



Please send  
your questions to  
[4Q14@funcom.com](mailto:4Q14@funcom.com)

We will aim to answer as many questions  
as possible at the end of this presentation

**The Funcom Group**  
*Funcom N.V. and subsidiaries*



# 2014

## Fourth Quarter Presentation

**The Funcom Group**  
*Funcom N.V. and subsidiaries*



## Disclaimer – forward looking statements

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This presentation contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking. You should not place undue reliance on these forward-looking statements for many reasons.

These forward-looking statements reflect current views with respect to future events and are by their nature subject to significant risk and uncertainties because they relate to events and depend on circumstances that will occur in future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity or performance will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of this presentation, either to conform them to actual results or to changes in our expectations.

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# Agenda

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## 1. Key highlights 4Q 2014

## 2. Key financials

## 3. Project status

- Large scale MMO's
- MMO's in development

## 4. Summary and Outlook

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## Highlights

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- Q4 FY14 has been a solid quarter overall. Revenues were \$2.94m, an increase of \$288k compared to Q3 FY14
- The Live Games – *Anarchy Online*, *Age of Conan* and *The Secret Word* – generated strong results in Dec'14, contributing to revenues of \$2.1m in Q4 FY14 v/s \$2.2m in Q3 FY14
- LEGO Minifigures Online (LMO) KPIs are progressing well but, in line with our Q3 FY14 announcements, the monetization is taking more time than expected
- The cash position increased from \$3.30m at the end of Q3 FY14 to \$3.70m at end of Q4 FY14 mainly due to the use of Yorkville facility (\$898k)
- The main creditors have confirmed that they are willing to defer the maturity of both the convertible bonds and the working capital loan until Q2 FY16
- Restructuring going to plan. The Company announced the sale of its Work-for-Hire business on Dec 24. The benefit of these costs savings will materialize from Q2 FY15

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## Key Financial Summary – Q4 FY14 & FY14 Actuals

in K USD	Q4 FY14	Q4 FY13	FY14	FY13
Revenues	2,939	4,270	12,616	21,409
EBITDA	(148)	233	(648)	5,032
EBIT	(439)	(4,779)	(8,093)	(4,880)
EAT	333	(4,822)	(8,781)	(4,538)

### Notes

< Main sources of revenues *The Secret World* and *Age of Conan*

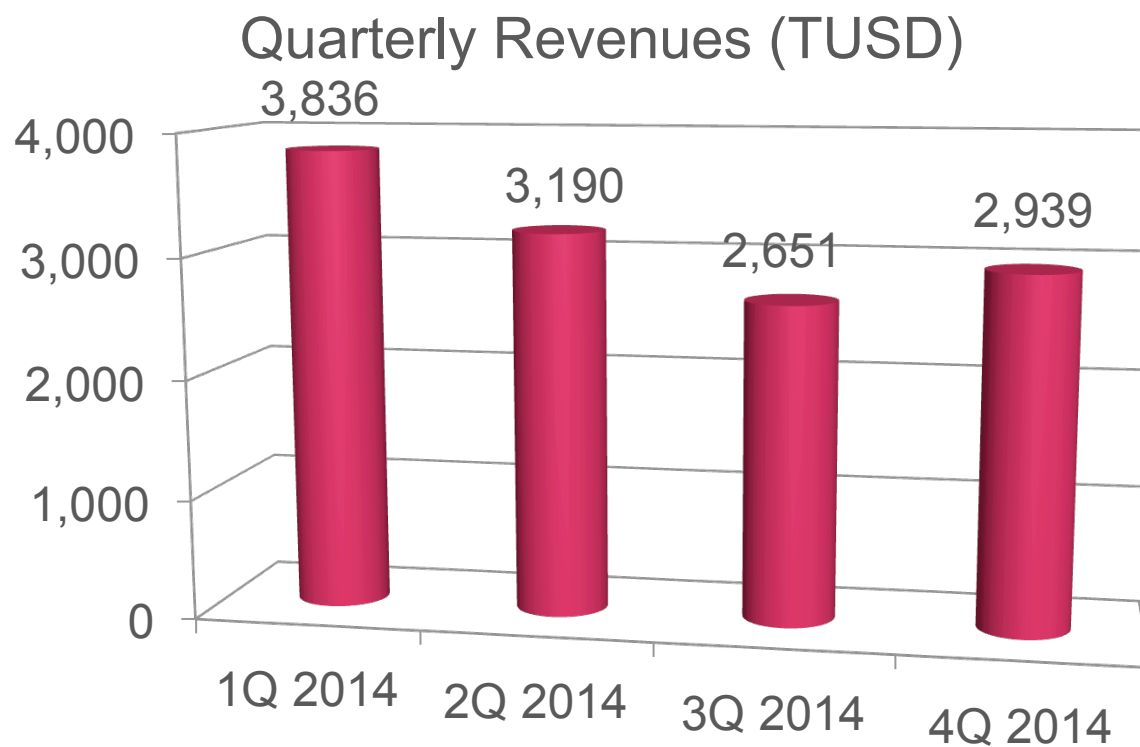
< Year on Year decrease due to ageing of the Live Games

< EAT positive in Q4FY14 mainly due to financial items

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## Key Financial Summary, 4Q 2014 - Revenue

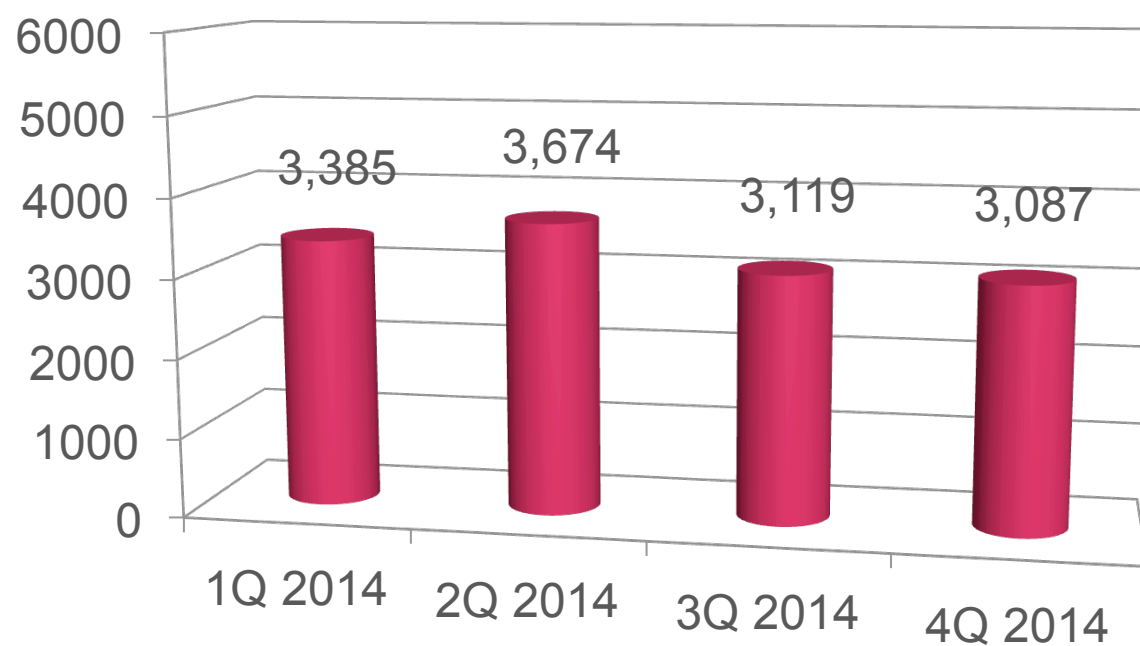


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## Key Financial Summary, 3Q 2014 – Operating costs

Quarterly Operating costs (TUSD)



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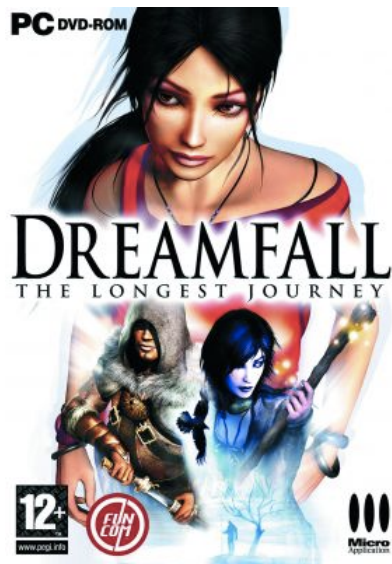
4. Summary and Outlook

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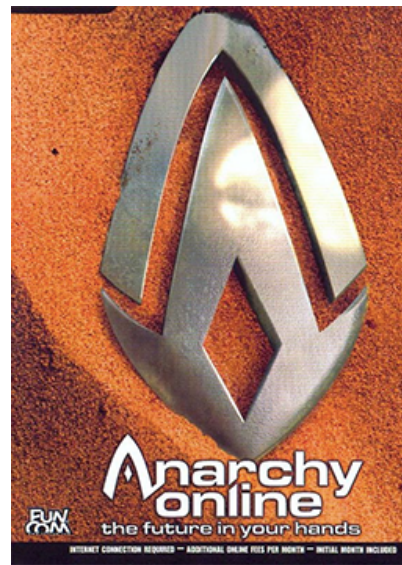
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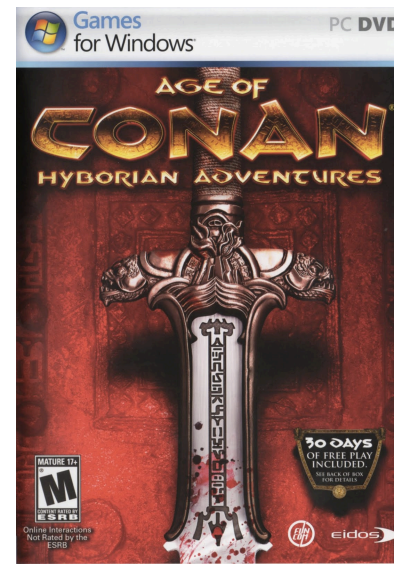
## Funcom's Live Games and IPs



- Launch: 1999 & 2006



- Launch: July 2001



- Launch: May 2008



- Launch: July 2012

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## Live Games : The Secret World

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- The Issue # 10 "Nighmares in the Dream Palace" and a collector edition were released during the period
- The team also released "The Broadcast", a Halloween event with new collectable and lotto box system



- Created and launched the "First Time Buyer's Pack" to increase Funcom Point sales
- Also relased Chritmas Event "The Magic Flute" and Christmas lotto bag

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## Other Live Games : Age of Conan and Anarchy Online

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- The *Age of Conan* team released a level 80 character boost in the store as well as Unchained Raids and new PvE Armor sets
- Other promotions lead to a strong increase in membership sales



- The *Anarchy Online* team released the new Shadowlands Inferno mission
- Other promotions in the stores resulted in an increase in revenues in December

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## LEGO® Minifigures Online

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- The team continued to make significant improvements to the LEGO Minifigures Online games during Q4 FY14
- Through promotions with LEGO and the inclusion of a code in the LEGO minifigures pack, the numbers of players has increased steadily
- During the Thanksgiving week and during the Holiday season, the Company tested new pricing for an "Unlimited Membership"
- These offers have been well received. That said, the Company continues to believe that it will take longer than planned to achieve the initial internal targets for 2015
- The game will be launched on new platforms during Q1 and Q2 FY15
- The team is in the process of extending the closed iOS Beta release to a wider group of selected customers ahead of a staged roll-out of the final version in the coming months

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## Summary and Outlook

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- Q4 FY14 has been a solid quarter overall with strong revenues coming from the Live Games, especially *The Secret World*, in December
- LEGO Minifigures Online game is progressing
- The team is getting the game ready to be roll-out by stages on new platforms including iPad in Q1 and Q2 FY15
- The Company's total equity and cash position improved at end of Q4 FY14
- At the end of Q4 FY14, the Company has the capacity to fund its operation for the following 12 months
- The restructuring announced at the end of Q3 FY14 is going to plan and the benefit of these costs savings will materialize from Q2 FY15

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Thank You

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