

# 4Q 2019 PRESENTATION



**FUNCOM**

28 February 2020



## 4Q 2019 HIGHLIGHTS

**CONAN EXILES CONTINUES STRONG 'GAMES AS A SERVICE' PERFORMANCE**

**46% '19 EBITDA COMPLETES THE THREE MOST PROFITABLE YEARS TO DATE**

**ROBUST PIPELINE WITH DUNE OPEN WORLD AS THE BIGGEST INVESTMENT**

**TENCENT OFFER TO ACQUIRE ALL FUNCOM SHARES @ NOK 17**



# 4Q19 FINANCIALS



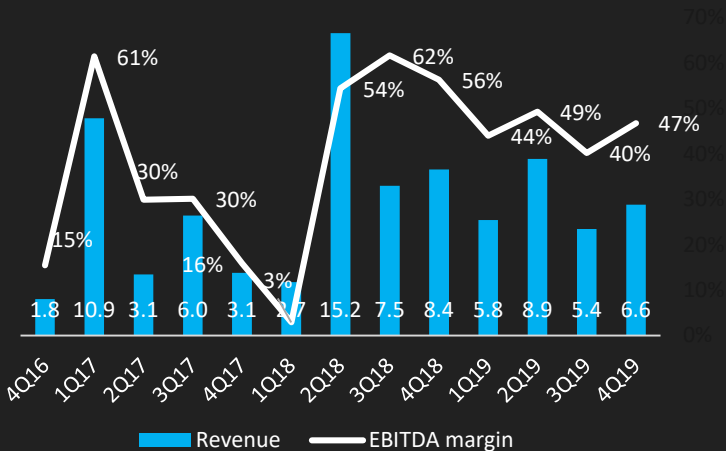
## STRONG EBITDA MARGIN OF 46% IN 2019

MUSD	4Q19	4Q18	FY 19	FY 18
Revenue	6.6	8.4	26.6	33.8
EBITDA	3.1	4.7	12.1	17.7
EBITDA %	46.7%	56.3%	45.6%	52.4%
EBIT	-0.5	1.4	-0.1	10.2
Profit, pre-tax	-0.7	0.9	-0.3	8.2
Cash	13.1	19.9	13.1	19.9
Equity	46.3	45.2	46.3	45.2
Debt	0.0	0.0	0.0	0.0

- Conan Exiles continues strong 'games as a service' performance
  - 4Q19 revenue higher than 4Q18
  - More users in '19 than '18 and '17
  - Dec '19 3<sup>rd</sup> best month on average PC users
- Strong '19 EBITDA margin of 46%
- The three last years have the strongest EBITDA and EBIT to date, in USD and margin
  - EBIT '19 reduced by significant amortization of publishing games
- '19 cash decline due to game investments, strong Dec '19 sales to be received in '20

## HIGH EBITDA MARGINS OVER TIME

Revenue (MUSD) and EBITDA margin

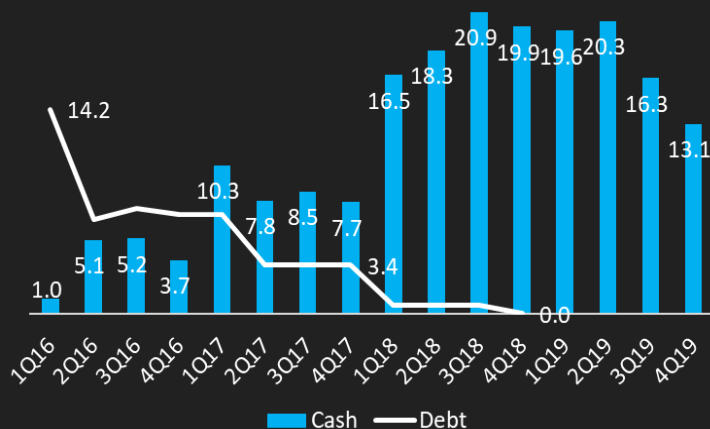


High EBITDA margin over time  
encouraging sign of broadening portfolio  
and Games as a service business model

2019 EBITDA margin of 46% second  
highest year in Funcom history

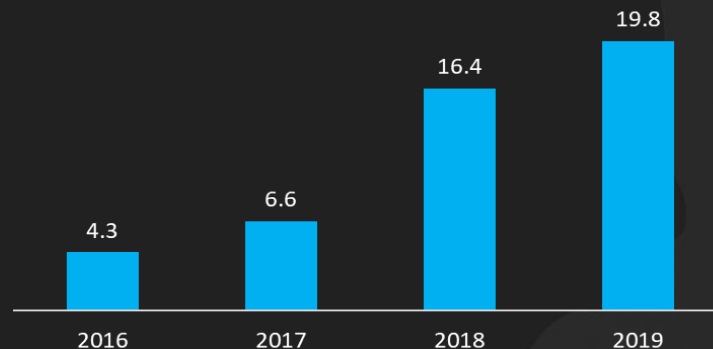
## OVERALL INVESTMENTS IMPACT CASH POSITION

Cash and debt (MUSD)



- Strong December '19 sales to be received in 2020
- Future funding requirements depend on company revenue and *DUNE* investment budget

Investments (MUSD)



- Increasing investments into game pipeline

Note: Debt is face value of interest-bearing debt

Investments are investments in intangible assets and equipment in the relevant quarter, dominated by game development.



# GAME ACTIVITIES AND PIPELINE

## 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  
**Q4 ACTIVITIES:** Community events

SECRET WORLD  
LEGENDS



**Game:** The Park  
**GENRE:** Horror adventure  
**BUSINESS MODEL:** Premium  
**DEVELOPER:** Funcom  
**PLATFORMS:** PC, XBONE, PS4, Switch  
**Q4 ACTIVITY:** Switch Launch

# THE PARK

## MOONS OF MADNESS®



**GAME:** Moons of Madness  
**GENRE:** Horror Sci-fi  
**BUSINESS MODEL:** Premium  
**DEVELOPER:** Rock Pocket Games  
**PLATFORMS:** PC, XBONE, PS4  
**Q4 ACTIVITY:** PC release  
**ACTIVITIES AFTER 4Q:** Console release 24. March



## GAME ACTIVITIES (2) – CONAN EXILES



**GENRE:**

**OPEN WORLD  
MULTIPLAYER**

**IP:**

**CONAN THE  
BARBARIAN**

**Q4 ACTIVITIES:**

Riders of Hyboria  
Steam Free  
Weekend

**ACTIVITIES AFTER 4Q:**

*DLC, SFW<sup>1</sup> – 1H 2020  
Paid expansion 2H 2020*

**DEVELOPER:**

**FUNCOM OSLO**

**BUSINESS MODEL:**

**PREMIUM + DLC**

1) SFW – Steam Free Weekend



# NEW GAME – DUNE OPEN-WORLD

**GENRE:**

**OPEN WORLD  
MULTIPLAYER**

**IP:**

Frank Herbert's  
**DUNE**

**DEVELOPMENT  
STAGE:**

**PRE-PRODUCTION**

**TIMELINE: TBA**

**INVEST. BUDGET:  
USD 30-50m**

**DEVELOPER:**

**FUNCOM OSLO**

**BUSINESS MODEL:**

**PREMIUM  
Game as a Service**

# NEW GAME – ONLINE SHOOTER

CUSTOMIZATION

MATCHMAKING

PROGRESSION

**GENRE:**

**MULTIPLAYER  
ONLINE SHOOTER**

**IP:**

**MUTANT  
CHRONICLES**

**DEVELOPMENT  
STAGE:  
  
PRODUCTION**

**TIMELINE:  
RELEASE AFTER  
DUNE OPEN-  
WORLD**

**DEVELOPER:  
  
FUNCOM INC**

**BUSINESS MODEL:  
  
PREMIUM  
Game as a Service**



## UPCOMING PUBLISHING GAME RELEASES

### REVEALED GAMES



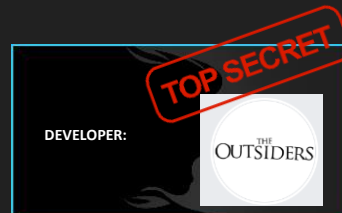
**GENRE** : Single & Multiplayer  
Rogue-like  
**PLATFORMS** : PC – XBONE –  
PS4 - Switch  
**RELEASE** : Q2 2020  
**STATUS** : In Production



**GENRE** : Single-player  
horror/puzzle  
**PLATFORMS** : PC - XBONE – PS4  
**RELEASE** : PS4 - XBONE,  
24 Mar '20  
**STATUS** : released on PC



### NOT YET REVEALED GAMES



10 active projects: 5 new + 5 existing game projects



## TENCENT OFFER AND PROCESS



### THE OFFER

- Voluntary cash offer: NOK 17 per share, 27.3% premium, NOK 1.25 more/ share than Tencent paid for 29% in 2019
- Recommended by Funcom's independent Supervisory Board and Management Board. Tencent representatives not part of any discussions or decisions
- Independent statement from Pareto Securities AS concluded the offer was fair from a financial point of view
- The increased ambition of Dune open-world, delay of Mutant Chronicles online shooter and resulting funding requirement announced in conjunction with the offer has been approved by the Supervisory Board

### THE PROCESS

- For details see Offer Document issued 20. Feb '20 (available on Funcom website: [investors.Funcom.com](http://investors.Funcom.com))
- For questions, contact receiving agent: DNB Markets, Registrars department, Tel. +47 23 26 81 01
- Filled-in acceptance forms can be sent to e-mail: [retail@dnb.no](mailto:retail@dnb.no)
- Offer period has started, closes on 16. March '20 at 16:30 CET



# QUESTIONS?



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