



Satisfactory

OPERATIONAL EBIT INCREASED 84% to SEK 194 MILLION

FOURTH QUARTER 2018

- > Net sales increased 441% to SEK 1,380.6 m [255.4].
- > Owned IP's represented SEK 396.0 m [208.2], or 72%, of business area Games sales in the quarter.
- > EBITDA increased 109% to SEK 326.4 m [156.4], corresponding to an EBITDA margin of 24%.
- > Operational EBIT increased 84% to SEK 194.4 m [105.8].
- > EBIT increased 49% to SEK 152.1 m [102.0], corresponding to an EBIT margin of 11%.
- > Cash flow from operating activities amounted to SEK 455.0 m [98.6].
- > Earnings per share was SEK 1.33 [0.93].
- > Two owned IP's and nine publishing titles were released in the fourth quarter.

JANUARY – DECEMBER 2018

- > Net sales increased 713% to SEK 4,123.6 m [507.5].
- > Owned IP's represented SEK 906.5 m [391.2], or 50%, of business area Games sales in the period.
- > EBITDA increased 257% to SEK 974.1 m [272.6], corresponding to an EBITDA margin of 24%.
- > Operational EBIT increased 139% to SEK 484.0 m [202.3].
- > EBIT increased 114% to SEK 402.6 m [188.2], corresponding to an EBIT margin of 10%.
- > Cash flow from operating activities amounted to SEK 579.2 m [179.1].
- > Earnings per share was SEK 3.50 [1.88].
- > As of 31 December 2018, cash and cash equivalents were SEK 921.7 m. Available liquidity including credit facilities was SEK 2,216.4 m.



KEY PERFORMANCE INDICATORS, GROUP	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales, SEK m	1,380.6	255.4	4,123.6	507.5
EBITDA, SEK m	326.4	156.4	974.1	272.6
Operational EBIT, SEK m	194.4	105.8	484.0	202.3
EBIT, SEK m	152.1	102.0	402.6	188.2
Profit after tax, SEK m	114.3	73.4	293.8	139.2
Earnings per share, SEK	1.33	0.93	3.50	1.88
Cash flow from operating activities, SEK m	455.0	98.6	579.2	179.1
Sales growth, %	441	99	715	68
EBITDA margin, %	24	61	24	54
EBIT margin, %	11	40	10	37

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



Saints Row

WORD FROM THE CEO

OPERATIONAL EBIT INCREASED 84% to SEK 194 MILLION

The Group had a stable quarter with continued growth. Net sales increased 441% to SEK 1,380 million in the quarter. EBITDA increased 109% to SEK 326 million. Operational EBIT grew 84% to SEK 194 million and EBIT increased 49% to SEK 152 million. Cash flow from operating activities were SEK 455 million in the quarter. THQ Nordic, Koch Media and Coffee Stain all contributed to the Group's operational EBIT during the quarter.

We have decided to disclose operational EBIT from this quarter onwards, in order to provide a fair picture of the underlying operational performance. This alternative key performance metric excludes amortization of acquisition-related goodwill, surplus values of specific business areas and IP Values. These are amortized equally over five years according to local Swedish GAAP (K3). The disclosure of operational EBIT will also simplify comparison with the performance of industry peers using other accounting standards and amortization principles.

Net sales in our Vienna based business area THQ Nordic increased 38% to SEK 352 million, largely driven by the release of Darksiders 3. The game has performed within management's range of expectations and has recouped all investments made in development and marketing during the quarter. In 2019, we will release several DLC's that will give the game a further boost. Darksiders remains one of the Group's key IP's.

Net sales of Munich based business area Deep Silver were SEK 187 million. There were no significant releases in the quarter, however the team has worked intensively on preparing for the Metro Exodus launch, which will be the Group's biggest release so far. Net sales in the Partner Publishing business were SEK 828 million, driven by several notable releases from our partners. There will be a similar number of releases in the current, fifth, quarter of the extended fiscal year.

In November of last year we welcomed both Coffee Stain and Bugbear to our family. We are increasingly excited about both companies. They bring high ambitions in all aspects and I am confident that they will both positively contribute to the Group.

The highly anticipated Metro Exodus will be released on Friday the 15th this week on Microsoft Xbox One, PlayStation 4 and PC. The digitally distributed PC version of Metro Exodus will be solely available via the Epic Game Store.

I see the gaming market as more vibrant than ever before. There is an ongoing shift in distribution platforms and technologies, involving both established companies and large new entrants. I am in general embracing new opportunities and technology advancements that will enable us to distribute our content more efficiently and to a broader base of fans and gamers. This will challenge established business models, make room for new business partnerships and present a wide array of new opportunities.

We are looking forward to our most exciting year ever. By the end of the quarter, we had a record 77 games under development. 48 of these are still in the pipeline waiting to be announced including a few that are scheduled for release in 2019.

We continue to patiently execute on our M&A strategy, with the ambition of welcoming more companies to the Group. Our strategy to let local management teams independently develop their own businesses, is a winning formula that is attracting more companies to join our family. We do share a lot of knowledge and experience between our operating entities. However ultimately, I am a firm believer in empowering great people to make their own decisions.

FEBRUARY 13, KARLSTAD, SWEDEN

LARS WINGEFORS, FOUNDER & CEO



Goat Simulator

FINANCIAL PERFORMANCE, FOURTH QUARTER 2018

CONSOLIDATED NET SALES

Consolidated net sales for the fourth quarter were up 441% to SEK 1,380.6 m [255.4]. The increase can be attributed to the Koch Media acquisition and the release of Darksiders 3.

CONSOLIDATED EXPENSES

Expenses were SEK 1,424.4 m [189.0] in the fourth quarter. Cost of goods sold was SEK 838.3 m [69.2]. Cost of goods sold includes cost of replication and other cost of finished goods, license fees and royalties. Other external expenses were SEK 223.8 m [33.1], which consist mainly of cost of marketing and a lower share of administrative overheads. Personnel expenses were SEK 188.0 m [33.5]. The increase of all cost items can be attributed to organic growth but is primarily a consequence of the acquisition of Koch Media, which has substantially impacted the cost structure. Depreciation and amortization were SEK 174.3 m [54.4]. Other operating expenses amounted to SEK 0.0 m [1.1].

CONSOLIDATED EARNINGS

The group's EBITDA for the fourth quarter 2018 increased 109% to SEK 326.4 m [156.4], which was largely attributed to Koch Media and Darksiders 3.

Operational EBIT for the fourth quarter where up 84% to SEK 194.4 m [105.8].

EBIT increased 49% in the quarter to SEK 152.1 m [102.0]. Profit after financial items was SEK 148.5 m [97.1] for the fourth quarter. Profit after tax was SEK 114.3 m [73.4].

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities before changes in working capital for the quarter was SEK 360.1 m [145.6]. The improvement is mainly due to the increase in operating profit. Cash flow from operating activities after change of working capital for the quarter was SEK 455.0 m [98.6].

Cash flow from investing activities was SEK -745.6 m [-154.5], the majority relating to the acquisitions of Coffee Stain and Bugbear.

Cash flow from financing activities amounted to SEK -132.7 m [14.7], of which SEK 131 m relates to decreased bank debt.

Cash and cash equivalents at the end of the period were SEK 921.7 m compared to SEK 626.5 m as of 31 December 2017. The Company also had unutilized credit facilities of SEK 1,294.7 m [140.2]. The group's total available cash and unutilized credit facilities were SEK 2,216.4 m at the end of 2018 compared to SEK 766.8 m as of 31 December 2017.

CAPITAL EXPENDITURE, DEPRECIATION AND AMORTIZATION

In the fourth quarter, the group's investments in intangible assets amounted to SEK 313.3 m [103.8], mainly corresponding to capitalized expenditure for ongoing game development and film rights. Investments in property, plant and equipment amounted to SEK 14.4 m [8.8] and investments in acquired companies amounted to SEK 977.4 m [58.8] after deduction of acquired liquid funds.

The company had intangible assets of SEK 3,330.1 m [571.1] at the end of the period, distributed as follows:

- Finished completed games of SEK 258.3 m
- Ongoing game development projects of SEK 1,667.2 m
- Other intangible assets (film etc.) of SEK 152.3
- IP-rights of SEK 69.5 m
- Surplus value Film & Partner publishing of SEK 150.7 m
- Goodwill of SEK 1,032.1

Amortization of intangible assets in the fourth quarter was SEK 168.6 m [52.7]. Depreciation of property, plant and equipment amounted to SEK 5.7 m [0.8].

PPA – PURCHASE PRICE ALLOCATION

A final PPA for the Koch Media acquisition is expected to be finalised before the end of the current financial year ending on March 31, 2019. It is likely that there will be reclassification, compared to Preliminary PPA, between certain intangible assets and goodwill. Amortizations on acquisition related intangible assets, including goodwill, is also likely to increase as a consequence, but will have no impact on operational EBIT.

A preliminary PPA has also been made for the acquisitions of Coffee Stain and Bugbear. Total surplus value for these acquisitions amount to SEK 1,005.0 m, and has preliminary been allocated to goodwill.



Deep Rock Galactic

NEW ALTERNATIVE KPIS – OPERATIONAL EBIT

The company has decided to disclose operational EBIT from this quarter onwards, in order to provide fair picture of the underlying operational performance. This alternative key performance metric excludes amortization of acquisition-related goodwill, surplus values of specific business areas (currently Partner Publishing and Film) and IP values (trademarks, patents, copyrights etc).

All above will be amortized equally over five years according to local Swedish GAAP (K3). Any surplus values of specific game development projects coming from acquisitions, will still be amortised in line with finalized development costs.

The disclosure of operational EBIT will also simplify comparison with the performance of industry peers using other accounting standards and amortisation principles.

FINANCIAL PERFORMANCE, JANUARY-DECEMBER 2018

CONSOLIDATED NET SALES

Consolidated net sales were up 713% to SEK 4,123.6 m [507.5] for the full year period January-December 2018. The increase can mainly be attributed to the acquisition of Koch Media.

CONSOLIDATED EARNINGS

The group's EBITDA increased 257% to SEK 974.1 m [272.6]. EBIT was SEK 402.6 m [188.2].

Operational EBIT was SEK 484.0 m [202.3].

Profit after financial items was SEK 382.7 m [182.0] for the period. Profit after tax was SEK 293.8 m [139.2].

CASH FLOW

Cash flow from operating activities before changes in working capital was SEK 913.0 m [249.5]. The improved cash flow can be attributed to the increase in operating profit. Working capital grew significantly in the period by SEK -333.7 m, largely due to the replacement of forfeited receivables with bank debt within Koch Media. Cash flow from operating activities for the period was SEK 579.2 m [179.1], mainly driven by the increase in operating profit, which was offset by the increase of working capital.

Cash flow from investing activities was SEK -1,925.7 m [-375.4].

Cash flow from financing activities amounted to SEK 1,639.1 m [654.7] whereof the rights issue contributed SEK 1,418.0 m and SEK 221.1 m constitutes the net of external financing and amortization.

CAPITAL EXPENDITURE, DEPRECIATION AND AMORTIZATION

The Group's investments in intangible assets amounted to SEK 1,010.0 m [311.6]. Investments in property, plant and equipment were SEK 133.6 m [4.9]. Amortization of intangible assets in the period was SEK 553.6 m [82.4]. The increase is mainly due to the depreciation of launched games and the depreciation of film and publishing rights. Depreciation of equipment was SEK 17.8 m [2.1].



Outward

ABOUT THQ NORDIC

THQ Nordic develops and publishes PC and console games for the global games market. The company has an extensive catalogue of over 100 owned franchises, such as *Saints Row*, *Goat Simulator*, *Dead Island*, *Darksiders*, *Metro (license)*, *Titan Quest*, *MX vs ATV*, *Kingdoms of Amalur*, *Time Splitters*, *Delta Force*, *Alone in the Dark*, *Wreckfest* amongst many others. The group has a global presence, with its group head office located in Karlstad, Sweden and with three divisions; Deep Silver/Koch Media, THQ Nordic and Coffee Stain. The group has fifteen internal game development studios based in Germany, UK, Finland, USA and Sweden and engages close to 2 000 people.

OPERATIONS OVERVIEW FOURTH QUARTER 2018

ACQUISITIONS

Bugbear Entertainment

On November 14, THQ Nordic AB acquired 90 percent of the shares in Bugbear Entertainment Ltd. with an option to acquire the remaining 10 percent in the future. Bugbear, a Helsinki-based independent studio with 18 team members developing racing games, is developing the critically acclaimed **Wreckfest**. The acquisition included the development studio and all intellectual property rights.

Coffee Stain

On November 14, THQ Nordic AB entered into an agreement to acquire Coffee Stain Holding AB including 100 percent of its subsidiary Coffee Stain Publishing AB. Coffee Stain is a leading game developer and publisher with a growing footprint in the Nordics. The acquisition includes Intellectual property rights to **Satisfactory**, **Goat Simulator**, **Sanctum** and publishing rights to **Deep Rock Galactic**.

Expeditions

On November 15, THQ Nordic AB acquired the intellectual property "Expeditions" from Logic Arts, based in Copenhagen, Denmark. The deal comprises both games "**Expeditions: Conquistador**" and "**Expeditions: Viking**". Furthermore, Logic Arts and THQ Nordic have agreed to start development of a third game.

Carmageddon

On December 3, THQ Nordic AB announced the acquisition of the intellectual property "**Carmageddon**" from Stainless Games, based in Newport, Isle of Wight, United Kingdom. Carmageddon is a vehicular combat video game released for PC in 1997. It was later ported to other platforms and spawned a series of follow-up titles.



Through the Darkest of Times

Business area Games – THQ Nordic

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

Title	Publishing Label	IP Owner	Platforms	Channels
8 to Glory	THQ Nordic	External	PS4, Xbox One	Offline
Darksiders 3	THQ Nordic	Own	PC, PS4, Xbox One	On- and Offline
Jagged Alliance Rage!	HandyGames	Own	PC, PS4, Xbox One	On- and Offline
Sunset Overdrive	THQ Nordic	External	PC	Offline
The Hunter - Call of the Wild - Edition 2019	THQ Nordic	External	PC, PS4, Xbox One	Offline

Net sales in our Vienna based business area THQ Nordic increased 38% to SEK 352 million, largely driven by the release of **Darksiders 3**. The game has performed within management's expectations and has recouped all the investments made in development and marketing during the quarter. In 2019, several DLC's will be released that will give the game a further boost. Darksiders remains one of the Group's key IP's.

The integration of HandyGames has progressed well. A wide range of THQ Nordic smaller IPs and back-catalogue titles has been moved to HandyGames. HandyGames are actively releasing a wide range of the Switch titles in Japan. Both HandyGames and Foxglove net sales are reported under the THQ Nordic business area.

Foxglove, the wholly owned mobile development studio and publisher, had major updates on **Sniper vs Thieves** in the end of fourth quarter. Early data shows lower than expected KPIs. After quarter end, **The Muscle Hustle** has shown greater progress and improved KPIs.



Metro Exodus

Business area Games – Deep Silver

Deep Silver released the following new products in the fourth quarter:

Title	Publishing Label	IP Owner	Platforms	Channels
Broken Sword 5 – The Serpent's Curse	Deep Silver	External	Switch	Offline
The Bards Tale IV Collectors Album Box	Deep Silver	External	PC	Offline
The Complete Emergency	Deep Silver	External	PC	Offline
Bridge Constructor Compilation	Ravenscourt	External	PS4	Offline
Lets Sing 2019	Ravenscourt	Licence	Switch, PS4, Wii	On- and Offline
Youtubers Life OMG!	Ravenscourt	External	PS4, Xbox One	On- and Offline

Net sales of Munich based business area Deep Silver were SEK 187 million. There were no significant releases in the quarter, however, the team has worked intensively on preparing for the **Metro Exodus** launch, which will be the Group's biggest release so far.

After the quarter end, Mike Kulas, the founder of Volition Inc. 1996, has re-joined the team as a new general manager. The studio is intensively working on an unannounced game development project.

Pathfinder Kingmaker, released in the end of the third quarter, has hit certain milestones and will be released on major console formats in the near future.

Business area Partner Publishing/Film

Notable releases in the fourth quarter were:

- **Farming Simulator 19** by Focus Home
- **Just Cause 4** by Square Enix
- **Football Manager 2019** by Sega
- **Ride 3** by Milestone

Looking forward the first quarter 2019 has notable upcoming releases from business partners. Upcoming releases in the first quarter 2019 include **Resident Evil 2** by Capcom, **Kingdom Hearts III** by Square Enix, **Monster Energy Supercross 2** by Milestone, **Dirt Rally 2.0** by Codemasters, **Devil May Cry 5** by Capcom, **Tropico 6** by Kalypso, **Dead or Alive 6** by Koei, **Total War: Three Kingdoms** by Sega.

A notable theatrical upcoming film for Koch Media Italy is **Dragonball Super Broly** on February 28th.



ANNOUNCED RELEASES BUSINESS AREA GAMES AS OF FEBRUARY 13, 2019

Title	Publishing Label	IP Owner	Platforms	Channels
Deep Rock Galactic (1.0)	Coffee Stain	External	PC, Xbox One	Online
HuntDown	Coffee Stain	External	PC, PS4, Xbox One, Switch, Mobile	Online
Satisfactory	Coffee Stain	Own	PC	Online
Bards Tale IV: Barrows Deep	Deep Silver	External	PS4, Xbox One	Offline
Dead Island 2	Deep Silver	Own	PC, PS4, Xbox One	On- and Offline
Killing Floor Double Feature	Deep Silver	External	PS4, Xbox One	Offline
Metro Exodus	Deep Silver	Exclusive license	PC, PS4, Xbox One	On- and Offline
Outward	Deep Silver	External	PC, PS4, Xbox One	On- and Offline
Pathfinder: Kingmaker	Deep Silver	External	PS4, Xbox One	On- and Offline
Saints Row the Third	Deep Silver	Own	Switch	On- and Offline
Shenmue III	Deep Silver	External	PC, PS4	On- and Offline
Wasteland 3	Deep Silver	External	PC, PS4, Xbox One	On- and Offline
Aces of the Luftwaffe - Squadron Edition	HandyGames	Own	PS4, Xbox One, Switch	On- and Offline
El Hijo	HandyGames	External	PC, PS4, Xbox One, Switch	Online
Through the Darkest of Times	HandyGames	Own	PC	On- and Offline
Townsmen - A Kindom Rebuilt	HandyGames	Own	PC	Online
Townsmen VR	HandyGames	Own	VR	Online
Car Mechanic Simulator	Ravencourt	External	PS4, Xbox One	Offline
Steins; Gate ELITE	Ravencourt	External	PS4, Switch	On- and Offline
The Voice of Germany / The Voice La Plus Belle Voix	Ravencourt	Licence	PS4, Switch	On- and Offline
Aquanox Deep Descent	THQ Nordic	Own	PC, PS4, Xbox One	On- and Offline
Biomutant	THQ Nordic	Own	PC, PS4, Xbox One	On- and Offline
Darksiders 3	THQ Nordic	Own	PC, PS4, Xbox One	Online
- Keepers of the Void (DLC)				
Darksiders 3 - The Crucible (DLC)	THQ Nordic	Own	PC, PS4, Xbox One	Online
Darksiders Warmastered Edition	THQ Nordic	Own	Switch	On- and Offline
Desperados 3	THQ Nordic	Own	PC, PS4, Xbox One	On- and Offline
Fade to Silence	THQ Nordic	Own	PC, PS4, Xbox One	On- and Offline
Generation Zero	THQ Nordic	External	PC, PS4, Xbox One	Offline
Monster Jam	THQ Nordic	Exclusive license	PC, PS4, Xbox One	On- and Offline
Pillars of Eternity II - Deadfire	THQ Nordic	External	PS4, Xbox One, Switch	Offline
Rad Rogers Radical Edition	THQ Nordic	Own	Switch	On- and Offline
Scarf	THQ Nordic	External	PC	On- and Offline
SpellForce 3: Soul Harvest	THQ Nordic	Own	PC	On- and Offline
The Guild 3	THQ Nordic	Own	PC	On- and Offline
Wreckfest	THQ Nordic	Own	PS4, Xbox One	On- and Offline

For latest release dates please refer to above mentioned publishers.

ONGOING DEVELOPMENT AND UPCOMING RELEASES

At the end of the fourth quarter the Business area Games in total had 77 game projects in development of which 29 had been announced. 25 new projects were started during the period and 11 were released.

In total the group had 1,484 engaged game developers by the end of the quarter (613 internal and 871 external).



OTHER INFORMATION

HUMAN RESOURCES

As of 31 December 2018, the Company had 1,142 employees [233]. The average number of full-time employees for the fourth quarter was 1,052 [180]. The increased number of employees is mainly due to the acquisition of Koch Media.

PARENT COMPANY

The Parent Company's net sales for the fourth quarter were SEK 147.9 m [135.9] and profit before tax was SEK 82.3 m [45.8]. Profit after tax was SEK 64.2 m [35.4].

The Parent Company's net sales for the full year 2018 was SEK 354.3 m [244.9] and profit before tax was SEK 159.5 m [129.8]. Profit after tax was SEK 124.3 m [100.8].

Cash and cash equivalents as of 31 December 2018 were SEK 633.5 m [571.9].

Investments in intangible assets in the fourth quarter were SEK 140.1 m [142.6]. The Parent Company's equity at the end of the period was SEK 3,213.9 m [971.3].

Swedish authorities have granted the company's application to change the financial year-end to 31st of March 2019. This means the current financial year will have 5 quarters.

The name change of the group and parent company is still under evaluation as communicated at the past AGM.

RELATED PARTY TRANSACTIONS

During the fourth quarter 2018:

- Quantic Labs S.R.L.¹⁾ has invoiced THQ Nordic GmbH for QA-services amounting to SEK 2.8 m [1.5].
- THQ Nordic GmbH has invoiced Game Outlet Europe AB¹⁾ for sold games amounting to SEK 1.4 m [2.5].
- Gaya Entertainment GmbH¹⁾ has invoiced Koch Media GmbH for merchandise sold amounting to SEK 0.9 m [-].
- Gaya Entertainment GmbH¹⁾ has invoiced THQ Nordic GmbH for merchandise sold amounting to SEK 2.2 m [1.5].
- THQ Nordic GmbH has invoiced Quantic Labs S.R.L.¹⁾ for goods and services amounting to SEK 0.2 m [-].
- THQ Nordic GmbH has invoiced Gaya Entertainment GmbH¹⁾ for goods and services amounting to SEK 1.9 m [-].
- Quantic Labs S.R.L.¹⁾ has invoiced Koch Media GmbH for services amounting to SEK 0.3 m [-].

THQ Nordic AB also has a rental agreement with Lars Wingefors AB. THQ Nordic AB paid SEK 0.1 m [0.1] in rent and an additional SEK 0.1 m [-] for other services by companies in the Lars Wingefors AB-group. All transactions with closely related parties have been conducted to market price.

¹⁾ Companies owned by Nordic Games Group AB, a group that is wholly owned by Lars Wingefors, Erik Stenberg, Mikael Broden, Pelle Lundborg, Klemens Kreuzer and Reinhard Pollice.

EVENTS AFTER THE END OF THE QUARTER

During the period 1st of January 2019 until 12th of February 2019 the following titles were released:

Title	Publishing Label	IP Owner	Platforms	Channels
Goat Simulator: The GOATY	Coffee Stain	Own	Switch	Online
Etrian Odyssey NeXus	Deep Silver	External	3DS	On- and Offline
Kingdom Come: Deliverance – Band of Bastards (DLC)	Deep Silver	External	PC, PS4, Xbox One	Online
Sphinx and the Cursed Mummy	THQ Nordic	Own	Switch	On- and Offline
The Book of Unwritten Tales 2	THQ Nordic	External	Switch	On- and Offline
The Raven Remastered	THQ Nordic	Own	Switch	On- and Offline



Outcast

THE SHARE

OWNERS AS OF 31 DECEMBER 2018

Name	Class A shares	Class B shares	Share of capital, %	Share of votes, %	Change from Oct. 1
					Class B shares
Lars Wingefors through companies ¹⁾	6,501,467	29,523,732	39.46	54.87	-
Swedbank Robur Funds		8,250,979	9.04	4.79	-166,000
Erik Stenberg through company ²⁾	1,407,724	6,392,600	8.54	11.88	-
Handelsbanken Funds		7,609,686	8.34	4.42	+1,717,666
Mikael Brodén through company ³⁾	483,378	2,195,063	2.93	4.08	-
Didner & Gerge Funds		2,327,716	2.55	1.35	+17,716
Olsson Family and Foundation		2,044,871	2.32	1.21	-
Avanza Pension		1,218,591	1.33	0.71	+22,068
Klemens Kreuzer through company ⁴⁾	201,784	916,321	1.22	1.70	-
Life Insurance Skandia		1,112,883	1.22	0.65	-346,149
Koch Media Holding GmbH ⁵⁾		987,965	1.08	0.57	-
Martin Larsson		930,494	1.02	0.54	+6,500
Pelle Lundborg with family through company ⁶⁾	289,966	516,760	0.88	1.98	-
Reinhard Pollice through company ⁷⁾	115,681	655,524	0.84	1.05	-
SEB Funds		629,358	0.78	0.37	+342,898
Skandia Funds		653,164	0.72	0.38	-149,699
Rolf Lundström		615,000	0.67	0.36	-35,000
Inwestbergh AB		533,437	0.58	0.31	+533,437
RAM Rational Asset Management		500,000	0.55	0.29	-
Nordea Funds		414,935	0.45	0.24	+5,500
Nordnet Pensionsförsäkring		356,131	0.39	0.21	+37,275
Oddo BHF Asset Management		349,776	0.38	0.20	-95,383
Sensor Funds		336,828	0.37	0.20	-40,000
Fondita Funds		330,000	0.36	0.19	-20,000
Metzler		310,000	0.34	0.18	-40,450
Svenskt Näringsliv		300,000	0.33	0.17	+300,000
Knutsson Holdings AB		300,000	0.33	0.17	-
Michael Knutsson		300,000	0.33	0.17	-
Meme Addict AB		293,185	0.32	0.17	+293,185
Spelfisken AB		293,185	0.32	0.17	+293,185
Amyril AB		293,185	0.32	0.17	+293,185
Grillus Janus Invest AB		293,185	0.32	0.17	+293,185
Vedtraven Finans AB		293,185	0.32	0.17	+293,185
Hippies With Attitude AB		293,185	0.32	0.17	+293,185
Long Name Holding AB		293,185	0.32	0.17	+293,185
Stefan Spel & Bry AB		293,185	0.32	0.17	+293,185
Consensus Asset Management AB		288,389	0.32	0.17	-5,695
Norron Fonder		272,020	0.30	0.16	-83,132
Lancelot Asset Management AB		250,000	0.27	0.15	+70,000
Chahine Capital		188,466	0.21	0.11	-91,401
TOTAL TOP 40	9,000,000	73,956,169	91	95	
OTHER	0	8,394,578	9.0	4.8	
TOTAL	9,000,000	82,350,747	100	100	

1) Lars Wingefors AB and Lars Wingefors 2 AB, controlled to 100% by CEO Lars Wingefors.

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

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

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

5) Koch Media Holding GmbH (previously the parent company of the Koch Media Group), owned partly by Klemens Kundratitz, CEO and Co-Founder of the Koch Media Group.

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

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

Source: Monitor by Modular Finance. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish FSA.



Deperados 3

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 who may be contacted at: info@fnca.se or +46-8-528 00 399

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 most recent 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:

Full Extended Year Report 2018/2019 and the Fifth Quarter	22 May 2019
Interim Report, April-June 2019	14 August 2019
Annual General Meeting 2018/2019	17 September 2019
Interim Report, April-September 2019	14 November 2019
Interim Report, April-December 2019	19 February 2020
Full Year Report 2019/2020	20 May 2020

FOR MORE INFORMATION

There is more information about the Company at its website: www.thqnordic-investors.com.

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

SIGNATURES AND ASSURANCE

The Board of Directors and the Chief Executive Officer offer their assurance that this Interim Report gives a true and fair view of the Group's and Parent Company's operations, financial position and results of operations and describes the significant risks and uncertainties facing the Group and Parent Company.

Karlstad, Sweden, 13 February 2019

Kicki Wallje-Lund
Chairman of the board

Ulf Hjalmarsson

Jacob Jonmyren

Erik Stenberg

Lars Wingefors
Chief Executive Officer

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 06:00 CET on 13 February.

CONSOLIDATED INCOME STATEMENT

SEK 000's	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	1,380,572	255,399	4,123,597	507,525
Work performed by the Company for its own use and capitalized	105,875	32,927	359,071	79,556
Other operating income	89,957	2,697	217,472	2,700
Total operating income	1,576,471	291,023	4,700,140	589,781
Operating expenses				
Goods for resale	-838,283	-69,156	-2,519,364	-147,678
Other external expenses	-223,799	-33,069	-576,571	-75,159
Personnel expenses	-187,955	-33,462	-630,136	-94,101
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-174,331	-54,436	-571,444	-84,416
Other operating expenses	-	1,087	-	-225
Total operating expenses	-1,424,368	-189,036	-4,297,515	-401,579
Operating profit	152,103	101,987	402,625	188,202
<i>Profit from financial items</i>				
Other interest income, etc	2,372	8	3,005	11
Other interest expenses, etc	-5,966	-4,886	-22,934	-6,200
Total financial items	-3,594	-4,878	-19,929	-6,189
Profit after financial items	148,509	97,109	382,696	182,013
Profit before tax	148,509	97,109	382,696	182,013
Tax	-34,223	-23,708	-88,881	-42,844
Net profit for the period	114,286	73,401	293,815	139,169
<i>Attributable to:</i>				
Equity holders of the parent	114,326	73,401	293,855	139,169
Non-controlling interests	-40	-	-40	-
Earnings per share, SEK	1.33	0.93	3.50	1.88
Average number of outstanding shares, thousands	86,206	79,236	84,012	73,927

CONDENSED CONSOLIDATED BALANCE SHEET

SEK 000's	31 Dec 2018	31 Dec 2017
Intangible assets	3,330,118	571,064
Property, plant equipment	151,818	8,102
Financial assets	210,756	2,781
Inventories	240,699	30,103
Current receivables	1,549,323	90,206
Cash and bank balance	921,677	626,523
Total assets	6,404,391	1,328,779
Share capital	764	660
Other capital reserves	2,954,310	811,120
Recognized profit including profit for the period	548,459	261,452
Provisions	438,432	40,737
Non-current liabilities	207,740	
Current liabilities	2,254,686	214,810
Total liabilities and equity	6,404,391	1,328,779
Interest-bearing receivables amount to	921,677	626,523
Interest-bearing liabilities amount to	1,185,670	109,762

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK 000's	Share capital	Other paid-up capital	Other equity including net profit	Minority interest	Consolidated equity
Amount as of 1 January 2018	660	811,120	261,452	0	1,073,232
Translation difference			27,736		27,736
Rights issue ¹⁾	104		2,083,018		2,083,122
Other			8,078	17,033	25,111
Actuarial reserve			517		517
Net profit			293,855	-40	293,815
Amount as of 31 December 2018	764	811,120	2,674,656	16,993	3,503,533

¹⁾ Rights issue constitutes of rights issue of new shares SEK 2,106,216 thousand, cost of rights issue SEK -29,519 thousand and tax effects of the cost SEK 6,426 thousand.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK 000's	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Cash flow from operating activities before changes in working capital	360,087	145,586	912,938	249,494
Change in working capital	94,916	-46,993	-333,733	-70,395
Cash flow from operating activities	455,003	98,593	579,205	179,099
Cash flow from investing activities	-745,634	-154,463	-1,925,703	-375,401
Cash flow from financing activities	-132,707	14,745	1,639,107	654,743
Cash flow for the period	-423,338	-41,125	292,609	458,441
Cash and cash equivalents at beginning of period	1,345,618	666,877	626,523	167,446
Translation difference in cash and cash equivalents	-603	771	2,544	636
Cash and cash equivalents at end of period	921,677	626,523	921,677	626,523

PARENT COMPANY INCOME STATEMENT

SEK 000's	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	147,879	135,854	354,266	244,915
Other operating income	-1,055	3,332	4,485	3,332
Total operating income	146,824	139,186	358,751	248,247
Operating expenses				
Other external expenses	-4,129	-3,516	-14,037	-8,280
Personnel expenses	-1,527	-936	-5,121	-4,165
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-60,304	-45,714	-182,395	-69,074
Other operating expenses	-	96	-	-
Total operating expenses	-65,960	-50,070	-201,553	-81,519
Operating profit	80,864	89,116	157,198	166,728
Result from participations in Group companies	-	-1,400	-	-1,400
Result from financial assets	-285	4,199	6,319	4,199
Interest income, etc.	5,842	3,847	18,273	11,444
Interest expenses, etc.	-4,119	-4,799	-22,322	-6,073
Total financial income/expenses	1,438	1,847	2,270	8,170
Profit after financial items	82,302	90,963	159,468	174,898
Appropriations	-	-45,127	-	-45,127
Profit before tax	82,302	45,836	159,468	129,771
Tax	-18,106	-10,452	-35,083	-28,930
Net profit for the period	64,196	35,384	124,385	100,841

CONDENSED PARENT COMPANY BALANCE SHEET

SEK 000's	31 Dec 2018	31 Dec 2017
Intangible assets	285,643	171,336
Property, plant and equipment	-	18
Financial assets	2,259,563	240,104
Current receivables	560,444	225,898
Cash and bank balance	633,470	571,850
Total assets	3,739,119	1,209,206
Equity	3,213,905	971,314
Untaxed reserves	91,748	91,748
Provisions	17,856	3,600
Long-term liabilities	205,506	-
Current liabilities	210,104	142,544
Total liabilities and equity	3,739,119	1,209,206

SELECTED KEY PERFORMANCE INDICATORS – GROUP

Financial metrics defined or specified pursuant to Swedish Accounting Standards Board standards (BFNAR)	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales, SEK 000's	1,380,572	255,399	4,123,597	507,525
Operating profit, SEK 000's	152,103	101,987	402,625	188,202
Profit before tax, SEK 000's	148,509	97,109	382,696	182,013
Profit after tax, SEK 000's	114,286	73,401	293,815	139,169
Number of shares at end of period, thousands	91,351	79,236	91,351	79,236
Average number of outstanding shares, thousands	86,206	79,236	84,012	73,927
Average number of full-time employees in the period	1,052	180	1,000	143
Number of employees at the end of the period	1,142	233	1,142	233
Alternative key performance indicators not defined or specified pursuant to BFNAR	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales growth, %	441	99	713	68
EBITDA, SEK 000's	326,434	156,423	974,069	272,618
EBITDA margin, %	243	61	24	54
Operational EBIT, SEK 000's	194,405	105,760	484,027	202,315
EBIT, SEK 000's	152,103	101,987	402,625	188,201
EBIT margin, %	11	40	10	37
Amortization of IP rights, SEK 000's	-4,306	-3,773	-14,261	-14,114
Equity/assets ratio, %	55	81	55	81
Earnings per share, SEK	1.33	0.93	3.50	1.88
Dividend per share, SEK	-	-	-	-
<i>Derivation of the alternative KPIs, operational EBIT and EBITDA</i>				
EBIT, SEK 000's	152,103	101,987	402,625	188,202
Amortization expenses added back to Operational EBIT				
- Goodwill	27,550		32,223	
- Intellectual property (IP) rights	4,306	3,773	14,261	14,113
- Surplus value of Partner Publishing and Film	10,446		34,918	
Operational EBIT	194,405	105,760	484,027	202,315
- Other depreciation and amortization expenses	132,029	50,663	490,042	70,303
EBITDA, SEK 000's	326,434	156,423	974,069	272,618

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

Earnings per share	Profit after tax divided by the average number of shares in the period
EBIT margin	EBIT as a percentage of net sales
EBITDA	Earnings before interest taxes, depreciation and amortization
EBITDA margin	EBITDA as a percentage of net sales
Equity/assets ratio	Equity as a percentage of total assets
Net sales growth	Net sales for the current period divided by net sales for the corresponding period of the previous year
Operational EBIT	EBIT excluding amortization of acquisition-related goodwill, surplus values of specific business areas and IP Values (trademarks, patents, copyrights etc).

QUARTERLY INFORMATION

	2016					2017					2018				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Consolidated Group															
Net sales, SEK m	43.1	52.7	77.9	128.2	301.9	81.9	85.6	84.7	255.4	507.5	632.9	837.5	1,272.7	1,380.6	4,123.6
EBITDA, SEK m	23.1	23.2	25.4	60.8	132.5	41.9	39.7	34.6	156.4	272.6	225.9	206.9	214.8	326.4	974.0
Operational EBIT, SEK m	17.5	17.5	19.3	53.6	107.9	35.3	33.7	27.5	105.8	202.3	124.9	66.2	98.6	194.4	484.0
EBIT, SEK m	14.2	14.2	16.0	50.6	95.0	31.9	30.3	24.0	102.0	188.2	107.3	52.5	90.8	152.1	402.6
Profit after tax, SEK m	10.7	10.6	12.7	38.0	72.0	23.5	23.2	19.0	73.4	139.2	81.1	33.4	65.0	114.3	293.8
Earnings per share, SEK	0.18	0.18	0.21	0.59	1.16	0.33	0.32	0.26	0.93	1.88	1.02	0.42	0.74	1.33	3.50
Cash flow from operating activities, SEK m	25.3	2.1	20.5	51.3	99.2	29.7	21.6	29.2	98.6	179.1	699.8	164.5	-740.1	455.0	579.2
Number of shares (A&B), adjusted	60.0	60.0	60.0	64.4	61.1	72.0	72.0	72.3	79.2	73.9	79.2	80.3	88.2	86.2	84.0
Sales growth, %	15%	42%	95%	30%	42%	90%	62%	9%	99%	68%	673%	878%	1,403%	441%	713%
EBITDA, margin, %	54%	44%	33%	47%	44%	51%	46%	41%	61%	54%	36%	25%	17%	24%	24%
EBIT, margin, %	33%	27%	21%	39%	31%	39%	35%	28%	40%	37%	17%	6%	7%	11%	10%
Gross Margin (Net sales-COGS), SEK m	29.8	34.6	41.2	77.5	183.1	57.4	61.3	54.9	186.2	359.8	313.0	371.6	377.5	542.3	1,604.4
Gross Margin, %	69%	66%	53%	60%	61%	70%	72%	65%	73%	71%	50%	44%	30%	39%	39%
Net sales per business area															
Games - THQ Nordic, SEK m	43.1	52.7	77.9	128.2	301.9	81.9	85.6	84.7	255.4	507.5	134.5	145.5	124.2	351.9	756.1
Games - Deep Silver, SEK m	-	-	-	-	-	-	-	-	-	-	256.5	338.2	251.8	186.7	1,033.2
Games - Coffee Stain, SEK m	-	-	-	-	-	-	-	-	-	-	-	-	-	13.9	13.9
Partner Publishing/Film, SEK m	-	-	-	-	-	-	-	-	-	-	241.9	353.8	896.6	828.1	2,320.4
Net sales split - business area Games															
Owned titles, %	86%	73%	56%	73%	71%	67%	76%	74%	82%	77%	34%	39%	50%	72%	50%
Publishing titles, %	14%	27%	44%	27%	29%	33%	24%	26%	18%	23%	66%	61%	50%	28%	50%
Owned titles, SEK m	37.1	38.5	43.6	94.0	213.1	54.9	65.5	62.6	208.2	391.2	133.8	188.8	187.9	396.0	906.5
Publishing titles, SEK m	6.0	14.2	34.3	34.2	88.8	27.0	20.1	22.1	47.2	116.3	257.2	294.9	188.1	156.5	896.7
New releases current FY, %	0%	24%	51%	56%	41%	36%	20%	48%	86%	61%	63%	53%	47%	49%	53%
Backcatalogue, %	100%	76%	49%	44%	59%	64%	80%	52%	14%	39%	37%	47%	53%	51%	47%
New releases current FY, SEK m	0.0	12.6	39.7	71.8	124.2	29.5	17.1	41.5	218.8	306.9	246.1	258.4	175.2	268.4	948.1
Backcatalogue, SEK m	43.1	40.1	38.2	56.4	177.7	52.4	68.4	43.2	36.6	200.6	144.9	225.3	200.8	284.1	855.1
New releases sales by each quarter, %	0%	24%	37%	36%	-	36%	16%	39%	74%	-	63%	20%	31%	58%	43%
Backcatalogue, %	100%	76%	63%	64%	-	64%	84%	61%	26%	-	37%	80%	69%	42%	57%
New releases sales by each quarter, SEK m	0.0	12.6	28.8	46.2	-	29.5	13.7	33.7	190.2	-	246.1	97.8	117.3	320.7	781.9
Backcatalogue, SEK m	43.1	40.1	49.1	82.0	-	52.4	71.9	51.0	65.1	-	144.9	385.6	258.6	231.8	1,020.9
Physical sales, %	48%	39%	49%	58%	51%	49%	31%	44%	60%	50%	62%	50%	48%	59%	55%
Digital sales, %	52%	61%	51%	42%	49%	51%	69%	56%	40%	50%	38%	50%	52%	41%	45%
Physical sales, SEK m	20.7	20.6	38.2	74.4	153.8	40.1	26.6	36.1	149.9	253.2	243.0	241.9	178.9	324.0	987.8
Digital sales, SEK m	22.4	32.1	39.7	53.8	148.1	41.8	59.0	48.6	101.6	249.4	147.6	241.8	197.0	228.5	814.9
Depreciation															
Game development	-5.5	-5.6	-6.0	-7.1	24.3	-6.3	-5.6	-6.5	-43.4	-61.8	-65.5	-112.1	-85.8	-96.3	-359.7
Other intangible assets (Film etc.)											-32.5	-24.1	-25.8	-30.4	-112.8
<i>Acquisition-related depreciation</i>															
IP-rights	-3.3	-3.3	-3.3	-3.0	-13.0	-3.4	-3.4	-3.5	-3.8	-14.1	-4.1	-3.0	-2.8	-4.3	-14.2
Surplus value Film & Partner Publishing											-12.3	-9.5	-2.8	-10.3	-34.9
Goodwill											-1.2	-1.2	-2.2	-27.6	-32.2
Investments															
External game development and advances, SEK m	16.3	22.3	24.9	34.9	98.4	54.2	44.2	58.9	54.2	211.5	115.3	114.0	131.8	166.7	527.8
Internal capitalized development, SEK m	5.7	7.9	10.2	12.4	36.2	13.0	14.4	19.2	33.0	79.6	57.6	93.5	102.0	105.9	359.0
Other intangible assets	-	-	-	-	-	-	-	-	10.6	10.6	11.6	30.8	17.9	30.5	90.8
IP-rights	2.8	-	-	19.8	22.6	-	-	3.8	-	3.8	-	0.2	21.6	10.6	32.4
Finalized and completed development, SEK m	-	14	-	12.6	14.0	0.8	1.9	39.8	133.9	176.4	122.9	47.4	50.1	162.2	382.6
Other KPIs															
Total Game Dev projects	N/A	N/A	29	27		32	30	29	36		54	51	55	77	
Announced Game Dev projects	N/A	N/A	8	7		14	13	13	12		19	17	20	29	
Unannounced Game Dev projects	N/A	N/A	21	20		18	17	16	24		35	34	35	48	
Total internal game developers	N/A	N/A	69	68		78	82	163	178		536	565	608	613	
Total external game developers	N/A	N/A	270	264		282	306	261	229		714	692	740	871	
Total internal employees, non-development	N/A	N/A	38	40		44	44	45	55		470	486	554	529	
Total number headcounts	N/A	N/A	377	372		404	432	469	462		1,720	1,743	1,902	2,013	



THQ NORDIC AB [PUBL]

ÄLVGATAN 1
652 25 KARLSTAD
SWEDEN

WWW.THQNORDIC.COM
WWW.THQNORDIC-INVESTORS.COM