
Funcom

A new Funcom for a new generation of gamers

Disclaimer – forward looking statements



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.

What we do best



- Rich, Interesting and Immersive worlds:
 - Top quality art
 - Innovative multiplayer gameplay
 - High technical quality
- Very high quality 3D graphics
- Technology for advanced games
 - Both on the tools for developers and on the games themselves



Where we want to be in 10 years

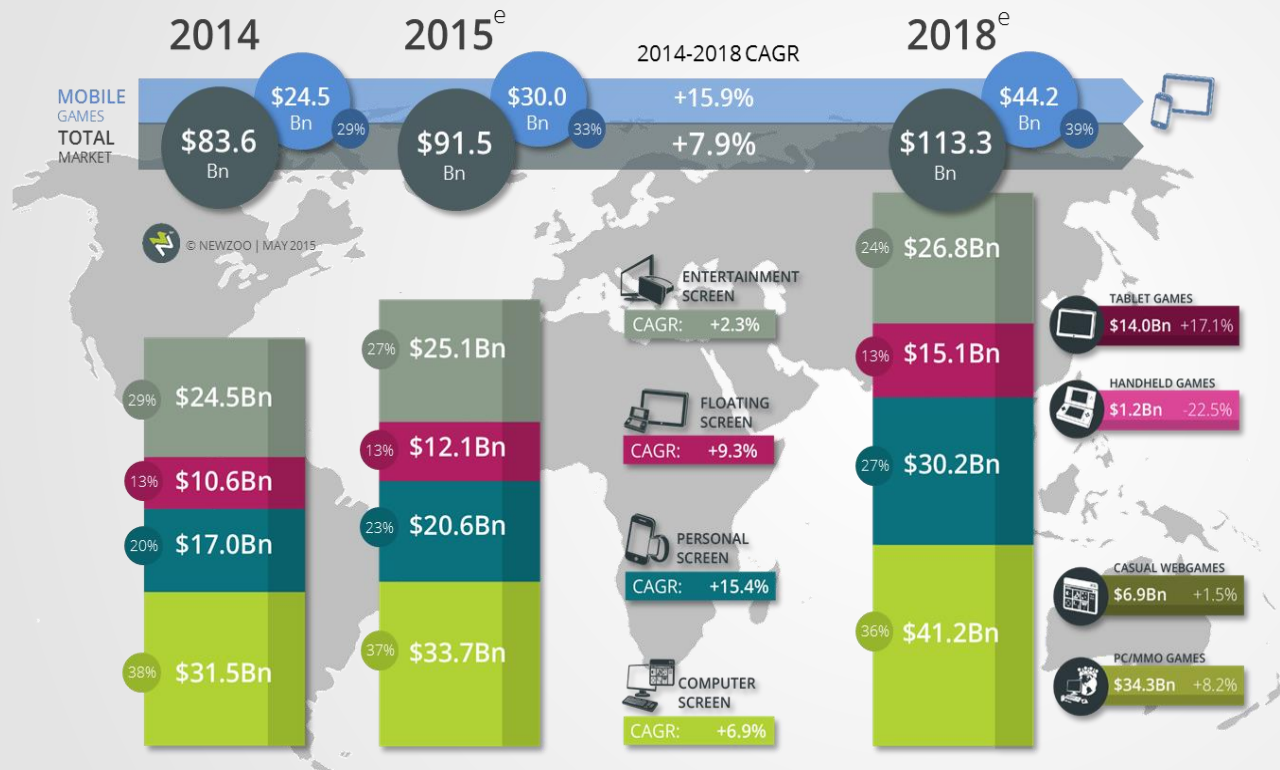


- One of the top 10 European developers and publishers of interactive entertainment
- Focused on Online Game experiences for gamers across multiple platforms
- Owning and developing an exciting IP portfolio for internal and 3rd party licensing use
- Embracing new and emerging genres, markets and technologies, such as Open World Survival games, VR, AR, eSports or other



THE MARKET OPPORTUNITY

PC and Console are large markets



- The games market is expected to see an annual compounded growth rate of 7-8% from 2014 to 2018
- PC will continue to dominate, accounting for 36% of the market by 2018
- Entertainment screens will continue to grow, supported by adoption of VR and resilient console sales

“Open World Survival” is an up and coming game genre



Recent open world survival titles



- Very popular segment, dominated by small and medium games
- Funcom has competitive advantages to enter this segment:
 - Features present in Open World survival games are a subset of MMORPG features
 - Funcom has IPs and know-how to create a higher quality experience than the competition
 - Funcom has strong online multiplayer technology to support key unique features and higher quality products than the competition

Building awareness through “Streamers”



- Achieving visibility in streamer channels is an effective yet low cost avenue for promotion, especially for games that make the viewers want to play the game themselves
- The strength of Funcom’s brand helps in attracting attention from both press and streamers, as was visible in the weeks following the launch of The Park, where the view count on various streamer videos quickly surpassed 10.000.000
- Funcom worked actively with Streamers to achieve visibility for the game in their channels

SHORT TERM PLAN

High level plan for 2016 & 2017



Conan Exiles



- Launch Conan Exiles on PC, Xbox one and Playstation 4
- Targeted to launch on PC in “early access” during Summer 2016
- Full launch with Consoles at a later stage

New segment game



- Release an innovative game on early access in 2017
- Explore new segments and technologies such as eSports, VR or AR, among others

Additional games



- Develop two additional games of the “smaller” type as outlined in the Company Strategy
- Current plan is to utilize The Secret World and Conan the Barbarian IPs
- Further information to be made available at a later stage

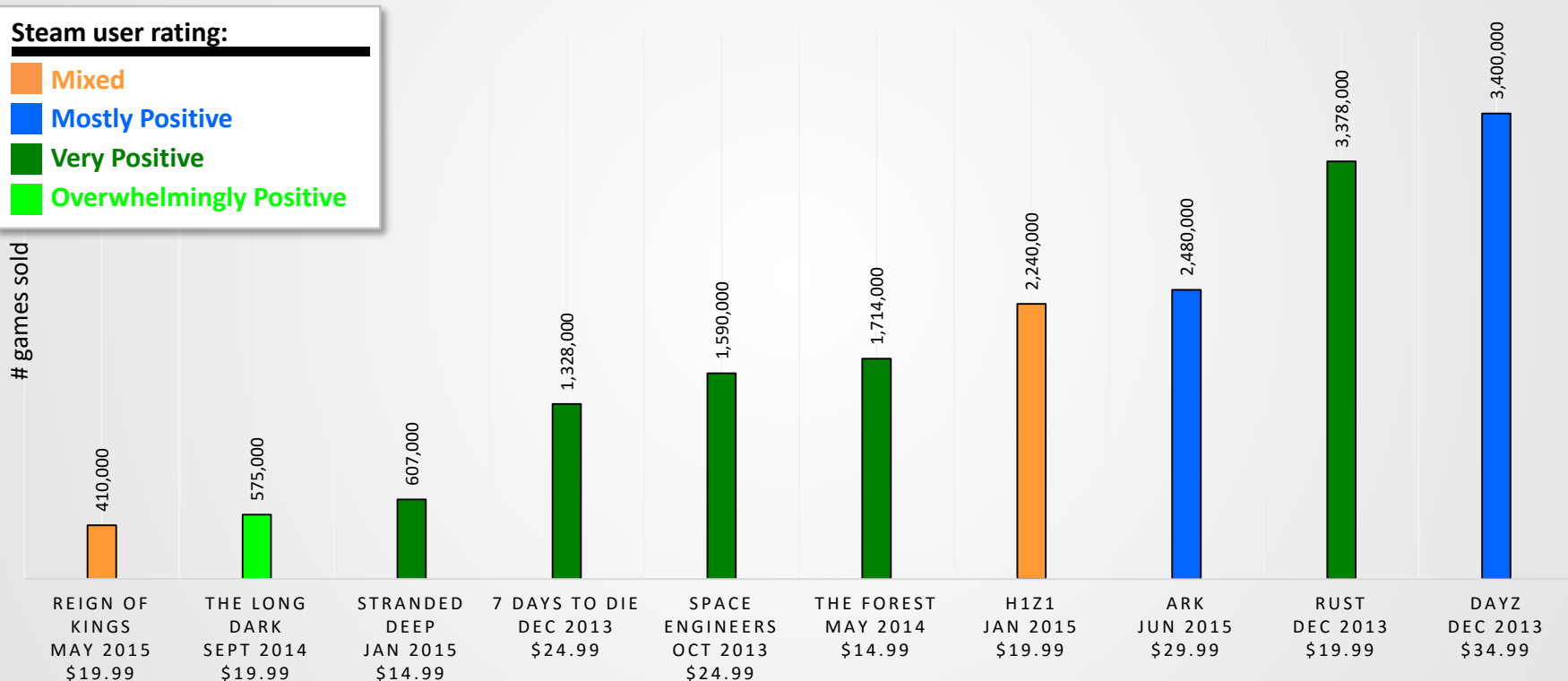
CONAN[®]

EXILES

- First Person Open World Survival game set in the world of Conan the Barbarian
 - Exiled to a barbaric land, starving and alone, you must hunt, harvest, craft items, grow crops, and build shelters to survive. Use your skill and cunning to establish your domination through brutal bloody battles with other players as you fight for supremacy and to survive the great purge
- Online Multiplayer played on dedicated servers that can be hosted by us or individual users with optional Single Player mode
- Built for PC, Xbox, and PS4
- Premium/"Buy to play" business model
- Release on PC in Early Access during Summer 2016, full launch on PC and Consoles to follow
- Developed in Funcom Oslo AS

Conan Exiles - Unit Sales in Genre

TOP 10 OPEN WORLD SURVIVAL TITLES ON STEAM IN EARLY ACCESS



Conan Exiles - Key success factors



Steam "Early Access"



- ✓ "Early Access" allows players to buy a game before its finished
- ✓ Players provide developers with feedback, becoming a part of the game itself

Age of Conan assets



- ✓ Thousands of assets from Age of Conan such as sounds, music and graphical models
- ✓ Will bolster and speed up the content production for the game

Open World Survival is an offshoot of the MMO genre



- ✓ Strong experience from MMOs makes us uniquely suited to deliver such systems quickly
- ✓ Open World Survival games are an evolution of Minecraft, you build, craft and explore but in a more complex game environment with MMO-like features

PR & Marketing advantages



- ✓ Most competitors have very small budgets and limited / no marketing or PR
- ✓ Funcom can be the first company's to raise the bar on the quality and marketing in the space

Timing



- ✓ Our expectation is that this genre will continue to increase in popularity during 2016/2017
- ✓ Funcom can make this game to launch in Early Access in a short amount of time, as shown with The Park that was developed in 6 months

FINAL CONSIDERATIONS

Expected capital requirements



- Minimum: 5M USD
 - Allows for funding operations until Early Access launch of “Conan Exiles” in 2016
 - Allows for minimal internal restructuring expense for long term savings
 - Allows for 500T to 1M USD of marketing spend in 2016
- Target: 10M USD
 - Allows for full funding of the development of all three games in 2016 and 2017
 - Allows for all of the planned restructuring activities for long term savings and efficiency
 - Allows for 1 to 3 Million USD marketing spend on the games released in 2016 and 2017
- Capital is planned to be raised through a share issuance, details of which to be announced at a later stage

Summary



- *Conan Exiles* is the key activity for 2016
- Other opportunities within new areas such as eSports, VR, AR and other emerging segments to launch in late 2017 or 2018 which have large long term revenue potential
- Smaller games and initiatives to provide additional revenue streams starting in 2016 that will also offset cost of technology development for large titles
- The strategy of developing multiple game titles and driving innovation through smaller projects will provide a more stable baseline for the Company and lead to less reliance on any single project