Industry Overview
The game industry is divided into four major hardware segments:

- Games for personal computers
- Games for mobile devices
- Games for dedicated devices (TV console systems)
- Future potential for introduction of new hardware segments (VR, streaming devices etc)

**Overview**

**Video Game Software Market Size**

- The worldwide video game software market is expected to grow at 9% CAGR 2014-2019 to $100 billion
- In 2015 worldwide game software sales reached record $73 billion
- Games are about far more than just software sales
- Game consumers drive spending on many different devices
- eSports and information around games has always been a major opportunity
Key Industry Trends and Observations

An over supply of me-too products
- This has always been an industry issue
- Digital distribution has lowered barriers to entry, especially on mobile

A fragmented distribution infrastructure
- Console products have benefited from controlled distribution
- PC and mobile distribution has limited control/curation

Established players struggling with market changes
- Large public companies struggle to compete in smaller markets
- Startups tend to take advantage of new opportunities

A business obsessed with the latest trend and next big thing
- New markets quickly become oversaturated
- Virtual Reality and eSports are the current “overrated” trends

Movement in two Directions
- High-end development with budgets that can reach in the hundreds of millions
- Low-end development with small budgets and development teams with more modest ambitions

Large Publishers Focused on “Big Budget” Games
- Provides an opportunity for small game developers to reach niches that are currently underserved
- However, small developers often struggle to raise capital and face the challenge of standing out in an over-crowded distribution channel

Movement to Games-as-a-Service
- Few games are focused on a business model where the initial purchase is just the first step and there is a focus on ongoing revenue generated via ongoing subscriptions and/or the selling of new content
Virtual Reality and Augmented Reality

Major players include Samsung, Facebook, HTC, Valve, Microsoft and Sony

- Oculus Rift Facebook launched at $599 in March 2016
- HTC and Valve launched Rift at $799 in April 2016
- Sony will launch PlayStation VR at $399 in October 2016
- Samsung Gear VR is $99 headset for galaxy mobile devices
- VR headsets will likely to be able to play on Microsoft’s new Xbox One (late 2017)

VR is NOT a game development play

- Hardware companies are helping fund many high-end developers
- The installed base and high cost of development mean that the risk is too high for most developers
- Low installed base and low software pricing means software revenue is minimal

It is unclear if VR/AR will be a game sales driver or a general media play

- This opportunity is about experiences beyond games
- Shopping, communication, healthcare, education, tourism are all potential areas for VR/AR
- Microsoft is shifting HoloLens AR focus from games to enterprise apps

VR is about expanding the audience and type of content but not a major growth driver for core game software

- VR is more an experience versus an actual game
- It is hard to imagine how successful games that provide hours of gameplay convert to the VR experience

AR could have more diverse applications

- Generally easier to implement and less intrusive
- Pokemon Go (July 2016) is a prime example
Games as a Service Revolution

- Games as a service concept has been around for years
  - The area has been a significant disappointment
  - Significant growth has occurred over past decade in Asia and areas like mobile and social games
- GAS works best for reaching a broad audience that is not willing to pay for games
  - Give game away for free and try and upsell consumer
  - In Asia it was a way to avoid piracy
- GAS became de facto model in mobile
  - $1.00 proved to be too high a price point
  - With nearly a million games giving away product was only way to get noticed
- A handful of products become major hits
- The business model is challenging because consumers must be serviced before they are monetized
- PC games are often able to monetize upfront

Over 2/3 of GAS revenue is from Asia with bulk of P2P revenue from North America and Western Europe

Source: DFC Intelligence Business of Video Games 2016
DFC estimates 1.5 billion gamers worldwide with a great deal of platform overlap

Most users play games for free or very little money

Core audience of about 300 million generates the bulk of revenue

### WORLDWIDE GAME USERS BY REGION AND PLATFORM (IN MILLIONS)

<table>
<thead>
<tr>
<th>Platform</th>
<th>Users (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Console</td>
<td>215</td>
</tr>
<tr>
<td>PC</td>
<td>1,096</td>
</tr>
<tr>
<td>Mobile</td>
<td>1,126</td>
</tr>
<tr>
<td>Total Unique Users (not a sum)</td>
<td>1,506</td>
</tr>
</tbody>
</table>

Source: DFC Intelligence Consumer Segmentation Service 2016
Consumers spend almost as much on hardware to play games as they do on the actual games.

This does not include spending on tablets, smartphones and non-performance PC that play games.

There is a separate market to provide services to game providers.

This is where it starts to look like a $200 billion market.

Games Drive Spending in Other Areas

Source: DFC Intelligence Worldwide Video Game Hardware Forecasts 2016

Source: General Estimate from Analysis of Spending Patterns of Game with Outside Service Vendors
PC Pay-to-Play Online Distribution

- This is a solid category with an estimated $5 billion in revenue
- Note this does not include major titles that also have retail distribution
- Steam service from Valve has emerged as a leading distribution point outside of Asia
- Ability to reach many countries cost effectively is crucial
- This is a solid market in North America and all of Europe
- There are a mixture of small to mid-size developers and publishers and a growing number of indie developers that tend to struggle with liquidity and have limited marketing
- Gym Membership Model: Value pricing on Steam means many consumers buy games they will never play
- Most larger publishers have limited focus on this space because it is too small
- There is an opportunity to aggregate, curate and publish content from smaller developers/independent publishers

Source: DFC Intelligence Business of Video Games 2016
The bulk of mobile game revenue comes from games as a service or what is often referred to as in-app purchases that occur once a user has downloaded the app for free.

Mobile game revenue hit about $20 billion in 2015 (more if you add-in some products in Japan and China that are exclusive to those markets). 90% of that is from in-app purchases once a game is downloaded for free.

iOS did better than expected in 2015 because of Asia and emerging markets.

Google Play in-app purchases have been flat to down in 2015.

Forecasts for all mobile games are being lowered based on weak performance outside top products.

This category is overcrowded and dominated by major entrenched players.

Large established players have struggled to enter this market.

NOTE: Mobile game category is often overstated because much of what is considered games are really other types of apps.
Digital revenue is where most industry growth will come from.

- Digital revenue does best at under $30 price points.
- Microtransactions led by EA Ultimate Team started to take off.
- Bundling and special offers are attempts to drive sales of AAA digital downloads.
- Focus on full game downloads is misplaced.
- DFC is concerned that digital will drive down premium price points faster than the industry anticipates.
- Q1 2016 saw a 17% growth over Q1 2015.
- Note this includes Nintendo systems and previous generation.
- DFC Quarterly reports track digital console.

Source: DFC Intelligence Worldwide Game Forecasting Service.
Note Year 1 = 2006 and 2013 respectively (2008 was 1st year tracking digital).
• If you don’t consider the Wii this generation of consoles should be up
• There are major concerns that Sony and Microsoft are not pushing the systems beyond core gamers
• Sony is pulling ahead as the market leader
• Long term the position of the console systems is very much in doubt
• Almost all console users are also PC gamers and mobile gamers
• A movement to digital is occurring but physical delivery is still strong
• Digital will be a major driver of success in this generation

Source: DFC Intelligence Worldwide Game Forecasting Service. Note Year 1 = 2006 and 2013 respectively
Specialty Game Hardware
- These are console systems that attach to a television set or are portable
- The primary focus of this hardware is to play games
- Microsoft, Nintendo and Sony control almost all market share
- Major new possible entrants to watch are Amazon, Apple and Google

PC Game Hardware
- There is an increasing trend to deliver PC specifically customized to play games
- This only includes systems targeted towards consumers willing to spend extra money for a PC system to play games
- Features include custom cases, extra cooling, larger power supplies, custom mice and keyboards
- Key players include Alienware, Acer, Asus, Corsair, Cyberpower, Falcon Northwest, Razer
- Major PC manufacturers are expanding into custom game PCs (ex HP and Lenovo)
- Component suppliers including AMD, Intel and Nvidia are extremely interested in the game space

Accessories
- Game accessories include memory, specialty joysticks, headsets, audio devices and other hardware that is an extra purchase for a game system
- The accessories market is hoping to get a boost from VR/AR devices starting in 2016
The cumulative # of SKUs released by publisher type on XBLA/PSN (excludes digital releases of AAA retail games)

Major and Minor publishers continue to publish XBLA/PSN games at consistent pace

Indie publishing has grown significantly now that Microsoft and Sony have allowed greater access to XBLA and PSN (respectively) to smaller developers and fledgling digital publishers

Examples of major publishers in XBLA /PSN space include: Activision, EA, Sony, Microsoft, Ubisoft etc.

Majors also publish large selling, high cost AAA retail games

Examples of minor publishers include 505 Games, Sega, Bandai, Konami etc.

Minors also publish smaller games at retail

Indie publishers are often developers that self publish their own content

Examples of Indies include Telltale Games, Team 17, Curve, Devolver, Ripstone, etc.

Source: DFC Intelligence Digital Console Service 2016
**eSports**

**Definition**
This involves players competing in live or online events often for real money and a large number of viewers.

**Dynamics**
eSports is well established but is currently a hot area.
- Growth first occurred in Asia.
- It is a way to promote usage of certain games (marketing loss leader).
- It is a way to attract large numbers of users (potential to sell products and services to those users).
- Trend is to bring eSports in-house (Electronic Arts and Activision Blizzard).

**Main Players**
Activision Blizzard, Electronic Arts, Tencent, Twitch, Valve

**Challenges and Opportunities**
- Large products are being brought in-house limiting third party opportunities.
- New multiplayer games are exploring eSports support for their products. Individual game monetization potential depends on audience critical mass. The more games in eSports the more chance of a shakeout.
- Amazon beat out Google to buy Twitch.tv in 2014 for $1 billion.
  - At time Twitch was generating about $75 million with 55 million users.
  - Compare to multiple game magazines 15 years ago which generated $40 million with only about 1 million users.
- Where is the play at this late stage?
  - Savvy investors were looking at eSports 5 years ago.
  - The recent media attention has resulted in an unsupportable gold rush mentality.
Market Landscape
Gaming & Entertainment Market Landscape

Digital Gaming

Social
- Rumble
- RockYou
- Playdom
- Arkadium
- Social Quantum
- IMVU
- DeNA

Mobile
- Mojang
- Tencent
- GREE
- Kongregate
- Supercell
- Pocket Gems

Casual
- Pogo
- GSN
- King
- Big Fish
- PlayFirst

MMO
- Blizzard
- Square Enix
- Rockstar
- Jagex
- Wargaming

Console Developers
- Harmonix
- Epic
- Activision
- Square Enix
- T2 Games

Console Publishers
- EA
- Activision
- Square Enix
- Microsoft
- Nintendo
- Sony

Console Manufacturers
- Microsoft
- Sega
- Nintendo
- Sony

Digital Distribution

Social Platform
- Google
- hi5
- Facebook

Cloud-Based
- Amazon Web Services
- Gaikai

App Store
- Google Play
- Apple

Portals & Aggregators
- Roku
- Valve
- IGN

Console Distribution

Online/Virtual
- Microsoft
- Sega
- Nintendo

Physical
- Walmart
- GameStop
- Target

Indicates Companies That Have Been Acquired
Leading “Hot” Companies

Online: Goodgame Studios, Gameforge, Gazillion
Mobile: Seriously, Wooga, Flowplay, HuUUGE
Social Casino: TRION, Crowfall, G2A
VR/AR: sensics
MMO: Expand the buyer universe is critical to creating certainty and value
Digital Distribution: GAMESPLANET.com

Broadcasting: kamcord, Hitbox
PC/Console: DOJO MADNESS, Skillz, telitale, Hi-Rez Studios
eSports: G2A
M&A and Private Financing Activity
Gaming & Entertainment Market Remains Strong

Although the majority of gaming transactions are less than $250m in EV, strategics are now making $250m+ acquisitions. The current environment is ‘good enough’ to sustain these levels in 2016 with scale and functionality being the main drivers of value.

6
1
4
5
5
2
3
4
7
1
3
4
7
7
11
3
1
4
1
8

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Transactions</th>
<th>Total Deal Value ($m)</th>
<th>Av. Deal Value ($m)</th>
<th>Av. EV/Revenue</th>
<th>Notable Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PopCap Games ($750m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>OpenFeint ($104m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Riot Games ($400m)</td>
</tr>
<tr>
<td>2011</td>
<td>16</td>
<td>$4.8bn</td>
<td>$300m</td>
<td>3.8x</td>
<td>§ PopCap Games</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>($750m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ OpenFeint ($104m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ Riot Games ($400m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ gloops ($470m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ Funzio ($210m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ OMGPOP ($180m)</td>
</tr>
<tr>
<td>2012</td>
<td>14</td>
<td>$2.7bn</td>
<td>$195m</td>
<td>1.4x</td>
<td>§ Supercell ($1.5bn)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ Backflip Studios</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ $112m</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ Guangzhou</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ Yaowan Ent.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ ($274m)</td>
</tr>
<tr>
<td>2013</td>
<td>11</td>
<td>$7.9bn</td>
<td>$719m</td>
<td>4.8x</td>
<td>§ Big Fish Games</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ ($485m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ Mojang ($2.5bn)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ DianDian ($960m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ iDreamSky ($609m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ King Digital ($5.9bn)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ Shanda Games ($1.9bn)</td>
</tr>
<tr>
<td>2014</td>
<td>21</td>
<td>$13.0bn</td>
<td>$618m</td>
<td>4.3x</td>
<td>§ Bigpoint ($90m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ Jagex ($300m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ Gameloft ($250m)</td>
</tr>
<tr>
<td>2015</td>
<td>23</td>
<td>$15.6bn</td>
<td>$677m</td>
<td>3.0x</td>
<td>§ Guangzhou</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ Yaowan Ent.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ ($274m)</td>
</tr>
<tr>
<td>2016 YTD</td>
<td>10</td>
<td>$9.9bn</td>
<td>$988m</td>
<td>6.1x</td>
<td>§ Bigpoint ($90m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ Jagex ($300m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>§ Gameloft ($250m)</td>
</tr>
</tbody>
</table>

Source: 451 Research, press releases. Notes:
(1) Gaming transactions greater than $40m since 1 January 2011
(2) Transactions in table selected based on degree of strategic relevance to Wooga from a larger data set from footnote (3) categories
(3) Transaction categories include Application Software (Games), Internet Content & Commerce (Entertainment & Games), and Mobile Content (Entertainment)
Gaming M&A has Remained Buoyant Since 2011

<table>
<thead>
<tr>
<th>Announced</th>
<th>Acquirer</th>
<th>Target</th>
<th>Target Description</th>
<th>Deal Size</th>
<th>EV/Rev</th>
<th>EV/EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-Jun-16</td>
<td>Tencent</td>
<td>Supercell</td>
<td>Multi-platform free-to-play mobile online video games</td>
<td>$8,568.0m</td>
<td>3.7x</td>
<td>8.9x</td>
</tr>
<tr>
<td>22-Mar-16</td>
<td>Youzu Interactive</td>
<td>Bigpoint</td>
<td>Action, sports, strategy and role-playing video games</td>
<td>$90.1m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>16-Mar-16</td>
<td>Shandong Hongda</td>
<td>Jagex</td>
<td>Publishes free-to-play online games</td>
<td>$300.0m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>18-Feb-16</td>
<td>Vivendi</td>
<td>Gameloft</td>
<td>iOS, Android, Windows phone and tablet mobile video games</td>
<td>$250.4m</td>
<td>1.5x</td>
<td>n.a.</td>
</tr>
<tr>
<td>04-Jan-16</td>
<td>Activation Blizzard</td>
<td>Major League Gaming, Assets</td>
<td>Online e-sports and game tournaments</td>
<td>$46.0m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>31-Dec-15</td>
<td>Dalian / Everbright</td>
<td>iDreamsky Technology</td>
<td>Chinese mobile video game publisher</td>
<td>$608.7m</td>
<td>2.5x</td>
<td>19.6x</td>
</tr>
<tr>
<td>02-Nov-15</td>
<td>Activation Blizzard</td>
<td>King Digital</td>
<td>Irish online and mobile games</td>
<td>$5,900.0m</td>
<td>2.9x</td>
<td>8.7x</td>
</tr>
<tr>
<td>01-Jul-15</td>
<td>Modern Times Group</td>
<td>Turtle Entertainment</td>
<td>German eSports online tournaments</td>
<td>$86.5m</td>
<td>2.3x</td>
<td>n.a.</td>
</tr>
<tr>
<td>25-Jun-15</td>
<td>KEE Ever Bright</td>
<td>MMOGA</td>
<td>Online games and in-game currencies e-retailer</td>
<td>$342.7m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>09-Jun-15</td>
<td>Pegasus Investment</td>
<td>China Mobile &amp; Entertainment Group</td>
<td>Chinese mobile, social and casual video games developer</td>
<td>$688.8m</td>
<td>3.4x</td>
<td>14.7x</td>
</tr>
<tr>
<td>03-Apr-15</td>
<td>Capitalhold</td>
<td>Shanda Games</td>
<td>Chinese online and casual videogame developer</td>
<td>$1,900.0m</td>
<td>2.9x</td>
<td>8.2x</td>
</tr>
<tr>
<td>12-Feb-15</td>
<td>King Digital</td>
<td>ZZLive</td>
<td>Mobile and online games and simulation video games</td>
<td>$45.0m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>18-Dec-14</td>
<td>SinoCom Software</td>
<td>Kingworld (Beijing) Technology</td>
<td>Chinese online and mobile game developer</td>
<td>$58.0m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>03-Dec-14</td>
<td>Fuchun Communications</td>
<td>Shanghai The Dream Network</td>
<td>Chinese Web, social and mobile videos games</td>
<td>$146.8m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>12-Nov-14</td>
<td>Churchill Downs</td>
<td>Big Fish Games</td>
<td>Online, social, mobile, and Mac and PC videogames</td>
<td>$485.0m</td>
<td>1.6x</td>
<td>7.8x</td>
</tr>
<tr>
<td>14-Oct-14</td>
<td>Multi Dynamic / Perfect Online</td>
<td>Digital Extremes</td>
<td>Console-based games developer</td>
<td>$73.2m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>15-Sep-15</td>
<td>Microsoft</td>
<td>Mojang</td>
<td>PC, Mac, console and mobile video games</td>
<td>$2,500.0m</td>
<td>7.7x</td>
<td>n.a.</td>
</tr>
<tr>
<td>12-Sep-14</td>
<td>China Great Wall</td>
<td>Shenhai Software Development</td>
<td>China-based mobile game software developer</td>
<td>$120.0m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>20-Aug-14</td>
<td>Shenzhen Xinguodu Technology</td>
<td>Fantasy Technology</td>
<td>Online and mobile sports-related video games</td>
<td>$112.2m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>19-Aug-14</td>
<td>Shanghai Zhongji Investment</td>
<td>DianDian Interactive Technology</td>
<td>Mobile and social games developer</td>
<td>$960.0m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>30-Jul-14</td>
<td>Glu Mobile</td>
<td>Cie Games</td>
<td>Mobile device and social media video games</td>
<td>$100.0m</td>
<td>4.8x</td>
<td>42.9x</td>
</tr>
<tr>
<td>23-Jul-14</td>
<td>Zhejiang Great Southeast</td>
<td>UTGame</td>
<td>Chinese online game developer</td>
<td>$90.7m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

Source: 451 Research, press releases. Notes:
(1) Gaming transactions greater than $40m since 1 January 2011
(2) Transactions in table selected based on degree of strategic relevance to Wooga from a larger data set from footnote (3) categories
(3) Transaction categories include Application Software (Games), Internet Content & Commerce (Entertainment & Games), and Mobile Content (Entertainment)
Gaming M&A has Remained Buoyant Since 2011 (Cont’d)

<table>
<thead>
<tr>
<th>Announced</th>
<th>Acquirer</th>
<th>Target</th>
<th>Target Description</th>
<th>Deal Size</th>
<th>EV/Rev</th>
<th>EV/EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>17-Mar-14</td>
<td>Giant Investment</td>
<td>Giant Interactive Group</td>
<td>MMORPG and online games developer</td>
<td>$1,521.0m</td>
<td>5.0x</td>
<td>n.a.</td>
</tr>
<tr>
<td>30-Jan-14</td>
<td>Zynga</td>
<td>NaturalMotion</td>
<td>Social mobile games on iOS and Android</td>
<td>$487.4m</td>
<td>7.6x</td>
<td>n.a.</td>
</tr>
<tr>
<td>15-Oct-13</td>
<td>Softbank</td>
<td>Supercell (51% stake)</td>
<td>Multi-platform free-to-play mobile online video games</td>
<td>$1,530.0m</td>
<td>14.8x</td>
<td>n.a.</td>
</tr>
<tr>
<td>25-Jul-13</td>
<td>Davis / Leonard Green</td>
<td>Activision Blizzard (15.4% stake)</td>
<td>PC, console, online and mobile videogames</td>
<td>$5,830.0m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>08-Jul-13</td>
<td>Hasbro</td>
<td>Backflip Studios</td>
<td>Mobile application game developer</td>
<td>$112.0m</td>
<td>n.a.</td>
<td>2.8x</td>
</tr>
<tr>
<td>27-Jun-13</td>
<td>Datang Telecom</td>
<td>Guangzhou Yaowan Entertainment</td>
<td>Chinese Web-based game developer</td>
<td>$274.3m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>24-Oct-12</td>
<td>GREE</td>
<td>POKELABO</td>
<td>Japanese action and sports-themed mobile games</td>
<td>$174.4m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>01-Oct-12</td>
<td>NEXON</td>
<td>gloops</td>
<td>Online and mobile videogame developer</td>
<td>$469.9m</td>
<td>1.6x</td>
<td>n.a.</td>
</tr>
<tr>
<td>01-May-12</td>
<td>GREE</td>
<td>Funzio</td>
<td>Social, mobile and simulation videogame developer</td>
<td>$210.0m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>09-Apr-12</td>
<td>Zhejiang Daily Media</td>
<td>Shanghai Haofang Online</td>
<td>Online multiplayer videogame portal</td>
<td>$56.0m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>09-Apr-12</td>
<td>Zhejiang Daily Media</td>
<td>Shanda Interactive</td>
<td>Chinese online videogames</td>
<td>$500.0m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>21-Mar-12</td>
<td>Zynga</td>
<td>OMGPOP</td>
<td>Online multiplayer videogames developer</td>
<td>$180.0m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>29-Nov-11</td>
<td>Changyou.com</td>
<td>SOHU.com</td>
<td>Chinese online games provider and game-related portal</td>
<td>$162.5m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>17-Oct-11</td>
<td>Premium Lead Company</td>
<td>Shanda Interactive</td>
<td>Chinese online videogames</td>
<td>$2,266.2m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>12-Jul-11</td>
<td>Electronic Arts</td>
<td>PopCap Games</td>
<td>Online, social, mobile, PC and Mac videogames</td>
<td>$750.0m</td>
<td>7.4x</td>
<td>n.a.</td>
</tr>
<tr>
<td>31-May-11</td>
<td>Perfect World</td>
<td>Cryptic Studios</td>
<td>Massively multiplayer online role-playing games</td>
<td>$49.5m</td>
<td>2.2x</td>
<td>n.a.</td>
</tr>
<tr>
<td>26-Apr-11</td>
<td>Summit Partners / TA Associates</td>
<td>Bigpoint</td>
<td>Action, sports, strategy and role-playing video games</td>
<td>$350.0m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>25-Apr-11</td>
<td>Changyou.com</td>
<td>Shenzhen 7Road Technology</td>
<td>Massively multiplayer online role-playing games</td>
<td>$68.3m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>21-Apr-11</td>
<td>GREE</td>
<td>OpenFeit</td>
<td>Mobile social videogame developer</td>
<td>$104.0m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>04-Feb-11</td>
<td>Tencent</td>
<td>Riot Games</td>
<td>Massively multiplayer online role-playing games</td>
<td>$400.0m</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

Mean: $926.4m, EV/Rev: 4.5x, EV/EBITDA: 14.2x
Median: $262.4m, EV/Rev: 3.2x, EV/EBITDA: 8.8x

Source: 451 Research, press releases. Notes:
(1) Gaming transactions greater than $40m since 1 January 2011
(2) Transactions in table selected based on degree of strategic relevance to Wooga from a larger data set from footnote (3) categories
(3) Transaction categories include Application Software (Games), Internet Content & Commerce (Entertainment & Games), and Mobile Content (Entertainment)
## Independent, Public Gaming Companies at c. 2.0x-3.0x Revenue

<table>
<thead>
<tr>
<th>Company</th>
<th>Stock Price</th>
<th>Market Cap</th>
<th>Enterprise Value</th>
<th>Fully Diluted EV / Revenue</th>
<th>Fully Diluted EV / EBITDA</th>
<th>Revenues</th>
<th>Revenues CAGR</th>
<th>EBITDA</th>
<th>EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local</td>
<td>12-Jul-16</td>
<td>USD (USD m)</td>
<td>Dec-16 (USD m)</td>
<td>Dec-17 (USD m)</td>
<td>Dec-16 (USD m)</td>
<td>Dec-17 (USD m)</td>
<td>Dec-16</td>
<td>Dec-17</td>
</tr>
<tr>
<td>Entertainment</td>
<td>Local Ccy</td>
<td>Date</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>MEAN</td>
</tr>
<tr>
<td>Activision Blizzard</td>
<td>USD</td>
<td>42.66</td>
<td>32,095</td>
<td>35,064</td>
<td>5.5x</td>
<td>5.0x</td>
<td>15.6x</td>
<td>13.2x</td>
<td>6,351</td>
</tr>
<tr>
<td>NetEase</td>
<td>USD</td>
<td>197.33</td>
<td>25,944</td>
<td>22,182</td>
<td>4.2x</td>
<td>3.4x</td>
<td>12.5x</td>
<td>10.9x</td>
<td>5,331</td>
</tr>
<tr>
<td>Electronic Arts</td>
<td>USD</td>
<td>79.51</td>
<td>24,109</td>
<td>21,427</td>
<td>4.5x</td>
<td>4.2x</td>
<td>14.5x</td>
<td>12.1x</td>
<td>4,800</td>
</tr>
<tr>
<td>NEXON</td>
<td>JPY</td>
<td>1,444.00</td>
<td>6,236</td>
<td>3,513</td>
<td>1.8x</td>
<td>1.7x</td>
<td>5.5x</td>
<td>4.3x</td>
<td>1,966</td>
</tr>
<tr>
<td>Ubisoft</td>
<td>EUR</td>
<td>33.98</td>
<td>4,148</td>
<td>4,197</td>
<td>2.3x</td>
<td>2.1x</td>
<td>5.3x</td>
<td>4.6x</td>
<td>1,803</td>
</tr>
<tr>
<td>DeNA</td>
<td>JPY</td>
<td>2,712.00</td>
<td>3,894</td>
<td>3,220</td>
<td>2.1x</td>
<td>1.9x</td>
<td>8.4x</td>
<td>6.9x</td>
<td>1,526</td>
</tr>
<tr>
<td>Take-Two Interactive Software</td>
<td>USD</td>
<td>41.34</td>
<td>3,507</td>
<td>2,735</td>
<td>1.8x</td>
<td>1.4x</td>
<td>13.5x</td>
<td>7.6x</td>
<td>1,560</td>
</tr>
<tr>
<td>Zynga</td>
<td>USD</td>
<td>2.83</td>
<td>2,493</td>
<td>1,636</td>
<td>2.1x</td>
<td>1.9x</td>
<td>32.8x</td>
<td>17.6x</td>
<td>776</td>
</tr>
<tr>
<td>Gree</td>
<td>JPY</td>
<td>592.00</td>
<td>1,371</td>
<td>606</td>
<td>0.9x</td>
<td>0.9x</td>
<td>4.0x</td>
<td>4.0x</td>
<td>681</td>
</tr>
<tr>
<td>Changyou.com</td>
<td>USD</td>
<td>21.33</td>
<td>1,084</td>
<td>461</td>
<td>0.9x</td>
<td>0.8x</td>
<td>3.2x</td>
<td>3.2x</td>
<td>535</td>
</tr>
<tr>
<td>Mean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.6x</td>
<td>2.3x</td>
<td>11.5x</td>
<td>8.4x</td>
<td>2,533</td>
</tr>
<tr>
<td>Median</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.1x</td>
<td>1.9x</td>
<td>10.5x</td>
<td>7.2x</td>
<td>1,681</td>
</tr>
</tbody>
</table>

Sources: Reuters, Capital IQ, Company 10K’s and 10Q’s. Notes:
(1) Stock prices as of 13th July 2016. Financials calendarised to December year end.
(2) Fully-Diluted Market Capitalisation calculated using treasury stock method fully-diluted shares outstanding.
(3) EV/Revenue greater than 40.0x EV/EBITDA greater than 75.0x not meaningful.
Video Game M&A Activity in China

- Videogame M&A activity in China is on an explosive rise and 2016 is poised to set another record high
- 2016 is projected to hit over 20 deals by years end
- Growth was driven by deals like Microsoft’s $2.5 billion acquisition of Mojang, the developer of Minecraft
Video Game Private Financing Activity in China

- The number of private placement transactions of China in the last 3 years peaked at 13.

- The total amount of private placements transactions in China experienced a big boost from 2013 to 2014, jumping from $43 million to $320 million.
Who We Are
DFC Overview

DFC Intelligence offers industry reports and services to fit user’s specific needs

- One-of-reports for companies tracking the industry on a one-time or infrequent basis
- Ongoing services for companies and analysts tracking the game industry on a consistent basis

DFC Intelligence offers an interactive service that provides the following data analysis:

- Aggregate numbers at the region level for the main game platforms PC, console and mobile.
- Specific detail on individual hardware platforms such as PS4, PS, Xbox One, iPhone, iPad, Android and others.
- Break down by country level across all dimensions for over 30 countries.
- Granular detail on particular markets such as PC games by genre and business model, digital distribution of console games and others.
Woodside Capital Overview: How We Add Value

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Delivering Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>M&amp;A: Representing a Seller</strong></td>
<td>- Represent either seller on M&amp;A or corporate divestiture of Business Unit</td>
</tr>
<tr>
<td></td>
<td>- Leverage sector knowledge to position company to maximize valuation</td>
</tr>
<tr>
<td></td>
<td>- Leverage network to attract broadest audience of prospective buyers</td>
</tr>
<tr>
<td></td>
<td>- Negotiate best structure and terms</td>
</tr>
<tr>
<td><strong>M&amp;A: Representing a Buyer</strong></td>
<td>- Create acquisition roadmap to compliment product roadmap</td>
</tr>
<tr>
<td></td>
<td>- Source private companies while remaining anonymous</td>
</tr>
<tr>
<td></td>
<td>- Negotiate best structure and terms</td>
</tr>
<tr>
<td><strong>Capital Raise</strong></td>
<td>- Position company to maximize valuation</td>
</tr>
<tr>
<td></td>
<td>- Access to Strategic, VC, PE investors</td>
</tr>
<tr>
<td></td>
<td>- Multiple term sheets</td>
</tr>
</tbody>
</table>
Disclaimer:
The Information and opinions in this report have been prepared by Woodside Capital Partners International, LLC, its affiliate, Woodside Capital Securities, LLC, and DFC Intelligence. All information supplied or obtained from this report is for informational purposes only and should not be considered investment advice or guidance, an offer of or a solicitation of an offer to buy or sell a security, or a recommendation or an endorsement by Woodside Capital Securities, LLC, Woodside Capital Partners International, LLC and Woodside Capital Partners UK, LLP of any security. Further information on any of the securities mentioned in this report may be obtained from our offices. Other than disclosures relating to Woodside Capital Securities, LLC the information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete statement or summary of the available data. Any opinions expressed herein are statements of our judgment on this date and are subject to change without notice. Periodic updates may be provided on companies/industries based on company specific developments or announcements, market conditions or any other publicly available information.

Important Disclosures:
Woodside Capital Securities, LLC is not a market maker in any securities mentioned in this report. Woodside Capital Securities, LLC and their officers and employees may from time to time acquire, hold, or sell a position in the securities mentioned in this report. Woodside Capital Securities, LLC compensates individuals for activities and services intended to benefit the firm's investor clients. Compensation determinations for individuals, including the author(s) of this report, are based on a variety of factors, and may include the overall profitability of the firm and the revenues derived from all sources, including revenues from investment banking. Woodside Capital Securities, LLC is a registered broker-dealer and member of FINRA (www.finra.org) and SIPC (www.sipc.org). Woodside Capital Securities, LLC is an affiliate of Woodside Capital Partners International, LLC and Woodside Capital Partners UK, LLP. One or more of the companies mentioned in this report may be clients of Woodside Capital Securities, LLC, Woodside Capital Partners International, LLC or Woodside Capital Partners UK, LLP.

Third Party Disclosures:
Any analyst opinions, ratings, and public company reports included in this report are provided by third-parties unaffiliated with Woodside Capital Securities, LLC, Woodside Capital Partners International, LLC and Woodside Capital Partners UK, LLP. Woodside Capital Securities, LLC, Woodside Capital Partners International, LLC and Woodside Capital Partners UK, LLP makes no guarantees that information supplied is accurate, complete, updated or timely, and does not provide any warranties regarding results obtained from its use.
Thanks!

GAME OVER