COMPANY SNAPSHOT

Founded 2007
In Germany

400+ employees in
Hamburg

>12 years of consecutive
growth

> 30 language versions

7 Live
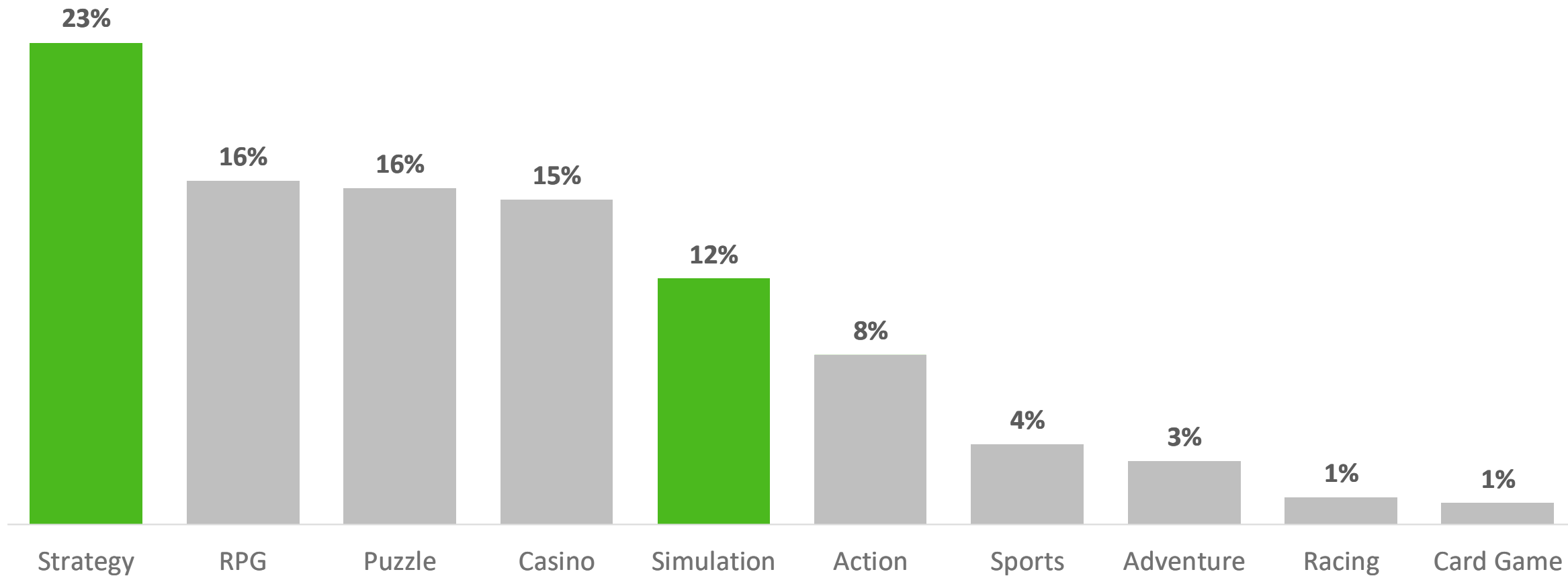games

756m hours
playtime in 2018

BUSINESS MODEL CROSS PLATFORM

Daily Active User share per platform

- 12%
- 32%
- 56%
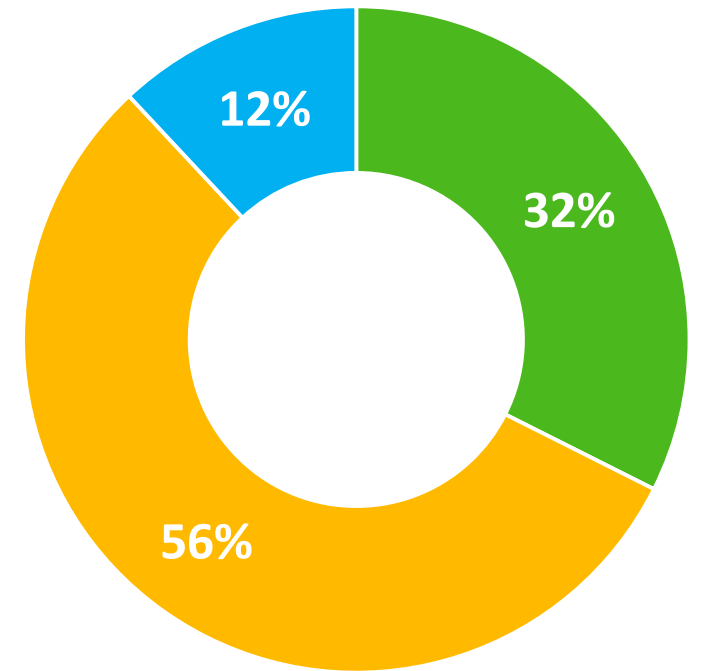
■ Browser
■ Mobile
■ Cross Platform

MOBILE MARKET TOP-10 GENRES

Genre	Percentage
Strategy	23%
RPG	16%
Puzzle	16%
Casino	15%
Simulation	12%
Action	8%
Sports	4%
Adventure	3%
Racing	1%
Card Game	1%

FOCUS GENRES

OUR HITS

Strategy MMO	**Strategy MMO**	**City Building Strategy**	**Fantasy City Builder**
Launched 2003	Launched 2010	Launched 2012	Launched 2015
Lifetime revenues – **€100M+**	Lifetime revenues – **€100M+**	Lifetime revenues – **€400M+**	Lifetime revenues – **€70M+**

FORGE OF EMPIRES

- Journey through the ages, from Stone-Age to the Future

- Started as Flash-based browser based game

- Nowadays available in HTML5 in all modern browsers plus on iOS and Android

- Cross platform strategy: One login for all platforms

PLAYER STATS FORGE OF EMPIRES

Average player age

40 years

Gender split

♂ **74%** ♀ **26%**

Payer share amongst active

9%

Daily sessions per player

5 sessions

Average session length

12 minutes
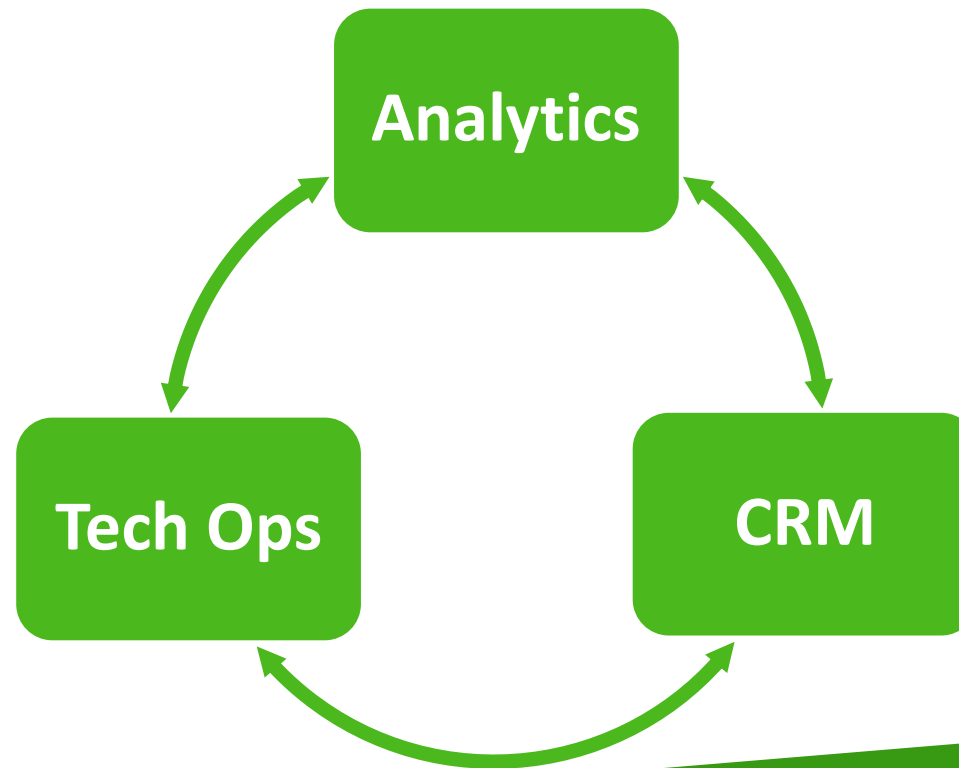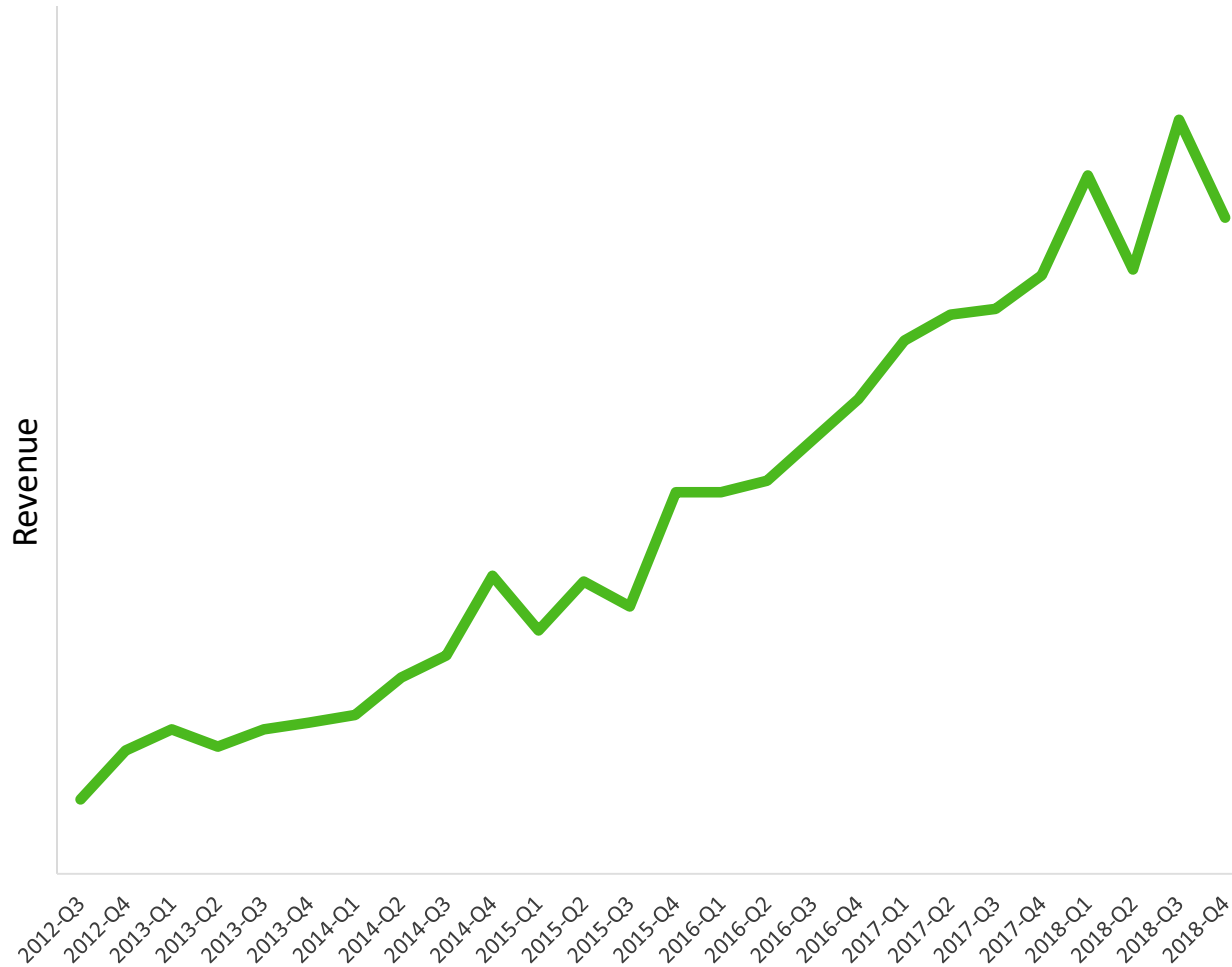
Players per primary platform

44% **23%** **33%**

LIVE OPS FORGE OF EMPIRES

- Always fresh, always new: Bi-weekly updates

- Great long-term motivation: +5 years of content, +1.000 different buildings

- Holistic lifecycle view: Data-driven CRM and offer management

REVENUE GROWTH FORGE OF EMPIRES

Revenue

2012-Q3 2012-Q4 2013-Q1 2013-Q2 2013-Q3 2013-Q4 2014-Q1 2014-Q2 2014-Q3 2014-Q4 2015-Q1 2015-Q2 2015-Q3 2015-Q4 2016-Q1 2016-Q2 2016-Q3 2016-Q4 2017-Q1 2017-Q2 2017-Q3 2017-Q4 2018-Q1 2018-Q2 2018-Q3 2018-Q4
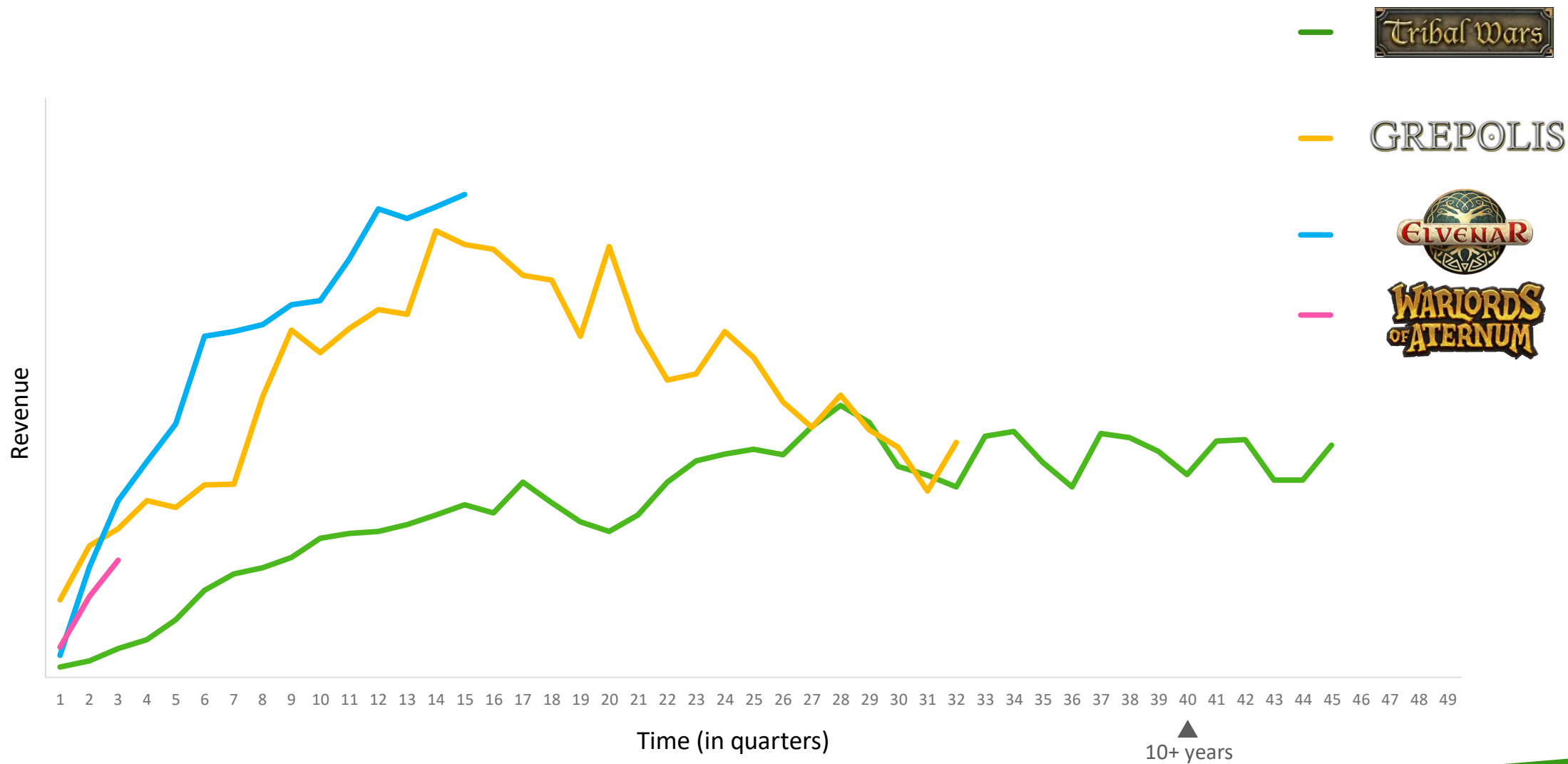
- Steady revenue growth over more than 6 years
- In-Game Events cause revenue spikes
- Release exciting new content to fill "event gaps"

NEW GAMES

Heroes Collection Strategy Game

- USP: Turn based Tactical Battles

- Acquired from Wooga in 2017

- Relaunched in 2018-Q3

- Improving Player Journey beyond Day 60

MMO Strategy Game

- USP: Mighty guardians to collect and level up

- Softlaunched in 2019-Q1

- Promising KPIs

- Marketing to be scaled in 2019-H1

STAGE GATE PROCESS

- Central Stage Gate Process and agile teams

- Core elements shared across games

- Only top games are launched

- Milestone-based process in <2.5 years

- Budget ca. 5m EUR

| Strategic Goals | Pitch | Proto-type | Concept | Pre-Prod | Production 1 Game Systems | Production 2 First Session | Production 3 First 7 Days | Silent Launch 1 2 3 | Soft Launch | Global Launch |

PRODUCT LIFECYCLE MODEL

PRODUCE	INTRODUCE	GROW	ESTABLISH	DECLINE
New Game	WARLORDS OF ATERNUM	ELVENAR	GREPOLIS	Tribal Wars 2
New Game	GOD KINGS	FORGE OF EMPIRES	Tribal Wars	THE WEST
New Game				
		Positive profits	**High profit margins**	**Highest profit margins**
No revenues	High marketing invest	Strong marketing invest	Little marketing invest	No marketing invest
Cost budgets	Strong revenue grow	High & growing revenue level	Strong & solid revenue level	Low cost base
Negative profits	Negative profits			Declining revenues

MARKETING: ACQUIRING PLAYERS THAT DRIVE REVENUES

Campaign Profit	=	Lifetime Value	−	Marketing Costs

Close loop campaign optimization along the customer journey

- **Optimization on "micro" level**
  Considering campaign meta-data (placement, targeting, costs, CTR, CVR etc.) and in-house KPIs (player retention, payment behavior, LTV etc.)

- Fundamentally **benchmarking single campaigns Return on Ad Spend (ROAS)**

- **Dynamic budget allocation** based on ROAS to optimize channel-mix

- **Continuous testing of (new) campaigns** and creatives to increase Conversion Rates and thus Lifetime Value while lowering costs (CPA)
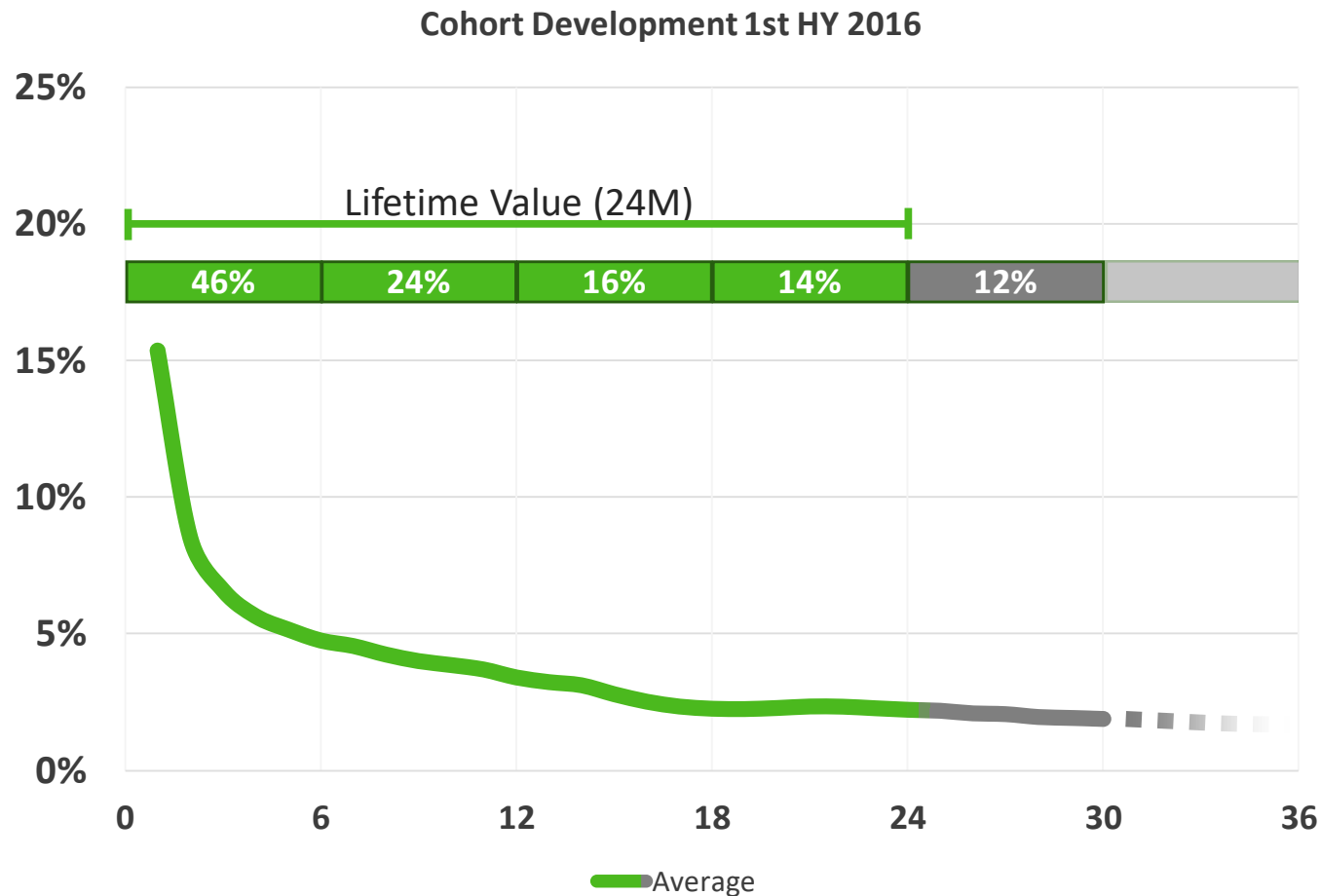
LEARNING
PLANNING
REPORTING
360°
EXECUTION
CONCEPT
CREATION

LONGEVITY AND STABILITY OF COHORTS

Cohort Development 1st HY 2016

Lifetime Value (24M)

| 46% | 24% | 16% | 14% | 12% |

- **95% overall accuracy** in predicting Lifetime Value (LTV)

- Ensuring **profitable marketing investments** based on LTV

- Fast payback/cash conversion cycle with **nearly 50% payout within first 6 months**

- **Additional revenues and profits** as cohorts generate revenues **even after 2 years**

Chart based on percentage of Lifetime Value (= Net Payout of first 24 months after registration)
E.g. "15.4% of LTV is generated in first month"

THREE PILLARS OF SUCCESSFUL MARKETING
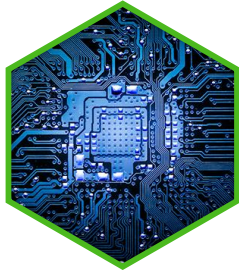
TECHNOLOGY

- ✓ Reduced campaign management efforts
- ✓ Scalability for new partners and products
- ✓ First mover advantages with new features
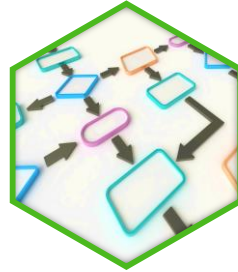
PROCESS

- ✓ Transparent and robust workflows
- ✓ Standardized interfaces between departments
- ✓ Increased planning periods and plan reliability

ALGORITHMS

- ✓ Reducing analysis efforts
- ✓ Scalable systems
- ✓ Advantages of Self-learning Systems / Artificial Intelligence

FUTURE GROWTH

MOBILE AS PRIMARY DRIVER FOR GROWTH

- Browser revenues have been growing every year

- Mobile growth stronger: +37% in 2018

- Appstore Fees of 30%

- Typically lower ROAS on our marketing investments for mobile games

- These effects are considered

- Efficient operations, economies of scale

- InnoGames can grow revenues and at the same time keep EBITDA margins above 20%

THREE PILLARS OF SUCCESS

GROW
our successfull games on all platforms

CREATE
new mobile games

BUY
existing games which fit to our portfolio

SUMMARY

☑ Focus on a strong team and best talents

☑ Sustainable and data-driven strategy

☑ Great game portfolio combining growth and profitability

☑ Proven track record to create cross platform games and successful transition to mobile

☑ Future growth driven by mobile expansion and browser consolidation

We're here to make great games for our players – with high quality virtual worlds that link millions of people around the world. Anywhere, anytime.