

3Q 2019 PRESENTATION



FUNCOM

11 November 2019



3Q HIGHLIGHTS

40% EBITDA MARGIN

CONAN EXILES CONTINUES STRONG GAMES AS A SERVICE PERFORMANCE

ROBUST PIPELINE WITH INTERNAL AND PUBLISHED GAMES

TENCENT ACQUIRED 29% OF FUNCOM SHARES FOR NOK 15.75 / SHARE



2019 BEHIND 2018 DUE TO EXILES LAUNCH LAST YEAR

MUSD	3Q19	3Q18	3Q19 YTD	3Q18 YTD
Revenue	5.4	7.5	20.0	25.4
EBITDA	2.1	4.6	9.1	13.0
EBIT	-0.4	2.9	0.4	8.7
Profit, pre-tax	-0.2	2.7	0.4	7.3
Cash	16.3	20.9	16.3	20.9
Equity	45.0	44.6	45.0	44.6
Debt	0.0	0.6	0.0	0.6

Note: Debt is face value interest bearing debt excluding IFRS 16 real estate rental effect

- Strong 3Q19 EBITDA margin at 40%
- Below '18 due to strong Exiles launch effect in 2Q18 and 3Q18
- No new game releases in 3Q19



1 DLC, Steam Free Weekend



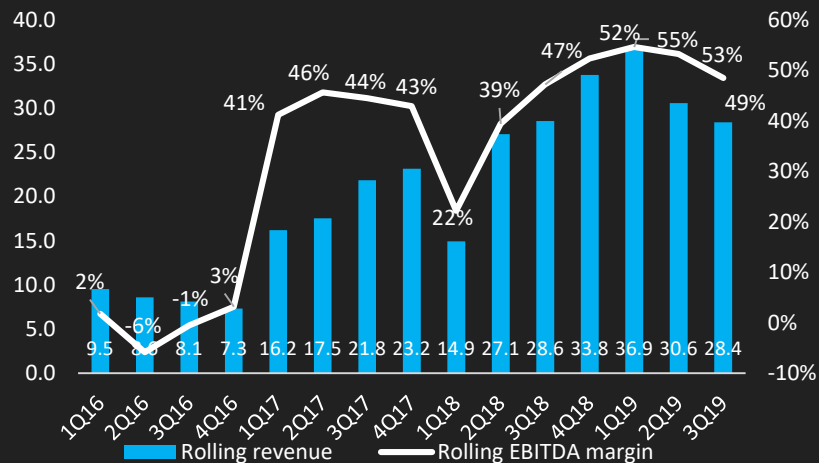
1 DLC, free week on Epic

- Unconquered underperforming
- As expected, cash is declining in quiet quarter due to investments in future launches and currency



HIGH EBITDA MARGINS OVER TIME

12mth rolling revenue (MUSD) and EBITDA margin



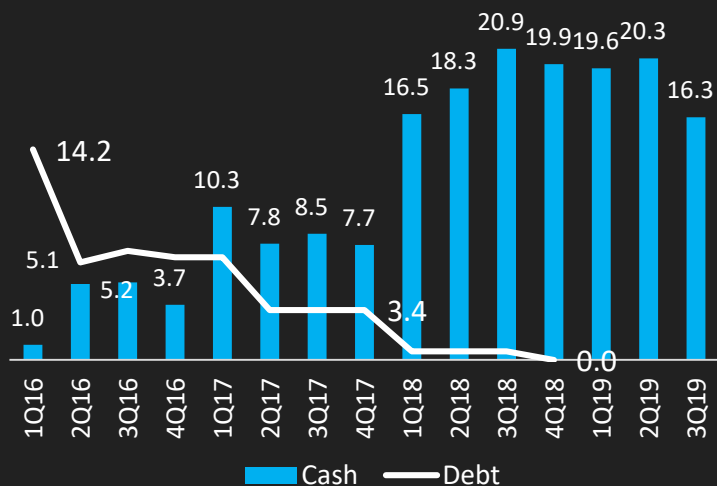
49% 12-month Rolling EBITDA margin

High margins encouraging sign of multi-launch strategy and Games as a service business model

Note: Rolling revenue is sum last 12 months, rolling EBITDA margin is EBITDA margin for the last twelve months

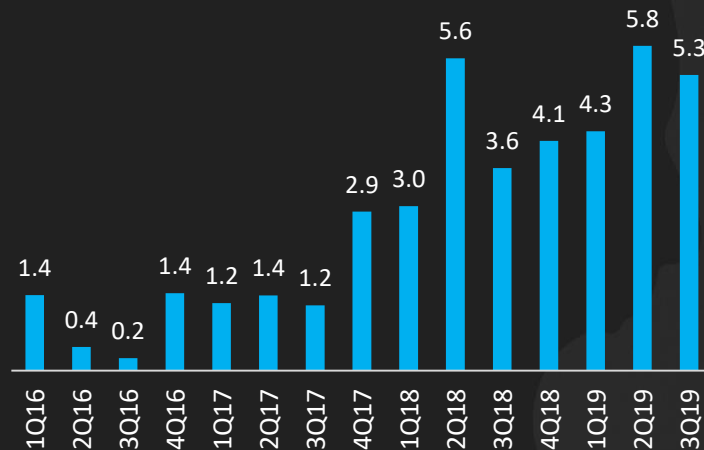
CASH REDUCED AS EXPECTED DUE TO HIGH INVESTMENTS

Cash and debt (MUSD)



- Strong cash position, 3Q19 decline due to game investments and currency effects

Investments (MUSD)



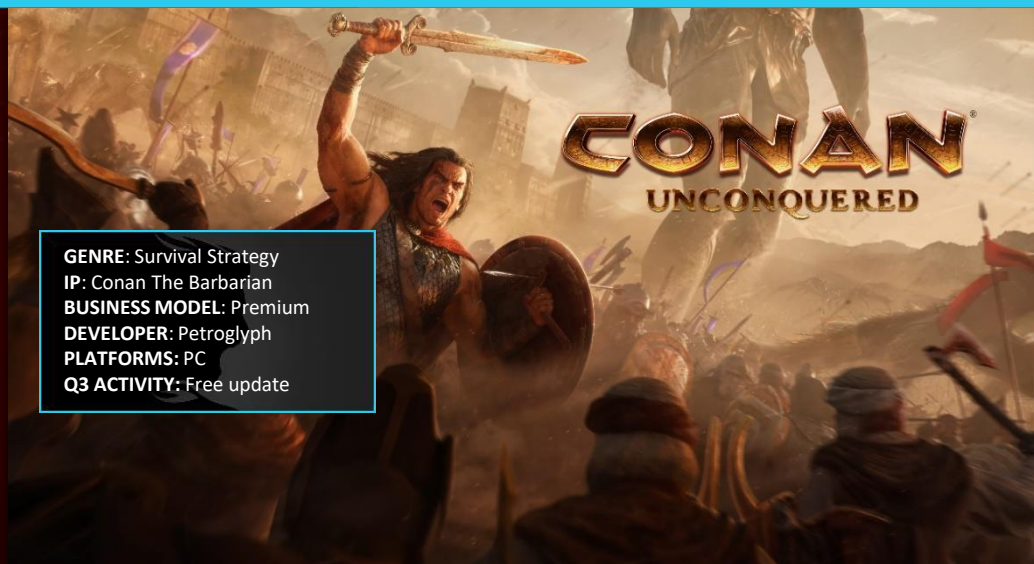
- Growing investments

GAME ACTIVITIES (1)



GAMES: Anarchy Online, Age of Conan, Secret World Legends
GENRE: MMORPG
BUSINESS MODEL: Free-to-Play, Game as a Service
DEVELOPER: Funcom
PLATFORMS: PC
Q3 ACTIVITIES: Community events

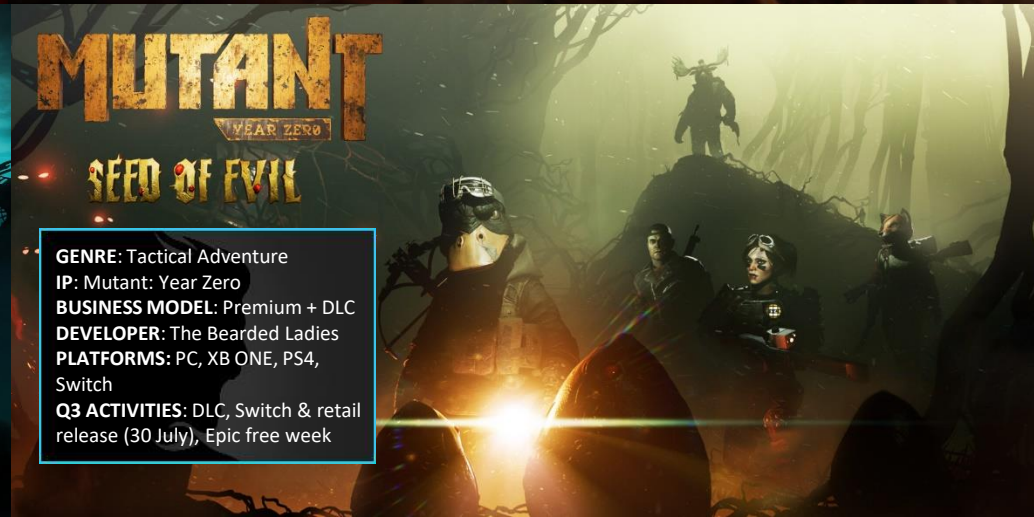
SECRET WORLD
LEGENDS



GENRE: Survival Strategy
IP: Conan The Barbarian
BUSINESS MODEL: Premium
DEVELOPER: Petroglyph
PLATFORMS: PC
Q3 ACTIVITY: Free update



GENRE: Horror adventure
BUSINESS MODEL: Premium
DEVELOPER: Funcom
PLATFORMS: PC, XBONE, PS4, Switch
AFTER Q3 ACTIVITY: Switch Launch



GENRE: Tactical Adventure
IP: Mutant: Year Zero
BUSINESS MODEL: Premium + DLC
DEVELOPER: The Bearded Ladies
PLATFORMS: PC, XB ONE, PS4, Switch
Q3 ACTIVITIES: DLC, Switch & retail release (30 July), Epic free week

GAME ACTIVITIES (2) – CONAN EXILES



GENRE:

**OPEN WORLD
MULTIPLAYER**

IP:

**CONAN THE
BARBARIAN**

Q3 ACTIVITIES:

*Blood & Sand DLC
Steam Free
Weekend*

ACTIVITIES AFTER 3Q:

*DLC – Oct
DLC, mounts, SFW¹ – Dec
Larger update 1H 2020*

DEVELOPER:

FUNCOM OSLO

BUSINESS MODEL:

PREMIUM + DLC

1) SFW – Steam Free Weekend

* Inspiration art piece, not necessarily representative of the game



MOONS OF MADNESS RELEASED 22 OCTOBER (AFTER 3Q)

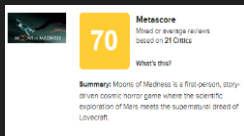
POSITIVE PRESS RECEPTION

"Moons of Madness is a great tribute to Lovecraft's works that will immerse you in a dark and terrifying story on the surface of Mars."

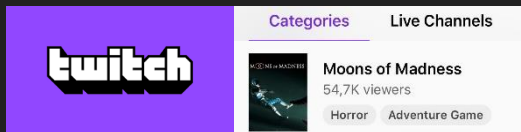
- Eurogamer Italy

"Moons of Madness is a wonderfully chilling outing that blends horror and sci-fi to excellent effect, delivering a palpable sense of dread."

- Gamespew



TWITCH TOP 10, POSITIVE PLAYER REVIEWS



- More than 60,000 concurrent viewers
- Played extensively by key influencers like Lirik and CohnCarnage



75% positive reviews

PS4 & XB ONE RELEASE 21. JAN '20

- Good addition to broaden Funcom portfolio
- PS4 and XB ONE release on 21 January 2020

GENRE: Single-player horror/puzzle

PLATFORMS : PC – XB ONE – PS4

RELEASE : PS4 - XB ONE, 21 Jan '20

STATUS : Released on PC



NEW GAME – DUNE OPEN-WORLD

GENRE:

**OPEN WORLD
MULTIPLAYER**

IP:

Frank Herbert's
DUNE

**DEVELOPMENT
STAGE:**

PRE-PRODUCTION

TIMELINE:

TBA

DEVELOPER:

FUNCOM OSLO

BUSINESS MODEL:

**PREMIUM
Game as a Service**

NEW GAME – CO-OP SHOOTER

CUSTOMIZATION

MATCHMAKING

PROGRESSION

GENRE:

MULTIPLAYER
CO-OP SHOOTER

IP:

MUTANT
CHRONICLES

DEVELOPMENT
STAGE:

PRODUCTION

TIMELINE:

2020

DEVELOPER:

FUNCOM INC

BUSINESS MODEL:

PREMIUM
Game as a Service



UPCOMING PUBLISHING GAME RELEASES

REVEALED GAMES



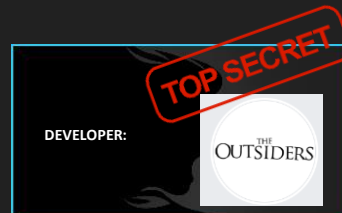
GENRE : Single & Multiplayer
Rogue-like"
PLATFORMS : PC – XBONE –
PS4 - Switch
RELEASE : Q1 2020
STATUS : In Production



GENRE : Single-player
horror/puzzle
PLATFORMS : PC - XBOX ONE –
PS4
RELEASE : PS4 - XBONE, 21 Jan
'20
STATUS : released on PC



NOT YET REVEALED GAMES



10 active projects: 5 new + 5 existing game projects



TENCENT ACQUIRED 29% OF FUNCOM SHARES



- Tencent acquired 29% of Funcom shares at NOK 15.75, 22% above market price the previous day
- The shares were bought from KGJ Capital AS, no cash infusion to Funcom
- Tencent ranks top in terms of online games revenue globally
- Shareholder in many of the world's leading gaming companies: Riot Games, Epic, Supercell, Ubisoft, Paradox, Frontier and Miniclip

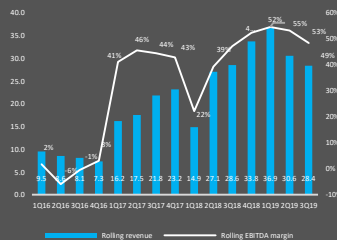
"We are very pleased to see Tencent come in as the largest shareholder of Funcom. Tencent has a reputation for being a responsible long-term investor, and for its renowned operational capabilities in online games. The insight, experience, and knowledge that Tencent will bring is of great value to us and we look forward to working closely with them as we continue to develop great games and build a successful future for Funcom." Rui Casais



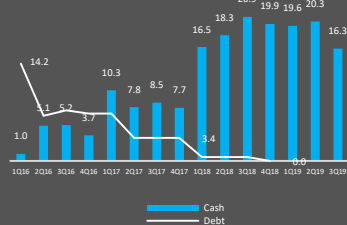
SUMMARY AND OUTLOOK

SOLID FINANCIALS

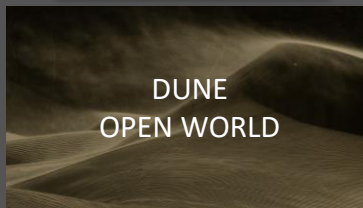
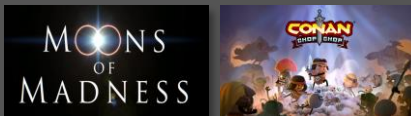
12mth rolling revenue (MUSD) and EBITDA margin



Cash and debt (MUSD)



BROADENING PORTFOLIO



STRONG IPs FOR GAMES



JOIN US ON OUR JOURNEY!

QUESTIONS?



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