing Sales & Marketing Strategies* leveraging available intelligence (NPD, GFK, GSD, EEDAR…) and proven scenarios

**KPI Tracking & Reporting**
*Custom Sales & Marketing reports.* Instant key take-aways, on what matters to stakeholders and avoid information overkill
4. GROUP FUNCTIONS
Group Operations and Finance

OPERATIONS
The Koch Media group is divided into Games and Partner Publishing & Films
Koch Media Games will be reported as part of THQ Group Games and Partner Publishing & Films will be reported separately
A smart combination of centralized and decentralized business functions:
- Well established distributor in Europe since 1994
- Dealing with games, games accessories, games hardware, and films
- Direct retail relationships with all relevant customers across Europe
- Offering a wealth of value added services to our vendors
- Specialized logistics centers catering for individual requirements

LOCAL
- Entrepreneurship
- Local Sales Power
- Marketing Expertise
- Development Studio Support
- Community Management
- Local Influencers
- Local Biz Dev

CENTRAL
- Strategy
- Biz Development
- Game Development Mgmt
- Legal and Accounting team
- Finance and Controlling
- Warehouse / Logistics
- IT Infrastructure

4,905
European retail delivery points serviced CY2017

CENTRAL FINANCE FUNCTIONS
- Controlling / reporting / IFRS consolidation
- Treasury – Bellin tm5, 360T
- Accounting and Credit Control / Insurance
- FI/CO for all financial operations
- Centralized for all divisions
- Financial group budget

LOGISTICS: Local distribution presence in major geographies

- Distribution centre
  Kühne&Nagl, UK
  Serving the UK and Ireland

- European Logistics centre
  Höfen, Austria
  (wholly owned)
  Serving continental Europe excl. Iberia

- Distribution centre
  Madrid, Spain
  (wholly owned)
  Serving Spain and Portugal

- External Manufacturing & Logistics Center
  Technicolor LaVergne, Tennessee

330,425
Customer orders CY2017

18,587,840
Units shipped CY2017

European retail delivery points serviced CY2017

European Logistics centre
Höfen, Austria
(wholly owned)
Serving continental Europe excl. Iberia

Distribution centre
Madrid, Spain
(wholly owned)
Serving Spain and Portugal

External Manufacturing & Logistics Center
Technicolor LaVergne, Tennessee

THQNORDIC
COFFEE BREAK
Deep Silver
Line-up presentation

Mario Gerhold
International Marketing Director Games Koch Media
Placeholder – Line-up presentation
Company update, part 2

Lars Wingefors
CEO and Co-founder
THQ Nordic AB (publ)
Growth strategy

ORGANIC GROWTH PILLARS:
1. Accelerate asset care
2. Execute AAA / sequel and publishing releases
3. Pro-active partnership agenda
4. Explore IP licensing and mobile

ACQUISITION OPPORTUNITIES
1. IPs
2. Studios
3. Publishers
Asset care strategy

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

**ASSET CARE**
- Port to new platforms
  - PC
  - Xbox
  - PlayStation
- 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

Attractive price of games at acquisition

Value of games after our initiatives
How we increase the value of an acquired game

**Darksiders**
- Acquired for EUR 2.2m in 2013, investments of EUR 3.0m in 2013-2017
- Sales EUR ~22m, gross profit EUR ~19m and net contribution EUR ~16m in 2013-2017
- Distribution expansion: digital and physical
- Sequel: Darksiders 3 (to be released)

**MX vs ATV**
- Acquired for EUR 0.6m in 2013, investments of EUR 4.0m in 2013-2017
- Sales EUR ~31m, gross profit EUR ~24m and net contribution EUR ~20m in 2013-2017
- Distribution expansion: digital and physical
- Asset care: Supercross (2014), Supercross Encore (2015), five portings and many DLC releases
- Sequel: MX vs ATV All out (2018)

**Titan Quest**
- Acquired for EUR 0.4m in 2013, investments of EUR 0.5m in 2013-2017
- Sales EUR ~4.3m, gross profit EUR ~4.3m and net contribution EUR 3.7m in 2013-2017
- Distribution expansion: all PC digital channels
- Asset care: Improved version (anniversary edition 2016), Mobile ports (external), Ragnarök DLC (internal) 2017
- Sequel: Console port releases 2018, no sequel announced
Fragmented market brings consolidation potential

Competitive landscape

Illustrative

Size

Internationally diversified developers and publishers

Global games market 2017 USD ~110bn (PC and console stands USD ~58bn)

Non-consolidated gaming market

Many small and local independent studios with 1-2 IPs

Companies with portfolio of IPs valued at higher multiples due to diversified risk

Small and local, independent studios

Diversified (no of games, no of channels)
# Pro-active M&A agenda

M&A is one of the core pillars of THQ Nordic Group’s growth strategy

<table>
<thead>
<tr>
<th>Development studios/products within console/PC-gaming with stickiness and recurring incomes</th>
<th>within THQ NORDIC</th>
<th>within KOCH MEDIA</th>
<th>Group Level</th>
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<thead>
<tr>
<th>Complementing development studios (with or without own IPs)</th>
<th>within THQ NORDIC</th>
<th>within KOCH MEDIA</th>
<th>Group Level</th>
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<tr>
<th>Publishers or assets with hard synergies</th>
<th>within THQ NORDIC</th>
<th>within KOCH MEDIA</th>
<th>Group Level</th>
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<tr>
<th>Further IP deals</th>
<th>within THQ NORDIC</th>
<th>within KOCH MEDIA</th>
<th>Group Level</th>
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<table>
<thead>
<tr>
<th>Companies that add markets, niches or knowledge</th>
<th>within THQ NORDIC</th>
<th>within KOCH MEDIA</th>
<th>Group Level</th>
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<table>
<thead>
<tr>
<th>Non-digital assets</th>
<th>within THQ NORDIC</th>
<th>within KOCH MEDIA</th>
<th>Group Level</th>
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<table>
<thead>
<tr>
<th>Typical target value</th>
<th>within THQ NORDIC</th>
<th>within KOCH MEDIA</th>
<th>Group Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small/medium</td>
<td>Small/medium</td>
<td>Large</td>
<td></td>
</tr>
</tbody>
</table>

Selected IPs with sequel or spin-off potential

Above examples of IPs are illustrative and not confirmed for sequel, spin-off or any other development
Future financing of the Group

Conservative view of debt usage for the Group

- THQ Nordic Group will maintain a strong balance sheet to maximize flexibility for organic and inorganic growth opportunities
- The Group will operate with a gross debt, with optimal mix of short and long term financing to manage seasonal working capital swings and general investment needs
- Currently in negotiations regarding refinancing of existing loans at THQ Nordic, including 16 MEUR debt due in August 2018 relating to the Koch Media acquisition.
- Koch Media is self-funded

Acquisitions will be financed with cash flow from operations, additional debt and/or equity, if deal terms are perceived to be value accretive for shareholders.

Authorization to issue new shares to a maximum of 20 percent of shares outstanding

Profits and cash flows to be reinvested into the business