

Karlstad (Sweden), November 14, 2018

THQ Nordic acquires Bugbear Entertainment

THQ Nordic AB is today announcing that it has acquired 90% of the shares in Bugbear Entertainment Ltd. ("Bugbear") with an option to acquire the remaining 10% in the future. Bugbear, a Helsinki-based independent studio with 18 team members developing racing games, is currently working on the critically acclaimed Wreckfest. The acquisition includes the development studio and all intellectual property rights.

THQ Nordic values Bugbear as an experienced and world leading creator of niched racing games built on their proprietary game engine enabled with vehicle destruction physics tools. Wreckfest, a demolition derby themed racing title, was successfully released for PC in June 2018 and is currently being further developed to be released on PlayStation 4 and Xbox One during 2019. Bugbear is also well known for the critically acclaimed demolition derby series FlatOut, released for PC and consoles during 2004-2007.

THQ Nordic has since 2017 acted as publisher for Wreckfest, which has been the best performing game published by THQ Nordic on Steam since its June release.

THQ Nordic strongly believes in Bugbear's competence in developing successful action racing games and wants to make long term investments to support Bugbear's future growth journey. The acquisition of Bugbear is also THQ Nordic's first step into the Finnish market, often rated among the world leaders in game development and THQ Nordic foresees further strategic investments in owned studios and/or publishing deals going forward.

Both parties have agreed upon not disclosing the exact purchase price. However the purchase price matches management's estimated royalty payments to Bugbear during the upcoming three years.

"We have been working together with Janne Alanenpää and his team since 2016, and see continued great potential in Wreckfest as well as in Bugbear's future games pipeline. Janne Alanenpää is a legend within action racing games, and the Bugbear team will bring important development capabilities earned from creating outstanding games during almost two decades. We are very excited to have been able to acquire Bugbear and their portfolio and our aim is to build Wreckfest together into a major franchise for THQ Nordic with the release to console coming up first in time", says Lars Wingefors, CEO THQ Nordic.

"We are very excited to join forces with the THQ Nordic team. I believe THQ Nordic will become a perfect home for Bugbear to support our passion for games and for our customer. We look forward to accelerate our development of high quality racing games to contribute to THQ Nordic's portfolio and future growth", says Janne Alanenpää, CEO Bugbear Entertainment.

Background and reasons

THQ Nordic has a clear growth strategy and a long and successful history of acquiring game franchises and development studios. In June 2018, THQ Nordic raised SEK 1.447 million in a directed share issue in order to finance potential acquisitions of franchises, game development studios, publishers or other objects that complement the operations.

Issue of the Consideration Shares

Part of the purchase price will be paid in B shares in THQ Nordic issued to Janne Alanenpää at closing of the transaction ("**Consideration Shares**") at a price per share which is based on the volume weighted average price of the THQ Nordic's shares on Nasdaq First North during the twenty (20) trade days preceding the signing date (i.e. the date of this announcement), i.e. SEK 170.55. Thus, the Consideration Shares will comprise 60,358 B shares.



The Consideration Shares will represent 0,07 percent and 0,04 percent of the total number of outstanding shares and votes in THQ Nordic, respectively, on a fully diluted basis. Resolution to issue the Consideration Shares will be made by the board of directors of THQ Nordic pursuant to the authorization granted by the annual general meeting held on 16 May 2018.

Advisers

Ernst & Young AB is providing transaction support and Baker McKenzie and Krogerus is acting as legal counsels to THQ Nordic in the Transaction.

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About THQ Nordic

THQ Nordic acquires, 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, Dead Island, Darksiders, Metro (exclusive license), Titan Quest, MX vs ATV, Kingdoms of Amalur, Time Splitters, Delta Force, Destroy All Humans, Jagged Alliance, Alone in the Dark, SpellForce 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 eleven internal game development studios based in Germany, UK, USA and Sweden and engages about 1,900 people.

THQ Nordic's shares are publicly listed on Nasdaq First North Stockholm under the ticker THQN B with FNCA Sweden AB as its Certified Adviser. For more information, please visit: <http://www.thqnordic-investors.com>.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.