



THQ Nordic AB (publ) acquires Milestone s.r.l.

**Investor Presentation
August 14th, 2019**



MILESTONE

4
motocp™

RIDE

MXGP
PRO

MONSTER
ENERGY
AMA
SUPERCROSS
FIM World Championship

THQ Nordic acquires Milestone s.r.l.



THE
BUSINESS

GLOBALY LEADING
RACING GAMES COMPANY



THE
DEAL

UPFRONT PURCHASE PRICE EUR 55.8M
EQUIVALENT TO AN EV OF EUR 44.9M



THE
FUTURE

CONTINUED DEVELOPMENT OF
THE BEST RACING EXPERIENCES



IMPRESSIVE PORTFOLIO

50 games developed and
8 million games sold since 2013



A LEADING RACING DEVELOPER

creating epoch-defining two wheel racing titles
using state-of-the-art AI technology



ATTRACTIVE BUSINESS MODEL

recurring cash flows
from yearly/bi-yearly releases



PURCHASE PRICE STRUCTURE

- Whereof cash: EUR 44.3m
- Whereof THQ Nordic B-shares: EUR 11.5m
- Net cash: EUR 10.9m (per closing)

Plus potential earn-out (FY20-22)¹
based on achieved accumulated Adj. EBIT² levels

below 70% of target Adj. EBIT = No earn-out
100% of target Adj. EBIT = EUR 28.9m
above 130% = Earn-out capped at EUR 37.6



STRONG FINANCIAL CONTRIBUTION

Net revenues
27.5-32.25 MEUR

EBITDA
15.5-18.0 MEUR

Oper. EBIT
10.75-12.5 MEUR

Target financials FY20¹



STRONG PIPELINE

Ten games planned (FY20-22),
including five currently in development



REALIZING POTENTIAL SYNERGIES

within distribution, marketing, know-how
and IP development



INCREASING ITALIAN PRESENCE

with established developer and publisher

1. Refers to Milestone's financial year July-June
2. Based on agreed adjustments and according to Italian GAAP

Impressive history of developing top class racing games

50

DEVELOPED GAMES SINCE INCEPTION

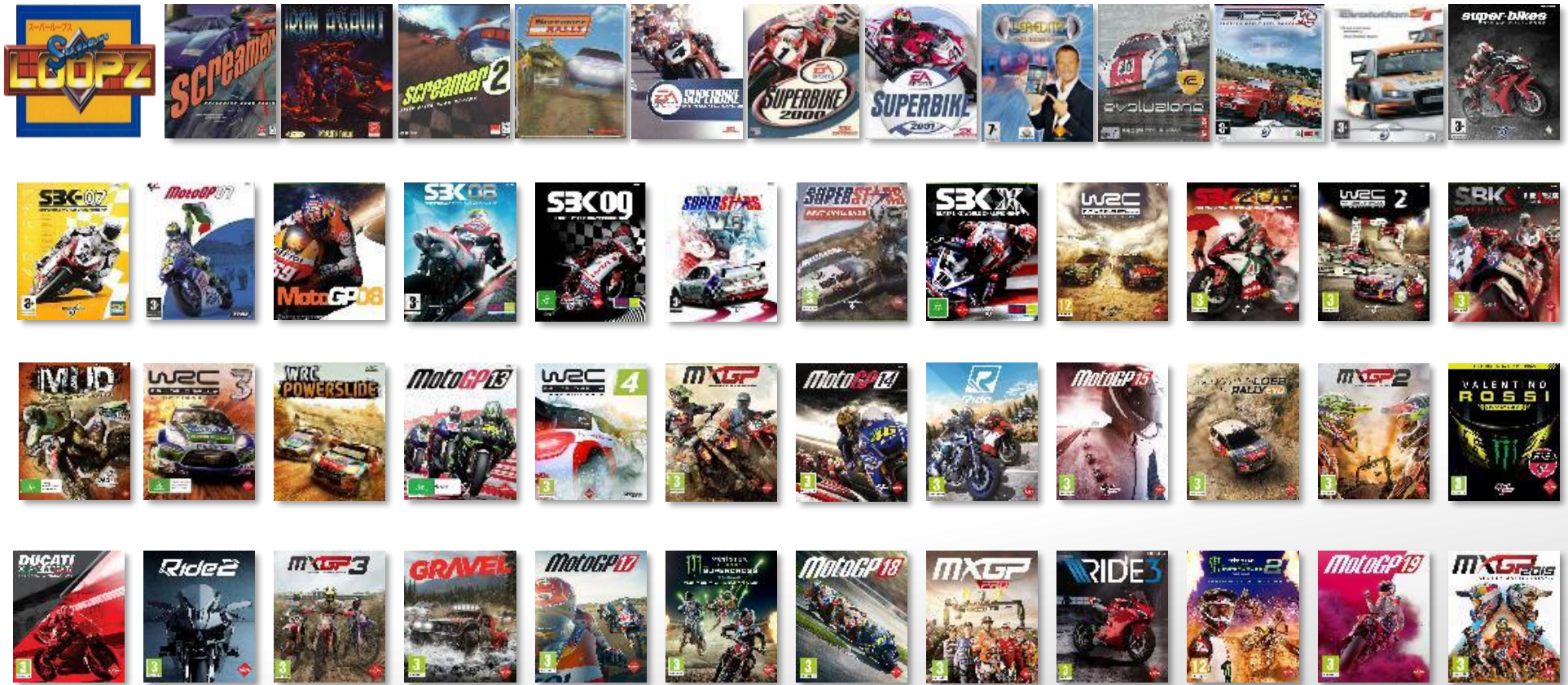
8 MILLION

TOTAL # OF GAMES SOLD SINCE FY13

10

UNRELEASED GAMES¹

1994



2019

1. With release dates scheduled during the period Aug 2019 – Mar 2022

Experienced creators of hyper-realistic racing games, optimal to catch on to the eSport trend



25

YEARS IN GAMING



MILAN

ITALY



c. 200

FTEs

PC/CONSOLE RACING GAMES

across all major platforms

INDEPENDENTLY DEVELOPS & PUBLISHES LICENSED AND OWN IP

a transition from work-fore-hire since 2013

EXPERT TEAM RENOWNED FOR CREATIVITY AND EXPERIENCE

and with immense passion for motor sports

TEAM



LUISA BIXIO
CEO

10+ years with Milestone



IRVIN ZONCA
Executive Producer

14+ years with Milestone



IVAN ORIETO
Head of Development Oper.

2+ years with Milestone



ANDREA LOUIDICE
Marketing Manager

3+ years with Milestone



MAURO NOTARBERARDINO
HR Manager

8+ years with Milestone



ALEXANDRE LEBERTRE
Head of Technology

5+ years with Milestone

AWARDS



**MOST LICENSED BIKES
IN A VIDEOGAME**
RIDE (2016)

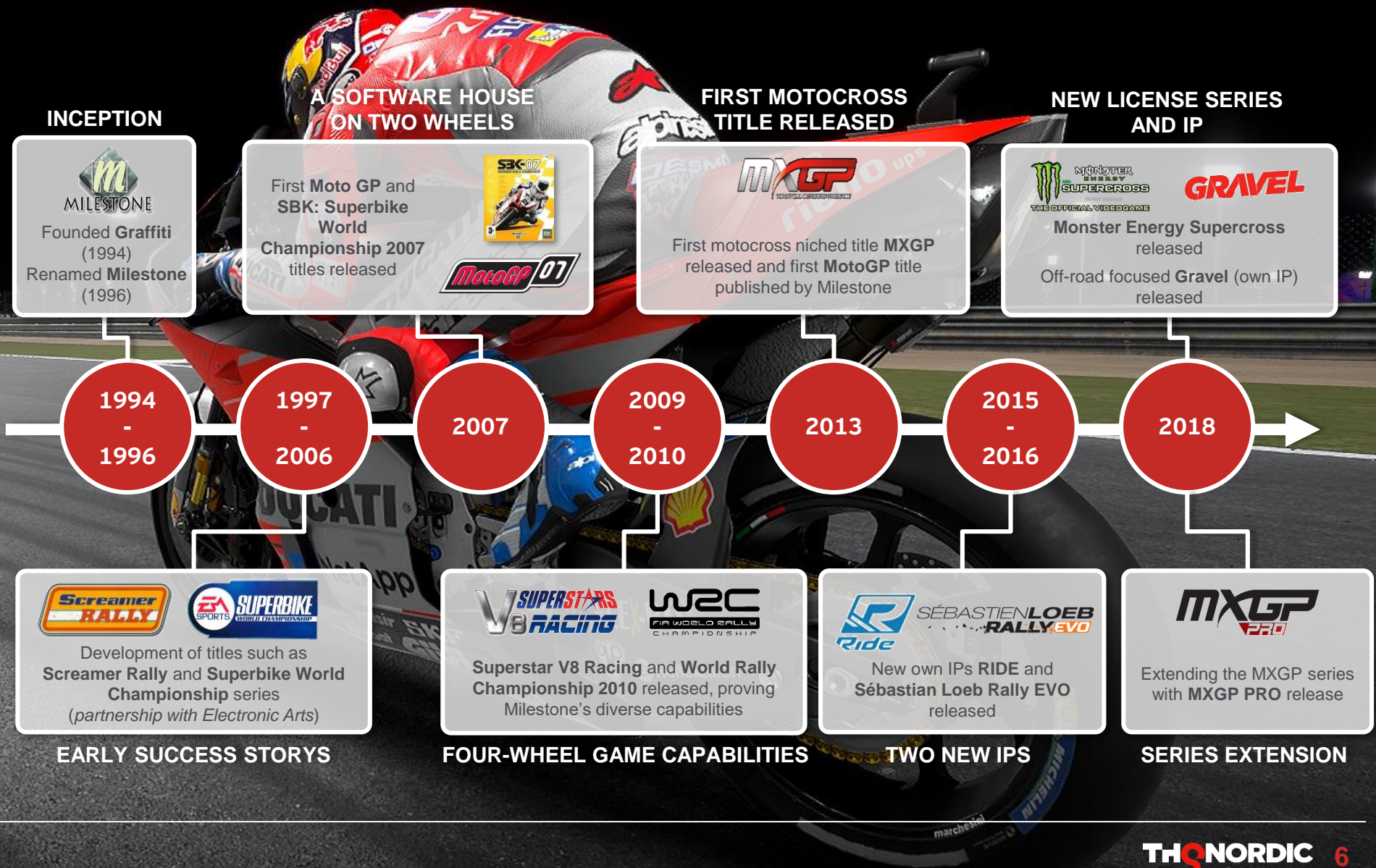


BEST TRACK SELECTION
SLRE (2016)
BEST SURPRISE
RIDE2 (2016)
BEST BIKE GAME
MXGP3 (2018)



BEST TECHNICAL IMPLEMENTATION
RIDE (2016)
BEST TECHNICAL IMPLEMENTATION
Valentino Rossi the Game (2017)
BEST VIDEOGAME COMPANY
(2019)

Built-up unparalleled expertise in two wheel racing genre

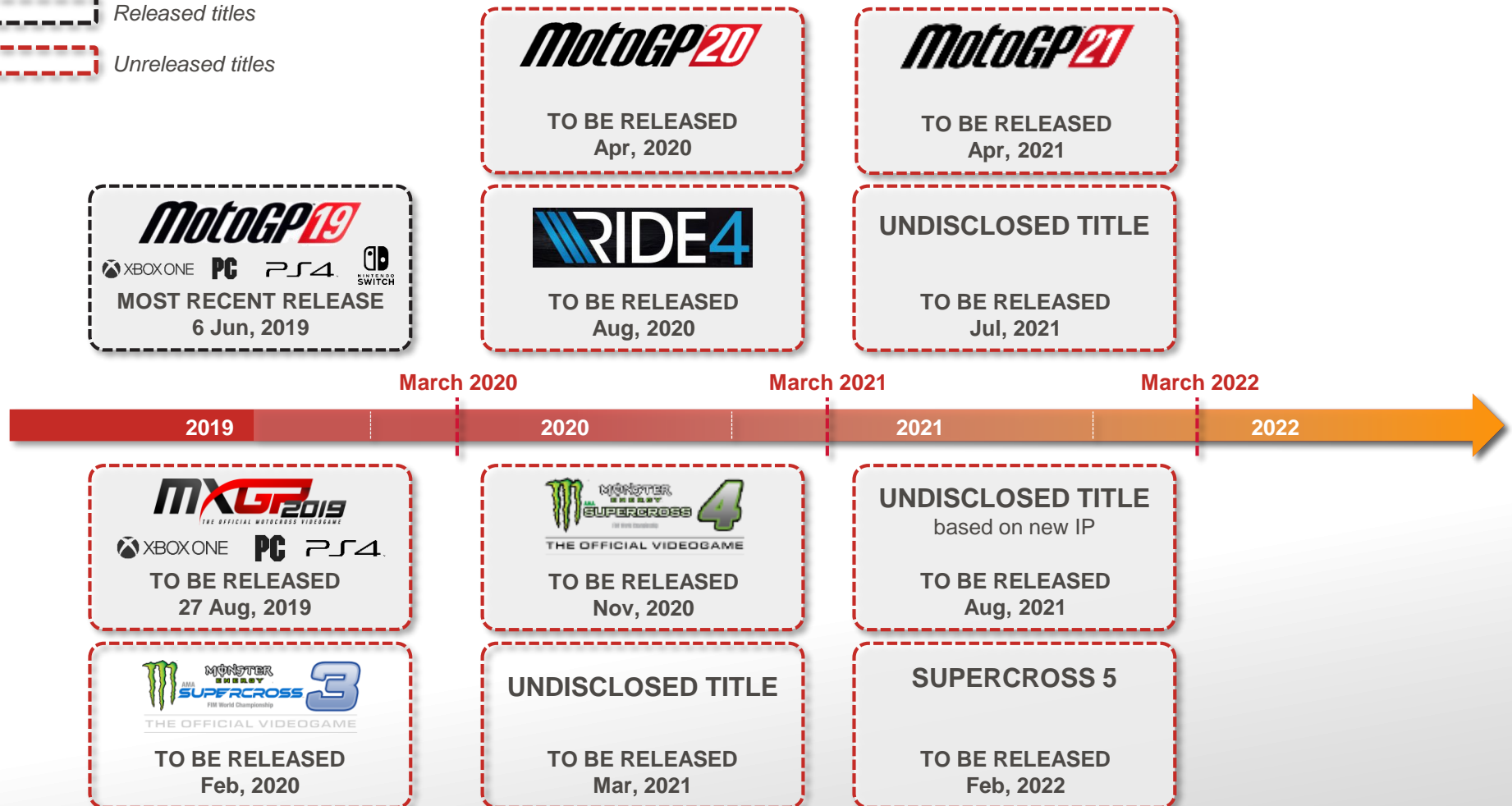


Fully-stacked pipeline based on major portfolio titles topped up with development of new IP

Three year timeline matched with THQ Nordic's financial year ending March

 Released titles

 Unreleased titles



MotoGP series



Developer: Milestone s.r.l.

Publisher: Milestone s.r.l.

Genre: Racing, Simulation, Sports

Modes: Single/Multi-player online

First series release: 2007

Most recent series release: June, 2019

Licensed title

“ *should be at the top of your list when picking up a new racing game* ”

80/100
GAMESPEW
10 June, 2019



Metascore

79

User score

8.5



Positive reviews

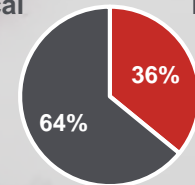
82%



2.5 million

Sold main games
since 2013

Physical Digital



Physical vs Digital sales FY19

MXGP series



Developer: Milestone s.r.l.

Publisher: Milestone s.r.l.

Genre: Racing, Simulation, Sports

Modes: Single/Multi-player online

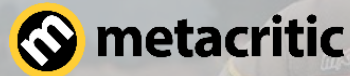
First series release: 2014

Most recent series release: June, 2018

Licensed title

*“certainly one of the best
bike racers out there*

90/100
THE XBOX HUB
10 July, 2018



Metascore

72

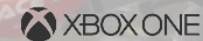


User score

6.9

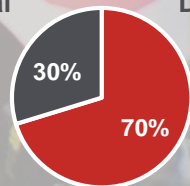
Positive reviews

64%



Physical

Digital



2.3 million

Sold main games
since 2013

Physical vs Digital sales FY19

Monster Energy Supercross series



Developer: Milestone s.r.l.

Publisher: Milestone s.r.l.

Genre: Racing, Simulation, Sports

Modes: Single/Multi-player online

First series release: 2018

Most recent series release: February 2019

Licensed title

“ It might even be the best
supercross game ever made

80/100
GAMESPEW
5 February, 2019



Metascore

69

User score

8.3



Positive reviews

67%

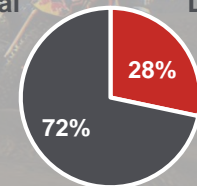


0.9 million

Sold main games
since 2018

Physical

Digital



Physical vs Digital sales FY19

RIDE series

RIDE

Developer: Milestone s.r.l.

Publisher: Milestone s.r.l.

Genre: Racing, Simulation, Sports

Modes: Single/Multi-player online

First series release: 2015

Most recent series release: November, 2018

Own IP

“ definitely a game to get
for every motorcycle lover

86/100

MONDXBOX

9 December, 2018

 **metacritic**

Metascore

76

User score

7.5

 **STEAM®**

Positive reviews

75%

 XBOX ONE

PC

PS4

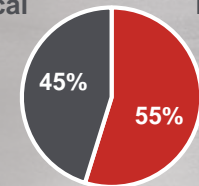


1.4 million

Sold main games
since inception

Physical

Digital



Physical vs Digital sales FY19



Thank You



Extra slides

Financial performance

Acquiring entity: Koch Media GmbH

Income statement

EURm	Milestone s.r.l. (as adjusted) Jul 2018 - Jun 2019
Net revenues	28.20
Other revenues	11.89
Total Revenues	40.09
General operating expenses	-25.09
EBITDA	14.99
Depreciation, amortization and write-downs	-5.69
EBIT	9.31
Financial items	-0.13
EBT	9.17
Taxes for the period	-2.71
Net result for the period	6.47

- **Net revenue** driven by successful releases of RIDE III, Supercross 2 and MotoGP 19
- **EBIT-margin** of c. 33%¹ driven by continued growth in online sales

Balance sheet

EURm	Milestone s.r.l. (as reported) 30 Jun, 2019
Intangible assets	0.26
Property, plant and equipment	0.39
Financial assets	0.14
Inventories	2.96
Current receivables	10.03
Cash and bank balance	10.70
Total assets	24.48
Equity	15.93
Provisions	3.77
Current liabilities	4.79
Total equity and liabilities	24.48

- **Excess of purchase price over book value** of EUR 39.9m based on the above Balance Sheet

Note: Financials to be consolidated from the date of closing (14 August 2019)

Note: After applying estimated adjustments to align with THQ Nordic's accounting principles.
1) EBIT-margin calculated on Net Revenues