



THQ Nordic AB (publ) acquires Warhorse Studios

**Investor Presentation
February 13th, 2019**



Kingdom Come Deliverance

DEVELOPED BY

WARHORSE STUDIOS



THQ Nordic acquires award-winning Warhorse Studios



Business

Team with high ambitions building a world class studio



Deal

EUR 33.2m
Enterprise Value



Future

Continued sales from KC:D will generate profitable growth



Developed award winning IP KC:D
2+ million main games sold during one year on Steam and other platforms³



Strong profitable growth
Will contribute positively to EBIT from day one



Passionate and award winning team
Making great games with particular strengths in story-telling, world creation and immersion



Purchase price: EUR 42.8m

- Whereof Cash : EUR 40.4m
- Whereof THQN B shares: EUR 2.4m
- Net cash position as per closing: c. EUR 9.6m



Management becomes shareholders
With further incentives to execute on plans

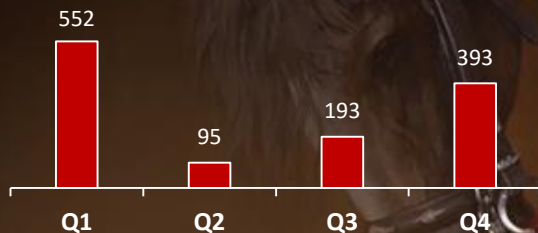


Independent studio backed by global publisher
Encourages creative freedom to increase ambitions further

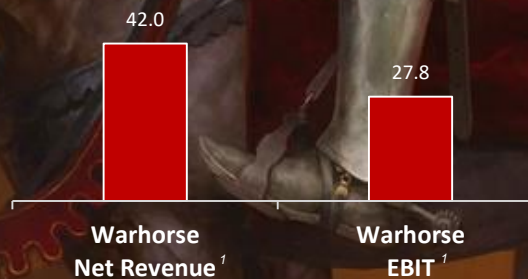


Team will commence working on next large unannounced project in H2 2019

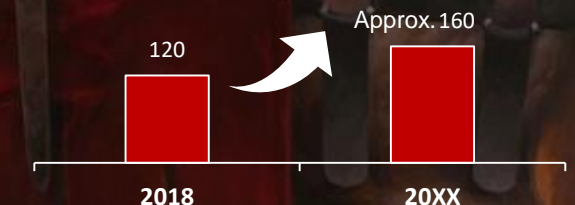
Strong sales picking up speed in Q4
Copies sold on Steam, during 2018²
000' Units



Financial performance 2018
EURm



120 FTEs strong team and growing
Key people committed to Warhorse and executing on pipeline project
FTEs



1. Proforma financials have been prepared in accordance with THQ Nordic's accounting policies under Swedish GAAP (K3)

2. Includes main game and DLCs

Note: KC:D stands for Kingdom Come: Deliverance (throughout this document)

Note: Warhorse P&L positions converted using 2018 EUR/CZK of 25.642 and Balance Sheet positions using 25.725.

World class studio with 50+ years gaming experience



- Independent developer and publisher of RPG PC / Console games
- Founded 2011 by experienced leadership team
- Owned IP: Kingdom Come: Deliverance
- Co-publisher together with Deep Silver (Koch Media)



c. 120 FTE



Prague
Czech Rep.



DANIEL VÁVRA
*Creative director,
Co-founder*
10+ years games experience



MARTIN KLÍMA
*Executive producer,
Co-founder*
20+ years games experience



MARTIN FRÝVALDSKÝ
CEO
6+ years games experience
25+ years finance background



VIKTOR BOCAN
Lead Technical Designer
15+ years games experience

THE EXPERIENCED AND LEADING TEAM



of games sold on past titles: 11+ million

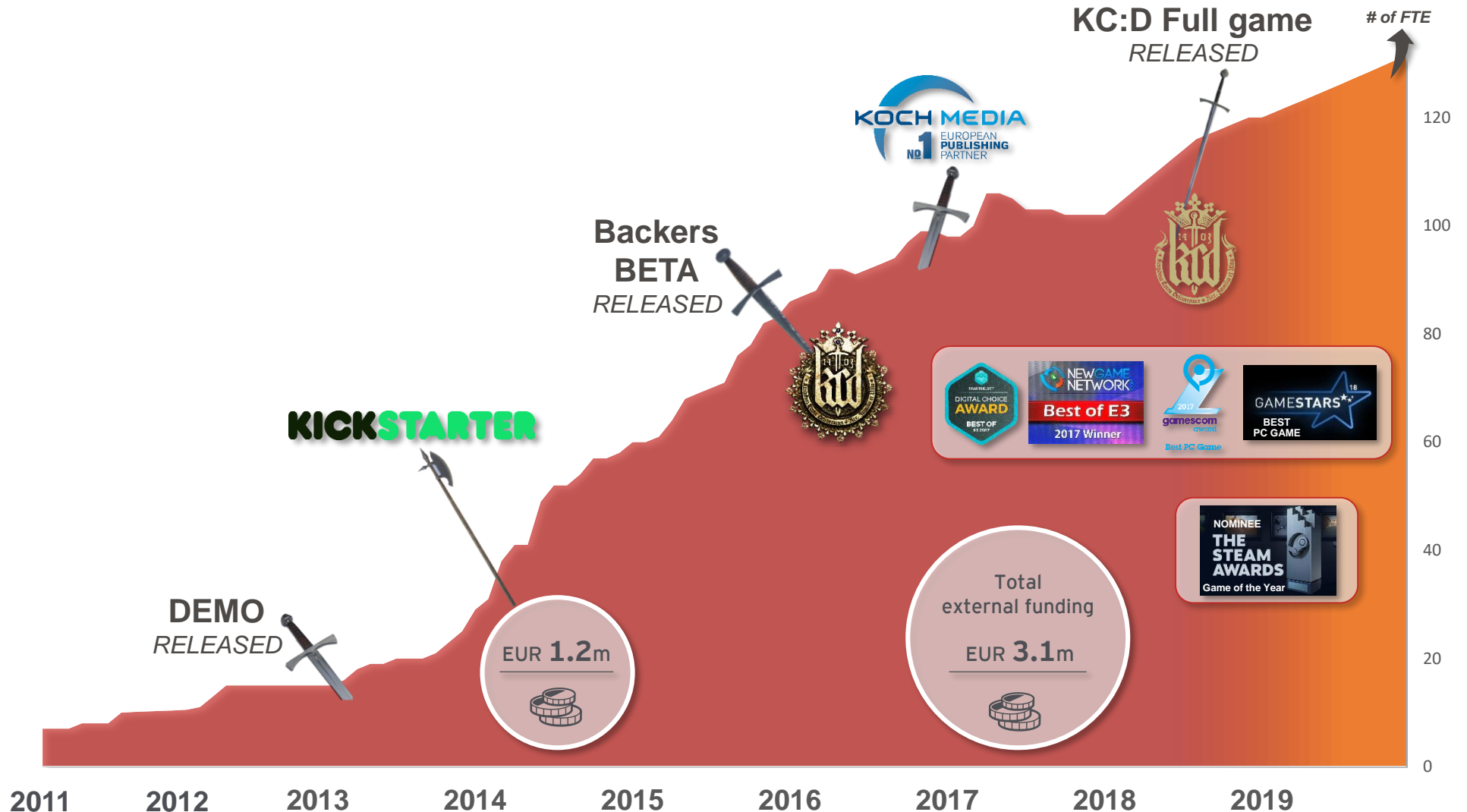


Creators behind classic game titles



Multiple 'Game Of The Year' awards

Built by industry veterans and supported by the RPG-community



One of the most critically acclaimed RPG-games

Hard Facts

Genre: Single player, First-person, Realistic, RPG

Platforms: PC, PlayStation 4, Xbox One

Release date: 13th Feb 2018

Strong Reviews

“One of the most satisfying, rewarding role-playing experiences”
83/100 – PC Gamer

“The game I’ve been waiting for all my life”
90/100 – GameSpew

“Ranks among the most unique, memorable RPGs I’ve played in years”
80/100 – IGN

2+ million sold games to-date on PC/PS4/XONE¹



1) Sales split includes main game and DLCs

Strong financial performance driven by the release of Kingdom Come: Deliverance

Income statement

	Warhorse (as adjusted)
MEUR	2018
Net revenue	42.0
Other operating income	3.8
Total operating income	45.8
Other operating expenses, excl. depreciation and amortization	-9.2
Adjusted EBITDA	36.5
Depreciation and amortization	-8.7
Adjusted EBIT	27.8
Financial items	0.5
Earnings before tax (EBT)	28.4

Balance sheet

	Warhorse (as adjusted)
MEUR	31 Dec 2018
Intangible assets	7.8
Property, plant and equipment	0.1
Current receivables	4.4
Cash and bank balance	14.4
Total assets	26.6
Equity	20.1
Deferred tax liabilities	0.4
Current liabilities	6.2
Total liabilities and equity	26.6

- **Net revenue** driven purely by KC:D during c. 11 months from release 13th Feb 2018
- **EBIT-margin** of c. 61%

- **Excess of purchase price over book value** of 22.7 MEUR based on the above adjusted Balance Sheet
- As reflected in the Balance Sheet, c. 60% of the **main game has been amortized**

Note: Revenues to be consolidated from the date of closing (13 February 2019)

Note: The adjusted financials above has been prepared in accordance with THQ Nordic's accounting policies under Swedish GAAP (K3), as described in THQ Nordic's Annual report 2017. The main adjustment relates to the capitalization of game development costs.
Note: Warhorse P&L positions converted using 2018 EUR/CZK of 25.642 and Balance Sheet positions using 25.725.

THANK YOU



Kingdom Come Deliverance

KINGDOM COME: DELIVERANCE
IS ONE OF THE MOST IMMERSIVE RPGS OF ALL TIMES
- YOU CAN'T AFFORD TO MISS IT!

