

Karlstad, 13 February 2019, 07:00 CET

## THQ Nordic acquires leading Australian publishing partner, 18POINT2

THQ Nordic AB's wholly owned subsidiary Koch Media GmbH has entered into an agreement to acquire 18POINT2 Pty Ltd. 18POINT2 is one of Australia's leading publishing partners of games products and through the acquisition THQ Nordic establishes a strong platform on the Australian market.

The purchase price for the Company equals ca 1.9<sup>1</sup> MEUR on a cash and debt free basis plus additional earn-out consideration of maximum 0.4<sup>1</sup> MEUR subject to fulfilment of agreed commercial milestones. During 2018, 18POINT2 had Net Revenues of ca 15.6<sup>1</sup> MEUR and an EBIT of ca 2.3<sup>1</sup> MEUR.

*"THQ Nordic and Koch Media will through the acquisition access an established platform on an exciting and growing market. We see great opportunities to establish us on a new market and through local engagement being able to offer the use of THQ Nordic's global channels to Australian game developers. We look forward to working with Roger Clarke and his team"* says Lars Wingefors, Group CEO THQ Nordic.

18POINT2 is considered as one of the most experienced and reputable teams on the local market. The Company acts as partner to leading international brands. Roger Clarke, who has previously held executive positions within Warner Bros. Home Entertainment Group, founded 18POINT2 during 2016 which today has 8 employees. The company is owned by Roger Clarke and Cahn Hewitt, both of whom will continue leading the Company.

*"We look forward to, together with THQ Nordic and Koch Media, strengthen our position on the Australian and New Zealand markets. We believe that THQ Nordic's and Koch Media's experience will contribute to continued profitable growth for 18POINT2 in the future"*, says Roger Clarke, CEO 18POINT2.

### Background and rationale

THQ Nordic has a clear growth strategy and a long and successful history of acquiring game franchises, development studios, publishing, and partner publishing companies. The acquisition of 18POINT2 means that THQ Nordic and Koch Media expands their global network and establishes a local platform for continued development in Australia and New Zealand. This is in line with the long-term global growth strategy.

Through the acquisition, THQ Nordic expands its network of local publishing partners to new exciting markets with great potential outside of Europe and USA. The acquisition also provides an opportunity to launch current portfolios of gaming products to new markets and gives Koch Media's partners within development, publishing and distribution, a chance to further develop a collaboration with local publishing expertise. The acquisition also creates an opportunity for Australian game developers to work with a local publishing office,

### Purchase price, Issue of Consideration Shares, earn-out and lock-up period

MEUR 2.4<sup>1</sup>, equivalent to MEUR 1.9<sup>1</sup> on a cash and debt free basis will be paid at the time of completion through a cash payment of approximately MEUR 1.2<sup>1</sup> to the sellers, and the equivalent of approximately MEUR 1.2<sup>1</sup> of newly issued class B shares in THQ Nordic issued at closing of the transaction (the "**Consideration Shares**") at a price per share which is based on the volume-weighted average price of THQ Nordic's shares on Nasdaq First North during the twenty (20) trade days preceding 12 February (i.e. 11 February 2019), i.e. SEK 172.51. Thus, the Consideration Shares will comprise 74,357 class B shares.

Through the issue of the Consideration Shares the number of shares increase by 74,357 and the number of votes by 74,357. The Consideration Shares will represent 0.08 percent and 0,04 percent of the total number of

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<sup>1</sup> FX rates used: 18POINT2's P&L: AUD/EUR 0.6332 (2018 average). Purchase price calculations: AUD/EUR 0.6279 (12-Feb-2019)

shares and votes in THQ Nordic, respectively, on a fully diluted basis. The share capital increases with approximately SEK 620. Following the issue of Consideration Shares and the issue of shares in connection with the acquisition of Warhorse Studios s.r.o. that was announced earlier today, the number of shares increase in total by 217,227 to 91,567,974 and the number of votes increase with 217,227 to 172,567,974 (divided between 9,000,000 A shares and 82,642,331 B shares). The share capital increases with in total approximately SEK 1,810 from approximately SEK 721,256 to approximately SEK 763,066. Both share issues will represent 0.24 percent and 0.13 percent of the total number of shares and votes in THQ Nordic, respectively, on a fully diluted basis

The Consideration Shares will be subject to lock-up and subject to other customary transfer restrictions that will gradually release one third of the Consideration Shares per year if Roger Clarke and Cahn Hewitt, respectively, remain within the THQ Nordic Group for a period of three years. THQ Nordic has the right to redeem or require the sellers to transfer to THQ Nordic, at no consideration, the Consideration Shares, if the sellers does not remain with the THQ Nordic Group, whereby the sellers are entitled to keep one third of the Consideration Shares per year.

The sellers will be entitled to keep the Consideration Shares and THQ Nordic has the right to redeem or repurchase the Consideration Shares depending on if certain milestones are met.

In addition to the purchase price, the sellers are entitled to an earn-out payment of no more than approximately MEUR 0.4<sup>1</sup>, subject to fulfilment of specific commercial milestones.

#### **Advisers**

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

#### **For additional information, please contact:**

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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, Goat Simulator, Dead Island, Darksiders, Metro (exclusive license), Titan Quest, MX vs ATV, Kingdoms of Amalur, Time Splitters, Delta Force, Alone in the Dark, Wreckfest amongst others.

THQ Nordic 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, Finland, UK, USA and Sweden and engages about 2,000 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.